Company Secretary

By Electronic Lodgement

31st May 2021

ASX Markets Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000
Australia

BSP Financial Group – Non Deal Roadshow Presentation

In accordance with ASX Listing Rule 3.17B, please find attached BSP Financial Group (company no. 1-4815, ARBN 649 704 656) (**BSP**)'s Non-Deal Roadshow Presentation.

The same was published on the Papua New Guinea National Stock Exchange ("PNGX") market announcement platform on 20 May 2021, one day before BSP received official confirmation of its admission to the ASX on 21 May 2021.

Yours Sincerely,
BSP Financial Group Limited

Mary Johns
Company Secretary

Enclosed

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Our Bank.
Our People.

Introducing BSP Financial Group Limited

[ARBN: 649 704 656, Incorporated in Papua New Guinea]

May 2021

Group CEO – Robin Fleming
Group CFO – Ronesh Dayal

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Who is BSP?

BSP is the South Pacific's leading financial services provider … listed on the PNGX [2003] with a market cap circa A$2.0b

K13.5b [A$4.8b]
In lending

117 branches and sub-branches
Largest network in South Pacific

K21.7b [A$7.7b]
In deposits

K27.5b [A$9.8b]
Total assets

K569m [A$202m]
Dividends paid

~ 3.1m
Active customer accounts

K5.61b [A$2.0b]
Market capitalisation

~ 12.5 m per month
Digital transactions

History

Over the past decade BSP has consistently delivered sustainable growth … acquiring and establishing a wide range of new businesses throughout the South Pacific region and a South East Asian foothold.

1957
Branch of NAB

1974
Incorporates as BSP, a NAB subsidiary

1993
NAB sells BSP to PNG's National Investment Holdings Limited

2002
Merged with State owned Papua New Guinea Banking Corporation [a former branch of CBA, gifted to PNG]

2003
Lists on the PNGX

2006
Entered Fiji market via acquisition

2007
Entered Solomon Islands market via acquisition

2009
Acquired Colonial Bank and Colonial Life from CBA

2015 / 2016
Acquired WBC's Solomon Islands, Cook Islands, Samoa, Tonga and Vanuatu operations

2015 / 2016
Established BSP Finance PNG and Fiji operations

2017
Established BSP Life PNG

2018
Established BSP Finance in Solomon Islands and Cambodia

2019
Established BSP Finance in Lao

20-Apr-2021
ASX listing application lodgement

BSP’s Business

A diversified business covering banking, asset finance, life insurance, funds management and corporate advisory services across the South Pacific and South-East Asia.

BANKING

ASSET FINANCE

LIFE INSURANCE

FUNDS MANAGEMENT & CORPORATE ADVISORY

Shareholders

The BSP registry is dominated by South Pacific pension funds, government SOEs and fund managers.

Shareholder Type	@ March 2021
• South Pacific Pension Funds	34%
• Government SOEs	25%
• Fund Managers	22%
• Publicly Listed Companies	9%
• Other	10%

Competitive landscape

BSP is PNG's market leader … with key competitors ANZ, WBC and KSL collectively representing approximately one-third of the market

PNG COMMERCIAL BANKS	Unit	BSP	ANZ	WBC	KSL	Share
Performance						67%
NPAT	Km	642	183	64	76	
ROE	%	26.8	8.4	6.9	16.8	
ROA	%	3.6	3.3	1.7	2.4	
NIM	%	6.98	4.92	5.96	7.50	
Relative scale						65%
Net loans and advances	Kb	8.4	1.7	1.4	1.6	
Provisions for expected credit losses	%	6.1	7.4	5.7	2.3	
Deposits	Kb	14.8	2.9	2.6	2.6	
Total assets	Kb	18.5	5.5	3.8	3.3	
Capital Adequacy						
Tier 1 capital ratio	%	20.8*	115.3	54.1	22.2	
Total capital ratio	%	23.2*	126.8	59.4	25.4	
PNG operations footprint						68%
ATMs	#	319	0	72	80	
Branches [full service]	#	40	0	15	17	56%
Sub-branches	#	38	0	0	0	
EFTPOS terminals	#	6,879	0	c.3,700	2,500	73%

COMPETITORS

- ANZ, Westpac, kina
- ANZ, Westpac, HFC BANK
- ANZ, BRED BANQUE POPULAIRE
- ANZ, BCI
- ANZ, BRED BANQUE POPULAIRE, N
- ANZ, MBf BANK
- ANZ, nbs

Notes: [1] BSP and Kina Securities FY Dec-2020; and ANZ and Westpac FY Sep-2020.

