

# Financial Inclusion in the Philippines

## Dashboard

As of Second Quarter 2021

### Access

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

	2020 Q2	2021 Q2	Growth
Banks (head office, branches, and other offices)**	12,862	13,073	1.6%
Universal & Commercial Banks	6,945	6,988	0.6%
Thrift Banks	2,654	2,770	4.4%
Rural & Cooperative Banks	3,263	3,315	1.6%
ATMs	22,523	22,781	1.1%
On-site ATMs	12,162	12,313	1.2%
Off-site ATMs	10,361	10,468	1.0%

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

\*\* Total head offices - 523 (U/KBs-46; TBs-48; R/CBs-429)

#### Branch-lite

	2020 Q2	2021 Q2	Growth
Number of operating branch-lite units	2,276	2,425	6.5%
Number of cities and municipalities with branch-lite	875	901	3.0%
Number of cities and municipalities without head office/branch but with branch-lite	197	203	3.0%

"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)

	2020 Q2	2021 Q2	Growth
NSSLAs	200	200	0.0%
Pawnshops	14,381	15,228	5.9%
Money Service Businesses (MSBs)	6,990	7,570	8.3%
Other NBFIs <sup>[1]</sup>	225	226	0.4%
	2018	2019	Growth
Point of Sale (POS) Terminals	103,852	79,693	-23.3%
	2019	2020	Growth
Cash agents <sup>[2]</sup>	17,057	58,417	242.5%
E-Money Agents <sup>[3]</sup>	35,959 <sup>4/</sup>	84,299	134.4%
Credit Cooperatives <sup>[4]</sup>	2,766	2,762	-0.1%
Microfinance NGOs <sup>[5]</sup>	3,887	4,450	14.5%
Financing and Lending Companies <sup>[6]</sup>	3,861	4,083	5.7%

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

	Insurers	Microinsurance Providers
Mutual Benefit Associations	35	23
Life Insurance Companies	31	10
Non-Life Insurance Companies	66	13
Total	132	46

#### Total Financial Service Access Points

	2020 Q2	2021 Q2	Growth
Total number of access points	119,476	221,298	85.2%
Number of access points per 10,000 adults	15.6	28.7	83.9%

#### Digital onboarding (e-KYC)

	2020	2021 Q2
Number of banks with digital onboarding capability	34	37

#### Overall Access Situation

	2020 Q2		2021 Q2	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence <sup>[8]</sup>	1,378	84.3%	1,381	84.5%
2. Without banking presence	256	15.7%	253	15.5%
2.1 Without banking presence but with other access points	181	11.1%	181	11.1%
2.2 Without any access point	75	4.6%	72	4.4%
With at least one access point (1 + 2.1) <sup>[9]</sup>	1,559	95.4%	1,562	95.6%

[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] Total number of active cash agents. Preliminary data based on banks implementing/piloting the cash agent model (BSP Circular No. 940).

[3] Total number of active e-money agents. In 2020, 89% of the total 94,293 registered e-money agents are active.

[4] Sourced from the Cooperative Development Authority (CDA). There are 19,973 operating cooperatives (head offices and branches) as of December 2020, of which approximately 9,484 cooperatives are offering financial services.

[5] Based only from a sample of MF NGOs that responded to the BSP data request. 2020 data is based on the 29 microfinance NGOs accredited by the Microfinance NGO Regulatory Council.

[6] Source: Securities and Exchange Commission (2020)

[7] Source: Insurance Commission (2020)

[8] Indicator has been updated to include cash agents. Based on traditional metrics (no. of banking offices only), Q2 2020 - 1,125 (68.8%) and Q2 2021 - 1,135 (69.5%).

