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Market Announcement to South Pacific Stock Exchange

“BSP – Appendix 4D”

About BSP Convertible Notes Limited (BSP CN Fiji):

BSP Convertible Notes Limited (BSP CN Fiji) is a wholly owned subsidiary of BSP Financial Group 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). 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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22 August 2025

“BSP – Appendix 4D”

“Market Announcement to South Pacific Stock Exchange”

Our Parent Company, BSP Financial Group Limited based in Port Moresby, PNG has released this market announcement on ASX.

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.....
Rajeshwar Singh
DIRECTOR

A handwritten signature in black ink, featuring a large, stylized 'A' followed by a series of connected, wavy strokes.

.....
Alvina Ali
COMPANY SECRETARY

About BSP Convertible Notes Limited (BSP CN Fiji):

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BSP Financial Group Limited

ARBN 649 704 656

Appendix 4D

Half Year Results

For the period ended 30 June 2025



APRA Disclaimer:

BSP Financial Group Limited is not authorised under the Banking Act 1959 (Commonwealth of Australia) and is not supervised by the Australian Prudential Regulation Authority (APRA). BSP's products are not covered by the depositor protection provisions in section 13A of the Banking Act 1959 and will not be covered by the financial claims scheme under Division 2AA of the Banking Act 1959.

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1. Appendix 4D: Half Year results

1.1 Company details and reporting period

BSP Financial Group Limited (BSP)

ARBN 649 704 656

Reporting period – six months ended

30 June 2025

Previous corresponding period - six months ended

30 June 2024

Principal activities

The principal activity of the BSP Financial Group Limited (BSP) is the provision of commercial banking and financial services throughout Papua New Guinea (PNG) and the Asia Pacific region. The Group's activities also include fund management and life insurance business services. BSP is a company listed on the PNG Exchange Markets (PNGX) and the Australian Securities Exchange (ASX), incorporated under the Companies Act of Papua New Guinea, and is an authorised Bank under the Banks and Financial Institutions Act of Papua New Guinea. The Group is also licensed to operate in Solomon Islands, Fiji, Cook Islands, Samoa, Tonga, Vanuatu, Cambodia and Laos. The registered office is at Section 34, Allotment 6 & 7, Klinki Street, and Waigani Drive, Port Moresby.

1.2 Results for announcement to the market

Revenue from ordinary activities	▲	9.8% to K1,602.1m
Profit from ordinary activities after tax attributable to shareholders	▲	9.8% to K571.7m
Net profit for the period attributable to shareholders	▲	9.8% to K571.7m

Dividends	Record date	Date payable/paid	Amount per security
Current financial year 2025			
2025 interim dividend – unfranked	28 August 2025	19 September 2025	50 toea
Previous financial year 2024			
2024 interim dividend – unfranked	28 August 2024	20 September 2024	45 toea
2024 final dividend – unfranked	25 February 2025	21 March 2025	121 toea

Papua New Guinean domiciled investors who migrate their shares to the ASX, receive dividends in Papua New Guinea Kina (PGK). Should a Papua New Guinean domiciled shareholder move their shareholding to the Australian share register, together with a transfer to an Australian-based fund manager, or custodian (on the basis that the shareholding will still be under the control of the Papua New Guinean resident shareholder), dividends will continue to be paid in PGK. Offshore investors with BSP shares on the ASX will receive dividends in AUD. The exchange rate applicable on the Record date will be used to convert the PGK dividend to AUD.

BSP does not have a dividend reinvestment plan.

The release of this announcement was authorised by the BSP Board of Directors.

This report is provided to the ASX under listing rule 4.2A.

Reporting currency

All amounts in this report have been rounded to the nearest million Papua New Guinea Kina (Km) unless otherwise stated.

1.3 ASX Appendix 4D table

Details of reporting period and corresponding period	3
Results for announcement to the market	3
Results commentary	6
Net tangible assets per ordinary share	13
Details of individual and total dividends	13
Dividend dates	3
Details of any dividend or distribution reinvestment plans in operation	3
Details of associates and joint venture arrangement entities	14
Accounting standards used for foreign entities	4

Details of entities over which control has been gained, or lost, during the period

On the 1 January 2025, the BSP Fiji Branch was converted to a wholly owned subsidiary, BSP Financial Group (Fiji) Pte Limited.

Half Year financial statements

This report should be read in conjunction with BSP's 30 June 2025 Interim Condensed Financial Statements, prepared in accordance with the International Financial Reporting Standards, as issued by the International Accounting Standards Board and interpretations of these standards issued by the International Financial Reporting Interpretations Committee.

The Financial Statements have been reviewed by BSP's appointed external auditor and approved by the Board, upon recommendation of the Board Audit and Compliance Committee.

1.4 Results snapshot (June 25 vs June 24)

Statutory profit	▲	9.8% to K571.7m
Statutory earnings per share	▲	10.0% to 122.5 toea
Net interest margin	▲	10 bps to 5.8%
Capital adequacy ratio	▲	140 bps to 25.4%

1.5 Subsequent events

There are no adjusting, or disclosing, events after the end of the reporting period.

