

**Joint project of the National Bank of the Republic of Belarus
and Alliance for Financial Inclusion (AFI)
«Measuring Access to Finance:
Developing Evidence-based Access Policies in Belarus»**

Assessment and analysis of Supply of Financial Services to individual consumers in Belarus

Survey Report

Minsk, National Bank of the Republic of Belarus

TABLE OF CONTENTS

Introduction	3
1. Analysis of the data adequacy	4
2. Assessment of Supply of Financial Services	21
3. Assessment of Supply of Financial Services across subnational administrative units (Oblasts)	42
4. Assessment of Supply of Financial Services across subregional administrative units (Districts)	48
Conclusion	53

Introduction

This aim of this study was to assess the availability of data on the supply of financial services in Belarus, to evaluate the sources and conduct an initial analysis of such data.

The study was conducted in two stages. At the initial stage, the available sources of information were checked for each indicator, and an evaluation was made of their reliability. At the second stage, the supply of financial services was assessed on based on the following criteria: institutional coverage, financial products and services, and ease of access. The number of financial service access points were also calculated per 100,000 population aged 16 and above. Such calculation was performed at the national, subnational and subregional levels.

1. Analysis of the data adequacy

The analysis of supply data adequacy was based on the following criteria: availability, accessibility, granularity, periodicity, and reliability.

The data were rated on each of these criteria using a five-point scale: 1 = poor; 2 = low; 3 = medium; 4 = good; 5 = excellent.

Supply data adequacy was assessed on the following levels.

1. Institutional coverage, including physical presence of financial institutions, density (i.e. number of residents per institution).
2. Geographical coverage, understood as the geographic distribution of financial institutions and availability of products and services across subnational and subregional administrative units, and urban/rural communities;
3. Availability of financial products and services, including availability of various products and services offered by financial institutions operating on the market, and the degree of inclusion/exclusion from financial services;
4. Quality and ease of access: availability of products and services of financial institutions in terms of affordability, physical accessibility, complexity of procedures, etc.

Data adequacy was assessed on each of those levels using the above criteria. The outcomes of this assessment are presented in Annex 1.

As seen from Annex 1, sufficient data are available to calculate the supply side indicators in each of the four thematic areas. Most of the data used for computing the indicators were assigned a rating of 5 ("excellent") on the reliability criterion. The data had been supplied by the headquarters and regional offices of the National Bank, the Ministry of Finance, BelPochta, and the regional (Oblast) Executive Committees.

However, it has not been possible to obtain reliable data on some of the items listed in Annex B. Due to limited penetration of non-bank credit and finance institutions, data on their number were unavailable. Similarly, no information was provided on the number of insurance companies offering different insurance products. Information was also missing on the use of mobile and Internet banking. Likewise, it has not been possible to obtain data on the mean distance to a bank branch or point of access to financial services, or average number of hours of bank operations per week.

The adjusted list of demand-side indicators is presented in Table 1.

Table 1. Supply of financial services - institutions, products, geographical coverage, and quality of access

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
Institutional coverage							
Diversity of providers	Presence of such types of institutions as: banks, post office, non-bank credit companies, bank agents, money transfer agents, insurance companies, exchange of offices, pawnshops, etc.	Score range: 1 (worst: only one type of provider) - 5 (best: five types of providers)	High diversity of providers	5	5	0.00	National Bank Headquarters
Ownership of banks	Type of ownership (public or private)	Asset share of private banks (%)	Average for 10 East European countries	94.71	33.77	0.64	National Bank Headquarters
	Type of ownership (domestic or foreign-owned)	Asset share of foreign-owned banks (%)	Average for 10 East European countries	82.82	32.77	0.60	National Bank Headquarters

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
Bank penetration	Penetration of bank branches	Number of bank branches per 100,000 population	Average for 10 East European countries	13	32	0.00	National Bank regional offices
		Number of bank branches per 1000 km2	Average for 10 East European countries	12	15	0.00	National Bank regional offices
ATM availability	ATM penetration	Number of ATMs per 100,000 population	Average for 10 East European countries	33	41	0.00	National Bank regional offices
		Number of ATMs per 1000 km2	Average for 10 East European countries	27	19	0.30	National Bank regional offices
Points of Sale (POS) devices	Electronic fund transfer (ETF) devices	Number of POS per 100,000 population	Average for 10 East European countries	893	629	0.30	National Bank Headquarters

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		Number of POS per 1000 km2	Average for 10 East European countries	734	287	0.61	National Bank Headquarters
Exchange offices	Physical presence of exchange offices	number of exchange offices per 100,000 population	Average for 10 East European countries	21	8	0.62	National Bank Headquarters
		Number of exchange offices per 1000 km2	Average for 10 East European countries	20	4	0.80	National Bank Headquarters
Post office penetration:	Physical presence of post offices	Number of post offices per 100,000 population	Average for 10 East European countries	30	38	0.00	BelPochta
		Number of post offices per 1000 km2	Average for 10 East European countries	24	17	0.29	BelPochta

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
Credit Unions	Physical presence of credit unions	Number of credit unions per 100,000 population	Average for 10 East European countries	1.8	0.34	0.81	Oblast Executive Committees
		Number of credit unions per 1000 km2	Average for 10 East European countries	1.6	0.15	0.91	Oblast executive committees
Pawn-shops	Physical presence of pawnshops	Number of pawnshops per 100,000 population	Average for 10 East European countries	39	3	0.92	Ministry of Finance
		Number of pawnshops per 1000 km2	Average for 10 East European countries	48	1.5	0.97	Ministry of Finance
Availability of debit/credit cards providers	Access to credit/debit cards for payments	Number of different types of cards	At least two credit card networks operating in the country	2	3	0.00	National Bank Headquarters
Advanced options (e-	Access to electronic	Score range: 1 - if	Full	5	5	0.00	National Bank

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
money, mobile banking)	payment options	none of the options exist, 3 - if one options exist, 5 - if both options exist	availability				regional offices
Institutional coverage subindex						2.96	
Geographical coverage (G)							
Diversity of providers	Presence of such types of institutions as: banks, post office, non-bank credit companies, bank agents, money transfer agents, insurance companies, exchange of offices,	Score range: 1 (worst: only one type of provider) - 5 (best: five types of providers)	Average for Belarus	5			

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
	pawnshops, etc.						
		Brest Oblast			5	0	National Bank Regional Office, Vitebsk Oblast
		Vitebsk Oblast			5	0	National Bank regional office, Vitebsk Oblast
		Gomel Oblast			5	0	National Bank Regional Office, Gomel Oblast
		Grodno Oblast			5	0	National Bank Regional Office, Grodno Oblast
		Minsk City			5	0	Minsk City Executive Committee, bank reporting data, Ministry of Finance, BelPochta

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		Minsk Oblast			5	0	Minsk Oblast Executive Committee, bank reporting data, Ministry of Finance, BelPochta
		Mogilev Oblast			5	0	National Bank regional office, Mogilev Oblast
Diversity of providers Subindex						5.00	
Bank penetration	Penetration of bank branches	Number of bank branches per 100,000 population in the region	Average for Belarus	436			
		Brest Oblast			531	0.00	National Bank regional office, Brest Oblast
		Vitebsk Oblast			414	0.05	National Bank regional office,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Vitebsk Oblast
		Gomel Oblast			420	0.04	National Bank Regional Office, Gomel Oblast
		Grodno Oblast			319	0.27	National Bank Regional Office, Grodno Oblast
		Minsk City			508	0.00	Bank reporting data
		Minsk Oblast			489	0.00	Bank reporting data
		Mogilev Oblast			369	0.15	National Bank regional office, Mogilev Oblast
Bank penetration subindex						4.64	
ATM availability	ATM penetration	Number of ATMs in the region	Average for Belarus	552			
		Brest Oblast			466	0.16	National Bank regional office,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Brest Oblast
		Vitebsk Oblast			404	0.27	National Bank regional office, Vitebsk Oblast
		Gomel Oblast			539	0.02	National Bank regional office, Gomel Oblast
		Grodno Oblast			361	0.35	National Bank regional office, Grodno Oblast
		Minsk City			1014	0.00	Bank reporting data
		Minsk Oblast			701	0.00	Bank reporting data
		Mogilev Oblast			379	0.31	National Bank regional office, Mogilev Oblast
ATM penetration subindex						4.21	
Points of Sale (POS)	Electronic fund	Number of POS in	Average for	8509			

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
devices	transfer (ETF) devices (number)	the region	Belarus				
		Brest Oblast			7712	0.09	National Bank Headquarters
		Vitebsk Oblast			8357	0.02	National Bank Headquarters
		Gomel Oblast			8703	0.00	National Bank Headquarters
		Grodno Oblast			6684	0.21	National Bank Headquarters
		Minsk City			14368	0.00	National Bank Headquarters
		Minsk Oblast			7154	0.16	National Bank Headquarters
		Mogilev Oblast			6586	0.23	National Bank Headquarters
Points of Sale (POS) penetration subindex						4.49	
Exchange offices	Physical presence of	Number of exchange	Average for	105			

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
	exchange offices	offices in the region	Belarus				
		Brest Oblast			110	0.00	National Bank Headquarters
		Vitebsk Oblast			38	0.64	National Bank Headquarters
		Gomel Oblast			120	0.00	National Bank Headquarters
		Grodno Oblast			72	0.31	National Bank Headquarters
		Minsk City			256	0.00	National Bank Headquarters
		Minsk Oblast			86	0.18	National Bank Headquarters
		Mogilev Oblast			54	0.49	National Bank Headquarters
Exchange offices - Subindex						3.84	
Post office penetration:	Physical presence of post offices	number of post offices per 100,000	Average for Belarus	515			

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		in the region					
		Brest Oblast			601	0.00	BelPochta
		Vitebsk Oblast			643	0.00	BelPochta
		Gomel Oblast			650	0.00	BelPochta
		Grodno Oblast			435	0.16	BelPochta
		Minsk City			123	0.76	BelPochta
		Minsk Oblast			657	0.00	BelPochta
		Mogilev Oblast			493	0.04	BelPochta
Post Offices - Subindex						4.31	
Credit Unions	Physical presence of credit unions (number)	Number of credit unions in the region	Average for Belarus	4.6			
		Brest Oblast			3	0.35	Brest Oblast Executive Committee
		Vitebsk Oblast			3	0.35	Vitebsk Oblast Executive

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Committee
		Gomel Oblast			1	0.78	Gomel Oblast Executive Committee
		Grodno Oblast			2	0.57	Grodno Oblast Executive Committee
		Minsk City			17	0.00	Minsk City Executive Committee
		Minsk Oblast			4	0.13	Minsk Oblast Executive Committee
		Mogilev Oblast			2	0.57	Mogilev Oblast Executive Committee
Credit Unions - Subindex						3.04	
Pawn-shops	Physical presence of	Number of	Average for	44			

