

FINANCIAL ACCESS 2009

Middle East & North Africa (MENA)

A regional snapshot

<http://www.cgap.org/financialindicators>

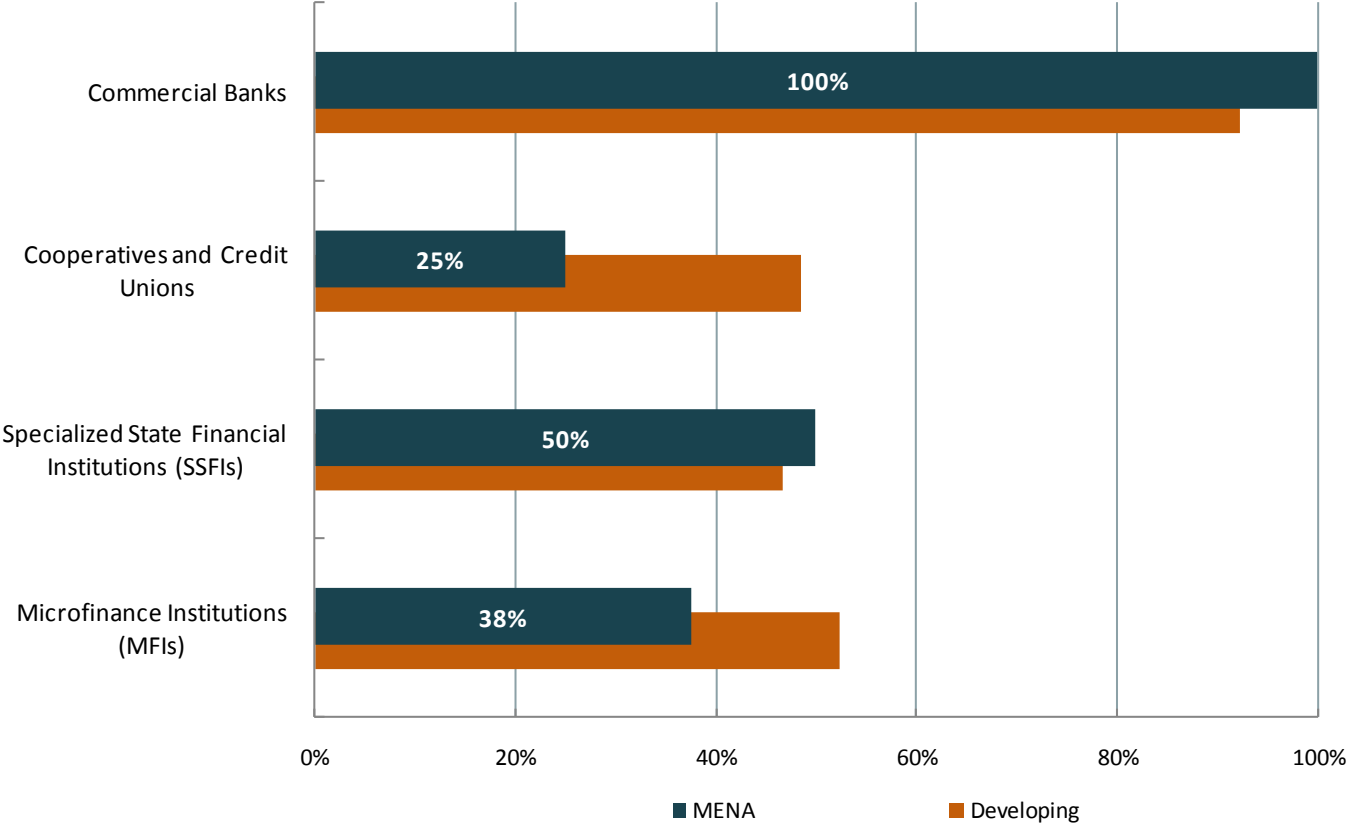
I. Measuring Financial Access

In MENA

- Results of the survey of the main financial regulators, such as central banks, in 139 countries
- 73% response rate
- 8 countries responded, countries that did not respond: Egypt, Saudi Arabia and United Arab Emirates
- Data availability on NBFIs and information on the number of loans for banks is limited
- Statistics reflect status as of December 2008

Main financial regulators in MENA are less likely to supervise cooperatives

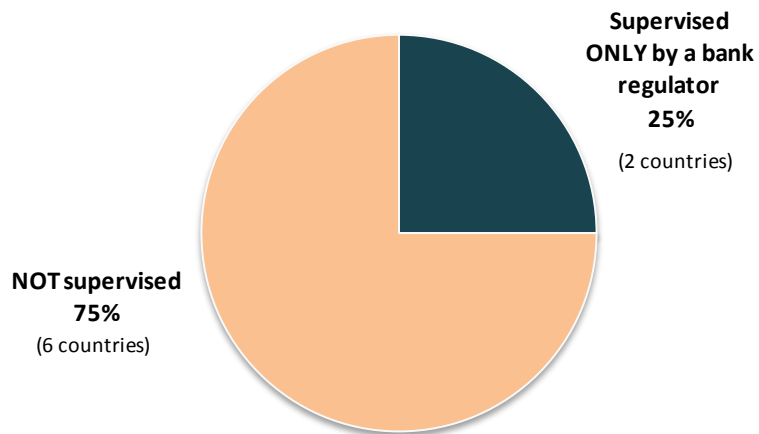
Percent of countries with regulatory powers over certain types of institutions



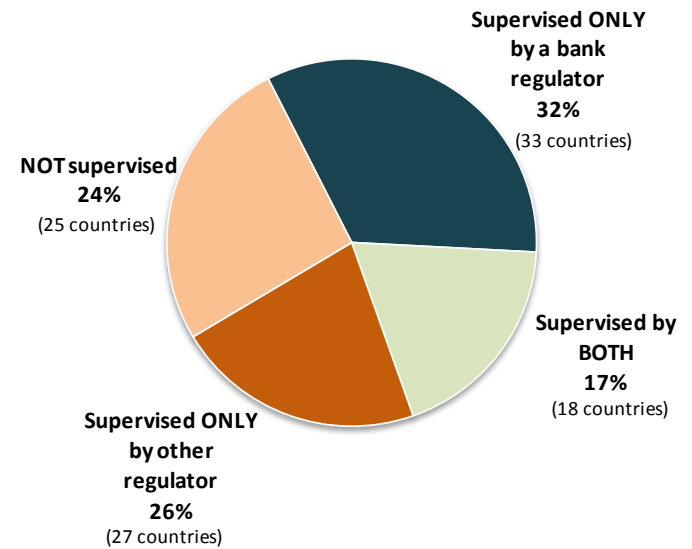
Source: *Financial Access Database*

In most countries in the region cooperatives are not supervised by the main financial regulator (or do not exist)

MENA

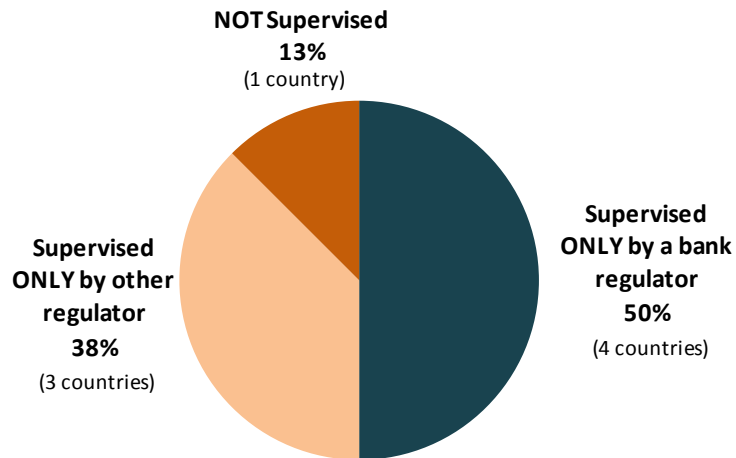


Developing Countries

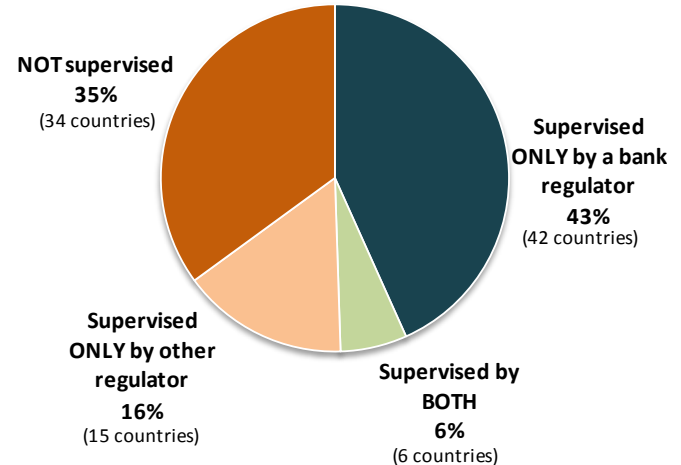


In half the countries main financial regulator also regulates state financial institutions

