

# Financial Inclusion in the Philippines

## Dashboard

As of Third Quarter 2020

### Access

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

	2019 Q3	2020 Q3	Growth
Banks (head office, branches, and other offices)	12,638	12,914	2.2%
Universal & Commercial Banks	6,815	6,958	2.1%
Thrift Banks	2,616	2,667	1.9%
Rural & Cooperative Banks	3,207	3,289	2.6%
ATMs	21,437	22,463	4.8%
On-site ATMs	11,864	12,175	2.6%
Off-site ATMs	9,573	10,288	7.5%

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

#### Branch-lite

	2019 Q3	2020 Q3	Growth
Number of operating branch-lite units	2,105	2,308	9.6%
Number of cities and municipalities with branch-lite	841	882	4.9%
Number of cities and municipalities without head office/branch but with branch-lite	187	199	6.4%

"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 Q3	2020 Q3	Growth
NSSLAs	200	200	0.0%
Pawnshops	13,497	14,553	7.8%
Money Service Businesses (MSBs)	6,818	7,280	6.8%
Other NBFIs <sup>[1]</sup>	235	225	-4.3%
	2019	2020	Growth
Cash agents <sup>[2]</sup>	17,057	59,069	246.3%
E-Money Agents <sup>[3]</sup>	43,740	63,581	45.4%
	2018	2019	Growth
Point of Sale (POS) Terminals <sup>[4]</sup>	103,852	79,693	-23.3%
Credit Cooperatives <sup>[4]</sup>	3,881	2,766	-28.7%
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 Q3	2020 Q3	Growth
Total number of access points	90,344	119,990	32.8%
Number of access points per 10,000 adults	12.0	15.7	30.8%

#### Digital onboarding (e-KYC)

	2020 Q3
Number of banks with digital onboarding capability	27

#### Overall Access Situation

	2019 Q3		2020 Q3	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence	1,114	68.2%	1,130	69.2%
2. Without banking presence	520	31.8%	504	30.8%
2.1 Without banking presence but with other access points	451	27.6%	429	26.3%
2.2 Without any access point	69	4.2%	75	4.6%
With at least one access point (1 + 2.1) <sup>[8]</sup>	1,565	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 25 EMIs as of September 2020. Out of 63,581 agents, 74% or 47,131 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 Council.

[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 Q3	2020 Q3	Growth
Number of deposit accounts (in millions)	70.5	78.8	● 11.7%
Number of depositors (in millions)	65.7	72.8	● 10.7%
Amount of deposits (in trillion pesos)	13.1	14.4	● 9.5%
Amount of loans (in trillion pesos)	9.7	9.7	● 0.4%

### Microfinance in the Banking System

	2019 Q3	2020 Q3	Growth
Microfinance	Banks	160	● -6.9%
	Borrowers	2,012,517	● -2.4%
	Amount (in million pesos)	24,914.8	● -0.1%
Microenterprise Loans	Banks	147	● -6.8%
	Borrowers	1,691,982	● -2.4%
	Amount (in million pesos)	20,841.9	● 1.2%
Microfinance Plus	Banks	39	● -10.3%
	Borrowers	10,141	● 63.9%
	Amount (in million pesos)	1,065.0	● -1.9%
Micro-Agri Loans	Banks	23	● -4.3%
	Borrowers	96,465	● -4.1%
	Amount (in million pesos)	1,169.5	● -10.5%
Housing Microfinance Loans	Banks	14	● -7.1%
	Borrowers	138,951	● -3.4%
	Amount (in million pesos)	1,417.2	● 1.3%

### Microfinance Outside the Banking System

	2018	2019	Growth
Cooperatives <sup>[4]</sup>			
Number of member-depositors (in millions)	9.4	9.4	● 0.0%
Deposit liabilities (in billion pesos)	138	150.9	● 9.3%
Outstanding loans (in billion pesos)	276	313.6	● 13.6%
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	2020	Growth
Number of submitting entities with actual basic credit data	474	556	● 17.3%
Number of unique individuals with financial credit data (in millions)	9.0	23.3	● 158.3%
Total contracts (in millions)	56.5	89.9	● 59.2%

