

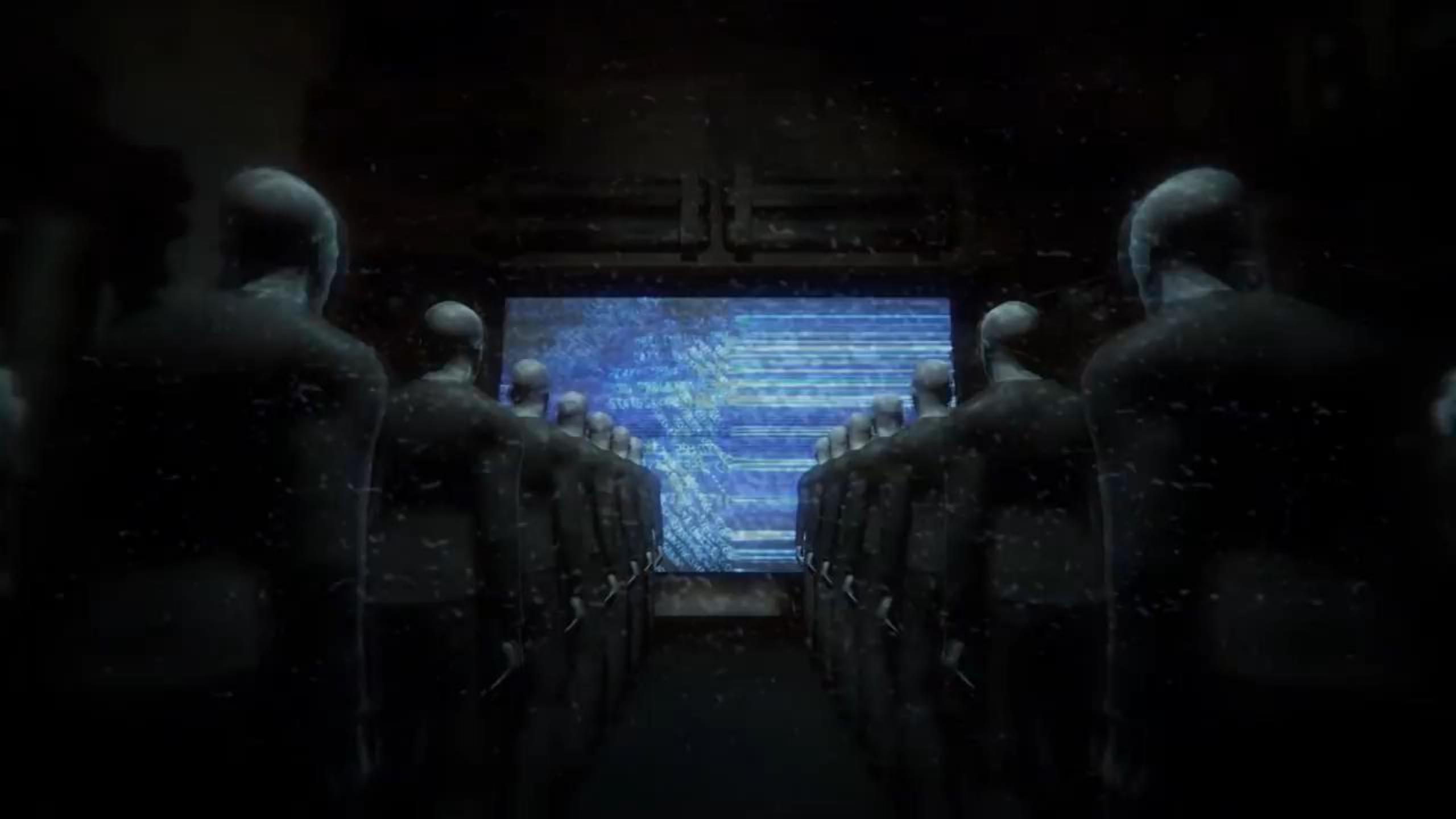
WHO CAN WE TRUST?

Ourselves, Big Brother, or AI

Justo A. Ortiz

Chairman, Union Bank of the Philippines
Chairman, Blockchain Association of the Philippines
Chairman, Philippine Payments Management, Inc.

18 January 2019 | PIDS Public Symposium | EDSA Shangri-la, Mandaluyong



In the advent of the 4th industrial age...

CTV NEWS Share

China's 'social credit' system uses technology to punish citizens

1K 1K

WECHAT

China's social app to rule them all wants to judge you for your purchases

Tencent has a new social credit system tied to WeChat Pay

Forbes

Why China's 'social credit system' is a front for Xi Jinping creating the ultimate surveillance state

No amount of good thought can justify a government trying to keep a constant eye on its citizens – be it in public or private space.

