2026 MCPI ANNUAL CONFERENCE

AUGUST 12–13, 2026

INCLUSIVE DIGITAL TRANSFORMATION

Redesign the journey - not just the institution.

Why digital growth does not always lead to financial inclusion – and the operating model that competes on trust

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TraXion Pay

The Uncomfortable Data Point

Digital growth accelerated. Inclusion did not.

57.4%

of retail transactions were digital in 2024 - above BSP's 50% target

50.2%

of Filipino adults had a formal financial account in 2024 - down from 51.4% in 2021

And formal borrowing fell too: 45% of adults borrowed in 2021 → just 25% in 2025 (BSP Consumer Finance & Inclusion Survey).

Digitalization and inclusion are not the same curve. The next two slides show where that gap is actually going.

Sources: World Bank Global Findex 2025; BSP Consumer Finance and Inclusion Survey (CFIS) 2025; BSP 2024 digital payments report.

The Growth Went to Online Lending Apps – Not Banks or MFIs

The demand for fast digital credit is real - but so are the risks when trust falls behind growth

47M → 68M+

unique OLA users, roughly 2023–2025

13,000+

PAOCC harassment complaints, April–May 2026 alone

Mar 2026: DICT–NPC–SEC advisory bans contact-list harvesting and non-guarantor collection tactics outright.

What Borrowers Wanted – and Was Delivered

Fast Approval
Minutes instead of days

Convenient Access
Apply anytime, anywhere.

Minimal Requirements
Less paperwork and fewer branch visits.

Where Problems Emerged

Privacy Concerns
Unauthorized use of personal data.

Aggressive Collections
Harassment and reputational pressure.

Transparency Issues
Fees and borrowing cost not always understood

The opportunity for MFIs is to combine the digital convenience with MFI-level trust. The next slide shows the framework for exactly that.

Sources: PAOCC (2025–2026); DICT–NPC–SEC joint advisory, March 2026; Digido Finance Corp. industry study, 2025.

Three Plain Questions to Ask First

Not a technology checklist - a gut check for whether a project will actually help

Does it cost less to serve more people?

COST TO SERVE

Can our actual clients use it?

ACCESS

Does it keep them safe?

TRUST

Many abusive digital lending models optimize for speed and access, but not always for trust.

Faster is not the goal. Better cost, access and trust is.

The Client Journey Is a Chain of Handoffs

The bottleneck – not the technology – should determine the priority.

1. **Find**
2. **Join**
3. **Decide**
4. **Receive**
5. **Repay**
6. **Retain**

Fast Digital Acquisition

Relationship Quality Is Built Here

Embedded finance also targets this end: banking shows up inside a platform the client already uses

The Bottleneck

Where time, cash, paper, or uncertainty accumulates.

The Digital Lever

Automate, connect, or make the step more accessible.

