



Digitalization to #IncludeEveryone

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UBX Tribe Lead

UBX is the Philippines' leading Open Finance platform



>200

Employees in
Philippines &
Singapore

150

Regulated financial
institutions on
platform

> 9,000

Independent banking
agents

Enables companies, government, digital platforms, financial service providers and developers to offer a wide range of embedded financial and data services to **grow their business**.

Fosters innovation enabling the financial journey of our clients' customers.

UBX builds, aggregates, virtualizes and operates the open financial infrastructure upon which our clients can **monetize and expand**.

UBX's embeddable financial services and interoperability between hundreds of financial institutions and service providers behind trusted products and a single API is used by **thousands of businesses and platforms**.



Businesses we are Enabling

SUY SING
Bringing Success To Grocers



foodpanda

SAN MIGUEL
FOODS
Always Good

Rustan's
SERVING ONLY THE FINEST

pilMico

ADB

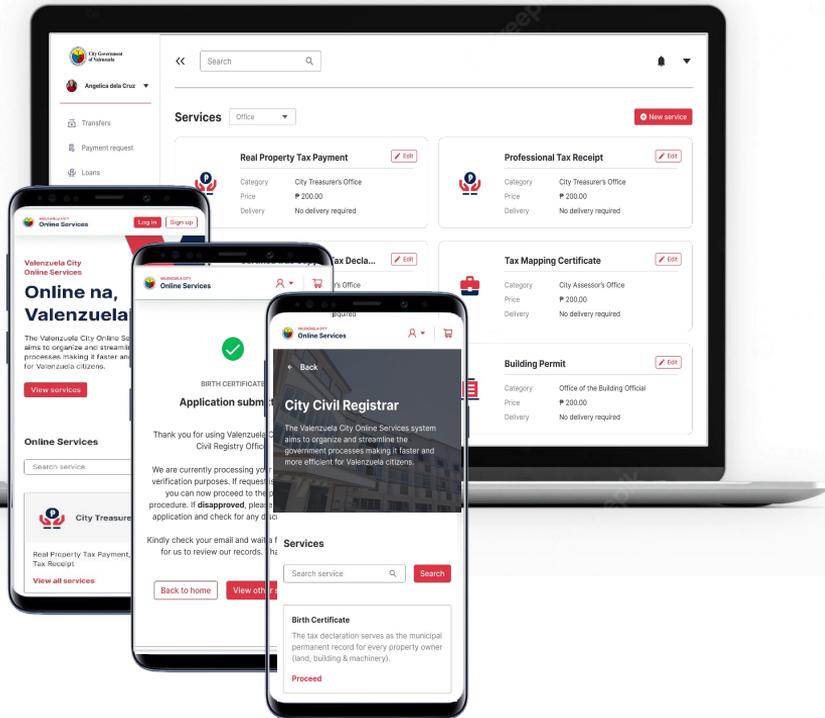
Lazada

Bounty

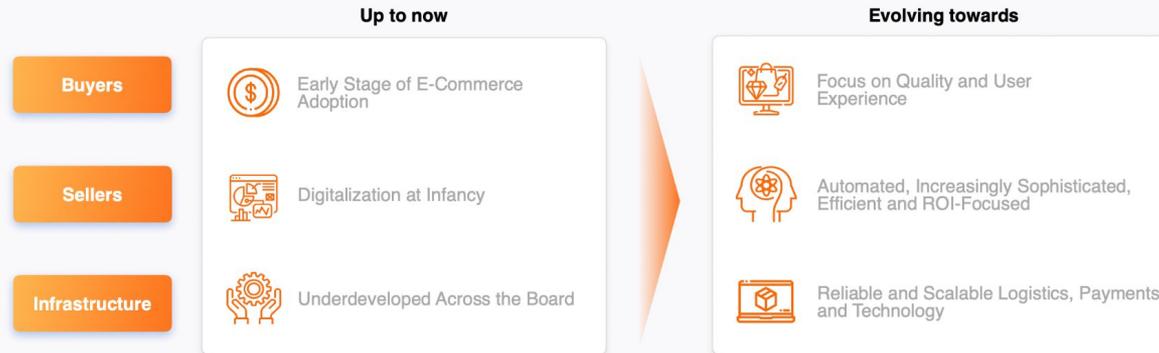
aboitiz UB UnionBank

Customer Centric. Fast. Reliable. Secure. Compliant.

