BSP Financial Group Limited

ARBN 649 704 656

Appendix 4D

Half Year Results
For the period ended 30 June 2026

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1 Appendix 4D: Half Year results

1.1 Company details and reporting period

BSP Financial Group Limited (BSP)	
ARBN 649 704 656	
Reporting period - six months ended	30 June 2026
Previous corresponding period - six months ended	30 June 2025

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 an investment in a finance company in Laos which is 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	▲	17.7% to K1,885m
Profit from ordinary activities after tax attributable to parent	▲	8.4% to K620m
Net profit for the period attributable to parent	▲	8.4% to K620m

Dividends	Record date	Date payable/paid	Amount per security
Current financial year 2026			
2026 interim dividend – unfranked	27 August 2026	24 September 2026	54 toea
Previous financial year 2025			
2025 interim dividend - unfranked	28 August 2025	19 September 2025	50 toea
2025 final dividend - unfranked	27 February 2026	27 March 2026	138 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.

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 4D table

Details of entities over which control has been gained or lost during the period

The entity did not acquire or lose control over any subsidiaries during the reporting period. However, the BSP Finance Cambodia joint venture was disposed of during the period.

Half Year financial statements

This report should be read in conjunction with the 30 June 2026 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 reviewed by BSP's appointed external auditor and approved by the Board, upon recommendation of the Board Audit and Compliance Committee.

1.4 Results snapshot (June 2026 vs June 2025)

Statutory Profit	▲	8.4% to K620m
Statutory earnings per share	▲	8.4% to 132.8 toea
Net interest margin	▼	7 basis points (bps) to 6.30%
Capital Adequacy Ratio	▼	10 bps to 25.3%

1.5 Subsequent events

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

2 Half Year results

2.1 Financial summary

	Jun-26	Dec-25	Change		Jun-25	Change	
	Km	Km	Km	%	Km	Km	%
Net interest income	1,174	1,126	48	4.3	1,017	157	15.4
Other operating income	711	679	32	4.7	585	126	21.5
Total operating income	**1,885**	**1,805**	**80**	**4.4**	**1,602**	**283**	**17.7**
Impairment of financial assets	(75)	(48)	(27)	56.3	(67)	(8)	11.9
Operating expenses	(825)	(781)	(44)	5.6	(681)	(144)	21.1
Profit before income tax	**985**	**976**	**9**	**0.9**	**854**	**131**	**15.3**
Income tax expense	(365)	(376)	11	(2.9)	(282)	(83)	29.4
Net profit for the period attributable to parent	**620**	**600**	**20**	**3.3**	**572**	**48**	**8.4**

	Jun-26	Dec-25	Jun-25	Dec-24	June 26 to June 25 change
Earnings per share (toea)	toea	toea	toea	toea	toea
Basic and diluted	132.8	128.5	122.5	110.7	10.3

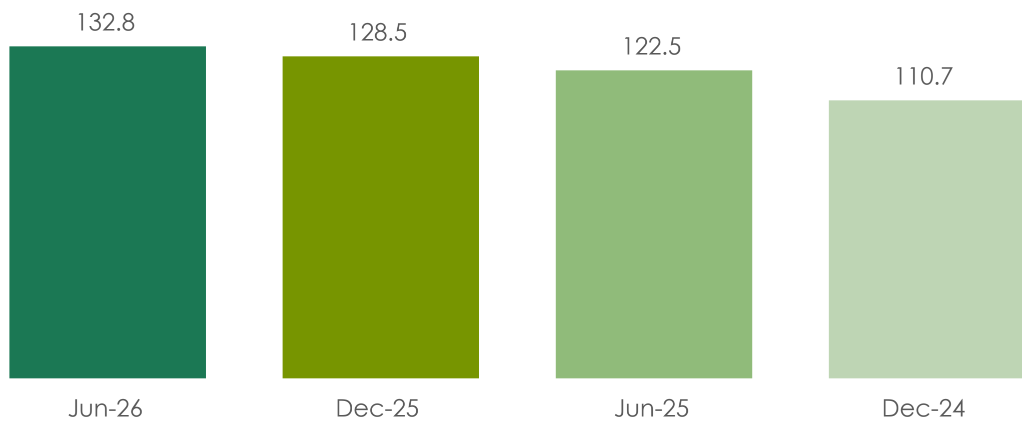
	Jun-26	Dec-25	Change		Jun-25	Change	
Average interest earning assets and interest bearing liabilities	Km	Km	Km	%	Km	Km	%
Average interest earning assets	38,573	34,667	3,906	11.3	32,188	6,385	19.8
Average interest bearing liabilities	35,289	32,598	2,691	8.3	30,477	4,812	15.8

	Jun-26	Dec-25	Change		Jun-25	Change	
Financial performance ratios	%	%	bps	%	%	bps	%
Net interest margin (annualised)	6.30	6.44	(14.00)	(2.17)	6.37	(7.00)	(1.10)
Cost to income ratio	43.8	43.3	50.0	1.2	42.5	130.0	3.1