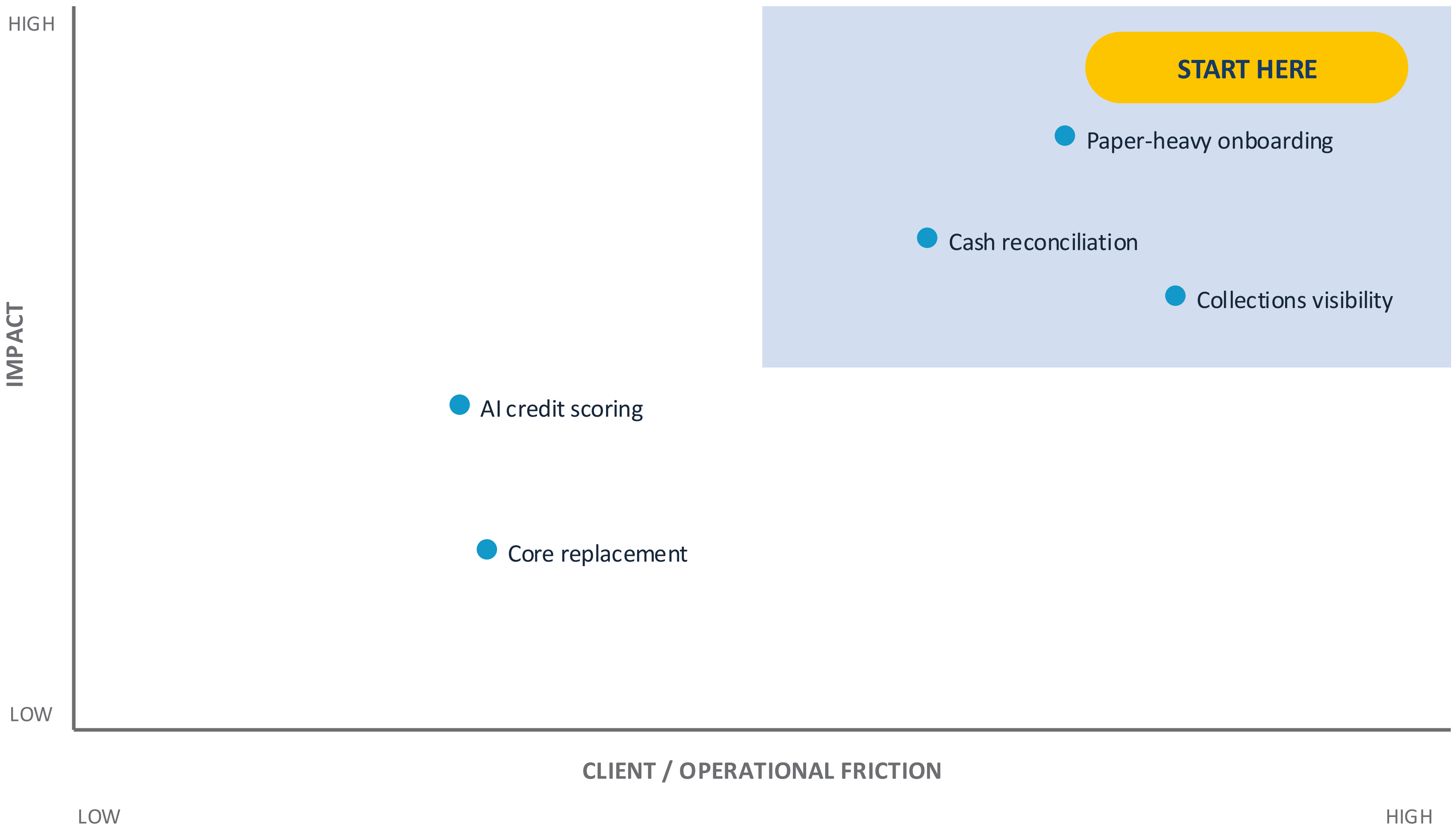
The Human Value

Use people where judgment, trust, and context matter most.

OLA = Online Lending App

Prioritize the Bottlenecks that Matter Most

Not every problem deserves a transformation project



Layered Architecture, Not "Rip and Replace"

The core stays valuable. But it has to be able to talk to anything first.

CLIENT EXPERIENCE

Digital Channels • Onboarding • Payments • Collections

INTEGRATION / API / DATA LAYER

Where Traxion Pay operates — connecting, not replacing

FIRST: IS YOUR CORE ACTUALLY API-READY?

YES
Connect directly at the integration layer above.

NO
Bridge it first: batch/file sync, a middleware adapter, or a scoped API-enablement upgrade - still short of full replacement.

CORE / MIS / LOAN SYSTEM / ACCOUNTING

Stays exactly where it is — no disruptive rip-and-replace

Not every core is ready to connect today. The honest first question isn't "what should connect to what" — it's "what does ours need before it can connect at all."

Inclusion Requires More Than One Path

Different clients reach the same financial services in different ways

SMARTPHONE

App / QR / self-service

LOW CONNECTIVITY

SMS / assisted / lightweight flows

NTC kept 2G alive in 2025 - specifically for areas still not reached by 4G, let alone 5G.

HUMAN-ASSISTED

Field officer / agent / branch

PHYGITAL

Cash point / card / machine

e.g., Traxion CTMs & QR cards

Inclusive design means giving clients a path into the same financial ecosystem - even when their devices, connectivity, or digital confidence differ.

Data Should Drive Decisions – Not Just a Dashboard

Data creates value only when it changes a decision.

CAPTURE

A payment, application, visit, or missed installment

UNDERSTAND

What is changing? Who needs attention?

ACT

Contact, adjust, prioritize, intervene — e.g., flag loan-stacking before it becomes default

LEARN

Did the intervention improve the outcome?

Collections

Identify repayment deterioration earlier

Credit

Use more relevant signals for thin-file clients

Management

See where capacity is being consumed

Client Value

Offer the next useful service

A dashboard informs. An operating loop changes outcomes.

Trust Is Not a Feature. It Is a System.

Every new digital channel adds another place where trust can be won — or lost

IDENTITY

Know and verify the client

Strong identity verification protects both clients and institutions.

Traxion's licensed e-KYC operates at this layer

ACCESS

Protect information and permissions

Access controls ensure clients share only information required to receive a service.

TRANSACTION

Ensure transparency and legitimacy

Transparent pricing and transaction records build confidence and accountability.

RESPONSE

Resolve issues fairly and promptly

Effective complaint handling and dispute resolution preserve trust when problems occur.

A 90-Day Path to Proof

You don't need a three-year program to prove whether a digital intervention creates value

0–30 DAYS

DIAGNOSE

- Check core API-readiness
- Map one client journey
- Quantify the friction
- Choose one bottleneck

31–60 DAYS

PILOT

- Run in a contained environment
- Train the people
- Measure the baseline

61–90 DAYS

DECIDE

- Keep, change, or stop
- Document the operating model
- Prepare to scale

Measure outcomes, not activity:

Time to serve • Cost to serve • Client adoption • Error rate • Portfolio / collection outcome • Staff capacity

Transformation doesn't begin with a technology project. It begins with a problem worth solving.

Turning These Frameworks Into Practice

The capabilities MCPI asked me to introduce - mapped to what we've just covered

CLIENT JOURNEY - RECEIVE & REPAY

Payments & Bulk Disbursement

Send and receive money, pay bills, and process bulk loan disbursements via the MicroPay e-wallet and branch portal.

ARCHITECTURE - INTEGRATION LAYER

R2R Branch / Admin Portal

CBS-agnostic web portal for agency banking, loan approvals, bulk disbursements, and branch transactions.

TRUST ARCHITECTURE - IDENTITY

LoanAI: 24/7 Onboarding

Loan applications via Messenger, WhatsApp, or Viber, with document upload and e-signature - available around the clock.

INCLUSION BY DESIGN - PHYGITAL

QRPh Card & Cash Teller Machines

Offline-capable QR cards and CTMs — no smartphone or mobile data required.

Every channel lives in the integration layer - connecting to your existing system without requiring a costly replacement.

Don't Digitize the Institution. Redesign the Journey.

The institutions that scale inclusive finance are not necessarily those that digitize fastest. They are those that digitize the points of friction — while keeping access, trust, and human judgment at the center.

LOWER FRICTION

WIDER ACCESS

STRONGER TRUST

Trust is the one differentiator that can't be copied overnight - and it's the one every legitimate MFI in this room already has.

Maraming salamat po. Thank you, MCPI.

Traxion Pay, Inc. — digital infrastructure for inclusive microfinance