



Financial Inclusion Report 2016

Relatório Inkluziun Finanseira ba tinan



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Preface by the

Governor

Prefásiu



Policymakers and regulators in the financial sector are key players in shaping and developing an inclusive financial sector, a role that is regarded with high priority, along with financial stability and economic growth. In the recent years, more and more countries are introducing extensive measures to enhance access to financial services and improve usage of financial services. These comprehensive efforts illustrate each country's commitment to foster financial inclusion as a domestic agenda, and this has also spurred strategic partnerships for knowledge-sharing and technical assistance at the international level. The advocacy for inclusive finance globally has been coordinated by various multilateral organisations and standard setting bodies, to put financial inclusion at the forefront of financial sector development and build strong alliances globally to achieve a collective goal.

Timor-Leste is a fairly new developing nation, and financial inclusion is especially vital to empower the citizens of the country with the tools they need to meet their financial needs. The principle of inclusiveness is regarded with the utmost importance, and Banco Central de Timor-Leste (BCTL) is committed to ensure that no Timorese will be left behind as the financial sector develops and grows. Over the years, BCTL has carried out various

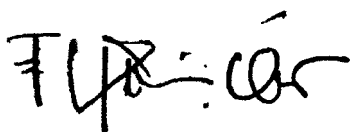
Polítika no reguladór nain iha setór finanseira hanesan atór fundamentál hodi forma no desenvolve setór inkluzivu finanseiru, kna'ar ne'ebé konsidera prioridade tebes, hamutuk ho estabilidade finanseira no kresimentu ekonómiku. Iha tinan ikus liu-ba, nasaun barak mak introdúz medidas extensivu hodi aumenta asesu servisu finanseira no hadia utilizaun ba servisu finanseira. Esforsu/ kbiit sira ne'e hatudu katak nasaun idaidak iha komitmentu atu promover inkluziun finanseira hanesan agenda doméstika, no-mós estimula parseria estratéjika hodi fahe koñesimentu no assisténsia téknika iha nível internasionál. Advokasia ba inkluzivu finanseiru globál iha koordinasaun ho organizaun multilaterál oioin no orgaun sira-seluk, hodi tau inkluziun finanseira iha liña oin hosi desenvolvimentu setór finanseiru nian no hari'i aliansa ne'ebé forte globalmente atu alkansa objetivu kolektivu ida.

Timor-Leste hanesan nasaun desenvolvimentu ne'ebé relativamente foun, no inkluziun finanseira importante tebtebes hodi bele kapasita sidadaun nasaun ne'e ho instrumentu ne'ebé sira persiza hodi bele satisfaz sira-nia nesesidade finanseira. Prinsípiu hosi inkluziun konsidera hanesan importánsia ida, no Banco Central de Timor-Leste (BCTL) iha komitmentu hodi asegura katak laiha emar Timor oan ida mak hosik iha kotuk/ laiha asesu iha tempu

action plans to encourage inclusiveness, including ensuring facilitative regulation, modernizing payments systems, developing various financial products, building capacities and financial literacy. Moving forward, BCTL aspires to strengthen the financial inclusion strategies under a holistic national framework, to fill existing gaps and nurture innovation, towards achieving the vision of universal access to financial services in the country.

Financial inclusion measurement marks one of BCTL's many forward looking initiatives to accelerate financial inclusion in a sustainable manner, serving as a performance framework to assess and review the country's achievements. The indicators provide an overview of the current state of financial inclusion, and this in turn enables the country to set targets and track progress over time in all access, usage and quality aspects of financial inclusion. The data is also crucial to enhance financial inclusion knowledge and analysis, forming the foundation on which policies are designed and built. These information and evidence serve to support and substantiate strategies and plans which can make a real difference to the people of Timor-Leste.

This report outlines BCTL's findings and recommendations to support financial inclusion in Timor-Leste. This publication is intended to improve understanding on the concerns and developments affecting financial inclusion, including future policy directions for the country. BCTL wishes to acknowledge the contribution of all public and private sector partners, including Government agencies and financial service providers, who have been supportive in providing the data and information to make this report a success. BCTL is highly confident that the policy direction articulated in this report will better equip the nation towards achieving the vision of financial inclusion and shared prosperity for all citizens of Timor-Leste.



Mr. Abraão de Vasconcelos

Governor | Governadór

ne'ebé setór finensiru dezenvolve no krese. Iha tinan barak ona, BCTL realiza planu asaun oioin hodi enkoraje inkluzau, inklui garantia regulamentasaun fasilidadór, modernizasaun sistema pagamentu nian, dezenvolve produktu finanseiru oioin, no hari'i kapasidade no koñesimentu finanseir. Ba oin, BCTL hakarak haforsa estratêjia inkluzau finanseira liu-hosi kuadru nasional global, hodi bele taka lakuna sira ne'ebé mak iha no estimula inovasaun, hodi bele atinji vizaun asesu universál ba servisu finanseiru iha nasaun ne'e.

Sasukat ba inkluzau finanseira marka hanesan iniciativa prospektiva ida hosi inisiativu oioin BCTL nian hodi bele aselera inkluzau finanseira ho forma sustentável, serve hanesan kuadru dezempeñu atu avalia no reve nasaun ne'e nia susesu. Indikadór sira ne'e fornese vizaun jerál atuál ba inkluzau finanseira, no permite nasaun ne'e atu difini/estabele meta no kontrola progresu durante tempu ba asesu hothotu, aspektu utilizaun no qualidade inkluzau finanseira. Dadus sira ne'e mós importante tebes hodi bele mellora koñesimentu no análise inkluzau finanseira nian, hanesan forma baze ba polítika ne'ebé dezeñadu no konstruídu. Informasaun no prova sira-ne'e nininan funsaun no objetivu atu suporta no apresenta estratêjia no planu ne'ebé mak bele halo diferença réal ba povo Timor-Leste.

Relatóriu ne'e dezkreve BCTL nia rezultadu no rekomendasaun atu suporta inkluzau finanseira iha Timor-Leste. Publikasaun ne'e ninian objetivu mak atu mellora kompreensaun ba preokupasaun no dezvoltamentu ne'ebé mak afektu hosi inkluzau finanseira, inklui mós orientasaun polítika ba oin nasaun ne'e. BCTL hato'o ninian rekoñesimentu ba kontribusaun ne'ebé mak mai hosi parseiru hothotu inklui hosi setór públiku, privadu, inklui mós ajênsia governamentál no fornecedor servisu finanseiru sira, ne'ebé mak fó dadus no informasaun hodi halo relatóriu ne'e susesu. BCTL iha ninian konfiansa aas katak orientasaun polítika ne'ebé mak hato'o iha relatóriu ne'e bele kompleta di'ak liu-tan realizasaun vizão inkluzau finanseira no fahe prosperidade partilhada ba sidadaun Timor-Leste hotu.

Executive Summary

Key Findings and Recommendations

Sumáriu Ezekutivu

The debate and policy discussions surrounding financial inclusion is gaining momentum, particularly among developing nations around the world. The undeniable weight and significance it brings to social and economic progress has been acknowledged by numerous research and studies in recent years, making it an aspect of development which cannot be overlooked. Inclusive finance is currently being advocated, not only by governments and Central Banks of developing nations, but it is also by strong and coordinated international effort, including initiatives by multilateral organisations and international standard setting bodies. In line with this strong global accord, BCTL has recognised value of inclusive finance and what it can do for the sustainability of Timor-Leste's economic growth.

This report is the first financial inclusion report to be undertaken by BCTL. The report is premised on the importance of financial inclusion measurement for evidence-based policy making, as well as BCTL's roles and the national strategies for financial inclusion moving forward. Using supply-side data, financial inclusion is measured across the dimensions of access, usage and quality. These dimensions are the requisite to achieve inclusiveness, enabling convenient access to an adequate range of safe, suitable and affordable financial services to all.

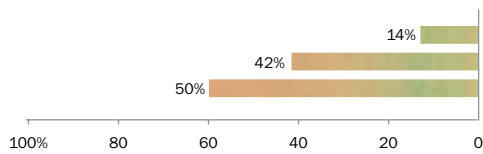
Debate no diskusaun polítika mak hale'u inkluziun finanseira hetan ona ímpetu, partikularmente entre nasaun sira foin dezenvolve-án daudaun iha mundu-raiklaran. Ninia valór no signifikadu inegável ne'ebé lori ba progresu sosiál no ekonómiku hetan rekoñesimentu liuhosi peskiza no estudu oioin sura-labele iha tinan-tinan ikusmai-ne'e, hodi bele halo sai hanesan aspetu ida desenvolvimentu nian mak labele hasees-án bá. Inkluziva finansa ka inkluziun finanseira ne'e hetan suporte, la'ós de'it hosi governu ho banku sentrál nasaun sira foin dezenvolve-án daudaun ne'e-nian, maibé hetan mós hosi esforsu internasionál forte no koordinadu, inklui inisiativas hosi organizasaun multilaterál ho organizmu padraun internasionál sira (multilateral organisations and international standard setting bodies). Haktuir akordu globál forte ida-ne'e, BCTL rekoñese valór finansiamentu inkluzivu nian ho saída mak bele halo ba sustentabilidade kreximentu ekonómiku Timor-Leste nian.

Relatóriu ida-ne'e hanesan relatóriu dahuluk inkluziun finanseira nian mak BCTL sei hala'o bá. Relatóriu ida-ne'e esklarese importánsia medisaun inkluziun finanseira nian para halo desizaun polítika bazeada ba iha evidénsia, hanesan mós

This report is structured into six chapters. The first chapter provides an introduction and general overview of the goals of financial inclusion and how financial inclusion is measured by BCTL. The second chapter gives an in-depth view of the level of access to financial services in the country, resulting in the mapping of served and unserved areas. The third chapter examines the usage dimension, where financial account ownership is analysed by financial service providers, client demographics and municipalities. The fourth chapter highlights the quality aspects of financial inclusion, which largely relates to customer experience on the ease of obtaining and using financial accounts. The fifth chapter of the report details the initiatives that BCTL has carried out and the achievements in promoting financial inclusion. Finally, the sixth chapter addressed the key challenges, policy objectives and recommends a national holistic strategy with key action plans to chart the future direction of financial inclusion moving forward.

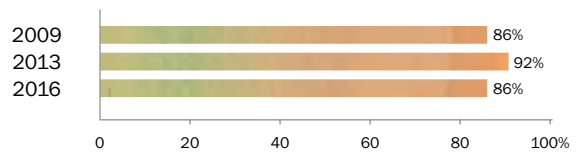
BCTL nia papél eh knaar sira no estratéjia nasionál para hala’o bá oin. Uza dadus hosi parte oferta nian (supply-side data), inkluziun finanseira bele sukat liuhosi dimensaun sira asessu, utilizaun no kualidade nian. Dimensaun sira-ne’e mak hanesan rekizitu para alkansa inkluzividade, hodi bele permite asesu conveniente servisu finanseiru sira-ne’ebé mak seguru, apropriadu no asesível haktuir ninia gama adekuada ba ema hotu. Relatóriu ida-ne’e estruturadu ba iha kapitulu neen (6). Kapitulu ida primeiru ne’e fornese introdusaun no vizaun jerál kona-ba objetivu sira inkluziun finanseira nian ho oinsá mak BCTL sukat ka halo medisaun ba inkluziun finanseira. Kapitulu segundu apresenta vizaun ida profunda nível asessu ba servisu finanseiru sira iha país laran, hodi rezulta iha mapeamento halo bá área sira-ne’ebé mak hetan ona atendimentu ho ba área sira-ne’ebé mak seidauk hetan atendimentu. Kapitulu terseiru ezamina dimensaun uzu, ne’ebé propriedade konta finanseira sei analiza hosi provedór sira servisu finanseiru nian, demografia kliente ho municípios nian. Kapitulu ida-haat ne’e destaka aspetu sira kualidade inkluziun finanseira nian, ne’ebé koalia barakliu relasiona ba kliente nia esperiênsia oinsá fásil atu hetan no utiliza konta finanseira. Kapitulu kintu relatóriu ne’e-nian detalla inisiativa sira-ne’ebé mak BCTL hala’o hela ona ne’e ho realizaun sira-ne’ebé mak alkansa ona iha promosaun ba inkluziun finanseira. Ikusliu, kapitulu sestu aborda prinsipais dezafius, objetivus polítikus no rekomenda estratéjia globál nasionál hamutuk ho planus-de-asaun fundamentáis para trasa rumu futuru ba inkluziun finanseira ne’ebé sei avansa ba beiibeik.

Percentage of Administrative Posts Covered with Bank Access Points in Timor-Leste



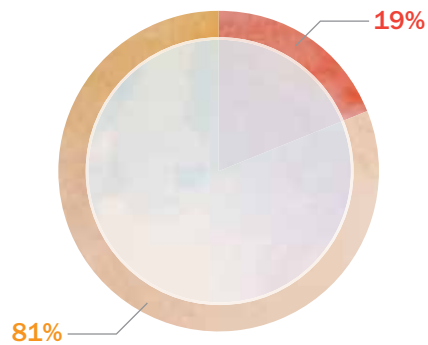
Percentage of Administrative Posts Covered with Financial Services Access Points in Timor-Leste

Persentajen Postu Administrativu kobre hosi pontu asesu Finanseiru iha Timor-Leste



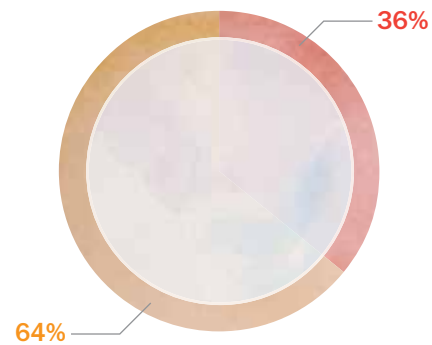
Percentage of Adults Living in Administrative Posts with Bank Access Points in Timor-Leste

Persentajen hosi Adultu iha Postu Administrativu ho Pontu Asesu Banku



Percentage of Adults Using Financial Services in Timor-Leste

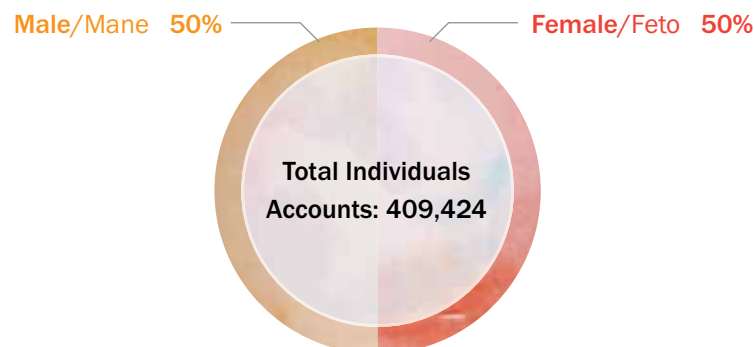
Persentajen hosi Adultu mak uza Servisu Finanseiru iha Timor-Leste



■ Served/hetan serve
■ Unserved/Lahetan serve

Gender Distribution for Ownership of Financial Accounts

Distribuisaun jêneru iha konta finanseiru

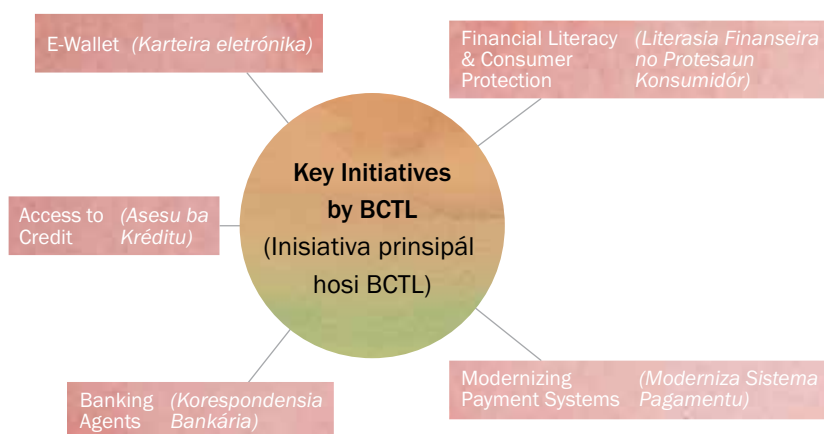


Factors Affecting Quality of Financial Services

- 1 **Language Barriers**
(Barreira Lingua)
- 2 **Account Opening Procedures**
(Prosedimentu loke konta)
- 3 **Affordability**
(Asesibilidade)
- 4 **Collateral & Other Requirements**
(Garantia & Rekuizitu sira seluk)

Initiatives Undertaken by BCTL to Promote Financial Inclusion

BCTL nia iniciativa sira hodi promote Inkluzau Financeira

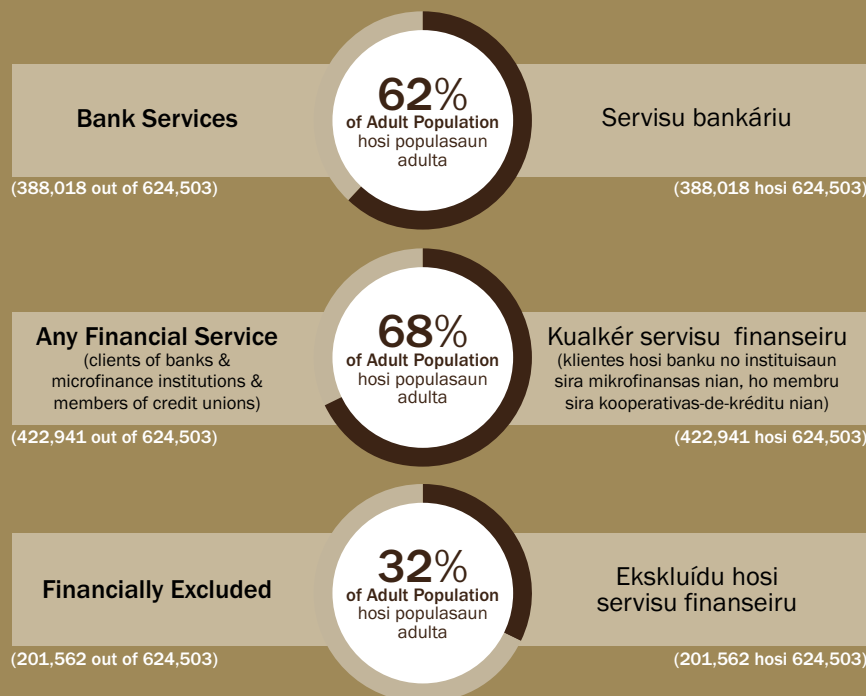


Proposed National Financial Inclusion Framework Proposta Kuadru Nasionál ba Inkluzau Financeira

Vision (Vizaun)			
An inclusive financial system that brings the benefits of financial services to the unbanked people and communities towards the objectives of reducing poverty and enhancing shared prosperity (Sistema finanseiru inkluzivu ne'ebé lori benefísiu servisu finanseiru ba ema no comunidade ne'ebé seidak iha konta bankária ho ninian objektivu hamenus kiak no aumenta prosperidade ba ema hotu)			
Broad Strategies (Estratêjia Jerál)			
Enhanced Access Points & Payments Systems (Hadia Pontu Asesu no sistema pagamentu)	Specialised & Affordable Financial Services (Servisu Finanseiru ne'ebé mak espesializadu no asesível)	Capacity Building & Supportive Infrastructure (Hasa'e Kapasidade no Infraestrutur fo suporta)	Financial Literacy & Consumer Protection (Literasia Financeira no Protesaun ba Konsumidór)
<ul style="list-style-type: none"> Brachless Banking (Korespondensia Bankária) Modernized Payments Systems (Sistemas Pagamentu modernizadu) 	<ul style="list-style-type: none"> Micro-savings (Mikru-poupansa) Micro-insurance (Mikru-seguru) SME & Micro-finance (Microfinansas no MPE) 	<ul style="list-style-type: none"> Structured Training Programs (Programa formasaun/ treinamentu estruturada) Financial Infrastructure (i.e. credit guarantee schemes) (Infraestrutur finanseiru (hanesan eskema garantia de-kréditu)) National MSME Council (Konsellu Nasionál PME) 	<ul style="list-style-type: none"> National Strategic Plan (NSP) for Financial Literacy (Planu Estratêjiku Nasionál (PEN) ba Literasia Financeira) Consumer Protection Regulatory Framework (Kuadru Regulatori Protesaun ba Konsumidór)

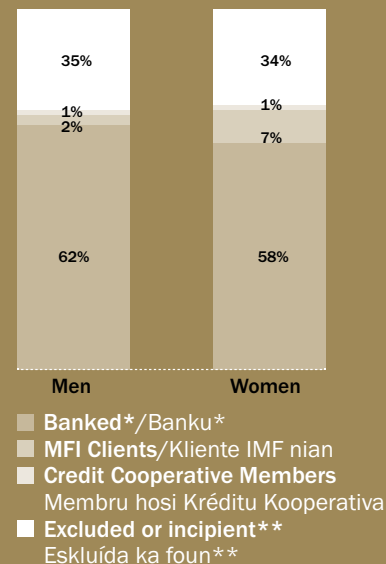
Are Timorese people using Financial Services?

Timoroan sira utiliza servisu finanseiru ka lae?



Adult Population Using Financial Services

Populasaun Adultu Utiliza Servisu Finanseira



Considering all types of financial services, men and women are **equally financially included**

Konsidera servisu finanseiru hotu-hotu oferese tantu ba mane hanesan mós ba feto sira hanesan iha inkluzau finanseira

(*) Gender detail was not available in 4% of the bank clients, hence the small difference between gender breakdown and total bank clients. Detallu dadus ba jêneru la disponível iha 4% hosi kliente banku, ne'e rezulta diferença ituan entre detallu jêneru no total kliente banku

(**) This segment includes financially excluded adult population and users of financial services not analysed in this report, such as, small credit unions, savings and loans groups, and informal loans. Segmentu ne'e inklui finanseiramente eskluída populasaun adultu no utilizadór servisu finanseiru sira mak la analiza iha relatóriu ne'e, hanesan, kooperativa de-kréditu kiik sira, grupu de-poupansa no empréstimu sira, no empréstimu informál sira.

E-wallet (small penetration, huge opportunity)
Karteira eletrónika (penetrasaun ki'ik, oportunidade boot)

Under 2,000 registered e-wallet users

Menus hosi 2.000 uzuráriu e-wallet mak rejista

0.3% of Adult Population hosi populasau adultu

Near 1.5 million mobile subscribers

Iha besik 1,5 millaun subskrisaun telemóvel

1.4 mobile subscription per person subskrisaun telemóvel /por pessoa

Where are the Financial Services Access Points?

Pontos de Acesso Servisu Finanseirus nian-ne'e iha ne'ebé ?

Financial Services Access Points are **spread across** all municipalities

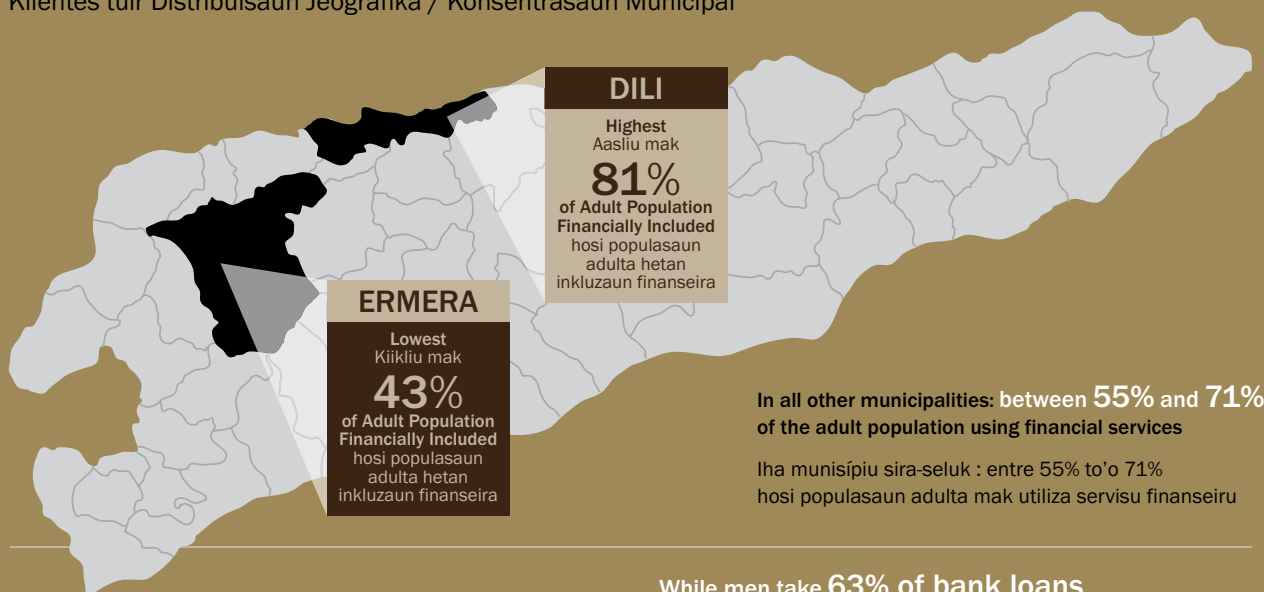
Pontos de Acesso Servisu Finanseirus nian-ne'e espalladu iha munisípiu hothotu

Number of EFTPOS and ATMs more than doubled since 2013

Númeru EFTPOS no ATM duplika liután dezde tinan 2013



Clients Geographic Distribution / Municipal Concentration Klientes tuir Distribuisaun Jeográfika / Konsentrasaun Municipál



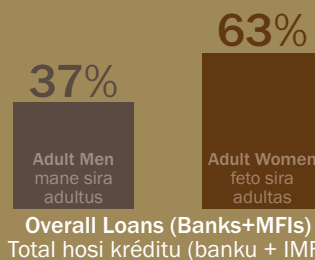
Loans Empréstimu

only **6%** of the adult population has an **outstanding loan** (or 9% of the financial services users)

Iha de'it 6% hosi populasauñ adulta mak iha empréstimu pendente (ka 9% hosi utilizadór servisu finanseiru sira-nian)

While men take **63%** of bank loans, they take only **4%** of microfinance loans

Enkuantu mane sira halo 63% hosi empréstimu bankáriu, sira halo de'it 4% hosi



While most of financial services clients uses **banks services for deposits (92%)**, only **55%** of outstanding loans are bank loans (45% loans from MFIs)

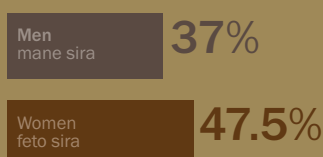
Enkuantu maioria hosi klientes servisu finanseiru sira-nian utiliza servisu bankáriu ba halo depózi (92%), hosi empréstimos pendentes ne'e 55% de'it mak nu'udar empréstimu bankáriu (45% empréstimu sira hosi IMF)

Because of the concentration in microfinance loans: **women pay higher average interest rates for loans than men** (interest rates from microfinance loans are at least the double of banks loan interest rates)

Tamba konsentrasaun iha empréstimu sira hetan hosi mikrofinansas: feto sira selu taxas médias jurus elevadu liu ba empréstimu duke ema mane sira (taxas juru ba empréstimu sira mai hosi mikrokréditu ne'e pelumenus dobru hosi taxas juru banku- de-empréstimu sira-nian)

Is literacy a significant barrier for financial inclusion?

Alfabetizasaun ka literasia ne'e bele sai hanesan obstákulu signifikativa ba inklusaun finanseira?



aged 15 and above are **not able to write** a simple sentence in any of the 4 languages used in Timor-Leste

ho idades entre 15 ba leten laiha kapasidade para bele hakerek fraze simples ruma uza lian kualkér ida hosi ligua 4 uzadu iha Timor-Leste

Overview

Vizaun Inkluzaun Finanseira

- 15 1.1 Financial Exclusion and Its Challenges
Esklusaun finanseira ho ninia dezafiu
- 15 1.2 Goals and Benefits of Financial Inclusion
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- 16 1.3 Measuring Financial Inclusion
Sasukat ba Inkluzaun Finanseira





The global financial sector has continued to develop, deepen and modernise over time, providing a range of products and services through various channels to meet the growing financial needs of today's society. Banking and finance has become part and parcel of everyday life, enabling people to transact, save, obtain credit and insure against risks in a safe and efficient manner. In achieving this, regulators and financial institutions continue to work hand in hand to ensure a stable, well-functioning and sound financial sector.

Setór finanseiru mundiál kontinua nafatin dezenvolve, aprofunda no moderniza tuir tempu, para bele oferese produsos no servisu oioin liuhosi kanál oioin hodi atende nesessidades finanseiras sosiedade nian ne'ebé ohin-loron aumenta ba beibeik. Atividade bankária ho finansas sai ona hanesan partentegrante moris loroloron nian, para fasilita ema sira bele hala'o atividades tranzasaun, poupansa, hetan kréditu ho seguru kontra riskus tuir forma ida-bé segura no efisiente. Para bele realiza ida-ne'e, reguladór ho instituisaun finanseira sira tenke kontinua servisu hamutuk hodi bele garante setór finanseira ida-bé estável, ninia funsionamentu ka dezempeñu di'ak no seguru.



1.1

Financial Exclusion and Its Challenges

While the financial sector has made leaps and bounds in its development, the results have yet to benefit all segments of society. There are still many disadvantaged members of society who continue to be excluded from the financial system. The often excluded and underserved members of society, particularly the low-income, rural, women and people with disabilities, continue to face barriers to inclusion. More than 70% of the world's poor are unbanked due to many barriers, including costs, travel distances and the often-burdensome requirements involved in opening a financial account.¹ Timor-Leste, like many developing countries around the world, is not an exception to the challenges of financial exclusion. The underserved communities in Timor-Leste endure similar obstacles in participating in the regulated financial sector.

When the underserved become constrained by these barriers, they consequently rely on other forms of informal mechanisms to meet their financial needs. These informal mechanisms are often more risky, expensive, and inferior substitutes for formal, regulated services. Further, the informal sector also presents vulnerabilities in terms of consumer protection and regulatory frameworks to safeguard consumers.

1.2

Goals and Benefits of Financial Inclusion

The goal of financial inclusion is to bring disadvantaged segments of society into the regulated financial system, enabling households and businesses to gain access to financial products and services in a safe and efficient manner. Financial inclusion does much more than just lowers the risks of informal mechanisms. It brings significant benefits to the underserved in terms of empowerment and validation.

¹ World Bank estimates that 2 billion people (38% of adults in the world) do not use financial services, and 73% of the poor are unbanked. (World Bank Global Findex 2014)

1.1

Esklusaun finanseira ho ninia dezafiu

Enkuantu setór finanseiru iha ninia dezvoltamentu halo avansu ka hasoru obstákulu, maibé ninia rezultadus tenke lori benefísius ba segmentu hothotu iha sosiedade laran. Sei hetan membru barak desfavoresidu iha sosiedade laran mak sei kontinua hetan eskluzaun hosi sistema finanseiru. Membru sosiedade sira ne'ebé dala barakliu hetan eskluzaun no sai vulnerável, liuliu mak sira ne'ebé rendimentu ki'ik, hela iha área rurál, feto sira ho ema deficiente sira, sei kontinua hasoru nafatin barreira ba inklusaun. Liután 70% husi ema kiak iha mundu ne'e mak ladauk hetan benefísius banku nian tanba hasoru barreiras barak, inklui kustu, distánsia viajen ho eziénsia sira-ne'ebé dala barak sai onerozu mak envolve bainhira loke konta bankária ruma.¹ Timor- Leste, hanesan países-em-dezvoltamentu barak iha mundu, la'ós exesaun ba dezafius iha eskluzaun finanseira. Comunidades vulneráveis iha Timor-Leste sei hasoru obstáculus hanesan bainhira partisipa iha setór finanseiru regulamentadu.

Wainhira laiha asesu ba servisu finanseira sai hanesan limitasaun ba obstákulu sira ne'e, konsekuentemente maka depende ba mekanismu informál sira seluk hodi bele satisfaz sira-nia nesesidade. Mekanismu informál sira ne'e dala barak risku liu, karu no substitute laiha qualidade formál kompara ho servisu sira ne'ebé reguladu. Alén ne'e, setór informál mós apresenta vulnerabilidade em termu protesau ba konsumidór sira no enkuadramentu regulatóriu hodi proteje konsumidór sira.

1.2

Metas no Benefísiu husi Inklusaun Finanseira

Meta ka objetivu inklusaun finanseira nian mak atu lori fali segmentu sira desfavoreidu iha sosiedade ne'e mai tama iha sistema finanseira reguladu, hodi permite ka fasilita famílias no

¹ Banco Mundial halo estimativa katak iha emar biliaun 2 (ema adultu 38% iha mundu) mak la uza servisu finanseirus, no iha emar kiak 73% mak la hetan benefísiu bankáriu. (World Bank Global Findex 2014)

Financial inclusion helps the underserved learn to save, increase investment, raise productivity and manage risks. This is important because it will lead to consumption smoothing, increased income and better standards of living. The opportunity to access and use financial services coupled with financial literacy empowers the underserved, especially the poor, providing the necessary financial tools to uplift their lives and break away from the cycle of poverty. Poverty reduction and increased standards of living will also bring positive outcomes for investment in education, health and enterprises. This further solidifies the foundations for a more balanced and equitable economy.

1.3. Measuring Financial Inclusion

As a catalyst for poverty reduction and shared prosperity, financial inclusion is a collective vision supported by Banco Central de Timor-Leste (BCTL), as well as regulators and policymakers globally. The foundations of financial inclusiveness are built on the conditions of convenient accessibility, usage of financial services as well as other qualitative dimensions, including consumer satisfaction and consumer protection. These dimensions form the basis of the BCTL's initiative to measure financial inclusion in the country.

This report is focused on supply-side data which are tracked by the performance of financial institutions. The key indicators include outreach of financial services access points in terms of administrative units covered, and the penetration of deposit and financing accounts per adult population. BCTL will also be assessing some quality dimensions in relation to financial inclusion, particularly on the factors that affect the ease of obtaining bank accounts.

The analysis of financial inclusion data for this report was also complemented by Timor-Leste's population demographics data by municipalities, administrative posts and sucos, to ensure accurate and comprehensive assessments. The population and area statistics were sourced from the country's

negósiu empresas bele hetan assessu ba produtus no servisus finaseirus tuir forma segura no eficiente. Inkluzau finanseira halo no oferece liután duké hamenus de'it riskus hosi mekanizmu informál sira-nian. Nia oferece benefisius signifikativus ba ema vulneráveis mal-atendidas kona-bá halo empoderamentu ka kapasitasaun no validasaun.

Inkluzau finanseira ajuda ema vulneráveis mal-atendidas aprende halo poupança, aumenta investimento, hasa'e produtividade no jere riskus. Ida-ne'e importante tanba bele regulariza ka suaviza konsumu, hasa'e rendimento ho padraun moris nian ida diakliu ne'e (*better standards of living*). Oportunidade para hetan assessu no utiliza servisus finaseirus hamutuk ho literasia finanseira kapasita ema vulneráveis mal-atendidas, liuliu ema kiak sira, hodi fornese ferramentas finanseiras neessárias ba sira para bele hasa'e sira-nia moris no halakon tiha siklu pobreza. Redusaun pobreza ho aumentu ba padraun moris nian mós sei lori rezultadus pozitivus ba investimento iha edukasaun, saúde no empresas. Ida-ne'e sei solidifika eh hamétin liután fundamentu sira ba ekonomia ida-bé ekuilibradu no ekuitativu liu.

1.3 Sasukat ba Inkluzau Finanseira

Nu'udar katalizadór ida ba halo redusaun pobreza no ba prosperidade kompartillada, inkluzau finanseira ne'e mak vizaun kolektiva hetan apoiu husi Banco Central de Timor-Leste (BCTL), no mós nu'udar reguladór no formuladór ba polítika sira iha nível globál. Fundamentu sira inkluzau finanseira nian harii iha kondisoens-de-asesibilidadade conveniente, uza servisus finaseirus, hanesan mós dimensaun kualitativa sira-seluk, inklui satisfasaun ba konsumidór sira no fó protesaun ba konsumidór sira. Dimensaun hirak-ne'e konstitui nu'udar fundamentu bázik ba iniciativa BCTL nian hodi sukat inkluzau finanseira iha país laran.

Relatóriu ida-ne'e sei foka ba iha dados mai hosi parte prestadór servisu finanseira sira (supply-side data) ne'ebé hatudu liu-ba kona-ba dezempeñu hosi instituisaun finanseira sira. Ninian indikadór xave mak inklui kobertura hosi pontu assessu

Census 2010,² the most recent officially released data in Timor-Leste. BCTL was able to identify key access and usage indicators, using the inputs from supply-side financial services data, as well as population and area statistics.

The measurement of financial inclusion plays a vital role in facilitating evidence based policy-making to enhance financial inclusion in the country. Thus, given the role of BCTL as a policymaker and regulator, comprehensive supply-side data from financial institutions and financial infrastructure has been tracked and analysed extensively for the purpose of this report. Over time, BCTL will continue to monitor progress, applying the latest financial services and population data, to thoroughly assess the country's achievements in advancing financial inclusion.

² The Government had more recently carried out another census in 2015 which had yielded preliminary results, with a population increase of around 9.46% in the country and possible cases of migration across municipalities. However, the Census 2015 data is still at a preliminary stage which has not been released officially.



servisu finanseiru em termu kobertura iha undidade administrativa no penetrasaun konta depóztu no finansiamentu ba populasaun adulta idaidak. BCTL mós halo avaliasaun ba qualidade dimensaun hirak ne'ebé mak iha relasaun ho inklusaun finanseira, partikularmente kona-ba fatór sira mak afekta ba facilidade hodi bele hetan/loke konta bankária.

Análiza ba dadus inklusaun finanseira ba relatóriu ne'e mós komplementa ho dadus demográfiku populasaun Timor-Leste nian inklui munisípiu, postu administrativu no suku, hodi bele asegura katak rezultadu hosi avaliasaun ne'e sei loos no kompreensivu. Estatístika ba populasaun no área ne'ebé mak apresenta iha relatóriu ne'e basea ba dadus hosi Senu tinan 2010² nian, hanesan dadus ofisialmente ne'ebé mak divulga iha Timor-Leste. BCTL bele identifika asesu prinsipál no indikadór utilizaun, uza input mai hosi dadus supply-side servisu finanseira nia, no-mós dadus estatístika ba populasaun no area.

Sasukat ba inklusaun finanseira dezempeñu papél vitál atu bele fasilita halo formulaun ba polítika bazeia ba prova hodi bele mellora inklusaun finanseira iha país laran. Tamba ne'e, BCTL hala'o ninia knaar nu'udar desizór polítiku no reguladór, rekolla no analiza ho extensivamente ba dadus supply-side mak kompreensivu mai hosi instituisaun finanseira sira no infrastrutura finanseira sira ho ninia objektivu ba relatóriu ne'e. Iha futuru mai, BCTL sei kontinua halo monitorizasaun ba progresu, aplika/introdúz servisu finanseiru no dadus populasaun foun, hodi bele avalia ho didiak ba rezultadu hosi pais ne'e hodi promove inklusaun finanseira.

² Governu foin dadaun ne'e realiza sensu iha tinan 2015, ne'ebé iha ona rezultadu preliminar, ho populasaun aumenta kuaze 9,46% iha nasaun ne'e no kazu possível tamba migrasaun akontese entre munisípiu sira. Tamba dadus ba Senu tinan 2015 sei iha faze preliminary, hodi nu'uné la bele lansa ofisialmente.

Access Indicators

Inkluziun Finanseira: Indikadór ba Asesu

- 22 2.1 Financial Services Access Points
Pontos Asesu Servisu Finanseiru
- 49 2.2 Mobile Banking Vans (MBVs) – Banco
Nacional de Comércio de Timor-Leste (BNCTL)
and Bank Mandiri
Banku Movél Van (BMV) Banco
Nacional de Comércio de Timor-Leste (BNCTL)
no Bank Mandiri
- 50 2.3 E-wallet
E-wallet (Karteira Eletrónica)
- 51 2.4 Internet Banking
Internet Banking
- 51 2.5 Savings Groups
Grupu Rai Osan/Poupansa
- 52 2.6 Key Takeaways
Ponto ka hanoin prinsipál



mandiri



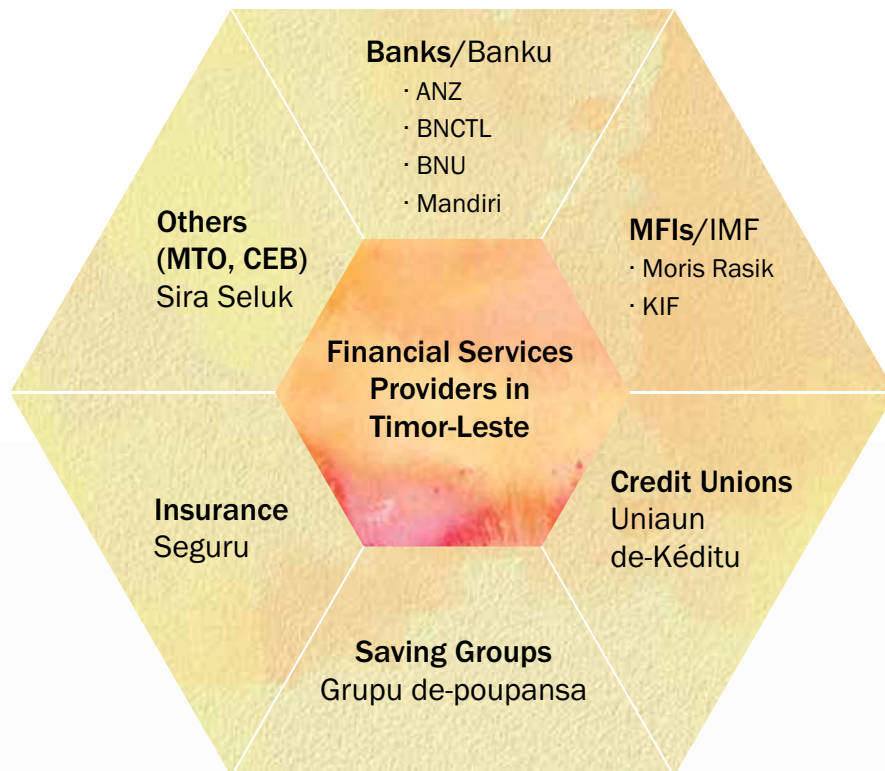


Access to financial services is a prerequisite for fostering inclusive finance. Access is evidenced by the convenience to reach affordable and reliable financial services access points by all segments of the society, including communities residing in urban, sub-urban and rural areas. Under no circumstances should access to financial services be limited to certain segments of society. With this principle and goal in mind, BCTL has placed significant emphasis on enhancing the outreach of financial services access points through various channels by participating financial institutions. A facilitative financial sector is pivotal in ensuring access to financial services, and this has led to notable progress in the growth of channels such as bank and non-bank access points, mobile banking vans, e-wallet and internet banking. This chapter will provide an in-depth view of the financial inclusion access indicators in the country.

Asesu ba servisu finanseiru sira mak hanesan rekizitu dahuluk atu promote inklusaun finanseira. Asesu ne'e hatudu husi kapasidade segmentu hothotu iha sosiedade laran atu asesu ba pontu servisu finanseiru ne'ebé depende ba, inklui mós sosiedade sira ne'ebé rezide iha área urbana, sub-urbana no área rural sira. Labele tau limite ba asesu servisu finanseiru nian ba segmentu sosiedade ruma. Ho prinsípiu ida ne'e iha ita nia hanoin, BCTL tau importánsia atu haforsa no aumenta pontu asesu servisu finanseiru liuhusi kanál oi-oin ba instituisaun finanseira sira nu'udar partisipante. Fasilidade setór finanseiru sai hanesan xave hodi garante asesu ba servisu finanseiru no lori progresu importante ba kresimentu kanál hanesan banku no la'os-banku ba pontu asesu, Banku Movél Van (BMV), e-wallet no internet bankária. Iha kapitulu ida ne'e sei aplika vizaun detallada ida kona-ba indikadór hosi assessu inklusaun finanseira iha rai laran.

Types of Financial Service Providers in Timor-Leste

Tipu forneseðór/prestadór servisu finanseiru iha Timor-Leste



2.1

Financial Services Access Points

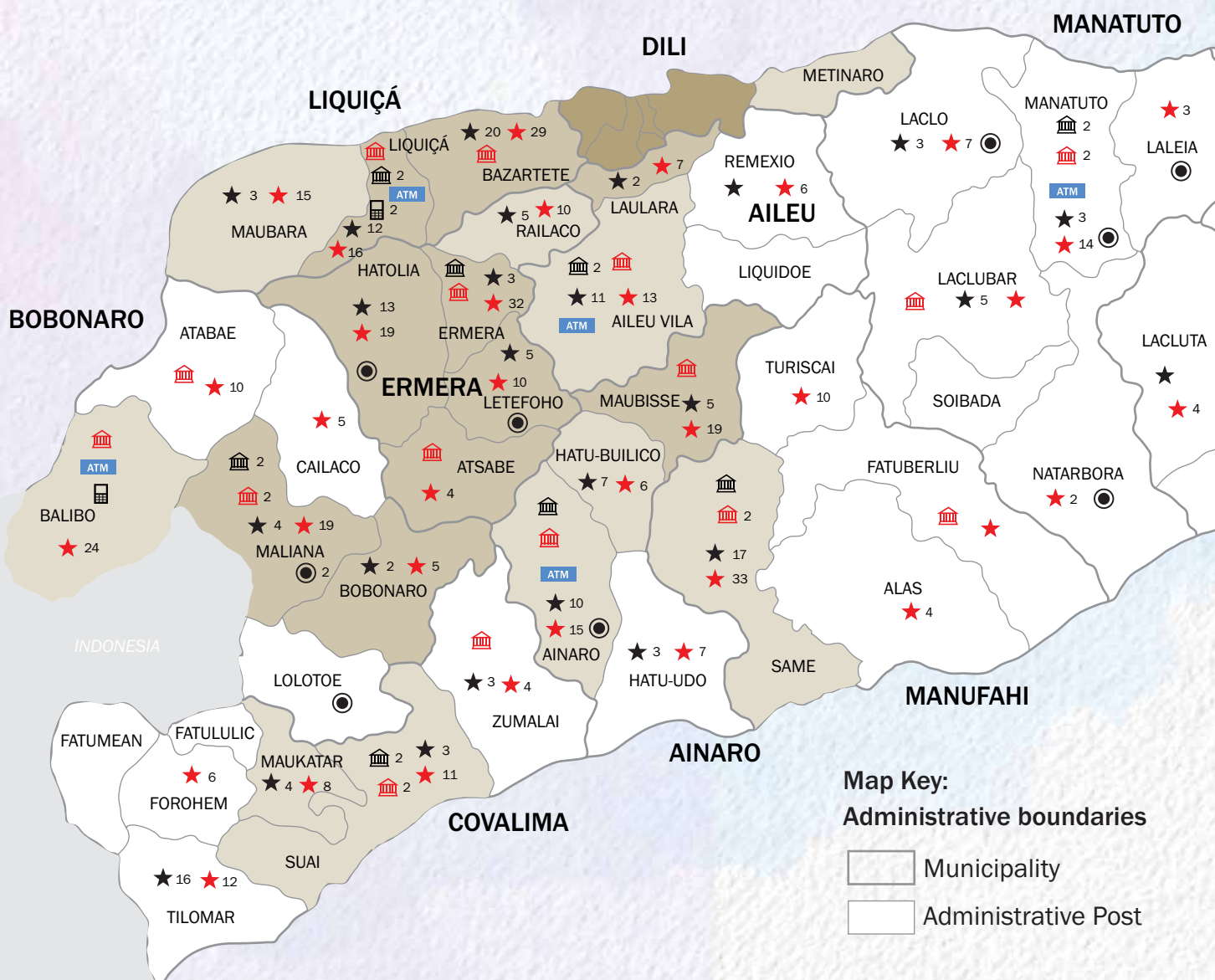
The map below shows the distribution of the 1,205 financial services access points across the country consolidated by administrative post. The population density, based on the Census 2010, also highlights the varying densities of administrative posts. Administrative posts with higher population densities, especially those which are still underserved, present higher potential for increasing access points in the future.