- Marketplace/community
- Identity as a Service
- Onboarding as a Service
- Wallet Creation
- Platform of Products and Services
- Payments and Disbursements
- Lending
- Dispute Resolution
- Retention



Our Perspectives Towards the Market



- Lazada wrapped up 2021 with \$21 billion in gross merchandise value, the amount of sales before expenses are deducted. And 922,000 sellers, many of whom are from China, were active monthly on the marketplace as of September 2021, more than doubling the pool size from a year ago. Alibaba's nemesis Tencent - one of the main investors in Sea Group, operates Lazada's rival platform Shopee. In 2020, Sea logged \$35.4 billion in GMV.
- Monthly statistics
 - Lazada Philippines 34.33M visits
 - Shopee Philippines 33.07M visits

Key Takeaway:

Digital Platforms have strong use case for presentation of goods and services

HOME CREDIT

2H 2020

9 months
Average tenor

EUR 450
(Php 25,400)
Average loan size

Salary Loans

2020-2021

3-6 months
Average tenor

60% of NDI
Average loan size

Insights:

1. *Lenders still specify portfolio criteria skewed to cities (Luzon, NCR), privately employed, and secured or low-risk loan models.*
2. *Therefore, growth in lending has come from residential real estate loans, credit card receivables, and salary-based general-purpose consumption loans.*
3. *FIs have been focused on growing MSME lending portfolios.*
4. *Average Personal Loan ticket size Php 120,000-150,000 (eCompareMo, 2020), fintech lending platforms start small ticket loans from Php 500.*

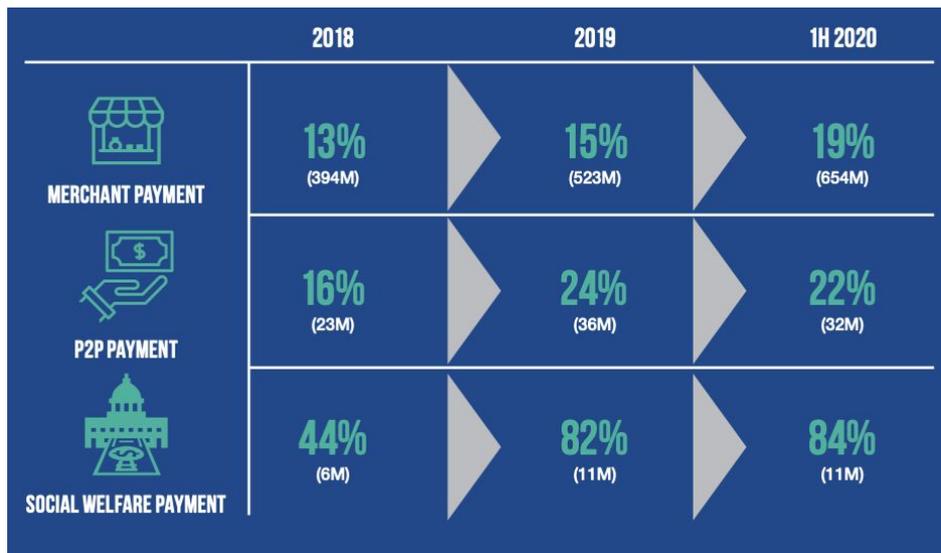
Digital Trends.

Payments

- 1 in 2 payments are digital.
- Growth in digital payments are driven by merchant payments, P2P payments and social welfare disbursements.
- Race to zero for microtransactions but SLA being a key differentiating factor

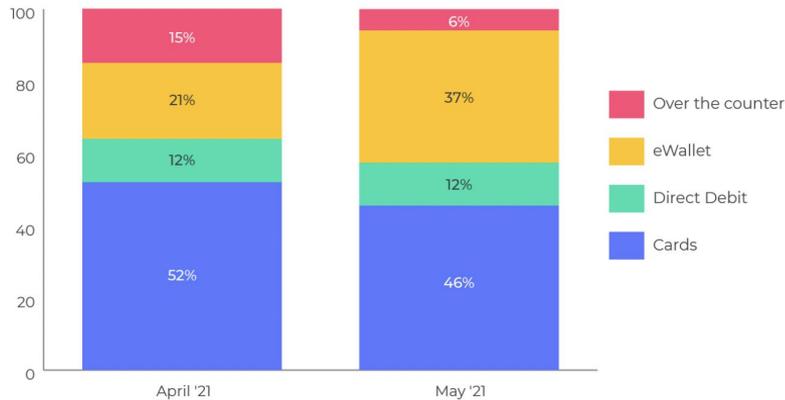
Key Takeaway:

