



**FAIRBANK**



# COMPANY PROFILE

First Agro-Industrial Rural Bank began serving the public in **January 16, 1999**, at **Osmena St., Daanbantayan, Cebu , Phillippines**

As of this writing, FairBank has expanded to 33 offices covering the provinces of Cebu, Masbate, Negros and Bohol

## OUR TAGLINE

“Better Lives, Brighter Future”

## BRAND PROMISE

“Your dependable partner”



# AGENCY BANKING: Revolutionizing Rural Banking in the Philippines

# OUR MICROFINANCE STORY



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Name: Genela Amancio

Address: Tulang Diot,  
Esperanza, San  
Francisco, Camotes

## Getting to the nearest Cash Point:

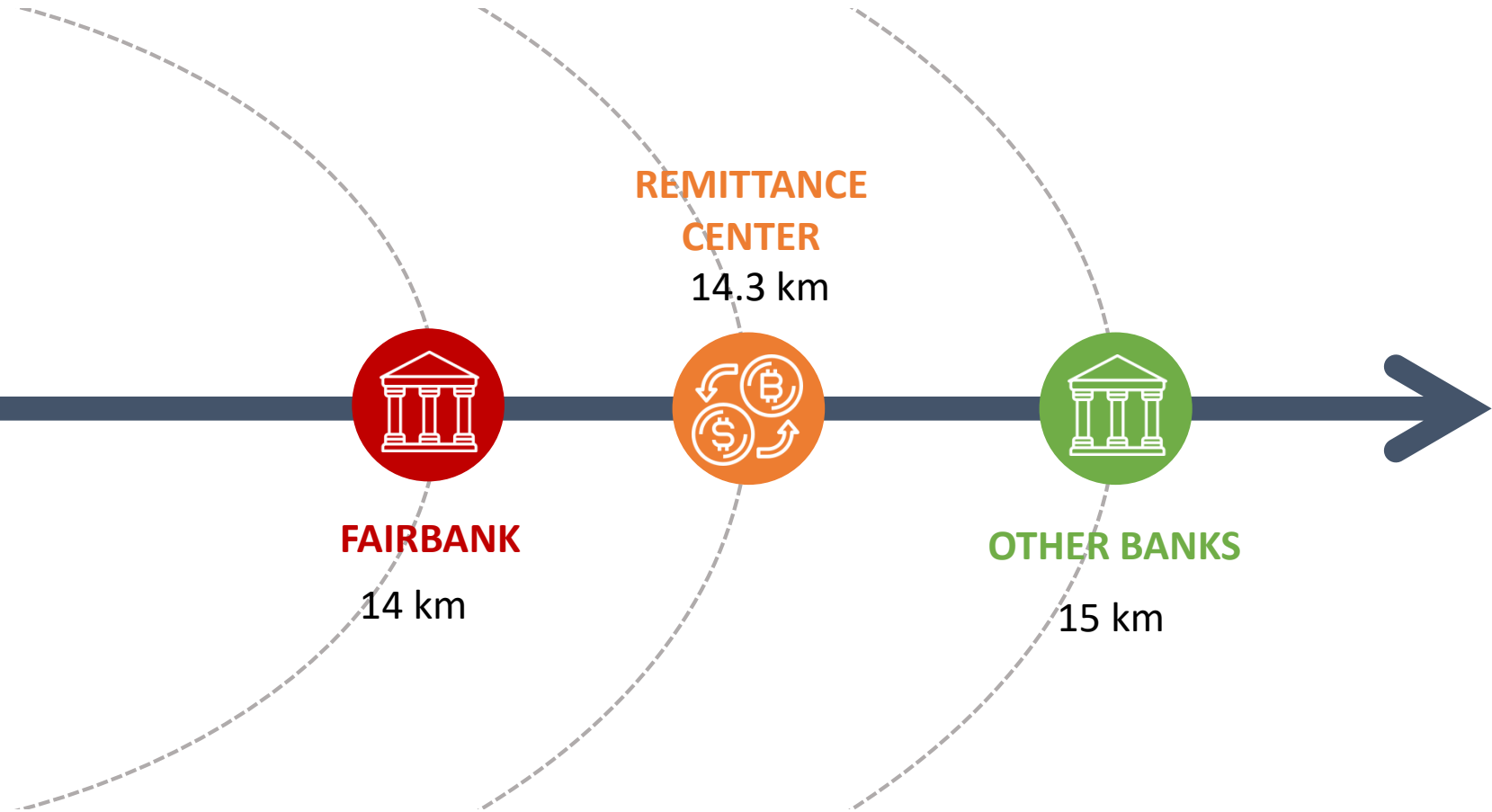
- 30-40 minutes travel time to the nearest cash point
- Fare is 120 pesos, one-way



# The Banking Reach Problem

Camotes Example

Customer's Access to Nearest Financial Service Access Channel





# AGENCY BANKING

Banking right at your doorstep

# AGENCY BANKING

Banking right at your doorstep

- Anchored on BSP Circular 940
- Approved by BSP to do pilot at the three municipalities in Camotes last July 19, 2018

