2026 Half-Year Results

Investor Presentation

BSP Financial Group Limited | PNGX:BSP | ASX:BFL

21 AUGUST 2026

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NCR ATLEOS
Backing Every Try.
Backing Every Customer.
OFFICIAL PARTNER OF THE 2026 RUGBY LEAGUE WORLD CUP
Championing Prosperity for the South Pacific
Bank South Pacific
RUGBY LEAGUE WORLD CUP

Overview

Mark T. Robinson, Group Chief Executive Officer

The South Pacific's International Bank

Leading bank in the South Pacific, operating in seven countries and investing for sustainable performance

SIGNIFICANT MARKET PRESENCE ACROSS OUR DIVERSE REGIONS

PNG
85 branches
433 ATMs
11,962 EFTPOS

Fiji
17 branches
121 ATMs
3,725 EFTPOS

Solomon Islands
8 branches
36 ATMs
37 EFTPOS

Vanuatu
3 branches
27 ATMs
350 EFTPOS

Samoa
5 branches
42 ATMs
437 EFTPOS

Tonga
4 branches
16 ATMs
478 EFTPOS

Cook Islands
2 branches
15 ATMs
539 EFTPOS

SOUTH PACIFIC MARKET LEADER

- Largest banking franchise in the South Pacific with leading positions across retail, business and institutional banking.
- Diversified footprint across seven Pacific markets providing scale and regional reach.

LONG-TERM STRUCTURAL GROWTH OPPORTUNITY

- Positioned to benefit from economic growth, financial inclusion and increasing digital adoption across the South Pacific.
- Significant opportunity to deepen customer relationships and expand product penetration.

TRACK RECORD OF PROFITABILITY & RETURNS

- 25 years of uninterrupted profitability through economic cycles.
- Leading ROE of 23.9% supported by disciplined execution and prudent risk management.

STRONG BALANCE SHEET & CAPITAL MANAGEMENT

- Strong capital position providing resilience and flexibility to support growth.
- Investing in the next generation of technology, channels and infrastructure to strengthen long-term competitiveness.

Results Highlights

Strong performance underpinned by diversified earnings while continuing to invest for growth

Revenue

K1,885m **[A$620m]**

↑ 17.7% from 1H25

Return on Equity

23.9%

↓ -60bps from 1H25

NPAT

K620m **[A$204m]**

↑ 8.4% from 1H25

Capital Adequacy Ratio

25.3%

↓ -10bps from 1H25

1H26 Interim Dividend

K0.54/share

↑ 8.0% on K0.50 from 1H25

Cost to Income Ratio

43.8%

↑ 130 bps from 1H25

HIGHLIGHTS

- 17.7% increase in revenue reflecting deposit growth, a resilient loan portfolio, payments income, and foreign exchange earnings.
- Operating expenses up 21.1% due to higher employment and technology costs reflecting capability uplift and the investment phase of the multi-year Modernising for Growth program.
- 2026 CTI ratio of 43.8% remains within guidance range of 42-45%, and below that of Australian banks.
- Notwithstanding the ROE decrease by -60bps to 23.9%, BSP retains strong capital levels to support business growth.

Executing a clear strategy

In a fast-changing environment BSP continues to grow and innovate for our communities and shareholders

CUSTOMER & FRANCHISE STRENGTH

Deepen customer relationships and reinforce BSP's position as the leading banking franchise in the South Pacific.

DIGITAL & MODERNISATION

Transform customer experience and productivity through technology, data and process simplification.

RISK & OPERATIONAL RESILIENCE

Enhance governance, controls and cyber resilience to support long-term sustainable growth.

PEOPLE & PERFORMANCE

Build greater capability and a stronger performance culture to make BSP a higher-performing organisation.

EXECUTION EXCELLENCE

Simplify processes, improve productivity and strengthen accountability to deliver sustainable performance improvements.

Continued digital transaction growth

Strong transaction growth continues in digital channels as customer habits evolve

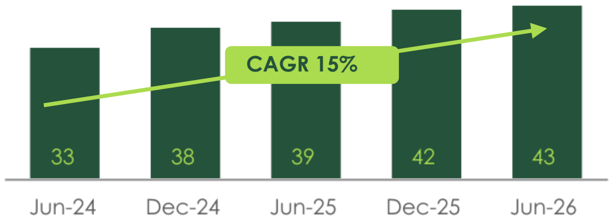
AVERAGE MONTHLY TRANSACTIONS

[1H26 compared to 1H25]

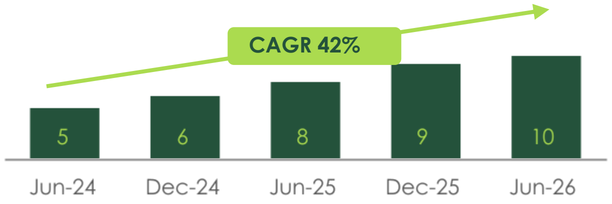
7.2m EFTPOS ↑ 10.8%	**1.7m** Internet Banking ↑ 31.9%
25.4m Mobile Banking ↑ 31.6%	**5.5m** ATM ↑ 15.3%

TRANSACTION GROWTH

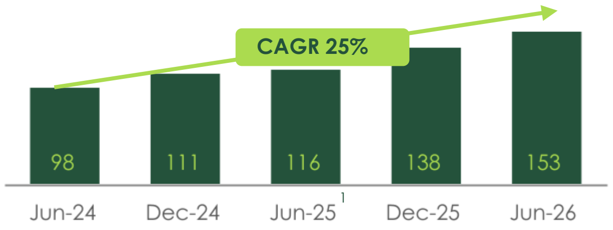
EFTPOS [MILLIONS]



INTERNET BANKING [MILLIONS]

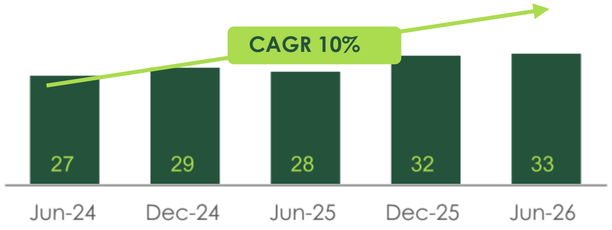


MOBILE BANKING [MILLIONS]



[1] transaction count restated

ATM [MILLIONS]



Financial Results

Glen Skarott, Group Chief Financial Officer

Strong operating performance in 1H26

Strong underlying revenue and earnings performance, with AUD performance impacted by currency movements

PGK [MILLIONS]	HY25	HY26	CHANGE
Revenue	1,602	1,885	17.7 %
- *Net interest income*	1,017	1,174	15.4 %
- *FX income*	320	429	33.8 %
- *Fee and commission income*	212	236	11.5 %
- *Insurance/other income*	53	46	(13.0) %
Operating expenses	(681)	(825)	21.1 %
Operating profit	**921**	**1,060**	**15.1 %**
Credit expenses	(67)	(75)	11.9 %
Profit before tax	**854**	**985**	**15.3 %**
Income tax	(282)	(365)	29.4 %
STATUTORY NPAT	**572**	**620**	**8.4 %**