MENA



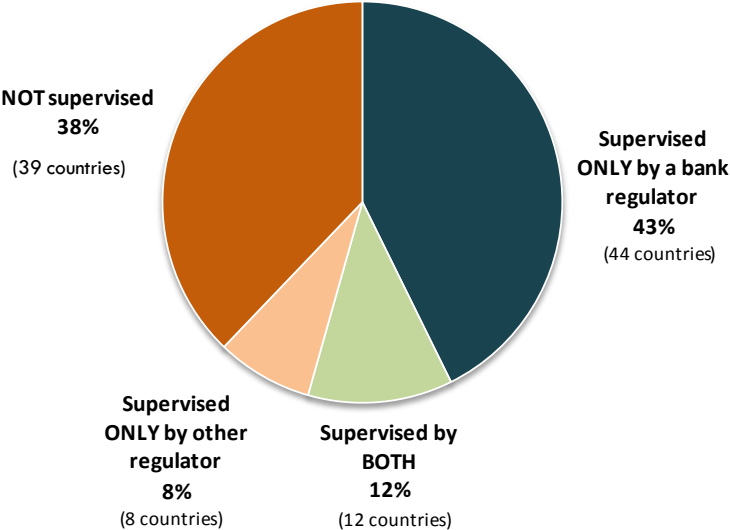
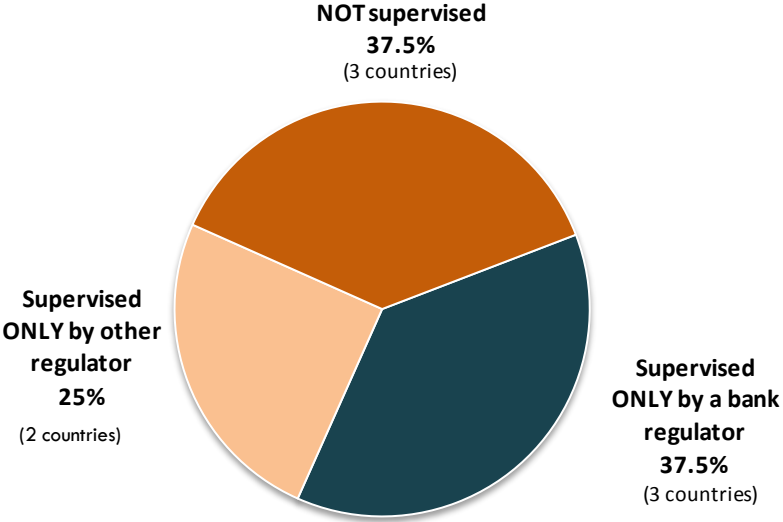
Developing Countries



In MENA main financial regulators are less likely to supervise MFIs

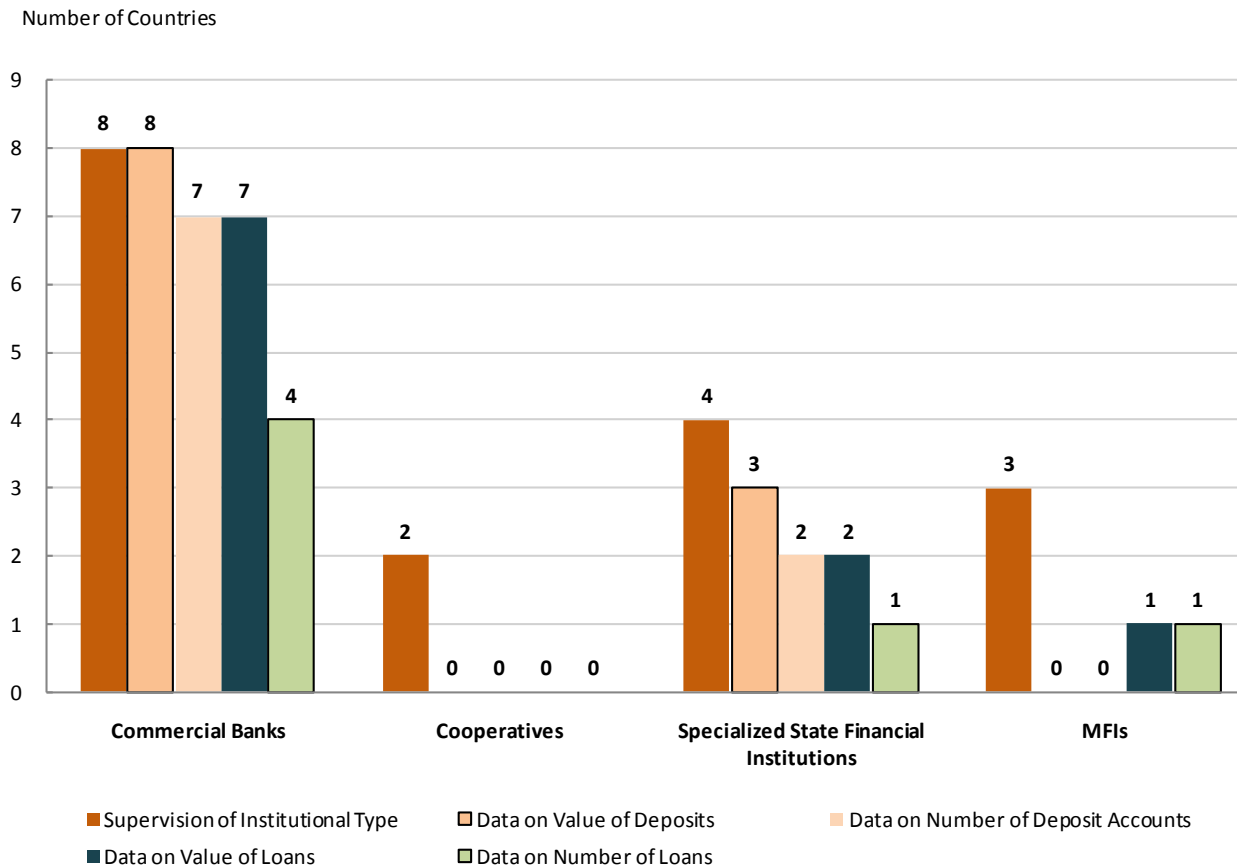
MENA

Developing Countries



Source: Financial Access Database

Data availability for NBFIs and information on the number of loans in commercial banks is limited

