

# The Gateway to Modern Banking



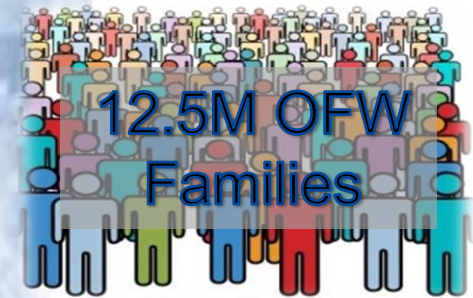
**RuralNet**  
I N C.



# There is a huge & untapped market in the countryside...



**55% LIVES  
IN RURAL  
AREAS!**



Millions of Individuals and Households are served by Private Sector Service Providers e.g. Telecom, Power, Water, Remittance, Insurance & Transport



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# Connectivity is the key to accessing the countryside market!



RuralNet is building a  
**NATIONWIDE NETWORK OF  
RURAL BANKS & COOPERATIVES**

... and bringing Government  
and Private Sector Services to  
the countryside ...

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# 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.**



# WHY MOBILE PAYMENT PLATFORM...

**Mobile payment platforms have a lot of potential...**

- **RuralNet Inc. has a current partnership with GCASH.**
- **There are one million GCASH Account holders.**
- **Globe Telecom has a total subscriber base of 35.1 million.**



**There is a huge & untapped market in the countryside...**

**...and the rural banks can now play an important role in serving this market...**

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# Rural Banks & COOPS can now offer these government and private sector services...



## Collection Services

- PhilHealth
- GSIS
- SSS
- Pag-ibig
- Utilities
- Insurance Premiums
- other payment center offerings

GOVERNMENT APPS			
NSO	SSS	HDMF	Etc.
CORE APPS			
Transactions Capture Engine			
Billing & Settlement Engines			
Reports Generation Engine			
PRIVATE SECTOR APPS			
Telcos	Insurance	Whole Salers	Online Sellers, etc.

## Orders and Payment Services



Birth Certificates  
 Marriage Certificates  
 Death Certificates  
 CENOMARS



**2GO**

## Payout Services

- Payroll, Pensions, Foreign and Domestic Remittances



# Connectivity is the Key to Accessing the Countryside Market!



RuralNet will **transform rural banks** into **Business, Service and Information (BSIs) Centers** allowing them to become true and valuable leaders in countryside development.

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# There is nothing new with banks doing collection and payout but...

- It is too **costly** and **difficult** for each Rural Bank to accredit itself with each service provider partner.

- It is also **tedious** and **time-consuming** for service provider partners to meet, negotiate, and sign agreements with 500+ RBs.

- Service provider partners find it difficult to **manually interact** with all these Rural Banks on a daily basis.

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# RuralNet Provides the Solution...

- ✓ by partnering with Government & Private Sector **Service Providers** who want to extend their services to the rural areas.
- ✓ by partnering with the **Rural Banks** and utilize their branch network as collection, payment, and orders processing centers in the rural areas.
- ✓ by providing a **Transactions Capture and Settlement Platform (TCSP)** that will promptly and securely settle transactions between the Rural Banks' and the urban-based service providers.

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# RuralNet Provides the Solution...




RuralNet will generate new customers and revenues for the bank through non-traditional products - Collections, Payouts, Order and Payments

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# RuralNet Provides the Solution...



RuralNet will create a **higher level of confidence** between potential partners and Rural Banks to **interact** through an independent third-party solutions provider.

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# RuralNet will Create a Higher Level of Confidence!



The RuralNet system has already passed the **Bangko Sentral ng Pilipinas (BSP)** review in 2012.

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# RuralNet will Create a Higher Level of Confidence!



