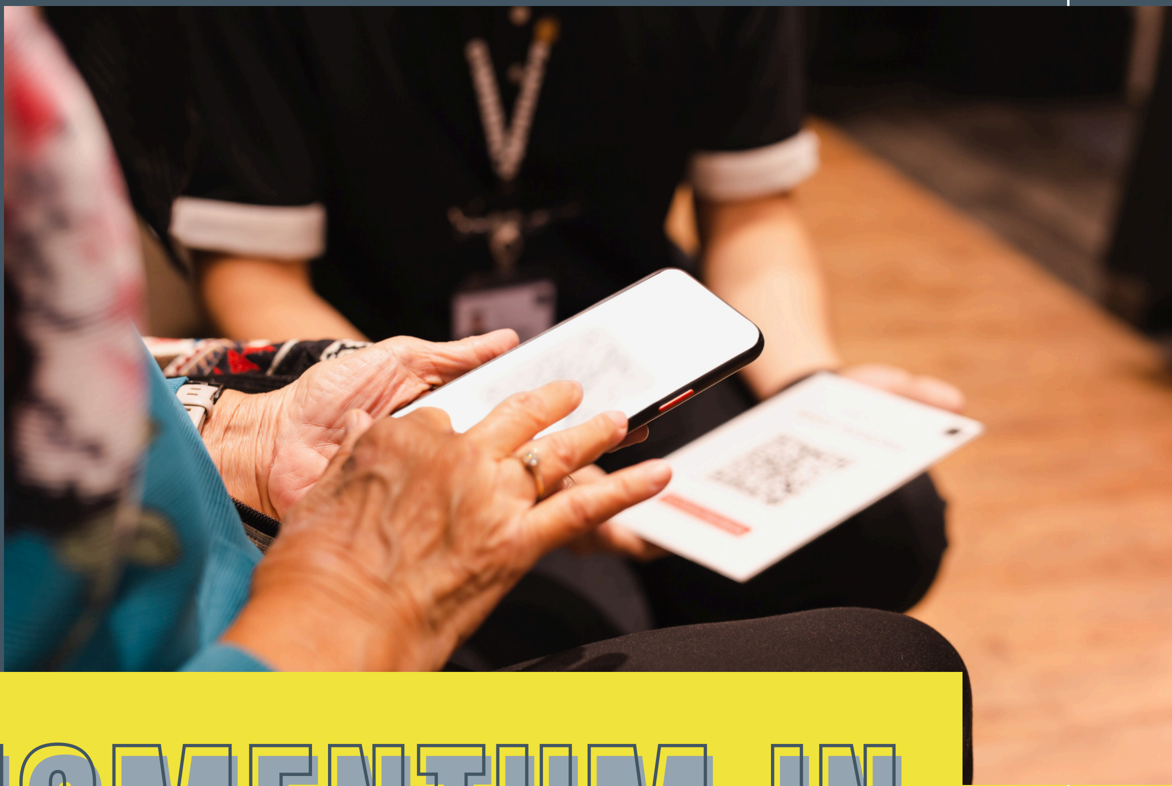
2025 REPORT ON E-PAYMENTS MEASUREMENT



MOMENTUM IN MOTION

ADVANCING A DIGITAL-FIRST PAYMENTS ECONOMY

MESSAGE FROM THE GOVERNOR

This year, we continue to move closer to a safer, more efficient, and more inclusive payments system. This progress reflects our strong collaboration with government agencies, the private sector, and the payments industry.

At the heart of these efforts is a simple idea. A payment system becomes more valuable to everyone in it when more people can use it. Economists call this **network externalities**. Like the internet, the network becomes more useful when more people are connected to it.

This is why we prioritize interoperability.

We want consumers, merchants, businesses, and institutions to transact seamlessly, regardless of the provider they use. The easier it is to connect, the stronger the network becomes.

This is also why we continue to make digital payments more **affordable**. Low, or even zero, fees encourage more people to participate, expand access, and make digital payments a practical part of everyday life.

Let us continue building a payments ecosystem that is trusted, accessible, and beneficial to all. Together, we are creating a financial system that works better for every Filipino.

Maraming salamat po.

Eli M. Remolona, Jr.
Governor
Bangko Sentral ng Pilipinas

MESSAGE FROM THE DEPUTY GOVERNOR

The sustained momentum in digital payments adoption reflects the success of reforms and the strong collaboration among government, industry, and other stakeholders. As we build on these gains, the BSP remains committed to fostering an enabling environment that balances innovation, resilience, and consumer protection.

We are seeing encouraging results from efforts to reduce frictions in the payments ecosystem. Recent actions by banks and e-money issuers to lower or eliminate fund transfer fees are making digital payments more accessible to Filipinos, while growing adoption creates greater value for all users. At the same time,

trust remains central to digital transformation.

Through initiatives such as the Anti-Financial Account Scamming Act, also known as the AFASA, and other measures that strengthen the safety and integrity of digital payments, we will continue working with industry partners to build a payments ecosystem that is more connected, secure, innovative, and inclusive for all Filipinos.

Mamerto E. Tangonan
Deputy Governor
Payments and Currency Management Sector

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2025 E-PAYMENTS AT A GLANCE

VOLUME	VALUE
64.69%	53.32%

Digital payments sustained strong momentum in 2025, accounting for 64.69% of total retail transactions volume, up from 57.45% in 2024, while representing 53.32% in value, down from 58.98% in 2024. This trend highlights the growing role of high-volume, low-value transactions in driving digital payment adoption, demonstrating the increasing use of digital payments for everyday economic activities across the Philippines.

The top three use-cases are merchant payments, remittances, and supplier payments, comprising 95.69% of total monthly digital transactions in 2025.

B2B supplier payments comprise **3.67%** of total electronic payments in 2025. PESONet's Multiple Batch Settlement (MBS) upgrade reinforced this momentum.

