

Press Release

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BPI Direct BanKo receives the Microfinance Initiative of the Year in the Philippine Country Awards for 2017

- **BPI Direct BanKo recognised the need to go back to a traditional model to meet the needs of the target market**
- **The bank supports its new model with a very high-touch customer engagement strategy**
- **The success of the initiative will be replicated in a hundred more branches by end of 2017**

Makati, Philippines 6th October 2017— **BPI Direct BanKo** received the **Microfinance Initiative of the Year in the Philippine Country Awards** for 2017 at The Asian Banker's Future of Finance in Philippines Awards Programme 2017. The awards ceremony was held in conjunction with the region's most prestigious retail banking event, the Future of Finance in the Philippines, at the Fairmont Makati on October 6, 2017.

BPI Direct BanKo recognised the need to go back to a traditional model to meet the needs of the target market

Acknowledging the difficulties of its microfinance in accessing credit from formal banks, BPI Direct BanKo began to develop a new credit-model that is more suitable to the target segment. Through its "Negosyoko" loan, the bank defined hard-cuts for the product such as age, business tenure, residency in the community and distance from the branch. Moreover, it accepts barangay permits as a valid document, making the application process easier.

The bank supports its new model with a very high-touch customer engagement strategy

BPI Direct BanKo hires financial advisers who belong to the community to act as loan officers and engage clients in their financial decision making as they expand their businesses. The branch staffs are required to see the customers regularly after loan has been released. This allows the bank to keep in-touch and monitor the loans if needs restructuring, and more importantly to promote financial literacy.

The success of the initiative will be replicated in a hundred more branches by end of 2017

In just a year and only nine pilot branches, BPI Direct BanKo was able to serve 4,000 clients with a total loan portfolio of \$3.13 million (PHP160 million). Six out of the nine pilot branches achieved break-even on or before the eight-month target, while the remaining two are already close to achieving this by year end. Thus, the bank has decided to implement the new model to a hundred more branches nationwide.

About 200 senior bankers from award-winning banks in 25 countries in Asia Pacific, Middle East and Africa attended the Excellence in Retail Financial Services Convention, which recognises banks' efforts in bringing superior products and services to their customers. The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants, and academics, is the most prestigious of its kind.

A stringent evaluation process across three months based on a balanced and transparent scorecard determines the winners of The Asian Banker International Excellence in Retail Financial Services Awards, and the positions of various retail banks in the region.

About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The company is headquartered in Singapore, with offices in Manila, Malaysia, Hong Kong, Beijing, and Dubai, as well as representatives in London, New York, and San Francisco. It has a business model that revolves around three core business lines: publications, research services, and forums.

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