

Financial Inclusion in the Philippines

Dashboard

As of First Quarter 2020

Access

Banks and Automated Teller Machines (ATMs)*

	2019 Q1	2020 Q1	Growth
Banks (head office, branches, and other offices)	12,378	12,855	3.9%
Universal & Commercial Banks	6,611	6,941	5.0%
Thrift Banks	2,666	2,656	-0.4%
Rural & Cooperative Banks	3,101	3,258	5.1%
ATMs	21,679	22,329	3.0%
On-site ATMs	11,921	12,089	1.4%
Off-site ATMs	9,758	10,240	4.9%

*Nationwide count only (i.e., excludes offices/ATMs of Philippine banks abroad)

Branch-lite

	2019 Q1	2020 Q1	Growth
Number of operating branch-lite units	1,892	2,272	20.1%
Number of cities and municipalities with branch-lite	796	875	9.9%
Number of cities and municipalities without head office/branch but with branch-lite	169	197	16.6%

"Branch-lite" gives banks the flexibility to determine the appropriate size and model of a banking office for a specific area or locality based on market needs (BSP Circular No. 987).

Other Financial Service Providers (FSPs)

	2019 Q1	2020 Q1	Growth
NSSLAs	200	200	0.0%
Pawnshops	12,879	14,162	10.0%
Money Service Businesses (MSBs)	5,613	6,943	23.7%
Other NBFIs ^[1]	226	225	-0.4%
Cash agents ^[2] (2019)	17,057		---
	2019	2020	Growth
E-Money Agents ^[3]	43,740	54,729	25.1%
	2018	2019	Growth
Point of Sale (POS) Terminals ^{p/}	103,852	79,693	-23.3%
Credit Cooperatives ^[4]	3,881	2,711	-30.1%
Microfinance NGOs ^[5]	2,820	3,887	37.8%
Financing and Lending Companies ^[6]	3,861		---

Insurance Providers^[7]

	Insurers	Microinsurance Providers
Mutual Benefit Associations	34	23
Life Insurance Companies	31	11
Non-Life Insurance Companies	64	12
Total	129	46

Total Financial Service Access Points

	2019 Q1	2020 Q1	Growth
Total number of access points	88,252	108,214	22.6%
Number of access points per 10,000 adults	11.7	14.1	20.7%

Digital onboarding (e-KYC)

	2020 Q3
Number of banks with digital onboarding capability	27

Overall Access Situation

	2019 Q1		2020 Q1	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence	1,101	67.4%	1,125	68.8%
2. Without banking presence	533	32.6%	509	31.2%
2.1 Without banking presence but with other access points	465	28.5%	434	26.6%
2.2 Without any access point	68	4.2%	75	4.6%
With at least one access point (1 + 2.1) ^[8]	1,566	95.8%	1,559	95.4%

[1] Other NBFIs include lending investors and financing companies (that are affiliated with BSP-supervised banks), credit card companies, investment companies, securities dealers/brokers, government NBFIs and credit granting entities (excluding MF NGOs) which are supervised by the BSP.

[2] Preliminary data based on banks implementing/piloting the cash agent model (BSP Circular No. 940).

[3] Total number of registered e-money agents. 2020 figure is based on data collected from top 13 EMIs as of September 2020. Out of 54,729 agents, 70% or 38,306 agents are active.

[4] Sourced from the Cooperative Development Authority (CDA). There are 19,692 operating cooperatives (head offices and branches) as of December 2019, of which approximately 9,145 cooperatives are offering financial services.

[5] Based only from a sample of MF NGOs that responded to the BSP data request. 2019 data is based on the 28 microfinance NGOs accredited by the Microfinance NGO

[6] Source: Securities and Exchange Commission (2019)

[7] Source: Insurance Commission (2019)

[8] In the Core Set of Financial Inclusion Indicators developed by the Alliance for Financial Inclusion (AFI), access points are defined as regulated entities where both cash-in and cash-out transactions can be performed. Following this definition, "other access points" include NSSLAs, cooperatives offering financial services, microfinance NGOs, pawnshops, MSBs, lending companies, other NBFIs, e-money agents and cash agents; and exclude ATMs (no data on the number of ATMs that can perform both cash-in and cash-out) and insurance providers (no data on location).