2. Half Year results

2.1 Financial summary

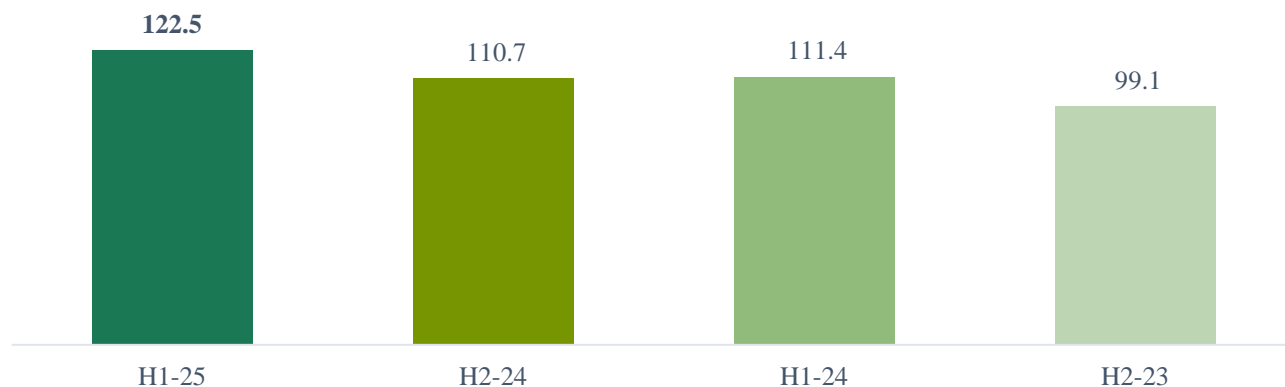
	Jun-25	Dec-24	Change		Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Net interest income	1,017.1	982.6	34.5	3.5	981.9	35.2	3.6
Other operating income	585.0	537.5	47.5	8.8	477.1	107.9	22.6
Total income	1,602.1	1,520.1	82.0	5.4	1,459.0	143.1	9.8
Impairment expenses	(67.4)	102.0	(169.4)	(166.1)	(83.8)	16.4	(19.6)
Operating expenses	(680.9)	(652.0)	(28.9)	4.4	(615.3)	(65.6)	10.7
Additional Company Tax settlement	-	-	-	-	95.0	(95.0)	(100.0)
Profit before income tax	853.8	970.1	(116.3)	(12.0)	854.9	(1.1)	(0.1)
Income tax expense	(282.1)	(452.9)	170.8	(37.7)	(334.4)	52.3	(15.6)
Net profit for the period	571.7	517.2	54.5	10.5	520.5	51.2	9.8

	Half Year						
	Jun-25	Dec-24	Jun-24	Dec-23	June 25 to June 24 change		
Earnings per share (toea)	toea	toea	toea	toea	toea		
Basic and diluted	122.5	110.7	111.4	99.1	11.1		
	Jun-25	Dec-24	Change	Change	Jun-24	Change	Change
Average interest earning assets and interest bearing liabilities	Km	Km	Km	%	Km	Km	%
Average interest earning assets	35,242.3	34,597.6	644.7	1.9	34,438.1	804.2	2.3
Average interest bearing liabilities	30,134.6	29,771.0	363.6	1.2	30,252.7	(118.1)	(0.4)
	Jun-25	Dec-24	Change	Change	Jun-24	Change	Change
Financial performance ratios	%	%	bps	%	%	bps	%
Net interest margin (annualised)	5.8	5.6	20.0	3.6	5.7	10.0	1.8
Cost to income ratio	42.5	42.5	-	-	39.7 ¹	280.0	7.1

¹Excludes impairment of Joint Venture (Cambodia and Laos) in prior period, K35.8 million.

	Jun-25	Dec-24	Change	Change	Jun-24	Change	Change
	%	%	bps	%	%	bps	%
Financial position ratio							
Return on average ordinary equity	12.1	11.5	60	5.2	12.2	(10)	(0.8)
Return on average assets	1.5	1.4	10	7.1	1.4	10	7.1

Earnings per share (toea)



2.2 Results commentary

2.2.1 Income

	Jun-25	Dec-24	Change		Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Interest income							
Loans and receivables from customers	698.9	724.8	(25.9)	(3.6)	715.1	(16.2)	(2.3)
Other financial assets - inscribed stock	254.2	236.2	18.0	7.6	232.2	22.0	9.5
Treasury bills	91.0	50.0	41.0	82.0	53.9	37.1	68.8
Central Bank bills	2.0	1.9	0.1	5.3	1.9	0.1	5.3
Cash and balance with Central Banks	18.2	19.6	(1.4)	(7.1)	16.7	1.5	9.0
Other	15.8	19.7	(3.9)	(19.8)	19.8	(4.0)	(20.2)
Total interest income	1,080.1	1,052.2	27.9	2.7	1,039.6	40.5	3.9
Interest Expense	63.0	69.6	(6.6)	(9.5)	57.7	5.3	9.2
Net interest income	1,017.1	982.6	34.5	3.5	981.9	35.2	3.6
Other income							
Fees and commission							
Electronic banking related fee income	139.3	134.2	5.1	3.8	114.6	24.7	21.6
Electronic banking related fee expense	(53.8)	(51.2)	(2.6)	5.1	(41.6)	(12.2)	29.3
Net electronic banking related fee income	85.5	83.0	2.5	3.0	73.0	12.5	17.1
Trade and international related	11.5	11.2	0.3	2.7	11.1	0.4	3.6
Product related	80.1	86.1	(6.0)	(7.0)	80.9	(0.8)	(1.0)
Others	35.1	21.7	13.4	61.8	19.6	15.5	79.1
Net fee and commission income	126.7	119.0	7.7	6.5	111.6	15.1	13.5
Total net fees and commission income	212.2	202.0	10.2	5.0	184.6	27.6	15.0
Foreign exchange related	320.4	301.4	19.0	6.3	259.2	61.2	23.6
Net insurance operating income	28.0	33.3	(5.3)	(15.9)	24.5	3.5	14.3
Sundry income	24.4	0.8	23.6	2,950.0	8.8	15.6	177.3
Total other income	585.0	537.5	47.5	8.8	477.1	107.9	22.6
Net operating income	1,602.1	1,520.1	82.0	5.4	1,459.0	143.1	9.8