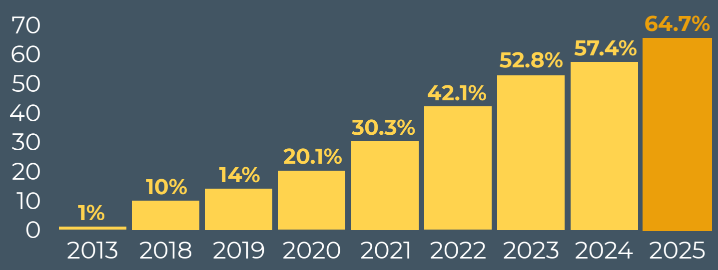
P2P remittances accounted for **17.70%** of all electronic transactions, driven by the rapid expansion of InstaPay, reinforcing the role of instant, low-cost transfers in daily financial activity.

Merchant payments drove digital payment momentum in 2025, accounting for **74.31%** of total electronic payment transactions, driven by the rapid expansion of QR Ph transactions.

PROGRESS IN THE SHIFT TO DIGITAL RETAIL PAYMENTS

IN VOLUME TERMS

Figure 1: Share of Digital Payments BY VOLUME



Digital payments sustained strong momentum in 2025, accounting for **64.69%** of total retail transactions—up from 57.45% in 2024 and well above the 10.00% recorded in 2018. This momentum is evident in the 3.94 billion digital transactions out of 6.09 billion overall, underscoring the continued shift of consumers and businesses toward faster, more convenient, and accessible electronic payment channels, reinforcing the country's progress toward a more digital-driven payments ecosystem.

Across use-cases, digital payment momentum remained strongest in person-initiated payments (P2X), with 74.91% of total transactions conducted digitally, equivalent to 3.68 billion transactions. Government payments (G2X) showed near-complete digitization at 98.92%, reflecting strong and sustained momentum in public-sector payments. In contrast, business payments (B2X) remained largely paper-based, with only 18.75% digital share, highlighting significant untapped momentum for further digitization in business-related payment flows.

Table 1: Share of Digital & Non-Digital Payments BY VOLUME (2025)

	OVERALL	P2X	B2X	G2X
TOTAL*	**6,085.49**	**4,917.06**	**1,125.77**	**42.65**
NON-DIGITAL	**2,148.63**	**1,233.47**	**914.70**	**0.46**
DIGITAL	**3,936.86**	**3,683.59**	**211.08**	**42.19**

*in Millions

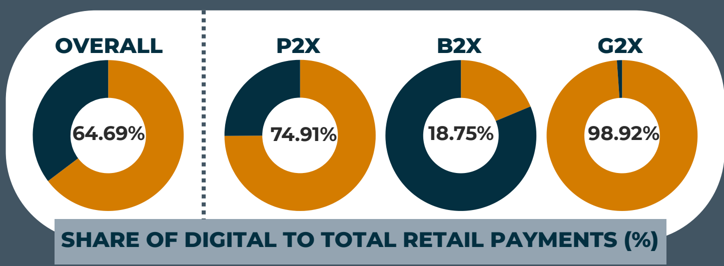
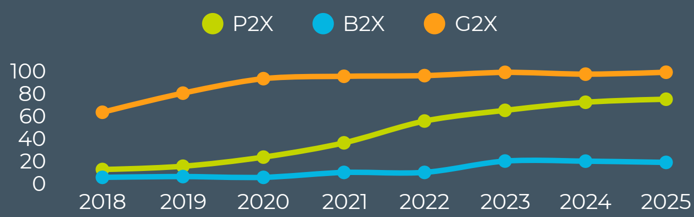


Figure 2: Share of Digital Payments Per Use-Case BY VOLUME (2025)



PROGRESS IN THE SHIFT TO DIGITAL RETAIL PAYMENTS

IN VALUE TERMS

The share of digital payments by value declined to **53.32%** in 2025 from 59.98% in 2024, equivalent to USD 125.07 billion out of USD 234.57 billion in total retail transaction value. Although growth moderated compared to earlier years, it showed that confidence in digital channels for higher-value transactions remained strong and continued to improve across both consumer and institutional payments.

Figure 3: Share of Digital Payments BY VALUE

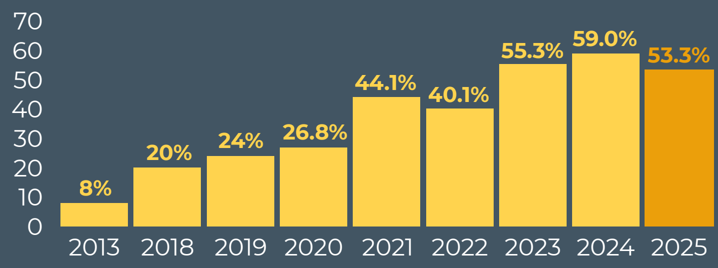


Table 2: Share of Digital & Non-Digital Payments BY VALUE (2025)

	OVERALL	P2X	B2X	G2X
TOTAL*	234,570.10	89,307.47	135,607.71	9,654.92
NON-DIGITAL	109,500.74	20,038.06	89,284.50	178.18
DIGITAL	125,069.36	69,269.41	46,323.20	9,476.75

**in Million USD*

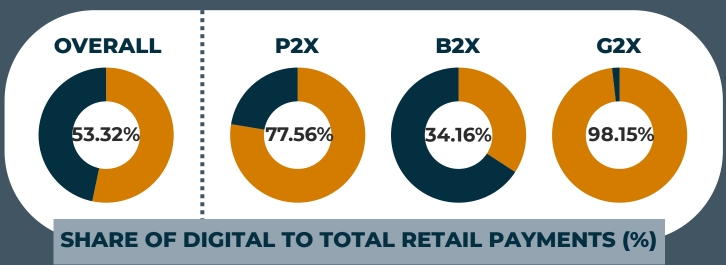
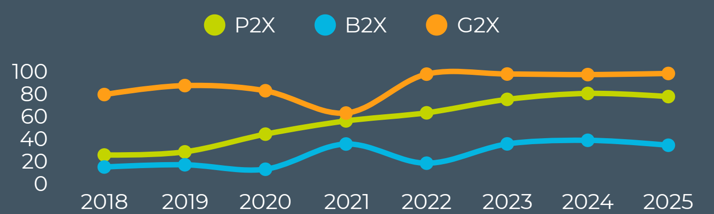


Figure 4: Share of Digital Payments Per Use-Case BY VALUE (2025)



P2X transactions remained the largest contributor to digital payment value in 2025, with 77.56% of total value conducted digitally, equivalent to USD 69.27 billion. This highlights the growing reliance on formal electronic channels for high-value consumer transactions. At the same time, G2X maintained the highest level of digitalization at 98.15%, reinforcing the strong adoption of e-payments in government disbursements. Meanwhile, B2X reached 34.16%, reflecting gradual progress as more businesses shift toward digital payment systems, although traditional payment methods still account for a significant share.

