



A wholly owned subsidiary of BSP Papua New Guinea

Registered Office: Level 12, BSP Suva Central Building, Cnr of Renwick Rd & Pratt Street, Suva, Fiji Islands.
Postal Address: Private Mail Bag Suva Fiji Islands, Telephone (+679) 323 4412, Fax (+679) 323 4422

Market Announcement to South Pacific Stock Exchange

“Half Year Financial Statements 30th June 2018”

About BSP Convertible Notes Limited (BSP CN Fiji):

BSP Convertible Notes Limited (BSP CN Fiji) is a wholly owned subsidiary of Bank of South Pacific Limited (BSP). BSP is a Papua New Guinea based full service Bank with representation in many major Pacific economies. BSP is listed on the Port Moresby Stock Exchange (POMSoX) and has a B credit rating from Standard & Poors. BSP Convertible Notes Limited (BSP CN Fiji) is a special purpose vehicle incorporated in Fiji with limited powers under its Memorandum and Articles. It is listed in the South Pacific Stock Exchange (SPSE) in Fiji as BCN.



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15 August 2018

“Half Year Financial Statements 30th June 2018”

“Market Announcement to South Pacific Stock Exchange”

Please refer attached, the detailed Financial Statement for half year ended 30th June 2018 for BSP Convertible Notes Limited (BCN).

BCN is a special purpose company incorporated in Fiji and is a wholly owned subsidiary of Bank of South Pacific Limited (BSP).

BCN was incorporated in April 2010 to facilitate the issuance of convertible notes to Fiji investors and give them an option to own an equity interest in The Pacific's best bank. The funds raised from the issue were invested in a loan to BSP's Fiji branch and the interest received is the source of income for BCN.

The convertible notes mandatorily converted to Fiji Class Shares after a period of 3 years on 20 April 2013 and the Noteholders became Fiji Class Shareholders. Following the conversion of the Notes to Fiji Class Shares, BCN is required to make dividend payments to Fiji Class Shareholders. The holder of the Fiji class shares receives dividends equivalent to the dividends that will be paid on BSP ordinary shares listed on Port Moresby Stock Exchange, expressed in Fiji Dollars.

Due to the excellent performance of the BSP Group and the ever increasing dividends, BSP contributes a support fee to allow BCN to meet it's dividend commitments to Fiji Class Shareholders. The level of support fee is determined annually based on the cash position of BCN and the level of dividend required.

The financial results of BCN are not an indication of the performance of BSP's branch in Fiji or the BSP Group.

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Kevin McCarthy
Director

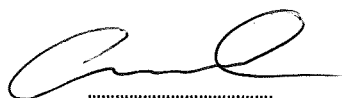
About BSP Convertible Notes Limited (BSP CN Fiji):

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Appendix D

HALF YEAR REPORT ANNOUNCEMENT (UNAUDITED)**BSP CONVERTIBLE NOTES LIMITED****PROFIT & LOSS STATEMENT
FOR HALF YEAR ENDED 30 JUNE 2018**

	Consolidated		
	Current half year F\$	Increase/Decrease %	Previous corresponding half year F\$
1. OPERATING REVENUE			
(a) Interest Income	264,379	0.0%	264,300
(b) Other revenue	1,653,000	19.5%	1,383,000
(c) Total Operating Revenue	1,917,379	16.4%	1,647,300
2. (a) Net Profit/(Loss) before Tax	1,889,698	16.8%	1,618,166
(b) Income tax Expense	23,670	2.0%	23,201
(c) Net Profit/(Loss) after Tax	1,866,028	17.0%	1,594,965
3. (a) Extraordinary Item after tax	-	-	-
(b) Net Profit/(Loss) after Tax & Extraordinary Item	1,866,028	17.0%	1,594,965
4. (a) OEI in net profit and extraordinary items after income tax	-	-	-
(b) Net Profit/(Loss) after Extraordinary Items and Income Tax Attributable to Members of the Company	1,866,028	17.0%	1,594,965
(c) Retained Profit/(Loss) at Beginning	8,288,032	38.1%	6,003,082
(d) Total available for appropriation	-	-	-
(e) Ordinary dividend provided for	-	-	-
(f) Preference dividend provided for	-	-	-
(g) Transfer to general reserves	-	-	-
(h) Total appropriations	-	-	-
(i) Retained Profit/(Loss) at half year end	10,154,060	33.6%	7,598,047
5. Earnings Per Share			
(a) Basic earnings per share	0.6088	17.0%	0.5204
(b) Diluted earnings per share			



