

Financial Inclusion in the Philippines

Dashboard

As of Third Quarter 2019

Access

Banks and Automated Teller Machines (ATMs)*

	2018 Q3	2019 Q3	Growth
Banks (head office, branches, and other offices)	12,100	12,638	● 4.4%
Universal & Commercial Banks	6,562	6,815	● 3.9%
Thrift Banks	2,562	2,616	● 2.1%
Rural & Cooperative Banks	2,976	3,207	● 7.8%
ATMs	21,095	21,437	● 1.6%
On-site ATMs	11,720	11,864	● 1.2%
Off-site ATMs	9,375	9,573	● 2.1%

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

Branch-lite

	2018 Q3	2019 Q3	Growth
Number of operating branch-lite units	1,762	2,105	● 19.5%
Number of cities and municipalities with branch-lite	756	841	● 11.2%
Number of cities and municipalities without head office/branch but with branch-lite	156	187	● 19.9%

"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

	2018 Q3	2019 Q3	Growth
NSSLAs	197	200	● 1.5%
Pawnshops	11,563	13,497	● 16.7%
Money Service Businesses (MSBs)	5,290	6,818	● 28.9%
Other NBFIs ^[1]	218	235	● 7.8%
Cash agents ^[2] (2019)	17,057		---
	2017	2018	Growth
E-Money Agents ^[3] r/	41,990	27,993	● -33.3%
Point of Sale (POS) Terminals ^{r/}	119,559	103,852	● -13.1%
Credit Cooperatives ^[4]	3,664	3,881	● 5.9%
Microfinance NGOs ^[5] (2016 vs. 2017)	2,603	2,861	● 9.9%

Insurance Providers

	Insurers	Microinsurance Providers
Mutual Benefit Associations	35	23
Life Insurance Companies	33	11
Non-Life Insurance Companies	65	10
Total	133	44

Source: Insurance Commission (2018)

Overall Access Situation

	2018 Q3		2019 Q3	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence	1,081	66.2%	1,114	● 68.2%
2. Without banking presence	553	33.8%	520	● 31.8%
2.1 Without banking presence but with other access points	449	27.5%	451	● 27.6%
2.2 Without any access point	104	6.4%	69	● 4.2%
With at least one access point (1 + 2.1) ^[6]	1,530	93.6%	1,565	● 95.8%

[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, of which 26,455 are considered active in 2018 based on preliminary data. This count includes agents that are pawnshops, MSBs, and cooperatives.

[4] Sourced from the Cooperative Development Authority (CDA). In 2018, there were 28,784 coops in the registry.

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

[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, cooperatives offering financial services, microfinance NGOs, pawnshops, FXDs/MCs/RTCs, 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).

p/ Preliminary; r/ Revised

SES FinInc Form No. 01-001* Version 0* Updated 29 Jun 2017

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Usage

Deposits and Loans in the Banking System

	2018 Q3	2019 Q3	Growth
Number of deposit accounts (in millions)	61.2	70.5	● 15.2%
Number of depositors (in millions)	39.3	65.7	● 67.3%
Amount of deposits (in trillion pesos)	12.4	13.1	● 5.8%
Amount of loans (in trillion pesos)	8.9	9.7	● 8.7%

Basic Deposit Accounts (preliminary)

	2019 Q3
Number of depositors (in millions)	3.1
Amount of deposits (in billion pesos)	2.7

Electronic Money

	2017	2018	Growth
Number of Transactions (in millions)			
Inflow	73	119	● 62.1%
Outflow	317	406	● 28.0%
Amount of Transactions (in billion pesos)			
Inflow	481.7	546.4	● 13.4%
Outflow	481.0	543.7	● 13.0%
Number of E-Money Accounts (in millions) ^{P/}			
Active e-money wallets	2.2	5.0	● 132.7%
Prepaid cards (linked to e-money) ^{T/}	24.9	28.0	● 12.5%
Cards (in millions)			
ATM debit cards ^{T/}	38.7	39.5	● 2.0%
Credit cards ^{T/}	8.0	9.4	● 18.0%

