**59th RBAP Charter Anniversary Symposium**
**Rural Bankers' Roadmap for Growth & Development**
*25 October 2016, Marriott Hotel*

**Lito Villanueva**
*Managing Director*

FINTQ
by PLDT

*Enabling. Engaging. Empowering.*

Knowing who the customer is, defines your business.

But understanding the customer's needs fully well, _defines_ your business' success.

*Rural Bankers' Roadmap for Growth & Development*

# Customers = Disruptors
## Customer Behavior = Business Impetus

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**52% of the Fortune 500 firms since 2000 are gone**

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**DIGITAL IN THE PHILIPPINES**

SEP 2016

A SNAPSHOT OF THE COUNTRY'S KEY DIGITAL STATISTICAL INDICATORS

| TOTAL POPULATION | ACTIVE INTERNET USERS | ACTIVE SOCIAL MEDIA USERS | MOBILE CONNECTIONS | ACTIVE MOBILE SOCIAL USERS |
|---|---|---|---|---|
| 101.5 MILLION | 54.0 MILLION | 54.0 MILLION | 119.2 MILLION | 47.0 MILLION |
| URBANISATION: 44% | PENETRATION: 53% | PENETRATION: 53% | vs. POPULATION: 117% | PENETRATION: 46% |

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# Which generation do you belong to?

**The Depression Era** ("Conservatives")

Born:
1912-1921
Coming of Age:
1930-1939

**World War II** ("Deferment")

Born:
1922 to 1927
Coming of Age:
1940-1945

**Post-War Cohort** ("Security")

Born:
1928-1945
Coming of Age:
1946-1963

**Boomers I or The Baby Boomers** ("Optimistic")
Born:
1946-1954
Coming of Age:
1963-1972

**Boomers II or Generation Jones** ("Skeptics")

Born: 1955-1965
Coming of Age:
1973-1983

**Generation X** ("What's in it for me?")
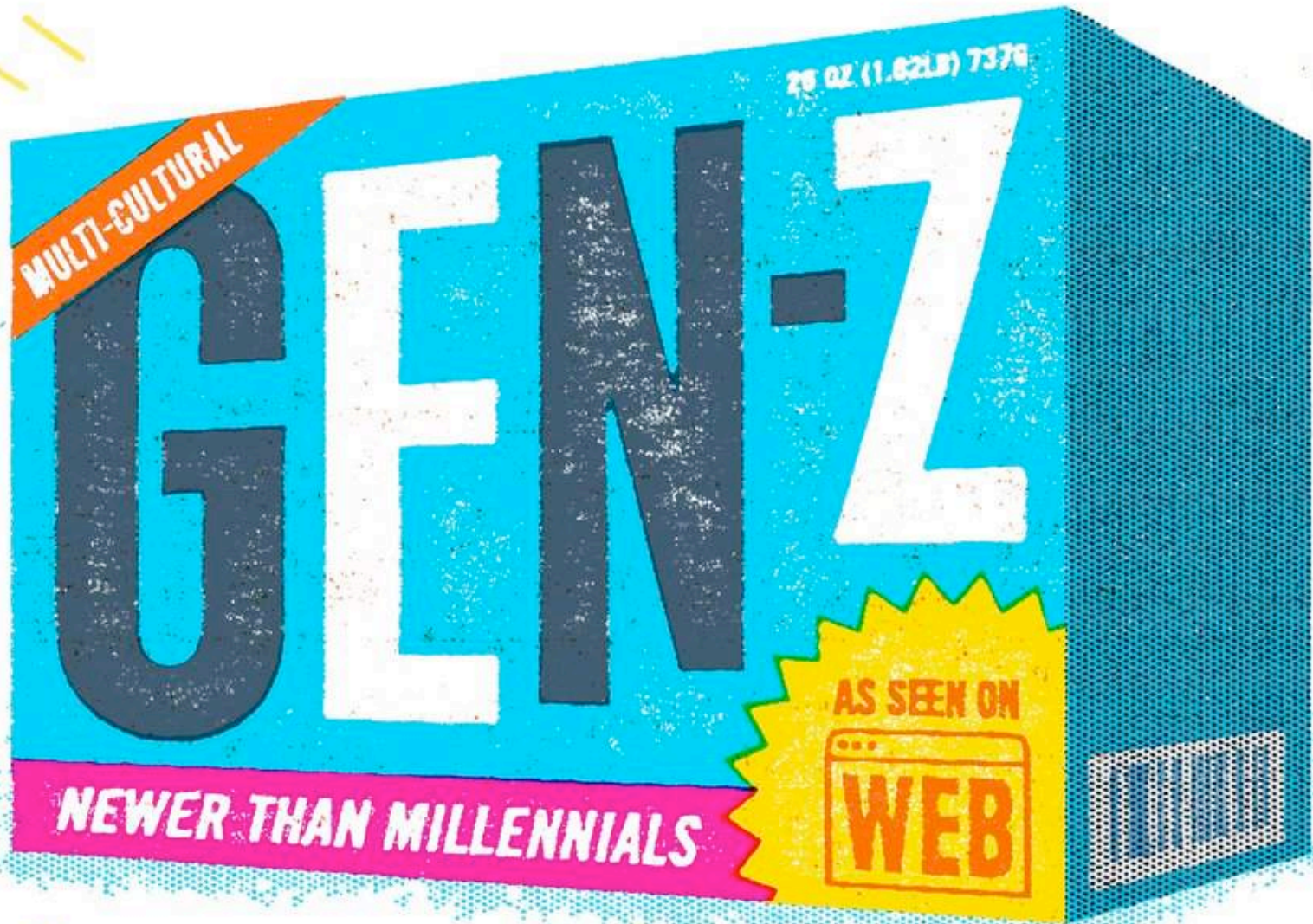Born:
1966-1976
Coming of Age:
1988-1994

