



Digital Innovation: Catalyst for Financial Inclusion

The case of Lebanon

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Banque du Liban

EuroMed Workshop 2019 | Non-bank finance and financial intermediation
Naples, 18-19 June 2019

Outline

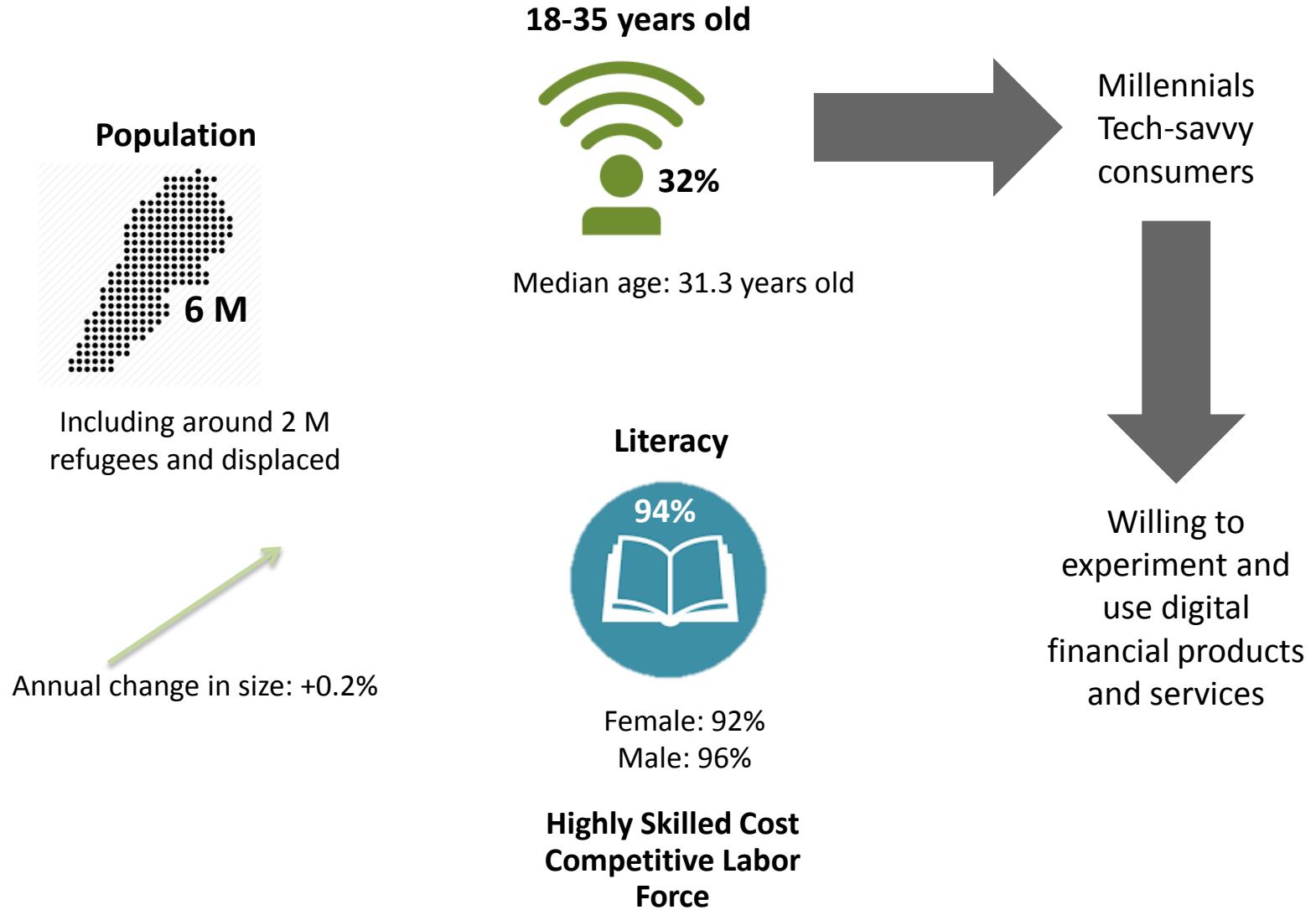
1. Digital inclusion in Lebanon
2. Financial inclusion in Lebanon
3. Promises of Digital Financial Inclusion

