RBAP: BRIDGING THE GAP IN FINANCIAL INCLUSION

LITO VILLANUEVA FinTechAlliance.ph Chairman





66th Annual National Convention & General Membership Meeting Baguio Country Club, 20-21 May 2019









UNBANKED AND UNDERSERVED"



Calling them

is reductive

THEIR POVERTY IS NOT

TO BE ROMANTICIZED

WE ARE NOT SAVIORS WHOSE ROLES ARE BIGGER THAN THE <u>CAUSE</u>

NOT INNATELY HELPLESS

BUT SYSTEMATICALLY OPPRESSED

Coping mechanism to address financial concerns

Filipinos weather through socio-economic trials creatively.

HAGILAP

(...ng barya; dukot alkansya; kuha sa natabi/savings)

1.2.1.1.1.2

TIIS-TIIS

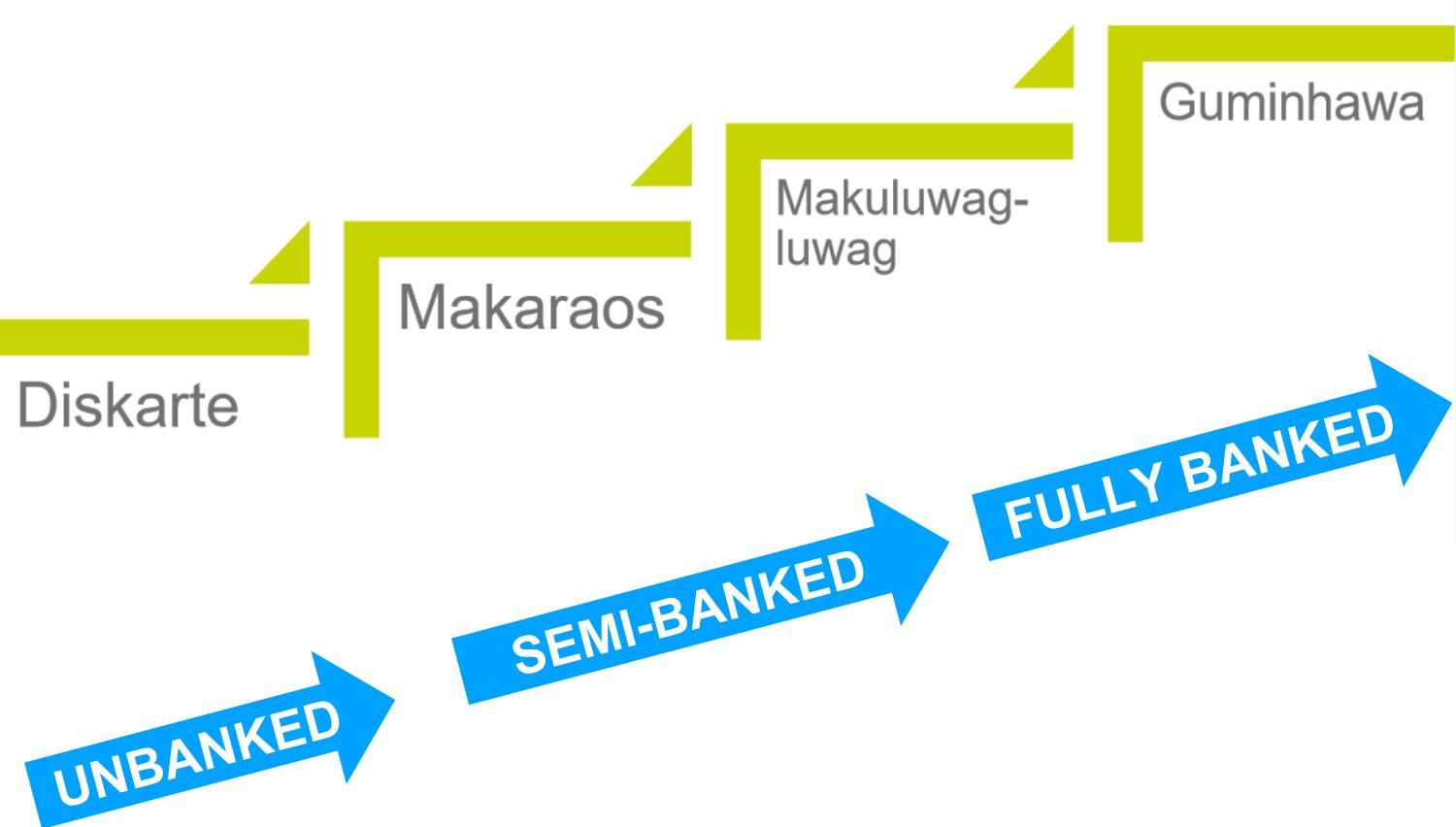
(curling up when the blanket is short) NG AWA





Financial Aspirations of Filipinos

End-benefit looked for is EMOTIONAL.