**Gen Y or Millennials** ("Sophisticated/ Tech-savvy")
Born:
1977-1994
Coming of Age:
1998-2006

**Generation Z** ("Millennials on steroids")
Born:
1995-2012
Coming of Age:
2013-2020

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**The children of customers today! (8-20 years old)**

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CRAIG BLANKENHORN /HBO, VIA ASSOCIATED PRESS

ERIC MCCANDLESS/ABC

|  | Millennials (born 1980-1995) | Generation Z (born 1996-2010) |
|---|---|---|
| TV ICON | Hannah Horvath, "Girls" | Alex Dunphy, "Modern Family" |
| MUSIC | Lady Gaga | Lorde |
| SOCIAL MEDIA | Facebook | Snapchat, Whisper |
| WEB STAR | PewDiePie, YouTube | Lele Pons, Vine |
| STYLE INFLUENCER | Olsen twins | Tavi Gevinson |
| CLOTHES | American Apparel | Shop Jeen |
| FIRST GADGET | iPod | iPhone |

must be on the "front screen" of the customer's smartphone with a promise of a delightful user experience

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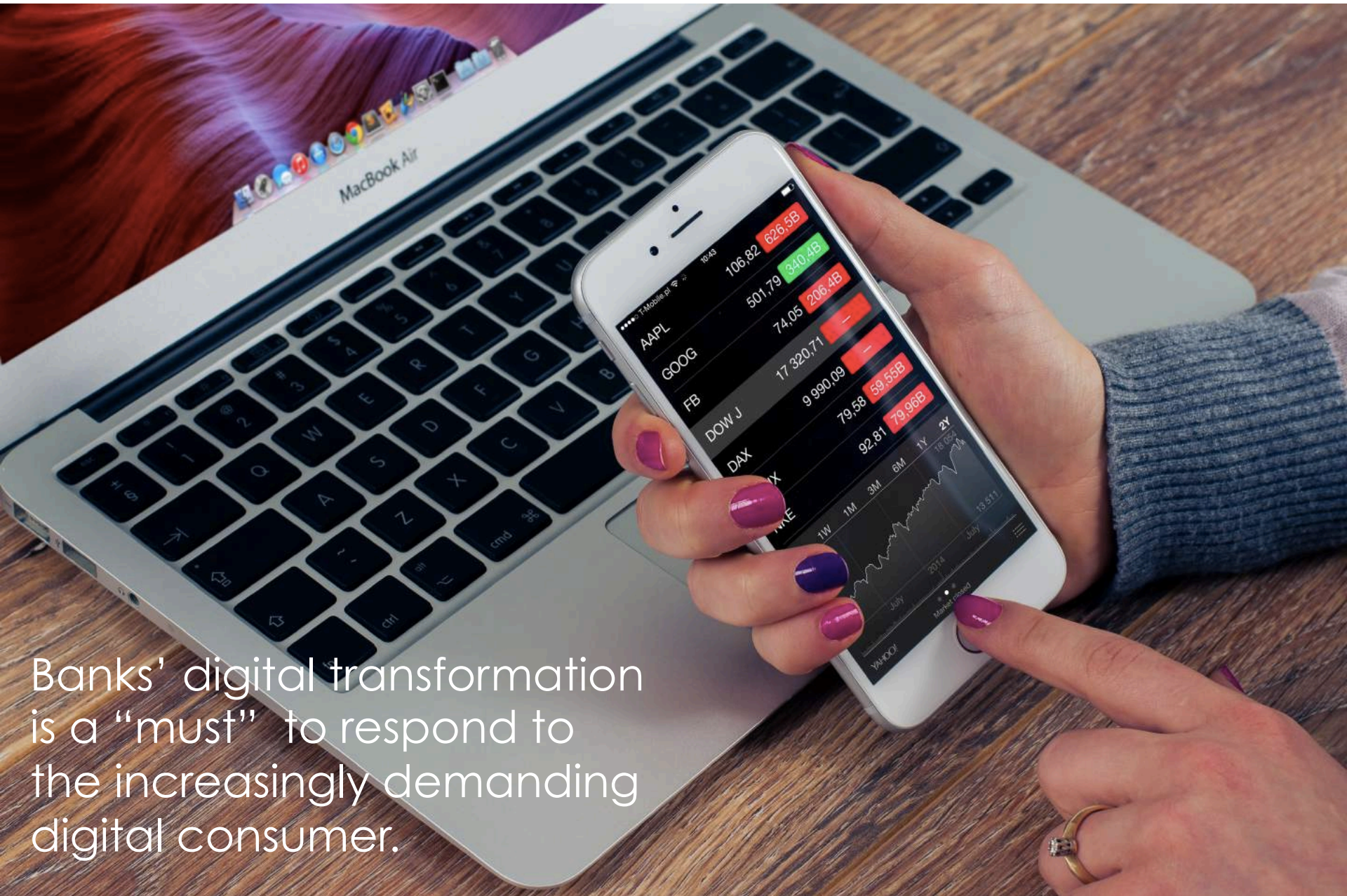
Banks' digital transformation is a "must" to respond to the increasingly demanding digital consumer.

