



**OURBANK**  
**OURVALUES**

**BSP Qtr.1/2016**  
**Results Summary**  
J Kalo, Deputy CEO/GCFO

**Integrity Professionalism Leadership**  
**Quality People Teamwork Community**



# Q1/2016 Results

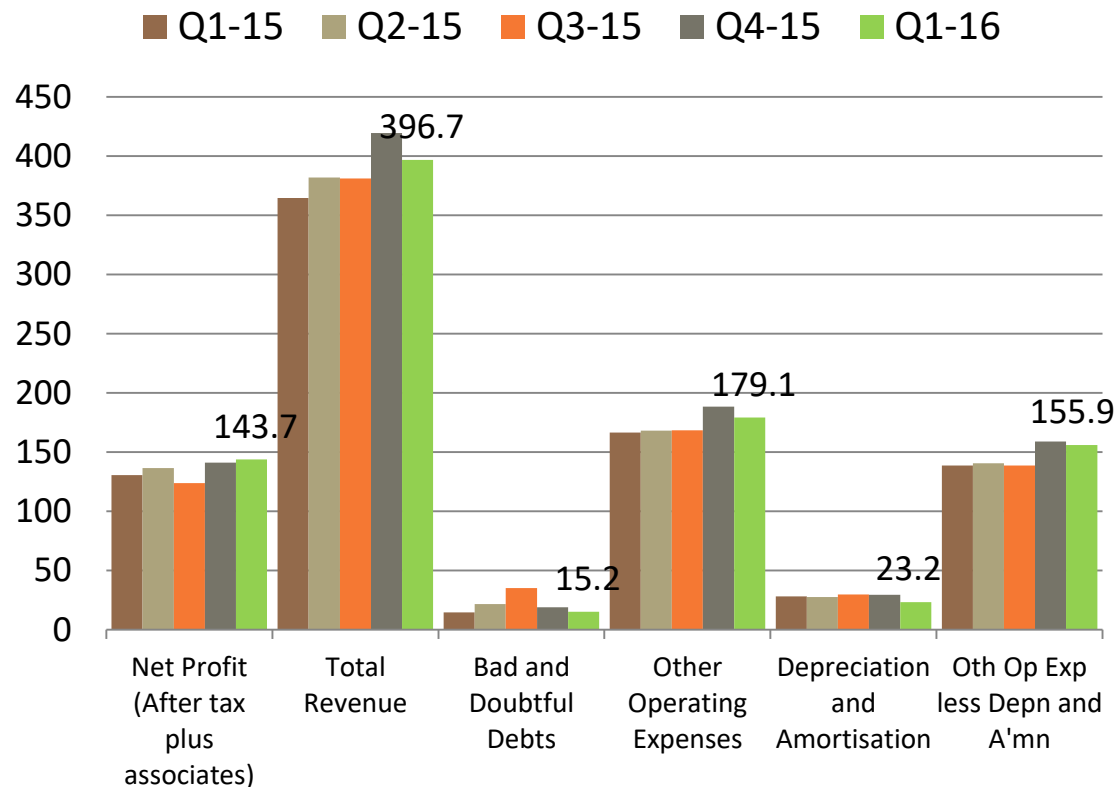
# Profit & Loss

(Kina `million)



Group profit after tax was up by 2% (+K3m) to K143.7m in Q1'16, compared to K141m in Q4'15. NPAT was 10% higher than the previous corresponding period (pcp) figure of K130.5m.

- Total Revenue down 5% this qtr to K397m from K419m, however up 9% from pcp. The decline was attributed mainly to a drop in interest from liquid investments, fees and commission income, and FX income.
- B&DB down 19% (K3.6m) to K15.2m from K18.8m this quarter, which reflects higher recovers and reduced retail write-off this qtr.
- Depreciation & amortisation down 21% to K23m last qtr from K29m mainly due to drop in the level of software amortisation.
- Other Operating Expenses down 2% (K3m) to K156m from K179m largely due to cost savings in general admin costs.