[9] 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

	2020 Q2	2021 Q2	Growth
Number of deposit accounts (in millions)	76.3	83.1	● 8.9%
Number of depositors (in millions)	70.2	76.0	● 8.2%
Amount of deposits (in trillion pesos)	14.3	15.3	● 7.6%
Amount of loans (in trillion pesos)	10.0	9.8	● -2.3%

### Microfinance in the Banking System

	2020 Q2	2021 Q2	Growth
Microfinance	Banks	149	148 ● -0.7%
	Borrowers	2,047,480	2,043,350 ● -0.2%
	Amount (in million pesos)	25,063.7	26,352.4 ● 5.1%
Microenterprise Loans	Banks	137	135 ● -1.5%
	Borrowers	1,770,274	1,765,872 ● -0.2%
	Amount (in million pesos)	21,201.7	22,672.4 ● 6.9%
Microfinance Plus	Banks	34	36 ● 5.9%
	Borrowers	8,783	14,694 ● 67.3%
	Amount (in million pesos)	930.2	861.2 ● -7.4%
Micro-Agri Loans	Banks	22	20 ● -9.1%
	Borrowers	80,349	76,827 ● -4.4%
	Amount (in million pesos)	1,127.1	1,041.2 ● -7.6%
Housing Microfinance Loans	Banks	13	13 ● 0.0%
	Borrowers	117,518	115,848 ● -1.4%
	Amount (in million pesos)	1,553.7	1,516.1 ● -2.4%

### Microfinance Outside the Banking System

	2019	2020	Growth
Cooperatives <sup>[4]</sup>			
Number of member-depositors (in millions)	9.5	8.8	● -7.4%
Deposit liabilities (in billion pesos)	152	158.8	● 4.5%
Outstanding loans (in billion pesos)	315.8	288.1	● -8.8%
Microfinance NGOs <sup>[5]</sup>			
Number of clients (in millions)	5.2	6.2	● 19.4%
Outstanding loans (in billion pesos)	41.9	50.4	● 20.5%

### 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>

	2020 Q2	2021 Q2	Change
Insurance Penetration (premium volume as a share of GDP)	1.58%	2.05%	● 0.47

Number of Policyowners, including dependents (in millions)	Insurers	Microinsurance Providers	% Share of Microinsurance
Mutual Benefit Associations	30.2	29.0	96.0%
Life Insurance Companies	43.5	14.7	33.8%
Non-Life Insurance Companies	30.3	6.7	22.1%
Total	103.9	50.3	48.4%

Amount of Premiums (in million pesos)	Insurers	Microinsurance Providers	% Share of Microinsurance
Mutual Benefit Associations	11,232	4,462	39.7%
Life Insurance Companies	247,715	2,423	1.0%
Non-Life Insurance Companies	49,307	914	1.9%
Total	308,254	7,799	2.5%

### Investment<sup>[10]</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 approved PERA products/UITFs	16	17	● 6.3%
Number of PERA contributors	1,388	2,671	● 92.4%
Total PERA contributions (in million pesos)	114.9	166.9	● 45.3%
No. of Existing Non-PERA UITFs <sup>*/†</sup>	206	211	● 2.4%
No. of UITF participants <sup>**</sup>	471,381	629,396	● 33.5%

<sup>\*</sup>Existing means available in the market.

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

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

# Inclusive Digital Finance

## Basic Deposit Accounts

	2020 Q2	2021 Q2 <sup>P/</sup>	Growth
Number of banks offering BDA	126	134	● 6.3%
Number of BDA (in millions)	4.8	7.4	● 52.9%
Amount of deposits (in billion pesos)	4.4	4.9	● 9.8%

## Electronic Money Accounts

	2019	2020	Growth
Number of E-Money Accounts (in millions)			
Registered e-money accounts	63.0	138.8	● 120.1%
Active e-money accounts <sup>7/</sup>	17.9	34.7	● 93.3%
Number of Transactions (in millions)			
Inflow	178	501	● 180.8%
Outflow	449	1,207	● 168.6%
Amount of Transactions (in billion pesos)			
Inflow	745.2	1,220.9	● 63.8%
Outflow	740.1	1,189.5	● 60.7%