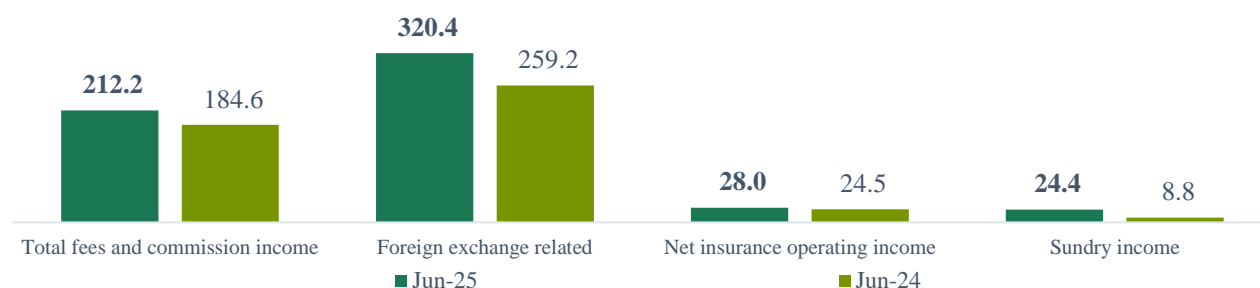
Comments on individual categories when compared to the previous corresponding period are:

Net interest income increased by 3.6%, primarily driven by higher returns from investments in securities, supported by excess liquidity. This was partially offset by an increase in interest expense, reflecting growth in deposit volumes across BSP's operating markets. Net Interest Margin recorded a slight increase over the period.

Total net fees and commission income grew by 15.0% compared to the same period last year, reflecting strong underlying business activity across key segments. The increase was driven by higher transaction volumes in electronic banking channels.

Foreign exchange earnings increased by 23.6% compared to the prior period, primarily driven by higher transaction volumes from both resource and non-resource sectors in PNG. This growth was supported by higher commodity prices, increased production volumes, and stronger yields. Additionally, heightened international trade and investment activity across our South Pacific Markets.

Net insurance operating income increased by 14.3%, which is attributed to a growth in investment income and lower claims experience.



2.2.2 Operating expenses

	Jun-25	Dec-24	Change		Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Employment expenses	307.7	293.4	14.3	4.9	269.0	38.7	14.4
Depreciation	65.6	64.9	0.7	1.1	65.4	0.2	0.3
Non-salary technology expenses	101.0	81.1	19.9	24.5	78.4	22.6	28.8
Occupancy expenses	59.9	58.1	1.8	3.1	56.9	3.0	5.3
Administration and other costs	146.7	154.5	(7.8)	(5.0)	109.8	36.9	33.6
Impairment on Joint Venture	-	-	-	-	35.8	(35.8)	(100.0)
Total expenses	680.9	652.0	28.9	4.4	615.3	65.6	10.7

	Jun-25	Dec-24	Change		Jun-24	Change	
	%	%	bps	%	%	bps	%
Cost to income ¹	42.5	42.5	-	-	39.7	280	7.1
Expenses to average assets	1.8	1.7	10	5.9	1.7	10	5.9
Employment and related costs to income	19.2	19.3	(10)	(0.5)	18.4	80	4.3

¹Excludes impairment on Joint Venture (Cambodia and Laos) in prior period, K35.8 million.

Comments on individual categories when compared to the previous corresponding period are:

Employment expense increased by 14.4%, primarily reflecting inflationary impacts from annual performance-based salary adjustments, role-based promotions, and an increase in headcount to support delivery of the Group's Modernising for Growth strategy and improve customer service.

Depreciation expense rose modestly by 0.3%, aligned with the ongoing capitalisation and progress of strategic projects initiated in the second half of 2025.

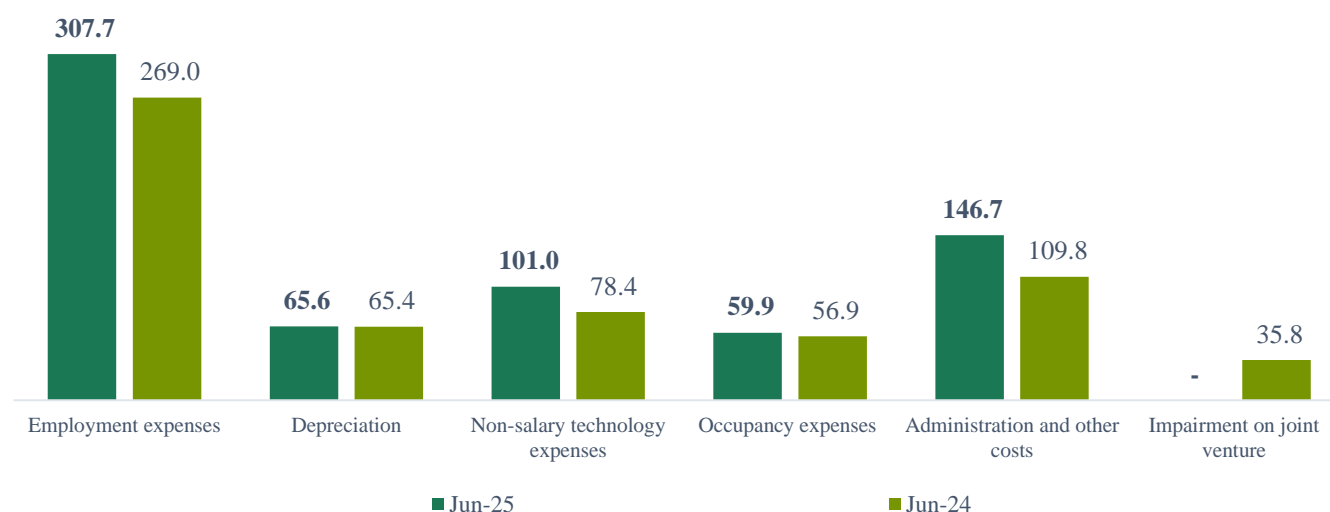
Non-salary technology expenses grew by 28.8% year-on-year, driven by increased technology adoption as part of the Group's transformation agenda, as well as industry-related Consumer Price Index (CPI) escalations.

Occupancy expenses increased by 5.3%, mainly due to higher office leasing costs and the continued rise in fuel prices impacting operational overheads.

Administration and other costs increased in line with plan by 33.6%, largely attributable to the engagement of external advisors and specialists supporting the execution of the Modernising for Growth strategy.

