

Financial Inclusion in the Philippines

Dashboard

As of Fourth Quarter 2017

Access

Banks and Automated Teller Machines (ATMs)*

| | 2016 Q4 | 2017 Q4 | Growth |
|--|---------|---------|---------|
| Banks (head office, branches, and other offices) | 11,129 | 11,744 | ● 5.5% |
| Universal & Commercial Banks | 6,188 | 6,434 | ● 4.0% |
| Thrift Banks | 2,176 | 2,417 | ● 11.1% |
| Rural & Cooperative Banks | 2,765 | 2,893 | ● 4.6% |
| ATMs | 19,081 | 20,276 | ● 6.3% |
| On-site ATMs | 10,721 | 11,278 | ● 5.2% |
| Off-site ATMs | 8,360 | 8,998 | ● 7.6% |

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

Micro-banking offices (MBOs)

| | 2016 Q4 | 2017 Q4 | Growth |
|---|---------|---------|---------|
| Number of operating MBOs | 691 | 919 | ● 33.0% |
| Number of cities and municipalities with MBOs | 418 | 538 | ● 28.7% |
| Number of cities and municipalities without regular banking offices but with MBOs | 81 | 99 | ● 22.2% |

Other Financial Service Access Points

| | 2016 Q4 | 2017 Q4 | Growth |
|-----------------------------------|---|---------|----------|
| Savings, credit & other services | NSSLAs | 199 | ● -1.0% |
| | Credit Cooperatives ^[1] | 3,446 | ● 6.3% |
| | Microfinance NGOs ^{[2]*} | 2,065 | ● 26.1% |
| Credit & other services | Pawnshops | 16,698 | ● -0.7% |
| | Without corollary business | 9,851 | ● -10.5% |
| | With corollary business | 6,847 | ● 13.4% |
| | Other NBFIs ^[3] | 181 | ● 20.4% |
| Payment & money transfer services | FX Dealers/Money Changers (FXDs/MCs) | 1,940 | ● 1.3% |
| | Remittance and Transfer Companies (RTCs) ^[4] | 5,356 | ● -1.1% |
| | FXDs/MCs/RTCs | 4,732 | ● -6.3% |
| | E-Money Agents ^{[5] p/} | 26,028 | ● 85.6% |
| | Point-of-sale (POS) terminals* | 152,203 | ● 19.4% |

*2015 vs. 2016

Insurance Providers

| | Insurers | Microinsurance Providers |
|------------------------------|----------|--------------------------|
| Mutual Benefit Associations | 35 | 24 |
| Life Insurance Companies | 31 | 11 |
| Non-Life Insurance Companies | 67 | 10 |
| Total | 133 | 45 |

Source: Insurance Commission (2017)

Overall Access Situation

| | 2016 Q4 ^{r/} | | 2017 Q4 ^{p/} | |
|---|-------------------------------------|------------|-------------------------------------|------------|
| | Number of cities and municipalities | % to Total | Number of cities and municipalities | % to Total |
| 1. With banking presence | 1,052 | 64.4% | 1,080 | ● 66.1% |
| 2. Without banking presence ^[5] | 582 | 35.6% | 554 | ● 33.9% |
| 2.1 Without banking presence but with other access points | 420 | 25.7% | 420 | ● 25.7% |
| 2.2 Without any access point | 162 | 9.9% | 134 | ● 8.2% |
| With at least one access point (1 + 2.1) | 1,472 | 90.1% | 1,500 | ● 91.8% |

[1] Sourced from the Cooperative Development Authority (CDA). In 2017, there were 27,625 coops in the registry, of which 13,603 coops (49%) have lending business or credit operation.

[2] Based only from a sample of MF NGOs that responded to the BSP data request.

[3] 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.

[4] Excluding GXI/Globe and Smart

[5] Total number of registered e-money agents, of which 26,388 are considered active in 2017 based on preliminary data. This count includes agents that are pawnshops, FXDs/MCs/RTCs and cooperatives.

