

23 May 2025

CHAIRMANS ADDRESS – 2025 ANNUAL GENERAL MEETING

Good morning ladies and gentlemen,

It is my pleasure to welcome you to the 2025 Annual General Meeting of BSP Financial Group Limited. I'd like to extend a warm greeting to my fellow Board Directors, Directors of our Pacific subsidiaries, our Executive team, and most importantly, to you—our valued shareholders—joining us both in person and online.

Over the past 12 months, BSP has continued to strengthen its leadership position across the South Pacific while laying the foundations for a more modern, agile, and customer-centric organisation. In doing so, we have delivered robust financial results for 2024, continued to transform our operations, and reinforced our deep connection to the communities we serve.

Delivering Outstanding Returns for Shareholders

BSP's 2024 performance delivered not only strong operational results, but also exceptional returns to our shareholders.

We declared a total dividend of K1.66 per share, a 16% increase on the prior year. Over K776 million was returned to shareholders—representing a 75% payout ratio. Earnings per share rose 17%, underpinned by a 10% increase in underlying NPAT and a statutory NPAT of over K1 billion.

These are remarkable results in any context, and they cap off two decades of consistent performance. Over the past 10 years, BSP has delivered a compound annual return to shareholders of 16%, including both dividends and share price appreciation. Few banks globally can match that record.

Importantly, 86% of BSP shares are owned by Papua New Guineans, meaning these returns flow directly back to families, communities, churches, super funds, landowners and provincial entities across the country.

Modernising for Growth

At the same time, we are investing in our future through our Modernising for Growth strategy—now well into its second year.

In 2024, we rolled out our new values: We Care. We Aspire. We Grow. These reflect the culture we are building as we embrace change without losing the traditional heart of our service. Earlier this year we launched a refreshed brand identity.

Among the highlights over the last 12 months:

Our digitally enabled flagship branch at Port Moresby Waterfront opened, setting a new benchmark in service and design.

For personal use only



Our digital transactions grew 20%, as customers increasingly adopt modern banking channels. We expanded FX capabilities for our business clients.

We graduated 140 staff from the new BSP Academy and commenced training the next generation of regional leaders.

New ATMs and EFTPOS terminals have been procured, supporting 24/7 self-service banking across the network beginning later this year.

Earlier this year we also launched the Wontok Wallet, a mobile-first digital wallet that empowers the underbanked communities to transact securely—demonstrating our continued commitment to financial inclusion across PNG and the broader Pacific.

This strategy is about more than technology. It's about building a bank that is simpler, faster, more inclusive and more responsive to our customers across the South Pacific.

Meeting Our Customers in the Regions

In 2024 and 2025, the Board made a deliberate effort to get closer to our people and our customers across PNG.

In October last year, your Board met in Mt Hagen and connected with a number of clients, business partners and community leaders in the Highlands. It was a vibrant and energising visit—and a clear reminder of the trust BSP enjoys in the heart of PNG.

In February this year, our Board held our first meeting of the year in Lae, where we saw firsthand the incredible dedication of our staff and the growing needs of the industrial and SME sectors. These visits remind us of the scale of our footprint, the importance of face-to-face engagement, and the unique responsibility we have to our home market.

Contributing to Papua New Guinea and the Pacific

As a proudly PNG-headquartered bank, BSP continues to make an enormous contribution to the country's economic and social development.

Since 2015, BSP has paid over K4.7 billion in taxes to the PNG Government, including K3.75 billion in company income tax and over K700 million in salary and wages tax. Last year alone, BSP contributed an estimated 17% of PNG's total corporate income tax collections.

Since 2015, we also paid over K6.5 billion in dividends to shareholders, most of whom are PNG institutions and citizens.

Outside of financial returns, we invested more than K7 million in community projects and sponsorships last year.

Board Renewal and Governance

As part of our commitment to strong governance, we have undertaken a measured refresh of the BSP Board over the past year.

In February 2025, we farewelled two of our directors – Dr Faamausili Lua'iuifi and Mr Stuart Davis after nine and eight years respectively of dedicated service, including Dr Lua'iuifi as Chair of the Remuneration and Nominations committee and Mr Davis as Chair of the Board Risk Committee. We thank both Dr. Lofi and Mr. Davis for their wisdom and their deep contribution to BSP's direction and oversight.

And in March this year, we were delighted to appoint two casual new Non-Executive Directors: Mr David Hornery, co-founder of Judo Bank and former ANZ Asia CEO; and Ms Donna Cooper, former CEO of TSB Bank

For personal use only



in New Zealand, with extensive experience in digital banking and governance to fill the casual vacancies arising when Mr Davis and Dr Lua'iufi retired.

Today, shareholders will vote on the election of Mr Hornery and Ms Cooper, as well as the re-election of two existing Directors, Priscilla Kevin and Patricia Taureka-Seruvatu. I commend all candidates to you, and am confident the Board will continue to have the right collective skills, experience and judgement to oversee the next phase of BSP's growth.

Looking Ahead

As we look to the future, BSP is well positioned.

