Bank South Pacific

Half Year Results 2025

Investor Presentation

22 AUGUST 2025

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Contents

Overview

Mark T. Robinson, Group Chief Executive Officer

Leading bank of the South Pacific

Largest bank in the South Pacific, operating in 7 countries.

WHO WE ARE

- Headquartered in Port Moresby, PNG, with 4,600+ employees and 2+ million customers.
- Listed on PNGX (2003) & ASX (2021), with a K10.7b | A$ 4b Market Capitalisation.
- Independent Board composed of highly qualified, internationally diverse directors.
- High calibre executive team with a strong mix of global and South Pacific banking experience.

MARKET LEADER

- Largest bank in PNG with significant market share across key segments.
- Strong presence in 6 other South Pacific Markets, reinforcing regional leadership.

PROVEN TRACK RECORD OF PROFITABILITY AND RETURNS

- Consistent earnings underpinned by diversified revenue streams, disciplined risk and cost management.
- Attractive Dividend Yield.

LONG-TERM STRUCTURAL GROWTH OPPORTUNITY

- Well positioned to capture demand from growing populations, expanding trade and accelerated digital adoption in the region.

STRONG BALANCE SHEET & CAPITAL MANAGEMENT

- Well funded with a robust capital and liquidity position.

DIVERSIFIED REVENUE BASE

- Diversified and resilient earnings profile, with strong contributions from lending, foreign exchange, fees and life insurance.

COMMITMENT TO INNOVATION AND IMPACT

- Championing prosperity and broadening digital access across the South Pacific

Result Highlights

↑ **9.8%**

Revenue

↑ **9.8%**

Statutory NPAT

↑ **K0.50/share**

Interim Dividend, up 11.1% from 1H24

23.6%

Annualised Return on Equity

25.4%

Capital Adequacy Ratio, 13.4 %pts over regulatory minimum

↑ **12.9%**

Customer Accounts; 3.2m active accounts at 1H25

Our market

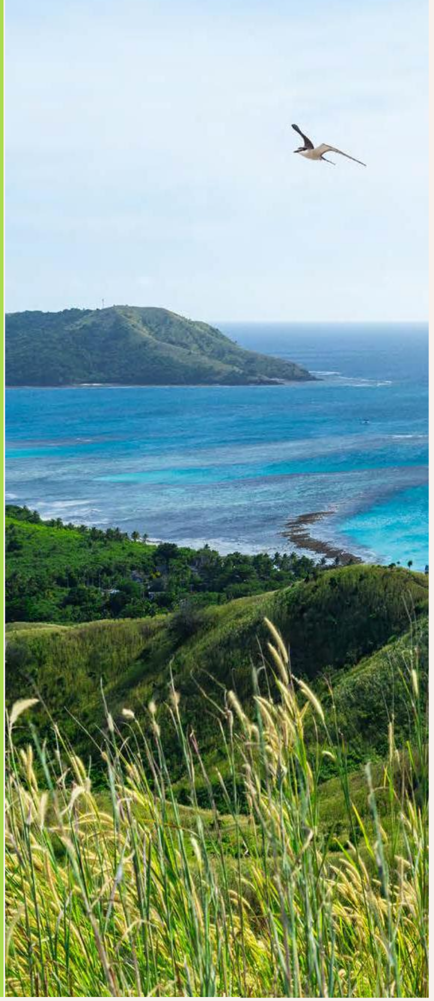
BSP continues to grow and innovate in an increasingly competitive and rapidly evolving environment

MARKET ENVIRONMENT

- Robust domestic consumption activity in 1H25 due to an uplift in export performance
- Proactive promotion of building climate change resilience given heavy reliance on agriculture
- Regional Governments focused on fiscal sustainability
- Greater receptiveness to International partnership in our Pacific markets
- Heightened competition in PNG with positive legislative reforms and increased investment
- Rural and remote communities requiring innovative and inclusive financial solutions

BSP'S FOCUS

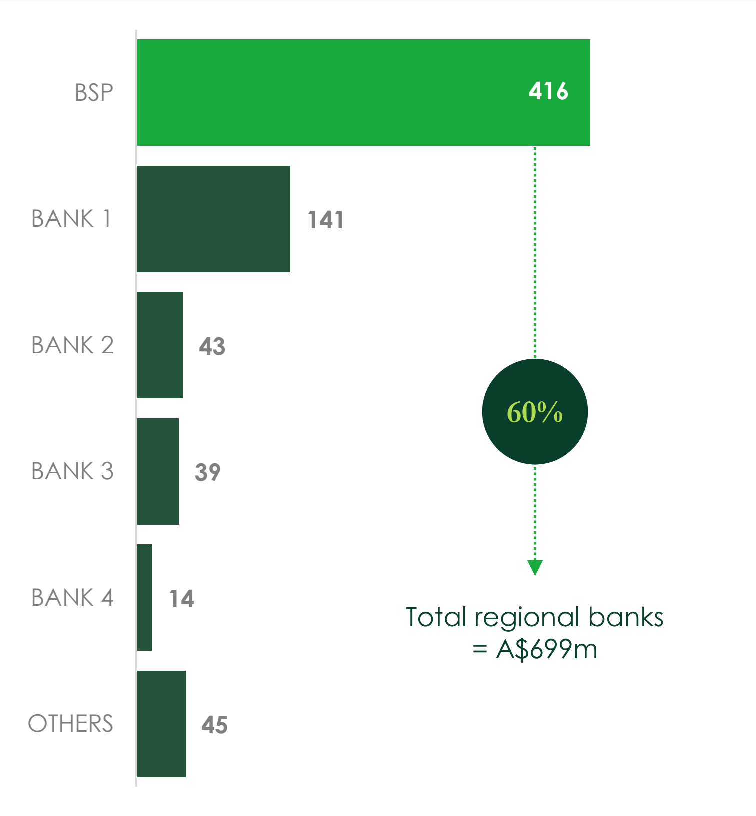
- Attract, develop and retain top talent
- Simplify and enhance our processes and platforms
- Invest in digital and data capabilities to improve decision making
- Invest in technology to deliver an exceptional customer experience
- Implement modernization program to build the South Pacific's International bank
- Seize valuable opportunities for constructive engagement and regional collaboration



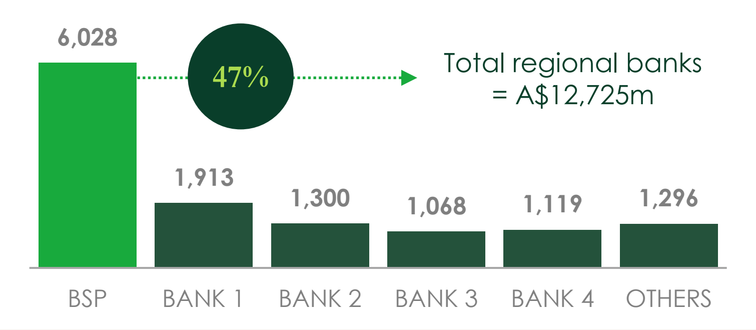
A leader in the South Pacific

BSP’s NPAT and balance sheet are materially larger than other South Pacific banks.

