



APEC SENIOR FINANCE OFFICIAL'S MEETING

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25- 26 July 2019

Financial inclusion is an evolving concept. Today considered to involve a full range of instruments, including transactional accounts, saving accounts, debit and credit cards, investments instruments and insurance products. **Delivered in a responsible and sustainable way.**

Gaps in access, coverage and use of financial products have been reduced in recent years in Chile.

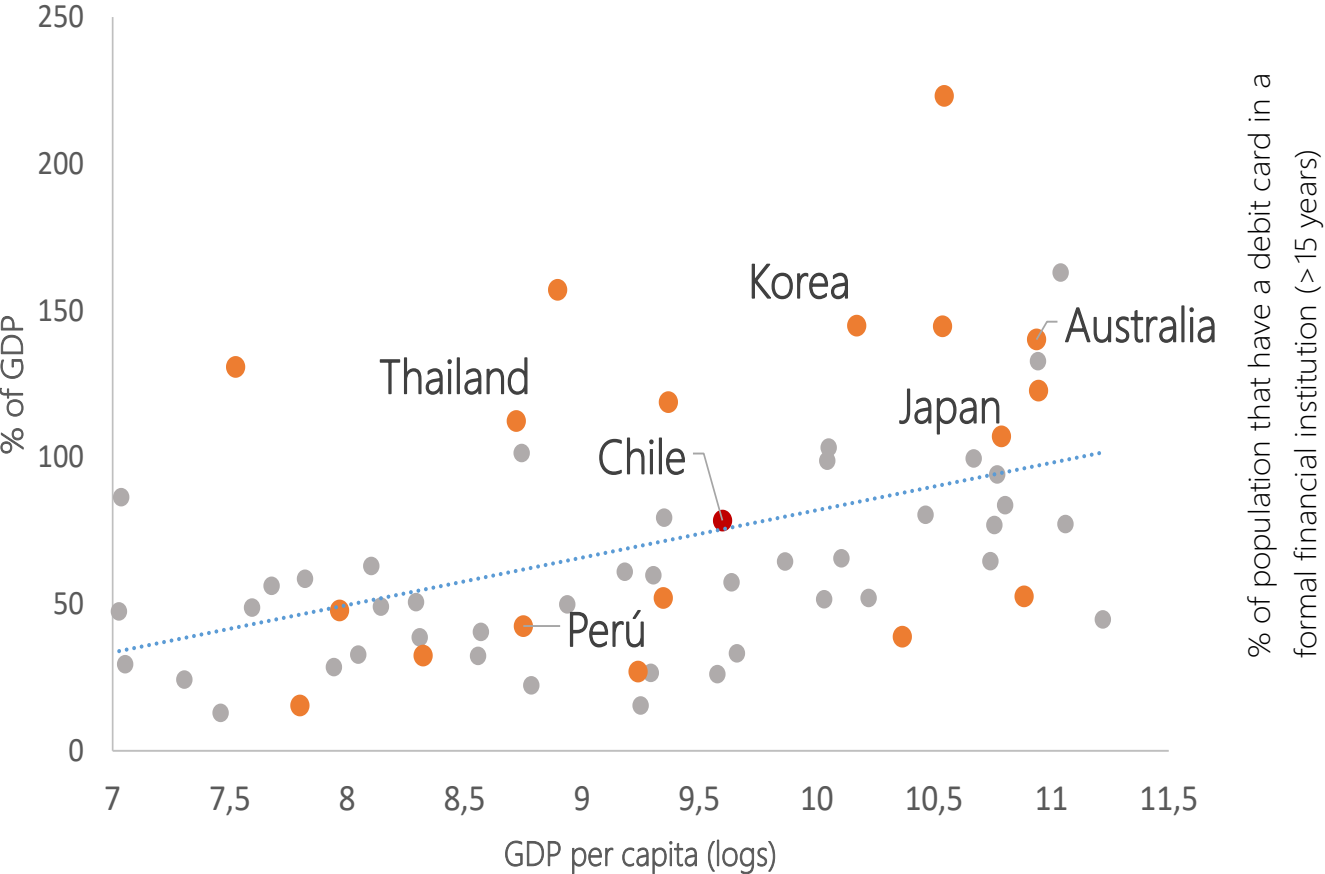
		2011	2014	2017
Account	Adults %	42%	63%	74%
	Rural %	32%	64%	72%
Saves at a financial institution	Adults %	12%	15%	21%
	Rural %	11%	14%	17%
Debit card	Adults %	26%	54%	60%
	Rural %	17%	54%	57%

