



# Defining the future with credit union mobile payments



## Workshop Agenda

09:00 09:10 Introductions

09:10 09:25 ACCU Case study, history of search for modernization strategy, core banking search to payments platform

09:25 09:35 Microsoft: Cloud computing and how this will change the way we work with technology in the future

09:35 09:45 Temenos: Cloud based financial services and how digital banking is changing our world

09:45 09:55 Software Group: Mobile technology and how mobile devices are used to empower members, reduce costs and increase income

09:55 10:00 Live demo of ACCU payment

10:00 10:15 Panel Discussion

10:15 10:30 Q&A from floor

# Introductions

Elenita Sanroque, CEO, ACCU

Gerd Saurer, Global Account Executive, Microsoft Corporation

Kalin Radev, CEO, Software Group BG

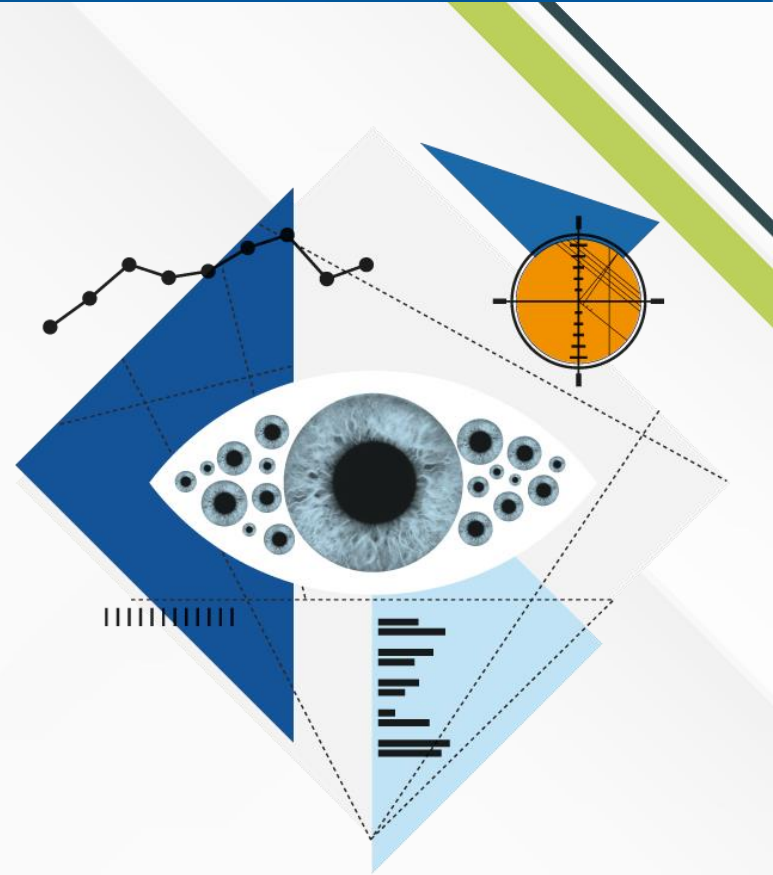
Murray Gardiner, Business Director, Temenos

# ACCU Payment Platform: Philippines Strategy

Elenita Sanroque  
CEO ACCU



1. Global Challenges
2. Philippines Asia Payment Platform (APP)
3. Why Software Group and Temenos?

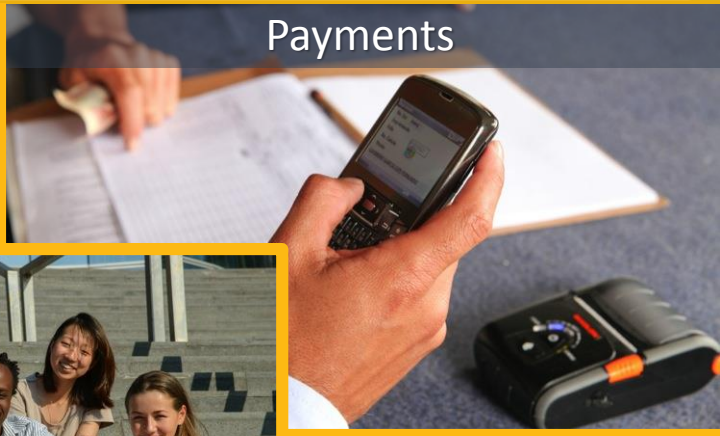


# 1. World Council of Credit Unions - Global Challenges

Regulatory Burden



Payments



Young Member Growth



**SMALL CREDIT UNION**

Small CU Sustainability

**INCIDENT MANAGEMENT**  
RECOVERY LOSS ACTIVITY MONITORING  
SYSTEM - MASTER PROCESS  
ANALYSIS  
EFFECTIVE  
DISRUPTION  
CLOSURE  
SUPPORT  
CORRECTION  
SECURITY  
POLICY  
DETECTION  
DIAGNOSIS  
TEAM  
RESPONSE  
BUSINESS  
SLA  
OPERATIONS  
SERVICES  
ORGANIZATION  
CONTROL

