



2025 MCPI Annual Conference

Microfinance Digitalization Updates

**Results of the 2025 Range
of Practice Survey**

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Director, Financial Inclusion Office

31 July 2025



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Outline

- About the Survey
- Results
- Conclusion and Ways Forward





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About the Survey



Overview

The survey is part of ongoing efforts to support the digital transformation of MFIs.



Objectives

- Assess technological adoption among MFIs
- Identify trends, challenges, & opportunities
- Generate insights to inform possible initiatives



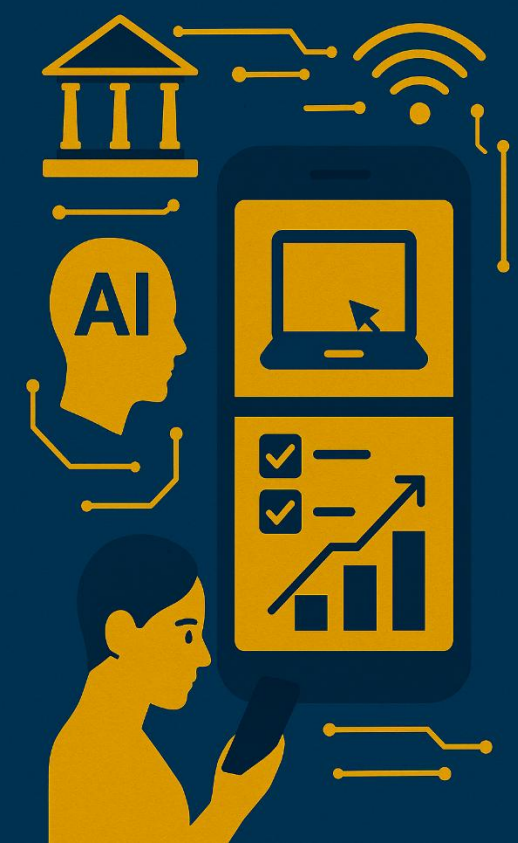
Methodology

- **Survey period:** March 3 to April 4, 2025
- **Respondents:** members of MCPI and APPEND, Inc.
- **Data collection:** self-administered electronic survey