We are growing with the region, strengthening our systems, and investing in our people. We are also navigating prudently—responding to regulatory change and managing risk conservatively.

Our first quarter results for 2025 show continued momentum, with 13% NPAT growth and further digital channel expansion. We are on track.

We remain committed to building a better bank for our customers, a stronger institution for our shareholders, and a more inclusive future for the Pacific.

Closing

Before I close, I want to express my thanks:

To our staff across the region—over 4,600 dedicated individuals—thank you for your professionalism and passion.

To my fellow Directors, thank you for your wise counsel and commitment.

And to you, our shareholders—thank you for your trust and belief in BSP. We are proud to serve you and to deliver on our shared ambitions.

I now invite our Group CEO, Mr Mark Robinson, to the podium for his address.

For personal use only



GCEO's ADDRESS - 2025 ANNUAL GENERAL MEETING

Good morning, everyone.

Thank you, Chair, and thank you to our shareholders joining us today—both in person and online. It is a privilege to speak with you at our 2025 AGM.

Since stepping into the role of Group CEO in March 2023 I have had the privilege of leading BSP through a period of modernisation filled with both challenges and tremendous opportunity.

Now, after two years in the role, I continue to be inspired by the deep sense of responsibility we hold as the region's largest financial institution. That responsibility—to our customers, our people, our communities, and our shareholders—has never been more important. We are proud of our purpose of Championing Prosperity in the South Pacific.

2024: A Year of Strong Delivery

2024 was a landmark year for BSP, marked by strong performance across our business and significant progress on our modernisation agenda.

We delivered a statutory net profit after tax of K1.038 billion, a 17% increase on the prior year. This was driven by solid revenue growth, strong underlying business performance, and the positive impact of our settlement on the Additional Company Tax.

Total operating income rose 8% to K3.0 billion, with net interest income up 7% to K2.0 billion, supported by lending growth and improved asset pricing. FX income increased by 22% to K561 million, reflecting increased regional flows and continued strength in our foreign exchange franchise. Fees and commissions also rose 9%, benefiting from growth in digital transaction volumes.

Our cost base increased by 22%, reaching K1.3 billion, largely due to our investments in technology, digital channels, and operational resilience. While this led to a rise in our cost-to-income ratio to 41.3%, this is in line with our long-term range for this ratio.

We also made strong progress in credit quality. Delinquency rates fell by 80 basis points to 2.8%, and provisions to loans decreased to 3.3%. This reflects prudent risk management and improving economic conditions in several of our markets.

Our balance sheet remained resilient, with total assets increasing to K37.1 billion, and our capital adequacy ratio rising to 26.2%, more than double the regulatory minimum. This gives us capacity to withstand volatility and invest for growth.

Finally, our performance translated into outstanding returns for shareholders. We declared a total dividend of K1.66 per share for FY24, up 16% from the prior year, representing a 75% payout ratio. BSP's return on equity increased to 23.3%, as we continued our decade-long record of delivering superior shareholder value, and we have been consistently profitable for over 20 years, a period during which there has been great progress in terms of acquisitions and new businesses.

Operational Progress

2024 was not just a year of strong financial results—it was a year in which we advanced our modernisation agenda and made meaningful changes in how BSP operates and delivers for customers.

We improved stability and performance across our technology platforms, including our Flexcube core banking system, which is now enabling faster, more reliable, and customer-centric service. Digital transactions grew by over 20%, reflecting continued adoption of our mobile and internet channels, and our digital lending



capabilities. We invested in risk management capabilities to ensure we are well positioned to continue managing risk effectively.

In-branch customer experience also improved, supported by better queue management and optimised staffing models. We have sharpened our operational execution, invested in better tools for our frontline staff, and enhanced the resilience of our support functions.

These improvements are creating a more agile and responsive BSP—better positioned to serve customers today and to scale for the future.

Regional Commitment

BSP remains deeply committed to all markets in which we operate across the South Pacific. Our strategy is tailored to the unique dynamics of each market, ensuring we meet local customer needs while delivering group-wide standards of service, risk management, technology deployment and talent development.

In 2024, we made targeted investments in systems, people, and customer experience across the Pacific from Papua New Guinea to the Cook Islands—strengthening our leadership position in lending, deposits and payments in nearly every jurisdiction. As competition intensifies, BSP's scale, local insight, and long-standing community presence continue to differentiate us and position us strongly for future growth across the region. Of course we contribute to communities through the significant taxes we pay. In PNG we account for a significant portion of the income tax received by the Government.

Investing in Our People

The people behind BSP remain our greatest asset. We graduated two full cohorts from the BSP Academy, our signature capability program in PNG. Over 120 frontline and support staff are now trained in agile banking, digital service, and operational excellence—with many more to follow across the Pacific.

Looking Ahead

We enter 2025 with momentum and confidence. Our Modernising for Growth strategy has six clear strategic shifts, and we are well into execution across all of them.

We plan to invest further in digital products, branch modernisation, and data-driven customer insights. We are focused on delivering world-class service to our customers—no matter where they are across the Pacific. As you will see, digital transactions are growing at about 20% per annum growth rate.