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
	pawnshops	pawnshops in the region	Belarus				
		Brest Oblast			38	0.14	Ministry of Finance
		Vitebsk Oblast			58	0.00	Ministry of Finance
		Gomel Oblast			30	0.32	Ministry of Finance
		Grodno Oblast			30	0.32	Ministry of Finance
		Minsk City			83	0.00	Ministry of Finance
		Minsk Oblast			27	0.39	Ministry of Finance
		Mogilev Oblast			42	0.05	Ministry of Finance
Pawnshops - Subindex						4.14	
Insurance	Physical presence (number) if insurance		Average for	227			

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
	companies, insurance company branches and points of service		Belarus				
		Brest Oblast			276	0.00	Ministry of Finance
		Vitebsk Oblast			200	0.12	Ministry of Finance
		Gomel Oblast			254	0.00	Ministry of Finance
		Grodno Oblast			269	0.00	Ministry of Finance
		Minsk City			280	0.00	Ministry of Finance
		Minsk Oblast			127	0.44	Ministry of Finance
		Mogilev Oblast			185	0.19	Ministry of Finance
Insurance - Subindex						4.47	

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
Geographical coverage subindex						4.24	
Financial products/services							
Accounts	Number of banks offering transaction accounts	% of banks	Full availability	100			
		Brest Oblast		100	91.7	0.08	National Bank Regional Office, Brest Oblast
		Vitebsk Oblast		100	95.7	0.04	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	100	0.00	National Bank Regional Office, Gomel Oblast
		Grodno Oblast		100	93	0.07	National Bank Regional Office, Grodno Oblast
		Minsk City		100	81.3	0.19	Bank reporting data

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		Minsk Oblast		100	81.8	0.18	Bank reporting data
		Mogilev Oblast		100	95.7	0.04	National Bank regional office, Mogilev Oblast
Current accounts - subindex						4.57	
Credit	Number of banks offering consumer credit	% of banks	Full availability	100			
		Brest Oblast		100	95.8	0.04	National Bank regional office, Brest Oblast
		Vitebsk Oblast		100	95.7	0.04	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	100	0.00	National Bank regional office, Gomel Oblast
		Grodno Oblast		100	100	0.00	National Bank regional office,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Grodno Oblast
		Minsk City		100	87.5	0.13	Bank reporting data
		Minsk Oblast		100	81.8	0.18	Bank reporting data
		Mogilev Oblast		100	91.3	0.09	National Bank regional office, Mogilev Oblast
Number of banks offering consumer credit - subindex						4.66	
	Number of banks offering mortgage credit	% of banks	Full availability	100			
		Brest Oblast		100	37.5	0.63	National Bank regional office, Brest Oblast
		Vitebsk Oblast		100	43.5	0.57	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	40.9	0.59	National Bank Regional Office,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Gomel Oblast
		Grodno Oblast		100	46	0.54	National Bank Regional Office, Grodno Oblast
		Minsk City		100	34.4	0.66	Bank reporting data
		Minsk Oblast		100	40.9	0.59	Bank reporting data
		Mogilev Oblast		100	39.1	0.61	National Bank regional office, Mogilev Oblast
Number of banks offering mortgage credit - subindex						2.02	
	Number of banks offering micro or SME credit	% of banks	Full availability	100			
		Brest Oblast		100	87.5	0.13	National Bank regional office, Brest Oblast
		Vitebsk Oblast		100	95.7	0.04	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	90.91	0.09	National Bank regional office, Gomel Oblast
		Grodno Oblast		100	86	0.14	National Bank regional office,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Grodno Oblast
		Minsk City		100	93.8	0.06	Bank reporting data
		Minsk Oblast		100	81.8	0.18	Bank reporting data
		Mogilev Oblast		100	91.3	0.09	National Bank regional office, Mogilev Oblast
Number of banks offering micro or SME credit - subindex						4.48	
Savings, deposits	Number of banks offering deposits/savings accounts	% of banks	Full availability	100			
		Brest Oblast		100	91.7	0.08	National Bank regional office, Brest Oblast
		Vitebsk Oblast		100	95.7	0.04	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	100	0.00	National Bank regional office, Gomel Oblast
		Grodno Oblast		100	93	0.07	National Bank Regional Office, Grodno Oblast

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		Minsk City		100	78.1	0.22	Bank reporting data
		Minsk Oblast		100	81.8	0.18	Bank reporting data
		Mogilev Oblast		100	91.3	0.09	National Bank regional office, Mogilev Oblast
Savings, deposits - subindex						4.51	
Debit/credit cards	Number of banks offering debit/credit cards	% of banks	Full availability	100			
		Brest Oblast		100	91.7	0.08	National Bank regional office, Brest Oblast
		Vitebsk Oblast		100	91.3	0.09	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	100	0.00	National Bank regional office, Gomel Oblast

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		Grodno Oblast		100	82	0.18	National Bank Regional Office, Grodno Oblast
		Minsk City		100	78.1	0.22	Bank reporting data
		Minsk Oblast		100	81.8	0.18	Bank reporting data
		Mogilev Oblast		100	91.3	0.09	National Bank regional office, Mogilev Oblast
Debit and credit cards - subindex						4.40	
Securities	Number of banks offering bonds, stocks, funds	% of banks	Full availability	100			
		Brest Oblast		100	20.8	0.79	National Bank regional office, Brest Oblast
		Vitebsk Oblast		100	26.1	0.74	National Bank regional office,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							Vitebsk Oblast
		Gomel Oblast		100	27.27	0.73	National Bank Regional Office, Gomel Oblast
		Grodno Oblast		100	29	0.71	National Bank Regional Office, Grodno Oblast
		Minsk City		100	25	0.75	Bank reporting data
		Minsk Oblast		100	36.4	0.64	Bank reporting data
		Mogilev Oblast		100	26.1	0.74	National Bank regional office, Mogilev Oblast
Shares and bonds - subindex						1.36	
Money transfers	Number of banks offering money transfers	% of banks	Full availability	100			
		Brest Oblast		100	83.3	0.17	National Bank

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
							regional office, Brest Oblast
		Vitebsk Oblast		100	91.3	0.09	National Bank regional office, Vitebsk Oblast
		Gomel Oblast		100	90.91	0.09	National Bank regional office, Gomel Oblast
		Grodno Oblast		100	86	0.14	National Bank regional office, Grodno Oblast
		Minsk City		100	93.8	0.06	Bank reporting data
		Minsk Oblast		100	81.8	0.18	Bank reporting data
		Mogilev Oblast		100	87	0.13	National Bank regional office, Mogilev Oblast
Money transfers - subindex						4.39	

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
Financial products and services - subindex						3.80	
Ease of access							
Affordability	Minimum amount to open an account	Amount to GDP per capita (average for all banks)		0.11	0	0	National Bank regional offices, bank reporting data
	Minimum balance requirement on current account	Amount to GDP per capita (average for all banks)		0.07	0	0.00	National Bank regional offices, bank reporting data
	Ongoing maintenance fee on current account	Amount to GDP per capita (average for all banks)		0.18	0	0.00	National Bank regional offices, bank reporting data
	Other fees (ATM/debit cards)	Amount of fee for using ATM cards (% of \$100) - average for		0.04	0	0.00	National Bank regional offices,

Progress Indicator(s)	Explanation	Measure	Benchmark Target for Belarus	Benchmark (value)	Value for Belarus	Indicator Score	Possible Source of Information
		all banks					bank reporting data
	Minimum deposit	Amount to GDP per capita (average for all banks)		0.6	0.009	0.00	National Bank regional offices, bank reporting data
Complexity of procedures	Documents required	Number of documents to open a checking account (average for all banks)		1.47	1	0.00	National Bank regional offices, bank reporting data
	Time required	Time required to process consumer loan application (average for all banks)		3.14	3.48	0.10	National Bank regional offices, bank reporting data
	Online/electronic options	% of banks with on-line services		100	65.6	0.34	National Bank regional offices, bank reporting data
Ease of access - subindex						4.72	

2. Assessment of Supply of Financial Services

The assessment of supply (Table 1) was based on the following measures:

(1) Institutional coverage.

In Belarus, financial services are provided by a variety of finance and credit institutions, including banks, bank branches, post offices, credit unions, insurance companies, and pawn-shops, among others. Belarus can thus be assigned a subscore of 5 on the diversity of providers measure ('5 types of financial providers per region').

State-owned banks continued to play a predominant role in the Belarusian banking sector. The share of private banks in total bank assets is 33.77%. The average for ten European countries is 94.71% - fig. 1.

The share of foreign-owned banks in total bank assets is 32.77%. The average for 10 European countries is 82.82%.

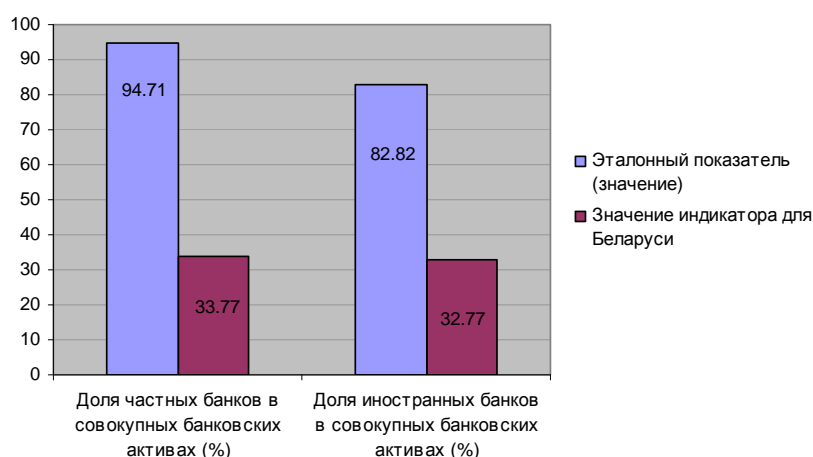


Figure 1. Asset share of private and foreign-owned banks (%)

Figures 2 and 3 show penetration of ATMs, points of service, exchange offices, post offices, credit unions and pawn-shops.

Figure 2 shows the number of financial providers in Belarus per 100,000 adults¹. The number of bank branches and post offices per 100,000 adults exceeds the average for 10 European countries. Specifically, there are 32 bank branches 100,000 adult population (while the European average is 13), 41 ATMs (as compared to Europe's 33), and 38 post offices (as opposed to 30 in 10 European countries).

¹ The calculation was based on the total population of Belarus as of 1 January 2012, which numbered 9465.2 thousand people.

