

# BSP Financial Group Limited

ARBN 649 704 656

## Appendix 4E

**Full-Year Results**

**For the year ended 31 December 2025**



**APRA Disclaimer:**

BSP Financial Group Limited (BSP) is not authorized under the Banking Act 1959 (Commonwealth of Australia) and is not supervised by the Australian Prudential Authority (APRA). BSP's products are not covered by the depositor protection provisions in section 13A of the Banking Act 1959 and will not be covered by the financial claims scheme under Division 2AA of the Banking Act 1959.

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## 1 Appendix 4E: Full-year results

### 1.1 Company details and reporting period

BSP Financial Group Limited (BSP)

ARBN 649 704 656

Reporting period - twelve months ended

31 December 2025

Previous corresponding period - twelve months ended

31 December 2024

#### Principal activities

The principal activity of the BSP Financial Group Limited (BSP) is the provision of commercial banking and financial services in Papua New Guinea (PNG) and the South Pacific. The Group's activities also include fund management and life insurance business services. BSP is listed on the PNG Exchange Markets (PNGX) and the Australian Securities Exchange (ASX), incorporated under the Companies Act of Papua New Guinea, and is an authorised Bank under the Banks and Financial Institutions Act of Papua New Guinea. The Group is also licensed to operate in Solomon Islands, Fiji, Cook Islands, Samoa, Tonga and Vanuatu. BSP has investments in a finance company in Cambodia and in Laos which are being sold. The registered office is at Section 34, Allotment 6 & 7, Klinki Street, Waigani Drive, Port Moresby.

### 1.2 Results for announcement to the market

Revenue from ordinary activities	▲	14.4% to K3,407m
Profit from ordinary activities after tax attributable to parent	▲	12.9% to K1,172m
Net profit for the period attributable to parent	▲	12.9% to K1,172m

Dividends	Record date	Date payable/paid	Amount per security
<b>Current financial year 2025</b>			
2025 interim dividend – unfranked	28 August 2025	19 September 2025	50 toea
2025 final dividend – unfranked	27 February 2026	27 March 2026	138 toea
<b>Previous financial year 2024</b>			
2024 interim dividend – unfranked	28 August 2024	20 September 2024	45 toea
2024 final dividend – unfranked	25 February 2025	21 March 2025	121 toea

Papua New Guinean domiciled shareholders who transfer their shares to the ASX receive dividends in Papua New Guinea Kina (PGK). Should a Papua New Guinean domiciled shareholder move their shareholding to the Australian share register together with a transfer to an Australian-based fund manager, or custodian (on the basis that the shareholding will still be under the control of the Papua New Guinean resident shareholder), dividends will continue to be paid in PGK. Offshore shareholders holding BSP shares on the ASX, will receive dividends in AUD. The exchange rate applicable on the record date will be used to convert the PGK dividend to AUD.

BSP does not have a dividend reinvestment plan.

The release of this announcement was authorised by the BSP Board of Directors.

This report is provided to the ASX under listing rule 4.3A.

#### Reporting currency

All amounts in this report have been rounded to the nearest million Papua New Guinea Kina (Km) unless otherwise stated.

### 1.3 ASX Appendix 4E table

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Details of reporting period and corresponding period	3
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#### Details of entities over which control has been gained or lost during the period

On the 1 January 2025, the BSP Fiji Branch was converted to a wholly owned subsidiary, BSP Financial Group (Fiji) Pte Limited.

#### Full year financial statements

This report should be read in conjunction with the 31 December 2025 Financial Statements of BSP, prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of these standards issued by the International Financial Reporting Interpretations Committee.

The Financial Statements have been audited by BSP's appointed external auditor and approved by the Board, upon recommendation of the Board Audit and Compliance Committee.

### 1.4 Results snapshot (December 25 vs December 24)

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Statutory Profit	▲	12.9% to K1,172m
Statutory earnings per share	▲	13.0% to 251.0 toea
Net interest margin	▲	19 basis points (bps) to 6.41%
Capital Adequacy Ratio	▲	20 bps to 26.4%

### 1.5 Subsequent events

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There are no adjusting or disclosing events after the end of the reporting period.

## 2 Full-year results

### 2.1 Financial summary

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	Km	Km	Km	%	Km	Km	Km	%
Net interest income	2,143	1,965	178	9.1	1,126	1,017	109	10.7
Other operating income	1,264	1,014	250	24.7	679	585	94	16.1
<b>Total operating income</b>	<b>3,407</b>	<b>2,979</b>	<b>428</b>	<b>14.4</b>	<b>1,805</b>	<b>1,602</b>	<b>203</b>	<b>12.7</b>
Impairment of financial assets	(115)	18	(133)	(738.9)	(48)	(67)	19	(28.4)
Operating expenses	(1,462)	(1,267)	(195)	15.4	(781)	(681)	(100)	14.7
Additional company tax settlement	-	95	(95)	(100.0)	-	-	-	-
<b>Profit before income tax</b>	<b>1,830</b>	<b>1,825</b>	<b>5</b>	<b>0.3</b>	<b>976</b>	<b>854</b>	<b>122</b>	<b>14.3</b>
Income tax expense	(658)	(787)	129	(16.4)	(376)	(282)	(94)	33.3
<b>Net profit for the period attributable to parent</b>	<b>1,172</b>	<b>1,038</b>	<b>134</b>	<b>12.9</b>	<b>600</b>	<b>572</b>	<b>28</b>	<b>4.9</b>

Earnings per share (toea)	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	Toea	Toea	Toea	%	Toea	Toea	Toea	%
Basic and diluted	251.0	222.1	28.9	13.0	128.5	122.5	6.0	4.9

