

Microfinance Appreciation Seminar-Workshop

A Joint Program of the Asian Bankers Association (ABA), RCBC & Rizal MicroBank

The commercialization of microfinance in recent times, from being a poverty-alleviation initiative to a mainstream business proposition, has aroused the curiosity of those in the banking sector around the world. Far from being an NGO-led activity during its infancy and development stages, microfinancing today involves a multitude of players that include big banks and fintech companies in all forms, sizes and persuasions.

Much of the interest in pursuing microfinancing has to do with the sheer size of potential clients comprising the market segments at the so-called base of the pyramid. Most of those belonging in these market segments are the focus of financial inclusion initiatives around the world spearheaded by the World Bank Group – the World Bank and IFC. According to the World Bank Group (WBG) data as of end-2017, there are still 1.7 billion adults around the world who remain unbanked (not having a formal transaction account). Still from the WBG data, MSMEs which form part of those who are financially excluded are predominantly found in emerging markets. WBG further cites that more than 40% of the MSMEs in least developed countries reported challenges in obtaining financing, compared to 30% in middle-income countries, and just 15% in high-income regions. Another interesting data that has come out of the periodic studies done by WBG to monitor progress of its universal financial access goal by 2020 is that 70% of the financially-excluded respondents reside in just 25 countries around the world.

Ahead of the financial inclusion initiatives espoused by the World Banking Group, Rizal Commercial Banking Corporation (RCBC) started recognizing opportunities and potentials in the market segments at the base of the pyramid. Beginning 2007, RCBC started establishing specific groups focused on serving the financial requirements of the MSME market segments. Its thrift banking arm, Rizal MicroBank, has also started catering to agricultural value chain players aside from its usual clients comprising micro and small business operators. This direction of serving the MSME market segments has started bearing positive results and is seen to continue especially with a very good enabling environment provided by regulatory agencies as well as availability of technological innovations.

Due to its unique on the ground experience of implementing a program focused on the MSME, the Asian Bankers Association (ABA) is partnering once again with RCBC and Rizal MicroBank to conduct a microfinance appreciation seminar-workshop for its member-banks as well as other interested financial players in the region. The microfinance appreciation seminar-workshop is being conducted as part of ABA's short-term visiting program, the primary aim of which is to provide member-banks the opportunity to study and undergo training on specific aspects of the operations and facilities of the host banks. ABA's desire to promote financial inclusion in general and microfinance in particular resonates well with the WBG's Universal Financial Access 2020 campaign since 5 of its 25 priority countries have member-banks/associations found in ABA's membership roster, namely China, India, Vietnam, Turkey and the Philippines.

The two (2) day seminar-workshop is best participated in by senior officers of member-banks and associations who occupy critical roles in strategic initiatives, corporate planning, business and product development, and lending operations. These participants are in the best position to assess and advise their senior management if the business of microfinance and financial inclusion resonates in the current or future direction of their organizations, and if the same business finds a supportive and enabling environment in the country/region where they operate.

At the end of the 2-day workshop, the participants are expected to:

- **Gain valuable lessons and insights on how RCBC set-up its microfinance operation and how Rizal MicroBank is succeeding in pursuing its mandated market segments;**
- **Equip themselves with an understanding of the basic concepts of microfinance and financial inclusion, including global and regional trends;**
- **Determine readiness of their institution to install a viable microfinance operation and participate in the campaign for financial inclusion.**

The 2-day seminar-workshop will be held on June 10 & 11, 2019 at the Delas Alas Hall, 47th Floor, Yuchengco Tower of RCBC Plaza, Ayala corner Sen. Puyat Avenue, Makati City, Philippines.

If you are interested, please download the CONFIRMATION FORM found in the ABA website and return it to ABA through Fax No. (886 2) 2760-7569, or aba@aba.org.tw on or before April 30, 2019. Should you have further questions, please do not hesitate to let ABA know.