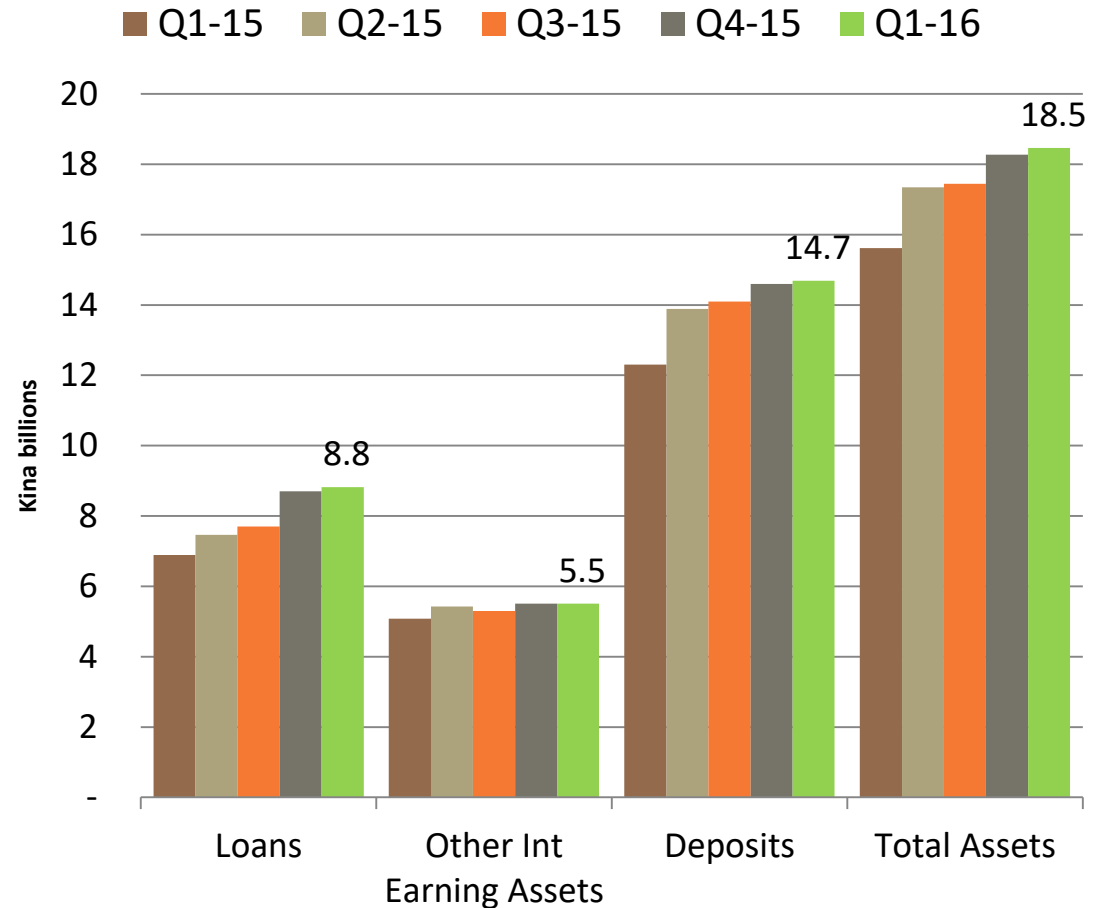
# Balance Sheet

(Kina `billion)



Total Assets up 1% to K18.5b this qtr from K18.3b in Q4'15. The increase reflects further investment in short-term securities and loans and advances which more than offset the decline in financial assets.

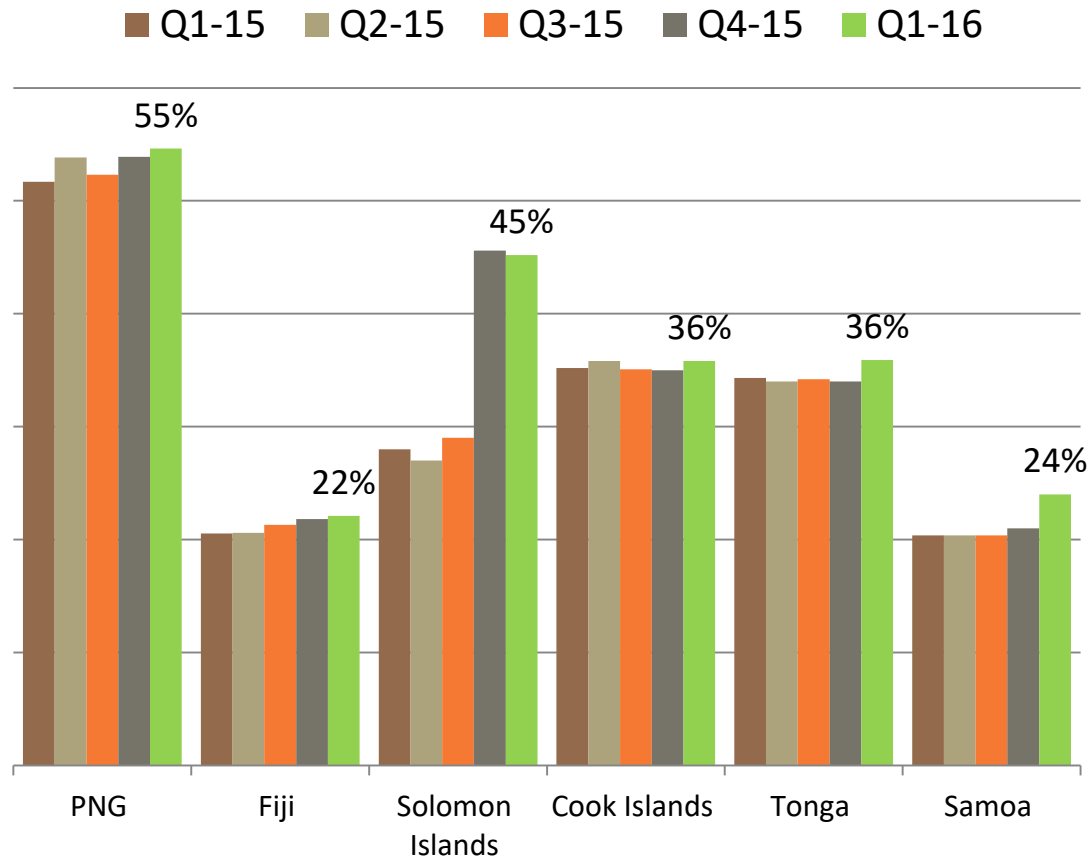
- Net loans increased by 1% to K8.8b this qtr from K8.7b as at the end of Dec'15. Compared to the previous corresponding period of 2014, loans was up by 28% or K12m.
- Other interest earning assets remained unchanged from Q4'15 level.
- Total deposits grew 1% to K14.7b from K14.6b largely attributed to by the impact of growth in deposits in SI, Samoa and Tonga.



