

MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM

March 2010 Highlights

MABS successfully conducts 2nd and 3rd Mobile Phone Banking Accreditation Courses



MABS successfully conducted mobile phone banking accreditation trainings on March 3 and 17 in Tagaytay, Batangas and Cebu City, respectively. Twenty-nine participants from 18 Luzon-based rural banks participated in the Tagaytay training, while 22 bankers from 13

banks attended the training in Cebu. The workshop trained the rural bankers on mobile phone banking, equipping them with the necessary skills and knowledge for its implementation. It is also one of the requirements of the Bangko Sentral ng Pilipinas (BSP) for a bank to be accredited to offer MPBS via Globe's GCASH platform.

"Challenges & Opportunities in Microfinance amidst a New Regulatory Environment" shared with Southern Tagalog Rural Bankers

Following the confederation meeting held for Central Luzon rural banks in February, the Confederation of Southern Tagalog Rural Bankers held their annual conference on March 4-5 at One Tagaytay Place Hotel in Tagaytay City. Fostering the theme "Managing Change amidst New Regulatory Environment", RBAP-MABS shared key challenges and opportunities for rural banks offering microfinance services. MABS Chief of Party focused on the recent regulatory changes in micro-agri, housing microfinance and microinsurance regulations issued by the Bangko Sentral ng Pilipinas (BSP). He discussed how these regulatory changes help enable rural banks to offer a broader range microfinance products and services to more clients. He also shared with the audience the significance of BSP's approval of Globe GXI's new cash-in and cash-out agent network that will expand the current outlets from 3,000 to more than 18,000 locations across the country and explained how rural banks can take advantage of GCASH and the new outlets to expand branchless banking services.

MABS trains Rural Banks on Housing Microfinance

MABS successfully launched its series of housing microfinance trainings for this year, kicking off with the "Designing a Housing Microfinance Loan" training for Mindanao rural banks (RB) held on March 4-6 in Cagayan de Oro City. This was followed by an HMF training-workshop for Luzon and Visayas RBs on March 23-25 in Manila.

The Mindanao batch was composed of 17 senior and middle bank managers six rural banks. On the other hand, the Luzon-Visayas batch was composed of 36 participants from 14 RBs and a service provider. MABS conducted lectures, gave hands-on exercises, and facilitated interactive discussions to explain and raise possible regulatory, market, and research issues that could arise in developing a housing microfinance product. The participants were provided a glimpse of the requirements that a bank's top management officials could require in rolling out the product to the bank's branches.



The trainings also included hands-on exercises, where participants were asked to conduct actual field interviews. As part of the workshop, the participants also processed and analyzed their data to determine the demand for HMF products within the area.

MABS gears up FICO Bank for Microinsurance

MABS visited the bank on March 10-12 to review its existing microinsurance services and conduct a microinsurance client demand research within the bank's area of operation. The visit included interviews and surveys in four of the bank's branches to determine the demand of the bank's existing and prospective clients for insurance services. The bank's management hopes that with microinsurance, it can provide a risk protection mechanism to respond to its clients' needs in critical times such as death or severe illness of a household member.

MABS Shares Housing Microfinance Experience

MABS shared its experience on housing microfinance at the conference "Moving Forward with Innovations" held on March 12 at the Asian Institute of Management (AIM). The conference was sponsored by Microfinance Innovation Center for Resources and Alternatives (MICRA Philippines) and attended by various microfinance players including rural banks, NGOs, cooperatives, insurance companies, providers of technological solutions and others. MABS Deputy Chief of Party highlighted the results of the one-year pilot test of housing microfinance with MABS pilot banks, which are now expanding the pilot and offering the product in more than 40 branches. In his presentation, Green Bank President Joseph Omar Andaya emphasized the value added benefits of the product to their existing clients enabling the bank to meet clients' pent up demand for home improvement loans.

RBAP-MABS Mobile Phone Banking Services Highlighted in Global Summit

MABS shared its mobile phone banking experiences during the M-Commerce World Summit 2010 held on March 17-18 in Singapore. Featuring mobile money transfer and mobile banking, the summit was participated in by regarded expert speakers and panelist from M-Commerce Ecosystems in Europe, Africa, Asia and the United States. The Philippines was represented by MABS and Globe/GXI. About 100 participants mostly from Asia and Africa attended the summit. It was the third since 2008 and was organized by Symphony Global, Pte, a Singapore-based event organizer.