FINANCIAL ACCESS-DEFICIENT SEGMENT

EMPOWERED





FINTECH ALLIANCE.PH





more than 800% of FinTech-initiated transactions in the country today



More than 1/3 of registered FinTech companies in PH





We are not competitors.

WE ARE PARTNERS-IN-DEVELOPMENT



FINTECH ALLIANCE.PH

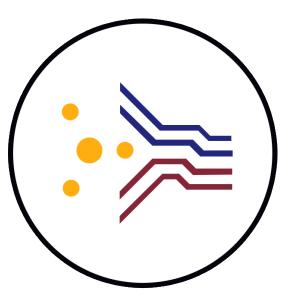
OUR COMPETITION HOW TO BEAT CASH HOW TO MAKE FINANCIAL SERVICES AVALABLE TO ALL



THIS CHALLENGE IS TOO ENORMOUS







CREATE AN INDUSTRY-WIDE REGULATORY SANDBOX FRAMEWORK









FINTECH ALLIANCE.ph



Securities and Exchange Commission













សមាគមអ្នកបច្ចេកវិទ្យាហិរញ្ញវត្ថុកម្ពុជា CAMBODIA FINTECH ASSOCIATION

FASL FINTECH ASSOCIATION OF SRI LANKA

















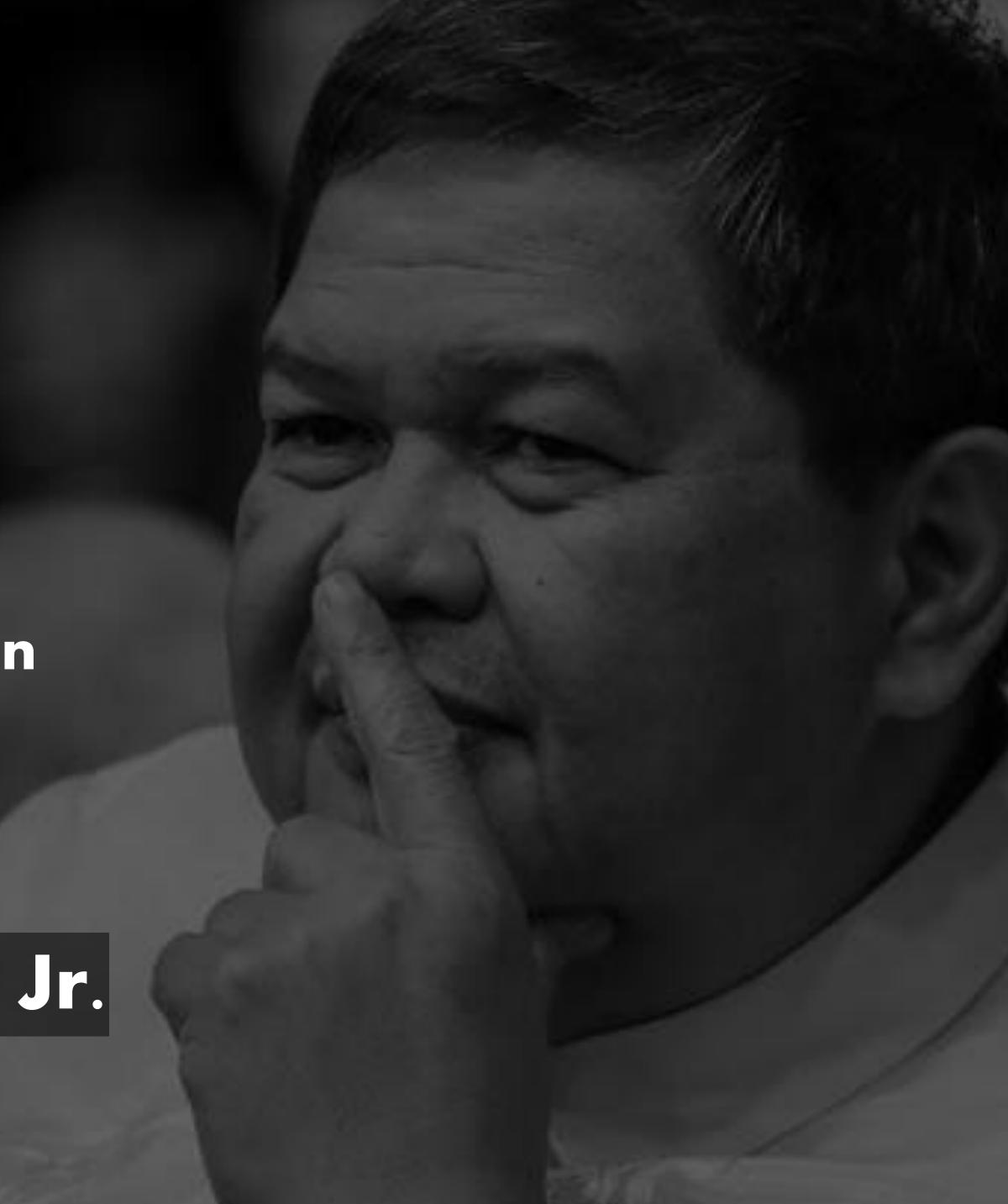




Our collective passion and commitment towards accelerating financial inclusion and digital transformation

Gov. Nestor A. Espenilla Jr.

1958-2019







FATHER OF MOBILE MONEY REGULATIONS

Gov. Nestor A. Espenilla Jr.

1958-2019





UNCHARTED BEYOND The Taxonomy of Fintech in the Philippines FINTECH ALLIANCEN



JUNGLE HANDBOOK

A COMPENDIUM OF REAL AND SPECULATIVE CASE STUDIES

NAVIGATE THE INDUSTRY'S TWISTS AND TURNS

UNCHARTEDBEYOND

The Taxonomy of Fintech in the Philippines



based in Seoul, Korea, filed for bankruptcy after being backed twice on April and on December. Hackers made off with US\$15 million in digital currencies in the fifth of its clients holdings (amount was undisclosed by the company) in the second heist. The company, has promised to return threefourths of the value of the digital



REGULATION FOLLOWING





2

3

Prof. Matthias Eickhoff's taxonomy process

DOMINANT TECHNOLOGY COMPONENT

VALUE PROPOSITION

DELIVERY CHANNEL



CUSTOMERS





5

PRODUCT OR SERVICE OFFERED



FinTech CATEGORIES

Payments and Remittance Services Crowdfunding Lending Platforms • Alternative Trading Venue Insurance and

Asset Management





FINTECH ALLIANCE.PH





BSP Gov. Nestor A. Espenilla Jr.

