




FinPay Cloud: Digitalizing Philippine Banks

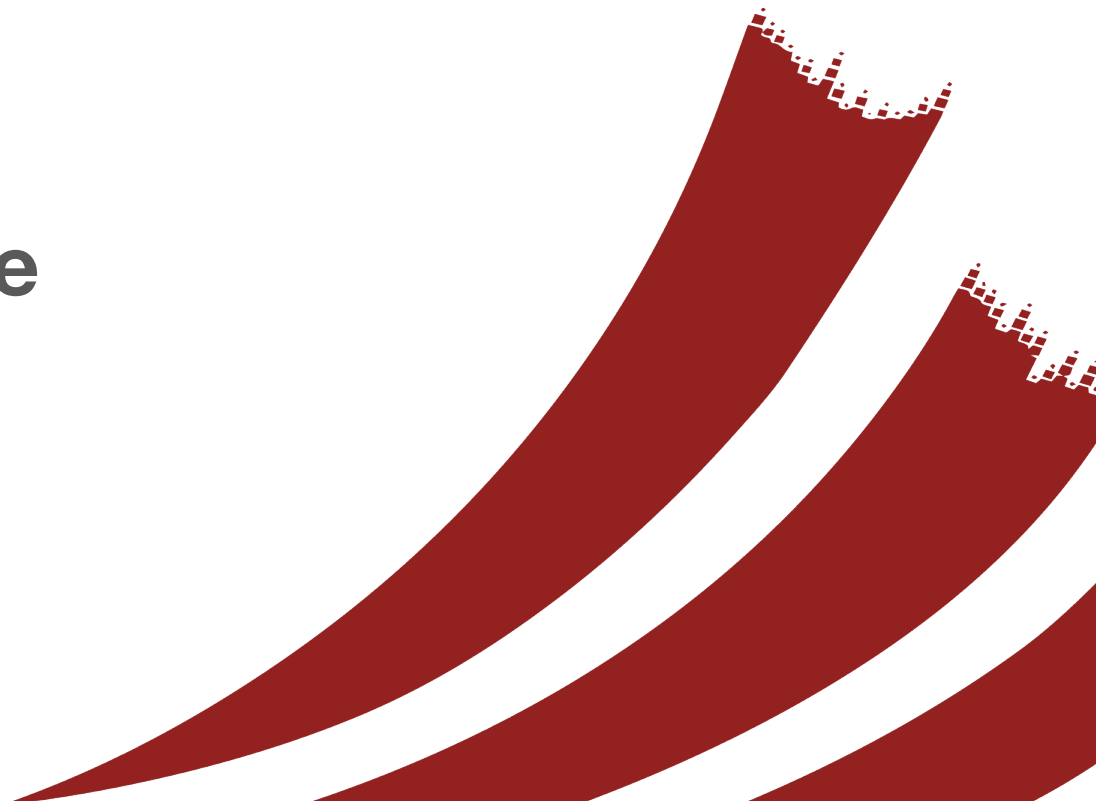


Agenda

- FDS Group Profile
 - iCSI Company Profile
 - FDS Products and Services
 - FDS Data Center
 - Digitalization Overview
 - FinPay Case Studies
 - Why iCSI/FDS?
 - Pricing
- 



FDS Group Profile



FDS Group Introduction

- IT Group with comprehensive offering of world class solutions and services
- 500+ IT resources with over 10 years serving financial and banking institutions
- Serving 700+ companies, 40+ banking clients, 5 microfinance institutions, 65000+ merchants and 40+ online billers
- Entities with specific business segment focus and innovation:
 - The first ISP in Indonesia
 - The first world class core banking SaaS in Indonesia
 - The first mobile banking SaaS in Indonesia
 - The first Tier 4 data center in Indonesia
- Exclusive outsourcing (Software as a Service) partner of Temenos in Indonesia since 2010
- Regional subsidiaries in Singapore, Bangladesh and iCSI as Philippine local partner
- Focus on Digitalization, Fintech and Micro Banking since 2017

FDS Group of Companies



9 Focused entities servicing the market
Partnership for best practice and quality of services
Innovative solutions ensuring time to market1

