

# Financial Inclusion in the Philippines

## Dashboard

As of Fourth Quarter 2021

### Access

#### Banks and Automated Teller Machines (ATMs)<sup>[1]</sup>

	2020 Q4	2021 Q4	Growth
Banks (head office, branches, and other offices) <sup>[2]</sup>	12,994	13,100	0.8%
Universal & Commercial Banks	6,979	6,984	0.1%
Thrift Banks	2,685	2,738	2.0%
Rural & Cooperative Banks	3,330	3,378	1.4%
ATMs	22,778	22,984	0.9%
On-site ATMs	12,344	12,462	1.0%
Off-site ATMs	10,434	10,522	0.8%

#### Branch-lite

	2020 Q4	2021 Q4	Growth
Number of operating branch-lite units	2,361	2,504	6.1%
Number of cities and municipalities with branch-lite	889	914	2.8%
Number of cities and municipalities without head office/branch but with branch-lite	201	212	5.5%

*"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 Q4	2021 Q4	Growth
NSSLAs	200	198	-1.0%
Pawnshops	14,641	15,388	5.1%
Money Service Businesses (MSBs)	7,214	7,449	3.3%
Other NBFIs <sup>[3]</sup>	225	222	-1.3%
Point of Sale (POS) Terminals	2018	2019	Growth
	103,852	108,234 <sup>[4]</sup>	4.2%
Cash agents <sup>[4]</sup>	2019	2020	Growth
	17,057	58,417	242.5%
E-Money Agents <sup>[5]</sup>	35,959	84,299	134.4%
Credit Cooperatives <sup>[6]</sup>	2,766	2,762	-0.1%
Financing and Lending Companies <sup>[7]</sup>	2020	2021	Growth
	4,083	4,260	4.3%
Microfinance NGOs <sup>[8]</sup>	4,450	4,162	-6.5%

#### Insurance Providers<sup>[9]</sup>

	2021	
	Insurers	Microinsurance Providers
Mutual Benefit Associations	38	25
Life Insurance Companies	33	11
Non-Life Insurance Companies	65	15
Total	136	51

#### Total Financial Service Access Points

	2020 Q4	2021 Q4	Growth
Total number of access points	220,275	221,070	0.4%
Number of access points per 10,000 adults	29.1	28.7	-1.4%

#### Digital onboarding (e-KYC)

	2020 <sup>[7]</sup>	2021
Number of banks with digital onboarding capability	33	53

#### Overall Access Situation

	2020 Q4		2021 Q4	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence <sup>[10][11]</sup>	1,380	84.5%	1,381	84.5%
2. Without banking presence	254	15.5%	253	15.5%
2.1 Without banking presence but with other access points	180	11.0%	181	11.1%
2.2 Without any access point	74	4.5%	72	4.4%
With at least one access point (1 + 2.1) <sup>[12]</sup>	1,560	95.5%	1,562	95.6%

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

[2] Total head offices - 506 (U/KBs-46; TBs-47; R/CBs-413)

[3] 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.

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

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

[6] 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.

[7] Source: Securities and Exchange Commission

[8] Based only from a sample of 27 microfinance NGOs that responded to the BSP data request.

[9] Source: Insurance Commission

[10] Indicator has been updated to include cash agents. Based on traditional metrics (no. of banking offices only), Q4 2020 - 1,135 (69.5%) and Q4 2021 - 1,141 (69.8%).

[11] In estimating the overall access situation, latest available location data were used, i.e., for e-money and cash agents-as of 2019; insurance companies-as of 2020; and lending and financing companies-as of 2020.

[12] 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 Q4	2021 Q4	Growth
Number of deposit accounts (in millions)	80.1	87.1	● 8.8%
Number of depositors (in millions)	73.7	81.7	● 10.9%
Amount of deposits (in trillion pesos)	14.9	16.2	● 9.0%
Amount of loans (in trillion pesos)	9.9	10.3	● 4.1%

### Microfinance in the Banking System

	2020 Q4	2021 Q4	Growth
Microfinance	Banks	149	138 ● -7.4%
	Borrowers	1,996,657	1,978,394 ● -0.9%
	Amount (in million pesos)	26,605.4	27,704.3 ● 4.1%
Microenterprise Loans	Banks	136	126 ● -7.4%
	Borrowers	1,726,303	1,708,755 ● -1.0%
	Amount (in million pesos)	22,508.2	23,718.4 ● 5.4%
Microfinance Plus	Banks	36	34 ● -5.6%
	Borrowers	43,897	10,655 ● -75.7%
	Amount (in million pesos)	1,407.7	821.5 ● -41.6%
Micro-Agri Loans	Banks	21	19 ● -9.5%
	Borrowers	70,187	86,725 ● 23.6%
	Amount (in million pesos)	1,014.3	1,263.3 ● 24.5%
Micro-Housing Loans	Banks	13	13 ● 0.0%
	Borrowers	86,097	95,784 ● 11.3%
	Amount (in million pesos)	1,443.0	1,517.5 ● 5.2%

