



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) 321 4412, Fax (+679) 321 4422

Market Announcement to South Pacific Stock Exchange

“COVID-19 IMPACT ON BSP”

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 (PNGX) 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 (SPX) in Fiji as BCN.



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31 March 2020

COVID-19 IMPACT ON BSP

Our Parent Company, Bank of South Pacific Limited in Port Moresby, PNG has released this market announcement on PNGX.



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HAROON ALI
DIRECTOR

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PNGX ANNOUNCEMENT | TUESDAY 31 MARCH, 2020 | FOR IMMEDIATE RELEASE

COVID-19 Impact on BSP

The Chairman of the Bank of South Pacific Limited (BSP), Sir Kostas G. Constantinou OBE, would like to provide an update on our response to the coronavirus (COVID-19) in PNG and our Offshore Branches, and the domestic and international restrictions that are in place to reduce its spread.

My fellow Directors and I are very conscious of the impact on all stakeholders ... including our staff, customers and shareholders. We are also aware of the importance of the banking industry in difficult economic conditions. With this in mind, BSP is:

- Continuing to provide critical banking service to all of our customers in every country. We are encouraging our customers to minimise branch visits and where possible complete their banking activities via our extensive electronic and digital services (ATMs, merchant EFTPOS, internet, mobile phone).
- Introducing deferred loan repayments to customers in all countries based on the impact of COVID-19 related travel restrictions on their economies.
- Observing the government's state-of-emergency (SOE) requirements, in countries where SOEs have been declared.
- Continuing to review and update our business continuity plans to ensure that BSP has the capability to continue to maintain its essential services should conditions change. Every country is also doing similar work with the support of our head office in Port Moresby. Our plans will continue to be re-assessed and evaluated.
- Assessing the potential impact of COVID-19 impacts on earnings in PNG and other countries and shareholder returns. The SOE will have an adverse impact on many business, which in turn will see revenue challenged. Changes to lending interest rates in PNG will also reduce net interest income margins.

BSP's capital position remains strong and exceeds BPNG and other Pacific regulatory requirements. System liquidity in every country remains strong.

Giving regard to the highly uncertain environment we are currently operating in, the Board will not provide any further COVID-19 earnings impact updates until its effects on our business become more well-defined.

Sir Kostas Constantinou OBE
Chairman | Bank of South Pacific Ltd