

Insight Report

The Financial Development Report 2012



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The terms *country* and *nation*, as used in this *Report*, do not in all cases refer to a territorial entity that is a state as understood by international law and practice. The terms cover well-defined, geographically self-contained economic areas that may not be states but for which statistical data are maintained on a separate and independent basis.

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Preface

KLAUS SCHWAB, Executive Chairman, World Economic Forum

Since 2008, the year that the *Financial Development Report* first launched, financial systems around the world have been hit with a series of debilitating crises. From burst housing bubbles and crippling unemployment to unsustainable debt levels and economic stagnation, few countries have been spared. Even emerging economies, which exhibited relative strength during this period, have been unable to decouple successfully from Western markets. The fifth edition of the *Financial Development Report* comes at a time when recovery efforts around the world have stalled and confidence in the system continues to deteriorate. The recovery's few bright spots have been overshadowed by the general fragility of the global financial system, characterized by rising funding costs, higher commodity prices, and volatile capital flows. Given these uncertainties, it is clear that restoring faith in the markets will be a monumental task for policymakers in both advanced and emerging economies.

In order to reignite the engines of economic growth, global leaders must provide investors, consumers, entrepreneurs, and the like with the trust and support necessary to take risks and innovate. To accomplish this, they need to strengthen institutions through more efficient and effective legal and regulatory frameworks, as well as enhanced corporate governance mechanisms. Instilling trust back in the system could pay dividends as financial markets stabilize, liquidity increases, and capital is allocated to its most productive uses. Although emerging and advanced economies face challenges that will be neither easy nor straightforward to address, long-term sustainable growth can be attained through collective action and international cooperation. Dialogue at the local, regional, and global levels will be critical in providing greater assurance, minimizing negative outcomes, and promoting a more stable financial system.

Improvement efforts need to be driven by local-level reforms to ensure that the appropriate financial systems are in place, thereby helping extend prosperity to all. *The Financial Development Report* provides a benchmarking tool across a depth of information and a number of economies. It thereby allows countries to identify and develop workable solutions for building on existing strengths and addressing potential problematic areas.

In the tradition of the Forum's multi-stakeholder approach to global issues, the creation of this *Report* involved an extensive program of outreach and dialogue with members of the academic community, public figures, representatives of nongovernmental organizations, and business leaders from around the world. This work included numerous interviews and collaborative sessions to discuss the findings of the Index and their implications, as well as possible modifications to its design. Other complementary publications from the World Economic Forum include *The Global Competitiveness Report*, *The Global Enabling Trade Report*, *The Global Gender Gap Report*, *The Global Information Technology Report*, and *The Travel & Tourism Competitiveness Report*.

We would like to express our gratitude to our industry partners and the academic experts who served on the project's Expert Committee: Giancarlo Bruno, Senior Director, World Economic Forum USA; Chris Coles, Partner, Actis; Michael Drexler, Senior Director, World Economic Forum USA; Patrice Etlin, Managing Partner, Advent International; Reto Kohler, Head of Strategy, Corporate and Investment Banking and Wealth Management, Barclays; Gerard Lyons, Chief Economist and Group Head of Global Research, Standard Chartered; Raghuram Rajan, Eric J. Gleacher Distinguished Service Professor of Finance, The University of Chicago Booth School of Business; Nouriel Roubini, Professor of Economics and International Business, Leonard N. Stern School of Business, New York University and Chairman, Roubini Global Economics; Kevin Steinberg, Chief Operating Officer, World Economic Forum USA; Augusto de la Torre, Chief Economist for Latin America and the Caribbean, World Bank; and Ksenia Yudaeva, Director of the Macroeconomic Research Center, Sberbank. We are appreciative of our other academic advisors, who generously contributed their time and ideas in helping shape this *Report*. We would also like to thank Isabella Reuttner and Todd Glass at the World Economic Forum for their energy and commitment to the project. We are grateful to Margareta Drzeniek Hanouz, Thierry Geiger, and Michael Koenitzer for their guidance as Project Advisors. Appreciation also goes to The Global Benchmarking Network Team, including Jennifer Blanke, Beñat Bilbao-Osorio, Ciara Browne, Roberto Crotti, Tania Gutknecht, Caroline Ko, and Cecilia Serin. Finally, we would like to thank our network of Partner Institutes, without whose enthusiasm and hard work the annual administration of the Executive Opinion Survey and this *Report* would not be possible.

Foreword

KEVIN STEINBERG, Chief Operating Officer, World Economic Forum USA

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The World Economic Forum's Financial Services team is pleased to release *The Financial Development Report 2012*, the fifth edition since its inaugural publication in 2008. This *Report* represents a key ongoing initiative undertaken as part of the Forum's Industry Partnership Programme, which provides a platform for CEOs and senior executives to collaborate with their peers and an extended community of senior leaders from the public sector, academics, and experts from civil society to tackle key issues of concern to the global community.

The effects of the financial crisis continue to be felt in both advanced and emerging economies around the world. Europe remains plagued by debt overhang, high unemployment, political divisiveness, and a general lack of competitiveness. The United States faces political gridlock in a time of fiscal uncertainty and increasing public debt. Traditional emerging market powers, such as China and Brazil, are experiencing an economic slowdown, which may have significant ramifications for global trade. Generally speaking, although policymakers have sought reform through structural adjustment, global output is expected to slow over the near term. It is clear that economic growth continues to be a vital issue for the global community. We believe that *The Financial Development Report* provides a better understanding of how both emerging and advanced economies can identify and rectify areas of weakness in their financial systems, ultimately leading to sustainable economic growth.

Stalled recovery: In search of growth

Although arguably improving, the global economy has yet to fully stabilize. This instability applies not only to developed economies but also to emerging ones, which are experiencing the knock-on effect of advanced economy woes. Recovery efforts are still needed to address both lingering legacy issues, such as rising debt levels, and post-crisis issues, such as increasing unemployment, with the ultimate goal of creating long-term, sustainable growth. Given the crucial role that the financial system plays in any economy, recovery efforts will depend on a well-functioning system of saving and allocating capital, among other factors. Although a number of reforms that address some of the underlying issues within the system have been well received, there are still many issues that remain to be addressed, including effective supervisory frameworks, cross-border bank resolution in times of failure, and the role of the shadow banking system.

Perhaps one of the most important issues is waning trust in the overall system, a by-product of which has been the withholding of capital and a reduction in much-needed investment in medium- to long-term growth. The lack of trust can also be seen in volatility in various markets, particularly equity markets, across the world. In order to restore confidence in the system, actors and participants will need to take concerted action to align activities with the core economic and social objectives of the financial system.

The variables in this *Report* help provide guidance for measuring the effects of programs and reforms across three broad categories: (1) factors, policies, and institutions; (2) financial intermediation; and (3) financial access. The *Report* uses a comprehensive framework that includes 121 variables that measure the stability and efficacy of the banking system, financial markets, and many other related factors. We believe this *Report* will be highly informative and useful as a vehicle for future dialogue and debate.

The Financial Development Report 2012

In this context, we offer this year's *Report* as a way to identify the factors that play a crucial role in achieving much-needed economic growth and in enabling stakeholders to collectively prioritize, implement, and assess any necessary reforms. Part 1 of the *Report* summarizes this year's Index results and related findings in three chapters. Chapter 1.1 outlines the methodology for the Index, the academic theory and assumptions supporting it, and some of the key findings from the Index results. Chapter 1.2 provides insight into the debate about regulating the traditional, as well as shadow banking systems in light of the financial crisis of 2007-2009. Finally, Chapter 1.3 discusses the rise of emerging market banks, their importance as foreign investors, and how the global financial crisis has allowed these banks to increase their footprint at the regional level.

We also encourage readers to delve into the details of Part 2: Country/Economy Profiles and Part 3: Data Tables of the *Report*. The richness and breadth of the data paint a balanced picture of the challenges and opportunities faced by different countries.

By design, this *Report* must rely on data that are available for all the economies it covers, to proxy for key elements of financial development. This year, as every year, it is with a

degree of humility that we put forth our findings, given some of the inherent limitations and occasional inconsistencies of these data, the rapidly changing environment, and the unique circumstances of some of the economies covered. Yet, through its attempt to establish a comprehensive framework and a means for benchmarking, we feel the *Report* provides a useful common vantage point from which to unify priorities and develop a course of action. We welcome your feedback and suggestions for how we may develop and utilize this *Report* to promote the potential of financial systems as enablers of growth and individual prosperity.

On behalf of the World Economic Forum, we wish to particularly thank the members of the Expert Committee, the Academic Advisors, and the project team, Isabella Reuttner and Todd Glass, for their boundless support.

Executive Summary

The *Financial Development Report 2012* is based on the Financial Development Index (“the Index”), which provides a score and rank for the breadth, depth, and efficiency of 62 of the world’s leading financial systems and capital markets. The Index analyzes drivers of financial system development that support economic growth, and thus compares the overall competitiveness of financial systems. Ultimately, the *Report* aims to serve as a tool for both advanced and emerging economies to benchmark themselves, thereby allowing them to identify and prioritize areas for reform.

The *Report* defines *financial development* as the factors, policies, and institutions that lead to effective financial intermediation and markets, as well as deep and broad access to capital and financial services. In accordance with this definition, measures of financial development are captured across the seven pillars of the Index:

1. *Institutional environment*: encompasses financial sector liberalization, corporate governance, legal and regulatory issues, and contract enforcement
2. *Business environment*: considers human capital, taxes, infrastructure, and costs of doing business
3. *Financial stability*: captures the risk of currency crises, systemic banking crises, and sovereign debt crises
4. *Banking financial services*: measures size, efficiency, and financial information disclosure
5. *Non-banking financial services*: includes IPO and M&A activity, insurance, and securitization
6. *Financial markets*: encompasses foreign exchange and derivatives markets, and equity and bond market development
7. *Financial access*: evaluates commercial and retail access

The Index takes a comprehensive view in assessing the factors that contribute to the long-term development of financial systems. Such an approach will allow decision-makers to develop a balanced perspective when determining which aspects of their country’s financial system are most important, and to calibrate this view empirically relative to other countries.

An important finding of this year’s Index results is that financial systems across the world appear to have stalled. One can

observe this in the minimal movement across ranks among the top 10 economies (see Table A). This is in line with the fact that the aggregate Index experienced less year-over-year rank movements than at any time since this *Report* was first published in 2008. An analysis of the seven pillars and corresponding subpillars allows for additional insights. Among the countries covered in the sample, there was little rank movement across three of the seven pillars: the institutional and business environments, as well as non-banking financial services. Movement in the remaining pillars and corresponding subpillars was driven either by individual variables, such as improvement in Tier 1 capital ratios and non-performing loans to total loans, or by enhancements to this year’s methodology.

Table A: Top 10 in overall Index rankings, 2012 vs. 2011

COUNTRY/ECONOMY	2012 RANK	2011 RANK	2012 SCORE (1-7)	CHANGE IN SCORE
Hong Kong SAR	1	1	5.31	+0.15
United States	2	2	5.27	+0.12
United Kingdom	3	3	5.21	+0.21
Singapore	4	4	5.10	+0.14
Australia	5	5	5.01	+0.08
Canada	6	6	5.00	+0.14
Japan	7	8	4.90	+0.19
Switzerland	8	9	4.78	+0.15
Netherlands	9	7	4.73	+0.02
Sweden	10	11	4.71	+0.20

Only two subpillars, IPO activity and equity market development, experienced considerable year-over-year change in the underlying data for the majority of the indicators. Results show that:

- Over the past year, median IPO market share in proceeds decreased 11 percent, while median share of world IPOs in number of offerings declined 14 percent. This suggests that the markets in which corporations list are getting slightly more concentrated.
- From 2010 to 2011, three out of the four indicators in the equity market development subpillar moved significantly, by a median of nearly 20 percent. Over the same time frame, more than two-thirds of countries experienced a year-over-year decline in stock market turnover ratio and number of listed companies per 10,000 people, while three-quarters of countries saw a drop in stock market value traded to GDP.

Although most subpillars experienced negligible movement, IPO activity and equity market development appeared to experience significant volatility. Therefore, a closer look at the underlying variables in each of these subpillars over a multi-year period proves informative. Looking at changes in the individual variables from a general and regional perspective sheds light on how individual economies and regions fared throughout the crisis. The *Report* pays particular attention to the top five countries hosting the world's largest exchanges, since they account for more than 50 percent of the world's stock market capitalization, and thus provide an additional perspective on the effects of the recent crisis on equity markets. Some of the key points from this analysis include the following:

- Across the country sample, the most significant change occurred within the domestic market capitalization to GDP indicator. The variable's largest year-on-year decline took place from 2007 to 2008, and 2011 levels are still substantially lower than in 2006. Nevertheless, liquidity appears to be stabilizing, as highlighted by the fact that turnover velocity rebounded in 2011, moving closer to 2006 levels.
- Regional results are in line with the above-mentioned trends, as domestic market capitalization to GDP decreased for most regions, with the exception of Asia/Pacific. In contrast, while the overall picture suggests that liquidity is stabilizing, Europe and Latin America see a decrease, indicating that lingering liquidity issues may be region-specific.
- Across the top five economies that host the largest exchanges, liquidity appears to be stabilizing in line with the overall trend, with the exception of the United Kingdom. Nevertheless, domestic market capitalization to GDP is still declining in three of the five countries examined. Among the factors that influence this drop are declines in value of shares trading to GDP, the number of listed companies per 10,000 people, and IPO activity.

While one can observe pockets of improvement across some indicators related to the banking system, this signifies only a small step in what will be a long road to recovery. Volatility across the equity markets also suggests that many actors feel a degree of uncertainty. In order to realize much-needed growth opportunities, decision-makers need to recognize that financial systems must progress. At the same time, leaders should keep a watchful eye on those indicators that have shown declines and take action should conditions continue to deteriorate.

Part 1

Findings from the Financial Development Index 2012

The Financial Development Index 2012: Stalled Recovery – In Search of Growth

ISABELLA REUTTNER, World Economic Forum

TODD GLASS, World Economic Forum USA

The global economic outlook remains quite bleak. In October this year, the International Monetary Fund cut its 2012 global growth forecast slightly to 3.3 percent, with the warning that its outlook depended on rapid policy action, especially in the euro zone. The Fund also said that emerging markets continue to be the global driver of growth, forecasting 5.3 percent for 2012 and 5.6 percent for 2013. Nevertheless, these predictions are tied to the expectation that emerging markets will take steps to support their economies in a time of continued global turmoil.

Although pockets of recovery from the recent crisis are appearing, many observers believe that a number of issues remain. Some of these are legacy issues from before the crisis, such as rising and unsustainable debt levels, while others are a direct result of the crisis, such as high unemployment and economic stagnation in some emerging economies due to trade linkages. One issue that everyone can agree on is that sustainable growth in the long term is absolutely essential to the process of overcoming many of the challenges that countries across the world face.

Empirical studies have generally found that cross-country differences in levels of financial development explain a considerable portion of the differences in growth rates of economies.¹ Countries should, therefore, take a holistic view by identifying and improving long-term factors crucial to their financial development. This would encourage economic prosperity for all participants in the global economy.

It is against this backdrop that the fifth annual *Financial Development Report* aims to provide policymakers with a common framework to identify and discuss the range of factors that are central to the development of global financial systems and markets. It provides the Financial Development Index (“the Index”), which ranks 62 of the world’s leading financial systems and can be used by countries to benchmark themselves and establish priorities for financial system improvement. The *Financial Development Report* is published annually so that countries can continue to compare themselves with their peers and track their progress over time.

In recognition of the diversity of economies covered by the Index and the variety of financial activities that are vital to economic growth, the *Report* provides a holistic view of financial systems. For the purposes of this *Report* and the Index, we have defined *financial development* as *the factors, policies, and institutions that lead to effective financial intermediation and markets, as well as deep and broad access to capital and financial services*. This definition thus spans the foundational supports of a financial system, including the institutional and business environments; the financial intermediaries and markets through which efficient risk diversification and capital

allocation occur; and the results of this financial intermediation process, which include the availability of, and access to, capital.

The Index relies upon current academic research, both in selecting the factors that are included and in determining its overall structure. Consistent with its purpose of supporting the long-term development of financial systems and their central role in economic growth, it also encourages a broad analysis rather than a theoretical focus on a few specific areas. Such a holistic view will allow decision makers to develop a balanced perspective as to which aspects of their country's financial system are most important and to empirically calibrate this view relative to other countries.

Financial development and economic growth

A large body of economic literature supports the premise that, in addition to many other important factors, the performance and long-term economic growth and welfare of a country are related to its degree of financial development. Financial development is measured by factors such as size, depth, access, and the efficiency and stability of a financial system, which includes its markets, intermediaries, range of assets, institutions, and regulations. The higher the degree of financial development, the wider the availability of financial services that allow the diversification of risk. Such diversification, in turn, increases the long-term growth trajectory of a country and ultimately improves the welfare and prosperity of producers and consumers that have access to financial services. The link between financial development and economic growth can be traced back to the work of Joseph Schumpeter in the early 20th century,² and more recently to Ronald McKinnon and Edward Shaw. This link is now well established in terms of empirical evidence.³

In general, economic recoveries after financial crises have been shown to be much slower than those that occur after recessions not associated with financial crises.⁴ This has been the case in the slow economic recovery of many countries since the onset of the recent crisis. The added strain on the financial system of the current crisis has only increased the need for stability. However, it is also important to consider the positive impact that broader financial development and more dynamic financial systems can have on longer-term economic growth. Research supports the idea that countries that have experienced occasional financial crises have, on average, demonstrated higher economic growth than countries that have exhibited more stable financial conditions.⁵ While it is important to mitigate the short-term impact of crises, it is also important to view financial development in terms beyond that of financial stability.

Economic theory suggests that financial markets and intermediaries exist mainly because of two types of market frictions: information costs and transaction costs. The role of financial markets and intermediaries is to assist in the trading, hedging, diversification, and pooling of risk; provide insurance services; allocate savings and resources to the appropriate investment projects; monitor managers and promote corporate control and governance; mobilize savings efficiently; and facilitate the exchange of goods and services.

Financial intermediation and financial markets contribute directly to economic growth and aggregate economic welfare through their effect on capital accumulation (the rate of investment) and on technological innovation. First, greater financial development leads to greater mobilization of savings and its allocation to the highest-return investment projects. This increased accumulation of capital enhances economic growth. Second, by allocating capital to the right investment projects and promoting sound corporate governance, financial development increases the rate of technological innovation and productivity growth, further enhancing economic growth and welfare.

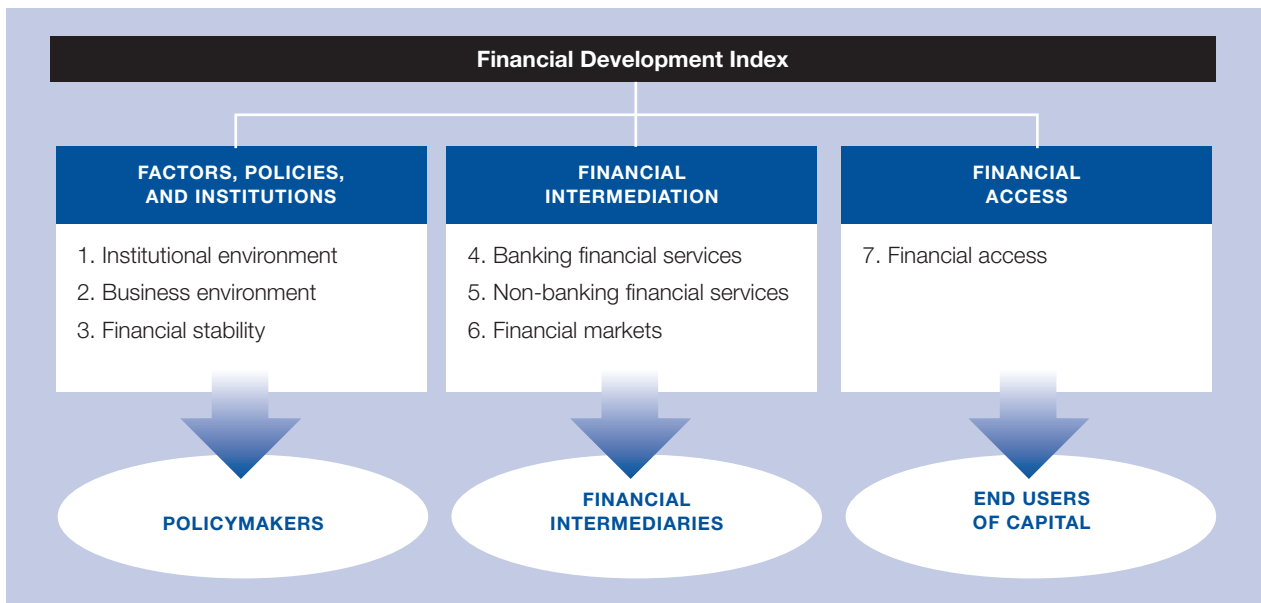
Financial markets and intermediation also benefit consumers and firms in many other ways that are not directly related to economic growth. Access to financial markets for consumers and producers can reduce poverty, such as when the poor have access to banking services and credit. The importance of microfinance becomes clear in this context. Credit access for consumers smoothes consumption over time through borrowing and/or lending and stabilizes consumer welfare during temporary shocks to wages and income. By contributing to the diversification of savings and of portfolio choices, microfinance can also increase the return on savings and ensure higher income and consumption opportunities. Insurance services can mitigate a variety of risks that individuals and firms face, and allow better sharing of individual or even macroeconomic risk.⁶

The seven pillars of financial development

The degree of depth and efficiency in the provision of financial services depends on several factors, all of which—along with their respective interactions—must be taken into account when one is looking to understand and measure the degree of financial development. Conceptually, in an index that measures financial development, the various aspects of development can be seen as seven “pillars” grouped into three broad categories, as indicated in Figure 1:

- 1. Factors, policies, and institutions:** the foundational characteristics that allow the development of financial intermediaries, markets, instruments, and services.

Figure 1: Composition of the Financial Development Index



Source: World Economic Forum.

2. Financial intermediation: the variety, size, depth, and efficiency of the financial intermediaries and markets that provide financial services.

3. Financial access: access by individuals and businesses to different forms of capital and financial services.

The seven pillars are organized and described below according to these three categories. (See Appendix A for the detailed structure of the Index and a list of all indicators.)

Factors, policies, and institutions

The first category covers those foundational features that support financial intermediation and the optimal provision of financial services, and includes the first three of the seven pillars: the institutional environment, the business environment, and the degree of financial stability.

First pillar: Institutional environment

The institutional environment encompasses the macroprudential oversight of financial systems, as well as the laws and regulations that allow the development of deep and efficient financial intermediaries, markets, and services. It includes the overall laws, regulations, and supervision of the financial sector, as well as the quality of contract enforcement and corporate governance. Economic theory proposes that a strong institutional environment alleviates information and transaction costs.⁷ Much empirical work has tackled issues related to the importance of institutions and their impact on economic activity in general. The presence of legal institutions that safeguard the interests of investors is an integral part of financial development.⁸ Reforms that bolster a country's legal environment and investor protection are likely to

contribute to a more efficient financial sector.⁹ Accordingly, we have included variables related to the degree of judicial independence and judicial efficiency. In addition, a recent study stresses the importance of carrying out institutional reforms, such as stronger property rights, as the financial sector develops. Only with such reforms can a move to a more market-based financial system benefit a country's population at large and the poor in particular.¹⁰

The recent crisis clearly highlighted the importance of regulation at the institutional level as it relates to financial stability and its corresponding effects on the real economy. The systemic nature of certain industries and corporations requires proper oversight through a solid regulatory framework. In particular, the shadow banking sector has captured much attention. For a more detailed discussion of regulation of shadow banking, please see Box 1 and subsequent Chapter 1.2. The recent financial crisis also emphasized the critical role central banks play in the functioning of financial systems. Therefore, we have included a measure related to central bank transparency, as well as a variable addressing the effectiveness of regulation of securities exchanges. In addition, a study conducted this year finds that weak governance quality is associated with a higher incidence of both fiscal and political stress events,¹¹ supporting our indicator on public trust in politicians. Finally, there is still much debate around supervision and internationally coordinated or harmonized regulation, both of which are important considerations. However, since cross-country data remain sparse, we are unable to include any specific indicators, at least until further research becomes available.

Box 1: Drawing boundaries around and through the banking system

Please see Chapter 1.2 by Darrell Duffie for a full discussion of this topic.

As operators of payment and settlement systems, banks play a critical role in ensuring that buyers of goods and services are able to complete their transactions. Banks also facilitate the use of money through credit intermediation and maturity transformation—they use short-term funding to finance longer-term assets. Outside the banking system is the shadow banking system—a complex and ambiguously defined web of financial institutions that conduct financial intermediation and maturity transformation services for savers and investors through a variety of securitized funding methods. Investment banks, prime money-market mutual funds, and structured investment vehicles (SIVs) are just a few examples of the shadow banks that comprise this universe. Although shadow banks offer close substitutes to traditional bank lending and deposit taking, they are not regulated as banks. As a result, they traditionally lack the safety net that is offered to banks in times of crisis.

However, in the crisis of 2007-2009, the US safety net was extended to failing non-banking financial institutions such as AIG, Fannie Mae, and Freddie Mac, and to money market mutual funds suffering runs. The decision to bail out members of the shadow banking world did not come without scrutiny. Extending government support without increased regulation raises the threat of moral hazard. As a consequence, a debate invariably arises over how the traditional and shadow banking systems should be regulated and what impact this will have on market efficiency and financial stability.

In the United States, the discussion has resulted in legislation known as the Volcker Rule, which restricts regulated banks and affiliates from financial trading activities other than those necessary for hedging their own risks, making markets, and underwriting new securities offerings. In practice, the ability of regulators to distinguish between hedging and market-making activities is quite limited, and implementation of the Volcker Rule may thus have negative consequences for market liquidity. New non-regulated market makers may eventually fill this void, and the whole debate over shadow activities will start anew.

The United Kingdom's response to the dangers exposed by the financial crisis has been to "ring fence" traditional domestic banks from wholesale global banking activities, such as securities and derivatives trading. Like the Volcker Rule, ring fencing may be difficult to implement because of the ambiguity in identifying when a bank's clients are obtaining commercial hedging services and when they are routing demands for speculative positions through the bank's "domestic side" in order to have a safer counterparty.

The debate over defining the regulatory boundaries of the banking system and additional rules for shadow banks is an important one. Policymakers must weigh the costs and benefits of tighter regulation and the extension of safety nets to shadow banks. These decisions will undoubtedly have profound consequences on effective and efficient financial intermediation, as well as on financial stability.

High-quality corporate governance is believed to encourage financial development, which, in turn, has a positive impact on growth.¹² Contract enforcement is also important, because it limits the scope for default among debtors and thus promotes compliance. Variables capturing these measures as they relate to the formal transfer of funds from savers to investors are included in the pillar.¹³ Inadequate investor protection leads to a number of adverse effects, which can be detrimental to external financing and ultimately to the development of well-functioning capital markets.¹⁴ Nevertheless, literature warns of over-regulating investor protection.

Specifically, a study of the impact of investor protection regulation on corporate governance for a number of countries shows that stringent investor protection regulation carries either a neutral or negative effect on company performance.¹⁵ In general, inadequate enforcement of financial contracts has been found to promote credit rationing, thus hindering the overall process of growth.¹⁶

Other important aspects of the institutional environment include a country's capital account openness and domestic

financial sector liberalization. Financial liberalization generally permits a greater degree of financial depth, which translates into greater financial intermediation among savers and investors. This, in turn, increases the monetization of an economy, resulting in a more efficient flow of resources.¹⁷ Empirically, however, capital account liberalization delivers mixed results. Several studies assert that capital account liberalization has no impact on growth, while others find a positive, and statistically significant, impact.¹⁸ At the same time, other work asserts that the relationship is undetermined.

Given such ambiguity over the impact of capital account openness, it is best examined within the context of the legal environment. The better a country's legal and regulatory environment, the greater the benefits from capital account openness—and vice versa. Accordingly, within the Index, we try to capture the relationship between capital account openness and the level of legal and regulatory development, and have interacted the variables used to measure each (see Appendix A).

The presence of both a robust legal and regulatory system and capital account openness provides a positive indication of the financial development of a country. We have also interacted the capital account openness variable with the level of bond market development, because of research that asserts the importance of developing domestic bond markets in advance of full liberalization of the capital accounts.¹⁹ Assessments of commitment to World Trade Organization (WTO) trade agreements related to financial services have also been included and interacted in a similar manner.

A comparable analysis can be extended to the degree of liberalization of the domestic financial sector. The degree of liberalization is based on whether a country exerts interest rate controls (either ceilings or floors), whether credit ceilings exist, and whether foreign currency deposits are allowed. In general, the better a country's legal and regulatory environment, the greater the impact of domestic financial sector liberalization on the country's economic growth. Variables representing each of these characteristics have been interacted. Research supports the importance of advanced legal systems and institutions to the financial sector, holding that the presence of such institutions is as vital as having both a developed banking sector and an equity market.²⁰

Second pillar: Business environment

The second pillar focuses on the business environment and considers:

- the availability of human capital—that is, skilled workers who can be employed by the financial sector and thus provide efficient financial services;
- the state of physical capital—that is, the physical and technological infrastructure; and
- other aspects of the business environment, including taxation policy and the costs of doing business for financial intermediaries.

Facilitating the creation and improvement of human capital can assist economic growth.²¹ Empirical evidence supports this observation and shows positive correlations between human capital and the degree of financial development.²² Our proxies for the quality of human capital are related to the enrollment levels of tertiary education. We also include other measures that reflect the quality of human capital, such as the degree of staff training, the quality of management schools and math and science education, and the availability of research and training services.

An additional key area is infrastructure. We capture a basic measure of the quality of physical infrastructure, which enhances the process of private capital accumulation and financial depth by increasing the profitability of investment.²³

However, our analysis of infrastructure emphasizes measures of information and communication technologies, which are particularly important to those firms operating within a financial context because of their data-intensive nature.

Another integral aspect of the business environment is the cost of doing business in a country. Specifically, research has shown that the cost of doing business is a vital feature of the efficiency of financial institutions. The different costs of doing business are fundamental to assessing a country's business environment as well as the type of constraints that businesses may face.²⁴ A better business environment leads to better performance of financial institutions, which, in turn, results in a higher degree of financial development. Variables that capture the costs of doing business include the World Bank's measures of the cost of starting a business, the cost of registering property, and the cost of closing a business. Indirect and transaction costs are captured in variables such as time to start a business, time to register property, and time to close a business.

Our analysis considers taxes as another key constraint that businesses in the financial sector face. The variables in this subpillar focus on misrepresentative and burdensome tax policies. We have included a variable to capture high marginal tax rates, which have been found to have distortionary effects. As the academic literature is less clear about the effects of absolute rates of taxation and issues of data comparability, we have not included measures related to overall tax rates.

Finally, empirical evidence suggests that civic capital encompasses a positive economic payoff and can explain persistent differences in economic development between countries.²⁵ However, current data that capture levels of civic capital do not provide enough coverage of countries in the Index, and we are unable to include such a measure until coverage improves.

Third pillar: Financial stability

The third pillar addresses the stability of the financial system. The severe negative impact of financial instability on economic growth emerged sharply in the recent financial crisis, as well as in past financial crises. Such instability can lead to significant losses to investors, resulting in systemic banking and corporate crises, currency crises, and sovereign debt crises. The third pillar captures the risk of these three types of crises.

For the risk of currency crises, we include the change in real effective exchange rate, the current account balance, a dollarization vulnerability indicator, an external vulnerability indicator, external debt to GDP, and net international investment

position. We apply variables relating to external debt to GDP and net international investment position specifically to developing and developed countries, respectively.

The systemic banking crises subpillar combines measures of historic banking system instability, an assessment of aggregate balance sheet strength, and measures of the presence of real estate “bubbles,” as a study finds that “turbulence in the real estate market directly affects the stability of the banking system.”²⁶ Historic instability is captured in a measure of the frequency of banking crises since the 1970s; more recent banking crises are given greater weight. Empirical research has shown that countries that have gone through systemic banking crises or endured a high degree of financial volatility are more susceptible to profound short-term negative impacts on the degree of financial intermediation.²⁷ We also capture the degree of economic output loss associated with crises, weighting output loss from more recent crises more heavily. It is important that prudential regulation include uniform capital adequacy requirements, and accordingly we have included a measurement of Tier 1 capital in this subpillar.²⁸ Some research indicates that quantitative capital adequacy measures are not always accurate measures of the financial strength of banks in developing countries.²⁹ Accordingly, we have included a financial strength indicator that balances quantitative measures of balance-sheet strength with qualitative assessments of banks’ abilities to meet their obligations to depositors and creditors. A measure of share of government bond holdings by domestic banks would also be valuable. However, because cross-country data are limited, we are unable to incorporate this measure into the Index.

The last type of crisis captured within the financial stability pillar is sovereign debt crisis. Manageability of public debt, defined as total public debt as a percent of GDP, is included in this pillar. The ability of countries to pay this debt in full and in a timely manner is captured in sovereign credit ratings, an important proxy for the risk of a crisis. In particular, these variables increase in importance along with the transfer of debt from the private sector to the public sector. These data were calculated as an average of both local currency sovereign credit ratings and foreign currency sovereign credit ratings. A high sovereign credit rating signifies less likelihood of default occasioned by a sovereign debt crisis. Credit default swaps provide a quantitative, market-based indicator of the ability of a country to repay its debt. In addition, we include macroeconomic measures, such as inflation and GDP growth, as these influence the ability of countries to service their debt.

The greater the risk of these crises, the greater the likelihood that the various processes of financial intermediation will be hampered, precipitating lower economic growth rates. However, the effects of financial stability on economic growth can be considered in terms of a trade-off between risk and innovation/return, and many theories support the view that financial innovation drives the financial system toward greater economic efficiency.³⁰ A financial system that is heavily regulated may be very stable and never spark a financial crisis, but such a controlled system would hamper the financial development and innovation that increases returns, diversifies risks, and allocates resources to the highest-return investments. Conversely, a financial system that is free and innovative, and very lightly regulated, may eventually become unstable by triggering unsustainable credit booms and asset bubbles that can severely affect growth, returns, and welfare. Nevertheless, although there is some trade-off between the stability of the financial system and its degree of innovation and sophistication, financial stability remains an important input in the process of financial development.

Financial intermediaries and markets

The second category of pillars measures the degree of development of the financial sector, as expressed in the different types of intermediaries. These three pillars are banking financial services, non-banking financial services (e.g., investment banks and insurance firms), and financial markets.

Consensus exists on the positive relationship between the size and depth of the financial system and the supply and robustness of financial services that are important contributors to economic growth.³¹ The size of financial markets (total financial assets within a country) is an important determinant of savings and investment.³² Moreover, the larger a financial system, the greater its ability to benefit from economies of scale, given the significant fixed costs prevailing in financial intermediaries’ activities. A larger financial system tends to relieve credit constraints, facilitating borrowing by firms and further improving the process of savings mobilization and the channelling of savings to investors. Given that a large financial system should allocate capital efficiently and better monitor the use of funds, improved access to financing will tend to amplify the resilience of an economy to shocks.

The depth (total financial assets as a percent of GDP) of a financial system is an important component of financial development, as it contributes to economic growth rates across countries.³³ Measures of size and depth have been included in each of the three financial intermediation pillars.

Fourth pillar: Banking financial services

Although the third pillar captures some of the negative impact that an unstable banking system can have on an economy, banks also play a vital role in supporting economic growth.

This role is captured in the fourth pillar. Bank-based financial systems emerge to improve acquisition of financial information and to lower transaction costs, as well as to allocate credit more efficiently, which is particularly important in developing economies.

The efficient allocation of capital in a financial system generally occurs through bank-based systems or market-based financial systems.³⁴ Some research asserts that banks finance growth more effectively and efficiently than market-based systems, particularly in underdeveloped economies, where non-bank financial intermediaries are generally less sophisticated.³⁵ Research also shows that, compared with other forms of financial intermediation, well-established banks form stronger ties with the private sector, a relationship that enables them to acquire information about firms more efficiently and to persuade firms to pay their debts in a more timely manner.³⁶ Advocates of bank-based systems argue that banks that are unimpeded by regulatory restrictions tend to benefit from economies of scale in the process of collecting information and can thus enhance industrial growth. Banks are also key players in eradicating liquidity risk, which causes them to increase investment in high-return, illiquid assets and speed up the process of economic growth.³⁷ One of the key measures of the efficacy of the banking system captured in this pillar is size. The larger the banking system,

the more capital it can channel from savers to investors. This enhances financial development, which in turn leads to greater economic growth. Currently, we are witnessing growth across many emerging-market banks. Box 2 and subsequent Chapter 1.3 discuss this in more detail. Measures of size include deposit money bank assets to GDP, M2 to GDP, and private credit to GDP.

Another key aspect of the banking system is its efficiency. Direct measures of efficiency captured in the Index are aggregate operating ratios, such as bank operating costs to assets and the ratio of non-performing loans to total loans. An indirect measure of efficiency is public ownership. Publicly owned banks tend to be less efficient, impeding credit allocation and the channelling of capital, and thus slowing financial intermediation. Recent literature suggests that banking sector development has significant and positive effects on firm innovation in countries with lower government ownership of banks, but insignificant and sometimes even significantly negative effects in countries with higher government ownership of banks.³⁸

Measures of operating efficiency may provide an incomplete picture of the efficacy of the banking system if it is not profitable. Accordingly, we also include an aggregate measure of bank profitability. At the same time, if banks are highly profitable while

Box 2: Branching out: The rise of emerging market banks

Please see Chapter 1.3 by Neeltje van Horen for a full discussion of this topic.

The global financial crisis and subsequent sovereign debt crisis have left many banks in advanced economies teetering on the brink of collapse. In emerging markets, on the other hand, banks have not only weathered the storm, but even thrived—many emerging market banks have vaulted up the global size rankings. China's ICBC is the world's biggest bank in terms of market value, and seven additional emerging market banks from China, Brazil, and Russia are among the top 25 banking financial institutions. This impressive rise is further validated by the fact that, as recently as 2005, no emerging market bank was in the list of top 25 largest institutions by market capitalization.

The expansion of emerging market banks has not been confined to domestic markets. Rather, emerging market investment in foreign banks has grown, in terms of both number of host countries and number of investors. From 1995 to 2009, the number of emerging markets that pursued banking activities in other countries increased from 45 to 60. Low-income countries are the primary investment locale for emerging market banks, and as of 2009, South Africa, Russia, Turkey, and Brazil were the most active investors, owning 31, 29, 21, and 17 foreign banks, respectively.

Whereas banks from advanced economies continue to seek expansion opportunities at the global level, emerging market banks tend to invest in smaller, less-developed countries within their own region. This trend is highlighted by the fact that 80 percent of investments from emerging market banks are within their own region. This regional effect may be due to the competitive advantage that emerging market banks have in working in institutionally weak and politically tumultuous environments.

Although the recent financial turmoil has put the global banking system in an increasingly precarious position, emerging market banks find themselves poised to capitalize on this uncertain environment. Domestically, emerging market banks will benefit from a large unbanked population, as well as the strong credit demand that is needed to finance economic growth. Banks from emerging markets are also expected to play a more active role as foreign investors, particularly within their own geographical regions. The expansion of emerging market banks at both the domestic and regional levels will likely represent a considerable shift as banks from advanced economies are forced to make structural adjustments in order to adhere to the rules imposed by international and domestic regulators.

performing poorly in the operating measures, then this may indicate a lack of competition along with high undue inefficiency.

A third key aspect of the efficacy of the banking system is the role of financial information disclosure within the operation of banks. Policies that induce correct information disclosure, authorize private-sector corporate control of banks, and motivate private agents to exercise corporate control, tend to encourage bank development, operational efficiency, and stability.³⁹ However, due to limited cross-country data availability, we are not able to include variables that capture this. On the other hand, cross-country data are available for the coverage of private credit bureaus and public credit registries, so we include these measures in the financial information disclosure subpillar.

Fifth pillar: Non-banking financial services

Non-bank financial intermediaries—such as broker-dealers, traditional asset managers, alternative asset managers, and insurance companies—can be both an important complement to banks and a potential substitute for them. Their complementary role lies in their efforts to fill any vacuum created by commercial banks. Their competition with banks allows both parties to operate more efficiently in meeting market needs. Activities of non-bank financial intermediaries include their participation in securities markets as well as the mobilization and allocation of financial resources of a longer-term nature—for example, in insurance activities. Because of inadequate regulation and oversight, certain non-banking financial services, such as securitization, played a detrimental role in the recent financial crisis as part of the so-called shadow banking system. However, within the context of a sound legal and regulatory framework, such services fulfill a unique and vital role as financial intermediaries.

The degree of development of non-bank financial intermediaries is a good proxy for a country's overall level of financial development.⁴⁰ Empirical research has found that both banks and non-bank financial intermediaries are larger, more active, and more efficient in developed economies.⁴¹ Advocates of the market-based system (i.e., non-banks) point to the fact that non-bank financial intermediaries are able to finance innovative and high-risk projects.⁴² There are three main areas of non-bank financing activity that we capture in the Index: initial public offerings (IPO), mergers and acquisitions (M&A), and securitization.

Additionally, we include a number of variables on the insurance sector, which can facilitate trade and commerce by providing ample liability coverage. Recent empirical research has found a strong positive relationship between insurance sector development and economic growth; this relationship holds

quite strongly even in developing countries.⁴³ Insurance also creates liquidity and facilitates the process of building economies of scale in investment, thereby improving overall financial efficiency.⁴⁴

Sixth pillar: Financial markets

Recent literature finds that, as economies develop, they increase their demand for the services provided by financial markets relative to those provided by banks, so that financial markets become comparatively more important as economies grow.⁴⁵ The four major types of financial markets include bond markets (for both government and corporate bonds), stock markets where equities are traded, foreign exchange markets, and derivatives markets.

Stock market liquidity has a significant positive impact on capital accumulation, productivity growth, and current and future rates of economic growth.⁴⁶ More generally, economic theory suggests that stock markets encourage long-term growth by promoting specialization, acquiring and disseminating information, and mobilizing savings efficiently to promote investment.⁴⁷ Research also shows that, as countries become wealthier, stock markets become more active and efficient relative to banks.⁴⁸ Despite bond markets having received little empirical attention, some research shows that they play an important role in financial development and the effective allocation of capital.⁴⁹

Derivatives markets are an important aspect of this pillar because they can significantly improve risk management and risk diversification. More developed derivatives markets can enhance the confidence of international investors and financial institutions and encourage these agents to participate in these markets. Derivatives markets are generally small in emerging markets. A stronger legal and regulatory environment can enhance the development of such markets.⁵⁰

Financial access

This third and final category is comprised of one pillar that represents measures of access to capital and financial services.

Seventh pillar: Financial access

The measures represented in this last pillar span areas of access to capital through both commercial and retail channels. Empirically, greater access to financial services is associated with the usual proxies for financial development and the resulting economic growth.⁵¹ The presence of financial services *per se*, as reflected by size and depth, does not necessarily imply that different types of users within an economy have access to them. Thus, it is access that is integral to our analysis.

In light of the different channels—and issues—associated with commercial and retail access, we separate our measures within this pillar accordingly. Commercial access includes measures such as access to venture capital, commercial loans, and local equity markets. Retail access includes measures such as access to microfinance and the penetration of bank accounts and ATMs.

The importance of financial access for small- and medium-sized enterprises (SMEs), which are critical in driving economic growth in many countries, has recently been highlighted by organizations such as the G-20. Depending on how they are defined (and they are defined differently in various countries), SMEs can have financial needs related to both retail and commercial access. There is a shortage of global data related to SME finance. However, the G-20 and other multilateral organizations have highlighted the need to provide SMEs with access to financing, and we will incorporate new data into the Index when they become available.

Access to financial services by end users is influenced by the performance of other pillars. Accessibility, along with the size and depth of the entire financial system as captured in the previous pillars, has a significant effect on a country's real activity, economic growth, and overall welfare.

Adjustments to the Financial Development Index this year

The overall structure of the Financial Development Index remains the same as in last year's *Report*. There are still seven pillars in the Index, with the same associated subpillars. Each of these subpillars contains the constituent variables that make up the Index. Appendix A lays out the complete structure and methodological detail of the Index.

We have made some changes to the Index this year at the indicator level. We removed the centralization of economic policymaking indicator and the financial stress index from the legal and regulatory issues and banking system stability subpillars, respectively. In the case of centralization of economic policymaking, the indicator is no longer available. As for the Financial Stress Index, we believe that it does not reflect issues in the banking sector, since it focuses mostly on stress in securities markets and exchange rates.

Because the quality of telephone infrastructure variable is no longer available, we have replaced it with quality of electricity supply. In addition, the Internet users' indicator in the infrastructure subpillar has changed from fixed (wired) Internet subscriptions per 100 inhabitants to percent of individuals using the Internet. Last, we have replaced and added some new variables in the retail access subpillar in order to capture not only the availability of financial services but also the usage:

- The market penetration of bank accounts indicator has changed from the number of commercial bank accounts per 100,000 adults to the percent of the population (15 years or older) with an account at a formal financial institution;
- The total number of point-of-sale (POS) devices indicator was replaced with debit card penetration (the percent of respondents with a debit card); and
- A loan from a financial institution indicator (percent of respondents who have borrowed from a financial institution in the past year) was added.

We have incorporated some title changes in the insurance subpillar to reflect the common understanding of the variables we use:

- Indicator 5.07 has changed from life insurance density to life insurance penetration;
- Indicator 5.08 has changed from non-life insurance density to non-life insurance penetration;
- Indicator 5.10 has changed from life insurance coverage to life insurance density; and
- Indicator 5.11 has changed from non-life insurance coverage to non-life insurance density.

The calculation of credit default swap spreads has been slightly modified and now uses the average of annual daily spot rates to reflect some of the price volatility throughout the year.

"A New Database on Financial Development and Structure" by Beck et al. will now be updated as part of the World Bank's Global Financial Development Database. The following indicators are now sourced from this database:

Pillar 4: Banking financial services

- (4.01) Deposit money bank assets to GDP
- (4.02) Central bank assets to GDP
- (4.03) Financial system deposits to GDP
- (4.05) Private credit to GDP
- (4.06) Bank deposits to GDP
- (4.08) Aggregate profitability indicator
- (4.09) Bank overhead costs

Pillar 6: Financial markets

- (6.09) Stock market turnover ratio
- (6.10) Stock market capitalization to GDP
- (6.11) Stock market value traded to GDP
- (6.12) Number of listed companies per 10,000 people

The coverage of this year's *Report* has increased from 60 to 62 economies. This change will lower the year-on-year ranks of countries that score below the newly covered countries. These countries are Kenya, Greece, and Portugal. Tunisia, which was covered in last year's *Report*, is excluded because an important structural break in the Executive Opinion data makes comparisons with previous years difficult. Although we did not report the results this year, we hope to include Tunisia again in the future.

The Financial Development Index 2012 rankings

The overall rankings and scores for this year's *Financial Development Report* can be seen in Table 1, along with the 2011 ranking, the Index score, and the change in score from last year. In addition, this year's pillar results can be found in Table 2. Looking broadly across the results for the 62 countries covered in the Index, we see some general trends emerge.

Overall trends in 2012 rankings

There has been minimal change within the top-ranked countries of the Index. The rank of the top six countries remains unchanged, while Japan (7th), Switzerland (8th), and Sweden (10th) all move up one spot. The most movement can be seen in the two-rank drop of the Netherlands, from 7th to 9th. Norway (13th) fell three spots, which allowed Sweden to enter the top 10.

This year's relative movement in rank, as measured by the standard deviation of year-over-year rank changes, is smaller than in any other year since the *Report* was first published. This is consistent with the notion that the *Report* provides only a snapshot of where financial systems currently are in what is sure to be a long recovery process.

In Figure 2, which provides an overview of the pillar and subpillar analysis, dark-shaded areas have higher movement in rank than lightly-shaded areas. At the pillar level, the institutional environment, business environment, and non-banking financial services pillars exhibit lower rank movement relative to prior years. Conversely, the financial stability, banking financial services, financial markets, and financial access pillars show greater movement in rank compared with previous years. The subpillar analysis highlights some of the areas that are driving these changes. In many cases, changes in subpillar rank are due to movement in the underlying data. However, other changes may be a result of adjustments to the methodology of this year's Index. Therefore, a closer examination of the subpillars, as well as the underlying indicators within each pillar that has seen higher relative movements, will prove informative.

Table 1: The Financial Development Index 2012 rankings: Comparison with 2011

COUNTRY/ECONOMY	2012 RANK	2011 RANK	2012 SCORE (1-7)	CHANGE IN SCORE
Hong Kong SAR	1	1	5.31	+0.15
United States	2	2	5.27	+0.12
United Kingdom	3	3	5.21	+0.21
Singapore	4	4	5.10	+0.14
Australia	5	5	5.01	+0.08
Canada	6	6	5.00	+0.14
Japan	7	8	4.90	+0.19
Switzerland	8	9	4.78	+0.15
Netherlands	9	7	4.73	+0.02
Sweden	10	11	4.71	+0.20
Germany	11	14	4.61	+0.28
Denmark	12	15	4.53	+0.22
Norway	13	10	4.52	+0.01
France	14	12	4.43	-0.01
Korea, Rep.	15	18	4.42	+0.29
Belgium	16	13	4.30	-0.08
Finland	17	21	4.24	+0.13
Malaysia	18	16	4.24	-0.01
Spain	19	17	4.22	-0.02
Ireland	20	22	4.14	+0.04
Kuwait	21	28	4.03	+0.31
Austria	22	20	4.01	-0.10
China	23	19	4.00	-0.12
Israel	24	26	3.94	+0.07
Bahrain	25	24	3.93	+0.04
United Arab Emirates	26	25	3.84	-0.05
Portugal	27	n/a	3.76	n/a
South Africa	28	29	3.71	+0.08
Chile	29	31	3.69	+0.08
Italy	30	27	3.69	-0.16
Saudi Arabia	31	23	3.68	-0.22
Brazil	32	30	3.61	-0.00
Jordan	33	32	3.56	+0.08
Thailand	34	35	3.55	+0.22
Czech Republic	35	34	3.49	+0.08
Panama	36	37	3.42	+0.19
Poland	37	33	3.41	-0.05
Slovak Republic	38	38	3.34	+0.12
Russian Federation	39	39	3.30	+0.12
India	40	36	3.29	-0.00
Peru	41	40	3.28	+0.12
Turkey	42	43	3.27	+0.13
Mexico	43	41	3.25	+0.09
Hungary	44	47	3.16	+0.13
Morocco	45	42	3.15	-0.00
Colombia	46	45	3.15	+0.06
Kazakhstan	47	46	3.13	+0.06
Greece	48	n/a	3.12	n/a
Philippines	49	44	3.12	-0.00
Indonesia	50	51	2.95	+0.03
Romania	51	52	2.93	+0.08
Vietnam	52	50	2.92	-0.05
Egypt	53	49	2.78	-0.22
Kenya	54	n/a	2.75	n/a
Argentina	55	53	2.68	-0.01
Ghana	56	58	2.67	+0.12
Bangladesh	57	56	2.62	+0.04
Pakistan	58	55	2.61	+0.03
Ukraine	59	54	2.56	-0.06
Tanzania	60	57	2.55	-0.00
Nigeria	61	60	2.46	+0.03
Venezuela	62	59	2.37	-0.07

Table 2: Financial Development Index 2012

OVERALL INDEX			FACTORS, POLICIES, AND INSTITUTIONS								
COUNTRY/ECONOMY	RANK	SCORE	1st pillar: Institutional environment			2nd pillar: Business environment			3rd pillar: Financial stability		
			COUNTRY/ECONOMY	RANK	SCORE	COUNTRY/ECONOMY	RANK	SCORE	COUNTRY/ECONOMY	RANK	SCORE
Hong Kong SAR	1	5.31	Singapore	1	6.24	Singapore	1	6.03	Saudi Arabia	1	6.11
United States	2	5.27	United Kingdom	2	6.00	Hong Kong SAR	2	6.03	Switzerland	2	5.99
United Kingdom	3	5.21	Norway	3	5.98	Denmark	3	5.89	Singapore	3	5.67
Singapore	4	5.10	Sweden	4	5.94	Finland	4	5.88	United Arab Emirates	4	5.58
Australia	5	5.01	Finland	5	5.93	Norway	5	5.88	Tanzania	5	5.51
Canada	6	5.00	Canada	6	5.90	Switzerland	6	5.85	Norway	6	5.44
Japan	7	4.90	Netherlands	7	5.90	Netherlands	7	5.83	Chile	7	5.35
Switzerland	8	4.78	Denmark	8	5.85	United Kingdom	8	5.75	Hong Kong SAR	8	5.35
Netherlands	9	4.73	Hong Kong SAR	9	5.77	Canada	9	5.72	Australia	9	5.26
Sweden	10	4.71	Germany	10	5.75	Sweden	10	5.64	Malaysia	10	5.24
Germany	11	4.61	Ireland	11	5.74	Germany	11	5.61	Czech Republic	11	5.19
Denmark	12	4.53	Switzerland	12	5.69	Australia	12	5.60	Kuwait	12	5.13
Norway	13	4.52	United States	13	5.65	United States	13	5.58	Canada	13	5.06
France	14	4.43	Belgium	14	5.62	Ireland	14	5.46	Mexico	14	5.05
Korea, Rep.	15	4.42	Japan	15	5.58	Korea, Rep.	15	5.41	Peru	15	5.04
Belgium	16	4.30	Austria	16	5.57	Bahrain	16	5.35	Netherlands	16	4.98
Finland	17	4.24	France	17	5.49	Saudi Arabia	17	5.29	South Africa	17	4.94
Malaysia	18	4.24	Australia	18	5.48	Austria	18	5.28	Germany	18	4.93
Spain	19	4.22	Israel	19	5.17	Japan	19	5.27	Japan	19	4.93
Ireland	20	4.14	Bahrain	20	5.17	United Arab Emirates	20	5.18	China	20	4.89
Kuwait	21	4.03	Malaysia	21	5.12	Belgium	21	5.16	Denmark	21	4.84
Austria	22	4.01	Portugal	22	5.01	France	22	5.12	Finland	22	4.82
China	23	4.00	United Arab Emirates	23	4.94	Portugal	23	4.93	Slovak Republic	23	4.82
Israel	24	3.94	Spain	24	4.93	Chile	24	4.89	Brazil	24	4.82
Bahrain	25	3.93	South Africa	25	4.74	Malaysia	25	4.85	Sweden	25	4.79
United Arab Emirates	26	3.84	Chile	26	4.60	Hungary	26	4.71	Israel	26	4.70
Portugal	27	3.76	Hungary	27	4.53	Kuwait	27	4.68	Belgium	27	4.56
South Africa	28	3.71	Saudi Arabia	28	4.42	Spain	28	4.67	Colombia	28	4.52
Chile	29	3.69	Jordan	29	4.42	Italy	29	4.64	Panama	29	4.47
Italy	30	3.69	Greece	30	4.35	Kazakhstan	30	4.61	Bahrain	30	4.47
Saudi Arabia	31	3.68	Panama	31	4.28	Israel	31	4.60	Austria	31	4.42
Brazil	32	3.61	Italy	32	4.27	Russian Federation	32	4.50	Kazakhstan	32	4.41
Jordan	33	3.56	Thailand	33	4.22	Turkey	33	4.49	Ghana	33	4.40
Thailand	34	3.55	Korea, Rep.	34	4.18	Slovak Republic	34	4.43	Thailand	34	4.40
Czech Republic	35	3.49	China	35	4.10	Czech Republic	35	4.42	Indonesia	35	4.40
Panama	36	3.42	Poland	36	4.10	Poland	36	4.40	Nigeria	36	4.39
Poland	37	3.41	Turkey	37	4.09	Jordan	37	4.35	Bangladesh	37	4.36
Slovak Republic	38	3.34	Czech Republic	38	4.04	Panama	38	4.34	United States	38	4.36
Russian Federation	39	3.30	Philippines	39	3.94	Romania	39	4.33	Morocco	39	4.33
India	40	3.29	Slovak Republic	40	3.87	Greece	40	4.32	Poland	40	4.31
Peru	41	3.28	Kuwait	41	3.85	Colombia	41	4.32	Russian Federation	41	4.19
Turkey	42	3.27	Ghana	42	3.80	South Africa	42	4.31	France	42	4.18
Mexico	43	3.25	Romania	43	3.79	Peru	43	4.19	United Kingdom	43	4.12
Hungary	44	3.16	Mexico	44	3.78	Morocco	44	4.15	Korea, Rep.	44	4.08
Morocco	45	3.15	Peru	45	3.78	Thailand	45	4.14	Romania	45	4.05
Colombia	46	3.15	Brazil	46	3.72	Mexico	46	4.05	India	46	3.95
Kazakhstan	47	3.13	Kenya	47	3.65	China	47	3.95	Philippines	47	3.87
Greece	48	3.12	Nigeria	48	3.65	Ghana	48	3.78	Jordan	48	3.86
Philippines	49	3.12	Kazakhstan	49	3.59	Brazil	49	3.74	Egypt	49	3.80
Indonesia	50	2.95	Morocco	50	3.54	Argentina	50	3.68	Pakistan	50	3.78
Romania	51	2.93	Indonesia	51	3.46	Egypt	51	3.64	Italy	51	3.62
Vietnam	52	2.92	Colombia	52	3.46	Ukraine	52	3.57	Venezuela	52	3.58
Egypt	53	2.78	Vietnam	53	3.44	Indonesia	53	3.49	Ireland	53	3.54
Kenya	54	2.75	Egypt	54	3.31	Philippines	54	3.44	Kenya	54	3.49
Argentina	55	2.68	Argentina	55	3.22	India	55	3.39	Spain	55	3.37
Ghana	56	2.67	India	56	3.18	Vietnam	56	3.32	Vietnam	56	3.26
Bangladesh	57	2.62	Tanzania	57	3.14	Kenya	57	3.29	Hungary	57	3.24
Pakistan	58	2.61	Pakistan	58	3.10	Pakistan	58	3.15	Turkey	58	3.22
Ukraine	59	2.56	Russian Federation	59	3.06	Tanzania	59	3.05	Argentina	59	3.18
Tanzania	60	2.55	Ukraine	60	2.93	Nigeria	60	2.78	Ukraine	60	3.14
Nigeria	61	2.46	Bangladesh	61	2.47	Venezuela	61	2.77	Portugal	61	2.65
Venezuela	62	2.37	Venezuela	62	2.32	Bangladesh	62	2.68	Greece	62	2.14

Table 2: Financial Development Index 2012 (continued)

FINANCIAL INTERMEDIATION						FINANCIAL ACCESS					
4th pillar: Banking financial services			5th pillar: Non-banking financial services			6th pillar: Financial markets			7th pillar: Financial access		
COUNTRY/ECONOMY	RANK	SCORE	COUNTRY/ECONOMY	RANK	SCORE	COUNTRY/ECONOMY	RANK	SCORE	COUNTRY/ECONOMY	RANK	SCORE
Hong Kong SAR	1	6.15	United States	1	6.11	United States	1	5.86	Sweden	1	5.73
United Kingdom	2	5.80	Korea, Rep.	2	5.04	United Kingdom	2	5.44	Canada	2	5.21
Japan	3	5.69	United Kingdom	3	4.85	Singapore	3	5.11	Belgium	3	5.09
Netherlands	4	5.29	China	4	4.48	Hong Kong SAR	4	5.04	Hong Kong SAR	4	5.08
Spain	5	5.27	Australia	5	4.35	Japan	5	4.71	United States	5	5.06
Norway	6	5.21	Japan	6	4.32	Kuwait	6	4.63	Australia	6	5.00
Australia	7	5.04	Canada	7	4.24	Switzerland	7	4.37	Bahrain	7	4.99
Sweden	8	5.03	Russian Federation	8	4.09	Australia	8	4.37	Finland	8	4.80
Portugal	9	5.02	India	9	3.94	Spain	9	4.33	Denmark	9	4.75
Singapore	10	4.78	Hong Kong SAR	10	3.76	Canada	10	4.27	Kuwait	10	4.73
Malaysia	11	4.71	Brazil	11	3.60	France	11	4.26	France	11	4.69
Germany	12	4.69	Singapore	12	3.44	Denmark	12	3.97	United Kingdom	12	4.51
Canada	13	4.60	Netherlands	13	3.28	Germany	13	3.80	Netherlands	13	4.46
Ireland	14	4.58	Malaysia	14	3.23	Korea, Rep.	14	3.78	Singapore	14	4.45
Belgium	15	4.57	Switzerland	15	3.12	Sweden	15	3.77	Portugal	15	4.41
Switzerland	16	4.46	Germany	16	3.06	Jordan	16	3.52	Germany	16	4.40
China	17	4.43	France	17	2.85	Netherlands	17	3.41	Norway	17	4.31
Austria	18	4.41	Spain	18	2.82	Italy	18	3.38	Ireland	18	4.18
France	19	4.39	Ireland	19	2.70	Belgium	19	3.15	Israel	19	4.17
Korea, Rep.	20	4.37	Poland	20	2.68	Israel	20	3.00	Spain	20	4.15
United States	21	4.28	Philippines	21	2.68	China	21	2.98	United Arab Emirates	21	4.09
Finland	22	4.27	South Africa	22	2.45	Austria	22	2.80	Korea, Rep.	22	4.06
Czech Republic	23	4.24	Indonesia	23	2.38	Ireland	23	2.79	Austria	23	3.98
Panama	24	4.21	Italy	24	2.38	Malaysia	24	2.71	Switzerland	24	3.97
Denmark	25	4.19	Norway	25	2.23	South Africa	25	2.67	Thailand	25	3.94
Greece	26	4.19	Jordan	26	2.19	Norway	26	2.61	Peru	26	3.82
Bahrain	27	4.18	Denmark	27	2.19	Portugal	27	2.57	Japan	27	3.81
Thailand	28	4.08	Kazakhstan	28	2.15	India	28	2.48	Malaysia	28	3.79
Italy	29	4.06	Argentina	29	2.14	Greece	29	2.45	Slovak Republic	29	3.74
Israel	30	3.99	Kenya	30	2.14	Turkey	30	2.39	Chile	30	3.59
United Arab Emirates	31	3.87	Chile	31	2.09	Finland	31	2.39	Czech Republic	31	3.55
Vietnam	32	3.87	Sweden	32	2.07	Brazil	32	2.37	Brazil	32	3.48
Jordan	33	3.81	Mexico	33	2.03	Thailand	33	2.27	Italy	33	3.46
Morocco	34	3.66	Ukraine	34	1.95	Philippines	34	2.18	Poland	34	3.43
Turkey	35	3.66	Belgium	35	1.95	Russian Federation	35	2.05	Panama	35	3.40
Brazil	36	3.55	Israel	36	1.94	Hungary	36	2.03	South Africa	36	3.39
Slovak Republic	37	3.53	Colombia	37	1.93	Vietnam	37	1.99	Colombia	37	3.36
South Africa	38	3.51	Panama	38	1.89	Pakistan	38	1.97	Hungary	38	3.33
Saudi Arabia	39	3.45	Morocco	39	1.84	Egypt	39	1.94	Turkey	39	3.33
Kuwait	40	3.43	Venezuela	40	1.82	Chile	40	1.92	Saudi Arabia	40	3.29
Chile	41	3.38	Kuwait	41	1.78	Bangladesh	41	1.83	China	41	3.15
Egypt	42	3.31	Thailand	42	1.77	Saudi Arabia	42	1.76	Greece	42	3.12
Mexico	43	3.25	Bahrain	43	1.77	Poland	43	1.75	Vietnam	43	3.06
Poland	44	3.17	Portugal	44	1.74	Kazakhstan	44	1.69	Mexico	44	2.96
India	45	3.14	Turkey	45	1.70	Morocco	45	1.64	India	45	2.94
Peru	46	3.07	Peru	46	1.69	Mexico	46	1.64	Morocco	46	2.92
Argentina	47	3.04	Austria	47	1.62	United Arab Emirates	47	1.63	Kazakhstan	47	2.89
Colombia	48	3.02	United Arab Emirates	48	1.61	Bahrain	48	1.61	Romania	48	2.86
Philippines	49	3.02	Finland	49	1.60	Slovak Republic	49	1.54	Kenya	49	2.85
Bangladesh	50	3.00	Czech Republic	50	1.56	Colombia	50	1.45	Russian Federation	50	2.83
Hungary	51	2.91	Vietnam	51	1.53	Romania	51	1.43	Bangladesh	51	2.83
Romania	52	2.88	Slovak Republic	52	1.47	Czech Republic	52	1.41	Jordan	52	2.77
Indonesia	53	2.82	Saudi Arabia	53	1.43	Ukraine	53	1.40	Philippines	53	2.74
Pakistan	54	2.79	Hungary	54	1.38	Indonesia	54	1.39	Indonesia	54	2.69
Kazakhstan	55	2.54	Pakistan	55	1.35	Peru	55	1.38	Ghana	55	2.67
Venezuela	56	2.48	Egypt	56	1.31	Kenya	56	1.37	Ukraine	56	2.66
Kenya	57	2.48	Greece	57	1.29	Venezuela	57	1.35	Nigeria	57	2.33
Russian Federation	58	2.37	Nigeria	58	1.19	Panama	58	1.33	Venezuela	58	2.28
Ukraine	59	2.30	Romania	59	1.19	Argentina	59	1.27	Tanzania	59	2.24
Ghana	60	1.89	Bangladesh	60	1.17	Nigeria	60	1.13	Argentina	60	2.21
Tanzania	61	1.88	Ghana	61	1.13	Ghana	61	1.01	Pakistan	61	2.13
Nigeria	62	1.79	Tanzania	62	1.01	Tanzania	62	1.00	Egypt	62	2.11

Figure 2: Main Index, pillar and subpillar variation analysis results

MAIN INDEX LEVEL	PILLAR LEVEL	SUBPILLAR LEVEL
Main Index	1st pillar: Institutional environment	Financial sector liberalization
		Corporate governance
		Legal and regulatory issues
		Contract enforcement
	2nd pillar: Business environment	Human capital
		Taxes
		Infrastructure
Cost of doing business		
3rd pillar: Financial stability	Currency stability	
	Banking system stability	
	Risk of sovereign debt crisis	
4th pillar: Banking financial services	Size index	
	Efficiency index	
	Financial information disclosure	
5th pillar: Non-banking financial services	IPO activity	
	M&A activity	
	Insurance	
	Securitization	
6th pillar: Financial markets	Foreign exchange markets	
	Derivatives markets	
	Equity market development	
	Bond market development	
7th pillar: Financial access	Commercial access	
	Retail access	

■ Little movement ■ High movement

Within the financial stability pillar, changes in rank can be observed across all of the subpillars. However, by far the most significant year-on-year movement in rank occurs in the banking system stability subpillar. Looking more closely at banking system stability, one can see year-on-year changes in two out of the five underlying indicators. First, Tier 1 capital ratios have improved; from 2011 to 2012, median Tier 1 capital ratios have risen 8.3 percent. This suggests that financial institutions are preparing for regulatory reform and strengthening their balance sheets. Second, the aggregate measure of real estate bubbles indicator experienced increases. As is the case with the Tier 1 capital ratio, over half the countries in the sample have seen an increase, albeit only a marginal one, with the median year-on-year change being 1.5 percent. Finally, removal of the Financial Stress Index, as discussed in more detail in the adjustments section, also contributes to some of the rank changes that can be found in this subpillar. For a more detailed look at the financial

stability pillar results, as well as a discussion of the underlying dynamics of the linear ranking, please see Box 3.

The banking financial services pillar similarly portrays higher relative rank movement. The largest movements occur in the efficiency index, while financial information disclosure sees the least change. Within the efficiency index subpillar, the largest improvement is in the non-performing bank loans to total loans indicator, with a median year-over-year increase of 8 percent, and with an increase in more than 60 percent of countries covered in the sample. In light of efforts to recover from the recent crisis, this improvement may be a step forward, as “bad” loans are being churned off balance sheets. In contrast, other indicators in the subpillar have experienced only marginal changes. For instance, the public ownership of banks indicator has seen a decline of 1.7 percent, suggesting that there has been an increase in public bank ownership. The indicator is evenly split between countries that have improved, declined, and experienced no change. One can also observe a slight increase (year-on-year median change of approximately 1 percent) in both bank overhead costs and bank operating costs to assets, possibly hinting at an improvement in the efficiency of banks, albeit still at a very low level.

The largest movement in rank across the four subpillars constituting the financial markets pillar appears in the equity market development subpillar. Although the other subpillars also show changes in rank, they are marginal in comparison. Three of the four indicators within the equity market development subpillar either increase or decrease by a median of nearly 20 percent year-over-year. Whereas the stock market turnover ratio and stock market value traded to GDP indicators both see approximately 70 percent of countries in our sample decline, the stock market capitalization to GDP indicator sees just over 70 percent of countries in the sample increase. The fourth indicator, number of listed companies per 10,000 people, also shows nearly 70 percent of countries decreasing, although on a smaller scale (a median year-on-year decline of 1.8 percent).

Within the financial access pillar, the largest changes in rank can be seen in the retail access subpillar. This is not surprising, given that this year's Index includes a number of new indicators (please see the adjustments section earlier in the chapter for more detail). Therefore, the high degree of movement across ranks is driven more by methodological changes than changes in the underlying data.

Pillar five, non-banking financial services, proves to be an exception among the seven pillars. Although this pillar shows lower rank movement relative to previous years, one of its

Box 3: A closer look at financial stability

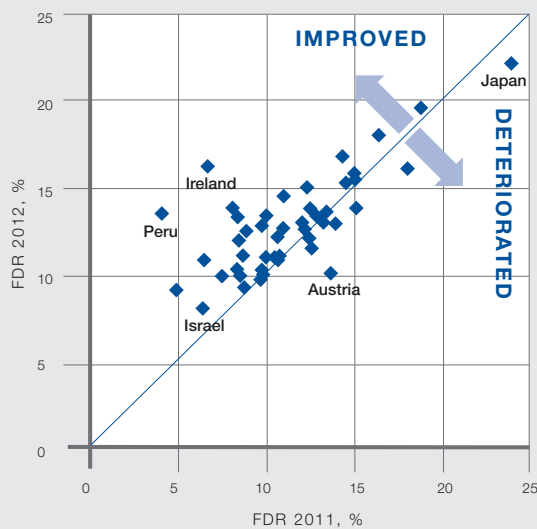
By Michael Drexler

Financial stability has featured prominently in the debate about financial development for quite some time, and this has certainly been reinforced by the recent crisis and subsequent events. It is therefore only appropriate to discuss some of the aspects of the financial stability pillar in more detail.

Some good news

Regulators around the world have focused sharply on improving banks' strength, and it shows. Only in two countries out of the sample did Tier 1 capital ratios for major banks decline in a meaningful way (i.e., more than 10 percent), and none of those declines led to a ratio below 10 percent. For comparison, before the crisis this ratio was around 6 percent for many developed markets. This is illustrated graphically in Figure 1, with some countries highlighted that either are outliers in the absolute ratio or have shown particularly large changes.

Figure 1: Tier 1 capital ratios for top 10 banks



Some of the outliers warrant a closer look. Japan's position is driven by an idiosyncrasy in its banking system—a large bank that primarily takes deposits and offers very little credit, therefore showing an exceptionally high capital buffer; the other major banks have Tier 1 ratios in line with the upper range of global averages.

While Ireland has made great strides in putting its banking system on sound footing, continued entanglement between sovereign debt and the European banking system means that even a Tier 1 capital buffer above 15 percent may not be sufficient against all future shocks. In that vein, the Austrian position reflects the other side of the coin—exposure to banks that have failed to recover post-crisis, in this case particularly in Eastern Europe. Close observation is certainly appropriate in that case.

Israel is the only country that has capital ratios notably under 10 percent. Although it has seen an increase over the past year, policymakers should ensure that improvements continue so that no wrong signals are created in what is still a very volatile world.

Beyond banks and capital

When looking at the top-ranked countries in the financial stability pillar (see Figure 2), it is clear that a linear ranking does not do the underlying dynamics justice. Why would Saudi Arabia score higher than Switzerland? Or Chile rank above Canada? Surely there is more going on than the ranking scale gives away. The remainder of this section outlines some of the nuances that underpin those scores and alludes to some of the considerations that might help players in those markets and policymakers who want to improve stability in their country.

Figure 2: Top 10 financial stability scores

COUNTRY/ECONOMY	SCORE
Saudi Arabia	6.32
Switzerland	6.06
United Arab Emirates	5.86
Singapore	5.69
Norway	5.69
Chile	5.53
Hong Kong SAR	5.51
Australia	5.42
Malaysia	5.40
Canada	5.26

The financial stability score is a blended average of three subpillars: currency stability, banking system stability, and risk of sovereign debt crisis. This multivariate approach gives a better view of the dynamics underlying stability in a complex real world than those that focus on a single variable, however carefully constructed. It is clear that the current economic cycle offers a stability premium to resource-rich nations, with both currency stability and a strong fiscal position, which goes some way towards explaining the strong scores for Saudi Arabia, the United Arab Emirates, Norway, Australia, and, to some degree, Malaysia. It should be noted that currency movements in and by themselves do not correlate with financial stability in a linear fashion, as many smaller economies that have experienced episodic capital flows can attest.

However, other factors that are more under the control of policymakers also come into play. To highlight these factors, we segmented all countries covered by the *Financial Development Report* along a combination of the financial

Box 3: A closer look at financial stability (continued)**Figure 3: Classification of countries by degree of financial sector liberalization with financial stability score**

CONSERVATIVE		TRANSITION		LIBERAL					
EARLY-STAGE FINANCIAL MARKETS		ADVANCING FINANCIAL MARKETS		EUROPEAN		NON-EUROPEAN			
Tanzania	5.17	Saudi Arabia	6.32	United Arab Emirates	5.86	Switzerland	6.06	Singapore	5.69
Peru	4.96	Mexico	5.19	Chile	5.53	Norway	5.69	Hong Kong SAR	5.51
Czech Republic	4.89	Brazil	4.98	Malaysia	5.40	Germany	5.13	Australia	5.42
Slovak Republic	4.89	Kazakhstan	4.51	Kuwait	5.25	Denmark	5.02	Canada	5.26
Indonesia	4.52	Poland	4.42	South Africa	5.12	Sweden	4.97	Japan	4.93
Colombia	4.47	Russian Federation	4.38	China	5.06	Netherlands	4.94	Israel	4.83
Nigeria	4.03	Bangladesh	4.37	Finland	4.99	Belgium	4.73	United States	4.41
Romania	4.00	Morocco	4.33	Panama	4.58	Austria	4.62	Jordan	4.04
Venezuela	3.58	India	4.12	Thailand	4.56	France	4.35		
Ghana	3.31	Pakistan	4.03	Bahrain	4.23	United Kingdom	4.31		
Argentina	3.18	Egypt	3.92	Korea, Rep.	4.20	Italy	3.73		
Ukraine	3.16	Vietnam	3.26	Philippines	4.06	Ireland	3.66		
Kenya	3.05			Hungary	3.37	Spain	3.57		
				Turkey	3.29	Portugal	2.85		
						Greece	2.14		

sector liberalization subpillar and the financial markets pillar. This combination measures both the freedom of the financial sector to innovate and the potential of that innovation to scale via developed markets. To the far left of the framework in Figure 3 are countries that have relatively early-stage financial markets (i.e., a 6th pillar score in the bottom quartile) and a conservative approach to the financial sector, with comparatively low liberalization scores. Such countries can still be comparatively stable, as in the case of Tanzania and Peru. At this stage of development, there are important trade-offs to be made in relation to external capital flows.¹

Further along are countries that still have a conservative approach to the financial sector, but whose markets are more developed (i.e., a higher 6th pillar score). In many of those markets, the government plays a strong role, and they can be very stable, as evidenced by Saudi Arabia. Some of these countries have experienced significant crises in the past decades but have improved their financial systems since. As markets in this category often have sufficient scale to cope with external capital flows, policymakers need to consider at what stage they can further liberalize markets and grow the scaling potential of the local economy. Brazil is an interesting recent case in which the government initially liberalized but had to apply the brakes repeatedly through capital controls and market interventions.

The middle category sees markets that are considerably on their way to liberalization of the financial sector. These make up a more diverse group. The United Arab Emirates shows how a resource-backed economy combined with a strong central regulator can create a high stability score, despite recent upheaval in one of its emirates. Chile's evolution is frequently discussed in the literature. China's approach is different, with a high emphasis on central planning, but its sheer size and growth potential add to its stability outlook.

Among the countries with the highest degree of liberalization, we have separated out the European instances to emphasize the impact of the recent euro zone crisis. At the bottom of the stability list are the well-known peripheral economies, whose fate depends to some degree on a combination of their own structural reforms and German support. As evidenced by this group, once such a high degree of liberalization has been reached, fiscal sustainability becomes one of the key drivers of financial stability. But even in this category, capital flows cannot be overlooked, as the case of the Swiss currency over the recent year demonstrates.

Among non-European markets with the highest degree of liberalization, fiscal sustainability is again the key metric. The US position is largely explained by this fact, although it must be noted that the quantitative variables employed

Box 3: A closer look at financial stability (continued)

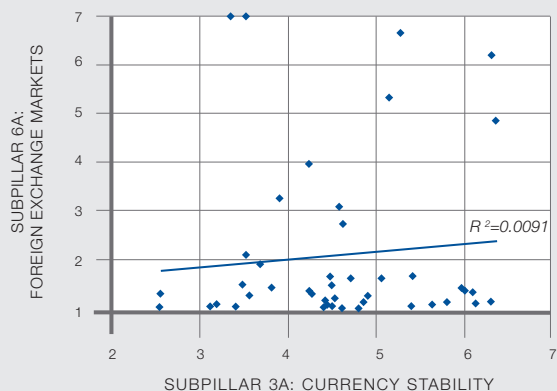
do not recognize the special position of the US dollar as the world's reserve currency and the associated benefits this brings with regards to debt issuance and currency stability. Thus, the stability ranking is likely lower than it would be if those factors were taken into account.

While this is a more nuanced view than a linear ranking, it still groups countries into relatively broad and simplistic categories. We should therefore be careful not to infer too much from a detailed comparison of liberalization that is based on *de jure* indicators which might not be borne out *de facto* in the same way in different countries. This is particularly true for countries in the advancing and transition categories, where the simple framework cannot adequately capture the complexity of real-world development paths in economies of dramatically varying sizes, models, and geographies.

No easy answers

The analysis shows that, at all levels of market liberalization, high stability scores can be achieved—but they come with trade-offs. A liberal market operates in a dynamic equilibrium that can be threatened by shocks, bubbles, and external speculative flows. A more conservatively run market suffers less from those perils (though it is not completely immune), but can hold back the access of the local economy to much-needed expansion capital.² Figure 4 illustrates clearly that there are no easy answers to such trade-offs. While more developed foreign exchange markets do coincide somewhat with higher currency stability, the overall correlation between these two variables is negligible. Markets can play a role in stabilizing a currency (or a financial system), but other factors are of at least equal importance.

Figure 4: Correlation between currency stability and foreign exchange market development



Whereas capital flows in their various guises and compositions are among the key metrics to watch in countries with less liberalized and scaled-up markets, fiscal sustainability and debt become ever more important for those countries with more liberal markets. Debt growth in significant excess of GDP has been identified as one of the key predictors for financial crises,³ and derived stabilizers such as loan-to-value restrictions can be employed to great effect by policymakers. We will endeavor to include a related metric in future editions of the *Financial Development Report*.

Notes

- 1 For further discussion, see Davies and Drexler 2010 and De la Torre and Schmukler 2007.
- 2 Ranciere et al. 2008 find countries with occasional financial crises growing faster on average than those with completely stable conditions.
- 3 For an overview of the related literature, see Cihak et al. 2012.

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four subpillars, IPO activity, experiences substantial change. When taking a closer look at the underlying variables, one can observe median year-over-year declines of 11 and 14 percent in the IPO market share and share of world IPOs indicators, respectively. Moreover, nearly 60 percent of countries in the sample declined across both of these indicators over the past year. These decreases are not particularly surprising, since one would expect it to be quite difficult for companies to list in the lingering post-crisis environment. The third variable in the subpillar, IPO proceeds amount, differs from the other two IPO indicators in that median IPO proceeds increased slightly at 1.6 percent.

Pockets of improvement emerge across the Index, especially in the banking system, for example, in the Tier 1 capital ratio and non-performing loans to total loans indicators in the banking system stability and banking efficiency index subpillars, respectively. Nevertheless, as indicators across IPO activity and equity market development show, equity markets remain stressed. This is a matter of potential concern, given the current environment and the need for sustainable growth. Empirical evidence suggests that stock market liquidity is positively and significantly correlated with current and future rates of economic growth, capital accumulation, and productivity growth.⁵²

Impact of the recent crisis on equity markets

The substantial movement across the majority of indicators underlying the IPO activity and equity market development subpillars warrants a closer examination of the variables over a multi-year period. Given the effects that IPO activity has on the overall equity market development indicators, we assess the IPO activity indicators in the context of changes to equity markets, rather than as isolated variables. Due to cross-country data availability, a small subset of our variables report numbers at a historic base year. This is the case for our equity market development indicators, which are reported with 2010 as the base year. However, given the dynamism of stock markets, we supplement our analysis with more current data from the World Federation of Exchanges.⁵³

An overall analysis of the global equity market development and IPO activity indicators from 2006 to 2011 provides a general overview of how economies fared throughout the crisis. Figure 3 shows the results of three of the equity market development indicators: turnover velocity, domestic market capitalization to GDP, and value of shares trading to GDP. The most significant change occurred within the domestic market capitalization to GDP indicator, and the variable's largest year-on-year decline took place from 2007 to 2008. This drop, occasioned by the crisis, was driven by two factors, among others: (1) during the crisis, it was more difficult for private companies to list on the stock exchanges, as can be

seen in the decline of number of companies listed (see Figure 4); and (2) valuations of shares declined (see value of shares trading to GDP in Figure 3), because many companies found themselves under strain. In line with expectations, domestic market capitalization recovered and increased from 2008 to 2009 and 2009 to 2010, before declining again from 2010 to 2011.

Figure 3: Equity market development indicators, median across country sample

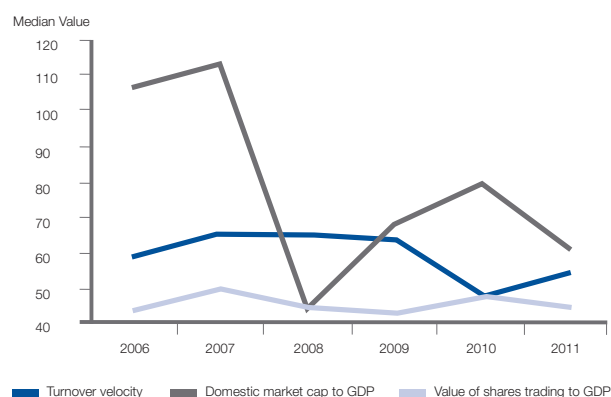
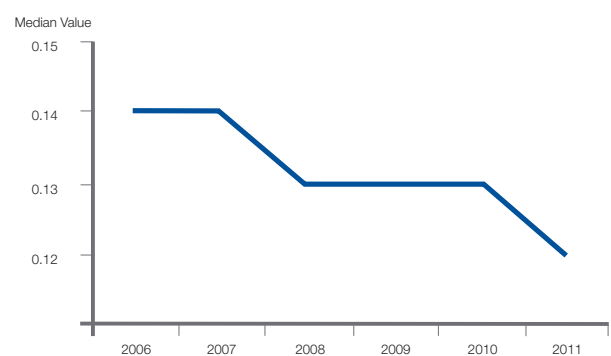


Figure 4: Number of listed companies per 10,000 people, median across country sample



Related to the number of companies listed and the value of shares trading are the IPO activity indicators, which are reported as a three-year average. The median for all three IPO indicators declined substantially from 2007-2009 to 2008-2010: 18 percent, 41 percent, and 49 percent for IPO market share, IPO proceeds amount, and share of world IPOs, respectively. Thus, not only the number of IPOs, but also the amount at which they are listed, declined.

Interestingly, the turnover velocity indicator remained steady until its decline in 2010 (see Figure 3). This suggests that liquidity was available throughout the crisis, reflecting the effect of some government support systems. Although the indicator drops in 2010, it rebounds in 2011 and moves closer to 2006 levels, possibly indicating that liquidity is stabilizing.

A regional dissection of equity market development and IPO activity indicators may prove valuable, given that reactions to the crisis differed across regions, affecting how they emerged. Figure 5 shows that domestic market capitalization to GDP has decreased across most regions, with the exception of Asia/Pacific, where it has seen a minor increase since 2006. A similar picture can be seen in the number of companies listed per 10,000 people, although the declines are smaller. Asia/Pacific is the only region that increased in this indicator over the past five years. While the value of shares trading to GDP has seen a drop in Europe, the Middle East and North Africa, and North America, the Asia/Pacific and Latin America regions have increased their value of shares trading. The Asia/Pacific region, in particular, has experienced a considerable increase of 25 percent. In terms of turnover velocity, Figure 5 shows a decline for Europe and Latin America, indicating that there may be lingering liquidity issues. In contrast, Asia/Pacific, the Middle East and North Africa, and North America have seen only a minor increase, which suggests that liquidity levels in 2006 and 2011 are at similar levels.

Figure 5: Equity market indicators across regions, median percent change, 2006-2011

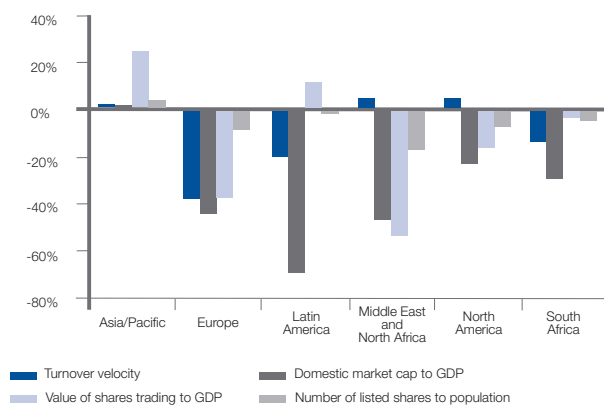
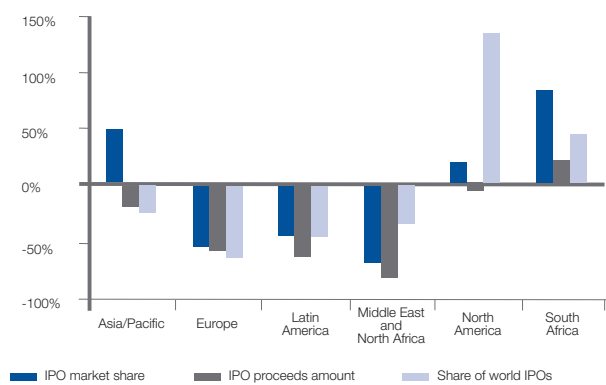


Figure 6 shows the IPO activity indicators at a regional level over the period from 2006-2008 to 2009-2011. It is apparent that some of the changes in the equity market development subpillar were influenced by the decline in IPO activity across Europe, Latin America, and the Middle East and North Africa. For Asia/Pacific, results are more mixed, as there is an increase in IPO market share but a decrease in IPO proceeds amount. This suggests that Asia/Pacific's decline in proceeds is less than the decline in many other regions, allowing the region to gain market share. North America also presents an interesting picture, as the positive values are driven by a spike in IPOs in Canada, which in 2010 had 25 offerings worth a combined value of US\$5.2 billion.

Several regions have large stock exchanges—the United States, Japan, the United Kingdom, China, and Hong Kong

Figure 6: IPO activity indicators across regions, median change 2006-2008 to 2009-2011



account for over 50 percent of the world's market capitalization (see Table 3). As the data suggest, a majority of the equity market development indicators are still declining in many of these regions, warranting a closer examination of the countries that host the largest exchanges.

Table 3: Top stock exchanges by domestic market capitalization, 2011

RANK	STOCK EXCHANGE	DOMESTIC MARKET CAPITALIZATION (US\$ BILLIONS)	SHARE OF THE WORLD
1	NYSE	11,795.6	25%
2	NASDAQ	3,845.1	8%
3	Tokyo Stock Exchange	3,325.4	7%
4	London Stock Exchange	3,266.4	7%
5	Shanghai Stock Exchange	2,357.4	5%
6	Hong Kong Stock Exchange	2,258.0	5%
7	Toronto Stock Exchange	1,912.1	4%
8	BM&F Bovespa	1,228.9	3%
9	Australian Securities Exchange	1,198.2	3%
10	Deutsche Borse	1,184.5	2%
	Rest of world	15,075.6	32%
	Total	47,447.2	100%

Figure 7 shows that turnover velocity slightly increased from 2006 levels for all countries, except in the United Kingdom, where it is still 45 percent lower than in 2006. This is not particularly surprising, given the ongoing troubles in the euro zone and the lack of an obvious solution. From 2010 to 2011, turnover velocity decreased in China and the United Kingdom by 2 percent and 1 percent, respectively. The remaining three markets all experienced an increase over the past year.

Since 2006, domestic market capitalization to GDP has increased for both China and Hong Kong. In contrast, Japan, the United Kingdom, and the United States all experienced declines over the past five years. Interestingly, from 2010 to 2011, domestic market capitalization to GDP has fallen for all five economies, with China experiencing the largest decline, at 31 percent.

Figure 7: Equity market indicators across top 5 stock exchanges

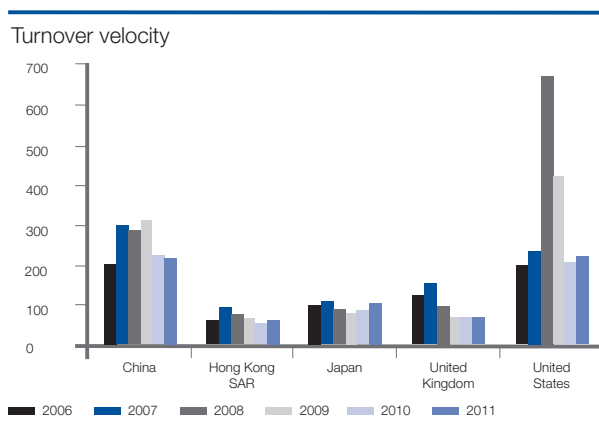
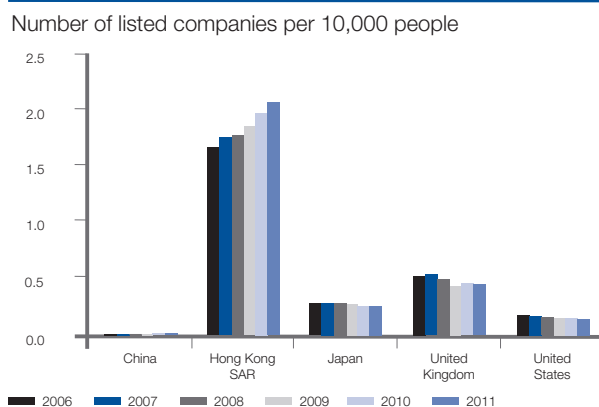
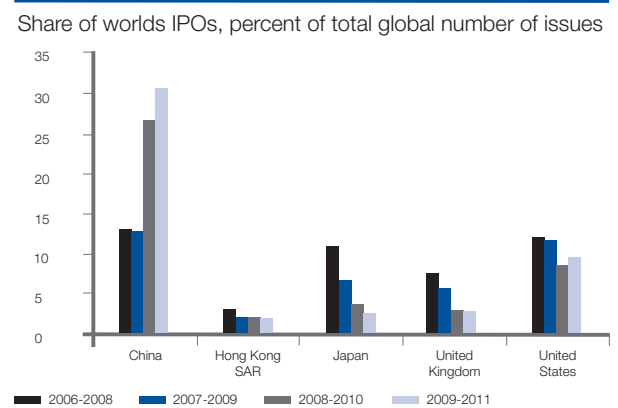
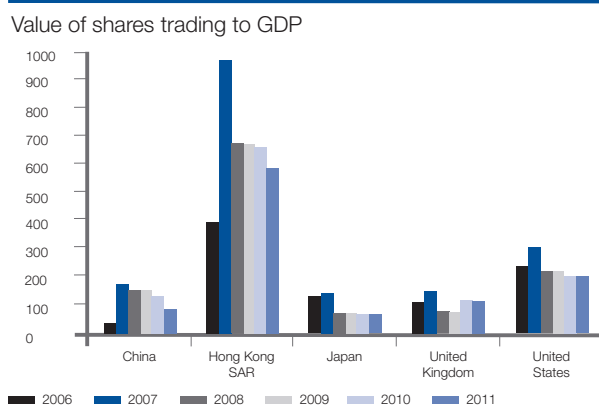
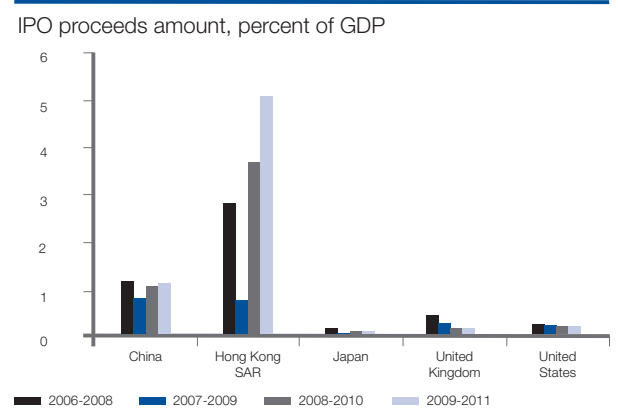
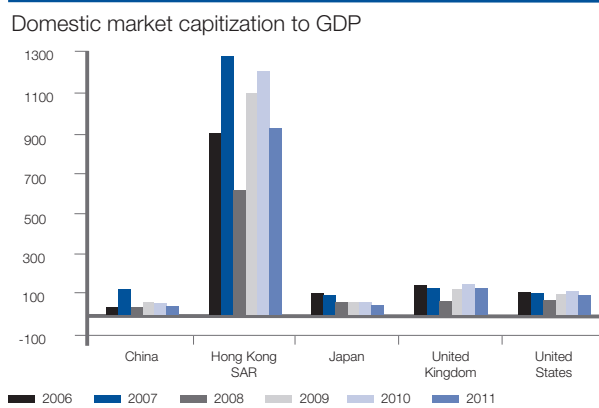
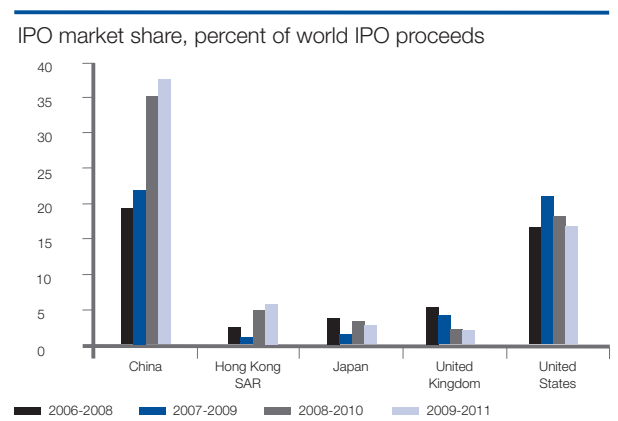


Figure 8: IPO activity indicators across top 5 stock exchanges



Whereas the value of shares trading to GDP has increased substantially in China and Hong Kong since 2006 (109 percent and 49 percent, respectively), the United Kingdom has seen only a modest increase of 2 percent (see Figure 7). Over the same period, Japan and the United States declined 47 and 16 percent, respectively. Looking only at the year-over-year change from 2010 to 2011, it is clear that all five economies have experienced a decrease in the value trading relative to GDP. China and Hong Kong experienced the largest declines, at 34 percent and 11 percent, respectively.

A similar picture presents itself for the number of listed companies per 10,000 people. China and Hong Kong have both increased since 2006 (61 percent and 24 percent, respectively), while the other three economies have declined, with the United Kingdom experiencing the largest decrease, of 14 percent. Year-on-year changes see a continuation of China and Hong Kong increasing, and Japan, the United Kingdom, and the United States declining.

Many of these changes are in line with the movement seen across the IPO activity indicators. Figure 8 shows a decline in all three indicators for Japan, the United Kingdom, and the United States from 2006-2008 to 2009-2011. While both China and Hong Kong increased in IPO market share, China experienced a slight decline of 4 percent for IPO proceeds amount, while Hong Kong saw an increase of 81 percent. This picture reverses itself in the share of world IPO indicator; China more than doubled, while Hong Kong decreased by 32 percent.

The results discussed above indicate that liquidity is stabilizing across the countries that host the world's major stock markets, with the exception of the United Kingdom. Nevertheless, domestic market capitalization to GDP is still declining in three of the five countries examined. Among the factors that influence this drop are declines in value of shares trading to GDP, the number of listed companies per 10,000 people, and the IPO activity indicators. Policymakers should be mindful of these weaknesses and take concerted action if conditions continue to deteriorate.

Regional analysis

While some high-level trends were highlighted earlier, it is at the country level that some of the potentially most useful findings of the *Report* can be seen. The Country Profiles contained in Part 2 provide detailed information with which to undertake this analysis. A summary of highlights, by region, are presented below.

ASIA AND THE PACIFIC

Hong Kong SAR maintains the top spot in the 2012 Financial Development Index. In terms of factors, policies, and institutions,

Hong Kong scores quite high in the business environment (2nd) pillar. Areas of particular strength include the taxes (3rd) and infrastructure (1st) subpillars. In the financial stability pillar (8th), Hong Kong has fallen four spots. This can be partially attributed to a drop in rank and score in the risk of sovereign debt crisis (10th) subpillar. More specifically, Hong Kong showed weakness in the aggregate macroeconomic indicator (44th), as well as in manageability of public debt (22nd). With regards to financial intermediation, Hong Kong benefits from both a large (2nd) and efficient (1st) banking system. Despite these areas of considerable strength, Hong Kong does show relative weakness in non-banking financial services (10th), particularly the securitization (25th) subpillar. Hong Kong fell three spots in the financial access (4th) pillar. While commercial access to capital (1st) remains very strong, retail access (18th) is a clear area for improvement.

Although **Singapore** (4th) maintained its position in this year's Index, the country did experience an increase in overall score. Singapore showed improvement in the financial stability pillar (3rd), moving up five spots. Singapore's stable currency system (2nd) is driven by strong results in the current account balance to GDP (2nd), net international investment position to GDP (2nd), and dollarization vulnerability indicator variables (1st). Although Singapore has exhibited strong results in banking financial services (10th), the country does show weakness in the financial information disclosure (32nd) subpillar. In terms of financial intermediation, Singapore scores best in the financial markets (3rd) pillar. The country has highly developed foreign exchange (4th), derivatives (5th), and equity markets (2nd). Despite these areas of strength, Singapore lacks a well-developed bond market (25th). Financial access (14th) scores are mixed, with Singapore scoring high in terms of commercial access to capital (2nd) but quite low with regards to retail access (31st).

Australia has, for the third year in a row, finished behind Singapore, at 5th place. Although Australia did not experience considerable changes at the Index level, the country did exhibit some positive developments in the pillars and subpillars. For instance, Australia has improved in terms of financial stability (9th), moving up four spots. The change is due in part to increased banking system stability (9th). Financial intermediation continues to be area of strength, with Australia scoring high across the non-banking financial services (5th), banking financial services (7th), and financial markets (8th) pillars. Although improvements in the M&A activity (3rd), insurance (12th), and securitization (8th) subpillars provided a boon to Australia's non-banking financial services results, the country experienced a slight decrease in score in the IPO activity (11th) subpillar. Australia's decline of four spots in the financial access (6th) pillar is driven primarily by weakness

in retail access (5th), specifically the comparatively low number of commercial bank branches (13th) and debit card penetration (11th).

Japan's 7th place rank, up one spot from last year, is bolstered by strong scores in the banking financial services (3rd), non-banking financial services (6th), and financial markets (5th) pillars. While Japan's banking system is both large (3rd) and efficient (5th), the country lags in terms of financial information disclosure (17th). The country's business environment (19th) is also relatively weak by developed country standards. Comparatively speaking, Japan suffers from a weak human capital (19th) pool, a less-than-optimal tax regime (24th), and a high cost of doing business (20th). Despite these areas of relative weakness, Japan benefits from having highly developed foreign exchange (3rd) and derivatives markets (6th). Financial access continues to be a development disadvantage for Japan. The country's commercial access (36th) scores fell sharply because of declines in the ease of access to credit (20th), financing through local equity market (14th), and foreign direct investment to GDP (60th) indicators.

After rising six spots in 2011, the **Republic of Korea** (15th) continues to show improvement, moving up three spots in this year's Index. Korea benefitted from positive developments in the financial access (22nd) pillar. Although Korea ranks quite low in commercial access (58th), the country does have a development advantage in retail access (13th). Korea exhibits particular strength in the total number of ATMs (1st) and loan from financial institution (13th) indicators. In terms of factors, policies, and institutions, Korea shows signs of weakness in the institutional environment (34th) and financial stability (44th) pillars. Specifically, Korea has declined four spots in the financial sector liberalization (43rd) subpillar, and three spots in the currency stability (42nd) subpillar. Nevertheless, Korea offsets these weak results with a strong performance across financial intermediation, particularly the non-banking financial services (2nd) and financial markets (14th) pillars.

Malaysia fell two spots, to 18th, in part because of a decline in the financial stability (10th) pillar. Driving this change was increasing currency (3rd) and banking system instability (29th). Malaysia also experienced a nine-spot decline in financial access (28th), which can be attributed to weakness in retail access (35th) scores. Specifically, Malaysia scores relatively low in the number of commercial bank branches (37th) and debit card penetration (42nd). Despite these limitations, Malaysia benefits from a high degree of financial information disclosure (2nd), robust IPO activity (5th), and a well-developed bond market (12th).

China fell four spots in the 2012 Financial Development Index, placing 23rd overall. The decline can be attributed to a decrease in scores in the banking financial services (17th) and financial access (41st) pillars. These changes are due, in part, to greater banking system instability (55th) and by weak results in both the commercial (37th) and retail access (38th) subpillars. China also experienced declines of 11, five, and seven spots in the insurance (15th), bond market development (24th), and financial sector liberalization (44th) subpillars, respectively. Despite these areas of weakness, China retains development advantages across a number of pillars and subpillars. China scores particularly high in non-banking financial services (4th), with IPO (1st) and M&A activity (5th) being especially robust. Still, there is considerable room to improve China's business environment (47th), which remains the country's worst-performing pillar.

Thailand moves up one spot to place 34th this year. Thailand's financial markets (33rd) and financial access (25th) pillars experienced the greatest change, rising seven and 13 spots, respectively. The changes were due to strong results in the equity market development (23rd) and retail access (25th) subpillars. Like a number of other Asian economies, Thailand performs quite well across the financial intermediation pillars. Thailand's banking system increased in both size (24th) and efficiency (17th) this year. In addition, strong M&A activity (38th) provided a boon to the country's non-banking financial services (42nd) pillar score. Although these improvements suggest that Thailand is making strides in financial development, there are still several areas of concern, namely, a decrease in financial stability (34th) driven by an increase in the risk of sovereign debt crisis (35th) and banking system instability (56th).

India ranks 40th in the 2012 Index, a four-spot decline from last year. Weak results in the institutional (56th) and business environment (55th) pillars continue to be driven by an inability to enforce contracts (60th), a low degree of financial sector liberalization (58th), inadequate infrastructure (58th), and a high cost of doing business (56th). Although its factors, policies, and institutions are quite weak, India did experience a slight improvement in the financial stability pillar (46th). The change was due to score improvements across the currency stability (16th) and risk of sovereign debt crisis (47th) subpillars. India's financial intermediation results are mixed. While India ranks quite high in non-banking financial services (9th), banking financial services (45th) are an area for improvement. Financial access (45th) results are also inconsistent, with India having a development advantage in the commercial access (25th) subpillar but a development disadvantage in the retail access (51st) subpillar. India's neighbor to the north, **Pakistan** (58th), shows weakness across the majority of the pillars in the Index. As is the case with India, the country's institutional (58th) and

business environments (58th) are highly underdeveloped. In addition, Pakistan has experienced relatively steep declines in both the commercial (51st) and retail access (59th) subpillars. Still, this year's Index results indicate some signs of improvement. Pakistan's jump in the financial stability pillar (50th) was primarily due to increased banking system stability (22nd).

Kazakhstan (47th) fell one spot because of weakness in financial intermediation. Specifically, Kazakhstan's rank declined five, six, and eight spots in the banking financial services (55th), non-banking financial services (28th), and financial markets (44th) pillars, respectively. Kazakhstan's banking system decreased in size (54th) and efficiency (56th), M&A activity (24th) slowed down, and the country's equity market (54th) took a hit to its level of development. These declines were offset by improvements in banking system stability (36th), IPO activity (45th), and commercial access (39th). In addition, Kazakhstan rose eight spots in the corporate governance (41st) subpillar because of positive developments across a number of indicators, most notably the efficacy of corporate boards (23rd), reliance on professional management (48th), and ethical behavior of firms (37th).

The **Philippines** was unable to continue its impressive climb up the rankings, falling five spots to 49th this year. The biggest change occurred in banking financial services (49th), where the Philippines fell 11 and 12 spots in the size (44th) and efficiency (33rd) indices, respectively. The Philippines also slipped in currency stability (32nd) because of significant weakness in the change in real effective exchange rate (52nd) indicator. Nevertheless, positive developments can be seen in the country's institutional (39th) and business environment (54th) pillar results. Over the past year, the Philippines exhibited improvement in the corporate governance (27th), legal and regulatory issues (48th), human capital (42nd), and taxes (41st) subpillars. Financial access (53rd), particularly retail access (48th), remains an area for improvement.

As in 2011, **Indonesia** (50th), **Vietnam** (52nd), and **Bangladesh** (57th) all place near the bottom of the Financial Development Index. While Indonesia moved up one spot, Vietnam and Bangladesh fell two spots and one spot, respectively. All three countries continue to score quite low in the institutional and business environment pillars. Vietnam's position in these pillars has worsened as the country dropped 10 and 13 spots in the legal and regulatory issues (52nd) and infrastructure (50th) subpillars, respectively. Indonesia likewise experienced a considerable drop in the legal and regulatory issues subpillar (41st), falling seven spots. Despite these weaknesses, Indonesia, Vietnam, and Bangladesh improved in financial intermediation. Vietnam and Bangladesh saw significant jumps in the financial markets subpillar (37th and

41st, respectively), and Indonesia saw minor improvement in non-banking financial services (23rd). All three countries experienced rank declines in the financial access pillar, with Vietnam and Bangladesh dropping the most, at 13 and 15 spots, respectively.

EUROPE AND NORTH AMERICA

The **United States** places 2nd overall for the second consecutive year. The United States continues to be the world leader in both non-banking financial services (1st) and financial markets (1st). It holds the top position across a number of financial intermediation-related subpillars, including: insurance, securitization, foreign exchange markets, and derivatives markets. Although there was little movement within these pillars, the United States did show slight improvement in equity (5th) and bond market development (3rd). Nevertheless, the United States remains comparatively weak in terms of factors, policies, and institutions. While it made a strong jump in financial sector liberalization (1st), the country saw a minor setback in the business environment pillar (13th), primarily because of an inefficient tax regime (30th). Financial stability (38th) continues to be the area of greatest weakness for the United States. However, it should be noted that the country exhibited an improvement in its banking system stability (40th) score, which may indicate a shift in the right direction. With regard to financial access (5th), the United States exhibits mixed results. Whereas retail access (4th) scores are quite strong, commercial access (17th) results are comparatively weak.

Like the United States, the **United Kingdom** (3rd) maintains its position in the 2012 Financial Development Index. The United Kingdom's strength resides primarily in the financial intermediation pillars—banking financial services, non-banking financial services, and financial markets. Although the United Kingdom's banking financial services (2nd) are highly developed, the country experienced a five-spot decline in the efficiency index (23rd). This decrease was balanced by improvements in other areas of financial intermediation, such as securitization (4th) and equity market development (9th), which saw jumps in rank of eight and 10 spots, respectively. The United Kingdom's strong institutional (2nd) and business environment (8th) is attributable to a liberalized financial sector (1st), an ability to effectively enforce contracts (3rd), a strong legal and regulatory framework (6th), and well-developed infrastructure (7th). While the United Kingdom still suffers from financial instability (43rd), the country has shown improvement in the banking system stability (44th) subpillar.

Canada, which ranks 6th overall for the third consecutive year, ranks quite high across most pillars. Canada is particularly strong in factors, policies, and institutions, ranking 6th and

9th in the institutional and business environment pillars, respectively. Financial system stability (13th) pillar results are comparatively weak, and although Canada has a highly stable banking system (5th), the country's currency (46th) is quite unstable. The eight-spot decline that Canada experienced in the currency stability subpillar can be attributed to decreases in the current account balance to GDP (45th) and net international investment position to GDP (14th) indicators. Canada's other area of relative weakness is banking financial services (13th). Over the past year, Canada dropped in rank in both the size (19th) and efficiency (16th) indices. Despite this weakness, Canada is still strong in terms of financial intermediation, as evidenced by its high rank in the non-banking financial services (7th) and financial markets (10th) subpillars. Although Canada ranks quite high in the retail access (3rd) pillar, it could improve access to commercial capital (12th).

Switzerland moved up one spot to place 8th overall in this year's Index. Switzerland's jump, albeit small, can be attributed partly to a boost in non-banking financial services (15th), specifically jumps in rank of 33, seven, and five spots in the IPO activity (14th), securitization (37th), and insurance (5th) subpillars, respectively. Switzerland continues to benefit from well-developed financial markets (7th), as well as a highly stable financial system (2nd). Switzerland jumped six spots to attain the top rank in currency stability. This is due to positive developments in the change in real effective exchange rate (13th) and current account balance to GDP (4th) indicators. Offsetting these areas of strength is relative weakness in banking financial services (16th). Although Switzerland's banking system is quite large (8th), it is relatively inefficient (30th). Financial information disclosure (45th) continues to be an area in need of improvement.

The **Netherlands** fell two spots to 9th in this year's Index, primarily because of weakness in the financial markets pillar (17th). Specifically, the Netherlands' overall position was hurt by weakness in the equity (19th) and bond (9th) market development subpillars. Financial stability (16th) continues to be an area of weakness in spite of the improvements made in banking system stability (21st). Nevertheless, the country benefits from a large (4th) banking system, strong corporate governance mechanisms (5th), highly-developed infrastructure (5th), and a talented human capital pool (6th). The Netherlands has development disadvantages in both the commercial (19th) and retail (17th) access subpillars. While the Netherlands benefits from a sophisticated financial market (7th) and high debit card penetration (1st), it is hindered by relatively low foreign direct investment (38th) and a low number of ATMs (28th).

The Scandinavian countries—**Sweden** (10th), **Denmark** (12th), **Norway** (13th), and **Finland** (17th)—all rank within the top 20 in this year's Index. While Sweden, Denmark and Finland all increased their positions, Norway fell three spots. All four countries rank in the top 10 in both the institutional and business environment pillars. Whereas Sweden and Denmark rank first in financial sector liberalization, Norway and Finland place quite low, at 18th and 24th, respectively. Nevertheless, Norway has strong contract enforcement (4th) mechanisms and a low cost of doing business (3rd), while Finland benefits from effective corporate governance (1st) and a well-developed human capital pool (1st). Various aspects of financial intermediation appear to be the greatest weakness for the Scandinavian countries. All four countries have development disadvantages in non-banking financial services, with Finland ranking the lowest, at 49th. Sweden, Finland, and Denmark experienced considerable improvements in financial access (1st, 8th, and 9th, respectively), particularly in the area of retail access to capital (1st, 10th, and 7th, respectively). On the other hand, Norway experienced declines in the financial access (17th) pillar and commercial access (9th) subpillar.

Germany moved up three spots to 11th overall. The increase in rank is driven by jumps in financial stability (18th), banking financial services (12th), and financial access (16th). Regarding financial stability, Germany experienced positive results in both the banking system stability (20th) and risk of sovereign debt crisis (13th) subpillars. The reduced threat of sovereign debt crisis can be partly attributed to the decline in credit default swap spreads (11th) and an improved score in the aggregate macroeconomic indicator (17th). The improvement in Germany's banking financial services score is due to the increase in size (11th) and efficiency (29th) of the country's banking system. An improvement in financial access can be explained by positive developments in both commercial (30th) and retail access (15th) scores. These gains have been counterbalanced by an increasingly unstable currency system (24th) and weakness in the equity (30th) and bond market development (17th) subpillars.

France (14th) fell two spots in this year's Index because of decreases in the financial stability (42nd) and financial markets (11th) pillars. Greater financial instability can be attributed to currency (40th) and banking system (49th) volatility, and France scores particularly low in the change in real effective exchange rate (40th) and aggregate measure of real estate bubble (44th) indicators. With regards to France's financial markets, the country experienced drops in both equity (25th) and bond market development (7th). Additional areas for improvement include taxes (45th), financial information disclosure (36th), and commercial access (35th). Despite

these areas of weakness, France benefits from a liberalized financial sector (1st), highly developed infrastructure (6th), and a robust foreign exchange market (8th). Retail access to capital (6th) is also quite solid, as France has both a high number of commercial bank branches (6th) and a high market penetration of bank accounts (10th).

Belgium fell three spots to place 16th overall in this year's Index. Belgium experienced declines in financial intermediation, with particular weakness in the equity market development (37th), efficiency index (26th), and insurance (27th) subpillars. Additional areas of weakness include financial stability (27th), where the risk of sovereign debt crisis (33rd) is relatively high. While these are clearly areas for improvement, Belgium benefits from a highly liberal financial sector (1st), a well-developed bond market (2nd), and an educated human capital pool (4th). Financial access (3rd) is also quite strong, as Belgium has development advantages in both the commercial (4th) and retail (9th) access subpillars. The country has considerable strength in foreign direct investment (3rd), debit card penetration (9th), and number of commercial bank branches (4th).

Like France, **Spain** fell two spots, to place 19th overall in the Index. Spain's greatest weakness continues to be in the financial stability (55th) pillar. Currency stability (47th) and banking system stability (58th) remain very weak. Moreover, Spain has fallen seven spots in the risk of sovereign debt crisis (43rd), due primarily to declines in both the local currency (36th) and foreign currency sovereign ratings (30th). Spain has also experienced setbacks in the financial access (20th) pillar, falling five and seven spots in the commercial access (54th) and retail access (12th) subpillars, respectively. While these represent clear areas for improvement, Spain does have development advantages in financial intermediation, particularly in the banking financial services (5th) and financial markets (9th) subpillars. Spain also jumped an impressive 16 spots in IPO activity (18th), providing a boost to its non-banking financial services (18th) score.