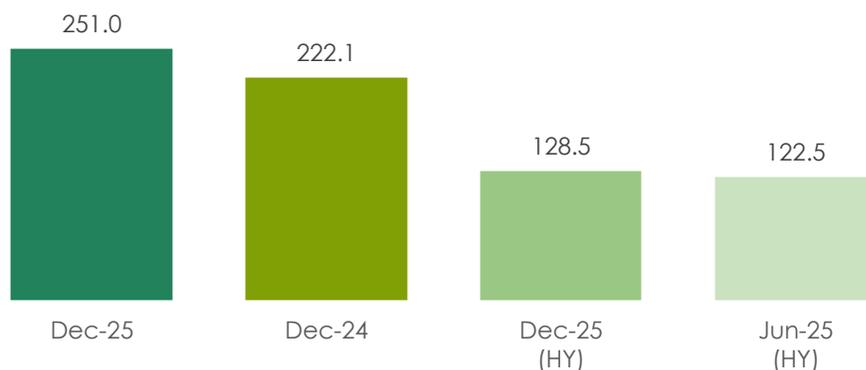
Average interest earning assets and interest bearing liabilities	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	Km	Km	Km	%	Km	Km	Km	%
Average interest earning assets	33,427	31,522	1,905	6.0	34,667	32,188	2,479	7.7
Average interest bearing liabilities	31,537	30,470	1,067	3.5	32,598	30,477	2,121	7.0

Financial performance ratios	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	%	%	bps	%	%	%	bps	%
Net interest margin (annualised)	6.41	6.22	19.0	3.1	6.44	6.37	7.0	1.1
Cost to income ratio	42.9	42.5	40.0	0.9	43.3	42.5	80.0	1.9

Financial position ratio	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	%	%	bps	%	%	%	bps	%
Return on average ordinary equity	23.8	23.3	50.0	2.1	12.0	12.1	(10.0)	(0.8)
Return on average assets	2.9	2.8	10.0	3.6	1.5	1.5	-	-

## 2.1 Financial summary (continued)

### Earnings per share (toea)



## 2.2 Results commentary

### 2.2.1 Income

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	Km	Km	Km	%	Km	Km	Km	%
<b>Interest income</b>								
Loans and receivables from customers	1,445	1,440	5	0.3	746	699	47	6.7
Other financial assets - Inscribed stock	516	468	48	10.3	262	254	8	3.1
Treasury Bills	235	104	131	126.0	144	91	53	58.2
Central Bank Bills	10	4	6	150.0	8	2	6	300.0
Cash and balances with Central Banks	50	36	14	38.9	32	18	14	77.8
Other	13	40	(27)	(67.5)	(3)	16	(19)	(118.8)
<b>Total interest income</b>	<b>2,269</b>	<b>2,092</b>	<b>177</b>	<b>8.5</b>	<b>1,189</b>	<b>1,080</b>	<b>109</b>	<b>10.1</b>
Interest expense	126	127	(1)	(0.8)	63	63	-	-
<b>Net interest income</b>	<b>2,143</b>	<b>1,965</b>	<b>178</b>	<b>9.1</b>	<b>1,126</b>	<b>1,017</b>	<b>109</b>	<b>10.7</b>
<b>Other income</b>								
<b>Fees and commission</b>								
Electronic banking related fee income	290	249	41	16.5	151	139	12	8.6
Electronic banking related fee expense	(115)	(93)	(22)	23.7	(62)	(53)	(9)	17.0
<b>Net electronic banking related fee income</b>	<b>175</b>	<b>156</b>	<b>19</b>	<b>12.2</b>	<b>89</b>	<b>86</b>	<b>3</b>	<b>3.5</b>
Trade and international related	22	22	-	-	11	11	-	-
Product related	173	166	7	4.2	93	80	13	16.3
Others	72	42	30	71.4	36	36	-	-
<b>Net fee and commission income</b>	<b>267</b>	<b>230</b>	<b>37</b>	<b>16.1</b>	<b>140</b>	<b>127</b>	<b>13</b>	<b>10.2</b>
<b>Total net fees and commission income</b>	<b>442</b>	<b>386</b>	<b>56</b>	<b>14.5</b>	<b>229</b>	<b>213</b>	<b>16</b>	<b>7.5</b>
Foreign exchange related	722	561	161	28.7	402	320	82	25.6
Net insurance operating income	64	58	6	10.3	36	28	8	28.6
Sundry income	36	9	27	300.0	12	24	(12)	(50.0)
<b>Total other income</b>	<b>1,264</b>	<b>1,014</b>	<b>250</b>	<b>24.7</b>	<b>679</b>	<b>585</b>	<b>94</b>	<b>16.1</b>
<b>Net operating income</b>	<b>3,407</b>	<b>2,979</b>	<b>428</b>	<b>14.4</b>	<b>1,805</b>	<b>1,602</b>	<b>203</b>	<b>12.7</b>

## 2.2.1 Income (continued)

Comments on individual categories when compared to the previous corresponding period are:

**Net interest income** increased by 9.1%, primarily driven by higher returns from investment securities, supported by excess liquidity throughout the year. Net interest margin recorded a 19bps increase over the period.

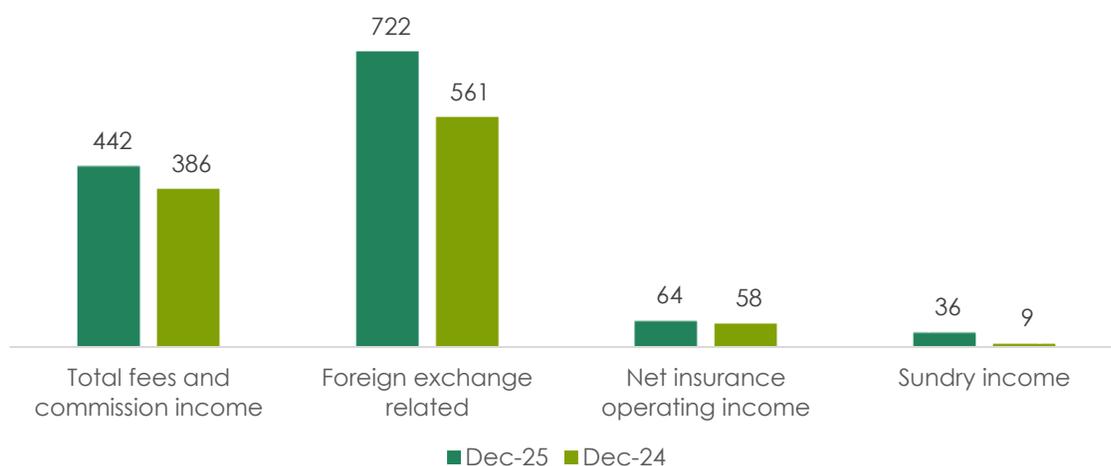
**Total net fees and commission income** Net fees and commission income increased by 14.5% on the prior corresponding period driven by higher transaction volumes across our digital channels and strong underlying business activity across key segments.