Source: Global Findex. World Bank

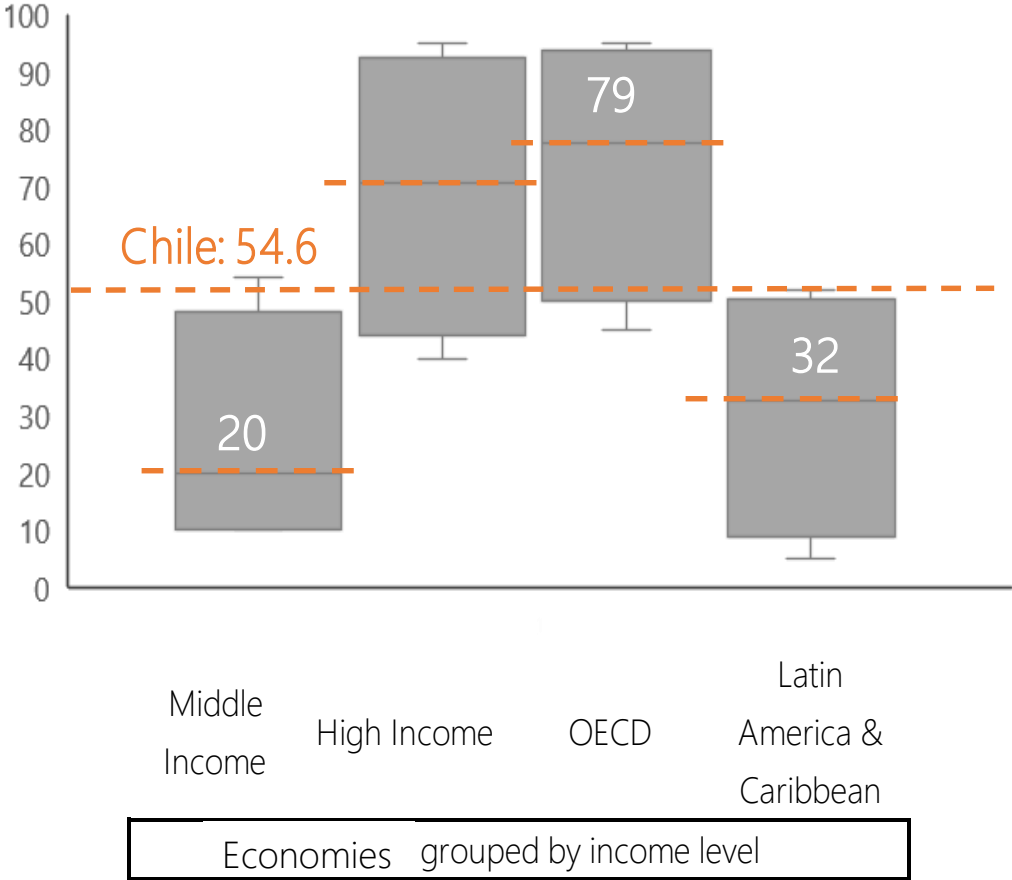


Chilean financial inclusion in line with economies of similar level of development

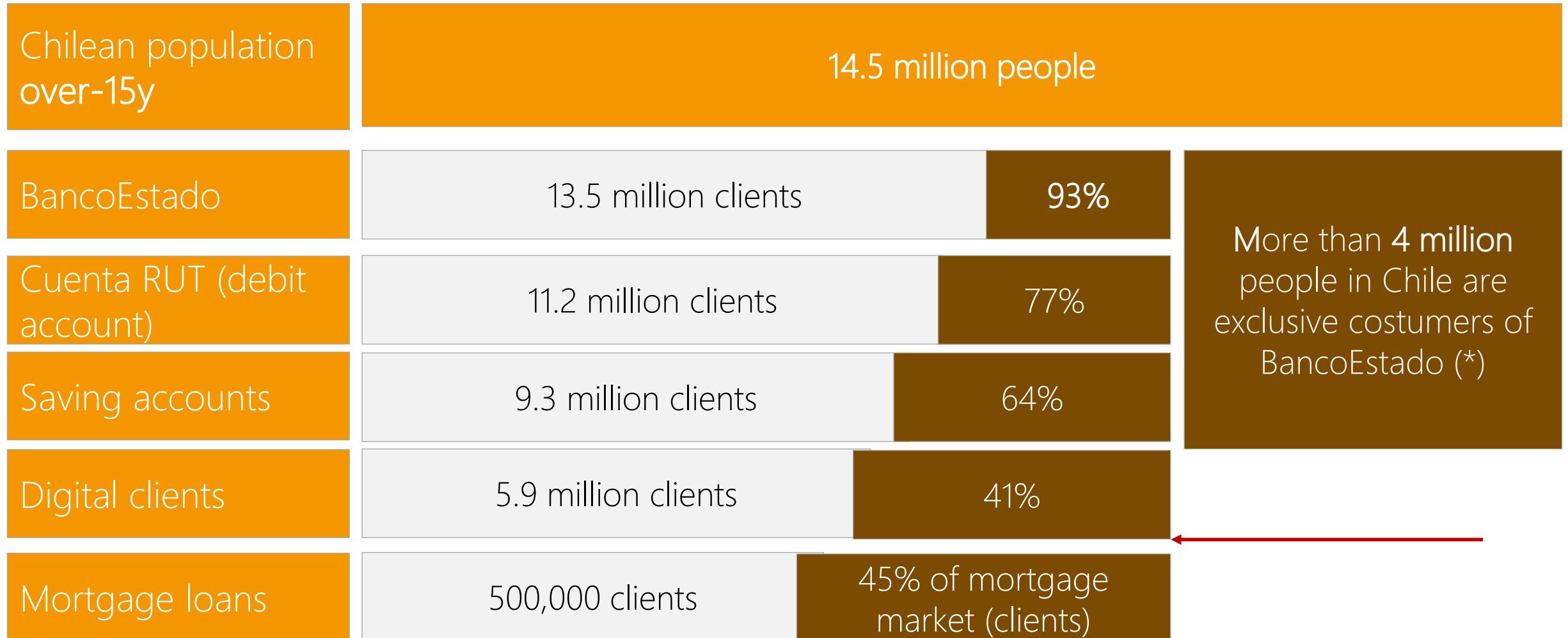
Consumer loans to private sector by economy
(% of GDP per capita)



Percentage of over-15y with at least one debit card from a formal financial institution



BancoEstado, the unique public bank in Chile play a main role in financial inclusion.