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# Digitization is a journey.

We must be agile with open framework to address the changing needs of customers and requirements of regulators.

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Internal systems capabiilty

process maturity

Core Banking
Lending Ops
Portfolio Mgt
Wealth Mgt
Document Mgt
KYC/AML
Risk Profiling
Treasury
Customer Care
Marketing
Anti-Fraud

mindset

culture

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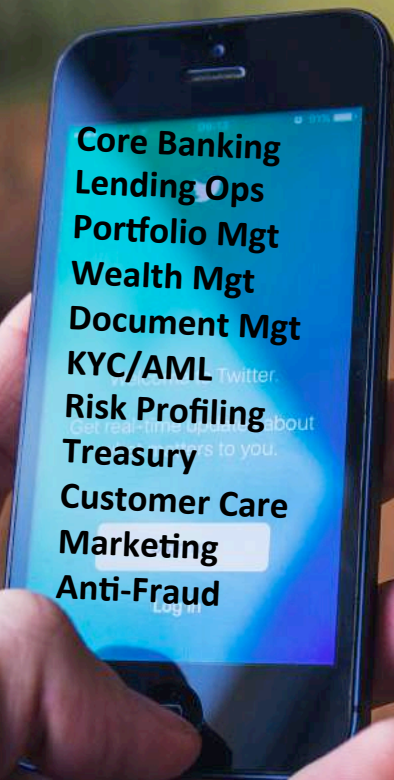
**45%**

