

# Assessing financial inclusion in Portugal from the central bank's perspective



**BANCO DE PORTUGAL**  
EUROSYSTEM

**João Cadete de Matos**

Director • Statistics Department

**International Statistical Institute  
Regional Statistics Conference**

**Bali, Indonesia | 22 – 24 March 2017**



## Contents

1. Motivation
2. The evolution of the provision of financial services in Portugal
3. The role of the *Banco de Portugal* as a provider of financial services
4. Measuring financial inclusion in Portugal
5. Conclusions



## Motivation

**Financial inclusion** – the ability of individuals or enterprises to **obtain formal financial services appropriate to their needs**

- There are still more than two billion adults that do not have access to formal financial services (ATISG\*, 2010)



Major challenge for  
central banks and policy  
makers worldwide

\*ATISG: Access through Innovation Sub-Group of the G-20 Financial Inclusion Experts Group



# How can the *Banco de Portugal* help policy-makers in addressing this challenge?

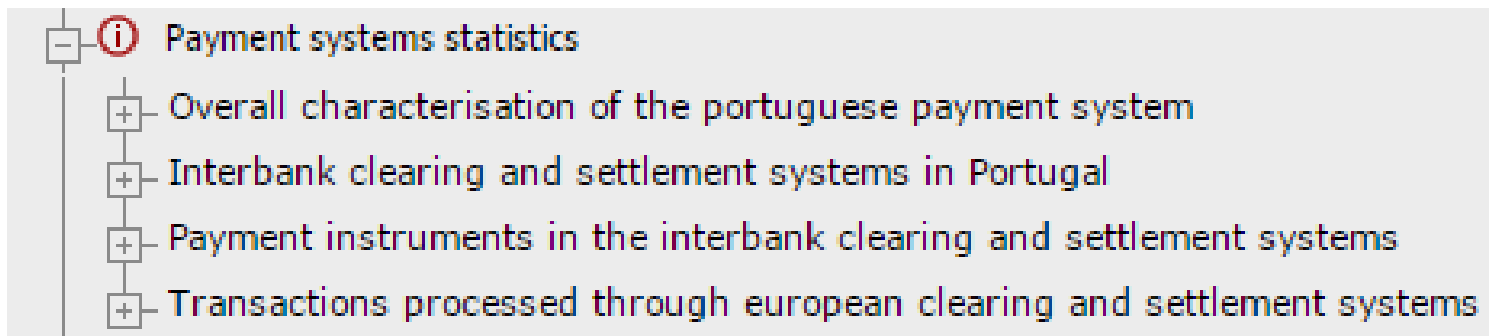
- The *Banco de Portugal* publishes statistics on:





## How can the *Banco de Portugal* help policy-makers in addressing this challenge?

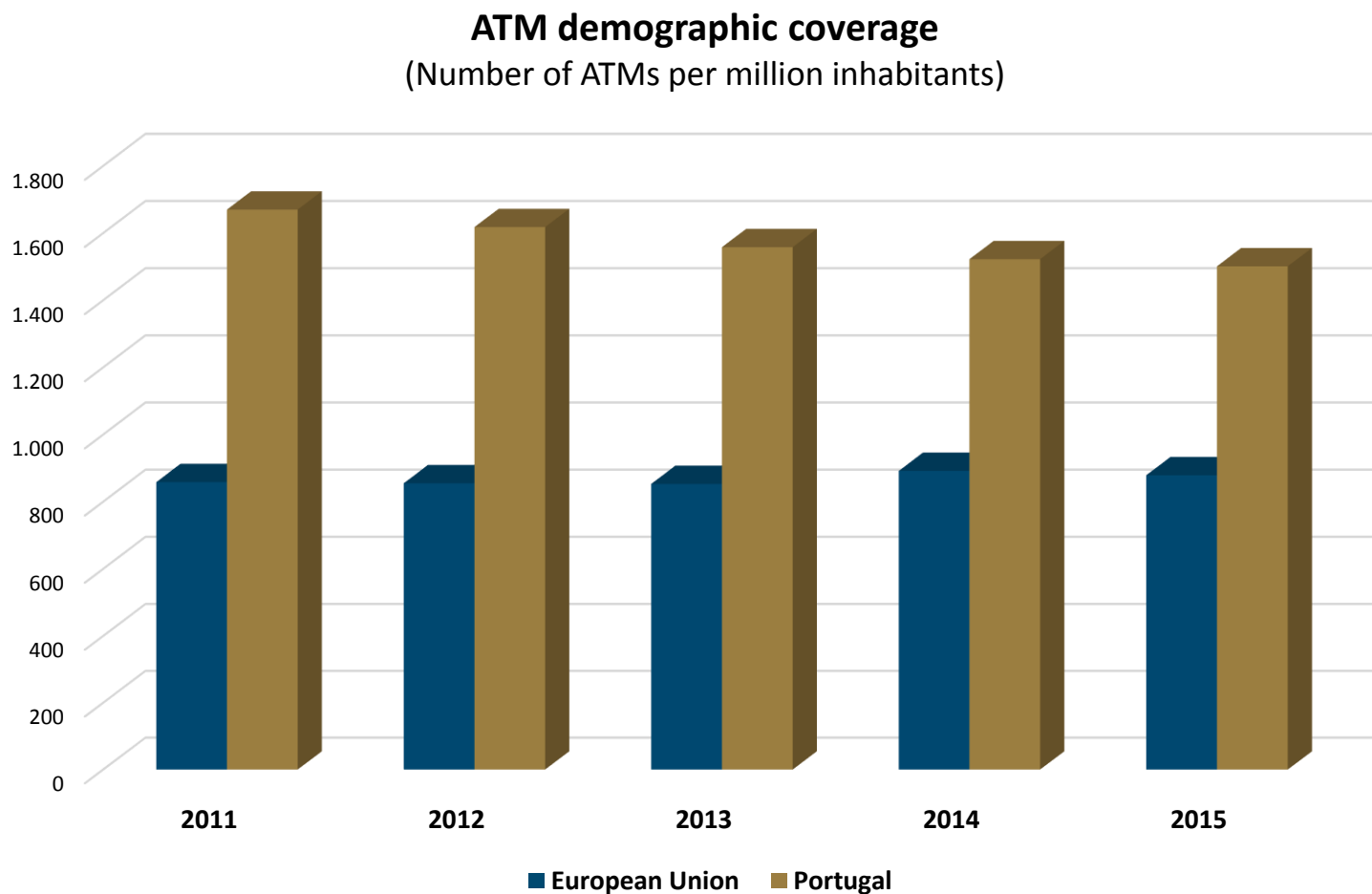
- The *Banco de Portugal* publishes statistics on:



These data can be used to monitor the provision of financial services in Portugal



