

# Financial Inclusion in the Philippines

## Dashboard

As of Second Quarter 2022

### Access

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

	2021 Q2	2022 Q2	Growth
Banks (head office, branches, and other)	13,073	13,136	0.5%
Universal & Commercial Banks	6,988	7,127	2.0%
Thrift Banks	2,770	2,575	-7.0%
Rural & Cooperative Banks	3,315	3,430	3.5%
Digital Banks	---	4	---
ATMs	22,781	23,022	1.1%
On-site ATMs	12,313	12,563	2.0%
Off-site ATMs	10,468	10,459	-0.1%

#### Branch-lite

	2021 Q2	2022 Q2	Growth
Number of operating branch-lite units	2,425	2,580	6.4%
Number of cities and municipalities with branch-lite	901	926	2.8%
Number of cities and municipalities without head office/branch but with branch-lite	203	216	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)

	2021 Q2	2022 Q2	Growth
NSSLAs	200	199	-0.5%
Pawnshops	15,228	15,632	2.7%
Money Service Businesses (MSBs)	7,570	7,105	-6.1%
Other NBFIs <sup>[3]</sup>	226	229	1.3%
	2018	2019	Growth
Point of Sale (POS) Terminals	103,852	108,234	4.2%
	2019	2020	Growth
Cash agents <sup>[4]</sup>	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%
	2020	2021	Growth
Financing and Lending Companies <sup>[7]</sup>	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

	2021 Q2	2022 Q2	Growth
Total number of access points	221,298	221,014	-0.1%
Number of access points per 10,000 adults	28.7	28.2	-1.7%

#### Digital onboarding (e-KYC)

	2021 Q2	2022 Q2	Growth
Number of banks with digital onboarding capability	37	58	56.8%

#### Overall Access Situation

	2021 Q2		2022 Q2	
	Number of cities and municipalities	% to Total	Number of cities and municipalities	% to Total
1. With banking presence <sup>[10][11]</sup>	1,381	84.5%	1,382	84.6%
2. Without banking presence	253	15.5%	252	15.4%
2.1 Without banking presence but with other access points	181	11.1%	180	11.0%
2.2 Without any access point	72	4.4%	72	4.4%
With at least one access point (1 + 2.1) <sup>[12]</sup>	1,562	95.6%	1,562	95.6%

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

[2] Total head offices - 499 (U/KBs-45;TBs-45; R/CBs-407; DBs-2)

[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 microfinance NGOs that responded to the BSP data request.

[9] Source: Insurance Commission

[10] Indicator includes cash agents. Based on traditional metrics (no. of banking offices only). Q1 2021 - 1,136 (69.5%) and Q1 2022 - 1,139 (69.7%).

[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

	2021 Q2	2022 Q2	Growth
Number of deposit accounts (in millions)	83.1	91.0	● 9.4%
Number of depositors (in millions)	76.0	84.6	● 11.3%
Amount of deposits (in trillion pesos)	15.3	16.5	● 7.5%
Amount of loans (in trillion pesos)	9.8	10.7	● 9.4%

### Microfinance in the Banking System

	2021 Q2	2022 Q2	Growth
Microfinance	Banks	148	141 ● -4.7%
	Borrowers	2,043,350	1,863,065 ● -8.8%
	Amount (in million pesos)	26,352.4	25,700.2 ● -2.5%
Microenterprise Loans	Banks	135	128 ● -5.2%
	Borrowers	1,765,872	1,621,036 ● -8.2%
	Amount (in million pesos)	22,672.4	22,067.8 ● -2.7%
Microfinance Plus	Banks	36	36 ● 0.0%
	Borrowers	14,694	10,415 ● -29.1%
	Amount (in million pesos)	861.2	779.0 ● -9.5%
Micro-Agri Loans	Banks	20	18 ● -10.0%
	Borrowers	76,827	70,317 ● -8.5%
	Amount (in million pesos)	1,041.2	1,116.3 ● 7.2%
Micro-Housing Loans	Banks	13	12 ● -7.7%
	Borrowers	115,848	87,225 ● -24.7%
	Amount (in million pesos)	1,516.1	1,392.9 ● -8.1%

### Microfinance Outside the Banking System

	2019	2020	Growth
Cooperatives <sup>[6]</sup>			
Number of member-depositors (in millions)	9.5	9.9	● 4.2%
Deposit liabilities (in billion pesos)	152.0	174.3	● 14.7%
Outstanding loans (in billion pesos)	315.8	327.1	● 3.6%
	2020	2021	Growth
Microfinance NGOs <sup>[8]</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>

	2021 Q2	2022 Q2	Change
Insurance Penetration (premium volume as a share of GDP)	2.05%	1.83%	● -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>

	2021 Q2	2022 Q2	Growth
Number of Personal Equity & Retirement Account (PERA) Administrators	3	3	0.0%
No. of BSFIs offering PERA UITFs	5	6	● 20.0%
Number of approved PERA products/UITFs	17	18	● 5.9%
Number of PERA contributors	3,637	4,660	● 28.1%
Total PERA contributions (in million pesos)	224.2	283.2	● 26.3%
No. of Existing Non-PERA UITFs <sup>[14]</sup>	223	235	● 5.4%
No. of UITF participants	1,593,426	2,233,578	● 40.2%

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

[14] Existing means available in the market.

