



Financial Inclusion and FinTech

The Case of the Philippines

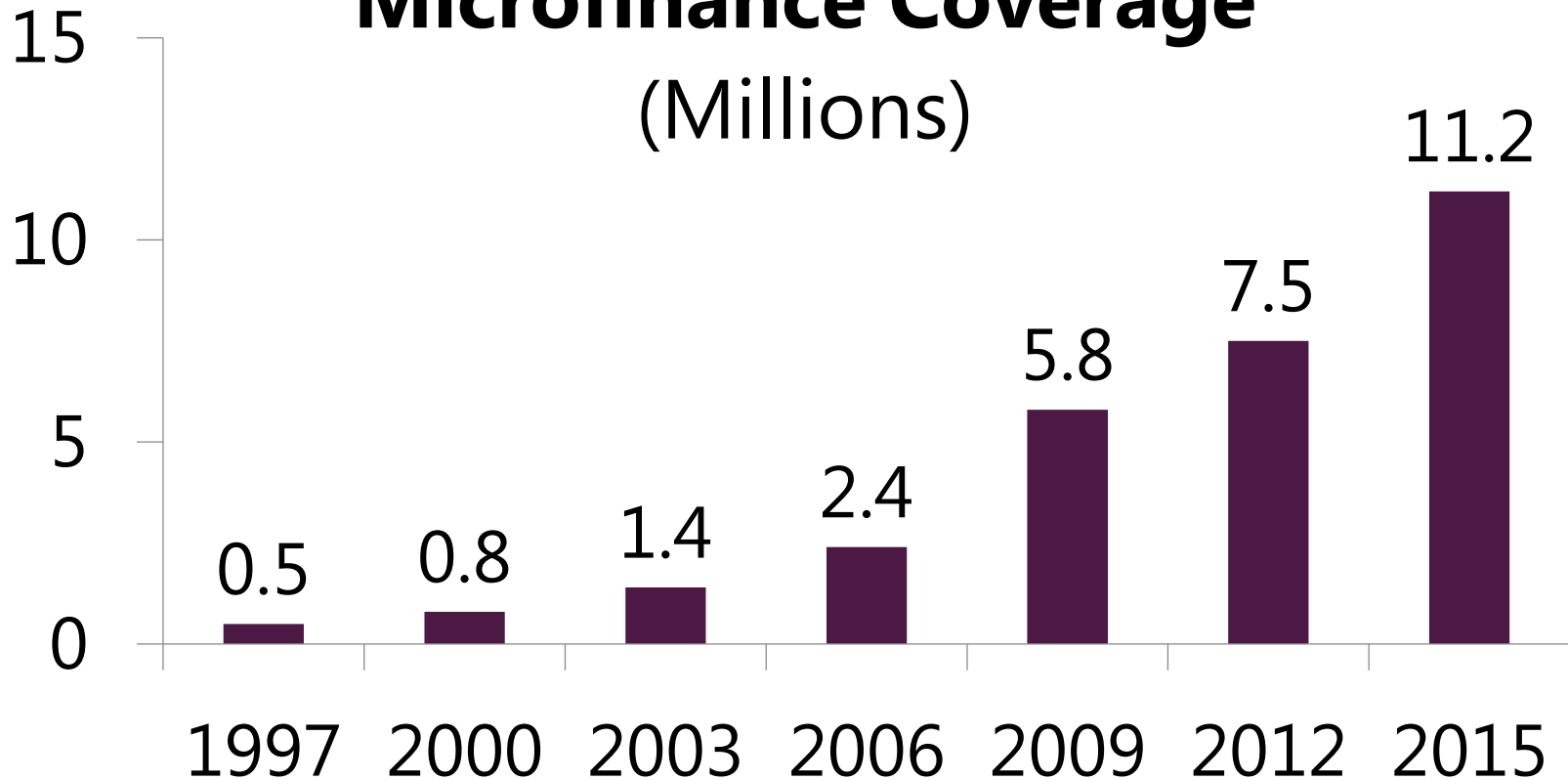
Ma. Teresa Habitan
Assistant Secretary



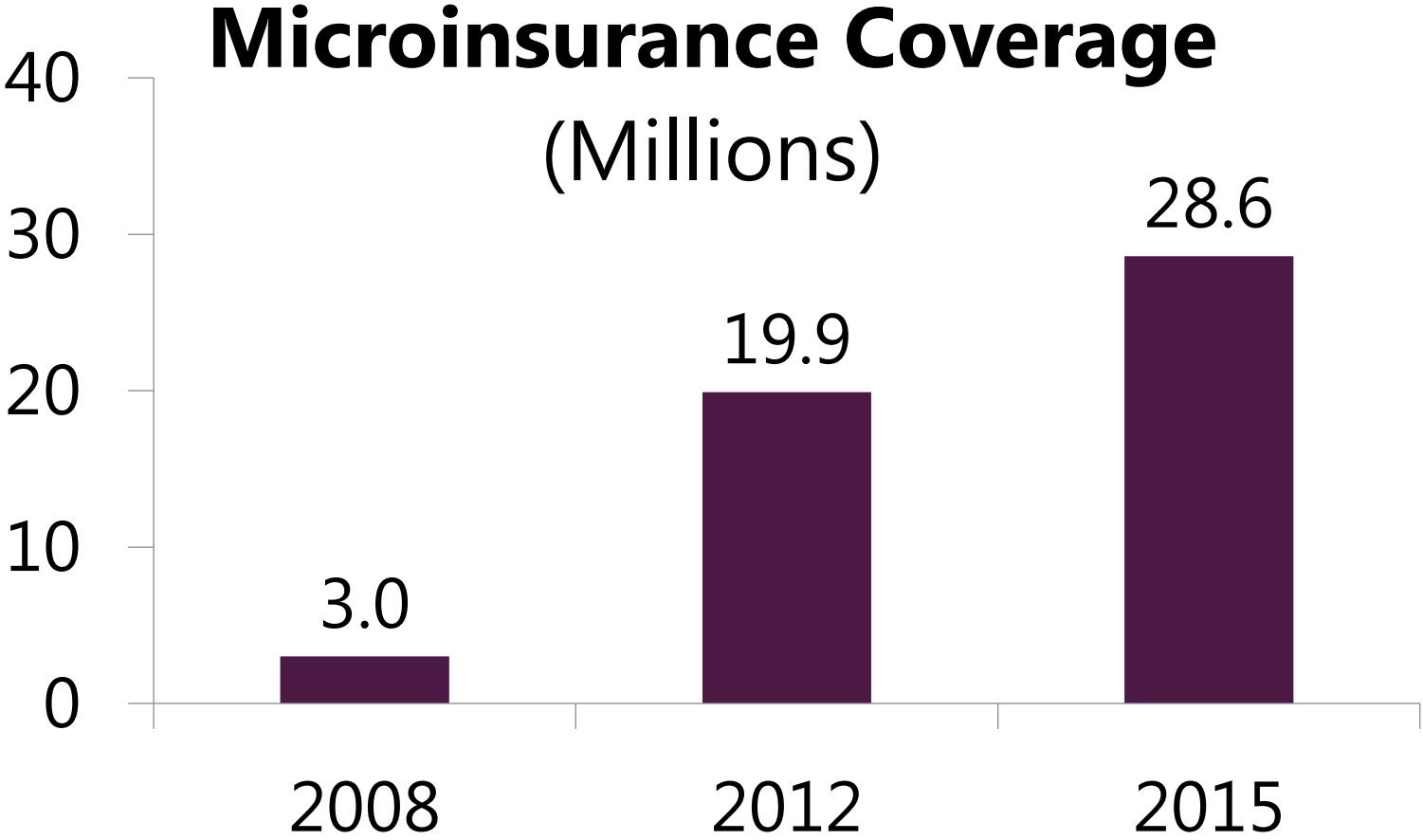
Social Safety Nets

Microfinance coverage continues to rise

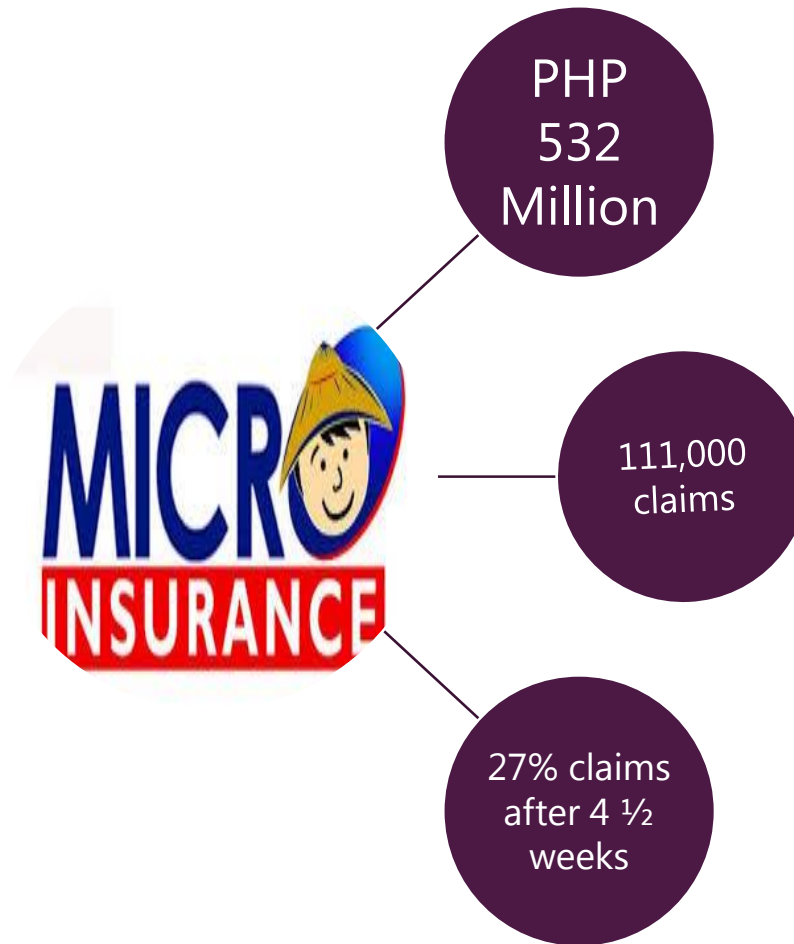
Microfinance Coverage (Millions)



Microinsurance coverage is growing at a rapid pace



Role of Microinsurance in the aftermath of Typhoon Haiyan





Challenges and Issues

Financial Accessibility

36% of the cities and municipalities don't have banking office

Less than 30% of the population have an account at a financial institution

Of the 2.5 billion transactions monthly, only 1% is digital

Issues on MSMEs

Movable assets
don't matter as
collaterals to most
banks.



Reliance on
internal rather
than external
sources of
financing



MSMEs choose to
borrow from
informal non-bank