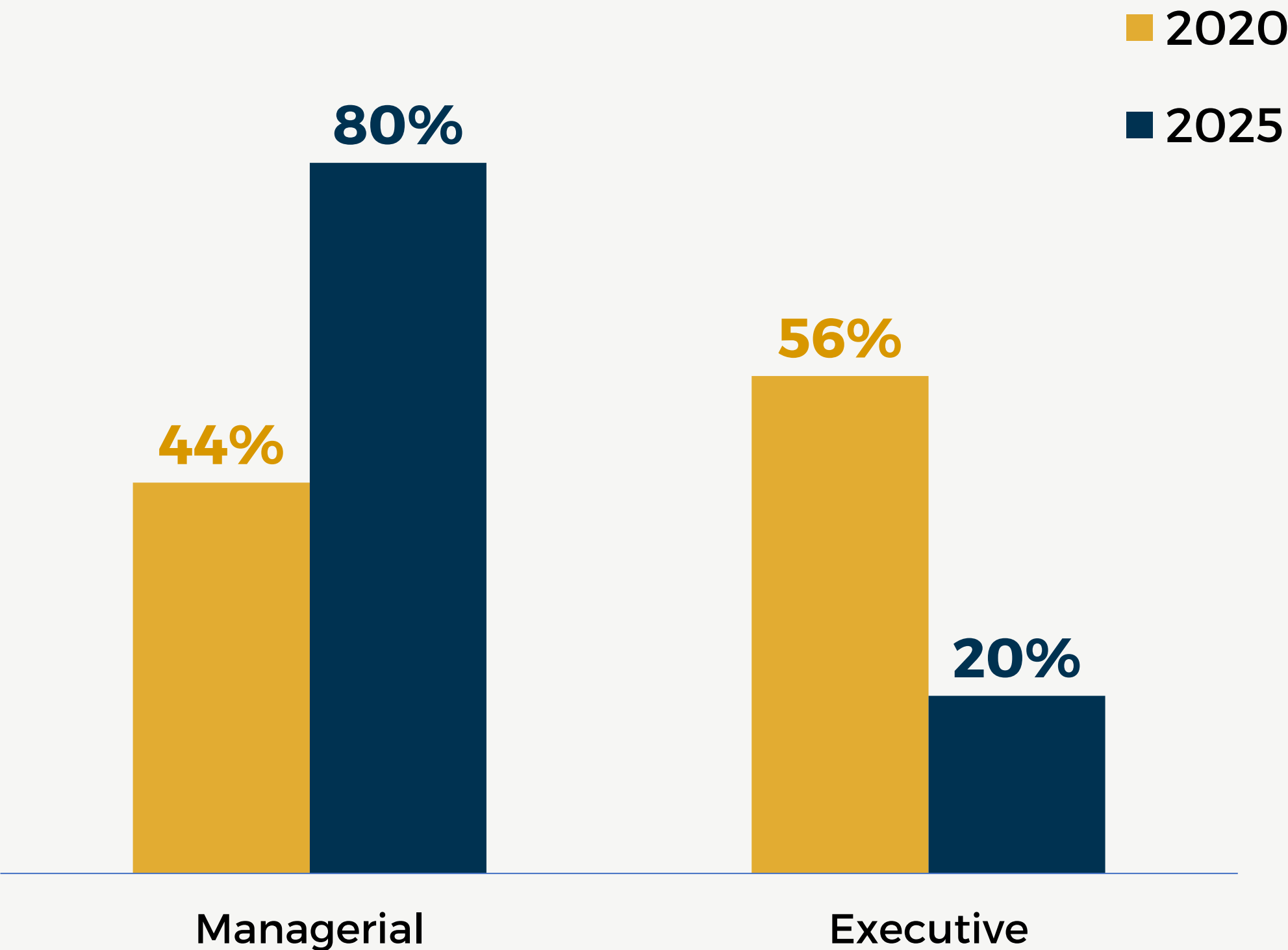


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Profile of Respondents

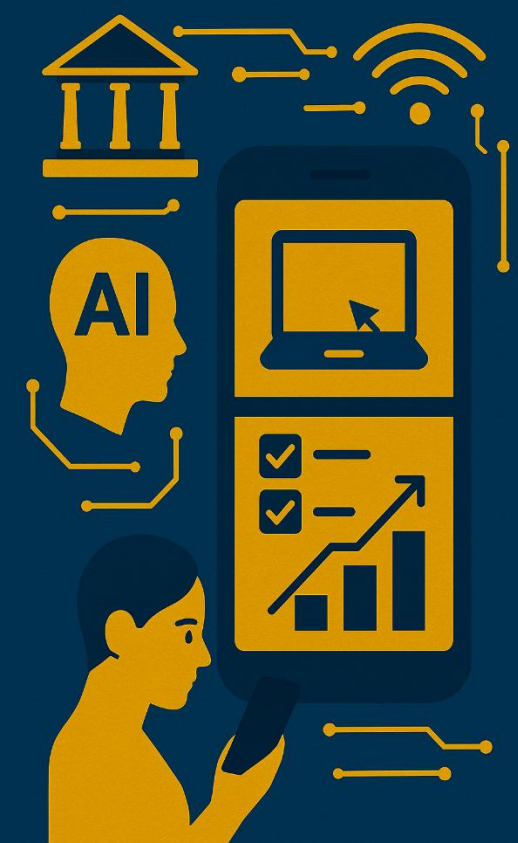
Role Distribution of Respondents



25
MFI-respondents
in 2025

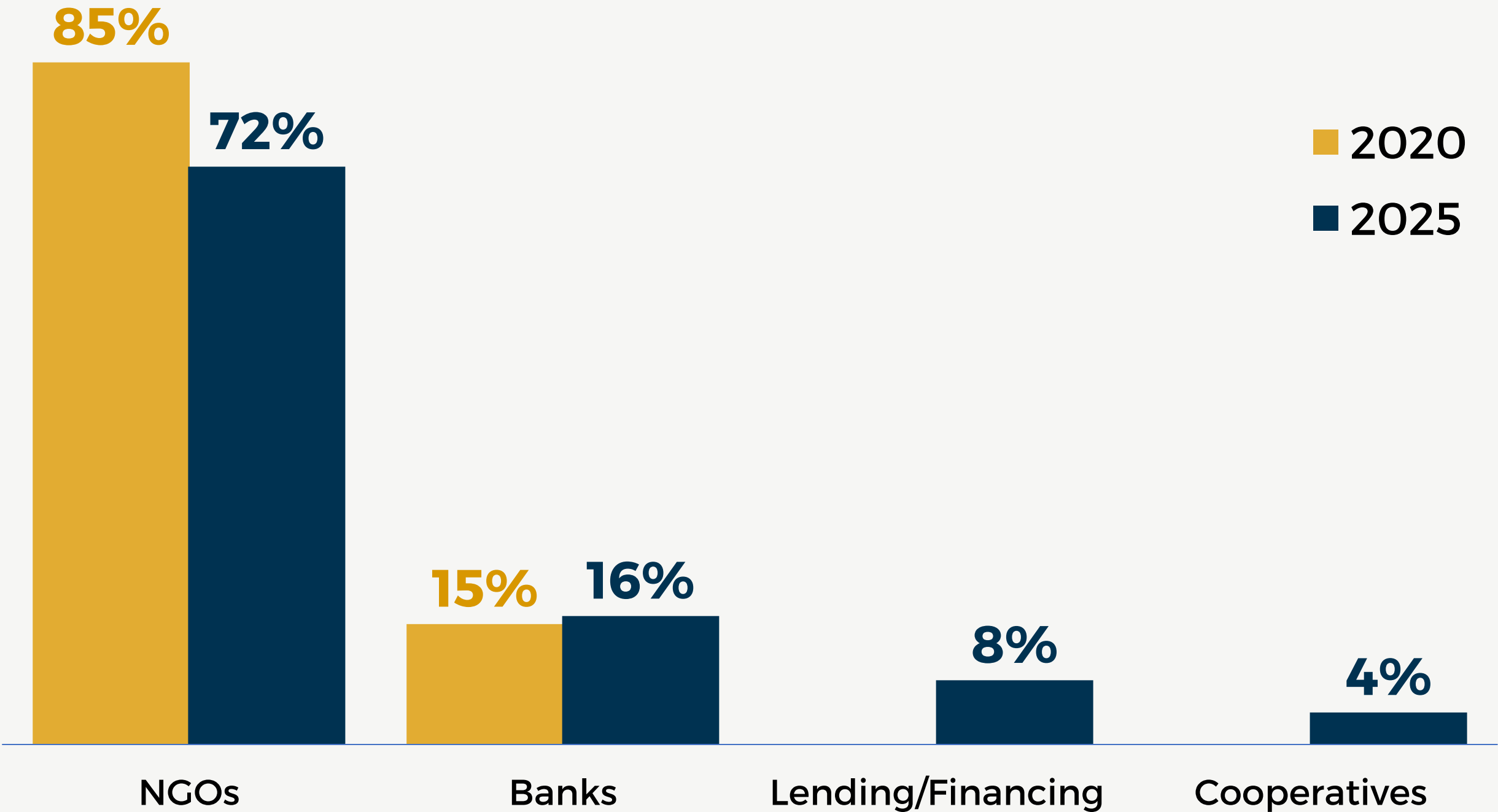


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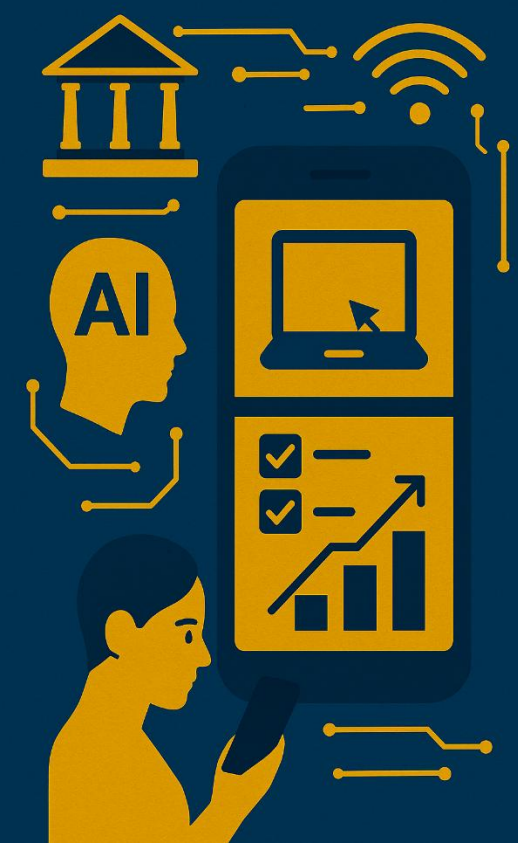