Ireland's (20th) two-spot jump in this year's Index is due to improvements in the financial stability (53rd) and non-banking financial services (19th) pillars. Although it still ranks quite low in terms of financial stability, Ireland benefited from a 15-spot jump in the banking system stability (42nd) subpillar. Regarding non-banking financial services, Ireland moved up eight spots to place 20th overall in M&A activity. However, Ireland's robust M&A activity results were offset by declines in securitization (17th). Other areas to target for improvement include banking efficiency (55th), equity market development (46th), and commercial access (42nd). Ireland does have a number of development advantages, primarily in the institutional (11th) and business environment (14th) pillars.

Austria comes in two spots behind Ireland, at 22nd place. Austria has declined 15 spots in the financial stability pillar (31st), driven primarily by an increase in banking system instability (43rd). General weakness can be found in non-banking financial services (47th), where Austria ranks quite low in securitization (57th), insurance (43rd), and IPO activity (43rd). Austria was also hindered by poor results in the financial access (23rd) pillar. Although Austria improved in terms of commercial access (26th), this was offset by a steeper decline in the retail access (20th) subpillar. Like Ireland, Austria benefits from a strong institutional (16th) and business environment (18th). Austria's development advantages stem from having a liberal financial sector (1st), well-developed infrastructure (9th), strong corporate governance mechanisms (14th), and a solid legal and regulatory framework (16th).

Portugal, which was added to this year's Index and ranks 27th overall, exhibits mixed results across the seven pillars, performing quite well in areas such as banking financial services (9th) and financial access (15th) but poorly in financial stability (61st) and non-banking financial services (44th). Financial turmoil and uncertainty is, unsurprisingly, reflected in Portugal's currency stability (54th), banking system stability (57th), and risk of sovereign debt crisis (60th) subpillar results. Weakness in non-banking financial services is evident in M&A activity (44th), insurance (45th), and securitization (39th). Despite these areas for improvement, Portugal does have a number of development advantages, including a liberal financial sector (1st), a well-developed bond market (1st), and a large banking system (7th). Portugal's financial access results are mixed, with the country ranking in the top 10 in retail access (8th) but in the bottom third of commercial access (44th).

Italy's (30th) three-spot drop in this year's Index is a result of declines across a number of pillars and subpillars. Specifically, growing financial instability (51st) can be attributed to drops in both the banking system stability (47th) and risk of sovereign debt crisis (46th) subpillars. Moreover, Italy's weak results in the financial markets (18th) and financial access (33rd) pillars are due to an underperforming equity market (28th) and limited retail access (21st). Additional emphasis should be placed on developing Italy's institutional environment (32nd), where corporate governance, legal and regulatory issues, and contract enforcement all rank quite low, at 57th, 50th, and 58th, respectively. Italy does have some bright spots, as the country has a highly liberalized financial sector (1st), comparatively robust M&A (21st) and IPO activity (20th), and well-developed foreign exchange (19th) and derivatives (13th) markets.

Although they continue to be the highest-ranking Eastern European countries in the Index, both the **Czech Republic** (35th) and **Poland** (37th) experienced a drop in the overall rankings. The Czech Republic's one-spot drop is due to a decrease in non-banking financial services (50th), while Poland's four-spot decline can be attributed to weakness in the financial markets (43rd) pillar. The Czech Republic experienced declines in the IPO activity (50th), insurance (49th), and securitization (42nd) subpillars, while Poland fell in bond market development (32nd). The Czech Republic has relative strength in both the financial stability (11th) and banking financial services (23rd) pillars, and the country ranks quite high in the risk of sovereign debt crisis (12th), efficiency index (8th), and financial information disclosure (6th) subpillars. Poland, in turn, is quite strong in non-banking financial services (20th), particularly in IPO activity (4th). The Czech Republic and Poland continue to exhibit mixed results in financial access (31st and 34th, respectively), exhibiting development advantages in retail access but development disadvantages in commercial access.

Neither the **Slovak Republic** (38th) nor the **Russian Federation** (39th) changed rank in this year's Index.

Although there were not significant changes overall, the Slovak Republic and Russia did experience some movement at the pillar and subpillar level. Russia's biggest change occurred in the financial markets (35th) pillar and equity market development (24th) subpillar. The Slovak Republic experienced the greatest movement in the financial access (29th) pillar and retail access (19th) subpillar. Russia continues to be very strong in non-banking financial services (8th), scoring particularly high in the securitization (3rd), M&A activity (7th), and IPO activity (16th) subpillars. The Slovak Republic, on the other hand, is actually weakest in non-banking financial services (52nd), ranking near the bottom of the Index in both M&A activity (58th) and insurance (53rd). The Slovak Republic does benefit from a relatively stable financial system (23rd). However, the gains from improvements in the banking system stability (17th) subpillar were offset by declines in the risk of sovereign debt crisis (31st). Russia continues to be plagued by a weak institutional environment (59th) and should look to address weakness in the corporate governance (61st), legal and regulatory issues (61st), and financial sector liberalization (56th) subpillars.

Hungary rises three spots to place 44th overall in this year's Index. Although Hungary is very weak in financial stability (57th), it has shown improvement over the past year, as evidenced by its four-spot increase in banking system stability (51st). Hungary's banking financial services (51st) results are also quite poor. However, as it did in terms of financial stability, Hungary has improved slightly over the past year in terms of banking system efficiency (46th), because of a reduction in

bank overhead costs (48th) and an increase in its aggregate profitability indicator (29th) scores. Additional areas for improvement include non-banking financial services (54th) and the insurance (56th) subpillar in particular.

Greece (48th), which has been added to this year's Index, scores at the bottom of the financial stability pillar (62nd). Greece is a focal point in the euro zone crisis, and this is reflected in the country's risk of sovereign debt crisis (61st) and banking system stability (61st) scores. Although Greece benefits from having a liberal financial sector (1st), the rest of the country's institutional environment (30th) is considerably underdeveloped. Specifically, Greece suffers from a weak legal and regulatory framework (55th), poor corporate governance (50th), and an inability to enforce contracts (50th). Despite these clear weaknesses, Greece does have some bright spots in financial intermediation, namely in banking financial services (26th) and financial markets (29th).

Rounding out the remaining European countries are **Romania** and the **Ukraine**, which rank 51st and 59th, respectively.

Although Romania moved up only one spot over the past year, there were some big swings in a number of pillars and subpillars. Most notable were six- and four-spot declines in the institutional (43rd) and business environment (39th) pillars, respectively. While weaker corporate governance (60th) mechanisms and a diminishing human capital (53rd) pool are causes for concern, Romania benefitted from improvements in other areas, such as financial stability (45th) and banking financial services (52nd). Unlike Romania, the Ukraine dropped in rank at the Index level, falling five spots since last year. The decline is attributed to weak results across the financial intermediation pillars. The decline in banking financial services (59th) is due to a decrease in efficiency (60th), while the decline in non-banking financial services (34th) is attributable to the drying up of IPO (34th) and securitization (26th) activity. Both the Ukraine and Romania have development disadvantages in the commercial access subpillar, placing 59th and 55th, respectively.

LATIN AMERICA

Chile (29th) rose two spots in this year's Index and replaces Brazil as the highest-ranked country in Latin America.

Although Chile received a boost across the majority of pillars, the greatest improvement occurred in financial markets (40th). The four-spot jump can be attributed to strong results in both the equity (29th) and bond market development (33rd) subpillars. Chile has relatively strong factors, policies, and institutions, and ranks highest in the financial stability pillar (7th). Chile continues to benefit from a low risk of sovereign debt crisis (2nd) and, although it declined this year, a stable banking system (11th). While Chile is making strides in the Index, there are still a number of areas in need of improvement.

For instance, Chile has development disadvantages in banking financial services (41st), which can be attributed to the country's comparatively small (39th) and inefficient (41st) banking system. Moreover, low retail access to capital (43rd) results in Chile's position in the financial access (30th) pillar.

Brazil fell two spots to place 32nd overall in this year's Index. Brazil's drop can be attributed to weaker results across the financial stability (24th), financial markets (32nd), and financial access (32nd) pillars. Although Brazil's financial system is quite stable, the country fell in rank in both the currency (6th) and banking systems stability (33rd) subpillars. Brazil's business environment (49th) remains its area of greatest weakness, and the country continues to be hindered by its tax regime (58th), a high cost of doing business (48th), and a comparatively weak human capital pool (43rd). Brazil's institutional environment (46th) is held back by an illiberal financial sector (47th), a weak legal and regulatory framework (46th), and a relative inability to enforce contracts (47th). Non-banking financial services (11th) results are quite strong, and Brazil has shown improvement across the M&A activity (11th), insurance (10th), and securitization (14th) subpillars.

Up one spot from last year, **Panama** continues to move up the rankings and places 36th overall. Panama increased its position in five of seven pillars, the largest jump occurring in financial stability (29th). Panama's risk of sovereign debt crisis (27th) decreased because of improvements across a number of indicators, including local (39th) and foreign currency sovereign rating (34th). Although Panama benefits from a comparatively large (26th) and efficient (12th) banking system, the country ranks very low in the financial markets (58th) pillar. Panama's equity market (55th) places near the bottom of the Index, and limited data availability prevents Panama from being ranked in the foreign exchange markets, derivatives markets, and bond market development subpillars. Panama's financial access (35th) results are quite mixed, with the country ranking very high in commercial access (3rd) but very low in retail access (53rd).

Peru finishes five spots behind Panama at 41st, down one spot from last year's Index. Peru continues to be weak in financial intermediation, ranking 46th, 46th, and 55th in the banking financial services, non-banking financial services, and financial markets pillars, respectively. Declines in the insurance (48th) and equity market development (51st) subpillars were particularly steep. On a positive note, Peru's banking system has become more efficient (36th), as evidenced by the country's 10-spot jump from last year. Financial stability (15th) remains Peru's strongest pillar. It is bolstered by relatively stable currency (21st) and banking (16th) systems, as well as a low risk of sovereign debt crisis (17th). Peru's financial access (26th) pillar results have strengthened, primarily because of jumps made in the retail access (28th) subpillar.

Mexico fell two spots to place 43rd overall in this year's Index. The biggest decline occurred in the financial access pillar (44th), where Mexico was hindered by weak retail access (42nd) results. Mexico also experienced weakness in the areas of equity (50th) and bond market development (34th), falling five and six spots, respectively. While these drops may be some cause for concern, Mexico did jump in rank in a number of areas, including corporate governance (37th), legal and regulatory issues (43rd), and insurance (42nd). Mexico also exhibits particular strength in terms of financial stability (14th). The stability of Mexico's banking system (13th) has improved, and the risk of sovereign debt crisis (28th) has decreased slightly. In addition to financial stability, Mexico has development advantages in several non-banking financial services (33rd) subpillars. In particular, Mexico is quite strong in securitization, where it ranks 19th overall.

After moving up two spots last year, **Colombia** has fallen one spot to place 46th overall in the Index. Colombia has very apparent weaknesses in the institutional environment (52nd) and financial markets (50th) pillars. Colombia's weak legal and regulatory framework (56th) and ineffectiveness in enforcing contracts (56th) hinder the country's ability to develop its factors, policies, and institutions. Although Colombia's foreign exchange market (35th) is relatively developed, its equity market (48th) lags behind countries such as Brazil and Chile. Like Mexico, Colombia scores relatively high in terms of financial stability (28th). However, declines in the banking system stability (53rd) should be cause for some concern. With regards to financial access (37th), Colombia has development advantages in both the commercial access (31st) and retail access (32nd) subpillars. Colombia benefits from having a large amount of foreign direct investment relative to GDP (18th) and a high number of loan accounts at MFIs (4th).

Argentina and **Venezuela** round out the Latin America countries and rank 55th and 62nd, respectively. Both Argentina and Venezuela have fallen in rank in this year's Index. Argentina's largest drop occurred in non-banking financial services (29th), and Venezuela's was in the financial markets (57th) pillar. Although Argentina received a considerable boost in IPO activity (30th), the pillar results were offset by an even greater decline in securitization (18th). Venezuela, on the other hand, received a 16-spot boost in the securitization (22nd) subpillar rankings and an 11-spot jump in rank in the non-banking financial services (40th) pillar. Venezuela continues to suffer from very weak factors, policies, and institutions and ranks at or near the very bottom of both the institutional (62nd) and business environment (61st) subpillars. Though Argentina also has a relatively weak institutional environment (55th), its area of greatest weakness is financial access (60th). Argentina's commercial access (61st) scores are particularly low and result from unsophisticated financial markets (62nd),

limited venture capital availability (62nd), and difficulty accessing loans (62nd).

MIDDLE EAST AND NORTH AFRICA

Placing 21st in this year's Index, **Kuwait** is the highest-ranked country in the Middle East and North Africa region. Kuwait also holds the distinction of having the greatest year-over-year jump in the rankings, moving up an impressive seven spots since last year. Kuwait's climb up the Index is attributed to a boost in the financial access (10th) pillar. In addition, Kuwait has improved in financial stability (12th), moving up 10 and seven spots in the risk of sovereign debt crisis (1st) and currency stability (15th) subpillars, respectively. Kuwait's strong financial markets (6th) are counterbalanced by weakness in the banking financial services (40th) and non-banking financial services (41st) pillars. More specifically, M&A activity (53rd), insurance (52nd), and financial information disclosure (44th) are clear areas for improvement. In the institutional (41st) and business environment (27th) pillars, Kuwait should address underdevelopment issues stemming from a weak legal and regulatory framework (51st) and an underdeveloped human capital pool (56th).

Israel moved up two spots to place 24th overall in this year's Index. Over the past year, Israel exhibited improvement across several pillars, including financial stability (26th), non-banking financial services (36th), and financial markets (20th). Israel also benefits from relatively strong results in the institutional environment (19th) and financial access (19th) pillars. In particular, Israel has a sound legal and regulatory framework (20th), good contract enforcement mechanisms (21st), and solid availability of commercial capital (10th). Despite these relative strengths, there are a number of clear areas for improvement. Banking financial services (30th) and non-banking financial services (36th) are relatively underdeveloped. Israel's banking system is comparatively small (30th) and inefficient (32nd), and the country's securitization (55th) activity is minimal.

Coming in behind Israel are **Bahrain** (25th) and the **United Arab Emirates (UAE)** (26th), both of which declined one spot since last year. Bahrain and the UAE took hits in the banking financial services pillar (27th and 31st, respectively), the UAE because its banking system became less efficient (43rd), falling ten spots, and Bahrain because newly available data allowed the country to be ranked in the size index (25th). Other areas of weakness for Bahrain over the past year include declining M&A activity (48th), increased currency instability (57th), and a declining equity market (35th). The UAE experienced declining results in the IPO activity (48th), securitization (51st), and retail access (26th) subpillars. Despite these weaknesses, the Gulf States benefit from strong factors, policies, and institutions. Bahrain and the UAE benefit from efficient tax regimes (2nd and 1st, respectively),

generally strong corporate governance mechanisms (22nd and 16th, respectively) and highly stable banking systems (1st and 4th, respectively).

Saudi Arabia (31st) experienced the largest decline among the countries in the Index, falling eight spots since last year. Saudi Arabia fell in both score and ranking in four of the seven pillars. Weakness in the financial access (40th) pillar is particularly evident, as Saudi Arabia fell ten spots in commercial access (13th) because of weakness in indicators such as foreign direct investment to GDP (25th), financing through local equity market (11th), ease of access to credit (17th), and venture capital availability (14th). Saudi Arabia also dropped in all of the subpillars constituting the institutional environment (28th); the financial sector liberalization (41st) subpillar took the hardest hit, falling 11 spots. On a positive note, Saudi Arabia continues to place 1st overall in terms of financial stability, and the risk of sovereign debt crisis (5th) declined since last year.

Jordan fell one spot to place 33rd overall in this year's Index. Like Saudi Arabia, Jordan fell quite a bit in the financial access (52nd) pillar and retail access subpillar (54th). The country's poor performance in this area stems in part from its low rank in the market penetration of bank accounts (53rd) and loan from a financial institution (54th) indicators. Jordan also experienced a slight drop in the banking financial services (33rd) pillar because of weakness in the size index (23rd). Despite these weaknesses, Jordan benefits from having a well-developed equity market (16th), robust securitization activity (9th), and an efficient tax regime (20th). Although it has a comparatively stable banking system (26th), financial stability (48th) remains one of Jordan's weakest pillars.

Turkey's (42nd) one-spot rise in this year's Index can be attributed to improvement in a number of pillars and subpillars. Turkey showed considerable strength in the financial markets pillar (30th), particularly in equity market development (20th). Other areas of growth include insurance (35th) in the non-banking financial services (45th) pillar, human capital (45th) in the business environment (33rd) pillar, and corporate governance (43rd) in the institutional environment (37th) pillar. On the negative side, Turkey is experiencing greater financial instability (58th). Both Turkey's currency (56th) and banking systems (50th) have become more unstable. Financial access (39th) is another area that experienced sizable drops over the past year. Although Turkey has development advantages in both the commercial (32nd) and retail access (33rd) subpillars, it fell 13 spots in the retail access subpillar.

Morocco (45th) and **Egypt** (53rd), which fell three and four spots, respectively, round out the Middle East and North Africa. Whereas Morocco fell most in the financial stability

(39th) and financial markets (45th) pillars, Egypt was hardest hit in financial access (62nd) and non-banking financial services (56th). Since last year, Morocco has experienced greater currency (22nd) and banking system instability (34th), as well as weakness in equity market development (43rd). Egypt saw M&A activity (49th) dry up substantially and commercial access (49th) drop. While there is still significant room for improvement, Egypt is making its banking system more efficient (47th). Despite a number of declines, Morocco continues to have development advantages in financial intermediation. Morocco's banking system is relatively large (32nd) and efficient (19th), and insurance (33rd) and securitization (30th) activity are strong, given the country's position in the overall Index.

SUB-SAHARAN AFRICA

South Africa moves up one spot to place 28th and continues to be the top-ranked sub-Saharan African country in the Index. South Africa experienced a slight improvement in non-banking financial services (22nd) and financial stability (17th). These changes were driven by greater currency stability (28th) and more robust IPO (26th) and securitization activity (44th). Although South Africa's business environment (42nd) is the country's weakest area, results within the pillar are quite mixed. For instance, South Africa's efficient tax regime (16th) is counterbalanced by a very weak human capital pool (52nd) and underdeveloped infrastructure (51st). South Africa's comparatively strong institutional environment (25th) is a result of good corporate governance mechanisms (11th) and an ability to effectively enforce contracts (19th). In terms of financial access (36th), South Africa offers varied results. On the one hand, commercial access scores (16th) are solid and improving, while retail access (41st) is relatively weak and declining.

Kenya was added to this year's Index and ranks 54th overall. Kenya's factors, policies, and institutions are quite weak, particularly with regard to the business environment (57th) and financial stability (54th) pillars. Kenya's business environment is hindered by a weak human capital pool (54th), underdeveloped infrastructure (56th), and a high cost of doing business (58th). In terms of financial stability, Kenya's high risk of sovereign debt crisis (55th) is attributable to low local (53rd) and foreign currency sovereign ratings (53rd), as well as a low aggregate macroeconomic indicator (52nd) score. Financial intermediation also remains less than optimal, as Kenya ranks 57th and 56th in the banking financial services and financial markets pillars, respectively. Although there are clear areas for improvement, Kenya performs relatively well in the insurance (23rd), commercial access (33rd), banking system stability (32nd), and legal and regulatory issues (38th) subpillars.

Ghana (56th) and **Tanzania** (60th), which were added to last year's Index, have moved in opposite directions. While Ghana rose two spots over last year, Tanzania declined three spots. Tanzania declined in six of seven pillars, although these declines were small. Ghana, on the other hand, saw much more variation, particularly in the financial stability (33rd) and banking financial services pillars (60th). Ghana's weakness in the efficiency index (62nd) was offset by a high score in banking system stability (2nd). While Tanzania continues to rank as one of the most stable financial systems (5th), this may be attributed to the lack of depth and sophistication of its financial markets (62nd), banking financial services (61st), and non-banking financial services (62nd). Ghana exhibits similar weakness in financial intermediation, ranking 60th, 61st, and 61st in the banking financial services, non-banking financial services, and financial markets pillars, respectively. Nevertheless, Ghana benefits from strong commercial access (28th) results, scoring relatively high in the foreign direct investment to GDP (5th) and financing through local equity market (33rd) indicators.

Nigeria fell one spot and ranks 61st overall in this year's Index. Nigeria continues to rank at or near the bottom of the Index in a number of areas, including the business environment (60th), banking financial services (62nd), non-banking financial services (58th), financial markets (60th), and financial access (57th) pillars. While these weaknesses hinder Nigeria's overall development, the country made strides over the past year. For instance, Nigeria's 14-spot jump in the legal and regulatory issues (37th) subpillar is driven by increased central bank transparency (34th) and greater public trust in politicians (47th). Nigeria also improved in financial stability (36th). A reduction in the risk of sovereign debt crisis (44th) can be partly attributed to an improved score in the macroeconomic indicator (43rd). Other areas of relative strength include commercial access (47th), IPO activity (49th), and securitization (49th).

Conclusion

The 2008 crisis brought the financial world to the brink of collapse. Since then, there have been a number of initiatives to identify and address the issues that led to the onset of the crisis. Although the recovery has been much slower than desired, positive developments are evident in the form of higher Tier 1 capital ratios and a lower number of non-performing loans. While this may be a step in the right direction, the path to full recovery is still long. High unemployment, low growth, and unsustainable debt levels could be interpreted as yet another looming crisis. Moreover, waning trust in the system and its actors is reflected in volatile stock markets. Weaknesses in the *Financial Development Report's* equity market indicators suggest that further volatility in the stock markets can be expected, at least in the near term. Although

leaders will be stretched thin to find solutions to both domestic and international problems, it is imperative that they address these issues to ensure that the foundations that allow financial systems to develop are in place.

The Country Profiles and Data Tables in this *Report* contain a wealth of data that can be a useful starting point to supplement this analysis. These data are presented within a transparent and comprehensive framework that encourages breadth of analysis within countries and the benchmarking of performance across them. The framework is limited by the data that are available for the countries covered in the Index, and its findings should be scrutinized and, where appropriate, challenged. However, we believe the advantages of bringing together such a comprehensive amount of data in a structured and accessible way far outweigh these limitations. We hope that this *Report* broadens and sharpens the perspective of those who are working to harness the full potential of financial systems to promote global economic growth and individual welfare.

Notes

- 1 Khan and Senhadji 2000.
- 2 Schumpeter (1912) holds that financial intermediaries select the firms that utilize an economy's savings. More formally, his view stipulates that financial intermediaries tend to adjust the process of savings allocation rather than alter the savings rate itself. Thus, Schumpeter's notion of finance and development focuses on the effect of financial intermediaries on productivity growth and the rates of technological change.
- 3 For a detailed review of the literature on finance and growth, see Levine 2004.
- 4 Kannan 2010.
- 5 Ranciere et al. 2008. This research does not suggest that financial crises are good for economic growth. Rather, it suggests that the systemic risk-taking that overcomes financial bottlenecks to economic growth is associated with occasional financial crises.
- 6 Feyen 2009.
- 7 Levine 2004.
- 8 La Porta et al. 1997, 1998, 1999; Levine 1998, 1999; and Barth et al. 1999.
- 9 Bekaert and Harvey 2005 also hold explicitly that reforms that strengthen a country's legal environment and investor protection are most likely the true cause of better growth prospects.
- 10 Kpodar and Jan Singh 2011.
- 11 Caceres and Kochanova 2012.
- 12 La Porta et al. 1997; King and Levine 1993.
- 13 Schleifer and Vishny 1997.
- 14 Tavares 2002.
- 15 Claessens et al. 2010.
- 16 Galor and Zeira 1993.
- 17 Fitzgerald 2007.
- 18 For findings related to the positive relationship between liberalization and growth, see Grilli and Milesi-Ferretti 1995; Kraay 1998; Rodrik 1998; and Edison et al. 2002a. The works of Quinn 1997; Klein and Olivei 1999; and Quinn and Toyoda 2008 support the relationship. Research presented in Edison et al. 2002b; Chanda 2003; and Arteta 2003 find the relationship to be ambiguous.
- 19 De la Torre et al. 2008.
- 20 Ito and Chin 2007.
- 21 Levine 1997.
- 22 Outreville 1999.
- 23 Barro 1991.
- 24 Beck 2006.
- 25 Guiso et al. 2010.
- 26 Aizenman and Pinto 2011.
- 27 Loayza and Ranciere 2002.
- 28 De la Torre and Ize 2009.
- 29 Rojas-Suarez 2003.
- 30 Merton and Brodie 1998.
- 31 Goldsmith 1969.
- 32 Ito and Chinn 2007.
- 33 Levine 2004.
- 34 That such channeling and efficient allocation occur is emphasized based on two premises: (1) financial intermediaries provide liquidity, and (2) financial intermediaries are capable of altering the riskiness of assets; see Claus and Grimes 2003.
- 35 Gerschenkron 1962, along with others, asserts that banks finance growth in a more effective and efficient way than market-based systems, particularly in underdeveloped economies where non-bank financial intermediaries are generally less sophisticated.
- 36 Rajan and Zingales 2001.
- 37 Levine 1997, 2001.
- 38 Xiao and Zhao 2011.
- 39 Barth et al. 1999.
- 40 Vittas 1998.

- 41 Demirgüç-Kunt and Levine 2001.
- 42 Noyer 2006.
- 43 Avram et al. 2010.
- 44 Lin 2007.
- 45 Demirgüç-Kunt et al. 2011.
- 46 Levine and Zervos 1996 employ several indicators for stock markets, spanning size (market capitalization ratio) and liquidity (stock market turnover and stock market value traded both as shares of GDP).
- 47 Arestis et al. 2001.
- 48 Demirgüç-Kunt and Levine 2001.
- 49 Fink et al. 2003.
- 50 See <http://www.imf.org/external/np/speeches/2007/082207.htm>.
- 51 Beck et al. 2006.
- 52 Beck et al. 2010.
- 53 The World Federation of Exchanges data are not deflated and cover 39 of the 62 countries reported in the Financial Development Index this year.

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Appendix A: Structure of the Financial Development Index 2012

This appendix presents the structure of the Financial Development Index.

The numbering of the variables matches the numbering of the data tables. The number preceding the period indicates to which pillar the variable belongs (e.g., variable 1.01 belongs to the first pillar).

The indicators from sources other than the Executive Opinion Survey used in the Index are normalized on a 1-to-7 scale in order to align them with the Executive Opinion Survey's results.¹ The Technical Notes and Sources at the end of this Report provide detailed information on all of these indicators. In some instances, the interaction among different variables was also captured because certain variables can be considered more beneficial in the presence of others. For instance, the effect of liberalizing the capital account and the domestic financial sector has been found in empirical studies to be mixed, yielding both positive and negative results. However, a strong legal and regulatory environment and a developed bond market tend to mitigate the negative effects of the liberalization process. To account for this, the scores of the capital account liberalization, commitments to WTO Agreement on Trade in Services within the financial services sector, and domestic financial sector liberalization indicators were adjusted. Any economy with standardized scores above the average for the legal and regulatory issues and bond market development subpillars experienced positive effects as a result of the liberalization, while the opposite is true for countries with scores lower than these averages.²

Weighting and scaling of variables

One of the key design principles of the Index is the inclusion of the breadth of variables relevant to the financial development of both emerging and developed economies. Given the emphasis placed on the component parts of the Index as a framework for analysis, we have taken a very conservative approach to the weighting of variables. We have generally weighted different components of the Index equally.

In some instances, there was sufficient cause to assign different weights to the subpillars within the Index. Within the financial stability pillar, banking system stability is weighted more heavily (40 percent) than currency stability and risk of sovereign debt crisis (30 percent each). Within the banking financial services pillar, there are three subgroups: the size of the banking system, the efficiency of the banking system, and the role of financial information disclosure. The first two variables were weighted 40 percent each in this pillar, while the last variable was weighted at 20 percent, thus placing more importance on the size and efficiency of the banking

system than on the role of disclosure. Within the financial markets pillar, a 30 percent weight was assigned to the equity and bond market subpillars, and a 20 percent weight was assigned to the foreign exchange and derivatives market subpillars. This was done to signify the relatively greater importance of equity and bond market development.

For many variables, especially those related to the size and depth of the financial system, scaling by GDP was deemed necessary to control for country size. Scaling by GDP also allows for more relevant cross-country comparisons.

Index structure

The percentage next to each category in the list below represents the category's weight within its immediate parent category. The computation of the Index is based on successive aggregations of scores, from the variable level (i.e., the lowest level) all the way up to the overall Index score (i.e., the highest level), using the weights reported below. For example, the score a country achieves on the bond market development subpillar comprises 30 percent of the country's financial markets pillar (VI) score. Likewise, the score a country achieves in the 5th pillar accounts for 14.29 percent of the Index score.

A dynamic weighting regime removes individual variables from the subpillar and pillar calculations when no data are present. The weight normally attributed to a particular variable will be spread among variables for which data are present. Therefore, the actual weight for each variable by country may not be exactly as noted.

1st pillar: Institutional environment	14.29%
A. Financial sector liberalization	25.00%
1.01 Capital account liberalization	
1.02 Commitments to WTO Agreement on Trade in Services	
1.03 Domestic financial sector liberalization	
B. Corporate governance	25.00%
1.04 Extent of incentive-based compensation	
1.05 Efficacy of corporate boards	
1.06 Reliance on professional management	
1.07 Willingness to delegate	
1.08 Strength of auditing and reporting standards	
1.09 Ethical behavior of firms	
1.10 Protection of minority shareholders' interests	
C. Legal and regulatory issues	25.00%
1.11 Burden of government regulation	
1.12 Regulation of securities exchanges	
1.13 Property rights	
1.14 Intellectual property protection	

Appendix A: Structure of the Financial Development Index 2012 (continued)

1.15	Diversion of public funds		
1.16	Public trust of politicians		
1.17	Corruption perceptions index		
1.18	Strength of legal rights index		
1.19	Central bank transparency		
D. Contract enforcement		25.00%	
1.20	Effectiveness of law-making bodies		
1.21	Judicial independence		
1.22	Irregular payments in judicial decisions		
1.23	Time to enforce a contract		
1.24	Number of procedures to enforce a contract		
1.25	Strength of investor protection index		
1.26	Cost of enforcing contracts		
2nd pillar: Business environment		14.29%	
A. Human capital		25.00%	
2.01	Quality of management schools		
2.02	Quality of math and science education		
2.03	Extent of staff training		
2.04	Local availability of specialized research and training services		
2.05	Brain drain		
2.06	Tertiary enrollment		
B. Taxes		25.00%	
2.07	Irregular payments in tax collection		
2.08	Distortive effect of taxes and subsidies on competition		
2.09	Marginal tax variation		
2.10	Time to pay taxes		
C. Infrastructure		25.00%	
2.11	Quality of overall infrastructure		
2.12	Quality of electricity supply		
2.13	Internet users		
2.14	Broadband Internet subscriptions		
2.15	Telephone subscriptions		
2.16	Mobile telephone subscriptions		
D. Cost of doing business		25.00%	
2.17	Cost of starting a business		
2.18	Cost of registering property		
2.19	Cost of closing a business		
2.20	Time to start a business		
2.21	Time to register property		
2.22	Time to close a business		
3rd pillar: Financial stability		14.29%	
A. Currency stability		30.00%	
3.01	Change in real effective exchange rate (REER)		
3.02	External vulnerability indicator		
3.03	Current account balance to GDP		
3.04	Dollarization vulnerability indicator		
3.05	External debt to GDP (developing economies)		
3.06	Net international investment position to GDP (advanced economies)		
B. Banking system stability		40.00%	
3.07	Frequency of banking crises		
3.08	Financial strengths indicator		
3.09	Aggregate measure of real estate bubbles		
3.10	Tier 1 capital ratio		
3.11	Output loss during banking crises		
C. Risk of sovereign debt crisis		30.00%	
3.12	Local currency sovereign rating		
3.13	Foreign currency sovereign rating		
3.14	Aggregate macroeconomic indicator		
3.15	Manageability of public debt		
3.16	Credit default swap spreads		
4th pillar: Banking financial services		14.29%	
A. Size index		40.00%	
4.01	Deposit money bank assets to GDP		
4.02	Central bank assets to GDP		
4.03	Financial system deposits to GDP		
4.04	M2 to GDP		
4.05	Private credit to GDP		
4.06	Bank deposits to GDP		
4.07	Money market instruments to GDP		
B. Efficiency index		40.00%	
4.08	Aggregate profitability indicator		
4.09	Bank overhead costs		
4.10	Public ownership of banks		
4.11	Bank operating costs to assets		
4.12	Non-performing bank loans to total loans		
C. Financial information disclosure		20.00%	
4.13	Private credit bureau coverage		
4.14	Public credit registry coverage		
5th pillar: Non-banking financial services		14.29%	
A. IPO activity		25.00%	
5.01	IPO market share		
5.02	IPO proceeds amount		
5.03	Share of world IPOs		
B. M&A activity		25.00%	
5.04	M&A market share		
5.05	M&A transaction value to GDP		
5.06	Share of total number of M&A deals		
C. Insurance		25.00%	
5.07	Life insurance penetration		
5.08	Non-life insurance penetration		
5.09	Real growth of direct insurance premiums		
5.10	Life insurance density		
5.11	Non-life insurance density		
5.12	Relative value added of insurance to GDP		

Appendix A: Structure of the Financial Development Index 2012 (continued)**D. Securitization** 25.00%

- 5.13 Securitization to GDP
- 5.14 Share of total number of securitization deals

6th pillar: Financial markets 14.29%**A. Foreign exchange markets** 20.00%

- 6.01 Spot foreign exchange turnover
- 6.02 Outright forward foreign exchange turnover
- 6.03 Foreign exchange swap turnover

B. Derivatives markets 20.00%

- 6.04 Interest rate derivatives turnover: Forward rate agreements
- 6.05 Interest rate derivatives turnover: Swaps
- 6.06 Interest rate derivatives turnover: Options
- 6.07 Foreign exchange derivatives turnover: Currency swaps
- 6.08 Foreign exchange derivatives turnover: Options

C. Equity market development 30.00%

- 6.09 Stock market turnover ratio
- 6.10 Stock market capitalization to GDP
- 6.11 Stock market value traded to GDP
- 6.12 Number of listed companies per 10,000 people

D. Bond market development 30.00%

- 6.13 Private domestic bond market capitalization to GDP
- 6.14 Public domestic bond market capitalization to GDP
- 6.15 Private international bonds to GDP
- 6.16 Public international bonds to GDP
- 6.17 Local currency corporate bond issuance to GDP

7th pillar: Financial access 14.29%**A. Commercial access** 50.00%

- 7.01 Financial market sophistication
- 7.02 Venture capital availability
- 7.03 Ease of access to credit
- 7.04 Financing through local equity market
- 7.05 Ease of access to loans
- 7.06 Foreign direct investment to GDP

B. Retail access 50.00%

- 7.07 Market penetration of bank accounts
- 7.08 Commercial bank branches
- 7.09 Total number of ATMs
- 7.10 Debit card penetration
- 7.11 Loan accounts at MFIs
- 7.12 Loan at a financial institution

Notes

- 1 See Browne and Geiger 2009. The standard formula for converting hard data is the following:

$$6 \times \frac{(\text{country score} - \text{sample minimum})}{(\text{sample maximum} - \text{sample minimum})} + 1$$

The *sample minimum* and *sample maximum* are, respectively, the lowest and highest country scores in the sample of countries covered by the Index. In some instances, adjustments were made to account for extreme outliers. For those hard data variables for which a higher value indicates a worse outcome (e.g., Frequency of banking crises, Entry restrictions for banks), we rely on a normalization formula that, in addition to converting the series to a 1-to-7 scale, reverses it so that 1 and 7 still corresponds to the worst and best possible outcomes, respectively:

$$-6 \times \frac{(\text{country score} - \text{sample minimum})}{(\text{sample maximum} - \text{sample minimum})} + 7$$

- 2 The average score for the legal and regulatory issues was 4.10. The average score for the bond market development was 2.76.

Drawing Boundaries Around and Through the Banking System

DARRELL DUFFIE

Stanford University Graduate School of Business

Legislators and regulators are once again grappling with one of the most complex and important policy issues concerning our economic system: How should the boundaries of the regulated banking system be drawn? Should “shadow banks” that offer services tantamount to lending and deposit taking be forced to operate under a banking license? Conversely, should banks that benefit from a safety net of governmental deposit insurance and access to central bank liquidity be allowed to do more than take deposits and make loans?

The United States has had a particularly tortured history with respect to the latter question. US regulators are currently groping for a reasonable implementation of the Volcker Rule, which bans many forms of speculative trading by bank holding companies while allowing them to trade so as to hedge their banking risks and to provide clients with underwriting and market-making services. Some have suggested, instead, a strict return to the Glass-Steagall Act of 1933, under which banks could not offer investment-banking services. The United Kingdom is now drawing fundamental new boundaries *within* its banking system by “ring-fencing” traditional domestic banking services from risks associated with wholesale global financial services. Other major regulatory jurisdictions, particularly Switzerland and the euro zone, have maintained variants of the “universal banking” model, by which banks are permitted to offer a wide range of financial services. In October 2012, however, the Liikanen Group Report recommended to the European Commission that European banks have ring-fencing along lines similar to those of the United Kingdom.

Proponents of tight restriction on the activities of banks assert that limiting banks to traditional lending and deposit taking improves the safety of our financial system. They believe that such limitations need not lead to a loss of market efficiency but, even if it does, we can afford to give up some market liquidity and convenience in order to ensure that our banks are safe.

Bank failures, however, are not the only significant threat to financial stability. Some of the gravest moments of the financial crisis of 2007-2009 involved the bailouts or collapses of large non-bank financial institutions, such as Bear Stearns, Lehman Brothers, Fannie Mae, Freddie Mac, Merrill Lynch, and AIG. Gorton and Metrick detail the additional damage caused by runs on a range of shadow banks, including prime money market mutual funds, asset-backed commercial paper conduits, structured investment vehicles, and other forms of short-term lending backed by collateralized debt obligations.¹ *Shadow banks* are firms that offer close substitutes to

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traditional bank lending and deposit taking but are not regulated as banks.² Some hedge funds offer loans, thus participating in the world of shadow banking, but hedge fund failures did not figure prominently in the financial crisis of 2007-2009.

Investment banks and shadow banks have been far less limited than traditional banks by regulatory supervision and capital requirements. They normally have no safety net of deposit insurance or direct access to central bank emergency liquidity.

Banking regulation affects not only the safety and soundness of banks, but also what happens outside the regulated banking system. Our economy depends heavily on the continued provision of certain financial services, whether or not they are offered by regulated banks. The failure of non-bank financial services firms can also cause contagious damage through asset fire sales, heightened investor uncertainty, and counterparty default exposures. In theory, separate systems of regulation for non-bank financial services firms can bring the exterior of the regulated banking system to almost any desired level of safety and soundness. In practice, the recent financial crisis does not leave much comfort in that respect.

What are we trying to protect?

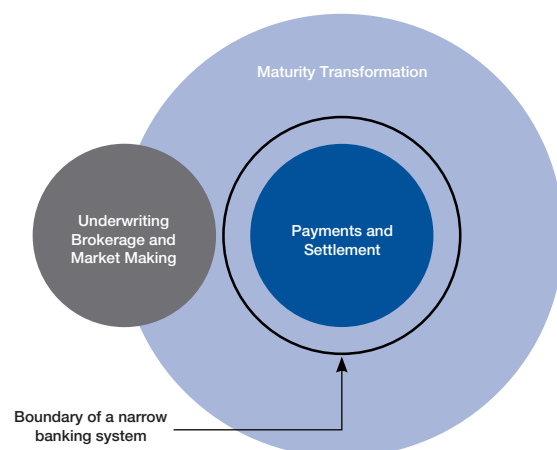
The regulatory boundaries of banking systems are designed mainly to protect within them certain crucial economic functions. Banks operate the economy's most important payment and settlement systems. It would be difficult for a market-based economy to carry out its essential functions if buyers of goods and services were unable to settle their transactions by debiting their bank accounts (or borrowing on bank credit lines) in favor of the bank accounts of sellers. Similarly, a wide range of important financial contracts and securities trades are settled through payment systems operated by banks or bank-controlled clearinghouses. These systems include deposit account and check-clearing systems, credit card account systems, ATM networks, direct bank account transfer systems, interbank large payment systems (such as CHIPS for US dollars and CHAPS for UK pounds), foreign currency transactions settlement services such as CLS Bank, and various securities trade-settlement and depository systems. Some important interbank payment and settlement systems are operated by central banks. The highest priority must be given to the continued operation of these payment and settlement systems.

These payment and settlement systems facilitate the use of *money*, the class of financial instruments by which wealth or access to short-term credit can be safely maintained and widely and easily used as a medium for transactions. The level of economic activity that a market economy can support

depends in part on the stock of money available to facilitate transactions. Bank deposits and short-term bank credit lines are an important source of money. During banking crises, the money supply can drop dangerously unless steps are quickly taken to replenish it. As emphasized by Friedman and Schwartz, the massive failures of US banks in the early 1930s were exceptionally damaging to the US economy because they lowered the stock of money available to the economy, exacerbated by the failure of the central bank to act as a robust lender of last resort.³ By contrast, during the financial crisis of 2007-2009, all major central banks moved aggressively and in a coordinated fashion to ensure that the economy had an abundant stock of money.

In practice, banks offer a substantial credit services beyond those needed to maintain our payment and settlement systems and money stock, especially through *maturity transformation*, by which banks borrow for short maturities and lend for longer maturities. Long-term credit provision is generally risky. Over the term of a 10-year loan, for instance, a borrower whose credit quality is initially strong has plenty of time to become insolvent. Some observers have proposed that our payment and settlement systems and money supply would be better protected within a regime of "narrow banks" that are precluded from significant maturity transformation, as depicted in Figure 1. A related proposal, "100% reserve banking," suggested (and then abandoned) by Milton Friedman, would force each bank's deposits to be 100% backed by reserves (vault currency and central bank deposits), but would allow banks to offer risky long-term loans funded from other sources.⁴

Figure 1: The boundary of a narrow banking system



These sorts of restrictions on banks, however, increase incentives to create money-like financial instruments in the shadow banking system, where they may be less regulated. It would then be left to additional regulation to restrict risks taken by shadow banks (and perhaps to provide a separate

safety net for shadow banks) or, alternatively, to force shadow banking activities back into the regulated banking system. A significant amount of maturity transformation can be (and is) intermediated by hedge funds and other asset management firms, through specialty non-bank finance firms and through the use of security markets, primarily via the issuance of bonds, structured products such as collateralized debt obligations, and mutual funds. If regulations significantly limited maturity transformation by banks, much of the resulting gap could probably be filled adequately outside the regulated banking system, given enough time for adjustment. Most banks are purpose-built for credit intermediation and maturity transformation, however, so this could involve some loss in economic efficiency. In any case, maturity transformation is currently offered liberally within the boundaries of the regulated banking system, where the associated risks are principally addressed with regulatory capital requirements, regulatory supervision, deposit insurance to reduce the risk of runs, and access to emergency loans from the central bank.

In the United States, about 60 percent of credit intermediation occurs in securities markets, rather than through bank loans,⁵ partly explaining the historical tension in the United States over the separation of banks and investment banks. US banks have wanted access to profitable opportunities for intermediating securities and derivatives markets; regulators and investment banks have often resisted. In essentially every other major jurisdiction, securities markets play a much smaller role than banks in credit provision. While the assets of US banks are less than 100 percent of US GDP, this ratio is approximately 300 percent for France and Germany and about 500 percent for the United Kingdom and Switzerland.⁶ The extremely high ratios for the U.K. and Switzerland are due to the fact that their largest banks operate extensively in non-domestic markets.

Even in the United States, the provision and intermediation of credit by banks is substantial and serves an important function beyond contributing to the stock of money and maintaining payment and settlement systems. Providing access to long-term debt financing at a low frictional cost is an important economic service in which banks specialize. Moreover, in the course of arranging access to credit, banks provide substantial governance benefits through the monitoring of borrowers, especially in the case of loans to corporations.⁷

Bundling the robust provision of risky long-term lending together with insured deposit taking is only one of several plausible extensions of the protective safety net of the regulated banking system. If the uninterrupted intermediation of certain securities markets is viewed as critical to the economy, or if their collapse would otherwise endanger the

economy, then regulators could provide some form of safety net for selected securities intermediaries.

For example, Gorton and Metrick argue that certain shadow banks now operating in securities markets should be brought within the protective safety net of the banking system and regulated as narrow banks.⁸ They recommend this step for so-called “stable net asset value” (one dollar per share) money market mutual funds, which are tantamount to demand deposits, and for certain types of securitization vehicles that offer close substitutes for money. Similarly, Ricks proposes that any financial activity that effectively creates money or close substitutes for money should require a license, have its risk taking regulated, and be placed under the protection of deposit insurance and central-bank liquidity support.⁹ In a related proposal, Tuckman suggests that shadow banks of various types should be allowed to submit bids in an auction for access to emergency loans from their central bank.¹⁰

Some analysts believe that shadow banks provide a necessary and relatively safe supply of money. Pozsar makes the case that bank deposits are an unsatisfactory form of money for many large institutional investors, given the risk of bank failure and the limited coverage of deposit insurance.¹¹ Deposit insurance is capped at \$250,000 per account in the United States, and does not exist in many major countries. Based on his analysis of the uses and quantities of various types of money-like instruments, Pozsar suggests that, in preference over bank deposits, institutional investors choose safe and liquid money-like assets that are found in securities markets. These instruments include Treasury bills, of which there is too small a quantity to meet demand, and shadow bank money-like instruments such as money market funds and repurchase agreements. Pozsar writes that institutional investors’ cumulative demand for short-term government-guaranteed instruments (as alternatives to insured deposits) exceeded the supply of such instruments by at least \$1.5 trillion between 2003 and 2008, and that the shadow banking system filled this vacuum through the creation of safe, short-term, liquid instruments.

Dang, Gorton, and Holmstrom caution, however, that reliance on ostensibly safe forms of shadow-bank money can lead to damaging runs by investors once their safety is called into question.¹² Because of this, shadow-banking activities that offer investors access to large amounts of run-susceptible money-like instruments should be either forced back into the regulated banking environment or given a safety net of their own. These approaches are not simple to implement, and could lead to unintended consequences. In particular, safety nets increase moral hazard, a point examined in more detail in the next section. Regulators should be especially alert to

large pools of money-like instruments backed by assets that cannot be given emergency financing at the central bank.

Access to the safety net

Regulated banks benefit substantially from a safety net that, depending on the jurisdiction, can include government-backed deposit insurance, access to loans of last resort from the central bank, and a perception held by many bank creditors that legislatures or central banks would be likely to offer even more assistance if their banking systems were seriously threatened. A particular threat to the banking system is the failure of even a single sufficiently large bank, leading to the infamous phrase “too big to fail.”

The extra assistance offered by governments to regulated banks during the most recent financial crisis, beyond the normal banking safety net, included special bank-specific loan guarantees and capital injections, as well as enormous amounts of secured lending to banks by central banks and other government agencies.¹³ Beyond these steps, all UK bank deposits were given a government guarantee during the crisis. In the United States, banks got extra support from interest payments on their central bank reserve deposits, from a central bank policy of ultra-low short-term interest rates, and from a dramatic extension of government guarantees on loans to banks. The extension of guarantees on US bank debt offered by the Federal Deposit Insurance Corporation through the Temporary Liquidity Guarantee Program covered not only deposit insurance at significantly increased levels, but also other forms of new bank borrowing in almost unlimited amounts. Likewise, in the face of a general bank solvency crisis in late 2011 and early 2012, the European Central Bank offered unprecedented amounts of special three-year financing to euro zone banks.

The US safety net was also extended during the 2007-2009 crisis to many non-bank financial institutions. The insurance giant AIG received government capital injections and secured loans from the Federal Reserve. Two enormous mortgage financing firms, Fannie Mae and Freddie Mac, were nationalized. Emergency secured loans were provided to major non-bank securities dealers through such programs as the Primary Dealer Credit Facility and the Term Securities Lending Facility. When Lehman’s September 2008 bankruptcy triggered a massive run by institutional investors on prime money market mutual funds, these funds were offered a complete guarantee by the US Treasury.¹⁴

These extensions of the safety net beyond the regulated banking system were, however, subjected to heavy scrutiny by many observers, including members of the US Congress, which oversees the Federal Reserve. In the future, these extraordinary forms of support will probably not be viewed by creditors of financial institutions as reliable, compared with the

safety net for regulated banks. Indeed, with the Dodd-Frank Act, Congress removed the ability of the Federal Reserve to provide emergency loans of last resort to individual non-bank institutions. Going forward, non-bank emergency loans from the Fed may be provided only to financial market utilities or under programs that address the needs of a broad set of borrowers. The US Treasury has declared that it is no longer authorized to provide an emergency guarantee to money market mutual funds.

A key benefit to banks of the government safety net is a reduction of their normal cost of debt financing. For example, the treasurer of Goldman Sachs recently estimated that the annual cost to her firm of borrowing with three-year term bank deposits was about 2 percent less than that of issuing three-year bonds.¹⁵

In the United States, it is sometimes said that financial institutions whose risk-taking activities go beyond traditional lending should be denied access to the safety net in order to protect government deposit insurance funds. This logic is backward. Rather, the main purpose of deposit insurance is to lower the risk of interruptions of critical banking services that could be caused by depositor runs. Path-breaking research by Diamond and Dybvig demonstrates that, without deposit insurance, a mere expectation by depositors that other depositors will withdraw their funds earlier than necessary will cause most depositors to attempt to do so, leading to a run and to costly bank failures.¹⁶ Since the introduction of federal deposit insurance in the United States in 1933, the country has experienced none of the broad depositor-based bank runs that had previously plagued its economy. Europe’s leaders are currently considering how to obtain a euro zone-wide deposit insurance scheme in order to mitigate the risk of run-induced failures of their own banks.

A bank run is triggered by solvency concerns that can arise from any source of loss. Empirically, as emphasized by Reinhart and Rogoff, non-performing loans, especially real-estate loans, are the normal cause of banking crises.¹⁷ This is the case even when banking and investment banking have been bundled, as during the financial crises of 1929-1933 and 2007-2009.¹⁸ From the perspective of financial stability, the relevant question is which activities are more dangerously conducted inside the regulated banking system as opposed to outside.

The main cost of extending the safety net to a wider range of activities or firms is the associated moral hazard. If the creditors and managers of a financial institution believe that the institution is likely to receive enough support from the government to prevent its failure, then the financial institution has an incentive to take socially inefficient risks, given the prospect of a bailout and given that failure-causing losses

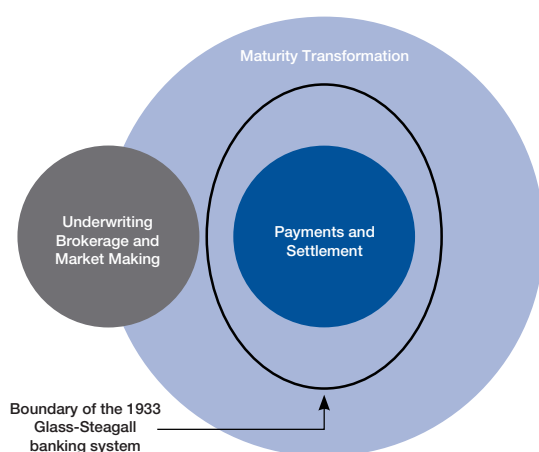
would be borne in part by the safety net provider. For example, Dam and Koetter use pre-crisis German banking industry data to show that significant increases in expectations of bailouts for banks lead to significant increases in risk taking by banks.¹⁹ The more limited the types of risks that are legally permitted by those within the safety net, the less opportunity for moral hazard.

As additional risky activities are permitted within the safety net of the banking system, the associated moral hazard can be mitigated by several approaches, including (i) risk-based capital and liquidity requirements, (ii) risk-based pricing of access to the safety net, and (iii) regulatory supervision. There is, nevertheless, concern that these mitigation tools have often been ineffective. The effectiveness of the first two tools, in particular, depends on accurate risk measurement.²⁰ The difficulty of risk measurement and regulatory supervision grows with the range and complexity of activities bundled within a financial institution.

Ring-fencing, Glass-Steagall, or Volcker?

In the United States, the systemically dangerous practices of most investment banks that were revealed during the financial crisis of 2007-2009 have triggered a new debate over the benefits of a Glass-Steagall-type separation of investment banking from commercial banking. This separation, depicted in Figure 2, was weakened in various regulatory and court decisions during the 1980s and 1990s, and was finally eliminated in 1999 by the Graham-Leach-Bliley Act.²¹

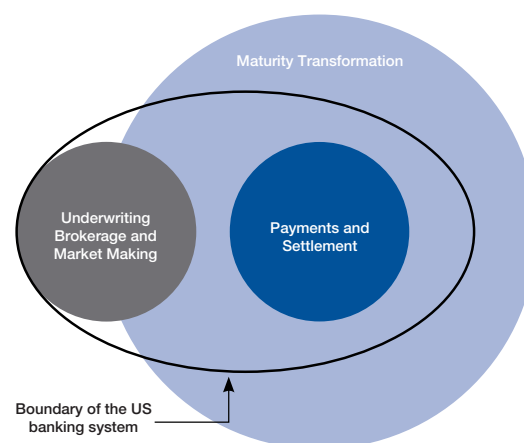
Figure 2: Separation of commercial and investment banking under the Glass-Steagall Act



An outcome of this most recent debate is new legislation commonly known as the Volcker Rule, prohibiting regulated banks and affiliates within the same holding company from financial trading activities other than those necessary for hedging their own risks, making markets, and underwriting new securities offerings. The separation of activities provided

by the Volcker Rule, depicted in Figure 3, is sometimes called “Glass-Steagall light.” The government agencies charged with implementing this legislation have been delayed by the difficulty of clearly defining the exempted trading activities. It is relatively easy to identify some of the types of prohibited trading activities, such as internally operated hedge funds. Indeed, banks and their affiliates have already largely jettisoned these easily identified trading businesses in anticipation of the regulators’ final rules. It has been quite difficult, however, for regulators to define “hedging” and “market making” in an implementable manner that respects the intent of Congress. For example, in many cases it will be difficult for regulators to detect whether a trade was conducted in order to profit from the provision of an intermediation service to a client (market making) or purely in order to benefit from an expected price change.²²

Figure 3: The US banking system under the Volcker Rule



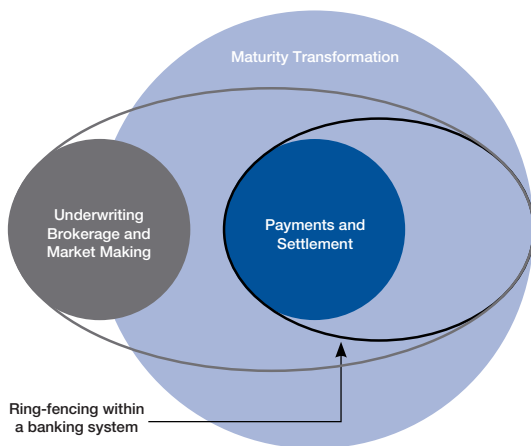
Some of the complaints over the agencies’ initially proposed methods for implementing the Volcker Rule have been over the loss of market liquidity that may result from an unintended but potentially significant reduction in market-making services. For example, Japan, Canada, the United Kingdom, and the European Union have asked the United States to exempt their government bond issues from the Volcker Rule, just as Congress has exempted US government bonds, in order to avoid a loss of liquidity in the markets for their bonds. The less liquid the secondary market for the bonds, the higher must be the interest rate offered by these governments to investors who buy these bonds when they are issued.

If there indeed turns out to be a significant loss of liquidity associated with a reduction in market-making services offered by banks and their affiliates, that gap would probably be filled over time through the entry of market makers that are not affiliated with banks. This, however, raises the specter of the past practices of large investment banks that were outside the regulated banking sphere. Market makers that are not

under the supervision of bank regulators have a different and historically weaker regime of capital requirements than banks and do not have direct access to the safety net. They could, then, pose risks to financial stability. This possibility amplifies the importance of regulatory supervision for systemically important financial institutions (SIFIs) that are not banks. In the United States, the Financial Stability Oversight Council (FSOC), a committee of all major US financial regulatory agencies, will designate and supervise SIFIs. One of the first serious tests of the FSOC's ability to control systemic risk outside the regulated banking system is likely to be over the regulation of money market mutual funds.

The United Kingdom has responded to the dangers to its banking system revealed by the recent crisis with a plan to “ring-fence” its traditional domestic banks from wholesale global banking activities, such as dealings in securities and derivatives.²³ Roughly speaking, this will mean that, whenever these two classes of activities are offered by the same bank, the traditional domestic banking activities (including the critical payment and settlement systems) must be backed by a pool of capital that is legally insulated from losses suffered on wholesale global banking activities, as depicted in Figure 4.

Figure 4: Ring-fencing within the boundary of a universal banking system



As with the Volcker Rule, ring-fencing is easier to describe in general terms than it will be to implement. For example, some domestic commercial banking clients may wish to use derivatives to hedge business risks associated with interest rates, commodities, or foreign exchange. It will be difficult in practice to know when clients are indeed obtaining commercial hedging services or are actually routing demand for speculative positions through the “domestic side” of the bank in order to have a safer counterparty.

In some respects, ring-fencing is less severe than the Volcker Rule, which precludes a significant amount of trading by a bank holding company even when conducted by a broker-dealer affiliate that does not in principle have access to the bank's capital.²⁴ In practice, it is not clear which of these two forms of separation between traditional banking and “wholesale” trading activities will prove to be more effective at maintaining financial stability.

Questions for regulators

Regulators face a complex array of options for how to draw regulatory boundaries around and through their banking systems, and how to promote financial stability outside the boundaries of the banking system.

Nothing about the boundaries of the regulated banking system should be taken on principle. Which activities are allowed within this specially protected regulatory environment is a cost-benefit decision that should be based on how dangerous it would be for these activities to be interrupted, what sorts of collateral damage might be caused by their failure, and what risks these activities would pose to financial stability if conducted outside the regulated banking system. The benefits of access to the safety net are also to be evaluated against the associated moral hazard, which leads to socially inefficient risk taking, to the extent that it cannot be controlled by other regulation.

There can be more than a single monolithic safety net, as with the ring-fencing approach of the United Kingdom. Even more surgical approaches to safety nets include regulated categories of special-purpose narrow banks²⁵ or a market for access to emergency liquidity.²⁶

The regulation of activities by banks clearly influences the activities undertaken in the shadow banking system. The activity limits and safety nets that apply inside and outside the regulated banking environments should be coordinated. Regulatory boundaries should also reflect any clear economies or diseconomies of scope that may add to the costs and benefits of bundling financial services of various sorts within the same enterprise. These economies affect both technical operating costs and customer service quality and efficiency. There are also diseconomies of scope associated with complexity, both for the management of financial institutions and for their regulatory supervision.

After a review of the available evidence, Pennacchi writes, “There appears to be little or no benefits [sic] available from traditional banks that could not be obtained in a carefully designed narrow bank financial system.”²⁷ As to whether there are net efficiency gains associated with extending traditional banks into universal banks, analysts reach mixed or uncertain conclusions.²⁸

Notes

- 1 Gorton and Metrick 2012, 2010.
- 2 See, for example, McCulley 2009. McCulley is the originator of the term *shadow banking*.
- 3 Friedman and Schwartz 1963.
- 4 See Friedman 1960 and Friedman and Schwartz 1986.
- 5 Office of Financial Research 2012, p. 16.
- 6 Her Majesty's Treasury 2012, p. 10.
- 7 See Diamond 1984. The empirical evidence associated with the benefits of governance by universal banks is mixed. See Kroszner and Rajan 1994, Gorton and Schmid 2000, and Ferreira and Matos 2009. On additional benefits through combining underwriting and loan monitoring, see Drucker and Puri 2005.
- 8 Gorton and Metrick 2010.
- 9 Ricks 2012.
- 10 Tuckman 2011.
- 11 Pozsar 2011.
- 12 Dang et al. 2009.
- 13 In the United States, Federal Home Loan Banks provided high levels of "advances" to banks, collateralized by mortgages and other housing-related assets.
- 14 Squam Lake Group, Reforming Money Market Funds: A Proposal by the Squam Lake Group, January 14, 2011, <http://www.squamlakegroup.org/Squam%20Lake%20MMF%20January%2014%20Final.pdf>.
- 15 Harper and Son 2012.
- 16 Diamond and Dybvig 1983.
17. Reinhart and Rogoff 2009.
- 18 See, for example, Markham 2010 and White 2010.
- 19 See Dam and Koetter 2012.
- 20 The price of government deposit insurance has generally been below the market price. See Duffie et al. 2003.
- 21 An excellent review of the history of the Glass-Steagall Act and its elimination is provided in Markham 2010.
- 22 See Duffie 2012.
- 23 See Her Majesty's Treasury 2012, ch. 2.
- 24 Market making and underwriting are exempted by the Volcker Rule but not by ring-fencing. Market making and underwriting, however, are conducted by broker-dealers, not banks. Under Sections 23A and 23B of the US Bank Holding Company Act, transactions between a bank and its broker-dealer and other affiliates within the same holding company must be on an arm's-length basis, must not allow the bank to fund its affiliate beyond strict

limits, and moreover may not involve many of the "wholesale" securities and derivatives products that are ring-fenced in the United Kingdom, except under emergency exemptions that meet stringent conditions and the approval of the Federal Deposit Insurance Corporation. See Omarova 2011. Recently, Bank of America and Morgan Stanley have been prevented by the Federal Reserve from transferring large portfolios of over-the-counter derivatives from their broker-dealer affiliates to their banking arms.

25 See, e.g., the shadow bank examples of Gorton and Metrick 2010 and Ricks 2012.

26 See, e.g., Tuckman 2012.

27 Pennacchi 2012.

28 See Benston 1994, Duffie 2010, Baxter 2012, and Saunders and Walter 2012.

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Branching Out: The Rise of Emerging Market Banks

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Emerging market banks are by no means small and are growing fast. However, very little is known about these banks, especially about their cross-border activities. This chapter explores in detail the importance of emerging market banks as foreign investors and discusses how the global financial crisis allows these banks to increase their global (albeit regionally confined) footprint.

Emerging market banks, emerging giants

Although, in the West, many are unfamiliar with emerging market banks, they are by no means small.¹ In fact, the world's biggest bank in market value is China's ICBC. The global top 25 currently includes eight emerging market banks. Among these are three other Chinese banks (China Construction Bank, Agricultural Bank of China, and Bank of China), three Brazilian banks (Itau Unibanco, Banco do Brasil, and Banco Bradesco), and one Russian bank (Sberbank). While excess optimism might have inflated these market values, these banks are large with respect to other measures, as well. In terms of assets, all these banks are in the top 75 worldwide, with all four Chinese banks in the top 20. In addition, lower down in the rankings, there is a long list of smaller banks that together add up to quite a lot. In 2010, emerging market banks as a group accounted for roughly 30 percent of global profits, a third of global revenues, and half of tier 1 capital. In 2011, these numbers only increased. For example, Brazil has now overtaken the United Kingdom in terms of profits earned, despite having an asset base that is less than one-fifth as large as that of the UK.²

Not only are emerging market banks already substantially large; they are growing fast. In terms of market value, the share of emerging market banks in the industry's total worldwide almost doubled between 2005 and 2010. While in 2005 all of the world's 25 largest banks by market capitalization were located in advanced countries, currently eight are from emerging markets. In addition, asset growth has been impressive in many emerging markets. Although China again tops the ranks, other emerging markets have seen impressive increases in bank assets, as well, while maintaining adequate capital ratios and ample deposit funding. Loan growth was strong in many emerging markets in the period leading up to the financial crisis, and many banks in Asia, Africa, and Latin America predict that their loan books will continue to rise with double-digit numbers over the next few years.³

Outward bound

With a large part of their populations still unbanked and their economies growing, much of the growth potential of emerging market banks will lie at home. However, there is also growth potential overseas. Although many are not aware of the foreign adventures these banks have undertaken in the past, quite a few emerging market banks are no stranger to setting

up a branch or subsidiary abroad, generating revenue outside their domestic market. Standard Bank of South Africa, for example, generated almost a quarter of its profits from abroad, mainly the rest of Africa. Hungary's OTP Bank Nyrt expects business in its home market to contract this year amid tough economic conditions, but projects double-digit growth rates in its Russia and Ukraine retail business. So, how active are emerging market banks overseas? How has this changed over time, and what type of countries are these banks targeting?

Over the last two decades, the world has witnessed an unprecedented degree of foreign bank entry. Driven by globalization and increased financial integration, the number of foreign banks almost doubled, from 774 in 1995 to 1,334 in 2009.⁴ Although most of this foreign investment is done by banks from advanced countries, banks from emerging markets have been active investors, as well. Figure 1 depicts the entry of foreign banks, highlighting investments by advanced country banks and those by emerging market banks.⁵ Of the 1,088 entries that took place between 1995 and 2009, 312 were by emerging market banks.⁶ The figure shows that foreign banks from emerging markets have been active investors over the whole sample period. Especially in 1997 (41 percent) and 2006 (38 percent), they were responsible for a large share of the new entries.

Over the period 1995-2009, the share (in terms of numbers) of foreign ownership by emerging market banks has stayed relatively stable, as both advanced country banks and emerging market banks increased their overseas investment (see Figure 2).⁷ In 2009 (the last year of our sample period), banks from 60 emerging markets owned 27 percent of the foreign banks in terms of numbers, up from 24 percent in 1995. In terms of assets, however, they owned only 5 percent, so emerging market banks still represent only a small portion of total foreign banking assets. This indicates that, even though quite a few emerging market banks engage in foreign adventures, they tend to focus on small acquisitions, often to service local customers abroad or to offer services to migrants. For example, State Bank of India (SBI) and ICICI Bank, India's largest privately owned bank, have both undertaken expansions in Asia, Africa, and the Middle East. The reason behind these expansions are to facilitate increasing trade and investment flows between India and other countries, to provide foreign currency denominated loans to the overseas affiliates of Indian companies, and to provide remittance and retail credit services for Indian expatriates.⁸

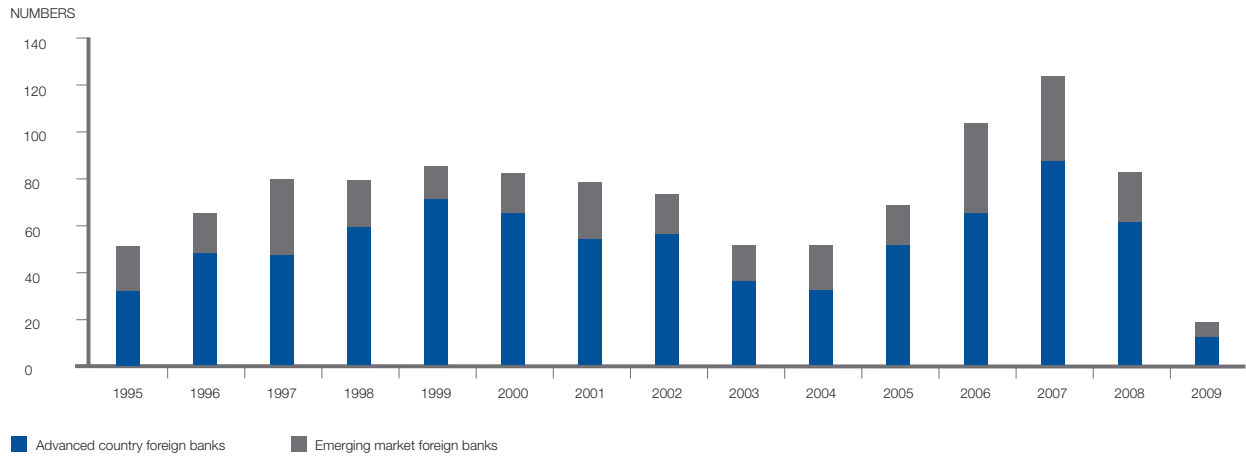
Even though, at a global scale, emerging market foreign banks are still small, these banks are becoming more significant in many emerging markets. Figure 3 shows that

the importance of emerging market foreign banks increased substantially in a large number of countries since 1995. In 1995, there were 39 countries that had a foreign bank active but no foreign banks owned by a parent from an emerging market. By 2009, this number was down to 24. Similarly, in 1995, there were 20 countries where emerging market banks represented more than 50 percent of the foreign banks active in the country; in 2009, there were 26 countries in this group. In fact, in some countries (Azerbaijan, Kuwait, Malawi, Mongolia, Namibia, Sudan, and Vietnam), all foreign banks are owned by parents from emerging markets. And in some host countries, these banks are large players indeed. For example, the biggest bank in Madagascar is Bank of Africa, headquartered in Mali. Similarly, in Burkina Faso, Bank of Africa and Ecobank, headquartered in Togo, are two of the six foreign banks active, and two of the biggest ones in terms of assets.

Ownership by emerging market banks has expanded not only in terms of host countries, but also in terms of the number of emerging market investors. While in 1995 banks from 45 different emerging markets pursued banking activities in other countries, by 2009, banks from 60 emerging markets did so. While emerging market investors typically come from more developed emerging markets, such as Argentina, Brazil, and South Africa, banks from low- and lower-middle-income countries, such as Kenya, Nicaragua, and Pakistan, are also active as investors. In 2009, 30 percent of emerging market foreign banks were owned by parents located in low- or lower-middle-income countries, up from 21 percent in 1995. In 1995, most emerging market investors belonged to countries in Latin America (33 percent), but by 2009, this focus had shifted towards Eastern Europe (23 percent) and Central Asia and sub-Saharan Africa (23 percent), mostly due to disinvestment by banks from Argentina, Brazil, and Panama and to large-scale investments by banks from Hungary, Nigeria, Russia, and South Africa. Excluding Panama, which is an offshore center, the most active investors as of 2009 are banks from South Africa, Russia, Turkey, and Brazil, owning 31, 29, 21, and 17 foreign banks, respectively.

Table 1 groups countries according to their income level and region and shows a number of interesting facts. First, as expected, the share of emerging market foreign banks is higher in emerging markets than in advanced countries, in terms of both numbers and assets. When the sample of emerging markets is split into middle- and low-income countries, it becomes obvious that emerging market banks are specifically investing in low-income countries. On average, 52 percent of the foreign assets in these countries is owned by a bank headquartered in an emerging market, compared to 33 percent in middle-income countries.

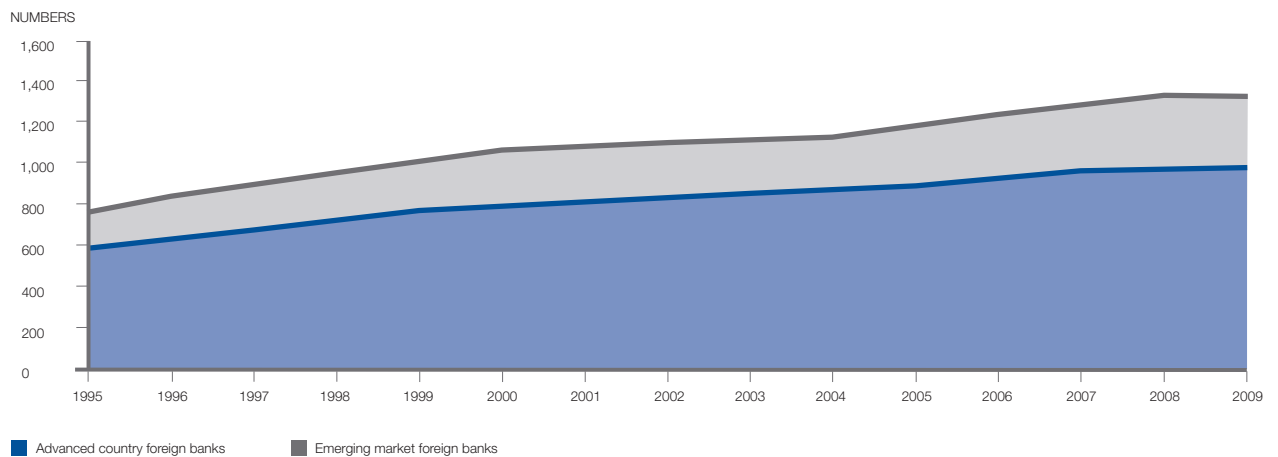
Figure 1: Bank entries from advanced countries and emerging markets, 1995-2009



Source: Claessens and Van Horen, 2012.

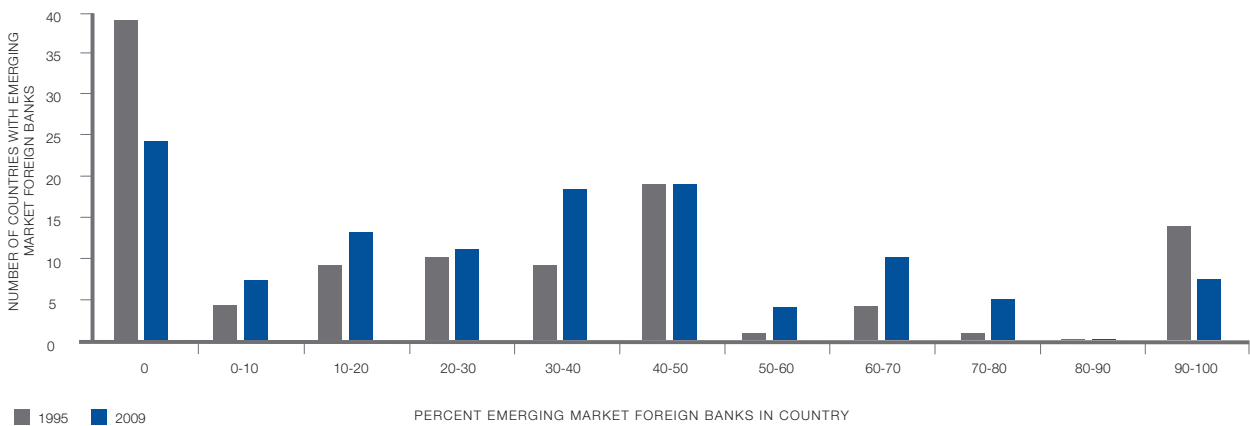
Note: As the database starts in 1995, the number of foreign banks that exited the market cannot be determined. For a definition of advanced countries and emerging markets, please see the main text.

Figure 2: Number of advanced country and emerging market banks, 1995-2009



Source: Claessens and Van Horen, 2012.

Figure 3: Concentration of emerging market foreign banks, 1995 and 2009



Source: Claessens and Van Horen, 2012.

Note: A foreign bank is one that has at least 50 percent foreign ownership. An emerging market foreign bank is a foreign bank whose largest shareholder comes from an emerging market. See footnote 1 for exact definition.

Table 1: Foreign bank penetration, aggregates by income level and region, 2009

	COUNTRY-BASED						GROUP-BASED			
	Foreign bank assets in total bank assets	Share EM foreign bank assets in total foreign assets	Number of foreign banks in total number of banks	Share EM foreign banks in total foreign banks	Total number of foreign banks	Total number of countries	Foreign bank assets in total bank assets	Share EM foreign bank assets in total foreign assets	Number of foreign banks in total number of banks	Share EM foreign banks in total foreign banks
Income level										
Advanced countries	0.23	0.22	0.29	0.17	376	27	0.13	0.05	0.25	0.18
Emerging markets	0.48	0.33	0.47	0.38	958	91	0.14	0.07	0.40	0.30
Middle-income	0.40	0.33	0.44	0.38	698	61	0.11	0.08	0.36	0.29
Low-income	0.65	0.52	0.52	0.48	131	21	0.35	0.45	0.47	0.53
Region (emerging markets only)										
East Asia and Pacific	0.19	0.42	0.26	0.46	95	9	0.04	0.11	0.25	0.32
Europe and Central Asia	0.62	0.15	0.59	0.30	371	25	0.39	0.04	0.47	0.21
Latin America and Caribbean	0.42	0.37	0.44	0.32	232	19	0.30	0.04	0.39	0.25
Middle East and North Africa	0.26	0.24	0.27	0.42	57	6	0.16	0.14	0.36	0.46
South Asia	0.18	0.30	0.14	0.24	22	4	0.08	0.04	0.14	0.23
Sub-Saharan Africa	0.63	0.53	0.58	0.47	181	28	0.27	0.17	0.54	0.49
All countries	0.41	0.31	0.43	0.33	1,334	118	0.13	0.05	0.34	0.27

Source: Claessens and Van Horen, 2012.

Notes: Figures reported are ratios of number of foreign banks to total number of banks (in 2009) and foreign bank assets to total bank assets (average over 2007-2009) in each country, and the ratios of the number of emerging market foreign banks in total number of foreign banks and emerging market foreign bank assets to total foreign bank assets in each country. Income and region classifications follow World Bank definitions as of 2009. Country-based figures are the simple average of the countries within a group ($(1/n)\sum_i [FBI/(DBi+FBi)]$ for country i), whereas group-based figures are obtained from $\sum_i FBI/(\sum_i DBi+\sum_i FBI)$ for country i within a group. FB and DB represent foreign bank and domestic bank respectively.

Second, strong regional differences exist. While foreign ownership is especially prevalent in Eastern Europe and Central Asia, Latin America, and sub-Saharan Africa, ownership by emerging market banks is significantly higher in the latter region. In sub-Saharan Africa, 53 percent of foreign assets, on average, are owned by emerging market banks, while in Eastern Europe and Central Asia and in Latin America, these numbers are substantially lower—15 and 37 percent, respectively. The difference is even more pronounced when looking at the group-based shares. In sub-Saharan Africa, emerging market banks own 49 percent of foreign banks and 17 percent of foreign assets. In Eastern Europe and Central Asia, these numbers are 21 and 4 percent, respectively, and in Latin America, 25 and 4 percent.

Third, clear differences emerge when comparing the shares calculated on a group basis with those based on simple averages of the individual countries, and especially when looking at asset shares. In most cases, the emerging market share for the group-based measure is lower than the country-based measure, indicating that foreign banks owned by banks from emerging markets are overrepresented in smaller markets. This suggests that advanced country banks are more attracted to larger markets, while emerging market banks tend to invest in the smaller, often poorer, countries, a topic that will be discussed further next.

Differences that count

Banks engage in foreign investment for several reasons. First, foreign investment provides a possibility for risk diversification. Second, entering new markets can increase the bank's client base. Third, by following their international customers in order to provide them with financial services, banks can exploit informational advantages derived from long-term bank-client relationships. Indeed, a number of studies have shown that foreign direct investment in banking is correlated with economic integration, as measured by trade and FDI flows between the home country of the parent and the host country in which it is investing,⁹ and with proximity, measured along several dimensions.¹⁰ Fourth, foreign banks tend to be attracted to countries where expected profits are higher, owing to higher expected economic growth and the existence of local bank inefficiencies.¹¹

How do entry decisions of foreign banks from emerging markets compare to those of advanced countries? The characteristics of emerging market bank investment described above suggest that emerging market banks tend to invest in different countries than advanced country banks do. Research confirms this. Van Horen (2007) shows that foreign bank entry by both emerging market and advanced country banks is driven by economic integration, common language, and proximity. However, controlling for these factors, banks from emerging markets are more likely to invest in small,

developing countries with weak institutions, where advanced country banks are reluctant to go. This result suggests that emerging market banks have a competitive advantage in dealing with countries with a weak institutional climate.

Indeed, when we have a closer look at the countries in which emerging market banks tend to invest, two facts clearly stand out. First, there exists a high negative correlation between (log of) GDP and GDP per capita of the host country and the share of emerging market banks in foreign bank assets (Figure 4). In the first case, the correlation equals -0.45, and in the second case, it equals -0.37. This shows that emerging market foreign banks are especially attracted to smaller and poorer countries.

Second, while advanced country banks tend to set up shop both within and outside their own geographical region, the vast majority of emerging market banks tend to stay close to home. Table 2 splits countries into four broad geographical regions that cut across income groups (America, Asia, Europe, and Middle East and Africa).¹² It shows that, while quite a few banks from advanced countries are venturing outside their own region (reflecting past colonial linkages or a desire to operate globally), over 80 percent of investments from emerging market banks are within their own region. Among emerging market banks, there are also clear regional differences. While almost all emerging market banks from the

Americas and Europe invest within their own region, emerging market banks from Asia have also built a substantial presence outside their region. This is partly the result of Asian banks' tendency to establish a presence in countries with large migrant populations.

When we look at developments over time, banks from advanced countries have actually become less regional and more global, possibly due to advances in telecommunication and other technologies and to economies of scale in the provision of some financial services. Banks from emerging markets, on the other hand, have become more regional, possibly because they have a stronger competitive advantage in countries physically and institutionally closer as compared with banks from advanced countries.¹³

Weathering the financial storm

Not being a stranger to foreign investments, the question arises how emerging markets will respond to changes brought on by the turbulence in the global financial markets. With the global financial crisis almost seamlessly merging into the Eurozone debt crisis, the global financial system is still trying to adjust to the new rules of the game. While some banks are faced with major restructurings (either voluntary or imposed by governments), virtually all banks will have to make adjustments in order to comply with Basel III and other, country-specific, regulatory measures. The changes

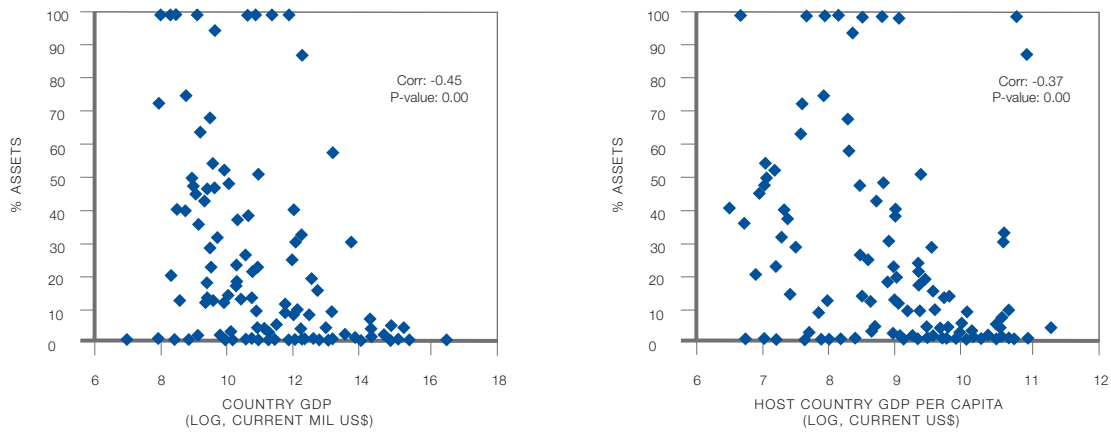
Table 2: Number and share of foreign banks from home to host regions, 2009

NUMBER AND SHARE OF FOREIGN BANKS FROM HOME COUNTRY PRESENT IN HOST COUNTRY	ADVANCED COUNTRY BANKS									
	HOST REGION									
	AMERICA		ASIA		EUROPE		MEA		Total	
HOME REGION	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
AMERICA	72	0.44	25	0.15	54	0.33	13	0.08	164	1
ASIA	13	0.22	37	0.62	10	0.17	0	0.00	60	1
EUROPE	121	0.17	53	0.07	450	0.64	84	0.12	708	1
MEA	2	0.09	4	0.17	7	0.30	10	0.43	23	1

NUMBER AND SHARE OF FOREIGN BANKS FROM HOME COUNTRY PRESENT IN HOST COUNTRY	EMERGING MARKET BANKS									
	HOST REGION									
	AMERICA		ASIA		EUROPE		MEA		Total	
HOME REGION	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
AMERICA	55	0.96	0	0.00	2	0.04	0	0.00	57	1
ASIA	9	0.12	49	0.67	8	0.11	7	0.10	73	1
EUROPE	0	0.00	7	0.09	72	0.91	0	0.00	79	1
MEA	2	0.01	8	0.05	26	0.18	111	0.76	147	1

Source: Claessens and Van Horen, 2012.

Note: Countries are grouped in four geographical regions, irrespective of the income level of the countries. *America* includes Canada, United States, and all countries in Latin America and the Caribbean. *Asia* includes all countries in Central, East, and South Asia and the Pacific countries, including Japan, Australia, and New Zealand. *Europe* includes all Western and Eastern European countries. *MEA* includes all countries in the Middle East and North and sub-Saharan Africa.

Figure 4: Percent of foreign bank assets held by emerging market foreign banks by GDP and GDP per capita

Sources: Claessens and Van Horen, 2012 and World Bank Development Indicators.

Note: Percent of foreign bank assets held by emerging market foreign banks and host country GDP and GDP per capita are averaged over 2007-2009.

invoked by the crisis, however, have a very different impact on advanced country banks than on emerging market banks, and therefore the crisis will likely have a lasting effect on the role the latter group will play in the global financial system.

Although emerging market banks have also been affected by the crisis, several factors make it easier for these banks to weather the storm. First, loan-to-deposit ratios in general are very low, due to the net saving position of these countries. This has sheltered emerging market banking systems to a large extent from the collapse of the interbank market and reduced the need for substantial deleveraging. Thus, these banks can continue lending, using a stable and often growing source of deposit funding. Second, most emerging market banks already have high capital ratios, ranging from 17 percent, on average, in Latin America to 13 percent in Asia, which limits pressures for balance sheet adjustments. In addition, the new capital rules under Basel III are likely to be much less painful for these banks, as they typically have less risky assets and their investment banking business tends to be small.

Equally important, emerging market banks face a very different situation in their domestic market from their advanced country peers. First, the fact that a large part of the population in the emerging world is still unbanked provides ample growth opportunities in these markets. This stands in sharp contrast to the conditions advanced country banks face at home, where, due to overall economic weakness and ongoing deleveraging among firms and households, expected credit growth is low. Indeed, currently the top 25 countries for return on capital are all emerging markets, with the exception of Australia and Canada (two commodity-driven economies). Second, the macroeconomic outlook in emerging markets is much better than that of advanced countries. Not faced with

major sovereign debt problems and/or large current account deficits, most emerging markets are on pretty solid footing. Even though they will not be isolated from the problems in Europe and the United States, their dependence on the West has diminished in recent years.

So, as compared with many advanced country banks, emerging market banks tend to have much more favorable funding positions and outlooks. This fact, combined with high profits that can provide a buffer to absorb potential losses, puts these banks in a good position to extend their global reach by seizing opportunities that might come along when advanced country banks in need to consolidate, either forced or voluntary, sell-off some of their domestic or foreign subsidiaries.

However, a number of factors might prevent this from happening. First, with still a large part of the population unbanked, most emerging market banks face pressures at home to increase lending, which reduces funds available for foreign expansion. Second, an important share of excess deposits is stuck in sleepy state banks that have shown very limited interest in expanding abroad. Third, many emerging market banks have only limited provisions set aside, especially as compared with advanced country banks, and therefore face pressures to increase their bad-debt reserves. Finally, regulators might oppose foreign adventures as the use of domestic deposits to finance a subsidiary overseas exposes banks to foreign exchange and counterparty risk.

Recent examples, however, indicate that at least some emerging market banks are seizing opportunities and starting new foreign adventures. Russia's Sberbank bought in 2011 the Central and Eastern European subsidiaries of Austria's Volksbank and is now acquiring DenizBank in Turkey, owned

by Belgium's rescued Dexia. Chile's Corpbanca bought the Colombian operations of Santander, and HSBC sold its operations in Costa Rica, El Salvador, and Honduras to Banco Davivienda of Colombia. More acquisitions of these types seem likely, suggesting that, in the coming years, emerging market banks will grow not only in their domestic markets but also abroad.

This increase in their global footprint, however, most likely will remain regionally confined. First, with a fully developed banking system, sovereign debt problems, and low expected economic growth, profits are unlikely to be reaped in advanced countries (most notably Western Europe), making investment in other emerging markets more likely. Second, while many emerging markets have (potential) high returns on capital, they are not easy markets in which to operate. For example, return on capital in Pakistan was 36 percent in 2011, but the country is fraught with political and operational risk, which has kept the banking sector small. Emerging market banks experienced in investing in smaller and poorer countries seem to have a competitive advantage exactly in those markets, and therefore have a better chance of generating profits in these markets. Third, regulatory crackdowns in advanced countries, caused by some cross-border bank failures, might make it hard for emerging market banks to set up a branch or subsidiary in these countries. Fourth, an increasing number of emerging market companies are establishing a presence overseas, mainly in other emerging markets, providing emerging market banks with another reason to extend their foreign network regionally, instead of globally, in order to service their domestic customers abroad.

Summarizing, due to sheer size, almost undoubtedly emerging market banks will soon become important players in the world's financial system. Most of their muscle will be needed at home to support the credit growth demanded by their populations and politicians. However, with advanced country banks trying to adjust to the new rules of the game, it is likely that more disinvestment, both domestically and abroad, will take place in the near future. Banks from emerging markets, being in a much better financial position, are the most likely buyers, increasing their relative importance as foreign investors. Therefore, the global financial system is likely to witness a shift towards greater dominance by emerging market banks, especially within their own geographical regions.

The views expressed in this chapter are those of the author only and do not necessarily reflect the views of the De Nederlandsche Bank, the European System of Central Banks or their Boards.

Notes

- 1 For the purpose of this paper, *emerging market banks* are banks owned by parent companies located in countries that are not high-income countries as classified by the World Bank in 2000. The emerging markets group therefore also includes low-income countries. Current OECD countries such as Hungary, the Czech Republic, Poland, Slovakia, and Korea are included in the emerging markets group. Slovenia, which already was a high-income country in 2000, is included in the advanced countries group.
- 2 The Banker, "Top 1000 World Banks," 2011, 2012, <http://www.thebanker.com/Top-1000-World-Banks/2012>.
- 3 Fast loan growth obviously can create risks, as well. For example, in Central and Eastern Europe, loans grew twice as fast as GDP between 2000 and 2007, but when banks ran out of funding as a result of the global financial crisis, bad debt mounted quickly and loan growth collapsed.
- 4 All data in this chapter come from the bank ownership database constructed by Claessens and Van Horen. For a description of the database, see Claessens and Van Horen 2012. The banks included in the database are listed in Bankscope, and therefore representative offices and small branches that do not have individual annual reports are not included in the data. A *foreign bank* is defined as having at least 50 percent of its shares owned by foreigners. Countries that are offshore centers are excluded from this analysis.
- 5 Foreign banks owned by institutional investors such as the European Bank for Reconstruction and Development (EBRD) or the International Finance Corporation (IFC) are categorized as advanced country banks. Foreign banks owned by parents headquartered in offshore centers are included in the sample, with the bank included in the emerging market or advanced country group depending on the income level of the offshore center. For example, foreign banks owned by banks headquartered in Panama are included in the emerging market group.
- 6 The difference between the increase in foreign banks between 1995 and 2009 and the number of new entries over the same period is accounted for by 329 foreign banks exiting and 199 M&As of foreign-owned banks by other foreign banks.
- 7 The lack of balance sheet information for the vast majority of banks prior to 2004 in Bankscope (our source of information for balance sheet information) prevents us from showing time trends in terms of assets.

- 8 World Bank 2006, p. 118.
- 9 See, for example, Grosse and Goldberg 1991, Brealey and Kaplanis 1996.
- 10 Galindo et al. 2003; Berger et al. 2004; Claessens and Van Horen 2008.
- 11 Focarelli and Pozzolo 2000.
- 12 *America* includes the United States, Canada, and the countries in Latin America and the Caribbean. *Asia* includes all countries in Central, East, and South Asia and the Pacific countries including Japan, Australia, and New Zealand. *Europe* includes all Western and Eastern European countries. *Middle East and Africa* includes all countries in the Middle East and in North and sub-Saharan Africa.
- 13 See Claessens and Van Horen 2008.

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Part 2

Country/Economy Profiles

How to Read the Country/Economy Profiles

The Profiles section presents a four-page profile for each of the 62 economies covered by *The Financial Development Report 2012*.

Page 1

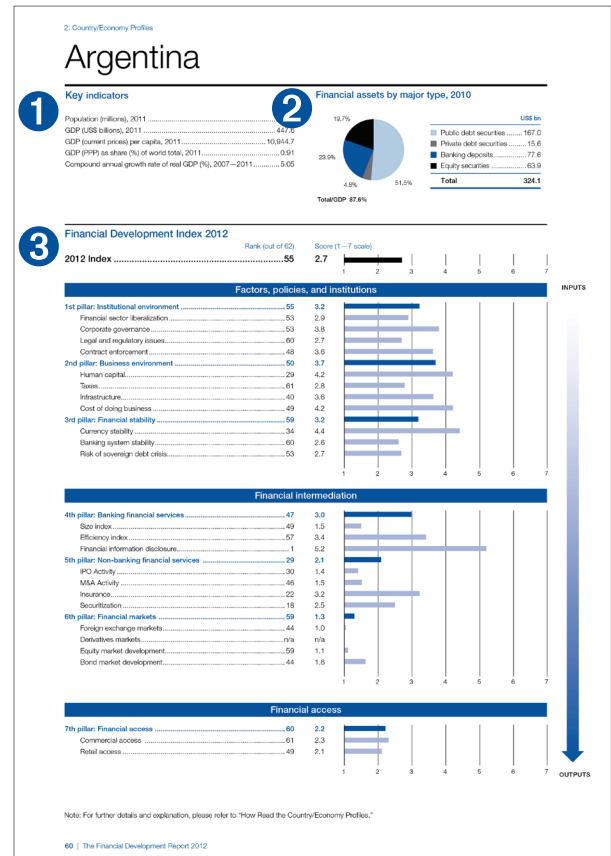
1 Key indicators

The first section of each Country/Economy Profile presents a selection of key indicators:

- Population, GDP, and related data come from the International Monetary Fund's *World Economic Outlook* of April 2012.

2 Financial assets by major type, 2010

- Public debt figures are from the Economist Intelligence Unit's *CountryData Database*, accessed in August 2012. Private debt data come from the Bank for International Settlements *Quarterly Review*, June 2012, and are presented as of 2010. Data on banking deposits are from the IMF *International Financial Statistics* database, electronic version, accessed July 2012. Equity securities data were downloaded from the market capitalization dataset on the World Bank's *World Development Indicators* database in July 2012.
- The four financial asset indicators (public and private debt securities, banking deposits, and equity securities) are added to measure total financial assets in the Index economies. The share of depth attributable to each component is displayed in the pie chart. Percentages displayed may not add up to 100 percent because of rounding.
- The total financial assets data are shown as a percent of GDP, using the GDP figure from the key indicators section.
- The pie chart shows the share of total financial assets attributable to each of the four types of financial asset indicators in a given economy.



3 Financial Development Index

This section details the economy's performance on the various components of the Financial Development Index (the Index). At the top is the country's overall rank out of 62 economies, its score on the 1-to-7 scale, and a graphical representation of the score.

Below, the seven pillars of the Index are organized thematically. The three themes—factors, policies, and institutions; financial intermediation; and financial access—are displayed according to their role in the continuum of the financial system, from inputs to outputs.

After the pillar or subpillar name, the first column shows each economy's rank for that pillar or subpillar among the 62 economies included in the Index. The second column presents the score for that pillar or subpillar on the 1-to-7 normalized scale. On the right, the normalized score is represented graphically. For more information on the methodology and results of the Index, please refer to Chapter 1.1 of this *Report*.

Pages 2–4

4 The Financial Development Index in detail

These pages present the rank achieved by a country in each of the indicators entering the composition of the Index. Indicators are organized by pillar. Please refer to Appendix A of Chapter 1.1 for a detailed structure of the Index.

Next to the rank, a colored square indicates whether the indicator constitutes an advantage (blue square) or a disadvantage (gray square) for the country.

In order to identify variables as advantages or disadvantages, the following rules were applied:

- For those economies ranked in the top 10 in the overall Index, individual variables ranked from 1 through 10 are considered to be advantages. Any variables below 10 are considered to be disadvantages. For instance, in the case of Canada, which is ranked 6th overall, its 5th-place rank in the variable *Quality of management schools* makes this variable a development advantage, whereas *Extent of staff training*, in which it ranks 17th, constitutes a development disadvantage for the country.
- For those economies ranked from 11 through 31 in the overall Index, variables ranked higher than the economy’s overall rank are considered to be advantages. Any variables ranked equal to or lower than the economy’s overall rank are considered to be disadvantages. In the case of Malaysia, ranked 18th overall, its 10th-place rank in the variable *Number of procedures to enforce a contract* makes this variable a development advantage, whereas *Judicial independence*, in which it ranks 26th, constitutes a development disadvantage for the country.
- For those economies ranked lower than 31 in the overall Index, any individual variables ranked 31st or higher are considered as advantages. Any variables ranked 32nd or lower are considered to be disadvantages. For Greece, ranked 48th overall, its rank of 24th in *Market penetration of bank accounts* constitutes a development advantage for the country, whereas its 34th-place rank in the variable *Debit card penetration* makes this variable a development disadvantage.

2: Country/Economy Profiles

Argentina

Financial Development Index in detail (continued) ■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/42	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17 Cost of starting a business	45	11.9	Denmark	0.0
2.18 Cost of registering property	53	7.0	Multiple (2)	0.0
2.19 Cost of closing a business	32	12.0	Multiple (5)	1.0
2.20 Time to start a business	44	26.0	Australia	32.0
2.21 Time to register property	49	53.0	Portugal	1.0
2.22 Time to close a business	38	2.8	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01 Change in real effective exchange rate (REER)	46	0.8	Brazil	8.3
3.02 External vulnerability indicator	18	96.1	Saudi Arabia	9.3
3.03 Current account balance to GDP	30	0.7	Kuwait	32.0
3.04 Dollarization vulnerability indicator	34	31.2	Multiple (25)	0.0
3.05 External debt to GDP (developing economies)	17	31.2	China	9.6
3.06 Net international investment position to GDP (advanced economies)	n/a	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07 Frequency of banking crises	62	4.3	Multiple (5)	0.0
3.08 Financial strengths indicator	39	3.0	Multiple (2)	9.0
3.09 Aggregate measure of real estate bubbles	11	6.0	Ireland	6.9
3.10 Tier 1 capital ratio	n/a	n/a	Chama	22.7
3.11 Output loss during banking crises	60	148.2	Multiple (2)	0.0
Risk of sovereign debt crisis				
3.12 Local currency sovereign rating	57	5.7	Multiple (10)	20.0
3.13 Foreign currency sovereign rating	57	5.7	Multiple (10)	20.0
3.14 Aggregate macroeconomic indicator	21	5.5	Peru	6.4
3.15 Maturity of public debt	24	41.4	Kuwait	6.2
3.16 Credit default swap spreads	52	363.2	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01 Deposit money bank assets to GDP	53	21.6	Ireland	245.1
4.02 Central bank assets to GDP	6	8.3	Brazil	18.3
4.03 Financial system deposits to GDP	57	18.7	Hong Kong SAR	305.8
4.04 M2 to GDP	61	25.8	Hong Kong SAR	203.5
4.05 Private credit to GDP	60	12.7	Denmark	299.8
4.06 Bank deposits to GDP	58	18.7	Hong Kong SAR	305.8
4.07 Money market instruments to GDP	29	0.0	Ireland	18.6
Efficiency index				
4.08 Aggregate profitability indicator	26	4.9	Czech Republic	6.0
4.09 Bank overhead costs	58	5.8	Finland	0.6
4.10 Public ownership of banks	56	45.8	Multiple (22)	0.0
4.11 Bank operating costs to assets	60	6.4	Sweden	0.8
4.12 Nonperforming bank loans to total loans	7	1.2	Finland	0.5
Financial information disclosure				
4.13 Private credit bureau coverage	1	100.0	Multiple (17)	100.0
4.14 Public credit registry coverage	8	36.9	Portugal	86.2
5th pillar: Non-banking financial services				
IPD activity				
5.01 IPO market share	28	0.3	China	57.8
5.02 IPO proceeds amount	25	0.2	Hong Kong SAR	5.1
5.03 Share of world IPOs	41	0.1	China	30.2

(continued)

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After the advantage/disadvantage marker is the value of the listed indicator for the profiled economy. For more information on the significance of the value, such as the units in which it is measured or the source, please see the Data Tables in Part 3 of this Report.

In the gray box at the right of the profile is the name and value for the top-ranked economy of the given indicator. For indicators in which there is a tie for the top rank, the word *Multiple* appears with the number of economies that share that value in parentheses.