Microfinance in the Banking System

	2018 Q3	2019 Q3	Growth	
Microfinance	Banks	157	160	● 1.9%
	Borrowers	2,156,564	2,012,517	● -6.7%
	Amount (in million pesos)	19,333.2	24,914.8	● 28.9%
Microenterprise Loans	Banks	150	147	● -2.0%
	Borrowers	1,660,846	1,691,982	● 1.9%
	Amount (in million pesos)	16,117.8	20,841.9	● 29.3%
Microfinance Plus	Banks	37	39	● 5.4%
	Borrowers	8,390	10,141	● 20.9%
	Amount (in million pesos)	804.8	1,065.0	● 32.3%
Micro-Agri Loans	Banks	27	23	● -14.8%
	Borrowers	72,480	96,465	● 33.1%
	Amount (in million pesos)	860.5	1,169.5	● 35.9%
Housing Microfinance Loans	Banks	17	14	● -17.6%
	Borrowers	138,380	138,951	● 0.4%
	Amount (in million pesos)	1,235.7	1,417.2	● 14.7%

Microfinance Outside the Banking System

	2017	2018	Growth
Cooperatives^[4]			
Number of member-depositors (in millions)	8.0	8.7	● 8.7%
Deposit liabilities (in billion pesos)	109.2	132.8	● 21.6%
Outstanding loans (in billion pesos)	194.1	264.1	● 36.1%
2018^[5] Q2 2019^[7]			
Microfinance NGOs			
Number of clients (in millions)	4.3	6.1	● 39.7%
Outstanding loans (in billion pesos)	28.6	46.2	● 61.7%

Insurance/Microinsurance

	Q2 2018	Q2 2019	Change
Insurance Penetration (premium volume as a share of GDP)	1.77%	1.61%	● -0.16

	Insurers	Microinsurance Providers	% Share of Microinsurance
Number of Policyowners, including dependents (in millions)			
Mutual Benefit Associations	23.9	22.8	95.0%
Life Insurance Companies	39.1	11.8	30.3%
Non-Life Insurance Companies	9.8	4.3	43.6%
Total	72.9	38.9	53.4%

	Insurers	Microinsurance Providers	% Share of Microinsurance
Amount of Premiums (in million pesos)			
Mutual Benefit Associations	10,704	2,583	24.1%
Life Insurance Companies	228,612	4,560	2.0%
Non-Life Insurance Companies	50,834	999	2.0%
Total	290,149	8,142	2.8%

Source: Insurance Commission (2018)

[7] Based on the 28 microfinance NGOs accredited by the Microfinance NGO Regulatory Council. SES FinInc Form No. 01-001* Version 0* Updated 29 Jun 2017

Other financial inclusion data

Alliance for Financial Inclusion Core Set/ Philippine Development Plan Indicator

	2018 Q3	2019 Q3	Growth
Total number of access points	87,822	90,344	● 2.9%
Number of access points per 10,000 adults	11.7	12.0	● 2.5%

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

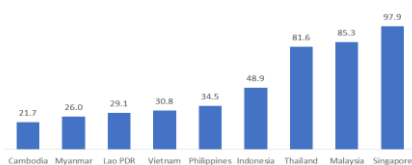
*Formal account includes account at a formal financial institution as well as mobile money account.

BSP Financial Inclusion Survey (Respondents: Adults - individuals aged 15+)	2015	2017	Change
Percentage of adults with formal account	22.0%	22.6%	● 0.6
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)	2018 Q3	2019 Q3	Change
Percentage of households with savings	32.5%	37.5%	● 5.0
Percentage of households with savings in banks	21.5%	25.1%	● 3.6
Percentage of OFW households who allot a portion of remittances to savings	32.7%	37.3%	● 4.6

Percentage of adults with a formal account



Source: World Bank Global Findex (2017)

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

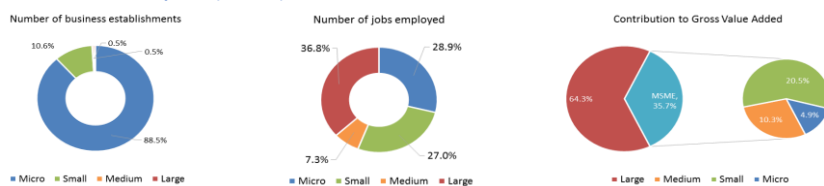
BSP Consumer Expectations Survey (Respondents: Households)	2018 Q3	2019 Q3	Change
Percentage of OFW households who allot a portion of remittances to debt payments	24.6%	23.6%	● -1.0
Percentage of OFW households who allot a portion of remittances to investment	4.2%	7.9%	● 3.7

