

**REPUBLIC OF MOZAMBIQUE**

**Financial Inclusion Report 2021**



**Maputo, March 2021**

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7<sup>th</sup> Edition

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## LIST OF ACRONYMS

AFI	Alliance for Financial Inclusion
AMS	Mozambican Insurers Association
ASCAs	Accumulating Saving and Credit Associations
ATM	Automated Teller Machines
BM	Banco de Moçambique
BVM	Mozambique Stock Exchange
CCR	Central Credit Register
EMI	Electronic Money Institutions
FARE	Economic Rehabilitation Support Fund
FDD	District Development Fund
FFH	Housing Development Fund
FII	Financial Inclusion Index
GDP	Gross Domestic Product
INAS	National Social Action Institute
INE	National Bureau of Statistics
INPS	National Institute of Social Welfare
INSS	National Institute of Social Security
ISSM	Mozambique Insurance Supervision Institute
IPEME	Institute for Promoting Small and Medium-sized Enterprises
KYC	Know Your Customer
MEF	Ministry of Economy and Finance
MGCAS	Ministry of Gender, Children and Social Action
MIC	Ministry of Industry and Commerce
MINEDH	Ministry of Education and Human Development
MITADER	Ministry of Land, Environment and Rural Development
MSME	Micro, Small and Medium-Sized Enterprises
MTC	Ministry of Transport and Communications
NFIC	National Financial Inclusion Committee
NFIS	National Financial Inclusion Strategy
NPS	National Payment System
POS	Point of Sale (Point of sale terminals)
PROMER	Rural Markets Support Program
ROSCA	Rotating Savings and Credit Associations

## **EXECUTIVE SUMMARY**

In 2016, the Government of Mozambique launched the National Financial Inclusion Strategy (NFIS) 2016 - 2022, which aims to provide a structured approach to the implementation of priority policies and actions, with a view to the establishment of mechanisms for monitoring, assessing and coordinating the activities to be carried out by several stakeholders, in order to expedite the process of developing a financially inclusive society in Mozambique.

In fact, in 2021, Mozambique maintained its policy of cooperating and collaborating with various institutions, in matters of financial inclusion, at regional and international level. As a member of the Alliance for Financial Inclusion (AFI), in 2021, the country received support through the so-called In-Country Implementation Program (ICI), in order to carry out the National Financial Literacy Diagnosis in the country, scheduled for the first half of 2022.

In light of technological innovation and respect to the Sochi Agreement Commitments on the implementation of the FinTech Regulatory Sandbox, in 2021, the BM concluded the second edition of the Regulatory Sandbox, approving two fintechs, and launched the third edition, which would consist of ten competitors.

As to the improvement of the legal and regulatory framework in the financial sector, during this period, proposals for regulations were drafted with AFI support, on KYC areas per level, regulation and supervision for payment service providers. In addition, in the same period, Law No. 20/2020 of 31 December (Law on Credit Institutions and Financial Companies) came into force, comprising important information for the process of promoting financial inclusion, especially the inclusion of payment service providers as a kind of financial company, which can be broken down into three categories, namely electronic money institutions (EMI), fund transfer institutions and payment aggregators.

Regarding institutional coordination between the various sectors of economic activity and government institutions, 12 meetings of the working groups of the National Financial Inclusion Committee (NFIC) were held, three for each working group and three plenary meetings, where topics of interest to financial inclusion were discussed, highlighting the challenges and prospects of assessing the level of national coverage of identification documents, developments in the micro-insurance sector in the country, role of movable and immovable securities in financial inclusion, outlook and challenges of digital education for financial inclusion, among others.

In 2021, the Mozambican financial system comprised 37 credit institutions, against 41 registered in 2020, namely 16 banks, 12 microbanks, one investment company (against one in 2020), five credit unions (against seven in 2020) and three EMI. It also comprised a total of nine financial companies, namely one credit card issuer or manager (against two in 2020) and eight foreign exchange offices (against ten in 2020). Furthermore, it included 1,598 microfinance operators (against 1,124 in 2020), namely 12 savings and loan organizations and 1,586 microcredit operators. Lastly, a total of 33 institutions made up the “other financial institutions” category, namely 18 insurers and 14 stock exchange operators.

Regarding the banking of the economy, measured as to the number of bank accounts per 1,000 adults, in 2021 there were 315 bank accounts per 1,000 adults, compared to 314 in 2020. There was also an increase

in the number of bank accounts, rising from 5,116,741 in 2020 to 5,293,240 in 2021, representing a growth of 3.4%. As for expansion of electronic money accounts, in 2021 about 67.2% of the country's adult population held an electronic money account at an EMI, against 66.4% in 2020.

In terms of physical access, in 2021, the country had at least one access point in all districts. On the other hand, out of a total of 154 districts, the country had 152 districts covered by EMI agents and 101 districts covered by banking agents, a coverage level of 98.7% and 65.6% of the total districts, respectively, that is, an increase of 7.8 pp and 4.1 pp, respectively, against the previous year (2020).

In this period, as measured by the credit to the economy as a percentage of gross domestic product (GDP)<sup>1</sup>, financial intermediation stood at 24.2%, a negative change of 0.4 pp against 2020. There was also a downward trend in bank financing calculated in demographic terms. In fact, for every 1,000 adults, 14.3 million meticaís (MT) were granted, compared to 14.7 million meticaís in 2020.

The level of financial savings measured by total deposits as a percentage of GDP, stood at around 53.0% of GDP in 2021, a decrease compared to 2020, at 1.1 pp. On the other hand, the financial savings analyzed in terms of demographics, followed the trend, standing at 30.2 million MT per 1,000 adults, in 2021, against 32.4 million MT observed in 2020, a reduction of 2.9%.

As for the use of financial services, it is emphasized that, during the period concerned, 67.2% of the adult population held one bank account at EMI, against 66.4% in 2020. This figure (67.2%) represents the achievement of the NFIS 2016-2022 target set for 2022, up by 7.2 pp.

With regard to insurance market penetration, until the third quarter of 2021, the insurance market operated with 21 insurance institutions (13 non-life insurers, 4 exclusively life insurers and others cumulatively exploring both fields) In nominal terms, these figures represent a growth of about 5.9%, against the same period in 2020, and the rate of insurance penetration in the economy remained at 1.7%.

In 2021, market capitalization, the main stock market indicator, evolved from 114,216.65 million MT in 2020 to 126,105.40 million MT in 2021, a growth of 18.9% and, in terms of the proportion of GDP, the market capitalization stood at 11.2%.

The Global Financial Inclusion Index (FII) calculated by the BM stood at 12.76 points in 2021, against 13.93 points in 2020, reflecting a decrease of 1.2 points. This slump mainly stems from having less access points (bank branches, microbanks and credit unions, bank agents, ATM and POS), especially in Maputo city, as well as the slowdown in economic activity over the period concerned on account of COVID-19.

Even so, for provinces, the FII remains higher for Maputo city (82.62 points), followed by the Inhambane province (10.36 points) and Maputo (9.95 points). The lowest levels are observed in the provinces of Zambézia (2.84 points) and Niassa (3.67 points).

In light of Government initiatives towards rural population financial inclusion in 2021, the highlight is on the undertaking of the following actions:

- Under the “Um distrito, um banco” (One district, one bank) project, three branches were set up, making up a total of 45 branches since 2016, the project's launch year;

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<sup>1</sup> Projection-Based Provisional GDP



- During the agrarian campaign 2020/2021, the Sustenta project has supported 103 districts in eight country provinces (except Inhambane, Maputo province and Maputo city), and overall, the program covered, directly and indirectly, 291,241 beneficiaries.
- As benefits of the digitization of state payments (G2P), in the compulsory social security system of the state, the National Institute of Social Security (INPS) raised the number of pensioners paid via transfers to their bank accounts, from a total of 165,722 pensioners, in December 2020, to about 184,433 pensioners, in December 2021, an increase of 18,711 pensioners, now standing at 95% of pensioners receiving their pensions via bank transfers.

As for the level of achievement as to the NFIS Action Plan by 2021, of the total 54 actions set out in the NFIS Action Plan (2016-2022), 17 actions (31 %) had been completed, 21 (39%) are ongoing, 4 have yet to start (7%) and 12 (22%) are permanent.

- Despite notable developments throughout 2021, challenges remains as to the improvement of financial inclusion levels, especially in rural areas. Therefore, in order to ensure effective implementation and the achievement of NFIS goals, actions that would have an impact in the short term (12 months) on financial inclusion shall be defined: approval of the KYC regulation by levels; Fintech licensing and supervision framework; and the general regime for bank accounts;
- Achievement of interoperability of financial services provided by banking institutions through the single national network; and
- Carrying out the National Financial Literacy Diagnosis, in order to collect basic data for the monitoring and evaluation framework of the Single National Financial Education Program.
- Expanding coverage levels of mobile phone services.

## 1. INTRODUCTION

This Financial Inclusion Report concerns the implementation of the NFIS 2016-2022, which confers on the Banco de Moçambique, as the technical unit of implementation, the responsibility to produce an annual financial inclusion report and disclose it to members of coordination structures of financial inclusion and development strategies of the financial sector, as well as to the general public.

Financial inclusion is essential for sustainable economic development. It proves of increasing importance as its role in stimulating financial savings and economy financing is recognized internationally, which translates into expanding economic activity, income generation and poverty reduction, resulting in economic development, reduction in social inequalities and improving the well-being of the general population.

In this light, in 2016, the Government of Mozambique launched the NFIS 2016 - 2022, based on three pillars, namely: i) access and use of financial services, ii) strengthening of financial infrastructure and iii) consumer protection and financial education. The NFIS provides a structured approach to the establishment, on the one hand, of priority policies and actions, and, on the other hand, of monitoring, evaluation and coordination mechanisms among the various stakeholders in order to increase access and use of financial products and services.

The success of the NFIS is associated with the conditions of the economy and the financial sector, as well as the level of involvement of the government and its partners, including the private sector. Despite the macroeconomic and fiscal challenges in recent years, several actions have been implemented and underway, through various institutions at the level of government, private sector and partners, in order to promote the expansion of access points to financial services and products in the country, especially in rural areas.

In 2021, significant progress was made as to the actions set out in the NFIS. Of the 54 actions set out in the NFIS Action Plan (2016-2022), 17 actions (31%) have been completed, 21 actions (39%) are ongoing, 4 have yet to start (7%) and 12 actions (22%) are permanent.

Regarding the global financial inclusion targets set for 2022, there is an increase from a cumulative total of 5,116,741 bank accounts, in 2020, to 5,293,240, in 2021, a growth of 3.4%. As for electronic money accounts, in 2021, 67.2% of the adult population held an account at an EMI, against 66.4% in 2020. In addition, the target of 100% of districts with at least one access point to formal financial services was achieved and the target of 60% of the adult population with access to non-bank financial services provided by EMI was exceeded by 7.2 pp.

These targets have been achieved thanks to the joint effort of Government institutions, the private sector and partners in carried out and ongoing actions, in order to promote the expansion of access points to financial products and services; the effective use of financial products and services; as well as improving the levels of financial education and literacy of the general public and protection of consumers of such products and services.

The present financial inclusion annual report brings forth the country's developments in financial inclusion up to 31 December 2021, focusing on the level of achievement of the NFIS action plan, developments and monitoring of the progress as to set out targets and identifies the main challenges that will make for priorities in the last year of the NFIS 2016-2022.

## **2. STATUS OF THE NFIS ACTION PLAN (2016 - 2022)**

In light of the recommendations of the Mozambique Financial Sector Development Strategy 2013-2022 and the NFIS 2016-2022, the Government of Mozambique has been implementing a set of actions towards ensuring the availability and accessibility of financial products and services to meet the needs and contribute to the well-being and economic and social progress of most of the Mozambican population, thereby promoting financial inclusion.

In this sense, this chapter sheds light on the latest actions led by various stakeholders, NFIC members, as to rules, infrastructure, consumer protection and financial education, towards the achievement of the goals proposed for each NFIS pillar.

### **2.1 Pillar I - Access and Use of Financial Services**

With regard to the Sochi Agreement Commitments on the implementation of the FinTech Regulatory Sandbox, in 2021, the second edition was concluded, wherein two fintechs out of seven participants were approved, three are still testing their solutions in real environments, and the other two have withdrawn.

In November 2021, the third edition of the Regulatory Sandbox was launched, with ten participating fintechs selected by a public tender held in September of the same year.

The Government, through the Ministry of Justice, Constitutional and Religious Affairs (National Directorate of Registry and Notary Services), has mapped the persons eligible to the campaign for birth registration and issuance of identity cards for the opening of accounts in the Cuamba district, Niassa province and the Gurué and Alto Molócue districts, Zambézia province, led by officers from the Mozambique Leaf Tobacco Company and local commercial banks.

In 2021, with the financing of the Economic Rehabilitation Support Fund (FARE), started the preparation of the campaign of birth registration for members and groups of accumulating savings and credit associations in rural areas and issuance of identification cards for the take-up of financial services, in order to expand and provide access to financial services to other Mozambicans in rural areas.

In the agrarian campaign 2020/2021, the SUSTENTA program of the Ministry of Land, Environment and Rural Development (MITADER) has supported 103 districts from eight country provinces (except for Inhambane, Maputo province and Maputo city), where 543 small emerging

commercial farmers (PACE) were funded to serve 112,000 small farmers (PA), which stands for 56,040 households (AF).

Simultaneously, another 181 entrepreneurs from the agricultural sector in the provinces of Cabo Delgado, Zambézia, Manica, Sofala and Gaza received direct funding, with 291,241 beneficiaries directly and indirectly covered by the program.

Another noteworthy action is that, out of a total of 219.561 pensioners paid in December 2021 by the INPS, 184.433 or 84%, were paid via transfers to their bank accounts. In 2021, Absa, Millennium BIM and Standard Bank materialized the provision of an electronic access channel to their respective systems, for paying pensions directly to the pensioner's account, in the light of the desire to integrate pensioners into the single centralized pension payment system. However, the integration of other financial institutions operating in the country is ongoing.

With regard to the facilitation of withholding of repayment amounts for loans granted in light of the implementation of pensioner funding programs, it has also become a reality for financial service providers, namely BayPort, Letshego and Peace Fund.

The table below shows that status of the activities set forth in the NFIS Action Plan for 2021, as to Pillar I, in which, out of a total of 31 actions set out for 2016-2021, ten actions (32.26%) have been completed, 14 (45.16%) are ongoing, 3 (12.90%) have yet to start and 4 (9.68%) are permanent.

**Chart 1 - Pillar I - Access and Use of Financial Services**

<i>Objective</i>	<i>Action</i>	<i>Leader</i>	<i>Status</i>
<i>Expanding and diversifying the financial services access point network</i>	1. Promoting a wide application of Notice No. 3/2015, on the regime of access and business of banking agents.	BM AMB	<b>Complete</b> - Notice No. 10/GBM/2020 of 17 December on the Regulation on the Banking Agent's Business, which breaks down agent categories, was approved.
	2. Based on geospatial mapping, define possible regulatory measures to complement the future network of agents in disadvantaged areas, such as the creation of light agencies .	BM	<b>Complete</b> - The geospatial mapping process is continuous, depending on the market dynamics. However, with the approval of Notice No. 10/GBM/2020, of 17 December (regulation on the business of banking agents), regulatory measures were defined in order to allow for the flexibility of the activity of banking agents.
<i>Improving the legal and regulatory framework for expanding products</i>	3. Creating, regulating and promoting the basic bank account.	BM	<b>Ongoing</b> . The Banco de Moçambique has submitted the proposed Law on the legal regime for bank accounts to the Council of Ministers.
	4. Proposing specific regulations on the opening and movement of bank accounts, including lowering the minimum age, and promote the basic bank account.	BM GIZ	<b>Ongoing</b> . The BM has submitted the proposed Law on the legal regime for bank accounts to the Council of Ministers.

<i>Objective</i>	<i>Action</i>	<i>Leader</i>	<i>Status</i>
<i>Improving the legal and regulatory framework for</i>	5. Promoting electronic payments (POS expansion)	BM MIC	<b>Ongoing.</b> The Notice that lays down the regime of charges and commissions is under review. It proposes the non-collection of bank charges in electronic transactions (includes the use of POS terminals to make payments); reduction of commissions in other payment channels, such as, smartphone, internet banking, mobile banking; and to impute to providers the costs related to the payment of goods and services (water, electricity, telephone, TV, etc.).
	6. Establishing a single regulatory framework for electronic money issuance activity.	BM GIZ	<b>Ongoing.</b> The Assembly of the Republic approved the Law No. 20/2020, of 31 December, Law on Credit Institutions and Financial Companies, and the review of the National Payment System Law is underway.
	7. Improving the regulatory framework to ensure the efficiency, competition and security of electronic transactions in the financial system.	BM	<b>Complete.</b> The Electronic Transactions Law, Law No. 3/2017, of 3 January, was approved.
	8. Creating a legal, regulatory and supervisory framework for the activity of domestic and international bank transfers (money transfers).	BM	<b>Complete.</b> Decree No. 99/2019, of 31 December, which establishes the legal regime for payment service providers, was approved. The Banco de Moçambique has also approved the respective minimum capitals through Notice No. 3/GBM/2020, of 23 April.
	9. Creating a regulatory framework for the expansion of simplified microinsurance products.	ISSM <sup>2</sup>	<b>Complete.</b> Guidelines on preventing and combating money laundering and terrorist financing applicable to the insurance sector approved by Notice No. 1/CA-ISSM/2019, of 30 May.
	10. Creating insurance services via mobile phone.	ISSM AMS <sup>3</sup>	<b>Complete.</b> The use of mobile insurance services was implemented in two insurance companies. However, there is room to develop more services.
	11. Creating a regulatory framework for the expansion of simplified microinsurance products.	ISSM	<b>Ongoing.</b> The ISSM is considering the possibility of developing a specific legal framework for microinsurance, separate from the insurance legal regime, in order to allow greater flexibility in its implementation.
	12. Strengthening the supervisory capacity of the ISSM.	ISSM	<b>Ongoing.</b> The ISSM continues to receive technical assistance from the World Bank to strengthen its supervisory capacity. In addition, it has carried out internal staff capacity building actions, as well as a project to modernize information systems to support supervision and statistics.
	13. Creating a regulatory framework for the development of financing based on certificates of deposit.	MIC <sup>4</sup>	<b>Ongoing.</b> Terms of reference for revising the General Rules for Micro, Small and Medium-Sized Enterprises (MSMEs) developed, in order to define incentives for the growth of this sector, especially in the areas of access to finance and improvement of productive and competitive capacities.

<sup>2</sup> Mozambique Insurance Supervision Institute

<sup>3</sup> Mozambican Insurers Association

<sup>4</sup> Ministry of Economy and Finance

<i>Objective</i>	<b>Action</b>	<b>Leader</b>	<b>Status</b>
	14. Promoting campaigns for the registration of national citizens and the provision of identification documents.	MJCR	<b>Complete.</b> Campaign for birth registration and issuance of identify cards carried out, within the “Direito a ter direito” (the right to have rights) project, in the districts of Lichinga, Lago, Sanga, Muembe and Chimbonila, Niassa Province. As a result of this activity, 62,746 people were registered.
	15. Creating a national finance program for housing.	FFH <sup>5</sup>	<b>Ongoing.</b> A proposal with reflections on housing finance was presented to the NFIC.
	16. Paying pensioners and beneficiaries of the National Institute of Social Security by electronic means that facilitate financial inclusion.	INSS	<b>Ongoing.</b> INSS began to make exclusive use of electronic means of payment, through mass transfers and payments through bank accounts. INPS continues to implement the process of integrating pensioners into the single centralized Pension Payment System.
	17. Paying beneficiaries of social action programs by electronic means that facilitate financial inclusion.	MGCAS <sup>6</sup>	<b>Ongoing.</b> At the level of the INPS, the implementation of the Proposed Single Centralized Pension Payment System is underway, which began in June 2018, the number of pensioners paid by the INPS is 218,223 pensioners, until 30 September 2021, of which 95% receive their pensions via bank transfers. As concerns the National Social Action Institute (INAS), in light of Digital Payments for Social Protection, about 17 thousand of INAS beneficiaries in urban areas have received digital transfers, following a new mass payment of subsidies to mobile wallets, started in May 2021.
	18. Developing microinsurance products oriented to MSMEs, farmers, <i>mukheristas</i> , market sellers and low-income population.	ISSM AMS	<b>Complete.</b> Two microinsurance products have been created, however, they do not have a specific orientation. They can be used by companies as well as retail customers. There is still room for further product development.
	19. Developing financing, savings and payment products suitable for the low-income population, MSMEs and farmers.	BM AMB EMI	<b>Ongoing.</b> AMB has published, in partnership with GIZ, a study on financing barriers to the agricultural sector. The study presents the products offered by banks for agriculture. An activity planned for 2022 is the preparation of product sheets savings products for low-income populations.
<i>Improving the legal and regulatory framework for expanding products and services</i>	20. Collecting additional statistical information relevant to compile financial inclusion indicators.	BM ISSM	<b>Ongoing.</b> Approval of Notice No. 04/GBM /2020, of 23 April, and Circular 002/EMO/2020, of 13 August, which establishes the legal regime for sending statistical information, in order to monitor the various forms of transfer of funds between economic agents, residents and non-residents, as well as volumes, amounts, instruments or payment obligations. Consolidated information collection via BSA (Bank Supervision Application). From 2019 to date, the ISSM has been collecting additional statistical data annually, which, in general, show, albeit without much accuracy, the increase or decrease in financial inclusion.

