

Eli M Remolona: Digital bridges for financial inclusion

Speech by Mr Eli M Remolona, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Media Launch of the 3rd Digital Financial Inclusion Awards, Manila, 20 March 2024.

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Magandang hapon sa inyong lahat.

We at the Bangko Sentral [ng Pilipinas] (BSP) are pleased to launch the third Digital Financial Inclusion Awards (DFIA) in partnership with the Microfinance Council of the Philippines, Inc. (MCPI). The MCPI is led by Gilbert Maramba and Paul Favila [for] Citi Philippines.

This event shows the strength of the partnership among MCPI, Citi, and the BSP in promoting financial inclusion through the digitalization of microfinance.

I think digitalization is the secret sauce. *Parang bagoong sa kare-kare.*

So, we thank the members of the national selection committee of our awards program. They have chosen inspiring leaders from a broad cross-section of our economy.

All these leaders shared their time and expertise to support financial inclusion through the digitalization of microfinance institutions (MFI).

To us at the BSP, financial inclusion is an undertaking that requires a whole-of-nation collaboration. Every form of support matters, whether from the private sector, NGOs [non-government organizations], multilateral institutions, local governments, microentrepreneurs, microfinance institutions, or the media.

The National Strategy for Financial Inclusion (NSFI) of 2022-2028 defines financial inclusion as a state where everyone, especially the vulnerable, has access to a wide range of financial services.

To us, microfinance remains integral to the initiatives and programs in the NSFI.

Here is where we stand.

As of the third quarter of 2023, 138 banks engaged in microfinance served approximately 1.9 million borrowers.

Non-bank microfinance institutions, such as cooperatives, supported 9.7 million members by the end of 2021.

Microfinance NGOs catered to 6.6 million clients as of 2022.

If microfinance institutions adopt innovative financial services, especially through digitalization, we expect additional benefits that would generate better reach and better quality of services.

This is where the DFIA program comes in. The DFIA focuses on recognizing outstanding MFIs and microentrepreneurs who have successfully adopted digitalization in their operations.

By encouraging innovation in microfinance, we hope to inspire more organizations to do the same.

As we promote increased access to credit through digitalization, let us remember that microfinance is not only about borrowing. Microfinance also provides access to savings, investments, and insurance.

These tools will enable the vulnerable to better manage their resources and protect themselves against certain risks. This resilience is about the overall financial health of microentrepreneurs.

So, digitalization is a bridge that connects financially underserved segments of the population to providers of formal financial services.

So, let us build more digital bridges so that everyone may enjoy the benefits of financial inclusion.

Thank you all for your continuing support. *Magandang hapon sa inyong lahat!*