Getting to Know Your Customers:

Union Bank of the Philippines Drives 12x Higher
Revenue with Digital Transformation

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customer in less than four months. That's
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Henry Aguda
Chief Technology and Operations
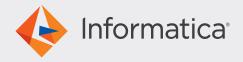Officer and Chief Transformation Officer,
Union Bank of the Philippines

Goals	Solution	Results
Become a 100% digital bank in 2 years by empowering citizens through secure digital services using their mobile device	Use Informatica Master Data Management (MDM) solution to build a single golden customer record and display a trusted view of each customer	Helps increase revenue 12x as a result of digital transformation, providing customer loan approvals in 3 minutes versus 4 to 6 weeks
Improve data quality for know-your-customer (KYC) initiatives to promote financial inclusion, increase sales opportunities, and provide the right services	Automate data cleansing and standardization of customer information with Informatica Data Quality	Improves data quality for the bank's Know-Your-Customer initiatives from 35% to 100% in one year, increasing cross-sell and up-sell opportunities while improving security
Accelerate covered and suspicious transaction reporting for Anti-Money Laundering Act (AMLA) compliance while improving accuracy	Integrate core banking systems with automation platforms for faster and cleaner compliance reporting	Enables 5x faster covered (large) and suspicious transaction reporting for AMLA compliance (5 days vs. 1 day) with much higher data quality

Business Requirements:

- Select a proven solution from a data management leader with a local partner network

- Use customer identity resolution that is consistent across platforms

- Identify relationships among customers to gain visibility into group behavioral patterns

About Union Bank of the Philippines

Union Bank of the Philippines, commonly known as UnionBank, is one of the largest banks in the Philippines, ranking seventh in terms of assets after its successful merger with smaller competitor International Exchange Bank.

Informatica Success Story: Union Bank of the Philippines (Union Bank)

Union Bank of the Philippines (UnionBank) has been a pioneer in digital banking, launching the first banking website in the Philippines in 1999. The bank's efforts have earned many industry accolades, including Digital Bank of the Year from The Asset Asian Awards, Best Digital Bank from Asiamoney, and Best Bank Transformation in Asia by Euromoney.

UnionBank decided to expand its commercial banking focus to include more retail and consumer banking services. The decision supported the efforts of Philippines' central bank, Bangko Sentral ng Pilipinas (BSP), to broaden access to a range of financial services throughout the Philippines and especially in rural parts of the country. BSP calls the initiative Digital Financial Inclusion: using technology to increase access to and use of formal financial services by the unserved and underserved population. It asked the country's banks to help by offering basic deposit accounts that require no minimum balance and no identification other than digital authentication.

Around 68 million or over half of the country's current 109 million population make up the emerging market for digital banking in the Philippines. A recent BSP study showed that only 22.6 percent of Filipino adults had a formal financial account, yet 59 percent have access to mobile phones. UnionBank wanted to empower citizens to take advantage of secure digital services using their mobile devices instead of traveling to a bank branch to verify their identity. To do so, it needed to go through a complete digital transformation, with a goal of becoming a 100 percent digital bank in just two years.

Keeping digital banking secure required compiling and maintaining complete and accurate personal data for each customer, including name, address, contact information, nationality, and date and place of birth. The customer data was also needed to support the bank's know-your-customer (KYC) initiatives to identify cross- and upsell opportunities for financial products such as loans and to better manage fraud risk.

Additionally, UnionBank must comply with the Anti-Money Laundering Act of 2001 (AMLA), which requires banks in the Philippines to report covered (large) and suspicious transactions within five days to identify potential money laundering activities. As UnionBank brought on more customers and more deposit accounts, it needed to be certain it could continue to meet AMLA reporting timelines and accelerate them if possible, while avoiding the pitfalls of "dirty data."
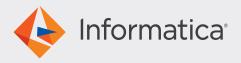
"Our strategy is to leverage increasing mobile penetration in the Philippines and use digital as the cornerstone for reaching more customers and growing deposits and revenue," says Henry Aguda, Chief Technology and Operations Officer and Chief Transformation Officer of UnionBank. "But like all banks that serve emerging markets, we had data quality challenges that we needed to solve first. Because if you go digital and you don't have good data governance, most of your efforts will go to waste."

Building a golden customer record

UnionBank began looking for a solution that would enable it to build a "golden record" for customer data. It chose Informatica Master Data Management along with Informatica Data Quality to automate data cleansing and standardize customer information. SMS Global Technologies, a local Informatica partner, handled the implementation.

"We chose Informatica as our data partner because it's ranked very highly in its category by Gartner," says Aguda. "We also appreciated that Informatica had channel partners in the Philippines with the experience we needed to help us get started quickly."

Informatica MDM establishes a single, trusted view of each customer that is consistent across platforms, giving UnionBank the operational capability to monitor the overall health of its customer information to proactively manage risks to data integrity. It can also identify relationships between different customers to enable visibility into group behavioral patterns.

"Using Informatica MDM, we were able to create a golden record for every customer in less than four months," says Aguda. "That's critical to our digital transformation."

Accelerating compliance reporting 5x

UnionBank also uses the built-in data integration capabilities of Informatica MDM to integrate its core banking and credit card processing systems with process automation platforms for faster and cleaner compliance reporting.

"It used to take us about five days to submit our regulatory reporting requirements for AMLA," says Aguda. "With Informatica MDM and Informatica Data Quality, we shortened the regulatory compliance window from five days to three days. By the end of this year, we will be reporting next-day. That gives us a lot of credibility with our regulators."

Driving digital transformation with high-quality data

With Informatica, UnionBank was able to improve data quality from 35 percent to 100 percent in just one year, increasing cross-sell and up-sell opportunities with customers while helping the bank prevent money laundering activities. High-quality data helped spur digital engagement with customers, increasing the adoption of digital channels from 5 percent to 97 percent within two years.
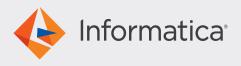
Inside The Solution:

- Informatica Master Data Management
- Informatica Data Quality

"With Informatica MDM, all our systems are integrated to display one accurate and consistent view of customer information. And because we can serve customers better with a single customer view, our online user base has been growing very fast."

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UnionBank is also accelerating the loan approval process from weeks to minutes, further improving customer service and getting revenue on the books faster. "Because we have the golden record with Informatica MDM, we know if a customer is in good standing, and we can approve a loan in less than three minutes," says Aguda. "That's a very concrete and clear example of how Informatica helps us serve our customers."

Increasing revenue 12x

As a result of its incredibly fast and effective digital transformation, UnionBank is seeing strong evidence of financial inclusion: its customers are spending 6 times as much and maintaining 4 times higher outstanding balances, translating to 12 times higher revenue for the bank. According to UnionBank's Data Science unit, disbursement includes point of sales and online spend.

For the next phase, the bank plans to implement Informatica Enterprise Data Catalog to make it easier for employees to locate and share data for analytics and operational decisions to drive even more value.

"Informatica MDM is a proven solution, so it was not a difficult choice for us to make," says Aguda. "And the more we get to know the people at Informatica, it just reinforces the conclusion that we have partnered with the right company for our data needs."

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