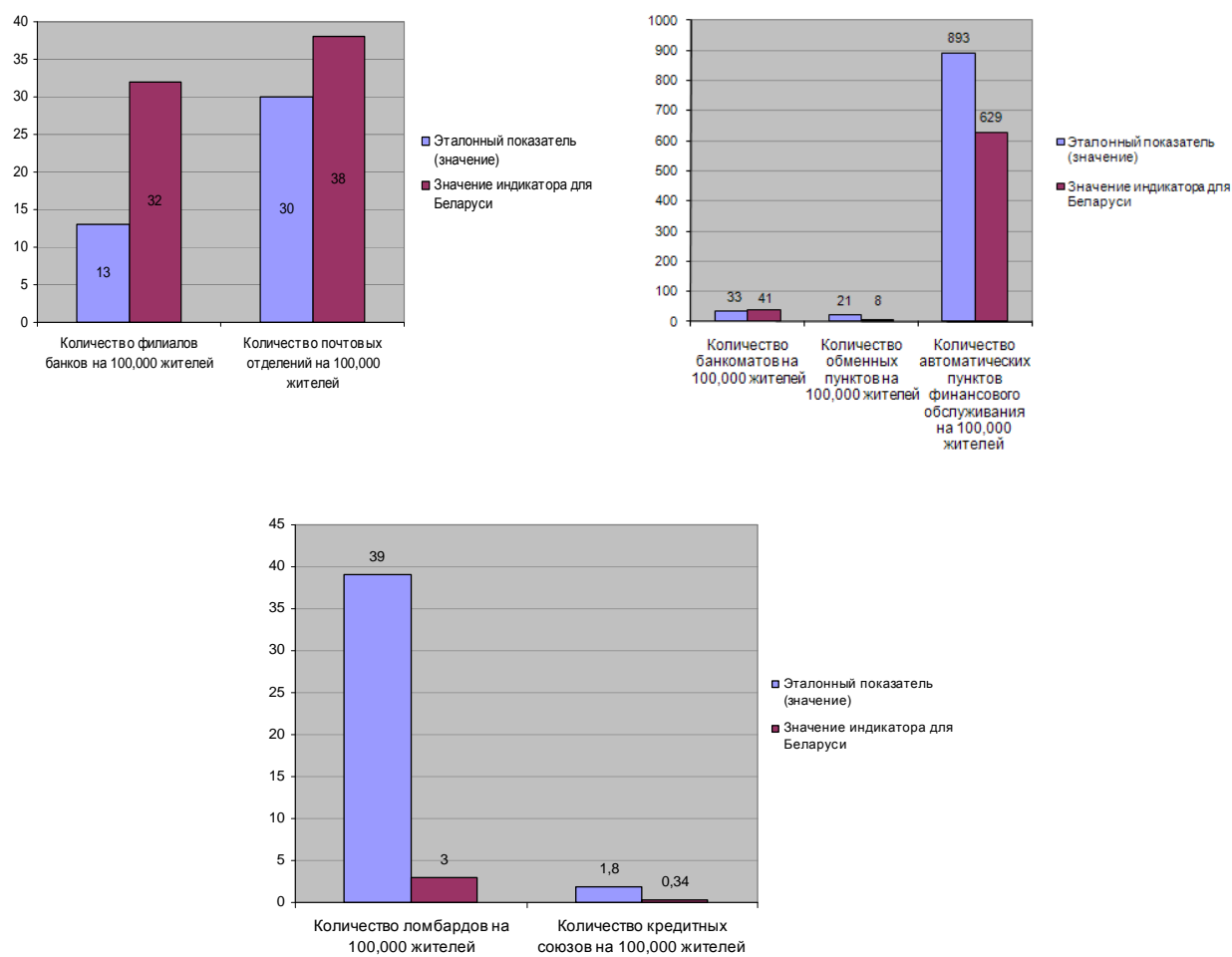


Figure 2. Number of financial service providers per 100,000 residents

However, Belarus is below the European mean by the number of automatic points of service, exchange offices, credit unions and pawn-shops relative to population. There are only 629 automatic points of service per 100,000 adults, as compared to the European average of 893, eight exchange offices (the European mean is 21), 0.34 credit unions (as compared to Europe's 1.8), and three pawnshops (as opposed to Europe's 39).

Figure 3 shows the number of different types of financial providers in Belarus per 1000 km². There are 15 bank branches per 1,000 km², average for 10 European countries (12 branches per 1000 km²).

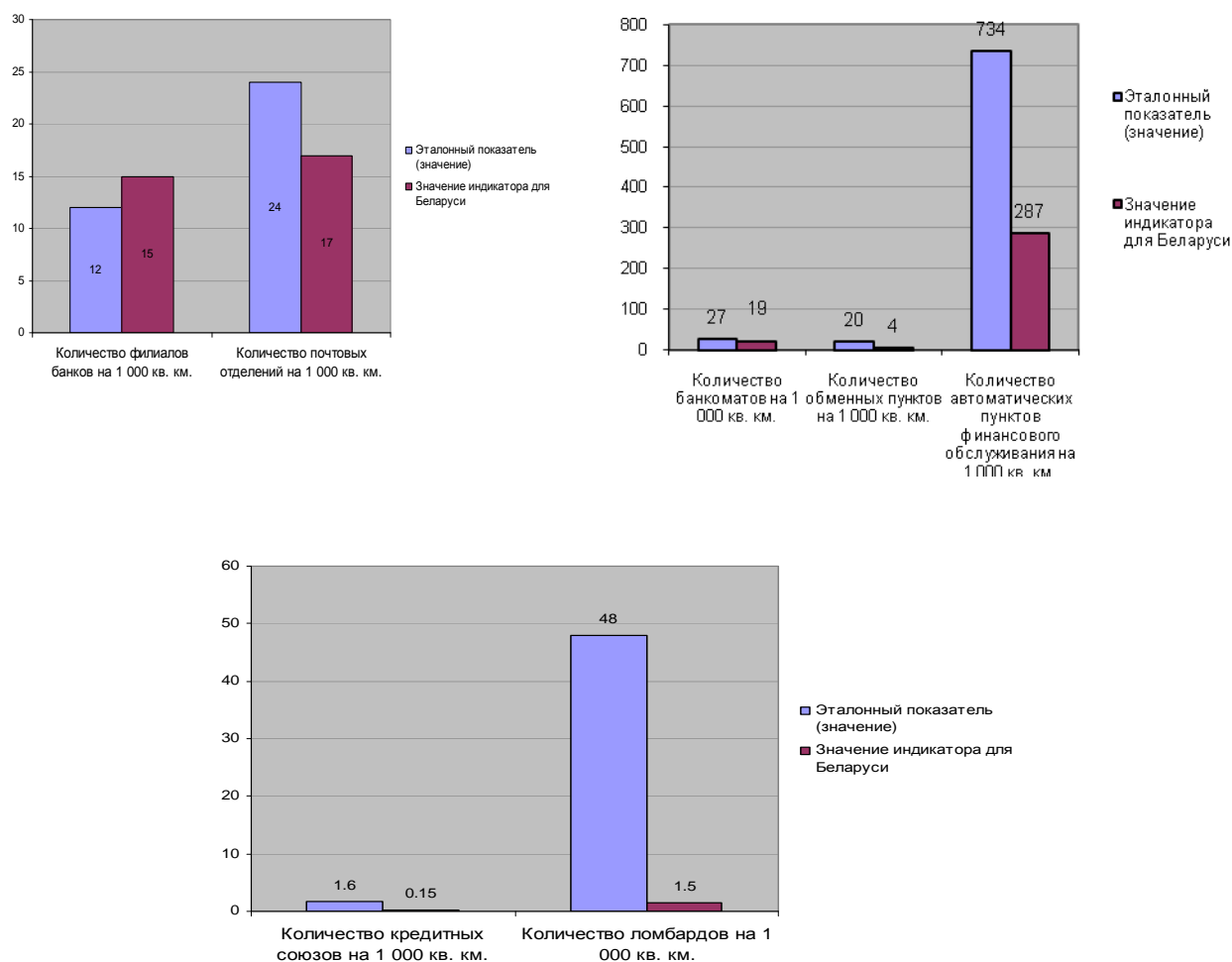


Figure 3. Number of banking and payment providers per 1000 km2

However, Belarus is below the European mean by the number of automatic points of service, exchange offices, credit unions and pawn-shops relative per 1000 km2.

Payments with debit and credit cards are widely available across Belarus. The cards issued by Belarusian banks utilise the domestic payment system BelCard, and the international payment systems VISA and MasterCard.

Electronic payments can be made via m-banking and with electronic currency.

Based on the assessment data, the institutional coverage subindex was calculated. Consistent with the logic of this measure, higher values indicate better outcomes. The sub-score assigned on this measure on a five-point scale is 2.96.

(2) Geographic coverage.

Across the Oblasts, financial services are provided by all five types of financial institutions, including banks, post offices, credit unions, insurance companies, and pawnshops.

Figure 4 shows the number of bank branches, post offices and ATMs by subnational unit (Minsk and Minsk City).

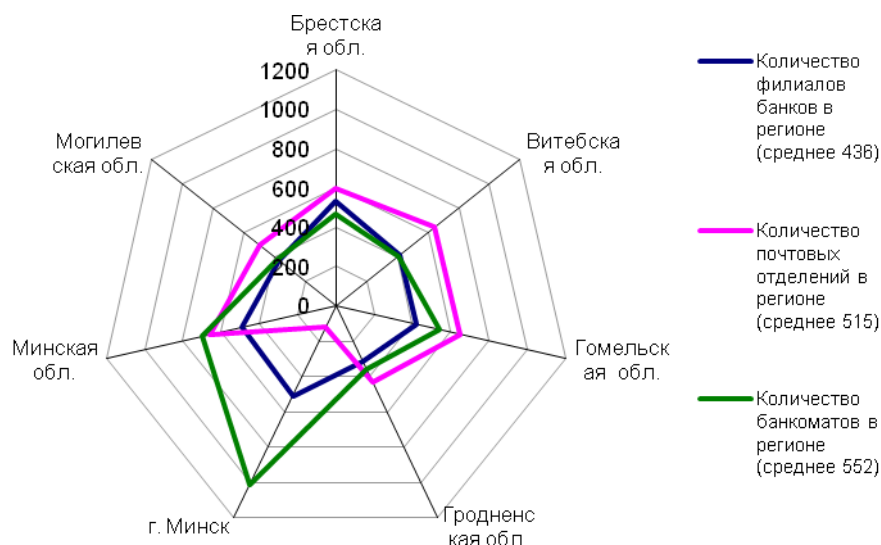


Figure 4 - number of bank branches, post offices and ATMs by subnational unit

Given the national average of 436 bank branches, the largest numbers of bank branches were reported in Brest Oblast (531), Minsk Oblast (489), and Minsk City (508), and the lowest in Mogilev Oblast (369) and Grodno Oblast (319).

On average, there are 515 post offices per administrative region. This compares to 657 post offices in Minsk Oblast, 650 in Gomel Oblast, 643 in Vitebsk Oblast, and 601 in Brest Oblast. Mogilev and Grodno Oblasts have 493 and 435 post offices, respectively, and Minsk City has 123.

The subnational administrative units with the highest numbers of ATMs are Minsk City (1014), Minsk Oblast (701) and Gomel Oblast (559). The average number of ATM per Oblast is 552. There are 466 ATMs in Brest Oblast, 404 in Vitebsk Oblast, 379 in Mogilev Oblast and 361 in Grodno Oblast.

Automatic points of service are the most numerous in Minsk City (14368), followed by Gomel Oblast (8703), and Vitebsk Oblast (8357). On average, there are 8509 automatic points of service per Oblast. Automatic points of service are the least numerous in Grodno Oblast (6684) and Mogilev Oblast (6586) - fig. 5.

