



Irving Fisher Committee on
Central Bank Statistics

BANK FOR INTERNATIONAL SETTLEMENTS

IFC Workshop on Financial Inclusion Indicators
Co-hosted by Bank Negara Malaysia
5 – 6 Nov 2012, Sasana Kijang, Kuala Lumpur

Towards a global financial inclusion data infrastructure¹

Djibril M Mbengue, Consultative Group to Assist the Poor, World Bank

¹ This presentation was prepared for the workshop. The views expressed are those of the author and do not necessarily reflect the views of the BIS or the central banks and other institutions represented at the workshop.



Advancing financial access for the world's poor

Towards a Global Financial Inclusion Data Infrastructure

**Djibril M. Mbengue
Microfinance Specialist
November 5, 2012**

Raul Hernandez-Coss – An Inspiration

“Data could be a means to put the cards on the table; data are less controversial than policies and can get policy makers and regulators to start talking.”

GPI Data and Measurement Sub-group

Context:

Global Partnership for Financial Inclusion (GPI)

- ❑ Created in 2010
- ❑ Three sub-groups, and one in formation
- ❑ Implementation partners (AFI, CGAP, IFC, and the World Bank)

Financial Inclusion Data and Measurement Sub-group

- ❑ Co-chairs: Australia, Mexico, South Africa
- ❑ Key achievements:
 - ✓ G-20 Basic Set of Financial Inclusion Indicators developed and adopted by Leaders
 - ✓ Publication: “Financial Inclusion Data: Assessing the Landscape and Country-Level Target Approaches

Financial inclusion

DEFINITION

“Financial inclusion” refers to a state in which all working age adults have effective access to credit, savings, payments, and insurance from formal service providers.

