



OURBANK
OURVALUES

BSP Q2/2015 - Results Summary

J Kalo, Deputy CEO/GCFO

Integrity Professionalism Leadership
Quality People Teamwork Community



Q2/2015 Results

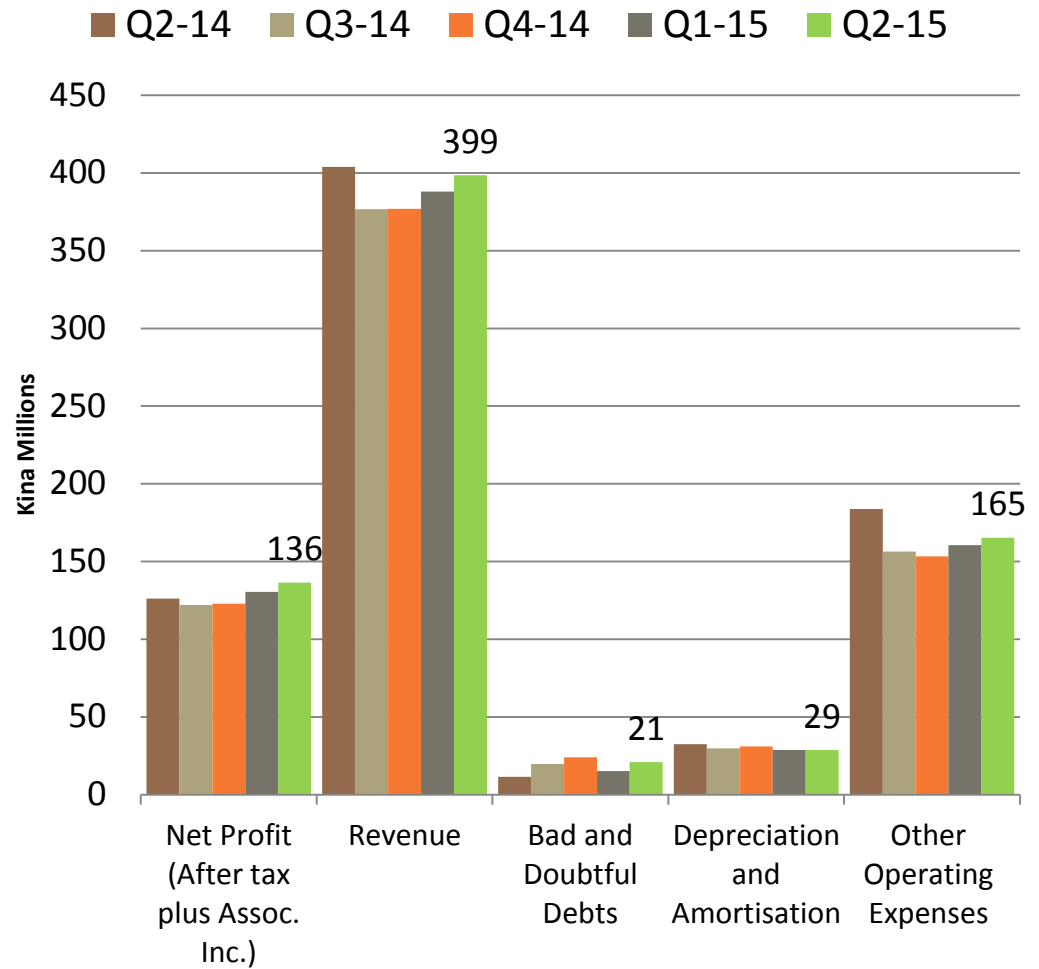
Profit & Loss

(Kina `million)



Group profit after tax was up by 5% (+K6m) to K136m in Q2'15. YTD NPAT was up by 1.7% (+K4.5m) to K267m, compared to K262.5m in the previous corresponding period (pcp) of 2014.

- Revenue increased by 2.8% (+K11m) against Q1'15 to K399m. Revenue K787m for 6 months to June 2015, lower than the pcp by **-4.6%**, mainly due to reduced margins on FX.
- B&DB increased by K6m to K21m this quarter. Total at June 2015 is at K36.1m versus K33m at June 2014 and the increase is reflecting the provisioning due to the increased loan book from K5.966b at June 2014 to K7.029b now.
- Depreciation & amortisation remained stable at K29m in Q2'15, however this has reduced by 13% compared to pcp.
- Other Operating Expenses is at K165m for Q2'15 and totals K325.8m at the half year which is down by 9.7% (K34.9m) from pcp.