<sup>5</sup> Housing Development Fund

<sup>6</sup> Ministry of Gender, Children and Social Action

<b>Objective</b>	<b>Action</b>	<b>Leader</b>	<b>Status</b>
	21. Holding knowledge dissemination events (workshops and courses) on business models aimed at low-income segments, farmers or MSMEs, and their risk management models.	BM ISSM AMB AMS	<b>Permanent action.</b> The BM, ISSM and the Mozambique Stock Exchange (BVM) have been carrying out several actions in the context of consumer protection in matters of insurance, banking services and products, capital markets and financial education, with emphasis on organizing lectures. Due to the COVID-19 pandemic, events will become virtual, but with less frequency and breadth. The AMB held a webinar in order to present the study on the agricultural sector's barriers to financing to the banking sector. The next step is the dissemination of the study to other relevant institutions.
	22. Creating training mechanisms for insurance market professionals (actuaries)	ISSM AMS	<b>Permanent action.</b> ISSM has supported the introduction of courses on insurance in several educational institutions in the country, with emphasis on the introduction of the actuarial course at the master's level at Eduardo Mondlane University, and at the undergraduate level at UniZambeze.
	23. Carrying out a study on the flows of mass payments in the private sector that could be digitized.	BM	<b>Complete.</b> The NFIC subworking group on digital financial services has, in partnership with the International Capital Corporation (ICC), carried out a study on the mapping of digital government services, which involved payments from the entire ecosystem, including the Government, companies, citizens, and cooperation partners.
	24. Carrying out a diagnostic study on the domestic and international transfer market.	BM	<b>Not started</b>
	25. Carrying out a study of financial inclusion based on a demand-side approach.	BM	<b>Complete.</b> The 2019 financial services consumer survey - Finscope was carried out in concert with the BM and NFIC member partners.
	26. Diagnosing the leasing market.	BM	<b>Not started.</b>
	27. Diagnosing the factoring market.	BM	<b>Not started.</b>
	28. Evaluating existing initiatives for rural finance, to improve and identify synergies with private initiative.	MITADE R	<b>Ongoing.</b> The National Directorate of Local Economic Development started the process of identifying and monitoring micro-financial institutions in the provinces of Gaza and Inhambane, focusing on the services and products provided, credit lines, financing volume by sector of activity (2020/2021), and bottlenecks faced.
	29. Strengthening the capacity (management, accounting, planning) of MSMEs and their connection to market structures (associations and production chains)	IPEME <sup>7</sup>	<b>Permanent action.</b> The IPEME has implemented programs to promote the capacity building of MSMEs, having trained a total of 1319 entrepreneurs and MSMEs, in 2020, and 938, in 2021.

<sup>7</sup> Institute for Promoting Small and Medium-sized Enterprises

Objective	Action	Leader	Status
	30. Implementing an information regime to identify the credit portfolio to MSMEs.	BM	<b>Ongoing.</b> The process of collecting information from the credit portfolio, approved by Circular 02/EFI/2018, of 6 July, from which MSME credit breakdown is expected to be obtained is at an advanced stage, and the ideal format for reporting through the BSA has been identified, and is currently in the testing phase. In addition, other démarches were made alongside the National Bureau of Statistics (INE) and the Tax Authority to obtain the complete list of MSMEs, so as to facilitate the classification of credit institutions and financial companies (ICSF).
	31. Drafting the Annual Financial Inclusion report.	BM	<b>Permanent action.</b> Financial Inclusion Reports for 2016, 2017, 2018, 2019 and 2020 have already been published.

Source: BM

## 2.2 Pillar II - Strengthening the Financial Infrastructure

As for Pillar II actions, the BM is currently preparing the vision for the National Payment System 2022-2027, which includes, among other objectives, the promotion of financial inclusion.

Also, actions are underway to establish general interoperability of payments in Mozambique, and is expected to come into production by the end of the first quarter of 2022.

Table 2 below shows the status of the actions set out in the NFIS action plan, as to Pillar II in which, out of a total of eight actions set out in Pillar II of the NFIS action plan (2016-2022), by the end of 2021, 5 actions (62.50%) have been completed, 2 actions (25.00%) are ongoing, and 1 action (12.50%) has not yet started.

**Chart 2: Pillar II - Strengthening the Financial Infrastructure**

Objective	Action	Leader	Status
<i>Improve NPS infrastructure<sup>8</sup></i>	1. Creating the regulation for Payment Processing Companies.	BM	<b>Complete.</b> Legal Regime of companies providing payment services approved by Decree No. 99/2019, of December 31.
<i>Improve infrastructure for healthy credit expansion</i>	2. Improving the reporting regime to the Central Credit Register (CRC) to ensure up-to-date information on lenders.	BM	<b>Complete.</b> The BM has issued Notice No. 5/GBM/2016, which requires central offices for credit information to send periodic information to the BM.
	3. Creating records of movable securities	MJACR BM	<b>Complete.</b> Approved the Law on Movable Securities (Law No. 19/2018, of 28 December).
	4. Creating a legal framework for using movable securities and enhancing credit rights ( <i>secured transactions law</i> )	MJACR BM	<b>Complete.</b> Approved Law No. 19/2018, of 28 December, which establishes the legal regime for the use of movable property as a guarantee of fulfillment of obligations and creates the Central Registry of Movable Securities (Law on Movable Securities) and the respective regulation, approved by Decree No. 7/2020, of 10 March.

<sup>8</sup> National Payment System



<i>Objective</i>	<i>Action</i>	<i>Leader</i>	<i>Status</i>
	5. Modernizing, automating and extending the coverage of real estate records.	MJACR	<b>Complete.</b> Approved Decree-Law No. 2/2018 of 23 August, which reviews the Land Registration Code.
	6. Diagnosing the legal framework and the existing structure for timely and fair execution of securities in the extrajudicial scope.	MEF <sup>9</sup>	<b>Not started.</b>
	7. Mapping and diagnosing existing credit guarantee funds.	BM	<b>Ongoing.</b> The study on the agricultural sector's barriers to financing carried out by the AMB, includes an annex that details all existing credit guarantee funds for agriculture. Information on other guarantee funds remains to be completed.
	8. Creating a credit guarantee fund following international best practices, in order to encourage credit to MSMEs and farmers.	BM	<b>Ongoing.</b> In 2020, the AMB participated in the preparation of the guarantee fund linked to MSP (Multi-stakeholder platform in the North of Mozambique) and the SUSTENTA guarantee fund, which remained active for 2021.

Source: BM

### 2.3 Pillar III-Consumer Protection and Financial Education

With regard to improving consumer protection and financial education, in 2021 the following actions were developed:

- 1) By the Banco de Moçambique:
  - a. Review of Notice No. 3/GBM/2018 of 18 April approving the regulation on advertising financial products and services.
  - b. Celebration of the World Savings Day and organization of the National Financial Education Roadshow. However, in light of restrictions brought about by COVID-19 pandemic, the events were held using remote channels, especially television and social media.
  - c. Advisory campaigns aimed at the employees of Electricidade de Moçambique (Mozambique's Electricity Company) and the Attorney General's Office, which focused on educating participants in order to prevent financial errors that contribute to over-indebtedness, as well as exit strategies for over-indebtedness.
- 2) The insurance market (ISSM):
  - a. Promotion, in partnership with TVM, of television programs in insurance matters, where issues at several levels of the insurance activity were addressed, in light of the “Aposte no Seguro” (Bet on Insurance) Project.

<sup>9</sup> Ministry of Economy and Finance

- b. The ISSM has been carrying out various actions in the context of consumer protection and financial education. However, due to containment measures, they were limited to face-to-face events with uniform groups of professionals.
- 3) In the capital and services market (Mozambique Stock Exchange – BVM):
- Capacity building for financial stakeholders, stock exchange operators and others on operating procedures in the trading cycle of publicly traded securities;
  - Capacity building of target audiences, on the BVM contribution to boosting small and medium-sized companies during the pandemic;
  - Capacity building of sports clubs: 1.º de Maio (Maputo), Inhambane (Nova Aliança de Maxixe), Estrela Vermelha (Maputo) and Black Bulls (Matola), in light of Decree-Law No. 1/2015, of the legal regime of public limited sports companies (SAD);
  - BVM attendance, as panelist, in the Mozambique Fintech Week event, in order to promote its role as the BVM, as a financing opportunity;
  - Insertion of information on the Capital Market and BVM in various magazines;
  - Participation in webinars and various television shows;
  - Launch of a mobile app and dashboard for the Financial Education Program, with a view to the use of technologies for disseminating information and reducing physical presence, in the BVM process of disclosure and search for information.

Chart 3 below shows the status of the activities in the Action Plan as to Pillar III on Consumer Protection and Financial Education. From this chart, it can be seen that, out of a total of 15 actions set out in this pillar for the 2016-2022 period, by December 2021, two actions (13.33%) had been completed, five (33.33%) are ongoing and eight (53.34%) are permanent.

**Chart 3: Pillar III - Consumer Protection and Financial Education**

<i>Objective</i>	<i>Action</i>	<i>Leader</i>	<i>Status</i>
<i>Improving the legal, regulatory and supervisory framework for the protection of financial consumers</i>	1. Reviewing and updating Notice No. 5/GBM/2009 on fees and other charges.	BM	<b>Complete</b> Approval of the new Regime of Commissions and Other Charges - Notice No. 13/GBM/2017, of 9 June; Notice No. 19/BM/2017, of 26 December; Circular No. 1/OEP/2018 and Circular No. 2/OEP/2018, of 19 January.
	2. Developing the behavioral supervision methodology.	BM	<b>Ongoing</b> . In light of the cooperation with GIZ, tools are being produced (such as, for example, the conduct supervision manual) that will allow the conduct supervision process for on-site inspections to be more fluid and effective. The new Code of Conduct has been approved, which strengthens consumer protection and transparency, and the publication process is underway in the Official Gazette.
	3. Improving Notice No. 4/GBM/2009 to define minimum operating standards for channels for registering and handling consumer complaints.	BM	<b>Complete</b> New complaint handling regulation approved - Notice No. 9/GBM/2020.

<i>Objective</i>	<i>Action</i>	<i>Leader</i>	<i>Status</i>
<i>Increasing the range and quality of information made available to the public.</i>	4. Creating standardized key fact statements for the most common consumer financial products.	BM	<b>Ongoing.</b> Regulation on Information Duties as to Deposit-Taking, approved by Notice No. 1/GBM/2019, of 1 February, published. The standard form for credit is under development.
	5. Making comparative information on commissions and other charges of the main products of the retail market available on BM's website.	BM	<b>Ongoing.</b> Awaits the completion of the design of the new website of the Banco de Moçambique scheduled for the first quarter of 2022.
	6. Making statistics of consumer complaints against financial institutions supervised by the BM available on the BM's website.	BM	<b>Ongoing.</b> The Circular was approved that informs about the methodology that the bank will use to disclose the most complained-about institutions. Publication shall be biannual, and the first, as to the first semester of 2022, is expected to be launched by 30.07.2022.
<i>Increasing the level of financial knowledge by specific segments of society</i>	7. Creating a single national program of financial education.	BM ISSM BVM MINEDH <sup>10</sup> MEF	<b>Ongoing.</b> Creating a single financial education program is at an advanced stage, as the National Financial Literacy Diagnosis is now underway.
	8. Supporting financial inclusion by disclosing conditions for access to minimum banking services to the public.	BM	<b>Permanent action.</b> The BM has been carrying out this action as part of the BM's Financial Education Program.
	9. Raising awareness of the importance of saving.	BM	<b>Permanent action.</b> In the context of the celebrating the 2021 World Savings Day, the National Financial Education Roadshow took place throughout the month of October. Due to the restrictions arising from the COVID-19 pandemic, the events took place through remote channels, especially television and social media.
	10. Promoting and fostering responsible financial knowledge and attitudes.	BM ISSM	<b>Permanent action.</b> The ISSM, IP has been carrying out various actions in the context of consumer protection and financial education. This action has been implemented in light of <b>the PEFBM and the ISSM.</b>
	11. Enlightening citizens on the rights and duties of the bank client and financial institutions.	BM ISSM BVM	<b>Permanent action.</b> The ISSM, IP has been carrying out various actions in the context of consumer protection and financial education. On the other hand, the ISSM promoted, in partnership with TVM, television shows that address several insurance activity matters, in light of the "Bet On Insurance Project". This action has been implemented in light of <b>the PEFBM and the ISSM.</b>
	12. Contributing to the efficiency and soundness of the financial market.	BM, ISSM and BVM	<b>Permanent action.</b> The ISSM, IP has been carrying out various actions in the context of consumer protection and financial education. This action has been implemented in light of <b>the PEFBM and the ISSM.</b>

<sup>10</sup> Ministry of Education and Human Development

<i>Objective</i>	<b>Action</b>	<b>Leader</b>	<b>Status</b>
	13. Providing the population and companies with knowledge on the capital market.	BVM	<b>Permanent action.</b> This action has been implemented within the framework of the Financial Education Program of the BVM.
	14. Promoting the participation of companies, including SMEs, in the stock market.	BVM	<b>Permanent action.</b> This action has been implemented within the framework of the Financial Education Program of the BVM.
	15. Carrying out credit counseling campaigns for clients facing over-indebtedness problems, contributing to instilling savings practices.	BM MINEDH	<b>Permanent action.</b> This action has been implemented in light of the PEFBM; the integration of financial education content into the teaching programs of the adult education subsystem.

Source: BM

### 3. ECONOMIC AND FINANCIAL DEVELOPMENT

The improvement of financial inclusion levels is depends on the prevailing macroeconomic conditions in the country. Indeed, the emergence of new variants and waves of COVID-19, in 2021, conditioned the growth of the world economy, in general, and Mozambique's, in particular, by forcing governments to adopt measures to contain the spread. However, advances in vaccination programs are contributing to the gradual recovery of economies, especially for advanced and emerging economies.

In the case of Mozambique, despite the outbreak of the second, third and fourth wave of COVID-19, as well as the shutdown of the natural gas exploration project by Total in the face of the worsening attacks in the North and the climatic shocks (Chalane and Eloise cyclones), the economy showed signs of recovery greatly justified by offsetting restrictive measures to contain the pandemic, favorable price developments of main export commodities, coupled with the recovery of external demand and investments made in agriculture (Sustenta program), without neglecting the base effect caused by the contraction in 2020.

With regard to economic activity, after contracting by 1.2%, in 2020, GDP grew by 0.12%, 2.0%, 3.4% and 3.3% in the I, II, III and IV quarters of 2021, respectively, and, in cumulative terms, increased by 2.2%.

It should also be noted that, in 2021, total credit to the economy recorded an annual growth of 0.7%, in a context where (i) retail interest rates increased, along with the MIMO rate - policy rate, which in 2021 increased by 300 basis points, in January, reflecting the cost of financing; and (ii) credit institutions had greater availability of liquidity in national currency (NC) and foreign currency (FC) to grant bank loans, after the fall in the ratio of reserve requirements for national currency liabilities from 11.50% to 10.50%, and foreign currency liabilities from 34.50% to 11.50% in September 2021, respectively.

Annual inflation accelerated to 6.74%, following 3.52% observed in the same period of 2020, still remaining in the single digit band. Inflation accelerated mainly due to the increase in food prices and the Brent (with an impact on the increase in domestic fuel prices) in the international market, as well as global supply chain bottlenecks.

Meanwhile, at the end of 2021, the exchange rate of the Metical against the US Dollar, Euro, and the South African Rand, registered, in cumulative terms, an appreciation of 14.88%, 20.21% and 21.33%, respectively, basically reflecting the upward adjustment of the policy rate, at the beginning of the year, in a context also marked by the increase in the country's exports.

## 4. FINANCIAL INCLUSION INDICATORS

Despite the slight economic recovery signaled in 2021, of 2.16% of GDP, in general terms, financial inclusion indicators have seen a mixed behavior, with improvements reflected in the observed increase in the distribution of access points to financial EMI services and products (namely, a substantial increase in the number of EMI agents and accounts with these institutions), against a reduction in the network of ATMs, POS, banking agents and maintenance of the number of branches, accounts and bank cards. This fact continued to influence the developments of financial inclusion indicators and the achievement of set out targets.

### 4.1 Access (geographic and demographic)

#### 4.1.1 Total Access Points

In 2021, the Mozambican financial system had 37 credit institutions against 40, registered in 2020, of which 16 banks, 12 microbanks, an investment company, three EMI and five credit unions, against seven in 2020. There were also nine financial companies, including one credit card issuer or management company, against two in 2020 and eight foreign exchange offices, against ten in 2020. There was a substantial increase in microfinance operators from 1,124 in 2020 to 1,598 in 2021, consisting of 12 savings and loan institutions and 1,586 microcredit operators. Also in 2021, there were 33 institutions in the “other financial institutions” category, comprising 19 insurers and 14 stock exchange operators (Table 1).

**Table 1: Total banking, microfinance and non-banking institutions**

	Number of institutions			Number of branches, agents, delegations and counters		
	2020	2021	Change (%)	2020	2021	Change (%)
<b>1. Credit institutions</b>						
Banks	16	16	0.0	684	665	(2.8)
Microbanks	12	12	0.0	96	85	(11.5)
Investment companies	2	1	(50.0)	2	1	(50.0)
Electronic money institutions	3	3	0.0	69,548	94,697	36.2
Credit unions	7	5	(28.6)	7	4	(42.9)
<b>2. Financial Companies</b>						
Group purchasing management company	1	0	(100.0)	1	1	0.0
Company issuing or managing credit cards	2	1	(50.0)	2	1	(50.0)
Foreign exchange office	10	8	(20.0)	16	14	(12.5)
<b>3. Microfinance operators</b>						
Savings and loan organizations	12	12	0.0	12	12	0.0
Microcredit operators	1,112	1,586	42.6	1,112	1,586	42.6
<b>4. Other Financial Institutions</b>						

	Number of institutions			Number of branches, agents, delegations and counters		
Insurance institutions	19	19	0.0	148	153	3.4
Stock exchange operators	14	14	0.0	14	14	0.0

Source: BM, ISSM and BVM

With regard to the number of branches, agents and other representations of financial institutions, there was a reduction of 2.8% bank branches, 11.5% microbank branches, 50% investment companies and 42.9% credit unions, and e-money agents have seen a significant increase of 36.2%.

In the period under review, the country had 136,877 access points to financial services, an increase of 23.1%, compared to 2020, driven by the considerable increase observed in EMI agents and representations that grew by 36.2% and 42.6%, respectively, as per Table 2:

**Table 2: Total Access Points**

	Access points		Concentration level		Change (%)
	2020	2021	2020 (%)	2021 (%)	
Branches <sup>(1)</sup>	789	754	0.7	0.6	(4.4)
Banking agents	1,342	1,099	1.2	0.8	(18.1)
Non-Banking Agents <sup>(2)</sup>	69,548	94,697	62.5	69.2	36.2
Representations <sup>(3)</sup>	1,112	1,586	1.0	1.2	42.6
Delegations and counters <sup>(4)</sup>	148	153	0.1	0.1	3.4
ATM	1,710	1,631	1.5	1.2	(4.6)
POS	36,540	36,957	32.9	27.0	1.1
<b>Total<sup>(5)</sup></b>	<b>111,215</b>	<b>136,877</b>	<b>100.0</b>	<b>100.0</b>	<b>23.1</b>

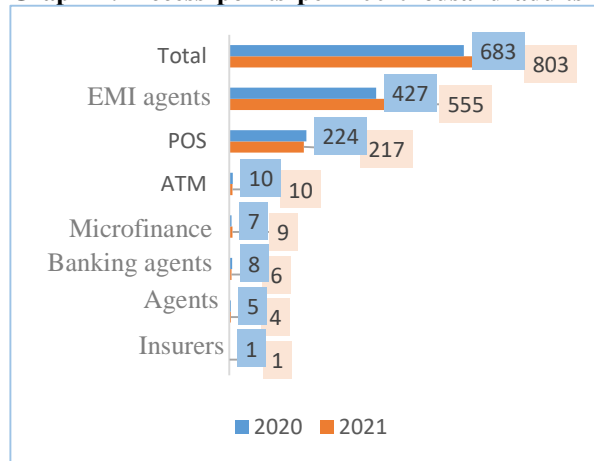
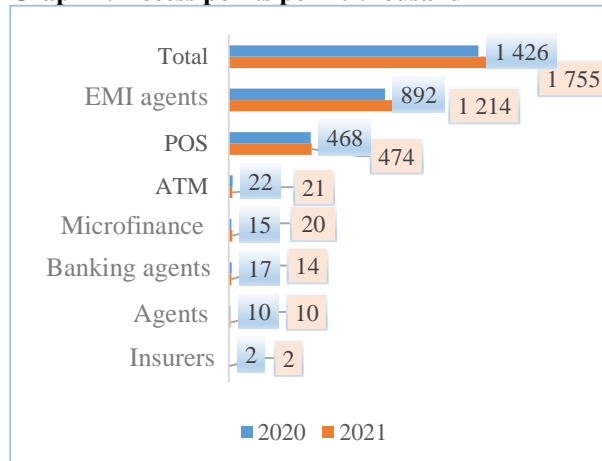
Source: BM, ISSM and BVM

Note: <sup>(1)</sup> branches of banks, microbanks and credit unions; <sup>(2)</sup> EMI agents; <sup>(3)</sup> representations of savings and loan organizations, microcredit operators and deposit-taking intermediaries; <sup>(4)</sup> delegations and branches of insurance institutions; <sup>(5)</sup> stock exchange operator branches are excluded from the total number of access points in order to avoid over-counting, since they overlap with bank branches.

EMI agents held the highest concentration of access points at 69.2%, a growth of 6.7pp in 2021, compared to the previous year. POS come next with 27% of the total access points, translating into a reduction in the concentration level 5.6 pp in 2021.

#### 4.1.2 Demographic and geographic access

Regarding demographic access, in 2021, 803 access points were registered for every 100 thousand adults, an increase of 17.6%, when compared to 2020 (Graph 1).

**Graph 1: Access points per 100 thousand adults<sup>11</sup>****Graph 2: Access points per 10 thousand km<sup>2</sup>**

Source: INE, BM, ISSM and BVM

Regarding demographic access by type of access point, the largest coverage of the adult population is effected by non-banking EMI agents, with 555 access points per 100 thousand adults, an increase of 30.1%, compared to 2020. On the other hand, POS present the lowest population coverage, with 217 points per 100 thousand adults in 2021, against 224 points per one thousand adults in 2020, a decline of 3.3%, against 2020.

With regard to demographic access, Graph 2 shows that in 2021 there were 1,755 points access points per 10 thousand km<sup>2</sup>, against 1,426 in 2020, an increase of 23.1%.

Similarly to demographic access, EMI and POS agents contributed greatly to this result, with 1,214 agents and 474 POS per 10 thousand km<sup>2</sup>, an increase of 36.2% and 1.1%, respectively, compared to 2020.

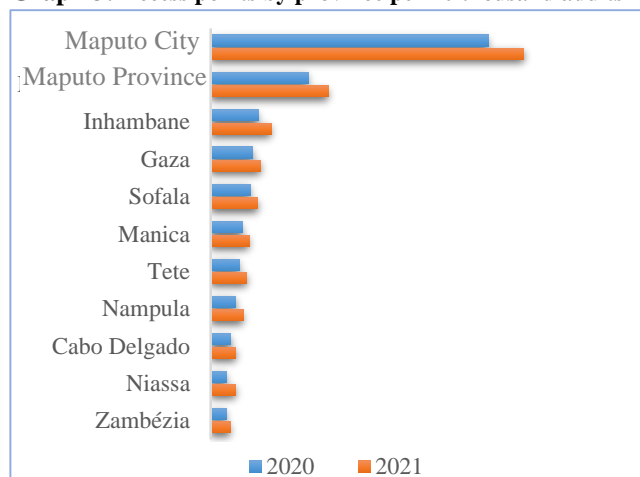
Graphs 3 and 4 below show the geographic and demographic distribution of access points by province. Regarding the demographic distribution of access points by province in 2021, Maputo city and the provinces of Maputo, Inhambane and Gaza held the greatest number of access points per 100 thousand adults, with 4,706, 1,765, 909 and 750 access points, respectively. In turn, the provinces of Zambézia, Niassa and Cabo Delgado recorded the lowest levels of demographic access (per 100 thousand adults), with 297, 375 and 380 access points, respectively.

