



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

BSP 2020 AGM SLIDE DECK

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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Friday 22 May 2020

“BSP 2020 AGM SLIDE DECK”

“Market Announcement to South Pacific Stock Exchange”

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



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Haroon Ali
DIRECTOR

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GROUP CEO PRESENTATION

2020 Annual General Meeting

2019 results



Record profit + strong capital position + stable dividend

| | 2019 | 2019 vs 2018 |
|------------------------------|------|--------------|
| ● Profit [NPAT, Km] | 890 | + 5.5% |
| ● Net assets [Kb] | 24.5 | + 6.2% |
| ● Cost-to-income ratio [%] | 37.7 | - 323bps |
| ● Capital adequacy ratio [%] | 22.0 | - 91bps |
| ● Earnings per share [toea] | 191 | + 5.5% |
| ● Dividend per share [toea] | 134 | - 9.4% |
| ● Market capitalisation [Kb] | 5.5 | + 14.8% |

2019 dividend



BSP's final dividend of K0.96, brings our total dividend to K1.34



PLANNED PROCESSING DATES

- Ex-date: Friday, 29 May 2020
- Record date: Friday, 5 June 2020
- Payment date: Friday, 19 June 2020

SHAREHOLDER RETURNS SUMMARY

| | 2017 | 2018 | 2019 | Change |
|----------------|--------|--------|--------|----------|
| EPS [K] | 1.62 | 1.81 | 1.91 | 5.5% |
| Payout ratio | 75.9% | 75.8% | 70.3% | - 550bps |
| Dividend yield | 12.88% | 12.73% | 11.17% | - 156bps |

Summary



- Record Group NPAT of K890m in 2019, however growth slowed to 5.5%
- Total Assets up 6.2% and Loans up 5.6%
- Cost to income reduced to 37.7% from 41.0% in 2018
- Capital adequacy steady at 22.0%, still well above BPNG requirement of 12%
- Loan provision increased to 4.8%, NPL up to 1.9%
- Continued focus is on developing and executing our Digital Strategy and the Core Banking system implementation to maintain our leadership position
- Increasing profit contribution from OSBs and SUBs
- Strong performance enabling consistent returns to shareholders
- Our COVID-19 customer support initiatives will come at some cost to BSP and we will be continually assessing their impacts and exploring ways to minimise their effects on financial performance ... but not to the detriment of future growth