

# **FINANCIAL ACCESS SURVEY**

## **2018**



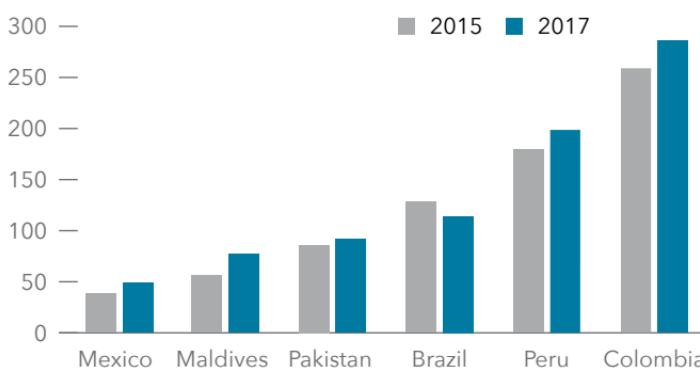
**STATISTICS  
DEPARTMENT**

## FINANCIAL ACCESS SURVEY 2018

The IMF's Financial Access Survey (FAS) collects annual data on access to and use of financial services around the world. The database contains indicators tracking the availability and use of financial products such as deposit accounts, loans, and insurance policies (see Box 1). The FAS has evolved over time, adapting to the changing landscape of financial services and growing demand for more granular data. This year's FAS has expanded in three new dimensions: mainstreaming gender disaggregated data; reporting non-branch retail agent outlets, a form of branchless banking; and tracking the number of debit and credit cards in circulation. Key highlights from the FAS 2018 round include spotlighting the use of retail agent outlets, mobile money growth, and progress in women's financial inclusion.

### FIGURE 1: RETAIL AGENT OUTLETS ARE WIDESPREAD IN SOUTH ASIA AND LATIN AMERICA

Number of non-branch retail agent outlets per 100,000 adults



Source: *Financial Access Survey and IMF staff calculations*.

Note: The non-branch retail agent outlets considered here are agents of commercial banks only.

## INNOVATIONS IN TRADITIONAL BANKING FOR GREATER FINANCIAL ACCESS

The FAS reports for the first-time, data on retail agent outlets, a relatively recent innovation in branchless banking. This innovation has expanded traditional banking's provision of basic financial services beyond conventional bank branches. For banks, it lowers costs of maintaining full-fledged branches, facilitating penetration to areas not reached otherwise by bank branch networks (CGAP 2008; CGAP 2010). For customers, this model facilitates access by lowering costs, including travel time.

According to the FAS data, retail agent outlets - typically include retail stores, post-offices and small businesses acting on behalf of the banks - have made substantial inroads in South Asia and Latin America (Figure 1). These initiatives have benefited from government support. For instance, in Peru, the government not only allowed the use of retail agent outlets but also streamlined account opening requirements, enabling previously unbanked customers to open accounts through these agents (World Bank, 2014).

The latest FAS data also reveals that the number of retail agent outlets in countries like Pakistan and Brazil, early adopters of this model, seems to have plateaued (or even fallen in recent years). One possible explanation could be that banks have shifted focus to other forms of branchless banking, including leveraging digital technologies such as payment cards or mobile phones to offer banking services to customers in remote areas (CGAP 2008). FAS's newly collected data on debit cards indeed suggests a growing trend in the number of debit cards in circulation in these countries.

## BOX 1. THE IMF'S FINANCIAL ACCESS SURVEY

The Financial Access Survey, launched in 2009, is a unique supply-side dataset that enables policymakers to measure and monitor financial inclusion and benchmark progress against peers. The FAS is based on administrative data collected by central banks or financial regulators from financial institutions and service providers.

The dataset covers 189 countries spanning more than 10 years and contains 180 time-series on financial access and use (e.g. the number of accounts and branches). To facilitate meaningful comparison, the FAS also publishes 65 indicators that are normalized relative to the size of adult population, land area, and gross domestic product (GDP).

The data is disaggregated by the type of financial service provider (e.g. commercial banks, credit unions, and deposit-taking microfinance institutions) and the type of financial service (e.g. deposits, loans, and insurance). The FAS started collecting data on mobile money in 2014 and piloted gender disaggregated data in 2016, which is now mainstreamed to include 9 time-series and 12 indicators on traditional banking access.

FAS 2018 was made possible by generous financial support of the Netherlands' Ministry of Foreign Affairs. The latest data is available at <http://data.imf.org/FAS>.

