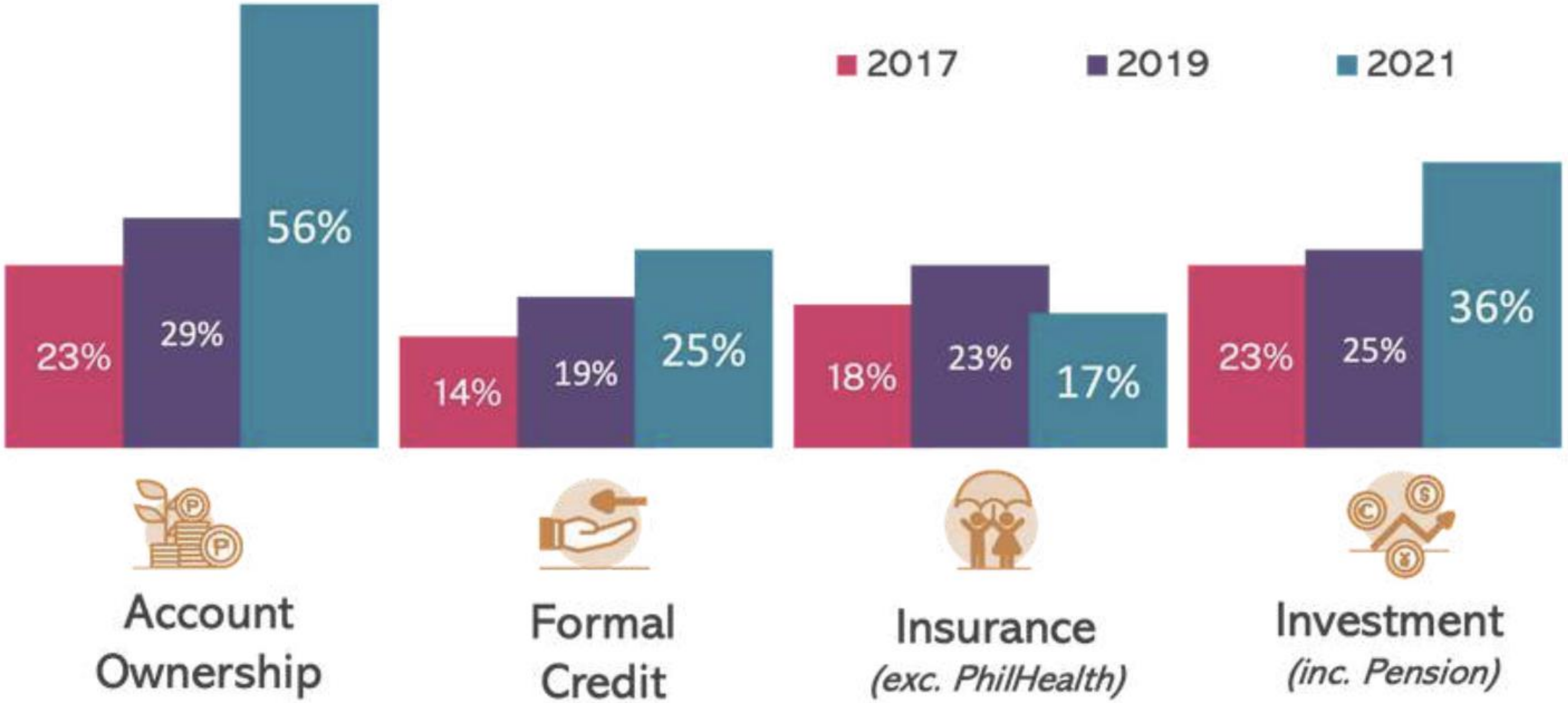
Why financial literacy?

