



Digital Financial Inclusion

What is Financial Inclusion?

A state wherein there is effective access to a wide range of financial products and services by ALL.

- ✓ Savings
- ✓ Credit
- ✓ Payments & remittance
- ✓ Insurance
- ✓ Investments

Esp. the unserved and underserved (MSMEs, farmers, fisherfolk, low-income population)

Fit-for-purpose financial services can be availed of conveniently and affordably to improve one's well-being

Financial inclusion empowers people to build a better life >>> broad-based economic participation >>> inclusive growth

Financial inclusion right now...

31.3% account ownership

vs.

50%
Unique mobile
subscription



55.5%
Internet users



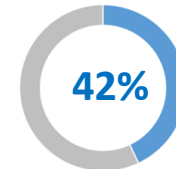
59%
Smartphone
penetration



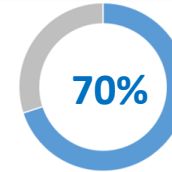
Sources: GSM and ITU

USAGE: Savings

31.3% adults with a formal account



42% of the total number of deposit accounts



70% of the total amount of deposits are concentrated in NCR

USAGE: Credit

11.8% adults with a loan from a formal financial institution

■ With at least one banking office
■ Unbanked

Sources: World Bank Findex, BSP data

Addressing financial exclusion



geography, cost,
information,



Requires transformative
innovations and
market-based solutions



Foster an enabling policy and
regulatory environment for
responsible innovations while
factoring financial stability
integrity and consumer
protection

The Promise of Digital Innovations

- Reduce cost
- Facilitate seamless client onboarding
- Address efficiency gaps

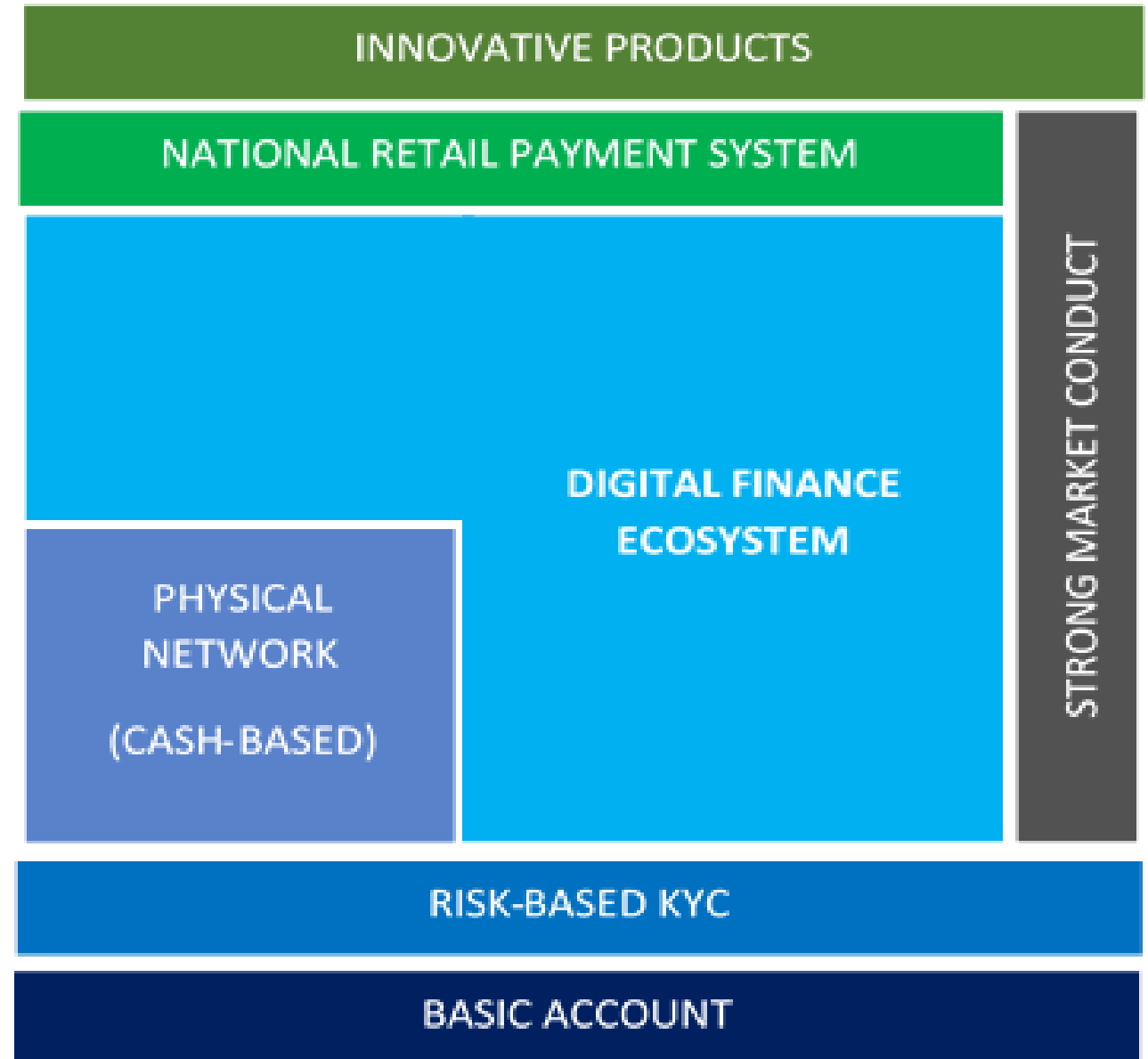


Expand reach of financial services in the country at a much lower cost benefitting consumers (and even providers!)



Harnessing Digital Innovations for Financial Inclusion

1. Develop a digital finance ecosystem with the right mix and range of service providers, digital solutions and delivery channels
2. Democratize access to a transaction account



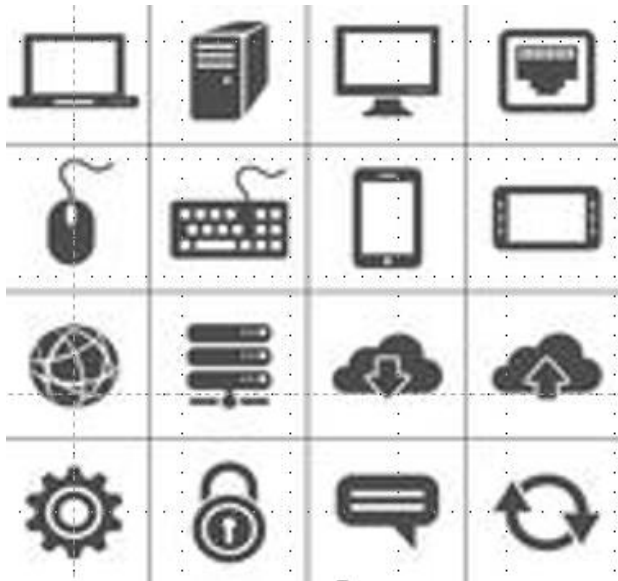
National Retail Payment System

NRPS is a policy and regulatory framework that aims to establish a safe, efficient, reliable, and affordable retail payment system in the Philippines.



Cash Agent

Electronic Banking



*Self-service online,
real-time transaction*



3rd Party Cash Agent



*Cash-in/Cash-out
Open a bank account*

Initiatives to support democratized account ownership



Risk-based KYC



Basic Deposit Account



Digital ID



www.bsp.gov.ph