

# Financial Inclusion in the Philippines

Dashboard

As of Second Quarter 2020

## Access

### Banks and Automated Teller Machines (ATMs)\*

	2019 Q2	2020 Q2	Growth
Banks (head office, branches, and other offices)	12,494	12,862	2.9%
Universal & Commercial Banks	6,627	6,945	4.8%
Thrift Banks	2,720	2,654	-2.4%
Rural & Cooperative Banks	3,147	3,263	3.7%
ATMs	21,841	22,523	3.1%
On-site ATMs	12,016	12,162	1.2%
Off-site ATMs	9,825	10,361	5.5%

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

### Branch-lite

	2019 Q2	2020 Q2	Growth
Number of operating branch-lite units	1,997	2,276	14.0%
Number of cities and municipalities with branch-lite	818	875	7.0%
Number of cities and municipalities without head office/branch but with branch-lite	181	197	8.8%

"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 Q2	2020 Q2	Growth
NSSLAs	200	200	0.0%
Pawnshops	13,190	14,381	9.0%
Money Service Businesses (MSBs)	5,813	6,990	20.2%
Other NBFIs <sup>[1]</sup>	237	225	-5.1%
Cash agents <sup>[2]</sup> (2019)	17,057		---
	2019	2020	Growth
E-Money Agents <sup>[3]</sup>	43,740	54,729	25.1%
	2018	2019	Growth
Point of Sale (POS) Terminals <sup>[4]</sup>	103,852	79,693	-23.3%
Credit Cooperatives <sup>[4]</sup>	3,881	2,711	-30.1%
Microfinance NGOs <sup>[5]</sup>	2,861	3,887	35.9%
Financing and Lending Companies <sup>[6]</sup>	3,861		---

### Insurance Providers<sup>[7]</sup>

	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 Q2	2020 Q2	Growth
Total number of access points	88,882	119,476	34.4%
Number of access points per 10,000 adults	11.8	15.6	31.9%

### Digital onboarding (e-KYC)

	2020 Q3
Number of banks with digital onboarding capability	27

### Overall Access Situation

	2019 Q2		2020 Q2	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence	1,108	67.8%	1,125	68.8%
2. Without banking presence	526	32.2%	509	31.2%
2.1 Without banking presence but with other access points	458	28.0%	434	26.6%
2.2 Without any access point	68	4.2%	75	4.6%
With at least one access point (1 + 2.1) <sup>[8]</sup>	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 Regulatory

[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 Q2	2020 Q2	Growth
Number of deposit accounts (in millions)	67.8	76.3	● 12.6%
Number of depositors (in millions)	63.8	70.2	● 10.1%
Amount of deposits (in trillion pesos)	12.9	14.3	● 10.9%
Amount of loans (in trillion pesos)	9.4	10.0	● 6.5%

### Microfinance in the Banking System

	2019 Q2	2020 Q2	Growth
Microfinance	Banks	157	● -5.1%
	Borrowers	2,003,461	● 2.2%
	Amount (in million pesos)	23,910.5	● 4.8%
Microenterprise Loans	Banks	144	● -4.9%
	Borrowers	1,685,985	● 5.0%
	Amount (in million pesos)	19,950.4	● 6.3%
Microfinance Plus	Banks	38	● -10.5%
	Borrowers	9,744	● -9.9%
	Amount (in million pesos)	1,032.6	● -9.9%
Micro-Agri Loans	Banks	23	● -4.3%
	Borrowers	96,761	● -17.0%
	Amount (in million pesos)	1,101.9	● 2.3%
Housing Microfinance Loans	Banks	16	● -18.8%
	Borrowers	136,618	● -14.0%
	Amount (in million pesos)	1,411.2	● 10.1%

### Microfinance Outside the Banking System

	2018	2019	Growth
Cooperatives <sup>[4]</sup>			
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 <sup>[5]</sup> 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<sup>[7]</sup>

	2019 Q2	2020 Q2	Change
Insurance Penetration (premium volume as a share of GDP)	1.61%	1.58%	● -0.03

	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<sup>[9]</sup>

	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 Q2	2020 Q2	Growth
Number of banks offering BDA	113	126	● 11.5%
Number of BDA (in millions)	2.2	4.8	● 118.4%
Amount of deposits (in billion pesos)	2.1	4.4	● 107.1%

### Electronic Money Accounts

	2019	2020	Growth
Number of Active E-Money Accounts (in millions) <sup>[10]</sup>			
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 Q2	2020 Q2	Growth
PESONet <sup>[11]</sup>			
Volume (in millions)	2.9	8.3	● 189.0%
Value (in billion pesos)	280.8	619.8	● 120.7%
InstaPay <sup>[11]</sup>			
Volume (in millions)	6.2	42.9	● 589.7%
Value (in billion pesos)	52.7	242.5	● 360.5%
	2013	2018	Change
Share of digital payments to total payment transactions <sup>[12]</sup>			
Volume	1%	10%	● 9.0
Value	8%	20%	● 12.0

### Alternative Finance <sup>[13]</sup>

	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 EMI's 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

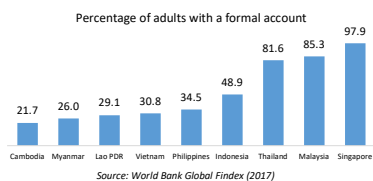
### Indicators from Demand-side Surveys

#### 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 account holders 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 Q3	2020 Q3	Change
Percentage of households with savings	37.5%	24.7%	-12.8
Percentage of households with savings in banks	66.9%	71.1%	4.2
Percentage of OFW households who allot a portion of remittances to savings	37.3%	31.6%	-5.7