Source: CMF, BancoEstado, INE. (*) Financial Inclusion Report 2016, CMF.

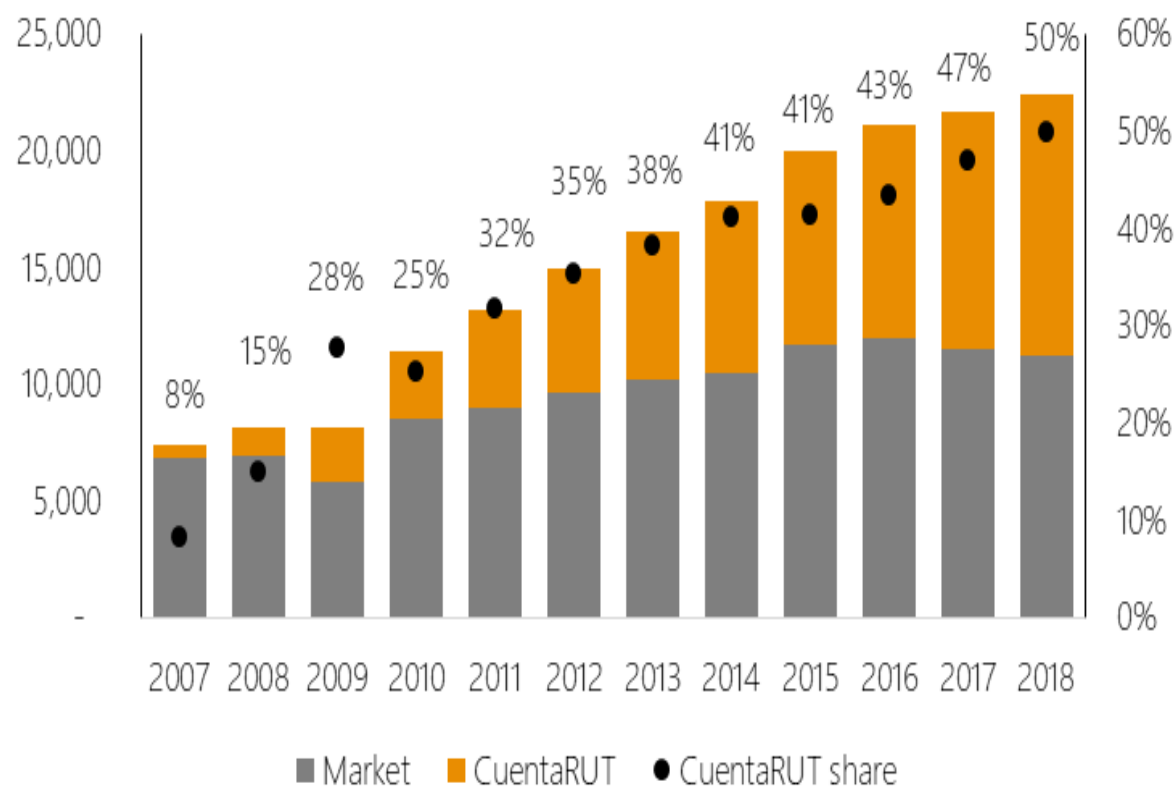


CajaVecina, larges network of retailers acting as correspondents, mainly in rural and poor locations

Rapid growth of CuentaRut accounts and CajaVecina. For the most part explained by clients with little or no financial access

