



20th May 2022

Ms. Nicola Lombardi
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000
Australia

By Electronic Lodgment

Dear Ms. Lombardi,

BSP Financial Group Limited – 2022 Annual General Meeting Presentation

In accordance with the ASX Listing Rules, BSP Financial Group Limited (**ASX: BFL | PNGX: BSP**) provides to ASX for release to market its 2022 Annual General Meeting Presentation.

Sincerely,

BSP Financial Group Limited



Mary Johns
Company Secretary



Enclosure

BSP Financial Group Limited

Incorporated in Papua New Guinea | ARBN 649 704 656

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 PO Box 78, Port Moresby, Papua New Guinea  www.bsp.com.pg



**Our Bank.
Our People.**

2022 ANNUAL GENERAL MEETING

Shareholder Presentation

Robin Fleming – Group CEO
BSP Financial Group Limited
[ARBN: 649 704 656, Incorporated in Papua New Guinea]



2022

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Introducing BSP

South Pacific market leader

BSP provides financial services to seven South Pacific countries and two in South East Asia. BSP remains the largest South Pacific bank, with the most extensive branch network.



K13.6b [A\$5.3b]

In net lending



K30.4b [A\$11.9b]

In total assets



K5.8b on PNGX [A\$2.3b on ASX]

Market capitalisation ¹



118 branches and sub-branches

Largest network



~ 3.2m

Customer accounts



> 14.9m per month

Digital transactions

¹ PGK Value and AUD value based on PNGX and ASX share price as at 13/05/22

Diversification

BSP provides banking, asset finance, life insurance, funds management and corporate advisory services. BSP has also established a 50:50 Fintech JV in PNG to improve its digital capabilities. We continue to explore both organic and inorganic growth opportunities within our chosen markets and service lines.

BANKING



ASSET FINANCE



LIFE INSURANCE



FUNDS MANAGEMENT & CORPORATE ADVISORY



2021 Financial Performance

2021 results overview

As customers in every country adapted to the COVID-19 impacts, a granular re-assessment of COVID-19 related provisions taken up in 2020 saw adjustments to the provision levels held, which combined with strong domestic liquidity and good foreign exchange revenue across all markets led to a record financial performance in 2021.

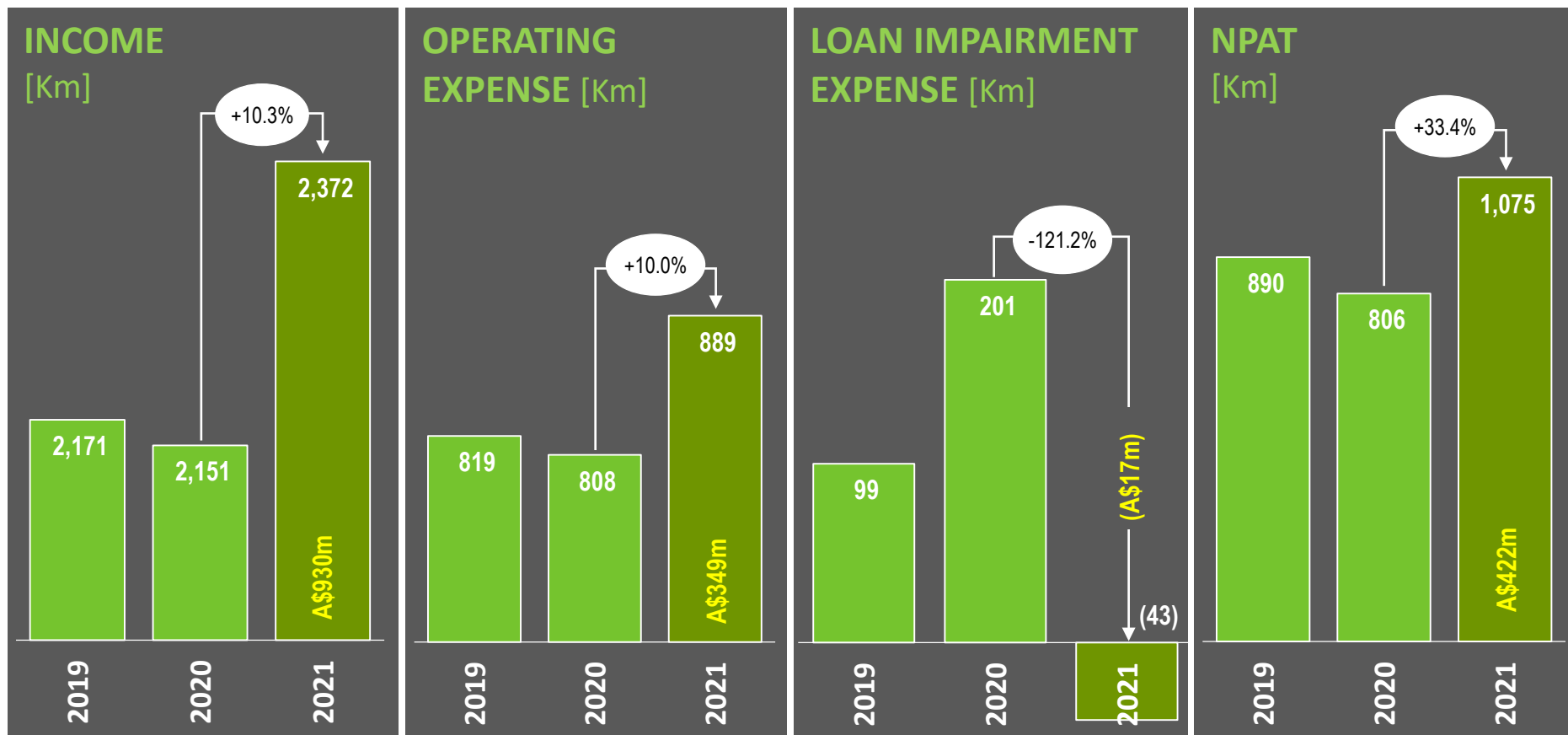
	2021	2021 vs 2020
● Profit [NPAT, Kb]	1.075	+ 33.4%
● Net assets [Kb]	3.8	+ 10.5%
● Cost-to-income ratio [%]	37.5	-10bps
● Capital adequacy ratio [%] ¹	25.7	+ 250 bps
● Earnings per share [toea]	230.1	+ 33.3%
● Dividend per share [toea]	173	+33.1
● Market capitalisation PNGX [Kb] ²	5.6	unchanged
● Market capitalisation ASX [\$Ab] ²	2.0	-

¹ Capital Adequacy Ratio calculated pre-dividend and as at 31/12/21

² PGK Value and AUD value based on PNGX and ASX share price as at 31/01/22

Group profit

Group NPAT increased by K269m [33.4%], as economies we operate in adjusted to a COVID-19 operating environment ... illustrated by double digit income growth and impairment releases.

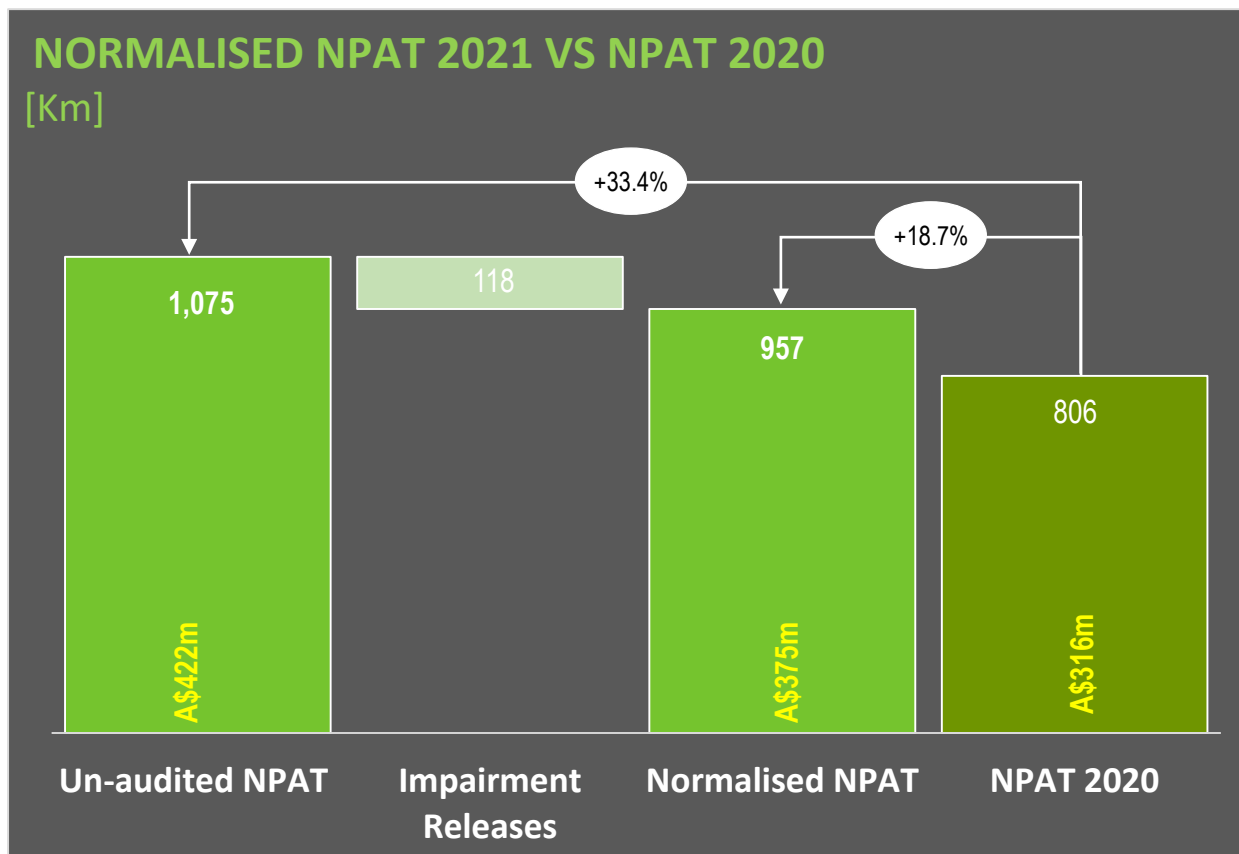


Note: PGK/AUD rate 0.392157 as at 31/12/21



Normalised Group profit

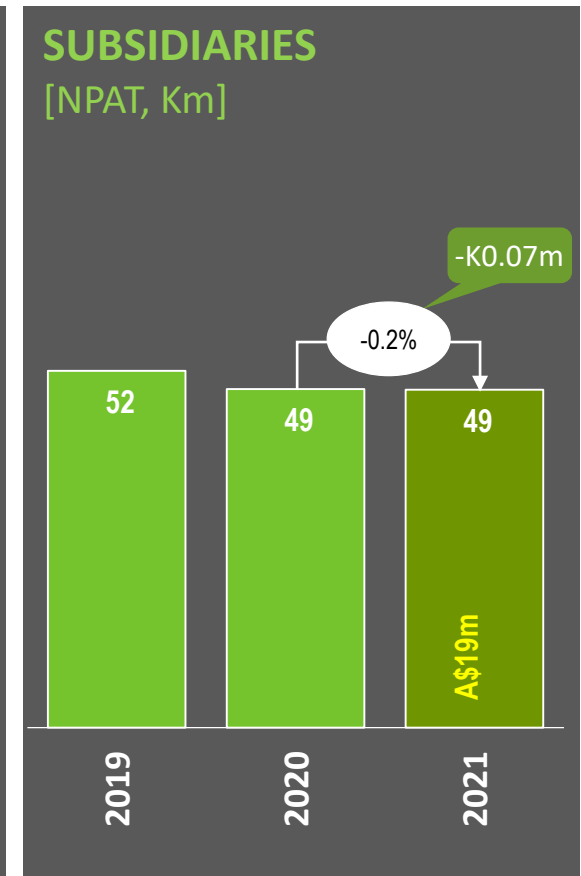
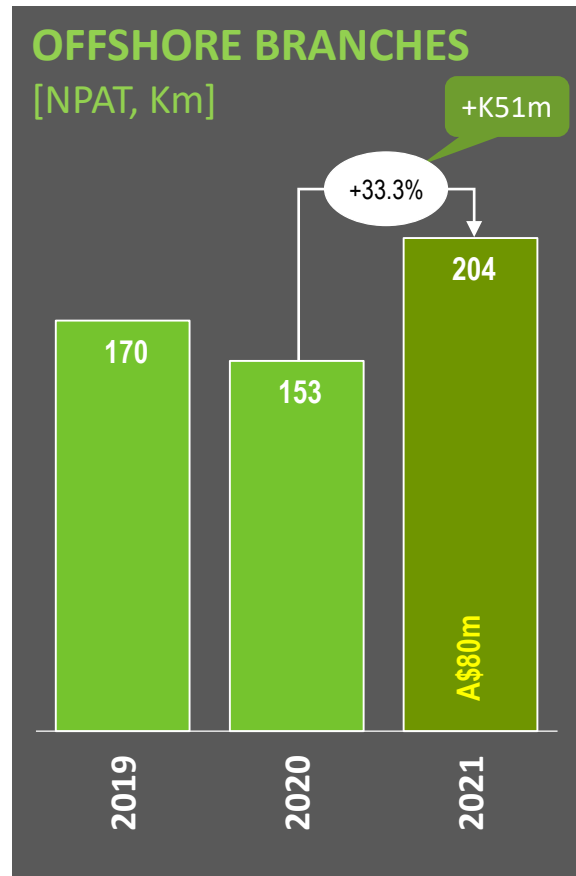
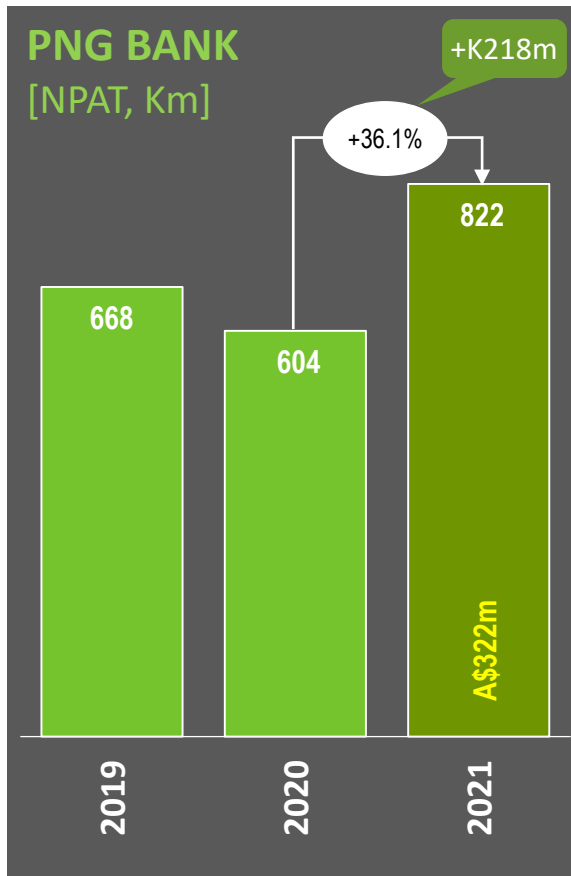
The 2021 Group NPAT [K1.075b] was K269m [33.4%] above the prior year's K806m profit. Normalised 2021 Group NPAT, after adjusting for impairment releases, increased by 18.7% to K957m.