MAJOR CONTRIBUTORS

Growth in electronic payments in 2025 was driven by person-to-merchant (P2M) payments, person-to-person (P2P) remittances, and business-to-business (B2B) supplier payments, which collectively accounted for **95.69% of total digital transactions, or 3.77 billion electronic payments**. This concentration reflects the continued expansion of electronic payments' accessibility and persistent adoption of digital payment methods.

74.31% MERCHANT PAYMENTS

17.70% P2P PAYMENTS

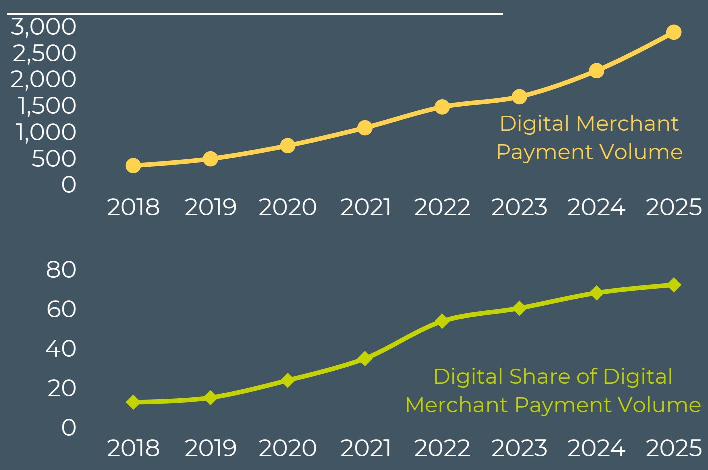
3.67% SUPPLIER PAYMENTS

1 Merchant Payments

Merchant payments drove digital payment momentum in 2025, accounting for 74.31% of total electronic payment transactions. This continued to make merchant payments the largest retail payment use-case, reflecting the increasing reliance of consumers and businesses on digital channels for everyday purchases of goods and services.

Over the past eight years, this use-case has consistently remained the dominant component of digital retail payments. Monthly digital merchant payment volume increased more than sevenfold, from 394.26 million transactions in 2018 to 2.93 billion transactions in 2025, while the share of digital transactions in total merchant payment volume steadily rose from 12.74% to 72.13% during the same period.

Figure 4: Growth of Digital Merchant Payments (2018-2025)



Momentum continued in 2025 as person-to-merchant transaction volume increased by 33.22 percent, reaching 2.93 billion transactions from 2.20 billion in 2024. Although transaction value declined by 54.24 percent to USD 13.20 billion, the continued increase in transaction volume suggests that consumers increasingly relied on digital payments for more frequent and relatively lower-value retail purchases, further embedding digital payments into everyday commerce. This sustained growth was supported by BSP's continued efforts to strengthen the merchant payment ecosystem through policy reforms and market development initiatives.

A major milestone was the issuance of **Circular No. 1198**, or the **Regulatory Framework for Merchant Payment Acceptance Activities**, which established a comprehensive framework for merchant acquisition and payment acceptance services. By promoting safe, reliable, efficient, and accessible merchant payment services, the framework provided greater regulatory clarity, supported wider merchant onboarding, and strengthened the payment acceptance ecosystem. Complementing this were BSP's policies on **reasonable electronic fund transfer fees**, including proposed amendments to the National Retail Payment System and Merchant Payment Acceptance Activities frameworks, which aimed to reduce the cost of electronic payments, particularly for low-value and high-frequency transactions.

BSP also pursued market development initiatives to expand merchant acceptance and improve payment convenience. The continued promotion of **QR Ph** and the nationwide expansion of the **Paleng-QR Ph Plus** Program encouraged wider adoption of interoperable QR payments, particularly among micro, small, and medium enterprises (MSMEs). Additional account-to-account payment use-cases were introduced through **Request-to-Pay, Direct Debit, and Payment Initiation Services**, providing more convenient options for online purchases, recurring payments, and merchant checkout. These efforts were further supported by the **Digital Payments Act, eGovPay**, and broader government digitalization initiatives, which expanded digital payment acceptance and strengthened the enabling environment for electronic payments.

Digital merchant payments posted strong growth in 2025, driven by the expansion of QR Ph transactions and the nationwide rollout of the **Paleng QR Ph** program across 1,435 cities. Growth in both on-us and off-us QR transactions reflected wider acceptance of interoperable QR-based payments and strong network effects on retail payments ecosystem. QR Ph volumes surged by 1,315.94%—from 174.34 million transactions in 2024 to 2.47 billion in 2025—and with transaction value climbing to PHP 1.16 trillion, representing a 408.32% surge from PHP 227.47 billion recorded in 2024. This **strong growth reflects wider merchant onboarding**, including micro, small, and medium enterprises (MSMEs), alongside **rising usage in high-frequency digital entertainment sectors**. Momentum was further reinforced by broader ecosystem participation, with QR Ph expanding to 48 participating financial institutions, up by 11.62% from 2024, and total registered merchant IDs reaching 2.29 million by end-2025. These developments are consistent with the 2025 SWS survey findings wherein wider merchant acceptance for digital payments (24%) is a key driver for increased digital payments usage. While limited merchant acceptance (14%) is cited as a challenge in the 2026 Q1 SWS, merchant payments sustained high-level usage, suggests merchant acceptance poses as a small barrier to digital payments adoption.

