



21 January 2019

MARKET ANNOUNCEMENT

For immediate release

Kontiki Finance Limited (KFL) Announces Half Year Result – Total Assets up 54%

Kontiki Finance Limited (KFL) announced the Group's unaudited result for the six months to 31 December 2018 (H1).

For the six months ending 31 December 2018, the net profit after tax recorded was \$4.778m, an increase of 98% over the \$2.417m profit recorded for the same period the previous year.

Group earnings per share for the first six months was 5.3 cents per share, up from 3.1 cents per share in the same period previous year.

Net operating income for the six months to 31 December 2018 was \$11.553m, compared with \$7.603m for the same period the previous year, an increase of 52%.

Total assets under management grew to \$194m as at 31 December 2018, compared with \$126m as at 31 December 2017, an increase of 54%.

Net assets closed at \$21.561m as at 31 December 2018, compared with 14.732m as at 31 December 2017, an increase of 46%.

Chairman Daryl Tarte said "Kontiki Finance Group Assets grew well in the half year to 31 December 2018, with strong demand for both loan and deposit products. Profitability also improved, boosted by the reduction in income tax rate to 10% following KFL's listing on the SPSE".

Yours sincerely,

A blue ink signature, likely of Daryl Tarte, the Chairman, written in a cursive style.

Chairman

A blue ink signature, likely of David Dew, the Company Secretary, written in a cursive style.

Company Secretary

KONTIKI FINANCE LIMITED AND ITS SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR HALF YEAR ENDED 31 DECEMBER

(FJ\$ '000)	2018	2017 (Audited)	% Change
Interest income	16,368	10,400	57%
Less Interest expense	(4,583)	(2,628)	74%
Net interest income	11,785	7,772	52%
Fee and other income	772	678	14%
Total operating income	12,557	8,450	49%
Less Impairment charges on financial assets	(1,004)	(847)	19%
Net operating income	11,553	7,603	52%
Less Depreciation	(283)	(165)	71%
Less Operating expenses	(6,049)	(4,349)	39%
Profit before tax	5,221	3,089	69%
Less Income tax expense	(443)	(672)	-34%
Net profit after tax	4,778	2,417	98%
OEI in net profit & extraordinary items after income tax	0	0	0%
Profit attributable to members of the company	4,778	2,417	98%
Retained profit at the beginning of the period	7,983	2,617	205%
Total available for appropriation	12,761	5,034	153%
Less Ordinary dividend provided for/paid out	(2,668)	0	0%
Retained profit at the end of the period	10,093	5,034	100%
Basic earnings per share	5.3 cents	3.1 cents	

KONTIKI FINANCE LIMITED AND ITS SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER

(FJ\$ '000)	2018	2017 (Audited)	% Change
Assets			
Cash at bank	5,293	5,948	-11%
Financial instruments held to maturity	67,451	31,755	112%
Finance receivables	119,102	85,348	40%
Provisions	(3,545)	(2,273)	56%
Other receivables	3,717	3,363	11%
Property, plant & equipment	1,869	1,389	34%
Total Assets	193,887	125,530	54%
Liabilities			
Term deposits	162,571	104,545	56%
Other creditors	9,755	6,253	56%
Total liabilities	172,326	110,798	56%
Net Assets	21,561	14,732	46%
Shareholders' funds			
Ordinary equity	11,468	9,698	18%
Retained earnings	10,093	5,034	100%
Total Shareholders' Funds	21,561	14,732	46%

KONTIKI FINANCE LIMITED AND ITS SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED 31 DECEMBER

(FJ\$ '000)	2018	2017 (Audited)	% Change
Cash flow from operating activities			
Interest received	16,368	10,400	57%
Interest paid	(4,583)	(2,628)	74%
Non-Interest income received	772	678	14%
Payments to suppliers and employees	(4,074)	(3,612)	13%
Net customer loans granted	(15,088)	(21,258)	-29%
Net cash received/(repaid) in respect of deposits	27,149	25,889	5%
Income tax paid	(708)	(440)	61%
Net cashflow from operating activities	19,836	9,029	120%
Cash flow from investing activities			
Acquisition of plant and equipment	(629)	(770)	-18%
Acquisition of intangible asset	(247)	(188)	31%
Acquisition of investment securities	(21,310)	(6,855)	211%
Acquisition of investment through Profit & Loss	0	(433)	-100%
Dividend received	14	-	100%
Net cash flows (used in) Investing Activities	(22,172)	(8,246)	169%
Cash flow from Financing activities			
Capital contribution from shareholders	583	1,798	-68%
Dividend paid	(2,668)	-	-100%
Net cash flows from Financing Activities	(2,085)	1,798	-216%
Net increase in cash and cash equivalents	(4,421)	2,581	-271%
Cash and cash equivalents at 1 July	9,714	3,368	188%
Cash and cash equivalents at 31 December	5,293	5,948	-11%