Balance Sheet

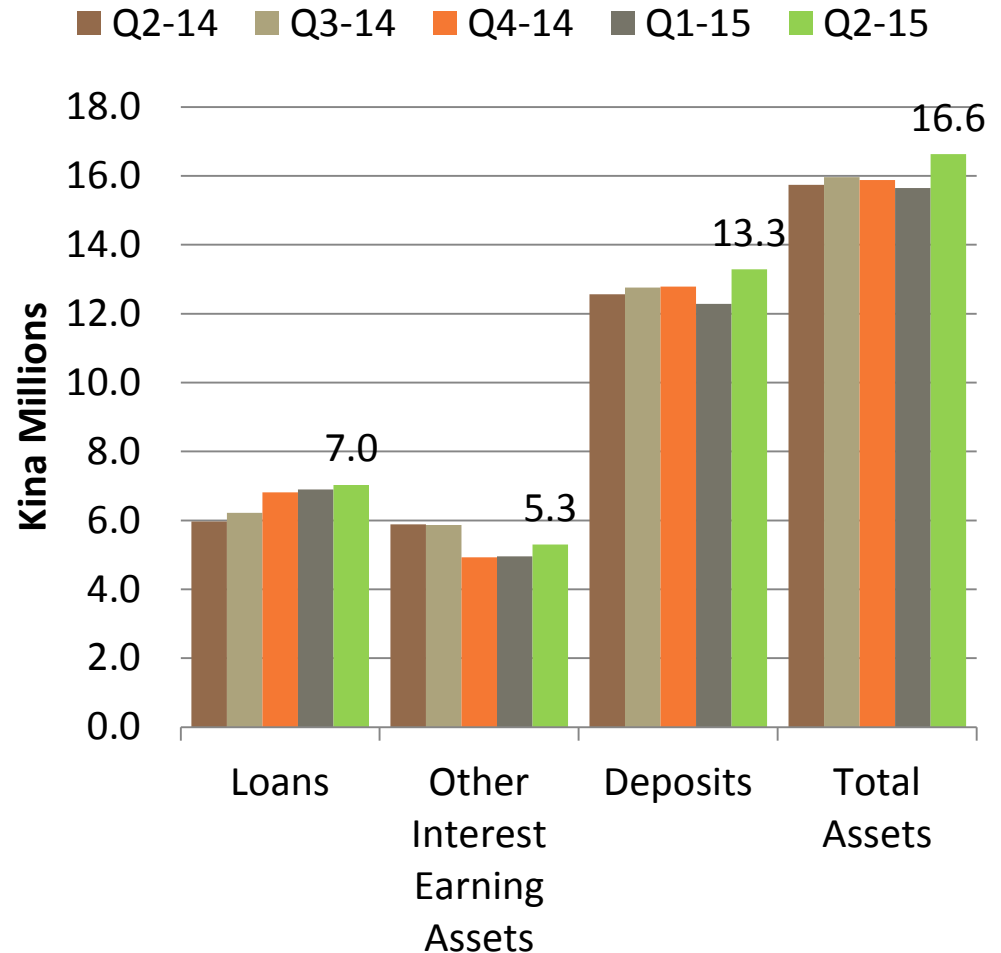
(Kina `billion)



Total Assets increased by 6% (+K1b) to K16.6b at June 2015, compared to K15.6b at March 2015.

The build-up reflects the deposit growth referred below and increased investment in “interest earning assets”, which is related to investment of deposits pending re-allocation to loans as the lending pipeline is funded.

- Net loans increased by 3% to K7.029b at June 2015.
- Increased investment in Tbills and Inscribed Stock up by 7% to K5.3b.
- Total deposits increased by 5% to K13.3b at June 2015, mainly in the retail and government segments in PNG and in the Corporate segment in Fiji.