Merchant acceptance infrastructure continued to expand in 2025. The total number of payment acceptance terminals **increased by 12.90%**, reaching **316,795 terminals** from 280,598 in 2024. This growth was driven primarily by the expansion of **mobile POS (mPOS)** terminals, which increased by **20.52%** to **168,565**, while **traditional POS** terminals grew by **5.33%** to **148,230**.

2 Remittances

P2P remittances remain a key driver of digital payment growth in 2025, accounting for 17.70% of all electronic transactions. P2P volumes reached 696.84 million transactions—marking a notable 2.40% year-on-year increase—with total value rising to USD 52.58 billion, reflecting growing reliance on digital transfers for everyday payments. This momentum was driven by the rapid expansion of InstaPay, which recorded sharp gains in both transaction volume and value. Compared to 2024, it surged by 230.92% in volume and 57.27% in value. Such growth highlights the mainstream adoption of account-to-account transfers, driven by greater accessibility, reliability, and user trust in fast payment systems.

The P2P QR-based payment ecosystem, **InstaPay QR**, was also pivotal in driving digital payment expansion—reinforcing the role of instant, low-cost transfers in daily financial activity. It registered a remarkable transaction volume surge of 246.95% from 2024, representing 183.31 million transactions.

Transaction value also rose by 211.27%, reaching PHP 926.13 billion. By end-2025, there are 60 InstaPay QR participants, an uptake of 15.38% from 2024. Broader participation across banks and EMIs further solidified P2P payments as a fast, trusted, and mainstream digital channel driving inclusion and resilience in the financial ecosystem.

3 Supplier Payments

The business sector continued to support the expansion of digital payments in the country. While B2B transaction volume declined from 204.99 million in 2024 to 144.56 million in 2025, its share of total digital payment volume increased from 13.73% to 14.52%. This indicates that, despite the reduction in transaction volume, electronic channels remained increasingly relevant for supplier and business transactions.

PESONet's Multiple Batch Settlement (MBS) upgrade reinforced this momentum by enabling same-day clearing cycles, reducing transaction bottlenecks, and improving cash flow management for enterprises, strengthening further PESONet's role in B2B payments. As a result, PESONet transaction volume grew by 16.25%, while transaction value surged by 30.91% amounting to PHP 13.19 trillion. Notably, in November 2025, PESONet transactions overtook check payments for the first time, underscoring the accelerating shift of businesses toward digital rails and marking a significant milestone in the country's transition away from cash payment.

PRIORITY USE-CASES

Payments by persons (P2X) continue to dominate retail transactions, accounting for 80.80% of total volume, followed by business (B2X) at 18.50% and government (G2X) at 0.70%. Within these, **PERSON-TO-BUSINESS (P2B) AND BUSINESS-TO-BUSINESS (B2B) SEGMENTS REMAIN THE PRIMARY USE-CASES TO TARGET,** collectively accounting for approximately 84.54% of total retail payments, shaping the country's payments landscape.

Out of 6.08 billion retail transactions, P2B payments account for 68.02%, reflecting growing digital use for everyday needs such as merchant purchases, utilities, and loan payments. B2B payments represent 16.52% of total retail volume, encompassing supplier payments, business lending, and interest payments. This signals that enterprises are embracing more efficient, cost-effective methods of managing financial transactions.

PAYER \ PAYEE	GOVERNMENT	BUSINESSES	PERSONS
GOVERNMENT (0.70%)	- Transfers from center to LGUs - Social welfare contributions - Procurements for common use items 9.72M 0.16%	- Procurement and supplier payments - Utilities 11.44M 0.19%	- Social welfare contributions - Salaries and payroll 21.49M 0.35%
BUSINESSES (18.50%)	- National taxes and fees - State taxes and fees - Social welfare contributions 7.13M 0.12%	- Supplier payments - Business lending - Interest payments 1,005.46M 16.52%	- Social welfare contributions - Salaries and payroll - Consumer lending 113.19M 1.86%
PERSONS (80.80%)	- Tax collections - Government fees levied for services - Social welfare contributions 5.53M 0.09%	- Merchant payments - Utility payments - Interest and loans 4,139.36M 68.02%	- Remittances - P2P lending 772.18M 12.69%

2025 total volume of payment transactions per use-case
2025 share of payments per use-case over total volume of payments

Accelerating digitalization in P2B and B2B is therefore critical. In partnership with Philippine Payments Management, Inc. (PPMI) and industry stakeholders, the Bangko Sentral ng Pilipinas (BSP) is advancing key initiatives to enable faster clearing, seamless recurring payments, and broader adoption. Together, these efforts are designed to build a highly trusted, sustainable, and fully digitalized payments ecosystem, one where both consumers and businesses enthusiastically embrace digital methods as their preferred mode of payment.