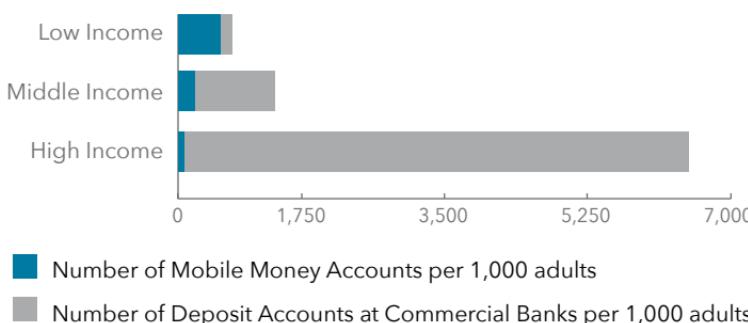
## DIGITAL FINANCIAL SERVICES: TRANSFORMING FINANCIAL ACCESS

### Mobile money penetration

Technology diffusion in the financial services industry has redefined how people can access and use financial services. For instance, the proliferation of mobile phones has enabled a new class of payment services to reach populations that were previously excluded. The FAS data provides corroborating evidence. Low-income countries where traditional banking services have limited uptake are leading the way in mobile money adoption. On average, in a low-income economy, the number of mobile money accounts is more than twice the number of bank accounts per 1,000 adults (Figure 2).

**FIGURE 2: MOBILE MONEY ACCOUNTS ARE MORE PREVALENT THAN BANK ACCOUNTS IN LOW INCOME COUNTRIES**

Bank Account vs. Mobile Money Account



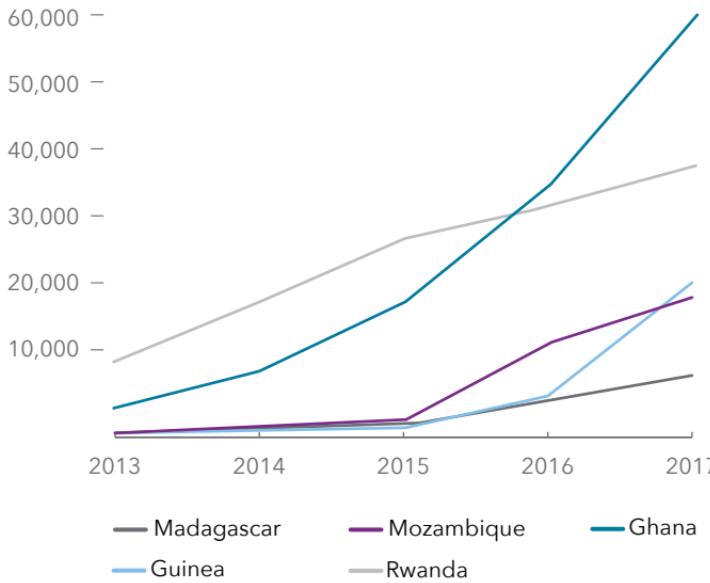
Source: *Financial Access Survey and IMF staff calculations*.

Note: Data covers 2017 or the most recent 5-year period for reporting countries. Bank accounts reflect deposit accounts with commercial banks while mobile money accounts reflect registered accounts.

Africa is often considered the epicenter of mobile money growth. After initial success in Kenya, Tanzania, and Uganda, mobile money rapidly spread to other parts of the region (GSMA, 2017). The FAS data suggests that Ghana, Guinea, Rwanda, Mozambique and Madagascar are among the countries leading the next wave of mobile money growth in the region (Figure 3).

### **FIGURE 3: MOBILE MONEY GROWTH HAS SPREAD TO BOTH SMALL AND LARGE ECONOMIES OF AFRICA**

Number of mobile money transactions per 1,000 adults



Source: Financial Access Survey and IMF staff calculations.

Note: The number of mobile money transactions are during the reference year only.

Other regions are not far behind in the mobile money revolution. For example, Bangladesh, Myanmar and Guyana have registered significant increases in the number of mobile money accounts and transactions (Table 1).

### **TABLE 1: COUNTRIES OUTSIDE AFRICA HAVE JOINED THE MOBILE MONEY REVOLUTION**

	Number of mobile money transactions per 1,000 adults			Number of registered mobile money accounts per 1,000 adults		
	Bangladesh	Guyana	Myanmar	Bangladesh	Guyana	Myanmar
2015	10,891	890	19	301	22	1
2016	12,699	2332	40	354	45	5
2017	15,901	3972	533	498	67	41

Source: Financial Access Survey and IMF staff calculations.

Note: The number of mobile money transactions are during the reference year only.