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

	2019 Q3	2020 Q3	Change
Insurance Penetration (premium volume as a share of GDP)	1.69%	1.69%	0.00

Number of Policyowners, including dependents (in millions)	Insurers	Microinsurance Providers	% Share of Microinsurance
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%

Amount of Premiums (in million pesos)	Insurers	Microinsurance Providers	% Share of Microinsurance
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%
No. of BSFIs offering PERA UITFs	3	3	● 0.0%
Number of PERA products/UITFs*	16	16	● 0.0%
Number of PERA contributors	1,388	2,671	● 92.4%
Total PERA contributions (in million pesos)	114.9	166.9	● 45.3%
	2019	2020 Q3	Change
No. of Existing Non-PERA UITFs**	254	244	● -3.9%
No. of UITF participants***	471,381	572,162	● 21.4%

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

\*\*Existing means available in the market.

\*\*\*The data is based on 30 Trust Entities (TEs) with active trust licenses.

[9] Source: BSP PERA Technical Working Group; Capital Markets and Trust Supervision Department (CATSD)

# Inclusive Digital Finance

## Basic Deposit Accounts

	2019 Q3	2020 Q3	Growth
Number of banks offering BDA	119	130	● 9.2%
Number of BDA (in millions)	3.1	6.2	● 99.3%
Amount of deposits (in billion pesos)	2.7	4.5	● 64.9%

## 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	● 62.2%
Prepaid cards (linked to e-money)*	20.6	17.6	● -14.4%
Total	29.4	31.9	● 8.5%
	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 Q3	2020 Q3	Growth
PESONet <sup>[11]</sup>			
Volume (in millions)	3.4	9.5	● 183.0%
Value (in billion pesos)	343.2	804.6	● 134.5%
InstaPay <sup>[11]</sup>			
Volume (in millions)	9.6	83.9	● 773.1%
Value (in billion pesos)	71.1	404.9	● 469.5%
	2019	2020 H1	Change
Share of digital payments to total payment transactions <sup>[12]</sup>			
Volume	14%	17%	● 3.0
Value	24%	25%	● 1.0

## 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 all BSFIs 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

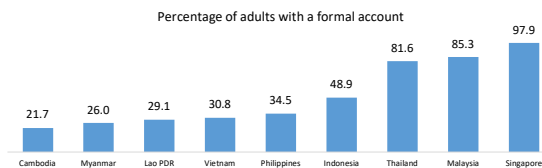
### Indicators from Demand-side Surveys

#### 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 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



#### 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 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

#### 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

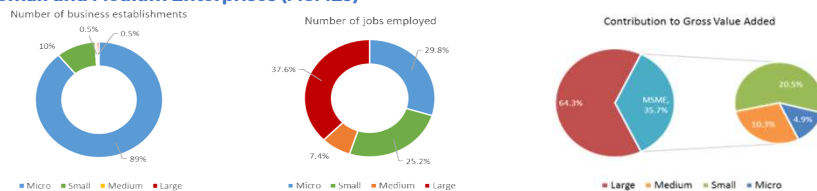
BSP Consumer Expectations Survey (Respondents: Households)	2019 Q3	2020 Q3	Change
Percentage of OFW households who allot a portion of remittances to debt payments	23.6%	18.4%	-5.2
Percentage of OFW households who allot a portion of remittances to investment	7.9%	6.4%	-1.5

#### 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 Q3)	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 (2019)

### Women MSME

Share of female within the leading industries in the MSME Sector	2018
Retail or wholesale	88%
Arts and culture	81%
Materials or manufacturing	74%
Food processing	70%
Agriculture	44%

Source: Statista

### MSME Loans

	2019 Q3	2020 Q3	Change
Total MSME loans (in billion pesos)	551.0	471.3	-14.5%
% share of MSME loans to total business loans	8.9%	7.3%	-1.6
% share of MSME loans to total banking system loans	5.7%	4.9%	-0.8
% share of MSME loans to GDP	4.1%	3.7%	-0.4
Y-o-Y growth in loans to MSMEs	-2.3%	-14.5%	-12.2
Y-o-Y growth in loans to microenterprises	20.1%	-23.7%	-43.7
Y-o-Y growth in loans to small enterprises	-12.6%	-14.5%	-1.9
Y-o-Y growth in loans to medium enterprises	-1.8%	-12.1%	-10.3
Y-o-Y growth in loans to private corporations	4.6%	3.2%	-1.4