1. Digital inclusion in Lebanon



Demographic Characteristics

Enabling factors for digital financial inclusion



Use of digital infrastructure

Enabling broader outreach for digital innovation

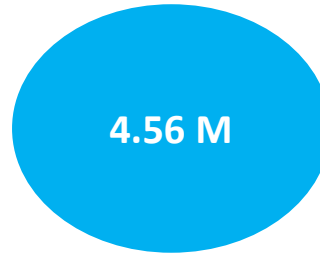
Internet Users



Penetration: 91%

Annual growth:
+22% since January 2017
or +995,000

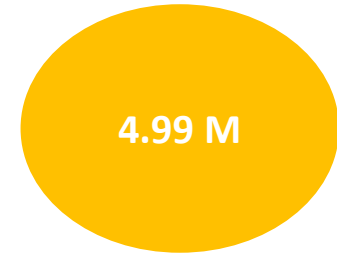
Mobile Connections



Penetration: 75%

Annual growth:
+2% since January 2017
or +79,000

Mobile Internet Users



Penetration: 82%

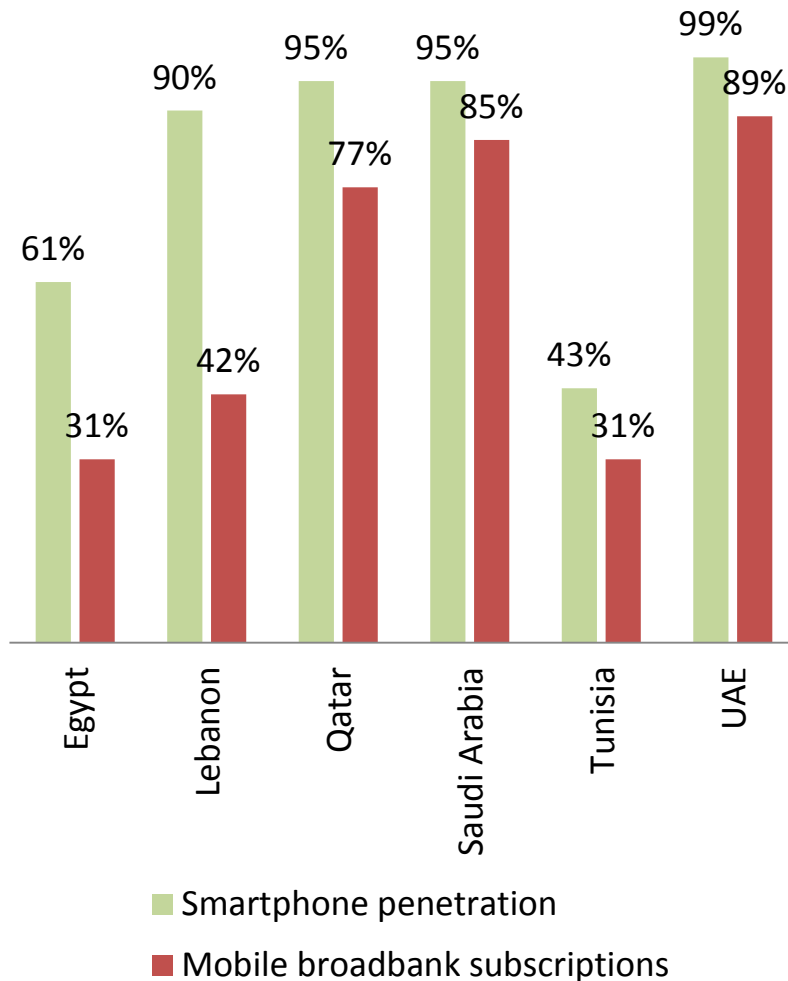
Consumer Readiness



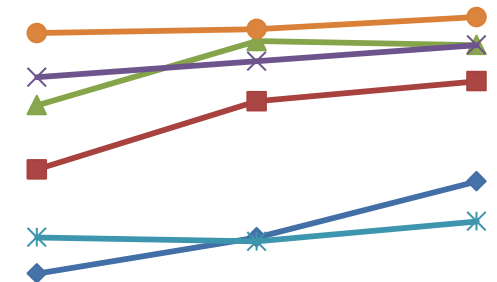
Out of a maximum of possible score of 100 as per GSMA Intelligence's Assessment of Mobile Connectivity

Comparison with other MENA countries

Mobile penetration (2015)



Internet penetration



	2014	2015	2016
◆ Egypt	36%	45%	59%
■ Lebanon	62%	79%	84%
▲ Qatar	78%	94%	93%
✕ Saudi Arabia	85%	89%	93%
✱ Tunisia	45%	44%	49%
● UAE	96%	97%	100%

