

Friday 12 April 2019

Kina Bank pioneers central bank's new technology

Kina Bank becomes the first financial institution in PNG to connect to the Bank of PNG's new central "switch" – a digital software solution that allows all of the banks in PNG to connect to one another through the central bank.

As the first institution to successfully connect, it shows Kina Bank's flexibility and speed to market. Greg Pawson, Chief Executive Officer of Kina Bank, said: "The new switch is a game-changer for banking in PNG. It will lead to additional customer choice because it removes barriers to entry for smaller financial institutions who offer their own cards or EFTPOS and ATM services."

Currently, banks' ATM and POS switches communicate directly from bank to bank, facilitated by bilateral agreements. This means that non-banks, like microfinance companies or savings and loans societies, who want to issue cards to their customers, or offer ATM and POS services, are dependent on the dominant banks. This dependency is seen as a dampener on the expansion of financial inclusion in PNG.

Kina Bank itself will benefit from the full implementation of the central switch. Following its acquisition of ANZ's Retail, SME and Commercial business, Kina Bank will become PNG's second largest retail bank, with a national network of over 80 ATMs and 1,500 EFTPOS terminals. Reliable, consistent connectivity between banks and other financial institutions will be critical to increasing the penetration of financial services throughout PNG, and improve competition.

"We congratulate the Bank of PNG on this initiative, and are delighted to be the first bank to successfully connect. Kina Bank is committed to PNG and we are excited about the possibilities the switch could create into the future," said Mr Pawson.

Kina Bank's collaboration with the central bank has given the Bank of PNG and other industry participants confidence that solid progress is being made in what will become an essential feature on the financial services landscape.

Ends

For further information contact:

Gavin Heard

GM CORPORATE AFFAIRS & INVESTOR RELATIONS

gavin.heard@kinabank.com.pg