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MABS MICROFINANCE PHILIPPINES

Author / organisation	USAID
Year recorded	2008
Region	Asia-Pacific · Philippines
Category	Economic
Archive page	kiwanja.net/mobile-database/mabs-microfinance-philippines/

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MICROENTERPRISE ACCESS TO BANKING SERVICES (MABS) PROGRAM
November 2008 Highlights

US Ambassador to the Philippines Kristie A. Kenney at the 51st Charter Anniversary Symposium of RBAP

Historic RBAP 51st Charter Symposium Highlights Use of Technology in Rural Banking

US Ambassador to the Philippines Kristie A. Kenney spoke of the US elections, rural banking, microfinance, and technological innovations at the 51st Charter Anniversary Symposium of the Rural Bankers Association of the Philippines (RBAP) held last November 18-19, 2008 in Manila. In line with the latest trends and developments in rural banking, the theme of this year's RBAP event was "Banking on Technology".

The RBAP symposium gathers the Association's member rural banks every year since RBAP's establishment in 1957. The annual symposium has now evolved into a forum for learning and knowledge sharing, showcasing the latest banking and technology innovations and providing updates from and on RBAP's institutional partners, the private sector, and the government.

Ambassador Kenney said, "Rural banks are now recognized as the primary providers of financial services to micro and small enterprises in the Philippines." She expounded that not only are the rural banks "providing outstanding service to clients, but [they] have gained a global reputation for innovation and excellence."

Globe Recognizes Top-Performing MABS Participating Rural Banks Offering Mobile Phone Banking Services

Ten participating rural banks of USAID's Microenterprise Access to Banking Services (MABS) Program were recognized for their top performance in providing mobile phone banking services for the Filipinos during the 51st RBAP Charter Anniversary Symposium.

A Filipino innovation, mobile phone banking for Globe subscribers of rural banks was developed and implemented with the support from MABS in partnership with RBAP and Globe Telecom's G-Xchange Inc. (GXI) and its innovative GCASH platform. GXI President Rizza Maniego-Eala said that rural banks have now developed their own special brand of mobile phone banking services, which include Text-A-Payment, Text-A-Deposit, Text-A-Withdrawal, and Text-A-Sweldo (salary).

At present, 43 rural banks have already been accredited and registered to offer m-banking with the support of RBAP-MABS. Of these accredited rural banks, 10 were recognized for being the top performers in terms of m-banking transactions using GCASH. Globe Chairman Jaime Zobel de Ayala II presented the awards to Philippine Rural Banking Corporation (PR Bank), Green Bank, 1st Valley Bank, Cantilan Bank, Bangko Kabayan, Agribusiness Bank, Rang-ay Bank, GM Bank, Rural Bank of Victorias, and Bangko Luzon.

MABS Participating Rural Bankers Meet at MABS 2008 Regional Round Table Meetings

A total of 109 rural bank executives from 49 participating banks (PBs) of the MABS Program joined the MABS Regional Round Table (RRT) Meetings for Luzon and Visayas, which was held in Manila, and for Mindanao, which was held in Davao City. This year's RRT theme is MABS-4: Taking Microfinance to the Next Level. Discussions covered the prospects and challenges of MABS PBs in the evolving microfinance landscape.

Representatives from partner agencies, USAID OEDG Head Christian Hougen, USAID Philippines CTO Teresita Espenilla, RBAP President Tomas Gomez IV, Nokia Philippines Go-To-Market Head Rhomel Marcojos, Bangko Sentral ng Pilipinas (BSP) Head of Inclusive Finance Advocacy Pia Bernadette Roman, and MicroFinanza Rating Agency Senior Financial Analysts Marco Boa and Ainur Turgunbaeva presented during the RRTs to share their perspectives and continuing support for MABS in expanding microfinance services in the Philippines.

As part of the MABS RRT, the PBs were evaluated based on the MABS-developed EAGLE assessment system reflecting international microfinance standards.

MABS Set to Expand Mobile Phone Banking Services by Supporting New RBAP-SMART Private Partnership

RBAP and SMART formally seal m-banking partnership: (L-R) John V. Owens (MABS Chief of Party); Francis S. Ganzon (RBRDFI Chairman); Tomas S. Gomez IV (RBAP President); Reynante S. Banico (Head, SMART Services Hub, SMART); Anna Marie A. Cruz (Head, Domestic Alliance, Financial Services, SMART); and Jon D. Lindborg (USAID Philippines Mission Director).

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With the support of MABS, RBAP launched its partnership with Smart Communications, Inc. (SMART) during the 51st RBAP Charter Anniversary. Through the RBAP-SMART partnership and the technical and promotional assistance from MABS, rural banks in the Philippines will soon be able to extend m-banking services to SMART subscribers using SMART Money.