ICT and Knowledge Economy

Role of Banque du Liban as a catalyst for digital innovation

Banque du Liban's **Circular 331**

to support the
Funding of Digital Innovations

through
Venture Capital firms
and
Commercial Banks



invested in

start-ups



in the sectors of

ICT

and

Knowledge Economy



800 new companies created

9,000 new jobs created

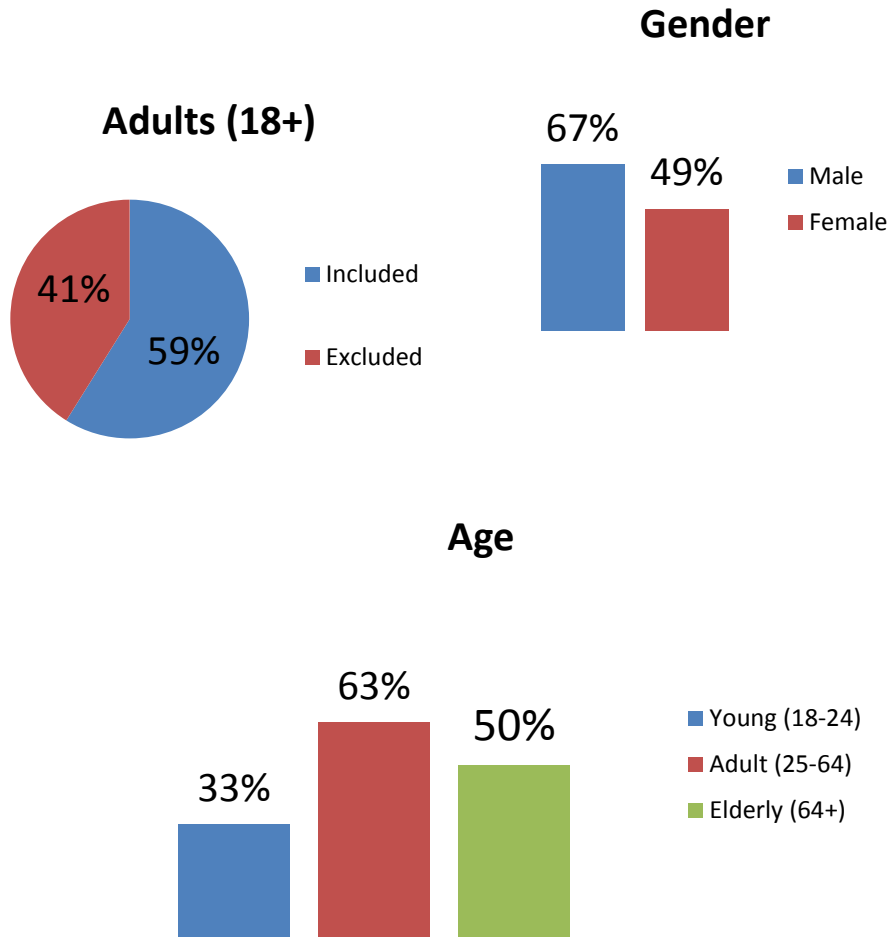
including
FinTechs

2. Financial inclusion in Lebanon

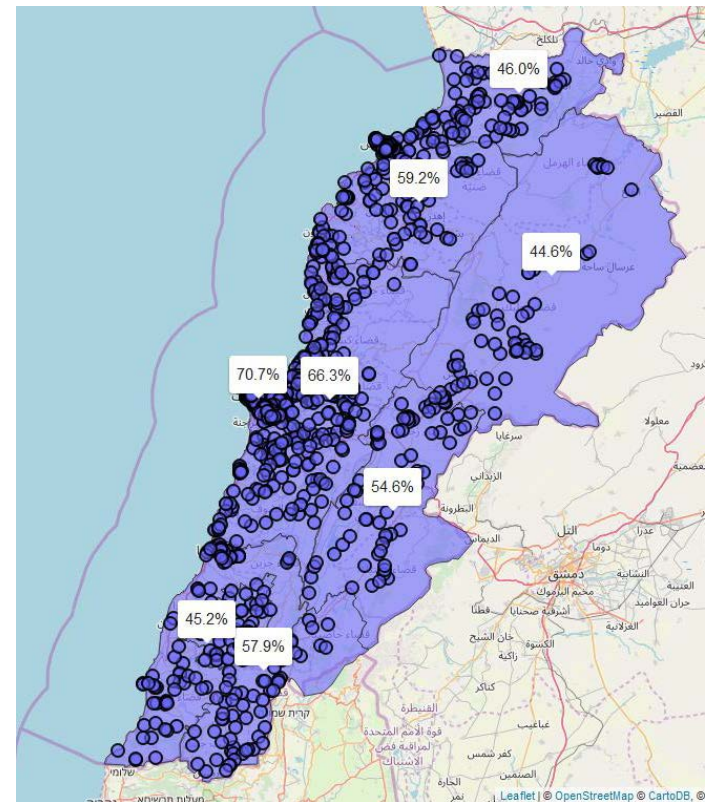


Account Penetration

Percentage of individuals with a current account at a formal institution

