

Leveraging on DIGITAL Initiatives

Chamber of Thrift Banks
2020 Virtual Convention, 15 October 2020

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Financial Technology Sub-sector



BANGKO SENTRAL NG PILIPINAS

1/3
of the population
are millennials
(PSA)

65%
smartphone
adoption
(We Are Social, 2019)



9 out of 10
adults with payment
transactions
(BSP, 2019)

18%
of account owners use
account for payments
(BSP, 2017)

58%
unique mobile
user penetration
(We Are Social, 2018)



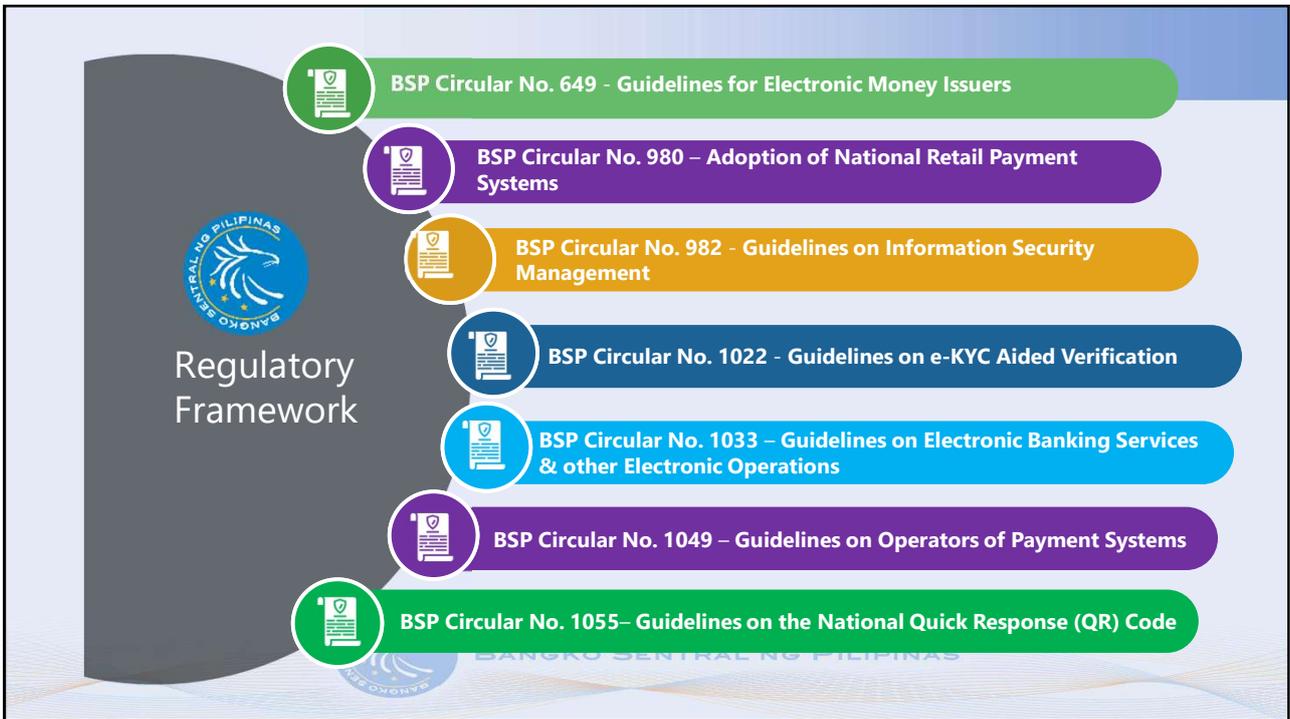
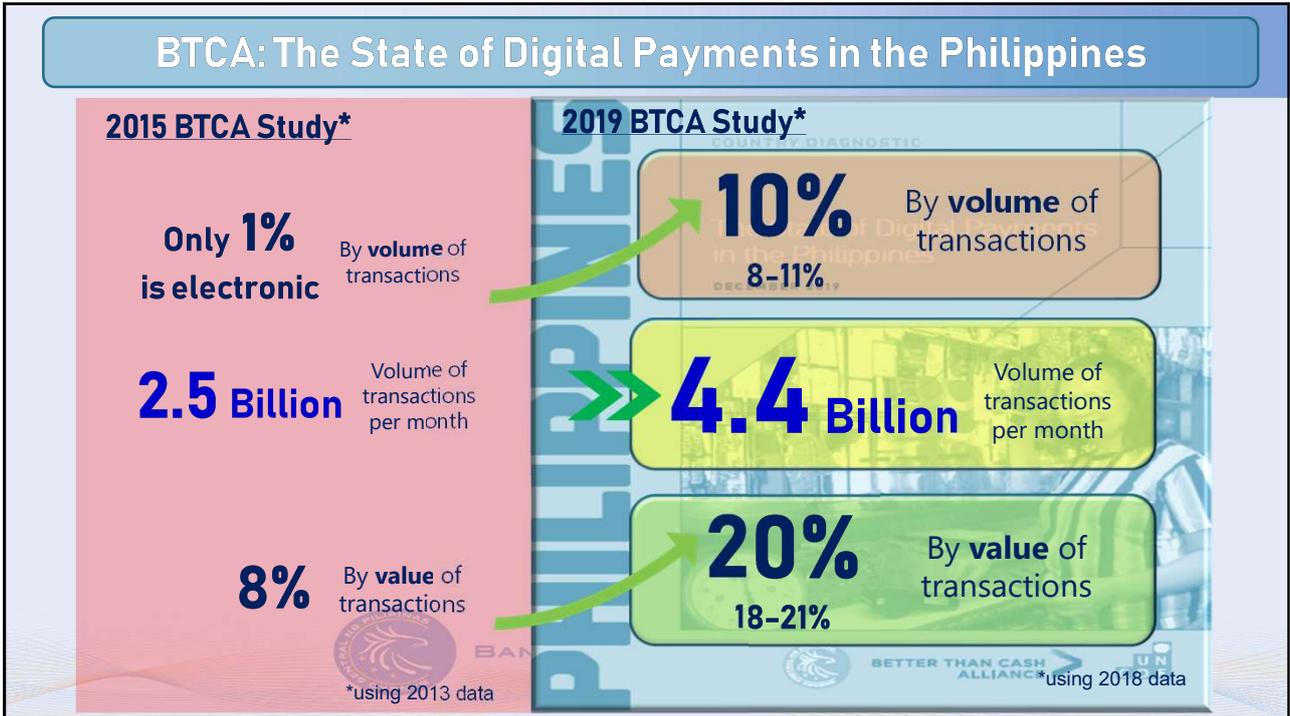
159%
SIM penetration
(GSMA, 2019)

