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Financial Inclusion
Steering Committee

2024 Annual Report

National Strategy
for Financial
Inclusion



About the Theme

*A traditional Filipino feast called a boodle fight.
Cover photo by [Thảo Như](#) for [Studio Philippines](#).*

In Filipino culture, food is never just about nourishment—it is about community. From fiestas to Sunday lunches, food is the language of care and belonging, and nothing captures this joyful expression better than a boodle fight, where different viands—from fresh fruits to a variety of grilled meats, every dish a proud representation of Filipino cuisine—are spread out on banana leaves for everyone to partake.

Originally a military tradition, a boodle fight is a communal experience that has come to symbolize equality, camaraderie, and shared prosperity. It perfectly embodies the goal of financial inclusion: everyone has access to financial services and opportunities, especially the underserved. Just as everyone is invited to share the meal regardless of rank, class, or creed, financial inclusion envisions a future bearing the same spirit where everyone is welcome at the table, everyone has a seat, and no one is left behind.

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The 2024 Annual Report for the NSFI

This third issue of the National Strategy for Financial Inclusion (NSFI) 2022–2028 Annual Report showcases the country’s continued efforts to advance financial inclusion and financial health, guided by the leadership of the interagency Financial Inclusion Steering Committee (FISC).

The FISC, established in 2016 through Executive Order (EO) No. 208, plays a key role in the implementation of the NSFI and serves as a collaborative platform that brings together various sectors in support of the strategy’s vision: achieving financial inclusion as a pathway to inclusive growth and financial resilience for all.

FISC Member Agencies

BSP Bangko Sentral ng Pilipinas

CDA Cooperative Development Authority

CFO Commission on Filipinos Overseas

DA Department of Agriculture

DAR Department of Agrarian Reform

DBM Department of Budget and
Management

DepEd Department of Education

DICT Department of Information and
Communications Technology

DILG Department of the Interior and
Local Government

DMW Department of Migrant Workers

DOF Department of Finance

DOLE Department of Labor and
Employment

DOST Department of Science and
Technology

DOTr Department of Transportation

DSWD Department of Social Welfare
and Development

DTI Department of Trade and Industry

IC Insurance Commission

NEDA National Economic and
Development Authority

NYC National Youth Commission

PCW Philippine Commission on Women

PDIC Philippine Deposit Insurance
Corporation

PSA Philippine Statistics Authority

SEC Securities and Exchange
Commission

Foreword

BY ELI M. REMOLONA, JR.
GOVERNOR, BANGKO SENTRAL NG
PILIPINAS AND
CHAIR, FINANCIAL INCLUSION
STEERING COMMITTEE



I am pleased to present the 2024 Annual Report on the National Strategy for Financial Inclusion (NSFI).

This report highlights the key milestones and developments achieved by the Financial Inclusion Steering Committee and its partners and stakeholders in advancing the NSFI 2022–2028 goals. It reflects our commitment to a whole-of-nation approach, where everyone works hand in hand to ensure that every Filipino has a seat at the table of economic opportunity.

Throughout the year, we have seen how digitalization continues to transform the financial landscape—making services more accessible, efficient, and responsive to the needs of the people. From mobile wallets to digital banking, technology has become the leading edge of financial empowerment.

Financial education and consumer protection remain essential ingredients in this journey. We must equip every Filipino with the knowledge and confidence to make sound financial decisions and safeguard their financial well-being.

Social benefits and protection programs have also played a vital role, especially for the most vulnerable. They help build financial health and resilience, enabling individuals and families to weather life’s uncertainties and plan for a better future.

Yet, we recognize that many remain unserved and underserved—farmers, fisherfolk, informal workers, indigenous peoples, and others whose voices must be heard and whose needs must be met. Addressing these gaps is not just a policy imperative; it is a moral one.

Together, let us ensure that every Filipino not only has a place at the table, but also the means to bring something to it. As you read through this report, we invite you to reflect on the progress we have made and the work that lies ahead. Let us continue to build a financial system that is inclusive, resilient, and guided by the values that define us as a nation.

Much like a shared meal that brings together families, neighbors, and communities, financial inclusion is a collective endeavor that thrives on unity, cooperation, and shared purpose.



Filipino food over banana leaves.
Photo by [Thảo Như](#) for [Studio Philippines](#).

About the Financial Inclusion Steering Committee

Created in 2016, the FISC serves as a collaboration platform toward the achievement of the vision of the NSFI. With the recent membership of the Department of Migrant Workers (DMW) and National Youth Commission (NYC), 23 government agencies are now working together to make this dream a reality (*see related article on pp. 149-150*).

A bowl of arroz caldo, hearty Filipino congee made with chicken and rice.
Photo by [Studio Philippines](#).



Bangko Sentral ng Pilipinas (BSP)

Serves as the FISC Chair and Secretariat, and advances financial inclusion and consumer empowerment through enabling regulations and advocacy programs



Cooperative Development Authority (CDA)

Strengthens financial and business management capabilities of the cooperatives sector to improve livelihood opportunities for members



Commission on Filipinos Overseas (CFO)

Promotes financial literacy among Overseas Filipinos and their beneficiaries in the Philippines



Department of Agriculture (DA)

Promotes agriculture sector development and the financial resilience of agriculture workers and enterprises through financial literacy and digital cash transfers



Department of Agrarian Reform (DAR)

Promotes financial resilience of the agrarian reform households and communities through financial literacy



Department of Budget and Management (DBM)

Supports the implementation of financial inclusion priority initiatives through funding and enabling budget policies



Department of Education (DepEd)

Promotes financial literacy and capability of learners, teachers, and personnel



Cooking rice for arroz caldo.
Photo by [Studio Philippines](#).



Department of Information and Communications Technology (DICT)

Develops government digital platforms and enhances digital connectivity in the country, especially in unserved and underserved areas



Department of the Interior and Local Government (DILG)

Promotes implementation of financial inclusion programs by cities and municipalities across the country



Department of Migrant Workers (DMW)

Supports financial inclusion initiatives that empower OFWs economically and financially



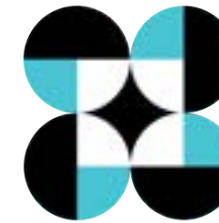
Department of Finance (DOF)

Promotes a conducive fiscal policy environment for inclusive digital finance



Department of Labor and Employment (DOLE)

Promotes financial literacy and digital payments for workers' wages and benefits



Department of Science and Technology (DOST)

Advances Filipino entrepreneurship and start-ups through technology, innovation, and financing support



Department of Transportation (DOTr)

Promotes digital payments in the transport sector



Department of Social Welfare and Development (DSWD)

Promotes the financial resilience of the vulnerable sector through financial literacy and digital cash transfers



Department of Trade and Industry (DTI)

Promotes the development of the MSME sector through improved access to finance, technology, and markets



Insurance Commission (IC)

Promotes consumer protection and a conducive regulatory environment for inclusive and innovative insurance industry





National Economic and Development Authority (NEDA)

Ensures integration of financial inclusion in the country’s national and regional development agenda



National Youth Commission (NYC)

Advocates financial inclusion among young people as part of its broader mission of youth development and empowerment



Philippine Commission on Women (PCW)

Increases women’s financial inclusion and empowerment, narrowing the gender gap through gender-responsive policies



Philippine Deposit Insurance Corporation (PDIC)

Supports public confidence in deposit products



Philippine Statistics Authority (PSA)

Implements the national digital ID system (PhilSys) as a platform for inclusion and innovation, and providing data to support policymaking



Securities and Exchange Commission (SEC)

Advances inclusive access to investment and responsive financing products through enabling regulations and advocacy programs

Financial Inclusion



A PATH TO EMPOWERMENT & RESILIENCE

Financial inclusion is about empowerment, resilience, and opportunity—ensuring that every Filipino, especially those in underserved and vulnerable communities, can meaningfully participate in the financial system. This means having access to financial products and services that are not only available but also relevant, affordable, and designed to meet diverse needs—from saving and borrowing to insurance and long-term planning.



Rather than being an end in itself, financial inclusion is a means to achieve financial resilience, especially in a country highly vulnerable to natural disasters, including typhoons, earthquakes, and volcanic eruptions. And at its heart, financial inclusion supports financial health: it enables individuals to manage daily expenses, prepare for emergencies, pursue life goals, and gain greater control over their financial futures. When financial tools are inclusive and user-centric, they become powerful enablers of social mobility and economic participation.

A foundational element of this journey is account ownership. A transaction account is more than a financial tool—it is a gateway to the broader financial ecosystem. It facilitates digital payments, access to credit and insurance, and participation in government aid programs. In the Philippines, such accounts are increasingly recognized as essential to building a more inclusive and resilient economy.



A wet market in the Philippines selling various produce.
Photo by [Paul Ricafrente](#) for [Studio Philippines](#).





A meat vendor at a wet market prepares his goods.
Photo by [Bianca Arreola](#).

Areas of concern and growth opportunities

Although progress has been made over the years, many Filipinos can still benefit from greater inclusion in the formal financial system. Disparities in access persist across income levels, education, geography, and age. While the Philippines has made strides—particularly in women’s financial inclusion—many groups continue to face systemic barriers. These include low-income households, the youth, senior citizens, persons with disabilities, indigenous peoples, migrant families, and forcibly displaced persons. Each group faces unique challenges that require tailored, context-sensitive solutions.

Agriculture and micro, small, and medium enterprises (MSMEs) are vital to the country’s economy, yet they remain among the most financially underserved. Smallholder farmers, fisherfolk, and informal workers often lack access to affordable credit and risk protection, as well as capacity building on financial and risk management. MSMEs, which account for 99.5 percent of businesses and over 60 percent of employment,¹ continue to receive a

disproportionately small share of total business loans.² Unlocking the potential of these sectors through inclusive finance is a strategic imperative for national development.

The financial inclusion-digitalization nexus

The digital transformation of financial services has opened new frontiers for inclusion. Digital financial services (DFS) offer convenience, scalability, and the potential to reach remote and underserved areas. However, digitalization also brings new challenges. Connectivity gaps between urban and rural areas, concerns over affordability and reliability, and fears around data privacy and online fraud continue to hinder widespread adoption.

These digital divides risk deepening existing inequalities if not addressed. Public trust in digital platforms must be earned through robust consumer protection, transparent practices, and responsive support systems. Ensuring that digital tools are inclusive, secure, and user-friendly is essential to realizing their full potential.

¹ Department of Trade and Industry data

² Based on recent BSP data, the percentage of MSME loans to total business loans as of third quarter 2024 stood at 6.1 percent, while the percentage share of MSMEs loans to total banking system loans as of the same period stood at 3.8 percent.

Prospects and opportunities for inclusive growth

The pursuit of financial inclusion is evolving alongside the country's socio-economic landscape. The Philippine government is actively shaping policies and programs that not only address current challenges but also unlock new opportunities. These include:

- *Innovative financing models* such as movable asset financing and inclusive insurance schemes.
- *Financial infrastructure*, including a modern credit information system and credible warehouse receipts system.
- *Investments in countryside and rural development*, such as infrastructure for education, health, energy, and transportation, to support financial ecosystems in the last-mile communities.
- *Digital identification through PhilSys*, which addresses one of the most cited barriers to account opening—lack of valid ID—and serves as a catalyst for onboarding and innovation in DFS.
- *Policy reforms*, such as Executive Order (EO) No. 127, aimed at expanding nationwide connectivity through satellite internet and improving access to digital services.

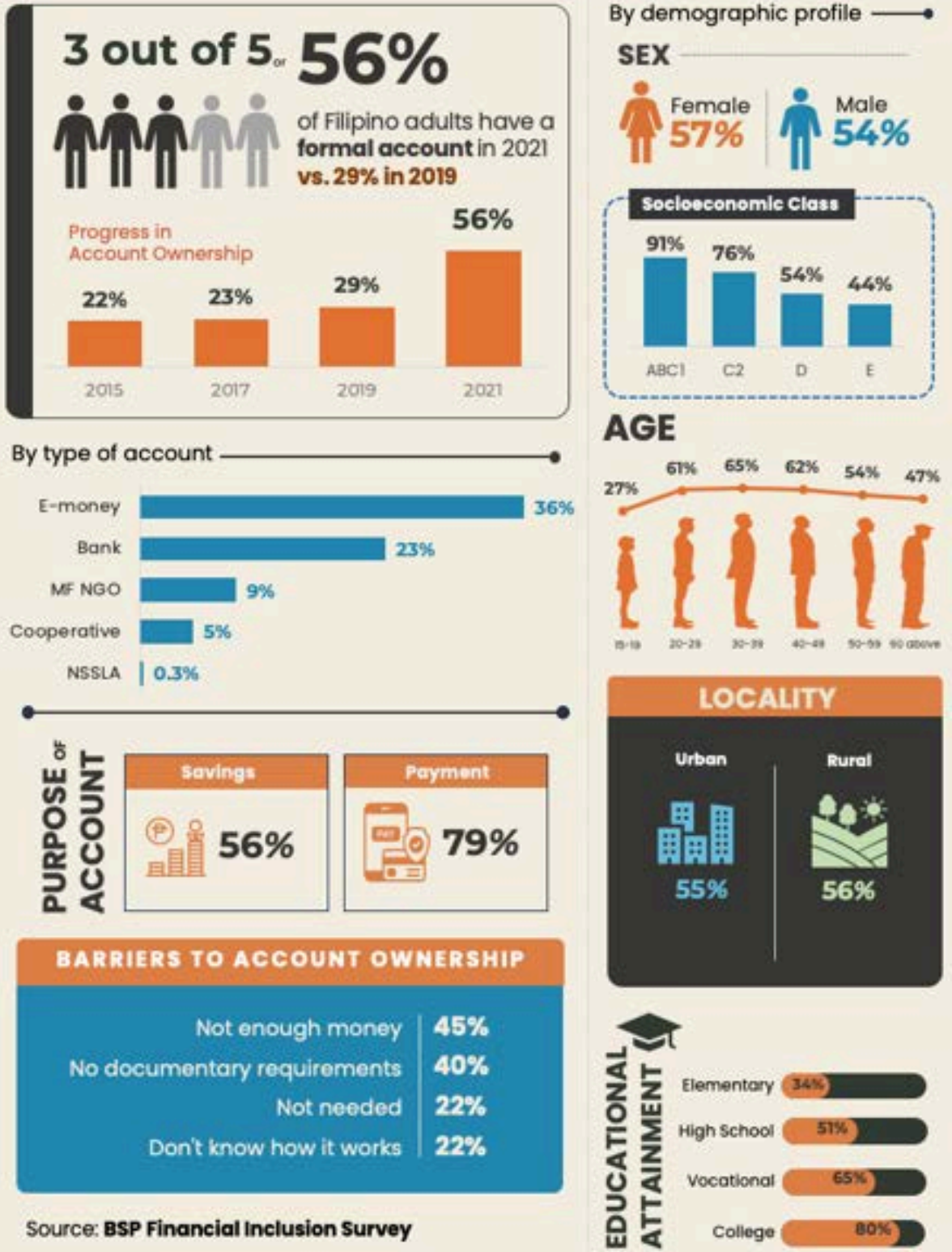
Moreover, digital platforms offer new avenues for financial education, real-time consumer support, and broader outreach. Strengthening consumer protection and market conduct mechanisms is essential to building trust and ensuring that financial inclusion efforts are both safe and sustainable.

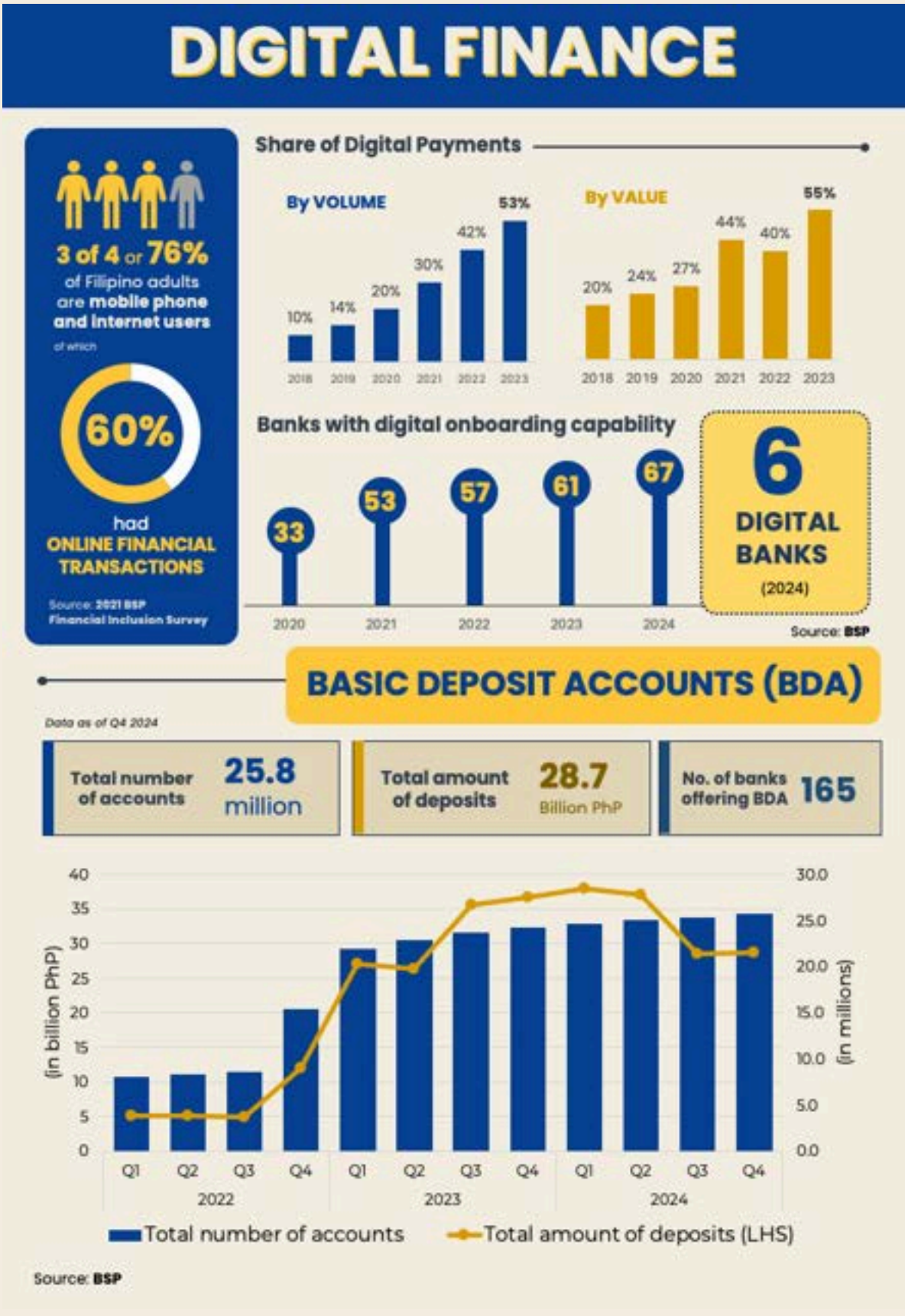
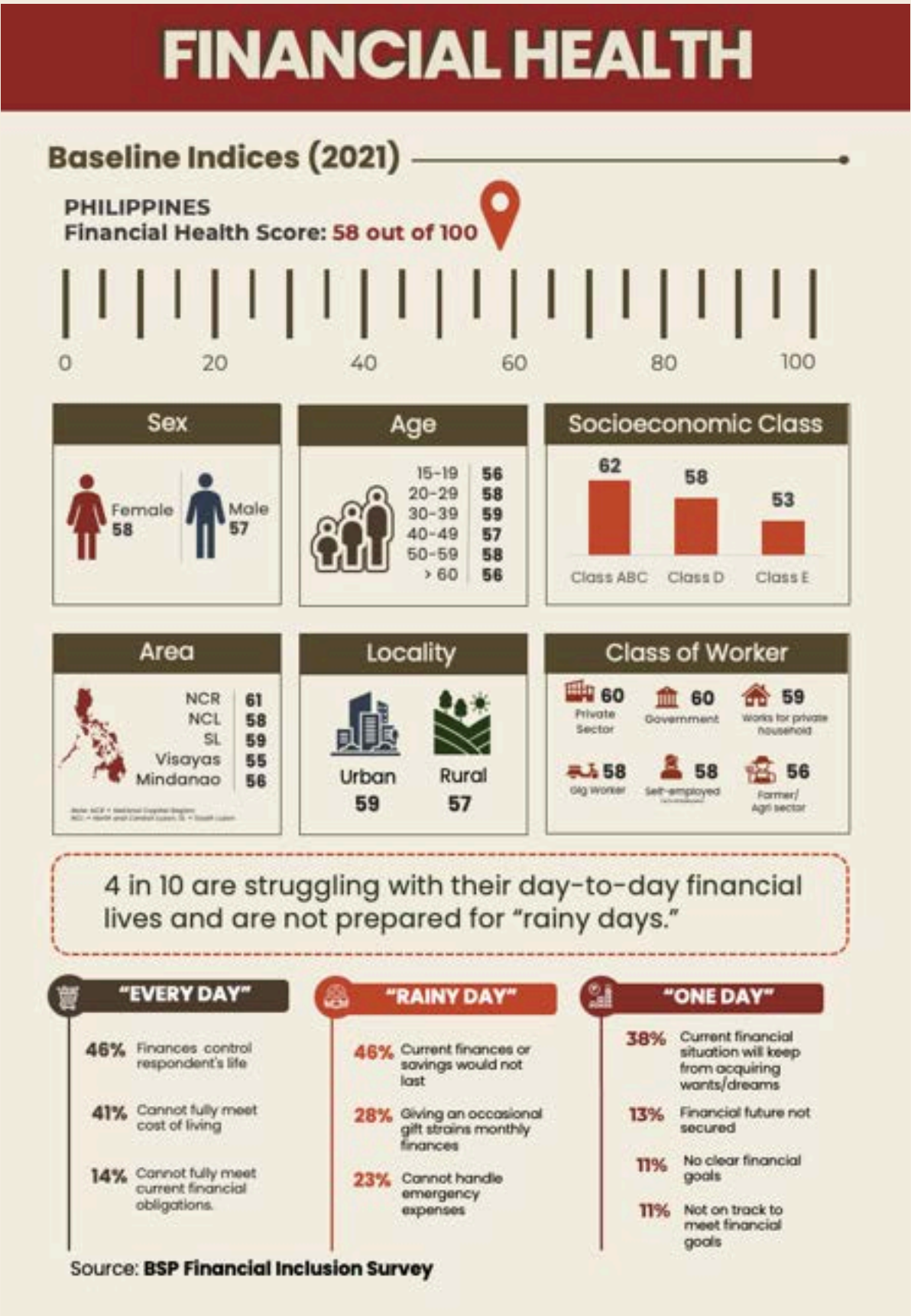


When financial tools are inclusive and user-centric, they become powerful enablers of social mobility and economic participation.

