

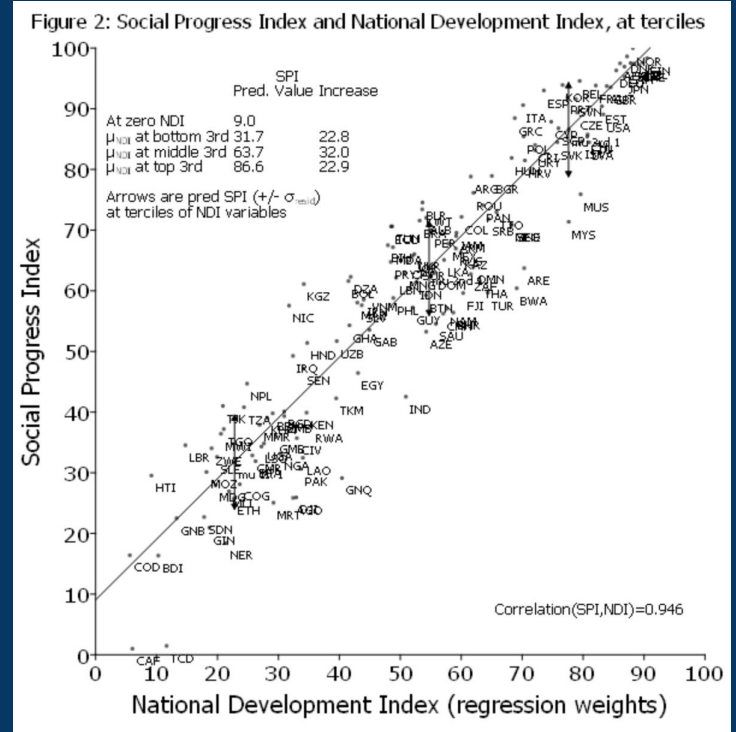
Bridging the Financial Inclusion Gap in the Philippines Through Digital Finance

Group 2 - Hexasquad
Chiara | Enrico | Karen | Karla | Rex | Sofia

No country with low levels of **national development** has a high level of human wellbeing

Social Progress Index

- Basic human needs (nutrition)
- Foundations of well being (basic knowledge)
- Opportunity (personal rights)



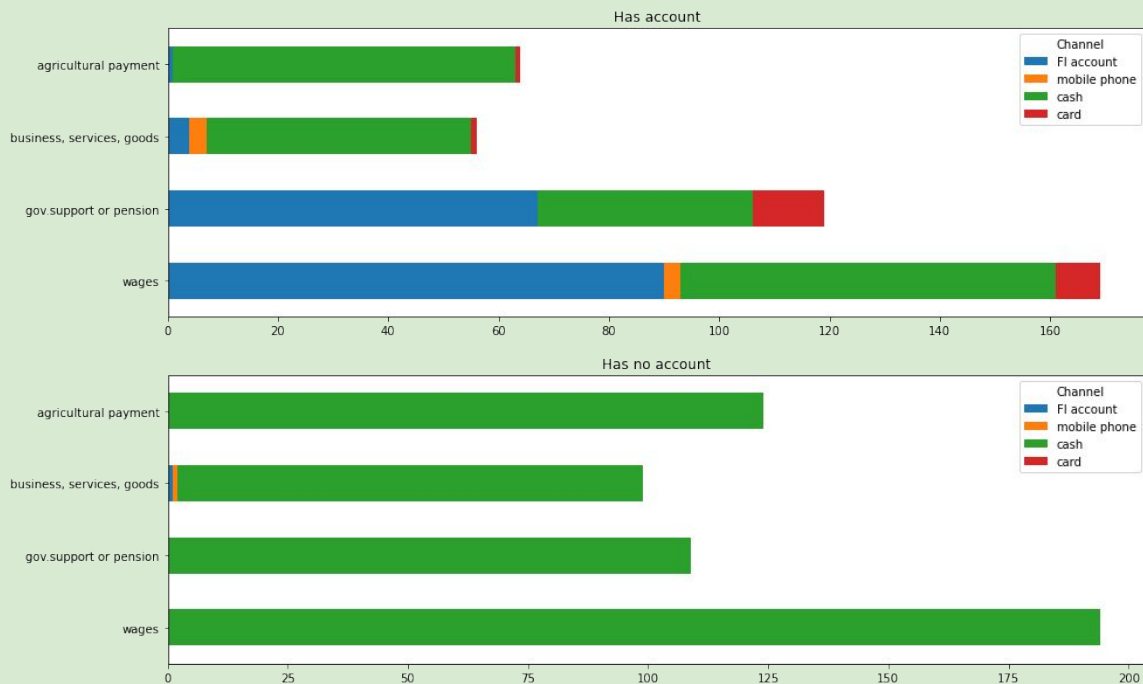


Financial Inclusion is a way of laying the groundwork for sustainable and equitable **national development**

Financial Inclusion is a state in which everyone (*especially vulnerable sectors*) has **effective access** to a wide range of financial services.

