

## **Bank of the South Pacific: A Brief History**

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- 1957** The bank commenced operations on 1 May 1957 in Port Moresby as a branch of the National Bank of Australasia Limited.
- 1974** Operations were later expanded to several centres and on 17 May 1974, the company was incorporated as Bank of South Pacific Limited, a wholly owned subsidiary of the Australian parent, with a paid-up capital of K2.00 million.
- 1980** In April 1980 and August 1981, a total of 300,000 ordinary fully paid shares of K1.00 were issued to the public in Papua New Guinea, thus increasing the paid-up capital to 2,300,000 fully paid K1.00 shares.
- 1993** On 24 August 1993, the nationally owned company, National Investment Holdings Limited (NIHL) acquired the 87% shareholding held by National Australia Bank. On 25 October 1993, 100% ownership of the bank was achieved by NIHL, which later changed its name to BSP Holdings Limited.
- 1995** In December 1995, BSP Holdings Limited completed a successful capital raising of K2.70 million by way of a Convertible Note Issue. The holding company took up an additional 2,700,000 fully paid shares of K1.00 in Bank of South Pacific Limited, increasing the issued capital to K5, 000,000.
- 1998** In October 1998, BSP Holdings Limited raised K12.90 million through a Rights Issue of shares at K3.00. During December 1998 BSP Holdings Limited went into voluntary liquidation and its shareholders now hold shares in Bank of South Pacific Limited.
- 2001** In 2001, the Privatisation Commission, on behalf of the Government of Papua New Guinea, offered for sale, a 51% interest in the Papua New Guinea Banking Corporation (PNGBC) through a competitive trade sale process. The company participated in this process by lodging a bid whereby it proposed to effect the acquisition of PNGBC by way of an amalgamation under the Companies Act rather than through a sale and purchase.
- 2002** Following an appraisal of all bids lodged in relation to the acquisition of PNGBC, the commission agreed to accept the company's bid. The company, the commission and the PNGBC executed the amalgamation deed in December 2001 which provided for the implementation of the amalgamation. The amalgamation was completed on 9 April 2002.
- 2003** The company's shares were listed on the Port Moresby Stock Exchange on 27 August 2003.
- 2004** In 2004, the company returned a profit after tax of K86.65 million up from the K39.98 million results in 2003. As at 31 December 2004, shareholders' equity reached K255.63 million. During 2004, the bank acquired the Niue Branch operations of Westpac Banking Corporation.
- 2005** In November 2005, Standard & Poors (S&P) issued an inaugural credit rating for BSP. The rating was B+ Stable, consistent with the S&P sovereign rating for Papua New Guinea.
- 2005** saw continued strong financial performance and balance sheet growth. Profit after tax increased to K99.22 million. Total assets increased to K2.95 billion and shareholders' equity grew to K308.30 million. Market capitalisation reached K1.40 billion. During this year, Capital Stockbrokers Limited was acquired and renamed BSP Capital Limited.
- 2006** Strong balance sheet growth with total assets reaching K4.33 billion and a 12.50% increase in after tax profit to K111.62 million continued the strong growth and financial performance during 2006. On 18 December 2006, a BSP branch was established in Suva, Fiji following the acquisition of the Habib Bank Ltd interests in Fiji.

**2007** The acquisition of the National Bank of Solomon Islands Ltd was completed during April 2007. Now rebadged as a branch of BSP, it has the largest branch network in the Solomon Islands.

Outstanding performance continued during 2007. Total assets increased to K5.80 billion, after tax profit increased by 71% to K191.07 million and market capitalisation to K3.28 billion. Expense to income ratio reduced to 39.40%.

**2008** Performance was strong for the year despite the broader effects of downturn in the global economy beginning to impact the PNG economy in the last half of the year. After tax profit continued to grow with an increase of 19% over the prior year, despite the BSP Capital CDO provisioning of K50 million. Strong balance sheet growth continued despite these effects with total assets increasing by 17% to K6.8 billion and capitalisation increasing by 33% to K4.3 billion.

**2009** BSP posted sound results as the global economic downturn continued, increasing after tax results by 13%; BSP acquired the National Bank of Fiji and Colonial Fiji Life Insurance Limited from Commonwealth Bank of Australia, contributing K1.2 billion to assets growth of K2.6 billion.

**2010** Solid results achieved as the global economy starts a slow recovery from the Global Financial Crisis, positively impacting PNG's resource-based economy. BSP's group profit increases 10% to K283.1 million, and assets reach K10.0 billion; IFC makes significant equity investment for 10% shareholding in BSP.

**2011** Strong performance for the year with a profit of K355.9 million being a 26% increase on 2010's results. Achieved balance sheet and profitability milestones in exceeding K11 billion in assets and K1 billion in revenue. New branches opened in Vision City, Port Moresby and flagship BSP First at Ravalien Haus, Port Moresby. Share buyback K40 million approved.

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