### Microfinance Outside the Banking System

	2019	2020 <sup>[6]</sup>	Growth
Cooperatives <sup>[6]</sup>			
Number of member-depositors (in millions)	9.5	9.8	● 3.2%
Deposit liabilities (in billion pesos)	152	171.7	● 13.0%
Outstanding loans (in billion pesos)	315.8	321.2	● 1.7%
	2020	2021	Growth
Microfinance NGOs <sup>[7]</sup>			
Number of clients (in millions)	6.2	6.4	● 2.6%
Outstanding loans (in billion pesos)	50.4	52.8	● 4.7%

### Credit Information System

	2020	2021	Growth
Number of submitting entities with actual basic credit data	556	639	● 14.9%
Number of unique individuals with financial credit data (in millions)	23.3	30.6	● 31.2%
Total contracts (in millions)	89.9	107.0	● 19.0%

### Insurance/Microinsurance <sup>[9]</sup>

	2020 Q4	2021 Q4	Change
Insurance Penetration (premium volume as a share of GDP)	1.71%	1.93%	● 0.22

	2021		
	Insurers	Microinsurance Providers	% Share of Microinsurance
Number of Persons with Coverage (in millions)			
Mutual Benefit Associations	33.4	31.9	95.6%
Life Insurance Companies	46.1	14.4	31.2%
Non-Life Insurance Companies	25.5	7.4	29.2%
Total	105.0	53.7	51.2%
Amount of Premiums (in million pesos)			
Mutual Benefit Associations	13,235	5,993	45.3%
Life Insurance Companies	310,240	2,925	0.9%
Non-Life Insurance Companies	51,192	1,202	2.3%
Total	374,667	10,120	2.7%

### Investment <sup>[13]</sup>

	2020 Q4	2021 Q4	Growth
Number of Personal Equity & Retirement Account (PERA) Administrators	3	3	0.0%
No. of BSFIs offering PERA UITFs	3	5	● 66.7%
Number of approved PERA products/UITFs	17	17	0.0%
Number of PERA contributors	2,671	4,382	● 64.1%
Total PERA contributions (in million pesos)	174.7 <sup>[14]</sup>	253.3	● 45.0%
No. of Existing Non-PERA UITFs <sup>[14]</sup>	211	229	● 8.5%
No. of UITF participants <sup>[15]</sup>	823,442 <sup>[14]</sup>	2,126,371	● 158.2%

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

[14] Existing means available in the market.

[15] The data is based on 30 Trust Entities (TEs) with active trust licenses.

## Inclusive Digital Finance

### Basic Deposit Accounts

	2020 Q4	2021 Q4	Growth
Number of banks offering BDA <sup>[16]</sup>	133	141	● 6.0%
Number of BDA (in millions)	6.6	7.9	● 19.0%
Amount of deposits (in billion pesos)	4.7	5.1	● 7.6%

### 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	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%

### Digital Access<sup>[17]</sup>

	2019	2021	Change
Percentage of mobile phone and internet users who had online financial transaction (base: adults with mobile phone and internet)	11%	60%	● 49.1
Percentage of mobile phone and internet users who are financially included (base: adults with mobile phone and internet)	32%	60%	● 28.5
Unbanked but with mobile phone and internet (base: adults without an account)	47%	68%	● 20.7

### Digital Payments

	2020	2021	Growth/Change
PESONet <sup>[18]</sup>			
Volume (in millions)	36.8	71.9	● 95.4%
Value (in billion pesos)	2,791.1	4,537.2	● 62.6%
InstaPay <sup>[18]</sup>			
Volume (in millions)	232.9	451.7	● 93.9%
Value (in billion pesos)	1,236.6	2,702.8	● 118.6%
Share of digital payments to total payment transactions			
Volume	20%	30%	● 10.2
Value	27%	44%	● 17.3

