



**IDB**

**Invest**

**Financial Inclusion: The bridge  
for a better future**

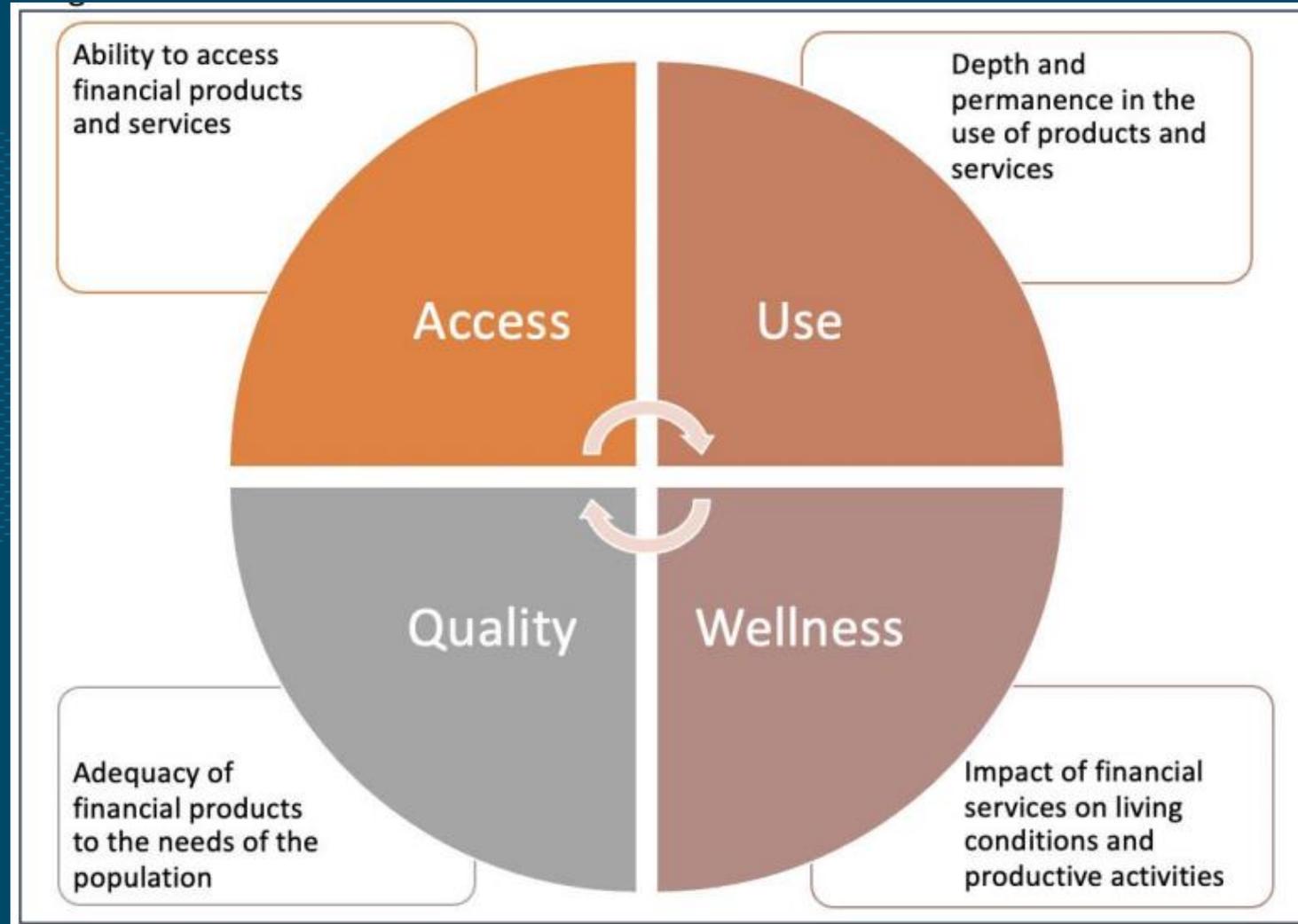
Let`s imagine.....



# | Financial Inclusion

Financial inclusion means that **individuals and businesses** have **access** to financial products and services that are **useful, affordable, of adequate quality and convenient** (IDB, 2022).

# The 4 dimensions of Financial Inclusion



## Who could benefit from digital payments?

- **Consumers** through larger amount of funds for transactions; building individual data history; safety;
- **SME** by broader market access, expanding consumer and seller base;
- **Financial Institutions** by improved credit risk assessment to minimize their NPL portfolio; lower operational cost;
- **Governments**, with higher collection of tax revenue; improve efficiency; reduced central bank costs of providing currency.

### Some facts?

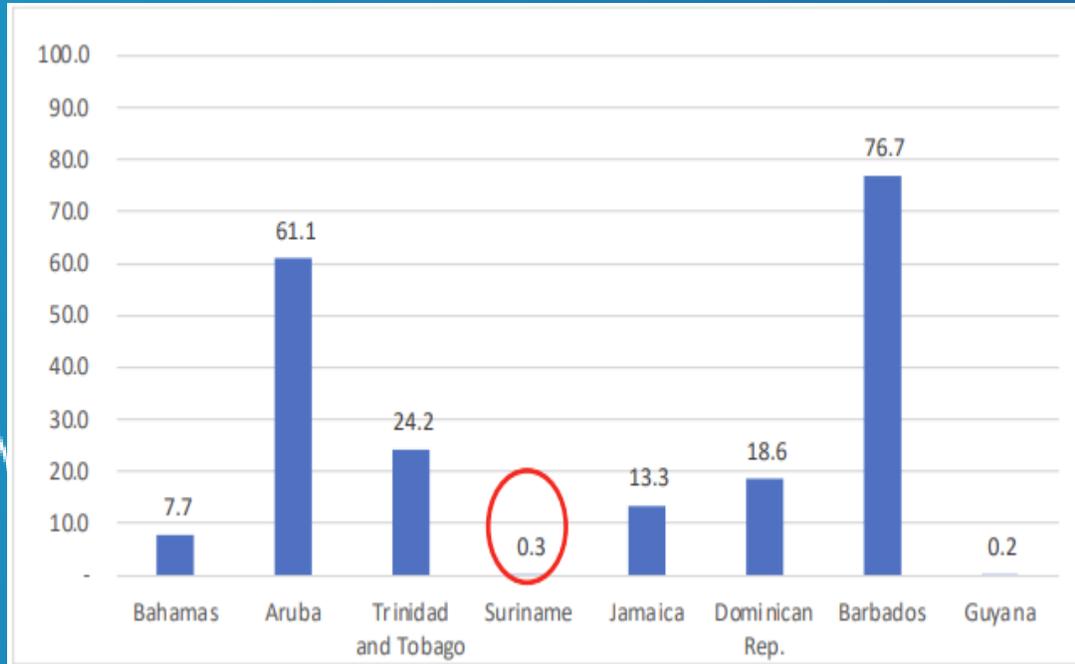
- **Reductions in poverty and (gender) inequality are correlated to increases in the fraction of financially included population.**
- **Digital payment allows individuals and businesses to pay and be paid, quickly and securely, with the potential to boost economic growth.**



