

Low cost technology: solutions to increase the outreach of financial services providers

**Introducing the session through the example of
OpenCBS
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OpenCBS**

Opportunity for low cost technology

- Half of the world is still unbanked
- The microfinance industry suffers from inadapted technology
- Traditional banking systems are too expensive, especially for Tier 3 MFIs
- We propose a low-cost, agile alternative to other IT solutions



Introduction to OpenCBS

- A free Open Source CBS and affordable Digital Finance Solutions
 - Core Banking, Loan Origination, Tablet Application
 - Affordable implementation, training and support
- Since 2006, 180 free users or paying clients, 400,000 clients impacted
- A now global footprint with offices in Bishkek and HK



Our beliefs and our approach

- Technology is an enabler: it can lead to abuse (digital lenders charging very high rates), but it can also lower the cost of services
- MFI need to know their borrowers: human contact is still required, but tasks can be automated and made faster thanks to technology
- We believe in Open Source as a way to make solutions more affordable, and set-up a relationship with clients based on trust and partnership



Social Fintech – business

- **model** We do not need to make profits, we reinvest surpluses in improving products. The company is owned by a few passionate people.
- Low cost base in Kyrgyzstan allows reasonable pricing for our clients in developing countries, but we still provide professional implementation and support
- We have a flexible Core System, allowing us to offer affordable customisation without developing a full bespoke solution each time



The case for Open Source

- Trust and partnership: our clients can stop paying for our solutions any time. We must provide value and quality services
- Open APIs: other solutions providers can build upon OpenCBS and exchange data in a secure and reliable way. We do not charge for using our APIs.
- Great potential of Open APIs: exchange of data with investors, donors, potential for regulatory reporting for the smaller MFIs that are weak on compliance
- We encourage clients to join forces: we can co-develop. Microfinance Associations or donors should help MFIs to unite and negotiate better terms from vendors.

Thank you



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