### Alternative Finance<sup>[19]</sup>

	2020	2021	Growth
Crowdfunding (reward-based crowdfunding)			
Number of campaigns (in thousands)	0.67	0.67	● -0.2%
Transaction Value (in million US\$)	1.53	2.03	● 33.1%
Crowdfunding (equity-based crowdfunding)			
Number of campaigns (in thousands)	0.01	0.01	● 22.3%
Transaction Value (in million US\$)	0.50	0.72	● 45.8%
Crowdlending (lending-based crowdfunding)			
Number of loans (in thousands)	0.13	0.14	● 8.0%
Transaction Value (in million US\$)	0.28	0.39	● 41.8%

[16] Number of banks offering BDA based on submitted reports

[17] BSP Financial Inclusion Survey

[18] Source: BSP Payment System Oversight Department (PSOD).

[19] Source: Statista - Digital Market Outlook

## Other financial inclusion data

### Indicators from Demand-side Surveys

#### FORMAL ACCOUNT

<b>BSP Financial Inclusion Survey</b> (Respondents: Adults - individuals aged 15+)	2019	2021	Change
Percentage of adults with formal account	29%	56%	● 26.9
<i>By type of account</i>			
Bank account	12%	23%	● 11.2
E-money account	8%	36%	● 27.6
Microfinance institution account	12%	9%	● -3.6
Cooperative account	2%	5%	● 3.5
Non-stock savings and loan association account	0%	0%	● 0.2
<i>By individual characteristics</i>			
Male	24%	54%	● 29.6
Female	34%	57%	● 23.9
Young adults (15-19)	7%	27%	● 20.5
Older adults (>60)	32%	47%	● 15.4
ABC	43%	80%	● 36.9
D	28%	54%	● 26.9
E	27%	44%	● 17.0
Rural	30%	56%	● 26.3
Urban	27%	55%	● 27.8
Working adults	39%	61%	● 21.6
Business owners	43%	65%	● 22.0
Pantawid Pamilyang Pilipino Program beneficiaries	47%	64%	● 16.2
Percentage of accountholders who use their account for payments	47%	79%	● 32.2

<b>BSP Consumer Finance Survey</b> (Respondents: Households)	2014	2018	Change
Percentage of households with deposit account	14.0%	9.7%	● -4.3

<b>World Bank Findex</b> (Respondents: Adults - individuals aged 15+)	2017	2021	Change
Formal account	34.5%	51.4%	● 16.9
Financial institution account	31.8%	46.0%	● 14.2
Mobile money account	4.5%	21.7%	● 17.2
Poorest 40%	18.0%	34.0%	● 16.0
Richest 60%	45.4%	62.8%	● 17.4

#### SAVINGS

<b>BSP Financial Inclusion Survey</b> (Respondents: Adults - individuals aged 15+)	2019	2021	Change
Percentage of adults with savings	53%	37%	● -15.7
Percentage of adults with savings in a bank (base: adults with savings)	21%	31%	● 10.5
Percentage of adults who keep their savings at home (base: adults with savings)	51%	52%	● 0.4

<b>BSP Consumer Expectations Survey</b> (Respondents: Households)	2020 Q4	2021 Q4	Change
Percentage of households with savings	25.0%	30.2%	● 5.2
Percentage of households with savings in banks (base: HHs with savings)	74.0%	68.9%	● -5.1
Percentage of OFW households who allot a portion of remittances to savings	33.4%	31.7%	● -1.7

#### CREDIT

<b>BSP Financial Inclusion Survey</b> (Respondents: Adults - individuals aged 15+)	2019	2021	Change
Percentage of adults with outstanding loans	33%	45%	● 11.2
Percentage of adults who borrowed from a bank (base: adults with outstanding loans)	3%	4%	● 1.2
Percentage of adults who borrow from informal sources (base: adults with outstanding loans)	55%	57%	● 2.3
<b>World Bank Findex</b> (Respondents: Adults - individuals aged 15+)			
Percentage of adults who borrowed any money	58.6%	57.8%	● -0.9
Percentage of adults who borrowed from a formal financial institution in the past year	10.7% <sup>r/</sup>	17.4%	● 6.7
Percentage of adults who borrowed from family and friends	41.2%	40.8%	● -0.4

## Other financial inclusion data

### Indicators from Demand-side Surveys

#### OTHER FINANCIAL SERVICES

<b>World Bank Index</b> (Respondents: Adults - individuals aged 15+)	2017	2021	Change
Percentage of adults with debit card	21.0%	29.8%	8.8
Percentage of adults with credit card	1.9%	8.1%	6.1
Percentage of adults who made or received digital payments	25.1%	43.5%	18.4