Usage

Deposits and Loans in the Banking System

	2019 Q1	2020 Q1	Growth
Number of deposit accounts (in millions)	65.2	75.8	16.2%
Number of depositors (in millions)	60.7	69.5	14.6%
Amount of deposits (in trillion pesos)	12.7	13.9	9.6%
Amount of loans (in trillion pesos)	9.0	10.2	12.8%

Microfinance in the Banking System

		2019 Q1	2020 Q1	Growth
Microfinance	Banks	159	149	-6.3%
	Borrowers	1,982,860	2,132,599	7.6%
	Amount (in million pesos)	22,550.8	26,494.2	17.5%
Microenterprise Loans	Banks	146	138	-5.5%
	Borrowers	1,687,607	1,848,242	9.5%
	Amount (in million pesos)	18,720.9	22,310.7	19.2%
Microfinance Plus	Banks	38	34	-10.5%
	Borrowers	9,790	9,126	-6.8%
	Amount (in million pesos)	1,027.6	979.5	-4.7%
Micro-Agri Loans	Banks	24	20	-16.7%
	Borrowers	93,449	83,992	-10.1%
	Amount (in million pesos)	1,043.8	1,205.5	15.5%
Housing Microfinance Loans	Banks	15	13	-13.3%
	Borrowers	117,418	118,625	1.0%
	Amount (in million pesos)	1,378.2	1,662.1	20.6%

Microfinance Outside the Banking System

	2018	2019	Growth
Cooperatives ^[4]			
Number of member-depositors (in millions)	9.4	9.2	-2.1%
Deposit liabilities (in billion pesos)	138	149.5	8.3%
Outstanding loans (in billion pesos)	276	307.7	11.5%
Microfinance NGOs ^[5] r/			
Number of clients (in millions)	4.2	5.2	22.9%
Outstanding loans (in billion pesos)	30.9	41.9	35.3%

Credit Information System

	2019	Nov-20	Growth
Number of submitting entities with actual basic credit data	474	538	13.5%
Number of unique individuals with financial credit data (in millions)	9.0	22.8	152.7%
Total contracts (in millions)	56.5	83.4	47.7%

Insurance/Microinsurance^[7]

	2019 Q1	2020 Q1	Change
Insurance Penetration (premium volume as a share of GDP)	1.68%	1.76%	0.08

	Insurers	Microinsurance Providers	% Share of Microinsurance
Number of Policyowners, including dependents (in millions)			
Mutual Benefit Associations	26.8	25.6	95.3%
Life Insurance Companies	42.4	11.0	26.0%
Non-Life Insurance Companies	17.2	8.5	49.3%
Total	86.4	45.0	52.1%

	Insurers	Microinsurance Providers	% Share of Microinsurance
Amount of Premiums (in million pesos)			
Mutual Benefit Associations	11,902	5,246	44.1%
Life Insurance Companies	233,916	2,638	1.1%
Non-Life Insurance Companies	58,821	1,225	2.1%
Total	304,639	9,109	3.0%

Investment^[9]

	2019	2020	Change
Number of Personal Equity & Retirement Account (PERA) Administrators	2	3	50.0%
Number of PERA products/UITFs*	16	16	0.0%
Number of PERA contributors	1,388	2,671	92.4%

*Additional 1 PERA UITF is under review, for approval in 2021

[9] Source: BSP PERA Technical Working Group; Treasury & Asset Management Supervision Department (TAMSD)

Inclusive Digital Finance

Basic Deposit Accounts

	2019 Q1	2020 Q1	Growth
Number of banks offering BDA	99	121	● 22.2%
Number of BDA (in millions)	1.7	4.6	● 167.7%
Amount of deposits (in billion pesos)	3.2	4.0	● 24.3%

Electronic Money Accounts

	2019	2020	Growth
Number of Active E-Money Accounts (in millions) ^[10]			
Active e-money wallets	8.8	14.2	● 61.6%
Prepaid cards (linked to e-money)*	20.6	23.3	● 13.0%
Total	29.4	37.5	● 27.6%
	2018	2019	Growth
Number of Transactions (in millions)			
Inflow	119	178	● 50.1%
Outflow	406	449	● 10.8%
Amount of Transactions (in billion pesos)			
Inflow	546.4	745.2	● 36.4%
Outflow	543.7	740.1	● 36.1%