FINANCIAL INCLUSION SNAPSHOT

ACCOUNT OWNERSHIP





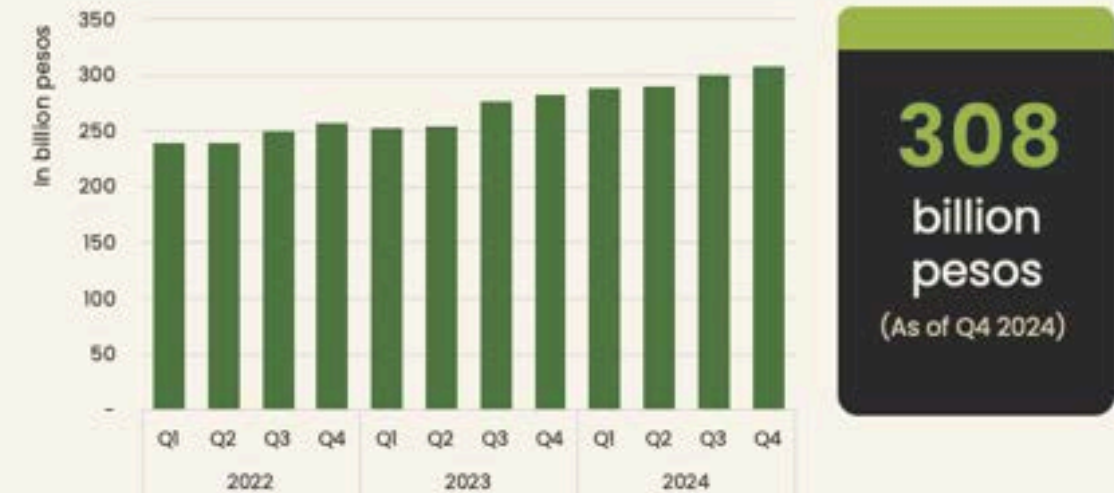
MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)

MSME Loans



AGRICULTURE

Agriculture, Forestry and Fishing (AFF) Loans



Source: BSP

MICROFINANCE

Banking Sector

131 Microfinance-engaged and -oriented banks

2.0 million borrowers

33 billion pesos loans

Source: BSP (2024 Q4)

Microfinance NGO Sector

6.8 million borrowers

80 billion pesos loans

Source: SEC-MNRC (2023)



Cooperative Sector

9.9 million member-depositors

250 billion pesos deposit liabilities

367 billion pesos loans

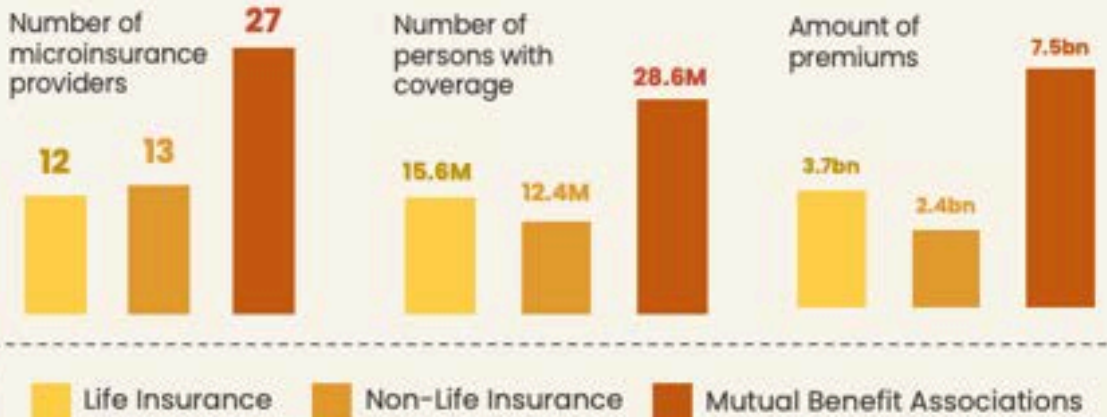
Source: CDA (2022)

MICROINSURANCE

52 microinsurance providers

57 million persons with coverage

14 billion pesos premiums



Source: Insurance Commission (2023)

2022-2028

The National Strategy for Financial Inclusion

In 2015, the Philippines took an important step toward financial inclusion by launching a national strategy aimed at expanding access and bridging economic gaps to financial services. This initiative not only set clear objectives and principles but also established financial inclusion as a priority, fostering collaboration among government agencies, private institutions, and key stakeholders to drive lasting change.

Established in 2016 under EO No. 208, the interagency FISC was formed to spearhead the implementation of the NSFI. Initially comprising 13 government agencies, the committee—chaired by the BSP—has since expanded to 23 agencies, strengthening its collaborative efforts.



In November 2021, the FISC moved to refine its strategy, adjusting its priorities and objectives to better address emerging challenges. This shift was prompted by significant transformations since the strategy’s inception in 2015, including advancements in financial services, evolving consumer behaviors, and the effects of the COVID-19 pandemic.

Strategy refresh

Launched in January 2022, the NSFI 2022-2028 builds upon the principles-based foundation of its predecessor while introducing a six-year framework with targeted interventions, measurable outcomes, and defined objectives.

Beyond serving as a strategic guide, the updated NSFI also aims to be a platform for reinforcing stakeholder commitment and communicating the country’s financial inclusion vision.

The NSFI’s vision

The NSFI 2022-2028 outlines four key outcomes that serve as pathways toward achieving its overarching goal of fostering financial inclusion to promote widespread economic growth and strengthen financial resilience.

Whole-of-government support

With the aim of strengthening the integration of financial inclusion into national and local development efforts, the Office of the President formalized a coordinated, government-wide approach through Memorandum Circular No. 97, issued on June 23, 2022.

This directive institutionalized unified support for the implementation of the NSFI 2022-2028. In alignment with this initiative, Regional Development Councils (RDCs) and Local Development Councils (LDCs) play a key role in localizing the strategy by endorsing financial inclusion plans, programs, and projects tailored for implementation across regions, provinces, cities, and municipalities.

The NSFI 2022-2028 outlines four key outcomes that serve as pathways toward achieving its overarching goal: fostering financial inclusion to promote widespread economic growth and strengthen financial resilience.





NSFI Core Groups

In efforts to streamline and ensure the effective implementation of identified priority initiatives under the NSFI 2022-2028, the FISC approved the creation of the Core Group on Movable Asset Finance and Core Group on Open Data for Financial Inclusion during its 14th meeting in May 2023.

The Core Group on Movable Asset Finance is envisioned to drive the interventions for the development of a dynamic movable asset financing ecosystem in the country. Movable asset financing promotes wider access to finance by allowing businesses, including MSMEs, to utilize non-real estate assets such as machinery, accounts receivables, and inventory, among others, as acceptable collateral.

The core group member agencies are the (a) Department of Finance (DOF) which serves as chair, (b) Securities and Exchange Commission (SEC) which serves as co-chair, (c) BSP as Secretariat, (d) Department of Agriculture (DA), (e) Department of Trade and Industry (DTI), and (f) Land Registration Authority (LRA).

On the other hand, the Core Group on Open Data for Financial Inclusion aims to develop a strategic approach in

promoting an open data ecosystem in the country. Open data aims to enable safe, seamless, and customer-permissioned data exchange of financial and non-financial data to unlock efficiencies and insights for financial service providers to deliver contextualized financial products for the underserved.

The core group currently comprises the following member-agencies: (a) Department of Information and Communications Technology (DICT), which serves as chair, (b) National Privacy Commission (NPC), which serves as co-chair, (c) BSP as Secretariat, (d) DA, (e) Department of Social Welfare and Development (DSWD), (f) DTI, (g) Philippine Statistics Authority (PSA), and (h) SEC. The FISC also approved the addition of the LRA and the Credit Information Corporation (CIC) during its 16th meeting in October 2024.

In 2024, the two core groups convened for their 1st meetings in January and 2nd meetings in September. For the Core Group on Movable Asset Finance, key discussions included the International Finance Corporation's (IFC) presentation on enabling laws and envisioned roles of government agencies in promoting

movable asset financing and the LRA's updates on the Personal Property Securities Registry. As a next step, the core group will focus on planning and implementing strategic market education and capacity-building initiatives among key stakeholders.

For the Core Group on Open Data for Financial Inclusion, key discussions included updates on the Philippine e-Government Interoperability Framework and an overview of the current government databases and data points among member agencies. As a next step, the core group will be identifying priority financial inclusion data points and potential use cases, particularly those that involve the underserved sectors of agriculture and MSMEs.

Scan the QR code to view the National Strategy for Financial Inclusion 2022-2028



Milestones & Accomplishments

NSFI 2022–2028 Strategic Objectives

The NSFI 2022 – 2028 outlines four key strategic objectives that serve as the main pillars for driving progress aimed toward inclusive growth, financial resilience, and financial health for everyone. This strategy highlights priority initiatives, identifies the lead agencies or partner institutions responsible, and establishes clear timelines to help ensure focus and accountability in reaching these goals.

This section presents the substantial accomplishments achieved by the FISC in 2024 under each strategic objective. It also highlights significant milestones in advancing financial inclusion and financial health, as well as other key efforts led by various implementing agencies and partners.



STRATEGY OBJECTIVE

01

Promoting Inclusive Digital Finance

Digital technology can significantly reduce costs and drive innovation, making it possible to deliver financial services to low-income individuals and small businesses in a sustainable way. To truly unlock the benefits of digital innovations in the context of financial inclusion, we need to create an enabling regulatory environment with the necessary digital infrastructure. Such environment should encourage a wide range of diverse market players to offer compelling use cases and applications, as well as innovative financial solutions tailored to the various needs and abilities of the broader population and MSMEs.

Beyond transaction accounts and payments, digital innovation should focus on enhancing affordability and accessibility of financial services—ultimately improving the customer experience and overall financial welfare.



Sustained growth in e-money usage

The continued shift toward digital payments has driven remarkable growth in the use of electronic money (e-money) in the Philippines. Valued for its convenience, speed, and ease of use, e-money has become a preferred payment method for many Filipinos.

Between 2020 and 2023, e-money transaction volume surged by 185.2 percent, rising from 221.7 million in 2020 to 632.4 million in 2023 while the total value of e-money transactions grew by 166 percent, from ₱298.1 billion in 2020 to ₱793.2 billion in 2023.¹

This growth has been fueled by the rise of e-commerce, the increasing number of e-money platforms, and the growing popularity of digital payments



Dauin Public Market in Negros Oriental is QR Ph ready.
Photos by John Paulo Superio.

¹ BSP Financial Inclusion Office and Department of Supervisory Analytics data. Latest available data as of Q4 2023.

for both merchant and person-to-person (P2P) transactions. According to the BSP’s 2023 E-Payments Measurement Report, small-value retail payments to merchants (P2M) saw a significant uptick, with e-wallets emerging as the preferred tool for QR Ph-enabled payments.

Supporting the growth trend are initiatives such as the Paleng-QR Ph Plus initiative—a joint program by the BSP and the Department of the Interior and Local Government (DILG)—which promotes QR-based payments in public markets and local transport. The impact has been substantial: QR Ph P2M transactions skyrocketed by 2,713.9 percent, from 2.1 million in 2022 to 58.6 million in 2023. Notably, non-bank e-money issuers accounted for 95.1 percent of these transactions.

The growth of e-wallets has also boosted P2P transactions. By the end of 2023, the number of e-wallet accounts had increased by 52.8 percent, from 257.5 million in 2022 to 393.6 million. E-money transaction volume reached 10.6 billion, up 40.2 percent from 7.6 billion in 2022. As of December 2023, there were 72 registered e-money issuers in the country—28 banks and 44 non-bank financial institutions.

This surge in digital transactions reflects a broader shift in how Filipinos use financial transaction accounts. Increasingly, accounts are being opened not just for savings, but primarily for making payments—enabled by the ease of digital onboarding and the growing relevance of digital financial services in everyday life.



Pinamungajan Public Market in Cebu.
Photos by John Paulo Superio.



Dumaguete Public Market.
Photos by John Paulo Superio.



Accounts are being opened not just for savings, but primarily for making payments—enabled by the ease of digital onboarding and the growing relevance of digital financial services in everyday life.



A tricycle driver in Carigara, Leyte joins Paleng-QR Ph Plus.
Photo by Hannah Adriano

Expanding financial inclusion through Basic Deposit Accounts

To ensure that more Filipinos can participate in the formal financial system, the BSP issued the Basic Deposit Account (BDA) framework in 2018, which enables the unbanked and underserved to open a no-frills transaction account.

BDAs require initial deposits of no more than ₱100.00, with no maintaining balance or dormancy fees, and feature a simplified identification process. These features make BDAs especially accessible to low-income individuals and those new to banking.

BDAs have seen steady growth over the years. By the fourth quarter of 2024, the number of BDA accounts reached 25.8 million, a dramatic increase from just 0.7 million in 2018. Total deposits also rose significantly, from ₱1.2 billion in Q4 2018 to ₱28.7 billion in Q4 2024. As of the end of 2024, 165 banks across the country were offering BDAs.

Altogether, this growth underscores the success of BDAs in promoting financial inclusion by providing Filipinos an affordable and simplified means of account ownership.

Promote adoption of PhilSys in the financial sector

Co-location strategy

Building on its co-location strategy launched in 2021 with Landbank of the Philippines (LANDBANK), the PSA continued to make strides in enhancing financial inclusion nationwide by expanding its partnership with BSP-Supervised Financial Institutions (BSFIs) to boost financial inclusion throughout the country.

In 2024, the PSA collaborated with GoTyme Bank Corporation and Asia United Bank (AUB) and extended its memorandum of agreement with Dunganon Bank Incorporated.

PSA also partnered with GCash to integrate National ID services in community events. The “Know Your Customer (KYC) On-The-Go” events offered National ID registration, National ID in paper format (printed ePhilID) issuance, digital ID downloads, and GCash account opening support.

The Gaisano Grand Mall Silay in Negros Occidental, as well as several higher education institutions (HEIs) in the country, including Bulacan State University, Mapúa Malayan Colleges

Mindanao, Cebu Technological University, University of Cebu, Colegio de San Juan de Letran, Pangasinan State University, and University of Science and Technology of Southern Philippines actively participated in these initiatives.

These efforts demonstrate the growing adoption of the National ID system and its role in expanding financial services across the nation.

National ID Kabalik

With the goal of onboarding rural financial institutions, such as rural banks, microfinance institutions (MFIs), and remittance centers, the PSA launched the National ID Kabalik project in 2024.

The initiative provides rural financial institutions a venue for consultation to determine services suitable for integrating the National ID authentication service and onboarding sessions for guidance on the process and required submissions.

The PSA has conducted the National ID Kabalik program in four locations: Roxas City in Capiz, Antipolo City in Rizal, Cagayan de Oro in Misamis Oriental, and Cabanatuan in Nueva Ecija. The program was well-attended

by representatives from rural financial institutions, including one thrift bank, three cooperatives, eight remittance centers, nine MFIs, 12 commercial banks, and 13 rural banks.



Representatives of rural financial institutions join the National ID Kabalik initiative. Photos by the Philippine Statistics Authority.



A LANDBANK personnel authenticates a resident from Barangay Botocan in Quezon City, a client registered to the National ID system, for a financial transaction. Photo by the Philippine Statistics Authority.



A 4Ps beneficiary undergoes National ID authentication during an FDS in Malibay City, Pasay. Photo by the Philippine Statistics Authority.

National ID Authentication Services pilot implementation

The PSA and LANDBANK conducted the pilot implementation of the National ID Authentication Services at the LANDBANK East Avenue Branch from July 30 to Aug. 30, 2024. The activity aimed to assess the accuracy, efficiency, and user experience of the National ID Authentication Services within the government banking environment.

The pilot implementation served as a venue to test the authentication services of the PSA and evaluate how these services could assist in and improve LANDBANK transactions, particularly in client identity verification for account opening, check encashment, and withdrawal transactions.

The PSA provided the LANDBANK East Avenue Branch with authentication workstations, which included laptops, webcams, and fingerprint devices, to be used for biometric authentication. During the pilot activity, all LANDBANK clients registered with the National ID underwent biometric authentication. According to the authentication results reported from July 30 to August 30, 2024, a total of 100 LANDBANK clients were authenticated, with 83 achieving successful results.

National ID System integration

The integration of LANDBANK’s Digital Onboarding System (DOBS) and Mobile Banking Application (MBA) with the National ID is under development, following the submission of its onboarding application to PSA. The integration will allow LANDBANK to utilize the electronic Know Your Consumer (eKYC) authentication service offered by the PSA.

The eKYC solution will enable LANDBANK to verify its clients and MBA users through their National ID credentials (e.g., National ID card number, digital ID number) and facial recognition. Upon successful authentication, the National ID system will provide the bank with client/user details, such as demographic information and front-facing photo, which can be used to create a profile in LANDBANK’s form or database.

Upon completion of the development and technical stages, the PSA and LANDBANK are expected to execute a three-year subscription contract, which will allow the free use of the National ID authentication service.

Launch of Digital National ID



The Digital National ID, displayed on a mobile screen. Photo by the Philippine Statistics Authority.

The PSA, in partnership with the Department of Information and Communications Technology (DICT), launched the Digital National ID, National eVerify, and National ID Check on June 10, 2024.

The Digital National ID, the official digital version of the National ID, may be accessed and viewed by registered persons online through <https://national-id.gov.ph>. It can be used as a valid proof of identification and age in any government and private transaction.

On the other hand, National ID eVerify (<https://everify.gov.ph/>) is an identity verification method that aims to ensure security and minimize risk of fraudulent activities in transactions. It features advanced facial recognition technology for real-time matching of an individual's face, among other registered information, with the National ID registry.

The National ID eVerify also has a feature called the National ID Check, which is a simple, efficient, and secure way to verify the authenticity of any format of the National ID, including the Digital National ID, by scanning the QR code feature.

Meanwhile, the onboarding for 29 relying party (RP) systems in the financial sector to the National ID system is in progress as of Dec. 31, 2024.

A relying party is a service provider either from the government or the private sector that relies on any PhilSys-enabled service (e.g., authentication) or any other process that identifies and verifies the identity of their customers.

Out of 29 RP systems in the financial sector, two are already live and launched for public consumption as of 2024.²

Promote agent network framework to increase ubiquity and affordability of cash agent services

The Agent Registry System

Agents—such as cash agents, e-money agents, and remittance sub-agents—play a vital role in extending financial services to underserved communities. However, fragmented data and lack of a centralized directory have hindered effective oversight and public access.

To address these challenges, the BSP has initiated the development of the Agent Registry System (ARS), a pioneering regulatory technology (RegTech) initiative aimed at enhancing the digital finance ecosystem in the Philippines. A priority initiative under the NSFI 2022–2028, the ARS addresses critical gaps in agent visibility, monitoring, and data management. Moreover, it exemplifies how technology can drive inclusive growth and financial resilience.

Specifically, the ARS consolidates agent data from BSP-supervised financial institutions into a dynamic, web-based platform. It enables real-time monitoring, geolocation mapping, and

public access to accredited service points. This initiative not only supports regulatory efficiency, but also empowers consumers and promotes trust in digital financial services.

The Philippines' ARS journey is featured in “Developing an Agent Registry System as a RegTech Tool in the Philippines” published by the Alliance for Financial Inclusion (AFI). The full case study is available at: <https://www.afi-global.org/publication/developing-an-agent-registry-system-as-a-regtech-tool-in-the-philippines/>

² Admin Portal eKYC Flow Engine (Customer Onboarding) of SeaBank Philippines Inc and Client Onboarding System of Asia United Bank

Driving business ease:
SEC expands digital access through platforms

In 2024, the Securities and Exchange Commission (SEC) continued its work on its digital platforms—Check App 2.0 and eSECURE—in support of the government’s aim of improving ease of doing business in the country. Both platforms were launched in June 2023.