# The Banking Reach Problem

Camotes Example

Customer's Access to Nearest Financial Service Access Channel



Agent Bank

500 m



FAIRBANK

14 km

REMITTANCE  
CENTER

14.3 km

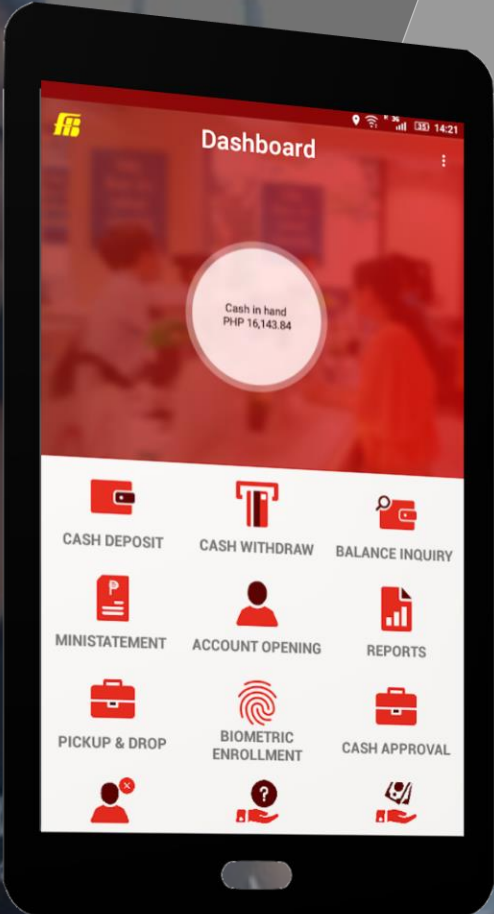


OTHER BANKS

15 km



# SERVICES



**Cash  
Withdrawal**



**Cash  
Deposit**



**Loan  
Repayment**



**Account  
Opening**



**Inquiry**



**Loan  
Origination**

# WHAT'S IN IT FOR OUR AGENTS & CLIENTS?



**Economic  
Empowerment**



**Increased footfall**



**Positive brand  
association**



**Lesser queuing  
time at branches**



**Increased proximity  
and convenience**

# WHAT'S IN IT FOR THE BANK?



Field officers will be focused on value-adding activities



Reduction of lead time in processing new loans by half



Growth in loan portfolio



Expand reach to unbanked areas without the need to invest for brick and mortar



# EXPAND REACH

- ✓ Accredited 16 Cash Agents in Camotes
- ✓ Increased client activity and uptake from 1 transaction per month to an average of 6 transactions per month
- ✓ From zero basic deposit accounts to 165 basic deposit accounts opened thru Agency Banking channel



Name: Carina Valeroso

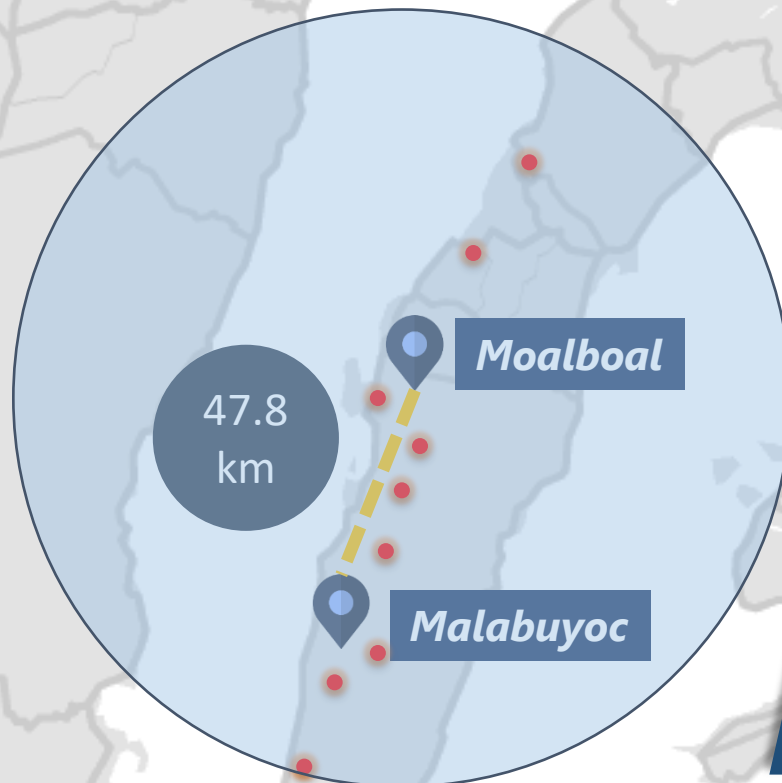
Address: Tulang Diot, San Francsico, Camotes

