



ASX / PNGX Market Announcement

ASX: BFL | PNGX: BSP

6 December 2022

ADDITIONAL COMPANY TAX REPEALED AND COMPANY TAX RATE FOR PNG BANKS INCREASED TO 45%

The PNG Government tabled its 2023 budget in Parliament on 29 November 2022, and the Parliament passed the budget by a majority vote on 2 December 2022. The 2023 budget repeals the Additional Company Tax (ACT), effective 1 January 2023. Consequently, BSP will no longer be liable for this annual flat tax of K190m from 2023. The ACT of K190m paid by BSP in 2022, remains subject to judicial review by BSP and the payment of K190m is held in an escrow account with the Bank of PNG.

The 2023 budget also included an amendment to the company tax rate applicable to PNG Commercial Banks licensed under the Banks and Financial Institutions Act, with the company tax rate for all banks increasing from 30% to 45% of taxable income, effective 1 January 2023.

BSP is assessing the impact of the tax rate change and repeal of ACT on after tax earnings. However, it is expected that the change in the combined additional company tax and company tax expense is not likely to be material for BSP.

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

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