With regard to geographic access, indicators show that Maputo city has the highest levels of coverage in the country, with 613.920 access points per 10 thousand km<sup>2</sup>, followed by the Maputo province, with 11.357 access points per 10 thousand km<sup>2</sup>, Nampula, with 2,020 access points per 10 thousand km<sup>2</sup> and Sofala, with 1,458 access points per 10 thousand km<sup>2</sup>.

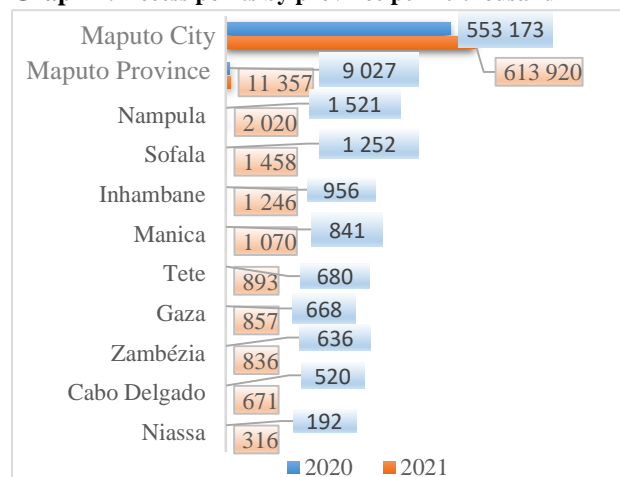
<sup>11</sup>[http://www.ine.gov.mz/estatisticas/estatisticas-demograficas-e-indicadores-sociais/projeccoes-da-populacao/mocambique\\_projeccoes\\_2007\\_2040.xls/view](http://www.ine.gov.mz/estatisticas/estatisticas-demograficas-e-indicadores-sociais/projeccoes-da-populacao/mocambique_projeccoes_2007_2040.xls/view)



**Graph 3: Access points by province per 10 thousand adults**



**Graph 4: Access points by province per 10 thousand km<sup>2</sup>**



Source: INE, BM and ISSM

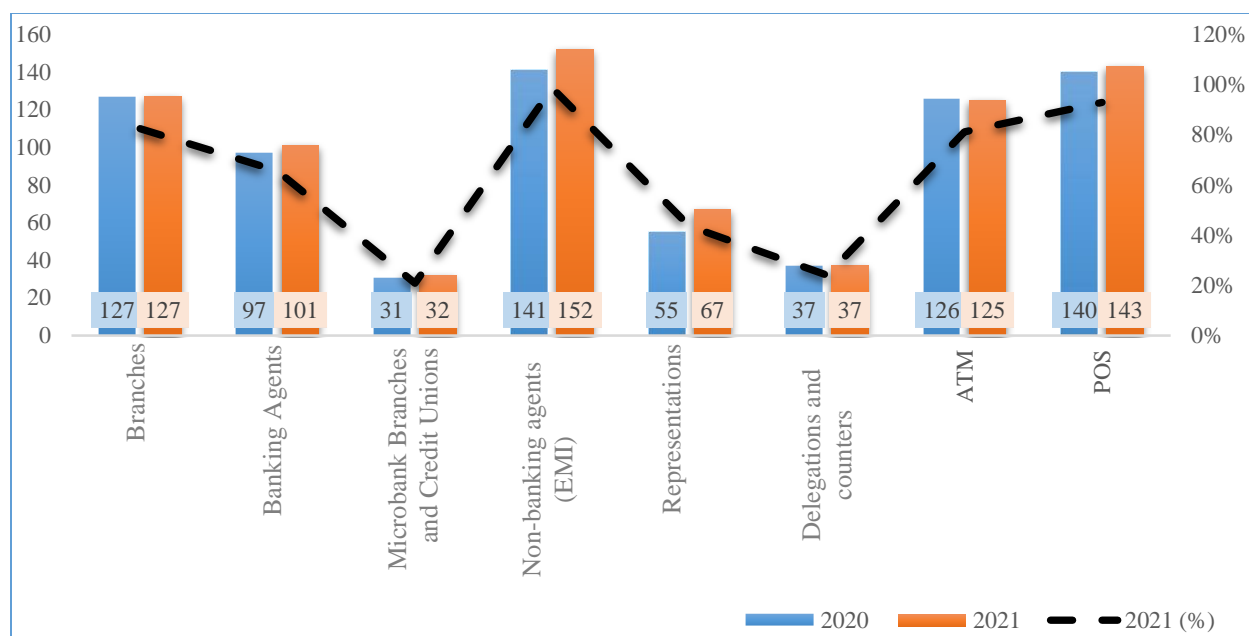
Note: It does not include stock exchange operators, so as to avoid over-counting, since they overlap with banking institutions.

The lowest levels of geographical access (per 10 thousand km<sup>2</sup>) are observed in the provinces of Niassa, Cabo Delgado and Zambézia, with 316, 671 and 836 access points, respectively.

### 4.1.3 Districts with coverage of financial services access points

As to coverage by type of access point, in 2021, the country boasted 99% coverage by EMI agents and 93% by POS, followed by bank branches with 82% coverage, ATM with 81% and banking agents with 66% coverage. Representations and delegations/branches contributed 44% and 24% of coverage, respectively, as microbanks and credit unions recorded the lowest level of coverage, with only 21% (Graph 5, Table 3 and Annex 1).

**Graph 5: Districts covered by access point type**



Source: BM and ISSM

Notes: (1) branches of banks, micro-banks and credit unions; (2) EMI agents; (3) representations of savings and loan organizations, microcredit operators and deposit-taking intermediaries; (4) delegations and counters of insurance institutions.

With regard to provinces, Maputo and Inhambane boasted full coverage, having at least one bank branch in each district. Next come the provinces of Sofala and Nampula, with coverage levels of 92% and 91%, respectively. Zambézia, Manica, Niassa and Gaza, with coverage levels of 64%, 75%, 75% and 79%, respectively, are the provinces whose districts have low levels of bank branch coverage.

Table 3. Access point coverage by province

	2020								2021							
	Branches	Banking agents	Microbank branches and credit unions	Non-banking agents (EMI)	Representations	Delegations and counters	ATM	POS	Branches	Banking agents	Microbank branches and credit unions	Non-banking agents (EMI)	Representations	Delegations and counters	ATM	POS
<b>Covered districts</b>																
Maputo province	8	5	8	8	8	4	8	8	8	5	8	8	8	4	8	8
Gaza	11	10	2	12	8	4	12	11	11	14	2	14	9	4	11	11
Inhambane	14	12	4	14	7	3	14	14	14	12	4	14	9	4	14	14
Sofala	12	9	3	13	7	1	12	13	12	9	3	13	9	1	11	13
Manica	9	10	3	11	3	3	10	11	9	10	3	12	5	3	10	11
Tete	11	11	2	14	3	9	11	13	12	11	2	15	6	9	12	13
Zambézia	14	12	3	18	6	4	14	17	14	10	3	22	7	4	15	18
Nampula	22	17	2	21	9	3	21	21	21	17	2	21	9	3	21	22
Cabo Delgado	14	5	1	16	2	2	12	17	14	5	1	17	3	2	11	17
Niassa	12	6	3	14	2	4	12	15	12	8	4	16	2	3	12	16
<b>Total</b>	<b>127</b>	<b>97</b>	<b>31</b>	<b>141</b>	<b>55</b>	<b>37</b>	<b>126</b>	<b>140</b>	<b>127</b>	<b>101</b>	<b>32</b>	<b>152</b>	<b>67</b>	<b>37</b>	<b>125</b>	<b>143</b>

	2020								2021							
	Branches	Banking agents	Microbank branches and credit unions	Non-banking agents (EMI)	Representations	Delegations and counters	ATM	POS	Branches	Banking agents	Microbank branches and credit unions	Non-banking agents (EMI)	Representations	Delegations and counters	ATM	POS
<b>Level of coverage</b>																
Maputo province	100%	63%	100%	100%	100%	50%	100%	100%	100%	63%	100%	100%	100%	50%	100%	100%
Gaza	79%	71%	14%	86%	57%	29%	86%	79%	79%	100%	14%	100%	64%	29%	79%	79%
Inhambane	100%	86%	29%	100%	50%	21%	100%	100%	100%	86%	29%	100%	64%	29%	100%	100%
Sofala	92%	69%	23%	100%	54%	8%	92%	100%	92%	69%	23%	100%	69%	8%	85%	100%
Manica	75%	83%	25%	92%	25%	25%	83%	92%	75%	83%	25%	100%	42%	25%	83%	92%
Tete	73%	73%	13%	93%	20%	60%	73%	87%	80%	73%	13%	100%	40%	60%	80%	87%
Zambézia	64%	55%	14%	82%	27%	18%	64%	77%	64%	45%	14%	100%	32%	18%	68%	82%
Nampula	96%	74%	9%	91%	39%	13%	91%	91%	91%	74%	9%	91%	39%	13%	91%	96%
Cabo Delgado	82%	29%	6%	94%	12%	12%	71%	100%	82%	29%	6%	100%	18%	12%	65%	100%
Niassa	75%	38%	19%	88%	13%	25%	75%	94%	75%	50%	25%	100%	13%	19%	75%	100%
<b>Total</b>	<b>82%</b>	<b>63%</b>	<b>20%</b>	<b>92%</b>	<b>36%</b>	<b>24%</b>	<b>82%</b>	<b>91%</b>	<b>82%</b>	<b>66%</b>	<b>21%</b>	<b>99%</b>	<b>44%</b>	<b>24%</b>	<b>81%</b>	<b>93%</b>

Source: BM and ISSM

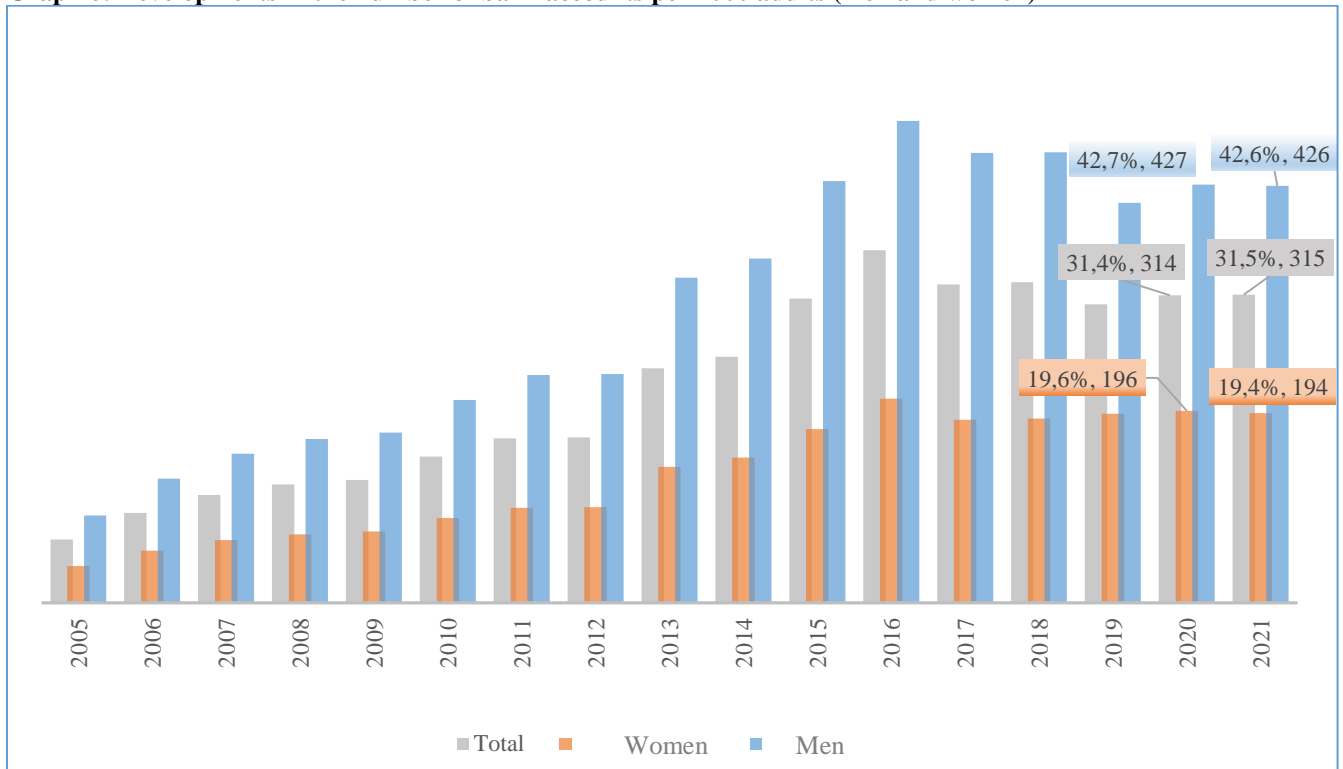
Notes: <sup>(1)</sup> branches of banks, micro-banks and credit unions; <sup>(2)</sup> EMI agents; <sup>(3)</sup> representations of savings and loan organizations, microcredit operators and deposit-taking intermediaries; <sup>(4)</sup> delegations and counters of insurance institutions.

## 4.2 Use of Financial Services

### 4.2.1 Use of Banking Services in the Economy

With regard to bancarization, the measurement of the number of bank accounts per 1000 adults shows that, in 2021, there were 315 bank accounts per 1000 adults, against 314, in 2020, an increase in country banking in 1% of adults, against 2020 (Graph 6).

**Graph 6: Developments in the number of bank accounts per 1000 adults (men and women)**



Source: INE and BM

In fact, the total number of bank accounts rose from 5,116,741 in 2020 to 5,293,240 in 2021, i.e., an increase of 3.4%.

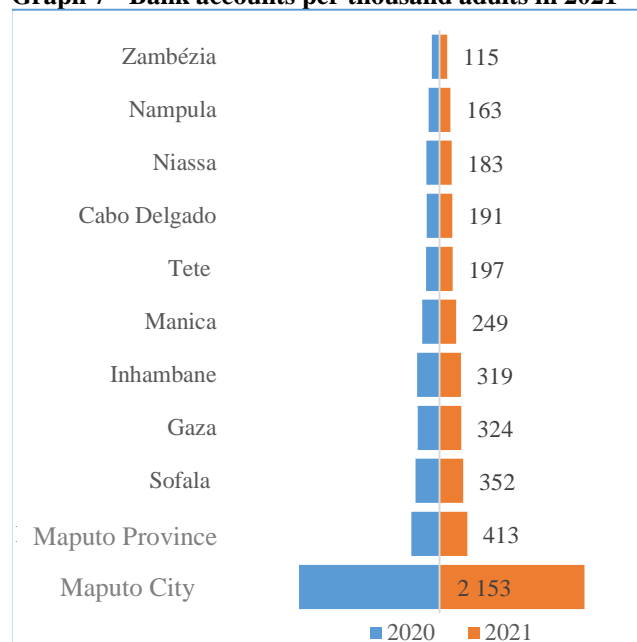
As to gender segregation, there is a decreasing trend in banking in both genders:

- a) In women, the total number of adult bank account holders declined from 196 women per 1,000 adults in 2020 to 194 in 2021 (Graph 6), i.e., a reduction in two accounts per 1,000 adults;
- b) In turn, the male population started to have 426 accounts per 1000 adults in 2021, against 427 in 2020, which is a reduction of one account in per 1000 adults, compared to 2020.

Regarding the geographical analysis, in 2021 there was a higher level of banking in the economy in Maputo city, with an average of two banks accounts per adult (Graph 7)<sup>12</sup>.

<sup>12</sup> The supply side analysis (bank accounts per adult population) presents as a challenge the fact that it does not consider the number of people who actually have accounts in the calculation, but rather the total of existing accounts.

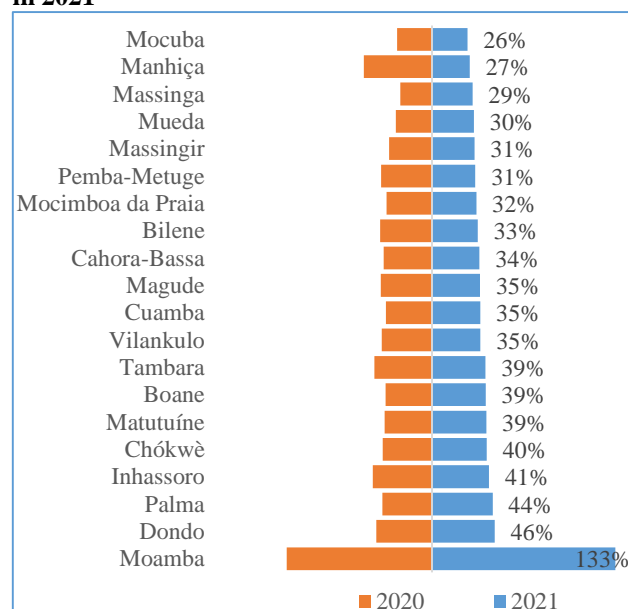
**Graph 7 - Bank accounts per thousand adults in 2021**



Source: INE and BM

Note: <sup>1</sup> Selection made from a total of 154 districts in the country. Does not include Maputo city.

**Graph 8 - The 20 most banked districts in the country in 2021<sup>1</sup>**



As always, Maputo city, as always, leads the level of banking, with 2,153 accounts, followed by the provinces of Maputo, Sofala and Gaza, with 413,352 and 324 bank accounts, respectively, per 1000 adults, in 2021, against 2,079, 417, 352 and 320 accounts per 1000 adults, in 2020, pointing to an upward trend of banking in Maputo city and Gaza, maintenance in Sofala and reduction in Maputo province.

Zambézia, Nampula and Niassa, with 115, 163 and 183 accounts per 1000 adults, respectively, are the provinces with low levels of banking, in 2021, with Niassa also observing a reduction in its level of banking from 192 accounts per 1000 adults, in 2020, to 183, in 2021, when the other two provinces had an increase.

Excluding provincial capitals, the districts with the highest rates of banking (number of bank accounts as a percentage of the adult population) are Moamba, Dondo, Palma, Inhassoro, Chókwè, Matutuine, Boane, Tambara, Vilankulo and Cuamba. Graph 8 above shows the 20 districts of the country with the highest levels of banking, which contributed to the high levels of banking achieved in the provinces concerned.

#### 4.2.2 Intermediation and Financial Savings

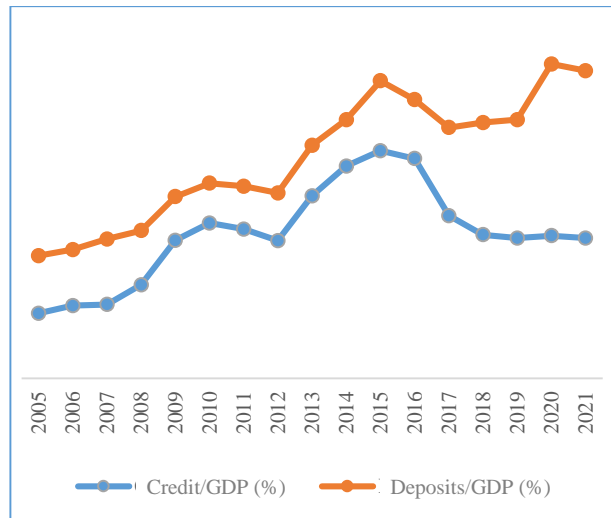
In 2021, as measured as to credit to the economy as a percentage of GDP, the level of financial intermediation stood at 24.2%, a 0.4 pp reduction against 2020 (Graph 9).

In turn, the level of financial savings, measured by total deposits as a percentage of GDP, stood at 53%, having observed a reduction compared to 2020 by 1.2 pp.

In 2021, bank financing saw a downward trend, assessed in demographic terms. In fact, about 14.3 million meticaís (MT) were granted per 1000 adults, against 14.7 million MT in 2020 (Graph 10).

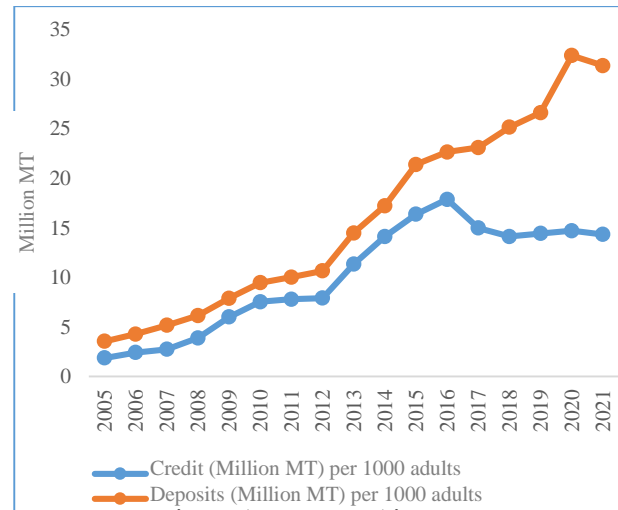
In 2021, financial savings also showed a downward trend in demographic terms, standing at 31.4 million MT, per 1000 adults, 1 million MT less than that of the previous period.

