KONTIKI FINANCE LIMITED and its Subsidiaries
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Contents

DIRECTORS REPORT

In accordance with a resolution of the Board, the Directors present their report on the entities consisting of Kontiki Finance Limited ("the Company") and its Subsidiaries (collectively "the Group") as at 30 June 2026.

The historical financial information included in this Directors Report has been extracted from the audited financial statements accompanying this Directors Report.

Information in this Directors Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company and the Group, and whether the Company and the Group are trading as a going concern.

The principal activities of the Company during the year were that of receiving deposits and extending of credit and related services. There was no significant change in the nature of these activities during the financial year.

The Company has four subsidiaries as follows:

Platinum Insurance Limited, a company incorporated in the Republic of Vanuatu (Vanuatu). The principal activity of this Subsidiary is to act as a captive insurer underwriting loan protection insurance for the Company and Kontiki Finance Limited (Samoa).

Insurance Holdings (Pacific) Pte Limited, a company incorporated in Fiji. The principal activity of this subsidiary in the course of the financial year was insurance broking. The Group holds a 75.1% ownership interest in the subsidiary, with 24.9% held by non-controlling interests.

Kontiki Finance Limited (Samoa), a company incorporated in Samoa. The principal activity of this subsidiary is receiving deposits and extending of credit and related services.

Veritas Pte Limited, a company incorporated in Fiji. The company did not trade during the year.

The Company was listed on the South Pacific Stock Exchange on 4 July 2018.

Review and Results of Operations

Total comprehensive income of the Group attributable to owners of the Company for the year was $5,497,669 (2025: $12,225,318) after allowing for group income tax expense of $1,676,363 (2025 income tax benefit: $1,115,531). The Company's total comprehensive income for the year was $9,023,708 (2025: $8,856,124) after taking into account an income tax expense of $1,684,819 (2025 Income tax benefit: $1,233,541).

Our Purpose

Enabling people to achieve their goals and aspirations.

Our Vision 2030

To stand out as the leading financial services group providing diverse finance, investment, and insurance solutions.

Our Impact

- Improved accessibility to financial services
- Maximising investor returns, fostering prosperity through strategic growth
- Cultivating an environment where our team can thrive, innovating from within
- Enabling the availability of health outreach to disadvantaged communities

How We Do It

- Good governance
- Innovative spirit
- Maintaining efficient frontier market position(s)
- Diversity of Income

Key Statistics

Key statistics as at 30 June 2026	Group	Company
Total number of employees	203	170
Total assets	$350,035,674	$298,382,473
Total operating revenue	$50,853,295	$45,885,101
Net profit after tax	$5,658,440	$9,030,639
Total comprehensive income for the year, net of tax	$5,621,869	$9,023,708
Earnings per share	$0.05	

Bad and Doubtful Debts

Prior to the completion of the Group's and the Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of provision for expected credit losses. In the opinion of Directors, adequate provision has been made for expected credit losses.

As at the date of this report, the Group and the Company are not aware of any circumstances which would render the amount written off for bad debts or the provision for expected credit losses in the Group and the Company, inadequate to any substantial extent.

Non-Current Assets

Prior to the completion of the financial statements of the Group and the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances which would render the values attributed to non-current assets in the Group's and the Company's financial statements misleading.

Significant events

There were no significant changes in the state of affairs of the Group and the Company during the year ended 30 June 2026.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of the Group and the Company has been given since the end of the financial year to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which the Group and the Company could become liable; and

(iii) no contingent liabilities or other liabilities of the Group and the Company have become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Group and the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities misleading or inappropriate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements) by reason of a contract made by the Group and the Company with the Director or with a firm of which he or she is a Director, or with a company in which he or she has a substantial financial interest.

Basis of Accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate and the Group and the Company will be able to continue its operation for at least twelve months from the date of this report. Accordingly the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

All related party transactions have been adequately recorded in the books of the Group and the Company.

Dividends

A final dividend of 4.0 cents per share, totalling to $4,226,104 was declared from profits for the 2025 financial year and paid in the 2026 financial year. In addition, 3 interim dividends of 1.0 cent per share each, totalling $3,205,200 were declared and paid during the 2026 financial year.

Events occurring after the end of the financial year

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group and the Company, the results of those operations, or the state of affairs of the Group and the Company in future financial years.

Details of Directors

The Directors of the Company during the financial period and up to the date of this report were:

Chirk Hoy Yam (Chairman)
Barry Trevor Whiteside
Griffon Ian Emose
Peter Andrew Dixon
Desmond Eric Kearse
Mark Morris Halabe
Mahipriya Meddepola (appointed 30th October 2025)

Details of Directors *continued*

Details of Directors' direct and indirect shareholdings in the Company as at 30 June 2026 are shown in the table below:

Name	Position	Company
Barry Trevor Whiteside	Director	328,871
Griffon Ian Emose	Director	1,829,688
Desmond Eric Kearse	Director	1,827,885
Mark Morris Halabe	Director	156,655

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its Audit Committee and its Remuneration and Nominations Committee during the period ended 30 June 2026, and attendance by Board members, are set out below:

Director	Position	Board		Audit Committee		Remuneration and Nominations Committee	
		A	B	A	B	A	B
Chirk Hoy Yam	Chairman	8	8	4	4	-	-
Barry Trevor Whiteside	Member	8	8	-	-	2	2
Griffon Ian Emose	Member	8	8	-	-	2	2
Peter Andrew Dixon	Member	8	8	4	4	-	-
Desmond Eric Kearse	Member	8	8	-	-	2	2
Mark Morris Halabe	Member	8	8	4	4	-	-
Mahipriya Meddepola (appointed 30th October 2025)	Member	4	3	2	2	-	-

Column A: number of meetings held while a member
Column B: number of meetings attended

Auditor Independence

The Directors have obtained an independence declaration from the Group's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the *Auditor's Independence Declaration to the Directors of Kontiki Finance Limited* on **page 8**.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 3rd day of September 2026.

CHIRK YAM
....
Name:

....
Chairman

DIRECTORS DECLARATION

This Directors Declaration is required by the Companies Act 2015.

The Directors of Kontiki Finance Limited ("the Company") and its Subsidiaries (collectively "the Group") have made a resolution that declared:

a) in the Directors opinion, the financial statements and notes of the Company and the Group for the financial year ended 30 June 2026:

   i) give a true and fair view of the financial position of the Company and the Group as at 30 June 2026 and the performance of the Company and the Group for the year ended 30 June 2026;

   ii) have been made out in accordance with the Companies Act 2015;

b) they have received declarations as required by Section 395 of the Companies Act 2015; and

c) at the date of this declaration, in the Directors opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 3rd day of September 2026.

CHIRK YAM
……………………………………………………
Name:

……………………………………………………
Chairman

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Auditor's Independence Declaration to the Directors of Kontiki Finance Limited

As lead auditor for the audit of Kontiki Finance Limited ("the Holding Company") and its subsidiaries (collectively "the Group") for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kontiki Finance Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young
Chartered Accountants

Minay Prasad
Partner
Level 7, Pacific House
1 Butt Street
Suva, Fiji

03 September 2026

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Independent Auditor's Report

To the Shareholders of Kontiki Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the separate and consolidated financial statements ("financial statements" of Kontiki Finance Limited (the "Company") and its subsidiaries (together the "Group"), which comprise the statement of financial position of the Company and the Group as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2026 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and Group in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code),* as applicable to audits of financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the Company and Group financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description on how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to the key audit matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Provision for expected credit losses (Key Audit Matter for the Company and the Group)

Why significant	How our audit addressed the key audit matter
As described in Note 2.3 (d) *Impairment of financial assets*, Note 7 *Receivable from customers* and Note 25 *Financial risk management objectives and policies*, the provision for expected credit losses ("ECL") is determined under application of IFRS 9 *Financial Instruments*. This was considered a key audit matter as significant judgement was involved to determine the provision for ECL. Key areas of judgement included: - the interpretation of the requirements to determine impairment under application of IFRS 9, which are reflected in the Company and the Group's ECL model; - the identification of exposures with a significant deterioration in credit quality; - assumptions used in the ECL model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (e.g. forecast gross domestic product growth) as disclosed in Note 25 *Financial risk management objectives and policies* and Note 2.3 (d) *Impairment of financial assets*; and - the need to apply additional overlays to reflect current or future external factors that are not otherwise appropriately captured by the expected credit loss model.	In obtaining sufficient appropriate audit evidence we: ▶ Assessed the modelling techniques and methodology used against the requirements of IFRS 9 *Financial Instruments*. ▶ Performed testing over the: - data used to determine the provision for credit loss, including transactional data captured at loan origination, ongoing internal credit quality assessments, storage of data in data warehouses and interfaces to the ECL model; and - ECL model, including model build and approval, ongoing monitoring/validation, model governance and mathematical accuracy. ▶ Assessed key modelling assumptions with a focus on the: - financial condition of the counterparties and expected future cashflows; and - sensitivity of the collective provisions to changes in modelling assumptions. ▶ Examined a sample of exposures and performed procedures to evaluate the: - timely identification of exposures with a significant deterioration in credit quality; and - expected loss calculation for collective provisioning. ▶ Used industry knowledge and information published by regulators and other bodies, for example recently published gross domestic product growth data, to assess the macro-economic assumptions used in the ECL model. ▶ Assessed whether the financial statement disclosures appropriately reflect the Company and the Group's exposure to credit risk.

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Independent Auditor's Report *(continued)*

Key Audit Matters *continued*

Estimation of insurance contract liabilities (Key Audit Matter for the Group only)

Why significant	How our audit addressed the key audit matter
As at 30 June 2026, the subsidiary company has recorded Insurance Contract Liabilities, including Liability for Remaining Coverage (LRC) and Liability for Incurred Claims (LIC) of $14,126,375. As explained in note 2.3 (t), the Group's Independent Appointed Actuary calculated the insurance contract liabilities by considering relevant models, inputs and assumptions applicable to the Group and taking account of the requirements of IFRS 17 *Insurance Contracts*. LRC reflects premiums received less amounts recognised in revenue for insurance services provided and involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component. LIC comprises cash flows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported. The LIC balance is also inclusive of a risk adjustment. Due to the magnitude of the balances and the estimation uncertainty and subjectivity involved in the assessment of these reserves, in particular the ultimate total settlement amount of the insurance contract liabilities, we consider this to be a key audit matter. The Group's disclosures regarding insurance contract liabilities are included in Note 16 to the financial statements.	In obtaining sufficient appropriate audit evidence we: ▶ Obtained an understanding of the claims management process, including the initiation, review, approval and settlement of insurance claims. ▶ Evaluated the insurance contract liabilities reported by considering the loss reports, internal policies and the assumptions made by management. ▶ Evaluated the competence, capabilities and objectivity of the Actuary appointed by management. ▶ Considered the data provided by the Group to the external Actuary on which the actuarial valuation was based and assessed the completeness and accuracy of this data. ▶ Involved our internal actuarial specialist to assess the insurance contract liabilities report prepared by the Independent Appointed Actuary and to evaluate the methodology and assumptions used in the valuation against the requirements of IFRS 17. ▶ Assessed the adequacy of the disclosures in relation to insurance contract liabilities, including disclosures required by IFRS 17, within the Notes to the Financial Statements.

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Independent Auditor's Report *(continued)*

Other Information

The Directors and management are responsible for the other information. The other information comprises the information in the Annual Report for the year ended 30 June 2026 but does not include the financial statements and the Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and management for the Financial Statements

The Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS accounting standards and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Company's and the Group's ability to continue as going concerns, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company or the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements *continued*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.

- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent Auditor's Report *(continued)*

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Banking Act 1995 and the Companies Act 2015 in all material respects, and:

i) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

ii) the Company and the Group have kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Chartered Accountants

Minay Prasad
Partner
Level 7, Pacific House
1 Butt Street
Suva, Fiji

03 September 2026

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Revenue					
Interest revenue calculated using the effective interest method	3.1	45,013,286	45,211,740	40,797,963	44,954,767
Other interest and similar income	3.2	-	-	111,045	114,520
Interest expense calculated using the effective interest method	4.1	(7,129,258)	(6,431,290)	(6,596,112)	(6,420,210)
Other interest and similar expense	4.2	(1,004,530)	(1,080,636)	(943,617)	(1,010,294)
Net interest income		36,879,498	37,699,814	33,369,279	37,638,783
Insurance revenue	16	2,218,928	2,722,039	-	-
Insurance service expense	16(b)	(1,600,088)	(1,693,285)	-	-
Insurance service result before reinsurance contract held		618,840	1,028,754	-	-
Allocation of reinsurance premium	16(b)	(54,545)	(54,545)	-	-
Net expense from reinsurance contracts held		(54,545)	(54,545)	-	-
Insurance service result		564,295	974,209	-	-
Fee income	3.3	3,634,448	3,415,401	501,234	640,936
Non-trading income	3.4	(13,366)	4,646,655	4,474,859	2,079,400
Net trading revenue		41,064,875	46,736,079	38,345,372	40,359,119
Less: Expenses					
Movements in expected credit loss	7	(8,144,000)	(10,844,960)	(6,234,686)	(10,749,055)
Personnel expenses	4.3	(13,541,338)	(13,698,805)	(11,284,424)	(11,928,386)
Depreciation of plant and equipment and right-of-use assets	13 & 18	(1,475,031)	(1,581,517)	(1,036,807)	(1,318,383)
Amortisation of intangible assets	14	(984,130)	(793,462)	(813,831)	(755,846)
Other operating expenses	4.4	(9,585,573)	(8,891,217)	(8,260,166)	(8,079,206)
Total operating expenses		(33,730,072)	(35,809,961)	(27,629,914)	(32,830,876)
Operating profit before tax from continuing operations		7,334,803	10,926,118	10,715,458	7,528,243
Income tax benefit/(expense)	5	(1,676,363)	1,115,531	(1,684,819)	1,233,541
Net profit after tax		5,658,440	12,041,649	9,030,639	8,761,784
Other comprehensive income					
Net gain/(losses) on debt instruments at fair value through other comprehensive income		(1,286)	111,909	(6,931)	94,340
Exchange differences on translating foreign operation		(35,285)	71,760	-	-
Total comprehensive income for the year, net of tax		5,621,869	12,225,318	9,023,708	8,856,124
Net profit attributable to:					
Owners of the Company		5,534,240	12,041,649	9,030,639	8,761,784
Non-controlling interests		124,200	-	-	-
Total comprehensive income for the year, net of tax attributable to:					
Owners of the Company		5,497,669	12,225,318	9,023,708	8,856,124
Non-controlling interests		124,200	-		
Basic and Diluted earnings per share	22	$0.05	$0.12		

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Issued capital					
Balance at the beginning of the year		28,124,940	15,551,538	28,124,940	15,551,538
Issue of share capital	21	1,959,980	12,573,402	1,959,980	12,573,402
Balance at the end of the year		30,084,920	28,124,940	30,084,920	28,124,940
Retained earnings					
Balance at the beginning of the year		34,981,343	29,269,754	22,815,453	20,383,729
Net profit after tax attributable to the owners of the Company		5,534,240	12,041,649	9,030,639	8,761,784
Dividends	21	(7,431,304)	(6,330,060)	(7,431,304)	(6,330,060)
Disposal of ownership interest in subsidiary without loss of control		(99,315)			
Balance at the end of the year		32,984,964	34,981,343	24,414,788	22,815,453
Fair value reserve					
Balance at the beginning of the year		96,770	(15,139)	70,411	(23,929)
Net change in fair value of debt instrument at FVOCI		(1,286)	111,909	(6,931)	94,340
Balance at the end of the year		95,484	96,770	63,480	70,411
Foreign currency translation reserve					
Balance at the beginning of the year		71,760	-	-	-
Exchange differences on translation of foreign operations		(35,285)	71,760	-	-
Balance at the end of the year		36,475	71,760	-	-
Equity attributable to owners of the Company		63,201,843	63,274,813	54,563,188	51,010,804
Non-controlling interests					
Balance at the beginning of the year		-	-	-	-
Net profit after tax attributable to NCI		124,200	-	-	-
Other comprehensive income attributable to NCI		-	-	-	-
Total comprehensive income attributable to NCI		124,200	-	-	-
Recognition of non-controlling interest (NCI) arising on partial disposal		264,080	-	-	-
Dividends paid to non-controlling interests		(99,602)	-	-	-
Balance at the end of the year		288,678	-	-	-
Total equity		63,490,521	63,274,813	54,563,188	51,010,804

The accompanying notes form an integral part of this Statement of Changes in Equity.

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
ASSETS					
Cash and cash equivalents	6	50,836,731	23,855,142	34,146,385	15,737,979
Financial assets at fair value through profit or loss	9	5,911,567	16,638,470	-	-
Debt financial assets at amortised cost	8	67,430,947	68,450,968	58,250,000	59,600,000
Financial assets at FVOCI	20	6,045,484	6,046,770	5,063,480	5,070,411
Receivable from customers	7	186,371,544	184,888,945	160,197,837	173,594,006
Reinsurance contracts held asset	16(a)	27,272	27,272	-	-
Prepayments and other assets	10	2,891,429	1,957,089	5,195,816	6,890,851
Current tax asset		829,679	-	829,679	-
Investment in subsidiaries	11	-	-	9,630,991	9,795,756
Property, plant and equipment	13	9,708,324	9,651,848	8,530,093	8,408,157
Right-of-use assets	18	1,676,161	2,053,298	1,112,385	1,391,027
Intangible assets and goodwill	14	14,346,053	11,825,128	11,953,287	9,308,624
Deferred tax asset	5	3,960,483	4,933,150	3,472,520	4,892,065
Total assets		350,035,674	330,328,080	298,382,473	294,688,876
EQUITY AND LIABILITIES					
Due to customers	12	248,316,470	229,547,035	223,443,995	226,896,934
Trade and other payables	15	9,760,903	9,828,662	7,142,488	3,822,643
Employee benefit liability	17	442,670	462,751	365,236	406,962
Current tax liability		316,694	335,112	-	371,572
Insurance contract liabilities	16(a)	14,126,375	13,883,295	-	-
Lease liabilities	18	992,041	1,406,412	277,566	589,961
Debt issued and other borrowed funds	19	12,590,000	11,590,000	12,590,000	11,590,000
Total liabilities		286,545,153	267,053,267	243,819,285	243,678,072
SHAREHOLDERS EQUITY					
Issued capital	21	30,084,920	28,124,940	30,084,920	28,124,940
Retained earnings		32,984,964	34,981,343	24,414,788	22,815,453
Fair value reserve		95,484	96,770	63,480	70,411
Foreign currency translation reserve		36,475	71,760	-	-
Equity attributable to owners of the Company		63,201,843	63,274,813	54,563,188	51,010,804
Non-controlling interests		288,678	-	-	-
Total equity		63,490,521	63,274,813	54,563,188	51,010,804
TOTAL EQUITY AND LIABILITIES		350,035,674	330,328,080	298,382,473	294,688,876

The accompanying notes form an integral part of this Statement of Financial Position.

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	Group 2026	Group 2025	Company 2026	Company 2025
		Inflows/ (Outflows) $	Inflows/ (Outflows) $	Inflows/ (Outflows) $	Inflows/ (Outflows) $
Cash flows from operating activities					
Interest income received		43,625,599	43,361,013	39,665,130	43,137,220
Interest expense paid		(8,050,245)	(7,485,708)	(7,517,099)	(7,371,188)
Interest paid on lease liabilities	18	(83,543)	(129,241)	(22,629)	(59,315)
Debt recoveries, Brokerage income, other fee and charges		10,924,427	8,473,726	7,048,017	5,699,262
Premium income received		3,051,005	3,942,450	-	-
Payments to suppliers and employees		(42,106,373)	(20,808,916)	(30,686,335)	(26,779,032)
Payments for claims		(2,084,085)	(984,967)	-	-
Payment of claims handling		(105,000)	(105,000)	-	-
Payment of reinsurance		(54,545)	(54,545)	-	-
Net customer loans repayments including granted		2,596,203	(20,780,515)	18,097,393	(17,639,553)
Net term deposits redeemed/(received)		18,760,763	18,574,640	(3,452,939)	15,924,539
Income taxes paid		(1,570,877)	(1,789,065)	(1,456,302)	(1,686,436)
Net cash flows from/(used in) Operating Activities		24,903,329	22,213,872	21,675,236	11,225,497
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1,260,674)	(2,344,592)	(1,000,887)	(1,266,397)
Proceeds from sale of plant and equipment		226,030	74,304	226,030	85,808
Acquisition of intangible asset		(3,596,609)	(3,124,601)	(3,543,099)	(3,124,601)
Placement of term deposits/disposals of debt financial instruments		1,025,384	(23,634,141)	1,356,932	(20,794,340)
Proceeds from sale of financial asset through profit or loss		10,489,899	5,516	-	-
Dividends received	3.4	49,178	150,351	4,300,398	2,000,000
Proceeds from issue of corporate bond		5,000,000	-	5,000,000	-
Payments for corporate bond		(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Investment in subsidiary		-	(8,919,062)	-	(8,919,062)
Net cash flows from/(used in) Investing Activities		7,933,208	(41,792,225)	2,339,374	(36,018,591)
Cash flows from financing activities					
Capital contribution from shareholders	21	1,959,980	12,573,402	1,959,980	12,573,402
Dividends paid to owners of the Company	21	(7,431,304)	(6,330,060)	(7,431,304)	(6,330,060)
Dividends paid to non-controlling interests		(99,602)	-	-	-
Proceeds from disposal of interest in subsidiary without loss in control		164,765	-	164,765	-
Principal lease payments	18	(436,703)	(740,217)	(299,645)	(686,577)
Net cash from/(used in) Financing Activities		(5,842,864)	5,503,126	(5,606,204)	5,556,765
Net increase/(decrease) in cash and cash equivalents		26,993,673	(14,075,227)	18,408,406	(19,236,329)
Net foreign exchange difference		(12,084)	-	-	-
Cash and cash equivalents at 1 July		23,855,142	37,930,369	15,737,979	34,974,308
Cash and cash equivalents at 30 June	6	50,836,731	23,855,142	34,146,385	15,737,979

The accompanying notes form an integral part of this Statement of Cash Flows.

1. CORPORATE INFORMATION

The financial statements of Kontiki Finance Limited ("the Company") and its Subsidiaries (collectively "the Group") for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 3rd September 2026. The entity owners have the power to amend the financials after issue, if applicable.

Kontiki Finance Limited is a limited liability company incorporated and domiciled in Fiji. The principal activities of the Company are described in Note 28.

The Subsidiary, Insurance Holdings (Pacific) Pte Limited is a limited liability company incorporated and domiciled in Fiji. The principal activities of the company are described in Note 28. The Company holds a 75.1% ownership interest in the Subsidiary, with 24.9% held by non-controlling interests.

The Subsidiary, Platinum Insurance Limited is a limited liability company incorporated and domiciled in Vanuatu. The principal activities of the company are described in Note 28.

The Subsidiary, Kontiki Finance Limited (Samoa) is a limited liability company incorporated and domiciled in Samoa. The principal activities of the company are described in Note 28.

The Subsidiary, Veritas Pte Limited is a limited liability company incorporated and domiciled in Fiji. The company remained dormant during the year and did not undertake any trading activities.

The Company was listed on the South Pacific Stock Exchange on 4 July 2018.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. The financial statements are presented in Fijian dollars (FJD) and all values are rounded to the nearest dollar.

Statement of compliance

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the Banking Act 1995, Fiji Companies Act 2015 and International Financial Reporting Standards (“IFRS”) accounting standards as issued by the International Accounting Standards Board (IASB).

Separate financial statements

A separate set of accounts have been prepared for the parent entity and are presented under the columns marked “Company” in the financial statements. In these separate set of accounts, the company’s investment in its subsidiaries is recorded at cost (less impairment, if any). Dividends from the subsidiaries are recognized in the profit or loss in the financial statements when the company’s right to receive the dividend is established.