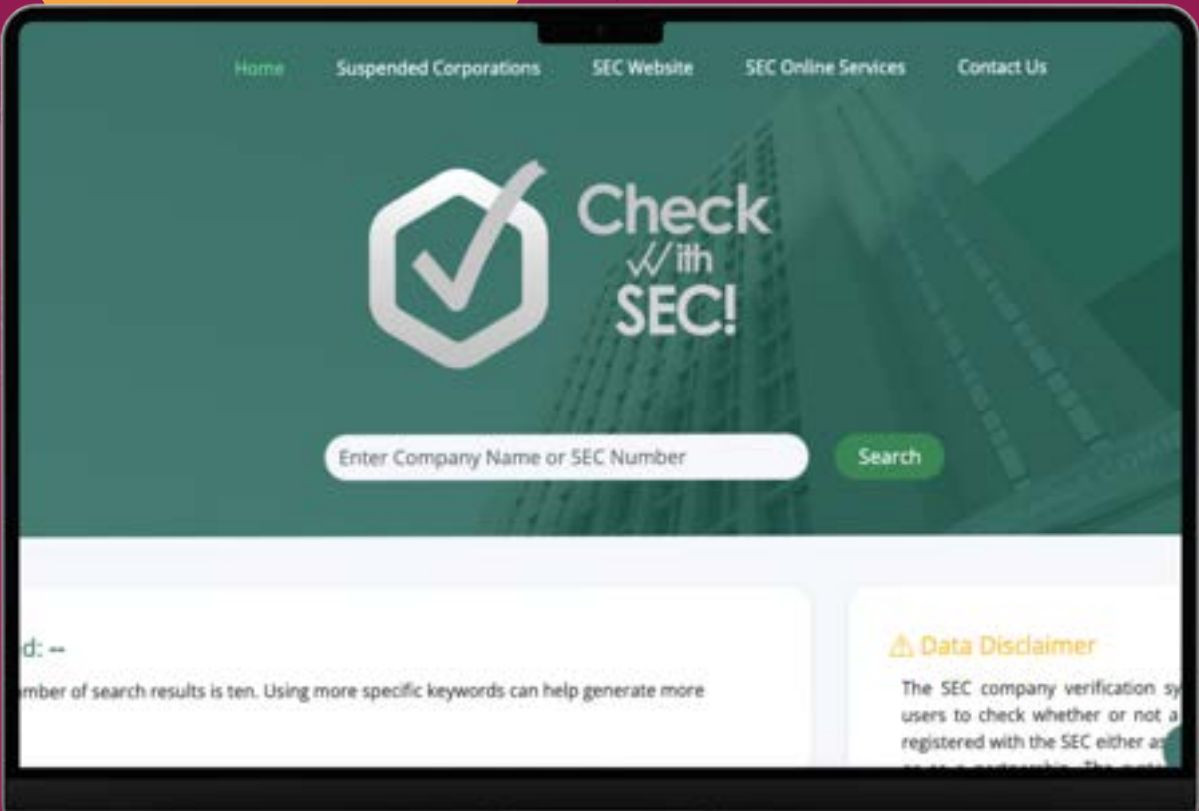
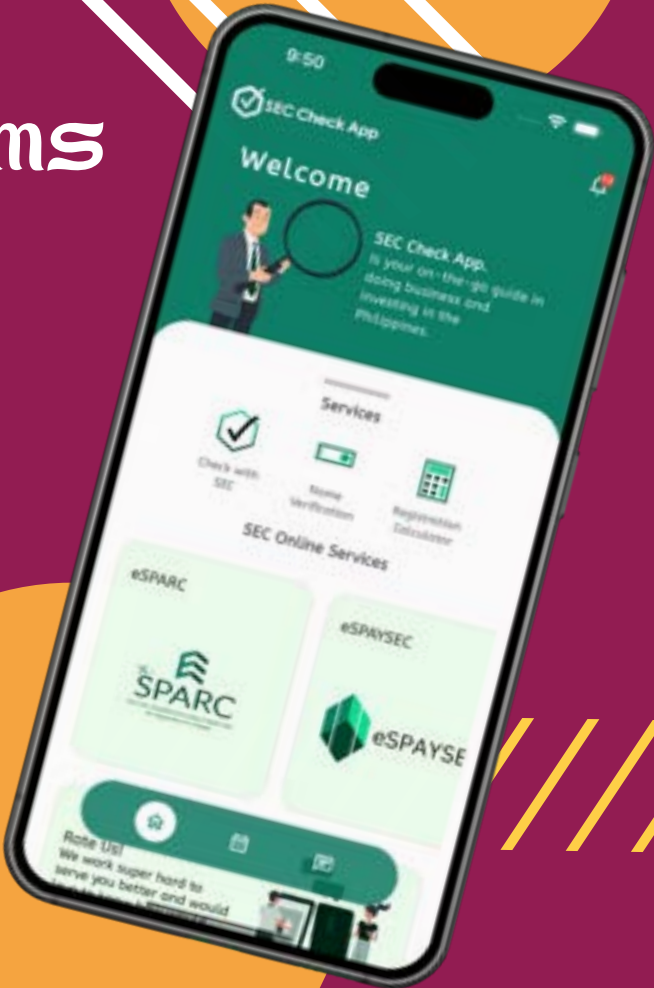
SEC Check App 2.0

Check App 2.0 provides the public with access to the latest investor alerts, rules and regulations, and other updates from the SEC, serving as the ultimate on-the-go guide to doing business and investing.

The platform allows the public to verify licenses and check legitimate investment-taking, lending, financing, and other regulated activities with the SEC. It also provides business registration-related features, such as business name verification to check the availability of a proposed corporate name, and registration calculator to compute for a prospective company’s SEC registration fees.

It also features a chatbot, the SEC Customer Care Online Assistant (CAROL), through which users can get prompt answers on SEC-related queries.

In 2024, 15,495 downloads and installations were recorded, pushing the total to 45,583 since its implementation.



eSECURE

eSECURE is an online platform where the SEC has integrated all of its digital services. It electronically authenticates the identity of SEC clients, consequently preventing unauthorized access to confidential company information, and reducing hard copy submissions. eSECURE offers registered users simplified access to the following online services:

- SEC Electronic Simplified Processing of Application for Registration of Company (eSPARC)
- One-day Submission and E-registration of Companies (OneSEC)
- Automated Certification Examination System (ACES)
- Electronic SEC Education, Analysis, and Research Computing Hub (eSEARCH)

- SEC Application Program Interface (API) Marketplace
- SEC Electronic Registry Application for Market Participants (eRAMP)
- SEC eFAST Alternative Submission Environment (SEC EASE)
- SEC Electronic Application for Modification of Entity Data (eAMEND)
- SEC Appointment System
- SEC iMessage

With its credentialing or eKYC process for users, eSECURE is an important tool to curb money laundering and terrorist financing committed through the use of corporate vehicles.

In 2024, 44,860 accounts were created while 20,081 accounts were credentialed.



Expand digital use cases such as interoperable bills payment, government collections and disbursements, and cross-border remittances

Electronic fund transfer facilities

In June 2024, the BSP published the 2023 Report on E-payments Measurement, which showed that monthly digital payments based on volume grew to 52.8 percent in 2023, surpassing the 50 percent target set in the BSP’s Digital Payments Transformation Roadmap 2022-2023. Key drivers for the growth in digital payments volume include merchant payments (P2M), person-to-person payments (P2P), and supplier payments.

The continued transformation of the digital payment landscape has been supported by key enhancements in the country’s payment infrastructure. Notable developments include the introduction of the third settlement cycle for PESONet and clear branding distinction between the QR Ph codes for P2M and P2P transactions—both of which have contributed to greater efficiency and user confidence.

In 2024, PESONet recorded 100.9 million transactions, amounting to ₱10.1 trillion. Meanwhile, InstaPay demonstrated remarkable growth with 1.4 billion transactions valued at ₱7.3 trillion. Across various use payment cases, records indicated impressive year-on-year (YoY) growth, highlighting the increasing adoption of digital payment channels nationwide.

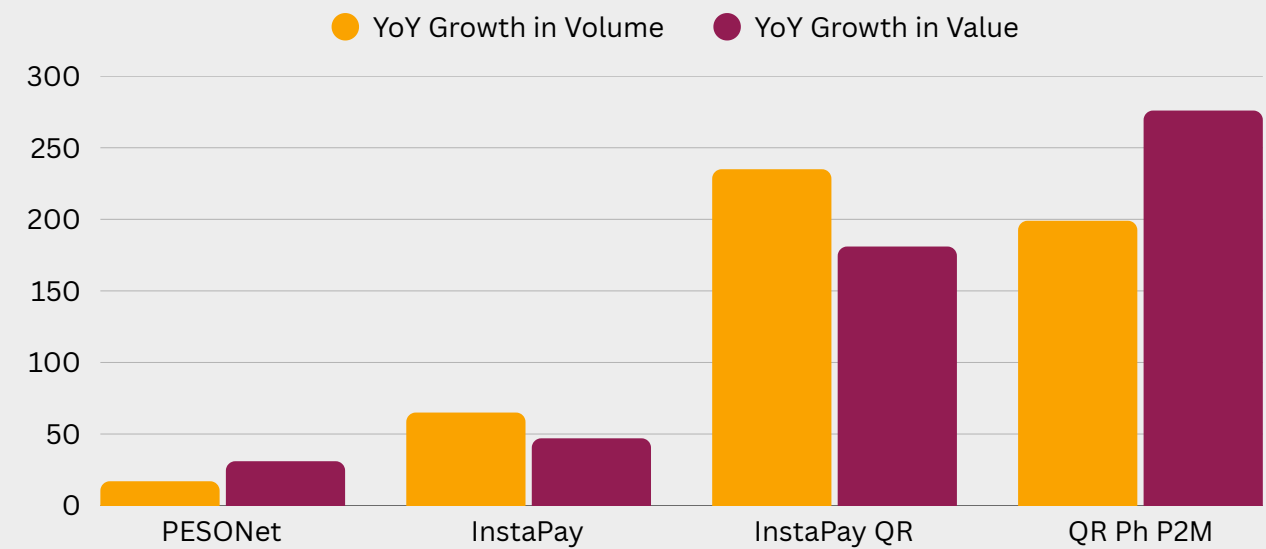


Figure 1. Year-on-year growth in volume and value per use case (December 2023 and December 2024)

From December 2023 to December 2024, the digital payment ecosystem continued to expand, with the addition of new participants: nine for PESONet, four for InstaPay, two for InstaPay QR, eight for QR Ph P2M, and five for Bills Pay Ph.

To further advance digital payments use cases, the BSP engaged in a series of productive discussions with the Philippine Payments Management Inc., (PPMI) and payments industry players in 2024. These engagements focused on the development and upcoming launch of several key digital payment services, reinforcing the BSP’s commitment to driving innovation and broader access within the payments landscape:

1. Request-to-Pay (R2P) InstaPay Cash-In. The R2P InstaPay Cash-in will enable users to conveniently fund their accounts or e-wallets by sending a request for funds to the originating financial institution while using the digital platform of the receiving financial institution. This initiative is expected to broaden the network of cash-in services beyond existing bilateral agreements, thereby increasing digital payment adoption and reducing barriers to entry.

The public launch of the R2P InstaPay Cash-in is targeted within 2025, with other R2P use cases planned for subsequent years,³ further expanding the versatility and convenience of digital payment solutions.

2. Interoperable Direct Debit (DD) payment scheme. This service will allow customers to effectively manage recurring payments, such as monthly rentals, loan amortizations, and insurance premiums, by authorizing billers to directly withdraw funds from the customer’s account—offering a seamless and efficient way to handle regular transactions. A pilot run of the DD facility is scheduled to commence soon.

The DD facility introduces a new Automated Clearing House (ACH). Separate from the existing InstaPay and PESONet, this refers to a “pull-based” payment method which enables billers to collect funds directly from a customer’s bank account with full consent as they fall due. To initiate this arrangement, customers must provide consent through a Direct Debit Mandate form, which can be done either through a signed paper-based form or via a bank-approved online

³ These use cases include: (a) R2P E-commerce which will support online check-outs/purchases; (b) R2P Third-Party Payment Initiation (TPPI) service which will allow non-banks to initiate payments on behalf of banks; and (c) B Scans C (or Customer-Presented QR) which is best for fast transactions industries like fast food establishments and groceries.

application. This interoperable payment solution aims to provide a viable alternative to the traditional auto debit arrangements and post-dated check warehousing. The pilot run of the DD facility will be conducted in Q1 2025, marking a key milestone in the BSP's efforts to modernize and streamline digital payment services.

eGovPay

Spearheaded by the DICT, the eGovPay initiative is a secure and efficient digital payment system designed to facilitate cashless transactions for government services. eGovPay streamlines transactions among citizens, businesses, government agencies, and local government units (LGUs) to ensure transparency, convenience, and efficiency by integrating various payment channels.

The initiative aligns with the national drive for digitalization and financial inclusion as it enables faster payment processing and reduces reliance on manual cash transactions.

As of December 2024, 124 LGUs have adopted eGovPay, following its initial rollout. LGUs are utilizing it as a payment gateway for services such as the Local Civil Registry, Community Tax Certificate (*cedula*), and Business

Permit and Licensing System (BPLS).

At the national level, three agencies are included in the pilot testing for eGovPay: DICT for procurement collections; Land Transportation Office (LTO) for OFW license renewal within the eGov app; and SEC for registration, incorporation, and other fees.

The Bureau of the Treasury (BTr) has requested the DICT to include additional collections in the eGovPay pilot, aligning with the EO 170 Technical Working Group's goal of recommending eGovPay for agencies without digital payment systems, as well as integrating with those that already do.

The LTO has successfully piloted eGovPay for OFW driver's license renewals, marking a promising start, with transactions expected to grow with the full rollout of the system in the eGov app.

In response to DOF Secretary Ralph Recto's request, the SEC joined the pilot in September 2024 as a use case for transactions requiring fund splitting, as mandated by law. Its existing online payment platform, eSPAYSEC, also allows testing eGovPay's integration with non-DICT systems. The SEC and DICT teams are currently in technical discussions.

Further expansion is underway, with the CFO preparing to implement eGovPay for documentary stamp payments and related services.

The initial rollout of eGovPay at the local and national levels has aided in refining the system and enable seamless transactions for end users. Each participating agency has access to a dedicated dashboard for real-time transaction monitoring, hence enhancing accountability and efficiency.

Through eGovPay, the DICT is driving digital transformation, fostering a more inclusive, transparent, and efficient government payment ecosystem, benefiting both agencies and the public.





The Provincial Local Government of Catanduanes, in collaboration with the Department of Labor and Employment, held its first payout of the year for the Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced (TUPAD) beneficiaries on Jan. 19, 2024. Photo by the Provincial Local Government of Catanduanes.



TUPAD Program

The Department of Labor and Employment (DOLE) tapped Money Remittance Service Providers (MRSPs) as part of its wage disbursement strategy under the Tulong Panghanapbuhay sa Ating Disadvantaged Workers (TUPAD) program. This initiative ensures that TUPAD beneficiaries receive their wages safely, securely, and on time.

The TUPAD Program is one of the DOLE's key social protection programs, providing community-based, short-

term wage employment as safety net for disadvantaged workers. It provides immediate income support to workers exposed to vulnerabilities or economic risks and shocks.

In 2024, the DOLE disbursed a total of ₱9,557,641,101.28 in wages through MRSPs, reaching 1,897,937 beneficiaries nationwide. This strategy has not only expedited the program's implementation, but also supported the broader goal of expanding access to financial services among the vulnerable sectors.

DBM advances digital transformation roadmap

The Department of Budget and Management (DBM) has continued to make notable progress on its Digital Transformation Roadmap in 2024 with the completion of its draft outline and core narratives, providing a clear vision and structure for the government's transformation initiatives.

A strategic framework designed to modernize government systems and processes, the Digital Transformation Roadmap seeks to enable further efficiency, transparency, and accountability throughout the bureaucracy.

The document is currently undergoing refinement, with updates being made to ensure alignment with the goals of DBM and the broader Public Financial Management (PFM), as well as to incorporate stakeholder feedback. The Digital Transformation Roadmap is targeted for publication in the first quarter of 2025.

Manila at sunset. Photo by [Alexis Ricardo Alaurin](#).



DBM Secretary Amenah F. Pangandaman leads the launch of the Budget and Treasury Management System, held on Dec. 4, 2024. Photo by the Department of Budget and Management.

Budget and Treasury Management System (BTMS)

The roadmap’s transformation features include improving current systems used in the Integrated Financial Management Information System (IFMIS). The DBM is actively advancing the implementation of BTMS under the IFMIS initiative, which is aimed at enabling more efficient, transparent, and secure government disbursement processes.

Preparations are underway for the deployment of BTMS in six pilot agencies, namely: DBM, DOF, National Economic and Development Authority (NEDA), DSWD, Department of

Education (DepEd), and Department of Health (DOH). Comprehensive workshops on the security access matrix and data migration have been conducted in these pilot agencies to ensure operational readiness and compliance with system requirements for secure and seamless operations.

The DBM is also actively coordinating with the Bureau of the Treasury, LANDBANK, and PS-PhilGEPS to align workflows and prepare for system interfaces with the pilot BTMS. These partnerships are critical in ensuring smooth integration with existing financial systems and the facilitation of seamless transactions.

Enable digital payments for all community markets and local transportation

Paleng-QR Ph Plus: Reaching more people with digital payments

The Paleng-QR Ph Plus program, a joint initiative of the BSP and the DILG, continues to expand to reach more Filipinos. The increase in the number of LGUs supporting the program rose to 161 as of year-end 2024, a notable 130 percent increase from the previous year.

Bataan and Nueva Ecija provinces contributed to the surge in the program’s adoption. In addition to their

provincial Paleng-QR Ph Plus policy issuances, all LGUs in both Bataan and Nueva Ecija have implemented the Paleng-QR Ph Plus program in their respective jurisdictions. Bataan has a total of 12 LGUs (one city, 11 municipalities), while Nueva Ecija has a total of 32 LGUs (five cities, 27 municipalities) implementing the Paleng-QR Ph Plus program.

The Paleng-QR Ph Plus initiative seeks the policy championship of LGUs to push for the acceptance of digital payments among market vendors, local transport, and business owners in Philippine cities and municipalities.



Carigara Mayor Eduardo Ong, Jr. at the Paleng-QR Ph Plus launch. Photo by the Bangko Sentral ng Pilipinas.

By building the country’s digital payments ecosystem through the BSP’s QR Ph initiative, Paleng-QR Ph Plus enables consumers to create their digital footprint and gain access to a wide range of financial products and services such as savings, payments, credit, insurance, and investment.

Promotional and collaborative efforts by the BSP and its stakeholders are also among the drivers of the increase in adoption of the program. These efforts include conducting briefings and leveraging social media postings on Paleng-QR Ph Plus.

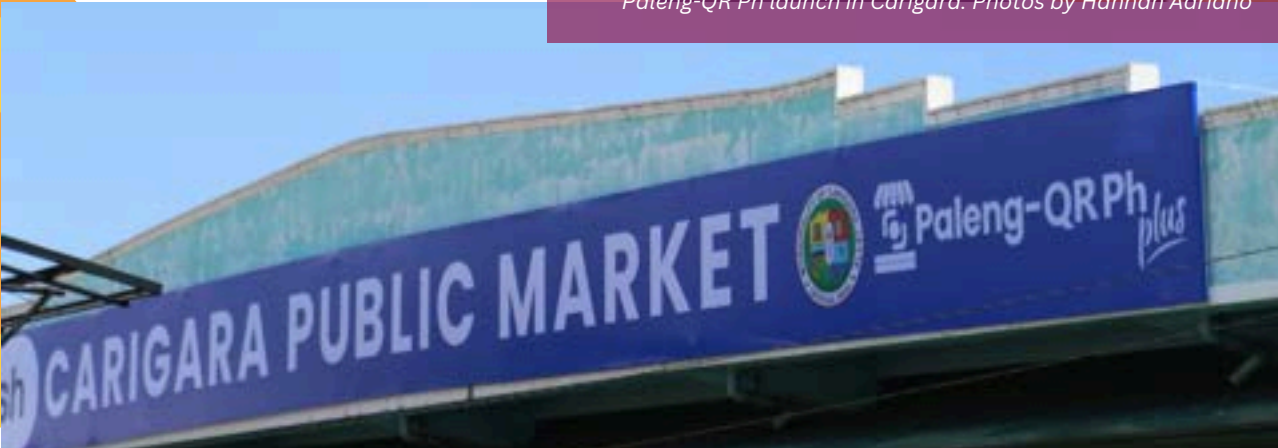
The BSP likewise continued to provide digital financial literacy sessions to numerous LGUs. In 2024, the BSP facilitated over 100 digital financial literacy sessions for markets vendors, business owners, and public utility vehicle operators and drivers nationwide.

Automated Fare Collection System

The BSP has been closely coordinating with the Department of Transportation (DOTr) and the payments industry to create a unified Automated Fare Collection System (AFCS) for all types of transport, and with different payment media such as smart/beep cards, EMV cards, QR codes, and near-field communication (NFC), to enable commuters to pay with just a tap or scan.⁴



Paleng-QR Ph launch in Carigara. Photos by Hannah Adriano



⁴ To date, the DOTr has implemented Phase 0, which is the QR Ph payment acceptance for single journey tickets (SJTs). This service went live on 10 May 2025. Full rollout of the AFCS across all public transportation modes in the Philippines is targeted for 2027.



Blossom vinegar and rice coffee. Product photos from coopbiz.ph.



Support the digital transformation of rural financial institutions and other last-mile providers, including microfinance institutions (MFIs)

Co-opBiz program

Launched by the CDA in 2022, Co-opBiz is CDA Global’s web portal. CDA Global is an online marketing platform that aims to bring local market products to the global market chain.

Cooperatives, particularly micro and small enterprises, may use the e-commerce platform in the selling and promotion of their products for domestic and international markets.

As of Dec. 31, 2024, 193 cooperatives have registered with the platform. A mobile application of Co-opBiz is also being developed to further optimize its use.

The secret sauce: Unlocking inclusion opportunities through digitalization

To further empower MSMEs and MFIs in adopting digital technology to grow their businesses and deliver innovative financial services, the Microfinance Council of the Philippines (MCPI) and Citi Philippines (Citi), with the support of the BSP, held the third Digital Financial Inclusion Awards (DFIA) program ceremony in December 2024.

The DFIA continues the legacy that began with the Microentrepreneur of the Year Awards in 2002, which evolved into the Citi Microentrepreneurship Awards in 2007. The program celebrates the achievements of Filipino microentrepreneurs and MFIs while fostering financial inclusion and innovation.

The awards program highlights the exceptional achievements of microentrepreneurs and MFIs in embracing digital solutions. It also showcases how their innovation has transformed businesses and uplifted communities nationwide.

“Your efforts help build a future where financial inclusion is not just a buzzword but a reality for everyone,” BSP Governor Eli Remolona, Jr. said in his speech during the DFIA awards ceremony held on Dec. 13, 2024.