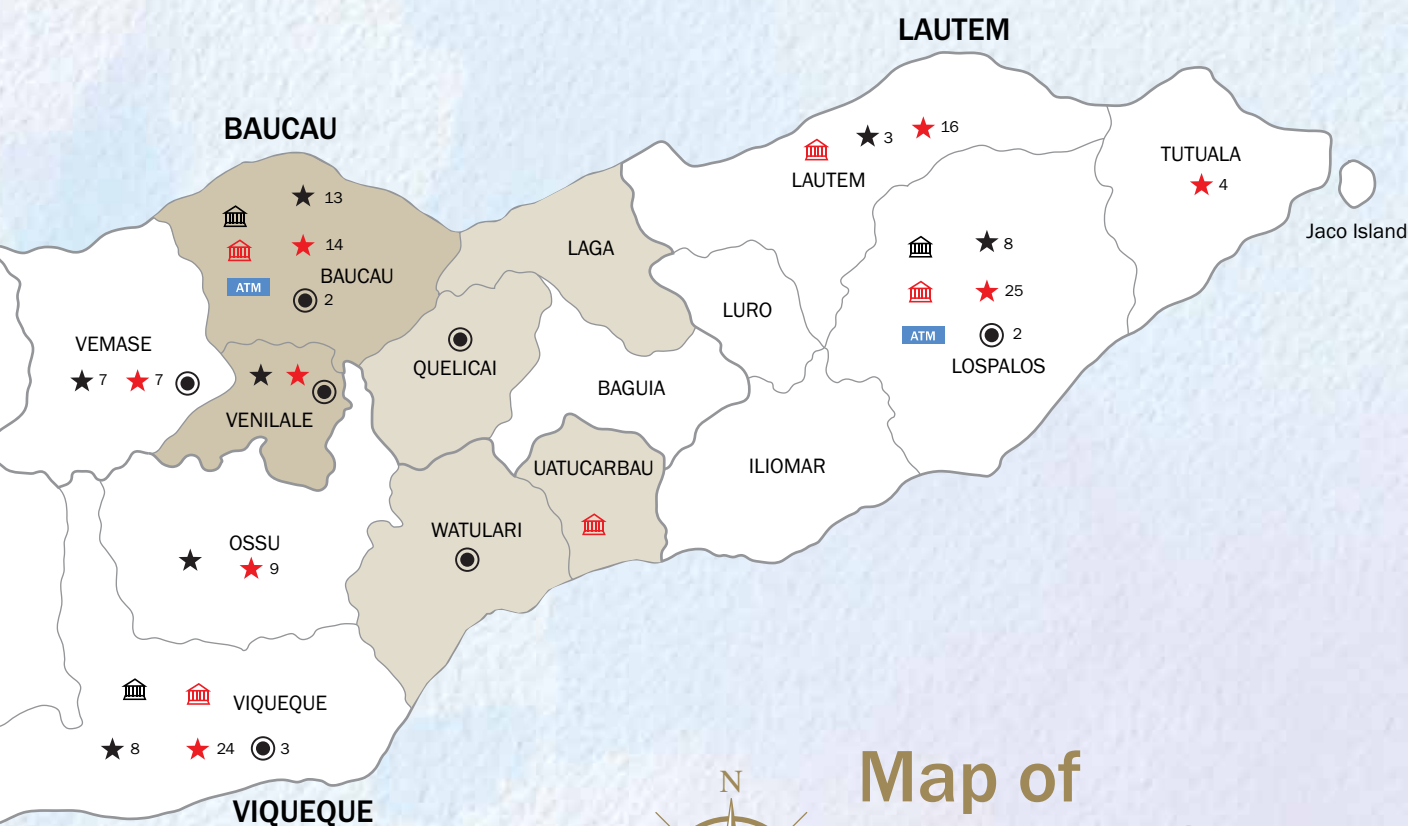
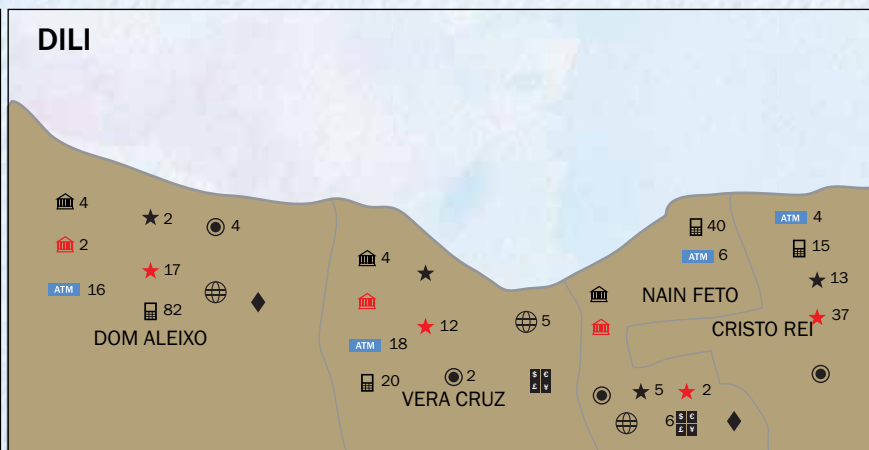


2.1

Pontos Asesu Servisu Finanseiru

Mapa iha kraik ne'e hatudu distribusaun husi 1.205 pontus asesu servisu finanseira ba país ne'e ne'ebé konsolidada hosi postu administrativu. Densidade populasaun (populasaun aas) basea ba Senu tinan 2010, no-mós destaka densidade oioin hosi postu administrativu. Postu administrativu ho populasaun ne'ebé aas, especialmente ne'ebé mak sedauk hetan servisu finansira, apresenta poténsiál aas atu aumeta pontu asesu servisu finaseira iha futuru.





Map of Financial Services Access Points Timor-Leste

Financial Institutions

- Commercial Bank Branch
- ATM
- EFTPOS
- Bank Meeting Center
- MFI Branch/Field Office
- MFI Meeting Center

- Credit Union
- Money Transfer Operator
- Currency Exchange Bureau
- Insurance Company

Population Density/ sq.km

- Above 500 (Very High)
- 100-500 (High)
- 50-100 (Moderate)
- Below 50 (Low)

Financial Access Points

by Banks & Non-Banks 2016, 2013 and 2009

Pontu Asesu Finanseiru hosi Institusaun Finanseira no Institusaun Finanseira la'os Banku iha tinan 2016, 2013 no 2009

Financial Service Providers	2016: Access Points					
	Branch/Field Office	ATM	EFTPOS	Meeting Centre	Other	Total
Banks	33	52	164	235	-	484
MFIs	37	-	-	634	-	671
Credit Unions	-	-	-	-	32	32
Insurance	2	-	-	-	-	2
Others (MTO, CEB)	16	-	-	-	-	16
Total	88	52	164	869	32	1,205

Financial Service Providers	2013: Access Points					
	Branch/Field Office	ATM	EFTPOS	Meeting Centre	Other	Total
Banks	24	24	71	107	-	226
MFIs	28	-	-	977	-	1,005
Credit Unions	-	-	-	-	28	28
Insurance	2	-	-	-	-	2
Others (MTO, CEB)	1	-	-	-	-	1
Total	55	24	71	1,084	28	1,262

Financial Service Providers	2009: Access Points					
	Branch/Field Office	ATM	EFTPOS	Meeting Centre	Other	Total
Banks	19	16	45	118	-	198
MFIs	29	-	-	673	-	702
Credit Unions	-	-	-	-	31	31
Insurance	-	-	-	-	-	0
Others (MTO, CEB)	-	-	-	-	-	0
Total	48	16	45	791	31	931

Note: BNCTL, previously known as Institute of Microfinance of Timor-Leste (IMfTL), became a bank in 2011. In order to facilitate the comparison, its access points are included in the banks category in 2009.

Nota: BNCTL, uluk liu koñese hanesan Instituto de Microfinanças de Timor-Leste (IMfTL), sai hanesan banku iha tinan 2011. Atu fasilita komparasaun, pontu asesu BNCTI nian inklui ona iha kategoria banku iha tinan 2009

2.1.1 Banks Access Points (Branches, ATMs, ETPOS and Meeting Centers)

The four banking institutions³ in Timor-Leste play an important role in widening the outreach of financial services access points in the country to enable communities to transact, save and obtain credit. As at June-2016, the bank access points including bank branches, automated teller machines (ATMs), electronic funds transfer point of sales (EFTPOS) and meeting centres reached a total of 484 access points. Of these 484 access points, 48% are meeting centres, 34% are EFTPOS, while ATMs and bank branches make up 11% and 7% respectively. This clearly illustrates the significance of the deployment of meeting centres and EFTPOS for outreach of financial services in the country. The branchless banking strategy of using meeting centres and EFTPOS is a more cost effective option to provide financial services, compared to building brick and mortar branches, especially in the rural areas.

³ The four banking institutions in Timor-Leste are (i) Caixa Geral de Depósitos, SA Timor-Leste Branch (CGD/BNU); (ii) Australia and New Zealand Bank (ANZ) Banking Group, Timor-Leste Branch; (iii) Banco Nacional de Comércio de Timor-Leste (BNCTL); and (iv) PT. Bank Mandiri (Persero) Tbk. Dili – Timor-Leste Branch (Mandiri).

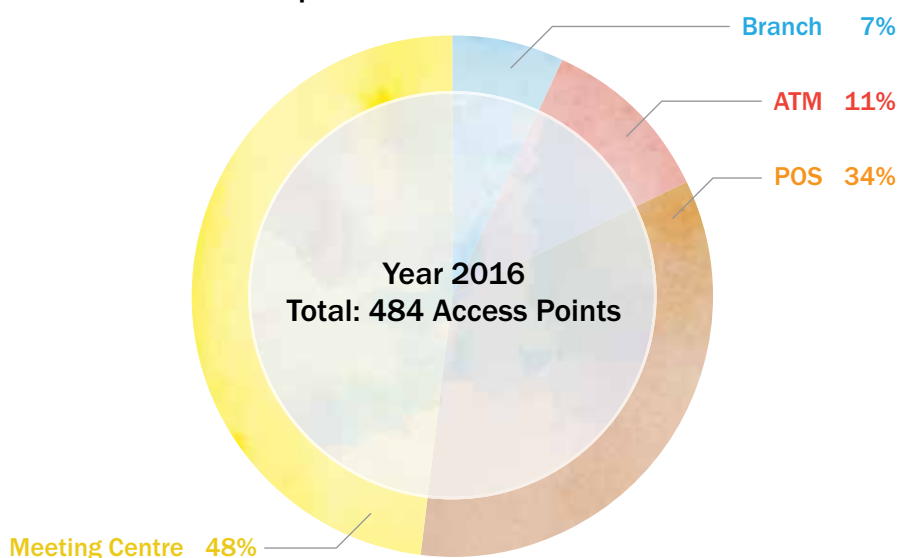
2.1.1 Pontu asesu hosi Banku (Sukursál, ATM/Kaixa Automátika no Sentru Reuniaun sira)

Insituisaun bankária haat³ iha Timor-Leste halo ona regra importante ida ne'ebé boot no aumenta pontu asesu finanseiru sira nian iha rai laran hodi hatán ba membru sosiedade sira atu halo tranzasaun, rai osan no iha kréditu. Hanesan iha fulan Juñu-2016, pontu asesu bankáriu sira inklui banku sukursál, caixa automátika sira (ATM), Pontu transferênsia fundu eletrônika no sentru reuniaun sira atinje totál 484 pontu asesu. Ho 484 pontu asesu sira ne'e, 48% representa hosi sentru reniaun, 34% representa hosi EFTPOS, enkuantu caixa automátika no sukursál banku sira representa 11% no 7% respektivamente. Ida ne'e hatudu momoos signifikadu operasaun sentru reuniaun no EFTPOS sira ba aumentu servisu finanseiru iha rai laran. Estratéjia ne'ebé sukursál bankáriu uza ba sentru enkontru sira no EFTPOS sira sai hanesan opsaun efetivu ne'ebé boot liu hodi aplika ba servisu finanseiru sira, kompara ona ho elementu hari'i no konstrusaun sukursál, espesiál liu iha área rurál sira.

³ Instituisaun bankária haat iha Timor-Leste mak hanesan (i) Caixa Geral Depósitos, SA (CGD) Sukursál Timor-Leste (CGD/BNU); (ii) Australia and Zealand Bank (ANZ) Banking Group, Grupo Bankáriu, Sukursál Timor-Leste; (iii) Banco Nacional de Comércio de Timor-Leste (BNCTL); (iv) PT. Bank Mandiri (Persero) Tbk. Dili – Sukursál Timor-Leste.

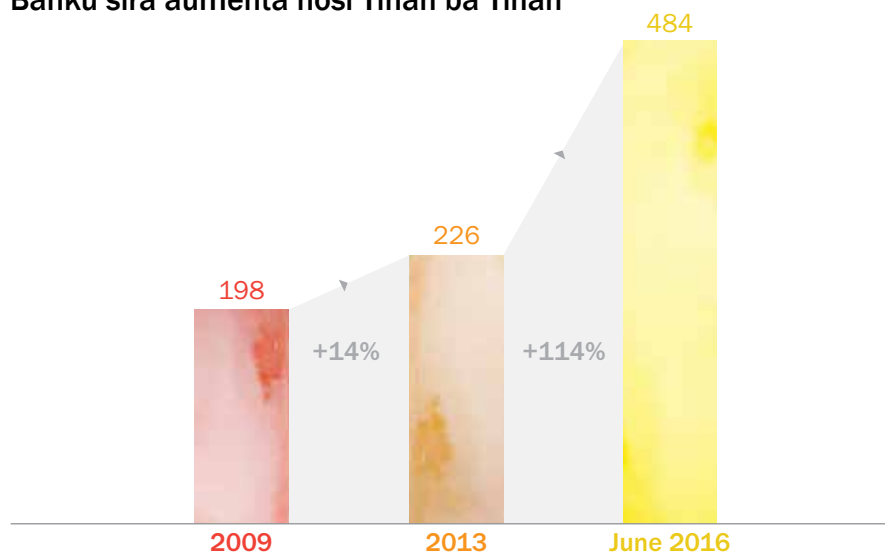
Bank Deploy **Four Types** of Access Points

Banku distribui Pontus Asesu ho tipu haat



Bank Access Points Have Been **Increasing** Over the Years

Pontu Asesu Banku sira aumenta hosi Tinan ba Tinan



The banks have shown remarkable progress in widening outreach of financial services through the years. The total number of access points expanded from 198 in 2009 to 226 in 2013, an increase of 14%. Following that, the number of access points grew significantly from 2013 to June 2016, where the total access points recorded an increase of 114%. Of all the types of access points, EFTPOS displayed the highest percentage of increase from 2009 to 2016, recording a 254% growth, a leap from just 45 access points in 2009 to 164 by June 2016. ATM access points also recorded a substantial increase of 225%, from 16 access points in 2009 to 52 by June 2016.

2.1.2 Non-bank Financial Services Access Points

Non-bank financial service providers have also been instrumental in shaping a more inclusive financial sector in Timor-Leste by complementing the roles of the banks. In fact, non-banks attribute to 711 access points, or 59% of the total 1,205 access points in the country, while banks access points make up the remaining 41%.

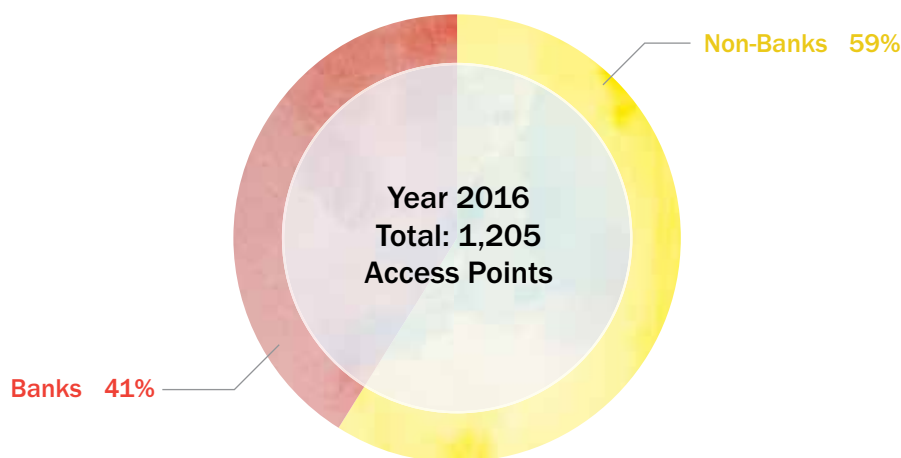
Banku sira hatudu ona progresu estraordináriu ba aumentu servisu finanseiru hosi tinan ba tinan. Totál númeru ba pontu asesu sira husi 198 iha 2009 to'o 226 iha 2013, aumentu ba 14%. Tuir mai, númeru ba pontu asesu sira sae boot tebes husi 2013 to'o Juñu 2016, ne'ebé total ba pontu asesu sira rejistu ona to'o 114%. Tipu ba pontu asesu sira hotu, hanesan EFTPOS sira hatudu persentajen boot ba aumentu husi 2009 to'o 2016, rejistu boot 254%, haksoit husi 45 pontu asesu sira iha 2009 to'o 164 husi Juñu 2016. Pontu asesu ba caixa automatika nian mós rejistu ona aumentu substansial ida 225%, husi pontu asesu 16 iha 2009 to'o 52 husi Juñu 2016.

2.1.2 Pontu Asesu Servisu Finanseiru La'ós-Banku sira

Fornesedór servisu finanseiru La'ós-Banku iha kna'ar importante hodi kontrui setór inkluziun finanseira iha Timor-Leste liuhusi kompleta kna'ar banku nian. Tuir loloos, Fornesedór servisu finanseiru La'ós-Banku iha 711 pontu asesu ka 59% hosi totál 1205 pontu asesu sira iha rai laran, enkuantu banku nian pontu asesu sira reprezenta 41%.

Bank Access Points Attribute to 41% of Total Access Points

Pontu Asesu hosi Banku kontribui to'o 41% hosi Total Pontu Asesu



Non-banks play a complementary role to the banks, bridging the gap in areas where the banks are not able to serve, thus making it possible to reach out to more communities with financial products which are catered for their financial needs.

- i. Microfinance Institutions (MFIs) in Timor-Leste is made up of 2 key institutions⁴ which enhance access to financing for microenterprises. In 2009, these 2 MFIs recorded 702 access points while in 2013, the numbers had increased to 1,005 access points. As at June-2016, the number of access points for MFIs decreased to 671, as one of the MFIs, KIF, changed its strategy from group loans and meeting centers to individual clients, thus not using meeting centers anymore. Nonetheless, with the 671 access points, MFIs still maintained the largest presence of any bank or non-bank institution in the country. Meeting centres make up a majority of these access points, with 634, while branches and field offices make up 33 and 4 access points respectively. The use of meeting centres also prove to be an important strategy to complement branch operations to reach the underserved, as observed in both the bank and non-bank sector.

⁴ The two MFIs in the country are Moris Rasik and Kaebauk Investimentu No Finansas, SA (KIF).

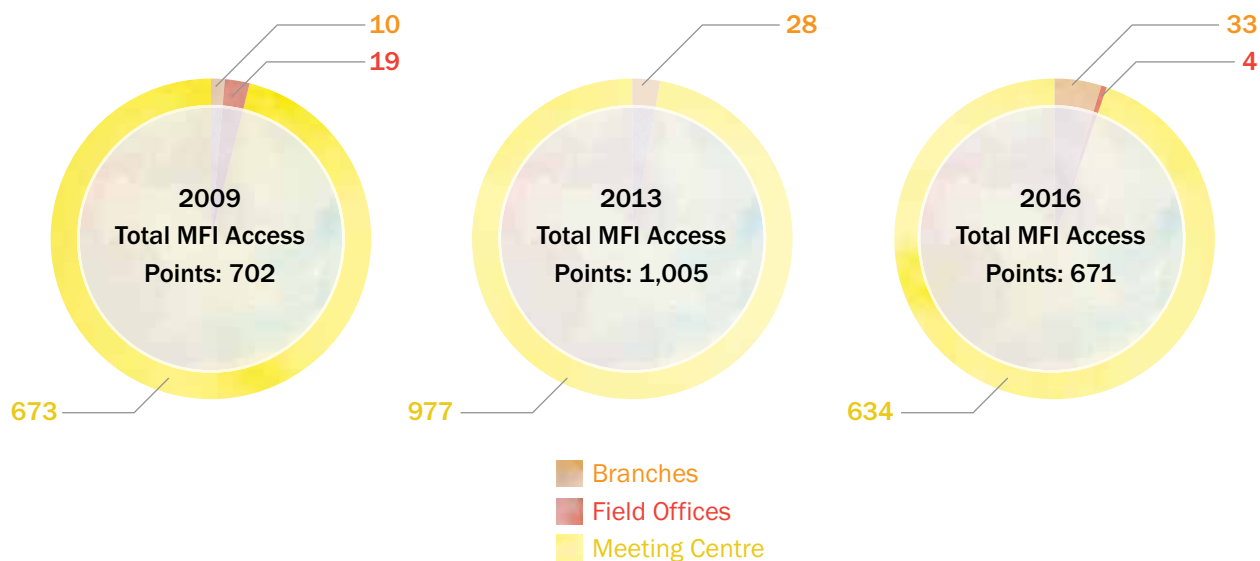
Fornesedór servisu finanseiru La'os-Banku halo funsaun hodi kompleta kna'ar hosi banku, fornese servisu finanseira iha fatin ne'ebé banku sira la oferese servisu finanseira, ne'ebé bele posível kobre sosiedade barak liu-hosi produtu finanseiru hodi serve sira nia nesesidade finanseira.

- i. Instituisaun Mikrofinanseiru sira (IMF) iha Timor-Leste representa hosi instituisaun⁴ prinsipál 2 ne'ebé dezenvolve hodi asesu ba finansa mikro-empreza sira. Iha 2009, IMF sira rejista 702 pontu asesu sira enkuantu iha 2013, númeru aumenta ona to'o 1,005 pontu asesu. Hanesan iha Juñu-2016, númeru pontu asesu sira IMF nian tun to'o 671, tamba IMF ida, iha ne'e KIF halo alterasaun ka muda ninian estratéjia hosi empresta ba grupu ba no sentru reniaun ba individuu, tamba ne'e la uza ona sentru reniaun. Ho ida ne'e, hamutuk ho 671 pontu asesu s, IMF sei kontinua ho prezensa boot kompra ho banku ka instituisaun la'ós-banku iha rai laran. Sentru reniaun sai hanesan maioria iha pontu asesu, iha 634 sentru reniaun, enkuantu sukursál no fatin servisu iha 33 no 4 ba pontu asesu. Sentru reniaun uza mós hanesan prova ba estratéjia importante ida atu kompleta operasaun sukursál sira hodi atinje populasaun sira mak sedauk hetan servisu finanseiru, hanesan observa ona iha setór rua banku no la'ós-banku.

⁴ IMF rua iha rai laran mak hanesan Moris Rasik no Kaebauk Investimentu no Finansas, SA (KIF).

MFI Access Points Through the Years

Pontu Asesu IMF hosi Tinan ba Tinan



* In 2013 branch and field office data were consolidated

ii. Other financial service providers which complete the landscape of non-banks sector in Timor-Leste are Credit Unions, Insurance providers, Currency Exchange Bureaus (CEB) and Money Transfer Operators (MTO). As at June-2016, the number of Credit Union stands at 32 while Insurance providers have 2 branches in operation in the country. CEBs and MTOs provide their services via branches, and have a combined 16 branches in between them across the country as at June 2016. Prior to 2009, insurance providers, MTOs and CEBs were not a part of the financial sector. In the recent years, these institutions have started establishing their presence and enriching the financial sector.

ii. Fornesedor servisu finanseiru sira seluk ne'ebé kompleta paizajen setór la'ós-banku iha Timor-Leste sai hanesan Uniaun Kréditu, fornecedor Seguru sira, Troka Osan Bureaus (TOB) no Operator Transfere Osan (OTO). Iha Juñu-2016, númeru Uniaun Kréditu ba pontu asesu hamutuk 32, inklui sentru enkontru sira, enkuantu fornecedor Seguru sira iha sukursál 2 iha operasaun iha rai laran. TOB no OTO fornese servisu liu-hosi sukursál no iha total 16 sukursál ne'ebé mak iha nasaun ne'e to'o iha fulan Jullu 2016. Molok tinan 2009, fornecedor seguru, OTO no TOB laos parte husi setór finanseiru. Maibe iha tinan ikus ne'e, instituisaun sira ne'e estabele ona sira nia prezensa no habruras setór finaseiru.

2.1.3 Access Points Indicators

The level of financial inclusion in Timor-Leste can be further examined with access point indicators, which have been widely regarded as benchmarks to measure inclusiveness. Complemented by population data from the country's nationwide Census 2010, the BCTL's supply-side data collection initiatives have facilitated the computation of the following indicators which measures financial access based on outreach to municipalities, administrative posts⁵ and sucos.⁶

2.1.3 Indikadór Pontu Asesu sira

Nível inklusaun finanseira iha Timor-Leste bele ezamina liu hosi indikador pontu asesu sira, ne'ebé normalmente konsidera hanesan pontu referênsia atu sukat inklusaun. Kompleta husi informasaun populasaun mai husi Sensus 2010, BCTL ninian iniciativa hodi rekolla dados ba supply-side ne'e, fasilita ona kalkulasaun indikadór sira tuir mai ne'e ne'ebé sasukat asesu finanseira bazeia ona ba aumenta ka kobertura iha munisípiu, postu administrativu⁵ no suku⁶ sira.

Coverage of Access Points by Municipalities, Administrative Posts & Sucos

Kobertura Pontu Asesu hosi Munisípiu, Postu Administrativu no Suku

	2016	2013	2009
Municipalities	100% 13 out of 13 covered		
Administrative Posts	88% 57 out of 65 covered	92% 60 out of 65 covered	86% 56 out of 65 covered
Sucos	58% 255 out of 442 covered	63% 278 out of 442 covered	60% 265 out of 442 covered

The data collected show that the level of access to financial services in the country is fairly high, whereby all municipalities are served with financial services access points.⁷ Majority of the administrative posts also enjoy the presence of financial services access points, and as at 2016, 88% of administrative posts are covered. However, there is a slight drop from 2013 where 92% of administrative posts were covered. At the sucos level however, 58% of sucos have the presence of financial services access points as at 2016, which is lower than the numbers recorded in 2013 where 63% of sucos were covered. The drop in financial access points from 2013 to 2016 was attributed to the drop in MFI access points due to the reduction in the usage of meeting centers after 2013.

⁵ Municipalities in Timor-Leste are divided into a total of 65 administrative posts (formerly known as sub-districts)

⁶ Sucos are villages which make up an administrative post, and there are a total of 442 sucos in the country.

⁷ Financial services access points include bank and non-bank access points.

Informasaun ne'ebé rekolla hatudu katak nível asesu servisu finanseiru sira iha rai laran kompletamente aas liu, munisípiu hothotu serve ona hamutuk ho pontu asesu servisu finanseiru.⁷ Postu administrativu barak mós hetan prezensa hosi pontu asesu servisu finanseiru sira, no iha tinan 2016, 88% postu administrativu mak kobre ona hosi pontu asesu servisu finanseiru. Maibe presetanjen ne'e tu'un kompara ho tinan 2013 ne'ebe 92% postu administrativu mak kobre ona hosi pontu asesu servisu finanseiru. Iha nível suku sira, 58% suku sira iha oan prezensa ba pontu asesu servisu finanseiru iha 2016, ne'ebé ki'ik liu número hirak ne'ebé rejista ona iha 2013 ne'ebé 63% suku sira mak kobre ona hosi pontu asesu servisu finanseiru. Número tu'un ba pontu asesu finanseiru husi 2013 to'o 2016 tamba iha IMF ida mak hamenus ninian sentru reniaun hafoin ne'ebé pratika iha tinan 2013.

⁵ Munisípiu iha Timor-Leste iha total 65 postu administrativu (uluk rekoñese ho naran sub distrito)

⁶ Suku hanesan aldeia sira mak forma/ sai postu administrativu no total iha 442 suku iha nasaun ne'e.

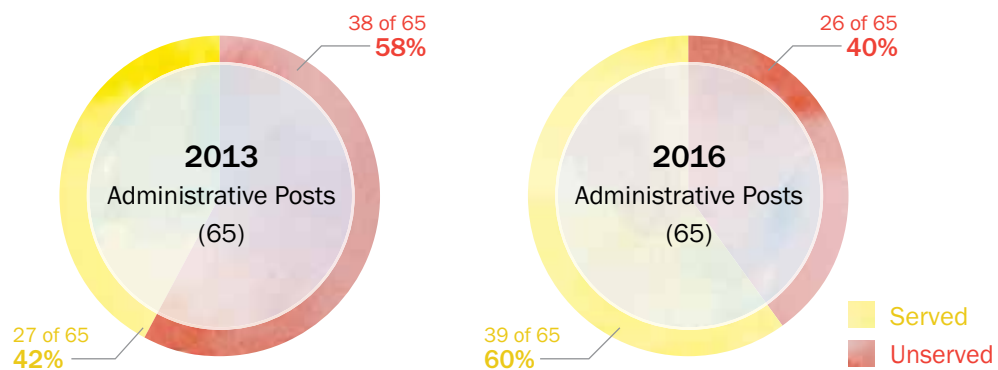
⁷ Pontu asesu servisu finanseiru inklui pontu asesu hosi banku no instituisaun finanseira la'os-banku.

The data collected also show that all 12 municipalities and the special administrative region of Oé-Cusse Ambeno have been covered by the availability of regulated financial services by banks since 2009. Nonetheless, the data indicates greater gaps in terms of coverage at the administrative posts and sucros levels. At the administrative posts level, regulated financial services by banks are available in 60% or 39 administrative posts in 2016, while 29% or 127 sucros are covered. On a positive note, the numbers have continued to improve since 2009 to 2016, with more administrative posts and sucros having access to regulated financial services by the banks. This can be attributed to the banks' strategy of widening outreach through the years, which grew from 198 access points in 2009 to 484 in 2016.

Informasaun hirak ne'ebé halibur ona hatudu mós katak iha iha Munisípiu 12 no Região Administrativa Especial de Oé-Cusse Ambeno ne'ebé kobre ona hosi availibilidade servisu finanseira reguladu hanesan banku husi tinan 2009. Maske nune'e, informasaun ne'e iha lakuna ne'ebé boot tebes iha termu ba kobertura iha nivél postu administrativu no suku sira. Iha nivél postu administrativu sira, servisu finanseiru sira ne'ebé reguladu liuhusi banku sira ne'ebé ninian prezensa atinji 60% ka 39 postu administrativu sira iha tinan 2016, maibe atinji deit 29% iha nivél suku 127 mak kobre ona. Iha nota pozitivu katak, númeru sira aumenta sa'e tan desde tinan 2009 to'o tinan 2016, iha postu administrativu no suku sira barak ne'ebé iha asesu ba servisu finanseiru reguladu hanesan banku. Ida ne'e bele kontribui ba estratéjia banku sira nian ne'ebé habelar hosi tinan ba tinan, ne'ebé boot liu mak iha 198 pontu asesu ba tinan 2009 maibe iha tinan 2016 pontu asesu atinji ona 484.

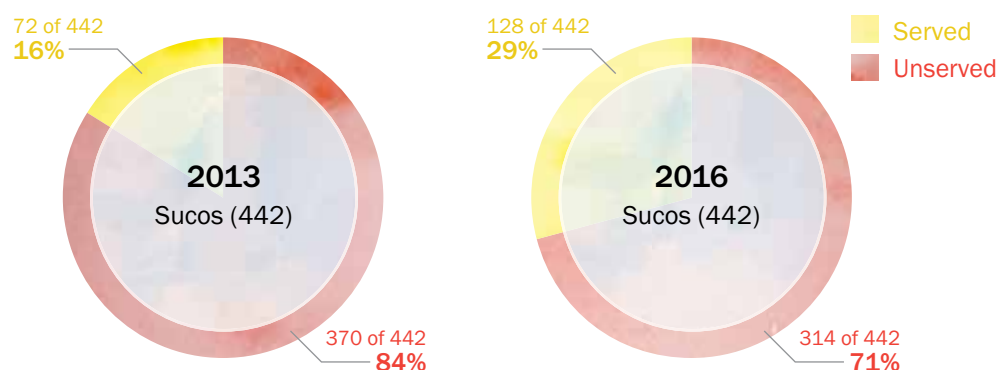
Increase in Administrative Posts with Regulated Financial Services by Banks

Aumenta iha Postu Administrativu ho Servisu Finanseiru Reguladu (Banku)



Increase in Sucos With Regulated Financial Services by Banks

Aumenta iha suku ho Servisu Finanseiru Reguladu (Banku)



The mapping of served and unserved administrative posts was crucial in determining the percentage of the population who are able to have access to financial services. This in turn will provide better insight to the population who are excluded and the appropriate strategies to enable them to gain access to financial services.

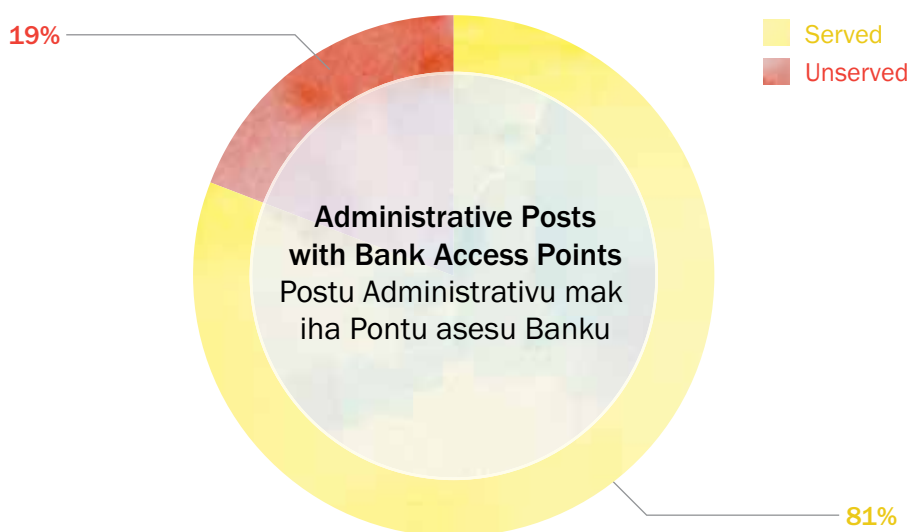
It was found that 81% of the population, or 858,731 of 1,066,409 people,⁸ are living in administrative posts covered by bank access points. From the viewpoint of the adult population, the same percentage was recorded, where 81% of adults are living in administrative posts covered by bank access points.

Mapa kona-ba postu administrativu mak hetan ka sedauk servisu finanseiru importante tebes hodi determina persentajen ba populasaun sira ne'ebé mak bele hetan asesu ba servisu finanseiru. Ne'e mós sei fornese informasaun ne'ebé mak di'ak liu ba populasaun sira ne'ebé mak la tama (excluded) no estratéjia ne'ebé mak apropiadu atu bele ajuda sira hodi bele hetan asesu ba servisu finanseiru.

Deskobre ona katak 81% husi populasaun, ka 858,731 husi ema 1,066,409,⁸ ne'ebé mak hela iha postu administrativu kobre ka hetan pontu asesu sira banku nian. Liuhosi pontu de- vista hosi populasaun adulta, mós hetan persentajen ne'ebé hanesan, maka 81% hosi adulta ne'ebé mak hela iha postu administrativu tama ka kobre pontu asesu banku sira nian.

81% of the Population Live in Administrative Posts with Bank Access Points

81% husi Populasaun ne'ebé mak hela iha Postu Administrativu ho Pontu Asesu sira ba Banku



Additionally, it was also revealed that 81% of the population lives in administrative posts covered by at least two types of financial service providers. The number is slightly higher for the percentage of adult population, where 82% of the adult population lives in administrative posts with at least two types of financial services providers. Thus, it can be concluded that a majority of the population are

No ida ne'e mós hatete katak 81% ne'ebé mak hela iha postu administrativu kobre ka hetan maizumenus tipu 2 forneseidór servisu finanseiru. Númeru ne'e aas oituan ba persentajen populasaun ema adulta, ne'ebé 82% husi populasaun adultu hela iha postu administrativu pelumenus iha tipu 2 forneseidór servisu finanseiru. Liuhosi informasaun sira ne'e bele halo konklusaun katak, maioria populasaun ne'ebé mak hela iha postu administrativu iha asesu ba

⁸ Source: Population Data, Census 2010.

⁸ Fontes: Dadus Populasaun, Sensus tinan 2010.

living in administrative posts with access to financial services, and they have the choice of more than one financial services providers. However, BCTL recognises that there are still disparities, as sizeable percentage of the population remains underserved by the financial sector.

servisu finaseiru, no sira hili liu tipu ida husi tipu servisu finanseiru ne'ebé mak oferese. Maski nune'e, BCTL rekoñese katak sei iha nafatin diferença, hanesan valór percentajen husi populasaun ne'ebé mak sedauk hetan servisu finanseiru hosi setór finanseiru.

Summary of Access Indicators

Sumáriu hosi Indikadór Asesu

Geographic Indicators	Municipalities	Administrative Posts
Total Number of Administrative	13	65
Administrative Units Served by Banks	13	39
% of Population in Areas Served by Banks	100%	81%
Administrative Units Served by at least 2 types of financial services	13	41
% of Population in Areas Served with at least 2 types of financial services	100%	81%

Access Points Per 10,000 Adult Population	
Number of bank branches per 10,000 adult population	0.53
Number of ATM branches per 10,000 adult population	0.83
Number of EFTPOS branches per 10,000 adult population	2.63
Number of bank meeting centers per 10,000 adult population	3.76
Number of MFI access points* per 10,000 adult population (* Includes: branches, field offices and meeting centers)	1.07
Number of deposit & loans access points* per 10,000 adult population (* Includes: banks and MFI branches and meeting centers and Credit Unions)	15.55

Coverage by Channel (per 1,000 sq. Kilometers)	
Timor-Leste land area (sq. kilometers)	14,919
Number of bank branches per 1,000 sq. kilometers	2.21
Number of ATMs per 1,000 sq. kilometers	3.49
Number of EFTPOS per 1,000 sq. kilometers	10.99
Number of bank meeting centers per 1,000 sq. kilometers	15.75
Number of deposit & loans access points* per 1,000 sq. kilometers (* Includes: banks and MFI branches and meeting centers and Credit Unions)	65.08

Source: BCTL and General Directorate of Statistics Timor-Leste

2.1.4 A Deeper Look into Unserved Administrative Units

Deeper analysis of BCTL's supply side data and the Census 2010 also discovered that 5 of 26 administrative posts which do not have bank access points have a population of more than 10,000 people. These administrative posts are namely Laga (14,432), Quelicai (16,747), Atsabe (17,264), Nitibe (11,366) and Watulari (16,972). Amongst these 5 administrative posts, Laga does not have any form of financial access points in the area at all, while the remaining four administrative posts are covered by other financial services providers such as MFIs and credit unions.

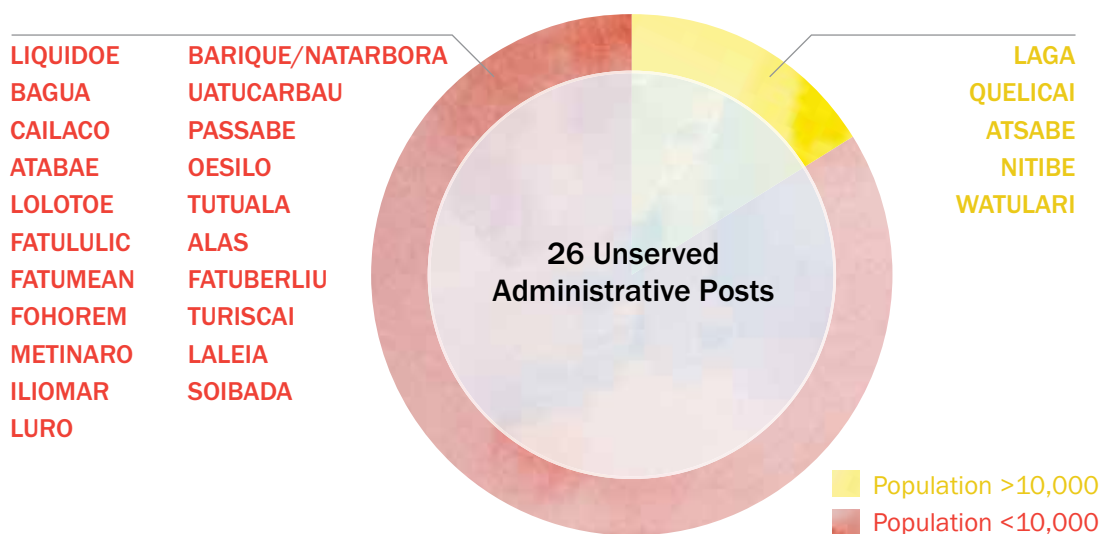
2.1.4 Análize ne'ebé kle'an ba unidade administrativa ne'ebé mak la hetan/ laiha asesu ba servisu finanseira

Análize kle'an hosi dadus supply side BCTL nian no sensus tinan 2010 deskobre katak 5 husi postu administrativu 26 ne'ebé mak laiha pontu asesu ba banku ho populasau ho númeru liuhusi 10,000 ema . Postu administrativu hirak ne'e mak hanesan Laga (14,432), Quelicai (16,747), Atsabe (17,264), Nítibe (11,366) no Watulari (16,972). Entre Postu adminstrativu 5 ne'e, Laga laiha kuálker forma pontu asesu servisu fianseiru iha área sira hotu. Maski nune'e Postu admintrativu haat seluk kobre ona hosi servisu finanseiru seluk mak hanesan IMF no Uniaun Kréditu sira.

There are Administrative Posts with Populations

more than 10,000 Not Served by Bank Access Points

Iha postu administrativu ho populasau liuhusi 10,000 ema mak laiha asesu ba servisu banku

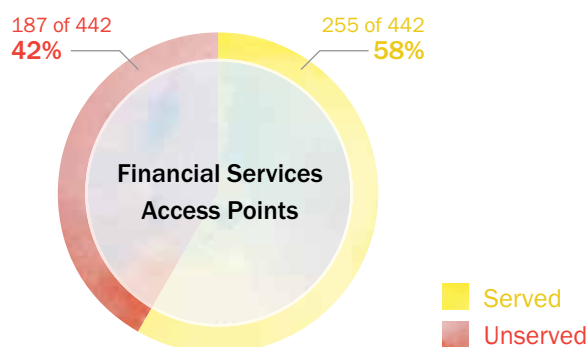


It is evident that gaps still exist, as there are administrative posts that are not yet covered by financial access. The numbers are more concerning at the sucos level. A large number of sucos continue to be unserved by access points and financial services in the country. A total of 187 of 442 sucos still do not have financial services access points, while 314 sucos remain unserved by regulated financial services by banks.

Ida ne'e hatudu katak fatin mamuk (gaps) sei ezisti, ne'ebé hatudu katak postu administrativu balu seidaok tama ba asesu finanseiru. Ninia númeru foka liu ba iha suku sira. Iha númeru bo'ot hosi suku ne'ebé la iha pontu asesu finaseiru iha nasaun ne'e. Total husi 184 hosi 442 suku mak nafatin seidaok iha asesu finanseiru, maske nu'uné sei iha nafatin suku 314 mak la iha servisu finanseiru fornese hosi banku.

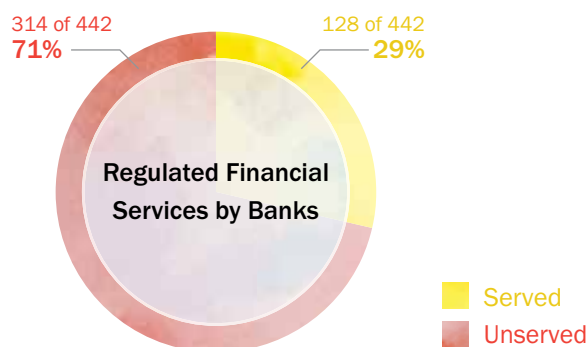
Many Sucos Remain Unserved by Financial Services Access Points

Suku barak mak nafatin lahetan serve hosi pontu asesu servisu finanseiru



314 Sucos Do Not Have Access to Regulated Financial Services by Banks

Suku mak la iha servisu finanseiru fornese hosi banku.



Given this information, BCTL will adopt the strategy to study unbanked sucos, in addition to municipalities and administrative posts, to elevate the understanding of the obstacles faced by target areas which are not adequately served. The maps of municipalities below identify sucos with high population density without financial services access points. In addition, BCTL also tracks the percentage of population with regular income from the government living in administrative posts without financial service access points. Measuring and monitoring these indicators would enable the identification of barriers specific to the local setting of the unserved areas. This in turn would enable BCTL together with other stakeholders to craft better localised policies, catered to their distinct environment, to deliver the highest impact for financial inclusion in the target areas.

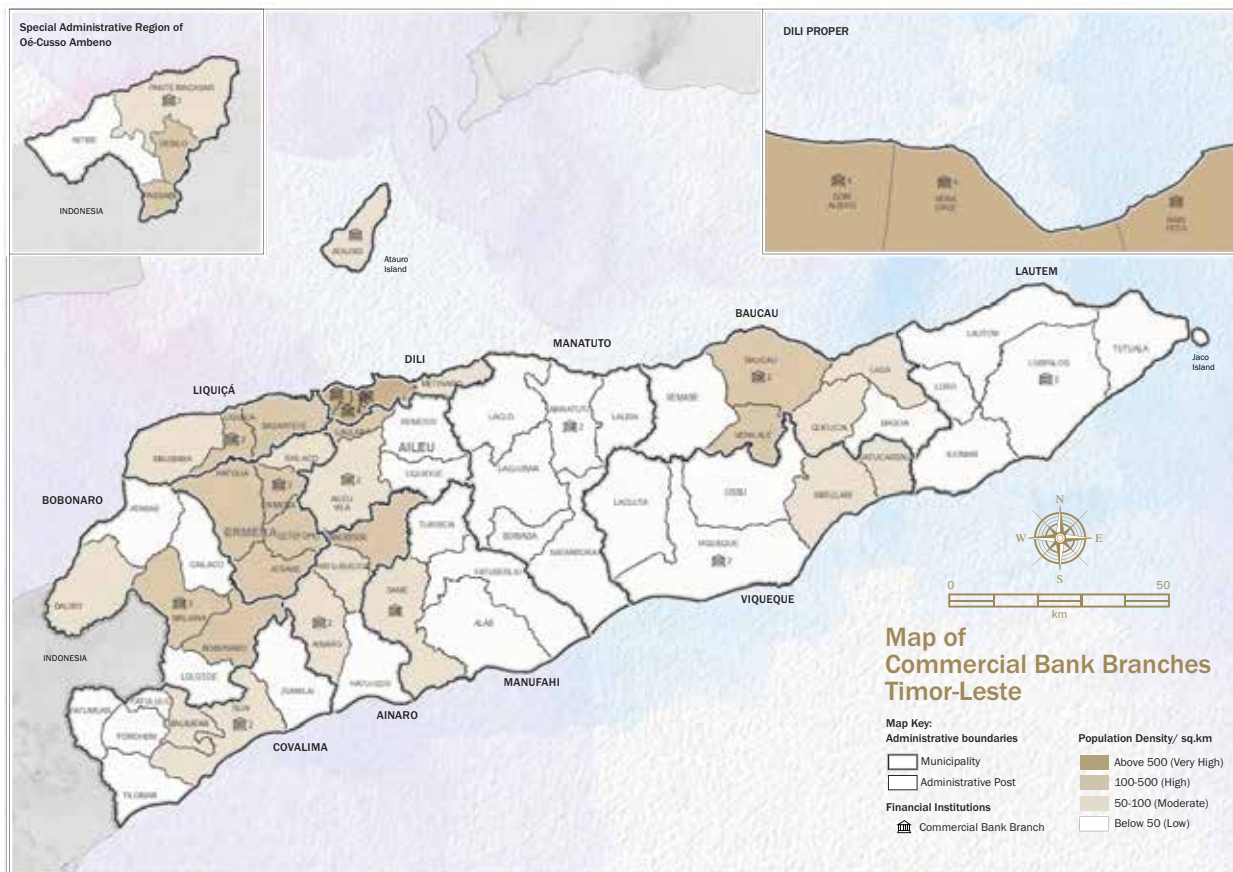
Ho informasaun sira ne'e, BCTL sei adopta estratéjia hodi estuda suku hirak ne'ebé mak laiha asesu ba servisu hosi banku, no mós ba munisípiu no postu administrativu sira, atu aumeta komprensaun husi obstákulu ne'ebé hasoru husi área alvu sira ne'ebé mak lahetan serve hosi servisu finanseiru ho adekuaadu. Mapa munisípiu iha kraik ne'e identifika suku sira ho populasaun ne'ebé mak aas no barak maibe laiha asesu ba pontu servisu finanseiru. Alén ne'e, BCTL mós bele hetan persentajen hosi populasaun ne'ebé ho asesu ba rendimentu regular husi governu hela iha Postu administrativu ka suku ne'ebé mak laiha asesu ba pontu servisu finanseiru. Halo sasukat no monitorizasaun ba indikadór hirak ne'e sei bele identifika bareira espesifika sira iha fatin ne'ebé mak la iha asesu. Ne'e mós bele halo BCTL hamutuk ho stakeholders sira seluk hodi bele kria polítika lokál mak di'ak liutan, bele serve ambiente mak diferente, bele fó impaktu aas liu ba inklusaun finanseiru iha área hirak ne'ebé sai ona alvu.

Map 2

Adult Population Receiving Regular Payment from Ministry of Social Solidarity and Ministry of Education by Administrative Post

Mapa 2

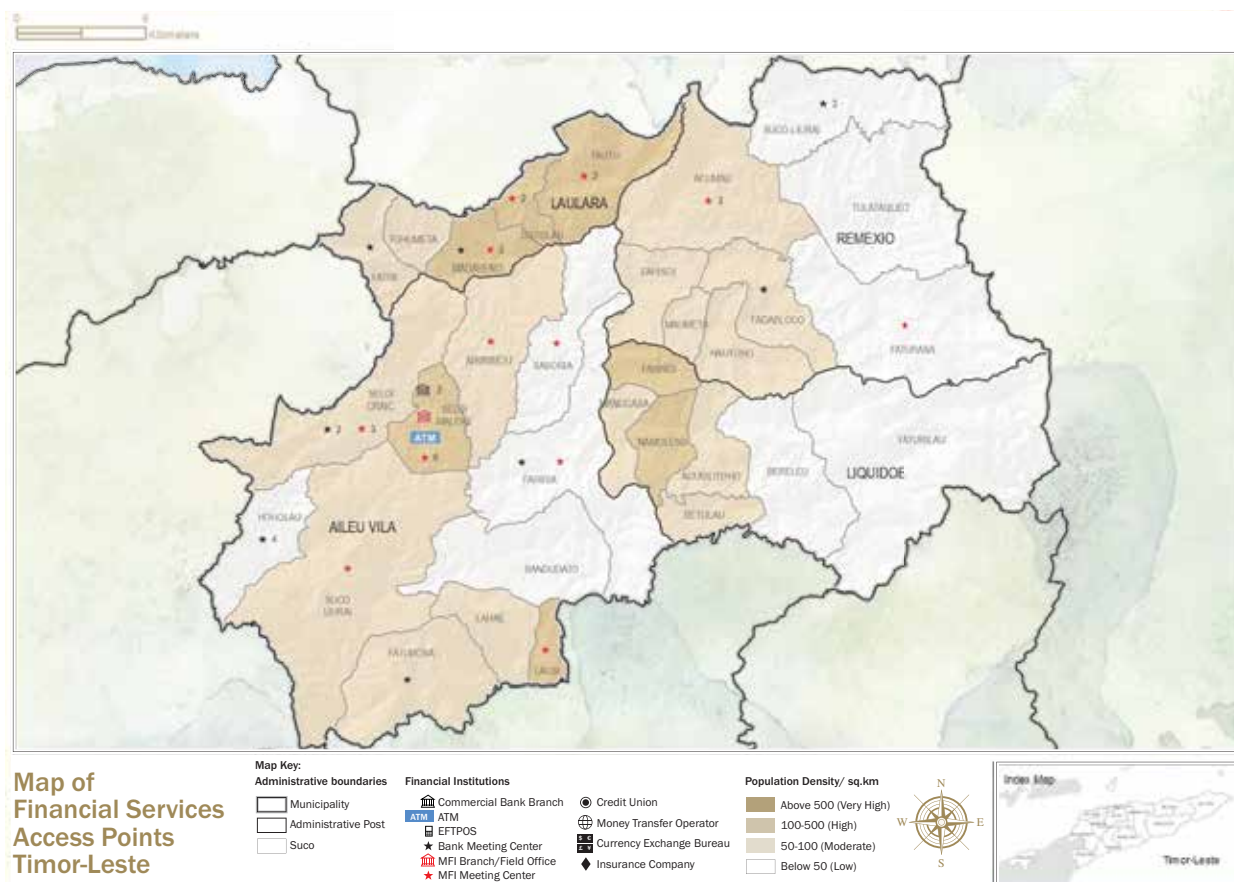
Populasaun adulta ne'ebé mak simu pagamentu regular hosi Ministério da Solidariedade Social o Ministério da Educação hosi Postu Administrativu



The map shows the percentage of adult population receiving regular payments from Ministry of Social Solidarity (MSS) and Ministry of Education (MOE) consolidated by administrative post. Payments from MSS include the social transfer programmes for veterans (formal combatants for the national liberation), elderly, disabled, and “bolsa da mae” (single parents with low or no income). MOE payments reflect salaries paid to public teachers across the country. MSS and MOE disbursements represent the largest number of government regular payments to people outside of the capital Dili. The location of the commercial bank branches, where government payments can be withdrawn in cash, highlights how far bank branches are from certain administrative posts. Mobile vans (described below) deliver part of these government payments, aiming to reach the more remote administrative posts and sucos – however vans require a few days to cover a limited number of pre-defined areas.

