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**BSP PRESS RELEASE**

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BSP in discussion with CBA's on Fiji Operations

BSP has made a non-binding and conditional offer to acquire the banking and insurance businesses of the Commonwealth Bank of Australia in Fiji. This initiative is consistent with its Pacific based strategy and follows considerable dialogue between the two banks over the past few months.

The offer is subject to due diligence after which the parties expect to sign a share sale agreement. The transaction is expected to reach completion sometime toward the end of September.

CBA owns the National Bank of Fiji Limited trading as Colonial National Bank and Colonial Fiji Life Limited. Total assets of the combined entities are in excess of FJD 960 million or approximately PGK1,350 million.

BSP entered Fiji in 2006 with the acquisition of the business of the branch of Habib Bank Limited. Mr. Ian Clyne, Chief Executive Officer of BSP, said that the existing business of the BSP branch was profitable and that the Bank had developed excellent relations in Fiji. "However", he said, "that the scale of the existing business is not of a size where BSP can justify additional investment demands." He went on to say, "The market share of BSP following the acquisition of the Colonial Group will be in excess of 20% and allow the Bank to increase its service levels and products offerings to the people of Fiji." The Chairman of BSP, Mr. Noreo Beangke said that BSP was pleased to have this opportunity to increase its commitment to Fiji. "It is a regional strategy", he said "we have been and will be in the region for a very long time".

Mr. Garry Mackrell, Group Executive International Services said that CBA Board has considered the terms of the offer and agreed to further discussion and the commencement of due diligence.

The transaction is subject to regulatory approvals in Fiji and PNG.

Noreo Beangke  
Chairman  
25 June 2009