Online and Digital Banking SaaS Clients

BPR KS

bank
btpn

bankjatim

BANK 9 JAMBI

DE LA O
RURAL BANK, INC.
PANGIL, LAGUNA

BCA SYARIAH

CCB 中国建设银行 印度尼西亚
China Construction Bank Indonesia

Bank Sulsebar

BANK MAS
PT. BANK MULTIARTA SENTOSA



bank victoria

BANK INDEX

BANK JASA JAKARTA

bank agris



BANK MASPION

Rabobank

BHI
BANK HARDA INTERNASIONAL



PROLINE
FINANCE

BPR BANK SUPRA

BANK WOORI SAUDARA

sahabat



Bank Chinatrust Indonesia



Bank Kesejahteraan

hasamitra
bank perkreditan rakyat

BANK GANESHA

AG
BANK ARTHA GRAHA

BANK INA

Micro Bank and Fintech Clients

Micro Banks



Fintech

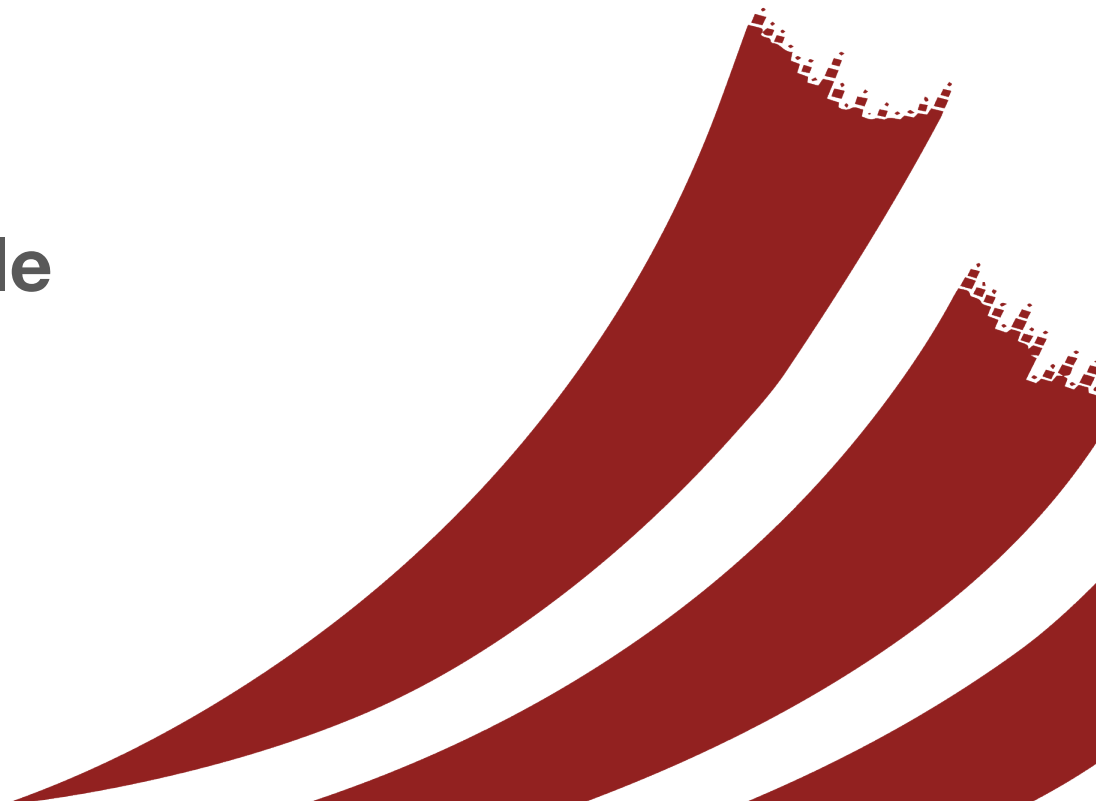


Financial Inclusion





iCSI Company Profile



iCSI Company Profile

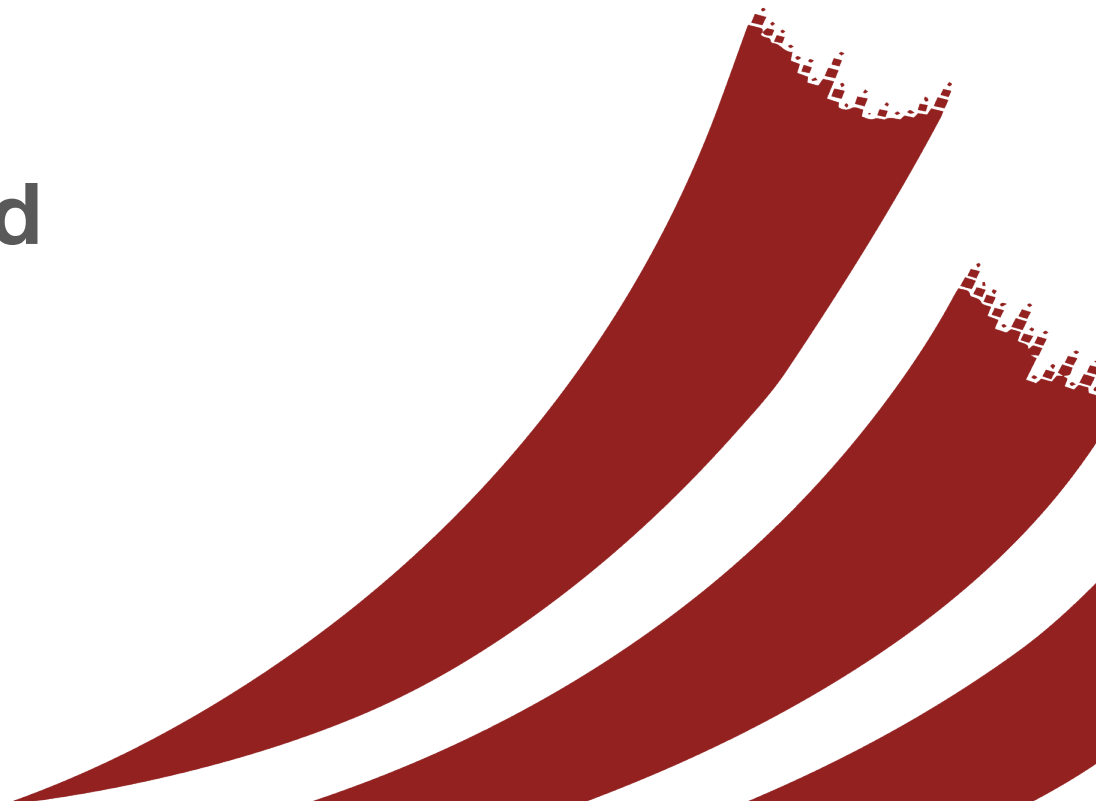
- Philippine IT System Integrator
- Software, Hardware & Cloud Services Reseller
- Application Consulting, Programming, Implementation, Project Management and Support Services Provider
- Philippine Partner of FDS
- Solution Offerings:
 - Banking Systems
 - Cross Industry Accounting and HR/Payroll Systems