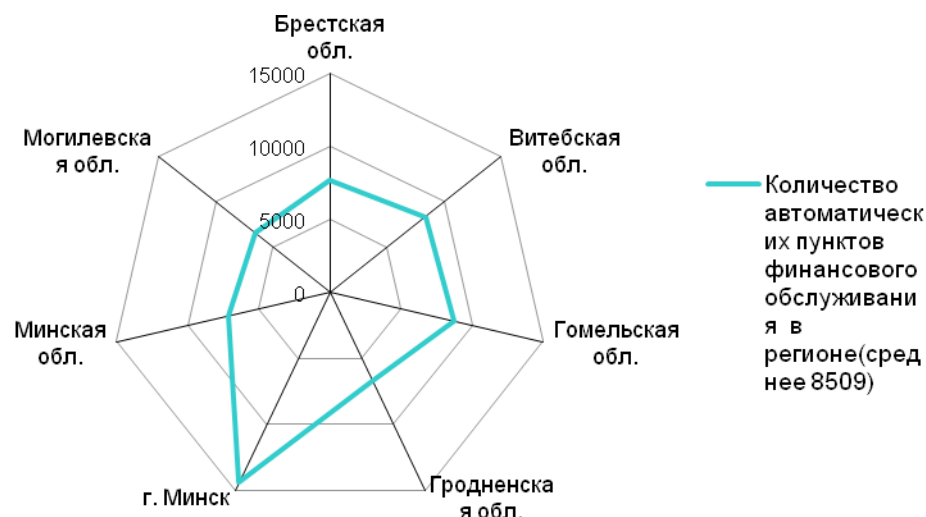


Figure 5 - Number of automatic points of service by subnational unit (Oblast and Minsk City)

On average, there are 44 pawn-shops per subnational administrative unit, including 83 in Minsk City, 58 in Vitebsk Oblast, 42 in Mogilev Oblast and 38 in Brest Oblast. Other administrative units have around 30 pawn-shops each.

On average, 227 insurance company units were active in each subnational administrative unit, including 276 in Brest Oblast, 254 in Gomel Oblast, 269 in Grodno Oblast, and 280 in Minsk City. The number of insurance company offices is below the national average in Vitebsk Oblast (200), Mogilev Oblast (185), and Minsk Oblast (127) - fig. 6.

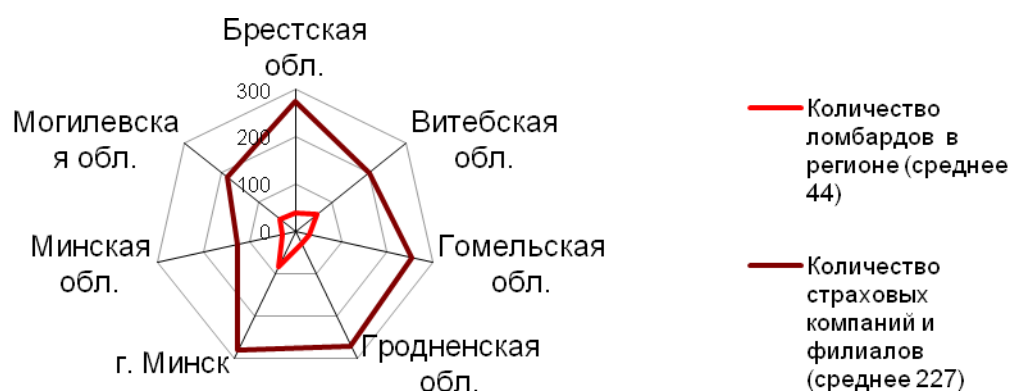


Figure 6 - number of insurance company and pawn-shop offices by subnational unit (Oblasts and Minsk City)

Minsk City has the highest number of credit unions (17). Elsewhere, the number of credit unions does not exceed 2 - 4. On average, there are 4.6 credit unions per administrative unit.

Based on the analysis of the relevant indicators, geographic coverage was assigned a subscore of 4.24 on a five-point scale. Geographic coverage had the same logic as the previous measure - the greater the positive difference between the national average and the mean for 10 European countries, the better the outcome.

The third measure concerned the diversity of services, and their relevance to consumer needs.

Financial services most commonly offered by banks in the Republic of Belarus are shown in the "Financial products/services" column of Table 1.

Belarus has a total of 32 banks. Diversity of financial services is highest in Minsk City. Unlike the national capital, the Oblasts typically have lower numbers of operating banks (Table 2).

Table 2. Number of banks by subnational administrative unit (Minsk City and the Oblasts)

Brest Oblast	Vitebsk Oblast	Gomel Oblast	Grodno Oblast	Minsk Oblast	Mogilev Oblast	Minsk City
24	23	22	24	22	23	32

The number of banks offering multiple services varies by subnational administrative unit. Current accounts are offered by more than 90% of banks in Brest, Vitebsk and Mogilev Oblasts. In Gomel Oblast, the service can be obtained at all banks - fig. 7.

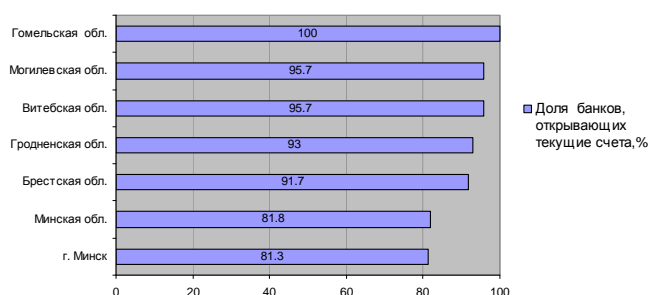


Figure 7 - Percentage of banks offering current accounts, by subnational administrative unit (Oblast and Minsk City)

Consumer loans are offered by all banks in Gomel and Grodno Oblasts, more than 95% of banks in Brest and Vitebsk Oblasts, and 91.3% of banks in Mogilev Oblast. In Minsk and Minsk Oblasts, consumer loans are available from 87.5% and 81.85% of banks, respectively.

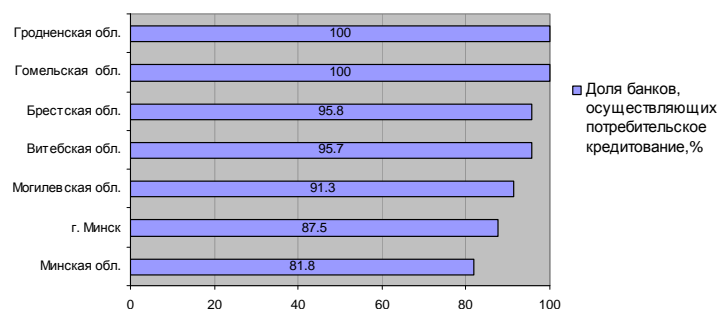


Figure 8 - Percentage of banks offering consumer loans, by subnational administrative unit (Oblast and Minsk City)

Mortgage/housing loans are offered by 46% of banks in Grodno Oblast, followed by Vitebsk Oblast (43.5%), Minsk, Gomel, and Mogilev Oblasts (40.9%), and Brest Oblast (37.5%). In Minsk City, the mortgage loans are available from 34.4% of banks - fig. 9.

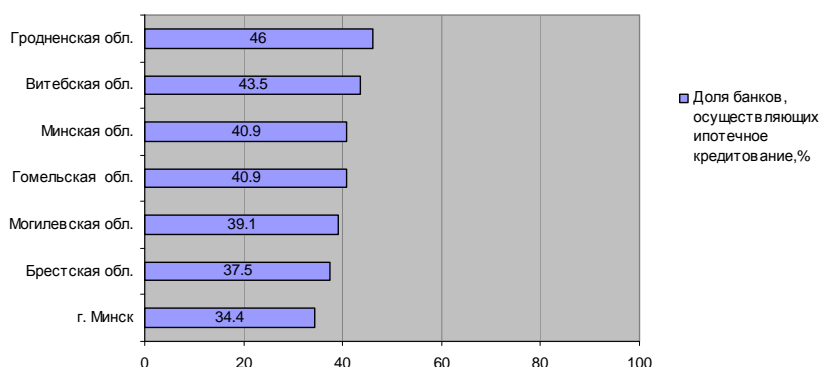


Figure 9 - Percentage of banks offering mortgage loans, by subnational administrative unit (Oblast and Minsk City)

The shares of banks that lend to SMEs is 95.7% in Vitebsk Oblast, 93.8% in Minsk City, 91.3% in Mogilev Oblast, and 90.9% in Gomel Oblast. These proportions are the lowest in Brest (87.5%) and Grodno Oblasts (86%). In Minsk City, the mortgage loans are available from 81.8% of the banks - fig. 10.

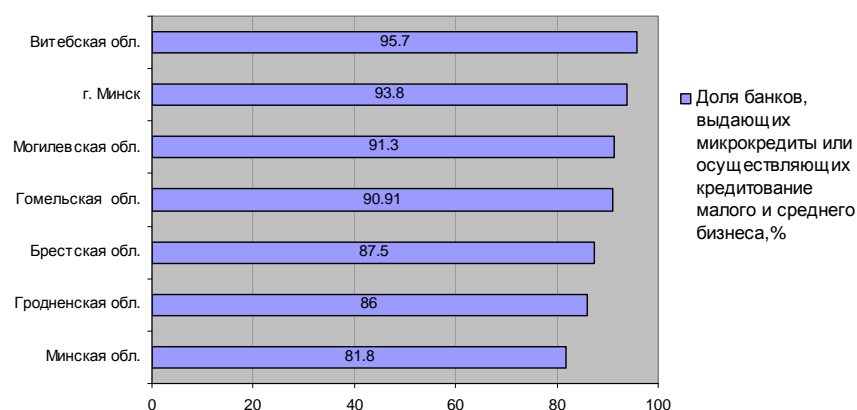


Figure 10 - Percentage of banks offering loans to SMEs, by subnational administrative unit (Oblast and Minsk City)

Deposit products are available from all banks in Gomel Oblast, and 90% of banks in Vitebsk, Grodno, Brest and Mogilev Oblasts. In Minsk and Minsk Oblasts, deposit products are available from 81.8% and 78.1% of banks, respectively - fig. 11.

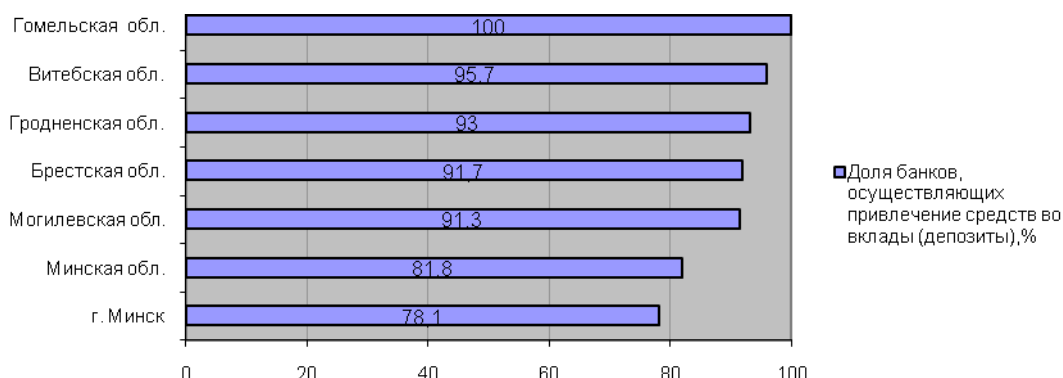


Figure 11 - Percentage of banks offering deposit products, by subnational administrative unit (Oblast and Minsk City)

Debit and credit card products are offered by all banks in Gomel Oblast and around 91% of banks in Brest, Vitebsk and Mogilev Oblasts, and roughly 80% of banks in Grodno and Minsk Oblasts - fig. 12.