**Foreign exchange earnings** increased by 28.7% on the prior period, reflecting an increase in transaction volumes from both PNG's resource and non-resource sectors resulting from increases in commodity prices and production volumes throughout the year. Higher international trade and investment activity was also experienced across our South Pacific markets.

**Net insurance income** increased by 10.3% compared to the prior period, driven by higher investment contributions from BSP Life Fiji and BSP Life PNG.

**Sundry income** increased by 300% is primarily driven by higher revenue from internet banking fees, social welfare scheme fees, offshore ATM withdrawal fees and SMS top-up commissions, largely attributable to Fiji Bank. The increase was further supported by mobile USSD income.

### Other income (Km)



## 2.2.2 Operating expenses

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	Km	Km	Km	%	Km	Km	Km	%
Employment expenses	657	562	95	16.9	349	308	41	13.3
Depreciation	135	130	5	3.8	69	66	3	4.5
Non-salary technology expenses	203	159	44	27.7	102	101	1	1.0
Premises and equipment	134	115	19	16.5	75	59	16	27.1
Non-lending losses	26	16	10	62.5	18	8	10	125.0
Administration and other costs	307	249	58	23.3	168	139	29	20.9
Impairment on joint venture	-	36	(36)	(100.0)	-	-	-	-
<b>Total expenses</b>	<b>1,462</b>	<b>1,267</b>	<b>195</b>	<b>15.4</b>	<b>781</b>	<b>681</b>	<b>100</b>	<b>14.7</b>

## 2.2.2 Operating expenses (continued)

Operating expenses ratios	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
	%	%	bps	%	%	%	bps	%
Cost to income	42.9	42.5	40.0	0.9	43.1	42.5	60.0	1.4
Expenses to average assets	3.7	3.4	30.0	8.8	1.9	1.8	10.0	5.6
Staff and related costs to income	19.3	18.9	40.0	2.1	19.3	19.2	10.0	0.5

Comments on individual categories when compared to the previous corresponding period are:

**Employment expense** increased by 16.9%, driven primarily by inflationary impacts from annual performance-based salary adjustments and achievement of LTI hurdles, in addition to headcount increases to support the Modernising for Growth (MFG) program and improve customer service.

**Depreciation expense** recorded a 3.8% uplift, reflecting the capitalisation and ongoing progress of strategic projects commenced in early to mid-2025.

**Non-salary technology expenses** increased by 27.7% year on year, resulting from increased technology adoption as the Bank progresses its transformation agenda, in addition to industry-related Consumer Price Index (CPI) escalations.

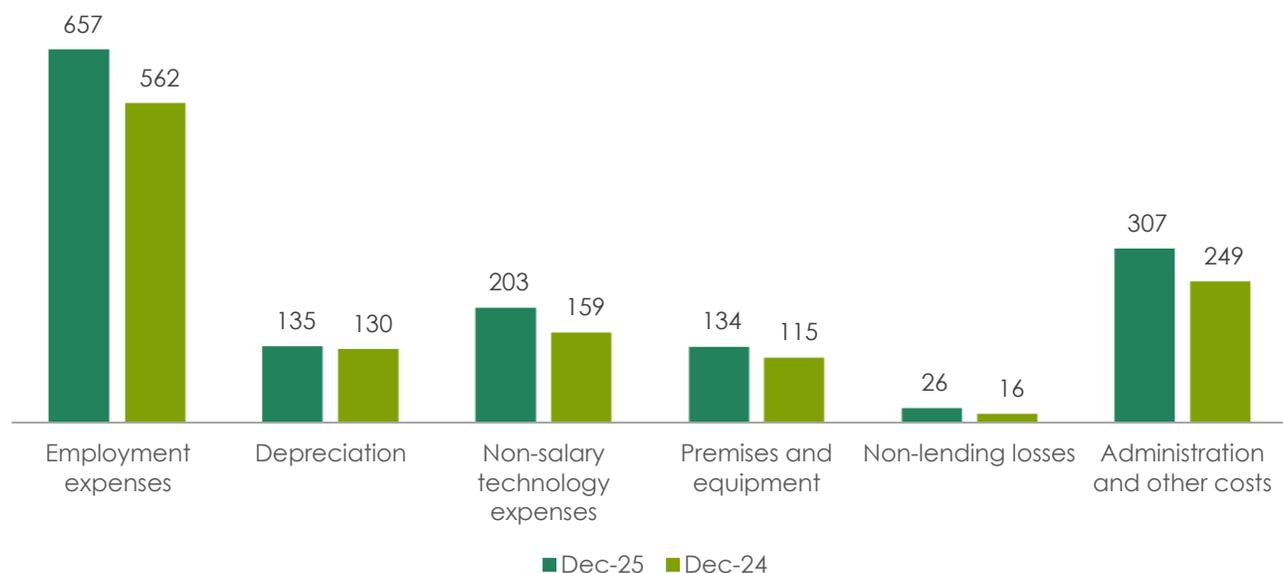
**Premises and equipment expenses** increased by 16.5% year on year, mainly due to higher office leasing costs and the continued rise in fuel prices impacting operational overheads.

**Non-lending losses** rose by 62.5%, primarily driven by incidents linked to heightened card-cloning activity in PNG, in addition to operational losses arising from processing errors and ATM/teller discrepancies.