 - ERP & WMS Systems

iCSI Roles

- As FDS Partner, iCSI roles are:
 - i. Local Implementation team for Philippine Banks
 - ii. Local Support team for Philippine Banks
 - iii. Sales and Marketing team for Philippines



FDS Products and Services



FINPAY – Solution Coverage

Description	FDS
Core Banking	
Customer Information	Y
Customer Service	Y
Teller	Y
Saving Account	Y
Time Deposit	Y
Loan	Y
Accounting	Y
Reporting	Y
Signature and Document Image	Y
Open API Banking	Y
Regulatory	
Central Bank Reporting	Y
Cash Transaction Report	Y
Suspicious Transaction Report	Y

Description	FDS
Middleware	
API to Core Banking	Y
API to Biller Aggregator (BancNET, PESONet, Instapay)	Y
API to Internet and Mobile Banking	Y
API to merchant (incl. Account Opening, Cash-in/out)	Y
API to ATM & Cardless Cash Machine Switch	Y
Internet Banking (IB) and Mobile Banking (MB)	
Account Portfolio	Y
Transaction History	Y
Fund Transfer	Y
Interbank Fund Transfer	Y
Bills Payment	Y
QR Payment (Optional)	Y
iOS and Android Mobile App (Mobile Banking)	Y
Security: SMS Token, Mobile Token and Hard Token	Y

