



Financial Inclusion in Iran

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Population: 76 milion 18th largest Country -
Area: 1,648,000 km²





Financial Sector Structure(1)

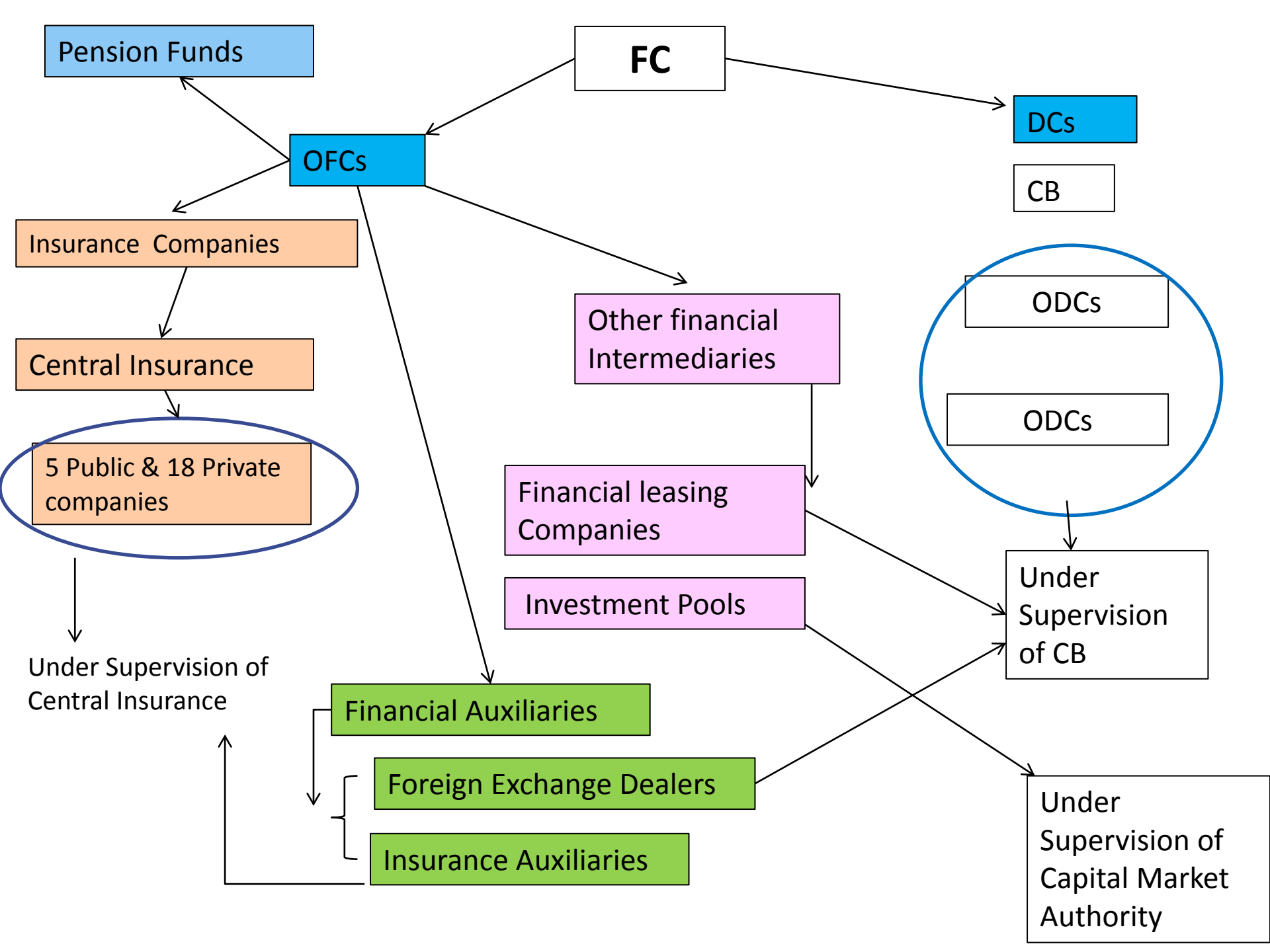
Depository Corporations(DCs)

- Central Bank
- Other Depository Corporations
 - State owned Banks(9 banks)
 - 3 Commercial Banks
 - 6 Specialized Banks
 - Private Banks(18 banks)
 - 4 New privatized Banks
 - 14 Private Banks
 - Banks(In the process of changing from credit institution to Banks)*
 - Qard-hassanah Institutions*
 - Credit Unions*



