

Company Profile

PNG Microfinance Ltd

1. Introduction

PNG Microfinance Ltd (PML) is one of the leading licensed microfinance Institution in Papua New Guinea. It was incorporated under the companies and the Banking and Financial institution act, 2000 in 2004.

PML provides specially designed range of savings and lending services to Papua New Guineans who do not have access to the mainstream commercial banking services. PML focuses on Client satisfaction by offering high value of services. All products and services are competitively priced and customer services are one of the best in microfinance institutions in Papua New Guinea.

The company is over sighted by competent board of directors comprising of four (4) Independent Directors and two (2) Shareholder Directors. PML has a highly skilled managers and staffs driving the institution forward.

Vision: Is to be a financially sustainable licensed institution, with branches in all Provinces and a target customer base of half a million active customers by 2015.

Mission: To Inspire Broader Economic Participation, Financial Independence & Social Prosperity for the many Papua New Guinea's Who Do Not Have access To Mainstream Financial Services.

2. Services

Savings Products

Product	Description
1.Personal Savings	This is a premium account which provides you safe and convenient access to your money for personal or business needs.
2.School Fee Savings	This account is for all parent or guardians who wish to save for their children's school fee.
3.School Savings	This is a savings account targeted towards school children of age ranging from 8 – 25 years to save and inculcate saving habits.
4.Krimas Moni Savings	This is a premium saving account for all those who want to secure a place for to save up for Christmas.

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| 5. Equity Savings | This is a savings account intended for you to have access to loans. |
| 6. Term Deposit | This is a competitive interest bearing account for all our customers who wants to invest their extra funds to earn more interest. |

Lending Products:

Product	Description
1. SME Loan	This loan is intended for small entrepreneurs who needed some working capital for their small business.
2. Micro Loan	This loan product is design to serve small to medium enterprises that needs fund for working capital or fixed assess acquisition.
3. Fast Track Loan	This loan is intended for customers with term deposit. They can have access to loan totaling up to 90% of their total Term Deposits.
4. Woklain Dinau - Consumer Loan	This loan is intended for wage-earners who want to meet some consumption needs of families against future earning of their wages
5. Oil Palm Loan	This loan is design for groups of women who want to start small businesses/income generating activities and have collateral to put up.
6. Wanbel (Group) Loan	This loan product is specially design for oil palm growers that need some working capital for poisoning and replanting their oil blocks.

7. PML Pei Service

This is a free services provided by PML Ltd that makes it much easier for our customers to do savings deduction and loan repayments. It is external interface software in Banksoft that post transactions done by our customers/ employees of a certain organization. With this interface the companies can send electronic data and PML can post these transactions with minimal data-entry and thus assuring accurate data.

3. Performance

PML has been in operation for 6 years and have more than 55,000 savings customers and total loan disbursement of more than K20, 000,000 since 2007. The targets for 2012 are to increase depositors to more than 100,000 and disburse up to K26 million worth of loans. To date the total deposit volume is more than K55 million (US\$23 million) and loan outstanding K19 million (US\$7.9 million).

4. National Presence

PML has seven branches and four service centers located in National Capital District, West New Britain, Milne Bay, Oro and Western Province. Of these two branches are located in WNBWP while two branches and four service centers are in Western Province. Branch Network PML has seven branches and four service centers. The branches are;

1. Koki,
2. Alotau,
3. Popondetta,
4. Kimbe,
5. Bialla,
6. Kiunga and
7. Daru

Service Centers are;

1. Tabubil,
2. Balimo,
3. Lake Murray and
4. Obo/Suki.

Propose New Branches: It is part of PML's strategic plan to have branches in all 20 provinces by 2015.