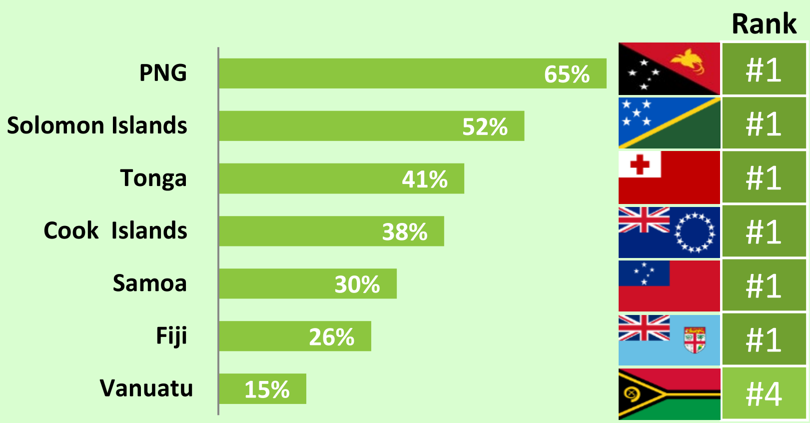
*BSP Group Capital Adequacy Ratios

Source: Company disclosures and BSP Internal Management Reports

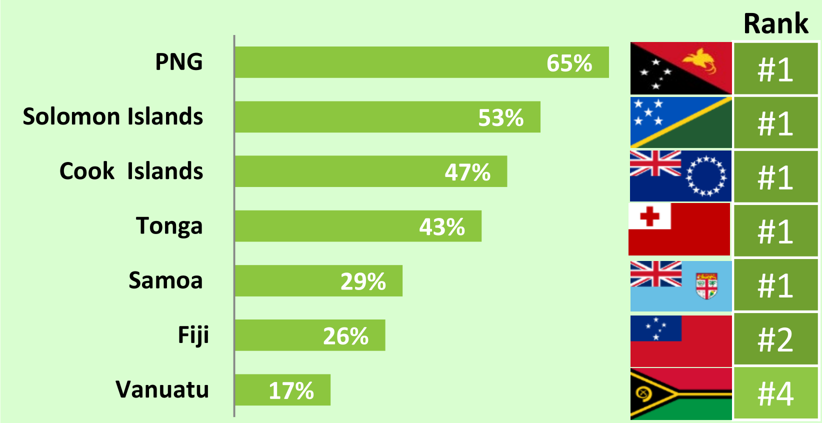
Market strength

The leading financial services provider in the South Pacific

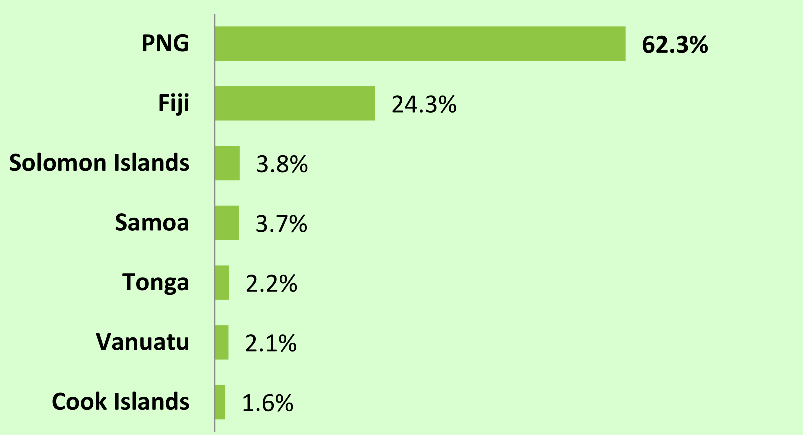
LOANS MARKET SHARE



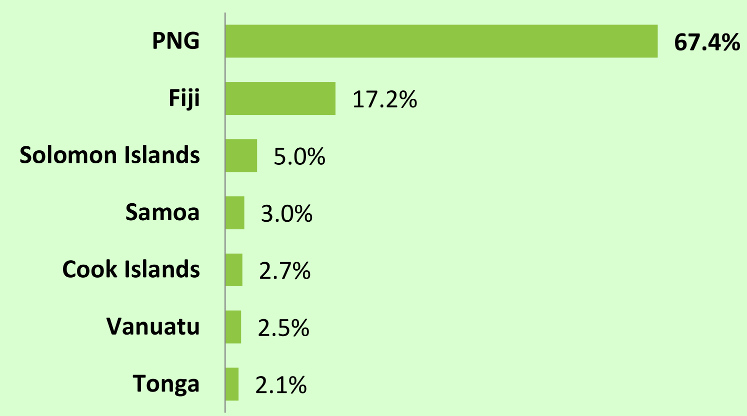
DEPOSIT MARKET SHARE



LOANS PORTFOLIO COMPOSITION



