

Unleashing the Potential of the Countryside



We process NSO Certificates (birth, death, marriage, CENOMAR) & POEA Balik-Mangagawa Exit Clearances!

There is a *HUGE & UNTAPPED MARKET* in the *COUNTRYSIDE* ...

There's this *huge and untapped market in the countryside for Online Merchants...* untapped because they have *no internet access or lack the means for internet payment*



***RURALNET INC. IS BUILDING A
NATIONWIDE NETWORK
OF RURAL BANKS, and
COOPERATIVES...***

***... For Government and Private
Sector Services.***



...RuralNet Inc. will transform Rural Banks and Cooperatives into Order and Payment Centers (OPCs) for products and services of Online Merchants



WHY THE RURAL BANKS...

It is natural to tap the Rural Banks (RB) because...

- ***RBs cover 85% of 143 cities (122).***
- ***RBs also serve over 70% of all 1,491 municipalities (1,000+ towns).***
- ***RBs serve over 5 million depositors and the rest of the Philippine public***



WHY THE COOPERATIVES...

It is natural to also tap Cooperatives because...

- ***There are 22,000 cooperatives with 11.6 Million members.***
- ***RuralNet Inc. will initially focus on the top 2,000 coops (8 Million members).***
- ***The membership in each coop is a tightly knit group, very loyal to their cooperative.***



Two National Payment Networks...

RuralNet Inc. is rolling out two national payment networks...

- Ruralnet is the network for Rural Banks***
- Coopnet will be the network for Coops***



A POTENTIAL MOBILE PAYMENT PLATFORM...

- ***RuralNet Inc. recently signed a partnership agreement with a major TELCO.***
- ***It will provide RBs and Coops with mobile phone and internet banking including ATM functionality.***
- ***This is expected to generate millions of new and active subscribers – billers, merchants and individuals.***



LARGELY UNTAPPED MARKET POTENTIALS...

RuralNet Inc. offers access to the following markets...

- ***Large countryside market thru Ruralnet;***
- ***Close knit and loyal coop membership base thru Coopnet;***
- ***Limitless potential of countryside mobile phone banking subscribers;***



ENDLESS POSSIBILITIES & OPPORTUNITIES

For Government and Private Sector Products and Services ...

