

BSP Final Dividend Announcement for 2019

Sir Kostas Constantinou OBE, Chairman of Bank of South Pacific Limited (BSP) today announced the final dividend for the year ending 31st December 2019.

Sir Kostas noted that despite challenging macroeconomic conditions in PNG and other Pacific countries in which BSP operate, BSP Group again recorded improved outcomes in 2019 with a net profit after tax of K890.4m, an increase of K46.3m on the 2018 result.

When considering the final dividend payment for 2019, the Board gave due regard to BSP's dividend policy, BSP's capital soundness, potential impact on capital arising from increased provisioning that may result from COVID-19 related economic impact and credit stress testing. The Board also recognized that the dividend is a final dividend for audited 2019 results which were finalized before any significant COVID-19 events occurred in PNG. The directors therefore have determined a final dividend of 96 toea per share for the 2019 financial year. With this final dividend and the 38 toea per share interim dividend paid in October 2019, the total dividend payment for the 2019 financial year is K1.34 (2018 =K1.37) per share, generating a yield of 11.17% on the current share price of K12.00 (as at 13th May 2020).

The payout ratio for 2019 of 70.32% is lower than the 2018 ratio of 75.84%, to allow for maintaining BSP's capital buffer given the uncertainties associated with COVID-19. BSP's balance sheet remains strong with a capital adequacy ratio of 23.7% as at March 2020 (March 2019: 24.1%) and will remain well above BPNG guidelines after payment of the final dividends.

The planned processing dates for the 2019 final dividend are:

Ex-date: Friday 29th of May 2020
Record date: Friday 5th of June 2020
Payment date: Friday 19th of June 2020

Sir Kostas stated that the full year dividend represents a total distribution of K626.10m (2018: K640.13m) to BSP shareholders. Over the past 7 years, total dividends paid by BSP to its shareholders total K3.38b.

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