67%
73 Million
internet users
(We Are Social, 2020)





BANGKO SENTRAL NG PILIPINAS



Prepaid load card 

Paying bills 

Remittance 

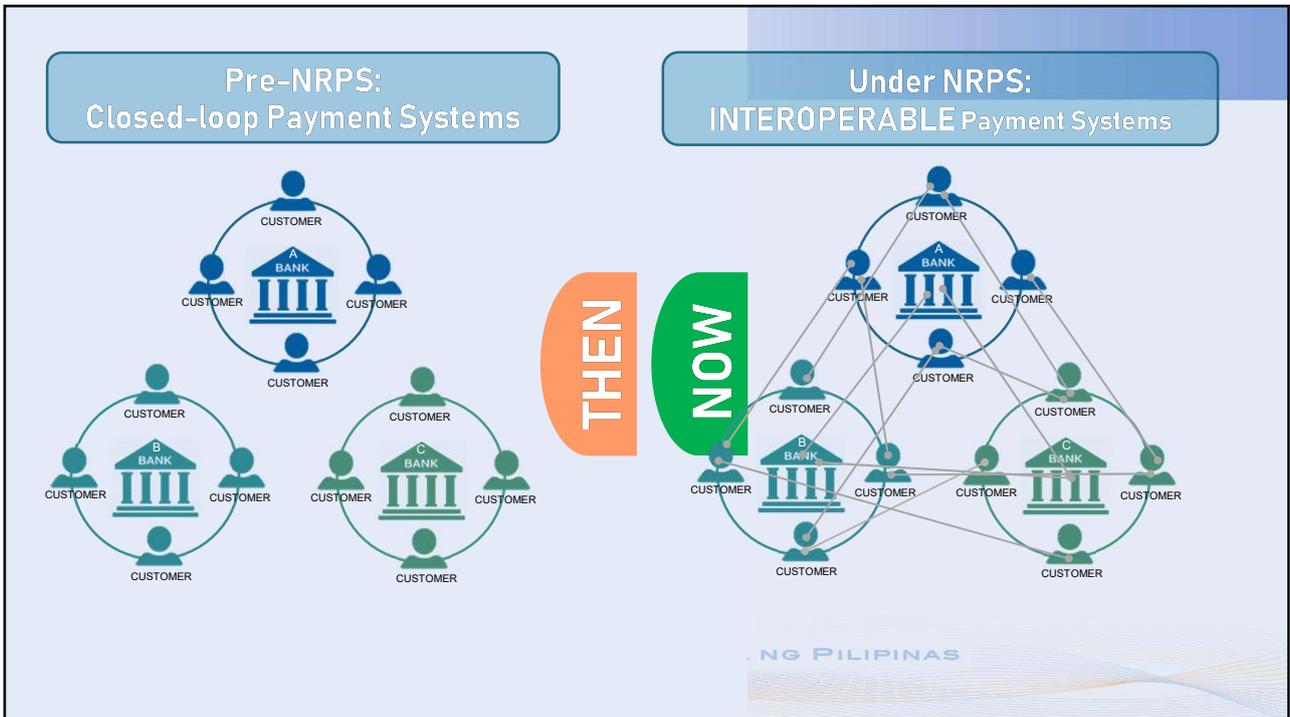
THEN

Prepaid Top-up 

Paying bills via mobile app 

P2P Transfer 

NG PILIPINAS



NRPS ACHs : InstaPay and PESONet

instaPay

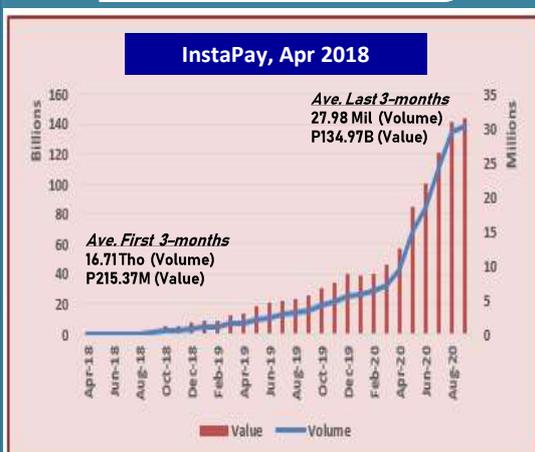
- ✔ Real-time, low-value electronic funds transfer (*funds available to recipient almost immediately*)
- ✔ Transfer up to 50K per transaction
- ✔ Alternative for cash
- ✔ Available 24/7, all year round
- ✔ Immediate and urgent transactions
- ✔ Use for P2P, P2B, P2G (merchant/e-commerce)

PESONet

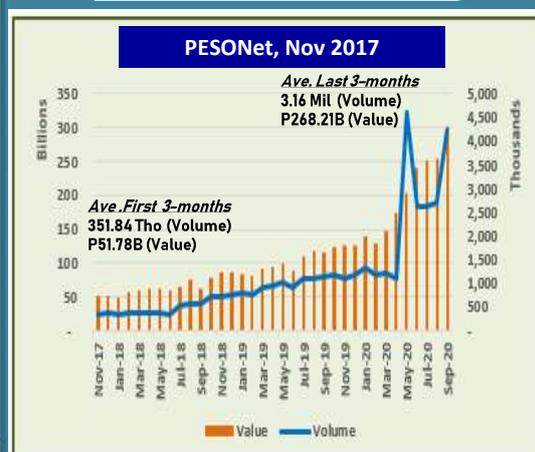
- ✔ Batch electronic funds transfer (*funds available on the same day*)
- ✔ Transfer any amount per transaction (*banks/non-bank EMI may set limit*)
- ✔ Alternative for check
- ✔ Processing of transactions during banking days only (*subject to cut-off*)
- ✔ Planned and non-urgent transactions
- ✔ Use for B2B, B2P, G2P, G2B, G2G

Exponential Growth Since Launch Date

instaPay



PESONet



Pandemic – induced Shift to Digital Payments

	Volume	Value
 ATM Withdrawals	▼ 24%	▼ 13%
 Check Transactions	▼ 67%	▼ 62%
 Electronic Fund Transfers  	▲ 87%	▲ 42%