Institute for Growth towards National Inclusion, Transformation and Empowerment A multi-stakeholder, research-based, and data-driven advocacy and social transformation initiative.

EMPOWER

ENGAGE more digital players to reduce the number of unbanked local government units to **25%** from 35%;

ENABLE

more than **25%** of total grassroots-based financial institutions, i.e. coops, MFIs, rural banks, to deploy interoperable digital products and services.

GOALS by end of 2022:

25 *Million* adult Filipinos with basic deposit accounts and transacting within the formal financial system



BOARD OF TRUSTEES



Tess Espenilla CHAIR



Lito Villanueva PRESIDENT



Aris Alip



Ramon Lopez



Riza Mantaring



Bon Richard Moya



Gil Beltran



Lilia Guillermo





Sylvia Paraguya



Gilda Pico





Oath-taking of the IGNITE Board of Trustees during the FinTech Alliance Summit at the BSP Assembly Hall on March 26, 2019 officiated by BSP Governor Banjamin E. Diokno.





EMPOWER

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SHARED KYC REGISTRY

CAPTURING 70% OF ADULT POPULATION BELONGING TO FADS



DIGITAL TRANSFORMATION ACCELERATOR PROGRAM (DTAP) SURVEY HIGHLIGHTS

TOP 5 PRIORITIES OF RURAL BANKS

- Bills Payment
- Digital/Mobile Payments e-KYC
 - Online/Internet Banking Digital Marketing



92% 84% 84% 82% 76%



76 CEOs

of Financial Institutions from 🔓 out of the 🕇 🔒 regions nationwide participated



FAST-PACED DIGITAL DISRUPTION...BY CONSUMERS



Source: We are social. Jan 2019 stats

79% 5 sec MOBILE SOCIAL MEDIA USERS Time it takes users **Customers willing** to form an opinion to share personal about a website data for a benefit **Attention span** 72.00 Sec MILLION PENETRATION: Human **Gold Fish 67%** Source: University of Western Ontario, CAnada **USE MOBILE** PURCHASE ITEMS ONLINE AVERAGE DAILY TIME MAKE MOBILE SPENT USING SOCIAL BANKING PAYMENTS USING A MOBILE PHONE MEDIA VIA ANY DEVICE ŵ 1\$1 . we are. social **57% 54%** 40% 4H 12M