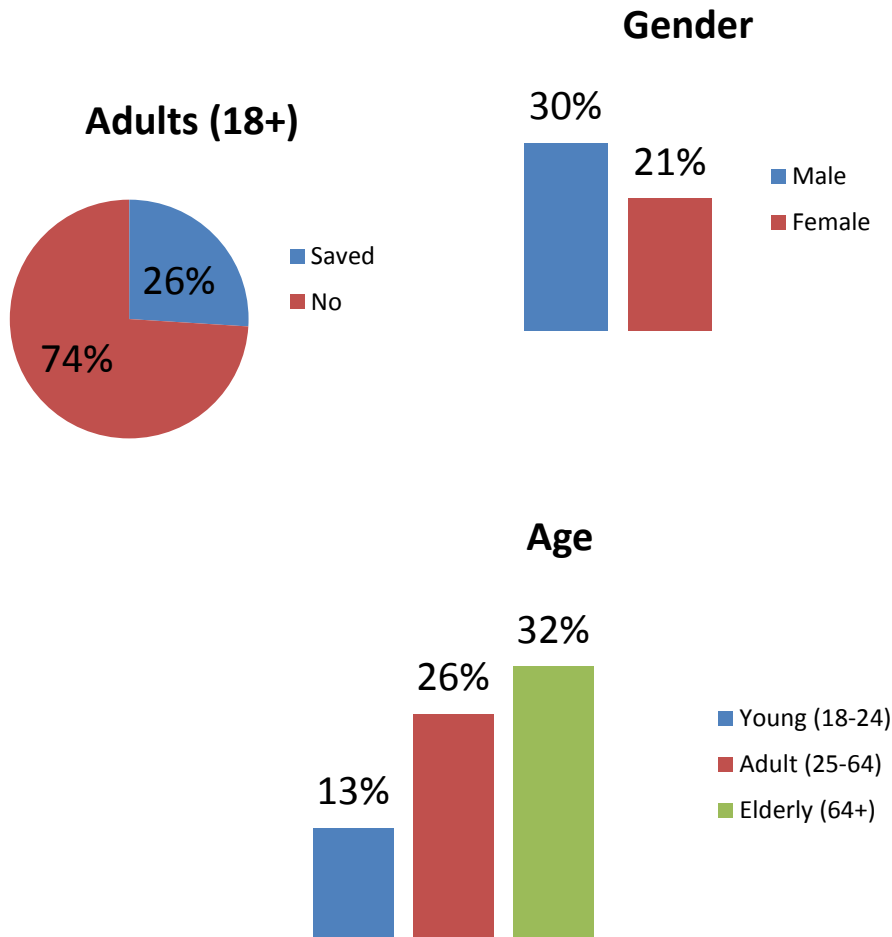


Account Penetration by Region

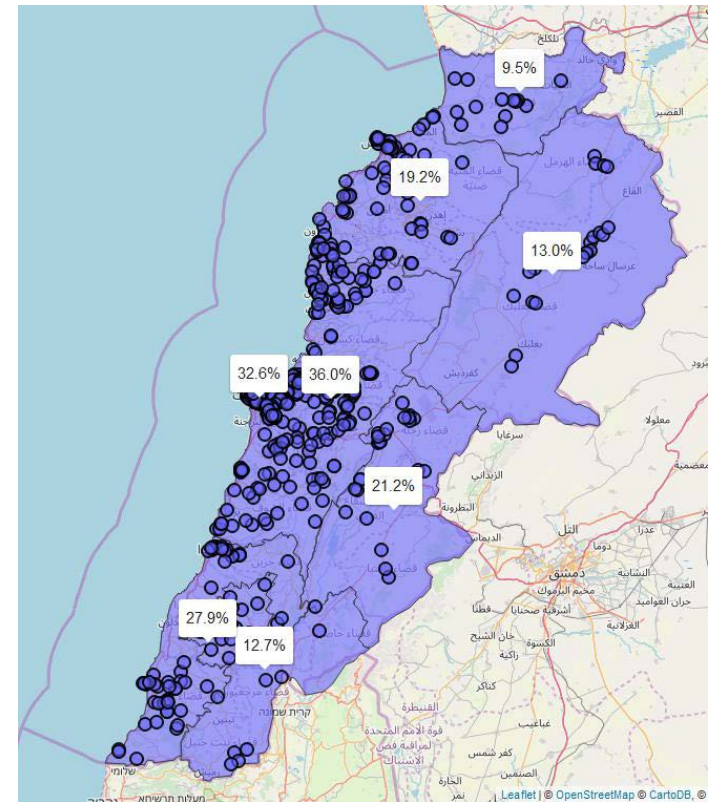


Bank Savings Account

Percentage of individuals with a savings account at a formal institution



Bank Saving Account by Region

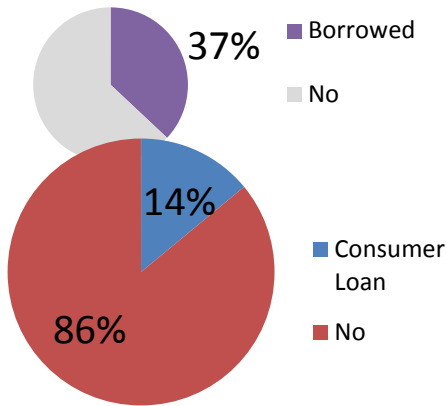


Borrowing Account

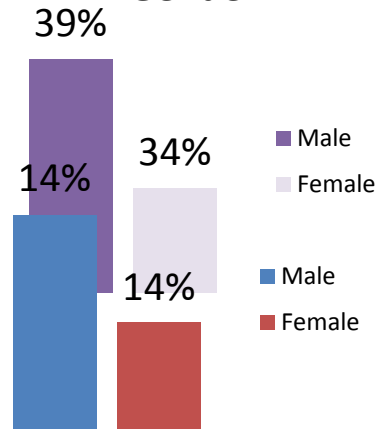
Percentage of individuals that have borrowed at least one type of credit product

Percentage of individuals with a Consumer loan at a formal institution

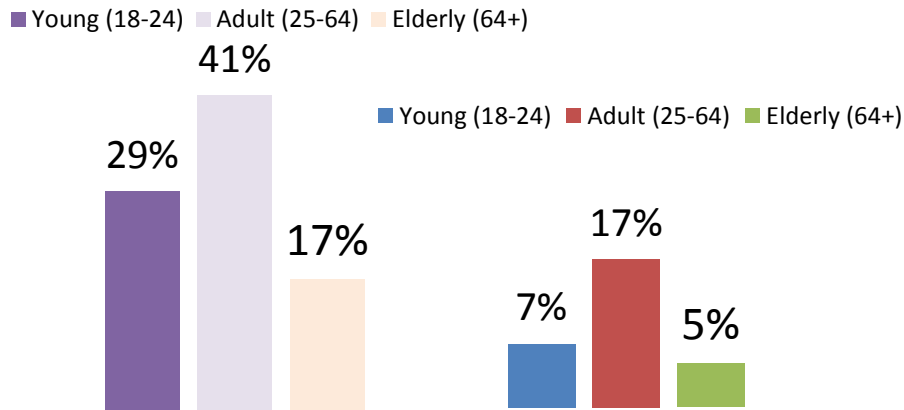
Adults (18+)