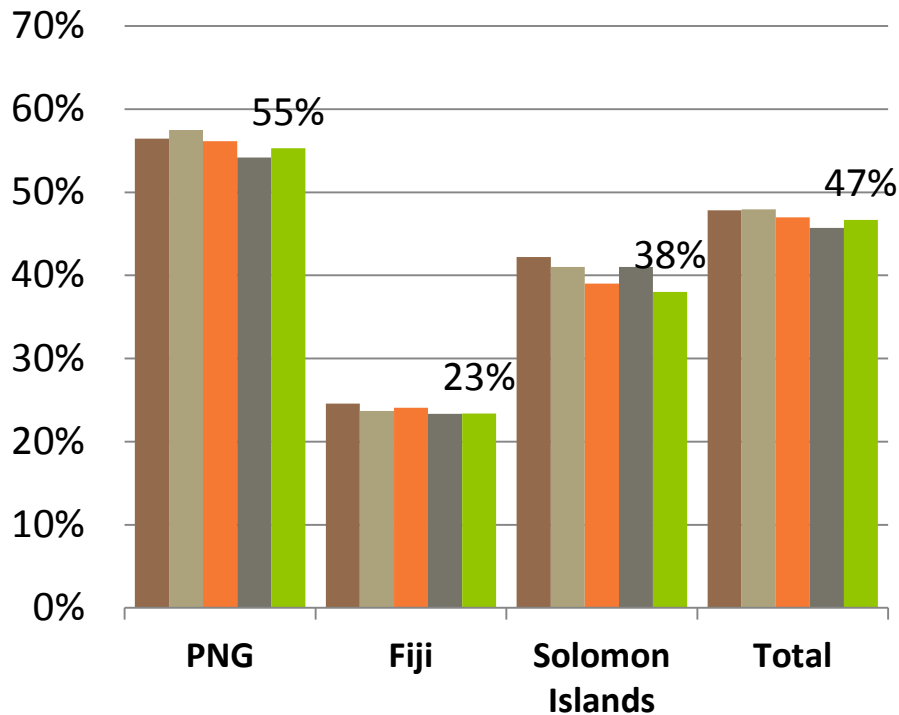


Market Share



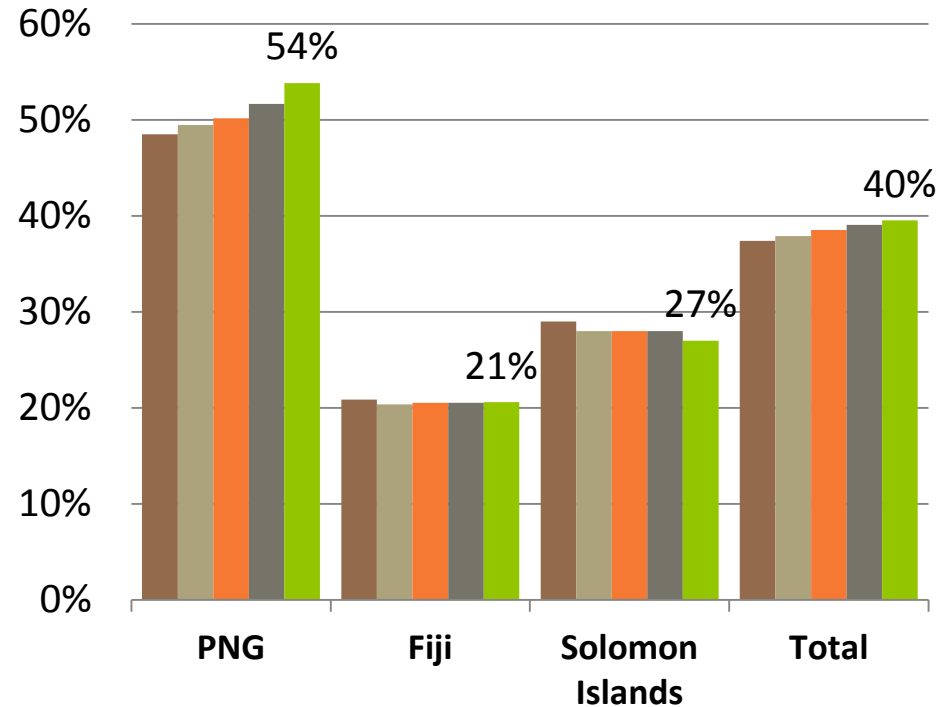
Deposits

Q2-14 Q3-14 Q4-14 Q1-15 Q2-15



Loans