USE OF FORMAL FINANCIAL SERVICES - INDIVIDUAL



Individual Account Ownership

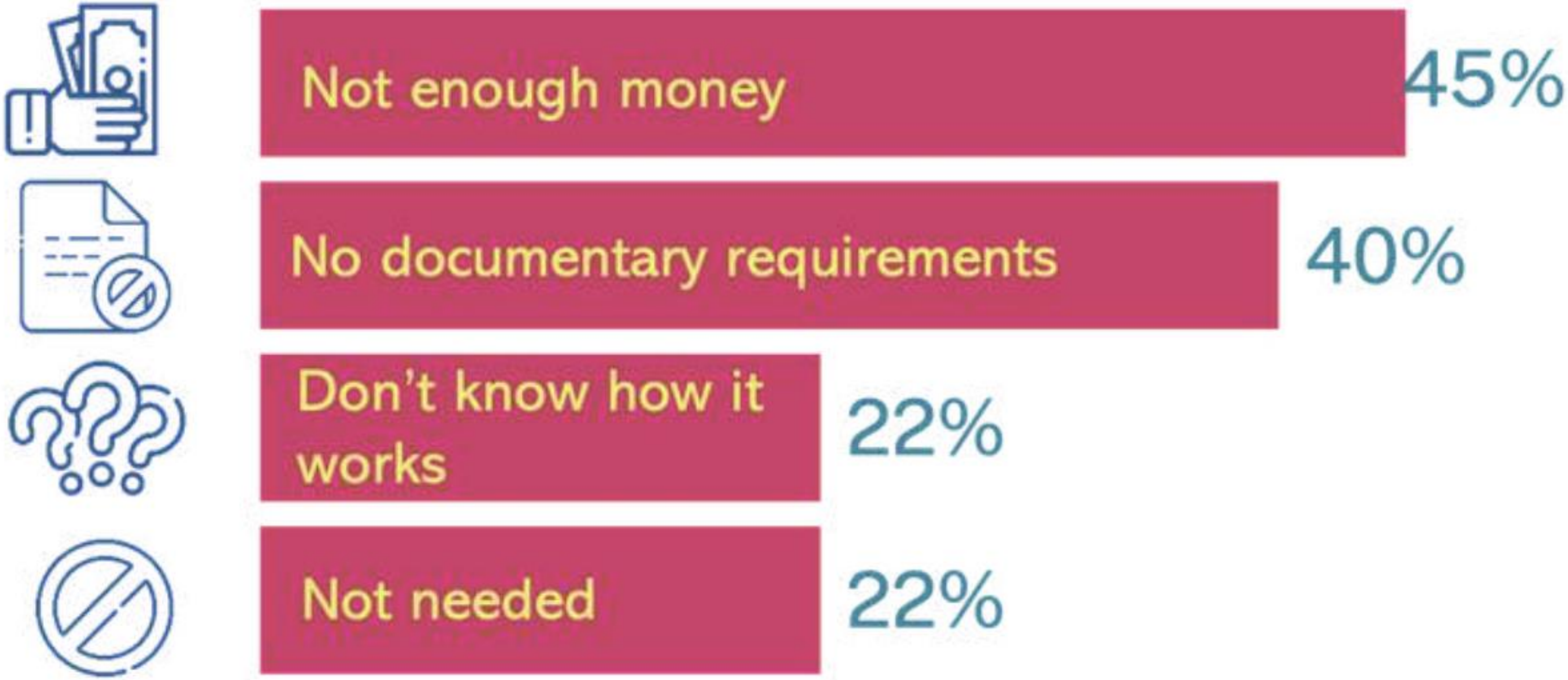
3 out of 5 or 43 million

Filipino adults have a formal account

(65% of households have an account in Q4 2022)