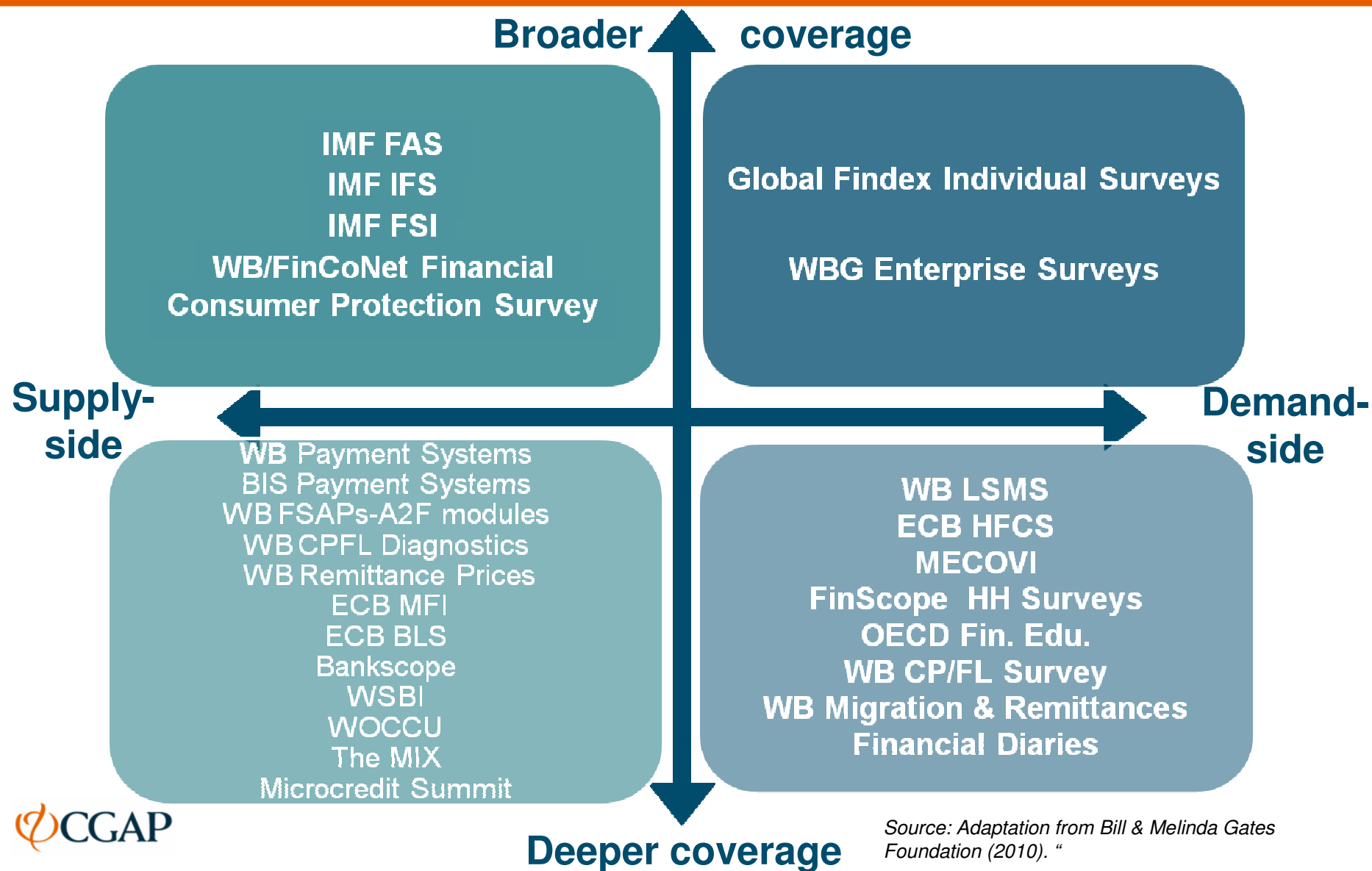
THREE DIMENSIONS

ACCESS

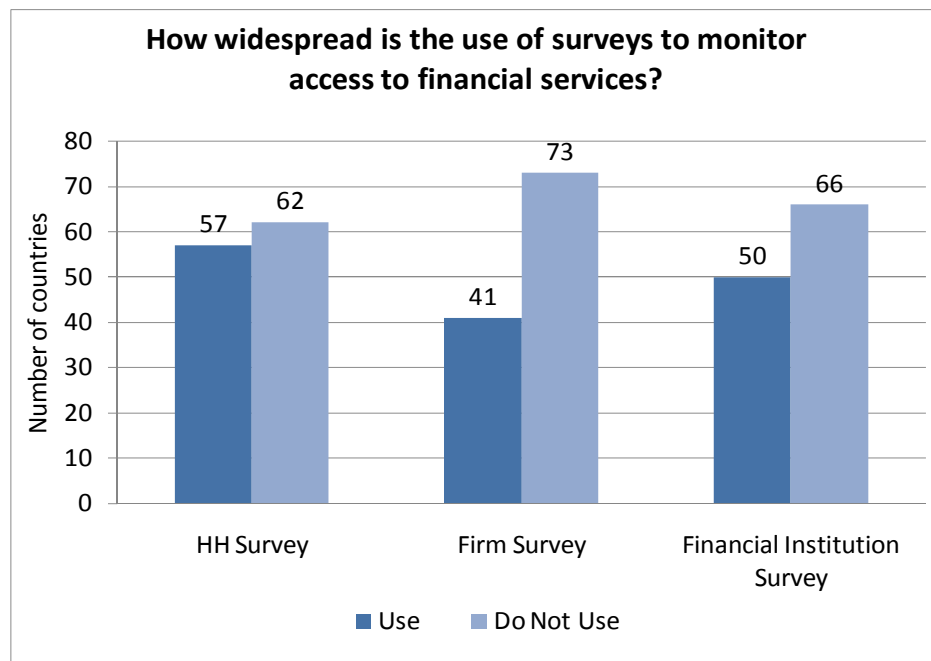
USAGE

QUALITY

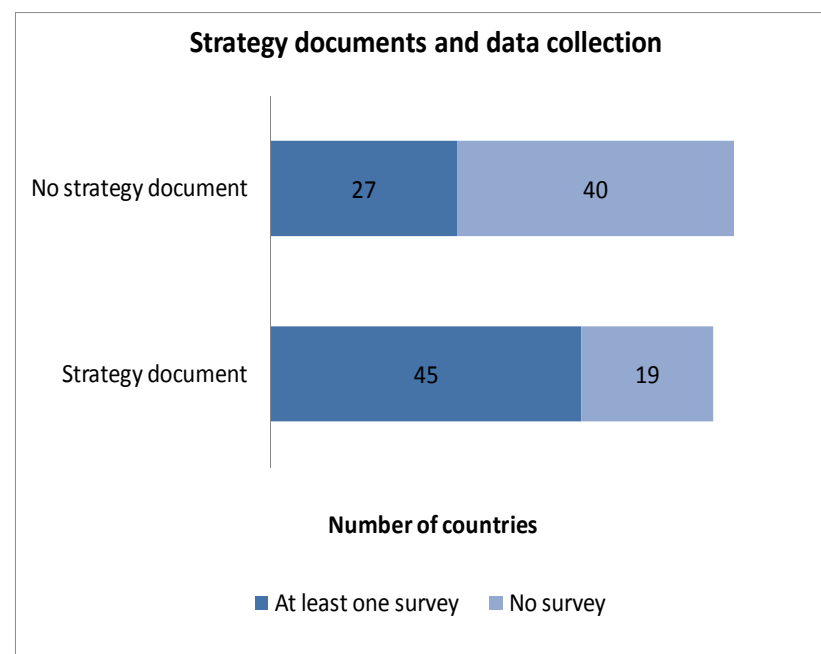
Robust financial inclusion data architecture is emerging



Widespread use of surveys at country level is correlated with use national inclusion strategies



Source: CGAP/WBG Financial Access database. Based on responses by 120 countries.



Note: CGAP/WBG Financial Access database. Based on responses from 131 countries.

The G20 Basic Set of Financial Inclusion Indicators

Categories		Indicators	Existing Global / Multi-country Source	Dimension of Financial Inclusion Measured
1	Formally banked adults	% of adults with an account at a formal financial institution	Global Findex	Usage
		Number of depositors per 1,000 adults OR number of deposit accounts per 1,000 adults	IMF FAS	
2	Adults with credit by regulated institutions	% of adults with at least one loan outstanding from a regulated financial institution	Global Findex	Usage
		Number of borrowers per 1,000 adults OR number of outstanding loans per 1,000 adults	IMF FAS	
3	Formally banked enterprises	% of SMEs with an account at a formal financial institution	WBG Enterprise Surveys	Usage
		Number of SMEs with deposit accounts/number of deposit accounts OR number of SME depositors/number of depositors	IMF FAS	