### MSME Loans based on RA 6977, as amended<sup>[14]</sup>

	2019 Q3	2020 Q3	Growth/ Change
Total compliance for MSEs (in billion pesos)	219.3	179.6	-18.1%
Total compliance for MEs (in billion pesos)	327.7	284.7	-13.1%
Percentage of compliance for MSEs (required: 8%)	2.8%	2.1%	-0.7
Percentage of compliance for MEs (required: 2%)	4.2%	3.3%	-0.9
Number of MSME Borrowers	1,559,504	1,508,528	-3.3%
Number of BMBE Borrowers	4,549	2,421	-46.8%

### 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

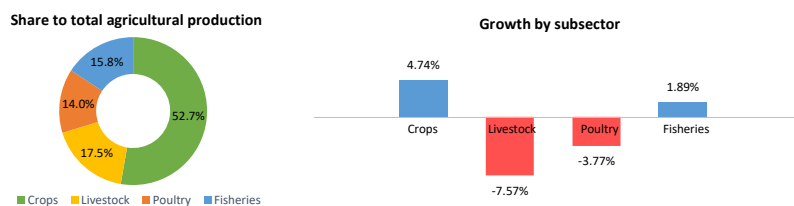
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

### 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 (Third Quarter 2020)

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

	2019 Q3	2020 Q3	Growth/ Change
Total AFF Loans (in billion pesos)	251.3	258.9	3.0%
% share of AFF loans to total loans outstanding	2.50%	2.53%	0.03

### Agri-Agra Compliance

	2019 Q3	2020 Q3 <sup>[14]</sup>	Growth/ Change
Total compliance for AGRA (in billion pesos)	60.6	55.8	-7.9%
Total compliance for AGRI (in billion pesos)	653.7	606.8	-7.2%
Percentage of compliance for AGRA (required: 10%)	1.09%	0.86%	-0.24
Percentage of compliance for AGRI (required: 15%)	11.80%	9.32%	-2.48

[14] Magna Carta for Micro, Small and Medium Enterprises (MSMEs). The mandatory allocation of credit resources to MSMEs lapsed in June 2018 but is being reported for monitoring purposes.

## 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 (Third Quarter 2019 vs. Third Quarter 2020)	-11.4%
GDP full year growth (2020) <sup>1/</sup>	-9.6%
Inflation rate (September 2020)	2.3%
Unemployment rate (October 2020)	8.7%

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)	16.7%
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

Percentage of adults with mobile phone <sup>1/</sup>	69%
Percentage of adults with smart phone <sup>1/</sup>	52%
Mobile connections <sup>2/</sup>	155%
Mobile broadband connections <sup>2/</sup>	134%
Mobile broadband penetration <sup>2/</sup>	86%

Mobile connections - number of SIM cards (as percentage of total population)

Mobile broadband connections - number of sim cards that are 3G and above (as percentage of total population)

Mobile broadband penetration - mobile broadband connections ÷ mobile connections

### Internet and Social Media

Percentage of adults using the internet <sup>1/</sup>	53%
Average time spent on the internet per day <sup>3/</sup>	10 hours, 56 mins
Social media penetration <sup>3/</sup>	81%
Average time spent on social media per day <sup>3/</sup>	4 hours, 15 mins

### E-Commerce and Digital finance

Percentage of internet users who purchased a product or service online <sup>3/</sup>	80%
Percentage of adults who use their mobile phone for financial transactions <sup>1/</sup>	8%
Percentage of adults who use the internet for financial transactions <sup>1/</sup>	5%

Sources:

1/ BSP Financial Inclusion Survey (2019)

2/ Groupe Speciale Mobile (GSM) Association/ GSMA (2019)

3/ We Are Social (Jan 2021)

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