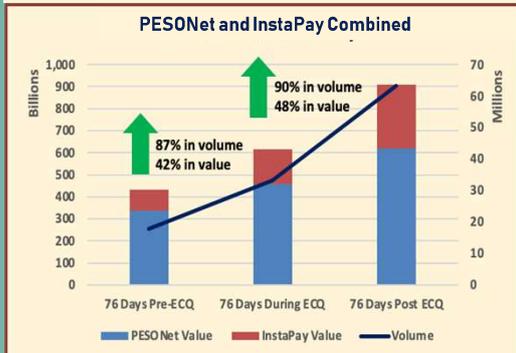
BANGKO SENTRAL NG PILIPINAS

*Comparison 76 days before and during ECQ

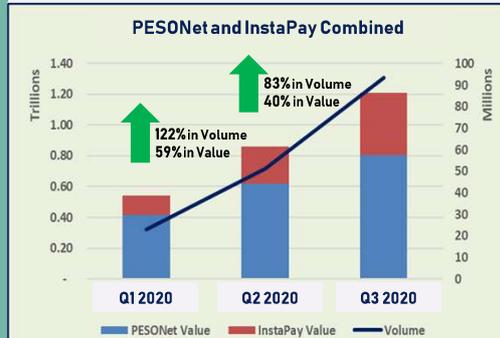
Growing preference for digital transactions



Pre vs. During vs. Post ECQ



Q1 vs Q2 vs Q3 Transactions



PESONet and InstaPay transactions for September 2020 are based on preliminary data.

Sources: Philippine Clearing House Corporation and BancNet

Adoption of the National QR Code (QRPh) thru InstaPay



P2P QRPh

Person-to-Person

*Launched in
Nov 2019*

QR Ph



For greater interoperability
among payment service
providers (PSPs)



P2M QRPh

Person-to-Merchant

**In the Pipeline:
Coming Soon**



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EGovPay Facility thru PESONet



EGOV PAY

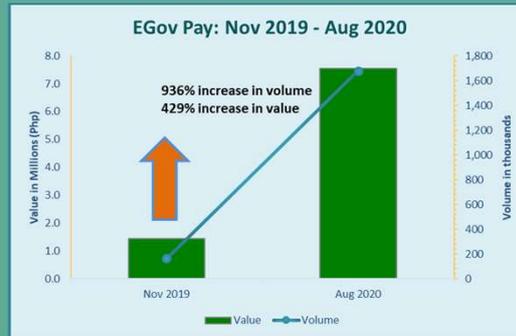
Powered by **Link.BizPortal** and **PESONet**

- Allows individuals and businesses to pay taxes, permits, fees, and other obligations to the Government.
- 280 participating government agencies as of end-June 2020. BIR, DTI, PNP, Environment Management Bureau, OWWA, LGUs leading the roster; out of the 365 identified govt merchants, remaining 85 in the pipeline.



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Growing preference for digital transactions