## The evolution of the provision of financial services in Portugal

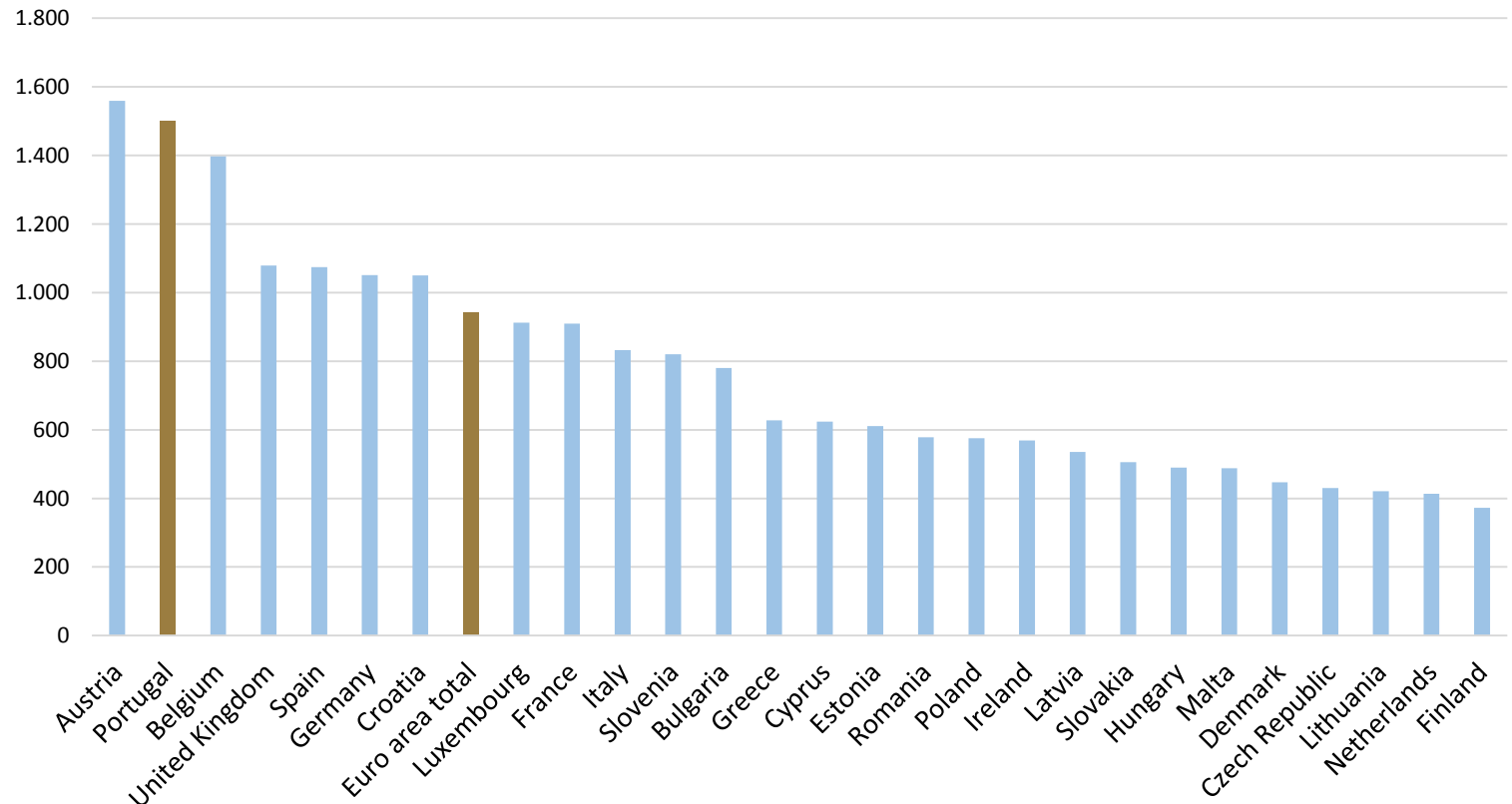




## The evolution of the provision of financial services in Portugal

### ATM demographic coverage in 2015

(Number of ATMs per million inhabitants)





## And why is that? ... The role of MULTIBANCO

- A sophisticated network shared by every bank operating in the economy that fully integrates ATMs and EFTPOS
- In addition to cash operations, it offers a wide range of more than 60 different services (e.g., money transfers, payments for utilities bills, payments to the State and the Social Security, mobile phone top-ups, transport ticketing, event booking and ticketing, ...)

**“Portugal’s ATMs are among the most high functional of Western Europe. A wide range of unusual facilities are also available (...). ATMs are also advanced in terms of hardware features.”**

**RETAIL BANKING  
RESEARCH BULLETIN**

**“Portugal’s MULTIBANCO system is acknowledged to be one of the most sophisticated and comprehensive in the world.”**

**EUROBUSINESS**

**“... the example of the Portuguese system, SIBS, suggests that greater innovation may arise out of a system where all the processing for a number of payment methods is carried out centrally.”**