# Market Share



## Loans



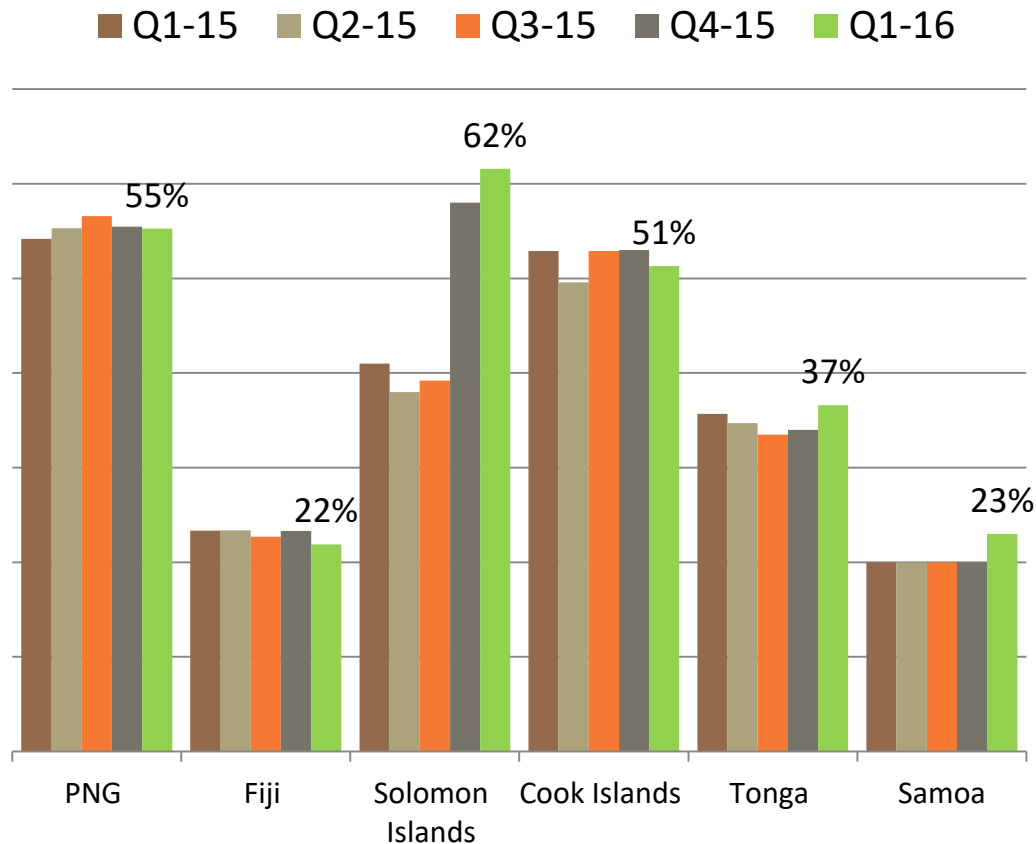
- BSP's combined loans market share remained unchanged at 40% this qtr compared to Q4'15, however it has improved by 1% compared from pcp in 2015.
- While Solomon Island market share has slightly declined this qtr, growth in other countries have neutralized the overall position.
- Samoa, Tonga and Cook Islands have seen improved growth in their respective loan book market share compared to the last qtr.