2024 Digital Financial Inclusion Awards (DFIA) awardees Teodoro Lamang, Jr., Ricardo Santos, and Melanie Torres. Photos by the Microfinance Council of the Philippines, Inc.

Digitalization is the secret sauce of financial inclusion—that is a key ingredient that can unlock huge inclusion opportunities for greater access and participation

— BSP Governor Eli M. Remolona, Jr.

Kare-kare, a traditional Filipino stew complemented with a thick savory peanut sauce. Photo by [Paul Ricafrente](#).

Governor Remolona also serves as DFIA National Selection Committee co-chair with Citi Philippines Chief Executive Officer Paul Favila.

“Digitalization is the secret sauce of financial inclusion—that is a key ingredient that can unlock huge inclusion opportunities (for greater access and participation),” Governor Remolona said.

He added, “Let us bring more Filipinos to the table, and (ensure that everyone) shares in this feast of progress and empowerment.”

Sixteen microentrepreneurs were awarded ₱100,000 each in cash prizes, along with laptops to help grow and enhance their businesses. The winners, representing various industries including food production, retail, and manufacturing, are Jaydee Abraham, Ligaya Arculo, Junbert Bentulan, Gregoria Bernabe, Helen Cedullo, Shanie Lou Depalubos, Hayreen Ecura, Ma. Lourdes Endriga, Teodoro Lamang Jr., Jessica Lavarias, Sunshine Genevive Mollintas, Ricardo Santos, Layzel Soto, Jaeme Tagle, Renalyn Tatad, and Melanie Torres.

The DFIA also recognized six MFIs for stepping up their game with applications for loan management, cash flow management, and other financial processes along with mobile applications to make transactions easier for their clients. The awardees included Alalay Sa Kaunlaran Microfinance Social Development, Inc.; Community Economic Ventures, Inc.; RAFI Micro-Finance, Inc.; and Tulay sa Pag-Unlad, Inc. Additionally, BPI Direct BanKo, Inc. and the National Confederation of Cooperatives received special citations for their efforts.

The BSP Governor expressed gratitude to the awardees for their contributions in advancing the NSFI and the BSP’s Digital Payments Roadmap.



2nd Financial Inclusion Forum for the Labor and Employers Sector

As part of the efforts to promote digital wage payments adoption in the private sector, the BSP and the DOLE co-hosted the 2nd Financial Inclusion Forum for the Labor and Employers Sector in July 2024.

Digital wage payments, or shifting payments from cash to transaction accounts, is one of the most effective tools in driving financial inclusion. However, despite the benefits that employers and employees stand to gain from wage digitalization, cash remains to be one of the most dominant forms of receiving payments in the Philippines, with around 70 percent of private sector salaries in the country still paid in cash.⁵

The forum thus aimed to raise awareness on the benefits of digital wage payments, deepen the understanding of how transaction accounts can unlock access to resilience-building financial products and services, and provide a platform where stakeholders can directly interact with government agencies and digital solutions providers.

To help achieve this objective, the International Labour Organization (ILO) and the Employers Confederation of the Philippines (ECOP) delivered presentations on the benefits of digital wage payments, while industry representatives Maya Philippines and 1 Cooperative Insurance System of the



(From left) BSP Director Rochelle Tomas, BSP Bank Officer Ruel Despabiladeras, Employers Confederation of the Philippines Governor Federico Marquez, Jr., BSP Deputy Governor Bernadette Romulo Puyat, DOLE Assistant Secretary Amuerfina Reyes, Maya Philippines Business Development Head of Ecosystem and Tech Partnerships Beatrice Carla Bengzon, and Cooperative Insurance System of the Philippines Chief of Underwriting Officer and Chief Technology Officer Christopher Marquez. Photos by the Bangko Sentral ng Pilipinas.

⁵ 2021 BSP Financial Inclusion Survey (FIS)

Sa pamamagitan ng pagsulong ng financial inclusion at digital na sistema ng pagbabayad ng sahod, mas magiging maginhawa, mabilis, at ligtas ang pagtanggap ng kita. [...] Bukod dito, nagbibigay ito ng mas malawak na akses sa serbisyonang pampinansyal at impormasyon para sa pag-iimpok na magpapalakas ng seguridad at katatagan ng bawat pamilya.

— DOLE Assistant Secretary Amuerfina Reyes

Philippines showcased the available digital payroll and microinsurance products in the market. The BSP also discussed salient features of the Financial Products and Services Consumer Protection Act (FCPA) to highlight the measures and mechanisms in place that protect consumers, and the Personal Equity and Retirement Account (PERA) to showcase other products that enhance an individual's financial resilience.

The forum was attended by over 120 participants, comprising representatives from labor and employer associations, individual employers, technical experts, and key government agencies. Forum participants were also given the opportunity to share their insights, where suggestions included the strengthening of security and infrastructure to enable wider adoption of digital wage payments.

The BSP is continuing its discussions with DOLE and other partner institutions on the potential development of policy issuances that can further promote digital wage payments, highlighting how it enables access to financial resilience-building products and services.

Promote the implementation of an industry sandbox for digital finance innovations

Regulatory Sandbox Framework

The implementation of an industry sandbox for digital finance innovation is one of the strategic initiatives identified in the NSFI 2022-2028. It gives importance to the potential of digital technologies in facilitating the delivery of fit-for-purpose financial services to unserved and underserved communities.

As of end-December 2024, the BSP received a total of 18 applications for its regulatory sandbox applications, with six specifically focused toward supporting MSME development and advancing financial inclusion. Use cases and business models vary but one notable sandbox project with a financial inclusion impact is the democratization of gold buying undertaken by PJ Lhuillier, Inc. (PJLI).

The activities experimented by PJLI are twofold: (i) enabling a pawnshop to act

as a gold-buying station (GBS); and (ii) utilizing a blockchain-based supply chain system for gold provenance. This sandbox activity aimed to address the limited access that small-scale miners (SSMs) and gold traders have to the BSP GBS. Currently, there are only five BSP GBS nationwide, while there are around 47 declared Minahang Bayans⁶—most of which are located far from the city centers and BSP GBS.

Through the sandbox, PJLI facilitated 599 transactions involving SSMs from T’boli in South Cotabato, Paracale in Camarines Sur, and Itogon in Benguet.⁷ The gold purchased from SSMs which were sold to the BSP reached 19.35 kilograms amounting to ₱72 million. Furthermore, the sandbox activity marked the first gold bar from T’boli delivered and sold to the BSP—an important milestone in inclusive gold trading and expanding opportunities for rural mining communities.

⁶ On estimate, there are 147 pending for declaration

⁷ Based on PJLI’s report, 97.9 percent of the gold sourced by the sandbox project was sourced from T’boli and only 1.1 percent and 6.9 percent was sourced from Paracale and Itogon, respectively. This is due to the challenges encountered by PJLI with Minahang Bayans and SSMs such as longer processing times and disagreements among miner association officers.



Camiguin is renowned as the home of the sweetest lanzones in the Philippines.
Photo by Lisyl Songco.



Advanced SupTech Engine for Risk-based Compliance (ASTERisC*)

Launched in 2023, ASTERisC* is a pioneering cloud-based solution designed to automate the BSP's cybersecurity supervision and streamline regulatory compliance of supervised institutions. By leveraging real-time dashboards, ASTERisC* enables the BSP to monitor cyber profiles, identify compliance gaps, and gather threat intelligence.

This proactive system enables deeper analyses and correlation capabilities to help the BSP implement risk-based and prudent supervisory decisions and shape cybersecurity policy direction.

For its implementation of ASTERisC* and in recognition of the Philippine central bank's innovative approach to enhancing cyber resilience, the BSP received the 2023 Cyber Resilience Initiative Award at the FinTech & RegTech Global Awards.⁸

Starting Jan. 1, 2025, ASTERisC* will be available to all banks and Virtual Asset Service Providers or VASPs.



Bank transactions. Photos by Suwinai Sukanant.

⁸ The FinTech & RegTech Global awards is spearheaded by the Central Banking organization, which provides mainstream publications on central banking as well as organizes key events, meetings and global awards aimed at advancing central banking and financial supervision agenda.

Regulatory sandbox approach for fintech innovators

In a move to facilitate responsible innovation, the SEC issued StratBox Memorandum Circular (MC) No. 09, s. 2024 or the SEC Strategic Sandbox (StratBox) to enable firms to test innovative products or services in a controlled setting before eventually offering them to the public. The regulatory sandbox also allows the SEC to craft and refine regulations and policies related to emerging technologies, backed by actual data.

StratBox seeks products and services that demonstrate genuine innovation which “may increase efficiency, manage risks better, create new opportunities, prevent fraud, promote financial inclusion, or enhance the lives of Filipinos.”⁹

The StratBox PhiloFintech Innovation Office (PhiliFINNO) is currently evaluating applications from eight StratBox participants whose proposed financial products and services innovations include global securities and equities, ownership of fractional shares of real estate through tokenization, online microfinance lending, and master feeder fund.



⁹ https://www.sec.gov.ph/wp-content/uploads/2024/05/2024MC_SEC-MC-No.-9-S.-of-2024-SEC-Stratbox-Strategic-Sandbox.pdf

Expand open finance use cases for mass market implementation

Open Finance Framework

The Open Finance Framework seeks to boost consent-driven data portability, interoperability, and stronger collaboration across industry players, encouraging active dialogue to foster mutual learning. By enabling the secure sharing of consumer financial data among participants, the framework supports the development of a wider range of customer-centric products such as investments, pensions, and insurance—ultimately advancing greater financial inclusion.

The BSP has identified the Personal Equity and Retirement Account (PERA) program as a promising use case to drive the adoption of the open finance framework within the industry. Created under Republic Act No. 9505, PERA is a voluntary retirement savings program which supplements state-based pension plans and/or employer-sponsored retirement plans. It aims to ensure financial security for Filipinos upon retirement, providing contributors with tax benefits that are not available in other retirement investment products.

Integrating PERA into the framework can help streamline the PERA account opening process, encourage greater participation among Filipinos, and establish a foundation for consent-driven data sharing agreements across the sector.



Race to the Future: The Open Finance Hackathon. Photos by the Bangko Sentral ng Pilipinas



Push reforms to fast-track digital connectivity as enabler of inclusive digital finance

Smart Village and Smart Island (SVSI)

SVSI is an initiative of the International Telecommunication Union (ITU) and adopted by the DICT in 2023. It is an innovative and collaborative approach to bringing connectivity and digital services to underserved and unconnected communities, designed to address socio-economic challenges through community-level digital transformation.

SVSI is currently being implemented in the Asia-Pacific region, including the Philippines.

The initiative aims to transform geographically isolated and disadvantaged areas (GIDAs) through the delivery of digitally enabled services, such as:

- deployment of telemedicine to improve access to diagnosis and other medical services in partnership with mWell;
- access to open and distance learning opportunities that will enable capacity building for teachers and school administrators, as well as access to quality literacy for children, youth, and adults;

- livelihood-driven skills training from the DOLE and Technical Education and Skills Development Authority (TESDA), as well as digital skills training from DICT; and
- broadband connectivity from DICT and telecommunication service providers.

SVSI was launched in Sacol Island as its pilot site in the Philippines in July 2023. Sacol Island is five kilometers from the mainland Zamboanga City, with a population of 14,000 comprising four barangays. Due to its geographical location, the island had very minimal established ICT infrastructure and basic telecommunications service in the locality.

Through the SVSI initiative, sustainable services on health, education, skills training, broadband connectivity, and other social services have now become accessible in the island.

As of December 2024, there are over 30 SVSI active sites all over the country. More sites are proposed for implementation in 2025.



Launch of the Smart Village Smart Island (SVSI) in Sacol Island, Zamboanga. Photos by the Philippine Information Agency and Jocelle Batapa Sigue



STRATEGY OBJECTIVE

02

Financial education
and consumer
protection

Strengthen financial education and consumer protection

Empowering financial consumers begins with equipping them with the right financial knowledge, skills, and behaviors to make informed decisions. To achieve this, well-designed, comprehensive, and sustainable digital financial literacy programs play a vital role and are most effective when delivered collaboratively by various stakeholders, all working within a shared framework and common objectives.

Equally critical to consumer empowerment is a sound regulatory environment—one that strengthens the market conduct across all types of financial service providers, ensuring consumer protection and trust in the financial system.

Advancing inclusion for Persons with Disabilities

The BSP, in collaboration with the National Council on Disability Affairs (NCDA), conducted focus group discussions (FGDs) with Persons with Disabilities (PWDs) in Manila and Cebu in November 2024. The FGDs sought firsthand insights to inform policies and initiatives aimed at furthering financial inclusion for the sector.

The discussions emphasized the crucial need to further enable inclusive finance and growth for PWDs. Drawing from their experiences on the use of financial products and services, the leading areas of concern identified by PWDs included sensitivity training, accessibility of e-money applications, recognition of PWD ID card as valid ID, and financial literacy initiatives.

The FISC actively champions the empowerment of PWDs, which is among the country’s underserved and unserved sectors. Several FISC member agencies, including the BSP, DSWD, DOLE, DepEd, DTI, DOTr, and DILG continuously contribute to disability-inclusive development through their involvement in the NCDA's governing board and sub-committees.

Following the successful FGDs in Manila and Cebu, more FGD sessions covering the Mindanao region, including the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), are scheduled in 2025. Results of the FGDs will be consolidated into a report to be distributed to pertinent stakeholders for appropriate action.



The National Council on Disability Affairs and the Bangko Sentral ng Pilipinas is joined by the Department of Social Welfare and Development for a focus group discussion with the persons with disability sector. Photos by Hannah Adriano.





Joint launch of the Innovative Financial Education Programs of the Bangko Sentral ng Pilipinas held on Aug. 5, 2024. Photos by the Bangko Sentral ng Pilipinas.

Develop and implement a common framework for effective, consistent, and sustainable delivery, monitoring, and evaluation of financial literacy programs

New financial education modules were also introduced and handed over to the DepEd, Civil Service Commission (CSC), Bureau of Fire Protection (BFP), and Philippine National Police (PNP) during the BSP Financial Education Stakeholders' Congress in November 2024.

New institutional partnerships

The FISC member agencies have been expanding their financial education partnerships. In 2024, the BSP signed agreements with the DA, DSWD, DepEd, and Credit Card Association of the Philippines (CCAP).

The DA collaboration aims to streamline programs for small farmers and fisherfolk. The DSWD partnership, on the other hand, focuses on training employees and local governments' social welfare officers. The BSP also renewed its commitment with DepEd to enhance financial literacy for K to 12 learners and DepEd personnel, including developing e-learning modules for teachers.

Enhanced learning materials

In July 2024, the BSP and the DTI launched three financial education videos for MSMEs.

Also in 2024, the DepEd Learning Resource Portal recorded 150,139 downloads for financial education lesson exemplars. Additionally, 302 new lesson exemplars were finalized for use of teachers in classroom instruction. The BSP likewise co-developed a financial education short course for the Alternative Learning System (ALS) for out-of-school youth and disadvantaged adult learners. In addition, the BSP, Bureau of Fisheries and Aquatic Resources (BFAR), and BDO Foundation refined the Fish N' LEarn game to benefit agriculture workers not just in fishing, but also in aquaculture and salt production.

Ongoing initiatives with institutional partners

In 2024, the BSP held a writeshop with the Armed Forces of the Philippines (AFP), PNP, and BFP to finalize their monitoring and evaluation framework

and tools.

The BSP and its network of trainers reached over 6.3 million beneficiaries in 2024. This consisted of students, overseas Filipino workers, military and civilian personnel, farmers, fisherfolk, and local government unit stakeholders in Alcala, Pangasinan and Odiongan, Romblon.



Institutionalize an annual financial education stakeholder conference to sustain consistent adoption of the common framework

Since 2018, the BSP has been conducting an annual Financial Education Stakeholders’ Congress. This landmark event, which brings together financial education partners, highlights joint programs, fosters synergy, builds a network of advocates, and provides public learning sessions. In 2024, the two-day Congress, which focused on innovation and sustainability, had 692 in-person attendees and 1,776 Zoom participants from various sectors.



The Financial Education Stakeholders’ Congress held on Nov. 19-20, 2024.
Photos by the Bangko Sentral ng Pilipinas.

Develop innovative platforms for financial literacy training, including online and alternative modes of delivery

E-Learning programs and financial learning sessions

The BSP E-Learning Academy or BELA was launched in August 2024. BELA is an online learning platform designed to enhance access to economic and financial education. Its first batch of e-learning modules¹ is currently available to select institutional partners² and may also be accessed by technical and vocational learners via TESDA’s online portal.

Alongside BELA, the BSP has been delivering learning sessions through both traditional in-person and virtual learning formats. In 2024, the central bank reached more than 147,000 participants through the conduct of around 1,300 sessions.³

PisoLit on social media

The BSP continues to actively engage its target audiences online through PisoLit, a financial education social media page that offers relatable and practical financial tips, scam prevention reminders, consumer protection advisories, and economic education resources. Since its launch in 2017, PisoLit has grown its online community to nearly 65,000 on Facebook and over 500 on Instagram.

In 2024 alone, PisoLit gained over 1,000 new Facebook followers and maintained steady engagement across platforms, with content achieving an average reach of over 2,100 per post on Facebook and 61 on Instagram. Engagement rates remained robust, with Facebook posts reaching a 3.10 percent engagement rate per reach and Instagram posts achieving 6.70 percent, underscoring the continued relevance and impact of PisoLit’s financial education efforts.

Financial literacy component of Paleng-QR Ph Program

The Paleng-QR Ph Plus program, a joint initiative of the BSP and DILG, also continues to offer digital financial literacy sessions for market vendors, public utility vehicle (PUV) drivers, and small businesses. In 2024, 176 sessions were conducted for 14,304 stakeholders. *(see related article on pp. 56-57)*

Digital financial literacy sessions for Paleng-QR Ph Plus.
Photos by the Bangko Sentral ng Pilipinas

¹ Financial planning, budgeting and saving, and debt management.

² BDO Foundation, Insurance Commission (IC), Philippine Deposit Insurance Corporation (PDIC), SEC, AFP, BFP, PNP, Commission on Higher Education (CHED), CSC, Department of Agriculture’s Agricultural Credit Policy Council and BFAR, DepEd, DMW, DSWD, DTI, Technical Education and Skills Development Authority (TESDA), and Junior Confederation of Finance Associations Philippines.

³ Conducted by the BSP Economic and Financial Learning Office and Regional Economic Affairs Staff.

PESO Sense

The PESO Sense Program of the Commission on Filipinos Overseas (CFO) continued to promote financial literacy among overseas Filipinos and their families in 2024. Its Facebook page gained 40,000 new followers, reaching over 3.8 million, with an average of 12 million weekly engagements. The PESO Sense Savers Group also grew to over 700,000 members. Throughout the year, 473 inspiring Ipon Challenge stories were featured, encouraging saving and responsible financial habits.

The CFO expanded partnerships to strengthen the program's reach. Initial plans with the DMW aim to integrate PESO Sense into pre-departure orientations, especially for OFWs in the cruise industry. In addition, a terms of reference document was signed with LANDBANK on Dec. 17, 2024, to enhance financial inclusion and provide modern financial tools. The CFO also began discussions with the Philippine Stock Exchange to include investment literacy in the program, empowering OFWs with the knowledge to make informed investment decisions.

'Be a Wise Saver' and 'Maniguro, Magbangko, Umasenso' campaigns

As part of its continued campaign to promote safe and responsible banking habits and the importance of deposit insurance, the PDIC conducted 32 Be a Wise Saver (BAWS) financial literacy sessions in 2024. The BAWS sessions, conducted in face-to-face and online modalities, benefited around 3,700 government and private employees, retirees, college students, and academic professionals.

The PDIC partnered with the Government Service Insurance System (GSIS) for government workers and retirees, and various government and private organizations⁴ to further expand the reach of PDIC's financial literacy programs to as many target audiences and beneficiaries.

Since 2023, the PDIC, in partnership with the Office of the Vice President and DTI, has also been conducting financial literacy sessions among marginalized women communities.

In 2024, building on the gains of its "Maniguro, Magbangko, Umasenso" (MMU) multimedia public awareness campaign, the PDIC amplified the information materials that were developed under the project to promote the key message of saving in banks to secure one's future.

Under the multi-year campaign, the following materials have been developed and aired in various traditional and social media platforms: four TV commercials, six radio commercials, five institutional advertisements, eight explainer videos, five brochures, and 13 radio segment episodes. These were aired over nationwide TV and radio programs, and amplified in social media (Facebook and YouTube).

The MMU campaign reached out to both the banked and unbanked segments of the population to impart the PDIC's pledge of protection: "Bank deposit mo, protektado!"

Piso caravan in Carigara, Leyte. Photo by Hannah Adriano.

⁴ Commission on Elections (COMELEC), Philippine Information Agency (PIA), Caraga State University, Bulacan State University, Laguna Bel-Air Senior Citizens Association, and the university-based Junior Financial Executives Institute of the Philippines

Digital financial literacy for 4Ps beneficiaries

The DSWD has rolled out its digital financial literacy initiative for 4Ps beneficiaries, e-Panalo ang Kinabukasan. The initiative is an offshoot of DSWD’s regular financial literacy sessions offered through the Family Development Sessions (FDS) which started in 2020.

Following the pilot test of the initiative in the National Capital Region (NCR) and Regions V, VI, VIII, X, and Caraga in February 2024, the DSWD proceeded with the nationwide roll out of e-Panalo in May 2024. Among the selected areas for implementation were MIMAROPA and Region XI, where a significant number of beneficiaries in GIDAs are located, based on 4Ps records.

A total of 503,478 beneficiaries nationwide participated in the digital financial literacy sessions offered face-to-face, online, and via livestreaming platforms, equivalent to 99.59 percent of the target beneficiaries. The participants included 481,305 beneficiaries from GIDAs.

e-Panalo Caravan was further conducted for 32,000 households categorized as Level 1 (L1) or Survival Level of Well-Being (LOWB), featuring a

special FDS.

