Rural Banks:

Financial Accessibility in the Countryside

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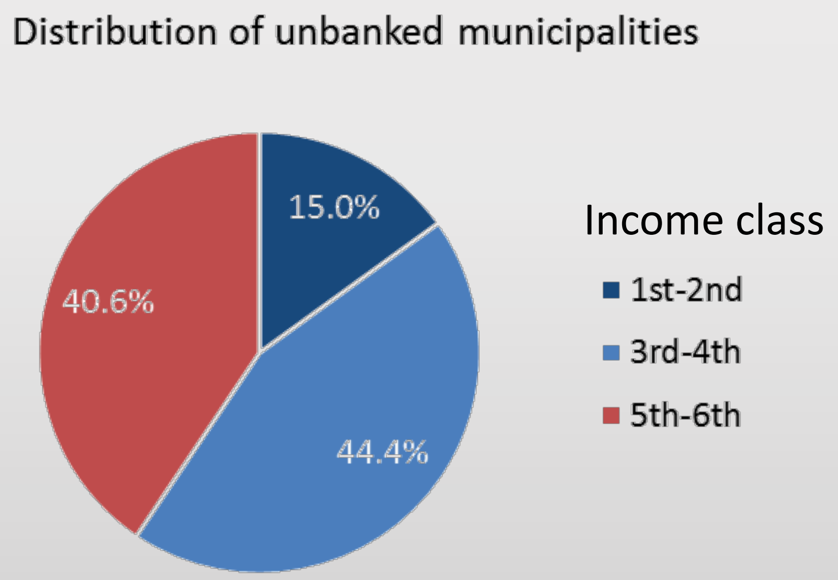
BANGKO SENTRAL NG PILIPINAS

Financial access situation in rural areas (supply-side)

595

local government units (LGUs) remain unbanked

Not all unbanked areas have low level of economic activity



→ **Opportunities for expansion**

Financial access situation in rural areas (supply-side)

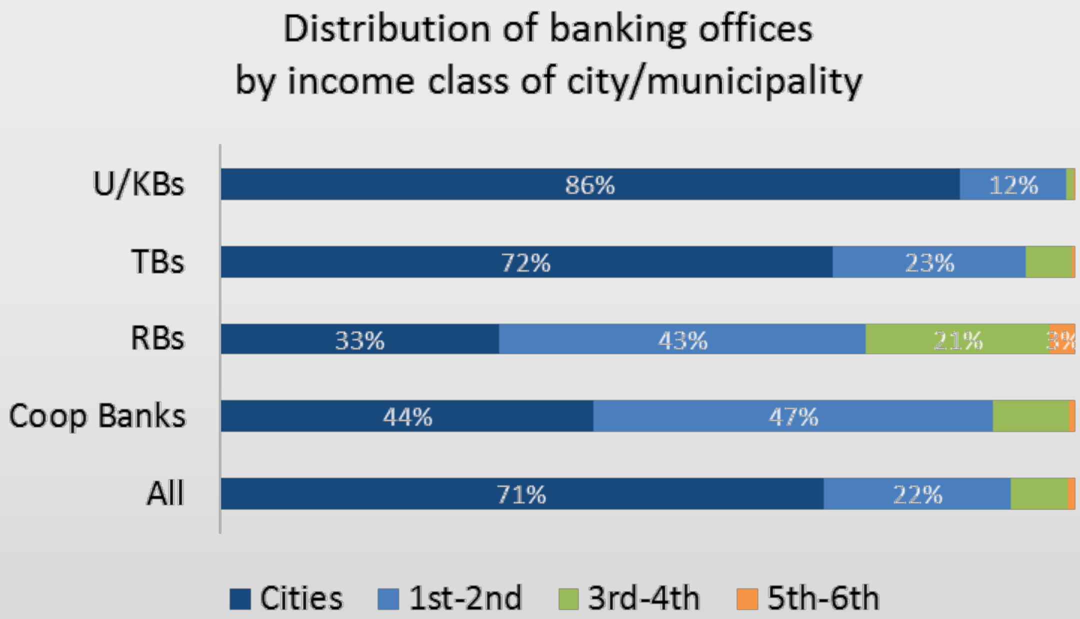
19 cities and **419** municipalities have **1** RB only

- **seize and maximize the opportunities either by expanding product offerings or by being more responsive to customer needs**

- **consider establishing presence -> healthy competition -> more choices and better rates for clients**

