



# Investor Presentation Q2' June 2017

*WE ARE* **BSP**



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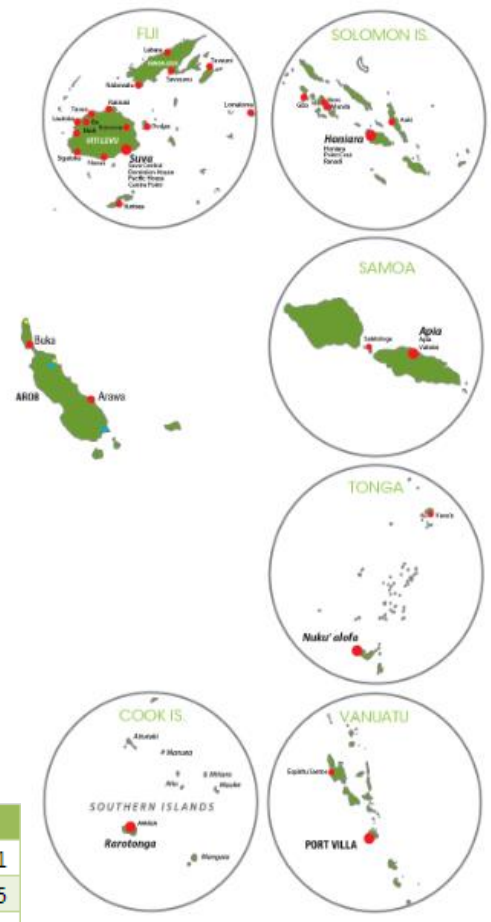
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# BSP's Geographical footprint

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## BSP LOCATIONS



## Leading Bank in the South Pacific

- ✓ #1 in PNG and Solomon Islands by total assets
- ✓ #2 in Fiji by total assets
- ✓ #1 in Tonga in Market share loans/deposits
- ✓ Listed on Port Moresby Stock Exchange
- ✓ Market capitalisation of K4.5 billion as at 6 July 2017

	PNG	Fiji	Solomon Is.	Samoa	Tonga	Cook Is.	Vanuatu	Total
Branches	45	17	8	3	4	2	2	81
Sub-branches	44	7	0	1	2	1	0	55
ATM's	314	114	26	17	12	9	14	506
EFTPoS	8,852	1,747	309	347	319	377	356	12,307
Agents	395	43	75	33	19	7	14	586