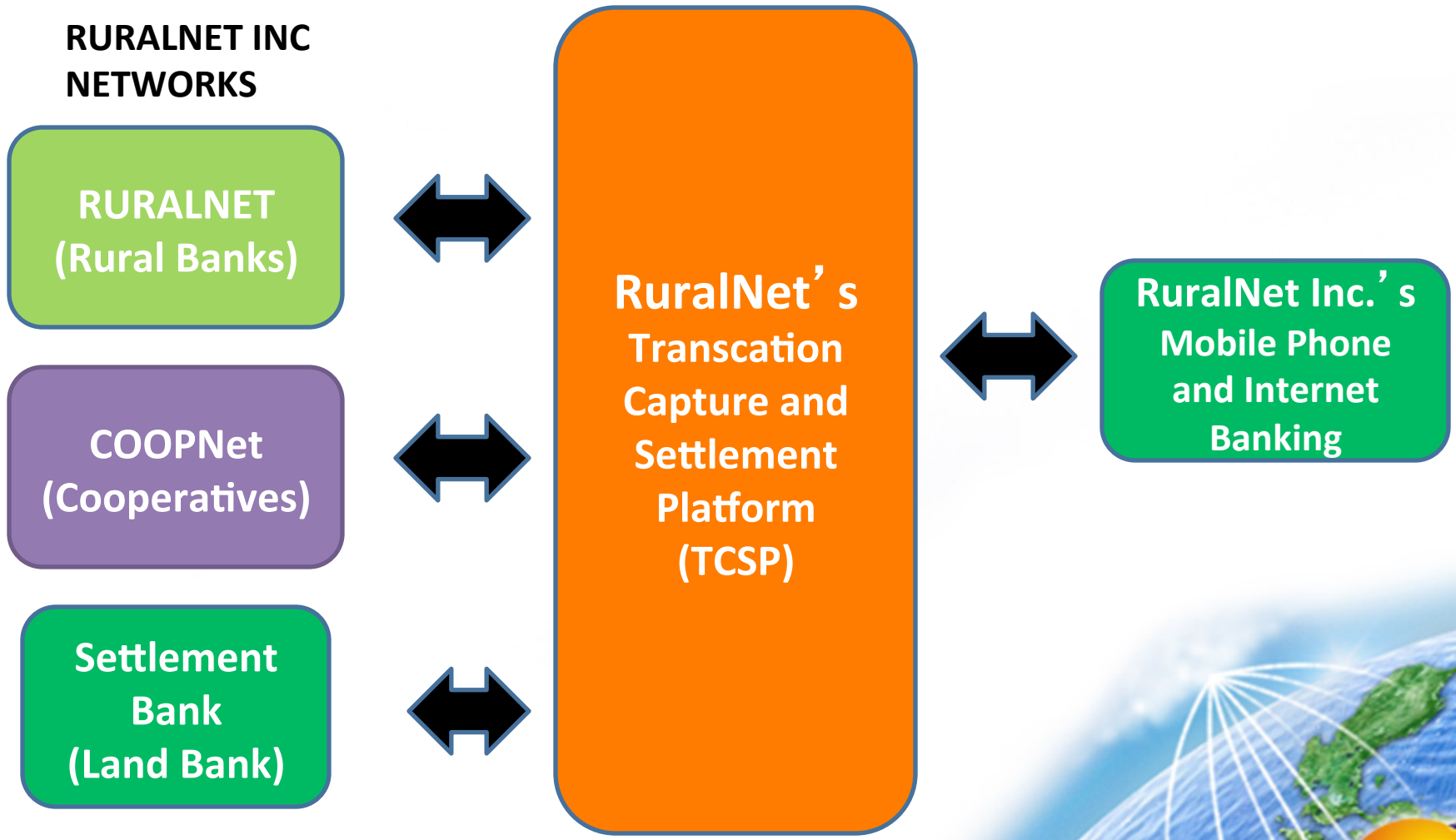
...For Collections Services

...For Payout Services

**...For Orders and Payment
Services**



RuralNet Inc.'s Order and Payment Portal



RuralNet 's Order & Payment System Raises the Level of Confidence Of its Partners...

- The RuralNet system has **passed BSP' s review** in 2012.
- RuralNet Inc. **screens** and **accredits** suitable member Rural Banks, Cooperatives and Online Merchant Partners

RuralNet 's Order & Payment System Raises the Level of Confidence Of its Partners...

- Settlement is on a **daily basis**.
- Approved transactions must be fully funded and will be issued **unique Transaction Reference Numbers**.
- Settlement accounts of member RBs and coops are **more than sufficiently funded**...



RuralNet 's Order & Payment System Raises the Level of Confidence Of its Partners...

- RuralNet Inc. provides member Rural Banks, Coops and Online Merchants Partners with **daily** and **monthly reports**.
- Land Bank of the Philippines is our **settlement bank partner**.



RuralNet's Order & Payment System Raises the Level of Confidence Of its Partners...

- It took **two years** for RuralNet Inc. to negotiate with Land Bank of the Philippines to become its settlement bank.
- Land Bank agreed to allow member RBs and Cooperatives... and its upcoming Online Merchants Partners to **avail of LBP's internet banking system** to replenish individual settlement accounts with RuralNet.



RuralNet's Order & Payment System Raises the Level of Confidence Of its Partners...