Financial Sector Structure(2)

- Other Financial Corporations(OFCs)
 - Insurance companies(24)
 - Central Insurance (1)
 - Public insurance companies(5)
 - Non-public insurance companies(18)
 - Pension funds
 - *Civil Servants Pension Organization (C.S.P.O)*
 - *Iran Health Insurance Organization*
 - Other financial Intermediaries
 - Financial leasing Companies(36)
 - Investment Pools
 - Financial Auxiliaries
 - Foreign Exchange Dealers
 - Insurance Auxiliaries(2)





The Central Bank of Iran
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Review of Key Statistics



Account at a Formal Financial Institution

Account at a formal financial institution (% age 15+)	74%
Account at a formal financial institution, female (% age 15+)	62%
Account used to receive wages (% age 15+)	26%
Account used to receive government payments (% age 15+)	49%
Account used to receive remittances (% age 15+)	27%
Saved using a savings club in the past year (% age 15+)	6%
Loan from financial institution in the past year (% age 15+)	30.7%
Electronic payments used to make payments(% age 15+)	32.9%

Source: World Bank Data Book on Financial Inclusion



Access to Banking Services

Loan from a financial institution in the past year (% age 15+)	31%
Loan from family or friends in the past year (% age 15+)	50%
Debit card (% age 15+)	58%
Credit card (% age 15+)	24%
Commercial bank branches per 1,000 km ²	9.61
Commercial bank branches per 100,000 adults	27.07
ATMs per 1,000 km ²	16.35
ATMs per 100,000 adults	46.07
Outstanding deposits with commercial banks (% of GDP)	52.34
Outstanding loans from commercial banks (% of GDP)	42.94
Bank Branches per 10000 adults	29.5

Source: World Bank Data Book on Financial Inclusion

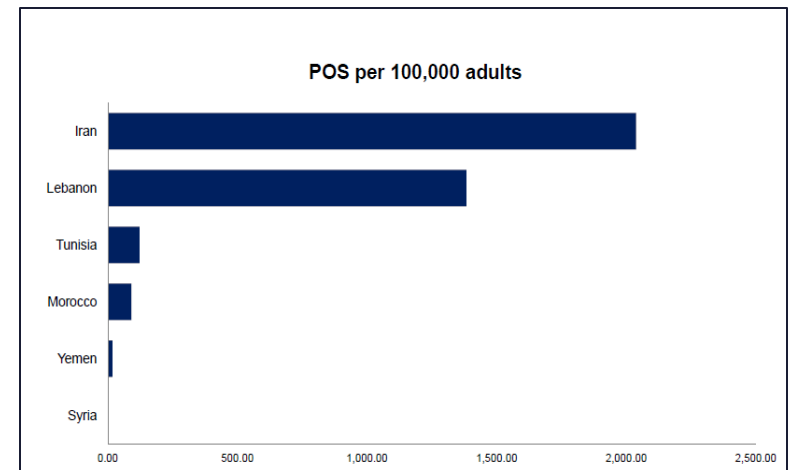
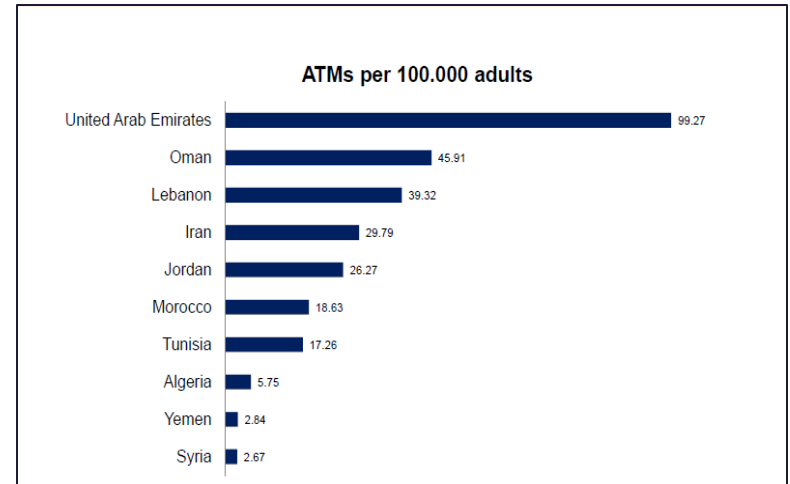
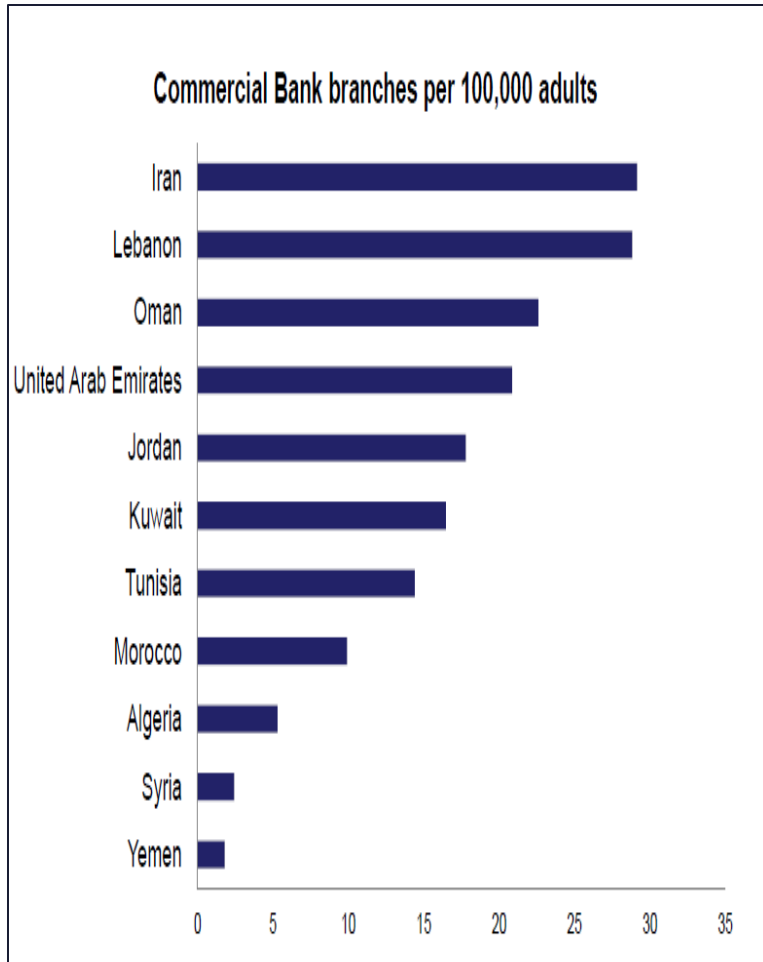