	Jun-26	Dec-25	Change		Jun-25	Change	
Financial position ratio	%	%	bps	%	%	bps	%
Return on average ordinary equity (annualised)	23.9	23.8	10.0	0.4	24.5	(60.0)	(2.4)
Return on average assets (annualised)	2.8	2.9	(10.0)	(3.4)	3.0	(20.0)	(6.7)

2.1 Financial summary (continued)

Earnings per share (toea)



2.2 Results commentary

2.2.1 Income

	Jun-26	Dec-25	Change		Jun-25	Change	
	Km	Km	Km	%	Km	Km	%
Interest income							
Loans and receivables from customers	773	746	27	3.6	699	74	10.6
Other financial assets - Inscribed stock	269	263	6	2.3	254	15	5.9
Treasury Bills	157	144	13	9.0	91	66	72.5
Central Bank Bills	15	8	7	87.5	2	13	650.0
Cash and balances with Central Banks	22	24	(2)	(8.3)	27	(5)	(18.5)
Other	6	4	2	50.0	7	(1)	(14.3)
Total interest income	**1,242**	**1,189**	**53**	**4.5**	**1,080**	**162**	**15.0**
Interest expense	68	63	5	7.9	63	5	7.9
Net interest income	**1,174**	**1,126**	**48**	**4.3**	**1,017**	**157**	**15.4**
Other income							
Fees and commission							
Electronic banking related fee income	160	151	9	6.0	139	21	15.1
Electronic banking related fee expense	(69)	(61)	(8)	13.1	(54)	(15)	27.8
Net electronic banking related fee income	**91**	**90**	**1**	**1.1**	**85**	**6**	**7.1**
Trade and international related	9	10	(1)	(10.0)	12	(3)	(25.0)
Product related	97	93	4	4.3	80	17	21.3
Others	39	37	2	5.4	35	4	11.4
Net fee and commission income	**145**	**140**	**5**	**3.6**	**127**	**18**	**14.2**
Total net fees and commission income	**236**	**230**	**6**	**2.6**	**212**	**24**	**11.3**
Foreign exchange related	429	402	27	6.7	320	109	34.1
Net insurance operating income	30	36	(6)	(16.7)	28	2	7.1
Sundry income	16	11	5	45.5	25	(9)	(36.0)
Total other income	**711**	**679**	**32**	**4.7**	**585**	**126**	**21.5**
Net operating income	**1,885**	**1,805**	**80**	**4.4**	**1,602**	**283**	**17.7**

2.2.1 Income (continued)

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

Net interest income rose by 15.4%, primarily due to deposit and lending growth on both sides of the balance sheet. Net interest margin reduced to 6.30% a 7bps reduction in the period.

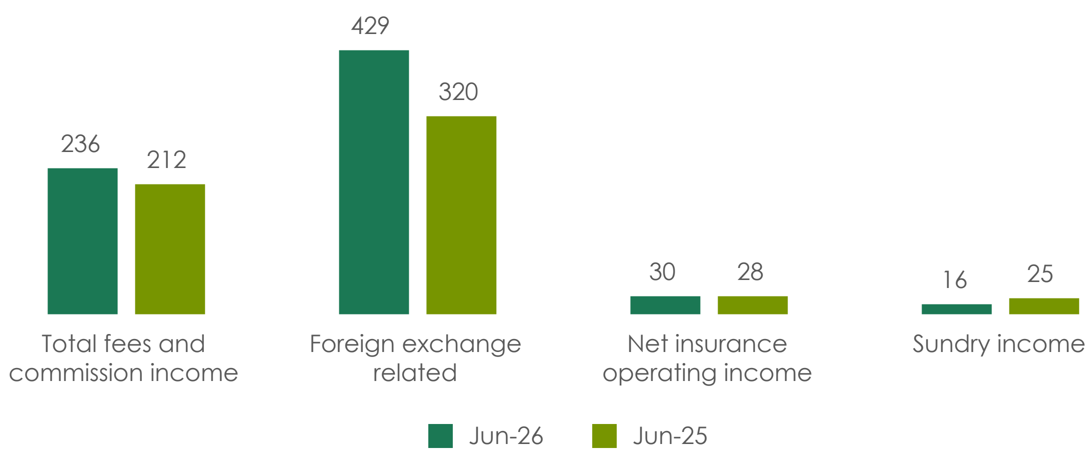
Total net fees and commission income grew by 11.3% compared to the prior corresponding period driven by an increase in transaction volumes across our digital channels and increased business activity across key segments.

Foreign exchange earnings increased by 34.1% compared to the prior period, reflecting ongoing momentum in exporter and importer currency flows within PNG. Also supported by commodity prices and corporate dividend activity.

Net insurance income increased by 7.1% compared to the prior period, driven by ongoing investment contributions from BSP Life Fiji and BSP Life PNG.

Sundry income decreased by 36.0%, mainly due to a one off non-recurring revenue item.

