Financial Inclusion Strategy in Chile
We define Financial Inclusion as a process that allows all Chileans, especially the ones that are more excluded, to access quality financial services that are adequate to their needs, providing protection to families and opportunities in order to improve their life conditions.
Context

Payment methods availability

Fuente: Encuesta CASEN 2011.
Context

Payment methods availability

![Bar chart showing payment methods availability in urban and rural areas. The chart indicates the percentage of people using different payment methods, such as 'Al menos un medio de pago', 'Tarjeta de Débito', 'Tarjeta de Crédito Bancaria', 'Tarjeta de Crédito de Casa Comercial', 'Chequera', and 'Línea de Crédito'. Each bar is divided into two segments, one for urban and one for rural areas. The chart shows the frequency and availability of these methods across different regions.](chart-image-url)

Fuente: Encuesta CASEN 2011.
Context

Payment methods availability

<table>
<thead>
<tr>
<th>Quintil de ingreso</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>24,2</td>
</tr>
<tr>
<td>II</td>
<td>32,6</td>
</tr>
<tr>
<td>III</td>
<td>39,0</td>
</tr>
<tr>
<td>IV</td>
<td>48,9</td>
</tr>
<tr>
<td>V</td>
<td>70,8</td>
</tr>
</tbody>
</table>

Fuente: Encuesta CASEN 2011.
Context

Population that holds savings

- Otra forma: 2.3
- Efectivo: 4.1
- Cuenta 2 AFP o APV: 1.9
- Cuenta bancaria: 9.1
- Libreta para la vivienda: 5.8
- Al menos un tipo de ahorro: 19.0

Fuente: Encuesta CASEN 2011.
Context

Population that holds savings

![Bar chart showing population that holds savings in urban and rural areas. The chart details the percentage of the population saving in different forms such as at least one type of saving, housing certificates, bank accounts, second AFP or APV account, effectivo, and other forms. The data is sourced from Encuesta CASEN 2011.]
Context

Population that holds savings

![Bar chart showing the percentage of the population that holds savings by quintile of income.]

Fuente: Encuesta CASEN 2011.
Access to credit if needed

- Prestamistas o fiado: 7.4%
- Préstamos de parientes o amigos: 26.9%
- Avance en efectivo de casas comerciales: 19.9%
- C. de compensación, cooperativas o inst. de microcrédito: 21.2%
- Préstamos bancarios: 22.8%
- Al menos a un tipo de crédito: 50.4%

Fuente: Encuesta CASEN 2011.
Context

Access to credit if needed

- Al menos a un tipo de crédito: 51.6%
- Préstamos bancarios: 23.8% en urbana, 15.8% en rural
- C. de compensación, cooperativas o inst. de microcrédito: 22.3% en urbana, 14.3% en rural
- Avance en efectivo de casas comerciales: 21.0% en urbana, 12.3% en rural
- Préstamos de parientes o amigos: 27.3% en urbana, 24.2% en rural
- Prestamistas o fiado: 7.6% en urbana, 6.1% en rural

Fuente: Encuesta CASEN 2011.
Context

Access to credit if needed

Gobierno de Chile | Ministerio de Desarrollo Social
Insurance ownership between home owners

Fuente: Encuesta CASEN 2011.
Insurance ownership between home owners

Context
Framework

PAYMENTS | SAVINGS | INSURANCES | CREDITS | ACCESS | USE | QUALITY | FINANCIAL INCLUSION

REGULATORY FRAMEWORK | FINANCIAL EDUCATION | CONSUMER PROTECTION | MEASUREMENT, FOLLOW-UP AND PROMOTION

Gobierno de Chile | Ministerio de Desarrollo Social
## Strategic Design

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Strategy</th>
<th>Specific policies/programs</th>
<th>Support activities</th>
</tr>
</thead>
</table>
| Access    | Promotion of electronic payment | 1) Chile Cuenta  
2) POS expansion | |
|           | Promotion of distribution channels | 3) Mobile payments  
4) Non-banking correspondents | |
|           | Promotion of regulatory framework that allows access and development of inclusive financial products | 5) Maximum interest rates  
6) Consolidated debt  
7) Pre paid regulation | |
| Use       | Financial education | 8) Curriculum MINEDUC  
9) Public projects (FOSIS, SVS, SBIF)  
10) Public-private partnerships (ABIF, Media) | |
|           | Incentive instruments | 11) Microfinance incentives (savings, insurances & credits)  
12) VAT discounts  
13) Public-private partnership strategies | |
| Quality   | Consumer protection | 14) Sernac Financiero | |
Stocktaking: Financial Inclusion Policies