**Administration and other costs** increased in line with plan by 23.3%, primarily due to engagement of external advisors and specialists supporting the Modernisation for Growth strategy.

**Impairment on Joint Venture** reduced in 2025 as there were no impairments of investments in joint ventures. A K36m impairment was recognised in 2024 for BSP Finance Holding's investment in BSP Finance Laos and Cambodia upon classification as held for sale.

### Operating expenses (Km)



### 2.2.3 Company Tax Rate Changes

The 2025 PNG National Budget and subsequent legislation passed before the 2024 year end introduced a gradual reduction in the Corporate Income Tax rate for commercial banks as outlined below:

1. Taxable income below K300 million: Tax rates reduce from 45% to 40% in 2025, and 35% in 2026.
2. Taxable income above K300 million: Tax rate drops from 45% to 44% in 2025, decreasing by 1% annually until reaching 35%.

Deferred tax balances have been calculated using the revised tax rates in the period they are expected to be utilised.

### 2.2.4 Fiji Branch conversion to Subsidiary

As part of BSP Financial Group's strategic initiative to strengthen operational structure and regulatory compliance, the Fiji branch was converted into a wholly owned subsidiary, BSP Financial Group (Fiji) Pte Limited, effective 1 January 2025. This restructuring was undertaken to enhance operational efficiency, meet local regulatory requirements, and align with global trends in corporate structuring. The conversion involved the transfer of all assets, liabilities, and operations of the Fiji branch to the newly incorporated subsidiary. The transaction was accounted for as a reorganisation within the Group.

#### Financial Impact

Net assets of the Branch amounting to K714 million equivalent were transferred from the Bank to the subsidiary with a further K18 million of goodwill also transferred to the subsidiary. The conversion resulted in a tax benefit of K28 million recognised at the Group level. Other than the tax benefit, the conversion has no material impact on the Group's assets, liabilities, equity and profit and loss account as these are eliminated on consolidation. The conversion is disclosed as a discontinued operation in the parent entity financial statements.

## 2.2.5 Balance sheet metrics

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
<b>ASSETS</b>								
Cash and operating balances with Central Banks	4,126	3,362	764	22.7	3,125	2,936	189	6.4
Amounts due from other banks	2,103	1,874	229	12.2	2,233	1,832	401	21.9
Treasury and Central Bank Bills	5,260	2,518	2,742	108.9	3,184	3,211	(27)	(0.8)
Cash reserve requirement with Central Banks	2,991	3,255	(264)	(8.1)	3,058	3,294	(236)	(7.2)
Other financial assets	7,667	7,158	509	7.1	7,446	6,997	449	6.4
Loans and receivables from customers	17,502	16,270	1,232	7.6	17,003	16,489	514	3.1
Assets held for sale	16	14	2	14.3	15	22	(7)	(31.8)
Property, plant and equipment	1,136	1,047	89	8.5	1,089	1,014	75	7.4
Aircraft subject to operating lease	28	30	(2)	(6.7)	29	31	(2)	(6.5)
Deferred tax assets	281	257	24	9.3	250	325	(75)	(23.1)
Other assets	1,874	1,338	536	40.1	1,484	1,292	192	14.9
<b>Total assets</b>	<b>42,984</b>	<b>37,123</b>	<b>5,861</b>	<b>15.8</b>	<b>38,916</b>	<b>37,443</b>	<b>1,473</b>	<b>3.9</b>
<b>LIABILITIES</b>								
Amounts due to other banks	214	260	(46)	(17.7)	215	325	(110)	(33.8)
Customer deposits	34,155	29,083	5,072	17.4	30,711	29,982	729	2.4
Insurance policy liabilities	1,685	1,438	247	17.2	1,574	1,342	232	17.3
Other liabilities	1,657	1,631	26	1.6	1,569	1,420	149	10.5
Deferred tax liabilities	69	58	11	19.0	66	57	9	15.8
<b>Total liabilities</b>	<b>37,780</b>	<b>32,470</b>	<b>5,310</b>	<b>16.4</b>	<b>34,135</b>	<b>33,126</b>	<b>1,009</b>	<b>3.0</b>
<b>SHAREHOLDERS' EQUITY</b>								
Ordinary shares	372	372	-	-	372	372	-	-
Retained earnings	4,089	3,733	356	9.5	3,734	3,437	297	8.6
Other reserves	709	513	196	38.2	640	473	167	35.3
<b>Equity attributable to the members of the company</b>	<b>5,170</b>	<b>4,618</b>	<b>552</b>	<b>12.0</b>	<b>4,746</b>	<b>4,282</b>	<b>464</b>	<b>10.8</b>
Minority interests	34	35	(1)	(2.9)	35	35	-	-
<b>Total shareholders' equity</b>	<b>5,204</b>	<b>4,653</b>	<b>551</b>	<b>11.8</b>	<b>4,781</b>	<b>4,317</b>	<b>464</b>	<b>10.7</b>
<b>Total equity and liabilities</b>	<b>42,984</b>	<b>37,123</b>	<b>5,861</b>	<b>15.8</b>	<b>38,916</b>	<b>37,443</b>	<b>1,473</b>	<b>3.9</b>

## 2.2.6 Lending

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
Overdrafts	1,376	1,161	215	18.5	1,280	1,395	(115)	(8.2)
Lease financing	248	217	31	14.3	240	215	25	11.6
Term loans	12,598	12,147	451	3.7	12,416	12,643	(227)	(1.8)
Mortgages	3,882	3,307	575	17.4	3,656	2,983	673	22.6
<b>Gross loans and receivables from customers</b>	<b>18,104</b>	<b>16,832</b>	<b>1,272</b>	<b>7.6</b>	<b>17,592</b>	<b>17,236</b>	<b>356</b>	<b>2.1</b>
Less allowance for losses on loans and receivables from customers	(602)	(562)	(40)	7.1	(589)	(747)	158	(21.2)
<b>Net loans and receivables from customers</b>	<b>17,502</b>	<b>16,270</b>	<b>1,232</b>	<b>7.6</b>	<b>17,003</b>	<b>16,489</b>	<b>514</b>	<b>3.1</b>

Gross loans and receivables from customers increased by 7.6% compared with the prior period, primarily driven by growth in the Pacific markets. This reflects a gradual recovery in business confidence and consumer activity, particularly in the Pacific Markets outside of PNG, where lending volumes expanded across both Retail and Corporate segments.