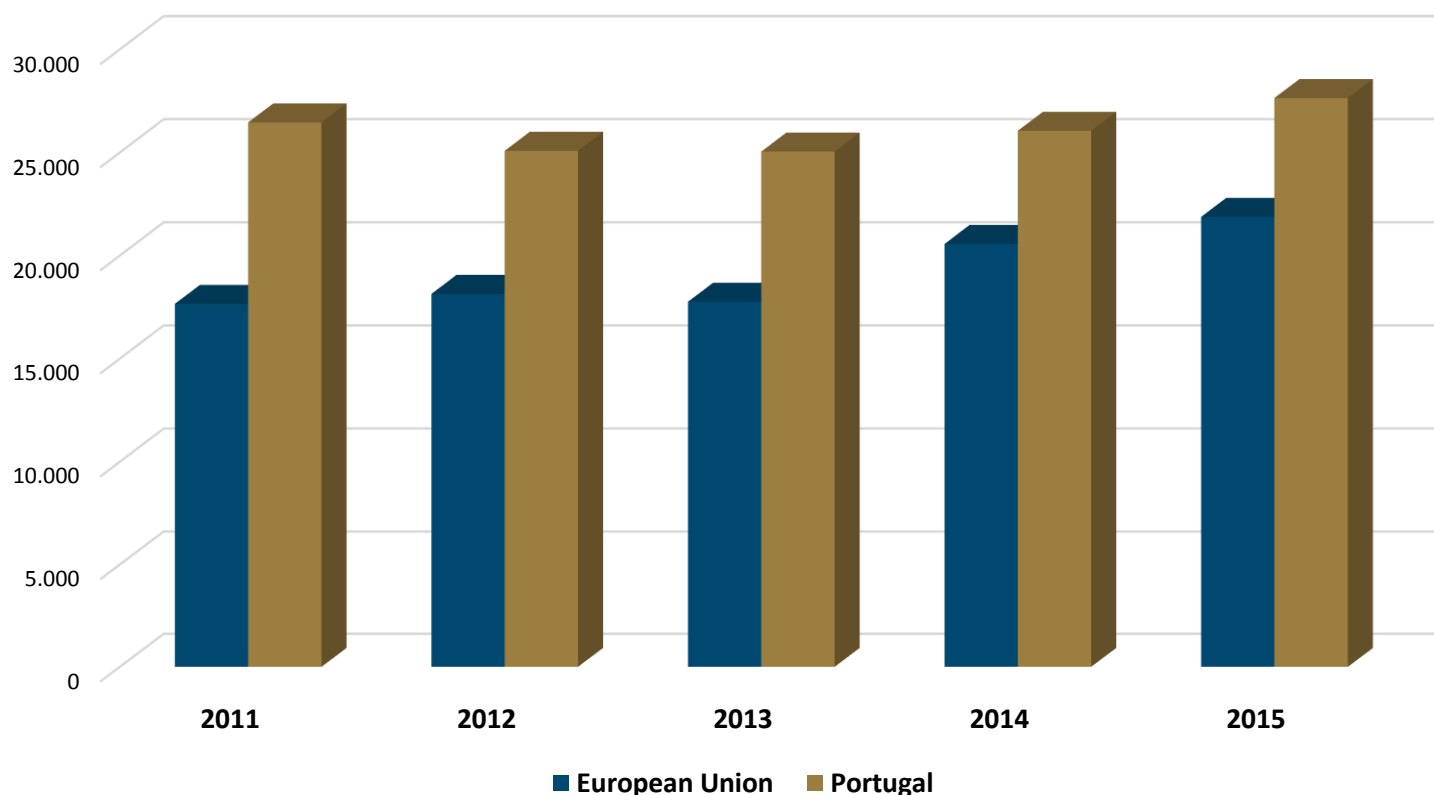
**THE OFFICE OF FAIR TRADING**





## The evolution of the provision of financial services in Portugal

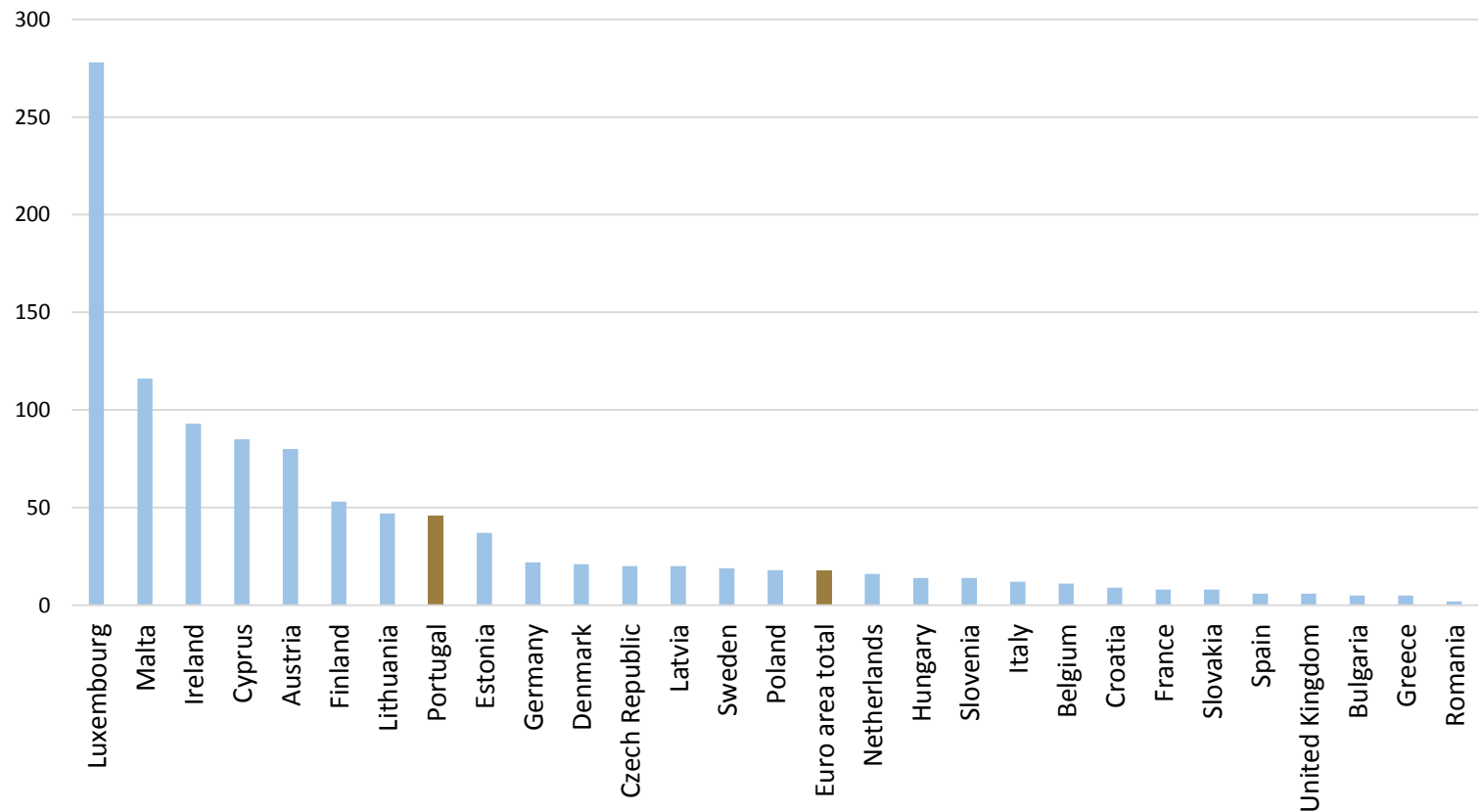
**POS demographic coverage**  
(thousands per million inhabitants)





## The evolution of the provision of financial services in Portugal

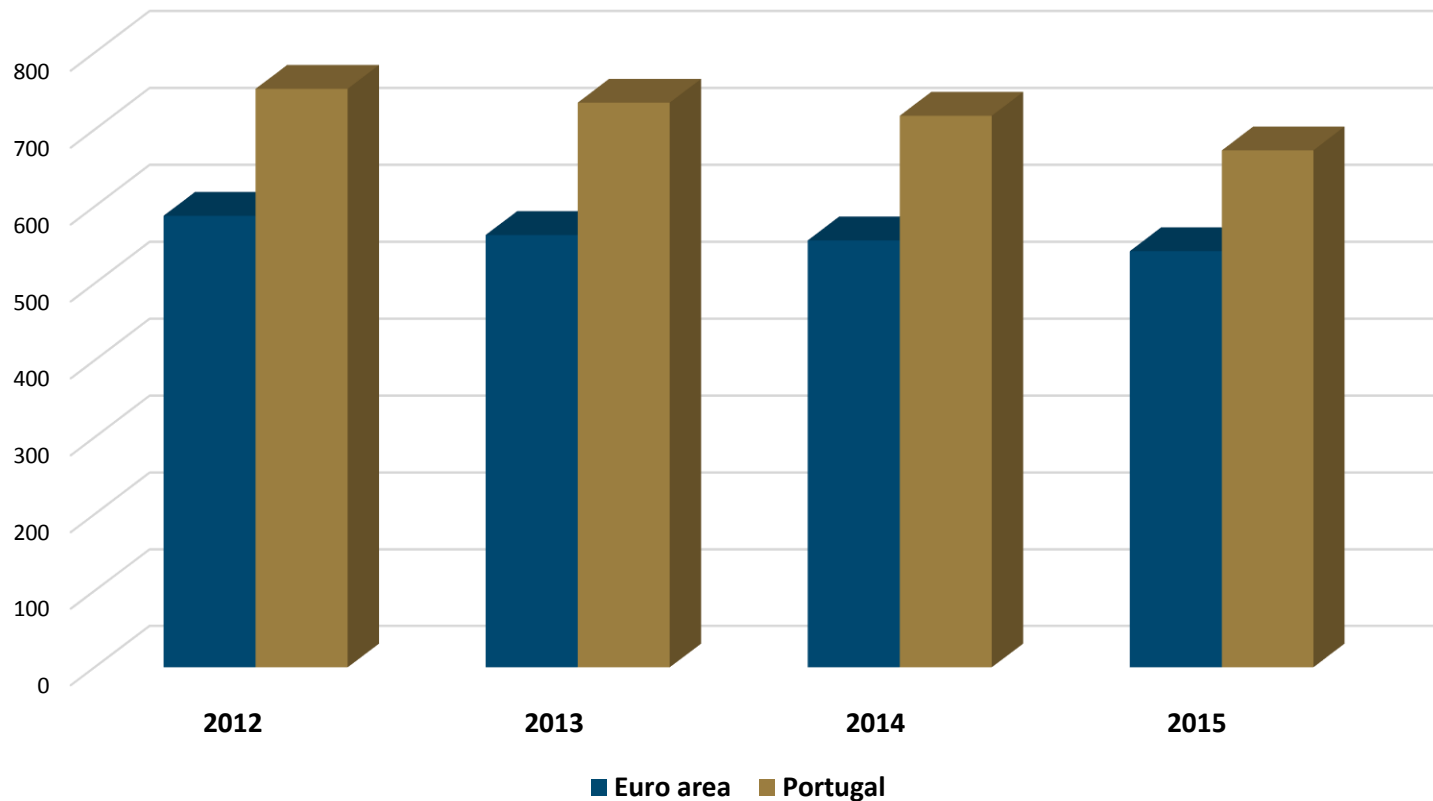
Number of institutions offering payment services  
per million inhabitant in 2015