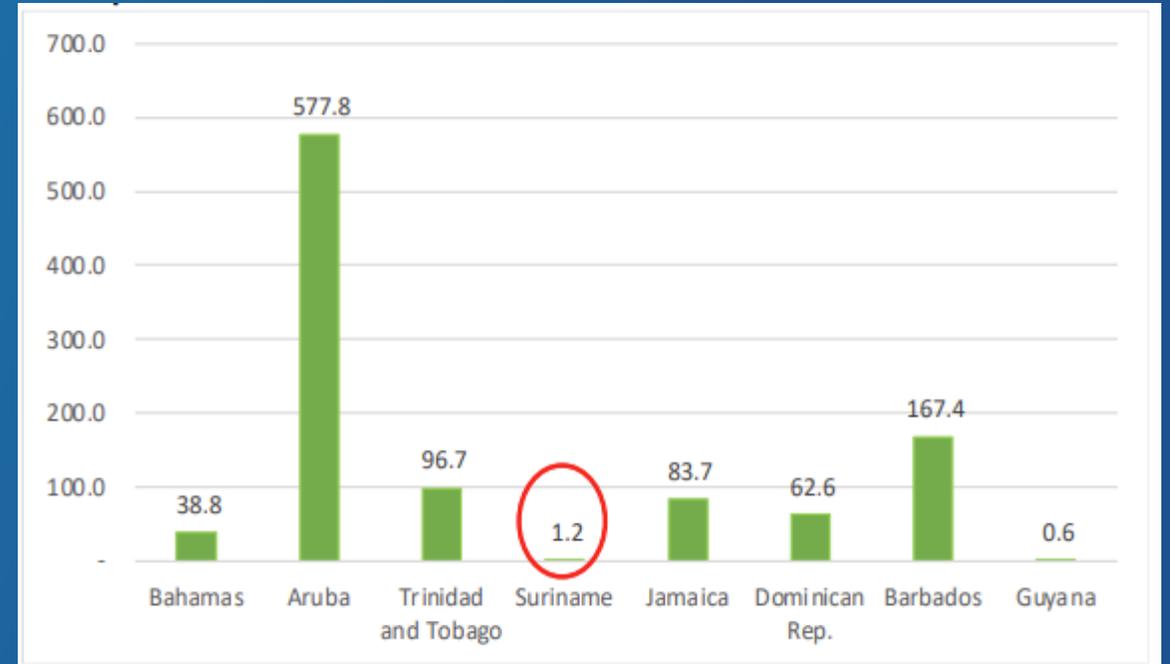
# | Suriname & it`s peers

# Suriname lags most of it's peers in broad financial inclusion indicators (1)

## Commercial bank branches/1,000 Kms2



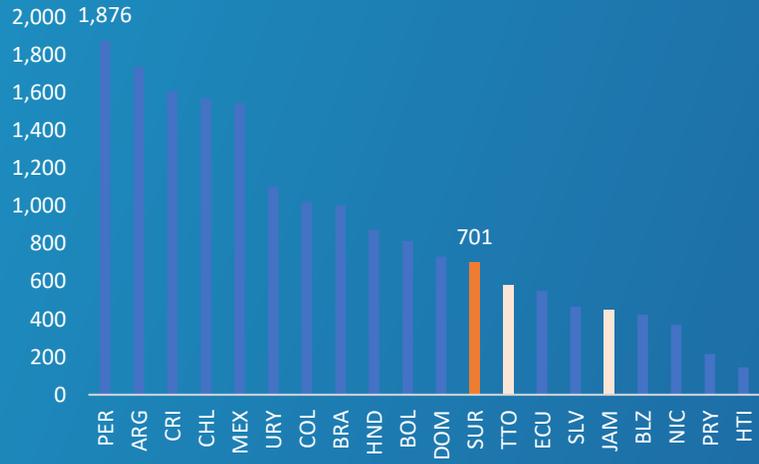
## ATM/1,000 Kms2



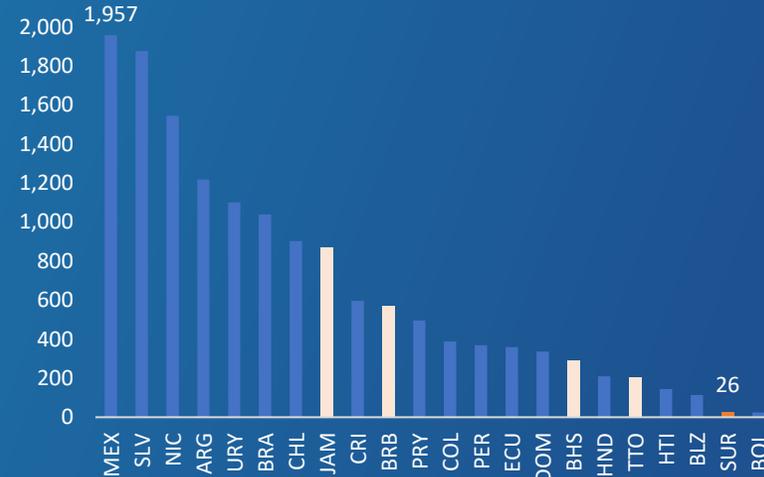
Source: IMF Financial Access Survey, 2022. Data refers to 2021.