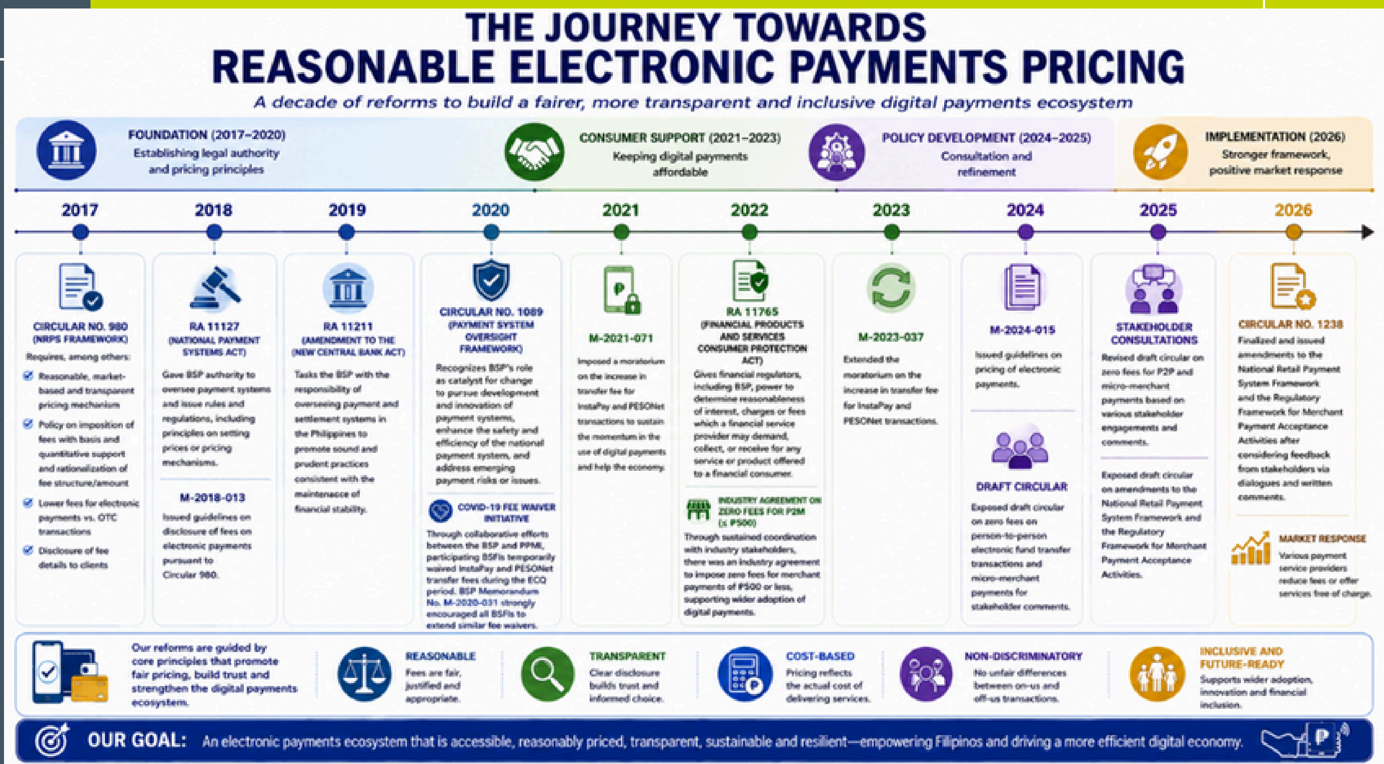
THE JOURNEY TOWARDS REASONABLE ELECTRONIC PAYMENTS PRICING

How a decade of policy reforms helped shape a fairer, more transparent digital payments landscape in the Philippines

When Filipinos send money online today, it is easy to focus on the transfer fee displayed on the screen. Less visible is the nearly decade-long effort to build a pricing framework that is fair to consumers, sustainable for payment service providers, and supportive of a more inclusive digital payments ecosystem.

The Bangko Sentral ng Pilipinas (BSP) has consistently emphasized that electronic payment pricing should not simply be about making transactions free. Rather, prices should be **reasonable, transparent, and reflective of the actual costs of delivering payment services**, while encouraging wider adoption of digital payments.

The issuance of **BSP Circular No. 1238** in 2026 represents the latest milestone in this continuing journey—one that has evolved through legislation, policy development, industry engagement, and market innovation.



Building the Foundation (2017-2020)

The journey began in **2017** with the issuance of **BSP Circular No. 980**, which established the **National Retail Payment System (NRPS) Framework**. Beyond promoting interoperability and competition, the Circular laid down fundamental principles on pricing by requiring participants to:

- adopt **reasonable, market-based, and transparent pricing mechanisms**;
- establish policies governing the imposition of fees, supported by appropriate analysis and quantitative justification;
- ensure that electronic payments are generally priced lower than manual or over-the-counter transactions; and
- disclose fees clearly to consumers.

The following year, Congress enacted the **National Payment Systems Act (Republic Act No. 11127)**, providing the BSP with explicit authority to oversee payment systems and issue regulations governing pricing principles within the national payment system.

To operationalize the transparency requirements under Circular No. 980, the BSP likewise issued **Memorandum No. M-2018-013**, providing guidelines on the disclosure of fees on electronic payments.

The BSP's mandate was further strengthened in **2019** through **Republic Act No. 11211**, which amended the New Central Bank Act and formally tasked the BSP with overseeing payment and settlement systems to promote sound and prudent practices consistent with financial stability.

In **2020**, **Circular No. 1089** established the Payment System Oversight Framework, recognizing the BSP's role not only as regulator but also as a catalyst for payment system development and innovation while promoting the safety, efficiency, and resilience of the national payment system.

The onset of the COVID-19 pandemic in 2020 underscored the importance of affordable digital payment channels. Through collaborative efforts between the BSP and the Philippine Payments Management, Inc. (PPMI), participating BSFIs temporarily waived InstaPay and PESONet transfer fees during the Enhanced Community Quarantine (ECQ) period to facilitate the digital transfer of funds. To encourage broader participation, the BSP likewise issued **Memorandum No. M-2020-031**, strongly encouraging all BSFIs to extend similar fee waivers to their customers.

This collaborative initiative enabled consumers to access digital payment services at little to no cost during a critical period, while demonstrating how regulatory leadership and industry cooperation can work together to advance public interest.

Supporting Digital Payments During Recovery (2021-2023)

As digital payments became increasingly important during the pandemic, affordability became an immediate policy priority.

In **2021**, the BSP issued **Memorandum No. M-2021-071**, imposing a moratorium on increases in transfer fees for InstaPay and PESONet transactions. The measure aimed to sustain the rapid adoption of digital payments while supporting economic recovery. This was reinforced in **2023** through **Memorandum No. M-2023-037**, which extended the moratorium, allowing consumers and businesses to continue benefiting from stable transfer fees during a critical period of digital transformation.

Meanwhile, the policy environment continued to evolve. In **2022**, the **Financial Products and Services Consumer Protection Act (Republic Act No. 11765)** empowered financial regulators, including the BSP, to determine the reasonableness of interest, charges, and fees imposed on financial consumers.

