

**Financial Year ended**  
**BSP Financial Group Limited and Subsidiaries**

Company No	Half yearly	Final	Financial year ended
<b>HUBSP0000055.</b>		<b>X</b>	<b>31-Dec-21</b>

Extracts from this report for announcement to the market (see note 1)

K' 000

Sales (or equivalent operating) revenue (item 1.1 + 1.3)	up	10.25%	2,372,046
Abnormal after tax attributable to shareholders (item (2.5))	gain (loss) of	0.00%	0
Operating profit (loss after tax ( before amortisation of goodwill)) attributable to shareholders (item 1.26)	up	33.37%	1,075,218
Operating profit (loss) after tax attributable to shareholders (item 1.10)	up	33.70%	1,074,920
Extraordinary items after tax attributable to shareholders (item 1.13)	-	0.00%	0
Operating profit(loss) and extraordinary items after tax attributable to shareholders (item 1.16)	up	33.70%	1,074,920
Dividend (distributions)			
Final dividend (preliminary final report only -item 15.4) Interim Dividend (Half yearly report only - item 15.5)		134 toea	626,082
Previous corresponding period (Preliminary final report -item 15.6 Half yearly report - item 15.7)		39 toea	183,388
Record date for determining entitlements to the dividend (In the case of a trust, distribution) (see item 15.2)			11-Mar-22

## Consolidated Profit and loss account

	Current Period K' 000	Previous Corresponding period K'000
1.1 Sales (or equivalent operating) revenue)	1,600,935	1,447,012
1.2 Share of associates "net profit(loss) attributable to shareholders" (equal to item 16.7)	23,439	(20,963)
1.3 Other Revenue	747,672	725,385
1.4 Operating profit (loss) before abnormal items and tax	1,525,859	1,141,835
1.5 Abnormal items before tax (detail in item 2.4)	0	0
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	1,525,859	1,141,835
1.7 Less tax	450,641	335,617
1.8 Operating profit (loss) after tax but before outside equity interest	1,075,218	806,218
1.9 Less outside equity Interest	(298)	(2,209)
1.10 Operating profit(loss) after tax attributable to shareholders	1,074,920	804,009
1.11 Extraordinary items after tax (detail in item 2.6)	0	0
1.12 Less outside Equity Interest	0	0
1.13 Extraordinary items after tax attributable to shareholders	0	0
1.14 Total Operating profit(loss) and extraordinary items after tax (items 1.8 + 1.11)	1,075,218	806,218
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interest (items 1.9 +1.12)	(298)	(2,209)
1.16 Operating profit (loss) and extraordinary items after tax attributable to shareholders (item 1.14+1.15)	1,074,920	804,009
1.17 Retained profits (accumulated losses) at beginning of financial period	2,622,249	2,394,382
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and loss accounts, adjustments as required by that clause (include brief description)	0	0
1.19 Aggregate of amounts transferred from / (to) reserves	4,249	(6,951)
1.20 Total available for appropriation (carried forward)	3,701,418	3,191,440
1.21 Dividend provided for or paid	(676,293)	(569,191)
1.22 Prior year adjustments	0	0
1.23 Retained profits (accumulated losses) at end of financial period	3,025,125	2,622,249

<b>Profit restated to exclude amortisation of goodwill</b>				
1.24 Operating profit(loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill		1,075,218		806,218
1.25 Less(plus) outside equity interest		0		0
1.26 Operating profit(loss) after tax (before amortisation of goodwill) attributable to shareholders		1,075,218		806,218
<b>Intangible, abnormal and extra ordinary items</b>	<b>Consolidated- current period</b>			
	Before tax K' 000	Related tax K' 000	Related outside equity interest K' 000	Amount (after tax) attributable to shareholders K' 000
2.1 Amortisation of goodwill				
2.2 Amortisation of other intangibles	30,238	9,071	0	21,167
2.3 Total Amortisation of Intangibles	30,238	9,071	0	21,167
2.4 Abnormal items	0	0	0	0
2.5 Total abnormal items	0	0	0	0
2.6 Extraordinary items	0	0	0	0
2.7 Total extraordinary items	0	0	0	0
<b>Comparison of half year profits</b>			Current year K' 000	Previous year K' 000
3.1 Consolidated operating profit(loss) after tax attributable to shareholders reported for the 1st half year (item 1.10 in the half yearly report)			449,320	381,940
3.2 Consolidated operating profit(loss) after tax attributable to shareholders for the second half year			625,600	422,069