## Inclusive Digital Finance

### Basic Deposit Accounts

	2021 Q2	2022 Q2	Growth
Number of banks offering BDA <sup>[15]</sup>	134	145	● 8.2%
Number of BDA (in millions)	7.4	8.3	● 13.6%
Amount of deposits (in billion pesos)	4.9	5.1	● 5.1%

### 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>[16]</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

	2021 Q2	2022 Q2	Growth/Change
PESONet <sup>[17]</sup>			
Volume (in millions)	31.7	40.8	● 28.7%
Value (in billion pesos)	1,982.6	2,936.6	● 48.1%
InstaPay <sup>[17]</sup>			
Volume (in millions)	200.7	253.2	● 26.1%
Value (in billion pesos)	1,151.3	1,603.8	● 39.3%
	2020	2021	Change
Share of digital payments to total payment transactions			
Volume	20%	30%	● 10.2
Value	27%	44%	● 17.3

### Alternative Finance <sup>[18]</sup>

	2021	2022	Growth
Crowdfunding (reward-based crowdfunding)			
Number of campaigns (in thousands)	0.67	0.66	● -1.9%
Transaction Value (in million US\$)	0.57	0.61	● 6.9%
Crowdinvesting (equity-based crowdfunding)			
Number of campaigns (in thousands)	0.01	0.01	● 14.8%
Transaction Value (in million US\$)	1.51	1.63	● 8.1%
Crowdlending (lending-based crowdfunding)			
Number of loans (in thousands)	0.14	0.15	● 6.1%
Transaction Value (in million US\$)	7.01	7.96	● 13.6%

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

[16] BSP Financial Inclusion Survey

[17] Covers transactions from January to June 2022.

[18] 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)	2021 Q2	2022 Q2	Change
Percentage of households with savings	28.3%	29.7%	● 1.4
Percentage of households with savings in banks (base: HHs with savings)	68.6%	69.3%	● 0.7
Percentage of OFW households who allot a portion of remittances to savings	33.0%	33.5%	● 0.5

#### 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+)	2017	2021	Change
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%	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 Findex</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)	2021 Q2	2022 Q2	Change
Percentage of OFW households who allot a portion of remittances to debt payments	16.5%	21.7%	● 5.2
Percentage of OFW households who allot a portion of remittances to investment	6.1%	7.1%	● 1.0

#### FINANCIAL RESILIENCE

<b>World Bank Findex</b> (Respondents: Adults - individuals aged 15+) <sup>[19]</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%

#### **BSP Financial Inclusion Survey** (Respondents: Adults - individuals aged 15+)

Top sources of funds for financial needs<sup>[21]</sup>

(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

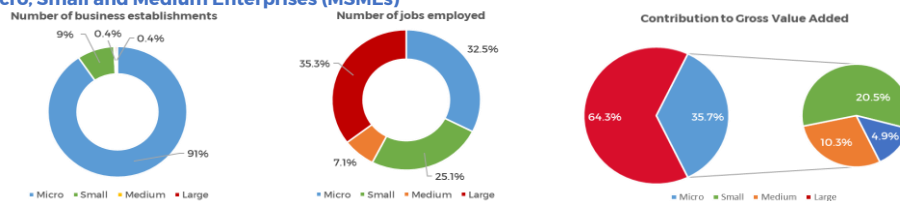
<b>BSP Financial Inclusion Survey</b> (Respondents: Adults - individuals aged 15+)	2019	2021	Change
Percentage of adults who correctly answered all 6 financial literacy questions <sup>[20]</sup>	---	2%	---
Percentage of adults who correctly answered inflation and interest rate questions	8%	4%	● -3.6
Percentage of adults who correctly answered questions on:			
Inflation	55%	42%	● -12.1
Simple interest	32%	32%	● -0.2
Compound interest	33%	30%	● -2.9
Division <sup>[20]</sup>	---	91%	---
Diversification of Portfolio <sup>[20]</sup>	---	61%	---
Investment Risk <sup>[20]</sup>	---	58%	---
Attendance to Financial Literacy Session <sup>[20]</sup>	---	7%	---

[19] The Financial Resilience data are new indicators introduced in the 2021 Worldbank Findex.