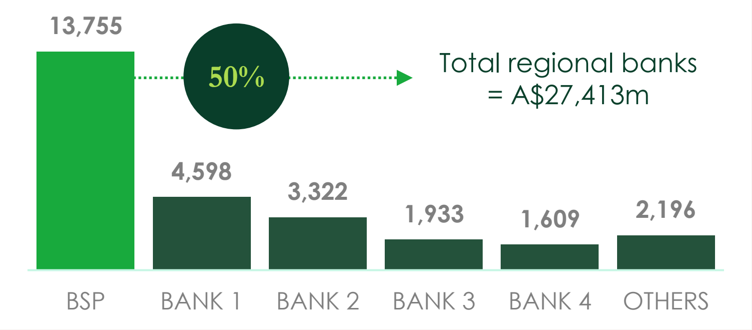
STATUTORY NPAT [FY24, A$M]



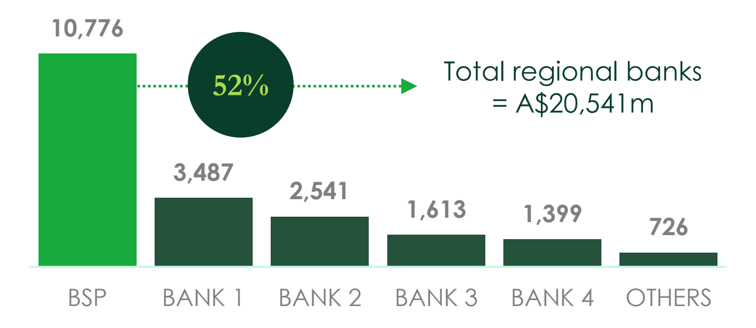
NET LENDING [FY24, A$M]



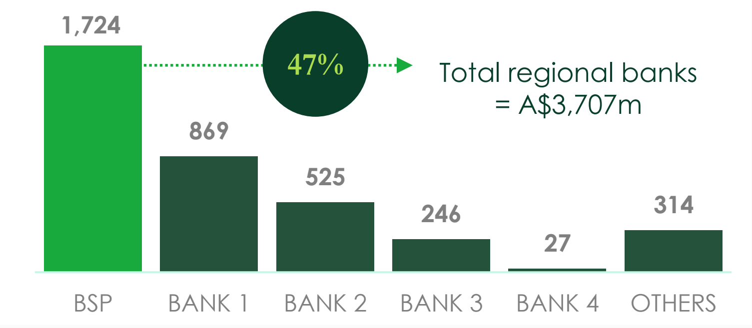
TOTAL ASSETS [FY24, A$M]



TOTAL DEPOSITS [FY24, A$M]



EQUITY [FY24, A$M]



Data shown is FY24, as not all banks have released 1H25 results.

Building a world class bank

Operational highlights

STRATEGIC PILLARS

- Revitalise
- Better Serve Underbanked
- Drive Prosperity
- Business Bank
- Corporate and Government
- Optimise Physical Cash Management

The Strategic shifts are supported by four key enablers:

- People
- Data & Digital
- Technology & Operations
- Partnership & Operating model

Recent initiatives:

FX ONLINE

- Feature that allows business customers to make seamless foreign currency transactions.
- Reduces manual intervention and repetitive processes.

CONCIERGE APP

- Productivity enhancement tool that manages our customer journey through triaging requests and queue management
- Personalises the customer experience and improves in-branch performance

Financial Results

Glen Skarott, Group Chief Financial Officer

Strong operating performance in 1H25

Solid growth in revenue and earnings

PGK [millions]	1H-24	1H-25	CHANGE
Revenue	1,459	1,602	9.8%
- *Net interest income*	*982*	*1,017*	*3.6%*
- *FX income*	*259*	*320*	*23.6%*
- *Fee and commission income*	*185*	*212*	*14.6%*
- *Insurance/other income*	*33*	*53*	*59.6%*
Operating expenses	(579)	(681)	17.6%
Operating profit	**880**	**921**	**4.7%**
Credit expenses	(84)	(67)	(20.2%)
Profit before tax	**796**	**854**	**7.3%**
Income tax	(334)	(282)	(15.6%)
Underlying NPAT	**462**	**572**	**23.8%**
JV[1] impairment	(36)	-	
ACT[2] settlement	95	-	
STATUTORY NPAT	**521**	**572**	**9.8%**

[1] Southeast Asia joint venture (JV) asset finance business
[2] Additional Company Tax settlement

AUD[3] [millions]	1H-24	1H-25	CHANGE
Revenue	586	621	5.9%
- *Net interest income*	*394*	*394*	*(0.1%)*
- *FX income*	*104*	*124*	*19.2%*
- *Fee and commission income*	*74*	*82*	*10.6%*
- *Insurance/other income*	*13*	*21*	*54.0%*
Operating expenses	(233)	(264)	13.5%
Operating profit	**353**	**357**	**1.0%**
Credit expenses	(34)	(26)	(23.0%)
Profit before tax	**320**	**331**	**3.6%**
Income tax	(134)	(109)	(18.5%)
Underlying NPAT	**186**	**222**	**19.5%**
JV[1] impairment	(14)	-	
ACT[2] settlement	38	-	
STATUTORY NPAT	209	**222**	**5.9%**

[3] Average exchange rate of 0.4016 AUD=1PGK for 1H-24 , and 0.3875 AUD=1PGK for 1H-25

Total income & Operating profit

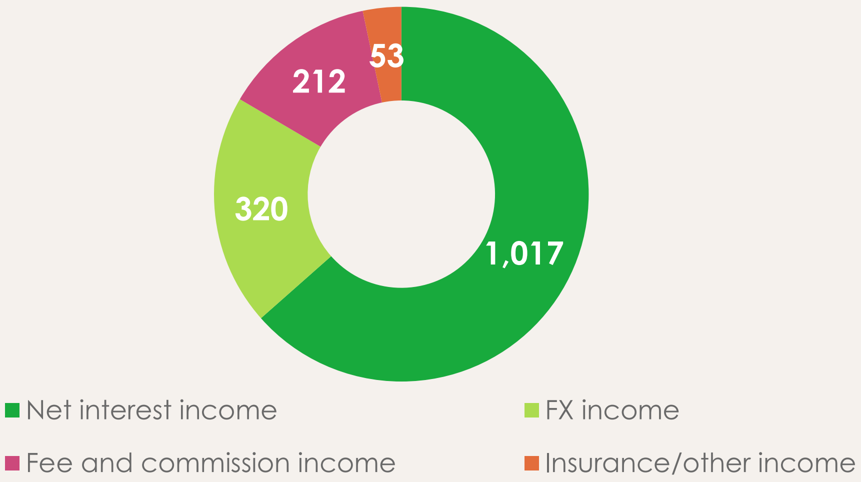
Steady growth of the Group's operating profit, while making significant investments to modernise the business

