



A wholly owned subsidiary of BSP Papua New Guinea
South Pacific Stock Exchange (SPSE)

"Market Announcement and Press Release"

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Monday 21 May 2012

"Announcement – Final Dividend on 2011 Profit and Quarter 1 2012 Results"

"Market Announcement to South Pacific Stock Exchange"

Our Parent Company, Bank of South Pacific Limited based in Port Moresby, PNG has released this market announcement on POMSx today.

Kevin McCarthy
Director
BSP Convertible Notes Limited

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 (POMSx) 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**.

**ANNOUNCEMENT
PORT MORESBY STOCK EXCHANGE**

FINAL DIVIDEND ON 2011 PROFIT AND QTR 1 2012 RESULTS

At the Annual Meeting of Shareholders of Bank of South Pacific Limited, on 18th May 2012 in Port Moresby, the Board of Directors of Bank of South Pacific Limited declared a final dividend in respect of the 2011 profit result, of 35 toea (FJD 0.34) per share. This brings the total dividend for 2011 to 51 toea (FJD 0.49) per share, including the interim dividend of 16 toea (FJD 0.15) per share paid in November 2011.

Chairman Kostas Constantinou said the total dividend is an increase of 13% over the dividend per share paid on the 2010 profit, and is consistent with the continued solid annual improvement in the operating results of the Company, as reported earlier in the year. He added that the total dividend also represents a payout ratio of 75% of the Bank's profits.

BSP also released its first quarter 2012 results at the Annual Meeting. Unaudited after tax profit is K98M (FJD 94 million), a 29% increase on the first quarter of 2011. Total assets are almost K13 billion (FJD 12 billion), a K1.1 billion (FJD 1.05 billion) increase from December 2011 and a 19% increase from March 2011. The Chairman remarked that BSP continues to remain on track with its 2012 financial targets.

Kostas Constantinou, OBE

Chairman
Port Moresby
18 May 2012