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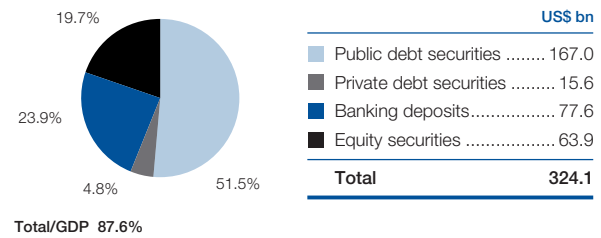
*Added in 2012

Argentina

Key indicators

Population (millions), 2011	40.9
GDP (US\$ billions), 2011	447.6
GDP (current prices) per capita, 2011	10,944.7
GDP (PPP) as share (%) of world total, 2011	0.91
Compound annual growth rate of real GDP (%), 2007–2011	5.05

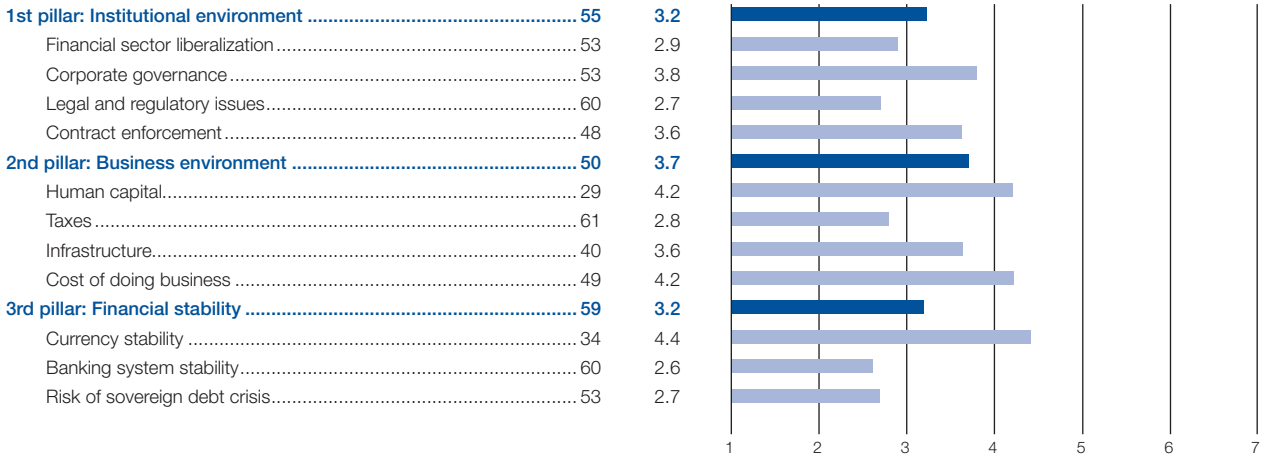
Financial assets by major type, 2010



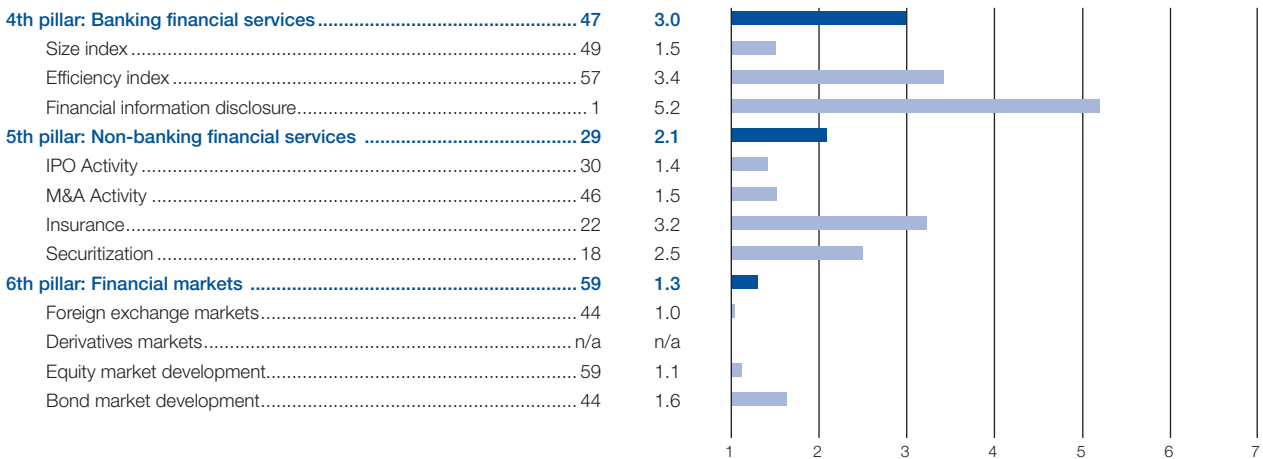
Financial Development Index 2012



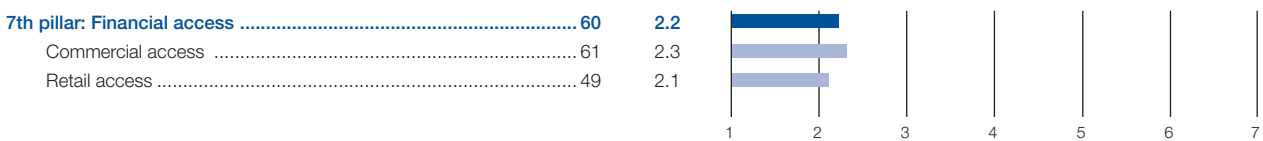
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Argentina

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	56	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	46	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	40	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	37	United Kingdom	5.3
1.05	Efficacy of corporate boards	51	South Africa	5.8
1.06	Reliance on professional management	36	Finland	6.3
1.07	Willingness to delegate	45	Denmark	6.2
1.08	Strength of auditing and reporting standards	58	South Africa	6.6
1.09	Ethical behavior of firms	61	Finland	6.5
1.10	Protection of minority shareholders' interests	58	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	55	Singapore	5.6
1.12	Regulation of securities exchanges	55	South Africa	6.5
1.13	Property rights	61	Finland	6.5
1.14	Intellectual property protection	61	Finland	6.3
1.15	Diversion of public funds	61	Denmark	6.3
1.16	Public trust in politicians	62	Singapore	6.3
1.17	Corruption perceptions index	49	Finland	9.4
1.18	Strength of legal rights index	46	Multiple (6)	10.0
1.19	Central bank transparency	32	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	60	Singapore	6.4
1.21	Judicial independence	61	Finland	6.5
1.22	Irregular payments in judicial decisions	56	Denmark	6.8
1.23	Time to enforce a contract	44	Singapore	150.0
1.24	Number of procedures to enforce a contract	33	Multiple (2)	21.0
1.25	Strength of investor protection index	48	Singapore	9.3
1.26	Cost of enforcing contracts	15	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	24	United Kingdom	6.1
2.02	Quality of math and science education	53	Singapore	6.3
2.03	Extent of staff training	44	Switzerland	5.6
2.04	Local availability of specialized research and training services	41	Switzerland	6.4
2.05	Brain drain	42	Switzerland	6.3
2.06	Tertiary enrollment	14	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	50	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	62	United Arab Emirates	5.9
2.09	Marginal tax variation	62	Kuwait	-4.8
2.10	Time to pay taxes	53	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	56	Switzerland	6.6
2.12	Quality of electricity supply	54	Netherlands	6.8
2.13	Internet users	36	Norway	94.0
2.14	Broadband Internet subscriptions	36	Switzerland	39.2
2.15	Telephone subscriptions	29	Germany	63.1
2.16	Mobile telephone subscriptions	13	Hong Kong SAR	209.6

(continued)

Argentina

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	45	Denmark	0.0
2.18	Cost of registering property	53	Multiple (2)	0.0
2.19	Cost of closing a business	32	Multiple (4)	1.0
2.20	Time to start a business	44	Australia	2.0
2.21	Time to register property	49	Portugal	1.0
2.22	Time to close a business	38	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	46	Brazil	8.3
3.02	External vulnerability indicator	18	Saudi Arabia	9.3
3.03	Current account balance to GDP	30	Kuwait	32.0
3.04	Dollarization vulnerability indicator	34	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	17	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	62	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	11	Ireland	6.9
3.10	Tier 1 capital ratio	n/a	Ghana	22.7
3.11	Output loss during banking crises	60	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	57	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	57	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	21	Peru	6.4
3.15	Manageability of public debt	24	Kuwait	6.2
3.16	Credit default swap spreads	52	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	59	Ireland	245.1
4.02	Central bank assets to GDP	6	Brazil	18.3
4.03	Financial system deposits to GDP	57	Hong Kong SAR	305.8
4.04	M2 to GDP	61	Hong Kong SAR	320.5
4.05	Private credit to GDP	60	Denmark	229.8
4.06	Bank deposits to GDP	58	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	26	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	26	Czech Republic	6.0
4.09	Bank overhead costs	58	Finland	0.6
4.10	Public ownership of banks	56	Multiple (22)	0.0
4.11	Bank operating costs to assets	60	Sweden	0.8
4.12	Non-performing bank loans to total loans	7	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	8	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	28	China	37.8
5.02	IPO proceeds amount	25	Hong Kong SAR	5.1
5.03	Share of world IPOs	41	China	30.2

(continued)

Argentina

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

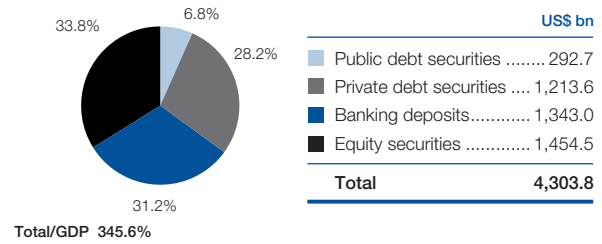
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	37.....	0.2	United States.....	34.4
5.05 M&A transaction value to GDP	46.....	1.5	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	36.....	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	46.....	0.6	Ireland	19.8
5.08 Non-life insurance penetration	22.....	2.3	Netherlands	9.5
5.09 Real growth of direct insurance premiums	1.....	21.9	Argentina.....	21.9
5.10 Life insurance density	39.....	0.2	India	43.5
5.11 Non-life insurance density.....	20.....	0.9	China.....	16.1
5.12 Relative value added of insurance to GDP	18.....	1.7	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	30.....	0.4	United States.....	5.1
5.14 Share of total number of securitization deals.....	10.....	1.6	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	37.....	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	46.....	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a.....	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a.....	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a.....	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a.....	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a.....	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	54.....	7.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	56.....	15.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	56.....	0.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	48.....	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	37.....	2.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	44.....	10.5	Japan	208.5
6.15 Private international bonds to GDP.....	48.....	1.5	Ireland	202.8
6.16 Public international bonds to GDP	15.....	10.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	43.....	0.0	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	62.....	3.1	United Kingdom.....	6.8
7.02 Venture capital availability	62.....	1.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	56.....	2.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	60.....	2.5	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	62.....	1.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	44.....	1.6	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	47.....	33.1	Denmark.....	99.7
7.08 Commercial bank branches	33.....	13.3	Portugal.....	75.9
7.09 Total number of ATMs.....	39.....	42.5	Korea, Rep.	250.3
7.10 Debit card penetration	38.....	29.8	Netherlands	97.6
7.11 Loan accounts at MFIs	23.....	1.0	Peru	121.2
7.12 Loan from a financial institution.....	48.....	6.6	Finland.....	23.9

Australia

Key indicators

Population (millions), 2011	22.7
GDP (US\$ billions), 2011	1,488.2
GDP (current prices) per capita, 2011	65,477.0
GDP (PPP) as share (%) of world total, 2011	1.16
Compound annual growth rate of real GDP (%), 2007–2011	1.69

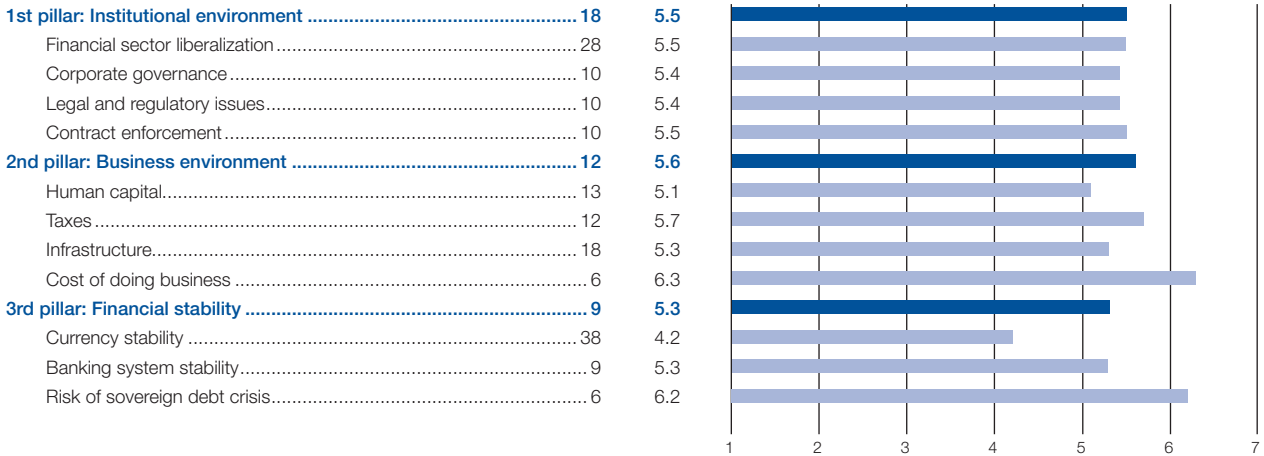
Financial assets by major type, 2010



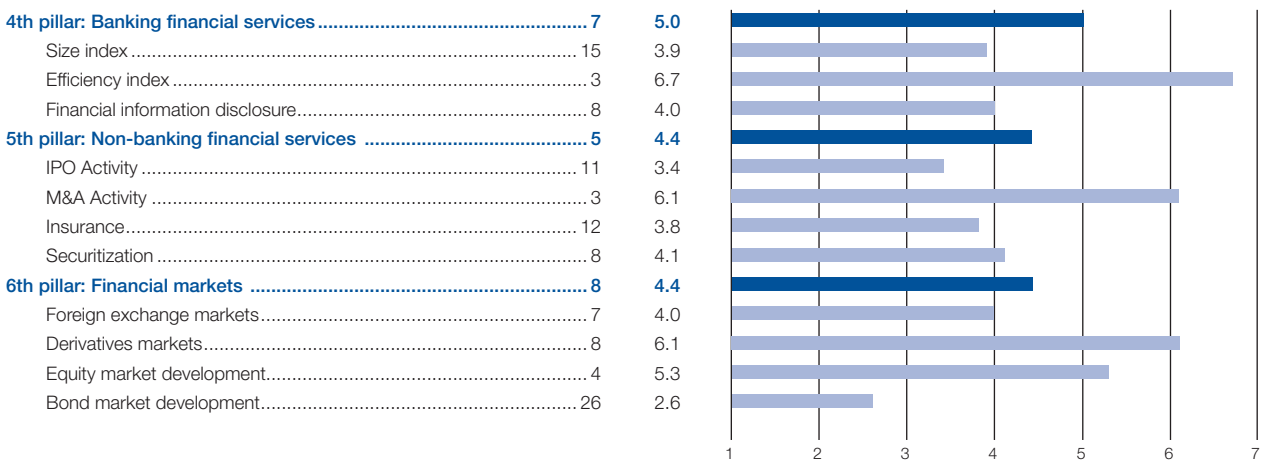
Financial Development Index 2012



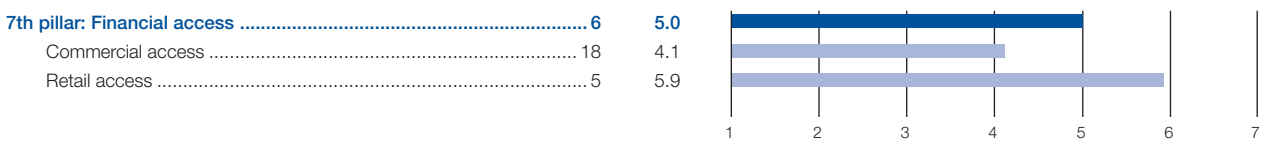
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Australia

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	28	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	38	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	26	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	3	South Africa.....	5.8
1.06	Reliance on professional management.....	9	Finland.....	6.3
1.07	Willingness to delegate	10	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	6	South Africa.....	6.6
1.09	Ethical behavior of firms.....	9	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	13	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	36	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	5	South Africa.....	6.5
1.13	Property rights	18	Finland.....	6.5
1.14	Intellectual property protection.....	15	Finland.....	6.3
1.15	Diversion of public funds.....	14	Denmark.....	6.3
1.16	Public trust in politicians	15	Singapore	6.3
1.17	Corruption perceptions index.....	7	Finland.....	9.4
1.18	Strength of legal rights index.....	7	Multiple (6)	10.0
1.19	Central bank transparency.....	19	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	11	Singapore.....	6.4
1.21	Judicial independence	12	Finland.....	6.5
1.22	Irregular payments in judicial decisions	15	Denmark.....	6.8
1.23	Time to enforce a contract.....	15	Singapore	150.0
1.24	Number of procedures to enforce a contract	8	Multiple (2)	21.0
1.25	Strength of investor protection index	31	Singapore	9.3
1.26	Cost of enforcing contracts	23	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	14	United Kingdom.....	6.1
2.02	Quality of math and science education	11	Singapore	6.3
2.03	Extent of staff training.....	22	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	17	Switzerland.....	6.4
2.05	Brain drain.....	23	Switzerland.....	6.3
2.06	Tertiary enrollment	5	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	16	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	20	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	21	Kuwait	-4.8
2.10	Time to pay taxes	10	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	26	Switzerland.....	6.6
2.12	Quality of electricity supply.....	22	Netherlands	6.8
2.13	Internet users	14	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	18	Switzerland.....	39.2
2.15	Telephone subscriptions	12	Germany.....	63.1
2.16	Mobile telephone subscriptions	42	Hong Kong SAR	209.6

(continued)

Australia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	6	Denmark	0.0
2.18	Cost of registering property	39	Multiple (2)	0.0
2.19	Cost of closing a business	17	Multiple (4)	1.0
2.20	Time to start a business	1	Australia	2.0
2.21	Time to register property	6	Portugal	1.0
2.22	Time to close a business	8	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	11	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	48	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	18	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	4	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	31	Ireland	6.9
3.10	Tier 1 capital ratio	47	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	39	Peru	6.4
3.15	Manageability of public debt	10	Kuwait	6.2
3.16	Credit default swap spreads	9	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	14	Ireland	245.1
4.02	Central bank assets to GDP	20	Brazil	18.3
4.03	Financial system deposits to GDP	15	Hong Kong SAR	305.8
4.04	M2 to GDP	19	Hong Kong SAR	320.5
4.05	Private credit to GDP	13	Denmark	229.8
4.06	Bank deposits to GDP	16	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	13	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	5	Czech Republic	6.0
4.09	Bank overhead costs	16	Finland	0.6
4.10	Public ownership of banks	25	Multiple (22)	0.0
4.11	Bank operating costs to assets	17	Sweden	0.8
4.12	Non-performing bank loans to total loans	12	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	10	China	37.8
5.02	IPO proceeds amount	14	Hong Kong SAR	5.1
5.03	Share of world IPOs	6	China	30.2

(continued)

Australia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

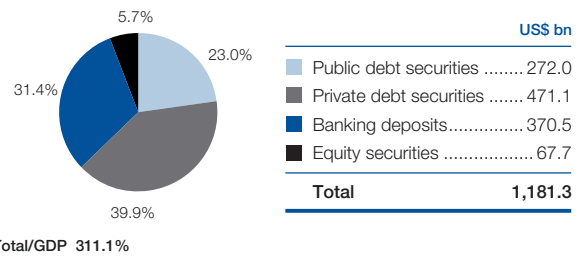
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	5	4.0	United States.....	34.4
5.05 M&A transaction value to GDP	2	8.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	7	4.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	21	3.0	Ireland	19.8
5.08 Non-life insurance penetration	14	2.9	Netherlands	9.5
5.09 Real growth of direct insurance premiums	21	5.4	Argentina.....	21.9
5.10 Life insurance density	22	0.7	India	43.5
5.11 Non-life insurance density.....	28	0.7	China.....	16.1
5.12 Relative value added of insurance to GDP	2	4.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	7	1.8	United States.....	5.1
5.14 Share of total number of securitization deals.....	8	1.7	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	6	3.3	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	11	1.5	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	7	5.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	8	0.9	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	8	2.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	21	0.1	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	4	7.8	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	11	0.8	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	20	95.1	Turkey.....	237.9
6.10 Stock market capitalization to GDP	6	131.5	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	10	94.6	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	4	0.9	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	14	41.6	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	30	25.9	Japan	208.5
6.15 Private international bonds to GDP.....	17	40.5	Ireland	202.8
6.16 Public international bonds to GDP	44	0.8	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	33	0.3	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	9	6.2	United Kingdom.....	6.8
7.02 Venture capital availability	21	3.3	Hong Kong SAR	4.5
7.03 Ease of access to credit	31	3.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	10	4.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	17	3.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	26	2.8	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	3	99.1	Denmark.....	99.7
7.08 Commercial bank branches	13	31.6	Portugal.....	75.9
7.09 Total number of ATMs.....	5	162.4	Korea, Rep.	250.3
7.10 Debit card penetration.....	11	79.1	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	11	17.0	Finland.....	23.9

Austria

Key indicators

Population (millions), 2011	8.4
GDP (US\$ billions), 2011	419.2
GDP (current prices) per capita, 2011	49,809.2
GDP (PPP) as share (%) of world total, 2011	0.45
Compound annual growth rate of real GDP (%), 2007–2011	0.57

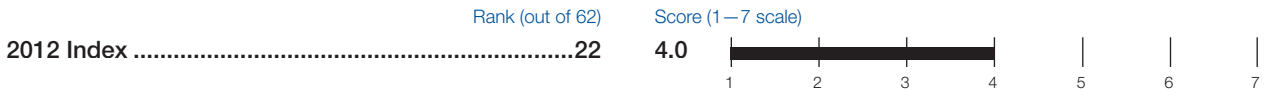
Financial assets by major type, 2010



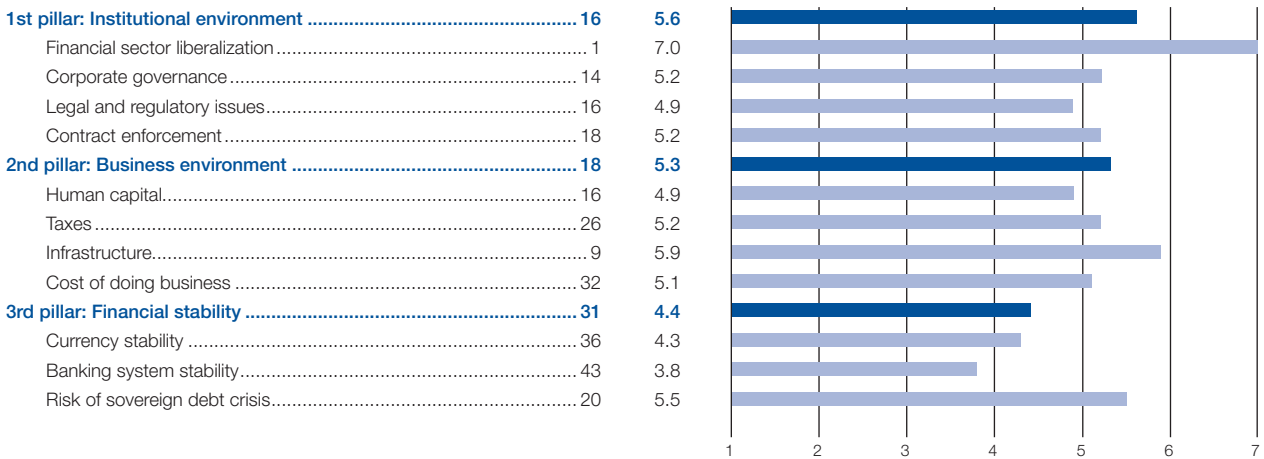
US\$ bn

Public debt securities	272.0
Private debt securities	471.1
Banking deposits	370.5
Equity securities	67.7
Total	1,181.3

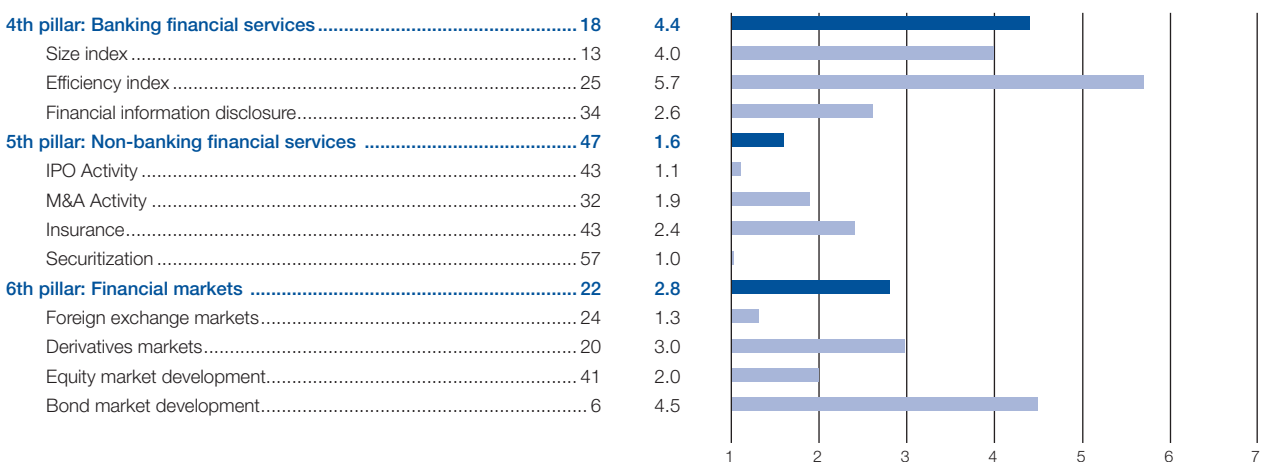
Financial Development Index 2012



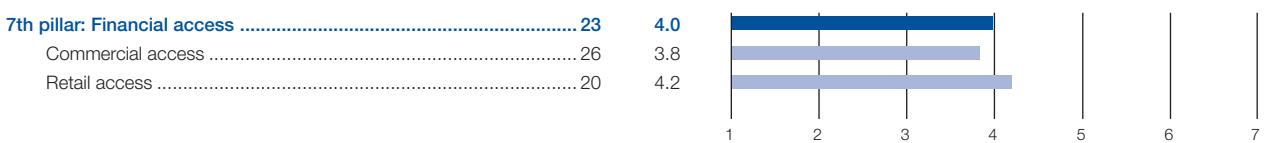
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Austria

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	14	United Kingdom	5.3
1.05	Efficacy of corporate boards	14	South Africa	5.8
1.06	Reliance on professional management	15	Finland	6.3
1.07	Willingness to delegate	18	Denmark	6.2
1.08	Strength of auditing and reporting standards	12	South Africa	6.6
1.09	Ethical behavior of firms	15	Finland	6.5
1.10	Protection of minority shareholders' interests	14	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	32	Singapore	5.6
1.12	Regulation of securities exchanges	31	South Africa	6.5
1.13	Property rights	10	Finland	6.5
1.14	Intellectual property protection	12	Finland	6.3
1.15	Diversion of public funds	23	Denmark	6.3
1.16	Public trust in politicians	32	Singapore	6.3
1.17	Corruption perceptions index	13	Finland	9.4
1.18	Strength of legal rights index	24	Multiple (6)	10.0
1.19	Central bank transparency	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	20	Singapore	6.4
1.21	Judicial independence	21	Finland	6.5
1.22	Irregular payments in judicial decisions	16	Denmark	6.8
1.23	Time to enforce a contract	17	Singapore	150.0
1.24	Number of procedures to enforce a contract	3	Multiple (2)	21.0
1.25	Strength of investor protection index	57	Singapore	9.3
1.26	Cost of enforcing contracts	20	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	26	United Kingdom	6.1
2.02	Quality of math and science education	25	Singapore	6.3
2.03	Extent of staff training	10	Switzerland	5.6
2.04	Local availability of specialized research and training services	3	Switzerland	6.4
2.05	Brain drain	24	Switzerland	6.3
2.06	Tertiary enrollment	24	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	20	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	25	United Arab Emirates	5.9
2.09	Marginal tax variation	41	Kuwait	-4.8
2.10	Time to pay taxes	21	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	7	Switzerland	6.6
2.12	Quality of electricity supply	6	Netherlands	6.8
2.13	Internet users	11	Norway	94.0
2.14	Broadband Internet subscriptions	16	Switzerland	39.2
2.15	Telephone subscriptions	21	Germany	63.1
2.16	Mobile telephone subscriptions	7	Hong Kong SAR	209.6

(continued)

Austria

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	28	Denmark	0.0
2.18	Cost of registering property	35	Multiple (2)	0.0
2.19	Cost of closing a business	42	Multiple (4)	1.0
2.20	Time to start a business	46	Australia	2.0
2.21	Time to register property	24	Portugal	1.0
2.22	Time to close a business	11	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	34	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	22	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	11	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	32	Ireland	6.9
3.10	Tier 1 capital ratio	46	Ghana	22.7
3.11	Output loss during banking crises	28	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	13	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	13	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	30	Peru	6.4
3.15	Manageability of public debt	48	Kuwait	6.2
3.16	Credit default swap spreads	28	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	13	Ireland	245.1
4.02	Central bank assets to GDP	38	Brazil	18.3
4.03	Financial system deposits to GDP	13	Hong Kong SAR	305.8
4.04	M2 to GDP	17	Hong Kong SAR	320.5
4.05	Private credit to GDP	14	Denmark	229.8
4.06	Bank deposits to GDP	13	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	8	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	46	Czech Republic	6.0
4.09	Bank overhead costs	30	Finland	0.6
4.10	Public ownership of banks	32	Multiple (22)	0.0
4.11	Bank operating costs to assets	30	Sweden	0.8
4.12	Non-performing bank loans to total loans	24	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	28	Multiple (12)	100.0
4.14	Public credit registry coverage	21	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	39	China	37.8
5.02	IPO proceeds amount	45	Hong Kong SAR	5.1
5.03	Share of world IPOs	45	China	30.2

(continued)

Austria

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

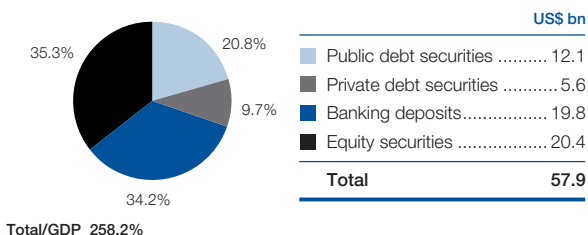
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	28	0.4	United States.....	34.4
5.05 M&A transaction value to GDP	29	2.9	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	31	0.4	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	27	2.3	Ireland	19.8
5.08 Non-life insurance penetration	12	3.2	Netherlands	9.5
5.09 Real growth of direct insurance premiums	47	-4.3	Argentina.....	21.9
5.10 Life insurance density	44	0.2	India	43.5
5.11 Non-life insurance density.....	38	0.3	China.....	16.1
5.12 Relative value added of insurance to GDP	39	0.9	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	56	0.0	United States.....	5.1
5.14 Share of total number of securitization deals.....	51	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	21	0.3	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	22	0.3	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	20	0.5	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	15	0.3	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	22	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	18	0.2	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	20	0.5	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	17	0.3	United Kingdom.....	55.3
Equity market development				
66.09 Stock market turnover ratio	24	89.1	Turkey.....	237.9
6.10 Stock market capitalization to GDP	53	15.7	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	44	9.6	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	29	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	11	50.9	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	24	32.8	Japan	208.5
6.15 Private international bonds to GDP.....	12	57.0	Ireland	202.8
6.16 Public international bonds to GDP	7	25.1	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	16	0.9	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	27	5.4	United Kingdom.....	6.8
7.02 Venture capital availability	27	3.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	27	4.0	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	39	3.8	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	25	3.2	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	20	3.4	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	9	97.1	Denmark.....	99.7
7.08 Commercial bank branches	34	11.4	Portugal.....	75.9
7.09 Total number of ATMs.....	36	48.2	Korea, Rep.	250.3
7.10 Debit card penetration	8	86.8	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	38	8.3	Finland.....	23.9

Bahrain

Key indicators

Population (millions), 2011	1.1
GDP (US\$ billions), 2011	26.1
GDP (current prices) per capita, 2011	23,132.3
GDP (PPP) as share (%) of world total, 2011	0.04
Compound annual growth rate of real GDP (%), 2007–2011	3.11

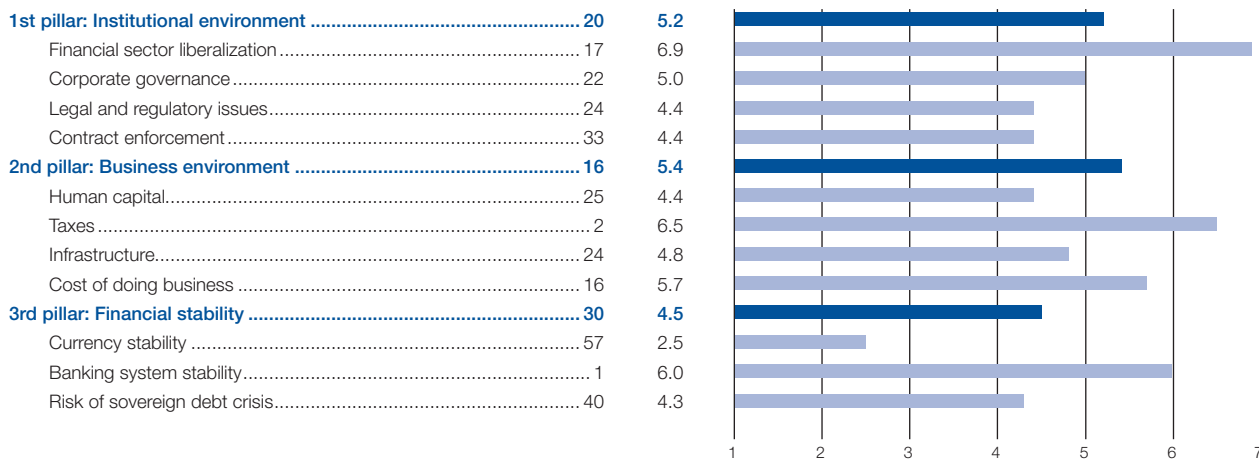
Financial assets by major type, 2010



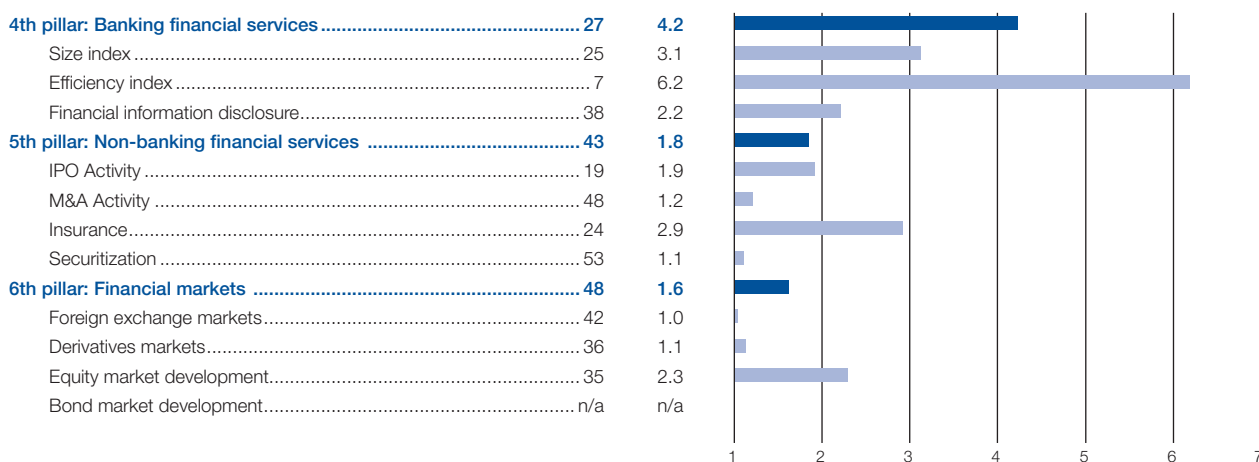
Financial Development Index 2012



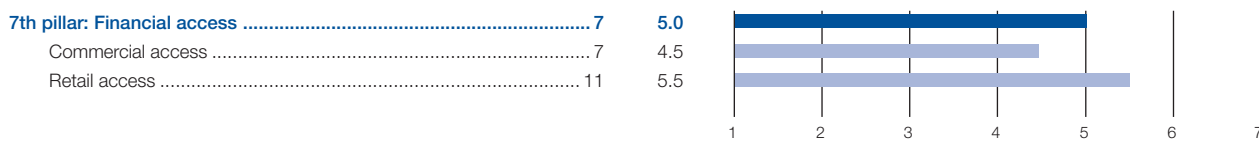
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Bahrain

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	19	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	31	United Kingdom	5.3
1.05	Efficacy of corporate boards	21	South Africa	5.8
1.06	Reliance on professional management	22	Finland	6.3
1.07	Willingness to delegate	27	Denmark	6.2
1.08	Strength of auditing and reporting standards	7	South Africa	6.6
1.09	Ethical behavior of firms	20	Finland	6.5
1.10	Protection of minority shareholders' interests	7	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	5	Singapore	5.6
1.12	Regulation of securities exchanges	10	South Africa	6.5
1.13	Property rights	15	Finland	6.5
1.14	Intellectual property protection	21	Finland	6.3
1.15	Diversion of public funds	18	Denmark	6.3
1.16	Public trust in politicians	12	Singapore	6.3
1.17	Corruption perceptions index	26	Finland	9.4
1.18	Strength of legal rights index	46	Multiple (6)	10.0
1.19	Central bank transparency	46	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	23	Singapore	6.4
1.21	Judicial independence	22	Finland	6.5
1.22	Irregular payments in judicial decisions	18	Denmark	6.8
1.23	Time to enforce a contract	47	Singapore	150.0
1.24	Number of procedures to enforce a contract	60	Multiple (2)	21.0
1.25	Strength of investor protection index	36	Singapore	9.3
1.26	Cost of enforcing contracts	13	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	44	United Kingdom	6.1
2.02	Quality of math and science education	32	Singapore	6.3
2.03	Extent of staff training	19	Switzerland	5.6
2.04	Local availability of specialized research and training services	32	Switzerland	6.4
2.05	Brain drain	15	Switzerland	6.3
2.06	Tertiary enrollment	34	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	7	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	2	United Arab Emirates	5.9
2.09	Marginal tax variation	5	Kuwait	-4.8
2.10	Time to pay taxes	2	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	12	Switzerland	6.6
2.12	Quality of electricity supply	19	Netherlands	6.8
2.13	Internet users	17	Norway	94.0
2.14	Broadband Internet subscriptions	29	Switzerland	39.2
2.15	Telephone subscriptions	35	Germany	63.1
2.16	Mobile telephone subscriptions	19	Hong Kong SAR	209.6

(continued)

Bahrain

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	6	Denmark	0.0
2.18	Cost of registering property	21	Multiple (2)	0.0
2.19	Cost of closing a business	29	Multiple (4)	1.0
2.20	Time to start a business	21	Australia	2.0
2.21	Time to register property	33	Portugal	1.0
2.22	Time to close a business	35	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	53	Brazil	8.3
3.02	External vulnerability indicator	35	Saudi Arabia	9.3
3.03	Current account balance to GDP	19	Kuwait	32.0
3.04	Dollarization vulnerability indicator	36	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	35	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	5	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	41	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	39	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	26	Peru	6.4
3.15	Manageability of public debt	38	Kuwait	6.2
3.16	Credit default swap spreads	40	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	28	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	22	Hong Kong SAR	305.8
4.04	M2 to GDP	25	Hong Kong SAR	320.5
4.05	Private credit to GDP	16	Denmark	229.8
4.06	Bank deposits to GDP	23	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	34	Czech Republic	6.0
4.09	Bank overhead costs	10	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	22	Sweden	0.8
4.12	Non-performing bank loans to total loans	n/a	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	31	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	41	China	37.8
5.02	IPO proceeds amount	7	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Bahrain

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

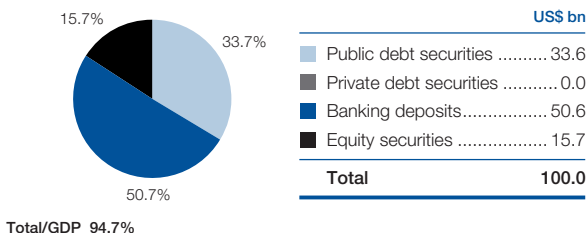
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	59.....	0.0	United States.....	34.4
5.05 M&A transaction value to GDP	48.....	1.3	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	61.....	0.0	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	47.....	0.6	Ireland	19.8
5.08 Non-life insurance penetration	36.....	1.7	Netherlands	9.5
5.09 Real growth of direct insurance premiums	29.....	2.9	Argentina.....	21.9
5.10 Life insurance density	59.....	0.0	India	43.5
5.11 Non-life insurance density.....	59.....	0.0	China.....	16.1
5.12 Relative value added of insurance to GDP	1.....	6.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	53.....	0.1	United States.....	5.1
5.14 Share of total number of securitization deals.....	58.....	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	45.....	0.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	43.....	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	30.....	0.2	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a.....	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	37.....	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	37.....	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	30.....	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	60.....	1.8	Turkey.....	237.9
6.10 Stock market capitalization to GDP	19.....	81.7	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	49.....	2.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	14.....	0.3	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a.....	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a.....	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	24.....	20.0	Ireland	202.8
6.16 Public international bonds to GDP	10.....	13.2	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a.....	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	16.....	5.9	United Kingdom.....	6.8
7.02 Venture capital availability	6.....	4.3	Hong Kong SAR	4.5
7.03 Ease of access to credit	6.....	4.7	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	18.....	4.5	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	1.....	4.8	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	22.....	3.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	30.....	64.5	Denmark.....	99.7
7.08 Commercial bank branches	n/a.....	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a.....	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	19.....	62.2	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	4.....	21.9	Finland.....	23.9

Bangladesh

Key indicators

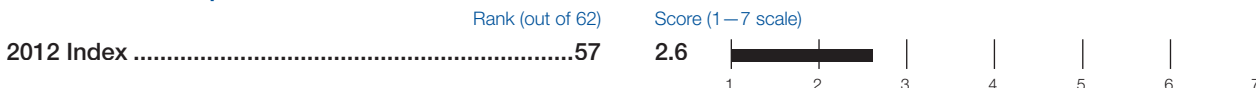
Population (millions), 2011	166.7
GDP (US\$ billions), 2011	113.0
GDP (current prices) per capita, 2011	678.0
GDP (PPP) as share (%) of world total, 2011	0.36
Compound annual growth rate of real GDP (%), 2007–2011	4.83

Financial assets by major type, 2010

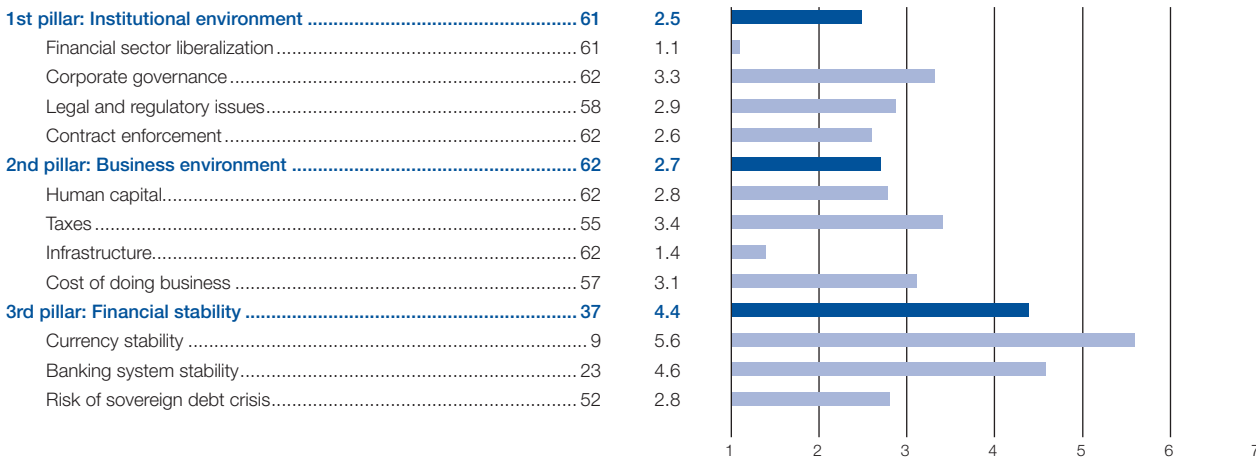


	US\$ bn
Public debt securities	33.6
Private debt securities	0.0
Banking deposits	50.6
Equity securities	15.7
Total	100.0

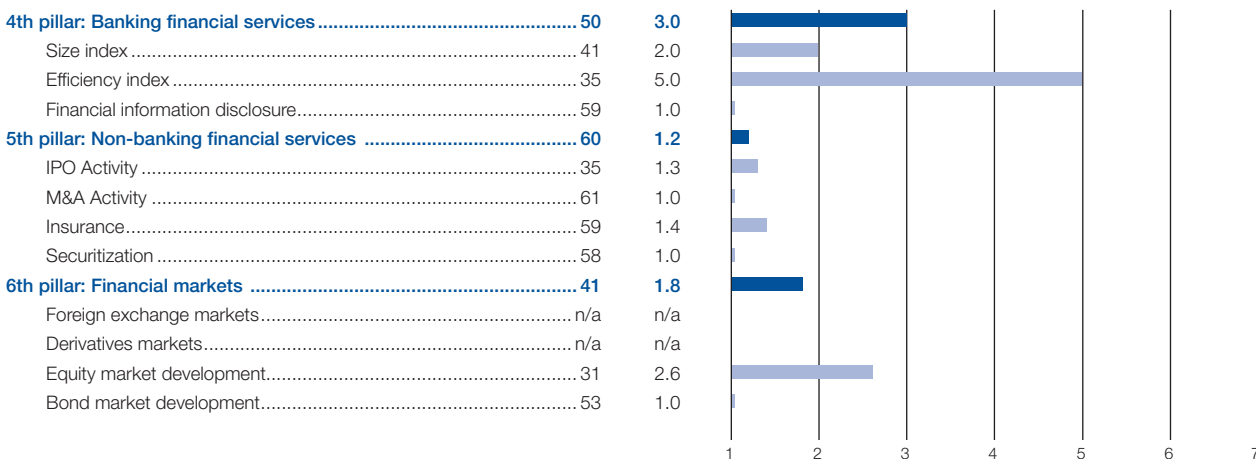
Financial Development Index 2012



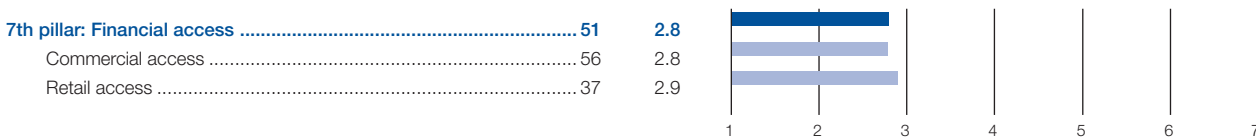
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Bangladesh

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	60.....	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	55.....	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	n/a.....	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	62.....	United Kingdom.....	5.3
1.05	Efficacy of corporate boards	54.....	South Africa.....	5.8
1.06	Reliance on professional management.....	59.....	Finland.....	6.3
1.07	Willingness to delegate	62.....	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	61.....	South Africa.....	6.6
1.09	Ethical behavior of firms.....	62.....	Finland.....	6.5
1.10	Protection of minority shareholders' interests	60.....	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	33.....	Singapore	5.6
1.12	Regulation of securities exchanges.....	62.....	South Africa.....	6.5
1.13	Property rights	53.....	Finland.....	6.5
1.14	Intellectual property protection.....	60.....	Finland.....	6.3
1.15	Diversion of public funds.....	50.....	Denmark.....	6.3
1.16	Public trust in politicians	53.....	Singapore	6.3
1.17	Corruption perceptions index.....	55.....	Finland.....	9.4
1.18	Strength of legal rights index.....	24.....	Multiple (6)	10.0
1.19	Central bank transparency.....	51.....	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	46.....	Singapore	6.4
1.21	Judicial independence.....	54.....	Finland.....	6.5
1.22	Irregular payments in judicial decisions	54.....	Denmark.....	6.8
1.23	Time to enforce a contract.....	62.....	Singapore	150.0
1.24	Number of procedures to enforce a contract	52.....	Multiple (2)	21.0
1.25	Strength of investor protection index	17.....	Singapore	9.3
1.26	Cost of enforcing contracts	61.....	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	50.....	United Kingdom.....	6.1
2.02	Quality of math and science education	52.....	Singapore	6.3
2.03	Extent of staff training	62.....	Switzerland.....	5.6
2.04	Local availability of specialized research and training services.....	62.....	Switzerland.....	6.4
2.05	Brain drain	54.....	Switzerland.....	6.3
2.06	Tertiary enrollment	57.....	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection.....	62.....	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	37.....	United Arab Emirates.....	5.9
2.09	Marginal tax variation	57.....	Kuwait	-4.8
2.10	Time to pay taxes.....	46.....	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	60.....	Switzerland.....	6.6
2.12	Quality of electricity supply.....	61.....	Netherlands	6.8
2.13	Internet users	62.....	Norway	94.0
2.14	Broadband Internet subscriptions.....	61.....	Switzerland.....	39.2
2.15	Telephone subscriptions	59.....	Germany.....	63.1
2.16	Mobile telephone subscriptions	61.....	Hong Kong SAR	209.6

(continued)

Bangladesh

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	59	Denmark	0.0
2.18	Cost of registering property	52	Multiple (2)	0.0
2.19	Cost of closing a business	17	Multiple (4)	1.0
2.20	Time to start a business	37	Australia	2.0
2.21	Time to register property	62	Portugal	1.0
2.22	Time to close a business	48	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	5	Saudi Arabia	9.3
3.03	Current account balance to GDP	25	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	7	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	n/a	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	55	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	50	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	50	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	56	Peru	6.4
3.15	Manageability of public debt	12	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	43	Ireland	245.1
4.02	Central bank assets to GDP	18	Brazil	18.3
4.03	Financial system deposits to GDP	38	Hong Kong SAR	305.8
4.04	M2 to GDP	45	Hong Kong SAR	320.5
4.05	Private credit to GDP	45	Denmark	229.8
4.06	Bank deposits to GDP	39	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	2	Czech Republic	6.0
4.09	Bank overhead costs	37	Finland	0.6
4.10	Public ownership of banks	58	Multiple (22)	0.0
4.11	Bank operating costs to assets	32	Sweden	0.8
4.12	Non-performing bank loans to total loans	n/a	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	24	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	42	China	37.8
5.02	IPO proceeds amount	34	Hong Kong SAR	5.1
5.03	Share of world IPOs	20	China	30.2

(continued)

Bangladesh

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

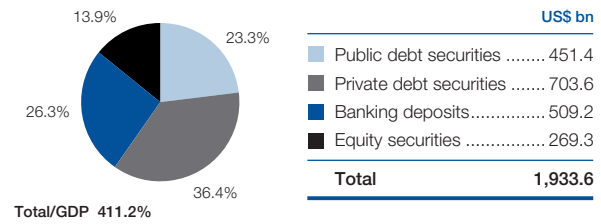
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	57	United States	34.4
5.05	M&A transaction value to GDP	60	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	60	United States	23.3
Insurance				
5.07	Life insurance penetration	43	Ireland	19.8
5.08	Non-life insurance penetration	60	Netherlands	9.5
5.09	Real growth of direct insurance premiums	n/a	Argentina	21.9
5.10	Life insurance density	15	India	43.5
5.11	Non-life insurance density	33	China	16.1
5.12	Relative value added of insurance to GDP	50	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	59	United States	5.1
5.14	Share of total number of securitization deals	58	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	n/a	United Kingdom	41.3
6.03	Foreign exchange swap turnover	n/a	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	n/a	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	4	Turkey	237.9
6.10	Stock market capitalization to GDP	57	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	40	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	58	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	42	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	45	Japan	208.5
6.15	Private international bonds to GDP	56	Ireland	202.8
6.16	Public international bonds to GDP	54	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	60	United Kingdom	6.8
7.02	Venture capital availability	60	Hong Kong SAR	4.5
7.03	Ease of access to credit	40	Hong Kong SAR	5.0
7.04	Financing through local equity market	34	Hong Kong SAR	5.7
7.05	Ease of access to loans	48	Bahrain	4.8
7.06	Foreign direct investment to GDP	51	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	44	Denmark	99.7
7.08	Commercial bank branches	45	Portugal	75.9
7.09	Total number of ATMs	48	Korea, Rep.	250.3
7.10	Debit card penetration	60	Netherlands	97.6
7.11	Loan accounts at MFIs	5	Peru	121.2
7.12	Loan from a financial institution	3	Finland	23.3

Belgium

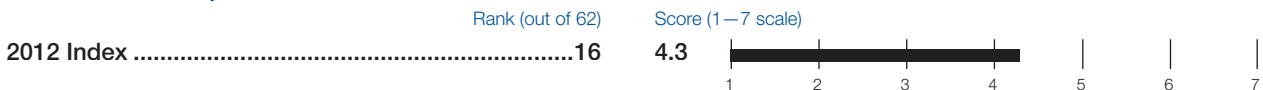
Key indicators

Population (millions), 2011	11.0
GDP (US\$ billions), 2011	513.4
GDP (current prices) per capita, 2011	46,878.4
GDP (PPP) as share (%) of world total, 2011	0.52
Compound annual growth rate of real GDP (%), 2007–2011	0.44

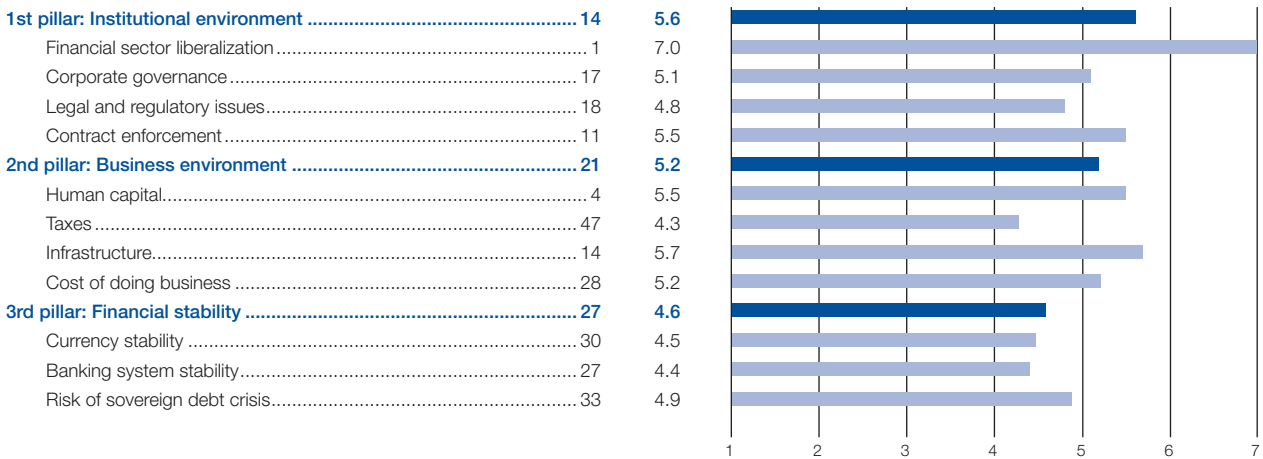
Financial assets by major type, 2010



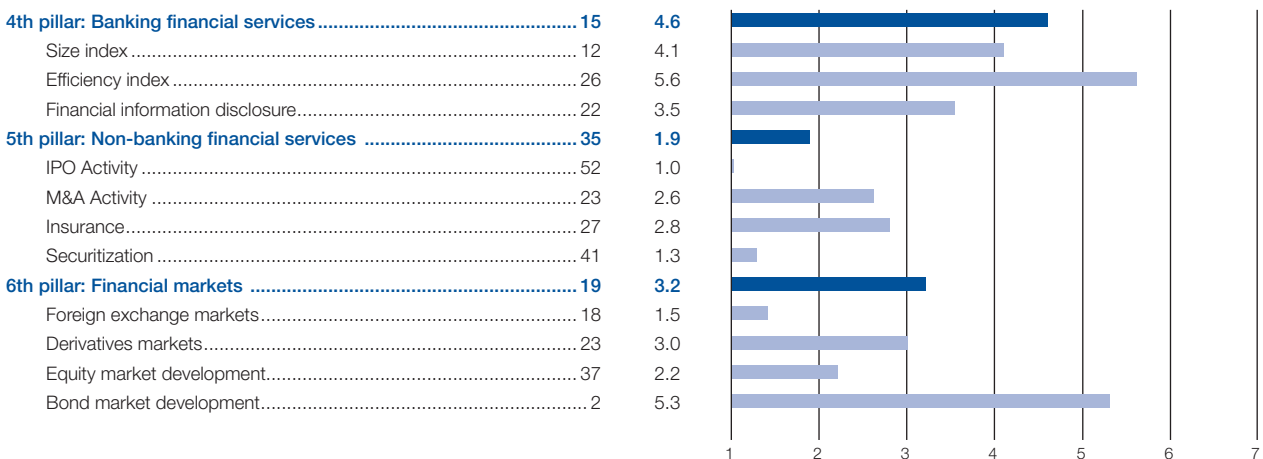
Financial Development Index 2012



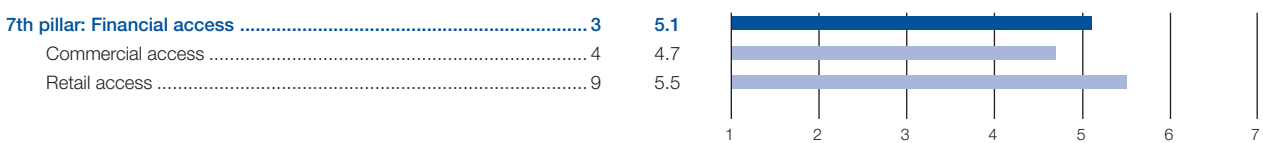
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Belgium

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	■	7.0	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	19	■	4.5	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	16	■	5.2	South Africa.....	5.8
1.06	Reliance on professional management.....	17	■	5.4	Finland.....	6.3
1.07	Willingness to delegate	12	■	5.0	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	14	■	5.6	South Africa.....	6.6
1.09	Ethical behavior of firms.....	16	■	5.4	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	18	■	4.9	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	54	■	2.6	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	22	■	5.0	South Africa.....	6.5
1.13	Property rights	23	■	5.3	Finland.....	6.5
1.14	Intellectual property protection.....	19	■	5.2	Finland.....	6.3
1.15	Diversion of public funds.....	16	■	5.2	Denmark.....	6.3
1.16	Public trust in politicians	20	■	3.5	Singapore	6.3
1.17	Corruption perceptions index.....	16	■	7.5	Finland.....	9.4
1.18	Strength of legal rights index.....	24	■	7.0	Multiple (6)	10.0
1.19	Central bank transparency.....	5	■	11.0	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	34	■	3.7	Singapore.....	6.4
1.21	Judicial independence	20	■	5.2	Finland.....	6.5
1.22	Irregular payments in judicial decisions	22	■	5.6	Denmark.....	6.8
1.23	Time to enforce a contract.....	31	■	505.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	4	■	26.0	Multiple (2)	21.0
1.25	Strength of investor protection index	13	■	7.0	Singapore	9.3
1.26	Cost of enforcing contracts	19	■	17.7	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	2	■	6.0	United Kingdom.....	6.1
2.02	Quality of math and science education	3	■	6.2	Singapore	6.3
2.03	Extent of staff training.....	16	■	4.8	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	5	■	5.9	Switzerland.....	6.4
2.05	Brain drain.....	16	■	4.7	Switzerland.....	6.3
2.06	Tertiary enrollment	16	■	67.5	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	21	■	5.7	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	33	■	4.0	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	60	■	28.8	Kuwait	4.8
2.10	Time to pay taxes	20	■	156.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	15	■	5.9	Switzerland.....	6.6
2.12	Quality of electricity supply.....	11	■	6.6	Netherlands	6.8
2.13	Internet users	15	■	78.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	7	■	33.0	Switzerland.....	39.2
2.15	Telephone subscriptions	16	■	43.1	Germany.....	63.1
2.16	Mobile telephone subscriptions	32	■	116.6	Hong Kong SAR	209.6

(continued)

Belgium

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	28	Denmark	0.0
2.18	Cost of registering property	61	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	4	Australia	2.0
2.21	Time to register property	52	Portugal	1.0
2.22	Time to close a business	5	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	29	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	31	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	5	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	18	Ireland	6.9
3.10	Tier 1 capital ratio	28	Ghana	22.7
3.11	Output loss during banking crises	33	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	19	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	17	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	25	Peru	6.4
3.15	Manageability of public debt	56	Kuwait	6.2
3.16	Credit default swap spreads	39	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	22	Ireland	245.1
4.02	Central bank assets to GDP	35	Brazil	18.3
4.03	Financial system deposits to GDP	8	Hong Kong SAR	305.8
4.04	M2 to GDP	14	Hong Kong SAR	320.5
4.05	Private credit to GDP	27	Denmark	229.8
4.06	Bank deposits to GDP	8	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	12	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	59	Czech Republic	6.0
4.09	Bank overhead costs	8	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	8	Sweden	0.8
4.12	Non-performing bank loans to total loans	26	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	3	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	47	China	37.8
5.02	IPO proceeds amount	52	Hong Kong SAR	5.1
5.03	Share of world IPOs	35	China	30.2

(continued)

Belgium

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

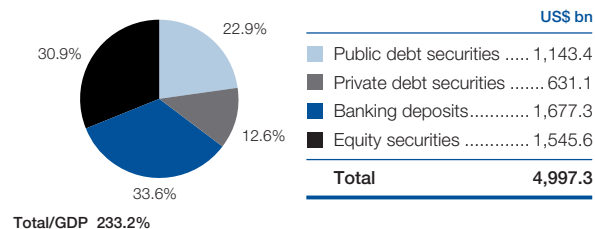
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	19	United States	34.4
5.05	M&A transaction value to GDP	19	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	28	United States	23.3
Insurance				
5.07	Life insurance penetration	12	Ireland	19.8
5.08	Non-life insurance penetration	15	Netherlands	9.5
5.09	Real growth of direct insurance premiums	47	Argentina	21.9
5.10	Life insurance density	28	India	43.5
5.11	Non-life insurance density	36	China	16.1
5.12	Relative value added of insurance to GDP	29	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	41	United States	5.1
5.14	Share of total number of securitization deals	33	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	20	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	24	United Kingdom	41.3
6.03	Foreign exchange swap turnover	14	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	23	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	20	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	5	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	26	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	20	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	39	Turkey	237.9
6.10	Stock market capitalization to GDP	33	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	30	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	23	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	12	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	7	Japan	208.5
6.15	Private international bonds to GDP	6	Ireland	202.8
6.16	Public international bonds to GDP	3	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	14	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	17	United Kingdom	6.8
7.02	Venture capital availability	19	Hong Kong SAR	4.5
7.03	Ease of access to credit	33	Hong Kong SAR	5.0
7.04	Financing through local equity market	31	Hong Kong SAR	5.7
7.05	Ease of access to loans	13	Bahrain	4.8
7.06	Foreign direct investment to GDP	3	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	12	Denmark	99.7
7.08	Commercial bank branches	4	Portugal	75.9
7.09	Total number of ATMs	18	Korea, Rep.	250.3
7.10	Debit card penetration	9	Netherlands	97.6
7.11	Loan accounts at MFIs	n/a	Peru	121.2
7.12	Loan from a financial institution	27	Finland	23.9

Brazil

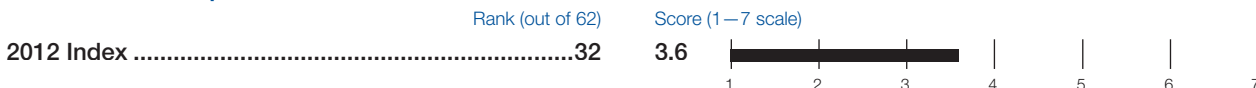
Key indicators

Population (millions), 2011	194.9
GDP (US\$ billions), 2011	2,492.9
GDP (current prices) per capita, 2011	12,788.6
GDP (PPP) as share (%) of world total, 2011	2.91
Compound annual growth rate of real GDP (%), 2007–2011	2.98

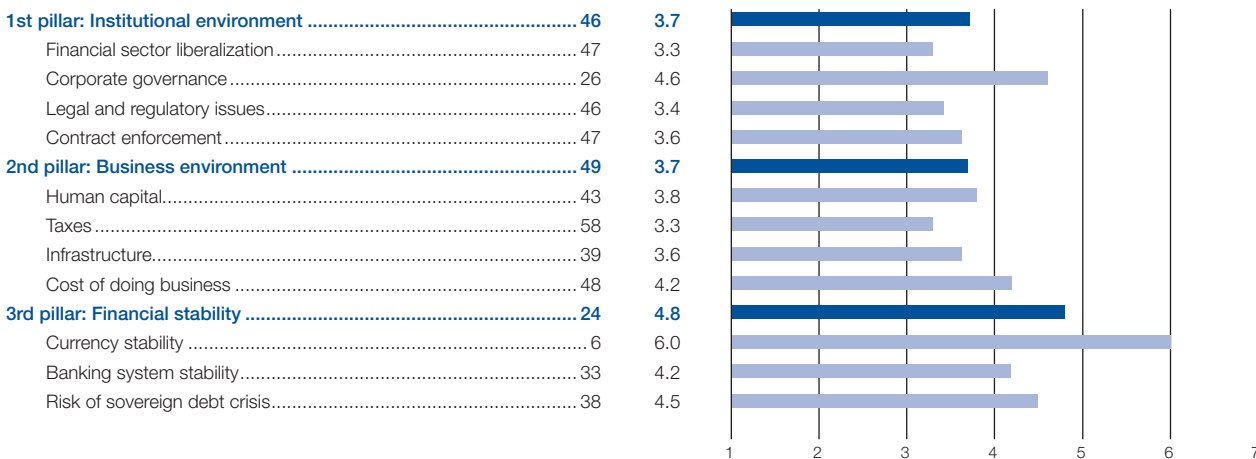
Financial assets by major type, 2010



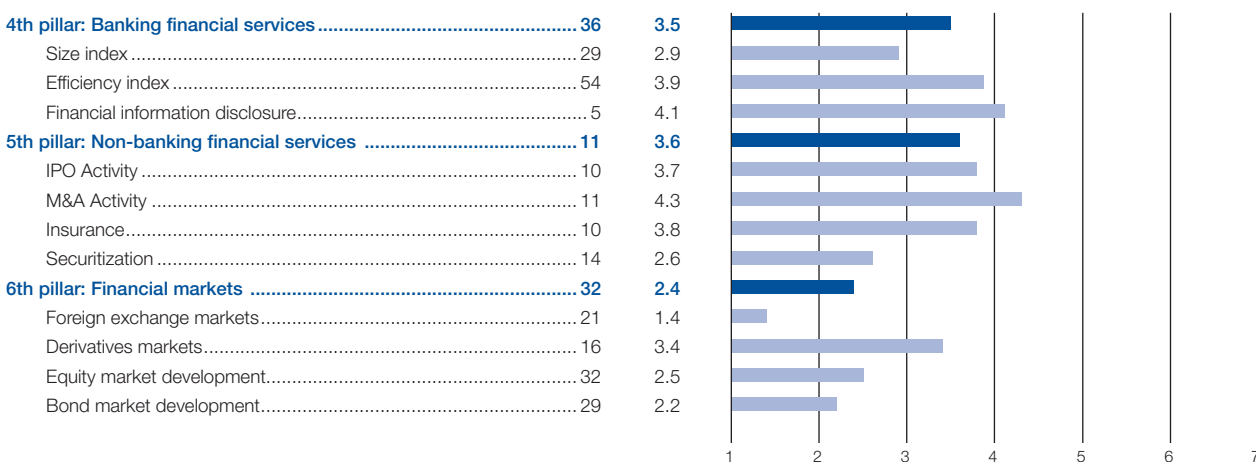
Financial Development Index 2012



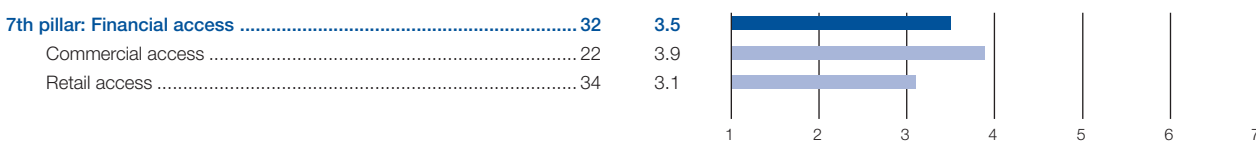
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Brazil

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	42	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	55	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	30	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	22	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	25	South Africa.....	5.8
1.06	Reliance on professional management.....	26	Finland.....	6.3
1.07	Willingness to delegate	25	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	27	South Africa.....	6.6
1.09	Ethical behavior of firms.....	42	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	23	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	62	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	6	South Africa.....	6.5
1.13	Property rights	32	Finland.....	6.5
1.14	Intellectual property protection.....	41	Finland.....	6.3
1.15	Diversion of public funds.....	56	Denmark.....	6.3
1.16	Public trust in politicians	52	Singapore	6.3
1.17	Corruption perceptions index.....	38	Finland.....	9.4
1.18	Strength of legal rights index.....	55	Multiple (6)	10.0
1.19	Central bank transparency.....	24	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	55	Singapore.....	6.4
1.21	Judicial independence	38	Finland.....	6.5
1.22	Irregular payments in judicial decisions	38	Denmark.....	6.8
1.23	Time to enforce a contract.....	52	Singapore	150.0
1.24	Number of procedures to enforce a contract	57	Multiple (2)	21.0
1.25	Strength of investor protection index	36	Singapore	9.3
1.26	Cost of enforcing contracts	15	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	34	United Kingdom.....	6.1
2.02	Quality of math and science education	59	Singapore	6.3
2.03	Extent of staff training.....	24	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	27	Switzerland.....	6.4
2.05	Brain drain.....	20	Switzerland.....	6.3
2.06	Tertiary enrollment	48	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	41	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	50	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	50	Kuwait	-4.8
2.10	Time to pay taxes	62	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	53	Switzerland.....	6.6
2.12	Quality of electricity supply.....	41	Netherlands	6.8
2.13	Internet users	38	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	38	Switzerland.....	39.2
2.15	Telephone subscriptions	32	Germany.....	63.1
2.16	Mobile telephone subscriptions	23	Hong Kong SAR	209.6

(continued)

Brazil

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	30	Denmark	0.0
2.18	Cost of registering property	18	Multiple (2)	0.0
2.19	Cost of closing a business	32	Multiple (4)	1.0
2.20	Time to start a business	61	Australia	2.0
2.21	Time to register property	40	Portugal	1.0
2.22	Time to close a business	48	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	1	Brazil	8.3
3.02	External vulnerability indicator	10	Saudi Arabia	9.3
3.03	Current account balance to GDP	36	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	5	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	50	Multiple (9)	0.0
3.08	Financial strengths indicator	5	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	19	Ireland	6.9
3.10	Tier 1 capital ratio	38	Ghana	22.7
3.11	Output loss during banking crises	41	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	29	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	34	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	47	Peru	6.4
3.15	Manageability of public debt	41	Kuwait	6.2
3.16	Credit default swap spreads	24	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	31	Ireland	245.1
4.02	Central bank assets to GDP	1	Brazil	18.3
4.03	Financial system deposits to GDP	31	Hong Kong SAR	305.8
4.04	M2 to GDP	51	Hong Kong SAR	320.5
4.05	Private credit to GDP	39	Denmark	229.8
4.06	Bank deposits to GDP	32	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	25	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	51	Czech Republic	6.0
4.09	Bank overhead costs	53	Finland	0.6
4.10	Public ownership of banks	52	Multiple (22)	0.0
4.11	Bank operating costs to assets	50	Sweden	0.8
4.12	Non-performing bank loans to total loans	30	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	22	Multiple (12)	100.0
4.14	Public credit registry coverage	7	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	4	China	37.8
5.02	IPO proceeds amount	9	Hong Kong SAR	5.1
5.03	Share of world IPOs	17	China	30.2

(continued)

Brazil

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

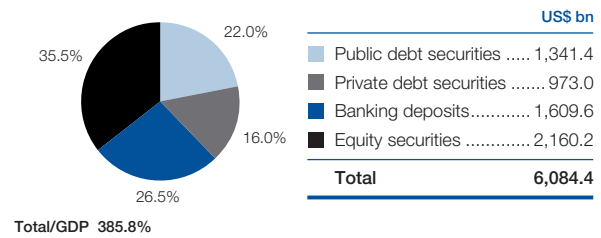
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	6	3.9	United States.....	34.4
5.05 M&A transaction value to GDP	16	4.7	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	17	1.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	32	1.6	Ireland	19.8
5.08 Non-life insurance penetration	41	1.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	12	8.7	Argentina.....	21.9
5.10 Life insurance density	9	3.2	India	43.5
5.11 Non-life insurance density.....	6	2.9	China.....	16.1
5.12 Relative value added of insurance to GDP	15	1.9	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	26	0.5	United States.....	5.1
5.14 Share of total number of securitization deals.....	9	1.6	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	17	0.5	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	15	0.7	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	42	0.0	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	21	0.1	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	19	0.3	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	15	0.4	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	17	0.7	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	16	0.3	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	27	78.5	Turkey.....	237.9
6.10 Stock market capitalization to GDP	25	67.3	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	28	38.4	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	51	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	22	21.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	18	38.5	Japan	208.5
6.15 Private international bonds to GDP.....	37	5.6	Ireland	202.8
6.16 Public international bonds to GDP	37	2.1	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	31	0.4	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	8	6.2	United Kingdom.....	6.8
7.02 Venture capital availability	34	2.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	12	4.5	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	32	4.1	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	31	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	28	2.7	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	34	55.9	Denmark.....	99.7
7.08 Commercial bank branches	32	13.8	Portugal.....	75.9
7.09 Total number of ATMs.....	9	120.6	Korea, Rep.	250.3
7.10 Debit card penetration	28	41.2	Netherlands	97.6
7.11 Loan accounts at MFIs	12	10.3	Peru	121.2
7.12 Loan from a financial institution.....	49	6.3	Finland.....	23.9

Canada

Key indicators

Population (millions), 2011	34.4
GDP (US\$ billions), 2011	1,736.9
GDP (current prices) per capita, 2011	50,435.5
GDP (PPP) as share (%) of world total, 2011	1.77
Compound annual growth rate of real GDP (%), 2007–2011	0.70

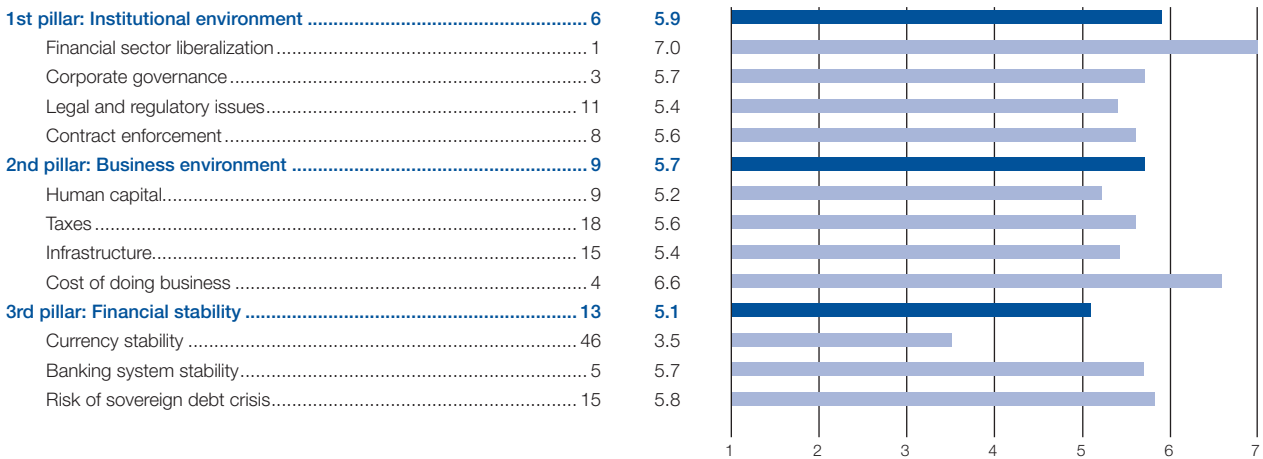
Financial assets by major type, 2010



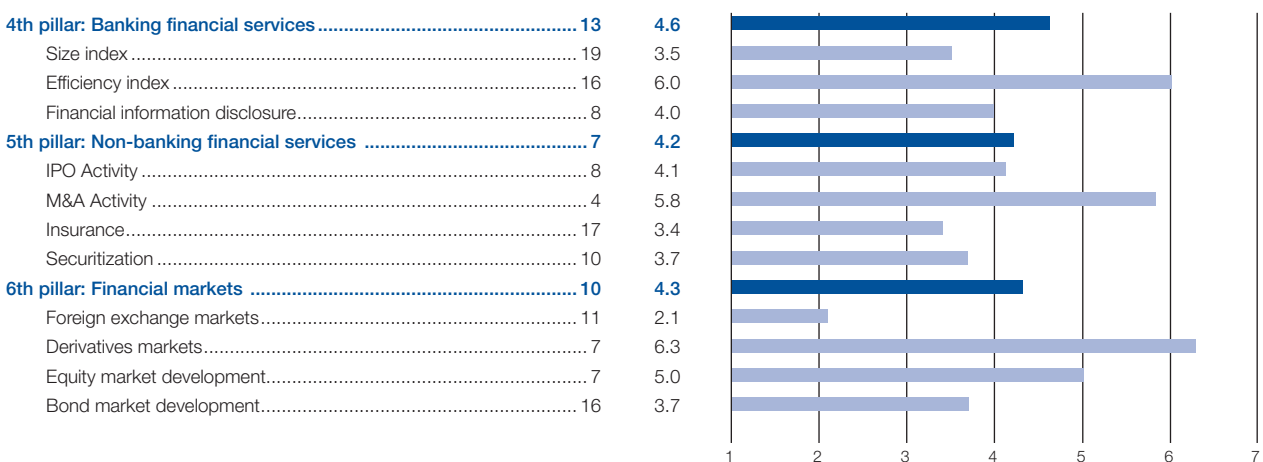
Financial Development Index 2012



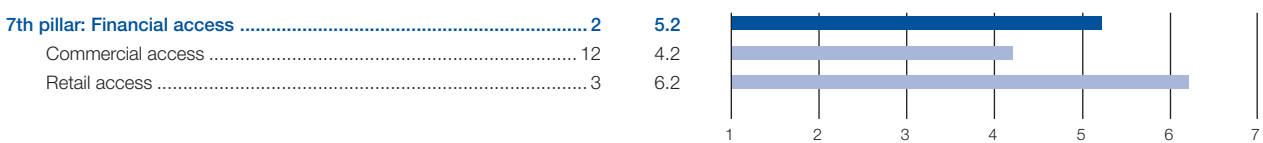
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Canada

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	4	United Kingdom	5.3
1.05	Efficacy of corporate boards	7	South Africa	5.8
1.06	Reliance on professional management	6	Finland	6.3
1.07	Willingness to delegate	6	Denmark	6.2
1.08	Strength of auditing and reporting standards	4	South Africa	6.6
1.09	Ethical behavior of firms	6	Finland	6.5
1.10	Protection of minority shareholders' interests	8	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	20	Singapore	5.6
1.12	Regulation of securities exchanges	12	South Africa	6.5
1.13	Property rights	6	Finland	6.5
1.14	Intellectual property protection	13	Finland	6.3
1.15	Diversion of public funds	11	Denmark	6.3
1.16	Public trust in politicians	11	Singapore	6.3
1.17	Corruption perceptions index	9	Finland	9.4
1.18	Strength of legal rights index	24	Multiple (6)	10.0
1.19	Central bank transparency	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	4	Singapore	6.4
1.21	Judicial independence	4	Finland	6.5
1.22	Irregular payments in judicial decisions	13	Denmark	6.8
1.23	Time to enforce a contract	42	Singapore	150.0
1.24	Number of procedures to enforce a contract	33	Multiple (2)	21.0
1.25	Strength of investor protection index	4	Singapore	9.3
1.26	Cost of enforcing contracts	25	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	5	United Kingdom	6.1
2.02	Quality of math and science education	8	Singapore	6.3
2.03	Extent of staff training	17	Switzerland	5.6
2.04	Local availability of specialized research and training services	12	Switzerland	6.4
2.05	Brain drain	6	Switzerland	6.3
2.06	Tertiary enrollment	25	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	14	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	17	United Arab Emirates	5.9
2.09	Marginal tax variation	32	Kuwait	-4.8
2.10	Time to pay taxes	16	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	13	Switzerland	6.6
2.12	Quality of electricity supply	12	Netherlands	6.8
2.13	Internet users	8	Norway	94.0
2.14	Broadband Internet subscriptions	10	Switzerland	39.2
2.15	Telephone subscriptions	11	Germany	63.1
2.16	Mobile telephone subscriptions	55	Hong Kong SAR	209.6

(continued)

Canada

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	3	Denmark	0.4
2.18	Cost of registering property	15	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	6	Australia	2.0
2.21	Time to register property	20	Portugal	1.0
2.22	Time to close a business	3	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	48	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	45	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	14	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	1	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	33	Ireland	6.9
3.10	Tier 1 capital ratio	22	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	15	Peru	6.4
3.15	Manageability of public debt	55	Kuwait	6.2
3.16	Credit default swap spreads	3	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	11	Ireland	245.1
4.02	Central bank assets to GDP	21	Brazil	18.3
4.03	Financial system deposits to GDP	16	Hong Kong SAR	305.8
4.04	M2 to GDP	24	Hong Kong SAR	320.5
4.05	Private credit to GDP	18	Denmark	229.8
4.06	Bank deposits to GDP	14	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	22	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	32	Czech Republic	6.0
4.09	Bank overhead costs	36	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	29	Sweden	0.8
4.12	Non-performing bank loans to total loans	3	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	12	China	37.8
5.02	IPO proceeds amount	17	Hong Kong SAR	5.1
5.03	Share of world IPOs	2	China	30.2

(continued)

Canada

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

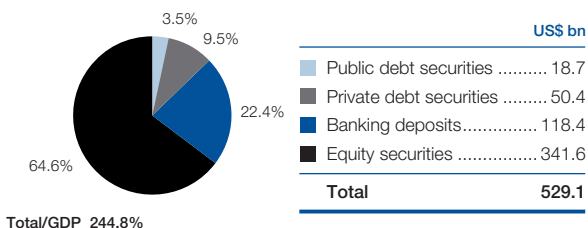
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	7	3.8	United States.....	34.4
5.05 M&A transaction value to GDP	7	6.2	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	6	4.8	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	22	3.0	Ireland	19.8
5.08 Non-life insurance penetration	7	4.0	Netherlands	9.5
5.09 Real growth of direct insurance premiums	40	-0.5	Argentina.....	21.9
5.10 Life insurance density	16	1.0	India	43.5
5.11 Non-life insurance density.....	13	1.4	China.....	16.1
5.12 Relative value added of insurance to GDP	26	1.3	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	11	1.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	6	2.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	13	1.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	12	1.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	11	1.5	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	9	0.8	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	7	2.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	17	0.3	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	10	2.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	10	0.9	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	33	73.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	9	127.9	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	12	87.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	2	1.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	19	25.9	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	4	62.1	Japan	208.5
6.15 Private international bonds to GDP.....	19	32.2	Ireland	202.8
6.16 Public international bonds to GDP	19	7.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	11	1.2	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	4	6.5	United Kingdom.....	6.8
7.02 Venture capital availability	16	3.6	Hong Kong SAR	4.5
7.03 Ease of access to credit	18	4.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	7	4.9	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	12	3.8	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	31	2.4	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	13	95.8	Denmark.....	99.7
7.08 Commercial bank branches	17	24.3	Portugal.....	75.9
7.09 Total number of ATMs.....	2	220.0	Korea, Rep.	250.3
7.10 Debit card penetration	6	88.0	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	6	20.3	Finland.....	23.9

Chile

Key indicators

Population (millions), 2011	17.4
GDP (US\$ billions), 2011	248.4
GDP (current prices) per capita, 2011	14,277.7
GDP (PPP) as share (%) of world total, 2011	0.38
Compound annual growth rate of real GDP (%), 2007–2011	2.81

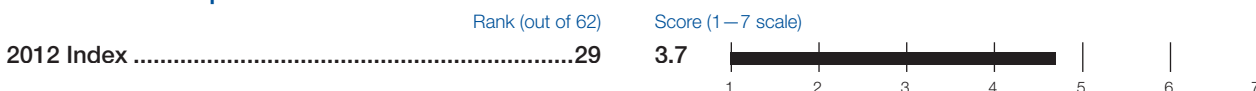
Financial assets by major type, 2010



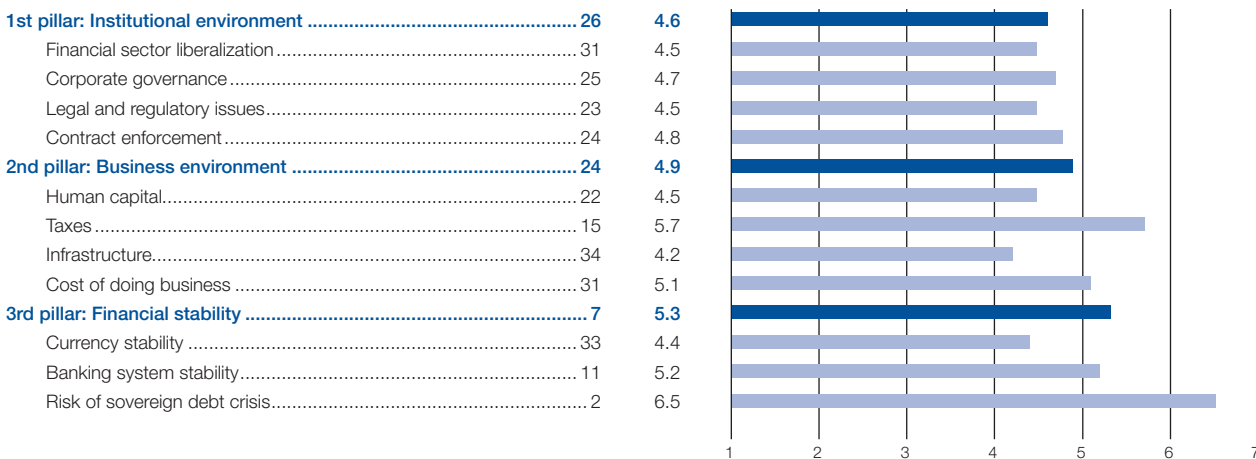
US\$ bn

Public debt securities	18.7
Private debt securities	50.4
Banking deposits	118.4
Equity securities	341.6
Total	529.1

Financial Development Index 2012

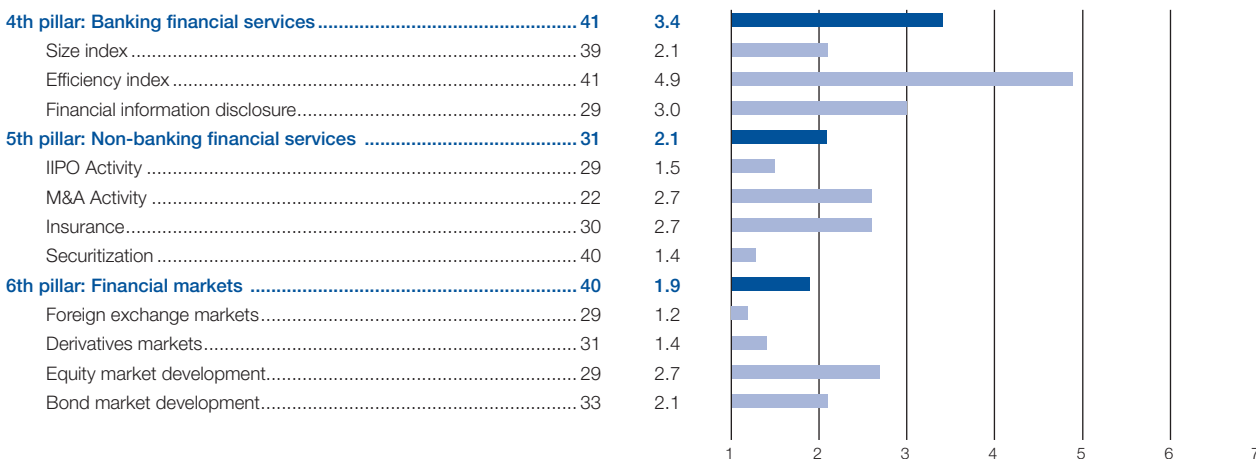


Factors, policies, and institutions

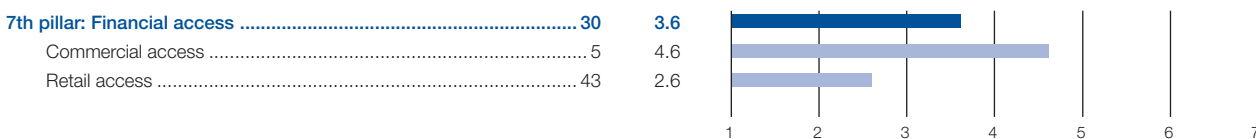


INPUTS

Financial intermediation



Financial access



OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Chile

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	29	■	5.6	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	52	■	1.2	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	27	■	6.7	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	16	■	4.6	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	24	■	4.9	South Africa.....	5.8
1.06	Reliance on professional management.....	28	■	4.9	Finland.....	6.3
1.07	Willingness to delegate	42	■	3.7	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	30	■	5.0	South Africa.....	6.6
1.09	Ethical behavior of firms.....	19	■	5.3	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	29	■	4.5	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	11	■	3.9	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	50	■	3.9	South Africa.....	6.5
1.13	Property rights	25	■	5.2	Finland.....	6.5
1.14	Intellectual property protection.....	36	■	3.7	Finland.....	6.3
1.15	Diversion of public funds.....	17	■	5.2	Denmark.....	6.3
1.16	Public trust in politicians	16	■	4.0	Singapore	6.3
1.17	Corruption perceptions index.....	17	■	7.2	Finland.....	9.4
1.18	Strength of legal rights index.....	35	■	6.0	Multiple (6)	10.0
1.19	Central bank transparency.....	34	■	7.5	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	26	■	3.9	Singapore.....	6.4
1.21	Judicial independence	17	■	5.3	Finland.....	6.5
1.22	Irregular payments in judicial decisions	21	■	5.7	Denmark.....	6.8
1.23	Time to enforce a contract.....	29	■	480.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	33	■	36.0	Multiple (2)	21.0
1.25	Strength of investor protection index	19	■	6.3	Singapore	9.3
1.26	Cost of enforcing contracts	43	■	28.6	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	12	■	5.4	United Kingdom.....	6.1
2.02	Quality of math and science education	54	■	3.0	Singapore	6.3
2.03	Extent of staff training.....	26	■	4.3	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	29	■	4.7	Switzerland.....	6.4
2.05	Brain drain.....	13	■	5.0	Switzerland.....	6.3
2.06	Tertiary enrollment	28	■	59.2	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	12	■	6.2	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	6	■	5.0	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	14	■	2.0	Kuwait	-4.8
2.10	Time to pay taxes.....	48	■	316.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	24	■	5.4	Switzerland.....	6.6
2.12	Quality of electricity supply.....	35	■	5.4	Netherlands	6.8
2.13	Internet users	32	■	53.9	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	32	■	11.7	Switzerland.....	39.2
2.15	Telephone subscriptions	39	■	19.5	Germany.....	63.1
2.16	Mobile telephone subscriptions	17	■	129.7	Hong Kong SAR	209.6

(continued)

Chile

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE	
2nd pillar: Business environment (continued)					
Cost of doing business					
2.17	Cost of starting a business	27	■	5.1	Denmark.....0.0
2.18	Cost of registering property	14	■	1.3	Multiple (2).....0.0
2.19	Cost of closing a business	34	■	15.0	Multiple (4).....1.0
2.20	Time to start a business	14	■	7.0	Australia.....2.0
2.21	Time to register property	33	■	31.0	Portugal.....1.0
2.22	Time to close a business	56	■	4.5	Ireland.....0.4
3rd pillar: Financial stability					
Currency stability					
3.01	Change in real effective exchange rate (REER)	18	■	1.6	Brazil.....8.3
3.02	External vulnerability indicator	25	■	123.4	Saudi Arabia.....9.3
3.03	Current account balance to GDP	29	■	0.8	Kuwait.....32.0
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (25).....0.0
3.05	External debt to GDP (developing economies)	22	■	39.7	China.....9.6
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR.....287.7
Banking system stability					
3.07	Frequency of banking crises	16	■	1.0	Multiple (9).....0.0
3.08	Financial strengths indicator	5	■	7.0	Multiple (3).....9.0
3.09	Aggregate measure of real estate bubbles	2	■	6.9	Ireland.....6.9
3.10	Tier 1 capital ratio	52	■	9.5	Ghana.....22.7
3.11	Output loss during banking crises	26	■	14.3	Multiple (20).....0.0
Risk of sovereign debt crisis					
3.12	Local currency sovereign rating	16	■	18.3	Multiple (10).....20.0
3.13	Foreign currency sovereign rating	22	■	16.3	Multiple (10).....20.0
3.14	Aggregate macroeconomic indicator	3	■	6.3	Peru.....6.4
3.15	Manageability of public debt	3	■	9.2	Kuwait.....6.2
3.16	Credit default swap spreads	13	■	111.7	Norway.....36.2
4th pillar: Banking financial services					
Size index					
4.01	Deposit money bank assets to GDP	36	■	70.5	Ireland.....245.1
4.02	Central bank assets to GDP	36	■	0.8	Brazil.....18.3
4.03	Financial system deposits to GDP	36	■	54.7	Hong Kong SAR.....305.8
4.04	M2 to GDP	44	■	51.2	Hong Kong SAR.....320.5
4.05	Private credit to GDP	30	■	83.7	Denmark.....229.8
4.06	Bank deposits to GDP	37	■	55.2	Hong Kong SAR.....305.8
4.07	Money market instruments to GDP	33	■	0.0	Ireland.....18.6
Efficiency index					
4.08	Aggregate profitability indicator	56	■	3.4	Czech Republic.....6.0
4.09	Bank overhead costs	39	■	2.5	Finland.....0.6
4.10	Public ownership of banks	39	■	17.4	Multiple (22).....0.0
4.11	Bank operating costs to assets	40	■	2.6	Sweden.....0.8
4.12	Non-performing bank loans to total loans	17	■	2.3	Finland.....0.5
Financial information disclosure					
4.13	Private credit bureau coverage	38	■	25.8	Multiple (12).....100.0
4.14	Public credit registry coverage	9	■	35.6	Portugal.....86.2
5th pillar: Non-banking financial services					
IPO activity					
5.01	IPO market share	29	■	0.3	China.....37.8
5.02	IPO proceeds amount	15	■	0.2	Hong Kong SAR.....5.1
5.03	Share of world IPOs	30	■	0.2	China.....30.2
(continued)					

Chile

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

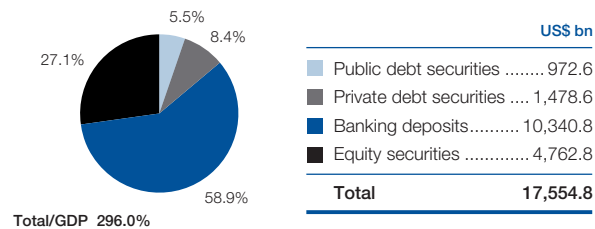
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	27	0.5	United States.....	34.4
5.05 M&A transaction value to GDP	11	5.7	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	33	0.4	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	28	2.2	Ireland	19.8
5.08 Non-life insurance penetration	37	1.6	Netherlands	9.5
5.09 Real growth of direct insurance premiums	15	7.4	Argentina.....	21.9
5.10 Life insurance density	33	0.4	India	43.5
5.11 Non-life insurance density.....	37	0.3	China.....	16.1
5.12 Relative value added of insurance to GDP	21	1.6	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	39	0.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	30	0.2	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	31	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	20	0.4	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	41	0.0	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	36	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	32	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	21	0.4	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	44	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	47	19.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	8	129.5	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	33	21.6	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	27	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	27	14.4	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	39	18.0	Japan	208.5
6.15 Private international bonds to GDP.....	36	5.8	Ireland	202.8
6.16 Public international bonds to GDP	42	1.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	15	0.9	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	18	5.8	United Kingdom.....	6.8
7.02 Venture capital availability	22	3.2	Hong Kong SAR	4.5
7.03 Ease of access to credit	10	4.5	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	13	4.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	15	3.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	7	7.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	41	42.2	Denmark.....	99.7
7.08 Commercial bank branches	26	17.6	Portugal.....	75.9
7.09 Total number of ATMs.....	25	62.5	Korea, Rep.	250.3
7.10 Debit card penetration	41	25.8	Netherlands	97.6
7.11 Loan accounts at MFIs	8	15.2	Peru	121.2
7.12 Loan from a financial institution.....	42	7.8	Finland.....	23.9

China

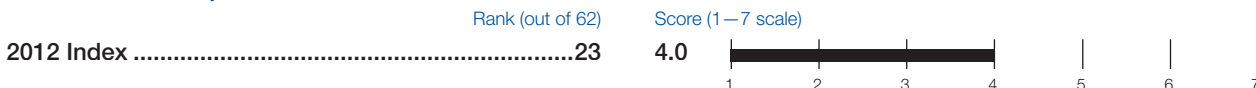
Key indicators

Population (millions), 2011	1,348.1
GDP (US\$ billions), 2011	7,298.1
GDP (current prices) per capita, 2011	5,413.6
GDP (PPP) as share (%) of world total, 2011	14.32
Compound annual growth rate of real GDP (%), 2007–2011	7.63

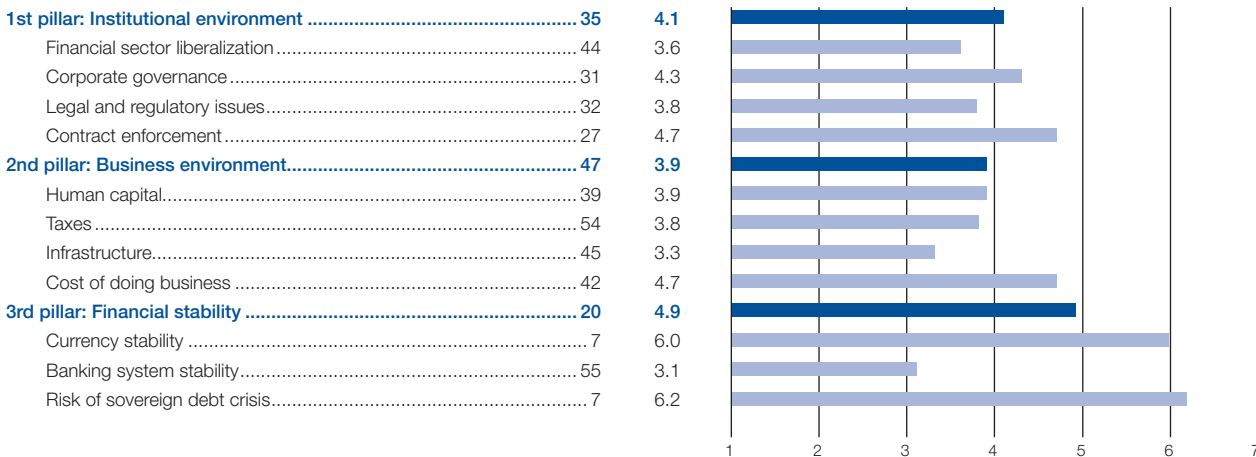
Financial assets by major type, 2010



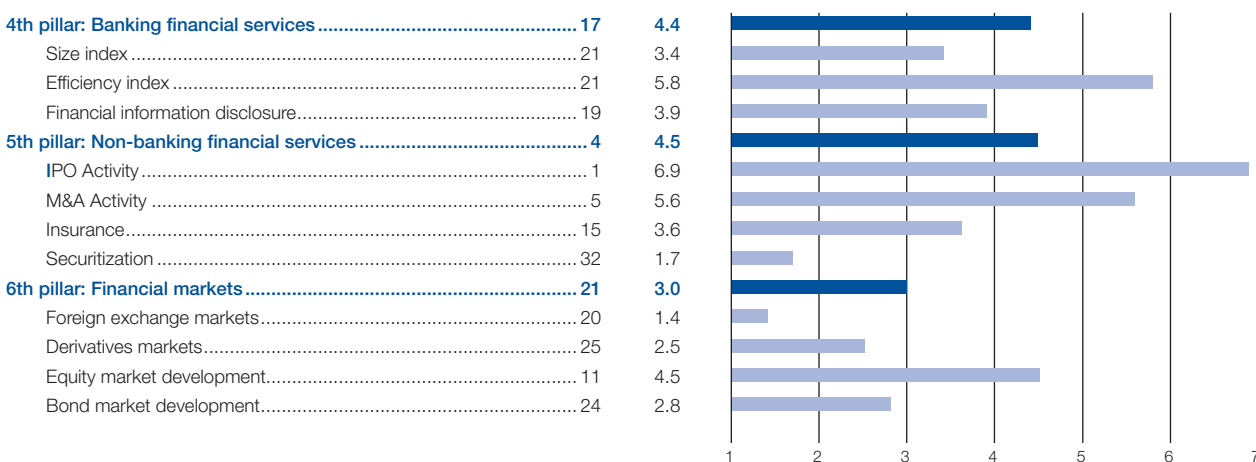
Financial Development Index 2012



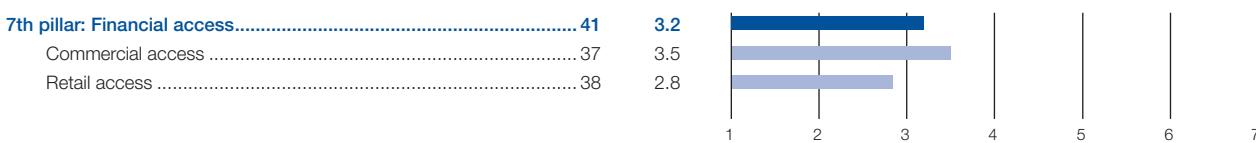
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

China

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	49	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	26	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	42	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	18	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	44	South Africa.....	5.8
1.06	Reliance on professional management.....	32	Finland.....	6.3
1.07	Willingness to delegate	33	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	41	South Africa.....	6.6
1.09	Ethical behavior of firms.....	32	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	39	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	8	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	38	South Africa.....	6.5
1.13	Property rights	29	Finland.....	6.5
1.14	Intellectual property protection.....	32	Finland.....	6.3
1.15	Diversion of public funds.....	28	Denmark.....	6.3
1.16	Public trust in politicians	14	Singapore	6.3
1.17	Corruption perceptions index.....	39	Finland.....	9.4
1.18	Strength of legal rights index.....	35	Multiple (6)	10.0
1.19	Central bank transparency.....	49	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	19	Singapore.....	6.4
1.21	Judicial independence	35	Finland.....	6.5
1.22	Irregular payments in judicial decisions	39	Denmark.....	6.8
1.23	Time to enforce a contract.....	19	Singapore	150.0
1.24	Number of procedures to enforce a contract	26	Multiple (2)	21.0
1.25	Strength of investor protection index	41	Singapore	9.3
1.26	Cost of enforcing contracts	3	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	39	United Kingdom.....	6.1
2.02	Quality of math and science education	18	Singapore	6.3
2.03	Extent of staff training.....	31	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	37	Switzerland.....	6.4
2.05	Brain drain.....	28	Switzerland.....	6.3
2.06	Tertiary enrollment	47	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	45	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	26	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	56	Kuwait	-4.8
2.10	Time to pay taxes	52	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	40	Switzerland.....	6.6
2.12	Quality of electricity supply.....	38	Netherlands	6.8
2.13	Internet users	45	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	33	Switzerland.....	39.2
2.15	Telephone subscriptions	33	Germany.....	63.1
2.16	Mobile telephone subscriptions	56	Hong Kong SAR	209.6

(continued)

China

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	22	Denmark	0.0
2.18	Cost of registering property	27	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	58	Australia	2.0
2.21	Time to register property	31	Portugal	1.0
2.22	Time to close a business	22	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	15	Brazil	8.3
3.02	External vulnerability indicator	2	Saudi Arabia	9.3
3.03	Current account balance to GDP	17	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	1	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	49	Ireland	6.9
3.10	Tier 1 capital ratio	51	Ghana	22.7
3.11	Output loss during banking crises	30	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	20	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	18	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	9	Peru	6.4
3.15	Manageability of public debt	6	Kuwait	6.2
3.16	Credit default swap spreads	17	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	15	Ireland	245.1
4.02	Central bank assets to GDP	16	Brazil	18.3
4.03	Financial system deposits to GDP	39	Hong Kong SAR	305.8
4.04	M2 to GDP	2	Hong Kong SAR	320.5
4.05	Private credit to GDP	15	Denmark	229.8
4.06	Bank deposits to GDP	40	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	4	Czech Republic	6.0
4.09	Bank overhead costs	3	Finland	0.6
4.10	Public ownership of banks	62	Multiple (22)	0.0
4.11	Bank operating costs to assets	10	Sweden	0.8
4.12	Non-performing bank loans to total loans	6	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	2	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	1	China	37.8
5.02	IPO proceeds amount	4	Hong Kong SAR	5.1
5.03	Share of world IPOs	1	China	30.2

(continued)

China

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

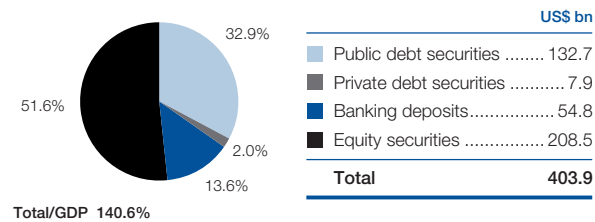
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	3	6.7	United States.....	34.4
5.05 M&A transaction value to GDP	32	2.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	2	9.7	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	30	1.8	Ireland	19.8
5.08 Non-life insurance penetration	45	1.2	Netherlands	9.5
5.09 Real growth of direct insurance premiums	51	-6.4	Argentina.....	21.9
5.10 Life insurance density	2	24.9	India	43.5
5.11 Non-life insurance density.....	1	16.1	China.....	16.1
5.12 Relative value added of insurance to GDP	43	0.7	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	51	0.1	United States.....	5.1
5.14 Share of total number of securitization deals.....	15	1.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	18	0.5	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	16	0.6	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	24	0.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	31	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	10	0.6	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	41	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	33	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	5	186.5	Turkey.....	237.9
6.10 Stock market capitalization to GDP	17	83.8	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	5	145.8	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	55	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	21	22.7	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	35	21.9	Japan	208.5
6.15 Private international bonds to GDP.....	49	1.4	Ireland	202.8
6.16 Public international bonds to GDP	51	0.1	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	3	2.3	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	49	4.1	United Kingdom.....	6.8
7.02 Venture capital availability	18	3.5	Hong Kong SAR	4.5
7.03 Ease of access to credit	26	4.0	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	36	3.9	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	30	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	41	1.7	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	31	63.8	Denmark.....	99.7
7.08 Commercial bank branches	n/a	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	29	41.0	Netherlands	97.6
7.11 Loan accounts at MFIs	26	0.1	Peru	121.2
7.12 Loan from a financial institution.....	46	7.3	Finland.....	23.9

Colombia

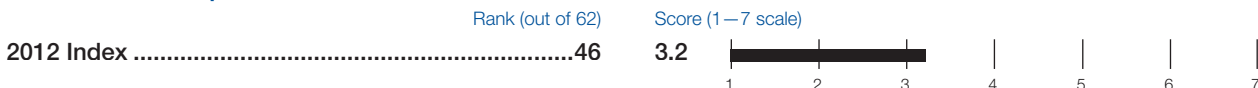
Key indicators

Population (millions), 2011	46.1
GDP (US\$ billions), 2011	328.4
GDP (current prices) per capita, 2011	7,131.6
GDP (PPP) as share (%) of world total, 2011	0.60
Compound annual growth rate of real GDP (%), 2007–2011	3.01

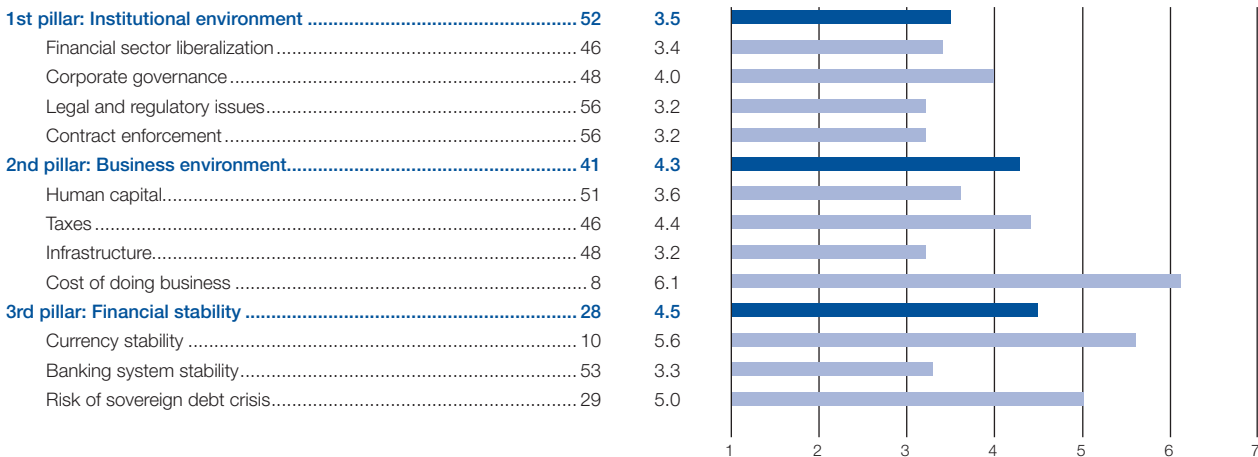
Financial assets by major type, 2010



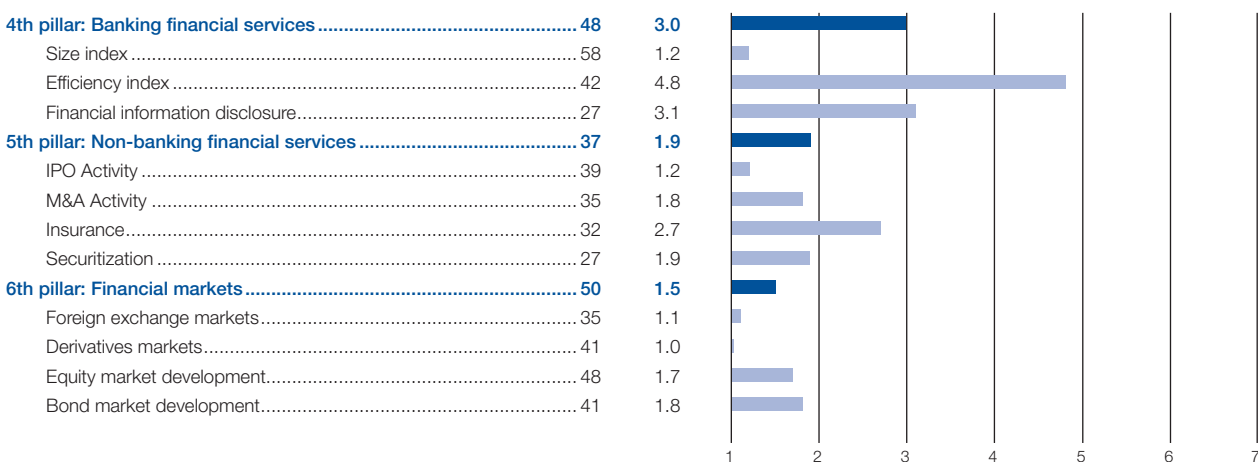
Financial Development Index 2012



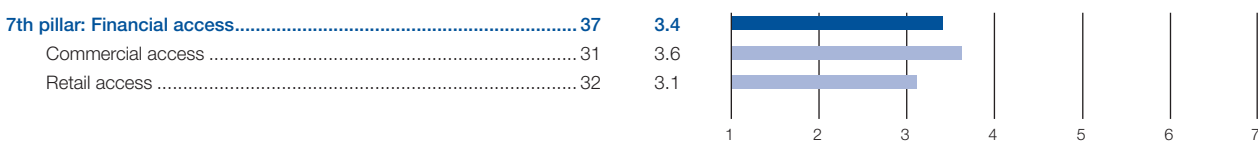
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Colombia

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	45	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	47	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	35	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	54	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	33	South Africa.....	5.8
1.06	Reliance on professional management.....	47	Finland.....	6.3
1.07	Willingness to delegate	34	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	47	South Africa.....	6.6
1.09	Ethical behavior of firms.....	53	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	45	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	40	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	46	South Africa.....	6.5
1.13	Property rights	50	Finland.....	6.5
1.14	Intellectual property protection.....	47	Finland.....	6.3
1.15	Diversion of public funds.....	59	Denmark.....	6.3
1.16	Public trust in politicians	45	Singapore.....	6.3
1.17	Corruption perceptions index.....	41	Finland.....	9.4
1.18	Strength of legal rights index.....	42	Multiple (6)	10.0
1.19	Central bank transparency.....	34	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	53	Singapore.....	6.4
1.21	Judicial independence	51	Finland.....	6.5
1.22	Irregular payments in judicial decisions	48	Denmark.....	6.8
1.23	Time to enforce a contract.....	60	Singapore	150.0
1.24	Number of procedures to enforce a contract	26	Multiple (2)	21.0
1.25	Strength of investor protection index	4	Singapore	9.3
1.26	Cost of enforcing contracts	59	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	43	United Kingdom.....	6.1
2.02	Quality of math and science education	51	Singapore	6.3
2.03	Extent of staff training.....	51	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	47	Switzerland.....	6.4
2.05	Brain drain.....	48	Switzerland.....	6.3
2.06	Tertiary enrollment	41	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	47	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	46	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	53	Kuwait	-4.8
2.10	Time to pay taxes	26	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	54	Switzerland.....	6.6
2.12	Quality of electricity supply.....	39	Netherlands	6.8
2.13	Internet users	43	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	43	Switzerland.....	39.2
2.15	Telephone subscriptions	45	Germany.....	63.1
2.16	Mobile telephone subscriptions	48	Hong Kong SAR	209.6

(continued)

Colombia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	38	Denmark	0.0
2.18	Cost of registering property	16	Multiple (2)	0.0
2.19	Cost of closing a business	1	Multiple (4)	1.0
2.20	Time to start a business	30	Australia	2.0
2.21	Time to register property	17	Portugal	1.0
2.22	Time to close a business	15	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	5	Brazil	8.3
3.02	External vulnerability indicator	15	Saudi Arabia	9.3
3.03	Current account balance to GDP	41	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	8	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	50	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	10	Ireland	6.9
3.10	Tier 1 capital ratio	50	Ghana	22.7
3.11	Output loss during banking crises	55	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	32	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	40	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	7	Peru	6.4
3.15	Manageability of public debt	30	Kuwait	6.2
3.16	Credit default swap spreads	22	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	51	Ireland	245.1
4.02	Central bank assets to GDP	39	Brazil	18.3
4.03	Financial system deposits to GDP	56	Hong Kong SAR	305.8
4.04	M2 to GDP	54	Hong Kong SAR	320.5
4.05	Private credit to GDP	46	Denmark	229.8
4.06	Bank deposits to GDP	57	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	9	Czech Republic	6.0
4.09	Bank overhead costs	56	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	57	Sweden	0.8
4.12	Non-performing bank loans to total loans	20	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	21	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	36	China	37.8
5.02	IPO proceeds amount	36	Hong Kong SAR	5.1
5.03	Share of world IPOs	35	China	30.2

(continued)

Colombia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

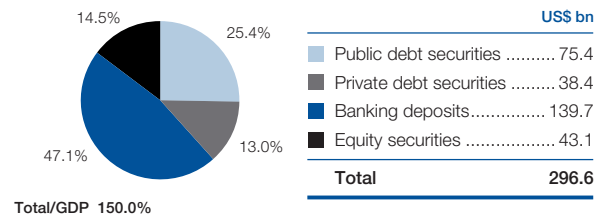
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	33	0.3	United States.....	34.4
5.05 M&A transaction value to GDP	30	2.9	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	40	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	44	0.7	Ireland	19.8
5.08 Non-life insurance penetration	38	1.6	Netherlands	9.5
5.09 Real growth of direct insurance premiums	9	11.1	Argentina.....	21.9
5.10 Life insurance density	35	0.3	India	43.5
5.11 Non-life insurance density.....	25	0.7	China.....	16.1
5.12 Relative value added of insurance to GDP	27	1.3	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	22	0.6	United States.....	5.1
5.14 Share of total number of securitization deals.....	23	0.5	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	36	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	26	0.2	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	44	0.0	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	37	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	38	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	36	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	36	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	42	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	50	16.0	Turkey.....	237.9
6.10 Stock market capitalization to GDP	29	62.5	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	48	6.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	53	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	41	0.6	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	33	22.8	Japan	208.5
6.15 Private international bonds to GDP.....	44	2.4	Ireland	202.8
6.16 Public international bonds to GDP	24	5.8	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	30	0.4	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	41	4.5	United Kingdom.....	6.8
7.02 Venture capital availability	35	2.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	29	3.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	38	3.8	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	33	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	18	4.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	48	30.4	Denmark.....	99.7
7.08 Commercial bank branches	n/a	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	43	22.7	Netherlands	97.6
7.11 Loan accounts at MFIs	4	50.3	Peru	121.2
7.12 Loan from a financial institution.....	20	11.9	Finland.....	23.9

Czech Republic

Key indicators

Population (millions), 2011	10.5
GDP (US\$ billions), 2011	215.3
GDP (current prices) per capita, 2011	20,444.0
GDP (PPP) as share (%) of world total, 2011	0.36
Compound annual growth rate of real GDP (%), 2007–2011	0.52

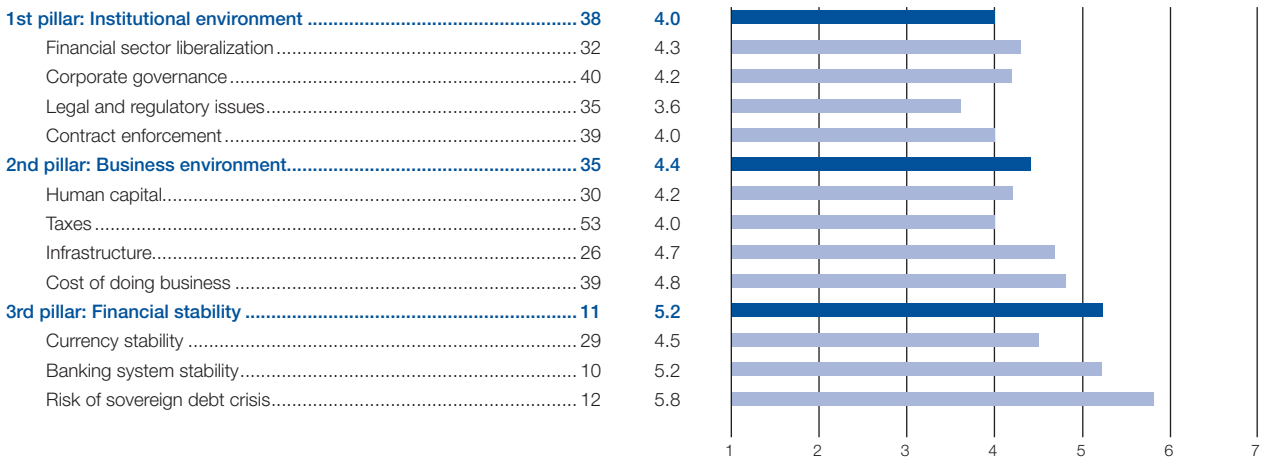
Financial assets by major type, 2010



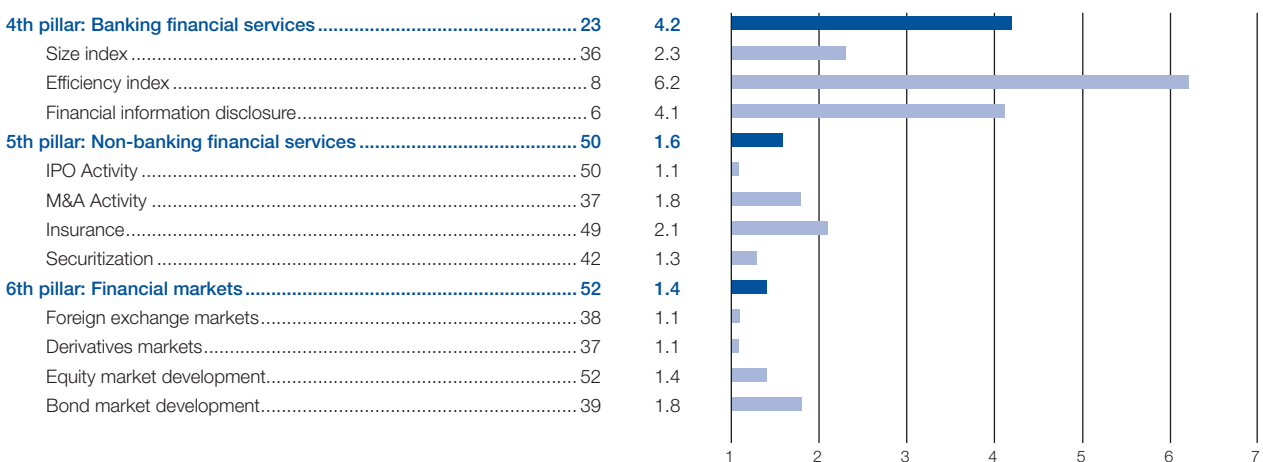
Financial Development Index 2012



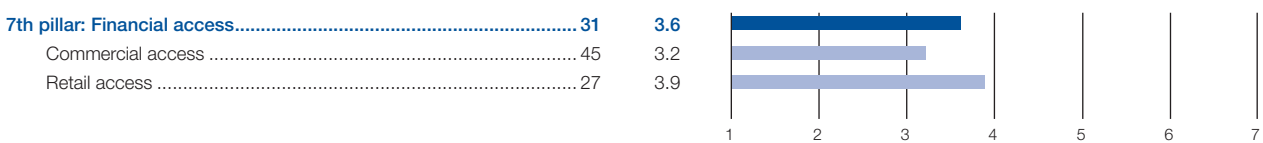
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Czech Republic

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	30.....	■	5.6	Multiple (25).....	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	34.....	■	4.1	Multiple (17).....	7.0
1.03	Domestic financial sector liberalization	48.....	■	3.2	Multiple (24).....	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	35.....	■	4.2	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	32.....	■	4.5	South Africa.....	5.8
1.06	Reliance on professional management.....	33.....	■	4.5	Finland.....	6.3
1.07	Willingness to delegate	41.....	■	3.7	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	33.....	■	4.9	South Africa.....	6.6
1.09	Ethical behavior of firms.....	54.....	■	3.4	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	43.....	■	4.1	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	47.....	■	2.7	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	32.....	■	4.6	South Africa.....	6.5
1.13	Property rights	43.....	■	4.1	Finland.....	6.5
1.14	Intellectual property protection.....	33.....	■	3.8	Finland.....	6.3
1.15	Diversion of public funds.....	58.....	■	2.3	Denmark.....	6.3
1.16	Public trust in politicians	60.....	■	1.6	Singapore.....	6.3
1.17	Corruption perceptions index.....	31.....	■	4.4	Finland.....	9.4
1.18	Strength of legal rights index.....	35.....	■	6.0	Multiple (6).....	10.0
1.19	Central bank transparency.....	5.....	■	11.0	Sweden.....	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	49.....	■	3.0	Singapore.....	6.4
1.21	Judicial independence	42.....	■	3.7	Finland.....	6.5
1.22	Irregular payments in judicial decisions	42.....	■	3.6	Denmark.....	6.8
1.23	Time to enforce a contract.....	46.....	■	611.0	Singapore.....	150.0
1.24	Number of procedures to enforce a contract	7.....	■	27.0	Multiple (2).....	21.0
1.25	Strength of investor protection index	41.....	■	5.0	Singapore.....	9.3
1.26	Cost of enforcing contracts	52.....	■	33.0	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	51.....	■	3.8	United Kingdom.....	6.1
2.02	Quality of math and science education	39.....	■	3.8	Singapore.....	6.3
2.03	Extent of staff training.....	32.....	■	4.2	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	20.....	■	5.1	Switzerland.....	6.4
2.05	Brain drain.....	47.....	■	3.3	Switzerland.....	6.3
2.06	Tertiary enrollment	23.....	■	60.7	Korea, Rep.....	103.1
Taxes						
2.07	Irregular payments in tax collection	33.....	■	4.7	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	52.....	■	3.5	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	48.....	■	11.5	Kuwait	-4.8
2.10	Time to pay taxes.....	56.....	■	557.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	22.....	■	5.5	Switzerland.....	6.6
2.12	Quality of electricity supply.....	13.....	■	6.5	Netherlands.....	6.8
2.13	Internet users	23.....	■	73.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	26.....	■	15.7	Switzerland.....	39.2
2.15	Telephone subscriptions	34.....	■	20.9	Germany.....	63.1
2.16	Mobile telephone subscriptions	26.....	■	121.6	Hong Kong SAR.....	209.6

(continued)

Czech Republic

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	39	Denmark	0.0
2.18	Cost of registering property	23	Multiple (2)	0.0
2.19	Cost of closing a business	41	Multiple (4)	1.0
2.20	Time to start a business	40	Australia	2.0
2.21	Time to register property	28	Portugal	1.0
2.22	Time to close a business	45	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	12	Brazil	8.3
3.02	External vulnerability indicator	21	Saudi Arabia	9.3
3.03	Current account balance to GDP	43	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	28	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	24	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	38	Ireland	6.9
3.10	Tier 1 capital ratio	n/a	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	17	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	18	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	14	Peru	6.4
3.15	Manageability of public debt	23	Kuwait	6.2
3.16	Credit default swap spreads	19	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	37	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	33	Hong Kong SAR	305.8
4.04	M2 to GDP	29	Hong Kong SAR	320.5
4.05	Private credit to GDP	38	Denmark	229.8
4.06	Bank deposits to GDP	34	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	24	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	1	Czech Republic	6.0
4.09	Bank overhead costs	27	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	28	Sweden	0.8
4.12	Non-performing bank loans to total loans	40	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	15	Multiple (12)	100.0
4.14	Public credit registry coverage	18	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	50	China	37.8
5.02	IPO proceeds amount	51	Hong Kong SAR	5.1
5.03	Share of world IPOs	32	China	30.2

(continued)

Czech Republic

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

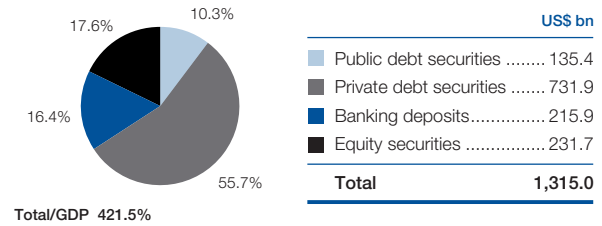
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	38	0.2	United States.....	34.4
5.05 M&A transaction value to GDP	35	2.6	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	35	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	29	1.9	Ireland	19.8
5.08 Non-life insurance penetration	25	2.2	Netherlands	9.5
5.09 Real growth of direct insurance premiums	43	-2.5	Argentina.....	21.9
5.10 Life insurance density	43	0.2	India	43.5
5.11 Non-life insurance density.....	42	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	41	0.7	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	40	0.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	38	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	40	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	40	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	29	0.2	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	24	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	34	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	35	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	32	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	40	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	42	33.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	45	24.3	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	46	8.8	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	56	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	29	12.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	31	24.6	Japan	208.5
6.15 Private international bonds to GDP.....	34	6.0	Ireland	202.8
6.16 Public international bonds to GDP	25	5.5	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	41	0.0	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	34	4.8	United Kingdom.....	6.8
7.02 Venture capital availability	47	2.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	45	3.3	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	50	3.3	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	41	2.9	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	30	2.5	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	22	80.7	Denmark.....	99.7
7.08 Commercial bank branches	20	22.5	Portugal.....	75.9
7.09 Total number of ATMs.....	40	41.6	Korea, Rep.	250.3
7.10 Debit card penetration	21	61.0	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	32	9.5	Finland.....	23.9