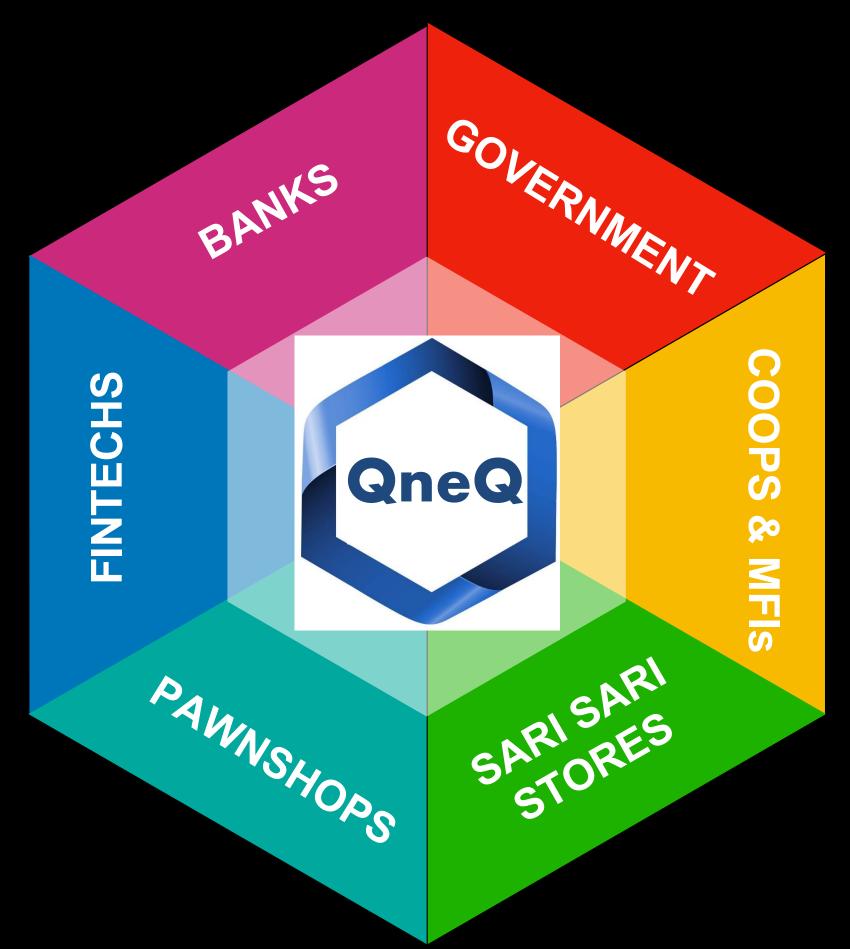


Encloinc Regulatory Fromewoork RA 8792 - e-Commerce Act of 2000 promotes the universal use of electronic transaction in the government and general public using electronic payment and collection systems to bring about a more efficient and effective payment and collection service

RA 11032 - Ease of Doing Business and Efficient Government Service Delivery Act of 2018, aimed at efficient turnaround of the delivery of government services, and expedite business and non-business related transactions in the government.

DTI-DOF Joint Department AO No. 10-01 - it is the Government's objective to authorize an entity's Electronic Payment and Collection System (EPCS) to bring about a more efficient and effective payment and collection service for government transactions.