AUD[1] [MILLIONS]	HY25	HY26	CHANGE
Revenue	621	620	(0.1) %
- *Net interest income*	394	386	(2.0) %
- *FX income*	124	141	13.6 %
- *Fee and commission income*	82	78	(5.3) %
- *Insurance/other income*	20	15	(24.5) %
Operating expenses	(264)	(271)	2.9 %
Operating profit	**357**	**349**	**(2.3)%**
Credit expenses	(26)	(25)	(5.1) %
Profit before tax	**331**	**324**	**(2.1)%**
Income tax	(109)	(120)	9.8 %
Statutory NPAT	**221**	**204**	**(7.9)%**

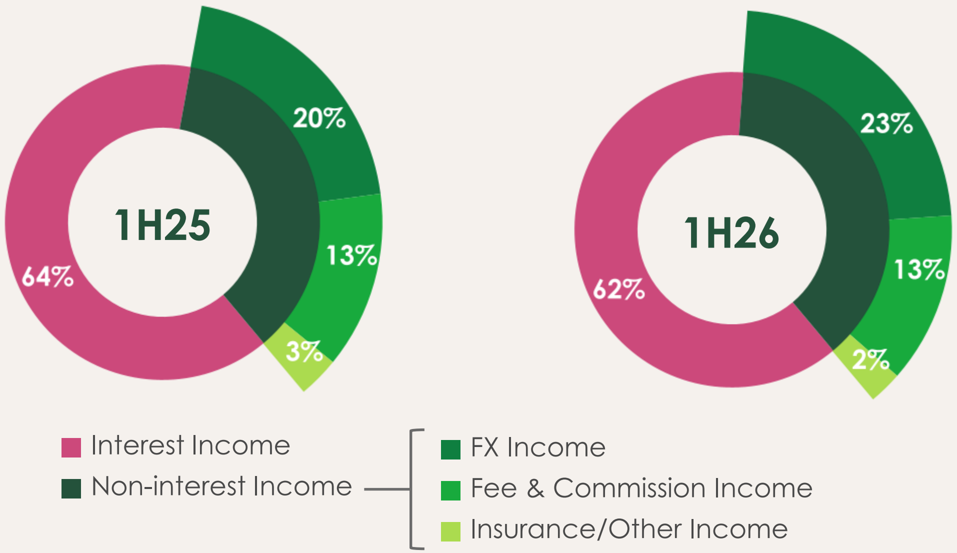
[1] Average exchange rate of 0.3875AUD=1PGK for 1H25, and 0.3290AUD=1PGK for 1H26.

Cross-currency conversion effect: As the Kina is pegged to the US dollar, the stronger AUD/USD exchange rate directly translated into depreciation of the PGK/AUD rate through cross-currency conversion effects.

Total income composition & operating profit

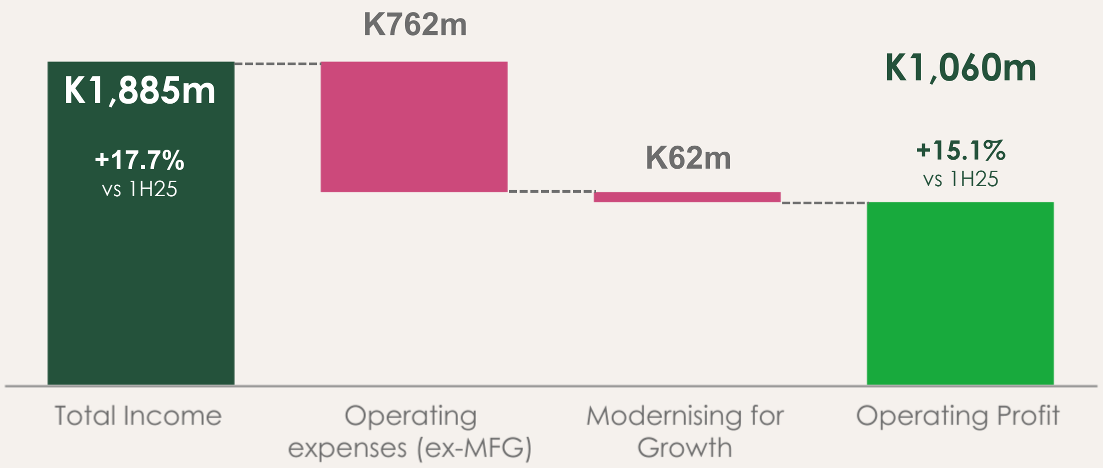
Non-interest income is a growing share of total income while continuing investments for growth

TOTAL INCOME COMPOSITION



OPERATING PROFIT

[PGK'million]



- **Non-interest income** has increased as a percentage of total income to 38% (HY25: 37%) underpinned by deepening customer relationships across the Group.
- **FX Income** has increased to 23% of total income (HY25: 20%) supported by high commodity prices and increased activity from both exporters and importers.

- **Operating Expenses** of K825m in 1H26 were 21.1% higher than 1H25 on the back of higher employment costs and technology investments. Excluding Modernising for Growth expenses, operating expenses were K762m (HY25: K628m).
- **Modernising for Growth Expenses** were K62m (HY25: K53m) reflecting technology and platform investments as the program continues to move through its delivery phase.

Managing operating expenses

Cost-to-income (CTI) ratio remains within the expected range

PGK [MILLIONS]	1H25	1H26	CHANGE
Employment expenses	308	377	22%
Administration, Non-salary technology and other costs	248	302	22%
Depreciation and software amortisation	65	72	12%
Premises and equipment expenses	60	74	24%
Operating expenses	681	825	21%
CTI Ratio	**42.5%**	**43.8%**	**130 bps**
Headcount	**4,734**	**4,891**	**+ 157**

