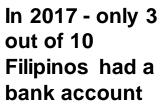
## Cloud-based core banking pilot in the Philippines

Challenge

### Financial inclusion







41% of the unbanked were in Mindanao



Lack of efficient technology infrastructure in rural and remote areas and archipelagos



Higher costs of reaching and servicing clients for rural banks in high-risk frontier areas

## Solution

Reach

### Cloud-based core banking system

#### Offer

the underserved and

unbanked people

new opportunities to save, make a payment, get a small business loan, send a remittance, or buy insurance.

#### **Provide**

personalized and efficient services

## **Mitigate**

various IT, strategic, and operational risks

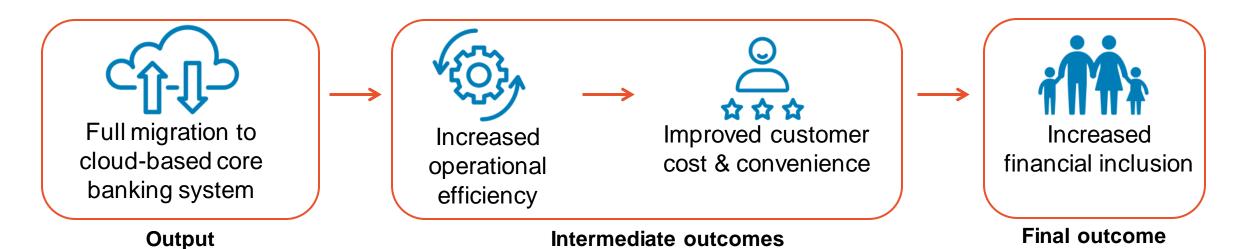
#### Reduce

major IT capital expenses





# Expected outcomes & impact



Migration to cloud infrastructure Field mobility Third party integration User digital access

PAR ratios
Cost-to-income ratio
Capital Adequacy Ratio
Staff and system efficiency

Transaction time & cost Transaction mobility Fee structure Customer satisfaction Branches in/outreach to underserved areas
Clients in underserved areas
Products and services targeting unbanked/underserved

(impact)

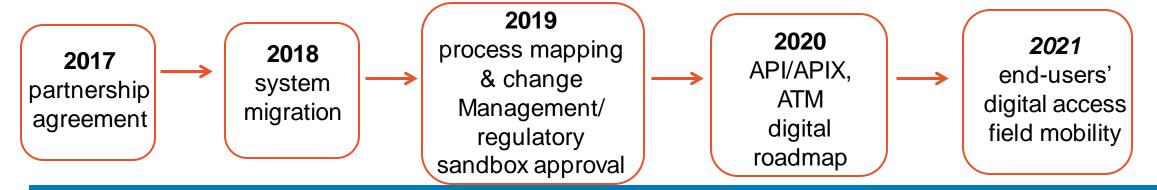
#### **Indicators**

Focus on

measuring outcomes and impact as well as capturing learnings



## Timeline



## Results

- Substantially improved connectivity
- Decreased IT resources
- Simplified reporting
- More seamless customer experience
- Client base increased from 95,000 in 2017 to 130,000 in 2020
- By early 2020 more than 25 Fis allowed by BSP (no objection) to use cloudbanking.

## How

- System change, mindsets and company culture a parallel shift in doing business
- Importance of having a clear long-term strategic approach
- Regulatory environment and the partnership setting the agenda and driving change