TOTAL INCOME

PGK [millions]

K1,602m

+9.8%
vs 1H24

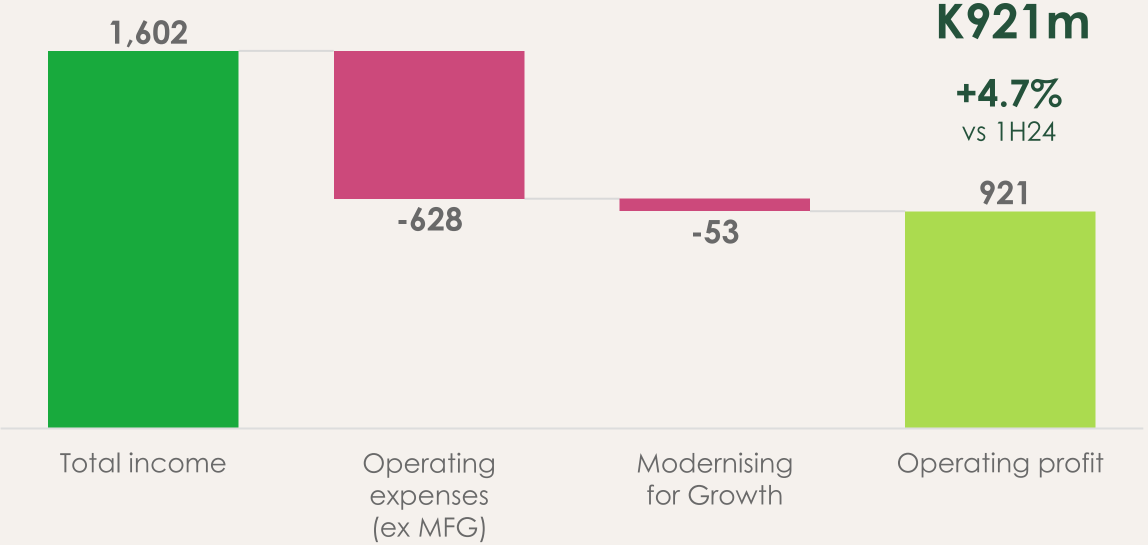


OPERATING PROFIT

PGK [millions]

K921m

+4.7%
vs 1H24



- **Net interest income** increased 3.6%, driven by lending volume growth, a modest improvement in NIM and increased investment securities volumes.
- **FX earnings** increased 23.6%, driven by increased flows from resource and non-resource sectors in PNG, along with heightened international trade and investments.
- **Total net fees and commission income** grew 14.6%, reflecting strong underlying business activity.

- **Operating Expenses** of K681m in 1H25 were 17.6%[1] higher than 1H24 driven by wages & salaries and technology costs. Excluding Modernising for Growth expenses, operating expenses were K628m (1H24: K550m).
- **Modernising for Growth expenses** were K53m for 1H25 (1H24: K29m), reflecting growth in staff resources, administration and computing costs

[1] 17.6% is based on normalised 2024 operating expenses, excluding one-off impairment expenses; year-on-year change is 10.7% when including one-off impairment in the 2024 operating expenses result.

Operating expenses

Cost to income (CTI) ratio in line with expectations

PGK [millions]	1H-24	1H-25	CHANGE
Employment costs	269	308	14.5%
Administration and other costs	110	146	32.7%
Non-salary technology costs	78	101	28.8%
Depreciation	65	66	1.5%
Occupancy expenses	57	60	5.3%
Operating expenses	**579**	**681**	**17.6%**[1]
CTI Ratio	**39.7%**	**42.5%**	**280bps**

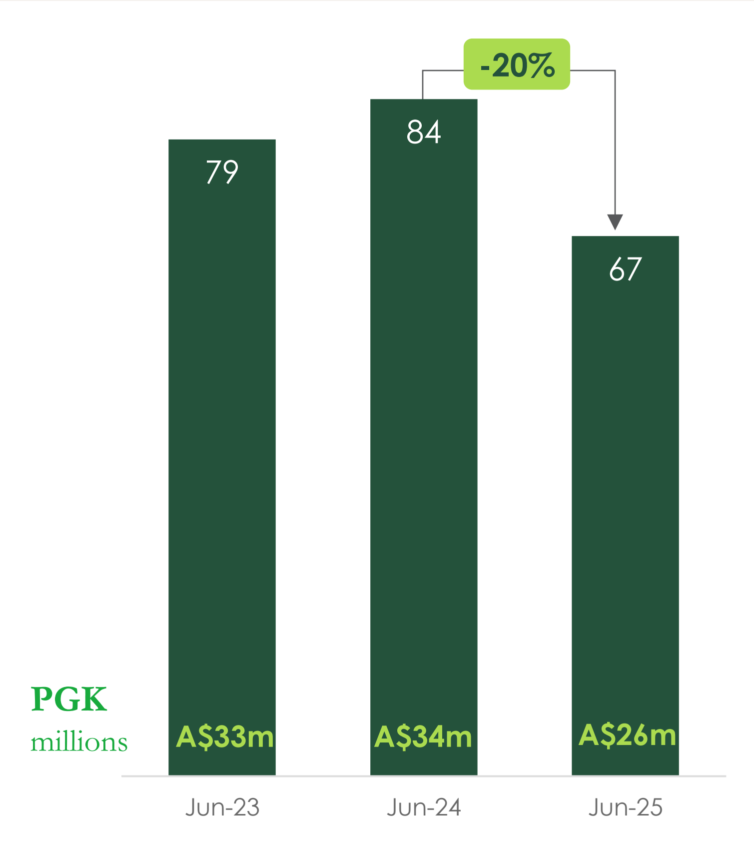
- Employment, Non-salary technology, and Administration costs increased due to the Modernising for Growth (MFG) program.
- CTI increased 280bps to 42.5% due to investments in the MFG program and is in line with the 42%-45% range expectations.

[1] 17.6% is based on normalised 2024 operating expenses, excluding one-off impairment expenses; year-on-year change is 10.7% when including one-off impairment in the 2024 operating expenses result.