Provision balances increased by 7.1% on the prior corresponding period in line with the overall lending balance exposure growth and remained unchanged at 3.3% of total loan balances.

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
<b>Economic sector risk concentration</b>								
Commerce, finance and other business	7,955	8,112	(157)	(1.9)	8,008	8,349	(341)	(4.1)
Private households	5,752	4,335	1,417	32.7	5,274	4,455	819	18.4
Government and public authorities	500	648	(148)	(22.8)	601	576	25	4.3
Agriculture	189	202	(13)	(6.4)	419	443	(24)	(5.4)
Transport and communication	1,315	1,368	(53)	(3.9)	1,046	1,333	(287)	(21.5)
Manufacturing	516	451	65	14.4	455	452	3	0.7
Construction	1,275	1,154	121	10.5	1,200	881	319	36.2
<b>Net loans and receivables from customers</b>	<b>17,502</b>	<b>16,270</b>	<b>1,232</b>	<b>7.6</b>	<b>17,003</b>	<b>16,489</b>	<b>514</b>	<b>3.1</b>

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
<b>Customer segment classification</b>								
Corporate/ Commercial	9,916	9,406	510	5.4	9,751	9,737	14	0.1
Government	1,833	2,056	(223)	(10.8)	1,979	2,103	(124)	(5.9)
Retail	5,753	4,808	945	19.7	5,273	4,649	624	13.4
<b>Net loans and receivables from customers</b>	<b>17,502</b>	<b>16,270</b>	<b>1,232</b>	<b>7.6</b>	<b>17,003</b>	<b>16,489</b>	<b>514</b>	<b>3.1</b>

## 2.2.7 Allowance for expected credit losses (ECL)

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
<b>Credit Expenses</b>	Km	Km	Km	%	Km	Km	Km	%
Bad debts written off	137	96	41	42.7	67	70	(3)	(4.3)
Provision expense	70	(18)	88	(488.9)	33	37	(4)	(10.8)
<b>Total Credit expense</b>	<b>207</b>	<b>78</b>	<b>129</b>	<b>165.4</b>	<b>100</b>	<b>107</b>	<b>(7)</b>	<b>(6.5)</b>
Bad debts recoveries	(115)	(96)	(19)	19.8	(69)	(46)	(23)	50.0
<b>Credit expenses net of recoveries</b>	<b>92</b>	<b>(18)</b>	<b>110</b>	<b>(611.1)</b>	<b>31</b>	<b>61</b>	<b>(30)</b>	<b>(49.2)</b>

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
<b>Provisions</b>	Km	Km	Km	%	Km	Km	Km	%
Collectively assessed provisions	257	230	27	11.7	246	358	(112)	(31.3)
Individually assessed provisions	292	290	2	0.7	298	338	(40)	(11.8)
<b>Total provision for on balance sheet exposure</b>	<b>549</b>	<b>520</b>	<b>29</b>	<b>5.6</b>	<b>544</b>	<b>696</b>	<b>(152)</b>	<b>(21.8)</b>
Collective provision for off balance sheet exposure	53	42	11	26.2	45	51	(6)	(11.8)
<b>Total provisions for doubtful debts</b>	<b>602</b>	<b>562</b>	<b>40</b>	<b>7.1</b>	<b>589</b>	<b>747</b>	<b>(158)</b>	<b>(21.2)</b>

	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
<b>Impaired (Stage 3) Assets</b>								
Gross impaired assets	580	627	(47)	(7.5)	611	693	(82)	(11.8)
Net impaired assets	288	337	(49)	(14.5)	313	355	(42)	(11.8)
Net impaired loans to gross loans %	1.6	2.0	(40) bps	(20.0)	1.8	2.1	(30) bps	(14.3)

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	%	%	bps	%	%	bps	%	
Provisions to loans	3.3	3.3	-	-	3.3	4.3	(100)	(23.3)

## 2.2.8 Deposits

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
Current	29,232	23,873	5,359	22.4	25,415	26,465	(1,050)	(4.0)
Savings	1,775	2,071	(296)	(14.3)	2,125	562	1,563	278.1
Term	3,148	3,139	9	0.3	3,171	2,955	216	7.3
<b>Total deposits</b>	<b>34,155</b>	<b>29,083</b>	<b>5,072</b>	<b>17.4</b>	<b>30,711</b>	<b>29,982</b>	<b>729</b>	<b>2.4</b>

31 December 2025	1 to 3 months	3 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	12,601	-	-	-	16,631	29,232
Savings	621	-	-	-	1,154	1,775
Term	1,161	1,627	165	92	103	3,148
<b>Total deposits</b>	<b>14,383</b>	<b>1,627</b>	<b>165</b>	<b>92</b>	<b>17,888</b>	<b>34,155</b>