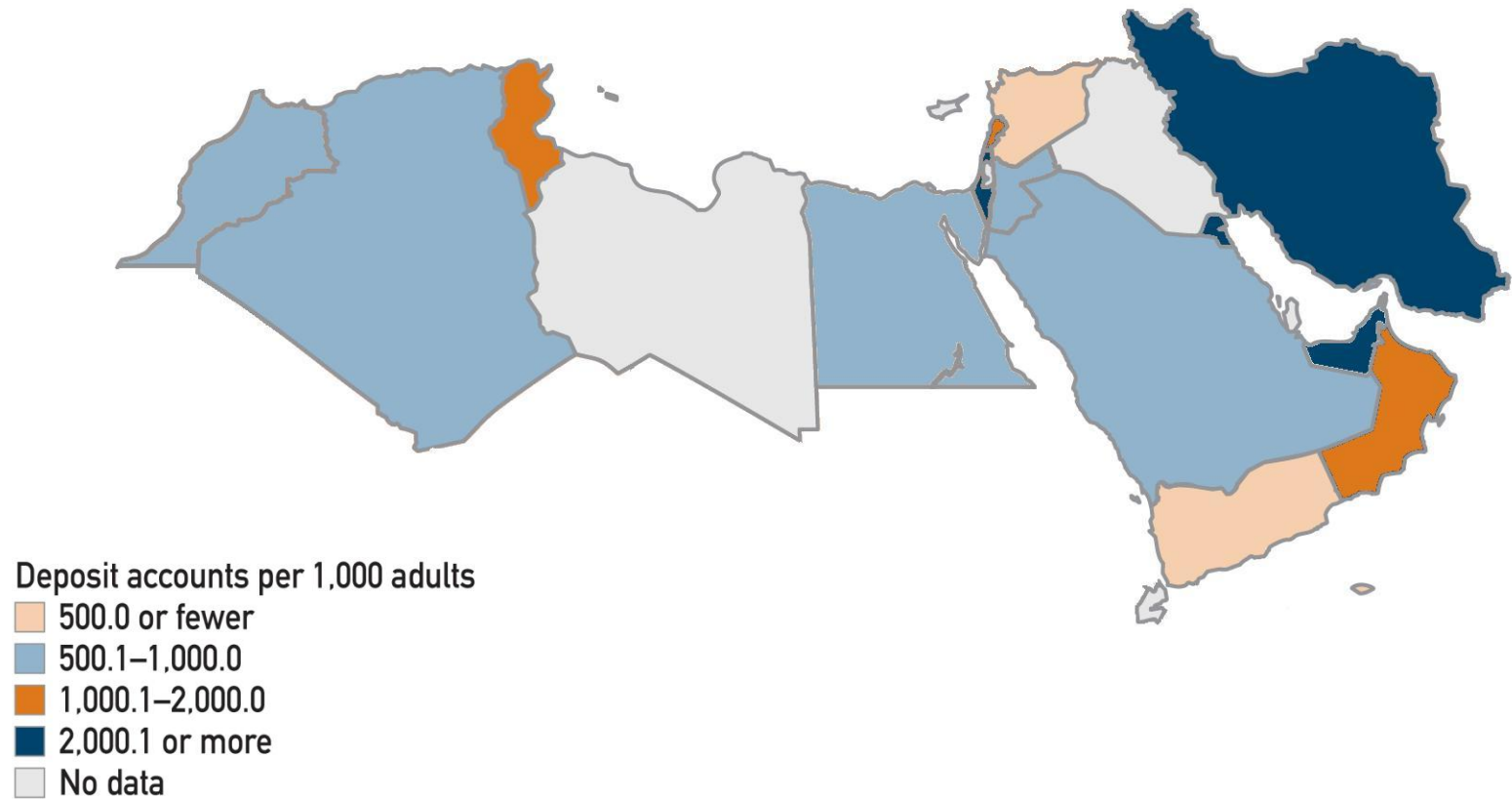


II. Savings

In Middle East & North Africa

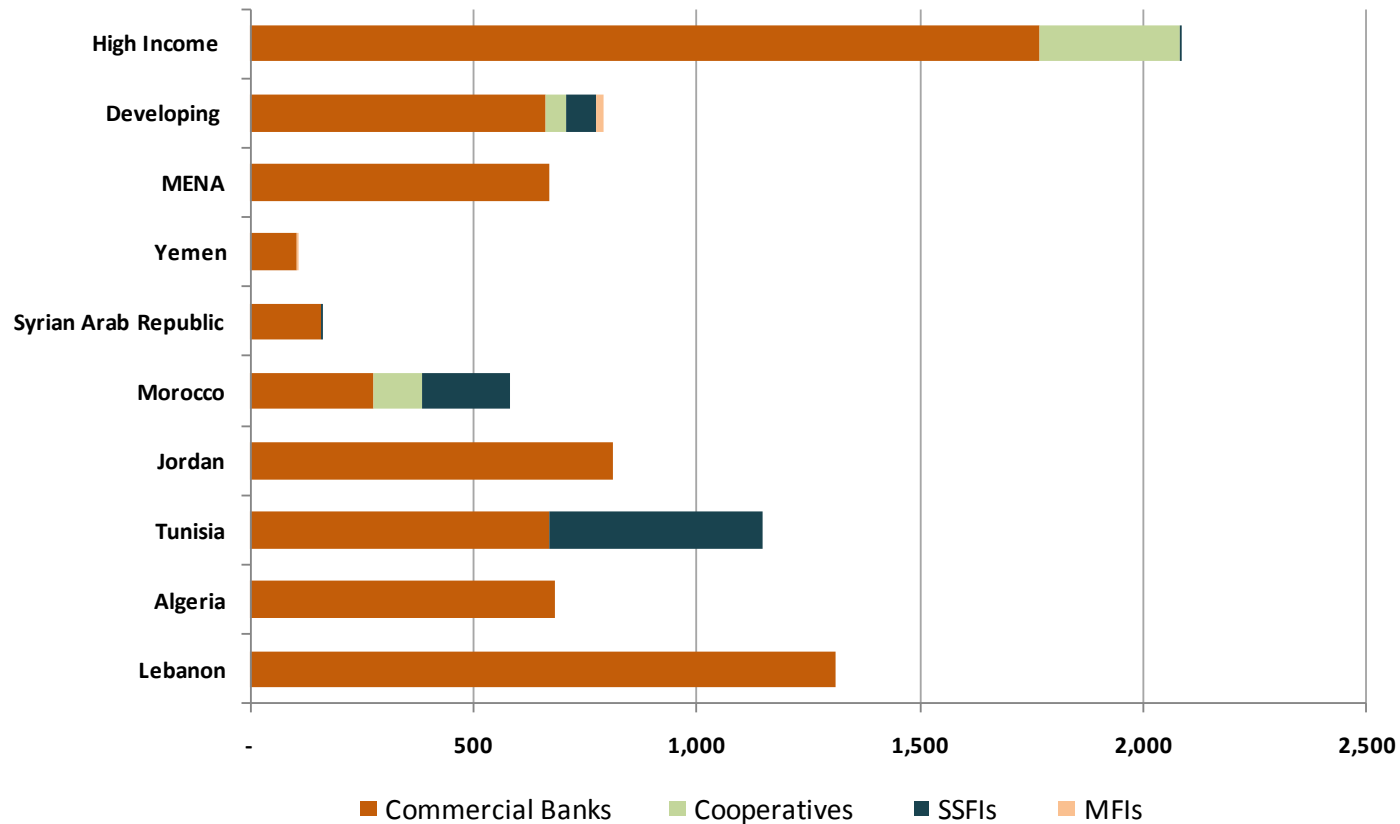
- Wide variation among countries from 105 commercial bank accounts per 1000 adults in Yemen to over 1,310 in Lebanon. Regional average at 672 commercial bank accounts per 1,000 adults is close to 661 accounts per 1,000 adults in developing countries (medians)
- Banks in countries where data are available mostly serve high income clients. Poor data availability for NBFIs limits the analysis
- KYC requirements remain high compared to other regions

Deposit accounts in banks and regulated nonbank financial institutions per 1,000 adults



Wide variation in deposit account ownership in the region. NBFIs play important role in the countries where data are available, but lack of data limits comprehensive analysis

Deposit Accounts per 1,000 Adults

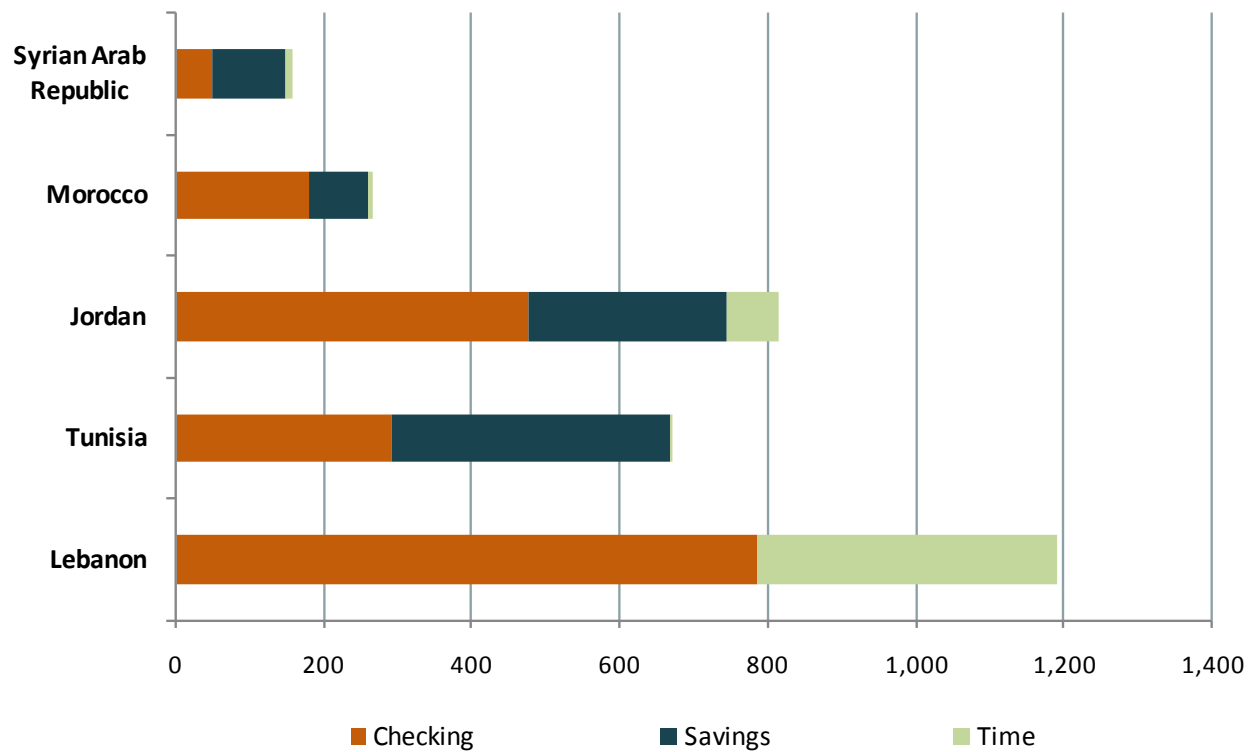


Note: This figure does not represent the totality of the financial system and corresponds solely to the aggregation of data for different institutional categories, when available. Not all countries provided information on every institution type. Median for MENA is shown only for commercial banks due to poor data availability for NBFIs. Sorted by income.

Source: *Financial Access Database*

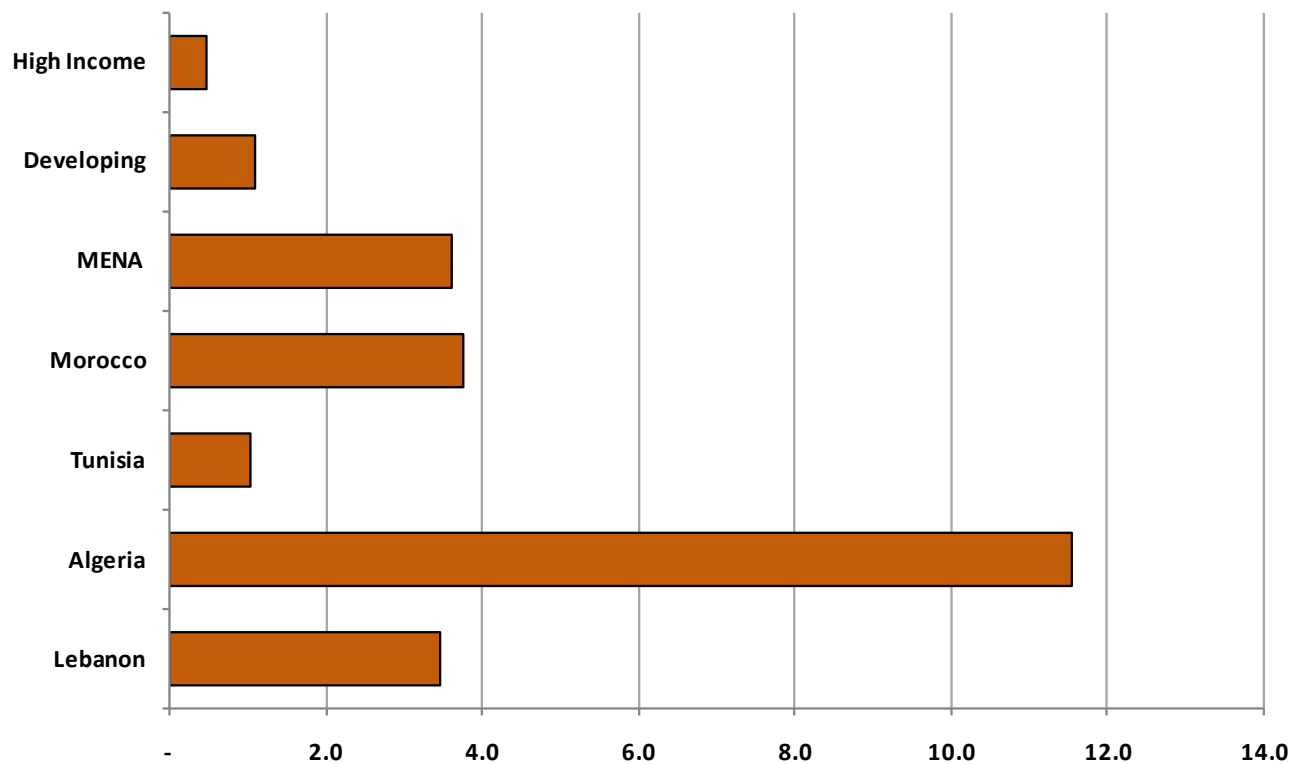
Time deposits constitute a small portion of accounts, with the exception of Lebanon.