4	Enterprises with outstanding loan or line of credit by regulated institutions	% of SMEs with an outstanding loan or line of credit	WBG Enterprise Surveys	Usage
		Number of SMEs with outstanding loans/number of outstanding loans OR number of outstanding loans to SMEs/number of outstanding loans	IMF FAS	
5	Points of service	Number of branches per 100,000 adults	IMF FAS	Access

Supply Side: IMF Financial Access Survey

First launched at IMF/WB Annual Meetings in Istanbul, 2009

IMF FAS – 2012 and beyond

- Only global supply-side data source with comparable data on basic indicators of financial access and usage (187 economies)
- G20 Leaders in Cannes 2011 endorsed a recommendation for IMF to continue and improve FAS
- 2012 FAS is conducted by the IMF, with IFC and CGAP support
- 2012 FAS questionnaire enhancements
 - ✓ time series for credit unions, financial cooperatives, and microfinance institutions
 - ✓ separate identification of SMEs, households, life insurance, and non-life insurance companies



<http://fas.imf.org>

Demand Side: Global Index & Enterprise Surveys

Enterprise Surveys

- Measures the use of financial services by small, medium, and large enterprises
- Conducts firm-level surveys of a representative sample of an economy's private sector
- Surveyed over 130,000 companies in 135 economies

<http://www.enterprisesurveys.org>

Global Financial Inclusion Database (Global Index)