INTEGRATED PAYMENTS AGREGATOR-AS-A-SERVICE

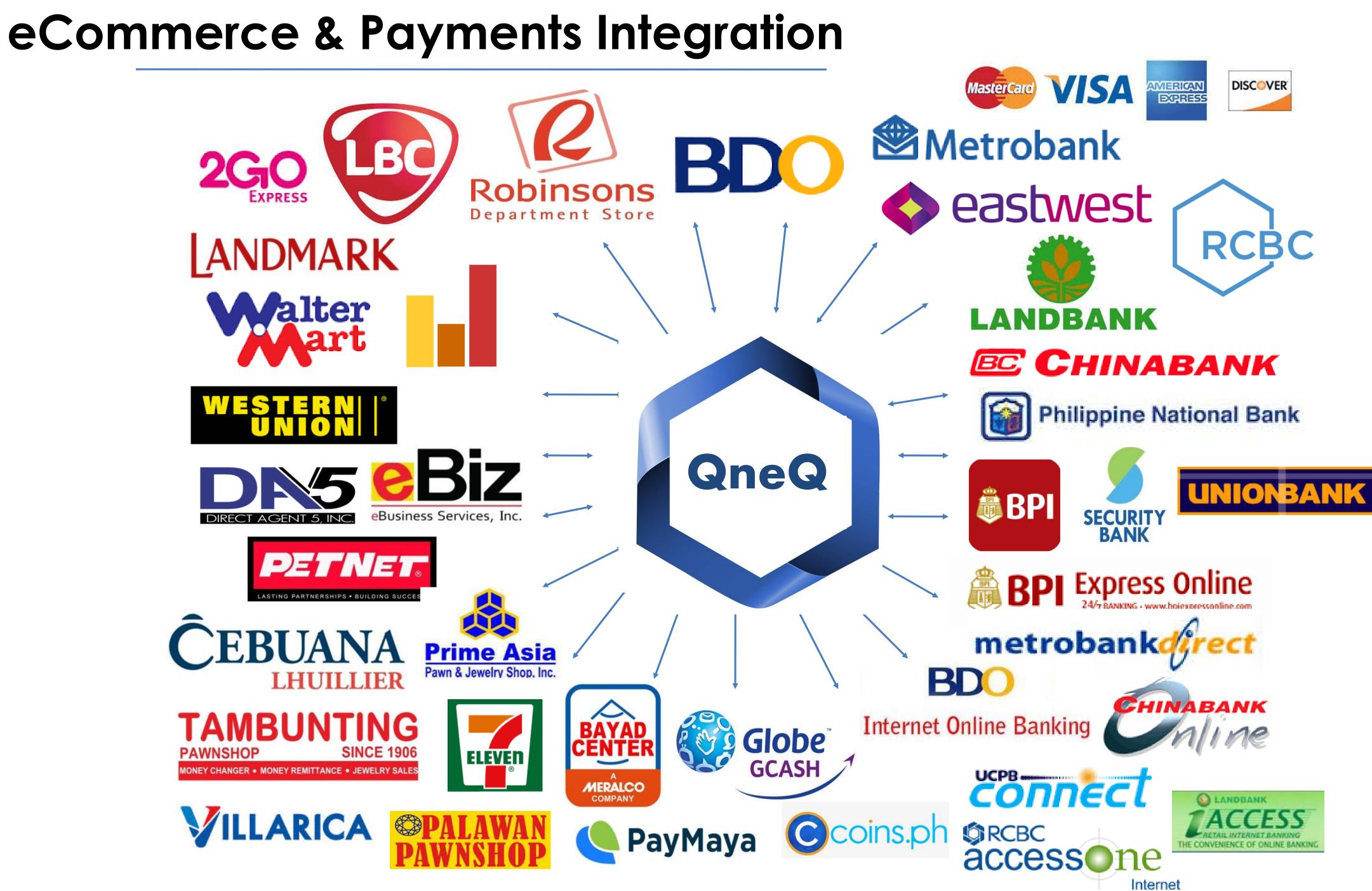


INTEGRATION & PARTNER-BRANDED MOBILE APP SETUP AND DEPLOYMENT

- Accept payments via Over-The-Counter (OTC) such as Bayad • Centers, LBC, SM, Robinsons, Pawnshops, 7-11, ECPay, etc.
- Accept cash payments via Banks
- Accept bill payments for over 2,000 billers nationwide •
- Accept payments for 16 government services such as for DFA, NBI, MMDA, POEA, PSA-NSO, NFMFC, SSS, Pag-IBIG, PhilHealth, PRC, etc.
- **Accept payments via Online Banking** lacksquare
- Accept payments via Mobile Payments or eWallets such as PayMaya, GCash, coins.ph, etc
- **Accept payments via Debit and Credit Cards**
- Integrate with other payment channels or gateways 0
- **Generation of real-time reports and dashboards**
- System-Link to other eGovernment EPCS Services \bullet