<b>BSP Consumer Expectations Survey</b> (Respondents: Households)	2020 Q4	2021 Q4	Change
Percentage of OFW households who allot a portion of remittances to debt payments	15.9%	11.1%	-4.8
Percentage of OFW households who allot a portion of remittances to investment	6.2%	9.2%	3.0

#### FINANCIAL RESILIENCE

<b>World Bank Index</b> (Respondents: Adults - individuals aged 15+) <sup>[20]</sup>	2021
<b>Most worrying financial issue</b>	
Paying for medical costs in case of a serious illness or accident	42%
Money to pay for monthly expenses or bills	24%
Money for old age	17%
Paying school or education fees	13%
<b>Main source of emergency funds in 7 days and 30 days</b>	
Family or Friends	41%
Work	21%
Savings	19%
Loan from a bank, employer, or private lender	9%
Sale of Assets	2%

<b>BSP Financial Inclusion Survey</b> (Respondents: Adults - individuals aged 15+)	
<b>Top sources of funds for financial needs<sup>[21]</sup></b> (base: adults who experienced the financial need)	
<i>Meeting goals</i>	
Purchase of expensive items	
Used own savings	28%
Borrowed	27%
Used regular income	22%
Put up or expand business	
Borrowed	41%
Used regular income	29%
Used own savings	28%
<i>Resiliency</i>	
Experienced sickness, death or loss of job in the family	
Borrowed	45%
Used own savings	28%
Used regular income	28%
Affected by natural calamities	
Borrowed	43%
Used regular income	28%
Used own savings	26%
<i>Liquidity</i>	
Pay for regular spending needs	
Borrowed	41%
Used regular income	28%
Used own savings	24%

#### FINANCIAL LITERACY

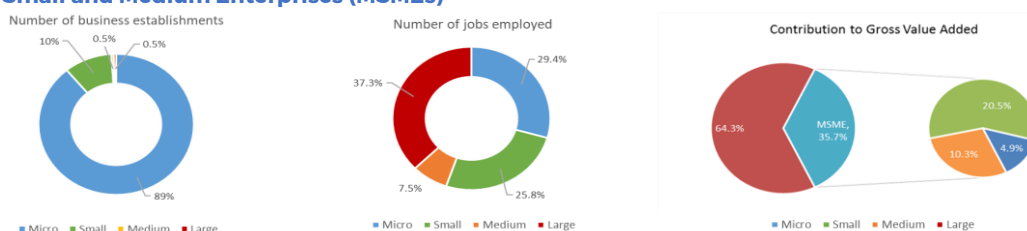
<b>BSP Financial Inclusion Survey</b> (Respondents: Adults - individuals aged 15+)	2019	2021	Change
Percentage of adults who correctly answered all 6 financial literacy questions <sup>[21]</sup>	---	2%	---
Percentage of adults who correctly answered inflation and interest rate questions	8%	4%	-3.6
<b>Percentage of adults who correctly answered questions on:</b>			
Inflation	55%	42%	-12.1
Simple interest	32%	32%	-0.2
Compound interest	33%	30%	-2.9
Division <sup>[21]</sup>	---	91%	---
Diversification of Portfolio <sup>[21]</sup>	---	61%	---
Investment Risk <sup>[21]</sup>	---	58%	---
Attendance to Financial Literacy Session <sup>[21]</sup>	---	7%	---

[20] The Financial Resilience data are new indicators introduced in the 2021 Worldbank Index.

[21] Indicator was introduced in the 2021 FIS.

## 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

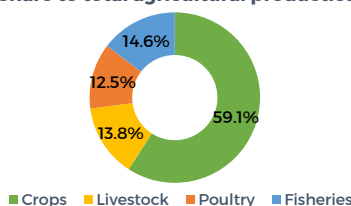
	2020 Q4	2021 Q4	Growth/Change
Total MSME loans (in billion pesos)	488.0	470.1	● -3.7%
% share of MSME loans to total business loans	8.0%	6.8%	● -1.2
% share of MSME loans to total banking system loans	4.9%	4.6%	● -0.4
% share of MSME loans to GDP	2.7%	2.4%	● -0.3
Y-o-Y growth in loans to MSMEs	-17.1%	-3.7%	● 13.4
Y-o-Y growth in loans to microenterprises	-24.6%	4.2%	● 28.8
Y-o-Y growth in loans to small enterprises	-15.6%	-9.5%	● 6.2
Y-o-Y growth in loans to medium enterprises	-15.8%	-3.0%	● 12.8
Y-o-Y growth in loans to private corporations	-8.3%	15.1%	● 23.4