FINPAY – Solution Coverage

Description	FDS
ePassbook	
Account Registration and Deregistration	Y
Account Passbook	Y
Customer On Boarding – Account Officer (OPTIONAL)	
Customer Opening	Y
Account Opening	Y
Time Deposit Opening	Y
Loan Opening	Y
Central Approval	Y
Customer Notification (SMS, email)	Y
Online Customer On Boarding (OPTIONAL)	
Customer Opening	Y
Account Opening	Y
Identity Validation (Face Recognition, Video Call)	Y

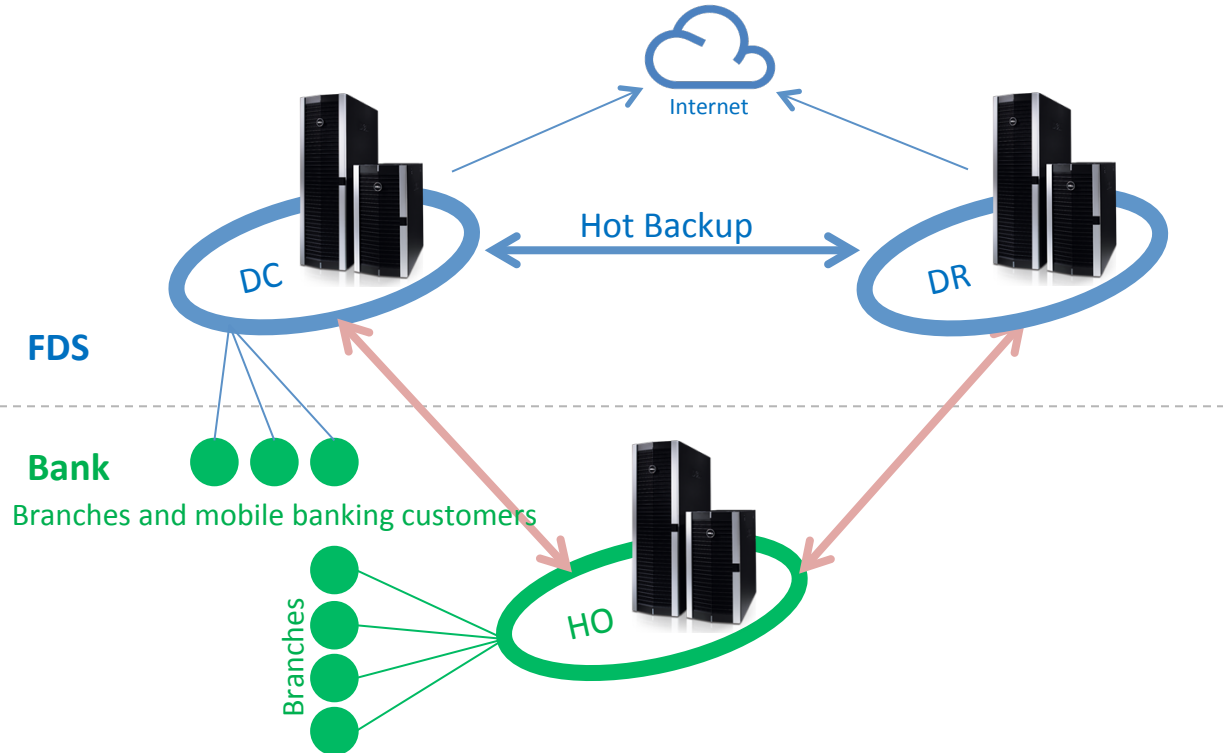
Description	FDS
AMLA (OPTIONAL)	
Risk Based Approach (Profiling and Reporting)	Y
PEP and Terrorist Screening	Y
Cash Transaction	Y
Suspicious Transaction (Parameter based)	Y
Reporting	Y
Task based and Monitoring Workflow	Y
Loan Origination System (OPTIONAL)	
Document and Data Upload	Y
Document and Data Verification	Y
Loan and Account Generation	Y
Analysis and Scoring	Y
Monitoring	Y
Credit Checking Interface (Credit Bureau)	Y
Interface to Mobile Survey	Y



FDS – Data Center

Infrastructure Coverage

Infrastructure Configuration



DCI Data Center: Compliance

ISO 27001: Information Security Management System by United Registrar of

Threat and Vulnerability Risk Assessment (TVRA) for secured Data Center environment Conducted by third party specialist **Heierli Consulting Engineers(S) Pte.Ltd.**

