



A GEISERMACLANG PRESENTATION

# Banking to the Unbanked

**Poverty Alleviation through  
Transparency & Good Governance  
in Rural Banks**

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- Globally Award Winning Brand Architect
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# Who is GeiserMaclang?

DO WELL. DO GOOD.



## GEISERMACLANG

A TRANSFORMATIVE  
MARKETING COMPANY



GeiserMaclang is a full 360° marketing services provider with an enterprise approach.

# RURAL BANKING IN THE PHILIPPINES

Plays a critical role in national development and poverty alleviation; founded to expand lending to rural areas, with underwhelming results

Lack of financing to SMEs and farmers is still a major barrier to job creation

Consumers turn to high-cost alternatives for their financing needs

Banks would rather pay the central bank the penalties in lieu of required loan allocations to SMEs

# RISKS



## SUB-SCALE BANKS

The sector must change its structure and invest in IT and information management, which is critical to efficiency, customer convenience and product innovation.

Unless addressed, the situation will grow worse, which does not bode well for the provincial areas that are in need of financing for businesses and job creation.



# RISKS



By this 2015, the 10 nations that make up the ASEAN envision an Asean Economic Community which will establish a highly competitive single market and production through the integration of their economies.

The Philippine financial system remains unprepared for the integration and the competition it is bound to bring.

## ASEAN INTEGRATION

# RISKS



Commercial banks, non-banks and NGOs who will try to explore and capture other markets, including those in the countryside

Rural banks are in danger of being eaten up by bigger players, who are identifying fast-emerging regional centers and going into smaller markets.

## INCREASED COMPETITION

# OPPORTUNITIES

Merging rural banks are eligible for various perks ranging from more liberalized requirements for putting up new branches, and assistance loans from the Philippine Deposit Insurance Corporation.



## RURAL BANK MERGERS



# OPPORTUNITIES

There are areas of high poverty incidence with potential to emerge as tourism destinations, but have no financial institutions to support them. What they need are investors from the outside, who have the capacity and capability to support businesses in those areas.



## REMOTE AREAS

# OPPORTUNITIES

Now that foreign investments are allowed, rural banks are in a better financial position to reach out and serve both the unbanked and under-banked through improved banking services.



RA 10574:  
FOREIGN  
INVESTMENTS



# DIFFICULTIES

**The distribution of banks (including rural banks) is skewed towards areas with large populations and/or low poverty incidence.**

43% of all bank deposit accounts are in NCR  
68% of total amount of deposits are concentrated in NCR  
NCR accounts for 87% of loans outstanding in banks

**Consumers in small population and/or high-poverty incidence areas have no choice but to go to high-cost solutions, like alternative financial service providers (FSPs), hence, the mismatch and difficulty in accessing loans.**

# WHO SHOULD GET THE LOANS?



TOURISM is a **durable** and **resilient** industry that can spring back from disaster faster than any other industry.

**Tourism also impacts people in non-material ways:**

- It fosters community pride and brings them together
- It preserves history and cultural identity against rampant and mindless modernization by giving the community a sustainable reason to preserve them.



# WHO SHOULD GET THE LOANS?



Agriculture

Investing in high-value crops including coffee, banana, coconut, pineapple, sugarcane, mango

# WHO SHOULD GET THE LOANS?



Power outages are common in Visayas and Mindanao, especially in regions with high incidences of poverty. Haiyan destroyed power plants that produce energy for the the region.



# WHO SHOULD GET THE LOANS?



ICTs

How can we prime rural areas to become next-wave cities for outsourcing?

# WHO SHOULD GET THE LOANS?



**SMEs**

SMEs account for 99.6% of total registered enterprises in the Philippines. They are responsible for job creation, innovation and competition in the urban and rural areas, and are a driving force behind our economy.



# TRANSPARENCY & GOOD GOVERNANCE

What can we learn from the big players?

## REPUTATION BUILD

THOUGHT  
LEADERSHIP  
TRANSPARENCY

STAKEHOLDER  
MAPPING  
& ENGAGEMENT

If banks are strictly enforcing their values as a company, it will reflect on their business growth. Eventually, they will be able to build a reputation for being trustworthy, and will be rewarded with good business.

# TRANSPARENCY & GOOD GOVERNANCE

What can we learn from the big players?

REPUTATION BUILD

THOUGHT  
LEADERSHIP

TRANSPARENCY

STAKEHOLDER  
MAPPING  
& ENGAGEMENT

If you establish your business as an expert in your field, you will be rewarded with good business. People need to see that you are good at what you do.

# TRANSPARENCY & GOOD GOVERNANCE

What can we learn from the big players?

REPUTATION BUILD

THOUGHT  
LEADERSHIP

TRANSPA  
RENCY

STAKEHOLDER  
MAPPING  
& ENGAGEMENT

Banks should be transparent in their transactions/ operations and use it as an opportunity for thought leadership.

# TRANSPARENCY & GOOD GOVERNANCE

What can we learn from the big players?

REPUTATION BUILD

THOUGHT  
LEADERSHIP  
TRANSPARENCY

STAKEHOLDER  
MAPPING &  
ENGAGEMENT

A stakeholder is any person or group whose interests may be affected by your business, or whose actions have the potential to affect your business.



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**Thank you!**

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