Impairment on Joint Venture decreased by 100.0% as a result of K36m impairment recognised in 2024 for BSP Finance Holding's investments in BSP Finance Lao and Cambodia upon classification as held for sale.

Operating expenses (Km)



2.2.3 Company Tax Rate Changes

The 2025 PNG National Budget and subsequent legislation passed before the 2024 year end introduced a gradual reduction in the Corporate Income Tax rate for commercial banks as outlined below:

- Profits below K300 million: Tax rate reduces from 45% to 40% in 2025, and 35% in 2026.
- Profits above K300 million: Tax rate reduces from 45% to 44% in 2025, decreasing by 1% annually until reaching 35%.

2.2.4 Fiji branch conversion to Subsidiary

As part of BSP Financial Group's strategic initiative to strengthen operational structure and regulatory compliance, the Fiji branch was converted into a wholly owned subsidiary, BSP Financial Group (Fiji) Pte Limited, effective 1 January 2025. This restructuring was undertaken to enhance operational efficiency, meet local regulatory requirements, and align with global trends in corporate structuring.

The conversion involved the transfer of all assets, liabilities, and operations of the Fiji branch to the newly incorporated subsidiary. The transaction was accounted for as a reorganization within the Group.

Financial Impact

Net assets amounting to K714 million were transferred from the Bank to the subsidiary. The conversion resulted in a tax benefit of K35 million recognised at the Group level. Other than the tax benefit, the conversion has no material impact on the Group's assets, liabilities, equity and profit and loss account as these are eliminated on consolidation.

2.2.5 Balance sheet metrics

	Jun-25	Dec-24	Change		Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
ASSETS							
Cash and operating balances with Central Banks	3,124.7	3,361.6	(236.9)	(7.0)	2,935.8	188.9	6.4
Amounts due from other banks	2,232.9	1,874.2	358.7	19.1	1,832.0	400.9	21.9
Treasury and Central Bank bills	3,183.9	2,517.7	666.2	26.5	3,210.8	(26.9)	(0.8)
Cash reserve requirements with Central Banks	3,057.8	3,255.4	(197.6)	(6.1)	3,293.7	(235.9)	(7.2)
Other financial assets	7,445.6	7,158.0	287.6	4.0	6,997.2	448.4	6.4
Loans and receivables from customers	17,003.4	16,269.8	733.6	4.5	16,488.9	514.5	3.1
Assets held for sale	14.9	14.5	0.4	2.8	22.4	(7.5)	(33.5)
Property, plant and equipment	1,088.7	1,046.6	42.1	4.0	1,013.8	74.9	7.4
Assets subject to operating lease	28.8	30.0	(1.2)	(4.0)	31.2	(2.4)	(7.7)
Deferred tax assets	250.5	257.5	(7.0)	(2.7)	325.4	(74.9)	(23.0)
Other assets	1,484.4	1,338.1	146.3	10.9	1,291.4	193.0	14.9
Total assets	38,915.6	37,123.4	1,792.2	4.8	37,442.6	1,473.0	3.9
LIABILITIES							
Amounts due to other banks	215.0	260.2	(45.2)	(17.4)	324.9	(109.9)	(33.8)
Customer deposits	30,711.0	29,083.0	1,628.0	5.6	29,981.8	729.2	2.4
Insurance contract liabilities	1,573.7	1,437.7	136.0	9.5	1,342.0	231.7	17.3
Other liabilities	1,569.3	1,630.9	(61.6)	(3.8)	1,420.2	149.1	10.5
Deferred tax liabilities	65.7	58.5	7.2	12.3	56.5	9.2	16.3
Total liabilities	34,134.7	32,470.3	1,664.4	5.1	33,125.4	1,009.3	3.0
SHAREHOLDERS EQUITY							
Ordinary shares	372.1	372.1	-	-	372.1	-	-
Retained earnings	3,734.4	3,732.6	1.8	-	3,436.5	297.9	8.7
Other Reserves	639.6	513.6	126.0	24.5	473.5	166.1	35.1
Equity attributable to the members of the company	4,746.1	4,618.3	127.8	2.8	4,282.1	464.0	10.8
Minority Interest	34.8	34.8	-	-	35.1	(0.3)	(0.9)
Total shareholders' equity	4,780.9	4,653.1	127.8	2.7	4,317.2	463.7	10.7
Total equity and liabilities	38,915.6	37,123.4	1,792.2	4.8	37,442.6	1,473.0	3.9

2.2.6 Lending

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Overdrafts	1,280.1	1,160.7	119.4	10.3	1,395.4	(115.3)	(8.3)
Lease financing	240.0	217.2	22.8	10.5	214.5	25.5	11.9
Term loans	12,416.3	12,146.9	269.4	2.2	12,643.4	(227.1)	(1.8)
Mortgages	3,655.8	3,307.5	348.3	10.5	2,982.8	673.0	22.6
Gross loans and receivables from customers	17,592.2	16,832.3	759.9	4.5	17,236.1	356.1	2.1
Less allowance for losses on loans and receivables from customers	(588.8)	(562.5)	(26.3)	4.7	(747.2)	158.4	(21.2)
Net loans and receivables from customers	17,003.4	16,269.8	733.6	4.5	16,488.9	514.5	3.1

Gross loan volumes increased by 2.1% compared to the prior corresponding period, primarily driven by growth in the Pacific markets. This reflects a gradual recovery in business confidence and consumer activity, particularly in the Pacific Markets outside of PNG, where lending volumes expanded across both Retail and Corporate segments.

Provision balances declined by 21.2% compared to the prior corresponding period, reflecting improved economic conditions across the Group's operating markets.

