

## Banks and Non-Banks Financial Institutions

Financial Institution is defined by Investopedia as “an establishment that conducts financial transactions such as investment, loans and deposits”. Bangko Sentral ng Pilipinas (BSP) classifies financial institutions in the Philippines into two categories: (1) the broad category of banks constituting the Philippine banking system composed of universal and commercial banks, thrift banks, and rural and cooperative banks; and (2) non-banks with quasi-banking functions such as financial cooperatives, savings and loans associations, pawnshops and microfinance institutions.

### Banking Institutions

Banking institution is an establishment licensed to receive deposits and make loans. It may also provide financial services such as wealth management, currency, exchange and safe deposit boxes (Investopedia). In the Philippines, the banking system is composed of universal and commercial banks, thrift banks, rural and cooperative banks. These systems are defined by BSP as follows:

- Universal and commercial banks are the largest single group, resource-wise, of financial institutions in the country which provides a wide variety of financial services, including commercial and investment services. In addition to the function of an ordinary commercial bank, universal banks are also authorized to engage in underwriting and other functions of investment houses, and to invest in equities of non-allied undertakings.
- The thrift banks have a primary focus on taking deposits and devising home mortgages. The thrift banks do not usually offer the same range of

financial services offered by major banks like brokerage and investment services. It is composed of savings and mortgage banks, private development banks, stock savings and loan associations and microfinance thrift banks.

- Rural and cooperative banks are the financial institutions mostly known in rural communities. They are differentiated from each other by ownership and are organized by cooperatives or federation of cooperatives. Their role is to promote and expand the rural economy in an orderly and effective manner by providing the people in the rural communities with basic financial services.

In 2016, a total of 356 banks are registered in Cavite which increased by 0.56 % from 354 banks in 2015. Most banks are universal or commercial banks accounting to 52.53 % (187) of the total number of banking institutions in the province. On the other hand, there are 118 thrift banks and 51 rural banks which accounts to 33.14 % and 14.32 % of the population, respectively (Table 6.40).

City of Dasmariñas has the most number of banking institutions with 60 total banks accounting to 16.85 % of the total number of banks followed by City of Bacoor with 54 banks (15.17%). Other cities or municipalities with a large number of banks are City of Imus (46), Gen. Trias (25) and Tagaytay City (22). Meanwhile, Gen. Emilio Aguinaldo and Ternate has the least number of banks with one each. However, Amadeo has no banking institutions at all as of this year.



Table 6.40 Number of Bangko Sentral ng Pilipinas Supervised Banks by City/Municipality, Province of Cavite: 2015 and 2016

City/Municipality by District	Universal/Commercial Banks		Thrift Banks		Rural Banks		Total	
	2015	2016	2015	2016	2015	2016	2015	2016
<b>1<sup>st</sup> District</b>	<b>30</b>	<b>30</b>	<b>17</b>	<b>15</b>	<b>5</b>	<b>2</b>	<b>52</b>	<b>47</b>
Cavite City	9	9	4	3	1	1	14	13
Kawit	5	5	4	5	1	-	10	10
Noveleta	1	1	5	4	1	1	7	6
Rosario	15	15	4	3	2	-	21	18
<b>2<sup>nd</sup> District</b>	<b>23</b>	<b>25</b>	<b>23</b>	<b>21</b>	<b>8</b>	<b>8</b>	<b>54</b>	<b>54</b>
City of Bacoor	23	25	23	21	8	8	54	54
<b>3<sup>rd</sup> District</b>	<b>25</b>	<b>24</b>	<b>14</b>	<b>14</b>	<b>7</b>	<b>8</b>	<b>46</b>	<b>46</b>
City of Imus	25	24	14	14	7	8	46	46
<b>4<sup>th</sup> District</b>	<b>33</b>	<b>35</b>	<b>18</b>	<b>19</b>	<b>5</b>	<b>6</b>	<b>56</b>	<b>60</b>
City of Dasmariñas	33	35	18	19	5	6	56	60
<b>5<sup>th</sup> District</b>	<b>22</b>	<b>24</b>	<b>19</b>	<b>19</b>	<b>7</b>	<b>6</b>	<b>47</b>	<b>49</b>
Carmona	11	12	4	4	3	2	17	18
Gen. Mariano Alvarez	3	4	7	7	1	1	11	12
Silang	8	8	8	8	3	3	19	19
<b>6<sup>th</sup> District</b>	<b>25</b>	<b>28</b>	<b>18</b>	<b>17</b>	<b>8</b>	<b>7</b>	<b>51</b>	<b>52</b>
Amadeo	-	-	-	-	1	-	1	0
City of General Trias	13	16	5	4	4	5	22	25
Tanza	5	5	7	7	1	1	13	13
Trece Martires City	7	7	6	6	2	1	15	14
<b>7<sup>th</sup> District</b>	<b>20</b>	<b>21</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>48</b>	<b>48</b>
Alfonso	-	-	1	1	1	2	2	3
Gen. Emilio Aguinaldo	-	-	-	-	1	1	1	1
Indang	-	-	2	2	1	2	3	4
Magallanes	-	-	-	-	2	1	2	1
Maragondon	-	-	1	1	1	1	2	2
Mendez (Mendez-Nuñez)	-	-	1	1	3	2	4	3
Naic	6	6	3	2	3	3	12	11
Tagaytay City	14	15	6	6	1	1	21	22
Ternate	-	-	-	-	1	1	1	1
<b>Total</b>	<b>178</b>	<b>187</b>	<b>123</b>	<b>118</b>	<b>54</b>	<b>51</b>	<b>354</b>	<b>356</b>

