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## **Market Announcement to South Pacific Stock Exchange**

### **“HALF YEAR RESULTS - 30 JUNE 2024”**

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#### **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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23 August 2024

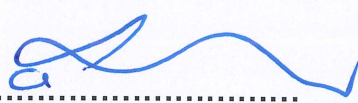
## **“HALF YEAR RESULTS - 30 JUNE 2024”**

### **“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 PNGX.



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**Rajeshwar Singh**  
**DIRECTOR**



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**Alvina Ali**  
**COMPANY SECRETARY**

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ASX: BFL | PNGX: BSP

22 August 2024

## HALF YEAR RESULTS - 30 June 2024

**BSP Financial Group Limited (BSP) is pleased to announce its financial results for the first half of 2024, reporting a net profit after tax (NPAT) of K520 million [FJD 336.70m], representing a 22% increase compared to the same period last year.**

Key Financial Highlights (compared to the prior corresponding period):

- **Net Profit After Tax:** Increased by 22% to K520 million [FJD 336.70m].
- **Underlying Profit (excluding “one-off” items):** Increased by 8% to K461 million [FJD 298.50m].
- **Revenue:** Increased by 12% to K1.5 billion [FJD 0.97b].
- **Expenditure:** Excluding “one-off” provision releases, underlying operating expenses increased by 18%, reflecting significant investments in BSP’s modernising for growth initiative.
- **Total Assets:** Grew by 7% to K37.4 billion [FJD 24.22b].
- **Bad & Doubtful Debt Expenses:** Increased by 7% to K84 million [FJD 54.39m].
- **Capital Adequacy:** Improved by 150 basis points to 24.0%.
- **Interim Dividend:** Increased by 22% to K0.45 per share [FJD 0.29].

The Group's half-year statutory NPAT was positively impacted by a one-off K95 million [FJD 61.51m] Additional Company Tax settlement with the PNG government, partially offset by a K36 million [FJD 23.31m] joint venture impairment. BSP has decided to exit its businesses in Cambodia and Lao and as a result of this decision, we are recognising this impairment. Excluding these items, the Group's underlying profit rose by 8%. These robust results were achieved while making significant investments in our "Modernising for Growth" strategy.

Mark T. Robinson, BSP’s Group Chief Executive Officer, commented, "Our underlying results demonstrate the strong growth we are achieving across all key areas of our business, driven by our relentless focus on our customers and the outstanding execution by our team. Our business fundamentals remain solid, with resilient margins and prudent balance sheet management, even as we invest for the future to deliver enhanced services to our customers as we strive to build a world-class bank in our region."

### **Operating Performance Highlights:**

Revenue increased by 12%, primarily driven by robust asset growth across all key business segments. Gross loans grew by 11% to K17.2 billion [FJD 11.14b], compared to the first half of 2023. The Group's net interest margin (NIM) remained stable, as lending margins were broadly maintained. Additionally, strong foreign exchange (FX) income growth was driven by improved FX flows during the period.

Underlying operating expenses rose by 18%, excluding one-off provision releases. The increase in underlying costs reflect our commitment to the "Modernising for Growth" strategy.

Expenses have also been affected by inflationary pressures in our region, with the Bank of PNG forecasting a 5% inflation rate for PNG in 2024, a trend expected across the South Pacific. Underlying cost to income ratio stands at 40.7%, in line with our projections, as we continue to build a stronger future for our customers and communities.

### **Shareholder Returns:**

The BSP Board has declared a first-half dividend of 45 toea [FJD 0.2914] per share, reflecting a 22% increase from the first half of 2023. This increase is largely attributable to the one-off impact of the K95 million [FJD 61.51m] Additional Company Tax settlement with the PNG government.

BSP Chairman Robert Bradshaw expressed optimism about the prospects for the region and the business as BSP enters the second half of 2024.

### **Dividend Payment Details:**

For ASX shareholders eligible to receive BFL dividends in AUD, the applicable exchange rate on the record date will be used. The dividend payment schedule is as follows:

- Ex-date: Tuesday, 27 August 2024
- Record date: Wednesday, 28 August 2024
- Payment date: Friday, 20 September 2024

**Robert G. Bradshaw**

**Group Chairman | BSP Financial Group Limited**

*This announcement was authorised for release by the Board of BSP Financial Group Limited.*

CONTACTS:

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