



30th October 2020

MARKET ANNOUNCEMENT

For Public Release

KONTIKI FINANCE LIMITED (KFL) ANNOUNCES RESULT FOR THREE MONTHS ENDING 30TH SEPTEMBER 2020 –ASSETS UP 24% ON PRIOR YEAR

Kontiki Finance Limited (KFL) announced the Group's unaudited results for the three months to 30th September 2020.

Total Assets under Management grew to \$268.7m as at 30 September 2020, compared with \$216.6m as at 30 September 2019, an increase of 24%.

Net Interest Income for the three months to 30 September 2020 was \$7.9m, compared with \$7.1m for the same period the previous year, an increase of 12%.

For the three months ending 30 September 2020, the Group recorded a Net Profit After Tax (NPAT) of \$2.0m, a decrease of 25% from the \$2.7m NPAT recorded for the same period the previous year. Group Earnings per Share for the first three months was 2.2 cents per share, down from 3.0 cents per share in the same period previous year.

Net Assets closed at \$28.7m as at 30 September 2020, compared with \$27.3m as at 30 September 2019, an increase of 5%.

The Group's cash at bank and liquidity placements grew to \$101.4m as at 30 September 2020, an increase of 45% over the same period in the previous year.

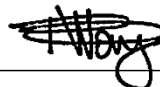
Chairman Daryl Tarte said, "Kontiki Finance Group performed well in the first quarter to deliver a net profit of \$2.0m, after conservatively taking an additional \$2.3m in loan provisions during the quarter. We continued to assist our customers affected by the current economic situation with loan repayment holidays. In addition, our Loan Protection Insurance product has assisted those KFL customers suffering involuntary unemployment."

Tarte added, "During difficult economic times, consumers often have difficulty in accessing financial services. However, our onboarding team is actively working to assist new and existing customers to access our payment solutions."

Yours sincerely,



Daryl Tarte
Chairman



Beatrice Wong
Company Secretary

KONTIKI FINANCE LIMITED AND ITS SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER

(FJ\$ '000)	2020	2019	% Change
Interest income	11,211	9,727	15%
Less Interest expense	(3,116)	(2,582)	21%
Less Other interest and similar expense	(239)	(67)	257%
Net interest income	7,856	7,078	11%
Fee and other income	730	813	-10%
Total operating income	8,586	7,891	9%
Less Impairment charges on financial assets	(2,336)	(759)	208%
Net operating income	6,250	7,132	-12%
Less Personnel expenses	(2,130)	(2,238)	-5%
Less Depreciation	(60)	(171)	-65%
Less Operating expenses	(1,824)	(1,703)	7%
Profit before tax	2,236	3,020	-26%
Less Income tax expense	(211)	(308)	-31%
Net profit after tax	2,025	2,712	-25%
OEI in Net Profit & Extraordinary items after income tax	0	0	
Profit Attributable to Members of the Company	2,025	2,712	-25%
Retained Profit at the Beginning of the Period	14,376	11,831	22%
Total Available for Appropriation	16,401	14,543	13%
Less Ordinary Dividend paid out	(1,836)	0	
Retained Profit at the End of the Period	14,565	14,543	0%
Basic Earnings per share	2.2 cents	3.0 cents	-26%

KONTIKI FINANCE LIMITED AND ITS SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER

(FJ\$ '000)	2020	As Shown in Annual Report For Year Ended 30 June 2020	2019
Assets			
Cash at bank	20,306	12,246	5,757
Financial assets	81,082	77,033	64,019
Finance receivables	167,521	165,838	139,323
Provisions	(13,711)	(12,104)	(4,926)
Other receivables	4,908	11,027	6,015
Right of use assets	6,446	6,786	4,244
Property, plant & equipment	2,116	2,330	2,200
Total Assets	268,668	263,156	216,632
Liabilities			
Term deposits	210,145	213,034	172,357
Corporate (Tier 2 Capital) Bond	10,000	2,600	0
Lease liability	6,657	6,960	4,302
Other creditors	13,171	12,408	12,637
Total liabilities	239,973	235,002	189,296
Net Assets	28,695	28,154	27,336
Shareholders' funds			
Ordinary equity	14,130	13,778	12,793
Retained earnings	14,565	14,376	14,543
Total Shareholders' Funds	28,695	28,154	27,336

KONTIKI FINANCE LIMITED AND ITS SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPTEMBER

(FJ\$ '000)	2020	2019	% Change
Cash flow from operating activities			
Interest income received	11,211	9,727	15%
Interest expense paid	(3,116)	(2,582)	21%
Interest paid on lease liabilities	(97)	(67)	45%
Non-Interest income received	730	813	-10%
Premium income received	326	542	-40%
Payments for claims	(594)	0	
Payments to suppliers and employees	(3,946)	(3,136)	26%
Net customer loans granted	(1,769)	(8,262)	-79%
Term deposits received	(2,889)	12,981	-122%
Income tax paid	0	0	
Net cashflow from operating activities	(144)	10,016	-101%
Cash flow from investing activities			
Acquisition of plant and equipment	(26)	(596)	-96%
Proceeds from sale of plant and equipment	92	0	
Acquisition of intangible asset	(4)	(124)	-97%
Acquisition of debt financial instruments	2,483	(9,930)	-125%
Net proceeds from sale/acquisition of financial asset through profit or loss	113	(1,453)	-108%
Dividend received	29	0	
Proceeds from issuance of corporate bond	7,400	0	
Net cash flows (used in) Investing Activities	10,087	(12,103)	-183%
Cash flow from Financing activities			
Capital contribution from shareholders	352	0	
Dividend paid	(1,836)	0	
Lease payments	(399)	(157)	154%
Net cash flows from Financing Activities	(1,883)	(157)	1099%
Net increase/(decrease) in cash and cash equivalents	8,060	(2,244)	-459%
Cash and cash equivalents at 1 July	12,246	8,001	53%
Cash and cash equivalents at 30 September	20,306	5,757	253%