



8<sup>th</sup> November 2021

## MARKET ANNOUNCEMENT

For Public Release

### **KONTIKI FINANCE LIMITED (KFL) ANNOUNCES RESULT FOR THREE MONTHS ENDED 30<sup>th</sup> SEPTEMBER 2021 – CASH AT BANK AND LIQUIDITY PLACEMENTS UP 19% ON PRIOR YEAR**

Kontiki Finance Limited (KFL) announced the Group's unaudited results for the three months to 30<sup>th</sup> September 2021.

Total Assets under Management fell to \$266.8m as at 30 September 2021, compared with \$268.7m as at 30 September 2020, a decrease of 1%.

Net Interest Income for the three months to 30 September 2021 was \$7.2m, compared with \$7.9m for the same period the previous year, a decrease of 9%.

For the three months ending 30 September 2021, the Group recorded a Net Profit After Tax (NPAT) of \$1.8m, a decrease of 9% from the \$2.0m NPAT recorded for the same period the previous year. Group Earnings per Share for the first three months was 2.0 cents per share, down from 2.2 cents per share in the same period previous year.

Net Assets closed at \$29.1m as at 30 September 2021, compared with \$28.7m as at 30 September 2020, an increase of 1%.

The Group's cash at bank and liquidity placements grew to \$120.9m as at 30 September 2021, an increase of 19% 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 \$1.8m despite management remaining conservative in loan provisions for the first quarter of the year. Our COVID affected customers continue to be assisted with loan repayment holidays."

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Daryl Tarte', positioned above a horizontal line.

Daryl Tarte  
Chairman

A handwritten signature in black ink, appearing to read 'Beatrice Wong', positioned above a horizontal line.

Beatrice Wong  
Company Secretary

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

(FJ\$ '000)	2021	2020	% Change
Interest income	10,235	11,211	-9%
Less Interest expense	(2,616)	(3,116)	-16%
Less Other interest and similar expense	(434)	(239)	82%
<b>Net interest income</b>	<b>7,185</b>	<b>7,856</b>	<b>-9%</b>
Fee and other income	1,133	730	55%
<b>Total operating income</b>	<b>8,318</b>	<b>8,586</b>	<b>-3%</b>
Less Impairment charges on financial assets	(2,384)	(2,336)	2%
<b>Net operating income</b>	<b>5,934</b>	<b>6,250</b>	<b>-5%</b>
Less Personnel expenses	(1,951)	(2,130)	-8%
Less Depreciation	(173)	(60)	188%
Less Operating expenses	(1,803)	(1,824)	-1%
<b>Profit before tax</b>	<b>2,007</b>	<b>2,236</b>	<b>-10%</b>
Less Income tax expense	(171)	(211)	-19%
<b>Net profit after tax</b>	<b>1,836</b>	<b>2,025</b>	<b>-9%</b>
OEI in Net Profit & Extraordinary items after income tax	0	0	
<b>Profit Attributable to Members of the Company</b>	<b>1,836</b>	<b>2,025</b>	<b>-9%</b>
Retained Profit at the Beginning of the Period	14,039	14,376	-2%
<b>Total Available for Appropriation</b>	<b>15,875</b>	<b>16,401</b>	<b>-3%</b>
Less Ordinary Dividend paid out	(1,391)	(1,836)	-24%
<b>Retained Profit at the End of the Period</b>	<b>14,484</b>	<b>14,565</b>	<b>-1%</b>
<b>Basic Earnings per share</b>	<b>2.0 cents</b>	<b>2.2 cents</b>	<b>-10%</b>

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

(FJ\$ '000)	2021	As Shown in Annual Report For Year Ended 30 June 2021	2020
<b>Assets</b>			
Cash at bank	44,902	42,650	20,306
Financial assets	75,955	81,076	81,082
Finance receivables	152,426	158,894	167,521
Provisions	(18,648)	(18,994)	(13,711)
Other receivables	5,417	8,598	4,908
Right of use assets	5,279	5,598	6,446
Property, plant & equipment	1,469	1,765	2,116
<b>Total Assets</b>	<b>266,800</b>	<b>279,587</b>	<b>268,668</b>
<b>Liabilities</b>			
Term deposits	200,998	213,322	210,145
Corporate (Tier 2 Capital) Bond	20,000	20,000	10,000
Lease liability	5,606	5,902	6,657
Other creditors	11,098	11,710	13,171
<b>Total liabilities</b>	<b>237,702</b>	<b>250,934</b>	<b>239,973</b>
<b>Net Assets</b>	<b>29,098</b>	<b>28,653</b>	<b>28,695</b>
<b>Shareholders' funds</b>			
Ordinary equity	14,614	14,614	14,130
Retained earnings	14,484	14,039	14,565
<b>Total Shareholders' Funds</b>	<b>29,098</b>	<b>28,653</b>	<b>28,695</b>

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

(FJ\$ '000)	2,021	2,020	% Change
<b>Cash flow from operating activities</b>			
Interest income received	10,235	11,211	-9%
Interest expense paid	(2,616)	(3,116)	-16%
Interest paid on lease liabilities	(87)	(97)	-10%
Non-Interest income received	1,133	730	55%
Premium income received	0	326	
Payments for claims	(215)	(594)	-64%
Payments to suppliers and employees	(3,976)	(4,043)	-2%
Net customer loans granted including repayments	6,444	(1,769)	-464%
Net term deposits received	(12,324)	(2,889)	327%
Income tax paid	(100)	0	
<b>Net cashflow from operating activities</b>	<b>(1,506)</b>	<b>(241)</b>	<b>525%</b>
<b>Cash flow from investing activities</b>			
Acquisition of plant and equipment	(25)	(26)	-4%
Proceeds from sale of plant and equipment	0	92	
Acquisition of intangible asset	(57)	(4)	1325%
Acquisition of debt financial instruments	5,300	2,483	113%
Net proceeds from sale/acquisition of financial asset through profit or loss	227	113	101%
Dividend received	0	29	
Proceeds from issuance of corporate bond	0	7,400	
<b>Net cash flows (used in) Investing Activities</b>	<b>5,445</b>	<b>10,087</b>	<b>-46%</b>
<b>Cash flow from Financing activities</b>			
Capital contribution from shareholders	0	352	
Dividend paid	(1,391)	(1,836)	-24%
Lease payments	(296)	(302)	-2%
<b>Net cash used in Financing Activities</b>	<b>(1,687)</b>	<b>(1,786)</b>	<b>-6%</b>
Net increase/(decrease) in cash and cash equivalents	2,252	8,060	-72%
Cash and cash equivalents at 1 July	42,650	12,246	248%
<b>Cash and cash equivalents at 30 September</b>	<b>44,902</b>	<b>20,306</b>	<b>121%</b>