- It also took **three years** for the RuralNet system to pass the review and scrutiny of the National Statistics Office.
- Consequently, RuralNet Inc. is **one of only two major order and payment partners of NSO.**



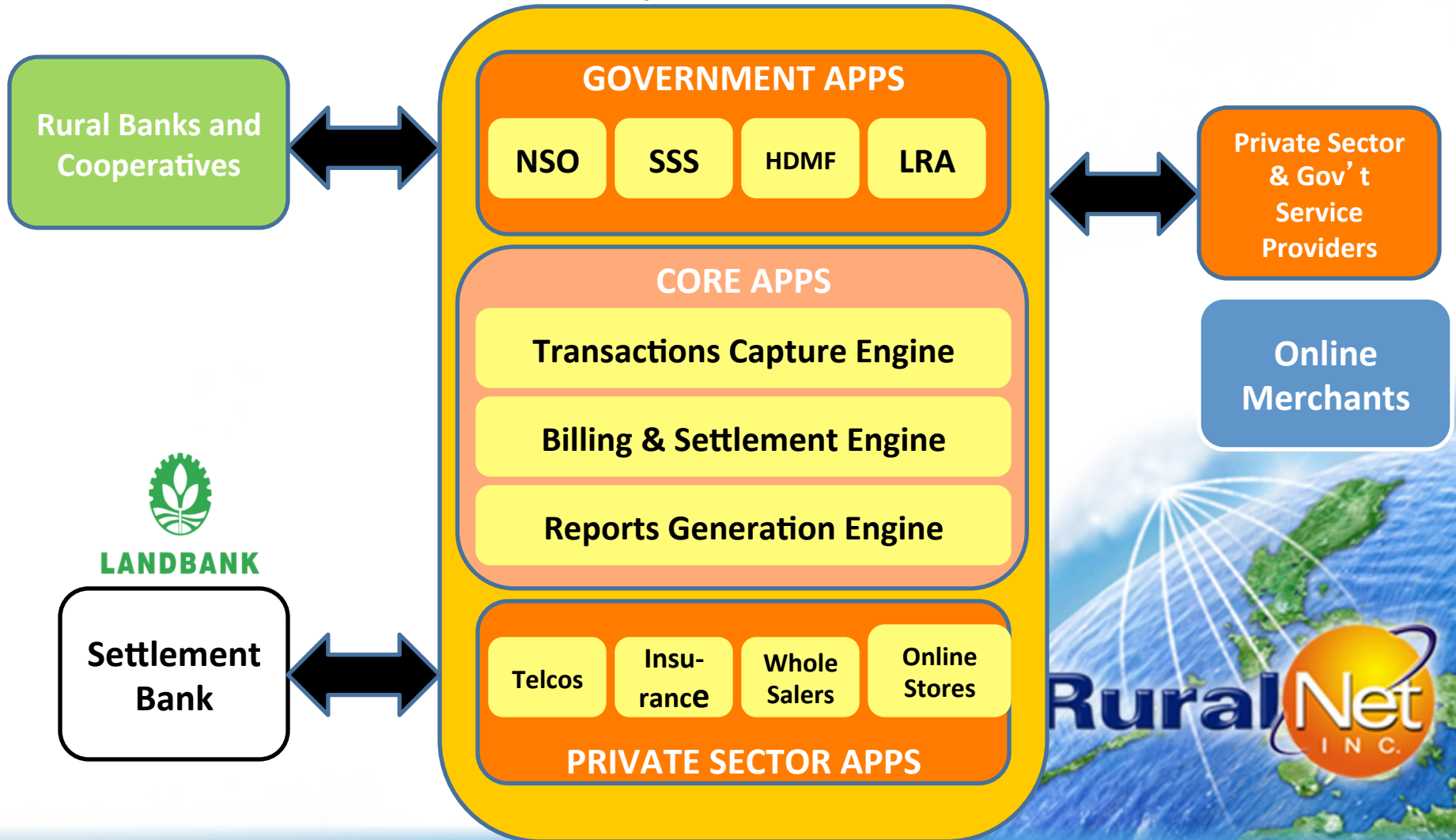
RuralNet Inc. provides the solution...