Also in 2022, through sustained coordination with industry stakeholders, an industry agreement was reached to impose zero fees for person-to-merchant (P2M) electronic payments not exceeding PHP 500, helping promote greater acceptance of digital payments for everyday transactions.

From Principles to a More Comprehensive Pricing Framework (2024-2026)

Building on years of experience and stakeholder engagement, the BSP shifted its focus toward developing a more comprehensive pricing framework.

In **2024**, the BSP issued **Memorandum No. M-2024-015**, providing additional guidance on the pricing of electronic payment services. During the same year, it released for public consultation a draft circular proposing zero fees for person-to-person electronic fund transfers and payments to micro-merchants.

Recognizing the importance of balancing affordability, sustainability, competition, and innovation, the BSP conducted extensive consultations with banks, non-bank payment service providers, and industry associations.

In 2025, feedback from these engagements informed revisions to the proposed circular. The BSP also exposed for public comment a revised draft on amendments to the National Retail Payment System Framework and the Regulatory Framework for Merchant Payment Acceptance Activities, reflecting lessons learned from stakeholder consultations and evolving market developments.

These efforts culminated in **2026** with the issuance of **BSP Circular No. 1238**, following multiple rounds of written consultations and industry dialogues.

Rather than prescribing that payment services be offered free of charge, the Circular strengthens the long-standing principles that pricing should be **cost-based, reasonable, transparent, and non-discriminatory**, while preserving the ability of payment service providers to recover legitimate costs and continue investing in secure and innovative payment services.

Following the issuance of the Circular, **various payment service providers announced reductions in transfer fees or introduced free electronic payment services**, further improving affordability and expanding consumer choice.

A Continuing Journey

The evolution of electronic payment pricing demonstrates that achieving affordable digital payments is not the result of a single policy intervention, but of sustained regulatory development over many years.

From establishing foundational pricing principles and strengthening consumer protection, to enhancing transparency, encouraging competition, and promoting interoperability, the BSP has consistently pursued a balanced approach that supports both consumers and industry participants.

As the Philippine digital payments ecosystem continues to mature, the objective remains the same: **to foster a payment system where electronic payment services are accessible, reasonably priced, transparent, and sustainable—ultimately advancing greater financial inclusion and a more efficient digital economy**.

DIGITAL PAYMENT INITIATIVES

P2X Initiatives

Request-to-Pay (R2P) InstaPay Cash-in. R2P InstaPay Cash-in is a key use-case under the Request to Pay (R2P) service, which allows consumers to initiate fund transfers by sending a payment request. Through this feature, users can conveniently fund their own bank account or e-wallet by sending an R2P request from another account, with funds credited upon approval. This service will make account top-ups simpler, safer, and more convenient for consumers.

Request-to-Pay (R2P) e-Commerce. The R2P e-Commerce use-case enables InstaPay to serve as an additional payment option for online purchases (e-commerce) alongside debit and credit cards and cash. Merchants can send payment requests through their bank or e-wallet platforms, allowing customers to pay via linked accounts or one-time transactions.

Interoperable Automated Fare Collection System (AFCS) with the Department of Transportation (DOTr). AFCS is a unified platform that allows passengers to use a single payment method across different transport systems. The InstaPay payment system will be used only as the source of funds for AFCS. It will serve as the link between the transport system and participating banks and e-wallet providers.

The BSP and the payments industry are closely working with the DOTr to enable an interoperable customer-presented QR code standard for transit payments. This transit QR code is presently accepted alongside card payments through pilot implementations rolled out in MRT-3 in July 2025 and LRT-2 in July 2026.

Nexus. Nexus is a multilateral instant payment scheme that aims to enable safe, efficient, affordable, transparent, and accessible cross-border payments by connecting participants' domestic instant payment systems (IPS) globally.

The first mover group is composed of six central banks, namely the BSP, Bank Negara Malaysia, Bank of Thailand, the Monetary Authority of Singapore, Reserve Bank of India, and Bank Indonesia (collectively, the "FM6"). The FM6 is currently working toward the live implementation of the Nexus scheme, with the European Central Bank as a special observer.[1]

[1] For more information on Nexus, you may visit Nexus Global Payments and BIS Nexus. The Nexus Technical Documentation may be accessed via BIS Nexus Document

DIGITAL PAYMENT INITIATIVES

P2X Initiatives

Payments to Government (eGovPay). eGovPay is a DICT initiative that enables citizens to pay for government services through secure digital payments via the eGov PH Super App. In an advisory role, the BSP works with DICT and the Bureau of the Treasury to design payment flows using existing digital channels, ensuring safe, timely, low-cost, and convenient transactions aligned with national retail payment standards.

National ID System Potential use-cases for Payments. In coordination with the Philippine Statistics Authority (PSA), the BSP is exploring payment use-cases for the National ID system, including streamlining customer onboarding and identity verification for financial services. Other potential applications include supporting government-to-person payments and enhancing fraud prevention.

B2X Initiatives

InstaPay for Business (Business-to-Business or B2B Payments). This payment service is designed primarily for business transactions and will be implemented in phases. The first phase will focus on Business-to-Client (B2C) transactions, such as payroll disbursements and loan proceeds, followed by a second phase covering Business-to-Business (B2B) transactions.

Direct Debit. The Direct Debit initiative allows customers to manage recurring payments—such as rent, loan amortizations, and insurance premiums—by authorizing billers to automatically collect from their bank accounts. This makes payment collections more convenient and helps reduce missed or late payments for both customers and billers.

ACKNOWLEDGEMENTS

We express our sincere gratitude to **Governor Eli M. Remolona, Jr.**, for his unwavering leadership and crucial support in advancing digital payment transformation throughout the country.

We give special recognition to **Deputy Governor Mamerto E. Tangonan** and **Assistant Governor Redentor C. Bancod**, for their insightful guidance and mentorship. We also thank the rest of the **BSP Payments Policy and Development Department (PPDD)** for their tremendous efforts and relentless support.