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APRACA International Study Tour visits RBAP

The Asia-Pacific Rural and Agricultural Credit Association (APRACA) Center for Training and Research in Agricultural Banking (CENTRAB) conducted an international study visit program in the Philippines on March 15-22. Focusing on the challenges, risks and expectations on microfinance in the country, the study group visited RBAP-MABS, as well as the Bangko Sentral ng Pilipinas (BSP), People's Credit & Finance Corporation (PCFC), Cooperative Rural Bank of Bulacan, GM Bank, and CARD-MRI. It was composed of 11 participants from the Bank of Ceylon (Sri Lanka), State Bank of Pakistan, Bhutan Development Finance Corporation Limited, Life Giving Center for Integral Evangelization (Philippines) and Nagbitin Development Cooperative (Philippines). MABS Chief of Party discussed the training and technical assistance services that MABS provides to its participating banks. He also presented MABS initiatives, as well as recent regulatory changes in the Philippine microfinance industry particularly in microinsurance, housing microfinance and micro-agri. He discussed MABS' technological approaches to microfinance, highlighting its mobile phone banking partnership with Globe Telecom's G-XChange Inc. (GX).

USAID visits MABS participating banks in Cebu City

A team from the United States Agency for International Development (USAID)/Philippines - composed of USAID Deputy Mission Director Roger Carlson, Office of Economic Development and Governance (OEDG) Head Maria Rendon and Contracting Officer's Technical Representative Teresita Espenilla - conducted an exposure visit to MABS participating banks (PBs) and microfinance clients in Cebu City on March 18, 2010. The team visited the First Agro Industrial Rural (FAIR) Bank's branch in Mandaue City and Green Bank's branch in Subangdaku. The banks' presidents, Mr. Gil Verardo and Mr. Omar Andaya, respectively, gave the team an overview of their respective banks' operations and microfinance programs and activities.



The team visited the banks' microloan clients to understand the microenterprise sector and the demographics and profiles of clients being served by the banks. Among those visited was FAIR Bank client, Marcosa Igot. With her most recent loan from FAIR Bank, she started a tailoring shop that manufactures bags, aprons and pillowcases from scrap fabric sourced from factories inside the Mactan Export Processing Zone. Her previous loans from FAIR Bank were used to purchase raw materials for her handcrafts manufacturing business.

The team also visited Green Bank microloan client Ferdinand Pedrano. According to Mr. Pedrano, his loans allow him to purchase the raw materials he needs to meet his clients' orders. *"When I get orders from clients, they only initially give me a percentage of the total contract price.*

My loans help me buy the materials I need so I can make my deliveries on time." After gaining experience and contacts from almost two decades of running the machine shop operations of shipping and engineering firms, Mr. Pedrano resigned from his job in 2006 to start his own machine shop. He now counts some of the companies he worked for as regular clients. Mr. Pedrano employs 12 workers who help him produce machined parts and components.

Promoting ICT-enabled Management Information Systems for MFIs

The PinoyME Knowledge Management Working Group (KMWG) composed of representatives from MABS, MICRA, IDEA, and Grameen Foundation co-hosted a 3-day Management Information System (MIS) Course entitled "Let's Get IT Right: An MIS Practical Toolkit for Microfinance Institutions". Held on March 22-24 in Davao City, the workshop was attended by 17 participants from various MFIs, including a cooperative rural bank based in the Autonomous Region of Muslim Mindanao (ARMM). MABS Senior MIS Manager and Regional Manager for Mindanao Anthony Petalcorin facilitated the first day sessions, which focused on the basic concepts about an organization's MIS. In these sessions, he defined what a good and effective MIS is, and discussed the role of MIS in monitoring an MFI's financial and social performance indicators.

RBAP-MABS hosts 3rd Mobile Commerce Summit Asia in Manila

Close to a hundred stakeholders and leaders of the Asian mobile commerce industry – bankers, mobile network operators, mobile commerce providers, and third-party solutions providers – attended the 3rd Mobile Commerce Summit Asia. The Rural Bankers Association of the Philippines-Microenterprise Access to Banking Services (RBAP-MABS) Program Chief of Party, Mr. John Owens, chaired the opening session of the two-day conference held on March 24-25 at the Crowne Plaza in Manila. He provided the participants a snapshot of the thriving Asian mobile commerce industry, focusing on developments in the Philippines where Globe and Smart Communications continue to be two of the leading pioneers in mobile money and mobile commerce in the region. He also shared the experiences of rural banks, which have not only utilized mobile money platforms to expand access to banking services, but have also promoted mobile commerce for microenterprise clients.



To give the delegates a first-hand experience on the use of mobile money, a post-conference exposure tour was hosted by RBAP-MABS on March 26. It included a presentation and visit to the Philippine Rural Banking Corporation (PR Bank), one of the leading rural banks and enabler of mobile financial services via GCASH. The presentation at the bank gave the participants an overview of the mobile phone banking services that they offer. Participants also experienced converting their money into mobile money (GCASH), which they used to purchase goods and souvenirs from PR Bank registered microentrepreneurs accepting GCASH at the Greenhills Shopping Center.