[6] 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, credit cooperatives, pawnshops, FXDs/MCs/RTCs, other NBFIs, and e-money agents; and exclude MF NGOs (not prudentially regulated) and ATMs (no data on the number of ATMs that can perform both cash-in and cash-out).

p/ Preliminary; r/ Revised

Usage

Deposits and Loans in the Banking System

| | 2016 Q4 | 2017 Q4 | Growth |
|--|---------|---------|---------|
| Number of deposit accounts (in millions) | 53.5 | 57.1 | ● 6.8% |
| Number of depositors (in millions) | 41.8 | 45.3 | ● 8.2% |
| Amount of deposits (in trillion pesos) | 10.5 | 11.7 | ● 11.6% |
| Amount of loans (in trillion pesos) | 6.9 | 8.1 | ● 18.1% |

Electronic Money

| | 2016 | 2017 | Growth |
|--|-------|-------|---------|
| Number of Transactions (in millions) | | | |
| Inflow | 67 | 73 | ● 9.2% |
| Outflow | 299 | 317 | ● 6.0% |
| Amount of Transactions (in billion pesos) | | | |
| Inflow | 477.7 | 481.7 | ● 0.8% |
| Outflow | 478.4 | 481.0 | ● 0.6% |
| | 2015 | 2016 | Growth |
| Number of E-Money Accounts (in millions) | | | |
| Registered e-money accounts (GCash, Smart Money) | 9.4 | 11.4 | ● 21.4% |
| Active e-money accounts (among registered) | 6.4 | 7.0 | ● 8.9% |
| Cards (in millions) | | | |
| Prepaid cards (linked to e-money)* | 26.0 | 26.1 | ● 0.6% |
| ATM debit cards** | 40.9 | 50.8 | ● 24.1% |
| Credit cards** | 8.43 | 8.44 | ● 0.1% |

*E-money accounts (excluding GCash and Smart Money) issued by other E-Money Issuers

**2014 vs. 2015

Microfinance in the Banking System

| | 2016 Q4 | 2017 Q4 | Growth |
|----------------------------|---------------------------|-----------|----------|
| Microfinance | Banks | 168 | ● -3.6% |
| | Borrowers | 1,686,152 | ● 16.0% |
| | Amount (in million pesos) | 13,740.8 | ● 24.5% |
| Microenterprise Loans | Banks | 156 | ● -3.8% |
| | Borrowers | 1,436,371 | ● 15.6% |
| | Amount (in million pesos) | 11,956.6 | ● 19.1% |
| Microfinance Plus | Banks | 32 | ● 15.6% |
| | Borrowers | 5,537 | ● 51.5% |
| | Amount (in million pesos) | 404.4 | ● 92.0% |
| Micro-Agri Loans | Banks | 26 | ● 3.8% |
| | Borrowers | 39,987 | ● 81.3% |
| | Amount (in million pesos) | 303.3 | ● 137.7% |
| Housing Microfinance Loans | Banks | 17 | ● 0.0% |
| | Borrowers | 131,375 | ● 5.3% |
| | Amount (in million pesos) | 875.6 | ● 14.5% |
| Micro-deposit | Banks | 74 | ● 1.4% |
| | Accounts (in millions) | 3.3 | ● 25.5% |
| | Amount (in million pesos) | 6,940.8 | ● 40.5% |

Microfinance Outside the Banking System

| | 2013 | 2015 | Growth |
|---|-------|-------|---------|
| Cooperatives ^[7] | | | |
| Number of member-depositors (in millions) | 6.5 | 6.4 | ● -1.5% |
| Deposit liabilities (in billion pesos) | 66.7 | 73.7 | ● 10.5% |
| Outstanding loans (in billion pesos) | 152.7 | 162.4 | ● 6.4% |
| | 2015 | 2016 | Growth |
| Microfinance NGOs ^[8] | | | |
| Number of clients (in millions) | 2.9 | 3.9 | ● 35.7% |
| Outstanding loans (in billion pesos) | 16.4 | 20.6 | ● 25.9% |

Insurance/Microinsurance

| | 2015 | 2016 ^{p/} | Change |
|-----------------------|-------|--------------------|---------|
| Insurance Penetration | 1.75% | 1.61% | ● -0.14 |

^{p/} Preliminary

| Number of Policyowners, including dependents (in millions) | Insurers | Microinsurance Providers | % Share of Microinsurance |
|--|----------|--------------------------|---------------------------|
| Mutual Benefit Associations | 20.3 | 19.3 | 95.1% |
| Life Insurance Companies | 34.3 | 9.1 | 26.5% |
| Non-Life Insurance Companies | 18.7 | 4.3 | 23.1% |
| Total | 73.3 | 32.7 | 44.7% |

| Amount of Premiums (in million pesos) | Insurers | Microinsurance Providers | % Share of Microinsurance |
|---------------------------------------|----------|--------------------------|---------------------------|
| Mutual Benefit Associations | 8,744 | 3,926 | 44.9% |
| Life Insurance Companies | 202,500 | 2,416 | 1.2% |
| Non-Life Insurance Companies | 48,576 | 794 | 1.6% |
| Total | 259,820 | 7,136 | 2.7% |

Source: Insurance Commission (2017)

[7] Sourced from the Cooperative Development Authority (CDA).