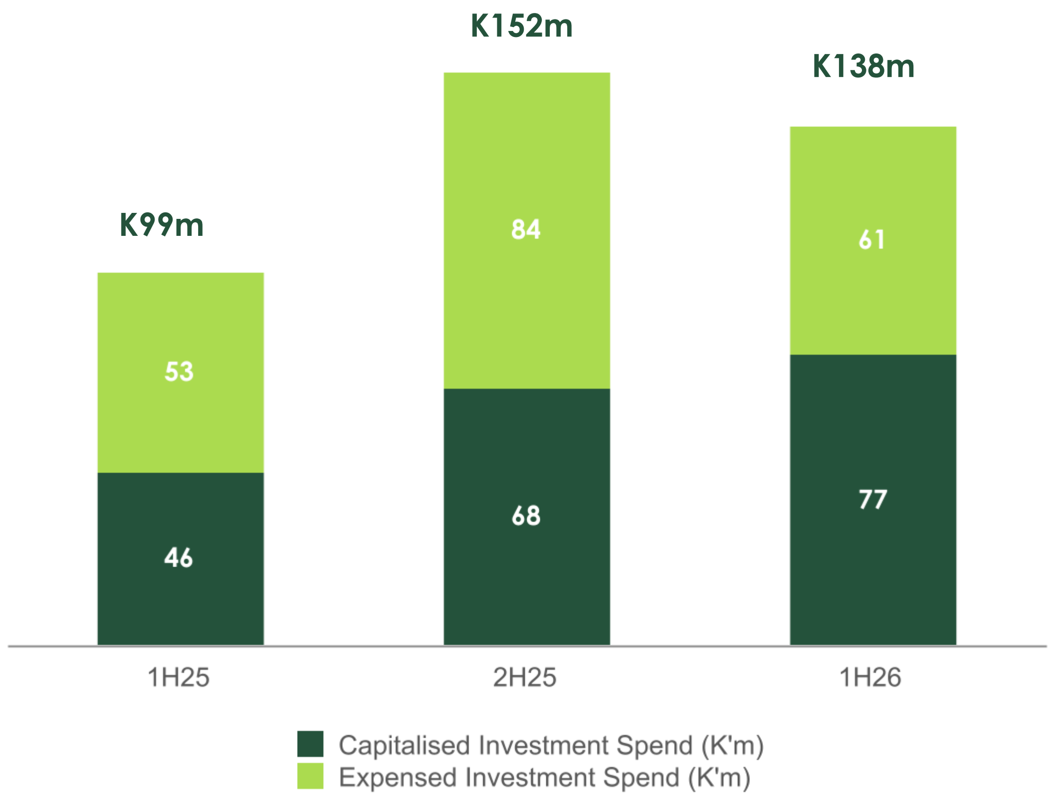
KEY EXPENSE DRIVERS

- Operating expenses increased due to:
  - Continued investment in strategic growth initiatives, including capability uplift, enhanced customer service and the Kundu card replacement program.
  - FX impacts on AUD-denominated expenses, particularly technology and software contracts.
  - Growth-related operating costs associated with higher customer activity and increased digital transaction volumes.
  - Inflationary pressures across the operating cost base.
- Despite increased investment activity during the period, BSP maintained a strong CTI of 43.8% comfortably within its target range of 42% to 45%.

Investing in Modernising for Growth (MFG)

Investing to improve the customer experience, drive efficiencies and create sustainable growth

COMPARATIVE MFG INVESTMENT SPENDING



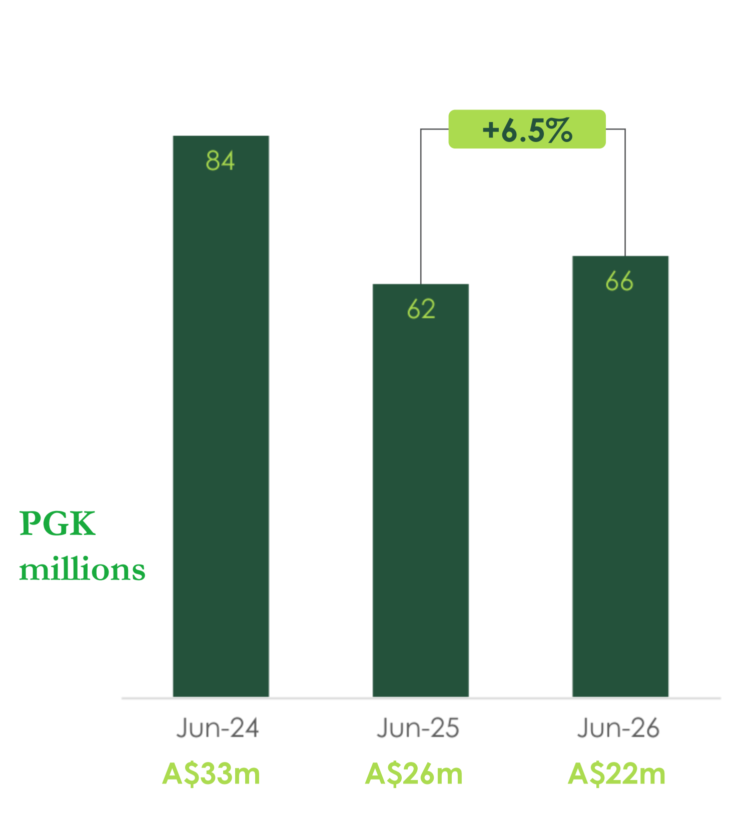
KEY MFG INVESTMENTS DELIVERED TO DATE

- Established Business Bank, with investment in digital banking, credit decisioning and relationship management capabilities to improve customer experience, turnaround times and supporting growth.
- Deployed over 210 new ATMs and 10,000 EFTPOS terminals which support merchant transactions and reduce reliance on in-branch transactions.
- Investing in our branch network in PNG and the South Pacific, with 6 new and refurbished branches to strengthen our distribution network.
- Enhanced back-office operations, including new technology to improve call center responsiveness and customer support capability.
- Continued the expansion of digital financial inclusion with the BSP Wantok Wallet in use by over 278,000 customers in PNG.

Credit quality remains resilient

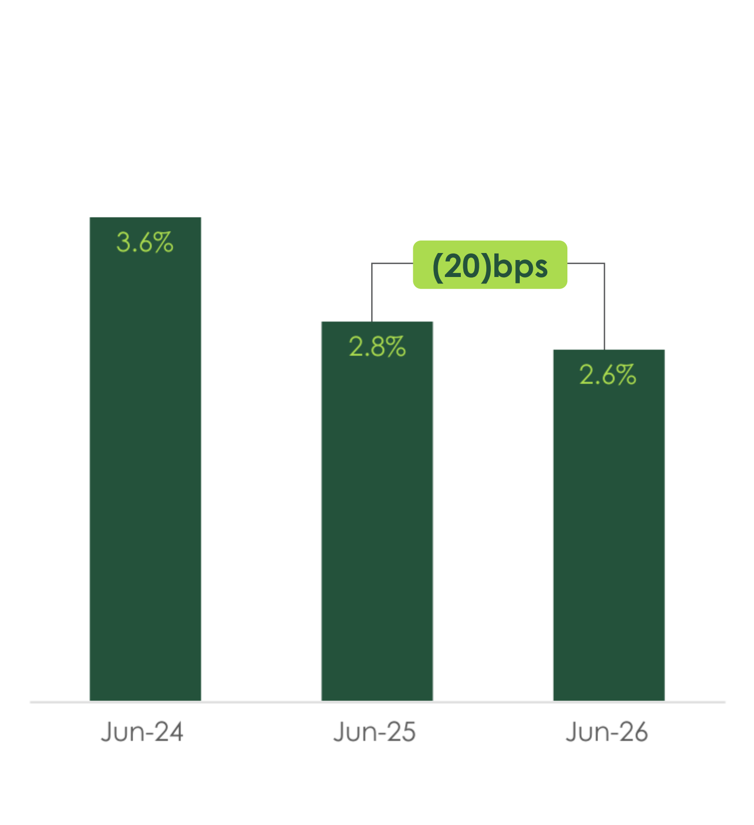
Credit quality has marginally improved with delinquency rates down and provisions to loans ratios stable