Credit quality

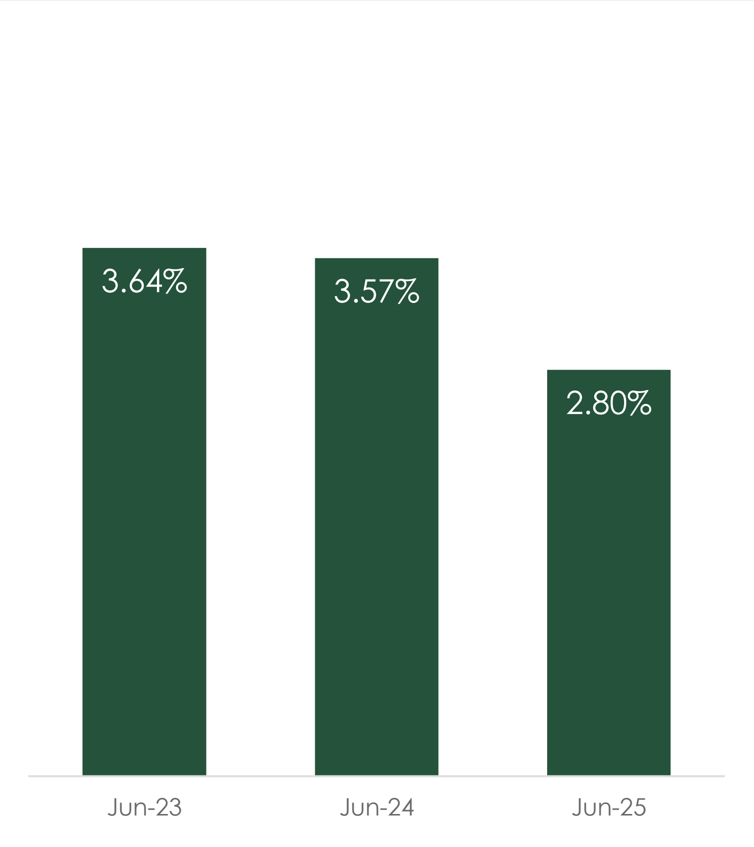
Improved credit quality due to prudent management and normalization of delinquency rates