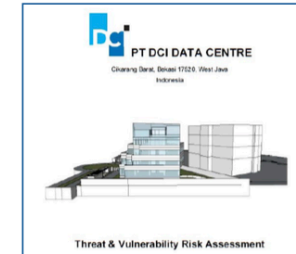
Integrated System Test (IST) witnessed by **JRP Engineers** as third party consultant and **Equinix** to follow global Data Center standard

Tier-IV Certification from the Uptime Institute facilitated by **DSCO Group** as Accredited Tier Designer from Uptime

PCI DSS (Payment Card Industry Data Security Standard) **Compliance** by **TUV Rheinland**

PBI 9/15 Audit and **IDX Guideline on IT Infrastructure** and **Data Center No. III A** from **Ernst and Young**

COMPLIANCE AND CERTIFICATIONS



23 May 2013



Regulatory Compliance



BANGKO SENTRAL NG PILIPINAS

TECHNOLOGY RISK AND INNOVATION SUPERVISION DEPARTMENT

12 July 2019

The Board of Directors

Thru: The Chairman
De La 'O Rural Bank, Inc. (DELAO)
10 San Jose St.,
4018 Pangil, Laguna


Gentlemen:

Subject : Approval to Outsource Core Banking System and Provide
Electronic Payment and Financial Services (EPFS) via Cloud
Computing Platform

Please be informed that the Deputy Governor, Financial Supervision Sector, approved on 10 July 2019, the request of DELAO to outsource FinPay core banking system and provide electronic payment and financial services (EPFS) with features and

Please notify the BSP, through the Technology Risk and Innovation Supervision Department, of the actual date of implementations of FinPay core banking system and EPFS.

Very truly yours,



MARICRIS A. SALUD
Officer-in-Charge

*BSP-approved
outsourcing solution
for core banking and
electronic payment and
financial services using
cloud computing
platform*



Digitalization Overview

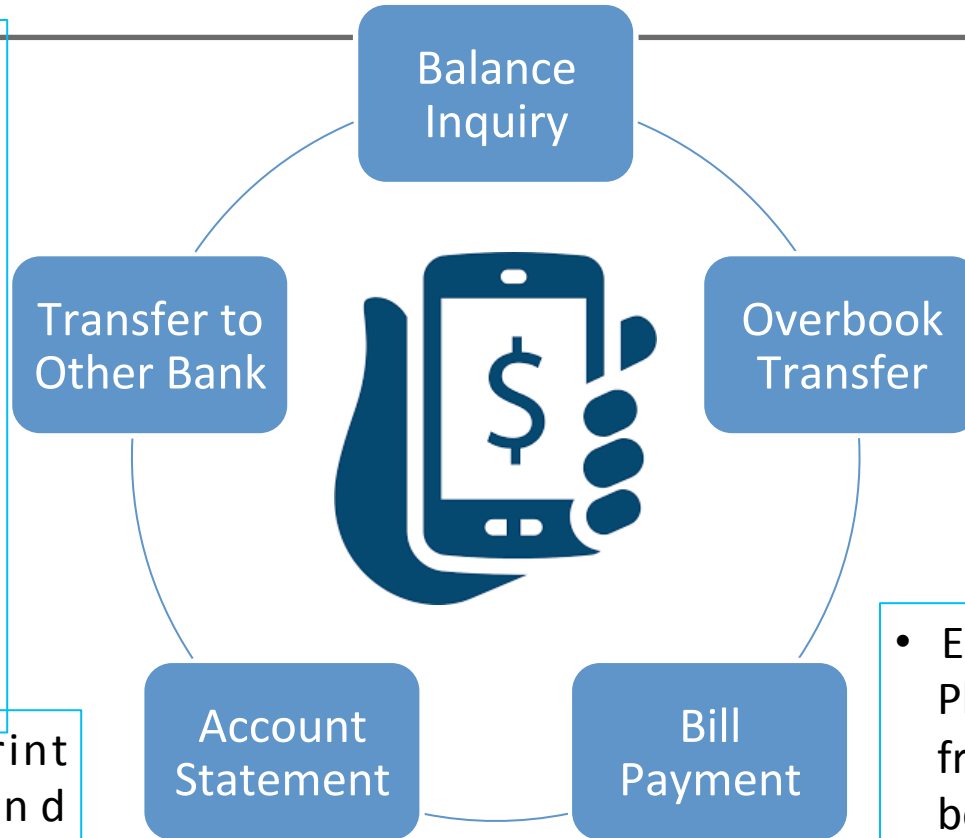


Why Digitalize?

