

12 September 2025

BSP welcomes Prime Minister Marape's commitment to a strong, competitive banking sector

BSP Financial Group Limited (BSP) [ASX: BFL] acknowledges and appreciates yesterday's statement by Prime Minister Hon. James Marape, regarding the Government's commitment to a strong, competitive banking sector in PNG, following the recent NEC decision regarding government accounts.

BSP Group Chief Executive Officer, Mark Robinson said: "We thank the Prime Minister for his assurance that BSP will continue to service and maintain government accounts, and there will be no drastic shifts in the existing arrangements. We appreciate the Prime Ministers recognition of BSP as a trusted partner in the nation's economic development."

Given recent clarifications, BSP does not anticipate a material impact on its 2025 financial results.

BSP is committed to engaging with the PNG Government, regulators and other stakeholders to support financial stability, economic growth and financial inclusion.

BSP is a well-capitalised bank with a strong financial base and a diversified business across PNG and the Pacific, and a consistent record of delivering attractive shareholder returns whilst serving the financial needs of over 2 million customers.

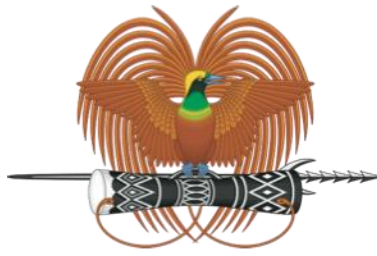
This announcement was authorised for release by BSP Financial Group Limited's Disclosure Committee.

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OFFICE OF THE PRIME MINISTER

MEDIA RELEASE

FOR IMMEDIATE RELEASE

Prime Minister Marape Reassures Investors of Confidence in BSP and Stability of PNG's Financial Sector

Port Moresby, 11 September 2025 - Prime Minister Hon. James Marape today reaffirmed the Government of Papua New Guinea's commitment to a strong, competitive, and inclusive banking sector, assuring investors and the public that Bank South Pacific (BSP) remains a trusted and indispensable partner in the nation's economic development.

The Government's recent decision to reintroduce the National Banking Corporation (NBC) is a forward-looking policy initiative designed to broaden competition, expand financial services, and extend access to the majority of Papua New Guineans — more than 80 percent of whom remain unbanked, especially in rural areas.

Prime Minister Marape stressed that this decision must not be misinterpreted as a move against BSP or any other commercial bank.

"This is not about stripping BSP of government accounts or undermining its role," Prime Minister Marape said. "BSP will continue to service and maintain government accounts, and there will be no drastic shifts in the existing arrangements. Our goal is to ensure that all financial institutions, including BSP, continue to thrive while giving NBC the space to meet its special mandate of bringing financial access to every Papua New Guinean."

The Prime Minister also emphasised that the implementation of the NEC decision will be staged so that no institution or stakeholder is adversely affected. This measured approach will ensure stability in the financial system while achieving the long-term outcome of greater inclusion and lower banking costs for Papua New Guineans.

BSP remains the largest financial institution in Papua New Guinea and across the Pacific, with a shareholder base that is overwhelmingly PNG-owned, including national institutions and superannuation funds. The Government fully recognises that BSP's strength directly impacts the savings, investments, and future security of Papua New Guineans.

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The Prime Minister noted recent movements in BSP's share price on both the PNGX and ASX, describing them as short-term market reactions rather than reflective of BSP's strong fundamentals and its important role in the financial system.

"We remain confident that stability will return as investor confidence strengthens," Prime Minister Marape said. "Our message to the market is clear: BSP is here to stay, its strength is vital to our economy, and Government is committed to supporting its continued growth alongside other players in the sector."

The re-establishment of NBC will also enable the Government to address gaps in the financial sector, including:

- Delivering reliable banking services to rural provinces and districts
- Providing credit facilities to landowners, farmers, and entrepreneurs who are currently excluded from borrowing
- Supporting community service obligations where other banks may not have the reach
- Unlocking wealth and economic growth through broader financial inclusion
- Ensuring more affordable banking services for ordinary Papua New Guineans

Prime Minister Marape emphasised that NBC is envisioned as a development instrument to complement, not compete with, existing commercial banks.

"While other banks have their own standards and shareholder requirements, NBC will focus on the government's vision to bring financial services closer to the people," he said.

"The Government remains committed to safeguarding investor confidence, market stability, and the long-term growth of PNG's financial sector."

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