Access to Formal Accounts (% , age 15+)

Access to Formal Accounts (% , age 15+)	Iran	Middle East & N. Africa	Upper middle income
deposits/withdrawals in a typical month (% with an account)	14.9	19.1	11.8
deposits in a typical month (% with an account)	20.5	30.8	18.1
deposits in a typical month (% with an account)	60.9	50.8	64.9
deposits in a typical month (% with an account)	11.9	14.6	9.6
withdrawals in a typical month (% with an account)	18.6	24.4	17.6
withdrawals in a typical month (% with an account)	41.7	50.2	54.7
withdrawals in a typical month (% with an account)	30.8	19.3	19.2
ATM is the main mode of deposit (% with an account)	44.4	6	17.7
Bank teller is the main mode of deposit (% with an account)	50.2	66.6	66.4
Bank agent is the main mode of deposit (% with an account)	1	4.2	1.2
ATM is the main mode of withdrawal (% with an account)	67.7	37.6	46.1
Has debit card	58.3	9.1	38.7



Some Statistics



Source: Financial access in MENA: Mohammed Khaled



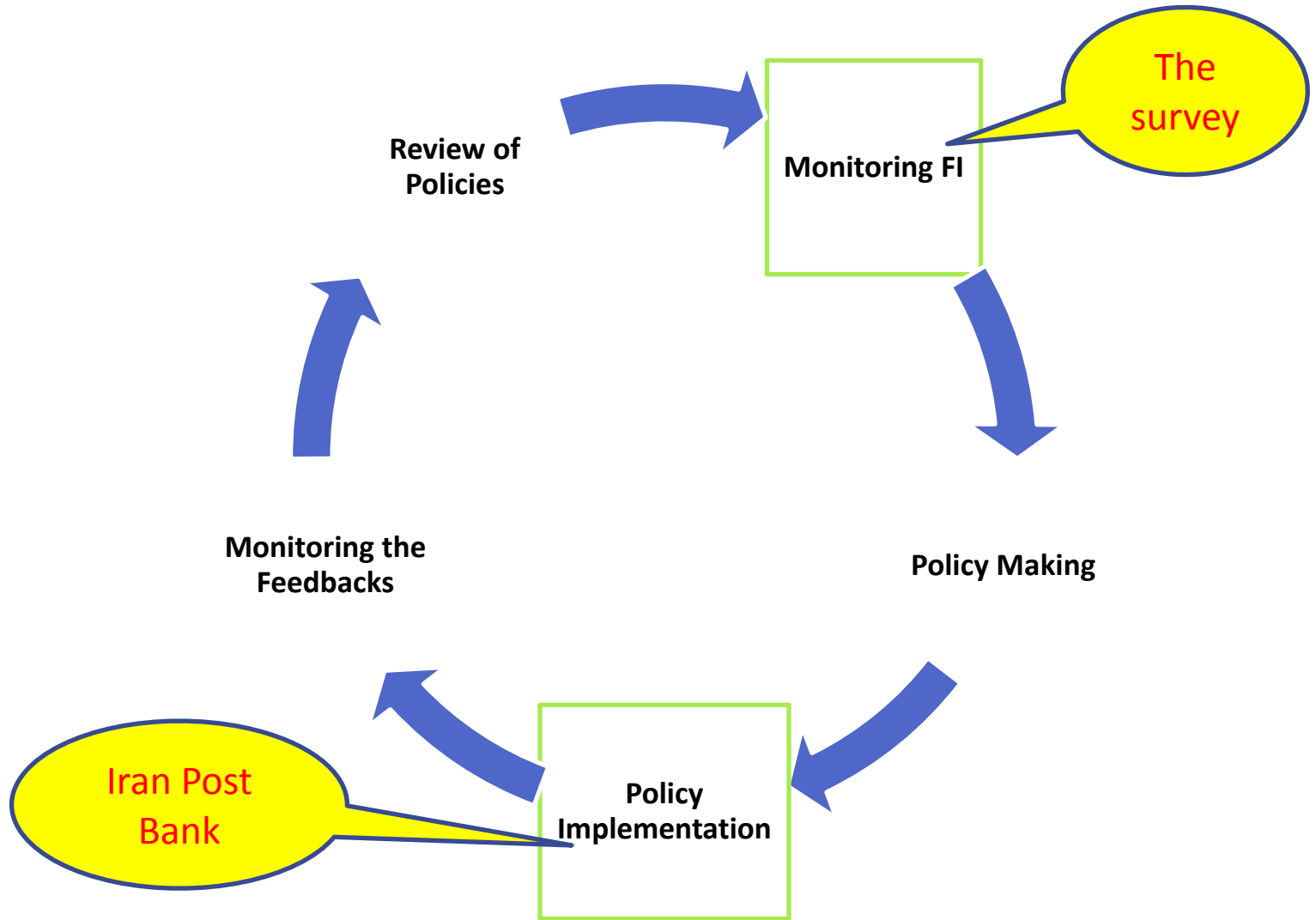
The index of financial inclusion

The index of financial inclusion is a measure of inclusiveness of the financial sector of a country. It is constructed as a multidimensional index that captures information on various aspects of financial inclusion such as banking penetration, availability of banking services and usage of the banking system. (Sarma and Pais 2008)

- Iran 0.527
- India 0.198
- Pakistan 0.113
- Italy 0.439
- Turkey 0.387
- Belgium 0.908



