

How G2P Transfers Can Accelerate Financial Inclusion

ASIA-PACIFIC FINANCIAL
INCLUSION SUMMIT 2015



LANDBANK

WE HELP **YOU** GROW.

Overview of the Philippines' 4Ps CCT Program

- Patterned after the CCT programs in Latin American countries
- Started in Feb 2008, the 4Ps (*English: Bridging Program for the Filipino Family*) provides cash grants to recipients based on conditionality



Pantawid
Pamilyang
Pilipino
Program

Dual Objectives of the 4Ps:

- ***Social Assistance.*** Short-term poverty alleviation through cash assistance; and
- ***Social Development.*** Investments in human capital to break the intergenerational poverty cycle

Supports the country's commitment to meet the following Millennium Development Goals of the UN:



Overview of the Philippines' 4Ps CCT Program

4Ps Details



Conditionality	<ul style="list-style-type: none">• Pregnant women must avail of pre- and post-natal care and be attended during childbirth by a trained health professional• Parents must attend Family Development Sessions• 0-5 year old children must receive regular preventive health check-ups and vaccines• 6-14 years old children must receive deworming pills twice a year• All child beneficiaries must enroll in school and maintain a class attendance of at least 85% per month
Payment Frequency	Bimonthly
Length of Recipient Participation in Scheme	5 years
Total Active Beneficiary Households*	4,391,768
Coverage*	144 cities and 1,483 municipalities in 80 provinces
Lead Agency	Department of Social Welfare and Development (DSWD)
Primary Payment Service Provider (PSP)	Land Bank of the Philippines

* As of 24 June 2015, DSWD Program Implementation Status Report Q2 2015

Overview of the Philippines' 4Ps CCT Program

Success Stories



Skills development and livelihood opportunities.

Aside from capital assistance, eligible recipients are trained on financial literacy, entrepreneurship, micro-enterprise management.



Empowered women. Women are taught how to help themselves, trained how to save and start their own businesses, and equipped to become leaders and mentors of fellow recipients.



From dumpsite to decent subdivision. A family starts its own bag and accessory-making business, enabling them to acquire a decent house.



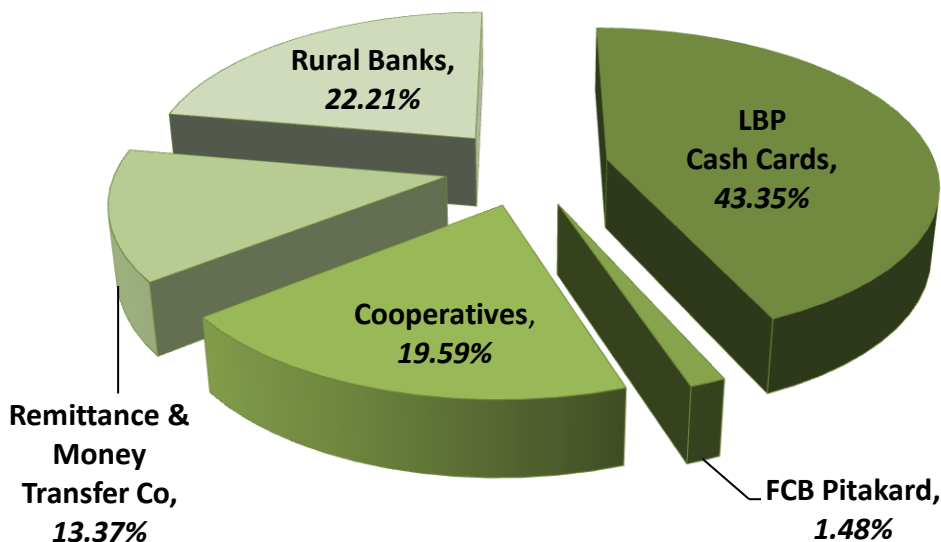
Improved quality of life. One of the poorest recipients is now one of the largest suppliers of bell peppers, earning more than Php 100K.



Case for Migrating from Cash to e-G2P Transfers

Current Payment Scheme

- As the primary PSP, LANDBANK supplies the most payment instrument, the cash card, which can be used in over 17,000 BancNet ATMs, including more than 1,400 LBP ATMs
- For areas with no available ATM, LBP contracts additional PSPs, also called “conduits”



Of the total PhP 17.752 B education and health grants distributed from Jan - June 2015,

- *44.83% of the amount was made via Cash Cards while*
- *55.17% was through cash disbursements.*