5. Major Developments

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| May 2010. | BSP sold its 40% stake in PML to PNGSDP making PNGSDP the majority Shareholder with an 83% stake. The IFC retained their 17% stake. |
| May, 2008. | IFC sponsored a three year Technical Assistance Program valued at US\$1.8m to strengthen the internal capacity of PML. The program's positive contributions are evident through the 100% growth in a quality loan portfolio during 2010. |
| May, 2006. | Signing of Shareholder's agreement by International Finance Corporation (IFC), the financial arm of the World Bank subscribing a 17% stake in PML. |
| Nov, 2005. | Establishment of an Audit and Compliance Committee comprising the five Independent Directors by the board. The primary function of the committee is to oversee and monitor the company's financial re-orting process on behalf of the Board. |
| Sep, 2005. | Bank South Pacific (BSP), PNG's largest commercial bank subscribed equity of K4m in PML giving BSP a 40% stake while PNGSDP retained 60%. |
| Jan, 2005. | PML's first branch was established at Koki. The Koki branch is currently the largest in both depositors and creditors within the PML branch network. |
| May, 2004 | PML was established by PNG Sustainable Development Program Ltd (PNGSDP) and subsequently incorporated under the Companies Act on |

5th May 2004. PML is a tier two financial institution licensed by the Bank of Papua New Guinea. The tier two licenses allow PML to collect deposits, issue loans with a K1.5 million minimum capital requirement.

6. Shareholders

The two shareholders of PML are PNG Sustainable Development Program Ltd (PNGSDP), 83% and International Finance Corporation (IFC), 17%.

7. Board of Directors

1. James Carlton

James Carlton is a former Director of PNG Sustainable Development Program Ltd, a company established jointly by the Government of Papua new Guinea and BHP Billiton Limited to apply the dividends from OK Tedi Mine for the benefit of the citizens of Papua New Guinea. He was appointed as a Shareholder Director representing PNG Sustainable Development Program Ltd in May 2010. He is also a Senior Advisor to the Boston Consulting Group. After a career in manufacturing industry and a Consultant with Mc Kinsey and Company, James spent 20 years in politics. Mr Carlton is a Science graduate of the University of Sydney and has completed the Senior Managers in Government Program at the John F Kennedy School of Government at Harvard University.

2. Dr Matthew Gamser

Dr Matthew Gamser was nominated by the International Finance Corporation and appointed as an Independent Director to PML Board in 2008 and is a member of PML Board Audit and Compliance committee. He has 26 years of experience in international enterprise development, local economic development and finance. He has worked with commercial banks and non banking financial institutions in developing sustain-able financial services for micro and small enterprises. He has played a leading role in the successful internationalization of large not-for-profit organization (Intermediate Technology Development Group, headquarters in UK and a leading for-profit consultancy (the DAI Group of firms). Dr Gamser has worked for government and private businesses around the world to create an improved policy and regulatory environment for private sector growth and poverty reduction. He has edited and authored several books and numerous journal articles.

3. Simon Korua

Simon Korua was appointed as an Independent Director in 2009 and is a member of PML Board Audit and Compliance committee. He has been the Managing Director of his private business, the Bowmans Group of Companies since 1979. Simon won the PNG Business of the Year Award and currently serves on the Board of Bowmans Glass and Aluminium Co Ltd, Monpi Coffee Exports Ltd, Chemica Ltd, Pacific Capital Ltd, Barclay Brothers Ltd, Boroma Piggery Ltd and New Guinea Energy Ltd. Simon was the former Director of Air Niugini Board and Bank South Pacific Ltd and founding Director of "The National Newspaper". Simon has extensive knowledge and experience in business in PNG.

4. Tamzin Wardley – New Director

5. Richard Sinamoi – New Director
6. Max Aitken – New Director

8. Management Team (9) and 102 staffs

- CEO, George V. Mathew
- COO, Ravindra Goud
- Manager Corporate Affairs, Shirley Marjen
- Manager Credit, Chris Mota
- Manager Finance, Basse Robert
- Manager Internal Audit, Nick Frani
- Manager HR, Betty Elliott
- Manager Resource Mobilization, Treasury & Marketing, Peter Komon
- Manager MIS, Janet Hatsiere

9. Legal Advisors

Gadens Lawyers PNG.