- ✓ . . . by partnering with **Online Merchants** to **extend their products and services** throughout the countryside.
- ✓ . . . by utilizing **Rural Banks** and **Cooperatives**, as different **Payment/Order and Payment channels**.
- ✓ . . . by providing its **Transaction Capture and Settlement Platform (TCSP)** that **promptly and securely settles** transactions on a daily basis



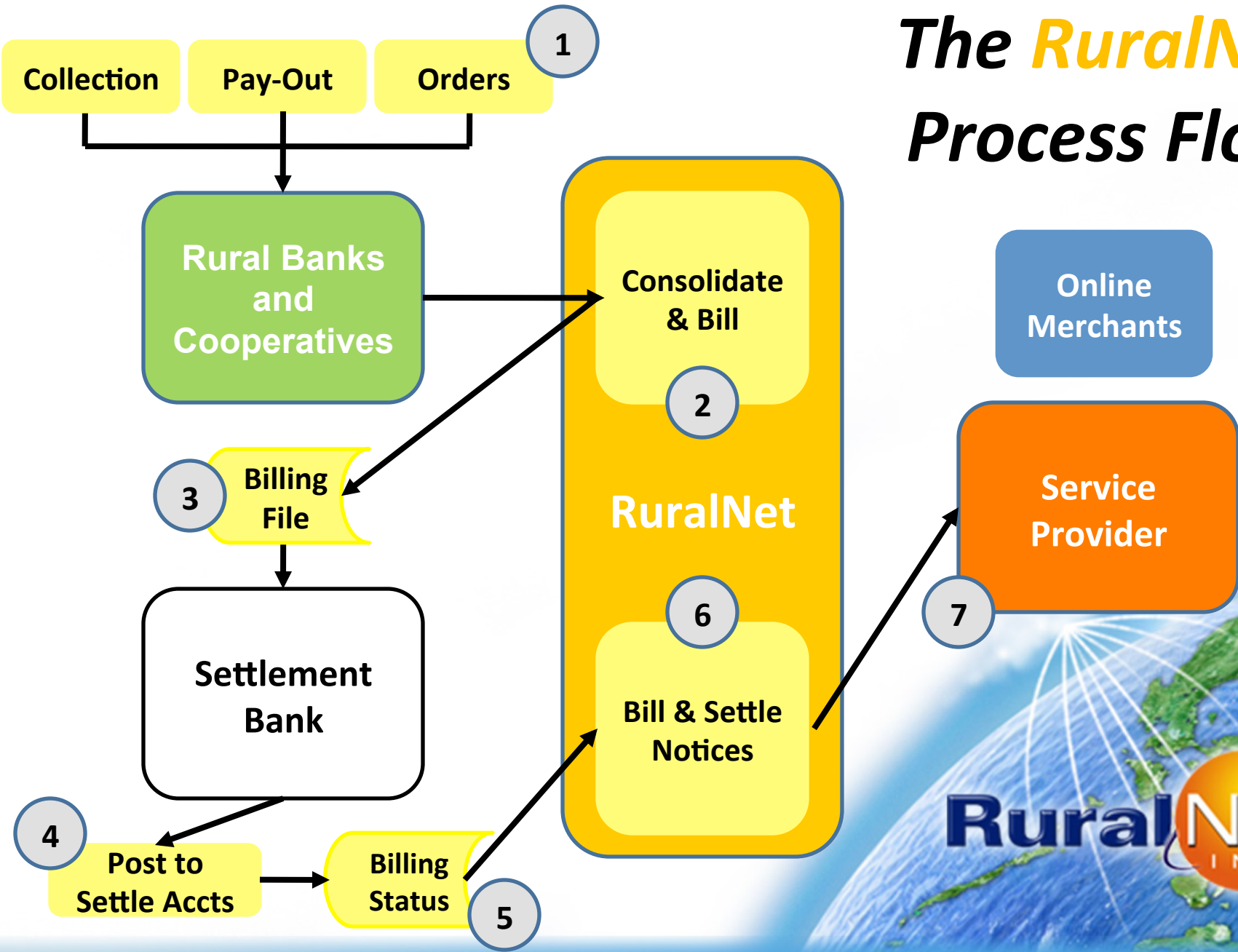
The Applications in *RuralNet's* TCSP...