Note: PGK/AUD rate 0.392157 as at 31/12/21

Profit by division

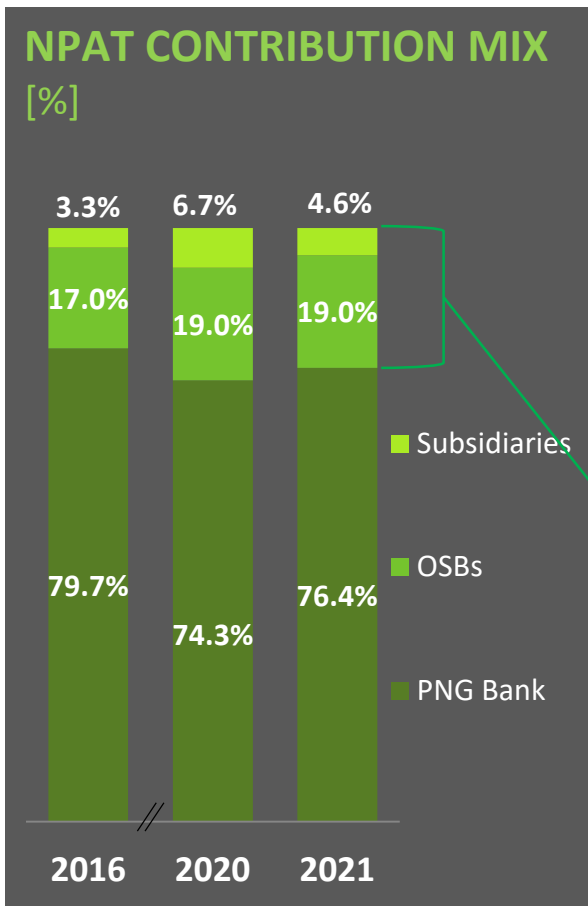
All of BSP's divisions recorded profits, notwithstanding flat economic conditions, particularly in tourism dependent economies.



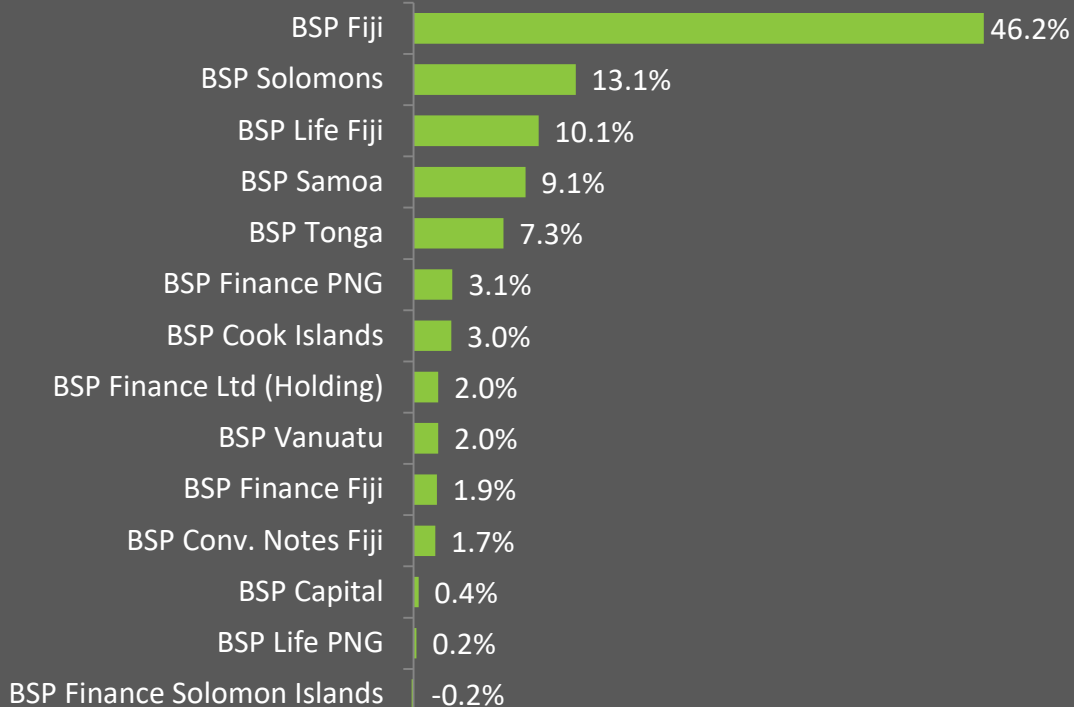
Note: PGK/AUD rate 0.392157 as at 31/12/21

Profit contribution mix

PNG and offshore branches [OSBs] account for 95% of 2021 Group NPAT. BSP Fiji bank was a key contributor ... generating almost half [46.2%] of the combined OSB and Subsidiary 2021 NPAT.

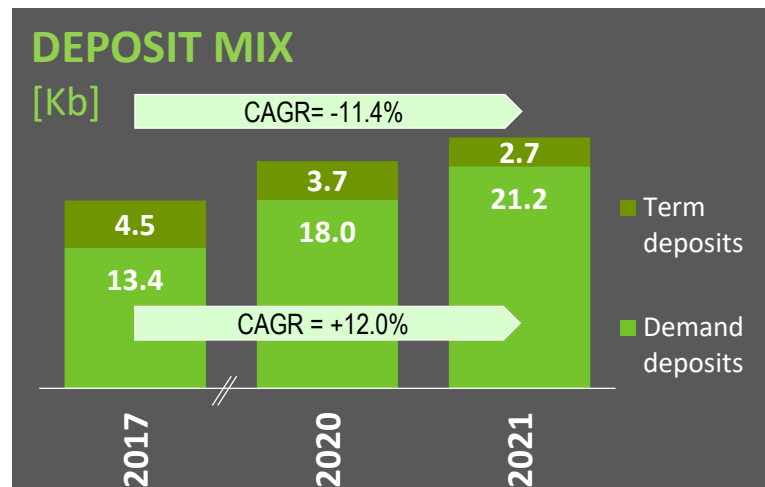
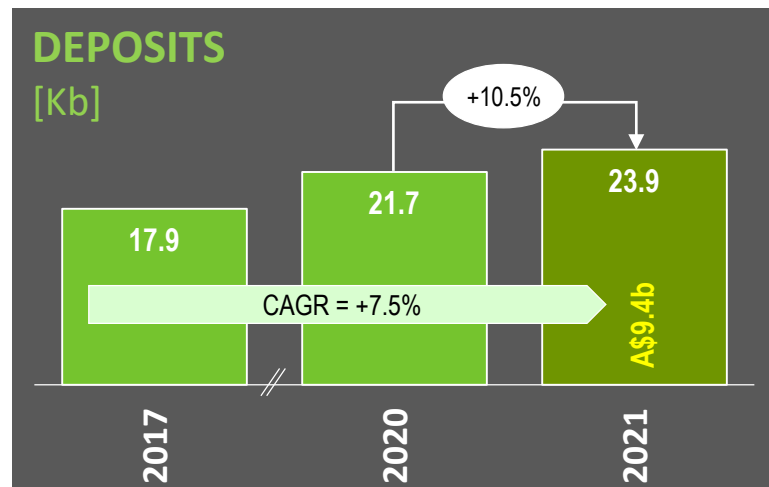
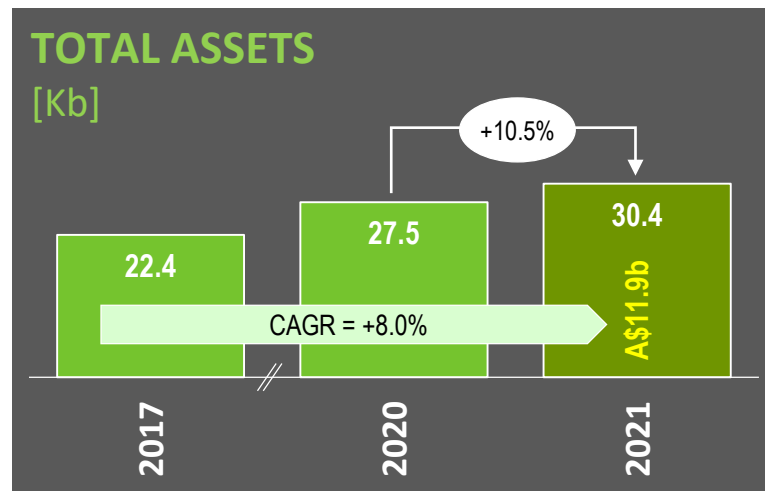
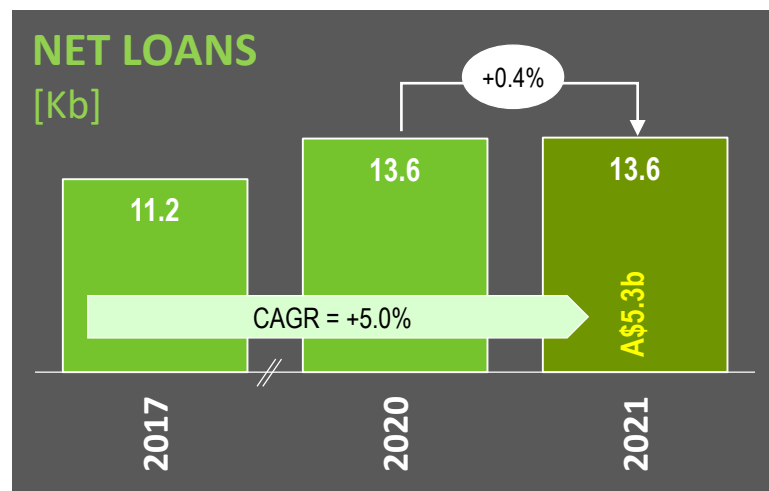


OFFSHORE BRANCH AND SUBSIDIARY NPAT 2021 CONTRIBUTION [%]



Group financial performance drivers

BSP continued to grow its assets and deposits. Flat lending growth reflected generally soft economic conditions and negative credit growth in most countries. Collectively, these results confirm BSP's underlying strength.