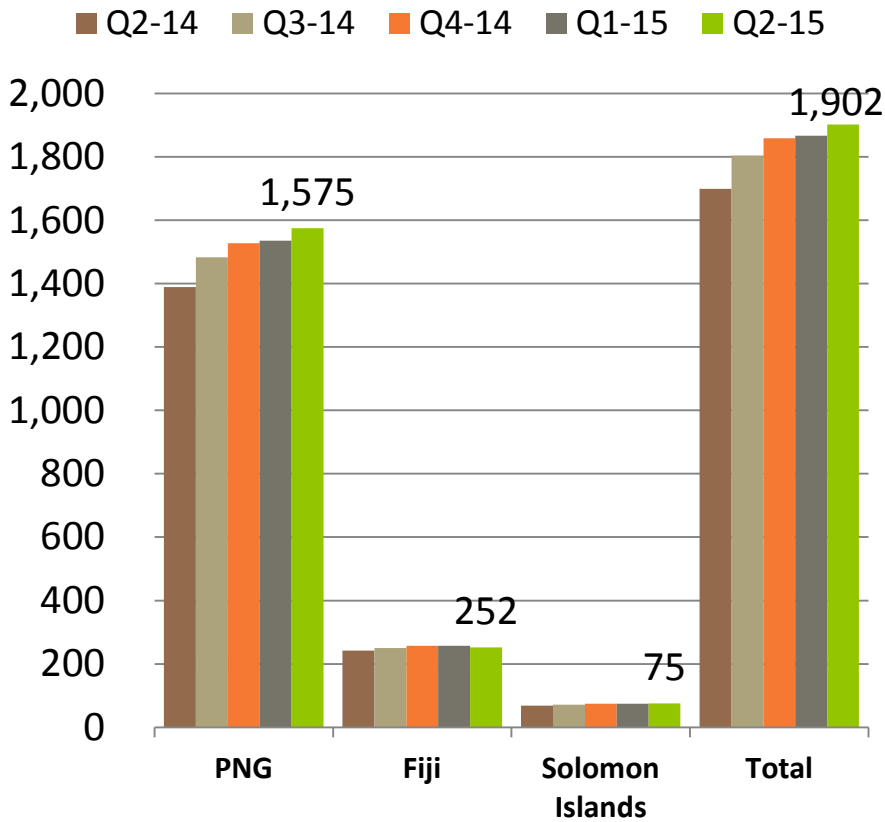
Q2-14 Q3-14 Q4-14 Q1-15 Q2-15



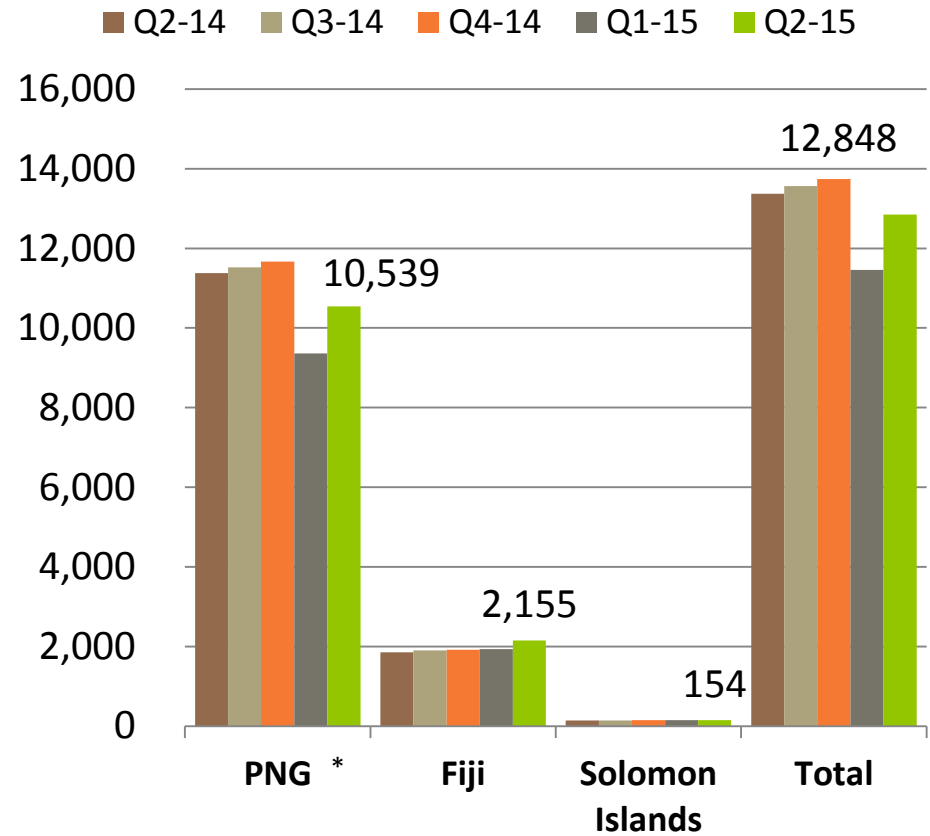
Customers and Channels



Customers ('000)