616 views | Jan 3, 2019, 07:21pm

The WorldPost • Opinion

The West may be wrong about China's social credit system

China's Social Credit System puts its people under pressure to be model citizens

January 24, 2018 6:12am AEDT

China has introduced the Social Credit System in 12 demonstration cities. Shutterstock

In less than a month, China's Lunar New Year will bring the country's annual epic travel rush – [the largest human migration on Earth](#).

While many people are planning trips to their home towns to attend family reunions, authorities have blacklisted [millions more](#) Chinese.

Forbes

Pushing The Ethical Boundaries Of Big Data: A Look At China's Social Credit Scoring System

EDITOR'S PICK | 11,365 views | Jul 31, 2018, 12:33pm

Audrey Murrell Contributor

Big data analytics is rapidly transforming our lives. This information alters how we interact, make decisions, conduct business, track performance and

FP

China's Orwellian Social Credit Score Isn't Real

ARGUMENT: China's Orwellian Social Credit Score Isn't Real

ARGUMENT

China's Orwellian Social Credit Score Isn't Real

Blacklists and monitoring systems are nowhere close to Black Mirror fantasies.

BY JAMIE HORSLEY | NOVEMBER 16, 2018, 6:46 AM

“More clarity is needed on the policy goals and values underlying this project” - Bing Song, The World Post (Nov 2018)

The philosophical basis?

▶ Jeremy Bentham's Utilitarianism

- focuses on consequences with the goal of the greatest good for the greatest number of people

▶ Immanuel Kant's Duty Ethics

- focuses on rules regardless of consequences, that individuals and organizations are obligated to follow society's rules, mostly politically and centrally decided

▶ Plato and Aristotle's Virtue Ethics

- focuses on the right thing to do based on universally held values

Rules and enforcing compliance, esp. in this age..

Due to the lack
of self-trust?

We view control

Let us design human-centered ethical frameworks
and embed these principles in our educational
systems, codes of conduct, articles of
association, and CULTURE.

rules, gathers
the data,
technology
helps

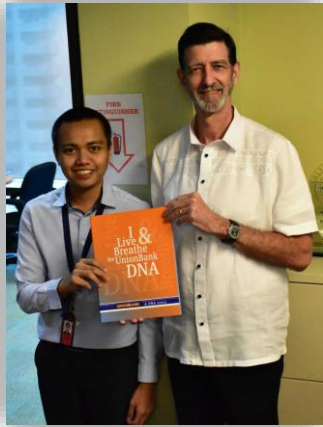
AI makes the

rules, designs
it own
algorithms,
using its own
cognition

Espousing a human-centered, values-based, purpose-led culture in the workplace



Celebrating DNA Stories



'Exemption from the Rule'

Antonio Magnayo III
(Assistant Collector, SME Business Line)

"UBP gives a three-month leeway for clients before their accounts are processed for foreclosure. After a series of delayed payments, Mr. and Mrs. Basalo visited our office to inform us that they can't afford to pay for amortization within the time given to them because their savings were all being used for Mr. Basalo's medication.

A few days after, Mrs. Basala dropped by the office to tell me that Mr. Basalo already died. I felt a deep pang within my soul, but I had to keep my cool and tell Mrs. Basalo the consequence of past due payments.

I felt her stress and sincerity, so I sought approval to hold their account. It moved me to ask for

'A Bank for Others'

Mary Anne D. Ricaza
(Branch Manager, Medical City)

" Compliance should never be compromised but servicing clients with a heart should never be forgotten.

On Saturdays, banking hours at the Medical City branch is from 9am to 1pm. On a Saturday, a client from the hospital's clinic came to the branch wanting to claim her check. Unfortunately, there was no scheduled check release on a Saturday.

Thinking on my feet and wanting to provide the service to the client, I asked for the client's identification documents and other verification requirements to release the check. The client was very thankful after her transaction was processed.



Espousing a human-centered, values-based, purpose-led culture in the workplace



Go-Beyond Communities

Employees are encouraged to form their own groups and drive their own advocacies through the Bank's employee-driven corporate social responsibility initiative



850

communities

18,779

volunteers

1,980,21

1

beneficiaries

114,458

hours committed

REaCH: Relevant, Expert, Challenging Convention Projects

Employees are encouraged to come up with innovative projects to address problems/issues within the organization guided with a certain methodology and mentored by the Bank's executives

U-Bot



"Team U-Won"

Streamlined chatbot for HR and IT related FAQs, employee-related concerns to provide solutions and improve process efficiency.