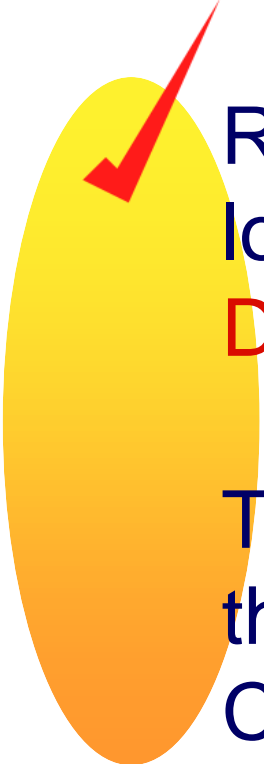
RuralNet has officially partnered with the **Land Bank of the Philippines (LBP)** as its settlement bank

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# RuralNet will Create a Higher Level of Confidence!



RuralNet's primary server is co-located at the world-class **PLDT Vitro Data Center**.

The back-up server will be housed at the **GLOBE Data Center** facility in Cebu...

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# RuralNet will Create a Higher Level of Confidence!



It took 3 years for RuralNet to pass the review and scrutiny of the National Statistics Office.

- Consequently, RuralNet is now **only one of two authorized order and payment partners for NSO documents.**

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# RuralNet will Create a Higher Level of Confidence!



A partnership MOA with the Rural Bank Association of the Philippines (RBAP)...

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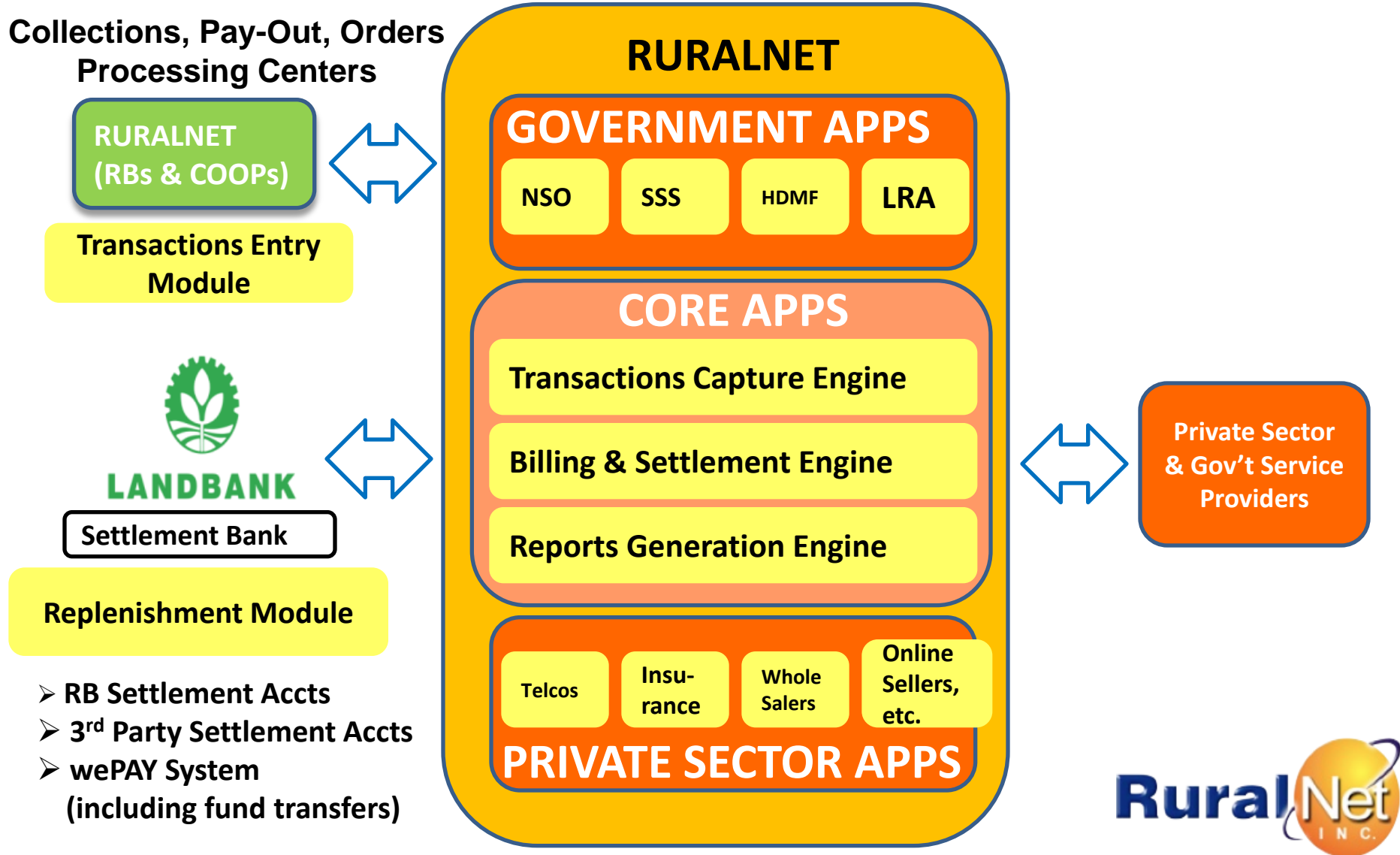
# WHAT IS RuralNet?