Transaction Capture & Settlement Platform



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The RuralNet Process Flow



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Ruralnet's Transaction Capture and Settlement Platform...

Provide a Transaction Entry Module
to allow Rural Banks and Cooperatives to
encode all Online Merchant transactions
through the RuralNet System....



RuralNet's Transaction Capture and Settlement Platform...

Provide a Transaction Capture Engine that would account for all the transactions that pass through the RuralNet system... with RuralNet Inc. as the independent third-party mediator in cases of dispute.



RuralNet's Transaction Capture and Settlement Platform...

Provide Billing and Settlement Engines to promptly and securely settle amounts due between the Rural Banks, Coops, and Online Merchants on a daily basis.



RuralNet's Transaction Capture and Settlement Platform

Provide a Reports Generation Engine to deliver daily and monthly reports for member RBs, Coops, and Online Merchant Partners



RuralNet Inc.' s Systems Roll Out



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RuralNet Inc.' s Rollout Plans (RBs)

- ✓ Phase I (CY2013): Covers 76 of the top Cities and Municipalities with a population of over 100,000 residents.
- ✓ Phase II (CY2014): RuralNet teams will branch out to 106 municipalities with a population less than 100,000 but greater than 50,000 people.
- ✓ Phase III (CY2015): Roll out is to 190 municipalities with a population less than 50,000, but at least 20,000 residents.



RuralNet's Rollout Plans (Coops)



Major national cooperative federations have already signified their intention to join.

- **VICTO, with its 248 cooperatives primarily in the Visayas and Mindanao, are already onboard.**
- **NATCCO, with its 612 cooperatives (2.17 Million members) have agreed to join.**
- **MASS-PECC, with 300 coops primarily based in Mindanao, will also be joining COOPNet.**
- **People's Coop, with 29,000 members, is currently considering joining COOPNet.**



RuralNet's Rollout Plans (Mobile TELCO Partners)

 RuralNet Inc. and its TELCO Partner signed a partnership agreement last December 2013

- Its mobile phone and internet banking platform will be rolled out by mid-2014;
- Rural Banks will spearhead enrolling its clients as subscribers... including the rest of the countryside population
- Coops will actively enroll its members as subscribers



RuralNet's Rollout Plans (Service Provider Partners)



Existing Partners for 2013

- National Statistics Office
- Billers like PAL, PAL Express, telcos, electricity, water, cable, credit cards, insurance and etc.



2GO



RuralNet's Rollout Plans (Service Provider Partners)



Under Discussions for 2014



SOCIAL SECURITY SYSTEM



Shopinas.com

Easy. Secure. Happy Shopping!



- Rest of Airline Ticketing
- More Bills Payment Partners
- **Hopefully Online Merchants**