Project E-Sig



"Bee Squad"

Electronic signatures for approval, aligned to the internal policies and processes of the Bank, to promote efficiency and productivity.

Digicaf



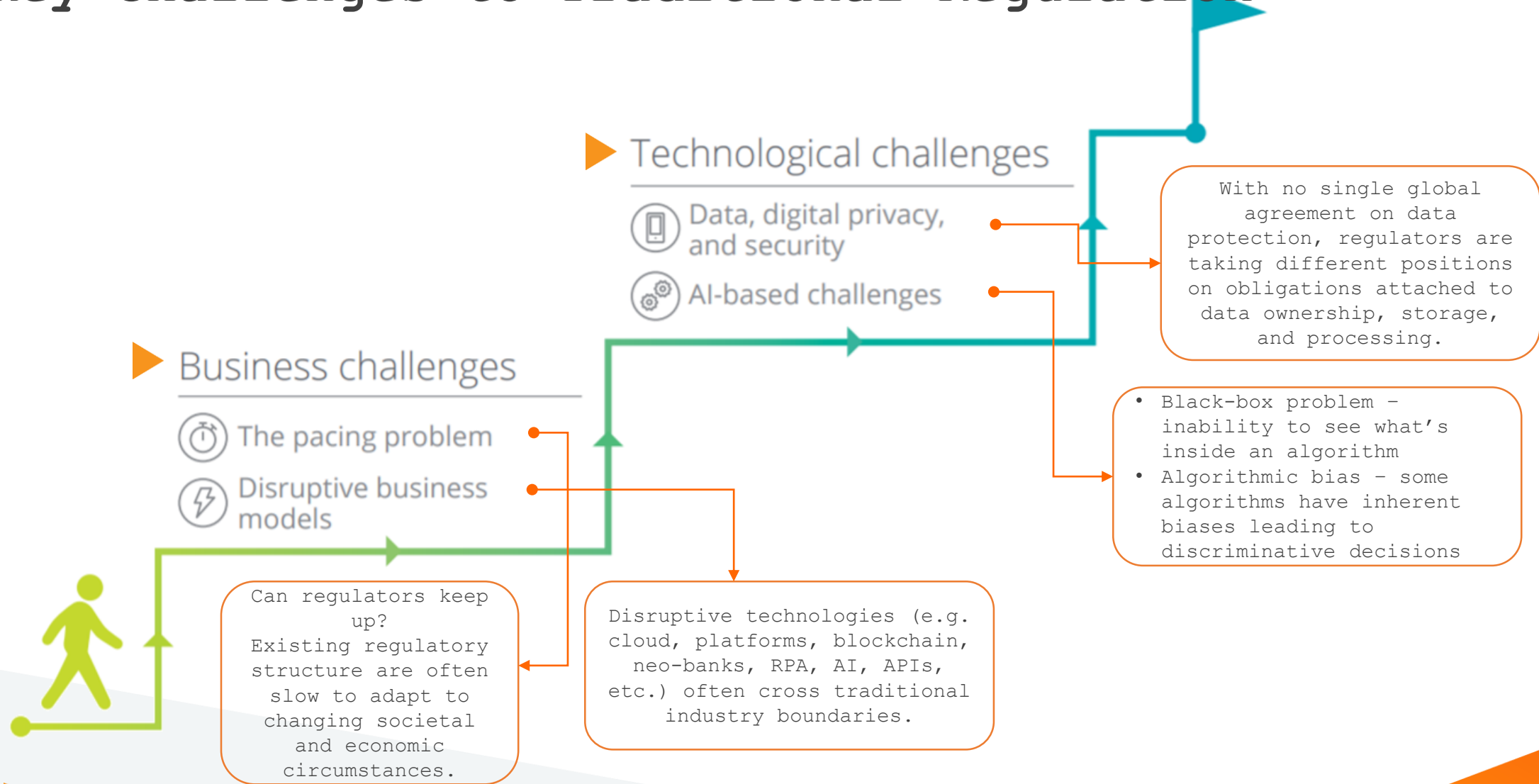
"Team Hangry"

White-labelled food service app for food order, pick-up, and delivery of Kinuron. The app will offer convenience and productivity for UnionBankers and increased profit for the concessionaire.