*Sum of card-based only and cards linked to e-wallet

Digital Payments

	2019 Q1	2020 Q1	Growth
PESONet ^[11]			
Volume (in millions)	2.5	3.7	● 50.7%
Value (in billion pesos)	258.4	415.0	● 60.6%
InstaPay ^[11]			
Volume (in millions)	3.7	19.3	● 421.5%
Value (in billion pesos)	30.5	125.8	● 312.7%
	2013	2018	Change
Share of digital payments to total payment transactions ^[12]			
Volume	1%	10%	● 9.0
Value	8%	20%	● 12.0

Alternative Finance ^[13]

	2019	2020	Growth
Crowdfunding (reward-based crowdfunding)			
Number of campaigns (in thousands)	0.67	0.67	0.0%
Transaction Value (in million US\$)	2.13	2.30	● 8.0%
Crowdinvesting (equity-based crowdfunding)			
Number of campaigns (in thousands)	0.01	0.01	0.0%
Transaction Value (in million US\$)	0.58	0.74	● 27.6%
Crowdlending (lending-based crowdfunding)			
Number of loans (in thousands)	0.12	0.13	● 8.3%
Transaction Value (in million US\$)	0.37	0.42	● 13.5%

[10] 2020 figure is based on data collected from top 13 EMLs as of September 2020.

[11] Source: BSP Payment System Oversight Department (PSOD)

[12] Source: Better than Cash Alliance (BTCA)

[13] Source: Statista

Other financial inclusion data

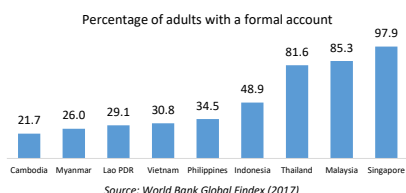
Indicators from Demand-side Surveys

FORMAL ACCOUNT

BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+)	2017	2019	Change
Percentage of adults with formal account	22.6%	28.6%	6.0
<i>By type of account</i>			
Bank account	11.5%	12.2%	0.7
E-money account	1.3%	8.0%	6.7
Microfinance institution account	8.1%	12.1%	4.0
Cooperative account	2.9%	1.7%	-1.2
Non-stock savings and loan association account	0.3%	0.1%	-0.2
<i>By individual characteristics</i>			
Male	15.4%	24.2%	8.8
Female	29.1%	32.9%	3.8
Young adults (15-24)	8.3%	13.1%	4.8
Older adults (25+)	28.1%	34.9%	6.8
ABC	51.1%	42.9%	-8.2
D	24.4%	27.6%	3.2
E	13.9%	27.0%	13.1
Rural	20.3%	29.8%	9.5
Urban	25.0%	27.3%	2.3
Working adults	28.1%	39.0%	10.9
Business owners	---	42.9%	
Pantawid Pamilya participants	---	47.5%	
Percentage of accountholders who use their account for payments	18%	39%	21.0

BSP Consumer Finance Survey (Respondents: Households)	2009	2014	Change
Percentage of households with deposit account	21.5%	14.0%	-7.5

World Bank Findex (Respondents: Adults - individuals aged 15+)	2014	2017	Change
Formal account	31.3%	34.5%	3.2
Financial institution account	28.1%	31.8%	3.7
Mobile money account	4.2%	4.5%	0.3



SAVINGS

BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+)	2017	2019	Change
Percentage of adults with savings	48%	53%	5.1
Percentage of adults with savings in a bank (base: adults with savings)	18%	21%	3.5
Percentage of adults who keep their savings at home (base: adults with savings)	68%	51%	-17.3

BSP Consumer Expectations Survey (Respondents: Households)	2019 Q1	2020 Q1	Change
Percentage of households with savings	36.6%	37.8%	1.2
Percentage of households with savings in banks	63.9%	73.9%	10.0
Percentage of OFW households who allot a portion of remittances to savings	33.0%	44.7%	11.7

CREDIT

BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+)	2017	2019	Change
Percentage of adults with outstanding loans	22%	33%	10.7
Percentage of adults who borrowed from a bank (base: adults with outstanding loans)	3%	3%	0.4
Percentage of adults who borrow from informal sources (base: adults with outstanding loans)	39%	54%	15.6