Deposit Accounts per 1,000 Adults



Note: Figures for commercial banks only
Source: *Financial Access Database*

In most countries deposit account balances are large relative to income suggesting that banks serve higher income clients

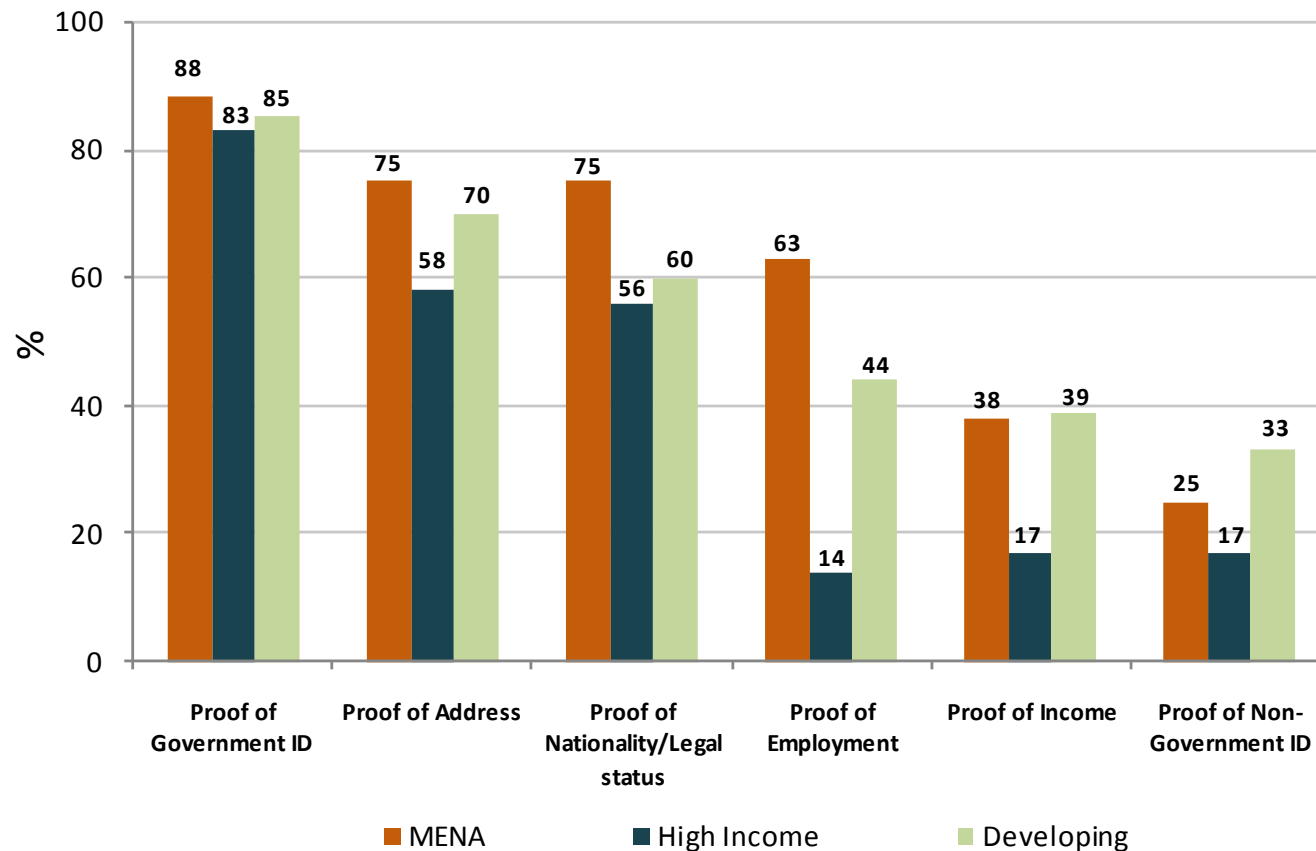


Note: sorted by income

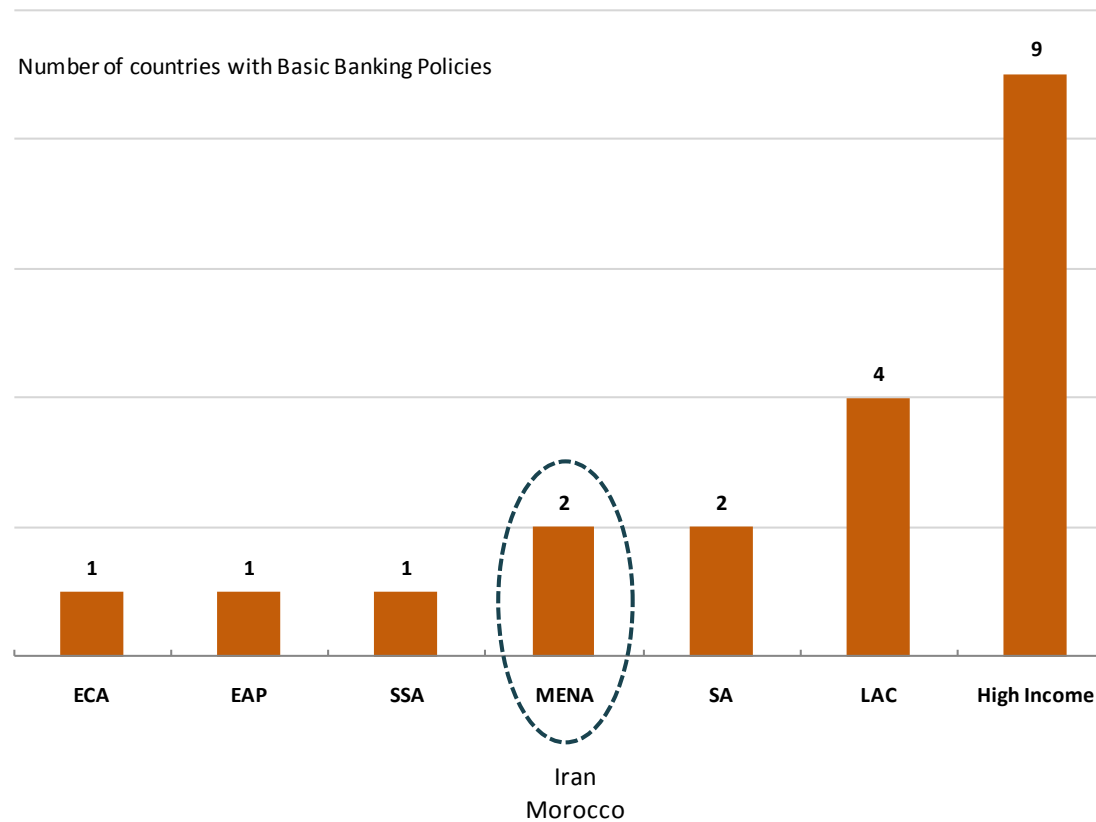
Source: *Financial Access Database*

Document requirements are more stringent than in other regions

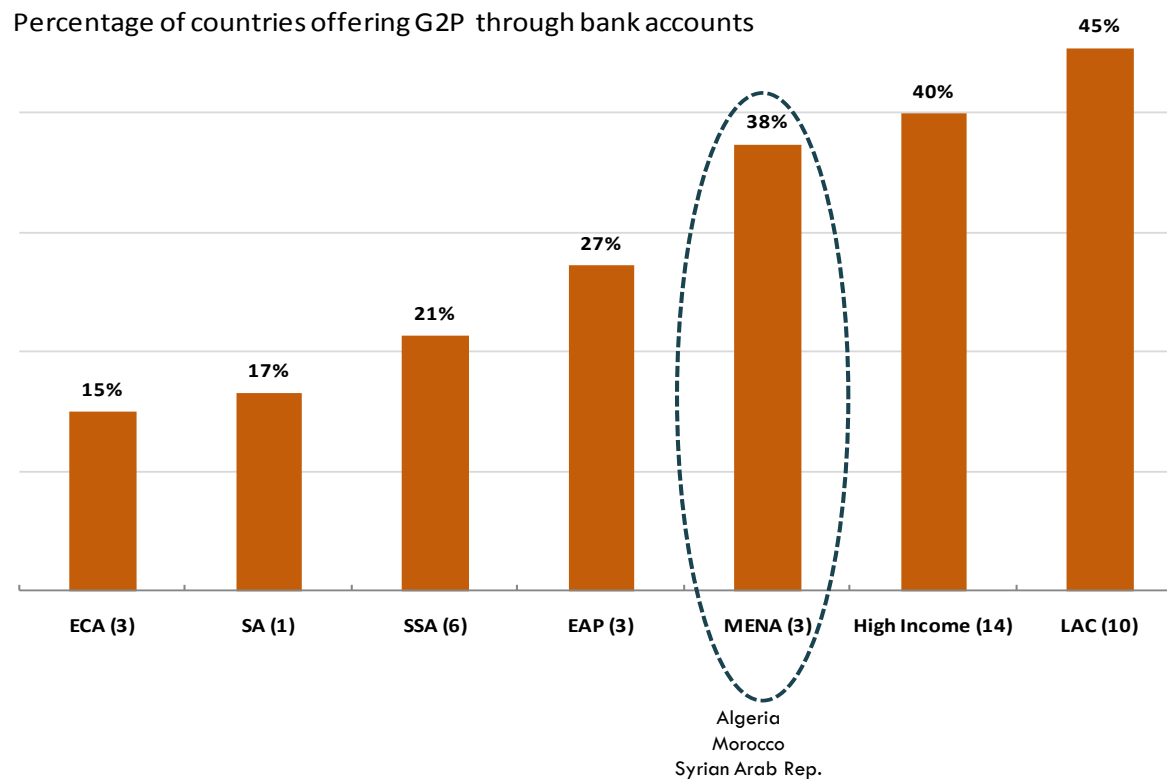
(Percentage of countries that require certain criteria to open an account)