Indicators on the Quality Dimension of Financial Inclusion

Financial literacy - Fin-Q Score (CfI, 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%

Sectoral data

Micro, Small and Medium Enterprises (MSMEs)



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

MSME Compliance

	2018 Q3	2019 Q3	Growth/ Change
Total compliance for MSEs (in billion pesos)	235.1	219.3	-6.7%
Total compliance for MEs (in billion pesos)	325.9	327.7	0.5%
Percentage of compliance for MSEs (required: 8%)	3.2%	2.8%	-0.5
Percentage of compliance for MEs (required: 2%)	4.5%	4.2%	-0.3
Number of MSME Borrowers	1,652,489	1,559,504	-5.6%
Number of BMBE Borrowers	3,929	4,549	15.8%

MSME Loans

	2018 Q3	2019 Q3	Change
Total MSME loans (in billion pesos)	564.0	551.0	-2.3%
% share of MSME loans to total business loans	9.4%	8.9%	-0.6
% share of MSME loans to total banking system loans	6.3%	5.7%	-0.6
% share of MSME loans to GDP	4.5%	4.1%	-0.4
Y-o-Y growth in loans to MSMEs	9.7%	-2.3%	-12.0
Y-o-Y growth in loans to private corporations	18.7%	4.6%	-14.1

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 ^{1/}	Change
Percentage of Enterprises Identifying Access to Finance as Major Constraint	13.0%	10.4%	2.6
Small	15.0%	9.3%	5.7
Medium	17.0%	14.4%	2.6
Large	7.0%	5.4%	1.6

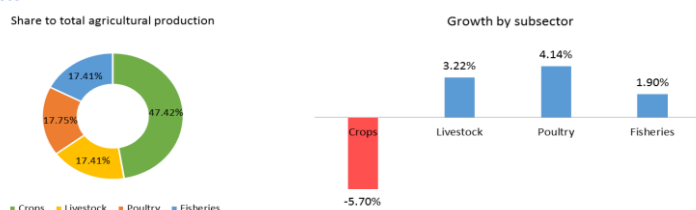
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

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 (Second Quarter 2019)

Agri-Agra Compliance

	2018 Q3	2019 Q3	Growth/ Change
Total compliance for AGRA (in billion pesos)	46.4	60.8	31.2%
Total compliance for AGRI (in billion pesos)	598.3	653.7	9.3%
Percentage of compliance for AGRA (required: 10%)	0.99%	1.10%	0.11
Percentage of compliance for AGRI (required: 15%)	12.75%	11.80%	-0.95

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	2019
Population, in millions	92.3	101.0	108.9*
Adult population (aged 15 +), in millions	61.8	69.3	75.2
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 2018 vs. Fourth Quarter 2019)	6.4%
GDP full year growth (2019)	5.9%
Inflation rate (Dec 2019)	2.5%
Unemployment rate (October 2019)	4.5%

Source: Philippine Statistics Authority

Income and Poverty

Average annual family income, in PhP (Oct 2016)	267,000
Minimum wage in NCR for non-agriculture, in PhP (Sep 2019)	455.08
Poverty incidence among population (2018)	21.0%
Poverty threshold, average monthly estimate, in PhP (2018)	12,577

Source: Philippine Statistics Authority

Overseas Filipinos

	2017	2018
Amount of cash remittances, in billion USD	28.1	28.9
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%
Unique mobile user penetration (2018) ^{2/}	58%
Smartphone penetration (2019) ^{2/}	65%

Sources:

1/ Groupe Speciale Mobile (GSM) Association/ GSMA

2/ We Are Social

Internet and Social Media

Percentage of individuals using the internet	67%
Average time spent on the internet per day	9 hours, 45 mins
Social media penetration	67%
Average time spent on social media per day	3 hours, 53 mins

Source: We Are Social (Jan 2020)

E-Commerce and Mobile Banking

E-commerce penetration	39%
Mobile banking penetration	28%

Source: We Are Social (2018)

Compiled by:



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