World Bank Findex (Respondents: Adults - individuals aged 15+)	2014	2017	Change
Percentage of adults who borrowed any money	70.1%	58.6%	-11.5
Percentage of adults who borrowed from a formal financial institution in the past year	11.8%	9.7%	-2.1
Percentage of adults who borrowed from family and friends	48.7%	41.2%	-7.5

OTHER FINANCIAL SERVICES

World Bank Findex (Respondents: Adults - individuals aged 15+)	2014	2017	Change
Percentage of adults with debit card	20.5%	21.0%	0.5
Percentage of adults with credit card	3.2%	1.9%	-1.3
Percentage of adults who made or received digital payments	19.5%	25.1%	5.6

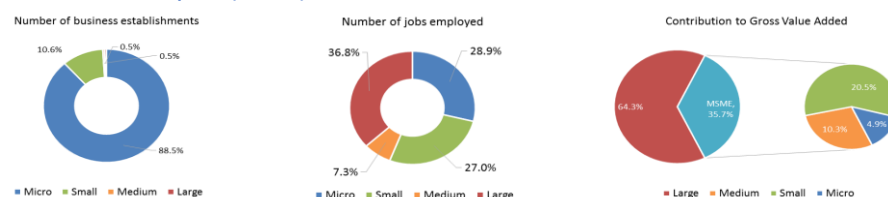
BSP Consumer Expectations Survey (Respondents: Households)	2019 Q1	2020 Q1	Change
Percentage of OFW households who allot a portion of remittances to debt payments	21.4%	17.2%	-4.2
Percentage of OFW households who allot a portion of remittances to investment	3.8%	6.1%	2.2

Indicators on the Quality Dimension of Financial Inclusion

Financial literacy . Percentage of adults who got a perfect score in a financial literacy quiz (FIS, 2019)	8%
Complaints . Percentage of adults who transacted with financial access points and encountered issues (FIS, 2019)	37%
Affordability . Percentage of adults who said that the fees in financial access points are more expensive than expected (FIS, 2019)	22%
Choice . Percentage of cities and municipalities with access to all types of financial services: savings, credit, insurance, payments and remittances (2020 Q1)	75%
Satisfaction . Percentage of account holders who are satisfied with their account (FIS, 2019)	97%

Priority Sectors

Micro, Small and Medium Enterprises (MSMEs)



Source: Philippine Statistics Authority and Department of Trade and Industry (2018)

MSME Compliance

	2019 Q1	2020 Q1	Growth/ Change
Total compliance for MSEs (in billion pesos)	213.2	208.3	-2.3%
Total compliance for MEs (in billion pesos)	327.9	326.5	-0.4%
Percentage of compliance for MSEs (required: 8%)	2.7%	2.5%	-0.3
Percentage of compliance for MEs (required: 2%)	4.2%	3.9%	-0.3
Number of MSME Borrowers	1,560,245	1,669,031	7.0%
Number of BMBE Borrowers	4,342	3,985	-8.2%

MSME Loans

	2019 Q1	2020 Q1	Change
Total MSME loans (in billion pesos)	548.2	524.3	-4.4%
% share of MSME loans to total business loans	8.8%	7.8%	-1.0
% share of MSME loans to total banking system loans	6.1%	5.2%	-0.9
% share of MSME loans to GDP	12.4%	11.8%	-0.6
Y-o-Y growth in loans to MSMEs	1.5%	-4.4%	-5.9
Y-o-Y growth in loans to microenterprises	18.1%	-3.2%	-21.4
Y-o-Y growth in loans to small enterprises	-5.6%	-4.0%	1.6
Y-o-Y growth in loans to medium enterprises	1.9%	-4.8%	-6.6
Y-o-Y growth in loans to private corporations	13.0%	11.1%	-1.8

Enterprise Access to Finance

	2009	2015	Change
Percentage of enterprises with a checking or savings account	97.8%	93.2%	-4.6
Percentage of enterprises with bank loans/line of credit	33.2%	29.9%	-3.3
Percentage of Enterprises Identifying Access to Finance as Major Constraint	13.0%	10.4%	2.6