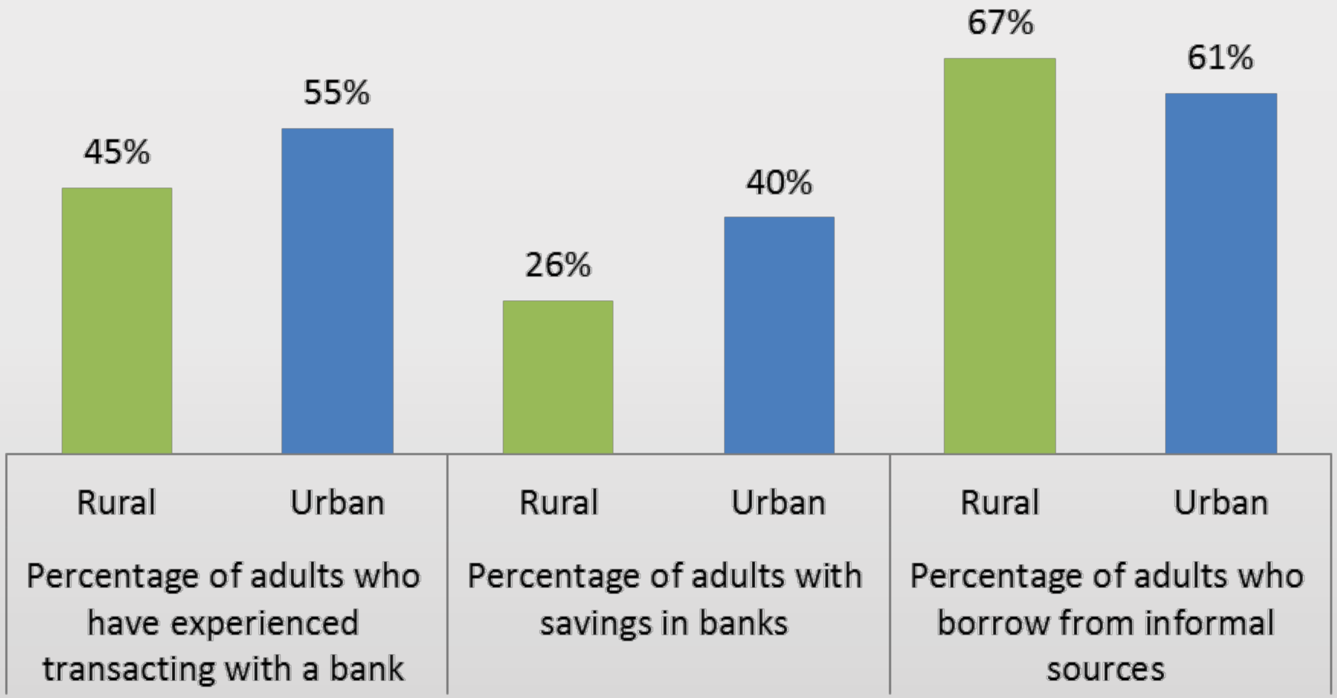
Financial access situation in rural areas (supply-side)

Larger banks are just reaching those markets which have already been served.



Even without expanding, your present situation is still very promising!

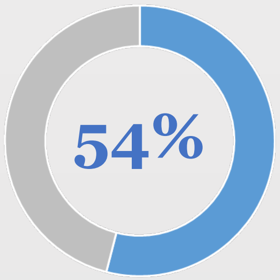
Financial access situation in rural areas (demand-side)



Source: BSP National Baseline Survey on Financial Inclusion (2015)

Rural population demands greater access to formal financial services

Financial access situation in rural areas (demand-side)



of adults who have transacted with banks are just "somewhat satisfied" with their transactions