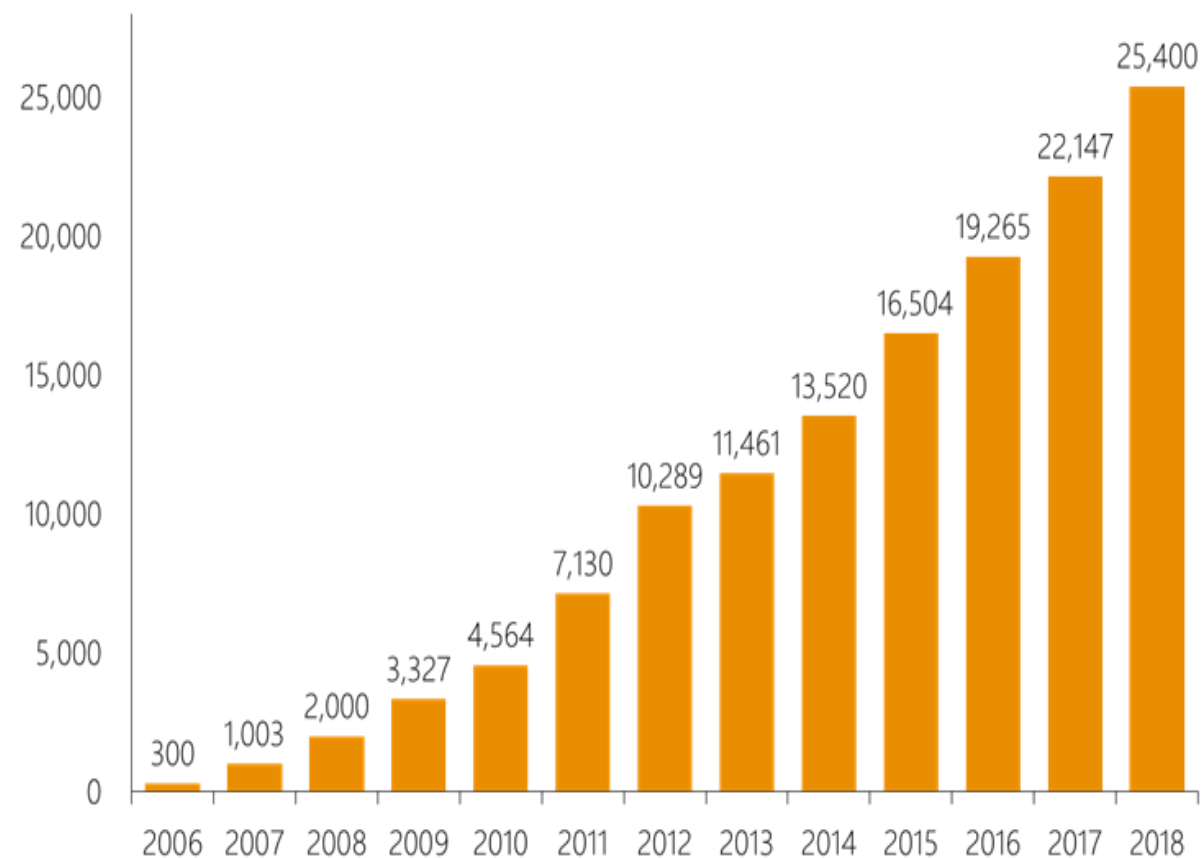
Evolution of CuentaRUT over total debit cards

(thousands)