Initiatives in the Pipeline



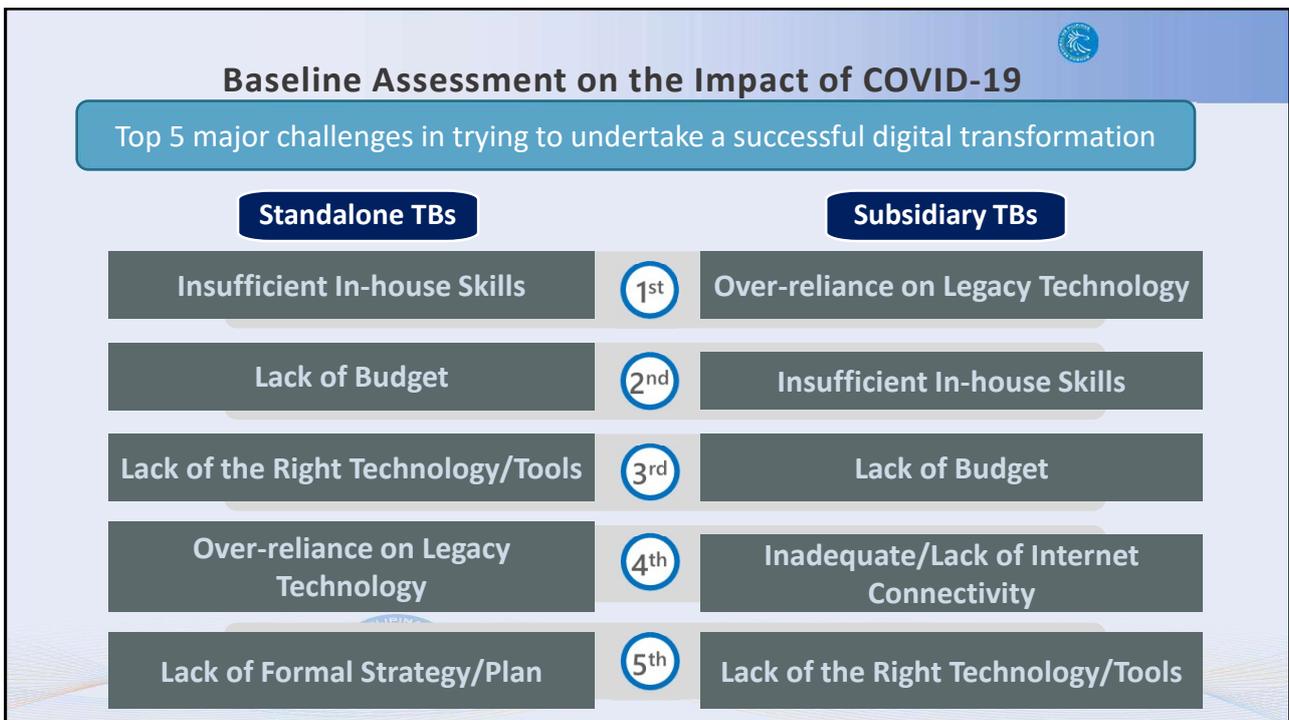
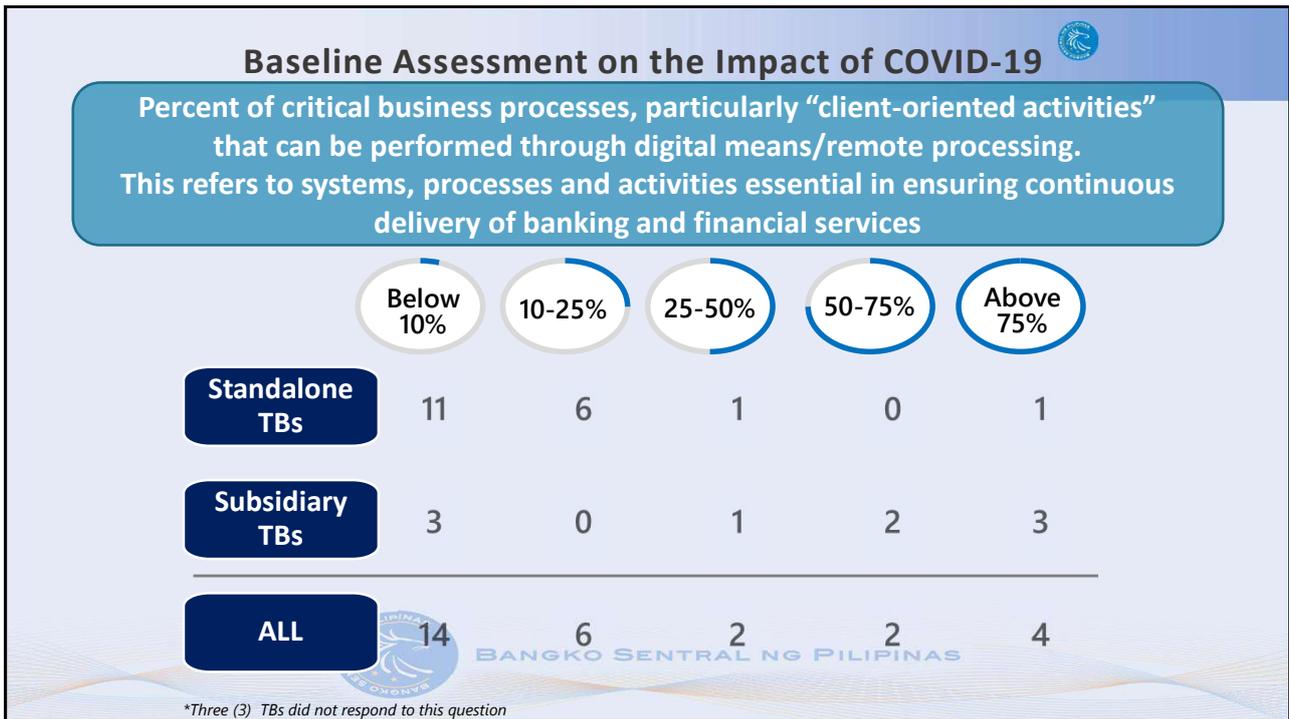
Direct Debit FW

- Enables payors to better manage their recurring payments like rental, loan amortizations, etc.
- Payors simply authorize the payees to pull the amount specified in the direct debit payment instruction, from the account of the payors.