Iran and Morocco reported requiring basic banking



In MENA 3 countries reported policies promoting government to person transfers to individual bank accounts



Note: Number of countries in the region reporting government to person transfers to bank accounts are shown in parentheses

Source: *Financial Access Database*

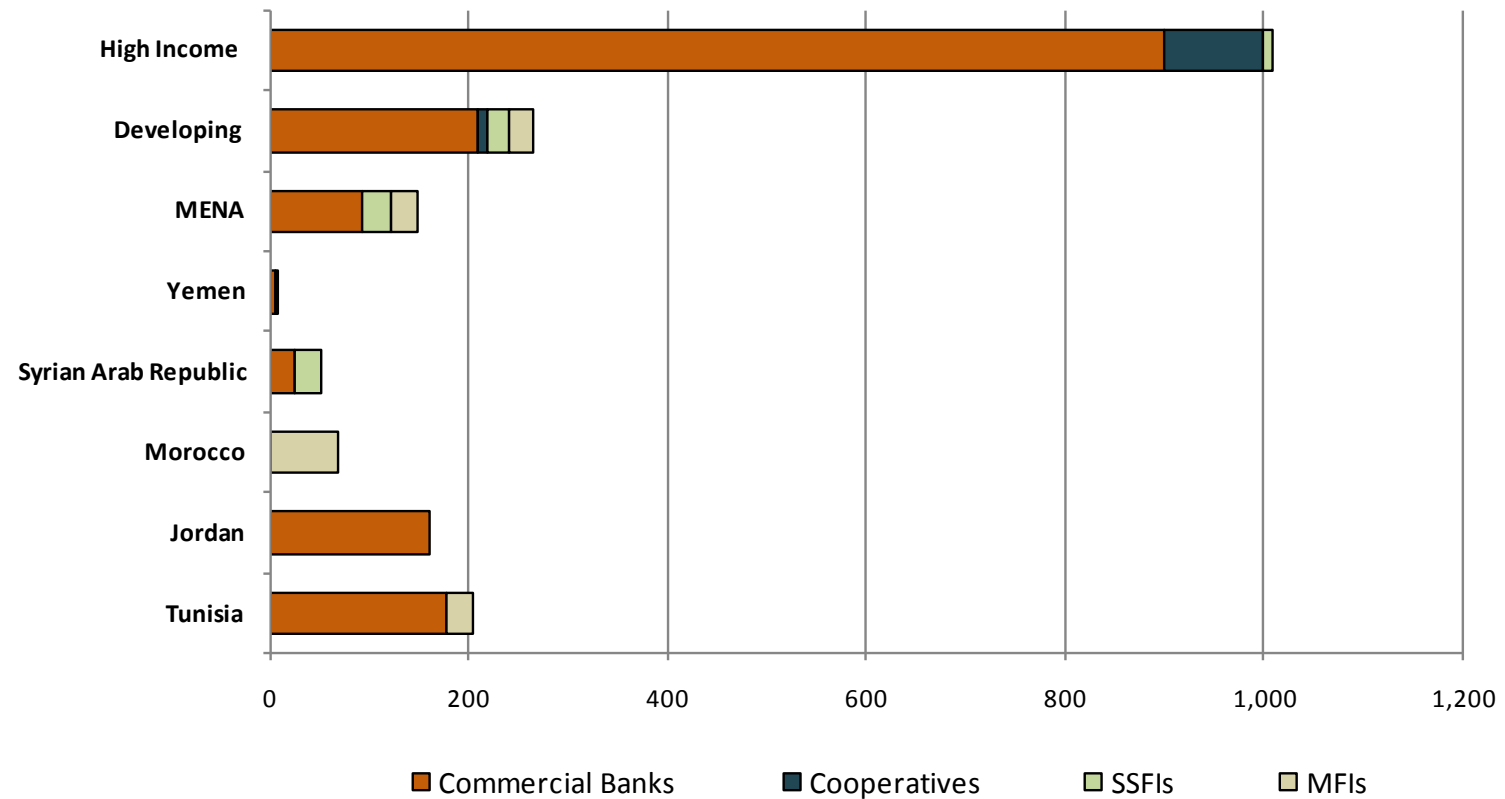
III. Credit

In Middle East & North Africa

- Only four countries had data on bank loans. Wide variation among countries from 6 bank accounts per 1,000 adults in Yemen to 175 in Tunisia, compared to a median of 207 loans per 1000 adults in developing countries (medians)

Loan penetration remains low (in countries where data were available)

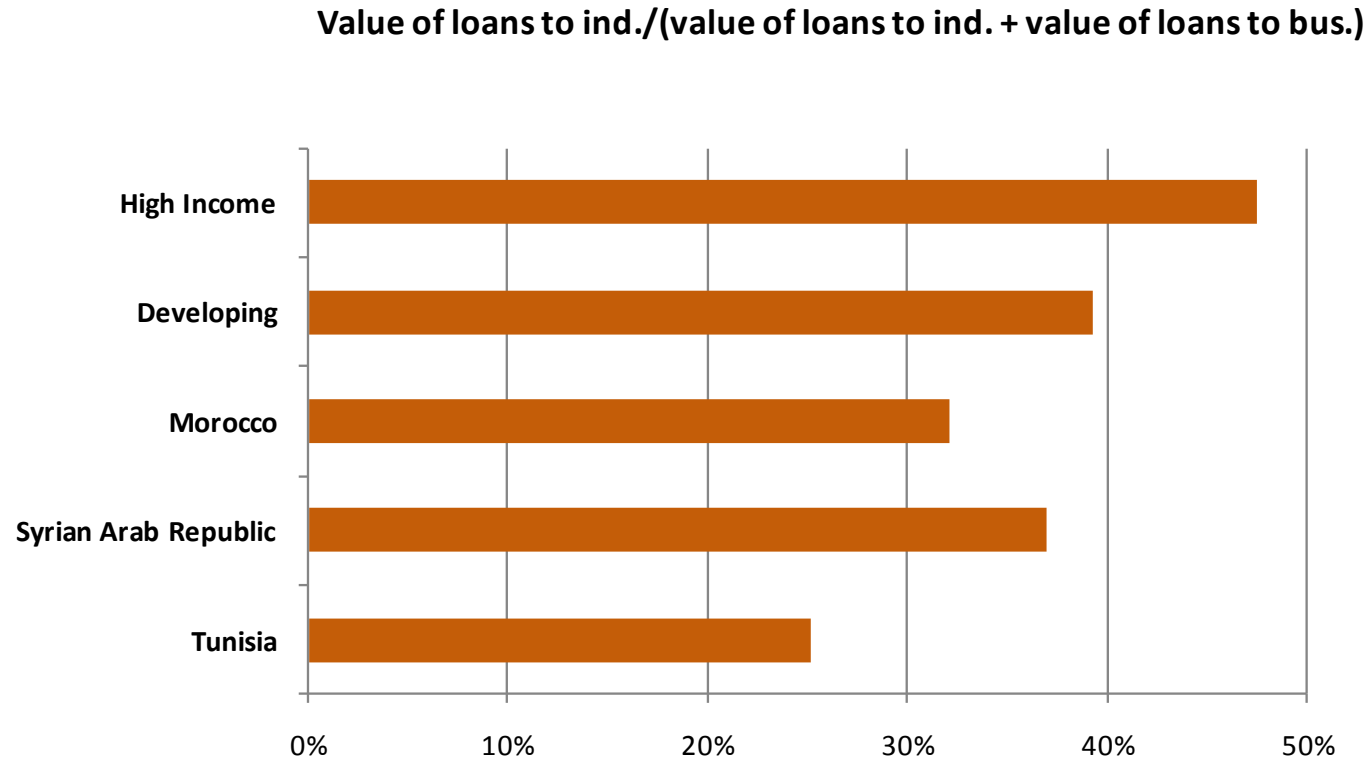
Number of loans per thousand adults



Note: This figure does not represent the totality of the financial system and corresponds solely to the aggregation of data for different institutional categories, when available. Not all countries provided information on every institution type. Countries are listed in ascending order of income per capita. Sorted by income