## 2.2.8 Deposits (continued)

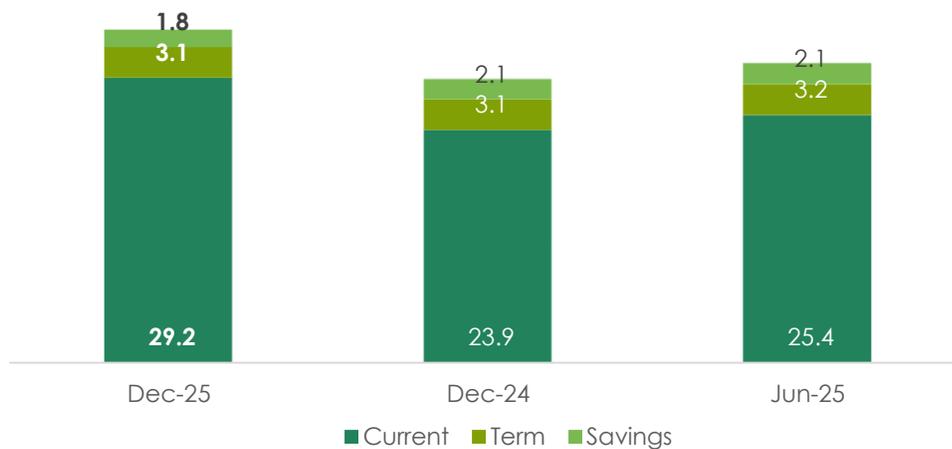
31 December 2024	1 to 3 months	3 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	23,873	-	-	-	-	23,873
Savings	2,071	-	-	-	-	2,071
Term	710	2,165	85	73	106	3,139
<b>Total deposits</b>	<b>26,654</b>	<b>2,165</b>	<b>85</b>	<b>73</b>	<b>106</b>	<b>29,083</b>

	As at balance date			As at balance date			
	Dec-25	Dec-24	Change	Jun-25	Jun-24	Change	
	%	%	bps	%	%	bps	
Loans to deposit ratio	53.0	57.9	(490.0)	57.3	57.5	(20.0)	(0.3)

Robust deposit growth throughout the year has strengthened the Group's funding base, positioning it well to support future credit expansion. Economic activity is expected to accelerate, particularly in PNG, driven by the ramp-up of key resource projects. In the Pacific markets, tourism recovery is gaining momentum, contributing positively to business and consumer activity. These developments provide a solid foundation for sustained lending growth and broader economic engagement.

Due to strong deposit growth acceding lending growth, the loans-to-deposit ratio (LDR) declined from 57.9% to 53.0% as of year-end 2024 versus 2025.

### Deposits (K billion)



## 2.2.9 Capital and shareholder return

### 2.2.9.1 Assets and capital

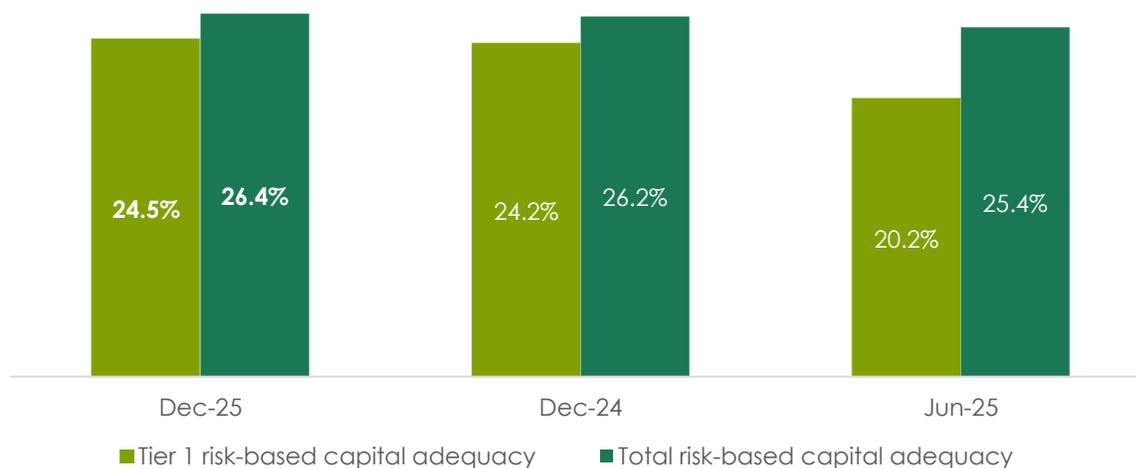
	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	Km	Km	Km	%	Km	Km	Km	%
<b>Regulatory capital and assets</b>								
Total assets	42,984	37,123	5,861	15.8	38,916	37,443	1,473	3.9
<b>Capital adequacy</b>								
Total regulatory capital	4,842	4,294	548	12.8	4,442	3,948	494	12.5
Risk-weighted assets	18,318	16,367	1,951	11.9	17,476	16,422	1,054	6.4

	As at balance date				As at balance date			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
	%	%	bps	%	%	%	bps	%
<b>Regulatory ratios</b>								
Total risk-based capital adequacy	26.4	26.2	20.0	0.8	25.4	24.0	140.0	5.8
Tier 1 risk-based capital adequacy*	24.5	24.2	30.0	1.2	20.2	18.6	160.0	8.6
Leverage capital ratio	10.6	10.8	(20.0)	(1.9)	9.2	8.3	90.0	10.8

\*Per prudential guidelines, Half Year NPAT is classified as Tier 2 capital as the six monthly accounts are reviewed only and not audited. NPAT is transferred to retained earnings and classified as Tier 1 upon completion of audited accounts at financial year end (December).

As at 31 December 2025, the Group's overall capital adequacy and leverage ratios remained within the regulatory thresholds for classification as a well-capitalised bank as defined by Bank of Papua New Guinea (BPNG).

#### Capital ratios (%)



### 2.2.9.2 Shareholder returns

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
<b>Earnings per ordinary share</b>	toea	toea	toea	%	toea	toea	toea	%
Statutory earnings per ordinary share (weighted average)	251.0	222.1	28.9	13.0	128.5	122.5	6.0	4.9

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Jun-25	Jun-24	Change	
<b>Weighted average number of ordinary shares</b>	(000's)	(000's)	(000's)	%	(000's)	(000's)	(000's)	%
Weighted average number of ordinary shares used in EPS calculations	467,220	467,220	-	-	467,220	467,220	-	-

	Full-year ended				Half-year ended			
	Dec-25	Dec-24	Change		Dec-25	Jun-25	Change	
<b>Ratios</b>	%	%	bps	%	%	%	bps	%
Return on average equity	23.8	23.3	50.0	2.1	11.7	12.1	(40.0)	(3.3)
Return on average assets	2.9	2.8	10.0	3.6	1.5	1.5	-	-