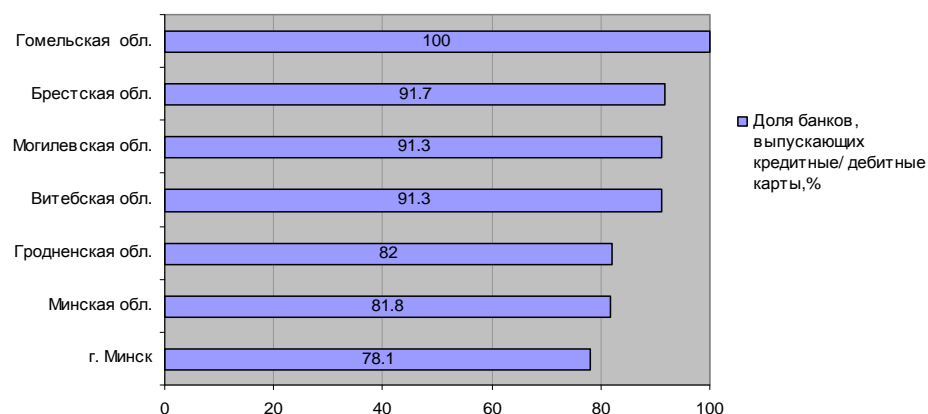


Figure 12 - Percentage of banks offering deposit products, by subnational administrative unit (Oblast and Minsk City)

Transactions with bonds and securities are available, albeit to a relatively limited degree - fig. 13. The share of banks offering the service varies between 25 and 30%. This proportion is somewhat higher in Minsk Oblast, at 36%, and somewhat lower in Brest Oblast (20.8%).

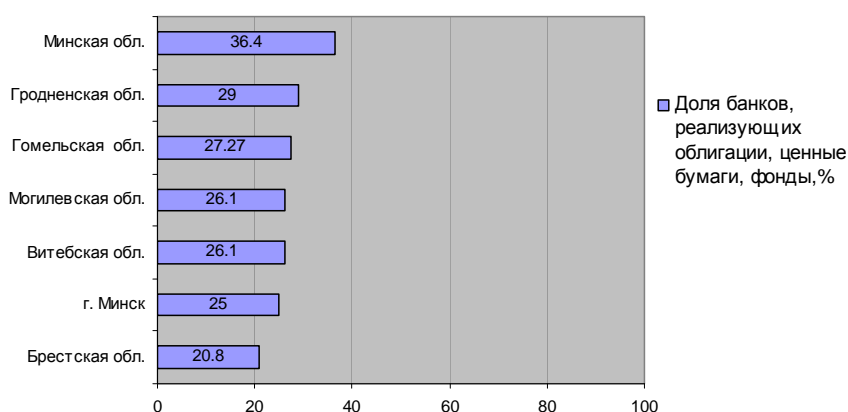


Figure 13 - Percentage of banks offering transactions with securities, by subnational administrative unit (Oblast and Minsk City)

The share of banks offering money transfers is around 90% across all subnational units - fig. 18. It is highest in Minsk City (93.8%) and lowest in Minsk Oblast (81.8%).

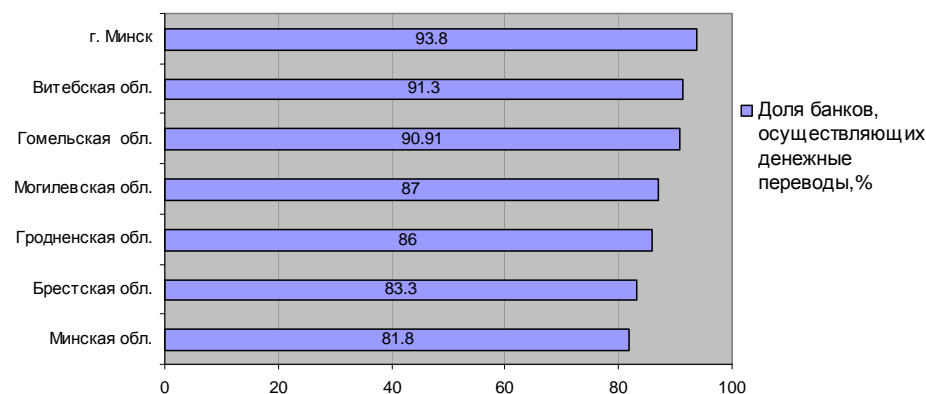


Figure 14 - Percentage of banks offering money transfers, by subnational administrative unit (Oblast and Minsk City)

The financial products and services subscore is 3.80 (the higher the subscore, the more favourable the outcome).

The fourth dimension was the ease of access to services (Table 1).

In terms of cost and the minimum requirements, many financial products are more affordable and accessible in comparison to the European countries.

For example, the minimum amount to open a current account is 0 - 7000 Belarusian roubles. Banks generally do not establish or apply minimum balance requirements for current accounts. The majority of banks do not charge maintenance fees on current accounts. The sum of the minimum balance requirements and fees is less than 0.01 per cent of the GDP per capita.

In Belarus, commissions for withdrawing cash from debit and credit cards denominated in Belarusian roubles range from 0 to 6.5%. Commissions are not charged for cash withdrawals in ATMs owned by the issuing bank or a bank with which the issuing bank has a zero commission agreements. Increased commissions are charged for use of the overdraft facility.

The minimum amount of deposit varies across banks from 10000 to 1 million Belarusian roubles. This represents 0.009% of the GDP per capita, as compared to Europe's 0.6%.

Client passport or an equivalent personal identification document is the only document required to open a current account.

Consumer loan processing time averages 3.48 days, varying from 30 minutes to 10 days depending on the bank.

In Belarus, Internet banking is offered by 65.6% of the banks.

The ease of access measure was assigned a score of 4.72. Reverse logic is applicable to this measure: the lower the national score relative to the European average, the better the performance.

The total supply-side subindex is presented in Table 3.

Table 3. Total supply-side subindex

	Score
Institutional coverage subindex	2.96
Geographical coverage subscore	4.24
Diversity of services subscore	3.80
Ease of access subscore	4.72
Total supply-side subindex	3.93

The final supply-side subindex thus equals 3.93 on a five-point scale.

3. Assessment of Supply across subnational administrative units (Oblasts)

Table 4 shows the absolute number of banking and payment services providers by subnational administrative unit, and the number of such providers per 10,000 adults aged 16 and above

Table. Key supply-side indicators

Indicators	Description		Value
Providers of banking and payment services (bank branches + post offices) per 10,000 adults aged 16 and above, including by subnational administrative unit (Minsk City and the Oblasts)	Access to finance points		
	Bank branches	Number of bank branches, divisions, offices and operational facilities	3050
	Banking agents	Number of post offices, including mobile and temporary facilities, and postal service points	3602
	ATMs	Number of ATMs	3864
	Total access to finance points (bank branches + post offices)		6652
	Number of bank branches per 10,000 adult population aged 16 and above		3.8
	Number of post offices per 10,000 adult population aged 16 and above, Belarus		4.5
	Number of ATMs per 10,000 adult population aged 16 and above, Belarus		4.9
	Number of bank branches and post offices per 10,000 adult population aged 16 and above, Belarus		8.4
	Number of bank branches per 10,000 adult population aged 16 and above, by subnational administrative unit	Brest Oblast	4.6
		Vitebsk Oblast	4.0
		Gomel Oblast	3.5
		Grodno Oblast	3.6
		Minsk City	3.2

Indicators	Description		Value
		Minsk Oblast	4.2
		Mogilev Oblast	4.1
	Number of post offices per 10,000 adult population aged 16 and above, by subnational administrative unit	Brest Oblast	5.3
		Vitebsk Oblast	6.2
		Gomel Oblast	5.5
		Grodno Oblast	4.9
		Minsk City	0.8
		Minsk Oblast	5.6
		Mogilev Oblast	5.4
	Number of ATMs per 10,000 adult population aged 16 and above, by subnational administrative unit	Brest Oblast	4.1
		Vitebsk Oblast	3.9
		Gomel Oblast	4.5
		Grodno Oblast	4.1
		Minsk City	6.3
		Minsk Oblast	6.0
		Mogilev Oblast	4.2
	Number of bank branches and post offices per 10,000 adult population aged 16 and above, by subnational administrative unit	Brest Oblast	9.9
		Vitebsk Oblast	10.2
		Gomel Oblast	9.0
		Grodno Oblast	8.5
		Minsk City	3.9
		Minsk Oblast	9.8
		Mogilev Oblast	9.5
2.1. Percentage of administrative units with less than one access to finance point	Number of administrative units - total Administrative districts, Oblast-level cities, Minsk City		131
	Average population per administrative unit		60632
	Percentage of administrative units with at least one access to finance point		100
2.2. Share of the population living in administrative units with at least one access to finance point (%)	Share of the population living in administrative units with at least one access to finance point (%)		100

In Belarus, all administrative units have at least one access to finance point. 100% of the population live in administrative units with at least one access to finance point (Table 4).

The number of bank branches per 10,000 adults is highest in Brest Oblast (4.6), followed by Mogilev Oblast (4.1), Minsk Oblast (4.2), and Vitebsk Oblast (4.0). The average ratio for Belarus is 3.8 bank branches per 10,000 adults. The number of bank branches per 10,000 population was lowest in Grodno Oblast (3.6), Gomel Oblast (3.5), and Minsk City (3.2).

Among the Oblast capitals and major cities, the areas with the highest numbers of bank branches per 10,000 adults included Brest (4.0), Polotsk (3.9), and Orsha (3.8), followed by Pinsk (3.7) and Zhodino (3.6).