## The evolution of the provision of financial services in Portugal

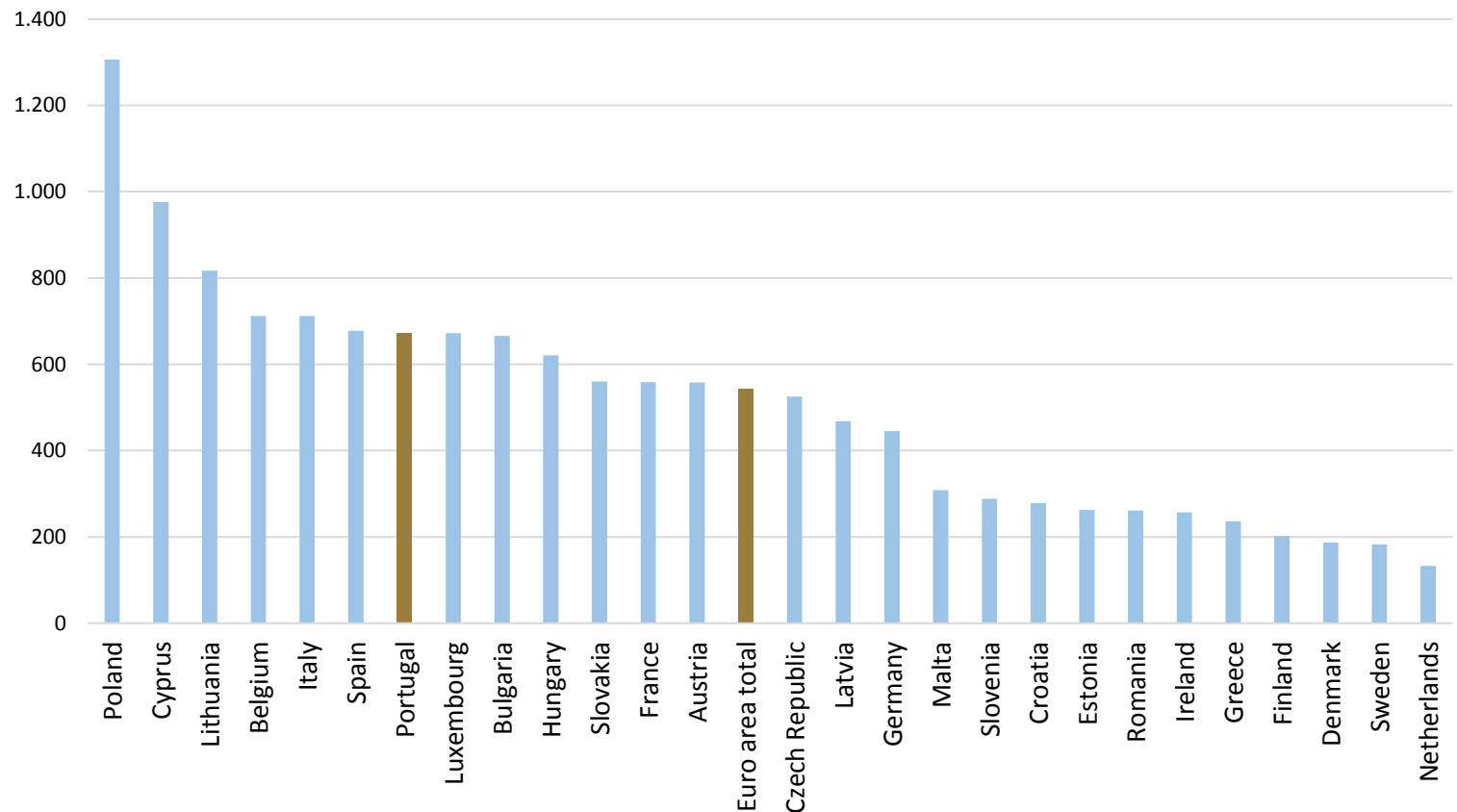
Number of offices of institutions offering payment services  
per million inhabitants





## The evolution of the provision of financial services in Portugal

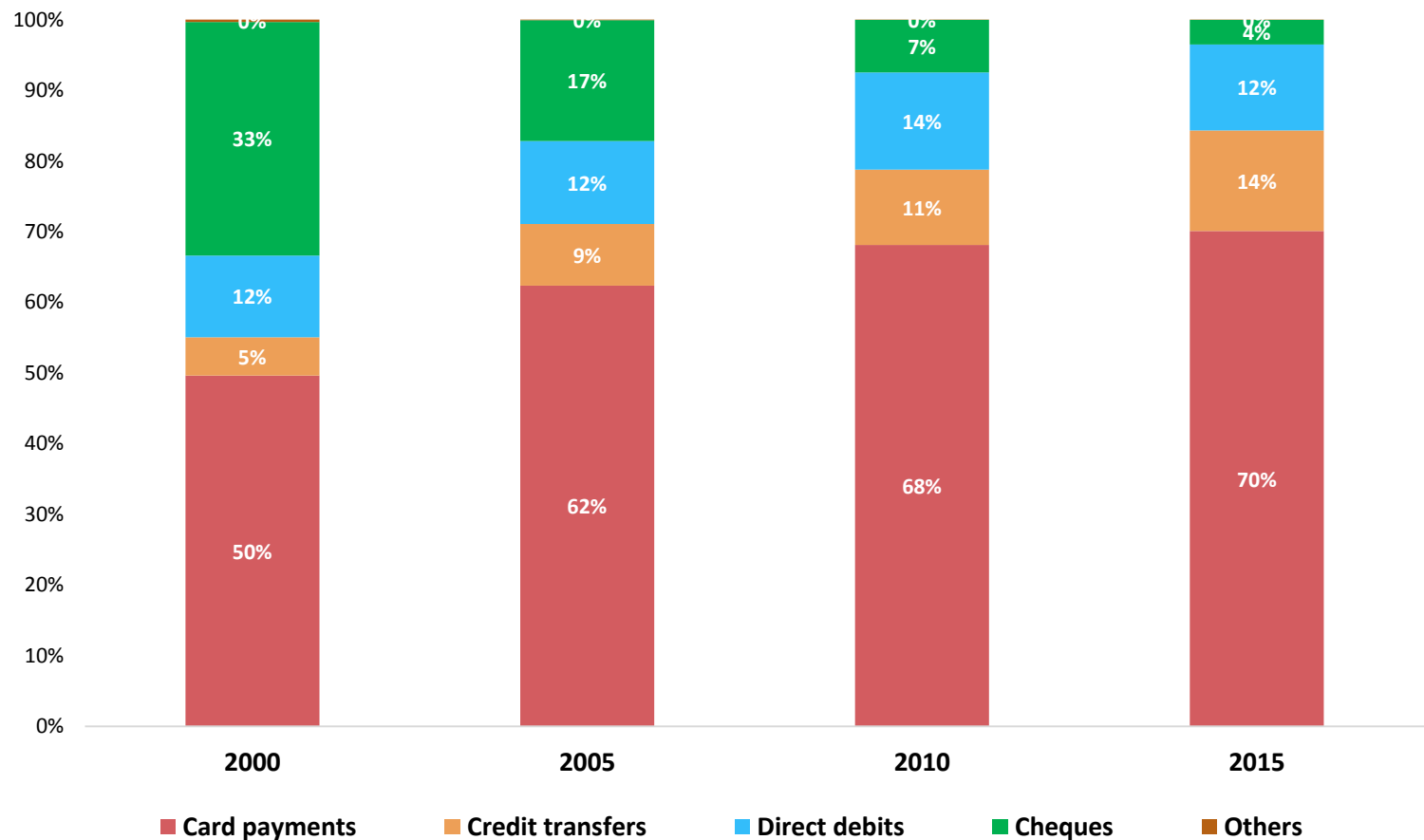
Number of offices of institutions offering payment services  
per million inhabitant in 2015