DEPOSIT PORTFOLIO COMPOSITION



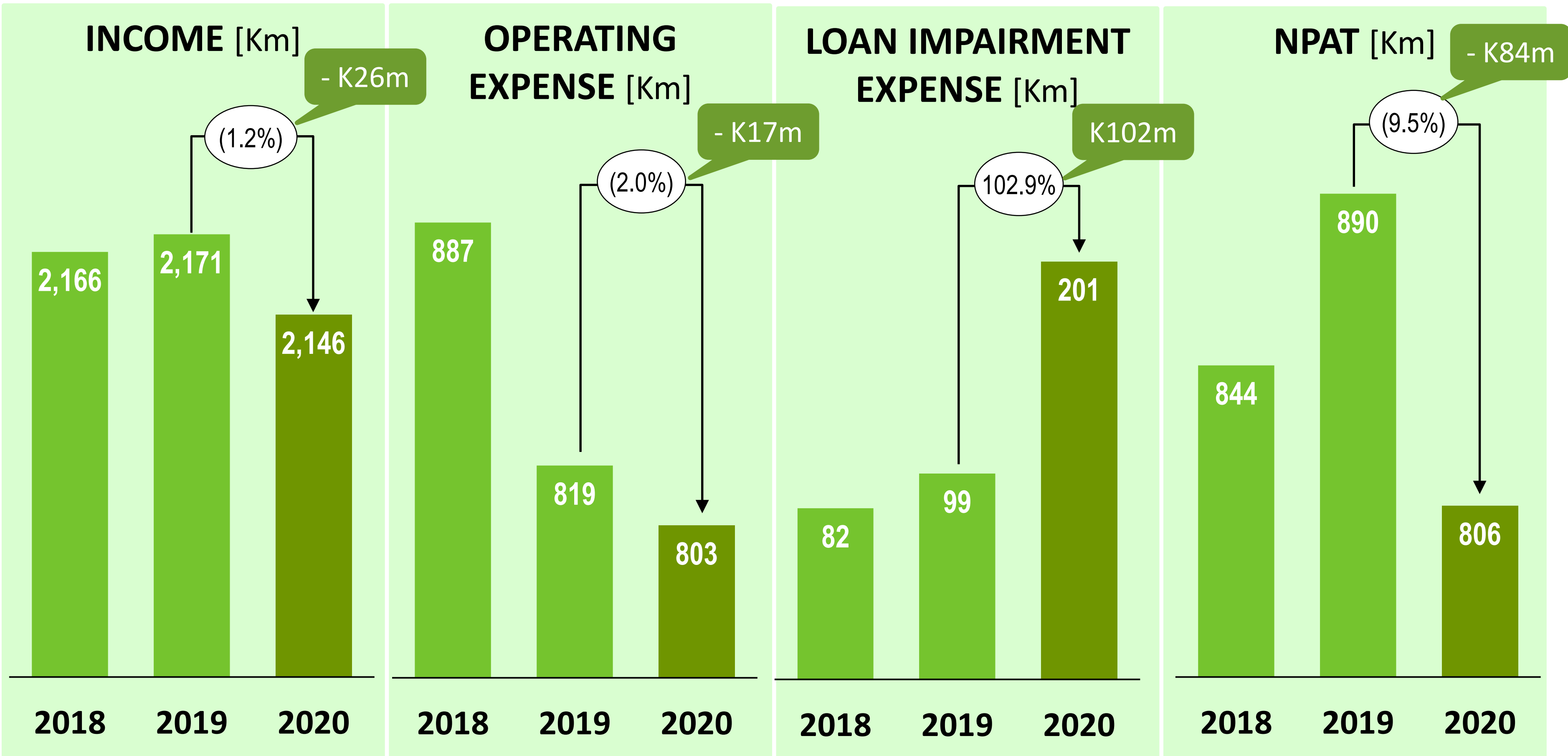
2020 results

A resilient performance in 2020, giving regard to the significant COVID-19 pandemic related challenges faced by the business in the region.

	2020	2020 vs 2019
Profit [NPAT, Km]	806	- 9.5%
Net assets [Kb]	3.4	+ 10.2%
Cost-to-income ratio [%]	37.4	- 33bps
Capital adequacy ratio [%]	23.2	+ 132bps
Earnings per share [toea]	172.6	- 9.44%