**Graph 9: Total credit and deposits as a percentage of GDP**



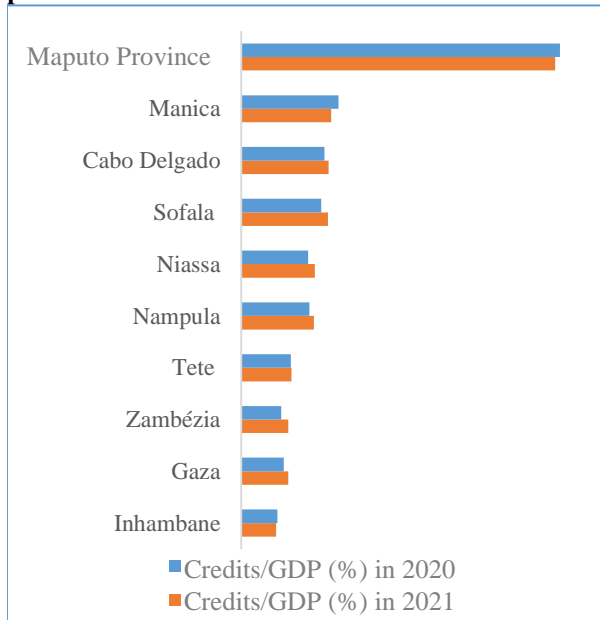
Source: BM

**Graph 10: Total credit and deposits per 1000 adults**

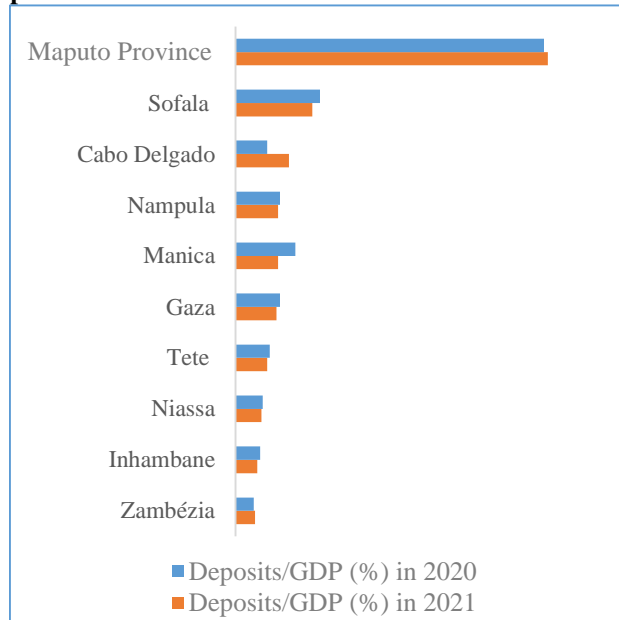


As to distribution by province, except for Maputo province (including Maputo city, where the financial intermediation level stood at about 51.3%), it was observed that the provinces of Manica and Cabo Delgado presented relatively high levels of financial intermediation, at about 14.7% and 14.3% of credit to the economy as a percentage of GDP, respectively; whereas Inhambane and Gaza, with 5.7% and 7.7% of credit as a percentage of GDP, respectively, are the provinces with the lowest levels of financial intermediation (Graph 12).

**Graph 11 - Credit as a percentage of GDP by province**



**Graph 12 - Deposits as a percentage of GDP by province**

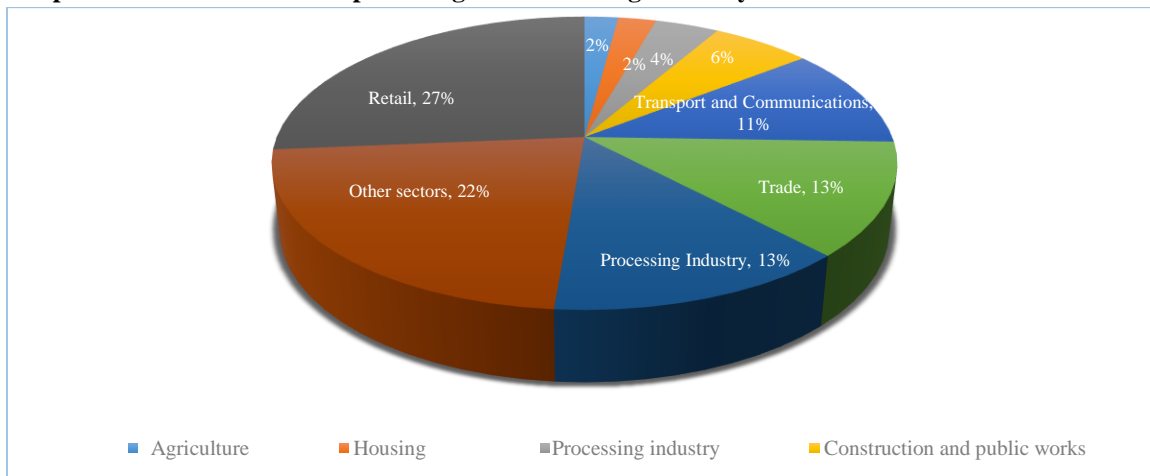


Source: BM

With regard to financial savings, except for Maputo province, Sofala province shows high levels, on the order of 30.8% of total deposits as a percentage of GDP, followed by the provinces Manica and Nampula, both with 17.1% of total deposits as a percentage of GDP. The lowest levels are evident in the provinces of Zambézia and Inhambane, with financial savings levels of 7.8% and 8.7%, respectively (Graph 12).

As for distribution of credit by type of sectors, in 2021, financing to retail customer (27%) stands out, with 61.54 million MT, followed by the various purposes with 52.16 million MT (22%), processing industry with 31.15 million MT (13%) and trade with 29.04 million MT (13%), as shown in Graph 13.

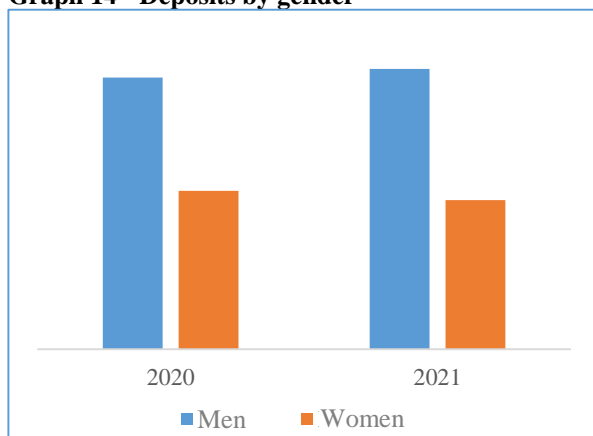
**Graph 13: Concentration as a percentage of the credit granted by sector**



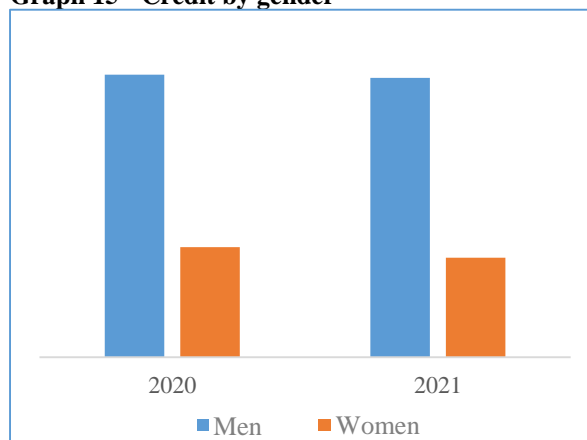
Source: BM

Of the total amount of deposits of retail customers at credit institutions in 2021, 34% stand for deposits by adult women, which grew by 2 pp against 2020 (Graph 14). On the other hand, 25% of the total amount of credit granted, in 2021, by credit institutions to their retail customers, was for women and represents a reduction in 3pp compared to 2020 (Graph 15).

**Graph 14 - Deposits by gender**



**Graph 15 - Credit by gender**



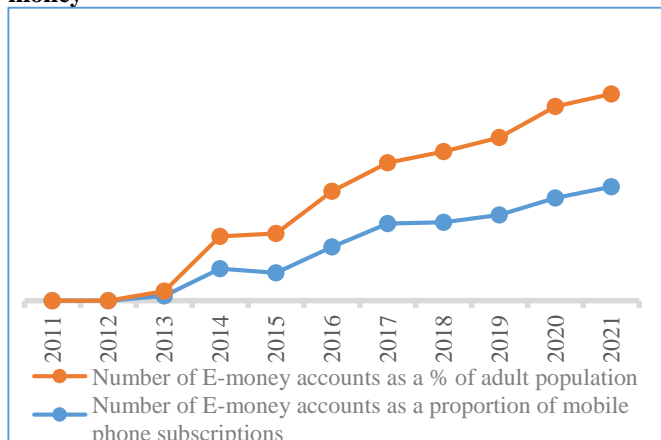
Source: Credit institutions

### 4.2.3 Electronic Money

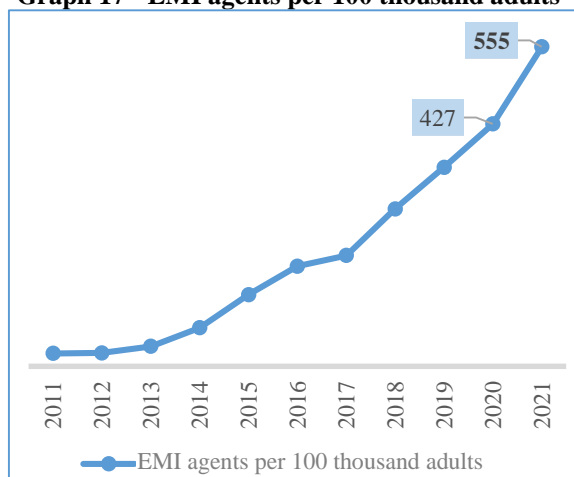
In 2021, 67.6% of the country's adult population maintained an electronic money account at an EMI, against 66.4% in 2020. In the period under analysis, of 13,817.45 thousand mobile phone subscriptions in the country, 11,412.19 thousand or 82.6%, maintained an EMI subscription, against 74.5% in 2020 (Chart 16).

Out of a total of 69,548 existing EMI agents, the country now has 555 agents per 100 thousand adults, against 427 in 2020, i.e., an increase of 30%, highlighting the role that this service plays towards financial inclusion in the country (Graph 17).

**Graph 16 - Subscribers of mobile phone and electronic money**



**Graph 17 - EMI agents per 100 thousand adults**



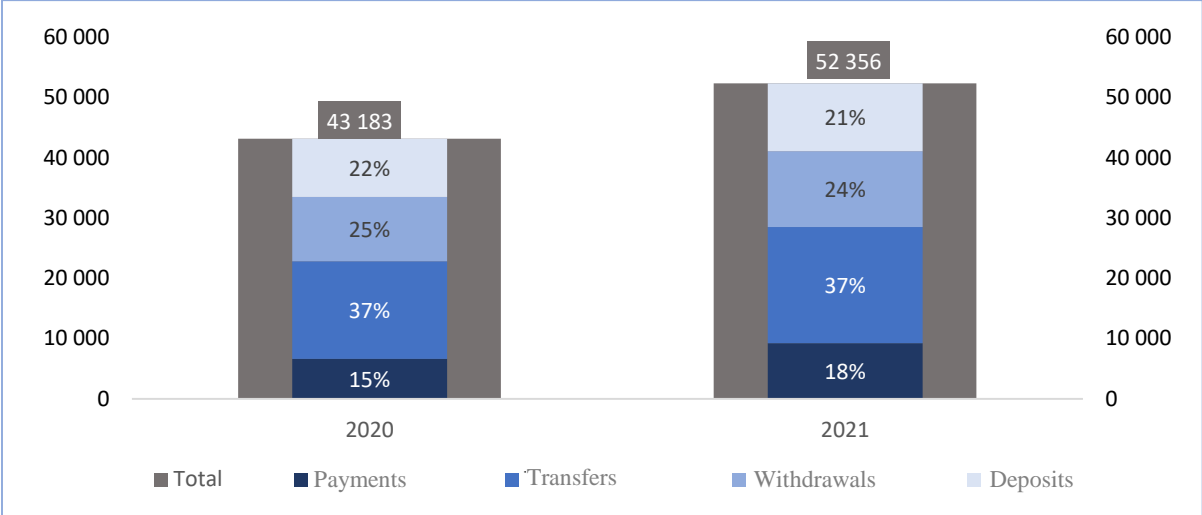
Source: INE, National Institute of Communications of Mozambique, BM



Overall, there have been no significant changes as to composition of the electronic money transaction portfolio, with the remaining preference for using this service to carry out some domestic transactions. There was also an increase in service payment transactions by about 3.0 pp, against the reduction in deposit and withdrawal operations, by 1.0 pp for both.

Graph 18 shows the volume of electronic money transactions in 2020 and 2021.

Graph 18: Composition of the electronic money transaction volume portfolio per thousand adults



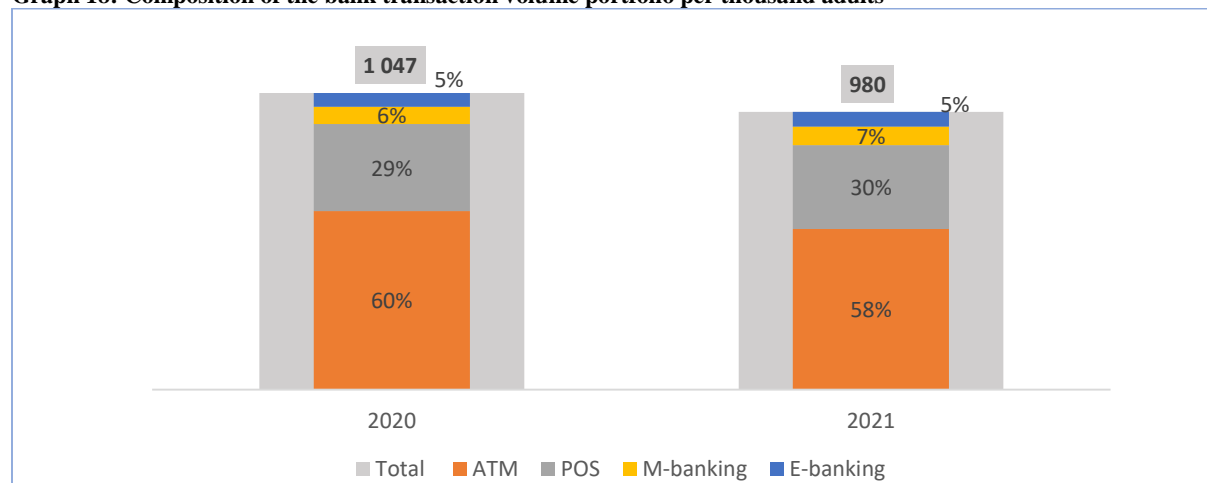
Source: BM

#### 4.2.4 Electronic Banking

In 2021, there was a reduction in the number of banking transactions per thousand adults, standing at 980 transactions per thousand adults, compared to 1,047 transactions per thousand adults in 2020, justified by the reduction in the use of some channels for conducting electronic payment transactions.

The analysis of the distribution of channels used in traditional banking for conducting electronic payment transactions (ATM, POS, mobile banking and internet banking) points to the ATM channel as being the most used, despite the reduction in 2.0 pp between 2020 and 2021. Next come POS terminals with 30.0% of use in 2021, and a positive change of 1.0 pp compared to 2020. The mobile banking transaction channel stood at 7.0 %, making for 1.0 pp of increase, against 2020. E-banking has not seen any notable change, remaining at 5.0% of use, against 2020.

**Graph 18: Composition of the bank transaction volume portfolio per thousand adults**



Source: BM

**Box 1:**

**Financial inclusion in Sofala**

Sofala province is the fifth most populous in the country, with 8.3% of the adult population<sup>13</sup> of the country (Census 2017), and presents the same position regarding its population density of 24 inhabitants/Km<sup>2</sup>.

Other characteristics about Sofala province are as follows:

- Location - Sofala province is bounded to the Northeast by the Zambezi River, to the South by the Save River, separating it from Inhambane province, to the West by Manica Province, to the North by the provinces of Zambezia and Tete, across the Zambezi River and to the East by the Indian Ocean<sup>14</sup>;
- Territorial extension – a total of 68,018 Km<sup>2</sup> (8.5% relating to the area of the country)<sup>15</sup>;
- Population - in 2021, the population totaled 2,457,828 individuals (48.6% men and 51.4% women). The age pyramid of the population indicates the following percentages: 45.1% concerns the range of zero to 14 years, 35.3% the range of 15 to 34 years, 15.0% the range of 35 to 60 years and 4.6% individuals aged 60 years or more;
- Predominant economic activity - according to the percentage distribution of the population over the age of 15, by branches of activity (2017 Census), Agriculture, Forestry and Fisheries employ about 60.7% of the population, followed by the trade and finance branch (17.6%), manufacturing industry (4.1%) and administrative services (3.1%).

**1. Developments in access points to financial services**

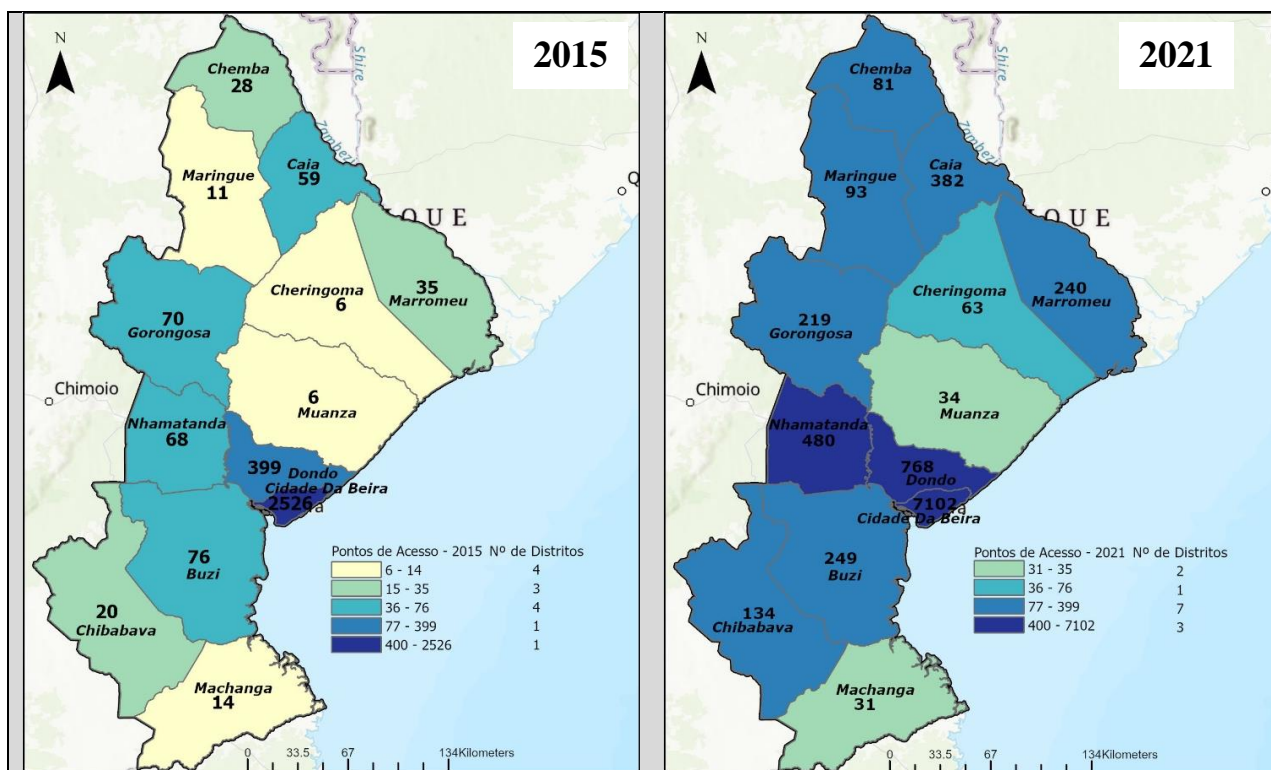
The geographical dispersion of the number of access points per district recorded positive developments, and in 2021, all districts of Sofala province had at least 31 access points, compared to the minimum of 6 access points observed in 2015. Additionally, there was an increase in the number of districts with more than 76 access points, from two districts in 2015 to ten in 2021 (Map 1). Beira city now has a total of 7,102 access points, an increase of 4,576 points in the last six years.

Map 1. Geographical distribution of access points in Sofala province

<sup>13</sup>Individuals aged 15 or older.

<sup>14</sup> <https://www.mic.gov.mz/por/Dir-Provinciais/DPIC-Sofala>.

<sup>15</sup> <http://www.ine.gov.mz/estatisticas/publicacoes/anuario/anuario-provincia-de-sofala/ae-sofala-2020.pdf/view>.



## 2. Financial inclusion indicators

### 2.1. Access indicators (geographical and demographic)

In 2015, of the 13 districts of the province, seven had less than 50 access points for each group of 100 thousand adults, and in 2021 the Machanga district was the only one with this indicator at less than 100 access points for each group of 100 thousand adults – Table 1.1. In geographical terms, there is a substantial increase in access points per 10 thousand km<sup>2</sup>, in all districts (Table 1.2.), translating the expansion of the supply of financial services in Sofala province.

Table 1.1. Access points per 100 thousand adults

Districts	2015	2016	2017	2018	2019	2020	2021
Machanga	41	20	25	29	47	66	86
Muanza	38	37	48	46	56	80	150
Chibabava	31	42	58	80	122	121	156
Chemba	75	44	56	135	141	142	167
Maringue	26	7	25	28	34	55	170
Cheringoma	23	56	55	113	120	123	186
Gorongosa	96	78	99	123	167	155	212
Buzi	74	65	74	92	123	159	216
Marromeu	42	54	65	91	132	172	253
Nhamatanda	46	77	97	127	170	202	266
Caia	83	108	140	226	293	289	393
Dondo	394	271	307	413	522	501	582
Beira	825	1.141	1.255	1.519	1.741	1.599	1.619

Source: BM, INE.

Table 1.2. Access points for 10 thousand km<sup>2</sup>

Districts	2015	2016	2017	2018	2019	2020	2021
Muanza	8	8	11	11	13	23	45
Machanga	24	12	16	19	31	38	54
Cheringoma	8	21	21	45	49	55	89
Maringue	18	5	18	21	26	46	151
Chibabava	29	40	57	82	129	139	192
Chemba	70	43	55	138	148	161	204
Gorongosa	103	87	114	145	204	221	323
Buzi	105	96	112	143	197	237	345
Marromeu	61	82	101	146	217	264	417
Caia	165	220	296	491	658	731	1.066
Nhamatanda	169	289	376	506	697	847	1.196
Dondo	1.728	1.226	1.430	1.984	2.586	2.677	3.327
Beira	40.048	57.028	64.638	80.619	95.268	103.861	112.596

Source: BM, INE.

### 2.2. Provincial indicators on bank and electronic money accounts

In 2021, the indicator for the number of bank accounts in proportion to the adult population stood at 34.5%, against 35.6%, in 2015, showing a reduction in banking in the province of Sofala (Table 2). As to gender breakdown, there is a trend of a slight increase in banking for women and a reduction for men, as well as the gender gap, declining by 4.2 pp.