### **Efficiency gains**

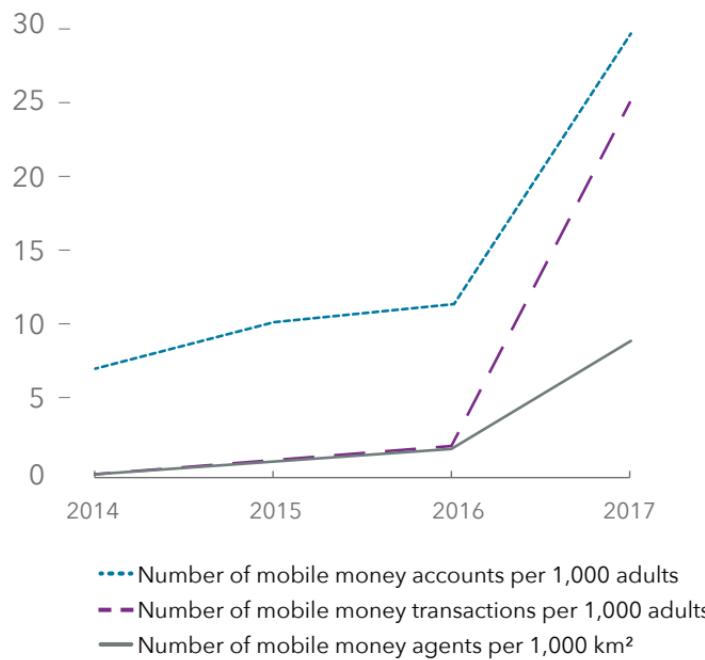
The use of mobile money has several economic benefits, including improving public sector efficiency, supporting small businesses, and promoting inclusive growth (IMF, 2017). Consequently, governments and central banks have promoted mobile money usage. Jordan is perhaps one of the most recent examples.

In 2013, the Central Bank of Jordan launched Jordan Mobile Payments or JoMoPay, a centralized payment system that connects users to telecoms, banks, transfer companies, and other financial and payment intermediaries

through a mobile device. It allows users, even those without an account with a financial institution, to make financial transactions (Hawkins et al, 2017). The year 2017 has been especially significant for JoMoPay as the Central Bank of Jordan successfully implemented several initiatives to promote its usage, including issuing regulations which accept the refugee document issued by the United Nations as a proof of identity to open an account for mobile money transactions (Central Bank of Jordan, 2017). This has enabled registered refugees who typically operate outside the formal financial system to gain access to a secure way of carrying out transactions. The recent trends in the FAS data on Jordan's mobile money sector could be indicative of these developments (Figure 4).

#### **FIGURE 4: JORDAN HAS MADE SIGNIFICANT PROGRESS IN THE DEVELOPMENT OF THE MOBILE MONEY**

Jordan's mobile money sector



Source: Financial Access Survey and IMF staff calculations.

Note: Mobile money accounts reflect accounts registered with the mobile service providers.

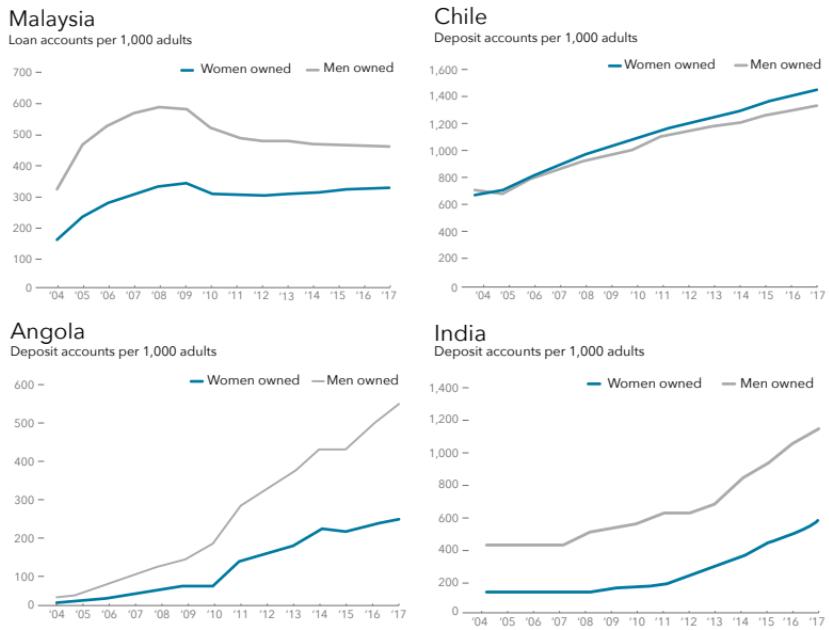
### **FINANCIAL INCLUSION GENDER GAP: A MIXED BAG**

The FAS data also shows that over the past decade, most countries for which gender disaggregated data are available have made significant progress towards greater women financial inclusion. However, progress bridging the financial inclusion gender gap varies across countries (Figure 5). In Malaysia, for instance, the gender gap in the number of loan accounts held by men and women per 1,000 adults has narrowed over time. Targeted schemes offered by microfinance institutions seem to have played a key role in accelerating financial inclusion of women. In addition, Bank Negara Malaysia (Malaysia's Central Bank) has been a pioneer in advancing financial inclusion in the country.