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Economic sector risk concentration							
Commerce, Finance and other business	8,008.3	8,110.8	(102.5)	(1.3)	8,349.0	(340.7)	(4.1)
Private households	5,273.5	4,335.4	938.1	21.6	4,455.4	818.1	18.4
Government and public authorities	601.0	647.9	(46.9)	(7.2)	575.6	25.4	4.4
Agriculture	419.5	201.9	217.6	107.8	442.5	(23.0)	(5.2)
Transport and communication	1,045.8	1,368.4	(322.6)	(23.6)	1,333.4	(287.6)	(21.6)
Manufacturing	455.0	451.5	3.5	0.8	451.5	3.5	0.8
Construction	1,200.3	1,153.9	46.4	4.0	881.5	318.8	36.2
Net loans and receivables from customers	17,003.4	16,269.8	733.6	4.5	16,488.9	514.5	3.1

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Customer segment classification							
Corporate/ Commercial	9,752.0	9,405.5	346.5	3.7	9,736.6	15.4	0.2
Government	1,978.7	2,056.3	(77.6)	(3.8)	2,103.2	(124.5)	(5.9)
Retail	5,272.7	4,808.0	464.7	9.7	4,649.1	623.6	13.4
Net loans and receivables from customers	17,003.4	16,269.8	733.6	4.5	16,488.9	514.5	3.1

2.2.7 Allowance for expected credit losses (ECL)

	Jun-25	Dec-24	Change		Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
<i>Credit Expenses</i>							
Net (write back)/write off	70.2	23.9	46.3	193.7	72.1	(1.9)	(2.6)
Provision expense	37.2	(75.2)	112.4	(149.5)	57.7	(20.5)	(35.5)
Total Credit expense	107.4	(51.3)	158.7	(309.4)	129.8	(22.4)	(17.3)
Bad debts recoveries	(45.6)	(50.8)	5.2	(10.2)	(45.7)	0.1	(0.2)
Credit expenses net of recoveries	61.8	(102.1)	163.9	(160.5)	84.1	(22.3)	(26.5)

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
<i>Provisions</i>							
Collectively assessed provisions	246.4	230.1	16.3	7.1	357.8	(111.4)	(31.1)
Individually assessed provisions	298.3	290.1	8.2	2.8	337.8	(39.5)	(11.7)
Total provision for on balance sheet exposure	544.7	520.2	24.5	4.7	695.6	(150.9)	(21.7)
Collective provision for off balance sheet exposure	44.1	42.3	1.8	4.3	51.6	(7.5)	(14.5)
Total provisions for doubtful debts	588.8	562.5	26.3	4.7	747.2	(158.4)	(21.2)

Impaired Assets	Km	Km	Km	%	Km	Km	%
Gross impaired assets	611.3	627.5	(16.2)	(2.6)	692.9	(81.6)	(11.8)
Net impaired assets	313.0	337.4	(24.4)	(7.2)	355.1	(42.1)	(11.9)
Net impaired loans to gross loans %	1.8	2.0	(20 bps)	(10)	2.1	(30 bps)	(14.3)

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	%	%	bps	%	%	bps	%
Provisions to loans	3.3	3.3	-	-	4.3	(100)	(23.3)

2.2.8 Deposits

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	Km	Km	Km	%	Km	Km	%
Current	25,415.4	24,168.6	1,246.8	5.2	26,465.1	(1,049.7)	(4.0)
Savings	2,125.2	1,775.2	350.0	19.7	561.6	1,563.6	278.4
Term	3,170.4	3,139.2	31.2	1.0	2,955.1	215.3	7.3
Total deposits	30,711.0	29,083.0	1,628.0	5.6	29,981.8	729.2	2.4

Deposits grew by 2.4%, driven by increases in current and savings account balances that support our lending and investments growth.

2.2.8 Deposits (continued)

30 June 2025	1 to 3 months	4 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	25,415.4	-	-	-	-	25,415.4
Savings	2,125.2	-	-	-	-	2,125.2
Term	1,418.8	1,415.3	154.9	84.3	97.1	3,170.4
Total deposits	28,959.4	1,415.3	154.9	84.3	97.1	30,711.0

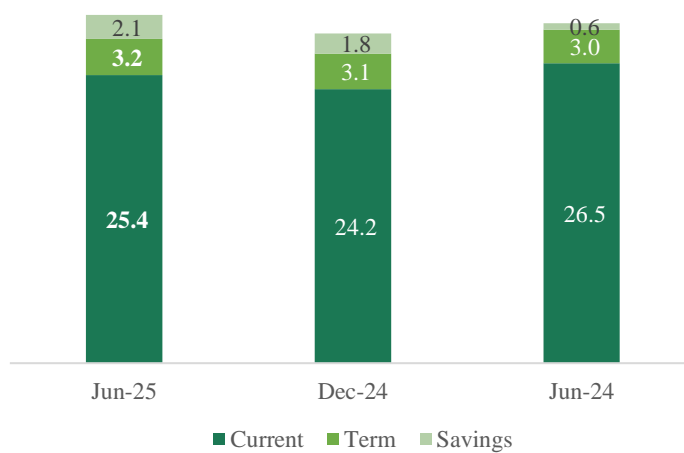
31 December 2024	1 to 3 months	4 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	24,168.6	-	-	-	-	24,168.6
Savings	1,775.2	-	-	-	-	1,775.2
Term	709.6	2,165.3	85.0	72.9	106.4	3,139.2
Total deposits	26,653.4	2,165.3	85.0	72.9	106.4	29,083.0

30 June 2024	1 to 3 months	4 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	26,465.1	-	-	-	-	26,465.1
Savings	561.6	-	-	-	-	561.6
Term	2,030.0	874.4	43.4	7.1	0.2	2,955.1
Total deposits	29,056.7	874.4	43.4	7.1	0.2	29,981.8

	As at Jun-25	As at Dec-24	Change		As at Jun-24	Change	
	%	%	bps	%	%	bps	%
Loans to deposit ratio	57.3	57.9	(60)	(1.0)	57.5	(20)	(0.3)

Robust deposit growth has strengthened the Group's funding base, positioning it well to support future credit expansion. This growth reflects strong customer confidence and continued trust in the BSP brand across all operating regions. Economic activity is expected to accelerate, particularly in PNG, driven by the ramp-up of key resource projects. In the Pacific markets, tourism recovery is gaining momentum, contributing positively to business and consumer activity. These developments provide a solid foundation for sustained lending growth and broader economic engagement.