As part of the institutionalization of 4Ps and to promote financial inclusion among program beneficiaries, the DSWD started the shift of the disbursement system from cash cards and direct payouts to transaction accounts in 2019. These goals are complemented by the implementation of digital financial literacy through e-Panalo, commencing with 4Ps beneficiaries.

Strengthening workers’ associations

The Workers Organization Development Program (WODP) is an offshoot of the DOLE’s mandate to strengthen the workers’ organizations as independent and active partners in national development. It promotes the advancement of workers’ empowerment through the provision of training programs and educational and technical assistance to workers’ organizations, their officers, members and legitimate dependents.

From 1994 to Dec. 31, 2024, a total of 2,541 training sessions have been conducted for over 20,381 organizations and 103,926 workers under WODP.



Digital financial literacy session for Paleng-QR Ph Plus vendors and PUV drivers in Carigara, Leyte. Photo by Hannah Adriano.

Strengthen prudential regulation and supervision and market conduct capabilities of financial regulators, including cybersecurity

Financial Products and Services Consumer Protection Act (FCPA)

In 2024, the BSP continued to implement Republic Act (RA) No. 11765, also known as the Financial Products and Services Consumer Protection Act. This was operationalized via BSP Circular Nos. 1160⁵ and 1169⁶, which outline the minimum regulatory expectations for BSP-supervised institutions in upholding consumer rights. These rights include:

- **Equitable and fair treatment.** Financial institutions are required to treat clients fairly, ethically, and professionally at all stages of their relationship. They must also ensure non-discrimination based on gender, income, religion, political affiliation, or disability.
- **Disclosure and transparency.** Institutions must provide clear, accurate, and timely information about the benefits, terms, and risks of financial products and services.

- **Protection of consumer assets against fraud and misuse.** Mechanisms must be in place to safeguard clients' funds and assets from loss, negligence, fraud, or misuse.
- **Data privacy and protection.** In compliance with data privacy laws, institutions must protect clients' personal and account information. This includes obtaining informed consent for the collection, use, and sharing of personal data with third parties.
- **Timely handling and redress of complaints.** Institutions must offer accessible, fair, and timely mechanisms for addressing consumer concerns and complaints –free of charge.

Public information and education campaign on FCPA

To raise awareness of these rights and empower consumers to protect themselves from financial harm, the BSP implemented a comprehensive communication plan. Key initiatives included regional roadshows and media information sessions conducted in collaboration with internal and external stakeholders.

⁵ Regulations on Financial Consumer Protection to Implement FCPA.

⁶ Rules of Procedure for the Consumer Assistance Mechanism, Mediation, and Adjudication of Cases in the BSP.

Additionally, the BSP actively disseminated FCPA-related content through its official social media channels.

Another FISC agency, the CDA, continued the conduct of webinar orientations on the FCPA in 2024, in line with its public information drive and education campaign on the law. Attended by cooperatives with lending, financial, and other services from various regions, the orientations sought to foster awareness and understanding of financial consumers' rights and remedies provided for under the FCPA and its implementing rules and regulations (IRR).

The CDA FCPA IRR, issued per CDA Memorandum Circular No. 2023-14, covers all financial products and/or services offered or marketed by all types of cooperatives as authorized in its articles of cooperation and by-laws, except insurance cooperatives and cooperative banks.

Support for financial consumers

The BSP continued to support financial consumers, particularly those dissatisfied with how their financial institutions addressed their concerns. Through the Consumer Assistance Mechanism (CAM), the BSP processed a

total of 70,112 new complaints, marking a 63 percent increase from the 2023 total of 43,115. Notably, 94 percent of these complaints were submitted via the BSP Online Buddy (BOB)—the chatbot platform of the BSP CAM. Among consumers who responded to the BOB satisfaction survey, 73 percent expressed satisfaction with their experience.

Anti-Financial Account Scamming Act (AFASA)

The BSP also played a key role in the passage of RA No. 12010, or the Anti-Financial Account Scamming Act which was enacted on July 20, 2024 and took effect on Aug. 12, 2024. The AFASA criminalizes money muling, phishing, and other forms of social engineering that compromise the integrity of financial accounts.

It mandates financial institutions to implement robust fraud management systems to protect client accounts and holds them accountable for system weaknesses that result in consumer losses.

The AFASA empowers the BSP to investigate disputed financial transactions and coordinate with law

enforcement authorities in prosecuting fraudsters. These powers are enabled by the partial lifting of bank secrecy and data privacy laws, allowing more effective oversight and enforcement.

To reinforce AFASA's alignment with the FCPA, the BSP issued:

- **Memorandum No. M-2024-029**, reiterating guidelines on risk management systems and controls to protect financial accounts; and
- **Memorandum No. M-2024-030**, emphasizing the full implementation of Circular No. 1160, particularly on the temporary holding of disputed funds to safeguard consumer assets from fraud and misuse.

Next steps include the issuance of the AFASA's IRR, within one year of the law's effectivity.

Overall, the FCPA and AFASA strengthen the implementation of the NSFI 2022–2028 by promoting consumer protection, trust, and security in the financial system. These laws play a critical role in fostering inclusive and resilient financial ecosystems by ensuring that all Filipinos—especially the most vulnerable—can safely access and benefit from formal financial services.



ATM and over-the-counter transactions.
Photos by Clauí Campos.



Anti-Scam and Illegal Taking of Investments Group (ASTIG)

To further enhance the ASTIG program, the SEC has been in the process of establishing a hotline dedicated to the ASTIG Network, which will serve as a direct reporting mechanism for scams. The proposed hotline has been presented to over 5,000 barangay officials during their congress at the SMX Convention, featuring its use case as a speed dial for barangay officials to report suspicious activities within their jurisdictions. The initiative will ensure that reported cases are well-filtered and actionable, allowing SEC case officers to respond immediately.

The SEC also seeks to strengthen its partnerships with the DILG and the PNP. The interagency collaboration initiatives aim to enable these agencies to act as multipliers in propagating scam prevention efforts, ensuring a coordinated approach to tackling investment fraud and empowering communities to effectively protect themselves from financial scams.

The creation of ASTIG likewise seeks to build the capacity of local government units and other government agencies to protect their stakeholders or constituents from investment scams through information sharing,

training of frontliners and law enforcement agents, and other similar collaborations. The program also develops scam awareness initiatives through partnerships with pioneering members, such as the DILG and DMW.

By educating both public and barangay authorities, the SEC envisions a comprehensive ground-level coverage to ensure that scammers can be swiftly identified and reported.

STRATEGY OBJECTIVE

03

Risk protection and social safety nets



Enhance access to risk protection and social safety nets

Well-designed public and private mechanisms, such as cash assistance, health and unemployment insurance, disaster risk insurance, and pension schemes, are crucial in advancing financial inclusion and building resilience, particularly within the vulnerable sector.

Strategic interventions are necessary to support the continuous development and enhancement of these protection mechanisms, optimizing financial inclusion and resilience impact on target beneficiaries. By leveraging digital finance, financial inclusion can significantly improve the efficiency and coverage of these programs, ensuring that more individuals are better equipped to manage financial shocks.

Convert limited-purpose cash card accounts used for government cash transfer programs into full-service transaction accounts

Upgrading of 4Ps Cash Cards into transaction accounts

The DSWD continued to upgrade the limited-purpose 4Ps cash card accounts into full-service transaction accounts. The initiative advances financial inclusion among 4Ps beneficiaries by giving them access to a wider range of financial products and services beyond receiving cash transfers.

Full-service transaction accounts can be used by 4Ps beneficiaries for savings, remittances, and other digital financial transactions.

As of Q4 2024, 98.96 percent of 4Ps households have received their benefit through transaction accounts.

The DSWD aims to provide cash grants to 100 percent of its 4Ps beneficiaries through full-service transaction accounts.

Leverage PhilSys to improve registration and payment of social welfare and cash assistance

Ensuring quality of 4Ps data

Recognizing its importance in the government’s digitization initiative and ensuring the quality of 4Ps data in the Pantawid Pamilya Information System (PPIS), the DSWD has been capturing the PhilSys Card Number (PCN) of the program beneficiaries.

PCN is a unique identifier given to an individual registered in the PSA’s Philippine Identification System. Service providers, specifically those that provide social services, may use the PCN in determining the identity of the individuals being served to avoid duplication, misrepresentation, and other issues relating to identification of beneficiaries.

As of Dec. 31, 2024, out of 25,420,752 target 4Ps members for PhilSys registration, the program has already covered a total of 14,315,349 (56.31 percent) matched with transaction reference numbers (TRN) on the PhilSys registry.



Children of Olango Island, Lapu-Lapu City, Cebu.
Photo by Greys Capuyan.

Adopt digital solutions for social safety net programs to streamline enrollment, contribution payment, and claims and records processing

Digitalization of the registration and payout of DSWD Crisis Intervention Unit

The DSWD entered into a MOA with LANDBANK in 2024 to expedite the disbursement of assistance to DSWD beneficiaries. Through this collaboration, LANDBANK serves as the department’s disbursement partner and engages with the accredited financing intermediary to distribute cash aid. The hybrid payout scheme was successfully piloted in Region III.

In line with the end-to-end process automation of the Assistance to Individuals in Crisis Situation (AICS) program, the AICS system is also being developed by the DSWD. The system aims to enable clients to apply for assistance through an online portal. Its core operational processes include online application and registration for the issuance of a guarantee letter.

Use of Electronic Benefit Transfer (EBT) cards for the Walang Gutom 2027: Food Stamp Program

In 2024, the Walang Gutom Program 2027: Food Stamp Program (WGP) of the DSWD served a total of 162,375 household beneficiaries across 10 regions and recorded a total of 300,000 registered beneficiaries. A total of 806 partner retailers serving WGP beneficiaries have also been onboarded.

The WGP highlights a mechanism for the delivery of social protection interventions through the use of digital platforms to access food. As one of the new flagship programs of the DSWD, it aims to decrease the incidence of involuntary hunger experienced by low-income Filipino households, fostering a sustainable population conducive for nation building. The program also gives particular focus to households with pregnant and lactating women to support their nutritional needs.

The program provides monetary-based assistance in the form of an EBT card which will be loaded with food credits amounting to ₱3,000 per month for a period of 36 months. The food credits allow beneficiaries to purchase a select list of food commodities from partner merchant stores.

The DSWD has identified target areas for implementation based on a comprehensive set of criteria. These include priority areas in the Philippine Plan of Action for Nutrition and regions with the highest poverty and subsistence incidence, as recorded by the PSA.



Portraits from all over the country. Photos by [Jemuel Verzola](#).

STRATEGY OBJECTIVE

04

Enhance agriculture and MSME financing

A robust and sustainable financing ecosystem is one that encourages the participation of a diverse range of players in serving agriculture and MSME clients, including start-ups, as strategic market segments. Achieving this requires strong financial infrastructure, such as credit guarantees and credit information registry, alongside supportive legal frameworks like a secured transactions framework aimed at reducing risks and associated costs involved in providing credit and equity to these vital sectors.

Well-designed government assistance programs, financial or non-financial, can be strategically designed to enhance the income potential and bankability of their beneficiaries. As the agriculture and MSME sectors gain recognition as strategic market segments, a growing number of financial institutions are expected to invest in developing specialized skills, tools, and approaches to effectively compete for this market.

Agriculture and MSME financing



Pandesal is a staple bread roll in the Philippines commonly eaten for breakfast.
Photo by Studio Philippines.

Fast-track implementation of RA 11337 (Innovative Startup Act)

Startup Grant Fund

The implementation of the Innovative Startup Act is being facilitated by the Department of Science and Technology (DOST) through the Startup Grant Fund (SGF) implemented by its three sectoral councils: the Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD); the Philippine Council for Health Research and Development (PCHRD); and the Philippine Council for Industry, Energy, and Emerging Technology Research and Development (PCIEERD).

PCAARRD SGF Program

As of 2024, the PCAARRD SGF Program has reached its third batch of grantees, with eight SGF projects approved and currently being implemented. A total amount of ₱ 15,270,120.00 funds have been released.

The geographical distribution of SGF grantees for 2024 is diverse, with the three major island groups represented: three projects from Luzon, four from

Visayas, and one from Mindanao.¹ The projects officially started in September 2024, with completion expected in August 2025.

PCHRD SGF Program

In support of the operationalization of RA No. 11337 or the Innovative Startup Act, the DOST-PCHRD provides financial assistance for the conduct of research and development (R&D) activities of Filipino-owned health startups to promote the health startup ecosystem in the country through the Startup Research Grant Program (SGP).

In 2024, PCHRD funded R&D projects and commercialization of two health startups: (1) CP Health Innovations, Inc.’s empowerment of Rural Health Units’ (RHUs) tuberculosis service delivery and sustainability through CareGo Health Suite in accordance with the Universal Healthcare Law, and (2) Ayo Tech Corporation’s development and commercialization of negative pressure wound therapy service. The projects cost ₱3,993,452.00 and ₱2,496,528.00, respectively.

¹ Pangasinan, Batangas, and Mindoro from Luzon; Capiz (three projects) and Guimaras from Visayas; and Bukidnon from Mindanao

DOST-PCAARRD Technology Transfer and Promotion Division Director Noel Catibog (center) joined key officials and staff from the University of the Philippines Institute for Small-Scale Industries (UP ISSI), along with representatives from eight startup companies, to launch the 3rd Startup Grant Fund (SGF) program on Sep. 18, 2024, at the DPITC, Los Baños, Laguna. Photo by TTPD, DOST-PCAARRD.



DOST-PCAARRD and UP ISSI key officials, staff, and SGF batch 3 beneficiaries during the signing of their partnership agreement also held at the DPITC, Los Baños, Laguna on Sep. 18, 2024. Photo by TTPD, DOST-PCAARRD.



Sinigang is a Filipino soup or stew characterized by its sour and savory taste. Photo by Studio Philippines.



PCIEERD SGF Program

This program supports innovative startups to overcome R&D roadblocks, establish market traction, and validate business model.

A total of ₱270 million funding has been provided to 66 startups (for all three DOST Councils); 2,088 jobs have been created; and ₱86.5 million in investments has been raised, and ₱371.9 million in revenue has been generated.

PCIEERD also implements other programs that assist startups and enterprises.

Other DOST programs in support of startups

In addition to the SGF, DOST has also been implementing other programs in support of startups in the country.

- Women Helping Women Innovation Social Enterprise (WHWISE) Program empowers women-led social enterprises with funding, incubation and technical support.²

² Accomplishments of WHWISE Program include ₱53 million in funding to 15 enterprises; National Search for Most Innovative Social Enterprises with ₱3.7 million funding; and Building and Leveraging Entrepreneurship Development, Networking and inclusive Community Engagement for Women Entrepreneurs (iBLEN D NICE 4WomEn) incubation program with ₱16.8 million funding.

³ ReSEED accomplishments include the establishment of 16 consortia; ₱120 million funding; conduct of 95 regional events; 62 startups mentored; and 10 RDC signatories.

⁴ There are seven regional programs, 53 State Universities and Colleges (SUCs) and Research and Development Institutes (RDIs), and ₱193 million funding under RAISE.

⁵ TECHNICOM has supported 18 startups and provided ₱73.8 million in funding.

- Regional Agri-Aqua Innovation System Enhancement (RAISE) Program boosts commercialization of agri-aqua technologies through ecosystem collaboration.
- Technology Innovation for Commercialization (TECHNICOM) Program, which funds early-stage R&D outputs and startup technologies for commercialization, has supported 18 startups and provided ₱73.8 million in funding.
- Regional Startup Enablers for Ecosystem Development (ReSEED) Program strengthens regional startup ecosystems through consortium-building and collaborative undertakings.³
- Regional Agri-Aqua Innovation System Enhancement (RAISE) Program boosts the commercialization of agri-aqua technologies through ecosystem collaboration.⁴
- Technology Innovation for Commercialization (TECHNICOM) Program funds early-stage R&D outputs and startup technologies for commercialization.⁵

Develop, enhance, and promote the use of credit risk information support (e.g., Credit Information System, Credit Risk Database) for all financial institutions

SBLAF

The Standard Business Loan Application Form (SBLAF) serves as the primary screening tool for loan applications submitted to covered entities (CEs),⁶ in accordance with BSP Circular No. 1156, issued on Sept. 30, 2022. It has been instrumental in streamlining loan application procedures and reducing documentary requirements, especially for MSMEs.

To encourage early adoption,⁷ the BSP issued Memorandum No. M-2024-004 in January 2024 that grants regulatory incentives to CEs that integrate SBLAF templates into their processes. Qualifying entities benefit from a 20-percent reduction in their assessed Annual Supervisory Fee (ASF), or up to ₱2 million, whichever is lower, for the years 2024 and 2025. Following an evaluation of submitted applications,

66 out of 83 CEs were found eligible for early adoption status.

A series of briefing sessions was organized by the BSP in the fourth quarter of 2024 to support SBLAF implementation.⁸ These sessions provided guidance on the adoption process and enhanced CEs' understanding of how the templates facilitate MSME lending. An audio-visual presentation was also developed to increase awareness and accessibility of SBLAF among MSMEs and financial institutions.

On Dec. 16, 2024, the BSP issued Memorandum No. M-2024-041 providing the guidelines and deadlines for report submissions. Looking ahead, the Philippine central bank is planning to publish a comprehensive set of frequently asked questions in the first quarter of 2025 to support stakeholders' compliance with the circular.

⁶ Includes (i) banks and their subsidiary/affiliate financing and leasing companies; (ii) government non-bank financial institutions; and (iii) financing/leasing companies with quasi-banking license that are not subsidiaries of banks.

⁷ Early adoption means that a CE has fully implemented the SBLAF templates in accordance with Circular No. 1156 by Oct. 28, 2023 or six months prior to the end of the prescribed transition period on April 28, 2024.

⁸ Four SBLAF briefing sessions on the Adoption of SBLAF: (1) On Nov. 21, 2024 at BSP-MRO in Davao City; (2) On Nov. 26, 2024 at BSP-VRO in Cebu City; (3 and 4) On Dec. 10-11, 2024 at BSP-Head Office.



Briefing session on the adoption of the Standard Business Loan Application Form (SBLAF) in Davao City. Photo by Hannah Adriano.



BSP Governor Eli Remolona, Jr. and Chief Representative of JICA Philippines Office Sakamoto Takema (fourth and fifth from left) present the “Records of Discussion” for the second phase of the Credit Risk Database project at the BSP head office in Manila. With them (from left) are BSP Managing Director Charina De Vera-Yap, Deputy Governor Bernadette Romulo-Puyat, Monetary Board Member Jose Querubin, Embassy of Japan (EOJ) Minister for Economic Affairs Nihei Daisuke, JICA Senior Representative Fukui Keisuke, EOJ Second Secretary Sugimoto Kensuke, and JICA Section Chief Leah Penarroyo.

Credit Risk Database

Building on the successful development and initial deployment of the credit risk database (CRD) scoring model to pioneer participating financial institutions which primarily cover the outputs for Phase 1 of the CRD project, the BSP and the Japan International Cooperation Agency (JICA) have reaffirmed their commitment and continued partnership to broaden access to financing SMEs.

On Dec. 11, 2024, a ceremony was held at the BSP head office in Manila where BSP Governor Eli Remolona, Jr. and Chief Representative of JICA Philippines Office Sakamoto Takema formally presented the signed “Records of Discussion” for Phase II of the CRD project. The next phase is set to run for two years and aims to expand the reach and impact of the CRD initiative, further empowering SMEs across the country.

The document formalizes the agreement between the BSP and JICA to transition the CRD to permanent operations, explore the development of additional services, and establish the next steps for the project.

The CRD plays a vital role in boosting financial inclusion by generating probability of default and credit score

that participating financial institutions can use to evaluate the creditworthiness of SMEs. By promoting risk-based lending practices, the CRD reduces dependence on collateral which enable SMEs without prior credit histories to access financing opportunities, further strengthening the SME lending ecosystem.

In 2020, the BSP and the JICA started building the CRD comprising a large-scale database of anonymized financial, non-financial, and performance-related data from SMEs. During the initial phase of the project, the team successfully created the SME database and developed a credit-scoring model and tool designed to support data-driven lending decisions.

Strengthen the Credit Surety Fund (CSF) as an LGU-based Credit Enhancement Scheme

The CSF is an advocacy program of the BSP to support MSMEs. It aims to increase the creditworthiness of MSMEs that encounter challenges in obtaining loans from banks due to lack of acceptable collateral, credit knowledge, and credit track record. The CSF serves as an alternative to hard collaterals by providing a maximum surety cover of 80 percent to loans granted by banks to MSMEs.

The fund is created from the pooled contributions of participating cooperatives/nongovernment organizations, LGUs, and partner institutions, including the Development Bank of the Philippines (DBP), LANDBANK, and Philippine Guarantee Corporation (PGC).

In 2024, the BSP, through its training service provider, conducted four CSF 101 training of trainers courses as part of its role in implementing a capacity-

enhancement program to improve the capability of CSF cooperatives. The training courses were held in Sta. Rosa City, Puerto Princesa City, Cebu City, and Davao City. To date, the BSP has also facilitated strategic planning seminars for 21 CSF cooperatives.⁹ In addition, the BSP has conducted orientation sessions for 23 LGUs¹⁰ on the CSF program.

To better promote the CSF, the BSP also produced an audio-visual presentation (AVP) on the CSF primer in September 2024.

As of Dec. 31, 2024, there are a total of 45 registered CSF Cooperatives, eight of which were registered in 2024. An estimated aggregate amount of ₱7.45 billion in loans has been released, reaching 926 beneficiaries.¹¹

⁹ Tacloban City, Palawan, City of Sta. Rosa, Davao City, Davao de Oro, Digos City, Baguio City, Benguet, Bohol, Butuan City, Agusan del Norte, Province of Cotabato, Occidental Mindoro, Tacurong City, Dinagat Islands, Nueva Ecija, South Cotabato, La Union, Pangasinan, Camarines Norte and Batangas.