Denmark

Key indicators

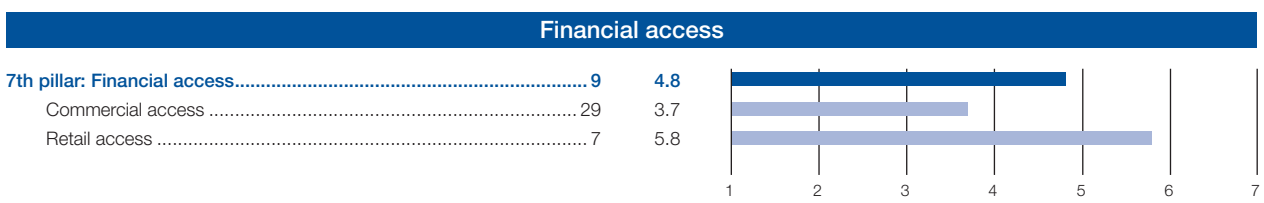
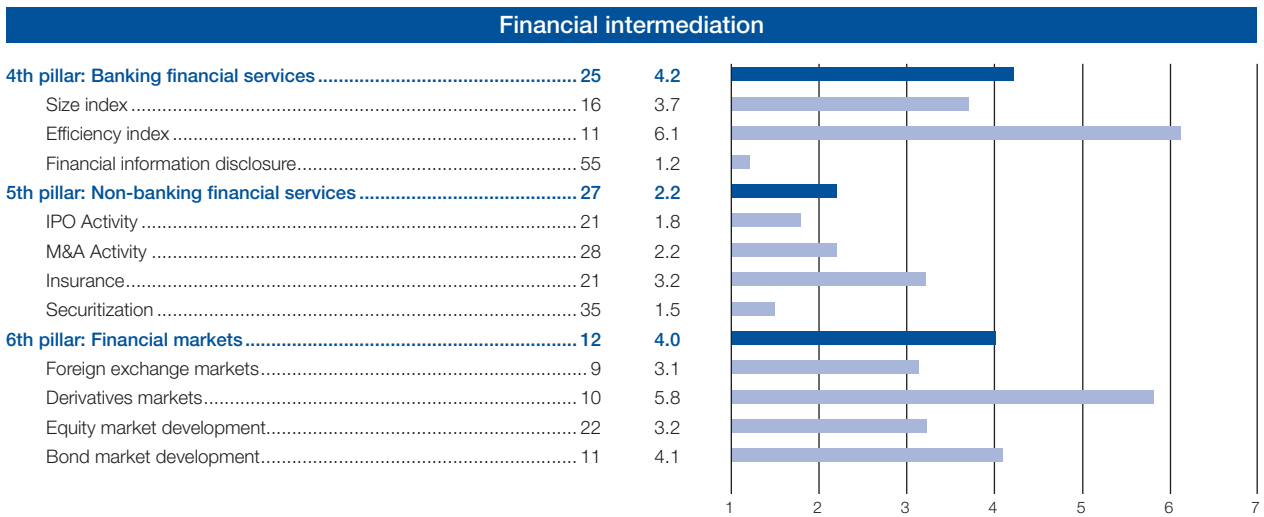
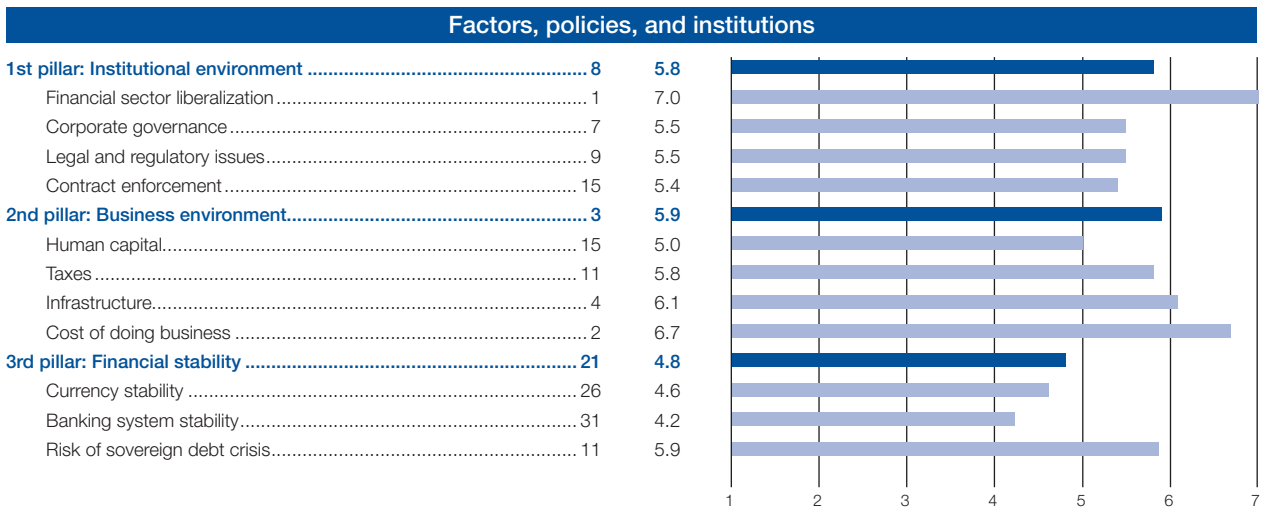
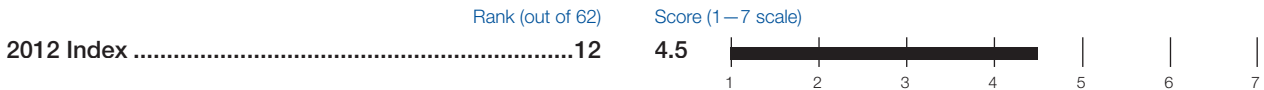
Population (millions), 2011	5.6
GDP (US\$ billions), 2011	333.2
GDP (current prices) per capita, 2011	59,928.1
GDP (PPP) as share (%) of world total, 2011	0.26
Compound annual growth rate of real GDP (%), 2007–2011	-0.89

Financial assets by major type, 2010



	US\$ bn
Public debt securities	135.4
Private debt securities	731.9
Banking deposits	215.9
Equity securities	231.7
Total	1,315.0

Financial Development Index 2012



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Denmark

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	17	United Kingdom	5.3
1.05	Efficacy of corporate boards	10	South Africa	5.8
1.06	Reliance on professional management	7	Finland	6.3
1.07	Willingness to delegate	1	Denmark	6.2
1.08	Strength of auditing and reporting standards	20	South Africa	6.6
1.09	Ethical behavior of firms	3	Finland	6.5
1.10	Protection of minority shareholders' interests	16	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	25	Singapore	5.6
1.12	Regulation of securities exchanges	13	South Africa	6.5
1.13	Property rights	17	Finland	6.5
1.14	Intellectual property protection	17	Finland	6.3
1.15	Diversion of public funds	1	Denmark	6.3
1.16	Public trust in politicians	9	Singapore	6.3
1.17	Corruption perceptions index	2	Finland	9.4
1.18	Strength of legal rights index	7	Multiple (6)	10.0
1.19	Central bank transparency	34	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	10	Singapore	6.4
1.21	Judicial independence	11	Finland	6.5
1.22	Irregular payments in judicial decisions	1	Denmark	6.8
1.23	Time to enforce a contract	20	Singapore	150.0
1.24	Number of procedures to enforce a contract	30	Multiple (2)	21.0
1.25	Strength of investor protection index	19	Singapore	9.3
1.26	Cost of enforcing contracts	27	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	19	United Kingdom	6.1
2.02	Quality of math and science education	22	Singapore	6.3
2.03	Extent of staff training	9	Switzerland	5.6
2.04	Local availability of specialized research and training services	18	Switzerland	6.4
2.05	Brain drain	25	Switzerland	6.3
2.06	Tertiary enrollment	9	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	4	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	23	United Arab Emirates	5.9
2.09	Marginal tax variation	26	Kuwait	4.8
2.10	Time to pay taxes	19	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	11	Switzerland	6.6
2.12	Quality of electricity supply	4	Netherlands	6.8
2.13	Internet users	4	Norway	94.0
2.14	Broadband Internet subscriptions	3	Switzerland	39.2
2.15	Telephone subscriptions	15	Germany	63.1
2.16	Mobile telephone subscriptions	22	Hong Kong SAR	209.6

(continued)

Denmark

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	1	Denmark	0.0
2.18	Cost of registering property	8	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	9	Australia	2.0
2.21	Time to register property	18	Portugal	1.0
2.22	Time to close a business	8	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	33	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	15	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	9	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	28	Ireland	6.9
3.10	Tier 1 capital ratio	14	Ghana	22.7
3.11	Output loss during banking crises	46	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	40	Peru	6.4
3.15	Manageability of public debt	28	Kuwait	6.2
3.16	Credit default swap spreads	15	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	3	Ireland	245.1
4.02	Central bank assets to GDP	47	Brazil	18.3
4.03	Financial system deposits to GDP	27	Hong Kong SAR	305.8
4.04	M2 to GDP	39	Hong Kong SAR	320.5
4.05	Private credit to GDP	1	Denmark	229.8
4.06	Bank deposits to GDP	27	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	15	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	47	Czech Republic	6.0
4.09	Bank overhead costs	4	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	4	Sweden	0.8
4.12	Non-performing bank loans to total loans	31	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	49	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	21	China	37.8
5.02	IPO proceeds amount	12	Hong Kong SAR	5.1
5.03	Share of world IPOs	35	China	30.2

(continued)

Denmark

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

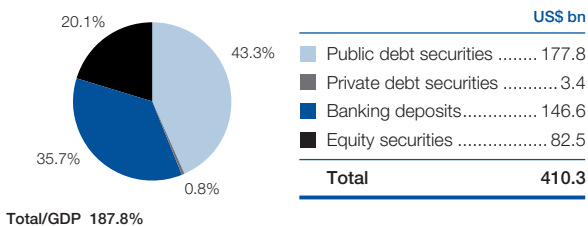
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	30	0.4	United States.....	34.4
5.05 M&A transaction value to GDP	23	3.4	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	24	0.8	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	8	6.4	Ireland	19.8
5.08 Non-life insurance penetration	10	3.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	38	0.3	Argentina.....	21.9
5.10 Life insurance density	34	0.4	India	43.5
5.11 Non-life insurance density.....	45	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	25	1.3	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	32	0.4	United States.....	5.1
5.14 Share of total number of securitization deals.....	36	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	8	1.8	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	7	2.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	9	3.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	12	0.5	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	14	0.7	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	16	0.4	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	8	2.3	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	9	1.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	28	77.9	Turkey.....	237.9
6.10 Stock market capitalization to GDP	27	66.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	24	46.1	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	11	0.4	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	1	177.2	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	19	38.4	Japan	208.5
6.15 Private international bonds to GDP.....	16	41.2	Ireland	202.8
6.16 Public international bonds to GDP	22	6.2	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	20	5.6	United Kingdom.....	6.8
7.02 Venture capital availability	41	2.6	Hong Kong SAR	4.5
7.03 Ease of access to credit	42	3.3	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	41	3.8	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	34	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	14	4.4	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	1	99.7	Denmark.....	99.7
7.08 Commercial bank branches	8	41.1	Portugal.....	75.9
7.09 Total number of ATMs.....	23	63.6	Korea, Rep.	250.3
7.10 Debit card penetration.....	3	90.1	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	9	18.8	Finland.....	23.9

Egypt

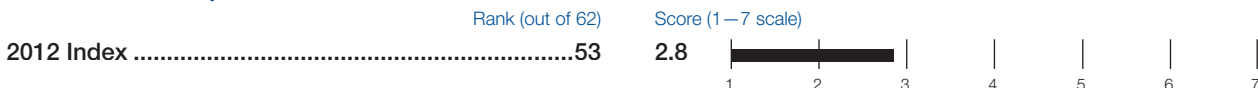
Key indicators

Population (millions), 2011	79.4
GDP (US\$ billions), 2011	235.7
GDP (current prices) per capita, 2011	2,970.4
GDP (PPP) as share (%) of world total, 2011	0.66
Compound annual growth rate of real GDP (%), 2007–2011	3.72

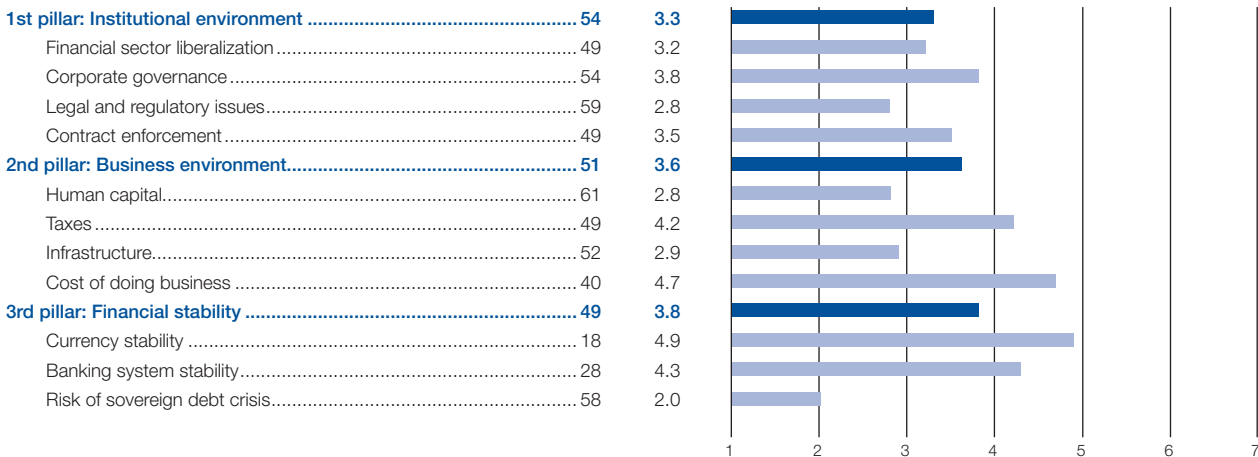
Financial assets by major type, 2010



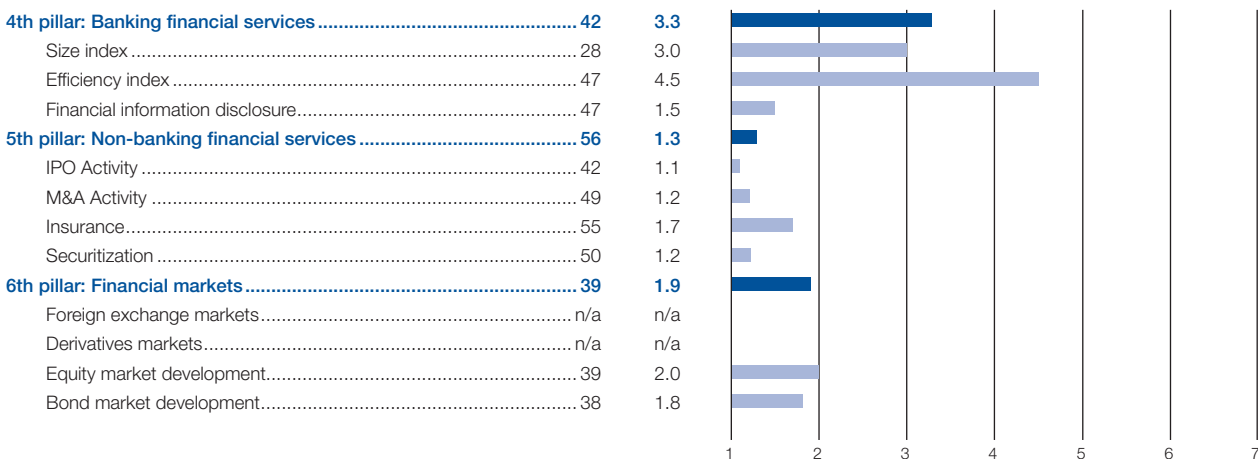
Financial Development Index 2012



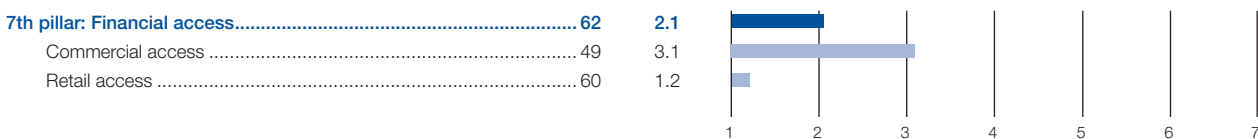
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Egypt

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	37	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	45	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	54	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	60	United Kingdom	5.3
1.05	Efficacy of corporate boards	62	South Africa	5.8
1.06	Reliance on professional management	62	Finland	6.3
1.07	Willingness to delegate	30	Denmark	6.2
1.08	Strength of auditing and reporting standards	54	South Africa	6.6
1.09	Ethical behavior of firms	38	Finland	6.5
1.10	Protection of minority shareholders' interests	42	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	42	Singapore	5.6
1.12	Regulation of securities exchanges	42	South Africa	6.5
1.13	Property rights	46	Finland	6.5
1.14	Intellectual property protection	44	Finland	6.3
1.15	Diversion of public funds	51	Denmark	6.3
1.16	Public trust in politicians	35	Singapore	6.3
1.17	Corruption perceptions index	53	Finland	9.4
1.18	Strength of legal rights index	55	Multiple (6)	10.0
1.19	Central bank transparency	52	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	56	Singapore	6.4
1.21	Judicial independence	30	Finland	6.5
1.22	Irregular payments in judicial decisions	30	Denmark	6.8
1.23	Time to enforce a contract	58	Singapore	150.0
1.24	Number of procedures to enforce a contract	52	Multiple (2)	21.0
1.25	Strength of investor protection index	36	Singapore	9.3
1.26	Cost of enforcing contracts	36	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	62	United Kingdom	6.1
2.02	Quality of math and science education	60	Singapore	6.3
2.03	Extent of staff training	61	Switzerland	5.6
2.04	Local availability of specialized research and training services	56	Switzerland	6.4
2.05	Brain drain	60	Switzerland	6.3
2.06	Tertiary enrollment	44	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	52	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	36	United Arab Emirates	5.9
2.09	Marginal tax variation	31	Kuwait	-4.8
2.10	Time to pay taxes	54	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	48	Switzerland	6.6
2.12	Quality of electricity supply	47	Netherlands	6.8
2.13	Internet users	48	Norway	94.0
2.14	Broadband Internet subscriptions	49	Switzerland	39.2
2.15	Telephone subscriptions	51	Germany	63.1
2.16	Mobile telephone subscriptions	47	Hong Kong SAR	209.6

(continued)

Egypt

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	32	Denmark	0.0
2.18	Cost of registering property	11	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	14	Australia	2.0
2.21	Time to register property	54	Portugal	1.0
2.22	Time to close a business	53	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	4	Brazil	8.3
3.02	External vulnerability indicator	3	Saudi Arabia	9.3
3.03	Current account balance to GDP	37	Kuwait	32.0
3.04	Dollarization vulnerability indicator	43	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	3	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	10	Multiple (9)	0.0
3.08	Financial strengths indicator	51	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	15	Ireland	6.9
3.10	Tier 1 capital ratio	44	Ghana	22.7
3.11	Output loss during banking crises	21	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	57	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	57	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	55	Peru	6.4
3.15	Manageability of public debt	52	Kuwait	6.2
3.16	Credit default swap spreads	48	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	39	Ireland	245.1
4.02	Central bank assets to GDP	4	Brazil	18.3
4.03	Financial system deposits to GDP	26	Hong Kong SAR	305.8
4.04	M2 to GDP	28	Hong Kong SAR	320.5
4.05	Private credit to GDP	49	Denmark	229.8
4.06	Bank deposits to GDP	26	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	14	Czech Republic	6.0
4.09	Bank overhead costs	23	Finland	0.6
4.10	Public ownership of banks	59	Multiple (22)	0.0
4.11	Bank operating costs to assets	24	Sweden	0.8
4.12	Non-performing bank loans to total loans	49	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	46	Multiple (12)	100.0
4.14	Public credit registry coverage	19	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	40	China	37.8
5.02	IPO proceeds amount	39	Hong Kong SAR	5.1
5.03	Share of world IPOs	45	China	30.2

(continued)

Egypt

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

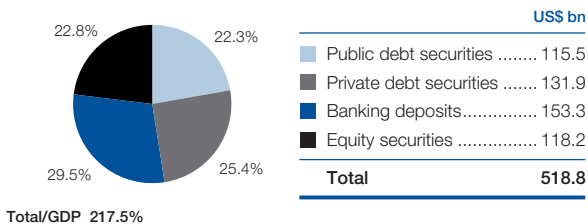
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	48	0.1	United States.....	34.4
5.05 M&A transaction value to GDP	50	1.0	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	46	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	50	0.3	Ireland	19.8
5.08 Non-life insurance penetration	57	0.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	49	-5.4	Argentina.....	21.9
5.10 Life insurance density	38	0.2	India	43.5
5.11 Non-life insurance density.....	35	0.3	China.....	16.1
5.12 Relative value added of insurance to GDP	17	1.7	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	49	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	43	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	32	73.8	Turkey.....	237.9
6.10 Stock market capitalization to GDP	37	39.8	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	34	20.9	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	47	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	42	0.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	22	34.0	Japan	208.5
6.15 Private international bonds to GDP.....	51	1.0	Ireland	202.8
6.16 Public international bonds to GDP	40	1.8	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	28	0.5	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	50	4.0	United Kingdom.....	6.8
7.02 Venture capital availability	28	3.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	37	3.6	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	30	4.2	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	44	2.6	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	62	-0.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	60	9.7	Denmark.....	99.7
7.08 Commercial bank branches	n/a	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	58	5.1	Netherlands	97.6
7.11 Loan accounts at MFIs	19	2.5	Peru	121.2
7.12 Loan from a financial institution.....	56	3.7	Finland.....	23.9

Finland

Key indicators

Population (millions), 2011	5.4
GDP (US\$ billions), 2011	266.6
GDP (current prices) per capita, 2011	49,349.5
GDP (PPP) as share (%) of world total, 2011	0.25
Compound annual growth rate of real GDP (%), 2007–2011	-0.39

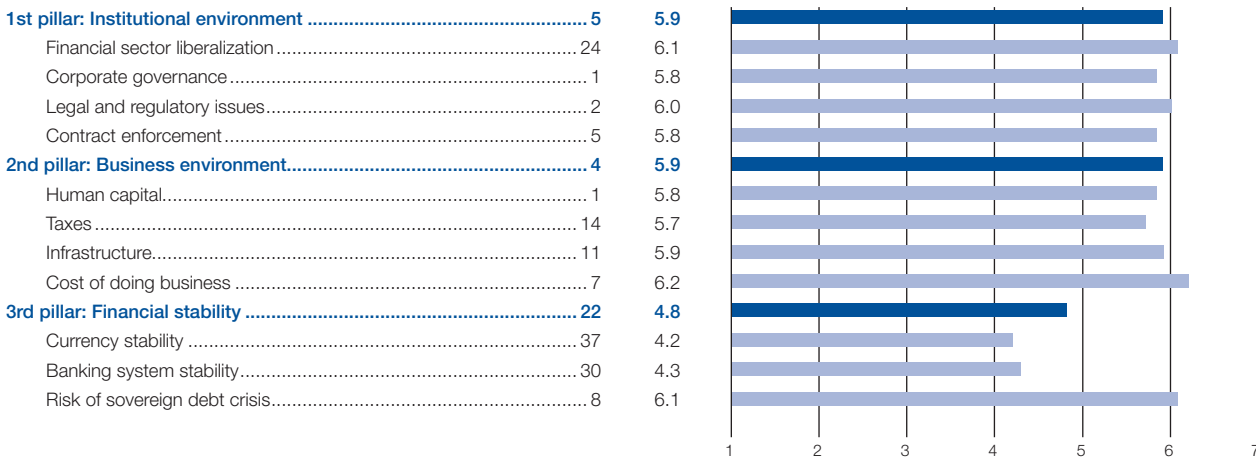
Financial assets by major type, 2010



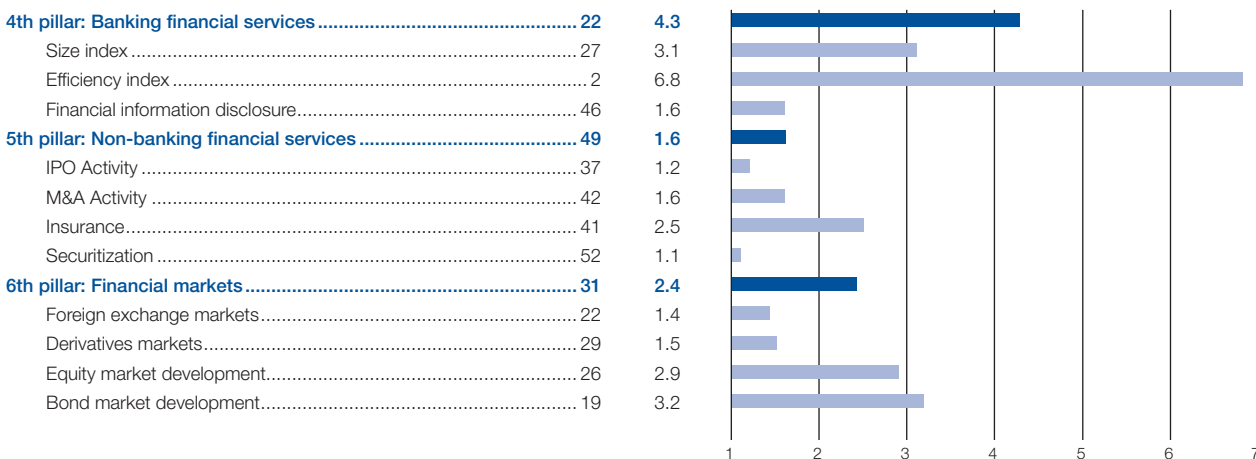
Financial Development Index 2012



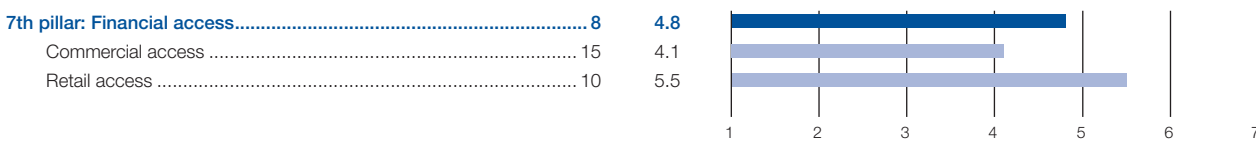
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Finland

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	33	■	4.2	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	11	■	4.9	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	8	■	5.4	South Africa.....	5.8
1.06	Reliance on professional management.....	1	■	6.3	Finland.....	6.3
1.07	Willingness to delegate	5	■	5.5	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	2	■	6.3	South Africa.....	6.6
1.09	Ethical behavior of firms.....	1	■	6.5	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	1	■	6.1	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	4	■	4.8	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	2	■	6.1	South Africa.....	6.5
1.13	Property rights	1	■	6.5	Finland.....	6.5
1.14	Intellectual property protection.....	1	■	6.3	Finland.....	6.3
1.15	Diversion of public funds.....	2	■	6.2	Denmark.....	6.3
1.16	Public trust in politicians	8	■	5.1	Singapore	6.3
1.17	Corruption perceptions index.....	1	■	9.4	Finland.....	9.4
1.18	Strength of legal rights index.....	17	■	8.0	Multiple (6)	10.0
1.19	Central bank transparency.....	5	■	11.0	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	2	■	5.6	Singapore.....	6.4
1.21	Judicial independence	1	■	6.5	Finland.....	6.5
1.22	Irregular payments in judicial decisions	2	■	6.7	Denmark.....	6.8
1.23	Time to enforce a contract.....	11	■	375.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	24	■	33.0	Multiple (2)	21.0
1.25	Strength of investor protection index	31	■	5.7	Singapore	9.3
1.26	Cost of enforcing contracts	7	■	13.3	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	9	■	5.6	United Kingdom.....	6.1
2.02	Quality of math and science education	2	■	6.2	Singapore	6.3
2.03	Extent of staff training.....	2	■	5.4	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	8	■	5.7	Switzerland.....	6.4
2.05	Brain drain.....	11	■	5.1	Switzerland.....	6.3
2.06	Tertiary enrollment	3	■	93.7	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	1	■	6.9	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	8	■	4.9	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	52	■	12.3	Kuwait	-4.8
2.10	Time to pay taxes.....	9	■	93.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	3	■	6.5	Switzerland.....	6.6
2.12	Quality of electricity supply.....	9	■	6.6	Netherlands	6.8
2.13	Internet users	5	■	89.4	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	13	■	29.5	Switzerland.....	39.2
2.15	Telephone subscriptions	38	■	20.1	Germany.....	63.1
2.16	Mobile telephone subscriptions	5	■	166.0	Hong Kong SAR	209.6

(continued)

Finland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	12	Denmark	0.0
2.18	Cost of registering property	29	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	30	Australia	2.0
2.21	Time to register property	15	Portugal	1.0
2.22	Time to close a business	5	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	36	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	27	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	10	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	30	Ireland	6.9
3.10	Tier 1 capital ratio	25	Ghana	22.7
3.11	Output loss during banking crises	45	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	11	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	11	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	18	Peru	6.4
3.15	Manageability of public debt	33	Kuwait	6.2
3.16	Credit default swap spreads	6	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	26	Ireland	245.1
4.02	Central bank assets to GDP	46	Brazil	18.3
4.03	Financial system deposits to GDP	32	Hong Kong SAR	305.8
4.04	M2 to GDP	30	Hong Kong SAR	320.5
4.05	Private credit to GDP	28	Denmark	229.8
4.06	Bank deposits to GDP	33	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	6	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	21	Czech Republic	6.0
4.09	Bank overhead costs	1	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	2	Sweden	0.8
4.12	Non-performing bank loans to total loans	1	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	40	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	34	China	37.8
5.02	IPO proceeds amount	33	Hong Kong SAR	5.1
5.03	Share of world IPOs	34	China	30.2

(continued)

Finland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

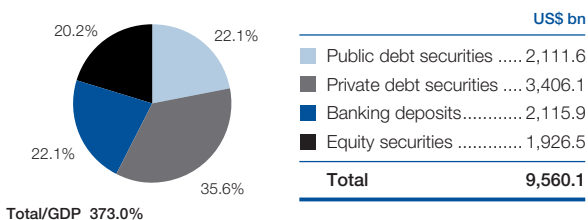
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	41	0.2	United States.....	34.4
5.05 M&A transaction value to GDP	43	1.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	29	0.5	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	6	7.7	Ireland	19.8
5.08 Non-life insurance penetration	32	1.9	Netherlands	9.5
5.09 Real growth of direct insurance premiums	52	-6.5	Argentina.....	21.9
5.10 Life insurance density	31	0.4	India	43.5
5.11 Non-life insurance density.....	52	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	42	0.7	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	52	0.1	United States.....	5.1
5.14 Share of total number of securitization deals.....	39	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	43	0.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	35	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	12	1.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	26	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	27	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	22	0.1	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	29	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	36	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	17	109.6	Turkey.....	237.9
6.10 Stock market capitalization to GDP	34	43.1	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	27	39.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	20	0.2	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	23	20.8	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	42	11.9	Japan	208.5
6.15 Private international bonds to GDP.....	20	29.6	Ireland	202.8
6.16 Public international bonds to GDP	5	26.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	29	0.4	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	12	6.0	United Kingdom.....	6.8
7.02 Venture capital availability	10	3.9	Hong Kong SAR	4.5
7.03 Ease of access to credit	4	4.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	17	4.5	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	8	4.4	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	59	0.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	2	99.7	Denmark.....	99.7
7.08 Commercial bank branches	30	15.6	Portugal.....	75.9
7.09 Total number of ATMs.....	17	91.7	Korea, Rep.	250.3
7.10 Debit card penetration	4	89.3	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	1	23.9	Finland.....	23.9

France

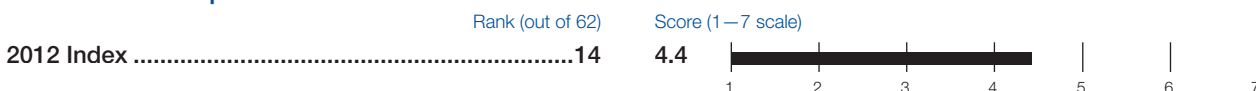
Key indicators

Population (millions), 2011	63.1
GDP (US\$ billions), 2011	2,776.3
GDP (current prices) per capita, 2011	44,008.2
GDP (PPP) as share (%) of world total, 2011	2.81
Compound annual growth rate of real GDP (%), 2007–2011	0.04

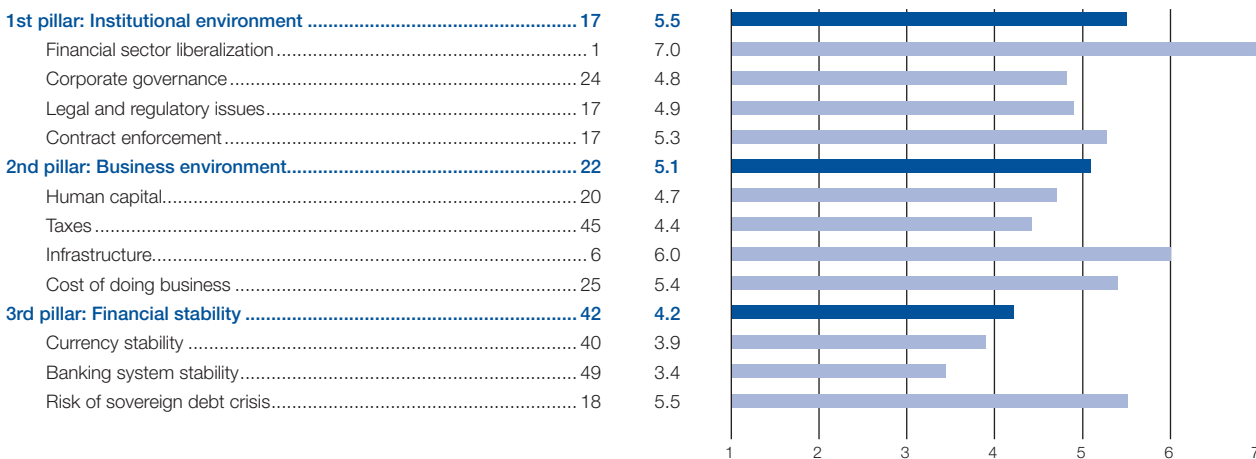
Financial assets by major type, 2010



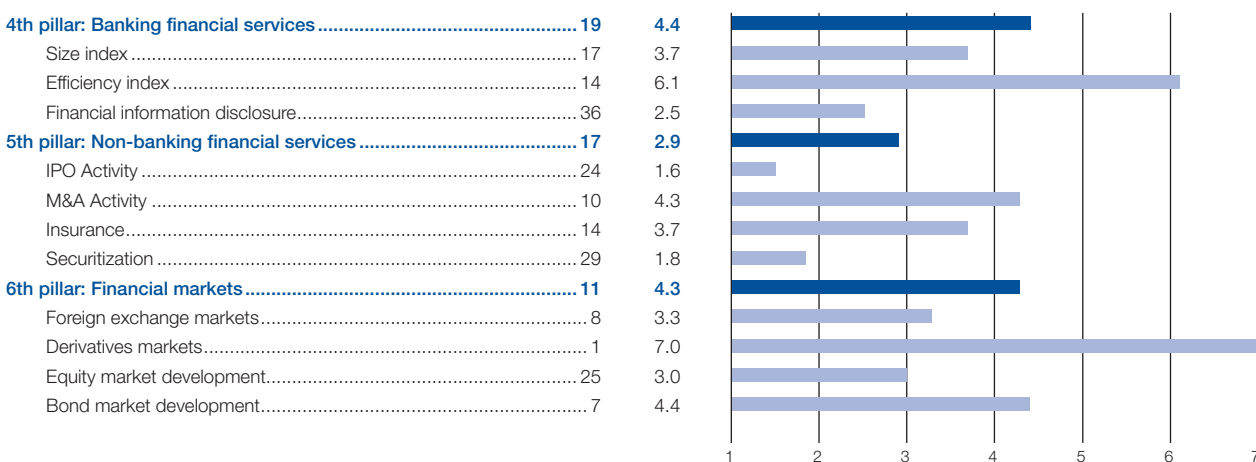
Financial Development Index 2012



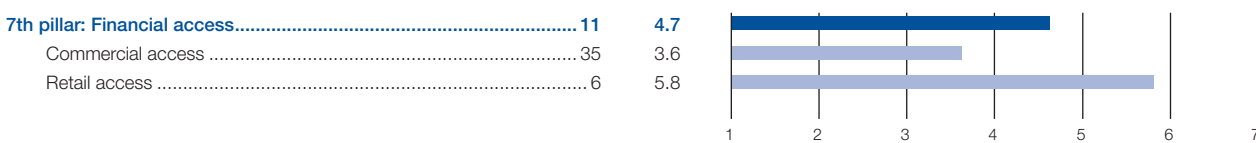
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

France

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	23	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	17	South Africa.....	5.8
1.06	Reliance on professional management.....	23	Finland.....	6.3
1.07	Willingness to delegate	48	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	21	South Africa.....	6.6
1.09	Ethical behavior of firms.....	18	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	27	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	48	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	20	South Africa.....	6.5
1.13	Property rights	14	Finland.....	6.5
1.14	Intellectual property protection.....	6	Finland.....	6.3
1.15	Diversion of public funds.....	21	Denmark.....	6.3
1.16	Public trust in politicians	23	Singapore	6.3
1.17	Corruption perceptions index.....	19	Finland.....	9.4
1.18	Strength of legal rights index.....	24	Multiple (6)	10.0
1.19	Central bank transparency.....	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	16	Singapore.....	6.4
1.21	Judicial independence	24	Finland.....	6.5
1.22	Irregular payments in judicial decisions	20	Denmark.....	6.8
1.23	Time to enforce a contract.....	8	Singapore	150.0
1.24	Number of procedures to enforce a contract	10	Multiple (2)	21.0
1.25	Strength of investor protection index	36	Singapore	9.3
1.26	Cost of enforcing contracts	18	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	7	United Kingdom.....	6.1
2.02	Quality of math and science education	12	Singapore	6.3
2.03	Extent of staff training.....	28	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	14	Switzerland.....	6.4
2.05	Brain drain.....	35	Switzerland.....	6.3
2.06	Tertiary enrollment	33	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	18	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	32	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	58	Kuwait	-4.8
2.10	Time to pay taxes	17	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	5	Switzerland.....	6.6
2.12	Quality of electricity supply.....	8	Netherlands	6.8
2.13	Internet users	12	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	6	Switzerland.....	39.2
2.15	Telephone subscriptions	5	Germany.....	63.1
2.16	Mobile telephone subscriptions	45	Hong Kong SAR	209.6

(continued)

France

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	11	Denmark	0.0
2.18	Cost of registering property	48	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	14	Australia	2.0
2.21	Time to register property	51	Portugal	1.0
2.22	Time to close a business	26	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	40	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	35	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	13	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	44	Ireland	6.9
3.10	Tier 1 capital ratio	41	Ghana	22.7
3.11	Output loss during banking crises	36	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	13	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	13	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	11	Peru	6.4
3.15	Manageability of public debt	54	Kuwait	6.2
3.16	Credit default swap spreads	31	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	16	Ireland	245.1
4.02	Central bank assets to GDP	26	Brazil	18.3
4.03	Financial system deposits to GDP	20	Hong Kong SAR	305.8
4.04	M2 to GDP	21	Hong Kong SAR	320.5
4.05	Private credit to GDP	19	Denmark	229.8
4.06	Bank deposits to GDP	20	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	11	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	44	Czech Republic	6.0
4.09	Bank overhead costs	17	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	13	Sweden	0.8
4.12	Non-performing bank loans to total loans	32	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	6	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	22	China	37.8
5.02	IPO proceeds amount	47	Hong Kong SAR	5.1
5.03	Share of world IPOs	14	China	30.2
(continued)				

France

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

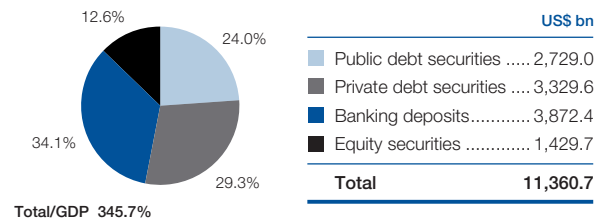
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	10	3.2	United States.....	34.4
5.05 M&A transaction value to GDP	28	3.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	8	3.7	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	9	6.3	Ireland	19.8
5.08 Non-life insurance penetration	9	3.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	56	-10.0	Argentina.....	21.9
5.10 Life insurance density	7	4.0	India	43.5
5.11 Non-life insurance density.....	10	2.2	China.....	16.1
5.12 Relative value added of insurance to GDP	36	1.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	37	0.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	18	0.8	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	10	1.5	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	8	1.8	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	8	4.5	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	3	5.9	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	3	7.9	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	3	7.8	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	5	7.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	7	2.6	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	25	83.1	Turkey.....	237.9
6.10 Stock market capitalization to GDP	22	74.6	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	20	54.3	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	24	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	7	54.7	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	5	61.3	Japan	208.5
6.15 Private international bonds to GDP.....	9	71.5	Ireland	202.8
6.16 Public international bonds to GDP	35	2.3	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	7	1.4	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	11	6.0	United Kingdom.....	6.8
7.02 Venture capital availability	37	2.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	54	2.9	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	9	4.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	38	3.0	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	46	1.5	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	10	97.0	Denmark.....	99.7
7.08 Commercial bank branches	6	43.1	Portugal.....	75.9
7.09 Total number of ATMs.....	12	110.1	Korea, Rep.	250.3
7.10 Debit card penetration	15	69.2	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	10	18.6	Finland.....	23.9

Germany

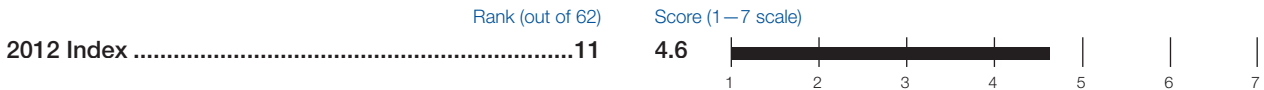
Key indicators

Population (millions), 2011	81.8
GDP (US\$ billions), 2011	3,577.0
GDP (current prices) per capita, 2011	43,741.6
GDP (PPP) as share (%) of world total, 2011	3.93
Compound annual growth rate of real GDP (%), 2007–2011	0.42

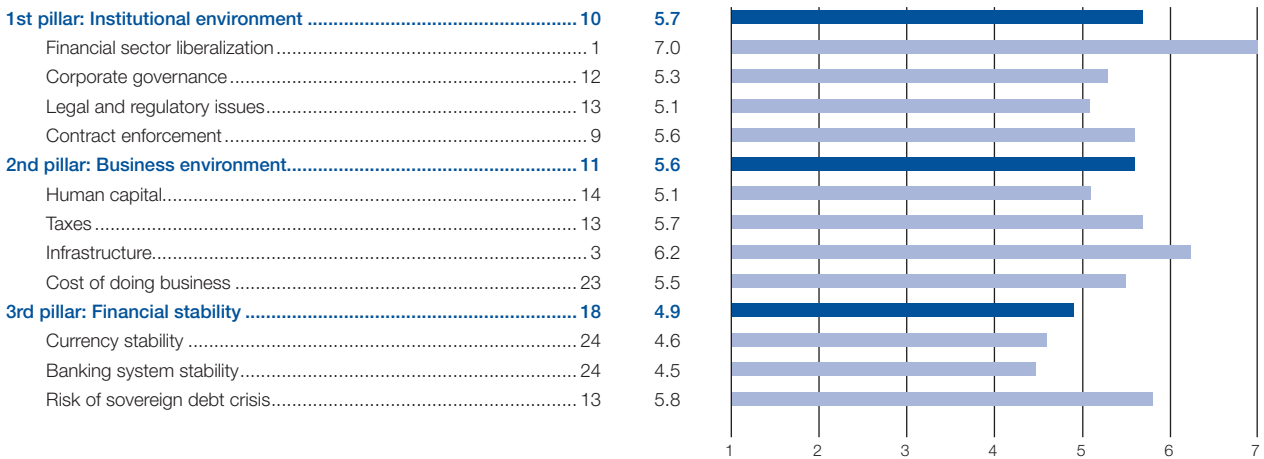
Financial assets by major type, 2010



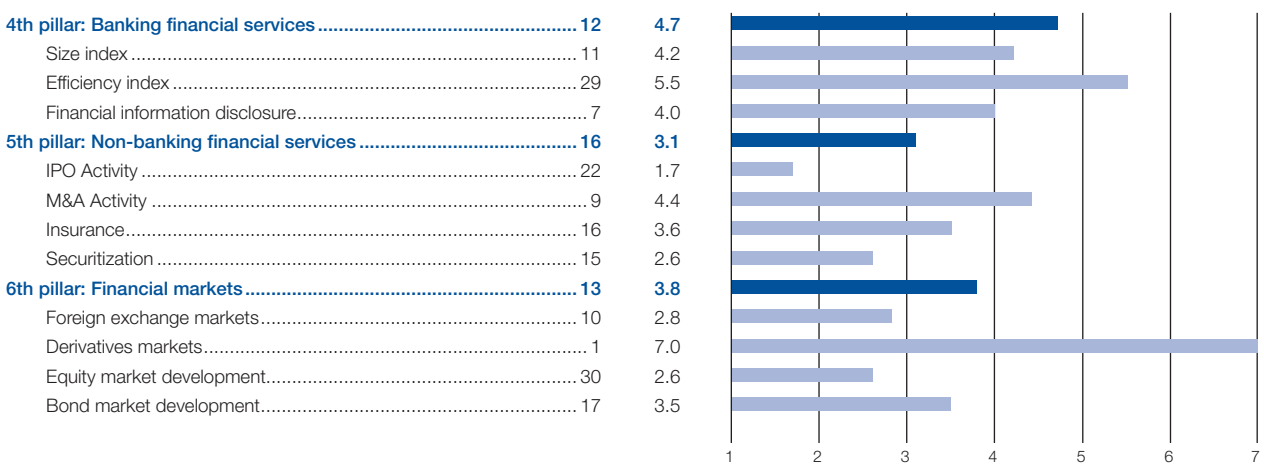
Financial Development Index 2012



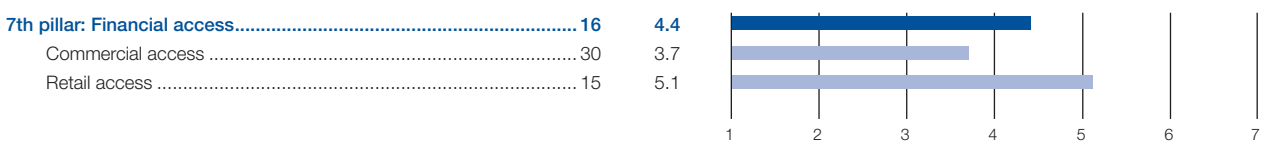
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Germany

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	■	7.0	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	■	7.0	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24).....7.0
Corporate governance					
1.04	Extent of incentive-based compensation	8	■	5.0	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	13	■	5.2	South Africa.....5.8
1.06	Reliance on professional management.....	13	■	5.6	Finland.....6.3
1.07	Willingness to delegate	13	■	4.9	Denmark.....6.2
1.08	Strength of auditing and reporting standards	17	■	5.5	South Africa.....6.6
1.09	Ethical behavior of firms.....	11	■	5.8	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	17	■	4.9	Finland.....6.1
Legal and regulatory issues					
1.11	Burden of government regulation.....	26	■	3.4	Singapore.....5.6
1.12	Regulation of securities exchanges.....	24	■	4.8	South Africa.....6.5
1.13	Property rights	11	■	5.8	Finland.....6.5
1.14	Intellectual property protection.....	7	■	5.6	Finland.....6.3
1.15	Diversion of public funds.....	13	■	5.5	Denmark.....6.3
1.16	Public trust in politicians	18	■	3.7	Singapore.....6.3
1.17	Corruption perceptions index.....	11	■	8.0	Finland.....9.4
1.18	Strength of legal rights index.....	24	■	7.0	Multiple (6).....10.0
1.19	Central bank transparency.....	5	■	11.0	Sweden.....15.0
Contract enforcement					
1.20	Effectiveness of law-making bodies	12	■	4.8	Singapore.....6.4
1.21	Judicial independence	6	■	6.2	Finland.....6.5
1.22	Irregular payments in judicial decisions	10	■	6.4	Denmark.....6.8
1.23	Time to enforce a contract.....	14	■	394.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	13	■	30.0	Multiple (2).....21.0
1.25	Strength of investor protection index	41	■	5.0	Singapore.....9.3
1.26	Cost of enforcing contracts	10	■	14.4	Norway.....9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools.....	22	■	4.9	United Kingdom.....6.1
2.02	Quality of math and science education	15	■	4.7	Singapore.....6.3
2.03	Extent of staff training.....	11	■	5.0	Switzerland.....5.6
2.04	Local availability of specialized research and training services	4	■	6.1	Switzerland.....6.4
2.05	Brain drain.....	18	■	4.7	Switzerland.....6.3
2.06	Tertiary enrollment	n/a		n/a	Korea, Rep.....103.1
Taxes					
2.07	Irregular payments in tax collection	15	■	6.2	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	40	■	3.8	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	2	■	-3.2	Kuwait.....-4.8
2.10	Time to pay taxes.....	29	■	221.0	United Arab Emirates.....12.0
Infrastructure					
2.11	Quality of overall infrastructure	8	■	6.2	Switzerland.....6.6
2.12	Quality of electricity supply.....	16	■	6.4	Netherlands.....6.8
2.13	Internet users	8	■	83.0	Norway.....94.0
2.14	Broadband Internet subscriptions.....	9	■	32.5	Switzerland.....39.2
2.15	Telephone subscriptions	1	■	63.1	Germany.....63.1
2.16	Mobile telephone subscriptions	14	■	132.3	Hong Kong SAR.....209.6

(continued)

Germany

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	25	Denmark	0.0
2.18	Cost of registering property	43	Multiple (2)	0.0
2.19	Cost of closing a business	17	Multiple (4)	1.0
2.20	Time to start a business	33	Australia	2.0
2.21	Time to register property	42	Portugal	1.0
2.22	Time to close a business	14	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	42	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	10	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	8	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	21	Ireland	6.9
3.10	Tier 1 capital ratio	19	Ghana	22.7
3.11	Output loss during banking crises	27	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	17	Peru	6.4
3.15	Manageability of public debt	51	Kuwait	6.2
3.16	Credit default swap spreads	11	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	17	Ireland	245.1
4.02	Central bank assets to GDP	45	Brazil	18.3
4.03	Financial system deposits to GDP	11	Hong Kong SAR	305.8
4.04	M2 to GDP	11	Hong Kong SAR	320.5
4.05	Private credit to GDP	23	Denmark	229.8
4.06	Bank deposits to GDP	11	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	10	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	53	Czech Republic	6.0
4.09	Bank overhead costs	18	Finland	0.6
4.10	Public ownership of banks	40	Multiple (22)	0.0
4.11	Bank operating costs to assets	5	Sweden	0.8
4.12	Non-performing bank loans to total loans	32	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	23	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	19	China	37.8
5.02	IPO proceeds amount	40	Hong Kong SAR	5.1
5.03	Share of world IPOs	19	China	30.2

(continued)

Germany

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

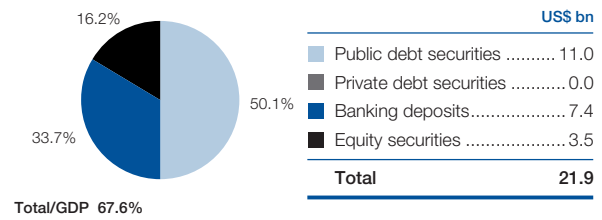
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	8	3.8	United States.....	34.4
5.05 M&A transaction value to GDP	31	2.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	9	3.4	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	20	3.2	Ireland	19.8
5.08 Non-life insurance penetration	8	3.7	Netherlands	9.5
5.09 Real growth of direct insurance premiums	44	-2.8	Argentina.....	21.9
5.10 Life insurance density	12	2.6	India	43.5
5.11 Non-life insurance density.....	5	3.0	China.....	16.1
5.12 Relative value added of insurance to GDP	45	0.6	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	24	0.6	United States.....	5.1
5.14 Share of total number of securitization deals.....	11	1.5	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	9	1.7	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	10	1.5	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	10	2.7	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	5	1.9	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	9	1.9	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	9	0.8	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	7	2.4	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	8	2.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	14	115.0	Turkey.....	237.9
6.10 Stock market capitalization to GDP	35	40.6	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	26	40.1	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	32	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	20	23.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	11	48.6	Japan	208.5
6.15 Private international bonds to GDP.....	10	68.7	Ireland	202.8
6.16 Public international bonds to GDP	17	8.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	25	0.5	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	19	5.7	United Kingdom.....	6.8
7.02 Venture capital availability	24	3.2	Hong Kong SAR	4.5
7.03 Ease of access to credit	22	4.1	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	26	4.3	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	26	3.2	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	50	1.1	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	7	98.1	Denmark.....	99.7
7.08 Commercial bank branches	27	17.6	Portugal.....	75.9
7.09 Total number of ATMs.....	10	116.8	Korea, Rep.	250.3
7.10 Debit card penetration	5	88.0	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	19	12.5	Finland.....	23.9

Ghana

Key indicators

Population (millions), 2011	24.3
GDP (US\$ billions), 2011	37.2
GDP (current prices) per capita, 2011	1,528.9
GDP (PPP) as share (%) of world total, 2011	0.10
Compound annual growth rate of real GDP (%), 2007–2011	6.65

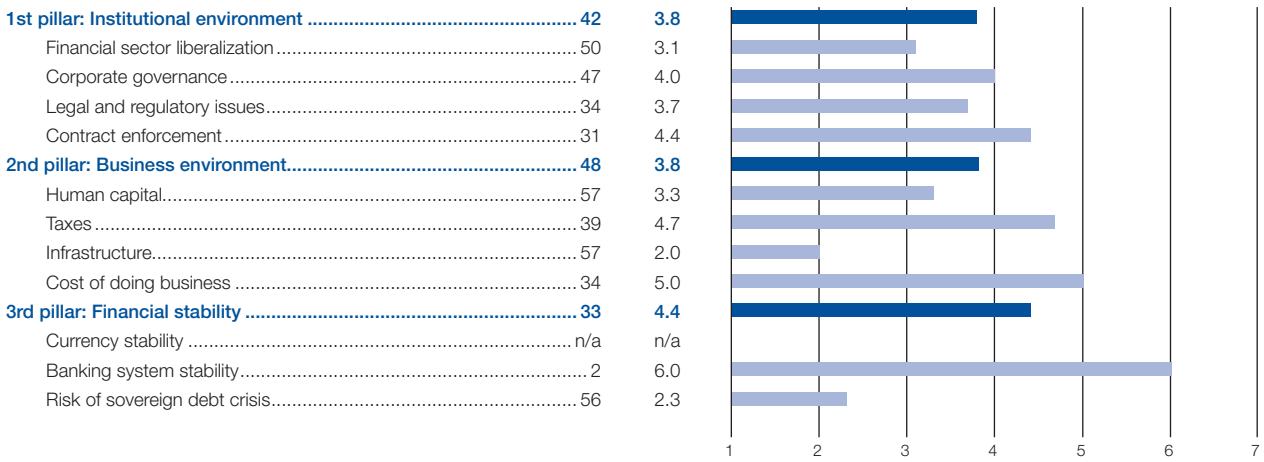
Financial assets by major type, 2010



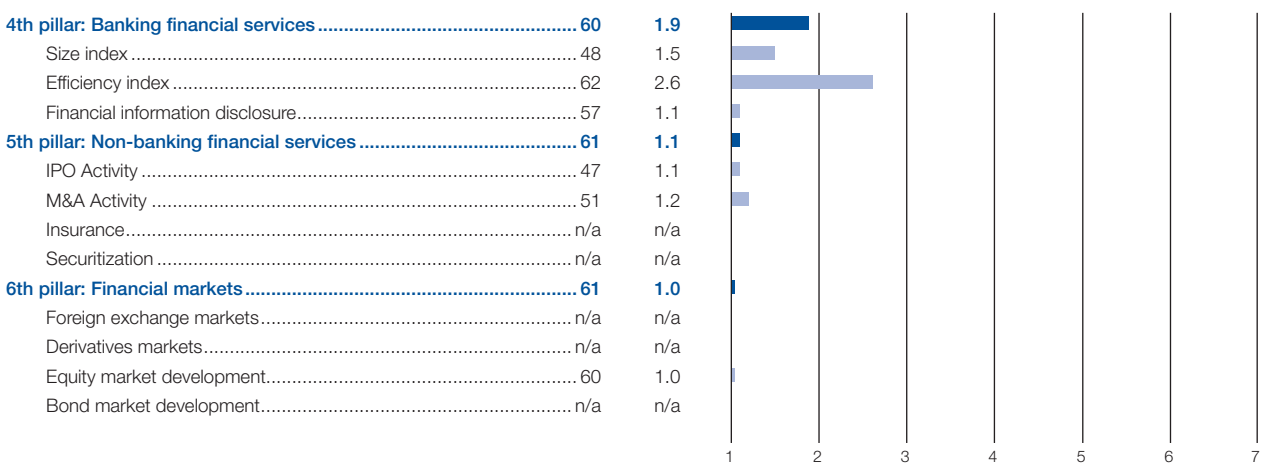
Financial Development Index 2012



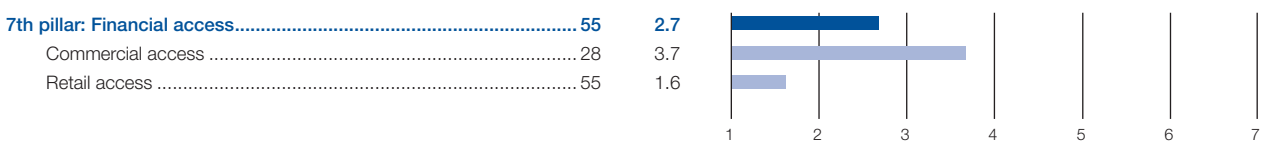
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Ghana

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	48	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	32	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	n/a	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	61	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	39	South Africa.....	5.8
1.06	Reliance on professional management.....	34	Finland.....	6.3
1.07	Willingness to delegate	52	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	44	South Africa.....	6.6
1.09	Ethical behavior of firms.....	39	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	30	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	24	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	34	South Africa.....	6.5
1.13	Property rights	47	Finland.....	6.5
1.14	Intellectual property protection.....	49	Finland.....	6.3
1.15	Diversion of public funds.....	36	Denmark.....	6.3
1.16	Public trust in politicians	36	Singapore	6.3
1.17	Corruption perceptions index.....	37	Finland.....	9.4
1.18	Strength of legal rights index.....	17	Multiple (6)	10.0
1.19	Central bank transparency.....	43	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	21	Singapore.....	6.4
1.21	Judicial independence	32	Finland.....	6.5
1.22	Irregular payments in judicial decisions	44	Denmark.....	6.8
1.23	Time to enforce a contract.....	30	Singapore	150.0
1.24	Number of procedures to enforce a contract	33	Multiple (2)	21.0
1.25	Strength of investor protection index	24	Singapore	9.3
1.26	Cost of enforcing contracts	26	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	38	United Kingdom.....	6.1
2.02	Quality of math and science education	45	Singapore	6.3
2.03	Extent of staff training.....	50	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	53	Switzerland.....	6.4
2.05	Brain drain.....	37	Switzerland.....	6.3
2.06	Tertiary enrollment	56	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	53	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	28	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	30	Kuwait	-4.8
2.10	Time to pay taxes	32	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	46	Switzerland.....	6.6
2.12	Quality of electricity supply.....	57	Netherlands	6.8
2.13	Internet users	58	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	58	Switzerland.....	39.2
2.15	Telephone subscriptions	58	Germany.....	63.1
2.16	Mobile telephone subscriptions	53	Hong Kong SAR	209.6

(continued)

Ghana

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	51	Denmark	0.0
2.18	Cost of registering property	10	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	24	Australia	2.0
2.21	Time to register property	36	Portugal	1.0
2.22	Time to close a business	26	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	57	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	13	Multiple (9)	0.0
3.08	Financial strengths indicator	n/a	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	1	Ghana	22.7
3.11	Output loss during banking crises	32	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	56	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	56	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	58	Peru	6.4
3.15	Manageability of public debt	17	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	56	Ireland	245.1
4.02	Central bank assets to GDP	9	Brazil	18.3
4.03	Financial system deposits to GDP	n/a	Hong Kong SAR	305.8
4.04	M2 to GDP	59	Hong Kong SAR	320.5
4.05	Private credit to GDP	59	Denmark	229.8
4.06	Bank deposits to GDP	n/a	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	31	Czech Republic	6.0
4.09	Bank overhead costs	60	Finland	0.6
4.10	Public ownership of banks	44	Multiple (22)	0.0
4.11	Bank operating costs to assets	62	Sweden	0.8
4.12	Non-performing bank loans to total loans	52	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	51	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	52	China	37.8
5.02	IPO proceeds amount	41	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Ghana

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

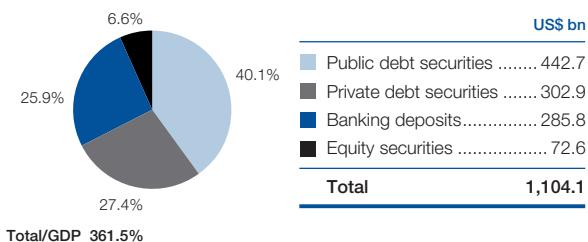
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (continued)					
M&A activity					
5.04	M&A market share	58	■	0.0	United States.....34.4
5.05	M&A transaction value to GDP	49	■	1.2	Hong Kong SAR.....9.9
5.06	Share of total number of M&A deals	59	■	0.0	United States.....23.3
Insurance					
5.07	Life insurance penetration.....	n/a		n/a	Ireland.....19.8
5.08	Non-life insurance penetration	n/a		n/a	Netherlands.....9.5
5.09	Real growth of direct insurance premiums	n/a		n/a	Argentina.....21.9
5.10	Life insurance density	n/a		n/a	India.....43.5
5.11	Non-life insurance density.....	n/a		n/a	China.....16.1
5.12	Relative value added of insurance to GDP	n/a		n/a	Bahrain.....6.0
Securitization					
5.13	Securitization to GDP	n/a		n/a	United States.....5.1
5.14	Share of total number of securitization deals.....	n/a		n/a	United States.....53.6
6th pillar: Financial markets					
Foreign exchange markets					
6.01	Spot foreign exchange turnover	n/a		n/a	United Kingdom.....38.5
6.02	Outright forward foreign exchange turnover	n/a		n/a	United Kingdom.....41.3
6.03	Foreign exchange swap turnover	n/a		n/a	United Kingdom.....33.3
Derivatives markets					
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a		n/a	United Kingdom.....48.4
6.05	Interest rate derivatives turnover: Swaps	n/a		n/a	United Kingdom.....45.3
6.06	Interest rate derivatives turnover: Options	n/a		n/a	United Kingdom.....50.4
6.07	Foreign exchange derivatives turnover: Currency swaps.....	n/a		n/a	United Kingdom.....32.1
6.08	Foreign exchange derivatives turnover: Options.....	n/a		n/a	United Kingdom.....55.3
Equity market development					
6.09	Stock market turnover ratio	55	■	6.3	Turkey.....237.9
6.10	Stock market capitalization to GDP	58	■	9.5	Hong Kong SAR.....440.2
6.11	Stock market value traded to GDP	58	■	0.2	Hong Kong SAR.....681.5
6.12	Number of listed companies per 10,000 people	57	■	0.0	Hong Kong SAR.....2.0
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....177.2
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Japan.....208.5
6.15	Private international bonds to GDP.....	56	■	0.0	Ireland.....202.8
6.16	Public international bonds to GDP	38	■	2.1	Greece.....70.8
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Malaysia.....4.9
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication	46	■	4.3	United Kingdom.....6.8
7.02	Venture capital availability	58	■	2.1	Hong Kong SAR.....4.5
7.03	Ease of access to credit	48	■	3.2	Hong Kong SAR.....5.0
7.04	Financing through local equity market.....	33	■	4.0	Hong Kong SAR.....5.7
7.05	Ease of access to loans.....	58	■	2.0	Bahrain.....4.8
7.06	Foreign direct investment to GDP	5	■	8.7	Hong Kong SAR.....34.2
Retail access					
7.07	Market penetration of bank accounts	50	■	29.4	Denmark.....99.7
7.08	Commercial bank branches	47	■	5.0	Portugal.....75.9
7.09	Total number of ATMs.....	n/a		n/a	Korea, Rep.....250.3
7.10	Debit card penetration	53	■	11.4	Netherlands.....97.6
7.11	Loan accounts at MFIs	10	■	10.9	Peru.....121.2
7.12	Loan from a financial institution.....	51	■	5.8	Finland.....23.9

Greece

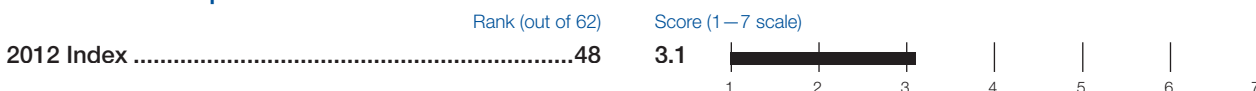
Key indicators

Population (millions), 2011	11.2
GDP (US\$ billions), 2011	303.1
GDP (current prices) per capita, 2011	27,073.4
GDP (PPP) as share (%) of world total, 2011	0.37
Compound annual growth rate of real GDP (%), 2007–2011	-2.79

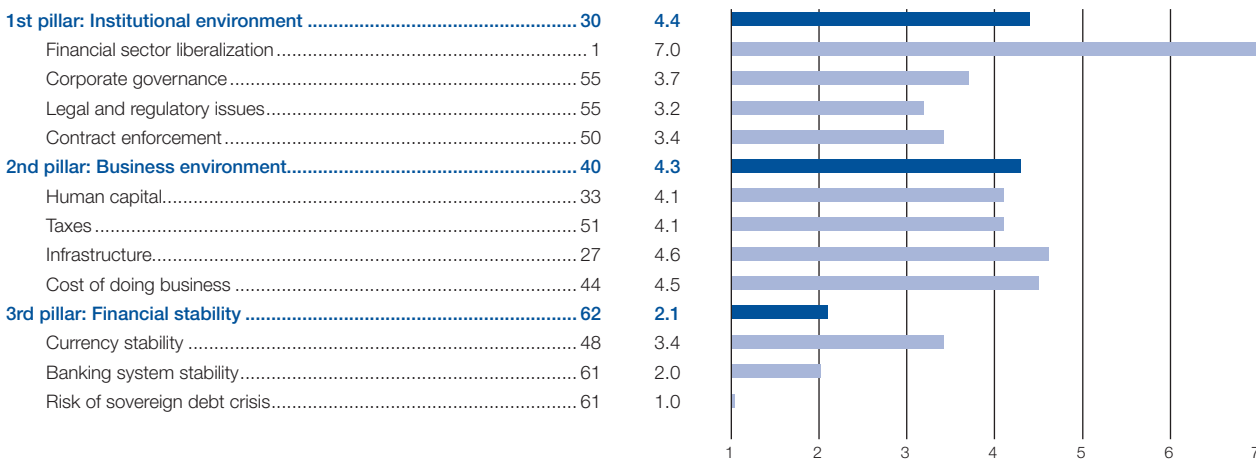
Financial assets by major type, 2010



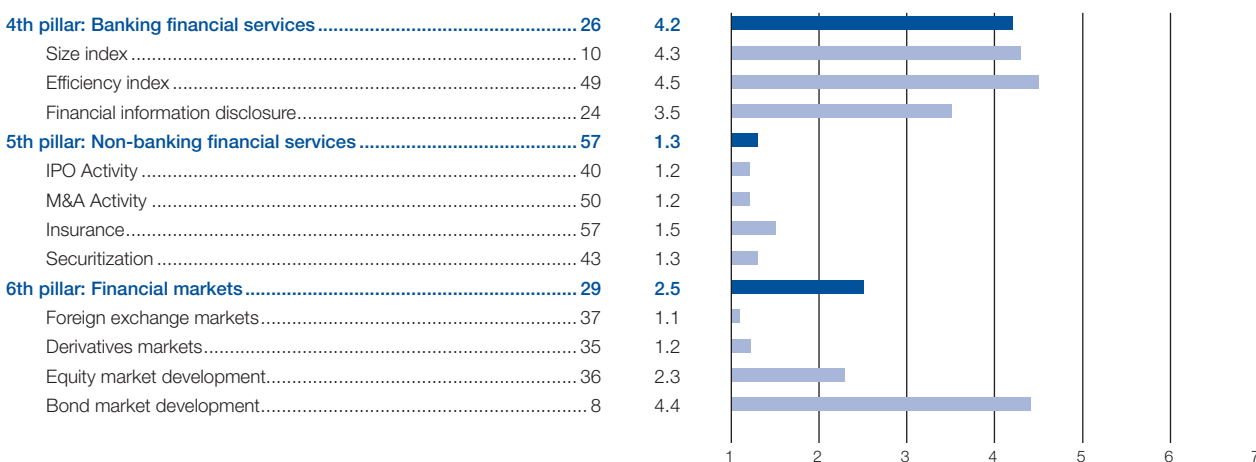
Financial Development Index 2012



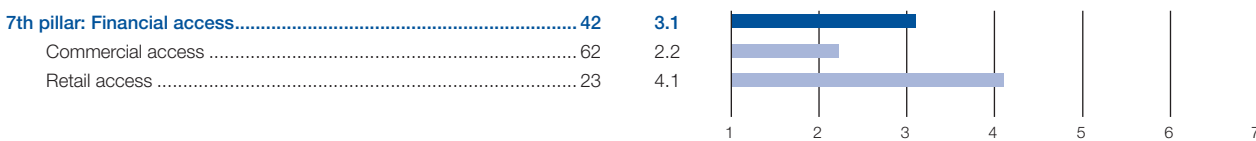
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Greece

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	55	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	60	South Africa.....	5.8
1.06	Reliance on professional management.....	54	Finland.....	6.3
1.07	Willingness to delegate	56	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	46	South Africa.....	6.6
1.09	Ethical behavior of firms.....	59	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	36	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	59	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	51	South Africa.....	6.5
1.13	Property rights	40	Finland.....	6.5
1.14	Intellectual property protection.....	39	Finland.....	6.3
1.15	Diversion of public funds.....	54	Denmark.....	6.3
1.16	Public trust in politicians	61	Singapore.....	6.3
1.17	Corruption perceptions index.....	43	Finland.....	9.4
1.18	Strength of legal rights index.....	46	Multiple (6)	10.0
1.19	Central bank transparency.....	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	45	Singapore.....	6.4
1.21	Judicial independence	52	Finland.....	6.5
1.22	Irregular payments in judicial decisions	40	Denmark.....	6.8
1.23	Time to enforce a contract.....	53	Singapore.....	150.0
1.24	Number of procedures to enforce a contract	46	Multiple (2)	21.0
1.25	Strength of investor protection index	59	Singapore.....	9.3
1.26	Cost of enforcing contracts	10	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	55	United Kingdom.....	6.1
2.02	Quality of math and science education	30	Singapore.....	6.3
2.03	Extent of staff training.....	58	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	52	Switzerland.....	6.4
2.05	Brain drain.....	57	Switzerland.....	6.3
2.06	Tertiary enrollment	4	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	61	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	57	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	43	Kuwait	-4.8
2.10	Time to pay taxes.....	32	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	38	Switzerland.....	6.6
2.12	Quality of electricity supply.....	37	Netherlands.....	6.8
2.13	Internet users	33	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	24	Switzerland.....	39.2
2.15	Telephone subscriptions	8	Germany.....	63.1
2.16	Mobile telephone subscriptions	43	Hong Kong SAR	209.6

(continued)

Greece

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	56	Denmark	0.0
2.18	Cost of registering property	60	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	23	Australia	2.0
2.21	Time to register property	23	Portugal	1.0
2.22	Time to close a business	28	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	23	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	62	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	20	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	56	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	46	Ireland	6.9
3.10	Tier 1 capital ratio	59	Ghana	22.7
3.11	Output loss during banking crises	53	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	60	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	60	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	60	Peru	6.4
3.15	Manageability of public debt	61	Kuwait	6.2
3.16	Credit default swap spreads	54	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	18	Ireland	245.1
4.02	Central bank assets to GDP	8	Brazil	18.3
4.03	Financial system deposits to GDP	14	Hong Kong SAR	305.8
4.04	M2 to GDP	18	Hong Kong SAR	320.5
4.05	Private credit to GDP	24	Denmark	229.8
4.06	Bank deposits to GDP	15	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	7	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	54	Czech Republic	6.0
4.09	Bank overhead costs	29	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	31	Sweden	0.8
4.12	Non-performing bank loans to total loans	55	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	19	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	37	China	37.8
5.02	IPO proceeds amount	38	Hong Kong SAR	5.1
5.03	Share of world IPOs	32	China	30.2

(continued)

Greece

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

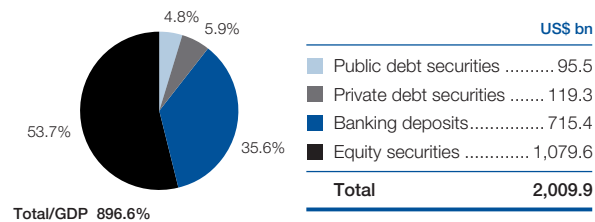
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	44	0.1	United States.....	34.4
5.05 M&A transaction value to GDP	51	1.0	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	48	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	37	1.0	Ireland	19.8
5.08 Non-life insurance penetration	43	1.3	Netherlands	9.5
5.09 Real growth of direct insurance premiums	52	-6.5	Argentina.....	21.9
5.10 Life insurance density	48	0.1	India	43.5
5.11 Non-life insurance density.....	49	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	57	0.4	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	43	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	30	0.2	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	38	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	41	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	31	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	30	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	33	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	39	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	23	0.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	26	81.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	48	20.8	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	39	15.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	19	0.3	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	16	32.9	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	9	51.0	Japan	208.5
6.15 Private international bonds to GDP.....	11	67.7	Ireland	202.8
6.16 Public international bonds to GDP	1	70.8	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	32	0.4	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	55	3.8	United Kingdom.....	6.8
7.02 Venture capital availability	61	1.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	62	1.7	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	59	2.5	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	61	1.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	55	0.6	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	24	77.9	Denmark.....	99.7
7.08 Commercial bank branches	7	41.2	Portugal.....	75.9
7.09 Total number of ATMs.....	20	76.7	Korea, Rep.	250.3
7.10 Debit card penetration	34	34.0	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	40	7.9	Finland.....	23.9

Hong Kong SAR

Key indicators

Population (millions), 2011	7.1
GDP (US\$ billions), 2011	243.3
GDP (current prices) per capita, 2011	34,048.9
GDP (PPP) as share (%) of world total, 2011	0.45
Compound annual growth rate of real GDP (%), 2007–2011	2.28

Financial assets by major type, 2010

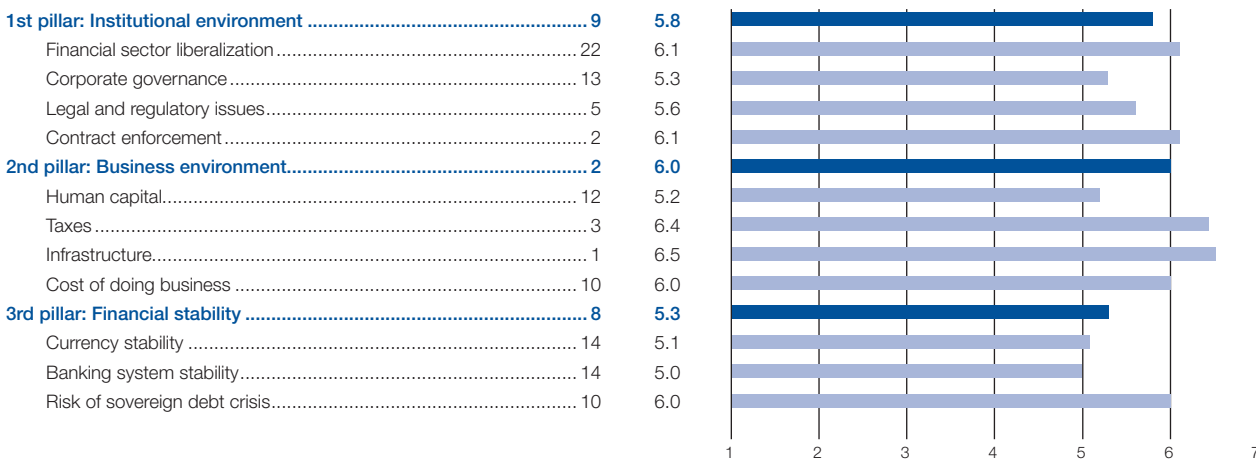


	US\$ bn
Public debt securities	95.5
Private debt securities	119.3
Banking deposits	715.4
Equity securities	1,079.6
Total	2,009.9

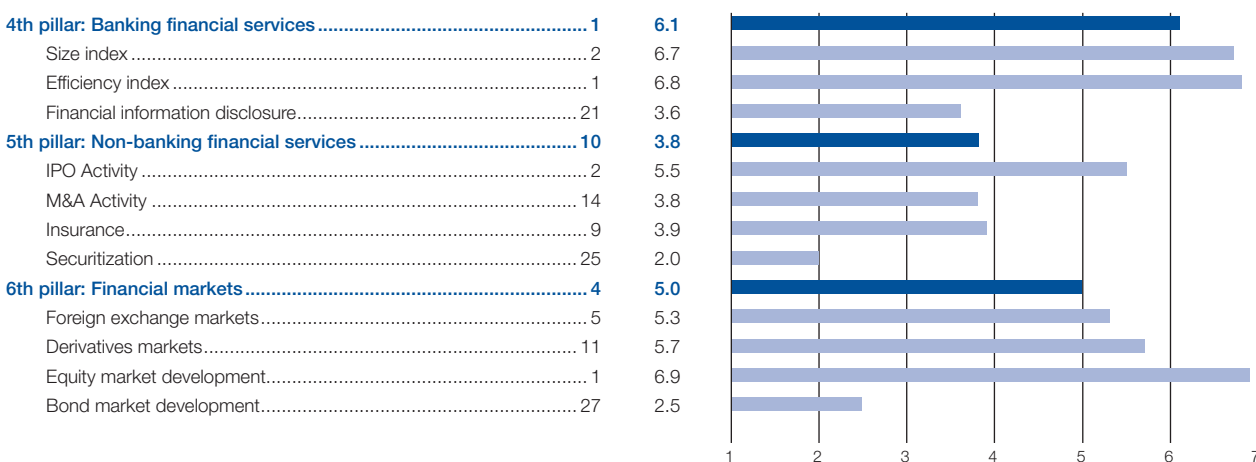
Financial Development Index 2012



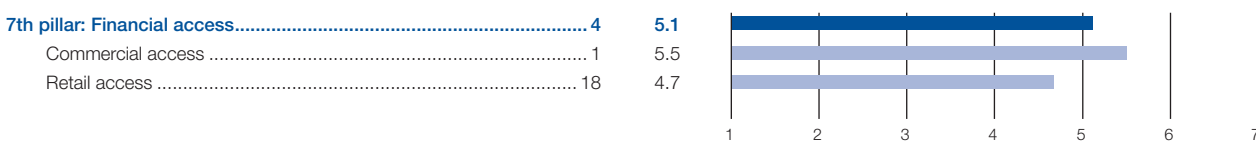
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Hong Kong SAR

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	30	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	3	United Kingdom	5.3
1.05	Efficacy of corporate boards	22	South Africa	5.8
1.06	Reliance on professional management	21	Finland	6.3
1.07	Willingness to delegate	19	Denmark	6.2
1.08	Strength of auditing and reporting standards	8	South Africa	6.6
1.09	Ethical behavior of firms	14	Finland	6.5
1.10	Protection of minority shareholders' interests	10	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	2	Singapore	5.6
1.12	Regulation of securities exchanges	7	South Africa	6.5
1.13	Property rights	5	Finland	6.5
1.14	Intellectual property protection	8	Finland	6.3
1.15	Diversion of public funds	9	Denmark	6.3
1.16	Public trust in politicians	13	Singapore	6.3
1.17	Corruption perceptions index	10	Finland	9.4
1.18	Strength of legal rights index	1	Multiple (6)	10.0
1.19	Central bank transparency	39	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	25	Singapore	6.4
1.21	Judicial independence	10	Finland	6.5
1.22	Irregular payments in judicial decisions	14	Denmark	6.8
1.23	Time to enforce a contract	3	Singapore	150.0
1.24	Number of procedures to enforce a contract	4	Multiple (2)	21.0
1.25	Strength of investor protection index	2	Singapore	9.3
1.26	Cost of enforcing contracts	22	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	15	United Kingdom	6.1
2.02	Quality of math and science education	6	Singapore	6.3
2.03	Extent of staff training	18	Switzerland	5.6
2.04	Local availability of specialized research and training services	10	Switzerland	6.4
2.05	Brain drain	7	Switzerland	6.3
2.06	Tertiary enrollment	27	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	11	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	4	United Arab Emirates	5.9
2.09	Marginal tax variation	4	Kuwait	-4.8
2.10	Time to pay taxes	6	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	4	Switzerland	6.6
2.12	Quality of electricity supply	2	Netherlands	6.8
2.13	Internet users	20	Norway	94.0
2.14	Broadband Internet subscriptions	12	Switzerland	39.2
2.15	Telephone subscriptions	2	Germany	63.1
2.16	Mobile telephone subscriptions	1	Hong Kong SAR	209.6

(continued)

Hong Kong SAR

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	17	Denmark	0.0
2.18	Cost of registering property	30	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	2	Australia	2.0
2.21	Time to register property	37	Portugal	1.0
2.22	Time to close a business	11	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	49	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	9	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	1	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	1	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	47	Ireland	6.9
3.10	Tier 1 capital ratio	33	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	44	Peru	6.4
3.15	Manageability of public debt	22	Kuwait	6.2
3.16	Credit default swap spreads	8	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	5	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	1	Hong Kong SAR	305.8
4.04	M2 to GDP	1	Hong Kong SAR	320.5
4.05	Private credit to GDP	10	Denmark	229.8
4.06	Bank deposits to GDP	1	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	4	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	10	Czech Republic	6.0
4.09	Bank overhead costs	9	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	9	Sweden	0.8
4.12	Non-performing bank loans to total loans	2	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	16	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	3	China	37.8
5.02	IPO proceeds amount	1	Hong Kong SAR	5.1
5.03	Share of world IPOs	11	China	30.2

(continued)

Hong Kong SAR

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

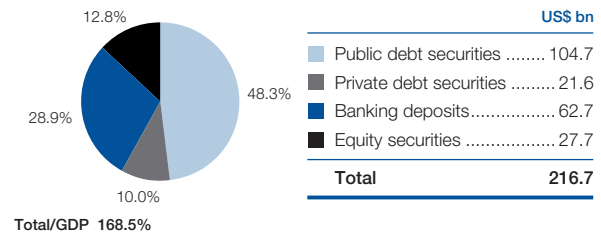
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	18	0.9	United States.....	34.4
5.05 M&A transaction value to GDP	1	9.9	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	18	1.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	3	10.1	Ireland	19.8
5.08 Non-life insurance penetration	42	1.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	25	4.1	Argentina.....	21.9
5.10 Life insurance density	21	0.7	India	43.5
5.11 Non-life insurance density.....	54	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	3	3.8	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	18	0.7	United States.....	5.1
5.14 Share of total number of securitization deals.....	25	0.4	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	7	2.4	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	4	5.8	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	5	6.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	17	0.2	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	13	1.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	12	0.6	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	3	12.4	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	6	3.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	7	180.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	1	440.2	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	1	681.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	1	2.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	26	15.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	21	36.2	Japan	208.5
6.15 Private international bonds to GDP.....	18	35.0	Ireland	202.8
6.16 Public international bonds to GDP	47	0.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	21	0.7	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	5	6.4	United Kingdom.....	6.8
7.02 Venture capital availability	1	4.5	Hong Kong SAR	4.5
7.03 Ease of access to credit	1	5.0	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	1	5.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	6	4.4	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	1	34.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	18	88.7	Denmark.....	99.7
7.08 Commercial bank branches	18	23.6	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	12	75.8	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	41	7.9	Finland.....	23.9

Hungary

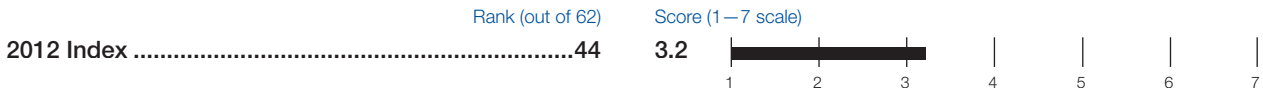
Key indicators

Population (millions), 2011	10.0
GDP (US\$ billions), 2011	140.3
GDP (current prices) per capita, 2011	14,050.0
GDP (PPP) as share (%) of world total, 2011	0.25
Compound annual growth rate of real GDP (%), 2007–2011	-0.64

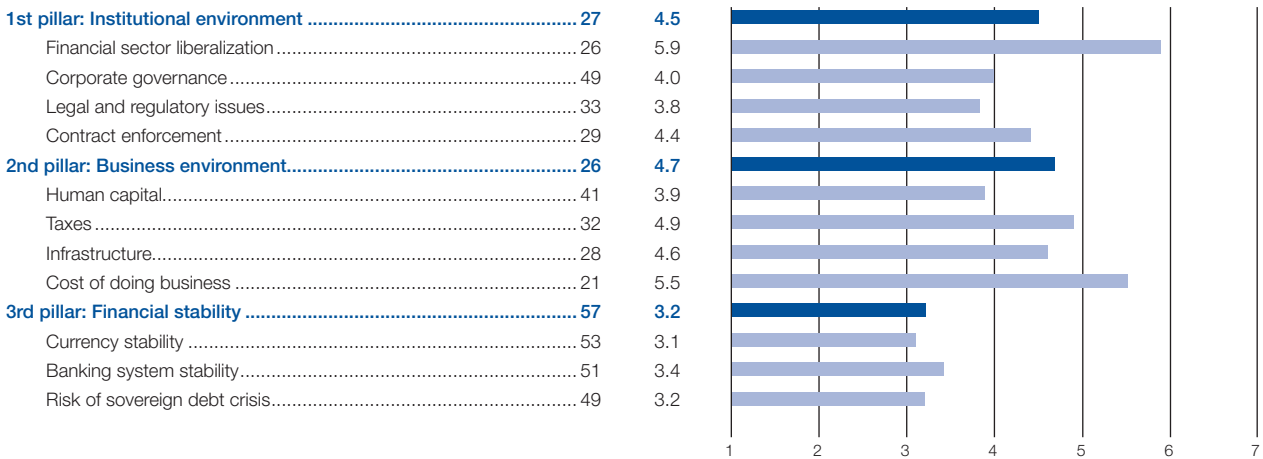
Financial assets by major type, 2010



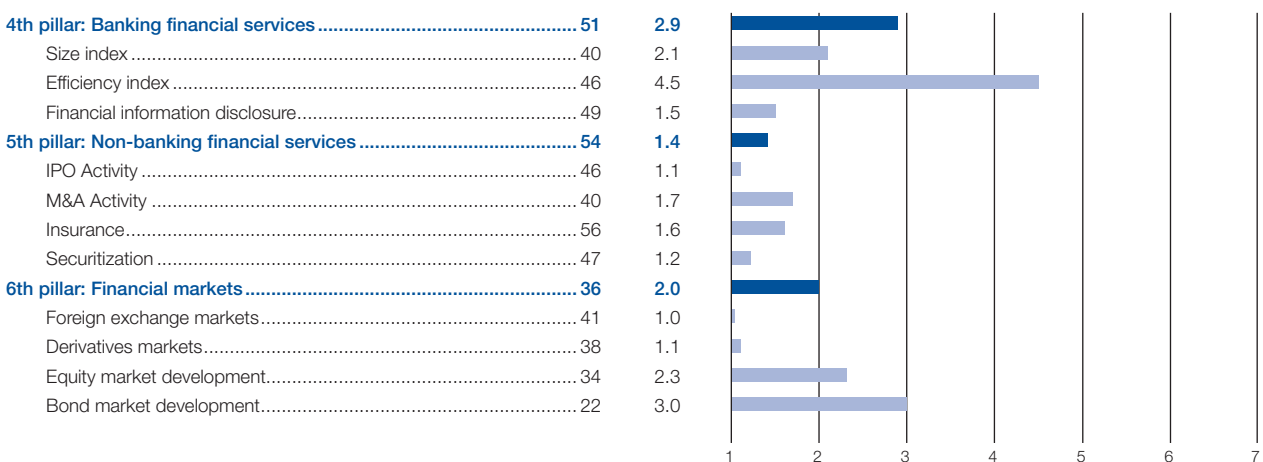
Financial Development Index 2012



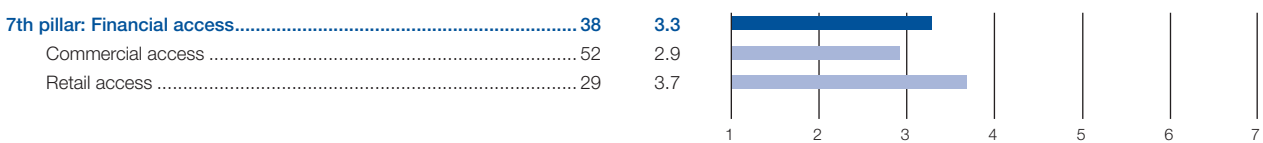
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Hungary

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01 Capital account liberalization	27	6.9	Multiple (25)	7.0
1.02 Commitments to WTO Agreement on Trade in Services.....	18	6.9	Multiple (17)	7.0
1.03 Domestic financial sector liberalization	41	4.0	Multiple (24)	7.0
Corporate governance				
1.04 Extent of incentive-based compensation	45	3.9	United Kingdom.....	5.3
1.05 Efficacy of corporate boards.....	45	4.3	South Africa.....	5.8
1.06 Reliance on professional management.....	50	3.9	Finland.....	6.3
1.07 Willingness to delegate	61	3.0	Denmark.....	6.2
1.08 Strength of auditing and reporting standards	28	5.1	South Africa.....	6.6
1.09 Ethical behavior of firms.....	48	3.6	Finland.....	6.5
1.10 Protection of minority shareholders' interests.....	46	4.0	Finland.....	6.1
Legal and regulatory issues				
1.11 Burden of government regulation.....	58	2.3	Singapore.....	5.6
1.12 Regulation of securities exchanges.....	26	4.8	South Africa.....	6.5
1.13 Property rights	49	3.8	Finland.....	6.5
1.14 Intellectual property protection.....	30	4.0	Finland.....	6.3
1.15 Diversion of public funds.....	49	2.6	Denmark.....	6.3
1.16 Public trust in politicians	55	1.8	Singapore.....	6.3
1.17 Corruption perceptions index.....	28	4.6	Finland.....	9.4
1.18 Strength of legal rights index.....	24	7.0	Multiple (6)	10.0
1.19 Central bank transparency.....	3	11.5	Sweden	15.0
Contract enforcement				
1.20 Effectiveness of law-making bodies	31	3.8	Singapore.....	6.4
1.21 Judicial independence	39	3.7	Finland.....	6.5
1.22 Irregular payments in judicial decisions	32	4.3	Denmark.....	6.8
1.23 Time to enforce a contract.....	15	395.0	Singapore.....	150.0
1.24 Number of procedures to enforce a contract	30	35.0	Multiple (2)	21.0
1.25 Strength of investor protection index	54	4.3	Singapore.....	9.3
1.26 Cost of enforcing contracts	14	15.0	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01 Quality of management schools.....	46	4.1	United Kingdom.....	6.1
2.02 Quality of math and science education	23	4.5	Singapore.....	6.3
2.03 Extent of staff training.....	55	3.5	Switzerland.....	5.6
2.04 Local availability of specialized research and training services	50	3.9	Switzerland.....	6.4
2.05 Brain drain.....	58	2.3	Switzerland.....	6.3
2.06 Tertiary enrollment	21	61.7	Korea, Rep.	103.1
Taxes				
2.07 Irregular payments in tax collection	29	5.1	Finland.....	6.9
2.08 Distortive effect of taxes and subsidies on competition	58	3.2	United Arab Emirates.....	5.9
2.09 Marginal tax variation.....	23	4.2	Kuwait	-4.8
2.10 Time to pay taxes.....	42	277.0	United Arab Emirates.....	12.0
Infrastructure				
2.11 Quality of overall infrastructure	33	4.8	Switzerland.....	6.6
2.12 Quality of electricity supply.....	30	5.7	Netherlands.....	6.8
2.13 Internet users	29	59.0	Norway.....	94.0
2.14 Broadband Internet subscriptions.....	22	22.2	Switzerland.....	39.2
2.15 Telephone subscriptions	25	29.4	Germany.....	63.1
2.16 Mobile telephone subscriptions	30	117.3	Hong Kong SAR	209.6

(continued)

Hungary

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	37	Denmark	0.0
2.18	Cost of registering property	39	Multiple (2)	0.0
2.19	Cost of closing a business	34	Multiple (4)	1.0
2.20	Time to start a business	4	Australia	2.0
2.21	Time to register property	20	Portugal	1.0
2.22	Time to close a business	28	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	31	Brazil	8.3
3.02	External vulnerability indicator	32	Saudi Arabia	9.3
3.03	Current account balance to GDP	28	Kuwait	32.0
3.04	Dollarization vulnerability indicator	32	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	34	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	56	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	9	Ireland	6.9
3.10	Tier 1 capital ratio	37	Ghana	22.7
3.11	Output loss during banking crises	48	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	47	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	46	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	41	Peru	6.4
3.15	Manageability of public debt	50	Kuwait	6.2
3.16	Credit default swap spreads	47	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	34	Ireland	245.1
4.02	Central bank assets to GDP	32	Brazil	18.3
4.03	Financial system deposits to GDP	41	Hong Kong SAR	305.8
4.04	M2 to GDP	41	Hong Kong SAR	320.5
4.05	Private credit to GDP	33	Denmark	229.8
4.06	Bank deposits to GDP	41	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	29	Czech Republic	6.0
4.09	Bank overhead costs	48	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	49	Sweden	0.8
4.12	Non-performing bank loans to total loans	51	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	42	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	44	China	37.8
5.02	IPO proceeds amount	43	Hong Kong SAR	5.1
5.03	Share of world IPOs	51	China	30.2
(continued)				

Hungary

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

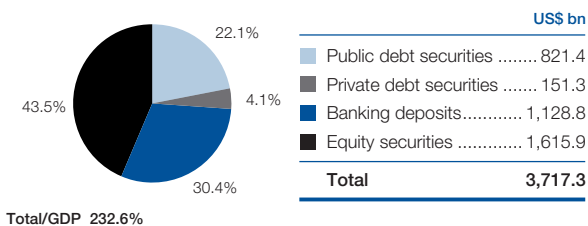
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	43.....	0.1	United States.....	34.4
5.05 M&A transaction value to GDP	34.....	2.6	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	43.....	0.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	33.....	1.6	Ireland	19.8
5.08 Non-life insurance penetration	44.....	1.3	Netherlands	9.5
5.09 Real growth of direct insurance premiums	55.....	-7.4	Argentina.....	21.9
5.10 Life insurance density	45.....	0.2	India	43.5
5.11 Non-life insurance density.....	50.....	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	46.....	0.6	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	47.....	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	48.....	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	44.....	0.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	38.....	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	34.....	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	25.....	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	36.....	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	42.....	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	39.....	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	11.....	123.3	Turkey.....	237.9
6.10 Stock market capitalization to GDP	46.....	21.7	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	35.....	20.3	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	38.....	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	32.....	5.8	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	16.....	42.8	Japan	208.5
6.15 Private international bonds to GDP.....	28.....	8.8	Ireland	202.8
6.16 Public international bonds to GDP	8.....	17.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a.....	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	35.....	4.8	United Kingdom.....	6.8
7.02 Venture capital availability	57.....	2.1	Hong Kong SAR	4.5
7.03 Ease of access to credit	57.....	2.6	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	57.....	2.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	54.....	2.3	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	21.....	3.3	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	25.....	72.7	Denmark.....	99.7
7.08 Commercial bank branches	29.....	16.6	Portugal.....	75.9
7.09 Total number of ATMs.....	30.....	56.7	Korea, Rep.	250.3
7.10 Debit card penetration	18.....	62.4	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	33.....	9.4	Finland.....	23.9

India

Key indicators

Population (millions), 2011	1,206.9
GDP (US\$ billions), 2011	1,676.1
GDP (current prices) per capita, 2011	1,388.8
GDP (PPP) as share (%) of world total, 2011	5.65
Compound annual growth rate of real GDP (%), 2007–2011	6.07

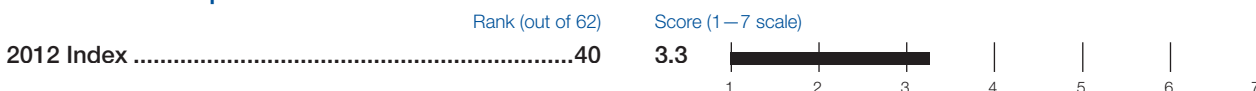
Financial assets by major type, 2010



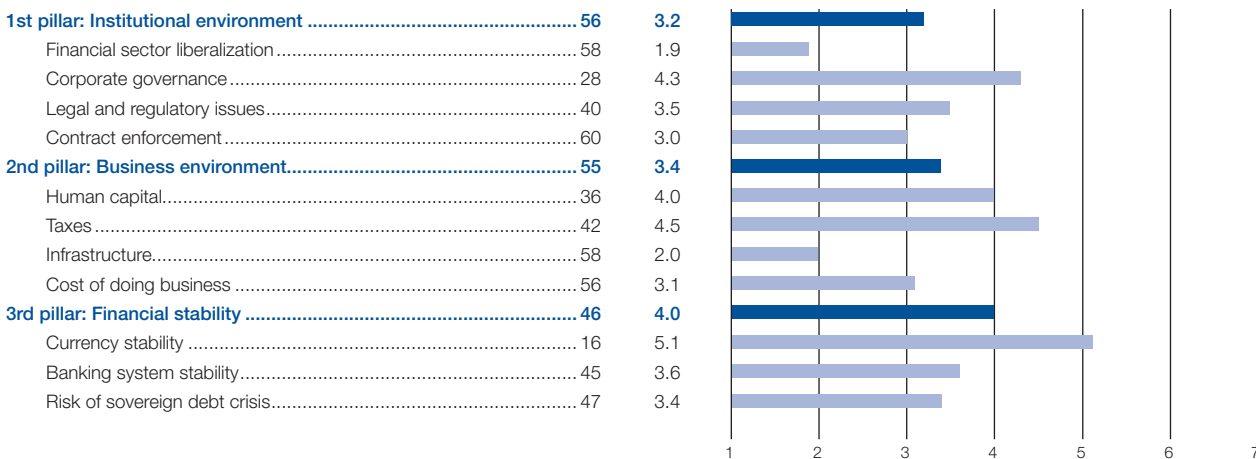
US\$ bn

Public debt securities	821.4
Private debt securities	151.3
Banking deposits	1,128.8
Equity securities	1,615.9
Total	3,717.3

Financial Development Index 2012

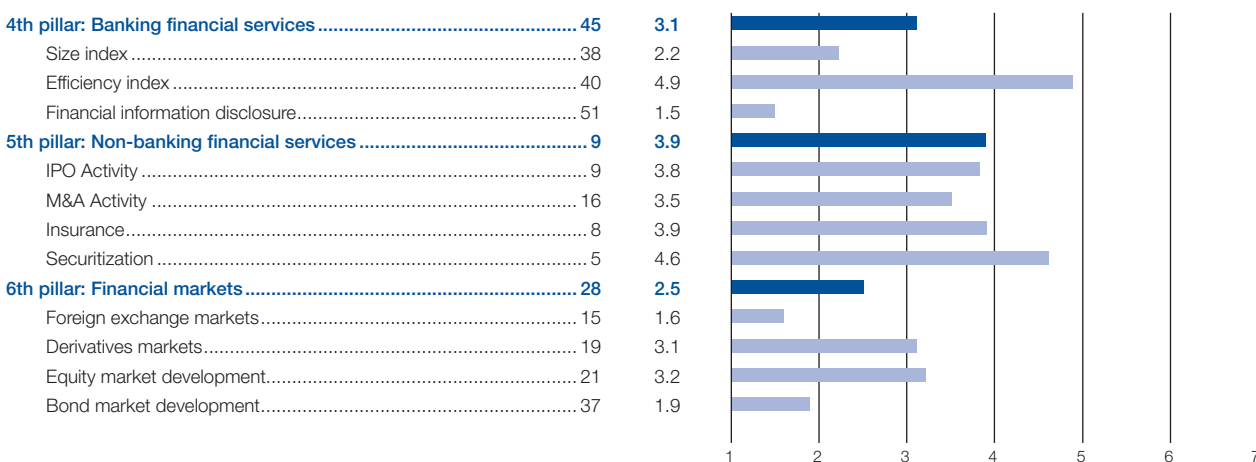


Factors, policies, and institutions

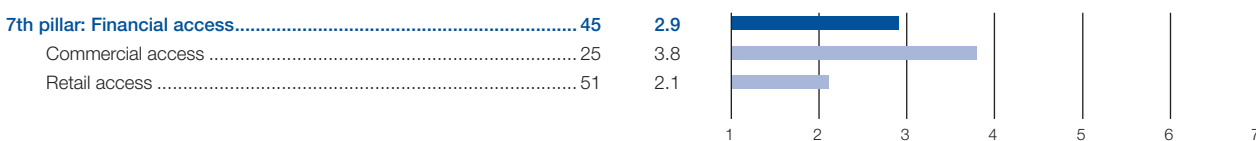


INPUTS

Financial intermediation



Financial access



OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

India

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	55	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	55	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	50	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	33	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	37	South Africa.....	5.8
1.06	Reliance on professional management.....	30	Finland.....	6.3
1.07	Willingness to delegate	31	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	29	South Africa.....	6.6
1.09	Ethical behavior of firms.....	41	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	31	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	38	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	19	South Africa.....	6.5
1.13	Property rights	36	Finland.....	6.5
1.14	Intellectual property protection.....	38	Finland.....	6.3
1.15	Diversion of public funds.....	45	Denmark.....	6.3
1.16	Public trust in politicians	48	Singapore	6.3
1.17	Corruption perceptions index.....	47	Finland.....	9.4
1.18	Strength of legal rights index.....	17	Multiple (6)	10.0
1.19	Central bank transparency.....	54	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	27	Singapore.....	6.4
1.21	Judicial independence	27	Finland.....	6.5
1.22	Irregular payments in judicial decisions	33	Denmark.....	6.8
1.23	Time to enforce a contract.....	61	Singapore	150.0
1.24	Number of procedures to enforce a contract	58	Multiple (2)	21.0
1.25	Strength of investor protection index	24	Singapore	9.3
1.26	Cost of enforcing contracts	55	Norway.....	39.6
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	23	United Kingdom.....	6.1
2.02	Quality of math and science education	16	Singapore	6.3
2.03	Extent of staff training.....	34	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	40	Switzerland.....	6.4
2.05	Brain drain.....	22	Switzerland.....	6.3
2.06	Tertiary enrollment	53	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	48	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	41	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	39	Kuwait	-4.8
2.10	Time to pay taxes	38	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	47	Switzerland.....	6.6
2.12	Quality of electricity supply.....	55	Netherlands	6.8
2.13	Internet users	60	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	55	Switzerland.....	39.2
2.15	Telephone subscriptions	57	Germany.....	63.1
2.16	Mobile telephone subscriptions	57	Hong Kong SAR	209.6

(continued)

India

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	61	Denmark	0.0
2.18	Cost of registering property	55	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	48	Australia	2.0
2.21	Time to register property	45	Portugal	1.0
2.22	Time to close a business	62	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	37	Brazil	8.3
3.02	External vulnerability indicator	13	Saudi Arabia	9.3
3.03	Current account balance to GDP	42	Kuwait	32.0
3.04	Dollarization vulnerability indicator	29	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	6	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	24	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	49	Ireland	6.9
3.10	Tier 1 capital ratio	53	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	43	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	42	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	51	Peru	6.4
3.15	Manageability of public debt	35	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	42	Ireland	245.1
4.02	Central bank assets to GDP	19	Brazil	18.3
4.03	Financial system deposits to GDP	34	Hong Kong SAR	305.8
4.04	M2 to GDP	27	Hong Kong SAR	320.5
4.05	Private credit to GDP	43	Denmark	229.8
4.06	Bank deposits to GDP	35	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	12	Czech Republic	6.0
4.09	Bank overhead costs	32	Finland	0.6
4.10	Public ownership of banks	61	Multiple (22)	0.0
4.11	Bank operating costs to assets	41	Sweden	0.8
4.12	Non-performing bank loans to total loans	16	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	44	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	6	China	37.8
5.02	IPO proceeds amount	11	Hong Kong SAR	5.1
5.03	Share of world IPOs	7	China	30.2

(continued)

India

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

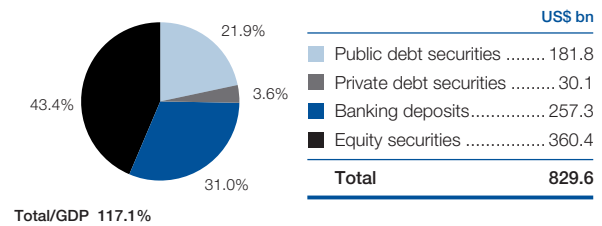
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	13	1.9	United States.....	34.4
5.05 M&A transaction value to GDP	26	3.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	10	3.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	17	3.6	Ireland	19.8
5.08 Non-life insurance penetration	52	0.7	Netherlands	9.5
5.09 Real growth of direct insurance premiums	50	-5.5	Argentina.....	21.9
5.10 Life insurance density	1	43.5	India	43.5
5.11 Non-life insurance density.....	3	8.8	China.....	16.1
5.12 Relative value added of insurance to GDP	34	1.1	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	25	0.5	United States.....	5.1
5.14 Share of total number of securitization deals.....	3	5.6	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	14	0.7	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	14	0.9	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	25	0.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	31	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	21	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	13	0.5	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	33	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	13	0.5	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	15	114.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	18	83.1	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	16	64.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	41	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	33	5.5	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	23	33.6	Japan	208.5
6.15 Private international bonds to GDP.....	41	3.2	Ireland	202.8
6.16 Public international bonds to GDP	54	0.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	22	0.6	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	32	5.0	United Kingdom.....	6.8
7.02 Venture capital availability	20	3.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	16	4.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	16	4.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	24	3.3	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	40	1.9	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	46	35.2	Denmark.....	99.7
7.08 Commercial bank branches	36	10.9	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	56	8.4	Netherlands	97.6
7.11 Loan accounts at MFIs	7	21.4	Peru	121.2
7.12 Loan from a financial institution.....	43	7.7	Finland.....	23.9

Indonesia

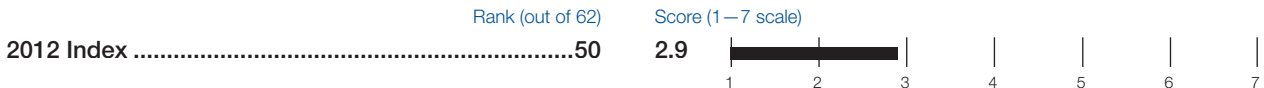
Key indicators

Population (millions), 2011	241.0
GDP (US\$ billions), 2011	845.7
GDP (current prices) per capita, 2011	3,508.6
GDP (PPP) as share (%) of world total, 2011	1.43
Compound annual growth rate of real GDP (%), 2007–2011	4.63

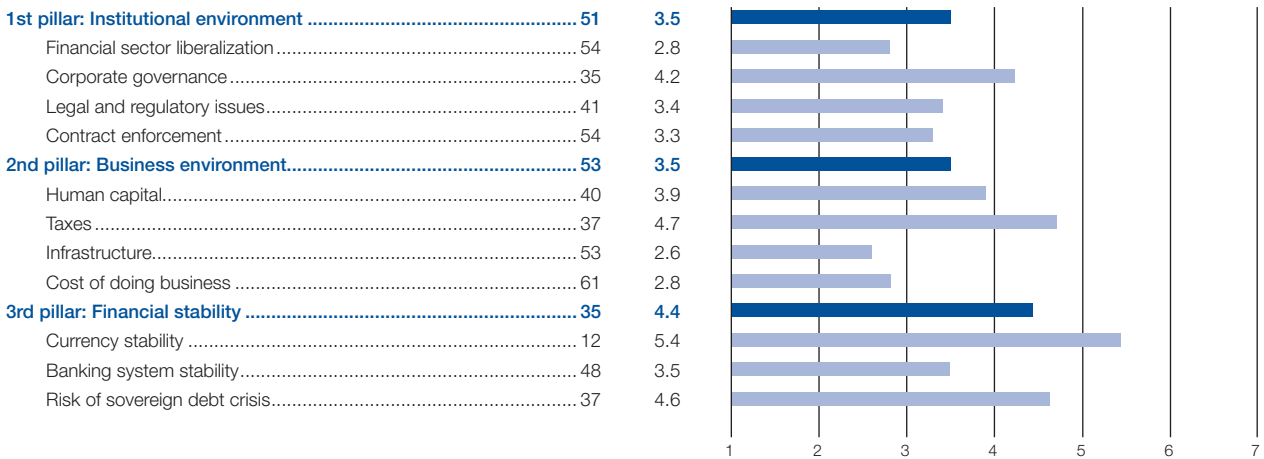
Financial assets by major type, 2010



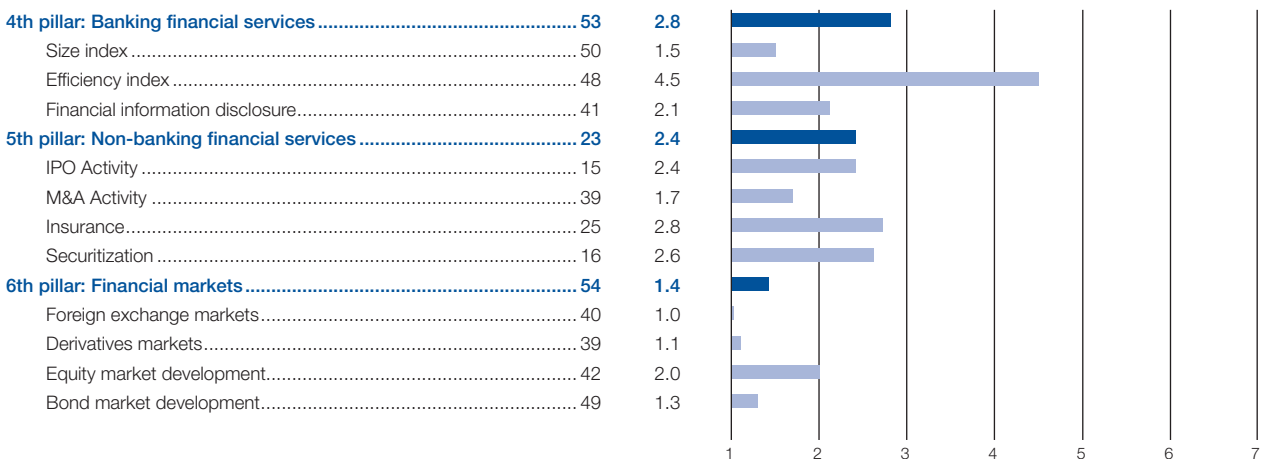
Financial Development Index 2012



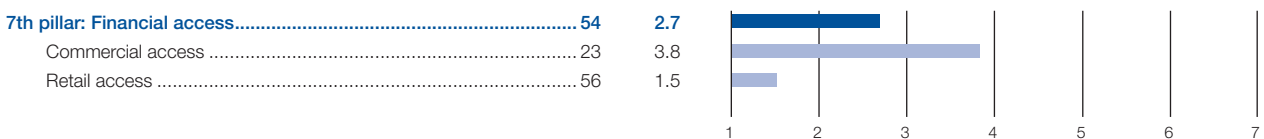
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Indonesia

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	40.....■	3.6	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	49.....■	2.1	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	53.....■	2.8	Multiple (24).....7.0
Corporate governance				
1.04	Extent of incentive-based compensation	29.....■	4.3	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	31.....■	4.6	South Africa.....5.8
1.06	Reliance on professional management.....	35.....■	4.5	Finland.....6.3
1.07	Willingness to delegate	26.....■	4.1	Denmark.....6.2
1.08	Strength of auditing and reporting standards	49.....■	4.4	South Africa.....6.6
1.09	Ethical behavior of firms.....	47.....■	3.6	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	37.....■	4.3	Finland.....6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	16.....■	3.7	Singapore.....5.6
1.12	Regulation of securities exchanges.....	36.....■	4.4	South Africa.....6.5
1.13	Property rights	45.....■	4.1	Finland.....6.5
1.14	Intellectual property protection.....	35.....■	3.7	Finland.....6.3
1.15	Diversion of public funds.....	34.....■	3.4	Denmark.....6.3
1.16	Public trust in politicians	31.....■	3.0	Singapore.....6.3
1.17	Corruption perceptions index.....	48.....■	3.0	Finland.....9.4
1.18	Strength of legal rights index.....	55.....■	3.0	Multiple (6).....10.0
1.19	Central bank transparency.....	32.....■	8.0	Sweden.....15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	39.....■	3.5	Singapore.....6.4
1.21	Judicial independence	43.....■	3.6	Finland.....6.5
1.22	Irregular payments in judicial decisions	49.....■	3.2	Denmark.....6.8
1.23	Time to enforce a contract.....	42.....■	570.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	48.....■	40.0	Multiple (2).....21.0
1.25	Strength of investor protection index	24.....■	6.0	Singapore.....9.3
1.26	Cost of enforcing contracts	62.....■	122.7	Norway.....9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	40.....■	4.2	United Kingdom.....6.1
2.02	Quality of math and science education	26.....■	4.4	Singapore.....6.3
2.03	Extent of staff training.....	27.....■	4.3	Switzerland.....5.6
2.04	Local availability of specialized research and training services	38.....■	4.3	Switzerland.....6.4
2.05	Brain drain.....	30.....■	4.0	Switzerland.....6.3
2.06	Tertiary enrollment	49.....■	23.1	Korea, Rep.....103.1
Taxes				
2.07	Irregular payments in tax collection	57.....■	3.1	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	44.....■	3.8	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	12.....■	1.4	Kuwait.....-4.8
2.10	Time to pay taxes.....	40.....■	266.0	United Arab Emirates.....12.0
Infrastructure				
2.11	Quality of overall infrastructure	49.....■	3.7	Switzerland.....6.6
2.12	Quality of electricity supply.....	50.....■	3.9	Netherlands.....6.8
2.13	Internet users	57.....■	18.0	Norway.....94.0
2.14	Broadband Internet subscriptions.....	54.....■	1.1	Switzerland.....39.2
2.15	Telephone subscriptions	44.....■	15.9	Germany.....63.1
2.16	Mobile telephone subscriptions	50.....■	97.7	Hong Kong SAR.....209.6