Mapa ne'e hatudu persentajen husi populasaun adulta ne'ebé mak simu pagamentu regular hosi Ministério da Solidariedade Social (MSS) o Ministério da Educação (ME) konsolidadu hosi Postu Administrativu. Pagamentu husi MSS inklui progama transferênsi social ba veteranu sira (kombatente formal ba libertasaun nasionál), idozu sira, emar ho defisiênsia, no “Bolsa da Mãe” (família ho rendimentu ki'ik ka laiha). Pagamentu hosi ME reflektá pagamentu saláriu ba profesór eskolah públiku sira iha teritoriu tomak. Pagamentu hosi MSS and ME representa número bo'ot liu hosi pagamentu regular governu nia ba emar sira ne'ebé mak laos hela iha kapitál Dili. Fatin/ lokalizasaun hosi ajênsia banku komersiál sira, ne'ebé emar bele simu pagamentu mai husi governu, bele hatudu oinsá ninian distansia ajênsia banku komersiál sira ne'e iha postu administrativu hirak ba. Kareta móvél (dezkreve iha kraik) hala'o parte balun hosi pagamentu governu nian, ho ninian objetivu atu bele kobre postu administrativu no suku sira ne'ebé mak iha fatin remota, mézmu kareta móvél refere persiza loron barak hodi bele kobre número limitadu ba áreas ne'ebé mak difini ona.

Map 3 Aileu Municipality



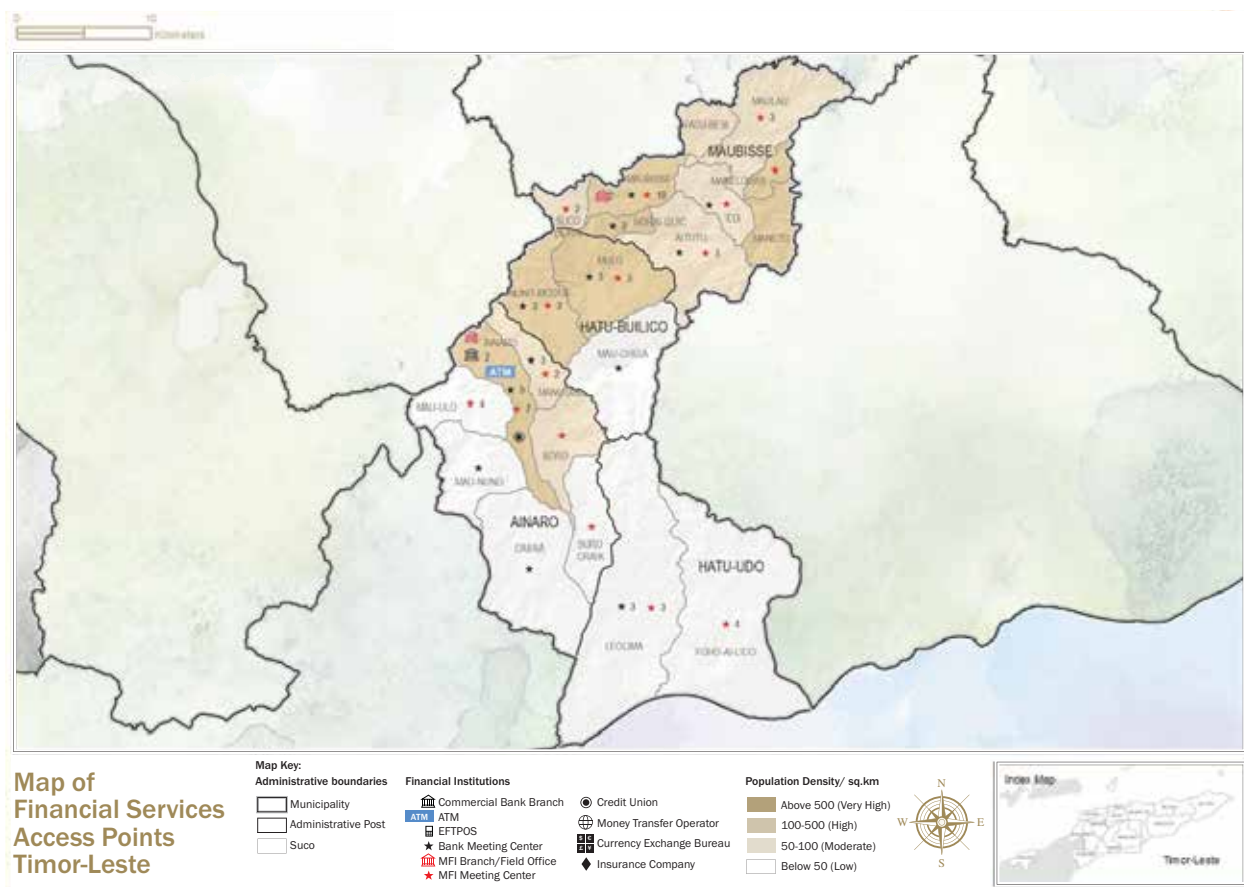
In Aileu, most of the financial services are concentrated in suco Selo Malere and only meeting centres are available in other sucos. Commercial banks access points serve 9 of the 31 sucos. There are 14 sucos with no financial services access points, categorised as follows:

- High population density sucos: Fahisoi (Liquidoe), Namoleso
- Moderate population density sucos: Betulau, Manucasa, Acubilitoho, Fahisoi (Remexio), Maumeta, Hautoho, Tohumeta, Lahae
- Low population density sucos: Bereleu, Faturilau, Tulataqueo, and Bandudato

Iha Aileu, maioria parte servisu finanseira konsentradu iha suku Selo Malere no iha deit sentru reuniaun ne'ebé mak disponível iha suku seluk. Pontu asesu banku komersiál sira serve suku 9 husi suku 31. Iha suku 14 ne'ebé mak laiha pontu asesu finanseiru, kategorizadu tuir mai:

- Suku ho número populasau aas: Fahisoi (Liquidoe), Namoleso
- Suku ho número populasau ladun aas: Betulau, Manucasa, Acubilitoho, Fahisoi (Remexio),
- Suku ho número populasau kiik: Bereleu, Faturilau, Tulataqueo, and Bandudato

Ainaro Municipality

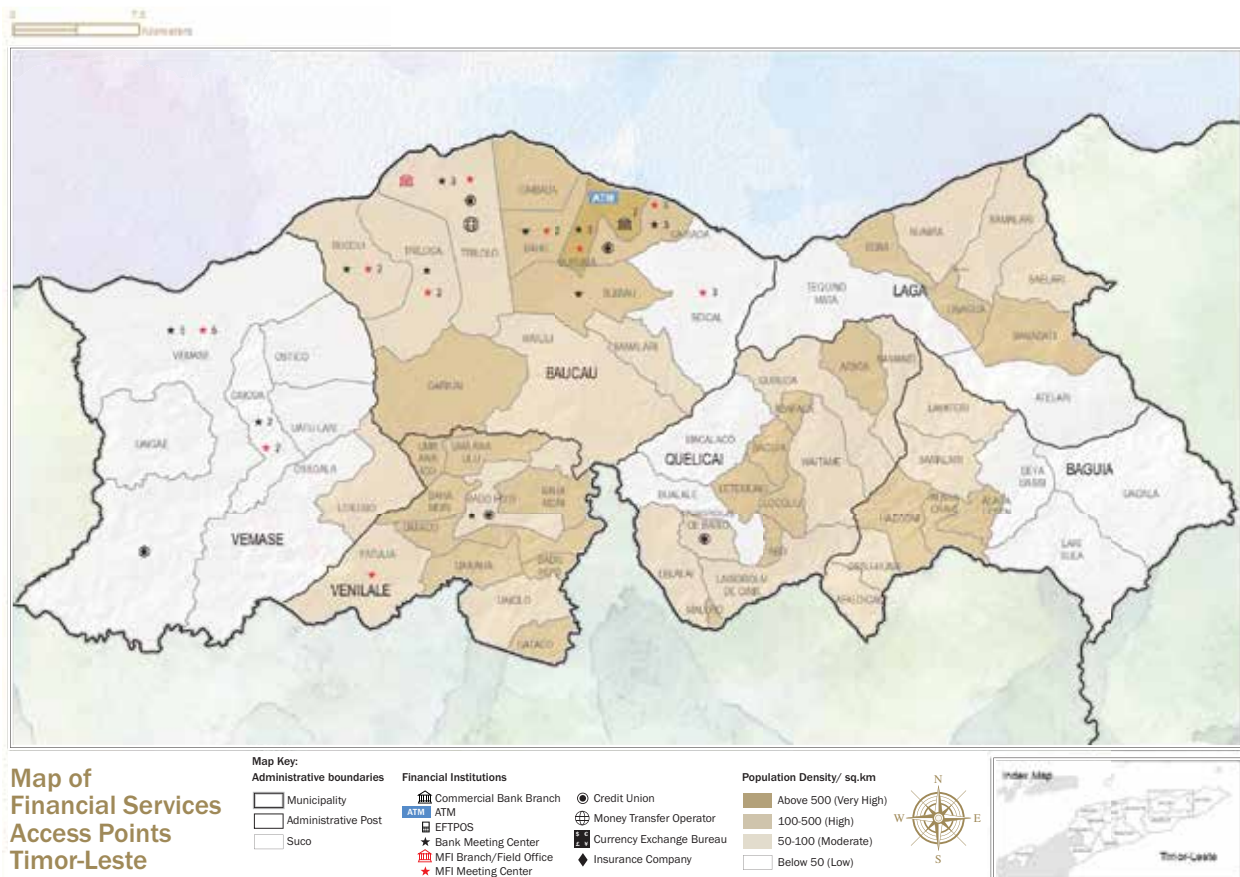


All administrative posts in Ainaro are served by at least 2 types of financial services. Only 2 sucos do not have any type financial services access points, Fatu-Besi with a moderate population density, and Manetu with high population density, both in Maubisse administrative post.

Postu administrativu iha Ainaro serve pelumenus tipu 2 hosi servisu finanseiru. Iha deit suku 2 ne'ebé mak seidauk hetan kuálker asesu hosi servisu finanseiru mak Fatu-Besi hanesan suku ho númeru populasauñ ladun aas no Manetu hanesan suku úmeru populasauñ aas,suku rua ne'e lokaliza iha postu administrative Maubisse.

Map 5

Baucau Municipality



Baucau financial services access points are quite limited, of six administrative posts, two have no financial service access points (Laga, Baguia), and one is served only by a credit union (Quelical) despite the number of sucos with high and moderate population density in these areas. Baucau is the municipality of highest number of sucos with 59 in total, however, 46 of them have no financial service access points. The sucos which are not served by financial services access points are:

- **High population density sucos:** Baha Mori, Uailaha, Alaua Craic, Alaua Leten, Haeconi, Gariuai, Libagua, Sagadati, Soba, Abafala, Afaca, Baguia, Abo, Maluro, Letemumo, Locoliu
- **Moderate population density sucos:** Loilubo, Uaiolo, Uataco, Uma Ana Ico, Uma Ana Ulo, Afaloicai, Lavateri, Ossu-Huna, Samalari (Laga), Samalari (Baguia), Wailili, Nunira, Saelari, Samalari, Guruca, Namanei, Waitame, Laisorolai De Cima, Lelalai
- **Low population density sucos:** Ossoala, Ostico, Uaigae, Uatu-Lari, Defa Uassi, Lari Sula, Uacala, Atelari, Tequino Mata, Bualale, Macalaco

Ponto asu finanseiru iha Munisipál Baucau limitada tebtebes, hosi postu administrativu 6, iha deit postu administrativu 2 mak laiha pontu asu ba servisu finanseira (Laga no Bagia), no postu administrativu 1 deit mak serve hosi Uniaun de-kréditu (Quelicaí), mézmuke iha suku barak ninian populasaun ne'ebé aas no ladun aas iha area ne'e. Baucau hanesan munisipál ida ne'ebé mak iha suku barak liu ho total suku mak 59, ne'ebé suku 46 mak laiha pontu asu ba servisu finanseira. Suku ne'ebé mak laiha pontu asu finanseiru, kategorizadu tuir mai:

- Suku ho númeru populasaun aas : Baha Mori, Uailaha,Alaua Craic, Alaua Leten, Haeconi, Gariuai, Libagua, Sagadati, Soba, Abafala, Afaca, Baguia, Abo, Maluro, Letemumo, Locolui
- Suku ho númeru populasaun ladun aas : Loilubo, Uaiolo, Uataco, Uma Ana Ico, Uma Ana Ulo, Afaloicai, Lavateri, Ossu-Huna, Samalari (Laga), Samalari (Baguia), Wailili, Nunira, Saelari, Samalari, Guruca, Namanei, Waitame, Laisorolai De Cima, Lelalai
- Suku ho númeru populasaun kiik : Ossoala, Ostico, Uaigae, Uatu-Lari, Defa Uassi, Lari Sula, Uacala, Atelari, Tequino Mata, Bualale, Macalaco

Map 6

Bobonaro Municipality



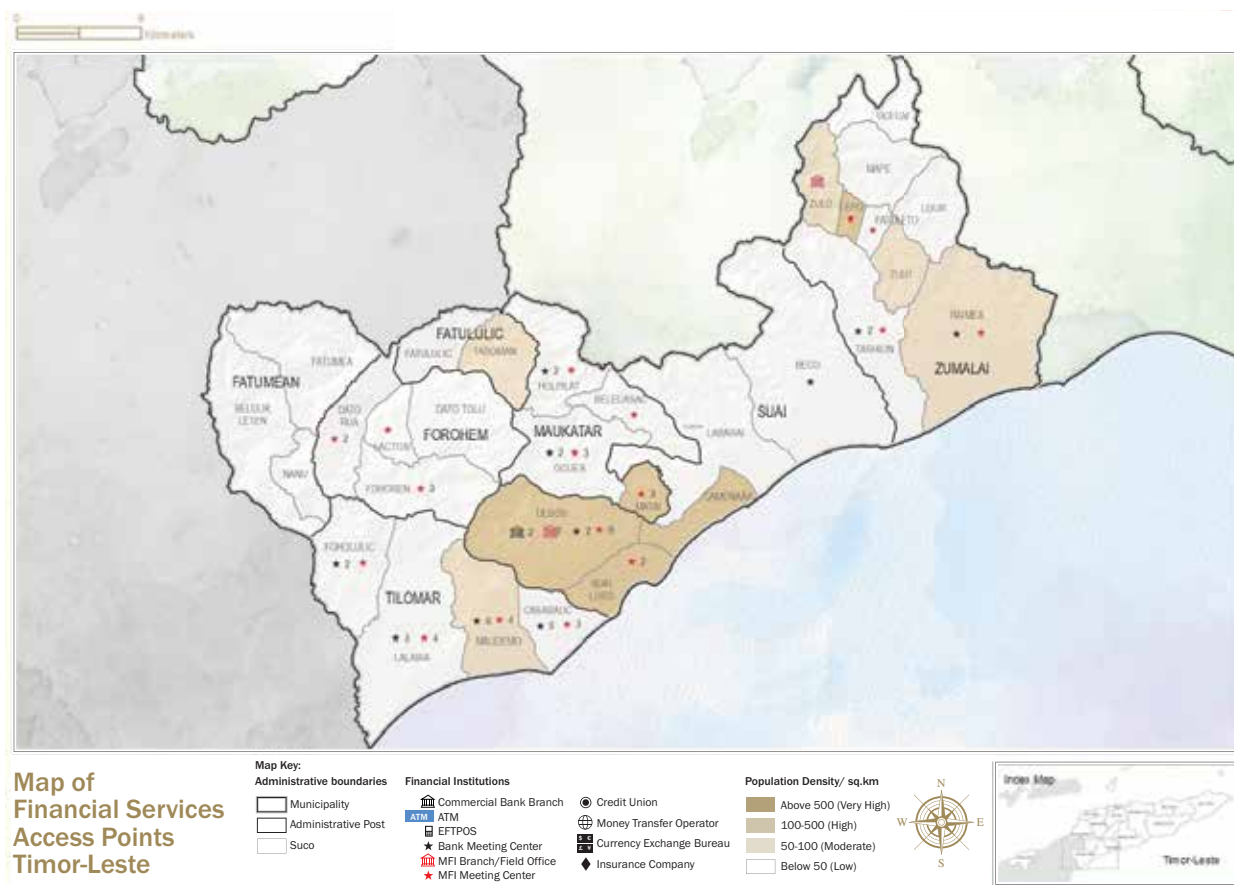
All administrative posts in Bobonaro have some type of financial services access points. However, Lolotoe administrative post is served by just one credit union, while Cailaco and Atabae are served only by MFIs. More than half the sucos, 26 of the 50, have no financial services access points. The sucos with no financial services access points are:

- High population density sucos: Bobonaro, Carabau, Colimau, Ilat-Laun, Male-Ubu, Malilait, Soilesu
- Moderate population density sucos: Lour, Molop, Sibuni, Raiheu, Guda, Gildapil, Lupal,
- Low population density sucos: Atabae, Rairobo, Cotabot, Leber, Tapo, Dau Udo, Goulolo, Guenu Lai, Deudet, Lebos, Lontas, Saburai

Postu administrativu hotu iha Bobonaro iha pontu asesu ba servisu finanseiru ho tipu hira. Maibe, postu administrativu Lolotoe serve deit hosi Uniaun de-kréditu 1, no Cailaco no-mós Atabae serve hosi deit IMF. Liu-hosi metade suku sira, 26 hosi 50, laiha pontu asesu finanseira. Suku ne'ebé mak laiha pontu asesu finanseiru, kategorizadu tuir mai:

- Suku ho númeru populasaun aas : Bobonaro, Carabau, Colimau, Ilat-Laun, Male-Ubu, Malilait, Soilesu
- Suku ho númeru populasaun ladun aas : Lour, Molop, Sibuni, Raiheu, Guda, Gildapil, Lupal
- Suku ho númeru populasaun kiik : Atabae, Rairobo, Cotabot, Leber, Tapo, Dau Udo, Goulolo, GuenuLai, Deudet, Lebos, Lontas, Saburai

Map 7 Covalima Municipality



Covalima is the furthest municipality from the capital Dili, 203 km between the towns of the municipalities, linked by poor quality roads. The difficult access also impacts the distribution of financial services. Two of the seven administrative posts, Fatumean and Fatululic, have no financial services access point, while Foroheh is only served by MFI meeting centres. There are 12 out of 30 sucos without financial services access points, listed below:

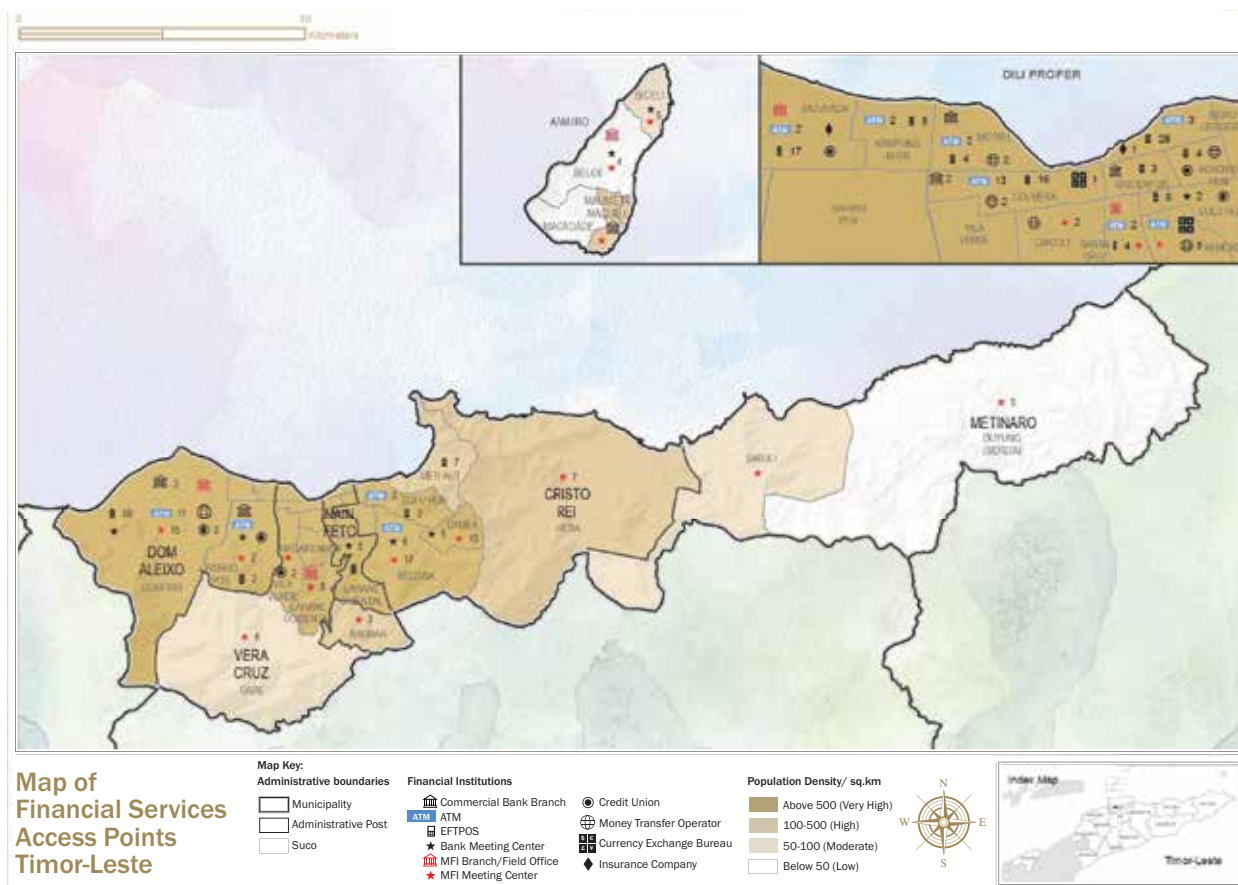
- High population density suco: Camenaça
- Moderated population density sucos: Taroman and Zulo
- Low population density sucos: Fatululic, Belulik Leten, Fatumea, Nanu, Dato Tolu, Labarai, Lour, Mape, Ucecai

Covalima hanesan munisípiu ida ne'ebé mak do'ok hosi Dili, 203 km entre cidade munisípiu sira, ligadus ho estrada ho qualidade ladun diak. Difikuldade ba asesu mós impaktu hosi servisu finanseira. 2 hosi 7 postu administrativu, Fatumean no Fatululic, laiha pontu asesu finanseira, enkuantu Foroheh serve hosi sentru reniaun IMF. Iha suku 12 hosi suku 30 ne'ebé mak laiha pontu servisu finanseira, hanesan lista tuir mai

- Suku ho número populusaun aas: Camenaça
- Suku ho número populusaun ladun aas: Taroman and Zulo
- Suku ho número populusaun kiik: Fatululic, Belulik Leten, Fatumea, Nanu, Dato Tolu, Labarai, Lour, Mape, Ucecai

Map 8

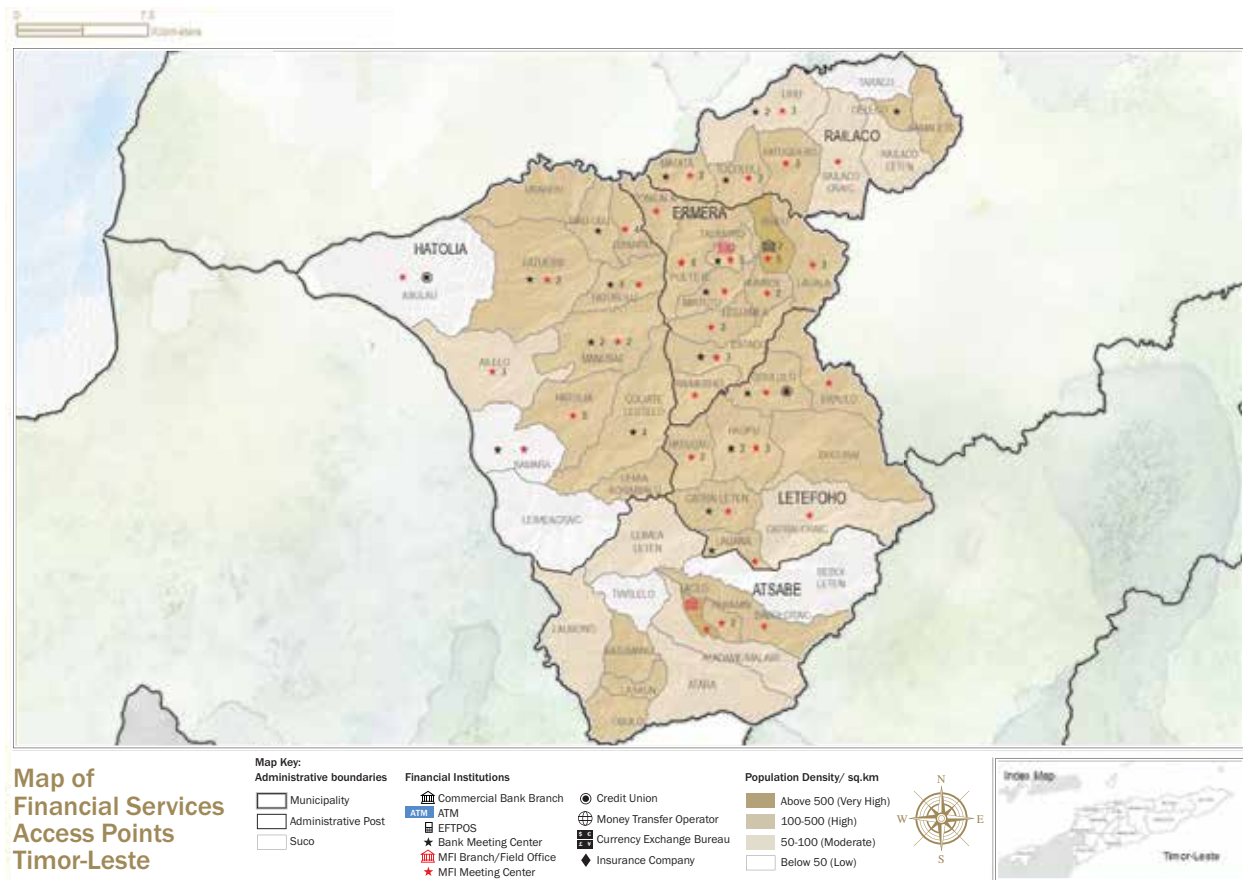
Dili Municipality



Dili, the capital of Timor-Leste is the smallest municipality in the country by land area and it is the most highly populated one. Most of the government offices and businesses activities are concentrated in Dili. This concentration is also reflected in the presence of financial services access points, as all four banks are operating in Dili, as well as the full range of other financial service providers. For example, insurance company offices are available only in Dili. The financial services access points are present in all administrative posts and sucos, however, the least populated Metinaro administrative post is only served by MFI meeting centers.

Dili hanesan kapitál ba Timor-Leste ne'ebé munisípiu mak kiik liu iha nasaun ne'e ho ninian area ho populasaun mak aas tebes. Maioria edifísiu governu nian no atividade negósiu konsentradu iha Dili. Konsentrasaun ne'e reflektá mós prezensa hosi pontu asesu ba servisu finanseira hosi banku 4 ne'ebé opera iha Dili, hanesan mós prestadór servisu finanseiru sira seluk. Exemplu mak edifísiu husi kompañia seguru disponível iha Dili deit. Pontu asesu ba servisu finanseiru prezensa iha postu administrativu no suku hotu, postu administrativu ho populasaun kiik serve deit hosi sentru reniaun IMF nian.

Map 9 Ermera Municipality

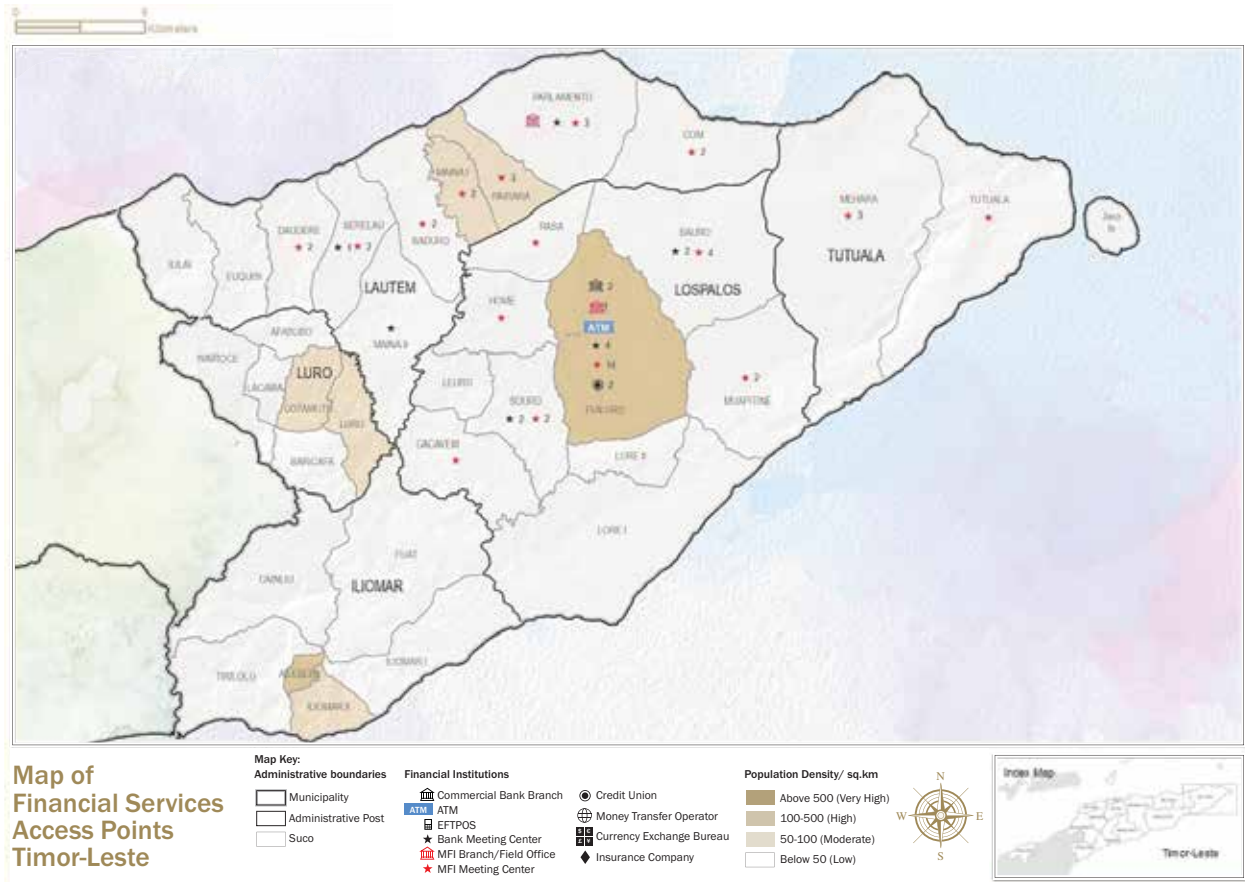


Financial services access points are quite well distributed in Ermera municipality, covering all 5 administrative posts. The Atabae administrative post only has MFI access points. Despite the large number of sucos, 52 in total, only 16 sucos do not have any financial services access point. The 16 sucos are:

- High population density sucos: Batumanu, Lasaun, Obulo, Ducurai, Leimea Sorimbalu, Urahou, Samalete
- Moderated population density sucos: Atadame/ Malabe, Atara, Laubono, Leimea Leten, Railaco Leten
- Low population density sucos: Baboi Leten, Tairlelo, Leimea Craic, Taraço

Pontu asesu ba servisu finanseiru ninian distribuisaun diak mak iha iha munisipál Ermera, kobre postu adminstrativu 5 ne'e hotu. Postu Administrativu Atabae iha deit pontu asesu ba IMF. Mézmuke iha númeru suku mak bo'ot, maibe iha deit suku 16 mak laiha pontu asesu ba servisu finanseiru. Suku 16 mak tuir mai ne'e

- Suku ho númeru populasau aas: Batumanu, Lasaun, Obulo, Ducurai, Leimea Sorimbalu, Urahou, Samalete
- Suku ho númeru populasau ladun aas: Atadame/ Malabe, Atara, Laubono, Leimea Leten, Railaco
- Leten, Suku ho númeru populasau kiik: Baboi Leten, Tairlelo, Leimea Craic, Taraço



Lautem is the eastern municipality of the country, with a distance of 199kms between the main town of Lautem and the capital Dili. In Lautem, three of the five administrative posts have at least one type of financial services access point, Luro and Iliomar administrative posts are not served by any financial services access points, while Tutuala is covered just by MFI meeting centers. There are 17 sucos of 34 sucos with no financial services access points with 12 of these sucos coming from Luro and Iliomar. The 17 sucos are:

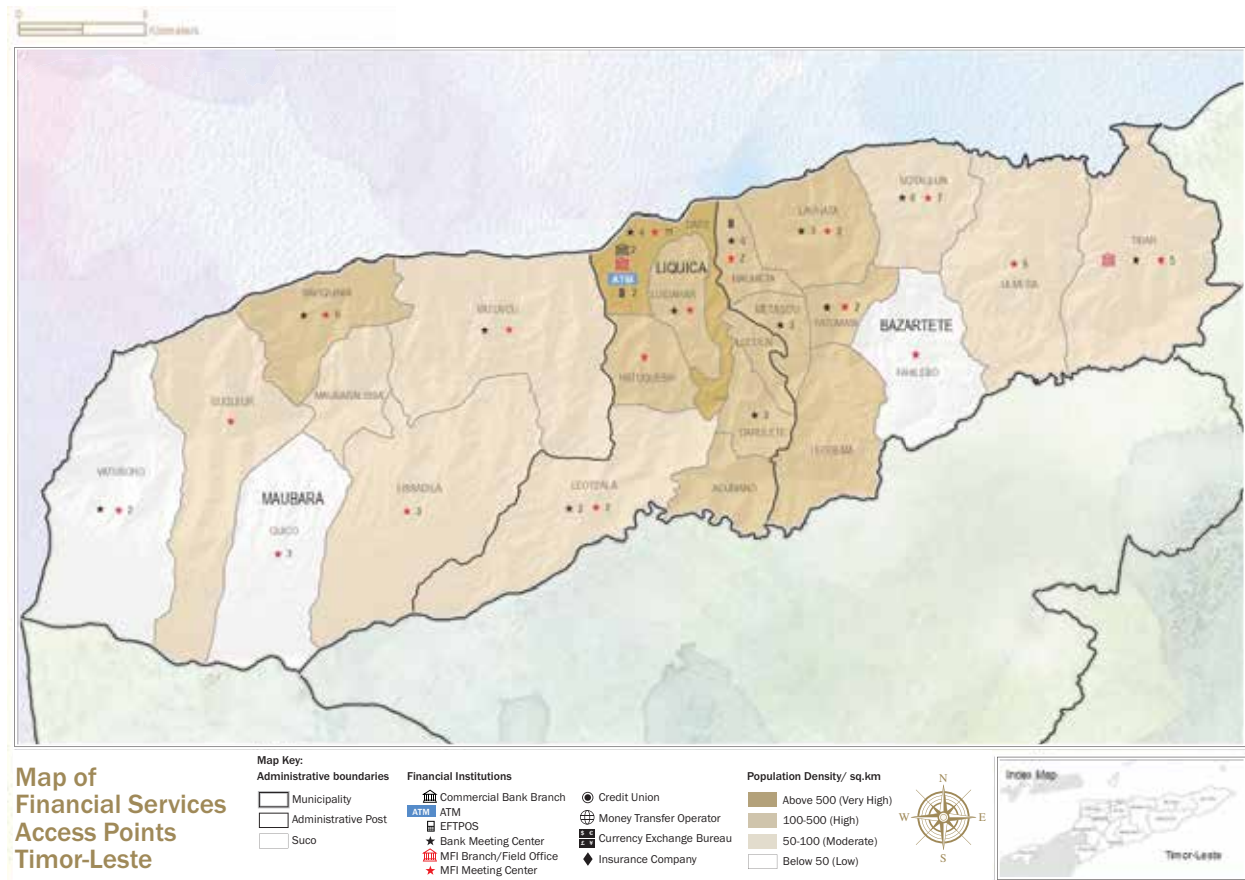
- High population density suco: Ailebere
- Moderate population density sucos: Iliomar II, Cotamuto, Luro
- Low population density sucos: Leuro, Lore I, Lore II, Euquisi, Ililai, Cainliu, Iliomar I, Tirilolo, Afabubu, Baricafa, Lacawa, Vairoque, Fuat

Lautem hanesan munisipál iha parte leste iha nasaun ne'e, ninian distansia 199 kms entre sidade prinsipál no capital Dili. Iha Lautem, postu administrativu 3 hosi postu administrativu 5 mak iha ona pelumenus tipu 1 pontu asesu ba servisu finanseiru, postu administrativu Luro no Iliomar laiha pontu asesu ba servisu finanseiru, maibe postu administrativu Tutuala iha deit sentru reniaun IMF. Iha suku 17 hosi suku 34 mak laiha pontu asesu ba servisu finanseiru ne'ebé suku 12 mai hosi Luro no Iliomar. Suku 17 mak tuir mai ne'e:

- Suku ho númeru populasau aas: Ailebere
- Suku ho númeru populasau ladun aas: Iliomar II, Cotamuto, Luro Leten
- Suku ho númeru populasau kiik: Leuro, Lore I, Lore II, Euquisi, Iilai, Cainliu, Iliomar I, Tirilolo, Afabubu, Baricafa, Lacawa, Vairoque, Fuat

Map 11

Liquiçá Municipality



Liquiçá municipality is the second smallest municipality by land area, and all its administrative posts have at least 2 types of financial services. There are only three sucos without financial services access points, which are:

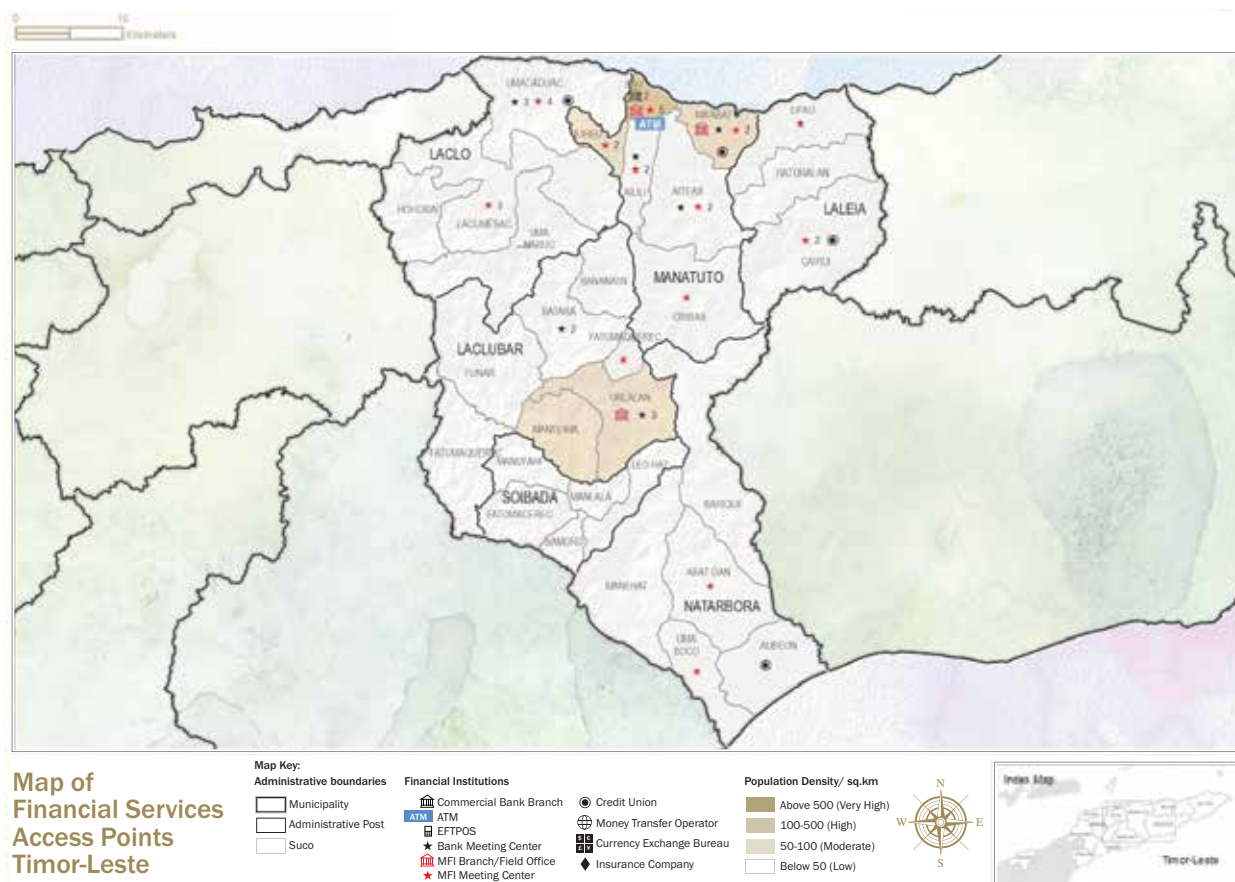
- High population density sucos: Acumano and Leorema
- Moderate population density suco: Maubaralissa

Munisipál Liquiçá hanesan munisípiu kiik daruak haree hosi luan rai ka área territoriál no postu administrativu hotu iha ona pelumenus tipu 2 pontu asesu ba servisu finanseiru. Iha deit suku 3 maka sedauk iha pontu asesu ba servisu finanseiru hanesan tuir mai ne'e:

- Suku ho númeru populasau aas: Acumano no Leorema
- Suku ho númeru populasau ladun aas: Maubaralissa

Map 12

Manatuto Municipality



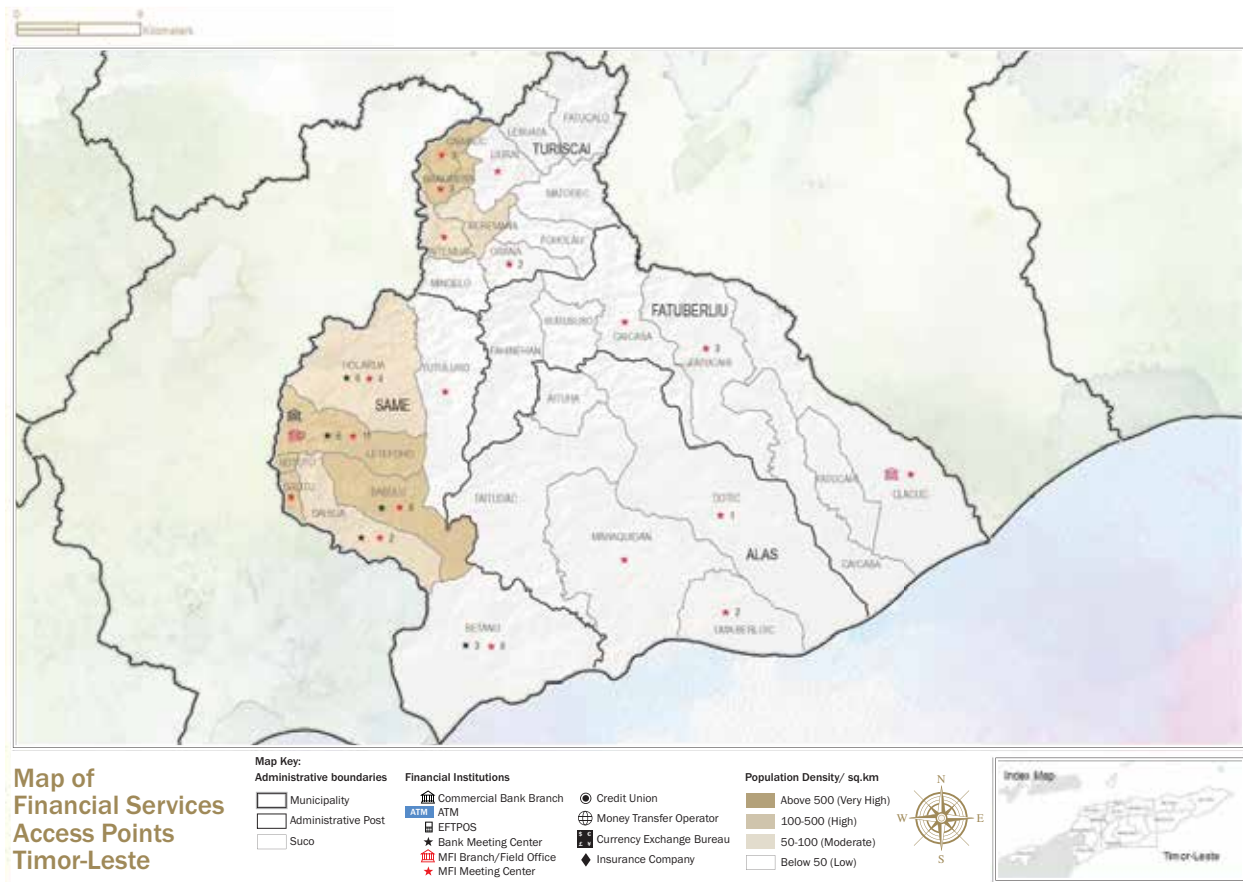
Manatuto is the only municipality that crosses from the north to the south coast. It is the third largest by land area, and has the lowest population density in the country. There is no financial services access point in Soibada administrative post, but the other five administrative posts have at least two types of financial services access points each. The 13 of the 29 sucos without financial services access points are:

- Moderate population density suco: Manelima
- Low population density sucos: Barique, Manehat, Hohorai, Uma Naruc, Funar, Sanana' In, Haturalan, Fatumacerec, Leohat, Manlala, Manufahi, Samoro

Manatuto hanesan munisípiu ida mak úniku tebes tamba ninian luan kobre hosi norte to'o kosta sul. Munisípiu ne'e mós hanesan munisípiu ba datolu ho área territoriál/ rai mak luan, número populasaun ladun aas iha nasaun ne'e. Ba postu administrativu Soibada laiha pontu asesu ba servisu finanseiru, maibe postu administrativu 5 seluk iha ona pelumenus tipu 2 pontu asesu ba servisu finanseiru. Suku 13 hosi suku 29 laiha pontu asesu ba servisu finanseiru hanesan tuir mai ne'e:

- Suku ho número populasaun ladun aas: Manelima
- Suku ho número populasaun kiik: Barique, Manehat, Hohorai, Uma Naruc, Funar, Sanana' In, Haturalan, Fatumacerec, Leohat, Manlala, Manufahi, Samoro

Map 13 Manufahi Municipality



All administrative posts in Manufahi are covered by financial services, but Turiscaí, Alas and Clacuc are only served by MFIs. The 13 of 29 sucos with no financial services access points are:

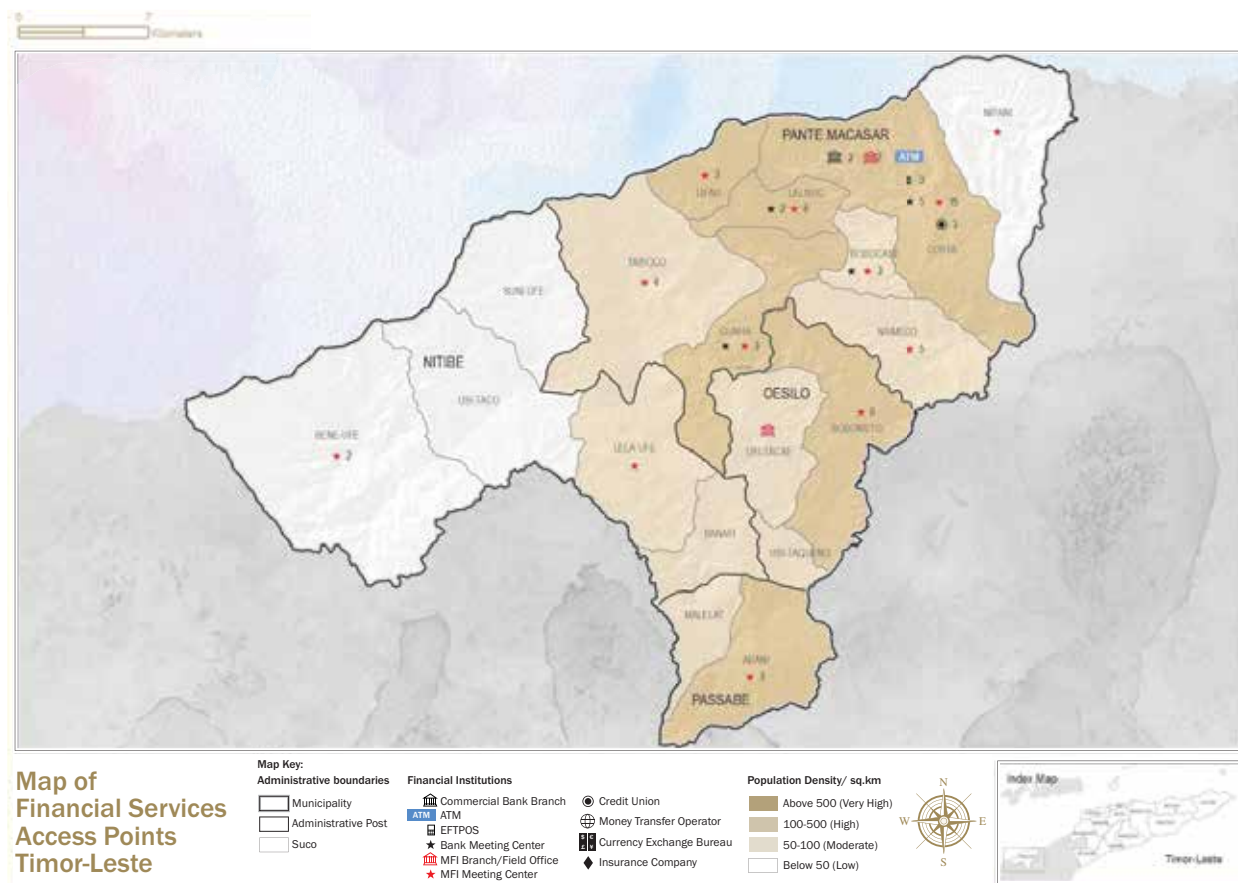
- High population density suco: Rotuto
- Moderate population density suco: Beremana
- Low population density sucos: Aituha, Taitudac, Bubususo, Caicassa, Fahinehan, Fatucahi, Fatucalo, Foholau, Lesuata, Matorec, Mindelo

Postu administrativu hothotu iha munisípiu Manufahi kobre ona husi servisu finanseira, maibe Turiscaí, Alas no Clacuc mak serve deit husi IMF. Hosi suku 29 iha deit suku 13 mak sedauk iha pontu asesu ba servisu finanseiru hanesan tuir mai ne'e:

- Suku ho número populasaun aas: Rotuto
- Suku ho número populasaun ladun aas: Beremana
- Suku ho número populasaun kiik: Aituha, Taitudac, Bubususo, Caicassa, Fahinehan, Fatucahi, Fatucalo, Foholau, Lesuata, Matorec, Mindelo

Map 14

Special Administrative Region Oé-Cusse Ambeno



In the special administrative region of Oé-Cusse Ambeno bank access points are only available in Pante Macasar administrative post, while Passabe and Nitibe only served by MFI meeting centers. The 5 sucos without financial services access points are:

- Moderate population density sucos: Banafi, Usi-Taqueno, and Malelat
- Low population density sucos: Usi-Taco, Suni-Efe

The region also has the highest concentration of savings groups; there were 170 savings groups were found to be in operation in 2014 (not shown in the map).