Presentation of financial statements

The Group presents its statement of financial position in order of liquidity based on the Group’s intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 7, Note 12 and Note 25.

Financial assets and financial liabilities are generally reported gross in the statement of financial position except when IFRS accounting standards netting criteria are met.

Basis of consolidation

The financial statements comprise the financial statements of Kontiki Finance Limited ('the Company') and its Subsidiaries as at 30 June 2026.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to the parent Company. Non-controlling interests are presented separately within equity in the statement of financial position, and the profit or loss and total comprehensive income attributable to non-controlling interests are presented separately in the statement of profit or loss and other comprehensive income.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value at the date of loss of control.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *continued*

Going concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.1. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company and the Group's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, assessment of significant increase in credit risk, measurement of lifetime expected credit losses and forward-looking assumptions. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk (SICR), in which case allowances for financial assets should be measured on a lifetime expected credit loss (LTECL) basis;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of economic inputs, such as GDP, and their effect on probability of default (PD), exposure at default (EAD) and loss given default (LGD); and
- Management overlay on provision for expected credit loss.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Insurance and reinsurance contracts

Assumptions and estimates are used for:

- Insurance Contract Liabilities
- Reinsurance Contract Held Assets

The assumptions and estimations of management on the above are based on the recommendation of the Group's actuary. Further explanation of the assumptions and estimates are explained further in Note 16.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

2.2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New standards, interpretations and amendments effective during the year

New and amended standards that have been adopted in the annual financial statements for the year ended 30 June 2026, but have not had a material effect on the Group are:

- Amendments to IAS 21: Lack of Exchangeability.

New standards, interpretations and amendments issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent feature.
- Clarifies the treatment of non-recourse assets and contractually linked instruments.
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the new standard and amendments will have on the primary financial statements and notes to the financial statements.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Foreign currencies

Functional and presentation currency

The Group's consolidated financial statements are presented in Fiji dollars (FJD), which is also the Company's functional and presentation currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance date. Differences are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

Group companies

On consolidation, the assets and liabilities in foreign operations are translated into FJD at the spot rate of exchange prevailing at the reporting date, while its revenues and expenses are translated at the average monthly exchange rate of buying and selling prevailing during the year. The exchange differences arising on translation for consolidation are recognised in OCI.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations, and are translated at the closing rate of exchange.

b) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight line basis over the useful life of the Group's asset as follows:

	Rate
Office equipment	20%-50%
Furniture & fittings	7%-20%
Motor vehicles	18%-24%
Building	2.5%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Building on leasehold land is depreciated using the straight-line method over its estimated useful lives or the remaining period of the lease whichever is shorter. Freehold land is not depreciated.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

c) Financial instruments

Recognition and initial measurement

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement date.

The Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

The Group measures Cash and cash equivalents and Receivable from customers at amortised cost.

Financial assets

Classification and subsequent measurement of financial assets

The financial asset is subsequently measured by one of the following methods:

- amortised cost,
- fair value through other comprehensive income (FVOCI) - debt instruments, or
- fair value through profit or loss (FVPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows (business model assessment); and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test) on the principal amount outstanding.

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model. The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement.

The SPPI test

Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI). Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instrument due to repayments or amortization of premium/discount. Interest is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs, and a profit margin. If the Group identifies any contractual features that could significantly modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

c) Financial instruments *continued*

Financial assets continued

Classification and subsequent measurement of financial assets continued

Financial assets measured at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the statement of financial position at fair value with fair value gains or losses recognised in statement of profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Derecognition of financial assets

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

c) Financial instruments *continued*

Financial liabilities

Classification and subsequent measurement of financial liabilities

After initial measurement, financial liabilities are subsequently measured at amortised cost. Amounts Due to customers and debt issued and other borrowed funds are accounted for at amortised cost. Interest on these, calculated using the effective interest rate method, are recognised as interest expense.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same counter-party on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognised as a gain/loss in profit or loss.

d) Impairment of financial assets

Measurement of Expected Credit Loss (ECL)

The Group records the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments in accordance with IFRS 9. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in this note.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are probable within the 12 months after the reporting date.

LTECLs and 12mECLs are calculated on an individual or collective basis, depending on the nature of the underlying portfolios.

The Group uses an expected credit loss approach as required under IFRS 9 to measure allowance for credit losses.

This impairment model measures credit loss allowances for financial assets using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SICR) since origination and are not credit impaired. Stage 1 financial assets also include financial assets where the credit risk has improved, and the asset has been reclassified from Stage 2. The ECL is computed using a 12 month probability of default (PD) and the estimated loss given default (LGD).

- Stage 2 – When a financial asset experiences a SICR subsequent to origination, but is not credit impaired, it is considered to be in Stage 2. This Stage also includes assets where the credit risk has improved, and the financial instrument has been reclassified from Stage 3. The ECL is computed using the lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset, and the estimated LGD.

- Stage 3 – Financial assets considered credit impaired are included in this stage. Similar to Stage 2, the credit loss allowance continues to be based on the LTECL. The ECL is computed using a 100% PD and the estimated LGD.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

d) Impairment of financial assets *continued*

Calculation of expected credit loss

The ECL is calculated by measuring expected cash shortfalls, discounted by the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL calculation are outlined below:

- **PD** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognised and is still in the portfolio.

- **EAD** – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw-downs on committed facilities, and accrued interest from missed payments.

- **LGD** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

- Stage 1 – The 12mECL is calculated as the portion of LTECL that represents the ECL that results from default events on a financial asset that are possible within the 12 months after the reporting date. The 12mECL allowance is calculated based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by the original EIR.

- Stage 2 – When a financial asset has shown a significant increase in credit risk since origination the credit loss allowance is calculated using the LTECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- Stage 3 – For financial assets considered credit-impaired, the lifetime expected credit losses is used for these loans. The method is similar to that for Stage 2 assets with the PD set at 100%.

Forward-looking information

The Group includes prospective information (such as GDP growth) in determining its expected credit loss. This information is sourced from publicly-available economic data and forecasts. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment.

Assessment of significant increase in credit risk (SICR)

The Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life of the loan. The assessment considers quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The common assessments for SICR include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward-looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product and the characteristics of the financial instruments. With regards to delinquency and monitoring, there is a rebuttable presumption that the credit risk of the loan has increased since initial recognition when contractual payments are more than 30 days overdue.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

d) Impairment of financial assets *continued*

Calculation of expected credit loss continued

Expected life

When measuring expected credit loss, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options. For revolving credit facilities, the expected life is estimated based on the period over which the Group is exposed to credit risk and how the credit losses are mitigated by management actions.

Kontiki Finance Limited (Samoa) applies the same expected credit loss (ECL) provisioning methodology in accordance with IFRS 9 as the Company. Given the relatively recent commencement of operations and the absence of sufficient historical loss data specific to the Samoa portfolio, the Group has used historical data from the Company's loan book as a proxy input for the Samoa ECL model. This approach is considered reasonable and consistent with the principles of IFRS 9, particularly during the early phase of operations where entity-specific historical credit loss data is not yet available.

Presentation of allowance for credit losses in the statement of financial position:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the financial assets.

Definition of default

The Group considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganisation; and
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Group considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due.

Write-off policy

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. However, financial assets that are written off could still be subject to enforcement activities. Recoveries of amounts previously written off are recognised in profit or loss as a reduction of credit impairment losses. Such recoveries are separately identified and do not reduce the loss allowance determined under the Group’s expected credit loss model.

e) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash in banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

f) Prepayments and other assets

Prepayments and other assets include interest receivable on loans and investments, advance payments and deposits.

In the consolidation process, related party receivables from the Subsidiaries such as insurance commission and dividends recorded in the Company’s book of account are eliminated against corresponding payables recorded in the Subsidiary Company’s general ledger.

g) Employee entitlements

Provision is made for annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Measurement of the liability for incurred claims

Outstanding claims are assessed by reviewing individual claims and making allowance for claims incurred but not reported, foreseeable events, past experience and industry trends. They are stated in the balance sheet net of any reinsurance or other recoveries.

Provision is also made for claims liability for incurred claims based on foreseeable events, past experience and industry trends. In the current year this allowance was calculated by reviewing the total Subsidiary exposure on all policies written by the Subsidiary, by the Subsidiary's Actuary. The liability for incurred claims is determined independently by the Subsidiary's Actuary Peter Davies B.Bus.Sc., FNZSA, FI.

i) Income tax

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Detailed disclosures are provided in Note 5.

Income tax for the Subsidiary Companies

In Vanuatu, no income taxes of any kind are payable. Insurance Holdings (Pacific) Pte Limited income tax rate is calculated at 25% and Kontiki Finance Limited (Samoa) at 27%.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of any unexpired tax assets and unexpired tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unexpired tax assets and unexpired tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss the year in which the expenditure is incurred.

The useful lives of intangible assets for the Group are assessed to be finite which is systematically amortised on a straight-line basis over the range of their useful life of 5-15 years from the time that it is available for use until it is derecognised.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category, consistent with the function of the intangible assets.

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

k) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

l) Revenue recognition

Interest income and expense

Net interest income comprises interest income and interest expense calculated using the effective interest method. Refer to Note 3.1 and Note 4.1.

In its interest income/expense calculated using the effective interest method, the Group only includes interest on those financial instruments that are set out in Note 7, Note 8 , Note 12 and Note 19.

Other interest income/expense includes all financial assets/liabilities measured at FVPL, other than those held for trading, using the contractual interest rate.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in Non trading income.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

For all financial instruments measured at amortised cost, interest income and expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instruments and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revised its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Fee income

The Group and Company earns fee and commission income from a range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

l) Revenue recognition *continued*

Insurance administrative fee

Insurance administrative fee is brought to account on an earned basis.

Underwriting activities

Revenue from underwriting activities includes revenue derived from premiums and commissions received. Revenue from underwriting activities is recognised on completion of each month's activities.

m) Impairment of non-financials assets

The Group assesses at each reporting date, or more frequently if events or changes and circumstances indicate that the carrying value of a non financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The impairment loss recognized on goodwill is not subject to reversal in subsequent periods.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

n) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year. Certain comparative figures have been reclassified to conform with the current year presentation.

During the year, the Group reclassified leasehold land of $0.9m from property, plant and equipment to right-of-use asset to better reflect the nature of the asset. The reclassification had no effect on previously reported profit before tax, income tax expense, profit after tax, total assets, total liabilities or equity.

During the year, the Group changed the presentation of recoveries of financial assets previously written off. These recoveries were previously presented within other income and are now presented as a reduction of credit impairment losses, as management considers this presentation to provide more relevant information regarding the Group’s net credit-loss experience. Comparative amounts have been reclassified accordingly. As a result, other income and credit impairment losses for the comparative period have each been reduced by $4.9 million. The reclassification had no effect on previously reported profit before tax, income tax expense, profit after tax, total assets, total liabilities or equity.

o) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding at the end of the financial year, adjusted for bonus elements in ordinary shares issued during the year. Refer to Note 22.

p) Dividends

Dividends are recognised as a liability and deducted from equity in the Group's financial statements when they are approved by the directors. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Group.

q) Segment information

The Chief Financial Officer is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group’s financing (including finance costs, finance income and other income) and income taxes are managed on geographical basis and are allocated to operating segments accordingly.

Transfer prices between operating segments are on an arm’s-length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

r) Determination of fair values

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

- Level 3 financial instruments − Those that include one or more unobservable inputs that is significant to the measurement as a whole.

Refer to Note 9 for details of hierarchy for valuation of financial assets at fair value through profit or loss.

s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group has lease contracts for office spaces used in its operations. Leases of office spaces have terms of between 1 and 8 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), discounted using the incremental borrowing rate at the commencement date.

Refer to Note 18 for the right-of-use assets and lease liabilities breakdown.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

t) Insurance and reinsurance contracts

The Group issued insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Insurance contracts can also transfer financial risk. The Group issues loan protection insurance.

