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## Press Release and POMSoX Announcement and Press Release

# BSP now the major banking group in the Pacific

Bank South Pacific has confirmed that settlement of the transaction to purchase all of the Colonial Group in Fiji from Commonwealth Bank of Australia has been completed. This means that BSP is now the major banking group in the Pacific with total assets in excess of K9.0 billion and nearly 3000 employees.

BSP is also the best capitalised bank operating in the Pacific with a ratio of common equity to total assets of more than 20%. This ratio is an industry measure of balance sheet strength and at 20%; BSP is more than twice its peers in the Pacific Region.

The CEO and Managing Director of BSP, Mr Ian Clyne said Fiji, with the second largest economy in the region, was critical to BSP's plans to build a substantial Pacific franchise. BSP was already bigger in PNG than its Australian competitors ANZ and Westpac combined. He said the value of BSP's assets in the region was considerably higher than that of the entire Fiji banking system. Its regional growth initiatives have included acquisition of banking businesses in Niue (where it is the only bank represented) and the National Bank of Solomon Islands which now operates under the BSP name and is the largest bank in the Solomon Islands."

Mr Clyne was quick to point out that BSP's ambition was not to be the biggest, but to be the best. "The Bank", he said "had deservedly established a reputation as one with a powerful customer focus and understanding of shareholder value. BSP has been operating in the Pacific for over 50 years and could justifiably claim a solid understanding of the financial needs of the people in the region."

The BSP brand will be unveiled in stages throughout its new Fiji branch network over the next 12 months.

Chief Financial Officer Johnson Kalo added that BSP's performance in 2009 is in line with expectations despite the difficult economic environment. BSP is well placed to benefit in 2010 and 2011 from the increased economic activity associated with the recent announcement of project sanction of the PNG LNG project.