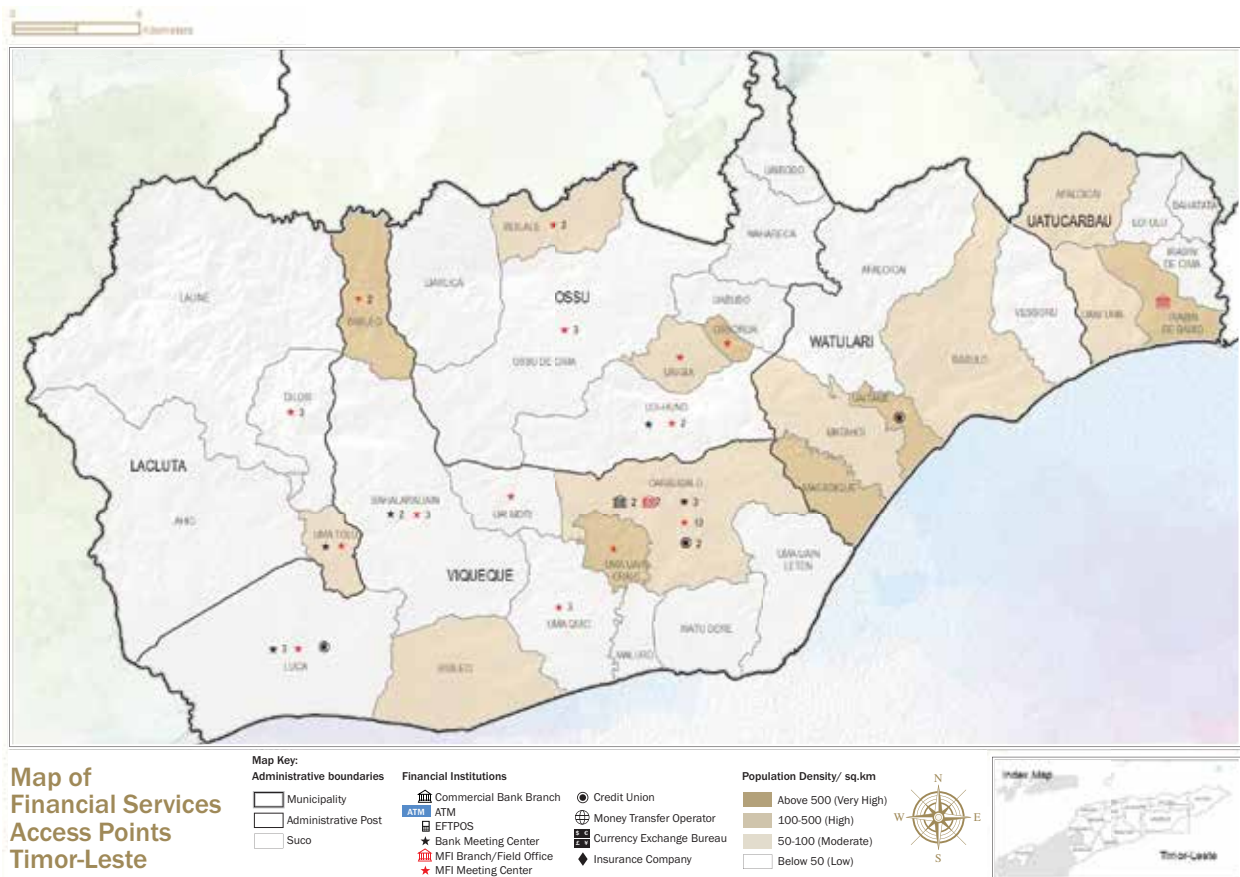
Iha Região Administrativa Especial de Oé-Cusse Ambeno, pontu asesu ba servisu banku iha deit iha postu administrativu Pante Macasar, maibe Passabe no Nitibe serve deit husi sentru reniaun IMF nian. Suku 5 mak sedauk iha pontu asesu ba servisu finanseiru hanesan tuir mai ne'e:

- Suku ho número populasaun ladun aas: Banafi, Usi-Taqueno, no Malelat
- Suku ho número populasaun kiik: Usi-Taco, Suni-Efe

Região ne'e mós iha konsentrasaun aas ba grupu poupança; iha 170 grupu poupança ne'ebé deskobre hahú funsioana iha tinan 2014 (lahatudu iha mapa ne'e).

Map 15

Viqueque Municipality



In Viqueque, the largest municipality by land area, all administrative posts are served by financial services access points. However Watulari administrative post has only one credit union and Uatucarbau, one MFI branch. The 20 of the 35 sucos without any type of financial services access points are:

- High population density suco: Macadique,
- Moderated population density sucos: Afaloicai (Uatucarbau), Uani Uma, Babulo, Matahoi and Bibileo
- Low population density sucos: Bahatata, Loi Ulu, Irabin de Cima, Vessoru, Afaloicai (Watulari), Uaibobo, Nahareca, Uabubo, Liaruca, Laline, Ahic, Maluro, Watu Dere, Uma Uain Leten

Iha Viqueque, munisípiu ne'ebé boot liu husi área rai nian, postu administrativu hothotu hetan asisténsia liuhosi husi pontu asesu husi servisu finanseiru. Maibé postu administrativu Watulari iha uniaun de-kréditu no Uatucarbau, iha sukursál ida husi IMF. Iha suku nain 20 resin husi suku 35 laiha pontu asesu ba kualkér tipu servisu finanseiru ne'ebé mak hanesan tuir mai ne'e:

- Suku ho número populaasaun aas: Macadique
- Suku ho número populaasaun ladun aas: Afaloicay (Uatucarbau), Uani Uma, Babulo, Matahoi no Bibileo
- Suku ho número populaasaun kiik: Bahatata, Loi Ulu, Irabin de Cima, Vessoru, Afaloicai (Watulari), Uaibobo, Nahareca, Uabubo, Liaruca, Laline, Ahic, Maluro, Watu Dere, Uma Uain Leten

2.2.

Mobile Banking Vans (MBVs) – Banco Nacional de Comércio de Timor-Leste (BNCTL) and Bank Mandiri

Mobile Banking Vans (MBVs) is an innovative delivery channel to provide financial services to communities in the country. Due to its mobile nature, this approach is one of the solutions adopted by banks to move around and reach areas which are not covered by bank branches or meeting centres. Currently, there are 2 banks offering MBVs in Timor-Leste, Banco Nacional de Comércio de Timor-Leste (BNCTL) and Bank Mandiri.

2.2.

Banku Movél Van (BMV) Banco Nacional de Comércio de Timor-Leste (BNCTL) no Bank Mandiri

Banku Movél Van (BMV) ne'e hanesan inovativu kanál distribuisaun a hodi oferese servisu finanseiru ba comunidade iha nasaun laran. Servisu ne'e rasik, hanesan aprosimasaun ida ba solusaun ne'ebé adopta husi banku hodi buka tuir área hirak ne'ebé mak la tama ba ajénsia husi banku sira ka sentru reniaun. Agora ne'e, iha ona banku 2 oferese MBVs iha Timor-Leste, mak hanesan Banco Nacional de Comércio de Timor-Leste (BNCTL) no Bank Mandiri.

Mobile Banking Van Infographic

Infográfiku Banku Movél Van



i. BNCTL has been operating MBVs since 2012, where six MBVs were launched with funding provided by the Government from the 2011 State Budget to serve several areas in the country. The MBVs offer key banking services such as payment or withdrawals of government or social benefits, deposits including those for Ha'u-nia Futuru,⁹ transfers, receiving credit application and repayments, disbursement of rural or group loans, and salary payment in predefined areas. Currently, BNCTL operates 14 MBVs and its volume of transactions reach over 12,000 transactions per month in total. Each vans covers about 17 sucos or aldeias¹⁰ per month, enabling them to reach 238 areas in total. The bank has

⁹ A children savings product

¹⁰ Sub-villages that make up sucos

i. BNCTL uza tiha ona BMV hodi halo operasaun desde 2012, iha BM hamutuk 6 mak finansia hosi Governu hosi Orsamentu Gerál Estadu ba tinan 2011 hodi serve área balun iha nasaun ne'e. BMVs oferese servisu prinsipál banku nian hanesan pagamentu ka foti pagamentu hosi governu ka benefísiu social nian, depóztu inklui ba konta Hau-nia Futuru,⁹ transferénsia, simu aplikasaun ba krédit no selu fila-fali krédit, pagamentu empresta ba rural ka grupu, no pagamentu saláriu ba área hirak ne'ebé difini ona. Agora daudaun BNCTL iha ona 14 MBV ho nia volume tranzasaun sira aas liu to'o total 12,000 tranzasaun ba kada fulan. Kareta idaidak kobre hamutuk 17 suku ka aldeia¹⁰ kada fulan, ne'e bele fó possibilidade ba sira atu bele kobre to'o

⁹ Produto poupança ba labarik

¹⁰ Aldeia kiik sira hamutuk sai suku

taken the measures to equip the units with safety features and enhanced telecommunication with headquarters to allow further outreach into the rural areas.

- ii. Bank Mandiri is the latest bank to venture into the deployment of MBVs to serve its clients beyond its branches in Dili to the people in the other administrative posts. Currently finalising all set-up and telecommunications concerns, the MBVs are expected to roll out their operations by August 2016. The MBVs will provide services for deposit and withdrawals up to a maximum of USD1,000.00, and also offer services particularly to school and university students to make payment for tuition fees. Bank Mandiri plans to cover the Dili District, where 1 school and 3 universities are present, and with scheduled visits of 3 times a week.

2.3

E-wallet

E-wallet, a form of digital wallet which allows consumers to make electronic financial transactions, is another new approach adopted to increase outreach of financial products and services for consumers. In Timor-Leste, this product is currently offered by Caixa Geral de Depósitos, SA Timor-Leste Branch (CGD/BNU) which was officially launched in March 2015, after pilot runs commenced in November 2014. This product offers services such as transfers between CGD/BNU accounts, including e-wallet to e-wallet or current to e-wallet, purchase of Pulsa prepaid top-up for phone credit, check account balances, transactions status and International Bank Account Numbers (IBAN) for current accounts. There are currently 1,573 clients registered for this product, and an average of 2,000 transactions is performed using this product every month. The e-wallet product is a promising strategy to enhance financial inclusion as there are about 1.5 million registered mobile subscriber accounts in the country, a number which is higher than the total population, signifying a wide penetration of mobile phone users.

238 áreas iha totál. Banku ne'e possibilidade ba sira atu bele to'o 238 áreas iha total. Banku ne'e rasik foti ona medida atu hodi kompleta unidade sira di'ak liu no mellora liutan telekomunikasaun ho sentru operasaun hodi bele kobre liutan to'o área rural sira.

- ii. Banku Mandiri mak hanesan banku ida ne'ebé ikus liu iha aventura operasaun husi BMV sira hodi serve ninia kliente liuhusi nia ajénsia sira iha Díli ba ema seluk iha postu administrativu sira. Agora daudaun Bank Mandiri finaliza hela preparasaun hotu inklui mos telekomunikasun BMV sira hein katak atu halo hotu (roll out) sira nia operasaun iha fulan agostu 2016. MBVs sei oferese servisu ba depóztu no levantamento osan to'o másimu USD1,000.00, no mós oferese servisu partikular ba estudante eskola sira no universidade atu halo pagamentu ba eskola sira. Banku Mandiri planu atu kobre distritu Díli, ne'ebé kobre ona eskola 1 no universidade 3 ho ninia oráriu vizita nian mak dala 3 iha semana ida.

2.3

E-wallet (Karteira Eletrónica)

E-wallet, hanesan forma hosi karteira digitál ne'ebé permite konsumidór bele realizar transasaun financeira liuhusi eletrônica, ne'e hanesan aprosimasaun foun ne'ebé mak adopta atu hodi aumenta produtu finanseiru sira hodi servi konsumidór sira. Iha Timor-Leste, produtu ida ne'e agora daudaun oferese husi Caixa Geral de Depósitos, SA (CGD) Timor-Leste (BNU/CGD) ne'ebé mak uluk oficialmente hasai iha fulan marsu 2015, liu tiha pilotu iha novembru 2014. Produtu ida ne'e nia servisu mak hanesan transferénsia entre konta BNU nian, inklui e-wallet ho e-wallet ka agora dadaun ba e-wallet, sosa Pulsa pre-pagu top-up ba telemóvel, check konta bankária, transferénsia sira no International Bank Account Numbers (IBAN) ba konta korrente. Agora dadaun kliente sira hamutuk 1,573 ne'ebé rejista ba produtu ne'e, ho total 2,000 tranzasaun sira ba fulan ida ne'ebe hatudu husi uza produtu ne'e kada fulan. Produtu e-wallet hanesan estratégia ida ne'bé promissora hodi hasa'e inkluzi finanseiru, ne'ebé iha ona 1.5 millaun rejistu telemóvel sai nu'udar konsumidór ativu iha nasaun laran, número ida ne'ebé aas liu totál populusaun, ne'e hatudu katak iha penetrasaun ne'ebé aas hosi usuáriu telemóvel sira.

2.4

Internet Banking

In line with developments in the financial sector, internet banking services were also introduced in Timor-Leste, with the first initiative rolled out in January 2013 by ANZ Bank. The bank offered access to internet banking services to existing account holders without additional charges. The service enables customers to make transfers between accounts held within ANZ Bank, fund transfers to other banks, payroll functions, international transfers and retrieving bank statements online. ANZ Bank has 2,500 registered users and the volume of transaction ranges from 600 to 800 per month.

In the experience of CGD/BNU, which launched their internet banking initiative called BNUdireto in February 2016, this platform is serving 700 individuals and 33 enterprises with the estimated volume of transaction reaching 1,500 to 2,000 per month. The types of services offered by BNUdireto include checking account balances and statements, retrieving and downloading transaction details, transferring domestic and international funds, and retrieving and cancellation of cheques or debit cards. Consumers are also able to consult exchange rates for purchase and sale of currencies, purchase of Pulsa prepaid top-up for phone credit and perform direct debit. BNUdireto is available in Portuguese or English and aims to better serve customers by providing a dedicated direct customer contact line to assist and respond to customer query.

2.5

Savings Groups

Savings groups are also another form of non-bank institution which can potentially contribute to financial inclusion. They provide members with a safe place to save and the opportunity to borrow in small amounts and on flexible terms. Due to the positive benefits it brings to communities, various international organisations have supported the establishment and growth of savings groups in the

2.4

Internet Banking

Liga ho dezvoltamentu iha sektór finanseiru, servisu internet banking mós uluk introdúz iha Timor-Leste, ho iniciativa dahuluk hala'o iha fulan janeiru 2013 liuhusi banku ANZ. Banku ne'e oferese asesu ba servisu Internet Banking atu habelar ema ne'ebé uza konta bankária sei lahetan kustu adisionál. Servisu ne'e bele halo konsumidor sira atu halo transferénsia entre konta bankária ne'ebé mak loke iha banku ANZ nia laran, fundu transferénsia ba banku seluk, funsaun pagamnetu ba saláriu, transferénsia internacional no bele hetan estratu konta online. Iha tinan 2016, banku ANZ agora iha ema ne'ebé uza rejistu ona hamutuk 2,500 no volume tranferénsia sa'e husi 600 to'o 800 ba kada fulan.

Iha esperiéncia husi CGD BNU, ne'ebé hala'o sira nia internet banking ho naran BNUdireto iha febreiru 2016, plataforma ida ne'e serve ba individual hamutuk 700 no 33 kompañia ho volume estimativa ba transaferénsia sa'e to'o 1,500 to'o 2,000 kada fulan. Tipu de servisu sira oferese husi BNUdireto inklui check osan iha konta bankária no retrieving bank statements online sei hetan fali transferénsia detallada, transferénsia doméstika no fundu internasionál sira, no hetan fila fali anulasaun husi check ka kartaun débitu. Konsumidór sira mós bele konsulta kona presu ba kámbiu hodi sosa no fa'an valór, sosa pulsa pré-pagu top-up ho kréditu telemóvel no halo deve diretu. BNUdiretu, ne'ebe disponível ho lian português ka inglês, ho objetivu atu serbi didi'ak konsumidór sira ne'ebé oferese no dedika diretamente númeru kontaktu konsumidór atu ajuda no responde ba kustu sira nia husu.

2.5

(Grupu Rai Osan/Poupansa)

Grupu Rai Osan hanesan mós formatu ida husi instituisaun la'ós-banku (nonbanking) ne'ebé mak iha poténsia atu kontribui ba adisional finanseira. Sira oferese fatin ne'ebé seguru no oportunidade ho monante ne'ebé ki'ik no termu ne'ebé fleksível. Bazeia ba parte pozitivu nian ne'e lori organizasaun

country, including the United Nations Development Program, Oxfam, World Vision, World Neighbours/ Seeds of Life, and Care International. A study done in the country in 2014 revealed that there were 329 groups operating in 9 municipalities and in the special administrative region of Oé-Cusse Ambeno with over 6,000 members. The most apparent of these groups are those concentrated in Oé-Cusse, where the United Nations Development Program has spearheaded a project, resulting in the establishment of 170 groups with over 3,900 members.¹¹ Some of the projects to support savings groups have ended and the savings groups continue to operate independently. However, the ending of the projects has led to challenges in consolidating data on the operation of savings groups.

2.6

Key Takeaways

In conclusion, access to financial services is a precondition for financial inclusion which must not be disregarded. There are many factors which will contribute to the advancement of financial access in the country. This includes identification of administrative posts and sucos, and the continued collaboration with bank and non-bank financial service providers to find opportunities to serve areas not yet served by financial access points. The nurturing of a more inclusive financial sector includes adopting alternative delivery channels in addition to regular branches, and innovative delivery channels to enhance outreach of financial services. It is then important to apply a structured approach to continue to measure access indicators to benchmark the country's achievement and assess progress of financial inclusion over time.

¹¹ Matthews, Brett Hudson (2014). State of the Savings Group.

oioin ba comunidade hodi suporta estabilidade no hamoris liutan grupu iha rai laran, inklui mós Programa Dezenvolvimentu Nasoens Unidas nian, Oxfam, World Vision no Care International. Estudu ida ka peskiza ida halo hotu iha tinan 2014 hatete katak uluk iha 329 grupu bá halo operasaun iha munisípiu 10 hosi munisípiu 13 ne'ebé ho membru liu 6,000. Ida ne'ebé mósu barak liu mak grupu hirak ne'ebé konsentra iha Oecusse, iha ne'ebé Programa Dezenvolvimentu Nasoens Unidas hala'o tiha ona projetu ida, rezultadu estabesimentu ne'e husi grupu 170 no membru liu 3,900.¹¹ Projeitu grupu poupanza seluk ramata ona sira nia atividade no grupu poupanza balun kontinua atividade independenti. Maibe ho ramata projeitu ne'e, hamosu dezafiu iha konsolidasaun ba dadus kona-ba atividade grupu poupanza sira ne'e.

2.6

Ponto ka hanoin prinsipál

Ninian konkluziun mak, asesu ba servisu finanseiru ne'e hanesan kondisaun dahuluk ba inkluziun finanseira ne'ebe tenki konsidera. Iha mós fatór barak ne'ebé sei fó kontribuisaun ba avansu husi asesu finanseiru iha rai laran. Identifikasaun ida-ne'e inklui postu administrativu no-mós suku sira, no kontinuaasaun kolaborasaun ho banku no forneseidór servisu finanseira la'os-banku servisu hodi buka oportunidade ba área sira ne'ebé seidauk iha pontu asesu finanseiru. Dezenvolve liutan ba inkluziun finanseira inklui adaptasaun husi alternativu kanál distribuissau hanesan adisionál hosi regula ajénsia/surkusál mak iha, no halo inovasaun ba kanál distribuissau hodi bele aumeta liutan progresu servisu finanseiru. Tuir mai persiza aplika aprosimasaun estruturada ida atu kontinua sukat indikadór asesu sai hanesan referênsia hodi sukat prestasaun ne'ebé nasaun hetan no asesu progresu asesu inkluziun finanseira hosi tempu ba tempu.

¹¹ Matthews, Brett Hudson (2014). State of the Savings Group.



Chapter
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Financial Inclusion Indicators:

Usage Indicators

Indikadór Inklusaun Financeira: Indikadór Utilizasaun



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Pontu ka hanoin prinsipál



The advancement of financial inclusion relies on another important element, the effective participation of all segments of the society in the financial sector. The presence of access points alone is not sufficient to ensure inclusiveness. Furthermore, it would be futile to have many financial access points if society do not utilise the products and services to meet their financial needs. Given its importance, BCTL has also accorded priority for using usage indicators to measure financial inclusion in the country. Usage indicators give insight to the clients' demographics and how they use financial services, and the statistical evidence can support future policy-making and target setting.

3.1

Usage Indicators

Central to usage indicators is the number of people or total population who uses financial services provided by bank or non-bank providers. This measurement of take-up of financial services gives an overview of the penetration of financial products and services in the country. In Timor-Leste, the data collected in June 2016 found that there are 422,941 clients with accounts at banks, MFIs and credit unions. Given this figure, it is estimated that about 42%¹² of the population (or 68% of adult population) use financial products and services.

¹² This estimation is derived from total clients over total population. Due to data constraints, the statistics collected do not identify unique users, hence individuals with multiple accounts at different institutions would be counted multiple times.

Progresu Inkluziun Finanseira atu la'o ba oin sei depende ba elementu seluk ne'ebé importante, hanesan partisipasaun efetiva husi populasau hotu-hotu iha setór finanseiru. Prezensa husi de'it pontu asesu ne'e rasik sei lasuficiente atu asegura inkluzividade. Liután ne'e nia sei la sai útil/saugati iha pontu asesu finanseira barak maibé se sociedade lautiliza produktu no serbisu sira ne'e ba sira-nia nesesidade finanseira. Haree ba ninia importánsia, BCTL fó prioridade hodi bele utiliza indikadór atu bele sukat inkluziun finanseira iha nia nasaun laran. Indikadór ba uzu fó vizaun ba demográfia kliente nian atu oinsá mak-sira uza servisu finanseiru no husi evidénsia estatítika bele fó apoio atu halo desizaun polítika no estabele alvu iha futuru.

3.1

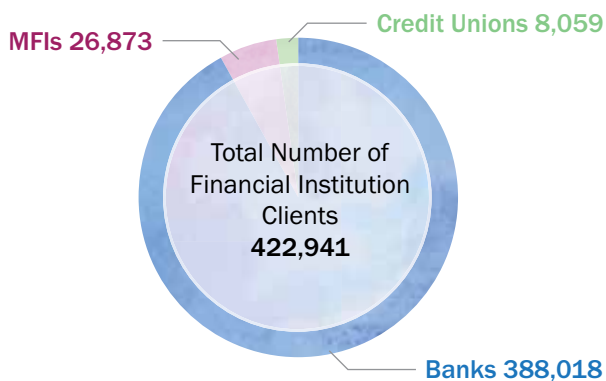
Indikadór Utilizasaun

Utilizasaun indikadór sentraliza ba númeru totál populasau ne'ebe uza servisu finanseiru ne'ebe fornese husi banku ka la'ós-banku (naun-Banku). Medida ida-bé konsentra ba aseitasaun servisu finanseiru ne'e fó vizaun jerál kona-bá oinsá penetrasau produktu no serbisu finanseiru iha nasaun laran. Dadus ne'ebé halibur iha Timor-Leste hosi fulan Juñu tinan 2016 hatudu katak iha tinan ida ne'e nia laran kliente hamutuk 422,941 mak loke konta iha banku, IMF's no

Number of Clients

in the Financial System

Númeru kliente Sistema Finanseiru nian



3.1.1 Usage of Regulated Financial Services by Banks

The largest share of clients in the financial system is held by banking institutions, with a total of 388,018 clients. A large majority of the clients are individuals, comprising 96.5% of total clients at banking institutions, while corporate clients make up the remaining 3.5%. A look into the breakdown of the gender of the individual clients found that a slightly higher percentage of males are using financial services by banks compared to females, accounting for 52% of total banking clients, compared to 48% of female clients.

CUs/Kréditu Kooperativu. Hosi númeru ne'e bele halo estimasaun katak kuaze 42%¹² hosi populasau uza ona produtu no serbisu finanseiru.

3.1.1 Utilizasaun Servisu Finanseiru Reguladu hosi Banku

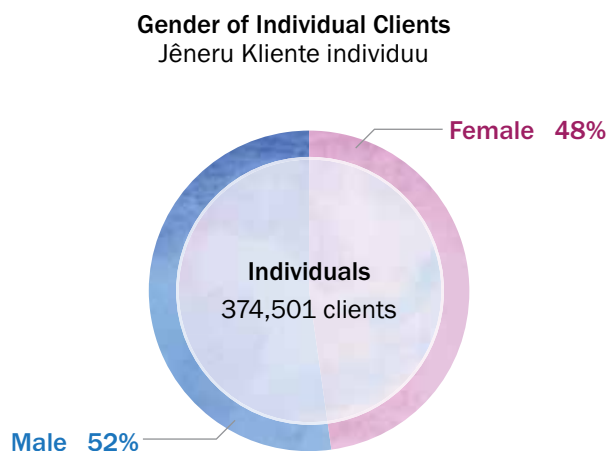
Proporsaun boot husi kliente iha sistema finanseira ne'e hala'o hosi instituisaun bankária sira ho total kliente hamutuk 388,018. Maioria boot klientes ne'e mak ema individuál ne'ebé hamutuk 96,5 % mai hosi total kliente iha instituisaun bankária, enkuantu kliente korporativu hamutuk 3,5%. Haree ba kolapsu ka dezagregasaun kona-ba jéneru ba kliente ida-idak hetan persentajen ida-ne'ebé aas-liu uitoan mane ne'ebé uza serbisu finanseiru hosi banku kompara ho feto, hamutuk 52% husi total kliente bankária, kompara ho 48% husi kliente feto.

¹² Estimativa ne'e mai husi total kliente kompara ho total populasau. Tamba limitasaun ba dados, dados estatistika mak rekolla la bele identifika utilizadór úniku, tamba ne'e, individu u sira ho konta barak iha instituisaun finanseira diferente bele konta várias vezes.



Breakdown of Banking Institution Clients

Detallu Kliente Instituisaun Bankária



Deposit accounts¹³ are the most popular financial product offered by banks with a take-up of 387,063 accounts. Deposits accounts have the utmost importance in the day to day lives of society as it allows people to transact, and save for short, medium or long term goals. Similarly, deposit accounts are also important to businesses for transacting, retaining profits and reinvestments. The penetration of loan services by banks is much lower than that of deposit accounts, amounting to 21,177 accounts. In addition to deposits and loans, banks also offer the specialised Ha'u-nia Futuru (HNF)¹⁴ product which is catered for the younger generation to encourage them to save. A total of 3,802 HNF accounts are maintained at banking institutions. Driven by the high take-up of deposit accounts, the penetration of regulated financial services offered by banks is the highest in the financial system, compared to unregulated financial services.

¹³ Deposit accounts include savings, time and demand deposits.

¹⁴ A savings product offered to children up to 17 years old.

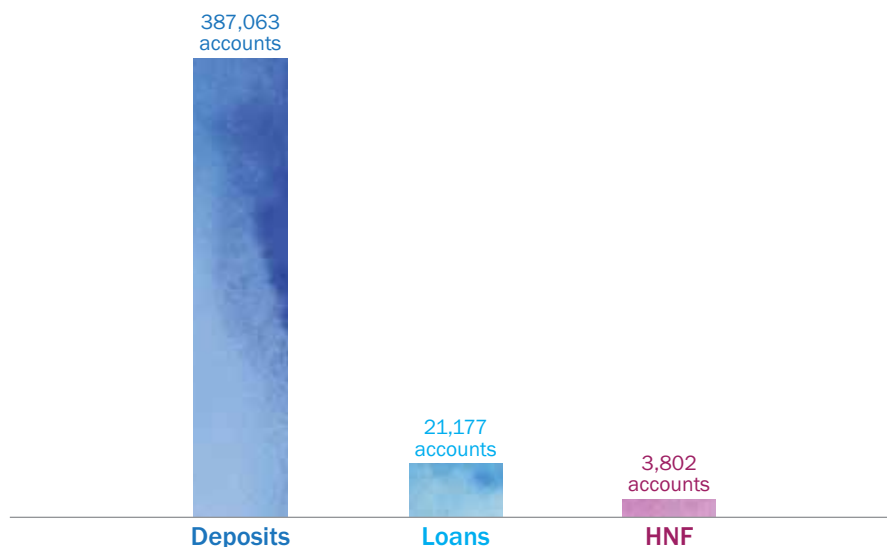
Konta depóztu¹³ mak hanesan produktu finanseiru oferta husi banku ida-bé populár liu ho atinje ona 387.063 konta. Konta depóztu iha kapitál ninia importánsia ba moris loron-ba-loron iha sosiedade nian hanesan meios ida permite ema atu hala'o transasaun, no depóztu tempu-badak, médiu no tempu-naruk nian. Hanesam mós, konta depóztu mós importante atu hala'o bisnis ba tranzasaun, lukru retidu no investimentu. Penetrasaun servisu Impréstimu husi banku sira ki'ik-liu konta depóztu, soma hamutuk konta 21.177. Iha aumenta ba depóztu no Impréstimu, banku mós oferese produktu espesializadu "Ha'u-Nia Futuru" (HNF)¹⁴ ne'ebé foka liu ba jerasaun foin-sa'e atu enkoraja sira para hala'o poupança. Totál 3,802 hosi konta HNF sei mantein iha instituisaun bankária. Tamba foti i konta depóztu ne'ebe aas, nune'e regulamentu penetrasaun serbisu finanseiru ne'ebe fornese hosi banku sira hanesan sistema finanseiru mak-sai aas liu, ne'ebe kompara ho serbisu finanseiru reguladu no naun-reguladu.

¹³ Konta depóztu inklui poupança, depósito a prazo no depósito à orde.

¹⁴ Produto poupança ne'e oferese ba labarik sira to'o idade 17.

Take-up of Financial Products & Services in Banks

Produtu & Servisu Finanseiru oferese hosi Banku



3.1.2 Usage of Non-Regulated Financial Services

MFIs are the key drivers behind non-regulated financial services in the country. The two MFIs in Timor-Leste are currently serving a combined total of 26,873 clients, all of which are individuals, across the country. Currently, all 26,873 MFI clients have deposit accounts¹⁵ with their respective institutions. Meanwhile, the take-up of loan products amounts to a total of 16,935 accounts.

¹⁵ The total number of MFI deposit accounts includes 2,892 accounts with zero balance.

3.1.2 Uzu ba Servisu Finanseiru naun-reguladu

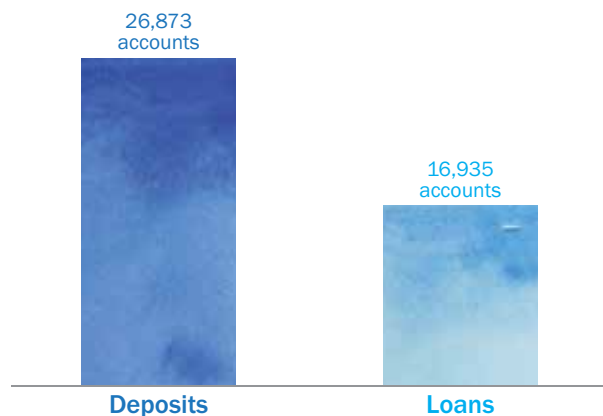
MFIs mak sai hanesan veikulu ka kondutór-xave ba servisu finanseiru naun-reguladu nian iha nasaun laran. IMFs rua iha Timor-Leste mak agora dadauk serve kliente kombinadu sira hamutuk 26.873, hothotu nu'udar individuál, iha Nasaun laran. Atualmente, membru IMFs nia hamutuk 26.873 iha konta depózitu¹⁵ ho instituisaun sira respetivamente. Enkuantu, produtu ba impréstimu foti hamutuk ho total konta 16.935.

¹⁵ Número total konta depózitu IMF nian inklui 2.892 konta ho saldu zero

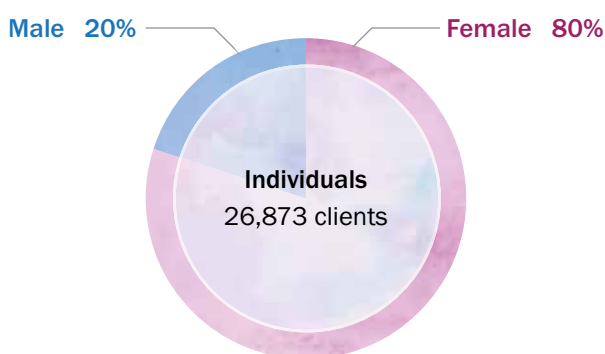
Breakdown of MFI Services and Clients

Detallu Servisu no Kliente IMF nian

Type of Financial Services by MFIs
Tipu Servisu Finanseiru husi IMF



MFI Clients
Kliente husi IMF



MFIs have proven very successful in reaching out to female clients. A total of 21,525 or about 80% of total MFI clients in the country are female. This finding is consistent with various experiences around the world where MFIs develop practical procedures which are tailored to women's needs. These financial services can make a positive impact on women's empowerment by generating additional income opportunities for women and households.

Credit unions currently have 8,050 members. The scope and size of credit unions are limited, hence they only focused on certain areas with a small range of deposit and loans type products. Analysis into the demographics of the clients revealed that the gender distribution of clients in credit unions is quite even, with 51% male and 49% female clients.

IMFs hetan prova susessu diak atinji to'o kliente feto-sira. 80% husi total 21.525 IMFs kliente nian iha Nasaun tomak mai husi Feto-sira. Rezultadu ne'e konsistente ho experensia oi-oin Mundo nian ne'ebe IMFs dezemvolve prasidementu prátiku ke bele adopta tuir Feto-sira nian hakarak. Servisu finanseiru ne'e bele dezempeña impaktu pozitivu sobre reforsa Feto-sira através jerasaun oportunidade ba rendimentu adisional ba Feto-sira no Uma-Kain nian.

Uniaun de-kréditu agora dadaun iha ona 8.050 membru. Âmbitu no tamañu husi Uniaun de-kréditu limitadu tebes, tamba ne'e sira foka deit ba area ka fatin espesífiku ho tipu produtu depóztu no empréstimu ne'ebé ki'ik. Análize sobre demografia kliente sira deskobre katak distribuisaun tuir jeneru husi kliente iha Kooperativa-kréditu kuaze hanesan, ho 51% kliente Mane no 49% kliente Feto.

Breakdown of Credit Union Clients

Detallu Kliente husi Uniaun de-kréditu



3.2 Account Ownership by Gender

The gender distribution of ownership of financial accounts in the financial system is another factor to be considered in the analysis of usage indicators, as the findings will highlight any possible gender disparities that exist in BCTL's efforts in furthering financial inclusion.

3.2 Propriedade Conta tuir Jéneru

Distribuisaun tuir Jéneru ba propriedade conta finanseiru iha sistema finanseiru ne'e mak faktór seluk ne'ebé tenke konsidera kuandu halo análize ba indikadór uza ne'e, hanesan deskobre sei iha possibilidade disparidade jeneru ne'ebe eziste iha BCTL sei esforsu hatutan iha inkluziun finanseiru.

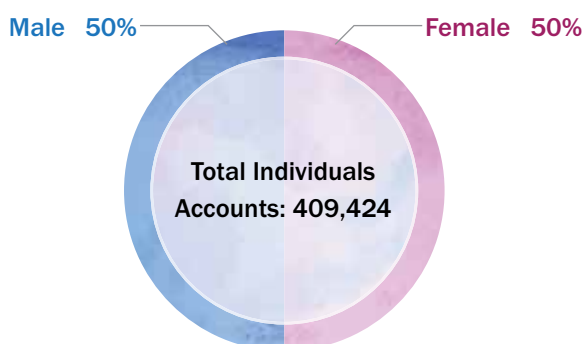
The statistics show a total of 409,424 clients with individual accounts in the financial system, including all accounts at regulated and non-regulated institutions. Both female and male clients make up equal percentages of total clients. The take-up of financial services by gender in the overall financial system is very equitable, as there is no disproportion towards one particular gender.

Estatística hatudu katak total 409.424 kliente ho konta individu iha Sistema finanseiru, inkluidu konta ne'ebe reguladu, semi-reguladu no instituisaun naun-reguladu. Kliente Feto ka Mane hamutuk halo persentajem hanesan husi total kliente. Servisu Finanseira foti-ona husi jeneru iha sistema finanseiru tomak ne'e hanesan, ne'ebe laiha desproposaun ba partikular jeneru ida.

Gender Distribution of

All Accounts Ownership in the Financial System

Distribuisaun Jéneru tuir Propriedade Konta iha Sistema Finanseira

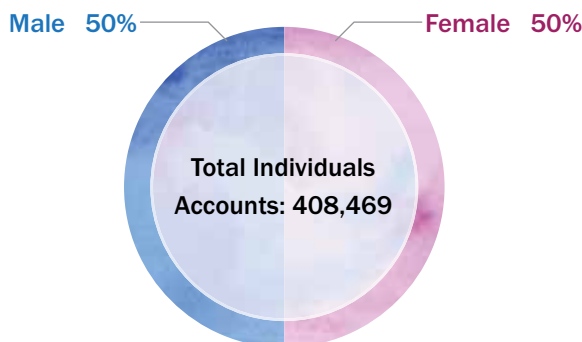


Directing the analysis into deposit account ownership by gender in the financial system also yield similar composition. The breakdown of deposit accounts ownership by gender revealed that female and male clients hold 50% of total deposit accounts each.

Diriji analiza propriedade konta depozitu tuir jeneru iha Sistema finanseiru mós hetan kompozisaun ne'ebe hanesan. Fahe tuir konta Depozitu rasik tuir jeneru haklaken katak konta Feto no Mane ra'i 50% husi total kada konta depozitu.

Gender Distribution of Deposit Accounts Ownership

Distribuisaun Jenéru tuir Propriedade Konta Depóztu

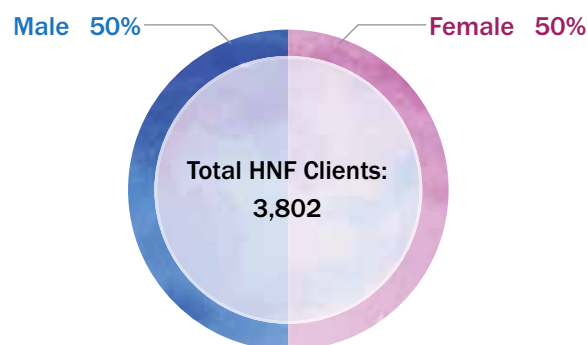


The gender distribution for the take-up of HNF accounts offered by banks is also on par with the deposit accounts. Female and male clientele of HNF products, which are catered for children up to 17 years of age, was observed to be equitable with 1,895 of take-up by male clients against 1,896 by females.

Distribuisaun jenéru ba foti-husi konta Ha'u-nia Futuru (HNF) ne'ebe oferese husi Banku mós hanesan ho konta depóztu nian. Konta Feto no Mane husi produktu HNF ne'ebe serve ba labarik sira até idade to tinan 17, ne'ebe observa justu hanesan ho 1.895 kliente foti husi Mane nian hasoru 1.896 kliente Feto-sira.

Gender Distribution of HNF Products Ownership

Distribuisaun Jenéru tuir Propriedade Konta HNF

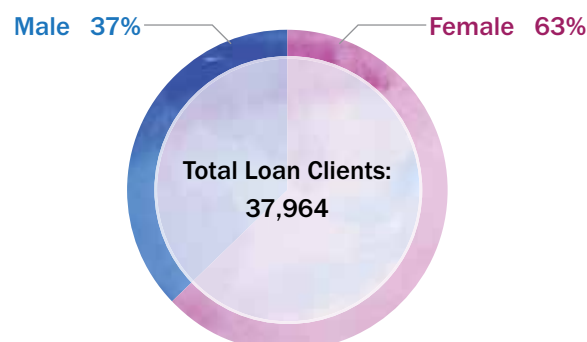


In contrast, loan products show different patterns. The usage of loan products offered by banks is more skewed to males, with 13,354 male clients, compared to 7,642 female clients. However, MFIs loan products attract higher take-up by female clients, with a total of 16,257 clients against just 678 male clients. Due to the higher numbers of female borrowers in MFIs, it has contributed to higher numbers of female clientele for loan products, accounting for 63% of total loan clients in the overall financial sector.

Iha kontrapartida, produktu impréstimu hatudu sinal ida diferente. Produktu impréstimu uzadu oferta husi Banku hetan tendénsia liu ba Mane, ho 13.354 kliente Mane, kompara ho 7.642 kliente Feto. No entantu, produktu impréstimu IMFs atrai-liu aseitasaun kliente Feto-sira, ho total 16.257 kliente hasoru deit 678 kliente Mane nian. Tamba, númeru aas husi emprestador Feto sira iha IMFs, ne'e rezulta kontribuisaun númeru ida aas husi kliente Feto ba produktu emprestimu, hamutuk 63% husi total impréstimu iha setór finanseiru globál.

Gender Distribution of Loan Account Ownership

Distribuisaun Jeneru tuir Propriedade Konta impréstimu



3.3

Account Ownership by Municipalities

The usage of financial services can also be examined by regions to assess the level of financial inclusion in each municipality and gauge whether vast disparities exist amongst these areas. The statistics show that Dili has the largest share of deposit account holders and this is consistent with the population of Dili, being within the municipality with the highest population density in the country. With a total of 119,119 clients, Dili has 233% more clients than the next highest municipality, Baucau, which has 35,802 clients. In terms of population, Dili has over 234,000 residents, 109% more than Baucau with a population of almost 116,700 residents. The municipalities with the lowest numbers of individual deposit clients are Ailieu (13,753), Manatuto (16,327), Manufahi (16,568) and Ainaro (16,772). It is observed that the municipality of Ermera has the largest inequality in terms of take-up of deposit accounts. This municipality has a total population of over 117,000, but only has 24,796 individual deposit account holders, a population to individual account holder ratio of 0.21. In comparison, Dili has 119,119 account holders per population of 234,026, equivalent to a ratio of 0.51. This is by far the highest amongst all municipalities, where the average ratio for all 12 municipalities and the special administrative region of Oé-Cusse Ambeno is 0.33.

The take-up of deposit accounts by MFIs is correspondingly the highest in Dili as well. However, in comparison to banks, MFIs have a lower variance between the number of bank deposit by individual clients in Dili compared with the rest of the municipalities. This is due to the fact that bank access points are largely concentrated in Dili. MFIs, on the other hand, have more access points compared to banks across the country, and they are to a certain extent, more able to distribute these access points more evenly to municipalities. MFIs in Dili has a total of 4,911 account holders, 70% more than the next highest municipality, Ermera with 2,884 account holders.

3.3

Propriedade conta tuir munisípiu

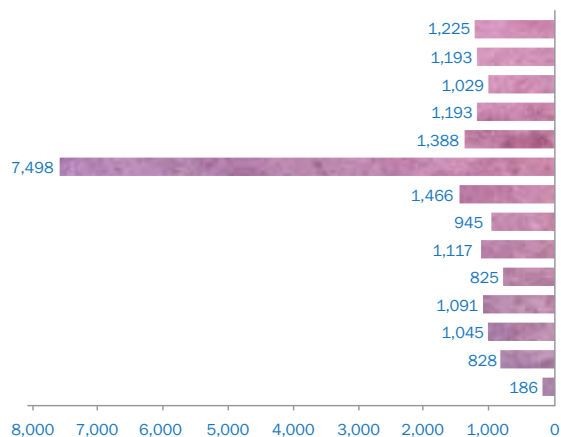
Uzu husi servisu finanseiru sira ne'e mós bele ezamina tuir rejiaun atu avalia nível husi inkluziun finanseira iha munisípiu ida-idak no avalia se ezisti disparidade bo'ot entre área sira ne'e. Estatística sira hatudu katak Dili iha maior kuota husi titulares de contas de depózi no ida ne'e konsistente ho populasaun Dili nian, ne'ebé hela iha munisípiu nia laran ho maior densidade populacional nasaun nian. Ho total 119.119 kliente, Dili iha 233% kliente barak liu kompara ho munisipál bo'ot tuir mai, Baucau ne'ebé iha deit 35.802 kliente. Haree hosu número populasaun, Dili iha habitante liu 234.000, 109% barak liu kompara ho Baucau, ne'ebé ninian habitante besik 116.700. Munisípiu seluk ho número kliente depózi individual kiik mak Ailieu (13.753), Manatuto (16.327), Manufahi (16.568) e Ainaro (16.772). Obzerva katak munisípiu Ermera iha desigualdade ne'ebé mak bo'ot haree hosi konta depózi. Munisípiu ne'e ninian totál populasaun liu 117.000, maibe konta depózi individuál iha deit 24.796, rásiu populasaun iha konta depózi individual mak 0,21. Komparasaun ho munisípiu Dili iha 119.119 konta depózi ho totál populasaun 234.026, ekuivalente ho rásiu 0,51. Ne'e hanesan rásiu mak aas liu entre munisípiu 12 no Região Administrativa Especial de Oé-Cusse Ambeno, ne'ebé rásiu media ba hotu mak 0,33.

Haree hosi número kliente mak iha konta depózi iha IMF, Dili hanesan munisípiu mak iha konta refere aas kompara ho munisípiu sira seluk. Maibe, wainhira halo komparasaun ho banku, IMF iha variasaun kiik entre número konta depózi tuir kliente individuál iha Dili, kompara ho munisípiu sira seluk. Ida ne'e tamba de faktu katak pontu de asesu husi banku sira, iha maior parte konsentra iha Dili. IMF iha pontu de asesu barak liu kompara ho banku sira iha rai laran tomak, no sira, to'o iha pontu balun, kapazes liu atu distribui pontu de asesu sira ne'e de forma uniforme liu ba munisípiu sira ne'e. IMF iha munisípiu Dili iha 4.911 konta kliente, 70% barak liu kompara ho munisípiu bo'ot tuir mai hanesan Ermera ne'ebé mak iha deit 2.884 konta kliente.

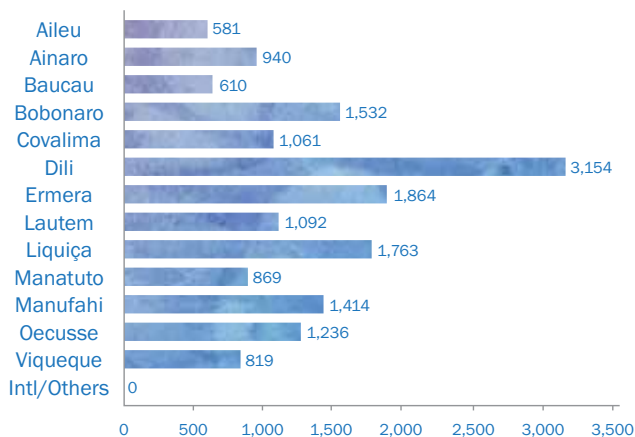
Take-Up of **Loan Accounts** by Municipalities

Konta Impréstimu tuir Munisípiu

Take-up of Bank Loan Accounts by Municipalities



Konta Impréstimu IMF nian tuir Munisípiu



The data of the distribution of corporate accounts holders by municipalities also show a large concentration of account holders in Dili, for both deposits and loans. This can be attributed to the ease of access in Dili, as well as the higher concentration of corporates and businesses in Dili.

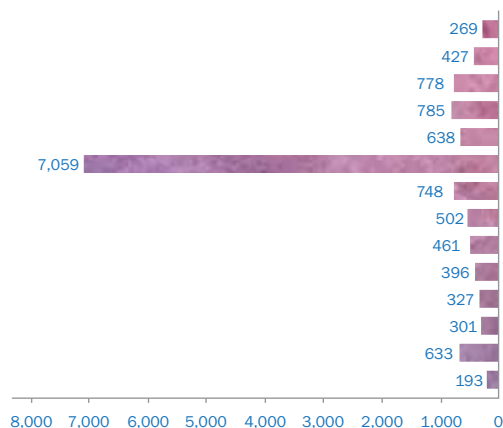
Dadus kona-ba distribuisaun kontu emprezariál tuir munisípiu hatudu katak konsentrasaun ne'ebé mak bo'ot iha munisípiu Dili, ba kontu depóziitu no kontu impréstimu. Ne'e tamba asesu mak fasil iha munisípiu Dili, no-mós konsentrasaun ne'ebé mak aas hosi empreza e negósiu iha Dili.