CREDIT IMPAIRMENT EXPENSES

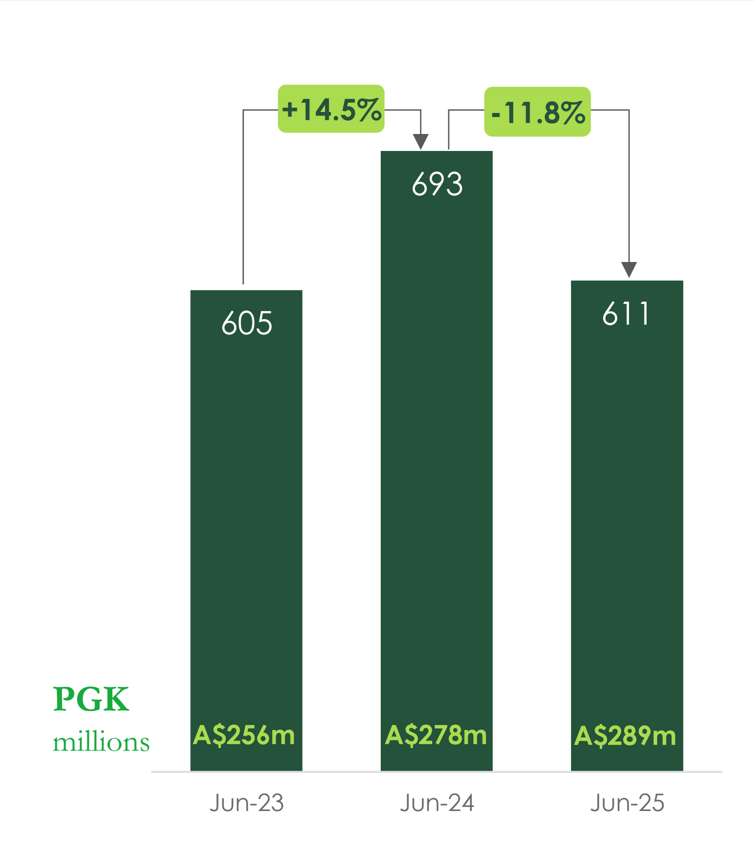


DELINQUENCY RATES

90+ days, as a percentage of total loans



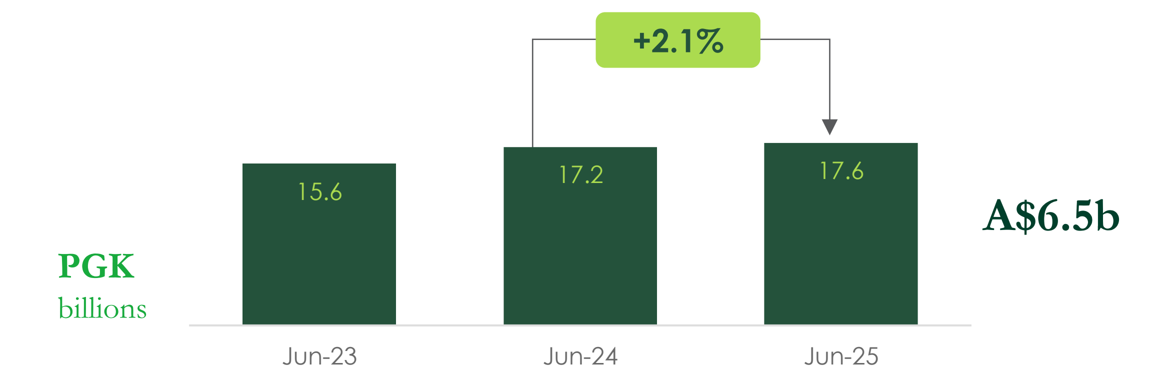
GROSS IMPAIRED ASSETS



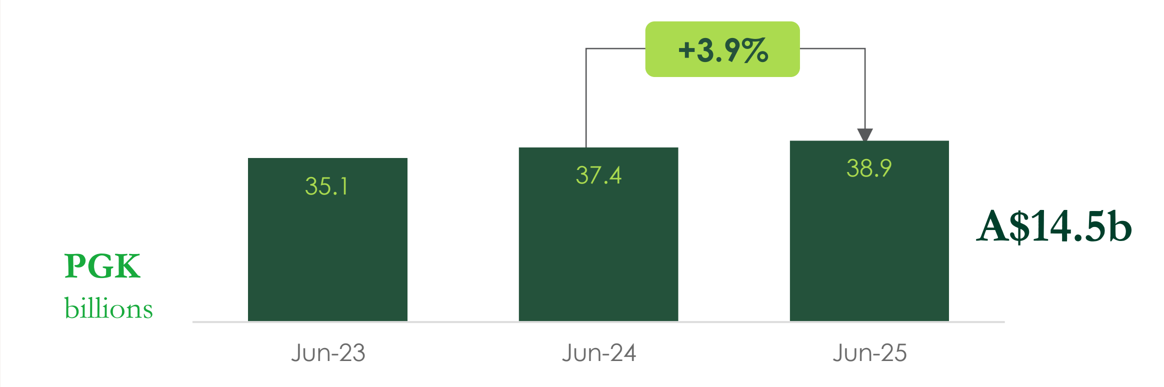
Balance sheet

The balance sheet remains robust with continued growth in deposits

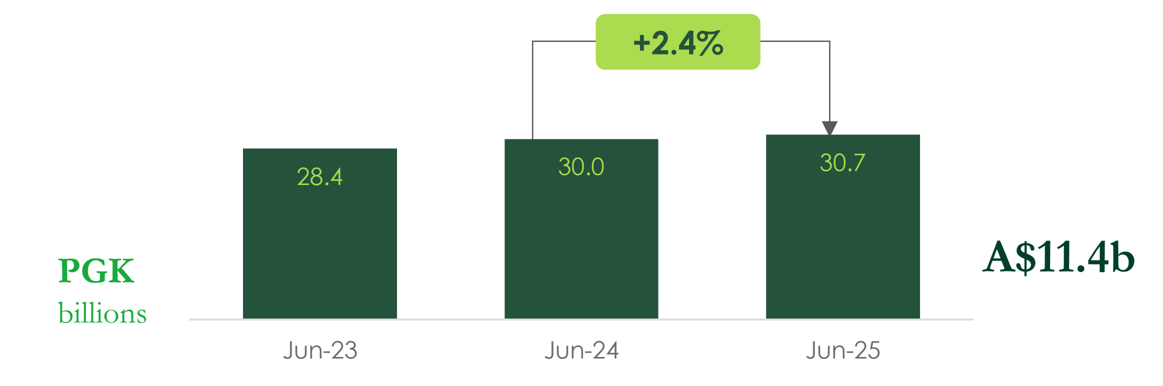
GROSS LOANS



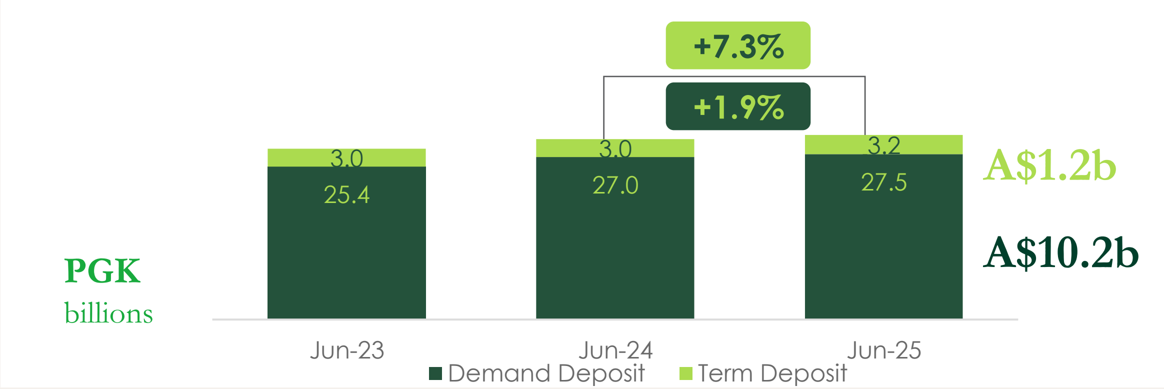
TOTAL ASSETS



DEPOSITS

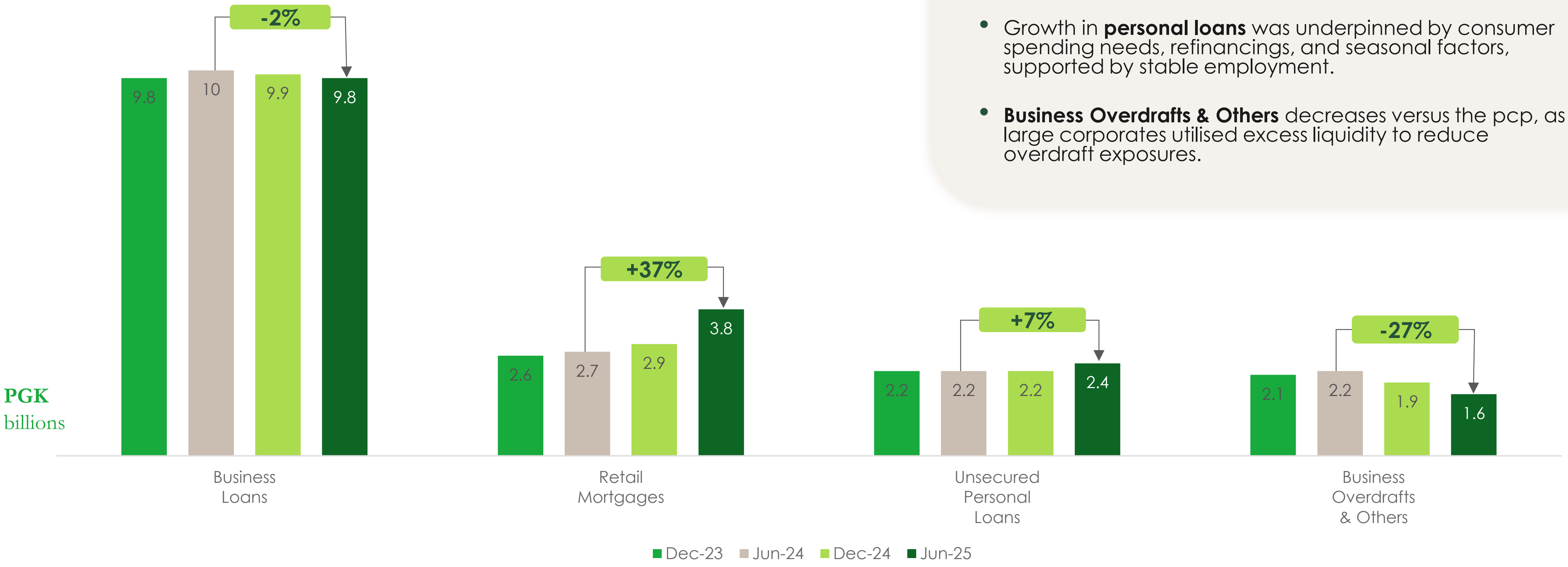


DEPOSITS MIX



Loan book composition

Loan portfolio remains resilient, with strong growth in Retail lending

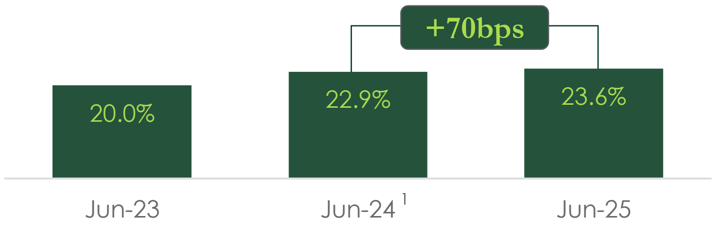


- **Business Loans** reflects a slight reduction in the portfolio driven by subdued market conditions. Strong Corporate pipeline to support future growth.
- **Retail Mortgages** rose by 37% on the previous corresponding period (pcp), driven by increased funding of residential properties, particularly in our Pacific Markets.
- Growth in **personal loans** was underpinned by consumer spending needs, refinancings, and seasonal factors, supported by stable employment.
- **Business Overdrafts & Others** decreases versus the pcp, as large corporates utilised excess liquidity to reduce overdraft exposures.