# Suriname lags most of it's peers in broad financial inclusion indicators (2)

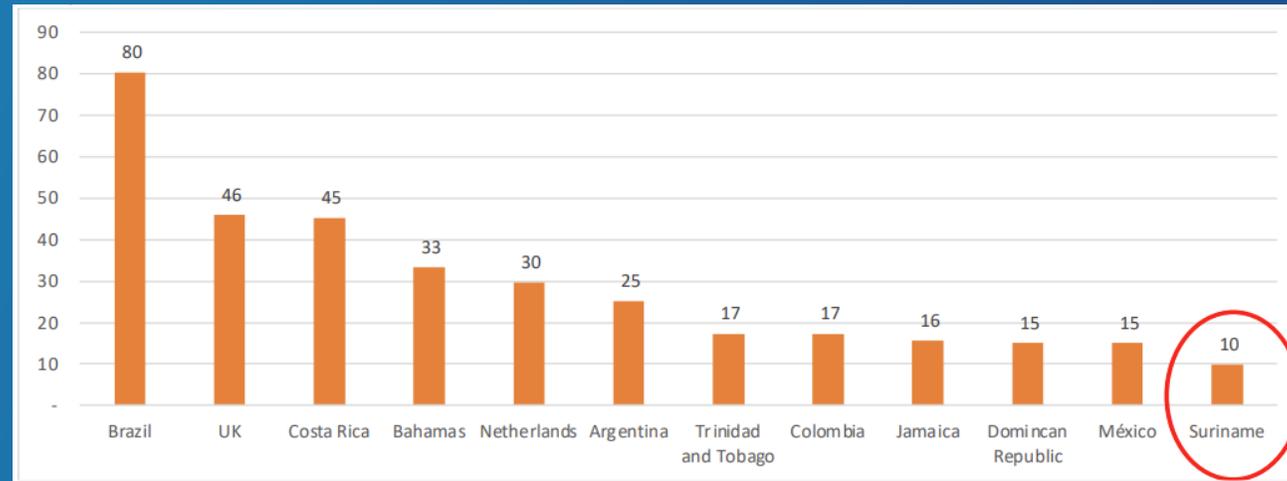
Number of debit cards per 1,000 adults



Number of credit cards per 1,000 adults



Number of POS /1,000 adults, 2020



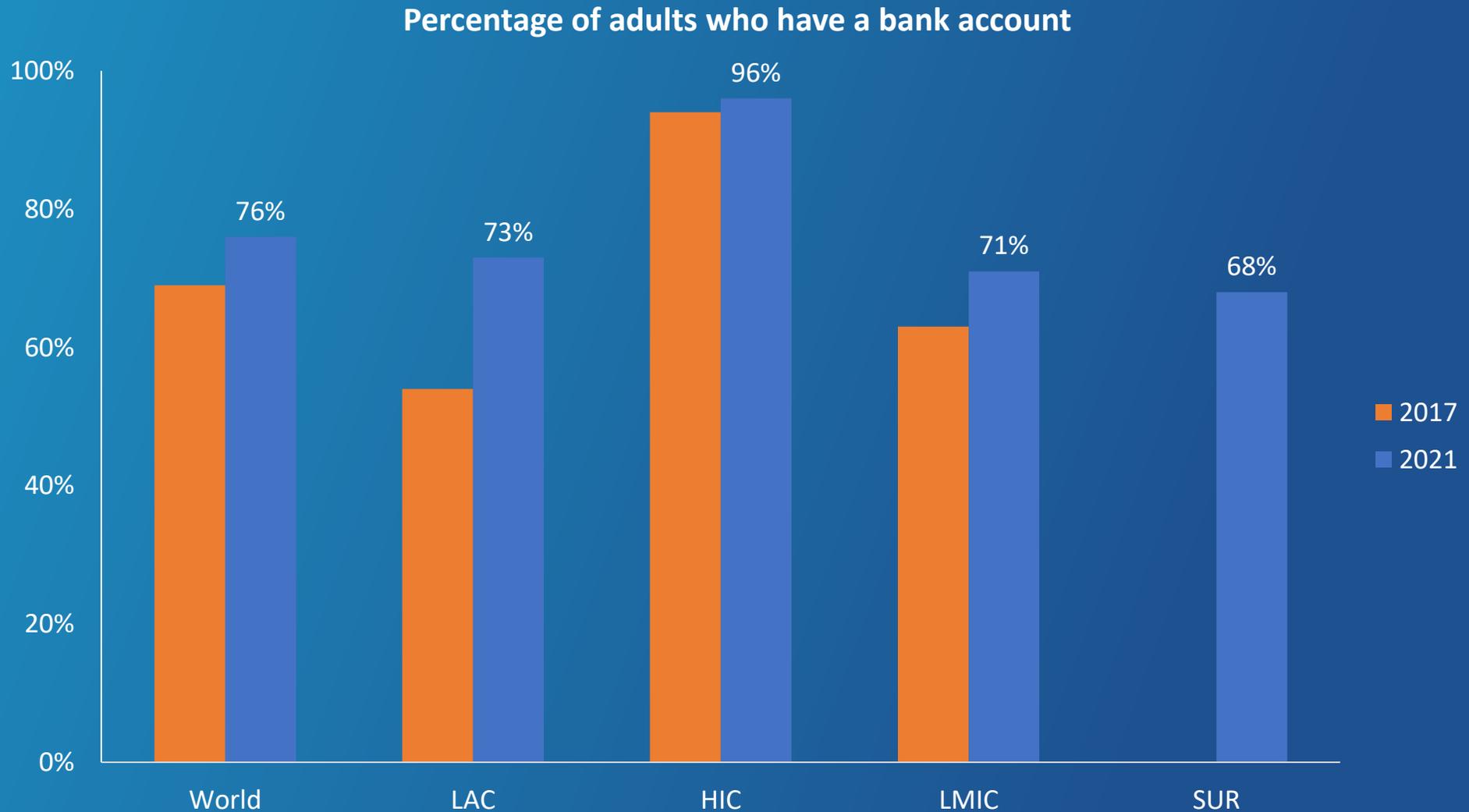
Source: IMF Financial Access Survey, 2022. Data refers to 2021, unless otherwise stated.



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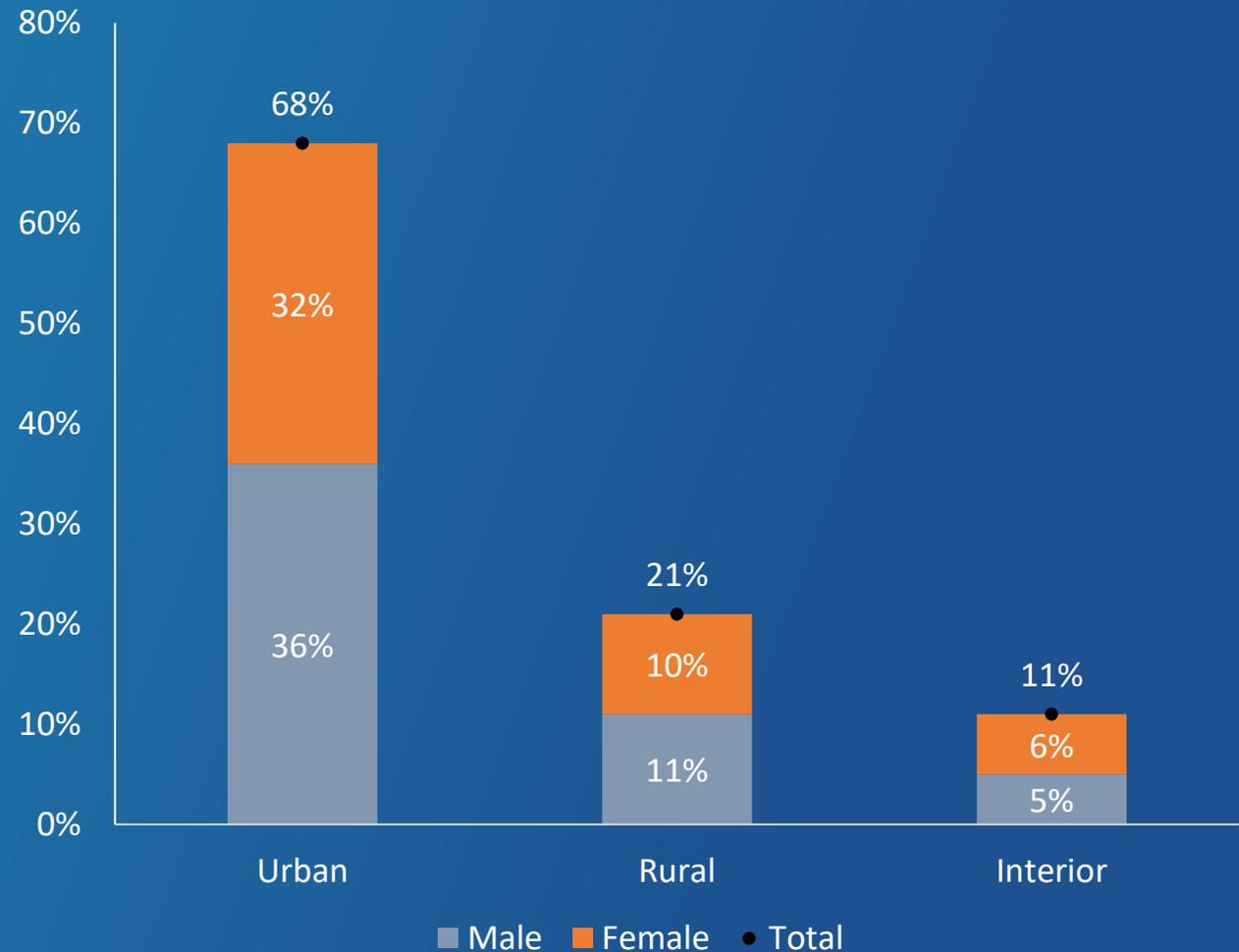
***Individuals on financial  
inclusion***