¹⁰ Camarines Norte, Tabuk City, Kalinga, Alaminos City, Quirino Province, Zamboanga City, Lucena City, Pasay City, Mandaluyong City, Apayao Province, Malolos, Bulacan, Ilocos Norte, Zamboanga Sibugay, Surigao del Sur, Iligan City, Cagayan de Oro City, Mountain Province, Iloilo Province, Calapan City, Mindoro, Olongapo City, Palawan Province and Northern Samar.

¹¹ Source: Cooperative Development Authority preliminary 2024 CSF data



Credit Surety Fund in Puerto Princesa, Palawan.
Photo by Hannah Adriano.

Ensure effective implementation of the Personal Property Security Act and support passage of law promoting credible warehouse receipts system

Movable Asset Finance

Movable Asset Finance (MAF) is a key lending methodology that includes innovative financing products such as Warehouse Receipt Finance (WRF), Warehouse Finance (WF), and Supply Chain Finance (SCF). MAF allows businesses, particularly MSMEs, to leverage movable assets like machinery, accounts receivable, and inventory as collateral, providing an alternative to traditional financing that often requires real estate. MAF is an important initiative in fostering a more inclusive financing ecosystem for MSMEs through the development and adoption of movable asset financing solutions.

Guided by the results of the SCF Market Development Study, the BSP has continued its collaboration with the International Finance Corporation (IFC) to develop the Philippine MAF market. The BSP and IFC are in the process of formalizing their partnership on a multi-year program aimed at expanding MAF's reach and improving MSME finance in the country.

In 2024, the BSP and IFC co-organized several capacity-building activities to increase awareness and understanding of MAF. The Training on Factoring session, which provided financial service providers with a foundational understanding of factoring, its regulatory and legal aspects, risk management, and best practices, was conducted by the BSP and IFC in March 2024. This was followed by Training on MAF for BSP officers conducted by the IFC to enhance their understanding of MAF and provide them with examples of developed movable asset markets.

The Workshop on Warehouse Finance, held in November 2024, brought together stakeholders from universal and commercial banks, non-bank financial institutions, and the MAF Core Group (*see related article on NSFI core groups on page 31-32*) to discuss the product's potential in the Philippines. The workshop further highlighted warehouse finance—a key MAF product that enables businesses to borrow against the value of their inventory held in a warehouse as collateral.

These initiatives altogether demonstrate the government's continued dedication to enhancing financial inclusion for MSMEs by promoting the adoption and development of movable asset

financing solutions. By expanding access to alternative financing models, MSMEs can leverage their inventory and other movable assets as collateral, improving their ability to secure funding and sustain business growth.

By embarking on strategic partnerships, targeted training programs, and stakeholder engagement, the government remains focused on strengthening the Philippine MAF market. These efforts contribute to a more dynamic and diversified financial ecosystem, ensuring that businesses of all sizes have the resources and support needed to thrive.

Moreover, the government through its agencies and instrumentalities will continue to refine and expand its initiatives, further enhancing the role of movable asset financing in MSME development and fostering long-term economic resilience.



Assorted dry goods. Photo by [Paul Ricafrente](#).

Strengthen capabilities of rural financial institutions for sustainable and innovative agriculture and MSME lending

Accessible loans for agrarian reform beneficiaries

Since its launch in 2022, the Accessible Loans for Empowered, Resilient and Transformed-Agrarian Reform Beneficiaries Organizations (ALERT-ARBOs) program has disbursed ₱444.05 million to 160 ARBOs, highlighting its significant role in supporting agrarian reform communities.

In 2024, loan releases for 95 ARBOs reached a total of ₱234.44 million.

The ALERT-ARBOs program provides credit assistance, capacity development activities, technical and other support services to help strengthen ARBOs. It aims to integrate ARBOs into regular lending windows offered by formal financial institutions. Eligible borrowers can receive loans based on the total cost of their projects or production, with five percent fixed interest rate per annum.

DA lending programs

Agri-Negosyo Loan Program

The Agri-Negosyo Program, previously called ANYO, recorded the highest loan disbursement among the ACPC programs, with a total of ₱7.09 billion disbursed to 63,184 SFF and MSE borrowers. In 2024 alone, Agri-Negosyo Program led in loan releases, providing ₱1.57 billion to 12,957 SFF and MSE-borrowers, demonstrating its vital role in supporting the agricultural sector.

The Agri-Negosyo Program aims to provide accessible and affordable credit to eligible borrowers, empowering them to finance capital requirements that enhance the efficiency, productivity, and profitability of their farm or non-farm income-generating activities. The program offers loans of up to ₱300,000 to qualified individual farmers and fisherfolk, and up to ₱15 million to organizations, associations, OFWs, and micro and small enterprises (MSEs) engaged in agriculture and fisheries. The loans carry a low interest rate of two percent, payable over a period of up to five years, making the program a sustainable financing option for agripreneurs.

Young Agripreneurs Program

The Young Agripreneurs Program, previously called KAYA, has recorded a total of ₱187.13 million disbursement to 954 SFF and MSE borrowers. For the year 2024, it released ₱14.12 million in loans to 52 SFF and MSE borrowers.

The Young Agripreneurs Program provides loans to support the working capital and fixed asset acquisition needs of young entrepreneurs and agri-fishery graduates aged 18 to 30 years old for start-up or existing agri-based projects. Eligible borrowers can access loans of up to ₱500,000 at two percent interest rate, with a repayment period of up to five years, depending on the projected cash flow and project gestation period.

Survival and Recovery Program (SURE)/Calamity Assistance Program

The SURE program has extended immediate relief totaling ₱1.51 billion to 97,788 SFF borrowers. In 2024 alone, SURE was among the top ACPC programs in loan disbursements, releasing ₱147.32 million to 5,955 SFF borrowers.

SURE provides financial assistance to help marginal and small farmers and

fisherfolk recover from natural disasters, calamities, animal disease outbreaks, and other crises. The program offers loans of up to ₱25,000 at zero percent interest, with a repayment period of up to three years to support the rehabilitation of farming, fishing, and livelihood activities. The DA Regional Field Offices in coordination with the Municipal/ City Agriculture Offices are responsible for the identification and endorsement of eligible SFF-borrowers.




Assorted dried fish or daing. Photo by Paul Ricafrente.

¹² Requested loans exceeding ₱15 million are subject for approval of the National Program Management Committee.



Increase access to finance for MSMEs, including startups



Tarlac Wet Market. Photos by [Lance Lozano](#).

MSME Development Plan 2023-2028

In 2024, the Office of the President approved the Micro, Small, and Medium Enterprise Development Plan (MSMED Plan) 2023–2028 through MC No. 73, s. 2024. This plan serves as a strategic roadmap to enhance the global competitiveness of the MSME sector, recognizing its pivotal role in driving inclusive, sustainable, and resilient economic growth.

The MSMED Plan outlines a comprehensive framework to bolster the agility and resilience of MSMEs within an increasingly innovation-driven business landscape. Central to this strategic shift is the integration of digitalization as a key enabler of MSME transformation. The plan focuses on three core development areas:

1. **Enabling Legal and Regulatory Environment** – Streamlining processes for business registration, licensing, and access to financing;
2. **Capability Building** – Enhancing human capital and technological competencies of MSMEs;
3. **Market Expansion** – Strengthening MSME participation in both domestic and international markets.

The MSMED Council, chaired by the DTI and whose members include the DA, DILG, and DOST, has been designated

to lead and coordinate the plan's implementation to ensure alignment across government agencies and private sector stakeholders. Fellow FISC member BSP has also served as advisor to the Council's initiatives and was appointed to the Committee on Financing Prospects which is tasked with advancing innovative financing solutions and expanding access to alternative sources of capital for MSMEs. In 2024, the Council held the National MSME Summit with the theme: "Innovate to Elevate: Empowering MSMEs for Sustainable Growth."

Through these collaborative efforts, the government reaffirms its commitment to fostering a dynamic and competitive MSME sector that is well-positioned to thrive in a rapidly evolving global economy.

Philippine Export Development Plan 2023-2028

The Philippine Export Development Plan (PEDP) 2023–2028, approved through MC No. 23, s. 2023, serves as the national blueprint for positioning the Philippines as a globally competitive and agile export powerhouse. The plan consolidates the strategic thrusts, programs, and initiatives of government agencies and private sector stakeholders to accelerate the country’s export growth, particularly in high-potential industries.

The plan outlines a cohesive framework to enhance the competitiveness of Philippine exports by addressing structural challenges, fostering innovation, and expanding market access. It emphasizes the importance of collaboration across sectors to build a resilient and future-ready export ecosystem.

In support of this national agenda, the BSP continues to implement key initiatives aligned with the PEDP’s objectives. In 2024, the BSP reaffirmed its commitment to export development by confirming its membership in the Export Development Council’s (EDC) Networking Committee on Financing (NCF) chaired by the Philippine Exporters Confederation, Inc.

(PHILEXPORT) and vice-chaired by the DOF, brings together key stakeholders to design and promote export financing schemes that offer internationally competitive rates, particularly for small and medium-sized direct and indirect exporters.

Through PEDP’s implementation, the government demonstrates its commitment to building a robust financial environment for the country’s enterprise sector, supporting the sustained growth and global integration of Philippine exporters including MSMEs.



A courier partner in a sari-sari store. Photos by Studio Philippines.



DOST programs

SETUP 4.0

Small Enterprise Technology Upgrading Program (SETUP) is the DOST’s banner program that provides MSMEs with firm-level assistance, such as technology transfer, training, laboratory services, packaging assistance, consultancy services, and access to the innovation-enabling fund or iFund.

In 2024, the DOST provided science and technology assistance to 22,930 firms and other S&T entities and helped in creating more than 9,000 jobs under SETUP. The program was also able to fund 659 projects worth ₱776.3 million under iFund, which facilitated the MSMEs’ acquisition of innovative equipment, thus helping them improve their productivity, boost sales, and expand their operations.

Through the SETUP 4.0, the DOST has recalibrated its focus to upgrading MSME product and process technologies for their transition toward Industry 4.0. technologies. As such, artificial intelligence, machine-to-machine learning, and the Internet-of-Things (IoT) are being promoted for adoption among MSMEs.

iFWD PH

In 2024, innovation funding was provided to 11 OFW-owned enterprises through the Innovations for Filipinos Working Distantly from the Philippines (iFWD PH) program.

The project was able to promote 100 DOST-developed technologies through TeknoLokal Para sa Makabagong Bayani. A total of 162 OFWs have completed the core business development sessions and 22 OFWs have been provided with technical advisory and consultancy services.

The DOST also formalized its partnership with the DMW in 2024, with the goal of assisting OFWs in applying to the iFWD PH program. The partnership between the two agencies involves publicity, assistance to OFWs through soft skills, provision of additional support to OFWs funded under the iFWD PH program, and engagement of activities involving DMW’S network and regional welfare offices nationwide and overseas attached agencies.

The DOST launched the iFWD PH program in 2020 to provide an opportunity for OFWs repatriated due to the COVID-19 to build a “techy” business or technology-based



Fruits and vegetable vendor. Photo by [Lance Lozano](#).

enterprises. Qualified individuals undergo two phases, with innovation-enabling fund provided under Phase 2.

Expanded Venture Financing Program

The Expanded Venture Financing Program (EVFP) through DOST Technology Application and Promotion Institute (TAPI) was launched in 2024. As a dedicated initiative to elevate Filipino enterprises, it is designed to empower startups, spin-offs, and graduates of the TECHNiCOM Program and Startup Grant Fund (SGF).

EVFP also serves as a financial springboard, helping cover pre-operating expenses, working capital, and tools, and equipment necessary for technology-based enterprises to scale up their operations and strengthen their market presence. The program aims to ensure that Filipino enterprises are well-equipped to improve their business viability, enhance their business competitiveness, expand production capacity, or venture into commercialization.

The EVFP, in its pilot year alone, was able to provide technical and financial assistance of ₱41,854,990.60 to 10 eligible projects.

Promoting financial inclusion through microfinance

Microfinance continues to serve as a cornerstone of the government's broader financial inclusion agenda. Characterized by cashflow-based lending, simplified documentation requirements, expedited processing, and frequent amortization schedules, microfinance is designed to address persistent barriers faced by microentrepreneurs—particularly the lack of collateral and formal business records.

Microfinance institutions or MFIs remain vital conduits for delivering accessible financial services to underserved sectors. These institutions provide essential working capital that enables microentrepreneurs to launch, sustain, or expand their businesses. According to the 2021 Financial Inclusion Survey, MFIs were the leading formal source of credit for Filipino adults, despite a decline in borrowing from 31 percent in 2019 to 23 percent in 2021.

As of 2023, the total outstanding microfinance loan portfolio of banks

reached ₱32.0 billion, supporting approximately two million borrowers nationwide. A total of 135 banks to date offer microfinance products and services, underscoring the sector's continued relevance and reach.

In recognition of microfinance's critical role in fostering financial resilience and inclusive growth, the NSFI 2022–2028 outlines several strategic initiatives aimed at strengthening the sector. These include the promotion of inclusive digital finance to support the digital transformation of MFIs, and the enhancement of the agriculture and MSME financing ecosystem through improved credit infrastructure and the adoption of innovative financing models.

Through these concerted efforts, the government reaffirms its commitment to building a more inclusive financial system that empowers everyone including entrepreneurial Filipinos who remain underserved.

BSP Special Research Huddle

Advancing Microfinance: Insights and Success Stories

On Dec. 4, 2024, the BSP hosted a special research huddle titled “Advancing Microfinance: Insights and Success Stories.” The event convened policymakers and microfinance practitioners to explore the sector’s progress, challenges, and future directions.

The session opened with a presentation by BSP Financial Inclusion Office Director Mynard Bryan Mojica, who shared “The Philippine Microfinance Story.” His insights emphasized the sector’s evolving role amid digital transformation, climate resilience, and the growing focus on financial health.

A highlight of the event was the success story of CARD MRI/CARD Bank, presented by Dr. Jaime Aristotle Alip, Dr. Gilberto Llanto, and Ms. Marivic Austria. They detailed the institution’s strategies for sustainable growth and its continued impact on financial inclusion.

The research huddle reinforced the importance of microfinance as a tool for inclusive development and showcased innovative approaches that are shaping its future in the Philippines.



BSP Governor Eli Remolona, Jr. (fourth from left) joins (from left to right) CARD Bank, Inc. President and CEO Marivic Austria, BSP Monetary Board Member (MBM) Romeo Bernardo, CARD Bank Board Member Dr. Gilberto Llanto, BSP MBM Benjamin Diokno, CARD MRI Founder Dr. Jaime Aristotle Alip, and BSP FIO Director Mynard Bryan Mojica. Photos by the Bangko Sentral ng Pilipinas.

Promote agriculture value chain and supply chain financing for MSMEs

Mandatory Agriculture, Fisheries and Rural Development (AFRD) Financing

Since the enactment of Republic Act No. 11901, or the “Agriculture, Fisheries and Rural Development Financing Enhancement Act of 2022,”¹³ the banking industry has consistently demonstrated strong compliance with the mandatory AFRD financing requirements. As of end-December 2024, banks allocated a total of ₱2.0 trillion in AFRD financing—equivalent to 100.3 percent of their total loanable funds (TLF). This figure significantly exceeds the 25.0 percent minimum allocation mandated by the law.¹⁴

The bulk of this compliance was driven by AFRD-eligible loans, which accounted for ₱2.02 trillion. In addition, eligible investments and deposits amounted to ₱8.56 billion and ₱3.23 billion, respectively.

To support accurate and consistent reporting, the BSP conducted several industry briefings in 2024 focused on the Report on Compliance with the Mandatory AFRD Financing. These sessions aimed to guide banks in meeting the credit requirements under the law.

Proposed Amendments to Cross-Selling Guidelines

On Nov. 20, 2024, the BSP released a draft circular proposing amendments to the cross-selling guidelines under Section 113 of the Manual of Regulations for Banks. The proposed revisions, currently undergoing review based on stakeholder feedback, aim to enhance consumer protection and broaden access to financial products.

Key changes include:

- 1. **Expanded definition of financial product or service providers**, with the scope to include non-equity-based contractual relationships such as partnership,¹⁵ joint ventures,¹⁶ and strategic alliances,¹⁷ beyond traditional financial conglomerates.
- 2. **Inclusion of deposit products**, takaful insurance products, and other financial products and services that may be approved by the Monetary Board as eligible for cross-selling.
- 3. **Risk-based approval requirements**, with subsequent offerings of financial products presenting higher investment risks than previously approved products to require prior BSP approval.
- 4. **Principle-based promotional standards**, with promotional materials required to adhere to the principles outlined in the FCPA, consequently ensuring transparency and fairness.



Fresh buko juice. Photo by [Paul Ricafrente](#).

¹³ Effective since Aug. 18, 2022. See the Report on the Philippine Financial System for the [Second Semester 2023](#) and [First Semester 2024](#) for more details.

¹⁴ Under the law, starting the 2nd year of effectivity of RA No. 11901 on Aug. 18, 2023, the TLF shall be computed as the net increase of the same accounts from Aug 18, 2023 to the reporting date. This shortens the reference cut-off date in computing the TLF which resulted in lower TLF (in amount), resulting in higher compliance ratio.

¹⁵ Partnership refers to a contract where two or more persons bind themselves to contribute money, property, or industry to a common fund, with the intention of dividing the profits among themselves as defined under Article 1767 of the Civil Code. The partnership has a separate juridical personality at the time the contract begins.

¹⁶ Joint venture refers to a type of partnership between persons or companies jointly undertaking some commercial enterprise where the parties have rights to the net assets of the arrangement. The joint venture should have a juridical personality separate and distinct from that of each of the joint venturers.

¹⁷ Strategic alliance refers to durable contractual relationships established between two or more firms that do not result in a separate entity or vehicle with a juridical personality. The agreements are carried out through contract rather than ownership sharing, which in some cases may be intended for marketing and information sharing.



Photo shows (front row, sixth and seventh from right) Monetary Board Members Rosalia De Leon and Romeo Bernardo together with (front row, third from left) BSP Assistant Governor Arifa Ala, (front row, fifth to eighth from left) Asian Development Bank Country Director (Philippine Country Office) Pavit Ramachandran, BSP Deputy Governor Chuchi Fonacier, Islamic Banking and Finance Institute Malaysia Chief Executive Officer Yusry Yusoff, Ambassador of Malaysia to the Philippines–His Excellency Dato’ Abdul Malik Melvin Castelino, (front row, fourth to fifth from right) Philippine Center for Islam and Democracy President Amina Rasul-Bernardo, BSP Deputy Governor Bernadette Romulo-Puyat, (second row, sixth from right) PDIC President and Chief Executive Officer Roberto Tan, and other distinguished heads and representatives from member-agencies and institutions of the Islamic Finance Coordination Forum.

Promote Islamic financing

Growth of Islamic finance players

In 2024, the Islamic banking sector saw significant expansion with the approval and operational launch of new Islamic Banking Units (IBUs), reflecting the expanding role of Shari’ah-compliant financial solutions in the Islamic banking sector. CARD Bank, Inc. opened its Islamic banking branch in Cotabato City in January 2024, followed by the BSP’s granting an IBU license to Maybank Philippines, Inc. (MPI) on July 4, 2024. MPI conducted a soft launch on July 25, 2024, then officially commenced operations in Zamboanga City on Aug. 14, 2024, utilizing its branch network to broaden access to Shari’ah-compliant financial solutions. Further strengthening the industry, the PDIC approved insurance coverage for Islamic deposits on Dec. 13, 2024, ensuring equal protection for Islamic and conventional banking customers.

On Nov. 4, 2024, the IC issued the first licenses to two Takaful window operators—Pru Life U.K. and Etiqa—marking a significant milestone in the expansion of the Islamic finance ecosystem. This move, under the IC’s consolidated guidelines for Takaful

window operations, jumpstarted the domestic Takaful sector.

These milestones reflect the growing recognition of Shari’ah-compliant financial products and the expanding interest in Islamic finance across various sectors.

Strengthening stakeholder engagement and prudential regulations

The BSP’s Financial Supervision Sector (FSS) played a key role in shaping Islamic finance regulations through various Islamic Financial Services Board (IFSB) technical working groups. In December 2024, the IFSB published a technical note on macroprudential tools for Islamic banking. Additionally, the BSP co-organized an industry consultation session (ICS) with the IFSB on April 15, 2024, providing a comprehensive overview of IFSB standards and insights on Philippine Islamic finance. Another focused ICS held on Aug. 7, 2024 facilitated by BSP for the IFSB, IC, and SEC addressed regulatory challenges in Takaful and the Islamic capital market.

The Islamic Finance Coordination Forum (IFCF) remains vital in advancing Islamic finance, with the BSP driving key policy initiatives. A major milestone was the inclusion of Islamic deposits

under the PDIC framework, reinforcing confidence in Shari’ah-compliant banking. Additionally, the BSP contributed to revisions of the Bangsamoro Revenue Code and the Bureau of Internal Revenue’s Memorandum Circular on the tax treatment of Sukuk, supporting a more robust and integrated Islamic finance framework.

The operationalization of the Shari’ah Supervisory Board (SSB) in BARMM has reinforced progress in Islamic finance regulation. Since its inaugural meeting in December 2023, the SSB has held regular quarterly sessions, establishing institutional elements and discussed operational framework for handling requests for SSB opinions.

Capacity-building activities

On July 19, 2024, the BSP, ADB, and IBFIM hosted the Associate and Intermediate Qualifications in Islamic Finance Conferment Ceremony, marking a milestone in professional development. The event honored 138 certified Islamic finance professionals from the BSP and IFCF stakeholders who completed Associate and Intermediate qualifications, strengthening expertise in the sector.