## Consolidated Balance Sheet

		At end of current period K' 000	As shown in last annual report K' 000	As in last half yearly report K' 000
	<b>Current Assets</b>			
4.1	Cash	4,117,875	4,084,656	3,996,489
4.2	Receivables	4,710,098	3,380,315	4,921,399
4.3	Investments	4,644,603	2,841,755	4,941,486
4.4	Inventories	0	0	0
4.5	Other(provide details if material)	291,188	217,479	564,126
4.6	<b>Total Current assets</b>	13,763,764	10,524,205	14,423,501
	<b>Non Current Assets</b>			
4.7	Receivables	10,641,047	11,793,009	10,127,395
4.8	Investment in associates	224,323	202,546	206,421
4.9	other investments	4,079,167	3,302,748	2,744,638
4.10	Inventories	0	0	0
4.11	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022)	0	0	0
4.12	Development properties (mining entities)	0	0	0
4.13	Other property, plant and equipment (net)	958,876	931,910	904,820
4.14	Intangibles (net) and deferred tax	505,921	511,330	232,913
4.15	Other (Investment Properties)	273,170	257,690	255,987
4.16	<b>Total Non current Assets</b>	16,682,504	16,999,232	14,472,173
4.17	<b>Total Assets</b>	30,446,268	27,523,437	28,895,674
	<b>Current Liabilities</b>			
4.18	Accounts payables	23,651,938	21,020,057	22,531,405
4.20	Provisions	222,344	175,632	217,452
4.21	Other (provide details if material)	2,171,288	2,064,725	2,134,716
4.22	<b>Total current liabilities</b>	26,045,570	23,260,414	24,883,573
	<b>Non Current Liabilities</b>			
4.23	Accounts payable	531,689	760,237	565,506

### Consolidated Balance Sheet (continued)

		At end of current period K' 000	As shown in last annual report K' 000	As in last half yearly report K' 000
4.25	Provisions	74,044	69,181	72,746
4.26	Other (provide details if material)			0
4.27	<b>Total non- current liabilities</b>	605,733	829,418	638,252
4.28	<b>Total Liabilities</b>	26,651,303	24,089,832	25,521,825
4.29	<b>Net Assets</b>	3,794,965	3,433,605	3,373,849
	<b>Equity</b>			
4.30	Capital	372,133	372,189	372,147
4.31	Reserves	396,929	438,516	422,552
4.32	Retained Profits (accumulated losses)	3,025,125	2,622,249	2,578,499
4.33	Equity attributable to shareholders of the parent entity	3,794,187	3,432,954	3,373,198
4.34	Outside equity to shareholders of the parent entity	778	651	651
4.35	<b>Total equity</b>	3,794,965	3,433,605	3,373,849
4.36	Preference Capital included as part of 4.33	-	-	-

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interest if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

		Current Period K' 000	Previous Corresponding period K' 000
5.1	Aggregate of amounts transferred from / (to) reserves	0	
5.2	Expenditure incurred during current period	0	0
5.3	Expenditure written off during current period		
5.4	Acquisition, disposals, revaluation, increments, etc		
	Prior year adjustments	0	0
5.5	Expenditure transferred to development properties		
5.6	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	0	0
	<b>Development properties</b> <i>To be completed only by entities with mining interest if amounts are material</i>		
6.1	Opening Balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisition, disposals, revaluation, increments, etc		
6.6	Expenditure transferred to mine properties		
6.7	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>		