## The evolution of the provision of financial services in Portugal

Transactions per type of payment service: Portugal 2000-2015





## The role of the *Banco de Portugal* as a provider of financial services

### Banking conduct supervision

- Advertising
- Complaints



**Bank Customer Portal**  
[cliente bancario.bportugal.pt](http://cliente bancario.bportugal.pt)





# The role of the *Banco de Portugal* as a provider of financial services

## The Central Credit Register (CCR)

- Database managed by *Banco de Portugal*. Registers information supplied by reporting institutions (institutions that grant loans) concerning the credit liabilities of their clients (individuals and organizations)
- Main purpose: To support credit institutions when evaluating the risk of granting credit to the economic agents, allowing them to obtain information on the aggregated indebtedness of their clients or any individual or organization asking for a loan.
- Data reported include, *inter alia*: Loans outstanding granted to households and corporations by type and purpose; potential loans and securitised loans; type and value of collateral or guarantee; original and residual maturity; credit defaults and the number of days the loan is past due; country where the loan was granted



## The Portuguese Central Credit Register – some figures



**23 Million**  
records monthly



**7,1 Million**  
private individuals



**448 Thousand**  
corporations

**188**  
Reporting Agents



**15**  
different types of loans



**50€**  
threshold

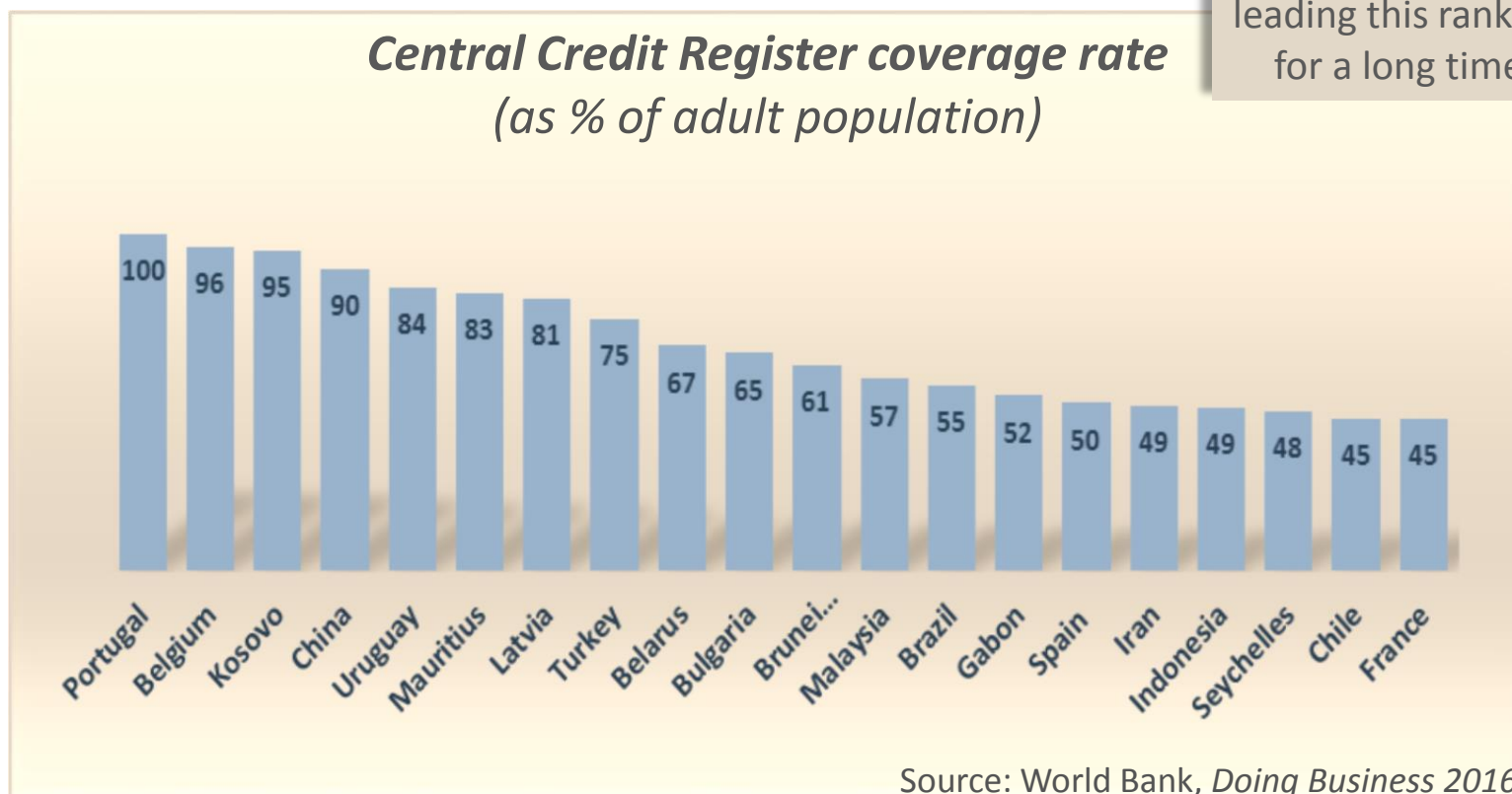


6 Working Days deadline for reporting 16h/7 days a week





## The Portuguese Central Credit Register – Some figures



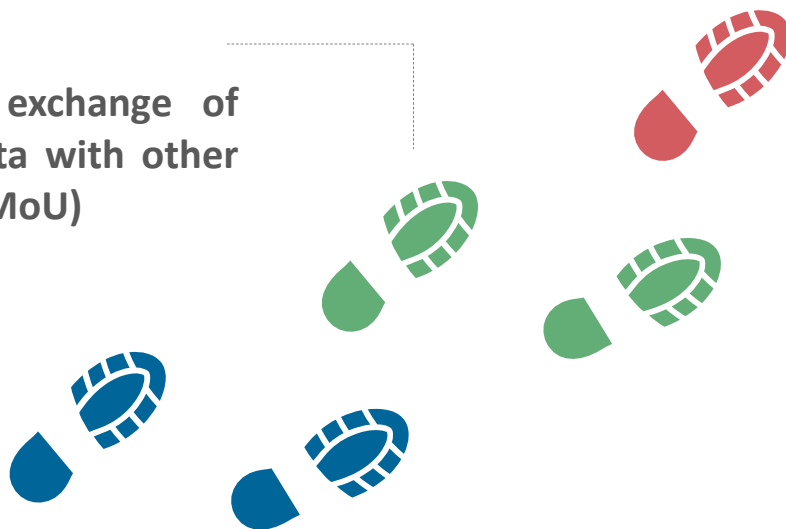
Portugal has been leading this ranking for a long time



## The Portuguese CCR – The way forward

2005

Bilateral exchange of credit data with other EU CCR (MoU)



2018

New system (on a loan-by-loan basis; AnaCredit)