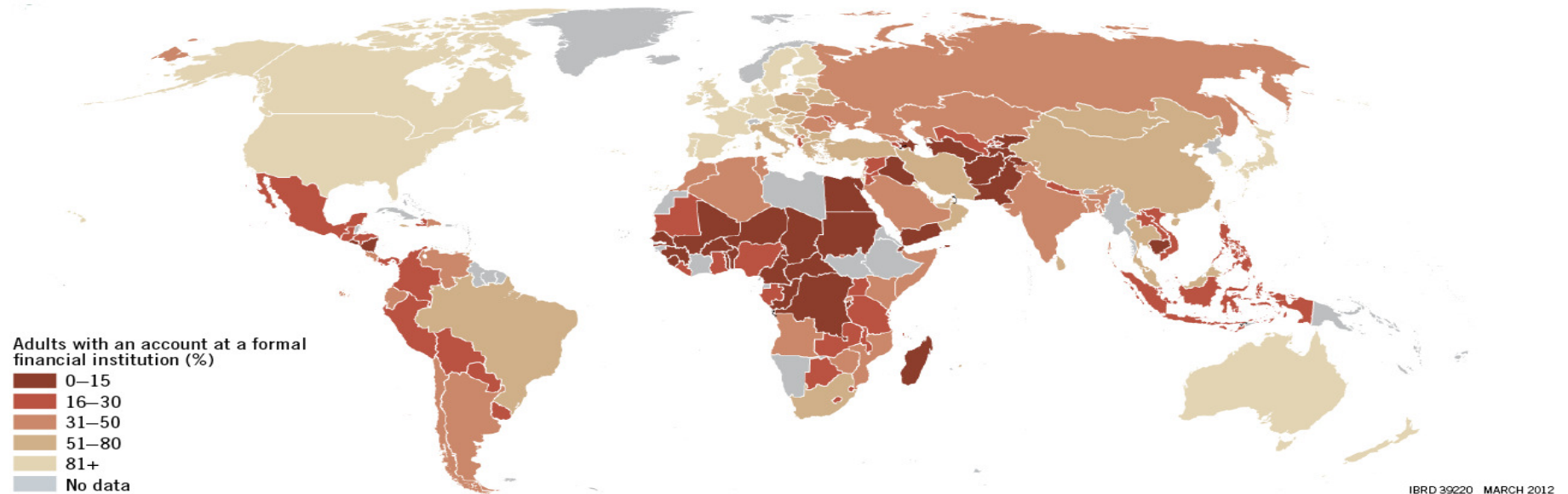
- Measures the use of formal and informal financial services by individuals through the Gallup World Poll Survey
- Surveyed in 2011 over 150,000 individuals from 148 countries on payments, savings, credit and insurance

<http://www.worldbank.org/globalfinde>

[X](#)

Formally Banked Adults

Account penetration around the world



Source: Demirguc-Kunt and Klapper 2012.

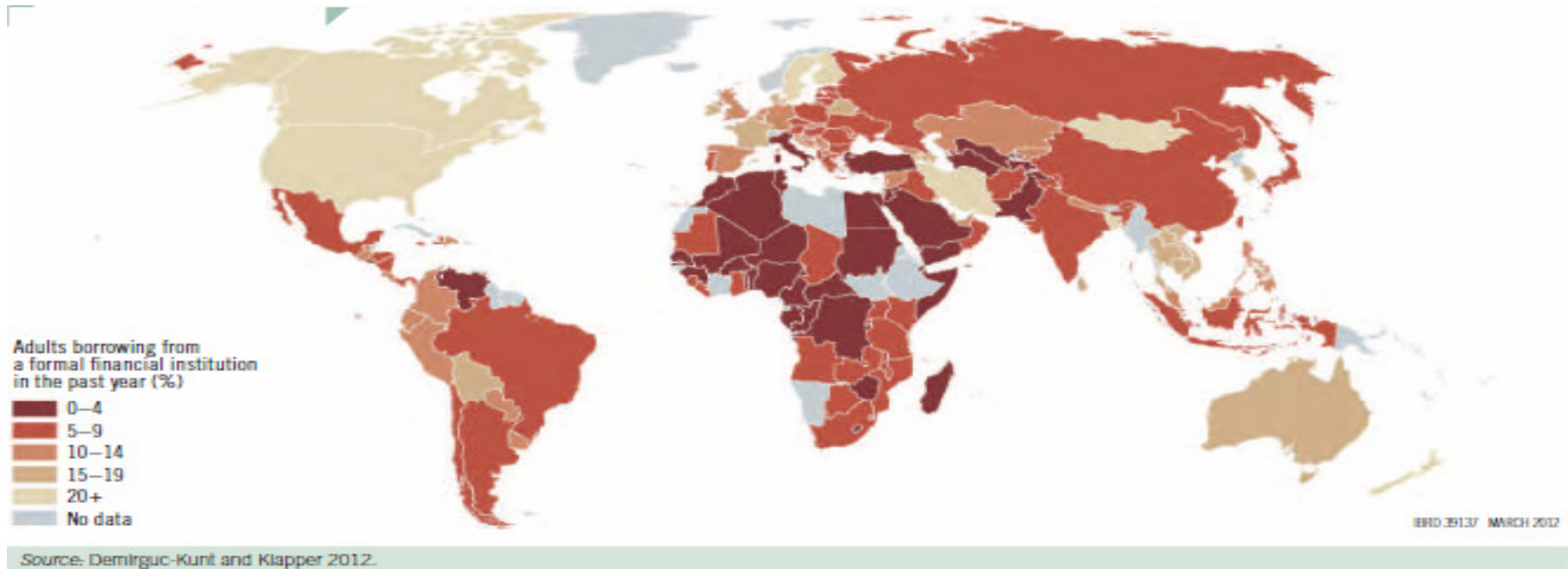
- 41% of adults in developing economies are banked—compared to 89% of adults in high-income economies.
- 37% of women in developing economies are banked—compared to 46% of men
- The lowest quintile of adult income earners in developing countries are less than half as likely to have an account than those in the highest quintile.