*“Wala koy account sa bangko kay una, mauwaw ko musulod ug bangko, ug ika duha, ug naa man gani, layo ug dili dayon maduol ug magkuha ka ug kwarta. Sa kining bag-ong pamaagi ninyo, dili nako mauwaw kay silingan ra man ni namong Agent, ug duol na lang sab kaayo. Di nako muplite ug dako pa para lang mangutana sa akong balanse og magwithdraw.”*

“I do not have a bank account because, firstly, I am too shy to get inside the bank, secondly, even if I have one, the bank is too far which would make withdrawal transactions inconvenient for me. However, in this new method where the Agent is just our neighbor, I won't get intimidated nor will have to pay for huge amount of fare for withdrawals and balance inquiry”

## REFINED HUB-AND-SPOKE MODEL WITH AGENT BANKS

- Hub-and-spoke model is having a centrally located, full-service branch, supplemented by smaller, more automated locations
- Expanding full branch' radius from 50 km to 80-100 km and accrediting Agents to every Barangay located within
- Costs of infrastructure and manpower are reduced, while revenues are increased



A map of the Philippines showing the distribution of agent banks. Red dots are placed across various islands, including Luzon, Visayas, and Mindanao, representing the locations of these banks. The map is overlaid on a dark blue background that contains text and a list of bullet points.

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# CHALLENGES & LESSONS LEARNED



## Signal Strength

Agency Banking requires online connection to do transaction, but most of these rural areas have intermittent or no signal at all.



## Core Banking System

Rigid and legacy core banking system had caused delays in the implementation.



## Simplified Processes

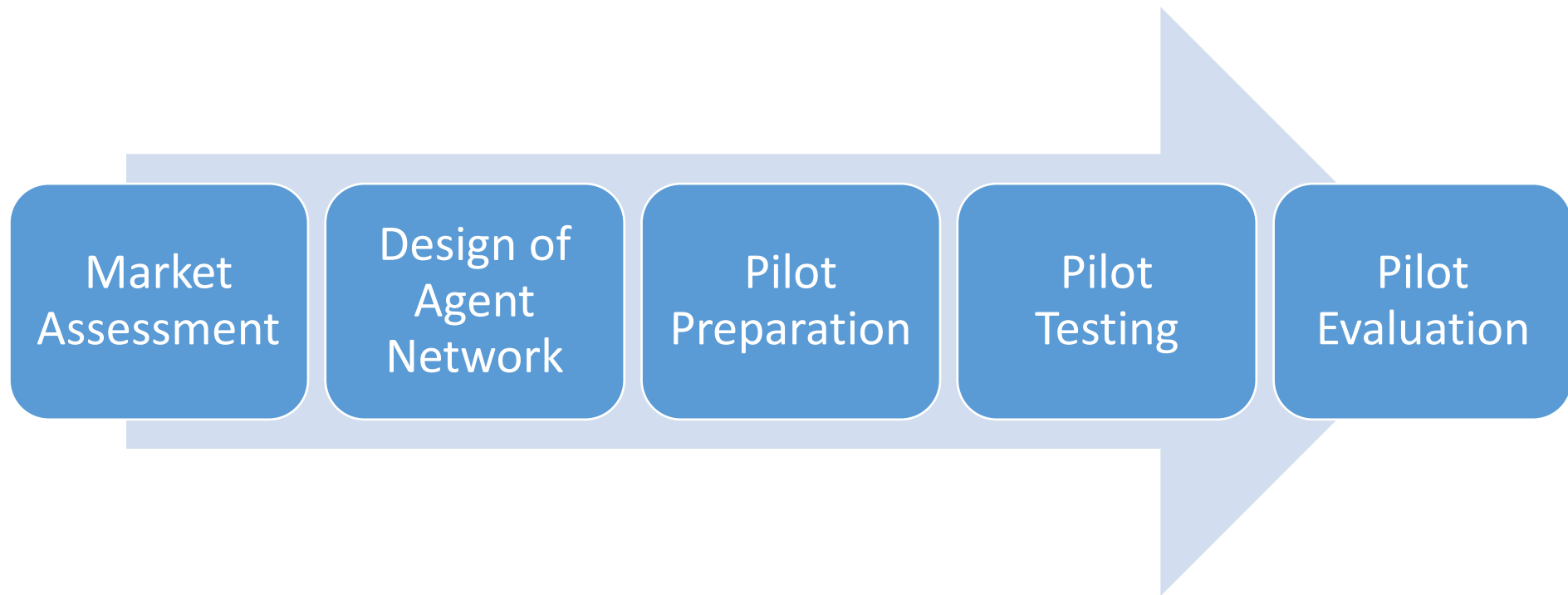
Processes should have been simplified first prior to implementation to avoid forcing “old” microfinance processes into the new channel.



## Marketing

Keep a strong focus on branding and marketing thru multiple channels using above and below-the-line activities.

# ACTIVITIES IN THE IMPLEMENTATION





# AGENT TESTIMONIAL