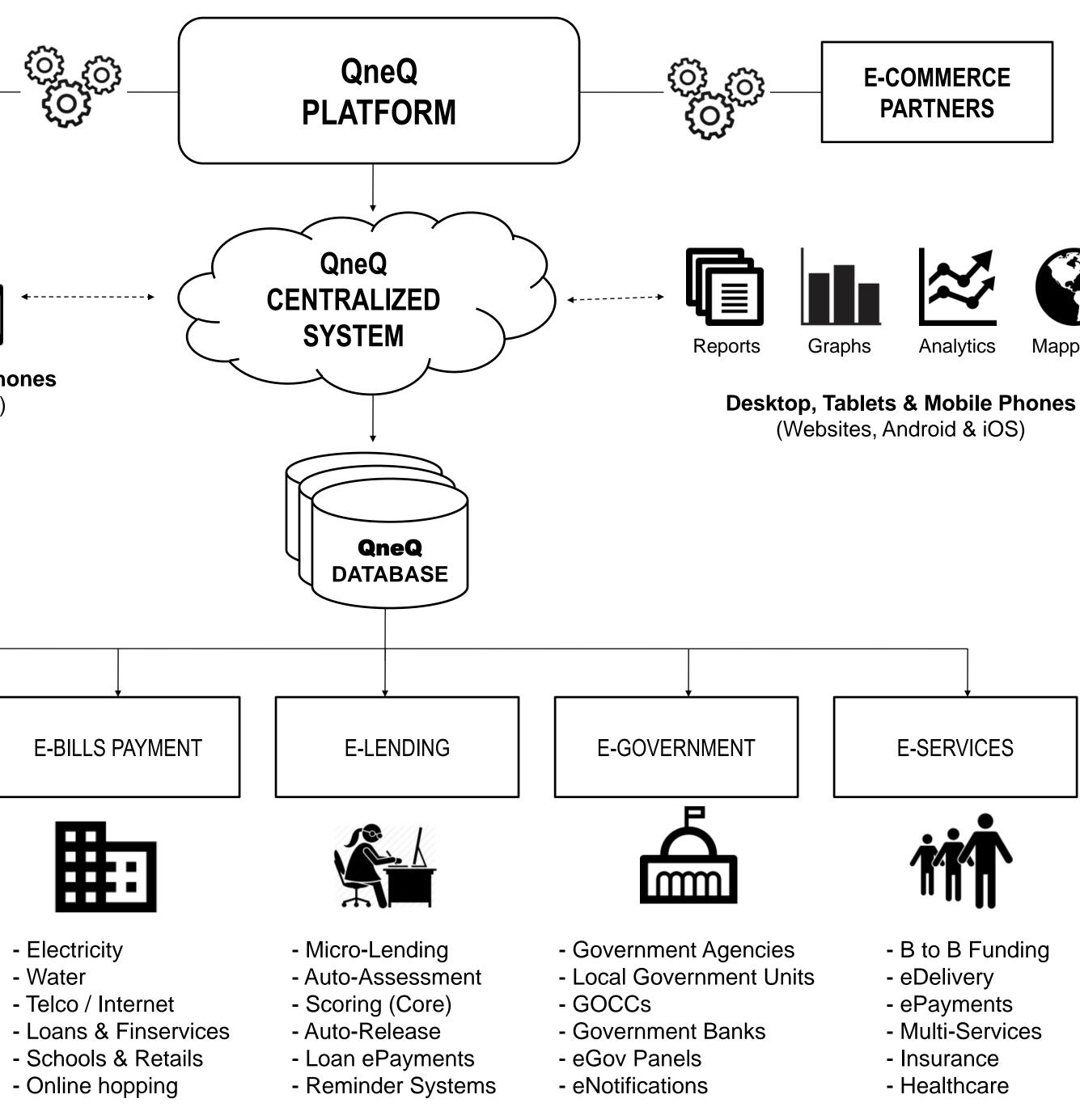




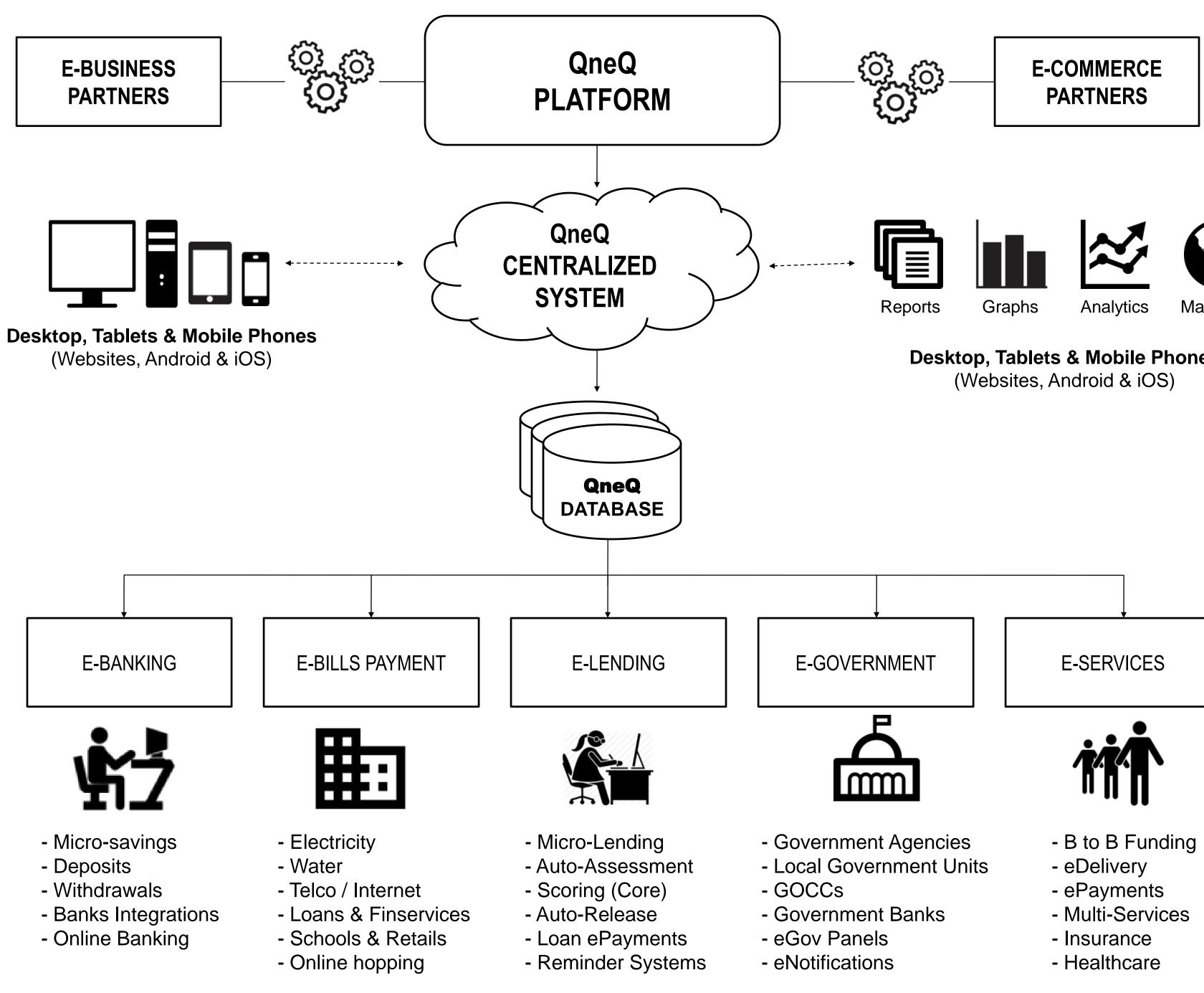




PARTNERS



(Websites, Android & iOS)