## Account Ownership among Filipino Adults

	Adults (in millions)
Total adults <sup>[Philippine Statistics Authority, 2021]</sup>	77.2
Adults with an account in 2019 <sup>[BSP, 2019 FIS]</sup>	20.9
Newly onboarded adults to date based on increase in: <sup>[11]</sup>	20.1
BDA <sup>[Q4 2019 vs. Q2 2021]</sup>	3.3
New e-money accounts (active) <sup>[BSP, as of Q4 2020]</sup>	16.8
Adults with an account as of Q2 2021 <sup>(estimate)</sup>	41.0
% Share of adults with an account as of Q2 2021 <sup>(estimate)</sup>	53%

## Digital Payments

	2020 Q2	2021 Q2	Growth
PESONet <sup>[12]</sup>			
Volume (in millions)	12.0	31.7	● 164.2%
Value (in billion pesos)	1,034.8	1,982.6	● 91.6%
InstaPay <sup>[12]</sup>			
Volume (in millions)	62.2	200.7	● 222.5%
Value (in billion pesos)	368.3	1,151.3	● 212.6%
	2019	2020	Change
Share of digital payments to total payment transactions <sup>[13]</sup>			
Volume	14%	20%	● 6.1
Value	24%	27%	● 2.8

## Alternative Finance<sup>[14]</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	1.51	● -29.1%
Crowdfunding (equity-based crowdfunding)			
Number of campaigns (in thousands)	0.01	0.01	● 0.0%
Transaction Value (in million US\$)	0.58	0.49	● -15.5%
Crowdfunding (lending-based crowdfunding)			
Number of loans (in thousands)	0.12	0.13	● 8.3%
Transaction Value (in million US\$)	0.37	0.27	● -27.0%

[11] A key assumption in approximating the growth in account penetration is that the increase in BDA and e-money accounts in a given period represents accounts opened by unique individuals who were previously unbanked. However, there is probability that uptake of e-money accounts may be driven to a considerable extent by banked individuals opening e-money as a secondary transaction account.

[12] Source: BSP Payment System Oversight Department (PSOD). Covers transactions from January to June.

[13] Source: Better than Cash Alliance (BTCA)

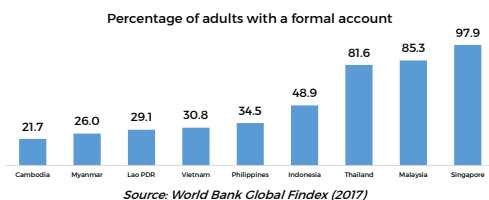
[14] Source: Statista

## 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
<b>BSP Consumer Finance Survey (Respondents: Households)</b>			
Percentage of households with deposit account	14.0%	9.7%	-4.3
<b>World Bank Findex (Respondents: Adults - individuals aged 15+)</b>			
Formal account	2014	2017	Change
Financial institution account	31.3%	34.5%	3.2
Mobile money account	28.1%	31.8%	3.7
	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
<b>BSP Consumer Expectations Survey (Respondents: Households) <sup>[15]</sup></b>			
Percentage of households with savings	2021 Q1	2021 Q2	Change
Percentage of households with savings in banks (base: HHs with savings)	28.2%	28.3%	0.1
Percentage of OFW households who allot a portion of remittances to savings	71.1%	68.6%	-2.5
	33.1%	33.0%	-0.1

#### 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
<b>World Bank Findex (Respondents: Adults - individuals aged 15+)</b>			
Percentage of adults who borrowed any money	2014	2017	Change
Percentage of adults who borrowed from a formal financial institution in the past year	70.1%	58.6%	-11.5
Percentage of adults who borrowed from family and friends	11.8%	9.7%	-2.1
	48.7%	41.2%	-7.5

#### OTHER FINANCIAL SERVICES

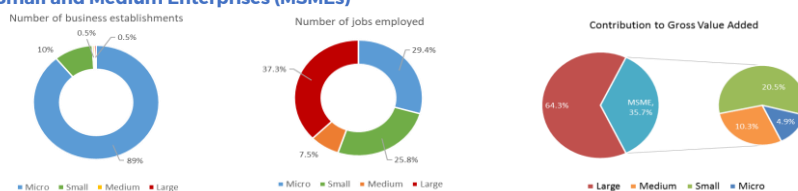
World Bank Findex (Respondents: Adults - individuals aged 15+)	2014	2017	Change
Percentage of adults with debit card	20.5%	21.0%	0.5
Percentage of adults with credit card	3.2%	1.9%	-1.3
Percentage of adults who made or received digital payments	19.5%	25.1%	5.6
<b>BSP Consumer Expectations Survey (Respondents: Households) <sup>[15]</sup></b>			
Percentage of OFW households who allot a portion of remittances to debt payments	2021 Q1	2021 Q2	Change
Percentage of OFW households who allot a portion of remittances to investment	16.7%	16.5%	-0.2
	8.2%	6.1%	-2.1

