

## YOUNG & DIGITAL



Christian Jerome Dobles, PNB

Philippine banks are now forced to look at more ways to capture and serve millennials, which consist about 60% of the market. Christian Jerome Dobles, SVP - branch banking group at Philippine National Bank, talks about what they do at the bank.

### What can you tell us about the mobile banking scene in the Philippines, based on your experience?

We just launched our mobile banking system last year and we're slowly gaining ground on the mobile market. PNB has been a bit delayed when it comes to mobile banking but we're sure to catch on. We have about 4 million depositors that we want to serve, especially now that the millennials are already in.

When we take a look at our client base, there are less people going to our branches and when they do, it's not really to transact, withdraw, or deposit. It's really to ask questions about finance, where to invest, etc.

We notice that before millennials open an account, they research first, then they visit the branch. So based on the impression they have of the branch, that's the time they actually open an account, then after that, they go online. So I think our platform in mobile banking will serve us well.

### What are you doing to serve the banking needs of millennials?

Around 60% of the Philippine market consists of millennials. The average age of our client base is about 30 years old but it's slowly going down. We used to have older clients when we were a government bank, but we came up with a lot of new programmes to capture the younger market. PNB is actually a sleeping giant and we woke up last year when we turned a hundred.



## What are Asian banks doing with blockchain?

From automated trade deals in Singapore to faster cross-border remittances in India, the banking applications of blockchain technology are becoming harder to ignore for Asian banks. But analysts cite significant reservations amongst banks, with some limiting their investment until these applications mature or show better scaling potential.

In August 2016, Bank of America Merrill Lynch, HSBC, and the Infocomm Development Authority of Singapore jointly developed a prototype solution built on blockchain technology that shows potential to automate trade deals and streamline the manual process of import and export documentation related to Letter of Credit transactions.

Meanwhile, last January, Axis Bank tied up with distributed financial technology company Ripple to offer instant cross-border remittances using blockchain technology. Just recently, CNBC reported that a 47-member consortium of Japanese banks also intends to offer cheaper, real-time money transfers and international payments to its customers in Japan using blockchain.

The Monetary Authority of Singapore last March announced the successful conclusion of the proof-of-concept project to conduct

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domestic inter-bank payments using distributed ledger technology (DLT). There are plans for two spin-off projects and early-stage discussions are underway to use DLT for cross-border payments that settle directly using central bank accounts.

There appears to be growing acknowledgement of blockchain technology as a key trend that will shape the banking industry's future. About 80% of executives at financial institutions surveyed by Bain & Company believe DLT will be transformative and will significantly impact markets. A similar percentage also expect their organisations to begin using DLT before 2020.

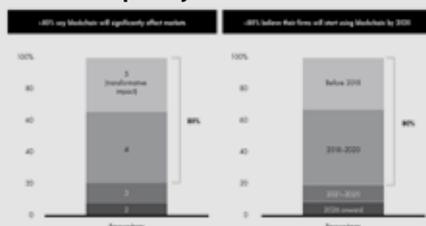
### Significant reservations

Despite these growing claims about blockchain's disruptive and revolutionary potential, it should be noted that many executives still question the exact benefits their organisations can get from DLT in the near or medium term, says Thomas Olsen, partner at Bain & Company.

"Financial executives interviewed by Bain say they are under pressure to show near-term results. Some firms have embraced the technology, whilst others have opted to do nothing, or very little, given all the uncertainties about DLT," says Olsen. Amongst the market participants Bain surveyed, 38% said they've adopted a wait-and-see approach to the technology.

Around 49% of organisations have collaborated with other firms, often financial technology startups, to develop DLT projects, whilst 32% have joined an industry consortium. Roughly one-third of the firms are conducting small, isolated experiments in particular locations or asset classes —an innovation lab approach.

**80% of financial market participants say distributed ledger technology will be transformative and expect their firms to adopt it by 2020**



Source: Bain Blockchain Survey, 2016 (n=53)