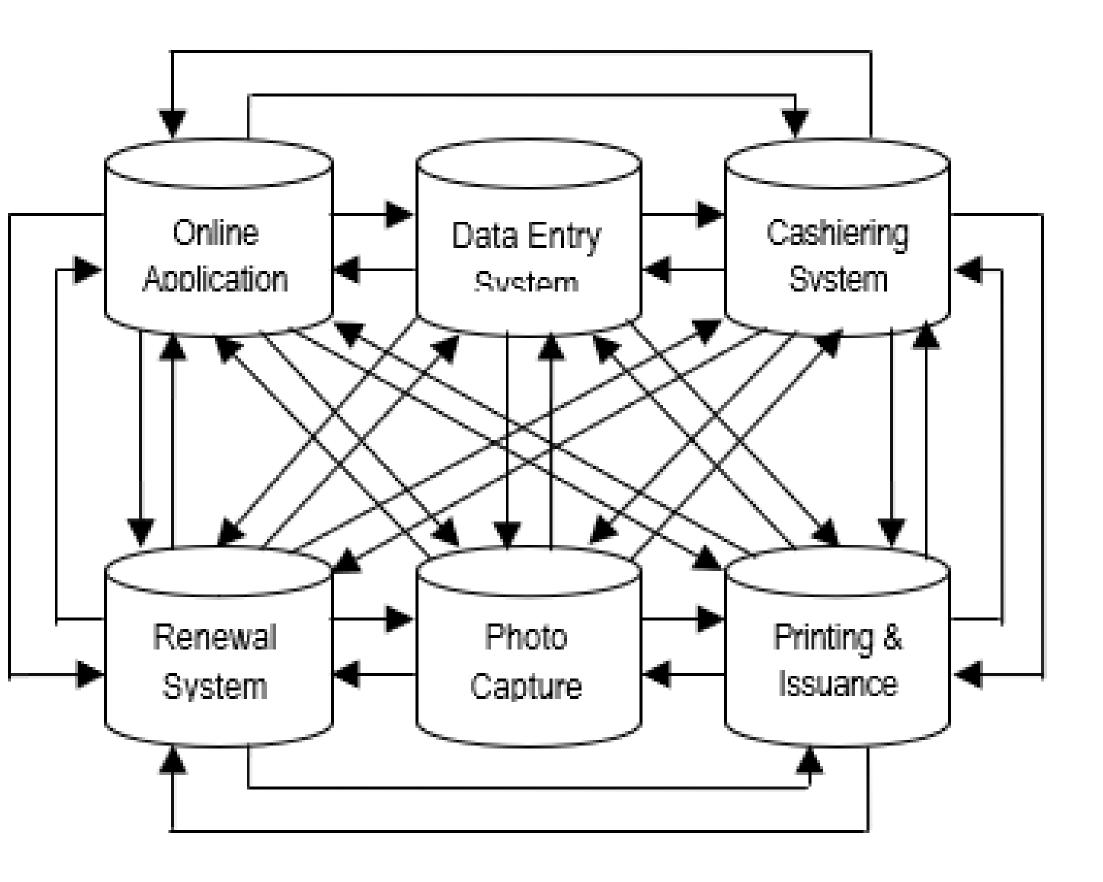


The way forward in bridging, accelerating and scaling digital transformation and financial inclusion nationwide