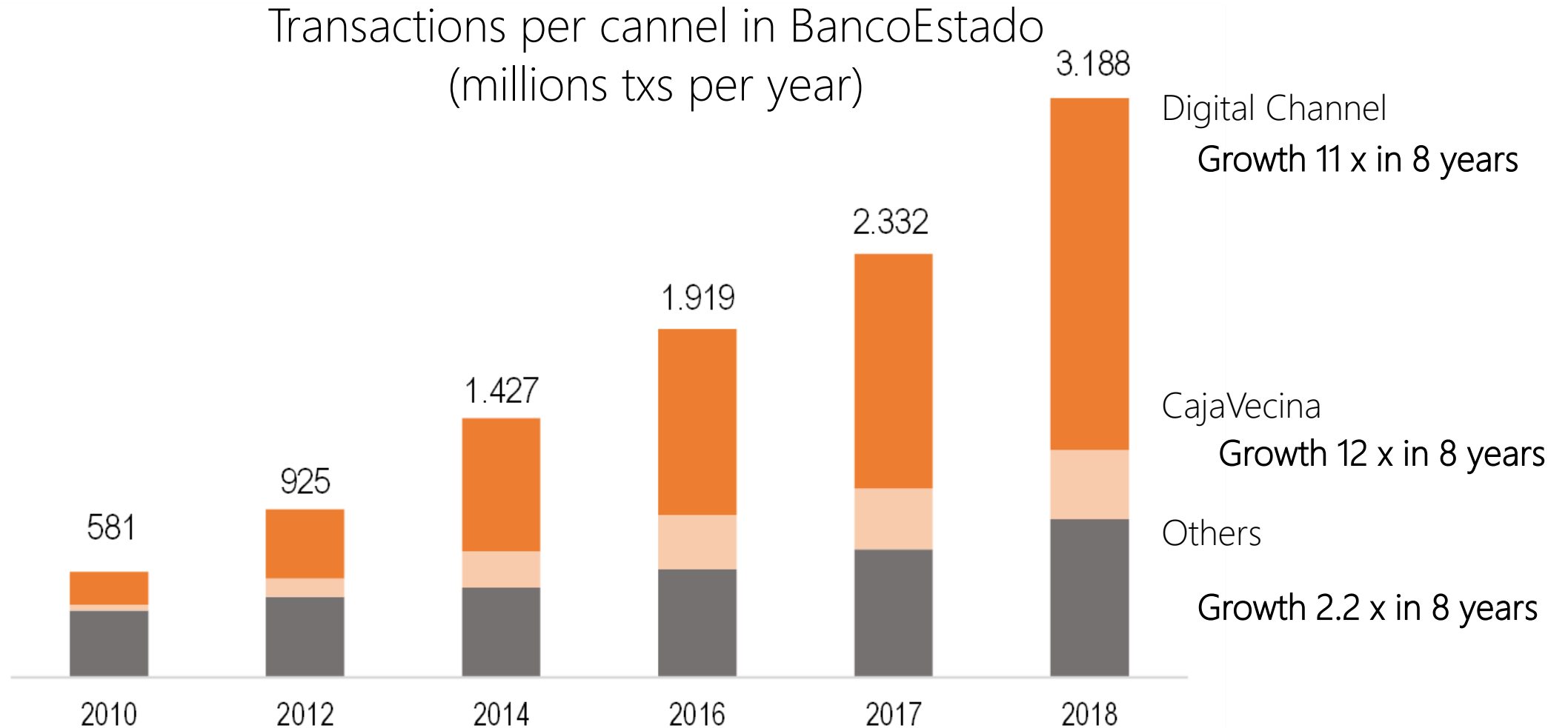


Evolution of CajaVecina points of service

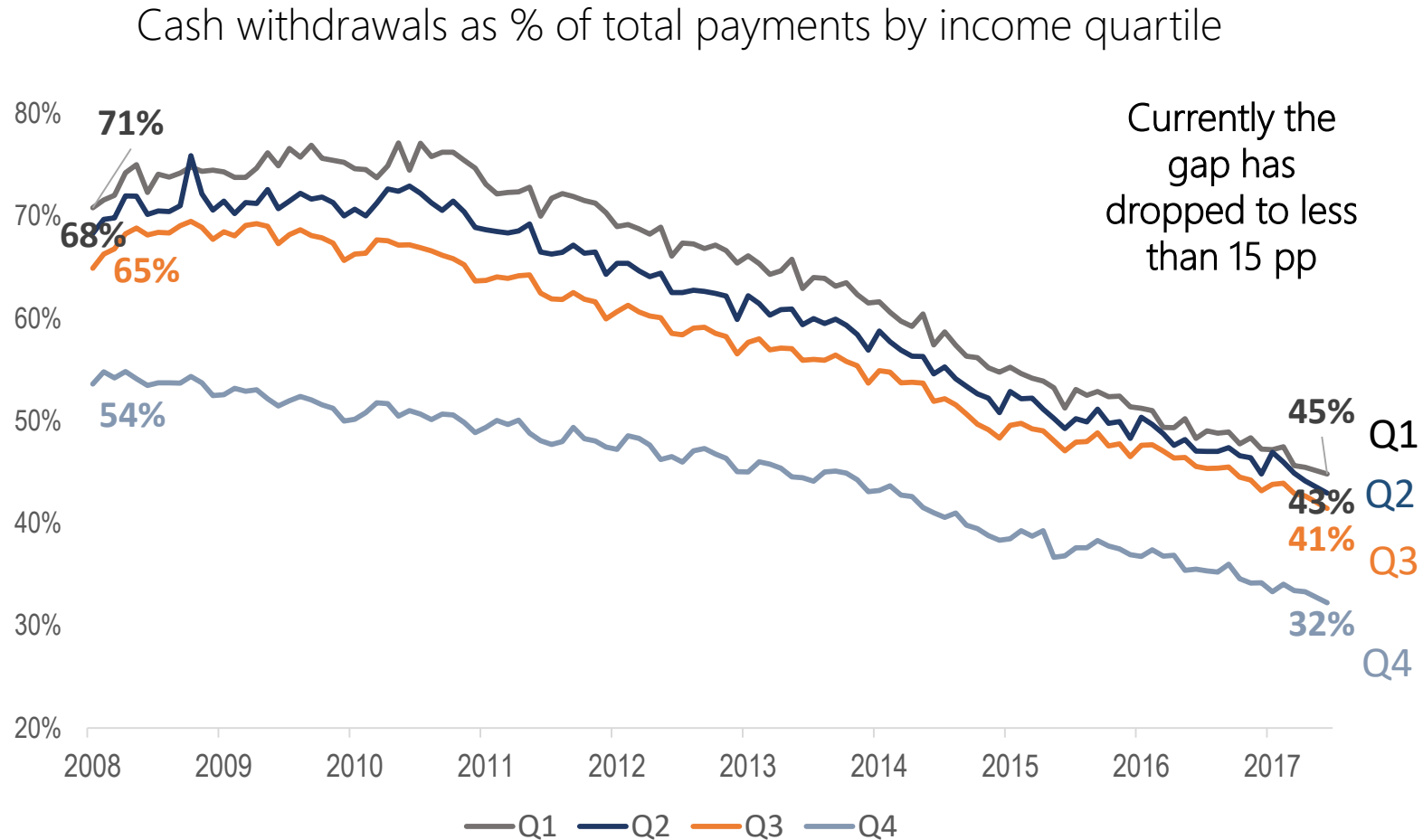
(N° of locations)



Intensity usage of digital channel and correspondents (CajaVecina). Growth of more than 10x in less than 10 years



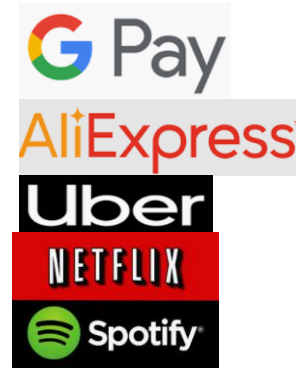
Usage of CuentaRut has reduced the use of cash throughout the population, regardless of income level



BancoEstado launch CuentaRut 2.0, with EMV chip, in January 2019. It's safer and allows international purchases



As of June 2019 it reached US\$8.5 million in international purchases:



More than 30% of transactions in Google pay, Aliexpress, Uber, Netflix and Spotify, following current digital trends.