*Note: Prior quarters data for Samoa not available*

# Market Share



## Deposits



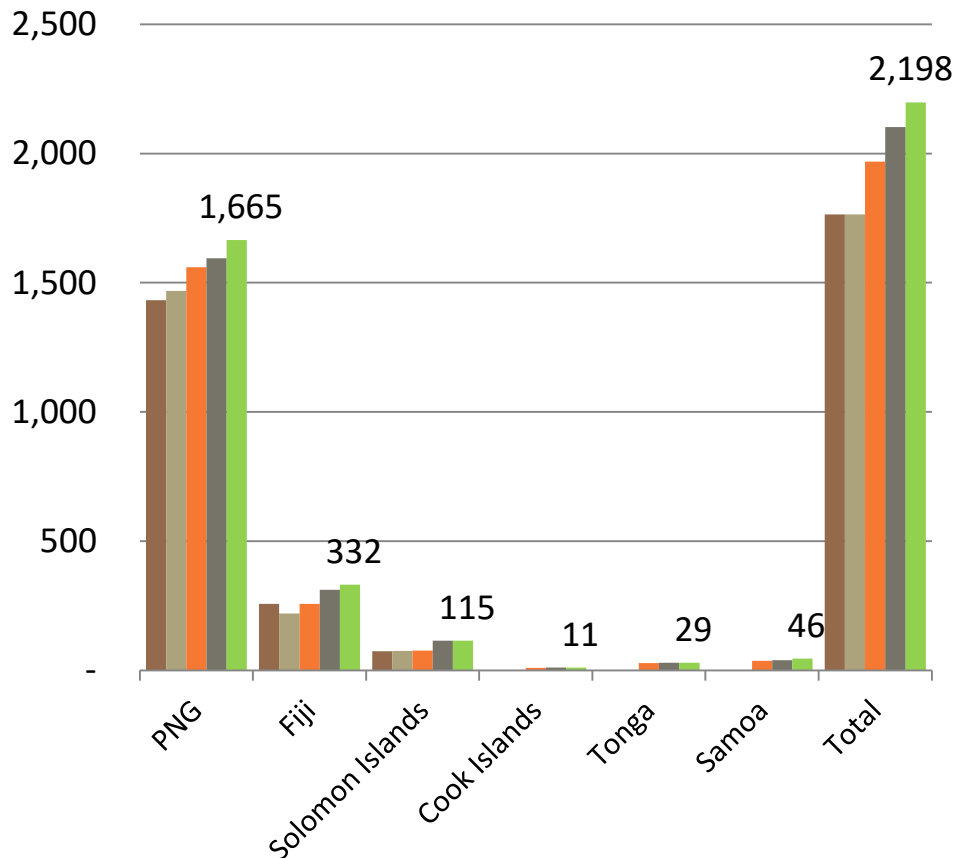
- BSP's combined deposit market share remained unchanged at 44% compared to Q4'15. The 1% drop in Fiji's deposit market share and further 2% drop in the Cooks market share have been compensated for by the growth in other countries market share.
- Solomon Islands' deposit market grew significantly to 62% from 58% in Q4'15, resulting from the combined operations of BSP and former Westpac operation, a significant growth from 39% in Q3'15.

# Customers and Channels



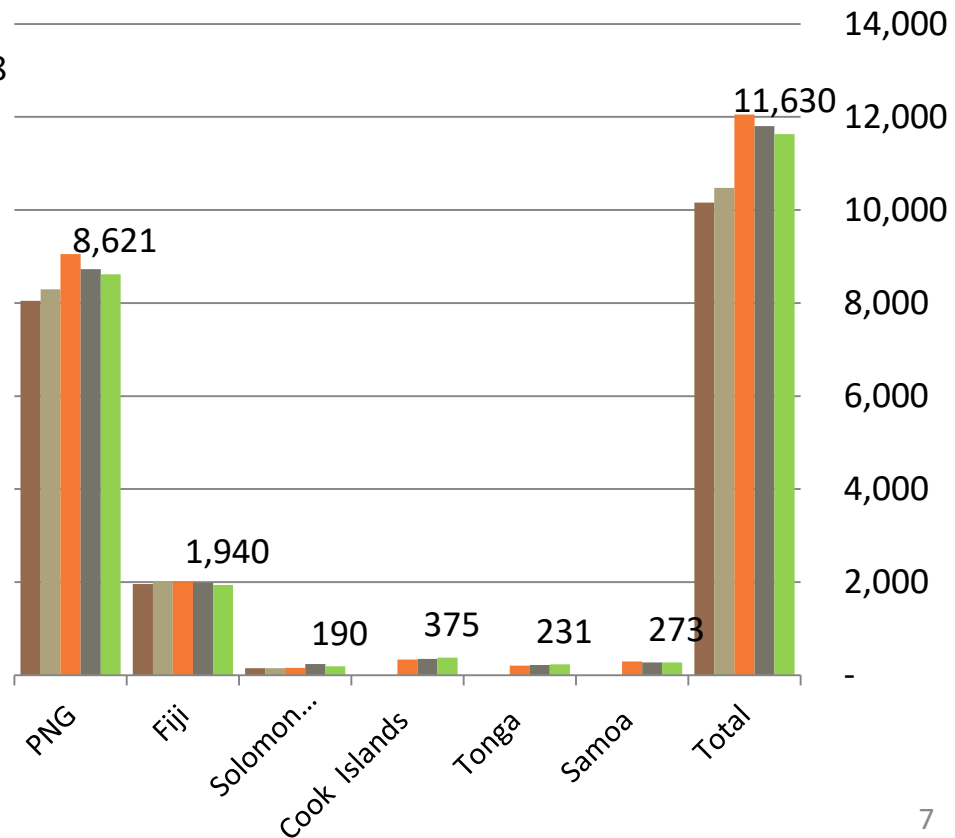
## Customers ('000)