Other income (Km)



2.2.2 Operating expenses

	Jun-26	Dec-25	Change		Jun-25	Change	
	Km	Km	Km	%	Km	Km	%
Employment expenses	377	349	28	8.0	308	69	22.4
Depreciation	72	70	2	2.9	65	7	10.8
Non-salary technology expenses	152	102	50	49.0	101	51	50.5
Premises and equipment	74	74	-	-	60	14	23.3
Administration and other costs	150	186	(36)	(19.4)	147	3	2.0
Total expenses	**825**	**781**	**44**	**5.6**	**681**	**144**	**21.1**

	Jun-26	Dec-25	Change		Jun-25	Change	
	%	%	bps	%	%	bps	%
Cost to income	43.8	43.3	50.0	1.2	42.5	130.0	3.1
Expenses to average assets	2.2	1.9	30.0	15.8	1.8	40.0	22.2
Staff and related costs to income	20.0	19.3	70.0	3.6	19.2	80.0	4.2

2.2.2 Operating Expenses (continued)

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

Employment expenses increased by 22.4%, primarily due to an investment in capability, additional roles to support strengthen customer service and to assist in the Kundu card replacement. This increase also reflects additional headcount to support the Modernising for Growth (MFG) program.

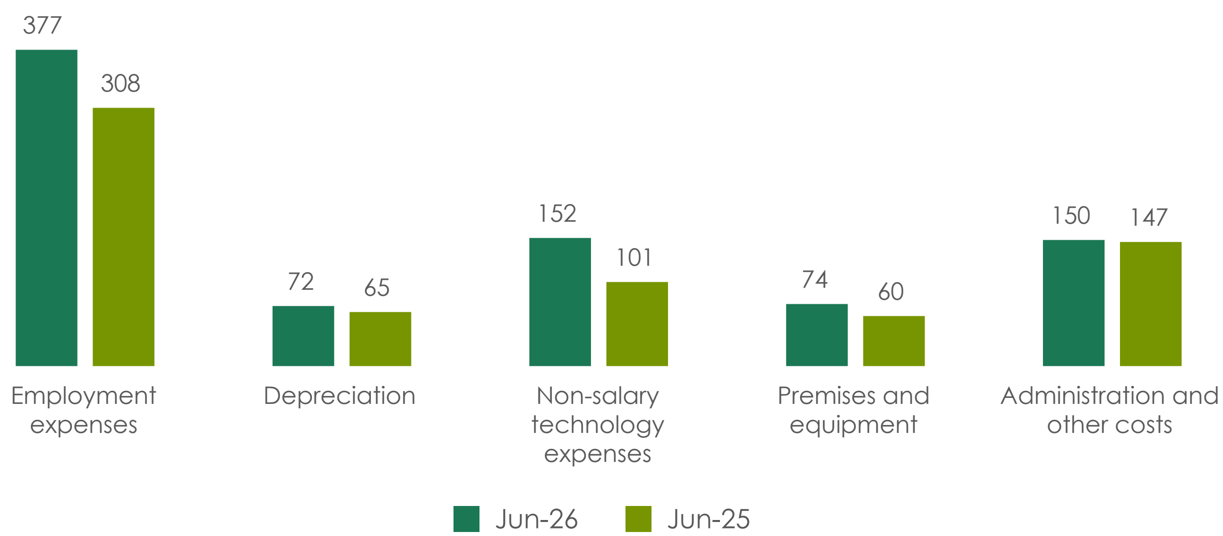
Depreciation expenses increased by 9.1%, driven by the execution of the MFG program and modernisation of our branch and ATM network.

Non-salary technology expenses increased by 50.5% compared to the prior corresponding period, attributed to our investment into technology and digital front end applications.

Premises and equipment expenses increased by 23.3% period on period, primarily driven by increased office capacity and other facilities overheads.

Administration and other costs increased by 2.7%, due to an increase in sponsorships and capability to support strategic delivery.

Operating expenses (Km)



2.2.3 Company Tax Rate Changes

The 2026 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 35% in 2026.
2. Taxable income above K300 million: Tax rate drops to 41% in 2026, 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 Balance sheet metrics

	Jun-26	Dec-25	Change		Jun-25	Change	
	Km	Km	Km	%	Km	Km	%
ASSETS							
Cash and operating balances with Central Banks	3,399	4,126	(727)	(17.6)	3,125	274	8.8
Amounts due from other banks	2,127	2,103	24	1.1	2,233	(106)	(4.7)
Treasury and Central Bank Bills	6,098	5,260	838	15.9	3,184	2,914	91.5
Cash reserve requirement with Central Banks	3,146	2,991	155	5.2	3,058	88	2.9
Other financial assets	8,426	7,667	759	9.9	7,446	980	13.2
Loans and receivables from customers	18,478	17,502	976	5.6	17,003	1,475	8.7
Assets held for sale	18	16	2	12.5	15	3	20.0
Property, plant and equipment	1,231	1,136	95	8.4	1,089	142	13.0
Aircraft subject to operating lease	26	28	(2)	(7.1)	29	(3)	(10.3)
Deferred tax assets	266	281	(15)	(5.3)	250	16	6.4
Other assets	1,986	1,874	112	6.0	1,484	502	33.8
Total assets	**45,201**	**42,984**	**2,217**	**5.2**	**38,916**	**6,285**	**16.2**
LIABILITIES							
Amounts due to other banks	236	214	22	10.3	215	21	9.8
Customer deposits	36,163	34,155	2,008	5.9	30,711	5,452	17.8
Insurance policy liabilities	1,774	1,685	89	5.3	1,574	200	12.7
Other liabilities	1,706	1,657	49	3.0	1,569	137	8.7
Deferred tax liabilities	71	69	2	2.9	66	5	7.6
Total liabilities	**39,950**	**37,780**	**2,170**	**5.7**	**34,135**	**5,815**	**17.0**
SHAREHOLDERS' EQUITY							
Ordinary shares	372	372	-	-	372	-	-
Retained earnings	4,060	4,089	(29)	(0.7)	3,734	326	8.7
Other reserves	785	709	76	10.7	640	145	22.7
Equity attributable to the members of the company	**5,217**	**5,170**	**47**	**0.9**	**4,746**	**471**	**9.9**
Minority interests	34	34	-	-	35	(1)	(2.9)
Total shareholders' equity	**5,251**	**5,204**	**47**	**0.9**	**4,781**	**470**	**9.8**
Total equity and liabilities	**45,201**	**42,984**	**2,217**	**5.2**	**38,916**	**6,285**	**16.2**

