



A wholly owned subsidiary of BSP Papua New Guinea

Registered Office: Level 12, BSP Suva Central Building, Cnr of Renwick Rd & Pratt Street, Suva, Fiji Islands.
Postal Address: Private Mail Bag Suva Fiji Islands, Telephone (+679) 323 4412, Fax (+679) 323 4422

Market Announcement to South Pacific Stock Exchange

“Half Year Financial Statements 30th June 2019”

About BSP Convertible Notes Limited (BSP CN Fiji):

BSP Convertible Notes Limited (BSP CN Fiji) is a wholly owned subsidiary of Bank of South Pacific Limited (BSP). BSP is a Papua New Guinea based full service Bank with representation in many major Pacific economies. BSP is listed on the Port Moresby Stock Exchange (POMSoX) and has a B credit rating from Standard & Poors. BSP Convertible Notes Limited (BSP CN Fiji) is a special purpose vehicle incorporated in Fiji with limited powers under its Memorandum and Articles. It is listed in the South Pacific Stock Exchange (SPSE) in Fiji as **BCN**.



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15 August 2019

“Half Year Financial Statements 30th June 2019”

“Market Announcement to South Pacific Stock Exchange”

Please refer attached, the detailed Financial Statement for half year ended 30th June 2019 for BSP Convertible Notes Limited (BCN).

BCN is a special purpose company incorporated in Fiji and is a wholly owned subsidiary of Bank of South Pacific Limited (BSP).

BCN was incorporated in April 2010 to facilitate the issuance of convertible notes to Fiji investors and give them an option to own an equity interest in BSP. The funds raised from the issue were invested in a loan to BSP's Fiji branch and the interest received is the source of income for BCN.

The convertible notes were mandatorily converted to Fiji Class Shares after a period of 3 years on 20 April 2013 and the Noteholders became Fiji Class Shareholders. Following the conversion of the Notes to Fiji Class Shares, BCN is required to make dividend payments to Fiji Class Shareholders. The holder of the Fiji class shares receives dividends equivalent to the dividends that will be paid on BSP ordinary shares listed on Port Moresby Stock Exchange, expressed in Fiji Dollars.

Due to the excellent performance of the BSP Group and the ever increasing dividends, BSP contributes a support fee to allow BCN to meet its dividend commitments to Fiji Class Shareholders. The level of support fee is determined annually based on the cash position of BCN and the level of dividend required.

The financial results of BCN are not an indication of the performance of BSP's branch in Fiji or the BSP Group.


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Haroon Ali
DIRECTOR

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Appendix D

HALF YEAR REPORT ANNOUNCEMENT (UNAUDITED)**BSP CONVERTIBLE NOTES LIMITED****PROFIT & LOSS STATEMENT**
FOR HALF YEAR ENDED 30 JUNE 2019

1. OPERATING REVENUE	Consolidated		
	Current half year F\$	Increase/ Decrease %	Previous corresponding half year F\$
(a) Interest Income	264,708	0.1%	264,379
(b) Other revenue	1,884,000	14.0%	1,653,000
(c) Total Operating Revenue	2,148,708	12.1%	1,917,379
2. (a) Net Profit/(Loss) before Tax	2,118,830	12.1%	1,889,698
(b) Income tax Expense	22,670	(4.2%)	23,670
(c) Net Profit/(Loss) after Tax	2,096,161	12.3%	1,866,028
3. (a) Extraordinary item after tax	-	-	-
(b) Net Profit/(Loss) after Tax & Extraordinary Item	2,096,161	12.3%	1,866,028
4. (a) OEI in net profit and extraordinary items after income tax	-	-	-
(b) Net Profit/(Loss) after Extraordinary Items and Income Tax Attributable to Members of the Company	2,096,161	12.3%	1,866,028
(c) Retained Profit/(Loss) at Beginning	10,910,177	31.6%	8,288,032
(d) Total available for appropriation	-	-	-
(e) Ordinary dividend provided for	-	-	-
(f) Preference dividend provided for	-	-	-
(g) Transfer to general reserves	-	-	-
(h) Total appropriations	-	-	-
(i) Retained Profit/(Loss) at half year end	13,006,338	28.1%	10,154,060
5. Earnings Per Share			
(a) Basic earnings per share	0.6839	12.3%	0.6088
(b) Diluted earnings per share	0.6839	12.3%	0.6088