Digital transactions have become a familiar way of transacting but users looking beyond basic price per transaction e.g. safety, security



- **Digital merchant payments grew by 33% in 2019**, and remain the largest payment use-case in terms of volume. The upward trajectory for merchant payments continued in the **first half of 2020, with a 25% increase**. This increase contributed significantly to the strong upward trend in overall volume for merchant payments, driven by the heightened usage of prepaid cards as well as electronic fund transfers (EFT).
- In 2019, digital **P2P payments** also experienced an uptick, growing by 56% from 2018 levels. **This growth was fuelled entirely by increasing use of wallet-to-wallet transfers**, with monthly transactions increasing from 23 million to 36 million. This growth was stunted in the first half of 2020, when P2P payments decreased by 11%. However, they remain one of the main drivers on the overall growth of digital payments in the country.
- **Digital social welfare payments** experienced notable increase year-on-year growth **in 2019, in both volume (89%) and value (128%)**. This huge shift was brought about by the improvements in the digitization of Pantawid **Pamilyang Pilipino Program (4Ps) transfer and Social Security System (SSS) benefits disbursements**. Estimates of social welfare payments for the first half of 2020 show minimal movement compared with 2019 figures.

Share of transactions / payment methods



Payment Methods



Over the counter



Credit Card



Direct Debit



e-Wallets

Average Transaction Size

US\$ 480

US\$86

US\$36

US\$33

Source: Xendit Payment Platform Aggregated Transaction Data

Source: Xendit Payment Platform Aggregated Transaction Data

- **One in five financial transactions (including bills payments and money transfers) had been made through e-wallets. (BSP)**
- The average ticket size for an e-Wallet payments transaction is around **US\$33 or around ₱1650** which is lower than credit cards and direct debit.
- Over-the-counter payment, typically paid using cash in retail stores like 7-Eleven and Cebuana, recorded a significantly higher average transaction size, almost **15x that of e-Wallets**.
- Such discrepancies can be attributed to **Filipinos' perception of security risks**. Large segments of users are wary of possible hacking and personal data breaches associated with digital payments. While consumers may adopt e-Wallets to make small purchases, they tend to make payments in cash when making big purchases.

Key Takeaway:

Difficulty in gaining satisfaction during disputes

Digital Trends. Study on Digital Payment Adoption during the COVID-19 Pandemic in the Philippines

Payments

School of Management University of the Philippines Mindanao
Published in Philippine Journal of Science (June 2022)



- This study assessed the factors affecting the adoption of digital payments of firms in the Philippines as a pivot strategy in business operations. Through an online survey, a sample of 433 participants holding at least a supervisory position were surveyed from July 2020–January 2021.
- Using Logit analysis, results revealed that **younger firms, those with partnership business structure, firms with more employees, those with existing ICT-based facilities, and firms experiencing business growth before the pandemic were more likely to adopt digital payments.**
- **Digital transformation** is a key strategy of firms for value creation and value capture in the new normal which also facilitated the adoption of digital payment. The shift from a traditional business model to a digital one to thrive under pandemic conditions indicates the necessity for firms to become more flexible, adaptive, and receptive to the changing environment. To achieve and sustain recovery, assistance and support must be prioritized for firms that are relatively younger as they are more likely to adopt digital payments. **Continuing digital capacity development programs must also be explored to cater to vulnerable organizations – especially those with sole proprietors, smaller firms with fewer employees, those without ICT infrastructure, and those experiencing declining business growth to revitalize businesses and industries.** Moreover, there is a need for digital innovation policies that enable the establishment of digital infrastructures among businesses and firms. One of the areas of these policies is the use and adoption of digital payment platforms and the acceleration of digital payment adoption, as these will be beneficial to customers, merchants, and service providers.
- Another strategy is the provision of an environment that encourages various providers of digital payment services and financial technology developers to be more responsive to the needs of the businesses, especially the MSMEs.
- **Competence in the processes and usability of various digital payment platforms must also be developed, as these have become the new modalities of financial transactions. To complement these initiatives, efforts toward strengthening data security and protection along with safe cyberspace for all users of online platforms such as digital payments must be a priority.** A concerted collaboration among key stakeholders toward a more financially inclusive environment is needed to propel enterprises and consumers to increase the utilization of digital payments during the COVID-19 pandemic period and the post-pandemic. Lastly, continuing research studies must be explored such as an evidenced-based assessment of the limiting factors and attributes, revealed in this study, that hinder and constrain the vulnerable enterprises to adopt digital payments.

