



Press Release

MiBank declares K1.2 million profit result

Port Moresby 16 March 2017

Tony Westaway, Chief Executive Officer of MiBank, today released the micro bank's financial results for 2016. MiBank recorded an operating profit of K1,267,059 for 2016, a significant leap from the K169,990 recorded for 2015.

Mr Westaway said the Board is extremely pleased with the financial result in challenging economic times. This record result goes a long way to assisting the Bank attain its vision to becoming a commercially sustainable Bank that contributes to financial inclusion. Consistent retained earnings will allow the Bank to undertake necessary expenditure to extend its outreach in an effective manner.

Key benchmarks include a gross loan portfolio of just under K50 million, deposits of nearly K70 million and total assets of K88 million (compared to K70 million at prior year end). MiBank's capital adequacy exceeds the minimum Bank of Papua New Guinea prudential requirement of 12%

The strong result was underpinned by increased interest income, from a growing and diverse loan portfolio. "The Loan book is more industry diverse than previously and we are enjoying support from repeat customers as they grow their businesses", said Westaway. During 2016 MiBank took the opportunity to extinguish legacy debt and raise new provisioning of K1.895 million. Our 'portfolio at risk', a key benchmark in the microfinance sector, to measure doubtful debts, is sitting at 7.9% at year end.

We have maintained our focus on serving those at the bottom of the economic pyramid and providing financial inclusion to the un-banked; however at the same time our customers now receive a broad range of innovative and technology driven, banking products and services.

MiBank's use of technology for Financial Inclusion

MiBank has an agreement with BSP which allows MiBank MiCards to be accepted at BSP ATMs and EFTPoS terminals throughout PNG. It also has a partnership agreement with Heduru Moni Ltd to provide online foreign exchange payment services through its Mifx service.

However, according to Tony Westaway, the MiCash Mobile wallet remains the core product offering for its transaction banking. By the end of 2016 more than K126 million in value had been processed through MiCash Mobile Wallets from more than 1.2 million transactions.

During 2016 teachers began to receive salaries paid through the wallet; onion farmers received payments from buyers and towards the end of 2016, people in remote villages began to acquire solar power kits and use the wallet to 'Pay as you Go' solar.

There are a number of key initiatives in place which will continue in 2017 to grow the use of the MiCash to enhance financial inclusion, create mobile money ecosystems and increase scale. To further financial inclusion through Digital Financial Services, Westaway believes "the industry could do more to enable interoperability between banks and other financial institutions. At the same I applaud the Central Bank's plans to move towards an inclusive national switch for all electronic payments, including mobile money transactions, from institutions such as MiBank."

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