EFTPoS

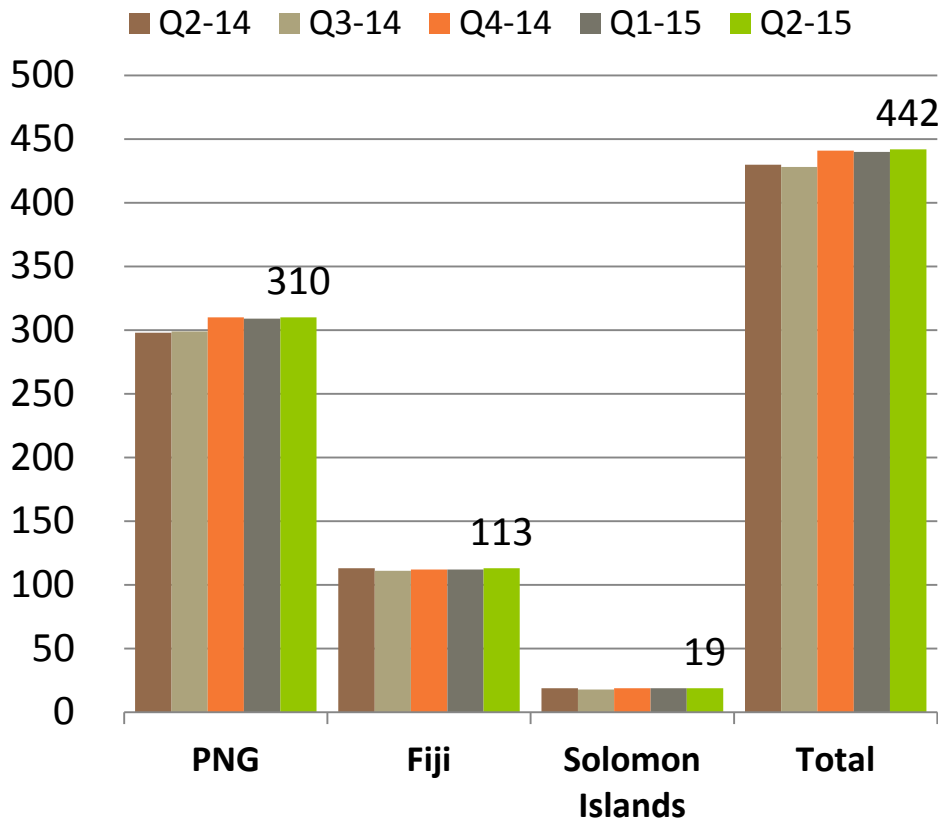


* EFTPoS PNG terminals reduce Q1 from deletion/removal of inactive/old devices from the fleet. New EFTPoS device rollout program in 2H/15 will see these #s increase again.