1978

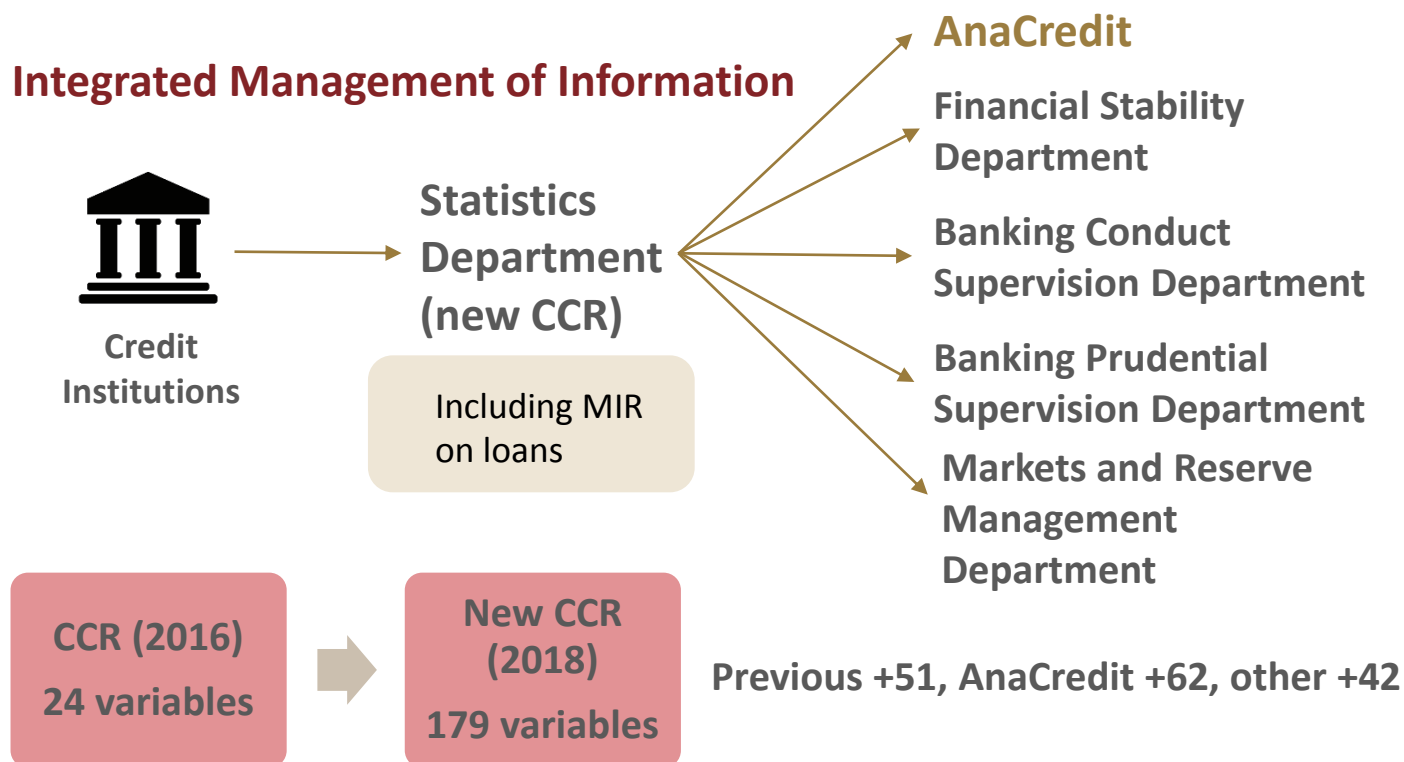
Beginning of CCR (on a debtor-by-debtor basis)





## The Portuguese CCR – The way forward

### Transmission of information on loans – New CCR (2018)





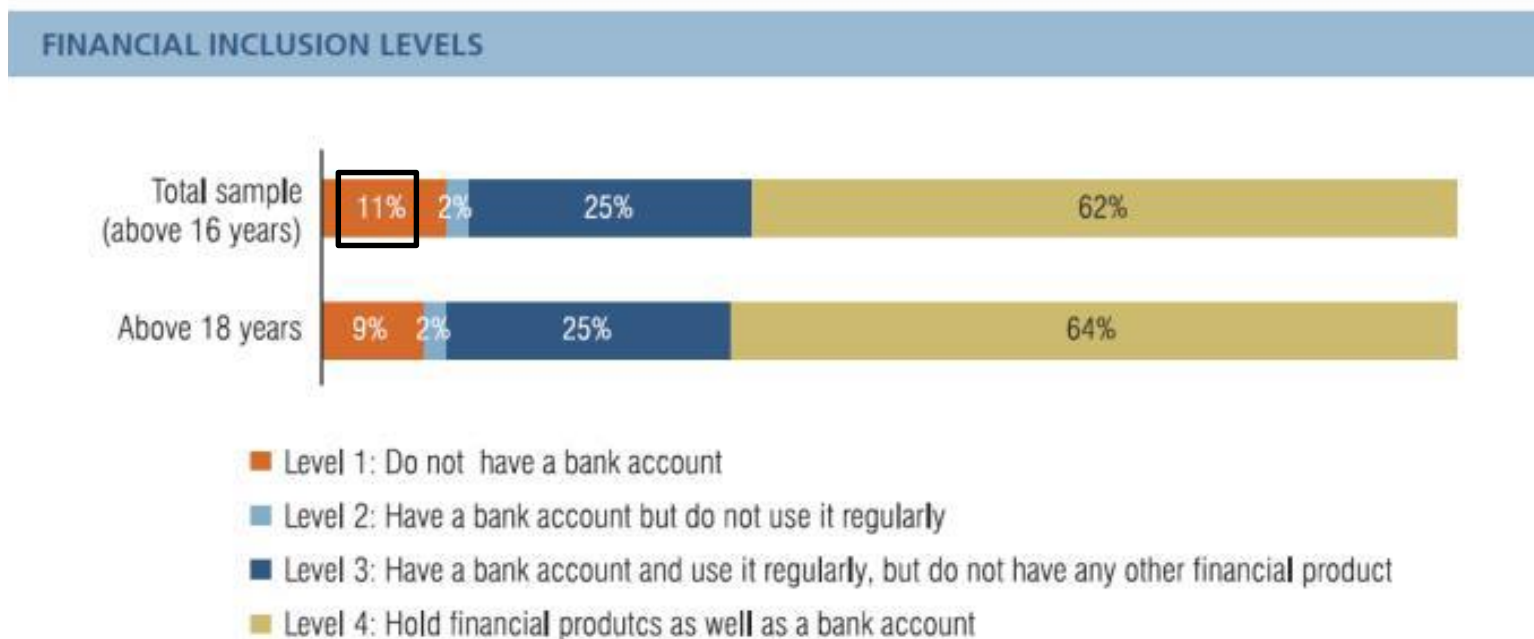
## Measuring financial inclusion in Portugal

- To acquire information on the financial attitudes, behaviours and on the levels of understanding of financial matters by the population, *Banco de Portugal* conducted a survey on the financial literacy of the Portuguese population