Level of aggregation

IFRS 17 requires a Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined first by dividing the business written into portfolios. Portfolios comprise of groups of contracts with similar risks which are managed together, acknowledging that for the accounting year ended 30 June 2026, the Group only issued one type of insurance contract. Portfolios are further divided based on expected profitability at inception into three categories:

- Onerous contracts
- Contracts with no significant risk of becoming onerous
- and the remainder

The Group determines that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulation

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there's no due date

The Group recognises groups of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts; and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts at or before that date.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

t) Insurance and reinsurance contracts *continued*

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to period after the reassessment date.
- A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Measurement - Premium Allocation Approach

Premium Allocation Approach (PAA) Eligibility

Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model.

Where the coverage period for loan protection insurance and reinsurance is one year or less it qualifies automatically for PAA. For insurance with the coverage period greater than one year, these policies contain cancellation clause, therefore considered to have a period of less than a year.

Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money

Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make any adjustment for accretion of interest on the LFRC.

Liability for Incurred Claims (LFIC), adjusted for time value of money

The LFIC is measured as fulfilment cash flows and reflects current estimates of the present value of future cash outflows, including a risk adjustment for non-financial risk.

Where claims are expected to be settled within one year, the Group does not adjust for the time value of money unless the impact of discounting is material.

Recognition - Insurance Service Expense

Insurance service expenses are recognised in profit or loss as the Group satisfies its insurance service obligations. These comprise:

- Claims and other directly attributable expenses incurred during the period;
- Amortisation of insurance acquisition cash flows;
- Losses recognised on onerous groups of contracts and reversals thereof; and

Insurance service expenses exclude insurance finance income or expenses, which are presented separately.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

t) Insurance and reinsurance contracts *continued*

Insurance contracts - initial measurement

The Group applied the PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period for each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and type of its lines of business.

For a group of contracts that is not onerous at initial recognition the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Reinsurance contracts held - initial measurement

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Insurance contracts - subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group recognised insurance acquisition cash flows for insurance contracts issued on or before 30 June 2018. A separate asset for insurance acquisition cash flow has been recognised for this.

At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect the expense on the basis of passage of time.

Presentation

Insurance Revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time, but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

Net income or expense from reinsurance contracts held

The Group presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

		Group		Company	
		2026	**2025**	**2026**	**2025**
3.	**REVENUE**	**$**	**$**	**$**	**$**
3.1	**Interest revenue calculated using the effective interest method**				
	Debt financial assets at amortised cost	1,681,895	1,453,073	1,451,292	1,267,110
	Receivables from customers	43,331,391	43,758,667	39,346,671	43,687,657
		45,013,286	45,211,740	40,797,963	44,954,767
3.2	**Other interest and similar income**				
	Interest income shareholder advance	-	-	111,045	114,520
		-	-	111,045	114,520
3.3	**Fees Income**				
	Brokerage income	2,954,167	2,859,278	-	-
	Other fees and charges	680,281	556,123	501,234	640,936
		3,634,448	3,415,401	501,234	640,936
3.4	**Non-Trading Income**				
	Unrealised gains/(loss) on financial assets held at fair value through profit or loss	(141,584)	4,416,904	-	-
	Realised loss on disposal of financial assets held at fair value through profit or loss	(95,421)	-	-	-
	Dividend income	49,178	150,351	4,300,398	2,000,000
	Gain on disposal of fixed assets	174,461	79,400	174,461	79,400
		(13,366)	4,646,655	4,474,859	2,079,400
4.	**EXPENSES**				
	Included in expenses are:				
4.1	**Interest expense calculated using the effective interest method**				
	Due to customers	7,129,258	6,431,290	6,596,112	6,420,210
		7,129,258	6,431,290	6,596,112	6,420,210
4.2	**Other interest and similar expense**				
	Debt issued and other borrowed funds	920,987	951,395	920,988	950,979
	Interest expense on lease liabilities (Note 18)	83,543	129,241	22,629	59,315
		1,004,530	1,080,636	943,617	1,010,294
4.3	**Personnel Expenses**				
	Salaries and wages	11,862,561	12,042,104	9,801,905	10,384,182
	Employer superannuation contribution	1,134,679	1,067,175	991,884	1,049,743
	FNU Levy	117,349	99,234	107,750	96,834
	Others	426,749	490,292	382,885	397,627
		13,541,338	13,698,805	11,284,424	11,928,386
4.4	**Other operating expenses**				
	Accounting fees	87,413	89,355	87,413	89,355
	Auditors remuneration	117,075	94,431	52,500	54,338
	Directors fees and allowances	303,646	288,132	303,646	288,132
	Administration	5,727,747	5,489,678	5,164,314	5,176,245
	Premises and equipment	1,227,913	1,076,172	1,024,078	917,421
	Insurance expenses	1,396,133	1,508,342	1,122,660	1,279,685
	Other operating expenses	725,646	345,107	505,555	274,030
		9,585,573	8,891,217	8,260,166	8,079,206

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**

5. INCOME TAX EXPENSE

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Current income tax expense	701,260	1,712,146	265,272	1,595,778
Deferred tax expense	975,103	(870,850)	1,419,547	(872,492)
Change in tax rate	-	(1,956,827)	-	(1,956,827)
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income	1,676,363	(1,115,531)	1,684,819	(1,233,541)

The income tax effect relating to the foreign currency translation movement recognised in other comprehensive income is nil.

A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for the year ended 30 June are as follows:

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Accounting profit before income tax	7,334,803	10,926,118	10,715,458	7,528,243
Prima facie income tax on the operating profit*	2,827,665	1,217,582	2,678,865	1,129,236
Tax effect of items treated as permanent differences - current year	(1,300,398)	(312,019)	(1,143,142)	(342,402)
Change in tax rate	-	(1,956,827)	-	(1,956,827)
Others	149,096	(64,267)	149,096	(63,548)
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income	1,676,363	(1,115,531)	1,684,819	(1,233,541)

* The Company's prima facie income tax was calculated at 25% of the Company's operating profit. The subsidiary company Platinum Insurance Limited is based in Vanuatu where no income taxes of any kind are payable. Insurance Holdings (Pacific) Pte Limited tax was calculated at 25% and Kontiki Finance Limited (Samoa) income tax was calculated at 27%.

Deferred income tax asset at 30 June relates to the following:

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Allowance for impairment losses	4,128,411	4,864,785	3,689,479	4,864,785
Accelerated depreciation for book purposes	(315,491)	(118,879)	(318,847)	(122,115)
Right-of-use assets	(142,179)	(222,978)	(57,079)	(123,418)
Lease liabilities	180,219	274,334	69,391	147,490
Employee benefit liability	111,256	112,305	91,309	101,740
Financial assets at FVOCI	(1,733)	23,583	(1,733)	23,583
	3,960,483	4,933,150	3,472,520	4,892,065

Deferred tax assets and liabilities:	**Fiji**	**Samoa**	**Group**
	$	**$**	**$**
Gross deferred tax assets	3,834,192	446,871	4,281,063
Gross deferred tax liabilities	(320,580)	-	(320,580)
Net deferred tax asset by jurisdiction	3,513,612	446,871	3,960,483

Deferred tax assets and liabilities are offset only where there is a legally enforceable right of offset and the balances relate to the same taxable entity and taxation authority. Accordingly, Fiji deferred tax balances are presented net, while the Samoa deferred tax asset is presented separately as it relates to a different taxable entity and taxation authority. The consolidated deferred tax asset therefore comprises the separately determined net positions for Fiji and Samoa.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and at bank. Cash and cash equivalents included in the Statement of Cash Flows comprise the following amounts on the Statement of Financial Position:

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Cash on hand	27,513	26,847	25,723	25,223
Cash at bank	18,366,380	9,922,435	1,677,824	1,806,896
Demand deposits	32,442,838	13,905,860	32,442,838	13,905,860
	50,836,731	23,855,142	34,146,385	15,737,979

7. RECEIVABLE FROM CUSTOMERS

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Credit contracts	194,914,938	195,593,143	174,755,312	192,452,182
Hire purchase	212,259	600,963	200,440	600,963
Insurance brokerage receivables	7,627,936	8,251,369	-	-
Receivables gross carrying value	202,755,133	204,445,475	174,955,752	193,053,145
Less: Allowance for ECL	(16,383,589)	(19,556,530)	(14,757,915)	(19,459,139)
Net receivable from customers	186,371,544	184,888,945	160,197,837	173,594,006

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**

7. RECEIVABLE FROM CUSTOMERS *continued*

Maturity analysis

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Not longer than 3 months	9,991,932	12,430,527	4,374,402	9,659,972
Longer than 3 months but not longer than 12 months	3,954,257	9,093,578	2,395,924	5,635,519
Longer than 12 months but not longer than 5 years	80,838,868	69,609,248	62,437,448	65,215,363
Longer than 5 years	107,970,076	113,312,122	105,747,978	112,542,291
	202,755,133	204,445,475	174,955,752	193,053,145

ECL for receivable from customers

As at 30 June 2026, the allowance for expected credit losses on finance receivables was $16,383,589 (2025: $19,556,530). The total ECL provision for the Company was $14.76m and for Kontiki Finance Limited (Samoa) it was $1.62m. Movements in the ECL is detailed below.

The following table provides information about the exposure to credit risk and ECL for receivables from customers (net of interest suspended) as at 30 June 2026:

30 June 2026	**Gross carrying value**	**Loss allowance**	**Expected weighted average loss rate**	**Credit Impaired**
	$	$		
Stage 1	171,741,841	6,048,449	3.52%	No
Stage 2	15,187,018	1,526,920	10.05%	No
Stage 3	15,826,274	8,808,220	55.66%	Yes
	202,755,133	**16,383,589**	**8.08%**	
Management Overlay	-	-	0.00%	
Overall	**202,755,133**	**16,383,589**	**8.08%**	

A reconciliation of the allowance for impairment losses for receivables from customers is as follows:

30 June 2026	**Movements in ECL**	**Total allowance for ECL**	**Reconciliation of movement in expected credit loss**
	$	$	$
Opening balance as at 1 July 2025	19,556,530	19,556,530	-
Loss allowance equal to 12m ECL/increase in provisions	37,021	13,706,902	13,811,770
Loss allowance equal to lifetime ECL with SICR/(write-off within the provision)	(354,935)	(14,714,206)	(2,268,979)
Loss allowance equal to lifetime ECL that are credit impaired/(write back)	(1,455,027)	(765,637)	
Direct write-off	-	-	2,973,531
Management Overlay	(1,400,000)	(1,400,000)	-
Bad debts recovered		-	(6,372,322)
Closing balance	16,383,589	16,383,589	8,144,000

In the prior year, management recognized an overlay provision in respect of certain exposures where the expected credit loss was not considered to be fully captured by the entity's ECL model. During the current year, the uncertainties associated with these exposures were resolved. Consequently, the related management overlay was released and no management overlay remained as at the reporting date.

30 June 2025	**Gross carrying value**	**Loss allowance**	**Expected weighted average loss rate**	**Credit Impaired**
	$	$		
Stage 1	169,715,168	6,011,428	3.54%	No
Stage 2	16,334,383	1,881,855	11.52%	No
Stage 3	18,395,924	10,263,247	55.79%	Yes
	204,445,475	**18,156,530**	**8.88%**	
Management Overlay	-	1,400,000	0.68%	
Overall	**204,445,475**	**19,556,530**	**9.57%**	

7. RECEIVABLE FROM CUSTOMERS *continued*

ECL for receivable from customers *continued*

30 June 2025	**Movements in ECL**	**Total allowance for ECL**	**Reconciliation of movement in expected credit loss**
	$	**$**	**$**
Opening balance as at 1 July 2024	13,286,974	13,286,974	-
Loss allowance equal to 12m ECL/increase in provisions	765,779	13,589,390	15,018,485
Loss allowance equal to lifetime ECL with SICR/(write-off within the provision)	1,074,490	(8,475,066)	(1,675,347)
Loss allowance equal to lifetime ECL that are credit impaired/(write back)	3,029,287	(244,768)	
Direct write-off	-	-	1,080,749
Management Overlay	1,400,000	1,400,000	1,400,000
Bad debts recovered			(4,978,927)
Closing balance	19,556,530	19,556,530	10,844,960

Collateral security for loans and advances is mainly motor vehicles. At 30 June 2026, approximately 30% of Stage 3 loans were secured by collateral.