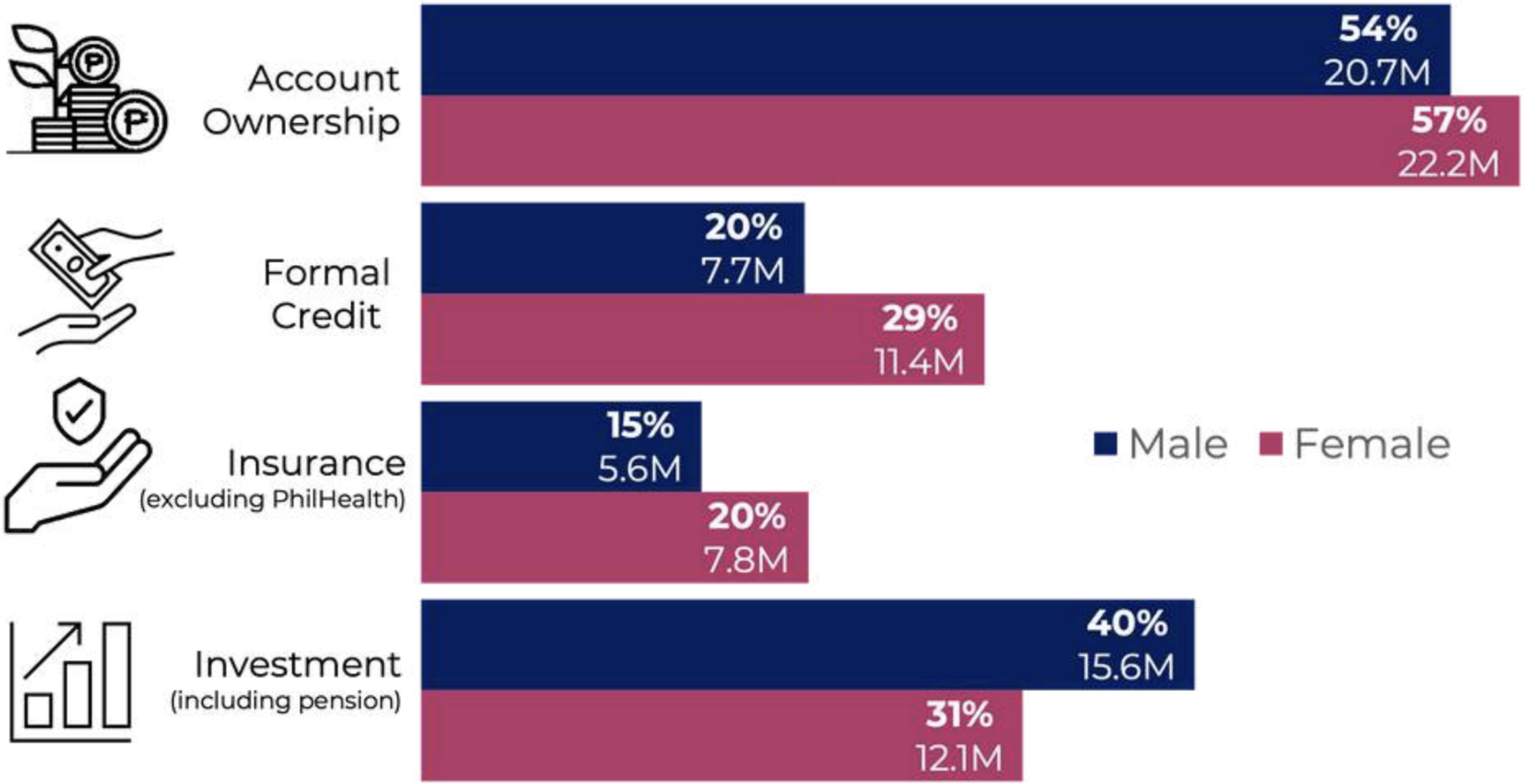
Source: Consumer Expectations Survey

BARRIERS TO ACCOUNT OWNERSHIP



Source: Financial Inclusion Survey, unless otherwise stated

USE OF FORMAL FINANCIAL SERVICES, BY SEX (2021)



DIGITAL FINANCE

76% (2021)

are mobile phone and internet users

(vs. 49% in 2019)