Profile of Respondents

Institutional Classification of Respondents

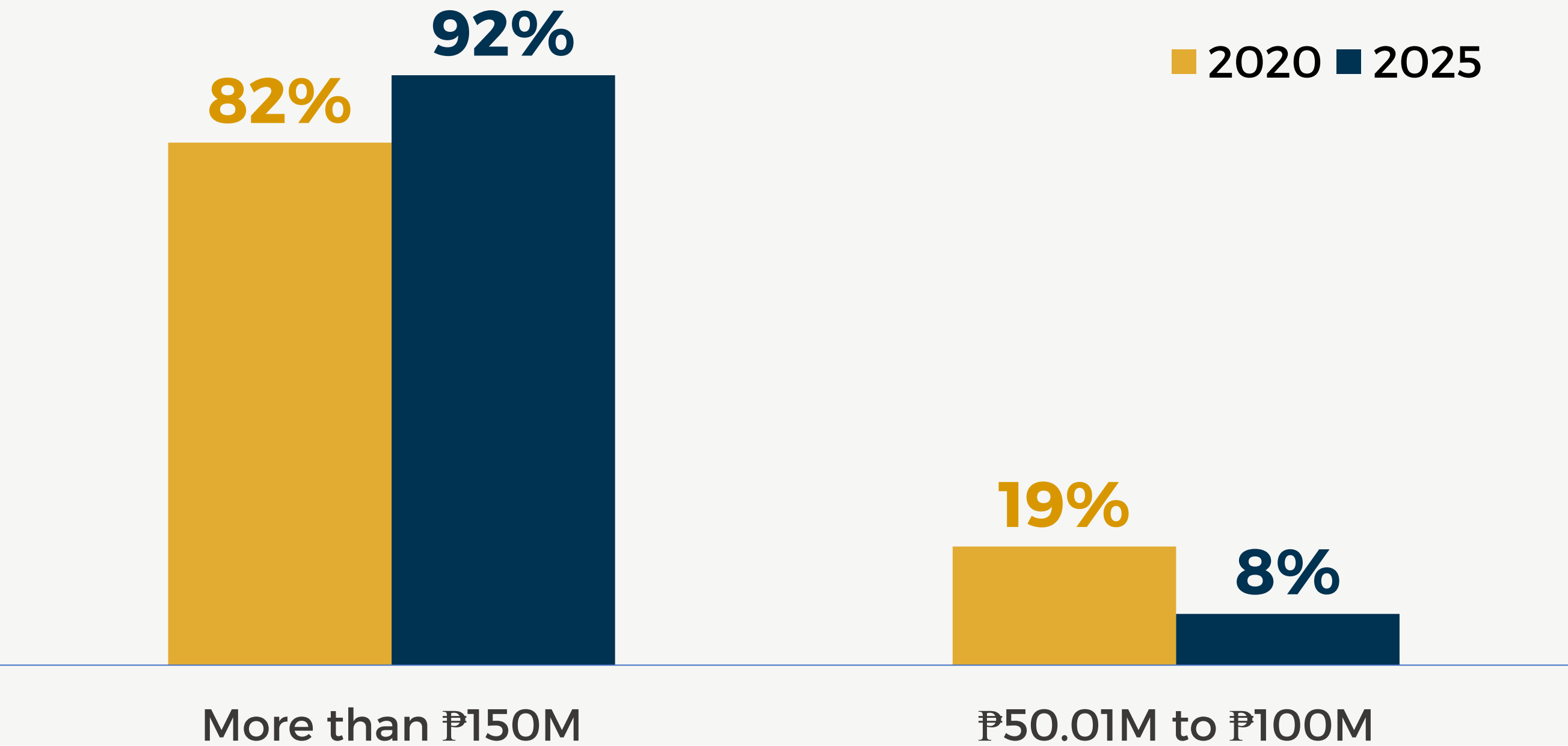




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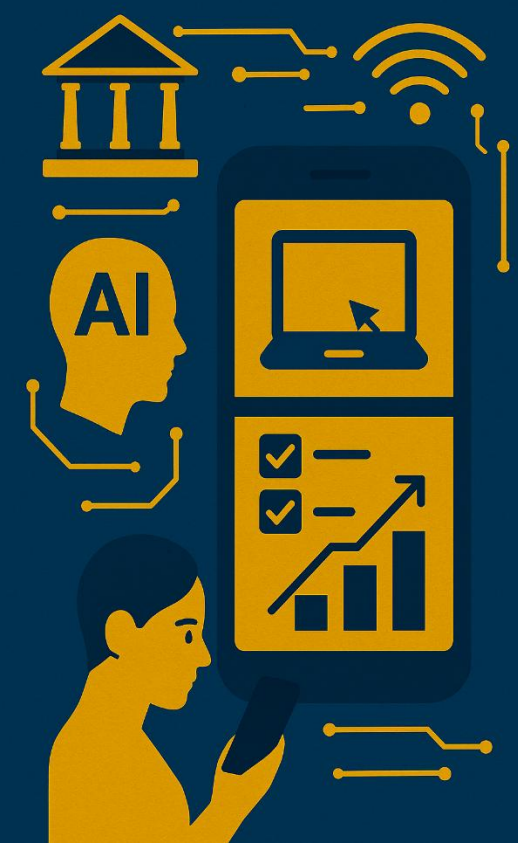
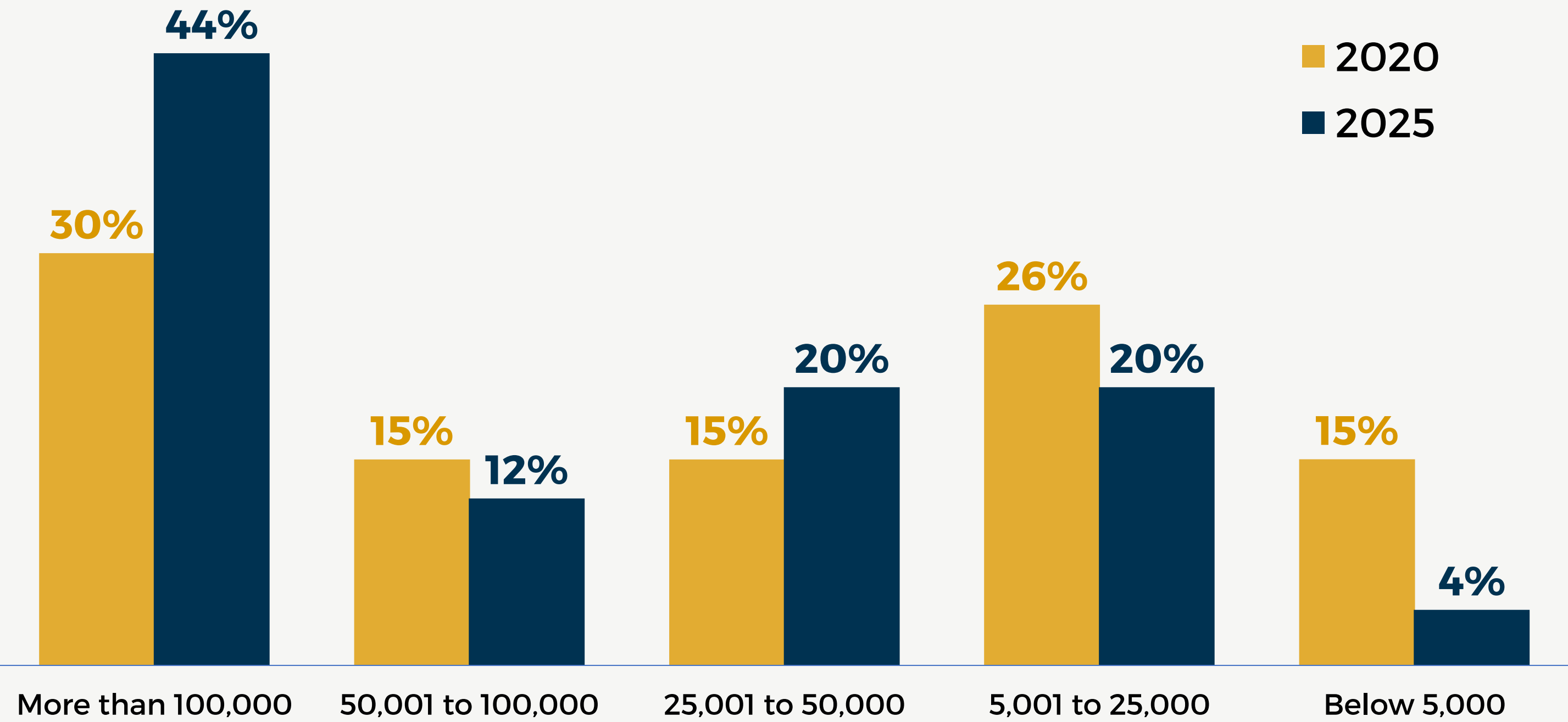
Asset Size Distribution