<b>Consolidated Statement of Cash Flows</b>		<b>Current Period K' 000</b>	<b>Previous Corresponding period K' 000</b>
<b>Cash Flows related to operating activities</b>			
7.1	Receipts from customers	1,649,780	1,556,496
7.2	Payments to suppliers and employees	(781,764)	(892,724)
7.3	Dividends received from associates	0	0
7.4	Other Dividends received	0	0
7.5	Interest and other items of similar nature received	0	0
7.6	Interest and other finance paid	(78,340)	(89,307)
7.7	Income taxes paid	(347,021)	(372,872)
7.8	Other (due largely to movement in customer deposits, loans & advances)	3,027,797	2,955,726
7.9	<b>Net Operating cash flows</b>	<b>3,470,452</b>	<b>3,157,319</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment of purchase of property, plant and equipment	(228,536)	(110,475)
7.11	Proceeds from sale of property, plant and equipment	6,254	1,787
7.12	Payment for purchases of equity investments	0	0
7.13	Proceeds from other investments	0	0
7.14	Movement in share trading activities	0	0
7.15	Loans repaid by other entities	0	0
7.16	Other (Government & central Bank Securities)	(2,573,109)	(1,502,663)
7.17	<b>Net Investing cash flows</b>	<b>(2,795,391)</b>	<b>(1,611,351)</b>
<b>Cash flows related to financing activities</b>			
7.18	Share buyback	(56)	(121)
7.19	Client management trust	0	0
7.20	Repayment of borrowings	(3,396)	(113,418)
7.21	Dividend paid	(676,464)	(569,355)
7.22	Other (provide details if material)(share buy back)	0	242,215
7.23	<b>Net financing cash flows</b>	<b>(679,916)</b>	<b>(440,679)</b>

<b>Consolidated Statement of Cash Flows (continued)</b>			
7.24	Net Increase (decrease) in cash held	(4,855)	1,105,289
7.25	Cash at beginning of period <i>(see reconciliation of cash)</i>	3,958,386	2,755,102
7.26	Exchange rate adjustment to item 7.25	(84,448)	97,995
7.27	<b>Cash at end of period</b> <i>(see reconciliation of cash)</i>	3,869,083	3,958,386

### Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows. If an amount is qualified, show comparative amount.*

<b>Reconciliation of cash</b>			
Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current Period K' 000	Previous Corresponding period K' 000
8.1	Cash on hand and at Bank	2,807,628	2,897,195
8.2	Deposits at call- From other Banks	1,310,247	1,187,461
8.3	Bank Overdraft		
8.4	Other (provide details) - Due to other banks	(248,792)	(126,270)
8.5	<b>Total cash at end of period</b> <i>(items 7.27)</i>	3,869,083	3,958,386
<b>Ratios</b>			
<b>Profit before abnormal and tax sales</b>			
9.1	Consolidated operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue(item 1.1 & 1.3)	64.33%	53.07%
9.2	Consolidated operating profit (loss) after tax attributable to shareholders (item 1.10) as a percentage of equity (similarly attributable) at the end of period(item 4.33)	28.33%	23.42%

		Current Period K' 000	Previous Corresponding period K' 000
	<b>Earnings per share (EPS)</b>		
10.1	Calculation of the following in accordance with AASB 1027: <i>Earnings per share</i>		
	(a) Basic EPS (expressed toea)	230.1	172.6
	(b) Diluted EPS (if material differently from (a))	n/a	n/a
	(c) Weighted average number of ordinary shares ('000) outstanding during the period used in the calculated of the basic EPS	467,226	467,229
	<b>NTA backing</b> (see note 7)		
11.1	Net tangible asset backing per ordinary security	7.62	6.88
	<b>Details of specific receipts/outlays,revenues/expenses</b>		
12.1	Interest revenue included in determining item 1.4(from 1.1)	1,600,935	1,447,012
12.2	Interest revenue included in item 12.1 but not yet received (if material)	198,307	136,561
12.3	Interest expense included in item 1.4(include all forms of interest,lease finance charges, etc)	106,675	144,980
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	64,661	39,722
12.5	Outlays(except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	0
12.6	Depreciation and amortisation	109,056	111,770

**Control gained over entities having material effect**

see note 8

13.1 Name of entity (or group entities)	nil
13.2 Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) since the date in the current period on which control was acquired	nil
13.3 Date from which such profit was calculated	
13.4 Operating profit(loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the corresponding period	nil