60% (2021)

of mobile phone & internet owners had online financial transactions

(vs. 11% in 2019)

79% (2021)

of accountholders used their account for payment transactions

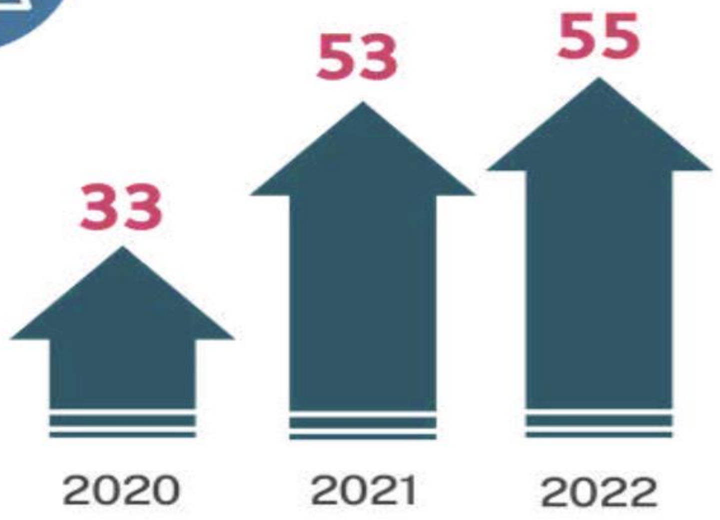
(vs. 47% in 2019)

Source: Financial Inclusion Survey, unless otherwise stated

DIGITAL BANKS

6 digital banks in 2022

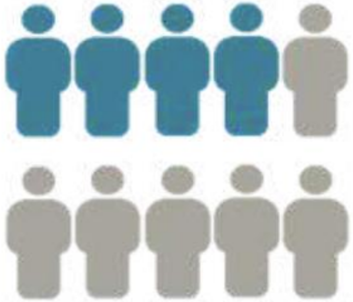
Banks with digital onboarding capability



Source: Financial Inclusion Dashboard

FINANCIAL LITERACY

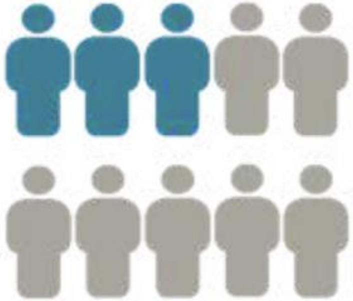
42%



knowledge on inflation

(from 55% in 2019)

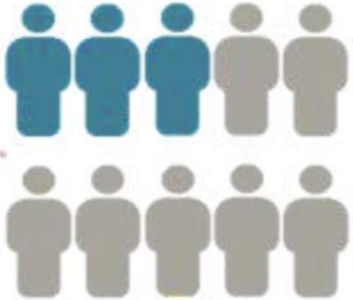
32%



knowledge on simple interest

(from 32% in 2019)

30%



knowledge on compound interest

(from 33% in 2019)

FINANCIAL CAPABILITY

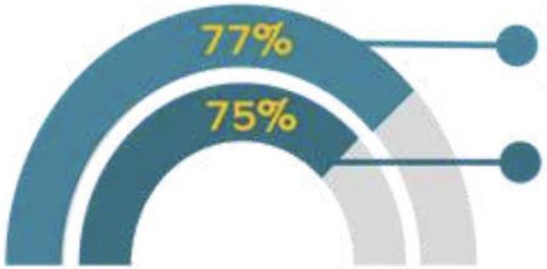
46%

35.4 million Filipino adults have a budget

80%

of Filipino households plan ahead financially

Perceptions on money



Before I buy something, I carefully consider whether I can afford it

I keep a close watch on my financial affairs

FINANCIAL HEALTH

While majority of Filipino adults have financial goals, almost half of them feel that finances control their lives. Nearly half are also not prepared for "rainy days".