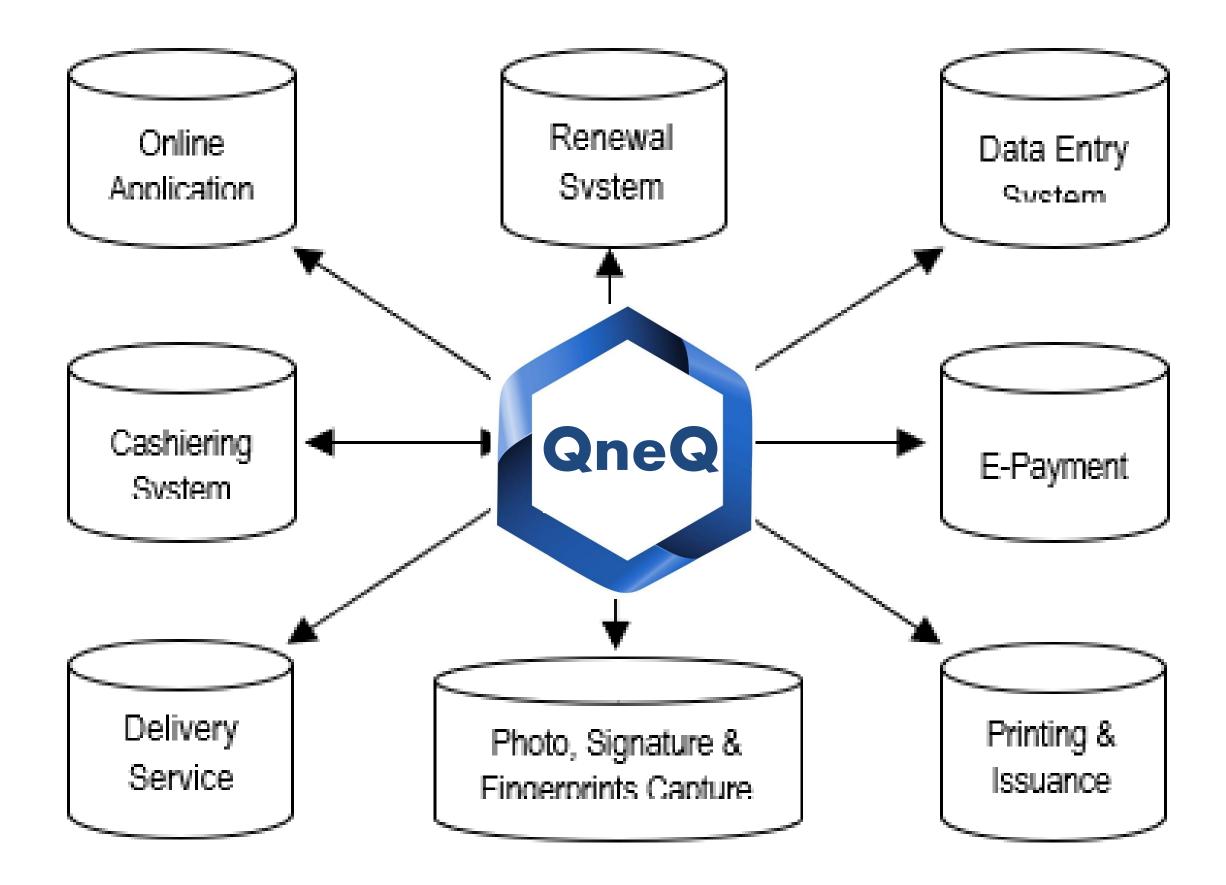


CURRENT AND PROPOSED DATABASE STRUCTURE

OLD STRUCTURE TO LINK EVERYTHING



PROPOSED STRUCTURE TO LINK EVERYTHING



GROWTH is MEANINGLESS if it is not

INCLUSIVE, TRANSFORMATIONAL and

EMPOWERING





TOWARDS A CHIEVING A SUSTAINABLE INTEROPERABLE, AND ROBUST DIGITAL

ECONONY