#### 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 (2021 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 (2020)

### 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

	2020 Q2	2021 Q2	Change
Total MSME loans (in billion pesos)	495.0	460.9	-6.9%
% share of MSME loans to total business loans	7.4%	7.1%	-0.3
% share of MSME loans to total banking system loans	4.9%	4.7%	-0.2
% share of MSME loans to GDP	5.8%	5.1%	-0.7
Y-o-Y growth in loans to MSMEs	-10.6%	-6.9%	3.7
Y-o-Y growth in loans to microenterprises	-10.4%	5.9%	16.3
Y-o-Y growth in loans to small enterprises	-13.3%	-11.1%	2.2
Y-o-Y growth in loans to medium enterprises	-9.5%	-7.8%	1.7
Y-o-Y growth in loans to private corporations	8.8%	-1.9%	-10.7

### MSME Loans based on RA 6977, as amended<sup>[16]</sup>

	2020 Q2	2021 Q2	Growth/ Change
Total compliance for MSEs (in billion pesos)	184.4	176.5	-4.3%
Total compliance for MEs (in billion pesos)	299.6	278.3	-7.1%
Percentage of compliance for MSEs (required: 8%)	2.1%	2.1%	0.0
Percentage of compliance for MEs (required: 2%)	3.4%	3.3%	-0.1
Number of MSME Borrowers	1,597,520	1,516,668	-5.1%
Number of BMBE Borrowers	3,332	3,874	16.3%

### 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

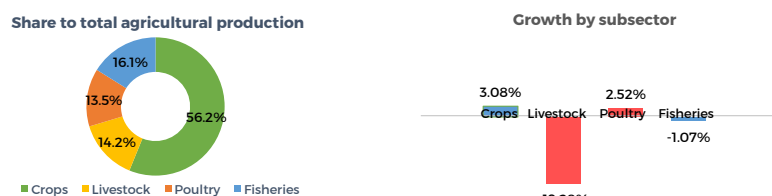
Source: World Bank Enterprise Survey (among small, medium, and large enterprises)

### 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 2021)

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

	2020 Q2	2021 Q2	Growth/ Change
Total AFF Loans (in billion pesos)	254.3	236.5	-7.0%
% share of AFF loans to total loans outstanding	2.45%	2.29%	-0.15

### Agri-Agra Compliance

	2020 Q2 <sup>[16]</sup>	2021 Q2	Growth/ Change
Total compliance for AGRA (in billion pesos)	59.5	71.6	20.4%
Total compliance for AGRI (in billion pesos)	635.6	718.1	13.0%
Percentage of compliance for AGRA (required: 10%)	0.94%	0.96%	0.03
Percentage of compliance for AGRI (required: 15%)	9.99%	9.67%	-0.32

[16] 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	2021
Population, in millions	92.3	101.0	109.0	111.1**
Adult population (aged 15 +), in millions	61.8	69.3	75.8	77.2
Number of households, in millions	20.2	23.0	---	---

\*Source: Philippine Statistics Authority Census of Population and Housing

\*\*Source: Mid-year population estimation of Commission on Population and Development

### Economy

GDP Y-o-Y growth <sup>1/</sup> (Second Quarter 2020 vs. Second Quarter 2021)	12.0%
GDP full year growth <sup>1/</sup> (2020)	-9.6%
Inflation rate (June 2021)	4.1%
Unemployment rate (June 2021)	7.7%

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)

Compiled by:



BANGKO SENTRAL NG PILIPINAS  
PANGMAYALAPING MATATAG, BANGANG PANATAG

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