## Measuring financial inclusion in Portugal – Results of the survey

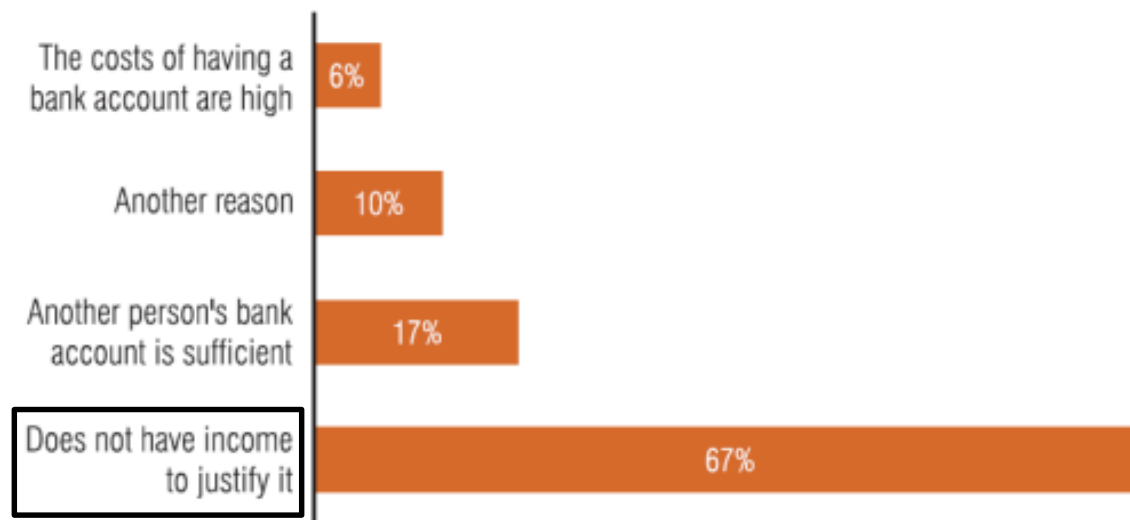


**11% of the Portuguese population did not have a bank account in 2010**



## Measuring financial inclusion in Portugal – Results of the survey

### REASON FOR NOT HAVING A BANK ACCOUNT



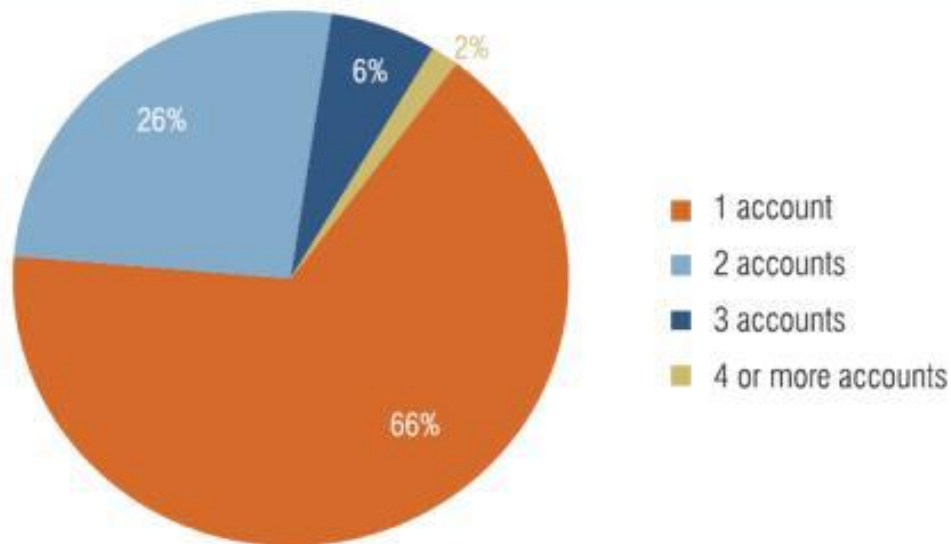
**The main reason for not having a bank account was not having enough income to justify it**



## Measuring financial inclusion in Portugal – Results of the survey

- For the individuals who have a bank account...

HOW MANY CURRENT ACCOUNTS DO YOU HOLD?

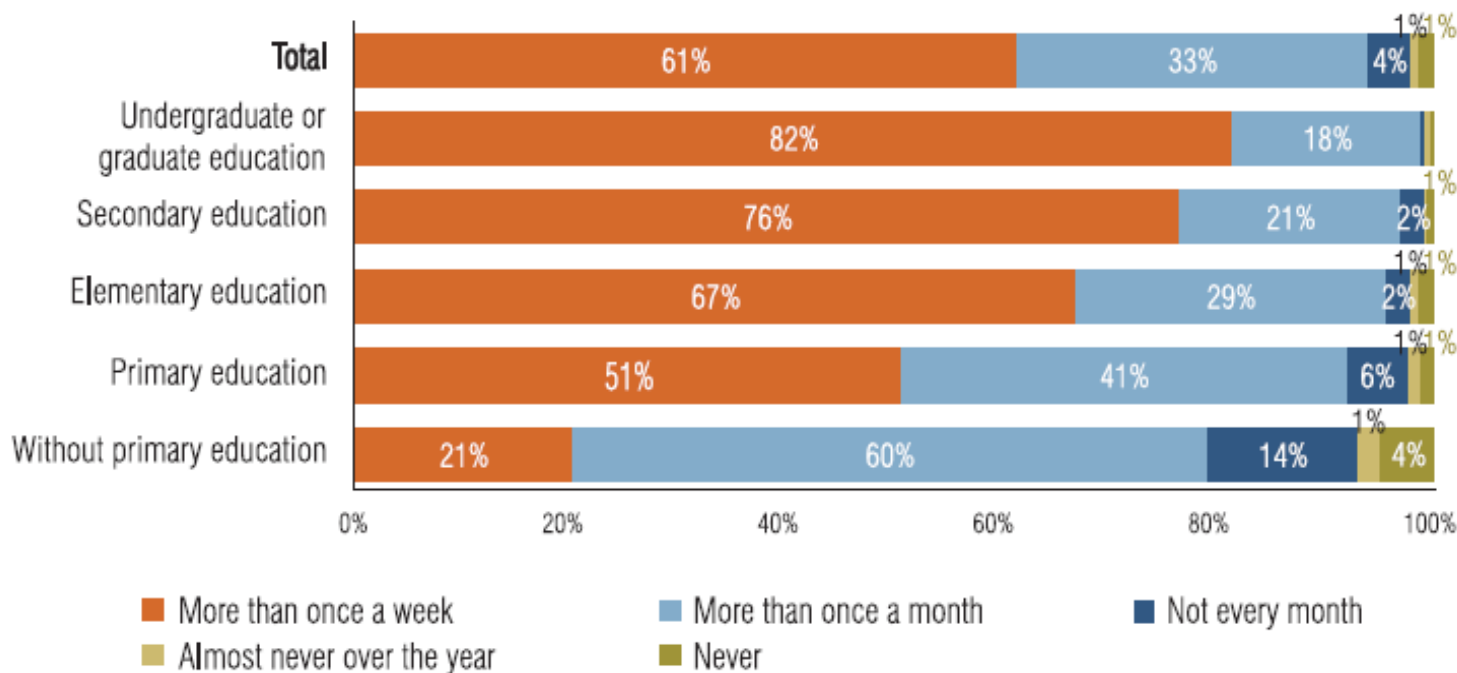




## Measuring financial inclusion in Portugal – Results of the survey

- For the individuals who have a bank account...