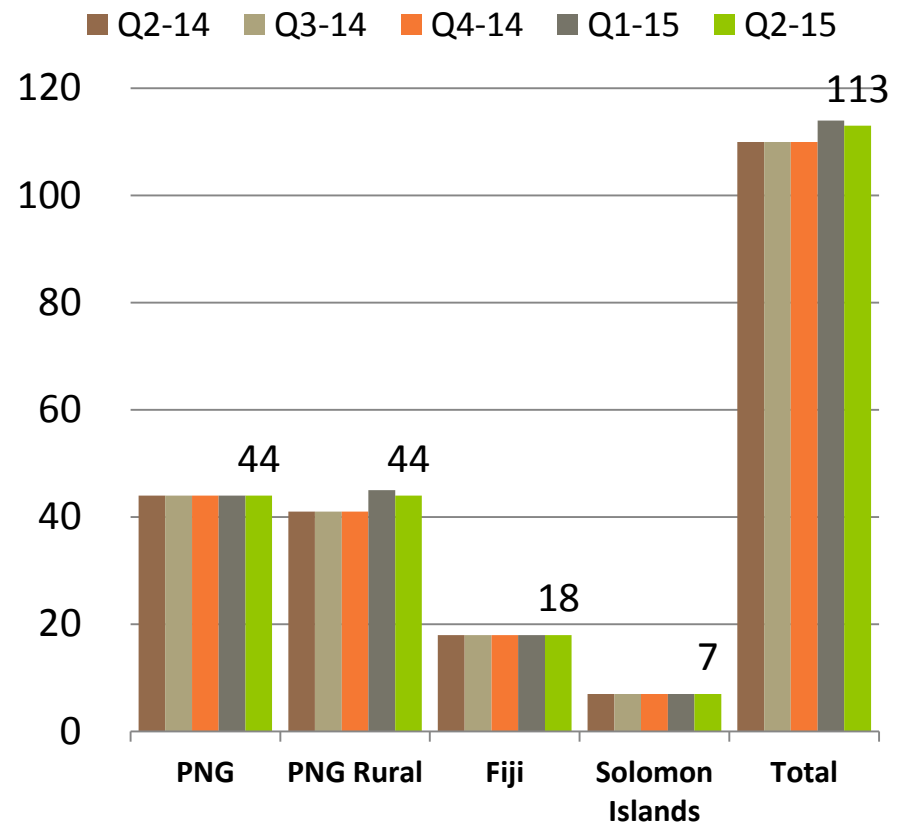
Customers and Channels



ATMs



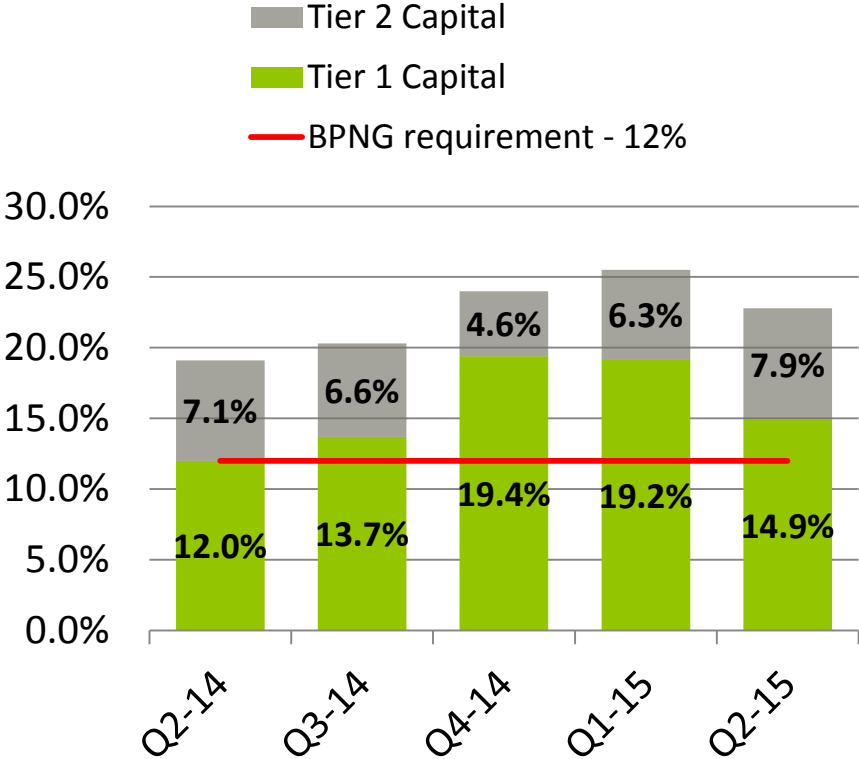
Branches, BSP Rural (PNG)