### 2.2.9.3 Dividends payable/paid

<b>Earnings per ordinary share</b>	FY 25	FY 24	Change %	
Dividend per share - toea	188	166	22	13.3
Dividend amount payable/paid - Km	878	776	102	13.1
Payout ratio - %	75%	75%	-	-

## 2.3 Additional notes

### 2.3.1 Analysis of intangible assets

Analysis of Intangible assets	Balance Sheet Carrying Values		Amortisation Impairment Expense	
	Dec-25 Km	Dec-24 Km	Dec-25 Km	Dec-24 Km
Goodwill	45	45	-	-
Software	263	250	54	49
	<b>308</b>	<b>295</b>	<b>54</b>	<b>49</b>

### 2.3.2 Net tangible assets per ordinary share

	Dec-25 K	Dec-24 K
Net tangible asset backing per ordinary share per PGK	10	9
	<b>Km</b>	<b>Km</b>
Net assets	5,204	4,653
Intangibles	(308)	(295)
<b>Net tangible asset attributable to ordinary shareholders</b>	<b>4,896</b>	<b>4,358</b>
Number of fully paid ordinary shares on issue - 000s	467,220	467,220

### 2.3.3 Details of joint ventures and associates arrangement entities

Ownership interest held by consolidated entity	Dec-25	Dec-24	Balance date
	%	%	
<b>Joint Ventures</b>			
Suva Central Pte Limited	50.0	50.0	31-Dec
Richmond Pte Limited	50.0	50.0	31-Dec
Vatu Talei Pte Limited	50.0	-	31-Dec
Vale Talei Pte Limited	50.0	-	31-Dec
Nuku Loaloa Pte Limited	50.0	-	31-Dec
BSP Finance Cambodia Plc	50.0	50.0	31-Dec
BSP Finance Laos	50.0	50.0	31-Dec
<b>Associates</b>			
Astra Holdings Pte Limited	25.0	-	31-Dec

## 3 Consolidated financial statements

### 3.1 Basis of preparation

The financial information has been extracted from BSP Financial Group Limited's audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of these standards issued by the International Financial Reporting Interpretations Committee.

### 3.2 Statements of comprehensive income

	Full-year ended Group	
	Dec-25	Dec-24
	Km	Km
Interest income	2,269	2,092
Interest expense	(126)	(127)
<b>Net interest income</b>	<b>2,143</b>	<b>1,965</b>
Net fee and commission income	442	386
Other income	758	570
Net insurance operating income	64	58
<b>Total net operating income before impairment and operating expenses</b>	<b>3,407</b>	<b>2,979</b>
Impairment of financial assets	(115)	18
Operating expenses	(1,462)	(1,267)
Additional company tax settlement	-	95
<b>Profit before income tax</b>	<b>1,830</b>	<b>1,825</b>
Income tax expense	(658)	(787)
<b>Net profit for the year attributable to parent</b>	<b>1,172</b>	<b>1,038</b>
<b>Other comprehensive income</b>		
<i>Items that may or may not be subsequently reclassified to profit or loss:</i>		
Translation of financial information of foreign operations to presentation currency	195	38
Recognition of deferred tax on asset revaluation reserve movement	-	1
Net movement in asset revaluation reserve	-	(3)
<b>Other comprehensive income, net of tax</b>	<b>195</b>	<b>36</b>
<b>Total comprehensive income for the year attributable to parent</b>	<b>1,367</b>	<b>1,074</b>

### 3.3 Statements of financial position

	Full-year ended	
	Group	
	Dec-25	Dec-24
	Km	Km
<b>ASSETS</b>		
Cash and operating balances with Central Banks	4,126	3,362
Amounts due from other banks	2,103	1,874
Treasury and Central Bank Bills	5,260	2,518
Cash reserve requirement with Central Banks	2,991	3,255
Other financial assets	7,667	7,158
Loans and receivables from customers	17,502	16,270
Assets held for sale <sup>1</sup>	16	14
Property, plant and equipment	1,136	1,047
Aircraft subject to operating lease	28	30
Deferred tax assets	281	257
Other assets	1,874	1,338
<b>Total assets</b>	<b>42,984</b>	<b>37,123</b>
<b>LIABILITIES</b>		
Amounts due to other banks	214	260
Customer deposits	34,155	29,083
Insurance policy liabilities	1,685	1,438
Other liabilities	1,657	1,631
Deferred tax liabilities	69	58
<b>Total liabilities</b>	<b>37,780</b>	<b>32,470</b>
<b>SHAREHOLDERS EQUITY</b>		
Ordinary shares	372	372
Retained earnings	4,089	3,733
Other reserves	709	513
<b>Equity attributable to the members of the company</b>	<b>5,170</b>	<b>4,618</b>
Minority interests	34	35
<b>Total shareholders' equity</b>	<b>5,204</b>	<b>4,653</b>
<b>Total equity and liabilities</b>	<b>42,984</b>	<b>37,123</b>

<sup>1</sup>At 31 December 2025, the Group continues to classify its investment in the joint ventures (BSP Finance Cambodia & BSP Finance Laos) as held for sale. The carrying amount of the investment of K16m (2024: K14m) has been measured at the lower of its carrying amount and fair value less costs to sell.