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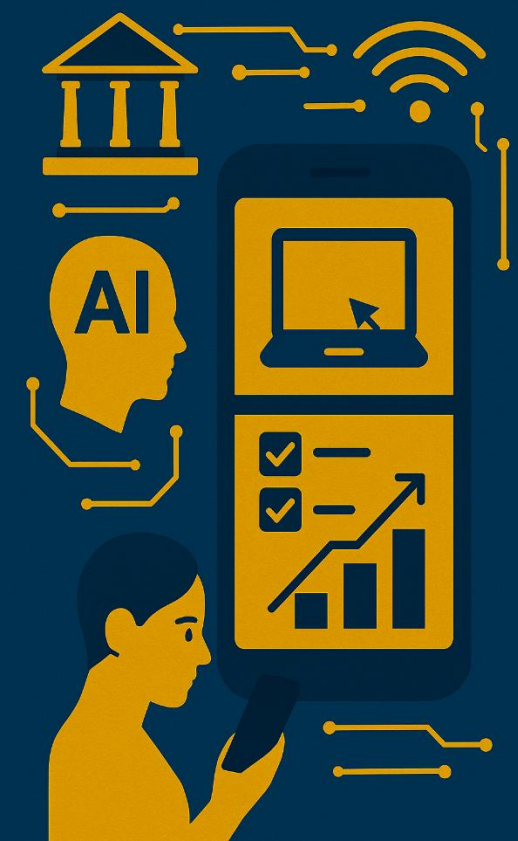
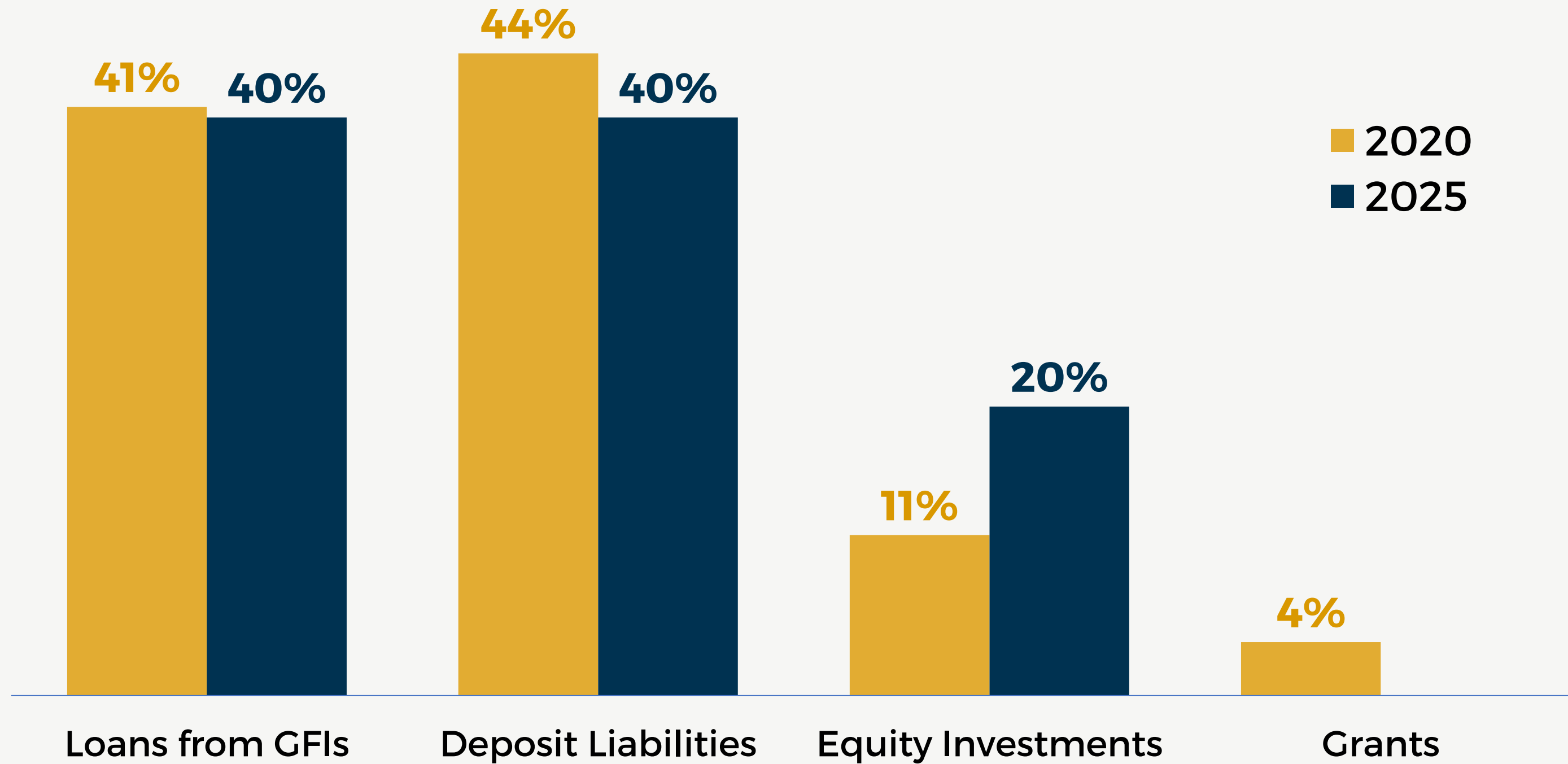
Client Reach





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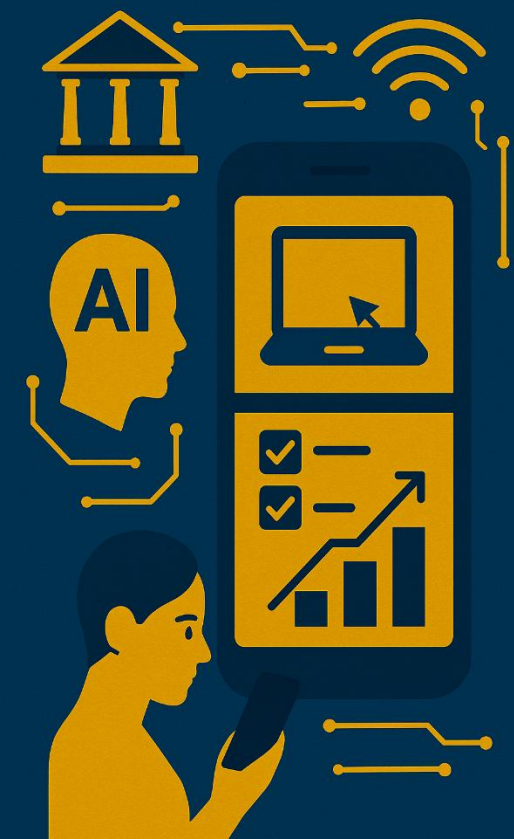
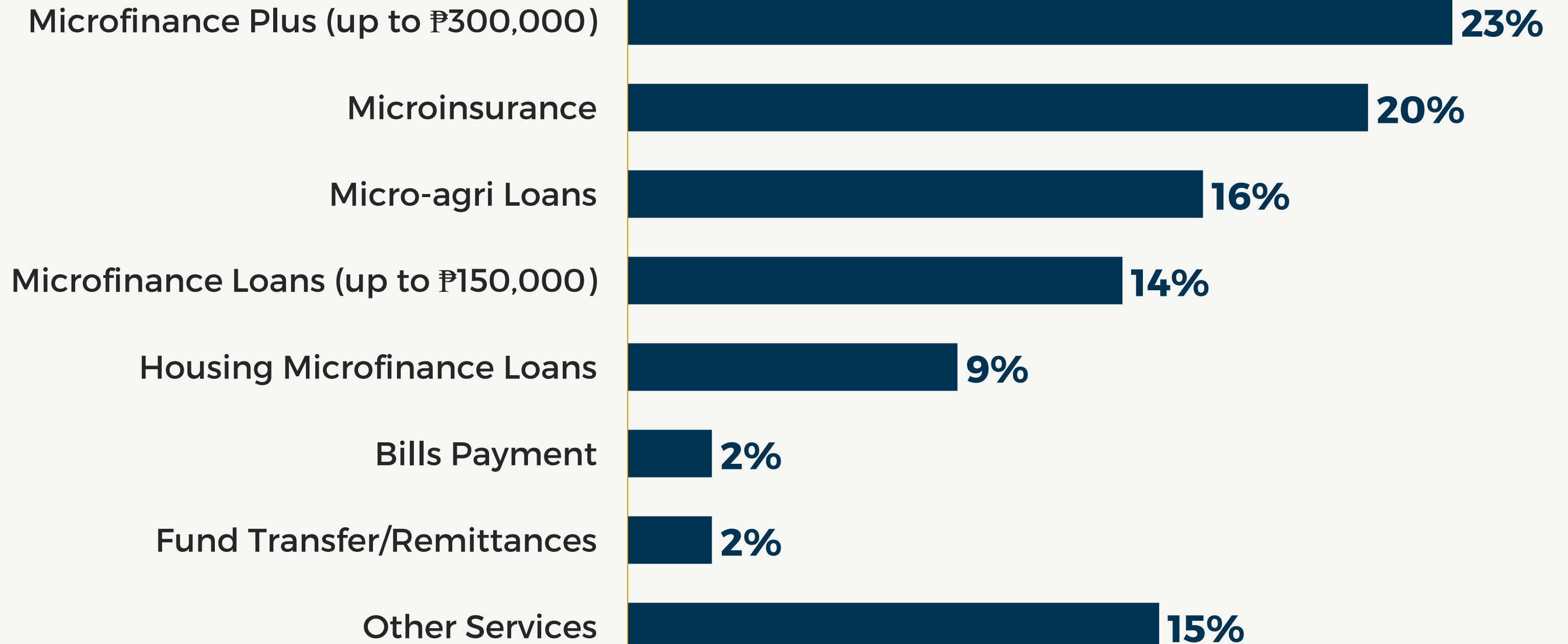
Primary Funding Source





