



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

**Comparing financial inclusion across countries
based on FINSCOPE survey data for Africa¹**

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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.

Comparing financial inclusion across countries based on FINSCOPE survey data for Africa (SADC Region)



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Malaysia, 6 November 2012



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Disclaimer

This presentation based upon and limited to the findings from different surveys conducted by FinMark Trust in the SADC region, based on FinScope Studies 2009 - 2011.

The reports of the individual country surveyed are available on www.finscope.co.za



Agenda

1. About FinMark Trust
2. About Finscope
3. Empirical evidence
4. Comparing financial inclusion indicators
5. Findings and milestones on financial inclusion in Mozambique



About FinMark Trust

- Not-for-profit Independent trust based in Johannesburg established in March 2002;
- Funded primarily by UKAID from the United Kingdom's Department for International Development (DFID) through its Southern Africa Office;
- Main objective: is "making financial markets work for the poor by promoting financial inclusion and regional financial integration".



About FinMark Trust

- In pursuit of its purpose, FinMark Trust supports institutional and organisational development which increases access to financial services in Africa, by conducting research to identify the systemic constraints that prevent financial markets from reaching out to poor consumers, and by advocating for change on the basis of research findings.



FINSCOPE

In a nutshell, Finscope *is "a research tool developed by FinMark Trust"*

- It is a nationally representative study of individuals' perceptions on financial services and issues which creates insight to how people source their income and manage their financial lives.
- On financial inclusion, FinScope looks at the use of, and demand for financial services, including informal products;



FINSCOPE

- By means of questionnaires and interviews covering attitudes, behaviors, quality of life factors and consumption patterns, identify factors that impede and facilitate effective access to financial services;
- Research conducted against the same parameters aiming to provide a basis for comparison.



Objectives:

- Measure the levels of access and usage of financial services and describe its landscape;
- Compare access levels across countries;
- Support commercial innovation in the view that access to finance can only improve if financial services providers deliver products and services to more people.



Empirical evidence

- **Demand -Side Surveys: 2009 - 2011 (16 countries):**

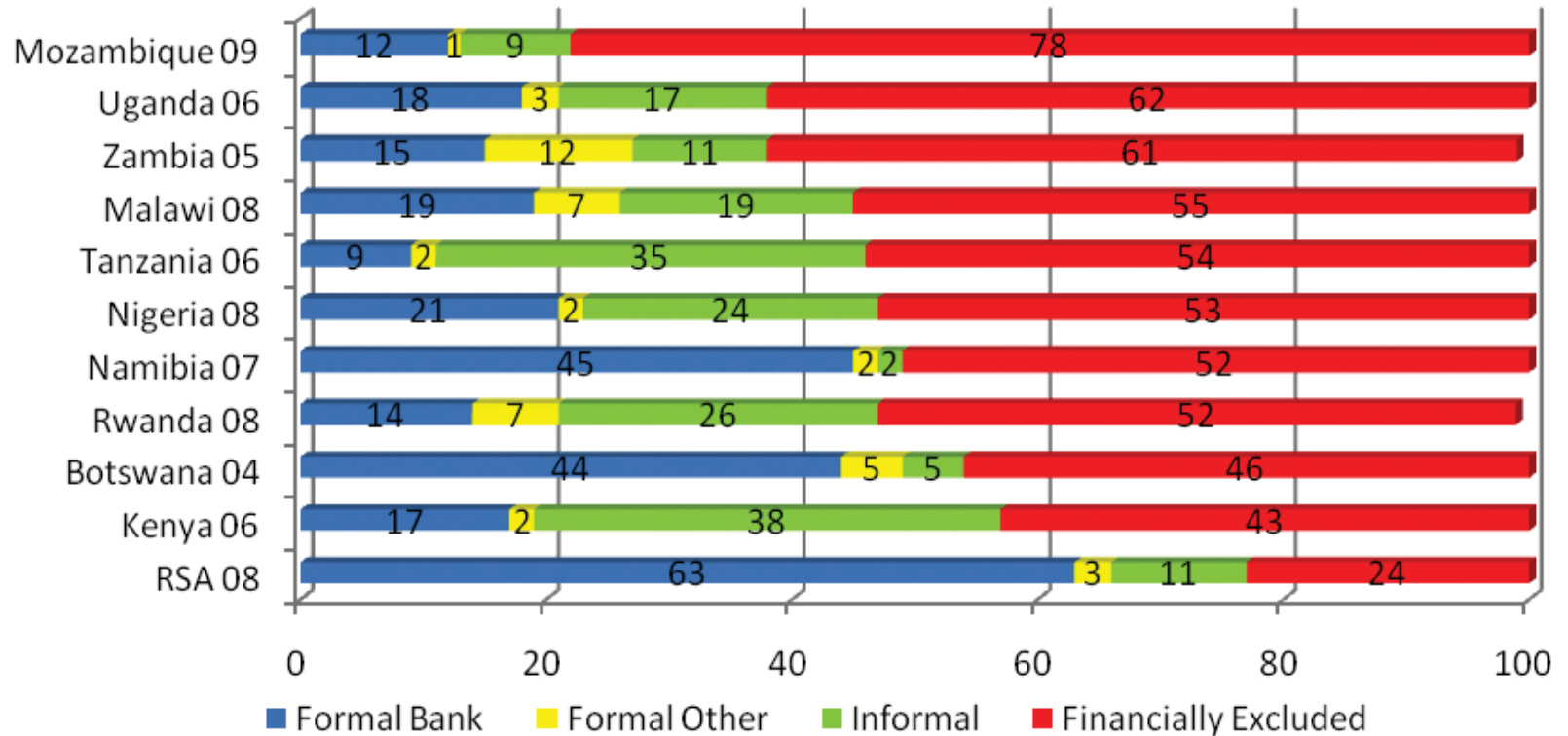
Mozambique; Botswana; South Africa; Swaziland; Lesotho; Malawi; Namibia.