[8] Based only from a sample of MF NGOs that responded to the BSP data request.

Other financial inclusion data

Alliance for Financial Inclusion Core Set/ Philippine Development Plan Indicator

| | 2016 Q4 ^{r/} | 2017 Q4 ^{p/} | Growth |
|---|-----------------------|-----------------------|---------|
| Total number of access points | 72,451 | 94,921 | ● 31.0% |
| Number of access points per 10,000 adults | 10.1 | 12.9 | ● 28.3% |

Indicators from Demand-side Surveys

FORMAL ACCOUNT AND SAVINGS

| World Bank Index (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 |

By individual characteristics

| | | | |
|-----------------------------|--------|--------|--------|
| Male | 24.4% | 30.0% | ● 5.6 |
| Female | 37.9% | 38.9% | ● 1.0 |
| Young adults (15-24) | 19.0% | 23.5% | ● 4.5 |
| Older adults (25+) | 35.9% | 38.8% | ● 3.0 |
| Poorest 40% ^{r/} | 18.04% | 18.03% | ● 0.0 |
| Richest 60% | 40.6% | 45.4% | ● 4.8 |
| Primary education or less | 18.1% | 18.0% | ● -0.1 |
| Secondary education or more | 36.8% | 41.4% | ● 4.5 |
| Rural | 27.5% | 27.4% | ● -0.1 |

Savings

| | | | |
|---|-------|-------|--------|
| Saved any money in the past year | 67.3% | 58.7% | ● -8.6 |
| Saved at a financial institution | 14.8% | 11.9% | ● -2.9 |
| Saved using a savings club or a person outside the family | 9.3% | 8.0% | ● -1.3 |

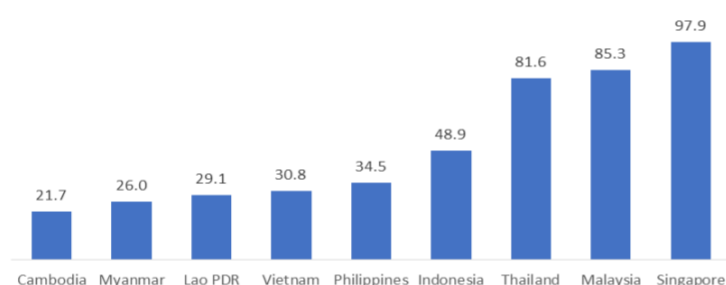
*Formal account includes account at a formal financial institution as well as mobile money account.

| BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+) | 2015 |
|--|-------|
| Percentage of adults with savings | 43.2% |
| Percentage of adults with savings in a bank (base: adults with savings) | 32.7% |
| Percentage of adults who keep their savings at home (base: adults with savings) | 68.3% |

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

| BSP Consumer Expectations Survey (Respondents: Households) | 2016 Q4 | 2017 Q4 | Change |
|--|---------|---------|--------|
| Percentage of households with savings | 33.1% | 36.8% | ● 3.7 |
| Percentage of OFW households who allot a portion of remittances to savings | 39.6% | 42.1% | ● 2.5 |

Percentage of adults with a formal account



Source: World Bank Global Index (2017)

CREDIT

| World Bank Index (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 |

| BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+) | 2015 |
|--|-------|
| Percentage of adults with outstanding loans | 47.1% |
| Percentage of adults who borrowed from a bank (base: adults with outstanding loans) | 4.4% |
| Percentage of adults who borrow from informal sources (base: adults with outstanding loans) | 72.3% |