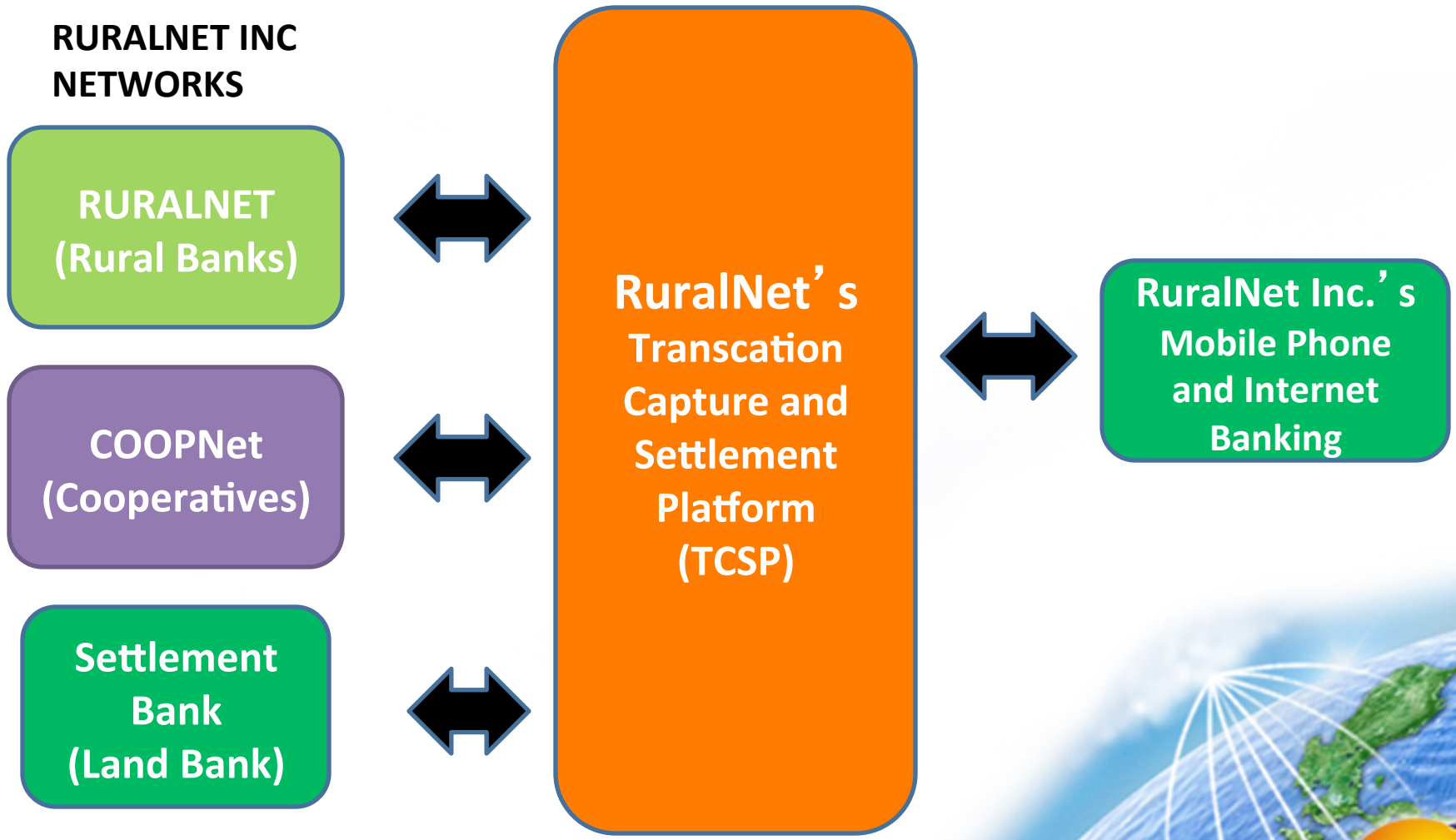
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RuralNet Inc.'s Service Collaboration Potentials with Online Merchants...



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RuralNet Inc.'s Order and Payment Portal



Possible Collaboration Models

RuralNet's two national payment networks...

- ***Both Ruralnet and Coopnet could be Collection Partners for Online Merchants.***
 - ***already doing so with many Bills Payment Partners, both gov't and private sector.***



Possible Collaboration Models

RuralNet's two national payment networks...

- ***Both Ruralnet and Coopnet could be Order and Payment Partners for Online Merchants.***
 - ***already doing so with NSO;***
 - ***under discussions with many more gov't and private sector partners.***



Possible Collaboration Models

RuralNet's two national payment networks...

- ***RuralNet Inc. is willing to explore with the Online Merchant Industry on different possible models for collaboration...***



Bridging the Digital Divide...

Ruralnet and Coopnet will provide the solution...

- ***Many Filipinos still don't have credit cards;***
- ***Those that do are still afraid to safely use their cards for internet transactions;***
- ***Even more so for people in the countryside...***

... we will make e-commerce work in the countryside!



Thank You.

Daniel R. Arcenas
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