### 3.4 Statements of changes in shareholders' equity

	Share Capital	Reserves	Retained earnings	Minority interests	Total
	Km	Km	Km	Km	Km
<b>Balance at 1 January 2025</b>	<b>372</b>	<b>513</b>	<b>3,733</b>	<b>35</b>	<b>4,653</b>
Net profit	-	-	1,172	-	1,172
Other comprehensive income	-	195	-	-	195
<b>Total comprehensive income</b>	<b>-</b>	<b>195</b>	<b>1,172</b>	<b>-</b>	<b>1,367</b>
Dividends paid during the year	-	-	(805)	-	(805)
Loss attributable to minority interests	-	-	1	(1)	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(804)</b>	<b>(1)</b>	<b>(805)</b>
Asset revaluation reserve tax effect change	-	(11)	-	-	(11)
BSP Life Policy Reserve	-	12	(12)	-	-
<b>Balance at 31 December 2025</b>	<b>372</b>	<b>709</b>	<b>4,089</b>	<b>34</b>	<b>5,204</b>
<b>Balance as at 1 January 2024</b>	<b>372</b>	<b>454</b>	<b>3,416</b>	<b>1</b>	<b>4,243</b>
Net profit	-	-	1,038	-	1,038
Other comprehensive income	-	36	-	-	36
<b>Total comprehensive income</b>	<b>-</b>	<b>36</b>	<b>1,038</b>	<b>-</b>	<b>1,074</b>
Dividends paid during the year	-	-	(713)	-	(713)
Minority interest capital	-	-	-	34	34
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(713)</b>	<b>34</b>	<b>(679)</b>
Transfer from asset revaluation reserve	-	(2)	2	-	-
Asset revaluation reserve tax effect change	-	15	-	-	15
BSP Life policy reserve	-	10	(10)	-	-
<b>Balance at 31 December 2024</b>	<b>372</b>	<b>513</b>	<b>3,733</b>	<b>35</b>	<b>4,653</b>

### 3.5 Statements of cash flows

	Full-year ended Group	
	Dec-25	Dec-24
	Km	Km
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Interest received	2,429	2,081
Fees and other income	1,200	889
Interest paid	(68)	(105)
Insurance premiums received	316	304
Claims, surrenders and maturity payments	(233)	(173)
Additional company tax settlement	-	95
Amounts paid to suppliers and employees	(1,398)	(1,154)
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>2,246</b>	<b>1,937</b>
<b>Net increase/ (decrease) in:</b>		
Loans and receivables from customers	(755)	(13)
Cash Reserve Requirements with the Central Banks	336	(405)
Bills receivable and other assets	(433)	57
<b>Net increase/ (decrease) in:</b>		
Customer deposits	4,077	(887)
Bills payable and other liabilities	114	453
<b>Net cash flow from operations before income tax</b>	<b>5,585</b>	<b>1,142</b>
Income taxes paid	(746)	(654)
<b>Net cash flow from operating activities</b>	<b>4,839</b>	<b>488</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from government securities	13,424	12,011
Purchases of government securities	(16,688)	(11,482)
Expenditure on property, plant & equipment	(108)	(135)
Expenditure on software development costs	(66)	(16)
Proceeds from disposal of assets	1	3
<b>Net cash flow used in investing activities</b>	<b>(3,437)</b>	<b>381</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(805)	(713)
Sale of minority interest in subsidiary	-	34
<b>Net cash flow used in financing activities</b>	<b>(805)</b>	<b>(679)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>597</b>	<b>190</b>
Exchange rate movements on cash and cash equivalents	442	64
Cash and cash equivalents at the beginning of the year	4,976	4,722
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6,015</b>	<b>4,976</b>

### 3.6 Segment reporting

Full-year ended 31 December 2025	PNG Bank	Pacific Markets	Non-Bank Entities	Adjust Inter Segments	Total
Net interest income	1,711	425	4	3	2,143
Net fee, commission and other income	609	145	20	(296)	478
Foreign exchange related	541	181	-	-	722
Net insurance income	-	-	63	1	64
<b>Total operating income</b>	<b>2,861</b>	<b>751</b>	<b>87</b>	<b>(292)</b>	<b>3,407</b>
Operating expenses	(1,244)	(282)	(2)	66	(1,462)
Impairment expenses	(96)	(22)	3	-	(115)
Additional company tax settlement	-	-	-	-	-
<b>Profit before income tax</b>	<b>1,521</b>	<b>447</b>	<b>88</b>	<b>(226)</b>	<b>1,830</b>
Income tax	(531)	(114)	(13)	-	(658)
<b>Net profit after income tax</b>	<b>990</b>	<b>333</b>	<b>75</b>	<b>(226)</b>	<b>1,172</b>
Assets	28,831	14,460	2,539	(2,846)	42,984
Liabilities	(24,828)	(12,636)	(1,889)	1,573	(37,780)
<b>Net assets</b>	<b>4,003</b>	<b>1,824</b>	<b>650</b>	<b>(1,273)</b>	<b>5,204</b>
Full-year ended 31 December 2024	PNG Bank	Pacific Markets	Non-Bank Entities	Adjust Inter Segments	Total
Net interest income	1,558	368	37	2	1,965
Net fee, commission and other income	378	124	6	(113)	395
Foreign exchange related	402	159	-	-	561
Net insurance income	-	-	58	-	58
<b>Total operating income</b>	<b>2,338</b>	<b>651</b>	<b>101</b>	<b>(111)</b>	<b>2,979</b>
Operating expenses	(973)	(254)	(47)	7	(1,267)
Impairment expenses	20	15	(17)	-	18
Additional company tax settlement	95	-	-	-	95
<b>Profit before income tax</b>	<b>1,480</b>	<b>412</b>	<b>37</b>	<b>(104)</b>	<b>1,825</b>
Income tax	(670)	(106)	(11)	-	(787)
<b>Net profit after income tax</b>	<b>810</b>	<b>306</b>	<b>26</b>	<b>(104)</b>	<b>1,038</b>
Assets	24,861	12,038	2,221	(1,997)	37,123
Liabilities	(21,701)	(10,502)	(1,666)	1,399	(32,470)
<b>Net assets</b>	<b>3,160</b>	<b>1,536</b>	<b>555</b>	<b>(598)</b>	<b>4,653</b>

#### 4 Directors Declaration

The directors declare that:

- in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the PNG Companies Act 1997, including compliance with International Financial Reporting Standards (IFRS) and giving a true and fair view of the financial position and performance of the Group as at and for the year ended 31 December 2025.

Signed in accordance with a resolution of the directors.

On behalf of the Directors.

Dated and signed at Port Moresby this 19<sup>th</sup> day of February 2026.



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Robert G Bradshaw

Chairman



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Mark T Robinson

Group Chief Executive Officer & Managing Director