(continued)

Indonesia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	53	Denmark	0.0
2.18	Cost of registering property	59	Multiple (2)	0.0
2.19	Cost of closing a business	42	Multiple (4)	1.0
2.20	Time to start a business	60	Australia	2.0
2.21	Time to register property	26	Portugal	1.0
2.22	Time to close a business	60	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	3	Brazil	8.3
3.02	External vulnerability indicator	14	Saudi Arabia	9.3
3.03	Current account balance to GDP	26	Kuwait	32.0
3.04	Dollarization vulnerability indicator	35	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	11	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	17	Ireland	6.9
3.10	Tier 1 capital ratio	27	Ghana	22.7
3.11	Output loss during banking crises	56	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	44	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	43	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	28	Peru	6.4
3.15	Manageability of public debt	9	Kuwait	6.2
3.16	Credit default swap spreads	32	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	54	Ireland	245.1
4.02	Central bank assets to GDP	14	Brazil	18.3
4.03	Financial system deposits to GDP	47	Hong Kong SAR	305.8
4.04	M2 to GDP	52	Hong Kong SAR	320.5
4.05	Private credit to GDP	53	Denmark	229.8
4.06	Bank deposits to GDP	48	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	24	Czech Republic	6.0
4.09	Bank overhead costs	50	Finland	0.6
4.10	Public ownership of banks	57	Multiple (22)	0.0
4.11	Bank operating costs to assets	51	Sweden	0.8
4.12	Non-performing bank loans to total loans	15	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	10	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	18	China	37.8
5.02	IPO proceeds amount	13	Hong Kong SAR	5.1
5.03	Share of world IPOs	12	China	30.2

(continued)

Indonesia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

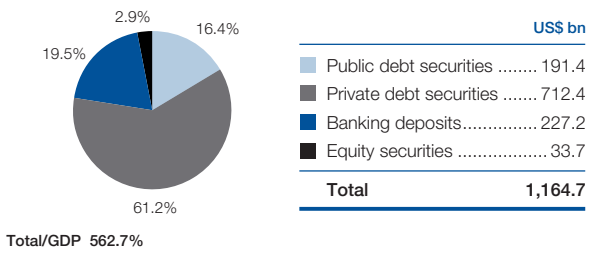
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	29	0.4	United States.....	34.4
5.05 M&A transaction value to GDP	45	1.6	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	23	0.8	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	35	1.1	Ireland	19.8
5.08 Non-life insurance penetration	54	0.6	Netherlands	9.5
5.09 Real growth of direct insurance premiums	8	11.7	Argentina.....	21.9
5.10 Life insurance density	11	2.7	India	43.5
5.11 Non-life insurance density.....	15	1.3	China.....	16.1
5.12 Relative value added of insurance to GDP	35	1.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	17	0.7	United States.....	5.1
5.14 Share of total number of securitization deals.....	12	1.2	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	33	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	39	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	40	0.0	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	38	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	41	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	34	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	30	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	45	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	34	67.5	Turkey.....	237.9
6.10 Stock market capitalization to GDP	38	39.5	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	36	18.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	54	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	38	1.4	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	43	10.6	Japan	208.5
6.15 Private international bonds to GDP.....	45	2.2	Ireland	202.8
6.16 Public international bonds to GDP	34	2.3	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	38	0.1	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	45	4.4	United Kingdom.....	6.8
7.02 Venture capital availability	17	3.6	Hong Kong SAR	4.5
7.03 Ease of access to credit	13	4.4	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	23	4.4	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	11	3.9	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	33	2.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	57	19.6	Denmark.....	99.7
7.08 Commercial bank branches	42	8.3	Portugal.....	75.9
7.09 Total number of ATMs.....	44	13.4	Korea, Rep.	250.3
7.10 Debit card penetration	55	10.5	Netherlands	97.6
7.11 Loan accounts at MFIs	21	1.9	Peru	121.2
7.12 Loan from a financial institution.....	35	8.5	Finland.....	23.9

Ireland

Key indicators

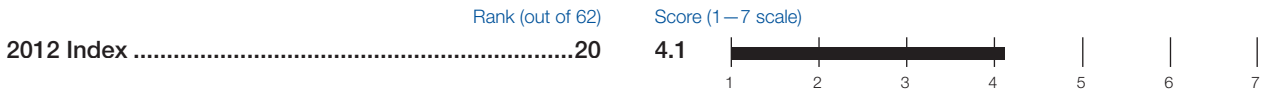
Population (millions), 2011	4.6
GDP (US\$ billions), 2011	217.7
GDP (current prices) per capita, 2011	47,512.8
GDP (PPP) as share (%) of world total, 2011	0.23
Compound annual growth rate of real GDP (%), 2007–2011	-1.98

Financial assets by major type, 2010

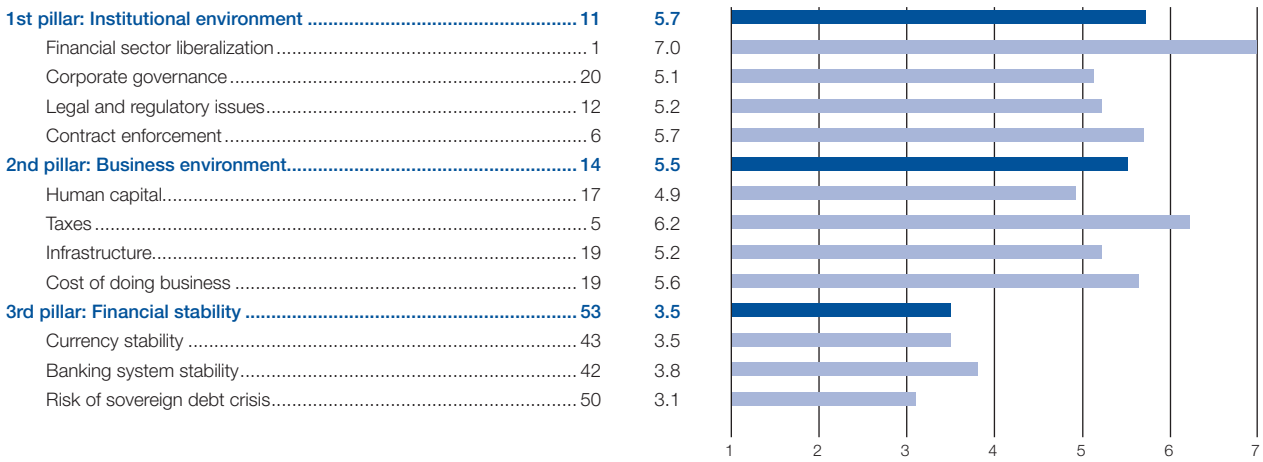


	US\$ bn
Public debt securities	191.4
Private debt securities	712.4
Banking deposits	227.2
Equity securities	33.7
Total	1,164.7

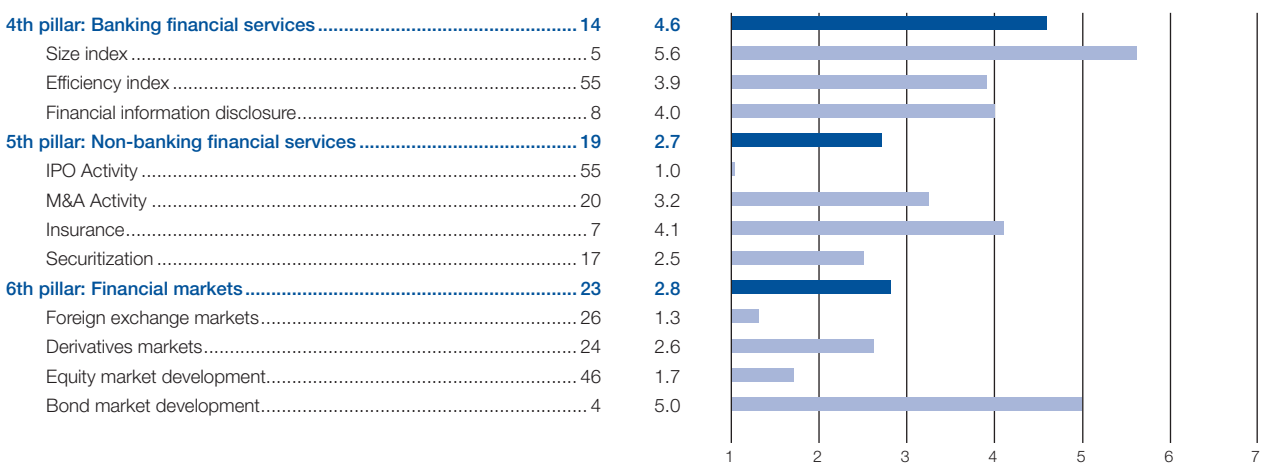
Financial Development Index 2012



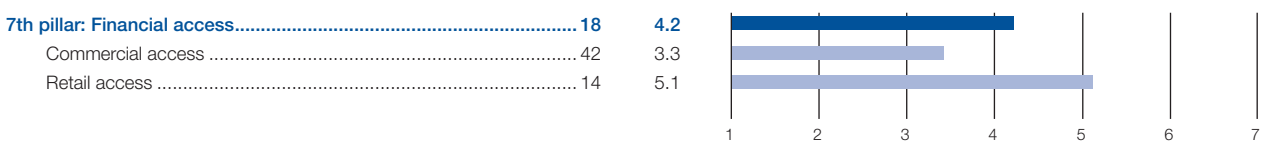
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Ireland

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	9	United Kingdom	5.3
1.05	Efficacy of corporate boards	26	South Africa	5.8
1.06	Reliance on professional management	11	Finland	6.3
1.07	Willingness to delegate	9	Denmark	6.2
1.08	Strength of auditing and reporting standards	39	South Africa	6.6
1.09	Ethical behavior of firms	17	Finland	6.5
1.10	Protection of minority shareholders' interests	26	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	15	Singapore	5.6
1.12	Regulation of securities exchanges	44	South Africa	6.5
1.13	Property rights	13	Finland	6.5
1.14	Intellectual property protection	11	Finland	6.3
1.15	Diversion of public funds	12	Denmark	6.3
1.16	Public trust in politicians	25	Singapore	6.3
1.17	Corruption perceptions index	15	Finland	9.4
1.18	Strength of legal rights index	7	Multiple (6)	10.0
1.19	Central bank transparency	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	18	Singapore	6.4
1.21	Judicial independence	3	Finland	6.5
1.22	Irregular payments in judicial decisions	6	Denmark	6.8
1.23	Time to enforce a contract	49	Singapore	150.0
1.24	Number of procedures to enforce a contract	1	Multiple (2)	21.0
1.25	Strength of investor protection index	4	Singapore	9.3
1.26	Cost of enforcing contracts	38	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	17	United Kingdom	6.1
2.02	Quality of math and science education	17	Singapore	6.3
2.03	Extent of staff training	14	Switzerland	5.6
2.04	Local availability of specialized research and training services	21	Switzerland	6.4
2.05	Brain drain	19	Switzerland	6.3
2.06	Tertiary enrollment	22	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	8	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	12	United Arab Emirates	5.9
2.09	Marginal tax variation	8	Kuwait	-4.8
2.10	Time to pay taxes	4	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	27	Switzerland	6.6
2.12	Quality of electricity supply	15	Netherlands	6.8
2.13	Internet users	18	Norway	94.0
2.14	Broadband Internet subscriptions	23	Switzerland	39.2
2.15	Telephone subscriptions	14	Germany	63.1
2.16	Mobile telephone subscriptions	41	Hong Kong SAR	209.6

(continued)

Ireland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	3	Denmark	0.0
2.18	Cost of registering property	51	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	27	Australia	2.0
2.21	Time to register property	38	Portugal	1.0
2.22	Time to close a business	1	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	39	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	33	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	22	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	48	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	1	Ireland	6.9
3.10	Tier 1 capital ratio	9	Ghana	22.7
3.11	Output loss during banking crises	62	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	36	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	30	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	42	Peru	6.4
3.15	Manageability of public debt	58	Kuwait	6.2
3.16	Credit default swap spreads	49	Norway	362.0
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	1	Ireland	245.1
4.02	Central bank assets to GDP	31	Brazil	18.3
4.03	Financial system deposits to GDP	7	Hong Kong SAR	305.8
4.04	M2 to GDP	13	Hong Kong SAR	320.5
4.05	Private credit to GDP	2	Denmark	229.8
4.06	Bank deposits to GDP	7	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	1	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	58	Czech Republic	6.0
4.09	Bank overhead costs	5	Finland	0.6
4.10	Public ownership of banks	53	Multiple (22)	0.0
4.11	Bank operating costs to assets	7	Sweden	0.8
4.12	Non-performing bank loans to total loans	54	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	54	China	37.8
5.02	IPO proceeds amount	56	Hong Kong SAR	5.1
5.03	Share of world IPOs	45	China	30.2

(continued)

Ireland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

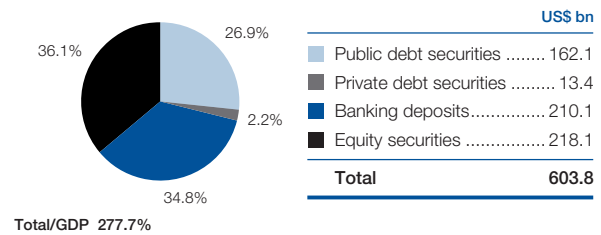
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	22.....	0.6	United States.....	34.4
5.05 M&A transaction value to GDP	6.....	7.2	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	39.....	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	1.....	19.8	Ireland	19.8
5.08 Non-life insurance penetration	6.....	4.2	Netherlands	9.5
5.09 Real growth of direct insurance premiums	31.....	2.4	Argentina.....	21.9
5.10 Life insurance density	19.....	0.9	India	43.5
5.11 Non-life insurance density.....	44.....	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	14.....	2.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	12.....	1.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	28.....	0.2	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	28.....	0.2	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	19.....	0.4	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	23.....	0.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	19.....	0.1	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	18.....	0.4	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	29.....	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	12.....	1.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	37.....	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	36.....	58.3	Turkey.....	237.9
6.10 Stock market capitalization to GDP	55.....	15.1	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	47.....	8.4	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	28.....	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	2.....	109.5	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	28.....	28.5	Japan	208.5
6.15 Private international bonds to GDP.....	1.....	202.8	Ireland	202.8
6.16 Public international bonds to GDP	4.....	26.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	45.....	0.0	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	31.....	5.0	United Kingdom.....	6.8
7.02 Venture capital availability	49.....	2.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	60.....	2.3	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	52.....	3.1	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	60.....	1.8	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	9.....	6.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	14.....	93.9	Denmark.....	99.7
7.08 Commercial bank branches	14.....	28.6	Portugal.....	75.9
7.09 Total number of ATMs.....	16.....	92.5	Korea, Rep.	250.3
7.10 Debit card penetration	14.....	70.5	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	15.....	15.7	Finland.....	23.9

Israel

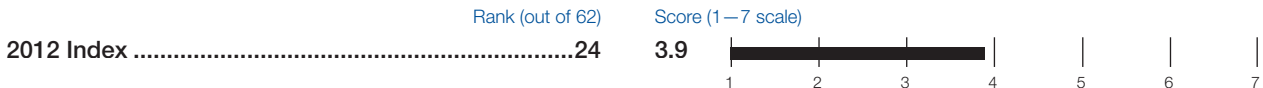
Key indicators

Population (millions), 2011	7.6
GDP (US\$ billions), 2011	242.9
GDP (current prices) per capita, 2011	31,985.7
GDP (PPP) as share (%) of world total, 2011	0.30
Compound annual growth rate of real GDP (%), 2007–2011	2.86

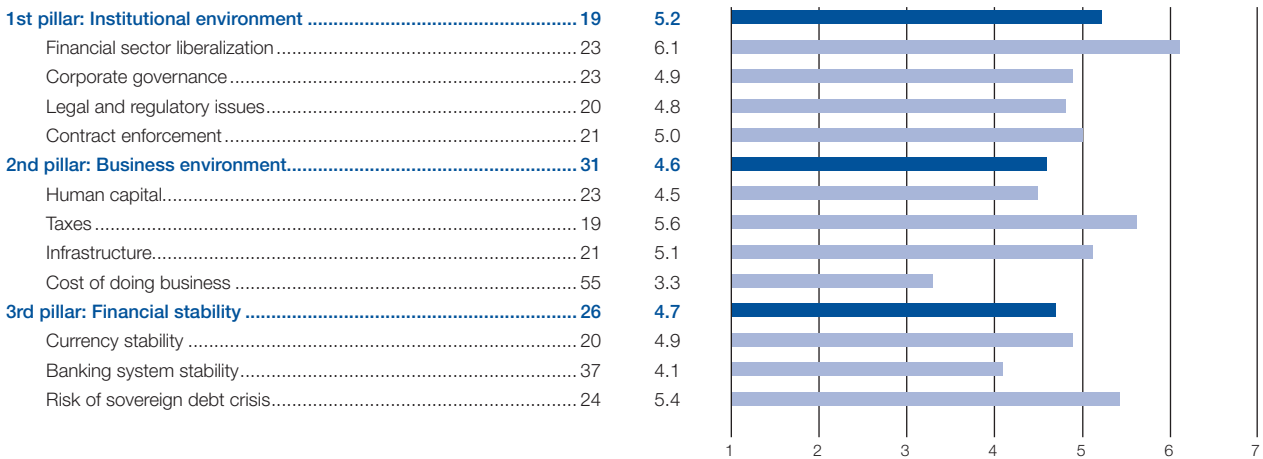
Financial assets by major type, 2010



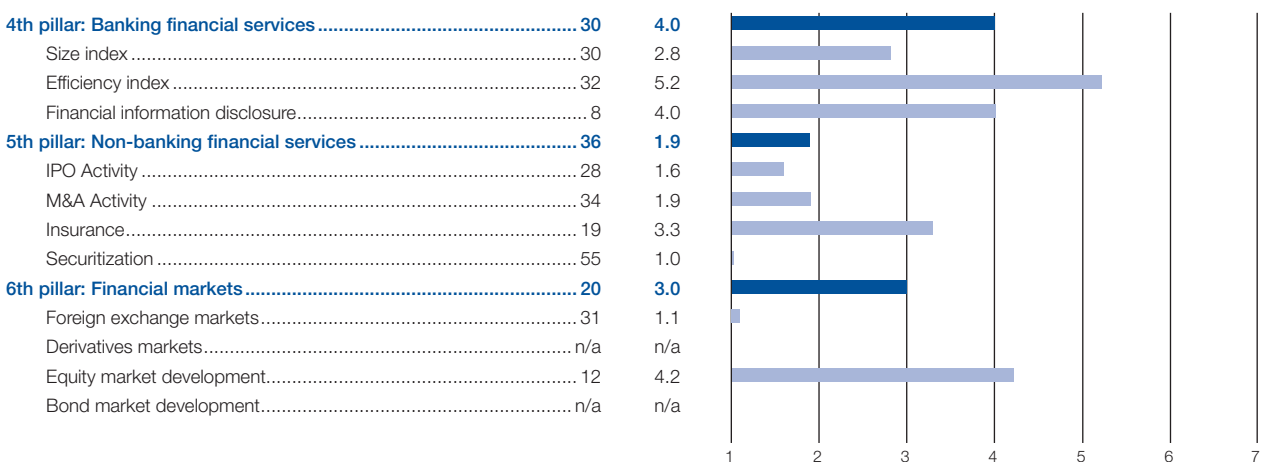
Financial Development Index 2012



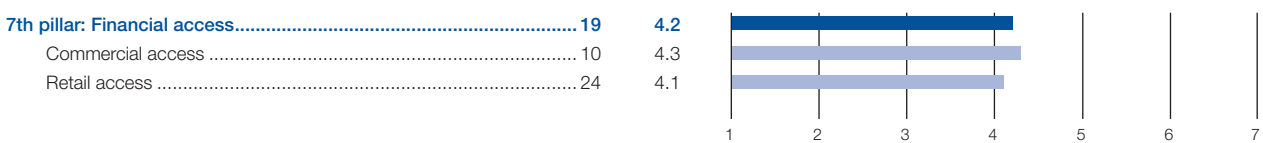
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Israel

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	■	7.0	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	31	■	4.2	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24).....7.0
Corporate governance					
1.04	Extent of incentive-based compensation	21	■	4.5	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	30	■	4.6	South Africa.....5.8
1.06	Reliance on professional management.....	20	■	5.2	Finland.....6.3
1.07	Willingness to delegate	16	■	4.7	Denmark.....6.2
1.08	Strength of auditing and reporting standards	16	■	5.5	South Africa.....6.6
1.09	Ethical behavior of firms.....	23	■	5.0	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	24	■	4.7	Finland.....6.1
Legal and regulatory issues					
1.11	Burden of government regulation.....	35	■	3.1	Singapore.....5.6
1.12	Regulation of securities exchanges.....	23	■	4.9	South Africa.....6.5
1.13	Property rights	21	■	5.3	Finland.....6.5
1.14	Intellectual property protection.....	24	■	4.8	Finland.....6.3
1.15	Diversion of public funds.....	20	■	4.9	Denmark.....6.3
1.16	Public trust in politicians	30	■	3.0	Singapore.....6.3
1.17	Corruption perceptions index.....	23	■	5.8	Finland.....9.4
1.18	Strength of legal rights index.....	7	■	9.0	Multiple (6).....10.0
1.19	Central bank transparency.....	24	■	9.5	Sweden.....15.0
Contract enforcement					
1.20	Effectiveness of law-making bodies	29	■	3.9	Singapore.....6.4
1.21	Judicial independence	13	■	5.9	Finland.....6.5
1.22	Irregular payments in judicial decisions	17	■	5.9	Denmark.....6.8
1.23	Time to enforce a contract.....	56	■	890.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	30	■	35.0	Multiple (2).....21.0
1.25	Strength of investor protection index	4	■	8.3	Singapore.....9.3
1.26	Cost of enforcing contracts	33	■	25.3	Norway.....9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools.....	28	■	4.7	United Kingdom.....6.1
2.02	Quality of math and science education	43	■	3.7	Singapore.....6.3
2.03	Extent of staff training.....	21	■	4.6	Switzerland.....5.6
2.04	Local availability of specialized research and training services	22	■	4.9	Switzerland.....6.4
2.05	Brain drain.....	27	■	4.1	Switzerland.....6.3
2.06	Tertiary enrollment	19	■	62.5	Korea, Rep.....103.1
Taxes					
2.07	Irregular payments in tax collection	27	■	5.4	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	15	■	4.6	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	10	■	1.2	Kuwait.....-4.8
2.10	Time to pay taxes.....	36	■	235.0	United Arab Emirates.....12.0
Infrastructure					
2.11	Quality of overall infrastructure	31	■	5.0	Switzerland.....6.6
2.12	Quality of electricity supply.....	34	■	5.5	Netherlands.....6.8
2.13	Internet users	24	■	70.0	Norway.....94.0
2.14	Broadband Internet subscriptions.....	19	■	23.8	Switzerland.....39.2
2.15	Telephone subscriptions	13	■	46.3	Germany.....63.1
2.16	Mobile telephone subscriptions	25	■	121.7	Hong Kong SAR.....209.6

(continued)

Israel

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	23	Denmark	0.0
2.18	Cost of registering property	39	Multiple (2)	0.0
2.19	Cost of closing a business	57	Multiple (4)	1.0
2.20	Time to start a business	55	Australia	2.0
2.21	Time to register property	60	Portugal	1.0
2.22	Time to close a business	48	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	9	Brazil	8.3
3.02	External vulnerability indicator	24	Saudi Arabia	9.3
3.03	Current account balance to GDP	23	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	26	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	10	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	35	Ireland	6.9
3.10	Tier 1 capital ratio	58	Ghana	22.7
3.11	Output loss during banking crises	34	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	20	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	23	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	8	Peru	6.4
3.15	Manageability of public debt	49	Kuwait	6.2
3.16	Credit default swap spreads	27	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	25	Ireland	245.1
4.02	Central bank assets to GDP	29	Brazil	18.3
4.03	Financial system deposits to GDP	18	Hong Kong SAR	305.8
4.04	M2 to GDP	43	Hong Kong SAR	320.5
4.05	Private credit to GDP	29	Denmark	229.8
4.06	Bank deposits to GDP	18	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	21	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	39	Czech Republic	6.0
4.09	Bank overhead costs	40	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	53	Sweden	0.8
4.12	Non-performing bank loans to total loans	21	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	30	China	37.8
5.02	IPO proceeds amount	22	Hong Kong SAR	5.1
5.03	Share of world IPOs	18	China	30.2

(continued)

Israel

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

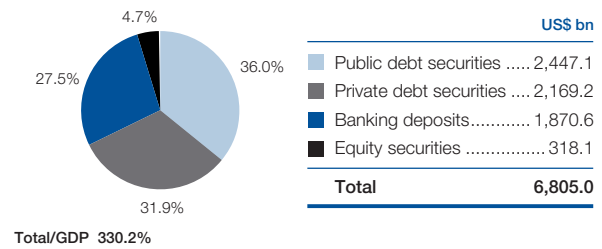
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	36	0.3	United States.....	34.4
5.05 M&A transaction value to GDP	27	3.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	37	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	23	2.8	Ireland	19.8
5.08 Non-life insurance penetration	21	2.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	24	4.6	Argentina.....	21.9
5.10 Life insurance density	42	0.2	India	43.5
5.11 Non-life insurance density.....	46	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	6	3.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	54	0.1	United States.....	5.1
5.14 Share of total number of securitization deals.....	51	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	27	0.2	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	42	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	27	0.2	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	28	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	22	0.2	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	31	74.5	Turkey.....	237.9
6.10 Stock market capitalization to GDP	14	93.8	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	21	51.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	5	0.8	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	32	6.6	Ireland	202.8
6.16 Public international bonds to GDP	27	4.4	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	23	5.5	United Kingdom.....	6.8
7.02 Venture capital availability	2	4.5	Hong Kong SAR	4.5
7.03 Ease of access to credit	28	3.9	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	28	4.2	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	23	3.4	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	13	4.7	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	17	90.5	Denmark.....	99.7
7.08 Commercial bank branches	23	20.0	Portugal.....	75.9
7.09 Total number of ATMs.....	11	110.5	Korea, Rep.	250.3
7.10 Debit card penetration	57	7.5	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	12	16.7	Finland.....	23.9

Italy

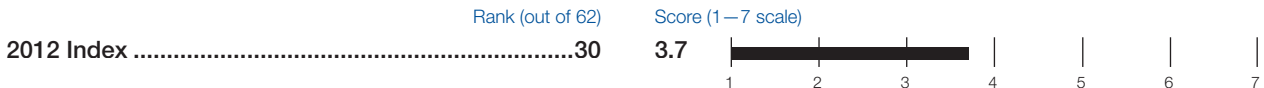
Key indicators

Population (millions), 2011	60.6
GDP (US\$ billions), 2011	2,198.7
GDP (current prices) per capita, 2011	36,266.9
GDP (PPP) as share (%) of world total, 2011	2.34
Compound annual growth rate of real GDP (%), 2007–2011	-0.91

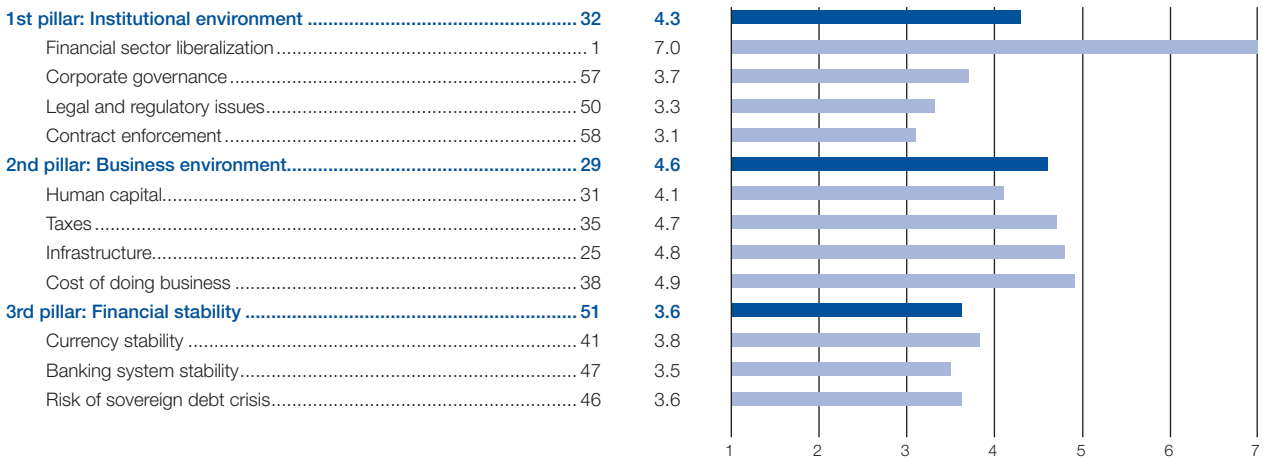
Financial assets by major type, 2010



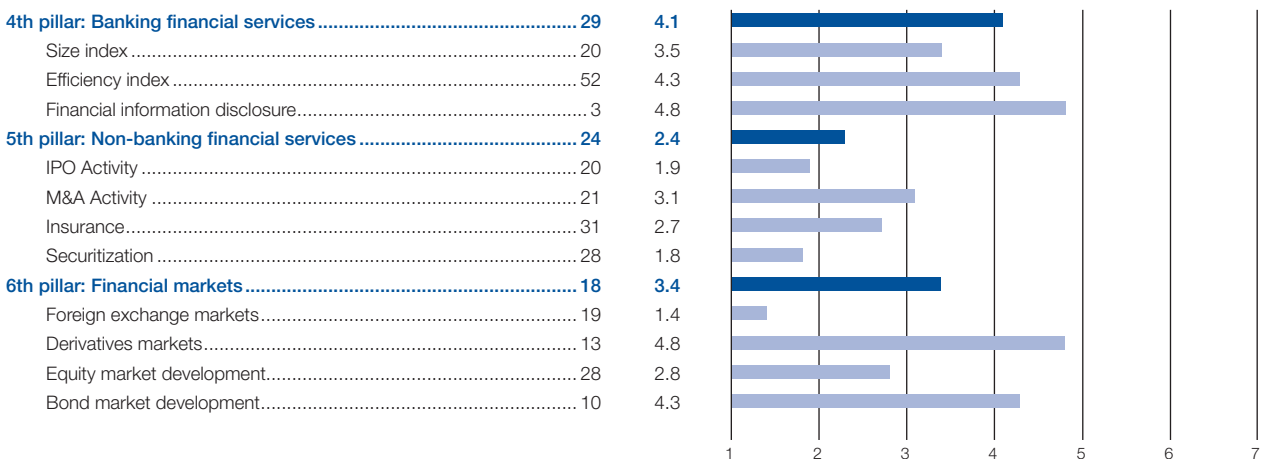
Financial Development Index 2012



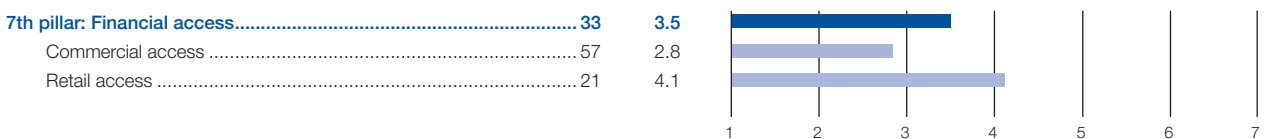
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	52	United Kingdom	5.3
1.05	Efficacy of corporate boards	61	South Africa	5.8
1.06	Reliance on professional management	57	Finland	6.3
1.07	Willingness to delegate	54	Denmark	6.2
1.08	Strength of auditing and reporting standards	53	South Africa	6.6
1.09	Ethical behavior of firms	45	Finland	6.5
1.10	Protection of minority shareholders' interests	56	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	60	Singapore	5.6
1.12	Regulation of securities exchanges	43	South Africa	6.5
1.13	Property rights	38	Finland	6.5
1.14	Intellectual property protection	37	Finland	6.3
1.15	Diversion of public funds	43	Denmark	6.3
1.16	Public trust in politicians	56	Singapore	6.3
1.17	Corruption perceptions index	36	Finland	9.4
1.18	Strength of legal rights index	55	Multiple (6)	10.0
1.19	Central bank transparency	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	52	Singapore	6.4
1.21	Judicial independence	37	Finland	6.5
1.22	Irregular payments in judicial decisions	36	Denmark	6.8
1.23	Time to enforce a contract	59	Singapore	150.0
1.24	Number of procedures to enforce a contract	52	Multiple (2)	21.0
1.25	Strength of investor protection index	31	Singapore	9.3
1.26	Cost of enforcing contracts	45	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	25	United Kingdom	6.1
2.02	Quality of math and science education	37	Singapore	6.3
2.03	Extent of staff training	60	Switzerland	5.6
2.04	Local availability of specialized research and training services	26	Switzerland	6.4
2.05	Brain drain	55	Switzerland	6.3
2.06	Tertiary enrollment	17	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	44	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	47	United Arab Emirates	5.9
2.09	Marginal tax variation	25	Kuwait	-4.8
2.10	Time to pay taxes	43	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	45	Switzerland	6.6
2.12	Quality of electricity supply	28	Netherlands	6.8
2.13	Internet users	30	Norway	94.0
2.14	Broadband Internet subscriptions	21	Switzerland	39.2
2.15	Telephone subscriptions	23	Germany	63.1
2.16	Mobile telephone subscriptions	8	Hong Kong SAR	209.6

(continued)

Italy

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	54	Denmark	0.0
2.18	Cost of registering property	34	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	9	Australia	2.0
2.21	Time to register property	30	Portugal	1.0
2.22	Time to close a business	23	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	35	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	44	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	17	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	34	Ireland	6.9
3.10	Tier 1 capital ratio	48	Ghana	22.7
3.11	Output loss during banking crises	42	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	36	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	30	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	33	Peru	6.4
3.15	Manageability of public debt	60	Kuwait	6.2
3.16	Credit default swap spreads	44	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	10	Ireland	245.1
4.02	Central bank assets to GDP	13	Brazil	18.3
4.03	Financial system deposits to GDP	21	Hong Kong SAR	305.8
4.04	M2 to GDP	20	Hong Kong SAR	320.5
4.05	Private credit to GDP	17	Denmark	229.8
4.06	Bank deposits to GDP	21	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	32	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	43	Czech Republic	6.0
4.09	Bank overhead costs	28	Finland	0.6
4.10	Public ownership of banks	36	Multiple (22)	0.0
4.11	Bank operating costs to assets	55	Sweden	0.8
4.12	Non-performing bank loans to total loans	48	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	14	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	17	China	37.8
5.02	IPO proceeds amount	30	Hong Kong SAR	5.1
5.03	Share of world IPOs	24	China	30.2

(continued)

Italy

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

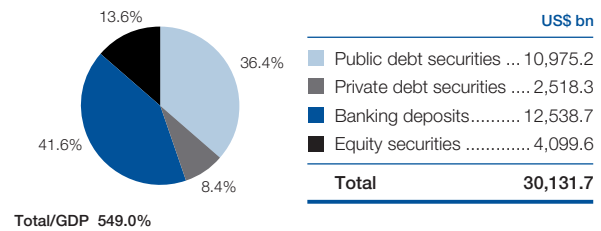
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	12	2.1	United States.....	34.4
5.05 M&A transaction value to GDP	36	2.5	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	14	1.9	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	13	4.8	Ireland	19.8
5.08 Non-life insurance penetration	19	2.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	58	-14.7	Argentina.....	21.9
5.10 Life insurance density	10	2.9	India	43.5
5.11 Non-life insurance density.....	12	1.5	China.....	16.1
5.12 Relative value added of insurance to GDP	54	0.4	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	29	0.5	United States.....	5.1
5.14 Share of total number of securitization deals.....	22	0.5	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	16	0.5	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	25	0.2	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	17	0.8	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	6	1.1	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	12	1.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	8	0.8	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	34	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	18	0.2	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	3	191.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	54	15.2	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	31	23.9	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	37	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	13	50.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	2	88.6	Japan	208.5
6.15 Private international bonds to GDP.....	13	50.3	Ireland	202.8
6.16 Public international bonds to GDP	14	11.4	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	24	0.6	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	43	4.5	United Kingdom.....	6.8
7.02 Venture capital availability	59	2.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	53	2.9	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	48	3.4	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	59	2.0	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	49	1.3	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	27	71.0	Denmark.....	99.7
7.08 Commercial bank branches	2	66.9	Portugal.....	75.9
7.09 Total number of ATMs.....	13	98.6	Korea, Rep.	250.3
7.10 Debit card penetration	32	35.2	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	52	4.6	Finland.....	23.9

Japan

Key indicators

Population (millions), 2011	127.8
GDP (US\$ billions), 2011	5,869.5
GDP (current prices) per capita, 2011	45,920.3
GDP (PPP) as share (%) of world total, 2011	5.63
Compound annual growth rate of real GDP (%), 2007–2011	-0.63

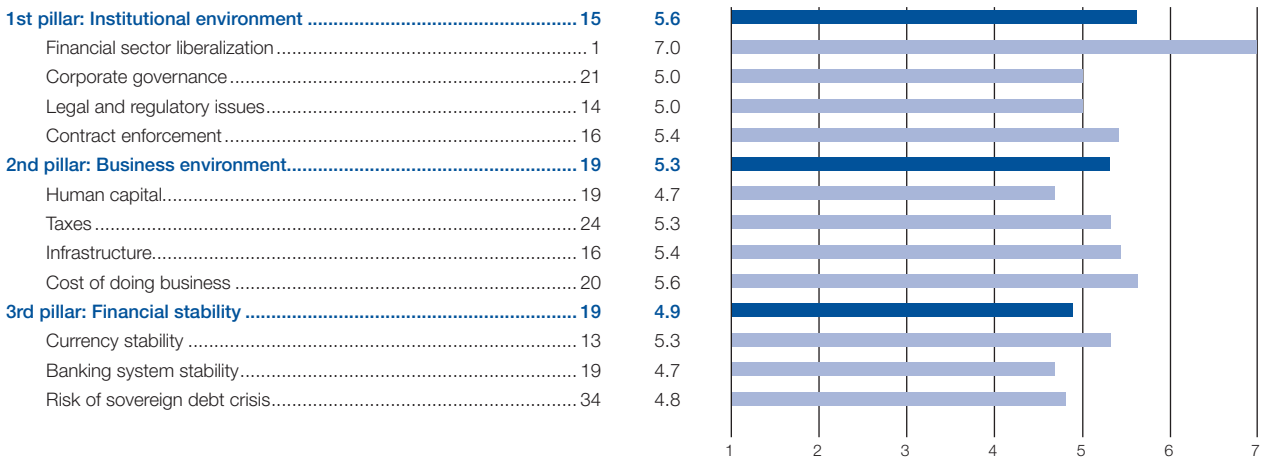
Financial assets by major type, 2010



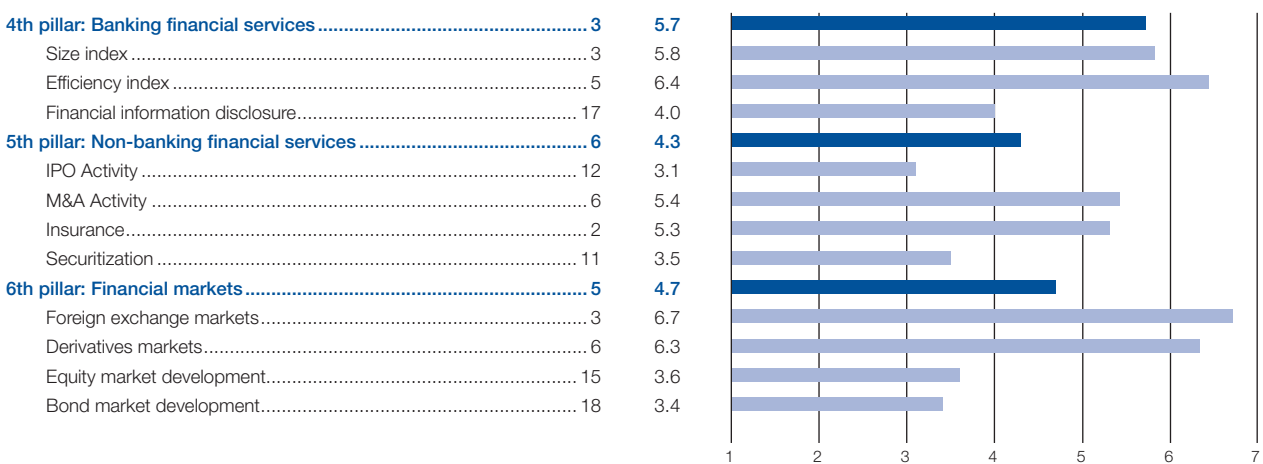
Financial Development Index 2012



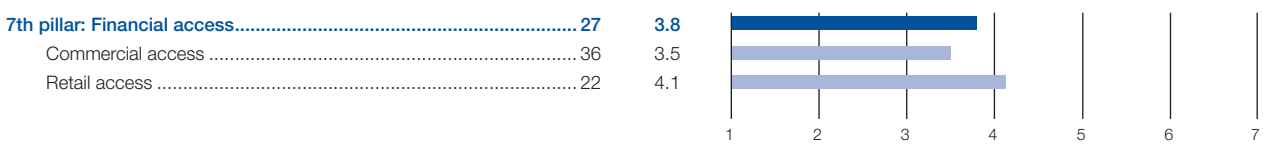
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Japan

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	36	United Kingdom	5.3
1.05	Efficacy of corporate boards	20	South Africa	5.8
1.06	Reliance on professional management	14	Finland	6.3
1.07	Willingness to delegate	21	Denmark	6.2
1.08	Strength of auditing and reporting standards	25	South Africa	6.6
1.09	Ethical behavior of firms	12	Finland	6.5
1.10	Protection of minority shareholders' interests	19	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	34	Singapore	5.6
1.12	Regulation of securities exchanges	28	South Africa	6.5
1.13	Property rights	12	Finland	6.5
1.14	Intellectual property protection	14	Finland	6.3
1.15	Diversion of public funds	15	Denmark	6.3
1.16	Public trust in politicians	29	Singapore	6.3
1.17	Corruption perceptions index	12	Finland	9.4
1.18	Strength of legal rights index	24	Multiple (6)	10.0
1.19	Central bank transparency	22	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	28	Singapore	6.4
1.21	Judicial independence	14	Finland	6.5
1.22	Irregular payments in judicial decisions	9	Denmark	6.8
1.23	Time to enforce a contract	10	Singapore	150.0
1.24	Number of procedures to enforce a contract	13	Multiple (2)	21.0
1.25	Strength of investor protection index	13	Singapore	9.3
1.26	Cost of enforcing contracts	51	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	45	United Kingdom	6.1
2.02	Quality of math and science education	13	Singapore	6.3
2.03	Extent of staff training	4	Switzerland	5.6
2.04	Local availability of specialized research and training services	11	Switzerland	6.4
2.05	Brain drain	29	Switzerland	6.3
2.06	Tertiary enrollment	26	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	13	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	35	United Arab Emirates	5.9
2.09	Marginal tax variation	17	Kuwait	-4.8
2.10	Time to pay taxes	49	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	14	Switzerland	6.6
2.12	Quality of electricity supply	27	Netherlands	6.8
2.13	Internet users	13	Norway	94.0
2.14	Broadband Internet subscriptions	15	Switzerland	39.2
2.15	Telephone subscriptions	7	Germany	63.1
2.16	Mobile telephone subscriptions	46	Hong Kong SAR	209.6

(continued)

Japan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	36	Denmark	0.0
2.18	Cost of registering property	47	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	42	Australia	2.0
2.21	Time to register property	15	Portugal	1.0
2.22	Time to close a business	2	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	6	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	21	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	6	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	27	Ireland	6.9
3.10	Tier 1 capital ratio	2	Ghana	22.7
3.11	Output loss during banking crises	43	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	23	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	21	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	20	Peru	6.4
3.15	Manageability of public debt	62	Kuwait	6.2
3.16	Credit default swap spreads	14	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	9	Ireland	245.1
4.02	Central bank assets to GDP	2	Brazil	18.3
4.03	Financial system deposits to GDP	2	Hong Kong SAR	305.8
4.04	M2 to GDP	3	Hong Kong SAR	320.5
4.05	Private credit to GDP	8	Denmark	229.8
4.06	Bank deposits to GDP	2	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	29	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	37	Czech Republic	6.0
4.09	Bank overhead costs	2	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	3	Sweden	0.8
4.12	Non-performing bank loans to total loans	18	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	13	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	5	China	37.8
5.02	IPO proceeds amount	31	Hong Kong SAR	5.1
5.03	Share of world IPOs	9	China	30.2

(continued)

Japan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

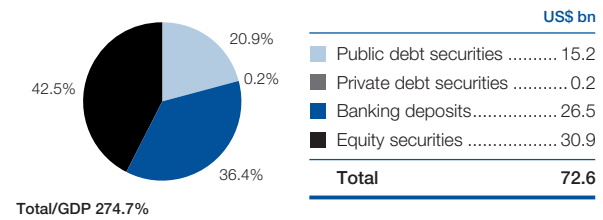
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	4	4.5	United States.....	34.4
5.05 M&A transaction value to GDP	39	2.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	3	7.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	4	8.9	Ireland	19.8
5.08 Non-life insurance penetration	24	2.2	Netherlands	9.5
5.09 Real growth of direct insurance premiums	20	5.8	Argentina.....	21.9
5.10 Life insurance density	3	11.4	India	43.5
5.11 Non-life insurance density.....	7	2.8	China.....	16.1
5.12 Relative value added of insurance to GDP	19	1.6	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	23	0.6	United States.....	5.1
5.14 Share of total number of securitization deals.....	5	2.9	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	3	5.6	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	5	5.7	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	4	7.2	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	16	0.2	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	4	5.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	4	2.5	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	6	3.9	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	4	3.6	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	16	110.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	24	70.5	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	14	80.1	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	18	0.3	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	15	36.4	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	1	208.5	Japan	208.5
6.15 Private international bonds to GDP.....	30	7.1	Ireland	202.8
6.16 Public international bonds to GDP	53	0.1	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	13	1.1	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	29	5.1	United Kingdom.....	6.8
7.02 Venture capital availability	30	3.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	20	4.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	14	4.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	35	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	60	0.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	11	96.4	Denmark.....	99.7
7.08 Commercial bank branches	11	34.0	Portugal.....	75.9
7.09 Total number of ATMs.....	7	133.0	Korea, Rep.	250.3
7.10 Debit card penetration	51	13.0	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	50	6.1	Finland.....	23.9

Jordan

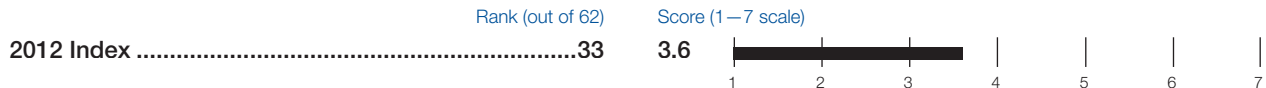
Key indicators

Population (millions), 2011	6.3
GDP (US\$ billions), 2011	29.2
GDP (current prices) per capita, 2011	4,674.7
GDP (PPP) as share (%) of world total, 2011	0.05
Compound annual growth rate of real GDP (%), 2007–2011	3.46

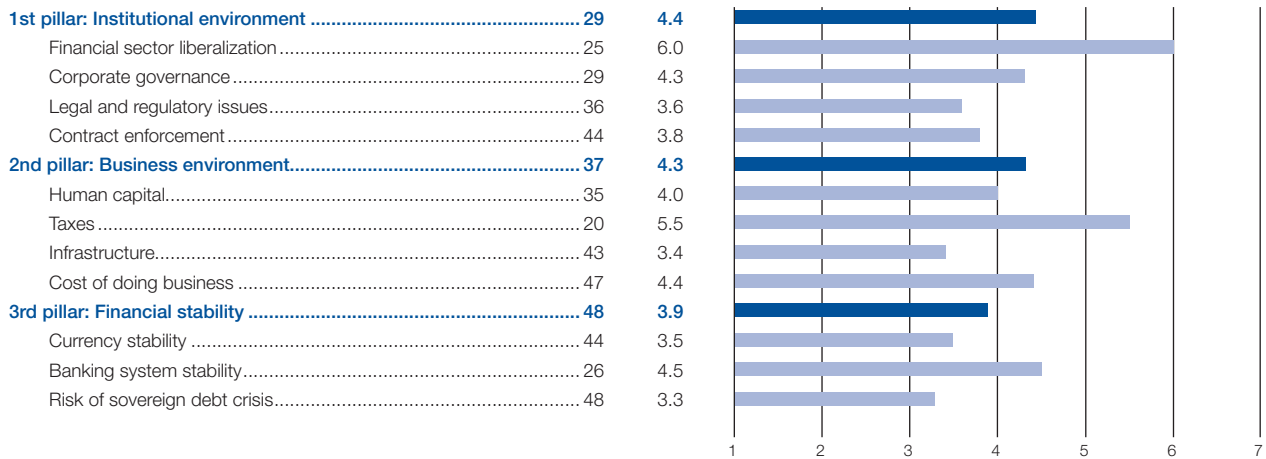
Financial assets by major type, 2010



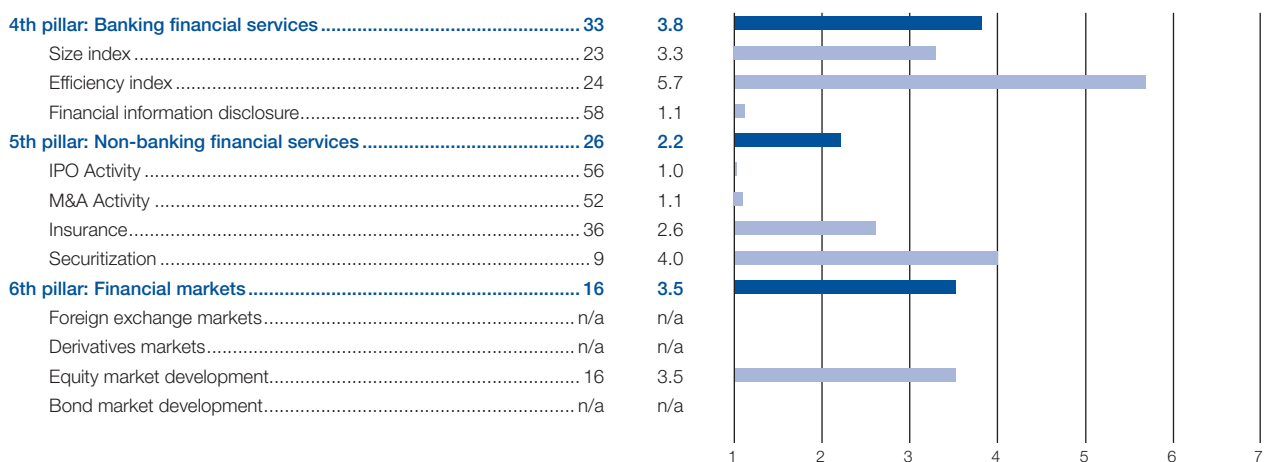
Financial Development Index 2012



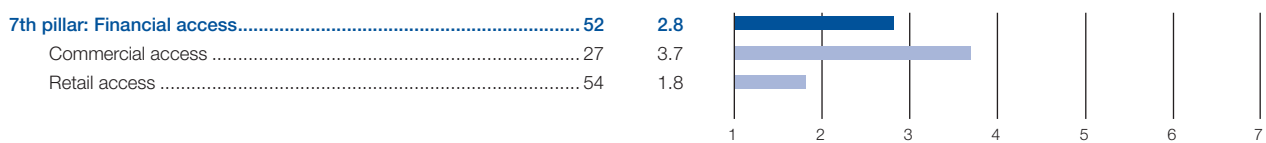
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Jordan

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	28	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	n/a	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	47	United Kingdom	5.3
1.05	Efficacy of corporate boards	46	South Africa	5.8
1.06	Reliance on professional management	49	Finland	6.3
1.07	Willingness to delegate	29	Denmark	6.2
1.08	Strength of auditing and reporting standards	31	South Africa	6.6
1.09	Ethical behavior of firms	27	Finland	6.5
1.10	Protection of minority shareholders' interests	20	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	17	Singapore	5.6
1.12	Regulation of securities exchanges	35	South Africa	6.5
1.13	Property rights	22	Finland	6.5
1.14	Intellectual property protection	26	Finland	6.3
1.15	Diversion of public funds	27	Denmark	6.3
1.16	Public trust in politicians	24	Singapore	6.3
1.17	Corruption perceptions index	29	Finland	9.4
1.18	Strength of legal rights index	46	Multiple (6)	10.0
1.19	Central bank transparency	56	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	42	Singapore	6.4
1.21	Judicial independence	28	Finland	6.5
1.22	Irregular payments in judicial decisions	24	Denmark	6.8
1.23	Time to enforce a contract	51	Singapore	150.0
1.24	Number of procedures to enforce a contract	43	Multiple (2)	21.0
1.25	Strength of investor protection index	54	Singapore	9.3
1.26	Cost of enforcing contracts	47	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	35	United Kingdom	6.1
2.02	Quality of math and science education	14	Singapore	6.3
2.03	Extent of staff training	46	Switzerland	5.6
2.04	Local availability of specialized research and training services	35	Switzerland	6.4
2.05	Brain drain	36	Switzerland	6.3
2.06	Tertiary enrollment	42	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	35	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	29	United Arab Emirates	5.9
2.09	Marginal tax variation	9	Kuwait	-4.8
2.10	Time to pay taxes	12	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	29	Switzerland	6.6
2.12	Quality of electricity supply	29	Netherlands	6.8
2.13	Internet users	50	Norway	94.0
2.14	Broadband Internet subscriptions	48	Switzerland	39.2
2.15	Telephone subscriptions	54	Germany	63.1
2.16	Mobile telephone subscriptions	29	Hong Kong SAR	209.6

(continued)

Jordan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	47	Denmark	0.0
2.18	Cost of registering property	57	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	24	Australia	2.0
2.21	Time to register property	24	Portugal	1.0
2.22	Time to close a business	55	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	22	Saudi Arabia	9.3
3.03	Current account balance to GDP	56	Kuwait	32.0
3.04	Dollarization vulnerability indicator	39	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	29	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	5	Ireland	6.9
3.10	Tier 1 capital ratio	11	Ghana	22.7
3.11	Output loss during banking crises	57	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	48	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	48	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	34	Peru	6.4
3.15	Manageability of public debt	43	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	27	Ireland	245.1
4.02	Central bank assets to GDP	11	Brazil	18.3
4.03	Financial system deposits to GDP	17	Hong Kong SAR	305.8
4.04	M2 to GDP	15	Hong Kong SAR	320.5
4.05	Private credit to GDP	35	Denmark	229.8
4.06	Bank deposits to GDP	17	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	27	Czech Republic	6.0
4.09	Bank overhead costs	26	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	25	Sweden	0.8
4.12	Non-performing bank loans to total loans	46	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	22	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	57	China	37.8
5.02	IPO proceeds amount	55	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Jordan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

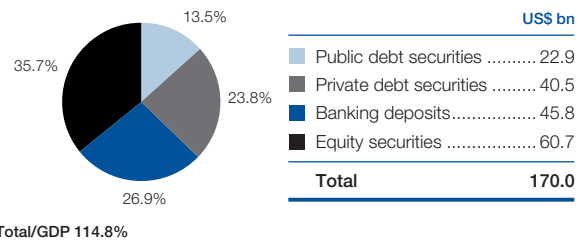
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	60	United States	34.4
5.05	M&A transaction value to GDP	52	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	49	United States	23.3
Insurance				
5.07	Life insurance penetration	53	Ireland	19.8
5.08	Non-life insurance penetration	29	Netherlands	9.5
5.09	Real growth of direct insurance premiums	27	Argentina	21.9
5.10	Life insurance density	58	India	43.5
5.11	Non-life insurance density	51	China	16.1
5.12	Relative value added of insurance to GDP	10	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	2	United States	5.1
5.14	Share of total number of securitization deals	54	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	n/a	United Kingdom	41.3
6.03	Foreign exchange swap turnover	n/a	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	n/a	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	40	Turkey	237.9
6.10	Stock market capitalization to GDP	10	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	25	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	9	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	n/a	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	n/a	Japan	208.5
6.15	Private international bonds to GDP	52	Ireland	202.8
6.16	Public international bonds to GDP	30	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	42	United Kingdom	6.8
7.02	Venture capital availability	32	Hong Kong SAR	4.5
7.03	Ease of access to credit	35	Hong Kong SAR	5.0
7.04	Financing through local equity market	35	Hong Kong SAR	5.7
7.05	Ease of access to loans	27	Bahrain	4.8
7.06	Foreign direct investment to GDP	10	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	53	Denmark	99.7
7.08	Commercial bank branches	25	Portugal	75.9
7.09	Total number of ATMs	n/a	Korea, Rep.	250.3
7.10	Debit card penetration	47	Netherlands	97.6
7.11	Loan accounts at MFIs	14	Peru	121.2
7.12	Loan from a financial institution	54	Finland	23.9

Kazakhstan

Key indicators

Population (millions), 2011	16.7
GDP (US\$ billions), 2011	178.3
GDP (current prices) per capita, 2011	10,694.0
GDP (PPP) as share (%) of world total, 2011	0.28
Compound annual growth rate of real GDP (%), 2007–2011	3.78

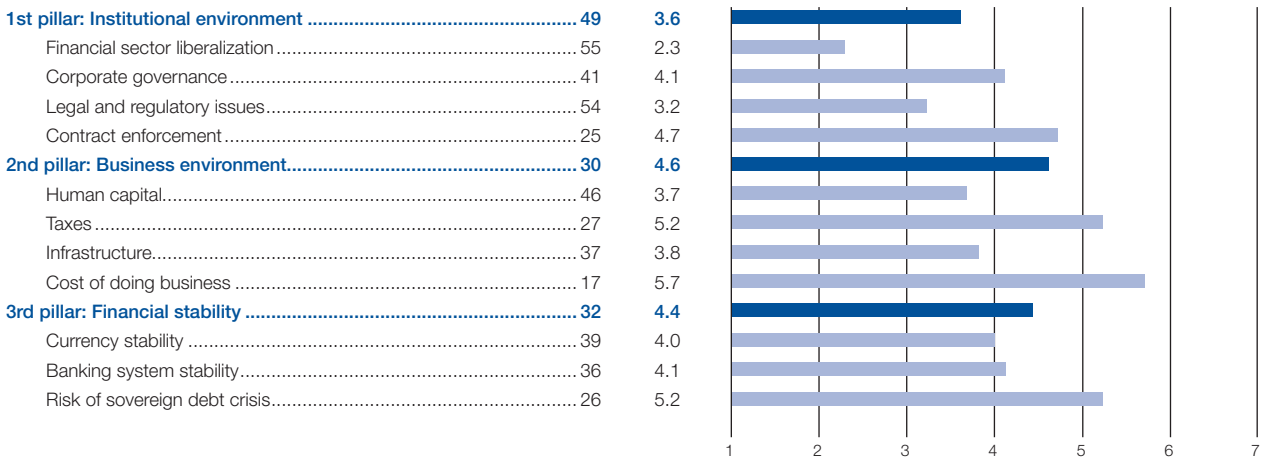
Financial assets by major type, 2010



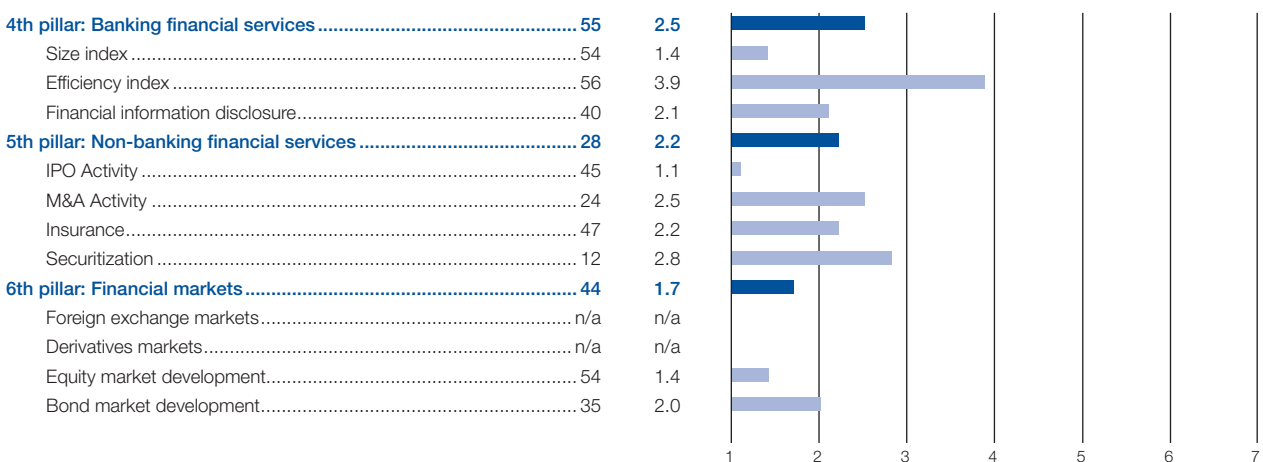
Financial Development Index 2012



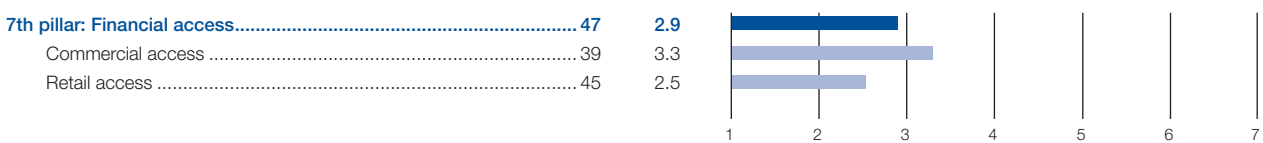
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Kazakhstan

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	57	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	n/a	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	51	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	32	United Kingdom	5.3
1.05	Efficacy of corporate boards	23	South Africa	5.8
1.06	Reliance on professional management	48	Finland	6.3
1.07	Willingness to delegate	46	Denmark	6.2
1.08	Strength of auditing and reporting standards	42	South Africa	6.6
1.09	Ethical behavior of firms	37	Finland	6.5
1.10	Protection of minority shareholders' interests	49	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	18	Singapore	5.6
1.12	Regulation of securities exchanges	54	South Africa	6.5
1.13	Property rights	44	Finland	6.5
1.14	Intellectual property protection	48	Finland	6.3
1.15	Diversion of public funds	37	Denmark	6.3
1.16	Public trust in politicians	19	Singapore	6.3
1.17	Corruption perceptions index	54	Finland	9.4
1.18	Strength of legal rights index	46	Multiple (6)	10.0
1.19	Central bank transparency	45	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	22	Singapore	6.4
1.21	Judicial independence	50	Finland	6.5
1.22	Irregular payments in judicial decisions	46	Denmark	6.8
1.23	Time to enforce a contract	12	Singapore	150.0
1.24	Number of procedures to enforce a contract	33	Multiple (2)	21.0
1.25	Strength of investor protection index	9	Singapore	9.3
1.26	Cost of enforcing contracts	24	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	54	United Kingdom	6.1
2.02	Quality of math and science education	40	Singapore	6.3
2.03	Extent of staff training	40	Switzerland	5.6
2.04	Local availability of specialized research and training services	46	Switzerland	6.4
2.05	Brain drain	44	Switzerland	6.3
2.06	Tertiary enrollment	39	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	39	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	22	United Arab Emirates	5.9
2.09	Marginal tax variation	22	Kuwait	-4.8
2.10	Time to pay taxes	25	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	42	Switzerland	6.6
2.12	Quality of electricity supply	46	Netherlands	6.8
2.13	Internet users	38	Norway	94.0
2.14	Broadband Internet subscriptions	40	Switzerland	39.2
2.15	Telephone subscriptions	27	Germany	63.1
2.16	Mobile telephone subscriptions	12	Hong Kong SAR	209.6

(continued)

Kazakhstan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	10	Denmark	0.0
2.18	Cost of registering property	3	Multiple (2)	0.0
2.19	Cost of closing a business	34	Multiple (4)	1.0
2.20	Time to start a business	37	Australia	2.0
2.21	Time to register property	42	Portugal	1.0
2.22	Time to close a business	16	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	14	Brazil	8.3
3.02	External vulnerability indicator	26	Saudi Arabia	9.3
3.03	Current account balance to GDP	24	Kuwait	32.0
3.04	Dollarization vulnerability indicator	38	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	30	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	51	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	15	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	32	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	28	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	19	Peru	6.4
3.15	Manageability of public debt	4	Kuwait	6.2
3.16	Credit default swap spreads	36	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	48	Ireland	245.1
4.02	Central bank assets to GDP	49	Brazil	18.3
4.03	Financial system deposits to GDP	44	Hong Kong SAR	305.8
4.04	M2 to GDP	60	Hong Kong SAR	320.5
4.05	Private credit to GDP	47	Denmark	229.8
4.06	Bank deposits to GDP	45	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	28	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	61	Czech Republic	6.0
4.09	Bank overhead costs	43	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	34	Sweden	0.8
4.12	Non-performing bank loans to total loans	58	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	32	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	46	China	37.8
5.02	IPO proceeds amount	46	Hong Kong SAR	5.1
5.03	Share of world IPOs	44	China	30.2

(continued)

Kazakhstan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

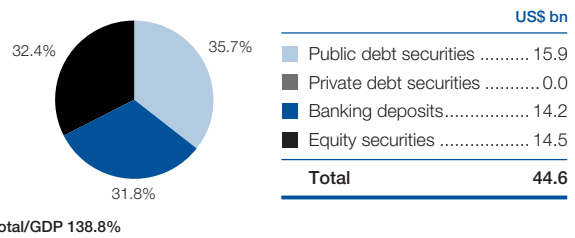
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	34	0.3	United States.....	34.4
5.05 M&A transaction value to GDP	12	5.4	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	47	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	56	0.1	Ireland	19.8
5.08 Non-life insurance penetration	53	0.6	Netherlands	9.5
5.09 Real growth of direct insurance premiums	3	15.7	Argentina.....	21.9
5.10 Life insurance density	55	0.0	India	43.5
5.11 Non-life insurance density.....	56	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	n/a	n/a	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	8	1.5	United States.....	5.1
5.14 Share of total number of securitization deals.....	33	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	56	6.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	36	40.3	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	53	2.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	44	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	23	22.3	Ireland	202.8
6.16 Public international bonds to GDP	54	0.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	19	0.7	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	52	3.9	United Kingdom.....	6.8
7.02 Venture capital availability	53	2.2	Hong Kong SAR	4.5
7.03 Ease of access to credit	55	2.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	56	2.8	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	53	2.3	Bahrain	4.8
7.06 Foreign direct investment to GDP	6	7.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	42	42.1	Denmark.....	99.7
7.08 Commercial bank branches	49	3.3	Portugal.....	75.9
7.09 Total number of ATMs.....	24	62.7	Korea, Rep.	250.3
7.10 Debit card penetration	36	31.3	Netherlands	97.6
7.11 Loan accounts at MFIs	16	4.6	Peru	121.2
7.12 Loan from a financial institution.....	16	13.1	Finland.....	23.9

Kenya

Key indicators

Population (millions), 2011	40.9
GDP (US\$ billions), 2011	34.8
GDP (current prices) per capita, 2011	850.6
GDP (PPP) as share (%) of world total, 2011	0.09
Compound annual growth rate of real GDP (%), 2007–2011	2.92

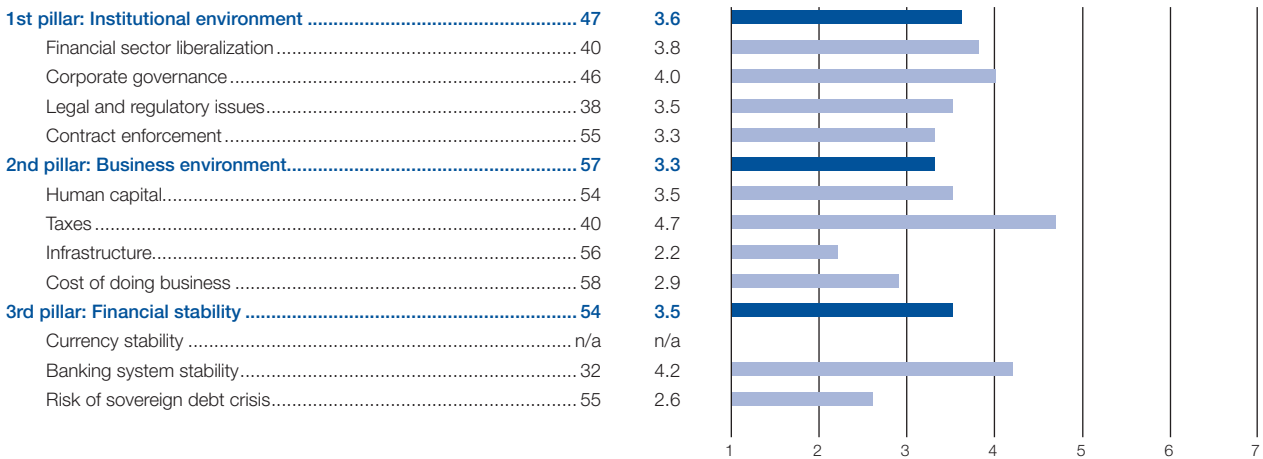
Financial assets by major type, 2010



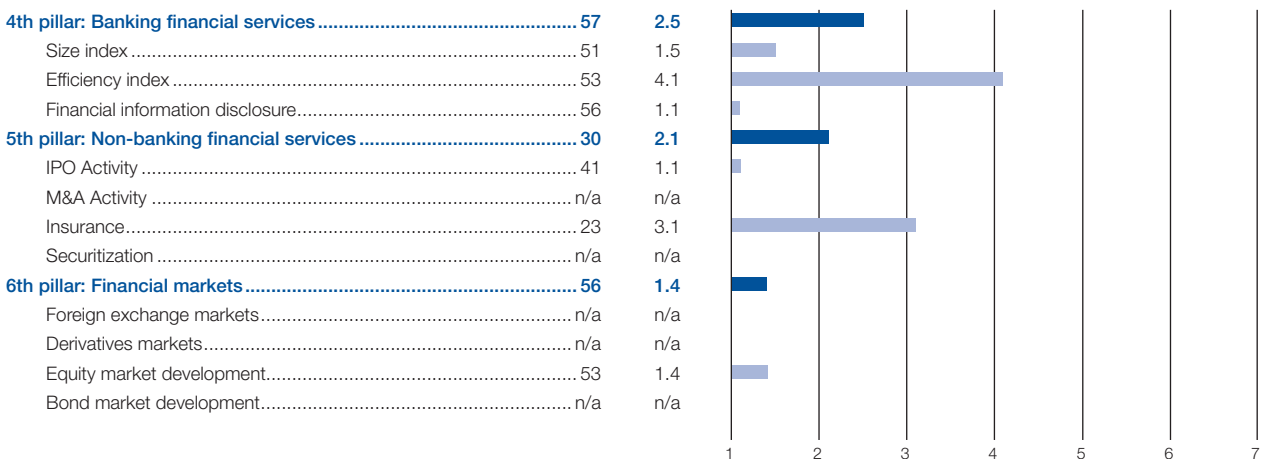
Financial Development Index 2012



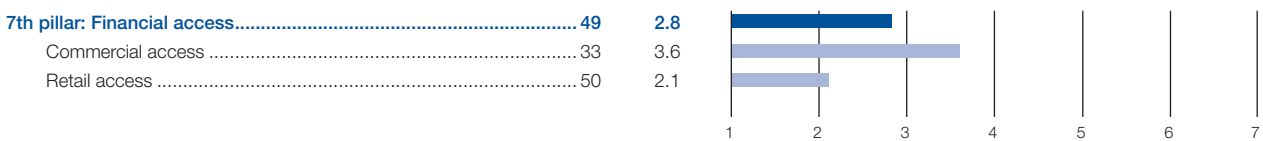
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Kenya

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	31	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	48	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	n/a	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	46	United Kingdom	5.3
1.05	Efficacy of corporate boards	41	South Africa	5.8
1.06	Reliance on professional management	39	Finland	6.3
1.07	Willingness to delegate	47	Denmark	6.2
1.08	Strength of auditing and reporting standards	45	South Africa	6.6
1.09	Ethical behavior of firms	49	Finland	6.5
1.10	Protection of minority shareholders' interests	48	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	28	Singapore	5.6
1.12	Regulation of securities exchanges	41	South Africa	6.5
1.13	Property rights	55	Finland	6.5
1.14	Intellectual property protection	50	Finland	6.3
1.15	Diversion of public funds	46	Denmark	6.3
1.16	Public trust in politicians	41	Singapore	6.3
1.17	Corruption perceptions index	61	Finland	9.4
1.18	Strength of legal rights index	1	Multiple (6)	10.0
1.19	Central bank transparency	46	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	33	Singapore	6.4
1.21	Judicial independence	47	Finland	6.5
1.22	Irregular payments in judicial decisions	52	Denmark	6.8
1.23	Time to enforce a contract	27	Singapore	150.0
1.24	Number of procedures to enforce a contract	48	Multiple (2)	21.0
1.25	Strength of investor protection index	41	Singapore	9.3
1.26	Cost of enforcing contracts	58	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	36	United Kingdom	6.1
2.02	Quality of math and science education	38	Singapore	6.3
2.03	Extent of staff training	39	Switzerland	5.6
2.04	Local availability of specialized research and training services	43	Switzerland	6.4
2.05	Brain drain	41	Switzerland	6.3
2.06	Tertiary enrollment	60	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	54	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	43	United Arab Emirates	5.9
2.09	Marginal tax variation	3	Kuwait	-4.8
2.10	Time to pay taxes	51	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	44	Switzerland	6.6
2.12	Quality of electricity supply	53	Netherlands	6.8
2.13	Internet users	54	Norway	94.0
2.14	Broadband Internet subscriptions	60	Switzerland	39.2
2.15	Telephone subscriptions	60	Germany	63.1
2.16	Mobile telephone subscriptions	58	Hong Kong SAR	209.6

(continued)

Kenya

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	60	Denmark	0.0
2.18	Cost of registering property	31	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	54	Australia	2.0
2.21	Time to register property	52	Portugal	1.0
2.22	Time to close a business	56	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	58	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	n/a	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	41	Ireland	6.9
3.10	Tier 1 capital ratio	3	Ghana	22.7
3.11	Output loss during banking crises	49	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	53	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	53	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	52	Peru	6.4
3.15	Manageability of public debt	37	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	47	Ireland	245.1
4.02	Central bank assets to GDP	24	Brazil	18.3
4.03	Financial system deposits to GDP	50	Hong Kong SAR	305.8
4.04	M2 to GDP	47	Hong Kong SAR	320.5
4.05	Private credit to GDP	50	Denmark	229.8
4.06	Bank deposits to GDP	51	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	8	Czech Republic	6.0
4.09	Bank overhead costs	59	Finland	0.6
4.10	Public ownership of banks	30	Multiple (22)	0.0
4.11	Bank operating costs to assets	61	Sweden	0.8
4.12	Non-performing bank loans to total loans	36	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	50	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	51	China	37.8
5.02	IPO proceeds amount	35	Hong Kong SAR	5.1
5.03	Share of world IPOs	45	China	30.2

(continued)

Kenya

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

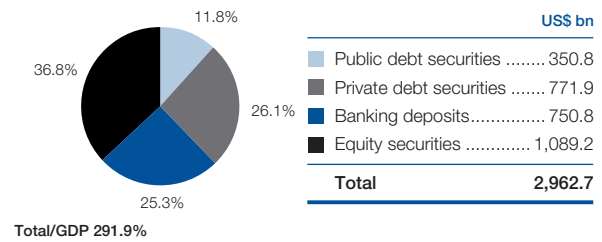
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	n/a	United States	34.4
5.05	M&A transaction value to GDP	n/a	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	n/a	United States	23.3
Insurance				
5.07	Life insurance penetration	36	Ireland	19.8
5.08	Non-life insurance penetration	28	Netherlands	9.5
5.09	Real growth of direct insurance premiums	2	Argentina	21.9
5.10	Life insurance density	32	India	43.5
5.11	Non-life insurance density	21	China	16.1
5.12	Relative value added of insurance to GDP	20	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	n/a	United States	5.1
5.14	Share of total number of securitization deals	n/a	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	n/a	United Kingdom	41.3
6.03	Foreign exchange swap turnover	n/a	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	n/a	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	51	Turkey	237.9
6.10	Stock market capitalization to GDP	41	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	51	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	59	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	n/a	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	n/a	Japan	208.5
6.15	Private international bonds to GDP	56	Ireland	202.8
6.16	Public international bonds to GDP	54	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	47	United Kingdom	6.8
7.02	Venture capital availability	23	Hong Kong SAR	4.5
7.03	Ease of access to credit	14	Hong Kong SAR	5.0
7.04	Financing through local equity market	20	Hong Kong SAR	5.7
7.05	Ease of access to loans	19	Bahrain	4.8
7.06	Foreign direct investment to GDP	52	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	40	Denmark	99.7
7.08	Commercial bank branches	48	Portugal	75.9
7.09	Total number of ATMs	45	Korea, Rep.	250.3
7.10	Debit card penetration	37	Netherlands	97.6
7.11	Loan accounts at MFIs	13	Peru	121.2
7.12	Loan from a financial institution	30	Finland	23.9

Korea, Rep.

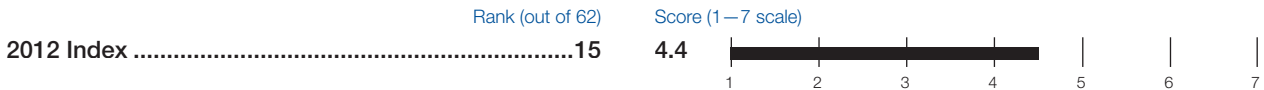
Key indicators

Population (millions), 2011	49.0
GDP (US\$ billions), 2011	1,116.2
GDP (current prices) per capita, 2011	22,777.9
GDP (PPP) as share (%) of world total, 2011	1.97
Compound annual growth rate of real GDP (%), 2007–2011	2.49

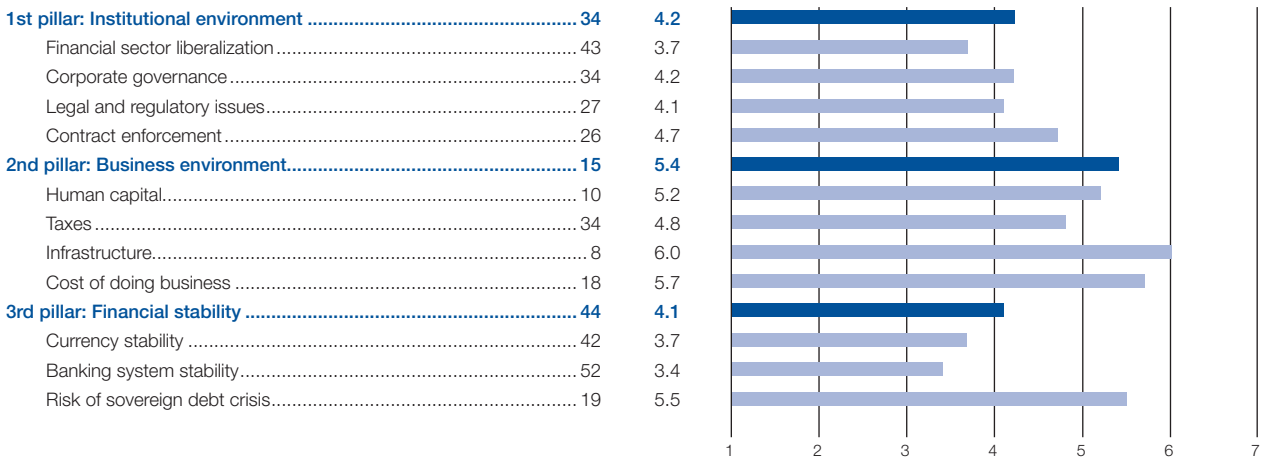
Financial assets by major type, 2010



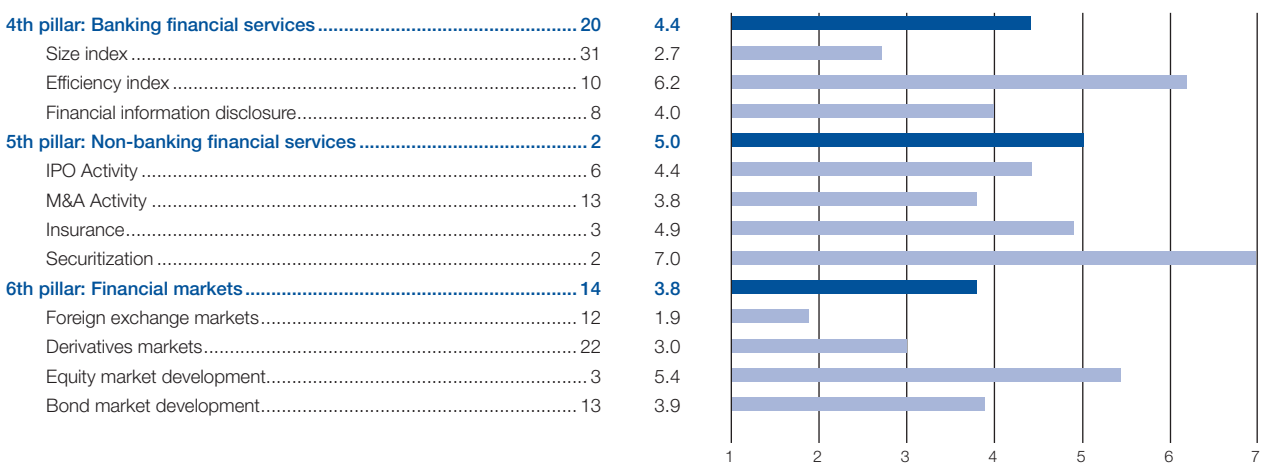
Financial Development Index 2012



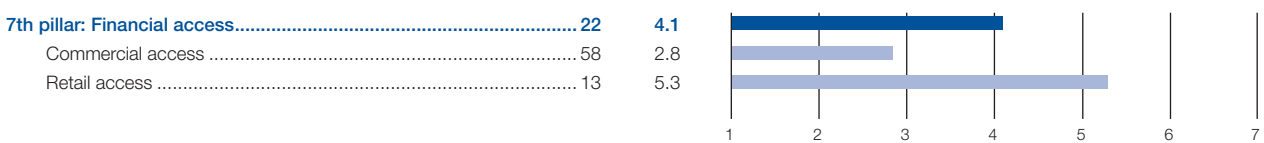
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Korea, Rep.

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01 Capital account liberalization	32.....	5.3	Multiple (25).....	7.0
1.02 Commitments to WTO Agreement on Trade in Services.....	54.....	1.2	Multiple (17).....	7.0
1.03 Domestic financial sector liberalization	38.....	4.7	Multiple (24).....	7.0
Corporate governance				
1.04 Extent of incentive-based compensation	15.....	4.6	United Kingdom.....	5.3
1.05 Efficacy of corporate boards.....	56.....	4.0	South Africa.....	5.8
1.06 Reliance on professional management.....	27.....	4.9	Finland.....	6.3
1.07 Willingness to delegate	28.....	4.0	Denmark.....	6.2
1.08 Strength of auditing and reporting standards	43.....	4.5	South Africa.....	6.6
1.09 Ethical behavior of firms.....	30.....	4.1	Finland.....	6.5
1.10 Protection of minority shareholders' interests.....	55.....	3.7	Finland.....	6.1
Legal and regulatory issues				
1.11 Burden of government regulation.....	43.....	2.9	Singapore.....	5.6
1.12 Regulation of securities exchanges.....	47.....	4.0	South Africa.....	6.5
1.13 Property rights	33.....	4.7	Finland.....	6.5
1.14 Intellectual property protection.....	27.....	4.3	Finland.....	6.3
1.15 Diversion of public funds.....	32.....	3.5	Denmark.....	6.3
1.16 Public trust in politicians	50.....	2.1	Singapore.....	6.3
1.17 Corruption perceptions index.....	25.....	5.4	Finland.....	9.4
1.18 Strength of legal rights index.....	17.....	8.0	Multiple (6).....	10.0
1.19 Central bank transparency.....	29.....	9.0	Sweden.....	15.0
Contract enforcement				
1.20 Effectiveness of law-making bodies	54.....	2.8	Singapore.....	6.4
1.21 Judicial independence	41.....	3.7	Finland.....	6.5
1.22 Irregular payments in judicial decisions	34.....	4.0	Denmark.....	6.8
1.23 Time to enforce a contract.....	2.....	230.0	Singapore.....	150.0
1.24 Number of procedures to enforce a contract	24.....	33.0	Multiple (2).....	21.0
1.25 Strength of investor protection index	36.....	5.3	Singapore.....	9.3
1.26 Cost of enforcing contracts	2.....	10.3	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01 Quality of management schools.....	29.....	4.7	United Kingdom.....	6.1
2.02 Quality of math and science education	5.....	5.5	Singapore.....	6.3
2.03 Extent of staff training.....	29.....	4.3	Switzerland.....	5.6
2.04 Local availability of specialized research and training services	25.....	4.8	Switzerland.....	6.4
2.05 Brain drain.....	14.....	4.8	Switzerland.....	6.3
2.06 Tertiary enrollment	1.....	103.1	Korea, Rep.....	103.1
Taxes				
2.07 Irregular payments in tax collection	34.....	4.6	Finland.....	6.9
2.08 Distortive effect of taxes and subsidies on competition	34.....	4.0	United Arab Emirates.....	5.9
2.09 Marginal tax variation.....	37.....	9.0	Kuwait	-4.8
2.10 Time to pay taxes.....	34.....	225.0	United Arab Emirates.....	12.0
Infrastructure				
2.11 Quality of overall infrastructure	18.....	5.8	Switzerland.....	6.6
2.12 Quality of electricity supply.....	24.....	6.0	Netherlands.....	6.8
2.13 Internet users	7.....	83.8	Norway.....	94.0
2.14 Broadband Internet subscriptions.....	4.....	36.9	Switzerland.....	39.2
2.15 Telephone subscriptions	3.....	60.9	Germany.....	63.1
2.16 Mobile telephone subscriptions	40.....	108.5	Hong Kong SAR.....	209.6

(continued)

Korea, Rep.

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	48	Denmark	0.0
2.18	Cost of registering property	42	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	14	Australia	2.0
2.21	Time to register property	12	Portugal	1.0
2.22	Time to close a business	16	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	54	Brazil	8.3
3.02	External vulnerability indicator	17	Saudi Arabia	9.3
3.03	Current account balance to GDP	20	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	21	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	43	Ghana	22.7
3.11	Output loss during banking crises	54	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	24	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	24	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	27	Peru	6.4
3.15	Manageability of public debt	16	Kuwait	6.2
3.16	Credit default swap spreads	21	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	23	Ireland	245.1
4.02	Central bank assets to GDP	30	Brazil	18.3
4.03	Financial system deposits to GDP	28	Hong Kong SAR	305.8
4.04	M2 to GDP	26	Hong Kong SAR	320.5
4.05	Private credit to GDP	25	Denmark	229.8
4.06	Bank deposits to GDP	30	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	18	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	15	Czech Republic	6.0
4.09	Bank overhead costs	19	Finland	0.6
4.10	Public ownership of banks	45	Multiple (22)	0.0
4.11	Bank operating costs to assets	14	Sweden	0.8
4.12	Non-performing bank loans to total loans	9	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	7	China	37.8
5.02	IPO proceeds amount	8	Hong Kong SAR	5.1
5.03	Share of world IPOs	5	China	30.2

(continued)

Korea, Rep.

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

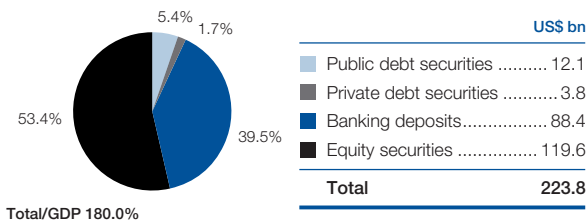
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	14	1.9	United States.....	34.4
5.05 M&A transaction value to GDP	17	4.7	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	11	2.7	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	7	7.1	Ireland	19.8
5.08 Non-life insurance penetration	2	4.6	Netherlands	9.5
5.09 Real growth of direct insurance premiums	22	5.3	Argentina.....	21.9
5.10 Life insurance density	8	3.5	India	43.5
5.11 Non-life insurance density.....	9	2.2	China.....	16.1
5.12 Relative value added of insurance to GDP	11	2.2	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	4	2.6	United States.....	5.1
5.14 Share of total number of securitization deals.....	2	9.9	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	12	1.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	13	1.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	15	0.8	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	22	0.1	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	15	0.6	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	19	0.2	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	15	1.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	25	0.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	6	186.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	13	99.9	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	3	167.8	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	12	0.4	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	6	58.1	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	14	44.0	Japan	208.5
6.15 Private international bonds to GDP.....	26	13.2	Ireland	202.8
6.16 Public international bonds to GDP	46	0.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	2	3.5	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	44	4.4	United Kingdom.....	6.8
7.02 Venture capital availability	56	2.2	Hong Kong SAR	4.5
7.03 Ease of access to credit	49	3.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	46	3.5	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	55	2.2	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	57	0.4	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	16	93.0	Denmark.....	99.7
7.08 Commercial bank branches	24	18.6	Portugal.....	75.9
7.09 Total number of ATMs.....	1	250.3	Korea, Rep.	250.3
7.10 Debit card penetration	22	57.9	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	13	16.6	Finland.....	23.9

Kuwait

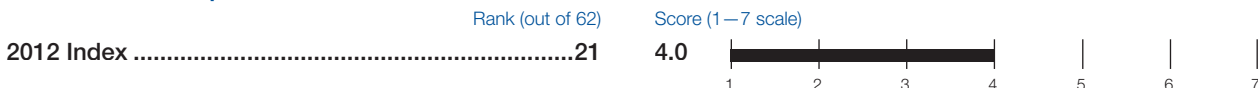
Key indicators

Population (millions), 2011	3.7
GDP (US\$ billions), 2011	176.7
GDP (current prices) per capita, 2011	47,982.4
GDP (PPP) as share (%) of world total, 2011	0.20
Compound annual growth rate of real GDP (%), 2007–2011	2.18

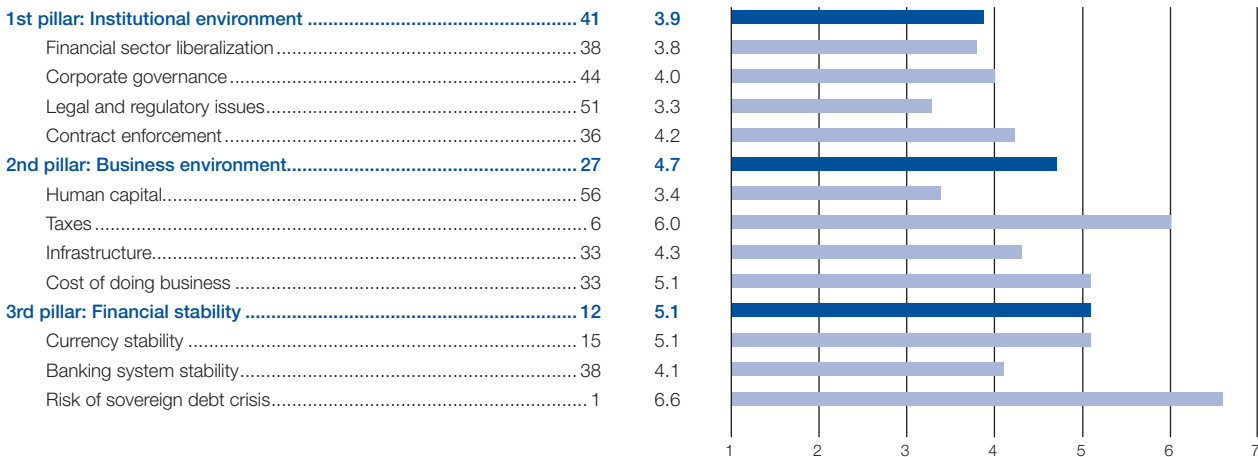
Financial assets by major type, 2010



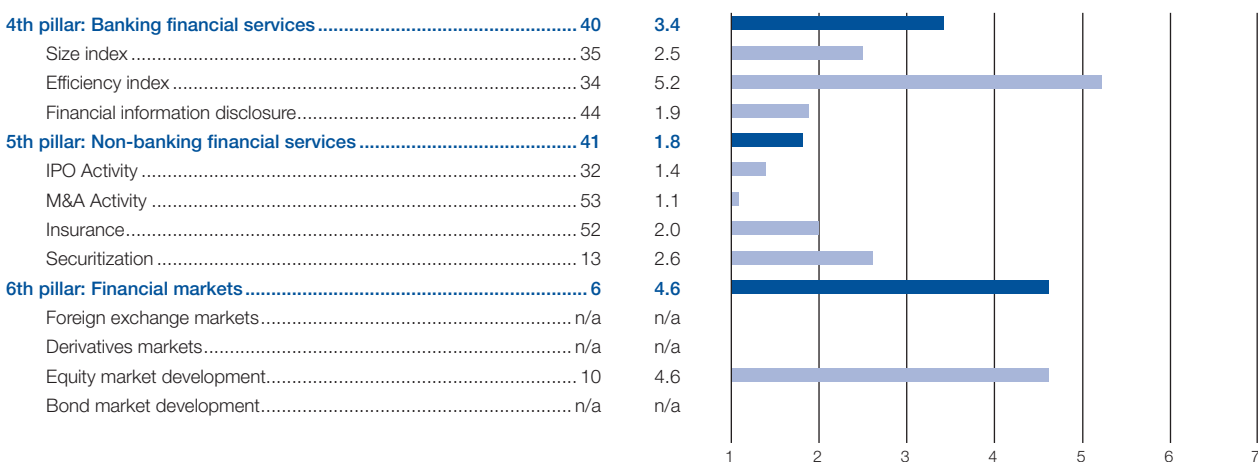
Financial Development Index 2012



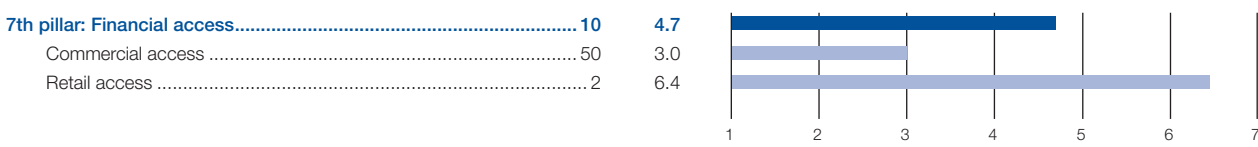
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Kuwait

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	34	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	43	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	43	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	50	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	59	South Africa.....	5.8
1.06	Reliance on professional management.....	52	Finland.....	6.3
1.07	Willingness to delegate	24	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	37	South Africa.....	6.6
1.09	Ethical behavior of firms.....	33	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	52	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	57	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	52	South Africa.....	6.5
1.13	Property rights	26	Finland.....	6.5
1.14	Intellectual property protection.....	29	Finland.....	6.3
1.15	Diversion of public funds.....	33	Denmark.....	6.3
1.16	Public trust in politicians	27	Singapore	6.3
1.17	Corruption perceptions index.....	27	Finland.....	9.4
1.18	Strength of legal rights index.....	46	Multiple (6)	10.0
1.19	Central bank transparency.....	54	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	41	Singapore.....	6.4
1.21	Judicial independence	23	Finland.....	6.5
1.22	Irregular payments in judicial decisions	27	Denmark.....	6.8
1.23	Time to enforce a contract.....	41	Singapore	150.0
1.24	Number of procedures to enforce a contract	62	Multiple (2)	21.0
1.25	Strength of investor protection index	19	Singapore	9.3
1.26	Cost of enforcing contracts	21	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	53	United Kingdom.....	6.1
2.02	Quality of math and science education	50	Singapore	6.3
2.03	Extent of staff training.....	48	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	54	Switzerland.....	6.4
2.05	Brain drain.....	32	Switzerland.....	6.3
2.06	Tertiary enrollment	52	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	25	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	10	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	1	Kuwait	-4.8
2.10	Time to pay taxes	13	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	37	Switzerland.....	6.6
2.12	Quality of electricity supply.....	40	Netherlands	6.8
2.13	Internet users	22	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	53	Switzerland.....	39.2
2.15	Telephone subscriptions	36	Germany.....	63.1
2.16	Mobile telephone subscriptions	6	Hong Kong SAR	209.6

(continued)

Kuwait

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	13	Denmark	0.0
2.18	Cost of registering property	7	Multiple (2)	0.0
2.19	Cost of closing a business	1	Multiple (4)	1.0
2.20	Time to start a business	52	Australia	2.0
2.21	Time to register property	46	Portugal	1.0
2.22	Time to close a business	53	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	21	Brazil	8.3
3.02	External vulnerability indicator	28	Saudi Arabia	9.3
3.03	Current account balance to GDP	1	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	4	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	13	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	10	Ghana	22.7
3.11	Output loss during banking crises	59	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	17	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	16	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	2	Peru	6.4
3.15	Manageability of public debt	1	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	33	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	30	Hong Kong SAR	305.8
4.04	M2 to GDP	37	Hong Kong SAR	320.5
4.05	Private credit to GDP	31	Denmark	229.8
4.06	Bank deposits to GDP	29	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	28	Czech Republic	6.0
4.09	Bank overhead costs	12	Finland	0.6
4.10	Public ownership of banks	49	Multiple (22)	0.0
4.11	Bank operating costs to assets	19	Sweden	0.8
4.12	Non-performing bank loans to total loans	47	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	36	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	33	China	37.8
5.02	IPO proceeds amount	21	Hong Kong SAR	5.1
5.03	Share of world IPOs	40	China	30.2

(continued)

Kuwait

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

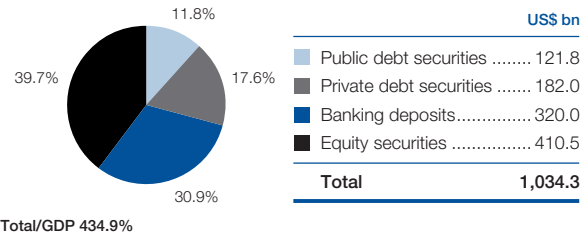
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	53	0.0	United States.....	34.4
5.05 M&A transaction value to GDP	53	0.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	51	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	57	0.1	Ireland	19.8
5.08 Non-life insurance penetration	58	0.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	4	15.3	Argentina.....	21.9
5.10 Life insurance density	60	0.0	India	43.5
5.11 Non-life insurance density.....	60	0.0	China.....	16.1
5.12 Relative value added of insurance to GDP	58	0.3	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	9	1.4	United States.....	5.1
5.14 Share of total number of securitization deals.....	41	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	23	90.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	15	91.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	13	85.6	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	6	0.8	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	46	2.0	Ireland	202.8
6.16 Public international bonds to GDP	54	0.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	54	3.8	United Kingdom.....	6.8
7.02 Venture capital availability	29	3.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	41	3.4	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	42	3.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	32	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	58	0.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	20	86.8	Denmark.....	99.7
7.08 Commercial bank branches	n/a	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	10	83.9	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	5	20.8	Finland.....	23.9

Malaysia

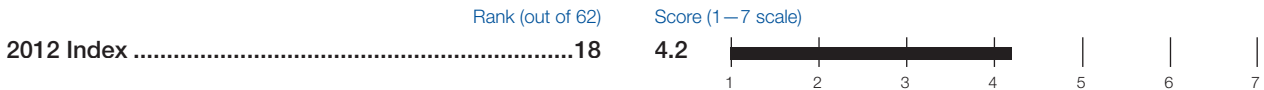
Key indicators

Population (millions), 2011	28.7
GDP (US\$ billions), 2011	278.7
GDP (current prices) per capita, 2011	9,699.7
GDP (PPP) as share (%) of world total, 2011	0.57
Compound annual growth rate of real GDP (%), 2007–2011	3.05

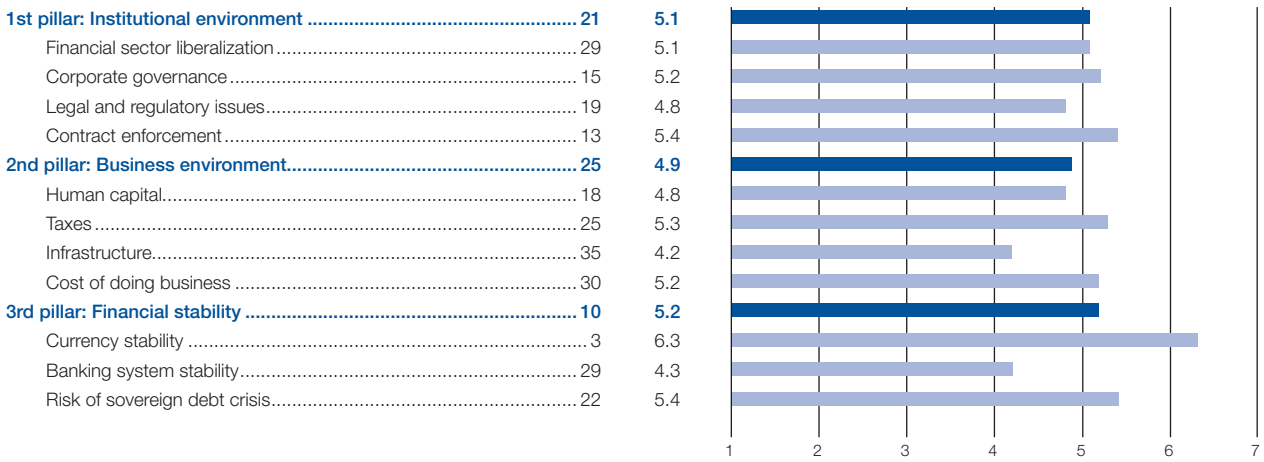
Financial assets by major type, 2010



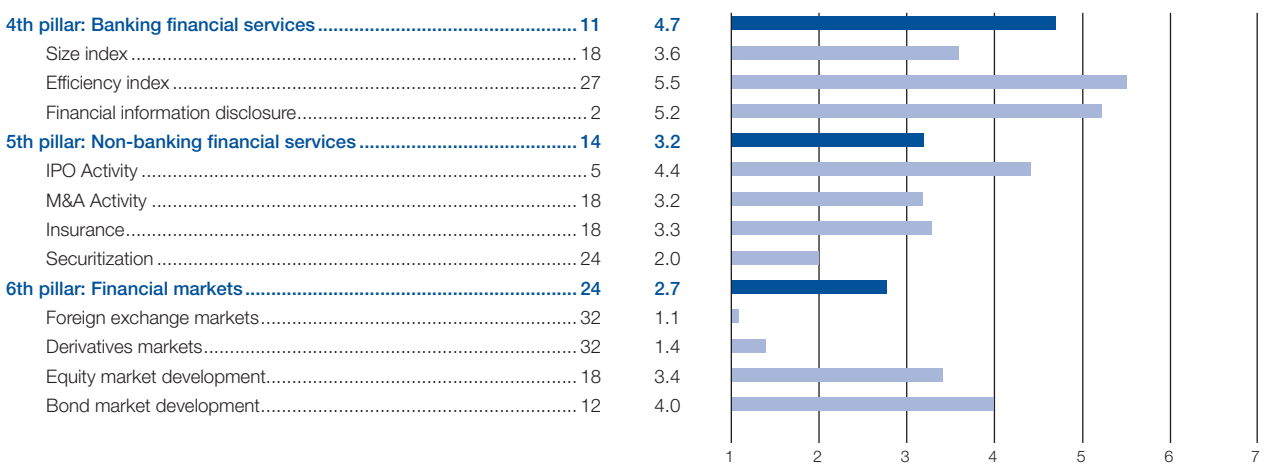
Financial Development Index 2012



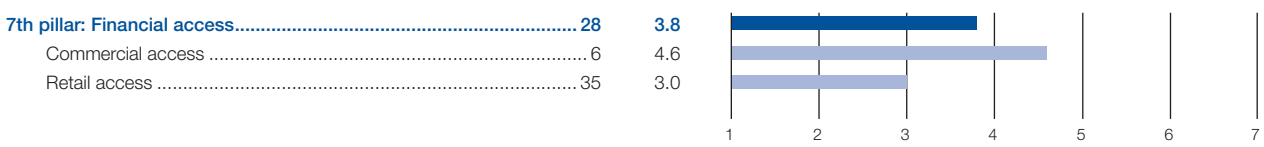
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Malaysia

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	44	■	2.5	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	23	■	5.6	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	5	■	5.1	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	11	■	5.3	South Africa.....	5.8
1.06	Reliance on professional management.....	18	■	5.3	Finland.....	6.3
1.07	Willingness to delegate	11	■	5.0	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	19	■	5.4	South Africa.....	6.6
1.09	Ethical behavior of firms.....	24	■	5.0	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	11	■	5.2	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	6	■	4.6	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	15	■	5.3	South Africa.....	6.5
1.13	Property rights	20	■	5.4	Finland.....	6.5
1.14	Intellectual property protection.....	23	■	4.9	Finland.....	6.3
1.15	Diversion of public funds.....	24	■	4.2	Denmark.....	6.3
1.16	Public trust in politicians	10	■	4.4	Singapore	6.3
1.17	Corruption perceptions index.....	32	■	4.3	Finland.....	9.4
1.18	Strength of legal rights index.....	1	■	10.0	Multiple (6)	10.0
1.19	Central bank transparency.....	41	■	6.5	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	8	■	5.1	Singapore.....	6.4
1.21	Judicial independence	26	■	4.6	Finland.....	6.5
1.22	Irregular payments in judicial decisions	31	■	4.6	Denmark.....	6.8
1.23	Time to enforce a contract.....	23	■	425.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	10	■	29.0	Multiple (2)	21.0
1.25	Strength of investor protection index	3	■	8.7	Singapore	9.3
1.26	Cost of enforcing contracts	39	■	27.5	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	20	■	5.0	United Kingdom.....	6.1
2.02	Quality of math and science education	10	■	5.0	Singapore	6.3
2.03	Extent of staff training.....	6	■	5.2	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	16	■	5.4	Switzerland.....	6.4
2.05	Brain drain.....	17	■	4.7	Switzerland.....	6.3
2.06	Tertiary enrollment	40	■	40.2	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	30	■	5.0	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	14	■	4.6	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	36	■	8.0	Kuwait	4.8
2.10	Time to pay taxes	18	■	133.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	23	■	5.4	Switzerland.....	6.6
2.12	Quality of electricity supply.....	26	■	5.9	Netherlands	6.8
2.13	Internet users	28	■	61.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	41	■	7.4	Switzerland.....	39.2
2.15	Telephone subscriptions	47	■	14.7	Germany.....	63.1
2.16	Mobile telephone subscriptions	20	■	127.0	Hong Kong SAR	209.6

(continued)

Malaysia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	50	Denmark	0.0
2.18	Cost of registering property	24	Multiple (2)	0.0
2.19	Cost of closing a business	34	Multiple (4)	1.0
2.20	Time to start a business	9	Australia	2.0
2.21	Time to register property	47	Portugal	1.0
2.22	Time to close a business	16	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	8	Brazil	8.3
3.02	External vulnerability indicator	12	Saudi Arabia	9.3
3.03	Current account balance to GDP	5	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	15	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	12	Ireland	6.9
3.10	Tier 1 capital ratio	39	Ghana	22.7
3.11	Output loss during banking crises	38	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	25	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	26	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	5	Peru	6.4
3.15	Manageability of public debt	39	Kuwait	6.2
3.16	Credit default swap spreads	18	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	19	Ireland	245.1
4.02	Central bank assets to GDP	42	Brazil	18.3
4.03	Financial system deposits to GDP	12	Hong Kong SAR	305.8
4.04	M2 to GDP	9	Hong Kong SAR	320.5
4.05	Private credit to GDP	22	Denmark	229.8
4.06	Bank deposits to GDP	12	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	13	Czech Republic	6.0
4.09	Bank overhead costs	21	Finland	0.6
4.10	Public ownership of banks	54	Multiple (22)	0.0
4.11	Bank operating costs to assets	23	Sweden	0.8
4.12	Non-performing bank loans to total loans	22	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	17	Multiple (12)	100.0
4.14	Public credit registry coverage	5	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	9	China	37.8
5.02	IPO proceeds amount	2	Hong Kong SAR	5.1
5.03	Share of world IPOs	10	China	30.2

(continued)

Malaysia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

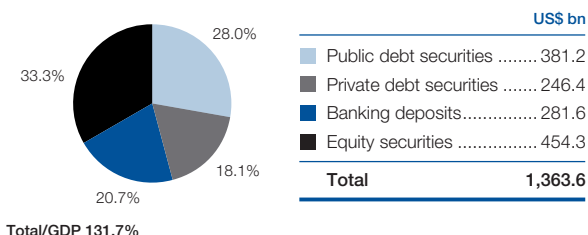
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	25.....	0.5	United States.....	34.4
5.05 M&A transaction value to GDP	10.....	5.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	15.....	1.7	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	19.....	3.3	Ireland	19.8
5.08 Non-life insurance penetration	33.....	1.8	Netherlands	9.5
5.09 Real growth of direct insurance premiums	16.....	6.5	Argentina.....	21.9
5.10 Life insurance density	18.....	1.0	India	43.5
5.11 Non-life insurance density.....	31.....	0.5	China.....	16.1
5.12 Relative value added of insurance to GDP	8.....	2.6	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	31.....	0.4	United States.....	5.1
5.14 Share of total number of securitization deals.....	17.....	0.8	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	26.....	0.2	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	31.....	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	35.....	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	28.....	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	26.....	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	28.....	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	22.....	0.3	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	32.....	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	44.....	29.9	Turkey.....	237.9
6.10 Stock market capitalization to GDP	5.....	144.7	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	29.....	35.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	15.....	0.3	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	8.....	53.6	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	8.....	52.7	Japan	208.5
6.15 Private international bonds to GDP.....	25.....	13.6	Ireland	202.8
6.16 Public international bonds to GDP	43.....	1.3	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	1.....	4.9	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	22.....	5.5	United Kingdom.....	6.8
7.02 Venture capital availability	9.....	4.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	5.....	4.7	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	6.....	4.9	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	7.....	4.4	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	17.....	4.3	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	29.....	66.2	Denmark.....	99.7
7.08 Commercial bank branches	37.....	10.5	Portugal.....	75.9
7.09 Total number of ATMs.....	31.....	56.2	Korea, Rep.	250.3
7.10 Debit card penetration	42.....	23.1	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	24.....	11.2	Finland.....	23.9

Mexico

Key indicators

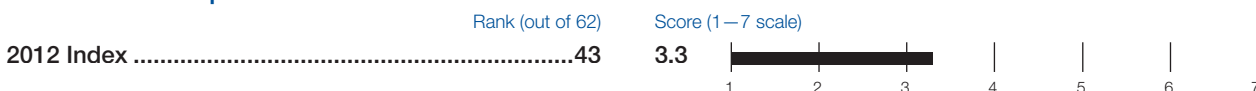
Population (millions), 2011	113.7
GDP (US\$ billions), 2011	1,154.8
GDP (current prices) per capita, 2011	10,153.3
GDP (PPP) as share (%) of world total, 2011	2.11
Compound annual growth rate of real GDP (%), 2007–2011	0.80

Financial assets by major type, 2010

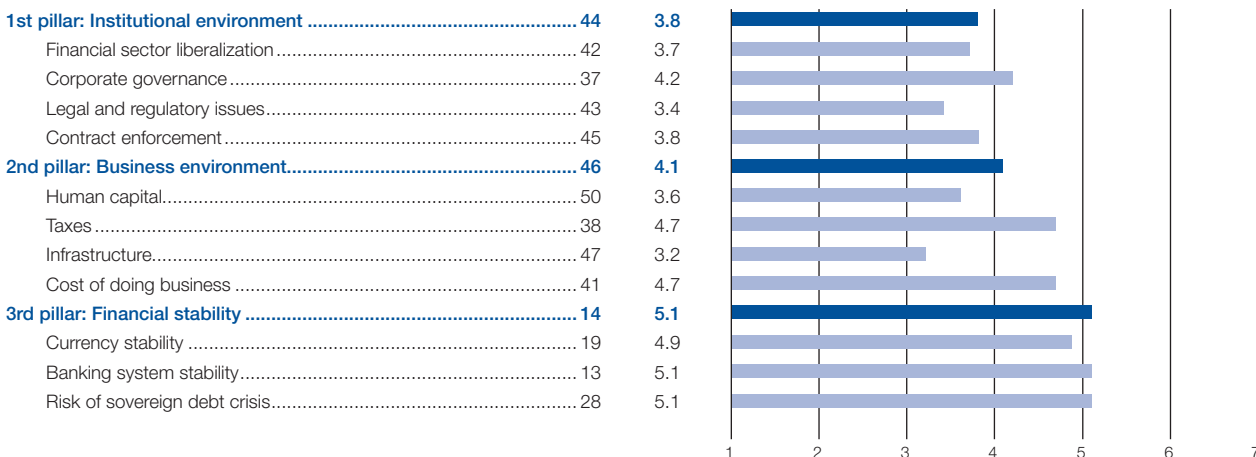


	US\$ bn
Public debt securities	381.2
Private debt securities	246.4
Banking deposits	281.6
Equity securities	454.3
Total	1,363.6