# In Suriname, almost **one third** of adults do not had a **bank account**

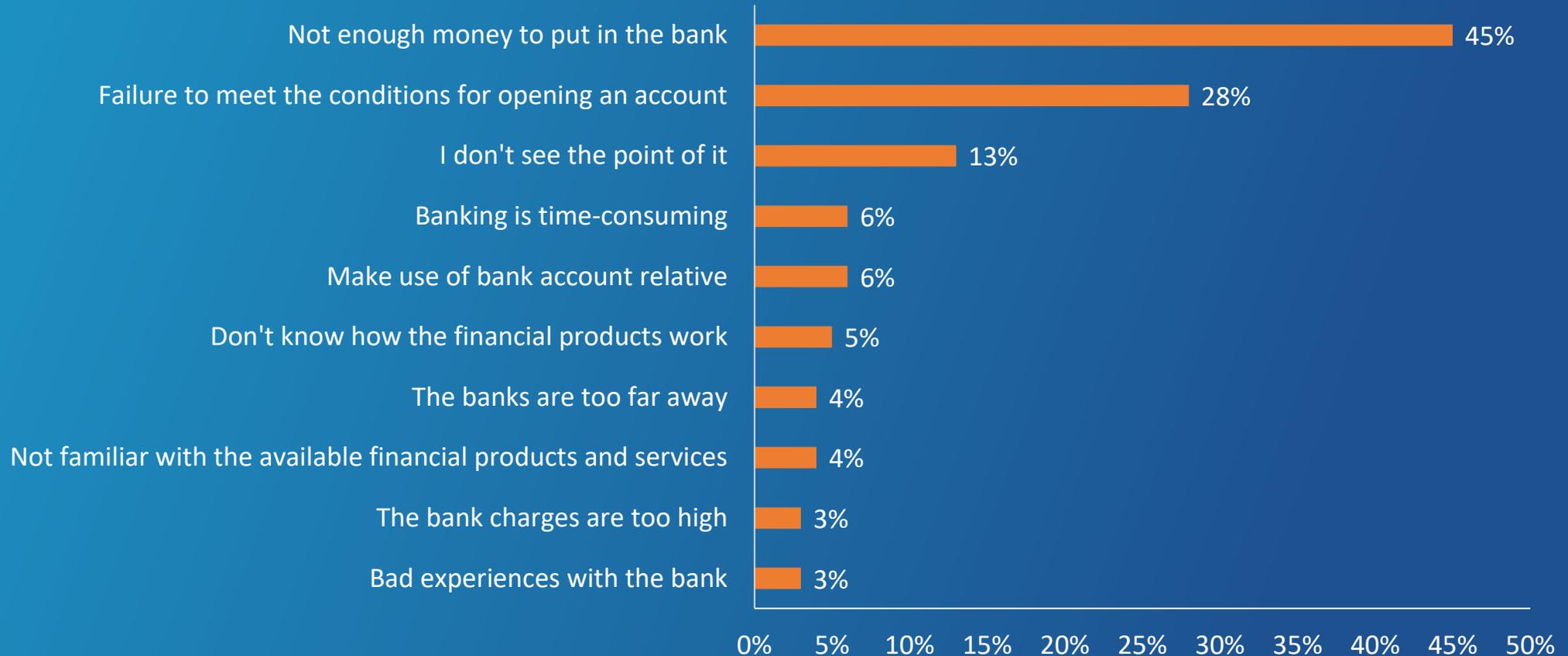


# Adults in urban area are relatively more included

In the **rural** area of Suriname, only **one in five** adults has a bank account. For the **interior**, the rate is **one in ten**.