Today, I'd like to highlight three strategic initiatives that will help shape BSP's next chapter:

1. **Wantok Wallet** – a new mobile wallet platform designed to drive financial inclusion across the Pacific, making everyday transactions easier, safer, and more accessible. This is being led by Penelope Aisi. Penelope is the recipient of the Female Entrepreneur of the Year award and all of us at BSP are extremely proud of her.
2. **Business Bank** – the formal establishment of a new segment within BSP, focused on serving the unique needs of small and medium-sized enterprises. This initiative, led by Raymond Logona, is a major step in unlocking growth across our core markets.
3. **Cash Optimisation** – an enterprise-wide effort to improve how we manage cash across our network, reducing operational risk and cost while improving customer access and experience. This important program is being led by David Pidik.

Rather than just speak to these myself, I've invited these executives to present a short brief on their initiative. Please join me in welcoming them to the stage.



Good morning, Chairman, Directors, and esteemed shareholders. My name is Penelope Aisi.

I'm pleased to provide an update on one of BSP's most impactful innovations—Wantok Wallet, a service that exemplifies our commitment to financial inclusion in Papua New Guinea.

Launched on 14th February 2025, Wantok Wallet empowers users to send and receive money, top up phones, pay bills, and withdraw cash—using any mobile phone, without the need for a bank account, smartphone, or internet. With access via USSD code *131#, and secure PIN-protected transactions, it's convenient for all Papua New Guineans, especially in rural communities.

As of April 2025, we've reached 48,646 registered users. Key transaction drivers include mobile phone top-ups, cardless ATM withdrawals, and transfers between BSP accounts and Wantok Wallet—demonstrating strong customer engagement with everyday financial needs.

We've enhanced the user experience with critical upgrades, including the removal of date-of-birth entry during registration and transfers—making the process faster and more accessible. While self-registration is not yet in production, it is scheduled for release in our upcoming patch 1.0.3, further streamlining onboarding in future phases.

Looking ahead, our May–June campaign will focus on last-mile marketing—with community roadshows and activations across rural areas and urban centers. Our goal is to deepen engagement and extend our reach. Wantok Wallet is a bridge to inclusion, and we are proud of the impact it's making. Thank you.

Good morning Chairman, Board of Directors and Shareholders. My name is Raymond Logona.

Over 18 months ago, we embarked on a journey to create and establish a dedicated service offering to support the SME market in Papua New Guinea.

I am proud to announce that Business bank recently launched on the 30th of April and was well received by market.

Our business bank proposition aims to bring the bank to customers through our unparalleled reach throughout Papua New Guinea and is designed to support our customers through our innovative approach and solutions.

Business bank supports with business loan and finance requirements, business account services, online banking and fx requirements that aims to grow your business as we partner to prosperity.

Business bank provides enhanced and dedicated banking services through our product specialist team, dedicated relationship teams and leverages BSP's strong branch and market presence.

With our dedicated approach we aim to drive and champion prosperity for our customers & communities.

Good morning Chairman, Board of Directors and Shareholders. My name is David Pidik.

"CASH" is central to our operations at BSP. As a systemic bank in PNG and the leading financial institution across the Pacific markets, we manage the largest branch network, serving remote islands and highlands.

BSP plays a CRUCIAL ROLE in facilitating the cash supply chain, at a SIGNIFICANT COST to the business.

IN ORDER TO OPTIMIZE THE CASH CYCLE, a comprehensive approach to the entire cash supply chain, was required. We analysed the current process model and TRANSFORMED OUR GOALS into a world-class "TO BE" model.

A key component to this was AUTOMATION; utilising Cash Counting Machines that count, authenticate, sort and grade cash, which has allowed our talented staff to refocus their efforts on serving our valuable customers, rather than counting cash.

For personal use only



Following our initial pilot, we setup Regional Cash Centres, and distributed 168 machines across 34 Branches in PNG, improving efficiency, accuracy, and customer service.

The model was SUCCESSFULLY ADOPTED in PNG and is being standardized across the Pacific markets.

BSP's investment aims to enhance processes, reduce costs, and meet customer needs today and into the future.

Thank you to Penelope Aisi, Raymond Logona, and David Pidik for those insightful overviews.

These three initiatives—Wantok Wallet, Business Bank, and Cash Optimisation—are central to our strategy and will help drive a stronger, more inclusive, and more efficient BSP. I thank each of you and your teams for the important work you are leading. These programs and others underway and to follow are a clear reflection of our commitment to customer service excellence, growth, innovation, and financial inclusion.

Final Thoughts

Let me close by thanking our more than 3 million customers, the over 4,000 staff who serve them daily, our Board and Executive team, and you—our shareholders for your trust and support.

Our purpose is clear: championing prosperity across the South Pacific, helping our communities, our staff and our shareholders to build a sustainable and modern bank for the future.

Thank you very much. I will now turn the meeting back to the Chairman, Robert Bradshaw.

For personal use only