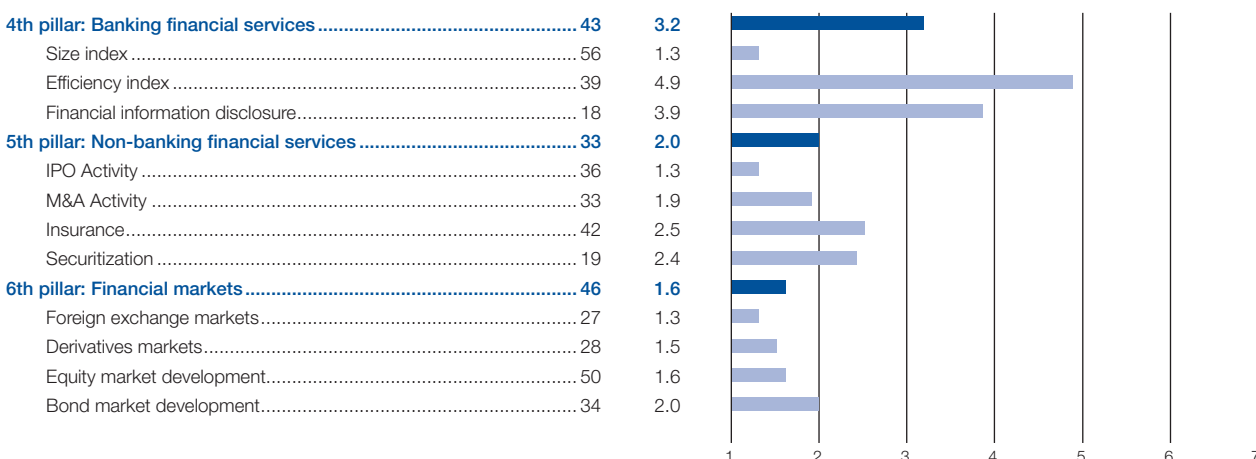
Financial Development Index 2012



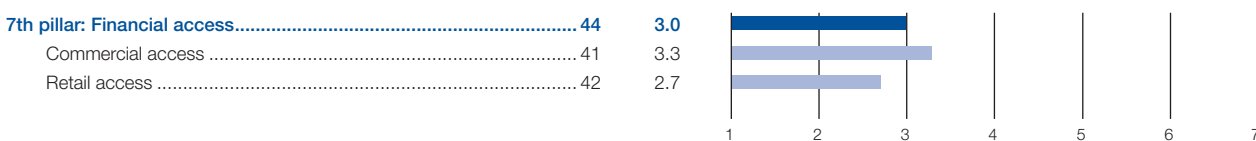
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Mexico

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	39	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	51	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	31	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	41	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	34	South Africa.....	5.8
1.06	Reliance on professional management.....	40	Finland.....	6.3
1.07	Willingness to delegate	35	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	36	South Africa.....	6.6
1.09	Ethical behavior of firms.....	40	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	35	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	37	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	48	South Africa.....	6.5
1.13	Property rights	39	Finland.....	6.5
1.14	Intellectual property protection.....	42	Finland.....	6.3
1.15	Diversion of public funds.....	44	Denmark.....	6.3
1.16	Public trust in politicians	43	Singapore	6.3
1.17	Corruption perceptions index.....	50	Finland.....	9.4
1.18	Strength of legal rights index.....	35	Multiple (6)	10.0
1.19	Central bank transparency.....	34	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	58	Singapore.....	6.4
1.21	Judicial independence	49	Finland.....	6.5
1.22	Irregular payments in judicial decisions	51	Denmark.....	6.8
1.23	Time to enforce a contract.....	21	Singapore	150.0
1.24	Number of procedures to enforce a contract	43	Multiple (2)	21.0
1.25	Strength of investor protection index	24	Singapore	9.3
1.26	Cost of enforcing contracts	49	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	33	United Kingdom.....	6.1
2.02	Quality of math and science education	57	Singapore	6.3
2.03	Extent of staff training.....	38	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	34	Switzerland.....	6.4
2.05	Brain drain.....	38	Switzerland.....	6.3
2.06	Tertiary enrollment	46	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	37	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	45	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	28	Kuwait	-4.8
2.10	Time to pay taxes.....	50	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	39	Switzerland.....	6.6
2.12	Quality of electricity supply.....	45	Netherlands	6.8
2.13	Internet users	47	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	35	Switzerland.....	39.2
2.15	Telephone subscriptions	42	Germany.....	63.1
2.16	Mobile telephone subscriptions	54	Hong Kong SAR	209.6

(continued)

Mexico

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	42	Denmark	0.0
2.18	Cost of registering property	44	Multiple (2)	0.0
2.19	Cost of closing a business	42	Multiple (4)	1.0
2.20	Time to start a business	21	Australia	2.0
2.21	Time to register property	56	Portugal	1.0
2.22	Time to close a business	23	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	44	Brazil	8.3
3.02	External vulnerability indicator	16	Saudi Arabia	9.3
3.03	Current account balance to GDP	32	Kuwait	32.0
3.04	Dollarization vulnerability indicator	30	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	9	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	35	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	3	Ireland	6.9
3.10	Tier 1 capital ratio	21	Ghana	22.7
3.11	Output loss during banking crises	31	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	29	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	34	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	12	Peru	6.4
3.15	Manageability of public debt	15	Kuwait	6.2
3.16	Credit default swap spreads	23	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	53	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	55	Hong Kong SAR	305.8
4.04	M2 to GDP	42	Hong Kong SAR	320.5
4.05	Private credit to GDP	55	Denmark	229.8
4.06	Bank deposits to GDP	56	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	30	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	52	Czech Republic	6.0
4.09	Bank overhead costs	51	Finland	0.6
4.10	Public ownership of banks	31	Multiple (22)	0.0
4.11	Bank operating costs to assets	46	Sweden	0.8
4.12	Non-performing bank loans to total loans	14	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	14	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	27	China	37.8
5.02	IPO proceeds amount	37	Hong Kong SAR	5.1
5.03	Share of world IPOs	30	China	30.2

(continued)

Mexico

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

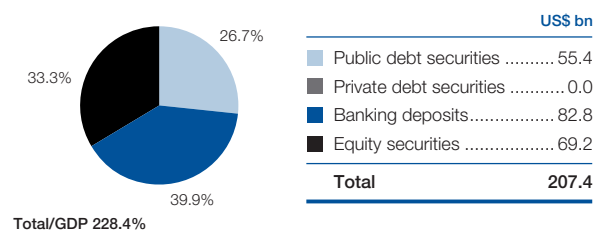
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	20.....	0.8	United States.....	34.4
5.05 M&A transaction value to GDP	40.....	2.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	32.....	0.4	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	40.....	0.9	Ireland	19.8
5.08 Non-life insurance penetration	48.....	1.1	Netherlands	9.5
5.09 Real growth of direct insurance premiums	11.....	9.9	Argentina.....	21.9
5.10 Life insurance density	17.....	1.0	India	43.5
5.11 Non-life insurance density.....	17.....	1.2	China.....	16.1
5.12 Relative value added of insurance to GDP	53.....	0.4	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	20.....	0.6	United States.....	5.1
5.14 Share of total number of securitization deals.....	13.....	1.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	23.....	0.3	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	28.....	0.2	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	21.....	0.4	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	32.....	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	23.....	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	23.....	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	23.....	0.3	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	24.....	0.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	43.....	33.0	Turkey.....	237.9
6.10 Stock market capitalization to GDP	39.....	39.5	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	45.....	9.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	61.....	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	25.....	15.5	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	34.....	22.0	Japan	208.5
6.15 Private international bonds to GDP.....	35.....	5.9	Ireland	202.8
6.16 Public international bonds to GDP	28.....	4.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	23.....	0.6	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	33.....	4.9	United Kingdom.....	6.8
7.02 Venture capital availability	40.....	2.6	Hong Kong SAR	4.5
7.03 Ease of access to credit	34.....	3.7	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	44.....	3.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	43.....	2.6	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	42.....	1.7	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	51.....	27.4	Denmark.....	99.7
7.08 Commercial bank branches	31.....	15.2	Portugal.....	75.9
7.09 Total number of ATMs.....	37.....	47.3	Korea, Rep.	250.3
7.10 Debit card penetration	45.....	22.3	Netherlands	97.6
7.11 Loan accounts at MFIs	3.....	52.7	Peru	121.2
7.12 Loan from a financial institution.....	45.....	7.6	Finland.....	23.9

Morocco

Key indicators

Population (millions), 2011	32.2
GDP (US\$ billions), 2011	99.2
GDP (current prices) per capita, 2011	3,083.3
GDP (PPP) as share (%) of world total, 2011	0.21
Compound annual growth rate of real GDP (%), 2007–2011	3.68

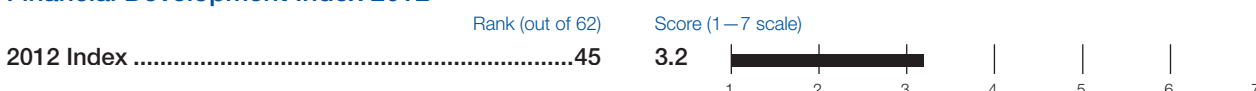
Financial assets by major type, 2010



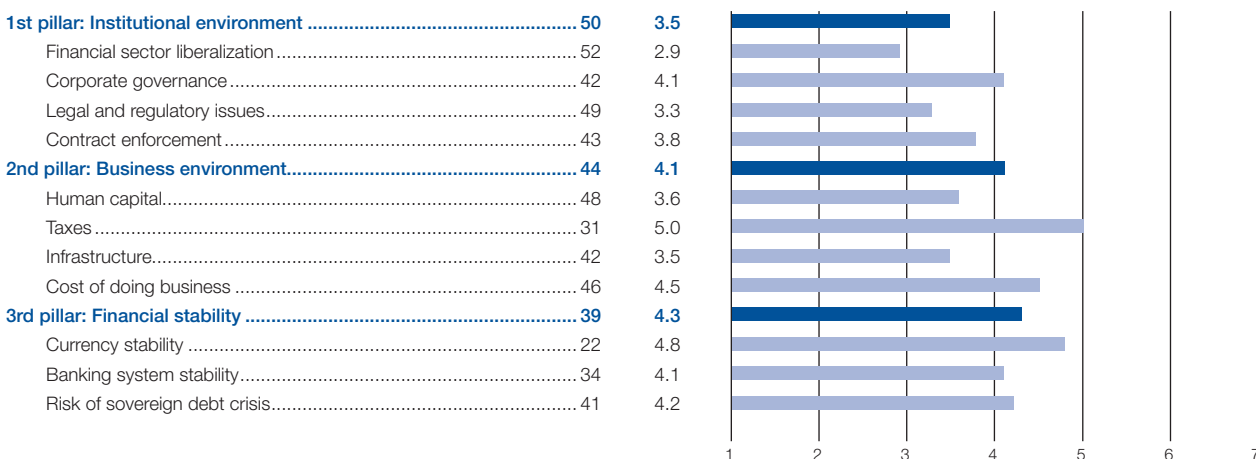
US\$ bn

Public debt securities	55.4
Private debt securities	0.0
Banking deposits	82.8
Equity securities	69.2
Total	207.4

Financial Development Index 2012

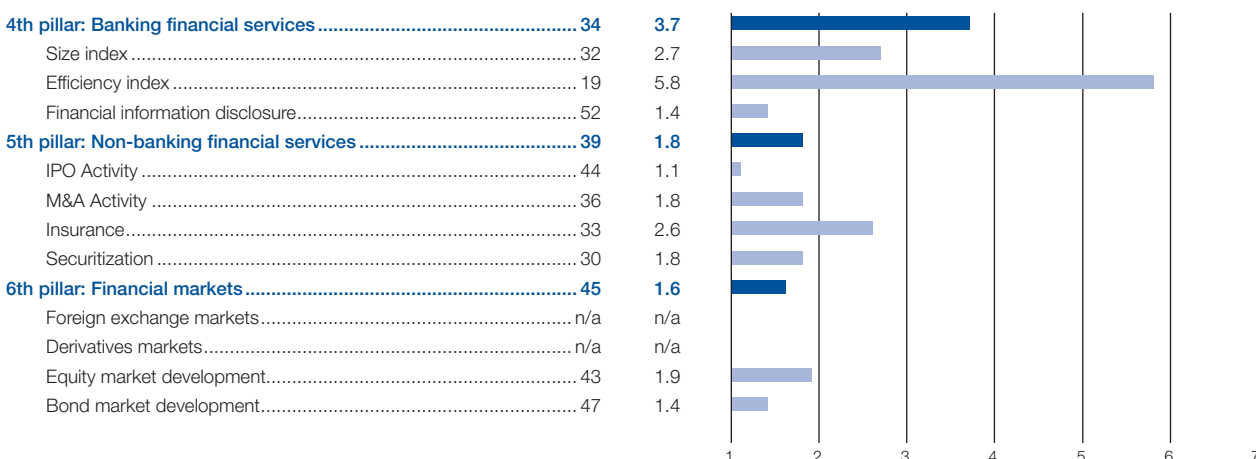


Factors, policies, and institutions

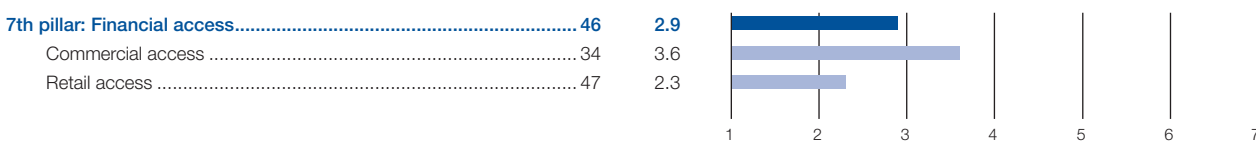


INPUTS

Financial intermediation



Financial access



OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Morocco

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	58	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	44	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	36	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	40	United Kingdom	5.3
1.05	Efficacy of corporate boards	27	South Africa	5.8
1.06	Reliance on professional management	51	Finland	6.3
1.07	Willingness to delegate	53	Denmark	6.2
1.08	Strength of auditing and reporting standards	51	South Africa	6.6
1.09	Ethical behavior of firms	35	Finland	6.5
1.10	Protection of minority shareholders' interests	28	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	22	Singapore	5.6
1.12	Regulation of securities exchanges	25	South Africa	6.5
1.13	Property rights	34	Finland	6.5
1.14	Intellectual property protection	43	Finland	6.3
1.15	Diversion of public funds	29	Denmark	6.3
1.16	Public trust in politicians	26	Singapore	6.3
1.17	Corruption perceptions index	42	Finland	9.4
1.18	Strength of legal rights index	55	Multiple (6)	10.0
1.19	Central bank transparency	n/a	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	35	Singapore	6.4
1.21	Judicial independence	45	Finland	6.5
1.22	Irregular payments in judicial decisions	45	Denmark	6.8
1.23	Time to enforce a contract	33	Singapore	150.0
1.24	Number of procedures to enforce a contract	48	Multiple (2)	21.0
1.25	Strength of investor protection index	41	Singapore	9.3
1.26	Cost of enforcing contracts	32	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	31	United Kingdom	6.1
2.02	Quality of math and science education	29	Singapore	6.3
2.03	Extent of staff training	42	Switzerland	5.6
2.04	Local availability of specialized research and training services	39	Switzerland	6.4
2.05	Brain drain	39	Switzerland	6.3
2.06	Tertiary enrollment	55	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	42	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	21	United Arab Emirates	5.9
2.09	Marginal tax variation	26	Kuwait	-4.8
2.10	Time to pay taxes	37	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	34	Switzerland	6.6
2.12	Quality of electricity supply	36	Netherlands	6.8
2.13	Internet users	34	Norway	94.0
2.14	Broadband Internet subscriptions	51	Switzerland	39.2
2.15	Telephone subscriptions	50	Germany	63.1
2.16	Mobile telephone subscriptions	35	Hong Kong SAR	209.6

(continued)

Morocco

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	49	Denmark	0.0
2.18	Cost of registering property	38	Multiple (2)	0.0
2.19	Cost of closing a business	42	Multiple (4)	1.0
2.20	Time to start a business	24	Australia	2.0
2.21	Time to register property	57	Portugal	1.0
2.22	Time to close a business	23	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	43	Brazil	8.3
3.02	External vulnerability indicator	4	Saudi Arabia	9.3
3.03	Current account balance to GDP	54	Kuwait	32.0
3.04	Dollarization vulnerability indicator	28	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	18	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	10	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	29	Ireland	6.9
3.10	Tier 1 capital ratio	57	Ghana	22.7
3.11	Output loss during banking crises	25	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	39	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	40	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	32	Peru	6.4
3.15	Manageability of public debt	44	Kuwait	6.2
3.16	Credit default swap spreads	38	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	29	Ireland	245.1
4.02	Central bank assets to GDP	34	Brazil	18.3
4.03	Financial system deposits to GDP	24	Hong Kong SAR	305.8
4.04	M2 to GDP	22	Hong Kong SAR	320.5
4.05	Private credit to GDP	34	Denmark	229.8
4.06	Bank deposits to GDP	24	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	19	Czech Republic	6.0
4.09	Bank overhead costs	33	Finland	0.6
4.10	Public ownership of banks	34	Multiple (22)	0.0
4.11	Bank operating costs to assets	36	Sweden	0.8
4.12	Non-performing bank loans to total loans	38	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	45	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	48	China	37.8
5.02	IPO proceeds amount	42	Hong Kong SAR	5.1
5.03	Share of world IPOs	35	China	30.2

(continued)

Morocco

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

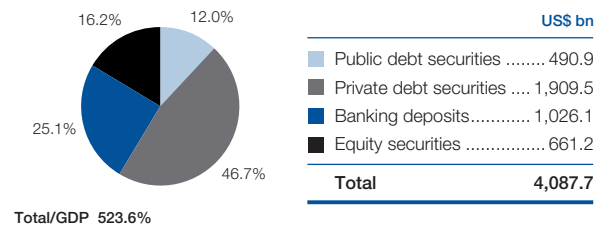
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	45	0.1	United States.....	34.4
5.05 M&A transaction value to GDP	24	3.3	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	53	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	39	0.9	Ireland	19.8
5.08 Non-life insurance penetration	27	2.0	Netherlands	9.5
5.09 Real growth of direct insurance premiums	28	3.2	Argentina.....	21.9
5.10 Life insurance density	36	0.3	India	43.5
5.11 Non-life insurance density.....	29	0.6	China.....	16.1
5.12 Relative value added of insurance to GDP	16	1.7	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	16	0.7	United States.....	5.1
5.14 Share of total number of securitization deals.....	54	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	48	18.4	Turkey.....	237.9
6.10 Stock market capitalization to GDP	23	71.8	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	32	21.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	50	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	42	0.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	40	16.2	Japan	208.5
6.15 Private international bonds to GDP.....	56	0.0	Ireland	202.8
6.16 Public international bonds to GDP	39	2.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	37	0.2	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	37	4.7	United Kingdom.....	6.8
7.02 Venture capital availability	26	3.0	Hong Kong SAR	4.5
7.03 Ease of access to credit	30	3.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	24	4.3	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	37	3.0	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	29	2.5	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	45	39.1	Denmark.....	99.7
7.08 Commercial bank branches	22	21.0	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	44	22.4	Netherlands	97.6
7.11 Loan accounts at MFIs	11	10.4	Peru	121.2
7.12 Loan from a financial institution.....	55	4.3	Finland.....	23.9

Netherlands

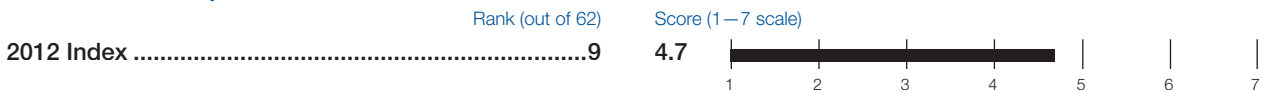
Key indicators

Population (millions), 2011	16.7
GDP (US\$ billions), 2011	840.4
GDP (current prices) per capita, 2011	50,355.5
GDP (PPP) as share (%) of world total, 2011	0.89
Compound annual growth rate of real GDP (%), 2007–2011	0.23

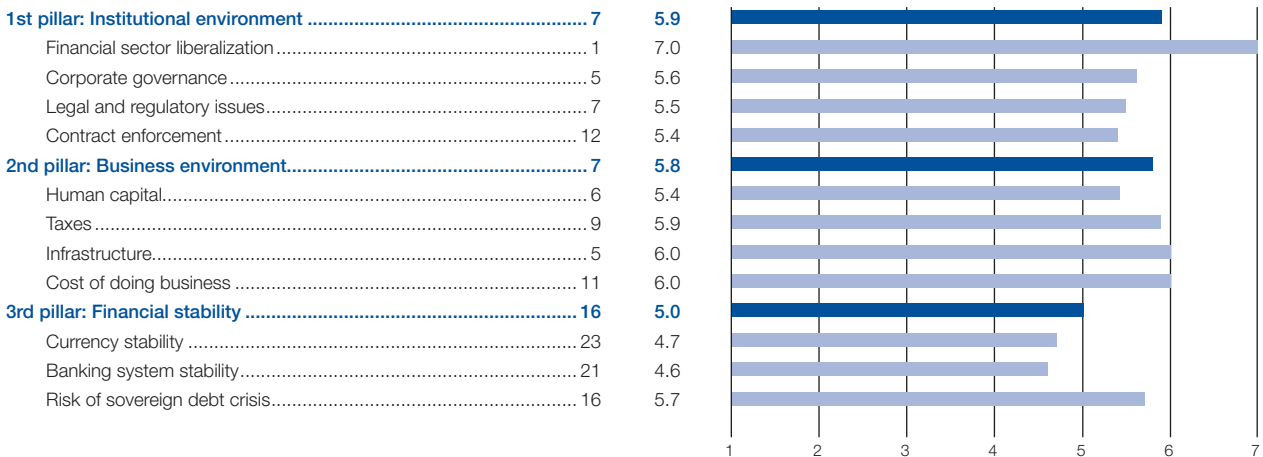
Financial assets by major type, 2010



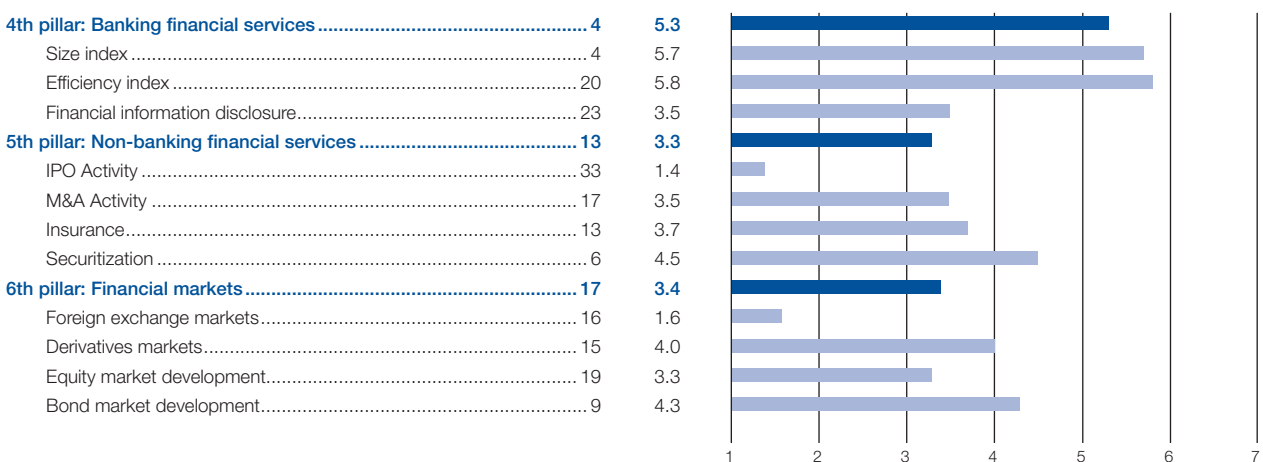
Financial Development Index 2012



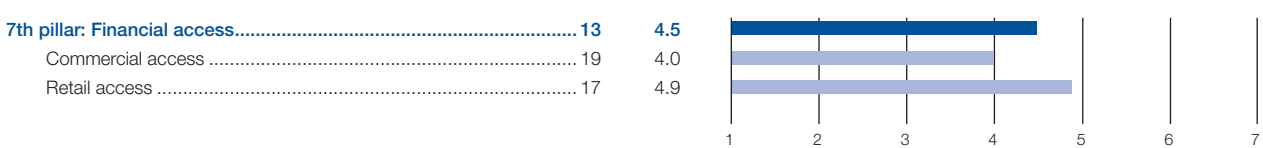
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Netherlands

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	■	7.0	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	■	7.0	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24).....7.0
Corporate governance					
1.04	Extent of incentive-based compensation	24	■	4.4	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	9	■	5.4	South Africa.....5.8
1.06	Reliance on professional management.....	2	■	6.1	Finland.....6.3
1.07	Willingness to delegate	4	■	5.7	Denmark.....6.2
1.08	Strength of auditing and reporting standards	5	■	6.0	South Africa.....6.6
1.09	Ethical behavior of firms.....	5	■	6.3	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	9	■	5.4	Finland.....6.1
Legal and regulatory issues					
1.11	Burden of government regulation.....	12	■	3.9	Singapore.....5.6
1.12	Regulation of securities exchanges.....	11	■	5.5	South Africa.....6.5
1.13	Property rights	7	■	6.0	Finland.....6.5
1.14	Intellectual property protection.....	4	■	5.9	Finland.....6.3
1.15	Diversion of public funds.....	6	■	5.9	Denmark.....6.3
1.16	Public trust in politicians	6	■	5.4	Singapore.....6.3
1.17	Corruption perceptions index.....	6	■	8.9	Finland.....9.4
1.18	Strength of legal rights index.....	35	■	6.0	Multiple (6).....10.0
1.19	Central bank transparency.....	5	■	11.0	Sweden.....15.0
Contract enforcement					
1.20	Effectiveness of law-making bodies	7	■	5.1	Singapore.....6.4
1.21	Judicial independence	2	■	6.4	Finland.....6.5
1.22	Irregular payments in judicial decisions	11	■	6.4	Denmark.....6.8
1.23	Time to enforce a contract.....	36	■	514.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	4	■	26.0	Multiple (2).....21.0
1.25	Strength of investor protection index	48	■	4.7	Singapore.....9.3
1.26	Cost of enforcing contracts	29	■	23.9	Norway.....9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools.....	8	■	5.6	United Kingdom.....6.1
2.02	Quality of math and science education	7	■	5.4	Singapore.....6.3
2.03	Extent of staff training.....	7	■	5.2	Switzerland.....5.6
2.04	Local availability of specialized research and training services	2	■	6.1	Switzerland.....6.4
2.05	Brain drain.....	9	■	5.3	Switzerland.....6.3
2.06	Tertiary enrollment	18	■	62.7	Korea, Rep.....103.1
Taxes					
2.07	Irregular payments in tax collection	10	■	6.3	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	7	■	4.9	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	24	■	4.6	Kuwait.....4.8
2.10	Time to pay taxes.....	15	■	127.0	United Arab Emirates.....12.0
Infrastructure					
2.11	Quality of overall infrastructure	9	■	6.2	Switzerland.....6.6
2.12	Quality of electricity supply.....	1	■	6.8	Netherlands.....6.8
2.13	Internet users	2	■	92.3	Norway.....94.0
2.14	Broadband Internet subscriptions.....	2	■	38.7	Switzerland.....39.2
2.15	Telephone subscriptions	17	■	42.8	Germany.....63.1
2.16	Mobile telephone subscriptions	27	■	119.0	Hong Kong SAR.....209.6

(continued)

Netherlands

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	31	Denmark	0.0
2.18	Cost of registering property	48	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	19	Australia	2.0
2.21	Time to register property	9	Portugal	1.0
2.22	Time to close a business	11	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	38	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	8	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	7	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	16	Ireland	6.9
3.10	Tier 1 capital ratio	17	Ghana	22.7
3.11	Output loss during banking crises	36	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	11	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	11	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	35	Peru	6.4
3.15	Manageability of public debt	45	Kuwait	6.2
3.16	Credit default swap spreads	12	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	4	Ireland	245.1
4.02	Central bank assets to GDP	44	Brazil	18.3
4.03	Financial system deposits to GDP	6	Hong Kong SAR	305.8
4.04	M2 to GDP	8	Hong Kong SAR	320.5
4.05	Private credit to GDP	4	Denmark	229.8
4.06	Bank deposits to GDP	6	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	2	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	55	Czech Republic	6.0
4.09	Bank overhead costs	13	Finland	0.6
4.10	Public ownership of banks	28	Multiple (22)	0.0
4.11	Bank operating costs to assets	12	Sweden	0.8
4.12	Non-performing bank loans to total loans	25	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	18	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	24	China	37.8
5.02	IPO proceeds amount	32	Hong Kong SAR	5.1
5.03	Share of world IPOs	35	China	30.2

(continued)

Netherlands

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

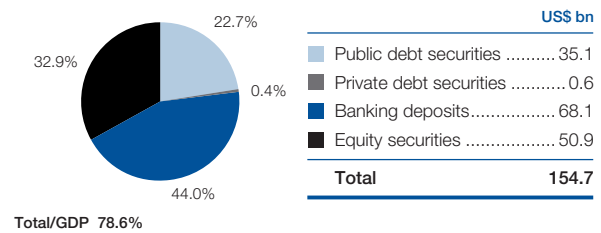
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	16.....	1.7	United States.....	34.4
5.05 M&A transaction value to GDP	13.....	5.3	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	16.....	1.4	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	16.....	3.7	Ireland	19.8
5.08 Non-life insurance penetration	1.....	9.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	36.....	0.9	Argentina.....	21.9
5.10 Life insurance density	24.....	0.6	India	43.5
5.11 Non-life insurance density.....	11.....	1.6	China.....	16.1
5.12 Relative value added of insurance to GDP	22.....	1.5	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	3.....	2.8	United States.....	5.1
5.14 Share of total number of securitization deals.....	16.....	0.8	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	24.....	0.3	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	9.....	1.5	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	33.....	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	18.....	0.1	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	5.....	3.7	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	20.....	0.2	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	9.....	2.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	29.....	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	18.....	108.2	Turkey.....	237.9
6.10 Stock market capitalization to GDP	20.....	76.3	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	15.....	75.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	34.....	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	4.....	69.5	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	13.....	46.4	Japan	208.5
6.15 Private international bonds to GDP.....	2.....	163.0	Ireland	202.8
6.16 Public international bonds to GDP	29.....	3.4	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	26.....	0.5	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	7.....	6.2	United Kingdom.....	6.8
7.02 Venture capital availability	11.....	3.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	38.....	3.6	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	19.....	4.4	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	16.....	3.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	38.....	2.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	5.....	98.7	Denmark.....	99.7
7.08 Commercial bank branches	19.....	23.2	Portugal.....	75.9
7.09 Total number of ATMs.....	28.....	58.3	Korea, Rep.	250.3
7.10 Debit card penetration.....	1.....	97.6	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	18.....	12.6	Finland.....	23.9

Nigeria

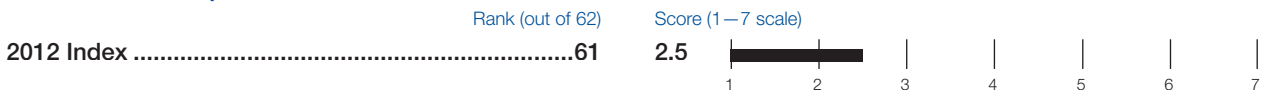
Key indicators

Population (millions), 2011	160.3
GDP (US\$ billions), 2011	238.9
GDP (current prices) per capita, 2011	1,490.1
GDP (PPP) as share (%) of world total, 2011	0.52
Compound annual growth rate of real GDP (%), 2007–2011	5.58

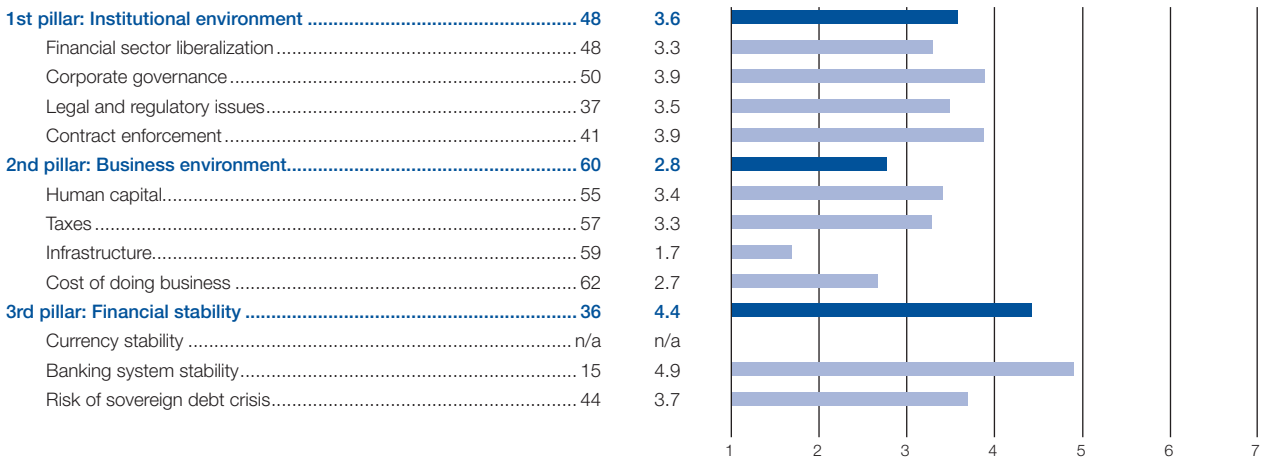
Financial assets by major type, 2010



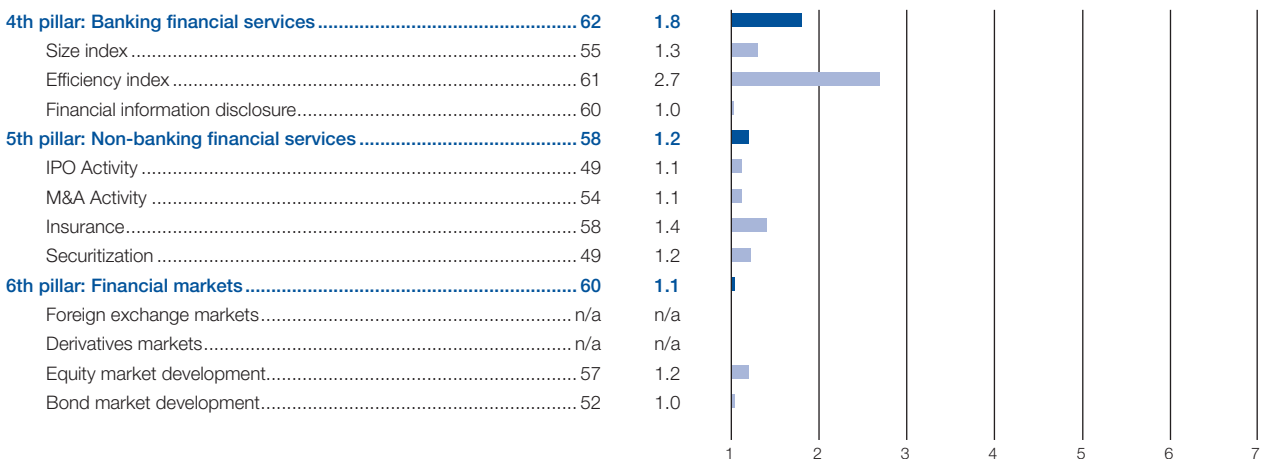
Financial Development Index 2012



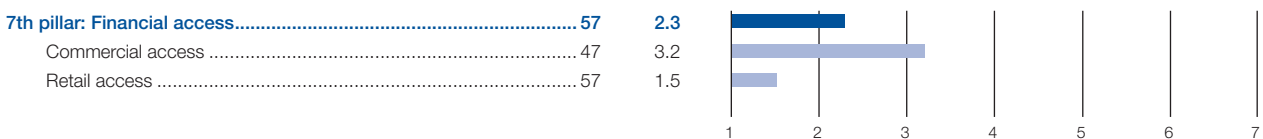
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Nigeria

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	51	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	40	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	39	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	57	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	43	South Africa.....	5.8
1.06	Reliance on professional management.....	37	Finland.....	6.3
1.07	Willingness to delegate	32	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	56	South Africa.....	6.6
1.09	Ethical behavior of firms.....	50	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	50	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	13	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	39	South Africa.....	6.5
1.13	Property rights	58	Finland.....	6.5
1.14	Intellectual property protection.....	54	Finland.....	6.3
1.15	Diversion of public funds.....	60	Denmark.....	6.3
1.16	Public trust in politicians	47	Singapore	6.3
1.17	Corruption perceptions index.....	58	Finland.....	9.4
1.18	Strength of legal rights index.....	7	Multiple (6)	10.0
1.19	Central bank transparency.....	34	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	37	Singapore.....	6.4
1.21	Judicial independence	40	Finland.....	6.5
1.22	Irregular payments in judicial decisions	43	Denmark.....	6.8
1.23	Time to enforce a contract.....	25	Singapore	150.0
1.24	Number of procedures to enforce a contract	48	Multiple (2)	21.0
1.25	Strength of investor protection index	31	Singapore	9.3
1.26	Cost of enforcing contracts	49	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	49	United Kingdom.....	6.1
2.02	Quality of math and science education	44	Singapore	6.3
2.03	Extent of staff training.....	35	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	45	Switzerland.....	6.4
2.05	Brain drain.....	34	Switzerland.....	6.3
2.06	Tertiary enrollment	58	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	58	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	30	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	34	Kuwait	-4.8
2.10	Time to pay taxes.....	60	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	57	Switzerland.....	6.6
2.12	Quality of electricity supply.....	62	Netherlands	6.8
2.13	Internet users	53	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	59	Switzerland.....	39.2
2.15	Telephone subscriptions	61	Germany.....	63.1
2.16	Mobile telephone subscriptions	60	Hong Kong SAR	209.6

(continued)

Nigeria

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	62	70.6	Denmark.....0.0
2.18	Cost of registering property	62	20.8	Multiple (2).....0.0
2.19	Cost of closing a business	49	22.0	Multiple (4).....1.0
2.20	Time to start a business	55	34.0	Australia.....2.0
2.21	Time to register property	58	82.0	Portugal.....1.0
2.22	Time to close a business	28	2.0	Ireland0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	n/a	Brazil8.3
3.02	External vulnerability indicator	n/a	n/a	Saudi Arabia9.3
3.03	Current account balance to GDP	14	5.1	Kuwait32.0
3.04	Dollarization vulnerability indicator	n/a	n/a	Multiple (25).....0.0
3.05	External debt to GDP (developing economies)	n/a	n/a	China.....9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	n/a	Hong Kong SAR287.7
Banking system stability				
3.07	Frequency of banking crises	56	3.0	Multiple (9).....0.0
3.08	Financial strengths indicator	n/a	n/a	Multiple (3).....9.0
3.09	Aggregate measure of real estate bubbles	n/a	n/a	Ireland6.9
3.10	Tier 1 capital ratio	6	18.8	Ghana22.7
3.11	Output loss during banking crises	28	28.0	Multiple (20).....0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	52	7.3	Multiple (10).....20.0
3.13	Foreign currency sovereign rating	52	7.3	Multiple (10).....20.0
3.14	Aggregate macroeconomic indicator	43	4.8	Peru6.4
3.15	Manageability of public debt	7	18.5	Kuwait6.2
3.16	Credit default swap spreads	45	425.7	Norway.....36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	50	40.3	Ireland245.1
4.02	Central bank assets to GDP	28	1.8	Brazil18.3
4.03	Financial system deposits to GDP	52	25.3	Hong Kong SAR305.8
4.04	M2 to GDP	57	30.7	Hong Kong SAR320.5
4.05	Private credit to GDP	51	30.3	Denmark.....229.8
4.06	Bank deposits to GDP	53	26.0	Hong Kong SAR305.8
4.07	Money market instruments to GDP	33	0.0	Ireland18.6
Efficiency index				
4.08	Aggregate profitability indicator	60	2.4	Czech Republic6.0
4.09	Bank overhead costs	61	7.3	Finland.....0.6
4.10	Public ownership of banks	1	0.0	Multiple (22).....0.0
4.11	Bank operating costs to assets	56	5.2	Sweden0.8
4.12	Non-performing bank loans to total loans	50	11.6	Finland.....0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	0.0	Multiple (12).....100.0
4.14	Public credit registry coverage	25	0.1	Portugal.....86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	45	0.0	China.....37.8
5.02	IPO proceeds amount	48	0.0	Hong Kong SAR5.1
5.03	Share of world IPOs	45	0.1	China.....30.2

(continued)

Nigeria

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

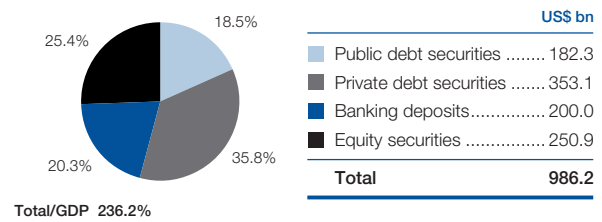
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	51	0.1	United States.....34.4
5.05	M&A transaction value to GDP	54	0.8	Hong Kong SAR.....9.9
5.06	Share of total number of M&A deals	54	0.1	United States.....23.3
Insurance				
5.07	Life insurance penetration	54	0.2	Ireland.....19.8
5.08	Non-life insurance penetration	55	0.5	Netherlands.....9.5
5.09	Real growth of direct insurance premiums	54	-6.9	Argentina.....21.9
5.10	Life insurance density	37	0.3	India.....43.5
5.11	Non-life insurance density	24	0.8	China.....16.1
5.12	Relative value added of insurance to GDP	49	0.5	Bahrain.....6.0
Securitization				
5.13	Securitization to GDP	48	0.2	United States.....5.1
5.14	Share of total number of securitization deals	43	0.1	United States.....53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	n/a	United Kingdom.....38.5
6.02	Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....41.3
6.03	Foreign exchange swap turnover	n/a	n/a	United Kingdom.....33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....45.3
6.06	Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	n/a	United Kingdom.....32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	n/a	United Kingdom.....55.3
Equity market development				
6.09	Stock market turnover ratio	46	20.6	Turkey.....237.9
6.10	Stock market capitalization to GDP	47	21.0	Hong Kong SAR.....440.2
6.11	Stock market value traded to GDP	50	2.5	Hong Kong SAR.....681.5
6.12	Number of listed companies per 10,000 people	60	0.0	Hong Kong SAR.....2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	n/a	n/a	Denmark.....177.2
6.14	Public domestic bond market capitalization to GDP	n/a	n/a	Japan.....208.5
6.15	Private international bonds to GDP	53	0.5	Ireland.....202.8
6.16	Public international bonds to GDP	50	0.1	Greece.....70.8
6.17	Local currency corporate bond issuance to GDP	42	0.0	Malaysia.....4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	48	4.1	United Kingdom.....6.8
7.02	Venture capital availability	42	2.5	Hong Kong SAR.....4.5
7.03	Ease of access to credit	52	3.1	Hong Kong SAR.....5.0
7.04	Financing through local equity market	37	3.8	Hong Kong SAR.....5.7
7.05	Ease of access to loans	56	2.1	Bahrain.....4.8
7.06	Foreign direct investment to GDP	19	3.7	Hong Kong SAR.....34.2
Retail access				
7.07	Market penetration of bank accounts	49	29.7	Denmark.....99.7
7.08	Commercial bank branches	n/a	n/a	Portugal.....75.9
7.09	Total number of ATMs	n/a	n/a	Korea, Rep.....250.3
7.10	Debit card penetration	46	18.6	Netherlands.....97.6
7.11	Loan accounts at MFIs	17	4.4	Peru.....121.2
7.12	Loan from a financial institution	58	2.1	Finland.....23.9

Norway

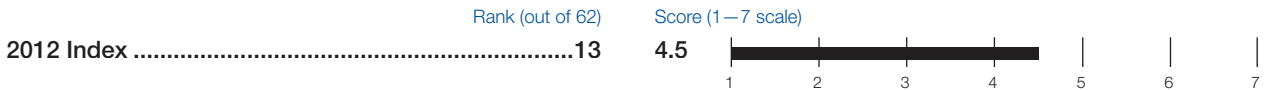
Key indicators

Population (millions), 2011	5.0
GDP (US\$ billions), 2011	483.7
GDP (current prices) per capita, 2011	97,254.6
GDP (PPP) as share (%) of world total, 2011	0.34
Compound annual growth rate of real GDP (%), 2007–2011	0.13

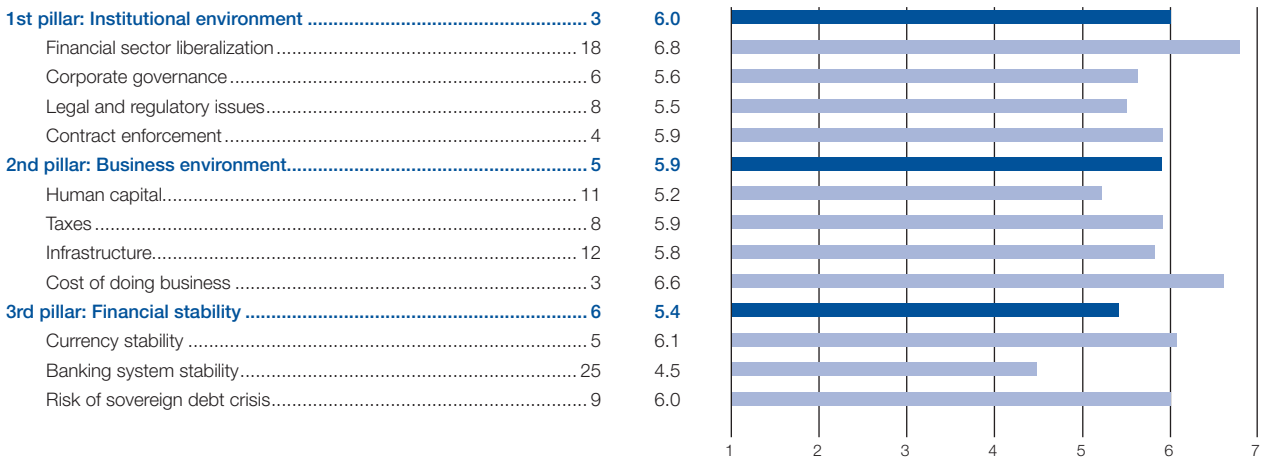
Financial assets by major type, 2010



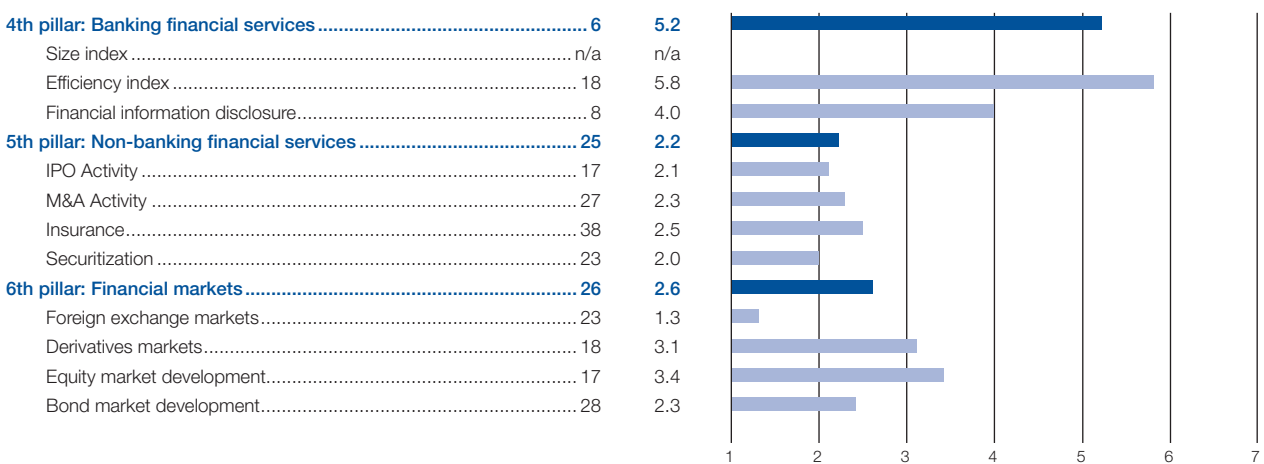
Financial Development Index 2012



Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Norway

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	20	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	43	United Kingdom	5.3
1.05	Efficacy of corporate boards	4	South Africa	5.8
1.06	Reliance on professional management	3	Finland	6.3
1.07	Willingness to delegate	3	Denmark	6.2
1.08	Strength of auditing and reporting standards	10	South Africa	6.6
1.09	Ethical behavior of firms	8	Finland	6.5
1.10	Protection of minority shareholders' interests	3	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	23	Singapore	5.6
1.12	Regulation of securities exchanges	4	South Africa	6.5
1.13	Property rights	8	Finland	6.5
1.14	Intellectual property protection	10	Finland	6.3
1.15	Diversion of public funds	7	Denmark	6.3
1.16	Public trust in politicians	3	Singapore	6.3
1.17	Corruption perceptions index	5	Finland	9.4
1.18	Strength of legal rights index	24	Multiple (6)	10.0
1.19	Central bank transparency	29	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	5	Singapore	6.4
1.21	Judicial independence	7	Finland	6.5
1.22	Irregular payments in judicial decisions	5	Denmark	6.8
1.23	Time to enforce a contract	3	Singapore	150.0
1.24	Number of procedures to enforce a contract	26	Multiple (2)	21.0
1.25	Strength of investor protection index	17	Singapore	9.3
1.26	Cost of enforcing contracts	1	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	18	United Kingdom	6.1
2.02	Quality of math and science education	33	Singapore	6.3
2.03	Extent of staff training	8	Switzerland	5.6
2.04	Local availability of specialized research and training services	13	Switzerland	6.4
2.05	Brain drain	8	Switzerland	6.3
2.06	Tertiary enrollment	10	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	5	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	18	United Arab Emirates	5.9
2.09	Marginal tax variation	19	Kuwait	-4.8
2.10	Time to pay taxes	8	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	28	Switzerland	6.6
2.12	Quality of electricity supply	14	Netherlands	6.8
2.13	Internet users	1	Norway	94.0
2.14	Broadband Internet subscriptions	5	Switzerland	39.2
2.15	Telephone subscriptions	18	Germany	63.1
2.16	Mobile telephone subscriptions	31	Hong Kong SAR	209.6

(continued)

Norway

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	15	Denmark	0.0
2.18	Cost of registering property	19	Multiple (2)	0.0
2.19	Cost of closing a business	1	Multiple (4)	1.0
2.20	Time to start a business	14	Australia	2.0
2.21	Time to register property	5	Portugal	1.0
2.22	Time to close a business	5	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	10	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	6	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	4	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	49	Ghana	22.7
3.11	Output loss during banking crises	24	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	31	Peru	6.4
3.15	Manageability of public debt	42	Kuwait	6.2
3.16	Credit default swap spreads	1	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	n/a	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	n/a	Hong Kong SAR	305.8
4.04	M2 to GDP	31	Hong Kong SAR	320.5
4.05	Private credit to GDP	n/a	Denmark	229.8
4.06	Bank deposits to GDP	n/a	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	14	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	18	Czech Republic	6.0
4.09	Bank overhead costs	7	Finland	0.6
4.10	Public ownership of banks	55	Multiple (22)	0.0
4.11	Bank operating costs to assets	6	Sweden	0.8
4.12	Non-performing bank loans to total loans	11	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	20	China	37.8
5.02	IPO proceeds amount	10	Hong Kong SAR	5.1
5.03	Share of world IPOs	25	China	30.2

(continued)

Norway

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

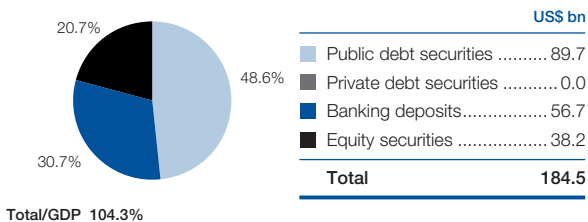
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	24	United States	34.4
5.05	M&A transaction value to GDP	25	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	20	United States	23.3
Insurance				
5.07	Life insurance penetration	25	Ireland	19.8
5.08	Non-life insurance penetration	26	Netherlands	9.5
5.09	Real growth of direct insurance premiums	23	Argentina	21.9
5.10	Life insurance density	47	India	43.5
5.11	Non-life insurance density	53	China	16.1
5.12	Relative value added of insurance to GDP	33	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	21	United States	5.1
5.14	Share of total number of securitization deals	20	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	32	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	23	United Kingdom	41.3
6.03	Foreign exchange swap turnover	18	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	14	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	16	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	27	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	18	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	26	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	19	Turkey	237.9
6.10	Stock market capitalization to GDP	31	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	19	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	10	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	17	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	38	Japan	208.5
6.15	Private international bonds to GDP	15	Ireland	202.8
6.16	Public international bonds to GDP	54	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	35	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	15	United Kingdom	6.8
7.02	Venture capital availability	5	Hong Kong SAR	4.5
7.03	Ease of access to credit	8	Hong Kong SAR	5.0
7.04	Financing through local equity market	4	Hong Kong SAR	5.7
7.05	Ease of access to loans	5	Bahrain	4.8
7.06	Foreign direct investment to GDP	53	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	n/a	Denmark	99.7
7.08	Commercial bank branches	44	Portugal	75.9
7.09	Total number of ATMs	32	Korea, Rep.	250.3
7.10	Debit card penetration	n/a	Netherlands	97.6
7.11	Loan accounts at MFIs	n/a	Peru	121.2
7.12	Loan from a financial institution	n/a	Finland	23.9

Pakistan

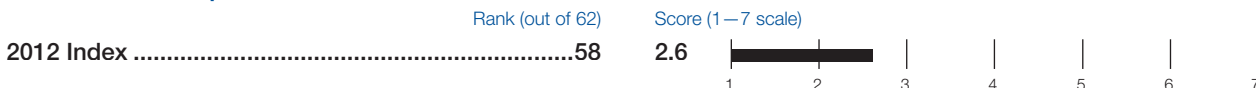
Key indicators

Population (millions), 2011	175.3
GDP (US\$ billions), 2011	210.6
GDP (current prices) per capita, 2011	1,201.1
GDP (PPP) as share (%) of world total, 2011	0.62
Compound annual growth rate of real GDP (%), 2007–2011	2.30

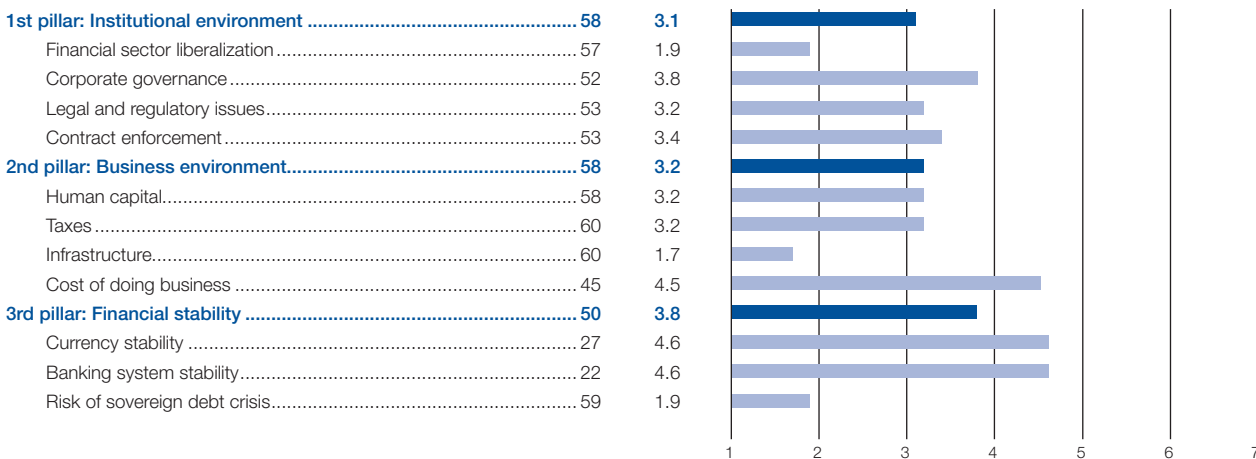
Financial assets by major type, 2010



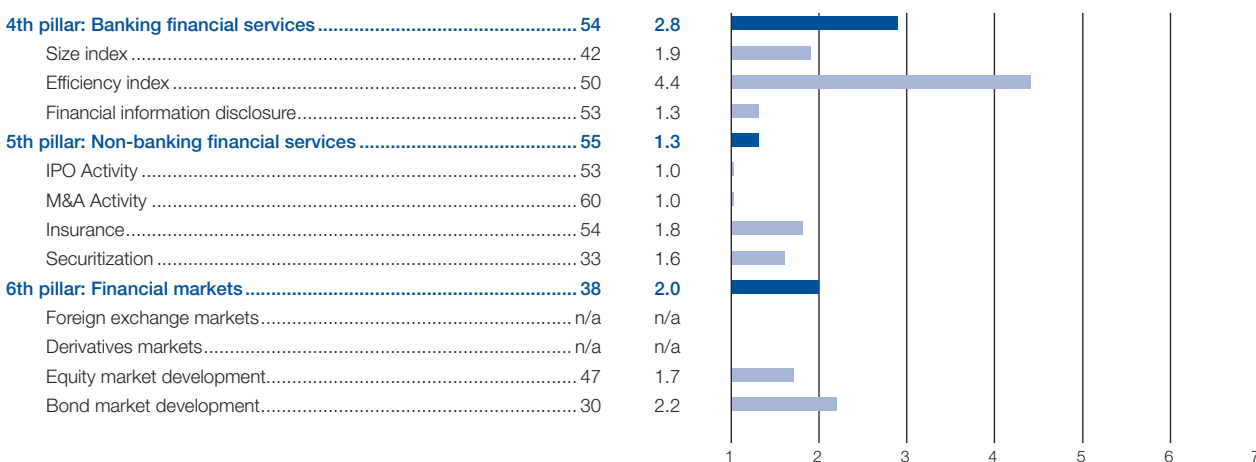
Financial Development Index 2012



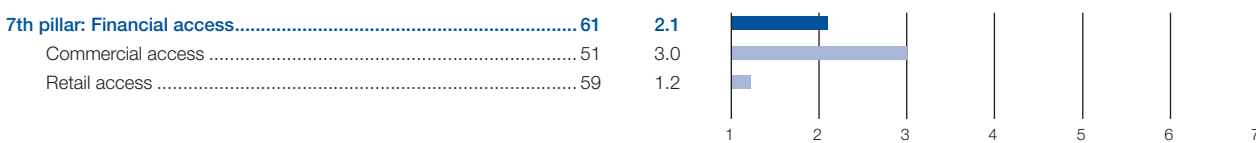
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Pakistan

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	54	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	55	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	49	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	56	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	52	South Africa.....	5.8
1.06	Reliance on professional management.....	53	Finland.....	6.3
1.07	Willingness to delegate	49	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	48	South Africa.....	6.6
1.09	Ethical behavior of firms.....	51	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	44	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	21	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	37	South Africa.....	6.5
1.13	Property rights	57	Finland.....	6.5
1.14	Intellectual property protection.....	53	Finland.....	6.3
1.15	Diversion of public funds.....	38	Denmark.....	6.3
1.16	Public trust in politicians	44	Singapore	6.3
1.17	Corruption perceptions index.....	57	Finland.....	9.4
1.18	Strength of legal rights index.....	35	Multiple (6)	10.0
1.19	Central bank transparency.....	43	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	47	Singapore.....	6.4
1.21	Judicial independence	31	Finland.....	6.5
1.22	Irregular payments in judicial decisions	41	Denmark.....	6.8
1.23	Time to enforce a contract.....	57	Singapore	150.0
1.24	Number of procedures to enforce a contract	58	Multiple (2)	21.0
1.25	Strength of investor protection index	19	Singapore	9.3
1.26	Cost of enforcing contracts	28	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	41	United Kingdom.....	6.1
2.02	Quality of math and science education	42	Singapore	6.3
2.03	Extent of staff training.....	57	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	57	Switzerland.....	6.4
2.05	Brain drain.....	40	Switzerland.....	6.3
2.06	Tertiary enrollment	59	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	60	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	53	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	55	Kuwait	-4.8
2.10	Time to pay taxes.....	57	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	52	Switzerland.....	6.6
2.12	Quality of electricity supply.....	58	Netherlands	6.8
2.13	Internet users	61	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	57	Switzerland.....	39.2
2.15	Telephone subscriptions	56	Germany.....	63.1
2.16	Mobile telephone subscriptions	59	Hong Kong SAR	209.6

(continued)

Pakistan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	42	Denmark	0.0
2.18	Cost of registering property	58	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	41	Australia	2.0
2.21	Time to register property	48	Portugal	1.0
2.22	Time to close a business	38	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	27	Brazil	8.3
3.02	External vulnerability indicator	20	Saudi Arabia	9.3
3.03	Current account balance to GDP	40	Kuwait	32.0
3.04	Dollarization vulnerability indicator	31	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	13	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	51	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	26	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	59	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	59	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	59	Peru	6.4
3.15	Manageability of public debt	32	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	52	Ireland	245.1
4.02	Central bank assets to GDP	5	Brazil	18.3
4.03	Financial system deposits to GDP	46	Hong Kong SAR	305.8
4.04	M2 to GDP	50	Hong Kong SAR	320.5
4.05	Private credit to GDP	56	Denmark	229.8
4.06	Bank deposits to GDP	46	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	41	Czech Republic	6.0
4.09	Bank overhead costs	45	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	42	Sweden	0.8
4.12	Non-performing bank loans to total loans	57	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	52	Multiple (12)	100.0
4.14	Public credit registry coverage	17	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	53	China	37.8
5.02	IPO proceeds amount	54	Hong Kong SAR	5.1
5.03	Share of world IPOs	45	China	30.2

(continued)

Pakistan

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

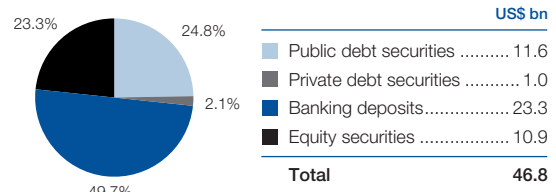
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	55	0.0	United States.....	34.4
5.05 M&A transaction value to GDP	61	0.4	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	55	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	48	0.4	Ireland	19.8
5.08 Non-life insurance penetration	59	0.3	Netherlands	9.5
5.09 Real growth of direct insurance premiums	30	2.8	Argentina.....	21.9
5.10 Life insurance density	25	0.6	India	43.5
5.11 Non-life insurance density.....	30	0.5	China.....	16.1
5.12 Relative value added of insurance to GDP	51	0.5	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	27	0.5	United States.....	5.1
5.14 Share of total number of securitization deals.....	37	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	35	66.8	Turkey.....	237.9
6.10 Stock market capitalization to GDP	50	19.8	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	43	10.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	43	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	42	0.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	26	31.1	Japan	208.5
6.15 Private international bonds to GDP.....	56	0.0	Ireland	202.8
6.16 Public international bonds to GDP	45	0.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	8	1.4	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	51	3.9	United Kingdom.....	6.8
7.02 Venture capital availability	36	2.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	43	3.3	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	40	3.8	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	40	2.9	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	54	0.6	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	59	10.3	Denmark.....	99.7
7.08 Commercial bank branches	41	8.8	Portugal.....	75.9
7.09 Total number of ATMs.....	46	4.4	Korea, Rep.	250.3
7.10 Debit card penetration	59	2.9	Netherlands	97.6
7.11 Loan accounts at MFIs	9	10.9	Peru	121.2
7.12 Loan from a financial institution.....	60	1.6	Finland.....	23.9

Panama

Key indicators

Population (millions), 2011	3.6
GDP (US\$ billions), 2011	30.6
GDP (current prices) per capita, 2011	8,514.2
GDP (PPP) as share (%) of world total, 2011	0.06
Compound annual growth rate of real GDP (%), 2007–2011	6.35

Financial assets by major type, 2010

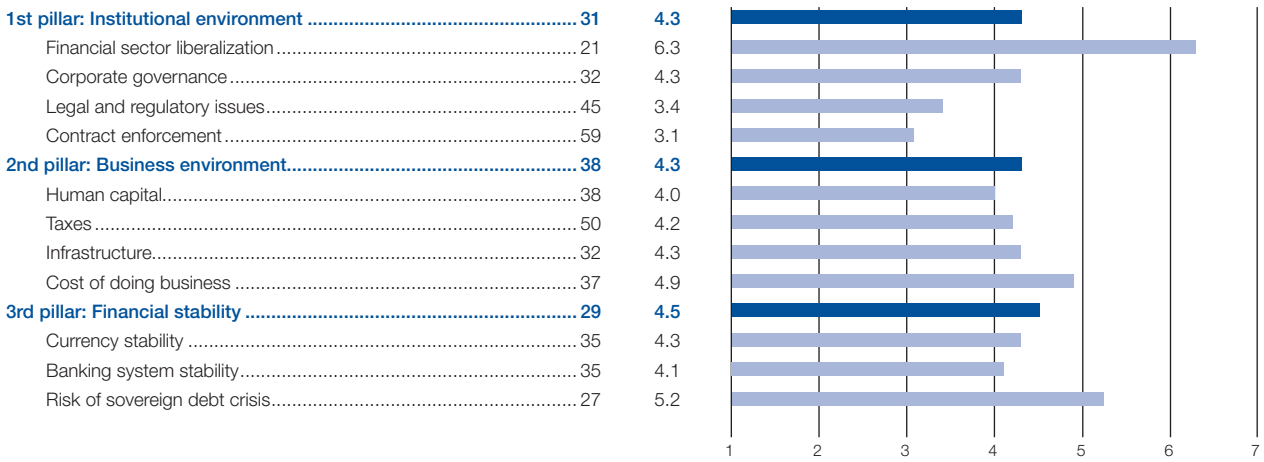


Total/GDP 176.0%

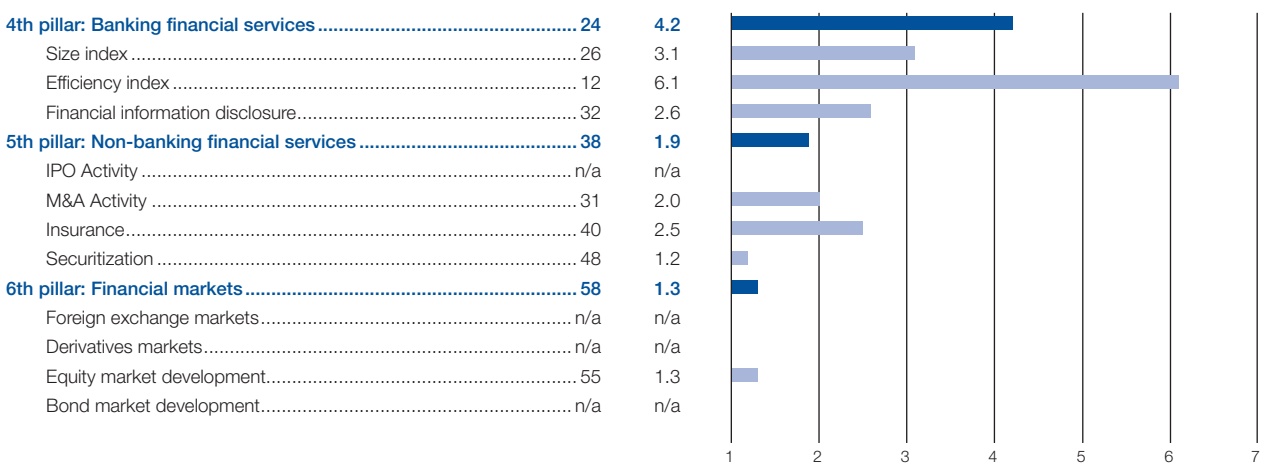
Financial Development Index 2012



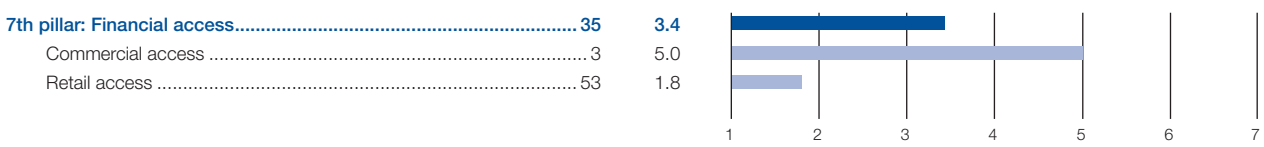
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Panama

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	26	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	27	■	5.1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	25	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	30	■	4.2	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	38	■	4.4	South Africa.....	5.8
1.06	Reliance on professional management.....	58	■	3.6	Finland.....	6.3
1.07	Willingness to delegate	36	■	3.8	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	22	■	5.2	South Africa.....	6.6
1.09	Ethical behavior of firms.....	34	■	4.0	Finland.....	6.5
1.10	Protection of minority shareholders' interests	25	■	4.7	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	14	■	3.8	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	45	■	4.0	South Africa.....	6.5
1.13	Property rights	28	■	4.9	Finland.....	6.5
1.14	Intellectual property protection.....	25	■	4.6	Finland.....	6.3
1.15	Diversion of public funds.....	39	■	3.0	Denmark.....	6.3
1.16	Public trust in politicians	46	■	2.2	Singapore	6.3
1.17	Corruption perceptions index.....	46	■	3.3	Finland.....	9.4
1.18	Strength of legal rights index.....	42	■	5.0	Multiple (6)	10.0
1.19	Central bank transparency.....	n/a		n/a	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	51	■	2.8	Singapore.....	6.4
1.21	Judicial independence	60	■	2.3	Finland.....	6.5
1.22	Irregular payments in judicial decisions	50	■	3.2	Denmark.....	6.8
1.23	Time to enforce a contract.....	50	■	686.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	18	■	31.0	Multiple (2)	21.0
1.25	Strength of investor protection index	48	■	4.7	Singapore	9.3
1.26	Cost of enforcing contracts	60	■	50.0	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	47	■	4.1	United Kingdom.....	6.1
2.02	Quality of math and science education	58	■	2.8	Singapore	6.3
2.03	Extent of staff training.....	30	■	4.2	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	33	■	4.6	Switzerland.....	6.4
2.05	Brain drain.....	21	■	4.5	Switzerland.....	6.3
2.06	Tertiary enrollment	37	■	44.6	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	36	■	4.6	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	39	■	3.8	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	47	■	11.3	Kuwait	-4.8
2.10	Time to pay taxes	55	■	482.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	30	■	5.1	Switzerland.....	6.6
2.12	Quality of electricity supply.....	31	■	5.5	Netherlands	6.8
2.13	Internet users	41	■	42.7	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	39	■	7.9	Switzerland.....	39.2
2.15	Telephone subscriptions	45	■	15.2	Germany.....	63.1
2.16	Mobile telephone subscriptions	2	■	203.9	Hong Kong SAR	209.6

(continued)

Panama

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	40	Denmark	0.0
2.18	Cost of registering property	44	Multiple (2)	0.0
2.19	Cost of closing a business	42	Multiple (4)	1.0
2.20	Time to start a business	19	Australia	2.0
2.21	Time to register property	35	Portugal	1.0
2.22	Time to close a business	35	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	24	Brazil	8.3
3.02	External vulnerability indicator	7	Saudi Arabia	9.3
3.03	Current account balance to GDP	59	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	23	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	6	Ireland	6.9
3.10	Tier 1 capital ratio	29	Ghana	22.7
3.11	Output loss during banking crises	52	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	39	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	34	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	4	Peru	6.4
3.15	Manageability of public debt	25	Kuwait	6.2
3.16	Credit default swap spreads	20	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	30	Ireland	245.1
4.02	Central bank assets to GDP	12	Brazil	18.3
4.03	Financial system deposits to GDP	19	Hong Kong SAR	305.8
4.04	M2 to GDP	23	Hong Kong SAR	320.5
4.05	Private credit to GDP	32	Denmark	229.8
4.06	Bank deposits to GDP	19	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	19	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	16	Czech Republic	6.0
4.09	Bank overhead costs	41	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	35	Sweden	0.8
4.12	Non-performing bank loans to total loans	5	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	25	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	n/a	China	37.8
5.02	IPO proceeds amount	n/a	Hong Kong SAR	5.1
5.03	Share of world IPOs	n/a	China	30.2

(continued)

Panama

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

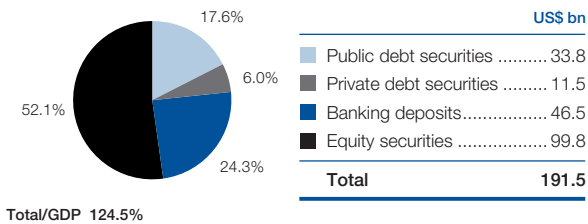
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	52.....	0.0	United States.....	34.4
5.05 M&A transaction value to GDP	21.....	4.1	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	58.....	0.0	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	41.....	0.8	Ireland	19.8
5.08 Non-life insurance penetration	17.....	2.7	Netherlands	9.5
5.09 Real growth of direct insurance premiums	14.....	8.2	Argentina.....	21.9
5.10 Life insurance density	54.....	0.0	India	43.5
5.11 Non-life insurance density.....	55.....	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	40.....	0.8	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	45.....	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	56.....	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a.....	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a.....	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a.....	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a.....	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a.....	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a.....	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a.....	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	59.....	2.4	Turkey.....	237.9
6.10 Stock market capitalization to GDP	43.....	35.9	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	57.....	0.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	35.....	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a.....	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a.....	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	39.....	4.4	Ireland	202.8
6.16 Public international bonds to GDP	2.....	30.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a.....	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	10.....	6.0	United Kingdom.....	6.8
7.02 Venture capital availability	13.....	3.7	Hong Kong SAR	4.5
7.03 Ease of access to credit	3.....	4.8	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	27.....	4.3	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	9.....	4.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	4.....	9.1	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	54.....	24.9	Denmark.....	99.7
7.08 Commercial bank branches	n/a.....	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a.....	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	54.....	11.3	Netherlands	97.6
7.11 Loan accounts at MFIs	18.....	4.1	Peru	121.2
7.12 Loan from a financial institution.....	29.....	9.8	Finland.....	23.9

Peru

Key indicators

Population (millions), 2011	30.0
GDP (US\$ billions), 2011	173.5
GDP (current prices) per capita, 2011	5,781.6
GDP (PPP) as share (%) of world total, 2011	0.38
Compound annual growth rate of real GDP (%), 2007–2011	5.20

Financial assets by major type, 2010

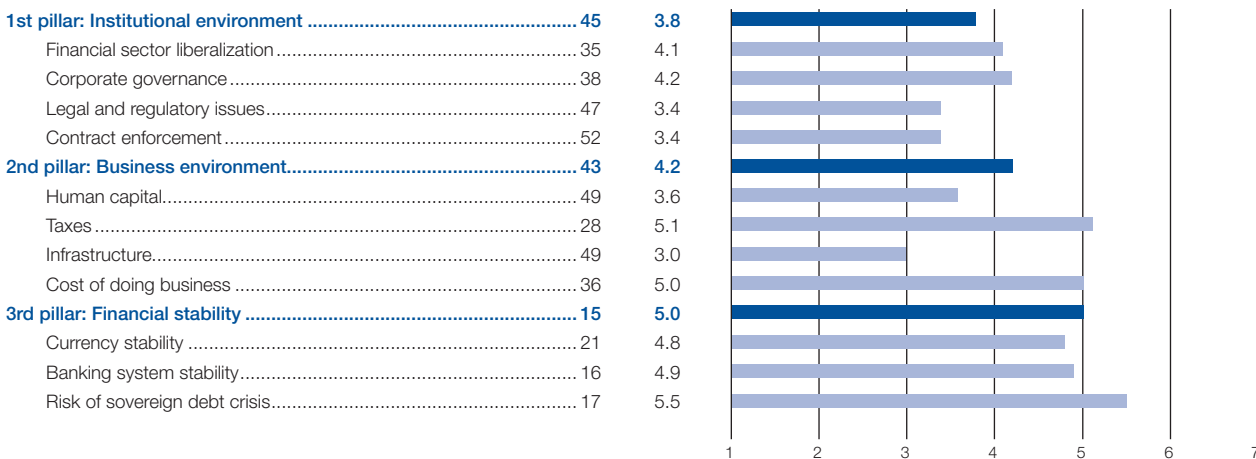


	US\$ bn
Public debt securities	33.8
Private debt securities	11.5
Banking deposits	46.5
Equity securities	99.8
Total	191.5

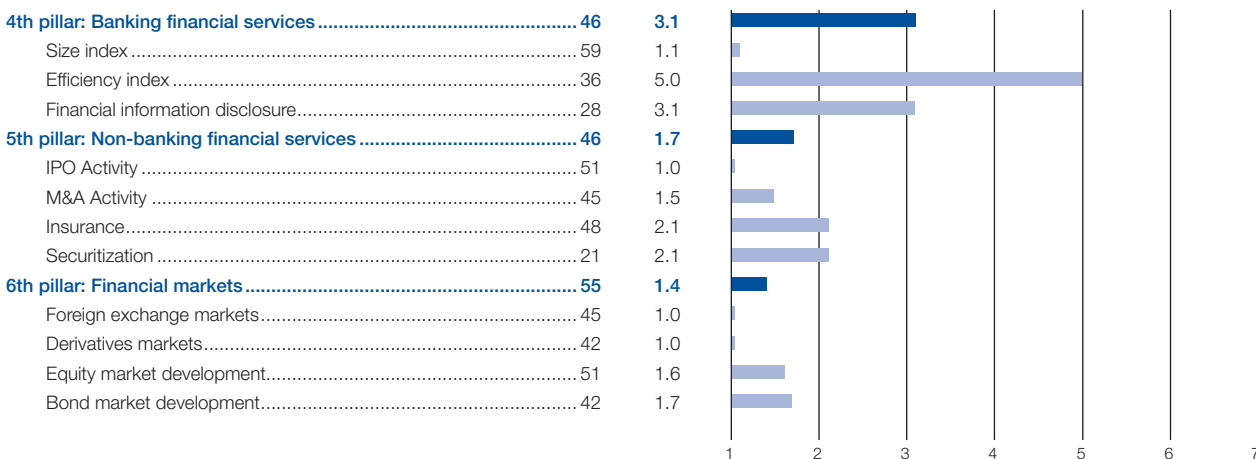
Financial Development Index 2012



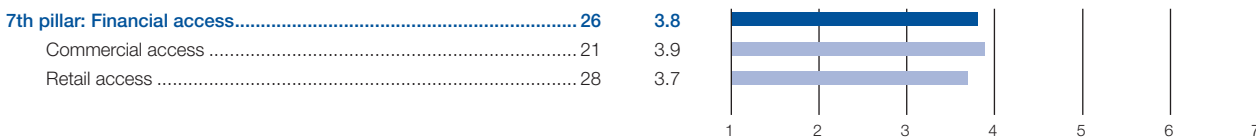
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Peru

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	33	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	50	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	34	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	48	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	29	South Africa.....	5.8
1.06	Reliance on professional management.....	31	Finland.....	6.3
1.07	Willingness to delegate	43	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	32	South Africa.....	6.6
1.09	Ethical behavior of firms.....	46	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	40	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	49	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	56	South Africa.....	6.5
1.13	Property rights	51	Finland.....	6.5
1.14	Intellectual property protection.....	59	Finland.....	6.3
1.15	Diversion of public funds.....	48	Denmark.....	6.3
1.16	Public trust in politicians	54	Singapore	6.3
1.17	Corruption perceptions index.....	44	Finland.....	9.4
1.18	Strength of legal rights index.....	24	Multiple (6)	10.0
1.19	Central bank transparency.....	29	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	61	Singapore.....	6.4
1.21	Judicial independence	59	Finland.....	6.5
1.22	Irregular payments in judicial decisions	60	Denmark.....	6.8
1.23	Time to enforce a contract.....	24	Singapore	150.0
1.24	Number of procedures to enforce a contract	52	Multiple (2)	21.0
1.25	Strength of investor protection index	13	Singapore	9.3
1.26	Cost of enforcing contracts	54	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	32	United Kingdom.....	6.1
2.02	Quality of math and science education	61	Singapore	6.3
2.03	Extent of staff training.....	45	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	51	Switzerland.....	6.4
2.05	Brain drain.....	31	Switzerland.....	6.3
2.06	Tertiary enrollment	38	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	32	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	31	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	18	Kuwait	-4.8
2.10	Time to pay taxes.....	47	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	55	Switzerland.....	6.6
2.12	Quality of electricity supply.....	42	Netherlands	6.8
2.13	Internet users	46	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	47	Switzerland.....	39.2
2.15	Telephone subscriptions	49	Germany.....	63.1
2.16	Mobile telephone subscriptions	37	Hong Kong SAR	209.6

(continued)

Peru

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	45	Denmark	0.0
2.18	Cost of registering property	24	Multiple (2)	0.0
2.19	Cost of closing a business	15	Multiple (4)	1.0
2.20	Time to start a business	44	Australia	2.0
2.21	Time to register property	9	Portugal	1.0
2.22	Time to close a business	44	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	17	Brazil	8.3
3.02	External vulnerability indicator	5	Saudi Arabia	9.3
3.03	Current account balance to GDP	34	Kuwait	32.0
3.04	Dollarization vulnerability indicator	41	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	10	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	13	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	7	Ireland	6.9
3.10	Tier 1 capital ratio	20	Ghana	22.7
3.11	Output loss during banking crises	35	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	32	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	34	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	1	Peru	6.4
3.15	Manageability of public debt	8	Kuwait	6.2
3.16	Credit default swap spreads	25	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	55	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	51	Hong Kong SAR	305.8
4.04	M2 to GDP	55	Hong Kong SAR	320.5
4.05	Private credit to GDP	54	Denmark	229.8
4.06	Bank deposits to GDP	52	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	25	Czech Republic	6.0
4.09	Bank overhead costs	52	Finland	0.6
4.10	Public ownership of banks	35	Multiple (22)	0.0
4.11	Bank operating costs to assets	54	Sweden	0.8
4.12	Non-performing bank loans to total loans	19	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	33	Multiple (12)	100.0
4.14	Public credit registry coverage	12	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	49	China	37.8
5.02	IPO proceeds amount	50	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Peru

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

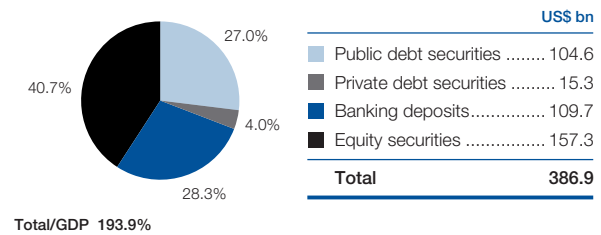
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	46	0.1	United States.....	34.4
5.05 M&A transaction value to GDP	41	1.9	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	42	0.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	42	0.7	Ireland	19.8
5.08 Non-life insurance penetration	51	0.8	Netherlands	9.5
5.09 Real growth of direct insurance premiums	16	6.5	Argentina.....	21.9
5.10 Life insurance density	41	0.2	India	43.5
5.11 Non-life insurance density.....	40	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	31	1.1	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	19	0.6	United States.....	5.1
5.14 Share of total number of securitization deals.....	19	0.6	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	42	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	36	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	45	0.0	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	39	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	40	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	43	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	57	5.3	Turkey.....	237.9
6.10 Stock market capitalization to GDP	32	56.2	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	52	2.4	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	33	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	35	3.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	41	12.6	Japan	208.5
6.15 Private international bonds to GDP.....	40	3.8	Ireland	202.8
6.16 Public international bonds to GDP	18	7.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	40	4.7	United Kingdom.....	6.8
7.02 Venture capital availability	31	2.9	Hong Kong SAR	4.5
7.03 Ease of access to credit	11	4.5	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	45	3.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	20	3.6	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	11	4.7	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	56	20.5	Denmark.....	99.7
7.08 Commercial bank branches	3	49.5	Portugal.....	75.9
7.09 Total number of ATMs.....	41	25.2	Korea, Rep.	250.3
7.10 Debit card penetration	49	14.1	Netherlands	97.6
7.11 Loan accounts at MFIs	1	121.2	Peru	121.2
7.12 Loan from a financial institution.....	17	12.7	Finland.....	23.9

Philippines

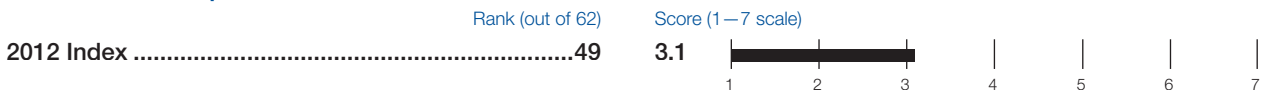
Key indicators

Population (millions), 2011	95.9
GDP (US\$ billions), 2011	213.1
GDP (current prices) per capita, 2011	2,223.4
GDP (PPP) as share (%) of world total, 2011	0.50
Compound annual growth rate of real GDP (%), 2007–2011	3.30

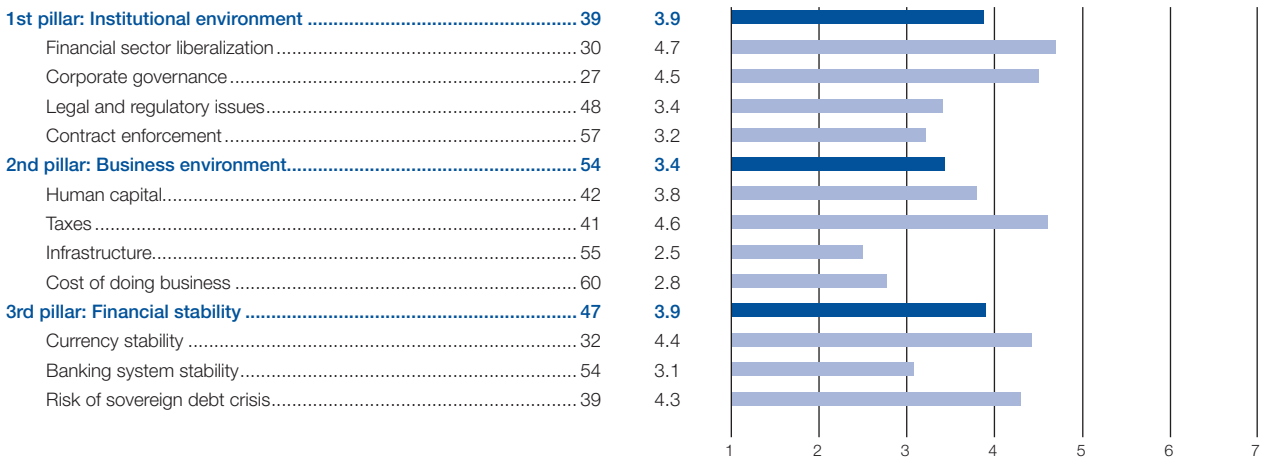
Financial assets by major type, 2010



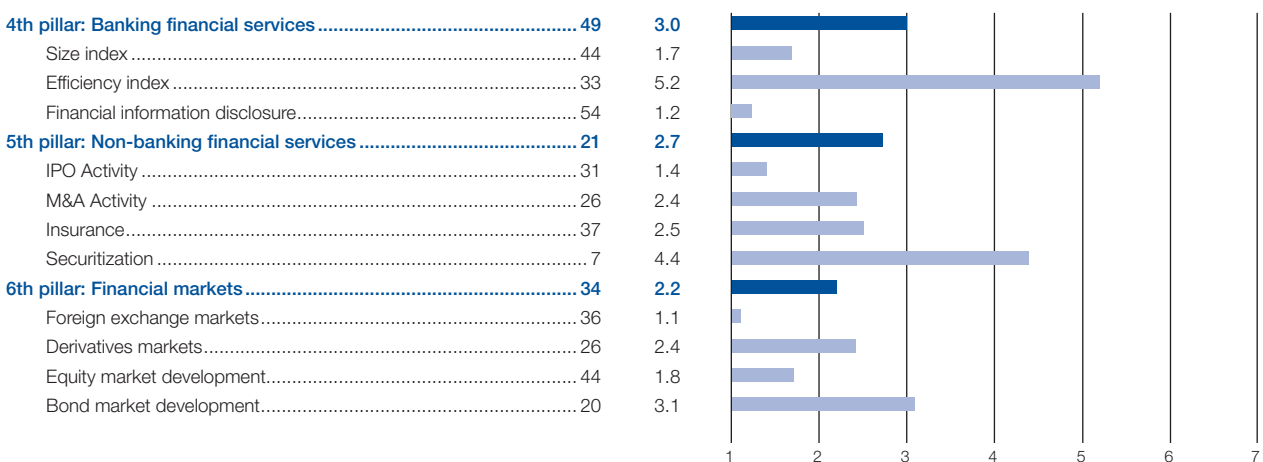
Financial Development Index 2012



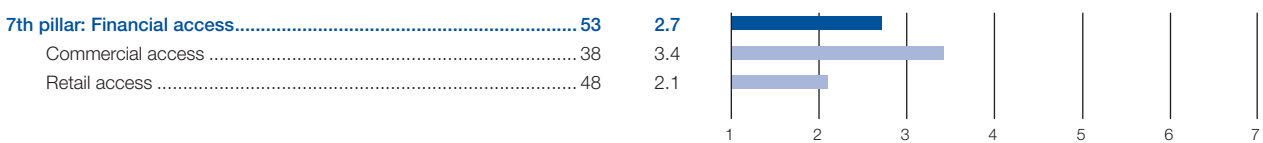
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Philippines

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	52.....■	1.9	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	24.....■	5.5	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	28.....■	6.6	Multiple (24).....7.0
Corporate governance				
1.04	Extent of incentive-based compensation	27.....■	4.3	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	28.....■	4.7	South Africa.....5.8
1.06	Reliance on professional management.....	25.....■	4.9	Finland.....6.3
1.07	Willingness to delegate	22.....■	4.5	Denmark.....6.2
1.08	Strength of auditing and reporting standards	26.....■	5.1	South Africa.....6.6
1.09	Ethical behavior of firms.....	43.....■	3.7	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	33.....■	4.3	Finland.....6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	39.....■	3.0	Singapore.....5.6
1.12	Regulation of securities exchanges.....	33.....■	4.6	South Africa.....6.5
1.13	Property rights	41.....■	4.1	Finland.....6.5
1.14	Intellectual property protection.....	46.....■	3.2	Finland.....6.3
1.15	Diversion of public funds.....	47.....■	2.8	Denmark.....6.3
1.16	Public trust in politicians	42.....■	2.4	Singapore.....6.3
1.17	Corruption perceptions index.....	56.....■	2.6	Finland.....9.4
1.18	Strength of legal rights index.....	46.....■	4.0	Multiple (6).....10.0
1.19	Central bank transparency.....	24.....■	9.5	Sweden.....15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	43.....■	3.2	Singapore.....6.4
1.21	Judicial independence	53.....■	3.0	Finland.....6.5
1.22	Irregular payments in judicial decisions	55.....■	3.0	Denmark.....6.8
1.23	Time to enforce a contract.....	55.....■	842.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	41.....■	37.0	Multiple (2).....21.0
1.25	Strength of investor protection index	57.....■	4.0	Singapore.....9.3
1.26	Cost of enforcing contracts	35.....■	26.0	Norway.....9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	27.....■	4.7	United Kingdom.....6.1
2.02	Quality of math and science education	48.....■	3.6	Singapore.....6.3
2.03	Extent of staff training.....	23.....■	4.6	Switzerland.....5.6
2.04	Local availability of specialized research and training services	42.....■	4.3	Switzerland.....6.4
2.05	Brain drain.....	43.....■	3.4	Switzerland.....6.3
2.06	Tertiary enrollment	45.....■	28.9	Korea, Rep.....103.1
Taxes				
2.07	Irregular payments in tax collection	55.....■	3.2	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	24.....■	4.2	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	37.....■	9.0	Kuwait.....-4.8
2.10	Time to pay taxes.....	27.....■	195.0	United Arab Emirates.....12.0
Infrastructure				
2.11	Quality of overall infrastructure	50.....■	3.6	Switzerland.....6.6
2.12	Quality of electricity supply.....	52.....■	3.7	Netherlands.....6.8
2.13	Internet users	52.....■	29.0	Norway.....94.0
2.14	Broadband Internet subscriptions.....	50.....■	1.9	Switzerland.....39.2
2.15	Telephone subscriptions	55.....■	7.2	Germany.....63.1
2.16	Mobile telephone subscriptions	51.....■	92.0	Hong Kong SAR.....209.6

(continued)

Philippines

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	55	Denmark	0.0
2.18	Cost of registering property	37	Multiple (2)	0.0
2.19	Cost of closing a business	60	Multiple (4)	1.0
2.20	Time to start a business	57	Australia	2.0
2.21	Time to register property	40	Portugal	1.0
2.22	Time to close a business	61	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	52	Brazil	8.3
3.02	External vulnerability indicator	8	Saudi Arabia	9.3
3.03	Current account balance to GDP	18	Kuwait	32.0
3.04	Dollarization vulnerability indicator	33	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	20	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	50	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	43	Ireland	6.9
3.10	Tier 1 capital ratio	23	Ghana	22.7
3.11	Output loss during banking crises	44	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	45	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	44	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	24	Peru	6.4
3.15	Manageability of public debt	34	Kuwait	6.2
3.16	Credit default swap spreads	30	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	49	Ireland	245.1
4.02	Central bank assets to GDP	22	Brazil	18.3
4.03	Financial system deposits to GDP	40	Hong Kong SAR	305.8
4.04	M2 to GDP	48	Hong Kong SAR	320.5
4.05	Private credit to GDP	52	Denmark	229.8
4.06	Bank deposits to GDP	42	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	42	Czech Republic	6.0
4.09	Bank overhead costs	47	Finland	0.6
4.10	Public ownership of banks	29	Multiple (22)	0.0
4.11	Bank operating costs to assets	43	Sweden	0.8
4.12	Non-performing bank loans to total loans	29	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	48	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	32	China	37.8
5.02	IPO proceeds amount	23	Hong Kong SAR	5.1
5.03	Share of world IPOs	29	China	30.2

(continued)

Philippines

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

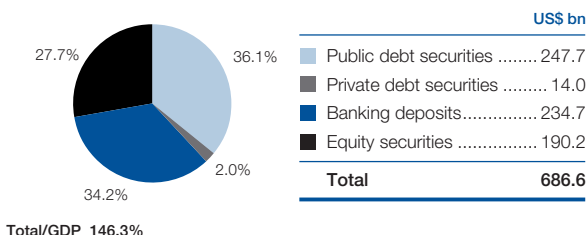
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	32.....	0.4	United States.....	34.4
5.05 M&A transaction value to GDP	18.....	4.6	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	34.....	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	38.....	0.9	Ireland	19.8
5.08 Non-life insurance penetration	56.....	0.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	6.....	12.3	Argentina.....	21.9
5.10 Life insurance density	20.....	0.9	India	43.5
5.11 Non-life insurance density.....	32.....	0.4	China.....	16.1
5.12 Relative value added of insurance to GDP	23.....	1.5	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	5.....	2.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	14.....	1.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	34.....	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	32.....	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	39.....	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	34.....	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	24.....	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	16.....	0.9	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	19.....	0.2	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	45.....	28.5	Turkey.....	237.9
6.10 Stock market capitalization to GDP	30.....	60.3	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	42.....	11.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	46.....	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	39.....	1.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	27.....	30.0	Japan	208.5
6.15 Private international bonds to GDP.....	33.....	6.4	Ireland	202.8
6.16 Public international bonds to GDP	11.....	12.9	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	5.....	1.9	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	36.....	4.7	United Kingdom.....	6.8
7.02 Venture capital availability	39.....	2.7	Hong Kong SAR	4.5
7.03 Ease of access to credit	25.....	4.1	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	29.....	4.2	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	28.....	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	56.....	0.6	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	52.....	26.6	Denmark.....	99.7
7.08 Commercial bank branches	43.....	7.7	Portugal.....	75.9
7.09 Total number of ATMs.....	43.....	14.9	Korea, Rep.	250.3
7.10 Debit card penetration	50.....	13.2	Netherlands	97.6
7.11 Loan accounts at MFIs	6.....	32.2	Peru	121.2
7.12 Loan from a financial institution.....	26.....	10.5	Finland.....	23.9

Poland

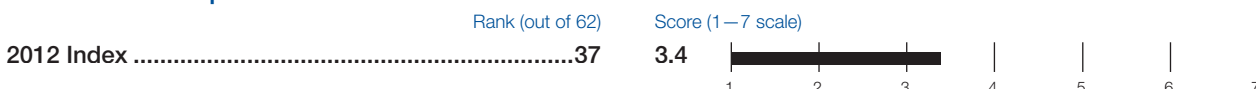
Key indicators

Population (millions), 2011	37.9
GDP (US\$ billions), 2011	513.8
GDP (current prices) per capita, 2011	13,539.8
GDP (PPP) as share (%) of world total, 2011	0.98
Compound annual growth rate of real GDP (%), 2007–2011	2.99

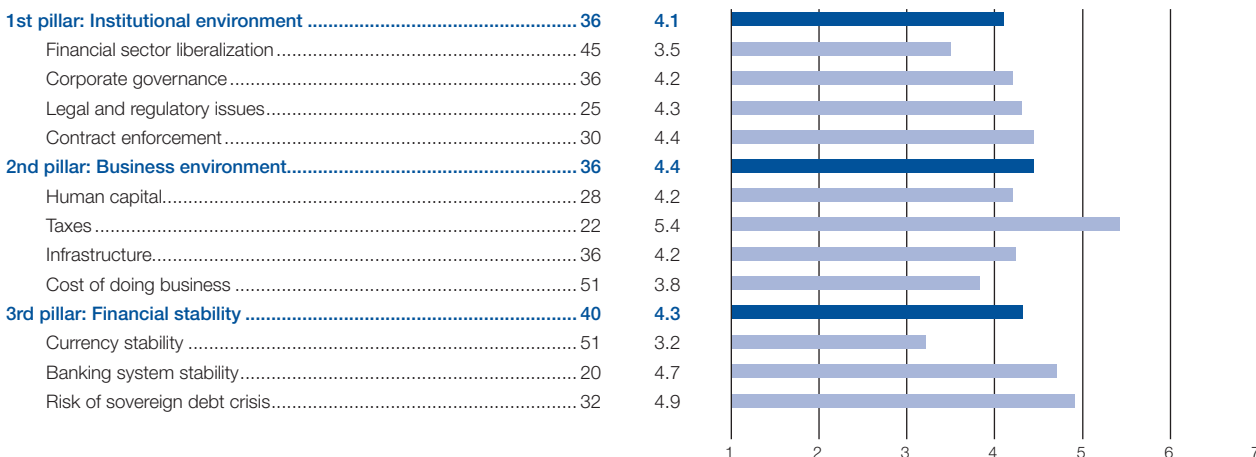
Financial assets by major type, 2010



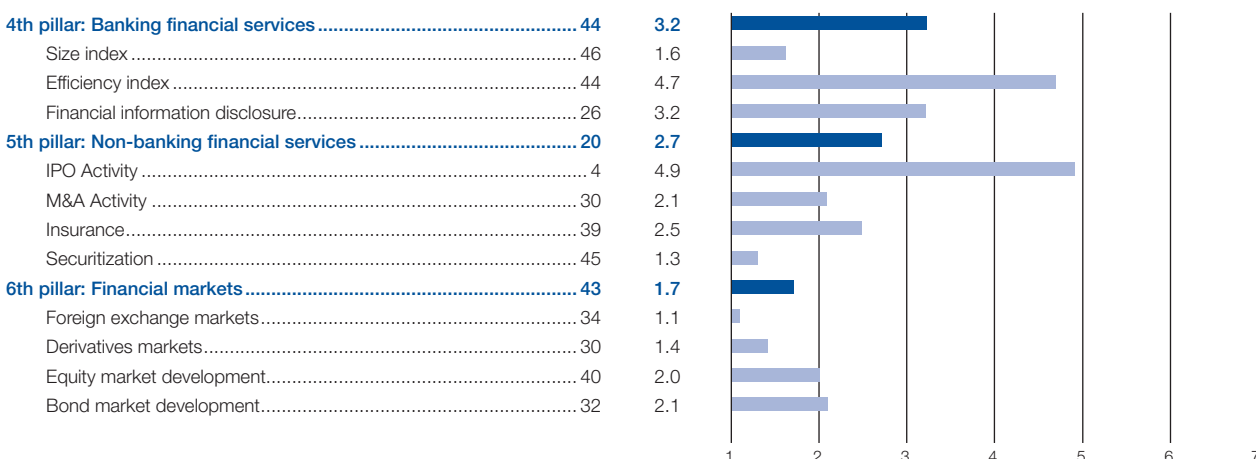
Financial Development Index 2012



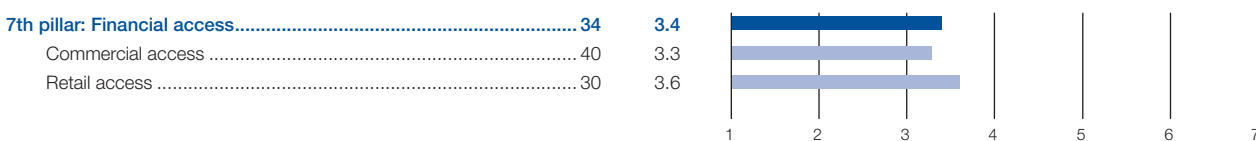
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to "How Read the Country/Economy Profiles."