Table 2. Provincial indicators on bank and electronic money accounts

INDICATORS OF FINANCIAL SERVICES USE	2015	2016	2017	2018	2019	2020	2021
No. of bank accounts in proportion to the adult population	35.6%	39.9%	38.7%	39.6%	36.1%	35.2%	34.5%
No. of bank accounts held by women in proportion to the adult female population	18.2%	20.4%	19.3%	19.7%	21.0%	20.4%	18.9%
No. of bank accounts held by men in proportion to the adult male population	52.6%	58.6%	57.9%	59.4%	50.9%	50.0%	49.1%

<b>No. of e-money accounts in proportion to the adult population</b>	n.a.	26.7%	28.6%	38.8%	43.3%	51.7%	73.0%
No. of e-money accounts held by women in proportion to the adult female population	n.a.	14.4%	15.4%	20.9%	25.8%	28.7%	39.2%
No. of e-money accounts held by men in proportion to the adult male population	n.a.	29.4%	31.5%	42.7%	59.3%	62.5%	80.4%

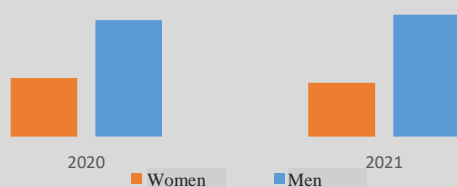
Source: BM, INE.

With regard to the e-money accounts indicator, whose data are only available from 2016, there is a growth in the number of e-money accounts in proportion to the adult population, standing at 73.0% in 2021. The breakdown by gender indicates that both indicators have seen growth over the past six years, however the gender gap's stands at about 41.2 pp in favor of men.

### 3. Bank financing and savings by gender

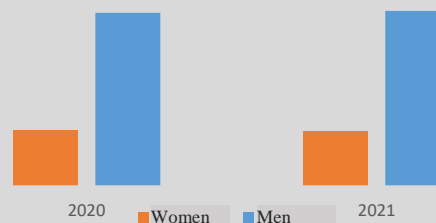
In 2021, of the total volume of deposits made in Sofala province by retail customers at credit institutions, 30.1% consisted of deposits made in accounts of female holders and 67.5% consisted of deposits made in accounts of male holders, a reduction of 2.7 pp and an increase of 2.9 pp, respectively, compared to 2020 (Graph 1.1.). Financing granted to retail customers has seen a slight reduction in the number of credits granted to women, by about 0.4 pp and a 0.9 pp increase in the number of credits granted to men (Graph 1.2).

Graph 1.1. Deposits by gender



Source: ICSF

Graph 1.1. Credit granted by gender



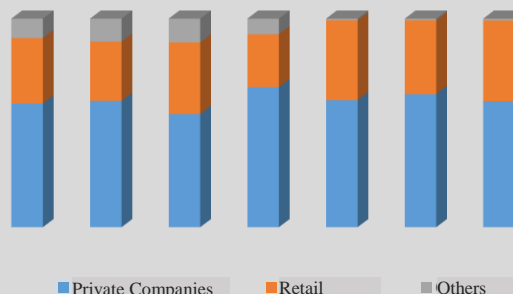
Source: ICSF

### 4. Bank financing to companies and retail customers

From 2015 to 2021, credit to the private sector has remained above 55% of the total credit to the economy in Sofala province, except for 2017.

In 2021, credit to retail customers reached its peak of 38.7%, after the fall observed in 2020.

Graph 2. Credit by institutional sectors



Source: BM

### 4.3 Insurance Market

In 2021<sup>16</sup>, the Mozambican insurance market operated with 21 insurers ( 13 non-life insurers, 4 exclusively life insurers and 4 cumulatively exploring both branches), 1 microinsurer, 1 reinsurer, 6 pension fund management companies, 121 insurance brokers, 4 reinsurance brokers and 30 commercial company agents.

In the period under review, insurance has generated about 16,549.6 million Meticaís in gross premiums, distributed as follows: 14,756.3 million Meticaís registered in the non-life branch and 1,793.3 million meticaís in the life branch (Table 4).

<sup>16</sup> <https://issm.gov.mz/informacao-estatistica/relatorios-anuais/>

**Table 4: Total companies in the insurance market**

Indicator	2016	2017	2018	2019	Q3 2020	Q3 2021
Number of insurance companies	19	20	21	21	21	21
Non-life	11	12	13	13	13	13
Life	4	4	4	4	4	4
Mixed	4	4	4	4	4	4
Number of microinsurance companies	1	1	1	1	1	1
Insurance production (million MT)	10,626.8	13,023.4	13,158.9	15,950.1	15,229.2	16,549.6
Non-life	8,794.1	11,504.7	11,482.7	13,813.6	13,328.3	14,756.3
Life	1,832.7	1,518.7	1,676.2	2,136.5	1,900.9	1,793.3
Growth rate	13.4%	22.6%	1.0%	21.2%	-4.5%	8.7%
Non-life	14.5%	30.8%	-0.2%	20.3%	-3.5%	10.7%
Life	8.3%	-17.1%	10.4%	27.5%	-11.0%	-5.7%

Source: ISSM and BM

In nominal terms, by the third quarter of 2021, the insurance market grew by 5.9%, compared to the same period of 2020<sup>17</sup>. The insurance penetration rate in the economy remained at 1.7% (Table 5).

**Table 5: Main insurance market indicators**

No	Indicator	2016	2017	2018	2019	Q3 2020	Q3 2021
1	Gross Written Premiums (million MT)	10,610.8	13,023.4	13,158.9	15,950.1	15,229.2	16,549.6
2	Growth Rate of Gross Written Premiums (%)	13.2%	22.7%	1.0%	21.2%	-4.5%	8.7%
3	Insurance penetration rate (%)*	1.5%	1.6%	1.5%	1.7%	1.7%	1.7%
4	Premiums per Capita (Meticais)	401.9	480.6	471.6	544.4	519.8	550.5
5	Premium growth rate per capita (%)	10.2%	19.6%	-1.9%	15.4%	-4.5%	5.9%

Source: ISSM and BM

Note: <sup>2</sup> Provisional GDP based on provisions

#### 4.4 Capital Markets

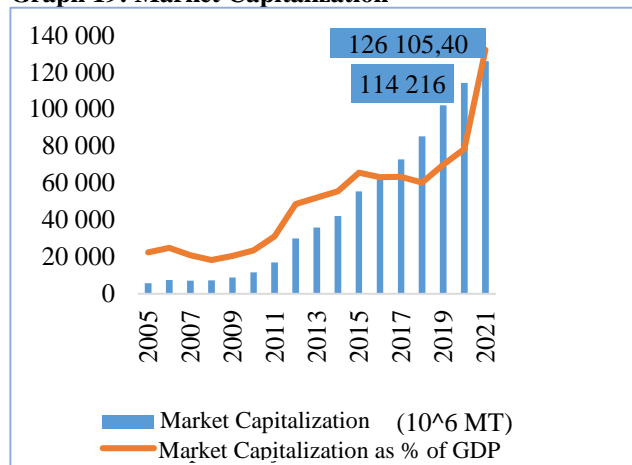
Stock market performance is based on the behavior of its main indicators, that is, gross market capitalization and as a percentage of GDP, business volume, market liquidity, number of listed securities, among others.

Market capitalization, the main stock market indicator, has evolved from 114,216.65 million MT in 2020, to 126,105.40 million MT in 2021, equivalent to a growth of 10.0%. As for GDP proportion, market capitalization stood at 18.9% (Graph 26).

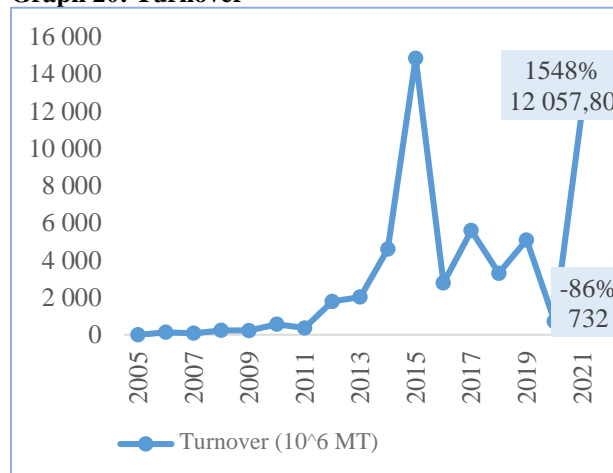
The volume of transactions stood at 12,058 million MT, an evolution of about 1,548.3%, compared to the same period in 2020 (Graph 27).

<sup>17</sup> [Key quarterly indicators - Q3 2021](#)

**Graph 19: Market Capitalization**



**Graph 20: Turnover**



Source: BVM

**Box 2.**

**Georeferenced Mapping of Access Points to Financial Services and Importance to Financial Inclusion**

The Banco de Moçambique has been carrying out monitoring actions with different financial institutions, as part of implementing the NFIS 2016-2022. This action sets out to ensure mapping and improve the monitoring and expansion of access points to financial services.

**1. Mapping of access points to financial services**

One of the NFIS targets for 2022 is for *75% of the population to have an access point to financial services less than 5 km from their place of residence or work*<sup>18</sup>. The monitoring of this goal is through the geospatial platform (Geographic Information System<sup>19</sup> - GIS), the use of which results from the partnership initiated on 19 January 2018, between the BM and the Space Development Agency of the Ministry of Transport and Communications (MTC).

The GIS Geospatial Mapping aims to enable consumers of financial products and services and the general population to geospatial location of access points to financial services throughout the country, namely credit institution branches (banks, microbanks, credit unions), banking agents, savings and loan organizations, microcredit operators, ATM, POS, EMI agents, among others.

<sup>18</sup> Due to bottlenecks in obtaining in-country residence mapping data, the measurement of this target ponders the percentage of the population living in neighborhoods less than 5 km from an access point to financial services.

<sup>19</sup> Geographic Information System - a system consisting of a set of computer programs, which integrates data equipment and people, with the objective of collecting, storing, manipulating, visualizing and analyzing data spatially referenced to a known coordinate system.

## **2. Relevance of mapping access points to financial services**

The process of mapping access points is continuous, as points are created and deactivated over time. The geospatial data capture is associated with the characteristics of each point, and, among the access points to financial services, some stand out for being fixed, such as bank branches and ATM, having mobile points such as EMI agents and POS.

For the development of additional measures aimed at promoting financial inclusion, the GIS platform allows: (i) a combination with other geospatial characteristics, such as territorial boundaries of administrative units, population and its distribution in the specific administrative unit, the network of roads and transport system, the distribution network of electricity, communications infrastructure, economic structures, among others; and (ii) a new type of access to financial services and a new geospatial feature is added at any time.

## **3. Current stage of mappings of access points to financial services as to the target for 2022**

The BM has been monitoring the level of bank and EMI access points capture, using the platform, with the support of the MTC, through the Spatial Development Agency, noting that the monitoring of the NFIS target started this year.

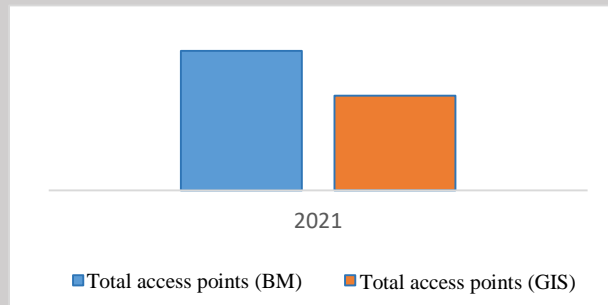
Current BM statistics show that, by December 2021, the indicator for the percentage of the population remaining less than 5 km from an access point stood at 48%, compared to the 75% target for 2022 (Graph 1). Despite the low level of achievement of this target, up to this period, the engagement of all financial institutions involved and that, on a timely basis, have collaborated with the regulator to capture their access points, as well as encouraged all financial institutions and those involved in the process to make more efforts in order to further improve the levels of this indicator, thus contributing to the noting of increasingly remarkable levels of financial inclusion, especially in rural areas, where the majority of the Mozambican population resides.

**Figure 1: Distribution of the population living at less and/or more than 5 km from an access point**

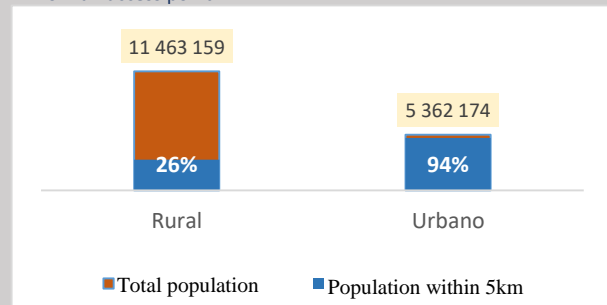




Graph 1: Level of capture of access points on the GIS/BM platform



Graph 2: Population living in neighborhoods at less than 5 km from an access point



Source: BM

Regarding region, data show that 94% of the population in the urban area lives within 5 km of an access point, compared to 26% of the population living in the rural region (Graph 3).

#### 4. Ongoing challenges in the process of mapping access points to services

As can be concluded from the statistical data presented, progress in actions aimed at monitoring this target should be recognized. However, several challenges remain, among which the following stand out:

- + Drive greater engagement and commitment of financial institutions involved in this process;
- + Improve the quality of mapped data to ensure that all mapped data meets the necessary conditions for spatial analysis, and so improve the accuracy of the calculated indicators;
- + The unavailability of spatial data of the population, with the respective geographical location of residences may influence the accuracy of the indicator regarding the percentage of the population living at less than 5 km from the place of residence or work;
- + The spatial data on the administrative division of the country has information on the country in general, the provinces, the districts and the administrative posts, limiting the analysis to the localities due to lack of data.

## 5. FINANCIAL INCLUSION INDEX

The FII calculated by the BM has registered a sharp negative change in 2021, compared to 2020, standing at 12.76 points, against 13.93 points in 2020 and 14.54 points in 2019, as shown in table 6.

**Table 6: FII Developments 2005-2021**

Province	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Maputo City	81.57	96.34	97.51	100.00	100.00	100.00	100.00	98.59	98.66	97.53	96.21	82.69
Maputo Province	10.90	14.49	14.59	13.96	15.63	16.17	16.41	16.84	16.96	16.49	14.67	9.95
Gaza	6.91	7.00	6.68	7.10	7.52	7.33	6.22	7.24	7.34	7.70	6.79	7.56
Inhambane	5.99	6.30	6.36	6.93	7.18	7.83	7.55	8.21	8.59	8.26	7.41	10.36
Sofala	3.82	4.87	4.95	5.69	5.52	5.65	5.03	4.87	5.06	5.31	4.80	4.35
Manica	3.15	3.65	3.39	5.50	5.65	6.27	4.92	5.47	5.33	5.13	5.11	6.54
Tete	3.02	3.79	3.91	4.20	4.68	4.85	4.03	4.13	4.02	4.31	3.95	4.20
Zambézia	1.99	2.04	2.14	2.53	2.91	3.13	2.35	2.75	2.79	2.97	2.84	2.84
Nampula	2.40	3.06	3.17	3.75	3.74	3.99	3.73	4.40	3.82	4.03	3.51	4.05
Cabo Delgado	2.01	2.25	2.35	3.16	3.89	4.16	4.28	4.25	4.70	5.23	4.38	4.09
Niassa	1.43	1.40	1.38	1.63	2.03	2.03	1.93	2.36	2.47	3.05	3.53	3.67
<b>Global FII*</b>	<b>11.20</b>	<b>13.20</b>	<b>13.31</b>	<b>14.04</b>	<b>14.43</b>	<b>14.67</b>	<b>14.22</b>	<b>14.46</b>	<b>14.52</b>	<b>14.54</b>	<b>13.93</b>	<b>12.76</b>
<b>Restricted FII**</b>	<b>6.14</b>	<b>6.61</b>	<b>6.84</b>	<b>7.22</b>	<b>8.01</b>	<b>7.17</b>	<b>7.54</b>	<b>8.43</b>	<b>8.49</b>	<b>8.59</b>	<b>9.25</b>	<b>7.57</b>

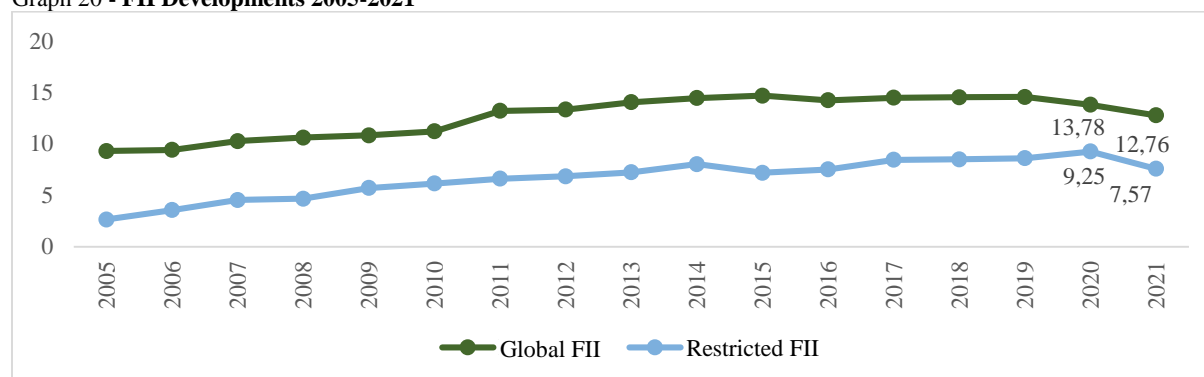
Source: BM

Notes: (\*) The Global FII includes Maputo city; (\*\*) The restricted FII is calculated for all country districts (128 districts between 2005 and 2015, and 154 districts from 2016 to 2020), excluding Maputo city.

The deterioration of economic activity, as an effect of COVID-19, since 2020, drove the reduction of some access points, especially in the traditional banking sector (bank branches, microbanks and credit unions, bank agents, ATM, POS, among others) and, consequently, their indicators. The fall in the FII is further worsened by the sharp reduction in access points observed in Maputo city, which contributes with greater weight to the global index composition.

Similarly, the restricted FII that aggregates the 154 country districts, except for Maputo city, follows the same downward trend and fell 1.68 points, standing at 7.57 points in 2021, against 9.25 points in 2020 (see Graph 21).

**Graph 20 - FII Developments 2005-2021**



Source: BM

For its part, the demographic access index of the country stood at 15.36 points (0.7 points below that registered in 2020), followed by the use index with 12.86 points (2.6 points below that

registered in 2020) and the geographic access index that registered 9.85 points, that is, 1.2 points below that registered in 2020, according to Table 8.

**Table 3: Geographic, demographic and usage access index**

Province	Geographical access index		Demographic access index		Usage Index		Global FII	
	2020	2021	2020	2021	2020	2021	2020	2021
Maputo City	100.00	92.83	93.44	80.50	100.00	74.75	96.21	82.69
Maputo Province	6.78	2.05	19.04	16.69	19.64	11.02	14.67	9.92
Gaza	1.99	2.08	12.28	12.50	6.72	7.96	6.79	7.51
Inhambane	1.36	1.40	13.30	19.82	8.20	9.50	7.41	10.24
Sofala	1.30	0.92	6.53	6.25	6.78	5.80	4.80	4.32
Manica	2.05	2.90	6.28	6.78	7.18	9.45	5.11	6.37
Tete	1.46	1.12	6.30	6.08	4.26	5.24	3.95	4.15
Zambézia	1.72	1.33	3.89	3.51	2.99	3.51	2.84	2.78
Nampula	1.82	1.88	4.58	5.44	4.21	4.77	3.51	4.03
Cabo Delgado	2.27	1.40	5.63	5.55	5.41	5.02	4.38	3.99
Niassa	0.60	0.40	5.56	5.88	4.60	4.49	3.53	3.59
<b>Mozambique FII</b>	<b>11.03</b>	<b>9.85</b>	<b>16.08</b>	<b>15.36</b>	<b>15.45</b>	<b>12.86</b>	<b>13.93</b>	<b>12.69</b>

Source: BM

## 6. STATUS OF REGULATORY SANDBOX ACTIVITIES

The BM Regulatory Sandbox was created by the central bank, in concert with Financial Sector Deepening Moçambique, under the NFIS, in order to foster the emergence of innovative financial products and services.

The sandbox is a regulatory environment that allows emerging financial and non-financial institutions, credit institutions, financial companies, payment service providers and other financial institutions under the supervision of the BM to test their financial products and services, business models and innovative solutions, under the supervision of the central bank.

The BM Regulatory Sandbox sets out to promote the testing of financial products and services, business models and innovative solutions, as well as to ensure the identification and adoption of measures to assess, manage and mitigate risks and protect financial consumers, among others. On the other hand, promote competition and efficiency in the national market, through innovative financial technology, and promote the introduction on the market of financial products, business models and innovative solutions that contribute to the improvement of safety, convenience and reduction of commissions and other charges, in their access and use by consumers, as well as the increase in financial inclusion.

As a result of the process of management and monitoring of Sandbox activities, in 2021, the participants of the second edition of the BM's Regulatory Sandbox were assessed, and two fintechs were approved. In addition, the pilot test period was extended by three months, alongside the participation of other three, for the completion of test in real environment.

The third edition was launched in November 2021, with ten participating fintechs, currently in the process of framing their solutions.

## 7. GOVERNMENT INITIATIVES FOR FINANCIAL INCLUSION

Government initiatives aimed to a large extent at the financial inclusion of the rural population have contributed to improving the levels of availability and accessibility of financial products and services appropriate to the needs of the rural population. Among the existing initiatives involving partnerships with financial institutions, the following stand out:

- i) District Development Fund (FDD);
- ii) Project “One District, One Bank”;
- iii) Sustenta Project;
- iv) Rotating Savings and Credit Associations (ROSCA); and
- v) State Social Welfare System.

### 7.1 District Development Fund Project<sup>20</sup>

The FDD, commonly known as “Seven Million”, proved one of the sources of public financing to rural population for income generation, job creation and food production. In 2016, the Mozambican government decided to resize the fund, recommending its restructuring and gradually reducing the allocation of resources to the districts. These, in turn, were directed to collect the repayments to refinance new projects.

Thus, in 2021, the Ministry of Economy and Finance (MEF) did not carry out FDD disbursements in any district. However, the provinces of Gaza and Manica report having financed with the amount of repayments (unspecified amount) 13 and 6 projects, respectively, which have benefited a total of 19 individuals and provide 35 jobs.

**Table 4: District Development Fund**

No.	Province	Number of beneficiaries	Number of projects	Number of jobs created
1	Maputo City	-	-	-
2	Maputo Province	-	-	-
3	Gaza	13	13	23
4	Inhambane	-	-	-
5	Sofala	-	-	-
6	Manica	6	6	12
7	Tete	-	-	-
8	Zambézia	-	-	-
9	Nampula	-	-	-
10	Cabo Delgado	-	-	-
11	Niassa	-	-	-
	<b>TOTAL</b>	<b>19</b>	<b>19</b>	<b>35</b>

<sup>20</sup> The FDD balance has been made one year late due, on the one hand, to difficulties in organizing the data by the district governments and, on the other, to the need for more time to collect and harmonize data. Thus, this report brings forth 2020 data.