2.2.5 Lending

	Jun-26	Dec-25	Change		Jun-25	Change	
	Km	Km	Km	%	Km	Km	%
Overdrafts	1,427	1,376	51	3.7	1,280	147	11.5
Lease financing	284	248	36	14.6	240	44	18.5
Term loans	13,304	12,598	706	5.6	12,416	888	7.1
Mortgages	4,089	3,882	207	5.3	3,656	433	11.8
Gross loans and receivables from customers	**19,104**	**18,104**	**1,000**	**5.5**	**17,592**	**1,512**	**8.6**
Less allowance for losses on loans and receivables from customers	(626)	(602)	(24)	4.0	(589)	(37)	6.3
Net loans and receivables from customers	**18,478**	**17,502**	**976**	**5.6**	**17,003**	**1,475**	**8.7**

Gross loans and receivables from customers rose by 8.6% compared to the previous period, driven by growth in Retail lending, particularly in our Pacific Markets and an investment in our Business Bank proposition.

Provision balances experienced a 6.3% increase compared to the prior corresponding period in line with overall lending growth with provisions to loans ratios stable at 3.3%.

	Jun-26	Dec-25	Change		Jun-25	Change	
Economic sector risk concentration	Km	Km	Km	%	Km	Km	%
Commerce, finance and other business	8,505	7,955	550	6.9	8,008	497	6.2
Private households	6,215	5,752	463	8.0	5,274	941	17.8
Government and public authorities	458	500	(42)	(8.4)	601	(143)	(23.8)
Agriculture	286	189	97	51.3	419	(133)	(31.7)
Transport and communication	1,414	1,315	99	7.5	1,046	368	35.2
Manufacturing	498	516	(18)	(3.5)	455	43	9.5
Construction	1,102	1,275	(173)	(13.6)	1,200	(98)	(8.2)
Net loans and receivables from customers	**18,478**	**17,502**	**976**	**5.6**	**17,003**	**1,475**	**8.7**

	Jun-26	Dec-25	Change		Jun-25	Change	
Customer segment classification	Km	Km	Km	%	Km	Km	%
Corporate/ Commercial	10,545	9,917	628	6.3	9,751	794	8.1
Government	1,718	1,833	(115)	(6.3)	1,979	(261)	(13.2)
Retail	6,215	5,752	463	8.0	5,273	942	17.9
Net loans and receivables from customers	**18,478**	**17,502**	**976**	**5.6**	**17,003**	**1,475**	**8.7**

2.2.6 Allowance for expected credit losses (ECL)

Credit Expenses	Jun-26 Km	Dec-25 Km	Change Km	Change %	Jun-25 Km	Change Km	Change %
Bad debts written off	80	67	13	19.4	70	10	14.3
Provision expense	52	33	19	57.6	37	15	40.5
Total Credit expense	**132**	**100**	**32**	**32.0**	**107**	**25**	**23.4**
Bad debts recoveries	(66)	(69)	3	(4.3)	(45)	(21)	46.7
Credit expenses net of recoveries	**66**	**31**	**35**	**112.9**	**62**	**4**	**6.5**

Provisions	Jun-26 Km	Dec-25 Km	Change Km	Change %	Jun-25 Km	Change Km	Change %
Collectively assessed provisions	287	257	30	11.7	247	40	16.2
Individually assessed provisions	289	292	(3)	(1.0)	298	(9)	(3.0)
Total provision for on balance sheet exposure	**576**	**549**	**27**	**4.9**	**545**	**31**	**5.7**
Collective provision for off balance sheet exposure	50	53	(3)	(5.7)	44	6	13.6
Total provisions for doubtful debts	**626**	**602**	**24**	**4.0**	**589**	**37**	**6.3**

Impaired (Stage 3) Assets	Jun-26 Km	Dec-25 Km	Change Km	Change %	Jun-25 Km	Change Km	Change %
Gross impaired assets	604	588	16	2.7	611	(7)	(1.1)
Net impaired assets	315	296	19	6.4	313	2	0.6
Net impaired loans to gross loans %	1.6	1.6	-	-	1.8	(0.2)	(11.1)

