

**Financial Period ended 30 June 2022**  
**BSP Financial Group Limited and Subsidiaries**

Company No	Half yearly	Final	Financial period ended
<b>HUBSP0000055.</b>	<b>X</b>		<b>30 June 22</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	12.66%	1,286,387
Abnormal after tax attributable to shareholders (item (2.5))	gain (loss) of	0.00%	-
Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders (item 1.26)	up	-11.84%	396,120
Operating profit (loss) after tax attributable to shareholders (item 1.10)	up	-11.87%	395,994
Extraordinary items after tax attributable to shareholders (item 1.13)	up	0.00%	-
Operating profit(loss) and extraordinary items after tax attributable to shareholders (item 1.16)	up	-11.87%	395,994
Dividend (distributions)			
Final dividend (preliminary final report only -item 15.4) Interim Dividend (Half yearly report only - item 15.5)		34.0 toea	160,429
Previous corresponding period (Preliminary final report -item 15.6 Half yearly report - item 15.5)		39.0 toea	182,218
Record date for determining entitlements to the dividend (In the case of a trust, distribution) (see item 15.2)			26-Sep-22

## Consolidated Profit and loss account

	Current Period K' 000	Previous Corresponding period K' 000
1.1 Sales (or equivalent operating revenue)	875,504	775,164
1.2 Share of associates "net profit/(loss) attributable to shareholders" (equal to item 16.7) ✓	-	-
1.3 Other Revenue	410,883	368,627
1.4 Operating profit (loss) before abnormal items and tax	646,366	639,306
1.5 Abnormal items before tax (detail in item 2.5)	-	-
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	646,366	639,306
1.7 Less tax	250,246	189,986
1.8 Operating profit (loss) after tax but before outside equity interest	396,120	449,320
1.9 Less outside equity Interest	(126)	-
1.10 Operating profit(loss) after tax attributable to shareholders	395,994	449,320
1.11 Extraordinary items after tax (detail in item 2.7)	-	-
1.12 Less outside Equity Interest	-	-
1.13 Extraordinary items after tax attributable to shareholders	-	-
1.14 Total Operating profit(loss) and extraordinary items after tax (items 1.8 + 1.11)	396,120	449,320
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interest (items 1.9 +1.12)	(126)	-
1.16 Operating profit (loss) and extraordinary items after tax attributable to shareholders (item 1.10+1.13)	395,994	449,320
1.17 Retained profits (accumulated losses) at beginning of financial period	3,025,125	2,622,249
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 (IFRS 9 provision adjustment to Investment Securities)	-	-
1.19 Aggregate of amounts transferred from reserves	5,270	-
1.20 Total available for appropriation (carried forward)	3,426,389	3,071,569
1.21 Dividend provided for or paid	(629,378)	(493,070)
1.22 Aggregate of amounts transferred to Reserves		
1.23 Retained profits (accumulated losses) at end of financial period	2,797,011	2,578,499

Profit restated to exclude amortisation of goodwill

1.24	Operating profit(loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill	396,120	449,320		
1.25	Less plus) outside equity interest	-	-		
1.26	Operating profit(loss) after tax (before amortisation of goodwill) attributable to shareholders	396,120	449,320		
<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	18,988	5,697	-	13,292
2.3	Total Amortisation of Intangibles	18,988	5,697	-	13,292
2.4	Abnormal items	-	-	-	-
2.5	Total abnormal items	-	-	-	-
2.6	Extraordinary items	-	-	-	-
2.7	Total extraordinary items	-	-	-	-
<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 reported for the 1st half year (item 1.10 in the half yearly report)			396,120	449,320
3.2	Consolidated operating profit(loss) after tax attributable to shareholders for the second half year			-	-

**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	3,947,527	4,117,875	3,996,489
4.2	Receivables	6,059,650	4,710,098	4,921,399
4.3	Investments	5,030,929	4,644,603	4,941,486
4.4	Inventories	-	-	-
4.5	Other(provide details if material)	537,810	291,188	564,126
4.6	<b>Total Current assets</b>	15,575,916	13,763,764	14,423,501
	<b>Non Current Assets</b>			
4.7	Receivables	9,677,665	10,641,047	10,127,395
4.8	Investment in associates	232,450	224,323	206,421
4.9	other investments	4,610,941	4,079,167	2,744,638
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022)	-	-	-
4.12	Development properties (mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	944,152	939,114	904,820
4.14	Intangibles (net)	257,994	505,921	232,913
4.15	Other (Investment Properties)	315,323	273,170	255,987
4.16	<b>Total Non current Assets</b>	16,038,525	16,662,742	14,472,173
4.17	<b>Total Assets</b>	31,614,441	30,426,506	28,895,674
	<b>Current Liabilities</b>			
4.18	Accounts payables	24,912,895	23,651,938	22,531,405
4.19	Borrowings	-	-	-
4.20	Provisions	158,098	222,344	217,452
4.21	Other (provide details if material)	2,531,672	2,151,526	2,134,717
4.22	<b>Total current liabilities</b>	27,602,665	26,025,808	24,883,573
	<b>Non Current Liabilities</b>			
4.23	Accounts payable	424,927	531,689	565,506
4.24	Borrowings(Promissory Notes)	-	-	-
4.25	Provisions	76,682	74,044	72,746
4.26	Other (provide details if material)			
4.27	<b>Total non- current liabilities</b>	501,609	605,733	638,252
4.28	<b>Total Liabilities</b>	28,104,274	26,631,541	25,521,825
4.29	<b>Net Assets</b>	3,510,167	3,794,965	3,373,849

