



Official Sponsor of the 2015 Pacific Games

For Immediate Release | Monday 04<sup>th</sup> May, 2015 |

---

## **BSP Rated B+ By Standard & Poors**

The Chairman of the BSP Group, Mr Kostas Constantinou OBE, announced today that Standard & Poor's (S&P) has maintained its ratings assessment of B+ for BSP.

S&P, in its Report released on 28<sup>th</sup> April 2015, indicated that it affirmed its 'B+/Stable/B' rating outlook on the BSP Group. S&P commented that the ratings reflect BSP's dominant market position in commercial and retail banking in PNG and that S&P consider that BSP has a number of structural advantages over its competitors. The rating also reflects BSP's strong profitability which is expected to be maintained throughout the outlook horizon.

The stable rating of BSP follows a full analysis which covers a review of BSP's business position, capital/earnings capacity, risk position, funding and liquidity and outlook.

S&P noted that BSP has a "strong" business position that is difficult to replicate. This is supported by its dominant position in PNG in terms of loans and deposits, strong revenue base, leading branch network in PNG, Fiji and the Solomon Islands. It was stated that BSP is well positioned to diversify its activities and continue to expand its business operations in the South Pacific, both in terms of its retail and commercial capabilities. BSP's announcement to purchase certain banking operations of Westpac in the Pacific will largely complement BSP's existing business base, and be of a quality that will not severely compromise the asset quality experience BSP's lending book currently exhibits.

The report highlighted that BSP has a number of structural advantages that render the ability of competitors to replicate difficult. Compared to other banks with similar industry ratings, BSP's business operations are less vulnerable to adverse operating conditions.

Mr Constantinou said that BSP Group is again encouraged by this positive assessment of the Group's credit rating. BSP is committed to maintaining its enhanced credit profile, and its strong business position in PNG and across the Pacific region.

**Kostas Constantinou, OBE**

Chairman | Bank of South Pacific Ltd