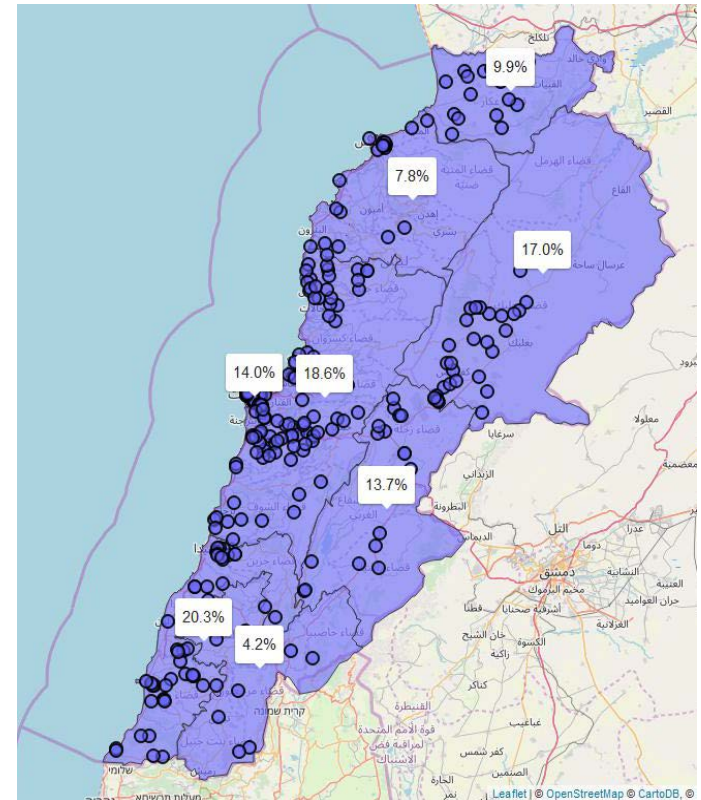
Gender



Age



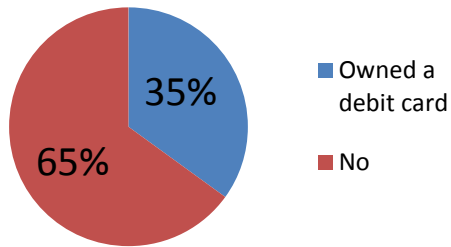
Consumer Loan by Region



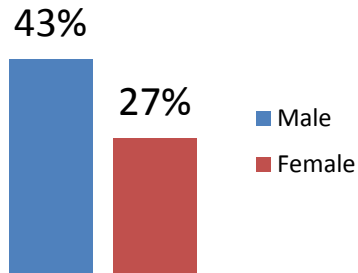
Debit Card Ownership

Percentage of individuals with a Debit card

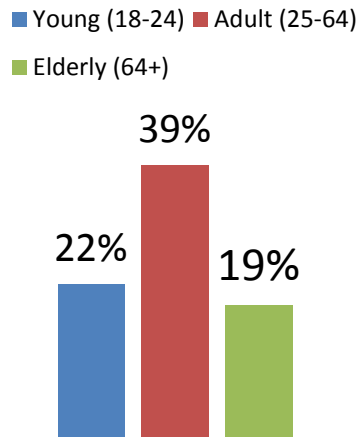
Adults (18+)



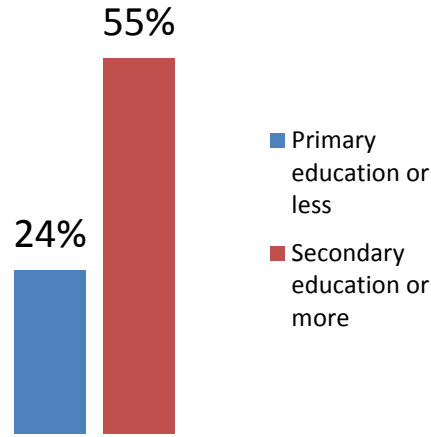
Gender



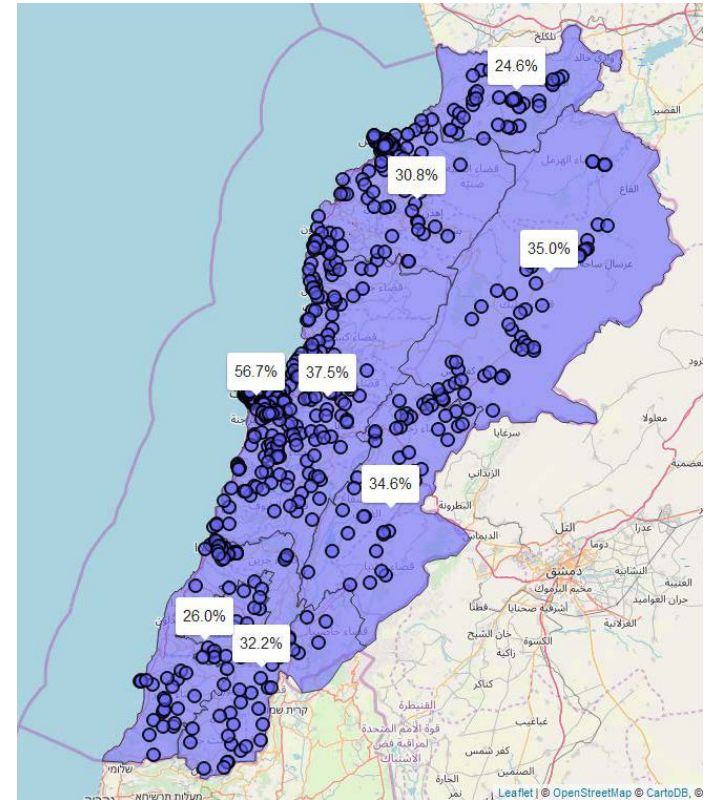
Age



Education



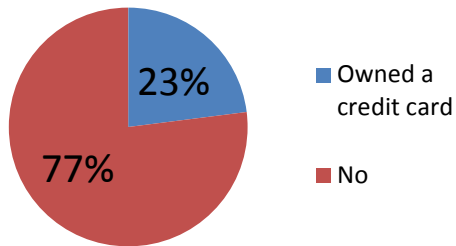
Debit Card Ownership by Region



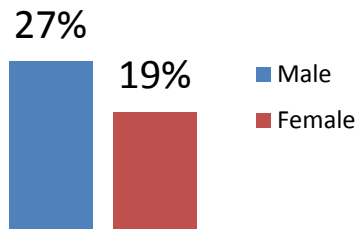
Credit Card Ownership

Percentage of individuals with a Credit card

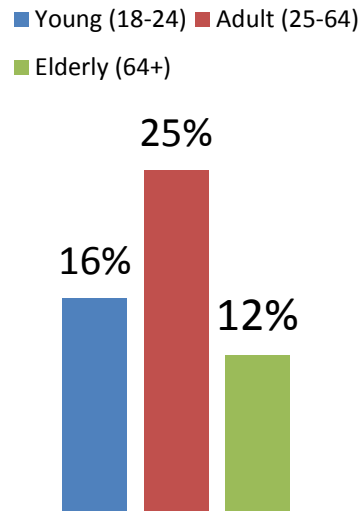
Adults (18+)