**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
	<b>Equity</b>			
4.30	Capital	372,111	372,133	372,147
4.31	Reserves	340,318	396,929	422,552
4.32	Retained Profits (accumulated losses)	2,797,011	3,025,125	2,578,499
4.33	Equity attributable to shareholders of the parent entity	3,509,440	3,794,187	3,373,198
4.34	Outside equity to shareholders of the parent entity	727	778	651
4.35	<b>Total equity</b>	3,510,167	3,794,965	3,373,849
4.36	Preference Capital included as part of <b>4.33</b>	-	-	-

**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	Opening Balance		
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	Acquisition, disposals, revaluation, increments, etc		
5.5	Expenditure transferred to development properties		
5.6	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>		

**Development properties**

*with mining interest if amounts are material*

		Current Period K' 000	Previous Corresponding period K' 000
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>		

		Current Period K' 000	Previous Corresponding period K' 000
	<b>Consolidated Statement of Cash Flows</b>		
	<b>Cash Flows related to operating activities</b>		
7.1	Receipts from customers	1,362,621	1,149,212
7.2	Payments to suppliers and employees	(502,804)	(315,736)
7.3	Dividends received from associates	-	-
7.4	Other Dividends received	-	-
7.5	Interest and other items of similar nature received	-	-
7.6	Interest and other finance paid	(39,247)	(63,333)
7.7	Income taxes paid	(177,996)	(150,762)
7.8	Other (due largely to movement in customer deposits, loans & advances)	958,455	1,566,649
7.9	<b>Net Operating cash flows</b>	<b>1,601,029</b>	<b>2,186,030</b>
	<b>Cash flows related to investing activities</b>		
7.10	Payment of purchase of property, plant and equipment	(83,761)	(68,293)
7.11	Proceeds from sale of property, plant and equipment	3,851	1,787
7.12	Payment for purchases of equity investments	-	-
7.13	Movement in share trading activities	-	-
7.14	Proceeds / (Payment) for other investments	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other (Government & central Bank Securities)	(941,580)	(1,614,556)
7.17	<b>Net Investing cash flows</b>	<b>(1,021,490)</b>	<b>(1,681,062)</b>
	<b>Cash flows related to financing activities</b>		
7.18	Share buyback	(22)	(42)
7.19	Client management trust	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividend paid	(629,555)	(493,070)
7.22	Other (provide details if material)	(7,095)	(4,145)
7.23	<b>Net financing cash flows</b>	<b>(636,672)</b>	<b>(497,257)</b>

<b>Consolidated Statement of Cash Flows (continued)</b>			
7.24	Net Increase (decrease) in cash held	(57,133)	7,711
7.25	Cash at beginning of period ( <i>see reconciliation of cash</i> )	3,869,083	3,958,386
7.26	Exchange rate adjustment to item 7.25	(131,256)	(36,229)
7.27	<b>Cash at end of period</b> ( <i>see reconciliation of cash</i> )	3,680,694	3,929,868
<b>Non-cash financing and investing activities</b>			
<i>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.</i>			
<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	2,661,649	2,824,350
8.2	Deposits at call- From other Banks	1,285,878	1,172,139
8.3	Bank Overdraft		
8.4	Other (provide details) - Due to other banks	(266,833)	(66,621)
8.5	<b>Total cash at end of period(items 7.27)</b>	3,680,694	3,929,868
<b>Ratios</b>		Current Period	Previous Corresponding period K' 000
<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)	50.25%	55.99%
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)	11.28%	13.32%

		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	K0.848	K0.962
	(b) Diluted EPS (if material differently from (a))	n/a	n/a
	(c) Weighted average number of ordinary shares (K'000) outstanding during the period used in the calculated of the basic EPS	467,225	467,227
	<b>NTA backing</b> (see note 7)		
11.1	Net tangible asset backing per ordinary security	6.961	6.723
	<b>Details of specific receipts/outlays,revenues/expenses</b>		
		Current Period K' 000	Previous Corresponding period K' 000
12.1	Interest revenue included in determining <b>item 1.1</b>	916,548	832,158
12.2	Interest revenue included in <b>item 12.1</b> but not yet received (if material)	206,026	179,780
12.3	Interest expense included in <b>item 1.4</b> (include all forms of interest,lease finance charges, etc)	41,044	56,994
12.4	Interest costs excluded from <b>item 12.3</b> and capitalised in asset values (if material)	-	-
12.5	Outlays(except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6	Depreciation and amortisation	58,661	53,586



**Control gained over entities having material effect**

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	nil
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 <b>item 14.2</b> 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**

**Segments**

The BSP Financial Group Limited and its subsidiaries operates in the following segments - provision of banking services, stock broking services, fund management and insurance business throughout the pacific region.