The Scheme of the Rest Presentation





Surveys Proposed for More Accurate Monitoring of Financial Inclusion



Survey on Access of Urban household to Financial Services

□ Purpose of Survey

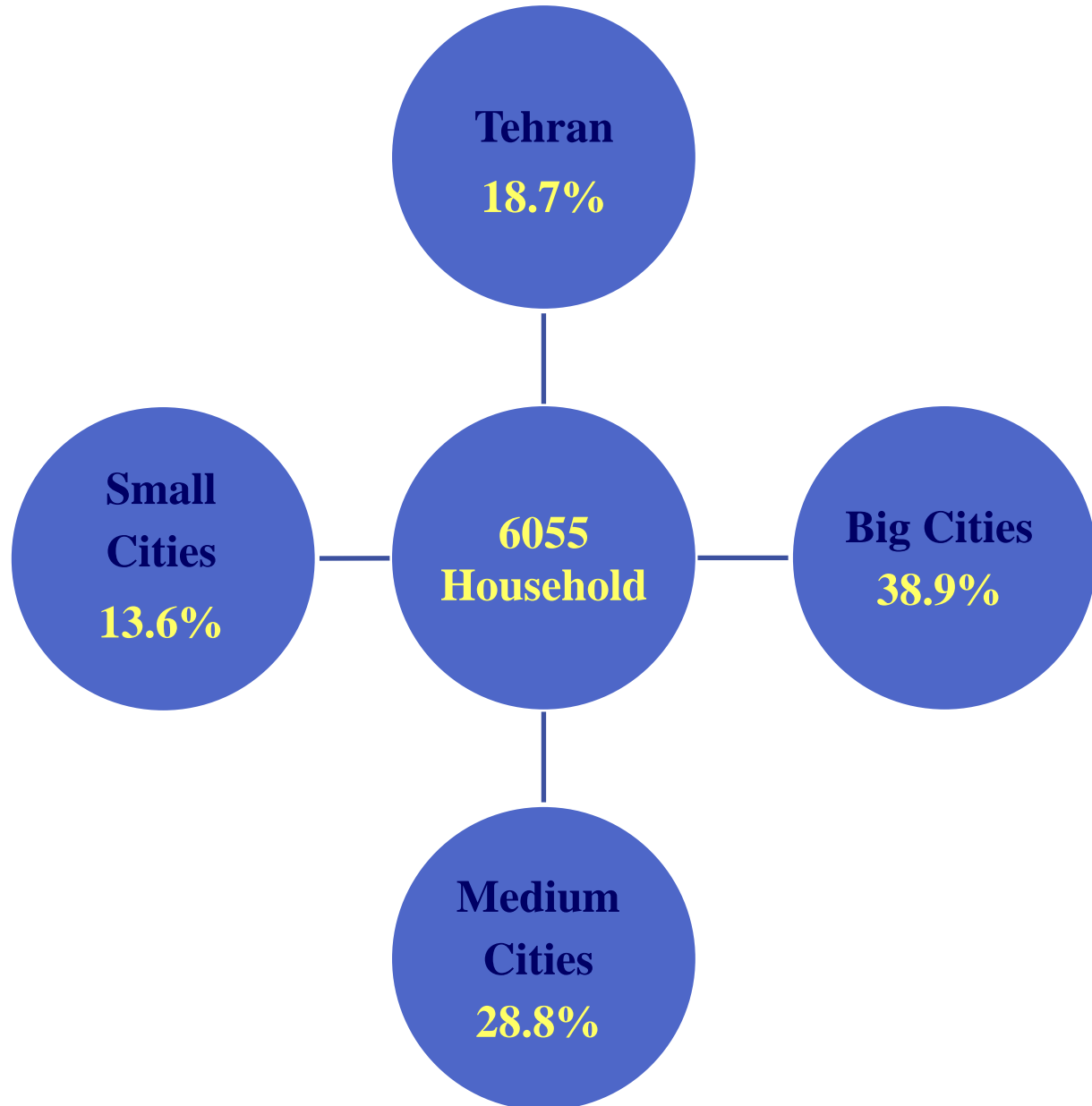
- ⚙ Measures Household knowledge on Financial Literacy
- ⚙ Factors effect on Household Financial Inclusion
- ⚙ Barriers on access to financial services

□ Scope of Survey

- ⚙ Banking
- ⚙ Saving and Investing
- ⚙ Loan(Facility)
- ⚙ *Qard-hassanah* Funds
- ⚙ Insurance
- ⚙ Stock Market