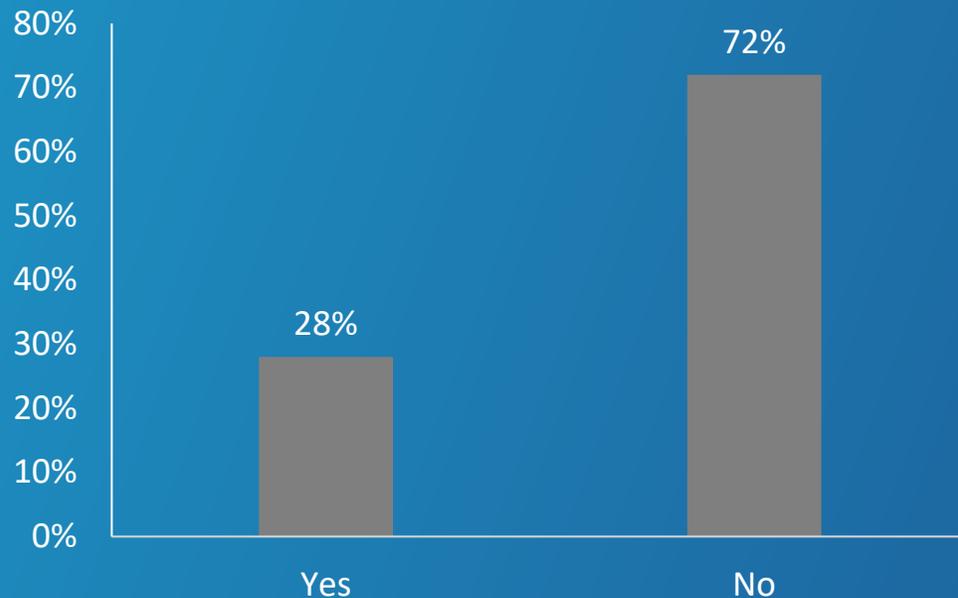
# Reasons for not having a bank account



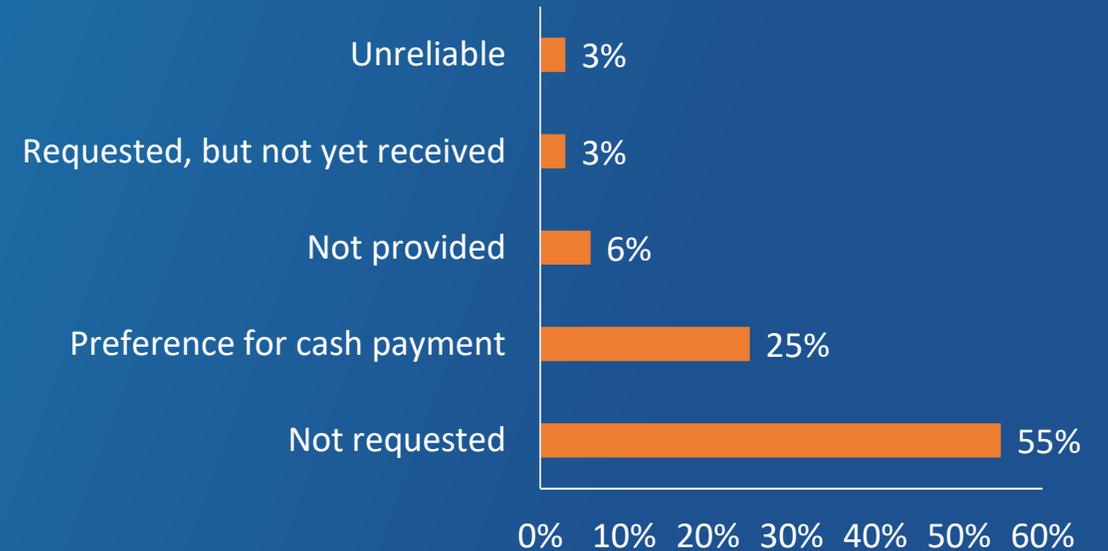
*The main reasons for not having a bank account in Suriname are associated with other factors rather than an individual preference.*

# There are opportunities to stimulate the use of electronic payments

Bank account holders and associated debit card in Suriname

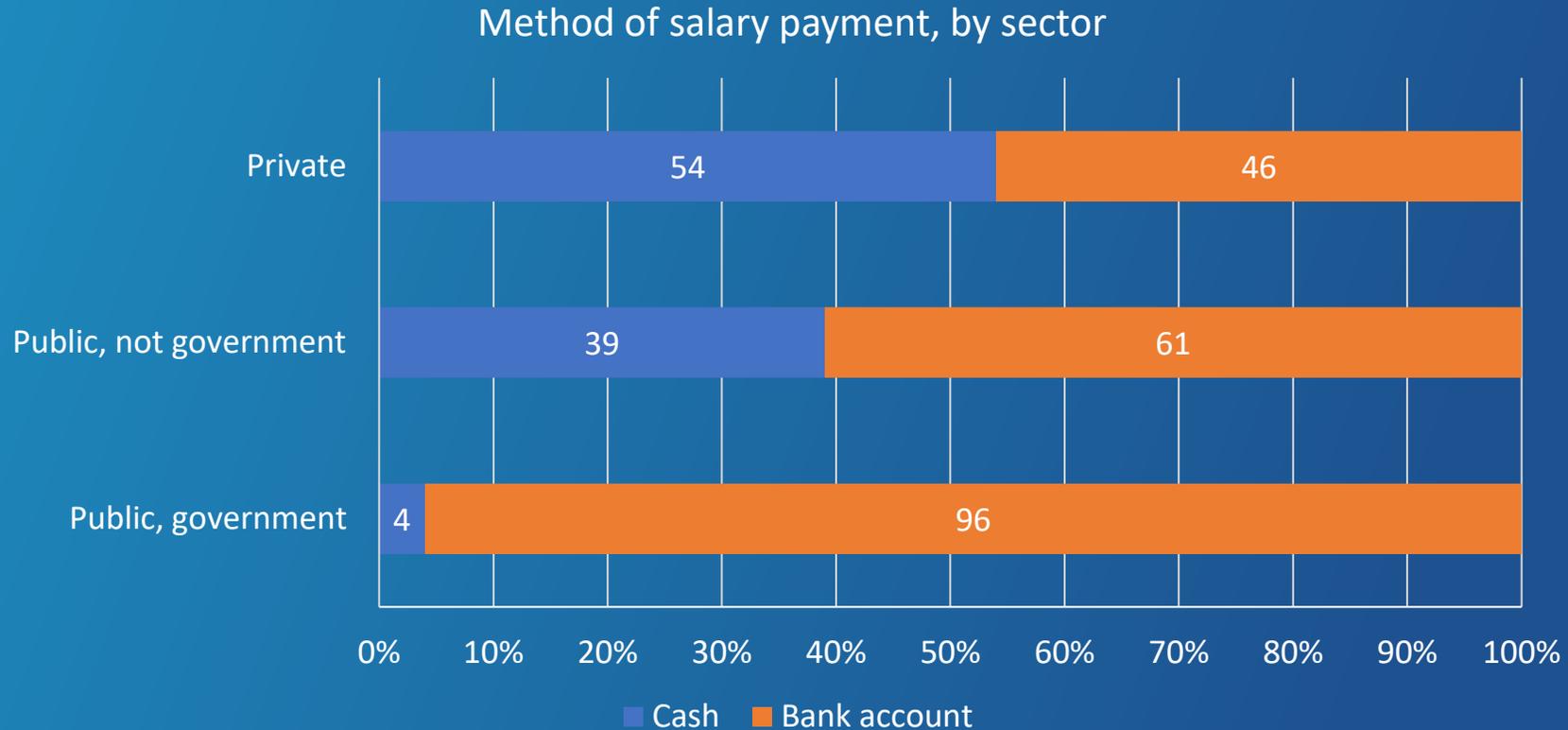


Reasons to not having an associated debit card in Suriname



*Even though more than two thirds of bank account does not have an associated debit card, only one fourth of them has shown preference for cash when asked.*

