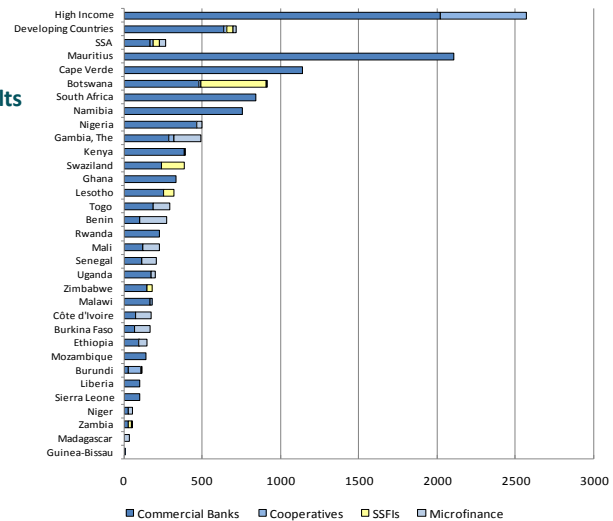
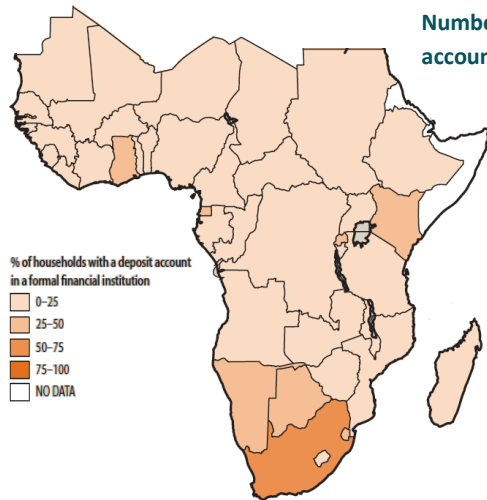


**DEPOSIT SERVICES & FINANCIAL INCLUSION**

**Deposit Account Penetration.** In Sub-Saharan Africa (SSA) there are 163 bank accounts per 1,000 adults, compared with 635 bank accounts per 1,000 adults in developing countries. There is a wide variation among countries in the region in terms of deposit account penetration, from six bank accounts per 1,000 adults in Guinea-Bissau, to 2,109 bank accounts per 1,000 adults in Mauritius. Average deposit size per capita is much higher in SSA (at 193 percent) than in developing and high-income countries.

SSA had a higher median growth rate in the number of accounts per 1,000 adults at 10 percent, compared with both high-income and developing countries. However, SSA countries start from a relatively low base—Malawi and Kenya had the largest growth, at 32 and 29 percent, respectively. Most deposits are held in commercial banks in all reporting SSA countries, although Niger, Burkina Faso, Côte d’Ivoire, and Benin report more deposits in microfinance institutions (MFIs). And Burundi reports a higher number of deposit accounts in cooperatives and credit unions.



**Financial Inclusion Mandates—Role of the Main Financial Regulator.**

Consumer protection and microfinance promotion are the two areas of the financial inclusion agenda that most frequently fall under the responsibility of the financial regulator in SSA.

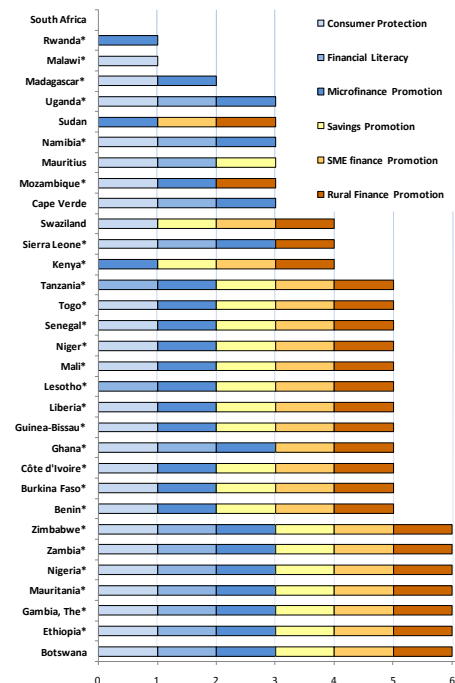
Regulators in 81 percent of the SSA countries reporting to *Financial Access 2010* are responsible for consumer protection—a higher percentage than any other region except for South Asia. And regulators in 88 percent of the SSA countries reporting to *Financial Access 2010* are responsible for microfinance promotion.

Only 15 out of the 32 SSA regulators report being responsible for financial literacy; 21 for savings promotion; and 22 for small and medium enterprise (SME) finance promotion. Seven countries report being responsible for all six financial inclusion topics, and 12 countries report being responsible for five topics.

Almost all SSA financial regulators (except for South Africa, Mauritius, Cape Verde, Swaziland, and Botswana) have a strategy document for financial inclusion, indicating that financial inclusion is a high priority for many of these countries’ development agendas.

The average number of reforms in SSA in 2008-09 was 4.8 out of a maximum of 10, which is higher than every region except for East Asia and the Pacific and South Asia.