	Jun-26 %	Dec-25 %	Change bps	Change %	Jun-25 %	Change bps	Change %
Provisions to loans	3.3	3.3	-	-	3.3	-	-

2.2.7 Deposits

	Jun-26 Km	Dec-25 Km	Change Km	Change %	Jun-25 Km	Change Km	Change %
Current	32,202	29,232	2,970	10.2	25,415	6,787	26.7
Savings	733	1,775	(1,042)	(58.7)	2,125	(1,392)	(65.5)
Term	3,228	3,148	80	2.5	3,171	57	1.8
Total deposits	**36,163**	**34,155**	**2,008**	**5.9**	**30,711**	**5,452**	**17.8**

30 June 2026	1 to 3 months	4 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	32,202	-	-	-	-	32,202
Savings	733	-	-	-	-	733
Term	2,382	739	80	27	-	3,228
Total deposits	**35,317**	**739**	**80**	**27**	**-**	**36,163**

2.2.7 Deposits (continued)

31 December 2025	1 to 3 months	4 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	29,232	-	-	-	-	29,232
Savings	1,775	-	-	-	-	1,775
Term	1,161	1,627	165	92	103	3,148
Total deposits	**32,168**	**1,627**	**165**	**92**	**103**	**34,155**

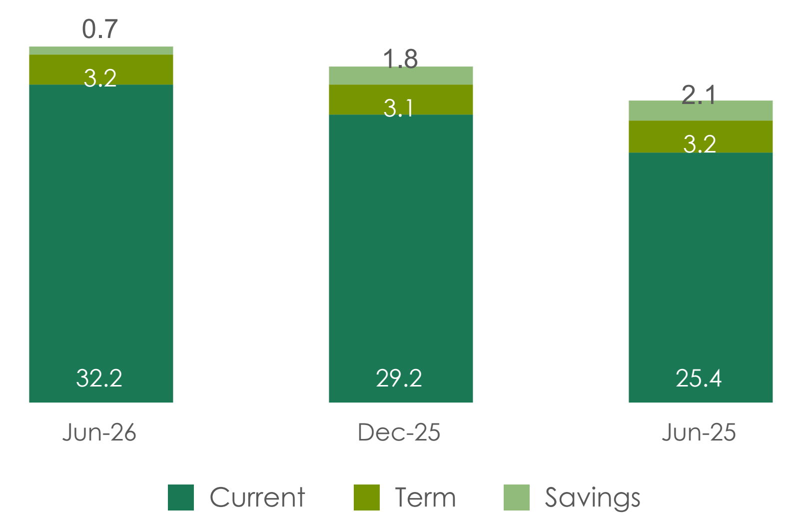
30 June 2025	1 to 3 months	4 to 12 months	1-2 years	2-5 years	5 and over	Total
Current	25,415	-	-	-	-	25,415
Savings	2,125	-	-	-	-	2,125
Term	1,420	1,415	155	84	97	3,171
Total deposits	**28,960**	**1,415**	**155**	**84**	**97**	**30,711**

	Jun-26	Dec-25	Change		Jun-25	Change	
	%	%	bps	%	%	bps	%
Loans to deposit ratio	52.8	53.0	(20.0)	(0.4)	57.3	(450.0)	(7.9)

Robust deposit growth throughout the period has strengthened the Group's funding base, positioning it well to support customers and provides solid foundation for sustained lending growth and broader economic engagement. Demand deposits remain important part of our funding mix, supporting a low cost of funds.

Due to strong deposit growth exceeding lending growth, the loans-to-deposit ratio (LDR) declined from 57.3% to 52.8% as of period ended 30 June 2026 compared to same period last year.

Deposits (K billion)



2.2.8 Capital and shareholder return

2.2.8.1 Assets and capital

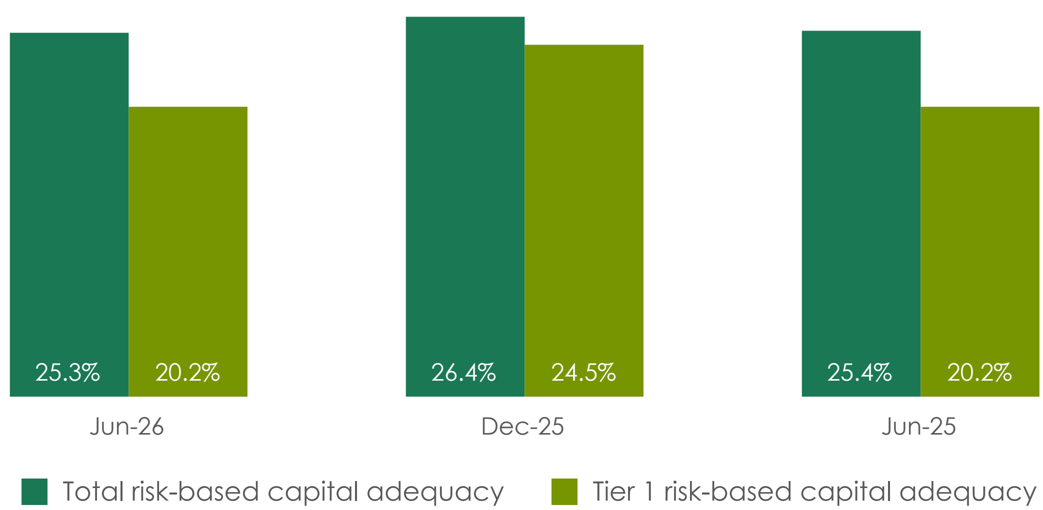
	Jun-26	Dec-25	Change		Jun-25	Change	
Regulatory capital and assets	**Km**	**Km**	**Km**	**%**	**Km**	**Km**	**%**
Total assets	45,201	42,984	2,217	5.2	38,916	6,285	16.2
Capital adequacy							
Total regulatory capital	4,968	4,842	126	2.6	4,442	526	11.8
Risk-weighted assets	19,618	18,318	1,300	7.1	17,476	2,142	12.3