# Profit and Loss ( 30<sup>th</sup> June 2017)

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NPAT  
18%PCP,  
26%YOY



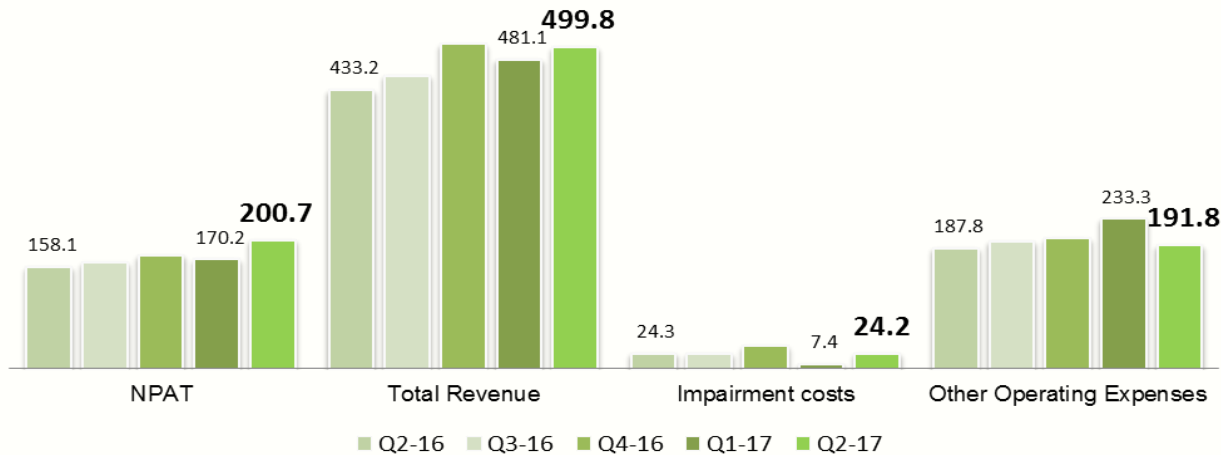
Total  
Income  
4%PCP,  
15%YOY



Operating  
costs 18%



Cost to  
Income  
38%



- Net Interest income contributed K8m increase from last quarter
- Non interest income contributed K6m increase from last quarter
- Total costs decreased in the quarter by 10%, 2% up YOY

# Balance Sheet ( 30<sup>th</sup> June 2017)

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Loans  
3% PCP,  
14%YOY



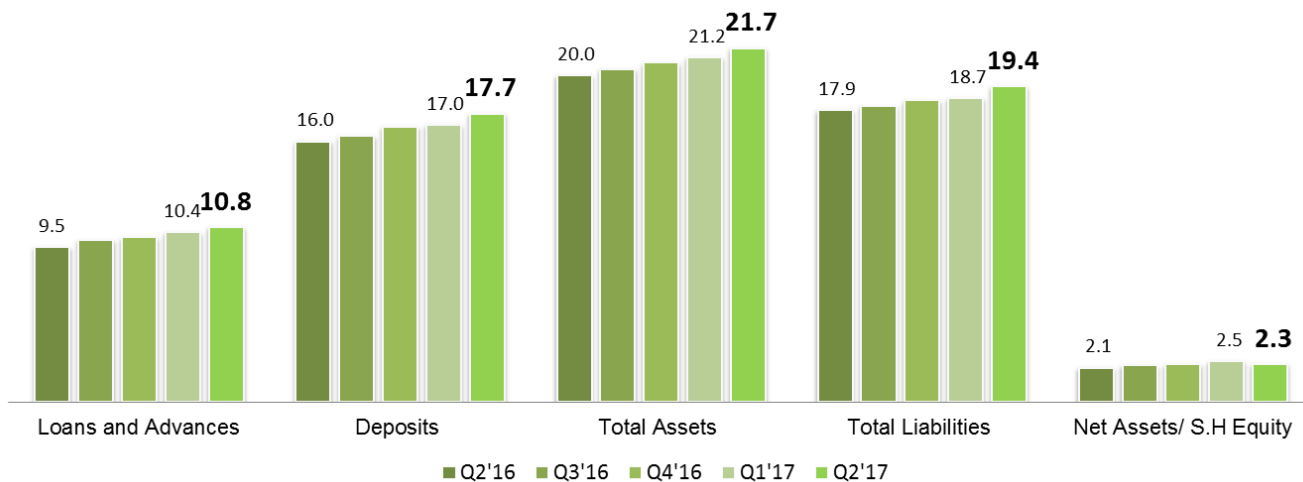
Deposits  
4%PCP,  
10%YOY



Total  
Assets  
3%PCP,  
8%YOY



Net  
Assets  
8%

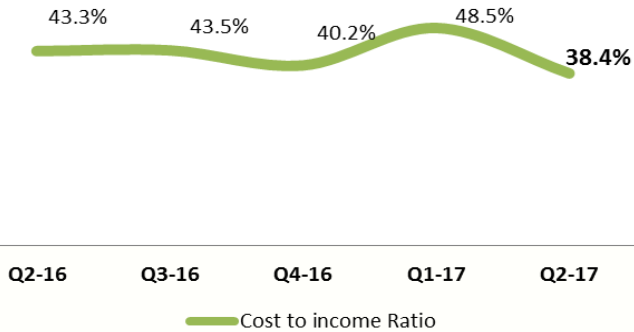


- Total loans increased by K330m in the quarter ( PNG K170m, NPC's K160m)
- PNG loan increases– Corporate K69m, Retail K53m
- Deposits increased by K690m in the quarter ( PNG K327m, NPC's K363m inclusive of FX translation)