See Note 25 on credit risk of loans and advances, which explains how the Company manages and measures credit quality of loans and advances that are neither past due nor impaired.

	Group		**Company**	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
8. DEBT FINANCIAL ASSETS AT AMORTISED COST				
Receivables due from other financial institutions	65,230,947	65,850,968	56,050,000	57,000,000
Securities held	2,200,000	2,600,000	2,200,000	2,600,000
	67,430,947	68,450,968	58,250,000	59,600,000
9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Quoted equity shares	5,911,567	16,638,470	-	-

As at 30 June 2026, the Group had $5,911,567 of equity shares. The fair value of the equity shares is determined by reference to published price quotations in an active market.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group’s financial instruments that are carried at fair value in the financial statements.

	Carrying Amount	**Fair Value**			
30 June 2026		**Level 1**	**Level 2**	**Level 3**	**Total**
Quoted equity shares	5,911,567	5,911,567	-	-	5,911,567
30 June 2025					
Quoted equity shares	16,638,470	16,638,470	-	-	16,638,470

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period in which the transfer occurs. There were no transfers between levels of the fair value hierarchy during the year and for the prior year.

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**

10. PREPAYMENTS AND OTHER ASSETS

Other debtors	1,598,568	1,128,331	1,314,535	1,824,894
Prepayments	1,292,861	828,758	1,788,520	1,750,875
Receivable from related party (Note 24)(b)	-	-	2,092,761	3,315,082
	2,891,429	1,957,089	5,195,816	6,890,851

11. INVESTMENT IN SUBSIDIARIES

Shares in Subsidiary Companies:				
- Platinum Insurance Limited	-	-	215,000	215,000
- Insurance Holdings (Pacific) Pte Limited	-	-	496,929	661,694
- Kontiki Finance Limited (Samoa)	-	-	8,919,062	8,919,062
	-	-	9,630,991	9,795,756

The Company holds 100% of the ordinary shares in Platinum Insurance Limited and Kontiki Finance Samoa Limited. The results of these subsidiaries have been consolidated in these financial statements.

In December 2025, the Company disposed of a 24.90% ownership interest in Insurance Holdings (Pacific) Pte Limited to a related party for cash consideration of $164,765. Following the transaction, the Company retained a 75.10% controlling interest in the subsidiary.

As there was no loss of control, the transaction was accounted for as an equity transaction in accordance with IFRS 10 Consolidated Financial Statements. Non-controlling interest of $264,080 was recognised at the transaction date. The difference of $99,315 between the consideration received and the carrying amount of the non-controlling interest recognised was recorded directly as a reduction in retained earnings attributable to the owners of the Company. No gain or loss was recognised in the consolidated statement of profit or loss and other comprehensive income.

12. DUE TO CUSTOMERS

As at year end, due to customers is as follows:

Term deposits	248,316,470	229,547,035	223,443,995	226,896,934

Sector concentration

Individuals	97,146,537	96,518,898	96,854,829	96,412,966
Private sector businesses	53,488,690	44,840,437	53,380,497	42,296,268
Public enterprises	24,995,278	40,904,326	24,995,278	40,904,326
Non-profit institutions	12,346,685	13,656,930	12,346,685	13,656,930
Non-bank financial institutions	60,339,280	33,626,444	35,866,706	33,626,444
	248,316,470	229,547,035	223,443,995	226,896,934

Maturity analysis

Not longer than 3 months	20,625,039	22,346,695	20,619,916	22,346,695
Longer than 3 months and not longer than 12 months	74,444,542	90,939,709	68,525,281	88,395,540
Longer than 12 months and not longer than 5 years	135,941,829	101,989,152	116,993,738	101,883,220
Longer than 5 years	17,305,060	14,271,479	17,305,060	14,271,479
	248,316,470	229,547,035	223,443,995	226,896,934

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
13. PROPERTY, PLANT AND EQUIPMENT				
Furniture and fittings				
Cost:				
At 1 July	1,791,078	1,441,254	952,086	1,396,134
Additions	31,857	823,048	6,575	28,743
Disposals	(16,836)	(473,224)	(4,153)	(472,791)
At 30 June	1,806,099	1,791,078	954,508	952,086
Depreciation:				
At 1 July	843,407	1,175,878	771,941	1,148,748
Depreciation charge for the year	220,110	139,593	61,893	95,248
Disposal	(4,179)	(472,064)	(4,153)	(472,055)
At 30 June	1,059,338	843,407	829,681	771,941
Net written down value as at 30 June	746,761	947,671	124,827	180,145
Office equipment				
Cost:				
At 1 July	3,079,965	2,888,939	2,590,340	2,496,554
Additions	237,401	470,608	189,564	361,946
Disposal	(98,443)	(279,582)	(96,355)	(268,160)
At 30 June	3,218,923	3,079,965	2,683,549	2,590,340
Depreciation:				
At 1 July	2,013,577	1,957,872	1,678,667	1,650,363
Depreciation charge for the year	372,546	337,055	301,745	285,684
Disposal	(74,111)	(281,350)	(73,673)	(257,380)
At 30 June	2,312,012	2,013,577	1,906,739	1,678,667
Net written down value as at 30 June	906,911	1,066,388	776,810	911,673
Motor vehicles				
Cost:				
At 1 July	1,873,711	1,442,216	1,599,317	1,343,051
Additions	727,483	703,245	545,100	528,016
Disposal	(434,000)	(271,750)	(434,000)	(271,750)
At 30 June	2,167,194	1,873,711	1,710,417	1,599,317
Depreciation:				
At 1 July	1,036,579	1,076,982	990,630	1,057,644
Depreciation charge for the year	354,205	231,347	279,553	204,736
Disposal	(396,417)	(271,750)	(396,417)	(271,750)
At 30 June	994,367	1,036,579	873,766	990,630
Net written down value as at 30 June	1,172,827	837,132	836,651	608,687

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
13. PROPERTY, PLANT AND EQUIPMENT *continued*				
Buildings				
Cost:				
At 1 July	5,178,645	4,830,953	5,059,240	4,711,548
Additions	62,751	347,692	62,751	347,692
At 30 June	5,241,396	5,178,645	5,121,991	5,059,240
Depreciation:				
At 1 July	305,422	179,587	279,022	156,172
Depreciation charge for the year	130,409	125,835	127,424	122,850
At 30 June	435,831	305,422	406,446	279,022
			-	-
Net written down value as at 30 June	4,805,565	4,873,223	4,715,545	4,780,218
Freehold land				
Cost:				
At 1 July	1,900,000	1,900,000	1,900,000	1,900,000
At 30 June	1,900,000	1,900,000	1,900,000	1,900,000
Net written down value as at 30 June	1,900,000	1,900,000	1,900,000	1,900,000
Work In Progress				
Cost:				
At 1 July	27,433	566,331	27,433	16,576
Additions	337,557	112,672	337,557	112,672
Transfers	(140,660)	(651,570)	(140,660)	(101,815)
Disposal	(48,070)	-	(48,070)	-
At 30 June	176,260	27,433	176,260	27,433
Net book value as at 30 June	9,708,324	9,651,848	8,530,093	8,408,157

During the year, the Group obtained an independent valuation of its land and buildings. Based on the valuation performed by an independent professionally qualified valuer using a market approach based on comparable property sales, the estimated fair value of the land and buildings was $8.89m as at 31 December 2025, compared with a carrying amount of $7.50m at that date ($7.50m comprises of $1.90m freehold land, $0.89m leasehold land and $4.71m buildings).

The Group continues to apply the cost model under IAS 16. Accordingly, the valuation has not been recognised in the financial statements and no revaluation surplus has been recorded.

14. INTANGIBLE ASSETS AND GOODWILL

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Software costs				
Cost:				
At 1 July	12,588,581	10,319,891	10,928,772	10,319,891
Additions	3,227,683	3,179,342	3,181,122	1,519,533
Disposal	-	(910,652)	-	(910,652)
At 30 June	15,816,264	12,588,581	14,109,894	10,928,772
Amortisation and impairment:				
At 1 July	1,657,764	1,774,047	1,620,148	1,774,047
Amortisation	984,130	793,462	813,831	755,846
Disposal	-	(909,745)	-	(909,745)
At 30 June	2,641,894	1,657,764	2,433,979	1,620,148
Net written down value as at 30 June	13,174,370	10,930,817	11,675,915	9,308,624

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**

14. INTANGIBLE ASSETS AND GOODWILL *continued*

Work In Progress				
Cost:				
At 1 July	-	54,742	-	54,742
Additions	2,418,374	3,124,601	2,418,374	3,124,601
Transfers	(2,056,397)	(3,179,342)	(2,056,397)	(3,179,342)
Disposal	(84,605)	-	(84,605)	-
At 30 June	277,372	-	277,372	-
Goodwill				
Cost:				
At 1 July	894,311	894,311	-	-
At 30 June	894,311	894,311	-	-
Net written down value as at 30 June	14,346,053	11,825,128	11,953,287	9,308,624

Goodwill amounting to $894,311 has been recorded by the Group in respect of the acquisition of subsidiary, Insurance Holdings Limited.

The Group performs an annual impairment assessment of goodwill to determine whether the carrying amount exceeds its recoverable amount. The recoverable amount of the CGU was assessed internally by the Group based on its value in use. This was determined by discounting the future cash flows to be generated from the continuing operations of the subsidiary company using significant unobservable inputs and management assumptions and is therefore classified as a Level 3 measurement within the fair value hierarchy. The carrying amount of the CGU amounting to approximately $1.8m was determined to be lower than its recoverable amount of $5.2m, indicating that goodwill was not impaired at year end. Accordingly, no impairment loss was recognised.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessments of future performance of the subsidiary and have been based on historical data from both external and internal sources.

In percent

Discount rate (WACC) – 15%
Terminal value growth rate – 3%
Budgeted growth rate (average) – 7.8%

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal Gross Domestic Product (GDP) rate for Fiji in which the CGU operates and the long-term compound annual EBITDA growth rates estimated by management.

Budgeted EBITDA was based on expectations of future outcomes taking into account the past five financial years experience, adjusted for anticipated revenue growth.

A quantitative sensitivity analysis as at 30 June 2026 is shown below:

Key assumptions	**Range**	**Impact on value in use**
Discount rate (WACC)	14% - 16%	One-percentage point increase in the WACC would decrease value in use by $480k. One-percentage point decrease in the WACC would increase value in use by $560k.
Terminal value growth rate	2% - 4%	One-percentage point increase in the terminal growth rate would increase value in use by $370k. One-percentage point decrease in the terminal value growth rate would decrease value in use by $310k.
Budgeted growth rate (average)	6.8% - 8.8%	One-percentage point increase in the budgeted growth rate would increase value in use by $510k. One-percentage point decrease in the budgeted growth rate would decrease value in use by $510k.

15. TRADE AND OTHER PAYABLES

Trade payables	6,030,665	5,493,177	370,039	358,338
Payable to related party (Note 24(b))	27,000	23,500	4,923,677	1,054,255
Accrued and other liabilities	3,703,238	4,311,985	1,848,772	2,410,050
	9,760,903	9,828,662	7,142,488	3,822,643

Terms and conditions of the above financial liabilities are as follows:
- Trade payables are non-interest bearing and are normally settled as and when due.