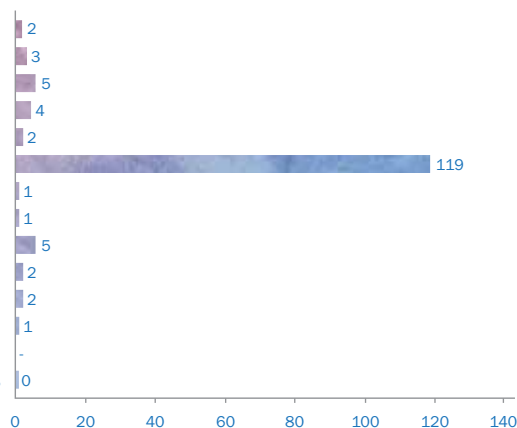
Take-up of Banking Financial Services by Corporates and Businesses

Servisu Finanseira Bankária tuir empresa no negósiu

Take-up of Bank Loan Accounts (Corporate)
by Municipalities



Kontas impréstimu iha Banku (empresa)
ba kada Munisípiu



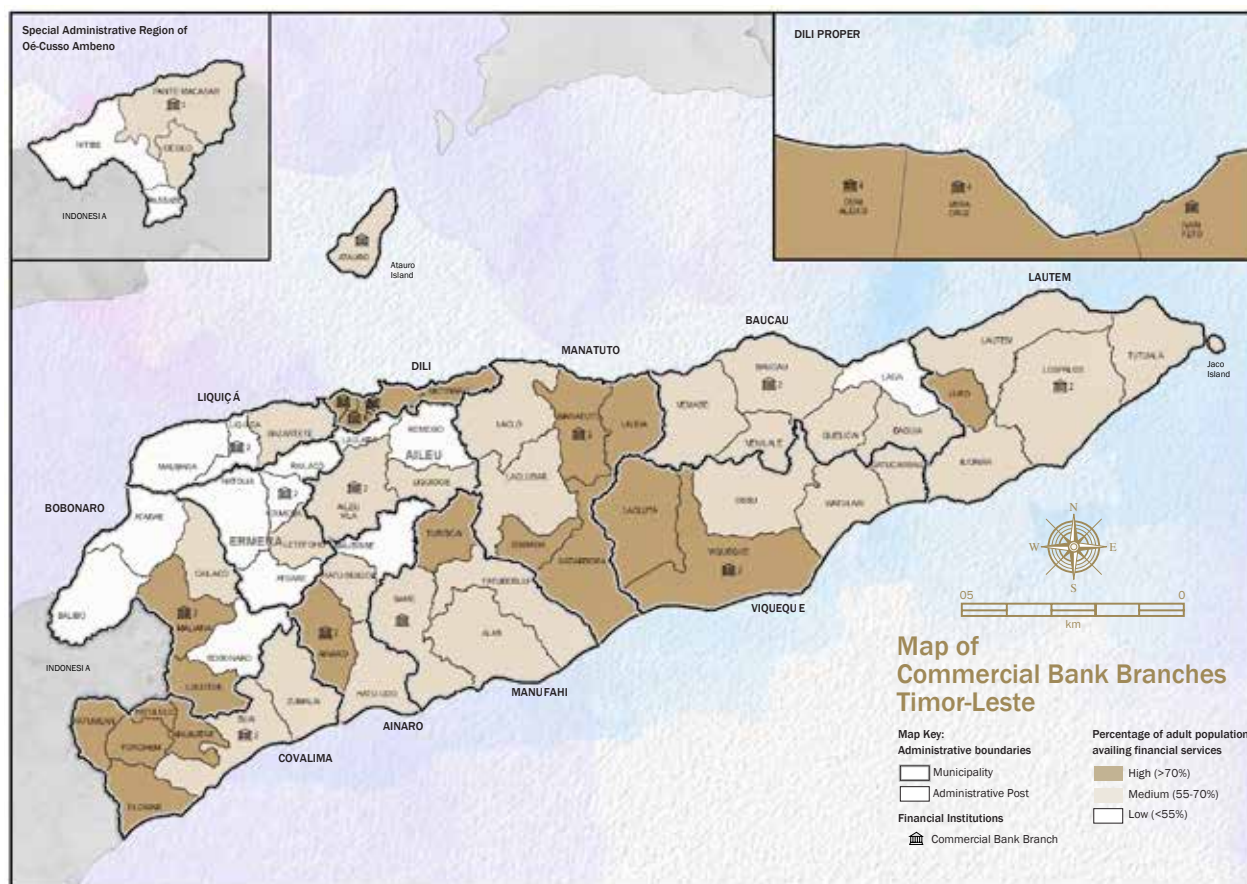
The data collected has also enabled BCTL to successfully conduct an extensive mapping exercise of the usage of financial services nationwide. The mapping exercise gives an overview of the levels of usage across municipalities and administrative posts, enabling comparisons by area.

Dadus ne'ebé mak rekolla, permiti BCTL halo ho susesu ezersísiu ekstensivu ba mapeamentu kona-ba uza servisu finanseiru iha nasaun ne'e. Ezersísiu mapeamentu ne'e hanesan vizaun gerál ida kona-ba nivél utilizasaun entre munisípiu no postu administrativu sira, permiti mós halo komparasaun tuir área.



Percentage of Adult Population Using Financial Services by Administrative Posts

Persentajen populasaun adulta to'o iha Postu Administrativu mak utiliza servisu finanseira



This mapping exercise serves as a target for the country to attain high levels of take-up and usage of financial services per adult population, by rendering added attention and focus on administrative posts which have low usage. Coordinated strategies will be designed and implemented, catered to the distinct needs of the respective administrative posts which are challenged by low usage of financial services. Over time as the country advances and financial inclusion improves, BCTL will update the map, with the goal of achieving high levels of usage for all administrative posts.

Ezersísio ba mapeamentu serve hanesan alvu ba nasaun ne'e hodi bele atinji nível aas ba aseitasaun no utilizaun ba servisu finanseiru pur populasau adulta, liu husi aumenta atensaun no konsentrasaun ba postu administrativu sira mak ninian utilizaun ba servisu finanseiru kiik tebes. Estratéjia ne'ebé koordinada tenki dezeńu no implementa, hodi bele satisfeita nesesidade husi postu administrativu refere tamba enfreta dezafiu liu hosi utilizaun servisu finanseiru ne'ebé kiik. Tuir tempu ne'ebé hanesan nasaun ida mak dezeńvolve no mellora ninian inklusaun finanseira, BCTL sei atuliza mapa sira ne'e, ho ninian objetivu atu atinji utilizaun aas no kobre postu administrativu hotu.

3.4

Usage of Other Financial Services

In addition to financial services at banks and MFIs, BCTL's data collection exercise also provides an overview of Insurance and MTO financial services.

In the recent years, insurance providers in the country have been striving to expand their product range to help all segments of society manage risks. To date, insurance providers have expanded their product range to more than 7 types of policy types, and currently, there are a total of 1,052 individual insurance policy holders in the country and 212 group insurance policy holders. The take-up of motor vehicle insurance, a general insurance, is the highest in the country with a total of 714 policies including both individual and group policies.

3.4

Uza servisu finanseiru seluk

Adisionál ba servisu finanseiru hosi banku no IMF, BCTL ninian ezersísiu koleta dadus mós fornese vizaun jerál ba servisu finanseira hosi Seguru no Seguru no operadór Transfere Osan (OTO).

Iha tinan ikus ne'e, forneseidór seguru nasaun ne'e esforsa aan atu habelar sira ninian produtu hodi bele ajuda sosiedade iha segmentu hotu atu bele jere risku sira. To'o ohin loron, forneseidór seguru habelar ona sira-nia produtu liu tipu 7 apólise de-seguru no, atuálmente, totál 1.052 individuu mak iha apólise de-seguru no 212 grupu mak iha apólise de-seguru. Seguru automóvel, hanesan seguru jerál ida, no seguru mak barak liu iha nasaun ne'e, ho totál 714 inkluidu ba individual no grupu.

Overview of Types of Insurance Services and Overall Take-Up

Vizaun jerál ba servisu finanseira hosi seguru

Insurance Product/Produtu Seguru	Total		
	Individual	Group	Total
Personal Accident, Health & Travel <i>Asidente Pesoál, Saúde & Viajen</i>	349	83	432
Liability Insurance <i>Seguru ba responsabilidade Sivil</i>	25	10	35
Fire Insurance	6	24	30
Construction/Engineering/CAR	5	1	6
Marine & Aviation	3	3	6
Motor Vehicle	628	86	714
Property	28	-	28
Others	8	5	13
Total	1,052	212	1,264

Note: The most significant insurance is the one for the micro-loans, not included in the table above. All microfinance loans include an insurance for the period of the loans (covering borrowers death). Currently the MFIs are renegotiating insurance prices and conditions.

Nota: Seguru ne'ebé signifkativu liu mak mikru-seguru, la inkluídu table iha leten. Impréstimu mikrokreditu hothotu inklui iha seguru ne'e ba period impréstimu (kobre devedór mate) Atuálmente, IMF mak halo hela prosesu negosiasaun kona-ba presu no kondisaun ba seguru refere.

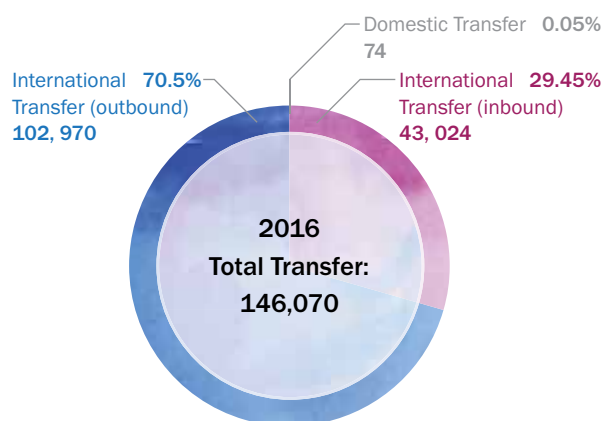
Timorese mostly use MTOs to conduct international transfers, with the majority of transactions were outbound. International outbound transfers make up 70.5% of total transactions valued at over USD48,900.00, in the first half of 2016. Meanwhile, international inbound transfers account for 29.45%, valued at over USD19,400.00.

Maioria ema Timor uza MTO hodi halo transferênsia internasionál, tamba maioria transasaun sai ba rai-liur. Transferênsia internasionál mak sai ba rai-liur iha 70,5% hosi total transasaun no ninian valór liu USD48,900.00, ba semestre dahuluk tinan 2016. Entrentantu, transferênsia internasionál mak tama mai Timor-Leste iha 29,45%, ho ninian valór liu USD19,400.00.

Types of MTO Transfers & Volume of Transactions

Tipu Transferênsia no Volume Transasaun hosi OTO

Usage of MTO Services/Utilizasaun Servisu OTO



Volume of MTO Services

Amounts	Volume	
	Inbound	Outbound
Up to USD500	32,832	82,068
USD500 - USD2,500	9,464	17,931
USD2,500 - USD5,000	698	2,240
Over USD5,000	106	805

3.5

Challenges to Effective Usage of Financial Services

Apart from examining the take-up of accounts, usage indicators also examine other important features, particularly on how financial accounts are being used. The data collection exercise discovered additional findings on the usage of deposit accounts in banking institutions, including the penetration of the usage of debit cards and outstanding deposits in the bank accounts.

3.5

Dezafiu atu utilizaun Servisu Finanseiru ho efikaz

Alén halo ezaminasaun ba adopsaun konta bankária, indikadór utilizaun mós bele uza hodi halo analiza ba karakterístika sira seluk ne'ebé importante, partikularmente oinsá konta finanseira ne'e uzadu. Ezersísiu hosi koleta dados sira ne'e deskobre rezultadu adisionál kona-ba uzu konta depóziitu instituisaun bankária, inkluidu penetrasaun uza kartaun de-débitu no depóziitu pendente iha konta bankária.



Additional Usage Indicators for Deposit Accounts

Indikadór adisionál ba utilizaun kontas depóztu

Indicator	Percentage of Bank Deposit Accounts Clients
Clients with Debit Card <i>Kliente ho kartaun de-débitu</i>	7%
Clients with Deposit Balance below USD10 <i>Kliente ho Saldu Depóztu menus USD10</i>	63%
Clients with Deposit Balance below USD100 <i>Kliente ho Saldu Depóztu menus USD100</i>	77%

It was found that only 7% (28,177) of the clients are using Debit Cards, out of the total 387,063 deposit accounts registered with the banks. It was also observed that there are 297,630 clients with deposit balances below USD100.00, including a sizable number of 244,332 clients with deposit balances below USD10.00. Clients with deposits below USD10.00 are made up of both corporates (2,860 accounts) and individuals (241,471 accounts). The low account balances indicates that some of these accounts may not be actively used, resulting in a lower savings rate. Another reason behind the low balances is due to the primary usage of a portion of these individual accounts is to receive financial aid from the government. As a result of constant withdrawals from these accounts, the balance in the account is just enough to keep the accounts active. The bulk of deposit accounts with low balances also pose a challenge for the banks because it is not profitable for the banks to maintain these accounts. In fact, these accounts, which make up 63% of deposit accounts, are generating operational costs to the banks, and this situation presents a big disincentive for the banks.

Another challenge which was observed in the usage dimension of financial inclusion is disparity in take-up of financial services by municipality. Account holders are still largely concentrated in Dili, signifying that take-up of financial services is skewed towards more urban areas. Although the high population density in Dili justifies the high number of account holders, the ratio of account

Hosi dadus sira ne'e, bele verifika katak iha deit 7% (28.177) hosi kliente mak uza cartaun de-débitu, hosi total 387,063 konta depóztu ne'ebé rejistu iha banku. Obzerva mós katak iha 297,630 kliente ho saldu depóztu menus USD100.00, inklui númeru bo'ot 244,332 kliente ho saldu depóztu menus USD10.00. Kliente ho saldu depóztu menus USD10.00 mai hosi empreza (2.860 konta) no indíviduu (241,471 konta). Konta depóztu ho saldu kiik ka menus ne'e indika katak iha konta hirak mak ladun uza, ne'ebé rezulta hosi taxa-de pouposan mak kiik. Razaun seluk hosi saldu kiik ka menus tamba uzu prinsipál hosi konta indíviduu simu ajuda finanseira hosi governu. Rezultadu hosi levantamentu ne'ebé mak konstante ba konta sira ne'e, saldu iha konta refere to'o deit montante atu bele ativa konta refere. Maioria parte hosi konta depóztu ho saldu kiik ka menus mós representa dezafiuu ida ba banku sira, tamba banku sira labele hetan lukru atu mantein konta sira ne'e. Realidade hatudu katak, konta sira ne'e representa 63% hosi konta depóztu, ne'ebé rezulta kustu operasionál ba banku sira, no situasaun ne'e apresenta desinsentivu bo'ot ba banku sira. Desafiu sira seluk mak obzervadu hosi dimensaun uza ba inklusaun finanseira mak disparidade servisu finanseira asumi pur munisípiu.

Titular ba konta maioria sei konsentra iha Dili, signifika katak aseitasaun ba servisu finanseiru sei foka liu ba áreas urbana sira. Mézmuke númeru populasaun bele justifika ho númeru titular ba konta, proporsaun titular ba konta kompara ho

holders to the population is still a lot higher in Dili, compared to the other municipalities. In addition to that, there is also greater opportunity to expand usage of other financial products in the country, particularly insurance products, as take-up is still relatively low in comparison to the total population.

These valuable insights are vital to provide deeper and more holistic understanding on challenges in the usage dimension of financial services as a whole, and as a next step, to address the lingering gaps that may still exist.

númeru populasau, Dili hanesan munisipál mak aas liu kompara munisípiu sira seluk. Alén ne'e, iha mós oportunidade bo'ot hodi extende uzu ba produktu finanseiru sira seluk iha nasaun ne'e, partikularmente ba produktu seguru nian, ne'ebé ninian utilizaun sei menus kompara ho total populasau.

Informasaun sira ne'e importante tebes hodi bele fornese kompreensaun ne'ebé mak klean no holístika kona-ba dezafiu iha dimensaun atu uzu servisu finanseiru, hanesan etapa tuir mai, bele hamenus lakuna sira mak sei ezisti.



3.6

Key Takeaways

These observations and empirical evidence on the usage of financial services have been valuable in imparting awareness on the present conditions and level of financial inclusion in the country. The overall findings show that banks have the most clients, driven mostly by deposit products, although they are still largely concentrated in Dili. The gender distribution is quite even across usage of deposits products by regulated and non-regulated providers. On the other hand, clientele of loan products are skewed towards women in the MFIs. The statistics will enrich BCTL and other policymakers' knowledge base and act as backing and rationale for the formulation of future policies to focus on areas which are underserved by financial service providers, including gender or region specific policies.

3.6

Pontu ka hanoin prinsipál

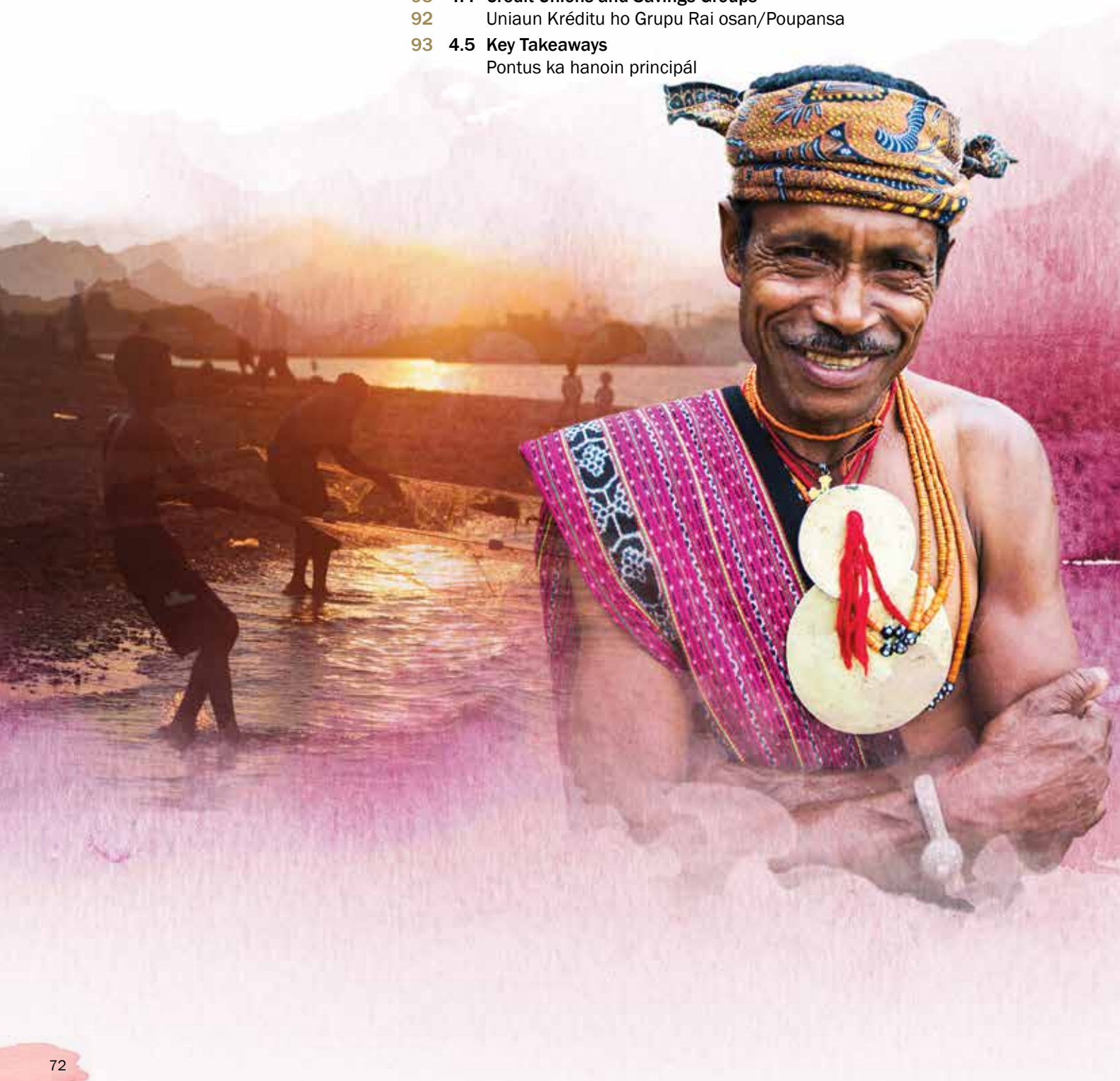
Observasaun no evidênsia empírika sira husi uzu servisu finanseiru sira valiozu tebes duni iha transmisasaun ba sensibilizasaun kona-ba kondisaun prezente sira no nível ba inklusaun finanseira iha rai laran. Rezultadu global hatudu katak banku sira iha kliente barak liu, impulsionadu prinsipalmente husi produtu depóztu sira nian, embora sira, sei iha parte barak, konsentra liu iha Dili. Distribuisaun tuir jêneru, ne'e, bastante mesmu através husi uzu ba produtu depóztu sira nian liu husi prestadores sira ne'ebé regulamentadu, semi-regulamentadu no la-regulamentadu. Iha parte seluk, klientela husi produtu de Impréstimu sira itoan halis ba inan-feton sira iha IMF. Estatística sira sei hariku BCTL no konhesimentu baze ba polítiku naín sira seluk no atua hanesan suporte no justifikasaun ba formulasaun iha política aban-bairua nian ne'ebé bele konsentra iha área sira ne'ebé maka la hetan atendimentu husi Prestadór/fornesedór servisu finanseiru sira, inklui jêneru, idade ka política espesífika sira rejiaun nian.



Quality Measure

Inkluziun Finanseira: Sasukat Kualidade

- 74 4.1 Opening a Bank Account
Loke Konta Bankária
- 88 4.2 Process to Get a Bank Loan
Prosesu atu hetan impréstimu
- 91 4.3 Accounts with Microfinance Institutions
Konta iha Institusaun Mikrofinansas
- 93 4.4 Credit Unions and Savings Groups
Uniaun Kréditu ho Grupu Rai osan/Poupansa
- 92 4.5 Key Takeaways
Pontus ka hanoin principál





Quality measures indicate how well available financial products and services cater to the needs of the population, including the range of options available to clients, and clients' awareness and understanding of financial products.¹⁶ Since data from this report is based on information from regulated and non-regulated financial services providers (banks, microfinance institutions, credit unions, and others), the quality indicators will cover the process to open a deposit account, the costs related to it, the process to get a loan, and the option to use a micro-finance institution, a credit union or a saving group.

4.1. Opening a Bank Account

The procedure of opening a bank account appears to be straightforward process. The steps involve going to one of the four commercial banks' branches, waiting in line, presenting an identification document with a photo, filling bank forms, and within the same day the account application would be approved for accepting deposits.

¹⁶ The World Bank (2015). How to Measure Financial Inclusion

Sasukat kualidade hatudu to'o diak oinsá servisu no produtu finanseira mak iha bele atende populasan nia persiza, ne'e inklui mós opsaun oi-oín iha ba kliente sira no kliente sira nian koñesimentu ho komprendesaun kona-ba produtu finanseiru sira.¹⁶ Tanba relatóriu ne'e bazea ba informasaun husi fornecedor sira ba servisu finanseiru (banku sira, institusaun mikrofinansas, uniaun kréditu ho sira seluk), ne'e se kobre prosesu hodi loke konta Depóritu ida, kustu sira ne'ebé iha relasan, prosesu hodi hetan impresta, ho opsaun hodi uza institusaun mikro-finsansa, uniaun kréditu ka grupu rai osan/poupansa.

4.1. Loke Konta Bankária

Prosesu hodi loke konta bankária ne'e fasil loos: ne'e involve ba iha banku komersiál ida husi haat nia ramu sira, hein iha liña, apresenta dokumentu identifikasaun ho fotografia, prienxe formuláriu banku, ho iha loron hanesan konta ne'e prontu hodi bele depóritu osan.

¹⁶ Banku Mundiál (2015). Oinsá atu sukat Inklusaun Finanseira





Timor-Leste Official Languages

Timor-Leste adopted Tetum and Portuguese as official languages, and English and Bahasa Indonesia as working languages. In addition to Tetum, there are other 15 dialects used in specific areas across the country, making it challenging for financial services providers to select languages for an effective communication.

According to the Census 2010, Tetum is the most widely used language, but only 56.1% of the adult population are able to speak, read and write it.¹⁷ Therefore, there is still a need to use language alternatives to cater for the remaining population.

¹⁷ Population and Housing Census 2010, Summary Indicators – Item 17: Adult Literacy Rate by Language

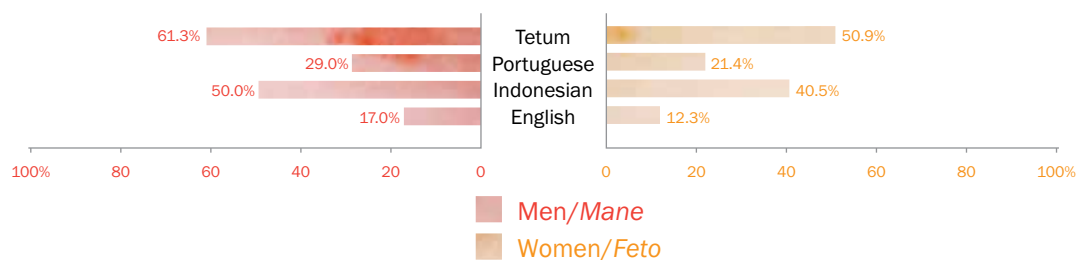
Lingua ofisiál Timór-Leste

Timór-Leste adota ona lia- Tetun ho Portugés hanesan língua ofisiál ho Inglés ho lia-Indonézia hanesan língua serbisu. Adisionál ba Tetun, iha dialeg 15 seluk uza iha área espesífiku iha nasaun ne'e, halo difikuldade ba fornecedor serbisu finanseira sira atu hili língua ba komunikasaun efetivu.

Bazea ba Sensus 2010, Tetun maka língua ne'ebé uza barak liu, maibé 56.1% de'it husi populasaun adultu mak bele koalia, lee ho hakerek.¹⁷ Adult Literacy Rate (Persentajen adultu hatene le ho hakerek) – Persentajen husi populasaun adultu nia literatu (bele koalia, le ho hakerek) iha língua ofisiál haat.

¹⁷ Sensus Populasaun no Habitasaun tinan 2010, Rezumu Indikadór - Item 17: Taxa alfabetizasaun Adultu ba kada língua

Percentage of Adult Population **literate** in the 4 languages used in Timor-Leste
 Persentajen hosi Populasaun Adultu mak alfabetizadu ba lingua haat uza iha Timor-Leste



However what seems to be an easy process can prove otherwise for an average person in Timor-Leste. BCTL's data analysis detected some complexities in the process of opening bank accounts, due to the following factors:

Bank Branch Location

The network of bank branches is still limited to the main city of each municipality. While it covers 29.6% of the population (people living in urban areas),¹⁷ the remaining 70.4% (population living in rural areas) are required to travel a significant distance to reach the nearest bank branch. Public transport connecting main cities to other villages, when existing, are precarious and unreliable. For many, the only alternative is to rely on informal arrangements or walk long distances, at times up to 25 km or more, to the nearest branch. The map below illustrates the distances of bank branches in the municipalities.

Waiting Time at the Branch

The limited network of bank branches also impacts the waiting time that customers face in most of the branches. It is not unusual for waiting lines to extend outside of the building, where the weather may be hot and bothersome for customers. Long waiting lines can be seen, especially on days when the government pays salaries to public servants and social benefits.

Based on the data collected, there are 0.53 bank branches per 1,000 adults (over 15 years old) in Timor-Leste, a lower ratio in comparison to East Asia & Pacific where the ratio stood at 1.08 in 2014.¹⁸

Documents Required for Account Opening

To open a deposit account the client must be at least 17 years old, and present an original identification document with photo. The identification document can be either the electoral card, which is the most common document among adult Timorese, the national identity card or the passport. Due to the importance of elections in Timor-Leste, the document requirement may not present a significant barrier to open a bank account and access financial services.

Due to the limited postal service, where incomplete street names and house numbers are common, clients are not required to present a proof of address when opening a deposit account.

¹⁷ Population and Housing Census 2010, Volume 2: Population Distribution by Administrative Areas, (Table 1, pages 15 to 17)

¹⁸ The World Bank data on Commercial bank branches (per 100,000 adults)

Forms to Complete

To open a deposit or savings account, clients are also requested to fill one form to two forms, depending on the respective bank's internal process. According to the Census 2010, 63% of men and 52.5% of women aged 15 years and above are able to write a simple sentence in one of the four languages used in Timor-Leste (Tetum, Portuguese, Bahasa Indonesia and English).¹⁹ In order to overcome the literacy barrier, bank employees are instructed to interview clients verbally and transcribe client information into the forms. These interviews also allow bank staff to adapt and explain the meaning of the instructions in a dialect that the client is more fluent in. Additionally, the client signature can be replaced by fingerprint identification if the client is not able to sign the banks forms.

Recently three of the four banks operating in Timor-Leste, namely BNCTL, BNU/CGD and Mandiri, included Tetum in their forms. However, other communication channels and documents, such as disclosure information, price lists, websites and internet banking from the international banks (ANZ, BNU/CGD and Mandiri), are not available in Tetum yet.

Number of Days to Process the Opening of Account

Once documents are verified and forms are completed and signed (or fingerprinted), the savings or deposit accounts are normally available for deposits within the same day.

Cost to Open a Bank Account
Free to USD 5.00

Only Mandiri charges a fee to open a saving account. The fee is currently USD5.00 and includes a debit card for transactions. All other banks do not charge fees to open deposit or savings accounts.

Minimum Amount to Open a Bank Account
Free to USD 2,000.00

Three of the four banks operating in Timor-Leste require a minimum initial deposit to open an account. The minimum deposit varies from USD10.00 (savings account in BNCTL) to USD2,000.00 (savings or deposit account in ANZ). The requirements to open savings accounts are lower than deposit accounts in BNCTL and Mandiri. BNU/CGD does not impose a minimum initial deposit, it keeps the account open for up to 6 months, and if there is no transaction in the account during that period the account is closed.

Accounts related to regular payments from the government, either salaries or social benefits, are not required to have a minimum initial deposit.

¹⁹ General Directorate of Statistics (2012). Timor-Leste Population and Housing Census 2010: Analytical Report on Education – Volume 9 ("Literacy and Language" on page vii)

Bele haree katak prosesu loke konta bankária ne'e fasil ba maioria ema iha Timor-Leste. BCTL nian análise ba dados sira ne'e hatudu katak iha kompleksidade ba prosesu loke konta bankária, ne'e tamba fatór sira tuir mai:

Lokalizasaun Banku

Banku nia rede sei limitadu nafatin iha kapitál kada munisípiu. Kobre populasaun 29.6 %, (ne'ebé moris iha área urbana), falta 70.4 % (hela iha área rural)¹⁷ persiza halo viajen distánsia significativu hodi to'o iha banku ne'ebé besik liu. Transporte públiku liga kapitál prinsipál ba aldeia, maski eziste, transporte sira ne'e perigozu ho ema ladún iha konfiansa. Ba ema barak nia alternativa maka hodi depende ba mekanizmu informál ka la'o iha distánsia dook to'o 25 km ka liutan hodi ba sukursál ne'ebé besik.

Tempu hein iha Banku

Númeru limitadu banku mós impaktu ba tempu hein ne'ebé kliente sira hasoru iha maioria banku sira ne'e. Ne'e la normal ba liña hein nian hodi hanaruk to'o iha edifísiu banku nia liur (ne'ebé bele manas). Liu-liu liña hein naruk bele haree iha loron wainhira governu selu funsionáriu públiku sira nian saláriu ho benefísiu sosiál.

Tuir dados mak rekolla, iha 0.53 banku pur 1,000 adultu (tinan 15 ba leten) iha Timór-Leste, rásiu ne'e ki'ik liu kompara ho Ásia Orientál no Pacífiku, ne'ebé ninian índise mak 1,08 iha tinan 2014.¹⁸

Dokumentu persiza hodi loke konta

Atu loke konta depóziitu kliente tenke tinan 17 ba leten, ho apresenta dokumentu identifikasaun orijinal ho fotografia. Dokumentu identifikasaun bele uza kartaun eleitorál (dokumentu ne'ebé maioria adultu Timorenses sira uza), kartaun identidade nasional ka pasaporte. Relasiona ho importánsia husi elisaun iha Timór-Leste, dokumentu ne'ebé persiza bele la representa obstákulu siknifikadu hodi loke konta bankária ho asesu serbisu finenseiru sira.

Tanba limitasaun serbisu postal ho dalan nia naran ne'ebé la kompletu ho númeru uma, kliente sira la persiza atu apresenta prova hela fatin wainhira loke konta depóziitu.

¹⁸ Sensus Populasaun no Habitasaun ba tinan 2010, Volume 2: Distribuisaun populasaun kada Área Administrativa (Tabela 1, pájina 15 no 17)

¹⁹ Dadu hosi Banku Mundiál kona-ba sukursál hosi banku komersial (kada adultu 100.000)

**Formuláriu sira atu
kompleta**

Kliente sira mós tenke prienxe formuláriu ida, dalaruma rua, depende husi banku, hodi loke konta depóztu ka poupanza nian. Bazea ba Sensus 2010, 63% mane tinan 15 ho tinan 15 ba leten ho 52.5% feto bele hakerek liafuan simplis iha língua ida husi haat ne'ebé uza iha Timór-Leste (Tetun, Português, lia-Indonézia ho Inglés).²⁰ Atu rezolve obstákulu alfabetizasaun, funsionáriu sira hetan instrusaun hodi entrevista kliente sira ho kópia kliente nia informasaun ba iha formuláriu. Entrevista sira ne'e mós ajuda funsionáriu banku hodi adapta ba língua ho esplika nia signifíkasaun iha diálogu ne'ebé kliente hatene liu. Nune'e mós, kliente nia asinatura bele troka ho impresan digitál kuandu kliente labele asina formuláriu banku nian.

Agora daudaun iha banku tolu mak halo operasaun iha Timór-Leste (BNCTL, BNU/CGD ho Mandiri) inklui tetun iha sira nia formuláriu. Maibé, kanál komunikasaun ho dokumentu sira seluk, hanesan lista presu sira, website ho banku internet husi banku internasionál sira (ANZ, BNU/CGD ho Mandiri) seidaun disponível iha Tetun.

**Loron atu prosesa Loke
Konta**

Wainhira dokumentu sira ne'e verifikadu ona no formuláriu kompleta ona ho asinatura (ka impresan digitál), konta depóztu ka poupanza sira ne'e normalmente disponível halo depóztu iha loron hanesan.

**Kustu hodi Loke Konta
Bankária
Gratuitu/ la selu to'o
USD 5.00**

Banku Mandiri de'it maka kobra kustu ba loke konta poupanza nian. Nia kustu agora daudaun USD 5.00 ne'ebé inklui kartaun débitu ba tranzasaun sira. Banku sira seluk la karrega kustu ba loke konta sira depóztu ka poupanza nian.

**Montante Minimu hodi Loke
Konta Bankária
Gratuitu/la selu to'o
USD 2,000.00**

Banku tolu husi haat ne'ebé halo operasaun iha Timor – Leste persiza depóztu inisiu mínimu bainhira atu loke konta ida. Minimu depóztu iha oi-oin ho hahú husi USD 10 (konta poupanza iha BNCTL) to'o USD 2,000 (konta poupanza ka depóztu iha ANZ) depende ba banku ho tipu konta nian. Konta poupanza nia rekizitu sira ne'e ki'ik/oituan liu duke konta depóztu sira nian iha banku rua husi banku tolu ne'ebé eziste iha Timór-Leste. BNU/CGD la kobra depóztu inisiu mínimu, nia husik konta loke ba to'o fulan 6, ho se kuandu laiha tranzasaun iha konta durante períodu ne'e konta ne'e sei taka.

Konta sira relasiona ho pagamentu regulár husi governu, saláriu ka benefísiu sosiál sira, la persiza depóztu inisiu mínimu.

²⁰ Diresaun Nasionál Estatística (2012) . Sensus Populasaun no Habitaun ba tinan 2010: Relatóriu Analítiku kona-ba Edukasaun - Volume 9 ("Literasia no Linguajen" pájina vii)

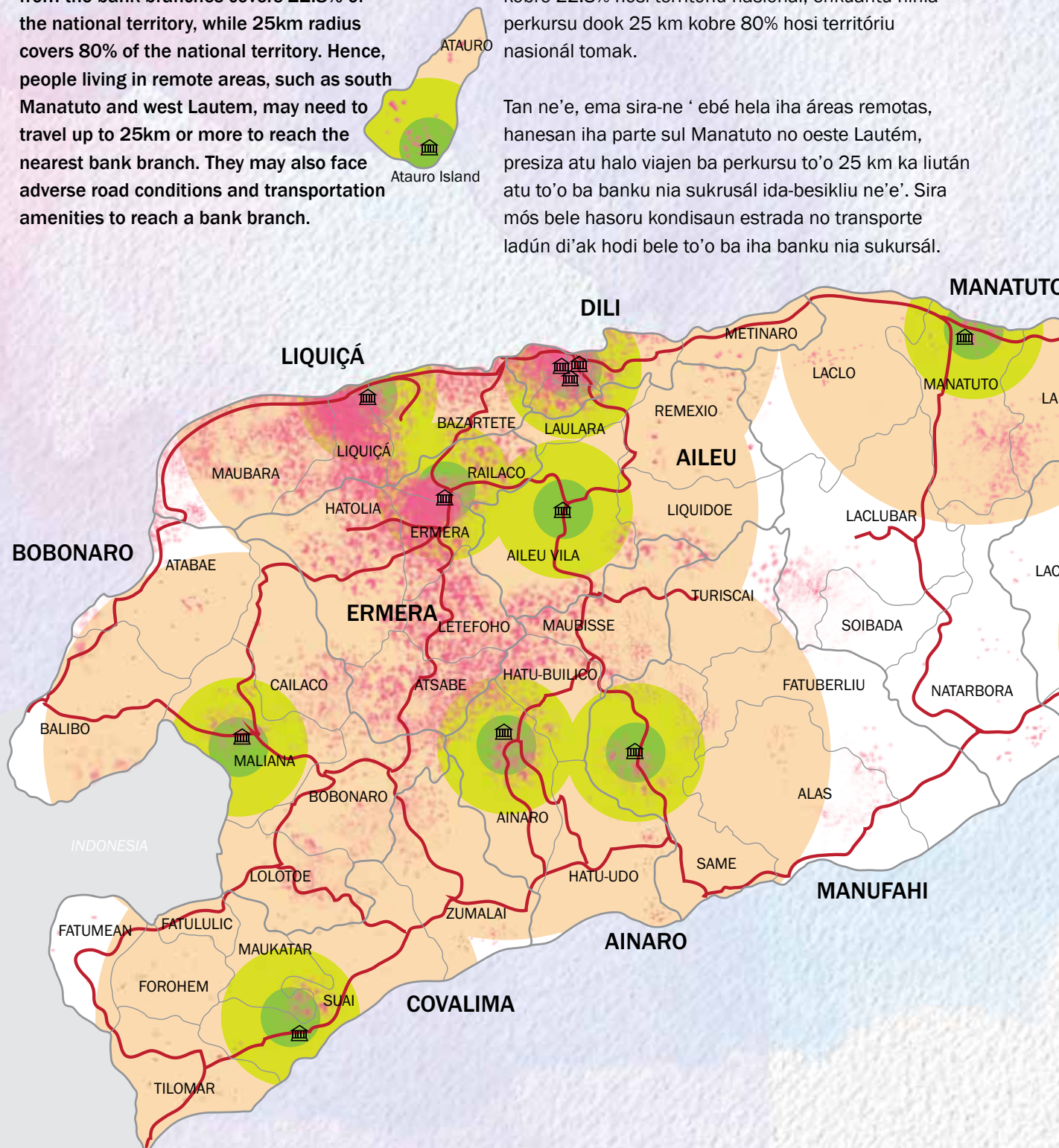
Bank Branches Coverage Map

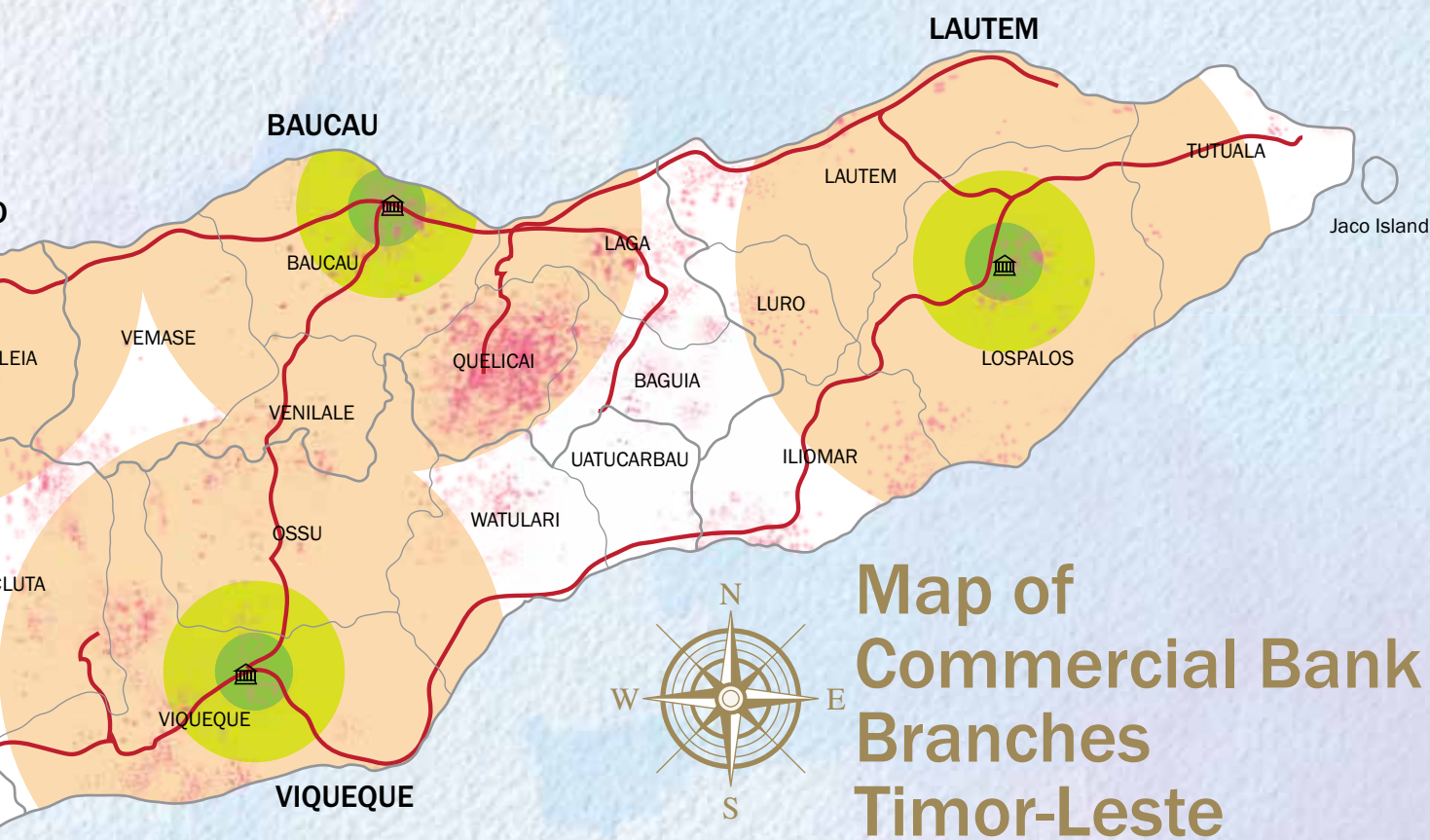
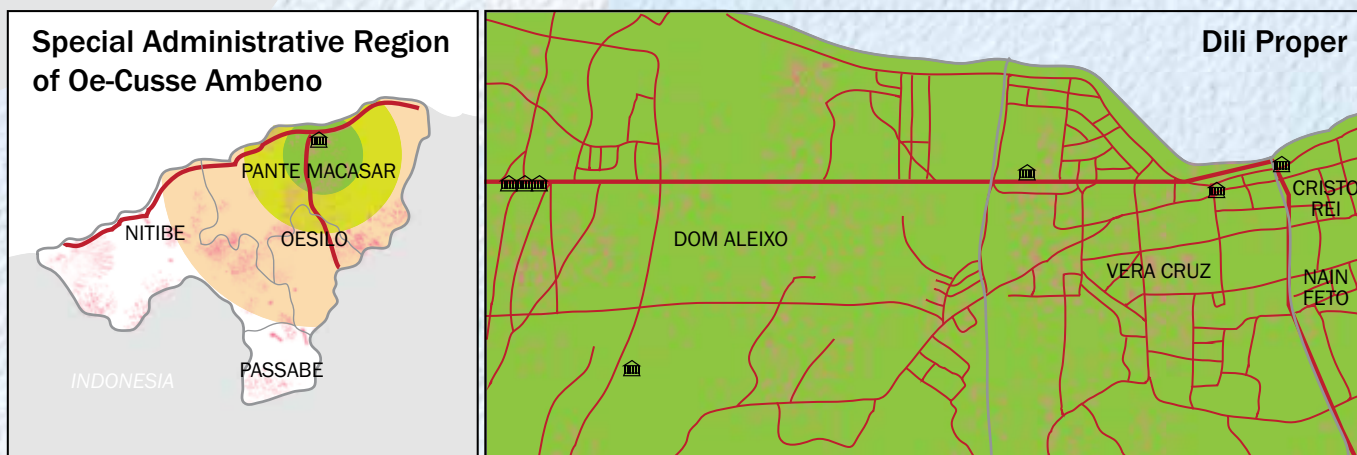
Mapa kona-ba kobretura husi Sukrusál banku

The map shows the coverage area of bank branches based on distance. Within a radius of 5km, around two hours of walking, the bank branches cover 6.5% of the national territory, including most urban areas in the towns of municipalities. The 5km radius is shown in the map in green. 10km radius from the bank branches covers 22.8% of the national territory, while 25km radius covers 80% of the national territory. Hence, people living in remote areas, such as south Manatuto and west Lautem, may need to travel up to 25km or more to reach the nearest bank branch. They may also face adverse road conditions and transportation amenities to reach a bank branch.

Mapa ne'e hatudu área kobertura sukursál sira banku nian ne'ebé bazeia ba distánsia. Iha raiu distánsia 5 km, la'o de'it besik oras rua, banku nia sukursál sira kobre 6,5 % hosi territóriu nasional, ne'ebé barak liu inklui áreas urbanas iha sidade-sede munisípiu. Ninia distánsia dook 5 km ne'e hatudu iha mapa ho kór modok. Ninia perkursu dook 10 km husi sukursál banku kobre 22.8% hosi territóriu nasional, enkuantu ninia perkursu dook 25 km kobre 80% hosi territóriu nasional tomak.

Tan ne'e, ema sira-ne ' ebé hela iha áreas remotas, hanesan iha parte sul Manatuto no oeste Lautem, presiza atu halo viajen ba perkursu to'o 25 km ka liután atu to'o ba banku nia sukursál ida-besikliu ne'e'. Sira mós bele hasoru kondisaun estrada no transporte ladún di'ak hodi bele to'o ba iha banku nia sukursál.





Map Key:

Administrative boundaries

- Municipality
- Administrative Post
- Main Road
- Residential Houses

Financial Institutions

- Commercial Bank Branch

Service Area of Commercial Bank Branches

- 5 km
- 10 km
- 25km

4.1.1. Costs to Maintain a Bank Account

Additional factors to consider for people who want to open a bank account are the costs and requirements to maintain it.²¹ These costs include, amongst others, monthly fixed charges, transactions fees, and minimum balance requirements.

Monthly Maintenance Fee Free to USD 5.00

Banks charge a monthly maintenance fee for deposit accounts that varies from USD0.50 to USD 5.00. Maintenance fees for savings accounts are more affordable, costing USD 0.50 per month (BNCTL) or even free in ANZ. However, for ANZ, only one free transaction per month is allowed for the savings account, additional transactions carried out by bank staff support are charged USD 0.30 per transaction.

Minimum Balance Requirement Free to USD 2,000.00

ANZ and Mandiri require a minimum balance for their clients' accounts, varying from USD10.00 to USD2,000.00. In cases where the account balance goes below the minimum requirement, a penalty fee of USD 2.00 (ANZ) or USD 10.00 (Mandiri, deposit account) is charged.

BNCTL suggests a minimum balance, but does not charge penalty fees in case of a breach. BNU/CGD does not require clients to maintain a minimum balance in their accounts.

Debit Card Free to USD 0.35 per card per month Free to USD 0.30 per transaction

Only the three international banks offer debit card convenience to their clients, with the objective of reducing transactions at the branch. ATM and POS networks are exclusive to each provider.

Mandiri does not charge for debit card transactions. BNU/CGD charges only for each ATM transaction(USD 0.25). ANZ charges for both transaction on ATM and POS (USD 0.30).

BNCTL is currently implementing its debit card system.

Account Remuneration From 0% to 0.50% per year

While the banks charge clients for the service provided, the remuneration or interest rate offered on the savings balance ranges from 0.05% to 0.50% per year. ANZ and Mandiri also offer remuneration on deposit accounts' balance, with interests of 0.05% and 0.10% per year.

²¹ Bank accounts related to government payments, either salary or social transfers are free and not required to maintain minimum balances

4.1.1. Kustu atu Mantein Konta Bankária

Fatór adisionál atu konsidera ba ema ne'ebé hakarak loke konta bankária maka kustu ho rekizitu sira hodi mantein²¹ konta refere: bele liu husi kobransa fiksi ba kada fulan, kustu tranzasaun, rekizitu balansu mínimu, ho kustu konta ne'ebé la ativu.

Kustu Manutensaun kada Fulan Gratuitu/ la selu to'o USD 5.00	Banku sira karrega kustu manutensaun kada fulan ba konta depóztu sira ne'ebé montante oi-oin hahú husi USD 0.50 to'o USD 5.00. Kustu manutensaun ba konta poupansa nian mak baratu liu, presu USD 0.50 kada fulan (BNCTL ho Banku Mandiri) ka liu-liu iha ANZ gratis/la selu (maibé tranzasaun gratis/la selu ida de'it maka permiti iha ANZ nia konta ba rai osan/ poupansa nian, trasasaun adisionál ho funsionáriu apoiu banku maka selu USD 0.30 ba kada tranzasaun).
Rekizitu Saldu Mínimu Gratuitu/ la selu to'o USD 2,000.00	<p>ANZ ho Mandiri ezizi balansu mínimu ba sira nia kliente nia konta, montante oi-oin hahú husi USD 10 to USD 2,000. Sei kuandu balansu konta menus husi rekizitu mínimu, kustu penalidade USD 2.00 (ANZ) ka USD 10.00 (Mandiri) sei kobra kada fulan.</p> <p>BNCTL ho BNU/CGD la ezizi nia kliente sira hodi mantein balansu mínimu iha sira nia konta ho ne'e maka banku sira ne'ebé prezensa iha munisípiu hotu ho ho kliente nia baze de dadus ne'ebé boot.</p>
Kartaun débitu Gratuitu/ la selu to'o USD 0.35 per kartaun per fulan Gratuitu/ la selu to'o USD 0.30 per tranzasaun	<p>Banku internasionál tolu de'it maka oferese kartaun débitu ba nia kliente sira, ho objetivu atu reduz tranzasaun iha banku. ATM ho rede POS maka eksklusivu ba kada fornecedor ho maioria konsentra iha munisípiu Dili.</p> <p>Mandiri la karrega ba tranzasaun kartaun débitu. BNU/CGD karrega de'it tranzasaun iha ATM (USD 0.25). Ho ANZ karrega ba tranzasaun iha ATM no POS (USD 0.30).</p> <p>BNCTL agora daudaun implementa hela nia sistema kartaun débitu.</p>
Remunerasaun Konta Husi 0% to'o 0.50% per tinan	<p>Maski banku sira karrega kliente sira ba serbisu ne'ebé fornese, remunerasaun oferese iha saldu konta poupansa nian husi 0.05% to'o 0.50% kada tinan.</p> <p>ANZ ho Mandiri mós oferese remunerasaun ba konta depóztu nia balansu, ho juru 0.05% ho 0.10% kada tinan. Termu depóztu oferese numerasaun ne'ebé di'ak maibé kliente banku barak mak la uza.</p>

²¹ 1 Konta bankária ne'ebé mak iha relasaun ho pagamntu mai husi governu, hanesan saláriu ka transferênsis sosial livre no laiha obrigasaun atu mantein saldu mínimu

Summary

The distance to branches, the ignorance about processes and potential benefits, and the complicated pricing strategy of banks surely affect the decision to open an account. Additionally, only a small segment of the population have stable income that can justify paying for a bank account, as there are various fees and charges to adhere to.