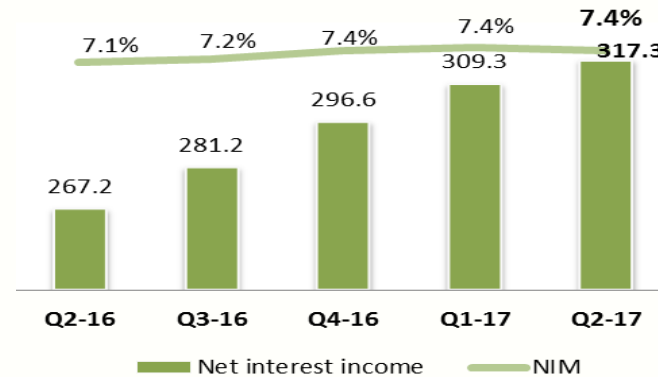
# Financial Ratios

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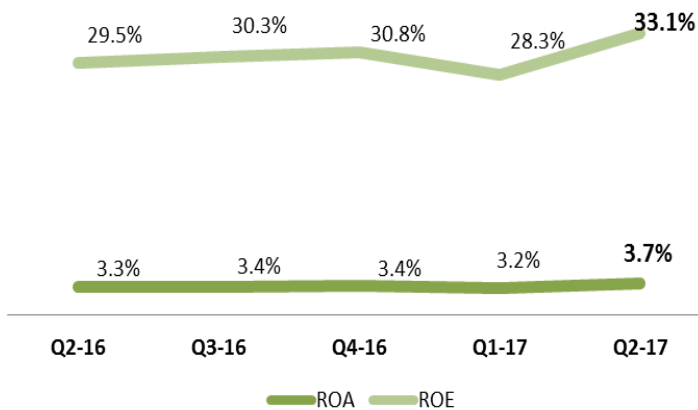
## Cost to income ratio