In Chile, the gender gap seems to have been reversed, with the number of deposit accounts held by women per 1,000 adults exceeding those held by men. BancoEstado's (Chile's central bank) initiative, Cuenta RUT - a simplified deposit account with a debit card that can be opened using a national ID card - has had a significant impact on women's financial inclusion (Data2X, 2016). Chile is also one of the few countries which regularly track gender disaggregated data on financial inclusion. In Angola and India, the FAS data shows that financial inclusion for women, measured by deposit accounts per 1,000 adults, has increased significantly over the past decade. However, these improvements

have not been sufficient to narrow the gender gap. These variations across countries could be linked to other cross-country differences such as differences in women's labor force participation rates - something that merits further analysis (IMF, 2018).

## FIGURE 5: WIDE VARIATIONS IN FINANCIAL INCLUSION GENDER GAP

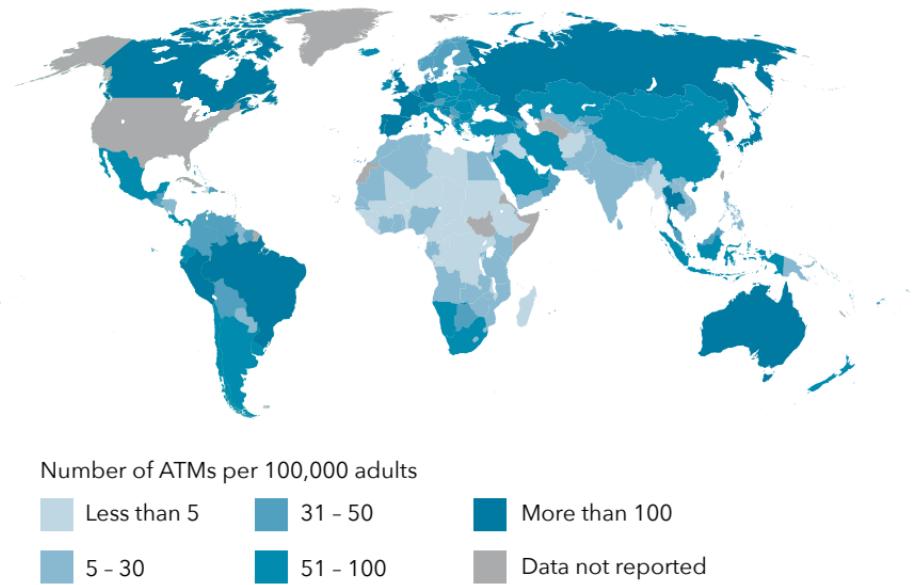


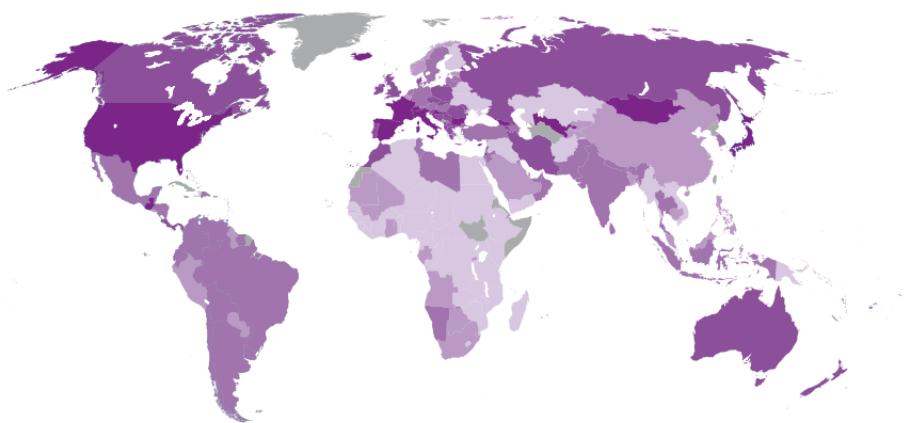
Source: Financial Access Survey and IMF staff calculations.

Note: Deposit accounts reflect deposit accounts with commercial banks. Loan accounts reflect the loan accounts with commercial banks.

## MONITORING THE SUSTAINABLE DEVELOPMENT GOALS

FIGURE 6: FAS INDICATORS TO MONITOR SUSTAINABLE DEVELOPMENT GOALS TARGET 8.10





Number of commercial bank branches per 100,000 adults



Source: Financial Access Survey and IMF staff calculations.

Note: Data covers 2017 or the most recent data in the preceding 5-year period.

Given the near global coverage, two FAS indicators are adopted as part of the 2030 Sustainable Development Goals (SDGs): (1) the number of commercial bank branches per 100,000 adults; and (2) the number of automated teller machines (ATMs) per 100,000 adults. These indicators are used to monitor Target 8.10, which is to strengthen the capacity of domestic financial institutions to expand access to banking, financial services and insurance for all (Figure 6).

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