- **Supply- Side Surveys: 2011**

Mozambique; Zimbabwe; Malawi, and Zambia



Peer comparison - Financial Access



Financial inclusion in Mozambique at a glance



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Country profile

Capital: Maputo

Population: 23.4 million

Area: 799.380 square km

Literacy: 47.8% people of the age of 15+ read/write

Currency: Metical

Landline telephones in use: 95.000 (2010)

Mobile phones in use: 6 million (2011)



Financial inclusion indicators

Indicators	2009
Adults with access to financial services (%)	22,2%
Adults without access to financial services (%)	77,8%
Adults served by formal financial services (%)	12,7%
Adults Servd by informal financial services (%)	9,6%
Adults with bank account	11,8%



- Financial inclusion is one of the top priorities on the government agenda and is being promoted through several initiatives. Its at core of the forthcoming Financial Sector Development Strategy 2011-2020 (Draft recently submitted to the cabinet).
- BM recognizes that the scope and efficiency of the financial sector plays an important role in facilitating economic and private sector growth and therefore, in recent years, introduced various initiatives aimed at improving the countries framework enabling environment for the development of financial system.



- leveraging, in part, on the results from the surveys, Mozambican authorities see an opportunity for great leap forward in financial inclusion.
- In this regard, BM has instituted a regime on minimum fees and other expenses charged by commercial banks aiming at ensuring affordable and fair access to financial services by rural poor; on the same perspective, some economic and tax incentives were granted for opening branches in rural unbanked or underserved areas.
- There are innovations happening in Mozambique. The first mobile money issuer was launched in 2011.



- Several important new regulatory developments are taken place;
- Joined AFI, a network of policy makers in 2011 and since then benefits from the peer learning and knowledge exchange among its member. Part of working groups and recently joined the FIDWG;
- Task force to deal with financial inclusion matters.



Some general indicators – After 2009

	Dez-10	Dez-11	Mai-12
Bank account			
	1.803.534	2.115.620	2.197.598
With Mkesh	1.803.534	2.168.139	2.257.926
Mkesh accounts		52.519	60.328
Level of Bancarization			
	7,7%	9,0%	9,4%
With Mkesh	7,7%	9,3%	9,6%
Total population	23.405.670	23.405.670	23.405.670



Evolution of the banking industry since 2009

Instituições	2006	2007	2008	2009	2010	2011
Instituições de Crédito						
Bancos	12	12	14	14	16	18
Soc. de Locação Finan.	2	1	1	1	1	0
Soc. de Investimento	0	1	1	1	1	1
Instit. de Moeda Electrónica	0	0	0	0	0	1
Sociedades Financeiras						
Soc. de Capital de Risco	1	1	1	1	1	1
Soc. de Compras Grupo	1	1	1	1	1	1
Soc. Emitentes de Cartões	0	1	1	1	1	2



Evolution of the banking industry since 2009

Espécie	2006	2007	2008	2009	2010	2011
IMFs						
Microbancos	1	1	1	3	6	8
Cooperativas de Crédito	6	6	6	6	7	7
Organizações de Poupança e Empréstimo	0	0	4	9	10	10
Operadores de Microcrédito	57	74	73	95	118	167
Outras Instituições						
Escritórios de Representação	1	1	1	1	1	1
Nº. Total de instit. licenciadas pelo BM	105	121	126	153	184	238
Total de ATMs	376	425	508	614	731	850
Total de POS	3.218	3.645	4.103	4.526	4.731	6.618



- Entry of 4 new commercial banks from 2009;
- Licensing of Mozambican Interbank Society (National Processing Center)
- Launch of Mkesh, the 1st Mobile-Banking company licensed by the BM



- Increase in the number microfinance providers
 - Microcredit operators from 57 (in 2006) to 167 (in 2011);
 - Savings and credit organizations 10 in 2011;
 - 7 Microbanks.