- Threats from Fintech Companies (eWallet, Bills payment, remittance, lending)
- Threat from Payment Remittance Centers (Bayad Center, Palawan, TrueMoney)
- Need to expand customer touchpoints (Cash in/cash out services)
- Pressure from regulators
- Streamline bank processes (easier loan collection, easier account opening, etc.)
- Additional revenues from IBFT, government remittances, online purchases
- Cardless ATM services
- QR Code payments in retail stores

Finpay Mobile Banking Solution

- Easier Online Shopping payment, No need to go to ATM or branch
- Direct transfer to other accounts in same bank or another bank from your own account
- You can also receive transfers from other banks
- No need to print passbooks and account statements



- Realtime Balance checking anytime & anywhere
- All your portfolio (Savings, Time Deposit and Loan) information are on mobile

- Electricity, Water, Phone bill payments from your mobile. Can be done anytime

Finpay Mobile Banking



Agent

1. Your customers who operate retail outlets can become an agent for bills payment in their neighborhood.
2. Agent for Cash-in or Cash-out for Bank customers
3. Agent can also help bank customer to pay for the loans.
4. Agent can get additional revenue by each transaction fee.



Cardless Cash Cloud Machine

1. Transact via ATM using Finpay mobile app.
2. Lower Investment for the Bank; no need for EMV card chip.
3. Reduce the potential of skimming
4. Easier to use for millennials



Merchant Banking

1. Reduce cash transactions for merchants
2. All transactions will be transferred real-time to merchant bank account.

Mobile Banking: Sample Billers

CATEGORY	BILLER NAME
WATER UTILITIES	Angeles City Water District
	Bacolod City Water District (BACIV)
	BP Water Works , Inc.
	Boracay Water
	Bulacan Water District
	Cagayan De Oro City Water District
	Calumpit Water District (CAWADI)
	Clark Water
	Dagupan City Water District (DCW)
ELECTRIC UTILITIES	Elina Water
	Angeles Electric Company (AEC)
	Batangas I Electric Coop., Inc. (BATELEC I)
	Batangas II Elec. Coop, Inc. (BATELEC2)
	Benguet Elec. Coop (BENECO)
	Cagayan Electric Light & Power Co. (CEPALCO)
	Camarines Sur II Electric Coop., Inc. (CASURECO2)
	Cebu II Electric Cooperative, Inc. (CEBECO 2)
	Cebu III Electric Cooperative, Inc.(CEBECO 3)