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS

	2026		2025	
	Assets	Liabilities	Assets	Liabilities
Liabilities for remaining coverage	-	13,163,086	-	12,331,009
Liabilities for incurred claims	-	963,289	-	1,552,286
Insurance contract (assets)/liabilities	**-**	**14,126,375**	**-**	**13,883,295**
Amounts for remaining coverage	27,272	-	27,272	-
Amounts recoverable on incurred claims	-	-	-	-
Total reinsurance contracts held	**27,272**	**-**	**27,272**	**-**

(a) Reconciliations

Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial period

	Assets for insurance acquisition cash flows	Liabilities for remaining coverage	Liabilities for incurred claims		Total
			Estimates of the present value of future cash flows	Risk Adjustment	
2026					
Loan Protection					
Insurance contract (assets)/liabilities 1 July 2025	**-**	**12,331,009**	**1,472,462**	**79,824**	**13,883,295**
Insurance revenue	-	(2,218,928)	-	-	(2,218,928)
Insurance service expense					
Gross claims incurred	-	-	1,554,346	-	1,554,346
Changes to liabilities for incurred claims	-	-	41,583	4,159	45,742
Net insurance (revenue)/expense	**-**	**(2,218,928)**	**1,595,929**	**4,159**	**(618,840)**
Cash flows					
Premiums received	-	3,051,005	-	-	3,051,005
Payment of claims	-	-	(2,084,085)	-	(2,084,085)
Payment of claims handling	-	-	(105,000)	-	(105,000)
Total cash flows	**-**	**3,051,005**	**(2,189,085)**	**-**	**861,920**
Allocation of assets for insurance acquisition cash flows	**-**	**-**	**-**	**-**	**-**
Insurance contract (assets)/liabilities 30 June 2026	**-**	**13,163,086**	**879,306**	**83,983**	**14,126,375**
2025					
Loan Protection					
Insurance contract (assets)/liabilities 1 July 2024	**(6,793)**	**11,110,598**	**872,128**	**83,633**	**12,059,566**
Insurance revenue	-	(2,722,039)	-	-	(2,722,039)
Insurance service expense					
Gross claims incurred	-	-	1,728,380	-	1,728,380
Changes to liabilities for incurred claims	-	-	(38,079)	(3,809)	(41,888)
Movement to acquisition cost cash flows	-	6,793	-	-	6,793
Net insurance (revenue)/expense	**-**	**(2,715,246)**	**1,690,301**	**(3,809)**	**(1,028,754)**
Cash flows					
Premiums received	-	3,942,450	-	-	3,942,450
Payment of claims	-	-	(984,967)	-	(984,967)
Payment of claims handling	-	-	(105,000)	-	(105,000)
Total cash flows	**-**	**3,942,450**	**(1,089,967)**	**-**	**2,852,483**
Allocation of assets for insurance acquisition cash flows	**6,793**	**(6,793)**	**-**	**-**	**-**
Insurance contract (assets)/liabilities 30 June 2025	**-**	**12,331,009**	**1,472,462**	**79,824**	**13,883,295**

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

(a) Reconciliations *continued*

	Assets for remaining coverage	Amounts recoverable on incurred claims	Total
2026			
Loan Protection			
Reinsurance contract assets 1 July 2025	**27,272**	**-**	**27,272**
Allocation of reinsurance premium	(54,545)	-	(54,545)
Amounts recoverable from reinsurers for incurred claims	-	-	-
Total changes in the statement of comprehensive income	**(54,545)**	**-**	**(54,545)**
Cash flows			
Reinsurance premium paid	54,545	-	54,545
Amounts received	-	-	-
Total cash flows	**54,545**	**-**	**54,545**
Reinsurance contract assets 30 June 2026	**27,272**	**-**	**27,272**
2025			
Loan Protection			
Reinsurance contract assets 1 July 2024	**27,272**	**-**	**27,272**
Allocation of reinsurance premiums	(54,545)	-	(54,545)
Amounts recoverable from reinsurers for incurred claims	-	-	-
Total changes in the statement of comprehensive income	**(54,545)**	**-**	**(54,545)**
Cash flows			
Reinsurance premium paid	54,545	-	54,545
Amounts received	-	-	-
Total cash flows	**54,545**	**-**	**54,545**
Reinsurance contract assets 30 June 2025	**27,272**	**-**	**27,272**

(b) Insurance Contracts

	2026 $	2025 $
(i) Insurance Service Result		
Insurance revenue	**2,218,928**	**2,722,039**
Insurance service expense	**(1,600,088)**	**(1,693,285)**
Incurred claims and other expenses	(1,449,346)	(1,623,380)
Insurance and claims handling fees	(105,000)	(105,000)
Net movement in insurance contract liabilities	(45,742)	41,888
Amortisation of insurance acquisition cash flows	-	(6,793)
Insurance service result before reinsurance contracts held	**618,840**	**1,028,754**
Allocation of reinsurance premium	(54,545)	(54,545)
Allocation of reinsurance premiums	**(54,545)**	**(54,545)**
Net expense from reinsurance contracts held	**(54,545)**	**(54,545)**
Insurance service result	**564,295**	**974,209**

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

	2026 $	2025 $
(b) Insurance Contracts *continued*		
Investment income	**42,778**	**4,753,218**
Interest Income	142,955	109,536
Bond Interest	87,650	76,426
Dividend	49,178	150,351
Unrealised (Loss) / Gain on Equities	(141,584)	4,416,854
Realised (Loss) / Gain on Equities	(95,421)	51
Other income and expenses	**(278,554)**	**(220,423)**
Actuary Fees	(13,956)	(12,554)
Auditors Remuneration	(30,188)	(30,188)
Bank Fees	(897)	(3,767)
Foreign Currency Loss	(2,737)	1,071
Share Sold Fees	(87,518)	(139)
Management Fee Expense	(116,721)	(94,420)
Local Representative Fee	(8,392)	(6,891)
Tax – Withholding tax on Interest	(13,934)	(9,861)
Travel Expense	(1,233)	-
Parking Expense	-	(1,871)
Depreciation	(40,657)	(41,217)
Other Income	54,411	-
Interest Expense for Lease	(16,732)	(20,586)
Operating profit before taxation	**328,519**	**5,507,004**
Income tax expense	-	-
Operating profit after taxation	**328,519**	**5,507,004**
(ii) Insurance service expense		
Gross claims incurred	(1,449,346)	(1,623,380)
Net claims incurred	**(1,449,346)**	**(1,623,380)**

Investment and other income and expenses are consolidated into various line items recorded in the statement of profit or loss and other comprehensive income.

Gross claims incurred

Current year claims relate to risks borne in the current financial year. Prior year claims relate to a reassessment of the risks borne in all previous financial years.

(c) Liability for incurred claims

	2026 $	2025 $
Central estimate of expected present value of future payments for claims incurred	777,624	739,120
Claims payable	39,473	674,212
Outstanding claims liability	817,097	1,413,332
Risk margin	83,983	79,824
Claims handling costs	62,210	59,130
Liability for incurred claims	**963,290**	**1,552,286**

The subsidiary's Actuary, Peter Davies, B.Bus.Sc, FNZSA, FI, has calculated the estimate of the outstanding claims liability as at reporting date for the subsidiary by review of historical claims data and the estimated cost of settling claims on the basis of past performance and trends.

The outstanding claims liability has been determined in accordance with IFRS 17, Insurance Contracts issued by the International Accounting Standards Board, and Professional Standard No. 30 of the New Zealand Society of Actuaries – Valuation of General Insurance Claims.

The subsidiary's Actuary is satisfied as to the nature, sufficiency and accuracy of the data used to determine the outstanding claims liability. The outstanding claims liability is set at a level that is appropriate and sustainable to cover the company's claims obligations after having regard to the prevailing market environment and prudent industry practice.

The key assumptions adopted by the subsidiary's Actuary in calculation of the outstanding claims liability are set out below.

At the reporting date, there are no qualifications contained in the Actuarial Report.

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

(c) Liability for incurred claims *continued*

(i) Assumptions adopted in calculation of the liability for incurred claims

Key assumptions

The following key assumptions were used by the Actuary:
- claims reporting patterns: derived from analysis of past claims experience;
- risk margin: 10.0% (30 June 2025: 10.0%); and
- claims management allowance: 8% (30 June 2025: 11%)

Claims reporting patterns

The claims reporting pattern assumed in the estimate of the outstanding claim liability is in line with the subsidiary's past experience. Claims are typically resolved within one year.

Risk margin

The estimate of the outstanding claims liability also includes a risk margin that relates to the inherent uncertainty in the central estimate of the future payments. Risk margins are determined on a basis that reflects the subsidiary's business. Regard is given to the robustness of the valuation models, the reliability and volume of available data, past experience of the insurer and the industry and the characteristics of the classes of business written.

Uncertainty in claims is represented as a volatility measure in relation to the central estimate. The volatility measure is derived after consideration of statistical modelling and benchmarking to industry analysis. The measure of the volatility is referred to as the coefficient of variation, defined as the standard deviation of the distribution of future cash flows divided by the mean.

The risk margins applied to future claims payments are determined with the objective of achieving at least 75% probability of sufficiency for both the outstanding claims liability and the unexpired risk liability.

Claims management allowance

The estimate of the outstanding claims liability incorporates an allowance for the future cost of administering the claims. This allowance is determined after analysing historical claim related expenses incurred by the classes of business.

(ii) Sensitivity analysis

Generally, all insurance business entered into is short-term in nature. The key sensitivities relate to payment durations, risk margin and claims management allowance.

The movement in any of these key variables will impact the performance and equity of the company.

The following table describes how a change in each assumption will affect the outstanding claim liability and shows an analysis of the sensitivity to the profit or loss.

Variable	**Movement**	**2026**	**2025**
		$	**$**
Effect on profit or loss			
- Payment durations	10% longer	1,036,896	946,252
- Payment durations	10% shorter	(615,694)	(620,109)
- Claims management expenses	10% higher	6,221	5,913
- Claims management expenses	10% lower	(6,221)	(5,913)
- Non-financial risk margin	10% higher	8,398	7,983
- Non-financial risk margin	10% lower	(8,398)	(7,983)
Effect on equity			
- Payment durations	10% longer	746,565	681,301
- Payment durations	10% shorter	(443,300)	(446,478)
- Claims management expenses	10% higher	4,479	4,257
- Claims management expenses	10% lower	(4,479)	(4,257)
- Non-financial risk margin	10% higher	6,047	5,748
- Non-financial risk margin	10% lower	(6,047)	(5,748)

(d) Insurance risk

Insurance risk is the risk of fluctuations in the timing, frequency and severity of insured events and claims settlements, relative to the expectations at the time of underwriting. The risks inherent in any single insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, these risks are random and unpredictable. In relation to the pricing of individual insurance contracts and the determination of the level of outstanding claims provision in relation to a portfolio of insurance contracts, the principal risk is that the ultimate claims payment will exceed the carrying amount of the provision established.

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

(d) Insurance risk *continued*

(i) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

The subsidiary manages its insurance risks through a process of ongoing identification, measurement, and monitoring subject to risk limits and other controls. This process of risk management is critical to the subsidiary's profitability and the Subsidiary is accountable for the risk exposures relating to their responsibilities. The subsidiary is exposed to credit risk, liquidity risk, (re)/insurance risk, market risk, claims management risk, regulatory risk and operational risk in the main. The subsidiary's Board and the parent company have ultimate oversight over these risks. The principal risk the subsidiary faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the subsidiary is to ensure that sufficient reserves are available to cover these liabilities. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. There have not been material differences between the actual claims compared with estimates recorded in the accounts.

(ii) Concentration of insurance risk

The subsidiary is exposed to a single concentration of insurance risk, which is loan protection insurance issued to Kontiki Finance Limited's customers in Fiji and Samoa. The risk is managed through the use of an actuary and internal analysis as described above, and the use of a reinsurance provider.

(e) Onerous Contracts test

When using a Premium Allocation Approach (PAA) under IFRS 17, the assumption is made that business written is not onerous at initial recognition. An ongoing test is required to determine that there is no significant possibility of the contracts becoming onerous - by assessing the likelihood of changes in applicable facts and circumstances.

The value of fulfilment cashflows if the General Measurement Model were applied, is comprised of expected net future claims, expense allowance and a risk margin. The liability for remaining coverage ("Unearned Premium Reserve") is higher than the fulfilment cashflows indicating there is no significant risk of these contracts becoming onerous.

There is no significant probability of the contracts becoming onerous under the test requirements of IFRS 17.

(f) Reinsurance programme

Reinsurance programmes are structured to adequately protect the subsidiary's solvency and capital positions.

Reinsurance is purchased to make the subsidiary's results less volatile by reducing the effect of large individual claims or multiple small claims.