Source: Financial Institution Library System (FILS), Bangko Sentral ng Pilipinas, Pasay City

## Non-Bank Financial Institutions

Non-bank financial institutions (NBFIs) are financial institutions that do not have a full banking license but facilitate bank-related financial services, such as investment, risk pooling, contractual savings and market brokering. Only NBFIs with quasi-banking functions (NBQBs) and those without quasi-banking function but are subsidiaries and affiliates of banks and NBQBs are subject to BSP supervision. NBQBs are financial institutions authorized by BSP to borrow funds from 20 or more lenders for their own account through issuances, endorsement or assignment with recourse or acceptance of deposit substitutes for purposes of re-lending or purchasing receivables and other obligations.

As of 2016, non-bank financial institutions in Cavite totaled to 823 institutions of which 821 are NBFIs without Quasi-Banking Function wherein most of them are pawnshops that account to 99.76 % of the total NBFIs without quasi-banking function. Most NBFIs are located at the City of Dasmariñas which has 147 institutions that contributes 17.88 % of the population of NBFIs. It is followed by City of Bacoor and Imus with 139 and 132 institutions, respectively (Table 6.41).

**Table 6.41 Number of Bangko Sentral ng Pilipinas Supervised Non-Bank Financial Institutions by City/Municipality Province of Cavite: 2015 and 2016**

City/Municipality by District	NBFIs without Quasi-Banking Function						NBFIs with Quasi-Banking		Total	
	Pawnshops		Financing Companies		Non-Stock Savings and Loan		Financing Companies			
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
<b>1<sup>st</sup> District</b>	<b>146</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>135</b>
Cavite City	59	54	-	-	4	4	-	-	63	58
Kawit	38	39	-	-	-	-	-	-	38	39
Novelita	19	16	-	-	-	-	-	-	19	16
Rosario	30	22	-	-	-	-	-	-	30	22
<b>2<sup>nd</sup> District</b>	<b>140</b>	<b>139</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140</b>	<b>139</b>
City of Bacoor	140	139	-	-	-	-	-	-	140	139
<b>3<sup>rd</sup> District</b>	<b>122</b>	<b>129</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>125</b>	<b>132</b>
City of Imus	122	129	1	1	1	1	1	1	125	132
<b>4<sup>th</sup> District</b>	<b>161</b>	<b>146</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161</b>	<b>147</b>
City of Dasmariñas	161	146	-	1	-	-	-	-	161	147
<b>5<sup>th</sup> District</b>	<b>99</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>99</b>	<b>90</b>
Carmona	17	18	-	-	-	-	-	-	17	18
Gen. Mariano Alvarez	30	27	-	-	-	-	-	1	30	28
Silang	52	44	-	-	-	-	-	-	52	44
<b>6<sup>th</sup> District</b>	<b>104</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104</b>	<b>104</b>
Amadeo	1	-	-	-	-	-	-	-	1	0
City of General Trias	50	46	-	-	-	-	-	-	50	46
Tanza	38	41	-	-	-	-	-	-	38	41
Trece Martires City	15	17	-	-	-	-	-	-	15	17
<b>7<sup>th</sup> District</b>	<b>82</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>76</b>
Alfonso	6	7	-	-	-	-	-	-	6	7
Gen. Emilio Aguinaldo	-	-	-	-	-	-	-	-	0	0
Indang	11	8	-	-	-	-	-	-	11	8
Magallanes	1	1	-	-	-	-	-	-	1	1
Maragondon	4	5	-	-	-	-	-	-	4	5
Mendez (Mendez-Naic)	6	4	-	-	-	-	-	-	6	4
Tagaytay City	29	29	-	-	-	-	-	-	29	29
Ternate	23	20	-	-	-	-	-	-	23	20
Ternate	2	2	-	-	-	-	-	-	2	2
<b>Total</b>	<b>854</b>	<b>814</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>861</b>	<b>823</b>