Poland

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	41	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	41	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	44	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	42	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	42	South Africa.....	5.8
1.06	Reliance on professional management.....	43	Finland.....	6.3
1.07	Willingness to delegate	40	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	24	South Africa.....	6.6
1.09	Ethical behavior of firms.....	29	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	47	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	52	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	21	South Africa.....	6.5
1.13	Property rights	37	Finland.....	6.5
1.14	Intellectual property protection.....	40	Finland.....	6.3
1.15	Diversion of public funds.....	25	Denmark.....	6.3
1.16	Public trust in politicians	40	Singapore	6.3
1.17	Corruption perceptions index.....	24	Finland.....	9.4
1.18	Strength of legal rights index.....	7	Multiple (6)	10.0
1.19	Central bank transparency.....	19	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	40	Singapore.....	6.4
1.21	Judicial independence	29	Finland.....	6.5
1.22	Irregular payments in judicial decisions	28	Denmark.....	6.8
1.23	Time to enforce a contract.....	54	Singapore	150.0
1.24	Number of procedures to enforce a contract	41	Multiple (2)	21.0
1.25	Strength of investor protection index	24	Singapore	9.3
1.26	Cost of enforcing contracts	4	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	48	United Kingdom.....	6.1
2.02	Quality of math and science education	35	Singapore	6.3
2.03	Extent of staff training.....	36	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	24	Switzerland.....	6.4
2.05	Brain drain.....	52	Switzerland.....	6.3
2.06	Tertiary enrollment	15	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	23	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	27	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	13	Kuwait	-4.8
2.10	Time to pay taxes	45	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	43	Switzerland.....	6.6
2.12	Quality of electricity supply.....	33	Netherlands	6.8
2.13	Internet users	27	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	28	Switzerland.....	39.2
2.15	Telephone subscriptions	41	Germany.....	63.1
2.16	Mobile telephone subscriptions	18	Hong Kong SAR	209.6

(continued)

Poland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	51	Denmark	0.0
2.18	Cost of registering property	5	Multiple (2)	0.0
2.19	Cost of closing a business	34	Multiple (4)	1.0
2.20	Time to start a business	52	Australia	2.0
2.21	Time to register property	61	Portugal	1.0
2.22	Time to close a business	41	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	30	Brazil	8.3
3.02	External vulnerability indicator	27	Saudi Arabia	9.3
3.03	Current account balance to GDP	52	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	32	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	24	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	22	Ireland	6.9
3.10	Tier 1 capital ratio	31	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	25	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	26	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	29	Peru	6.4
3.15	Manageability of public debt	40	Kuwait	6.2
3.16	Credit default swap spreads	34	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	60	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	43	Hong Kong SAR	305.8
4.04	M2 to GDP	38	Hong Kong SAR	320.5
4.05	Private credit to GDP	40	Denmark	229.8
4.06	Bank deposits to GDP	44	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	36	Czech Republic	6.0
4.09	Bank overhead costs	44	Finland	0.6
4.10	Public ownership of banks	46	Multiple (22)	0.0
4.11	Bank operating costs to assets	39	Sweden	0.8
4.12	Non-performing bank loans to total loans	45	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	20	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	13	China	37.8
5.02	IPO proceeds amount	5	Hong Kong SAR	5.1
5.03	Share of world IPOs	4	China	30.2

(continued)

Poland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

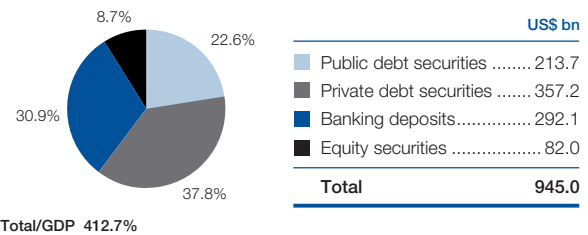
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	26	0.5	United States.....	34.4
5.05 M&A transaction value to GDP	33	2.7	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	22	0.8	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	31	1.8	Ireland	19.8
5.08 Non-life insurance penetration	30	1.9	Netherlands	9.5
5.09 Real growth of direct insurance premiums	33	2.1	Argentina.....	21.9
5.10 Life insurance density	23	0.7	India	43.5
5.11 Non-life insurance density.....	27	0.7	China.....	16.1
5.12 Relative value added of insurance to GDP	37	1.0	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	44	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	33	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	35	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	37	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	28	0.2	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	20	0.1	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	28	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	32	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	27	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	27	0.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	37	54.0	Turkey.....	237.9
6.10 Stock market capitalization to GDP	44	35.2	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	41	14.4	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	22	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	36	2.1	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	20	36.6	Japan	208.5
6.15 Private international bonds to GDP.....	50	1.2	Ireland	202.8
6.16 Public international bonds to GDP	13	11.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	39	0.1	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	39	4.7	United Kingdom.....	6.8
7.02 Venture capital availability	50	2.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	39	3.5	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	43	3.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	46	2.5	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	23	2.9	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	28	70.2	Denmark.....	99.7
7.08 Commercial bank branches	5	45.8	Portugal.....	75.9
7.09 Total number of ATMs.....	34	52.1	Korea, Rep.	250.3
7.10 Debit card penetration	30	37.3	Netherlands	97.6
7.11 Loan accounts at MFIs	25	0.4	Peru	121.2
7.12 Loan from a financial institution.....	31	9.6	Finland.....	23.9

Portugal

Key indicators

Population (millions), 2011	10.7
GDP (US\$ billions), 2011	238.9
GDP (current prices) per capita, 2011	22,413.5
GDP (PPP) as share (%) of world total, 2011	0.32
Compound annual growth rate of real GDP (%), 2007–2011	-0.61

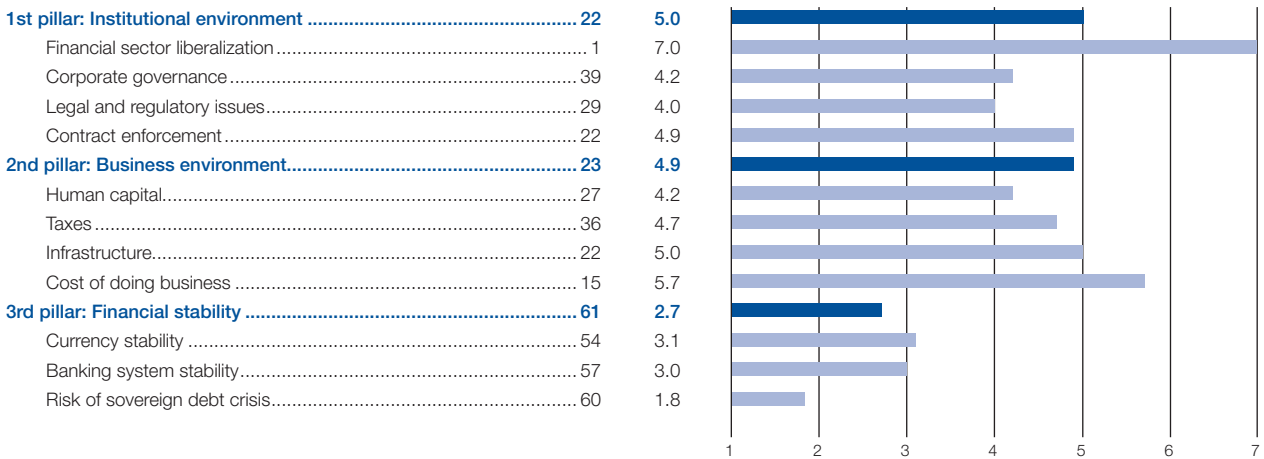
Financial assets by major type, 2010



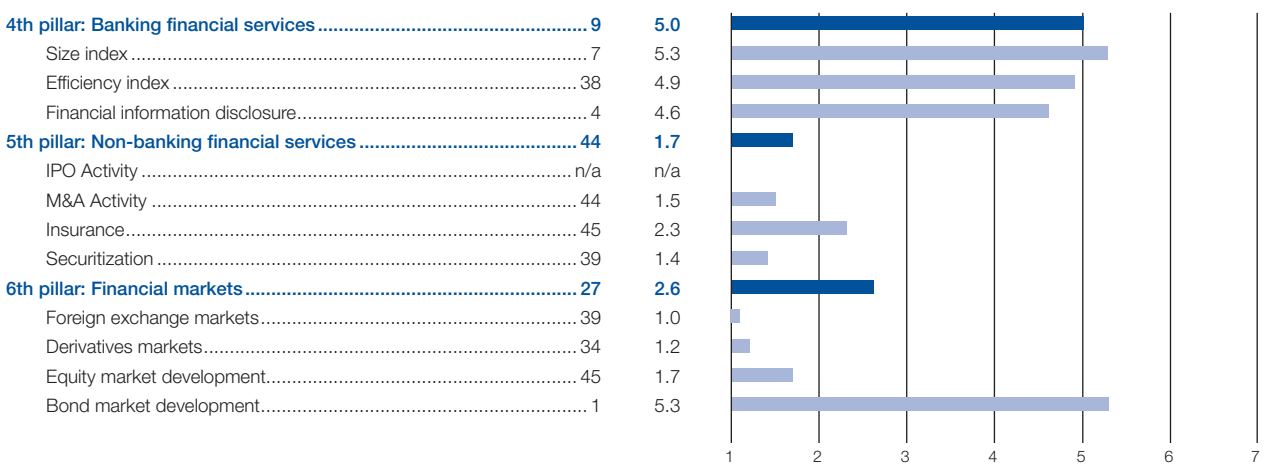
Financial Development Index 2012



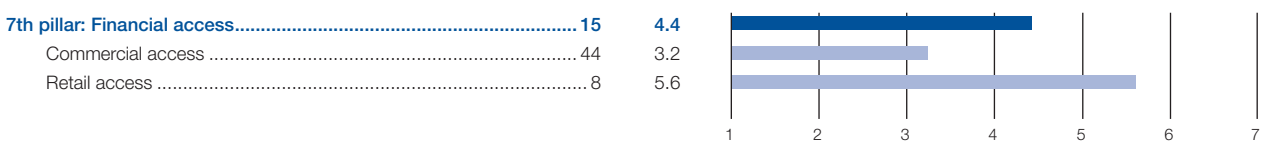
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Portugal

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	39	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	49	South Africa.....	5.8
1.06	Reliance on professional management.....	46	Finland.....	6.3
1.07	Willingness to delegate	50	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	35	South Africa.....	6.6
1.09	Ethical behavior of firms.....	26	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	34	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	50	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	29	South Africa.....	6.5
1.13	Property rights	31	Finland.....	6.5
1.14	Intellectual property protection.....	28	Finland.....	6.3
1.15	Diversion of public funds.....	26	Denmark.....	6.3
1.16	Public trust in politicians	34	Singapore	6.3
1.17	Corruption perceptions index.....	22	Finland.....	9.4
1.18	Strength of legal rights index.....	55	Multiple (6)	10.0
1.19	Central bank transparency.....	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	38	Singapore.....	6.4
1.21	Judicial independence	36	Finland.....	6.5
1.22	Irregular payments in judicial decisions	26	Denmark.....	6.8
1.23	Time to enforce a contract.....	39	Singapore	150.0
1.24	Number of procedures to enforce a contract	18	Multiple (2)	21.0
1.25	Strength of investor protection index	24	Singapore	9.3
1.26	Cost of enforcing contracts	6	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	16	United Kingdom.....	6.1
2.02	Quality of math and science education	46	Singapore	6.3
2.03	Extent of staff training.....	41	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	30	Switzerland.....	6.4
2.05	Brain drain.....	49	Switzerland.....	6.3
2.06	Tertiary enrollment	20	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	24	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	51	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	48	Kuwait	-4.8
2.10	Time to pay taxes.....	41	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	10	Switzerland.....	6.6
2.12	Quality of electricity supply.....	21	Netherlands	6.8
2.13	Internet users	31	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	25	Switzerland.....	39.2
2.15	Telephone subscriptions	20	Germany.....	63.1
2.16	Mobile telephone subscriptions	33	Hong Kong SAR	209.6

(continued)

Portugal

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	20	Denmark	0.0
2.18	Cost of registering property	55	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	6	Australia	2.0
2.21	Time to register property	1	Portugal	1.0
2.22	Time to close a business	28	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	32	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	60	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	23	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	51	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	14	Ireland	6.9
3.10	Tier 1 capital ratio	54	Ghana	22.7
3.11	Output loss during banking crises	47	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	48	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	48	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	54	Peru	6.4
3.15	Manageability of public debt	57	Kuwait	6.2
3.16	Credit default swap spreads	53	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	7	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	9	Hong Kong SAR	305.8
4.04	M2 to GDP	6	Hong Kong SAR	320.5
4.05	Private credit to GDP	7	Denmark	229.8
4.06	Bank deposits to GDP	9	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	16	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	48	Czech Republic	6.0
4.09	Bank overhead costs	25	Finland	0.6
4.10	Public ownership of banks	47	Multiple (22)	0.0
4.11	Bank operating costs to assets	27	Sweden	0.8
4.12	Non-performing bank loans to total loans	44	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	39	Multiple (12)	100.0
4.14	Public credit registry coverage	1	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	n/a	China	37.8
5.02	IPO proceeds amount	n/a	Hong Kong SAR	5.1
5.03	Share of world IPOs	n/a	China	30.2

(continued)

Portugal

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

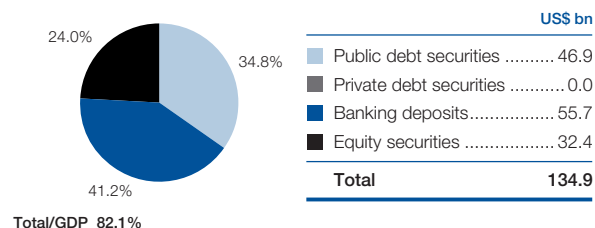
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	42.....	0.2	United States.....	34.4
5.05 M&A transaction value to GDP	42.....	1.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	41.....	0.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	14.....	4.4	Ireland	19.8
5.08 Non-life insurance penetration	20.....	2.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	59.....	-31.2	Argentina.....	21.9
5.10 Life insurance density	29.....	0.5	India	43.5
5.11 Non-life insurance density.....	39.....	0.3	China.....	16.1
5.12 Relative value added of insurance to GDP	30.....	1.2	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	36.....	0.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	43.....	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	41.....	0.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	34.....	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	36.....	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	35.....	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	30.....	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	24.....	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a.....	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	28.....	0.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	41.....	38.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	40.....	38.7	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	38.....	16.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	40.....	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	5.....	67.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	12.....	47.1	Japan	208.5
6.15 Private international bonds to GDP.....	5.....	84.5	Ireland	202.8
6.16 Public international bonds to GDP	6.....	26.4	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	17.....	0.9	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	24.....	5.5	United Kingdom.....	6.8
7.02 Venture capital availability	52.....	2.3	Hong Kong SAR	4.5
7.03 Ease of access to credit	58.....	2.4	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	54.....	3.0	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	52.....	2.3	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	16.....	4.3	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	21.....	81.2	Denmark.....	99.7
7.08 Commercial bank branches	1.....	75.9	Portugal.....	75.9
7.09 Total number of ATMs.....	3.....	197.1	Korea, Rep.	250.3
7.10 Debit card penetration	17.....	68.2	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	37.....	8.3	Finland.....	23.9

Romania

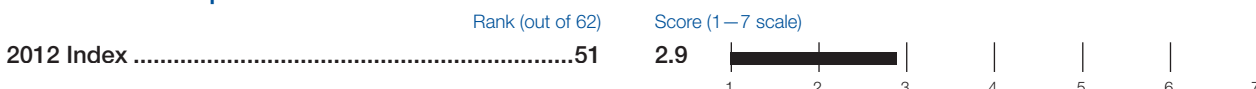
Key indicators

Population (millions), 2011	21.4
GDP (US\$ billions), 2011	189.8
GDP (current prices) per capita, 2011	8,862.9
GDP (PPP) as share (%) of world total, 2011	0.34
Compound annual growth rate of real GDP (%), 2007–2011	0.21

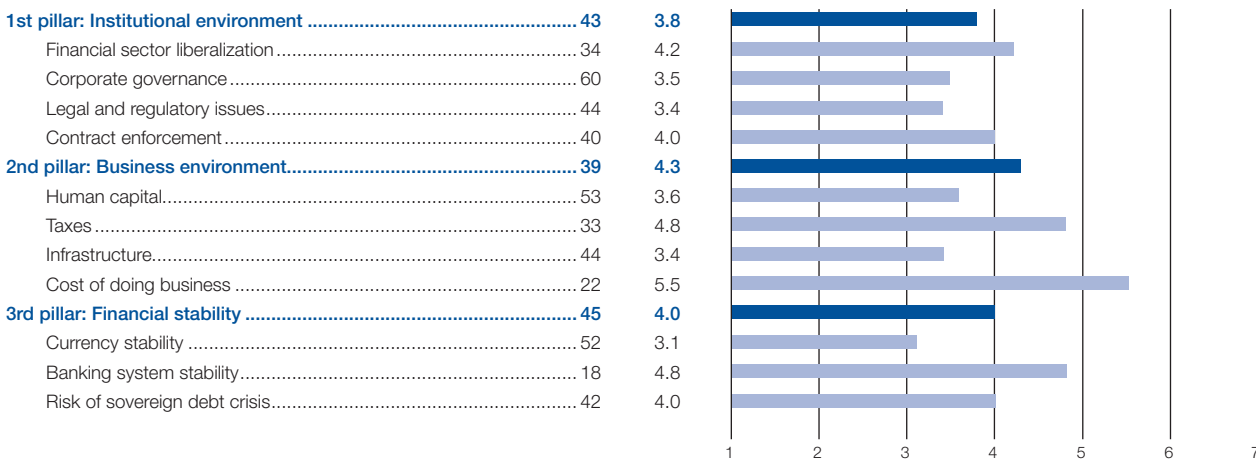
Financial assets by major type, 2010



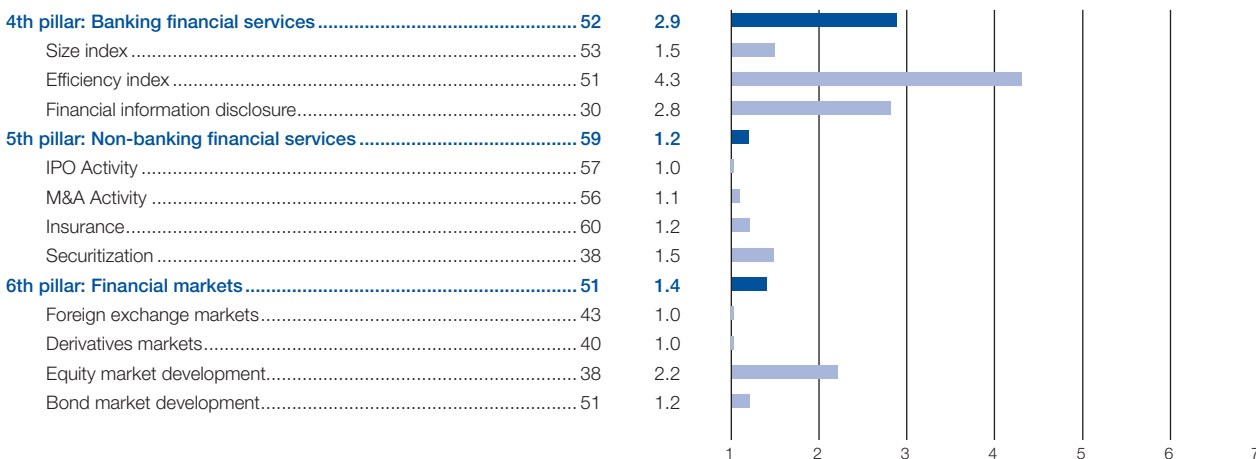
Financial Development Index 2012



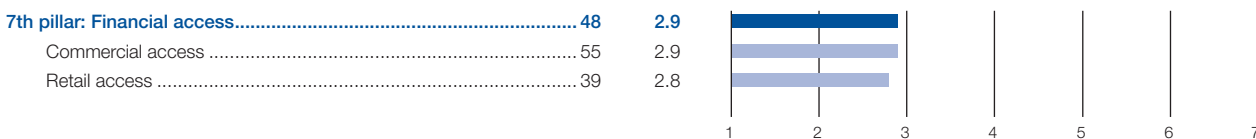
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Romania

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	36.....	4.7	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	39.....	3.4	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	37.....	4.7	Multiple (24).....7.0
Corporate governance				
1.04	Extent of incentive-based compensation	58.....	3.4	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	55.....	4.0	South Africa.....5.8
1.06	Reliance on professional management.....	60.....	3.5	Finland.....6.3
1.07	Willingness to delegate	57.....	3.2	Denmark.....6.2
1.08	Strength of auditing and reporting standards	55.....	4.0	South Africa.....6.6
1.09	Ethical behavior of firms.....	58.....	3.2	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	57.....	3.5	Finland.....6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	44.....	2.8	Singapore.....5.6
1.12	Regulation of securities exchanges.....	58.....	3.5	South Africa.....6.5
1.13	Property rights	48.....	3.9	Finland.....6.5
1.14	Intellectual property protection.....	55.....	2.9	Finland.....6.3
1.15	Diversion of public funds.....	52.....	2.5	Denmark.....6.3
1.16	Public trust in politicians	57.....	1.8	Singapore.....6.3
1.17	Corruption perceptions index.....	40.....	3.6	Finland.....9.4
1.18	Strength of legal rights index.....	7.....	9.0	Multiple (6).....10.0
1.19	Central bank transparency.....	41.....	6.5	Sweden.....15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	57.....	2.5	Singapore.....6.4
1.21	Judicial independence	55.....	2.7	Finland.....6.5
1.22	Irregular payments in judicial decisions	47.....	3.3	Denmark.....6.8
1.23	Time to enforce a contract.....	35.....	512.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	18.....	31.0	Multiple (2).....21.0
1.25	Strength of investor protection index	24.....	6.0	Singapore.....9.3
1.26	Cost of enforcing contracts	44.....	28.9	Norway.....9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	57.....	3.5	United Kingdom.....6.1
2.02	Quality of math and science education	31.....	4.2	Singapore.....6.3
2.03	Extent of staff training.....	56.....	3.4	Switzerland.....5.6
2.04	Local availability of specialized research and training services	59.....	3.5	Switzerland.....6.4
2.05	Brain drain.....	61.....	2.1	Switzerland.....6.3
2.06	Tertiary enrollment	29.....	58.8	Korea, Rep.....103.1
Taxes				
2.07	Irregular payments in tax collection	40.....	4.5	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	54.....	3.4	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	29.....	5.6	Kuwait.....-4.8
2.10	Time to pay taxes.....	30.....	222.0	United Arab Emirates.....12.0
Infrastructure				
2.11	Quality of overall infrastructure	61.....	2.8	Switzerland.....6.6
2.12	Quality of electricity supply.....	49.....	4.2	Netherlands.....6.8
2.13	Internet users	40.....	44.0	Norway.....94.0
2.14	Broadband Internet subscriptions.....	27.....	15.4	Switzerland.....39.2
2.15	Telephone subscriptions	31.....	21.9	Germany.....63.1
2.16	Mobile telephone subscriptions	39.....	109.2	Hong Kong SAR.....209.6

(continued)

Romania

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	21	Denmark	0.0
2.18	Cost of registering property	13	Multiple (2)	0.0
2.19	Cost of closing a business	30	Multiple (4)	1.0
2.20	Time to start a business	30	Australia	2.0
2.21	Time to register property	29	Portugal	1.0
2.22	Time to close a business	46	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	26	Brazil	8.3
3.02	External vulnerability indicator	30	Saudi Arabia	9.3
3.03	Current account balance to GDP	51	Kuwait	32.0
3.04	Dollarization vulnerability indicator	40	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	30	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	20	Ireland	6.9
3.10	Tier 1 capital ratio	24	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	45	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	44	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	46	Peru	6.4
3.15	Manageability of public debt	11	Kuwait	6.2
3.16	Credit default swap spreads	42	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	45	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	48	Hong Kong SAR	305.8
4.04	M2 to GDP	53	Hong Kong SAR	320.5
4.05	Private credit to GDP	42	Denmark	229.8
4.06	Bank deposits to GDP	49	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	38	Czech Republic	6.0
4.09	Bank overhead costs	49	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	44	Sweden	0.8
4.12	Non-performing bank loans to total loans	52	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	29	Multiple (12)	100.0
4.14	Public credit registry coverage	15	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	58	China	37.8
5.02	IPO proceeds amount	58	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Romania

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

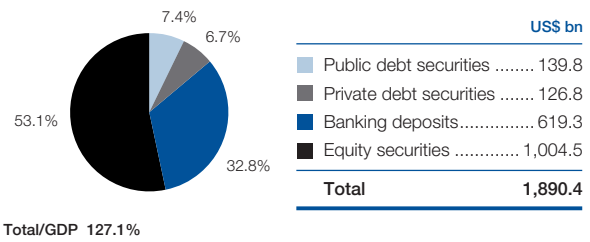
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	54	0.0	United States.....34.4
5.05	M&A transaction value to GDP	58	0.5	Hong Kong SAR.....9.9
5.06	Share of total number of M&A deals	44	0.2	United States.....23.3
Insurance				
5.07	Life insurance penetration	51	0.3	Ireland.....19.8
5.08	Non-life insurance penetration	47	1.1	Netherlands.....9.5
5.09	Real growth of direct insurance premiums	57	-10.1	Argentina.....21.9
5.10	Life insurance density	51	0.1	India.....43.5
5.11	Non-life insurance density	41	0.2	China.....16.1
5.12	Relative value added of insurance to GDP	55	0.4	Bahrain.....6.0
Securitization				
5.13	Securitization to GDP	33	0.4	United States.....5.1
5.14	Share of total number of securitization deals	41	0.1	United States.....53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	39	0.1	United Kingdom.....38.5
6.02	Outright forward foreign exchange turnover	44	0.0	United Kingdom.....41.3
6.03	Foreign exchange swap turnover	37	0.1	United Kingdom.....33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....48.4
6.05	Interest rate derivatives turnover: Swaps	43	0.0	United Kingdom.....45.3
6.06	Interest rate derivatives turnover: Options	33	0.0	United Kingdom.....50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	38	0.0	United Kingdom.....32.1
6.08	Foreign exchange derivatives turnover: Options	41	0.0	United Kingdom.....55.3
Equity market development				
6.09	Stock market turnover ratio	53	7.4	Turkey.....237.9
6.10	Stock market capitalization to GDP	51	19.1	Hong Kong SAR.....440.2
6.11	Stock market value traded to GDP	54	1.1	Hong Kong SAR.....681.5
6.12	Number of listed companies per 10,000 people	8	0.6	Hong Kong SAR.....2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	42	0.0	Denmark.....177.2
6.14	Public domestic bond market capitalization to GDP	46	6.4	Japan.....208.5
6.15	Private international bonds to GDP	56	0.0	Ireland.....202.8
6.16	Public international bonds to GDP	33	2.6	Greece.....70.8
6.17	Local currency corporate bond issuance to GDP	n/a	n/a	Malaysia.....4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	53	3.9	United Kingdom.....6.8
7.02	Venture capital availability	45	2.5	Hong Kong SAR.....4.5
7.03	Ease of access to credit	51	3.1	Hong Kong SAR.....5.0
7.04	Financing through local equity market	51	3.3	Hong Kong SAR.....5.7
7.05	Ease of access to loans	42	2.7	Bahrain.....4.8
7.06	Foreign direct investment to GDP	48	1.4	Hong Kong SAR.....34.2
Retail access				
7.07	Market penetration of bank accounts	38	44.6	Denmark.....99.7
7.08	Commercial bank branches	12	33.2	Portugal.....75.9
7.09	Total number of ATMs	33	55.5	Korea, Rep.....250.3
7.10	Debit card penetration	40	27.7	Netherlands.....97.6
7.11	Loan accounts at MFIs	20	1.9	Peru.....121.2
7.12	Loan from a financial institution	36	8.4	Finland.....23.9

Russian Federation

Key indicators

Population (millions), 2011	142.4
GDP (US\$ billions), 2011	1,850.4
GDP (current prices) per capita, 2011	12,993.4
GDP (PPP) as share (%) of world total, 2011	3.02
Compound annual growth rate of real GDP (%), 2007–2011	1.09

Financial assets by major type, 2010



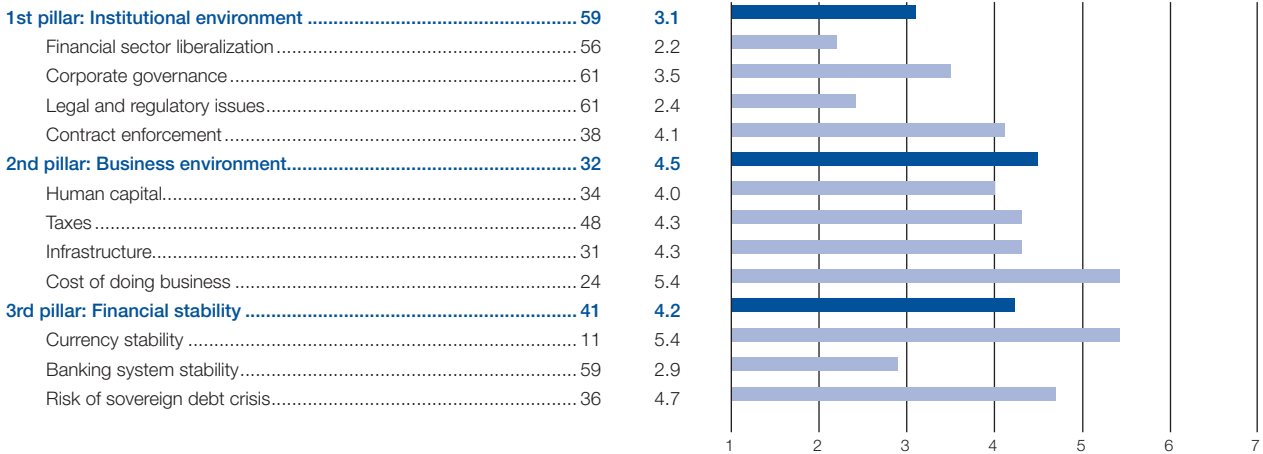
US\$ bn

Public debt securities	139.8
Private debt securities	126.8
Banking deposits	619.3
Equity securities	1,004.5
Total	1,890.4

Financial Development Index 2012

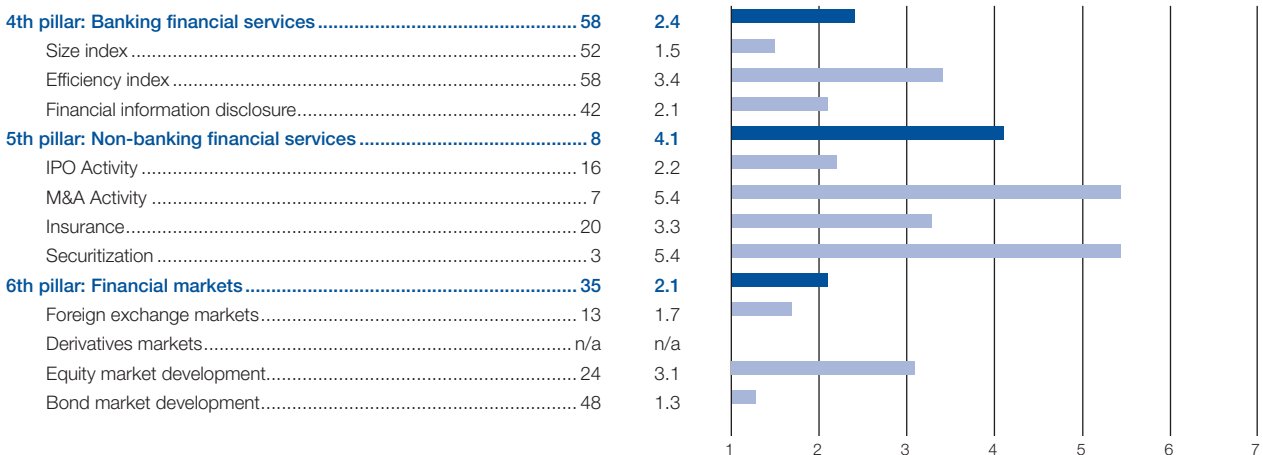


Factors, policies, and institutions

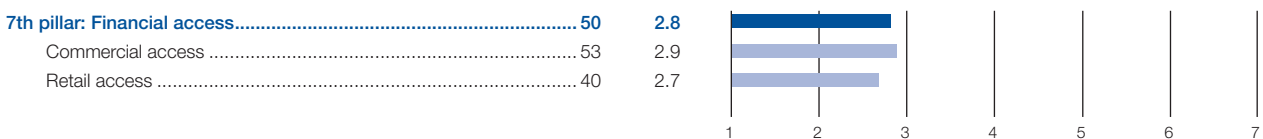


INPUTS

Financial intermediation



Financial access



OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Russian Federation

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	47	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	n/a	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	56	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	49	United Kingdom	5.3
1.05	Efficacy of corporate boards	57	South Africa	5.8
1.06	Reliance on professional management	56	Finland	6.3
1.07	Willingness to delegate	59	Denmark	6.2
1.08	Strength of auditing and reporting standards	60	South Africa	6.6
1.09	Ethical behavior of firms	56	Finland	6.5
1.10	Protection of minority shareholders' interests	61	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	51	Singapore	5.6
1.12	Regulation of securities exchanges	59	South Africa	6.5
1.13	Property rights	59	Finland	6.5
1.14	Intellectual property protection	58	Finland	6.3
1.15	Diversion of public funds	57	Denmark	6.3
1.16	Public trust in politicians	38	Singapore	6.3
1.17	Corruption perceptions index	59	Finland	9.4
1.18	Strength of legal rights index	55	Multiple (6)	10.0
1.19	Central bank transparency	52	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	50	Singapore	6.4
1.21	Judicial independence	57	Finland	6.5
1.22	Irregular payments in judicial decisions	57	Denmark	6.8
1.23	Time to enforce a contract	5	Singapore	150.0
1.24	Number of procedures to enforce a contract	33	Multiple (2)	21.0
1.25	Strength of investor protection index	48	Singapore	9.3
1.26	Cost of enforcing contracts	8	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	58	United Kingdom	6.1
2.02	Quality of math and science education	28	Singapore	6.3
2.03	Extent of staff training	47	Switzerland	5.6
2.04	Local availability of specialized research and training services	49	Switzerland	6.4
2.05	Brain drain	53	Switzerland	6.3
2.06	Tertiary enrollment	8	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	46	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	56	United Arab Emirates	5.9
2.09	Marginal tax variation	46	Kuwait	-4.8
2.10	Time to pay taxes	44	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	51	Switzerland	6.6
2.12	Quality of electricity supply	48	Netherlands	6.8
2.13	Internet users	35	Norway	94.0
2.14	Broadband Internet subscriptions	31	Switzerland	39.2
2.15	Telephone subscriptions	24	Germany	63.1
2.16	Mobile telephone subscriptions	4	Hong Kong SAR	209.6

(continued)

Russian Federation

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	18	Denmark	0.0
2.18	Cost of registering property	4	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	51	Australia	2.0
2.21	Time to register property	44	Portugal	1.0
2.22	Time to close a business	28	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	7	Brazil	8.3
3.02	External vulnerability indicator	9	Saudi Arabia	9.3
3.03	Current account balance to GDP	16	Kuwait	32.0
3.04	Dollarization vulnerability indicator	37	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	14	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	60	Multiple (9)	0.0
3.08	Financial strengths indicator	48	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	48	Ireland	6.9
3.10	Tier 1 capital ratio	36	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	32	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	34	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	50	Peru	6.4
3.15	Manageability of public debt	2	Kuwait	6.2
3.16	Credit default swap spreads	33	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	46	Ireland	245.1
4.02	Central bank assets to GDP	37	Brazil	18.3
4.03	Financial system deposits to GDP	45	Hong Kong SAR	305.8
4.04	M2 to GDP	49	Hong Kong SAR	320.5
4.05	Private credit to GDP	44	Denmark	229.8
4.06	Bank deposits to GDP	47	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	45	Czech Republic	6.0
4.09	Bank overhead costs	62	Finland	0.6
4.10	Public ownership of banks	51	Multiple (22)	0.0
4.11	Bank operating costs to assets	48	Sweden	0.8
4.12	Non-performing bank loans to total loans	43	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	34	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	14	China	37.8
5.02	IPO proceeds amount	18	Hong Kong SAR	5.1
5.03	Share of world IPOs	22	China	30.2

(continued)

Russian Federation

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

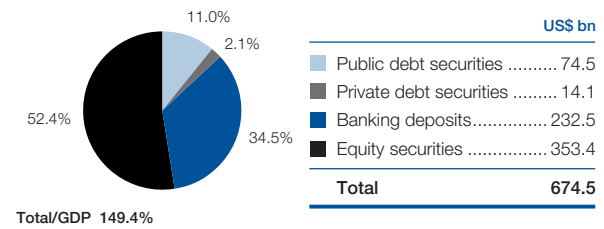
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	11	2.9	United States.....	34.4
5.05 M&A transaction value to GDP	15	4.7	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	4	6.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	59	0.1	Ireland	19.8
5.08 Non-life insurance penetration	23	2.3	Netherlands	9.5
5.09 Real growth of direct insurance premiums	7	12.0	Argentina.....	21.9
5.10 Life insurance density	49	0.1	India	43.5
5.11 Non-life insurance density.....	4	3.2	China.....	16.1
5.12 Relative value added of insurance to GDP	56	0.4	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	10	1.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	4	4.5	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	11	1.2	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	33	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	16	0.8	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	31	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	9	135.8	Turkey.....	237.9
6.10 Stock market capitalization to GDP	28	64.4	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	22	51.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	49	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	42	0.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	48	4.2	Japan	208.5
6.15 Private international bonds to GDP.....	29	7.1	Ireland	202.8
6.16 Public international bonds to GDP	41	1.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	34	0.3	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	57	3.6	United Kingdom.....	6.8
7.02 Venture capital availability	48	2.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	50	3.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	55	3.0	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	45	2.6	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	24	2.9	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	36	48.2	Denmark.....	99.7
7.08 Commercial bank branches	46	5.6	Portugal.....	75.9
7.09 Total number of ATMs.....	8	128.4	Korea, Rep.	250.3
7.10 Debit card penetration	31	37.0	Netherlands	97.6
7.11 Loan accounts at MFIs	24	0.7	Peru	121.2
7.12 Loan from a financial institution.....	44	7.7	Finland.....	23.9

Saudi Arabia

Key indicators

Population (millions), 2011	28.2
GDP (US\$ billions), 2011	577.6
GDP (current prices) per capita, 2011	20,504.4
GDP (PPP) as share (%) of world total, 2011	0.87
Compound annual growth rate of real GDP (%), 2007–2011	3.11

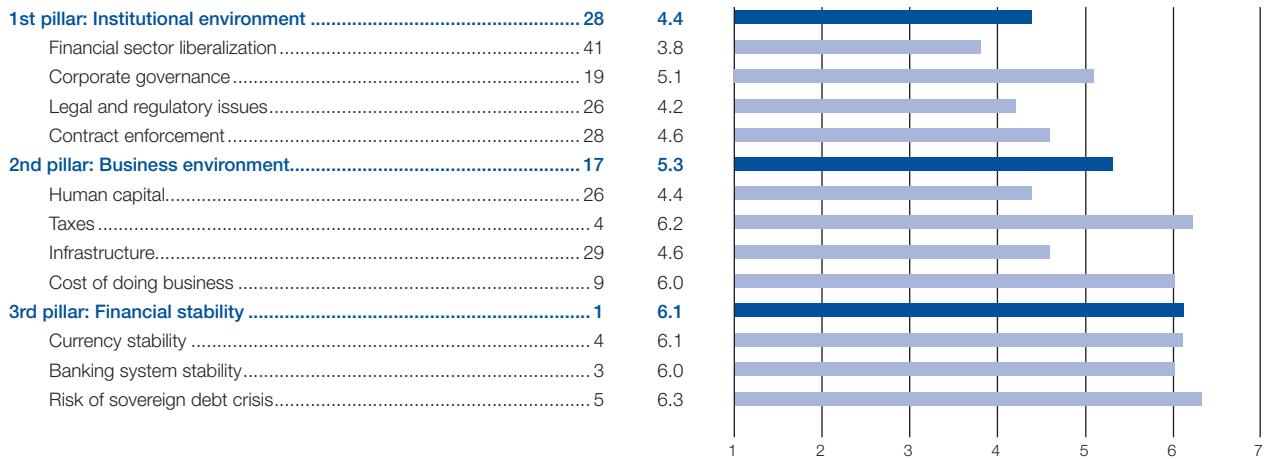
Financial assets by major type, 2010



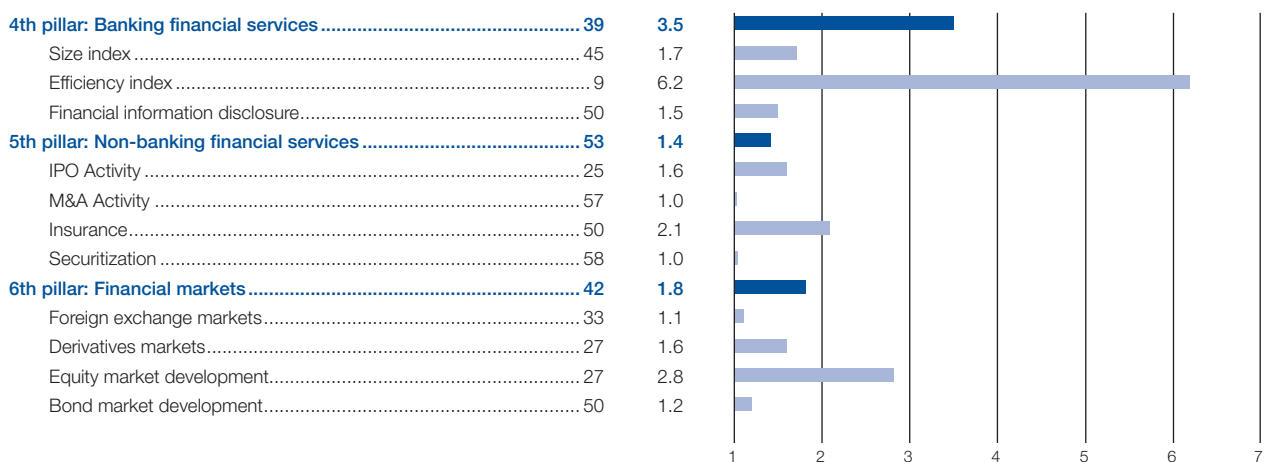
Financial Development Index 2012



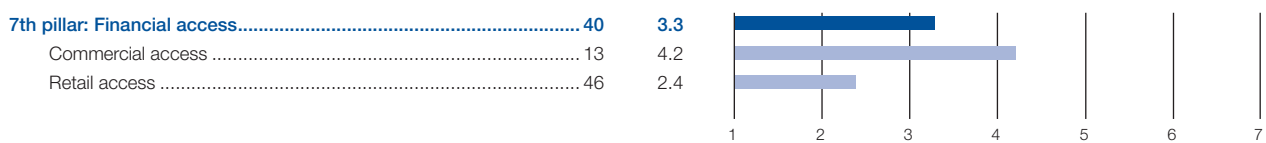
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Saudi Arabia

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	38	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	35	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	47	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	13	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	15	South Africa.....	5.8
1.06	Reliance on professional management.....	24	Finland.....	6.3
1.07	Willingness to delegate	20	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	13	South Africa.....	6.6
1.09	Ethical behavior of firms.....	21	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	6	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	9	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	14	South Africa.....	6.5
1.13	Property rights	16	Finland.....	6.5
1.14	Intellectual property protection.....	20	Finland.....	6.3
1.15	Diversion of public funds.....	19	Denmark.....	6.3
1.16	Public trust in politicians	4	Singapore	6.3
1.17	Corruption perceptions index.....	30	Finland.....	9.4
1.18	Strength of legal rights index.....	42	Multiple (6)	10.0
1.19	Central bank transparency.....	58	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	15	Singapore.....	6.4
1.21	Judicial independence	18	Finland.....	6.5
1.22	Irregular payments in judicial decisions	19	Denmark.....	6.8
1.23	Time to enforce a contract.....	47	Singapore	150.0
1.24	Number of procedures to enforce a contract	56	Multiple (2)	21.0
1.25	Strength of investor protection index	13	Singapore	9.3
1.26	Cost of enforcing contracts	39	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	30	United Kingdom.....	6.1
2.02	Quality of math and science education	21	Singapore	6.3
2.03	Extent of staff training.....	25	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	28	Switzerland.....	6.4
2.05	Brain drain.....	12	Switzerland.....	6.3
2.06	Tertiary enrollment	43	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	19	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	5	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	7	Kuwait	-4.8
2.10	Time to pay taxes	5	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	19	Switzerland.....	6.6
2.12	Quality of electricity supply.....	18	Netherlands	6.8
2.13	Internet users	37	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	44	Switzerland.....	39.2
2.15	Telephone subscriptions	43	Germany.....	63.1
2.16	Mobile telephone subscriptions	3	Hong Kong SAR	209.6

(continued)

Saudi Arabia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	34	Denmark	0.0
2.18	Cost of registering property	1	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	6	Australia	2.0
2.21	Time to register property	2	Portugal	1.0
2.22	Time to close a business	16	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	19	Brazil	8.3
3.02	External vulnerability indicator	1	Saudi Arabia	9.3
3.03	Current account balance to GDP	3	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	2	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	12	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	20	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	18	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	6	Peru	6.4
3.15	Manageability of public debt	5	Kuwait	6.2
3.16	Credit default swap spreads	16	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	44	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	49	Hong Kong SAR	305.8
4.04	M2 to GDP	40	Hong Kong SAR	320.5
4.05	Private credit to GDP	36	Denmark	229.8
4.06	Bank deposits to GDP	50	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	3	Czech Republic	6.0
4.09	Bank overhead costs	20	Finland	0.6
4.10	Public ownership of banks	41	Multiple (22)	0.0
4.11	Bank operating costs to assets	18	Sweden	0.8
4.12	Non-performing bank loans to total loans	28	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	43	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	25	China	37.8
5.02	IPO proceeds amount	24	Hong Kong SAR	5.1
5.03	Share of world IPOs	20	China	30.2

(continued)

Saudi Arabia

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

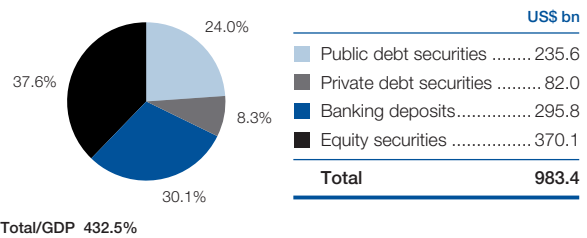
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	50	0.1	United States.....	34.4
5.05 M&A transaction value to GDP	59	0.4	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	50	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	60	0.1	Ireland	19.8
5.08 Non-life insurance penetration	50	0.8	Netherlands	9.5
5.09 Real growth of direct insurance premiums	13	8.3	Argentina.....	21.9
5.10 Life insurance density	57	0.0	India	43.5
5.11 Non-life insurance density.....	43	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	38	0.9	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	58	0.0	United States.....	5.1
5.14 Share of total number of securitization deals.....	56	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	29	0.2	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	30	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	38	0.1	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	33	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	35	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	31	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	19	0.7	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	35	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	30	77.1	Turkey.....	237.9
6.10 Stock market capitalization to GDP	21	75.6	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	17	61.5	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	36	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	43	2.4	Ireland	202.8
6.16 Public international bonds to GDP	54	0.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	36	0.2	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	25	5.5	United Kingdom.....	6.8
7.02 Venture capital availability	14	3.7	Hong Kong SAR	4.5
7.03 Ease of access to credit	17	4.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	11	4.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	10	4.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	25	2.8	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	37	46.4	Denmark.....	99.7
7.08 Commercial bank branches	40	9.0	Portugal.....	75.9
7.09 Total number of ATMs.....	29	58.0	Korea, Rep.	250.3
7.10 Debit card penetration	27	42.3	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	57	2.1	Finland.....	23.9

Singapore

Key indicators

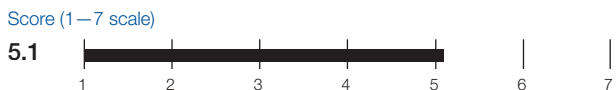
Population (millions), 2011	5.3
GDP (US\$ billions), 2011	259.8
GDP (current prices) per capita, 2011	49,270.9
GDP (PPP) as share (%) of world total, 2011	0.40
Compound annual growth rate of real GDP (%), 2007–2011	3.92

Financial assets by major type, 2010

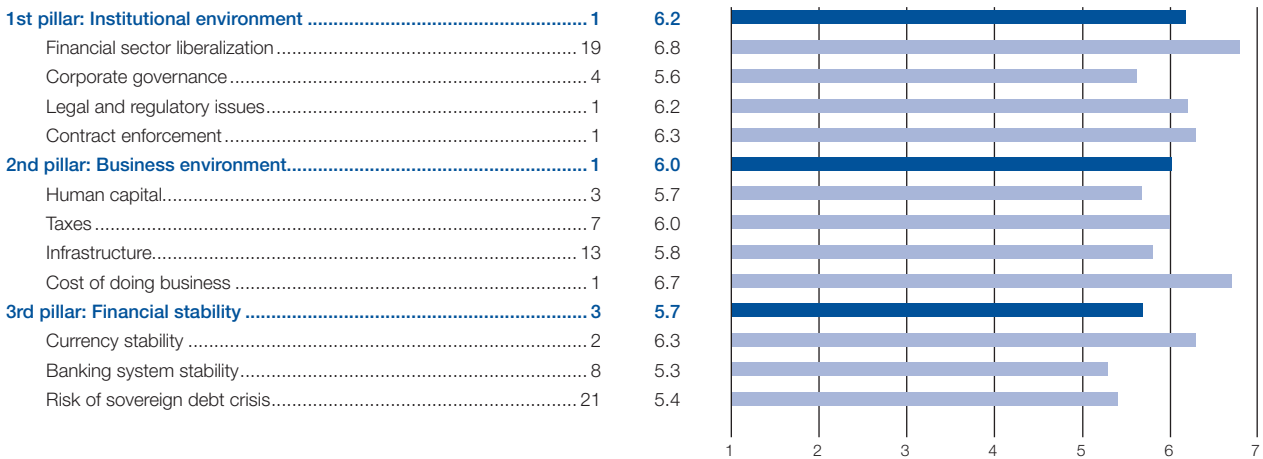


Financial Development Index 2012

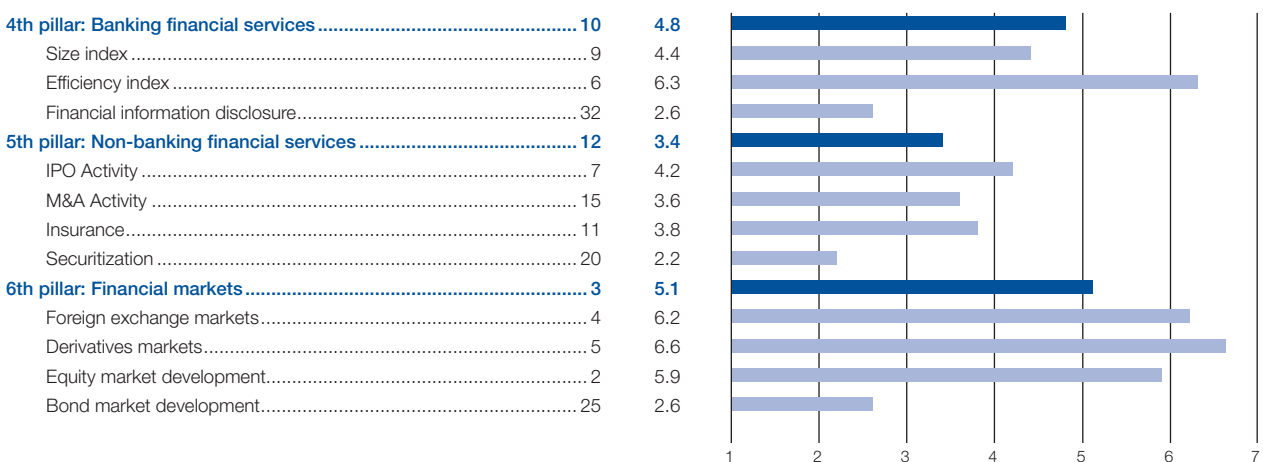
Rank (out of 62) 4



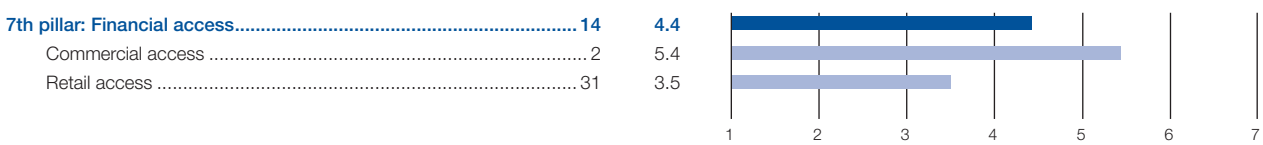
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Singapore

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	21	■	6.5	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	2	■	5.3	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	2	■	5.6	South Africa.....	5.8
1.06	Reliance on professional management.....	10	■	5.9	Finland.....	6.3
1.07	Willingness to delegate	17	■	4.6	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	3	■	6.1	South Africa.....	6.6
1.09	Ethical behavior of firms.....	2	■	6.4	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	5	■	5.5	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	1	■	5.6	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	3	■	6.0	South Africa.....	6.5
1.13	Property rights	3	■	6.4	Finland.....	6.5
1.14	Intellectual property protection.....	2	■	6.1	Finland.....	6.3
1.15	Diversion of public funds.....	3	■	6.2	Denmark.....	6.3
1.16	Public trust in politicians	1	■	6.3	Singapore	6.3
1.17	Corruption perceptions index.....	4	■	9.2	Finland.....	9.4
1.18	Strength of legal rights index.....	1	■	10.0	Multiple (6)	10.0
1.19	Central bank transparency.....	39	■	7.0	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	1	■	6.4	Singapore.....	6.4
1.21	Judicial independence	15	■	5.7	Finland.....	6.5
1.22	Irregular payments in judicial decisions	3	■	6.6	Denmark.....	6.8
1.23	Time to enforce a contract.....	1	■	150.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	1	■	21.0	Multiple (2)	21.0
1.25	Strength of investor protection index	1	■	9.3	Singapore	9.3
1.26	Cost of enforcing contracts	34	■	25.8	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	6	■	5.7	United Kingdom.....	6.1
2.02	Quality of math and science education	1	■	6.3	Singapore	6.3
2.03	Extent of staff training.....	3	■	5.3	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	15	■	5.4	Switzerland.....	6.4
2.05	Brain drain.....	2	■	5.7	Switzerland.....	6.3
2.06	Tertiary enrollment	13	■	72.0	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	3	■	6.7	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	3	■	5.7	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	42	■	10.5	Kuwait	4.8
2.10	Time to pay taxes	7	■	84.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	2	■	6.5	Switzerland.....	6.6
2.12	Quality of electricity supply.....	5	■	6.7	Netherlands	6.8
2.13	Internet users	19	■	75.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	17	■	25.5	Switzerland.....	39.2
2.15	Telephone subscriptions	22	■	38.9	Germany.....	63.1
2.16	Mobile telephone subscriptions	9	■	149.5	Hong Kong SAR	209.6

(continued)

Singapore

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	6	Denmark	0.0
2.18	Cost of registering property	22	Multiple (2)	0.0
2.19	Cost of closing a business	1	Multiple (4)	1.0
2.20	Time to start a business	2	Australia	2.0
2.21	Time to register property	6	Portugal	1.0
2.22	Time to close a business	3	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	20	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	2	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	2	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	1	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	45	Ireland	6.9
3.10	Tier 1 capital ratio	16	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	16	Peru	6.4
3.15	Manageability of public debt	59	Kuwait	6.2
3.16	Credit default swap spreads	10	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	20	Ireland	245.1
4.02	Central bank assets to GDP	25	Brazil	18.3
4.03	Financial system deposits to GDP	10	Hong Kong SAR	305.8
4.04	M2 to GDP	10	Hong Kong SAR	320.5
4.05	Private credit to GDP	26	Denmark	229.8
4.06	Bank deposits to GDP	10	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	9	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	6	Czech Republic	6.0
4.09	Bank overhead costs	15	Finland	0.6
4.10	Public ownership of banks	48	Multiple (22)	0.0
4.11	Bank operating costs to assets	11	Sweden	0.8
4.12	Non-performing bank loans to total loans	7	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	25	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	15	China	37.8
5.02	IPO proceeds amount	3	Hong Kong SAR	5.1
5.03	Share of world IPOs	13	China	30.2

(continued)

Singapore

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

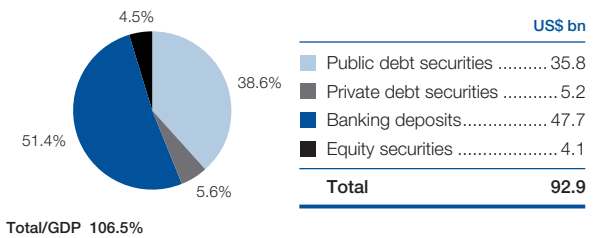
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	21	0.7	United States.....	34.4
5.05 M&A transaction value to GDP	4	7.9	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	19	1.0	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	15	4.3	Ireland	19.8
5.08 Non-life insurance penetration	13	3.2	Netherlands	9.5
5.09 Real growth of direct insurance premiums	18	6.4	Argentina.....	21.9
5.10 Life insurance density	40	0.2	India	43.5
5.11 Non-life insurance density.....	48	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	4	3.2	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	14	0.8	United States.....	5.1
5.14 Share of total number of securitization deals.....	24	0.4	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	4	5.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	3	6.6	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	6	5.2	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	10	0.6	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	10	1.8	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	11	0.6	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	13	1.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	3	6.5	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	22	91.1	Turkey.....	237.9
6.10 Stock market capitalization to GDP	4	165.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	7	129.8	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	3	0.9	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	31	8.9	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	17	40.5	Japan	208.5
6.15 Private international bonds to GDP.....	21	23.8	Ireland	202.8
6.16 Public international bonds to GDP	54	0.0	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	12	1.1	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	6	6.3	United Kingdom.....	6.8
7.02 Venture capital availability	3	4.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	2	4.9	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	3	5.1	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	2	4.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	2	24.6	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	6	98.2	Denmark.....	99.7
7.08 Commercial bank branches	38	10.3	Portugal.....	75.9
7.09 Total number of ATMs.....	27	58.6	Korea, Rep.	250.3
7.10 Debit card penetration	39	28.6	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	28	10.0	Finland.....	23.9

Slovak Republic

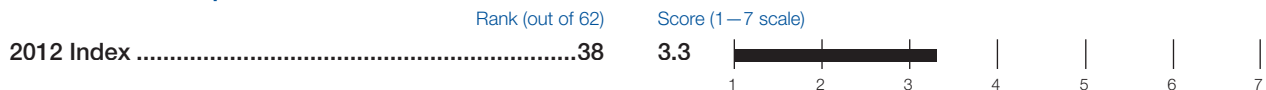
Key indicators

Population (millions), 2011	5.4
GDP (US\$ billions), 2011	96.1
GDP (current prices) per capita, 2011	17,643.5
GDP (PPP) as share (%) of world total, 2011	0.16
Compound annual growth rate of real GDP (%), 2007–2011	1.60

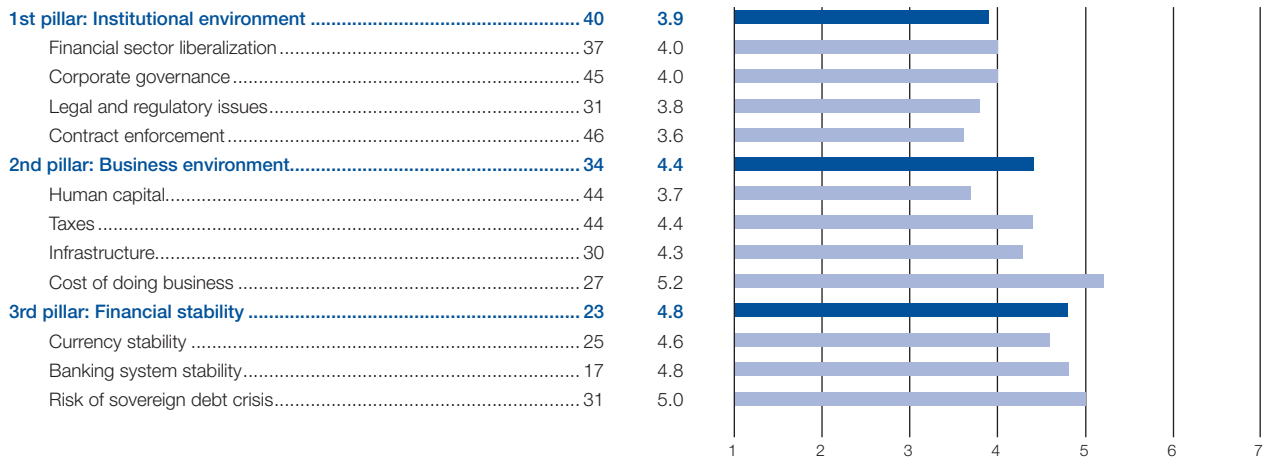
Financial assets by major type, 2010



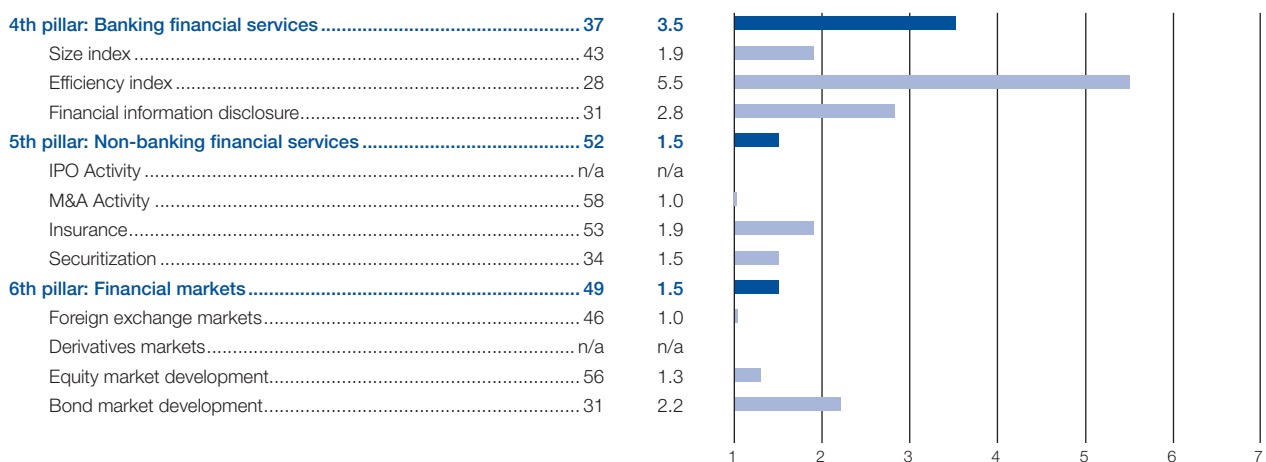
Financial Development Index 2012



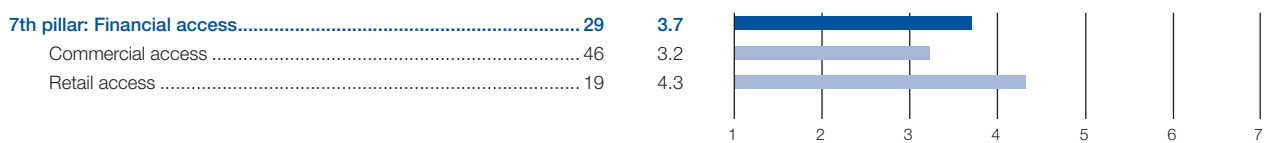
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Slovak Republic

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01 Capital account liberalization	35.....	4.8	Multiple (25)	7.0
1.02 Commitments to WTO Agreement on Trade in Services.....	36.....	3.8	Multiple (17)	7.0
1.03 Domestic financial sector liberalization	45.....	3.5	Multiple (24)	7.0
Corporate governance				
1.04 Extent of incentive-based compensation	28.....	4.3	United Kingdom.....	5.3
1.05 Efficacy of corporate boards.....	36.....	4.5	South Africa.....	5.8
1.06 Reliance on professional management.....	41.....	4.2	Finland.....	6.3
1.07 Willingness to delegate	44.....	3.6	Denmark.....	6.2
1.08 Strength of auditing and reporting standards	50.....	4.3	South Africa.....	6.6
1.09 Ethical behavior of firms.....	55.....	3.4	Finland.....	6.5
1.10 Protection of minority shareholders' interests.....	54.....	3.8	Finland.....	6.1
Legal and regulatory issues				
1.11 Burden of government regulation.....	53.....	2.6	Singapore.....	5.6
1.12 Regulation of securities exchanges.....	49.....	3.9	South Africa.....	6.5
1.13 Property rights	42.....	4.1	Finland.....	6.5
1.14 Intellectual property protection.....	34.....	3.8	Finland.....	6.3
1.15 Diversion of public funds.....	55.....	2.5	Denmark.....	6.3
1.16 Public trust in politicians	58.....	1.7	Singapore.....	6.3
1.17 Corruption perceptions index.....	35.....	4.0	Finland.....	9.4
1.18 Strength of legal rights index.....	7.....	9.0	Multiple (6)	10.0
1.19 Central bank transparency.....	5.....	11.0	Sweden	15.0
Contract enforcement				
1.20 Effectiveness of law-making bodies	44.....	3.1	Singapore.....	6.4
1.21 Judicial independence	56.....	2.7	Finland.....	6.5
1.22 Irregular payments in judicial decisions	59.....	2.6	Denmark.....	6.8
1.23 Time to enforce a contract.....	40.....	565.0	Singapore.....	150.0
1.24 Number of procedures to enforce a contract	21.....	32.0	Multiple (2)	21.0
1.25 Strength of investor protection index	48.....	4.7	Singapore.....	9.3
1.26 Cost of enforcing contracts	46.....	30.0	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01 Quality of management schools.....	56.....	3.6	United Kingdom.....	6.1
2.02 Quality of math and science education	41.....	3.8	Singapore.....	6.3
2.03 Extent of staff training.....	49.....	3.7	Switzerland.....	5.6
2.04 Local availability of specialized research and training services	31.....	4.6	Switzerland.....	6.4
2.05 Brain drain.....	56.....	2.5	Switzerland.....	6.3
2.06 Tertiary enrollment	31.....	54.8	Korea, Rep.	103.1
Taxes				
2.07 Irregular payments in tax collection	38.....	4.6	Finland.....	6.9
2.08 Distortive effect of taxes and subsidies on competition	59.....	3.1	United Arab Emirates.....	5.9
2.09 Marginal tax variation.....	51.....	11.8	Kuwait	-4.8
2.10 Time to pay taxes.....	35.....	231.0	United Arab Emirates.....	12.0
Infrastructure				
2.11 Quality of overall infrastructure	41.....	4.3	Switzerland.....	6.6
2.12 Quality of electricity supply.....	20.....	6.3	Netherlands.....	6.8
2.13 Internet users	21.....	74.4	Norway.....	94.0
2.14 Broadband Internet subscriptions.....	30.....	13.7	Switzerland.....	39.2
2.15 Telephone subscriptions	40.....	19.3	Germany.....	63.1
2.16 Mobile telephone subscriptions	38.....	109.4	Hong Kong SAR	209.6

(continued)

Slovak Republic

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	15	Denmark	0.0
2.18	Cost of registering property	1	Multiple (2)	0.0
2.19	Cost of closing a business	42	Multiple (4)	1.0
2.20	Time to start a business	35	Australia	2.0
2.21	Time to register property	20	Portugal	1.0
2.22	Time to close a business	48	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	22	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	38	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	19	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	13	Ireland	6.9
3.10	Tier 1 capital ratio	32	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	25	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	24	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	37	Peru	6.4
3.15	Manageability of public debt	27	Kuwait	6.2
3.16	Credit default swap spreads	35	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	38	Ireland	245.1
4.02	Central bank assets to GDP	48	Brazil	18.3
4.03	Financial system deposits to GDP	37	Hong Kong SAR	305.8
4.04	M2 to GDP	36	Hong Kong SAR	320.5
4.05	Private credit to GDP	41	Denmark	229.8
4.06	Bank deposits to GDP	38	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	33	Czech Republic	6.0
4.09	Bank overhead costs	35	Finland	0.6
4.10	Public ownership of banks	23	Multiple (22)	0.0
4.11	Bank operating costs to assets	38	Sweden	0.8
4.12	Non-performing bank loans to total loans	41	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	24	Multiple (12)	100.0
4.14	Public credit registry coverage	20	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	n/a	China	37.8
5.02	IPO proceeds amount	n/a	Hong Kong SAR	5.1
5.03	Share of world IPOs	n/a	China	30.2

(continued)

Slovak Republic

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

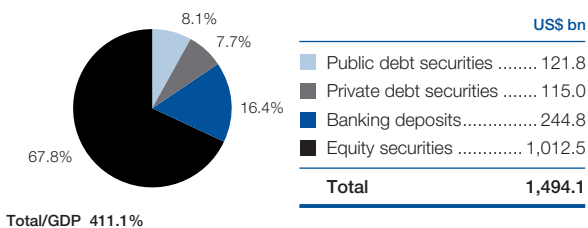
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	56.....■	0.0	United States.....	34.4
5.05 M&A transaction value to GDP	56.....■	0.6	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	51.....■	0.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	34.....■	1.4	Ireland	19.8
5.08 Non-life insurance penetration	39.....■	1.6	Netherlands	9.5
5.09 Real growth of direct insurance premiums	39.....■	-0.1	Argentina.....	21.9
5.10 Life insurance density	50.....■	0.1	India	43.5
5.11 Non-life insurance density.....	57.....■	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	52.....■	0.5	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	28.....■	0.5	United States.....	5.1
5.14 Share of total number of securitization deals.....	50.....■	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	46.....■	0.0	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	45.....■	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	43.....■	0.0	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a.....	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	42.....■	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a.....	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	38.....■	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	58.....■	4.6	Turkey.....	237.9
6.10 Stock market capitalization to GDP	59.....■	4.9	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	59.....■	0.2	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	21.....■	0.2	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	34.....■	4.8	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	36.....■	20.8	Japan	208.5
6.15 Private international bonds to GDP.....	54.....■	0.5	Ireland	202.8
6.16 Public international bonds to GDP	9.....■	13.3	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a.....	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	38.....■	4.7	United Kingdom.....	6.8
7.02 Venture capital availability	38.....■	2.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	32.....■	3.7	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	58.....■	2.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	36.....■	3.0	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	35.....■	2.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	23.....■	79.6	Denmark.....	99.7
7.08 Commercial bank branches	15.....■	26.5	Portugal.....	75.9
7.09 Total number of ATMs.....	35.....■	50.4	Korea, Rep.	250.3
7.10 Debit card penetration	16.....■	68.3	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	23.....■	11.4	Finland.....	23.9

South Africa

Key indicators

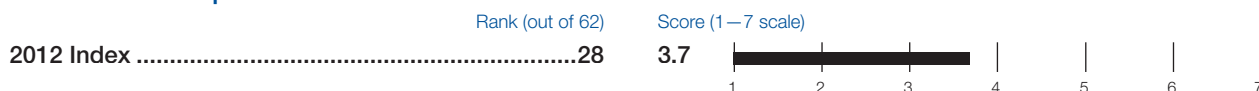
Population (millions), 2011	50.6
GDP (US\$ billions), 2011	408.1
GDP (current prices) per capita, 2011	8,066.1
GDP (PPP) as share (%) of world total, 2011	0.70
Compound annual growth rate of real GDP (%), 2007–2011	1.60

Financial assets by major type, 2010

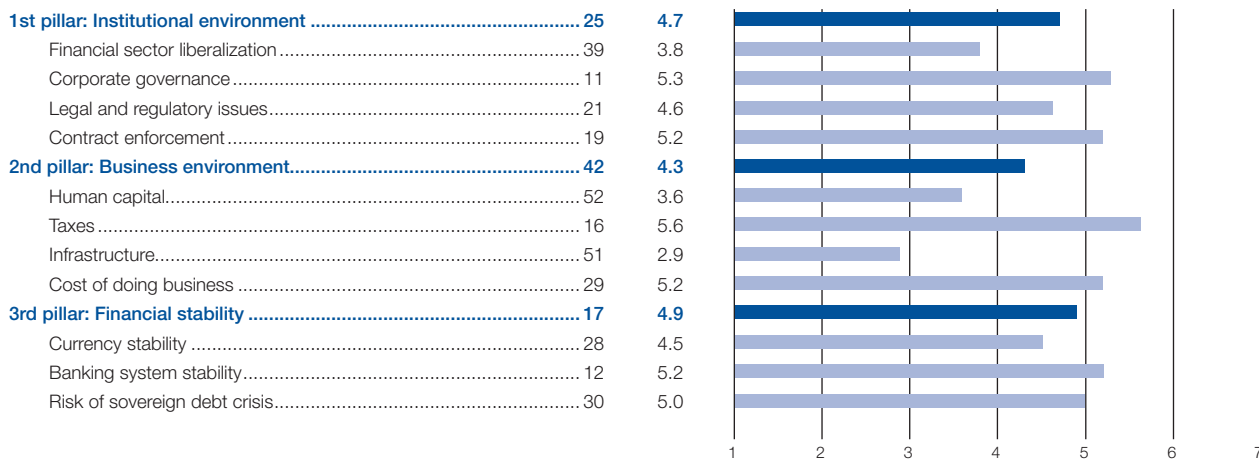


	US\$ bn
Public debt securities	121.8
Private debt securities	115.0
Banking deposits.....	244.8
Equity securities	1,012.5
Total	1,494.1

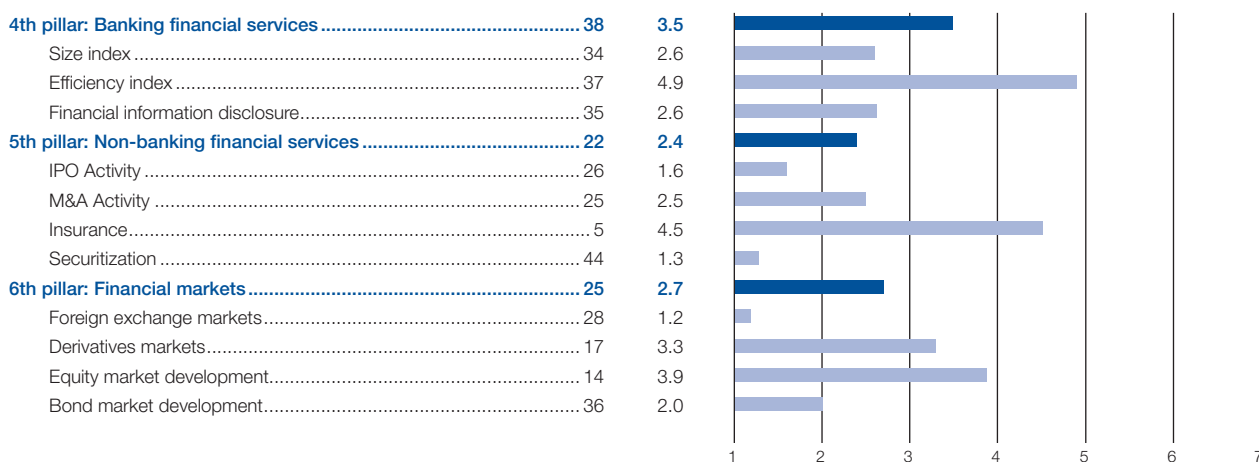
Financial Development Index 2012



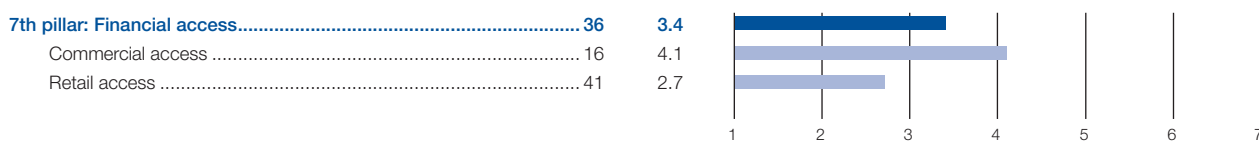
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

South Africa

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	50	■	1.9	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	42	■	2.9	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	26	■	6.7	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	12	■	4.8	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	1	■	5.8	South Africa.....	5.8
1.06	Reliance on professional management.....	12	■	5.6	Finland.....	6.3
1.07	Willingness to delegate	23	■	4.3	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	1	■	6.6	South Africa.....	6.6
1.09	Ethical behavior of firms.....	28	■	4.3	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	2	■	6.0	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	46	■	2.7	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	1	■	6.5	South Africa.....	6.5
1.13	Property rights	19	■	5.4	Finland.....	6.5
1.14	Intellectual property protection.....	16	■	5.3	Finland.....	6.3
1.15	Diversion of public funds.....	42	■	3.0	Denmark.....	6.3
1.16	Public trust in politicians	39	■	2.4	Singapore	6.3
1.17	Corruption perceptions index.....	34	■	4.1	Finland.....	9.4
1.18	Strength of legal rights index.....	1	■	10.0	Multiple (6)	10.0
1.19	Central bank transparency.....	24	■	9.5	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	17	■	4.3	Singapore.....	6.4
1.21	Judicial independence	19	■	5.3	Finland.....	6.5
1.22	Irregular payments in judicial decisions	23	■	5.4	Denmark.....	6.8
1.23	Time to enforce a contract.....	45	■	600.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	10	■	29.0	Multiple (2)	21.0
1.25	Strength of investor protection index	9	■	8.0	Singapore	9.3
1.26	Cost of enforcing contracts	53	■	33.2	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	13	■	5.3	United Kingdom.....	6.1
2.02	Quality of math and science education	62	■	2.0	Singapore	6.3
2.03	Extent of staff training.....	20	■	4.6	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	36	■	4.4	Switzerland.....	6.4
2.05	Brain drain.....	33	■	3.8	Switzerland.....	6.3
2.06	Tertiary enrollment	54	■	15.4	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	22	■	5.7	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	11	■	4.7	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	19	■	3.6	Kuwait	-4.8
2.10	Time to pay taxes	28	■	200.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	36	■	4.5	Switzerland.....	6.6
2.12	Quality of electricity supply.....	51	■	3.9	Netherlands	6.8
2.13	Internet users	56	■	21.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	52	■	1.8	Switzerland.....	39.2
2.15	Telephone subscriptions	53	■	8.2	Germany.....	63.1
2.16	Mobile telephone subscriptions	21	■	126.8	Hong Kong SAR	209.6

(continued)

South Africa

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17 Cost of starting a business	2	0.3	Denmark	0.0
2.18 Cost of registering property	46	5.6	Multiple (2)	0.0
2.19 Cost of closing a business	42	18.0	Multiple (4)	1.0
2.20 Time to start a business	37	19.0	Australia	2.0
2.21 Time to register property	27	23.0	Portugal	1.0
2.22 Time to close a business	28	2.0	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01 Change in real effective exchange rate (REER)	25	0.8	Brazil	8.3
3.02 External vulnerability indicator	19	68.8	Saudi Arabia	9.3
3.03 Current account balance to GDP	49	-3.4	Kuwait	32.0
3.04 Dollarization vulnerability indicator	n/a	n/a	Multiple (25)	0.0
3.05 External debt to GDP (developing economies)	12	27.3	China	9.6
3.06 Net international investment position to GDP (advanced economies)	n/a	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07 Frequency of banking crises	1	0.0	Multiple (9)	0.0
3.08 Financial strengths indicator	17	5.0	Multiple (3)	9.0
3.09 Aggregate measure of real estate bubbles	25	5.3	Ireland	6.9
3.10 Tier 1 capital ratio	30	12.7	Ghana	22.7
3.11 Output loss during banking crises	1	0.0	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12 Local currency sovereign rating	28	14.7	Multiple (10)	20.0
3.13 Foreign currency sovereign rating	30	12.7	Multiple (10)	20.0
3.14 Aggregate macroeconomic indicator	36	5.0	Peru	6.4
3.15 Manageability of public debt	13	33.9	Kuwait	6.2
3.16 Credit default swap spreads	29	167.0	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01 Deposit money bank assets to GDP	32	82.3	Ireland	245.1
4.02 Central bank assets to GDP	40	0.4	Brazil	18.3
4.03 Financial system deposits to GDP	29	67.2	Hong Kong SAR	305.8
4.04 M2 to GDP	35	59.1	Hong Kong SAR	320.5
4.05 Private credit to GDP	11	139.8	Denmark	229.8
4.06 Bank deposits to GDP	31	67.2	Hong Kong SAR	305.8
4.07 Money market instruments to GDP	31	0.0	Ireland	18.6
Efficiency index				
4.08 Aggregate profitability indicator	49	3.9	Czech Republic	6.0
4.09 Bank overhead costs	46	3.0	Finland	0.6
4.10 Public ownership of banks	24	1.8	Multiple (22)	0.0
4.11 Bank operating costs to assets	45	3.3	Sweden	0.8
4.12 Non-performing bank loans to total loans	37	4.7	Finland	0.5
Financial information disclosure				
4.13 Private credit bureau coverage	27	52.0	Multiple (12)	100.0
4.14 Public credit registry coverage	26	0.0	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01 IPO market share	26	0.4	China	37.8
5.02 IPO proceeds amount	19	0.2	Hong Kong SAR	5.1
5.03 Share of world IPOs	27	0.3	China	30.2

(continued)

South Africa

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

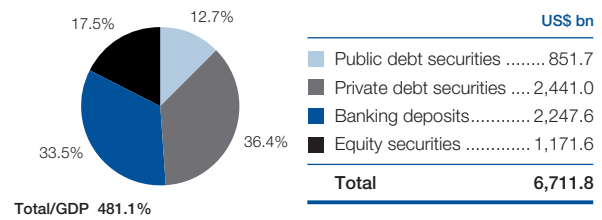
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	23	0.6	United States.....	34.4
5.05 M&A transaction value to GDP	20	4.3	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	26	0.7	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	2	10.2	Ireland	19.8
5.08 Non-life insurance penetration	18	2.7	Netherlands	9.5
5.09 Real growth of direct insurance premiums	34	1.9	Argentina.....	21.9
5.10 Life insurance density	6	5.1	India	43.5
5.11 Non-life insurance density.....	14	1.3	China.....	16.1
5.12 Relative value added of insurance to GDP	12	2.1	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	42	0.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	43	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	25	0.2	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	29	0.1	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	22	0.4	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	11	0.5	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	25	0.1	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	14	0.4	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	31	0.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	21	0.2	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	38	51.8	Turkey.....	237.9
6.10 Stock market capitalization to GDP	2	252.2	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	9	101.9	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	31	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	24	18.7	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	25	31.3	Japan	208.5
6.15 Private international bonds to GDP.....	27	9.2	Ireland	202.8
6.16 Public international bonds to GDP	32	2.6	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	40	0.1	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	3	6.5	United Kingdom.....	6.8
7.02 Venture capital availability	25	3.1	Hong Kong SAR	4.5
7.03 Ease of access to credit	21	4.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	2	5.4	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	22	3.5	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	47	1.4	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	35	53.6	Denmark.....	99.7
7.08 Commercial bank branches	39	10.1	Portugal.....	75.9
7.09 Total number of ATMs.....	26	59.6	Korea, Rep.	250.3
7.10 Debit card penetration	25	45.3	Netherlands	97.6
7.11 Loan accounts at MFIs	27	0.1	Peru	121.2
7.12 Loan from a financial institution.....	34	8.9	Finland.....	23.9

Spain

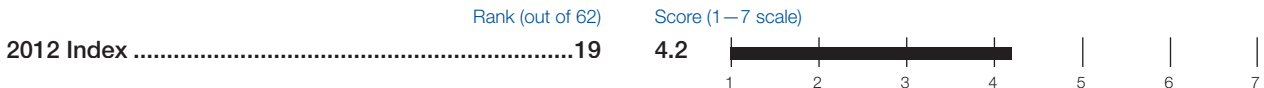
Key indicators

Population (millions), 2011	46.2
GDP (US\$ billions), 2011	1,493.5
GDP (current prices) per capita, 2011	32,360.1
GDP (PPP) as share (%) of world total, 2011	1.79
Compound annual growth rate of real GDP (%), 2007–2011	-0.46

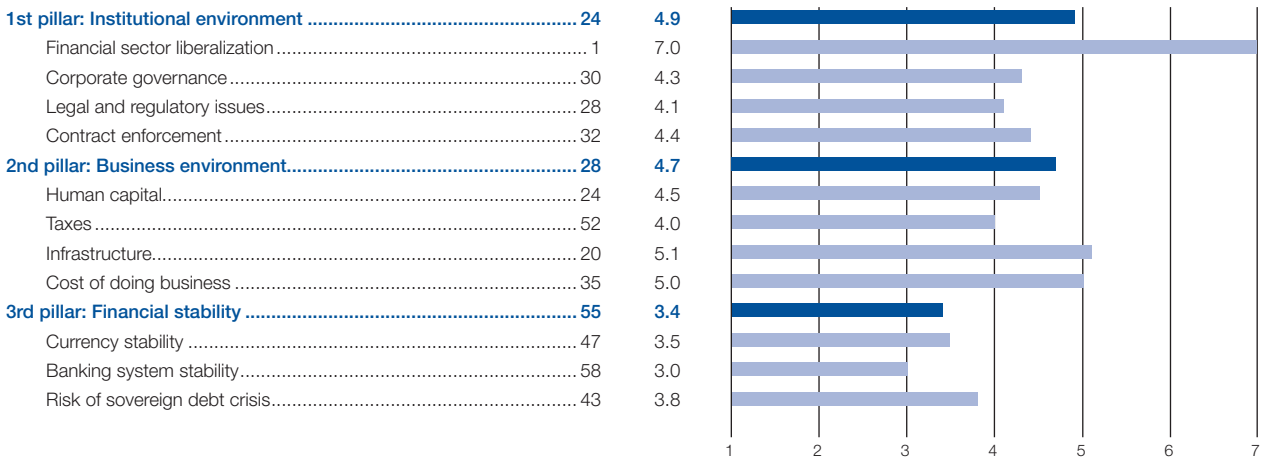
Financial assets by major type, 2010



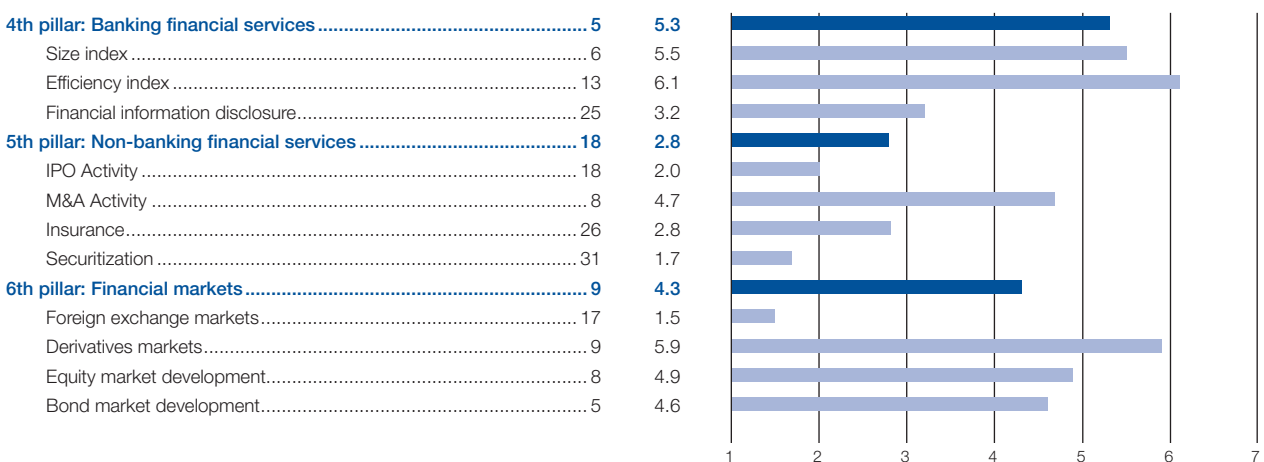
Financial Development Index 2012



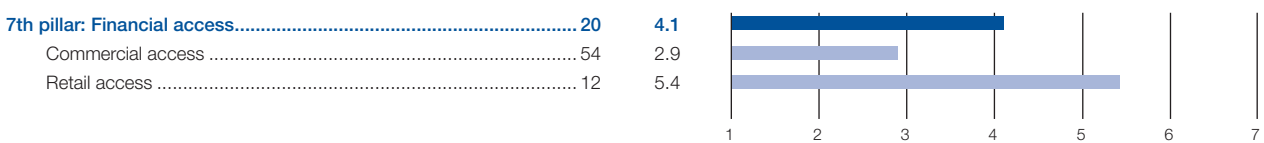
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Spain

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	38	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	50	South Africa.....	5.8
1.06	Reliance on professional management.....	29	Finland.....	6.3
1.07	Willingness to delegate	37	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	40	South Africa.....	6.6
1.09	Ethical behavior of firms.....	25	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	38	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	45	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	53	South Africa.....	6.5
1.13	Property rights	30	Finland.....	6.5
1.14	Intellectual property protection.....	31	Finland.....	6.3
1.15	Diversion of public funds.....	30	Denmark.....	6.3
1.16	Public trust in politicians	37	Singapore	6.3
1.17	Corruption perceptions index.....	21	Finland.....	9.4
1.18	Strength of legal rights index.....	35	Multiple (6)	10.0
1.19	Central bank transparency.....	5	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	32	Singapore.....	6.4
1.21	Judicial independence	34	Finland.....	6.5
1.22	Irregular payments in judicial decisions	25	Denmark.....	6.8
1.23	Time to enforce a contract.....	37	Singapore	150.0
1.24	Number of procedures to enforce a contract	46	Multiple (2)	21.0
1.25	Strength of investor protection index	41	Singapore	9.3
1.26	Cost of enforcing contracts	17	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	4	United Kingdom.....	6.1
2.02	Quality of math and science education	47	Singapore	6.3
2.03	Extent of staff training.....	53	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	23	Switzerland.....	6.4
2.05	Brain drain.....	46	Switzerland.....	6.3
2.06	Tertiary enrollment	12	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	26	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	55	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	60	Kuwait	-4.8
2.10	Time to pay taxes.....	23	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	16	Switzerland.....	6.6
2.12	Quality of electricity supply.....	23	Netherlands	6.8
2.13	Internet users	26	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	20	Switzerland.....	39.2
2.15	Telephone subscriptions	19	Germany.....	63.1
2.16	Mobile telephone subscriptions	34	Hong Kong SAR	209.6

(continued)

Spain

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	26	Denmark	0.0
2.18	Cost of registering property	54	Multiple (2)	0.0
2.19	Cost of closing a business	30	Multiple (4)	1.0
2.20	Time to start a business	46	Australia	2.0
2.21	Time to register property	14	Portugal	1.0
2.22	Time to close a business	16	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	28	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	53	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	21	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	55	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	39	Ireland	6.9
3.10	Tier 1 capital ratio	45	Ghana	22.7
3.11	Output loss during banking crises	58	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	36	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	30	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	49	Peru	6.4
3.15	Manageability of public debt	47	Kuwait	6.2
3.16	Credit default swap spreads	46	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	2	Ireland	245.1
4.02	Central bank assets to GDP	27	Brazil	18.3
4.03	Financial system deposits to GDP	4	Hong Kong SAR	305.8
4.04	M2 to GDP	5	Hong Kong SAR	320.5
4.05	Private credit to GDP	3	Denmark	229.8
4.06	Bank deposits to GDP	4	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	17	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	23	Czech Republic	6.0
4.09	Bank overhead costs	22	Finland	0.6
4.10	Public ownership of banks	27	Multiple (22)	0.0
4.11	Bank operating costs to assets	20	Sweden	0.8
4.12	Non-performing bank loans to total loans	39	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	47	Multiple (12)	100.0
4.14	Public credit registry coverage	4	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	16	China	37.8
5.02	IPO proceeds amount	26	Hong Kong SAR	5.1
5.03	Share of world IPOs	23	China	30.2

(continued)

Spain

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

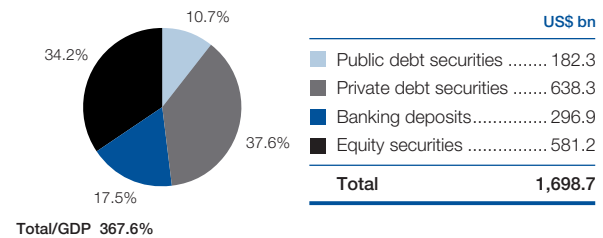
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	9	3.3	United States.....	34.4
5.05 M&A transaction value to GDP	9	5.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	12	2.6	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	26	2.6	Ireland	19.8
5.08 Non-life insurance penetration	16	2.7	Netherlands	9.5
5.09 Real growth of direct insurance premiums	35	1.0	Argentina.....	21.9
5.10 Life insurance density	14	1.2	India	43.5
5.11 Non-life insurance density.....	16	1.3	China.....	16.1
5.12 Relative value added of insurance to GDP	44	0.6	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	34	0.4	United States.....	5.1
5.14 Share of total number of securitization deals.....	20	0.6	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	19	0.5	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	17	0.5	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	19	0.7	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	13	0.5	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	11	1.5	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	7	1.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	14	1.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	15	0.4	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	10	128.6	Turkey.....	237.9
6.10 Stock market capitalization to GDP	16	86.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	8	103.0	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	7	0.7	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	9	52.9	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	15	44.0	Japan	208.5
6.15 Private international bonds to GDP.....	4	109.4	Ireland	202.8
6.16 Public international bonds to GDP	12	11.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	18	0.8	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	21	5.6	United Kingdom.....	6.8
7.02 Venture capital availability	44	2.5	Hong Kong SAR	4.5
7.03 Ease of access to credit	61	2.0	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	53	3.0	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	57	2.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	39	2.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	15	93.3	Denmark.....	99.7
7.08 Commercial bank branches	9	39.3	Portugal.....	75.9
7.09 Total number of ATMs.....	6	151.9	Korea, Rep.	250.3
7.10 Debit card penetration	20	62.2	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	22	11.4	Finland.....	23.9

Sweden

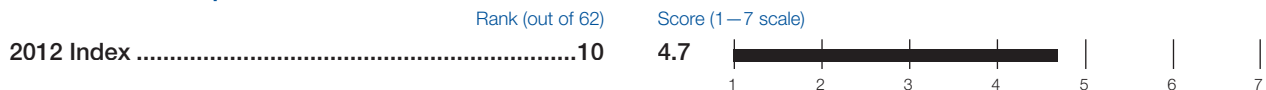
Key indicators

Population (millions), 2011	9.5
GDP (US\$ billions), 2011	538.2
GDP (current prices) per capita, 2011	56,956.3
GDP (PPP) as share (%) of world total, 2011	0.48
Compound annual growth rate of real GDP (%), 2007–2011	0.77

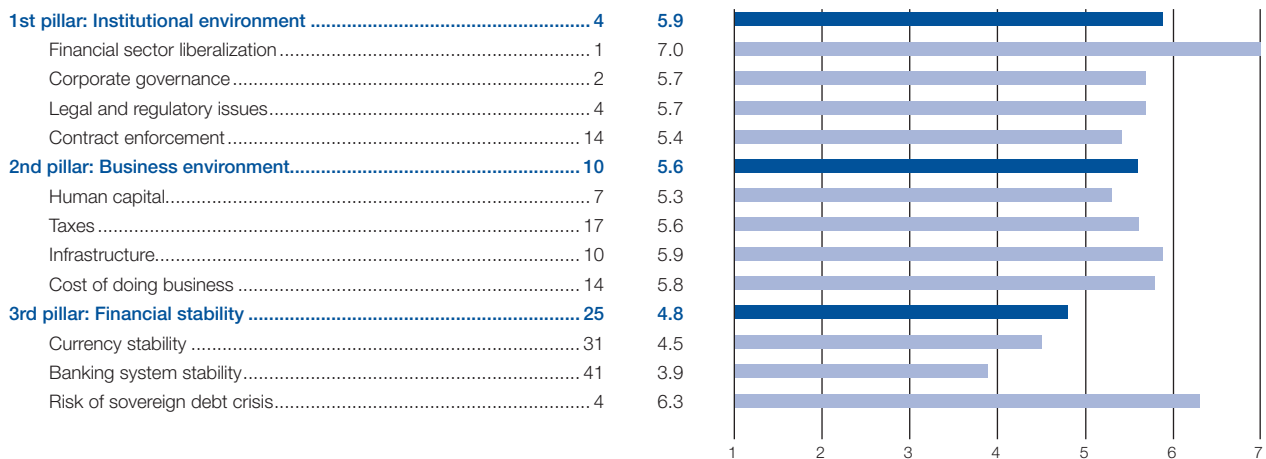
Financial assets by major type, 2010



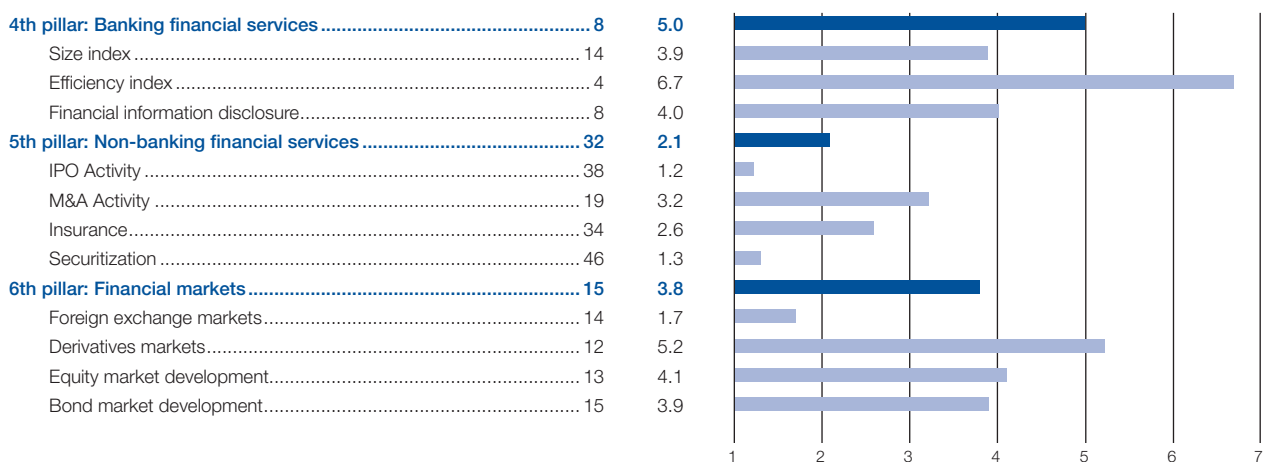
Financial Development Index 2012



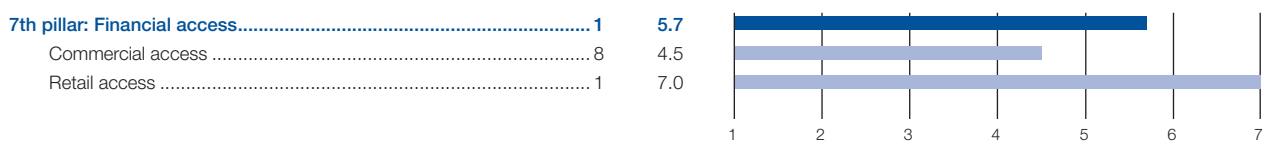
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Sweden

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	■	7.0	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	20	■	4.5	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	5	■	5.6	South Africa.....	5.8
1.06	Reliance on professional management.....	4	■	6.1	Finland.....	6.3
1.07	Willingness to delegate	2	■	6.0	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	9	■	5.9	South Africa.....	6.6
1.09	Ethical behavior of firms.....	7	■	6.2	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	4	■	5.6	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	10	■	4.0	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	9	■	5.6	South Africa.....	6.5
1.13	Property rights	9	■	5.9	Finland.....	6.5
1.14	Intellectual property protection.....	9	■	5.6	Finland.....	6.3
1.15	Diversion of public funds.....	5	■	6.0	Denmark.....	6.3
1.16	Public trust in politicians	5	■	5.5	Singapore	6.3
1.17	Corruption perceptions index.....	3	■	9.3	Finland.....	9.4
1.18	Strength of legal rights index.....	24	■	7.0	Multiple (6)	10.0
1.19	Central bank transparency.....	1	■	15.0	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	3	■	5.5	Singapore.....	6.4
1.21	Judicial independence	8	■	6.2	Finland.....	6.5
1.22	Irregular payments in judicial decisions	8	■	6.4	Denmark.....	6.8
1.23	Time to enforce a contract.....	32	■	508.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	13	■	30.0	Multiple (2)	21.0
1.25	Strength of investor protection index	19	■	6.3	Singapore	9.3
1.26	Cost of enforcing contracts	47	■	31.2	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	10	■	5.4	United Kingdom.....	6.1
2.02	Quality of math and science education	20	■	4.6	Singapore	6.3
2.03	Extent of staff training.....	5	■	5.2	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	7	■	5.8	Switzerland.....	6.4
2.05	Brain drain.....	10	■	5.2	Switzerland.....	6.3
2.06	Tertiary enrollment	11	■	73.8	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	6	■	6.4	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	9	■	4.8	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	44	■	10.6	Kuwait	4.8
2.10	Time to pay taxes	14	■	122.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	17	■	5.8	Switzerland.....	6.6
2.12	Quality of electricity supply.....	10	■	6.6	Netherlands	6.8
2.13	Internet users	3	■	91.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	11	■	31.8	Switzerland.....	39.2
2.15	Telephone subscriptions	9	■	48.7	Germany.....	63.1
2.16	Mobile telephone subscriptions	28	■	118.6	Hong Kong SAR	209.6

(continued)

Sweden

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	5	Denmark	0.0
2.18	Cost of registering property	31	Multiple (2)	0.0
2.19	Cost of closing a business	20	Multiple (4)	1.0
2.20	Time to start a business	33	Australia	2.0
2.21	Time to register property	9	Portugal	1.0
2.22	Time to close a business	28	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	41	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	7	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	12	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	56	Multiple (9)	0.0
3.08	Financial strengths indicator	9	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	4	Ireland	6.9
3.10	Tier 1 capital ratio	42	Ghana	22.7
3.11	Output loss during banking crises	51	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	23	Peru	6.4
3.15	Manageability of public debt	20	Kuwait	6.2
3.16	Credit default swap spreads	5	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	12	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	35	Hong Kong SAR	305.8
4.04	M2 to GDP	34	Hong Kong SAR	320.5
4.05	Private credit to GDP	12	Denmark	229.8
4.06	Bank deposits to GDP	36	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	3	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	17	Czech Republic	6.0
4.09	Bank overhead costs	6	Finland	0.6
4.10	Public ownership of banks	26	Multiple (22)	0.0
4.11	Bank operating costs to assets	1	Sweden	0.8
4.12	Non-performing bank loans to total loans	13	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	35	China	37.8
5.02	IPO proceeds amount	44	Hong Kong SAR	5.1
5.03	Share of world IPOs	26	China	30.2

(continued)

Sweden

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

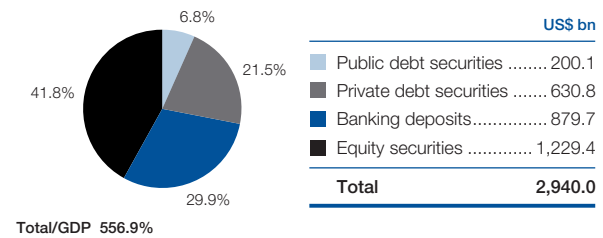
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	17.....	0.9	United States.....	34.4
5.05 M&A transaction value to GDP	14.....	4.8	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	13.....	2.0	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	10.....	5.9	Ireland	19.8
5.08 Non-life insurance penetration	31.....	1.9	Netherlands	9.5
5.09 Real growth of direct insurance premiums	46.....	-3.5	Argentina.....	21.9
5.10 Life insurance density	27.....	0.6	India	43.5
5.11 Non-life insurance density.....	47.....	0.2	China.....	16.1
5.12 Relative value added of insurance to GDP	28.....	1.2	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	46.....	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	30.....	0.2	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	15.....	0.7	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	21.....	0.4	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	13.....	1.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	7.....	0.9	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	17.....	0.5	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	6.....	1.4	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	25.....	0.2	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	12.....	0.7	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	21.....	91.7	Turkey.....	237.9
6.10 Stock market capitalization to GDP	11.....	112.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	11.....	92.1	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	13.....	0.4	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	10.....	52.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	32.....	24.4	Japan	208.5
6.15 Private international bonds to GDP.....	8.....	71.8	Ireland	202.8
6.16 Public international bonds to GDP	20.....	6.8	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	9.....	1.3	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	14.....	6.0	United Kingdom.....	6.8
7.02 Venture capital availability	4.....	4.4	Hong Kong SAR	4.5
7.03 Ease of access to credit	9.....	4.6	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	8.....	4.8	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	3.....	4.6	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	32.....	2.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	4.....	99.0	Denmark.....	99.7
7.08 Commercial bank branches	n/a.....	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	n/a.....	n/a	Korea, Rep.	250.3
7.10 Debit card penetration	2.....	95.5	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	2.....	23.4	Finland.....	23.9

Switzerland

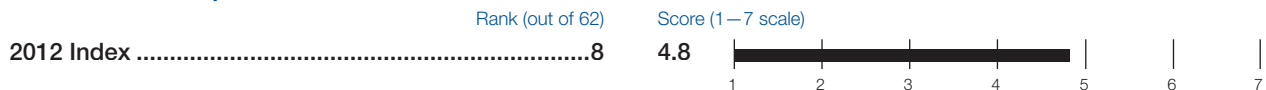
Key indicators

Population (millions), 2011	7.8
GDP (US\$ billions), 2011	636.1
GDP (current prices) per capita, 2011	81,160.6
GDP (PPP) as share (%) of world total, 2011	0.43
Compound annual growth rate of real GDP (%), 2007–2011	0.94

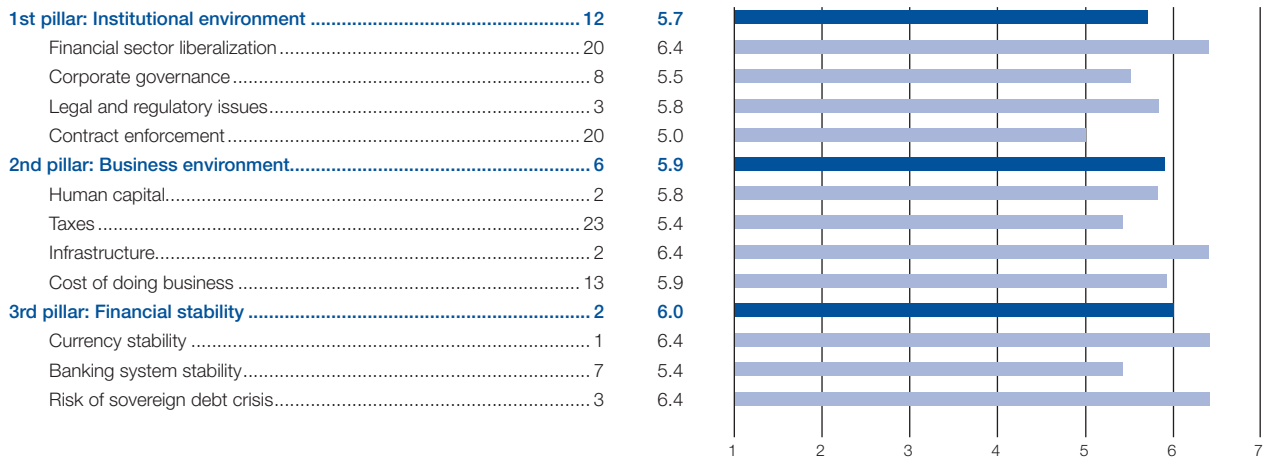
Financial assets by major type, 2010



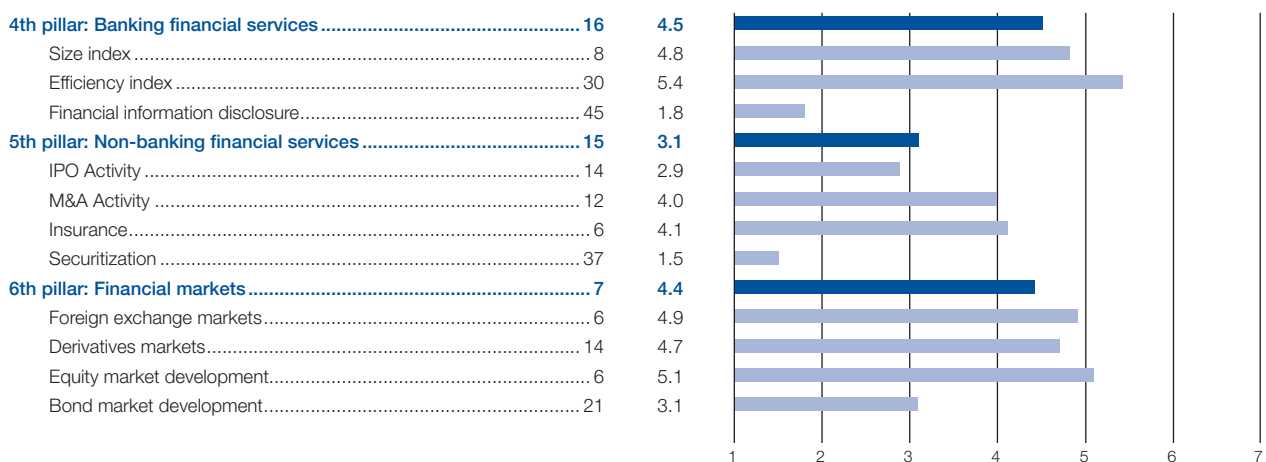
Financial Development Index 2012



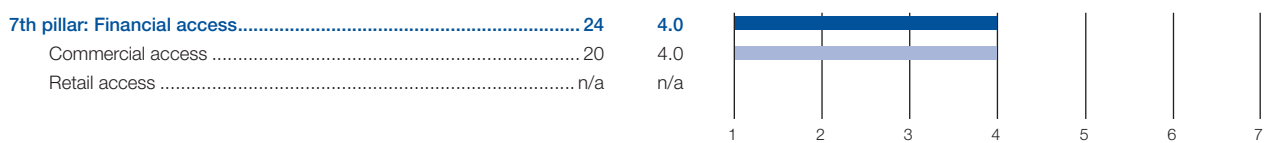
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Switzerland

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	33	Multiple (24)	5.2
Corporate governance				
1.04	Extent of incentive-based compensation	7	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	6	South Africa.....	5.8
1.06	Reliance on professional management.....	5	Finland.....	6.3
1.07	Willingness to delegate	7	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	15	South Africa.....	6.6
1.09	Ethical behavior of firms.....	4	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	22	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	7	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	8	South Africa.....	6.5
1.13	Property rights	2	Finland.....	6.5
1.14	Intellectual property protection.....	3	Finland.....	6.3
1.15	Diversion of public funds.....	4	Denmark.....	6.3
1.16	Public trust in politicians	7	Singapore	6.3
1.17	Corruption perceptions index.....	8	Finland.....	9.4
1.18	Strength of legal rights index.....	17	Multiple (6)	10.0
1.19	Central bank transparency.....	19	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	9	Singapore.....	6.4
1.21	Judicial independence	5	Finland.....	6.5
1.22	Irregular payments in judicial decisions	4	Denmark.....	6.8
1.23	Time to enforce a contract.....	12	Singapore	150.0
1.24	Number of procedures to enforce a contract	21	Multiple (2)	21.0
1.25	Strength of investor protection index	60	Singapore	9.3
1.26	Cost of enforcing contracts	30	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	3	United Kingdom.....	6.1
2.02	Quality of math and science education	4	Singapore	6.3
2.03	Extent of staff training.....	1	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	1	Switzerland.....	6.4
2.05	Brain drain.....	1	Switzerland.....	6.3
2.06	Tertiary enrollment	32	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	9	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	13	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	54	Kuwait	-4.8
2.10	Time to pay taxes.....	3	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	1	Switzerland.....	6.6
2.12	Quality of electricity supply.....	3	Netherlands	6.8
2.13	Internet users	6	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	1	Switzerland.....	39.2
2.15	Telephone subscriptions	4	Germany.....	63.1
2.16	Mobile telephone subscriptions	16	Hong Kong SAR	209.6

(continued)

Switzerland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	19	Denmark	0.0
2.18	Cost of registering property	5	Multiple (2)	0.0
2.19	Cost of closing a business	5	Multiple (4)	1.0
2.20	Time to start a business	35	Australia	2.0
2.21	Time to register property	18	Portugal	1.0
2.22	Time to close a business	41	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	13	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	4	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	3	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	5	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	37	Ireland	6.9
3.10	Tier 1 capital ratio	7	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	13	Peru	6.4
3.15	Manageability of public debt	19	Kuwait	6.2
3.16	Credit default swap spreads	4	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	8	Ireland	245.1
4.02	Central bank assets to GDP	43	Brazil	18.3
4.03	Financial system deposits to GDP	5	Hong Kong SAR	305.8
4.04	M2 to GDP	4	Hong Kong SAR	320.5
4.05	Private credit to GDP	9	Denmark	229.8
4.06	Bank deposits to GDP	5	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	27	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	57	Czech Republic	6.0
4.09	Bank overhead costs	31	Finland	0.6
4.10	Public ownership of banks	33	Multiple (22)	0.0
4.11	Bank operating costs to assets	26	Sweden	0.8
4.12	Non-performing bank loans to total loans	4	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	37	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	11	China	37.8
5.02	IPO proceeds amount	6	Hong Kong SAR	5.1
5.03	Share of world IPOs	41	China	30.2

(continued)

Switzerland

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

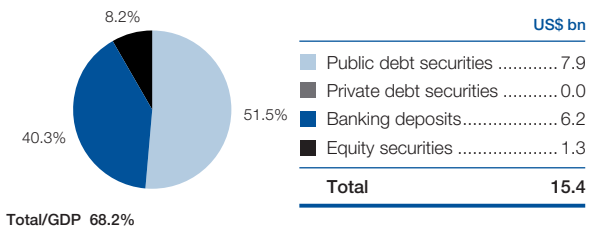
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	15	1.8	United States.....	34.4
5.05 M&A transaction value to GDP	3	8.0	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	21	0.8	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	11	5.5	Ireland	19.8
5.08 Non-life insurance penetration	4	4.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	32	2.2	Argentina.....	21.9
5.10 Life insurance density	30	0.4	India	43.5
5.11 Non-life insurance density.....	34	0.4	China.....	16.1
5.12 Relative value added of insurance to GDP	5	3.1	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	38	0.3	United States.....	5.1
5.14 Share of total number of securitization deals.....	26	0.2	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	5	3.4	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	6	2.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	3	7.8	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	4	2.5	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	6	3.6	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	26	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	35	0.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	5	3.4	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	29	77.3	Turkey.....	237.9
6.10 Stock market capitalization to GDP	3	221.9	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	4	160.7	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	17	0.3	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	18	27.3	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	37	19.6	Japan	208.5
6.15 Private international bonds to GDP.....	7	73.4	Ireland	202.8
6.16 Public international bonds to GDP	49	0.1	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	10	1.2	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	2	6.7	United Kingdom.....	6.8
7.02 Venture capital availability	15	3.6	Hong Kong SAR	4.5
7.03 Ease of access to credit	24	4.1	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	12	4.7	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	18	3.7	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	61	0.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	n/a	n/a	Denmark.....	99.7
7.08 Commercial bank branches	n/a	n/a	Portugal.....	75.9
7.09 Total number of ATMs.....	14	97.5	Korea, Rep.	250.3
7.10 Debit card penetration	n/a	n/a	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	n/a	n/a	Finland.....	23.9

Tanzania

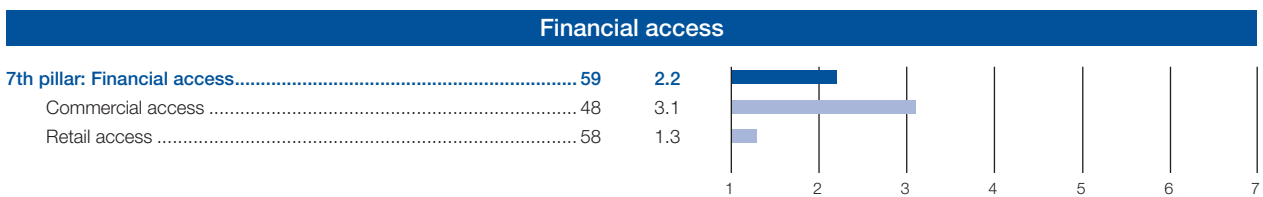
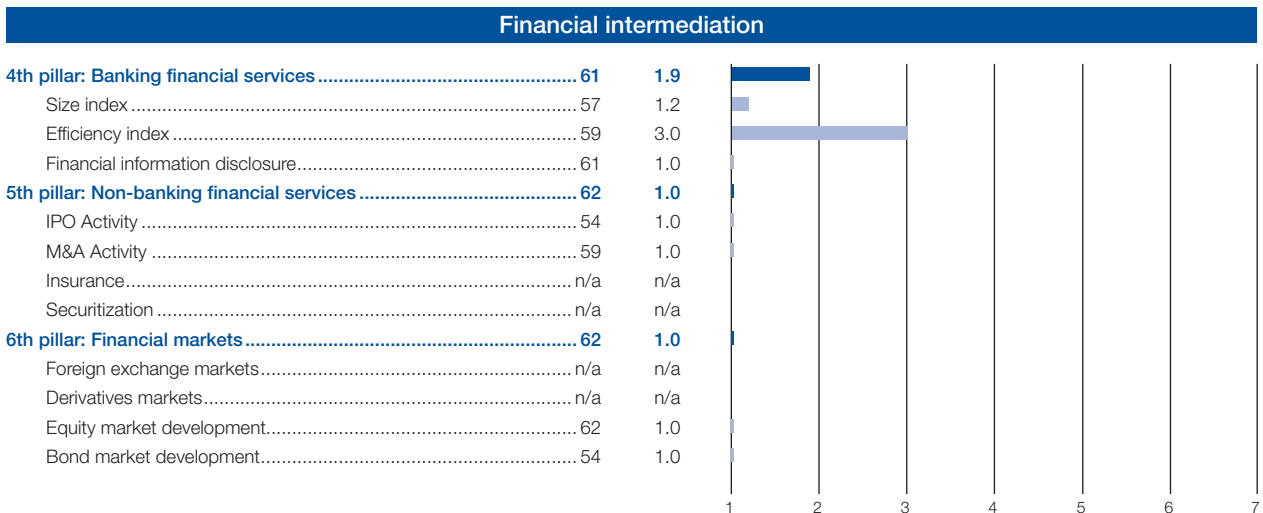
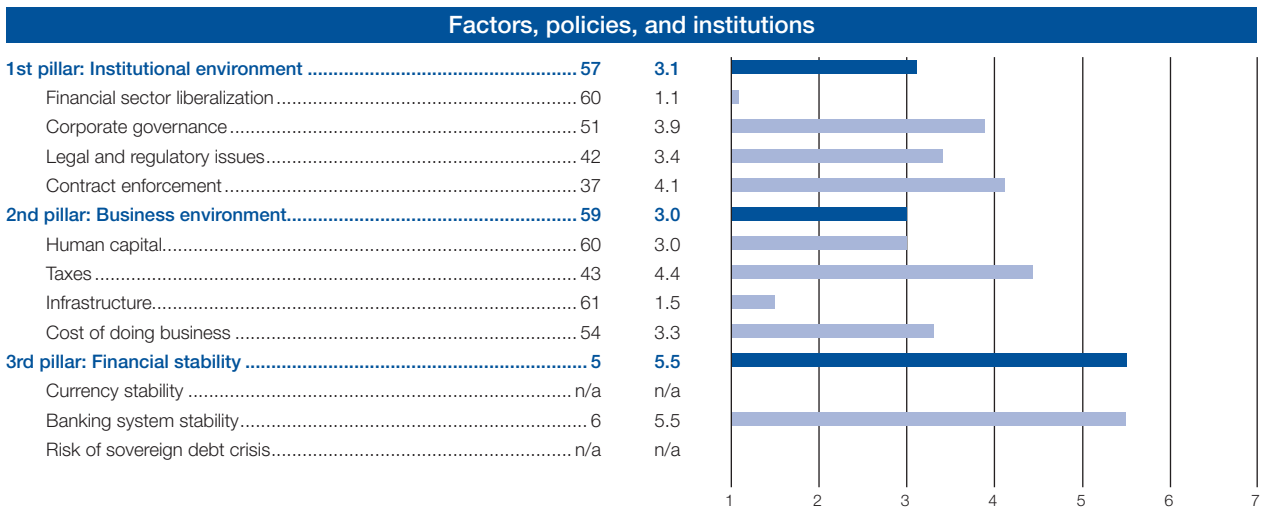
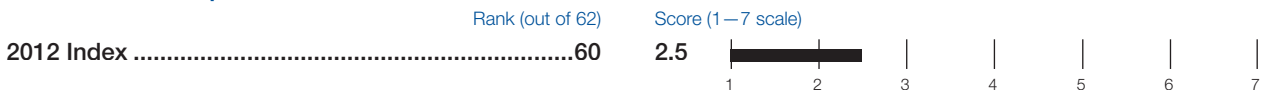
Key indicators

Population (millions), 2011	42.2
GDP (US\$ billions), 2011	23.3
GDP (current prices) per capita, 2011	553.2
GDP (PPP) as share (%) of world total, 2011	0.08
Compound annual growth rate of real GDP (%), 2007–2011	5.41

Financial assets by major type, 2010



Financial Development Index 2012



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Tanzania

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	59	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	55	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	n/a	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	59	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	40	South Africa.....	5.8
1.06	Reliance on professional management.....	45	Finland.....	6.3
1.07	Willingness to delegate	38	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	57	South Africa.....	6.6
1.09	Ethical behavior of firms.....	52	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	51	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	19	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	57	South Africa.....	6.5
1.13	Property rights	54	Finland.....	6.5
1.14	Intellectual property protection.....	51	Finland.....	6.3
1.15	Diversion of public funds.....	40	Denmark.....	6.3
1.16	Public trust in politicians	33	Singapore.....	6.3
1.17	Corruption perceptions index.....	51	Finland.....	9.4
1.18	Strength of legal rights index.....	17	Multiple (6)	10.0
1.19	Central bank transparency.....	46	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	36	Singapore.....	6.4
1.21	Judicial independence	44	Finland.....	6.5
1.22	Irregular payments in judicial decisions	53	Denmark.....	6.8
1.23	Time to enforce a contract.....	26	Singapore	150.0
1.24	Number of procedures to enforce a contract	43	Multiple (2)	21.0
1.25	Strength of investor protection index	41	Singapore	9.3
1.26	Cost of enforcing contracts	9	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	60	United Kingdom.....	6.1
2.02	Quality of math and science education	56	Singapore	6.3
2.03	Extent of staff training.....	43	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	58	Switzerland.....	6.4
2.05	Brain drain.....	50	Switzerland.....	6.3
2.06	Tertiary enrollment	61	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	56	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	48	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	40	Kuwait	-4.8
2.10	Time to pay taxes.....	22	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	59	Switzerland.....	6.6
2.12	Quality of electricity supply.....	60	Netherlands	6.8
2.13	Internet users	59	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	62	Switzerland.....	39.2
2.15	Telephone subscriptions	62	Germany.....	63.1
2.16	Mobile telephone subscriptions	62	Hong Kong SAR	209.6

(continued)

Tanzania

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	58	Denmark	0.0
2.18	Cost of registering property	33	Multiple (2)	0.0
2.19	Cost of closing a business	49	Multiple (4)	1.0
2.20	Time to start a business	48	Australia	2.0
2.21	Time to register property	55	Portugal	1.0
2.22	Time to close a business	41	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	61	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	16	Multiple (9)	0.0
3.08	Financial strengths indicator	n/a	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	42	Ireland	6.9
3.10	Tier 1 capital ratio	4	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	n/a	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	n/a	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	48	Peru	6.4
3.15	Manageability of public debt	29	Kuwait	6.2
3.16	Credit default swap spreads	n/a	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	57	Ireland	245.1
4.02	Central bank assets to GDP	17	Brazil	18.3
4.03	Financial system deposits to GDP	53	Hong Kong SAR	305.8
4.04	M2 to GDP	62	Hong Kong SAR	320.5
4.05	Private credit to GDP	58	Denmark	229.8
4.06	Bank deposits to GDP	54	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	22	Czech Republic	6.0
4.09	Bank overhead costs	57	Finland	0.6
4.10	Public ownership of banks	50	Multiple (22)	0.0
4.11	Bank operating costs to assets	59	Sweden	0.8
4.12	Non-performing bank loans to total loans	n/a	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	55	China	37.8
5.02	IPO proceeds amount	53	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Tanzania

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

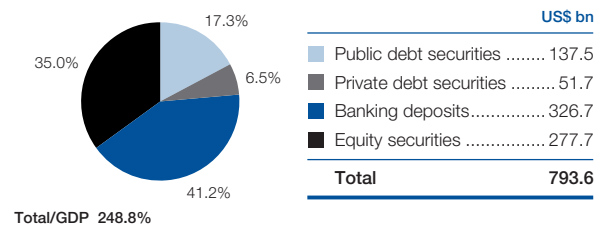
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	61	United States	34.4
5.05	M&A transaction value to GDP	57	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	57	United States	23.3
Insurance				
5.07	Life insurance penetration	n/a	Ireland	19.8
5.08	Non-life insurance penetration	n/a	Netherlands	9.5
5.09	Real growth of direct insurance premiums	n/a	Argentina	21.9
5.10	Life insurance density	n/a	India	43.5
5.11	Non-life insurance density	n/a	China	16.1
5.12	Relative value added of insurance to GDP	n/a	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	n/a	United States	5.1
5.14	Share of total number of securitization deals	n/a	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	n/a	United Kingdom	41.3
6.03	Foreign exchange swap turnover	n/a	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	n/a	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	n/a	Turkey	237.9
6.10	Stock market capitalization to GDP	n/a	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	60	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	62	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	42	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	47	Japan	208.5
6.15	Private international bonds to GDP	56	Ireland	202.8
6.16	Public international bonds to GDP	54	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	59	United Kingdom	6.8
7.02	Venture capital availability	46	Hong Kong SAR	4.5
7.03	Ease of access to credit	46	Hong Kong SAR	5.0
7.04	Financing through local equity market	49	Hong Kong SAR	5.7
7.05	Ease of access to loans	49	Bahrain	4.8
7.06	Foreign direct investment to GDP	12	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	58	Denmark	99.7
7.08	Commercial bank branches	52	Portugal	75.9
7.09	Total number of ATMs	47	Korea, Rep.	250.3
7.10	Debit card penetration	52	Netherlands	97.6
7.11	Loan accounts at MFIs	15	Peru	121.2
7.12	Loan from a financial institution	47	Finland	23.9

Thailand

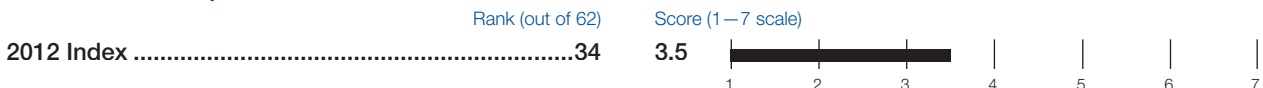
Key indicators

Population (millions), 2011	64.1
GDP (US\$ billions), 2011	345.6
GDP (current prices) per capita, 2011	5,394.4
GDP (PPP) as share (%) of world total, 2011	0.76
Compound annual growth rate of real GDP (%), 2007–2011	1.55