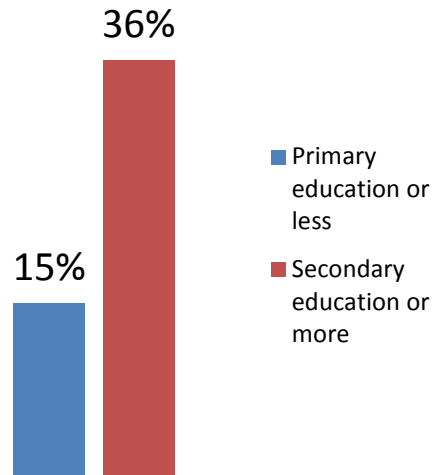
Gender



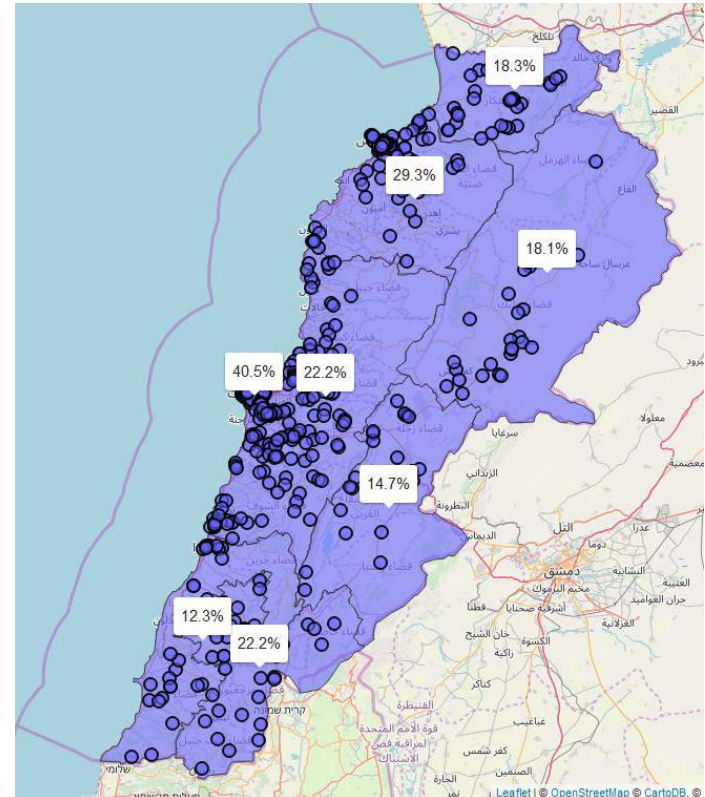
Age



Education

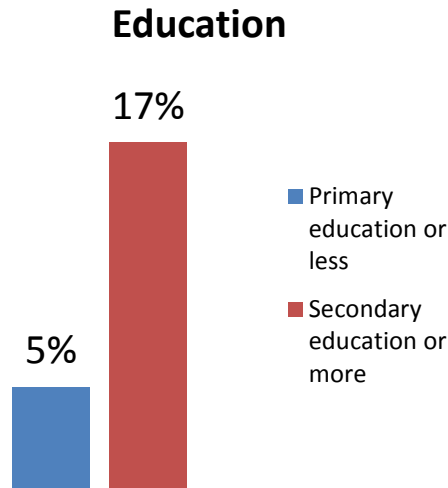
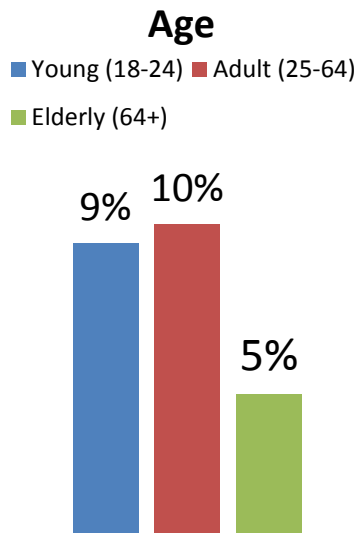
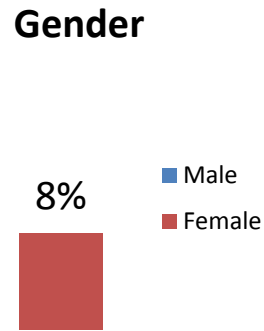
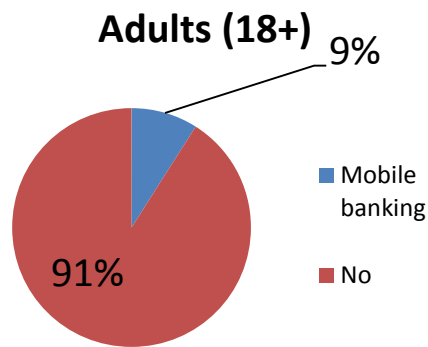


Credit Card Ownership by Region

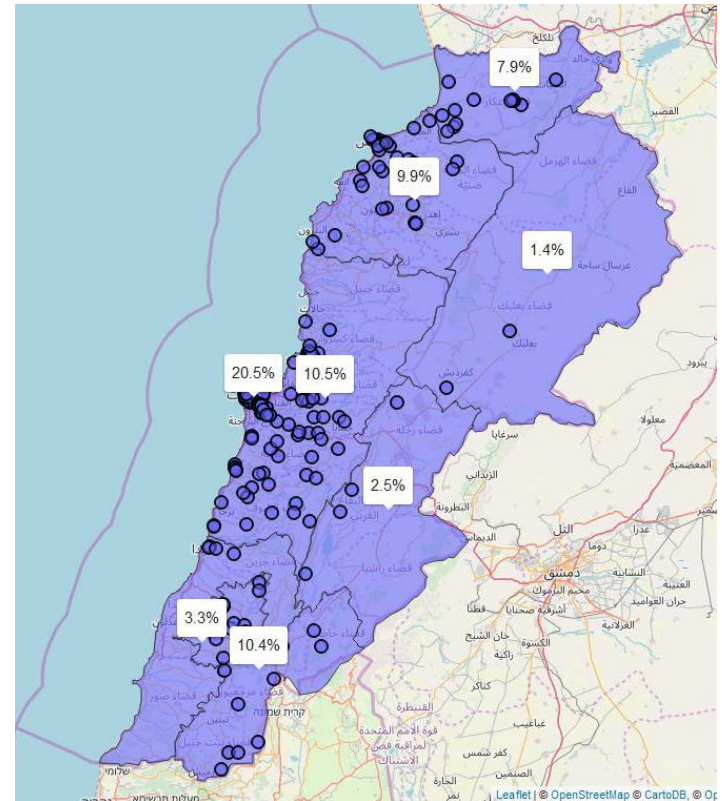


Online Transactions

Percentage of individuals that make online transactions (e.g. purchases, bill payments)