The main financial regulator is responsible for the following financial inclusion topics:



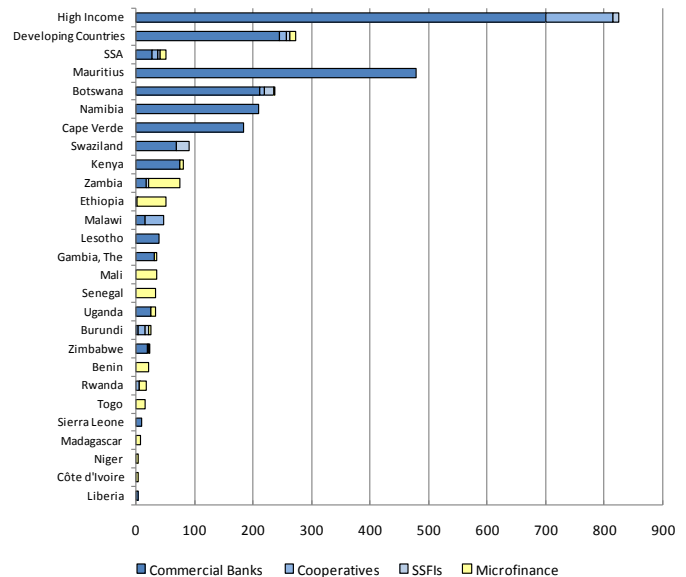
\* main financial regulator has a financial inclusion strategy document

**CREDIT SERVICES & CONSUMER PROTECTION**

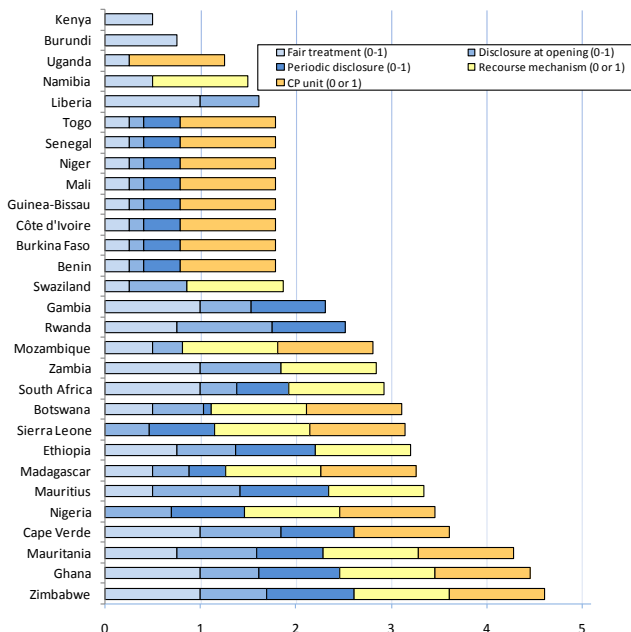
**Access to Credit.** In SSA there are only 28 bank loans per 1,000 adults compared with 245 bank loans per 1,000 adults in developing countries. There is a wide variation among countries in the region in terms of loan account penetration, from 479 bank loans per 1,000 adults in Israel to only four bank loans per 1,000 adults in Liberia. Nonbank financial institutions (NBFIs) target lower income segments, but limited data do not allow for a comprehensive assessment of the role of NBFIs. The change in the number of accounts on average in SSA decreased by only 2 percent, a little higher than the average decrease in developing countries. The number of loans per 1,000 adults increased the most in Botswana and Ethiopia, at 41 and 32 percent, respectively, but decreased the most in Namibia by 46 percent.

The volume of loans as a percentage of GDP decreased by 13 percent on average in the SSA region, a lower average than the percent decrease in developing countries. Volume of loans decreased in all SSA countries, except for Burundi, Madagascar, Malawi, and Swaziland. Most reported loan accounts are held in commercial banks and MFIs in SSA countries. Côte d'Ivoire, Niger, Madagascar, Benin, Senegal, and Mali all reported only their MFI loan accounts. Zambia has the largest microfinance sector by loan volume in SSA. The ratio of the volume of loans to individuals to total volume of loans in commercial banks (at 37 percent) is the same average for developing countries.

**Number of loan accounts per 1,000 adults**



**Consumer Protection: From Legislation to Enforcement**



**Consumer Protection Regulations in Sub-Saharan Africa.**

The recent financial crisis highlighted the importance of effective consumer protection and adequate levels of financial literacy for the sustainability of the entire financial system.

*Basic consumer protection requirements are on the books in most SSA countries.* Eighty-four percent of SSA countries (27/32) have laws and regulations addressing at least some aspects of financial consumer protection. Twenty-seven countries also have some sort of fair treatment legislation restricting unfair selling practices. On average, SSA countries require the least disclosure requirements upon account opening surveyed by *Financial Access 2010* out of every region.

*Institutional structures are weaker than legislative requirements.* A little more than two-thirds of SSA financial regulators who said they were responsible for some aspect of financial consumer protection have a dedicated unit to work on these issues.

*Enforcement mechanisms are the weakest.* Sixteen SSA countries require financial institutions to implement procedures for resolving customer complaints, and only 14 SSA countries have at least one dispute resolution mechanism. Onsite inspection is the only compliance monitoring mechanism that exists in more than half of SSA countries, and issuing warnings to financial institutions is the only enforcement action that is taken by regulators in more than half of SSA countries.