Key ratios

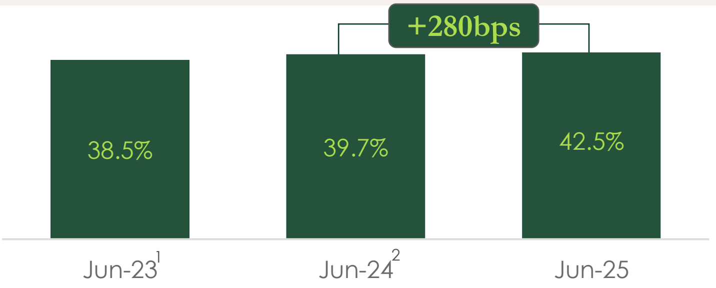
Our business fundamentals remain strong

RETURN ON EQUITY [ANNUALISED]



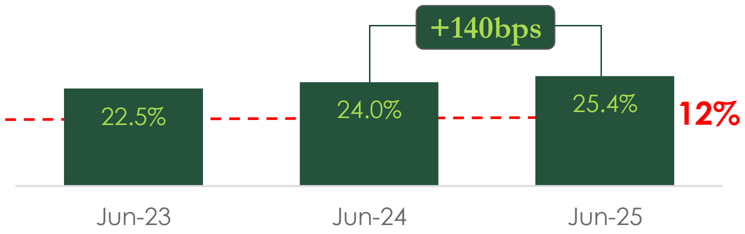
[1] 22.2% excluding one-offs

COST TO INCOME

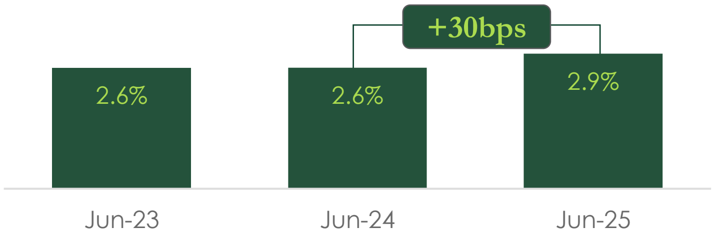


[1] 36.5% excluding net provision releases
[2] 42.2% including one-off JV impairment

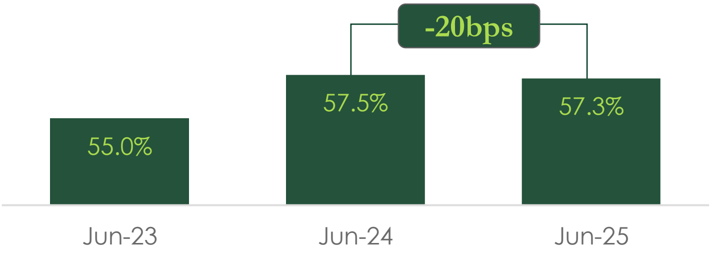
CAPITAL ADEQUACY



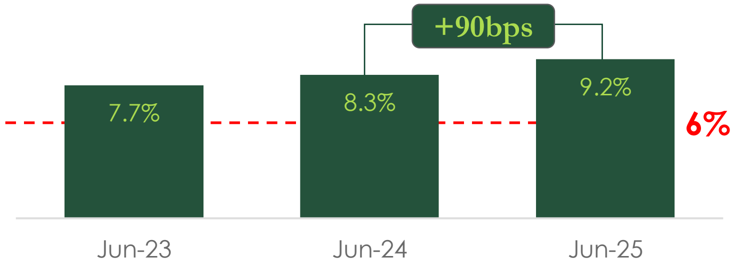
RETURN ON ASSETS [ANNUALISED]



LOAN TO DEPOSIT



LEVERAGE RATIO



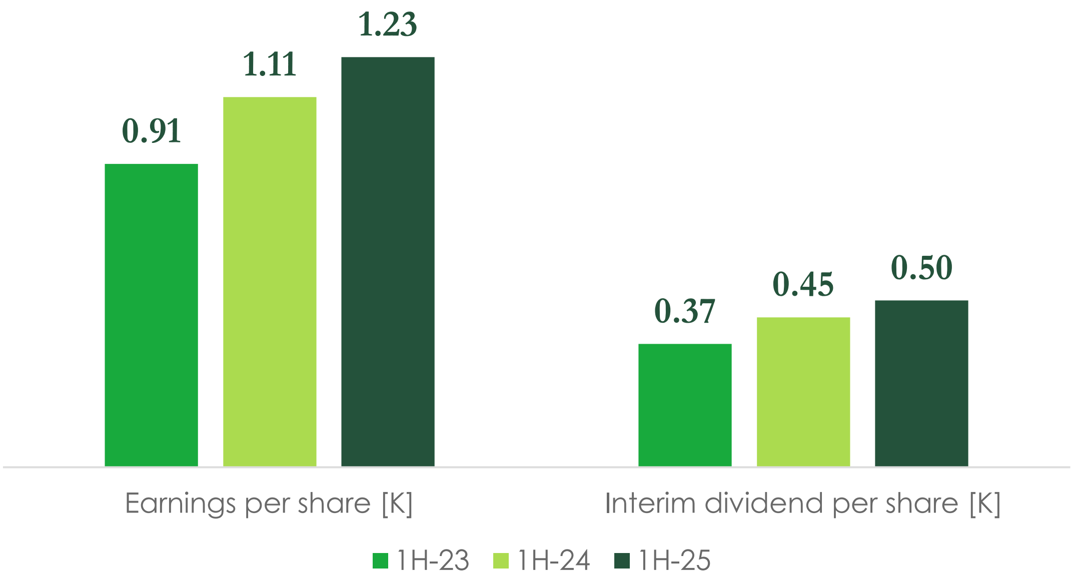
Note: Based on Bank of Papua New Guinea prudential standards