BAD & DOUBTFUL DEBT EXPENSES

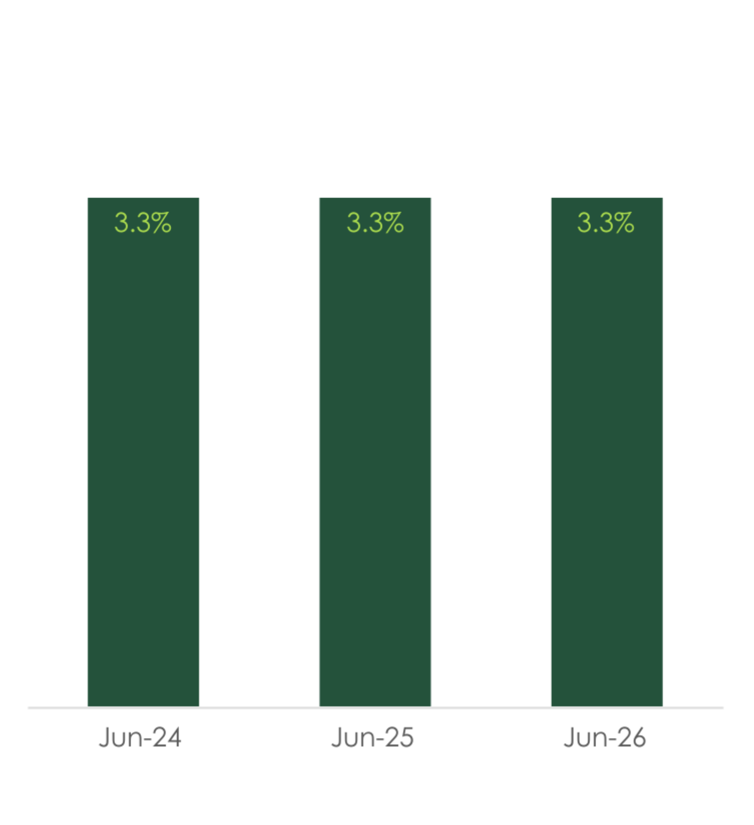


NON-ACCRUAL RATES

[90+ days, as a percentage of total loans]



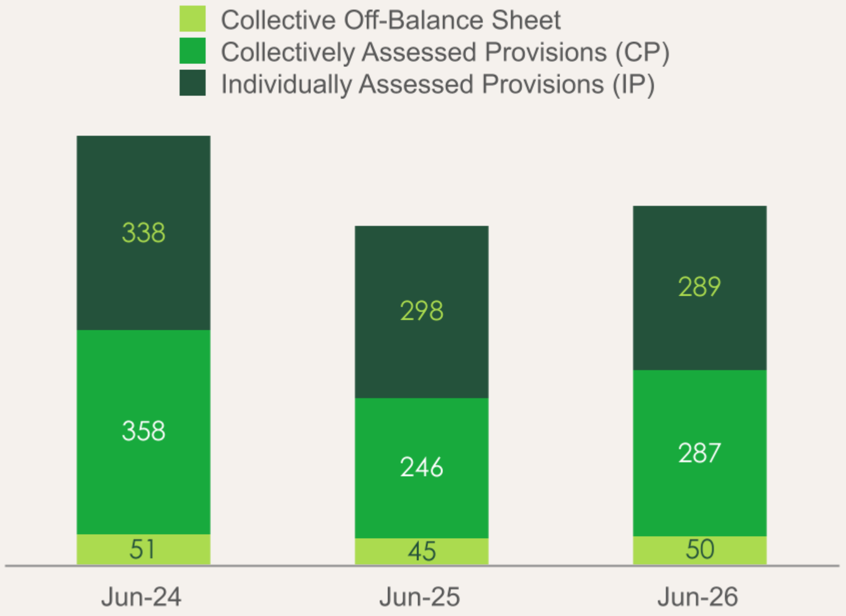
PROVISIONS TO LOANS



Strong provisioning

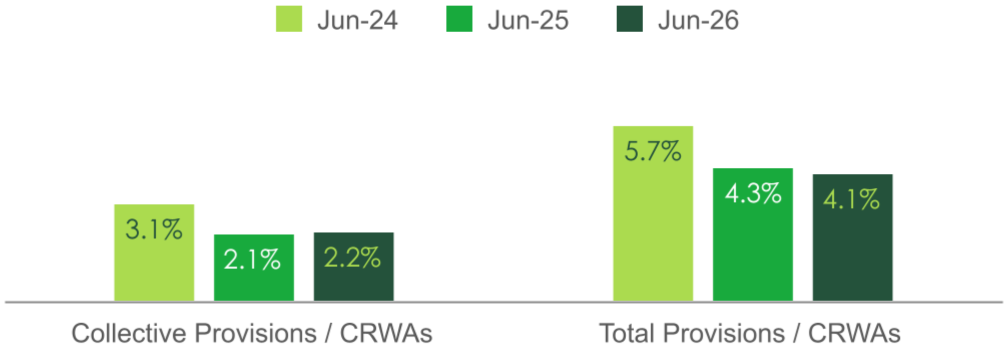
Our provisioning provides protection and flexibility in changing business conditions