The authors would also like to thank the **Better Than Cash Alliance (BTCA)** and **Dalberg**, a critical technical partner commissioned by the Alliance to develop the 2019 diagnostic model.

METHODOLOGY

The BSP measurement model (previously known as the BTCA model) measures the volume[1] and value of digital payments by assessing the state of retail payments in the country made to and by three (3) general categories:

GOVERNMENT (G2X)

BUSINESS (B2X)

PERSONS (P2X)

The regular tracking of e-payment levels allows the BSP to monitor the progress of issued policies, help identify long standing barriers to e-payments adoption and make informed decisions on the appropriate interventions to pursue with relevant stakeholders.

Methodology

To quantify the progress of the digital payments, the available datasets were analyzed to measure the share of digital payments across government institutions, businesses, and persons/individuals. The measurement activity may be broken down into three (3) core activities:

1. **Identifying the largest and most relevant payment use-cases** to arrive at an estimation of the total and digitalized retail payment transactions in the country;

2. **Running an estimation exercise for each use-case** to arrive at an overall understanding of the uptake of digital payments. This includes the use of quantitative data available from disaggregated sources as well as making critical assumptions to fill in the gaps;

3. **Knowing the why and how behind key estimations**, and providing a narrative on drivers and challenges, as well as opportunities for further improvement.

[1] Enhancements have been incorporated into the BSP measurement model based on the first measurement model developed with the assistance of Better Than Cash Alliance (BTCA).

PAYMENT GRID WITH FOCUS USE-CASES

The payment grid below, which is foundational to the BSP measurement model, consists of twenty-four (24) payments use-cases based on the different types of payments made among the three (3) general categories of the payer and payee.

		PAYEE		
		GOVERNMENT	**BUSINESSES**	**PERSONS**
PAYER	**GOVERNMENT (0.70%)**	- Transfers from center to LGUs - Social welfare contributions - Procurements for common use items **0.16%**	- Procurement and supplier payments - Utilities **0.19%**	- Social welfare contributions - Salaries and payroll **0.35%**
PAYER	**BUSINESSES (18.50%)**	- National taxes and fees - State taxes and fees - Social welfare contributions **0.12%**	- Supplier payments - Business lending - Interest payments **16.52%**	- Social welfare contributions - Salaries and payroll - Consumer lending **1.86%**
PAYER	**PERSONS (80.80%)**	- Tax collections - Government fees levied for services - Social welfare contributions **0.09%**	- Merchant payments - Utility payments - Interest and loans **68.02%**	- Remittances - P2P lending **12.69%**

The matrix shows a 3x3 grid, representing nine (9) possible payment combinations between the government, businesses, and individual persons. The percentages indicated in the Payment Grid above represent the percentage share of the payments sub use-case to the total monthly payments transaction volume for 2025. This vital information allows us to identify which payments use-cases might yield the maximum impact in terms of identifying priorities for digitalization.

DATA TABLES

USE-CASE	Monthly Volume of Transactions		
	TOTAL (millions)	DIGITAL (millions)	% OF TOTAL
Total Volume of Payments in the Philippines	**6,085.49**	**3,936.86**	**64.69%**
Government to X (G2X)	**42.65**	**42.19**	**98.92%**
Government-to-Government (G2G)	**9.72**	**9.71**	**99.90%**
Transfer from center to LGUs	3.87	3.87	100.00%
Social welfare contributions	0.03	0.02	69.24%
Procurements for common use items	5.82	5.82	100.00%
Government-to-Business (G2B)	**11.44**	**11.44**	**100.00%**
Procurements and supplier payments	11.00	11.00	100.00%
Utility payments	0.44	0.44	100.00%
Government-to-People (G2P)	**21.49**	**21.04**	**97.90%**
Salaries and payroll	9.65	9.55	99.00%
Welfare payments and conditional cash transfers	11.84	11.49	97.01%
Business to X (B2X)	**1,125.79**	**211.08**	**18.75%**
Business-to-Government (B2G)	**7.13**	**4.20**	**58.95%**
National taxes and fees	0.59	0.41	69.46%
State taxes and fees	2.70	0.19	7.00%
Social welfare contributions	3.83	3.60	93.89%
Business-to-Business (B2B)	**1,005.46**	**154.44**	**15.36%**
Supplier payments	995.59	144.56	14.52%
Business lending	1.58	1.58	100.00%
Interest payments	8.30	8.30	100.00%
Business-to-People (B2P)	**113.19**	**52.44**	**46.3%**
Salaries and payroll	53.55	14.99	28.00%
Consumer lending	26.64	25.47	95.63%
Social welfare contributions	33.00	11.97	36.28%
People to X (P2X)	**4,917.06**	**3,683.59**	**74.91%**
People-to-Government (P2G)	**5.53**	**1.60**	**29.02%**
Tax collections	0.92	0.37	39.57%
Government fees levied for services	2.74	0.14	5.00%
Social welfare contributions	1.87	1.10	58.98%
People-to-Business (P2B)	**4,139.36**	**2,984.33**	**72.10%**
Merchant Payments	4,055.87	2,925.64	72.13%
Utility Payments	70.82	46.03	65.00%
Interest and loans	12.66	12.66	100.00%
People-to-People (P2P)	**772.18**	**697.65**	**90.35%**
Remittances	769.82	696.84	90.52%
P2P lending	2.36	0.81	34.20%