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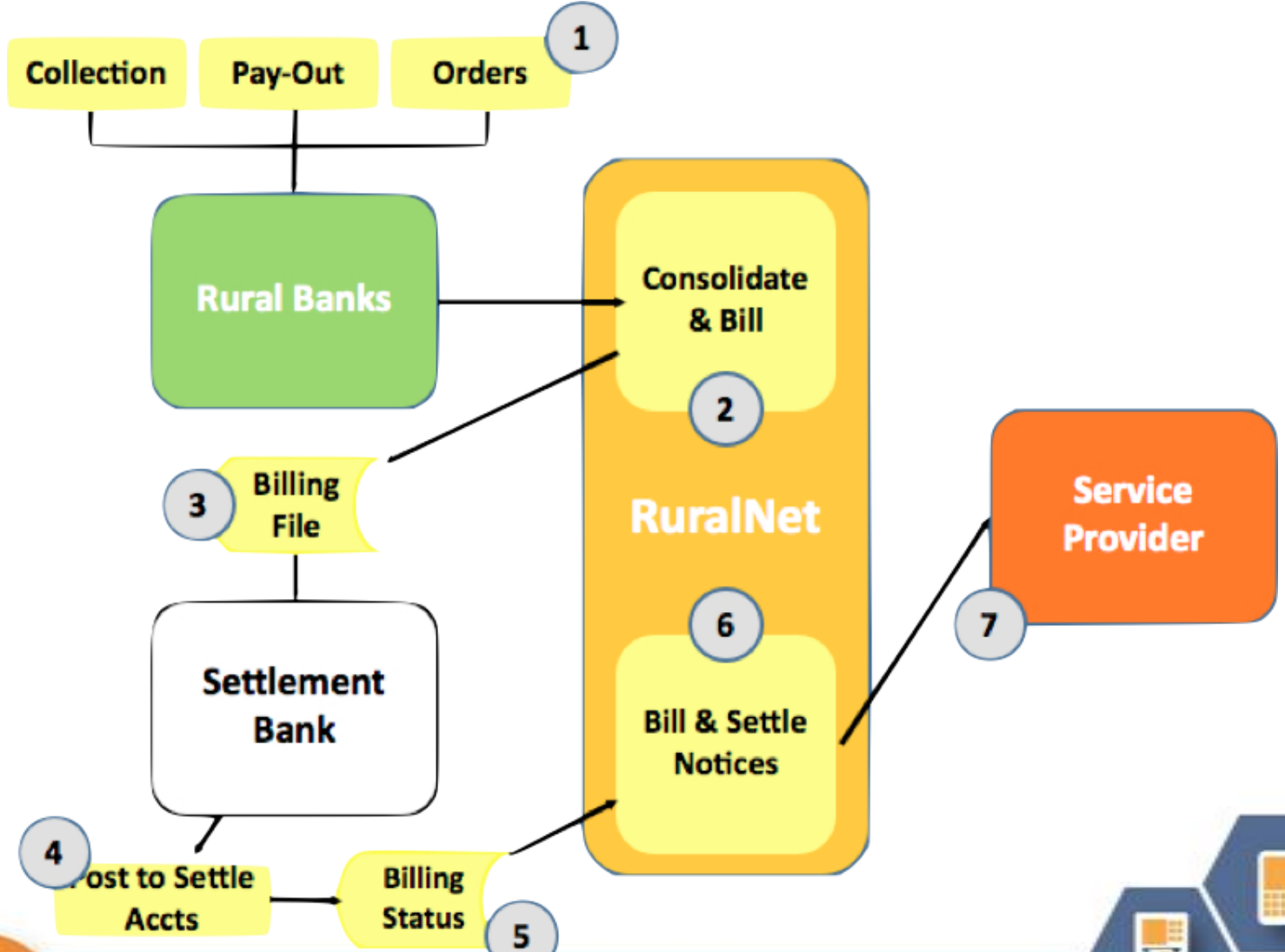