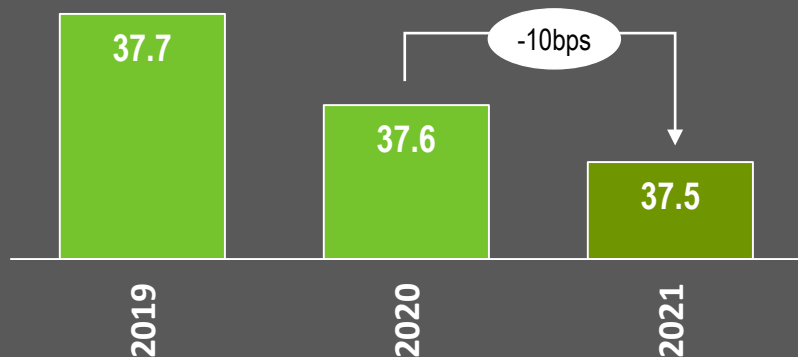


Note: PGK/AUD rate 0.392157 as at 31/12/21

Group key ratios

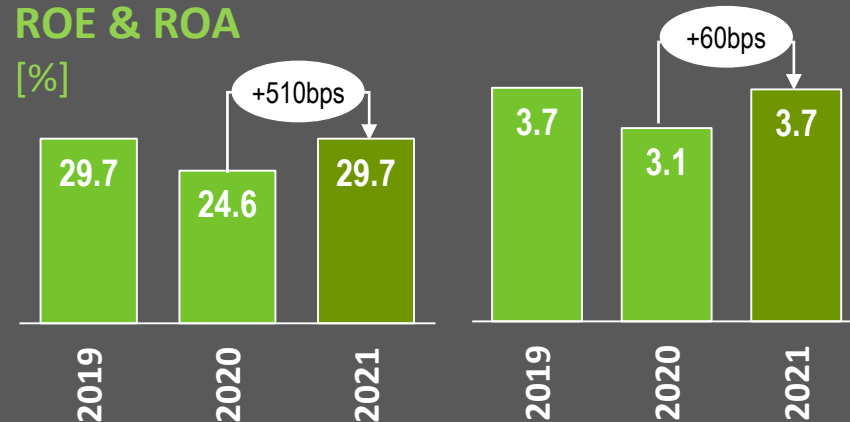
BSP Group has maintained strong results across all of its profit, efficiency and capital ratios.

COST TO INCOME [%]



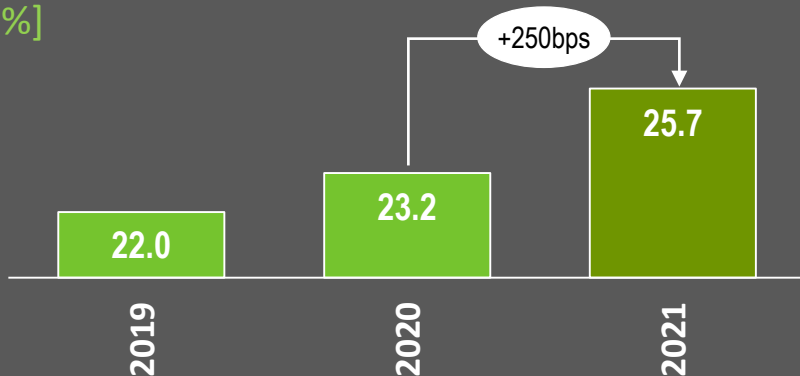
ROE & ROA

[%]



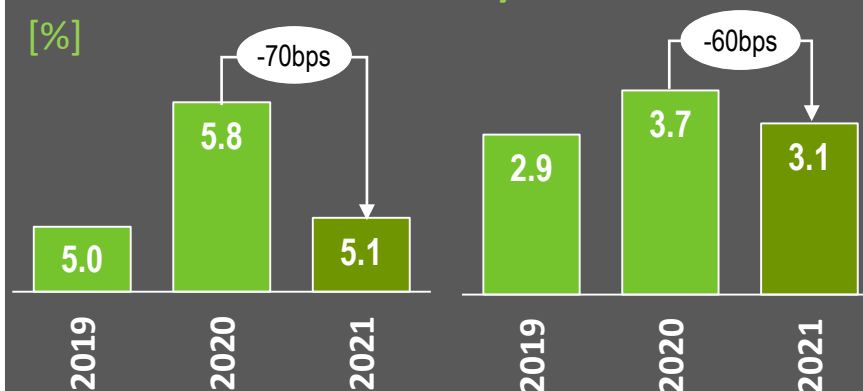
CAPITAL ADEQUACY

[%]



PROVISIONS TO LOANS / NPL TO LOANS

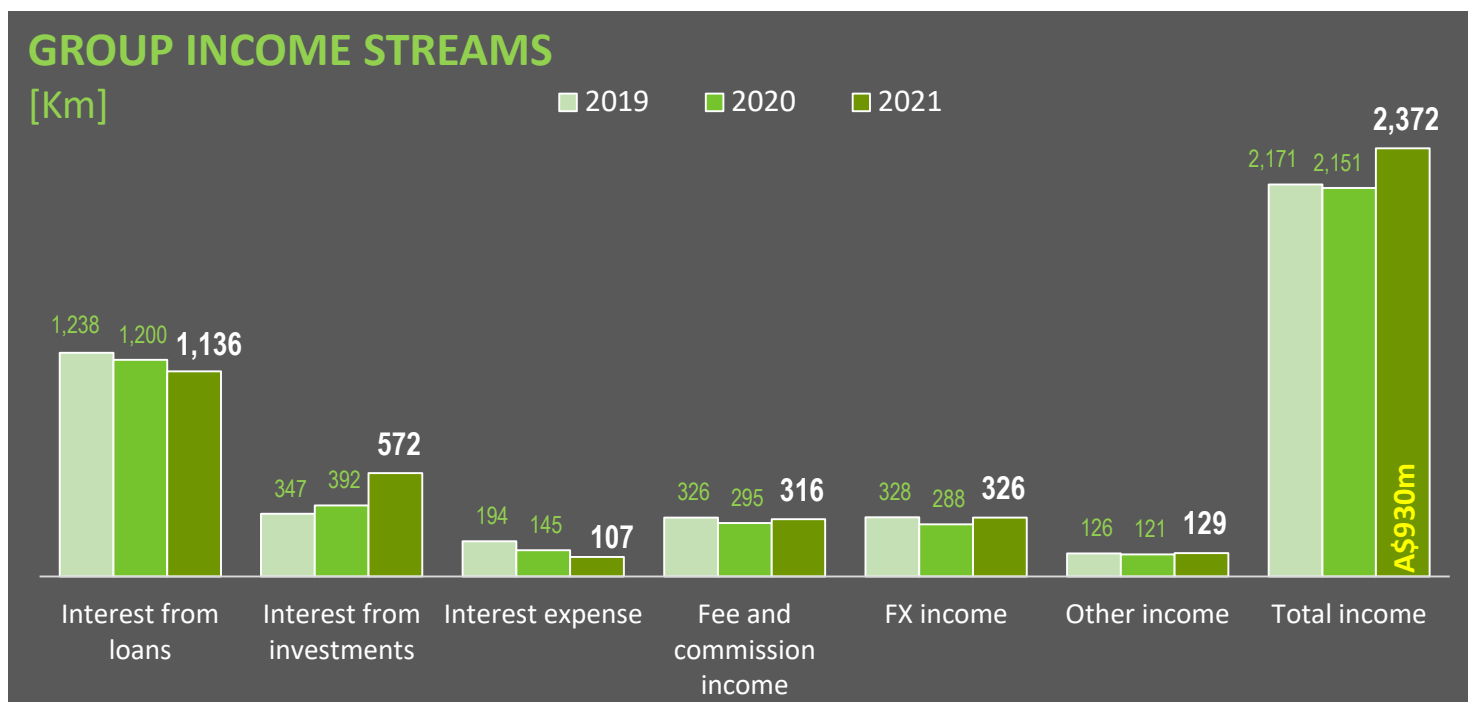
[%]



Group income stream trends

Total income increased by 10.3%. Fee income rebounded, with a focus on channel streams and increased transactional activity. Foreign exchange revenue improved, especially in PNG, and surplus liquidity was invested in government paper.

	Lending income	Investment income	Interest expense	Fee income	FX Income	Other income	Total Income
YOY:	-5.3% ▼	45.8% ▲	-26.4% ▼	7.3% ▲	13.0% ▲	6.4% ▲	10.3% ▲
CAGR:	-4.2% ▼	28.3% ▲	-25.8% ▼	-1.4% ▼	-0.3% ▼	1.1% ▲	4.5% ▲



Note: PGK/AUD rate 0.392157 as at 31/12/21

Group expenditure trends

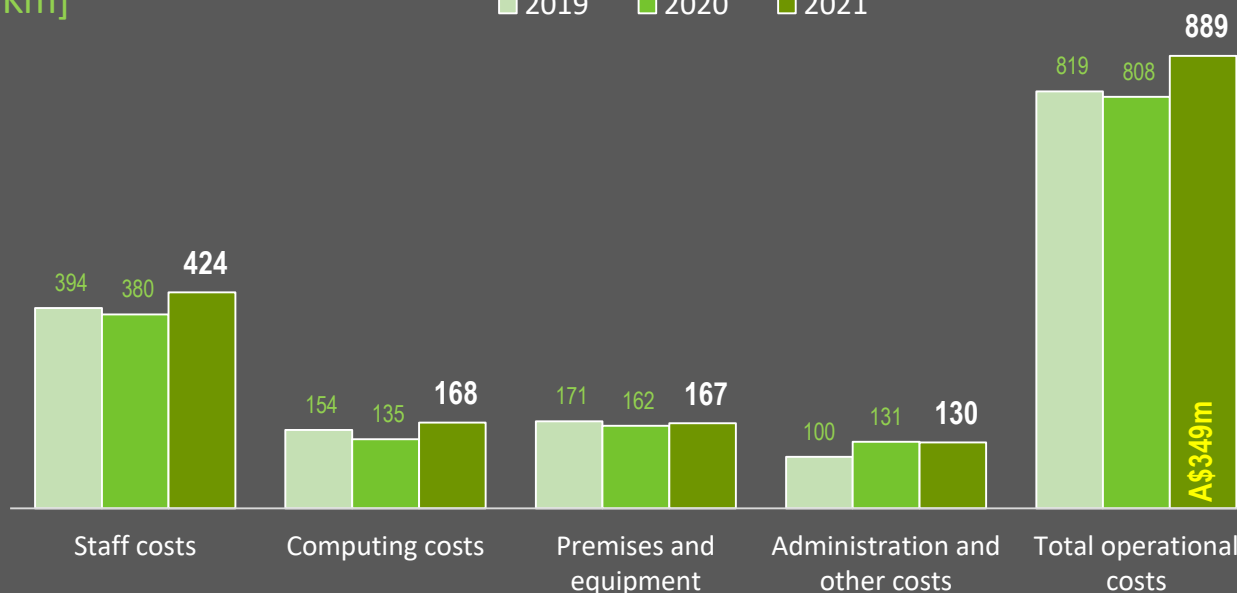
Total operating costs increased by 10.0% year-on-year, with increases in Computing and Staff Costs, as BSP continued to invest in its AML capacity and IT delivery.

	Staff costs		Computing costs		Premises & Equipment		Admin costs		Total Operating costs	
YOY:	11.5%	▲	24.2%	▲	3.1%	▲	-0.7%	▼	10.0%	▲
CAGR:	3.8%	▲	4.6%	▲	-1.1%	▼	13.1%	▲	4.2%	▲

GROUP EXPENDITURE

[Km]

■ 2019 ■ 2020 ■ 2021



COMMENTS

- **Staff Costs** – additional FTEs in retail, AML and technology
- **Computing Costs** – software maintenance, licenses, data links, software amortisation and commencement of capitalisation of the new core banking system
- **Admin Costs** – includes ASX listing expenses
- **Premises & Equipment Costs** – includes depreciation of premises & equipment and fixed-asset write-offs.

Key:

CAGR = Compound annual growth rate [3 years]

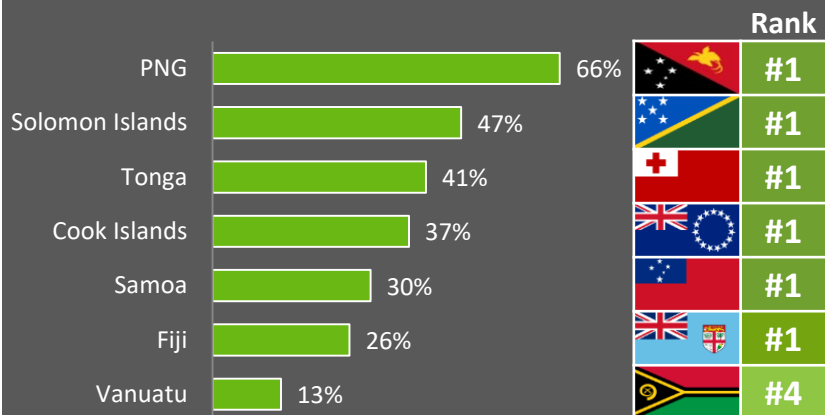
YOY = Year on year

Note: PGK/AUD rate 0.392157 as at 31/12/21

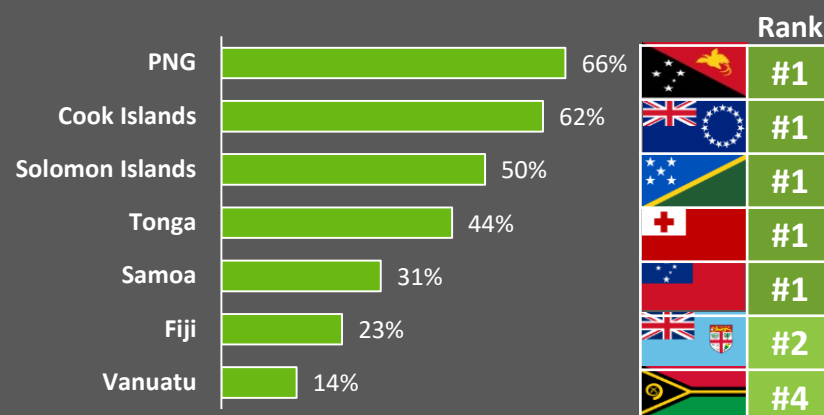
Market position and portfolio composition

BSP continues to dominate the South Pacific market, with five countries ranked #1 in lending and deposits. Our loan and deposit portfolios are predominantly PNG domiciled.