DATA TABLES

USE-CASE	Monthly Value of Transactions		
	TOTAL USD (millions)	DIGITAL USD (millions)	% OF TOTAL
Total Value of Payments in the Philippines	**234,570.10**	**125,069.36**	**53.32%**
Government to X (G2X)	**9,654.92**	**9,476.75**	**98.15%**
Government-to-Government (G2G)	**2,374.77**	**2,373.17**	**99.93%**
Transfer from center to LGUs	1,466.15	1,466.15	100.00%
Social welfare contributions	75.28	73.68	97.88%
Procurements for common use items	833.33	833.33	100.00%
Government-to-Business (G2B)	**1,639.20**	**1,639.20**	**100.00%**
Procurements and supplier payments	1,575.76	1,575.76	100.00%
Utility payments	63.44	63.44	100.00%
Government-to-People (G2P)	**5,640.95**	**5,464.38**	**96.87%**
Salaries and payroll	2,528.04	2,502.76	99.00%
Welfare payments and conditional cash transfers	3,112.91	2,961.61	95.14%
Business to X (B2X)	**135,607.71**	**46,323.20**	**34.16%**
Business-to-Government (B2G)	**6,113.75**	**5,518.16**	**90.26%**
National taxes and fees	5,532.30	5,217.97	94.32%
State taxes and fees	279.92	19.59	7.00%
Social welfare contributions	301.53	280.60	93.06%
Business-to-Business (B2B)	**118,274.86**	**35,046.16**	**29.63%**
Supplier payments	115,040.27	31,811.57	27.65%
Business lending	1,575.46	1,575.46	100.00%
Interest payments	1,659.13	1,659.13	100.00%
Business-to-People (B2P)	**11,219.10**	**5,758.88**	**51.33%**
Salaries and payroll	8,235.07	2,964.62	36.00%
Consumer lending	2,417.47	2,344.03	96.96%
Social welfare contributions	566.56	450.23	79.47%
People to X (P2X)	**89,307.47**	**69,269.41**	**77.56%**
People-to-Government (P2G)	**710.20**	**135.95**	**19.14%**
Tax collections	265.34	68.53	25.83%
Government fees levied for services	238.82	11.94	5.00%
Social welfare contributions	206.04	55.48	26.92%
People-to-Business (P2B)	**24,867.43**	**16,374.55**	**65.85%**
Merchant Payments	20,690.66	13,200.10	63.80%
Utility Payments	2,755.77	1,753.45	63.63%
Interest and loans	1,421.00	1,421.00	100.00%
People-to-People (P2P)	**63,792.85**	**52,758.91**	**82.79%**
Remittances	63,201.92	52,578.36	83.19%
P2P lending	527.93	180.55	34.20%

SOURCES OF DATA

USE-CASE	SUB USE-CASE	DATA SOURCE
Government-to-Government (G2G)	Transfer from center to LGUs	**DBM** - Local Budget Memorandum, **BTr** - Report on volume and value of payments
	Social welfare contributions	**PAG-IBIG** - Report on volume and value of payments, **Philhealth** - Report on volume and value of payments
	Procurements for common use items	**DBM** - Report on volume and value of payments, Stakeholders interview, **PCHC** - PCHC PESONet Daily Monitoring
Government-to-Business (G2B)	Procurements and supplier payments	**DBM** - Report on volume and value of payments, Stakeholders interview, **PCHC** - PCHC PESONet Daily Monitoring
	Utility Payments	**DBM** - National Expenditure Program Report, Stakeholders interview, **PCHC** - PCHC PESONet Daily Monitoring
Government-to-People (G2P)	Salaries and Payroll	**PSA** - Annual Labor and Employment Status, **DBM** - Report on volume and value of payments, Stakeholders interview
	Welfare payments and conditional cash transfers	**PSA** - LabStat Updates, **SSS** - SSS Facts and figures, **GSIS** - Report on volume and value of payments, **DSWD** - Monthly Report on Pantawid Pamilya Implementation, **PAG-IBIG** - Report on volume and value of payments, **PhilHealth** - Stats and Charts
Business-to-Government (B2G)	National taxes and fees	**BIR** - Report on volume and value of payments, **BTr** - NG Cash Operations, **PCHC** - PAS 5 Volume/Value
	State taxes and fees	**BLGF** - Report on volume and value of payments
	Social welfare Contributions	**PAG-IBIG** - Report on volume and value of payments, **PhilHealth** - Report on volume and value of payments
Business-to-Business (B2B)	Supplier Payments	**PSA** - Gross Value Added, Annual Survey of Philippine Business and Industry, Stakeholders interview , **PCHC** - Average CICS Processing Stats, **Survey**- 2020 ADB MSME Survey
	Business Lending	**BSP Report DSA** - Loans Outstanding for Production and Consumer Loans, Stakeholders interview
	Interest Payments	**BSP Report DSA** - Loans Outstanding for Production and Consumer Loans, Stakeholders interview, Income Statement Philippine Banking System

SOURCES OF DATA

USE-CASE	SUB USE-CASE	DATA SOURCE
Business-to-People (B2P)	Salaries and Payroll	**PSA** - Daily wages by class of worker, **Survey** - 2021 WB Global Findex
	Consumer Lending	**BSP Report DSA** - Loans Outstanding for Production and Consumer Loans, BSP CCBAR, **BSP Survey** - BSP Financial Inclusion Survey, Stakeholders interview
	Social Welfare Contributions	**SSS** - SSS Facts and Figures, Report on volume and value of payments
Person-to-Government (P2G)	Tax collections	**BIR** - Report on volume and value of payments
	Government fees levied for services	**BLGF** - Report on volume and value of payments
	Social welfare Contributions	**SSS** - SSS Facts and Figures, Stakeholders interview
Person-to-Business (P2B)	Merchant Payments	**Euromonitor** - Consumer Finance Report, **BancNet** - Bancnet Summary of Cards data, Instapay Daily Surveillance Report, **TRB** - Report on volume and value of payments, **PSA** - Household Final Consumption Expenditure (HFCE)
	Utility Payments	**PSA** - National Accounts, **Euromonitor** - Consumer Finance Report, **BSP-TRISD** - EMI Report, **Survey** - 2023 VISA Consumer Payment Attitude Study (CPA)
	Interest and loans	**BSP-DSA** - Loans Outstanding for Production and Consumer Loans, Stakeholders interview
Person-to-Person (P2P)	Remittances	**BSP TRISD** - EMI Report, **PCHC** - PESONet Report, **Survey** - 2021 WB Global Findex, Stakeholders interview
	P2P Lending	**BSP-FIO** - BSP Financial Inclusion Survey

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