Dividend per share [toea]	122	- 12.2%
Market capitalisation [Kb]	5.6	+ 2.0%

Group NPAT

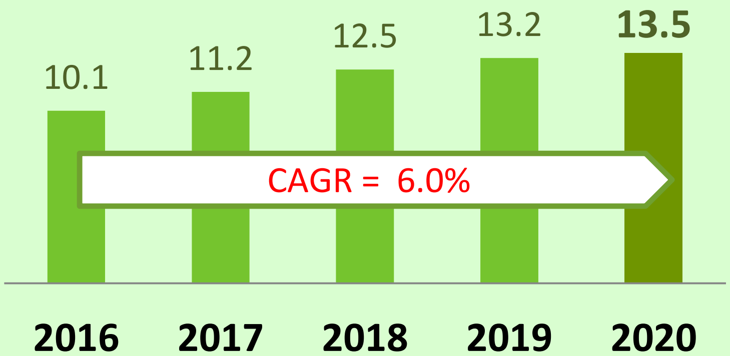
NPAT decreased as the global pandemic triggered an inevitable increase in loan impairment expenses.



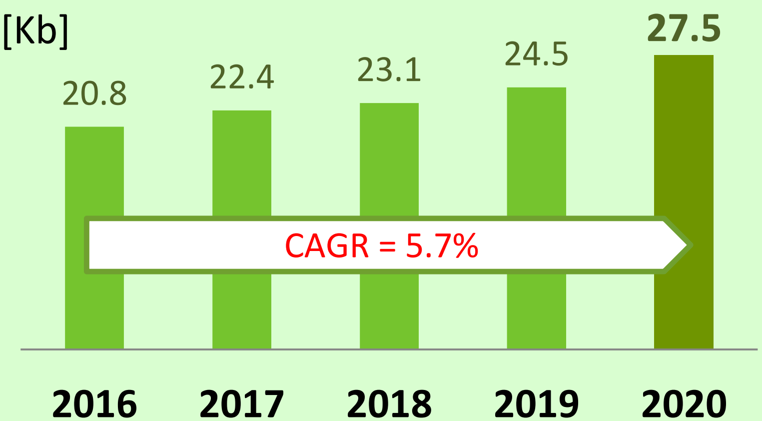
Group financial KPI’s

BSP continues to grow its loans, assets and deposits, validating the underlying strength of the business.