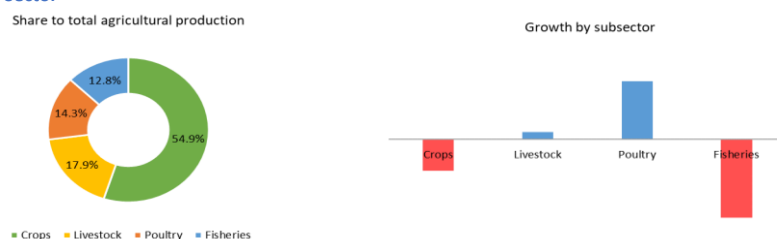
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

Proportion of Investments Financed by Source

	2009	2015	Change
Internal finance	75.9%	81.2%	5.3
Bank finance	12.2%	10.1%	-2.1
Trade/Supplier credit	6.5%	2.6%	-3.9
Equity/Sale of stock	3.7%	5.5%	1.8

Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

Agricultural Sector



Source: Philippine Statistics Authority (First Quarter 2020)

Agriculture, Forestry and Fishing (AFF) Loans

	2019 Q1	2020 Q1	Growth/ Change
Total AFF Loans (in billion pesos)	241.2	263.2	9.1%
% share of AFF loans to total loans outstanding	2.52%	2.48%	-0.04

Agri-Agra Compliance

	2019 Q1	2020 Q1 ^{pl}	Growth/ Change
Total compliance for AGRA (in billion pesos)	58.0	56.5	-2.6%
Total compliance for AGRI (in billion pesos)	653.0	639.8	-2.0%
Percentage of compliance for AGRA (required: 10%)	1.17%	0.97%	-0.20
Percentage of compliance for AGRI (required: 15%)	13.16%	11.02%	-2.14

Other relevant data

Geography

Land area (in km ²)	300,000
Regions	17
Provinces	81
Cities	146
Municipalities	1,488

Source: Philippine Statistics Authority

Population

	2010	2015	2020
Population, in millions	92.3	101.0	109.9
Adult population (aged 15 +), in millions	61.8	69.3	76.6
Number of households, in millions	20.2	23.0	---

Source: Philippine Statistics Authority Census of Population and Housing

Economy

GDP Y-o-Y growth (First Quarter 2019 vs. First Quarter 2020)	-0.7%
GDP full year growth (2019)	5.9%
Inflation rate (June 2020)	2.5%
Unemployment rate (July 2020)	10.0%

Source: Philippine Statistics Authority

Income and Poverty

Average annual family income, in PhP (2018)	313,000
Minimum wage in NCR for non-agriculture, in PhP (Sep 2019)	537.00
Poverty incidence among population (2018)	16.6%
Poverty threshold, average monthly estimate, in PhP (2018)	10,727

Source: Philippine Statistics Authority

Overseas Filipinos

	2018	2019
Amount of cash remittances, in billion USD	28.9	30.1
Number of Overseas Filipinos, in millions* (2013)	10.2	

*Source: Commission on Filipino Overseas

Mobile Market

SIM penetration (Q4 2019) ^{1/}	159%
Mobile broadband penetration (Q4 2019) ^{1/}	86%
Percentage of adults with mobile phone ^{2/}	69%
Percentage of adults with smart phone ^{2/}	52%

Internet and Social Media

Percentage of adults using the internet ^{2/}	53%
Average time spent on the internet per day ^{3/}	9 hours, 45 mins
Social media penetration ^{3/}	67%
Average time spent on social media per day ^{3/}	3 hours, 53 mins

E-Commerce and Digital finance

Percentage of internet users who purchased a product or service online (Jan 2020) ^{3/}	70%
Percentage of adults who use their mobile phone for financial transactions ^{2/}	12%
Percentage of adults who use the internet for financial transactions ^{2/}	9%

Sources:

1/ Groupe Speciale Mobile (GSM) Association/ GSMA

2/ BSP Financial Inclusion Survey

3/ We Are Social

Compiled by:



BANGKO SENTRAL NG PILIPINAS

Center for Learning and Inclusion Advocacy (CLIA)
10th Floor, Multi-Storey Building, BSP Complex,
A. Mabini St., Malate, Manila 1004, Philippines
financialinclusion@bsp.gov.ph
t +632-87087482
f +632-87087481