Finpay Mobile Banking: List of Services

Account Portfolio Viewing: Savings, Time Deposit, Outstanding Loans

Transaction History

Bills Payment – Electric, Water, Cable, Creditcard, Internet, Cellphone

Loan Payment

Purchase prepaid load from mobile phone companies

Government remittances: SSS, Pag-ibig

Payment for online purchases: Airline tickets, DFA passport, Lazada

Loading e-Wallets: G-Cash, Smart Padala

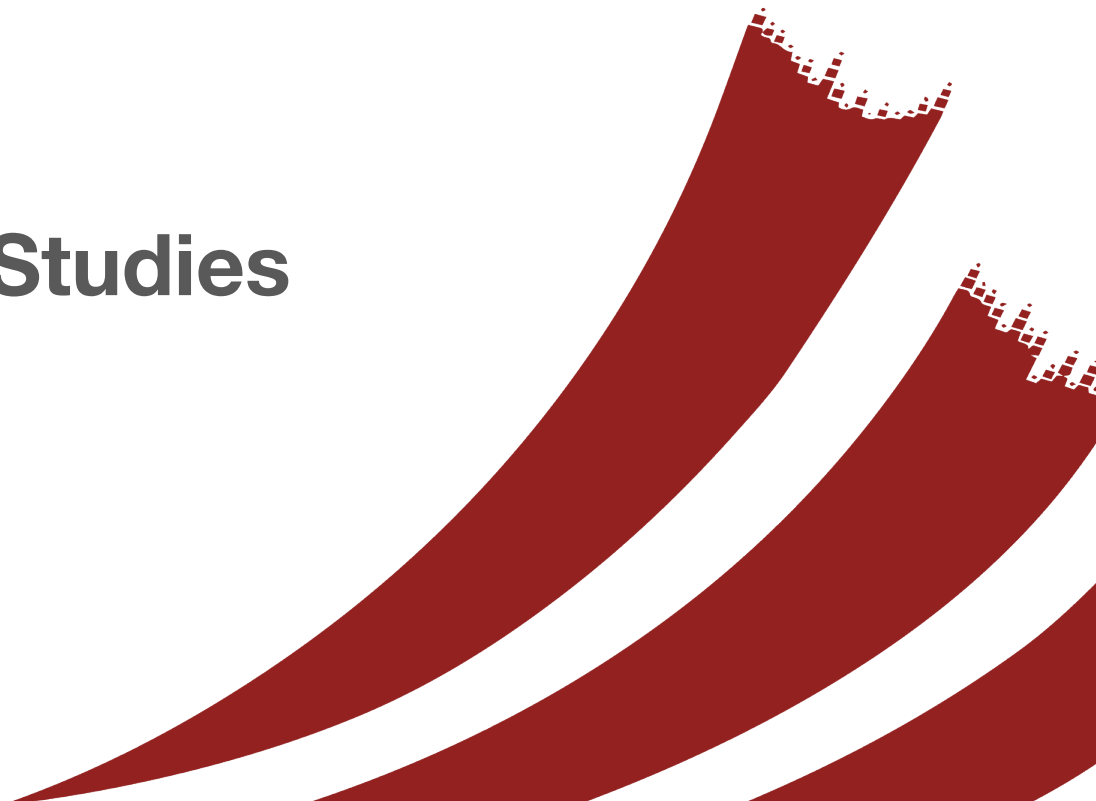
Fund transfer: within same bank or with other banks

Time deposit placement

Others: QR Code retail purchases, Cardless ATM, cash-in/out, Agent banking, Field collections for loans or deposits, etc....



FinPay – Case Studies



Case Study: Bank Sahabat Sampoerna

- **Business Case:** Banking Services Gateway for Fintech, MFI and Micro Businesses
- **Key Objective:** New Market Segment Acquisition and Fee Based Income
- **Components:** Online Banking, Agent Banking, Open Banking API



- **Key Strategy:** “Opening Account Anywhere & Open Banking”
 - Online Banking (IB/MB) for Individual and Corporate Customers
 - eWallet and Agent Banking (Retail Store Chain as Agents)
 - Open Banking API for Fintech, eCommerce and MFI
- **Key Achievement:**
 - From 12 branches to 13,000+ Customer Touchpoints within 2 years
 - From 30,000 tx/month to 1.3 million Tx/month within 6 months
 - From 10k to 100k+ customers within 1 year
 - USD 200+ million transaction value within 6 months

Case Study: CARD Bank Philippines

- **Business Case:** Use the digital approach to improve cost efficiency and productivity
- **Key Objective:** Reduce the lending interest rate to the micro business and increase the business through digitalization
- **Components:** Mobile Banking, Agent Banking, Mobile/Tablet Collection, Cloud Cash Machine, Smart Branch



Key Strategy: "From Branch to Online, From Batch to Realtime Transaction"

- Mobile Banking for Individual Customers
- Agent Banking Network and Tablet Collection for Loan Payment
- Cloud Cash Machine for low cost cash withdrawal (QR Code)
- Smart Branch System on branches

Key Achievements:

- Increase teller productivity from 100 tx/day to 500 tx per day in 9 months
- Employee being able to complete their job on time and leave by 5 PM. It used to be 9 - 10 PM.
- Increase transaction load capacity from 3 M to 13 M per day in 9 months
- ATM infrastructure and operation costs reduced to one third in 9 months
- Zero Cost for ATM Card (normal chip-based card costs approximately \$1 per card)



