

Financial Inclusion in the Philippines

Dashboard
As of Third Quarter 2018

Access

Banks and Automated Teller Machines (ATMs)*

	2017 Q3	2018 Q3	Growth
Banks (head office, branches, and other offices)	11,523	12,100	5.0%
Universal & Commercial Banks	6,354	6,562	3.3%
Thrift Banks	2,330	2,562	10.0%
Rural & Cooperative Banks	2,839	2,976	4.8%
ATMs	19,741	21,095	6.9%
On-site ATMs	11,031	11,720	6.2%
Off-site ATMs	8,710	9,375	7.6%

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

Branch-lite

	2018 Q3
Number of operating branch-lite units	1,762
Number of cities and municipalities with branch-lite	756
Number of cities and municipalities without head office/branch but with branch-lite	156

"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 Access Points

	2017 Q3	2018 Q3	Growth
NSSLAs	197	197	0.0%
Pawnshops ^[1]	16,613	11,563	-30.4%
Without corollary business	8,804	1,947	-77.9%
With corollary business	7,809	9,616	23.1%
Money Service Businesses (MSBs) ^[1]	10,485	5,290	-49.5%
Other NBFIs ^[2]	218	218	0.0%
	2016	2017	Growth
Credit Cooperatives ^[3]	3,446	3,664	6.3%
Microfinance NGOs ^[4]	2,603	2,861	9.9%
E-Money Agents ^[5]	26,028	63,195	142.8%
Cash agents ^{[6] p/}	---	3,994	---
Point of Sale (POS) Terminals	181,748	290,816	60.0%

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

	2017 Q3		2018 Q3 ^{p/}	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence	1,071	65.5%	1,081	66.2%
2. Without banking presence	563	34.5%	553	33.8%
2.1 Without banking presence but with other access points	403	24.7%	449	27.5%
2.2 Without any access point	160	9.8%	104	6.4%
With at least one access point (1 + 2.1) ^[7]	1,474	90.2%	1,530	93.6%

[1] 2017 Q3 and 2018 Q3 may not be directly comparable as a result of cleaning of database following the issuance of BSP Circular Nos. 938 and 942.

[2] 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.

[3] 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.

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

[5] Total number of registered e-money agents, of which 56,008 are considered active in 2017 based on preliminary data. This count includes agents that are pawnshops, MSBs, and cooperatives.

[6] As of January 2019. Based only from 3 banks implementing and 4 banks piloting the cash agent model (BSP Circular No. 940).

[7] 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, microfinance NGOs, pawnshops, FXDs/MCs/RTCs, other NBFIs, and e-money agents; and exclude ATMs (no data on the number of ATMs that can perform both cash-in and cash-out).

p/ Preliminary

Usage

Deposits and Loans in the Banking System

	2017 Q3	2018 Q3	Growth
Number of deposit accounts (in millions)	56.5	61.2	● 8.3%
Number of depositors (in millions)	44.8	39.3	● -12.4%
Amount of deposits (in trillion pesos)	11.3	12.4	● 9.5%
Amount of loans (in trillion pesos)	7.6	8.9	● 16.5%

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%
Number of E-Money Accounts (in millions) ^{p/}			
Registered e-money accounts (GCash, Smart Money)	11.4	8.6	● -24.1%
Cards (in millions)			
Prepaid cards (linked to e-money) ^{r/}	18.1	19.6	● 8.1%
ATM debit cards ^{r/}	39.2	37.6	● -4.3%
Credit cards ^{r/}	7.4	8.1	● 9.9%

^{p/}E-money accounts (excluding GCash and Smart Money) issued by other E-Money Issuers

Microfinance in the Banking System

	2017 Q3	2018 Q3	Growth	
Microfinance	Banks	164	157	● -4.3%
	Borrowers	1,825,326	2,156,564	● 18.1%
	Amount (in million pesos)	14,832.1	19,333.2	● 30.3%
Microenterprise Loans	Banks	151	150	● -0.7%
	Borrowers	1,542,858	1,660,846	● 7.6%
	Amount (in million pesos)	12,318.1	16,117.8	● 30.8%
Microfinance Plus	Banks	36	37	● 2.8%
	Borrowers	11,296	8,390	● -25.7%
	Amount (in million pesos)	703.6	804.8	● 14.4%
Micro-Agri Loans	Banks	27	27	● 0.0%
	Borrowers	71,152	72,480	● 1.9%
	Amount (in million pesos)	599.4	860.5	● 43.6%
Housing Microfinance Loans	Banks	16	17	● 6.3%
	Borrowers	125,295	138,380	● 10.4%
	Amount (in million pesos)	837.4	1,235.7	● 47.6%

Microfinance Outside the Banking System

	2013	2015	Growth
Cooperatives ^[3]			
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%
Microfinance NGOs ^[4]			
Number of clients (in millions)	3.9	4.3	● 10.6%
Outstanding loans (in billion pesos)	20.6	28.6	● 38.6%

Insurance/Microinsurance

	2016	2017 ^{p/}	Change
Insurance Penetration	1.61%	1.65%	● 0.04

^{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)

Other financial inclusion data

Alliance for Financial Inclusion Core Set/ Philippine Development Plan Indicator

	2017 Q3	2018 Q3	Growth
Total number of access points	71,252	109,027	53.0%
Number of access points per 10,000 adults	9.7	14.6	49.9%