**Loss of control of entities having material effect**

14.1 Name of Entity (or group of entity)	nil
14.2 Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) for the current period to the date of loss of control	nil
14.3 Date to which the profit(loss) in item 14.2 has been calculated	
14.4 Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) while controlled during the whole of the previous corresponding period	nil
14.5 contribution to consolidated operating profit(loss) and extraordinary items from sale of interest leading to loss of control	nil

**Reports for industry and geographical segments**

The Bank of South Pacific Limited and its subsidiaries operates in the following segments - provision of banking services, asset financing, stock broking services, fund management and insurance business throughout the Pacific region.

Operating Revenue

Sales to customers outside the economic entity	2,372,046	2,151,434
Inter-segment sales	0	0
Unallocated revenue	0	0
Total Revenue	2,372,046	2,151,434
Segment result (including abnormal items wher	1,525,859	1,141,835
Unallocated expenses	0	0
Consolidated operating profit before tax (equal	1,525,859	1,141,835
Segment assets )	30,446,268	27,523,437
Unallocated assets )	0	0
Total assets (equal to item 4.17)	30,446,268	27,523,437

**Dividends (in the case of a trust, distribution)**

15.1 Date the dividend(distribution) is payable	22-Apr-22
15.2 Record date to determine entitlements to the dividends (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm	11-Mar-22
15.3 If it is a final dividend, has it been declared? preliminary report only - Special dividend	

**Amount per security**

		Amount per security	Amount (PGK000's)
	(Preliminary final report)		
15.4	Final Dividend: Current year:	134 toea	626,082
15.5	Previous year	105 toea	493,076
	Half yearly and preliminary final reports		
15.6	Interim Dividend: Current year	39 toea	183,388
15.7	Previous year	25 toea	117,604

**Total dividend (distribution) per security (interim plus final)  
(preliminary final report only)**

	Current year	Previous year
15.8 Ordinary securities	173 toea	130 toea
15.9 Preference securities		

**Half yearly report- interim dividend(distribution) on all securities or**

	Current year K'000	Previous year K'000
15.10 Ordinary Securities	39 toea	25 toea
15.11 Preference securities	0	0
15.12 Total	39 toea	25 toea

The dividend or distribution plans shown below are in operation

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The last date(s) for receipt of election notices for the dividend or distribution plans

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Any other disclosures in relation to dividends (distributions)

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**Details of aggregate share of profits (losses) of associates & joint ventures**

Entity share of associates	Current period	Previous corresponding period
	K'000	K'000
16.1 Operating profit(loss) before income tax	(2,228)	(1,434)
16.2 Income tax expense	0	0
16.3 Operating profit(loss) after income tax	(2,228)	(1,434)
16.4 Extraordinary items net of tax	0	0
16.5 Net profit(loss)	(2,228)	(1,434)
16.6 Group fair value alignment	25,667	(19,529)
16.7 Net profit(loss) attributable to shareholders	23,439	(20,963)

**Material interest in entities which are not controlled entities**

The Bank of South Pacific Limited has no material interest(s) in any other entity.

Name of Entity	Percentage of ownership interest held at end of period or		Contribution to operating profit(loss) and	
	Current period	Previous corresponding period	Current period K'000	Previous corresponding period K'000
17.1 Equity accounted associated entities				
Suva Central Limited	50.0%	50.0%	847	2,883
Richmond Limited	61.3%	61.3%	18,319	(26,316)
BSP Finance Cambodia	50.0%	50.0%	6,239	3,794
BSP Finance Laos	50.0%	50.0%	(920)	(581)
Platform Pacific	50.0%	50.0%	(1,046)	(743)
17.2 Total			23,439	(20,963)
17.3 Other material interest	0	0	0	0
17.4 Total	0%	0%	23,439	(20,963)