Market Disruptors



# 1. Non Traditional Entrants and Competition



Venture Scanner





### Digital Philippines - Nov. 2015

Population	102.4 M
Internet users	47.1 M
Social media users	48.0 M
Mobile connections	114.6 M
Mobile social users	40.0 M

## 2. A Question of Identity



**BPI**



**Metrobank**

**WESTERN  
UNION**

*moving money for better®*

**ALAWAN  
EXPRESS**  
PERA PADALA



**Globe™  
GCASH**

**SMART**



ABC COOP

BILL

PAY

**BAYAD  
CENTER**



**BDO**

### 3. Credit Unions give away their members to competitors

- Money moves out of the credit union system to the competition
- Members pay high fees to make payments on the competitors platform in exchange for a small commission
- The fees paid my members are lost to the credit union
- Competitors begin offering loans and other products directly
- The credit union base goes into decline



## 4. Credit union self-determination

- Credit Union networks are strongest when they cooperate
- Credit unions need to own their own destiny
- Need to keep the member's spending inside the credit union system
- Sustainability through new revenue from services denied to the competition
- Members become members of the movement, not only the branch where they joined



### 3. Partners

Software Group & Temenos' pre-integrated banking and payment solution are at the heart of the Asia Payment Platform strategy.

Both parties were selected due to their extensive experience increasing access to financial services through innovative technology.

Matched with a deep understanding of their clients business Temenos & Software Group were able to prepare a business case which provided the benefit of;

1. Agile Deployment and Access to Scale (Cloud)
2. Unrestrained distribution through mobile and a thin client web interface (Channels)
3. Low Risk Deployment through use of Best Practices based on multiple integrated projects between Software Group & Temenos



Thank you









**Gerd Saurer**  
Global Account Executive  
Microsoft Corporation

[gerd.saurer@microsoft.com](mailto:gerd.saurer@microsoft.com)