	Group		Company	
	2026	2025	2026	2025
	$	$	$	$
17. EMPLOYEE BENEFIT LIABILITY				
Annual leave	442,670	462,751	365,236	406,962

18. LEASES

Group as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
As at 1 July	2,053,298	2,884,706	1,391,027	2,000,893
Additions	-	-	-	-
Disposal of right-of-use assets	(3,820)	-	(3,820)	-
Remeasurement of right-of-use assets	24,444	(83,721)	(8,630)	-
Depreciation expense	(397,761)	(747,687)	(266,192)	(609,866)
As at 30 June	1,676,161	2,053,298	1,112,385	1,391,027

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $

18. LEASES *continued*

Group as a lessee continued

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
As at 1 July	1,406,412	2,321,701	589,961	1,276,538
Additions	-	-	-	-
Disposal of lease liability	(4,120)	-	(4,120)	-
Remeasurement of lease liability	26,452	(175,072)	(8,630)	-
Accretion of interest	83,543	129,241	22,629	59,315
Payments	(520,246)	(869,458)	(322,274)	(745,892)
As at 30 June	992,041	1,406,412	277,566	589,961

The following are the amounts recognised in profit or loss:

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Depreciation expense of right-of-use assets	397,761	747,687	266,192	609,866
Interest expense on lease liabilities	83,543	129,241	22,629	59,315
Total amount recognised in profit or loss	481,304	876,928	288,821	669,181

The Group had total cash outflows for leases of $520,246 in 2026. The Company had non-cash additions to right-of-use assets and lease liabilities of $Nil during the financial period.

The ROU asset is amortised over the term of each leased asset.

19. DEBT ISSUED AND OTHER BORROWED FUNDS

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Tier 2 Capital Bond	12,590,000	11,590,000	12,590,000	11,590,000

As at 30 June 2026, Kontiki Finance Limited had on issue $12.59 million worth of Tier 2 Capital Bonds with an average interest rate of 6.63% per annum, payable quarterly. The bonds have a term of 7 years and are repaid in equal annual instalments over the last 5 years of the Term of the Bond (20% of the Principal amount each year from year 3 to year 7). During the year, $5 million was made available for tender and was fully subscribed. A total of $4 million was also repaid during the financial year.

20. FINANCIAL ASSETS AT FVOCI

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Government debt securities	6,045,484	6,046,770	5,063,480	5,070,411

As at 30 June 2026, the Group's government bond portfolio was valued at $6,045,484 ($5,063,480 for the Company). The fair value of the Government debt securities is determined by reference to published price by Reserve Bank of Fiji.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are carried at fair value in the financial statements.

	Carrying Amount	**Fair Value**			
		Level 1	Level 2	Level 3	**Total**
30 June 2026					
Government debt securities	6,045,484	6,045,484	-	-	**6,045,484**
30 June 2025					
Government debt securities	6,046,770	6,046,770	-	-	**6,046,770**

21. SHARE CAPITAL AND RESERVES

a) Issued and paid up capital

	Group 2026 $	Group 2025 $	Company 2026 $	Company 2025 $
Ordinary shares fully paid	30,084,920	28,124,940	30,084,920	28,124,940

Number of ordinary shares	Group 2026	Group 2025
Balance at beginning of year	105,652,603	93,632,117
Shares issued during the year	1,595,575	12,020,486
Balance at end of year	107,248,178	105,652,603

Shares have no par value. Ordinary shares carry equal voting, dividend and capital distribution rights, subject to applicable statutory and regulatory requirements.

The Group has a Dividend Reinvestment Plan. Under the Plan shareholders may elect to reinvest all or part of their dividend in additional ordinary shares to be issued by the Company. The dividend reinvestment price is set at a discount to the weighted average price of KFL shares traded on the SPX over the 30 days preceding the dividend announcement. For financial year 2025, a final dividend of 4.0 cents per share, totalling to $4,226,104, was declared from profits for the 2025 financial year and paid in the 2026 financial year. In addition, three interim dividends of 1.0 cents per share, totalling to $3,205,200, was declared and paid during the financial year 2026. During the year the Company raised share capital totalling to $1,959,980 (2025: $12,573,402) in the 2026 financial year.

b) Reserves

i) Fair value reserve

The fair value reserve represents cumulative changes in the fair value of debt instruments measured at fair value through other comprehensive income.

ii) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of foreign operations into the Group's presentation currency.

22. EARNINGS PER SHARE

	Group 2026 $	Group 2025 $
Profit attributable to ordinary shares for basic earnings	5,534,240	12,041,649
Weighted average ordinary shares at end of financial year	106,450,391	99,642,360
Basic and Diluted earnings per share ($)	$ 0.05	$ 0.12

Diluted earnings per share are the same as basic earnings per share.

23. COMMITMENTS AND CONTINGENT LIABILITIES

	2026 $	2025 $
a) Contingent liabilities	Nil	Nil
b) Capital commitments	5,758,785	7,031,310
c) Loan commitments	Nil	2,676,816

Capital expenditure of $5,758,785 is budgeted for the purchase of IT hardware and software, buildings, motor vehicles, office furniture, fittings and equipment and software development for the Group.

24. RELATED PARTY TRANSACTIONS

(a) **Directors**

The names of persons who were directors of Kontiki Finance Limited at the date of this report are as follows:

Chirk Hoy Yam (Chairman)
Barry Trevor Whiteside
Griffon Ian Emose
Peter Andrew Dixon
Desmond Eric Kearse
Mark Morris Halabe
Mahipriya Meddepola (appointed 30th October 2025)

24. RELATED PARTY TRANSACTIONS *continued*

		2026 $	2025 $
(b) **Owing by/(to) related parties**	**Transaction type**		
- Platinum Insurance Limited	Insurance premiums	(700,388)	(1,030,755)
- Platinum Insurance Limited	Insurance claims	-	1,652,139
- Platinum Insurance Limited	Others	(4,196,289)	-
- Kontiki Finance Limited (Samoa)	Advances	702,872	249,227
- Directors	Directors fees	(27,000)	(23,500)
- Insurance Holdings (Pacific) Pte Limited	Advances	1,389,889	1,413,716
(c) **Other related party transactions**			
- Kontiki Stockbroking Pte Limited	Referral and broking fee	87,518	51,036
- Kontiki Capital Pte Limited	Advisory and managerial services	-	37,755
- Key management personnel	Purchase of shares in IHL	164,765	-
- Compensation of key management personnel	Directors fees and other benefits	303,646	288,132
	Short term employee benefits	2,794,894	2,761,426
	Post employment benefits	71,939	47,230

Key management personnel comprise the directors and members of senior management who have the authority and responsibility for planning, directing and controlling the activities of the Company.

		2026 $	2025 $
Income			
- Platinum Insurance Limited	Dividend	4,000,000	2,000,000
- Insurance Holdings (Pacific) Pte Limited	Dividend	300,398	-
- Kontiki Finance Limited	Brokerage fees	16,156	17,250
- Platinum Insurance Limited	Brokerage fees	105,000	105,000
- Kontiki Finance Limited (Samoa)	Brokerage fees	24,000	6,000
- Insurance Holdings (Pacific) Pte Limited	Interest income	111,045	114,936
- Platinum Insurance Limited	Other income	54,411	-

Related party balances are unsecured and settled in the ordinary course of business.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Group and Company's activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the Group and the Company's profitability and each individual within the Group and Company is accountable for the risk exposures relating to their responsibilities. The Group and Company are exposed to credit risk, liquidity risk and operational risk in the main. The Asset and Liability Committee (ALCO) has oversight of liquidity risk, the Board has oversight of credit risk, and the Board Audit Committee has oversight of all other risks.

The main risk arising from the Group's financial statements are credit risk, price risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Credit risk is the risk that the Group and Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group and Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

Credit risk is managed through credit verification procedures. Loan receivable balances are monitored on an ongoing basis. The credit quality of customer accounts which are neither past due nor impaired is classified to be good and are expected to be recovered.

The Company has established an account review process to provide early identification of possible changes in the creditworthiness on customers. The credit quality review process allows the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Counterparty limits for liquidity placements are established using credit agency risk ratings. Based on management's assessment, no significant credit risk has been identified in relation to placements with these parties as at the reporting date.The Group's exposure to credit risk on cash and cash equivalents and debt financial assets measured at amortised cost is considered immaterial, as these balances are held with financial institutions that have high credit ratings. Below also shows maximum exposure to credit risk of the financial assets at the end of reporting period.

	Group		Company	
	2026 $	2025 $	2026 $	2025 $
Cash and cash equivalents	50,836,731	23,855,142	34,146,385	15,737,979
Receivable from customers	186,371,544	184,888,945	160,197,837	173,594,006
Debt financial assets at amortised cost	67,430,947	68,450,968	58,250,000	59,600,000
Prepayments and other assets	2,891,429	1,957,089	5,195,816	6,890,851
Financial assets at FVOCI	6,045,484	6,046,770	5,063,480	5,070,411
	313,576,135	285,198,914	262,853,518	260,893,247

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Impairment assessment

Definition of default and cure

The Group and Company consider a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. This threshold is consistent with how the Group and Company identify borrowers in default.

As a part of a qualitative assessment of whether a customer is in default, the Group and Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group and Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower is in default or near default;
- The borrower requested emergency funding from the Company;
- The borrower has past due liabilities to public creditors or employees;
- The borrower is deceased;
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral;
- A material decrease in the borrower's turnover or the loss of a major customer;
- A covenant breach not waived by the Company; and
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection.

It is the Group and the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The level of provision maintained varies according to the classification of loans in accordance with the current arrears position of the accounts. Provisions may be adjusted where there are any known difficulties in the cash flows of the customers, or infringement of the original terms of the contract.

Individually assessed allowances

The Company and the Group determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the customer's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the reliable value of collateral and the timing of cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require earlier attention.

Collectively assessed allowance

Allowances are assessed collectively for losses on loans and advances that are not individually significant and for individually significant loans and advances where there is not yet objective evidence of individual impairment. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

Information about the Group and the Company's exposure to credit risk and ECL for receivables as at 30 June 2026 is set out in Note 7.

The summary of the Group and the Company's exposure to credit risk is as follow:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Stage 1 - not credit impaired and no SICR*	171,741,841	169,715,168	148,233,099	158,322,838
Stage 2 - SICR but not credit impaired	15,187,018	16,334,383	12,838,237	16,334,383
Stage 3 - Credit impaired	15,826,274	18,395,924	13,884,416	18,395,924
Gross Credit Exposure	202,755,133	204,445,475	174,955,752	193,053,145
Less: allowance for ECL/impairment losses	(16,383,589)	(19,556,530)	(14,757,915)	(19,459,139)
Net Credit Exposure	186,371,544	184,888,945	160,197,837	173,594,006

*Stage 1 for Group includes insurance brokerage receivables relating to Insurance Holdings (Pacific) Pte Limited amounting to $7,627,936 (2025: $8,251,369).

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Credit risk *continued*

Credit risk concentration

Credit risk concentration is determined based on the industry for which the loan is given. An analysis of concentrations of credit risk from loans and advances is shown below:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Individuals	193,189,021	183,997,910	165,493,893	175,724,312
Professional and business services	6,085,043	9,324,193	5,980,790	6,205,461
Agriculture	-	4,491,328	-	4,491,328
Building and construction	1,938,431	4,238,895	1,938,431	4,238,895
Transport, communication and storage	1,542,638	2,393,149	1,542,638	2,393,149
	202,755,133	204,445,475	174,955,752	193,053,145

The principal risk the subsidiary company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the subsidiary company is to ensure that sufficient reserves are available to cover these liabilities. The subsidiary company manages this risk by having reinsurance placed with counterparties that have a good credit rating that are subject to regular reviews. The concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the Board and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. There has not been material differences between the actual claims compared with estimates recorded in the accounts.

Price risk

The Group is exposed to price risk arising from listed equity investments held by its subsidiary and measured at fair value through profit or loss. The investments are listed on the SPX.

The Group manages this exposure through investment limits established for the subsidiary. The exposure is measured by reference to the fair value of the listed equity investment portfolio, and compliance with the established investment limits is monitored on an ongoing basis.

Price risk sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible 10% increase or decrease in the market prices of listed equity investments held at 30 June. The change in market price is applied to each investment individually, with all other variables held constant.