PROVISION BALANCE

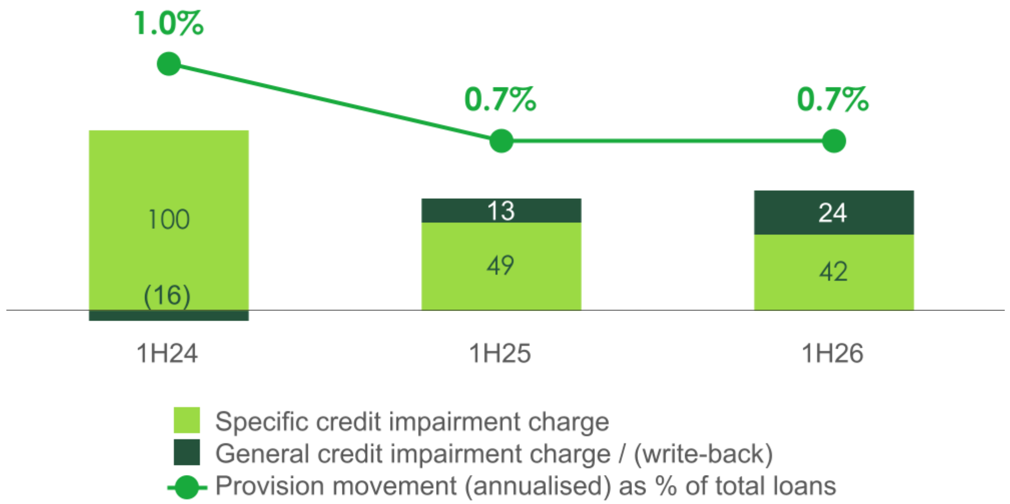


CP Coverage Ratio	2.2%	1.4%	1.5%
IP Coverage Ratio	49%	49%	48%

PROVISION COVERAGE



LENDING IMPAIRMENT CHARGES

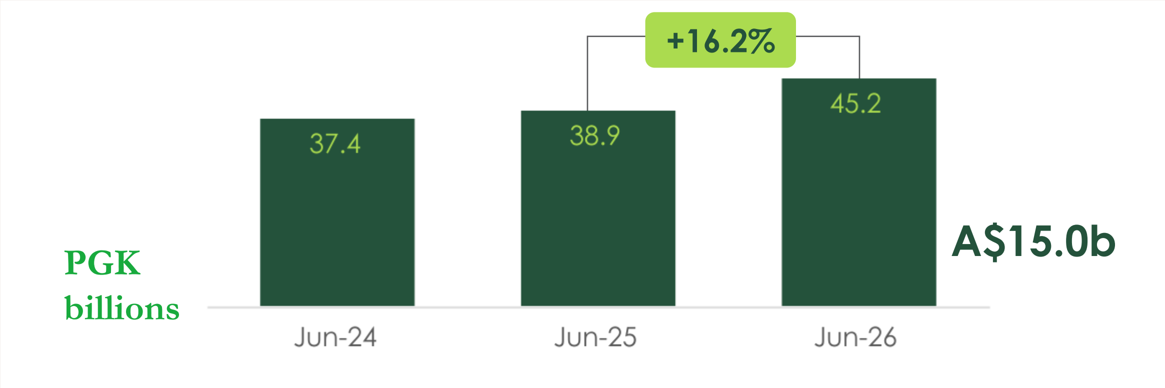


Continuing balance sheet growth

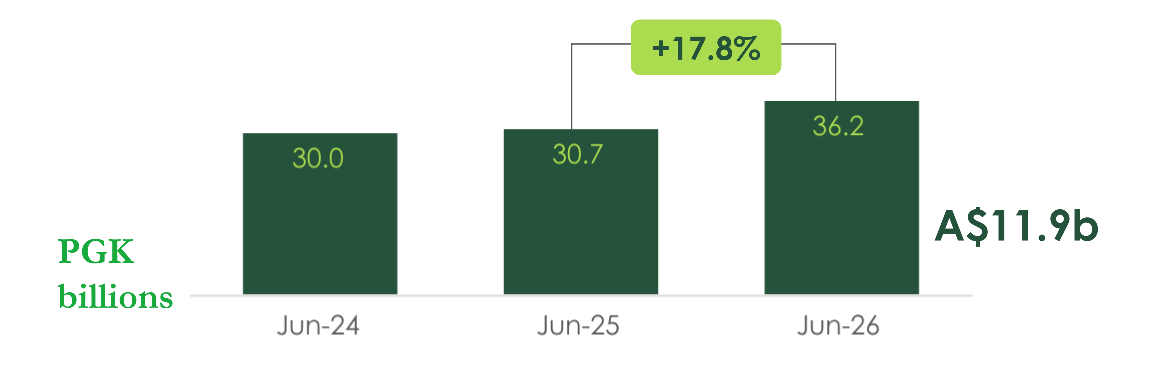
Robust lending and deposit growth continues across all segments and markets