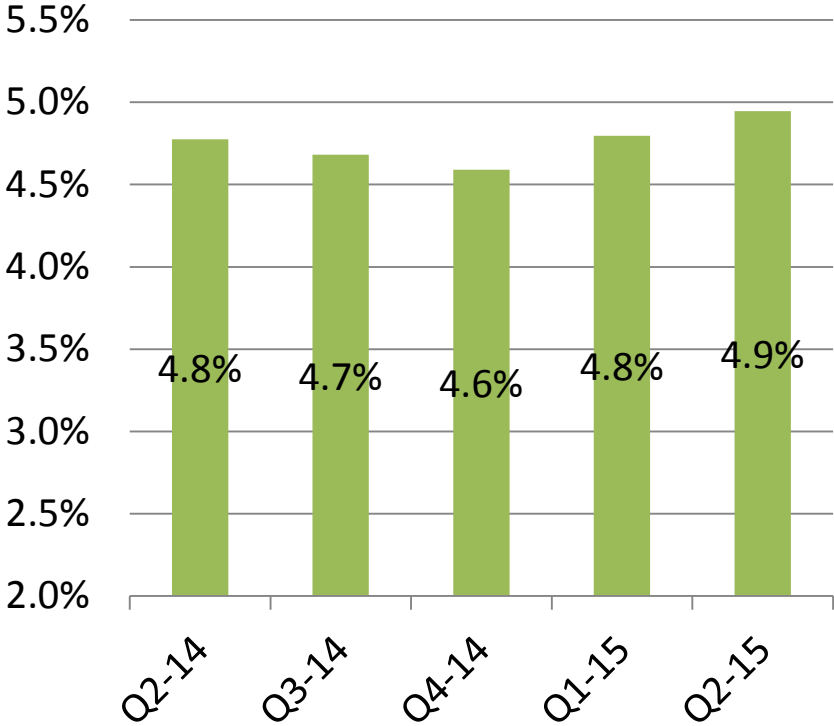
Financial Risk Management



Capital Adequacy



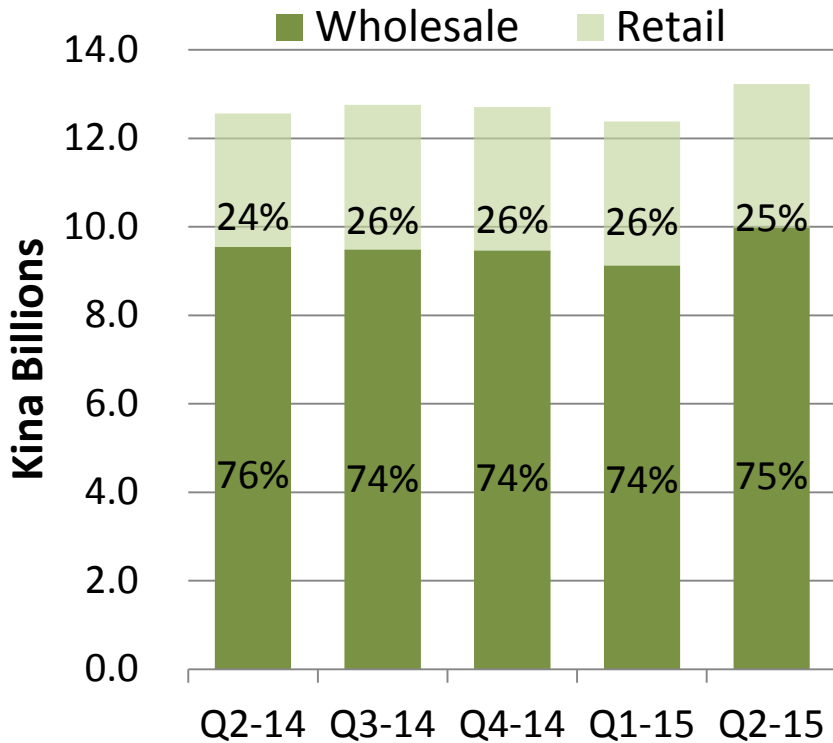
Provisions to Loans



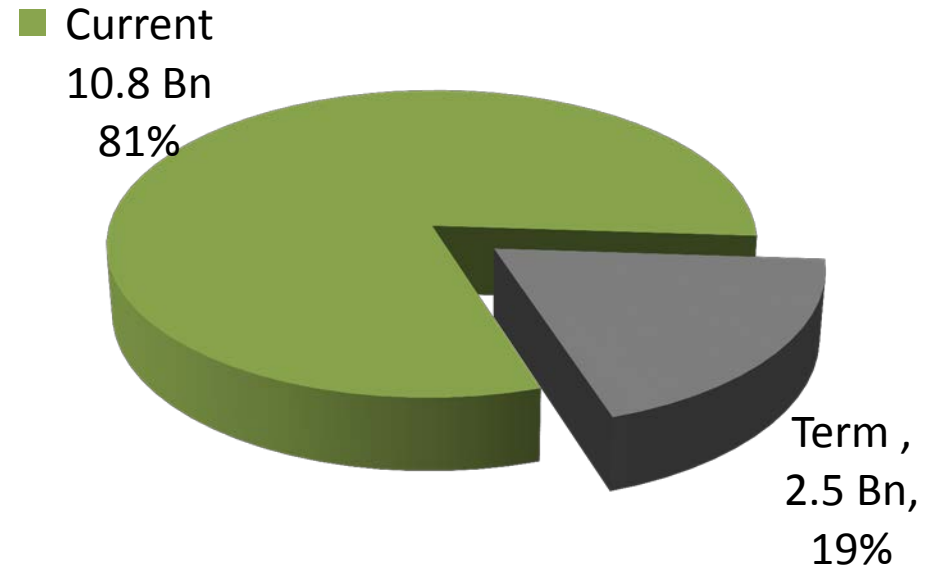
Funds



Deposit Mix (K 'billion)



Deposit Type (K 'billion)



Q2/2015 Performance Summary



Revenues

- Q2/15 Revenue improves from the previous quarter driven by growth in both lending volumes (interest from loans) and investment in interest earning assets (T- bills,C-bills and I-Stock).
- The Group's operating expenses show reductions of K43.3m or 10.1% and operating costs will continue to be a focus on the 2nd half.
- Cost to income ratio for the Group reduces by 2.2% to 48.2%. For Consolidated Bank only, this reduces by 4% to 43%.