Source: Financial Institution Library System (FILS), Bangko Sentral ng Pilipinas, Pasay City

### Automated Teller Machine Network

Automated Teller Machine (ATM) is an electronic channel that provides bank customers an alternative method of doing their financial transactions in a public area without the assistance of a human clerk or bank teller. The customer identifies himself by inserting the ATM card which has his card number and other security information, and by entering his Password Identification Number (PIN). As a form of electronic money, the ATM card can be used to buy things much like a credit card, but minus the interest on spending since it debits from the cardholder's existing account. It is also safer, more convenient, and has no real cost to the cardholder.

In 2016, Cavite has 817 ATMs wherein 360 of these are located in the bank premises and 457 are off-site or in malls and other establishments. Moreover, most ATMs belong to universal and commercial banks which have a total of 704 ATMs that makes up to 86.17 % of the total number of ATMs. Thrift bank group has 103 total ATMs while rural and cooperative bank group has only 10 ATMs. It can be observed from the data given that the most numbers of ATMs are located in the cities in Cavite (Table 6.42).



**Table 6.42 Geographical Distribution of Automated Teller Machines (ATMs) by City/Municipality, Province of Cavite: 2016.**

City/Municipality by District	On-Site	Off-Site	Total	% Distribution
<b>Total</b>	<b>360</b>	<b>457</b>	<b>817</b>	
Universal and Commercial Bank	297	407	704	86.17
Thrift Bank Group	55	48	103	12.61
Rural and Cooperative Bank	8	2	10	1.22
<b>1<sup>st</sup> District</b>	<b>64</b>	<b>67</b>	<b>131</b>	<b>16.03</b>
Cavite City	26	14	40	4.90
Kawit	12	4	16	1.96
Noveleta	4	4	8	0.98
Rosario	22	45	67	8.20
<b>2<sup>nd</sup> District</b>	<b>44</b>	<b>66</b>	<b>110</b>	<b>13.46</b>
City of Bacoor	44	66	110	13.46
<b>3<sup>rd</sup> District</b>	<b>45</b>	<b>87</b>	<b>132</b>	<b>16.16</b>
City of Imus	45	87	132	16.16
<b>4<sup>th</sup> District</b>	<b>69</b>	<b>91</b>	<b>160</b>	<b>19.58</b>
City of Dasmariñas	69	91	160	19.58
<b>5<sup>th</sup> District</b>	<b>49</b>	<b>40</b>	<b>89</b>	<b>10.89</b>
Carmona	22	19	41	5.02
Gen. Mariano Alvarez	14	6	20	2.45
Silang	13	15	28	3.43
<b>6<sup>th</sup> District</b>	<b>54</b>	<b>58</b>	<b>112</b>	<b>13.71</b>
Amadeo	2	1	3	0.37
City of General Trias	25	34	59	7.22
Tanza	13	8	21	2.57
Trece Martires City	14	15	29	3.55
<b>7<sup>th</sup> District</b>	<b>35</b>	<b>48</b>	<b>83</b>	<b>10.16</b>
Alfonso	-	-	0	0.00
Gen. Emilio Aguinaldo	1	-	1	0.12
Indang	3	5	8	0.98
Magallanes	-	1	1	0.12
Maragondon	-	1	1	0.12
Mendez (Mendez-Nuñez)	-	1	1	0.12
Naic	10	4	14	1.71
Tagaytay City	21	36	57	6.98
Ternate	-	-	0	0.00
<b>Total</b>	<b>360</b>	<b>457</b>	<b>817</b>	