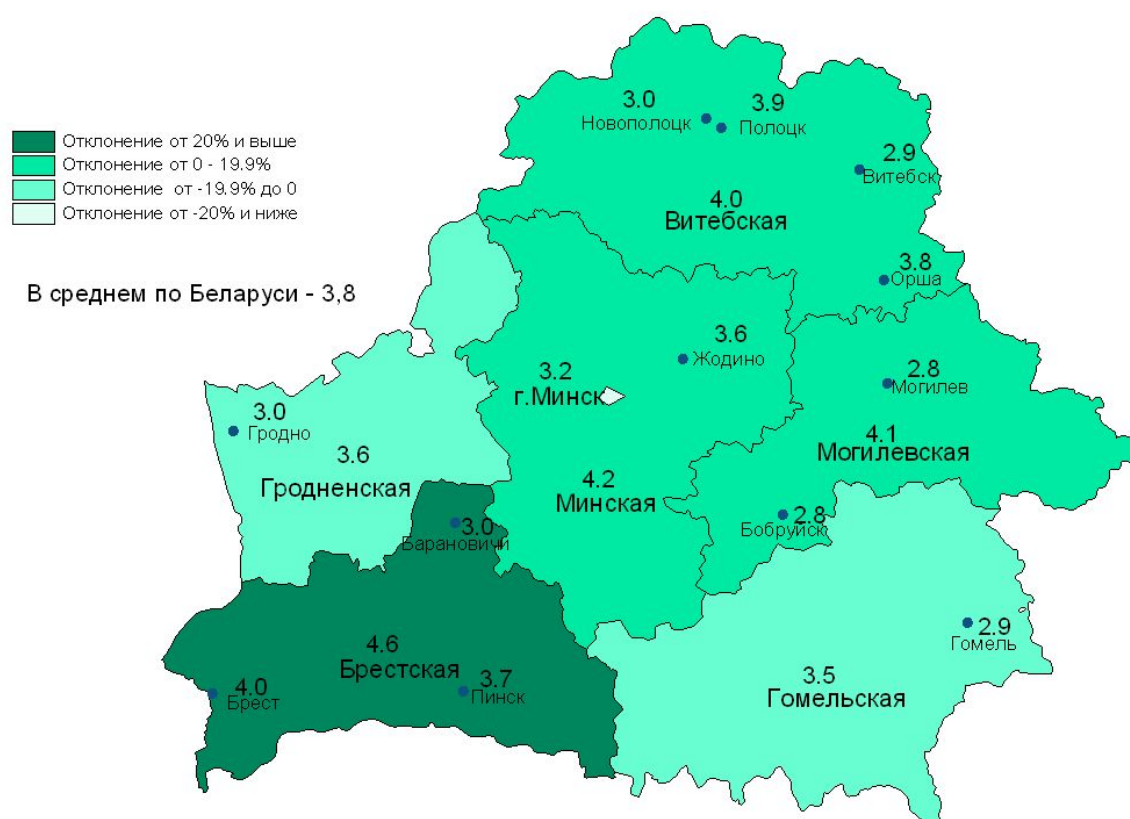


Figure 15. Number of bank branches per 10,000 by Oblast, Oblast Capital and major city

Across all Oblasts, the number of post offices per 10,000 adult population exceeds the national average of 4.5 - fig. 16. This ratio was highest in Vitebsk Oblast (6.2) and Minsk Oblast (5.6), and lowest in Minsk City.

All Oblast capitals and major cities had below-average ratios of post offices to population, including Polotsk and Zhodino (2.1 post offices per 10,000 adults), Pinsk and Bobruisk (1.5), and Gomel and Brest (1.3).

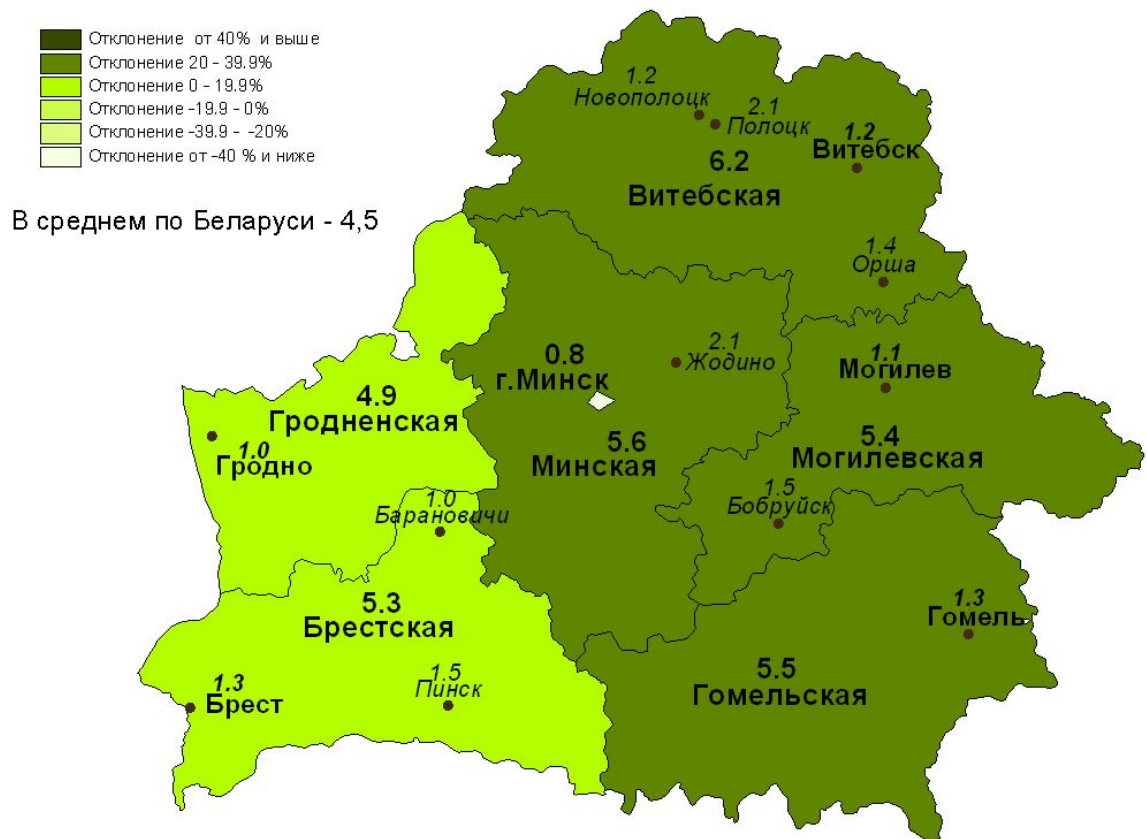


Figure 16. Number of post offices per 10,000 by Oblast, Oblast Capital and major city

The number of access to finance points (bank branches + post offices) per 10,000 adults exceeds the national average of 8.4 in all subnational administrative units except Minsk City, with 4.0 access to finance points per 10,000 adults. The number of access to finance points was highest in Vitebsk Oblast (10.2 per 10,000 adults), Minsk Oblast (9.8), and Brest Oblast (9.9) - fig. 17.

In the Oblast capitals and major cities the ratio of access to finance points to adult population was below the national average. Cities with the highest ratios of access to finance points to population included Polotsk (6.0) and Zhodino (5.7), and some of the lowest ratios were recorded Grodno (4.0), Baranovich (4.0), and Mogilev (3.9).

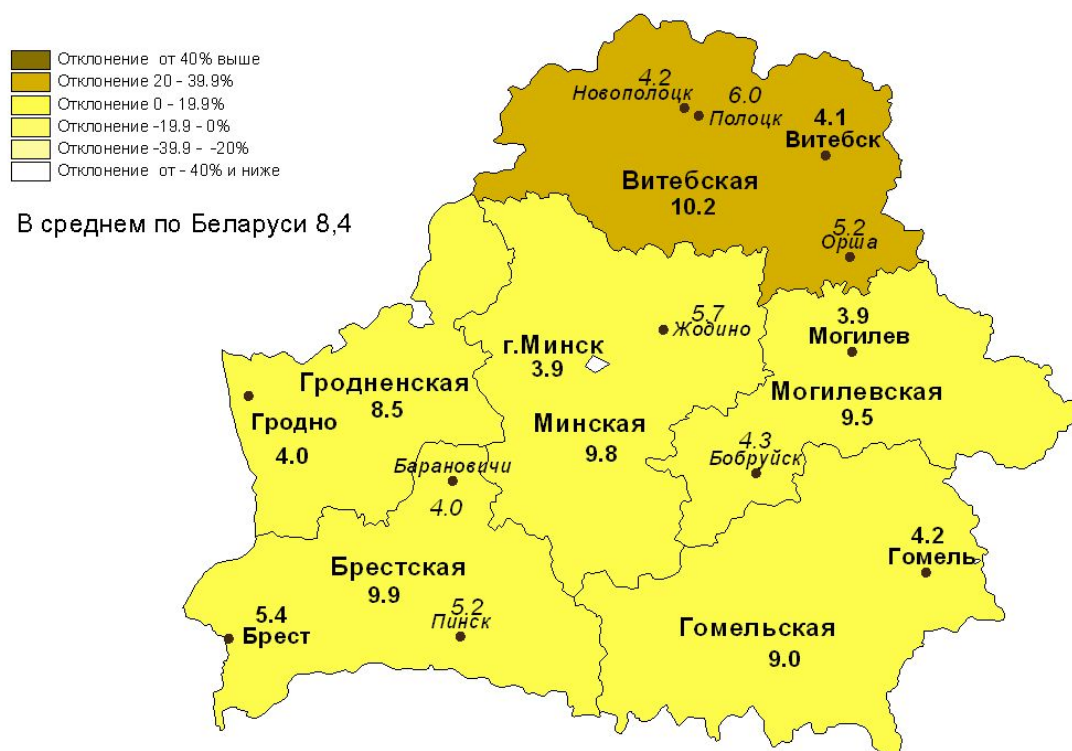


Figure 17. Number of access to finance points (bank branches + post offices) per 10,000 by Oblast, Oblast Capital and major city

On average, there are 4.9 ATMs per 10,000 adults nationally. The highest numbers of ATMs per 10,000 adults (6.3) were recorded in Minsk City (6.3) and Minsk Oblast (6.0)- fig. 18. Elsewhere, this ratio was below the national average, including 4.5 ATMs per 10,000 adults in Gomel Oblast, 4.2 in Mogilev Oblast, 4.1 in Grodno and Brest Oblasts, and 3.9 in Vitebsk Oblast.

The following regional capitals and major cities had above-average numbers of ATMs relative to population: Brest (6.6), Gomel (5.8), Mogilev (5.8), Pinsk (5.6), Grodno and Baranovich (5.4), and Vitebsk (5.1). This ratio was lowest in Polotsk (4.6 ATMs per 10,000 adults) and Orsha (4.2).



Figure 18. Number of ATMs per 10,000 by Oblast, Oblast Capital and major city

The presence of insurance companies was highest in Grodno Oblast (3.0 insurance company offices and branches per 10,000 adults) and Brest Oblast (2.4). The average for Belarus was 2.0. This ratio was lowest in Minsk Oblast (1.1). The Oblast capitals and major cities with the highest number of insurance company offices and branches per 10,000 population included Brest (3.7) and Grodno (3.4).

Vitebsk Oblast had the highest number of pawn-shops per 10,000 population (0.6). The average ratio for Belarus was 0.39. Major cities such as Vitebsk, Polotsk and Novopolotsk had even higher numbers of pawn-shops relative to population (1.1, 1.1 and 0.7 per 10,000 adults, respectively). Minsk Oblast had the lowest relative number of pawn-shops.

For more details, see Annex G.

4. Supply of Financial Services across subregional administrative unit (Districts)

As suggested by this analysis, significant variations exist in the presence of access to finance points across administrative units. District-level calculation of access point density did not include districts with adult populations of less than 10,000, namely, Dribin, Krasnopolye, Rossony and Narovlya. The number of access to finance points at the district level per 10,000 adult population is shown in Annex B.

