

3 December 2019

KINA ANNOUNCES PLACEMENT TO TRIPLE-A CREDIT RATED ASIAN DEVELOPMENT BANK

- Asian Development Bank (ADB) to invest US\$10m¹ in Kina Securities Limited (Kina) by way of a placement at AU\$1.3730 per security
- ADB's triple-A credit rating and long established reputation as a leader in regional economic development further strengthens Kina's five-year strategic plan
- Enables Kina to strengthen international correspondent banking relationships
- Improves Kina's access to the PNG export sector
- Enables continued SME segment growth in accordance with PNG Government's focus
- Strategically aligned to enhance and leverage regional and technical expertise

Kina Securities Limited (ASX:KSL PNGX:KSL) (**Kina**), has entered into a binding Share Subscription Agreement with Asian Development Bank (**ADB**) for a placement of 10,751,916 securities at AU\$1.3730/share.

The agreement will further strengthen Kina's international correspondent banking relationships and opens up the PNG corporate export and resources sector as an important source of foreign currency.

Kina will use the funds to continue to grow its SME and retail segment and build its digital capabilities enabling Kina to offer broader product mix including trade finance products to SMEs.

The key terms of the transaction:

- ADB has subscribed for 10,751,916 Kina shares at AU\$1.3730 / share equating to US\$10m²
- It aligns with Kina's Total Societal Impact objective to be a responsible and ethical corporate citizen by adopting an environmental and social management framework in line with international best practice.

¹ USD to AUD fx rate of 0.6774 to be applied

² USD to AUD fx rate of 0.6774 to be applied

ASX/PNGX announcement



Kina CEO Greg Pawson said: "The investment by ADB is a great development and endorsement for the group and for Kina Bank, its customers and shareholders.

"Attracting an investment by ADB represents a key endorsement of our five-year strategic plan. The reputation, strength and capabilities that the ADB brings will enable us to better deliver on our purpose of empowering our customers and communities to have financial independence and security."

ADB is a multilateral development bank which is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining efforts to eradicate extreme poverty. In 2018, it made commitments of new loans and grants amounting to \$21.6 billion. Established in 1966, it is owned by 68 members—49 from the region.

"This transaction is an important milestone in our efforts to promote financial inclusion in Papua New Guinea," said Michael Barrow, Director General of ADB's Private Sector Operations Department. "With its focus on SMEs, along with the high employment potential that comes with developing this segment, Kina is helping to create the conditions for inclusive growth. We look forward to supporting the bank's continued efforts to boost access to sustainable financial services in PNG."

The placement has been done under Kina's ASX Listing Rule 7.1, 15% placement capacity.

Settlement is expected to take place on 6th December 2019

Morgans Financial Limited acted as Financial Advisor and Corrs Chambers Westgarth acted as Legal Advisors to Kina.

Authorised for lodgement: by order of the Board of Directors

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