Deposits (K billion)



2.2.9 Capital and shareholder return

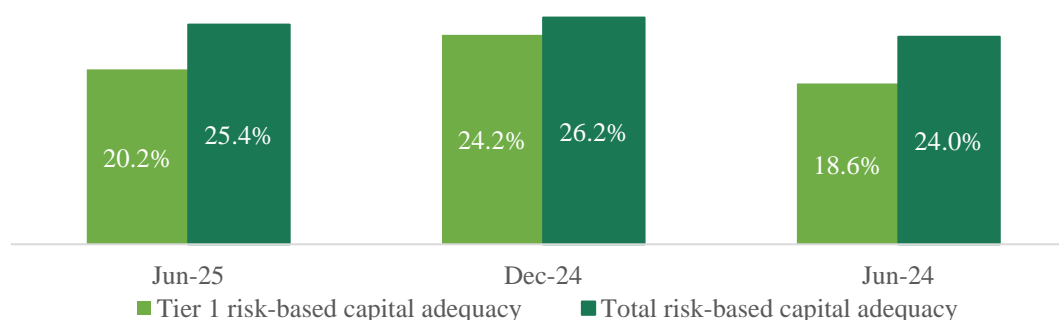
2.2.9.1 Assets and capital

	As at Jun-25	As at Dec-24	Change		As at June 24	Change	
	Km	Km	Km	%	Km	Km	%
Total assets	38,915.6	37,123.4	1,792.2	4.8	37,442.6	1,473.0	3.9
Capital adequacy							
Total regulatory capital	4,442.3	4,294.5	147.8	3.4	3,947.9	494.4	12.5
Risk-weighted assets	17,476.1	16,365.6	1,110.5	6.8	16,421.6	1,054.5	6.4
	As at Jun-25	As at Dec-24	Change		As at June 24	Change	
	%	%	bps	%	%	bps	%
Total risk-based capital adequacy	25.4	26.2	(80)	(3.1)	24.0	140	5.8
Tier 1 risk-based capital adequacy*	20.2	24.2	(400)	(16.5)	18.6	160	8.6
Tier 2 risk-based capital adequacy	5.2	2.0	320	160.0	5.4	(20)	(3.7)
Leverage capital ratio	9.2	10.8	(160)	(14.8)	8.3	90	10.8

*Per prudential guidelines, Half Year NPAT is part of Tier 2 capital as the six monthly accounts are reviewed only and not audited. NPAT is transferred to retained earnings and classified as Tier 1 upon completion of audited accounts at financial year end (December).

As at 30 June 2025, the Group's capital adequacy and leverage ratios remained well above regulatory thresholds, consistent with the classification of a "well-capitalised" bank.

Capital ratios (%)



2.2.9.2 Shareholder returns

	Jun-25	Dec-24	Change		Jun-24	Change	
Earnings per ordinary share	toea	toea	toea	%	toea	Toea	%
Statutory earnings per ordinary share (weighted average)	122.5	110.7	11.8	10.7	111.4	11.1	10.0
	Jun-25	Dec-24	Change		Jun-24	Change	
Weighted average number of ordinary shares	K(000's)	K(000's)	K(000's)	%	K(000's)	K(000's)	%
Weighted avg. number of ordinary shares used in EPS calculations	467,220	467,220	-	-	467,220	-	-

2.2.9 Capital and shareholder return (continued)

2.2.9.2 Shareholder returns (continued)

Ratios	Jun-25	Dec-24	Change		Jun-24	Change	
	%	%	bps	%	%	bps	%
Return on average equity	12.1	11.1	100	9.0	12.2	(10)	(0.8)
Return on average assets	1.5	1.4	10	7.1	1.4	10	7.1

2.2.9.3 Dividends payable/paid

Earnings per ordinary share	FY24	FY23	Change	%	FY22	Change	%
Dividend per share - toea	166.0	143.0	23.0	16.1	174.0	(8.0)	(4.6)
Dividend amount paid - Km	775.6	668.0	107.6	16.1	813.5	(37.9)	(4.7)
Payout ratio %	75.0%	75.0%	-	-	75.0%	-	-

2.3 Additional notes

2.3.1 Analysis of intangible assets

Analysis of Intangible assets	Balance Sheet Carrying Values			Amortisation Impairment Expense		
	Jun-25 Km	Dec-24 Km	Jun-24 Km	Jun-25 Km	Dec-24 Km	Jun-24 Km
Goodwill	45.3	45.3	45.3	-	-	-
Software	246.5	249.5	232.5	25.3	25.0	24.2
	291.8	294.8	277.8	25.3	25.0	24.2

2.3.2 Net tangible assets per ordinary share

	Jun-25 Km	Dec-24 Km	Jun-24 Km
Net tangible asset backing per ordinary share (PGK)	9.6	9.3	8.7
Net assets	4,780.9	4,653.1	4,317.2
Intangibles	(291.8)	(294.8)	(277.8)
Net tangible assets attributable to ordinary shareholders	4,489.1	4,358.3	4,039.4
Number of fully paid ordinary shares on issue (000s)	467,220	467,220	467,220

2.3.3 Details of associates and joint venture arrangement entities

	Jun-25	Dec-24	Jun-24
Ownership interest held by consolidated entity as at 30 June 2025	%	%	%
Joint venture			
Suva Central Limited	50.0	50.0	50.0
Richmond Limited	50.0	50.0	50.0
BSP Finance Cambodia	50.0	50.0	50.0
BSP Finance Laos	50.0	50.0	50.0
Vatu Talei Limited	50.0	-	-

3. Consolidated financial statements

3.1 Basis of preparation

The financial information has been extracted from the reviewed consolidated financial statements of BSP Financial Group Limited that have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and interpretations of these standards issued by the International Financial Reporting Interpretations Committee.