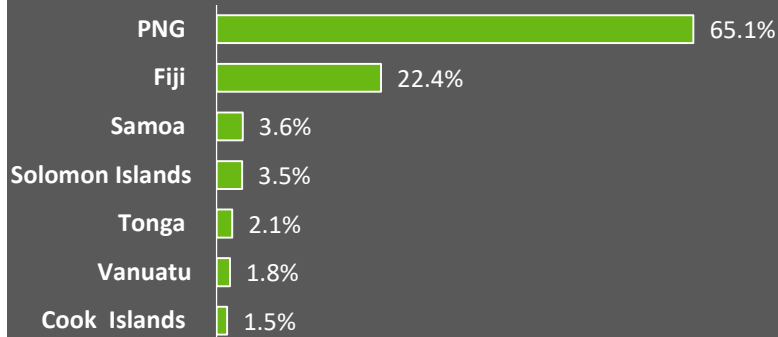
LOANS MARKET SHARE [31 Dec 21, %]



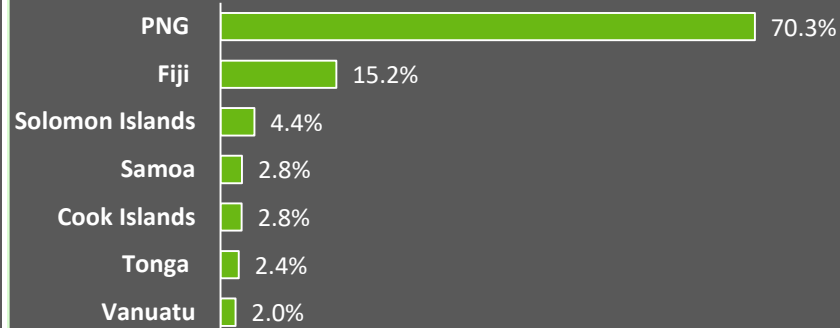
DEPOSIT MARKET SHARE [31 Dec 21, %]



LOANS PORTFOLIO COMPOSITION [2021, %]



DEPOSIT PORTFOLIO COMPOSITION [2021, %]

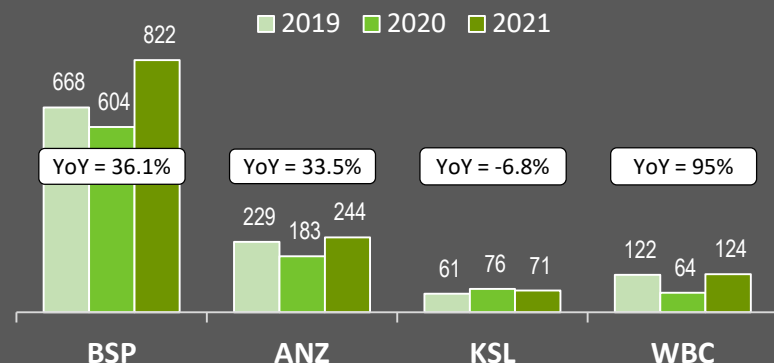


PNG bank's relative performance

BSP continues to outperform its competitors and dominate in PNG ... PNG's most successful bank continues to deliver value to its shareholders.

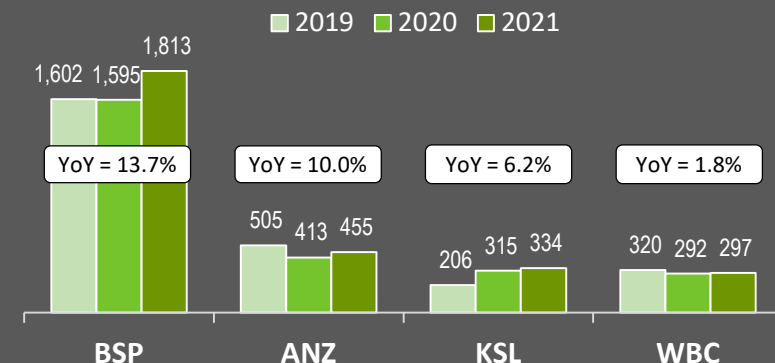
NPAT TREND

[Km]



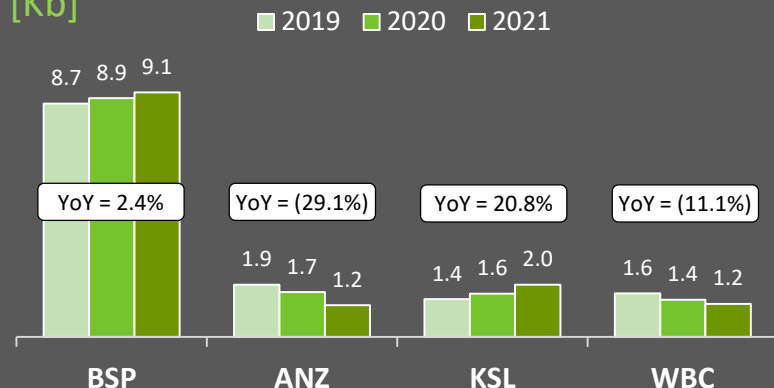
GROSS INCOME TREND

[Km]



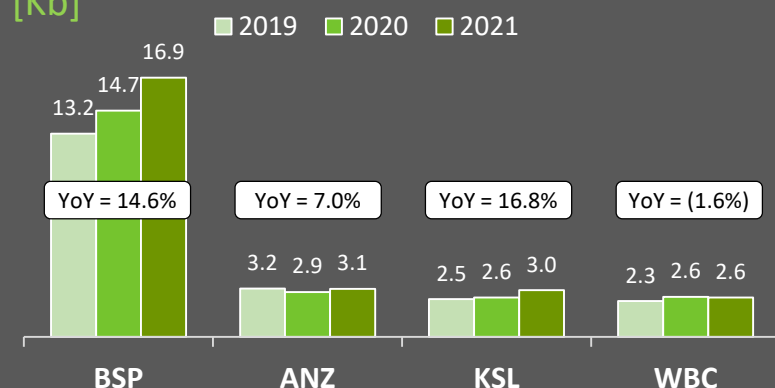
NET LENDING TREND

[Kb]



DEPOSITS TREND

[Kb]



Source: BSP (Dec-21), Key Disclosure Statements: ANZ PNG (Sep-21), WBC PNG (Sep-21), KSL (Dec-21)



Operational Performance

Continued network expansion

BSP has the largest branch and electronic/digital network in the South Pacific region ... and continues to invest to improve customer service levels across the Group. Between 2017 and 2022, BSP has committed K690m on new projects in PNG.



CAPITAL EXPENDITURE [2017 to 2022]

Expenditure items	Value [Km]
New core banking system	494.1
Branch expansion	68.6
IT/Software/Networks	50.0
Data Centre	28.8
New ATM's	14.4
Buildings	13.2
New EFTPOS terminals	11.5
Others	9.7
Total	690.3

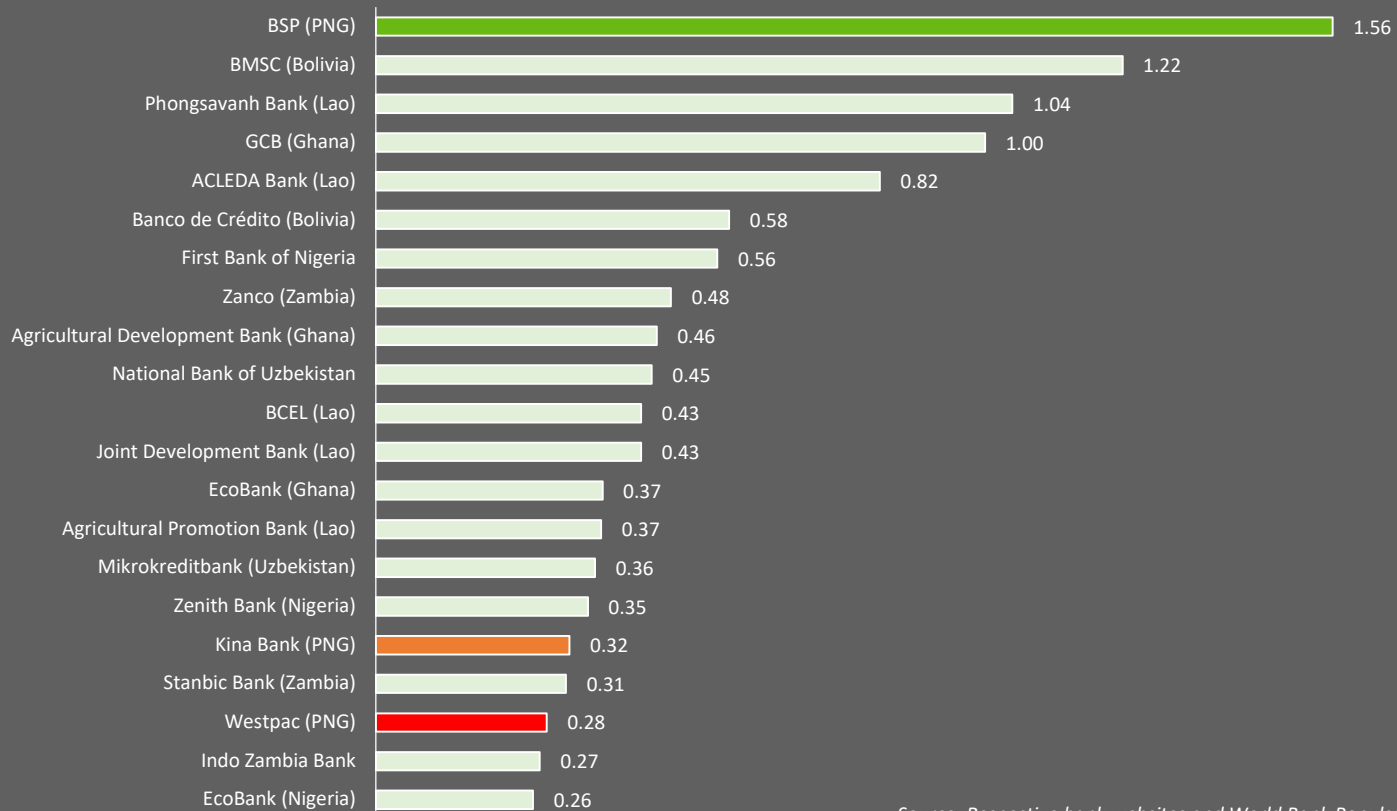
BSP/RETAIL EXPANSION IN 2022

- Eriku (5th branch in Lae)
- Dobel (2nd branch in Mt Hagen)
- Maprik – upgrade and conversion to full branch
- Boroko Lending Centre
- Telefomin Sub Branch Upgrade to Hybrid Sub Branch

Bank branch access in comparable markets

BSP branch access ranks highly when compared to other leading banks in comparable markets [i.e. countries presented in the World Bank PNG Economic Update Feb-2022 report]. BSP's PNG footprint is the largest, with 84 branches and sub-branches ... significantly more than WBC's and Kina Bank's combined 32 branches in total.