GROSS LOANS

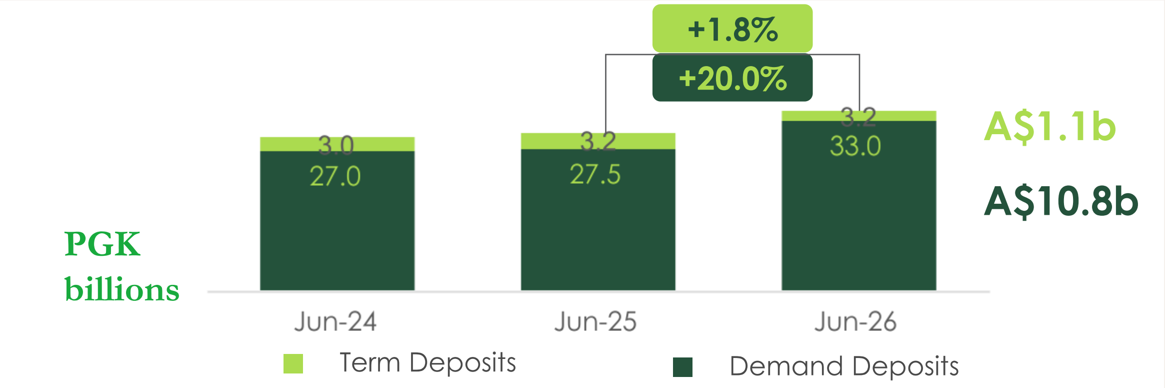
TOTAL ASSETS



DEPOSITS



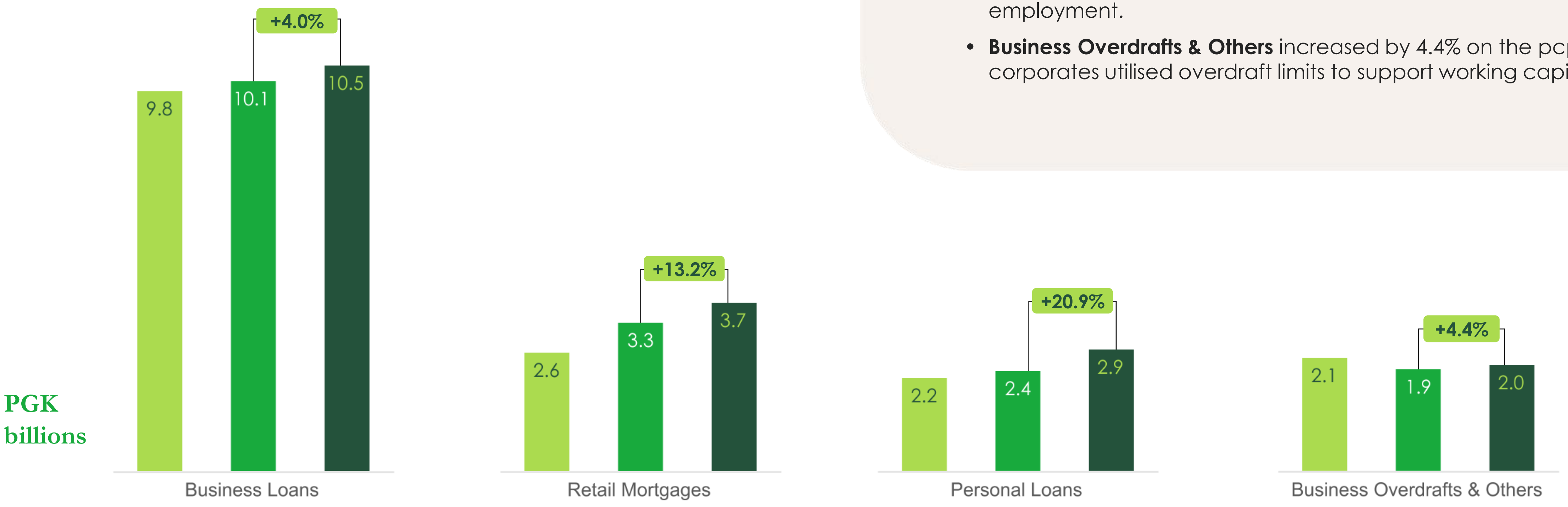
DEPOSITS MIX



Loan book composition

Loan portfolio remains resilient, with strong growth in Retail lending

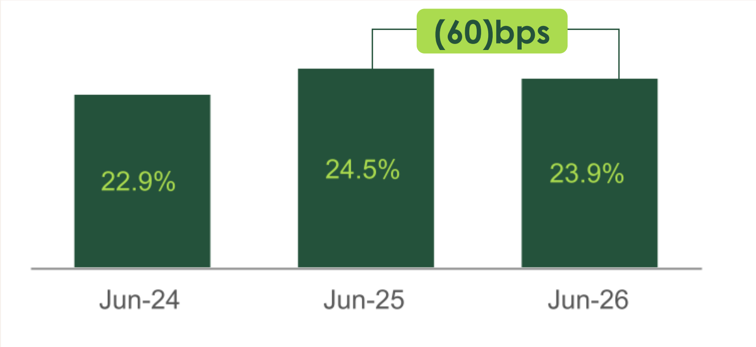
- **Business Loans** increased moderately driven by the new Business Bank proposition, with strong Corporate pipeline to support growth.
- **Retail Mortgages** rose by over 13.2% on the pcp, driven by increased funding on residential properties, particularly in our Pacific Markets.
- Strong growth in **personal loans** was underpinned by consumer needs, refinancing, and seasonal factors, supported by stable employment.
- **Business Overdrafts & Others** increased by 4.4% on the pcp, as large corporates utilised overdraft limits to support working capital needs.



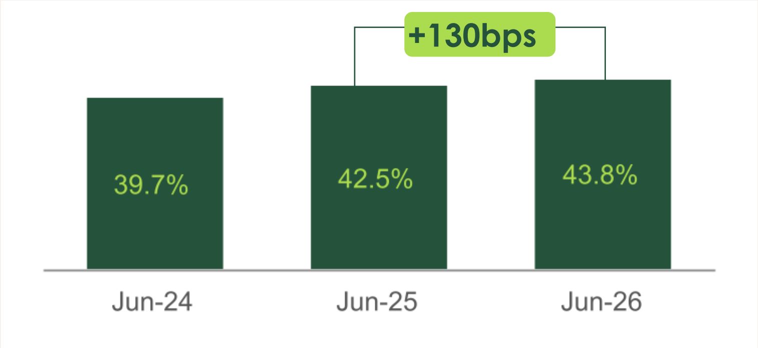
Key ratios remain strong and stable

Our business is stable across core metrics

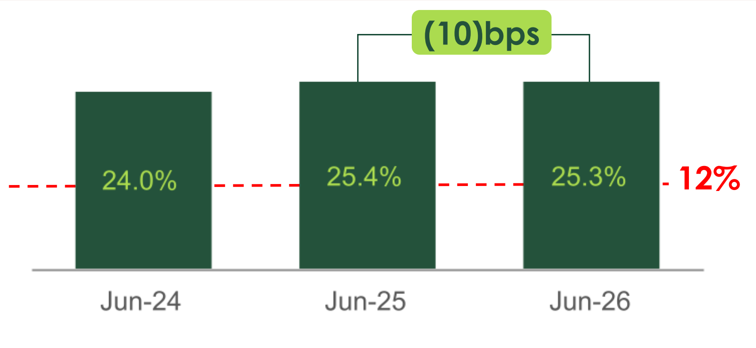
RETURN ON EQUITY [ANNUALISED]



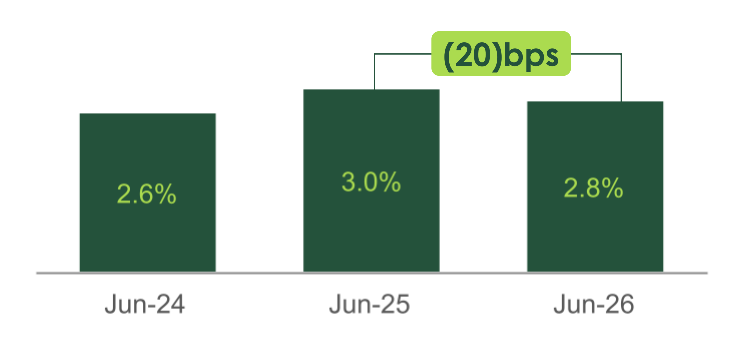
COST-TO-INCOME



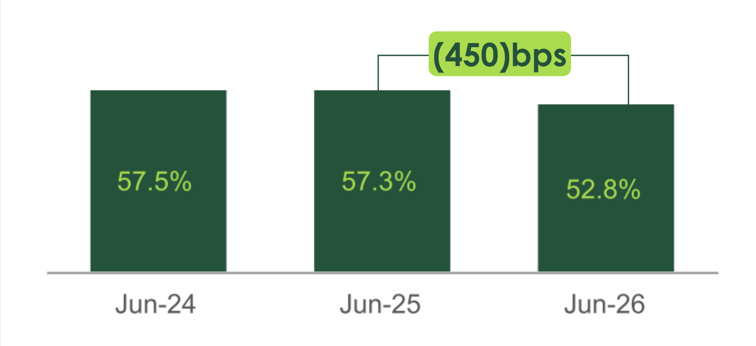
CAPITAL ADEQUACY



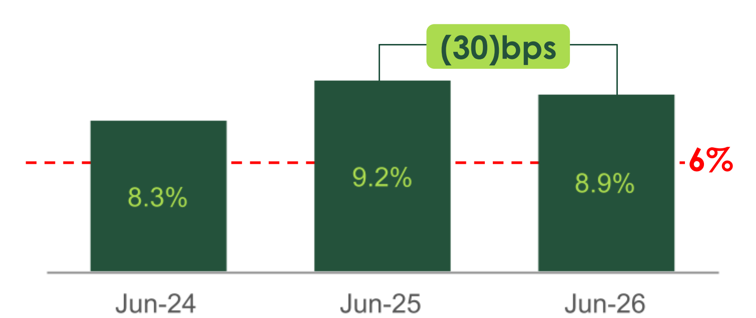
RETURN ON ASSETS [ANNUALISED]