# What is the public cloud

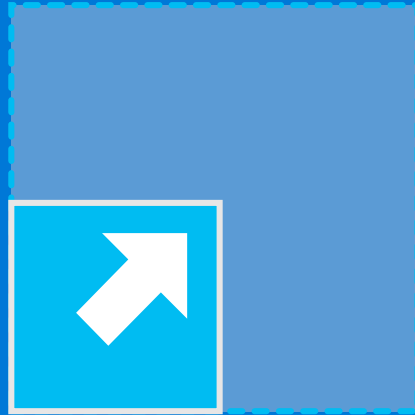


# What are the advantages?

Speed



Scale



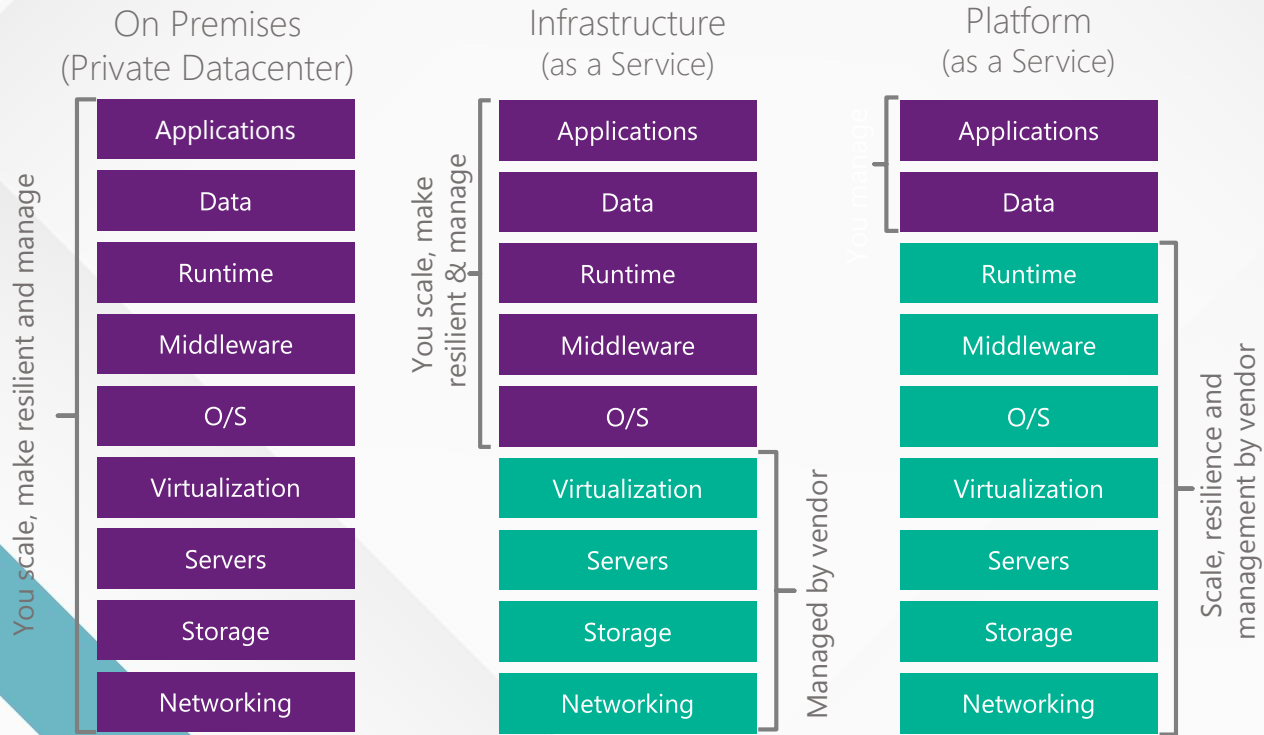
Economics



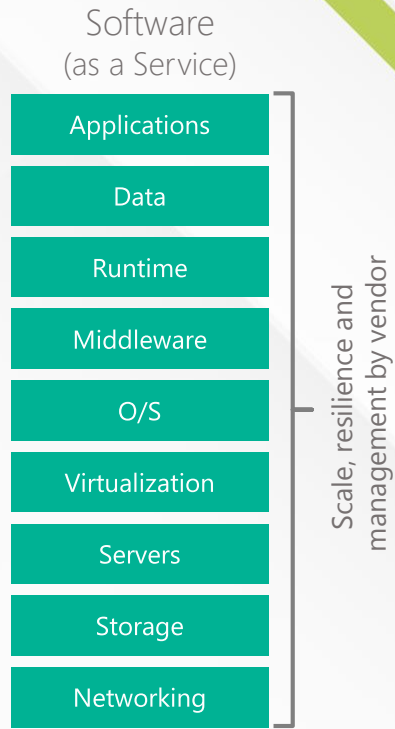


# What are the Models?

## Hosting models

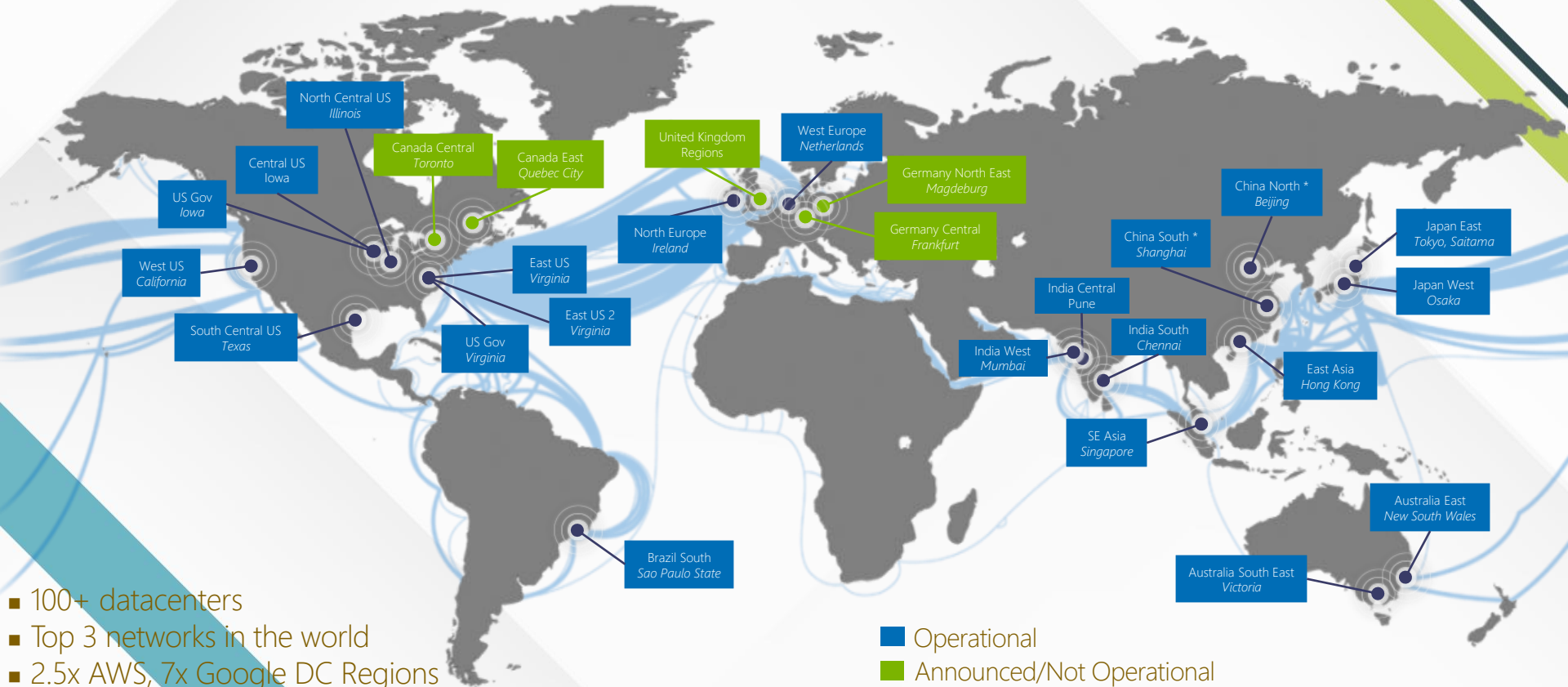


## Business model



# Where is the cloud?

27 Regions Worldwide, 22 ONLINE...huge capacity around the world...growing every year



- 100+ datacenters
- Top 3 networks in the world
- 2.5x AWS, 7x Google DC Regions
- G Series – Largest VM in World, 32 cores, 448GB Ram, SSD...








■ Operational

■ Announced/Not Operational





\* Operated by 21Vianet

## Platform Services







### Security & Management

-  Portal
-  Active Directory
-  Multi-Factor Authentication
-  Automation
-  Key Vault
-  Store / Marketplace
-  VM Image Gallery & VM Depot



### Compute

-  Cloud Services
-  Service Fabric
-  Batch
-  Remote App








### Web and Mobile

-  Web Apps
-  API Apps
-  API Management
-  Mobile Apps
-  Logic Apps
-  Notification Hubs

### Developer Services

-  Visual Studio
-  Azure SDK
-  Team Project
-  Application Insights







### Hybrid Operations

-  Azure AD Connect Health
-  AD Privileged Identity Management
-  Backup
-  Operational Insights
-  Import/Export
-  Site Recovery
-  StorSimple







### Integration

-  Storage Queues
-  Biztalk Services
-  Hybrid Connections