BRANCHES COVERAGE RATIO BY LEADING BANKS *[Available branches per 100,000 adults]*

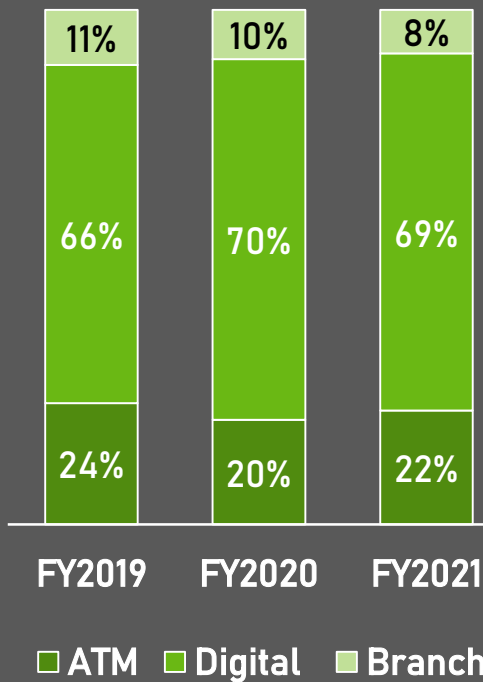


Source: Respective bank websites and World Bank Population data

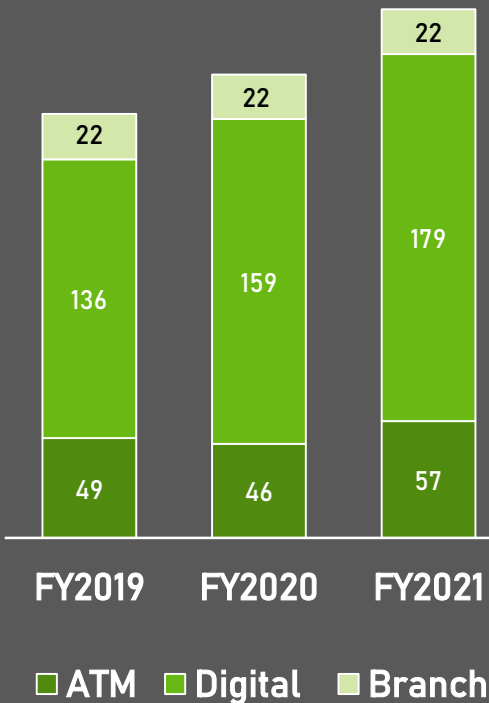
Channel growth trends

Our digital platforms accounted for 69% of total customer transactions in 2021 ... an annual increase of 11%. A total of 179m transactions per annum, or an average of 14.9m per month via digital channels, largely led by mobile banking.

TRANSACTION MIX BY CHANNEL [percentage]



TRANSACTIONS BY CHANNEL [million]



Banking on the go!

With **BSP Mobile Banking** you can conveniently,

Make Payments | TopUp Mobile Credits |
Purchase Easipay | Transfer Funds.



Key digital achievements

Underpinning the earlier reported growth in digital transactions has been our continued investment in digital services to improve customer service levels.



BSP PAY

- **16 merchants** offer BSP Pay as an alternative payment option to customers as at Q1- 22.
- Positive consumer adoption continue to reflect in convenience to purchase BMobile phone credits and tuition fee for higher tertiary institutions



MOBILE MERCHANTS

- Over **280** retailers, consumer goods and services from various business facets registered in Q1 22.
- This positive growth continues to reflect in **62% of digital transactions** processed via Mobile banking.



SCHOOL FEE MERCHANTS

- As of Q1 - 22 BSP, has registered **over 340** Schools on Mobile Banking offering customers ease of school fee payments.
- BSP recorded an organic adoption of more than **4,000** customers. This is expected to grow further in the remainder of 2022.



100% PNG MADE ONLINE PAYMENT SOLUTION

- Payment solution collaboration between BSP and Air Niugini ... IPG and Airline Ticket has now enabled **17,245 online** and more than **4,600 mobile payment of tickets**.
- Such initiative continue to provide multiple payment touchpoint ... improving customer service delivery.

Growing middle class wealth

Our home loans products continue to grow providing opportunity to citizens to increase their personal wealth with an attractive 4% fixed interest rate over a 40 year term.

BSP's First Home Ownership Scheme Loan

Equity

10%



Interest Rate

4.0% fixed

Term

40
years

BSP's Standard Owner Occupied Home Loan

Equity

20%



Interest Rate

5.5% variable

Term

40
years

FIRST HOME OWNERSHIP SCHEME LOAN

	2016	2017	2018	2019	2020	2021	CAGR
Accounts [No.]	306	549	737	884	970	1,157	30%
Balance [Km]	88.2	161.0	225.0	271.0	302.0	334.0	31%

Facilitating economic growth

BSP is a strong supporter of the PNG government's economic policy to grow the number and capacity of PNG's SMEs. The government's SME credit enhancement scheme loan program commenced in May 2021. Despite subdued economic conditions, BSP has funded more than K140m under the CESL.

SMART BUSINESS ACCOUNTS

	2016	2017	2018	2019	2020	2021	CAGR
Accounts [No.]	20,359	23,796	38,341	39,343	53,856	61,121	25%
Balance [Km]	396.2	465.9	766.8	830.7	1,120.4	1,281.0	26%

SME LOAN PRODUCTS

	2016	2017	2018	2019	2020	2021	CAGR
Accounts [No.]	1,070	1,655	2,452	2,626	2,246	2,487	18%
Balance [Km]	27.9	55.1	103.1	89.7	56.8	120.9	34%

SME CESL FACILITY BACKGROUND

- A PNG government initiative.
- BSP was able to achieve the initial K100m target by reducing the equity requirement from 30% to 10% and increasing the minimum loan amount from K3m to K5m.

BSP SMART BUSINESS PACKAGE

offers essential products that can help SMEs manage business funds and provides a pathway for growth.

A Smart Solution for Small Business [SIGN UP NOW!](#)



Financial inclusion

BSP offers a number of “fee free” accounts to its PNG customers ... to support and encourage savings and financial inclusion.



- Youth account
- Card, mobile and internet banking access
- Optional Visa debit card access
- No minimum balance required or monthly maintenance fee applied

SUMATIN ACCOUNT

Fee Free

	2016	2017	2018	2019	2020	2021	CAGR
Accounts [No.]	108,643	136,229	168,626	172,067	169,413	290,447	22%
Balance [Km]	10.8	11.3	13.8	15.4	17.7	21.2	14%



- Children aged 0 to 15 years
- No Fees
- Tiered interest plan
- Kids Savings card access

KIDS SAVINGS ACCOUNT

Fee Free

	2016	2017	2018	2019	2020	2021	CAGR
Accounts [No.]	44,899	57,408	73,763	135,111	139,679	150,506	27%
Balance [Km]	10.8	14.0	18.6	22.8	27.4	31.7	24%



- Tiered rate structure offering higher interest on higher balances
- Mobile, internet and telephone transfers
- Interest calculated daily, paid quarterly

PLUS SAVER ACCOUNT

Fee Free

	2016	2017	2018	2019	2020	2021	CAGR
Accounts [No.]	65,209	79,632	114,387	118,992	121,552	128,721	15%
Balance [Km]	146.1	182.8	227.3	289.5	327.8	369.0	20%

Recent fee reductions to benefit customers

BSP continues to review its fees and charges and has NOT increased a single fee in PNG since 2014. We estimate that the cumulative annual fee income forgone will be circa K91m in 2022.

2021 FEES REDUCED

NO FEES FOR PURCHASES LESS THAN K25

NO FEE

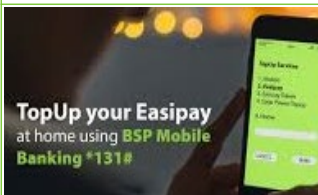
When you spend less than K25 at an EFTPOS merchant:

- NO service fees for purchases
- NO Merchant Surcharge
- Obtain Cash Out Without the need to visit an ATM



Merchant EFTPOS fee removed for low value transactions

- Transactions under K25 = **free** [from 8-May-21]
- Transactions K25 and over = 25t [no change]



Mobile Banking EasiPay Top Up fee halved from 50t to 25t [as of 30-Apr-21]



Branch EFTPOS Withdrawal fee halved from K4.00 to **K2.00** [as of 30-Apr-21]

2022 FEES REDUCED



SME Current Account fees [1-Apr-22]

- Account Maintenance Fee reduced from K10 to K8
- Branch deposit from K2 to **free**
- Branch withdrawal and EFTPOS withdrawal reduced from K3 to K2 and K4 to K2 respectively

SME Package Account maintenance fee reduced from K15 to K8 [1-Apr-22]



Branch Withdrawal Cash Handling fee ... "fee **free**" threshold doubled to K10,000 from K5,000 [as of 1-Mar-22]



Branch Deposit Cash Handling fee ... "K20 fee **waived**" for deposits of K10,000 or more [as of 1-Mar-22]



Kundu Package monthly fee discounted by 11% from K9.50 to **K8.50** [as of 1-Mar-22]



Kundu Standard Account branch withdrawal fee reduced from K4 to K2 [1-Apr-22]

Social and environmental management

BSP's Environmental and Social Risk Management (ESRM) policy was established in 2008 to assess and monitor potential environmental and social risks associated with customers' business activities in all jurisdictions that BSP operates.

- ESRM employed at customer onboarding stage to detect customers engaged in high-risk sectors.

Total logging loans and deposits represent **0.05% and 0.42% respectively, of BSP Group's total loan and deposit portfolios ...** and declined materially between 2020 and 2021.

- ESRM assessment for customer onboarding is conducted in the following sequence.



- BSP has and will continue to exit non-compliant businesses.

LOGGING CUSTOMER TRENDS [Km]

	2020	2021	Annual Change
Logging deposits	123.61	99.95	-19.1%
<i>Logging % of total deposits</i>	<i>0.57%</i>	<i>0.42%</i>	
Logging loans	18.70	6.95	-62.8%
<i>Logging % of total loans</i>	<i>0.13%</i>	<i>0.05%</i>	

Social license to operate

Banking and delivering financial services to our chosen markets has given BSP the most unique opportunity to reach more communities than any other bank or financial services provider can. BSP continues to support our communities in sponsorships, donations and charity work.

COMMUNITY

PNG and South Pacific Community Support



Sponsorships

K2.0m



Donations

K1.9m



Community Projects

K1.5m



Delivering Financial Literacy in PNG



127

Certified Financial
Literacy Trainers
since 2017



6,692

participants since
2017



49%

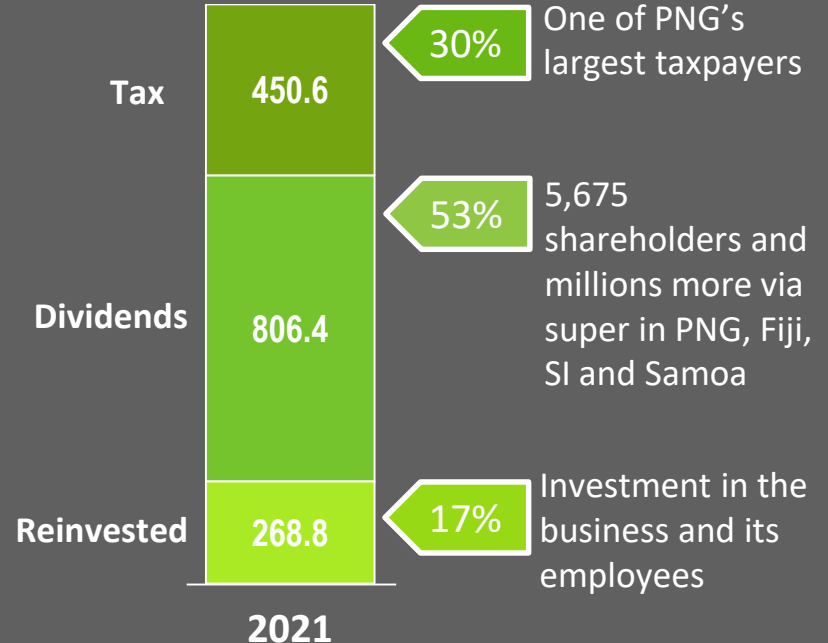
3,328 female
participation
since 2017



300+

students reached
in 2021 under the
Brisbane Broncos
Community Partnership

FAIR SHARE [Km]



BSP Our Bank. Our People.

Core system replacement

Vanuatu's new core banking Oracle FLEXCUBE system went live in 1H-2021 ... PNG to follow in Q1-2023 and remaining OSBs thereafter.

The new FLEXCUBE system will improve our operating efficiency and materially improve BSP's competitiveness ... particularly our digital offering.

VANUATU TEAM

The FLEXCUBE rollout is more than just a Core Banking System ... we have replaced or improved numerous banking operating and reporting systems, including real-time risk and credit bureau analytics, Sierra, Bizedocs, Bizeweb, Branchless Banking and also launched a new Internet Banking portal and operating platform.