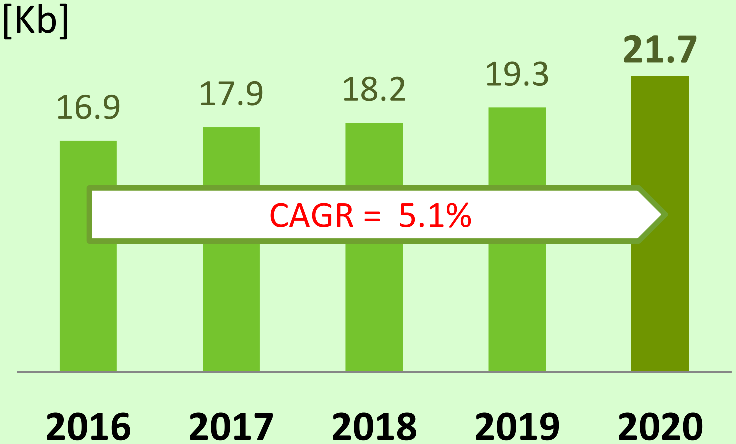
NET LOANS
[Kb]



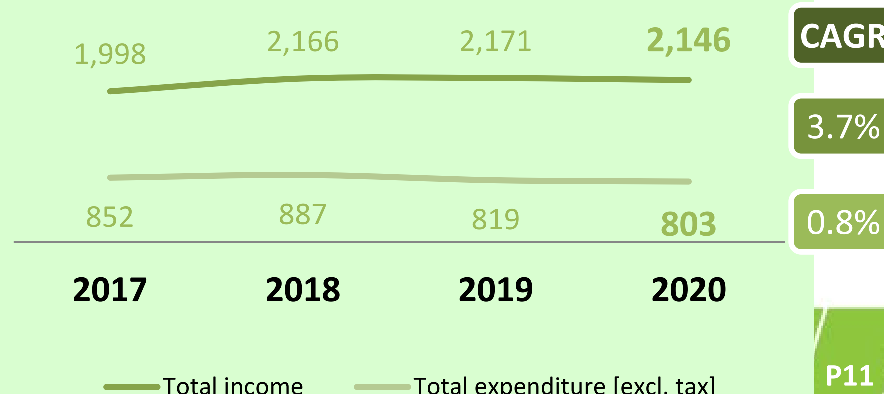
TOTAL ASSETS
[Kb]



DEPOSITS
[Kb]



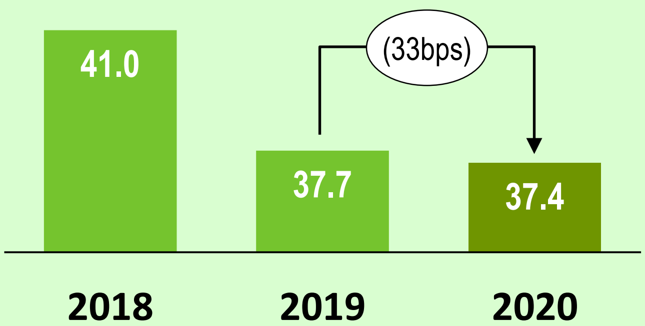
GROUP INCOME AND EXPENDITURE TRENDS[Km]



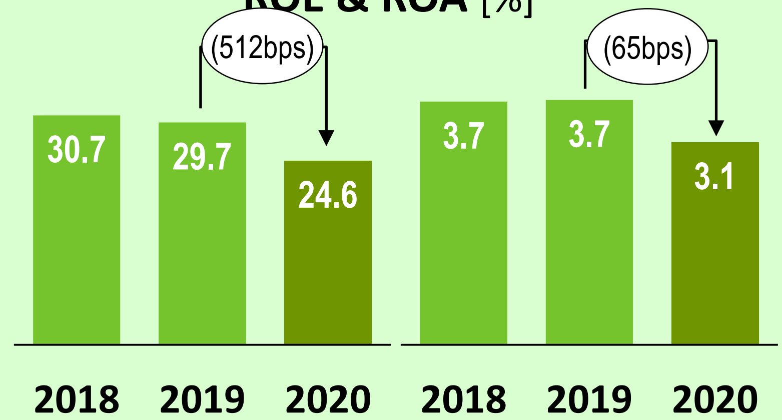
Key ratios

BSP Group has maintained strong results across all key performance ratios, notwithstanding increased provisioning reflecting generally weak economic activity in the South Pacific region.