# More than 50% of salaries in the private sector are paid in cash



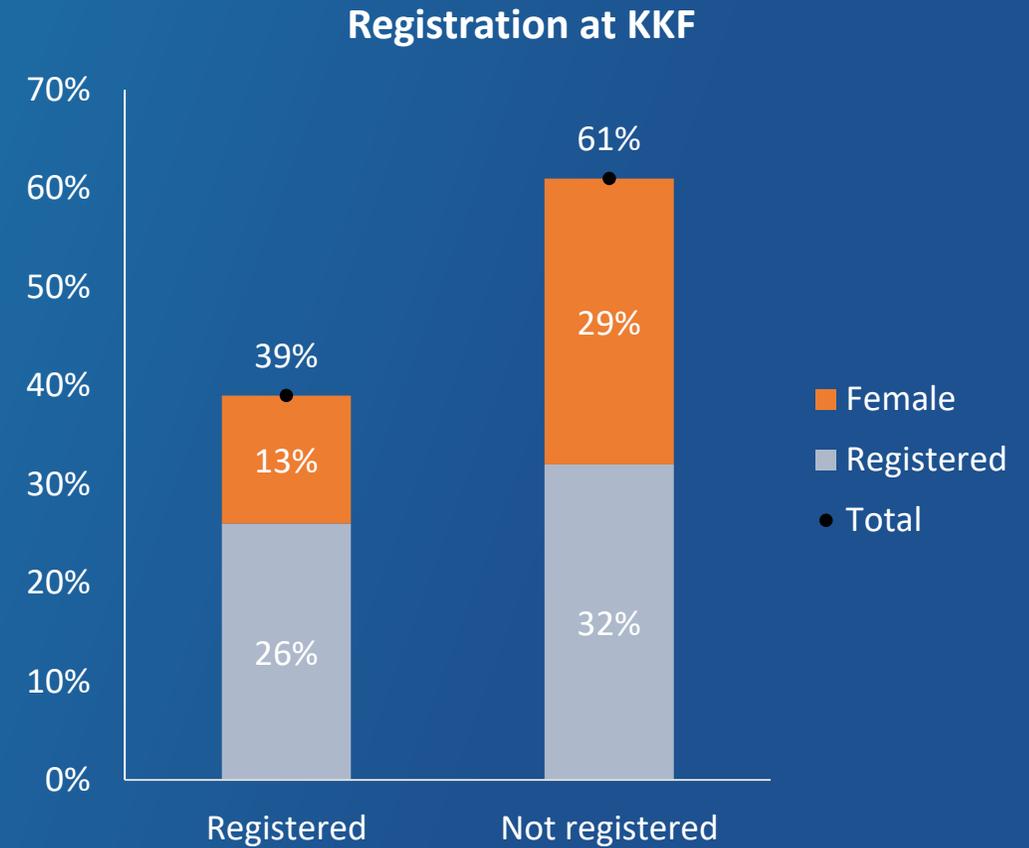
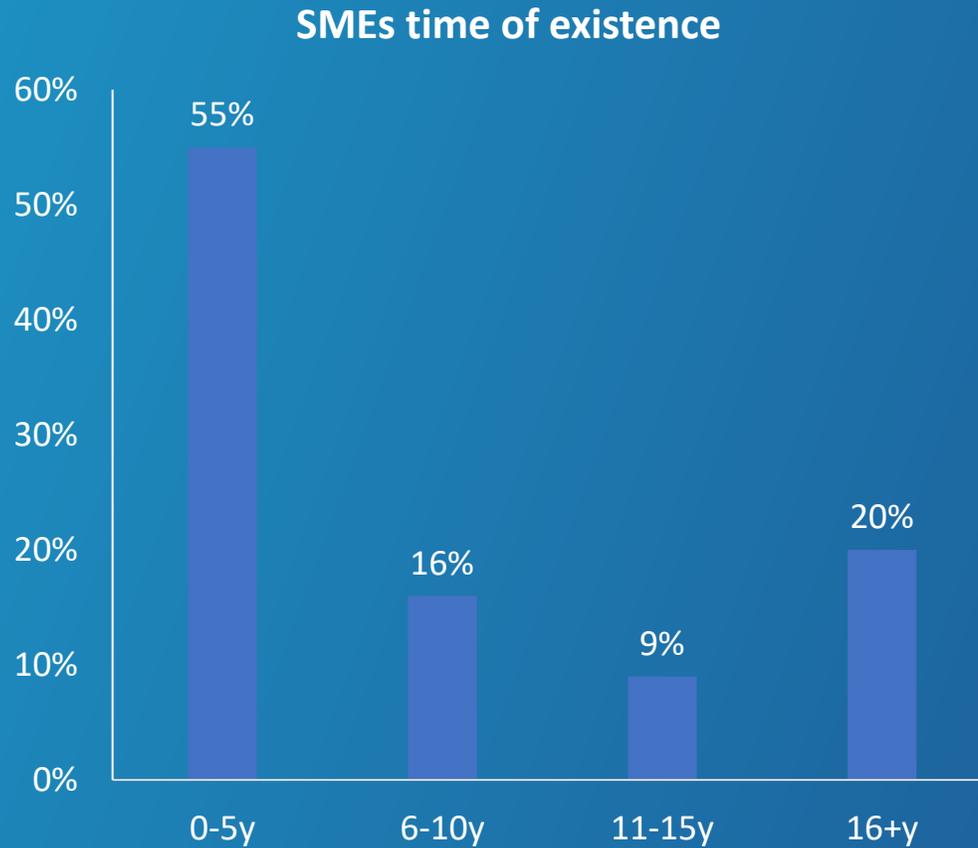
Source: CBvS, 2023. Baseline Measurement Financial Inclusion & Financial Education in Suriname.



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***SME on financial  
inclusion***