1.2 million immigrant clients at the public bank as of june 2019

Immigrants in BancoEstado: 94% holds a debit card and 38% a saving account

Possession of financial products among immigrant clients

94% Debit account	2% Current account
38% Saving account	2,1% Consumer credit
13% Home Savings account	1% Mortgage loans

June 2019

Source: BancoEstado

Main economies of origin of immigrants clients

24% Perú

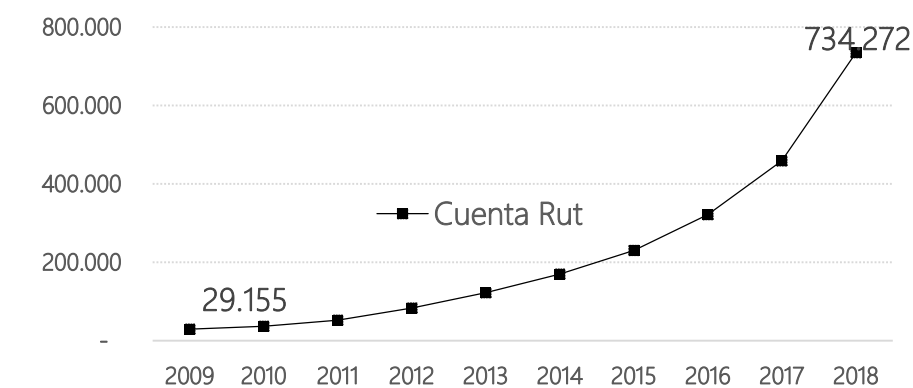
22% Venezuela

16% Haití

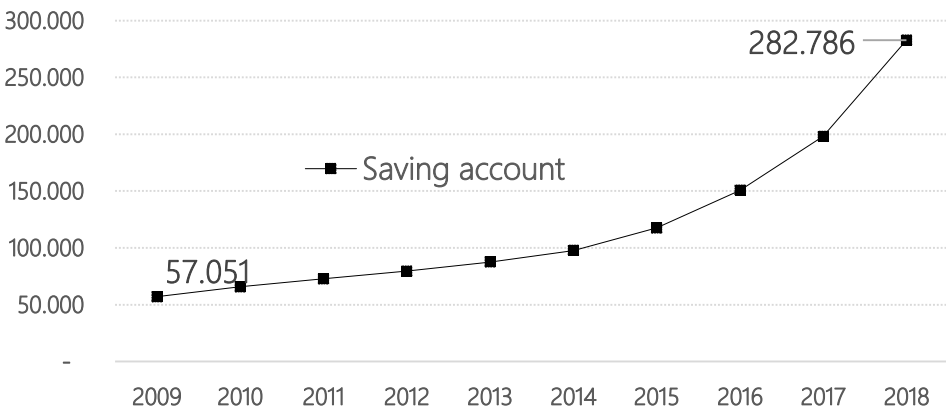
13% Colombia

Important growth in access to different financial products among immigrant clients