BSP Group strategy

The Group Board has set the following strategic objectives

- Defend market leadership position, with organic growth strategies targeting specific market segments and increase share of wallet
- Where not market leader, grow market share by continued investment in market leading customer service, products and channels
- Continue to assess market and business conditions in relation to non-organic growth opportunities ... expanding market presence in existing and new South East Asian countries
- Be the employer of choice in PNG and broader South Pacific
- Excel in risk management and remediation
- Deliver on the digital, data and technology transformation ... via Project Compass ... ensuring digital product and service leadership position

Q1 2022 Financial Performance

Q1-2022 results overview

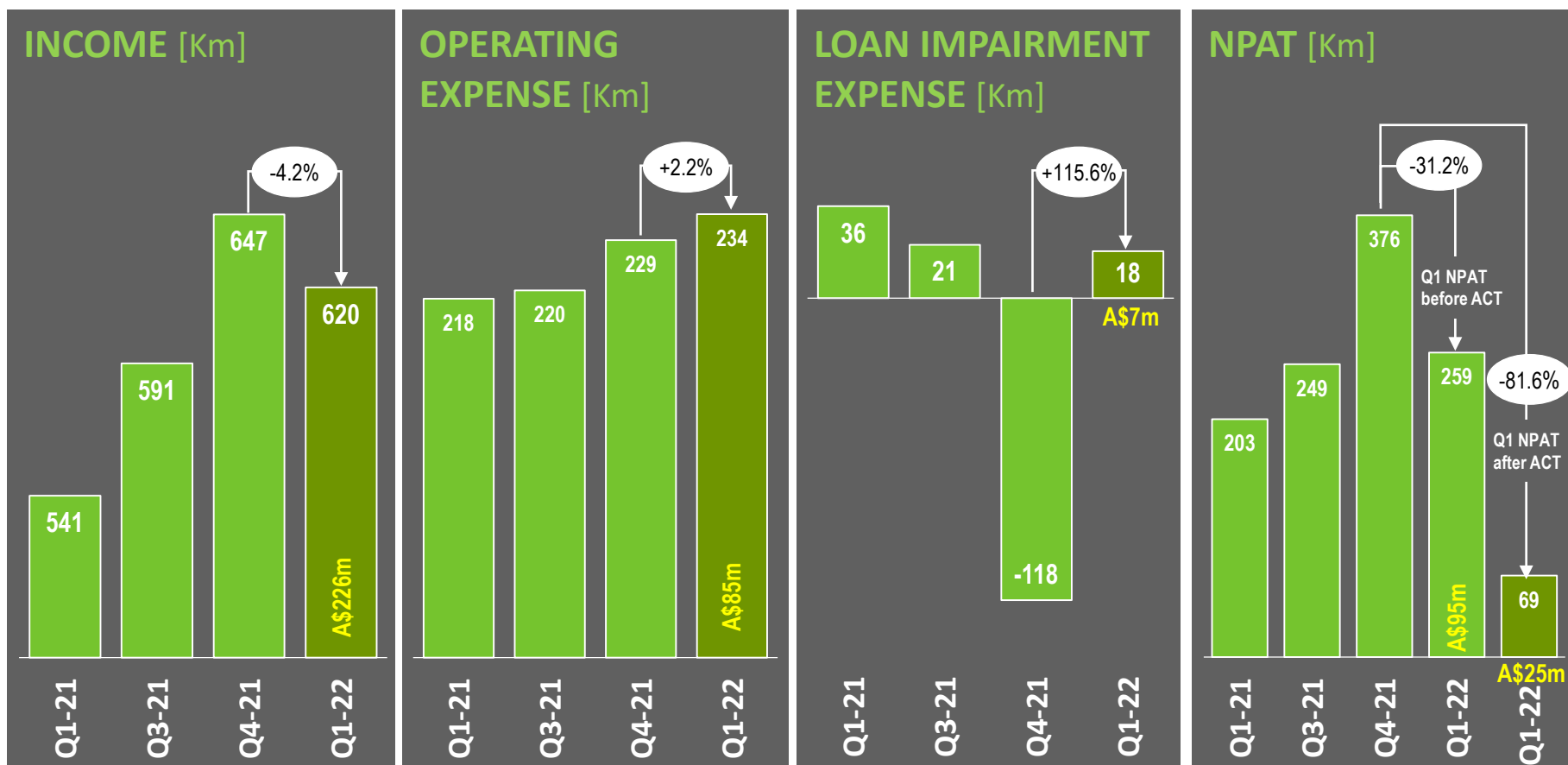
Strong Q1 results were driven by improving economic conditions and loan growth. However, the new K190m Additional Company Tax (ACT) is a significant drag on Q1 results.

	Q1-21	Q1-22	Q1-22 vs Q1-21
● Normalised Profit [NPAT, Km] before Additional Company Tax	203	259	+ 27.8%
● Profit [NPAT, Km] after Additional Company Tax	203	69	- 65.8%
● Cost-to-income ratio [%]	40.3%	37.8%	-250bps
● Earnings per share [toea]	43.39	14.84 ¹	-28.56%
● Market capitalisation [Kb]	5.6	5.6	+ 0.4%
● Market capitalisation [A\$b]	N/A	2.2	-
● Total assets [Kb]	28.9	32.2	+14.4%
● Capital adequacy ratio [%]	25.0	21.3	-370bps

¹ After ACT, excluding ACT, EPS is 55.46 for Q1-22.

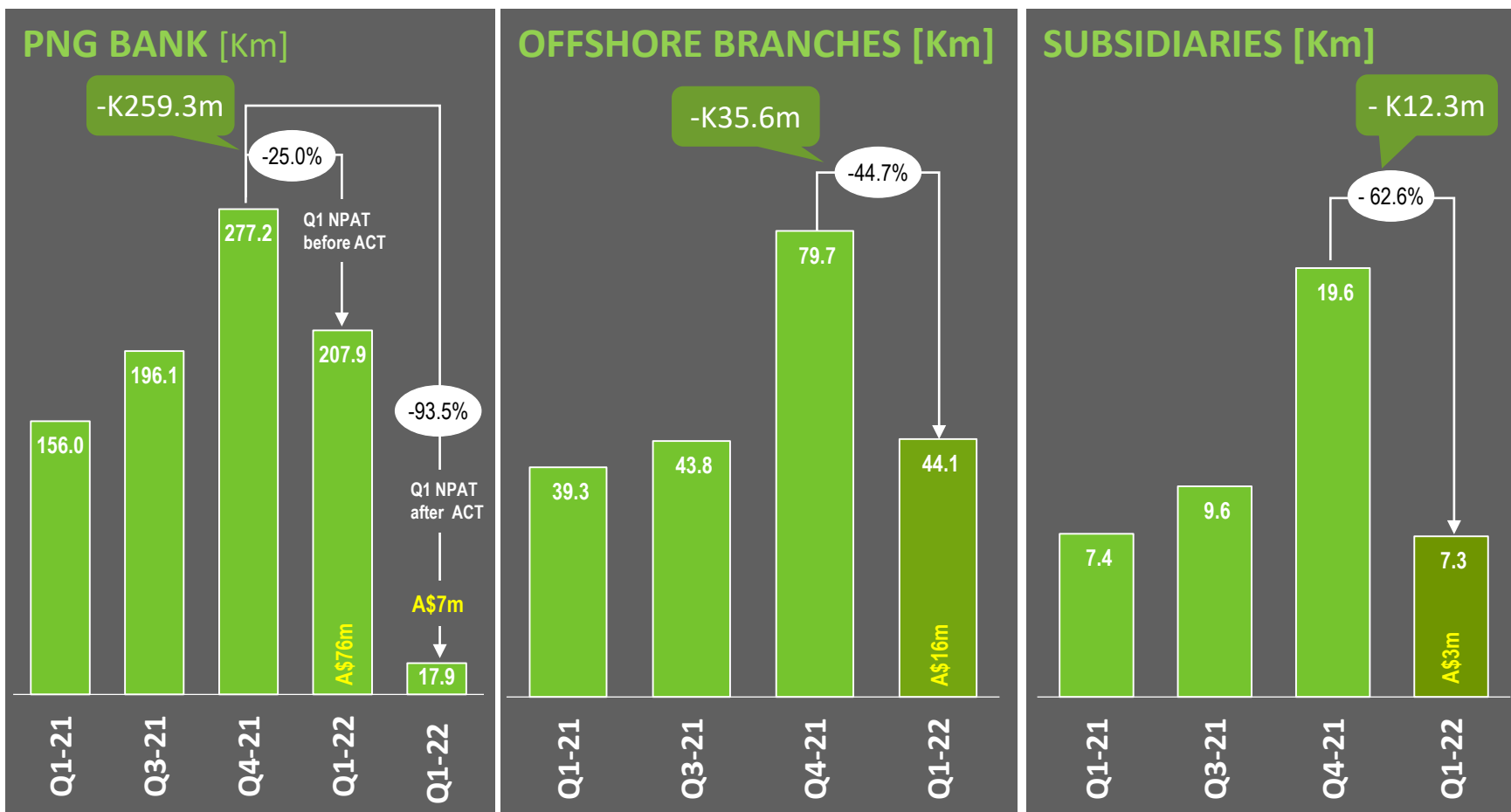
Q1-2022 profit result

Income growth and lower loan impairment expense, resulted in an increase in Group NPAT to K259m, compared to K203m last year. In accordance with accounting standards BSP recognised the full K190m ACT in the Q1-22, reducing Group NPAT to K69m, despite our strong underlying performance.



Q1-2022 profit contribution by business

The large reduction in PNG Bank's NPAT, was a direct impact of the ACT. Consequently, OSB's NPAT contribution increased to 64% of Q1 Group NPAT, but will rebalance over the remaining three quarters of 2022.



Additional Company Tax (ACT)

The ACT is a non-deductible super tax applied only to BSP in the Banking Sector and is payable in Q3-2022. In accordance with accounting requirements, BSP has recognised the K190m tax in the Q1-2022 results which led to a reduced NPAT of K69bn from K259bn pre-ACT.

ADDITIONAL COMPANY TAX

- The Income Tax (Amendment) Act 2022 dated 23rd March 2022 was passed in the March 22 sitting of Parliament and introduces an Additional Company Tax (the Tax), effective 25th March 2022. This legislation supersedes 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 could only apply to BSP.
- The Tax is payable by 30 September of each year - a penalty of up to K50m or up to 6 months imprisonment applies for a delay in 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 P&L in Q1 2022 as the legislation makes BSP liable for the tax on 1 January of each year.
- Due to the impact of the Tax, BSP's Q1 2022 NPAT has reduced from K259m to K69m.

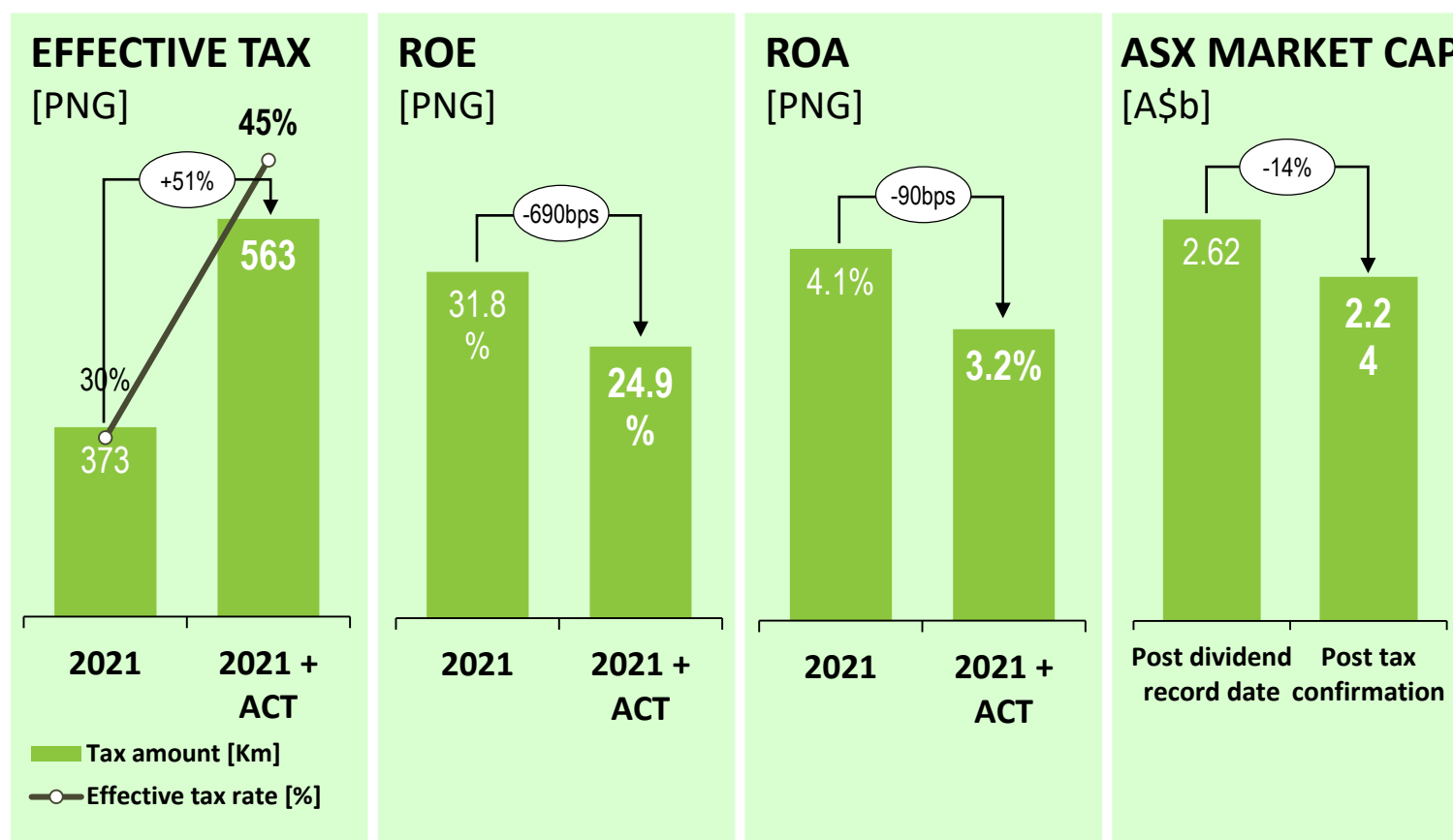
BROADER TAX IMPLICATIONS

- The Tax signals an unstable and inequitable tax regime in the country which discourages long-term investment in PNG across all sectors.
- The Tax establishes a precedent, whereby any business that outperforms its peers may be subject to arbitrary taxes. This results in a high degree of business uncertainty that is likely to reduce the appetite for investments and capital expenditure.
- The Tax, combined with BSP's existing corporate tax, represents an effective tax rate of 45% being levied on BSP, which is by far the highest tax rate in the region and one of the highest global rates.
- We are concerned that the government has singled out BSP while other commercial banks do not contribute to this revenue-raising measure. Furthermore, other banks are majority-owned by offshore investors, while BSP is the only majority-owned Papua New Guinean bank. The impact of this Tax is skewed unfairly towards local shareholders.
- PNG super funds collectively estimate the Tax's impact on shareholders to be circa K1 billion.