# Small and medium enterprises in Suriname

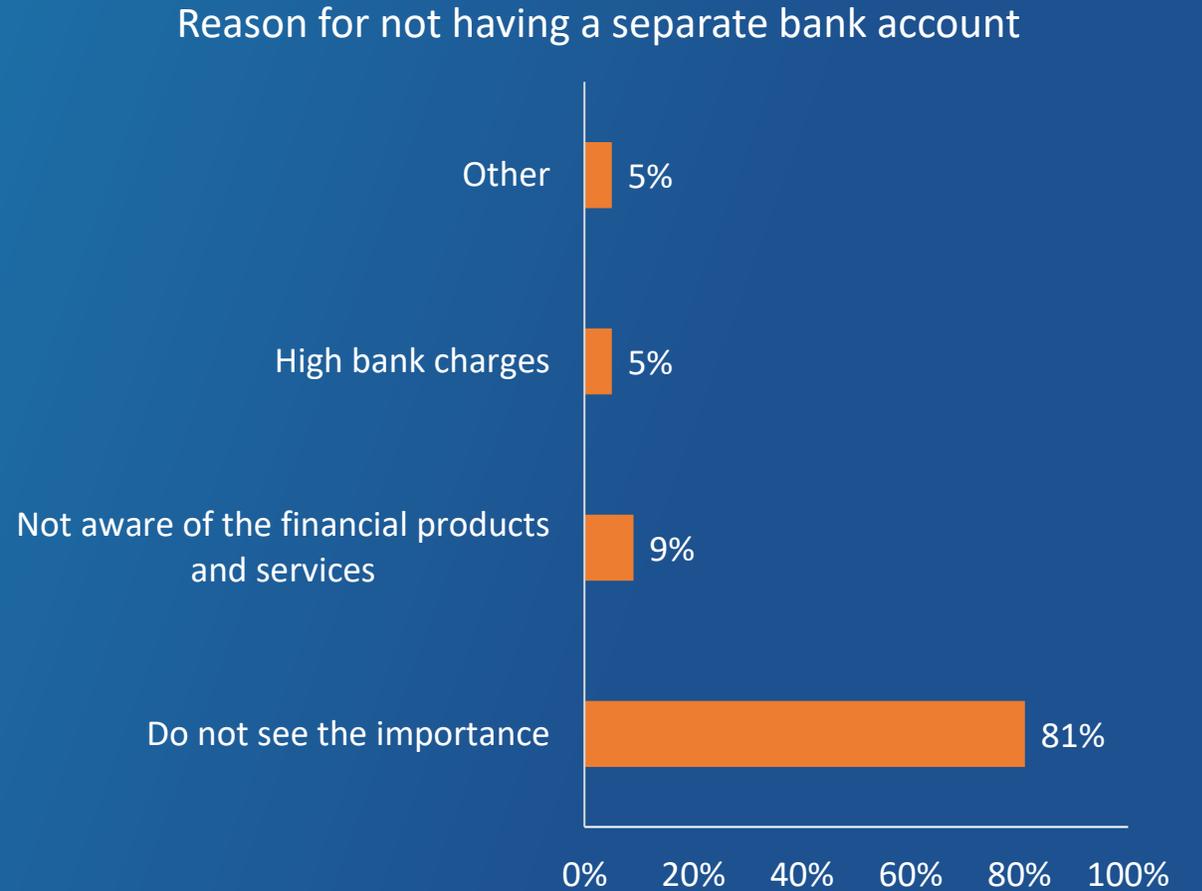
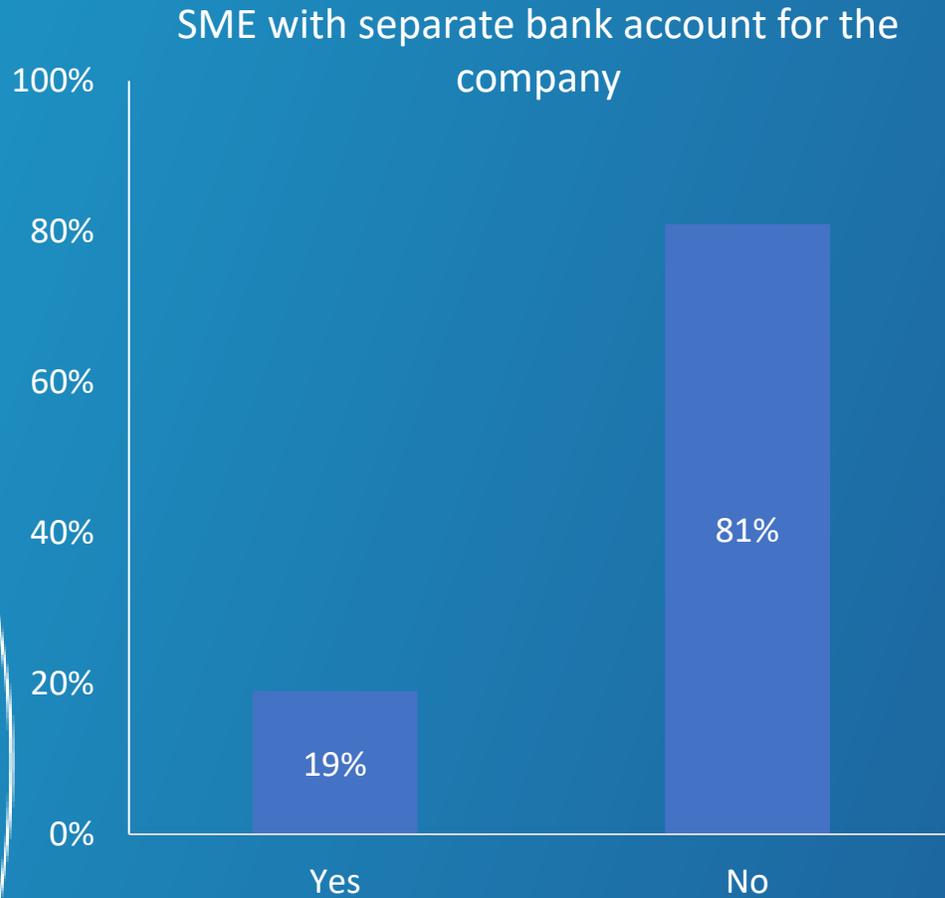


- *Only 20% of SMEs reach 16+ year in the market.*
- *60% are not registered at KKF.*
- *Among the registered companies, only one third is led by women.*