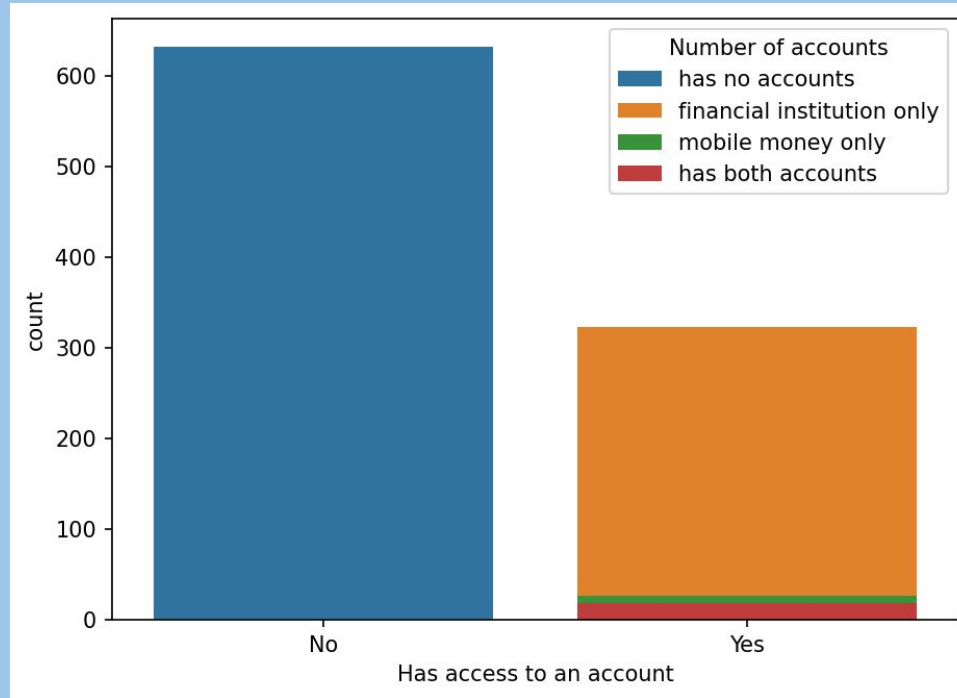
**So what is the current state of
Financial Inclusion in the Philippines?**

Filipinos are heavily reliant on cash as a way to receive payments



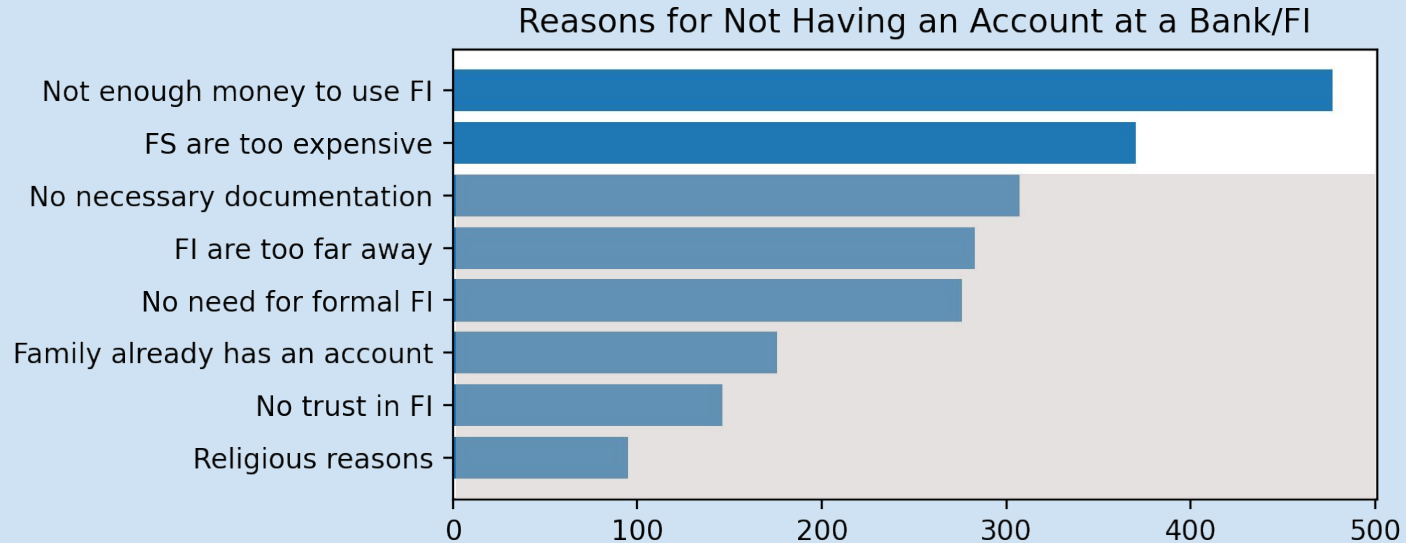
Based on the Global Financial Inclusion Database 2017