credit sources
rather than banks.

Only 13% of MSMEs have
access to credit



Moving Forward

- **National Retail Payment System (NRPS)**

- A regulatory framework that aims to promote the efficiency and safety of retail payments in the country, as characterized by the increased usage of digital payments, from the current 1% to 20% by 2020.

• **National Retail Payment System (NRPS)**

○ The two priority payment schemes are:

□ PESONet for batch fund transfer credit and;

□ InstaPay for 24/7, real-time low-value transfer credit.

Agricultural Chain Value Framework (ACVF)

- Issued in 2016 by the Bangko Sentral ng Pilipinas (BSP)
- Provides banks with opportunities to finance the agriculture and fisheries sector.
- AVCF encourages the linking of various actors or players in an agricultural value chain.

• **National ID System**

- First-ever national identification system which is a pivotal step towards ensuring that every Filipino and resident can have access to public services and development opportunities
- A system that will unify all government IDs to facilitate citizens' transactions with government and private sector
- Expected to roll out this year once passed into law

- **PHPAY**

- an online-based payment gateway that will enable taxpayers and other state clients to remit fees and other charges electronically to government agencies

- will cover the development of a payment gateway and a payment ledgering management system for the whole of government

• **Secured Transactions Bill**

- An act strengthening the secured transactions framework in the Philippines
- Enabling law for setting up a centralized and online-based collateral registry of movable collaterals
- The bill is now in both Houses of Congress



Thank You!