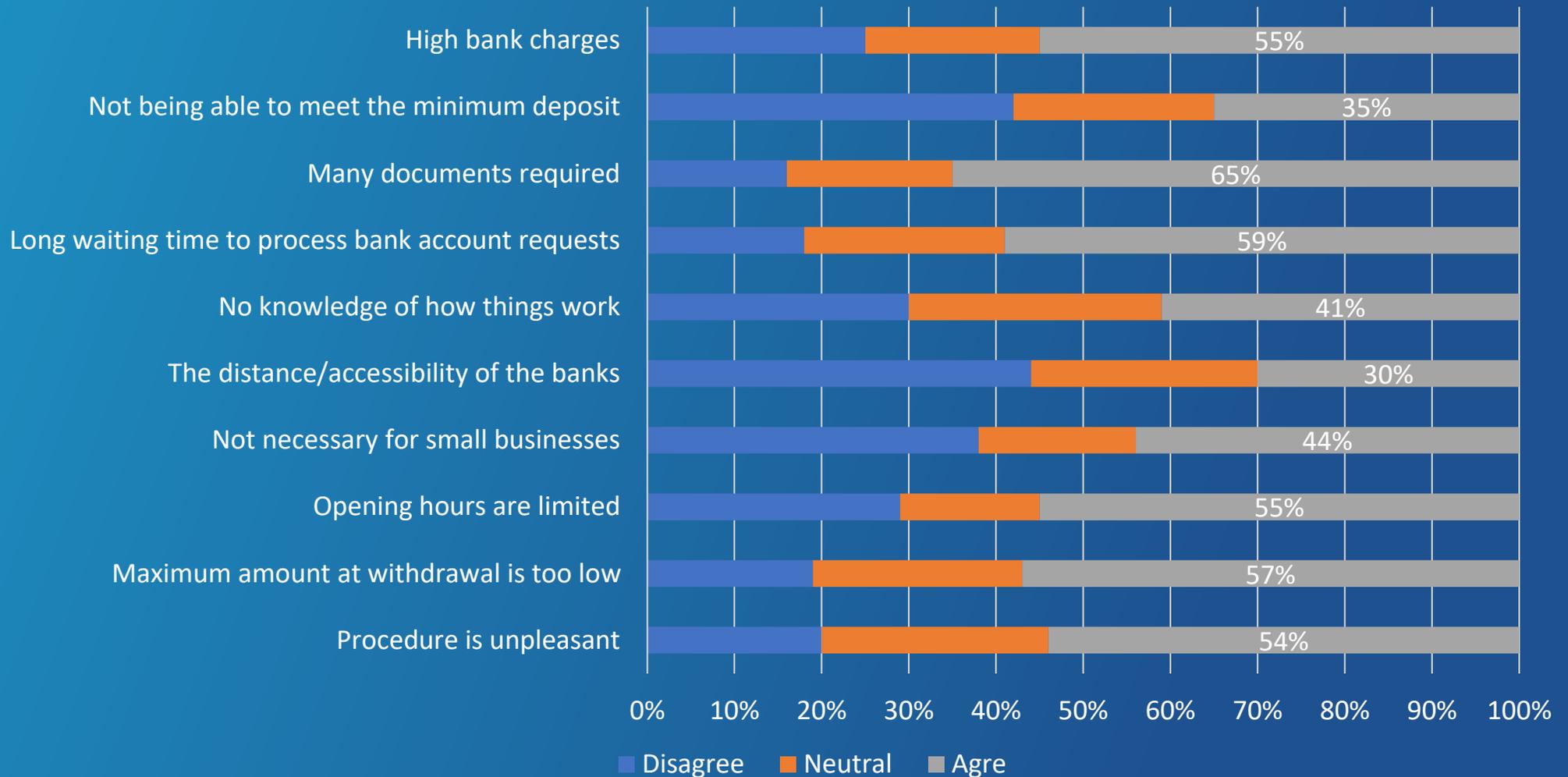
# A well-tailored communication strategy has the potential to increase formality among companies in Suriname



# Most of the SME do not have a separate bank account for their company

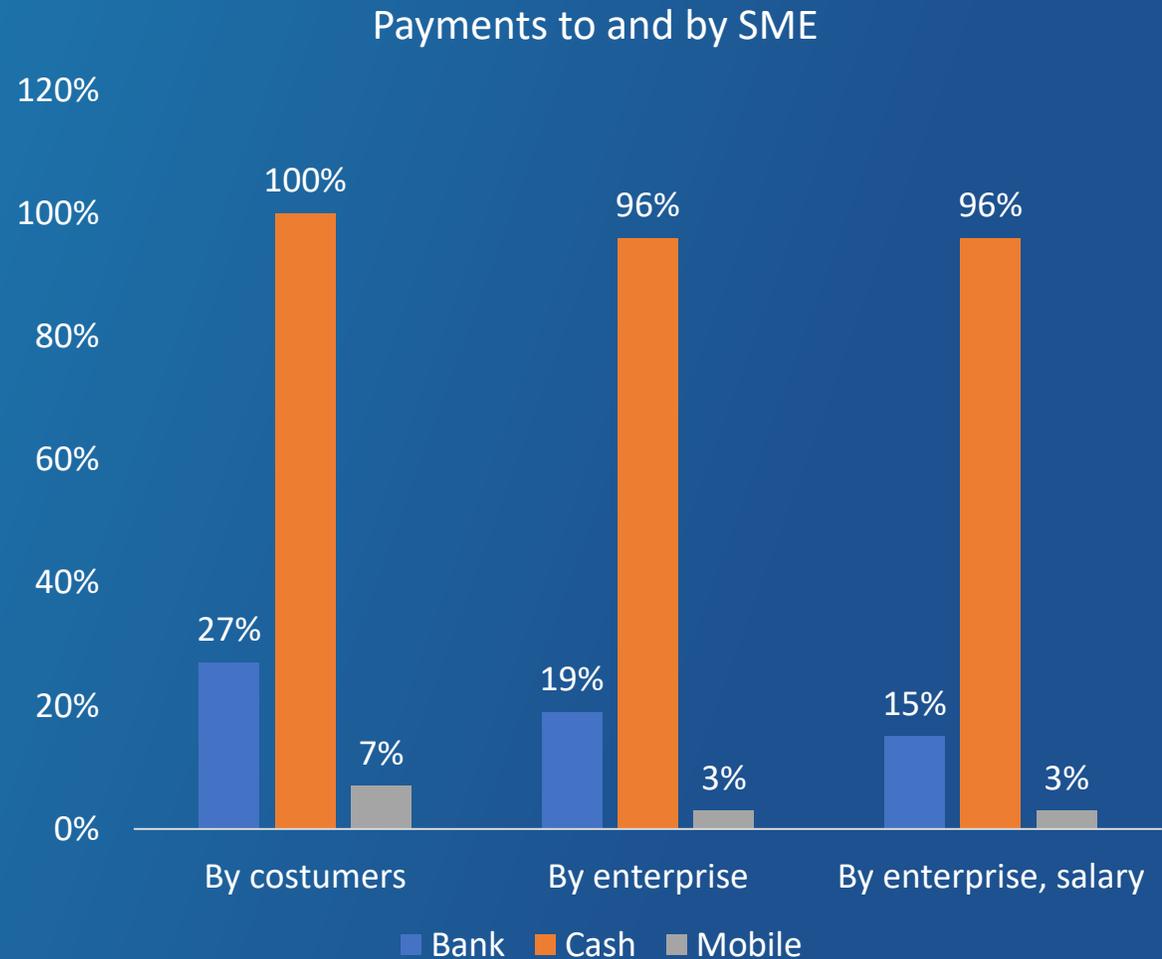


# Entrepreneurs' perception about opening a bank account



# Use of available digital platforms

Of the entrepreneurs, 27% are paid digitally by the customers, however, only 19% of the entrepreneurs use this possibility to make payments and 15% to pay salaries.



## | Take away.....

- Adjusting the **conditions for opening a bank account** to increase accessibility to every citizen
- Financial inclusion **regulation enabling low-income population access** to financial products by removing barriers
- Offering **more payment options** and improving the POS system.
- Informing citizens about **money management** and the **benefits of digital payment** through information programs and neighborhood visits (inland) sources
- Drawing entrepreneurs' attention to the benefits of formal entrepreneurship by **registering with the KKF**, such as access to credit and funds
- Offering incentives such as **training** for starting entrepreneurs; a simplified intake (**one-stop-window**) could guide them in registering with KKF and opening a company bank account.

The first step.....

.....to bank the unbank and underbank.....