Millennials believe the advice they can get from robo-advisers is as good as they could get from a human adviser
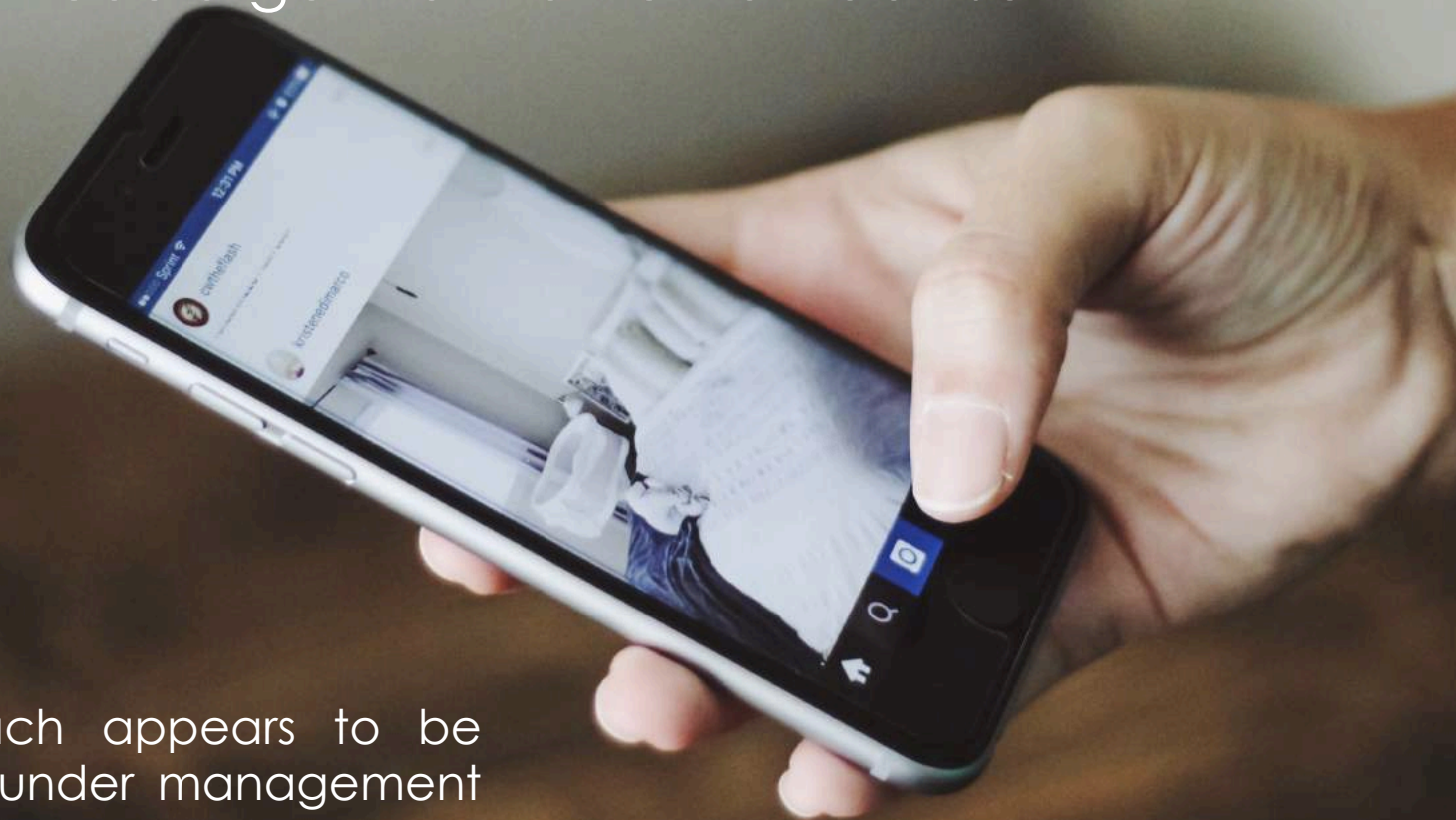
**$2 Trillion**

The robo-approach appears to be working. Assets under management for the top robo-advisers will surpass $2 trillion by 2020.

# Equation of Digitization



$$\frac{\text{Process Optimization} + \text{Open Enterprise Architecture}}{\text{Profit Maximization}\ \text{Cost Minimization}\ \text{Customer Happiness}}$$