	Jun-26	Dec-25	Change		Jun-25	Change	
Regulatory ratios	**%**	**%**	**bps**	**%**	**%**	**bps**	**%**
Total risk-based capital adequacy	25.3	26.4	(110.0)	(4.2)	25.4	(10.0)	(0.4)
Tier 1 risk-based capital adequacy*	20.2	24.5	(430.0)	(17.6)	20.2	-	-
Tier 2 risk-based capital adequacy	5.1	1.9	320.0	168.4	5.2	(10.0)	(1.9)
Leverage capital ratio	8.9	10.6	(170.0)	(16.0)	9.2	(30.0)	(3.3)

*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 30 June 2026, 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 (%)



2.2.8.2 Shareholder returns

Earnings per ordinary share	Jun-26 toea	Dec-25 toea	Change toea	 %	Jun-25 toea	Change toea	 %
Statutory earnings per ordinary share (weighted average)	132.8	128.5	4.3	3.3	122.5	6.0	4.9

Weighted average number of ordinary shares	Jun-26 (000's)	Dec-25 (000's)	Change (000's)	 %	Jun-25 (000's)	Change (000's)	 %
Weighted average number of ordinary shares used in EPS calculations	467,220	467,220	-	-	467,220	-	-

Ratios	Jun-26 %	Dec-25 %	Change bps	 %	Jun-25 %	Change bps	 %
Return on average equity (annualised)	23.9	23.8	10.0	0.4	24.5	(60.0)	(2.4)
Return on average assets (annualised)	2.8	2.9	(10.0)	(3.4)	3.0	(20.0)	(6.7)

2.2.8.3 Dividends payable/paid

Earnings per ordinary share	FY25	FY24	Change	%	FY23	Change	%
Dividend per share - toea	188	166	22	13.3	143	45	31.5
Dividend amount payable/paid - Km	878	776	102	13.1	668	210	31.4
Payout ratio - %	75.0	75.0	-	-	75.0	-	-

2.3 Additional notes

2.3.1 Analysis of intangible assets

	Balance Sheet Carrying Values			Amortisation Impairment Expense		
Analysis of Intangible assets	**Jun-26 Km**	**Dec-25 Km**	**Jun-25 Km**	**Jun-26 Km**	**Dec-25 Km**	**Jun-25 Km**
Goodwill	46	45	45	-	-	-
Software	226	263	247	30	28	25
	272	**308**	**292**	**30**	**28**	**25**

2.3.2 Net tangible assets per ordinary share

	Jun-26 Km	Dec-25 Km	Jun-25 Km
Net tangible asset backing per ordinary share (PGK)	11	10	10
Net assets	5,251	5,204	4,781
Intangibles	(272)	(308)	(292)
Net tangible asset attributable to ordinary shareholders	**4,979**	**4,896**	**4,489**
Number of fully paid ordinary shares on issue - 000s	**467,220**	**467,220**	**467,220**

2.3.3 Details of joint ventures and associates arrangement entities

	Jun-26	Dec-25	Jun-25
Ownership interest held by consolidated entity	%	%	%
Joint Ventures			
Suva Central Pte Limited	50.0	50.0	50.0
Richmond Pte Limited	50.0	50.0	50.0
Vatu Talei Pte Limited	50.0	50.0	50.0
Vale Talei Pte Limited	50.0	50.0	-
Nuku Loaloa Pte Limited	50.0	50.0	-
BSP Finance Cambodia Plc	-	50.0	50.0
BSP Finance Laos	50.0	50.0	50.0
Associates			
Astra Holdings Pte Limited	25.0	25.0	-