* The IMF's FAS provides other measures of Formally Banked Adults: the number of depositors per ,1000 adults OR the number of deposit accounts per 1,000 adults

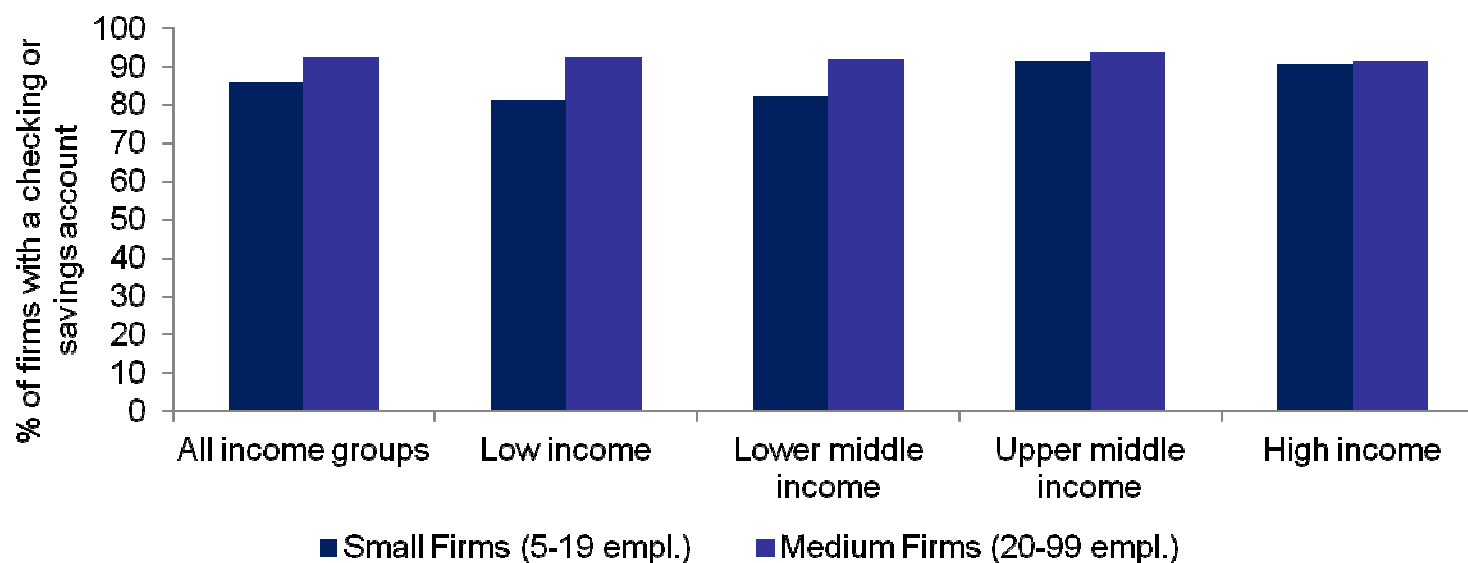
Adults with Credit by regulated institutions

Origination of New Formal Loans around the World



- 8% of adults in developing economies borrowed money from a formal lender in the past year (excluding credit card debt) —compared to 14% of adults in high-income economies