	Increase/decrease in market price	Effect on Profit Before Tax (000)
2026	+10%	591
2026	-10%	- 591
2025	+10%	1,664
2025	-10%	- 1,664

Liquidity risk

Liquidity risk is the risk that the Group and Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management aims to match the maturity profile of its term deposit base so as to as closely as possible match that of the loan portfolio. Management also manages liquidity placements so as to ensure adequate liquidity at all times. Cash flows and liquidity are monitored on a daily basis. This incorporates an assessment of expected cash flows and the availability of maturing liquidity placements to provide additional funding if required.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Liquidity risk *continued*

Maturity analysis of financial assets and liabilities

The table below shows the financial assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group and Company uses the same basis of expected repayment behavior that was used for estimating the EIR.

30 June 2026

ASSETS	**Less than 3 months**	**3 -12 months**	**12 months - 5 years**	**More than 5 Years**	**Total**
Cash and cash equivalents	50,836,731	-	-	-	50,836,731
Financial assets at fair value through profit or loss	5,911,567	-	-	-	5,911,567
Debt financial assets at amortised cost	32,000,000	32,230,947	2,200,000	1,000,000	67,430,947
Financial assets at FVOCI	6,045,484	-	-	-	6,045,484
Receivable from customers	9,991,932	3,954,257	80,838,868	107,970,076	202,755,133
LIABILITIES					
Due to customers	21,346,255	75,722,754	127,283,913	23,963,548	248,316,470
Trade and other payables	9,760,903	-	-	-	9,760,903
Employee benefit liability	442,670	-	-	-	442,670
Insurance contract liabilities	674,502	2,590,870	9,274,684	1,586,319	14,126,375
Debt issued and other borrowed funds	1,590,000	2,410,000	6,590,000	2,000,000	12,590,000
Lease liabilities	53,757	253,242	613,254	71,788	992,041

30 June 2025

ASSETS	**Less than 3 months**	**3 -12 months**	**12 months - 5 years**	**More than 5 Years**	**Total**
Cash and cash equivalents	23,855,142	-	-	-	23,855,142
Financial assets at fair value through profit or loss	16,638,470	-	-	-	16,638,470
Debt financial assets at amortised cost	41,000,000	23,250,968	4,200,000	-	68,450,968
Financial assets at FVOCI	6,046,770	-	-	-	6,046,770
Receivable from customers	12,430,527	9,093,578	69,609,248	113,312,122	204,445,475
LIABILITIES					
Due to customers	33,492,303	83,082,320	98,579,774	14,392,638	229,547,035
Trade and other payables	9,828,662	-	-	-	9,828,662
Employee benefit liability	462,751	-	-	-	462,751
Insurance contract liabilities	1,528,375	2,335,266	8,487,697	1,531,957	13,883,295
Debt issued and other borrowed funds	-	-	11,590,000	-	11,590,000
Lease liabilities	99,233	291,640	731,938	283,601	1,406,412

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to Due to Customers and Debt Issued and Other Borrowed Funds balances recorded in the statement of financial position.

The Group manages its interest rate risk by having a portfolio of fixed loans and borrowings. To manage this, the Group enters into contracts that have fixed interest rate amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on rate borrowings, as follows:

	Increase/decrease in basis points	**Effect on Profit Before Tax (000)**
2026	+50	- 1,195
2026	-50	1,195
2025	+50	- 1,206
2025	-50	1,206

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a similar volatility than in prior years

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud and external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Group cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including use of internal audit.

26. CAPITAL MANAGEMENT

The primary objectives of the Group and the Group's capital management policy are to maintain adequate capital to ensure compliance with regulatory capital requirements, to support the growth of its business, and to maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group and the Company may adjust the dividend paid to shareholders, raise capital, or return capital to shareholders.

Capital management is under constant review by the Board.

Regulatory capital	**Company**	
	2026	**2025**
	$	**$**
Tier 1	35,178,642	32,981,307
Tier 2	11,320,132	10,194,917
Total capital	46,498,774	43,176,224
Risk weighted assets	202,854,924	215,345,901
Tier 1 capital ratio	17%	15%
Total capital ratio	23%	20%

Under its license conditions with the Reserve Bank of Fiji (RBF), the Company is required to maintain a minimum of 15% of risk weighted assets in total capital at any point in time.

Regulatory capital consists of Tier 1 capital, which comprises of share capital, retained earnings less deferred tax asset and intangible assets. The other component of regulatory capital is Tier 2 capital, which is made up of unaudited current year profit, Tier 2 Capital Bonds and credit loss reserve less deferred tax asset or 1.25% of risk weighted assets (whichever is lesser).

27. SIGNIFICANT EVENT

During the year, Kontiki Finance Limited (Samoa), a wholly owned subsidiary of Kontiki Finance Limited, completed its first full financial year of operations following its formal opening on 6 June 2025.

28. PRINCIPAL BUSINESS ACTIVITY

The principal activities of the Company during the year were that of receiving deposits and extending of credit and related services. There was no significant change in the nature of this activity during the financial period.

The Company has a Subsidiary Company in Vanuatu, Platinum Insurance Limited. The principal activity of the Subsidiary is to act as a captive insurer underwriting loan protection insurance for its parent Company, Kontiki Finance Limited, based in Fiji and Kontiki Finance Limited (Samoa) based in Samoa.

The principal activity of the Insurance Holdings (Pacific) Pte Limited during the financial year was insurance broking.

The principal activities of the Kontiki Finance Limited (Samoa) during the year were that of receiving deposits and extending of credit and related services.

29. COMPANY DETAILS

Registered office

Level 5 Tappoo City Building
GPO Box 12508
Suva

The Company is a limited liability Company domiciled and incorporated in Fiji.

The Company is listed on the South Pacific Stock Exchange.

Places of business

The places of business are located at: Suva, Lautoka and Labasa.

Number of employees at the end of the year

	Group	
	2026	**2025**
Executive	5	5
Finance	47	43
Products and distribution	75	88
Lending and compliance	39	58
Insurance broking	18	19
Others	19	18
	203	231

All employees are employed by the Company and its Subsidiaries Kontiki Finance Limited (Samoa) and Insurance Holdings (Pacific) Pte Limited.

30. SEGMENT INFORMATION

The Chief Financial Officer has examined the Group's performance from both a business and geographic perspective and has identified three segments of its business:

- Fiji: Finance and Insurance business, receiving deposits and extending of credit and related services; and act as an insurance broker.
- Vanuatu: Captive insurance business, underwriting of loan protection insurance for the finance business.
- Samoa: Finance business, receiving deposits and extending of credit and related services.

30. SEGMENT INFORMATION *continued*

Operating Segments

The Group's reportable operating segments are based on its geographical areas of operation, comprising Fiji, Vanuatu and Samoa.

2026 **Revenue**	**Fiji** **$**	**Vanuatu** **$**	**Samoa** **$**	**Inter Segment** **$**	**Total** **$**
Interest revenue calculated using the effective interest method	40,797,963	230,603	3,984,720	-	45,013,286
Other interest and similar income	111,045	-	-	(111,045)	-
Interest expense calculated using the effective interest method	(6,596,112)	-	(533,146)	-	(7,129,258)
Other Interest and similar expense	(1,098,843)	(16,732)	-	111,045	(1,004,530)
Net interest income	33,214,053	213,871	3,451,574	-	36,879,498
Insurance revenue	-	2,218,928	-	-	2,218,928
Insurance service expense	-	(1,600,088)	-	-	(1,600,088)
Allocation of reinsurance premium	-	(54,545)	-	-	(54,545)
Insurance service result	-	564,295	-	-	564,295
Fee income	3,455,401	-	324,203	(145,156)	3,634,448
Non-trading income	4,474,859	(133,416)	-	(4,354,809)	(13,366)
Total revenue	41,144,313	644,750	3,775,777	(4,499,965)	41,064,875
Less: expenses					
Movements in expected credit loss	(6,234,686)	-	(1,909,314)	-	(8,144,000)
Personnel Expenses	(12,799,078)	-	(742,260)	-	(13,541,338)
Depreciation of property, plant and equipment and right-of-use assets	(1,196,673)	(40,657)	(237,701)	-	(1,475,031)
Amortisation of intangible assets	(813,831)	-	(170,299)	-	(984,130)
Impairment of goodwill	-	-	-	-	-
Other operating expenses	(8,841,934)	(275,574)	(667,632)	199,567	(9,585,573)
Total operating expenses	(29,886,202)	(316,231)	(3,727,206)	199,567	(33,730,072)
Operating profit before tax	11,258,111	328,519	48,571	(4,300,398)	7,334,803
Profit before tax					
Income tax benefit/(expense)	(1,821,413)	-	145,050	-	(1,676,363)
Net profit(loss) after tax	9,436,698	328,519	193,621	(4,300,398)	5,658,440
Total assets	308,600,967	22,724,194	34,685,513	(15,975,000)	350,035,674
Total liabilities	252,914,918	14,527,180	26,123,670	(7,020,615)	286,545,153
Cash flows from operating activities	14,895,229	2,646,420	7,361,680		24,903,329
Cash flows from investing activities	8,300,332	(1,327,180)	960,056		7,933,208
Cash flows used in financing activities	(6,068,440)	225,576	-		(5,842,864)

30. SEGMENT INFORMATION *continued*

Operating Segments

The Group's reportable operating segments are based on its geographical areas of operation, comprising Fiji, Vanuatu and Samoa.

2025 **Revenue**	**Fiji** **$**	**Vanuatu** **$**	**Samoa** **$**	**Inter Segment** **$**	**Total** **$**
Interest revenue calculated using the effective interest method	44,954,767	185,962	71,011	-	45,211,740
Other interest and similar income	114,520	-	-	(114,520)	-
Interest expense calculated using the effective interest method	(6,420,210)	-	(11,080)	-	(6,431,290)
Other Interest and similar expense	(1,174,570)	(20,586)	-	114,520	(1,080,636)
Net interest income	37,474,507	165,376	59,931	-	37,699,814
Insurance revenue	-	2,722,039	-	-	2,722,039
Insurance service expense	-	(1,693,285)	-	-	(1,693,285)
Allocation of reinsurance premium	-	(54,545)	-	-	(54,545)
Insurance service result	-	974,209	-	-	974,209
Fee income	3,500,215	-	43,852	(128,666)	3,415,401
Non-trading income	2,079,399	4,567,256	-	(2,000,000)	4,646,655
Total revenue	43,054,121	5,706,841	103,783	(2,128,666)	46,736,079
Less: expenses					
Movements in expected credit loss	(10,749,054)	-	(95,906)	-	(10,844,960)
Personnel Expenses	(13,433,797)	-	(265,008)	-	(13,698,805)
Depreciation of property, plant and equipment and right-of-use assets	(1,488,529)	(41,217)	(51,771)	-	(1,581,517)
Amortisation of intangible assets	(755,846)	-	(37,616)	-	(793,462)
Impairment of goodwill	-	-	-	-	-
Other operating expenses	(8,627,258)	(158,619)	(240,799)	135,459	(8,891,217)
Total operating expenses	(35,054,484)	(199,836)	(691,100)	135,459	(35,809,961)
Operating profit before tax	7,999,637	5,507,005	(587,317)	(1,993,207)	10,926,118
Profit before tax					
Income tax benefit	1,115,531	-	-	-	1,115,531
Net profit(loss) after tax	9,115,168	5,507,005	(587,317)	(1,993,207)	12,041,649
Total assets	307,438,331	26,150,954	11,645,398	(14,906,603)	330,328,080
Total liabilities	255,310,723	14,288,105	3,241,892	(5,787,453)	267,053,267
Cash flows from operating activities	20,546,014	1,904,820	(236,962)		22,213,872
Cash flows from investing activities	(39,285,419)	(1,254,719)	(1,252,087)		(41,792,225)
Cash flows used in financing activities	6,319,428	(816,302)	-		5,503,126

31. EVENTS OCCURRING AFTER THE END OF THE FINANCIAL PERIOD

No matter or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group and the Company, the results of those operations, or the state of affairs of the Group and the Company in future financial periods.