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

	Jun-26	Dec-25	Jun-25
	Km	Km	Km
Interest income	1,242	1,189	1,080
Interest expense	(68)	(63)	(63)
Net interest income	**1,174**	**1,126**	**1,017**
Net fee and commission income	236	230	212
Other income	445	413	345
Net insurance operating income	30	36	28
Total net operating income before impairment and operating expenses	**1,885**	**1,805**	**1,602**
Impairment of financial assets	(75)	(48)	(67)
Operating expenses	(825)	(781)	(681)
Profit before income tax	**985**	**976**	**854**
Income tax expense	(365)	(376)	(282)
Net profit for the period attributable to parent	**620**	**600**	**572**
Other comprehensive income			
Items that may or may not be subsequently reclassified to profit or loss:			
Translation of financial information of foreign operations to presentation currency	74	61	134
Items that will not be reclassified to profit or loss:			
Recognition of deferred tax on asset revaluation reserve movement	4	-	-
Net movement in asset revaluation reserve	(2)	8	(8)
Other comprehensive income, net of tax	**76**	**69**	**126**
Total comprehensive income for the period attributable to parent	**696**	**669**	**698**

3.3 Statements of financial position

	Jun-26	Dec-25	Jun-25
	Km	Km	Km
ASSETS			
Cash and operating balances with Central Banks	3,399	4,126	3,125
Amounts due from other banks	2,127	2,103	2,233
Treasury and Central Bank Bills	6,098	5,260	3,184
Cash Reserve Requirement with Central Banks	3,146	2,991	3,058
Other financial assets	8,426	7,667	7,446
Loans and receivables from customers	18,478	17,502	17,003
Asset held for sale[1]	18	16	15
Property, plant and equipment	1,231	1,136	1,089
Aircraft subject to operating lease	26	28	29
Deferred tax assets	266	281	250
Other assets	1,986	1,874	1,484
Total assets	**45,201**	**42,984**	**38,916**
LIABILITIES			
Amounts due to other banks	236	214	215
Customer deposits	36,163	34,155	30,711
Insurance contract liabilities	1,774	1,685	1,574
Other liabilities	1,706	1,657	1,569
Deferred tax liabilities	71	69	66
Total liabilities	**39,950**	**37,780**	**34,135**
SHAREHOLDERS' EQUITY			
Ordinary shares	372	372	372
Retained earnings	4,060	4,089	3,734
Other reserves	785	709	640
Equity attributable to the members of the company	**5,217**	**5,170**	**4,746**
Minority interests	34	34	35
Total shareholders' equity	**5,251**	**5,204**	**4,781**
Total equity and liabilities	**45,201**	**42,984**	**38,916**

[1]As at 31 December 2025, BSP Finance Cambodia and BSP Finance Laos were classified as assets held for sale. During the period ended 30 June 2026, the sale of BSP Finance Cambodia was completed. The disposal resulted in a gain on sale of K4 million, which has been recognised in profit or loss for the period. BSP Finance Laos remains classified as held for sale as at 30 June 2026. The investment is expected to be sold in the next financial year. The carrying amount of the investment has been measured at the lower if its carrying amount and fair value less costs to sell.

The Company has also classified its investment in the subsidiary BSP Capital Limited as held for sale in this current period. The investment is expected to be sold in the current financial year. The carrying amount of the investment has been measured at the lower of its carrying amount and fair value less costs to sell, resulting in a reclassification to non-current assets held for sale with a carrying amount of K17m.

3.4 Statements of changes in shareholders' equity

	Share Capital	Reserves	Retained earnings	Minority interests	Total
	Km	Km	Km	Km	Km
Balance at 1 January 2026	**372**	**709**	**4,089**	**34**	**5,204**
Net profit	-	-	620	-	620
Other comprehensive income	-	76	-	-	76
Total comprehensive income	**-**	**76**	**620**	**-**	**696**
Dividends paid during the period	-	-	(649)	-	(649)
Total transactions with owners	**-**	**-**	**(649)**	**-**	**(649)**
Balance at 30 June 2026	**372**	**785**	**4,060**	**34**	**5,251**
Balance as at 1 July 2025	**372**	**640**	**3,734**	**35**	**4,781**
Net profit	-	-	600	-	600
Other comprehensive income	-	69	-	-	69
Total comprehensive income	**-**	**69**	**600**	**-**	**669**
Dividends paid during the period	**-**	**-**	(235)	**-**	(235)
Loss attributable to minority interests	-	(1)	2	(1)	-
Total transactions with owners	**-**	**(1)**	**(233)**	**(1)**	**(235)**
Asset revaluation reserve tax effect change	-	(11)	-	-	(11)
BSP Life policy reserve	-	12	(12)	-	-
Balance at 31 December 2025	**372**	**709**	**4,089**	**34**	**5,204**
Balance as at 1 January 2025	**372**	**514**	**3,732**	**35**	**4,653**
Net profit	-	-	572	-	572
Other comprehensive income	-	126	-	-	126
Total comprehensive income	**-**	**126**	**572**	**-**	**698**
Dividends paid during the period	-	-	(570)	**-**	(570)
Total transactions with owners	**-**	**-**	**(570)**	**-**	**(570)**
Balance at 30 June 2025	**372**	**640**	**3,734**	**35**	**4,781**