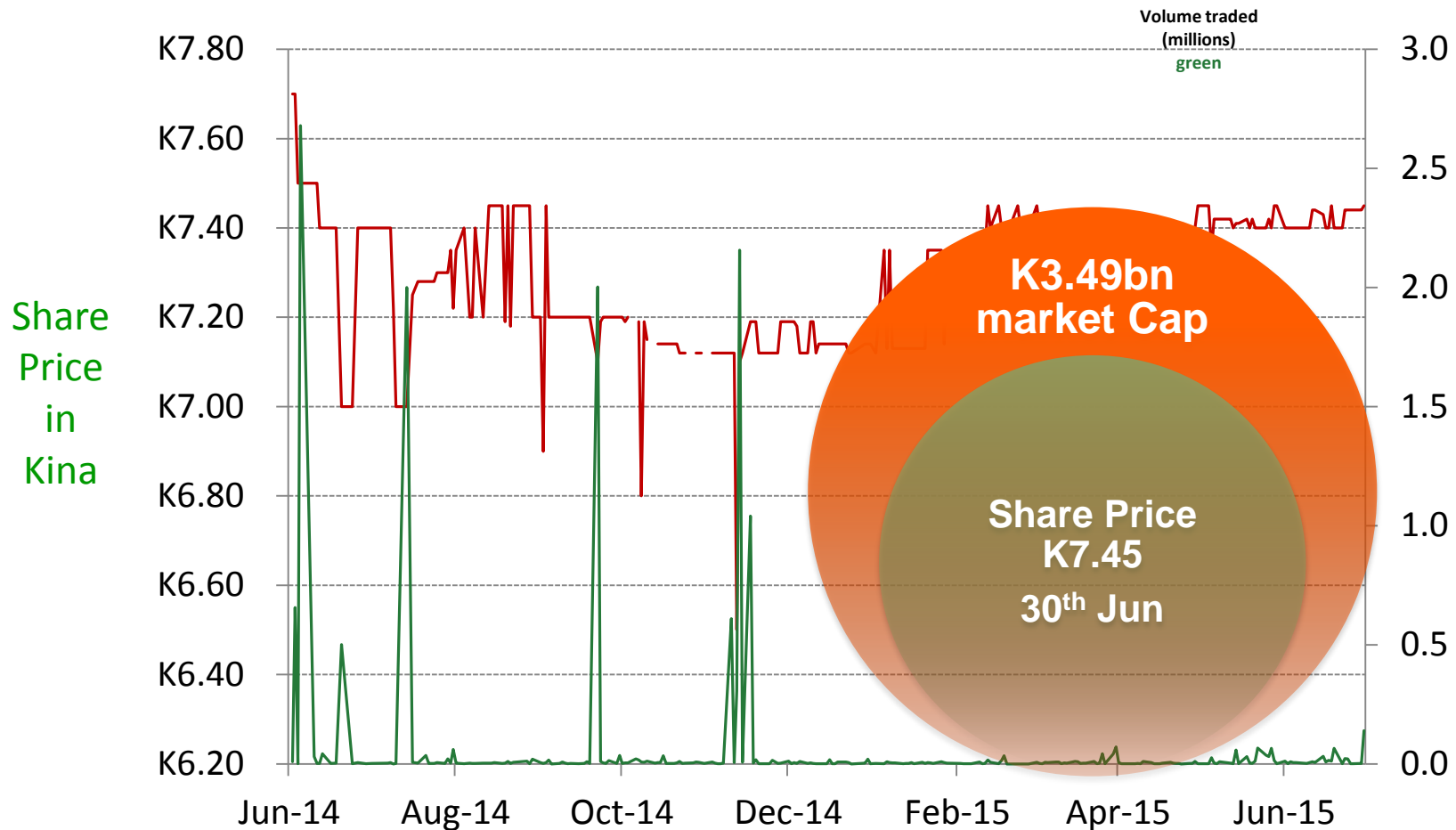
Balance Sheet

- Continued stable lending market share in PNG, with stabilizing deposit market.
- Capital Adequacy at June 2015 reduces from 25.5% to 22.8% due to dividend payment but is still well above BPNG requirement of 12%.

Other

- BSP Finance Ltd continues to grow it's operation in both PNG & Fiji.
- 10th of July 2015-Westpac's Samoa, Cook Islands and Tonga operations acquired for AUD\$91m and the board visited Samoa on the 22nd of July to open the branch in BSP green and welcome our new staff members.

Share Price



Interim Dividend



22.5 toea

- 1.7% increase from 2014 interim div.
- 10.6% yield
- Payment on 23 Oct



Thank You