



“INNOVATIVE TECHNOLOGY - REACHING THE UNBANKED”

*Consultative Implementation & Monitoring Council
Highlands Regional Development Forum
Highlander Hotel, Mt Hagen
4-5th March 2013*



Retail – Outreach Strategy

Past Challenges

- 80-20 market
- Our interest to reach the unbanked
- Branch & sub branch business model
- Treasury roll out program
- Not a viable business model

BSP Rural Concept Born

- Idea born – BSP Group CEO, Ian Cylne
- BSP Rural is a company established by Bank South Pacific to deliver financial services to rural Papua New Guineans
- BSP Rural acts as an agent of BSP
- deliver services with integrity, diligence and efficiency
- The deposits we mobilise are the deposits of BSP



Business Module

- Simple & cost effective
- Supported by fully operating banking system
- Transaction real time
- Agreement with Government DTO
- Prefabricated Kit offices
- Rural branch manned by 4 officers

New Technology

- In May 2012 BSP has launched new technology successfully
- Tablet Technology – “the concept is first in the World”
- BSP Rural sales officers traveling to remote areas of Papua New Guinea to open accounts
 - Kiunga, Bereina, Sogeri, Aroma, Hula, Minyamya, Karamui, Kopiam, Kandrian



Rural Banking Roll Out Plan

- In June we launched Rural banking program together with NFRL in Kiunga which aims to address 9,000 rubber growers
- We are planning to roll it out in Western province (Lake Murray, Suki, Balimo) in 1 month of trial in Kiunga
- Every region covered



Payment Processor



“People prefer to have cash in their hands but when they see how mobile banking can be so convenient, they realise that by saving some money, they have cash in their hand for longer.”

During first 75 days of pilot, K34,700 were received in e-payments, only K23,650 in withdrawals – **a short term savings rate of 30%**

Cash Agent

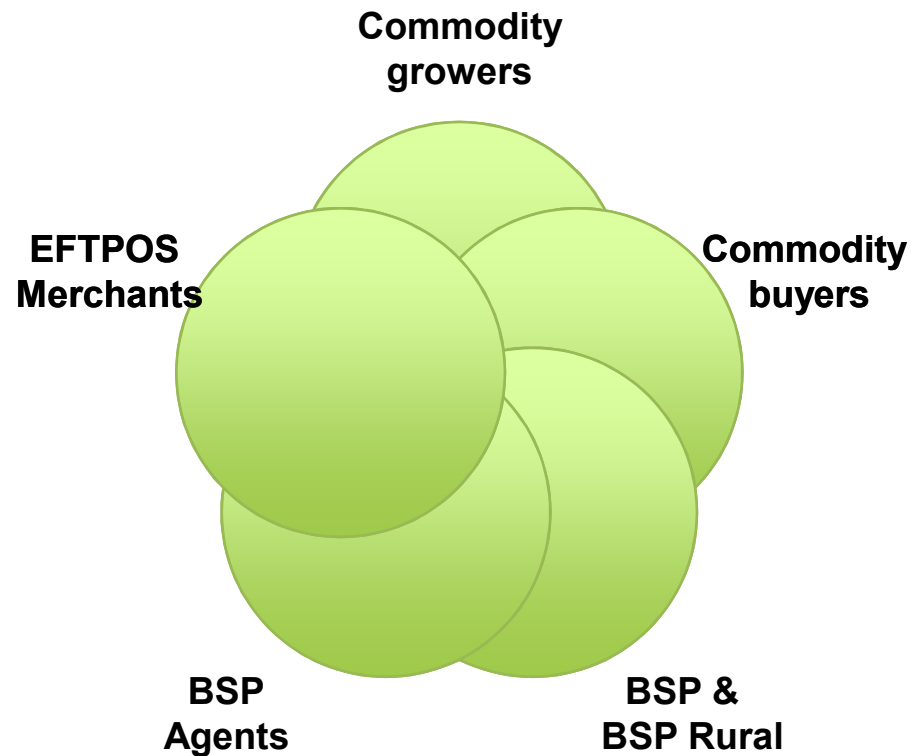
Over 127 authorized Cash Agents

“I can’t tell you how excited I am to bring these basic services to my people. The signs were not even hung and people were asking if they could use their new BSP Agent! This will make a big difference to my community”.

People can now access their accounts through a variety of outlets close to home as well as in town.



Eco-System



- Build customer base among growers through “one touch”
- Extend eftPOS merchant network through “sole traders”
- Integrate buyers to make payments directly to growers using mobile phone banking
- Develop a network of Cash Agents in the localized region using mobile phone banking
- Support by BSP

Transactional Activity

	May 2011	April 2012	May 2012	% change 2011	% change 2012
Customer Transactions	6,776	24,069	26,682	293%	10%
Transaction Values	K1.3m	K5.6m	K8m	330%	42%
Total Accounts	4,220	22,722	23,400	438%	3%
Depositors' Balances	K890k	K2.8m	K3.4m	214%	21%

Target

2013 Targets

	Current	Target
Rural Branch Network	37	75
Account Volume	98,000	185,000
Cash Agents	127	1000



Technology

- short film in Kerevat, ENBP.