*Encouraging outcomes due to digitization*

**40%** Minimum reduction rate in cost

Increase in efficiency **60%**

**30%** Increased in customer satisfaction

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**FINTQ** by PLDT

## GROWING THE BASE

**P10.4B**
Loan Throughput

**103K**
Customer Base

**121%**
vs YAGO

**186%**
vs YAGO

## EXPANDING SERVICE OFFERINGS

Medicine    Home    Car    Agriculture    SMEs

## MOST EXTENSIVE REACH

**Borrower Location**

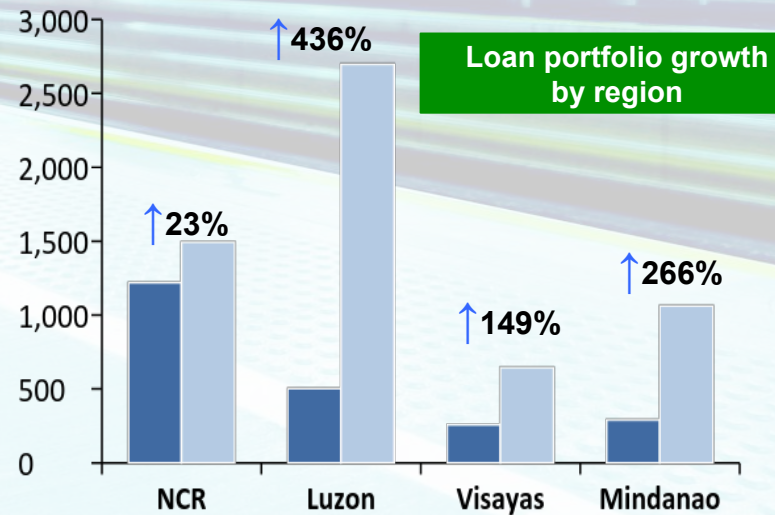**7 out of 10 from provinces**

**35%**
Borrowers from low-income areas (3rd-6th class)

**47%**
Loan application initiated outside banking hours

**Loan portfolio growth by region**

↑**436%**

↑**23%**

↑**149%**

↑**266%**

| | NCR | Luzon | Visayas | Mindanao |
|---|---|---|---|---|

3,000
2,500
2,000
1,500
1,000
500
0

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Expanding access to healthcare via digital lending

The leader in customer-centric, demand-driven, mobile-first, value-creating, and inclusive digital financial innovations through collaboration across strategic markets.

**Solutions Consulting**

**T**echnology  **O**rganization  **P**rocess  **S**trategy

Digital Lending

Digital Aid & Finance

Digital Security

Digital Insurance

**FINTQ's Four Business Pillars**

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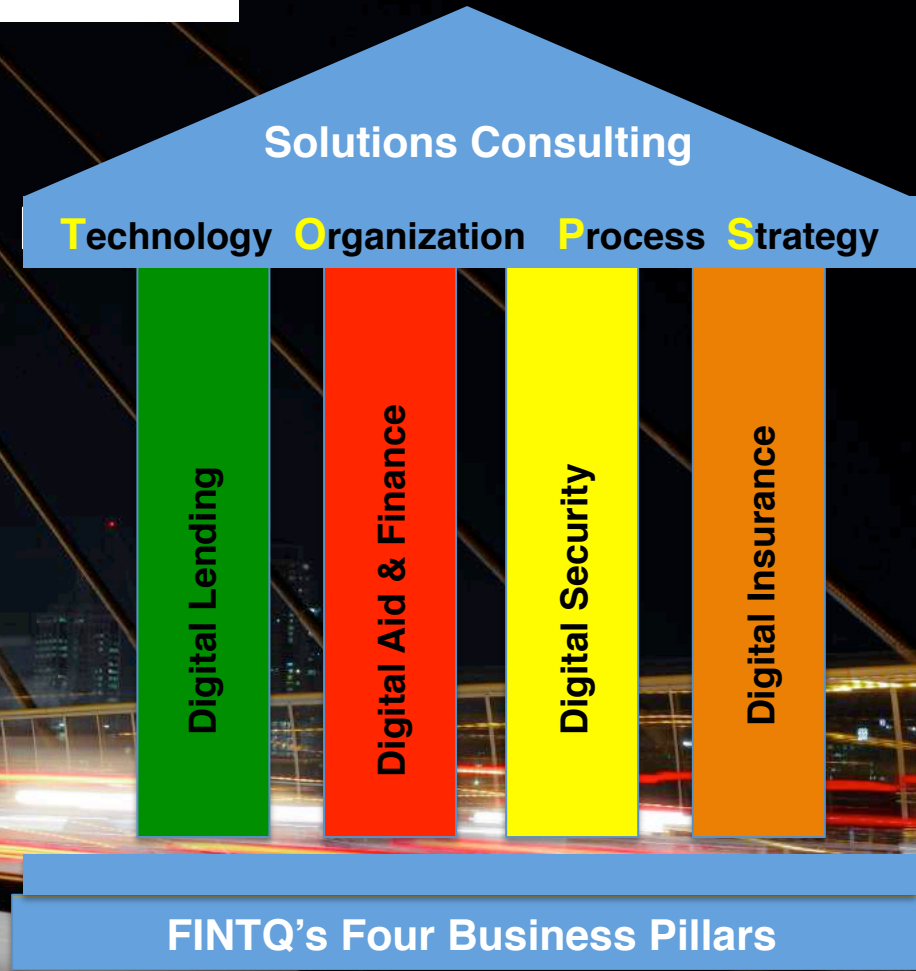
# *Our 4E Journey*

**ESTABLISH** industry credibility & trust

**ENGAGE** strategic partners

**ENABLE** digital shift in key services

**EMPOWER** both partners & consumers

**Delightful customer experience**

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The digital journey has begun.

CAMALIG BANK 1969    is now on    Lendr

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# Thank you.

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