

ASX: BFL | PNGX: BSP

19 February 2025

FULL YEAR RESULTS - 31 December 2024

BSP Financial Group Limited (BSP) reported a statutory net profit after tax result of K1.038 billion [A\$408m] for the full year of 2024, a 17% increase compared to FY23.

BSP's FY24 statutory profit growth was driven by a strong lift in volumes and revenue in nearly all our businesses, coupled with a large improvement in our Bad and Doubtful Debts provision, as well as the impact of the Additional Company Tax settlement in the first half of 2024.

Key FY24 financial highlights included:

- BSP's net operating income increased by 8% to K3.0 billion [A\$1.2b].
- Net interest income grew to K2.0 billion [A\$773m], a 7% increase over FY23.
- Fees and commission income grew by 9% to 387 million [A\$152m]. Growth was largely driven by increased transaction volume in our digital channels.
- FX income grew to K561 million [A\$221m] a 22% [K103m, A\$40m] increase over FY23. FX income represented 19% of FY24 income.
- Total expenses increased to K1.3 billion [A\$499m], with the execution of our modernisation and ongoing technology strategy, channels and inflation contributing to this increase. While BSP's cost to income ratio lifted from 37.8% in FY23, to 41.3% in FY24, when we exclude the investments in our modernisation initiatives, it was stable at 38.2%.
- The Group's total assets grew by 0.5% to K37.1b [A\$14.9b] over the prior year.
- Credit quality improved in FY24, with delinquency rates down 80bps to 2.8% and provisions to loans falling 80bps to 3.3%.

The Group results were further impacted by a reduction in company tax for all commercial bank's profits above K300 million. In line with International Accounting Standards, a one-off K36 million increase in tax expense was recognised, resulting from the decrease in deferred tax balances.

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- The Group's capital base remains strong, with a capital adequacy ratio of 26.2% that exceeds the Bank of Papua New Guinea's requirement of 12.0% and represents a 230bps improvement over December 2023.

The Board also announced a final dividend payment of K1.21 per ordinary share, payable on 21 March 2025. For ASX shareholders eligible to receive BFL dividends in AUD, the applicable exchange rate on the record date will be used.

The final dividend together with the interim dividend of K0.45 paid in October 2024, **means the total FY24 dividend will be K1.66 per share, which represents a 75% payout ratio**, which is consistent with prior years.

Timing of the dividend payment is as follows:

- Ex-date: Monday 24 February 2025;
- Record date: Tuesday 25 February 2025; and
- Payment date: Friday 21 March 2025.

BSP Chairman, Robert Bradshaw, reported that he was delighted that BSP posted a record pre-tax profit of K1.8 billion, up a healthy 14% on FY23 and a full year statutory profit that was also just under BSP's record in FY22, which was posted before the bank tax rate in PNG increased to 45%.

Robert G. Bradshaw
Group Chairman | BSP Financial Group Limited

This announcement was authorised for release by BSP Financial Group Limited's Disclosure Committee.

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