Source: *Financial Access Database*

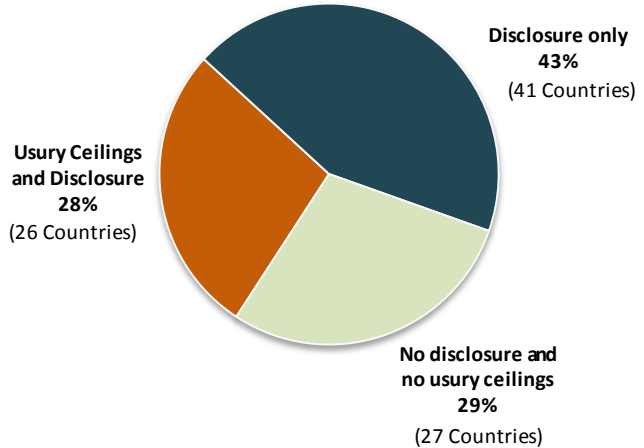
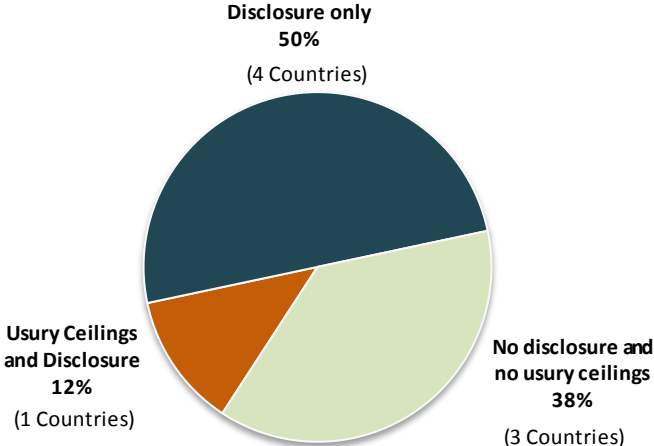
Loans to individuals account for a smaller share of the portfolio than in developing countries on average, though only 3 countries had data on business and individual loans separately



More countries use disclosure and not usury ceilings as the main consumer protection policy

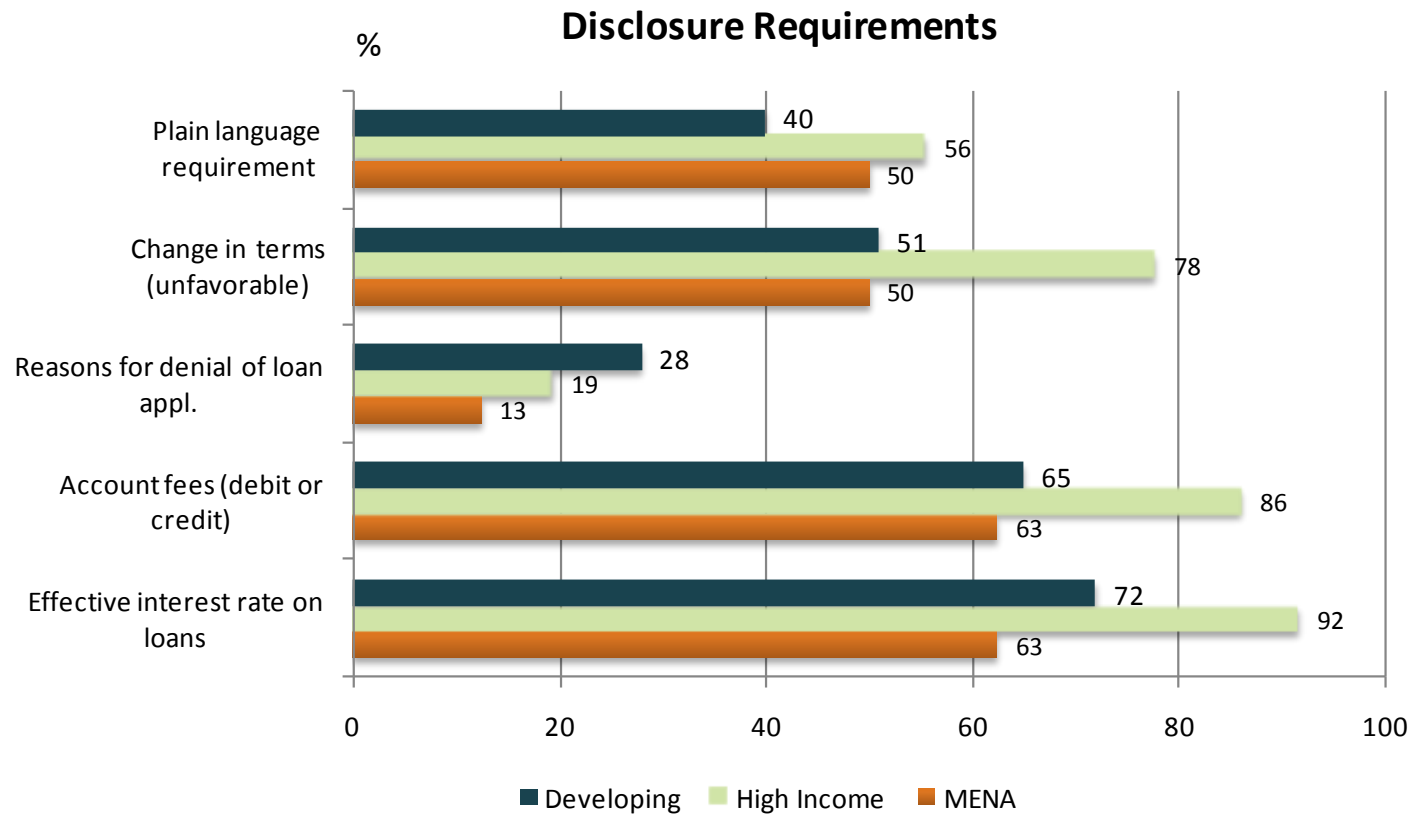
MENA

Developing World



Source: Financial Access Database

Consumer protection regulation pattern is similar to that of other developing countries



IV. Delivering Financial Services

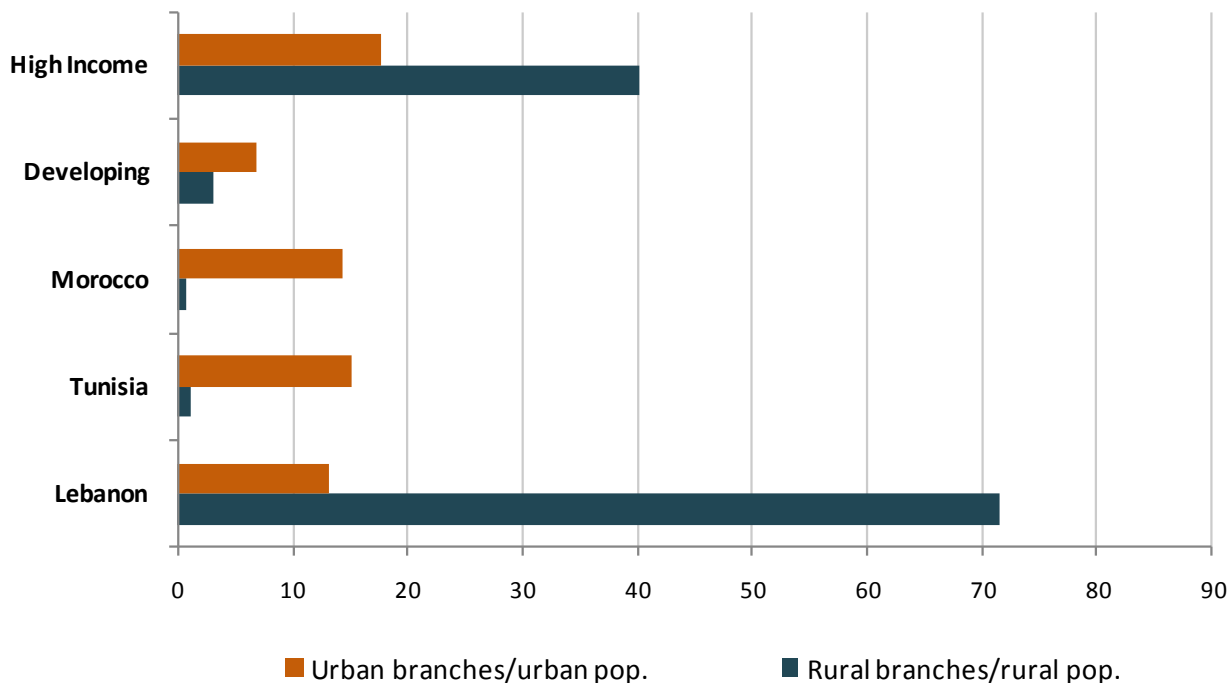
In MENA

- Developed branch network: 13 bank branches per 100,000 adults compared to 9 in developing countries (medians)
- Wide variation in geographical outreach: 2 branches per 100,000 adults in Yemen and 29 branches per 100,000 adults in Lebanon
- Regulations permit banking through agents in one country (Morocco)
- Provision of financial services through postal system is dominated by the state entities

Data on rural/urban branch distribution is limited – existing data shows mixed results. In the 3 countries for which data are available urban branch network is well developed