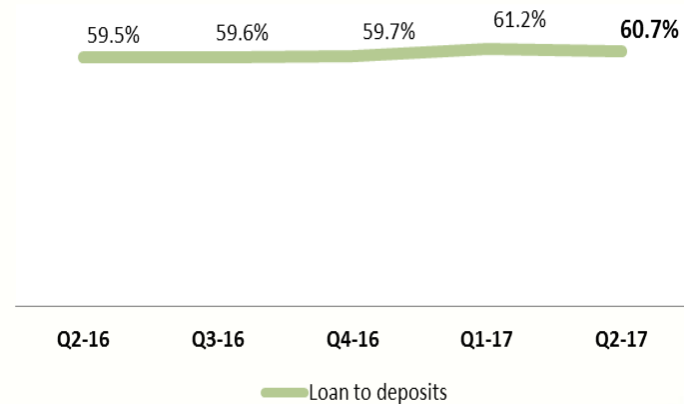
## Nim and Net Interest Income



## ROA, ROE (annualised)

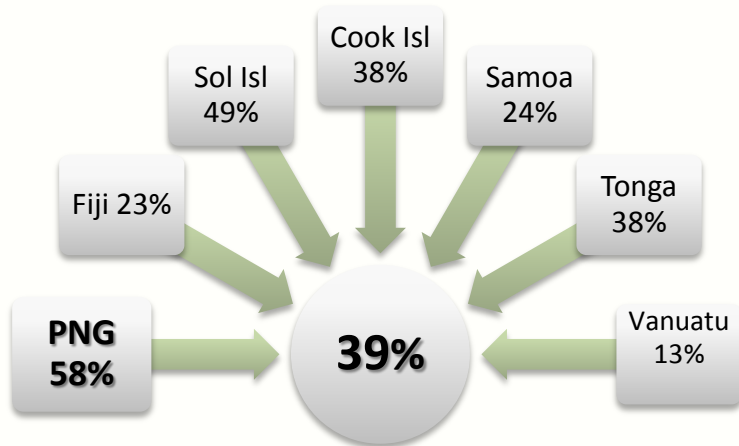


## Loan to Deposit ratio

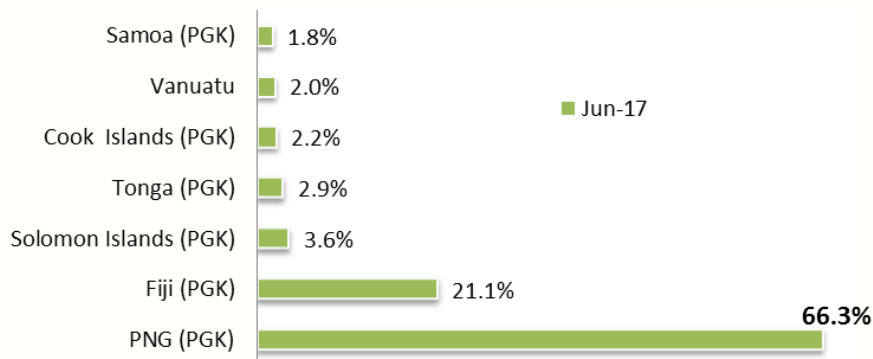


# Market Share - Loans

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## Loan portfolio composition

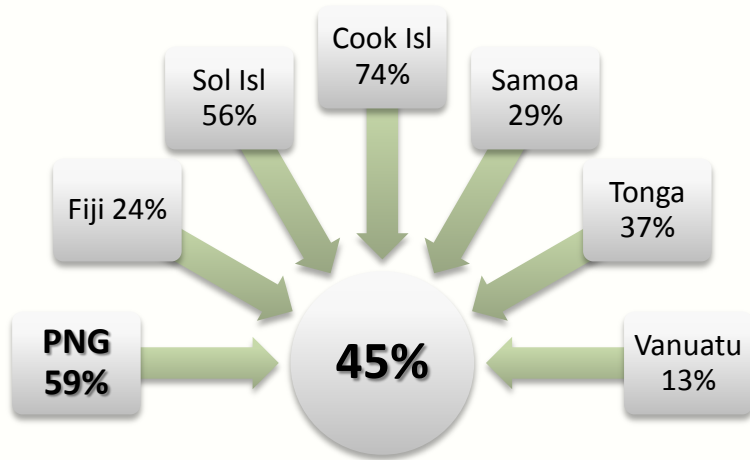


## Commentary

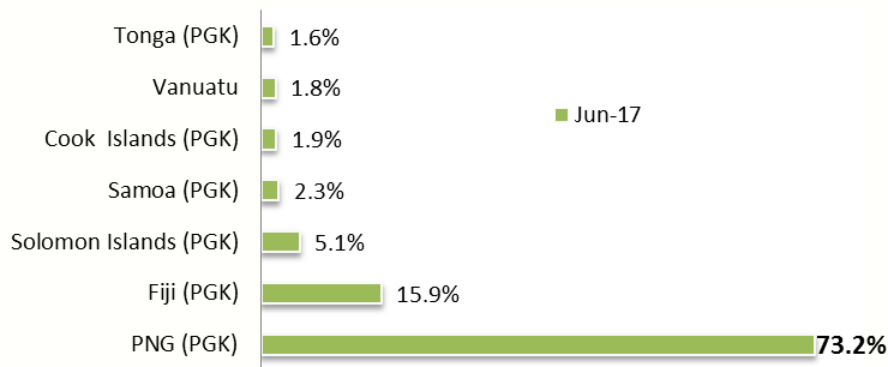
- **BSP's combined market share for loans stands at 39% as at Q2-17**
- **PNG has the largest share with around ~K7bn in loan volumes ... an increase of K196m in the quarter**
- **BSP Fiji is the 2nd largest and holds ~K2.2bn in loans ... an increase of K50m in the quarter**
- **The remaining business combined hold ~K1.3bn in loans ... and increased by ~K60m**
- **BSP's loan portfolio remains predominantly in PNG ... accounting for 66% of the group's loan balances**