GROSS LOANS TO DEPOSITS



LEVERAGE RATIO



Note: Based on Bank of Papua New Guinea prudential standards

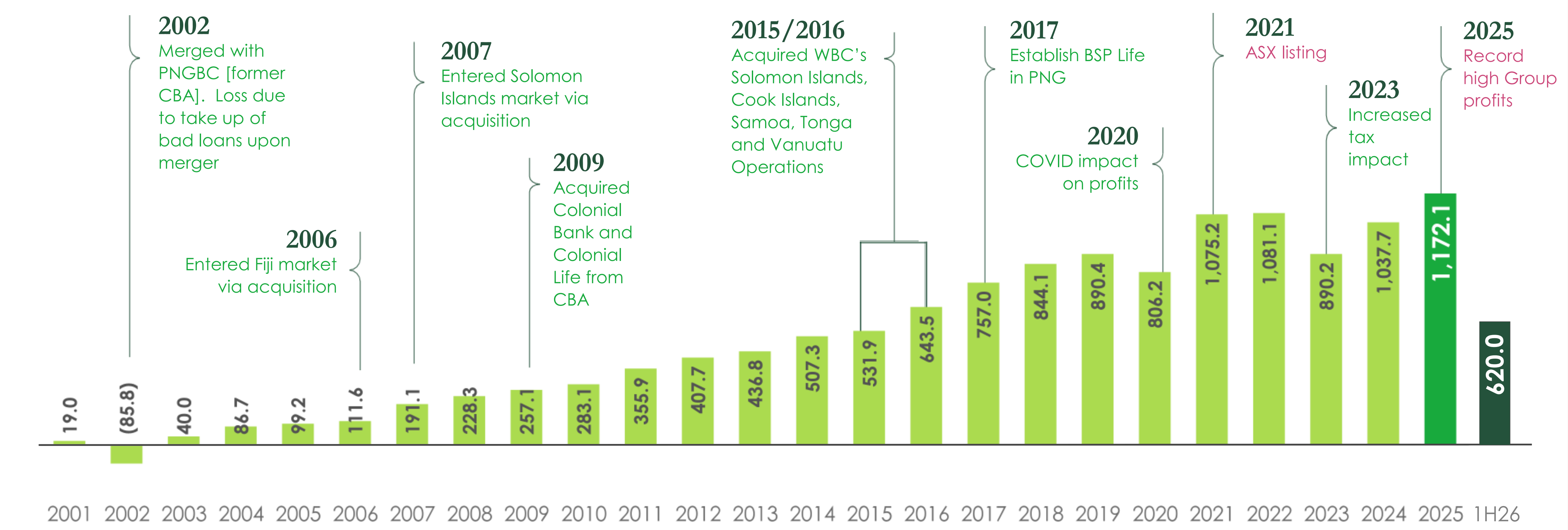
----- Minimum regulatory requirement

Consistent record of profitability and strong returns

BSP has a compelling record of stable growth and profitability

HISTORICAL NET PROFIT AFTER TAX

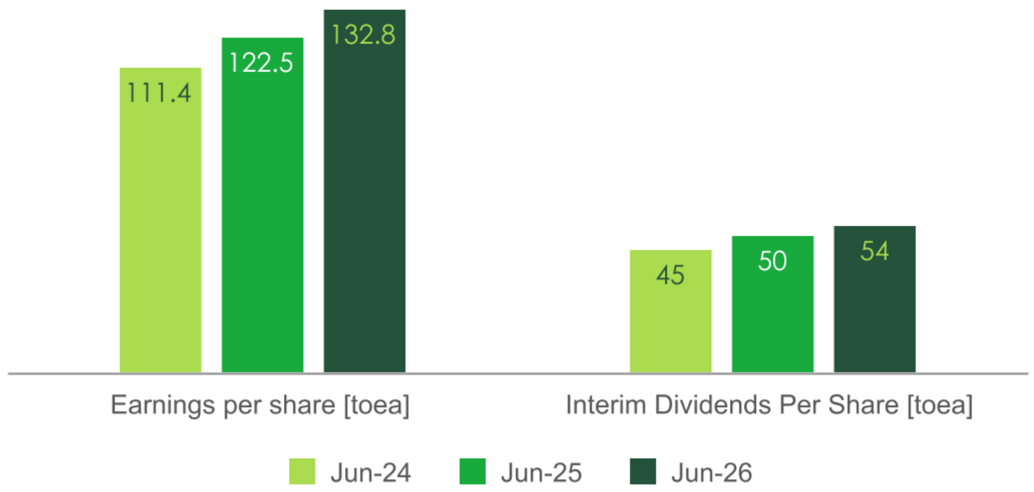
[in PGK'millions]



Delivering attractive returns

Continuing to deliver growth and performance for shareholders

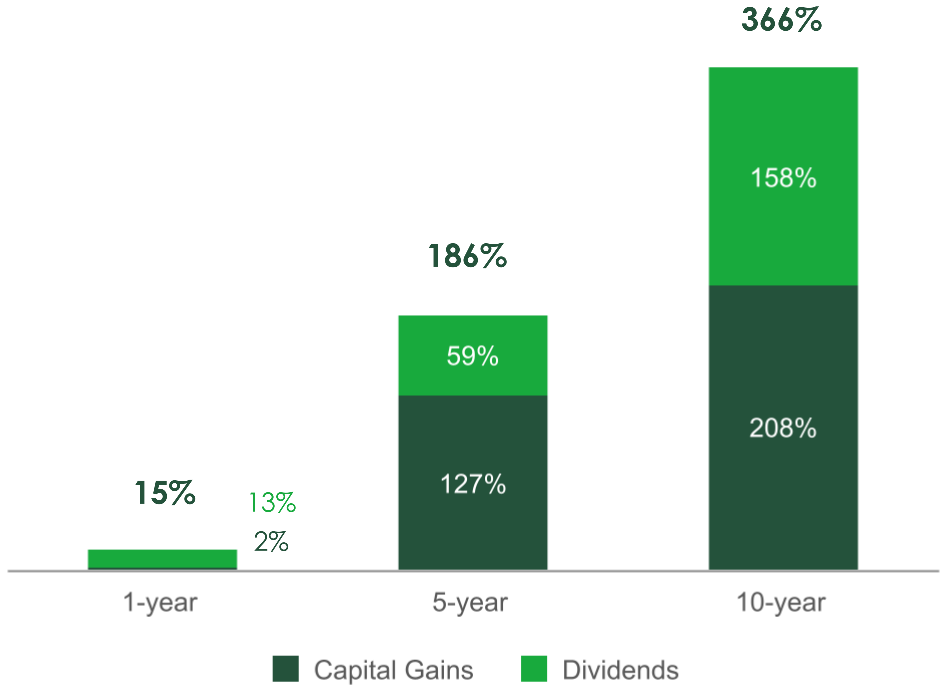
EARNINGS PER SHARE AND INTERIM DIVIDENDS



	EX DATE	RECORD DATE	PAYMENT DATE
ASX	26 Aug 2026	27 Aug 2026	24 Sep 2026
PNGX	27 Aug 2026	31 Aug 2026	24 Sep 2026

Note: BSP's dividend timetable differs between the ASX and PNGX because each exchange has different listing requirements. The announced dates comply with the applicable rules of both markets.