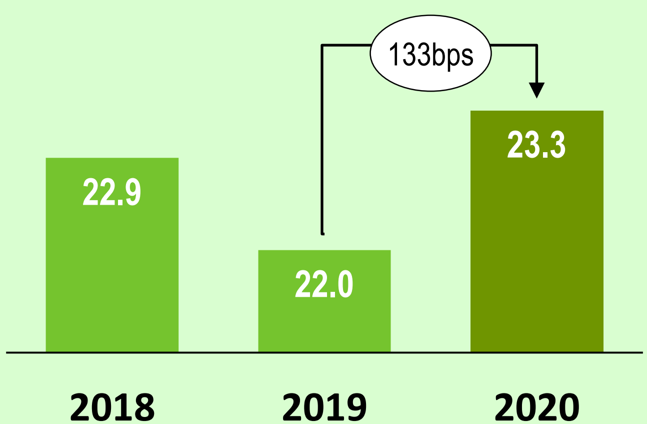
COST TO INCOME [%]



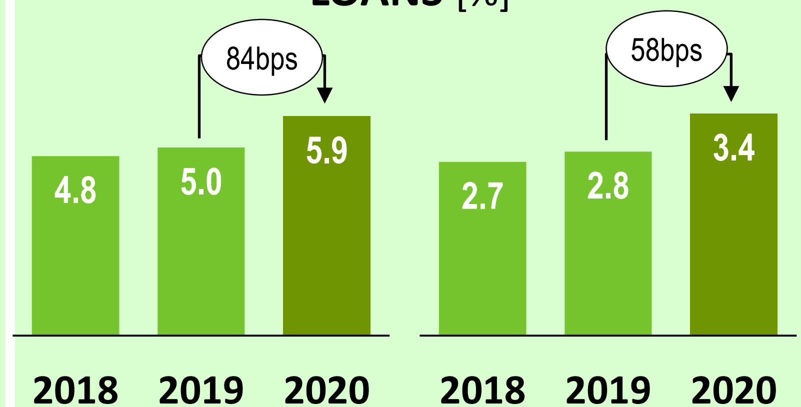
ROE & ROA [%]



CAPITAL ADEQUACY [%]