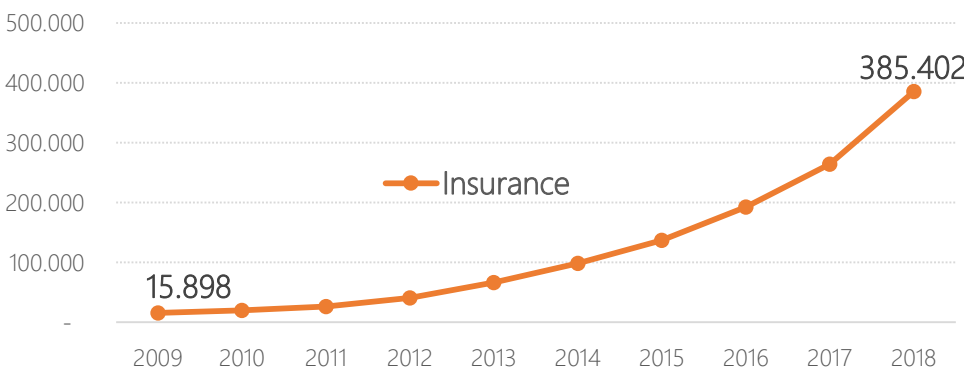
Immigrants clients with CuentaRut



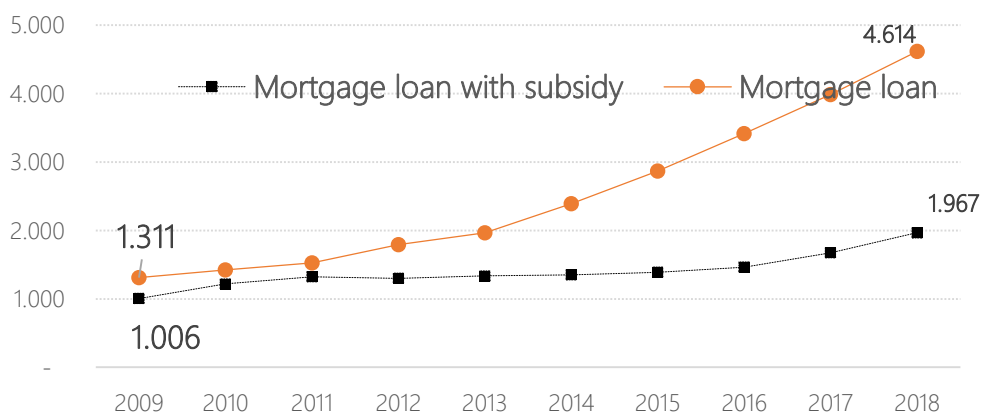
Immigrants clients with saving account



Immigrants clients with insurance



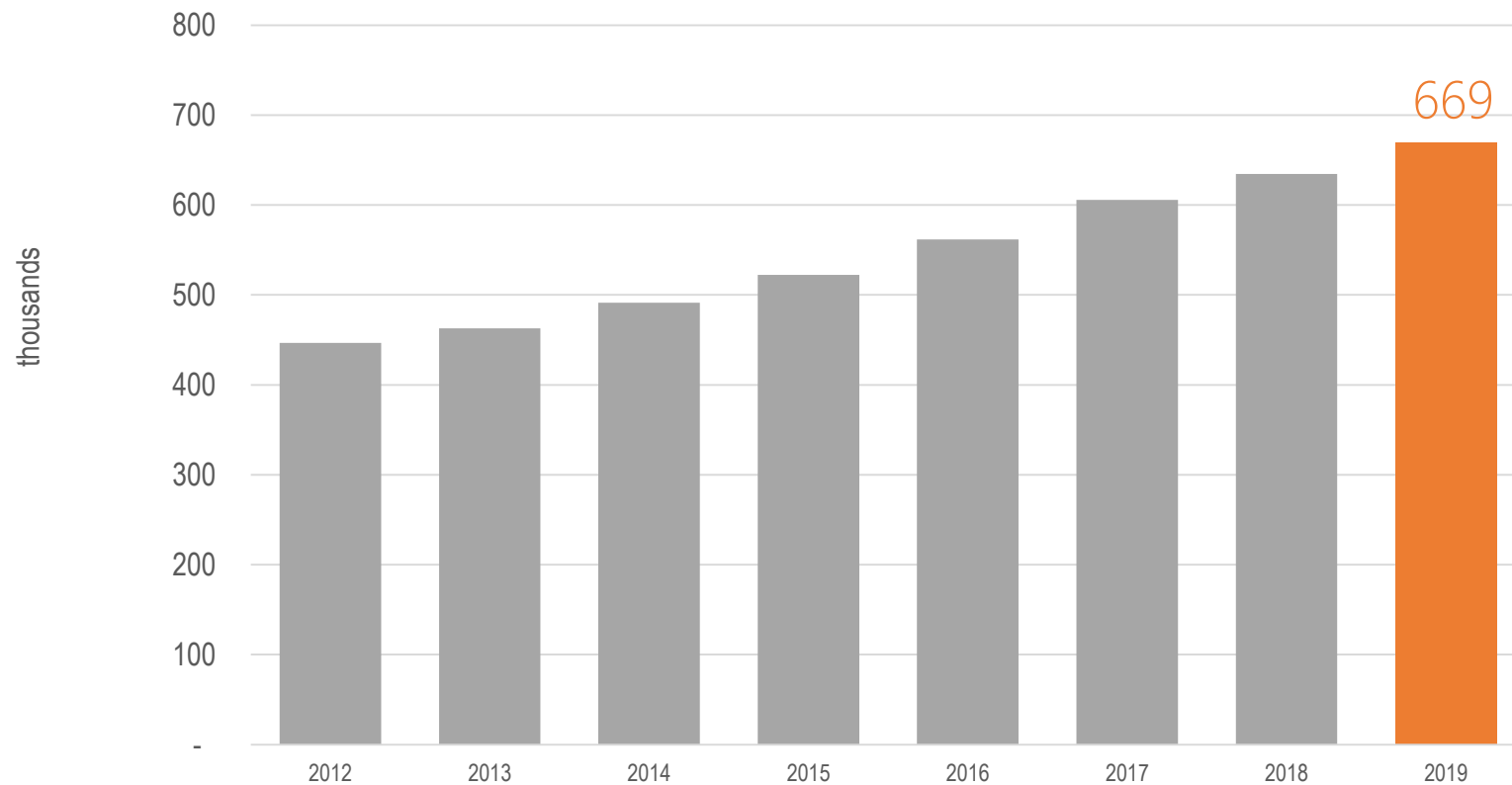
Immigrants clients with mortgage loans



Almost 50% of firms in Chile are clients in BancoEstado, mainly micro and small enterprise.