# RuralNet Inc.'s Basic Platform: Transaction Capture & Settlement Platform (TCSP)





# RURALNET PROCESS FLOW

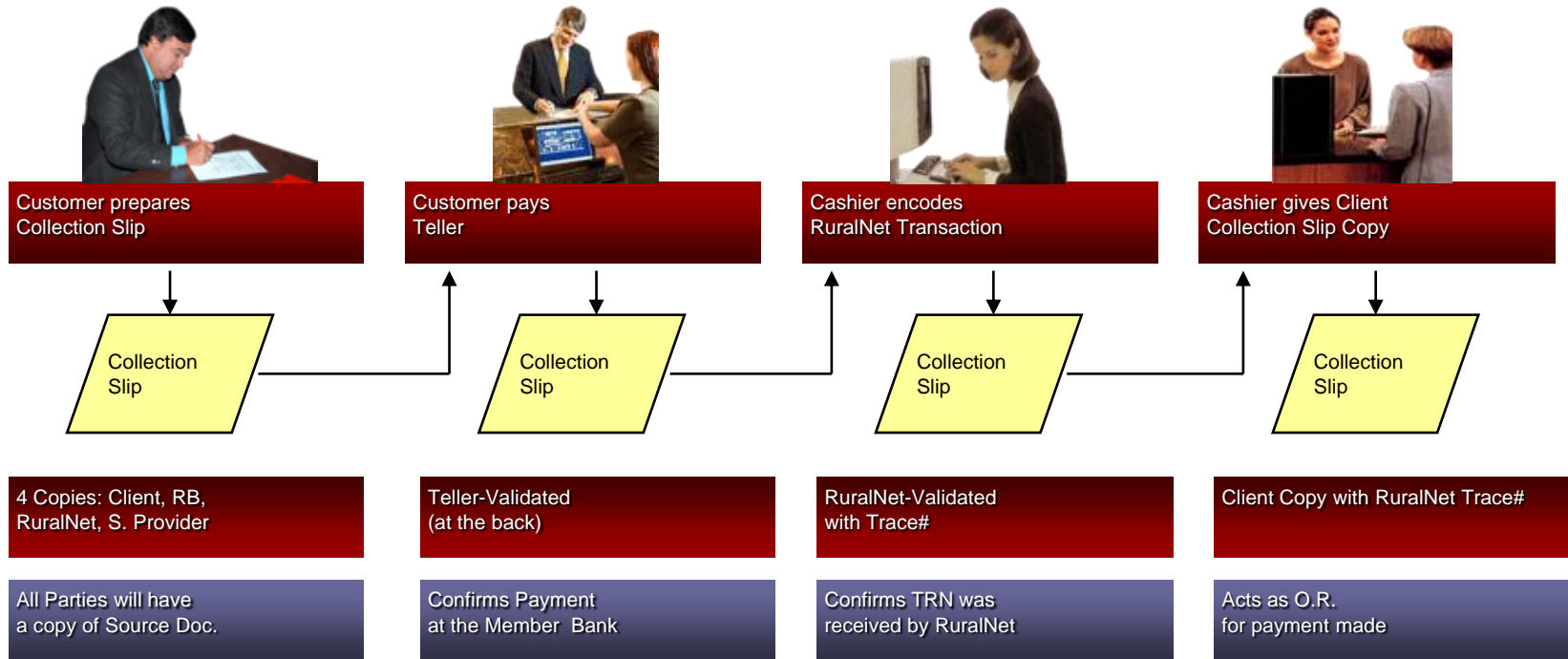


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# The Collection Process at the Member Rural Banks & Cooperatives

## The Collection Process at the Member Bank



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# BUSINESS MODEL

✓ RuralNet's principle:  
member RBs always get the **BIGGER SHARE**



70-30 fee sharing policy for products requiring minimal effort from RuralNet such as collections and payouts



60-40 fee sharing policy for products requiring substantial effort from RuralNet such as NSO & POEA

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# RuralNet Inc.'s Basic Platform ...TCSP



... that made possible the RuralNet & GXi partnership



AND



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# RuralNet now offers....



**One enrolment w/ KYC entitles you to ...**

**The Country's 1<sup>st</sup> "3-in-1" Card**

***... ATM Power***

***... Mobile Phone Banking, and***

***... Internet Banking functionalities***

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# CashKO: Card Power

*CashKo Card is not only an ATM card ...*

- ✓ Use your CashKo card as a debit card in over 90,000 stores nationwide
- ✓ CashKO card will be an international credit card via Mastercard by 2014