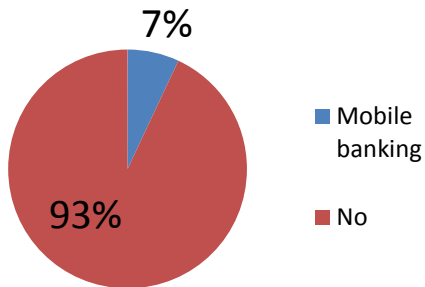
Internet transactions by Region



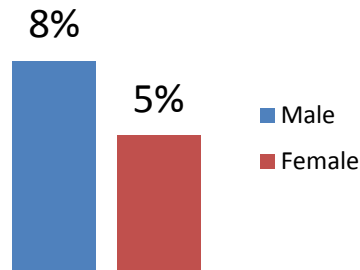
Mobile Services

Percentage of individuals that use a mobile for financial transactions (e.g. make or receive a payment)

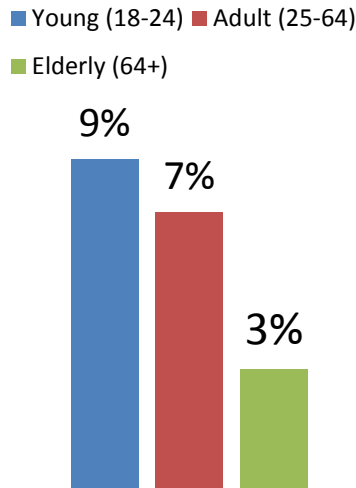
Adults (18+)