Case for Migrating from Cash to eG2P Transfers

Issues with the Current Payment Scheme

Cash Cards	<p>Long Queues. With the limited number of ATMs, recipients have to endure long lines before they could withdraw their money.</p> <p>Distance. Some groups reported traveling up to two hours and, in some cases, paying as much as PhP 200 (USD 4.35) to reach the nearest ATM.</p>
Cash Disbursements	<p>Security. Conduits go to great lengths to transport cash payments to extremely remote areas.</p> <p>More Costly. Getting the cash payments to the remote areas in a timely and cost-efficient manner is becoming increasingly difficult.</p> <p>Liquidity. Challenge in maintaining the proper levels of liquidity.</p> <p>Tedious. Since the recipients have to present Acknowledgment Receipts to get their money over-the-counter (OTC), more than 2 million sheets of paper need to be created, printed, distributed, and verified each pay period.</p>

Case for Migrating from Cash to eG2P Transfers

Strategic Alliance with  **OMNIPAY**
BEYOND BORDERS

Launched the branded LANDBANK Prepaid Card



- ✓ Serves as an ID card
- ✓ Can be used as an instrument to save
- ✓ Withdraw from 17,000+ BancNet ATMs nationwide
- ✓ Additional funds may be “cashed into” the account
- ✓ Payment instrument that can be used in 100,000+ POS terminals, and for ecommerce



5,000+ CICOs

- DA5
- Soon: 7-11, MLhuiller, USSC



“Sari-sari” stores

- Thousands of additional CICOs
- Purchase basic necessities



Supermarkets, retail chains

- Special discounts on purchases
- Business opportunities
- Bill payments



Case for Migrating from Cash to eG2P Transfers

Success Factors

Make financial inclusion as a program objective



Secure transactional account to receive and store funds



Grow the agent network while maintaining agent quality



Instrument that can be used for everyday needs like bill payments



Consumer protection



Financial education

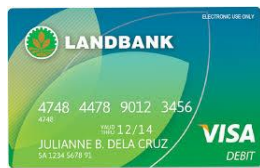


Other LBP eG2P and Financial Inclusion Initiatives

Other eG2P, eD2P Payment Solutions

Government-to-Person Payments

Government Payroll



Retirees' Pension



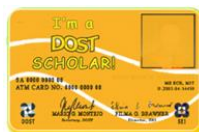
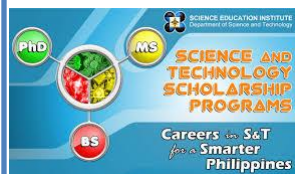
Mga PNP at PC/INP Pensioners!
Mag-enroll na sa **ATM Pension System!**
Para sa Inyo Ito!

Mga Advantages ng PNP Checkless - ATM Pension System

- ✓ Madaling Dalhin / Convenient
- ✓ Puwedeng Magwithdraw Kahit Saang ATM Machine
- ✓ Puwedeng Magwithdraw Kahit Anong Oras



Scholars' Stipend



Multi-purpose Loans



Donor-to-Person Payments

UNDP's CFW Program



- Quickest disaster response leveraging on mobile technology
- Acknowledged by UN Sec Gen Ban Ki-Moon as an initiative that must be replicated worldwide



Other LBP eG2P and Financial Inclusion Initiatives

LANDBANK Vision

VISION

By 2018, LANDBANK will be the top universal bank that promotes inclusive growth and improves the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.



THE BANK'S NETWORK IS COMPRISED OF

As of December 2014



1,338 ATMs



351 branches



CFIs

Coops

Govt Agencies, LGUs

Farmers & Fishers Orgs

U N B A N K E D

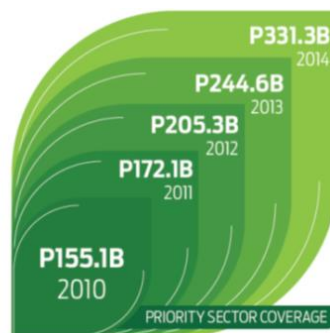


Other LBP eG2P and Financial Inclusion Initiatives

2014 Performance Highlights

LANDBANK LOANS TO PRIORITY SECTORS
As of December 2014

P331.3
BILLION



LEADING LOAN PROVIDER

of assistance for micro, small and medium enterprises among government-owned and controlled corporations and government financial institutions with outstanding loans to the sector reaching **P51.4 billion** from January to December 2014.



LANDBANK is the depository of 97% of the country's local government units (LGUs)

THE **BIGGEST**
CREDIT PROVIDER
P42.9 B



TOTAL OUTSTANDING LOANS FROM JAN-DEC 2014

LOAN RELEASES TO SMALL FARMERS AND FISHERS January to December 2014

P58.4 B
CHANNELED THROUGH

- 793 Farmer & fisherfolk cooperatives
- 206 Countryside financial institutions
- 226 Irrigators' associations
- 5,889 SMEs/NGOs



LENDING OPERATIONS FACILITATED

Construction of **2,948** school buildings with **10,057** classrooms

Provision of **7,145** hospital beds

Generation of **310,486** kWh electricity

Connection of **2,453,618** households with potable water

Construction of **1,438** km. of farm-to-market roads

Planting of:
- **818** ha. with cacao
- **20,204** ha. with oil palm



BANK OF THE YEAR 2014