Despite all the limitations to open and maintain a bank account, 62% of the adult population do have bank accounts. However, more than half of these accounts (around 200,000 accounts) are estimated to be related to public servants and social transfer beneficiaries (which are required to receive payments through a bank account).

Banks fees, distances and waiting lines also create incentives for clients' behaviour. Clients probably try to minimize trips to the bank and the number of transactions carried out, which may be the explanation for the 63% of deposit accounts with balances below USD10.00 (but this is only a hypothesis and needs further investigation).



Sumáriu

Distânsia ba sukrusál banku, ignorânsia kona-ba prosesu no potenciál ba benefísiu sira ne'e, no banki nian estratéjia ba presu/kustu ne'ebé komplikadu bele afeta desizaun loke konta ida. Alén ne'e mós, iha deit parte ki'ik hosi populasaun mak iha rendimentu estavel ne'ebé bele justifika pagamentu ba konta bankária, tamba iha taxa no kustu oioin ne'ebé mak tenki adere.

Maski iha limitasaun wainhira loke no mantein konta bankária ida, maibé 62% populasaun adultu maka iha ona konta bankária. Maibé, iha estimasaun katak liu metade husi konta sira ne'e (kuaze 200,000 konta) maka iha relasaun ho funsionáriu públiku no transferénsia ba benefísiu sosiál sira (ne'ebé iha obrigasaun hodi simu pagamentu liu husi konta bankária).

Kustu banku, distânsia no liña hein sira kria insentivu ba kliente sira nia hahalok. Kliente iha possibilidade koko atu minimiza ba iha banku ho númeru tranzasaun sira, ne'ebé bele sai hanesan esplikasaun ba 63% husi konta depóziitu sira ho balansu menus husi USD 10.00 (ne'e hipoteze de'it no persiza analiza klean liután).



	ANZ	BNCTL	BNU/CGD	MANDIRI
Costs to Open a Savings Account	Free	Free	No new savings accounts are offered (only under Ha'u-nia Futuru programme)*	USD 5,00 (Debit Card included)
Costs to Open a Deposit Account	Free	Free	Free	Free
Minimum amount to Open an Saving Account	USD 2,000	USD 10	Product Not Available	USD 50
Minimum amount to Open an Deposit Account	USD 2,000	USD 100	No requirement	USD 500
Savings Account Monthly Maintenance Fee	Free (only one transaction free per month)	USD 0.50	Product Not Available	USD 0.75
Deposit Account Monthly Maintenance Fee	USD 5.00	USD 2.00	USD 2,50** or USD30 per year	USD 2.75
Savings Account Minimum Balance Requirement	USD 2,000 USD2.00 fee if balance goes below minimum	USD10 No penalty fee	Product Not Available	USD 10 USD2.50 fee if balance goes below minimum
Deposit Account Minimum Balance Requirement	USD 50 USD2.00 fee if balance goes below minimum	USD 100 No penalty fee	No requirement	USD100 USD 10 fee if balance goes below minimum
Debit Card Annual Fee	No fee	No Debit Card	USD 3.50 per year or USD 0.35 per month	USD 3.00 card fee included in the opening account fee
Debit Card Transaction Fee	USD 0.30 per ATM and EFTPOS transaction	No Debit Card	EFTPOS transactions are free	Free transactions
Savings Remuneration (not included the Ha'u-nia Futuru Accounts)	0.05% per year	0.50% per year	Product Not Available	0.20% per year
Deposit Remuneration	0.05% per year	0% (balance not remunerated)	0% (balance not remunerated)	0.10% per year

(*) BNU/CGD suggests time-deposit to clients interested in savings accounts

(**) BNU/CGD does not charge maintenance fee inactive deposit account with average balance below USD1,000.00. Accounts must have at least one transaction per year to be considered active.

	ANZ	BNCTL	BNU/CGD	MANDIRI
Kustu hodi Loke Konta poupansa nian	Gratis (La selu)	Gratis	Laiha konta poupansa foun mak ofere (iha de'it programa Ha'u-Nia Futuru nia okos)*	USD 5,00 (Inklui kartaun débitu)
Kustu hodi Loke Konta depózu	Gratis	Gratis	Gratis	Gratis
Montante Minimu hodi Loke Konta poupansa Nian	USD 2,000	USD 10	Produktu Laiha	USD 50
Montante Minimu hodi Loke Konta Depózu	USD 2,000	USD 100	Laiha Rekizitu	USD 500
Konta Rai osan/ poupansa Kada Fulan nia Kustu Manutensaun	Gratis (tranzasaun ida de'it mak Gratis kada fulan)	USD 0.50	Produktu Laiha	USD 0.75
Konta Depózu Kada Fulan nia Kustu Manutensaun	USD 5.00	USD 2.00	USD 2.50** ka USD 30.00 ba tinan ida	USD 2.75
Konta poupansa nia Rekizitu ba Saldu Minimu	USD 2,000 Kustu USD2.00 karik balansu menus liu mínimu	USD10 Laiha Kustu Penalidade	Laiha Rekizitu	USD 10 Kustu USD2.50 karik balansu menus liu mínimu
Konta Depózu nia Rekizitu ba balansu Minimu	USD 50 Kustu USD2.00 karik balansu menus liu mínimu	USD 100 Laiha Kustu Penalidade	USD 3.50 ba tinan ida ka USD 0.35 ba fulan ida	USD100 Kustu USD10 se saldu menus liu mínimu
Taxa anuál Kartaun débitu	Laiha Kustu anuál ba kartaun	Laiha kartaun débitu	USD 0.25 pur Transasaun ATM	Kustu kartaun USD 3.00 inklui iha kustu loke kontu
Taxa transasaun ba Kartaun débitu	USD 0.30 ba kada Transasaun ATM no POS	Laiha kartaun débitu	Gratis ba Transasaun EFTPOS	Transasaun Gratis
Remunerasaun ba Konta poupansa (La inklui "Hau nia Futuru" nia kontu)	0.05% kada tinan	0.50% kada tinan	Produktu Laiha	0.20% kada tinan
Remunerasaun depózu	0.05% kada tinan	0% (Saldu La Renumeradu)	0% (Saldu La Renumeradu)	0.10% kada tinan

(*) BNU/CGD sujere kontu depózu a-prazu ba kliente sira ne'ebé interesante ba kontu poupansa.

(**) BNU/CGD ofere kustu manutensaun kontu depózu ba kliente sira ho balansu menus USD 1,000 – Kontu tenke ativu (tenke iha tranzasaun ida kada tinan).

4.2.

Process to Get a Bank Loan

If opening a bank account does not seem to be an easy process, getting bank credit is much more complicated. Bank credit is very restricted in Timor-Leste, with only 3% of the adult population having outstanding loans with banks. The main reasons for the limited penetration are the regulatory environment and the banks' internal policies on restrictions.

According to the World Bank's Doing Business Report, collateral and bankruptcy laws are key to protect borrowers' and lenders' rights,²² encouraging both parties to enter into loan agreements. Timor-Leste is currently working to define and implement both laws, which are expected to be approved and implemented in 2017/2018. With the absence of these regulations currently, collateral accepted by banks are very limited; they include balances in deposit and savings accounts, and fixed accounts for salary payment.

The Doing Business Report also highlights the importance of credit registry and credit bureaus to support banks' credit evaluation processes. Timor-Leste does have a credit registry that consolidates bank clients' credit history, but it covers just a small proportion of the population. Being a small country, the financial market is not large enough to attract private players to set up credit bureaus. Due to these limitations, the banks are very restrictive when evaluating credit proposals. The table below lists the main steps and requirements in the process to obtain a personal loan.

²² The World Bank (2016). Doing business 2016: Measuring Regulatory Quality and Efficiency - Timor-Leste

4.2.

Prosesu atu hetan impréstimu

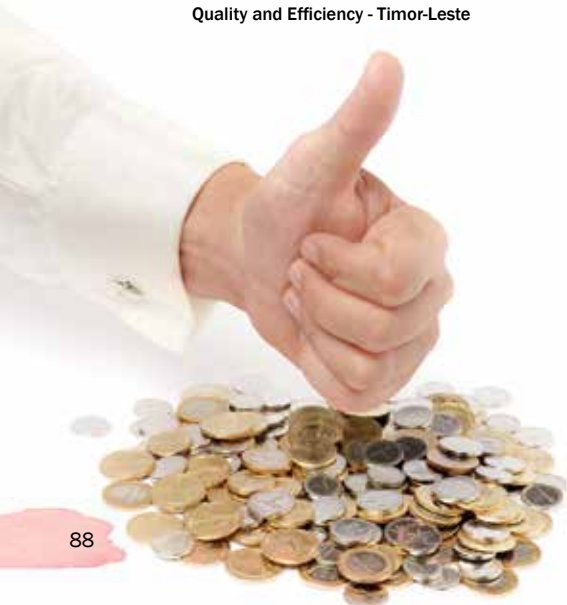
Se loke konta bankária ida mak la'ós prosesu fasil ida, hetan kréditu husi banku ida bele komplikadu liu fali. Kréditu husi banku limitadu loos: 3% de'it husi populasau adultu sira mak iha impréstimu ho banku sira. Nia razaun prinsipál ba penetrasau limitada maka ambiente regulatoriu no restrisau husi polítika internal banku nian.

Bazea ba relatóriu husi Banku Mundiál – relatóriu Doing Business, lei ba garantia no falênsia lei sira maka importante hodi proteje direitu imprestadór no ema ne'ebé fó impresta.²² Enkorajen sira nain rua hodi tama ba iha akordu impréstimu. Timór-Leste agora daudaun serbisu atu defini ho implementa lei sira ne'e, ne'ebé espera bele aprova no implementa iha tinan 2017/2018. Temporáriu regula-sau ne'e seidauk iha, garantia sira ne'ebé simu husi banku limitadu tebes; sira ne'e inklui balansu iha konta depó-zitu no poupan-sa, ho konta fiku ba pagamentu saláriu.

Relatóriu Doing Business mós mensiona importánsia husi rejistu kréditu ho ajénsia kréditu hodi suporta banku nia prosesu avaliasau ba kréditu. Timór-Leste iha rejistu kréditu ne'ebé konsolida istória kliente banku sira-nia kona-ba kréditu, maibé ne'e kobre de'it parte oituan husi populasau. Hanesan nasaun ki'ik ida, merkadu finaseiru ladún sufisienti hodi atraí setór privadu sira hodi estabelese ajénsia kréditu. Tanba limitasau sira ne'e, banku sira mak limita loos wainhira avalia proposta kréditu sira. Tabela tuir mai ne'e mak lista pasu prinsipál ho rekizitu sira iha prosesu hodi hetan impréstimu pesoal.

Prosesu no kritéria ne'ebé esplika iha leten limita aseru ba kréditu ba iha kliente balun – ida ne'ebé ho kontratu fiku empregu ho bele apresenta impresta nia garantidor. 91,189 de'it, ou 16% husi populasau adultu entre grupu tinan 15 to'o 64, maka serbisu ho tipu kontratu saláriu balun (balun ho kontratu kurtu prazu) ne'ebé bele elegivel ba impréstimu individual. Hodi nune'e, 3% de'it husi populasau adultu iha impréstimu iha banku.

²² The World Bank (2016). Doing business 2016: Measuring Regulatory Quality and Efficiency - Timor-Leste



Branch, Meeting Centres, or Banking Vehicles	<p>Clients are required to apply for loans at bank branches. For group loans, in the case of BNCTL, applications are done at the group meeting centre, which a bank loan officer visits regularly.</p> <p>BNCTL's mobile banking vans also receive credit applications and perform credit disbursement, but the visits may not be frequent to some areas.</p>
Client History	Clients with financial history as depositors in the same institution have better chances to get loans approved.
Forms	Clients are required to complete a loan request letter and a loan application form, stating the purpose of the loan.
Documents	<p>The documents that clients should typically provide are:</p> <ul style="list-style-type: none"> • Identification document with photo; (ANZ requires two forms of IDs) • Guarantor(s) identification document • Husband/wife identification document may also be requested • Permanent employment contract
Collateral & Guarantors	Clients are required to receive their salaries in their account with the lending bank. Guarantors should also maintain their deposit or savings accounts with the lending bank. BNCTL requires two guarantors.
Processing Time 1 to 5 days, or even a month	<p>Once all documents are presented, and forms are completed and verified, the credit evaluation and loan processing time can vary from two days to a week, or even up to a month in the case of Mandiri that does the credit analysis outside of Timor-Leste.</p> <p>BNCTL is able to approve urgent loans within 1 day, but charges a USD100.00 urgency fee to do so.</p>
Cost Interest rate from 5 to 18% per year Administration fee	<p>Interest rates charged by banks vary from 5% to 18% per year, depending on the client credit profile, the purpose of the loan, the type of loan, and the loan amount.</p> <p>In addition to interest rates, banks charge a loan administration fee that can add up to 3% of the loan amount.</p> <p>Other fees may apply, based on the type of loan and if the client delays instalment payments.</p>

Banku, Sentru Reniaun, ka Veikulu Banku nian

Kliente sira persiza hatama aplikasaun ba imprestimu sira iha banku ne'ebe sira mantein iha sira nia konta depositu sira. Ba grupu imprestimu sira, iha kazu BNCTL nian, aplikasaun sira halo tiha ona iha sentru reniaun grupu, ne'ebe ofisial imprestimu banku vizita regularmente.

BNCTL nia veikulu mobile banking simu aplikasaun kreditu sira ho halao pagamentu/distribusaun kreditu, maibe vizita sira ne'e la beibeik ba iha suku ka aldeia balun.

Kliente nia Historiku

Kliente sira ho historia hanesan depositu sira iha institusaun hanesan iha oportunidade diak liu atu hetan imprestimu ne'ebe aprova.

Formulariu sira

Kliente sira iha obrigasaun hodi kompleta karta pedidu imprestimu ida ho formulariu aplikasaun imprestimu ida, deklara objetivu husi imprestimu.

Dokumentu sira

Dokumentu sira ne'ebe kliente sira tengke normalmente fornese maka:

- Dokumentu identifikasaun ho fotografia; (ANZ persiza formulariu rua ba DI)
- Garantidór ka fiadór nia dokumentu identifikasaun
- Bele mos persiza dokumentu identifikasaun Laen/Fen nian
- Kontratu Permanente Empregu

Garantia & Garantidór sira

Klient sira iha obrigasaun hodi simu sira nia salariu iha sira nia konta ho banku ne'ebe sira impresta osan ba. No Garantidór mós tenki mantein sira nia konta depózo ka poupans/rai osan nian ho banku ne'ebe sira impresta ba. BNCTL persiza garantidór nain rua.

**Tempu Prosesa
Loron 1 to 5, ou bele
to'o fulan**

Wainhira dokumentu sira hotu apresenta tiha ona, ho formulariu sira kompleta ho verifika tiha ona, avaliasaun kreditu ho imprestimu nia tempu prosesa bele oi-oin husi loron rua to'o semana ida, ka bele to'o fulan iha kazu Mandiri ne'ebe kreditu analiza fora husi Timor-Leste.

BNCTL bele aprova imprestimu urjenti sira iha loron ida, maibe selu kustu USD 100.

**Kustu
Taxa bunga/funan husi %5
to'o 18 per tinan
Kustu Administrasaun**

Taxa funan/bunga kobra husi banku husi 5% to'o 18% ba kada tinan, depende ba kliente nia kreditu profil, objetivu husi imprestimu, tipu imprestimu, ho montante imprestimu.

Laos deit taxa ba taxa de-juru/funan, banku mos kobra kustu administrasaun imprestimu ne'ebe bele amenta to'o 3% husi total impestimu.

Kustu sira seluk bele aplika, bazea ba imprestimu nia tipu ho se kliente atraza nia pagamentu.

The process and criteria detailed above restricts the access to credit to a few clients - the ones with a fixed employment contract and able to present a loan guarantor. Only 91,189, or 16% of the adult population in the 15 to 64 age group, are employees with some form of salary contract (some with short-term contracts), a requisite for application of individual loans. As a result, only 3% of the adult population has an outstanding bank loan account.

4.3. Accounts with Microfinance Institutions

The main advantages of microfinance institutions (MFIs) are the outreach of their access points and activities, as well as their lower criteria to approve loans compared to banks. MFIs target remote areas which are not fully covered by the banks, and the lower income segment of the population who may apply for small loans without the skills to provide proper loan proposals. Hence MFIs are an alternative for clients interested in taking loans.

The two microfinance institutions operating in Timor-Leste are in the process to become organisations categorized as Other Deposit Taking Institutions (ODTI). ODTIs regulation ODTIs regulation limits the total deposits liabilities to USD 1 million.

Currently, MFIs require loan clients to have deposit accounts, as a form of partial guarantee for the outstanding loans. In case clients are only interested in maintaining deposit/savings accounts, the clients are allowed to do so for a limited period of three months. They can only maintain the deposit or savings accounts for a longer period if they take up a loan.

Savings and Deposits Accounts

MFIs do not charge to open or maintain savings and deposit accounts, as MFIs require clients to have a “cash security account”, which is normally 10% to 20% of the loan amount during the full duration

4.3. Konta iha Institusaun Mikrofinansas

Vantajen prinsipál institusaun mikrofinansas (IMF) maka divulgasaun atividade no kritéria ne'ebé fasil hodi hetan impréstimu kompara ho banku. IMF target área remota (ne'ebé la kobre husi banku), no populasau ho rendimentu ki'ik ne'ebé aplika ba impréstimu ki'ik la ho proposta impréstimu ne'ebé adekua. Hodi nune'e IMF mak sai alternativa ba kliente sira ne'ebé interese iha foti impresta, maibé la'ós ba kliente sira ne'ebé interese de'it iha rai osan.

Institusaun mikrofinansas rua ne'ebé halo operaun iha Timór-Leste mak iha prosesu atu sai Institusaun Seluk Foti Depositu (ISFD). ISFD nia regulamentu aplika ba institusaun ho depóztu to'o USD 1 miliaun.

Agora daudaun, IMF rekere kliente impréstimu sira atu iha konta depóztu, hanesan garantia sorin ba pagamentu impréstimu. Se kuandu kliente sira interese de'it iha mantein konta deposit/rai osan (poupansa), kliente sira bele halo hanesan ne'e ba períodu fulan tolu, maibé labele kleur liu se sira la foti impréstimu ida.

Konta depóztu no poupansa

IMF la kobra hodi loke ka mantein konta depóztu ho rai osan/poupansa nian, tanba IMF ezizi kliente hodi tenke iha “konta seguransa osan”, ne'ebé normalmente 10% to'o 20% husi montante impréstimu durante durasaun tomak impresta. Izemplu, kliente ida aplika ba impréstimu USD 1,000; se aprova, kliente ne'e simu USD 800, ho USD 200 sai hanesan ninian konta seguransa osan; maibé funan/bunga ho kustu kalkula ba nia totál montante impresta USD 1,000. Se kuandu kliente ne'e la selu nia impréstimu, nia montante se hamenus husi konta seguransa osan. Konta seguransa osan se iha fali ba kliente depois impréstimu selu hotu ona.

Moris Rasik remunera seguransa osan selu 4% funan/bunga anual ba balansu mediu (durante karrega 30% to'o 40% taxa funan/bunga anual ba montante hanesan), maibé la selu kualker remunerasaun ba iha konta depóztu ho rai osan/poupansa nia voluntaria.

of the loan. For example, a client applies for a USD1,000.00 loan; if approved, the client receives USD800.00, and USD200.00 will be in his cash security account; but interests and fees charged for the loan are calculated over the total amount of USD1,000.00. In case the client is not able to pay an instalment, the amount is deducted from the cash security account. The cash security account balance is available for the client after the loan is fully paid.

Moris Rasik remunerates the cash security paying 4% annual interest over the average balance, while charging 30% to 40% effective annual interest rate over the same amount, but does not pay any remuneration over the voluntary deposit and savings accounts. KIF on the other hand, does not pay interest on the cash security account but pays 3% per year on the voluntary deposit and savings accounts.

Deposits and withdrawals can be made in the group loan meetings or at the MFI branch.

Loan Pricing

The two MFIs have a different approach to loans. KIF is focused on individual loans, while Moris Rasik is focused on group loans targeting women, but also does a few individual loans. The process to get an individual loan requires more documents and verifications compared to group loans, for example, individual loan applicants need to provide proof of address and source of income. MFIs charge considerably higher interest rates compared to banks, and their pricing strategy includes mandatory security deposits and micro insurance. Also, MFIs inform clients the “flat rate” per year or per month. The “flat rate” means that interests are calculated over the loan principal amount for all the instalments, not over the outstanding balance as in the case of an effective interest rate. For instance, a flat rate of 15% corresponds to an effective rate of around 30%.

The charges for loans are:

- Loan processing fee: 2% of the loan for individual loans and 0.25% for group loans
- Micro insurance: 1% to 2% of the loan per year

KIF la selu funan/bunga ba iha konta seguransa osan maibé selu 3% pur tinan ba konta depóztu ho rai osan/poupansa voluntaria.

Depositu ho hasai osan bele halo iha reniaun grupu impréstimu ka iha IMF nia sukrusal.

Presu Imprestimu

IMF rua iha diferente aproximasaun ba iha impréstimu: KIF foka liu ba impréstimu individual, maibé Moris Rasik foka liu ba grupu impréstimu ba feto, maibé halo hotu ba impréstimu individual. Prosesu hodi hetan impréstimu individual persiza dokumentu ho verifikasaun barak kompara ho grupu impréstimu; izemplu, aplikante ba impréstimu individual persiza atu fornese prova hela fatin ho fonte rendimentu. IMF kobra taxa de-juru boot liu kompara ho banku sira, no sira nia estratejia fo presu inklui depóztu seguransa obrigatoriu ho mikro seguru. Nunemós, IMF informa kliente sira “taxa fixa” kada tinan ka kada fulan. “Taxa fixa” signika katak funan/bunga kalkula ba montante prinsipál impréstimu ba pagamentu hotu, la liu husi balansu pagamentu hanesan iha taxa de-juru efetivu. Izemplu, taxa fixa 15% koresponde ba taxa efetivu ida kuaze 30%.

Kobransa ba impréstimu maka:

- Kustu Prosesu Imprestimu: 2% husi impréstimu ba impréstimu individual ho 0.25% ba grupu impréstimu
- Mikru Seguru: 1% to’o 2% husi impréstimu kada tinan
- Taxa de-juru ka funan: 30 to’o 40% taxa de-juru/ funan efetivu kada tinan (la konsidera nia impaktu husi konta seguransa osan obrigatoriu)
- 10% to’o 20% husi impréstimu rai iha konta seguransa osan durante durasaun impréstimu.

4.4

Uniaun de- Kréditu no Grupu Rai osan/Poupansa

Uniaun de-Kréditu sira (ka koperativa kréditu sira) ho grupu rai osan/poupansa (ka grupu rai osan/poupansa ho impréstimu) mós oferese alternativu ba rai osan/poupansa ho impréstimu ki’ik ba sira nia membru, maioria konsentra iha área remota.

- Interest rate: 30% to 40% effective interest rate per year (not considering the effect of the mandatory cash security account)
- 10% to 20% of the loan is kept as cash security account during the duration of the loan

4.4. Credit Unions and Savings Groups

Credit unions (or financial cooperatives) and savings groups (or savings and loans groups) also offer alternatives for savings and small loans to their members, mostly concentrated in rural areas. These organizations are self-managed, where the members are the ones responsible for defining the criteria for membership, requirements for regular contributions, criteria for loans, as well as the conditions and interests charged on loans. Members also decide the profit sharing methodology.

Credit unions are affiliated with the Credit Federation Hanai Malu and supported by the Ministry of Commerce, Industry and Environment. The Credit Federation conducts annual meetings and training sessions, but only credit unions with a certain size (more than 15 members and capital above USD1,500.00) can become members of the Credit Federation - this is the case of the 32 credit unions mentioned in this report.

4.5. Key Takeaways

The quality dimension of financial inclusion is an area which requires more attention to implement appropriate strategies moving forward. Some vital quality issues still persist in the country, including language barriers, complicated procedures to open accounts, documentation requirements and complicated pricing strategy. All these aspects are barriers which must be overcome to achieve financial inclusion. In addition, BCTL will also focus on defining clear quality indicators as part of its measurement framework, to continue measuring the progress of quality of financial services for a more inclusive financial sector.

Organizasaun sira ne'e maneja-mesak; nia membru sira maka sira ne'ebé responsavel hodi defini kritéria sai membru, rekizitu sira ba kontribusaun regulár, kritéria ba impresta, nunemós kondisaun ho kustu taxa ba impresta. Membru sira mós desidi metodolojia hodi fahe lukru.

Uniaun kréditu mak filiadu ho federasaun kréditu Hanai Malu ho suporta husi ministeriu Komersiu, Industria ho Ambiente. Federasaun kréditu halao reniaun anual ho sesaun treinamentu sira, maibé uniaun kréditu de'it ho medida balun (membru liu 15 ho kapitál liu USD 1,500.00) bele sai membru federasaun kréditu – ne'e mak kazu husi uniaun kréditu nain 32 mensina iha relatóriu ne'e.

4.5 Pontus ka hanoin prinsipál

Kualidade dimensaun inklusaun finanseira área ida-ne'ebé mak presiza tebes atensaun boot liután para bele implementa estratéjia mak adekuada hodi hakat ba oin. Kestaun kualidade balun sei nafatin importante iha país ne'e, inklui obstákulu linguajen, prosedimentu sira ne'ebé komplikadu atu loke konta, rekizitu dokumentasaun no estratéjia presu ida ne'ebé komplikadu. Aspetu hirak ne'e hotu sai hanesan obstákulu sira ne'ebé tenke rezolve atu bele alkansa inklusaun finanseira. Alén ne'e, BCTL sei foka mós hodi define didi'ak kona-bá indikadór-de-kualidade sira klaru nu'udar parte kuadru ba sasukat, para nune'e bele kontinua sukat progresu kona-ba kualidade servisu finanseiru nian iha kontestu sektór finanseiru ida ne'ebé inkluzivu liután.

Chapter
Kapítulu

BCTL roles in promoting

Financial Inclusion

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5.1

Modernization of the Timor-Leste National Payments System (R-TiMOR and NSIP)

5.1.1 Payment Systems and Financial Inclusion

BCTL is aware of the strong correlations between a sound and efficient retail payment system and the provision of financial services which will foster greater financial inclusion. The provision of banking services using traditional methods has been relatively inefficient and costly in serving the underserved.

Retail payment services are used daily in Timor-Leste, as with all other countries, to complete transactions between individuals, businesses or the government. At present, a high percentage of these retail payments are transacted in cash, however, dealings with high volumes of cash can be inefficient and pose security risks. For example, in certain parts of Timor-Leste, government employees such as teachers need to take two days off work to travel to the nearest bank to withdraw their salary. In addition to the long travel period, which takes as much as 10% of their working hours, they are also at risk from loss or theft while transporting cash to the places where they wish to spend it.

BCTL is therefore committed to improving the safety and efficiency of, and access to, electronic payment services. These can bring considerable benefits to commerce and business activities by facilitating payments between individuals, businesses and the government. Improving access to transaction accounts and creating payment systems that are efficient and safe are key factors that will allow the population as a whole to move from cash to cashless means of payment.

At the same time, the storage of wealth in banks and other financial accounts, instead of cash form, means that these funds can be fully utilized by the financial system to develop and deepen

5.1

Modernizasaun ba Sistema Nasionál Pagamentus Timor-Leste (R-TiMOR ho NSIP)

5.1.1 Sistemas pagamentu ho inkluzau finanseira

BCTL rekoñe katak iha koneksaun ne'ebé forte entre sistema pagamentu seguru no efikáz ho oferese servisu sira-ne'ebé mak bele permite inkluzau finanseira ida-bé bootliu. Oferese servisu bankáriu tradisionál relativamente la efisiente no karu hodi servi populasaun sira mak ladauk hetan servisu finanseiru.

Servisus pagamentus-de-retallu ne'e sei sai hanesan karakterístika ida moris loroloron nian iha Timor-Leste, hanesan hotu iha países sira-seluk, ho utiliza para kompleta tranzasaun entre ema individuál no empreza sira ka governu. Oras-ne'e, persentajen aas hosi pagamentus-de-retallu sira-ne'e transasaun ho osan, maske ne'e konveniente maibé meu pagamentu ida-ne'e relativamente inseguru no inefikás. Pur ezemplu, iha funsionáriu sira-balu governu Timor-Leste nian, hanesan professór sira presiza lori loron rua folga para halo viajen ba too banku ida-besikliu ne'e hodi foti sira-ninia saláriu. Aleinde gasta pursentu sanulu hosi ninia tempu servisu para ba halo viajen ne'e, sira mós bele hetan risku lakon ka ema na'ok sira bainhira lori sira-ninia osan ba iha fátin sira-bé sira hakarak gasta bá.

BCTL, portantu, iha komitmentu halo melloramentu iha seguransa no efikásia, ho hetan asessu ba, servisus pagamentu eletróniku. Hirak-ne'e bele fó benefísiu konsiderável oioin ba atividades komérsiu ka negósiu empresariál hodi fasilita halo pagamentu entre ema individuál sira, empresas ho governu. Hadi'a asessu ba kontas tranzasaun nian ho kria sistemas pagamentu nian ne'ebé efikás no seguru ne'e sai hanesan faktór xave sira-ne'ebé mak permite emar populasaun tomak para bele muda ona hosi meus pagamentu uza osan ba sira-bé la uza osan ne'e.

the Timorese financial sector and economy by generating loans and investments using the wider pool of available funds. The development of electronic payment systems will make it more economical to provide financial services to customers who currently generate minimal or a negative profit margin, particularly customers who immediately withdraw the maximum cash received from the government from their accounts for their day-to-day needs.

Furthermore, small businesses that receive customer payments into their bank accounts in real time can immediately use those funds to pay for inputs to the businesses. This avoids having to travel to another location to pay for these purchases, which normally requires attendance in person if payments were done in cash or cheques.

Given its importance, the Central Bank is committed to undertake the roles and responsibilities in encouraging the safety and efficiency of the Timor-Leste payment system, including the development of retail payment systems, services and payment instruments. This section sets out the BCTL's action plans for developing an inclusive world-class retail payment system in Timor-Leste.

Iha ne'e mós armazenamentu rikeza eh rikusoin iha banku no iha konta sira-seluk envezde iha osan-notas ne'e signifika katak sistema finanseiru bele uza fali fundu hirak-ne'e para dezenvolve luan liután ekonomia timorense liuhosi empréstimu / kréditu no meius seluk-ne'ebé utiliza lubun bootliu hosi fundu disponível hirak-ne'e. Dezenvolve sistemas pagamentu eletróniku signifika katak ida-ne'e bele sai ekonómiku para bele fornese servisu finanseirus ba kliente sira-ne'ebé mak oras-ne'e hetan de'it marjen lukru mínimu ka negativu, liuliu kliente sira-ne'ebé mak hetan osan tama ba sira-nia konta maibé hasai fali lailais kedas hodi utiliza ba ninia nesessidades loroloron nian.

Aleinde ida-ne'e, empreza ki'ik sira-ne'ebé mak simu pagamentu hosi kliente sira tama ba iha sira-nia konta bankária tuir tempu réal, bele uza fali kedas fundu hirak-ne'e para selu sasan ba negósiu, ida-ne'e bele evita halo viajen ba fatin seluk hodi halo pagamentu ba hola sasan hirakne'e, ne'ebé normalmente presiza halo atendimentuem- pessoa hodi kompleta parte pagamentu liu hosi osan ka cheque.

Tamba ninian importânsia, Banco Central iha komitmentu hala'o knar no responsabilidade oioin para insentiva seguransa no efikásia iha sistema pagamentu Timor-Leste nian, inklui dezenvolve sistema pagamentu de-retallu, servisu no instrumentu pagamentu. Sesaun ida-ne'e define programa BCTL nian para dezenvolve klase mundiál inkluzivu sistema pagamentu-de-retallu iha Timor-Leste.



5.1.2 R-TiMOR

One of the key functions of all central banks is to provide settlement services for financial institutions, and in particular the formal banking sector. Similarly, in Timor-Leste, each bank holds a settlement account at BCTL. When a transfer from one bank to another is made, the transfer is recorded as a transaction from the settlement account of the sending bank to the settlement account of the receiving bank.

In April 2015, BCTL implemented an electronic payment system known as R-TiMOR. R-TiMOR has two components: a Real Time Gross Settlement system, which settles large and urgent interbank payments in real time, and an Automated Clearing House, which settles smaller and less urgent payments in batches that are processed twice daily.

The participants in R-TiMOR are the four commercial banks, the Ministry of Finance, and the Central Bank. R-TiMOR is primarily an interbank payment system and by itself has little effect on financial inclusion in Timor-Leste. However, it is the foundation on which other payment systems will be built and will form the core of the national payments system once it is fully developed.

5.1.2 R-TiMOR

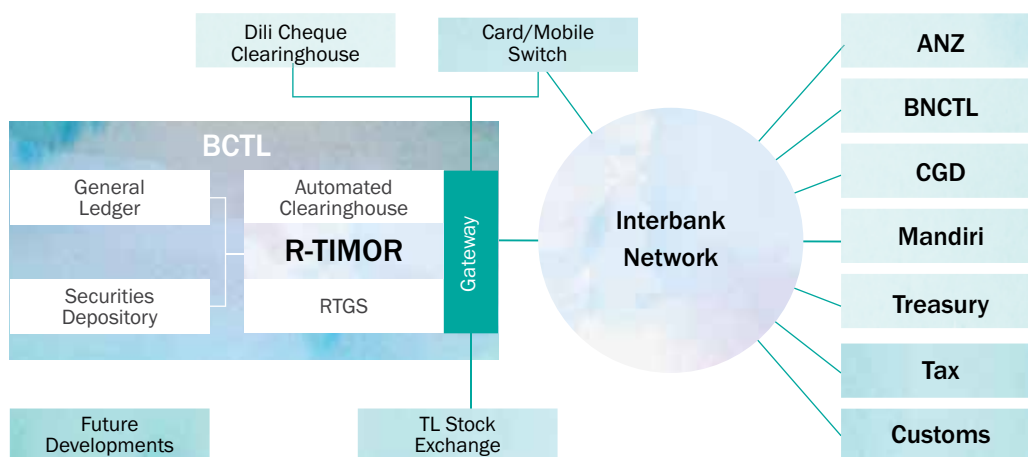
Knaar xave ida banku sentrál nian mak presta servisu-de-estabelesimentu ba instituisaun finanseira sira, no em-partikulár sektór bankáriu formál. Ida-ne'e mak meiu ida-bé liuhosi nia mak transferénsia sira hosi banku ida ba banku seluk bele halo bá. Tanba banku idaidak kaer ninia konta likuidasaun iha BCTL, maka transferénsia sei kontabiliza nu'udar tranzasaun hosi konta likuidasaun banku emissór tama ba konta likuidasaun banku destinatáriu .

Iha abril 2015, BCTL implementa sistema pagamentu eletróniku koñesidu hanesan R-TiMOR. R-TiMOR iha komponente rua : Sistema Likuidasaun Brutu tuir Tempu Reál, ida-bé likuida pagamentu sira boot no urjente interbankáriu tuir tempo reál, ho Automated Clearing House, ida-bé likuida pagamentu sira ki'ik no ladún urjente tuir lote mak sei prosessa loron ida dala rua.

Partisipantes iha R-TiMOR mak banku komersiál haat, Ministério das Finanças ho Banco Central. R-TiMOR esensiál liu nu'udar sistema pagamentu interbankáriu ho ba nia an-de'it ninia efeitu uitoan de'it ba inklusaun finanseira iha Timor-Leste. Maske nune'e, nia sai nu'udar fundamentu báziku iha-ne'ebé sei harii maioria sistema pagamentu sira-seluk ho nia sei forma núkleu sistema pagamentu nasional kuandu dezvoltadu totalmente ona.

The Role of R-TiMOR in the National Payment System is Illustrated in the Diagram.

Knaar ka papél R-TiMOR iha sistema pagamentu nasional bele konsidera mu'udar tuirmai-ne'e:



It can be seen that the primary role of R-TiMOR, aside from settling interbank transactions, is to provide a safe and secure means of settling transactions from various key players of the financial system including the Dili cheque clearing house, the Automated Clearing House and, in future, the card/mobile switch and a Stock Exchange if one is formed. It can also function as the depository for registering the holders of government or central bank bonds, if these are issued in the future.

5.1.3 National Card and Mobile Switch

BCTL is in the process of setting up a national card and mobile switch platform. This switch will operate to process retail payments between individuals, small businesses, and the government. The switch will facilitate banking and financial services to be extended to a much wider segment of the population than at present.

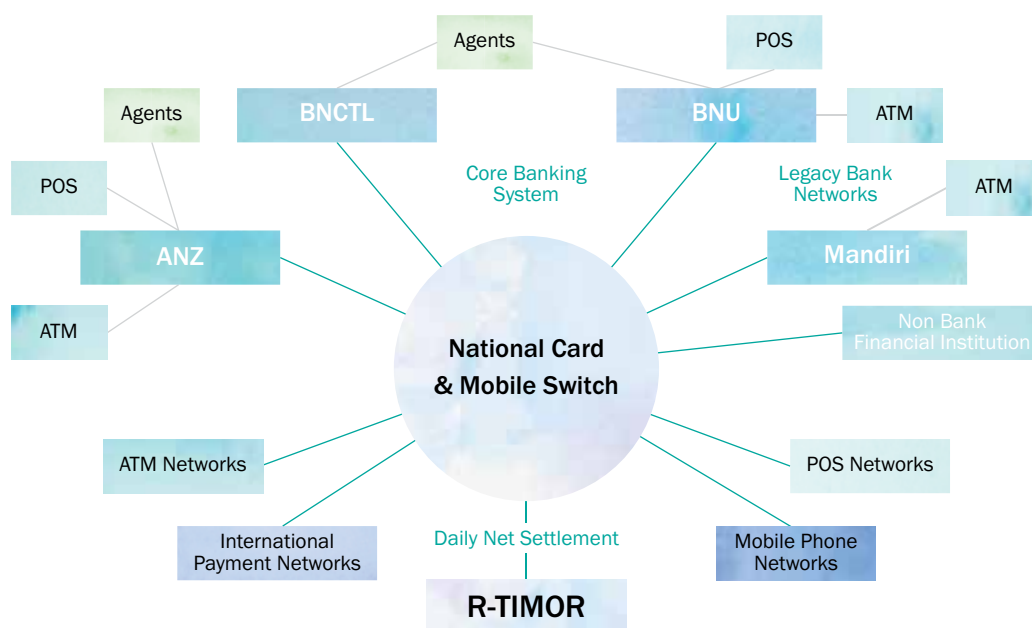
Conceptually, the switch will integrate a number of systems – including core banking systems, telecommunication providers, ATMs, Electronic Funds Transfer Point of Sale (EFTPOS) devices, agents, and so on.

Bele haree iha ne'e katak papél primáriu R-TiMOR, aleinde halo likuidasaun ba operasaun interbankária, nia mós fornese meius salvu no seguru para estabeselese obrigasaun mai hosi parte xave oioin sistema finanseira nian, inklui Dili Cheque Clearinghouse (Kámara-de-Kompensasaun de Xekes – Dili), *Automated Clearinghouse* (Kámara-de-Kompensasaun Automatizada) ho, iha futuru, the card/mobile switch no Stock Exchange (Bolsa de Valores) kuandu estabeselese ona ida. Ida-ne'e mós bele prosede hanesan depozitáriu para registra para registra obrigasionista ka detentór-de-títulus governu ka banku sentrá nian, kuandu halo emisaun ba hirak-ne'e iha futuru.

5.1.3 National Switch uza kartaun ho telemóvel

BCTL sei hala'o hela prosesu kriaun *National Switch* uza kartaun ho telemóvel. National Switch ida-ne'e mak sei hala'o prosesamentu ba pagamentu retallu entre ema individuál, empreza ka negósiu ki'ik sira, ho governu.

Em partikulár, *National Switch* ne'e bele permite servisu bankáriu no finanseiru sira atu bele estende ba segmentu populasaun ida luan liután duke iha oras-ne'e. Haktuir konseitu, *National Switch* ne'e sei integra sistema lubuk-ida - inklui sistema bankária sentrá, provedór telekomunikasaun, ATMs (terminal de caixa automático/multibanco), Dispositivu sira iha Ponto-de-



With the ability of supporting a number of devices, including devices at agents, ATMs, POS devices and mobile phones, will enable all of them to operate on the mobile data networks provided by the three telecommunication companies, which cover virtually 100% of the country. Hence, the switch will bring payment and banking services to almost all of those who would wish to access these services.

When the system is fully operational, bank customers and registered holders of mobile phones will be able, for example, to confirm receipt of salary or benefit from the government on their mobile phones, spend a portion of their income at a local market to buy food and other goods, and make the payments by phone which will be acknowledged to the seller by SMS moments later. Alternatively, the banks may establish agents who can receive cash deposits or provide cash, using a mobile device to update the relevant banking record.

5.1.4 Implementing the Vision

The intention of BCTL in driving these developments is to generate universal access to financial services throughout Timor-Leste. The Bank for International Settlements (BIS) Committee on Payments and Market Infrastructures and the World Bank Group have written a report²³ on the relationship between payments and financial inclusion. The foundations for promoting universal access to financial services depicted in the report sets out the foundation or critical enablers, and catalytic pillars to achieve universal access as follows:

²³ Payment Aspects of Financial Inclusion" April 2016

Venda (POS), agentes, no seluseluk-tán.

Ho kapasidade hosi dispozitivu lubuk-ida, inklui dispozitivu sira iha agentes, ATMs (terminal de caixa automático/multibanco), dispozitivu sira iha Ponto-de-Venda (POS), telefone selulár / telemóvel sira-hotu mak bele opera iha li'ur hosi redes móveis dados fornecidos hosi kompañia telekomunikasaun tolu (3), ne'ebé kobre pratikamente 100% território nasonál, National Switch ne'e bele lori servisu bankáriu no pagamentu ba kuaze sira-hothotu ne'ebé mak hakarak hetan assessu ba servisu hirak-ne'e.

Bainhira sistema ne'e iha hela kondisaun operasionál totál, klientes banku ho detentór telefone selulár/ telemóvel sira-bé registradu ne'e bele, pur ezemplu, konfirma resibu simu saláriu ka benefísiu hosi governu iha sira-nia telemóvel no gasta parte hosi ninia rendimentu ne'e iha merkadu lokál para sosa ai-hán /alimento ho comodidade sira-seluk, hodi halo pagamentu liuhosi telefone mak sei fó hatene ba vendedor liuhosi SMS posteriór. Alternativamente, banku bele estabelese agente sira mak sei simu depózi osan ka fornese osan, utiliza dispozitivu móvel para atualiza rejistu bankáriu relevante.

5.1.4 Implemntasaun ba Vizaun

Intensaun BCTL ba halo dezvoltamentu sira-ne'e para atu hamosu asesu universál ba servisu finanseiru hotu iha Timor-Leste tomak. Banco de Comitê Internacional de Liquidação de Pagamentos e Infra-estruturas de Mercado ho Grupu Banco Mundial hakerek ona relatóriu²³ ida kona-bá relasaun entre pagamentus ho inklusaun finanseira. Vista ba fundamentus bázikus para promove asesu universál ba servisu finanseirus mak ida ilustradu iha relatóriu hanesan tuirmai-ne'e:

²³ Aspetus Pagamentu ba Inklusaun Finanseira" Abril 2016

Universal access to and frequent usage of transaction accounts (Asesu universál no uza frekvente konta à ordem)				
Catalytic Pillars · Drivers of access and usage <i>(Pilár katalítiku</i> · Kontroladór ba asesu no utilizaun)	Transaction accounts and payment product design <i>(Konta à ordem no dezeńu produdu ba pagamentu)</i>	Readily available access points <i>(Pontu asesu sira fasil disponívél)</i>	Awareness and financial literacy <i>(Sensibilizasaun no edukasaun finanseira)</i>	Leveraging large-volume recurrent payment streams <i>(Aproveita fluxu pagamentu ho volume bo'ot)</i>
Foundations · Critical enablers <i>(Fundamentu</i> · Kapasitadór ba kritical)	Financial and ICT infrastructures <i>(Infraestrutura finanseira no TCI)</i> Legal and regulatory framework <i>(Enkuadramentu legál no regulamentori)</i> Public and private sector commitment <i>(Kompromisu setór públiku no privadu)</i>			

Source: BIS and World Bank

BCTL has made substantial progress in implementing the critical enablers or foundations recommended by BIS and World Bank.

1. In November 2014, BCTL committed to develop financial inclusion in Timor-Leste, and has made its commitment public in the Maya Declaration. It has also committed to financing major IT developments in the area of payment systems as described above that will promote financial inclusion.
2. To strengthen the legal and regulatory framework, in 2015 BCTL formulated a law that was enacted by the Government as Decree-Law No 17/2005 on the National Payment System. The Decree-Law provides for oversight and regulation of the National Payment System. Of particular relevance to digital payments and mobile banking as drivers of financial inclusion, the decree-law provides a legal basis for electronic payments, which will be further defined by BCTL in a regulation.
3. The financial and ICT infrastructure is in the process of being implemented by BCTL. In 2015, a highly secure and robust interbank data network was constructed to support the RTGS and ACH. The BCTL is currently in the process of acquiring a National Switch to integrate ATMs and POS devices across banks, which will also use this network. The implementation of mobile money solutions by banks, other deposit-taking institutions, and telecommunications companies will substantially contribute to the ICT infrastructure.

In the meantime, BCTL is also working on the catalytic pillars with action plans and strategies tailored to Timor-Leste's needs to further financial inclusion.

BCTL hala'o ona progresu signifikativu iha ezekusaun "facilitadores críticos" ka fundamentus bázikus iha diagrama ida leten ne'e.

1. Iha novembru 2014, BCTL empenadu para implementa inkluziun finanseira iha Timor-Leste, ho halo tiha ona ninia kompromisu públiku iha Deklarasaun Maya. Nia mós kompromete-án para finansía prinsipais dezvoltamentus IT nian iha área pagamentu nu'udar deskritu iha leten ne'e mak sei promove inkluziun finanseira.
2. Para implementa enkuadramentu legál no regulamentar, iha 2015 BCTL apoia patrosíniu ba lei ida mak Governu promulga nu'udar Decreto-Lei n.º17/2005 kona-bá Sistema Nasionál Pagamentu. Decreto-Lei ne'e prevee fiskalizasaun no regulamentasaun ba Sistema Nasionál Pagamentu. Hetan relevánsia partikulár ba pagamentu digitál ho banku móvel (*mobile banking*) hanesan motór ba inkluziun finanseira, dekretu-lei ne'e prevee uma baze jurídika ba pagamentu eletróniku, mak sei define di'ak-liután iha BCTL ninia regulamentu.
3. Infra-estrutura finanseira ho TIC (Tecnologia Informática & Comunicação) nian iha daudaun prosesu para BCTL atu implementa. Iha 2015 harii ona "rede de dados interbancário altamente segura e robusta" ida para suporta RTGS ho ACH. BCTL oras-ne'e daudaun hala'o hela prosesu akizisaun ba "Switch Nacional" para integra ATMs ho dispozitivus POS iha banku hothotu mós sei utiliza rede ida-ne'e. Implementasaun ba "solusaun osan móvel hosi banku" (soluções de dinheiro móvel por bancos), instituisaun sira-seluk mak simu depózi (other deposit-taking institutions), ho/ka kompañias telekomunikasaun nian sei kompleta substansialmente infra-estrutura TIC nian.

Entretantu, hanesan estabesele ona iha relatóriu ida-ne'e, BCTL mós hala'o hela traballu kona-bá pilár sira katalítiku (pilares catalíticos).

5.2

Banking Agents

During the course of 2015, BCTL worked with the ADB and the University of New South Wales (UNSW) on a branchless banking agents network project. As a result, a Circular Letter 14/2015: Guidelines on the Use of Agents in Branchless Banking (hereafter, the Circular Letter) was introduced on 20 February 2015.

This Circular Letter sets out the regulatory framework for the use of bank agents in the delivery of branchless banking in Timor-Leste. The guidelines include the obligation of reporting to the central bank, the responsibilities of the banks with respect the behaviour of their agents, rules on the selection and monitoring of agents, general compliance rules on customer identification and protection, as well as anti-money laundering. These guidelines have laid out the foundation for other initiatives that followed.

In April 2015, training was provided to all compliance officers of commercial banks with the objective of enhancing the understanding of the commercial banks regarding the requirements applicable to banks in engaging agents in branchless banking.

In July 2015, BCTL, ADB and the UNSW team produced a policy paper on supervision and protection of float in branchless banking. The general objectives of this paper were to:

- a) Describe in theory how different branchless banking models operate, and to highlight the various considerations with respect to protecting the e-money float in branchless banking.
- b) Describe the legislative and regulatory framework for branchless banking activities in Timor-Leste specifically, as it relates to e-money float.
- c) Describe the branchless models currently being used, or considered, by the four banks in Timor-Leste, to illustrate how, or whether, an e-money float exists in these models.

5.2

Korespondensia Bankária

Durante 2015 BCTL servisu hamutuk ho BAD/ ADB (Asian Development Bank) no Universidade de Nova Gales do Sul (UNSW) iha projetu redesba korespondensia bankaria modelu móvel. Carta Circular 14/2015 rezultante: Matadalan Orientasaun kona-ba Uza Ajente Servisu Bankáriu Modelu Móvel (tuirmai, Carta Circular) hahú vigora iha loron 20 febreiru 2015.