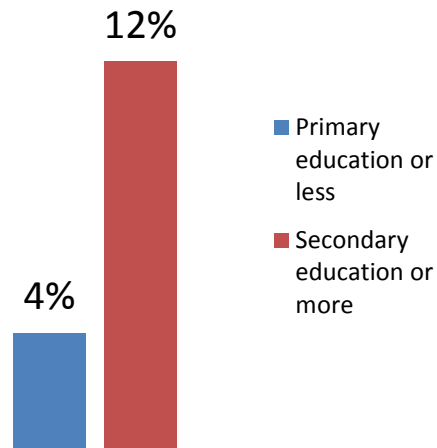
Gender



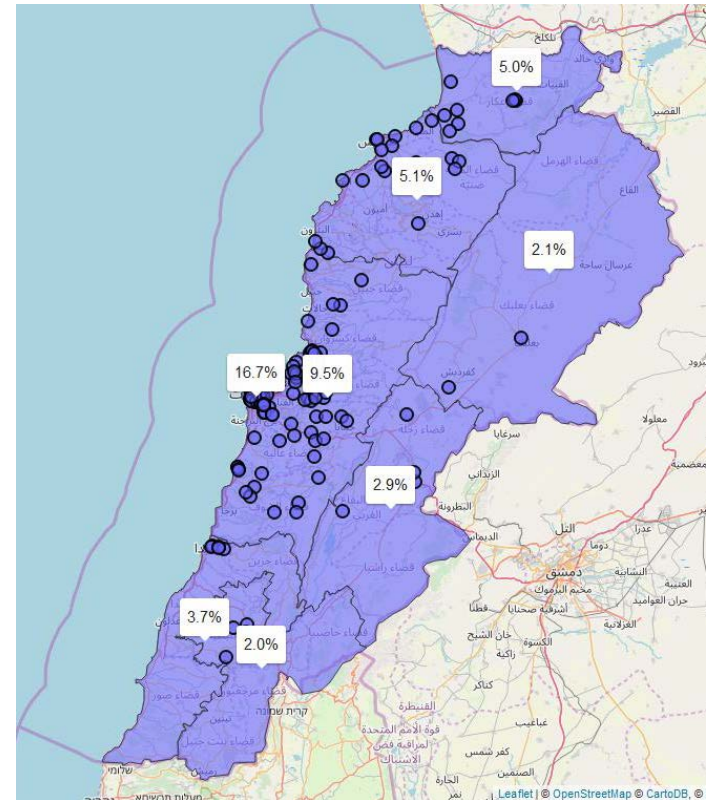
Age



Education



Mobile banking by Region

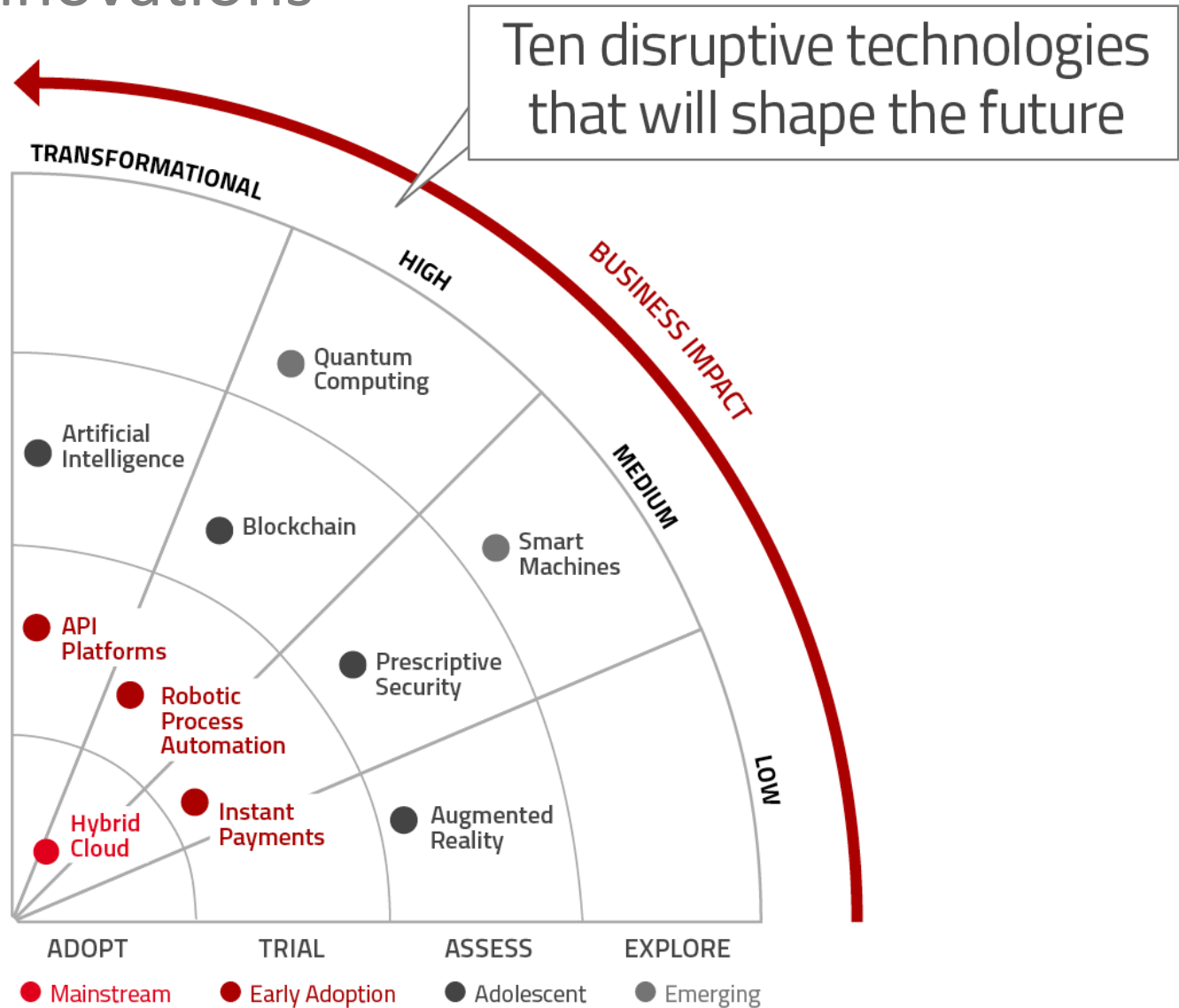


3. Promises of Digital Financial Inclusion



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Digital Innovations



FinTech Space in Lebanon

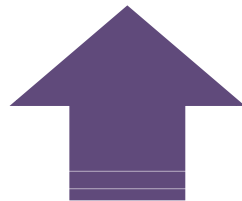
Technology-based companies disrupting/complementing the financial services market

FinTechs



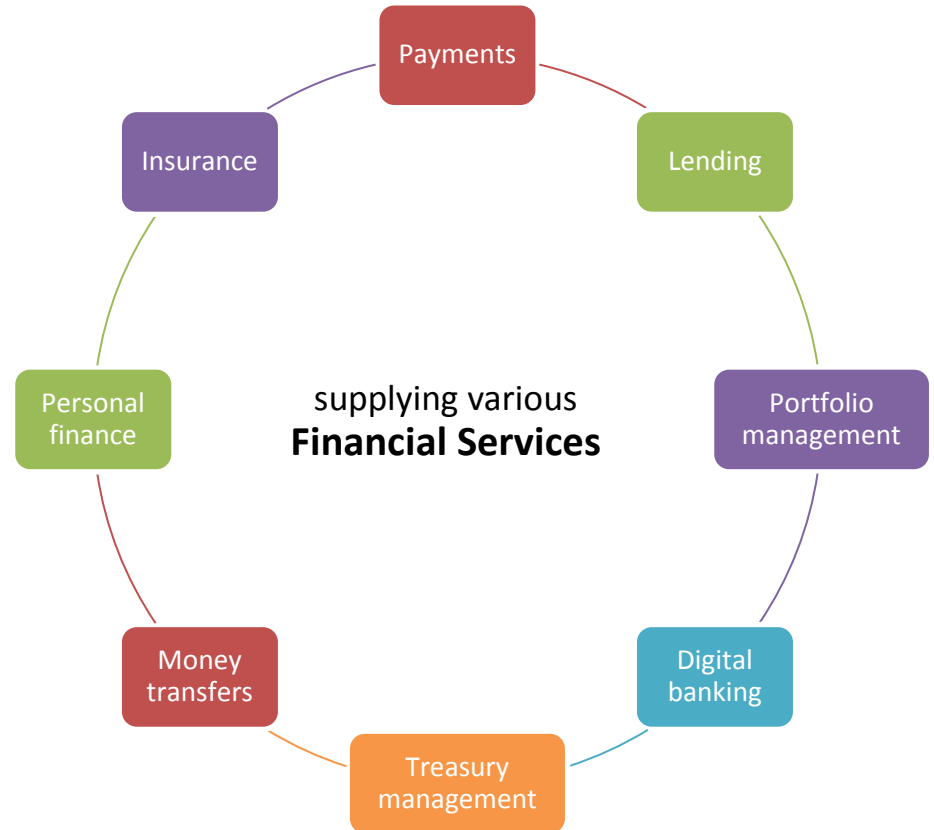
40+

Local companies



1/4

Benefited from
BDL Circular 331
Support



Fostering Financial Inclusion through FinTech

Impact of digital financial innovations* on the customer and the market

1. Better customer experience: easier use, higher trust and customer engagement
2. Enhanced consumer protection: interactive complaint solving, fraud control
3. Improved products: new digital features, higher operational efficiencies, greater affordability
4. New value propositions: customized services, higher flexibility
5. Sound financial infrastructures: catalyst for other financial services (digital identity verification, collaborative customer due diligence, data sharing, easier payments)
6. Greater competition and use cases: greater choice and competition in the market, more use cases for digital accounts



Create value and ease age-old pain points in delivering financial services to the under-served low income customers

For more information, please contact
financialinclusion@bdl.gov.lb

THANK YOU