Filipinos have a low account ownership

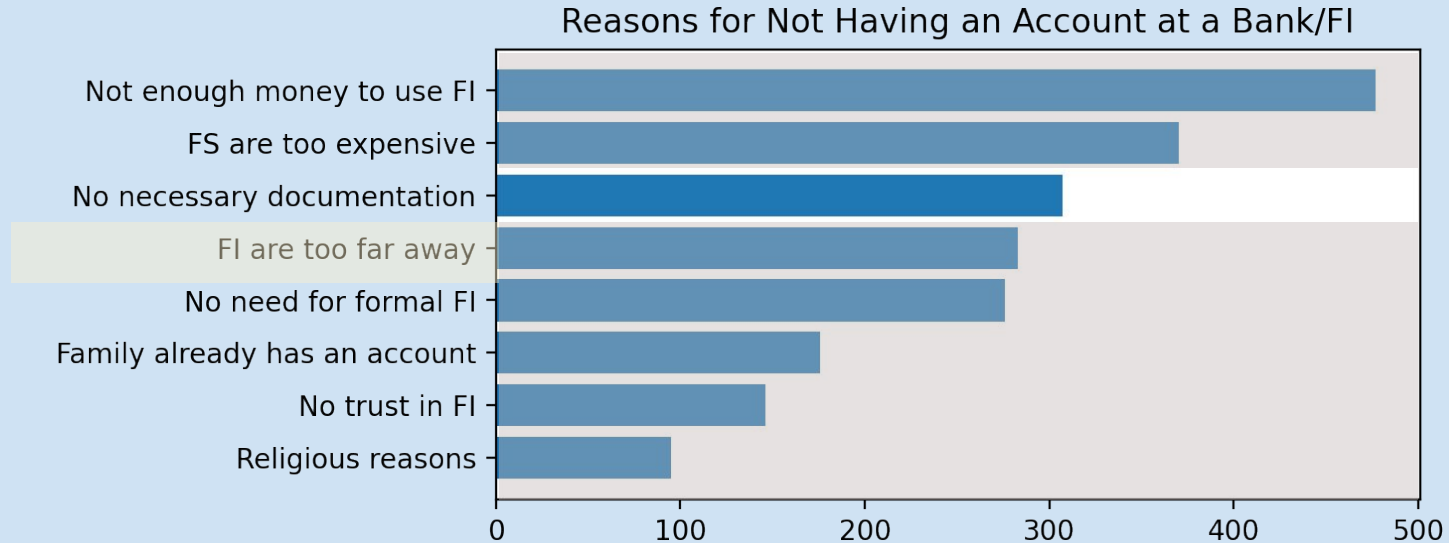


**What are the main reasons for
unbanked Filipinos?**

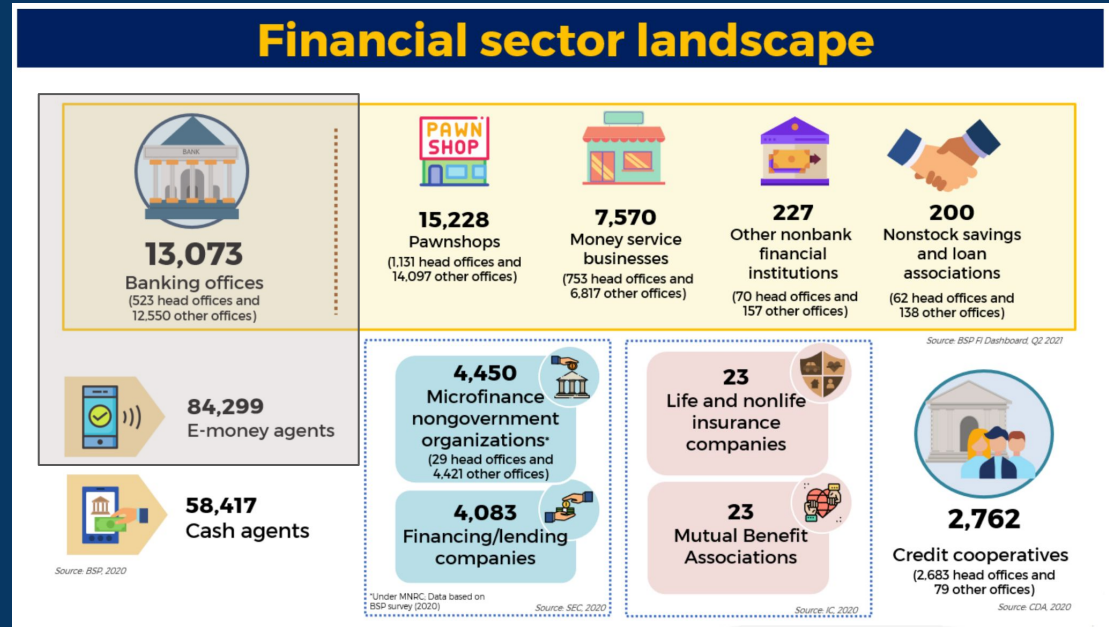
Most Filipinos believe that Financial Services are **“too expensive”**



Most Filipinos also don't have the **necessary documentation** to open an account



This gives us reason to believe that the availability of financial services is not the main driver for unbanked Filipinos.























**The question now is:
How can we bank the unbanked Filipinos?**



Income
Group



Financial Inclusion Segments	Cash Savers	Modern Savers	Supported	Underserved & Vulnerable	Money Segregators
Percentage	38.9 %	21.6%	16.4%	15.3%	7.8%