Social Benefit Payments

- Chile Cuenta (Ministry of Social Development)

Financial Education

- Financial Education for vulnerable groups (FOSIS)
- Financial Education for Consumers (SERNAC Financiero)
- SVS Educates web
- Easy banking web (SBIF)
- Go ahead with your future web (BBVA)
- Financial and entrepreneurship education (Instituto Desarrollo Emprendedor)
- Introduction to finance course (Sernac)
Stocktaking: Financial Inclusion Policies

Products and services

Banco Estado
- RUT account Banco Estado (5 million accounts based on the ID number)
- Caja Vecina Banco Estado (more than 10,000 spots)

CORFO
- Micro and Small enterprise credit
- Investment and working capital guarantee
- External trade guarantee
- Reprogramming guarantee
- Fénix Fund
- Guarantee funds to Mutual Guarantee Institutions

Ministry of Housing and Urban Planning
- Solidary Fund
- Middle class subsidy
- Protection of Family Patrimony program
Chile cuenta
La mejor forma de manejar tu plata
What is ChileCUENTA?

1. Availability of electronic payment

2. Promotion of the adoption of electronic payment

3. Facilitation of the access to checking accounts or similar tools:
   - Through partnerships with banks in order to open accounts for the whole population
   - Subsidies that will partially cover the cost of using the electronic payment alternative
Electronic Payment Benefits

**COMFORT**
- Possibility to **withdraw money out of banking hours**.
- Possibility to **receive the salary in the bank account** and have all income in one place.
- The card associated with the account **can be used for shopping** directly, without extra costs.

**SAVINGS**
- Possibility to **keep savings in the account**.
- By not receiving payments directly, it **encourages savings**. When receiving cash, it is easier to spend.
- Receiving payments in one account helps to **organize the family budget**, reducing expenditure.

**SAFETY**
- With electronic payment **robbery risk reduce**. (Users don’t need to withdraw all the money in the branch).
- In general, with electronic payment, users can **reduce the riskful handling of cash**.
IPS pays social benefit transfers to **2.4 million** people a month.

**95%** of these transfers are made in cash, in branches of “Caja de Compensación Los Héroes”. (**99%** if only Chile Solidario and SUF participants are considered.)

This situation contrasts with similar emerging economies:

<table>
<thead>
<tr>
<th></th>
<th>Brazil</th>
<th>Colombia</th>
<th>Mexico</th>
<th>South Africa</th>
<th>Chile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>% Bancarized population</strong></td>
<td>55.9</td>
<td>30.4</td>
<td>27.4</td>
<td>53.6</td>
<td>42.2</td>
</tr>
<tr>
<td><strong>% Electronic payment of subsidies 2011 (</strong>)**</td>
<td>99</td>
<td>91</td>
<td>34</td>
<td>100</td>
<td>1</td>
</tr>
</tbody>
</table>


(**) Refers to the % of electronic payments in cash transfer programs destined to the most vulnerable sectors
IPS: Payment channels

- **Payment channels**
  - **IPS:** Government of Chile | Ministry of Development Social | FOSIS
  - **CHISOL**

- **Beneficiary**
  - 2.5 million payments per month
  - 95% Face Payment
  - 5% Electronic Payment

- **Costs**
  - Face Payment: $3 USD
  - Electronic Payment: $1.5 USD

- **Banking Institutions**
  - **BBVA**
  - **CHILECUENTA**
Of the families in Chile Solidario are interested in receiving subsidies and benefits through Cuenta RUT.

**Why not?**
- Cobran comisiones: 16.0%
- Es un sistema complicado: 30.7%
- Otras razones: 19.0%

**Why yes?**
- Podría retirar la plata fuera del horario de los bancos: 34.3%
- Es más seguro: 22.1%
- Me ayudaría a ahorrar: 23.5%
- Otras razones: 14.1%
Pilot program: Usage Statistics

Preliminary results: 60% acceptance

Giros cajero: 64%
Giros sucursal: 20%
Redcompra: 14%
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