Above-average numbers of bank branches per 10,000 adults were recorded in Berestovitsa (10.8) and Malorita Districts (9.9) - Fig. 19. Relatively high rates numbers of bank branches per 10,000 adult population were recorded in Klichev (8.9), Bobruisk (8.0), Ushachi (7.9), Verkhnedvinsk (7.6), Shklov (7.5), and Kostiukovich Districts (7.2).

Conversely, the number of bank branches per 10,000 adult population was below the national average in Lida (3.0), Dzerzhinsk (2.9), Cherven (2.9), Smorgon (2.9), Slavgorod (2.6), and Korma Districts (2.6). The density of bank branches per 10,000 adult population was lowest in Dubrovno (2.3), Zhitkovichi (2.2), Gomel (2.1), Vetka (2.0), Loev (1.8), Oktyabrsky (1.6), and Chechersk Districts (1.6).

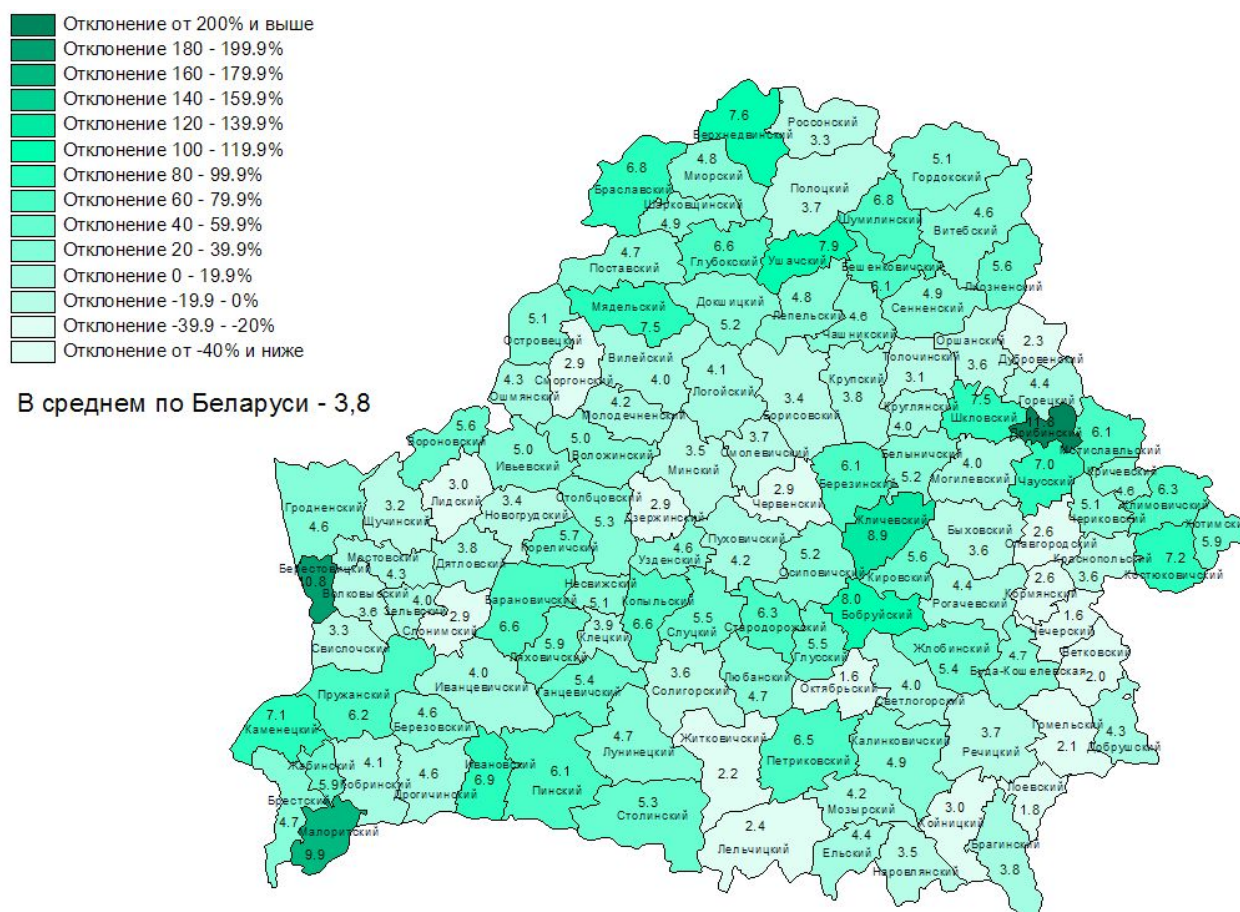


Figure 19. Number of bank branches per 10,000 adult population by district

The number of post offices per 10,000 adult population was substantially above the national average in Bragin (17.1), Dubrovno (16.6), Sharkovschina (15.9), Miory (15.5), Liozno (15.5), Polotsk (15.2), Oktyabrsky (15.2), Beshenkovichi (14.9), Bobruisk (14.8), and Glussk Districts (14.8) - fig. 20. Below-average densities of post offices were recorded in Minsk (4.1), Svetlogorsk (3.8), Mozyr (3.6), Lida (3.2), Borisov (3.1), Soligorsk (3.0), and Molodechno Districts (2.5).

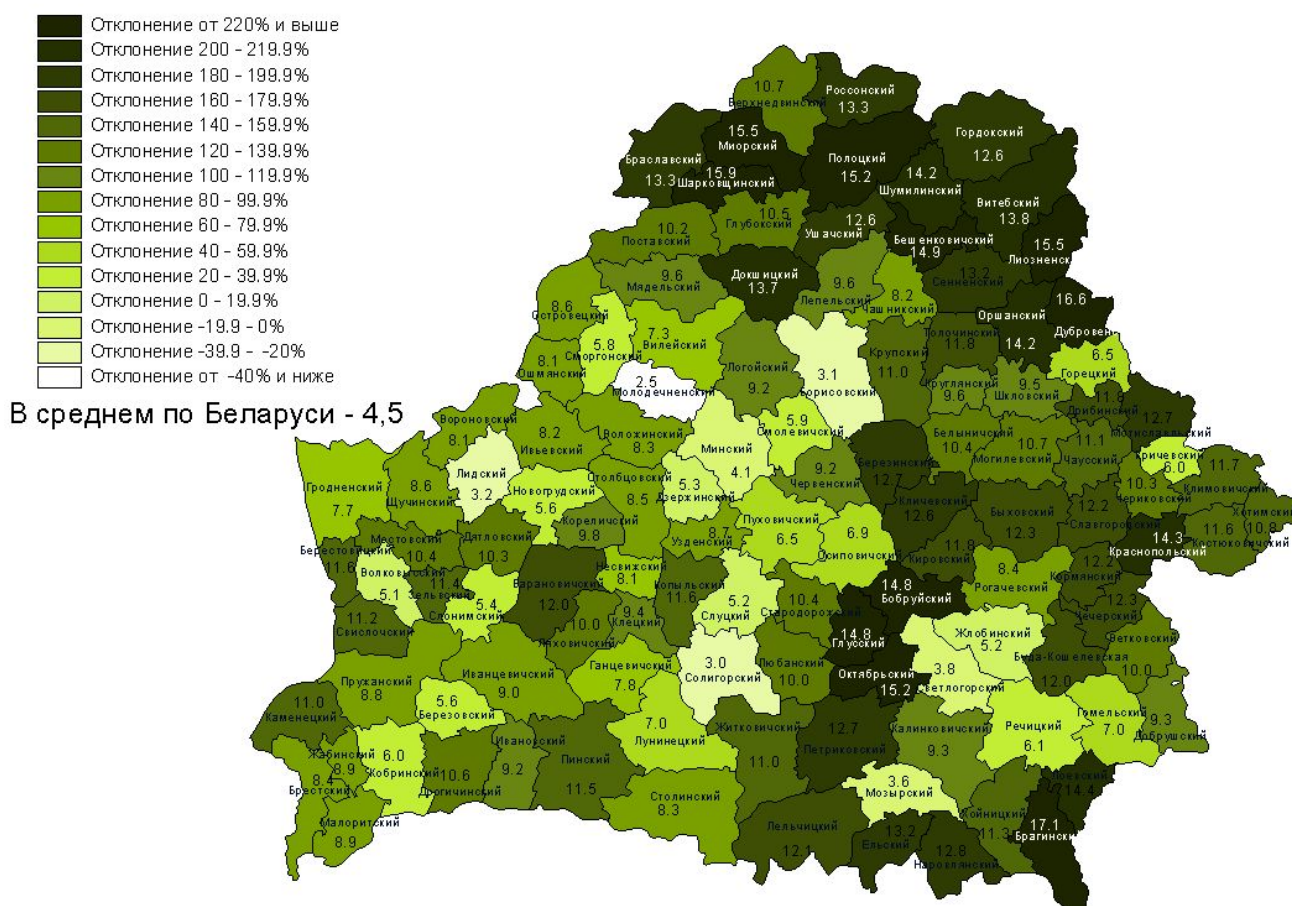


Figure 20. Number of post offices per 10,000 adult population by district

The highest densities of access to finance points, defined as the sum of post offices and bank branches per 10,000 adult population, were recorded in Bobruisk (22.8), Berestovitsa (22.4), Klichev (21.5), Liozno (21.1), Beshenkovichi (21.0), Shumilino (21.0), Bragin (20.9), Sharkovschina (20.8), Ushachi (20.5), Miory (20.3), and Glussk (20.3) Districts. The density of access to finance points was lowest in Soligorsk (6.7), Molodechno (6.7), Borisov (6.5), and Lida (6.2) Districts.