Saved in the past year					
Financial Account Ownership					
Employment					
Income Group	Fourth 20%	Richest 20%	Middle 20%	Poorest 20%	Middle 20%
Mobile Phone Ownership					

Who are the Excluded?



Cash Savers

- 37 years old
- still prefers to save outside formal institutions
- 58.6% cited not having enough money to use FI



Supported

- 67.7% females
- Middle income group but with no source of income



Underserved & Vulnerable

- 57.5% finished only primary or less
- part of the working poor
- 68.6% cited not having enough money to use FI

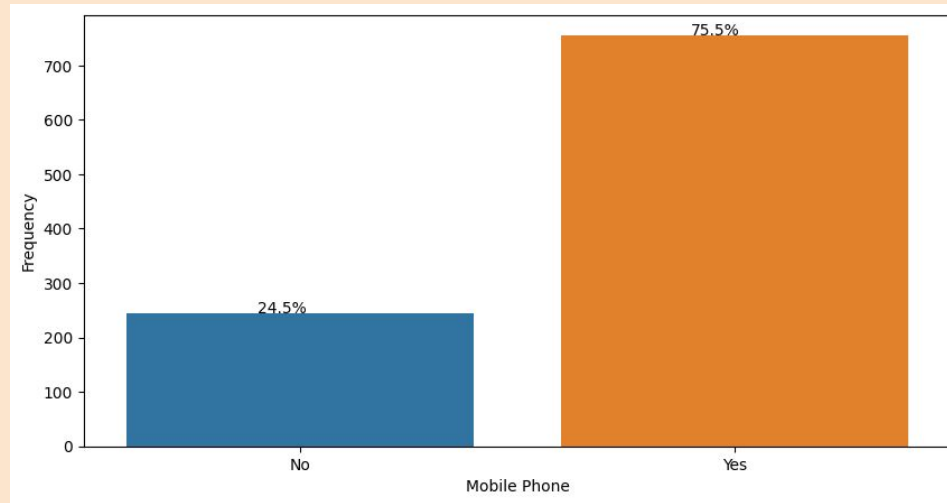
There are several reasons that discourage the excluded segments to avail financial services...