3.2 Statement of comprehensive income

	Jun-25	Dec-24	Jun-24
	Km	Km	Km
Interest income	1,080.1	1,052.20	1,039.6
Interest expense	(63.0)	(69.6)	(57.7)
Net interest income	1,017.1	982.6	981.9
Fee and commission income	212.2	202.0	184.6
Other income	344.8	302.2	268.0
Net insurance operating income	28.0	33.3	24.5
Total net operating income before impairment and operating expenses	1,602.1	1,520.1	1,459.0
Impairment expense	(67.4)	102.0	(83.8)
Operating expenses	(680.9)	(652.0)	(615.3)
Additional company tax settlement	-	-	95.0
Profit before income tax	853.8	970.1	854.9
Income tax expense	(282.1)	(452.9)	(334.4)
Net profit for the period	571.7	517.2	520.5
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Translation of financial information of foreign operations to presentation currency	133.8	16.3	22.3
<i>Items that will not be reclassified to profit or loss:</i>			
Recognition of deferred tax asset on asset revaluation reserve	-	-	0.7
Net movement in asset revaluation	(7.8)	(0.1)	(2.7)
Other comprehensive income, net of tax	126.0	16.2	20.3
Total comprehensive income for the period	697.7	533.4	540.8

3.3 Statement of financial position

	Jun-25	Dec-24	Jun-24
	Km	Km	Km
ASSETS			
Cash and operating balances with Central Banks	3,124.7	3,361.6	2,935.8
Amounts due from other banks	2,232.9	1,874.2	1,832.0
Treasury and Central Bank bills	3,183.9	2,517.7	3,210.8
Cash reserve requirements with Central Banks	3,057.8	3,255.4	3,293.7
Other financial assets	7,445.6	7,158.0	6,997.2
Loans and receivables from customers	17,003.4	16,269.8	16,488.9
Assets held for sale ¹	14.9	14.5	22.4
Property, plant and equipment	1,088.7	1,046.6	1,013.8
Aircraft subject to operating lease	28.8	30.0	31.2
Deferred tax assets	250.5	257.5	325.4
Other assets	1,484.4	1,338.1	1,291.4
Total assets	38,915.6	37,123.4	37,442.6
LIABILITIES			
Amounts due to other banks	215.0	260.2	324.9
Customer deposits	30,711.0	29,083.0	29,981.8
Insurance contract liabilities	1,573.7	1,437.7	1,342.0
Other liabilities	1,569.3	1,630.9	1,420.2
Deferred tax liabilities	65.7	58.5	56.5
Total liabilities	34,134.7	32,470.3	33,125.4
SHAREHOLDER'S EQUITY			
Ordinary shares	372.1	372.1	372.1
Retained earnings	3,734.4	3,732.6	3,436.5
Other reserves	639.6	513.6	473.5
Equity attributable to the members of the company	4,746.1	4,618.3	4,282.1
Minority interests	34.8	34.8	35.1
Total shareholders' equity	4,780.9	4,653.1	4,317.2
Total equity and liabilities	38,915.6	37,123.4	37,442.6

¹As of June 2025, the Company continues to classify its investment in the joint ventures (BSP Finance Cambodia & BSP Finance Laos) as held for sale. The carrying amount of the investment has been measured at the lower of its carrying amount and fair value less costs to sell.

3.4 Statement of changes in shareholders' equity

	Share Capital	Reserves	Retained earnings	Minority interest	Total
	Km	Km	Km	Km	Km
Balance at 1 January 2025	372.1	513.6	3,732.6	34.8	4,653.1
Net profit	-	-	571.7	-	571.7
Other Comprehensive income	-	126.0	-	-	126.0
Total comprehensive income	-	126.0	571.7	-	697.7
Dividends paid during the period	-	-	(569.9)	-	(569.9)
Total transactions with owners	-	-	(569.9)	-	(569.9)
Balance at 30 June 2025	372.1	639.6	3,734.4	34.8	4,780.9
Balance as at 1 July 2024	372.1	473.5	3,436.5	35.1	4,317.2
Net profit	-	-	517.2	-	517.2
Other Comprehensive income	-	16.2	-	-	16.2
Total comprehensive income	-	16.2	517.2	-	533.4
Dividends paid during the period	-	-	(211.7)	(0.1)	(211.8)
Minority interest capital	-	-	-	(0.3)	(0.3)
Gain attributable to Minority Interest	-	-	(0.1)	0.1	-
Total transactions with owners	-	-	(211.8)	(0.3)	(212.1)
Transfer from Asset Revaluation Reserve	-	(0.2)	0.2	-	-
Asset revaluation reserve tax effect change	-	14.6	-	-	14.6
BSP Life policy reserve	-	9.5	(9.5)	-	-
Balance at 31 December 2024	372.1	513.6	3,732.6	34.8	4,653.1
Balance at 1 January 2024	372.1	454.8	3,415.7	0.7	4,243.3
Net profit	-	-	520.5	-	520.5
Other Comprehensive income	-	20.3	-	-	20.3
Total comprehensive income	-	20.3	520.5	-	540.8
Dividends paid during the period	-	-	(501.0)	(0.2)	(501.2)
Minority interest capital	-	-	-	34.3	34.3
Gain attributable to Minority Interest	-	-	(0.3)	0.3	-
Total transactions with owners	-	-	(501.3)	34.4	(466.9)
Transfer from asset revaluation reserve	-	(1.6)	1.6	-	-
Balance at 30 June 2024	372.1	473.5	3,436.5	35.1	4,317.2