3.5 Statements of cash flows

	Jun-26	Dec-25	Jun-25
	Km	Km	Km
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received	1,160	1,264	1,165
Fees and other income	682	698	502
Interest paid	(61)	(10)	(58)
Insurance premiums received	167	163	153
Claims, surrenders and maturity payments	(111)	(124)	(109)
Amounts paid to suppliers and employees	(867)	(799)	(599)
Operating cash flow before changes in operating assets and liabilities	**970**	**1,192**	**1,054**
Net (increase)/decrease in:			
Loans and receivables from customers	(779)	(457)	(298)
Cash Reserve Requirements with the Central Banks	(128)	86	250
Bills receivable and other assets	(153)	(283)	(150)
Net increase/(decrease) in:			
Customer deposits	1,653	3,172	905
Bills payable and other liabilities	176	128	(14)
Net cash flow from operations before income tax	**1,739**	**3,838**	**1,747**
Income taxes paid	(292)	(478)	(268)
Net cash flow from operating activities	**1,447**	**3,360**	**1,479**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from government securities	16,689	8,980	4,444
Purchases of government securities	(18,111)	(11,255)	(5,433)
Expenditure on property, plant and equipment	(129)	(77)	(31)
Expenditure on software development costs	(13)	(30)	(36)
Proceeds from disposal of assets	1	1	-
Investment in joint ventures, associates & equity investments	(112)	-	-
Proceeds from disposal of joint venture	19	-	-
Net cash flow used in investing activities	**(1,656)**	**(2,381)**	**(1,056)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	(649)	(235)	(570)
Sale of minority interest in subsidiary	–	–	-
Net cash flow used in financing activities	**(649)**	**(235)**	**(570)**
Net increase/(decrease) in cash and cash equivalents	**(858)**	**744**	**(147)**
Exchange rate movements on cash and cash equivalents	152	128	314
Subsidiary cash balance transferred to Asset Held for Sale	(19)	-	-
Cash and cash equivalents at the beginning of the period	6,015	5,143	4,976
Cash and Cash Equivalents at the end of the period	**5,290**	**6,015**	**5,143**

3.6 Segment reporting

Half Year ended 30 June 2026	PNG BANK	PACIFIC MARKETS	NON-BANK SERVICES	ADJUST INTER SEGMENTS	TOTAL
Net interest income	937	235	1	1	1,174
Net fee, commission and other income	317	74	13	(152)	252
Foreign exchange related income	326	103	-	-	429
Net insurance income	-	-	29	1	30
Total operating income	**1,580**	**412**	**43**	**(150)**	**1,885**
Operating expenses	(665)	(159)	(1)	-	(825)
Impairment expenses	(45)	(31)	1	-	(75)
Profit before income tax	**870**	**222**	**43**	**(150)**	**985**
Income tax	(304)	(56)	(5)	-	(365)
Net profit after income tax	**566**	**166**	**38**	**(150)**	**620**
Assets	30,247	14,939	2,641	(2,626)	45,201
Liabilities	(26,280)	(13,120)	(1,974)	1,424	(39,950)
Net assets	**3,967**	**1,819**	**667**	**(1,202)**	**5,251**

Half Year ended 31 December 2025	PNG BANK	PACIFIC MARKETS	NON-BANK ENTITIES	ADJUST INTER SEGMENTS	TOTAL
Net interest income	900	225	-	1	1,126
Net fee, commission and other income	239	74	11	(83)	241
Foreign exchange related income	304	98	-	-	402
Net insurance income	-	-	35	1	36
Total operating income	**1,443**	**397**	**46**	**(81)**	**1,805**
Operating expenses	(705)	(144)	-	68	(781)
Impairment expenses	(37)	(13)	2	-	(48)
Profit before income tax	**701**	**240**	**48**	**(13)**	**976**
Income tax	(306)	(62)	(8)	-	(376)
Net profit after income tax	**395**	**178**	**40**	**(13)**	**600**
Assets	28,831	14,460	2,539	(2,846)	42,984
Liabilities	(24,828)	(12,636)	(1,889)	1,573	(37,780)
Net assets	**4,003**	**1,824**	**650**	**(1,273)**	**5,204**

3.6 Segment Reporting (continued)

Half Year ended 30 June 2025	PNG BANK	PACIFIC MARKETS	NON-BANK ENTITIES	ADJUST INTER SEGMENTS	TOTAL
Net interest income	811	200	4	2	1,017
Net fee, commission and other income	370	71	9	(213)	237
Foreign exchange related income	237	83	-	-	320
Net insurance income	-	-	28	-	28
Total operating income	**1,418**	**354**	**41**	**(211)**	**1,602**
Operating expenses	(539)	(138)	(2)	(2)	(681)
Impairment expenses	(59)	(9)	1	-	(67)
Profit before income tax	**820**	**207**	**40**	**(213)**	**854**
Income tax	(225)	(52)	(5)	-	(282)
Net profit after income tax	**595**	**155**	**35**	**(213)**	**572**
Assets	25,671	12,990	2,345	(2,090)	38,916
Liabilities	(22,540)	(11,389)	(1,738)	1,532	(34,135)
Net assets	**3,131**	**1,601**	**607**	**(558)**	**4,781**

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 for the half year ended 30 June 2026.

Signed in accordance with a resolution of the directors.

On behalf of the Directors.

Dated and signed at Port Moresby this 20th day of August 2026.

Robert G Bradshaw	Mark T Robinson
Chairman	Group Chief Executive Officer & Managing Director