<u>Operating Revenue</u>		
Sales to customers outside the economic entity	1,286,387	1,143,791
Inter-segment sales	-	-
Unallocated revenue	-	-
Total Revenue	1,286,387	1,143,791
Segment result (including abnormal items where	396,120	449,320
Unallocated expenses	-	-
Consolidated operating profit before tax (equal to	396,120	449,320
Segment assets )	31,614,441	28,895,674
Unallocated assets )	-	-
Total assets (equal to item 4.17)	31,614,441	28,895,674

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

15.1 Date the dividend(distribution) is payable	14-Oct-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	26-Sep-22
15.3 If it is a final dividend, has it been declared? preliminary report only - Special dividend	Interim dividend

<b>Amount per security</b>		Amount per security	Amount K'000
	(Preliminary final report)		
15.4	Final Dividend: Current year:	N/A	N/A
15.5	Previous year	N/A	N/A
	Half yearly and preliminary final reports		
15.6	Interim Dividend: Current year	34.0 toea	160,429
15.7	Previous year	39.0 toea	182,218

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

	Current year	Previous year
15.8 Ordinary securities	N/A	N/A
15.9 Preference securities	N/A	N/A

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

	Current year	K'000	Previous year	K'000
15.10 Ordinary Securities		160,429		182,218
15.11 Preference securities		-		-
15.12 Total		160,429		182,218

The dividend or distribution plans shown below are in operation

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

N/A
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Any other disclosures in relation to dividends (distributions)

PNG domiciled investors who migrate their shares to the ASX receive dividends in Kina. Should a PNG domiciled shareholder move their shareholding to the Australian share register together with a transfer to an Australian-based fund manager, or custodian (on the basis that the shareholding will still be under the control of the PNG resident shareholder), dividends would continue to be made in Kina. Offshore investors with BFL shares on the ASX will receive dividends in AUD.
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**Details of aggregate share of profits (losses) of associates**

Entity share of associates	Current period K'000	Previous corresponding period K'000
16.1 Operating profit(loss) before income tax	-	-
16.2 Income tax expense	-	-
16.3 Operating profit(loss) after income tax	-	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit(loss)	-	-
16.6 Outside equity interest	-	-
16.7 Net profit(loss) attributable to shareholders	-	-

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

The BSP Financial Group Limited has no material interest(s) in any other entity.

Name of Entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to operating profit(loss) and extraordinary items after tax(item 1.14)	
	Current period	Previous corresponding period	Current period K'000	Previous corresponding period K'000
17.1 Equity accounted associated entities				
Suva Central Limited	50.00%	50.00%	-	-
Richmond Limited	61.25%	61.25%	-	-
BSP Finance Cambodia	50.00%	50.00%	-	-
BSP Finance Laos	50.00%	50.00%	-	-
Platform Pacific Limited	50.00%	50.00%	-	-
17.2 Total			-	-
17.3 Other material interest	-	-	-	-
17.4 Total	0%	0%	-	-

**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)	N/A	N/A	N/A
18.2 Issued during period	-	-	-
18.3 Ordinary Securities	467,224,230	467,224,230	0.848
18.4 Issued during current period	-	-	-
18.5 Convertible debt securities (description and factor)	N/A	N/A	N/A
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)	N/A	N/A	N/A
18.12 Unsecured notes (totals only)	N/A	N/A	N/A

**Comments by directors**

Comments on the following matters are required by PNG Exchange Markets (PNGX) 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

The Income Tax (Amendment) Act 2022 dated 23rd March 2022 was passed in the March 2022 sitting of Parliament and introduces an Additional Company Tax (the Tax), effective 25th March 2022. This legislation is intended to supersede the Income Tax (2022 budget) (Amendment) Bill dated 22 November 2021, which introduced the Market Concentration Levy. The Tax applies a flat K190m on any bank that has over 40% market share of financial assets, which only applies to BSP as it is the only bank whose market share exceeds 40%. The Tax is payable by 30 September of each year and a penalty of up to K50m or up to 6 months imprisonment applies for non-payment. The Tax is non-deductible for tax purposes, and will have a direct impact on BSP's NPAT. In line with accounting standards, the full amount of the Tax has been taken up in the Statement of Comprehensive Income in Quarter 1 2022 as the legislation makes BSP liable for the tax on 1 January of each year. Concerned about the discriminatory nature of the Tax, BSP is seeking a judicial review with an application being lodged at the Supreme Court to challenge the constitutional validity of this Tax.

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)

N/A

N/A

N/A

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

N/A

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

initial service charges  
Management fees  
other fees

N/A

**Annual meeting**

(preliminary final report only)

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the annual report will be available

N/A

### 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 PNGX Markets.

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.

Sign here .....  
Sir Kostas Constantinou, CBE  
Chairman

Robin Fleming, CSM  
Group Chief Executive Officer/ Managing Director

Date: 17th August 2022