3.5 Statement of cash flows

	Jun-25	Dec-24	Jun-24
	Km	Km	Km
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received	1,165.1	1,008.9	1,072.2
Fees and other income	501.8	482.1	406.8
Interest paid	(58.2)	(68.6)	(36.3)
Insurance premiums	152.8	143.2	161.4
Claims, surrenders and maturity payments	(108.6)	(87.4)	(86.0)
Additional Company Tax settlement	-	-	95.0
Amounts paid to suppliers and employees	(599.2)	(551.9)	(602.8)
Operating cash flow before changes in operating assets and liabilities	1,053.7	926.3	1,010.3
(Increase)/decrease in loans and receivables from customers	(298.1)	457.0	(469.8)
Increase/(decrease) in customer deposits	905.4	(942.1)	54.9
(Increase)/decrease in cash reserve requirements with Central Banks	250.4	40.7	(445.5)
(Increase)/decrease in other assets	(150.4)	(39.7)	79.0
Increase/(decrease) in other liabilities	(13.9)	175.5	295.8
Net cash flow from operations before income tax	1,747.1	617.7	524.7
Income taxes paid	(268.2)	(368.9)	(284.8)
Net cash flow from operating activities	1,478.9	248.8	239.9
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Government Securities	4,444.1	1,849.7	10,161.5
Purchase of Government Securities	(5,433.2)	(1,288.4)	(10,193.8)
Expenditure on property, plant & equipment	(30.7)	(87.5)	(47.9)
Proceeds from disposal of property, plant & equipment	-	-	2.5
Expenditure for software development costs	(36.2)	-	(15.9)
Net cash flow from investing activities	(1,056.0)	473.8	(93.6)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	(569.9)	(211.8)	(501.2)
Partial sale of investment in subsidiary	-	(0.3)	34.3
Net cash flow used in financing activities	(569.9)	(212.1)	(466.9)
Net Increase/(decrease) in cash and cash equivalents	(147.0)	510.5	(320.6)
Effect of exchange rate movements on cash and cash equivalents	314.0	22.2	41.4
Cash and cash equivalents at the beginning of the year	4,975.6	4,442.9	4,722.1
Cash and cash equivalents at the end of the year	5,142.6	4,975.6	4,442.9

3.6 Segment reporting

Half Year ended 30 June 2025	PNG Bank	Pacific Markets	Non-Bank Services	Adjust Inter Segments	Total
Net interest income	811.3	200.0	3.5	2.3	1,017.1
Net fee, commission and other income	368.6	71.1	9.5	(212.6)	236.6
Foreign exchange related	237.6	82.8	-	-	320.4
Net insurance income	-	-	28.4	(0.4)	28.0
Total operating income	1,417.5	353.9	41.4	(210.7)	1,602.1
Operating expenses	(539.4)	(137.3)	(1.7)	(2.5)	(680.9)
Impairment expenses	(58.8)	(8.9)	0.3	-	(67.4)
Profit before income tax	819.3	207.7	40.0	(213.2)	853.8
Income tax	(224.6)	(52.5)	(5.0)	-	(282.1)
Net profit after income tax	594.7	155.2	35.0	(213.2)	571.7
Assets	25,671.2	12,990.5	2,344.7	(2,090.8)	38,915.6
Liabilities	(22,540.0)	(11,388.8)	(1,738.1)	1,532.2	(34,134.7)
Net Assets	3,131.2	1,601.7	606.6	(558.6)	4,780.9

Half Year ended 31 December 2024	PNG Bank	Pacific Markets	Non-Bank Services	Adjust Inter Segments	Total
Net interest income	771.2	192.9	17.5	1.0	982.6
Net fee, commission and other income	202.3	65.4	0.2	(65.1)	202.8
Foreign exchange related	214.6	86.8	-	-	301.4
Net insurance income	-	-	33.2	0.1	33.3
Total operating income	1,188.1	345.1	50.9	(64.0)	1,520.1
Operating expenses	(516.5)	(134.5)	(3.7)	2.7	(652.0)
Impairment expenses	95.1	13.2	(6.3)	-	102.0
Profit before income tax	766.7	223.8	40.9	(61.3)	970.1
Income tax	(391.0)	(56.8)	(5.1)	-	(452.9)
Net profit after income tax	375.7	167.0	35.8	(61.3)	517.2
Assets	24,860.6	12,037.8	2,220.5	(1,995.5)	37,123.4
Liabilities	(21,701.3)	(10,502.3)	(1,665.8)	1,399.1	(32,470.3)
Net Assets	3,159.3	1,535.5	554.7	(596.4)	4,653.1

3.6 Segment reporting (continued)

Half Year ended 30 June 2024	PNG Bank	Pacific Markets	Non-Bank Services	Adjust Inter Segments	Total
Net interest income	786.6	175.4	19.2	0.7	981.9
Net fee, commission and other income	208.0	59.1	6.2	(79.9)	193.4
Foreign exchange related	187.1	72.1	-	-	259.2
Net insurance income	-	-	24.1	0.4	24.5
Total operating income	1,181.7	306.6	49.5	(78.8)	1,459.0
Operating expenses	(456.1)	(119.3)	(43.7)	3.8	(615.3)
Impairment expenses	(75.3)	2.2	(10.7)	-	(83.8)
Additional company tax settlement	95.0	-	-	-	95.0
Profit before income tax	745.3	189.5	(4.9)	(75.0)	854.9
Income tax	(279.0)	(49.2)	(6.2)	-	(334.4)
Net profit after income tax	466.3	140.3	(11.1)	(75.0)	520.5
Assets	26,118.3	10,931.1	2,361.7	(1,968.5)	37,442.6
Liabilities	(23,206.6)	(9,505.6)	(1,766.6)	1,353.4	(33,125.4)
Net Assets	2,911.7	1,425.5	595.1	(615.1)	4,317.2

4. Directors Declaration

The directors declare that:

- in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- the interim condensed financial statements are prepared in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The interim condensed financial statements for the half year ended June 2025 does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

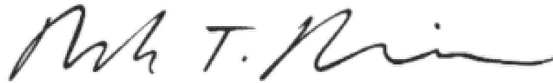
Signed in accordance with a resolution of the directors.

On behalf of the Directors.

Dated and signed at Port Moresby this 21st day of August 2025.



Robert G Bradshaw
Chairman



Mark T Robinson
Group Chief Executive Officer & Managing Director