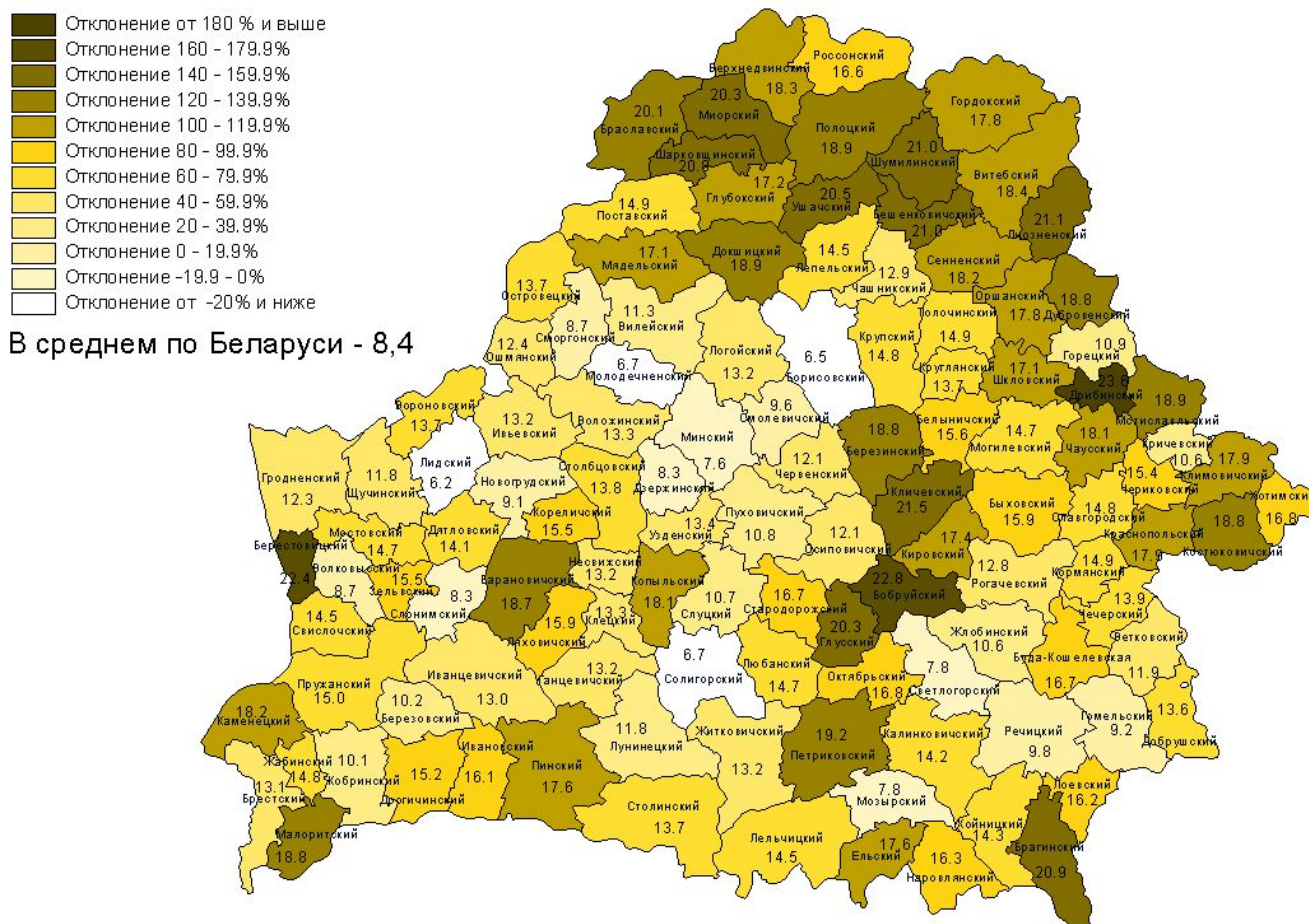


Figure 21. Number of access to finance points (bank branches and post offices) per 10,000 adult population, by district

The highest number of ATMs per 10,000 adults (23.3) was recorded in Minsk District - fig. 22. Elsewhere, the distance to the national mean (4.9) was less significant. There were 7.8 ATMs per 10,000 adults in Zhlobin District, 6.2 in Mozyr District, 5.4 in Molodechno District, and 5.0 in Osipovichi District. ATM density was slightly above the national average (at 4.9 per 10000 adults) in Borisov, Svetlogorsk and Lida District, and slightly below the national average in Soligorsk (4.7), Volkovyssk (4.6), and Beryoza (4.6) Districts. The remaining districts had significantly lower numbers of ATMs. Some of the lowest ATM densities were recorded in Brest District (0.6), Polotsk (0.5), Pinsk (0.5), Gomel (0.0) and Bobruisk (0.0) Districts.

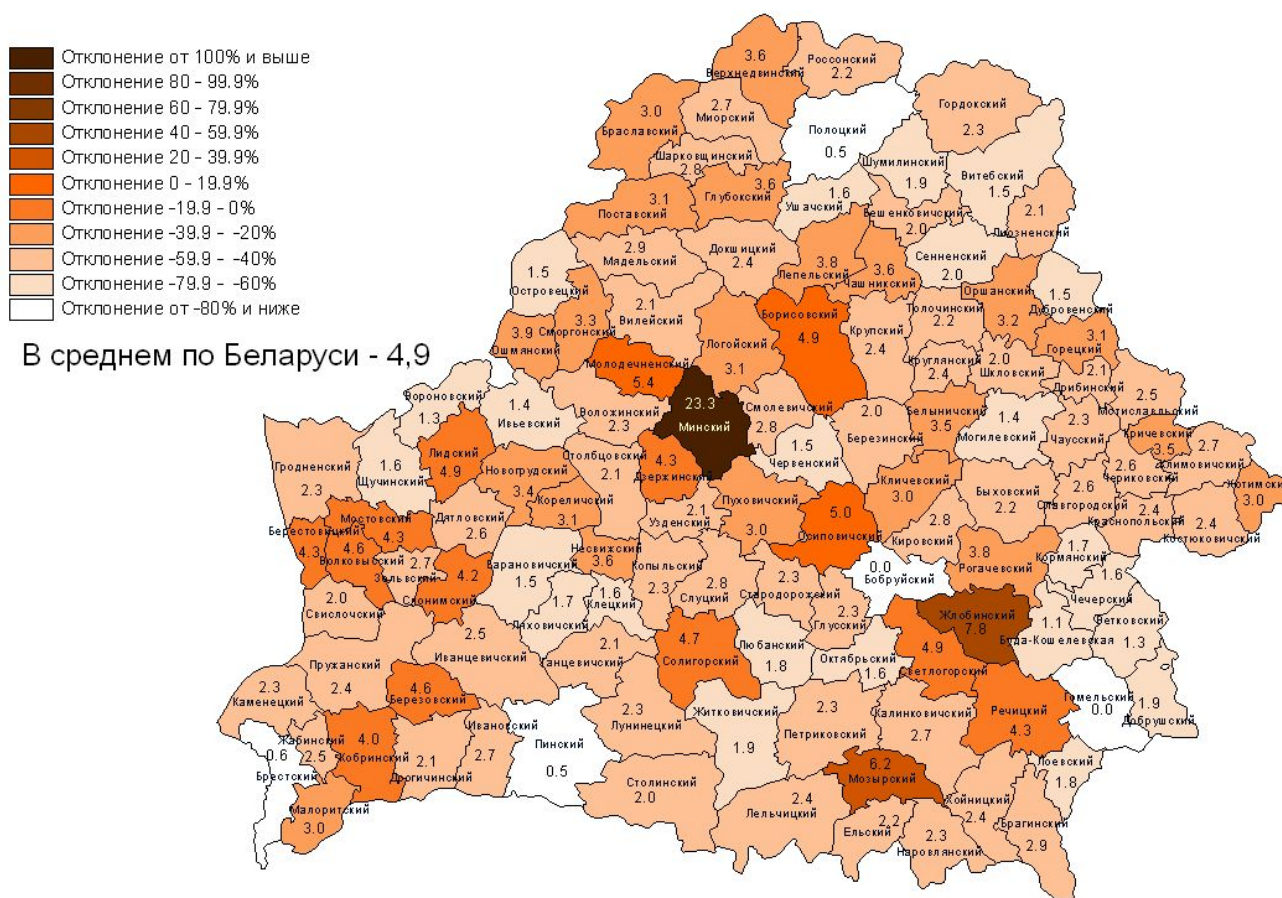


Figure 22. Number of ATMs per 10,000 adult population, by district

District-level statistics on insurance companies and pawnshops per 10,000 adults are presented in Annex G.

Insurance company numbers per 10,000 population were highest in Grodno Oblast, including in Berestovitsa District (12.3), Ostrovets District (9.1). Nationwide, the density of insurance companies averaged at 2.0 per 10,000 adult population. Overall, the network of insurance providers is the most developed in the border districts.

Districts with the highest numbers of pawnshops relative to adult population included Klichev (0.7 per 10,000), and Kirovsk (0.6). The average for Belarus is 0.39 pawn-shops per 10,000 adults.

Conclusion

Four supply-side measures were used in this analysis: institutional coverage, financial products and services, and ease of access.

The study revealed a variety of finance and credit institutions providing financial services, including banks, bank branches, post offices, credit unions, insurance companies, and pawn-shops.

State-owned banks continued to play a predominant role in the Belarusian banking sector. The share of private banks in total bank assets is 33.77%. The share of foreign-owned banks in total bank assets is 32.77%.

The number of bank branches and post offices per 100,000 adults exceeds the average for 10 European countries. However, Belarus is below the European mean by the number of automatic points of service, exchange offices, credit unions and pawn-shops relative to population.

Across the Oblasts, financial services are provided by all five types of financial institutions, including banks, post offices, credit unions, insurance companies, and pawnshops.

Bank branches and post offices are the most numerous providers. Credit unions and pawnshops are less common, and concentrated mostly in the capital.

In Belarus, various types of financial services are available. Current accounts are offered by banks throughout the country. In most regions, the proportion of banks offering consumer loans approaches 90%, and is close to 100% in Gomel Oblast. In Minsk and Minsk Oblasts, consumer loans are available from 87.5% and 81.85% of banks, respectively.

The largest share of banks that offer mortgage loans is in Grodno Oblast (46% of the total), and the lowest is in Brest Oblast (37.5%). In Minsk City, mortgage loans are available from 34.4% of banks.

The share of banks that lend to SMEs is 85.7% in Vitebsk Oblast to 93.7% in Minsk. This proportion is the lowest in Minsk Oblast (81.8%).

In most regions, deposits are offered by 90% of banks, and by around 100% in Gomel Oblast. In Minsk and Minsk Oblasts, deposit products are available from 81.8% and 78.1% of banks, respectively.

Debit and credit card products are offered by all banks in Gomel Oblast and around 80% of banks in Grodno and Minsk Oblasts, and Minsk City.

Transactions with bonds and securities are available, albeit to a relatively limited degree. The share of banks offering the service varies across the Oblasts between 25 and 30%. This proportion is somewhat higher in Minsk Oblast, at 36%.

The share of banks offering money transfers is around 90% across all subnational units. It is highest in Minsk City (93.8%) and lowest in Minsk Oblast (81.8%).

There are no significant financial barriers to opening a current account in Belarus. De-facto minimum maintenance fee and minimum balance are zero, as most banks do not establish such minimum requirements. Minimum deposit amount relative to per capita GDP is 0.009, as compared to the European average of 0.6. Client passport is the only document required to open an account. Time to process a consumer loan application is somewhat longer for Belarusian banks relative to the average European processing times. Some banks, however, can process loan applications within one hour of submission.

Across the Oblasts, the number of bank branches per 10,000 adult population varies from 4.6 in Brest Oblast to 3.5 in Gomel Oblast, the number of post offices from 6.2 in Vitebsk Oblast to 4.9 in Grodno Oblast, and the number of access to finance points (bank branches plus post offices) from 10.2 in Vitebsk Oblast to 8.5 in Minsk Oblast (6.0 per 10,000 adult population). Overall, access to finance points are distributed fairly evenly across Belarus.

Insurance provision to adult clients is most widespread in Grodno and Brest Oblasts, and the highest number of pawnshops per 10,000 adults is in Vitebsk Oblast.

The supply sub-index equalled 3.93 out of 5.0, indicating significant potential for expanding the network of financial institution and the range of services on offer. Some of the lowest subindex values were for institutional coverage (2.96) and availability of services (3.8). These are the areas most in need of improvement. The subindex value was highest on the ease of access dimension, suggesting that few barriers exist in Belarus for access to services.