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Kina Securities and Asian Development Bank Sign First Trade Finance Agreement in Papua New Guinea

Port Moresby, Papua New Guinea. 11 May 2017: Kina Securities Limited (KSL) today announced that it had become PNG's first bank to sign a trade finance agreement with the Asian Development Bank (ADB). The deal will assist Kina's local importing and exporting business customers by providing access to ADB's Trade Finance Program (TFP).

The agreement will enable customers to access a credit guarantee facility that can support up to \$4 million of trade annually in Papua New Guinea (PNG) to support their international transactions.

The agreement was signed by Kina Securities CEO Syd Yates and ADB's Director for the Private Sector Financial Institutions Division Christine Engstrom during the 50th Annual Meeting of ADB's Board of Governors in Yokohama, Japan.

"We are excited about joining ADB's Trade Finance Program," Mr Yates said.

"Partnering with the ADB means Kina will be able to grow its trade finance operations and enhance the financial support we provide to local importing and exporting businesses, including small and medium-sized enterprises.

"The program enables Kina to leverage the AAA international rating of ADB to add value to our client's international trading activity," he said.

Mr Yates said the agreement also demonstrated ADB's comfort with Kina's strong framework for managing the international transaction risks.

Ms. Engstrom said: "We are delighted to be partnering with Kina Bank to support increased trade in PNG."

Kina is the first bank in PNG to become a TFP partner, and the third bank in the Pacific to join the program. TFP has operated since 2004 across Asia, and in 2015 the Government of Australia provided financial assistance for TFP to expand to the Pacific.

Kina was formed in 2015 from the merger of Maybank (PNG) Limited and Kina Finance Limited. Kina is ranked the fourth largest bank in PNG, accounting for about 3.0% of total banking sector assets.

The economy of PNG is heavily dependent on trade, with total exports of \$6.7 billion in 2015 (about 32% of GDP) and total imports of \$5.6 billion (about 27% of GDP). Key exports are gold, oil, palm oil, coffee, and cocoa. Key imports, meanwhile, include machinery and transport equipment, food, and fuels.

TFP, backed by ADB's AAA credit rating, provides guarantees and loans to over 200 partner banks to support trade, enabling more companies throughout Asia to engage in import and export activities. With dedicated trade finance specialists and a 24-hour response time, the program has established itself as a key partner in the international trade community, providing fast, reliable, and responsive support to fill gaps in the region's most challenging markets.

TFP complements its financial support with a regular series of workshops and seminars to increase knowledge and expertise in trade finance products and operations, risk management, and fraud prevention.

Since 2009, TFP has supported more than 9,200 small and medium-sized businesses across developing Asia — through over 13,000 transactions valued at over \$25.5 billion — in sectors ranging from commodities and capital goods, to medical supplies and consumer goods.

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