[20] 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 (2021)

### Men vs women-owned/led MSMEs

	2021
Percentage of MSMEs who use merchant and business accounts	
Men	39%
Women	17%
Percentage of MSMEs who applied for a business loan	
Men	20%
Women	28%
Percentage of MSMEs who use digital financial services	
Men	44%
Women	28%

Source: ADB MSME Finance Survey

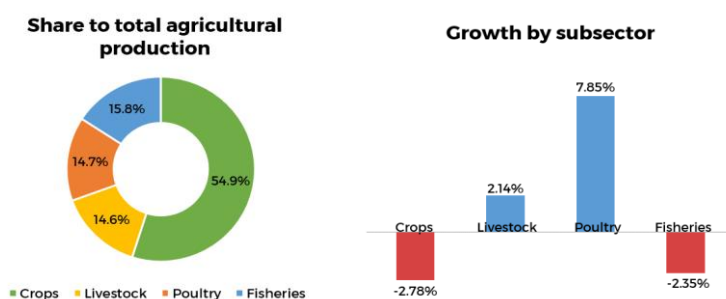
### MSME Loans

	2021 Q2	2022 Q2	Growth/Change
Total MSME loans (in billion pesos)	460.9	447.8	-2.9%
% share of MSME loans to total business loans	7.1%	6.2%	-0.8
% share of MSME loans to total banking system loans	4.7%	4.2%	-0.5
	2021 Q2	2022 Q2	Growth/Change
% share of MSME loans to GDP	5.1%	4.3%	-0.7
Y-o-Y growth in loans to MSMEs	-6.9%	-2.9%	4.0
Y-o-Y growth in loans to microenterprises	5.9%	1.4%	-4.5
Y-o-Y growth in loans to small enterprises	-11.1%	-5.7%	5.4
Y-o-Y growth in loans to medium enterprises	-7.8%	-2.7%	5.1
Y-o-Y growth in loans to private corporations	-1.9%	11.3%	13.1

### MSME Loans based on RA 6977, as amended<sup>[21]</sup>

	2021 Q2	2022 Q2	Growth/Change
Total compliance for MSEs (in billion pesos)	176.5	174.4	-1.2%
Total compliance for MEs (in billion pesos)	278.3	273.3	-1.8%
Percentage of compliance for MSEs (required: 8%)	2.11%	1.98%	-0.1
Percentage of compliance for MEs (required: 2%)	3.33%	3.10%	-0.2
Number of MSME Borrowers	1,516,668	1,563,039	3.1%
Number of Barangay Microbusiness Enterprises (BMBE) Borrowers	3,874	3,553	-8.3%

### Agricultural Sector



Source: Philippine Statistics Authority (Second Quarter 2022)

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

	2021 Q2	2022 Q2	Growth/Change
Total AFF Loans (in billion pesos)	236.5	240.1	1.5%
% share of AFF loans to total loans outstanding	2.3%	2.1%	-0.15

### Agri-Agra Compliance

	2021 Q2	2022 Q2	Growth/Change
Total compliance for AGRA (in billion pesos)	71.6	64.2	-10.3%
Total compliance for AGRI (in billion pesos)	718.1	783.8	9.1%
Percentage of compliance for AGRA (required: 10%)	1.0%	0.8%	-0.18
Percentage of compliance for AGRI (required: 15%)	9.7%	9.5%	-0.14

[21] 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>[22]</sup>

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

### Population\*

	2015	2020	2021	2022
Population, in millions	101.0	109.0	110.0**	110.5***
Adult population (aged 15 +), in millions	69.3	75.8	77.2	78.5
Number of households, in millions	23.0	26.4	---	---

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

\*\*Source: Year-end population estimation of Commission on Population and Development (POPCOM)

\*\*\*Source: Population estimate of POPCOM as of December 2022

### Economy<sup>[22]</sup>

GDP Y-o-Y growth (Second Quarter 2021 vs. Second Quarter 2022)	7.4%
GDP full year growth (2021)	5.7%
Inflation rate (June 2022)	6.1%
Unemployment rate (November 2022)	4.2%

### Income and Poverty<sup>[22]</sup>

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

### Overseas Filipinos

	2020	2021
Amount of cash remittances, in billion USD	29.9	31.4 <sup>1/</sup>
Number of Overseas Filipinos, in millions* (2013)	10.2	
	2019	2020
Number of Overseas Filipino Workers (OFWs), in millions <sup>[22]</sup>	2.2	1.8

\*Source: Commission on Filipino Overseas

### Mobile Market

	2021
Percentage of adults with mobile phone <sup>[16]</sup>	92%
Percentage of adults with smart phone <sup>[16]</sup>	81%
	2019
Mobile connections <sup>[23]</sup>	155%
Mobile broadband connections <sup>[23]</sup>	134%
Mobile broadband penetration <sup>[23]</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>[16]</sup>	77%
Percentage of adults with mobile phone and internet <sup>[16]</sup>	76%
	Feb 2022
Average time spent on the internet per day <sup>[24]</sup>	10 hours, 27 mins
Social media penetration <sup>[24]</sup>	82%
Average time spent on social media per day <sup>[24]</sup>	4 hours, 6 mins

### E-Commerce

	Feb 2022
Percentage of internet users who purchased a product or service online <sup>[24]</sup>	63%

[22] Philippine Statistics Authority

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

[24] We Are Social

Compiled by:



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