# Market Share - Deposits

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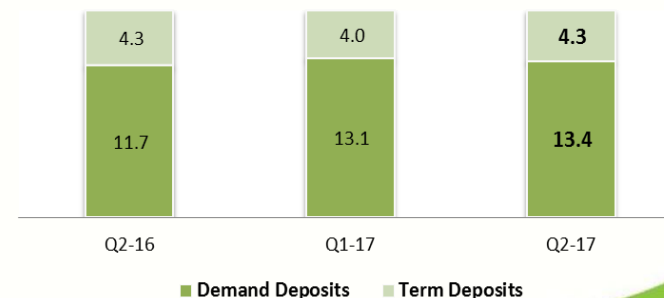
## Deposit portfolio composition



## Commentary

- **BSP's combined deposit market share increased 2% to reach 45% in Q2-17**
- **PNG holds the largest share and its deposits grew by K327m in the quarter ... increasing its share by 2% to 59%**
- **Fiji grew its deposits by K192m, taking its share to 24%**
- **The rest of the business contributed ~K161 in deposit growth in Q2-17**
- **Demand and Term deposits increased by 2% and 8% respectively in the quarter from Q1-17**

## Deposit Mix (Kb'n)





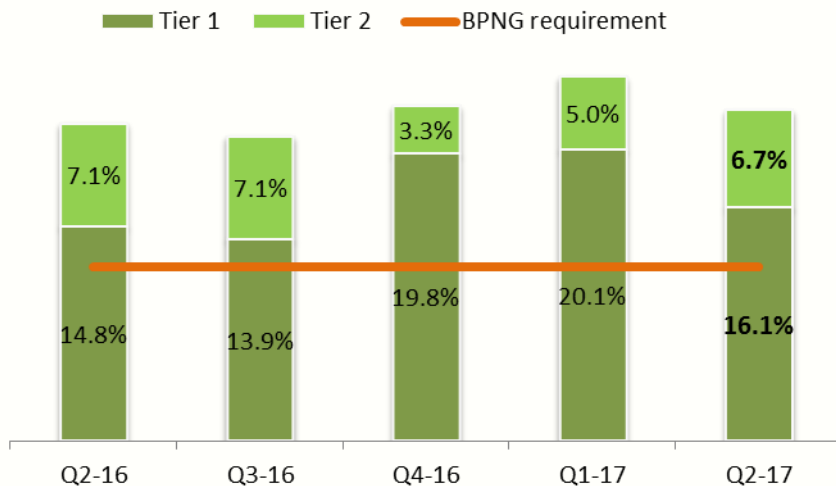
# Financial Risk Management

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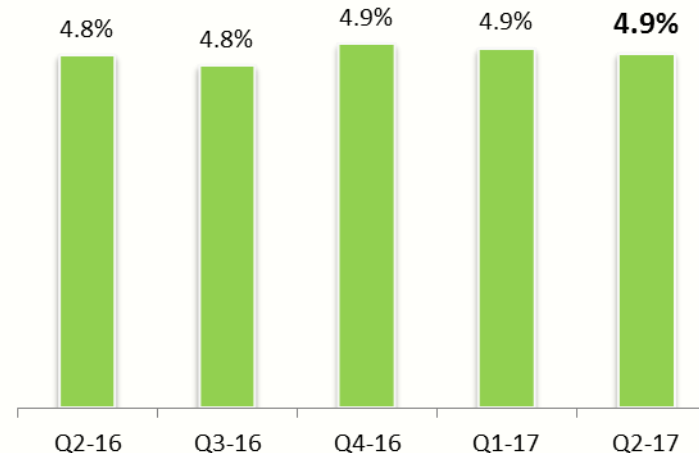
Capital Adequacy ratio is 22.8% in Q2-17, compared to 25.1% in Q1-17 ... remaining well in excess of the 12% prudential requirement.