CARD Bank Philippines Testimonial

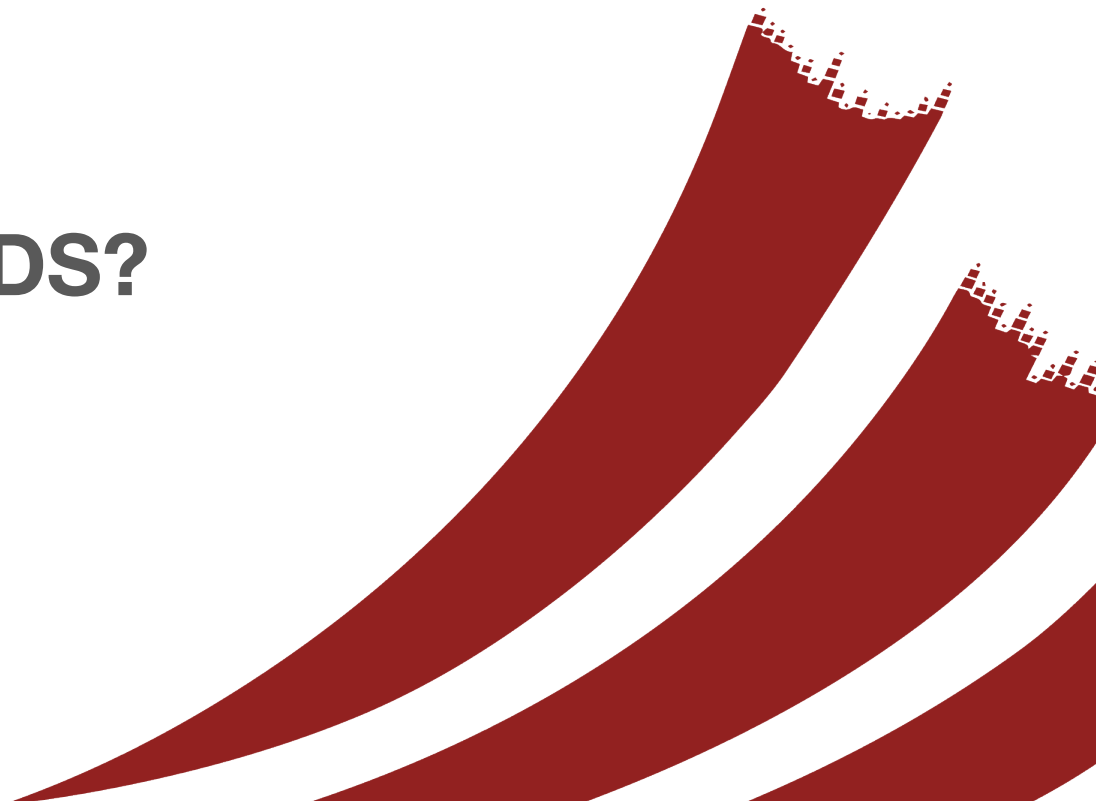
“Through Agent Banking, communities in remote areas are able to carry out their financial transactions. With our 76 branch offices, CARD Bank, Inc. now serves more than 2 million customers with total asset amounting to more than 30 billion Philippines Peso (USD 560 million).”

- Dr. Jaime Aristotle Alip, Founder
& Managing Director





Why ICSI/FDS?



Why iCSI/FDS?

- **Experience in Creating an Ecosystem → Additional Fee Based Income**
 - Linking banks, billers, e-commerce/fintech, merchants, agents, small businesses
- **Complete Digital Solution with Proven Track Record → Efficient Investment**
 - Online Banking, Digital Banking, Digital Payment, Merchant Aggregator
 - Regulatory requirement related to digital banking/payment such as AML and fraud detection
- **Delivery, Maintenance and Operation Capability → Low Risk Approach**
 - FDS has proven experience non only on short time implementation but also operating the whole infrastructure and applications for customers
- **OPEX Model / Pay as You Grow pricing → Low Capital Investment**
 - Pay as you grow model charging of FDS ensures customer to get high ROI and benefit from the usage of the system
- **Experience in Taking Banks through the Digital Journey → Full Breadth Experience**
 - Universal and Commercial Banks, Micro Banks, Fintech and Non Regulated Financial Institutions

Pricing:

Per mobile or internet banking financial transaction: Php8.00 to iCSI.

Set-up Fee: Negotiable one-time cost

Required software & hardware investment: None

Core banking hosting fee: Negotiable price per user per month

Revenue assumptions and projection:

- 5,000 customers making 4 transactions per month
- Php12.00 profit mark-up per transaction (Php20 service fee)
- Php5.00 share from billers (telco, water coop, G-Cash) per transaction
- Monthly profit: Php340,000 or Php3.4Million per year.



Sign-up Now. Thank you



www.icsi-ph.com

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