



PNGX ANNOUNCEMENT | WEDNESDAY, 29 APRIL 2020 | FOR IMMEDIATE RELEASE

Bank of South Pacific Ltd Long-Term Rating Lowered To 'B-' Following Sovereign Downgrade; Outlook Stable

The Chairman of the Bank of South Pacific Limited (BSP), Sir Kostas G. Constantinou OBE, announced today that following a downgrade by Standard & Poors rating agency of the Papua New Guinea sovereign rating and outlook to 'B-' from 'B', Bank of South Pacific's rating had also moved from 'B' to 'B-'. S&P affirmed the short-term issuer credit rating on the bank at 'B'.

The downgrade by S&P of PNG's sovereign risk is due to S&P's assessment of the government's growing fiscal deficits and rising debt levels. S&P expects that the adverse effects of the COVID-19 pandemic will weaken the country's growth prospects for 2020, resulting in a corresponding weakening of the government's fiscal and debt balances.

Sir Kostas G Constantinou OBE
Chairman | Bank of South Pacific Ltd