Key Takeaway:

**Technology vs
Maturity vs
Profitability Barrier**

Key Takeaway:

**All or nothing
approach or “digital”
solutions with no
roadmap**

Key Takeaway:

**Looking beyond
basic price per
transaction e.g.
safety , security**



Identity

Self-Sovereign Identity, Blockchain Wallet, Electronic Know-Your-Customer, Digital Onboarding



Open. Trusted. Sovereign.

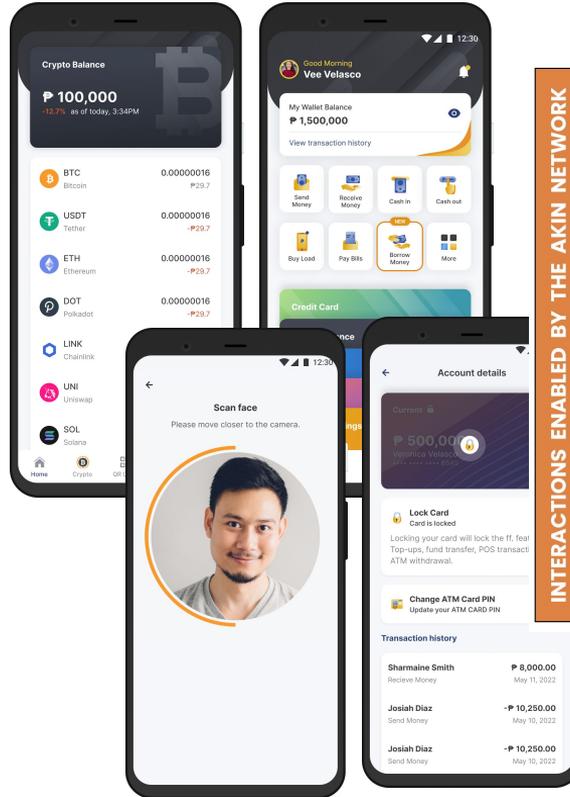
Self-Sovereign Identity, the Customer has control over all their data in the Open Finance Ecosystem.

Blockchain Wallet, best-in-class blockchain wallet - multi-wallet, multi-currency, multi-asset.

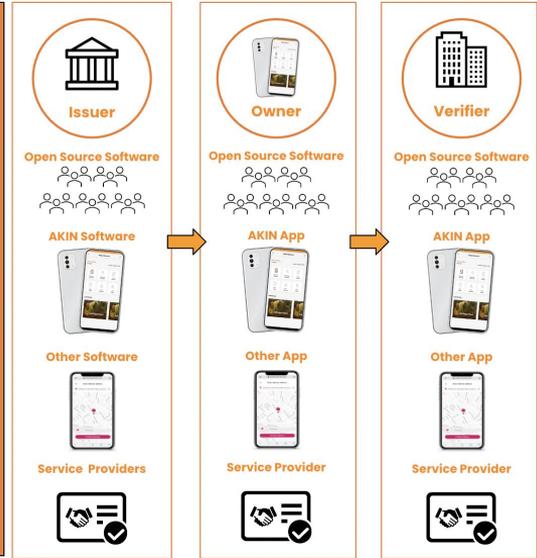
Electronic Know-Your-Customer, comprehensive aggregation of eKYC Solutions and Service Providers.

Digital Onboarding, dynamic forms and configurable flows to enable one-time, easy and fast application for products and services.