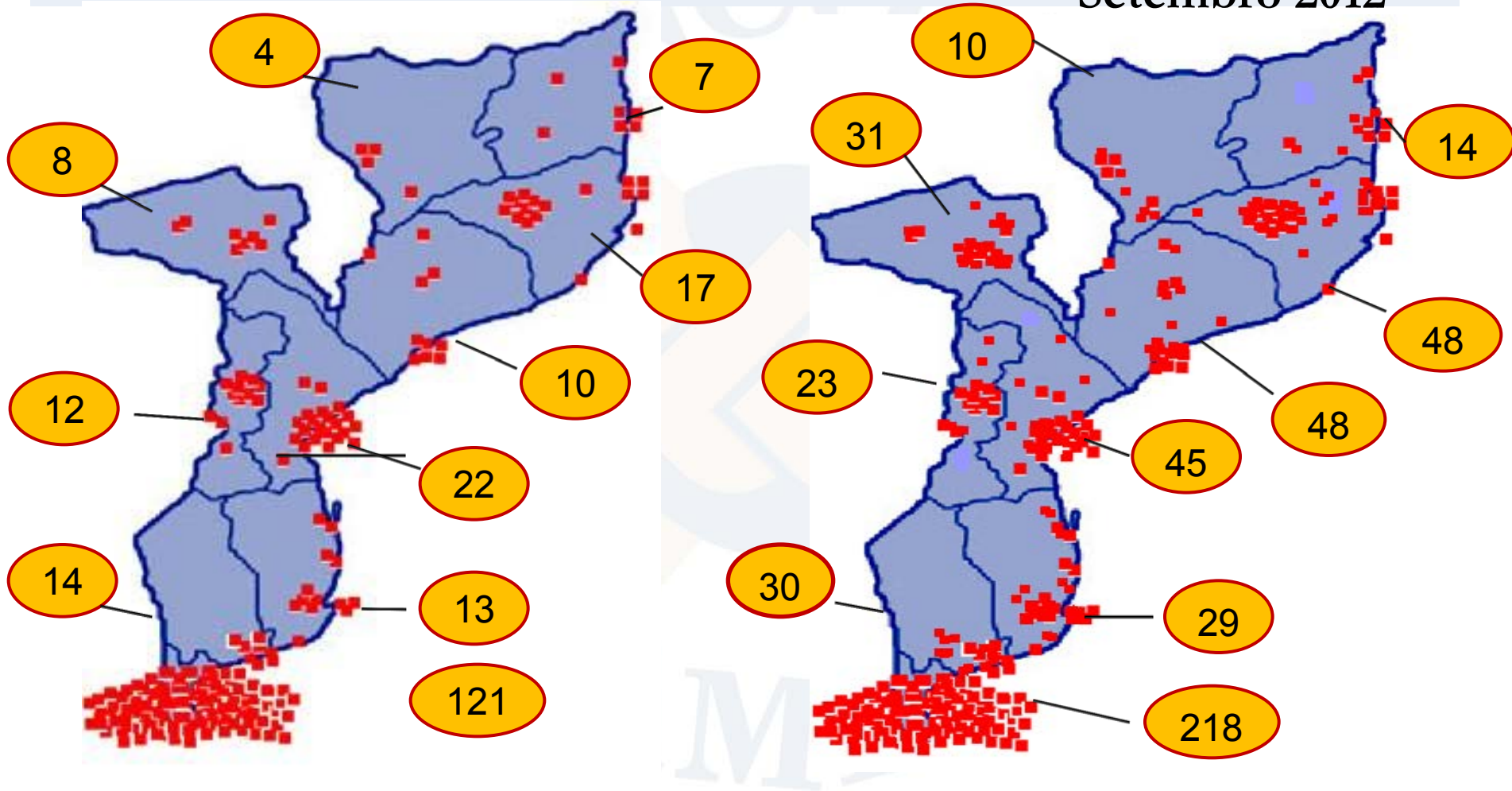


Financial inclusion – Distribution of the banking network

2006

network

Setembro 2012



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- Increase in bank branches from 228 in 2006 to 470 in September 2012;
- Increase in the banking network coverage in the districts to 58 in 2012 from 28 in 2006
- Increase of 41 branches in the districts in 2006 to 117 branches in September 2012



Thank You



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