"EVERY DAY"

Finances control respondent's life	46%
Cannot fully meet cost of living expenses	41%
Cannot fully meet current financial obligations	14%

"RAINY DAY"

Current finances or savings would not last	46%
Giving an occasional gift strains monthly finances	28%
Cannot handle emergency expenses	23%

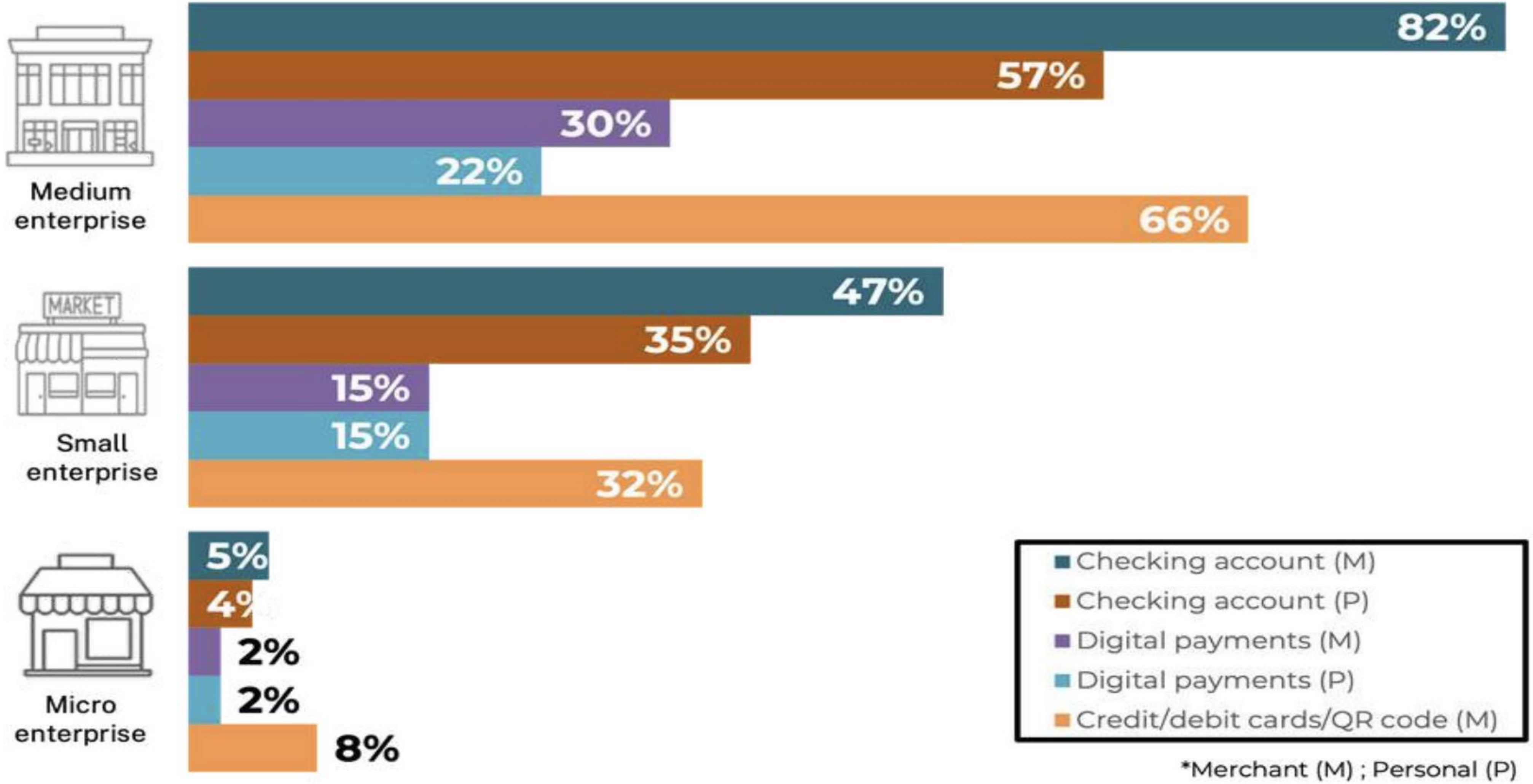
"ONE DAY"