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Financial Services Offered

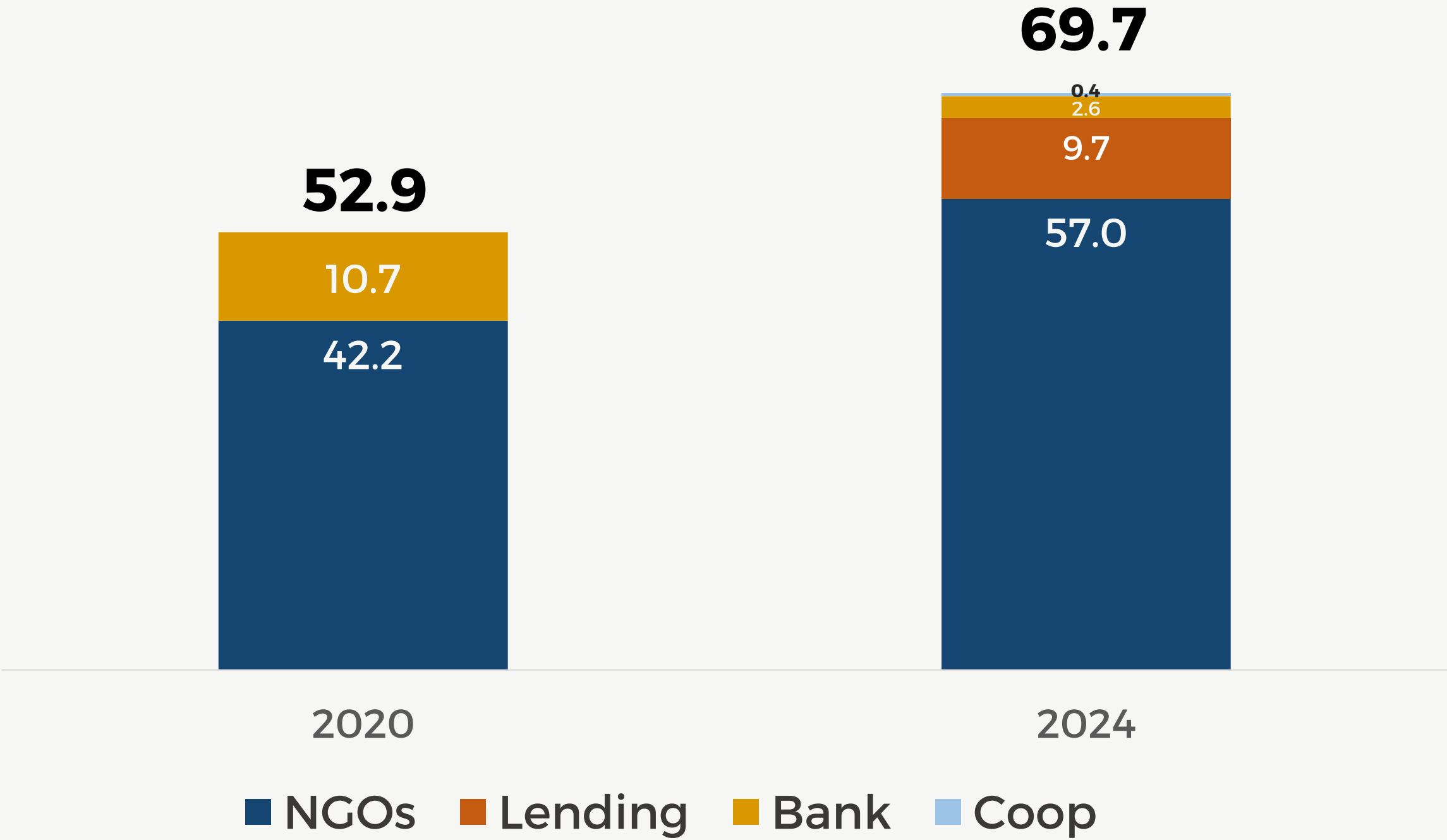




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Total Loan Portfolio

In billion pesos





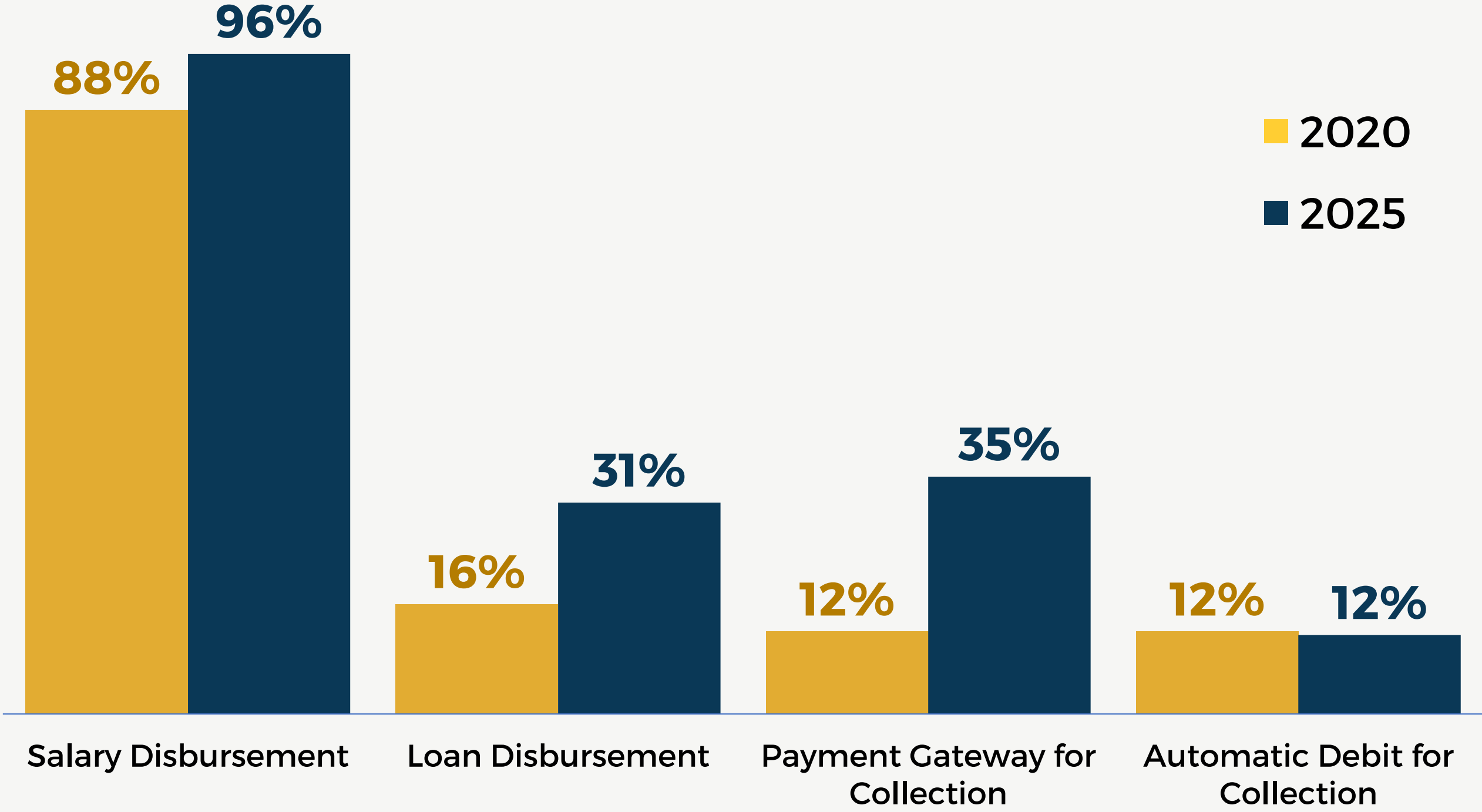
Survey Results



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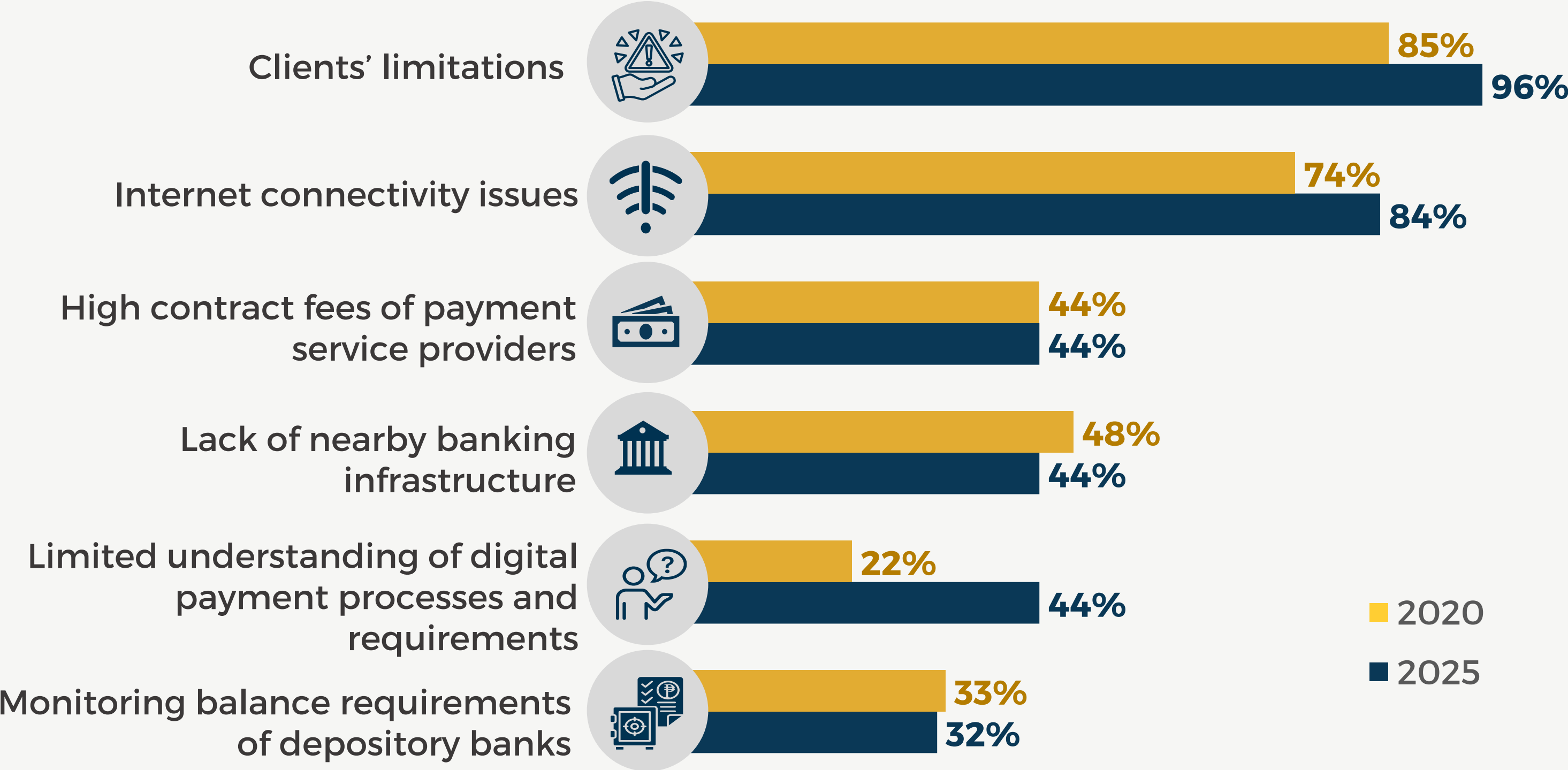
Current Adoption Trends





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Top Challenges in Implementing Digital Payments

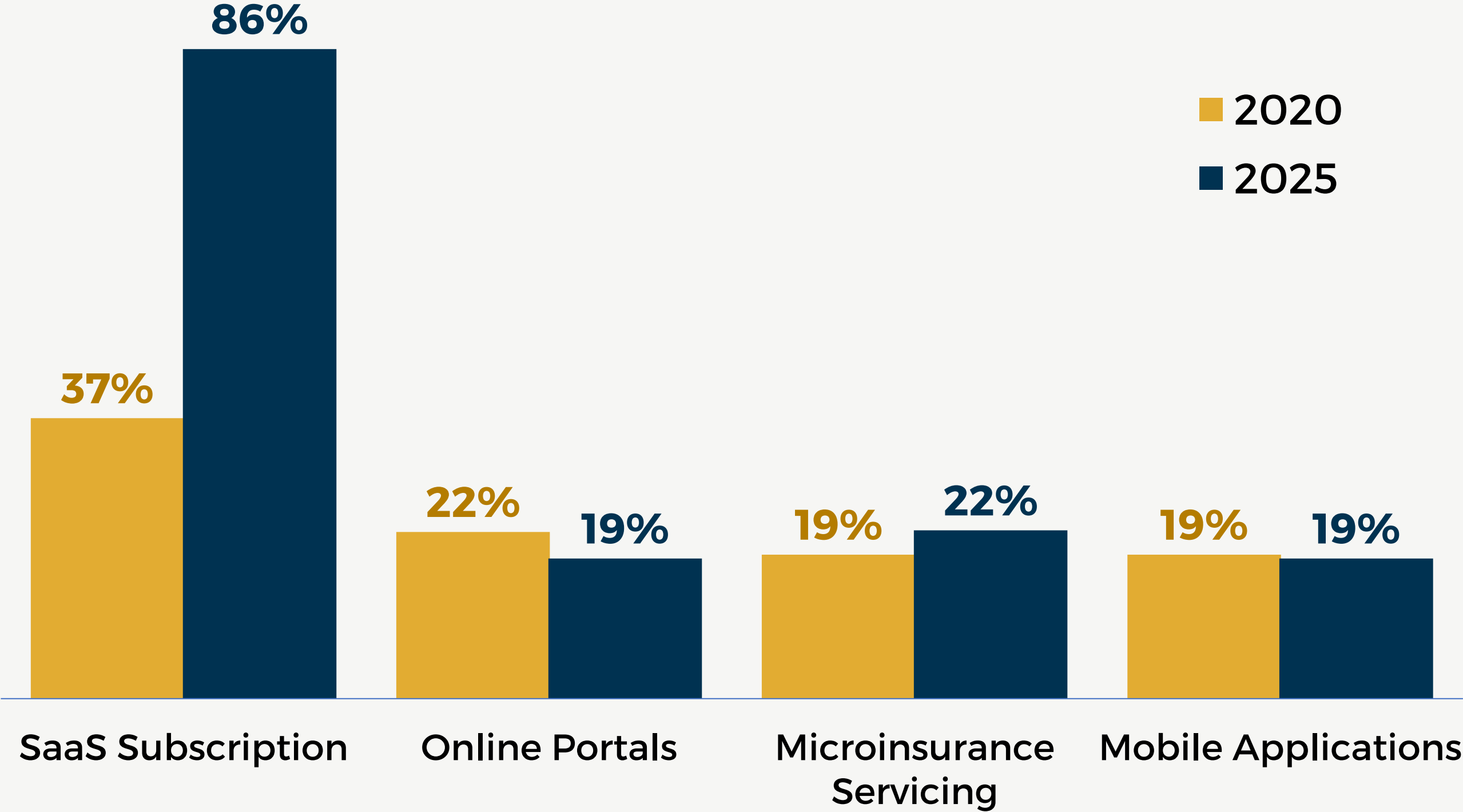




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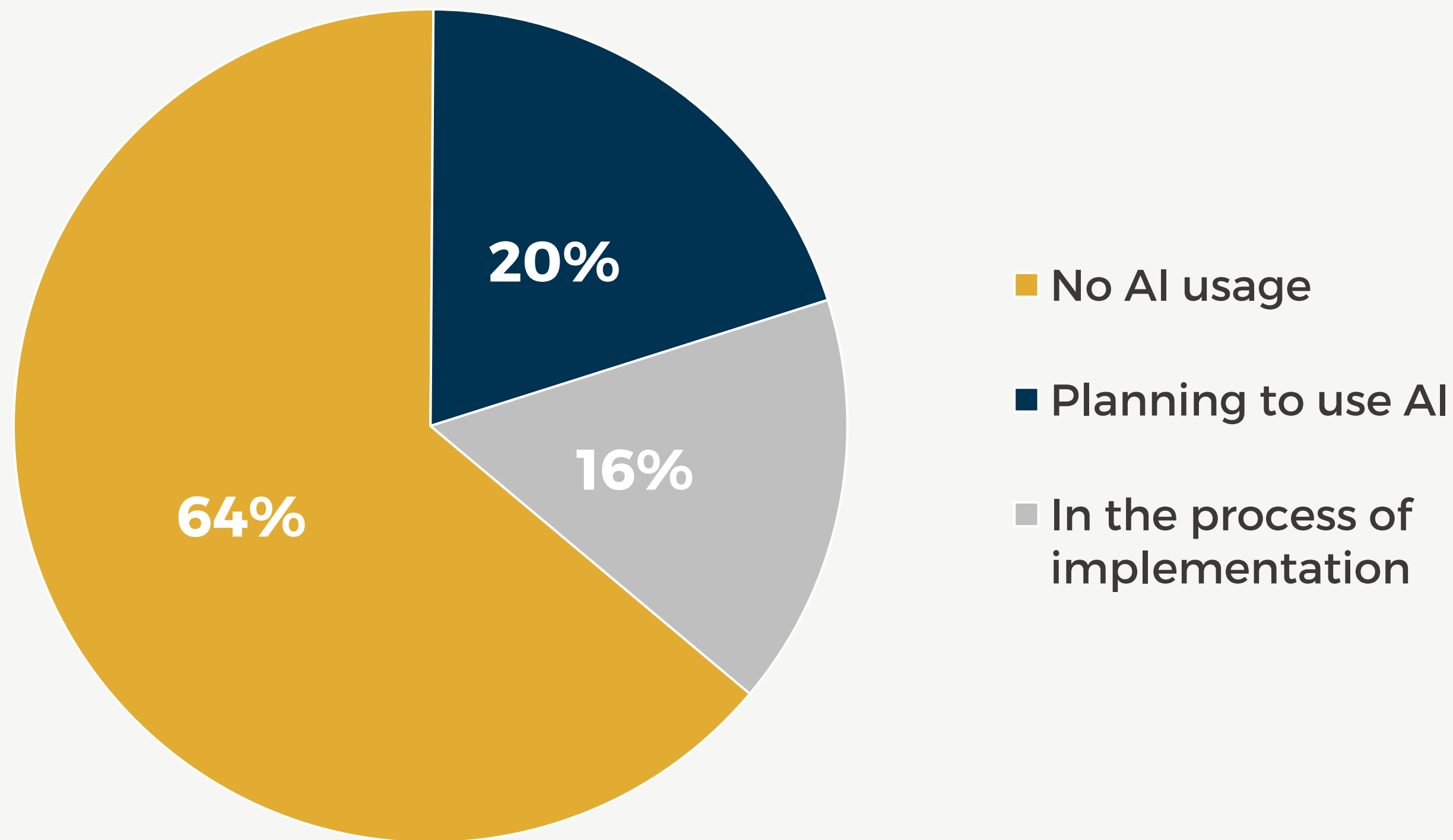
Top Digital Solutions Adopted