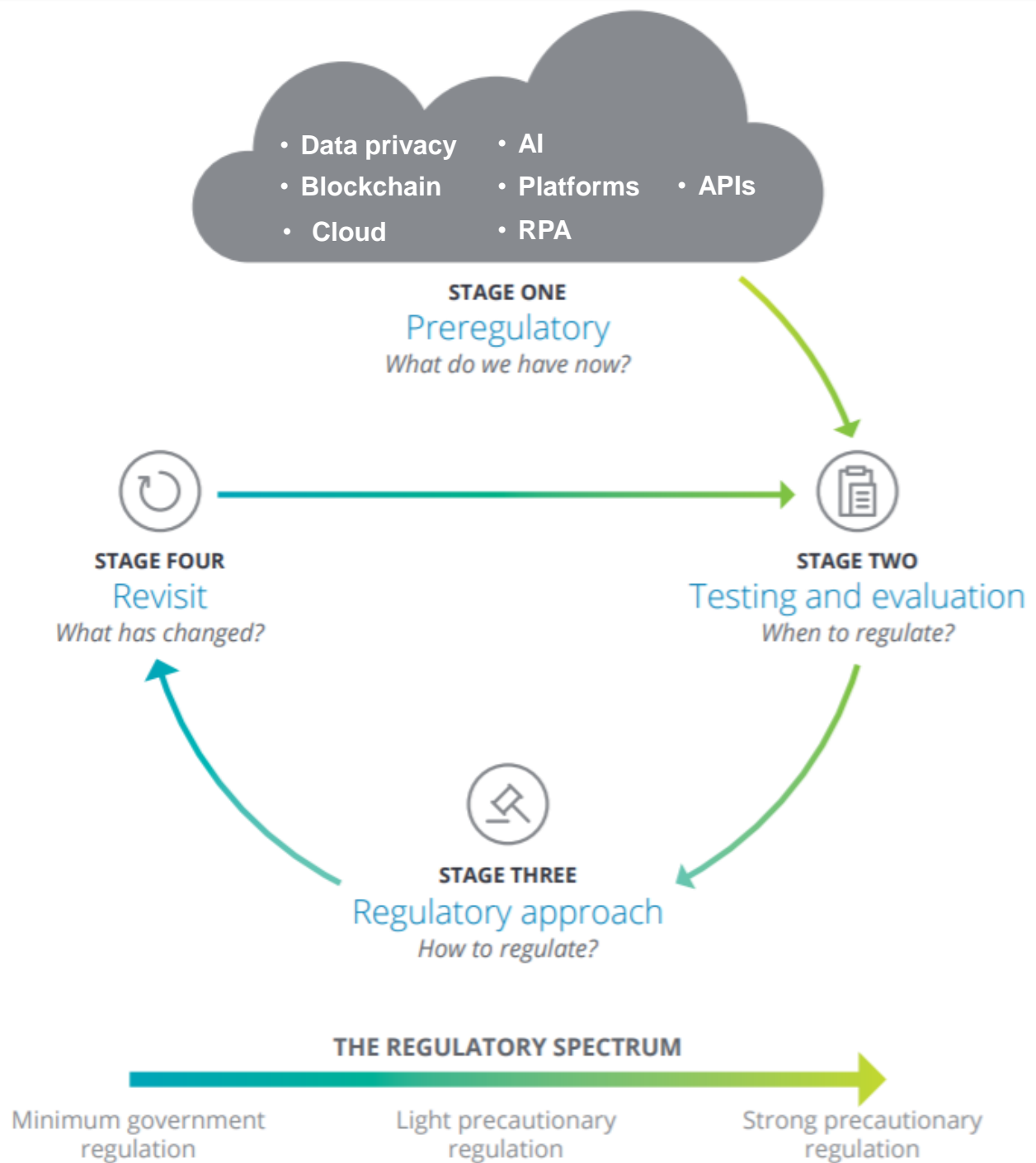
Meanwhile according to Deloitte*...



Key Challenges to Traditional Regulation



From
prescriptive to
progressive



Progressive Principles to guide the future of regulation:

- ▶ Adaptive regulation
 - Shift from “regulate and forget” to a responsive, iterative approach
- ▶ Regulatory sandboxes
 - Prototype and test new approaches by creating sandboxes and accelerators
- ▶ Outcome-based regulation
 - Focus on results and performance rather than form
- ▶ Risk-weighted regulation
 - Move from one-size-fits-all regulation to a data-driven, segmented approach
- ▶ Collaborative regulation
 - Align regulation nationally and internationally by engaging broader set of players across siloed industry ecosystems

Collaborative Commons



“There is no reason that politicians and bureaucrats, no matter how well meaning, are better at solving problems than the people on the spot, who have the greater incentive to get the solutions right”.