Current financial situation will keep from acquiring wants/dreams	38%
Financial future not secured	13%
No clear financial goals	11%
Not on track to meet financial goals	11%

**Percentages refer to the share of respondents who either strongly agree or agree with the statement.*

USE OF FINANCIAL SERVICES - MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)

Micro Enterprises significantly use fewer formal financial services than Small and Medium enterprises.



*Merchant (M) ; Personal (P)

More than half of **women entrepreneurs (52%) and 27% of men entrepreneurs** still use **cash in financial transactions**

46% of men entrepreneurs and **23% of women entrepreneurs** still prefer transacting **over-the-counter**

ATM terminals were used by **28% of men entrepreneurs** and **15% in women entrepreneurs**

Use of QR codes are gaining traction at **27% for men entrepreneurs** and **16% for women entrepreneurs**

Internet banking via web browser and mobile/banking apps is still low at **22% and 21% for men entrepreneurs and 10% for both services in women entrepreneurs**

Less than a third of women entrepreneurs use digital financial services (DFS) compared to over 40% men entrepreneurs

28% | **44%**

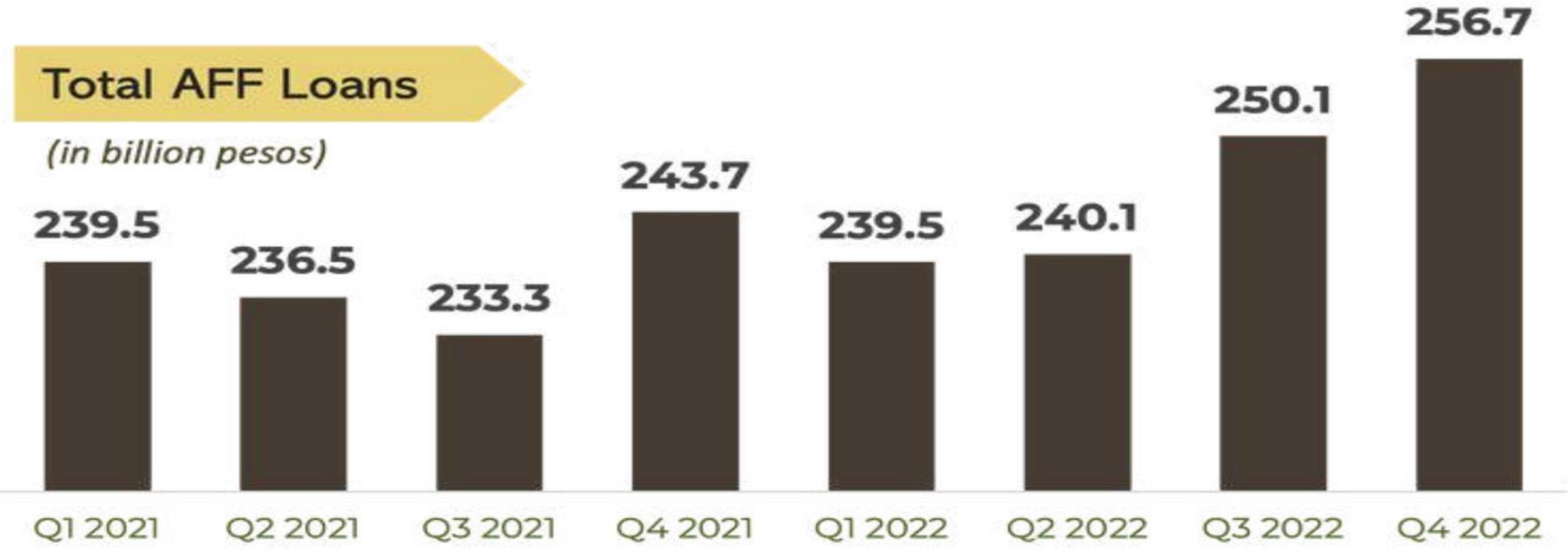
Note: As a percentage of 600 women-owned and 400 men-owned MSMEs.