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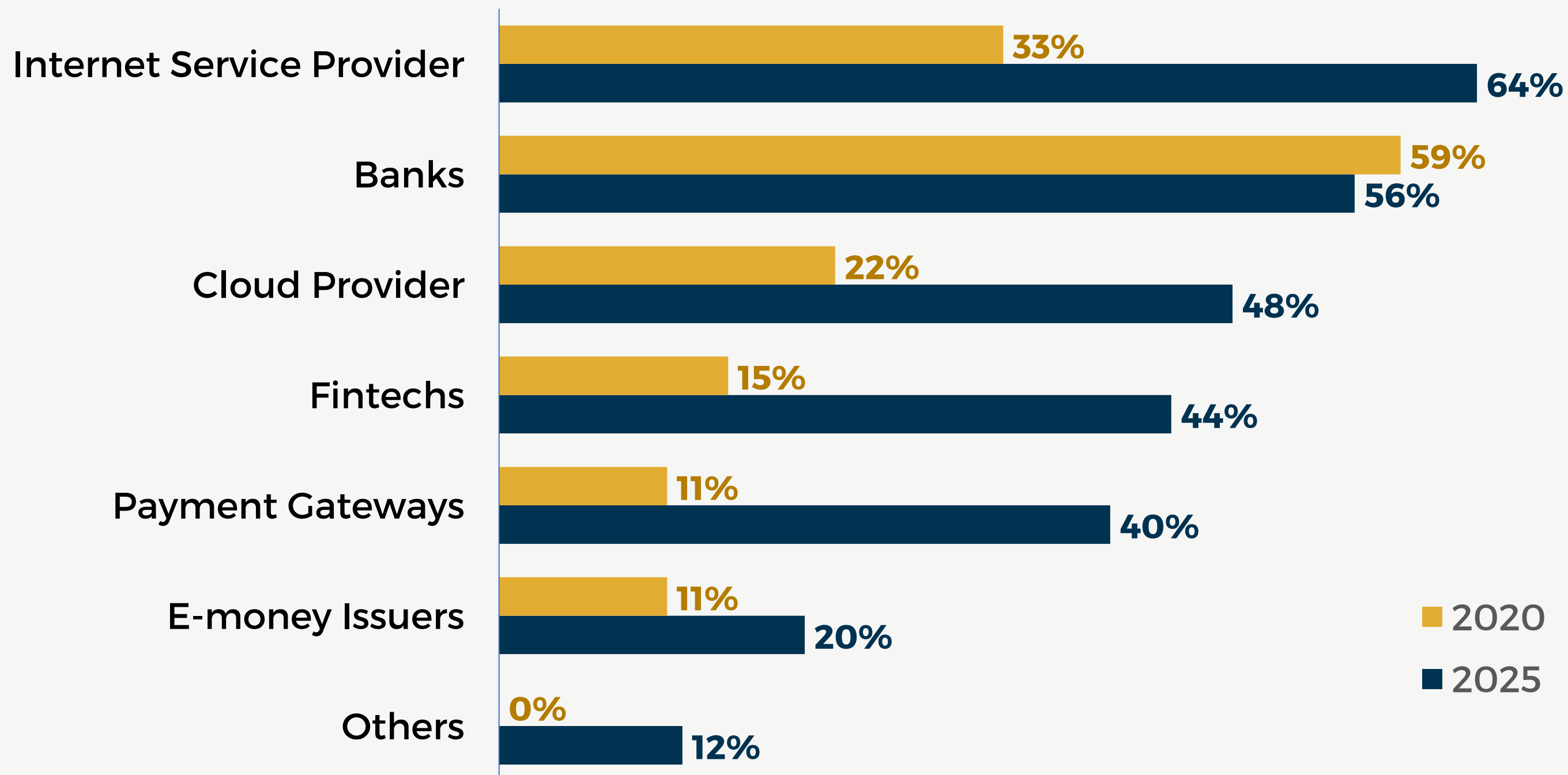
Artificial Intelligence (AI) Adoption





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Partnership in the Implementation of Digital Payments and Solutions



2020

2025

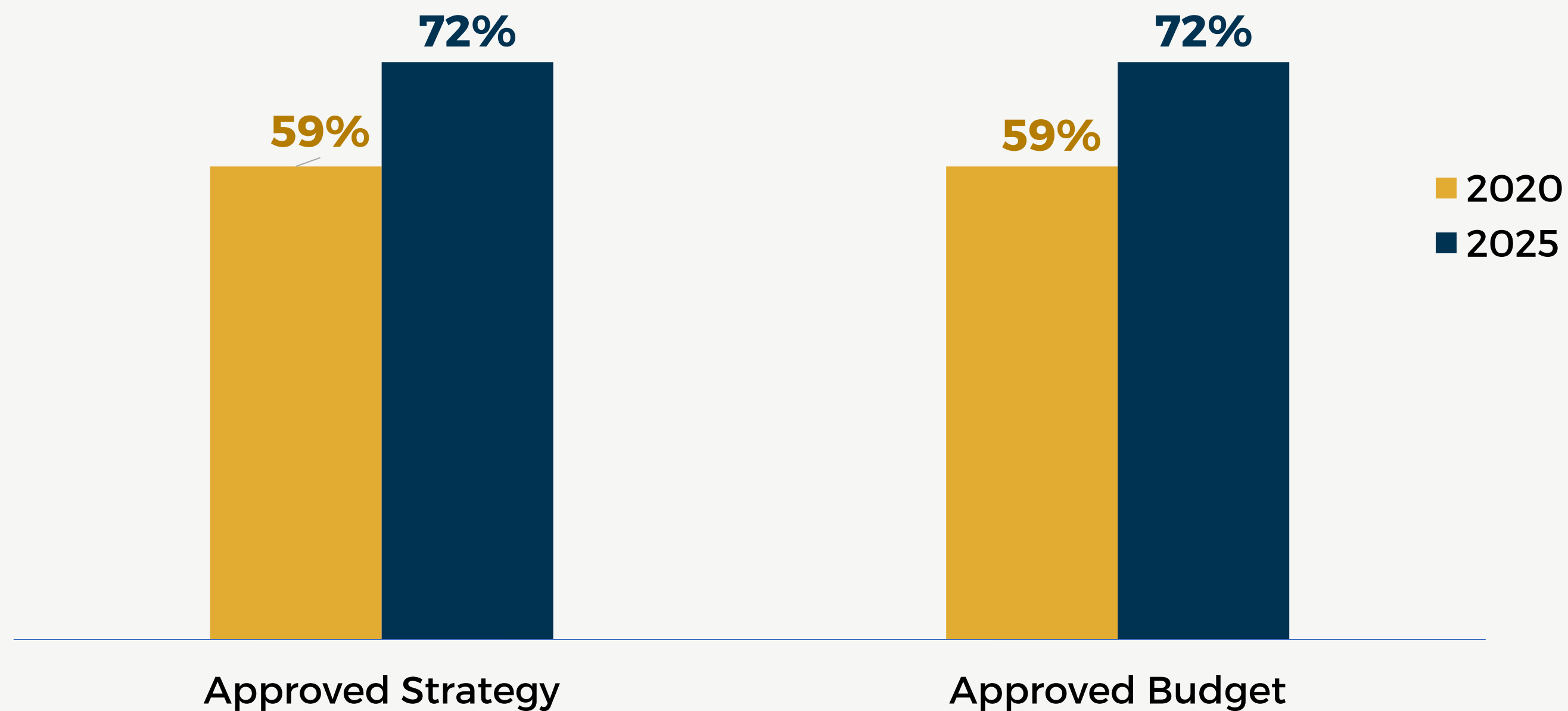




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Digital Transformation Strategy

