



**PLANTERSBANK**

**Planters Development Bank**

*The Bank for Small and Medium Enterprises*

# **Planters Development Bank & SME Solutions**

**Building on 40 Years of Continuous  
Innovation & Enabling a Nation.**

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# Plantersbank: A Brief History

## 1) Financial Highlights

- Started in 1972, with capitalization of P 500,000.00
- As of end 2012 the bank had over P 53 Billion in assets and over P 49 Billion in deposit liabilities
- Currently the 19th largest bank amongst thousands of universal, commercial, thrift and rural banks
- The bank currently serves over 35,000 borrowers, 60% of which are registered SME businesses

## 2) Major Strategies over the last 40 years

- Hall-of-Fame awardee of all major funding agencies in the country. A core competency during the 1980s - 2000.
- Aggressive branch expansion the last 15 years (from 40 to 80 by year end) with the idea that they would be the platform for all bank services.
- Founded SME Solutions in 1999, PDB-FMO SME Center, SME.com.ph On-line Portal, SME Academy, PDB Insurance, PDB properties amongst other non-financial services or products geared towards SMEs' needs

# Plantersbank: A Brief History

## **From Good to Great: A Vision of Taking the Bank to the Next Level (2006 to the present)**

- Empower the branches and develop our strategy of community-banking
- Every service for every SME (the idea/inspiration behind today's version of SME solutions)
- Re-focus on even smaller loans and underbanked areas
- Beef-up our reach with technology

## **Critical Success Factors: Why it worked in our favor**

- 1) The rising interest in serving the SME market
- 2) A Focused Institution
- 3) A Culture of SME “hand-holding”

# SME Solutions: A Brief History

## **An Inauspicious Start**

- Founded with IFC in 1999, SME Solutions was geared towards website development and other web-based business solutions
- The last ten-years yielded mixed results in both bottom-line and customer satisfaction
- Major success was achieved with 'offline' activities such as roadshows
- SME Solutions has served a total of 700 clients and currently has 100 active clients with around 30 of them actively enjoying bank services as

## **Critical Success Factors: Why it did not work in our favor**

- 1) Lack of connectivity
- 2) Lack of IT expertise and Focus
- 3) An exercise in Public Relations/Image building and Advocacy

# The Group's Definition of SME Advisory Services

## Financial Advisory

- Helping clients access cheaper and fixed-rate project funds
- Re-casting of unaudited financial statements for loan purposes
- Creative Cash Management Services that cater to a local businessman's needs

## Non-Financial Advisory

- Hand-holding and the personal touch
- Web-based IT services and establishing a company like SME Solutions
- Education and Mentoring

## Public Relations and Marketing Advice

## Critical Success Factors: Why it worked in our favor

- 1) From 2003 to the present: Total Assets P 29.9B to P 54.8B  
Total Deposits P 27.1B to P 49.9B
- 2) The mindset of the bank was united in our advocacy towards SMEs; clearly the public's perception of the bank had changed from niche player to enabler of SMEs nationwide
- 3) SME Solutions enabled the bank to gain even more recognition as a bank that catered to SME's needs

# The New Solution: Information For Everyone

## **SME Solutions Moving Forward**

- Sustainability equals profitability
- Focus on “finding solutions” (our core business) and selling them to the relevant markets
- The bank is already a recognized market leader, data mining is critical to understanding the client better and providing better products and services
- World-class technology is within reach of all SMEs, we just have to educate them again

## **Critical Success Factors: Why it will work to our advantage**

- 1) Competition in banking is fierce. Innovation and responsiveness to market trends will be crucial.
- 2) Information on SMEs is cloudy and misunderstood. Most companies want to lump them all into one. In my opinion, this can be counterproductive.
- 3) SMEs have always been innovative and aggressive. Customization and information will continue to drive their success.

# **Developmental IT: Developmental Banking of the Future**

## **What is Developmental IT?**

- **Government and Connectivity**
- **Customized, world-class solutions priced within reach of everyone**
- **Information for all**
- **Nation-building, the new highways and railroads**

## **Critical Success Factors: What we aim to achieve**

- 1) Market dominance**
- 2) Corporate Social Responsibility**
- 3) Good Governance for national competitiveness**
- 4) Environmental Objectives**

# **Non-Financial SME Advisory Services as a Competitive Advantage**

**Case Studies/Historical Highlights of the Competitive Advantage.**

- 1) Pampanga's Best - from backyard desperation to world-wide operations. The inventors of "Tocino"**
- 2) Splash Corporation - Two medical students get married and become bigger than the bank**
- 3) Goldnest Eggcenter - From the wet market to five-star hotels**
- 4) Comnet - Blue chips to "sari-sari" stores. Betting the entrepreneur can beat the big boys.**



# Summary

Plantersbank has 40 years of experience in development banking and marketing financial services to SMEs. We stayed competitive because of our ability to understand and be flexible to the SMEs needs. This meant that we had to offer, both informally and formally, advisory services that were both financial and non-financial. Moving forward, we have recognized that our maverick, entrepreneurial spirit has led us to have to innovate to stay competitive. We believe offering IT services is the evolution of a community-based banking culture. We are after all intermediaries. Financial will go hand in hand with scaling-up thru IT, and the spirit of development banking as a tool for alleviating poverty will be realized with our Developmental IT program.

# Planters Development Bank

**Thank You!**