Source: MITADER and BM

Notes: the interest rate varies from 3% to 7% per year, being 7% for trade and 3% to 5% for productive areas and agriculture. The means of financing to the final beneficiary is bank transfer.

## 7.2 Project One District, One Bank

The “One District, One Bank” Project sets out to expedite the banking process for rural areas, in order to ensure total coverage of the country's banking network, and provide equal opportunity as to proximity and availability of financial services for all Mozambicans.

In 2021, two bank branches were opened, in the districts of Zumbo, in the province of Tete and Molumbo, in the province of Zambezia, making up a total of 45 banking districts out of the 69 planned under the initiative.

**Table 5: One District, One Bank Project 2021**

Province	Bank	Districts covered						Total
		2016	2017	2018	2019	2020	2021	
Cabo Delgado	BCI		Balama		Namuno			6
	BCI		Nangade	Muidumbi		Metuge		
	BIM				Mecúfi			
Niassa	BCI			Maua	Mavago			6
	BCI				Mecula			
	BIM				Nipepe			
	MOZA					Chimbonila		
Nampula	MOZA					Majune		7
	BCI	Morrupula			Mecuburi			
	BIM			Mossuril	Lalaua			
	BIM				Mogincual			
	MOZA				Memba			
Zambézia	MOZA				Nacaroa			5
	BIM				Pebane			
	BCI				Gilé	Derre	Molumbo	
Tete	BCI					Ile		5
	BCI				Chifunde			
	MOZA				Marávia		Zumbo	
	BIM				Tsangano			
Sofala						Magoé		6
	BCI		Chemba	Cheringoma		Chibabava		
	BIM				Muanza			
	BIM				Machanga			
Manica	MOZA						Maringue	4
	MOZA	Gondola						
	MOZA	Vandúzi			Machaze			
Inhambane	BCI		Guro					2
	BCI		Mabote		Funhalouro			
Gaza	MOZA	Chicualacuala			Mapai			4
	MOZA				Chigubo			
	MOZA				Guija			
<b>TOTAL</b>		<b>5</b>	<b>4</b>	<b>4</b>	<b>22</b>	<b>7</b>	<b>3</b>	<b>45</b>

Source: MITADER and BM

### 7.3 Sustenta Project<sup>21</sup>

SUSTENTA is an integrated agriculture and natural resources management project whose objective is to promote and facilitate integrated rural development, with a view to contributing to the improvement of the living conditions of rural households.

In the agrarian campaign 2020/2021, SUSTENTA supported 103 districts in the country's provinces (except Inhambane, Maputo province and Maputo city), where 543 emerging commercial small farmers (PACE) were financed to serve 112,000 small farmers, corresponding to 56,040 households. Another 181 agricultural entrepreneurs from the provinces of Cabo Delgado, Zambezia, Manica, Sofala and Gaza received direct funding. Overall, directly and indirectly, the program covered 291,241 beneficiaries.

**Table 6: Sustenta Project 2021**

No.	Province	Number of beneficiaries (1)	Partner banking institutions (2)	Number of open branches (3)	Average amount of financing
1	Maputo city	0	Banco de Moçambique	0	-
2	Maputo province	0		0	-
3	Gaza	10		0	-
4	Inhambane	0		0	-
5	Sofala	12		0	-
6	Manica	9		0	-
7	Tete	12		0	-
8	Zambézia	19		0	-
9	Nampula	21		0	-
10	Cabo Delgado	10		0	-
11	Niassa	10		0	-
<b>TOTAL</b>		<b>103</b>	<b>0</b>	<b>0</b>	<b>-</b>

Source: MITADER / National Sustainable Development Fund (FNDS)

### 7.4 Rotating Savings and Credit Association Project

ROSCA or ASCAs are organizations for promoting low-income population access to financial services, especially in remote rural areas.

In 2021, a total of 85 operators were registered, among non-governmental organizations, governmental organizations and independent promoters, who promote ROSCA with different methodologies and objectives.

ROSCA are present in all provinces, making up a total of 4,604 groups by December 2021. The most structured groups are in the provinces of Inhambane, Sofala, Zambezia, Nampula and Niassa, and serve 156,562 members.

<sup>21</sup> The SUSTENTA project does not finance the setting up/construction of bank branches, and hence it was considered "N/A – not applicable" on the columns on (i) partner banking Institutions, (ii) number of open branches e (iii) average amount of financing received. The columns (i) No. of Small Emerging Commercial Farmers and (ii) Global Amount Financed have been added.

During the period under analysis, ROSCA have registered a deposit portfolio amounting to 638,524 thousand MT, as per Table 11.

Table 7: Statistical information on savings groups in 2021

No.	Province	Number of groups	Number of members	Operators/ facilitators	Number of funding organizations	Credit portfolio	Deposit portfolio
1	Maputo city	-	-	-	-	-	-
2	Maputo province	253	6,747	(Prosul-Calipso, Calipsoc, Agro-Mozal)	2	-	75,412,583
3	Gaza	551	17,929	(Kulima, FARE/REFP, REFP-NHP, Prosul-FDM, ADCR, IDEPA, GAPI, SDAE, FAO-Save the children)	2	-	62,598,971
4	Inhambane	1236	31,862	(CARE, IDEPA, AIPDC, Kukula, IDPPE, Calipso-Pesca, Gapi-SI, PRIORIZE, NHP-Prosul, Sardonica, SDAE, Covida, Livaningo, Propesca, Promel and Plan)	4	-	239,519,786
5	Sofala	618	41,473	(ADEM, GAPI, 3.º Bairro Association, EMC, ADEL-Sofala, World Vision, Kuphedzana, FNDS, Covida, Ademo, FH Association)	2	-	80,745,018
6	Manica	200	11,205	(ADEM, OCODEMA, Kubatsirana, Alfalite, Kaedza Samukai, CARE, World Vision, KMS, Child Fund, Cuidados para a Vida Association, AKS, ANDA, Girl Child Rights, UCAMA, Manuel Jaquim Domingos, Olhar Futuro da Criança Association)	-	-	47,746,107
7	Tete	182	6,864	(Ide-Moçambique, GAPI, Paróquia-MTZ, Missão Salesiana Dom Bosco Moç., ADEL Tete, ADEMUCHA, ADPP, ECOFISH, Ass. Rural extension workers and consultants, UNAC, UPC, World Vision and SDAE)	-	-	42,398,149
8	Zambézia	708	21,221	18 (Sofreco, AMUDEM, Adra, CELIN, World Vision, OMM, Cosv, Terra Nossa, UATAF, Sustainable Mulumbu Village Project, Nana, Clusa, Cáritas NAFEZA, Proiri, FAO and PROMER <sup>22</sup> )	4	-	25,532,434
9	Nampula	395	7,375	(OLIPA-FAO, Swofish, OPHAVELA, KULIMA, ADEL Nampula, CLUSA, IDPPE and GAPI)	1	-	1,481,857
10	Cabo Delgado	116	2,930	(Oikos-PROMER, CESAL, AMA, ADEL-CARE, Demaliba Project, Foundation Against Hunger, GAPI and Tecnicol)	1	-	43,538,528
11	Niassa	345	8,956	(PROMER-GAPI, SNV, UPCN, UCA, DEMALIBA project)	1	-	19,551,008
<b>TOTAL</b>		<b>4,604</b>	<b>156,562</b>	<b>85</b>	<b>17</b>	<b>-</b>	<b>638,524,440</b>

Source: MITADER

<sup>22</sup> Rural Markets Support Program

## 7.5 Usage of banking services by pensioners of the State Social Welfare System

By December 2021, the compulsory State Social Welfare System, which covers state civil and military employees, comprised a total of 219,561 pensioners, against 209,648 in 2020 (i.e., an increase of 4.7%), of which 184,433 (84.0%) received their pensions via bank transfers, against 165,722 pensioners who received via bank in 2020, an increase of 11.3%.

In the provinces of Inhambane and Manica, all pensioners receive via bank and the lowest levels of banking of pensioners of the state social welfare system are observed in Gaza Province and Maputo city, with rates of 36.1% and 58.2%, respectively.

**Table 8: Level of Usage of Banking Services by INPS Pensioners in 2020**

No.	Province	Number of INPS pensioners			Number of pensioners receiving via bank			Unbanked pensioners			% of banked pensioners		Banking institutions operating in the payment of pensions
		2020	2021	Change	2020	2021	Change	2020	2021	Change	2020	2021	
1	Central	38,401	39,165	2.0%	32,691	33,864	7,737	5,710	5,301	-7.2%	85.1%	86.5%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> ) ( <sup>4</sup> )
2	Maputo city	3,290	3,643	10.7%	2,627	2,119	0	663	1,524	100.0%	79.8%	58.2%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> )
3	Maputo province	8,337	8,661	3.9%	5,665	8,192	690	2,672	469	-82.4%	68.0%	94.6%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> )
4	Gaza	8,655	9,097	5.1%	8,631	3,284	6,982	24	5,813	24120.8%	99.7%	36.1%	( <sup>3</sup> )
5	Inhambane	9,161	9,425	2.9%	7,072	9,425	0	2,089	0	100.0%	77.2%	100.0%	( <sup>2</sup> ) ( <sup>3</sup> )
6	Sofala	17,501	17,957	2.6%	12,428	15,605	3,364	5,073	2,352	-53.6%	71.0%	86.9%	( <sup>1</sup> ) ( <sup>3</sup> )
7	Manica	16,978	17,621	3.8%	16,978	17,621	1,087	0	0	0	100.0%	100.0%	( <sup>1</sup> ) ( <sup>3</sup> )
8	Tete	15,464	16,389	6.0%	15,464	16,101	1,797	0	288	0	100.0%	98.2%	( <sup>1</sup> ) ( <sup>3</sup> )
9	Zambézia	11,527	12,303	6.7%	9,490	10,435	2,671	2,037	1,868	-8.3%	82.3%	84.8%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> ) ( <sup>4</sup> )
10	Nampula	16,946	17,497	3.3%	12,053	14,515	6,115	4,893	2,982	-39.1%	71.1%	83.0%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> ) ( <sup>5</sup> )
11	Cabo Delgado	47,965	49,622	3.5%	30,553	37,202	22,867	17,412	12,420	-28.7%	63.7%	75.0%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> )
12	Niassa	15,423	18,181	17.9%	12,070	16,070	3,267	3,353	2,111	-37.0%	78.3%	88.4%	( <sup>1</sup> ) ( <sup>2</sup> ) ( <sup>3</sup> )
	<b>TOTAL</b>	<b>209,648</b>	<b>219,561</b>	<b>4.7%</b>	<b>165,722</b>	<b>184,433</b>	<b>11.3%</b>	<b>43,926</b>	<b>35,128</b>	<b>-20.0%</b>	<b>79.0%</b>	<b>84.0%</b>	-

Source: INPS

Note: (<sup>1</sup>) BCI; (<sup>2</sup>) Absa; (<sup>3</sup>) MBIM; (<sup>4</sup>) Standard Bank; (<sup>5</sup>) Moza.

## 8. MONITORING AND EVALUATION OF THE NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS)

### 8.1 Level of Achievement of the Action Plan

Of the 54 actions set out in the NFIS Action Plan (2016-2022), 17 actions (31.5%) have been completed, 21 actions (38.9%) are ongoing, 4 (7.4%) have yet to start and 12 (22.2%) are permanent, as per Table 13 below:



**Table 9: Level of achievement of the NFIS Action Plan**

2021								
	Pillar I		Pillar II		Pillar III		TOTAL	
	Access and use of financial services		Strengthening of financial infrastructure		Consumer protection and financial education			
	No. of Actions	%	No. of Actions	%	No. of Actions	%	No. of Actions	%
Carried out	10	32.3%	5	62.5%	2	13.3%	17	31.5%
Ongoing	14	45.2%	2	25.0%	5	33.3%	21	38.9%
Permanent	4	12.9%	0	0.0%	8	53.3%	12	22.2%
Not started	3	9.7%	1	12.5%	0	0.0%	4	7.4%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>	<b>15</b>	<b>100.0%</b>	<b>54</b>	<b>100.0%</b>

2020

2020								
	Pillar I		Pillar II		Pillar III		TOTAL	
	Access and use of financial services		Strengthening of financial infrastructure		Consumer protection and financial education			
	No. of Actions	%	No. of Actions	%	No. of Actions	%	No. of Actions	%
Carried out	8	25.8%	5	62.5%	2	13.3%	15	27.8%
Ongoing	16	51.6%	2	25.0%	5	33.3%	23	42.6%
Permanent	4	12.9%	0	0.0%	8	53.3%	12	22.2%
Not started	3	9.7%	1	12.5%	0	0.0%	4	7.4%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>	<b>15</b>	<b>100.0%</b>	<b>54</b>	<b>100.0%</b>

Source: BM

In 2021, there was an increase in 3.7 pp of actions taken, from 15 actions in 2020 to 17 in 2021.

**Chart 4 - Level of Achievement as to Pillar I - Access and Use of Financial Services**

Pillar I	Access and use of financial services			
Level of Achievement	Carried out 10	Ongoing 14	Not started 4	Permanent 3

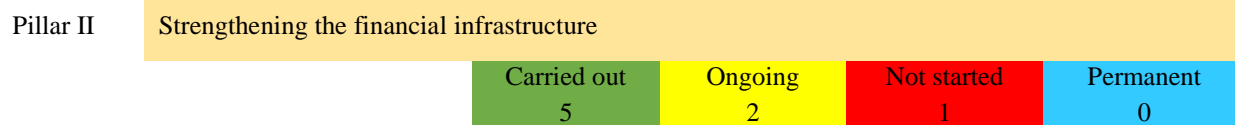
Objective	Area	Actions	Leader	Status
Expanding and diversifying the financial services access	Regulatory framework-access points	1. Promoting a wide application of Notice No. 3/2015, on the regime of access and business of banking agents.	BM	
		2. Based on geospatial mapping, defining possible regulatory measures to complement the future network of agents in disadvantaged areas, such as the creation of light agencies.	BM	
Improving	Payment services	3. Creating, regulating and promoting the basic bank account.	BM	

Objective	Area	Actions	Leader	Status	
		4. Proposing specific regulations on the opening and handling of bank accounts, including lowering the minimum age.	BM		
		5. Promoting electronic payments (POS expansion)	BM MIC		
		6. Establishing a single regulatory framework for electronic money issuance activity.	BM		
		7. Improving the regulatory framework to ensure the efficiency, competition and security of electronic transactions in the financial system.	BM		
		8. Creating a legal, regulatory and supervisory framework for the activity of domestic and international fund transfers (money transfers).	BM		
		Insurance	9. Creating and expanding MSME-oriented microinsurance products.	AMS	
			10. Creating mobile insurance services.	ISSM AMS	
			11. Creating a regulatory framework for the expansion of simplified microinsurance products.	ISSM	
	12. Strengthening the supervisory capacity of the ISSM.		ISSM		
	Rural finance	13. Creating a regulatory framework for the development of financing based on certificates of deposit.	MIC		
		14. Promoting campaigns for the registration of national citizens and the provision of identification documents.	MJACR		
	Finance for housing	15. Creating a national finance program for housing.	FFH		
	Develop a range of products for MSMEs, low-income population and farmers	Provision of services of bulk payments	16. Paying pensioners and beneficiaries of INSS by electronic means that facilitate financial inclusion	INSS	
			17. Paying beneficiaries of Social Action Programs by electronic means that facilitate financial inclusion.	MGCAS	
		Provision of insurance services	18. Developing microinsurance products for MSMEs, farmers, mukheristas, market sellers and low-income population.	ISSM AMS	
Provision of credit, savings and payments services		19. Developing financing, savings and payment products suitable for the low-income population, MSMEs and farmers.	BM AMB EMI		
Increase the level of information on financial	Capacity of financial institutions	20. Collecting additional statistical information relevant to compile financial inclusion indicators.	BM ISSM BVM		
		21. Organizing knowledge dissemination events (workshops and courses) on business models	BM ISSM AMB		

Objective	Area	Actions	Leader	Status
		aimed at low-income segments, farmers or MSMEs, and their risk management models.	AMS BVM	
		22. Creating training mechanisms for insurance market professionals (actuaries) and capital markets.	ISSM AMS BVM	
	Market potential information	23. Carrying out a study on the flows of mass payments in the private sector that could be digitized.	BM	
		24. Carrying out a diagnostic study on the domestic and international transfer market.	BM	
		25. Carrying out a study of financial inclusion based on a demand-side approach.	BM	
		26. Diagnosing the leasing market.	BM	
		27. Diagnosing the factoring market.	BM	
		28. Evaluating existing initiatives for rural finance, to improve and identify synergies with private initiative.	MITADER	
	Eligibility of MSMEs	29. Strengthening the capacity (management, accounting, planning) of MSMEs and their connection to market structures (associations and production chains).	IPEME	
	Financial Inclusion Indicators	30. Implementing an information regime to identify the credit portfolio to MSMEs.	BM	
		31. Drafting the Annual Financial Inclusion report.	BM	

Source: NFIS

Chart 5 - Level of Achievement as to Pillar II - Strengthening the Financial Infrastructure



Objective	Area	Actions	Leader	Status
Improve NPS infrastructure	National Payment System	1. Creating the regulation for payment processing companies.	BM	

Objective	Area	Actions	Leader	Status
Improve infrastructure for healthy credit expansion	Credit information	2. Improving the regime of reporting to the CCR to ensure up-to-date information on lenders.	BM	
	Movable Securities	3. Creating a movable securities registry	MJACR BM	
		4. Creating a legal framework for the use of movable securities and to enhance credit rights ( <i>Secured Transactions Law</i> ).	MJACR BM	
	Real estate securities	5. Modernizing, automating and extending the coverage of real estate records.	MJACR MEF	
	Enforcement of securities	6. Carrying out a diagnosis on the legal framework and the existing structure for timely and fair execution of securities in the extrajudicial scope.	BM	
	Guarantee fund	7. Carrying out a mapping and diagnosis of existing credit guarantee funds.	BM AMB IPEME	
8. Creating a Credit Guarantee Fund following international best practices, to encourage credit to MSMEs and farmers.		BM AMB IPEME		

Source: NFIS

Chart 6 - Level of Achievement as to Pillar III - Consumer Protection and Financial Education

Pillar III

Consumer protection and financial education

Carried out	Ongoing	Not started	Permanent
2	5	0	8

Objective	Actions	Leader	Status
Improving the legal, regulatory and supervisory framework for the protection of financial consumers	1. Reviewing and updating Notice 5/GBM/2009 on fees and other charges	BM	
	2. Developing the behavioral supervision methodology.	BM	
	3. Improving Notice No. 4/GBM/2009 to define minimum operating standards for channels for lodging and handling consumer complaints.	BM	
	4. Creating standardized key facts statements for the most common consumer financial products.	BM	
Increasing the range and quality of information	5. Making comparative information on commissions and other charges of the main products of the retail market available on BM's website.	BM	
	6. Making statistics of consumer complaints against financial institutions supervised by the central bank available on the BM's website.	BM	

Objective	Actions	Leader	Status
Increasing the level of financial knowledge by specific segments of society	7. Creating a single national program of financial education in Mozambique.	BM, ISSM, BVM, MINEDH, MEF	
	8. Supporting financial inclusion by making public the conditions for access to minimum banking services.	BM	
	9. Raising awareness of the importance of saving.	BM	
	10. Promoting and fostering responsible financial knowledge and attitudes.	BM, ISSM and BVM	
	11. Enlightening the citizen about the rights and duties of the bank client and financial institutions.	BM and ISSM	
	12. Contributing to the efficiency and soundness of the financial market.	BM, ISSM and BVM	
	13. Providing the population and companies with knowledge on the capital market.	BVM	
	14. Promoting the participation of companies, including SMEs, in the stock market.	BVM	
	15. Carrying out credit counseling campaigns for clients facing over-indebtedness problems, contributing to instilling savings practices.	BM MINEDH	

Source: NFIS

## 8.2. Level of Achievement as to Financial Inclusion Targets

### 8.1.1. Global targets

The global financial inclusion targets in the NFIS are set for the years 2018 and 2022. Monitoring and evaluating these targets forms an integral part of the strategy, in order to allow regulators and stakeholders to assess results achieved and take corrective measures towards achieving set targets.

Thus, in 2021, the percentage of the adult population with physical or electronic access to financial services provided by a banking financial institution stood at 31.3%, that is, 28.7 pp below the 60% target set for 2022. The percentage of the adult population maintaining accounts at EMI stood at 67.2%, that is, 7.2 pp above the 60% target set for 2022. In the same period, all districts have at least one access point to financial services, thus meeting the 100% target set for 2022 (see Table 14).

**Table 10: Level of achievement of global financial inclusion targets in 2021**

No.	Indicator	Carried Out						2022 Target	Deviation from the 2020 target
		2016	2017	2018	2019	2020	2021		
1	Percentage of adult population with physical or electronic access to financial services provided by a formal financial institution*								
	a. percentage of adult population with access to banking services	36.0%	32.9%	32.7%	30.5%	31.4%	31.3%	60.0%	(28.7) pp
	b. Percentage of adult population with access to non-bank financial services provided by EMI	44.0%	44.0%	51.3%	56.3%	66.4%	67.2%	60.0%	7.2 pp
2	Percentage of districts with at least one access point to formal financial services**	57.8%	56.5%	64.3%	72.7%	98.1%	100.0%	100.0%	0.0 pp
3	Percentage of the population have an access point to financial services less than 5 km from the place of residence or work (GIS)***	N/A	N/A	N/A	N/A	N/A	48%	75.0%	(27.0)pp

Source: BM

Notes: (\*) calculated on the basis of number of accounts (bank and electronic money) in % of adult population.

(\*\*) Calculated based on districts (154) covered by bank branches until 2020 and since 2021 with at least one access point (bank branch, banking agents, electronic money agents, POS, ATM, representations and/or delegations).

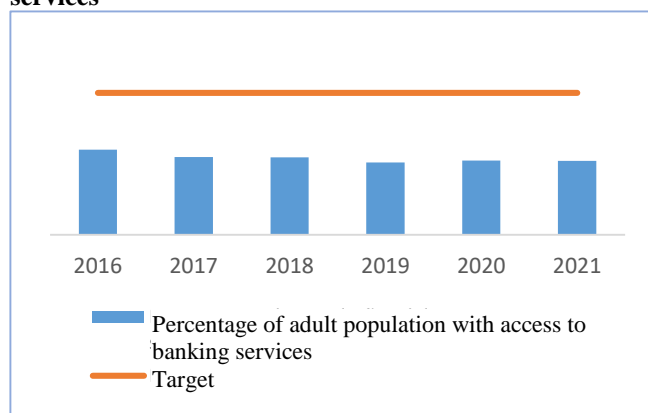
(\*\*\*) Due to bottlenecks in obtaining in-country residence mapping data, the measurement of this target ponders the percentage of the population living in neighborhoods less than 5 km from an access point to financial services.