BSP's Provisions to Loans ratio remains at 4.9% at Q2-17 ... similar to Q2-16

## Capital Adequacy



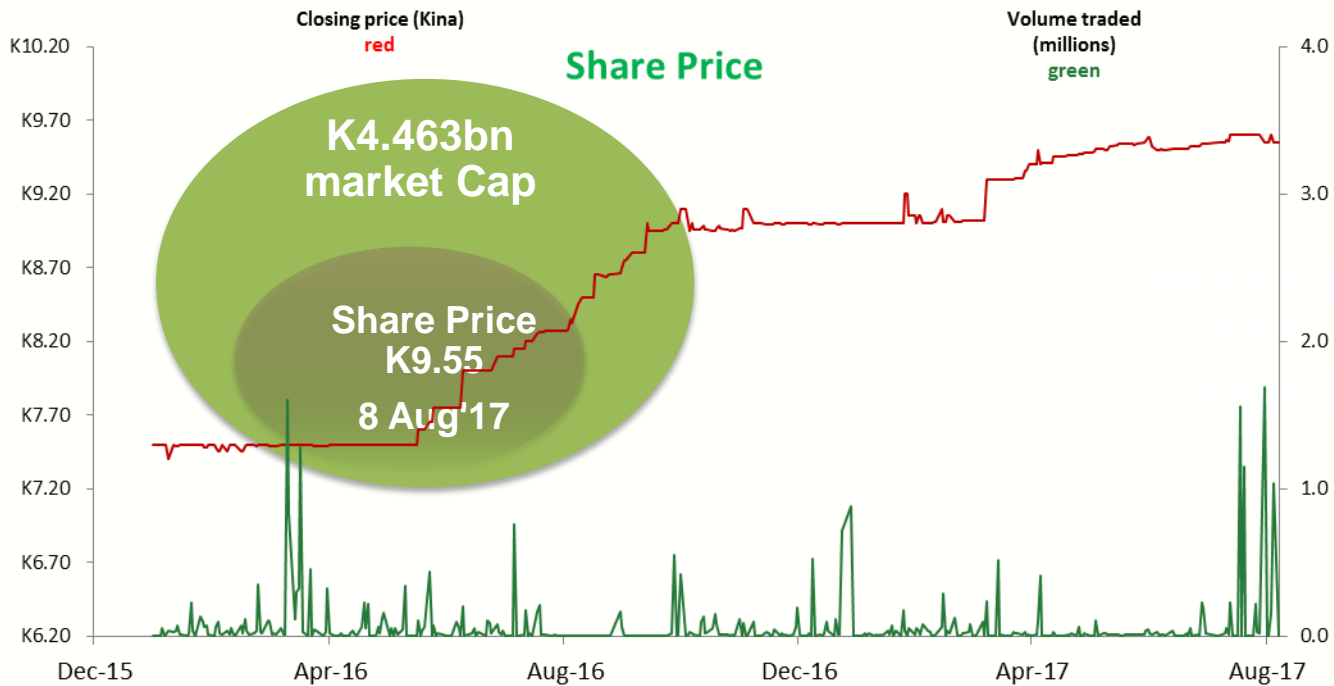
## Provisions to Loans



# Share Price

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Dividend Yield: 11.6% ( share price K9.55)



## Summary for Q2 ( 30<sup>th</sup> June 2017)

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- **Group NPAT is up 18% in the quarter , YOY 27% up**
- **Cost to income ratio improved to 38.1%**
- **Capital adequacy at 22.8% ... maintained well above BPNG requirement**
- **Loan provision consistent with prior period and YOY at 4.9%**
- **Dividend Yield at 11.6%**
- **Increasing contribution from Non PNG business both in Loans and Deposits.**
- **Interim dividend of 0.32t per share to be paid on the 20<sup>th</sup> October 2017**

Thank You