----- Minimum regulatory requirement

Shareholder distributions

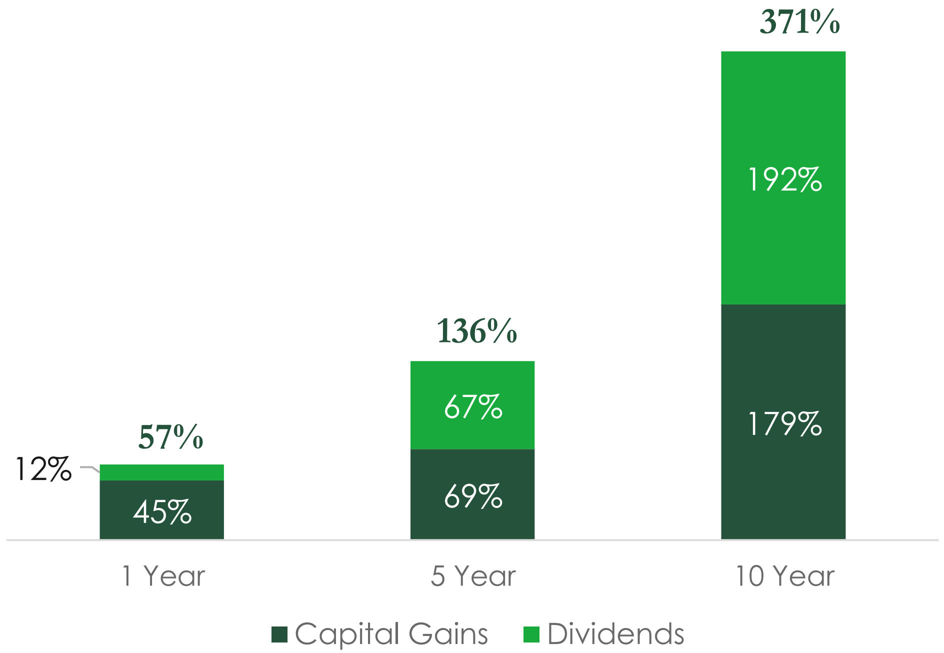
Interim dividend increased by 11.1%

EARNINGS PER SHARE AND INTERIM DIVIDENDS



EX DATE		RECORD DATE		PAYMENT DATE
27 Aug 2025	→	28 Aug 2025	→	19 Sep 2025

TOTAL SHAREHOLDER RETURN (TSR[1])



[1] *TSR = capital gains [PNGX share price movement] plus dividend paid, divided by the closing share price on 31-December.*

Strategy & Outlook

Mark T. Robinson, Group Chief Executive Officer

Building a better future

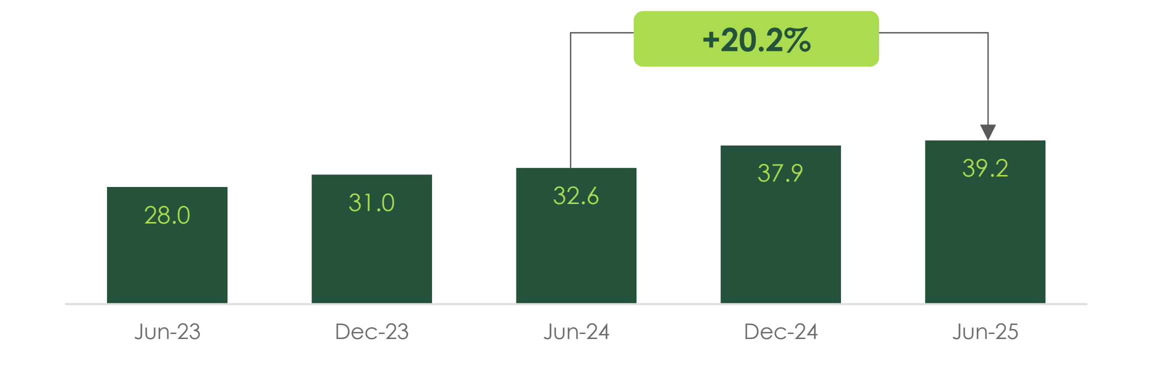
Caring for our customers and community

OUR VISION	The South Pacific's *International Bank*
OUR PURPOSE	Championing Prosperity *for the South Pacific*
OUR STRATEGIC PRIORITIES	Better serve our customers; Simplify and enhance our processes and platforms; Invest in digital and data capabilities; Attract, develop and retain the best people
OUR VALUES	**We Care** We **respect**, value and **empower** each other, embracing **diversity** and fostering **resilience**. **We Aspire** We strive for **excellence**, **integrity** and **continuous improvement** in everything we do. **We Grow** We work and thrive as a team with and for the **wellbeing** and **prosperity** of each other.

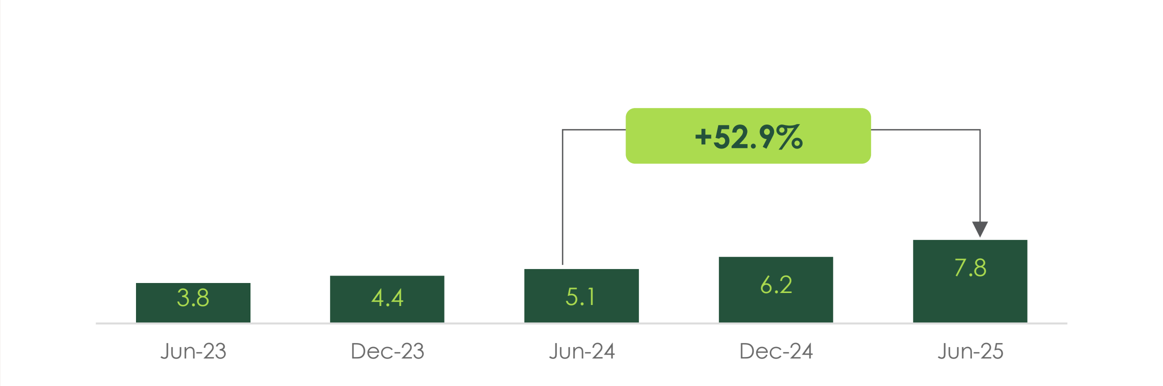
Strong growth in our digital channels

Digital banking transactions grew 16.6% over pcp

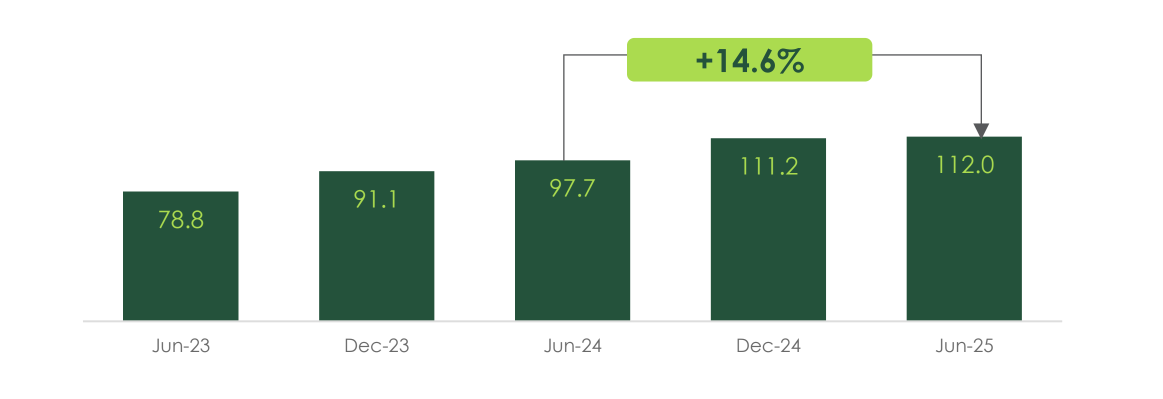
EFTPOS [MILLIONS]



