

Status of Digitalization Program for Rural Banks

RBAP Convention

June 25, 2020

Agenda

- ▶ Objectives
- ▶ What Has Been Completed
- ▶ What We Have Now
- ▶ What is Next

Objectives

- ▶ Provide a Roadmap for rural banks in their digitalization initiatives
- ▶ Assist rural banks in the selection of the vendor solution that best fit their requirements
- ▶ Address problems and issues with existing solution providers

What Has Been Completed

During the term of Doc Armando Bonifacio,

- ▶ Completed evaluation study of core banking solutions and presented in the RBAP Symposium in November 2018

During the term of Roberto Abello,

- ▶ Vetted various digital solutions that can provide additional revenues
- ▶ Updated the evaluation study in Feb 2020
- ▶ Completed a high-level Digitalization Program and presented to the RBAP Board in May 2020

What We Have Now

High-Level Digitalization Program

❖ Short-Term or Immediate Plan

- ▶ Solutions that can immediately be implemented regardless of current technology in use and regardless of size of the bank
- ▶ Solutions that can provide additional income to rural banks that are fee-based
- ▶ Solutions that can provide rural bank customers wider reach to transfer funds, pay billers, among others

What We Have Now

High-Level Digitalization Program

❖ Short-Term or Immediate Solutions

- ▶ Point-of-Sale (POS) Terminals that banks can use for cash withdrawals
- ▶ Browser-based Portals that banks can use for fund transfers, remittance, bills payment

What We Have Now

High-Level Digitalization Program

❖ Long-Term Plan

- ▶ Upgrade of existing Core Banking Solutions
- ▶ Provide rural bank customers alternative channels such as mobile and internet banking to transfers funds, pay bills, do balance and transaction inquiry, load or top-up eWallets and mobile phones
- ▶ Use of credit information and credit score for faster loan approval process

What We Have Now

High-Level Digitalization Program

❖ Long-Term Plan

- ▶ Provide rural bank marketing and sales personnel facility to acquire new customers, accept loan applications and collect payments outside of their branch premises
- ▶ Integrate these solutions to the bank's Core Banking System

What We Have Now

High-Level Digitalization Program

❖ Long-Term Solutions

- ▶ Updated Comparative Study of Core Banking Solutions from foreign and local providers
- ▶ Initiated talks with vendors that can support long-term plans

What is Next

- ▶ Conduct educational sessions and detailed discussions on IT/digitalization initiatives
- ▶ Provide guidance to rural banks in their vendor selection and compliance to regulatory requirements, specially those that do not have or limited IT capability
- ▶ Continue to identify/vet on vendors and fintech companies that support short and long-term plans
- ▶ Explore ways to assist banks in getting financial support for their digitalization initiatives

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, leaving a large white central area.

Thank You