Tax impacts

BSP's ASX market capitalisation fell from A\$2.62b [K6.8b] post dividend record date, to A\$2.24b [K5.8b] days after the confirmation of the Act ... reducing BSP's value by circa A\$380m [K968m] , or 14%.

When the Tax is applied to PNG's 2021 results, for comparison purposes, many other performance metrics are materially impacted.



Potential responses to the Tax

BSP is carefully considering options to mitigate losses to shareholders and return ROE to historic levels. These options typically impact our customers and the communities we serve and we will endeavour to avoid such measures ... while protecting shareholder interests.

RESPONSE OPTIONS

Branch closures



- BSP's network extends to the most remote parts of PNG, where no other bank wants to operate. Remote branches may be marginally profitable, or loss making, but retained to provide banking services to Papua New Guineans as part of BSP's social license to operate.
- Reduce the number of branches in with multiple BSP branches. Customers from these closed branches could access other branches in the same location, however customer service levels are expected to deteriorate.

Increase fees

**NO FEES FOR PURCHASES
LESS THAN K25**

NO FEE

When you spend less than K25
at an EFTPOS merchant:
→ NO service fees for purchases
→ NO Merchant Surcharge
→ Please Cash Our friend the next
time you shop.



- BSP's fees and charges are in most cases the lowest in the PNG market.
- BSP is the only PNG bank required to pay the additional company tax. Accordingly, BSP may not be able to maintain the lowest priced banking services and will be forced to increase fees to the same levels being charged by our competitors.

Legal review

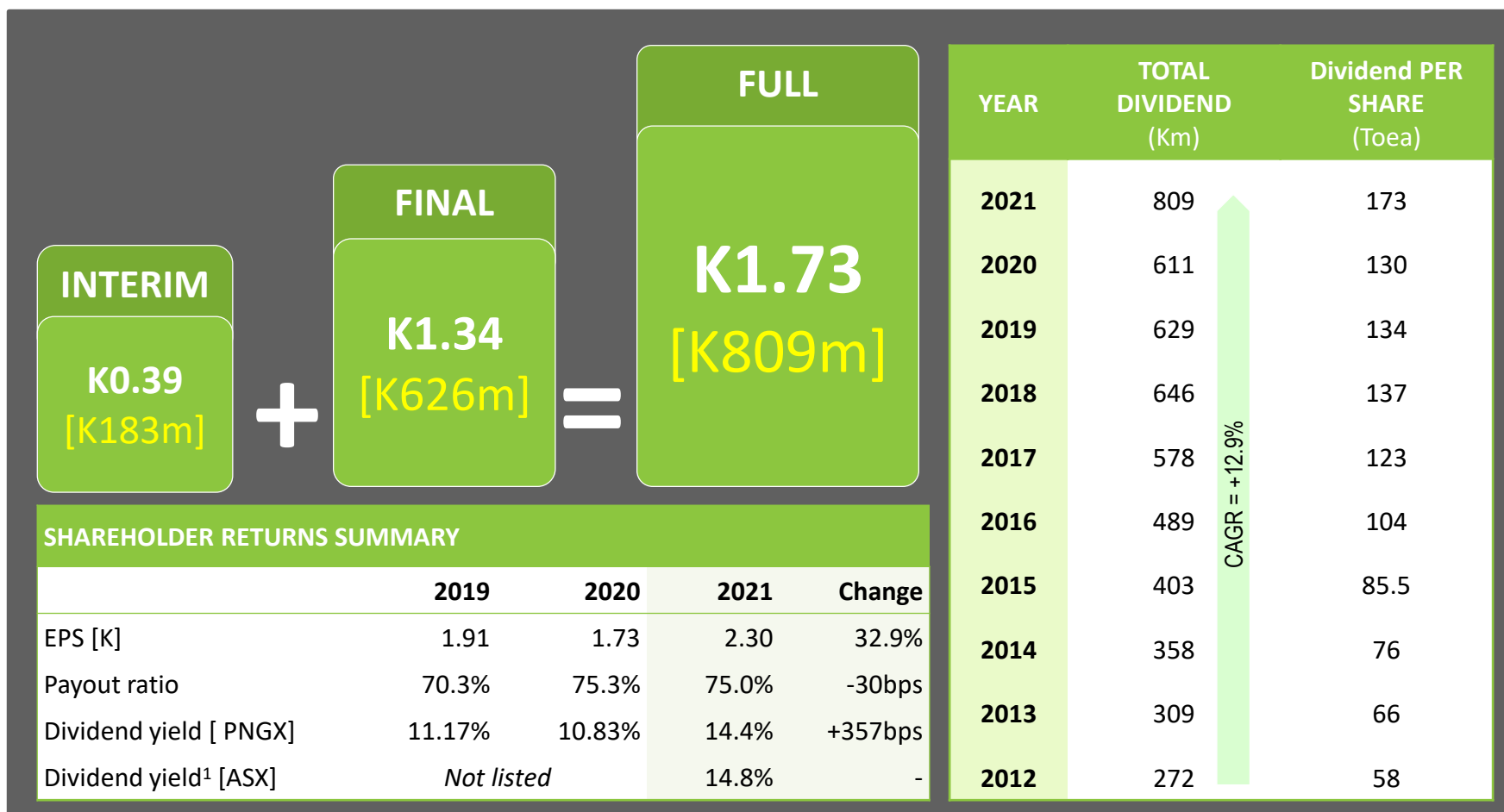


- Concerned about the discriminatory nature of the Tax, BSP is seeking a judicial review with an application being lodged at the Supreme Court to challenge the constitutional validity of this Tax. BSP is the only majority owned Papua New Guinean bank and this is an unfair tax on BSP's shareholders including Kumul Consolidated Holdings, MVIL, Nambawan Super and Nasfund, who's success benefits everyday Papua New Guineans that will lose K190 million in benefits as a consequence of the Tax.

Shareholder returns and concluding remarks

2021 dividends

BSP declared a record K1.1bn NPAT in 2021 and subsequently declared a record dividend. A final dividend of K1.34, brings our total dividend to K1.73 for 2021 ... representing a payout ratio of 75%.



¹ PGK/AUD rate 0.3805 as at 23/2/22 was used to calculate dividend yield on the ASX

Our profits

Strong performance enabling consistent returns to shareholders, particularly the super funds and their members ... working class Papua New Guineans and Pacific Islanders.

SHAREHOLDER RETURNS [toea]



TOP 10 SHAREHOLDERS [Apr-2022]

Rank	Name	% Held
1	Kumul Consolidated Holdings Limited	18.2%
2	Petroleum Resources Kutubu Limited	9.9%
3	National Superannuation Fund	9.7%
4	Fiji National Provident Fund	8.7%
5	Credit Corporation (PNG) Ltd	7.8%
6	Motor Vehicles Insurance Limited	6.7%
7	Nambawan Super Limited	6.6%
8	HSBC Custody Nominees (AUSTRALIA) Ltd ¹	5.0%
9	PNG Sustainable Development Program Ltd	3.8%
10	Teachers Savings and Loans Society	3.3%

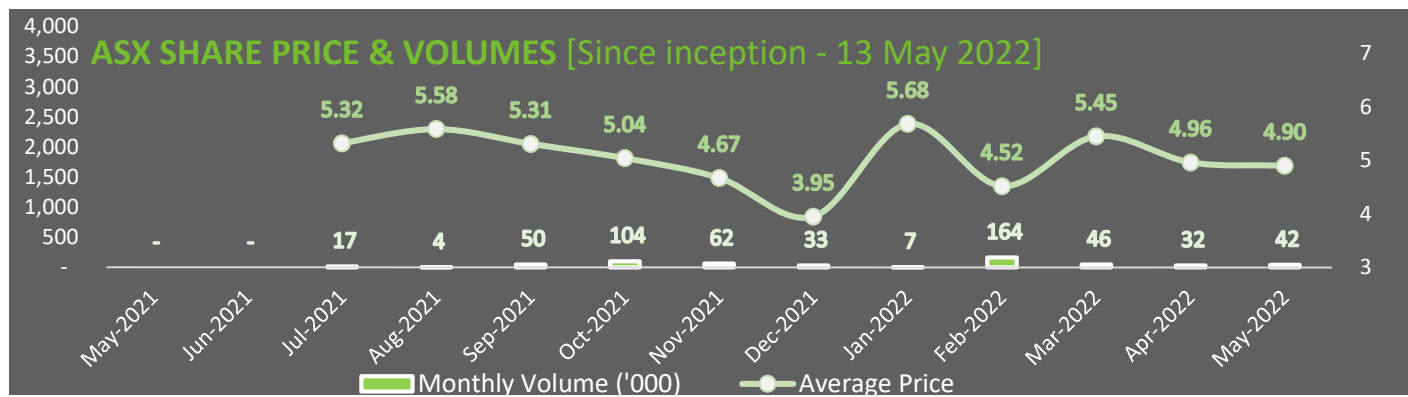
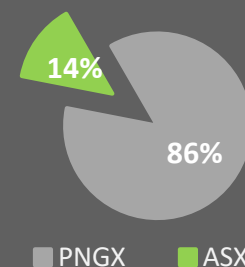
¹ Nambawan Super Limited's ASX shareholding of 21.6m shares, is held under HSBC Custody Nominees

Share price trends

BSP's PNGX share price finished 2.5% higher in the trailing 52 weeks at K12.30, with average prices of K12.09 in April-22 and K12.37 so far in May as at Friday, 13-May. ASX prices reached an all-time high of A\$6.00 after the K1.1bn profit announcement, but fell after the new Tax's confirmation. Dividend yields¹ were 14.1% and 13.9% on the PNGX and ASX respectively. BSP's market capitalisation² on the PNGX was K5.75b and A\$2.32b on the ASX at 13-May-22.



DISTRIBUTION OF SHARES BETWEEN MARKETS



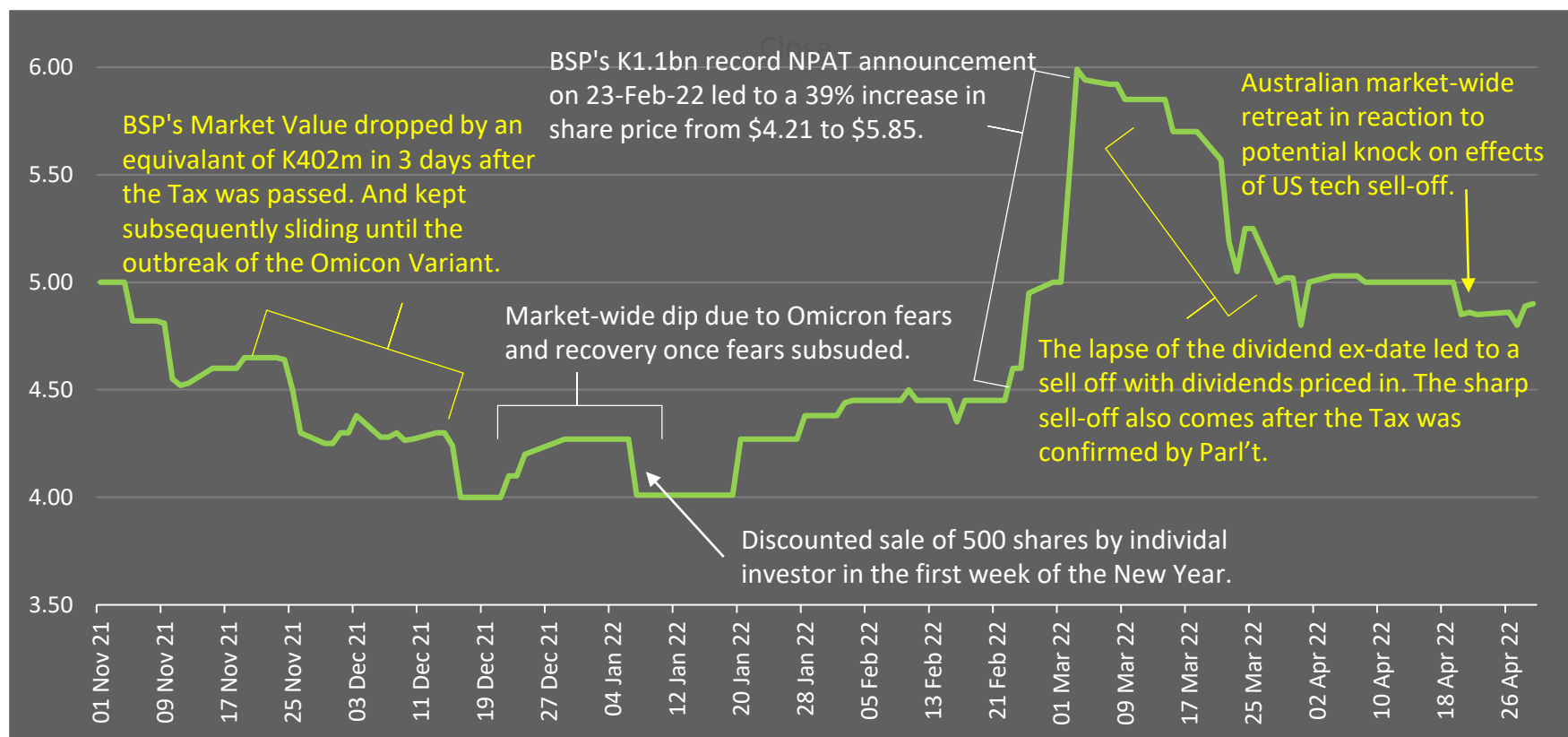
- While 14% [63.73m] of 467.2m total issued shares are held on ASX, few shares have been traded post migration ... limiting market liquidity.
- Trades volumes on the PNGX are materially higher [15.9x] than on the ASX.