Strategy and Budget Approval



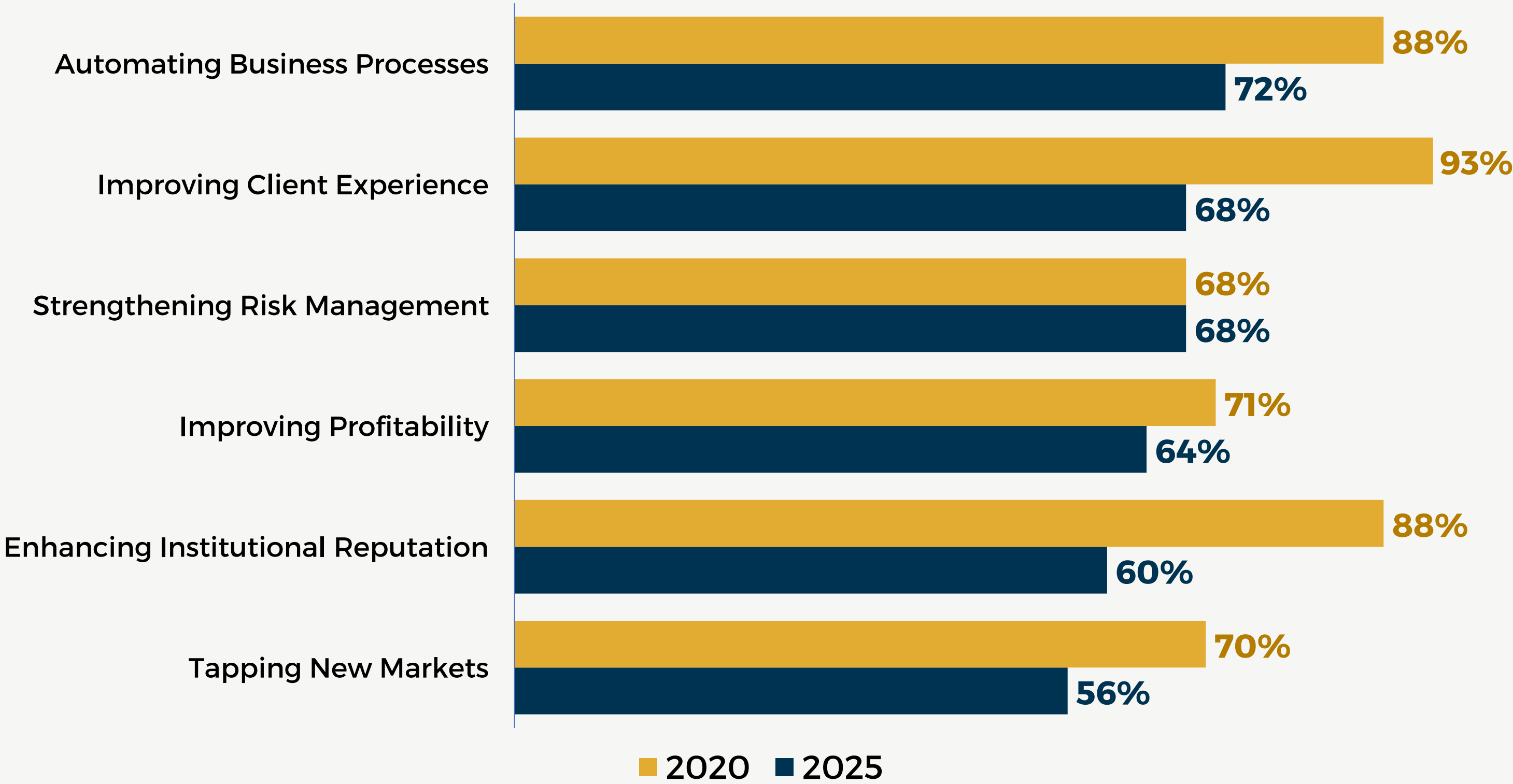


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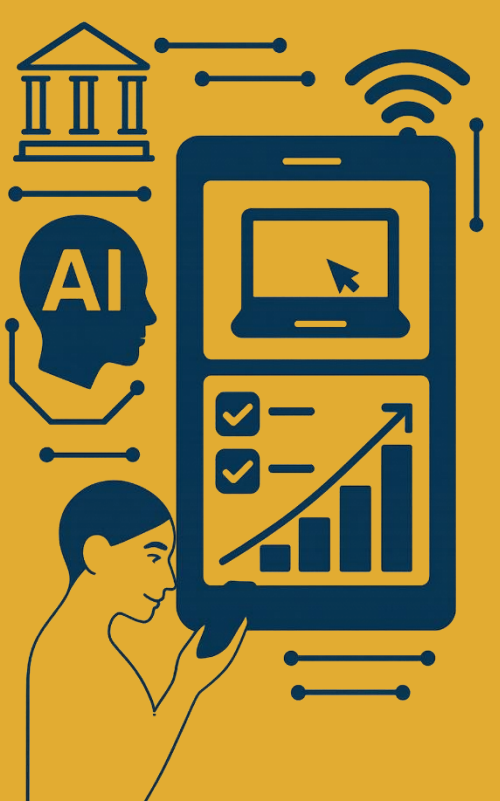
Digital Transformation Strategy

Objectives of Digital Transformation



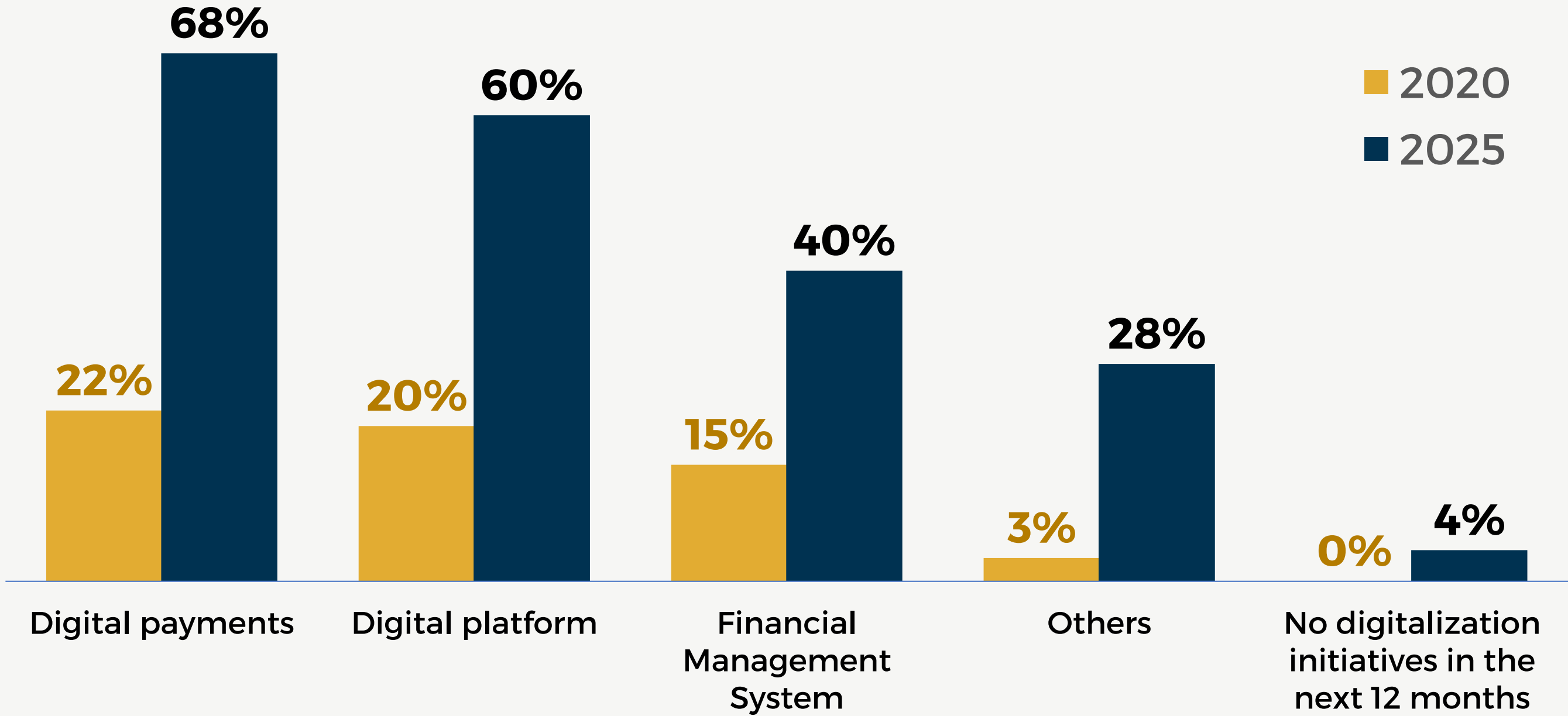


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Digital Transformation Strategy

Priority in Digitalization



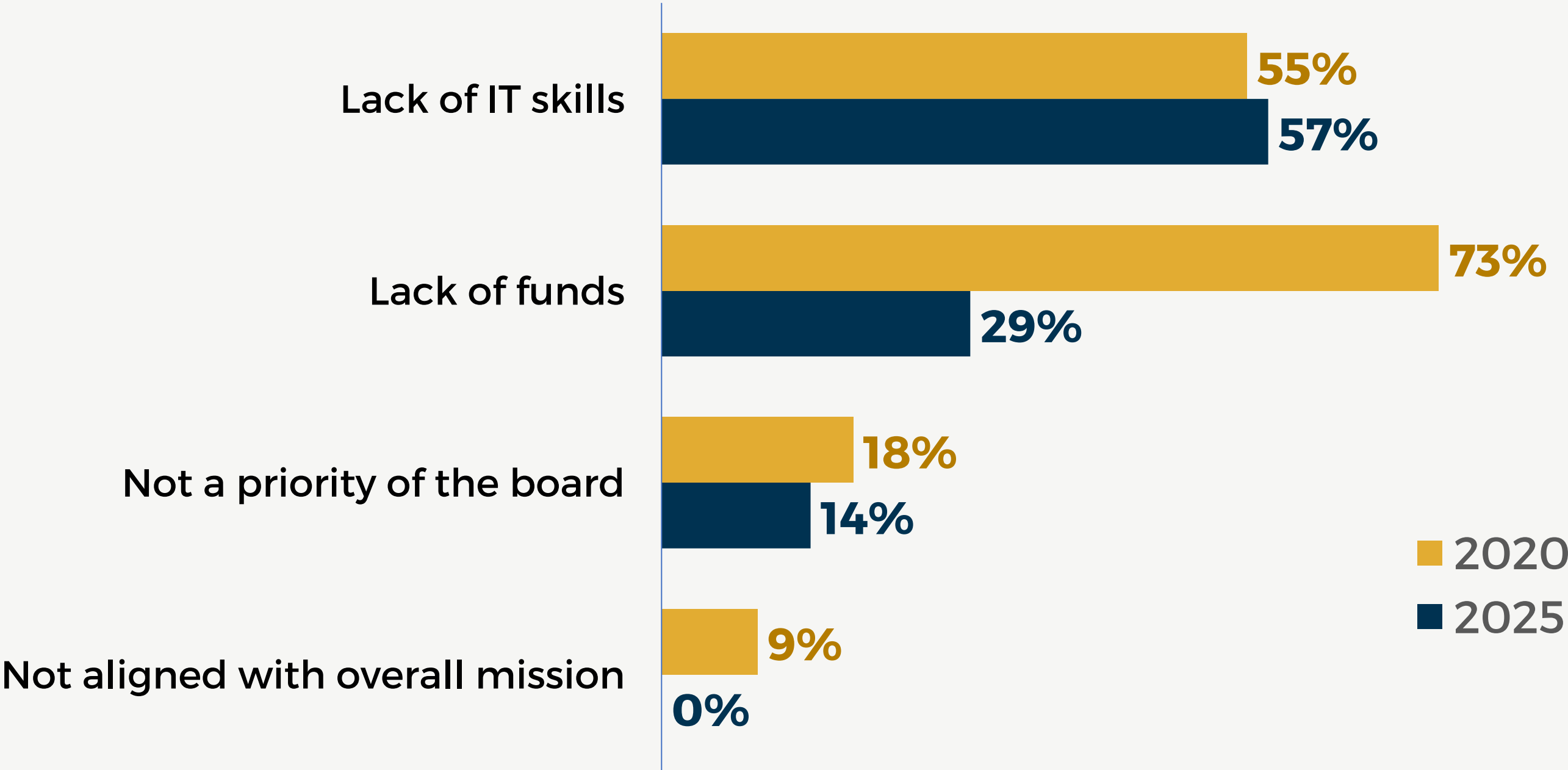


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Digital Transformation Strategy