SMART is currently the largest mobile network operator in the Philippines with close to 35 million subscribers. When combined with the 25 million Globe subscribers now availing of m-banking services using the GCASH platform, the number of potential clients that can be reached by rural banks is almost 60 million, almost double the number of clients with banking services in the entire country and ten times more than the number of deposit accounts now being managed by rural banks in the Philippines.

SMART Money is the world's first reloadable electronic wallet card linked to a mobile phone. Rural bank clients, who are SMART subscribers, can soon avail of secure and accessible mobile-based communication and financial solutions anytime and anywhere at the speed of a text message.

MABS Participating Bank Microenterprise Clients Recognized in the 2008 Citi Microentrepreneur of the Year Awards

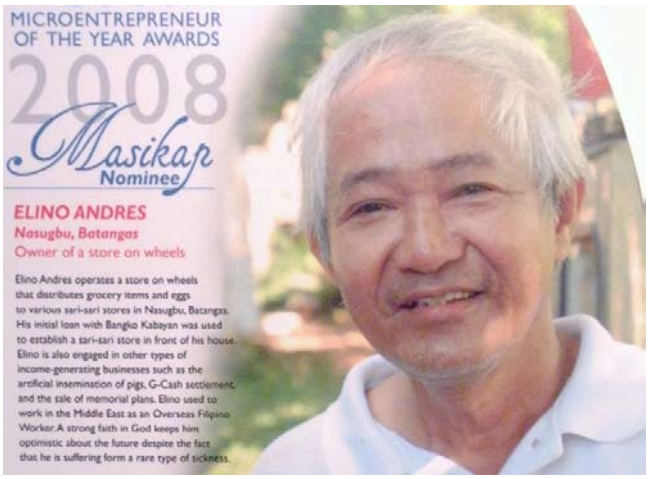
The two national awardees for the 2008 Citi Microentrepreneur of the Year (MOTY) Awards are microenterprise borrowers of MABS PBs. In addition, one regional winner and two special awardees likewise are MABS PB clients.

Estela Lagunzad of Tacloban City was declared the "Masikap" National Awardee. A loan client of Rural Bank of Dulag in Leyte, she is now the successful owner of a retail store, an eatery, and of a nursing cap manufacturing business. Anunciacion Santillan of Bantayan Island was pronounced the "Maunlad" National Awardee. Before she became a loan client of First Agro-Industrial Rural Bank (FAIR Bank) in Cebu, she was a struggling sidewalk vendor using a folding bed as her stall. She now owns three retail stalls with monthly sales of more than Php 100,000.

The small business owners in their big moment at the 2008 Citi MOTY Awards held in Manila.

MEET OUR CLIENT ELINO ANDRES: Will on Wheels

Mr. Elino Andres is a former overseas Filipino worker (OFW) who, upon his return home, tried his hand on entrepreneurship. He started by driving a jeepney from which his income proved inadequate, so he shifted to selling fish in the public market. Being naturally charismatic, Mr. Andres accumulated a number of loyal patrons or "suki" who he later discovered were into the poultry business. He took advantage of this connection and started peddling eggs using a motorcycle and a couple of coolers.



Mr. Elino Andres won a Special Award for "exploring new opportunities despite a rare illness" at the 2008 Citi MOTY Awards

Later on, Mr. Andres joined Nestlé's "Business on Wheels" project, where he was provided with a tricycle for use in peddling Nestlé products. Having a bigger and better transport at his disposal allowed Mr. Andres to sell the Nestlé products and eggs as well. When the Nestlé project ended, he returned the vehicle to the company, sold his old motorbike, and bought his own tricycle. His mobile store for Nestlé products, eggs, and grocery items was realized and finally rolling. Mr. Andres innovated even more by using "Text Mo, Deliver Ko" to better serve his customers. This involved placing orders through text and door-to-door product delivery. He is now able to reach more customers, even from the far-flung barangays of Nasugbu, whose groceries are delivered right at their doorsteps.

In December 2006, Mr. Andres was introduced to Bangko Kabayan. He got his first loan of Php 5,000 and used it to fund the construction of a concrete retail store. To further diversify his business, he added artificial insemination of pigs and now trains and provides a steady supply of GCASH for clients paying the bank via Text-A-Payment. He is also planning to open a retail stall in the public market soon. Aside from his steadily growing business, he is likewise able to send his daughter to college and can now provide financial support for his family.

Mr. Andres's success story becomes even more significant when one discovers that he is suffering from a rare cancer of the blood. How does a small businessman survive such a condition, which entails a monthly medication worth Php 100,000? Fortunately, his doctor registered him with a US-based foundation that now supplies him with his much-needed medicines so he can continue to live, move forward, and prosper.