Source: Systems and Reports Management Division (SRMD), Supervisory Data Center Bangko Sentral ng Pilipinas, Pasay City

## Foreign Exchange Dealers, Money Changers, and Remittance Agents

Foreign Exchange Dealer (FXD) is a type of financial institution that has received authorization from a relevant governing body to act as a dealer involved with the trading of foreign currencies. Dealing with authorized foreign exchange dealers ensure that the transactions are being executed in a legal and just way.

Remittance Agents (RAs) refer to persons or entities that offer to remit, transfer or transmit money on behalf of any person to another person and/or entity. These include money or cash couriers, money transmission agents, remittance companies and the like – *BSP Circular No 471, Section 1, as amended*. Local remittance agents, including money changers (MCs) and pawnshops are considered non-bank financial institutions, and are regulated and governed by the Bangko Sentral ng Pilipinas (BSP) through the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI). Before they can start operation, they are required to register with the BSP first. And before they can register with the BSP, they are required to be registered or to apply registration with other government offices, like the DTI, SEC (for partnerships and corporations), and the local government unit (LGU) or Mayor's office.

As of 2016, Cavite has 791 foreign exchange dealers, money changers and remittance agents. Most of these are found in cities wherein City of Imus has the most number of facilities registering to 791 institutions. It is followed by cities of Bacoor and Dasmariñas with 144 and 137 institutions, respectively. It can be observed that almost all cities/municipalities have at least one FXD, MC or RA except for Amadeo, Gen. Emilio Aguinaldo and Magallanes (Table 6.43).

**Table 6.43 Number of Foreign Exchange Dealers (FXD), Money Changers (MC) and Remittance Agents (RA) by City/Municipality Province of Cavite: 2016**

City/Municipality by District	FXD/MC	FXD/MC/RA	RA	TOTAL
<b>1<sup>st</sup> District</b>	<b>8</b>	<b>47</b>	<b>42</b>	<b>97</b>
Cavite City	5	15	21	41
Kawit	1	12	5	18
Noveleta	2	4	4	10
Rosario	-	16	12	28
<b>2<sup>nd</sup> District</b>	<b>15</b>	<b>67</b>	<b>62</b>	<b>144</b>
City of Bacoor	15	67	62	144
<b>3<sup>rd</sup> District</b>	<b>37</b>	<b>53</b>	<b>60</b>	<b>150</b>
City of Imus	37	53	60	150
<b>4<sup>th</sup> District</b>	<b>11</b>	<b>56</b>	<b>70</b>	<b>137</b>
City of Dasmariñas	11	56	70	137
<b>5<sup>th</sup> District</b>	<b>6</b>	<b>38</b>	<b>36</b>	<b>80</b>
Carmona	1	8	9	18
Gen. Mariano Alvarez	-	11	15	26
Silang	5	19	12	36
<b>6<sup>th</sup> District</b>	<b>12</b>	<b>40</b>	<b>47</b>	<b>99</b>
Amadeo	-	-	-	0
City of General Trias	7	16	23	46
Tanza	2	14	15	31
Trece Martires City	3	10	9	22
<b>7<sup>th</sup> District</b>	<b>15</b>	<b>35</b>	<b>34</b>	<b>84</b>
Alfonso	1	2	3	6
Gen. Emilio Aguinaldo	-	-	-	0
Indang	-	3	4	7
Magallanes	-	-	-	0
Maragondon	3	2	1	6
Mendez (Mendez-Nuñez)	-	2	2	4
Naic	1	13	8	22
Tagaytay City	10	12	16	38
Ternate	-	1	-	1
<b>Total</b>	<b>104</b>	<b>336</b>	<b>351</b>	<b>791</b>

Source: Financial Institution Library System (FILS), Bangko Sentral ng Pilipinas, Pasay City