- ✓ Also use your mobile phone to pay merchants ... from anywhere!
- ✓ Discover the fun of online shopping ... Worldwide!

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# CashKO: Card Power

***PLUS...***

- ✓ **Easy control via mobile phone**
- ✓ **Mobile phone protected by mPIN**

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# CashKO: Mobile Phone Banking

*It also has the convenience of mobile phone banking...*

- ✓ Send money to loved ones
- ✓ Conveniently pay utility bills via mobile phone
- ✓ Transfer funds to/from your deposits to your CashKO Cards
- ✓ Mobile phone banking is made easy

*...Only the biggest KBs could afford this technology*

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# CashKO: Convenience of Mobile Phone Banking

## *Send money to loved ones...*

- ✓ **Open CashKO accounts to send & receive money ... anytime...anywhere;**
- ✓ **Cheapest way to send money to family & friends;**
- ✓ **Hassle-free transactions via mobile phones;**

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# CashKO: Convenience of Mobile Phone Banking

*Conveniently pay utility bills via mobile phone ...*

- ✓ No more travelling to payment centers;
- ✓ No more waiting and lining up to pay;

*Transfer funds to & from your deposits to your CashKO Card...*

- ✓ No need to visit your bank for transactions
- ✓ Pay your loans via mobile phone;