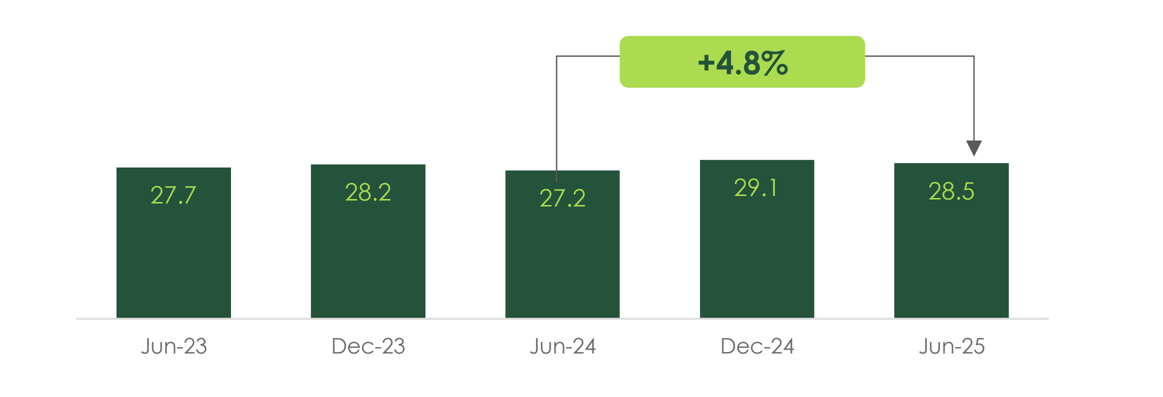
INTERNET BANKING [MILLIONS]



MOBILE BANKING [MILLIONS]



ATM [MILLIONS]



CASE STUDY

BSP Wantok Wallet

Digital innovation to expand financial inclusion to the underbanked and unbanked .

In February 2025, we launched Wantok Wallet in PNG. This everyday, easy-to-use product allows the unbanked and underbanked to access BSP services, sending and receiving money anywhere in PNG using their mobile phone number.

- Cardless cash withdrawals at BSP ATMs and Cash Agents with one-time security password.
- Usable on feature phones or smartphones – no internet connection needed.
- Rollout of cardless payments through BSP EFTPoS terminals planned in Q4 2025.

+75k
Wantok Wallet customers joined since Feb 2025

+280k
Number of transactions using Wantok Wallet

K47m
Total kina value of transactions via Wantok Wallet

Summary & Close

We are supporting our *communities*, investing in the *growth* of the region and delivering strong *shareholder value*

STRONG GROWTH FUNDAMENTALS

- More customers are choosing to bank with us
- We remain the market leader in our region
- We are driving success through modernization and innovation

ROBUST BALANCE SHEET

- Our business has strong momentum as we invest for growth
- We are focused on our customers, automating and streamlining processes, and disciplined risk management
- A strong balance sheet and prudent capital management

CONSISTENT SHAREHOLDER RETURNS

- 22 years of consistent profitability
- Interim dividend of K0.50 for 1H25, an 11.1% increase on 1H24
- 371% Total Shareholder Return over the past 10 years

OUR DISCIPLINED FOCUS ON SUSTAINABLE GROWTH LAYS A SOLID FOUNDATION FOR THE FUTURE

Appendices

Our History

Over 100 years old

1916
CBA Branch established in Port Moresby

1957
Established as a Branch of NAB

1974
NAB incorporates as "BSP"

1974
CBA PNG transfers operations to the PNG Govt. and renames to **Papua New Guinea Banking Corporation**

1993
NAB sells BSP to PNG's **National Investment Holdings Limited**

2002
BSP merges with **Papua New Guinea Banking Corporation**

2003
Lists on the PNGX

2006
Entered Fiji market via acquisition of **Habib Bank**

2007
Entered Solomon Islands market via acquisition of **National Bank of Solomon Islands**

2009
Fiji acquisition of **Colonial Bank and Colonial Life from CBA**

2015/ 16
Acquires WBC's operations in **Solomon Islands, Cook Islands, Samoa, Tonga and Vanuatu**

May 2021
ASX listing (ASX:BFL)

2024
Launches A$250m Modernising For Growth program

Board of Directors

Guiding *Strategic* Growth

Our Board of Directors are committed to financial resilience, innovation and community-driven growth across the South Pacific. With decades of global and local governance experience, the Board has a deep understanding of our region's unique opportunities and challenges, and a determination to support businesses, empower communities and enhance Financial inclusion.

ROBERT G. BRADSHAW, LLB
Chairman, Non-Executive Director

Appointed Chairman: February 2023

MARK T. ROBINSON
Group Chief Executive Officer and Managing Director

Appointed Executive Director: March 2023

PATRICIA TAUREKA-SERUVATU
LLB, MACID
Non-Executive Director

Appointed: April 2022

Committees: ● ● Chair

FRANK BOURAGA
CPA, MACID
Non-Executive Director

Appointed: December 2020

Committees: ● ● ● Chair

IAN TARUTIA
OBE, FAICD, FPNGID
Non-Executive Director

Appointed: April 2023

Committees: ● ● Chair

SYMON BREWIS-WESTON
(HONS), MAPPFIN
Non-Executive Director

Appointed: April 2021

Committees: ● ●

DAVID HORNERY
Non-Executive Director

Appointed: February 2025

Committees: ●

DONNA COOPER
Non-Executive Director

Appointed: February 2025

Committees: ● ●

STEPHEN BEACH
BSC (ECON. & ACC), CPA
Non-Executive Director

Appointed: February 2024

Committees: ●

PRISCILLA KEVIN
BSCS, MAICD
Non-Executive Director

Appointed: April 2020

Committees: ●

Board Committees
- ● Board Audit and Compliance Committee
- ● Board Risk Committee
- ● Remuneration and Nominations Committee

Executive Team

PETER BESWICK
Deputy Group Chief Executive Officer

GLEN SKAROTT
Group Chief Financial Officer

NUNI KULU
Group Chief Operating Officer

VANDHNA NARAYAN
Group Chief Compliance Officer

BEN WAVELL-SMITH
Group Chief Risk Officer

ROHAN GEORGE
Group General Manager Treasury & Markets

DANIEL FAUNT
Group General Manager Corporate Bank

RONESH DAYAL
Group General Manager Retail Bank

PAUL BLACK
Group General Manager Pacific Markets

JONATHAN HARVEY
Group General Manager People & Culture

MARYANN LAMEKO-VAAI
Group Chief Auditor

HARI RABURA
Group General Manager Corporate Affairs & Community

RICHARD NICHOLLS
Group Chief Information Officer