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Director

 15/08/19

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Date



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Company Secretary

 15/08/19

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Date

STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2019		
	Consolidated	
	Current half year F\$	Previous corresponding half year F\$
9. CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash Received from Trading activities	-	-
(b) Cash Payments	(38,411)	(39,984)
(c) Interest Received	264,708	264,379
(d) Dividend Received	-	-
(e) Interest Paid	-	-
(f) Income Tax Paid	(15,815)	(15,676)
(g) Net VAT Paid	-	-
(h) Net Cash (Outflow)/Inflow from Operating Activities	210,482	208,719
10. CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets	-	-
(b) Proceeds from Sale of Fixed Assets	-	-
(c) Acquisition of Investment	-	-
(d) Long Term Deposit	-	-
(e) Audio Visual Production	-	-
(f) Proceeds from Sale of Associate	-	-
(g) Proceed from Sale of Investment	-	-
(h) Net Cash (Outflow)/Inflow from Investing Activities	-	-
11. CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Dividend Paid	(2,060,884)	(1,791,780)
(b) Repayment of Secured Loan	-	-
(c) Proceed from Issue of Shares	-	-
(d) Proceeds from Support fees	1,884,000	1,653,000
(e) Repayment of Lease Principal	-	-
(f) Net Cash (Outflow)/Inflow from Financing Activities	(176,884)	(138,780)
12. NET INCREASE/(DECREASE) IN CASH HELD	33,598	69,939
(a) Cash/(Overdraft) at beginning of year	963,490	853,091
(b) Effects of exchange rate changes on opening cash balances	-	-
(d) Cash/(Overdraft) at end of half year	997,088	923,030

Director

15/08/19
Date

Company Secretary

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STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY
FOR HALF YEAR ENDED 30 JUNE 2019

	Consolidated		
	At end of current half year F\$	As at Dec 2018 F\$	Previous half year F\$
6. CURRENT ASSETS			
(a) Cash Assets	997,088	963,489	923,030
(b) Trade receivables	-	-	-
(c) Other receivables	-	-	-
(d) Inventories	-	-	-
(e) Short-term investment	-	-	-
(f) Other assets	4,961	1,090	4,352
(g) Total Current Assets	1,002,048	964,579	927,382
NON-CURRENTS ASSETS			
(h) Property, plant and equipment	-	-	-
(i) Long-term investment	-	-	-
(j) Term deposit	-	-	-
(k) Future Income tax benefit	-	-	-
(l) Intangible assets	-	-	-
(m) Other	15,100,000	15,100,000	15,100,000
(n) Total Non-Current Assets	15,100,000	15,100,000	15,100,000
(o) Total Assets	16,102,048	16,064,579	16,027,382
7. CURRENT LIABILITIES			
(a) Trade payables	11,701	16,363	7,965
(b) Other payables and accruals	-	-	-
(c) Current tax liabilities	7,773	918	5,822
(d) Interest-bearing borrowings	-	-	-
(e) Term loan - secured	-	-	-
(f) Bank overdraft	-	-	-
(g) Unsecured advance	-	-	-
(h) Inter-company loan	-	-	-
(i) Provisions	-	-	-
(j) Other	-	-	-
(k) Total Current Liabilities	19,474	17,281	13,787
NON-CURRENT LIABILITIES			
(l) Term loan - secured	-	-	-
- unsecured	-	-	-
(m) Unsecured advance	-	-	-
(n) Inter-company loan	-	-	-
(o) Deferred tax liabilities	-	-	-
(p) Provisions	-	-	-
(q) Other	-	-	-
(r) Total Non-Current Liabilities	-	-	-
(s) Total Liabilities	19,474	17,281	13,787
(t) NET ASSETS	16,082,575	16,047,298	16,013,595
8. EQUITY			
(a) Contributed equity	250,000	250,000	250,000
(b) Dividend Distribution	(13,264,568)	(11,203,685)	(10,481,271)
(c) Retained Profits	13,006,338	10,910,177	10,154,060
(e) Fiji Class Shares	16,090,806	16,090,806	16,090,806
(f) Equity Attributable to Members	16,082,575	16,047,298	16,013,595
OEI in Controlled Entities			
(g) Contributed equity	-	-	-
(h) Reserves	-	-	-
(i) Retained Profits	-	-	-
(j) Total Outside Equity Interest in Controlled Entities	-	-	-
(k) TOTAL EQUITY	16,082,575	16,047,298	16,013,595

Director

15/08/19

Date

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