The compilation of the degree of implementation of the indicator relating to the percentage of the population with an access point to financial services, less than 5 km from the place of residence or work, is made based on data on geographical coordinates of the access points, as of 2021, and with the mapping rate of 76% of the access points (bank branches, microbanks and credit unions, bank agents, ATM, POS and EMI agents) existing in the country, which, until December 2021, made up 135,138 points.

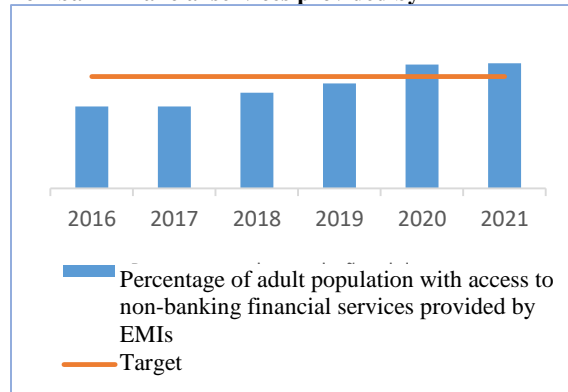
Table 13 and Graphs 23 and 24 show that, by the end of 2021, 50% of the overall targets were met, that is, 100% of the districts had at least one access point to financial products or services and that the percentage of adult population with access to non-bank financial services provided by EMI stood at 67.2%, well above the 60% target.

On the other hand, in 2021, using the GIS platform for geospatial mapping and spatial data, it was measured that only 48% of the population lives or works within a radius of less than 5 km from a financial services access point, representing 27.0 pp below the 2022 target of 75% (Graph 24).

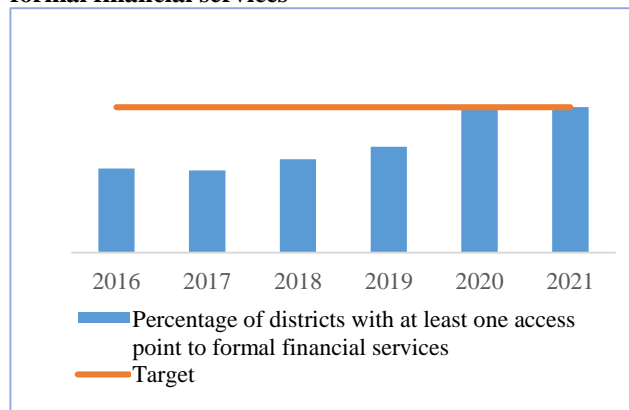
**Graph 21 - Adult population with access to banking services**



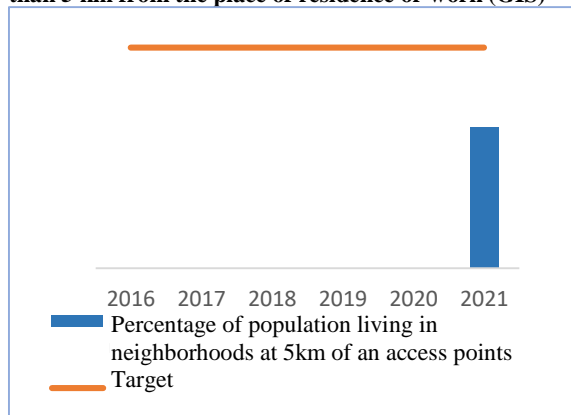
**Graph 22 - Percentage of adult population with access to non-bank financial services provided by EMI**



**Graph 23 - Districts with at least one access point to formal financial services**



**Graph 24 - Population living in neighborhoods less than 5 km from the place of residence or work (GIS)**



Source: BM

### 8.1.2. Specific targets

Table 16 below shows the level of achievement as to the country's specific financial inclusion targets, by December 31, 2021.

**Table 11: Level of implementation of specific financial inclusion targets in 2021**

Dimension	Indicator		2015	2016	2017	2018	2019	2020	2021	2022	Deviation from the 2022 target BM
			(base year)						Target		
Proximity (physical access)	Financial services access points per 100.000 adults	Bank branches	4.6	4.5	4.4	4.5	4.7	4.8	4.4	5.2	(0.8)
		Banking agents	n.a.	1.5	1.6	1.9	10.6	8.2	6.4	44.9	(38.5)
		ATM	11.4	11.5	11.6	13.1	11.0	10.5	9.6	15.4	(5.8)
		POS	160.2	175.3	207.0	207.0	229.2	224.3	216.8	250.2	(33.4)
		EMI agents	129.7	176.3	195.0	277.0	350.6	426.9	555.5	473.2	82.3
	Financial services access points per 10.000 km <sup>2</sup>	Bank branches	7.7	8.2	8.2	8.7	9.6	10.1	9.4	10	(0.6)
		Banking agents	n.a.	2.7	3.1	3.7	21.8	17.2	13.7	50	(36.3)
		ATM	19.7	21.0	21.8	25.6	22.5	21.9	20.5	28.5	(8.0)
		POS	275.9	320.3	389.9	402.9	470.6	468.5	462.3	396.8	65.5
		EMI agents	223.4	322.2	367.2	539.5	719.9	891.7	1184.6	525	659.6

Dimension	Indicator	2015 (base year)	2016	2017	2018	2019	2020	2021	2022 Target	Deviation from the 2022 target
										BM
	Proportion of districts with at least one access point to financial services	55.1%	58.0%	60.0%	64.3%	72.7%	98%	100.0%	100.0%	0%
	Proportion of the population living in districts with at least one access point	74.3%	94.0%	97.8%	97.1%	99.0%	99%	100.0%	100.0%	0%
Account access and usage	Proportion of the adult population with a deposit account at a formal financial institution	25.1%	36.0%	32.5%	32.7%	30.5%	31.4%	31.3%	45.0%	-14%
	Proportion of adult men with a deposit account at a formal financial institution	35.6%	49.2%	45.9%	46.0%	40.9%	42.7%	42.4%	54.5%	-12%
	Proportion of adult women with a deposit account at a formal financial institution	14.6%	20.8%	18.7%	18.8%	19.3%	19.6%	19.1%	35.5%	-16%
	Proportion of the adult population with a credit account at a formal financial institution	5.1%	5.2%	5.7%	6.3%	6.9%	7.8%	8.3%	10.5%	-2%
	Proportion of adult men with a credit account at a formal financial institution	6.7%	7.1%	8.5%	8.8%	9.6%	10.7%	5.3%	12.0%	-7%
	Proportion of adult women with a credit account at a formal financial institution	3.5%	3.0%	3.6%	3.6%	4.5%	4.9%	11.7%	9.0%	3%
	Adult population with an active e-money account	23.1%	47.0%	41.1%	51.3%	56.3%	66.4%	67.2%	60.0%	7%
	Adult men with an active e-money account (percentage)	30.0%	35.7%	59.0%	68.9%	75.0%	87.5%	85.9%	70.0%	16%
	Adult women with an active e-money account (percentage)	16.2%	43.3%	30.0%	34.9%	38.9%	47.4%	50.1%	50.0%	0%
	Deposit accounts at formal financial institutions per 100 thousand adults	29.1	36.0	32.5	32.7	30.5	31.4	31.3	40	-9
	Credit accounts at formal financial institutions per 100 thousand adults	6.4	5.2	5.7	6.3	6.9	7.8	8.3	10	-1.7
	Credit to agriculture in proportion to total bank credit to the economy	3%	n.a.	n.av.	n.av.	0%	2%	2.0%	5%	-3%
	Deposits in banks as a proportion of GDP	46.4%	48.0%	43.0%	44.1%	44.1%	54.2%	53.0%	72.0%	-19%
	Bank credit as a proportion of GDP	34.9%	37.9%	28.0%	24.8%	24.2%	24.6%	24.2%	53.0%	-29%
	Balances in e-money accounts as a proportion of GDP	0.1%	0.2%	0.2%	0.4%	0.5%	0.6%	0.8%	6.0%	0
	Proportion of adult population with some insurance product	7.0%	n.a.	8.0%	8.0%	8.0%	11.0%	n.a.	15.0%	0
	Market capitalization as a proportion of GDP	7.8%	9.0%	8.9%	8.6%	10.0%	11.2%	18.9%	9.2%	0
	Ratio of stock exchange operators to banks	50.0%	52.6%	53.0%	61.0%	66.7%	61.0%	7.0%	65.0%	-58%
	Number of investors using capital market financial products and services	5,000	6,000	7,500	7,673	22,150	23,301	23,613	12,000	11,613
Financial education	Number of financial products that adults are familiar with	3.3	n.a.	4	4	4	4	4	7	-3
	Number of financial basics questions answered correctly	3.7	n.a.	3	34	34	34	n.a.	7	27



Dimension	Indicator	2015 (base year)	2016	2017	2018	2019	2020	2021	2022 Target	Deviation from the 2022 target
										BM
	Number of students familiar with capital market products	500	1200	1,701	2,500	1,200	1,200	n.a.	10,000	-8,800

Source: BM, BVM and ISSM

Notes: Adjusted as per the recommendations of the World Bank's NFIS Mid-Term Review Report.

[1] The proxy used to calculate this indicator is the number of bank accounts as a percentage of the total adult population.

[2] The proxy used to calculate this indicator is the number of bank accounts held by men as a percentage of the adult male population.

[3] The proxy used to calculate this indicator is the number of bank accounts held by women as a percentage of the adult female population.

[4] The proxy used to calculate this indicator is the number of bank accounts opened at EMI as a percentage of the adult population.

[5] The proxy used to calculate this indicator is the number of bank accounts opened by men at EMI as a percentage of the adult male population

[6] The proxy used to calculate this indicator is the number of bank accounts opened by women at EMI as a percentage of the adult female population.

## 9. CONCLUSION

### A. Level of Achievement as to Actions Set Out in the NFIS Action Plan (2016-2022)

In 2021 progress was made on the planned actions:

- 1) Of the 54 actions set out in the NFIS Action Plan (2016-2022), by 2021, **17 actions had been completed (31%), 21 actions (39%) are ongoing, 4 have yet to start (7%) and 12 (22%) are permanent.**
- 2) With regard to the use of banking services, as measured by the number of bank accounts per 1000 adults, in 2021, 315 bank accounts per 1000 adults were registered, against 314 in 2020, reflected by the increase in number of bank accounts from 5,116,741 in 2020 to 5,293,240 in 2021, that is, an increase in 176,501 accounts or 3.4%. This increase is driven by the expansion of electronic money accounts, because of which, in 2021, 67.2% of the country's adult population had an e-money account at an EMI, against 66.4% in 2020, and against 31.5% of the adult population with an account at credit and savings institutions.
- 3) In the chapter on the promotion of financial technologies (fintechs), in 2021, the second edition of the BM Regulatory Sandbox was wrapped-up, with two fintechs approved. In November of the same year, the BM launched the third edition of the regulatory sandbox, with ten participating fintechs.
- 4) Rural financing has made significant progress. MITADER's "One District, One Bank" initiative provided, between 2016 and 2021, the opening of 45 bank branches in the districts. In turn, the SUSTENTA project, in the agrarian campaign 2020/2021, supported 103 districts in eight country provinces and covered, directly and indirectly, a total of 291,241 beneficiaries.
- 5) Until 2021, the insurance and pensions market operate with 21 insurers (13 *non-life* insurers, 4 exclusively *life* insurers and 4 other cumulatively exploring both branches). The sector continues to make efforts to boost the microinsurance market.
- 6) In the capital market sector, market capitalization saw a growth rate of 18.9% compared to 2020.

- 7) In light of the digitization of state payments, the number of pensioners that received their pensions via bank transfer, under the Single Centralized Pension Payment System, in implementation by the INPS, rose to a little over 184 thousand, which raises the number of pensioners receiving their pensions by bank transfer to 95%. Similarly, about 17 thousand beneficiaries of Digital Social Protection payments, received digital transfers by the INAS.

## **B. Challenges**

Despite notable developments throughout 2021, challenges remains for the effective achievement of the objectives and targets set out in the NFIS, especially as to the following legal and regulatory challenges:

- a. **Regulation of KYC by levels:** proposed regulation of KYC levels prepared with AFI assistance - approval depends on the completion of the revision of Law No. 14/2013, of 12 August, Law on Anti-Money Laundering and Countering the Financing of Terrorism.
- b. **Fintech licensing and supervision framework:** proposed rules for setting-up and establishing a legal regime for technology-based financial service providers (fintech) prepared - to be approved by the BM.
- c. **General regime for bank accounts:** preparation of the proposed Law for (i) lowering the minimum age for opening an account, from 21 to 18, and (ii) institutionalize the basic or simplified bank account, focusing on the most deprived populations and rural areas, among others. - requires approval.

On the other hand, increasing the level of coverage of the mobile support infrastructure is key to increasing levels of financial inclusion, considering that in 2021 the number of users of this service increased significantly.

## ANNEXES

### ANNEX 1: Distribution of access points across the 154 districts of Mozambique (2021)

District	Branches		Banking agents		Microbank branches and credit unions		Non-banking agents (EMI)		Representations		Delegations and counters		ATM		POS		TOTAL	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
<b>Maputo city</b>	<b>231</b>	<b>224</b>	<b>364</b>	<b>169</b>	<b>20</b>	<b>15</b>	<b>16,517</b>	<b>21,079</b>	<b>784</b>	<b>928</b>	<b>29</b>	<b>27</b>	<b>538</b>	<b>515</b>	<b>14,818</b>	<b>13,996</b>	<b>33,301</b>	<b>36,953</b>
<b>Maputo province</b>	<b>73</b>	<b>69</b>	<b>112</b>	<b>44</b>	<b>20</b>	<b>19</b>	<b>14,273</b>	<b>19,466</b>	<b>124</b>	<b>344</b>	<b>22</b>	<b>27</b>	<b>225</b>	<b>216</b>	<b>5,759</b>	<b>5,593</b>	<b>20,608</b>	<b>25,778</b>
Matola	44	42	98	34	5	5	11,283	14,738	98	253	6	10	155	148	3,570	3,382	15,259	18,612
Boane	9	7	0	0	3	3	832	1,263	11	49	0	0	17	18	802	827	1,674	2,167
Magude	6	1	1	1	3	2	50	84	1	2	0	0	2	2	76	67	139	159
Manhiça	1	6	4	3	2	2	536	831	1	2	0	0	18	18	175	164	737	1,026
Marracuene	2	3	4	2	3	1	1,167	1,924	10	32	0	0	13	14	549	607	1,748	2,583
Matutuine	3	2	5	4	1	3	82	146	1	2	3	3	5	3	357	319	457	482
Namaacha	1	1	0	0	1	1	101	160	1	1	8	8	2	2	107	116	221	289
Moamba	7	7	0	0	2	2	222	320	1	3	5	6	13	11	123	111	373	460
<b>Gaza</b>	<b>36</b>	<b>35</b>	<b>92</b>	<b>103</b>	<b>4</b>	<b>4</b>	<b>3,335</b>	<b>5,015</b>	<b>36</b>	<b>48</b>	<b>7</b>	<b>11</b>	<b>81</b>	<b>79</b>	<b>1,476</b>	<b>1,167</b>	<b>5,067</b>	<b>6,462</b>
Xai-Xai	15	14	63	68	3	3	1,528	1,671	21	25	4	6	32	34	496	591	2,162	2,412
Bilene	5	5	3	2	0	0	462	683	2	6	1	3	13	12	169	207	655	918
Chibuto	2	2	4	3	0	0	414	497	3	3	0	0	6	6	58	87	487	598
Chicualacuala	1	1	0	1	0	0	43	69	2	2	0	0	2	2	146	12	194	87
Chigubo	1	1	2	1	0	0	3	21	0	0	0	0	1	1	342	5	349	29
Chókwè	6	6	3	3	1	1	497	678	4	4	1	1	13	13	72	140	597	846
Guijá	1	1	3	5	0	0	41	93	1	1	0	0	1	1	27	20	74	121
Mabalane	1	1	0	1	0	0	56	86	0	0	0	0	2	2	49	10	108	100
Manjacaze	2	2	8	10	0	0	241	478	1	3	0	0	4	5	47	67	303	565
Massangena	0	0	3	4	0	0	10	83	0	0	0	0	0	0	34	10	47	97
Massingir	1	1	0	1	0	0	39	103	2	2	1	1	2	2	36	18	81	128
Chonguene	0	0	1	1	0	0	0	247	0	2	0	0	4	0	0	0	5	250
Limpopo	0	1	2	1	0	0	1	117	0	0	0	0	1	1	0	0	4	120
Mapai	1	0	0	2	0	0	0	189	0	0	0	0	0	0	0	0	1	191
<b>Inhambane</b>	<b>35</b>	<b>35</b>	<b>140</b>	<b>139</b>	<b>7</b>	<b>5</b>	<b>4,639</b>	<b>6,728</b>	<b>45</b>	<b>52</b>	<b>5</b>	<b>11</b>	<b>83</b>	<b>84</b>	<b>1,665</b>	<b>1,524</b>	<b>6,619</b>	<b>8,578</b>
Inhambane	6	6	41	118	2	1	813	1,045	13	16	1	1	17	17	465	425	1,358	1,629
Maxixe	8	8	18	4	3	2	741	1,008	13	12	3	6	21	20	354	318	1,161	1,378
Funhaloro	1	1	0	0	0	0	124	162	0	0	0	0	2	2	40	37	167	202
Govuro	1	1	3	3	0	0	46	113	0	0	0	0	2	2	24	26	76	145
Homoine	1	1	9	1	0	0	177	272	0	1	0	0	2	2	24	22	213	299
Inharrime	2	2	1	0	0	0	268	462	1	2	0	0	5	4	54	48	331	518
Inhassoro	3	3	1	1	0	0	163	298	0	0	0	0	5	6	82	81	254	389
Jangamo	1	1	1	1	0	0	220	345	0	0	0	0	2	2	48	36	272	385
Mabote	1	1	1	1	0	0	44	107	4	4	0	0	2	2	38	34	90	149
Massinga	2	2	20	1	1	1	617	867	2	3	1	3	6	7	131	124	780	1,008
Morrumbene	2	2	35	6	1	1	241	367	0	1	0	0	5	5	62	55	346	437
Panda	1	1	7	1	0	0	113	154	0	0	0	0	1	1	15	10	137	167
Vilankulo	4	4	3	1	0	0	790	1,039	10	11	0	1	9	10	280	260	1,096	1,326
Zavala	2	2	0	1	0	0	282	489	2	2	0	0	4	4	48	48	338	546
<b>Sofala</b>	<b>57</b>	<b>54</b>	<b>69</b>	<b>78</b>	<b>8</b>	<b>8</b>	<b>5,308</b>	<b>7,044</b>	<b>25</b>	<b>37</b>	<b>13</b>	<b>9</b>	<b>146</b>	<b>132</b>	<b>2,885</b>	<b>2,514</b>	<b>8,511</b>	<b>9,876</b>

	Branches		Banking agents		Microbank branches and credit unions		Non-banking agents (EMI)		Representations		Delegations and counters		ATM		POS		TOTAL	
Beira	40	38	52	61	6	6	3,800	4,770	17	27	13	9	109	99	2,514	2,092	6,551	7,102
Buzi	1	1	3	3	0	0	124	136	2	2	0	0	2	2	39	105	171	249
Caia	2	1	0	0	1	1	219	361	2	1	0	0	3	0	35	18	262	382
Chemba	1	1	0	0	0	0	49	55	0	0	0	0	2	2	12	23	64	81
Cheringoma	1	1	1	1	0	0	19	43	1	1	0	0	2	2	15	15	39	63
Chibabava	2	2	1	1	0	0	61	112	1	1	0	0	4	4	28	14	97	134
Dondo	5	5	3	4	1	1	481	625	0	0	0	0	12	12	116	121	618	768
Gorongosa	1	1	2	2	0	0	120	188	0	0	0	0	2	2	25	26	150	219
Machanga	1	1	0	0	0	0	8	19	0	0	0	0	1	1	12	10	22	31
Maringue	0	0	1	1	0	0	17	80	0	1	0	0	0	0	10	11	28	93
Marromeu	1	1	1	1	0	0	119	196	0	1	0	0	3	3	28	38	152	240
Muanza	1	1	0	0	0	0	10	25	1	1	0	0	1	1	4	6	17	34
Nhamatanda	1	1	5	4	0	0	281	434	1	2	0	0	5	4	47	35	340	480
<b>Manica</b>	<b>29</b>	<b>28</b>	<b>162</b>	<b>163</b>	<b>10</b>	<b>10</b>	<b>3,589</b>	<b>5,175</b>	<b>11</b>	<b>16</b>	<b>13</b>	<b>11</b>	<b>64</b>	<b>64</b>	<b>1,367</b>	<b>1,197</b>	<b>5,245</b>	<b>6,664</b>
Chimoio	18	17	125	125	7	7	1,803	2,495	8	11	5	3	42	40	510	871	2,518	3,569
Bárué	1	1	4	4	1	1	196	311	0	0	0	0	2	4	514	33	718	354
Gondola	2	2	3	3	0	0	431	589	1	1	0	0	4	4	59	63	500	662
Guro	1	1	0	0	0	0	118	134	0	1	0	0	2	2	15	7	136	145
Machaze	1	1	4	4	0	0	60	108	0	1	0	0	1	1	33	28	99	143
Macossa	0	0	3	3	0	0	3	27	0	2	0	0	0	0	18	8	24	40
Manica	3	3	5	7	2	2	521	733	2	0	5	5	6	6	155	119	699	875
Vanduzi	1	1	4	0	0	0	130	252	0	0	0	0	2	2	0	5	137	260
Mossurize	1	1	0	7	0	0	174	236	0	0	3	3	2	2	1	36	181	285
Sussundenga	1	0	8	2	0	0	16	38	0	0	0	0	2	1	32	23	59	64
Tambara	0	0	2	4	0	0	0	16	0	0	0	0	1	0	26	4	29	24
Macate	0	1	4	4	0	0	137	236	0	0	0	0	0	2	4	0	145	243
<b>Tete</b>	<b>41</b>	<b>41</b>	<b>74</b>	<b>73</b>	<b>6</b>	<b>7</b>	<b>4,515</b>	<b>6,151</b>	<b>20</b>	<b>38</b>	<b>27</b>	<b>20</b>	<b>109</b>	<b>105</b>	<b>1,919</b>	<b>2,348</b>	<b>6,711</b>	<b>8,783</b>
Tete	22	21	40	39	5	4	2,897	3,680	15	28	12	8	66	62	879	1,396	3,936	5,238
Angónia	4	4	0	0	1	3	240	353	0	0	3	2	8	8	118	610	374	980
Cahora-Bassa	3	3	1	1	0	0	225	328	4	5	1	1	7	5	38	68	279	411
Changara	2	2	0	1	0	0	135	244	0	1	3	2	2	2	6	53	148	305
Chifunde	1	1	1	1	0	0	8	11	0	1	0	0	2	2	9	8	21	24
Chiuta	1	1	0	0	0	0	40	103	0	0	1	1	2	2	633	7	677	114
Macanga	1	1	15	16	0	0	141	189	1	2	0	0	5	5	16	13	179	226
Mágoe	0	0	3	3	0	0	200	228	0	0	1	1	0	0	16	17	220	249
Maravia	1	1	5	5	0	0	42	64	0	0	0	0	2	2	22	20	72	92
Moatize	4	4	2	2	0	0	427	634	0	1	3	2	12	13	146	64	594	720
Mutarara	1	1	0	0	0	0	145	175	0	0	0	0	2	2	24	70	172	248
Tsangano	1	1	1	0	0	0	10	64	0	0	2	2	1	1	6	15	21	83
Zumbo	0	1	3	2	0	0	4	18	0	0	1	1	0	1	6	7	14	30
Marara	0	0	1	2	0	0	0	52	0	0	0	0	0	0	0	0	1	54
Dôa	0	0	2	1	0	0	1	8	0	0	0	0	0	0	0	0	3	9
<b>Zambézia</b>	<b>34</b>	<b>34</b>	<b>48</b>	<b>47</b>	<b>6</b>	<b>6</b>	<b>5,022</b>	<b>6,597</b>	<b>23</b>	<b>28</b>	<b>8</b>	<b>11</b>	<b>111</b>	<b>104</b>	<b>1,348</b>	<b>1,824</b>	<b>6,600</b>	<b>8,651</b>
Quelimane	13	13	30	30	3	3	2,395	2,833	15	19	4	7	57	51	334	894	2,851	3,850
Alto Molócuè	2	2	0	0	0	0	325	435	3	3	0	0	6	6	46	336	382	782
Chinde	0	0	7	7	0	0	4	8	0	0	0	0	0	0	377	46	388	61
Gurúè	2	2	0	0	2	2	394	519	2	2	1	1	7	7	40	29	448	562
Ile	1	1	1	1	0	0	86	105	0	0	0	0	1	1	52	49	141	157