Formally Banked Small & Medium Enterprises



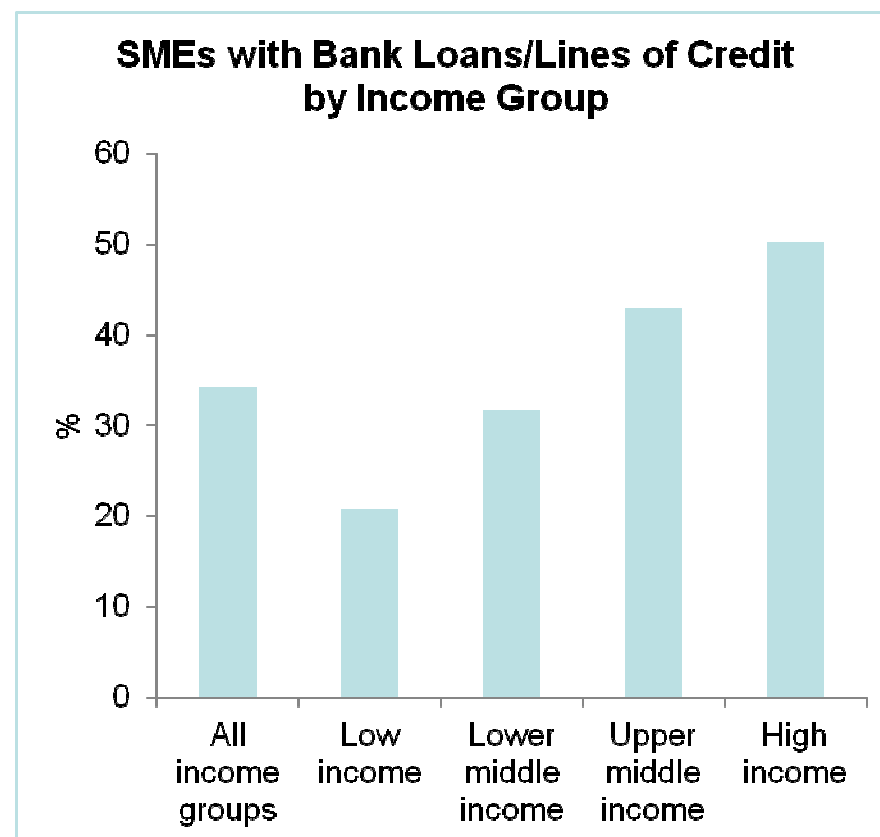
- The Enterprise Survey data shows that 87% of SMEs (5-99 employees) have a checking or savings account at a formal financial institution
- 86% of small firms (5-19 employees) have an account, compared to 93% of medium firms (20-99 employees)
- 91% of small firms in Latin America and the Caribbean have an account, compared to 77% of small firms in South Asia



* The IMF's FAS provides other measures for formally banked enterprises : the number deposit accounts by SMEs (% of number of deposit accounts by non-financial corporations) OR number of SME depositors (% of number of non-financial corporation depositors)

Small & Medium Enterprises with a Bank Loan or Line of Credit (L/C)

- The Enterprise Survey data shows that 34% of SMEs (5-99 employees) have a bank loan or L/C
- 21% of SME's in Sub-Saharan Africa have a bank loan or L/C, compared to 36% of SME's in East Asia and the Pacific
- 35% of firms with a female senior manager has a bank loan or L/C, compared to 38% of firms with a male senior manager

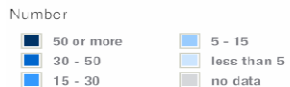
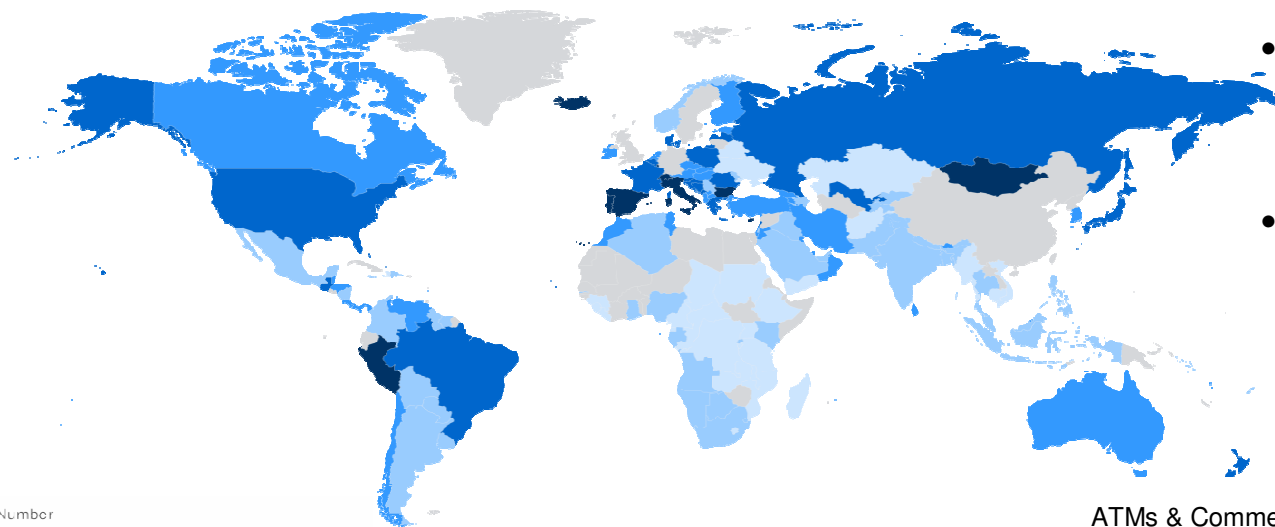


