

1Q25 financial performance is compared with the 1Q24 results, unless stated otherwise.

Building the South Pacific's International bank

BSP has made a strong start to 2025, delivering solid first quarter results as we launched our new brand and accelerated efforts to modernise our operations—advancing our vision to become the South Pacific's International Bank.

Group revenue grew by 6% in 1Q25 compared to the prior corresponding period, supported by continued business momentum. Operating expenses rose 18% over the same period, reflecting deliberate and strategic investments to uplift our capabilities and enhance customer experience. These investments are critical to building a more resilient, efficient, and customer-focused bank.

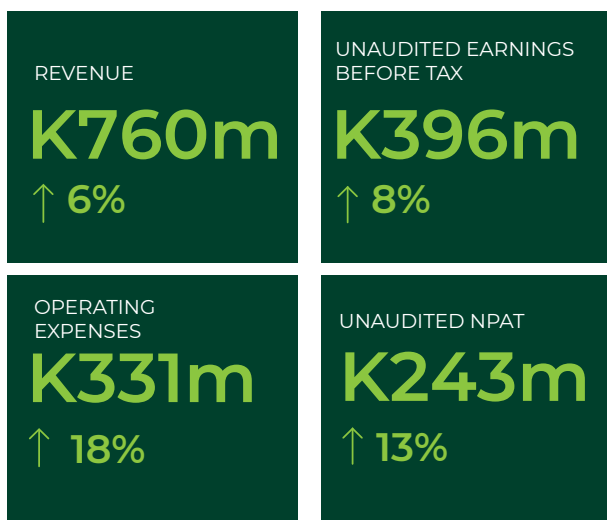
Despite these higher expenses, our operating profit (pre-impairments) declined only marginally by 1% on the prior corresponding period. Importantly, unaudited net profit after tax increased to K243 million—up 13% on 1Q24—driven by lower credit impairment charges and improved credit quality across our portfolio.

Our strong capital position supported a final dividend payment of K569 million to our 6,504 shareholders. We ended the quarter with a capital adequacy ratio of 24.4%, well above regulatory requirements and providing a solid platform for continued loan growth and transformation investment.

On behalf of the Board and Executives, I thank our shareholders, customers, regulators, and communities for their ongoing support as BSP enters a new chapter. I also recognise the commitment of our 4,700 staff—whose dedication to our purpose continues to underpin BSP's progress and performance.

Mark T. Robinson, Chief Executive Officer

Key Highlights



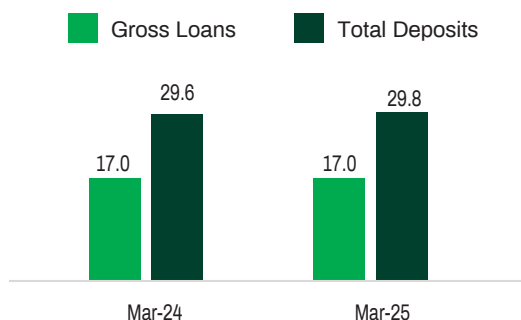
Operating Performance

Unaudited earnings before tax (EBT) for 1Q25 was K396 million, a 8% increase compared to 1Q24. Key performance drivers included:

- **Revenue Growth:** Total operating income rose 6% year-on-year, supported by stronger foreign exchange activity across regional markets, increased transaction volumes across the Group, and a 1% lift in net interest income.
- **Operating Expenses:** Total operating expenses increased by 18% versus the prior corresponding period, reflecting strategic investment in modernisation and capability uplift. The increase was primarily driven by higher personnel costs, as we continue to recruit specialist and management talent to execute our strategy, alongside increased administration and occupancy expenses.
- **Cost Efficiency:** As a result of higher operating expenditure, the Group's cost-to-income ratio rose from 39.3% in 1Q24 to 43.6% in 1Q25.
- **Credit Charges:** Credit impairment expenses were K32 million lower than 1Q24, which had included a one-off K27 million provision that was fully reversed in 4Q24.

The Group's improved operating performance, combined with a lower commercial bank tax rate, contributed to a 13% increase in unaudited statutory NPAT to K243 million for the quarter.

Volume (Kb)

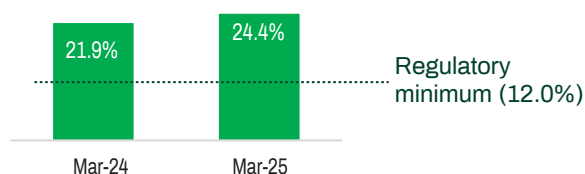


Summary Financials

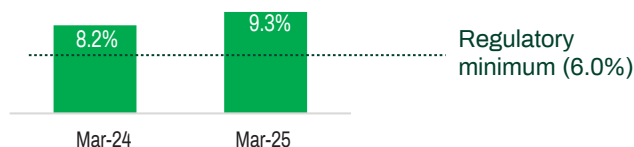
PGK (millions)	1Q24	1Q25	Movement 1Q25 vs 1Q24
Revenue	714	760	▲ 6%
Net Interest Income	493	497	▼ 1%
FX Income	116	147	▲ 26%
Fee Income	87	100	▲ 16%
Insurance/Other Income	18	16	▼ 14%
Operating expenses	(281)	(331)	▲ 18%
Operating profit	433	429	▼ 1%
Credit impairment (charges)/release	(65)	(32)	▼ 50%
Earnings before tax	368	396	▲ 8%
Tax	(155)	(154)	▼ 1%
NPAT (Statutory)	214	243	▲ 13%

Capital, Funding & Liquidity

Capital Adequacy Ratio¹

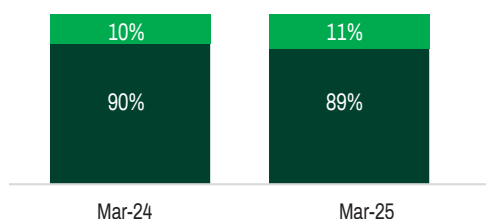


Leverage Capital Ratio²



Deposit Mix

■ Demand Desposits ■ Term Desposits



- **Deposits** grew by 0.7% during the quarter. The share of demand deposits in the overall deposit mix declined to 89%, with term deposits comprising the remaining 11%.
- **Capital Adequacy Ratio (CAR)** stood at 24.4% at the end of 1Q25, representing an increase of 250 basis points compared to 1Q24.
- **Leverage Capital Ratio (LCR)** was 9.3% in 1Q25, up 110 basis points year-on-year, primarily driven by higher retained earnings from the strong FY2024 NPAT result.
- Both CAR and LCR remain comfortably above the minimum regulatory thresholds, supporting the Group's capacity for continued growth and investment.

Footnotes

¹ Capital Adequacy Ratio, based on Bank of Papua New Guinea prudential standards.

² Leverage Capital Ratio, based on Bank of Papua New Guinea prudential standards.

For Further Information

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This announcement was authorised for release by BSP's Disclosure Committee.

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