Carta-Circular ida-ne'e estabeselese kuadru regulamentár ne'e para uzu ajente servisu bankáriu modelu móvel iha Timor-Leste. Diretrizes ne'e inklui devér atu informa ba banku sentrá, knaar responsabilidade banku sira-nian relasiona ba lala'ok komportamentu ninia ajente sira-nian, regras relativas ba selesaun no akompañamentu halo ba ajente sira, hanesan-mós regras konformidade jerál kona-bá identifikasaun no protesaun ba kliente ho "money laundering" (lavajen osan). Diretrizes ne'e ezejuta no enkamiña hodi iniciativa sira-seluk.

Iha abril 2015, hala'o formasaun ba empregadus responsáveis hosi banku komersiál sira. Objetivu treinamentu ida-ne'e para hadi'a no aumenta kompriensaun banku komersiál sira-nian kona-ba rekizitu sira-bé aplikável ba banku sira-ne'ebé mak emprega ajente servisu bankáriu modelu móvel.

Iha jullu 2015, BCTL, BAD ho ekipa hosi UNSW prodúz dokumentu programa polítika eh diretrizes kona-bá supervizaun no protesaun ba flutusaun iha servisu bankáriu modelu móvel. Objetivu sira jerál traballu ida-ne'e nian mak:

- a) Deskreve, iha teoria, oinsá modelus diferentes iha servisu bankáriu modelu móvel ne'e bele opera, ho para realsa konsiderasaun oioin mak respeita protesaun ba flutusaun osan-eletróniku (*e-money*) iha servisu bankáriu modelu móvel.
- b) Deskreve enkuadramentu lejislativu no regulamentar ba atividades servisu bankáriu modelu móvel iha Timor-Leste - hanesan loos oras-ne'e iha tiha ona bá no sei dezentolve daudaun ne'e - espesifiku liután, conforme ida-ne'e refere ba flutusaun osan-eletróniku (*e-money*).

- d) Outline policy considerations for protecting the float, taking into consideration that at this time only bank-led branchless banking models are permissible in Timor-Leste.

In mid-August 2015, BCTL, ADB and the UNSW team also produced a policy paper on consumer protection in branchless banking. The general objectives of this paper were to:

- a) Underscore the importance of the consumer protection framework for branchless banking activities as it is integral to the broader success of financial inclusion strategies.
- b) Identify consumer protection issues which arise in branchless banking and the resulting key principles to incorporate into financial consumer protection frameworks for branchless banking activities.
- c) Assess existing financial consumer protection arrangements for branchless banking activities in Timor-Leste and consider the broader financial consumer protection arrangements in Timor-Leste.
- d) Make recommendations for further development of consumer protection policies for branchless banking in Timor-Leste.

Furthermore, a BCTL team has mapped possible agents in Dili, to identify shops or workshops that can be potential agents for banks, and for whom introductory training will be organized by BCTL. This selection process has shortlisted 35 shops or workshops.

There was a meeting with representatives of all commercial banks in the beginning of 2016 to discuss the necessary arrangements for the training as well as the implementation stages after the training program.

Currently, a BCTL team is working with one commercial bank that has expressed its commitment to going forward with the agent banking project implementation.

- c) Deskreve modelu móvel mak oras-ne'e sei utiliza hela, ka konsidera, hosi banku haat (4) iha Timor-Leste ne'e, para ilustra oinsá, ka ida-ne'ebé mak flutuasaun osan-eletróniku ruma (e-money) eziste duni iha modelu hirak-ne'e.

- d) Trasa konsiderasaun polítika para proteje flutuasaun ne'e, hodi tetu didi'ak katak oras-ne'e modelu atividade bankária móvel "bank-led" mak bele hala'o iha Timor-Leste.

Iha fulan Agostu klaran 2015, BCTL, BAD / ADB ho ekipa UNSW prodúz tán dokumentu programa polítika eh diretrizes kona-bá protesaun ba konsumidór iha banku ka servisu bankáriu modelu móvel. Objetivu sira jerál traballu ida-ne'e nian mak :

- a) Subliña ka salienta importánsia enkuadramentu fó protesaun ba konsumidór iha atividades bankárias modelu móvel tanba ida-ne'e integrál ba susessu boot-liu iha estratéjia sira inkluzau finanseira nian.
- b) Identifika problema ka asuntu sira kona-bá defeza konsumidór mak bele mosu iha servisu bankáriu modelu móvel ho prinsípius-xave rezultantes atu inkorpora ba iha estrutura protesaun ba konsumidór finanseiru iha atividade bankária modelu móvel.
- c) Avalia medidas protesaun ba konsumidór finanseiru ezistente iha atividades servisu bankária modelu móvel iha Timor-Leste no avalia rejime protesaun ida bootliu ba konsumidór finanseiru iha Timor-Leste.
- d) Halo rekomendasaun kona-bá dezenvolve dia'k-liután polítika protesaun ba konsumidór iha atividades banku móvel iha Timor-Leste.

Aleinde ida-ne'e, ekipa BCTL trasa tiha ona planu kona-bá possível agente sira iha Dili, para identifika loja ka ofisina balu mak bele serve nu'udar agentes potenciais ba banku sira, no ba sira ne'e BCTL sei organiza formasaun ka treinamentu introdutóriu. Atividade ida-ne'e alista ona loja ka ofisina 35. Halo ona reuniaun hamutuk ho representante sira hosi banku komersiál hothotu iha inísiu tinan 2016 para diskute providências nesessárias ba formasaun, hanesan-mós ninia implementasaun liutiha programa treinamentu.

Oras-n'e, ekipa BCTL servisu hamutuk hela ho banku komersiál sira-ne'e ida mak kompromete án para hala'o nafatin ba oin projetu implementasaun agentes bankáriu nian.

5.3

Promoting e-wallet

On September 2014, BCTL authorised the BNU/CGD to start a pilot program that allows a set of banking transactions to be carried out by mobile phone.

This program allows users to make payments, transfers and withdrawals via mobile phone with a daily limit of USD300 per transfer and USD400 per withdrawal.

5.4

Access to Credit (Loan Guarantee, Credit Registry, and Secured Transactions)

BCTL initiated a feasibility study in 2013 on options for agricultural finance and a loan guarantee schemes for the Government to support the private sector in Timor-Leste.

The purpose of this feasibility study is to develop options for the Government of Timor-Leste to consider developing agricultural finance and a loan guarantee scheme that will support the private sector in the country. The study was based on known and proven international best practices that will provide the potential to support and encourage the further growth of the current economy.

The study found that the agriculture and small enterprises sectors in Timor-Leste have not had access to finance on suitable terms and as a result there has been no growth in agriculture or small business enterprises from the grass roots level. The result of the study proposes the introduction of a credit guarantee scheme to open up opportunities for people who were previously unable to obtain access to financing to start agricultural enterprises focused on livestock. This scheme will operate as a pilot project and will focus on up to 3 districts that have been identified as “poor”. One of the main roles of the guarantee scheme is to compensate for the lack of collateral hindering agricultural enterprises’ access to finance.

5.3

Promove e-wallet

Iha setembru 2014 BCTL autoriza ona banku Timor BNU/CGD para inisia ona programa esperimentál ida-ne'ebé permite oinsá mak operasaun bankária série ida bele ezejuta hosi telefone móvel. Programa ida-ne'e permite ninia utilizadór eh uzuáriu sira bele halo pagamentu, transferénsia no levantamentu via telefone selulár ho ninia limite diáriu US\$ 300 ba kada transferénsia no US\$ 400 ba kada levantamentu.

5.4

Asessu ba kréditu (garantia-de-empréstimu, registru de-kréditu, ho tranzasaun segura)

Iha 2013 rohan, BCTL hahú halo estudu-de-viabilidade kona-bá opsaun balun ba finansiamentu agríkola no planu garantia halo empréstimu para governu bele fó apoiu ba sektór privadu iha Timor-Leste.

Finalidade estudu-de-viabilidade ida-ne'e atu bele desenvolve opsaun balun para Governu Timor-Leste bele tetu-didi'ak ba finansiamentu planu desenvolvimentu agríkola ho planu garantia halo empréstimu para bele apoia sektór privadu iha país laran. Estudu ne'e bazeia ba mellores prátikas internacionais koñesidas no komprovas ne'ebé bele fornese potensial hodi apoia no insentiva kreximentu ekonómiku di'akliu ida agora nian-ne'e.

Rezultadu estudu nian propoin atu introdúz garantia empréstimu ho planu garantia de kréditu para loke oportunidades ba ema sira-ne'eb'e mak la hetan assessu ba finansiamentu, molok atu hahú empreza agríkola foka liu ba gadu pekuária. Planu ida-ne'e sei opera hanesan projetu-pilotu no sei konsentra ba iha distritu 3 (tolu) ne'ebé mak identifika ona hanesan “kiak”. Bele observa mós katak funsaun prinsipál sistemas garantia nian mak atu kompensa falta garantia hodi difikulta empresas agríkolos hetan assessu ba finansiamentu.

Research has found that when there is inadequate or no collateral to support a loan, this situation can lead to poor assessment and approval processes. This is because the lender in making the assessment would be unwilling to grant the loan even though the project is commercially viable as there is no guarantee in place to repay the loan if the borrower is unable to meet the required repayments. With the primary objective of enhancing financing to the SMEs in Timor-Leste, the proposed guarantee schemes, and mitigation actions to reduce the potential losses from the scheme have been included in the design of the schemes.

BCTL signed a Memorandum of Understanding (MoU) with Credit Guarantee Cooperation (CGC) Malaysia in 2015 to consult and assist the Bank in setting up a credit guarantee scheme and the scope of the cooperation will be to:

- provide assistance in reviewing the credit guarantee framework to support the development of SMEs in Timor-Leste;
- develop and design the credit guarantee schemes, procedures and other operational matters; and
- participate, collaborate and organize research, training, campaign and/or study visit to promote the enhancement of knowledge and skills required for the management and credit guarantee business in its respective country.

A team from BCTL and CGC Malaysia has developed a draft Guideline on Credit Guarantee Scheme for Agriculture Finance, Business Financing and Finance Facility for Women.

On 11 March 2015, a national dialogue on access to finance on challenges and opportunities for private sector was held under the leadership of the Prime Minister of Timor-Leste and the Governor of CBTL, in partnership with the Câmara de Comércio e Indústria de Timor-Leste (CCI-TL) and the United Nation Development Programme (UNDP).

Peskiza mós deskobre katak se laiha garantia ruma ligada ba empréstimu, situasaun ida-ne'e bele lori ba prosesu avaliasaun no aprovasaun ne'ebé ladiak. Ida-ne'e tamba emprestadór sira halo avaliasaun lakoi fó garantia ba empréstimu sira ne'e mezmuke projeitu sira ne'e é komersialmente viável maibe laiha garantia hodi bele selu empréstimu ne'e bainhira devedór ida labele selu filafali pagamentu ba empréstimu refere. Ho ninian objetivu prinsipál mellora finansiamnetu ba PME iha Timor-Leste, proposta eskema de-garantia ne'e no asaun mitigasaun hodi hamenus perdas potenciál sira ne'e iha eskeme ne'ebé mak inklui ona iha konsepsuan eksema ne'e.

Aleinde ida-ne'e, BCTL assina Memorando de Entendimento (MoU) ho "Credit Guarantee Cooperation (CGC)Malaysia " iha 2015 hodi asisti BCTL ba kriaun eskema garantia de-kréditu ho âmbito kooperasaun hanesan tuirmai-ne'e;

- presta assisténsia iha revizaun kuadru garantia kréditu nian para apoia desenvolve PME/SMEs iha Timor-Leste;
- desenvolve no projeta eskema garantia de-kréditu prosedimentus ho kestaun operasionál sira-seluk.
- participa, kolabora no organiza peskiza, formasaun, kampaña ho/ka vizita-de-estudu para promove aumenta koñesimentu no abilidade sira nesessária ba jestaun no asuntu garantia ba kréditu iha idaidak-nia país.

Ekipa hosi BCTL no CGC Malásia desenvolve ezbosu matadalan ida kona-ba Eskema Garantia de-Kréditu Finanseiru ba Agrikultura, Finanseiru baNegócios no facilidade finanseiru ba Feto.

Diálogu nasionál kona-bá assessu ba dezafius finansiamnetu ho oportunidades para setór privadu TL hala'o ona iha loron 11 marsu 2015, lidera hosi Primeiro-Ministro Timor-Leste ho hosi Governador do Banco Central de TL, liuhosi parseria hamutuk ho Câmara de Comércio e Indústria TL (CCI-TL) ho Programa das Nações Unidas para o Desenvolvimento (PNUD).



This dialogue/seminar was considered as the first step to develop the roadmap for SME development and financing in TL. The dialogue has highlighted the importance of defining a national roadmap for MSME development, and suggested establishing a National MSME Development Council (NMDC). The NMDC will oversee the roadmap development and coordinate its implementation.

Dialógu/semináriu ida-ne'e konsidera ona hanesan hakat dahuluk para dezanvolve roteiru ba dezanvovimentu no finansiamentu PME/SMEs iha TL. Iha-ne'e foka liu kona-ba importánsia atu define roteiru nasionál ba dezanvovimentu MPME/MSME, ho sujere para estabelese Konsellu Nasionál Dezanvovimentu MPME/MSME. NMDC mak sei supervizona dezanvovimentu ba roteiru no koordena ninia aplikasaun.

5.5

Financial Literacy Initiatives (Schools and SMEs)

5.5.1 Awareness Program of Financial Education

BCTL spearheaded its first awareness program of Financial Education on 29 November 2014 which was launched officially by the President of RDTL H.E. Mr Taur Matan Ruak. This was a nationwide awareness program aimed at improving financial literacy. The first National Savings Day was celebrated during this program, and continues to be marked as National Savings Day each year.

National Savings Day is an important part of the financial awareness campaign to reach out to people throughout the nation. The theme for the program, "Save now for a better future" was developed in consultation with community groups. The main objective of the program is to raise awareness about personal and small business finances and thereby altering spending behaviour to inculcate the habit of saving. It is intended to raise public awareness about financial opportunities and risks, and the available ways to manage them, through saving, insurance and financial education.

5.5

Inisiativas ba Literasia Finanseira (Escolas e PME)

5.5.1 Programa sensibilizasaun ba Edukasaun Finanseira

BCTL hahú hala'o ona ninia primeiru programa sensibilizasaun ba Edukasaun Finanseira iha loron 29 novembru 2014, ne'ebe Presidente da RDTL S.E. Sr. Taur Matan Ruak mak loke oficialmente. Ida-ne'e celebra nu'udar primeiru "Dia Nacional de Poupança" (Loron Nasionál Poupança ida-dahuluk) ho marka ona hanesan "Dia Nacional de Poupança" tinan-tinan. Ne'e mak programa nasionál sensibilizasaun para hadi'a literasia finanseira ho ida-ne'e inisiativa Banco Central de Timor-Leste nian.

Dia Nacional de Poupança (Loron Nasionál Poupança) ne'e nu'udar parte hosi kampaña sensibilizasaun finanseira hatu'o ba ema hotu-hotu iha país laran. Tema ba programa ida-ne'e mak "Poupe agora para um futuro melhor" ("Poupa agora ba futuro ida diakliu") ne'ebé dezanvolve liuhosihalo konsulta ba ho grupu komunitáriu sira. Objetivu prinsipál programa ida-ne'e nian mak oinsá hasa'e konxiénsia kona-bá finansas pessoais no empresariais ki'ik, hodi nune'e, bele modifika ábitus konsumu para depois haburas ábitu halo poupança (*the habit of saving*). Pretende sensibiliza

The three key pillars of the campaign: Plan, Save and Protect were designed to make the campaign impactful and memorable

Plan

Financial independence will improve the livelihoods of households and the country's economy.

To achieve this, people need to instill the habit of planning for their future and think beyond the current practice of living day-to-day. Banks can help people throughout the community with financial planning advisory services.

Save

A major challenge facing Timor-Leste is that people are not saving enough for their future. There is an urgent need for people to think about savings as well as spending more wisely. Banks play an important role in helping people to save, and savings products need to be made sufficiently attractive to encourage people to put their savings in a bank instead of keeping them at home.

Protect

In addition to savings, people will also acquire other assets – farms, crops, houses, vehicles and other property – which need to be safeguarded against adverse events. They will also want to protect their children, jobs, and health. The campaign will emphasise how to manage risks and ensure adequate protection against loss, so the wealth that people accumulate over time will benefit them and the community.

konxiénsia pública kona-bá oportunidades no riskus finanseirus ho meius disponíveis para jere hirak-ne'e, liuhosi halo poupança, seguros no formasaun ka edukasaun finanseira.

Pilár-xave tolu (3) iha kampaña ne'e mak: Planear, Guardar /Poupar ho Proteger, ne'ebé projetadu para halo kampaña ne'e memorável.

Planu

Independência finanseira sei halo melloramentu eh hadi'ak liután ekonomia Timor-Leste. Para bele atinje ida-ne'e, emar presiza aprende ábitu halo planeamentu ka planeia ninia futuru no hanoin dook ba oin hosi prátika korrente ninia moris loroloron. Banku bele ajuda ema hotu iha comunidade laran ho planeamentu finanseiru.

Poupa

Dezafiu boot ne'ebé Timor-Leste enfrenta mak ema la poupa ka la halo poupança ba ninia futuru. Iha nesessidade urjente para ema tenke hanoin kona-ba halo poupança, hanesan-mós oinsá tenke gasta ho prudénsia. Banku sira dezempeña papél importante iha ajuda ema halo poupança, ho poupança ne'e tenke halo sai atraente liután para bele insentiva ka estimula ema ba tau ninia poupança iha banku envezde rai de'it iha uma.

Proteje

Di'ak hanesan halo poupança, ema bele hetan asset beins – kintál, kolleita, uma, veíku no propriedade sira-seluk. Sira mós hakarak proteje oan-sira, empregu, no saúde. Kampaña sei enfatiza oinsá proteje buat hirak-ne'e hasoru perda/lakon, ne'ebé signífika katak rikeza ka rikusoin sei akumulá barak liután husi tempu ba tempu, hodi fó benefísiu ba ema indivíduál no comunidade.

Following the launching ceremony, BCTL carried out the financial education awareness campaigns in all municipalities through teams comprising, the Central Bank and commercial bank staff who visited all regions to bring the key messages to as many people as possible. Besides conducting visits to municipalities, BCTL also received invitations from credit unions, cooperatives and government institutions to provide the awareness and financial education programs. The team of Central Bank and commercial bank staff who led this initiative also played the role of mentors and facilitators for the program.

Prior to conducting the financial education awareness campaigns, these teams attended specific training program which was held in 2014. The training was designed to provide practical facilitation skills to effectively deliver the three key pillars of the campaign: Plan, Save and Protect. There was also further training in November 2014 to enhance their skills in delivering the financial education program.

Since its inception, this campaign has reached about 17,300 people by the end of 2015 from various sectors such as the business community, veterans, elderly people, students and public servants, across 12 municipalities and the special administrative region of Oé-Cussi Ambeno.

5.5.2 National Strategic Plan (NSP) for Financial Literacy

BCTL also recognised that it is important to develop a National Strategy for Financial Literacy as it plays an important role in:

- a) Bringing diverse groups of stakeholders together;
- b) Focusing stakeholders' attention to a common goal;
- c) Coordinating activities and programs around the country which may happen on an ad hoc basis;
- d) Coordinating efforts of various organizations to improve financial literacy outcomes;
- e) Drawing attention to and establishing clear financial literacy goals for the nation; and
- f) Encouraging collaboration among various agencies with similar goals/objectives and activities.

Tuir kedas serimónia-de-lansamentu, BCTL komesa hala'o ona kampaña sensibilizasaun ba programa edukasaun finanseira, iha municípios hothotu liuhosi ekipas hosi funsionários Banco Central ho banku komeriál nian mak vizita ona rejiaun hothotu para hato'o mensajens-xave ba emar barak liután kuantu possível.

Molok hala'o kampañas sensibilizasaun programa edukasaun finanseira, ekipa ne'e tuir tiha uluk programa treinamentu/formasaun espesífika iha 2014. Treinamentu ne'e planeadu para fornese habilidades fasilitasaun prátika ba ema hodi tranzmite kampaña ninia pilár-xave tolu (3) ne'e : Planear, Poupar ho Proteger.

Iha novembru 2014 realiza tán treinamentu komplementár ba membru ekipa kampañas sensibilizasaun programa edukasaun finanseira para aumenta liután abilidade hodi bele realiza programa edukasaun finanseira ne'e.

Aléinde realiza vizitas ba municípios, BCTL mós simu konvites solisitasaun hosi kooperativas-de-kréditu Credit Unions, kooperativas no instituisaun governamentál sira para fó kampañas sensibilizasaun programa edukasaun finanseira. Programa ne'e presede husi ekipa kampañas sensibilizasaun edukasaun finanseira ne'ebé kompostu husi funsionários balu Banco Central ho banku komersiál sira-nian mak hala'o knaar nu'udar mentór no fasilitadór sira ba programa ne'e.

Dezde inísiu, programa ida-ne'e atinje kuaze emar 17.300 to'o tinan 2015 rohan maihosi sektór oioin, hanesan empregáriu, veteranu, idozus, estudantes no servidór públiku sira mak kobre municípios 12 ho Região Administrativa Especial de Oecussi Ambeno (RAEOA).

5.5.2 Planu Estratéjiku Nasionál (PEN) ba Literasia Finanseira

BCTL rekoñese mós katak iha duni nesessidade atu dezenvolve Estratéjia Nasionál ba Literasia Finanseira, tanba dezempeña knaar eh papél importante iha:

A national strategy provides direction for the nation to elevate the financial literacy levels of the population. Therefore, BCTL developed the National Strategic Plan (NSP) for Financial Literacy in Timor-Leste, which was officially launched on 28 August 2015. This document was developed through engagement with relevant key stakeholders including the Ministry of Education, Ministry of Social Solidarity, the commercial banks, MFI, Federation Cooperativa Hanai Malu and other partners.

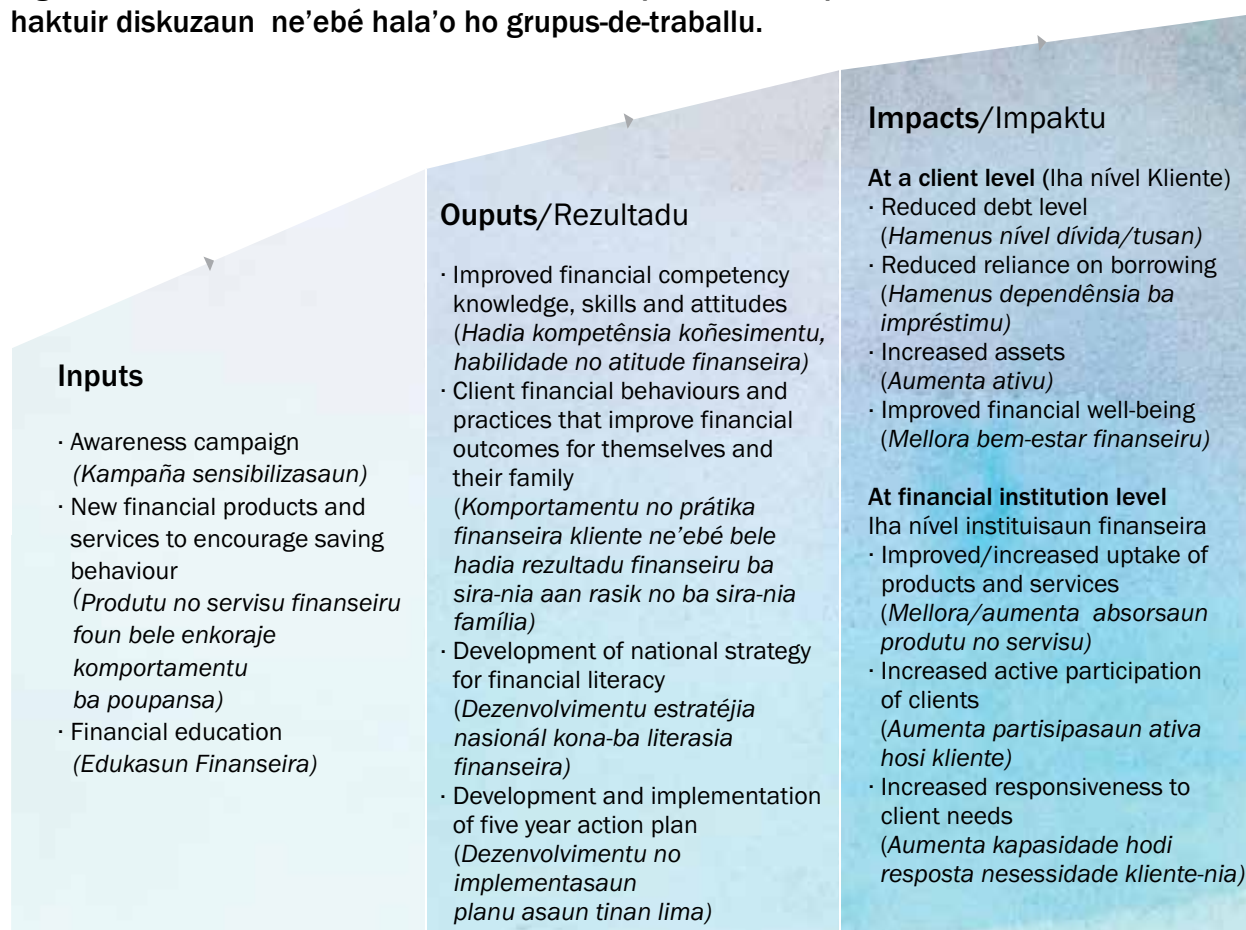
The objective of having a NSP is to provide a framework for raising the level of awareness about financial literacy issues at the national level, achieve collaboration amongst various stakeholders, identify the best models for coordination, and ensure relevance of the initiatives at all levels.

- a) Reune hamutuk grupus-de-interesses oioin ;
- b) Konsentra interessadu sira-nia atensaun ba bjetivu komún ;
- c) Koordena atividades mak akontese iha país laran tomak iha baze espesial ad hoc, maibé la prezisa informa ba malu ;
- d) Koordena organizasaun oioin ninia esforsu tomak para hadi'a diakliután ninia rezultadu;
- e) Bolu atensaun ba no estabese neessidade ba metas hetan akordu no klaru ba nasaun; ho
- f) Insentiva kolaborasaun entre órgaun oioin ho metas/objetivos no atividade sira similár.

Estratêjia Nasionál mós fó orientasaun ba nasaun kona-bá para oinsá bele hadi'a níveis literasia finanseira ba populasau. Nune'e, Banco Central de Timor-Leste (BCTL) dezenvolve ona Plano Estratégico Nacional (PEN) para Literacia Financeira em Timor-Leste ho ninia lansamentu ofisial iha lora 28 agostu 2015.

The diagram below is the **framework of expected outcomes and impact** of financial education – based on the discussions within the working group.

Figura iha kraik-ne'e mak kuadru rezultadu esperadu ho impaktu Edukasaun Finanseira – haktuir diskuzaun ne'ebé hala'o ho grupus-de-traballu.



Dokumentu ida-ne'e dezenvolve liuhosi envolvimentu profundu hamutuk ho parte prinsipál sira interessada no relevante, inklui Ministério da Educação, Ministério da Solidariedade Social, banku komersiál sira, MFI, Federação Cooperativa Hanai Malu nsst.

Objetivu halo Plano Estratégico Nacional (PEN) ne'e mak atu fornese kuadru hodi bele eleva nível konxiénsia kona-bá kestaun literasia finanseira iha nível nasional, hamosu no hetan kolaborasaun entre intervenientes oioin, identifika modalidades diakliu ba koordinasaun, ho garante relevância ba inisiativas iha níveis hothotu.

The Following Figure is the **Framework for National Strategy for Financial Literacy** of Timor-Leste.

Figura tuirmai-ne'e hatudu kuadru **Estratéjia Nasionál ba Literasia Finanseira** Timor-Leste nian



The NSP for Financial Literacy in Timor-Leste has designed and implemented an out-of-school program that targets identified needs and opportunities to lift financial literacy in the wider community through five year plan covering the period 2016-2020. Moreover, the NSP for Financial Literacy establishes five focus areas: building sectorial capacity and capability, providing leadership, reaching the target audience, maintaining the quality of financial advice and sharing what works.

Plano Estratégico Nacional (PEN/NSP) para Literacia Financeira Timor-Leste nian-ne'e, projeta ho implementa programa fora-da-escola (out-of school program) ne'ebé hatuur ninia alvu mak neessidades ho oportunidades identifikadas hodi bele eleva literasia finanseira iha comunidade emjerál liuhosi planu tinan lima (5) mak abranje período 2016-2020. Alénde ida-ne'e, PEN/NSP para Literacia Financeira estabelece áreas-de-foku lima (5) mak: harii no dezenvolve kapasidade no aptidaun sektoriál, fornese no kapasita liderança, atinje públiku-alvu, mantein qualidade akonsellamentu financeiro ho kompartilla ida-bé funsiona ne'e.



5.5.3 Children's Savings Accounts "Ha'u-nia Futuru"

On 28 August 2015, BCTL also launched the Children's Savings Accounts "Ha'u-nia Futuru". Picture presented below is the logo of this product and a description of the meaning of each symbol inside the logo:

Cycle with gold colors

Symbolizes the wealth of Timor-Leste that can be mobilized to develop the family economy. The design is the same as used on the Timor-Leste centavos coins.

Mother

Signifies a mother figure or teacher to guide her children on how to save for their future.

Child

Symbolizes the future generation, and how saving is important for his or her future.

Cap

Represents a vision for the child to achieve the highest dream, where everyone is free to have access to education, and saving is important to achieve this dream.

Money box

Symbolizes the culture of saving in banks, where children can build their savings safely and securely.

Timor-Leste's green map

Stands for the contribution the child's knowledge to serve this nation in the future, where the colour green implies an evergreen accumulation of knowledge from generation to generation.

Wording "Hau-Nia Futuru"

Signifies that human beings are not perfect, and dreams and efforts shall be accompanied by prayers to achieve goals in the future.

5.5.3 Konta Poupança ba Labarik "Ha'u-nia Futuru"

Iha loron 28 agostu 2015, Banco Central de Timor-Leste (BCTL) halo mós lansamentu ba Konta Poupança Labarikoan sira-nian - "Ha'u-nia Futuru". Kuadru apresenta tuirmai-ne'e mak logotipo produtu ida-ne'e hamutuk ho deskrisaun signifikadu kada símbolu ne'ebé iha logotipo laran:

Siklu (siklu) ho kór osamean

Simboliza rikeza eh rikusoin Timor-Leste nian mak forte para desenvolve ekonomia família nian. Mezmu dezeńu ba osan moedas sentavus TL.

Inan/Mãe

Hanesan matadalan ka professór/mestre ba ninia oan-sira kona-ba oinsá maka halo poupança ba sira-nia futuru.

Labarikoan

Nu'udar ezemplu ba ninia kolega sira, nia hatudu katak halo poupança ne'e di'akliu ba futuru.

Boné/Barrete

Maske nia sei ki'ik hela, nia iha mehi ida aas-liu, ema idaida livre hetan asesu ba edukasaun, maibé importante mak atubele atinje ninia mehi ne'e tenke halo poupança.

Kofre/Mealheiro

Reprezenta kultura Timor-Leste, simboliza banku para hanorin labarikoan sira gosta poupa hahú kedas agora hanesan parte hosi ita-nia kultura.

Mapa Verde Timor-Leste

Ninia koñesimentu matenek sei oferese ba serbi nasaun. Kór modok hatudu ninia koñesimentu matenek ne'e sei hatutan hosi jerasaun ba jerasaun.

Lia-fuan "Hau-Nia Futuru"

Nu'udar ser umanu la'os perfektu, maka ninia mehi no esforsu tenke akompañá hodi orasaun para bele alkansa ninia metas iha futuru.



This product was developed as a follow-up program on the initiative of distributing money boxes to the students who participated on the launching of National Savings Day at the end of 2014. The breaking of the money boxes and depositing of the money into the children's Ha'u-nia Futuru savings accounts was done during the first anniversary of the National Savings Day at the end of 2015. All four commercial banks operating in Timor-Leste, namely BNCTL, CGD/BNU Timor, ANZ and Bank Mandiri established dedicate counters for children to open the money-boxes and deposit their savings into bank accounts during this event.

The objective of the Children's Savings Accounts "Ha'u-nia Futuru" program is to encourage children to discover the benefits of saving money in a bank account and witness their deposits grow as further contributions and interest distribution are made. The target segment for the program is all Timorese children from birth up to 17 years old. There accounts are beneficial to children as no fees or charges will be applicable to these accounts and the deposits will earn interest at an above-market rate. No withdrawals or payments from an account can be made until the account holder's 17th birthday. All commercial banks, BNCTL, ANZ, BNU/CGD and Bank Mandiri launched their "Ha'u-nia Futuru" programs with common terms and conditions for the children's accounts.

Produtu ida-ne'e dezenvolvidu hanesan programa kontinuasaun husi mealheiros / kofre para rai osan mak distribui ona ba alunu / eskolante sira-bé partisipa iha lansamentu Loron Nasionál Poupança (Dia Nacional de Poupança) iha tinan 2014 rohan. Iha selebrasaun ba primeiru aniversáriu Loron Nasionál Poupança (Dia Nacional de Poupança) iha tinan 2015 rohan, hala'o atividade simbólíka fera kaixa-kofre ka mealheiros no hala'o resebimentu hatama osan ba iha labarikoan sira-nia conta poupança "Ha'u-nia Futuru". Banku Komersiál haat tomak mak opera iha Timor-Leste, nomeadamente BNCTL, CGD / BNU Timor, ANZ ho Banco Mandiri estabelese sira idaidak-nia kontadór dedikadu ba labarikoan sira liuhosi loke kofre / mealheiros no depozita osan poupança sira-ne'e iha conta poupança durante celebra eventu ne'e. Objetivu hosi programa Conta Poupança Labarikoan sira-nian "Ha'u-nia Futuru" para atu insentiva ka estimula labarikoan sira bele deskobre benefísius mak sei hetan kuandu poupa osan liuhosi loke conta iha banku ho bele observa oinsá ninia depóztu ne'e aumenta ba beibeik conforme kontribuisaun no jurus aumenta ninia saldo.

Meta programa ne'e-nian mak labarik timoroan tomak , dezde moris to'o idade tinan 17. Benefísiu hothotu sei reverte afavór ba makaer conta-bankária ne'e tamba laiha taxas ka enkargu ruma mak aplikável ba conta sira-ne'e ho conta sira-ne'e mós

By the end of 2015, 1,283 “Ha’u-nia Futuru” accounts has been opened with an amount of USD 178,341.51, the breakdown was 622 accounts with an amount USD106,738.50 for boys and 661 accounts with an amount USD71,603.01 for girls.

5.5.4 Pilot Project for the Financial Literacy Program to Students in Elementary Schools

Since 2015, BCTL and Ministério da Educação da República Democrática de Timor-Leste have been working together to build the foundations for a pilot project for the financial literacy program in elementary schools. The purpose of this financial literacy program in elementary schools is to introduce students to finance and how to prepare them for the future.

Moreover, it is the aim of this program to target children at an early age. The children of Timor-Leste will thereby become more financially literate at the elementary school level, well before they become adults, living on their own and facing real world challenges. This head start would prepare them better for their long-term security and financial well-being. Furthermore, this initiative is based on the National Strategic Plan for Financial Literacy of Timor-Leste which envisages that the financial literacy program can be part of the national school curriculum within the next 5 years.

The BCTL has developed a module for teachers to deliver the financial literacy program in elementary schools. The Ministério da Educação da República Democrática de Timor-Leste including Autoridade da Região Administrativa Especial de Oé-Cusse Ambeno has nominated 14 teachers from 12 municipalities including Ainaro, Aileu, Baucau, Bobonaro, Dili, Ermera, Lautem, Liquiça, Manatuto, Manufahi, Viqueque, and Oé-Cusse Ambeno to attend the training program that was conducted in March 2016.

sei manan taxa juru aas liután duke iha merkadu. Labele halo transasaun levantamentu ka pagamentu ruma ba konta sira-ne’e molok ninia titulár seidauk halo tinan 17. Banku komersiál hothotu: BNCTL, ANZ, BNU / CGD ho Banco Mandiri halo ona lansamentu idaidak-nia programa “Ha’u-nia Futuru” haktuir termus no kondisaun sira komún ba konta labarikoan sira-nian.

To’o tinan 2015 rohan, loke tiha ona besik konta bankária “Ha’u-nia Futuru” 1.283 ho valór US \$ 178,341.51 : konta 622 hetan montante US\$ 106,738.50 ba labarik mane sira, no konta 661 ho montante US \$ 71,603.01 ba labarik feto sira.

5.5.4 Projeto-pilotu kona-ba programa literasia finanseira ba Estudante Ensinu Báziku

Hahú iha 2015, BCTL ho Ministério da Educação da República Democrática de Timor-Leste hala’o servisu hamutuk hodi hatuur fundamentu báziku sira ba projetu-pilotu programa literasia/alfabetizasaun finanseira iha eskolas elementares. Finalidade programa literasia/alfabetizasaun finanseira iha eskolas elementares atu introdúz eskolante sira ba finansas hodi prepara sira ba futuro.

Aléinde ne’e, programa literasia/alfabetizasaun finanseira iha eskolas elementares hodi dezenvolve literasia/alfabetizasaun finanseira dezde idade ki’ik. Liuhosi programa literasia/alfabetizasaun finanseira, Labarikoan sira iha Timor-Leste hetan kedas ona koñesimentu finanseiru iha eskolas elementares, hodi nune’e molok sira hahú moris mesak no enfrenta dezafius mundu réal nian, ida-ne’e bele asegura sira-nia seguransa no bem-estár ka moris-di’ak finanseiru iha longu-prazu. Nune’e mós, inisiativa ida-ne’e bazeia ba Plano Estratégico Nacional kona-ba Literasia Finanseira iha Timor-Leste ne’ebé lansa tiha ona tinan ida liubá. Planu ne’e prevé katak programa alfabetizasaun finanseira ne’e bele hatama ba kurríkulu eskolár nasionál iha tinan 5 tuirmai-ne’e.

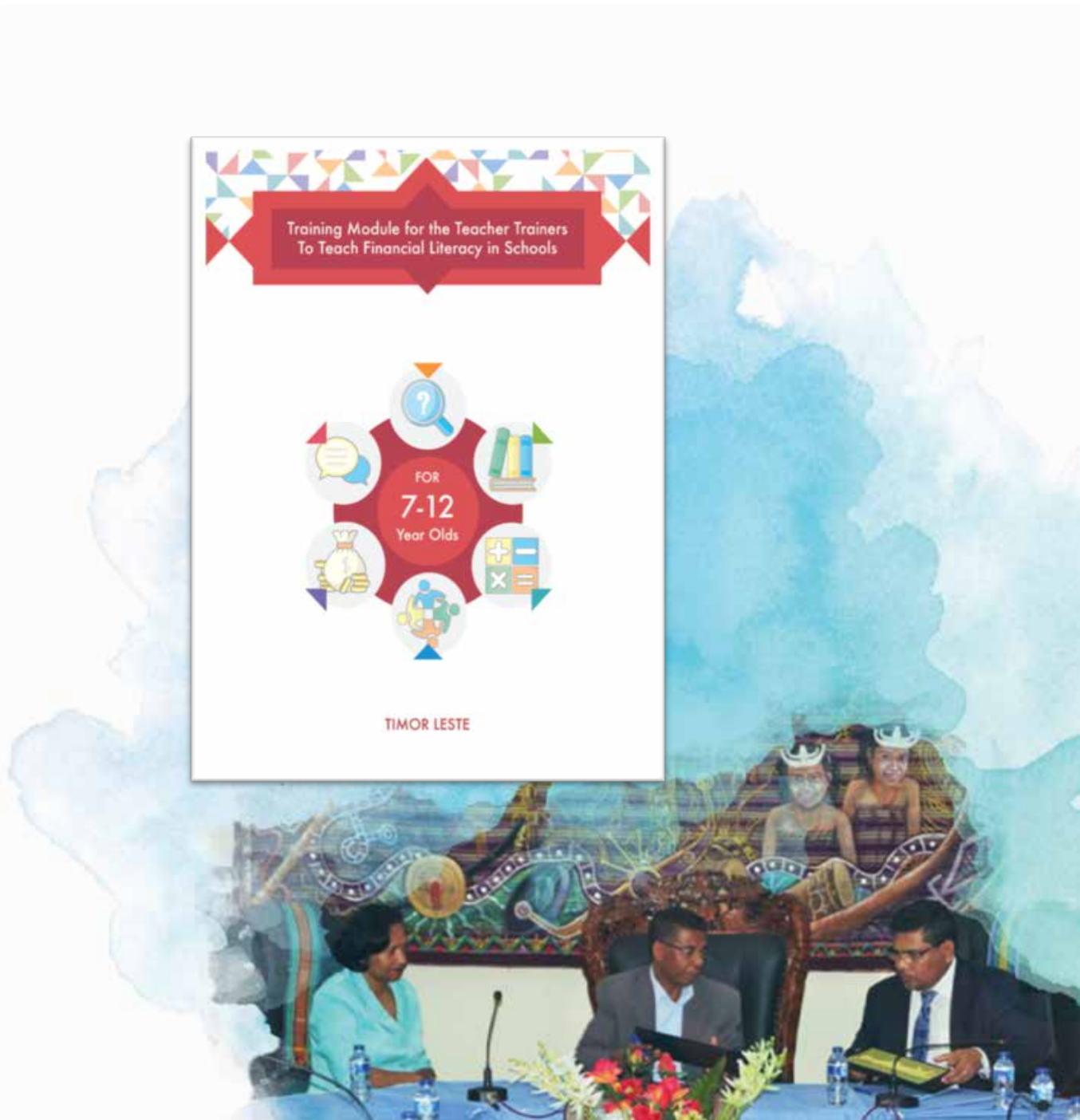
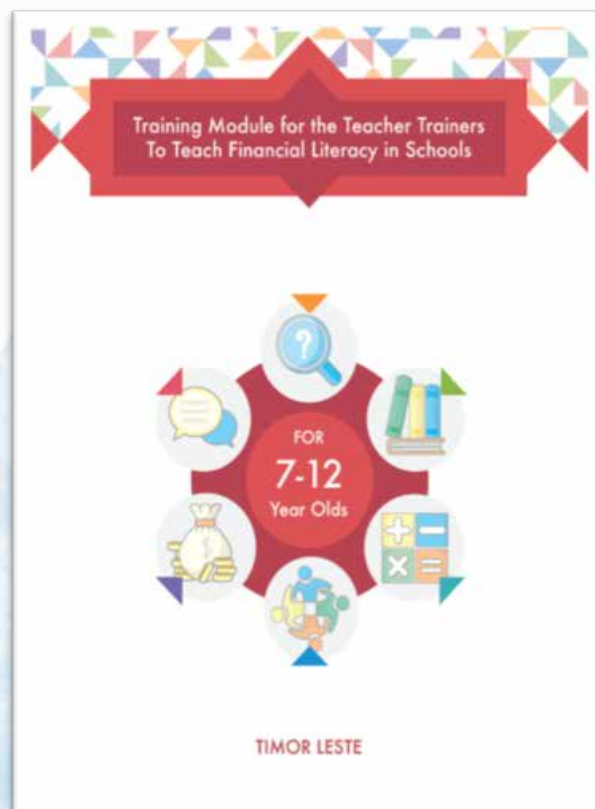
BCTL dezenvolve módulu para professor sira bele hala’o didi’ak programa alfabetizasaun finanseira iha eskolas ensin elementár nian, enkuantu Ministério

The module contains four lessons per age group and each lesson builds on earlier lessons.

The concepts covered in the program are;

- a) Money and national currency
- b) Saving versus spending
- c) Needs versus wants
- d) The value of products
- e) Spending and budgeting
- f) Delayed gratification (Saving for future spending)
- g) Supply and demand
- h) The banking system (Saving and gaining interest)
- i) Planning for the future (Targets and goals)

da Educação da República Democrática de Timor-Leste, inclui Autoridade da Região Administrativa Especial de Oé-Cusse Ambeno nomeia ona professores 14 hosi municípios¹², hanesan Ainaro, Aileu, Baucau, Bobonaro, Covalima, Díli, Ermera, Lautém, Liquiça, Manatuto, Manufahi, Viqueque, e Oé-Cusse Ambeno, para tuir programa treinamentu mak hala'o tiha ona iha marsu 2016.



The module involves a variety of approaches; discussion activities, games, hands on activities, worksheets and the use of visual aids. The program slowly builds from the importance of spending to the importance of saving for the future.

The module is child-centric, focusing on celebrations, and requires the students to communicate their understanding of money and economic terms, to use their mathematical skills to solve money related problems, to think critically and to compare products in the market.

The role of the teacher in the module is to act as a facilitator; to provide the students with the tools to think critically about their role as a consumer and to assist the students in developing their understanding of making informed decisions so that they can plan for the future.

This module is divided into two sections; firstly, lesson plans for each age group and secondly, resources or worksheets. Each lesson plan contains the resources required, key language and the lesson steps.

After attending this training program, it is believed that the teachers will be in a position to deliver the training materials so the knowledge can reach all elementary schools in their municipal areas. BCTL will monitor the performance of the teachers in coordination with the Ministry of Education during the program.

BCTL signed the MoU with Ministério da Educação da República Democrática de Timor-Leste in mid-2016 to commence this pilot project immediately for a period of 2 years as an extracurricular program with the possibility of being extended. For the first year of the program, the teachers who have received training will run the program in their respective schools. In the second year, the program would be extended to other schools.

There are two key areas where the BCTL and Ministry of Education cooperate. First, the intellectual resources in the form of the training

Módulu ne'e kontein matéria lisaun ba aulas haat (4) tuir faixa etária mak hetan lisaun idaida. Konseitu sira mak aborda iha programa ne'e mak:

- a) Osan - termu osan dólares & centavos ho kompriende osan moeda Timor Leste;
- b) Poupa / poupança versus gasta/gastos ;
- c) Necessidades versus desejos/hakarak;
- d) Valór eh folin produtu sira-nian;
- e) Gasta ka sosa sasán – kompara presu/folin, sosa grosu, orsamentu;
- f) Adia gratifikasaun - poupa para gasta iha futuru aban-bainrua ;
- g) Supply & demand/oferta & procura ;
- h) Sistema bankáriu - poupança & manán interesse ;
- i) Planeia ba aban-bainrua - estabelese metas financeiras para atinje metas iha futuru

Módulu ne'e envolve abordagen oioin, atividades diskusaun, jogus, hala'o prátika ba atividades, worksheets no uza rekursus vizuais. Programa passa hosi importánsia "gastus" ba fali importánsia poupa ka halo poupança ba futuru aban-bairua. Programa ne'e iha konteúdu módulu nian konsentra ba labarik sira, ho foku ba festas selebrasaun, ho ezije oinsá alunu sira tenke komunika sira-nia kompriensaun eh koñesimentu kona-bá osan no termu sira ekonomia nian, oinsá utiliza sira nia abilidade matemátika hodi bele rezolve problemas kona-bá osan, hanoin kritikamente ho kompara produtu sira iha merkadu.

Papél professor nian iha módulu ne'e mak oinsá atua nu'udar fasilidadór; fó eh fornese ba alunu sira ferramentas para bele hanoin kritikamente kona-bá sira-nia papél nu'udar konsumidór no ajuda alunu sira atu bele dezentolve sira-nia kompriensaun ho hetan informasaun di'ak hodi bele hola desizaun ba planeia didi'ak sira-nia futuru aban-bairua.

Nune'e mós, módulu ida-ne'e fahe ba sesaun rua (2); planus-de-aula prepara ba faixa etária idaidak ho ninia rekursus/worksheets. Kada planu-de-aula kontein rekursu sira-bé presiza ne'e, língua-xave no aula ninia etape idaida (*lesson steps*). Hafoin hala'o tiha programa formasaun ida-ne'e, bele fiar katak professór sira pruntu para bele fornese ka divulga matera treinamentu nian para oinsá

materials and content which have been developed may need to be reviewed and modified depending on the on-going monitoring and evaluation of the program. Second, human resources are required to deliver and evaluate the program. The selected trainees who were trained in the first stage may also train others in the next stages.

This program relies on both the intellectual and human resources working together to increase financial literacy amongst the younger generation of Timorese citizens. Therefore, BCTL and the Ministry of Education are jointly collaborating under the MOU to develop, deliver, monitor, and evaluate the financial literacy program throughout the territory of Timor-Leste.

5.5.5 Consumer Protection Law to Safeguard Consumer Rights

Timor-Leste recently approved its Consumer Protection Law on 8 July 2016 that encompasses banking, financial, credit and security activities. An initial analysis of the Consumer Protection Law concluded that financial services activities are directly impacted by the following provisions:

- **Applicable Language**
Contracts, documents, and overall written information are required to be provided in one of the two official languages (Tétum and Portuguese). Banks are slowly including Tétum in their forms, however at this stage, not all documents and written communication have included Tétum. Currently, two of the four banks operating in the country have already complied with the new regulation. All of the insurance companies have yet to comply with this new regulation.
- **Consumer Credit**
The law allows consumers to unilaterally make early settlements of all or part of the debt, and permits a proportional reduction of interests and other charges. The law also limits the charge for late payments to 2%. The objective of these provisions is to aid in reducing indebtedness, however, the direct applicability of this provision to financial institutions has yet to be clearly set out.

koñesimentu ne'e bele to'o ba eskola elementária hothotu iha âmbito ninia área municipal laran. BCTL iha koordenasaun ho Ministério da Educação, sei monitoriza oinsá professor sira-nia dezempeñu durante hala'o programa ne'e.

Nune'e, iha tinan 2016 klaran, Banco Central de Timor-Leste (BCTL) hamutuk ho Ministério da Educação da República Democrática de Timor-Leste assina tiha ona Memorando de Entendimento (MoU).

Lihosi assina MoU ida-ne'e, projetu-pilotu para programa alfabetizasaun finanseira ba alunu sira iha eskolas ensinu elementár nian bele hahú kedas ona no kontinua hala'o nafatin iha período tinan 2 laran nu'udar programa ekstrakurikulár ho hetan possibilidade atu bele estende tán. Ba tinan dahuluk programa ida-ne'e nian, professor sira ne'ebé simu ona treinamentu formasaun mak sei ezejuta programa ida-ne'e iha idaidak-nia eskola. Iha tinan daruak, programa ne'e bele estende ba eskola sira-seluk.