As the lead agency under the IFCF, the BSP, through the IBSG, continues to enhance skills across partner institutions. In collaboration with ADB and Islamic Finance Advisory & Assurance Services (IFAAS), the BSP conducted capacity-building workshops from Oct. 21 to Dec. 13, 2024, benefiting 233 participants from government agencies, Islamic organizations, banking institutions, and audit and accounting firms.

The BSP continues to strengthen its supervisory capacity through its Islamic Banking Supervision E-Course, held quarterly, benefiting nearly 100 bank supervisors in 2024.

Information and awareness Initiatives

In September 2024, the BSP, in collaboration with the ADB, hosted Islamic Finance Roadshows in Jakarta and Kuala Lumpur to promote Islamic banking in the Philippines and enhance global partnerships.

The roadshows featured the ADB-commissioned report, Unlocking the Potential of Islamic Finance in the Philippines: A Market Analysis and Landscape Report,¹⁸ which provided compelling evidence of strong market demand and the untapped potential of



Seventh and sixth from the left: His Excellency Agus Widjojo, Ambassador of Indonesia to the Philippines and H.E. Dato’ Abdul Malik Melvin Castelino, Ambassador of Malaysia to the Philippines; and (fifth from the left) Secretary of the Department of Budget and Management, Amenah Pangandaman, with ADB representatives and BSP Senior Management. Photos by the Bangko Sentral ng Pilipinas.

¹⁸ <https://lpr.adb.org/resource/unlocking-potential-islamic-finance-philippines-market-analysis-and-landscape-report>

“Together, let us leverage on the vast opportunities offered by Philippine Islamic finance and transform it as a cornerstone for an inclusive financial system that leaves no Filipino behind.”

— BSP Deputy Governor Chuchi Fonacier

Islamic finance in the country.

The events culminated in the domestic launch of the ADB’s Report on Nov. 26, 2024 at the Manila Peninsula, Makati City, attended by key representatives from government agencies, financial institutions, and the private sector. During the launch, BSP Deputy Governor Chuchi Fonacier remarked, “Together, let us leverage on the vast opportunities offered by Philippine Islamic finance and transform it as a cornerstone for an inclusive financial system that leaves no Filipino behind.”¹⁹

The BSP strengthened its online outreach through audio-visual presentations and social media campaigns, including “Meaning in a Minute” and “Alam mo ba?” available in local dialects.



¹⁹ <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7335>

Increase SME access to capital markets through the SME BOARD

Roadshows on Capital Formation for MSMEs and Start-Ups

In 2024, the SEC conducted 10 roadshows on capital formation for MSMEs and start-ups in provinces,²⁰ with the goal of promoting the capital market as an alternative funding avenue for start-ups and small enterprises.

Since 2023, the SEC has organized a total of 21 roadshows and catered to 2,938 onsite MSMEs and start-ups and 60,770 online participants. Further, crowdfunding platforms have generated a total of 358 leads, and ₱2.243 billion has been raised successfully from 361 companies for 1,212 projects. The Philippine Stock Exchange (PSE) also reported 16 companies being considered as leads under their Listing Engagement and Assistance Program (LEAP).

To sustain the gains of the roadshows, CAFÉ SEC (Call-a-Friend and Engage with SEC) was launched in 2023 to facilitate engagement between interested roadshow attendees and PSE/crowdfunding intermediaries.

A total of 46 appointment requests have been received and approved, and virtual meetings have also been set with crowdfunding intermediaries, PSE, and Investment and Capital Corporation of the Philippines (ICCP).



SEC Iloilo Extension Office Director lawyer Cristina Montelibano, with Commissioner Karlo Bello and Markets and Securities Regulation Department Chief Counsel lawyer Glory Grace Arugay during a media press conference. Photos by the Phillipine Information Agency - Capiz

²⁰ General Santos City, Tagbilaran City, Butuan City, Pagadian City, Dumaguete City, Naga City, Roxas City, Subic, La Union, and Ormoc City



Women and men from the Philippine government, United Nations, and the private sector at the 2024 International Women's Day Celebration aimed at investing in women and accelerating progress. Photo by the Philippine Commission on Women.

Women in Finance: Advancing Gender-Inclusive Financing and MSME Support

Women play a vital role in shaping financial progress, with the FISC reinforcing efforts to promote gender-inclusive financing and support for MSMEs. Financial experts emphasize the importance of women's economic empowerment in driving inclusive growth across industries.

As the lead government agency for promoting gender equality and women's empowerment, the Philippine Commission on Women (PCW), in

partnership with UN Women Philippines and SM Supermalls, led the 2024 International Women's Day celebration with the theme "Investing in Equality toward Gender-Inclusive Prosperity." The event served as a powerful platform to rally "Women and Everyone (WE)" to action—underscoring the need to invest wisely, act locally, understand data, and collaborate across sectors for lasting change.²¹

²¹ <https://pcw.gov.ph/from-investing-in-women-to-including-them-women-from-all-walks-of-life-take-center-stage-at-the-2024-international-womens-day-celebration/>



The Bangko Sentral ng Pilipinas and other financial experts discussed the importance of women's financial inclusion and economic empowerment to achieve progress not just in the field of finance but in all economic and social sectors. Photo by the Philippine Commission on Women.

Highlighting the intersection between gender and finance, the BSP underscored the enduring challenges that hinder women-led MSMEs. Drawing from the 2021 Financial Inclusion Survey, BSP Managing Director Charina De Vera-Yap noted that while Filipino women surpass men in key financial inclusion metrics—57 percent own transaction accounts compared to 54 percent of men—many remain underserved when it comes to more complex financial products such as investments, insurance, and formal financing.

This gap points to the need for targeted strategies that not only broaden financial access but also deepen women's participation across the financial ecosystem.

With its active membership in the FISC, the PCW continues to be a key driver of inclusive policy reform, ensuring that gender perspectives are well integrated into national financial inclusion strategies.

Through strong inter-agency collaboration, including PCW's contributions, the FISC is making significant strides toward a more inclusive financial ecosystem—one that guarantees equitable access to financial services and resources that empower women and support gender-balanced economic development.

Promote green and sustainable finance that benefits smallholder farmers and MSMEs

With its adoption of inclusive green finance as a cross-cutting program under the NSFI 2022-2028, the FISC is committed to fostering an enabling environment for sustainable finance that supports the transition to a climate-resilient economy and empowers communities. For its part, the BSP introduced sustainability as a strategic agenda in 2020 to promote sustainability in the financial sector. This agenda was further refined in 2024 to explicitly mainstream inclusion as a core element of sustainability. At the heart of this commitment are two key pillars: (1) managing the unintended exclusionary effects of our climate actions, and (2) mobilizing finance toward adaptation, especially for those most at risk from climate impacts, such as smallholder farmers and MSMEs.

The BSP recognizes the importance of global sustainability standards and regulatory requirements in addressing climate and nature risks. However, if not thoughtfully contextualized, they may inadvertently limit access to finance—particularly for MSMEs. For instance, sustainability disclosure obligations can impose a significant burden on MSMEs, and even on smaller

banks, who lack the resources and technical capacity to comply. To address this, the BSP embeds proportionality in its policies, taking into account institutional capacity and scale of operations. This is complemented with capacity-building support, technical assistance facilitation, and policy dialogues.

Equally important is the BSP's focus on mobilizing finance for adaptation. The Philippines, as one of the world's most climate-exposed countries, faces escalating threats from typhoons, floods, droughts, and other natural hazards. These impacts disproportionately affect agriculture and MSMEs, which are vital to the Philippine economy but are among the least equipped to absorb climate shocks.

Despite this urgent need, adaptation finance remains significantly underfunded, with global capital flows heavily skewed toward mitigation. This imbalance stems partly from challenges in defining, measuring and standardizing adaptation outcomes, which are often context-specific and often seen as the sole domain of public and development finance.

Recognizing that financing barriers often stem from capacity and

Strawberry farm in Baguio City. Photo by Alexia Dominique Reyes.

information gaps, the BSP actively supports collective efforts to address these challenges. This includes collaborating with a broad range of stakeholders to promote innovative and scalable green financing solutions such as blended finance instruments and de-risking schemes that meet the needs of climate-vulnerable sectors. To support capacity-building for both providers and users of green finance, the BSP facilitates knowledge exchange, technical assistance and other collaborative engagements. Through these efforts and its regulatory initiatives (*see below*), the BSP seeks to catalyze greater private sector participation and unlock sustained investment in climate adaptation.

Philippine Sustainable Finance Taxonomy Guidelines

The Philippine Sustainable Finance Taxonomy Guidelines (SFTG) was developed under the umbrella of the Financial Sector Forum—composed of the BSP, IC, PDIC, and SEC—and adopted by the BSP through the issuance of Circular No. 1187 in February 2024.

The local taxonomy, aligned with national strategies and policies as well as with the regional taxonomy, serves as a guide for funds to finance activities

that are environmentally and socially sustainable. This is a living document considering the local and international developments in the sustainable finance space.

The first iteration of the SFTG aims to contribute to climate change mitigation and adaptation objectives. There is an ongoing initiative to update the SFTG to include the circular economy environmental objective.

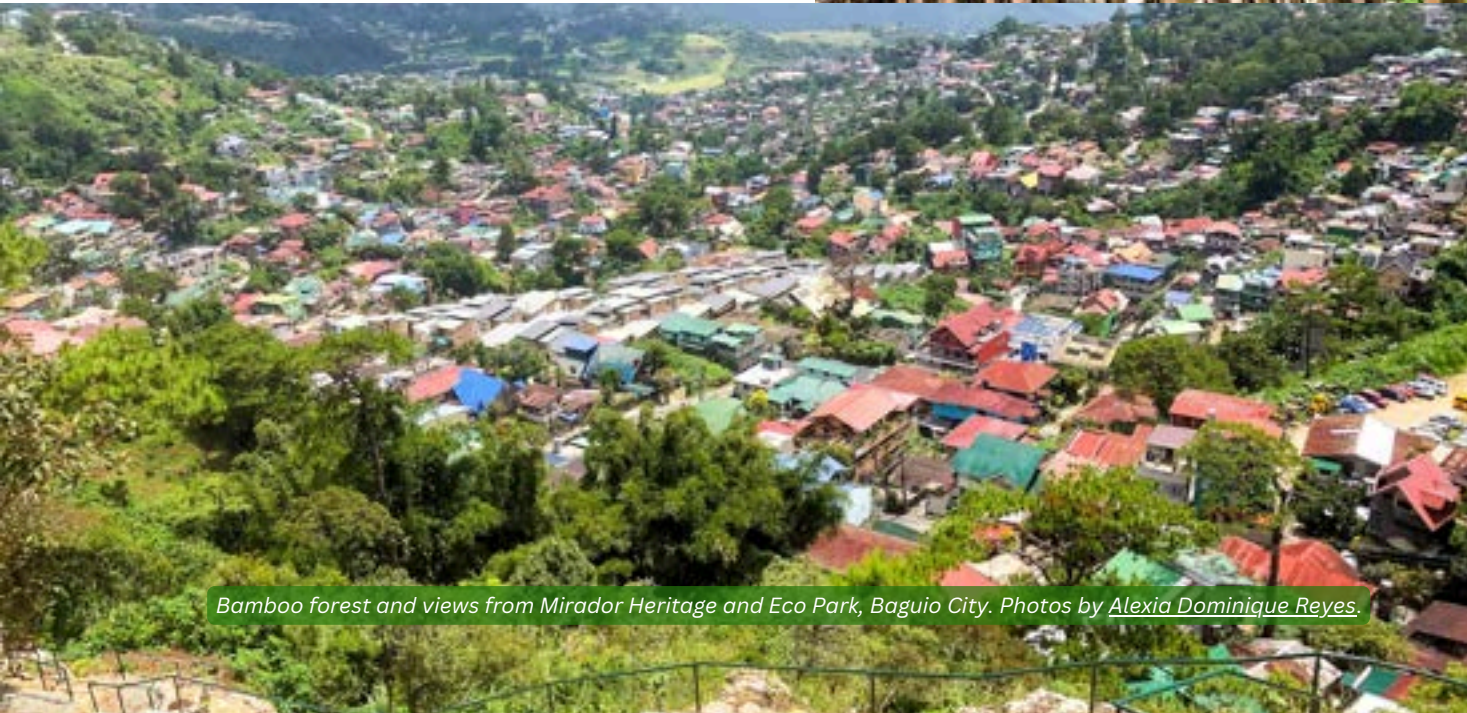
The SFTG provides a dedicated section for MSMEs to ensure that the sector remains included in the sustainable finance ecosystem. The simplified assessment of MSMEs activities under the SFTG follows the use-of-proceeds approach similar to the IFC Sustainable MSME Finance Reference Guide. Appendix 6 of the SFTG also provides a non-exhaustive list of potentially eligible projects for sustainable financing to MSMEs.

Regulatory incentives

Aside from the SFTG, the BSP implements additional measures to incentivize banks to finance green or sustainable projects, including transition activities. These temporary measures for a period of two years starting January 2024 are in the form of: (i) additional 15 percent to the

regular Single Borrower’s Limit (SBL) of 25 percent; and (ii) gradual reduction of reserve requirement rate (RRR) against sustainable bonds. The applicable RRR for new and outstanding sustainable bonds issued by banks is one percent starting January 2024 and then zero percent starting January 2025.

Sustainable finance instruments are also recognized as eligible modes of compliance with mandatory credits. In an exposure draft released in 2024, the BSP proposes the recognition of sustainable finance instruments, such as loans or investments used to finance any of the eligible green or sustainable projects that contribute to innovation development, as one of several alternative modes of compliance with the statutory innovation development credit.



Bamboo forest and views from Mirador Heritage and Eco Park, Baguio City. Photos by Alexia Dominique Reyes.



Fishing net in a sack. Photo by Aris Leoven from Studio Philippines.

Thematic bond issuances

Meanwhile, the SEC in its Sustainable Finance Market Update reported that the Philippines ranked second as the leading issuer of ASEAN- labelled green, social and sustainability (GSS+) bonds as of end-2024.²² The issuance of these instruments contributes to the sustainable finance market development and to improved market transparency and credibility.

Cumulative GSS+ bond issuances from 2017 to 2024 of Philippine banks reached ₱325.9 billion for peso-denominated bonds and US\$1.9 billion for foreign-currency denominated bonds. Of which, a thrift bank, the first among its category peers, issued a US\$100 million social bond following the ICMA Social Bond Principles and the ASEAN Social Bond Standard.

The bond issuance is intended to promote financial inclusion for women in “low and lower middle-income groups and encourage them to make investments in small businesses to supplement their family’s income in

addition to payments for healthcare, education and housing.”²³ The proceeds from the social bond issued were utilized as loans for female borrowers. The ₱5.8 billion loans, of which ₱3.3 billion and ₱2.5 billion were extended as new loans and refinanced loans to women, respectively, accounted around 5.4 percent of the bank’s total loan portfolio.

Prior to this, there were banks that had issued social bonds to assist MSMEs which were one of the sectors hardest hit by the COVID-19 pandemic. Moreover, a non-profit and non-stock microfinance NGO issued a gender bond in 2023 to boost lending to women entrepreneurs for their microenterprises.

²² SEC Sustainable Finance Market Update as of December 2024. Further information is available at: <https://www.sec.gov.ph/cm-sustainable-2024/sustainable-finance-market-update-as-of-october-2024-2/#gsc.tab=0>
²³ <https://www.ifc.org/en/pressroom/2024/city-savings-bank-in-the-philippines-issues-first-social-bond-with-investment-from-ifc>

Blue bonds

Following the issuance of SEC Memorandum Circular (MC) No. 15, s. 2023, the SEC approved the first-ever blue bond offering in May 2024.²⁴

The guidelines prescribed by the MC primarily governs the issuance of blue bonds, where proceeds will be applied exclusively to finance or refinance, in part or in full, new and/or existing eligible blue projects and/or blue activities.

Blue projects refer to broad categories of eligible blue projects, such as those listed in the guidelines. Meanwhile, blue activities are more specific eligible activities which address sustainable water management and ocean protection, as indicated under the UN SDG Goals 6 and 14, respectively.

Sustainability bonds

The SEC also approved the inaugural issuances of ASEAN sustainability-linked bonds in the country, in accordance with SEC MC No. 03, s. 2023.²⁵

It likewise released MC No. 5, s. 2024 with the goal of building a dynamic and robust regulatory framework to mainstream sustainable finance and enable the Philippines to be among the leading issuers in the region. The circular prescribes the guidelines on the Philippine Sustainable Finance Taxonomy to all its regulated entities.

This taxonomy will serve as the reference for issuers when making investment decisions or designing sustainable financial products and services, among others.

Meanwhile, the SEC reported that ASEAN-labeled Green, Social, Sustainability and Sustainability- Linked (GSS+) bond issuances of Philippine companies from 2019 to 2024 have reached a total of ₱663.34 billion, ₱214.84 billion of which was issued in 2024.

²⁴ The registration statement of Maynilad Water Services Inc. covering up to ₱12 billion of fixed-rate, peso-denominated blue bonds, with an oversubscription option of up to ₱3 billion, subject to the company’s compliance with certain remaining requirements, has been rendered effective.

²⁵ The sustainability performance targets for the two tranches of Ayala Land, Inc.’s bonds program include the reduction of operational scopes 1, 2 and 3 greenhouse gas (GHG) emissions of ALI’s commercial properties and achievement of Excellence in Design for Greater Efficiencies (“EDGE”) Zero Carbon Certification for 1.5 million square meters of office leasing space by Dec. 31, 2025.



A portrait of a fisherman with freshly caught fish. Photo by Aris Leoven from Studio Philippines.

Strategy on Wheels

FINANCIAL
INCLUSION FOR THE
BROADER COMMUNITY

A street food cart in Manila. Photo by Sandra Dans from Studio Philippines.

To sustain stakeholder engagement and strengthen public support for the NSFI, communication remains a critical cog in the wheel that drives its progress across all sectors. Significant developments have been made—not only in advancing the strategy’s milestones but also in deepening public understanding of how financial inclusion impacts daily life and empowers communities. Building on this momentum, a range of initiatives have been rolled out to promote active participation of stakeholders, further bringing the NSFI closer to the Filipino people.

DMW and NYC join FISC

The DMW and the NYC have been officially welcomed into the Financial Inclusion Steering Committee (FISC), marking a significant milestone in ensuring that the youth and migrant workers have active representation in national financial inclusion policy discussions.

BSP Governor Eli Remolona, Jr., as chair of the FISC, welcomed the addition of both agencies during the 16th FISC meeting in October 2024, emphasizing the importance of inclusive financial policies that cater to all Filipinos.

The Governor noted that ensuring access to banking services, digital financial tools, and economic empowerment initiatives for the youth and migrant workers is key to strengthening the nation’s financial ecosystem.

With the inclusion of NYC and DMW, the committee expands its scope to address the financial challenges faced by young Filipinos and overseas Filipino workers, two vital sectors of the country's economy.

The DMW's participation ensures that migrant workers—who contribute significantly to the country's economy through remittances—have access to secure financial services, protection from fraudulent schemes, and tools for long-term financial stability. Meanwhile, NYC's involvement is expected to bring financial literacy and access to economic opportunities to the youth sector, empowering them to make informed financial decisions early in life.

With NYC and DMW now part of the FISC, new policies and programs are expected to emerge that will provide better financial access, education, and support for these sectors. Their participation signals a commitment to bridging gaps and creating a more financially inclusive Philippines.



DMW Undersecretary Felicitas Bay and NYC Chairperson Jeff Ortega attend the 16th FISC Meeting. Photo by the Bangko Sentral ng Pilipinas.



Members of the various Sectoral Committees of the Regional Development Council - National Capital Region (RDC-NCR). Photo by the RDC-NCR Secretariat.

Engagements with the Regional Development Council of the National Capital Region

The NSFI 2022-2028 leverages engagement with local and regional development councils to ensure responsive, synergized, and whole-of-government implementation of financial inclusion initiatives in the country. Participation in Regional Development Council–National Capital Region (RDC-NCR) meetings by FISC member institutions also ensure alignment of NSFI implementation with the goals under the Philippine Development Plan.

The RDC Sectoral Committee held its meeting on Sept. 27, 2024 in Pasay City. The RDC-NCR, established under Executive Order No. 113, s. 2022, comprises voting members from the Metro Manila Council, which include 17 mayors of the cities and municipalities in Metro Manila, and presidents of the Metro Manila Vice Mayors’ League and Metro Manila Councilors League.¹

During the meeting, the RDC-NCR Secretariat provided updates on various chapters of the draft 2023 Regional Development Report for NCR under the purview of the Sectoral Committees on Finance and Development Administration, Social, Economic, and Environment, and Infrastructure Development. The report was subsequently approved by the RDC-NCR.

The secretariat also provided updates on the Regional Development Investment Program and the Regional Economic Situationer. Additionally, representatives from the Council for the Welfare of Children and the National Nutrition Council-NCR presented the 2023-2028 Regional Plans of Action for Children and Nutrition, respectively.

¹ It also comprises the following non-voting members: (a) Regional Directors of the Departments of Education, Environment and Natural Resources, Finance, Health, Interior and Local Government, Labor and Employment, Science and Technology, Social Welfare and Development and Trade and Industry, Technical Education and Skill Development Authority, Commission on Higher Education, National Historical Institute, Housing and Land Use Regulatory Board, Presidential Commission for Urban Poor, and a representative from the BSP; and (b) at least five representatives from the private sector and four representatives from non-government organizations.

FISC unveils one-stop shop website for financial inclusion

The FISC officially launched the FISC website, a one-stop shop platform that aims to promote wider appreciation of financial inclusion as a national development agenda, during a program held at the BSP Manila Head Office on Oct. 9, 2024.

“This platform will bring our efforts together to execute the National Strategy for Financial Inclusion (NSFI) to a broader audience,” said BSP Governor Eli Remolona, Jr.

“We hope the information and stories on the website inspire everyone—those who need it and those who can help provide it—to work together to advance the whole country's journey toward financial inclusion and financial health,” the Governor added.