### MSME Loans based on RA 6977, as amended<sup>[22]</sup>

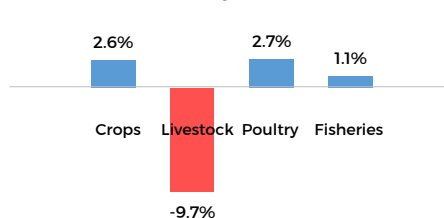
	2020 Q4	2021 Q4	Growth/Change
Total compliance for MSEs (in billion pesos)	186.1	178.1	● -4.3%
Total compliance for MEs (in billion pesos)	294.4	285.0	● -3.2%
Percentage of compliance for MSEs (required: 8%)	2.2%	2.1%	● -0.1
Percentage of compliance for MEs (required: 2%)	3.5%	3.3%	● -0.2
Number of MSME Borrowers	1,405,200	1,410,653	● 0.4%
Number of Barangay Microbusiness Enterprises (BMBE) Borrowers	3,741	3,510	● -6.2%

### Agricultural Sector

#### Share to total agricultural production



#### Growth by subsector



Source: Philippine Statistics Authority (Fourth Quarter 2021)

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

	2020 Q4	2021 Q4	Growth/Change
Total AFF Loans (in billion pesos)	256.4	243.7	● -5.0%
% share of AFF loans to total loans outstanding	2.5%	2.3%	● -0.22

### Agri-Agra Compliance

	2020 Q4	2021 Q4	Growth/Change
Total compliance for AGRA (in billion pesos)	71.2	75.3	● 5.7%
Total compliance for AGRI (in billion pesos)	642.4	776.4	● 20.9%
Percentage of compliance for AGRA (required: 10%)	1.00%	0.9%	● -0.06
Percentage of compliance for AGRI (required: 15%)	9.00%	9.7%	● 0.71

[22] 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<sup>[23]</sup>

Land area (in km <sup>2</sup> )	300,000
Regions	17
Provinces	81
Cities	146
Municipalities	1,488

### Population\*

	2010	2015	2020	2021
Population, in millions	92.3	101.0	109.0	110.0**
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: Year-end population estimation of Commission on Population and Development

### Economy<sup>[23]</sup>

GDP Y-o-Y growth <sup>(Fourth Quarter 2020 vs. Fourth Quarter 2021)</sup>	7.8%
GDP full year growth <sup>(2021)</sup>	5.7%
Inflation rate <sup>(December 2021)</sup>	3.1%
Unemployment rate <sup>(December 2021)</sup>	6.6%

### Income and Poverty<sup>[23]</sup>

Average annual family income, in PhP <sup>(2018)</sup>	313,000
Minimum wage in NCR for non-agriculture, in PhP <sup>(August 2022)</sup>	570.00
Poverty incidence among population <sup>(2021)</sup>	18.1%
Poverty threshold, average monthly estimate (family of five), in PhP <sup>(2021)</sup>	12,030

### Overseas Filipinos

	2020	2021
Amount of cash remittances, in billion USD	29.9	31.4 <sup>p/</sup>
Number of Overseas Filipinos, in millions* <sup>(2013)</sup>	10.2	
	2019	2020
Number of Overseas Filipino Workers (OFWs), in millions <sup>[24]</sup>	2.2	1.8

\*Source: Commission on Filipino Overseas

### Mobile Market

	2021
Percentage of adults with mobile phone <sup>[17]</sup>	92%
Percentage of adults with smart phone <sup>[17]</sup>	81%
	2019
Mobile connections <sup>[24]</sup>	155%
Mobile broadband connections <sup>[24]</sup>	134%
Mobile broadband penetration <sup>[24]</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

	2021
Percentage of adults with internet <sup>[17]</sup>	77%
Percentage of adults with mobile phone and internet <sup>[17]</sup>	76%
	Feb 2022
Average time spent on the internet per day <sup>[25]</sup>	10 hours, 27 mins
Social media penetration <sup>[25]</sup>	82%
Average time spent on social media per day <sup>[25]</sup>	4 hours, 6 mins

### E-Commerce

	Feb 2022
Percentage of internet users who purchased a product or service online <sup>[25]</sup>	63%

[23] Philippine Statistics Authority

[24] Groupe Speciale Mobile (GSM) Association/ GSMA

[25] We Are Social

Compiled by:



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