Reasons why a digital transformation strategy has not been developed



Base: MFIs without a digital transformation strategy

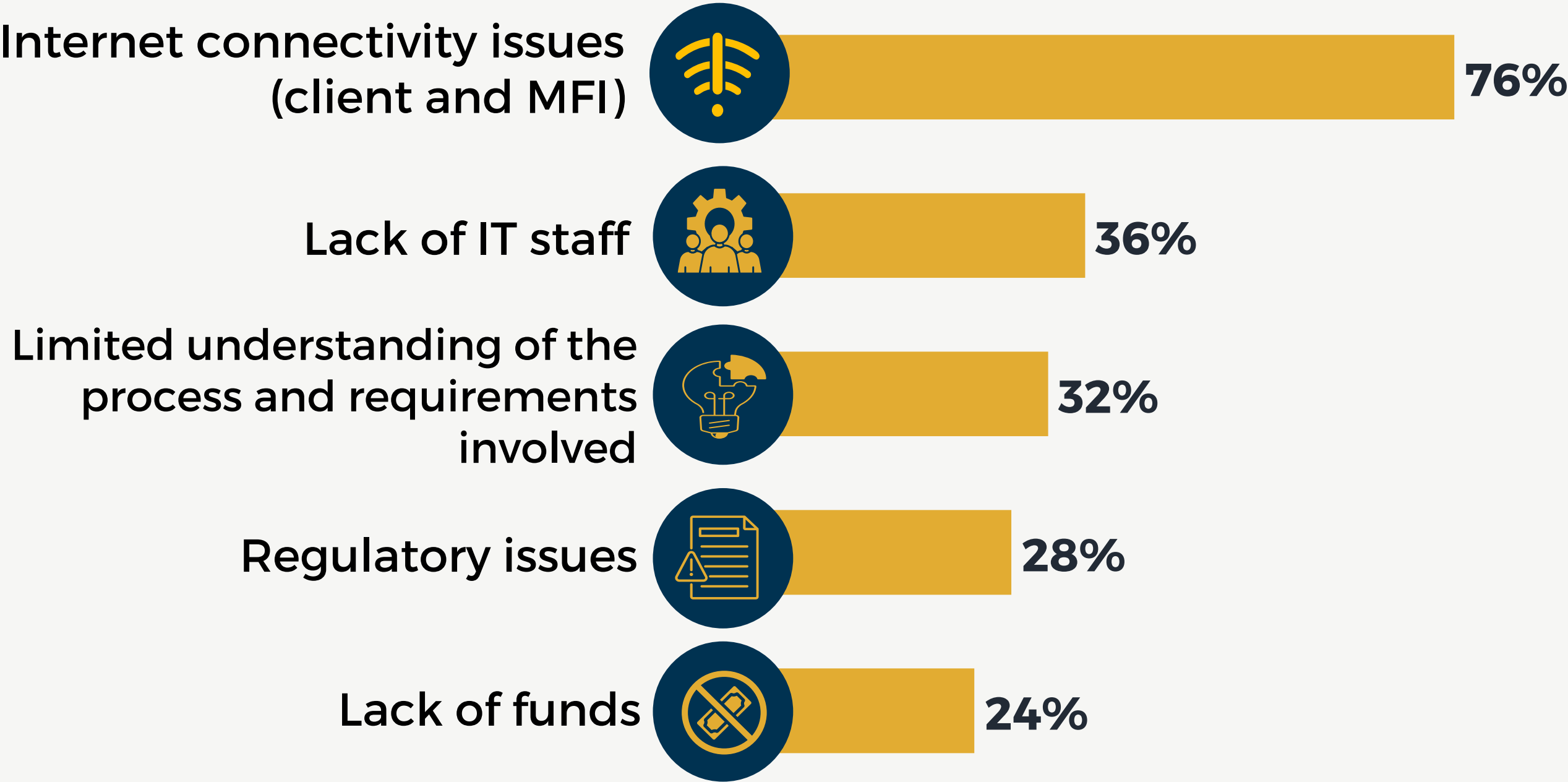


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Digital Transformation Strategy

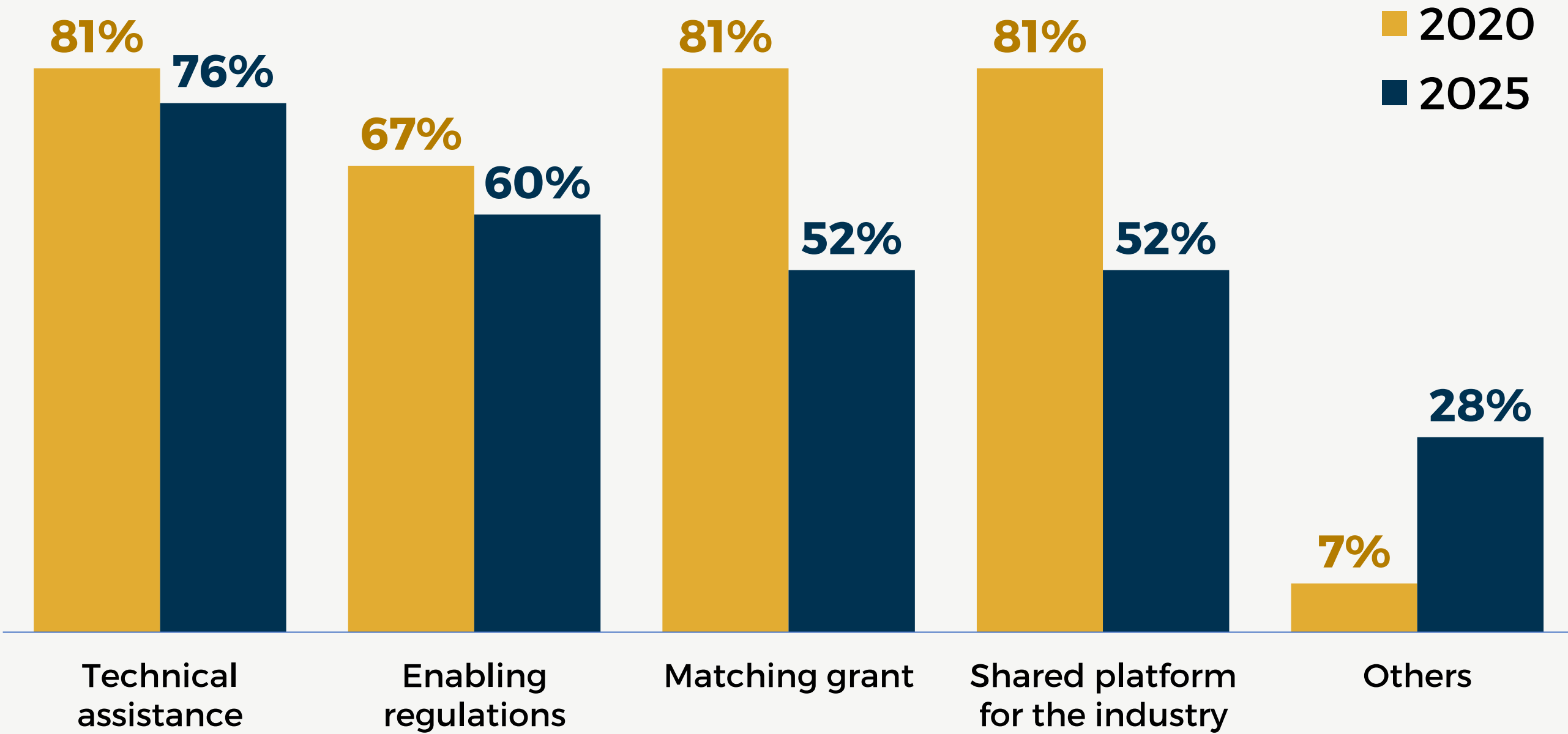
Key Challenges in Implementing Digitalization (2025)





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Support Needed



Conclusion

Gains



Digital adoption among MFIs has improved.



Software-as-a-Service subscription among MFIs grew significantly.



There is remarkable increase in partnerships of MFIs with internet service providers.



The share of MFIs having an approved digital transformation strategy with budget increased.



Improving customer experience is the main motivation of MFIs for digital transformation.



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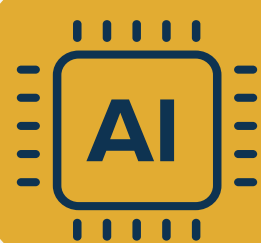


Conclusion

Opportunities and Areas for Growth



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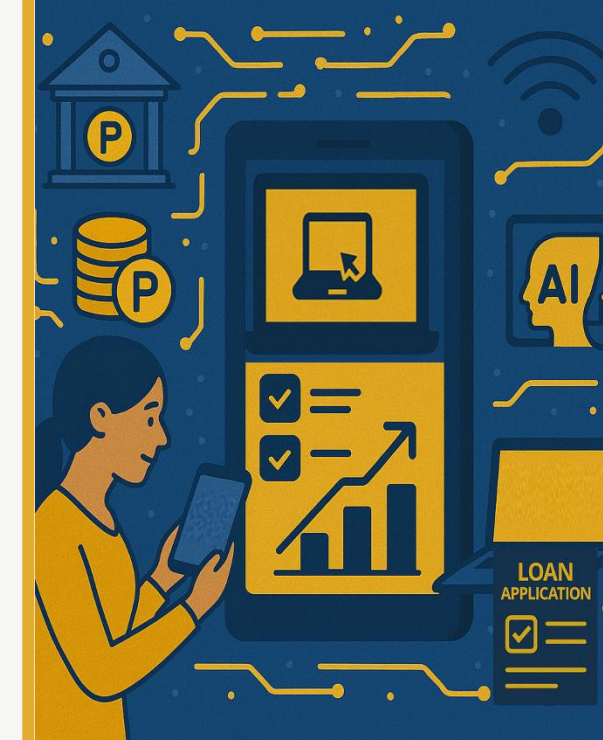
6 in 10 MFIs are currently not using **AI**.



Use of **digital payments in disbursements and collections** remains a priority for MFIs in the next 12 months.



There are opportunities for greater use of **online portals, mobile applications, and digital solutions for microinsurance servicing**.



Conclusion

Challenges



Capacity building for MFIs and their clients

- MFIs – **lack of IT skills**
- MFI clients – **digital readiness**



Improving internet connectivity



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National Strategy for Financial Inclusion 2022-2028

“Financial inclusion toward inclusive growth and financial resilience”

STRATEGIC OBJECTIVES

01 Promote inclusive digital finance

02 Enhance agriculture and MSME financing ecosystem

03 Enhance access to risk protection and social safety nets

04 Strengthen financial education and consumer protection

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

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

Examples of initiative:

- ADB Fintech for Inclusion Transformation (FIT) program
- Free public Wi-Fi and satellite internet

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

Example of initiative:

MOA between BSP and MCPI on financial education



Thank you!

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🌐 <https://financialinclusion.gov.ph/>