Average waiting time

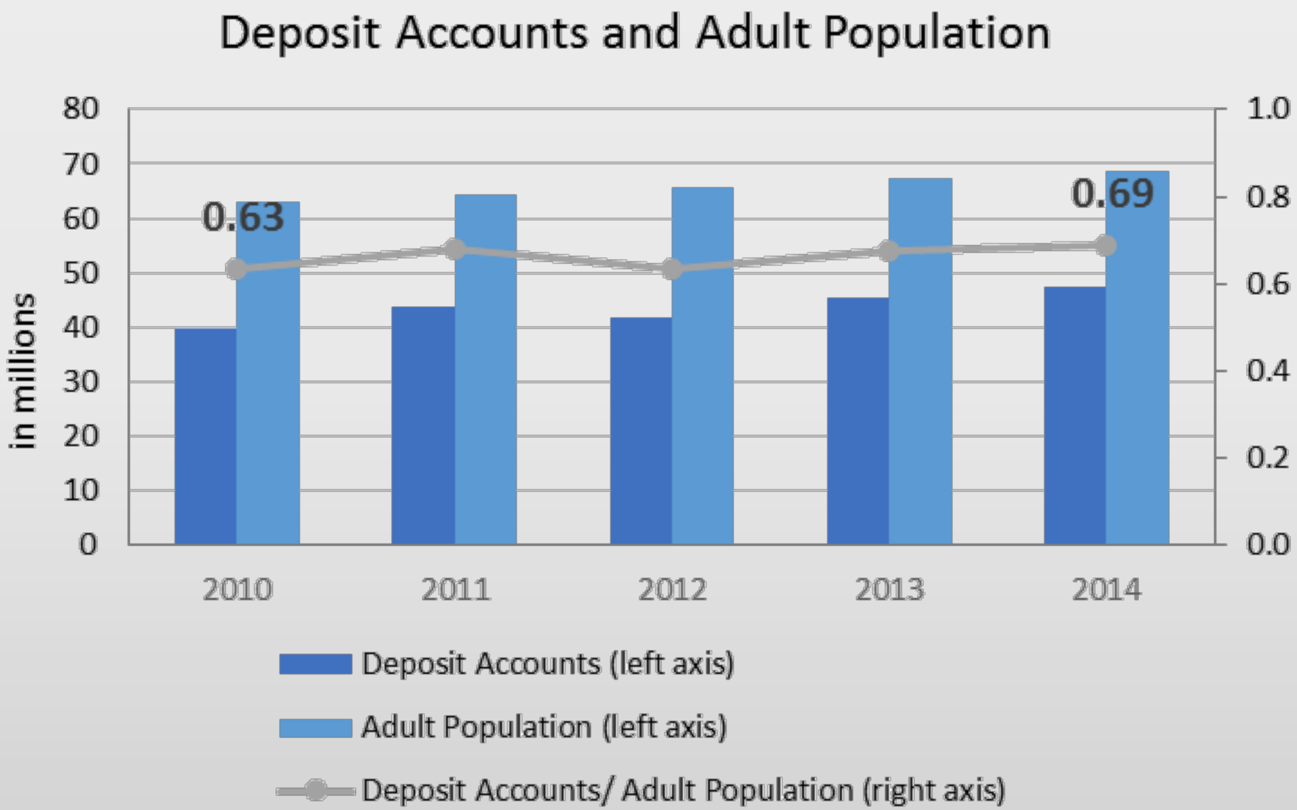
Banks: **33** minutes

Pawnshops and e-money agents: **16** minutes

Opportunity to improve the quality of products and services

Are we not seeing these opportunities?

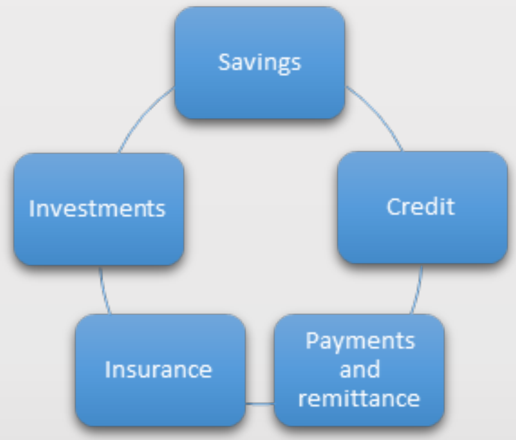
Measuring success in financial inclusion



