



## Media Statement

Monday 18<sup>th</sup> October, 2010

Port Moresby Stock Exchange Limited

### BSP 2010 Interim Dividend

The Board of Directors of BSP, at their meeting on Friday 15<sup>th</sup> October, declared an interim dividend for 2010, of 1.37 TOEA per share.

This declaration marks the introduction of the interim & final dividend cycle announced by the Board earlier in the year at the BSP Annual General Meeting of shareholders.

The interim dividend has been determined following solid results posted by the BSP Group for the first half of 2010. A consolidated operating profit of K209.05 million was recorded for the half year, an increase of almost 10% on the consolidated operating profit of K190.48 million achieved for the same period last year. After tax profit was K163.45 million. In releasing the interim dividend announcement, BSP's Chairman, Mr Noreo Beangke repeated earlier comments that "the bank performed creditably to post a solid year-on-year increase in profit, buoyed by PNG's economy being relatively insulated from the global financial crisis, some resilience and recovery in the prices of its key exports, and of course the optimism surrounding the LNG project". The first half results reflected moderate net interest income performance, robust non interest income growth, and appropriate, planned investment in operational and management improvement opportunities under the Bank's transformation program, as well as the integration of the newly acquired businesses in Fiji. Under these conditions, the group still managed to achieve continued growth in total assets, to K9.815 billion at June 2010, and maintain a cost to income ratio of 47% for the half year, within expectations set earlier in the year.

The Chairman re-emphasised that overall the results for the first half of 2010 were "commendable, considering the bank is well into its transformation program of operational and risk management improvements, combined with proposed upgrades of many of the banks current systems, processes and organizational structures".

Mr Beangke noted that the Bank's capital position remained sound, and highlighted that the first interim dividend payment was being made just months after a full and final special dividend of 4.0 toea per share for 2009 had been paid.

"I remind stakeholders that monetary and fiscal policy settings remain key factors for business performance in the short to medium term, especially given that we are witnessing significant liquidity growth in the system. Whilst the impact of lower returns on investments will pose some challenges, BSP expects continued solid underlying performance for the rest of the year."

The interim dividend is expected to be paid on 15<sup>th</sup> November, with ex-dividend date being 25<sup>th</sup> October, and a record date of 29<sup>th</sup> October 2010.

Board of Directors