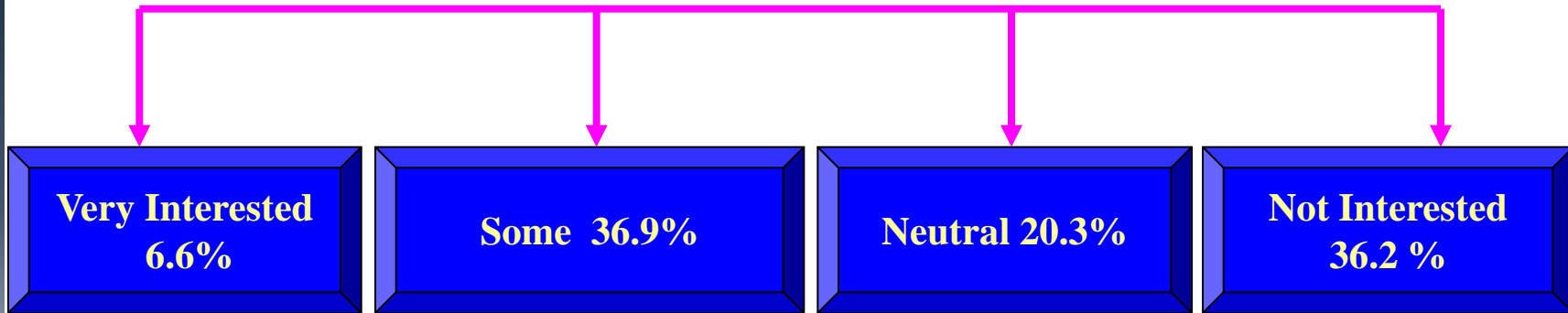


Sample Details



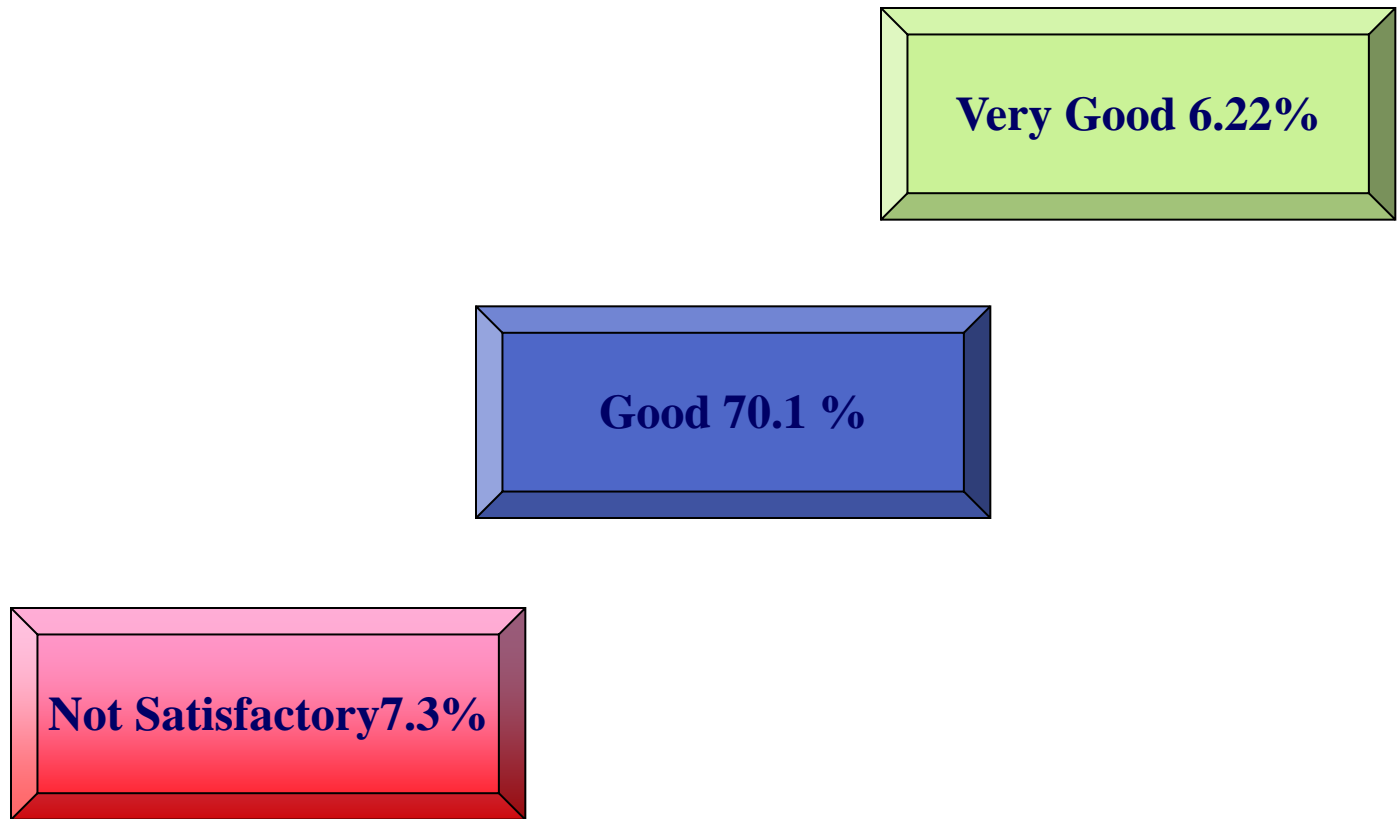


Financial Literacy Interest





Evaluation of Households in Access to Banking Services





Investing through the saving Accounts