Q1-15 Q2-15 Q3-15 Q4-15 Q1-16



## eftPOS

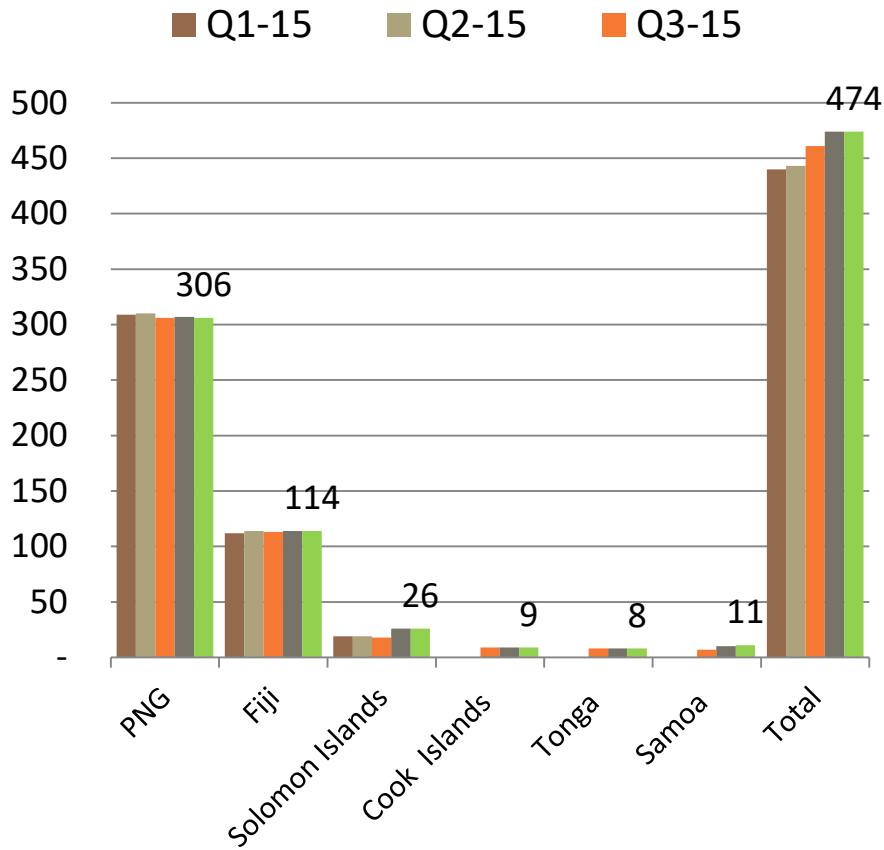
Q1-15 Q2-15 Q3-15 Q4-15 Q1-16



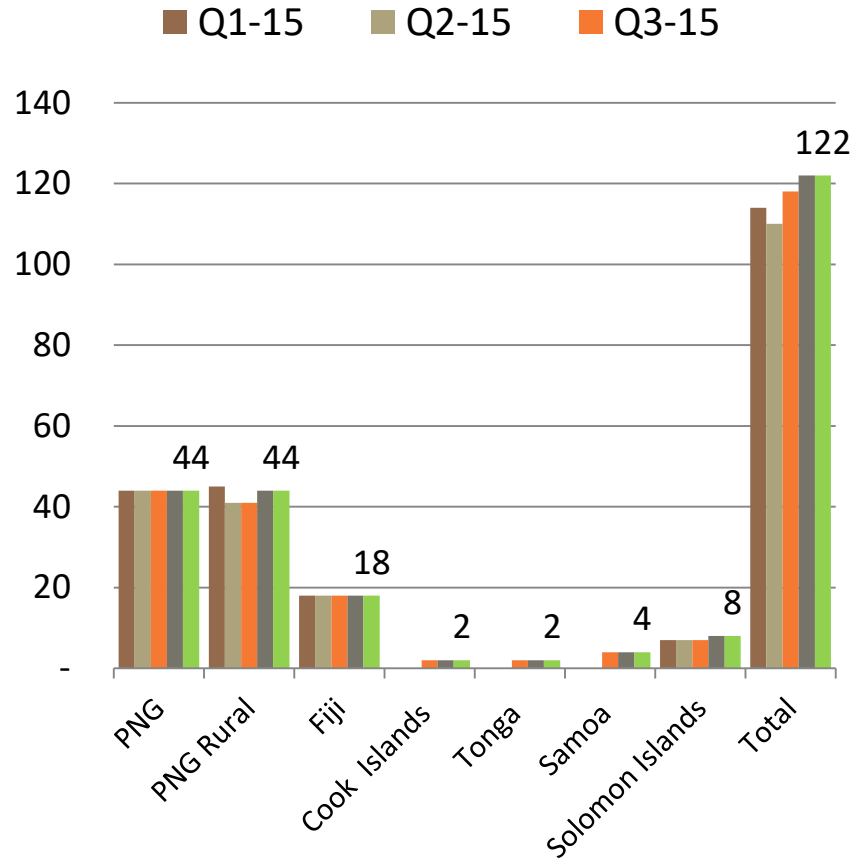
# Customers and Channels



## ATMs



## Branches, BSP Rural (PNG)



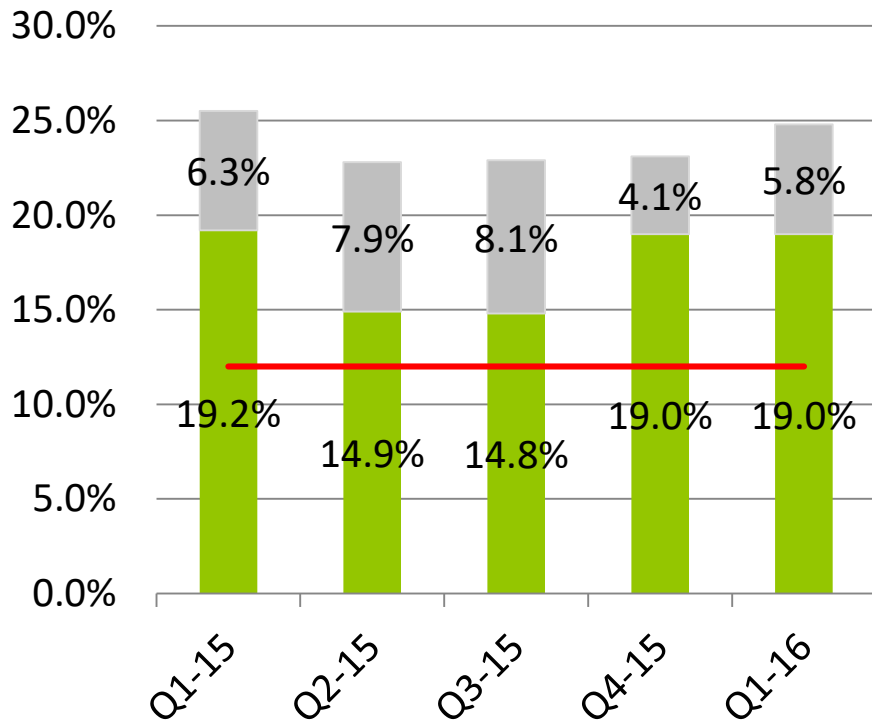


# Financial Risk Management

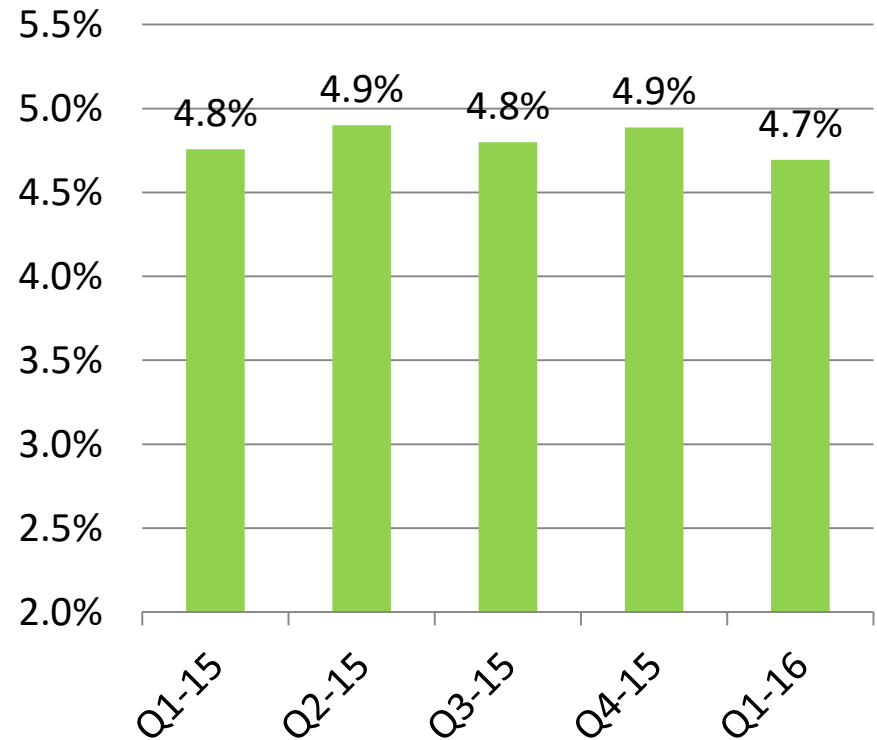


## Capital Adequacy

■ Tier 1 ■ Tier 2 — BPNG requirement



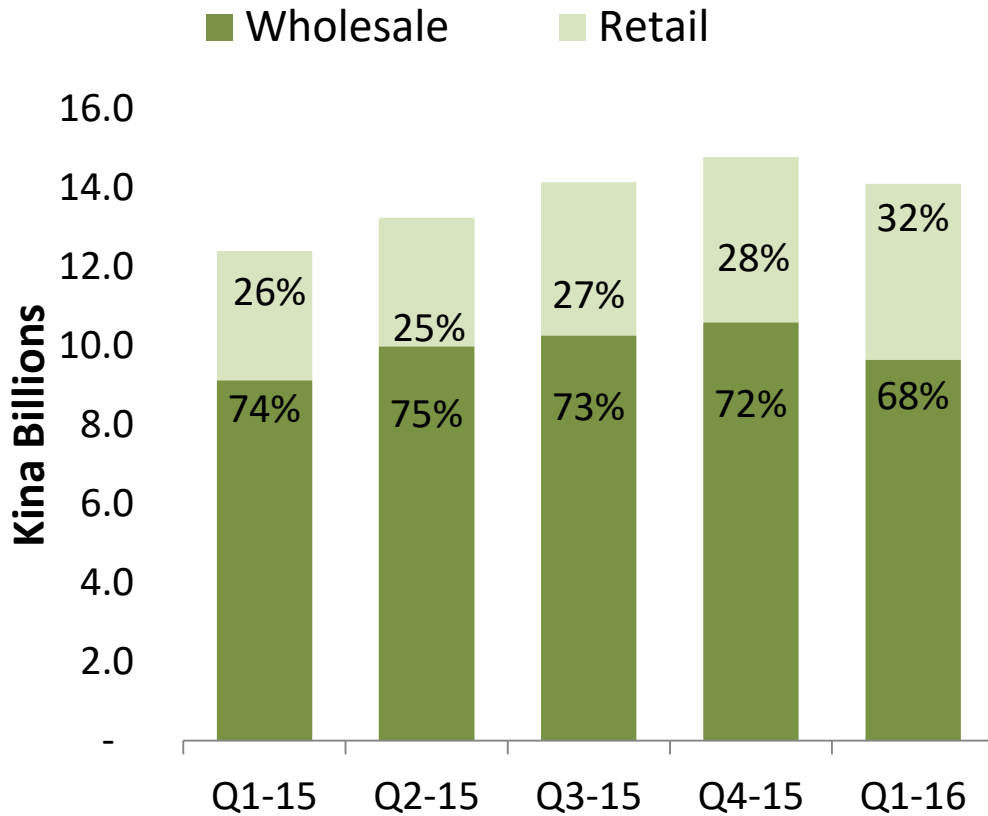