	Branches		Banking agents		Microbank branches and credit unions		Non-banking agents (EMI)		Representations		Delegations and counters		ATM		POS		TOTAL	
Inhassunge	0	0	1	1	0	0	18	29	1	1	0	0	0	0	14	7	34	38
Lugela	0	0	1	1	0	0	30	57	0	0	0	0	0	0	9	17	40	75
Gilé	1	1	0	0	0	0	31	82	0	0	0	0	2	2	21	22	55	107
Maganja da Costa	1	1	0	0	0	0	108	147	0	0	0	0	2	2	38	21	149	171
Milange	2	2	0	0	0	0	213	361	0	0	2	2	7	6	54	39	278	410
Mocuba	6	6	1	1	1	1	665	795	0	1	1	1	16	16	174	80	864	901
Mopeia	1	1	0	0	0	0	113	147	0	0	0	0	2	2	36	121	152	271
Morrumbala	1	1	1	1	0	0	206	268	0	0	0	0	2	2	43	43	253	315
Namacurra	1	1	0	0	0	0	79	162	0	0	0	0	2	2	15	25	97	190
Namarroi	0	0	1	0	0	0	13	30	0	0	0	0	0	0	19	19	33	49
Nicoadala	1	1	1	2	0	0	253	364	0	0	0	0	4	3	32	17	291	387
Pebane	1	1	2	2	0	0	88	149	1	1	0	0	1	1	44	38	137	192
Luabo	0	1	1	1	0	0	1	51	1	1	0	0	0	2	0	21	3	77
Mulevala	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	4
Mocubela	0	0	0	0	0	0	0	36	0	0	0	0	0	0	0	0	0	36
Derre	0	0	0	0	0	0	0	13	0	0	0	0	0	0	0	0	0	13
Molumbo	1	0	1	0	0	0	0	2	0	0	0	0	2	1	0	0	4	3
<b>Nampula</b>	<b>81</b>	<b>78</b>	<b>256</b>	<b>255</b>	<b>10</b>	<b>9</b>	<b>8,055</b>	<b>11,041</b>	<b>31</b>	<b>51</b>	<b>13</b>	<b>14</b>	<b>197</b>	<b>182</b>	<b>3,406</b>	<b>4,333</b>	<b>12,049</b>	<b>15,963</b>
Nampula	35	33	146	148	6	6	5,669	6,902	18	36	7	8	107	96	1,126	2,343	7,114	9,572
Nacala-Porto	16	16	47	46	4	3	645	820	2	3	5	5	35	32	622	1,324	1,376	2,249
Angoche	2	2	8	7	0	0	235	409	2	2	1	1	2	2	1,175	283	1,425	706
Island of Mozambique (Ilha de Moçambique)	2	2	0	0	0	0	101	176	3	1	0	0	5	5	52	36	163	220
Lalaua	1	1	1	1	0	0	14	31	0	0	0	0	2	2	3	23	21	58
Malema	2	2	2	2	0	0	114	261	1	1	0	0	4	4	37	10	160	280
Meconta (Namialo)	2	2	3	2	0	0	189	277	0	0	0	0	5	5	42	30	241	316
Mecuburi	2	2	0	0	0	0	46	102	0	0	0	0	3	3	19	31	70	138
Memba	1	1	1	1	0	0	24	91	0	0	0	0	2	1	10	8	38	102
Mogincual	1	1	9	8	0	0	13	86	0	0	0	0	1	1	13	13	37	109
Mogovolas	1	1	15	15	0	0	150	271	0	0	0	0	2	2	12	9	180	298
Moma	2	2	5	5	0	0	124	382	1	0	0	0	4	4	40	23	176	416
Monapo	2	2	0	0	0	0	157	210	0	0	0	0	5	5	29	26	193	243
Mossuril	1	1	0	0	0	0	32	86	2	2	0	0	3	3	19	30	57	122
Muecate	1	1	3	3	0	0	42	75	0	0	0	0	1	1	6	10	53	90
Murrupula	1	1	0	0	0	0	60	114	1	1	0	0	2	2	25	13	89	131
Nacala-Velha	2	2	3	4	0	0	83	105	0	3	0	0	4	4	54	28	146	146
Nacaraoa	1	1	1	1	0	0	32	67	0	0	0	0	1	1	11	24	46	94
Erati	1	1	3	3	0	0	128	162	0	0	0	0	2	2	29	13	163	181
Rapale	1	0	0	0	0	0	19	97	0	0	0	0	1	1	16	19	37	117
Ribaué	3	3	7	7	0	0	178	317	1	2	0	0	6	6	66	14	261	349
Larde	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	23	1	24
Liúpo	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	2	2
<b>Cabo-Delgado</b>	<b>40</b>	<b>40</b>	<b>9</b>	<b>10</b>	<b>1</b>	<b>2</b>	<b>2,711</b>	<b>3,510</b>	<b>32</b>	<b>35</b>	<b>6</b>	<b>6</b>	<b>91</b>	<b>84</b>	<b>1,239</b>	<b>1,597</b>	<b>4,129</b>	<b>5,284</b>
Pemba	17	17	2	4	1	2	1,469	1,778	29	29	5	5	46	45	413	883	1,982	2,763
Ancuabe	1	1	0	0	0	0	65	127	0	0	0	0	1	1	40	389	107	518
Balama	2	2	0	0	0	0	36	76	0	0	0	0	5	5	43	34	86	117
Chiúre	2	2	2	0	0	0	204	242	0	0	0	0	4	4	397	21	609	269
Ibo	0	0	0	0	0	0	0	5	0	0	0	0	0	0	10	18	10	23

	Branches		Banking agents		Microbank branches and credit unions		Non-banking agents (EMI)		Representations		Delegations and counters		ATM		POS		TOTAL	
Macomia	1	1	0	0	0	0	54	67	0	1	0	0	0	0	17	9	72	78
Mecufi	1	1	0	0	0	0	25	39	0	0	0	0	1	1	7	13	34	54
Meluco	0	0	2	2	0	0	81	101	0	0	0	0	0	0	3	4	86	107
Mocimboa da Praia	3	3	0	0	0	0	132	116	0	0	0	0	2	2	63	35	200	156
Montepuez	3	3	0	0	0	0	354	511	3	5	1	1	10	10	120	36	491	566
Mueda	3	3	0	2	0	0	191	247	0	0	0	0	6	7	13	74	213	333
Muidumbe	1	1	0	0	0	0	11	15	0	0	0	0	0	0	3	14	15	30
Namuno	1	1	0	0	0	0	28	67	0	0	0	0	2	2	17	7	48	77
Nangade	1	1	1	1	0	0	3	22	0	0	0	0	2	0	12	8	19	32
Palma	3	3	0	0	0	0	46	46	0	0	0	0	10	5	48	15	107	69
Metuge	1	1	2	1	0	0	1	38	0	0	0	0	2	2	28	33	34	75
Quissanga	0	0	0	0	0	0	11	13	0	0	0	0	0	0	5	4	16	17
<b>Niassa</b>	<b>27</b>	<b>27</b>	<b>16</b>	<b>18</b>	<b>4</b>	<b>4</b>	<b>1,584</b>	<b>2,891</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>6</b>	<b>65</b>	<b>66</b>	<b>658</b>	<b>864</b>	<b>2,366</b>	<b>3,885</b>
Lichinga	10	10	9	9	2	2	898	1,243	5	6	1	3	30	29	209	457	1,164	1,759
Cuamba	6	6	0	1	0	0	328	467	2	3	1	1	16	16	91	238	444	732
Lago	2	2	0	0	0	0	18	125	0	0	0	0	3	3	9	47	32	177
Chimbonila	1	1	0	0	1	0	0	55	0	0	1	0	1	1	0	11	4	68
Manjune	1	1	0	2	0	0	5	221	0	0	0	0	1	4	219	9	226	237
Mandimba	1	1	2	1	0	0	112	168	0	0	2	2	2	2	11	12	130	186
Marrupa	1	1	1	2	0	0	42	106	0	0	0	0	2	2	6	21	52	132
Maúa	1	1	2	0	0	0	33	49	0	0	0	0	2	2	22	16	60	68
Mavago	1	1	0	1	0	0	1	131	0	0	0	0	2	3	10	5	14	141
Mecanhelas	1	1	0	0	0	0	55	28	0	0	0	0	3	2	16	24	75	55
Mecula	1	0	0	0	0	0	6	62	0	0	0	0	2	0	37	2	46	64
Metarica	0	0	0	1	0	0	15	115	0	0	0	0	0	0	8	3	23	119
Muembe	0	0	1	1	0	1	40	57	0	0	0	0	0	0	3	4	44	63
N'gauma	0	1	1	0	1	0	15	29	0	0	0	0	0	1	6	6	23	37
Nipepe	1	0	0	0	0	0	16	23	0	0	0	0	1	0	10	6	28	29
Sanga	0	1	0	0	0	1	0	12	0	0	0	0	0	1	1	3	1	18
<b>Total Access Points</b>	<b>684</b>	<b>665</b>	<b>1,342</b>	<b>1,099</b>	<b>96</b>	<b>89</b>	<b>69,548</b>	<b>94,697</b>	<b>1,138</b>	<b>1,586</b>	<b>148</b>	<b>153</b>	<b>1,710</b>	<b>1,631</b>	<b>36,540</b>	<b>36,957</b>	<b>111,206</b>	<b>136,877</b>

Source: INE, BM, ISSM

Notes: It does not include stock exchange operators, so as to avoid over-counting, since they overlap with banking institutions.

## ANNEX 2: Legislation relevant to financial inclusion

REFERENCE	SUBJECT	LINK
<b>BANKING SECTOR</b>		
<b>LAWS AND DECREES-LAWS</b>		
<b>Law No. 20/2020 of 31 December</b>	Law on credit institutions and financial companies-repeals laws No. 15/99, of 1 November, and No. 9/2004, of 21 July.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=14">http://www.bancomoc.mz/fm_pgTab1.aspx?id=14</a>
<b>Law No. 19/2018, of 28 December</b>	Law on Movable Securities	
<b>Law No. 6/2015 of 6 October 2015</b>	Creates the credit information system of private management.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=14">http://www.bancomoc.mz/fm_pgTab1.aspx?id=14</a>
<b>Law No. 14/2013, of 12 August</b>	Law on Anti-Money Laundering and Countering the Financing of Terrorism, which repeals Law No. 7/2002, of 5 February.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=14">http://www.bancomoc.mz/fm_pgTab1.aspx?id=14</a>
<b>DECREES</b>		
<b>Decree No. 99/2019 of 31 December</b>	Establishes the legal regime for payment service providers	<a href="http://www.bancomoc.mz/fmpgTab1.aspx?id=13">http://www.bancomoc.mz/fmpgTab1.aspx?id=13</a>
<b>Decree no. 7/2020 of 10 March</b>	Regulation on Movable Securities (Law No. 19/2018, of 28 December)	
<b>Decree No. 11/2016, of 16 May</b>	Regulation of Law no. 6/2015, of 6 October, Law on Private Credit Information Centers.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=13">http://www.bancomoc.mz/fm_pgTab1.aspx?id=13</a>
<b>Decree No. 66/2014 of 29 October</b>	Regulation of Law No. 14/2013, of 12 August, which establishes the legal regime and the measures of prevention and repression in relation to the use of the financial system and non-financial entities for the purposes of money laundering, financing of terrorism and related crimes.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=13">http://www.bancomoc.mz/fm_pgTab1.aspx?id=13</a>
<b>Decree No. 30/2014 of 5 June</b>	It amends the heading of subsection IV of Section II and Articles 10 and 11 of the regulation of the law on credit institutions and financial companies, approved by Decree No. 56/2004, of 10 December.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=13">http://www.bancomoc.mz/fm_pgTab1.aspx?id=13</a>
<b>Decree No. 49/2010 of 11 November</b>	Creates the Deposit Guarantee Fund (DGF) and approves the respective regulation.	

REFERENCE	SUBJECT	LINK
<b>Decree No. 56/2004 of 10 December</b>	Regulation of the Law on credit institutions and financial companies and repeals Decrees no. 45/94, of 12 October, and No. 11/2001, of 20 March.	<a href="http://www.bancomoc.mz/fm_pgTab1.aspx?id=13">www.bancomoc.mz/fm_pgTab1.aspx?id=13</a>
<b>Decree No. 57/2004 of 10 December</b>	Microfinance regulation and repeals Decree No. 47/98 of 22 September	<a href="http://www.salcaldeira.com/index.php/en/component/docman/doc_download/137-decreto-n-57-2004-regulamento-das-microfinancas">www.salcaldeira.com/index.php/en/component/docman/doc_download/137-decreto-n-57-2004-regulamento-das-microfinancas</a> .
<b>MINISTERIAL ORDERS</b>		
<b>Ministerial Order No. 62/2016, of 21 September</b>	Criteria and methodologies for the calculation of the annual periodic contribution, to be delivered to the DGF by credit institutions authorized to collect deposits and subject to the prudential supervision of the BM.	
<b>Ministerial Order No. 61/2016, of 21 September</b>	Limit of the guarantee to be reimbursed by the Deposit Guarantee Fund	
<b>Ministerial Order No. 223/2013, of 23 September</b>	Criteria and arrangements for the prorating by the participating credit institutions of the contribution to the initial foundation of the DGF.	
<b>Ministerial Order No. 222/2013, of 23 September</b>	Chart of accounts of the DGF.	
<b>NOTICES FROM BANCO DE MOÇAMBIQUE</b>		
<b>Notice No. 10/GBM/2020 of 17 December</b>	Regulation on the Business of the Banking Agent	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
<b>Notice No. 7 / GBM / 2020 of December 17</b>	Complaint handling regulation	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
<b>Notice No. 05/GBM/2020, of 13 April</b>	Mandatory collection and sending of geographical coordinates of access points to financial services	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
<b>Notice No. 03/GBM/2020, of 27 March</b>	Minimum capital of companies providing payment services, in the categories of payment aggregators and transfer of funds.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>



REFERENCE	SUBJECT	LINK
Notice No. 19/GBM/2017, of 26 December	Amends Article No. 7 of Notice No. 13/GBM/2017 of 9 June.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 13/GBM/2017 of 9 June	Regime of fees and charges relating to financial services and their nomenclature and repeals Notice No. 5/GBM/2009 of 10 June.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 5/GBM/2016 of 14 November	Information that credit reporting centers must send to the BM on a regular basis for the purpose of supervising their activity.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 4/GBM/2016 of 14 November	License application processing fee and annual license fee of credit information centers.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 6/GBM/2015 of 31 December	Measures to protect funds received from customers in exchange for electronic money issued by EMI.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 4/GBM/2015 of 17 June	Guidelines on preventing and suppressing money laundering and terrorist financing.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 3/GBM/2015 of 4 May	Regime of access and business of banking agents	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 2/GBM/2015 of 22 April	Connection to the single national network of electronic payments.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 1/GBM/2015 of 22 April	Rules and criteria for opening and closing bank branches.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
Notice No. 4/GBM/2009 of 4 March	Regulation on services of complaint handling, information requests and suggestions.	<a href="http://www.bancomoc.mz/fm_pgtab1.aspx?id=8">http://www.bancomoc.mz/fm_pgtab1.aspx?id=8</a>
<b>Circulars - Banco de Moçambique</b>		
Circular No. 2/EFI / 2020 of 23 March	Credit restructuring in the context of the COVID-19 pandemic	<a href="https://www.bancomoc.mz/fm_pgTab1.aspx?id=9">https://www.bancomoc.mz/fm_pgTab1.aspx?id=9</a>
Circular No. 1/EPO/2018 of 19 January	Complete and simplified pricing structure templates and filling instructions.	
Circular No. 2/EPO/2018 of 19 January	General conditions of contracting and using of the automatic payment terminal.	

REFERENCE	SUBJECT	LINK
<b>INSURANCE SECTOR</b>		
<b>LAWS AND DECREES-LAWS</b>		
Decree-Law No. 1/2010, of 31 December	Legal regime of insurance.	<a href="http://www.issm.gov.mz/index.php/en/2014-09-23-09-14-49/seguros">http://www.issm.gov.mz/index.php/en/2014-09-23-09-14-49/seguros</a>
<b>DECREES</b>		
Decree No. 30/2011 of 11 August	Regulation of the conditions of access and business of the insurance activity and the respective mediation.	<a href="http://www.issm.gov.mz/index.php/en/2014-09-23-09-14-49/seguros">http://www.issm.gov.mz/index.php/en/2014-09-23-09-14-49/seguros</a>
<b>MINISTERIAL ORDERS</b>		
Ministerial Order No. 59/2017, of 15 September	Establishes the readjustment of the amounts of the minimum capital of coverage of compulsory motor civil liability insurance.	<a href="http://www.issm.gov.mz/index.php/2014-09-23-09-14-49/seguros">www.issm.gov.mz/index.php/2014-09-23-09-14-49/seguros</a>
<b>NOTICES – MOZAMBIQUE INSURANCE SUPERVISION INSTITUTE</b>		
Notice no 3/2021 of 25 March	Update of the minimum amounts of the share capital of the entities authorized to exercise the insurance business,	<a href="http://www.issm.gov.mz/index.php/en/2014-09-23-09-14-49/seguros/85-legislacao">http://www.issm.gov.mz/index.php/en/2014-09-23-09-14-49/seguros/85-legislacao</a>
Notice No. 3 / ISSM / 2015 of 30 June	Establishes the amount limits for capital at risk in the insurance branches, in the microinsurance segment, under Article 52 (3) of the insurance legal Regime, approved by Decree-Law No. 1/2010, of 31 December.	<a href="http://www.portaldogoverno.gov.mz/.../BR+51+III+SERIE+2.%C2%BA+SUPLEMENTO+2015.pdf">www.http://www.portaldogoverno.gov.mz/.../BR+51+III+SERIE+2.%C2%BA+SUPLEMENTO+2015.pdf</a>
<b>RELATED SECTORS THAT CONTRIBUTE TO FINANCIAL INCLUSION</b>		
<b>LAWS AND DECREES-LAWS</b>		
Law No. 3/2017, of 9 January	Electronic Transactions Act.	<a href="http://www.portaldogoverno.gov.mz/.../LEI DE TRANSACCOES ELECTRONICAS.pdf">www.portaldogoverno.gov.mz/.../LEI DE TRANSACCOES ELECTRONICAS.pdf</a>
Law No. 26/2014, of September 23	Regarding the revision of Law No. 2/96, of 4 January, which regulates the right to submit petitions, complaints and claims to the Competent Authority.	<a href="http://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/882-decreto-n-27-2014-estabelece-o-regime-especifico-de-tributacao-e-de-beneficios-fiscais-das-operacoes-petroliferas+&amp;cd=1&amp;hl=pt-PT&amp;ct=clnk&amp;gl=mz">www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/882-decreto-n-27-2014-estabelece-o-regime-especifico-de-tributacao-e-de-beneficios-fiscais-das-operacoes-petroliferas+&amp;cd=1&amp;hl=pt-PT&amp;ct=clnk&amp;gl=mz</a>
Law No. 22/2009 of 28 September	Approves the Consumer Protection Law	<a href="http://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/906-lei-n-22-2009-lei-de-defesa-do-consumidor">www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/906-lei-n-22-2009-lei-de-defesa-do-consumidor</a>

REFERENCE	SUBJECT	LINK
<b>DECREES</b>		
Decree No. 27/2016, of 18 July	Approves the regulation of the Consumer Protection Law.	<a href="http://www.sascaldeira.com/index.php/pt/publicacoes/artigos/doc_download/913-decreto-n-27-2016-aprova-o-regulamento-da-lei-de-defesa-do-consumidor+&amp;cd=2&amp;hl=pt-PT&amp;ct=clnk&amp;gl=mz">www.sascaldeira.com/index.php/pt/publicacoes/artigos/doc_download/913-decreto-n-27-2016-aprova-o-regulamento-da-lei-de-defesa-do-consumidor+&amp;cd=2&amp;hl=pt-PT&amp;ct=clnk&amp;gl=mz</a>