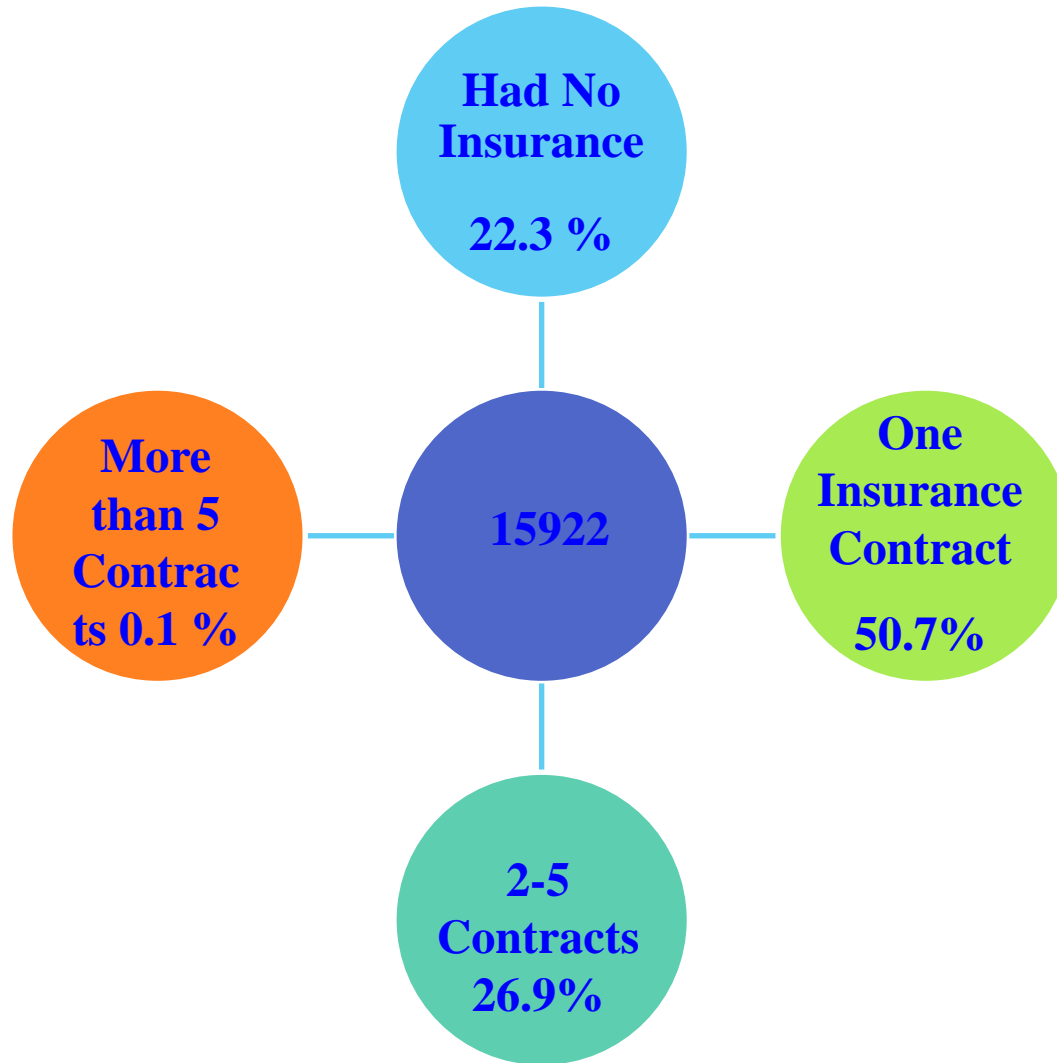
Deposit	Percent
Government owned Banks	43.4
Private Banks	3.6
Credit Unions	4.6
Qard-hassanah Institutions	2.1
Individuals	4
Others	4
I did not deposit my money	7.5
I have no money to deposit	38