Lack of money seen as greatest barrier for the excluded segments



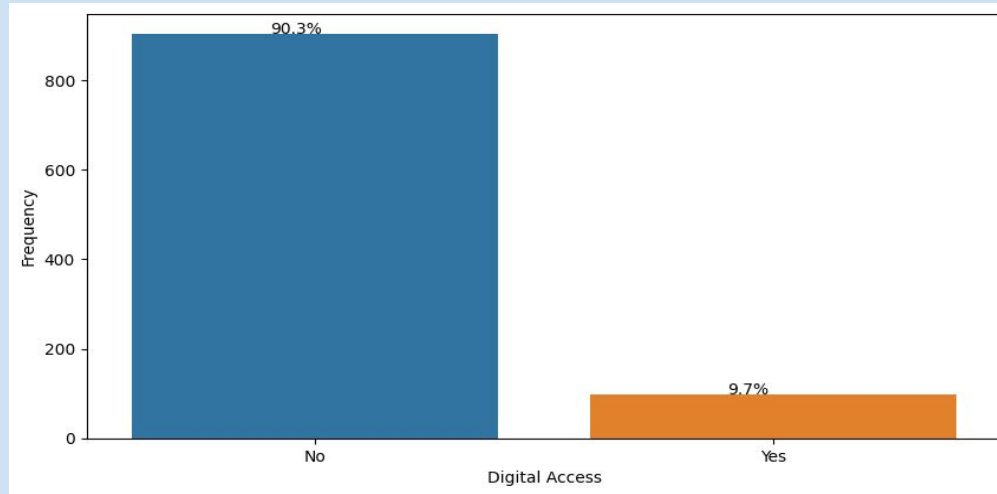
**Exploring digital finance as a possible
solution to addressing these needs**

Majority of Filipinos **own a mobile phone...**



Mobile Phone Ownership

... but Filipinos have **low utilization of mobile financial services**



Digital Accessibility

**How BSP is Bridging the Gaps
in Financial Access and Digital Payments**

Three Pillars of Digital Payments Transformation

01

Digital Payment Streams

- Introduced the Basic Deposit Account (BDA)
- Allowing Agent Banking
- QR Ph
- eGovPay

02

Digital Finance Infrastructure

- Launched the National Retail Payment System (NRPS)
- Use of Philippine Identification System (PhilSys) ID to streamline and helping reduce customer onboarding costs
- Agent Registry and Credit Risk Database (CRD)

03

Digital Governance Standards

- Open Banking and Application Programming Interfaces (API) Standards
- Data Governance and Ethical Use of Data Policy.
- Adoption of the ISO 20022 International Messaging and Communication Standard.
- Cybersecurity Policies and Measures

Recommendations

Expand local initiatives that use e-wallets as payment solutions

In 2018, the city of Valenzuela partnered with Maya to transform one of their public markets into a “DigiPalengke”



In 2020, Makati City, Muntinlupa City used GCash for digital 'ayuda' distribution



Create **targeted and more inclusive marketing**

Partner with local influencers and local businesses to promote currently available financial products and services.



SAAN MAKAKARATING ANG PISO MO?

Sa LANDBANK, may **LANDBANK PISO** ka na!



Simple lang ang requirements para magbukas ng LANDBANK PISO:

- Isang (1) Valid ID o Barangay Certificate
- Piso (₱1.00) bilang initial deposit

Pumunta sa pinakamalapit na **LANDBANK branch** at magbukas ng LANDBANK PISO today!

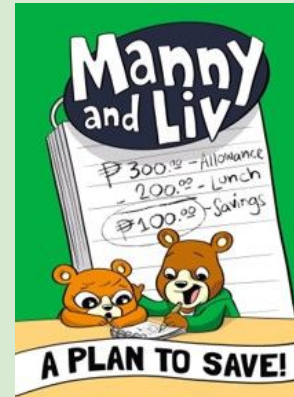
NOTE: Only those who do not have an existing LANDBANK deposit account are eligible to open a LANDBANK PISO account.

Landbank Official | LBP Official | LANDBANK
Land Bank of the Philippines (Official) | www.landbank.com

Financial Literacy programs for school-age children

Educate schoolchildren with basic financial knowledge and skills. Focusing on the misconceptions associated with account ownership and the advantages of being formally banked.

Example:
Peso Smart - Manulife's financial literacy program



Thank you!