Source: Asian Development Bank "Promoting Transformative Gender Equality Agenda in Asia and the Pacific": 2021 MSME Survey

Agriculture, Forestry and Fishing (AFF) Loans

Total AFF Loans

(in billion pesos)

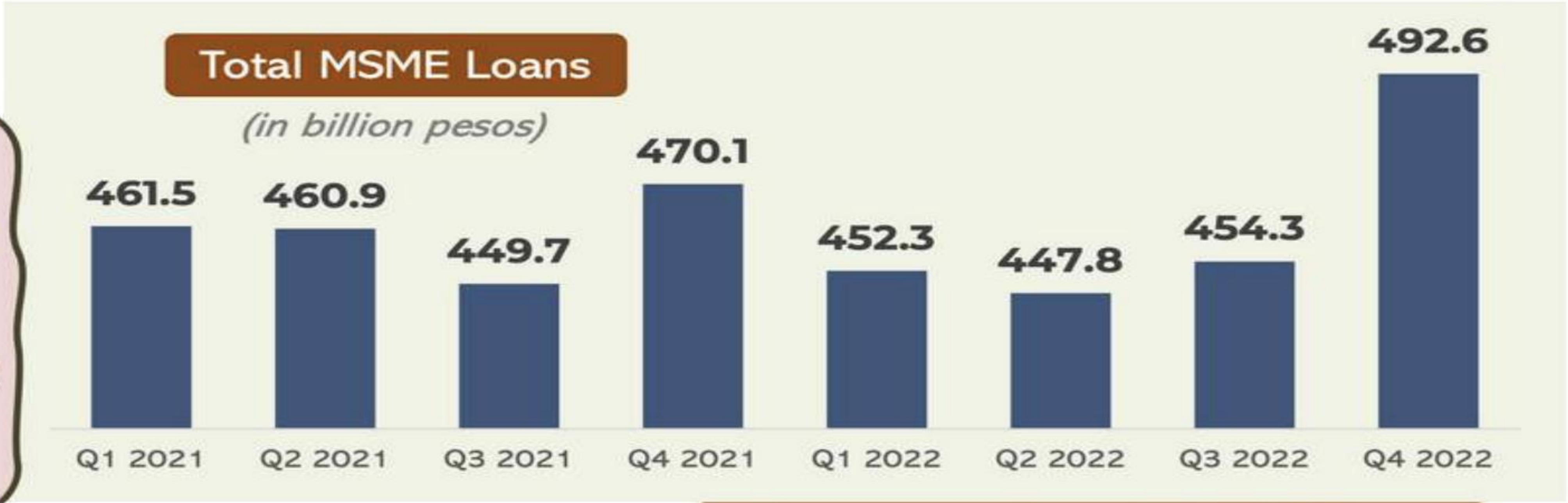


252 billion pesos outstanding AFF Loans *as of February 2023*

Percentage Share of AFF Loans to Total Loans Outstanding

Micro, Small and Medium Enterprises (MSME) Loans

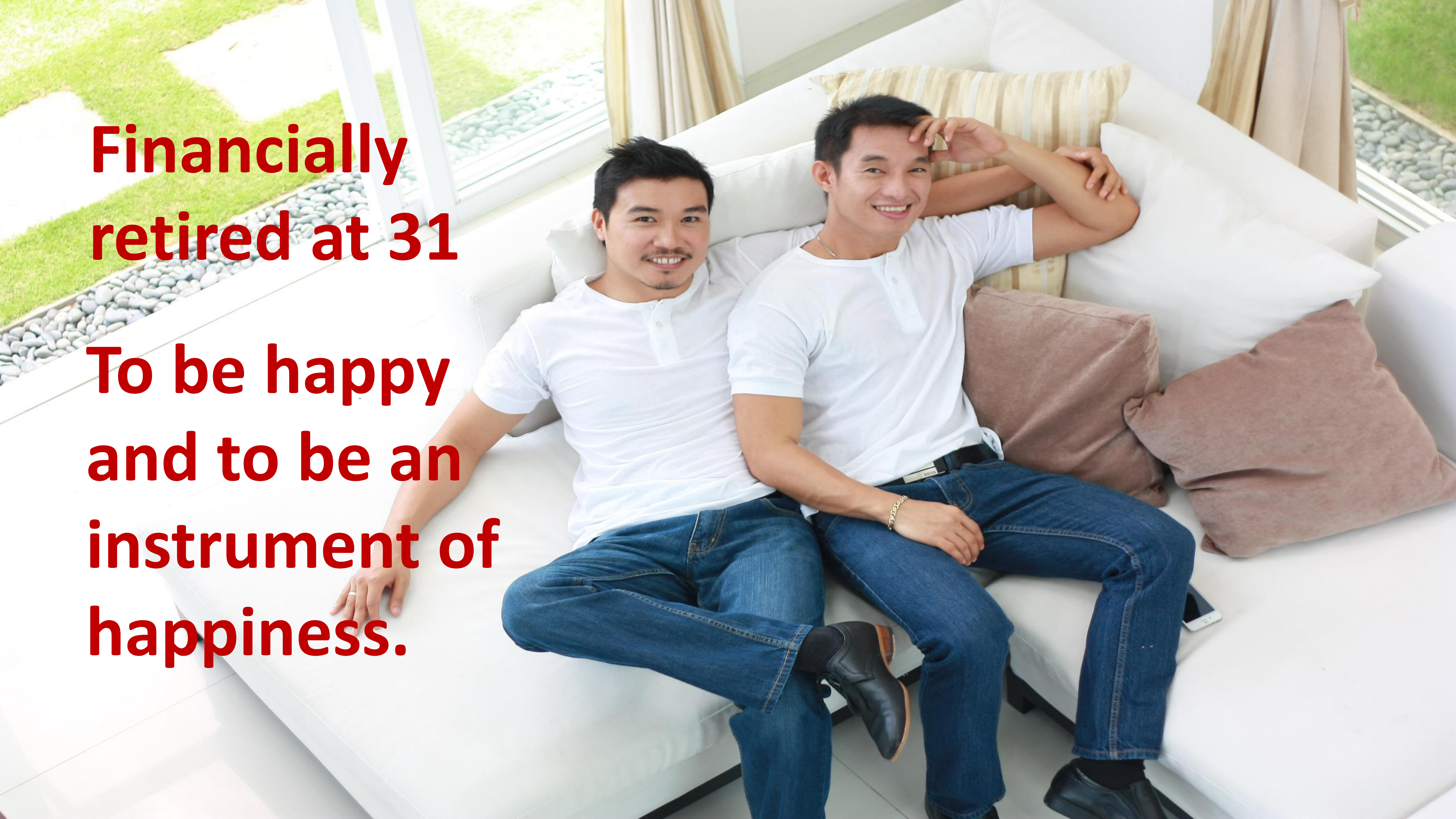
493
billion pesos
MSME Loans
as of Q4 2022



Source: Bangko Sentral ng Pilipinas

Goals of Effective Personal Financial Management

- Maximizing earnings and wealth
- Practicing efficient consumption
- Finding life satisfaction
- Reaching financial security
- Accumulating wealth for retirement and an estate


Financially retired at 31
To be happy and to be an instrument of happiness.

Steps in Financial Planning

1. Your financial starting point: Knowing where you are financially
2. Set financial goals and priorities
3. Decide on timeframe and a budget
4. Match financial goals with source of income
5. Implement and monitor your progress