## Provisions to Loans



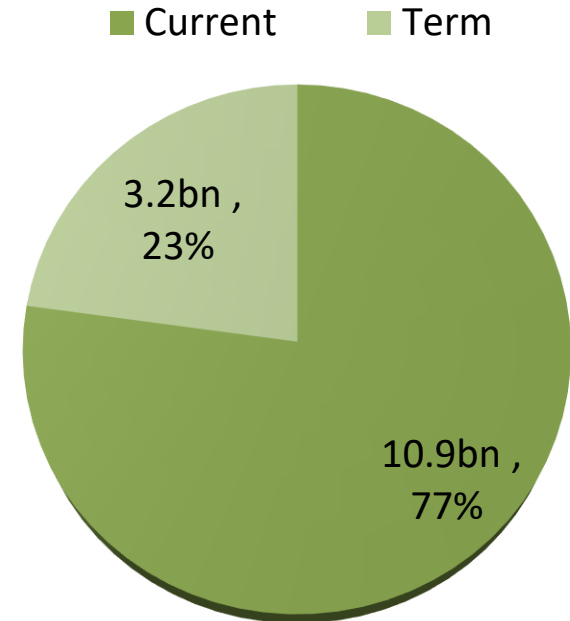
# Funds



## Deposit Mix (K 'billion)



## Deposit Type (K 'billion)

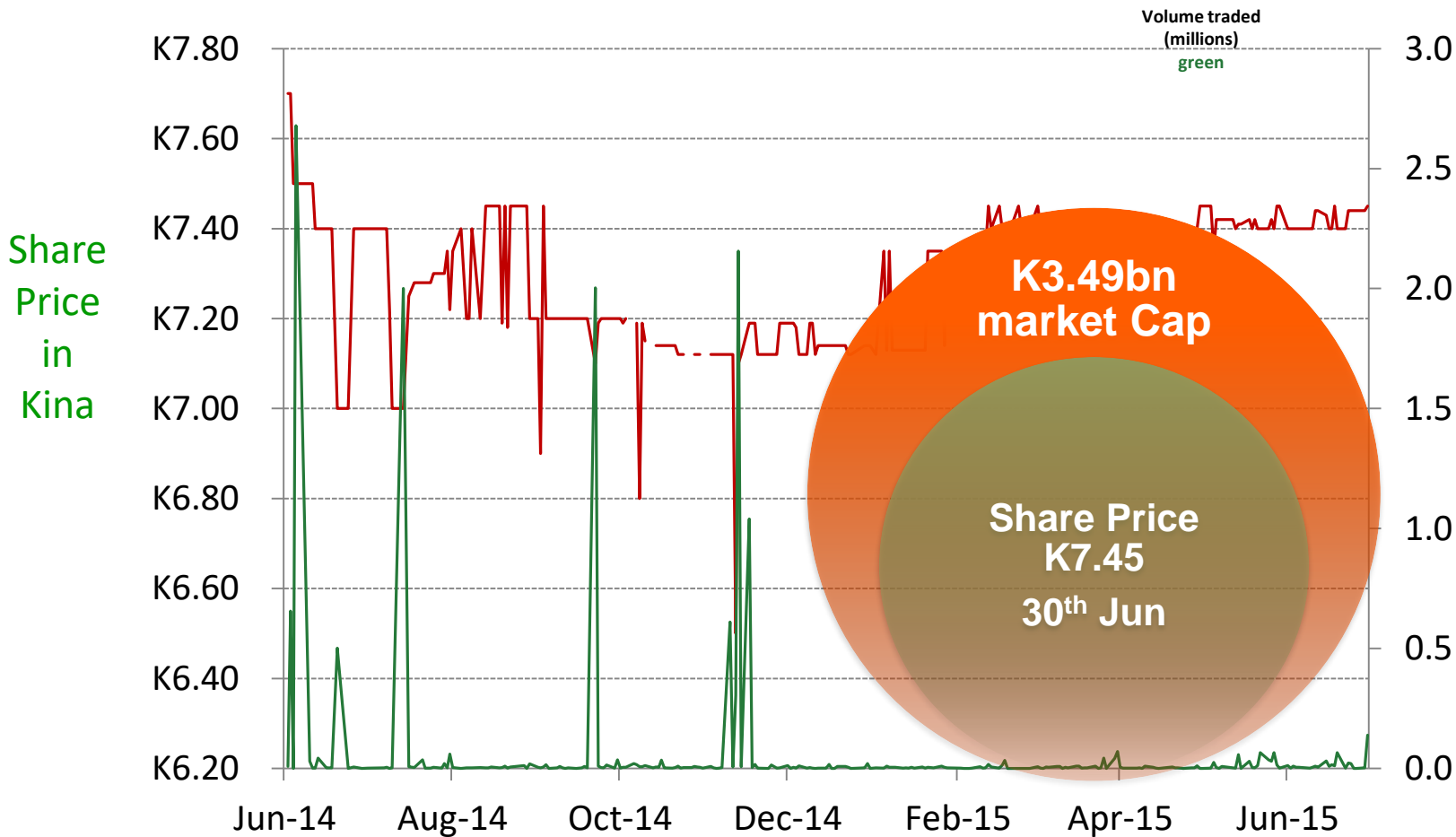




# Qtr.1-2016 Performance Summary

- Revenues
  - Q1/16 Revenue declined from the previous quarter. While interest income on loans grew, it was offsetted by the drop in the level of FX activities, lower interest income from interest earning assets (T- bills, C-bills and I-Stock), and lower fees and commission income.
  - The total operating expenses further dropped to K194m this quarter from K207m, hence a savings of 6%. This was largely attributed to cost savings in general admin expenses, as well as lower amortisation expenses on software
  - **Cost to income ratio for the Group reduces by 2.2% to 48.2%. For Consolidated Bank only, this reduces by 4% to 43%.**
- Balance Sheet
  - Continued stable lending market share in PNG, with stabilizing deposit market.
  - Capital Adequacy for the Group as at March 2016 has increased from 23.1% in Dec'15 to 24.8%, very well above BPNG requirement of 12%.
- Others
  - BSP Finance Ltd continues to grow its operation in both PNG & Fiji, and exploring growth opportunities outside these countries.
  - New operations in Samoa, Tonga, Cook Islands and SI are business as usual. Regulatory approval granted by RBV, with completion of Vanuatu acquisition expected in June 2016.

# Share Price





# Thank You