Micro and small enterprises play a major social role

Number of micro enterprise clients in BancoEstado



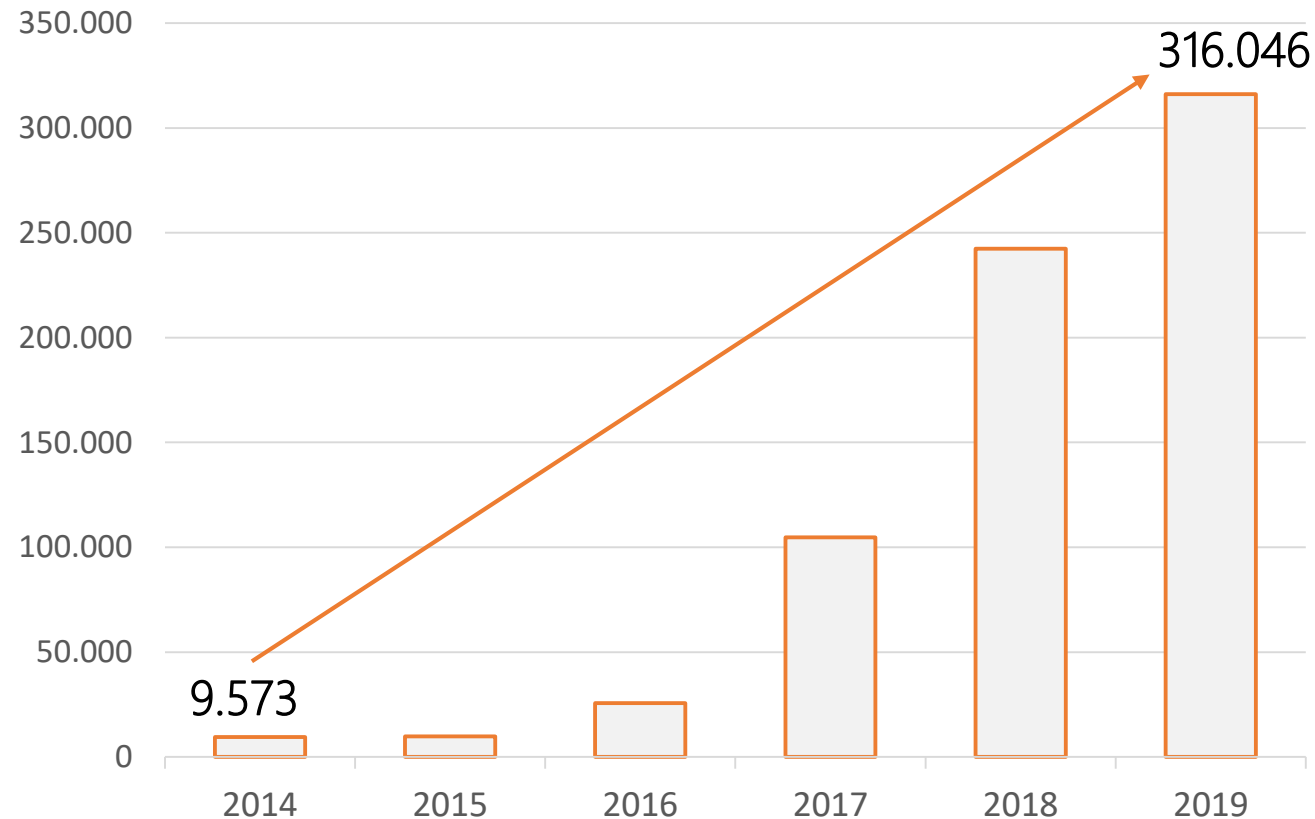
237 thousand micro
and small enterprise
with credit

An elderly couple, a man and a woman, are standing outdoors in front of a building with large glass windows. The man, on the left, has white hair and is wearing a light blue V-neck sweater under a dark blue cardigan. The woman, on the right, has short white hair, wears glasses, a grey turtleneck, and a light blue jacket. Both are holding white tote bags. The bag the man is holding has the text 'Instituto de Previsión Social' and 'IPS' on it, along with an illustration of a family. The woman's bag also features the 'IPS' logo. A semi-transparent dark grey banner with white text is overlaid across the middle of the image.

Financial inclusion involves more than just an account,
BancoEstado is the main bank in the system of voluntary
pension savings accounts

Increase 33x the number of clientes with **voluntary pension savings accounts**, between 2014-2019, mainly in low-middle income clients

Clients with voluntary pension savings in BancoEstado



Source: BancoEstado

Chile has made significant progress in terms of financial inclusion, however the challenges remain. Addressing the role of the **digital economy**, its **impact** and **regulation** is an opportunity.

Main Challenges

- **Digital transformation:** Respond to the transformations that the banking and financial industry is experiencing, which includes the progress towards digital benefits and the raising of the quality standards required by customers.
- **Cibersecurity:** Chile must continue working to raise security standards in digital channels and bank cards, as well as adapting legal regulatory standards in cybersecurity.
- **Measure the impact and effectiveness:** Carry out a permanent monitoring of the effectiveness of the financial inclusion regulations, strategies and products. Share experiences, research and lessons learned in financial inclusion with different countries and entities.



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