-  Service Bus

### Analytics & IoT

-  HDInsight
-  Machine Learning
-  Data Factory
-  Event Hubs
-  Stream Analytics
-  Mobile Engagement

### Data

-  SQL Database
-  SQL Data Warehouse
-  Redis Cache
-  Search
-  DocumentDB
-  Tables

### Media & CDN

-  Media Services
-  Content Delivery Network (CDN)

## Infrastructure Services

### Compute

-  Virtual Machines
-  Containers

### Storage

-  BLOB Storage
-  Azure Files
-  Premium Storage

### Networking

-  Virtual Network
-  Load Balancer
-  DNS
-  Express Route
-  Traffic Manager
-  VPN Gateway
-  Application Gateway

## Datacenter Infrastructure (24 Regions, 19 Online)



# What about Security?

## Global



ISO/IEC 27001



SOC 1



SOC 2



PCI DSS L1 version 3



Cloud Security Alliance  
Cloud Security Matrix



ISO / IEC 27018

## United States



FedRAMP



HIPAA  
(Healthcare)



FIPS 140-2



Life Sciences GxP



Family Educational Rights &  
Privacy Act

## Regional



European Union  
Model Clause



United Kingdom  
G-Cloud



China  
Multi Layer Protection Scheme



China  
CCPPFP



Singapore  
Multi-Tier Cloud  
Security



Australian Signals  
Directorate I-RAP  
Assessment

## Coming soon



Sarbanes Oxley



Criminal Justice  
Information System



Defense Information  
Systems Agency L2



ITAR



Defense Information  
Systems Agency L3-5

# Future of cloud computing...



What can you do?



