GPFI Global Partnership for Financial Inclusion

G20 FINANCIAL INCLUSION INDICATORS

Overview

The realisation that financial inclusion is a key enabling element, both in the fight against poverty and in reaching the goal of inclusive economic development, is leading to an increasing focus on financial inclusion policies and initiatives. Reliable financial inclusion data, covering the major components of sustainable financial inclusion development, is critical to inform these policies and to monitor the effect of initiatives, as well as serving as a starting point on which to base ambitious financial inclusion targets. G20 leaders agreed at the Cannes Summit in 2011 to the Global Partnership for Financial Inclusion (GPFI) recommendation to support global and national financial inclusion data efforts and subsequently endorsed the G20 Basic Set of financial inclusion indicators at the G20 Los Cabos Summit in 2012, born out of the work of the GPFI.

As committed at the time of the endorsement of the Basic Set and in support of the key focus area of financial literacy under the Russian G20 Presidency, the GPFI developed a more comprehensive and holistic set of financial inclusion indicators, with the aim of deepening the understanding of the financial inclusion landscape, including indicators on the quality of financial service provisioning and consumption (including financial literacy). These G20 Financial Inclusion Indicators are listed in the table below, with currently available data sources for the indicators. These indicators, if considered in conjunction with additional country-specific information, will inform policy makers and enable comprehensive monitoring of financial inclusion developments, both at a national and at a global level.

Indicators

Financial inclusion is measured in three dimensions: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery. The Basic Set, which addressed some of the key access and usage indicators, is hereby extended into the G20 Financial Inclusion Indicators, covering the three dimensions and providing further insight into access and usage aspects, including indicators on the emerging mobile financial services space. Both supply-side and demand-side data is included to form a comprehensive view.

Countries are encouraged to collect their own data and supplement the indicators given in the table below with data on areas of specific relevance to the country context. The data sources listed in the table below provide a useful starting point with which to populate the key indicators. The availability, sustainability and robustness of data were the key criteria, with appropriateness and comprehensiveness, in selecting the G20 Financial Inclusion Indicators. The data sources include the World Bank Global Findex, IMF Financial Access Survey and Gallup World Poll used previously, with additional sources including the World Bank Financial Capability Surveys, OECD National Financial Literacy and Inclusion Surveys, OECD SME Scoreboard, and the World Bank Global Payments Systems Survey.

Although the scope of the G20 Financial Inclusion Indicators is comprehensive enough to provide a holistic assessment, new data collection efforts as well as evolving technology and

business models may well require additional or adapted indicators in the future. It is therefore the intention to review the indicators on an annual basis.

Table: The G20 Financial Inclusion Indicators

	Category	Indicator	Source and coverage	Dimension	Aspect
1	Formally banked adults	% of adults with an account at a formal financial institution	WB Global Findex (current, 148 countries)	Usage	Individuals
		Number of depositors per 1,000 adults OR number of deposit accounts per 1,000 adults	IMF Financial Access Surveys (current, 187 countries)		
2	Adults with credit at regulated institutions	% of adults with at least one loan outstanding from a regulated financial institution	WB Global Findex (current, 148 countries)	Usage	Individuals
		Number of borrowers per 1,000 adults OR number of outstanding loans per 1,000 adults	IMF Financial Access Surveys (current, 187 countries)		
3	Adults with insurance	Number of insurance policy holders per 1000 adults. Segregated by life and non-life insurance	IMF Financial Access Surveys (current, 187 countries)	Usage	Individuals
4	Cashless transactions	Number of retail cashless transactions per capita. *Cashless transactions are defined as the number of payments by cheque, credit transfers, direct debits, and payment with credit and debit cards.*	WB Global Payments Systems Survey (forthcoming, 139 countries)	Usage	Individuals
5	Mobile transactional use	% of adults that use their mobile device to make a payment	WB Global Findex (current, 148 countries)	Usage	Individuals
6	High frequency of account use	% of adults with high frequency use of formal account. *High frequency is defined as having taken money out of a personal account(s) 3 or more times in a typical month. This includes cash withdrawals, electronic payments or purchases, checks, or any other type of payment debit, either by account owner or third parties.*	WB Global Findex (current, 148 countries)	Usage	Individuals
7	Saving propensity	Saved at a financial institution in the past year. *Institutions include banks, credit unions, cooperatives and microfinance institutions.*	WB Global Findex (current, 148 countries)	Usage	Individuals
8	Remittances	% of adults receiving domestic and international remittances	Gallup World Poll	Usage	Individuals
9	Formally banked enterprises	% of SMEs with an account at a formal financial institution	WB Enterprise Surveys (current, 119 countries)	Usage	Enterprises
		Number of SMEs with deposit accounts/number of deposit accounts OR number of SME depositors/number of depositors	IMF Financial Access Surveys (current, 187 countries)		
10	Enterprises with outstanding loan or line of credit at regulated institutions	% of SMEs with outstanding loan or line of credit	WB Enterprise Surveys (current, 119 countries)	Usage	Enterprises
		Number of SMEs with outstanding loans/number of outstanding loans OR number of outstanding loans to SMEs/number of outstanding loans	IMF Financial Access Surveys (current, 187 countries)		