Open Finance, providing Open Finance technologies aligned to the BSP Open Finance Framework and international standards.



INTERACTIONS ENABLED BY THE AKIN NETWORK



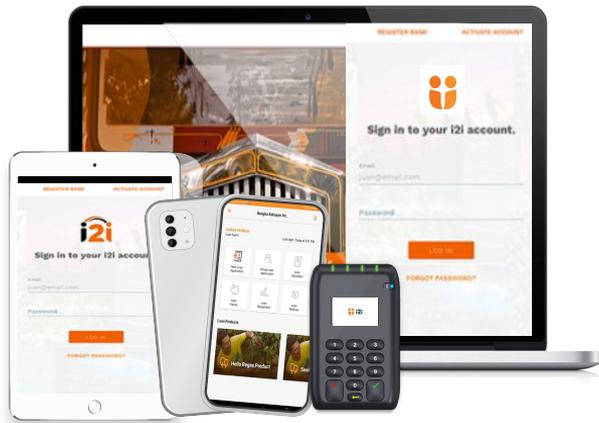
Simple. Easy. Scalable.

One payment link, widest payment network, BUX bridges all offline and online channels together into a unified end-to-end payment solution - with one single link, platform or API.

Digital entrepreneurship toolbox, Sentro allows a business to jump-start & scale through eCommerce. It's the operating system for MSMEs - with delivery and payments out of the box.

eCommerce Community, together, BUX and Sentro have allowed over 130,000 businesses to go digital immediately.





Cloud



Fast



Secure



Reliable



Rev-Gen

Reach More. Do More. Be More.

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Decentralized & Real Time, i2i is a blockchain powered financial platform and Agency Banking network.

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Managed Platform and Network, i2i has hundreds of financial institutions and non-financial service providers offering their products.

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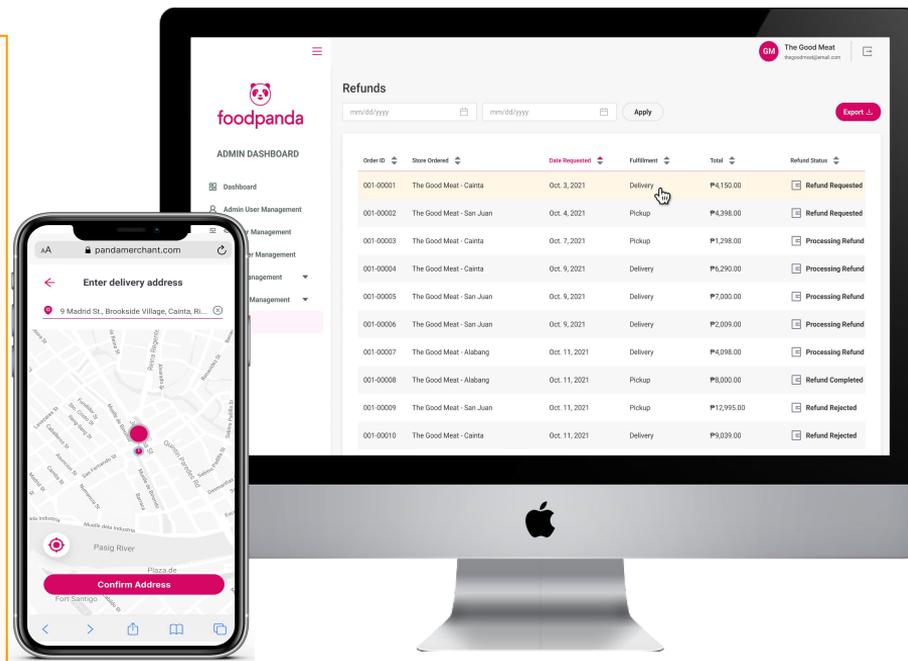
Open Finance Community, i2i has thousands of agents offering financial services in their communities. Think branch lite and no-branch distribution!

Access. Connect. Scale.

B2B Marketplace. Kitchens, restaurants, caterers, ghost kitchens can order food and beverage supplies.

Order Management. Suppliers can monitor, fulfill and manage orders from customers.

One-stop shop. A one-stop-shop platform where foodservice customers can access a curated set of suppliers for all their needs.



Thank you!

hello@ubx.ph