



12 October 2018

## Market Announcement – Chairman’s Comments

I am pleased to report that Kontiki Finance Limited produced a strong result for the financial year ending 30 June 2018. Group Net Profit After Tax (NPAT) increased 72% to \$5.4 million.

This enabled us to return to our shareholders a maiden interim dividend of one cent per share in July 2018 and a final dividend of two cents per share in November 2018. This brings our dividend yield to around 3%, which should prove attractive to investors.

It was also pleasing to note that the Group achieved an impressive Return on Shareholders’ Equity (ROE) of 37% for a second consecutive year.

### Other highlights

It has been a milestone year for the company in other areas too. Our listing on the South Pacific Stock Exchange on July 4th has enabled many more Fijians to be part of our growth story. The listing also lowers our company tax rate from 20% to 10%, a saving which directly benefits you, the shareholder.

Other highlights include the opening of service centres in Lautoka and Labasa, extending our presence to customers in the West and North of Fiji.

Support from deposit holders remains strong, supporting our lending growth. Term deposits have grown by 67% over the year to over \$135 million. Meanwhile our highly experienced management team remains stable. They have done an outstanding job ensuring we maintain the highest standards of customer service despite our fast growth. Our Board of Directors also remains unchanged.

### A positive outlook for the year ahead

With strong foundations in place across key areas of funding, management, marketing and customer service – we expect our profit, and consequently our returns to shareholders, to build strongly in the coming year. It is important to note that our share of the consumer and small to medium enterprise lending market (excluding home loans) is approximately just 10% – leaving a long runway of potential growth ahead as we continue to build our brand and presence across Fiji. In the background is a consensus that growth in the Fijian economy will remain strong, with the RBF Economic Review forecasting that the Fiji economy will grow by 3.2% during 2018.

With this momentum behind us, we are confident that your involvement with Kontiki Finance will continue to be rewarding, and I thank you for the faith you have shown in our company.

A handwritten signature in blue ink, appearing to be 'David Dew', written over a dotted line.

Director

A handwritten signature in blue ink, appearing to be 'David Dew', written over a dotted line.

Company Secretary