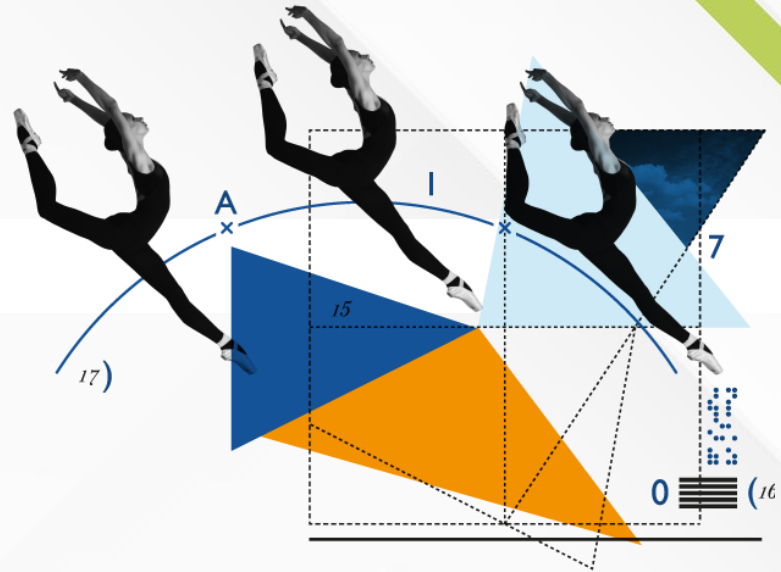
Thank you





# Temenos

Murray Gardiner, Business Director MicroBanking Suite  
Tirana, June 2016



# Changing business environment: New competition



# Changing business environment: Member Expectations



member's Perspective on  
FinTech Value Proposition

1

Ease of Use

2

Faster Service

3

Better Experience

# Credit Union challenges

- Credit unions need modern core banking and payments
- Unable to afford or manage large systems and large projects individually
- Need to cooperate to achieve scale in payments business
- Need strong back office systems to support payments
- Mass-market underserved expressing real demand for services





## The commission “deal” offered by competitors:

- Competitor makes payment revenue from your member at expense of movement
- Savings drawn out
- Loans are offer
- More affluent members drawn away
- Credit union left with only the lowest income members and no capital to support them



# Mobile Operator Option – Example from Kenya

## M-Shwari

Launched on 27th November 2012, M-Shwari is a mobile-centric banking solution offering both savings and loan products, with the objective of availing simple and affordable financial services closer to the customers, thereby supporting the financial inclusion agenda in Kenya. It is an innovative and visionary product of Commercial Bank of Africa (CBA) in partnership with Safaricom.

### DRIVING A SAVINGS & INVESTMENTS CULTURE

- Females are utilizing the savings product more
- Males over 40 years old are saving at a higher rate
- 25-34 year olds hold the greatest value of loans outstanding across all genders, with males contributing 71% to this value

### THE STORY SO FAR

Various accolades from the financial services and Telco sectors globally.

### 7.4 million

Customers in 18 months.

### M-SHWARI LOCK SAVINGS ACCOUNT

If you are looking for higher interest rates on your savings of one to six months, then you should put your money in the M-Shwari Lock Savings account.



\* Non- Performing Loans is at 3.1% which is below the industry average of 5.3%

M-Shwari

**cba**  
time for more.



# Threats: Time to act – complacency is the threat

Members demand service

- Microfinance and banks targeting your members
- Mobile operators: transaction fees; potential revenue is lost
- Small systems can't deliver modern payment services
- Fragmentation is weakness cooperation is strength



# Business Opportunity

Keep your member's spend inside the credit union system

## MPESA Cost Calculator

Send Amount	\$25.00
Registered User	\$0.40
Unregistered	\$0.73
Average fee	\$0.57

## Revenue Analysis

number of members	5,000
transactions per month	5

Gross revenue lost per month	\$14,125
Gross revenue lost per year	\$169,500
250 CU network gross revenue lost per year	\$42,375,000