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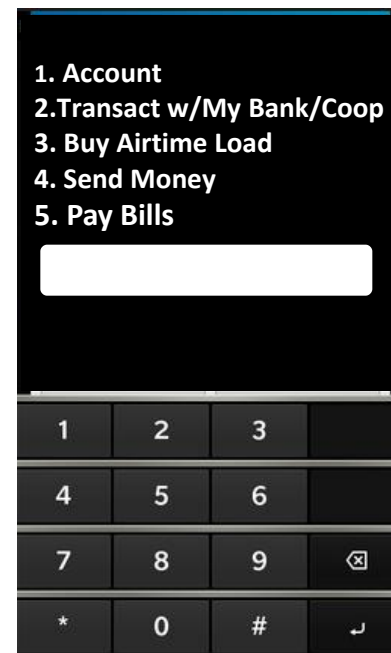
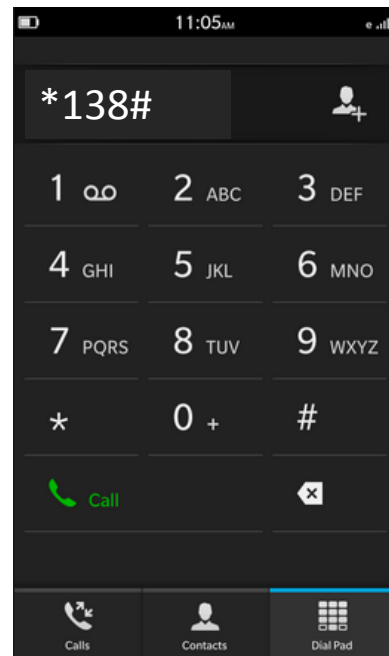




# CashKO: Convenience of Mobile Phone Banking

*Mobile phone banking is made easy...*

- ✓ ... user-friendly menus
- ✓ ... exclusive USSD access number



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# CashKO: Internet Banking

***Access your CashKO card via internet banking...***

**... All mobile phone banking functions can be done through the internet/online**

**...Trouble free banking via the CashKO website**

**... a surefire winner in attracting OFW accounts**

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# Value Added Service for Customers : mPOS

*mPOS Could possibly be integrated into the CashKO Product...*

- *mPOS is a **very affordable** mobile POS device attached to a smartphone or device*
- **No** communication cost
- *Coop could use this to accept credit card payments...or to recruit merchants into the mPOS Program*
- **Revenue share from mPOS transactions**



# RuralNet with GXi

**RuralNet and GXi will enable the Rural Banking Industry to**

**LEAPFROG...with the Best...and Biggest Banks!**

**...at minimal entry costs and monthly costs**

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# RuralNet with GXi: Perpetual Ownership

*The enrolling institution ...*

- ✓ *Rural Banks will own the active subscribers' accounts forever*
- ✓ *will continually earn revenue share from all enrolled accounts*



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# RuralNet Inc. with GXI

## Key Drivers Towards the Success of RuralNet & GXI Partnership with Rural Banks

- ✓ Rural Banks & Coops take a leadership role
  - They get the major share of all service fees
- ✓ Rural Banks & Coops key to enrolling billers and merchants
  - Shares in all transactional fees
- ✓ Competitive with existing market fees
  - Free bills payment, 2% merchant fees
- ✓ Useful Products to Rural Banks and Coops
  - Text-A-Withdrawal, Text-A-Payment, Text-A-Deposit
- ✓ Attractive utilities for Rural Bank clients
  - ATM Card, Phone and Internet Banking

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# RURALNET BENEFITS TO RURAL BANKS

- 
- **New income generating services**
  - Wide range of popular government & private sector products and services
  - New customers and more revenues
  - Increased Client Traffic
  - Opportunity to cross-sell regular RB products
  - Improved Bank Image

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# MEMBERSHIP REQUIREMENTS



## Membership Procedures

- submit membership requirements
- open or assign a wePay source account
- open wePay settlement account
- deposit a cash bond
- pay membership fee
- attend Accreditation Training!



# RURALNET IS GROWTH!



RuralNet is a **SECURE ELECTRONIC EXCHANGE** platform



With a **SETTLEMENT SYSTEM** connected to LBP's wePay facility



Highly **SUSTAINABLE**



RuralNet's Core Team is made up of both IT and Banking Experts!

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# POWERED BY...



- was established in 2001 with a vision of providing cost-effective but reliable business solutions for community banking and the financial sector.

Designex has had over 20 years experience in the development and implementation of banking applications. Now, it has married this expertise with web development skills to create full-blown, web-based financial applications for nationwide or international deployment, the first of such is the RuralNet Transaction Capture and Settlement Engine.

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**Daghang Salamat!**

**RuralNet**  
INC.