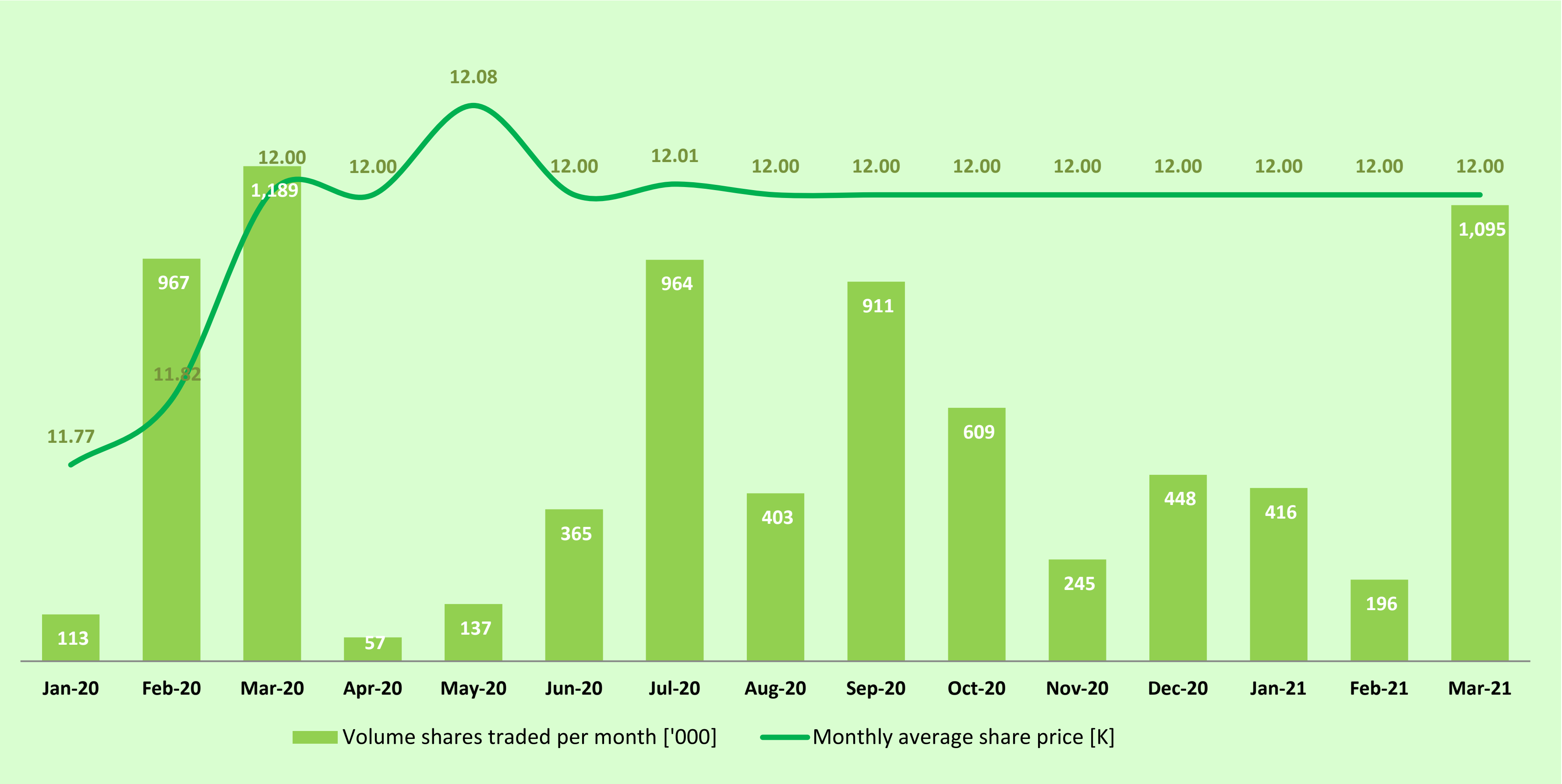


PROVISIONS TO LOANS / NPL TO LOANS [%]



PNGX share price

Dividend yield of 11.17% based on K12.00 share price and market capitalization of K5.61b.



Why list on the ASX?

- BSP has experienced significant growth over the last 20 years. BSP anticipates that there will be opportunities in the Asia-Pacific region to further BSP's growth in the short to medium term. However, there is a lack of liquidity and access to capital offered by the PNGX and this has begun to impose a constraint on BSP's strategic plans.

- As a consequence of this, it has become self-evident that BSP now requires access to a larger and more diverse investor base to provide for further investment to fund BSP's expansion plans in the Asia Pacific region. BSP has considered various stock exchanges in the region and has formed the view that a dual listing on the ASX best meets its requirements, noting the success of other dual listed PNGX-ASX companies.

- BSP has a proven M&A capability and a track record of successful business integration, an example being the 2015 Westpac Pacific acquisition, with the forecast payback period halved and double digit ROI achieved.

- Maintain our low cost and low risk market entry strategy to gain market knowledge and experience in advance of exploring South East Asian banking opportunities.

Concluding remarks

- We have become the largest bank in the South Pacific, a market leadership position that is underpinned by our extensive and far-reaching distribution network … a key competitive advantage in customer acquisition.
- We have consistently been a pioneer in the region in bringing financial innovation and technology to an underbanked marketplace.
- We have demonstrated an ability to consistently grow the business via acquisition and organically, significantly broadening and strengthening BSP’s geographic reach.
- However, we are not willing to rest on our success. There is much to do in the next stage of our development.
- Listing on the ASX is an important part of a carefully considered strategy to continue to prosper and grow the business, while ensuring we continue to deliver strong returns to shareholders and high levels of customer service.
- We anticipate listing on the ASX by way of a compliance listing before the middle of 2021.