Rural and Urban Branches

No. branches per 100,000 adults

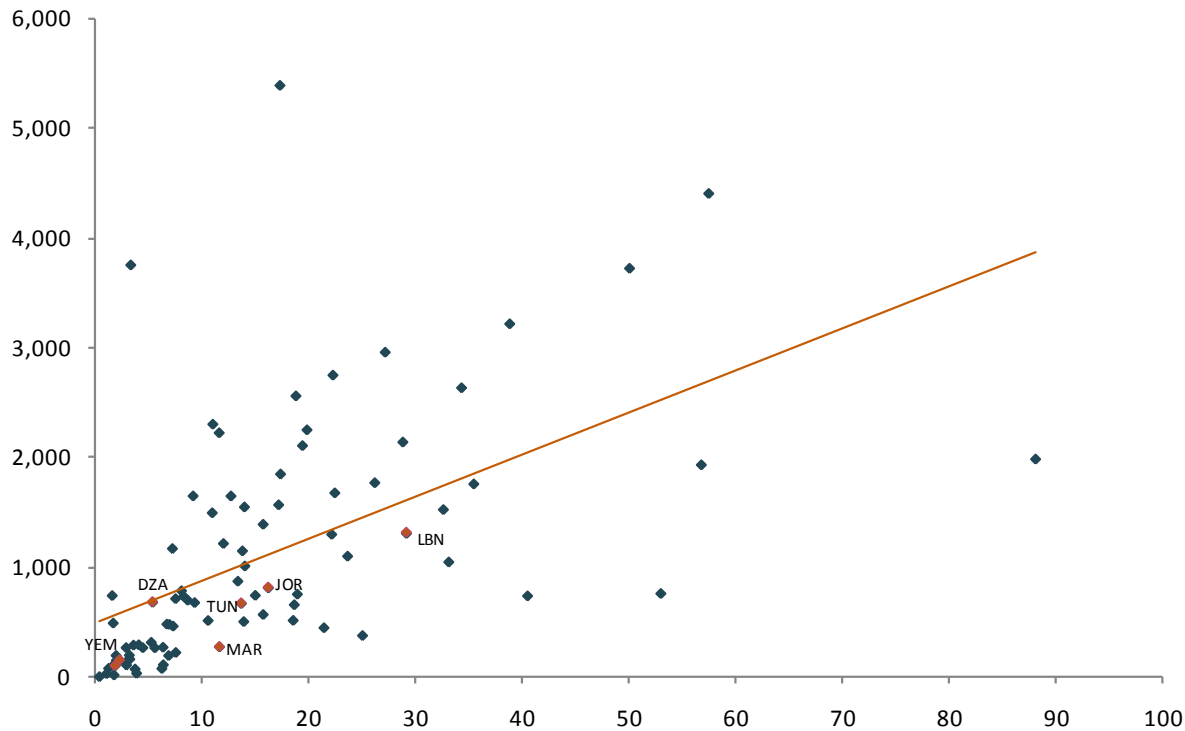


Note: Commercial Bank branches only
Source: *Financial Access Database*

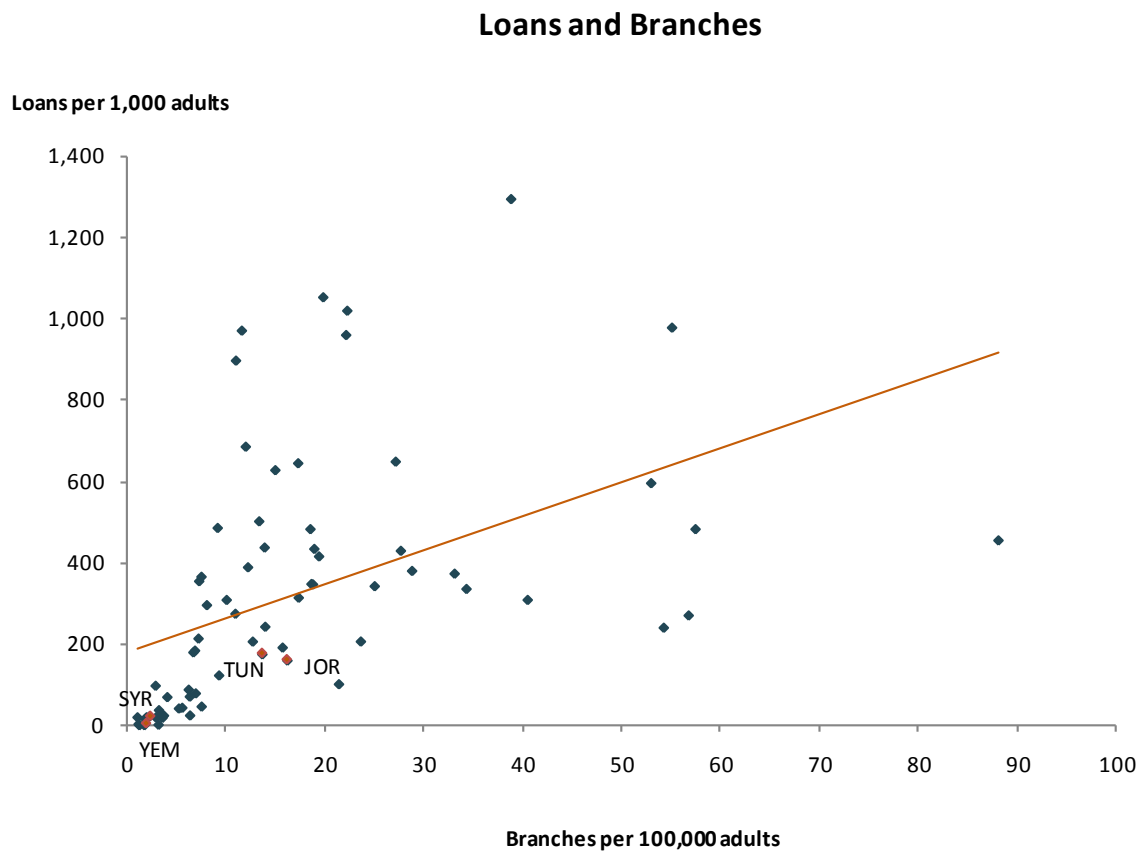
Number of deposit accounts and branches are closely correlated. MENA countries tend to have fewer deposit accounts per branch than international trend

