ASX: BFL | PNGX: BSP

28 March 2022

Papua New Guinea Income Tax (Amendment) Act 2022

Further to earlier announcements by BSP Financial Group Limited (BSP) on 26 November 2021 and subsequent updates provided with the 2021 full year result announcement on 23 February 2022 and full year results presentation page 23 on 1 March 2022, regarding introduction of a "Market Concentration Levy" (the Levy), the Papua New Guinea government has released the Income Tax (Amendment) Act 2022 (the Act) which is operational from 25 March 2022. The Act contains certain amendments to the application of the Levy. Key changes for BSP include:

- The Levy is now called "Additional Company Tax" (the tax);
- The tax is payable as a single payment on 30 September 2022 annually, while the Levy was payable in three installments each year; and
- The tax is a nondeductible expense.

The Act remains a non-deductible flat tax of K190m, applicable to any bank that has over 40% market share of financial assets, which will only apply to BSP.

BSP's first quarter results will reflect the full amount of the tax of K190m.

This announcement was authorised for release by Mary Johns, Company Secretary of BSP Financial Group Limited.

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