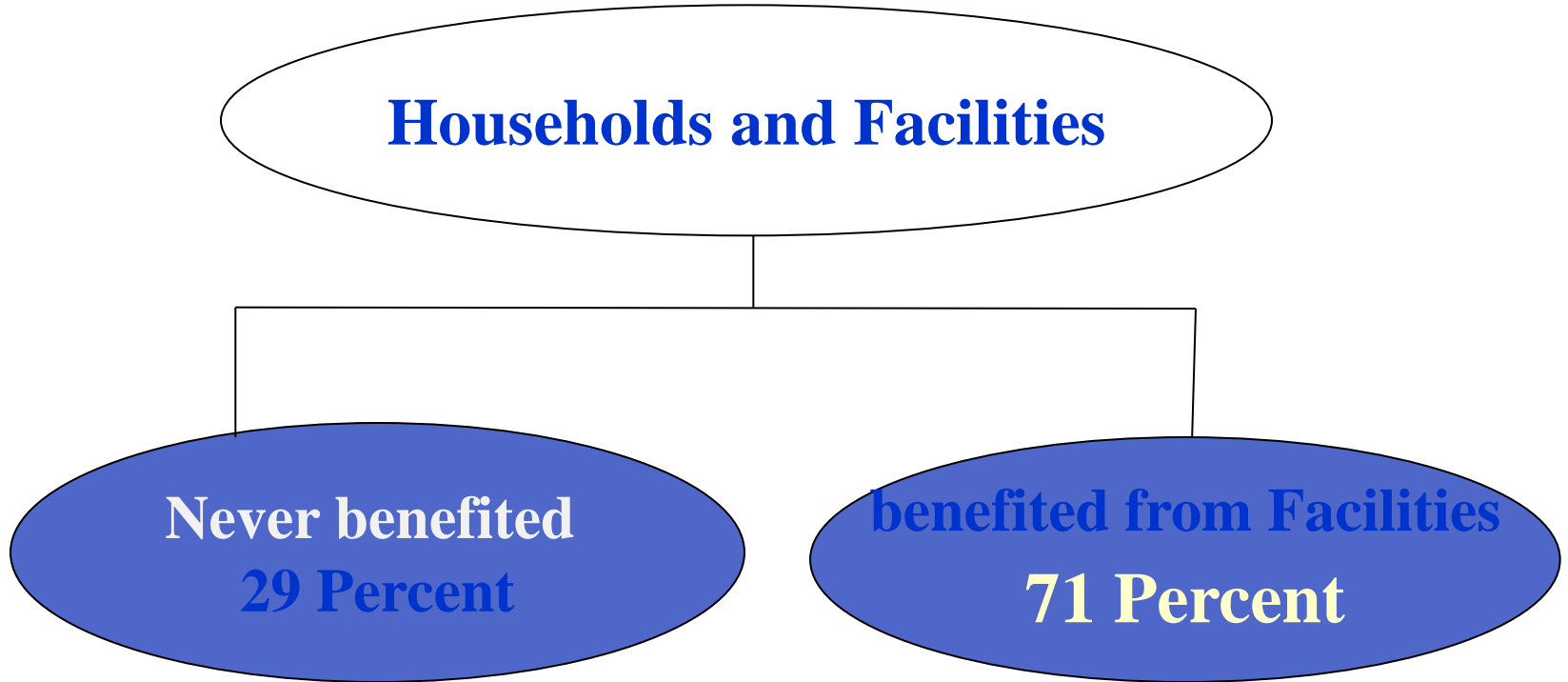
54.4%

45.5 %



Distribution of Access to Insurance







پست بانک ایران

Post Bank in Iran (Experiences and Policies)



Post Bank

- Financial Post was launched within the I.R. Post Company by the year 1986.
- By 1995, Postbank Iran was dissociated from I.R.I Post Company and commenced its activities on the basis of its Article of Association as an independent organization.
- PBI was recognized as a bank on February 23, 2004.
- Constitutes the most extensive banking network with having 11447 active access points throughout the country.(8152 rural,3295 urban regions)
- Has expanded its banking services at Urban and Rural ICT offices.





Achievements of Postbank

- Acquiring 32% share of rural banking services from the 35% total share of all countries banks.
- Being in the first rank for subsidies payment in rural areas
- Opening 6 million and 500 thousand bank accounts and performing 130,856,000 financial transactions in rural offices
- Offering more than % 90 facilities with the amount of less than 100 million Rls. to low income households





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