**Issued and quoted securities at end of current period**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number quoted	Amount paid per share(toea)
18.1 Preference securities (description)			
18.2 Issued during period	-	-	-
18.3 Ordinary Securities	467,225,690	467,225,690	
18.4 Issued during current period	-	-	-
	-	-	-
18.5 Convertible debt securities (description and factor)			
18.6 Issued during current period			
18.7 Options (description and conversion factor)		Exercise price	Expiry date (if any)
Executive Management Share Option Plan			
Executive Management Share Option Plan			
18.8 Issued during current period			
18.9 Exercised during current period			
18.10 Expired during current period			
18.11 Debentures (total only)			
18.12 Unsecured notes (totals only)			

**Comments by directors**

Comments on the following matters are required by POMSoX or, in relation to the half yearly report, by IAS 34. Half year accounts and consolidated Accounts. The comments do not take the place of the directors report (as required by the companies Act 1997) and may be incorporated into the directors report. For both half yearly and preliminary final reports, if there are no comments in a section state Nil. If there is insufficient space to comment attach notes to this report.

**Basis of accounts preparation**

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and IAS 34. Half-year accounts and consolidated accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. (delete if preliminary statement)

**Material factors affecting the revenues and expenses of the economic entity for the current period**

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A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

On 25 November 2021, the Minister for Treasury announced the introduction of a 'Market Concentration Levy' as part of Papua New Guinea's 2022 national budget, effective 1 January 2022. The levy applies to any bank in PNG that has total assets that exceed 40% of total bank assets as published by the Bank of PNG. BSP is the only PNG commercial bank that has more than 40% of the total bank assets. As reported in PNG's 2022 budget the levy is a flat amount, the calculation of which is not linked to profit or balance sheet size and will result in BSP paying an additional K190 million in levies from 2022. The Income Tax (2022 budget) (Amendment) Bill which included this levy was certified by the Speaker of the National Parliament on 7 February 2022 and was the final legal requirement to enact the Bill.

The levy is non-deductible for tax purposes and will have a direct impact of reducing BSP's net profit after tax by K190 million from 2022 onwards. The full amount of the levy will be recognised in the Statement of Comprehensive Income at the time BSP's year to date net profit after tax exceeds K190 million. It is expected therefore that the full levy will be recognised in the first half of 2022, which will have a material impact on the 6 month results ending 30 June 2022.

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Changes in accounting policies since the last annual report are disclosed as follows

(Disclose changes in the half yearly report in accordance with IAS 34. Half-year accounts and consolidated accounts. Disclose changes in the preliminary final report in accordance with IAS: Accounting Policies Disclosure)

There have been no changes in accounting policies since the last annual report

**Additional disclosure for trust**

19.1 Number of units held by the management company or a related party of it

Nil

19.2 A statement of the fees and commissions payable to the management company

Nil

initial service charges  
Management fees  
other fees

**Annual meeting**

(preliminary final report only)

The annual meeting will be held as follows:

Place

Port Moresby

Date

20 May 2022

Time

10.00am

Approximate date the annual report will be available

20 May 2022

## Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other Standards acceptable to POMSoX (see note 13)

Identify other standards used

International Financial Reporting Standards

2 Report the financial statements prepared under the Companies Act 1997 (if separate), use accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2)

4 This report is based on financial statements to which one of the following applies.

The financial statements have been audited

The financial statements have been subject to review

The financial statements are in the process of being audited

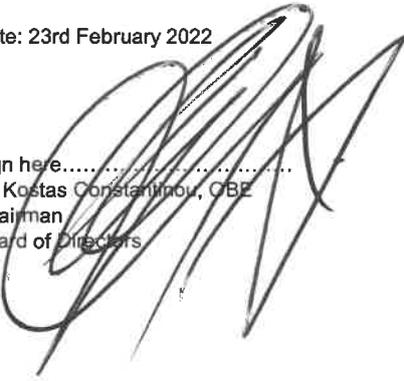
The financial statements have not yet been audited or reviewed

5 If the audit report or review by the auditor is not attached, details of any qualifications ~~are attached/~~ will follow immediately they are available (delete one)

6 The entity has a formally constituted audit committee.

Date: 23rd February 2022

Sign here.....  
Sir Kostas Constantinou, CBE  
Chairman  
Board of Directors



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Robin Fleming, CSM  
Chief Executive Officer/Managing Director