**1 or 2 transactions per month pays for the entire cost of the payment platform!**



# Payment platform roles: subsidiarity

## Business Partners Services

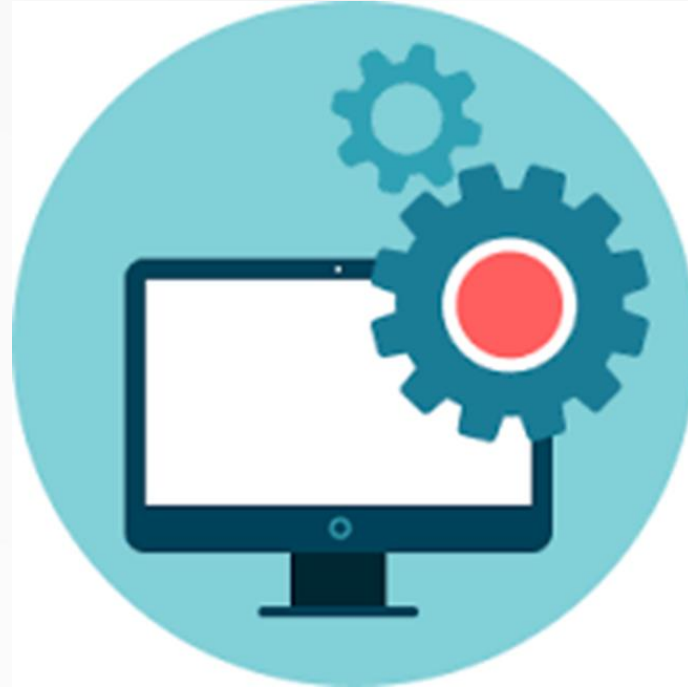
- Intimal configuration and set up
- Training national association
- 2<sup>nd</sup> level support
- Manage all technology, providing a service

## National Association Services

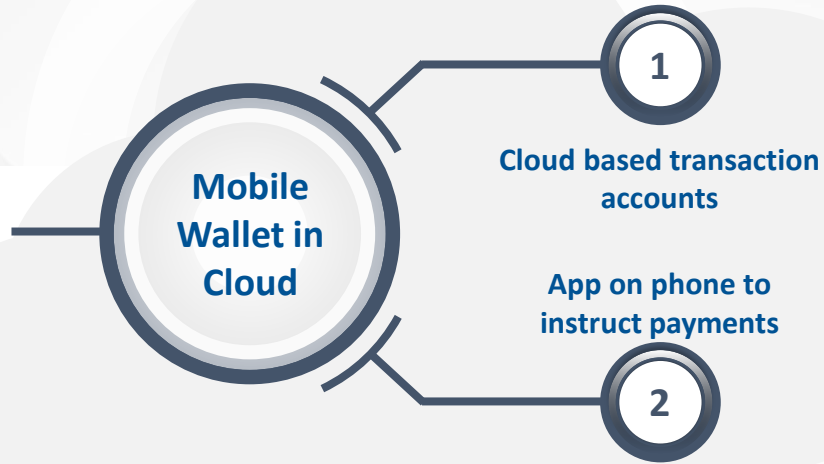
- Sales and Marketing
- Payment agreements
- Settlement & clearing
- Training and support
- Subscription agreement

## Credit Union Services

- Promotion to members
- Member training



# Cloud platform “Software as a Service” for lowest TCO





# Time to act – use your greatest asset!

- Credit unions have their own social network
- Affiliated credit unions and members form the payment network
- Banks and MNOs want to use the network and pay commissions
- Credit unions must control their own destiny and own their own platform



Thank you





# SoftwareGroup

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# Product Portfolio of Software Group

Software Group supplies an integrated suite of alternative delivery channels that offers a seamless member experience.



EFT  
Switch



EFT  
Bridge



Web front-end  
for banking system



Mobile banking/  
M-wallet application



SMS messaging  
and alert platform



Card  
Management  
System



Biometric  
authentication



Data  
Warehouse

# Integration Alternative Delivery Channels Platform

- Unified system design
- Foundation layer architecture;
- Extend credit union's product and services portfolio;
- Offer with additional services and integrations





# The Benefits

- Improve member service
- Convenient out-of-branch self-service transactions 24/7
- Raise member satisfaction
- Improve operational efficiency
- Empower staff



# Channels



ATM Device  
Management  
&  
Card  
Management  
solutions



Mobile  
Banking  
solution with  
USSD access  
channel



Alerts &  
Notifications  
solution



member Self  
Service &  
Banking  
services  
accessible via  
web front end  
& mobile  
device



Third-party  
Agent  
Interface on a  
mobile device  
for Agency  
Banking  
solution

Thank you



# ACCU Payment Demonstration



# Panel Discussion



# Questions & Answers – open mic





Thank you for your interest