¹ Based on K12.30 on PNGX, \$4.96 on ASX (13/05/22); FY2021 interim (K0.34) and final (K1.39) dividend; PGK/AUD rate 0.3997 as at 13/05/22 was used to calculate dividend yield on the ASX

² PGK and AUD values based on respective PNGX and ASX share price as at 13/05/22

Tax impacts on ASX share price

Large reductions in ASX share price, coincided with the new Tax being advanced through the PNG legislative process. Large shareholder gains following the announcement of BSP's record K1.1bn profit, were diminished in the sell-off following the confirmation of the new Tax by Parliament.



Concluding remarks

Overall an outstanding performance in 2021, as the countries we operate in begin to recover from COVID-19 impacts.

The new Tax has had a significant impact on our Q1-2022 results. The ATC is unfair and inequitable. Accordingly, for the benefit of our shareholders we are progressing a judicial review of its legitimacy.

2021 RESULTS

- Record Group NPAT of K1.075b in 2021, K269m [33.4%] above prior year of K806m, improved business conditions which allowed realignment of Covid related provisions taken up in 2020
- Total Assets up 10.5%, with net lending growth flat at 0.4%
- Cost to income stable at 37.5% ... 37.6% in 2020
- Capital adequacy up to 25.7%, well above BPNG requirement of 12%
- Loan provision decreased to 5.8% from 5.9%
- Record dividend payment to shareholders and dividend yield at 14.4% and 14.8% on PNGX and ASX respectively, based on share price and exchange rate¹ as at 23-Feb-22 ... calculated on full dividends for the 2021 financial year

¹ PGK/AUD rate 0.3805 as at 23/2/22 was used to calculate dividend yield on the ASX

Q1-2022 RESULTS

- Underlying profitability levels increased with YTD Group NPAT (before ACT) of K259m, compared to K203m last year [+K56m, or 27.9%].
- One-off impact of the ACT, with subsequent quarters performance to be aligned to Group NPAT before ACT deductions.
- Group ROE reduced to 24.0% in Q1-2022, due to the ACT impacts.
- Process of selection of new CEO, led by Sir Kostas and Remuneration Nomination Committee (RNC) Chair, has commenced and shareholders will be informed once completed.

**Our Bank.
Our People.**



Annual General Meeting

20th May 2022

Ballrooms 1 & 2, Level 1,
APEC Haus, Port Moresby



2022

AGM Agendas

General Business

Approve and adopt the Minutes of the previous Annual General Meeting of Shareholders held 21/05/2021.

Ordinary Business

1. Receive and approve the BSP Group Financial Statements, Director's Report and Auditor's Report for the Year Ended 31/12/2021.
2. Adopt the Remuneration Report for the Year Ended 31/12/2021.
3. Re-Election of Directors who retire by rotation:
 - (a) Dr. Matagialofi Lua'iufi
 - (b) Stuart Davis
4. Election of Director – Patricia Taureka-Seruvatu
5. Appointment of Auditor

General Business

Minutes of the Previous Annual General Meeting of Shareholders
held on 21st May 2021

To receive, consider and accept the Minutes of the previous Annual General Meeting held on 21st May 2021 as a correct record of that meeting.

MINUTES OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF BSP FINANCIAL GROUP LIMITED

Minutes of the Annual General Meeting of BSP Financial Group Limited held as a virtual Meeting at BSP First Lounge Room, Ground Floor, Ravalien Haus, Port Moresby, National Capital District, Papua New Guinea on Friday 21st May 2021

Directors Present:

Sir Kostas G. Constantinou, OBE	Chairman
Mr. Robin Fleming	Group Chief Executive Officer & Managing Director
Mr. Ernie Gangloff	Director
Mr. Arthur Sam	Director
Mr. Robert Bradshaw	Director
Ms. Priscilla Kevin	Director
Mr. Frank Bouraga	Director
Mary Johns	Secretary

In Attendance by teleconference:

Mr. Stuart Arthur Davis	Director
Mr. Symon Brewis-Weston	Director
Dr Matagialofi Lua'iufi	Director

In Attendance in person: Refer attached.

Quorum:

The Chairman declared that a Quorum of members was present either in person, by proxy, by attorney and in case of a body corporate, by a representative and declared the virtual meeting open at 10.30am

Item 1 Chairman's Welcome to the first Virtual AGM

Item 2 Group Chief Executive Officer's Address

The Chairman invited the Group Chief Executive Officer to present the business highlights of 2020 to the Shareholders.

The Full Year Dividend of One Kina and Thirty toea (K1.30t) per share was announced to the Shareholders comprising of an:

- Interim Dividend of twenty five toea (25t) per share paid in October 2020; and
- A Final Dividend of one kina and five toea (K1.05t) per share payable in June 2021.

Item 3 Ordinary Business

Resolution 1: Minutes of the previous Meeting of Shareholders – 26.03.2021 and 22.05.2020:

It was moved that the members receive, consider and accept the Minutes of the previous meeting of shareholders held on 26th March 2021 and the previous Annual General Meeting dated 22nd May 2020 as a correct record of that Meeting.

Moved: Robin Fleming

Seconded: Peter Beswick

Resolution:

That the minutes of the Shareholders Meetings dated 26th March 2021 and 22nd May 2020 are hereby read, accepted and signed by the Chairman.

Resolution 2: 2020 Financial Statements:

It was moved that the members receive, consider and accept the annual financial report of the company for the year ended 31 December 2020 together with the report of the Directors and Auditors therein.

Moved: Hari Rabura
 Seconded: Ronesh Dayal

Resolution:

That the Balance Sheet and profit and loss account for the year ended 31 December 2020, together with reports of Directors and Auditors be and is hereby approved.

Resolution 3 Re-election of Directors Robert Bradshaw & Arthur Sam

3(a) Re-Election of Robert Bradshaw

It was moved that Robert Bradshaw, a Director retiring by rotation in accordance with the Company's Constitution be and is hereby re-elected for as a Director of the Company.

Moved: Peter Beswick

Seconded: Hari Rabura

Resolution 3(a):

That Robert Bradshaw, who retires by rotation in accordance with clause 15.3 of the Constitution, is re-elected as a Director of the Company.

3(b) Re-Election of Arthur Sam

It was moved that Arthur Sam, a Director retiring by rotation in accordance with the Company's Constitution be and is hereby re-elected for as a Director of the Company.

Moved: Ronesh Dayal

Seconded: Hari Rabura

Resolution 3(b):

That Arthur Sam, who retires by rotation in accordance with clause 15.3 of the Constitution, is re-elected as a Director of the Company.

4 Election of Directors Frank Bouraga and Symon Brewis-Weston

4(a) Election of Frank Bouraga

It was moved that Frank Bouraga, a Director being eligible to be elected in accordance with the Company's Constitution be and is hereby elected for as a Director of the Company.

Moved: Hari Rabura

Seconded: Peter Beswick

Resolution 4(a):

That Frank Bouraga, who is eligible to be elected in accordance with the Company's Constitution, is elected as a Director of the Company.

4(b) Election of Symon Brewis-Weston

It was moved that Symon Brewis-Weston, a Director being eligible to be elected in accordance with the Company's Constitution be and is hereby elected for as a Director of the Company.

Moved: Ronesh Dayal

Seconded: Nuni Kulu

Resolution 4(b):

That Symon Brewis-Weston, who is eligible to be elected in accordance with the Company's Constitution, is elected as a Director of the Company.

Resolution 5: Appointment of External Auditors

It was moved the PriceWaterhouseCoopers be appointed as Auditors for 2021 and that the Board be authorised to fix their remuneration.

Moved: Peter Beswick

Seconded: Ronesh Dayal

Resolution:

That PricewaterhouseCoopers, are appointed as Auditors of the Company for 2021 and that their remuneration is fixed by the Board.

OTHER BUSINESS:

NIL

Close of Meeting:

There being no further business the meeting was declared closed at 11.20am.

Chairman



DRAFT

CLIENT: BSP FINANCIAL GROUP LIMITED
MEETING TYPE: ANNUAL GENERAL MEETING
MEETING ID: BSPAG202101
VENUE: ONLINE VIRTUAL MEETING
DATE: FRIDAY 21 MAY 2021
TIME: 10:30 am

ANNUAL GENERAL MEETING ATTENDANCE CONFIRMATION

	<i>PRESENT ONLINE</i>	<i>PRESENT IN BOARDROOM</i>	<i>ABSENT</i>
<i>BOARD OF DIRECTORS</i>	2	7	1
<i>PROXY NOMINATED</i>	4	0	1
<i>SHAREHOLDERS</i>	20	5	N/A
<i>VISITORS</i>	24	3	N/A
	50	15	

TOTAL AGM ATTENDANCE = 65

Board of Directors Present Online

Sir Kostas Constantinou
 Robin Fleming (Shareholder)
 Arthur Sam
 Robert Bradshaw
 Ernest Gangloff
 Stuart Davis
 Priscilla Kevin
 Frank Bouraga
 Symon Brewis-Weston

Board of Directors Absent

Dr Matagialofi Lua'iufo

Proxy Nominated Persons Online Attendance

Paulus Laveil – Federation of Savings & Loan Societies Limited
 Michael Makap – Motor Vehicle Insurance Limited
 Mark Kanawi – Comrade Trustee Services Limited
 David Kitchnoge – Nambawan Super Limited

Present in BSP Boardroom

Mary Johns (Shareholder)	Mike Hallinan
Hari Rabura (Shareholder)	Jamie-Lee Loh
Ronesh Dayal (Shareholder)	Frank van der Poll
Peter Beswick (Shareholder)	
Nuni Kulu (Shareholder)	

Shareholders online: 20

Visitors Online: 27

Ordinary Business

Item 1: Annual Report and Financial Statements for the Year Ended 31st December 2021

To receive the Annual Report, including the Financial Statements, Director's Report and Auditor's Report, for the Company and its subsidiaries for the year ended 31st December 2021.

Ordinary Business

Item 2: Remuneration Report for the Year Ended 31st December 2021

To adopt the Remuneration Report of the Company for the year ended 31st December 2021.

Ordinary Business

Item 3: Re-election of Directors

- Dr. Matagialaofi Lua'iufi
- Stuart Davis

Ordinary Business

Item 3 (a): Re-election of Directors

To elect the following director:



(a) **Dr. Matagialofi Lua'iufi** who retires by rotation and offers herself for re-election as a director of the Company.

Ordinary Business

Item 3 (b): Re-election of Directors

To elect the following director:



(b) **Stuart Davis** who retires by rotation and offers himself for re-election as a director of the Company.

Ordinary Business

Item 4: Election of Director

To elect the following director:



Patricia Taureka-Seruvatu who was appointed to fill a casual vacancy and offers herself for election as a director of the Company.

Ordinary Business

Item 5: Appointment of Auditor

To appoint PricewaterhouseCoopers as Auditor of the Company from the conclusion of this meeting until the conclusion of the next annual meeting of the Company and that the Board be authorized to fix their remuneration.

Ordinary Business

Item 6: Any Other Business

To consider any other business of the day.

Shareholder Question & Answer

Q & A

Thank you for attending

End of Meeting