OTHER FINANCIAL SERVICES

| World Bank Index (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 |

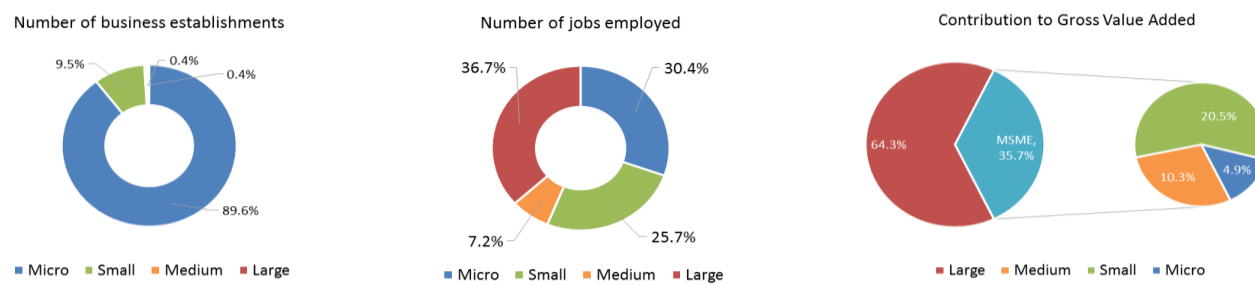
| BSP Consumer Expectations Survey (Respondents: Households) | 2016 Q4 | 2017 Q4 | Change |
|--|---------|---------|--------|
| Percentage of OFW households who allot a portion of remittances to debt payments | 42.8% | 42.0% | ● -0.8 |
| Percentage of OFW households who allot a portion of remittances to investment | 10.0% | 5.9% | ● -4.1 |

Indicators on the Quality Dimension of Financial Inclusion

| | |
|---|---------|
| Financial literacy . Fin-Q Score (Citi, 2012) | 53% |
| Satisfaction . Percentage of adults who are satisfied in their financial transactions with a bank (NBSFI, 2015) | 88% |
| Convenience . Average time spent before being served in a bank (NBSFI, 2015) | 33 mins |
| Fair treatment . Percentage of adults who experienced a conflict with a financial service provider in the past 3 years (World Bank Financial Capability Survey, 2015) | 17% |
| Choice . Percentage of cities and municipalities with access to savings, credit, payment/remittance, and other financial services (2016) | 63% |

Sectoral data

Micro, Small and Medium Enterprises (MSMEs)



Source: Philippine Statistics Authority and Department of Trade and Industry (2016)

MSME Compliance

| | 2016 Q4 | 2017 Q4 | Growth/ Change |
|--|-----------|-----------|----------------|
| Total compliance for MSEs (in billion pesos) | 208.0 | 213.8 | 2.8% |
| Total compliance for MEs (in billion pesos) | 297.1 | 323.8 | 9.0% |
| Percentage of compliance for MSEs (required: 8%) | 3.8% | 3.3% | -0.5 |
| Percentage of compliance for MEs (required: 2%) | 5.4% | 5.0% | -0.4 |
| Number of MSME Borrowers | 1,642,865 | 1,603,181 | -2.4% |
| Number of BMBE Borrowers | 1,787 | 2,530 | 41.6% |

Enterprise Access to Finance

| | 2009 | 2015 | Change |
|--|-------|-------|--------|
| Percentage of enterprises with a checking or savings account | 97.8% | 93.2% | -4.6 |
| Small | 97.2% | 90.9% | -6.3 |
| Medium | 98.5% | 96.2% | -2.3 |
| Large | 98.3% | 98.0% | -0.3 |
| Percentage of enterprises with bank loans/line of credit | 33.2% | 29.9% | -3.3 |
| Small | 21.1% | 22.6% | 1.5 |
| Medium | 39.9% | 38.9% | -1.0 |
| Large | 61.4% | 48.1% | -13.3 |

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

Percentage of Enterprises Identifying Access to Finance as Major Constraint

| | 2009 | 2015 | Change |
|---|-------|-------|--------|
| Percentage of Enterprises Identifying Access to Finance as Major Constraint | 13.0% | 10.7% | 2.3 |
| Small | 15.0% | 9.3% | 5.7 |
| Medium | 17.0% | 14.4% | 2.6 |
| Large | 7.0% | 5.4% | 1.6 |

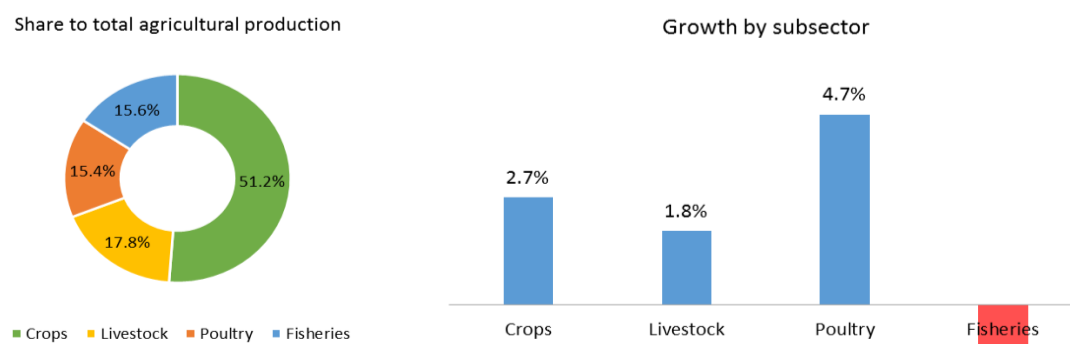
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

