

Leveraging Financial Inclusion Statistics for policy and creation of economic opportunities

*Relevance of disaggregate supply side data in driving financial
inclusion*

Supply Side Data

- Financial inclusion refers to a state in which all working-age adults have effective access to credit, savings, payments, and insurance from financial service providers.
- Supply-side data are collected from financial service providers, such as banks, cooperatives, microfinance institutions, and other financial institutions.
- Supply-side data are quite different from demand side data in that they often require gathering of data from providers and are generally collected at regular intervals.

Supply Side Data

- Mostly capture only organizations that report to the financial regulator, thus leaving out important sources of financial services, especially informal finance, upon which large numbers of poor and low-income people count.

Data From Financial Providers

- Providers of financial services, the supply side, track the services they deliver as a basic function of their business.
- The data often include total numbers on loan or savings accounts (including volume of loans and deposits); they may also include more detailed data on the types of products as well as on the points of service (number of branches, mobile banking penetration, etc.).
- In some cases, there may even be client data—number of individuals, number of firms, location, gender, income levels, and other data that identify different market segments

Why the Need For Disaggregated Data?

- Disaggregation of data provides a deeper understanding of a situation or to clarify underlying trends and patterns.
- Data may be grouped by different dimensions, such as age, sex, geographic area, education, ethnicity, disability, social status or other socioeconomic variables
- There is significant momentum behind the assumption that better, more consistent, and increasingly disaggregated data are critical for better decision-making and progress tracking in extending access to financial services.

New Insights/Initiatives in Data

- New data initiatives have emerged to offer better and more meaningful supply-side data
- With the recently launched Enterprise Data Warehouse by the Central Bank, which envisions granular data from supervised financial institutions, it presents new supply data dimensions
- These Data Dimensions include Gender, Demography, County, Economic Sectors, Business Segments, Tenure, Economic Activities
- With Branch level data we will be able to map the data to geographical locations
- Customer Information will be broad and encompass the economic sector of the customer, gender, residency
- Mobile money payments per county, activities, gender

New Insights/Initiatives in Data

- Granular data on loans and deposits provides regulators a better view in understanding trends, identify risks, and make evidence-based policies
- Are loans advanced to mainly to Male or Female, What is the uptake of loans in County XX? What sector/economic activity are the loans mainly advanced to? Who defaults on Loans more Male/Female? What demographic are loans advanced to?
- What is the Deposit mobilization in County XX? Are Male having more deposit accounts than female? What are the volume of deposits for Non-Financial Corporations versus Households?

New Insights/Initiatives in Data

- Policy makers can look for gaps, establish priorities, and monitor change over time.
- Analysis of granular data sets can find new correlations to "spot" financial inclusion trends
- Disaggregated data helps to ease policy monitoring
- Demand side surveys are conducted every 2-3 years but with supply side granular data this can be done weekly, monthly and quarterly.

Other Initiatives

- Technical Working Group on Monetary and Financial Statistics comprising sector regulators and KNBS
- Advanced efforts in capturing unregulated financial entities
- Full adoption of international standards in collection/compilation of data i.e., System of Nation Accounts (SNA) 2008, International Standard Industrial Classification of All Economic Activities (ISIC) Rev 4.

Thank You