Deposit Accounts per 1,000 adults

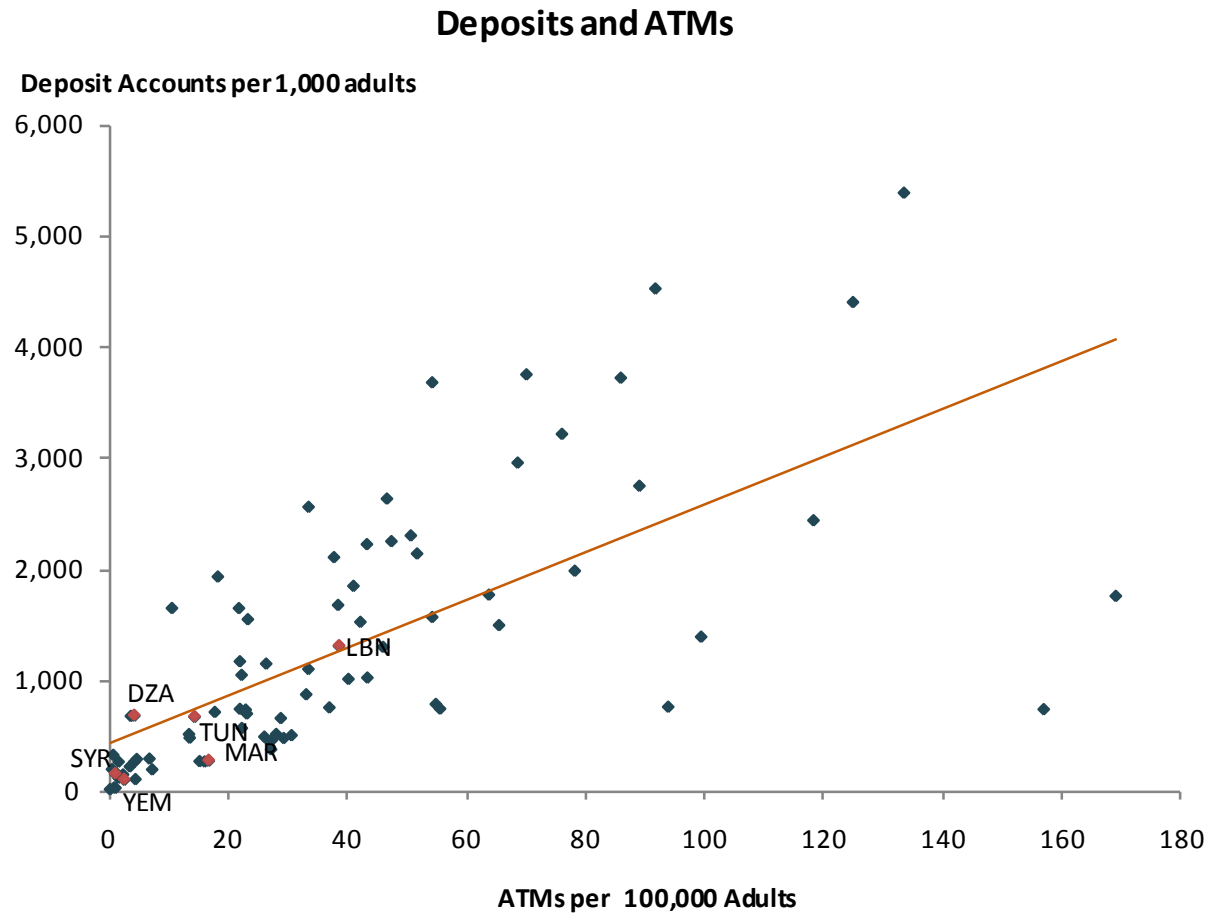
Deposits and Branches



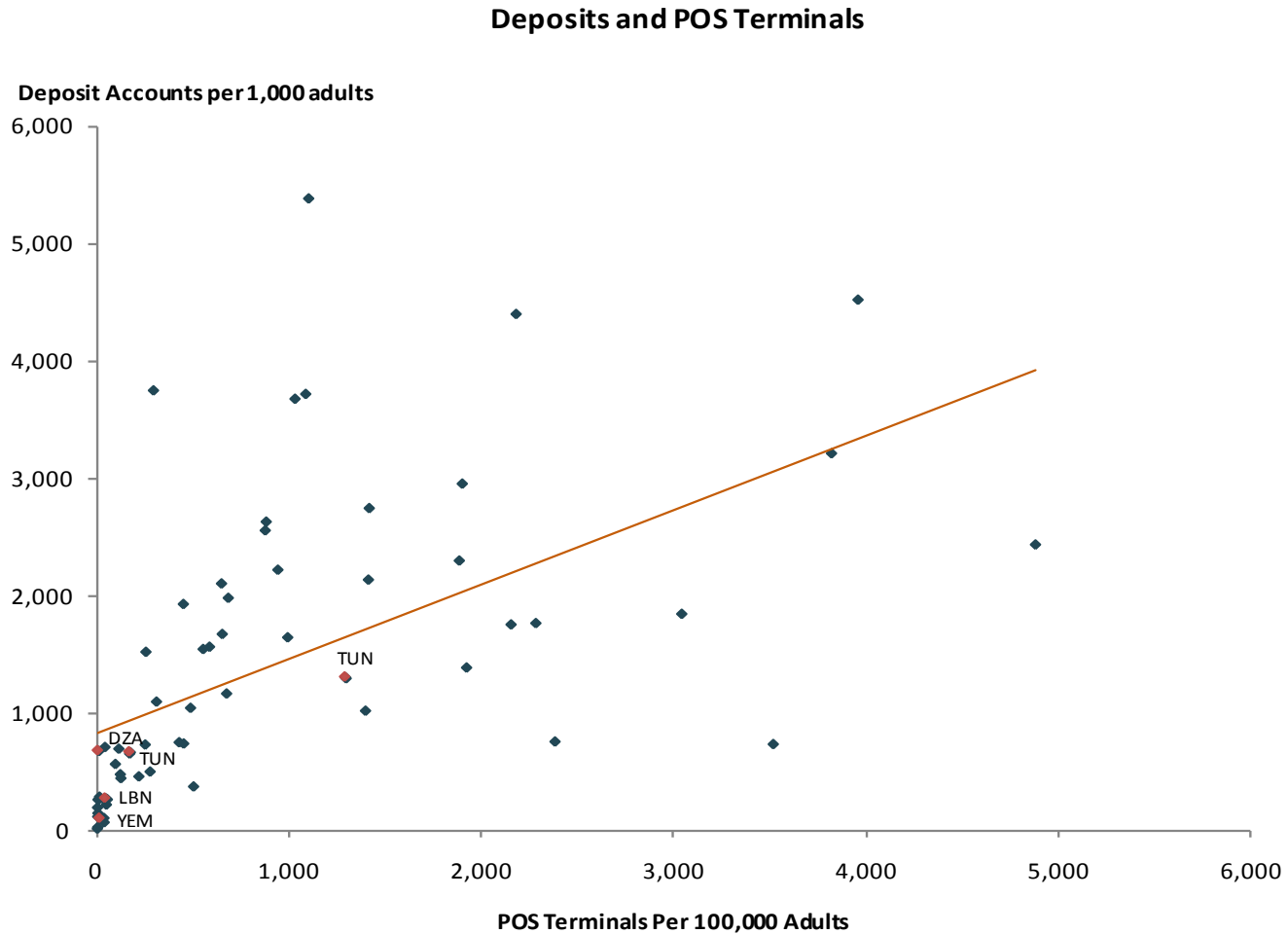
Number of loans and branches are closely correlated. MENA countries tend to have fewer loans per branch than international trend



Number of ATMs is closely correlated with the number of deposit accounts



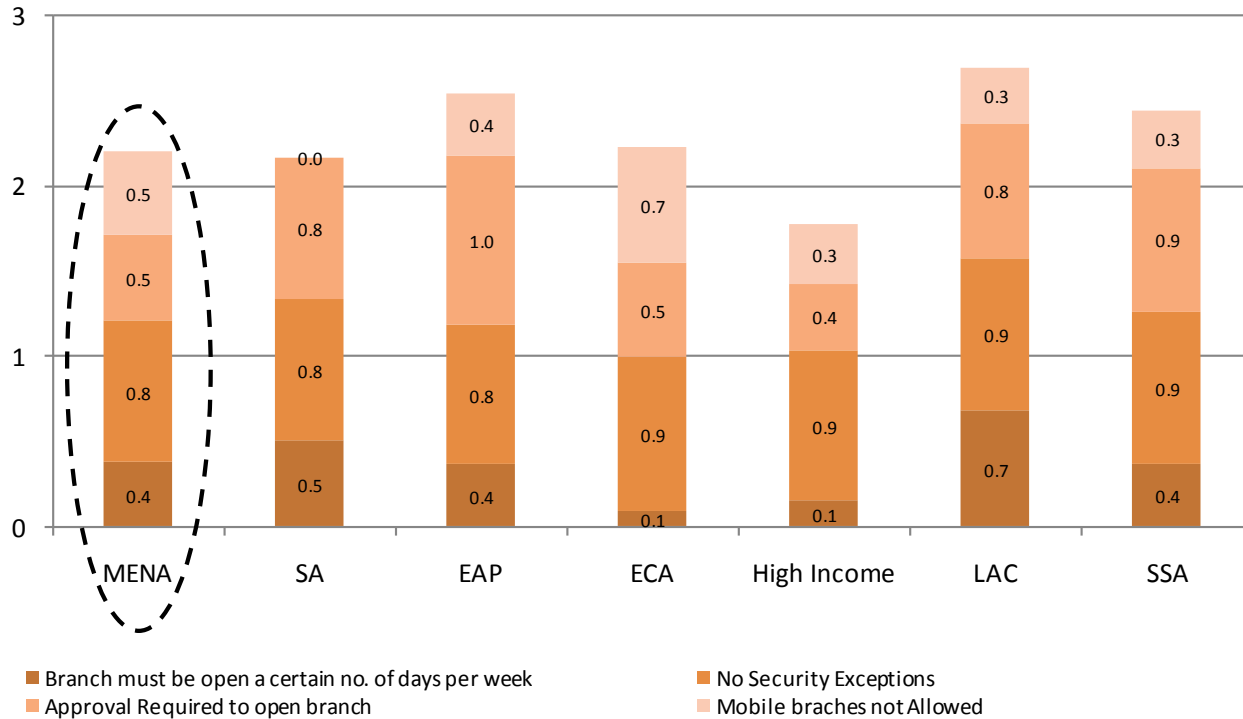
Number of POS Terminal is less correlated with the number of deposit accounts



Some bank branch regulations feature restrictions, constraining branch expansion

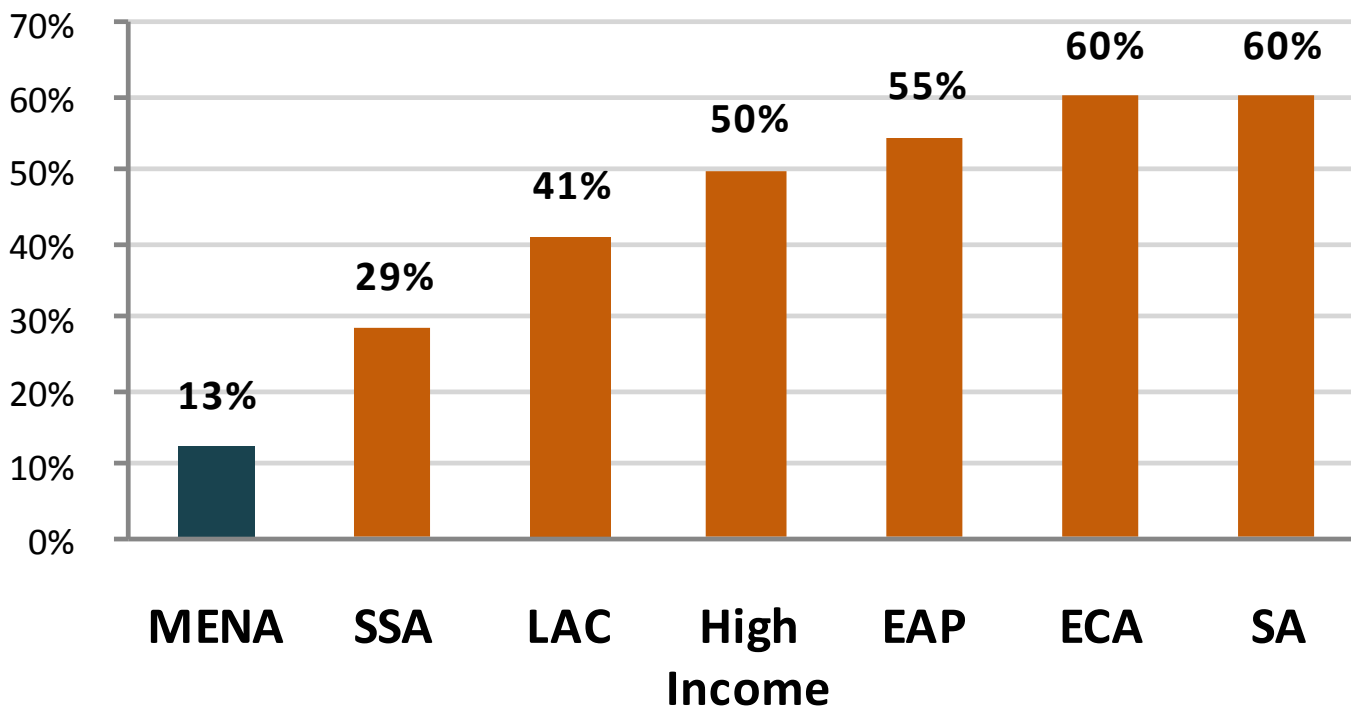
Some bank branch regulations make outreach difficult

Share of countries



Only one country in MENA reported allowing banks to provide services through agents (Morocco)

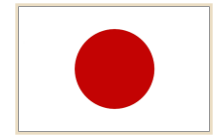
% of countries that allow banks to use agents





**Financial Access 2009 report
and data are available at:**

<http://www.cgap.org/financialindicators>



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