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 (Fourth Quarter 2017)

Agri-Agra Compliance

| | 2016 Q4 | 2017 Q4 | Growth/ Change |
|---|---------|---------|----------------|
| Total compliance for AGRA (in billion pesos) | 36.0 | 43.5 | 20.7% |
| Total compliance for AGRI (in billion pesos) | 452.2 | 530.2 | 17.3% |
| Percentage of compliance for AGRA (required: 10%) | 1.02% | 1.05% | 0.03 |
| Percentage of compliance for AGRI (required: 15%) | 12.81% | 12.83% | 0.01 |

Other relevant data

Geography

| | |
|---------------------------------|---------|
| Land area (in km ²) | 300,000 |
| Regions | 18 |
| Provinces | 81 |
| Cities | 145 |
| Municipalities | 1,489 |

Source: Philippine Statistics Authority

Population

| | 2010 | 2015 | 2018 |
|---|------|-------|--------|
| Population, in millions | 92.3 | 101.0 | 107.2* |
| Adult population (aged 15 +), in millions | 62.9 | 70.3 | 74.9 |
| Number of households, in millions | 20.2 | 23.0 | --- |

Source: Philippine Statistics Authority Census of Population and Housing

*Commission on Population

Economy

| | |
|---|------|
| GDP Y-o-Y growth <small>(4th Quarter 2016 vs. 4th Quarter 2017)</small> | 6.6% |
| GDP full year growth <small>(2017)</small> | 6.7% |
| Inflation rate <small>(April 2018)</small> | 4.5% |
| Unemployment rate <small>(January 2018)</small> ^{P/} | 5.3% |

Source: Philippine Statistics Authority

Income and Poverty

| | |
|---|-----------|
| Average annual family income, in PhP <small>(Oct 2016)</small> | 267,000 |
| Minimum wage, non-agri NCR, in PhP <small>(Dec 2016)</small> | 454 - 491 |
| Poverty incidence of population <small>(2015)</small> | 21.6% |
| Poverty threshold, average monthly estimate, in PhP <small>(2015)</small> | 9,064 |

Source: Philippine Statistics Authority

Overseas Filipinos

| | 2016 | 2017 ^{P/} |
|--|------|--------------------|
| Amount of cash remittances, in billion USD | 26.9 | 28.1 |
| Number of Overseas Filipinos, in millions* <small>(2013)</small> | 10.2 | |

*Source: Commission on Filipino Overseas

Mobile Market

| | 2014 | 2015 |
|---|-------|------|
| Number of unique mobile subscribers, in millions | 49.0 | 51.0 |
| Unique subscriber penetration rate | 49% | 50% |
| Connections, in millions <small>(Q4 2017)</small> | 119.1 | |
| SIM penetration <small>(Q4 2017)</small> | 113% | |
| Mobile broadband penetration <small>(Q4 2017)</small> | 60% | |
| Smartphone penetration <small>(2016)</small> | 59% | |

Source: Groupe Speciale Mobile (GSM) Association/ GSMA

Internet

| | 2015 | 2016 |
|--|-------|-------|
| Percentage of individuals using the internet | 53.7% | 55.5% |
| | 2014 | 2015 |
| Fixed broadband price, in USD | 22.5 | 22.0 |
| Mobile broadband price, prepaid handset-based (500 MB), in USD | 6.7 | 4.4 |
| Mobile broadband price, postpaid computer-based (1 GB), in USD | 22.5 | 19.7 |

Source: International Telecommunication Union (ITU)

^{P/} Preliminary

Compiled by:



BANGKO SENTRAL NG PILIPINAS
Inclusive Finance Advocacy Office (IFAO)
 10th Floor, Multi-Storey Building, BSP Complex,
 A. Mabini St., Malate, Manila 1004, Philippines
 IFASinfo@bsp.gov.ph
 t +632-7087482
 f +632-7087481