

PNG'S NATIONWIDE MICROBANK SIGNS UP 100,000TH CUSTOMER

MANILA, PHILIPPINES (31 May 2011) – Papua New Guinea's (PNG) Nationwide Microbank has signed up its 100,000th customer, highlighting the ongoing demand for high-quality banking services in the country.

The landmark bank account was opened by Tommie Seriate, a 49-year-old widow and mother of four from the Unggai Bena District of the Eastern Highlands Province.

"I am so happy and glad that I made the right decision to open an account with Nationwide Microbank," said Ms. Seriate. "They made it so simple to open a savings account."

Ms. Seriate maintains a small coffee garden for subsistence in a remote part of the Eastern Highlands Province, some two hours by road north of Goroka, the provincial capital. She had previously tried to open a bank account with two commercial banks without success.

Nationwide Microbank (formerly Wau Microbank) was established in 2004 as a pilot institution under the ADB Microfinance and Employment Project. The overall project was implemented between 2002 and 2010 with a \$9.6 million concessional loan from ADB to the Government of PNG and a grant from the Australian Agency for International Development (AusAID). It laid the foundation of a growing microfinance sector in PNG, through extensive training of staff and the development of appropriate products.

"Giving individuals and small firms access to the finance and banking services they need encourages entrepreneurship which ultimately help boosts economic growth for the country as a whole," said Eugene Zhukov, Regional Director of ADB's office in Australia.

Although no official data exist, ADB estimates that only 15% of the PNG population has access to formal or informal banking facilities and it is even lower in the rural parts of the country. This means that small firms are unable to get the finance they need to expand and individuals are unable to either borrow to meet their financial needs or securely save their earnings.

"Nationwide Microbank continues its efforts to ensure that the people of Papua New Guinea have access to relevant and affordable financial services," said Tony Westaway, Nationwide Microbank's Managing Director. "We are 'banking the un-banked', an achievement that would not have been possible without the ongoing support from the Asian Development Bank and the Pacific Financial Inclusion Programme (PFIP)."

In order to further expand its reach into rural areas and make its services even more accessible to clients, Nationwide Microbank is developing a branchless banking strategy, with support from PFIP and ADB, which will offer financial services through the use of mobile phones and other wireless technology. The aim is to enable clients to use their bank accounts without needing to travel to a bank branch, a journey that can be both costly and time-consuming from remote parts of the country.

PFIP is a Pacific-wide program that is helping to provide sustainable financial services to low income households. It is funded by the United Nations Capital Development Fund, AusAID, the

European Union, and the United Nations Development Programme (UNDP) and operates from the UNDP Pacific Centre in Fiji.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth and regional integration. Established in 1966, it is owned by 67 members --48 from the region. In 2010, ADB approvals, including co-financing, totaled \$17.51 billion. In addition, ADB's ongoing Trade Finance Program supported \$2.8 billion in trade.

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