Área-xave rua (2) mak BCTL ho Ministério da Educação halo kooperasaun. Primeiru, rekursus intelektuais tuir forma programa treinamentoformasaun mak dezenvolve tiha ona ne'e bele presiza halo modifikasaun ruma depende ba monitorizasaun no avaliasaun halo daudaun ba programa ne'e. Segundu, presiza tebes rekursus umanus para bele implementa no halo avaliasaun ba programa ne'e. Ema sira-ne'e presiza hetan uluk treinamentu formasaun iha etapa dahuluk hodi nune'e sira bele fó fali formasaun ba ema sira-seluk.

Programa ne'e depende ba rua hotu – rekursus intelektuais ho rekursus umanus mak servisu hamutuk hodi bele aumentar alfabetizasaun/ literasia finanseira iha jerasaun foun sidadaun timoroan. Nune'e, BCTL ho Ministério das Finanças servisu kolabora hamutuk liuhosi assina MoU para bele dezenvolve, fornese, monitoriza no avalia programa de alfabetizasaun/literasia finanseira ne'ebé hala'o iha território Timor-Leste laran tomak.

- **Prohibited Unilateral Change in Contractual Clauses**
Unilateral changes in contractual clauses are common in the terms and conditions applicable to banking and financial products, for instance, to pricing lists which are an integral part of the opening and maintenance of bank accounts. Currently, no distinction between general contract terms and banned or prohibited terms have been defined. This general classification will result in any unilateral modification of the content or status of the contract, after it has been concluded, be considered null, void and of no effect.

All the three provisions mentioned will require further clarification and definitions of its applicability to ensure proper compliance by the financial institutions under the Consumer Protection Law. The approved Consumer Protection Law is only the first step of a comprehensive framework on consumer protection, requiring further policies and regulation from Government and BCTL to facilitate its comprehensiveness.

5.5.6 Training program for MSMEs in Business Record-Keeping and Accounting

BCTL also initiated a training module for MSMEs in Business Record-Keeping and Accounting, including the preparation of loan proposals.

The objective of this initiative is to overcome the challenges faced by SMEs in Timor-Leste due to lack of basic knowledge about record keeping and accounting. It is very important for small business owners to acquire this knowledge which together with their technical and business skills will help them survive business exigencies. Furthermore, a well-designed and well-written proposal which reflects that the SME's business is a sound investment that generates solid and stable returns, particularly in an environment where collateral and land issues have not been fully resolved, is important for the lenders to make the loan assessment. Similar to other nations, the approval of loan requests depends on how well the SME presents itself, its business plan and financial needs to the lender. Lenders view a loan proposal as evidence that the business has strong management,

5.5.5 Lei Protesaun ba Konsumidór hodi Salvaguarda Direitu Konsumidór

Timor-Leste foin daudauk-ne'e aprova ona iha loron 8 julu 2016 Lei Protesaun ba Konsumidór ne'ebé abranje atividade sira bankária, finanseira, kréditu no seguru. Análize inisiál halo bá Lei Protesaun ba Konsumidór ne'e (*Consumer Protection Law*) hasai konkluzaun katak atividades inkluaun finanseira hetan impaktu diretu hosi provizaun sira tuirmai-ne'e:

- **Idioma aplikável**

Kontratu, dokumentu ho informasaun eskrita hotu-hotu tenke uza lian ofisiál rua-ne'e ida (Tétum ho Português). Banku sira neineik-loos atu hatama Tétum iha sira-nia formuláriu servisu, maske iha faze ida-ne'e, seidauk uza Tétum ba dokumentu ho komunikaun eskrita hothotu. Oras-ne'e daudaun, hosi banku haat (4) mak opera daudaun iha país ida-ne'e nia laran foin iha banku rua (2), mak sumbete-án ona ba kumpre regulamentu foun ne'e. Kompañia segurus hothotu mós tenke submete –án ba kumprimentu regulamentu foun ne'e.

- **Kréditu Konsumidór**

Lei permite konsumidór sira atu bele halo ajustamentu antesipadu unilaterál ba débitu tomak ka ba ninia parte balu de'it, no permite hetan redusaun proporsionál ba jurus ho enkargu ka kustu sira-seluk. Lei mós tau limite ba taxa 2% ba pagamentu atrasadu. Objetivu dispozisaun hirak-ne'e para ajuda halo redusaun ba endividamentu, maske dispozisaun sira-ne'e ninia aplicabilidade direta ba instituisaun finanseira sira tenke define klaramente uluk lai.

- **Mudansa Unilaterál Proibida iha Kláuzula Kontratu**
Alterasaun unilaterál halo ba kláuzula kontratuál ne'e komún conforme termu ho kondisaun hirak-ne'ebé aplikável ba produktu bankáriu no finanseiru hotu, purezemplu, lista presu (pricing lists) mak hanesan parte integrál ba abertura no manutensaun konta bankária sira-nian. Atualmente, seidauk define didi'ak distinsaun entre kláuzulas kontratuais jerais ho kláuzulas ekskluídas ka proibidas. Klasifikasaun jerál ida-ne'e sei rezulta iha modifikasaun unilaterál kualkér ne'ebé halo ba konteúdu ka ba estatutu kontratu nian, depoizde konkluídu, konsidera nulu, nulu, no laiha ona efeitu (*considered null, void and of no effect*).

experience, and a thorough understanding of the marketplace. They will also look for relevant financial information that demonstrates the ability of the borrower to repay the loan.

The course will train the MSMEs, providing them with basic skills in business record-keeping and accounting based on international best practices for MSMEs, such as International Financial Reporting Standards. The participants will also receive training in preparing loan proposals, including the requirements of loan applications at commercial banks in Timor-Leste, and business advisory on the standard methods to write loan proposals. It is intended for the MSMEs to use their newly acquired skills to raise the standard of financial management and governance of small enterprises in Timor-Leste.

BCTL, working together with the Câmara de Comércio e Indústria de Timor-Leste (CCI-TL), launched the first training session for MSMEs on 6 June 2016. This is the first of 4 groups of MSMEs attending this training, with each group comprises 20 participants. BCTL will facilitate the development of the training modules and set the criteria for individuals to participate, while the role of CCI-TL is to select the participants and will be responsible for monitoring the on-going implementation of the program in the related businesses.

At the end of the training program, the performance of each participant will be evaluated so BCTL can assess the effectiveness of the program to the participants.

Dispozisaun tolu (3) ne'ebé temi ona iha leten ne'e sei ezije liután klarifikasaun no definisaun kona-ba ninia aplikabilidade hodi bele assegura ninia kumprimentu hosi parte instituisaun finanseira sira konforme Lei Protesaun ba Konsumidór. Lei Protesaun ba Konsumidór aprovadu ona ne'e sai hanesan hakat dahuluk ka primeiru-pasu hosi enkuadramentu globál fó protesau ba konsumidór, sei ezije polítika no regulamentasaun foun hosi governu ho BCTL para facilita ninia abranjénsia.

5.5.6 Programa formasaun ba MPME kona-ba manutensaun registru no kontabilidade ba negósiu

BCTL hahú hala'o mós programa treinamentu formasaun MSMEs iha Business Record-Keeping and Accounting (Manutensaun Rejistu & Kontabilidade ba Negósiu), inklui prepara propostas kréditu nian liuhosi módule treinamentu dezvoltadu.

Razaun ne'ebé hamosu iniciativa ida-ne'e mak dezafiu hirak-ne'ebé PME/SMEs enfrenta daudaun iha Timor-Leste tamba falta koñesimentu bázik kona-ba manutensaun registru no kontabilidade. Importante tebes ba emprezáriu ki'ik sira bele hetan koñesimentu ida-ne'e hodi tau hamutuk ho sira-ninia abilidade téknika no negósiu bele ajuda sira ultrapassa ezijénsia hirak-ne'e. Aléinde ida-ne'e, proposta ida-bé prepara didi'ak ne'e bele hatudu ba bankeiru ka kredór sira katak negósiu PME/SMEs ida-nian ne'e investimentu di'ak duni tamba jera retornu sólidu no estável, partikularmente iha ambiente ne'bé kestaun kolateral no rai nian (terras e propriedades) seidauk rezolve hotu. Hanesan hotu iha nasaun sira-seluk, fó aprovasaun ba proposta empréstimu/kréditu ne'e depende ba oinsá ninia PM/SMEs ne'e apresenta di'ak ka la'e, ninia nesessidades negósiu no finanseiru ba kredór. Dalan eh maneira di'akliu para hadi'a oportunidade ba hetan empréstimu mak oinsá prepara didi'ak proposta empréstimu pur-eskriu ka planu hala'o negósiu ne'e. Kredór sira haree ba proposta empréstimu ida hanesan prova ne'ebé bele hatudu katak negósiu ka empreza ne'e iha jestaun di'ak, esperiénsia, no koñesimentu naruk kona-bá ninia merkadu. Sira mós sei buka hetan informasaun finanseira relevante ne'ebé demonstra abilidade ba selu filafali empréstimu ne'e.



Programa treinamentu ida-ne'e fornese habilidades bázikas MPMes iha manutensaun rejistu & kontabilidade ba negósiu bazei ba mellores práticas internacionais ba MPMes, hanesan Padraun & Normas Internasionais ba Relatóriu Finanseiru (*International Financial Reporting Standards*). Hakarak tebes MPMes sei uza sira-ninia habilidades hodi bele hasa'e nível padraun jestaun finanseira no governansa di'ak iha empresas ki'ik iha Timor-Leste. Partisipantes treinamento nian sei simu mós formasaun kona-ba oinsá prepara propostas empréstimu/kréditu nian, inklui rekizitu sira para halo proposta iha asuntu rekerimentu ba empréstimu/kréditu ba banku komersiál iha Timor-Leste, ho konsellu sujestaun ruma kona-ba métodu padraun para hakerek propostas-de-empréstimu/kréditu (*the standard methods to write loan proposals*).

Tamba ne'e maka iha lora 6 juñu 2016, Banco Central de Timor-Leste (BCTL), servisu hamutuk ho Câmara de Comércio e Indústria de Timor-Leste (CCI-TL), halo ona lansamentu ba primeiru grupu hosi grupu haat (4) MSMEs tuir ona treinamentu ne'e, ho partisipante 20 iha grupu ida-ida. Papél BCTL mak oinsá fasilita dezenvolve modul sira presiza ba treinamentu ne'e no estabesele kritéria rekizitus ba ema individuál sira mak bele partisipa, enkuantu CCI-TL hetan knaar ba selesiona partisipante sira ho sei responsabiliza ba monitoriza implementasaun programa negósiu relasionadu ne'ebé hala'o daudaun ne'e.

Iha programa treinamentu sira rohan, partisipante ida-ida ninia dezempeñu sei hetan avaliasaun hodi nun'e BCTL bele sukat didi'ak efektividade programa ne'e-nian ba partisipante sira.

5.6 Conclusion

A lot of initiatives have been carried out in the last few years by BCTL, in collaboration with the government, financial service providers and other partners. These efforts are evidently important in building the foundations for inclusiveness in the financial sector. However, BCTL still strives for higher financial inclusion in the country. For this to become a reality, BCTL aims to focus its efforts on identifying opportunities to enhance financial inclusion through coordinated strategies in the coming future.

5.6 Konkluzاون

Iha tinan ikus liubá-ne'e BCTL hala'o ona inisiativa barak, liuhosi kolaborasaun hamutuk ho governu, prestador servisu finanseiru sira ho parseiru sira-seluk. Esforsu hirak-ne'e importante tebes duni iha kontestu harii fundamentu báziku sira ba inkluzividade iha sektór finanseiru. Maske nune'e, BCTL sei halo esforsu boot para konkretiza inkluzاون finanseira ida di'akliu iha país ida-ne'e. Atu ida-ne'e bele sai realidade, BCTL projeta atu konsentra ninia esforsu para identifika oportunidades ba hasa'e inkluzاون finanseira liuhosi estratéjia koordenasaun iha tempu futuru tuirmai-ne'e.

Chapter
Kapítulu

6

Looking Forward:

The Road Ahead for Financial Inclusion

Haree Ba Futuru: Dalan Iha Oin Ba Inkluziun Finanseira



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As a young nation, Timor-Leste has made significant progress in nurturing and developing its financial system, as BCTL continues to apply its authority to license, regulate and supervise the financial sector for the benefit of the nation. In line with the aspiration to foster economic development in Timor-Leste, BCTL has also implemented a range of policies and measures to create a facilitative environment and promote inclusive finance where society can access and utilise suitable financial services to meet their needs. Although numerous strategies have been put in place, the journey towards attaining financial inclusion is just beginning. It is crucial to bear in mind that inclusive finance is not a one-off target on the scoreboard. A critical importance has to be placed on the sustainability of financial inclusion moving forward for the future generations. This can be accomplished by designing a comprehensive framework of national strategies to serve as a roadmap for fulfilling the goals of inclusive finance.

Hanesan nasaun ne'ebé foun, Timór Leste halo ona progresu boot atu hadi'a no haburas liutan sistema finanseiru; hanesan ne'e mak BCTL kontinua aplika ninia autoridade hanesan lisensa, regula no supervisona setór finanseiru ba benefísiu nasaun nia. Iha dalan hanoin atu hasa'e liutan dezvoltamentu ekonómiku iha Timór Leste, hanesan BCTL implementa ona meu no dalan oioin atu fasilita dezvoltamentu atu bele hetan buat ne'ebé sira presiza. Biar número estratéjia hirak ne'e tau tuir ona nia fatin, maibé dalan atu to'o ba inkluziun finanseira foin mak atu hahú. Tenki hanoin mós katak inkluziun finanseira la'os dalan ida mesak ne'ebé tenki tau iha kuadru importante. Fundamentál importânsia mak tenki hatur iha fatin kon-ba sustentabilidade inkluziun finanseira ne'ebé mak bele muda ba oin ba futuru genasaun nian. Buat hirak ne'e bele hetan liuhusi deseño kuandramentu kompreensiva husi estratéjia nasional atu serve hanesan matadalan hodi bele kumpri objetivu husi inkluziun finanseira.

6.1

Existing Financial Inclusion Challenges

The data collection exercise verifies that there are still a number of challenges on this road towards achieving financial inclusion, which pose barriers for society to participate in the financial system effectively. These existing gaps have to be acknowledged before pragmatic steps can be taken to diminish these obstacles and promote greater efficiency for inclusive finance.

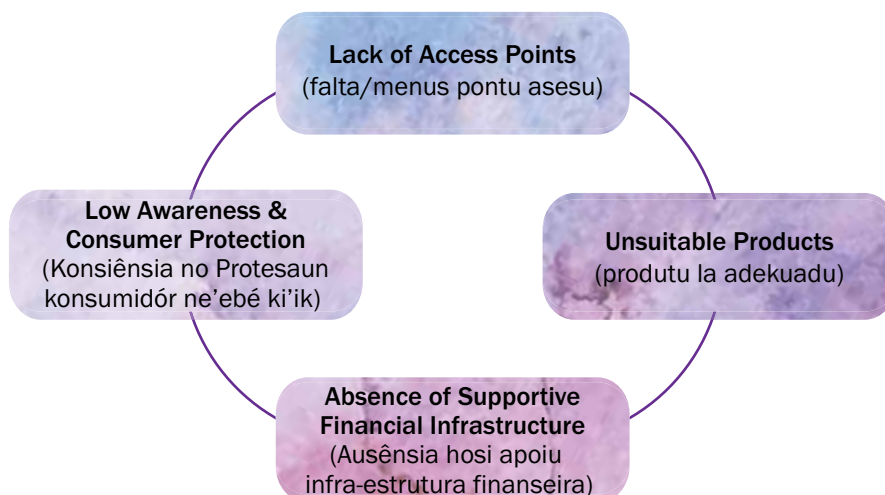
6.1

Dezafiu ba ezisténsia inkluziun finanseira

Exersísiu rekolla dados sira ne'e verifika katak sei iha nafatin númeru dezafiu boot hodi atinji inkluziun finanseira, ida ne'ebé sei sai hanesan impedimentu ba sositade atu partisipa iha sistema finanseiru ne'ebé efetivu liu. Lakuna sira mak iha tenki hatene molok foti medidas ruma hodi halakon obstáculu sira ne'e no promove ba efisiénsia inkluziun finanseira.

Gaps & Challenges for Inclusive Finance

Diskrepánsia no dezafiu ba Inkluziun Finanseira



6.1.1 Access to Financial Services

The challenges for access to financial services are largely centered on the deployment of access points to areas outside the urban centres, especially to administrative posts and sucos with large land areas and with lower population density. Currently, there are 8 administrative posts unserved by any financial service providers, be it regulated or non-regulated, and 26 administrative posts unserved by banks. The numbers are even more concerning at the sucos levels. The lack of access

6.1.1 Asesu ba servisu finansas

Dezafiu ba asesu servisu finansas nian mak sentru ne'ebé boot liu iha dezvoltamentu hodi atinji área dook hosi sentru urbanu, espesiál liu ba postu administrativu no suku hirak ne'ebé nia área luan ka boot liu no ida ne'ebé densidade populasaun ki'ik liu. Atualmente, iha postu administrativu 8 ne'ebé la hetan servisu finanseiru hosi kualker fornecedor servisu finanseiru. Buat ne'ebé reguladu, semi-reguladu, no postu administrativu 26 laiha servisu finanseiru husi banku sira. Númeru hirak ne'ebé sai

points in these unserved and underserved areas give the communities residing there no choice, but to travel a distance to reach financial access points.

A look at the experience of visiting a bank branch as described in Chapter 4 would reveal that public transport connecting villages to main cities are few and unreliable, and many have to walk the long distances to reach a branch. The limitation of bank branches, with just 33 branches in the whole country, also affect the waiting time at the banks, and it is common for people to be faced with very long lines. This form of inconvenience would certainly discourage the use of financial services, and thus, lead to financial exclusion of many of this segment of society. As a next step, it is essential to initiate and establish action plans to roll-out cost efficient delivery channels and access points to boost outreach in unserved and underserved areas.

6.1.2 Features and Affordability of Financial Services

The features of financial products and services available in the market also play a key role in either driving or hindering financial inclusion. Members of society will only participate in the financial system if the products and services demonstrate user friendliness, convenience and affordability. In other words, if financial services are complicated and expensive to use, it would be natural for people to reject these products, preferring instead to remain status quo as a non-participant in the financial system.

For instance, a main deterrent for using bank accounts is due to the costs involved in opening and maintaining bank accounts. The statistics collected suggests that pricing system to open and maintain bank deposit or savings accounts is not simple. All four banks are charging a range of different fees for monthly maintenance, debit cards, and a range of different minimum initial deposit and bank account balance. Some of the entry requirements to even open a bank deposit account are far too high, with initial deposits up to USD 2,000, especially when it is compared with the monthly minimum salary of USD 115 in the country. All the

preokupasaun nível suku nian. Iha falta ba asesu ba pontu ne'ebé laiha servisu atu serbi área ne'ebé atende comunidade sira ne'ebé eskolla seluk no tenki la'o distánsia naruk liu atu hetan asesu.

Haree ba esperiénsia husi vizita ba ramu banku sira ne'ebé esplika ona iha kapitulu 4 bele afirma katak transporte públiku ne'ebé halo ligasaun husi suku ba sidade boot sira maibé balun ladun konfia, no balun tenki la'o de'it ho distánsia naruk atu bele to'o iha ramu banku nian; total área atividade banku nian iha de'it ramu 33 iha nasaun laran, ne'e afeta ba fileira naruk iha banku, no ida ne'e bele halo públiku lakon tempu barak liu. Ne sei halo deskonfidénsia dezencorajen atu uza servidor finanseira sira, no hanesan ne'e, fo biban ba eskluzaun finanseira husi siosidade. Ba espasu tuir mai, ida ne'e sai esénsia inisial no planu seguru ba roll-out (dalan-li'ur) atu hetan divulgasaun iha área ne'ebé laiha no presiza servidór.

6.1.2 Karakterístika no asesibilidade husi servisu finanseiru

Futuru husi produtu finanseiru no disponibilidade servisu iha merkadu ne'e mós bele sai xave iha knaar ne'ebé de'itt lae difikulta inkluziun finanseira. Membru husi siosidade mós sei bele partisipa iha sistema finanseiru bainhira servisu sira hatudu uza ho di'ak no konfortável so'i duni ba membru sira. Iha lia fuan seluk, servisu finanseiru ne'e komplikadu no karun atu uza, ne'e sei sai natural ba ema atu rejenta produtu sira no hili sai status quo hanesan ema ne'ebé la partisipa iha sistema finanseiru.

Hanesan ezemplu, iha impedimento liu bainhira atu loke konta bankária tan kustu boot liu iha abertura konta bankária ida ho ninia manutensaun. Estatistikamente hare katak tuir dadu sira ne'ebé halibur sistema presu atu loke no haree tuir konta depóziitu ka hatama osan hotu keda komplikadu liu. Banku haat (4) ne'e mós kobra presu no taxa ne'ebé la hanesan. karta débitu, no presu lahanesan ba depóziitu minimu inisial no laiha ekilibriu.

Kondisaun entrada balun atu loke depóziitu bankáriu ne'ebé too USD 2.000. Taxa servisu banku hotu-hotu considera karun liu, liuliu ba osan be tama uitoan

bank services charges are viewed as being very costly, particularly for the low-income and rural communities, and these pricing strategies can definitely discourage people from opening bank accounts. The logical next step would be to improve on the product availability, pricing and processes in the financial sector to cater for the requirement and needs of the unbanked so they can also benefit from participating in the financial system.

6.1.3 Supportive Infrastructure to Improve Access

The state of the financial sector also suggests that there is a need for supporting infrastructure to improve information asymmetry and manage emerging risks for financial service providers to serve the unbanked. Take the process of obtaining a loan account for example, which requires many verifications and documentation, present high entry requirements for many. Part of the prerequisite includes having a Permanent Employment Contract and presenting guarantors who maintain their deposit or savings accounts with the lending bank. This inevitably means that only a very small group of people have access to loans. The experience of the enterprises in the agricultural sector also found difficulty in obtaining loans due to the lack of collateral. There is a need for supporting infrastructure to assist and nurture MSMEs so they can obtain access to financing, advisory and skills training. Another essential facet is the strengthening of financial service providers through capacity building so that they can better understand the diverse needs of the target segments of society in aspirations to serve them better.

6.1.4 Financial Literacy, Consumer Protection & Capacity Building

The lack of awareness and knowledge about financial products and services, especially amongst the poor and rural communities, also pose as a hindrance towards fostering financial inclusion. There are still many people within the unbanked and underserved segments who simply do not comprehend what financial services are available, why they are important, how to use and what are the benefits from using them. When people remain

liu no ba comunidade rural sira, no estratéjia presu hirak ne'e sei define (halo) ema sira sei la brani atu loke konta bankaria. Iha biban seluk tenki halo di'ak liutan ba produtu, presu, disponibilidade, presu no prosesu iha setór finanseiru atu atende eziijénsia no nesesidade hosi ema sira be dook hosi banku atu sira mós bele koko benefísiu ia sistema finanseiru.

6.1.3 Infraestrutura ne'ebé bele haburas sistema finanseiru

Kondisaun husi sektor finanseiru ne'e mós sujere katak iha nesesidade ba infraestrutura atu suporta no hadi'a asimetria informasaun no jere risku emerjénsia sira ba servisu-na'in finansas nian atu serbi ba sira be laiha banku. Foti prosesu kona-ba empresta osan ne'ebé eziije verifikasaun no dokumentasaun barak ne'ebé husu kondisaun entrada aas ba ema barak. Kondisaun balun aplika de'it ba ajénsia bankária sira ne'ebé sira deposita sira nia osan ba no iha kontratu servisu permanente noaprezenta fiadores ne'ebé mantein sira nia depózi iha banku emprestandu. Ne'e inevitavelmente signifika katak so bele grupu ki'ik oan ida de'it mak bele iha asesu ba empresta osan. Esperiência empresa sira sektór agrícola nian hasouru problema empresta osan tan falta garantia.

Absensia husi mekanizmu facilidades, hanesan istóriu kréditu nian no sistema seguru ne'ebé ema fiar iha ajénsia kréditu atu hatudu kredibilidade ba kredór sira mós afeta aprovasaun ba Impréstimu. Konsekuensiamente, ida ne mós atu sai fokus atu hamoris segurança be fo apoiu ba infreastruktura, hanesan introdusaun bureau de crédito garantia ba kréditu no sistema seguru depózi nian atu hadi'a servisu finanseiru sira. Faze seluk esensial mak haforsa liutan servisu-na'in finansas nian liu hosi kapasitasaun, atu sira bele komprende di'ak liutan nesessidade sira seluk hosi segmentu alvu sociedade nian iha sira nia aspirasaun atu serbi sira di'ak liutan.

6.1.4 Literasia finanseira, protesaun ba konsumidór no kapasitasaun

Tamba laiha kapasidade no koñesimentu konaba produtu no servisu finanseiru, espesialmente iha povu ki'ak no rural sira, ne'e mós sai nudar barreira boot ida ba prosesu inklusaun finanseira. Sei

unaware and uneducated, financial products may seem unfamiliar and complex, and due to that people tend to stick with familiarity because it appears as though there are no better alternatives available.

Thus, financial literacy is vital to help people learn and convert their apathy towards financial products and services to accepting and using financial services. The financial sector also requires adequate consumer protection frameworks to ensure that people who are already included in the financial system are adequately protected, have avenues to seek redress and dispute resolution mechanisms. This is to ensure fair dealing by financial service providers and sustained public trust in the financial system. These conditions are necessary to ensure that all segments of society can responsibly use financial services to improve their livelihoods.

6.2

Implementation of a National Financial Inclusion Framework

The findings from the data collected have been imperative in establishing the current state of financial inclusion in the country. The identification of the underlying gaps that exist provides strong indications on key areas to focus on for the continuous advancement of financial inclusion. In recognizing the opportunity to elevate financial inclusion, BCTL has formulated a national financial inclusion framework that outlines the course of the nation's financial system. The BCTL strategic approach to the current payment systems reform aims to achieve a safe and efficient national payment system that effectively contributes to the country's financial stability and economic growth, bringing payment and financial services to a large percentage of the population.

The vision of this framework is to create an inclusive financial system that brings the benefits of financial services to the unbanked people and communities towards the objectives of reducing poverty and enhancing shared prosperity. It is BCTL's intention to generate universal access to financial services to

iha mós ema barak ne´ebé iha laran laiha konta bankaria no laiha servisu ne´ebé lahatene kona-ba servisu ne´ebe iha ona, tanba sa sira presiza, halo nusa uza no nia benefísiu di´ak bainhira bele uza. Bainhira ema sira sei lahatene (hakfodak) no la edukadu, produtu finanseiru la'os deskonhesidu no kompleksu. No tan ne´e ema mós tenki sente di´ak hela ho buat ne´e sira lahatene tanba sira sente hanesan laiha aternativu seluk.

Tamba ne´e, literasia finanseira fundamentál tebes atu ajuda ema atu estuda no konverte nia hakaran kona-ba produtu no servisu finanseiru atu simu no uza servisu finanseiru. Sektor finanseiru mós presiza kuadru ida atu hametin konsumidór ne´ebé barak atu ema sira ne´ebe uza ona ba sistema finanseiru atu konserva di´ak liutan, iha dalan atu buka kompensasaun ba protesasaun konsumidór, buat ne´e halo servisu finanseiru iha garantia no fiar mentin ba públiku ne´ebe naruk iha sistema finanseiru nia laran. Kondisaun ida ne´e fo garantia katak povu hotu-hotu hetan garantia atu uza sistema finanseiru hodi hadi'a ninia moris.

6.2

Implementasaun kuadru nasonál inklusaun finanseira

Hahalok hetan dadu sira ne´ebe halibur ona sai kazu importante ba estadu iha tempu inklusaun finanseira iha nasaun. Identifikasaun falta sira ne´ebe iha fo indikasaun maka'as ba kampu primeiru no fo atensaun avansada husi inklusaun finanseira, iha nia dalan atu hatene konaba oportunitade atu haburas liu tan inklusaun finansas, BCTL halo ona kuadru inklusaun finanseira nasonál ida ne´ebé deskreve lala'ok sistema finanseiru nasonál.

Vizaun kona-ba kuadru ne´e katak hamósu sistema inklusaun finanseira ne´ebe di´ak no lori benefísiu servisu finanseiru ba ema sira ne´ebe laiha konta bankária no atu hamenus moris kiak atu nune'e bele hamutuk haforsa prosperidade. Ida ne´e mak BCTL nia intensaun atu hamoris asesu universal ba servisu finanseiru ba membro povu tomak nian, laharee ba sexo, grupo, tinan no hela-fatin iha Timór Leste laran tomak. BCTL pretende atinji 75% hosi

every segment of society, regardless of gender, age group and location, throughout Timor-Leste. BCTL aims to reach for 75% of the adult population to have a bank account by 2025, a tangible milestone in its quest for universal access. To achieve this goal, this framework has identified four high impact strategies with detailed action plans for the financial system.

populasaun adulta iha konta bankária ida iha tinan 2025, etapa ida ne'ebé tangível ba asesu universál. Hodi atinji objetivu sira ne'e, kuadru ne'e identifika ona estratéjia haat atu fó impaktu boot ho ninian planu asaun datallu ba sistema finanseiru.

National Framework to Further Financial Inclusion

Kuadru nasonál atu promove inkluziun finanseira.

Vision (Vizaun)			
<p>An inclusive financial system that brings the benefits of financial services to the unbanked people and communities towards the objectives of reducing poverty and enhancing shared prosperity</p> <p>(Sistema finanseiru inkluzivu ne'ebé lori benefísiu servisu finanseiru ba ema no comunidade ne'ebé seidak iha konta bankária ho ninian objektivu hamenus kiak no aumenta prosperidade ba ema hotu)</p>			
Broad Strategies (Estratéjia Jerál)			
Enhanced Access Points & Payments Systems (Hadia Pontu Asesu no sistema pagamentu)	Specialised & Affordable Financial Services (Servisu Finanseiru ne'ebé mak espesializadu no asesível)	Capacity Building & Supportive Infrastructure (Hasa'e Kapasidade no Infraestrutura fo suporta)	Financial Literacy & Consumer Protection (Literasia Finanseira no Protesaun ba Konsumidór)
<ul style="list-style-type: none"> · Brachless Banking (<i>Korespondensia Bankária</i>) · Modernized Payments Systems (<i>Sistemas Pagamentu modernizadu</i>) 	<ul style="list-style-type: none"> · Micro-savings (<i>Mikru-poupansa</i>) · Micro-insurance (<i>Mikru-seguru</i>) · SME & Micro-finance (<i>Microfinansas no MPE</i>) 	<ul style="list-style-type: none"> · Structured Training Programs (<i>Programa formasaun/ treinamentu estruturada</i>) · Financial Infrastructure (i.e. credit guarantee schemes) (<i>Infraestrutura finanseiru (hanesan eskema garantia de-kréditu)</i>) · National MSME Council (<i>Konsellu Nasionál PME</i>) 	<ul style="list-style-type: none"> · National Strategic Plan (NSP) for Financial Literacy (<i>Planu Estratéjiku Nasionál (PEN) ba Literasia Finanseira</i>) · Consumer Protection Regulatory Framework (<i>Kuadru Regulatori Protesaun ba Konsumidór</i>)



The key strategies for the roadmap for advancing financial inclusion are as follows:

i. Enhance Access to Financial Services & Modernize The Payments System

To reach remote geographical locations which lack the presence of bank branches due to high establishment costs, channels with a lower cost structure are required. This includes expanding the deployment of low-cost innovative channels through branchless banking. With BCTL's Circular Letter 14/2015: Guidelines on the Use of Agents in Branchless Banking in place, BCTL will play a facilitative role to enhance collaborations between interested commercial banks and possible agents to launch branchless banking to underserved areas across the country. Branchless banking would complement existing initiatives, such as mobile banking vans and other forms of access points in the country.

BCTL also prioritises modernizing the payments systems to widen the outreach of digital financial services. In 2015, the Decree-Law No 17/2005 on the National Payment System which provides for oversight and regulation of the National Payment System was enacted. In line with this law, BCTL will further enhance the regulatory and supervisory framework for relevant digital payments, mobile banking, internet banking and e-wallet products as channels to drive financial inclusion. Additionally, BCTL will implement the National Switch platform in collaboration with private sector partners to facilitate payments between individuals, small businesses, and the government.

Estratéjia xave ba dalan atu to'o ba inklusaun maka tuir mai ne'e:

i. Hadi'a asesu ba servisu finanseiru sira no moderniza Sistema Pagamentu sira

Atu to'o ba fatin jeográfiku ki'ik sira iha ne'ebé hetan servisu ajénsia bankária sira tanba presu ne'ebe aas ita presiza estrutura kanal taxa ne'ebé ki'ik. Ida ne mós bele dehan haluan taxa ne'ebé baratu no inovasaun liuhusi servisu bankariu ne'ebé laiha ajénsia. Liu husi sirkulár ne'ebe mai husi BCTL n° 14/2015: orientasaun kona-ba uza ajente sira iha servisu banku ne'ebé laiha ajénsia iha fatin, BCTL sei kaer papel fasilitador atu hametin kolaborasaun entre banku komersiál ne'ebé iha interese no permite atu ajente sira komesa servisu banku ne'ebé laiha ajénsia ba area balun ne'ebe laiha asisténsia iha Nasaun laran. Servisu bankáriu laiha ajénsia sei kompleta inisiativas ne'ebe iha ona, hanesan van mobile banking (vans bancários móveis) no forma sira seluk husi pontu asesu ne'e.

BCTL mós fo prioridade ba modernizasaun sistema pagamentu sira habot servisu dijital finansas nian. Iha 2015, Dekretu-Lei no 17/2005 konaba sistema pagamentu nasional ne'ebé halo supervisaun no regulamentu ba sistema pagamentu nasional ne'ebé promulgadu ona. Hatuir lei ne'e, BCTL sei haree liu tan kuadru konaba supervizaun no regulasaun ba pagamentu dijital relevante, *mobile banking* (vans bancários móveis), internet banking (*banking internet*) no produktu e-wallet (produktu de e-wallet) hanesan kanál atu dudu inklusaun finanseira. Aleinde ne'e, BCTL mós hasai kartaun nasional no Mobile atu halo ba prosesu pagamentu retalladu entre individu, negósiu ki'ik sira no governu.

ii. Develop a Range of Specialised and Affordable Financial Services

The underserved communities need specialized financial services, especially products to manage economic risks. BCTL will focus on micro-savings and micro-insurance for people in rural areas. Affordable micro-savings products with minimal fees and low account opening deposits, combined with reasonable returns are needed to encourage low-income households to inculcate the savings habit to fulfil long term goals such as starting a business, home ownership, education and a secure retirement. On another note, micro-insurance is another product which can provide the underserved with adequate financial protection against unexpected adverse events. Illness and injuries can deeply impact for the future of poor households as a result of loss of income and medical expenditure. Micro-insurance needs to be cost-effective, accessible and easy-to-understand to benefit the poor households. BCTL will also build on the financial sector's current progress of SME and micro-finance and continue to support this sector.

ii. Atu dezenvolve espesialidade oioin no servisu finanseiru ne´ebé disponivel

Ba comunidades sira mak seidauk hetan asesu finanseira no persiza servisu finanseiru mak espesializadu liuliu produtu sira be iha risku ekonómiku. BCTL sei fokus liu ba mikro seguru ba ema sira iha banku nasionál no seguru mikro ba povu sirah iha suku sira. Produtu mikru hotu-hotu sei iha taxa minimu no loke konta depóztu minimu, relevante ho resultado ne´ebé válidu atu presija atu avansa uma kain ho osan reseita ne´ebé mínimu atu amenta tan abitua rai osan atu kumpri ba loron aban bairua hanesan komesa halao negósiu, uma, propriedade, edukasaun no pensaun ne´ebe diak. Iha rejistu seluk, seguru mikro produtu seluk ne´ebé bele fo benefísiu no protesau ba karente servisu ne´ebe kompletu haree ba efeitu aat ne´ebe mai derepentí/ laespera. Moras no tohar bele fo efeitu ladiak ba moris aban bainrúa nian umakain kiak mak hanesan efeitu ne´ebe halakon osan hatama no hasai ba mediku. Seguru ki'ik presiza taxa-efektifu, fasil atu asesu no komprende atu fo benefísiu ba uma kain kiak sira. BCTL mós sei hamoris sektor finansas negosiu mikro no médiu sira depois tuir

iii. Capacity Building for Financial Service Providers and Strengthen Supporting Infrastructure
The delivery of inclusive financial services requires competent practitioners to understand the needs of underserved communities and serve them in an effective and sustainable manner. Inadequately trained financial service providers, regulators and supervisors would be a disservice to the unbanked and underserved communities. Cost-effective financial inclusion training and talent development can instill the best practices to accelerate the development of people at all levels of the financial system, from regulators and supervisors to professionals from banks, MFIs and credit unions.

In addition to capacity building, BCTL also prioritizes the strengthening of supporting infrastructure, including specific mechanisms to foster financial intermediation by leveraging on BCTL's collaboration with Credit Guarantee Corporation Malaysia to set up a credit guarantee scheme. To further enrich the supportive infrastructure for financial inclusion, BCTL plans to embark on is the implementation of the National MSME Council, a high-level working group consisting of BCTL, heads of Ministries as well as Agencies involved in the development of the MSME sector. This council will be the highest decision making body regarding developmental policies of MSMEs, particularly in the area of access to financing and training, and also serve to coordinate programmes across Ministries and Agencies throughout the country to boost the MSMEs sector.

mai sei suporta mikro finansas.

iii. Kapasitasaun ba servisu finanseiru no haforsa apoiu ba infraestrutura.

Prestasaun servisu finanseiru ba inkluziun finanseira presija profesionál ne'ebe kompetenti atu bele komprende persija atende povu no bele atende sira ho efektivu no ba futuru ba oin. Atendimentu ne'ebé ladun sufisienti konaba atendentu finanseiru, reguladór no supervisor sei halo lakon ba povu ne'ebe laiha konta banku no karenti sira. Treinamentu inkluziun finanseira taxa efektivu no hamoris talentu bele hametin pratika-pratiku ne'ebe diak liu atu halo moris liu tan dezvoltamentu povu iha nível sistema finanseiru, husi reguladór no supervizaun atu sai profesionál husi banku, institusaun kréditu comunidade (IMFS=IKK) no kréditu kooperativu.

Aleinde kapasitasaun, BCTL mós fo prioridade atu reforça infraestrutura, hamutuk ho mekanizmu espesialidade atu dudu intermedia finanseiru lui husi mekanizmu lei nian no administrasaun, atu hamoris sistema kréditu azul atu antisipa konaba informasaun istória konba kréditu ne'ebe kridibel husi kliente. Alende ida ne'e, benéfisu husi servisu hamutuk BCTL ho Korperasaun kréditu Malásia, BCTL mós iha objektivu konjuntu eskema garantia ba kréditu. Forma infraestrutura finansas mós sei fo ajuda ba prosesu atu foti desizaun tanba sira mak komprende liu riskus klienti sira nian. Husi aspektu depózi, target BCTL nian atu hamoris skema garantia hanesan parte ba infraestrutura finanseira atu hametin konfiansa públika konaba sistema finanseiru, sistema ne mós atu promove depózi husi depózi seguru ne'ebe lakon sira ne'e aloka hamutuk ho instituisaun ne'ebe fraku iha membru intutuisaun, kazu iha falla iha

iv. Implement Financial Literacy and Consumer Protection Frameworks

To raise consumer awareness and financial education, BCTL efforts will be anchored by the National Strategic Plan (NSP) for Financial Literacy, comprising nationally coordinated network of financial education programmes and awareness campaigns over a five year period over 2016-2020. BCTL will also continue its focus on financial education for the younger generation. The findings and key takeaways from the pilot project launched in collaboration with Ministério da Educação da República Democrática de Timor-Leste will fortify and enrich the financial literacy program, which is envisaged to be incorporated into the national school curriculum within the next 5 years.

BCTL will also focus on the continuous review and enhancement of regulatory frameworks for consumer protection, by building on the Consumer Protection Law that was passed in July 2016. BCTL aims to create a holistic consumer protection framework with the goals of building public confidence in the financial system by introducing appropriate codes of conduct, consumer protection rules, and institutionalizing formal avenues to seek redress and manage disputes.

These strategies set out in the holistic national financial inclusion framework will form the pillars to support BCTL's vision of inclusive finance. These comprehensive strategies play a crucial role in driving financial inclusion, each equally important in their contributions to different dimensions. The success of the nation is reliant on all these strategies working collaboratively in steering this roadmap into the achievement of financial inclusion.

instituisaun partisipante

iv. Implementasaun literasia finanseira no Enkuadramentu protesaun konsumidór

Atu amenta konsiênsia konsumidór no edukasaun finanseira, BCTL esforsu atu hatuur planu estratéjika nasionál ba literasia finanseira sira, ne'ebe forma husi rede nasionál ne'ebe organizado husi programa edukasaun finanseira no kampaña sensibilizasaun tinan lima nia laran 2016-2020. BCTL mós sei fokus ba edukasaun finanseira ba jerasaun foin sa'e sira. Buat ne'ebe hetan no foti husi projeitu pilotu mak xave ba lansamentu servisu hamutuk ho Ministeriu Edukasaun Repúblika Demokrátika de Timór Leste sei fortaleza no enrikese (hariku-an) programa alfabetizasaun finanseira, ne'ebe sei prosesa atu hatama ba kurikulum eskolah nasionál iha tinan 5 nia laran ba oin.

BCTL mós sei fokus ba estudu kona-ba revizaun no enkuadramentu regulatóriu atu fo proteje ba konsumidór sira ho objetivu hametin konfiansa povu nian konaba sistema finanseiru ho introdusaun kódigu etíku, regras defeza konsumidór, no institucionaliza ba forma atu buka reparasaun no jere konflitu sira.

Sistema ne'e determina ona iha kuadru inklusivu finansa nasionál logistika nia laran atu forma pilar atu apoia vizaun BCTL iha inklusaun finanseira nian. Estratéjia ne'ebe halao nia knar importante atu dudu inklusaun finanseira, ida-idak importante iha kontribuisaun ba dimensaun ne'ebe oioin. Susesu nasaun ida depende ba estratéjia ne servisu kolaborativu iha kondisaun dalan ida atu realiza inklusaun finanseira.

6.3

Implementation of a Comprehensive Financial Inclusion Measurement Framework

The proposed national financial inclusion framework, complete with methodical medium to long term strategies, has to be implemented in parallel with an equally important measurement framework with key performance indicators. Financial inclusion outcomes will be measured across three dimensions discussed in this report, in specific, outreach, usage and quality. A measurement framework with clearly defined indicators is fundamental to monitor the state of financial inclusion and its progress effectively.

Supply side data initiatives, which this report has discussed, include mapping of access points, information on usage of financial services from financial service providers, and information on application processes. To complement the supply side data initiatives, a demand side data is also essential to obtain information on the preferences, behavior and challenges faced in relation to participation in the formal financial system. BCTL plans to collect demand-side data in the future through a nationwide survey to better understand consumer perceptions and assess their needs to make sure that they are sufficiently being met by the provision of services.

The data collected for this report will serve as a baseline to compare against future developments to measure and monitor improvements over time as strategies under the national financial inclusion framework are implemented. BCTL will also enrich and review this framework from time to time to ensure that the indicators remain relevant and up to date with latest financial inclusion developments.

6.3

Implementasaun kadru sasukat ne'ebé komprehensivu ba Inklusaun Finanseira

Kuadru nasional ne'ebe propostu ba inklusaun finanseira kompleta ho metodolójia ba estratéjia tempu médiu ba tempu naruk, tenki implementa paralelu ho hanesan importante kuadru medisaun inklui xave indikadór dezempeño nian. Rezultadu inklusaun finanseira sei sukat iha dimensaun tolu ne'ebe diskurti iha relatóriu ida ne'e, ne'ebe espesífiku: divulgasaun, utilizaun no kualidade. Kuadru ida ne'ebe sura husi indikadór ne'e ne'ebé klaru/loos sai nu'udar baze atu haree situasau inklusaun finanseira no progresu ne'ebe efektivu.

Fornesimentu iniciativu dadus hosi oferta relatóriu ne diskuti tiha ona, no mós mapeamentu. Asesu informasaun kona-ba usa servisu finanseiru prestadór servisu finanseiru, no informasaun kona-ba prosesu aplikasaun. Atu halo kompleta dadus husi oferta, dadu husi pedidu mós importante atu hetan informasaun kona-ba preferénsia, hahalok no dezafiu ida ne'ebé hasoru iha relasaun ho partisipasaun iha sistema finanseira formal. BCTL halo planu atu rekolla dadu sira husi parte demanda liuhusi survei nasional atu komprende liu tan presepsaun konsumidór no halo avaliasaun ba nesiedade sira nian atu sertifika katak sira devidamente atendidu husi prestasaun servisu nian.

Dadus ne'ebe halibur ona hosi relatoriu sei sai baze atu halo komparaun progresu lora aban bairua nian atu sukat no atu ajuda hadi'a husi lora ba lora nu'udar estratéjia hanesan implementasaun ba orden inklusaun finanseira nasional. BCTL mós sei halo diak liutan no halo modifikasaun lora ba lora hodi atu garante katak indikadór sira sei relevante no atualizadu ho dezvoltamentu foun inklusaun finanseira.

Financial Inclusion Measurement Framework

Kuadrumentu ba sasukat Inkluziun Finanseira

Access	<ul style="list-style-type: none"> - Penetration of financial access points by municipality, administration posts & sucos - Penetration of access points per adult population - Penetration of access points per 1,000km
Usage	<ul style="list-style-type: none"> - Penetration of deposit accounts per adult population - Penetration of loan accounts per adult population - Penetration of life insurance policies per adult population
Quality	<ul style="list-style-type: none"> - Ease of deposit account applications - Ease of loan account applications

Asesu	<ul style="list-style-type: none"> - Penetrasiun pontu asesu finanseiru iha munisípiu, postu administrativu no suku - Penetrasiun pontu asesu ba kada populasaun adulta - Penetrasiun pontu asesu kada 1.000km
Utiliza	<ul style="list-style-type: none"> - Penetrasiun konta depózi ba kada populasaun adulta - Penetrasiun konta kréditu ba kada populasaun adulta - Penetrasiun apólis seguru de-vida ba kada populasaun adulta
Kualidade	<ul style="list-style-type: none"> - Fasilidade aplikasaun ba konta depósitu - Fasilidade aplikasaun ba konta kréditu



6.4 Conclusions

This report sets out to achieve many objectives. Firstly, it functions as a pioneering instrument to document the current state of financial inclusion, providing an overview of the overall access, usage and quality dimensions of financial inclusion for the very first time in the country's history. Secondly, this report enables key insights to be drawn on the general population, as well as selected target groups based on municipalities or administrative posts, gender or age groups. The granularity of the information enables specific focus to be placed on selected target groups to contribute to design of financial products and services. Lastly, further analysis of the data will provide comprehensive statistical evidence which will be used to evaluate the current level of financial inclusion in Timor-Leste, as well as the disparities which need to be addressed. This forms a strong basis for formulating policies and weighing priorities for implementation of such policies to create the best possible outcome and impact of increased financial inclusion.

The principal outcome of this data collection exercise is the development of a national financial inclusion framework with the commitment to create an inclusive financial system for prosperity. Financial inclusion is linked to the country's economic and social development, and BCTL demonstrates its commitment to financial inclusion through the pledge to launch and implement the strategies under this comprehensive framework, which is in line with the goals of the Master Plan for the Development of the Financial Sector 2014-2025. This framework will serve as a strategic plan to chart the direction of the country in its mission to achieve financial inclusion.



6.4 Konkluziun

Relatóriu ne'e halo atu atinje objetivu barak. Primeiru liu, funsiona hanesan instrumentu pioneriu atu dokumenta sirkunstánsia aktuál konaba inkluziun finanseira atu fo mós vizaun jerál ida kona-ba asesu, uzu no kualidade dimensaun inkluziun finanseira nian. Tuir mai, relatóriu ida ne'e bele sai importante atu populasaun baibain bele hatene, hanesan grupu alvu ne'ebe hili atu hosi munisípiu, postu administrativu tuir seksu ka idade. Informasaun boot lilu fó biban ba foku espesífiku ne'ebe tau tuir grupu ne'ebe hili ona atu fo kontrubuisaun halo planu produsaun servisu finansas. Ikus liu, análise kle'na liu husi dadus ne'e sei sei fo evidénsia estatistika ne'ebe luan no sei uza atu halo avaliasaun nível inkluziun finanseira iha Timor-Leste, no mós disparidade sira ne'ebé tenki aborda. Ida ne mak baze metin ida atu halo polítika no hanoin prioridade sira atu atu implementa di'ak liutan resultado no impaktu hosi inkluziun finanseira.

Rezultadu prinsipál liu hosi treinu foti dadu sira mak dezenvolve kuadru nasionál inkluziun finanseira ba prosperidade. Inkluziun finanseira kona-ba dezenvolvimentu ekonómiku no sosail nasaun nian no BCTL hatudu ninia kompromisu inkluziun finanseira liu husi promesa atu komesa no aplika estratéjia iha kuadru globál ne'e nia okos, ne'ebe nia lalaok no objetivu iha planu diretór dezenvolvimentu setór finanseira 2014-2025 nian. Estrutura ida ne'e sei sai hanesan planu estratéjiku atu mantein diresaun estadu nian hodi atinje inkluziun finanseira.



Acronyms and Abbreviations

ACH	Automated Clearing House
ADB	Asian Development Bank
ANZ	Australia and New Zealand Bank (ANZ) Banking Group, Timor-Leste Branch
ATM	Automated Teller Machine
BCTL	Banco Central De Timor-Leste
BNCTL	Banco Nacional de Comércio de Timor-Leste
CCI-TL	Câmara de Comércio e Indústria de Timor-Leste
CEB	Currency Exchange Bureau
CGC	Credit Guarantee Corporation (Malaysia)
EFTPOS	Electronic Funds Transfer Point of Sales
HNF	Ha'u Nia Futuru
IMfTL	Institute of Microfinance of Timor-Leste
ICT	Information and Communication Technology
IT	Information Technology
KIF	Kaebauk Investimentu No Finansas, SA
Mandiri	PT. Bank Mandiri (Persero) Tbk. Dili, Timor-Leste Branch
MBV	Mobile Banking Van
MFI	Microfinance Institution
MOE	Ministry of Education
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MSS	Ministry of Social Solidarity
MTO	Money Transfer Operator
NITL	National Insurance Timor-Leste, SA
NMDC	National MSME Development Council
NSP	National Strategic Plan (for Financial Literacy)
ODTI	Other Deposit Taking Institutions
ETPOS	Electronic Transfer Point of Sale
RTGS	Real Time Gross Settlement System
Sinar Mas	Sinar Mas Insurance, SA
SME	Small and Medium Enterprises
SMS	Short Message Service
UNDP	United Nation Development Program
UNSW	University of New South Wales



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