### FREQUENCY OF USE OF THE BANK ACCOUNT



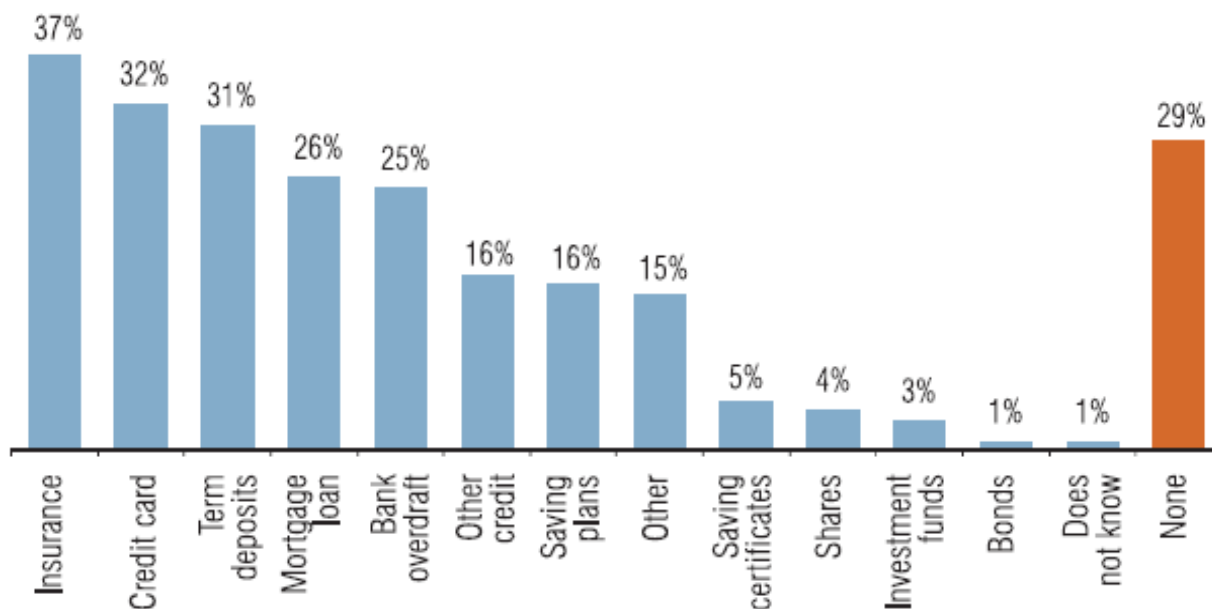




## Measuring financial inclusion in Portugal – Results of the survey

- For the individuals who have a bank account...

### WHAT FINANCIAL PRODUCTS DO YOU HOLD?

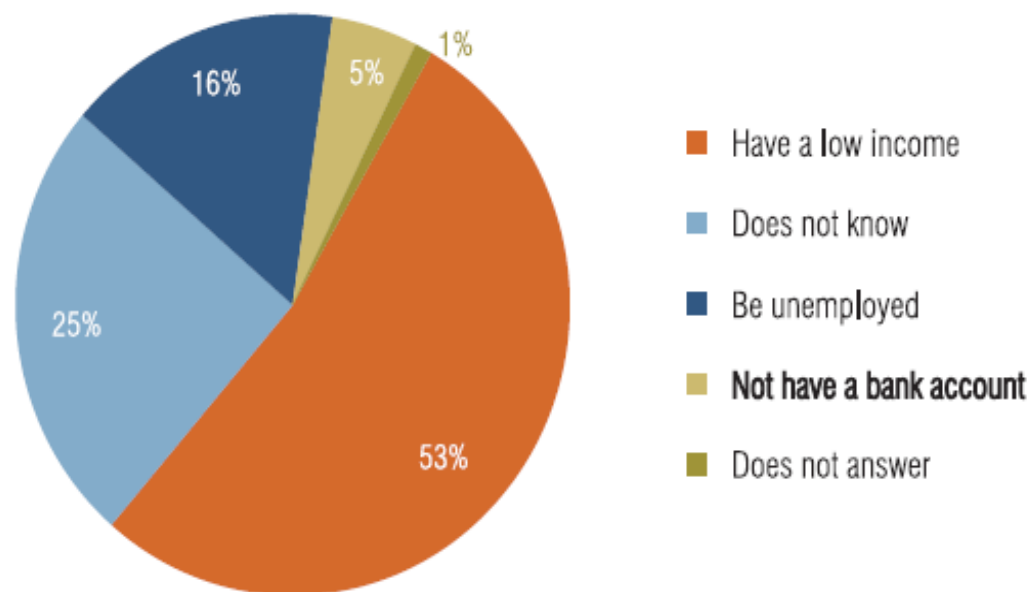




## Measuring financial inclusion in Portugal – Results of the survey

- **Minimum banking services:** An initiative taken by *Banco de Portugal* to promote financial inclusion

### WHAT IS REQUIRED IN ORDER TO ACCESS THE MINIMUM BANKING SERVICES?

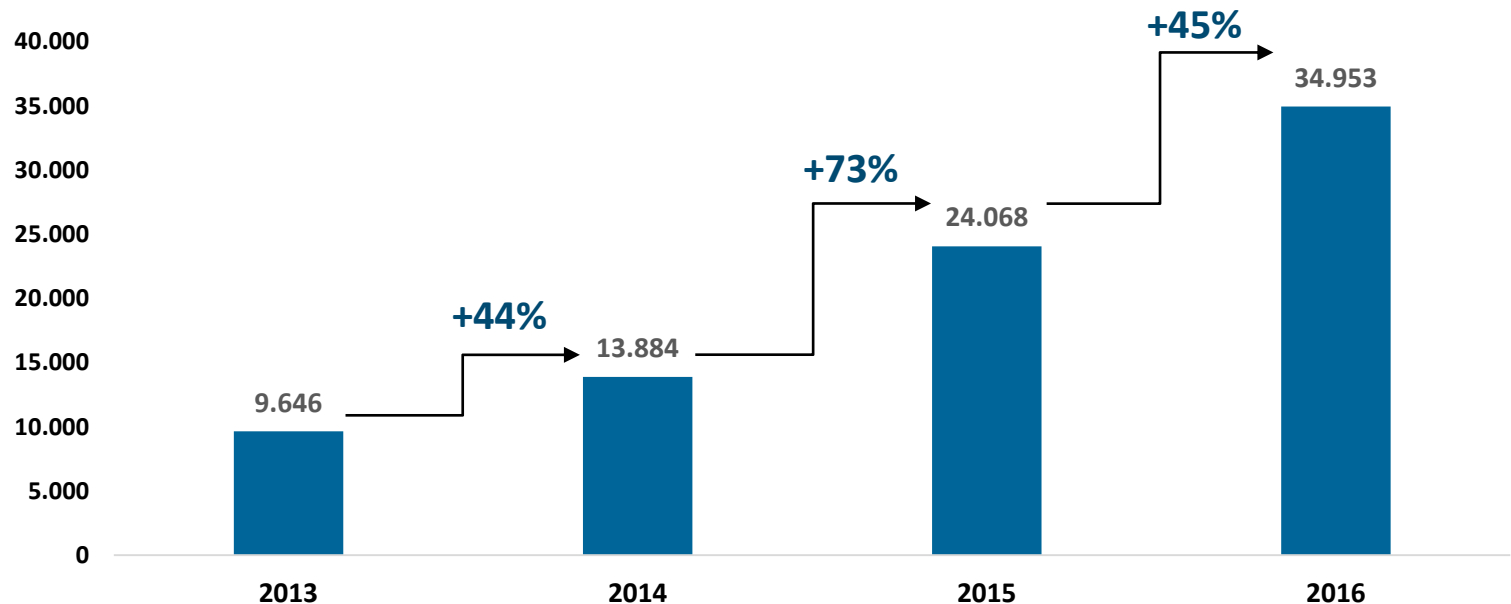




## Measuring financial inclusion in Portugal – Results of the survey

- Minimum banking services accounts have more than tripled since 2013!

Evolution of the number of minimum banking services accounts





## Conclusions

- **Payment statistics** are increasingly **more relevant** in evaluating the degree of financial inclusion of an economy and, thus, **critical for policymakers and central banks**
- **The development of comprehensive central credit registers**, such as the Portuguese CCR, are key to **foster financial inclusion**, by supporting credit institutions in the assessment of credit risk
- Central banks also play an important role as **conduct supervisors**, by **advertising best practices** and **managing complaints** that encourage credit institutions to promote financially inclusive actions
- Despite that the **current results are encouraging**, the challenges ahead demand that policymakers and central banks keep **financial inclusion high in the agenda**



BANCO DE PORTUGAL  
EUROSYSTEM

# Thank you for your attention!



[jcmatos@bportugal.pt](mailto:jcmatos@bportugal.pt)