Director

15/08/2018

Date

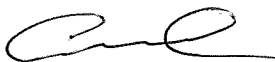


Company Secretary

15/08/2018

Date

STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY			
FOR HALF YEAR ENDED 30 JUNE 2018			
	Consolidated		
	At end of current half year F\$	As at Dec 2017 F\$	Previous half year F\$
6. CURRENT ASSETS			
(a) Cash Assets	923,030	853,091	793,550
(b) Trade receivables	-	-	-
(c) Other receivables	-	-	-
(d) Inventories	-	-	-
(e) Short-term investment	-	-	-
(f) Other assets	4,352	1,090	4,237
(g) Total Current Assets	927,382	854,181	797,787
NON-CURRENTS ASSETS			
(h) Property, plant and equipment	-	-	-
(i) Long-term investment	-	-	-
(j) Term deposit	-	-	-
(k) Future Income tax benefit	-	-	-
(l) Intangible assets	-	-	-
(m) Other	15,100,000	15,100,000	15,100,000
(n) Total Non-Current Assets	15,100,000	15,100,000	15,100,000
(o) Total Assets	16,027,382	15,954,181	15,897,787
7. CURRENT LIABILITIES			
(a) Trade payables	7,965	17,006	8,499
(b) Other payables and accruals	-	-	15,000
(c) Current tax liabilities	5,822	(2,172)	7,028
(d) Interest-bearing borrowings	-	-	-
(e) Term loan - secured	-	-	-
(f) Bank overdraft	-	-	-
(g) Unsecured advance	-	-	-
(h) Inter-company loan	-	-	-
(i) Provisions	-	-	-
(j) Other	-	-	-
(k) Total Current Liabilities	13,787	14,834	30,527
NON-CURRENT LIABILITIES			
(l) Term loan - secured	-	-	-
- unsecured	-	-	-
(m) Unsecured advance	-	-	-
(n) Inter-company loan	-	-	-
(o) Deferred tax liabilities	-	-	-
(p) Provisions	-	-	-
(q) Other	-	-	-
(r) Total Non-Current Liabilities	-	-	-
(s) Total Liabilities	13,787	14,834	30,527
(t) NET ASSETS	16,013,595	15,939,347	15,867,260
8. EQUITY			
(a) Contributed equity	250,000	250,000	250,000
(b) Dividend Distribution	(10,481,271)	(8,689,491)	(8,071,593)
(c) Retained Profits	10,154,060	8,288,032	7,598,047
(e) Fiji Class Shares	16,090,806	16,090,806	16,090,806
(f) Equity Attributable to Members	16,013,595	15,939,347	15,867,260
OEI in Controlled Entities			
(g) Contributed equity	-	-	-
(h) Reserves	-	-	-
(i) Retained Profits	-	-	-
(j) Total Outside Equity Interest in Controlled Entities	-	-	-
(k) TOTAL EQUITY	16,013,595	15,939,347	15,867,260



Director
15/08/18

Date



Company Secretary
15/08/18

Date

STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2018		
	Consolidated	
	Current half year F\$	Previous corresponding half year F\$
9. CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash Received from Trading activities	-	-
(b) Cash Payments	(39,984)	(32,435)
(c) Interest Received	264,379	264,300
(d) Dividend Received	-	-
(e) Interest Paid	-	-
(f) Income Tax Paid	(15,676)	(23,885)
(g) Net VAT Paid	-	-
(h) Net Cash (Outflow)/Inflow from Operating Activities	208,719	207,980
10. CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets	-	-
(b) Proceeds from Sale of Fixed Assets	-	-
(c) Acquisition of Investment	-	-
(d) Long Term Deposit	-	-
(e) Audio Visual Production	-	-
(f) Proceeds from Sale of Associate	-	-
(g) Proceed from Sale of Investment	-	-
(h) Net Cash (Outflow)/Inflow from Investing Activities	-	-
11. CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Dividend Paid	(1,791,780)	(1,558,843)
(b) Repayment of Secured Loan	-	-
(c) Proceed from Issue of Shares	-	-
(d) Proceeds from Support fees	1,653,000	1,383,000
(e) Repayment of Lease Principal	-	-
(f) Net Cash (Outflow)/Inflow from Financing Activities	(138,780)	(175,843)
12. NET INCREASE/(DECREASE) IN CASH HELD	69,939	32,137
(a) Cash/(Overdraft) at beginning of year	853,091	761,413
(b) Effects of exchange rate changes on opening cash balances	-	-
(d) Cash/(Overdraft) at end of half year	923,030	793,550



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Director

.....15/08/2018.....

Date



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Company Secretary

.....15/08/18.....

Date