NOTE: Indicators previously included in the G20 Basic Set are indicated by shading

	Category	Indicator	Source and coverage	Dimension	Aspect
11		Number of branches per 100,000 adults	IMF Financial Access Surveys (current, 187 countries)	Access	Physical points of service
12	Points of Service	Number of ATMs per 100,000 adults OR number of ATMs per 1000 sq. km.	IMF Financial Access Surveys (current, 187 countries)	Access	Physical points of service
13		Number of POS terminals per 100,000 inhabitants.	WB Global Payments Systems Survey (current, 139 countries)	Access	Physical points of service
14	E-money accounts	Number of e-money accounts for mobile payments	WB Global Payments Systems Survey (forthcoming, 139 countries)	Access	Mobile points of service
15	Interoperability of Points of Service	Combined index of: Interoperability of ATMs and *Takes the value 1 if MOST or ALL ATM networks are interconnected and 0 if they are NOT interconnected.* Interoperability of POS terminals *Takes the value 1 if MOST or ALL POS terminals are interconnected and 0 if they are NOT interconnected.*	WB Global Payments Systems Survey (current, 139 countries)	Access	Interoperability of points of services

	Category	Indicator	Source and coverage	Dimension	Aspect
16	Financial Knowledge	Financial knowledge score. *Arithmetic score which sums up correct responses to questions about basic financial concepts, such as: (A) Inflation, (B) Interest rate, (C) Compound interest, (D) Money illusion, (E) Risk diversification, (F) Main purpose of insurance.*	WB Financial Capability Surveys & OECD National Financial Literacy and Inclusion Surveys (current, 34 countries combined, estimated 70 countries in two years)	Quality	Financial Literacy & Capability
17	Financial Behaviour	Source of emergency funding *Response to: If you had an emergency that required [$10 or 1/25 of GDPPC] urgently, where would you get the money? a) borrow from friends/relative; b) work more; c) sell assets; d) use only savings; e) loan from savings club; f) loan from bank; g) would not be able to find it*	WB Global Findex (forthcoming, 148 countries)	Quality	Financial Literacy & Capability
18	Disclosure Requirements	Disclosure index combining existence of a variety of disclosure requirements: *(1) Plain language requirement (e.g. understandable, prohibition of hidden clauses) (2) Local language requirement, (3) Prescribed standardized disclosure format, (4) Recourse rights and processes (5) total rate to be paid for a credit (basic costs plus commission rates, fees, insurance, taxes)*	WB Global Financial Consumer Protection Survey (current, 102 countries)	Quality	Market Conduct & Consumer Protection
19	Dispute Resolution	Index reflecting the existence of formal internal and external dispute resolution mechanisms *(1) Internal dispute resolution mechanism indicator: law or regulation setting standards for complaints resolution and handling by financial institutions (including timeliness, accessibility, requirements to implement complaints handling procedures) (2) External dispute resolution mechanism indicator: System in place that allows a customer to seek affordable and efficient recourse with a third party (supervisory agency, a financial ombudsman or equivalent institution)*	WB Global Financial Consumer Protection Survey (current, 102 countries)	Quality	Market Conduct & Consumer Protection
20		Average cost of opening a basic current account.	WB Global Payments Systems Survey (forthcoming, 139 countries)	Quality	Barriers to use
21	Cost of Usage	Average cost of maintaining a basic bank current account (annual fees).	WB Global Payments Systems Survey (forthcoming, 139 countries)	Quality	Barriers to use
22		Average cost of credit transfers.	WB Global Payments Systems Survey (forthcoming, 139 countries)	Quality	Barriers to use
23	Credit Barriers	% of SMEs required to provide collateral on their last bank loan (reflects the tightness of credit conditions)	WB Enterprise Surveys and OECD SME Scoreboard (current, 149 countries combined)	Quality	Barriers to use
24		Getting credit: Distance to frontier *Measures the extent of informational barriers in credit markets*	WBG Doing Business (current, 185 countries)	Quality	Barriers to use