DICT Secretary Ivan John Uy said, “The DICT fully supports the FISC’s commitment to making financial inclusion a national development priority. Through consistent collaboration, we can ensure that every

Filipino gains meaningful access to resources, enabling them to achieve financial resilience and progress.” Aside from the NSFI, the website contains the latest regulations, issuances, and initiatives from the FISC agencies to help make financial services in the country more accessible.

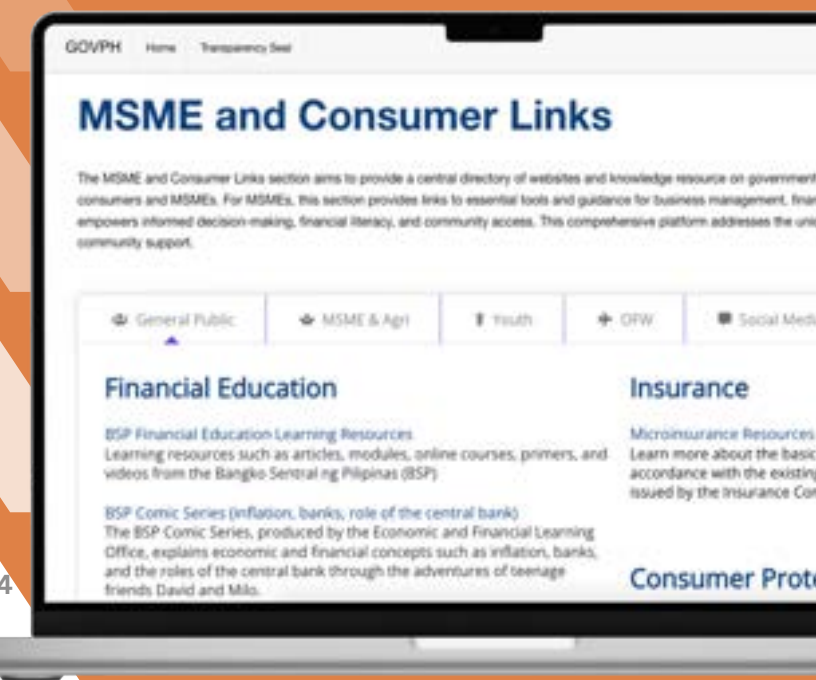
It also includes a “newsroom” and a testimonial corner, where users can stay up to date on financial inclusion news stories and watch videos on the agenda’s positive impact on Filipinos, and MSMEs, which are among the priority sectors identified in the NSFI.

“By making these resources accessible, we move another step closer to a more financially included and financially healthy Filipino population,” BSP Deputy Governor Bernadette Romulo-Puyat shared.



By making these resources accessible, we move another step closer to a more financially included and financially healthy Filipino population.

— BSP Deputy Governor Bernadette Romulo-Puyat





BSP Financial Inclusion Office representatives in the ASEAN WC-FINC Meeting held in Lao PDR. Photo by the ASEAN WC-FINC Secretariat.



BSP Director Mynard Bryan Mojica (second from right): Technical Leadership Award for Financial Inclusion Data. Photo by the Alliance for Financial Inclusion.

International engagements

Regional and global initiatives

The FISC is committed to maintain a robust international engagement portfolio to ensure it remains at the forefront of global developments in financial inclusion. This commitment is demonstrated through active memberships and participation in numerous international exchanges and collaborations.

ASEAN Working Committee on Financial Inclusion (WC-FINC)

The ASEAN Working Committee on Financial Inclusion was created in 2015 as a working group under the ASEAN Financial Integration track to deliberate policy actions and coordinate initiatives to enhance financial inclusion in the region.

The BSP currently heads the sub-committee on Enhancing Digital Financial Inclusion, together with the Monetary Authority of Singapore (MAS). In 2024, BSP attended the 17th and 18th WC-FINC meetings in Vientiane, Lao, and Hanoi, Vietnam, respectively. The meetings served as avenues where the various ASEAN member states shared developments and learned from each other’s experiences and practices.

Alliance for Financial Inclusion (AFI)

The AFI is a global policy leadership alliance which aims to advance financial inclusion. A member-owned network of central banks and financial regulatory institutions in 84 countries, AFI connects and enables policymakers to develop effective initiatives to advance financial inclusion.

The BSP delegation joined the 2024 AFI Global Policy Forum (GPF) in El Salvador, with the theme “Innovation for an Inclusive World.” Attended by over 700 international delegates, the forum continues to be a platform for knowledge sharing, collaboration, and development of practical solutions to advance financial inclusion globally.

Agence Française de Développement (AFD) Technical Assistance (TA) Program

As a bilateral development finance institution, the AFD's mandate is to contribute to economic and social development in the geographic areas in which it operates. In line with its mandate, the AFD is providing a technical assistance program to the BSP to contribute to the strengthening of the institutional and regulatory environment, improvement of financial infrastructures, and capacity-building of FSPs, supervisors, and regulators in the Philippines.

The TA program, which will run up to June 2026, features the following main components: Component 1 aims to develop a Supervisory Technology (Suptech) Program to enhance the regulation and supervision of BSP-supervised institutions; Component 2 aims to improve the overall financial capability of rural, low-income women and microentrepreneurs by promoting financial education with a focus on digital finance; and Component 3 aims to promote the adoption of agriculture insurance digital tools and literacy among farmers by contributing to the agricultural insurance public policy dialogue.

Component 1 wrapped up in 2024, with the consultant delivering a proposed Suptech program for the consideration of the BSP. Meanwhile, Components 2 and 3 will commence in 2025.



Taho is a warm, sweet dessert made from silken tofu, arnibal (brown sugar syrup), and tapioca pearls. A popular street food, it is often sold by vendors who carry it on a shoulder pole. Photo by Sandra Dans from Studio Philippines.



Queen Máxima talks to co-founder and Chief Executive Officer of GrowSari Reymund Rollan and a client about the benefits of the digital platform. Photo by the Bangko Sentral ng Pilipinas.



Queen Máxima discusses with representatives of a microfinance-oriented rural bank the range of financial services offered by the bank to meet the needs of its clients. Photo by the Bangko Sentral ng Pilipinas.

Championing Financial Health and Inclusion: A Royal Visit to Empower Every Filipino

In a milestone visit that underscored the Philippines’ commitment to inclusive development, Her Majesty Queen Máxima of the Netherlands, in her role as the United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA), embarked on a three-day mission to the country from May 21 to 23, 2024.

Queen Máxima’s visit was a clear affirmation of the Philippines’ progress in advancing financial inclusion and a timely call to action for deepening efforts to ensure financial health for all.

Her itinerary took her to various communities in Rizal Province and Taguig City, where she engaged directly with individuals and institutions at the forefront of inclusive finance. These on-the-ground interactions provided valuable insights into how digital financial services and innovative business models are transforming lives and livelihoods.

Throughout her visit, Queen Máxima convened a series of high-level discussions with a broad spectrum of stakeholders—including development partners, government agencies

including FISC members DICT and DMW, and industry players. These dialogues focused on harnessing digital technology to expand access to financial services, improve affordability, and promote financial resilience among underserved populations.

A key highlight of the visit was Queen Máxima’s bilateral meeting with President Ferdinand Marcos, Jr., where they discussed the country’s strides in financial inclusion and the critical role of government support in overcoming persistent challenges.

She also held separate bilateral meetings with FISC members NEDA headed by Secretary Arsenio Balisacan and DOF headed by Secretary Ralph Recto. Meeting discussions emphasized the importance of aligning national development strategies and fiscal policies with inclusive finance goals, particularly in addressing affordability of digital payments, expanding digital connectivity, and accelerating the implementation of the national digital ID system.

In addition, she met with BSP Governor Eli Remolona, Jr. and his delegation to

explore strategic initiatives. These included the development of financial health indicators, the collection of data on digital payment pricing, and legislative efforts to enhance internet access across the archipelago.

Queen Máxima’s visit culminated in a renewed sense of purpose and collaboration among stakeholders. It brought to light both the achievements and the road ahead in building a more inclusive financial ecosystem—one that empowers every Filipino to thrive in a digital economy.



UNSGSA Queen Máxima and Philippines President Ferdinand Marcos, Jr. pose for a photo ahead of a meeting at Malacañang Palace in Manila. Photo by Patrick van Katwijk.



President Ferdinand Marcos, Jr. (middle right), Her Majesty Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) (middle left), Special Assistant to the President for Investment and Economic Affairs Frederick Go (third from right), and BSP Governor Eli Remolona, Jr. (second from right) during Queen Máxima’s courtesy call at the Malacañang Palace on May 22, 2024. Photo by the Bangko Sentral ng Pilipinas.

Toward a Financially Healthy Philippines

Financial health is an individual's ability to meet everyday expenses, manage unexpected costs, and achieve personal goals. While millions of Filipinos already have transaction accounts, the journey to financial health remains a challenge.

According to the 2021 World Bank Global Findex Survey, only 14 percent of Filipino adults can come up with emergency funds within 30 days without difficulty, highlighting financial vulnerability. Financial resilience is a key concern, as many, especially among the low-income Filipinos with limited resilience-building strategies. The 2021 FIS reports that around half of Filipino adults struggle to make ends meet on a day-to-day basis and during the "rainy days." Particularly, Filipinos in the lower-income classes, often rely heavily on informal borrowing to meet their financial needs.

Ownership of resilience-building tools such as savings (37 percent from 53 percent), insurance (17 percent from 23 percent), and investment (10 percent from 15 percent) declined from 2019, making economic recovery even more difficult.

To address this, the country's next goal is to transform account ownership into tools for financial empowerment and overall financial well-being. This commitment is reflected in the NSFI 2022-2028 under the desired outcome "improved financial health and resilience in the Philippines."

Initial measurements reveal the baseline Philippine financial health index² at 58 out of a maximum of 100 points. The index is even lower for the poor, youth, rural dwellers, and farmers, underscoring disparities in financial resilience. This emphasis on financial health aligns with the global shift in priorities, recognizing that financial inclusion should drive tangible improvements in well-being and resilience.³

Roundtable discussion on financial health with Her Majesty Queen Máxima of the Netherlands

On May 22, 2024, members of the Digital Banks Association of the Philippines (DiBA) engaged in a roundtable discussion with Her Majesty Queen Máxima of the Netherlands, in her capacity as the UNSGSA, during her visit to the Philippines. The discussion centered on exploring potential collaborations to advance financial health initiatives and measurement frameworks. The UNSGSA defines financial health as the "extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future."⁴

Follow-up meeting with Digital Banks Association of the Philippines

Building on the initial discussions with Her Majesty Queen Máxima in May, the BSP, led by Deputy Governor Bernadette Romulo-Puyat, met with members of DiBA PH on Sept. 25, 2024



Roundtable discussion with digital banks on financial health. Photo by the Bangko Sentral ng Pilipinas.



Focus group discussion with women clients to discuss their financial health. Photo by the Bangko Sentral ng Pilipinas.

² The baseline scores were developed from an analysis of ten (10) attitudinal and behavioral statements related to one's financial situations from the 2021 FIS, modeled after the Commonwealth Bank of Australia & Melbourne Institute (CBA-MI) study.

³ <https://www.centerforfinancialinclusion.org/2025-financial-inclusion-entering-a-new-era/>

⁴ Financial health is a complex, multi-faceted concept. In literature, it is also known as financial well-being. There is currently no standard definition of financial health, with various organizations having their own definition.



A panel discussion on measuring financial health led by DiBA PH President Angelo Madrid, FinTech Alliance of the Philippines Chairman Lito Villanueva, and BSP Director Mynard Bryan Mojica on Nov. 6, 2024. Photo by SFF Voices - Global Finance & Technology Network



(From left to right) Mynard Bryan Mojica, Director of the Financial Inclusion Office at the Bangko Sentral ng Pilipinas; Lito Villanueva, Founding Chairman of FinTech Alliance PH, co-founder of Asia FinTech Alliance, and Executive Vice President and Chief Innovations and Inclusion Officer of RCBC; Her Majesty Queen Maxima of the Netherlands and United Nations Secretary-General's Special Advocate for Financial Health; and Angelo Madrid, President and CEO of Maya Bank, and Digital Banks Association of the Philippines. Photo by Fintech Alliance PH.

to discuss the development of internal financial health metrics. During the meeting, the BSP shared its initial work on establishing a baseline financial health index, while the DiBA PH members provided a progress report on their plans to conduct a demand-side survey assessing the financial health of their clients.

Singapore Fintech Festival 2024

Organized by MAS, Elevandi, and Constellar, in collaboration with The Association of Banks in Singapore, the Singapore FinTech Festival (SFF) is an annual gathering of the global FinTech community to engage, connect, and collaborate on issues relating to the development of financial services, public policy, and technology. Held from Nov. 6-8, 2024, the 9th SFF brought together over 65,000 participants from 134 countries, including central bankers, regulators, industry leaders, entrepreneurs, investors, innovators, and influencers. The event fostered collaboration in shaping the future of the global financial ecosystem by aligning regulation, innovation, and technology.

A panel discussion on measuring financial health, featured DiBA PH President Angelo Madrid, FinTech

Alliance of the Philippines Chairman Lito Villanueva, and BSP Director Mynard Bryan Mojica on Nov. 6, 2024. The session aimed to deepen the discussion on global financial health initiatives, highlight the Philippines' leadership, and encourage global fintech alliances to support and implement financial health surveys.

Her Majesty Queen Máxima visited the “Bagong Pilipinas: The Philippines Country Pavilion,” a collaboration between various government agencies and the FinTech Alliance Philippines. The exhibit showcased the Philippine fintech innovations as well as key financial services that drive financial health through empowerment, inclusion, and resilience.

“I count on the Philippines and this fintech alliance to inspire many other associations across the globe to take the stand. I will be using you as an example to tell what is possible. Above all, to give the message that fintech is not about technology at the end of the day, but about the needs of the people,” Queen Máxima said during the event.

I count on the Philippines and this fintech alliance to inspire many other associations across the globe to take the stand. I will be using you as an example to tell what is possible. Above all, to give the message that fintech is not about technology at the end of the day, but about the needs of the people.

— Her Majesty Queen Máxima of the Netherlands



BSP Governor Eli Remolona, Jr. and Her Majesty Queen Máxima of the Netherlands, the United Nations (UN) Secretary-General's Special Advocate for Inclusive Finance for Development, discussed initiatives to accelerate financial inclusion and increasing financial health in the Philippines during a bilateral meeting on 23 May 2024 at the BSP Head Office in Manila. Photos by the Bangko Sentral ng Pilipinas.

Annex

List of Abbreviations

#

4Ps Pantawid Pamilyang Pilipino Program

A

ACCMSME ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises

ACES Automated Certification Examination System

ACH automated clearing house

ACMR ASEAN Capital Markets Forum

ACPC Agricultural Credit Policy Council

ADB Asian Development Bank

ADRS Action Document Releasing System

AFASA Anti-Financial Account Scamming Act

AFCDM ASEAN Finance Ministers and Central Bank Deputies Meeting

AFCS Automated Fare Collection System

AFD Agence Française de Développement

AFF agriculture, forestry, and fishing

AFI Alliance for Financial Inclusion

AFMGM ASEAN Finance Ministers and Central Bank Governors Meeting

AFP Armed Forces of the Philippines

AFRD agriculture, fisheries, and rural development

AICS Assistance to Individuals in Crisis Situation

AIRM ASEAN Insurance Regulators Meeting

ALS Alternative Learning System

ANYO Agri-Negosyo

API Application Program Interface

ARB agrarian reform beneficiary

ARS Agent Registry System

ASEAN Association of Southeast Asian Nations

ASF annual supervisory fee

ASTIG Anti-Scam and Illegal Taking of Investments Group

AUB Asia United Bank

AVCF Agricultural Value Chain Financing

B

BARMM Muslim Mindanao

BAWS Be A Wise Saver

BDA Basic Deposit Account

BFAR Bureau of Fisheries and Aquatic Resources

BFP Bureau of Fire Protection

BOB BSP Online Buddy

BPLS Business Permit and Licensing System

BSFI BSP-supervised financial institution

BTMS Budget and Treasury Management System

C

CAFÉ SEC Call-a-Friend and Engage with SEC

CAM Consumer Assistance Mechanism

CAROL Customer Care Online Assistant

CCAP Credit Card Association of the Philippines

CE covered entity

CFI Center for Financial Inclusion

CGAP Consultative Group to Assist the Poor

CHED Commission on Higher Education

CIC Credit Information Corporation

CMA Citi Microentrepreneurship Awards

COMELEC Commission on Elections

CRD Credit Risk Database

CSC Civil Service Commission

CSF Credit Surety Fund

CSI Civil Service Institute

D

DBP Development Bank of the Philippines

DFI digital financial inclusion

DFIA Digital Financial Inclusion Awards

DFS digital financial services

DiBA Digital Banks Association of the Philippines

DOBS Digital Onboarding System

DOH Department of Health

E

eAMEND SEC Electronic Application for Modification of Entity Data

EBT electronic benefit transfer

ECOP Employers Confederation of the Philippines

EDC Export Development Council

EFEL Economic and Financial E-Learning

EFT electronic fund transfer

EIU Economist Intelligence Unit

EMI e-money issuer

E-money electronic money

EO executive order

eRAMP Electronic Registry of Application for Market Participant

eSEARCH Electronic SEC Education, Analysis, and Research Computing Hub
eSECURE Enhanced SEC Universal Registration Environment
E-wallet electronic wallet

F
FCPA Financial Products and Services Consumer Protection Act
FDP forcibly displaced person
Fin-ed financial education
FinLit financial literacy
FISC Financial Inclusion Steering Committee
FLS financial learning session
FSF financial sector forum
FSP financial service provider

G
GIDA geographically isolated and disadvantaged area
GPF global policy forum
GSIS Government Service Insurance System
GSS+ green, social and sustainability

H
HEI higher education institution

I
IBF Islamic banking and finance
IBSG Islamic Banking Supervision Group
IBU Islamic banking unit
ICCP Investment and Capital Corporation of the Philippines
ICS industry consultation session
IFAAS Islamic Finance Advisory & Assurance Services
IFC International Finance Corporation
IFCF Islamic Finance Coordination Forum
IFMIS Integrated Financial Management Information System
IFSB Islamic Financial Services Board
ILO International Labor Organization
IOT internet-of-things
IRR Implementing Rules and Regulations
ITU International Telecommunication Union

J
JICA Japan International Cooperation Agency

K
KAYA Kapital Access for Young Entrepreneurs

KITA Kapital at Ipon Tungo sa Asenso
KYC Know Your Customer

L
LDC local development council
LEAP Listing Engagement and Assistance Program
LGU local government unit
LOWB level of well-being
LRA Land Registration Authority
LTO Land Transportation Office

M
M&E monitoring and evaluation
MAF movable asset finance
MAS Monetary Authority of Singapore
MCPI Microfinance Council of the Philippines
MFI microfinance institution
MMU Maniguro, Magbangko, Umasenso
MOA Memorandum of Agreement
MPI Maybank Philippines, Inc.
MRSP Money Remittance Service Provider
MSME micro, small, and medium enterprises

N
NCA notice of cash allocation

NCD National Council on Disability Affairs
NCF Networking Committee on Finance
NCR National Capital Region
NPC National Privacy Commission
NPRS National Retail Payment System
NSFI National Strategy for Financial Inclusion

O
OFW Overseas Filipino Workers
OneSEC One-day Submission and E-registration of Companies
OpenG2P Open Government to Person Platform

P
P2B person-to-biller
P2M person-to-merchant
P2P person-to-person
PCAARRD Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development
PCHRD Philippine Council for Health Research and Development

PCIEERD Philippine Council for Industry, Energy, and Emerging Technology Research and Development
PCN PhilSys Card Number
PEDP Philippine Export Development Plan
PERA Personal Equity and Retirement Account
PFM public financial management
PGC Philippine Guarantee Corporation
PhiliFINNO PhiloFintech Innovation Office
PhilSys Philippine Identification System
PIA Philippine Information Agency
PiTaKa Pinansyal na Talino at Kaalaman
PJLI PJ Lhuillier, Inc.
PNP Philippine National Police
PPIS Pantawid Pamilya Information System
PPMI Philippine Payments Management, Inc.
PSE Philippine Stock Exchange
PSP payment service provider
PWD person with disability

Q
QR quick response

R
R&D research and development
R2P Request-to-Pay
RA Republic Act
RAISE Regional Agri-Aqua Innovation System Enhancement
RDC regional development council
ReSEED Regional Startup Enablers for Ecosystem Development
RP relying party
RRR reserve requirement rate

S
S&T science and technology
SBLAF Standard Business Loan Application Form
SCF supply chain finance
SEC EASE SEC eFAST Alternative Submission Environment
SET-UP Small Enterprise Technology Upgrading Program
SFF Singapore FinTech Festival
SFTG Sustainable Finance Taxonomy Guidelines
SGF Startup Grant Fund
SLC senior level committee
SSB Shari’ah Supervisory Board

SSM small-scale miner
StratBox strategic sandbox
SUCs state universities and colleges
Suptech supervisory technology
SURE Survival and Recovery Loan Assistance
SVSI Smart Village and Smart Island

T
TA technical assistance
TBI Technology Business Incubator
TECHNICOM Technology Innovation for Commercialization
TEKI Technology Transformation and Empowerment of Knowledge Generators and Innovators
TESDA Technical Education and Skills Development Authority
TLA total loanable amount
ToT training of trainers
TRN transaction reference number
TUPAD Tulong Panghanapbuhay sa Ating Disadvantaged Worker

U
UNCDF United Nations Capital Development Fund
UNSGSA United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development

W
WC working committee
WF warehouse finance
WGP Walang Gutom Program
WHWISE Women Helping Women Innovation Social Enterprise
WODP Workers Organization Development Program
WR warehouse receipt
WRF warehouse receipt finance
WSME women-owned MSME