Bills Pay FW

- Aims to eliminate inefficient bills collection process, ensuring that the biller can collect from the payors even if the PSPs of the payors are different from that of the biller.

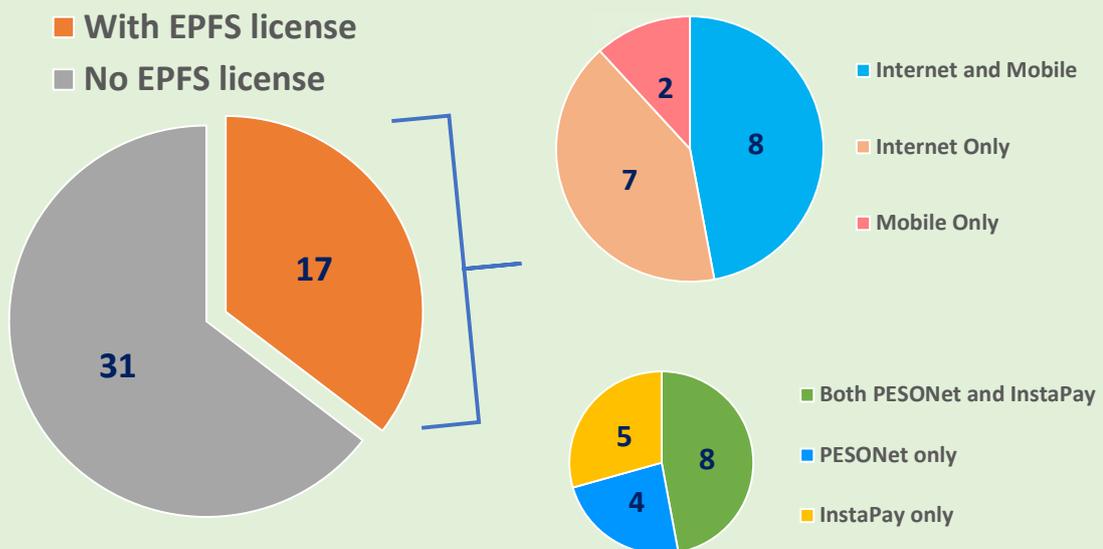


Baseline Assessment on the Impact of COVID-19

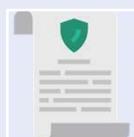
Where do you see the BSFI when it comes to digital transformation?

	Standalone TBs	Subsidiary TBs	ALL
 We have <u>not started</u> to become more digital yet, <u>but are planning</u> our approach	10	2	12
 We are <u>behind schedule</u> when it comes to being more digital	6	4	10
 We are <u>right on schedule</u> when it comes to being more digital	4	5	9

Digi-Ready TBs with E-banking (EPFS) License



IT'S NOT TOO LATE



M-2020-033

WAIVER OF FEES ON THE GRANT OF
NEW EPFS LICENSE

WITHIN 6 MONTHS FROM
8 MARCH 2020

M-2020-079



EXTENSION OF WAIVER OF FEES

UP TO 31 MARCH 2021

Relief on EPFS Processing and Registration Fees Approved by the Monetary Board



BANGKO SENTRAL NG PILIPINAS

"The changing digital landscape is here and now. To stay relevant is to remain vigilant and agile to these changes. This should compel us to be open-minded and hopefully, through these new ways of thinking, we are able to fully harness fintech innovations to unlock financial inclusion barriers and facilitate digital financial transactions in ways never been seen before."

-- Citibank's Perspectives Event, 16 September 2020

BENJAMIN E. DIOKNO
Governor



BANGKO SENTRAL NG PILIPINAS

***“Digital must be in your DNA to remain relevant.
Nail it. Adapt to it. Embark on it.
No other better time to go digital.”***



BANGKO SENTRAL NG PILIPINAS

Thank you!



BANGKO SENTRAL NG PILIPINAS