Points of Service

IMR Data Mapper

Commercial bank branches per 100 FBT adults (2011)

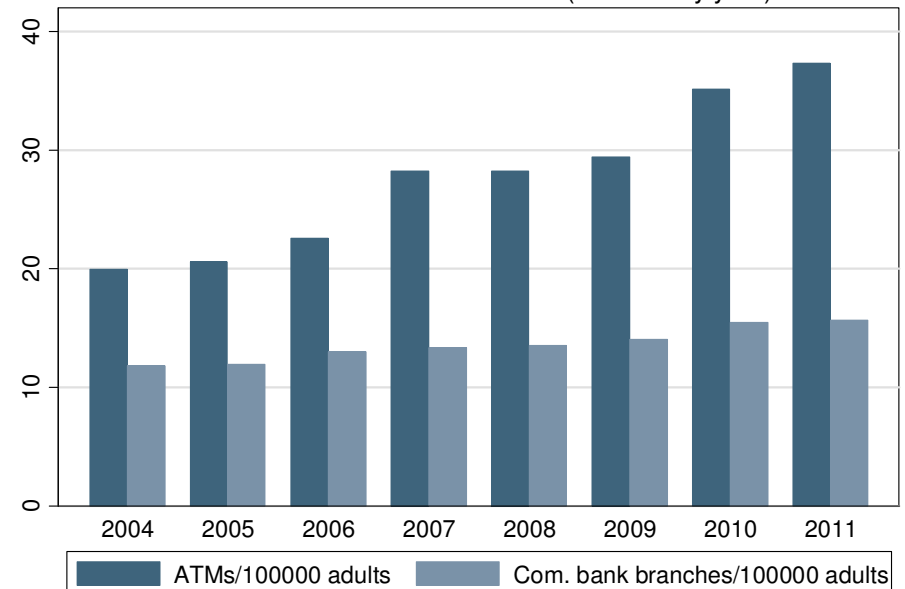
Source: IVF: Financial Access Survey (FAS)



- Low-income countries have 3.3 commercial bank branches and 3.9 ATMs per 100,000 adults in 2011 – compared to 47 commercial bank branches and 18 ATMs per 100,000 adults for the world as a whole
- These numbers were 2.9 and 0.3 for branches and ATMs, respectively, in 2004 for low-income countries.

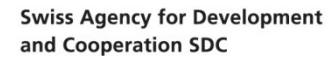
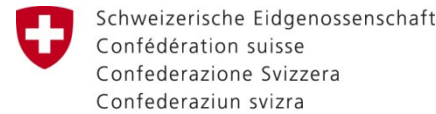
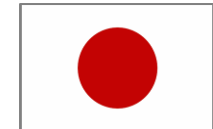
- Physical outreach of banks is improving on average.
- ATM networks are expanding faster than commercial bank branches.

ATMs & Commercial Bank Branches (medians by year)



The journey continues... a few priorities

- ✓ **Country-level data**
- ✓ **Harmonized definitions and standardized methodologies.**
- ✓ **Data from a range of providers, beyond commercial banks.**
- ✓ **Establishing and using financial identify.**
- ✓ **Detailed data on customer segments.**
- ✓ **Firm data, especially that of micro, very small, and small enterprises.**
- ✓ **Open data.**



Advancing financial access for the world's poor

www.cgap.org

www.microfinancegateway.org