TOTAL SHAREHOLDER RETURN [TSR[1]]



[1] TSR = capital gains [PNGX share price movement] plus dividend paid, divided by the closing share price on 31-December.

Strategy & Outlook

Mark T. Robinson, Group Chief Executive Officer

Outlook

Building capability and resilience to take advantage of opportunities and manage the impact of risks

OPPORTUNITIES

- A growing middle class in our key markets across the South Pacific.
- Support from governments and international partners driving investment and infrastructure development across the region.
- Enhanced digital capabilities are supporting customer growth, improving service delivery and enabling more scale and efficiency.
- Increasing regional trade, investment and economic integration supporting demand for banking services.
- Significant opportunity to deepen financial inclusion and expand Business Banking across underserved markets.

RISKS

- Climate change and El Niño events may adversely impact economic activity and require closer portfolio monitoring.
- Geopolitical tensions and energy market volatility may affect regional growth prospects.
- Tourism-dependent Pacific economies face headwinds from cost-of-living pressures and transport costs.
- Increasing regulatory, compliance and cyber security requirements may result in higher operating costs and investment needs.
- Competitive pressure from banks, fintechs and other financial service providers.

Backing our home markets

Strategic partnerships in Rugby League to drive customer and community engagement in PNG and the South Pacific, and investment in a purpose-built headquarters to support operational excellence

2026 RUGBY LEAGUE WORLD CUP

BSP is a major sponsor and exclusive banking partner for the Rugby League World Cup 2026, to be hosted in Australia, New Zealand and PNG from 15 October to 20 November, and featuring teams from 5 BSP network countries - PNG, Cook Islands, Fiji, Samoa and Tonga.

Strengthen market leadership in PNG and the South Pacific through targeted marketing and game day activation.

Engage Pasifika diaspora and support Corporate & Institutional engagement with clients.

BUILDING A PORT MORESBY HEADQUARTERS

Investing in a purpose-built headquarters to support growth, improve operating efficiency, and reinforce BSP’s long-term commitment to Papua New Guinea.

- Expected to be completed in the early 2030s.
- The new campus-style headquarters brings together BSP’s 2,500 staff from across seven locations in Port Moresby.
- This reflects our long-term commitment to PNG’s growth and development.
- We expect to start rationalising a number of our existing properties.
- The project is expected to be funded from existing capital resources, and based on current assessments the project is not expected to have a material impact on Group earnings during the development phase.

Summary & Close

By investing in the *growth* of the region and delivering industry-leading shareholder *value,* we are supporting our *communities*

TRACK RECORD OF PROFITABILITY & RETURNS

- Strong first half earnings underpinned by diversified revenue, resilient credit quality, and disciplined cost management.
- Half year dividend of K0.54, up 8.0% on 1H25.
- FY26 focus on driving success through modernisation program.

STRONG BALANCE SHEET & CAPITAL MANAGEMENT

- Maintaining a strong capital adequacy ratio well above prudential requirements.
- Targeted capital deployment investing in the next generation of infrastructure, driving revenue growth and cost efficiencies.
- Credit quality remains strong, driven by prudent management.

LONG-TERM GROWTH OPPORTUNITIES

- Leading regional bank with significant market share across key segments.
- Well-positioned to navigate near-term market tailwinds.
- Capturing demand from growing populations, expanding trade, digital adoption and growth in financial inclusion.

OUR ROBUST FINANCIAL FOUNDATION, RESILIENT OPERATIONS, AND TARGETED STRATEGIC INVESTMENTS CREATE A STRONG PLATFORM FOR GROWTH

Questions

Contact Us

INVESTOR RELATIONS

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Appendices

Our History

Leading financial services provider in PNG and the South Pacific.

100-year-old roots in banking in PNG.

150 years in life insurance in Fiji.

1916
CBA Branch established in Rabaul

1957
NAB presence established in Port Moresby

1974
NAB PNG business incorporated as Bank of South, a NAB subsidiary

Newly created PNG Banking Corporation (PNGBC) takes over CBA PNG operations

1993
NAB sells BSP to PNG National Investment Holdings

2002
BSP merges with State owned PNGBC

2003
Lists on the PNGX (PGNX: BSP)

2006
Entered Fiji market via acquisition of Habib Bank

2007
Entered Solomon Islands via acquisition of National Bank of Solomon Islands

2009
Acquires Colonial Bank and Colonial Mutual Life from CBA

2015/16
Acquired Westpac operations in Solomon Islands, Cook Islands, Samoa, Tonga and Vanuatu.

2021
ASX listing (ASX:BFL)

2024
Launched Modernising For Growth program

Board of Directors

ROBERT G. BRADSHAW, LLB
Chairman, Non-Executive Director

MARK T. ROBINSON
Group Chief Executive Officer & Managing Director

PATRICIA TAUREKA-SERUVATU
LLB, MACID
Non-Executive Director

SYMON BREWIS-WESTON
ECON (HONS), MAPPFIN
Non-Executive Director

FRANK BOURAGA
CPA, MACID
Non-Executive Director

PRISCILLA KEVIN
BSCS, MAICD
Non-Executive Director

DAVID HORNERY
Non-Executive Director

IAN TARUTIA
OBE, FAICD, FPNGID
Non-Executive Director

DONNA COOPER
Non-Executive Director

MICHAEL MAKAP, MBA
Non-Executive Director

Group Executives

MARK T. ROBINSON
Group Chief Executive Officer and Managing Director

GLEN SKAROTT
Group Chief Financial Officer

NUNI KULU
Group Chief Operating Officer & GM Pacific Market

BEN WAVELL-SMITH
Group Chief Risk Officer

RAY NAICKER
Group Chief Information Officer

VANDHNA NARAYAN
Group Chief Compliance Officer

DANIEL FAUNT
Group General Manager Corporate Bank

RONESH DAYAL
Group General Manager Retail Bank

ROHAN GEORGE
Group General Manager Treasury & Markets

HARI RABURA
Group General Manager Corporate Affairs & Community

JONATHAN HARVEY
Group General Manager People & Culture

MARYANN LAMEKO-VAAI
Group Chief Auditor

Operating with purpose. Guided by values.

Our Purpose

Championing Prosperity for the South Pacific

Our Vision

The South Pacific's *International* Bank

Our Values

We *Care*

We **respect**, **value** and **empower** each other, embracing **diversity** and fostering **resilience.**

We *Aspire*

We strive for **excellence** and **continuous improvement** in everything we do.

We *Grow*

We work and thrive as a **team** with and for the **wellbeing** and **prosperity** of each other.