Population growth: **2%**

Average annual growth in the number of deposit accounts: **5%**

Financial inclusion is a multidimensional phenomenon

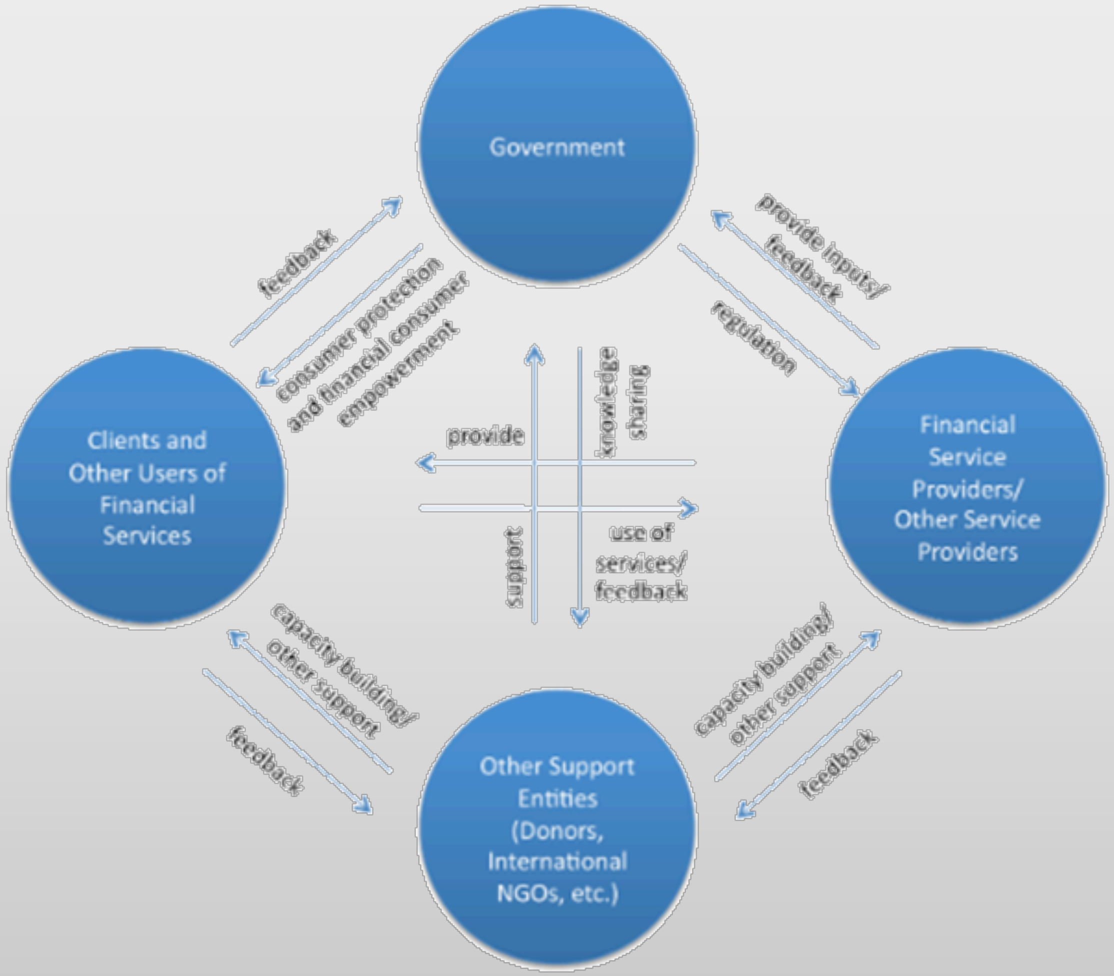


Different products and services

Unserved and Underserved

- Micro, small and medium enterprises (MSMEs)
- Low income population
- Population in frontier areas
- Population unserved due to religious barriers
- Farmers, fisherfolk, agrarian reform beneficiaries

Different market segments

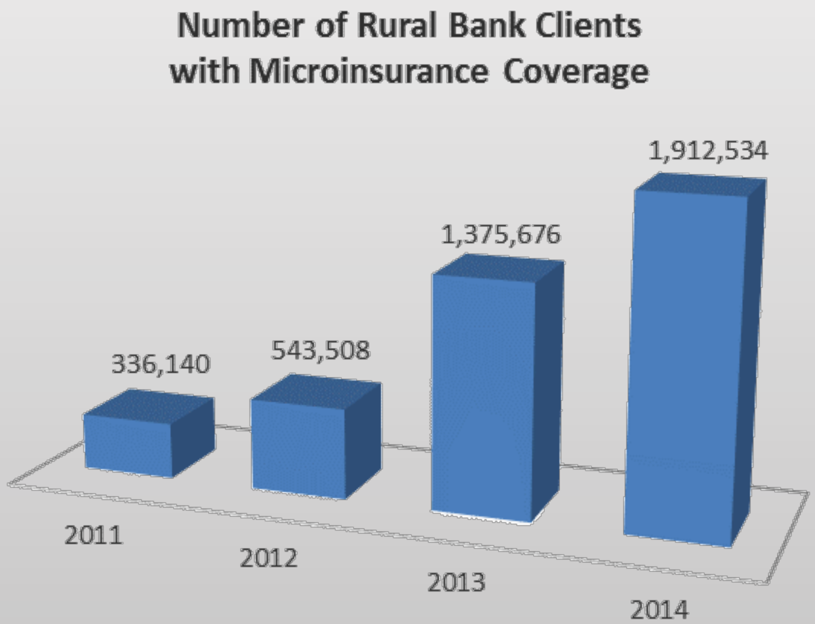


Different players

Updates

93 rural banks serving as e-money outlets

39 banks with approved authority to cross-sell microinsurance (48 applications in the pipeline)



BSP & RBAP

Rural Bankers Association
of the Philippines

Thank you!

www.bsp.gov.ph