Indicators from Demand-side Surveys

FORMAL ACCOUNT AND SAVINGS

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

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% ^{1/}	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	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	2017	Change
Percentage of adults with savings	43.2%	47.9%	4.7
Percentage of adults with savings in a bank (base: adults with savings)	32.7%	17.9%	-14.8
Percentage of adults who keep their savings at home (base: adults with savings)	68.3%	68.3%	0.0

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)	2017 Q2	2018 Q2	Change
Percentage of households with savings	35.8%	37.4%	1.6
Percentage of OFW households who allot a portion of remittances to savings	45.9%	33.9%	-12.0

Percentage of adults with a formal account



CREDIT

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

BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+)	2015	2017	Change
Percentage of adults with outstanding loans	47.1%	22.3%	-24.8
Percentage of adults who borrowed from a bank (base: adults with outstanding loans)	4.4%	2.6%	-1.8
Percentage of adults who borrow from informal sources (base: adults with outstanding loans)	72.3%	38.9%	-33.4

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

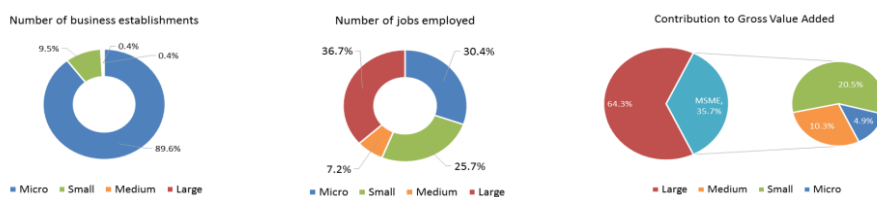
BSP Consumer Expectations Survey (Respondents: Households)	2017 Q2	2018 Q2	Change
Percentage of OFW households who allot a portion of remittances to debt payments	43.1%	22.9%	-20.2
Percentage of OFW households who allot a portion of remittances to investment	4.4%	5.2%	0.8

Indicators on the Quality Dimension of Financial Inclusion

Financial literacy . Fin-Q Score (CPI, 2012)	53%
Satisfaction . Percentage of account holders who are satisfied with their account (FIS, 2017)	98%
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 (2017)	64%

Sectoral data

Micro, Small and Medium Enterprises (MSMEs)



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

MSME Compliance

	2017 Q3	2018 Q3	Growth/ Change
Total compliance for MSEs (in billion pesos)	202.9	235.1	15.8%
Total compliance for MEs (in billion pesos)	275.9	325.9	18.1%
Percentage of compliance for MSEs (required: 8%)	3.8%	3.2%	-0.6%
Percentage of compliance for MEs (required: 2%)	5.2%	4.5%	-0.7%
Number of MSME Borrowers	1,745,287	1,652,489	-5.3%
Number of BMBE Borrowers	3,108	3,929	26.4%

Percent Share of MSME Loans to Total Loans

	2017 Q3	2018 Q3	Change
Total business loans	10.1%	9.4%	-7.1%
Total banking system loans	6.7%	6.3%	-6.5%

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%

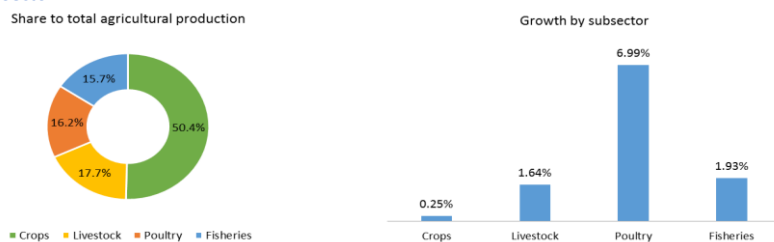
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

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 (Third Quarter 2018)

Agri-Agra Compliance

	2017 Q3	2018 Q3	Growth/ Change
Total compliance for AGRA (in billion pesos)	40.6	46.4	14.4%
Total compliance for AGRI (in billion pesos)	502.3	598.3	19.1%
Percentage of compliance for AGRA (required: 10%)	1.02%	0.99%	-0.03%
Percentage of compliance for AGRI (required: 15%)	12.58%	12.75%	0.17%

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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 (Fourth Quarter 2017 vs. Fourth Quarter 2018)	6.1%
GDP full year growth (2018)	6.2%
Inflation rate (Dec 2018)	5.1%
Unemployment rate (July 2018) ^{1/}	5.4%

Source: Philippine Statistics Authority

Income and Poverty

Average annual family income, in PhP (Oct 2016)	267,000
Minimum wage, non-agri NCR, in PhP (Dec 2016)	512
Poverty incidence of population (2015)	21.6%
Poverty threshold, average monthly estimate, in PhP (2015)	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* (2013)	10.2	

*Source: Commission on Filipino Overseas

Mobile Market

SIM penetration (Q4 2017) ^{1/}	113%
Unique mobile user penetration (2018) ^{2/}	58%
Mobile broadband penetration (Q4 2017) ^{1/}	60%
Smartphone penetration (2017) ^{1/}	63%

Sources:

1/ Groupe Speciale Mobile (GSM) Association/ GSMA

2/ We Are Social

Internet

	2015	2016
Percentage of individuals using the internet	53.7%	55.5%
Average time spent on the internet per day (We Are Social, 2018)	9 hours, 29 mins	
	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)

Social Media

	2017	2018
Social media penetration	58%	63%
Number of Facebook users	60 million	67 million
Average time spent on social media per day	4 hrs, 17 mins	3 hrs, 57 mins

Source: We Are Social

E-Commerce and Mobile Banking

E-commerce penetration (2018)	39%
Mobile banking penetration (2018)	28%

Source: We Are Social

Compiled by:



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