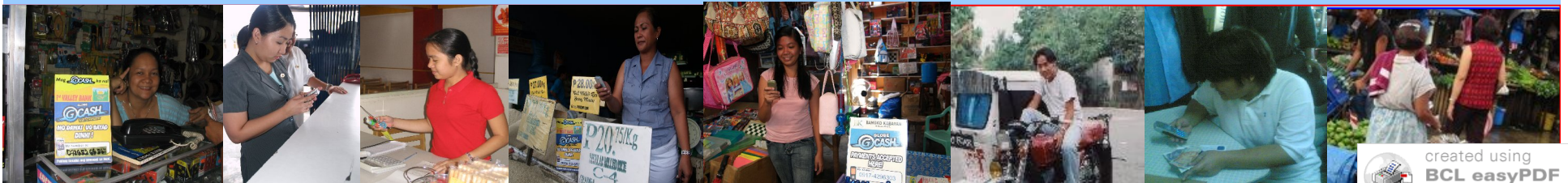




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Leapfrogging Access to Finance with Mobile Phone Technology: Philippine Rural Banks offering M-Banking & M-Commerce Services



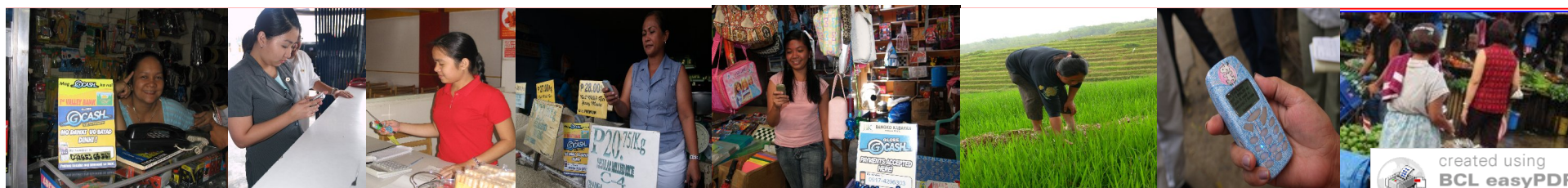
Country Context: Philippines

- Population: 88.7 million
- Rural Population: 50%
- Per Capita GNI: \$1,320
- Pop. In Poverty: 30%
- Annual Remittances: \$14 B
- Mobile Phone Subscriber Base: 45 M
- # of Mobile Phones per 1,000 people: 507



Philippine Rural Banks

- **742 rural banks with over 2,000 branches**
- **Effective coverage to 85% of all municipalities**
- **Manage over 5.7 million deposit accounts**
- **More than 1.5 million borrowers**
- **Combined Assets over US\$2 B**
- **RBAP-MABS launched in 1997**
- **90 MABS Participating rural banks**
 - **Disbursed over 1 M microfinance loans to more than 400,000 clients**
 - **Manage more than 1.2 M deposit accounts**
- **M-Banking initiative started in order to expand outreach & reduce costs**





MICROENTERPRISE ACCESS TO BANKING SERVICES

Partnership with Globe Telecom

- **Globe Telecom is one of the leading mobile phone providers in the Philippines**
- **Over 18 million subscribers**
- **Increasing focus on the “bottom of the pyramid”**
- **Over US\$1.1B annual revenue**
- **Globe handles over 300 million messages/day**
- **Developed G-Cash platform electronic payment platform in 2004**
 - **More than 1.5 million registered G-Cash accounts**
 - **More than 600 G-Cash partners**
 - **More than 6,000 outlets**
 - **Monthly transactions volume in 2007 - \$100M**

Key Features of G-Cash Platform



G-Cash is a service of Globe that turns a mobile phone into an electronic wallet

- **Reliable** – recognized by BSP as a new payment system
- **Secure** - uses PIN
- **Safe** - all transactions are recorded in an electronic ledger in Globe
- **Convenient** – can be used anytime, anywhere
- **Fast** - moves at the speed of text messaging
- **Easy to Use** - as easy as sending a text message
- **Meets AMLA requirements** – registration, ID, & wallet limits

**Text-A-Bills
Payment**
**Text-A-
Remittance**



Transactions clients can do without leaving their businesses

**“Text-A-Deposit”
(Deposit
Taking Service)**

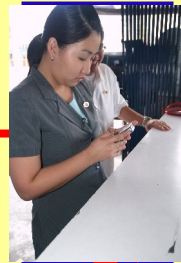
Pay Bills
Deposit Money
Loan Payment
Savings Withdrawal
Loan Disbursement

**“Text-A-Payment”
Loan Collection**

**“Text-a-Withdrawal”
“Text-A-Credit”**

RURAL BANK POWERED MOBILE PAYMENT ECOSYSTEM

Clients/Employees

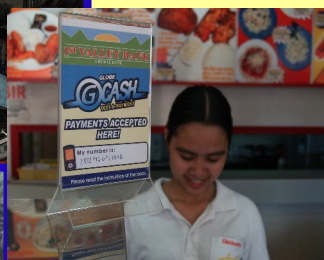


Individual receives electronic money by way of Text-A-Remittance or Text-A-Sweldo

Individual buys food, pays tricycle fare, fuel and even buy from the market using electronic money

Market Vendors

Restaurants



Individual pays Utility company, school etc. thru bill-pay facility offered by rural bank

Utility Companies



Bank credits utility company's and school's accounts with the corresponding amount paid by individuals through electronic money



Schools



Market vendor, tricycle driver, gas station, restaurant, suppliers and repair shops deposit daily sales thru Text-A-Deposit or Text-A-Payment

Transport Operators



Gas Station

Market vendor, tricycle driver, gas station owner and restaurant pays suppliers, repair shops etc. thru electronic money



Service Centers



Suppliers



Farmers



MICROENTERPRISE ACCESS TO BANKING SERVICES

Volume of Transactions Through Accredited Rural Banks

	Jan-Dec 2006	Jan-Aug 2007
Accredited Rural Banks	37	37
Accredited Bank-Branches	287	287
Number of M-Banking Transactions	43,000	87,900
Amount M-Banking Transactions (PhP) (\$ USD)	P132 M \$2.8 M	P356 M \$7.7 M

Current & Future Developments

- Developed a Mobile Banking Website www.mobilephonebanking.rbap.org as information portal particularly for rural banks, clients, local merchants, & customers
- Intensive effort on electronic payment ecosystem rollout
- Development of interface to automate m-banking transactions



Thank You

Email:

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Websites:

www.mobilephonebanking.rbap.org

www.youtube.com/RBAPMABS

www.rbapmabs.org