

# First digital lending platform in Philippines for MSMEs

Loan applications up by **300%** in just **3 months**.

## THE CLIENT



INDUSTRY

Banking, B2C



LOCATION

The Philippines



TARGET LOCATION

The Philippines



TARGET INDUSTRY

Micro, small and medium enterprises (MSMEs)

## THE CHALLENGE



- MSMEs are a key engine for growth and innovation in the Philippines. They represent over 99% of businesses and employ over 70% of the working population in the country, and contribute to over 60% of the country's GDP. Despite their importance, MSMEs find it difficult to gain access to financing that they need to start or scale their business.
- MSMEs have no single online platform for searching, comparing and applying for business loans, and need access to funds fast to keep up with their business needs.
- The client needed a new solution to better serve the unbanked and underbanked communities, as well as the MSMEs, and generate new revenue streams.

## PRODUCT HIGHLIGHTS

- A digital platform to complete loan application and get updates on the approval remotely. There is no need to submit physical documents.
- Provides Filipinos with unique and frictionless digital banking experience.
- Allow MSMEs to apply for a loan product tailored to their needs.
- Support client with fast time to market by launching the lending platform within a short span of 5 months
- Progressive Bank, UnionBank and EON SME Credit Card are among the lenders added to the e-commerce ecosystem.
- Onboarded Lazada as the channel partner.

## VALUE CREATED



**300%**

Increase in loan applications within the first three months of launch

**90%**

Increase in new MSMEs customers who are approved for a loan



**100%**



Man-hour savings (no Relationship Managers needed to acquire loans)

**100%**

Growth in loans



**30 days to 1 days**

Time saved: Time taken for loan approval reduced

**100%**

Revenue growth



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## ONECONNECT FINANCIAL TECHNOLOGY SOLUTION

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- ◆ The Client chose OneConnect Company because both companies share the same vision of how technology can empower communities that traditionally cannot be reached.
- ◆ It covers a wide range of business financing needs, such as multi-channel loan applications, credit assessment, loan disbursement, and anti-fraud checking. This significantly reduces approval time while providing more accurate risk assessment.
- ◆ The Client has partnered online platforms and channels to offer credit services within the online ecosystems and provide activities and experiences that truly matter to MSMEs.
- ◆ OneConnect Company built a digital financing platform that supports end-to-end credit operations. The platform leverages OneConnect Company's award-winning facial recognition technology, and is powered by big data and artificial intelligence algorithms.
- ◆ On this platform, e-payment undertakings (EPUs) are transferrable, divisible and discountable.

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## VALUE PROPOSITION

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01

The digital financing platform enables financial institutions to better serve the unbanked and underbanked communities with technological advancements.

02

A true loan marketplace with multiple lenders offering MSMEs to choose what best suits their business needs, and apply for loans digitally and seamlessly on a single platform. Loans can be approved on the same day, and disbursed within three working days. This drastically shortens turnaround time as compared with traditional loan applications in The Philippines.

03

OneConnect Company is actively growing the ecosystem with partners including leading e-commerce player, credit bureau and global credit and risk information solutions provider. MSMEs who were not able to have loans approved due to not having bank statements and long credit history as proofs, can now be financially included because other data sources in the partnership ecosystem are leveraged to assess their credit worthiness.

Over **10,900** MSMEs have already signed up as of July 2020 and processed loan applications amounted to over **Php213 million.**

**MSMEs** can digitally apply for loans, and no longer have to submit physical documents in person in order to get loans approved. MSMEs can also customise their loan programmes based on their operational needs, such as setting aside funds for payroll, inventory and other expenses.

**90%** of those MSMEs who were approved for a loan are new to bank and acquired purely through the digital financing platform.

The Client observed a **300%** increase in loan applications within the first three months of launching the new platform.

Approval rates are over **35%** and total loans disbursed are nearing **Php 11 million.**

## RESULTS

Compared to traditional loan applications in the Philippines, loans can be approved on the **same day** and disbursed within **three working days.**

The platform is a true loan marketplace with multiple lenders such as **Progressive Bank, UnionBank** and **EON SME Credit Card** showcasing their loan products for borrowers to choose from. Borrowers can pick what best suits their business needs and apply for loans digitally and seamlessly on a single, end-to-end platform.

Onboarded Lazada as the channel partner, allowing their sellers (merchants) easier access to financing with multiple credit options across several lenders.

### IN THEIR OWN WORDS

“I am very pleased with the outcome of SeekCap. When UBX entered into a technology development alliance with OneConnect, we envisaged a high-performing digital platform that would showcase cutting-edge proprietary technology found nowhere else – OneConnect has impressed us and delivered to us the first-of-its-kind lending platform for MSMEs in The Philippines within a short span of four months.” said John Januszczyk, President & CEO, UBX.

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