#### 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

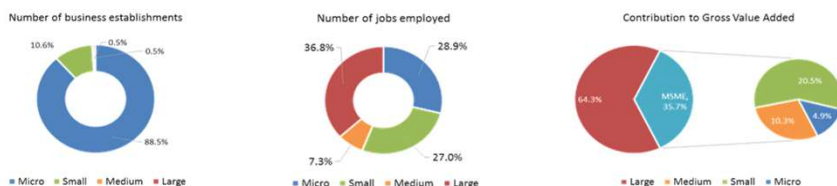
BSP Consumer Expectations Survey (Respondents: Households)	2019 Q3	2020 Q3	Change
Percentage of OFW households who allot a portion of remittances to debt payments	23.6%	18.4%	-5.2
Percentage of OFW households who allot a portion of remittances to investment	7.9%	6.4%	-1.5

#### Indicators on the Quality Dimension of Financial Inclusion

<i>Financial literacy</i> . Percentage of adults who got a perfect score in a financial literacy quiz (FIS, 2019)	8%
<i>Complaints</i> . Percentage of adults who transacted with financial access points and encountered issues (FIS, 2019)	37%
<i>Affordability</i> . Percentage of adults who said that the fees in financial access points are more expensive than expected (FIS, 2019)	22%
<i>Choice</i> . Percentage of cities and municipalities with access to all types of financial services: savings, credit, insurance, payments and remittances (2020 Q2)	76%
<i>Satisfaction</i> . 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 Q2	2020 Q2	Growth/ Change
Total compliance for MSEs (in billion pesos)	214.0	184.4	● -13.8%
Total compliance for MEs (in billion pesos)	338.1	299.6	● -11.4%
Percentage of compliance for MSEs (required: 8%)	2.8%	2.1%	● -0.7
Percentage of compliance for MEs (required: 2%)	4.4%	3.4%	● -1.0
Number of MSME Borrowers	1,559,504	1,669,031	● 7.0%
Number of BMBE Borrowers	4,549	3,985	● -12.4%

### MSME Loans

	2019 Q2	2020 Q2	Change
Total MSME loans (in billion pesos)	553.8	495.0	● -10.6%
% share of MSME loans to total business loans	8.9%	7.4%	● -1.5
% share of MSME loans to total banking system loans	5.9%	4.9%	● -1.0
% share of MSME loans to GDP	6.3%	5.8%	● -0.5
Y-o-Y growth in loans to MSMEs	-2.1%	-10.6%	● -8.5
Y-o-Y growth in loans to microenterprises	8.1%	-10.4%	● -18.5
Y-o-Y growth in loans to small enterprises	-6.3%	-13.3%	● -7.0
Y-o-Y growth in loans to medium enterprises	-2.1%	-9.5%	● -7.4
Y-o-Y growth in loans to private corporations	9.2%	8.8%	● -0.4

### 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

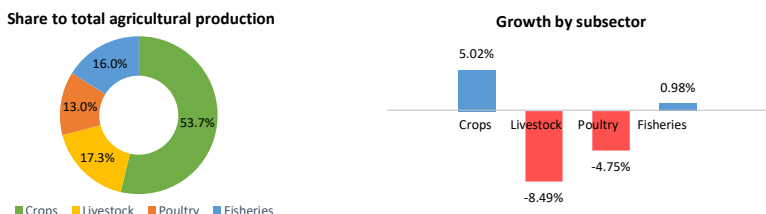
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

### 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 (Second Quarter 2020)

### Agriculture, Forestry and Fishing (AFF) Loans

	2019 Q2	2020 Q2	Growth/ Change
Total AFF Loans (in billion pesos)	241.0	254.3	● 5.5%
% share of AFF loans to total loans outstanding	2.46%	2.45%	● -0.01

### Agri-Agra Compliance

	2019 Q2	2020 Q2 <sup>1/</sup>	Growth/ Change
Total compliance for AGRA (in billion pesos)	59.3	59.5	● 0.2%
Total compliance for AGRI (in billion pesos)	666.8	635.6	● -4.7%
Percentage of compliance for AGRA (required: 10%)	1.12%	0.94%	● -0.19
Percentage of compliance for AGRI (required: 15%)	12.60%	9.99%	● -2.60

SFS Final Form No. 01-001\* Version Q2\* Updated 29 Jun 2017

## Other relevant data

### Geography

Land area (in km <sup>2</sup> )	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 (Second Quarter 2019 vs. Second Quarter 2020)	-16.9%
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

	2019	2020
Amount of cash remittances, in billion USD	30.1	29.9
Number of Overseas Filipinos, in millions* (2013)	10.2	

\*Source: Commission on Filipino Overseas

### Mobile Market

SIM penetration (Q4 2019) <sup>1/</sup>	159%
Mobile broadband penetration (Q4 2019) <sup>1/</sup>	86%
Percentage of adults with mobile phone <sup>2/</sup>	69%
Percentage of adults with smart phone <sup>2/</sup>	52%

### Internet and Social Media

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

### E-Commerce and Digital finance

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

Sources:

1/ Groupe Speciale Mobile (GSM) Association/ GSMA

2/ BSP Financial Inclusion Survey

3/ We Are Social

Compiled by:



BANGKO SENTRAL NG PILIPINAS  
PANANALAPING MATATAG, BAHISANG PANATAG

Financial Inclusion Office (FIO)  
10th Floor, Multi-Storey Building, BSP Complex,  
A. Mabini St., Malate, Manila 1004, Philippines  
financialinclusion@bsp.gov.ph  
t +632-87087482  
f +632-87087481