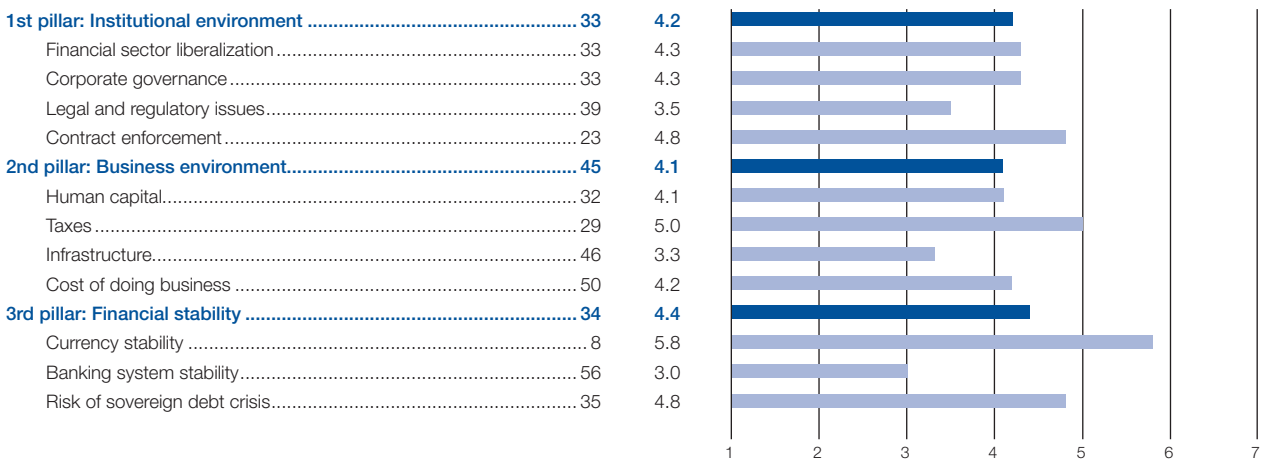
Financial assets by major type, 2010



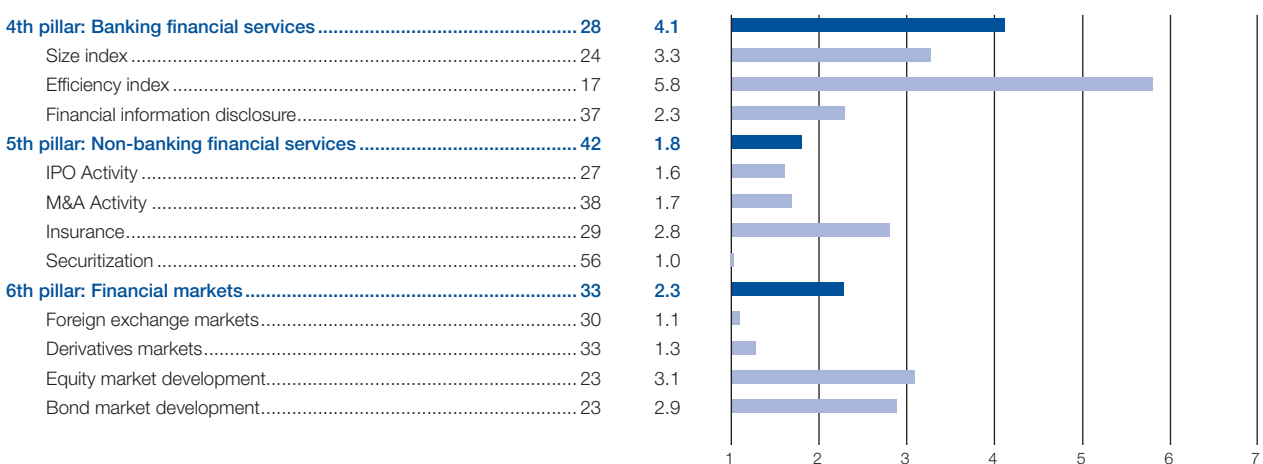
Financial Development Index 2012



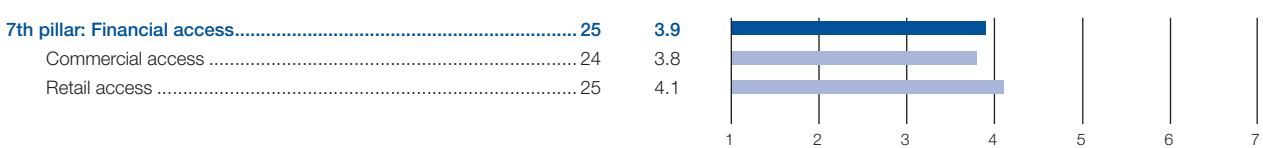
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Thailand

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	53.....	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	29.....	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	29.....	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	34.....	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	35.....	South Africa.....	5.8
1.06	Reliance on professional management.....	42.....	Finland.....	6.3
1.07	Willingness to delegate	39.....	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	34.....	South Africa.....	6.6
1.09	Ethical behavior of firms.....	36.....	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	32.....	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	29.....	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	30.....	South Africa.....	6.5
1.13	Property rights	52.....	Finland.....	6.5
1.14	Intellectual property protection.....	52.....	Finland.....	6.3
1.15	Diversion of public funds.....	41.....	Denmark.....	6.3
1.16	Public trust in politicians	49.....	Singapore.....	6.3
1.17	Corruption perceptions index.....	45.....	Finland.....	9.4
1.18	Strength of legal rights index.....	42.....	Multiple (6)	10.0
1.19	Central bank transparency.....	24.....	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	48.....	Singapore.....	6.4
1.21	Judicial independence	33.....	Finland.....	6.5
1.22	Irregular payments in judicial decisions	37.....	Denmark.....	6.8
1.23	Time to enforce a contract.....	28.....	Singapore.....	150.0
1.24	Number of procedures to enforce a contract	33.....	Multiple (2)	21.0
1.25	Strength of investor protection index	12.....	Singapore.....	9.3
1.26	Cost of enforcing contracts	5.....	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	37.....	United Kingdom.....	6.1
2.02	Quality of math and science education	36.....	Singapore.....	6.3
2.03	Extent of staff training.....	33.....	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	44.....	Switzerland.....	6.4
2.05	Brain drain.....	26.....	Switzerland.....	6.3
2.06	Tertiary enrollment	35.....	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	43.....	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	38.....	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	10.....	Kuwait	-4.8
2.10	Time to pay taxes	39.....	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	32.....	Switzerland.....	6.6
2.12	Quality of electricity supply.....	32.....	Netherlands.....	6.8
2.13	Internet users	55.....	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	45.....	Switzerland.....	39.2
2.15	Telephone subscriptions	52.....	Germany.....	63.1
2.16	Mobile telephone subscriptions	36.....	Hong Kong SAR	209.6

(continued)

Thailand

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	35	Denmark	0.0
2.18	Cost of registering property	50	Multiple (2)	0.0
2.19	Cost of closing a business	59	Multiple (4)	1.0
2.20	Time to start a business	48	Australia	2.0
2.21	Time to register property	2	Portugal	1.0
2.22	Time to close a business	37	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	16	Brazil	8.3
3.02	External vulnerability indicator	11	Saudi Arabia	9.3
3.03	Current account balance to GDP	12	Kuwait	32.0
3.04	Dollarization vulnerability indicator	26	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	16	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	50	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	24	Ireland	6.9
3.10	Tier 1 capital ratio	40	Ghana	22.7
3.11	Output loss during banking crises	61	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	29	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	28	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	38	Peru	6.4
3.15	Manageability of public debt	31	Kuwait	6.2
3.16	Credit default swap spreads	26	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	24	Ireland	245.1
4.02	Central bank assets to GDP	23	Brazil	18.3
4.03	Financial system deposits to GDP	25	Hong Kong SAR	305.8
4.04	M2 to GDP	12	Hong Kong SAR	320.5
4.05	Private credit to GDP	20	Denmark	229.8
4.06	Bank deposits to GDP	25	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	20	Czech Republic	6.0
4.09	Bank overhead costs	34	Finland	0.6
4.10	Public ownership of banks	37	Multiple (22)	0.0
4.11	Bank operating costs to assets	33	Sweden	0.8
4.12	Non-performing bank loans to total loans	27	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	30	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	31	China	37.8
5.02	IPO proceeds amount	29	Hong Kong SAR	5.1
5.03	Share of world IPOs	15	China	30.2

(continued)

Thailand

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

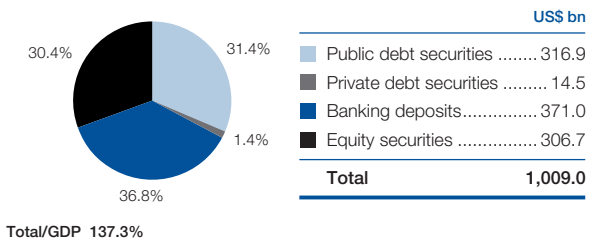
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	35	0.3	United States.....34.4
5.05	M&A transaction value to GDP	38	2.2	Hong Kong SAR.....9.9
5.06	Share of total number of M&A deals	27	0.6	United States.....23.3
Insurance				
5.07	Life insurance penetration	24	2.7	Ireland.....19.8
5.08	Non-life insurance penetration	35	1.7	Netherlands.....9.5
5.09	Real growth of direct insurance premiums	19	6.3	Argentina.....21.9
5.10	Life insurance density	13	1.7	India.....43.5
5.11	Non-life insurance density	18	1.1	China.....16.1
5.12	Relative value added of insurance to GDP	47	0.6	Bahrain.....6.0
Securitization				
5.13	Securitization to GDP	55	0.0	United States.....5.1
5.14	Share of total number of securitization deals	51	0.0	United States.....53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	30	0.2	United Kingdom.....38.5
6.02	Outright forward foreign exchange turnover	27	0.2	United Kingdom.....41.3
6.03	Foreign exchange swap turnover	32	0.1	United Kingdom.....33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	27	0.0	United Kingdom.....48.4
6.05	Interest rate derivatives turnover: Swaps	29	0.0	United Kingdom.....45.3
6.06	Interest rate derivatives turnover: Options	30	0.0	United Kingdom.....50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	24	0.2	United Kingdom.....32.1
6.08	Foreign exchange derivatives turnover: Options	34	0.0	United Kingdom.....55.3
Equity market development				
6.09	Stock market turnover ratio	12	117.6	Turkey.....237.9
6.10	Stock market capitalization to GDP	26	67.1	Hong Kong SAR.....440.2
6.11	Stock market value traded to GDP	18	57.3	Hong Kong SAR.....681.5
6.12	Number of listed companies per 10,000 people	30	0.1	Hong Kong SAR.....2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	28	12.5	Denmark.....177.2
6.14	Public domestic bond market capitalization to GDP	10	48.7	Japan.....208.5
6.15	Private international bonds to GDP	42	2.9	Ireland.....202.8
6.16	Public international bonds to GDP	48	0.3	Greece.....70.8
6.17	Local currency corporate bond issuance to GDP	6	1.7	Malaysia.....4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	30	5.0	United Kingdom.....6.8
7.02	Venture capital availability	33	2.9	Hong Kong SAR.....4.5
7.03	Ease of access to credit	19	4.2	Hong Kong SAR.....5.0
7.04	Financing through local equity market	21	4.4	Hong Kong SAR.....5.7
7.05	Ease of access to loans	21	3.6	Bahrain.....4.8
7.06	Foreign direct investment to GDP	27	2.8	Hong Kong SAR.....34.2
Retail access				
7.07	Market penetration of bank accounts	26	72.7	Denmark.....99.7
7.08	Commercial bank branches	35	11.2	Portugal.....75.9
7.09	Total number of ATMs	19	77.7	Korea, Rep.....250.3
7.10	Debit card penetration	26	43.1	Netherlands.....97.6
7.11	Loan accounts at MFIs	n/a	n/a	Peru.....121.2
7.12	Loan from a financial institution	8	19.4	Finland.....23.9

Turkey

Key indicators

Population (millions), 2011	74.0
GDP (US\$ billions), 2011	778.1
GDP (current prices) per capita, 2011	10,521.8
GDP (PPP) as share (%) of world total, 2011	1.36
Compound annual growth rate of real GDP (%), 2007–2011	2.52

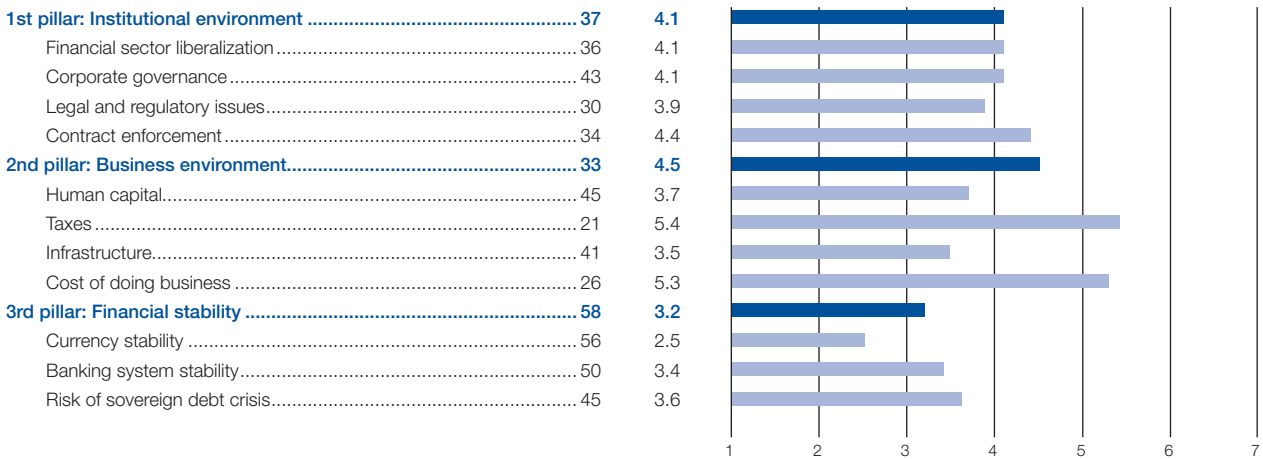
Financial assets by major type, 2010



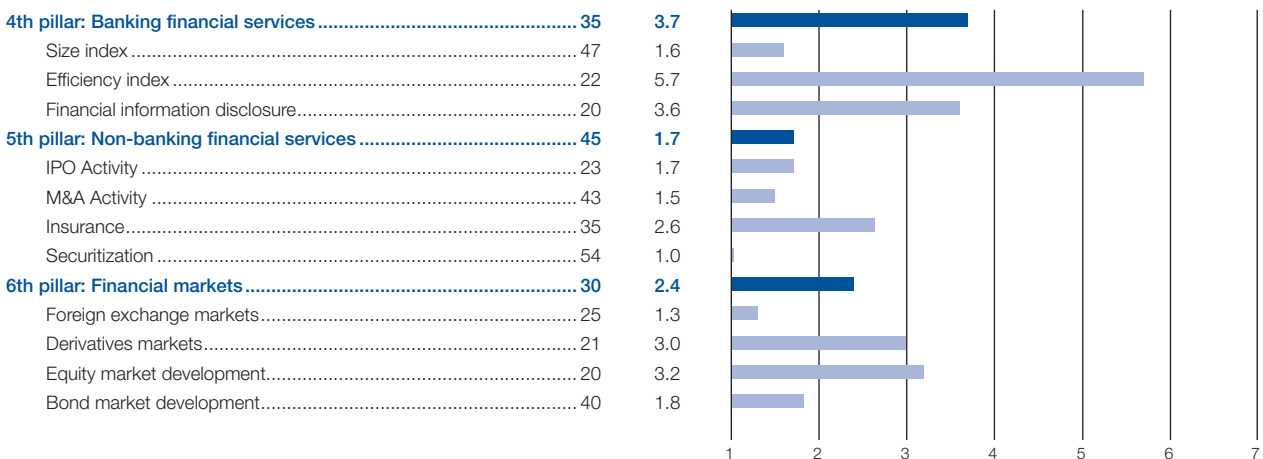
Financial Development Index 2012



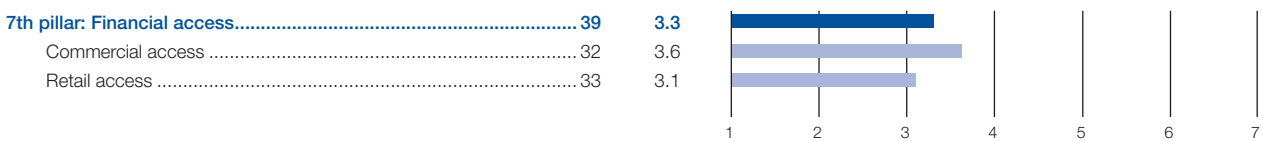
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Turkey

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01 Capital account liberalization	43.....	3.1	Multiple (25).....	7.0
1.02 Commitments to WTO Agreement on Trade in Services.....	22.....	5.8	Multiple (17).....	7.0
1.03 Domestic financial sector liberalization	46.....	3.3	Multiple (24).....	7.0
Corporate governance				
1.04 Extent of incentive-based compensation	51.....	3.7	United Kingdom.....	5.3
1.05 Efficacy of corporate boards.....	47.....	4.2	South Africa.....	5.8
1.06 Reliance on professional management.....	38.....	4.3	Finland.....	6.3
1.07 Willingness to delegate	51.....	3.3	Denmark.....	6.2
1.08 Strength of auditing and reporting standards	38.....	4.7	South Africa.....	6.6
1.09 Ethical behavior of firms.....	31.....	4.0	Finland.....	6.5
1.10 Protection of minority shareholders' interests.....	41.....	4.2	Finland.....	6.1
Legal and regulatory issues				
1.11 Burden of government regulation.....	31.....	3.3	Singapore.....	5.6
1.12 Regulation of securities exchanges.....	16.....	5.2	South Africa.....	6.5
1.13 Property rights	35.....	4.5	Finland.....	6.5
1.14 Intellectual property protection.....	45.....	3.3	Finland.....	6.3
1.15 Diversion of public funds.....	31.....	3.6	Denmark.....	6.3
1.16 Public trust in politicians	22.....	3.4	Singapore.....	6.3
1.17 Corruption perceptions index.....	33.....	4.2	Finland.....	9.4
1.18 Strength of legal rights index.....	46.....	4.0	Multiple (6).....	10.0
1.19 Central bank transparency.....	3.....	11.5	Sweden.....	15.0
Contract enforcement				
1.20 Effectiveness of law-making bodies	14.....	4.8	Singapore.....	6.4
1.21 Judicial independence	46.....	3.5	Finland.....	6.5
1.22 Irregular payments in judicial decisions	35.....	4.0	Denmark.....	6.8
1.23 Time to enforce a contract.....	22.....	420.0	Singapore.....	150.0
1.24 Number of procedures to enforce a contract	33.....	36.0	Multiple (2).....	21.0
1.25 Strength of investor protection index	31.....	5.7	Singapore.....	9.3
1.26 Cost of enforcing contracts	41.....	27.9	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01 Quality of management schools.....	52.....	3.8	United Kingdom.....	6.1
2.02 Quality of math and science education	49.....	3.5	Singapore.....	6.3
2.03 Extent of staff training.....	37.....	4.0	Switzerland.....	5.6
2.04 Local availability of specialized research and training services	48.....	4.0	Switzerland.....	6.4
2.05 Brain drain.....	45.....	3.4	Switzerland.....	6.3
2.06 Tertiary enrollment	36.....	45.8	Korea, Rep.....	103.1
Taxes				
2.07 Irregular payments in tax collection	28.....	5.2	Finland.....	6.9
2.08 Distortive effect of taxes and subsidies on competition	19.....	4.3	United Arab Emirates.....	5.9
2.09 Marginal tax variation.....	15.....	2.1	Kuwait	-4.8
2.10 Time to pay taxes.....	31.....	223.0	United Arab Emirates.....	12.0
Infrastructure				
2.11 Quality of overall infrastructure	25.....	5.3	Switzerland.....	6.6
2.12 Quality of electricity supply.....	43.....	4.6	Netherlands.....	6.8
2.13 Internet users	42.....	42.1	Norway.....	94.0
2.14 Broadband Internet subscriptions.....	37.....	10.3	Switzerland.....	39.2
2.15 Telephone subscriptions	37.....	20.7	Germany.....	63.1
2.16 Mobile telephone subscriptions	52.....	88.7	Hong Kong SAR.....	209.6

(continued)

Turkey

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	42	Denmark	0.0
2.18	Cost of registering property	24	Multiple (2)	0.0
2.19	Cost of closing a business	34	Multiple (4)	1.0
2.20	Time to start a business	9	Australia	2.0
2.21	Time to register property	8	Portugal	1.0
2.22	Time to close a business	46	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	50	Brazil	8.3
3.02	External vulnerability indicator	31	Saudi Arabia	9.3
3.03	Current account balance to GDP	55	Kuwait	32.0
3.04	Dollarization vulnerability indicator	45	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	23	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	50	Multiple (9)	0.0
3.08	Financial strengths indicator	39	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	26	Ireland	6.9
3.10	Tier 1 capital ratio	18	Ghana	22.7
3.11	Output loss during banking crises	50	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	42	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	47	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	57	Peru	6.4
3.15	Manageability of public debt	21	Kuwait	6.2
3.16	Credit default swap spreads	37	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	41	Ireland	245.1
4.02	Central bank assets to GDP	33	Brazil	18.3
4.03	Financial system deposits to GDP	42	Hong Kong SAR	305.8
4.04	M2 to GDP	56	Hong Kong SAR	320.5
4.05	Private credit to GDP	48	Denmark	229.8
4.06	Bank deposits to GDP	43	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	11	Czech Republic	6.0
4.09	Bank overhead costs	42	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	47	Sweden	0.8
4.12	Non-performing bank loans to total loans	23	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	23	Multiple (12)	100.0
4.14	Public credit registry coverage	13	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	23	China	37.8
5.02	IPO proceeds amount	28	Hong Kong SAR	5.1
5.03	Share of world IPOs	16	China	30.2

(continued)

Turkey

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

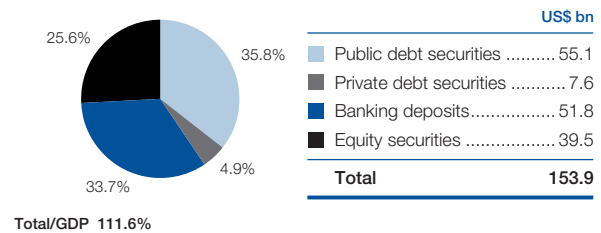
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	31	0.4	United States.....	34.4
5.05 M&A transaction value to GDP	47	1.5	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	38	0.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	52	0.2	Ireland	19.8
5.08 Non-life insurance penetration	46	1.1	Netherlands	9.5
5.09 Real growth of direct insurance premiums	5	14.2	Argentina.....	21.9
5.10 Life insurance density	46	0.2	India	43.5
5.11 Non-life insurance density.....	22	0.8	China.....	16.1
5.12 Relative value added of insurance to GDP	32	1.1	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	57	0.0	United States.....	5.1
5.14 Share of total number of securitization deals.....	39	0.1	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	22	0.3	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	18	0.5	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	26	0.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	29	0.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	40	0.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	25	0.0	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	11	1.6	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	14	0.4	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	1	237.9	Turkey.....	237.9
6.10 Stock market capitalization to GDP	42	37.1	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	23	46.1	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	39	0.0	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	40	0.6	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	29	26.9	Japan	208.5
6.15 Private international bonds to GDP.....	47	1.7	Ireland	202.8
6.16 Public international bonds to GDP	23	5.8	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	28	5.2	United Kingdom.....	6.8
7.02 Venture capital availability	43	2.5	Hong Kong SAR	4.5
7.03 Ease of access to credit	15	4.2	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	25	4.3	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	39	3.0	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	37	2.0	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	33	57.6	Denmark.....	99.7
7.08 Commercial bank branches	28	17.4	Portugal.....	75.9
7.09 Total number of ATMs.....	38	43.7	Korea, Rep.	250.3
7.10 Debit card penetration	23	56.6	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	53	4.6	Finland.....	23.9

Ukraine

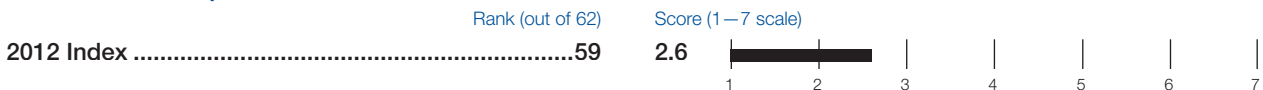
Key indicators

Population (millions), 2011	45.6
GDP (US\$ billions), 2011	165.0
GDP (current prices) per capita, 2011	3,621.2
GDP (PPP) as share (%) of world total, 2011	0.42
Compound annual growth rate of real GDP (%), 2007–2011	-0.93

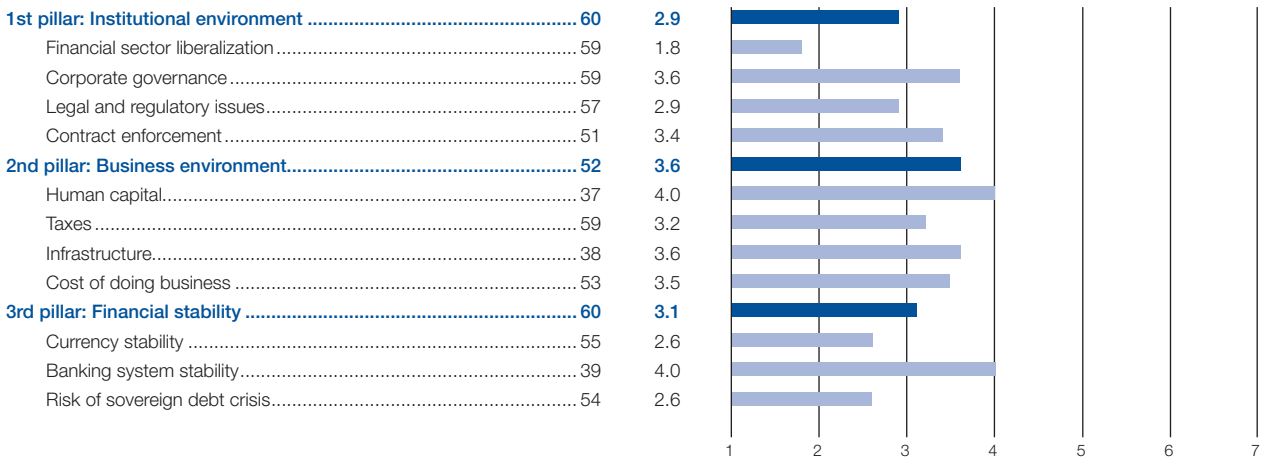
Financial assets by major type, 2010



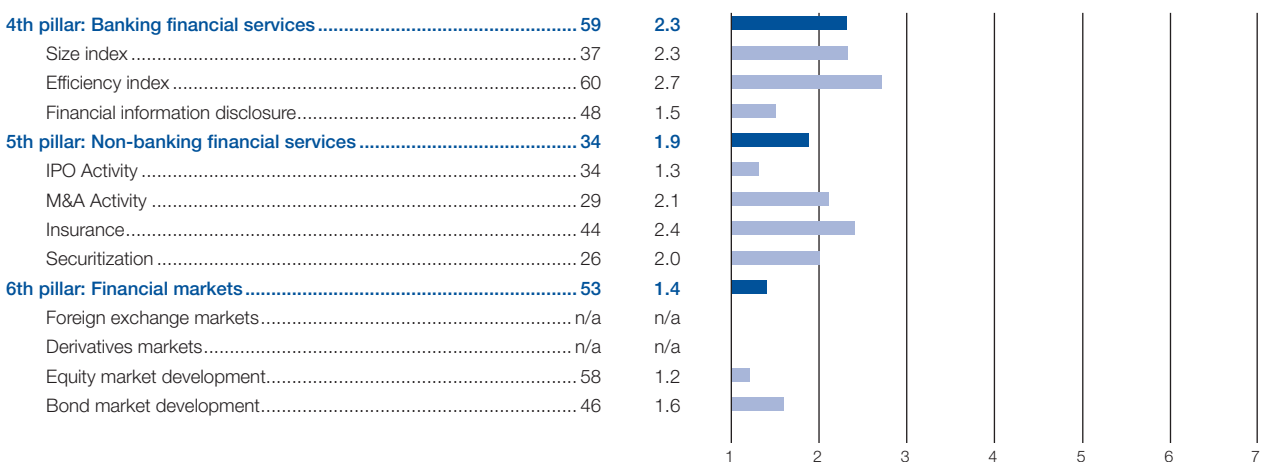
Financial Development Index 2012



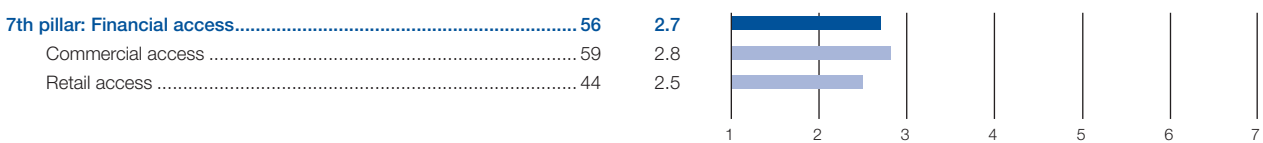
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Ukraine

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	61	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services	n/a	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	55	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	25	United Kingdom	5.3
1.05	Efficacy of corporate boards	53	South Africa	5.8
1.06	Reliance on professional management	61	Finland	6.3
1.07	Willingness to delegate	60	Denmark	6.2
1.08	Strength of auditing and reporting standards	59	South Africa	6.6
1.09	Ethical behavior of firms	57	Finland	6.5
1.10	Protection of minority shareholders' interests	62	Finland	6.1
Legal and regulatory issues				
1.11	Burden of government regulation	56	Singapore	5.6
1.12	Regulation of securities exchanges	61	South Africa	6.5
1.13	Property rights	60	Finland	6.5
1.14	Intellectual property protection	56	Finland	6.3
1.15	Diversion of public funds	53	Denmark	6.3
1.16	Public trust in politicians	51	Singapore	6.3
1.17	Corruption perceptions index	60	Finland	9.4
1.18	Strength of legal rights index	7	Multiple (6)	10.0
1.19	Central bank transparency	49	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	59	Singapore	6.4
1.21	Judicial independence	58	Finland	6.5
1.22	Irregular payments in judicial decisions	61	Denmark	6.8
1.23	Time to enforce a contract	9	Singapore	150.0
1.24	Number of procedures to enforce a contract	13	Multiple (2)	21.0
1.25	Strength of investor protection index	48	Singapore	9.3
1.26	Cost of enforcing contracts	56	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	59	United Kingdom	6.1
2.02	Quality of math and science education	19	Singapore	6.3
2.03	Extent of staff training	54	Switzerland	5.6
2.04	Local availability of specialized research and training services	55	Switzerland	6.4
2.05	Brain drain	59	Switzerland	6.3
2.06	Tertiary enrollment	6	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	59	Finland	6.9
2.08	Distortive effect of taxes and subsidies on competition	60	United Arab Emirates	5.9
2.09	Marginal tax variation	45	Kuwait	-4.8
2.10	Time to pay taxes	58	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	35	Switzerland	6.6
2.12	Quality of electricity supply	44	Netherlands	6.8
2.13	Internet users	51	Norway	94.0
2.14	Broadband Internet subscriptions	42	Switzerland	39.2
2.15	Telephone subscriptions	26	Germany	63.1
2.16	Mobile telephone subscriptions	24	Hong Kong SAR	209.6

(continued)

Ukraine

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	23	Denmark	0.0
2.18	Cost of registering property	28	Multiple (2)	0.0
2.19	Cost of closing a business	62	Multiple (4)	1.0
2.20	Time to start a business	43	Australia	2.0
2.21	Time to register property	59	Portugal	1.0
2.22	Time to close a business	40	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	45	Brazil	8.3
3.02	External vulnerability indicator	29	Saudi Arabia	9.3
3.03	Current account balance to GDP	47	Kuwait	32.0
3.04	Dollarization vulnerability indicator	42	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	33	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	60	Multiple (9)	0.0
3.08	Financial strengths indicator	48	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	36	Ireland	6.9
3.10	Tier 1 capital ratio	8	Ghana	22.7
3.11	Output loss during banking crises	23	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	55	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	55	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	53	Peru	6.4
3.15	Manageability of public debt	18	Kuwait	6.2
3.16	Credit default swap spreads	50	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	35	Ireland	245.1
4.02	Central bank assets to GDP	10	Brazil	18.3
4.03	Financial system deposits to GDP	n/a	Hong Kong SAR	305.8
4.04	M2 to GDP	46	Hong Kong SAR	320.5
4.05	Private credit to GDP	37	Denmark	229.8
4.06	Bank deposits to GDP	n/a	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	62	Czech Republic	6.0
4.09	Bank overhead costs	54	Finland	0.6
4.10	Public ownership of banks	38	Multiple (22)	0.0
4.11	Bank operating costs to assets	52	Sweden	0.8
4.12	Non-performing bank loans to total loans	56	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	41	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	38	China	37.8
5.02	IPO proceeds amount	27	Hong Kong SAR	5.1
5.03	Share of world IPOs	28	China	30.2

(continued)

Ukraine

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

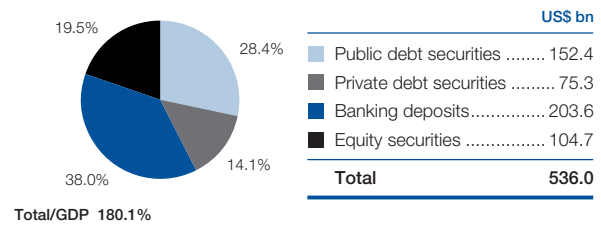
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	40	0.2	United States.....34.4
5.05	M&A transaction value to GDP	22	3.6	Hong Kong SAR.....9.9
5.06	Share of total number of M&A deals	25	0.7	United States.....23.3
Insurance				
5.07	Life insurance penetration	58	0.1	Ireland.....19.8
5.08	Non-life insurance penetration	34	1.8	Netherlands.....9.5
5.09	Real growth of direct insurance premiums	45	-3.2	Argentina.....21.9
5.10	Life insurance density	52	0.0	India.....43.5
5.11	Non-life insurance density	23	0.8	China.....16.1
5.12	Relative value added of insurance to GDP	13	2.0	Bahrain.....6.0
Securitization				
5.13	Securitization to GDP	15	0.8	United States.....5.1
5.14	Share of total number of securitization deals	28	0.2	United States.....53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	n/a	United Kingdom.....38.5
6.02	Outright forward foreign exchange turnover	n/a	n/a	United Kingdom.....41.3
6.03	Foreign exchange swap turnover	n/a	n/a	United Kingdom.....33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	n/a	United Kingdom.....48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	n/a	United Kingdom.....45.3
6.06	Interest rate derivatives turnover: Options	n/a	n/a	United Kingdom.....50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	n/a	United Kingdom.....32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	n/a	United Kingdom.....55.3
Equity market development				
6.09	Stock market turnover ratio	52	14.9	Turkey.....237.9
6.10	Stock market capitalization to GDP	49	20.2	Hong Kong SAR.....440.2
6.11	Stock market value traded to GDP	55	1.0	Hong Kong SAR.....681.5
6.12	Number of listed companies per 10,000 people	42	0.0	Hong Kong SAR.....2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	n/a	n/a	Denmark.....177.2
6.14	Public domestic bond market capitalization to GDP	n/a	n/a	Japan.....208.5
6.15	Private international bonds to GDP	38	5.0	Ireland.....202.8
6.16	Public international bonds to GDP	21	6.4	Greece.....70.8
6.17	Local currency corporate bond issuance to GDP	44	0.0	Malaysia.....4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	56	3.6	United Kingdom.....6.8
7.02	Venture capital availability	54	2.2	Hong Kong SAR.....4.5
7.03	Ease of access to credit	59	2.4	Hong Kong SAR.....5.0
7.04	Financing through local equity market	61	2.3	Hong Kong SAR.....5.7
7.05	Ease of access to loans	51	2.3	Bahrain.....4.8
7.06	Foreign direct investment to GDP	15	4.4	Hong Kong SAR.....34.2
Retail access				
7.07	Market penetration of bank accounts	43	41.3	Denmark.....99.7
7.08	Commercial bank branches	51	2.3	Portugal.....75.9
7.09	Total number of ATMs	21	76.1	Korea, Rep.....250.3
7.10	Debit card penetration	35	33.6	Netherlands.....97.6
7.11	Loan accounts at MFIs	n/a	n/a	Peru.....121.2
7.12	Loan from a financial institution	39	8.1	Finland.....23.9

United Arab Emirates

Key indicators

Population (millions), 2011	5.4
GDP (US\$ billions), 2011	360.1
GDP (current prices) per capita, 2011	67,008.0
GDP (PPP) as share (%) of world total, 2011	0.33
Compound annual growth rate of real GDP (%), 2007–2011	1.51

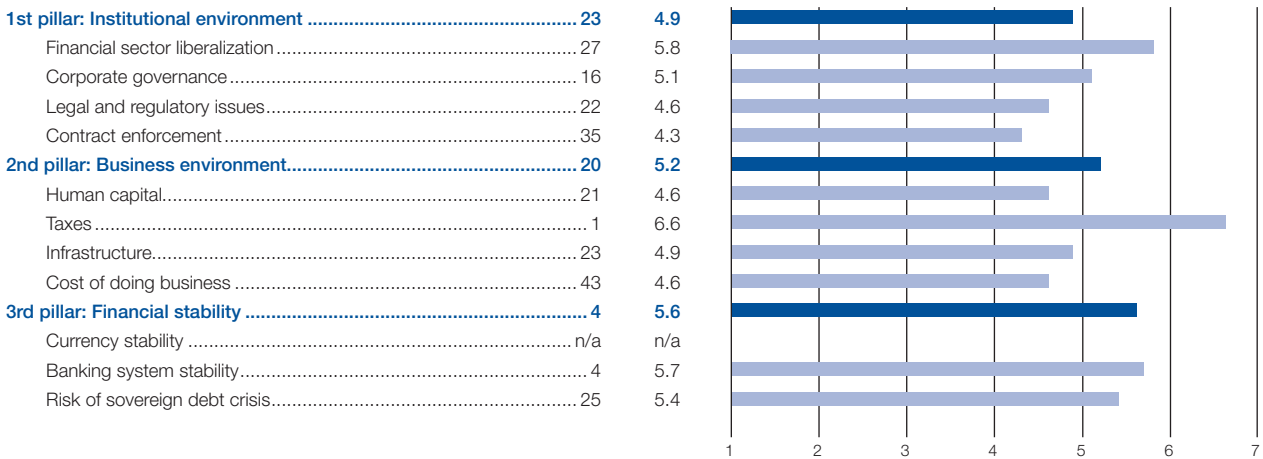
Financial assets by major type, 2010



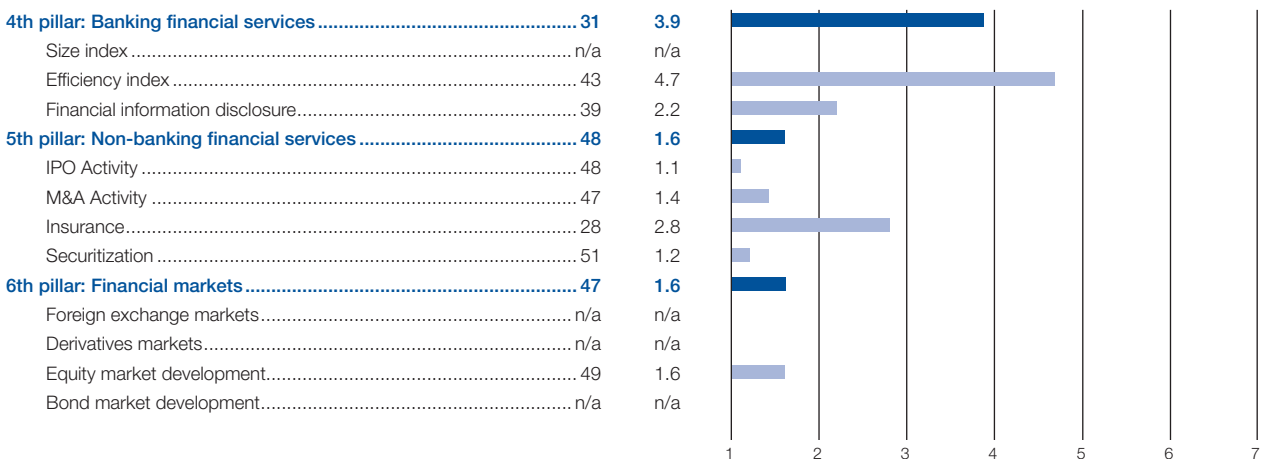
Financial Development Index 2012



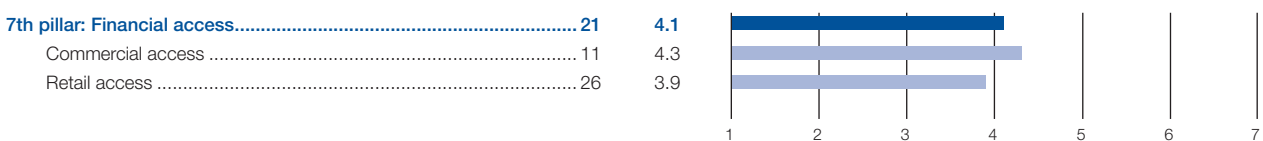
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

United Arab Emirates

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	■	7.0	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	25	■	5.1	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	32	■	5.3	Multiple (24).....7.0
Corporate governance					
1.04	Extent of incentive-based compensation	10	■	4.9	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	18	■	5.1	South Africa.....5.8
1.06	Reliance on professional management.....	19	■	5.2	Finland.....6.3
1.07	Willingness to delegate	15	■	4.8	Denmark.....6.2
1.08	Strength of auditing and reporting standards	18	■	5.4	South Africa.....6.6
1.09	Ethical behavior of firms.....	13	■	5.7	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	15	■	5.0	Finland.....6.1
Legal and regulatory issues					
1.11	Burden of government regulation.....	3	■	4.8	Singapore.....5.6
1.12	Regulation of securities exchanges.....	17	■	5.2	South Africa.....6.5
1.13	Property rights	24	■	5.2	Finland.....6.5
1.14	Intellectual property protection.....	18	■	5.2	Finland.....6.3
1.15	Diversion of public funds.....	8	■	5.7	Denmark.....6.3
1.16	Public trust in politicians	2	■	5.8	Singapore.....6.3
1.17	Corruption perceptions index.....	20	■	6.8	Finland.....9.4
1.18	Strength of legal rights index.....	46	■	4.0	Multiple (6).....10.0
1.19	Central bank transparency.....	56	■	2.0	Sweden.....15.0
Contract enforcement					
1.20	Effectiveness of law-making bodies	13	■	4.8	Singapore.....6.4
1.21	Judicial independence	16	■	5.4	Finland.....6.5
1.22	Irregular payments in judicial decisions	7	■	6.4	Denmark.....6.8
1.23	Time to enforce a contract.....	38	■	537.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	61	■	49.0	Multiple (2).....21.0
1.25	Strength of investor protection index	54	■	4.3	Singapore.....9.3
1.26	Cost of enforcing contracts	36	■	26.2	Norway.....9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools.....	21	■	5.0	United Kingdom.....6.1
2.02	Quality of math and science education	9	■	5.2	Singapore.....6.3
2.03	Extent of staff training.....	15	■	4.9	Switzerland.....5.6
2.04	Local availability of specialized research and training services	19	■	5.2	Switzerland.....6.4
2.05	Brain drain.....	5	■	5.5	Switzerland.....6.3
2.06	Tertiary enrollment	50	■	22.5	Korea, Rep.....103.1
Taxes					
2.07	Irregular payments in tax collection	2	■	6.7	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	1	■	5.9	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	5	■	0.0	Kuwait.....-4.8
2.10	Time to pay taxes.....	1	■	12.0	United Arab Emirates.....12.0
Infrastructure					
2.11	Quality of overall infrastructure	6	■	6.4	Switzerland.....6.6
2.12	Quality of electricity supply.....	17	■	6.4	Netherlands.....6.8
2.13	Internet users	24	■	70.0	Norway.....94.0
2.14	Broadband Internet subscriptions.....	34	■	11.0	Switzerland.....39.2
2.15	Telephone subscriptions	30	■	23.1	Germany.....63.1
2.16	Mobile telephone subscriptions	10	■	148.6	Hong Kong SAR.....209.6

(continued)

United Arab Emirates

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	32	Denmark	0.0
2.18	Cost of registering property	16	Multiple (2)	0.0
2.19	Cost of closing a business	58	Multiple (4)	1.0
2.20	Time to start a business	27	Australia	2.0
2.21	Time to register property	2	Portugal	1.0
2.22	Time to close a business	59	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	33	Saudi Arabia	9.3
3.03	Current account balance to GDP	13	Kuwait	32.0
3.04	Dollarization vulnerability indicator	n/a	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	27	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (9)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	8	Ireland	6.9
3.10	Tier 1 capital ratio	13	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	n/a	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	n/a	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	10	Peru	6.4
3.15	Manageability of public debt	26	Kuwait	6.2
3.16	Credit default swap spreads	43	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	n/a	Ireland	245.1
4.02	Central bank assets to GDP	n/a	Brazil	18.3
4.03	Financial system deposits to GDP	n/a	Hong Kong SAR	305.8
4.04	M2 to GDP	32	Hong Kong SAR	320.5
4.05	Private credit to GDP	n/a	Denmark	229.8
4.06	Bank deposits to GDP	28	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	23	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	40	Czech Republic	6.0
4.09	Bank overhead costs	11	Finland	0.6
4.10	Public ownership of banks	60	Multiple (22)	0.0
4.11	Bank operating costs to assets	15	Sweden	0.8
4.12	Non-performing bank loans to total loans	42	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	35	Multiple (12)	100.0
4.14	Public credit registry coverage	16	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	43	China	37.8
5.02	IPO proceeds amount	49	Hong Kong SAR	5.1
5.03	Share of world IPOs	41	China	30.2

(continued)

United Arab Emirates

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

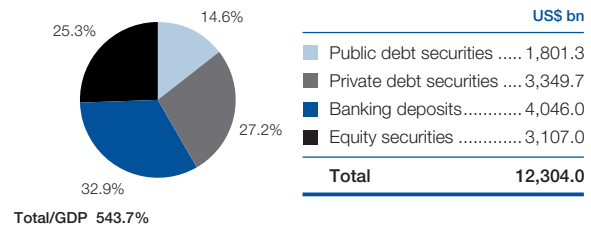
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	39.....	0.2	United States.....	34.4
5.05 M&A transaction value to GDP	44.....	1.7	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	45.....	0.2	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	49.....	0.3	Ireland	19.8
5.08 Non-life insurance penetration	40.....	1.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	10.....	10.3	Argentina.....	21.9
5.10 Life insurance density	56.....	0.0	India	43.5
5.11 Non-life insurance density.....	58.....	0.1	China.....	16.1
5.12 Relative value added of insurance to GDP	9.....	2.4	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	50.....	0.2	United States.....	5.1
5.14 Share of total number of securitization deals.....	48.....	0.0	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	n/a.....	n/a	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	n/a.....	n/a	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	n/a.....	n/a	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	n/a.....	n/a	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	n/a.....	n/a	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	n/a.....	n/a	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	n/a.....	n/a	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	n/a.....	n/a	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	49.....	17.3	Turkey.....	237.9
6.10 Stock market capitalization to GDP	n/a.....	n/a	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	n/a.....	n/a	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	26.....	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a.....	n/a	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	n/a.....	n/a	Japan	208.5
6.15 Private international bonds to GDP.....	22.....	23.1	Ireland	202.8
6.16 Public international bonds to GDP	31.....	2.9	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	n/a.....	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	26.....	5.4	United Kingdom.....	6.8
7.02 Venture capital availability	7.....	4.1	Hong Kong SAR	4.5
7.03 Ease of access to credit	7.....	4.7	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	22.....	4.4	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	4.....	4.5	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	36.....	2.1	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	32.....	59.7	Denmark.....	99.7
7.08 Commercial bank branches	21.....	21.7	Portugal.....	75.9
7.09 Total number of ATMs.....	15.....	96.8	Korea, Rep.	250.3
7.10 Debit card penetration	24.....	55.4	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a.....	n/a	Peru	121.2
7.12 Loan from a financial institution.....	25.....	10.8	Finland.....	23.9

United Kingdom

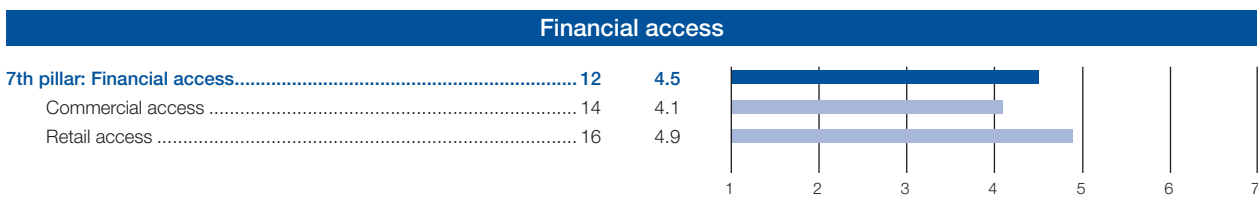
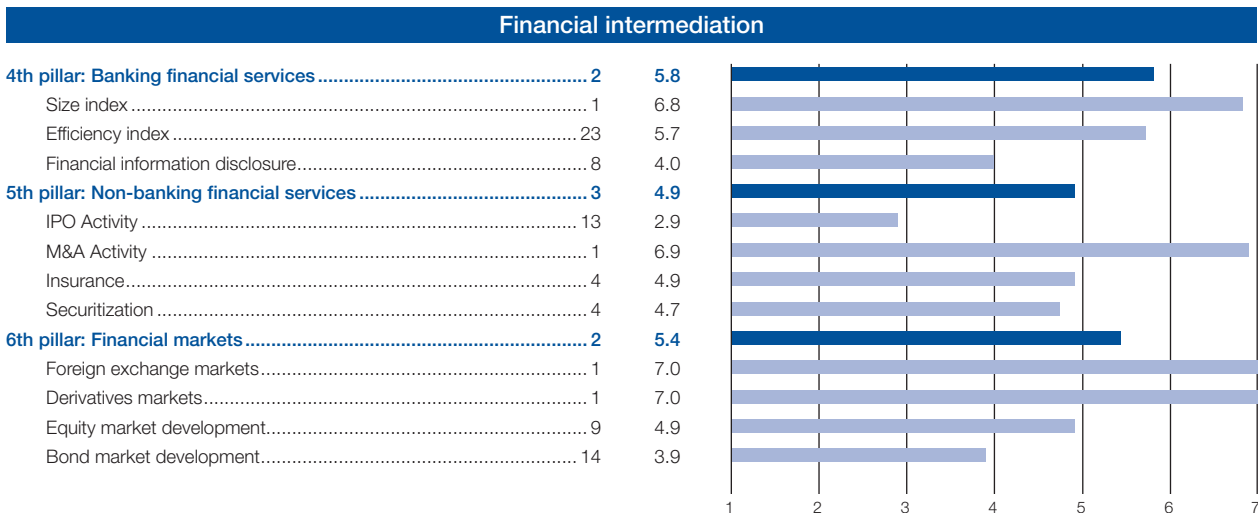
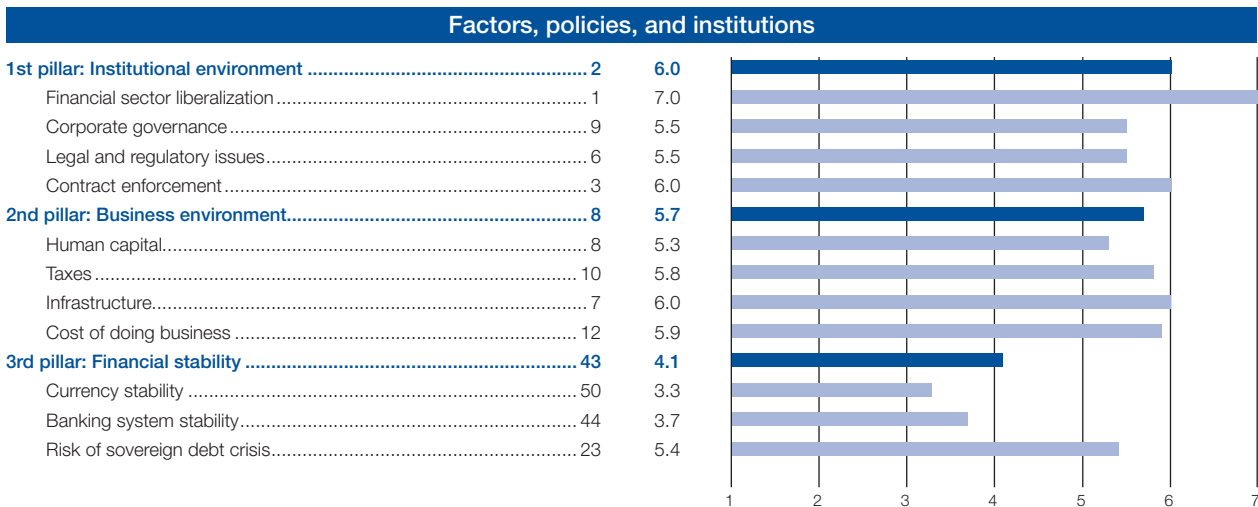
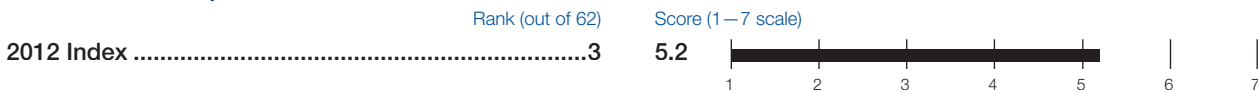
Key indicators

Population (millions), 2011	62.6
GDP (US\$ billions), 2011	2,417.6
GDP (current prices) per capita, 2011	38,592.1
GDP (PPP) as share (%) of world total, 2011	2.87
Compound annual growth rate of real GDP (%), 2007–2011	-0.57

Financial assets by major type, 2010



Financial Development Index 2012



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

United Kingdom

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	■	7.0	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	1	■	5.3	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	12	■	5.3	South Africa.....	5.8
1.06	Reliance on professional management.....	8	■	6.0	Finland.....	6.3
1.07	Willingness to delegate	14	■	4.9	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	11	■	5.9	South Africa.....	6.6
1.09	Ethical behavior of firms.....	10	■	5.9	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	12	■	5.2	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	27	■	3.4	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	18	■	5.2	South Africa.....	6.5
1.13	Property rights	4	■	6.2	Finland.....	6.5
1.14	Intellectual property protection.....	5	■	5.9	Finland.....	6.3
1.15	Diversion of public funds.....	10	■	5.7	Denmark.....	6.3
1.16	Public trust in politicians	17	■	3.8	Singapore	6.3
1.17	Corruption perceptions index.....	14	■	7.8	Finland.....	9.4
1.18	Strength of legal rights index.....	1	■	10.0	Multiple (6)	10.0
1.19	Central bank transparency.....	2	■	12.5	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	6	■	5.2	Singapore.....	6.4
1.21	Judicial independence	9	■	6.2	Finland.....	6.5
1.22	Irregular payments in judicial decisions	12	■	6.3	Denmark.....	6.8
1.23	Time to enforce a contract.....	18	■	399.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	8	■	28.0	Multiple (2)	21.0
1.25	Strength of investor protection index	9	■	8.0	Singapore	9.3
1.26	Cost of enforcing contracts	31	■	24.8	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	1	■	6.1	United Kingdom.....	6.1
2.02	Quality of math and science education	24	■	4.5	Singapore	6.3
2.03	Extent of staff training	12	■	5.0	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	6	■	5.9	Switzerland.....	6.4
2.05	Brain drain.....	3	■	5.6	Switzerland.....	6.3
2.06	Tertiary enrollment	30	■	58.5	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	17	■	6.0	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	16	■	4.5	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	16	■	2.9	Kuwait	-4.8
2.10	Time to pay taxes	11	■	110.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	20	■	5.6	Switzerland.....	6.6
2.12	Quality of electricity supply.....	7	■	6.7	Netherlands	6.8
2.13	Internet users	10	■	82.0	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	8	■	32.7	Switzerland.....	39.2
2.15	Telephone subscriptions	6	■	53.2	Germany.....	63.1
2.16	Mobile telephone subscriptions	15	■	130.8	Hong Kong SAR	209.6

(continued)

United Kingdom

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	6	Denmark	0.0
2.18	Cost of registering property	36	Multiple (2)	0.0
2.19	Cost of closing a business	14	Multiple (4)	1.0
2.20	Time to start a business	27	Australia	2.0
2.21	Time to register property	31	Portugal	1.0
2.22	Time to close a business	8	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	51	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	39	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	15	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	36	Multiple (9)	0.0
3.08	Financial strengths indicator	17	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	40	Ireland	6.9
3.10	Tier 1 capital ratio	34	Ghana	22.7
3.11	Output loss during banking crises	39	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	1	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	1	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	45	Peru	6.4
3.15	Manageability of public debt	53	Kuwait	6.2
3.16	Credit default swap spreads	7	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	6	Ireland	245.1
4.02	Central bank assets to GDP	3	Brazil	18.3
4.03	Financial system deposits to GDP	3	Hong Kong SAR	305.8
4.04	M2 to GDP	7	Hong Kong SAR	320.5
4.05	Private credit to GDP	5	Denmark	229.8
4.06	Bank deposits to GDP	3	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	5	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	35	Czech Republic	6.0
4.09	Bank overhead costs	14	Finland	0.6
4.10	Public ownership of banks	42	Multiple (22)	0.0
4.11	Bank operating costs to assets	16	Sweden	0.8
4.12	Non-performing bank loans to total loans	34	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	8	China	37.8
5.02	IPO proceeds amount	20	Hong Kong SAR	5.1
5.03	Share of world IPOs	8	China	30.2

(continued)

United Kingdom

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

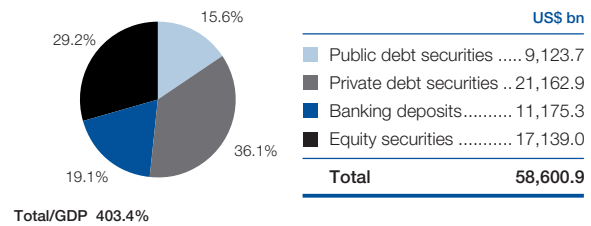
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	2	6.8	United States.....	34.4
5.05 M&A transaction value to GDP	5	7.5	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	5	6.1	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	5	8.7	Ireland	19.8
5.08 Non-life insurance penetration	3	4.5	Netherlands	9.5
5.09 Real growth of direct insurance premiums	42	-1.8	Argentina.....	21.9
5.10 Life insurance density	5	5.4	India	43.5
5.11 Non-life insurance density.....	8	2.8	China.....	16.1
5.12 Relative value added of insurance to GDP	24	1.4	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	6	2.1	United States.....	5.1
5.14 Share of total number of securitization deals.....	7	1.9	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	1	38.5	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	1	41.3	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	1	33.3	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	1	48.4	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	1	45.3	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	1	50.4	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	1	32.1	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	1	55.3	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	13	117.6	Turkey.....	237.9
6.10 Stock market capitalization to GDP	7	130.0	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	6	141.3	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	16	0.3	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	30	12.1	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	6	58.3	Japan	208.5
6.15 Private international bonds to GDP.....	3	124.4	Ireland	202.8
6.16 Public international bonds to GDP	26	4.7	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	20	0.7	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	1	6.8	United Kingdom.....	6.8
7.02 Venture capital availability	12	3.8	Hong Kong SAR	4.5
7.03 Ease of access to credit	36	3.6	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	5	5.0	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	29	3.1	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	34	2.2	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	8	97.2	Denmark.....	99.7
7.08 Commercial bank branches	16	25.5	Portugal.....	75.9
7.09 Total number of ATMs.....	22	64.6	Korea, Rep.	250.3
7.10 Debit card penetration	7	87.6	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	21	11.8	Finland.....	23.9

United States

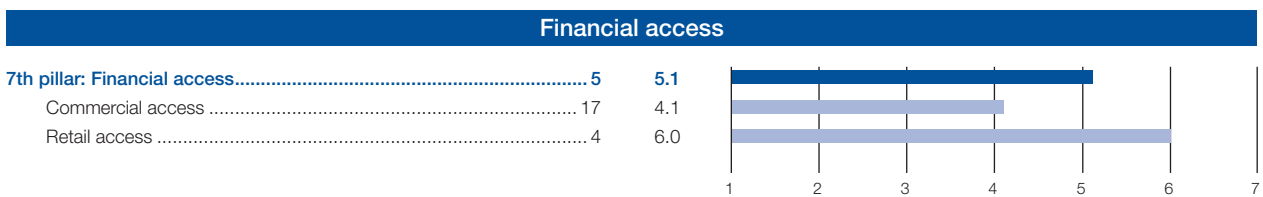
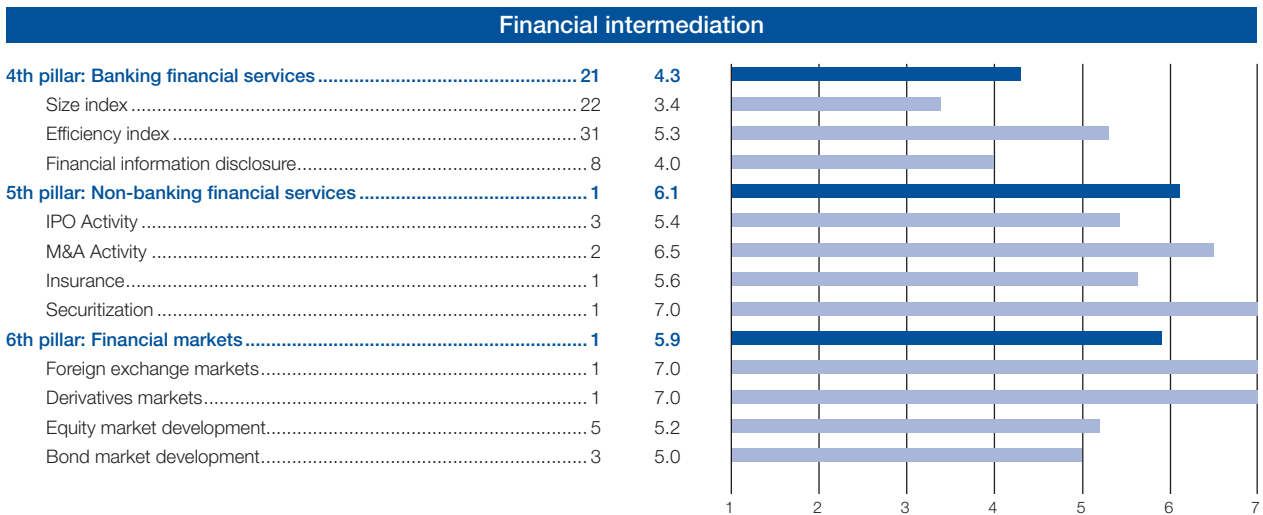
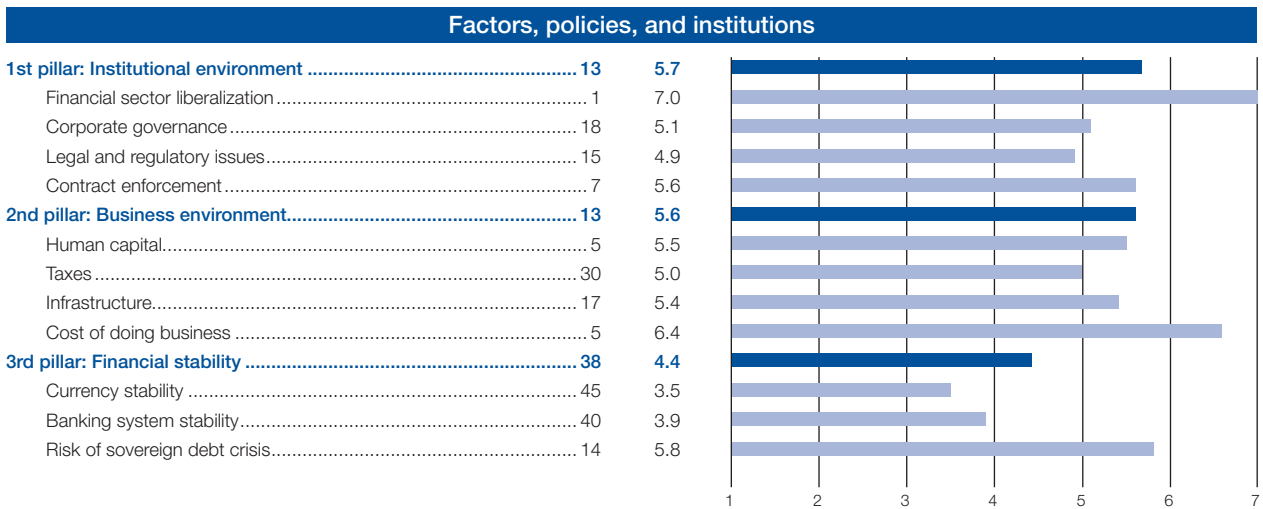
Key indicators

Population (millions), 2011	311.9
GDP (US\$ billions), 2011	15,094.0
GDP (current prices) per capita, 2011	48,386.7
GDP (PPP) as share (%) of world total, 2011	19.13
Compound annual growth rate of real GDP (%), 2007–2011	0.16

Financial assets by major type, 2010



Financial Development Index 2012



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

United States

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	7.0	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	1	■	7.0	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	1	■	7.0	Multiple (24)	7.0
Corporate governance						
1.04	Extent of incentive-based compensation	6	■	5.1	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	19	■	5.1	South Africa.....	5.8
1.06	Reliance on professional management.....	16	■	5.4	Finland.....	6.3
1.07	Willingness to delegate	8	■	5.1	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	23	■	5.2	South Africa.....	6.6
1.09	Ethical behavior of firms.....	22	■	5.0	Finland.....	6.5
1.10	Protection of minority shareholders' interests.....	21	■	4.8	Finland.....	6.1
Legal and regulatory issues						
1.11	Burden of government regulation.....	30	■	3.3	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	27	■	4.8	South Africa.....	6.5
1.13	Property rights	27	■	5.0	Finland.....	6.5
1.14	Intellectual property protection.....	22	■	5.0	Finland.....	6.3
1.15	Diversion of public funds.....	22	■	4.6	Denmark.....	6.3
1.16	Public trust in politicians	28	■	3.1	Singapore	6.3
1.17	Corruption perceptions index.....	18	■	7.1	Finland.....	9.4
1.18	Strength of legal rights index.....	7	■	9.0	Multiple (6)	10.0
1.19	Central bank transparency.....	22	■	10.0	Sweden	15.0
Contract enforcement						
1.20	Effectiveness of law-making bodies	30	■	3.8	Singapore.....	6.4
1.21	Judicial independence	25	■	4.9	Finland.....	6.5
1.22	Irregular payments in judicial decisions	29	■	4.8	Denmark.....	6.8
1.23	Time to enforce a contract.....	7	■	300.0	Singapore	150.0
1.24	Number of procedures to enforce a contract	21	■	32.0	Multiple (2)	21.0
1.25	Strength of investor protection index	4	■	8.3	Singapore	9.3
1.26	Cost of enforcing contracts	10	■	14.4	Norway.....	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools.....	11	■	5.4	United Kingdom.....	6.1
2.02	Quality of math and science education	27	■	4.3	Singapore	6.3
2.03	Extent of staff training.....	13	■	5.0	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	9	■	5.6	Switzerland.....	6.4
2.05	Brain drain.....	4	■	5.6	Switzerland.....	6.3
2.06	Tertiary enrollment	2	■	94.8	Korea, Rep.	103.1
Taxes						
2.07	Irregular payments in tax collection	31	■	5.0	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	49	■	3.6	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	33	■	7.4	Kuwait	-4.8
2.10	Time to pay taxes	23	■	187.0	United Arab Emirates.....	12.0
Infrastructure						
2.11	Quality of overall infrastructure	21	■	5.6	Switzerland.....	6.6
2.12	Quality of electricity supply.....	25	■	6.0	Netherlands	6.8
2.13	Internet users	16	■	77.9	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	14	■	28.8	Switzerland.....	39.2
2.15	Telephone subscriptions	10	■	47.9	Germany.....	63.1
2.16	Mobile telephone subscriptions	44	■	105.9	Hong Kong SAR	209.6

(continued)

United States

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	14	Denmark	0.0
2.18	Cost of registering property	11	Multiple (2)	0.0
2.19	Cost of closing a business	15	Multiple (4)	1.0
2.20	Time to start a business	9	Australia	2.0
2.21	Time to register property	13	Portugal	1.0
2.22	Time to close a business	16	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	47	Brazil	8.3
3.02	External vulnerability indicator	n/a	Saudi Arabia	9.3
3.03	Current account balance to GDP	46	Kuwait	32.0
3.04	Dollarization vulnerability indicator	1	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	9.6
3.06	Net international investment position to GDP (advanced economies)	16	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	56	Multiple (9)	0.0
3.08	Financial strengths indicator	5	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	23	Ireland	6.9
3.10	Tier 1 capital ratio	35	Ghana	22.7
3.11	Output loss during banking crises	40	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	13	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	13	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	22	Peru	6.4
3.15	Manageability of public debt	46	Kuwait	6.2
3.16	Credit default swap spreads	2	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	40	Ireland	245.1
4.02	Central bank assets to GDP	7	Brazil	18.3
4.03	Financial system deposits to GDP	23	Hong Kong SAR	305.8
4.04	M2 to GDP	33	Hong Kong SAR	320.5
4.05	Private credit to GDP	6	Denmark	229.8
4.06	Bank deposits to GDP	22	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	20	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	50	Czech Republic	6.0
4.09	Bank overhead costs	38	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	37	Sweden	0.8
4.12	Non-performing bank loans to total loans	35	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	2	China	37.8
5.02	IPO proceeds amount	16	Hong Kong SAR	5.1
5.03	Share of world IPOs	3	China	30.2

(continued)

United States

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

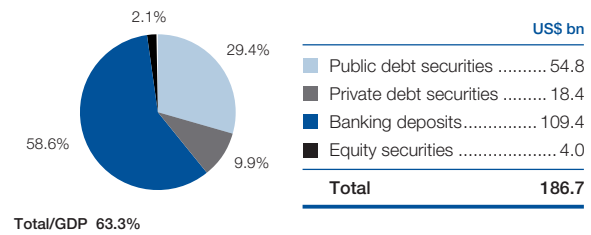
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04 M&A market share	1	34.4	United States.....	34.4
5.05 M&A transaction value to GDP	8	6.0	Hong Kong SAR	9.9
5.06 Share of total number of M&A deals	1	23.3	United States.....	23.3
Insurance				
5.07 Life insurance penetration.....	18	3.6	Ireland	19.8
5.08 Non-life insurance penetration	5	4.4	Netherlands	9.5
5.09 Real growth of direct insurance premiums	37	0.5	Argentina.....	21.9
5.10 Life insurance density	4	11.1	India	43.5
5.11 Non-life insurance density.....	2	13.8	China.....	16.1
5.12 Relative value added of insurance to GDP	7	2.8	Bahrain.....	6.0
Securitization				
5.13 Securitization to GDP	1	5.1	United States.....	5.1
5.14 Share of total number of securitization deals.....	1	53.6	United States.....	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01 Spot foreign exchange turnover	2	26.1	United Kingdom.....	38.5
6.02 Outright forward foreign exchange turnover	2	21.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover	2	11.5	United Kingdom.....	33.3
Derivatives markets				
6.04 Interest rate derivatives turnover: Forward rate agreements	2	34.0	United Kingdom.....	48.4
6.05 Interest rate derivatives turnover: Swaps	2	19.0	United Kingdom.....	45.3
6.06 Interest rate derivatives turnover: Options	2	28.3	United Kingdom.....	50.4
6.07 Foreign exchange derivatives turnover: Currency swaps.....	2	16.0	United Kingdom.....	32.1
6.08 Foreign exchange derivatives turnover: Options.....	2	16.1	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio	2	210.4	Turkey.....	237.9
6.10 Stock market capitalization to GDP	12	111.9	Hong Kong SAR	440.2
6.11 Stock market value traded to GDP	2	268.8	Hong Kong SAR	681.5
6.12 Number of listed companies per 10,000 people	25	0.1	Hong Kong SAR	2.0
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	3	92.0	Denmark.....	177.2
6.14 Public domestic bond market capitalization to GDP.....	3	82.7	Japan	208.5
6.15 Private international bonds to GDP.....	14	48.7	Ireland	202.8
6.16 Public international bonds to GDP	52	0.1	Greece	70.8
6.17 Local currency corporate bond issuance to GDP.....	4	2.0	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication	13	6.0	United Kingdom.....	6.8
7.02 Venture capital availability	8	4.1	Hong Kong SAR	4.5
7.03 Ease of access to credit	23	4.1	Hong Kong SAR	5.0
7.04 Financing through local equity market.....	15	4.6	Hong Kong SAR	5.7
7.05 Ease of access to loans.....	14	3.8	Bahrain.....	4.8
7.06 Foreign direct investment to GDP	45	1.5	Hong Kong SAR	34.2
Retail access				
7.07 Market penetration of bank accounts	19	88.0	Denmark.....	99.7
7.08 Commercial bank branches	10	35.7	Portugal.....	75.9
7.09 Total number of ATMs.....	4	173.8	Korea, Rep.	250.3
7.10 Debit card penetration	13	71.8	Netherlands	97.6
7.11 Loan accounts at MFIs	n/a	n/a	Peru	121.2
7.12 Loan from a financial institution.....	7	20.1	Finland.....	23.9

Venezuela

Key indicators

Population (millions), 2011	29.8
GDP (US\$ billions), 2011	315.8
GDP (current prices) per capita, 2011	10,610.5
GDP (PPP) as share (%) of world total, 2011	0.47
Compound annual growth rate of real GDP (%), 2007–2011	0.90

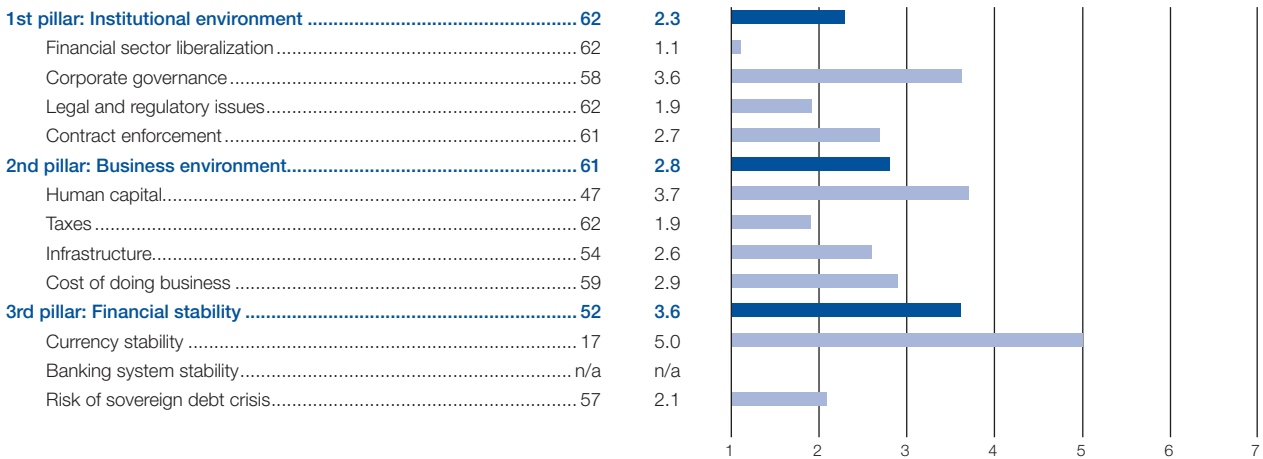
Financial assets by major type, 2010



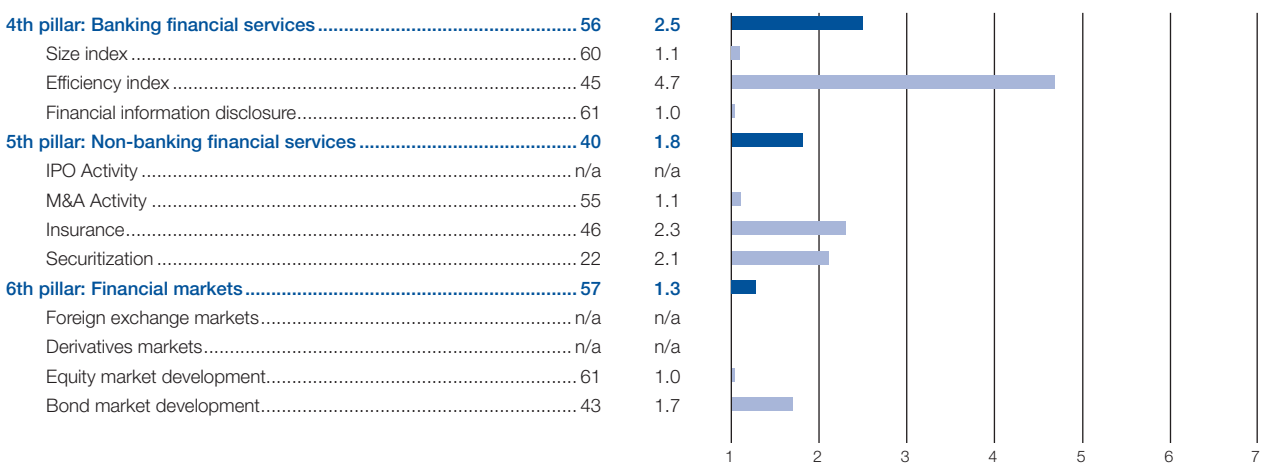
Financial Development Index 2012



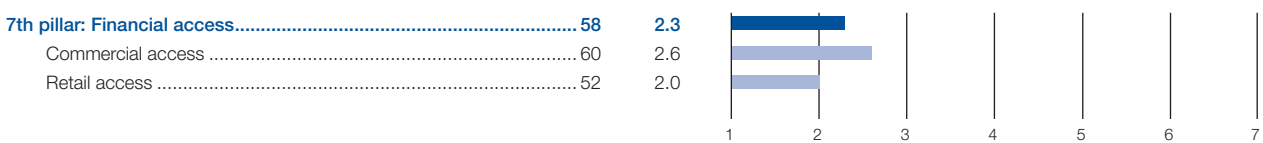
Factors, policies, and institutions



Financial intermediation



Financial access



Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Venezuela

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	61	Multiple (25)	7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	53	Multiple (17)	7.0
1.03	Domestic financial sector liberalization	57	Multiple (24)	7.0
Corporate governance				
1.04	Extent of incentive-based compensation	53	United Kingdom.....	5.3
1.05	Efficacy of corporate boards.....	58	South Africa.....	5.8
1.06	Reliance on professional management.....	44	Finland.....	6.3
1.07	Willingness to delegate	58	Denmark.....	6.2
1.08	Strength of auditing and reporting standards	52	South Africa.....	6.6
1.09	Ethical behavior of firms.....	60	Finland.....	6.5
1.10	Protection of minority shareholders' interests	59	Finland.....	6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	61	Singapore.....	5.6
1.12	Regulation of securities exchanges.....	40	South Africa.....	6.5
1.13	Property rights	62	Finland.....	6.5
1.14	Intellectual property protection.....	62	Finland.....	6.3
1.15	Diversion of public funds.....	62	Denmark.....	6.3
1.16	Public trust in politicians	59	Singapore	6.3
1.17	Corruption perceptions index.....	62	Finland.....	9.4
1.18	Strength of legal rights index.....	62	Multiple (6)	10.0
1.19	Central bank transparency.....	n/a	Sweden	15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	62	Singapore.....	6.4
1.21	Judicial independence	62	Finland.....	6.5
1.22	Irregular payments in judicial decisions	62	Denmark.....	6.8
1.23	Time to enforce a contract.....	33	Singapore	150.0
1.24	Number of procedures to enforce a contract	13	Multiple (2)	21.0
1.25	Strength of investor protection index	62	Singapore	9.3
1.26	Cost of enforcing contracts	57	Norway.....	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	42	United Kingdom.....	6.1
2.02	Quality of math and science education	55	Singapore	6.3
2.03	Extent of staff training.....	52	Switzerland.....	5.6
2.04	Local availability of specialized research and training services	60	Switzerland.....	6.4
2.05	Brain drain.....	62	Switzerland.....	6.3
2.06	Tertiary enrollment	7	Korea, Rep.	103.1
Taxes				
2.07	Irregular payments in tax collection	49	Finland.....	6.9
2.08	Distortive effect of taxes and subsidies on competition	61	United Arab Emirates.....	5.9
2.09	Marginal tax variation.....	59	Kuwait	-4.8
2.10	Time to pay taxes	59	United Arab Emirates.....	12.0
Infrastructure				
2.11	Quality of overall infrastructure	62	Switzerland.....	6.6
2.12	Quality of electricity supply.....	59	Netherlands	6.8
2.13	Internet users	44	Norway.....	94.0
2.14	Broadband Internet subscriptions.....	56	Switzerland.....	39.2
2.15	Telephone subscriptions	28	Germany.....	63.1
2.16	Mobile telephone subscriptions	49	Hong Kong SAR	209.6

(continued)

Venezuela

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	57	Denmark	0.0
2.18	Cost of registering property	19	Multiple (2)	0.0
2.19	Cost of closing a business	60	Multiple (4)	1.0
2.20	Time to start a business	62	Australia	2.0
2.21	Time to register property	38	Portugal	1.0
2.22	Time to close a business	48	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	2	Brazil	8.3
3.02	External vulnerability indicator	34	Saudi Arabia	9.3
3.03	Current account balance to GDP	11	Kuwait	32.0
3.04	Dollarization vulnerability indicator	27	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	19	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	24	Multiple (9)	0.0
3.08	Financial strengths indicator	n/a	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	n/a	Ghana	22.7
3.11	Output loss during banking crises	22	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	53	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	53	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	62	Peru	6.4
3.15	Manageability of public debt	14	Kuwait	6.2
3.16	Credit default swap spreads	51	Norway	36.2
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	58	Ireland	245.1
4.02	Central bank assets to GDP	41	Brazil	18.3
4.03	Financial system deposits to GDP	54	Hong Kong SAR	305.8
4.04	M2 to GDP	58	Hong Kong SAR	320.5
4.05	Private credit to GDP	57	Denmark	229.8
4.06	Bank deposits to GDP	55	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	30	Czech Republic	6.0
4.09	Bank overhead costs	55	Finland	0.6
4.10	Public ownership of banks	1	Multiple (22)	0.0
4.11	Bank operating costs to assets	58	Sweden	0.8
4.12	Non-performing bank loans to total loans	10	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	26	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	n/a	China	37.8
5.02	IPO proceeds amount	n/a	Hong Kong SAR	5.1
5.03	Share of world IPOs	n/a	China	30.2

(continued)

Venezuela

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

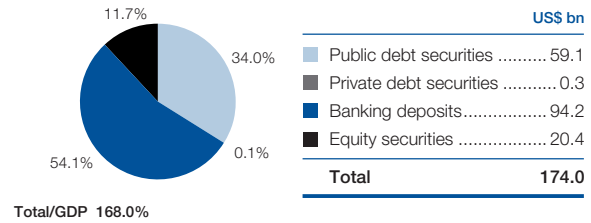
INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	49	United States	34.4
5.05	M&A transaction value to GDP	55	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	56	United States	23.3
Insurance				
5.07	Life insurance penetration	55	Ireland	19.8
5.08	Non-life insurance penetration	11	Netherlands	9.5
5.09	Real growth of direct insurance premiums	41	Argentina	21.9
5.10	Life insurance density	53	India	43.5
5.11	Non-life insurance density	19	China	16.1
5.12	Relative value added of insurance to GDP	59	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	13	United States	5.1
5.14	Share of total number of securitization deals	43	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	n/a	United Kingdom	41.3
6.03	Foreign exchange swap turnover	n/a	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	n/a	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	61	Turkey	237.9
6.10	Stock market capitalization to GDP	60	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	61	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	52	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	42	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	49	Japan	208.5
6.15	Private international bonds to GDP	31	Ireland	202.8
6.16	Public international bonds to GDP	16	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	n/a	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	58	United Kingdom	6.8
7.02	Venture capital availability	55	Hong Kong SAR	4.5
7.03	Ease of access to credit	44	Hong Kong SAR	5.0
7.04	Financing through local equity market	62	Hong Kong SAR	5.7
7.05	Ease of access to loans	47	Bahrain	4.8
7.06	Foreign direct investment to GDP	43	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	39	Denmark	99.7
7.08	Commercial bank branches	n/a	Portugal	75.9
7.09	Total number of ATMs	n/a	Korea, Rep.	250.3
7.10	Debit card penetration	33	Netherlands	97.6
7.11	Loan accounts at MFIs	22	Peru	121.2
7.12	Loan from a financial institution	59	Finland	23.9

Vietnam

Key indicators

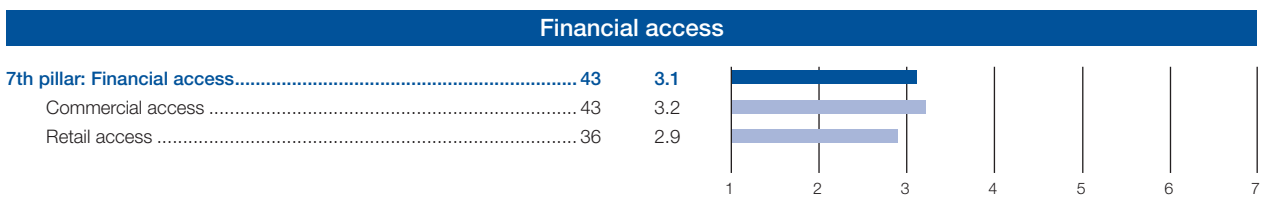
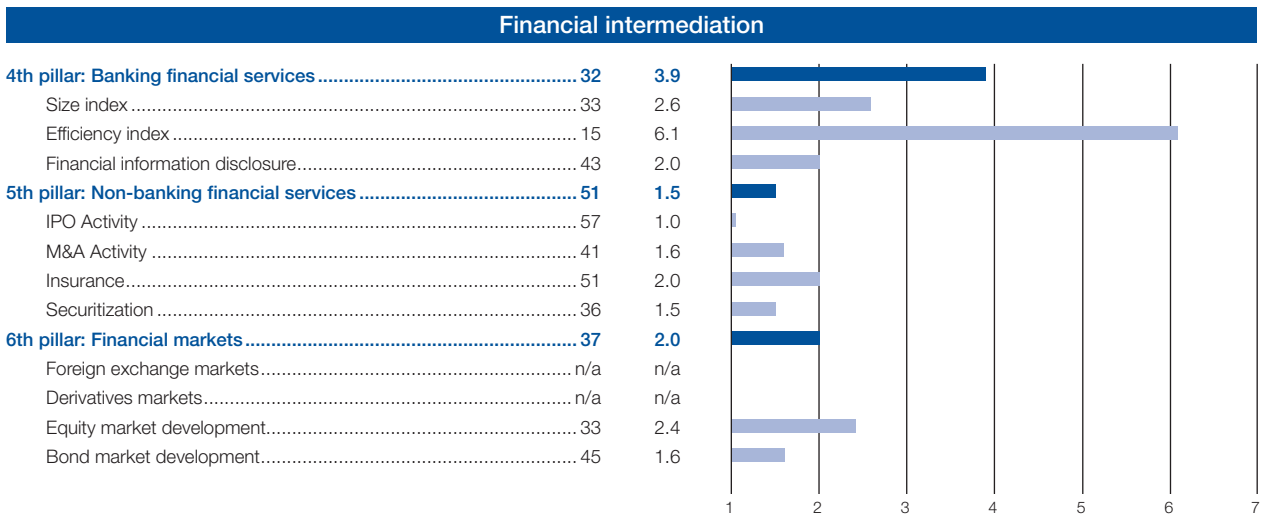
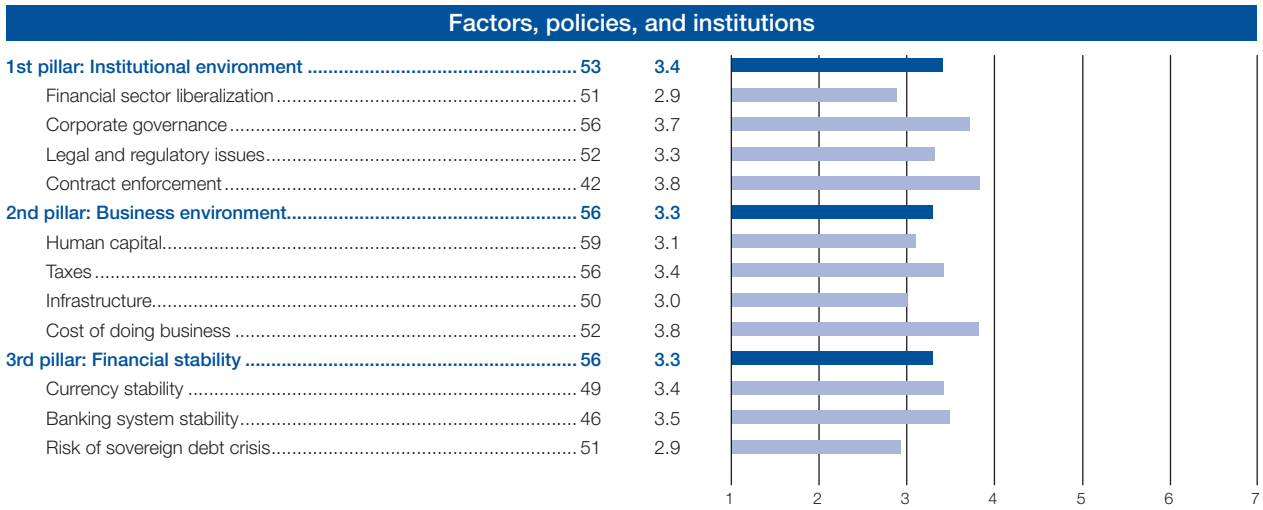
Population (millions), 2011	89.3
GDP (US\$ billions), 2011	122.7
GDP (current prices) per capita, 2011	1,374.0
GDP (PPP) as share (%) of world total, 2011	0.38
Compound annual growth rate of real GDP (%), 2007–2011	4.83

Financial assets by major type, 2010



	US\$ bn
Public debt securities	59.1
Private debt securities	0.3
Banking deposits	94.2
Equity securities	20.4
Total	174.0

Financial Development Index 2012



INPUTS

OUTPUTS

Note: For further details and explanation, please refer to “How Read the Country/Economy Profiles.”

Vietnam

Financial Development Index in detail

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	46.....■	2.4	Multiple (25).....7.0
1.02	Commitments to WTO Agreement on Trade in Services.....	37.....■	3.6	Multiple (17).....7.0
1.03	Domestic financial sector liberalization	52.....■	2.8	Multiple (24).....7.0
Corporate governance				
1.04	Extent of incentive-based compensation	44.....■	4.0	United Kingdom.....5.3
1.05	Efficacy of corporate boards.....	48.....■	4.2	South Africa.....5.8
1.06	Reliance on professional management.....	55.....■	3.7	Finland.....6.3
1.07	Willingness to delegate	55.....■	3.3	Denmark.....6.2
1.08	Strength of auditing and reporting standards	62.....■	3.5	South Africa.....6.6
1.09	Ethical behavior of firms.....	44.....■	3.6	Finland.....6.5
1.10	Protection of minority shareholders' interests.....	53.....■	3.8	Finland.....6.1
Legal and regulatory issues				
1.11	Burden of government regulation.....	41.....■	2.9	Singapore.....5.6
1.12	Regulation of securities exchanges.....	60.....■	3.3	South Africa.....6.5
1.13	Property rights	56.....■	3.5	Finland.....6.5
1.14	Intellectual property protection.....	57.....■	2.6	Finland.....6.3
1.15	Diversion of public funds.....	35.....■	3.3	Denmark.....6.3
1.16	Public trust in politicians	21.....■	3.4	Singapore.....6.3
1.17	Corruption perceptions index.....	52.....■	2.9	Finland.....9.4
1.18	Strength of legal rights index.....	17.....■	8.0	Multiple (6).....10.0
1.19	Central bank transparency.....	n/a.....	n/a	Sweden.....15.0
Contract enforcement				
1.20	Effectiveness of law-making bodies	24.....■	3.9	Singapore.....6.4
1.21	Judicial independence	48.....■	3.4	Finland.....6.5
1.22	Irregular payments in judicial decisions	58.....■	2.7	Denmark.....6.8
1.23	Time to enforce a contract.....	6.....■	295.0	Singapore.....150.0
1.24	Number of procedures to enforce a contract	26.....■	34.0	Multiple (2).....21.0
1.25	Strength of investor protection index	60.....■	3.0	Singapore.....9.3
1.26	Cost of enforcing contracts	42.....■	28.5	Norway.....9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools.....	61.....■	3.2	United Kingdom.....6.1
2.02	Quality of math and science education	34.....■	4.1	Singapore.....6.3
2.03	Extent of staff training.....	59.....■	3.3	Switzerland.....5.6
2.04	Local availability of specialized research and training services	61.....■	3.1	Switzerland.....6.4
2.05	Brain drain.....	51.....■	3.1	Switzerland.....6.3
2.06	Tertiary enrollment	51.....■	22.3	Korea, Rep.....103.1
Taxes				
2.07	Irregular payments in tax collection	51.....■	3.5	Finland.....6.9
2.08	Distortive effect of taxes and subsidies on competition	42.....■	3.8	United Arab Emirates.....5.9
2.09	Marginal tax variation.....	35.....■	7.8	Kuwait.....-4.8
2.10	Time to pay taxes.....	61.....■	941.0	United Arab Emirates.....12.0
Infrastructure				
2.11	Quality of overall infrastructure	58.....■	3.2	Switzerland.....6.6
2.12	Quality of electricity supply.....	56.....■	3.1	Netherlands.....6.8
2.13	Internet users	49.....■	35.1	Norway.....94.0
2.14	Broadband Internet subscriptions.....	46.....■	4.3	Switzerland.....39.2
2.15	Telephone subscriptions	48.....■	11.5	Germany.....63.1
2.16	Mobile telephone subscriptions	11.....■	143.4	Hong Kong SAR.....209.6

(continued)

Vietnam

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (continued)				
Cost of doing business				
2.17	Cost of starting a business	41	Denmark	0.0
2.18	Cost of registering property	8	Multiple (2)	0.0
2.19	Cost of closing a business	34	Multiple (4)	1.0
2.20	Time to start a business	59	Australia	2.0
2.21	Time to register property	50	Portugal	1.0
2.22	Time to close a business	58	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Brazil	8.3
3.02	External vulnerability indicator	23	Saudi Arabia	9.3
3.03	Current account balance to GDP	50	Kuwait	32.0
3.04	Dollarization vulnerability indicator	44	Multiple (25)	0.0
3.05	External debt to GDP (developing economies)	23	China	9.6
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	287.7
Banking system stability				
3.07	Frequency of banking crises	28	Multiple (9)	0.0
3.08	Financial strengths indicator	51	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	6.9
3.10	Tier 1 capital ratio	56	Ghana	22.7
3.11	Output loss during banking crises	1	Multiple (20)	0.0
Risk of sovereign debt crisis				
3.12	Local currency sovereign rating	50	Multiple (10)	20.0
3.13	Foreign currency sovereign rating	50	Multiple (10)	20.0
3.14	Aggregate macroeconomic indicator	61	Peru	6.4
3.15	Manageability of public debt	36	Kuwait	6.2
3.16	Credit default swap spreads	41	Norway	364.4
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	21	Ireland	245.1
4.02	Central bank assets to GDP	15	Brazil	18.3
4.03	Financial system deposits to GDP	58	Hong Kong SAR	305.8
4.04	M2 to GDP	16	Hong Kong SAR	320.5
4.05	Private credit to GDP	21	Denmark	229.8
4.06	Bank deposits to GDP	59	Hong Kong SAR	305.8
4.07	Money market instruments to GDP	33	Ireland	18.6
Efficiency index				
4.08	Aggregate profitability indicator	7	Czech Republic	6.0
4.09	Bank overhead costs	24	Finland	0.6
4.10	Public ownership of banks	43	Multiple (22)	0.0
4.11	Bank operating costs to assets	21	Sweden	0.8
4.12	Non-performing bank loans to total loans	n/a	Finland	0.5
Financial information disclosure				
4.13	Private credit bureau coverage	53	Multiple (12)	100.0
4.14	Public credit registry coverage	11	Portugal	86.2
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	56	China	37.8
5.02	IPO proceeds amount	57	Hong Kong SAR	5.1
5.03	Share of world IPOs	52	China	30.2

(continued)

Vietnam

Financial Development Index in detail (continued)

■ Development Advantage

■ Development Disadvantage

INDICATOR	RANK/62	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (continued)				
M&A activity				
5.04	M&A market share	47	United States	34.4
5.05	M&A transaction value to GDP	37	Hong Kong SAR	9.9
5.06	Share of total number of M&A deals	30	United States	23.3
Insurance				
5.07	Life insurance penetration	45	Ireland	19.8
5.08	Non-life insurance penetration	49	Netherlands	9.5
5.09	Real growth of direct insurance premiums	26	Argentina	21.9
5.10	Life insurance density	26	India	43.5
5.11	Non-life insurance density	26	China	16.1
5.12	Relative value added of insurance to GDP	48	Bahrain	6.0
Securitization				
5.13	Securitization to GDP	35	United States	5.1
5.14	Share of total number of securitization deals	27	United States	53.6
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover	n/a	United Kingdom	38.5
6.02	Outright forward foreign exchange turnover	n/a	United Kingdom	41.3
6.03	Foreign exchange swap turnover	n/a	United Kingdom	33.3
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements	n/a	United Kingdom	48.4
6.05	Interest rate derivatives turnover: Swaps	n/a	United Kingdom	45.3
6.06	Interest rate derivatives turnover: Options	n/a	United Kingdom	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps	n/a	United Kingdom	32.1
6.08	Foreign exchange derivatives turnover: Options	n/a	United Kingdom	55.3
Equity market development				
6.09	Stock market turnover ratio	8	Turkey	237.9
6.10	Stock market capitalization to GDP	52	Hong Kong SAR	440.2
6.11	Stock market value traded to GDP	37	Hong Kong SAR	681.5
6.12	Number of listed companies per 10,000 people	45	Hong Kong SAR	2.0
Bond market development				
6.13	Private domestic bond market capitalization to GDP	n/a	Denmark	177.2
6.14	Public domestic bond market capitalization to GDP	n/a	Japan	208.5
6.15	Private international bonds to GDP	55	Ireland	202.8
6.16	Public international bonds to GDP	36	Greece	70.8
6.17	Local currency corporate bond issuance to GDP	27	Malaysia	4.9
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication	61	United Kingdom	6.8
7.02	Venture capital availability	51	Hong Kong SAR	4.5
7.03	Ease of access to credit	47	Hong Kong SAR	5.0
7.04	Financing through local equity market	47	Hong Kong SAR	5.7
7.05	Ease of access to loans	50	Bahrain	4.8
7.06	Foreign direct investment to GDP	8	Hong Kong SAR	34.2
Retail access				
7.07	Market penetration of bank accounts	55	Denmark	99.7
7.08	Commercial bank branches	50	Portugal	75.9
7.09	Total number of ATMs	42	Korea, Rep.	250.3
7.10	Debit card penetration	48	Netherlands	97.6
7.11	Loan accounts at MFIs	2	Peru	121.2
7.12	Loan from a financial institution	14	Finland	23.9

Part 3

Data Tables

How to Read the Data Tables

The following pages provide detailed data for all 62 economies included in *The Financial Development Report 2012*. The Data Tables are organized into seven sections:

- I. Institutional environment
- II. Business environment
- III. Financial stability
- IV. Banking financial services
- V. Non-banking financial services
- VI. Financial markets
- VII. Financial access

The seven sections correspond to the seven pillars of the Financial Development Index.

Two types of data are presented in the tables:

Executive Opinion Survey indicators: These data are the results drawn from the World Economic Forum's Executive Opinion Survey.

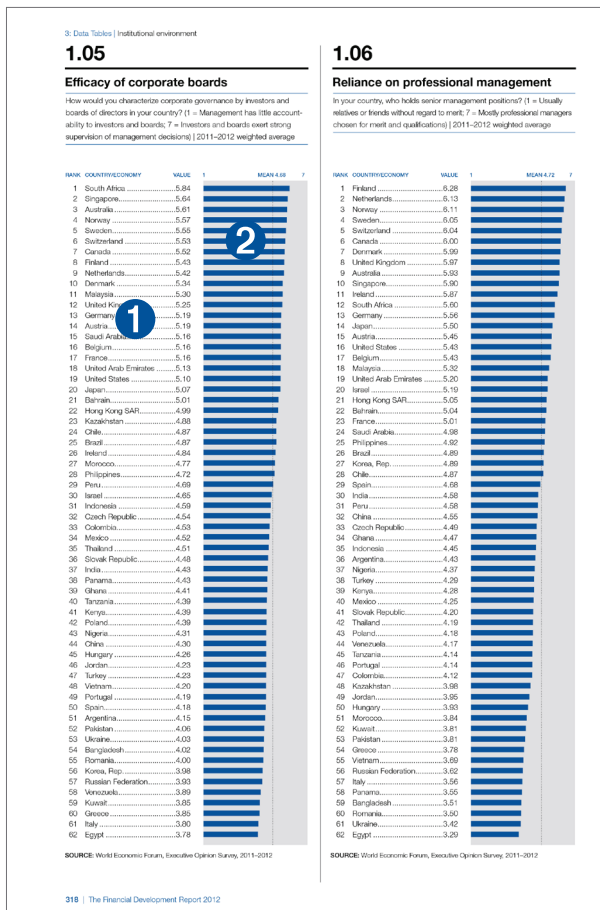
Other indicators: These data are indicators obtained from a variety of sources.

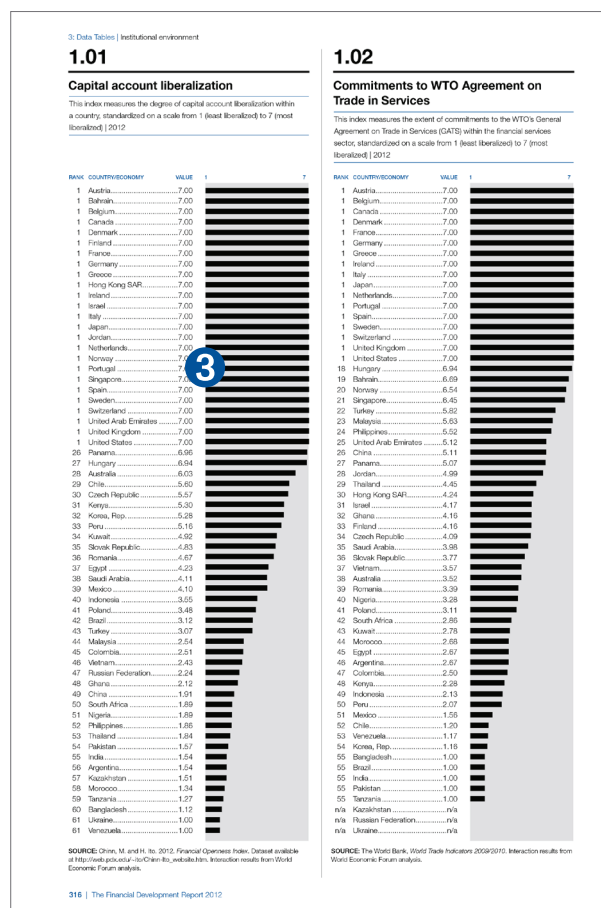
Executive Opinion Survey indicators

① Data yielded from the World Economic Forum's Executive Opinion Survey are presented in blue-colored bar graphs. Survey questions asked for responses on a scale of 1 to 7, where an answer of 1 corresponds to the lowest possible score and an answer of 7 corresponds to the highest possible score. For each Survey question, individual responses are aggregated at the country level in order to produce country scores. For more information on the Executive Opinion Survey and a detailed explanation of how country scores are computed, please refer to Chapter 1.1.

For each Survey variable, the corresponding Survey question and the two extreme answers are shown. Scores are reported with a precision of two decimal points, although exact figures are used to determine rankings. For example, in the case of the variable 1.11 on the burden of government regulation, Pakistan's score is 3.44275 and Morocco's score is 3.43824. These countries rank 21st and 22nd respectively, although they are listed with the same rounded score of 3.44.

② A dotted line on the graph indicates the mean score across the 62 economies. Standard deviations, which give an indication of how closely or widely the individual responses are spread around the mean country score, can be provided upon request to The Global Benchmarking Network at the World Economic Forum.





Other indicators

3 In the following pages, indicators not derived from the Executive Opinion Survey are presented in black-colored bar graphs. We use the latest data available from international organizations (such as the International Monetary Fund, the World Bank, various United Nations agencies, the Bank of International Settlements, and the International Telecommunication Union), the research of respected academics in the field, and firms of international stature that engage in professional research on topics related to the Index. For each indicator, a short description appears at the top of the page. The *base year* (typically the year when the majority of the data were collected) follows the description. When the year differs from the base year for a particular economy, this is indicated in a footnote.

A more detailed description and the full source for each variable can be found in the Technical Notes and Sources section at the end of this *Report*. When data are not available or are too outdated, “n/a” is used in lieu of the rank and value. In the case of non-Survey indicators, true ties between two or more economies are possible. In such cases, shared rankings are indicated accordingly. For example, the time it takes to enforce a contract is 280 hours in both Hong Kong SAR and Norway. They share the rank of 3rd for that variable in Table 1.23.

Index of Data Tables

Section I: Institutional environment	315	Section III: Financial stability	341
1.01 Capital account liberalization.....	316	3.01 Change in real effective exchange rate (REER)	342
1.02 Commitments to WTO Agreement on Trade in Services.....	316	3.02 External vulnerability indicator	342
1.03 Domestic financial sector liberalization	317	3.03 Current account balance to GDP	343
1.04 Extent of incentive-based compensation	317	3.04 Dollarization vulnerability indicator	343
1.05 Efficacy of corporate boards	318	3.05 External debt to GDP (developing economies)	344
1.06 Reliance on professional management	318	3.06 Net international investment position to GDP (advanced economies)	344
1.07 Willingness to delegate	319	3.07 Frequency of banking crises	345
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Section I

Institutional environment

1.01

Capital account liberalization

This index measures the degree of capital account liberalization within a country, standardized on a scale from 1 (least liberalized) to 7 (most liberalized) | 2012

RANK	COUNTRY/ECONOMY	VALUE	1	7
1	Austria.....	7.00	██████████	██████████
1	Bahrain.....	7.00	██████████	██████████
1	Belgium.....	7.00	██████████	██████████
1	Canada.....	7.00	██████████	██████████
1	Denmark.....	7.00	██████████	██████████
1	Finland.....	7.00	██████████	██████████
1	France.....	7.00	██████████	██████████
1	Germany.....	7.00	██████████	██████████
1	Greece.....	7.00	██████████	██████████
1	Hong Kong SAR.....	7.00	██████████	██████████
1	Ireland.....	7.00	██████████	██████████
1	Israel.....	7.00	██████████	██████████
1	Italy.....	7.00	██████████	██████████
1	Japan.....	7.00	██████████	██████████
1	Jordan.....	7.00	██████████	██████████
1	Netherlands.....	7.00	██████████	██████████
1	Norway.....	7.00	██████████	██████████
1	Portugal.....	7.00	██████████	██████████
1	Singapore.....	7.00	██████████	██████████
1	Spain.....	7.00	██████████	██████████
1	Sweden.....	7.00	██████████	██████████
1	Switzerland.....	7.00	██████████	██████████
1	United Arab Emirates.....	7.00	██████████	██████████
1	United Kingdom.....	7.00	██████████	██████████
1	United States.....	7.00	██████████	██████████
26	Panama.....	6.96	██████████	██████████
27	Hungary.....	6.94	██████████	██████████
28	Australia.....	6.03	██████████	██████████
29	Chile.....	5.60	██████████	██████████
30	Czech Republic.....	5.57	██████████	██████████
31	Kenya.....	5.30	██████████	██████████
32	Korea, Rep.....	5.28	██████████	██████████
33	Peru.....	5.16	██████████	██████████
34	Kuwait.....	4.92	██████████	██████████
35	Slovak Republic.....	4.83	██████████	██████████
36	Romania.....	4.67	██████████	██████████
37	Egypt.....	4.23	██████████	██████████
38	Saudi Arabia.....	4.11	██████████	██████████
39	Mexico.....	4.10	██████████	██████████
40	Indonesia.....	3.55	██████████	██████████
41	Poland.....	3.48	██████████	██████████
42	Brazil.....	3.12	██████████	██████████
43	Turkey.....	3.07	██████████	██████████
44	Malaysia.....	2.54	██████████	██████████
45	Colombia.....	2.51	██████████	██████████
46	Vietnam.....	2.43	██████████	██████████
47	Russian Federation.....	2.24	██████████	██████████
48	Ghana.....	2.12	██████████	██████████
49	China.....	1.91	██████████	██████████
50	South Africa.....	1.89	██████████	██████████
51	Nigeria.....	1.89	██████████	██████████
52	Philippines.....	1.86	██████████	██████████
53	Thailand.....	1.84	██████████	██████████
54	Pakistan.....	1.57	██████████	██████████
55	India.....	1.54	██████████	██████████
56	Argentina.....	1.54	██████████	██████████
57	Kazakhstan.....	1.51	██████████	██████████
58	Morocco.....	1.34	██████████	██████████
59	Tanzania.....	1.27	██████████	██████████
60	Bangladesh.....	1.12	██████████	██████████
61	Ukraine.....	1.00	██████████	██████████
61	Venezuela.....	1.00	██████████	██████████

SOURCE: Chinn, M. and H. Ito. 2012. *Financial Openness Index*. Dataset available at http://web.pdx.edu/~ito/Chinn-Ito_website.htm. Interaction results from World Economic Forum analysis.

1.02

Commitments to WTO Agreement on Trade in Services

This index measures the extent of commitments to the WTO's General Agreement on Trade in Services (GATS) within the financial services sector, standardized on a scale from 1 (least liberalized) to 7 (most liberalized) | 2012

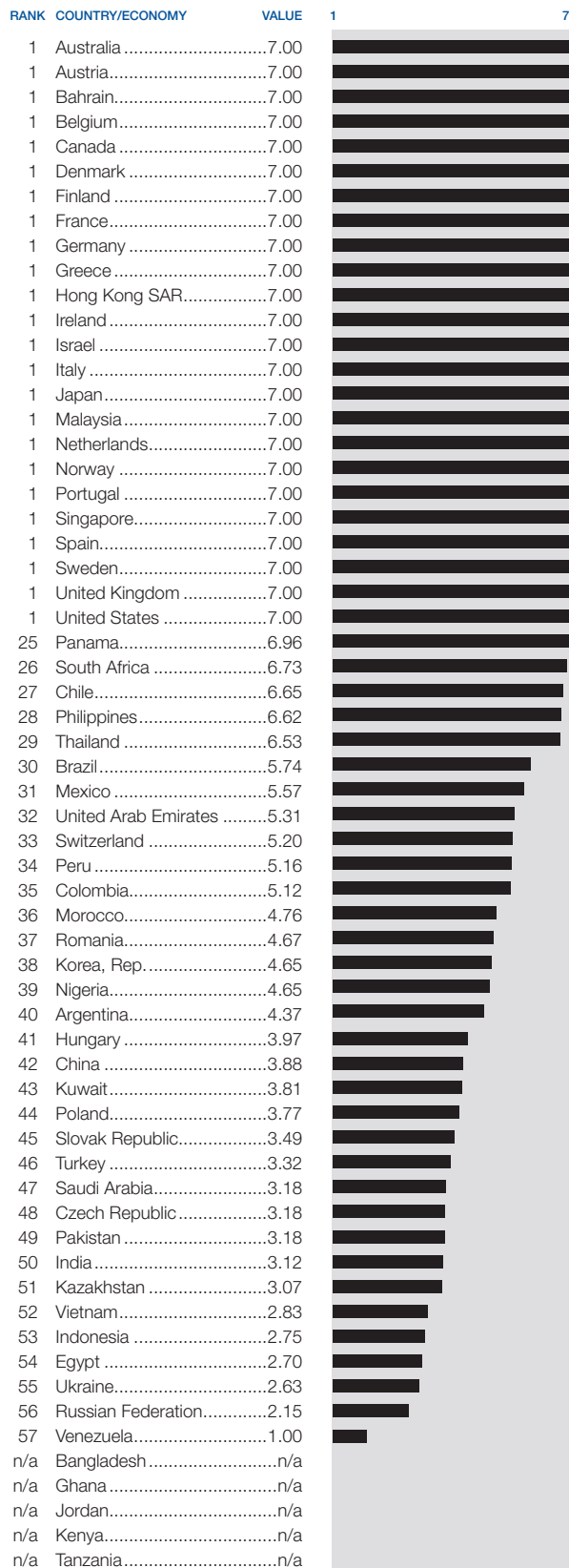
RANK	COUNTRY/ECONOMY	VALUE	1	7
1	Austria.....	7.00	██████████	██████████
1	Belgium.....	7.00	██████████	██████████
1	Canada.....	7.00	██████████	██████████
1	Denmark.....	7.00	██████████	██████████
1	France.....	7.00	██████████	██████████
1	Germany.....	7.00	██████████	██████████
1	Greece.....	7.00	██████████	██████████
1	Ireland.....	7.00	██████████	██████████
1	Italy.....	7.00	██████████	██████████
1	Japan.....	7.00	██████████	██████████
1	Netherlands.....	7.00	██████████	██████████
1	Portugal.....	7.00	██████████	██████████
1	Spain.....	7.00	██████████	██████████
1	Sweden.....	7.00	██████████	██████████
1	Switzerland.....	7.00	██████████	██████████
1	United Kingdom.....	7.00	██████████	██████████
1	United States.....	7.00	██████████	██████████
18	Hungary.....	6.94	██████████	██████████
19	Bahrain.....	6.69	██████████	██████████
20	Norway.....	6.54	██████████	██████████
21	Singapore.....	6.45	██████████	██████████
22	Turkey.....	5.82	██████████	██████████
23	Malaysia.....	5.63	██████████	██████████
24	Philippines.....	5.52	██████████	██████████
25	United Arab Emirates.....	5.12	██████████	██████████
26	China.....	5.11	██████████	██████████
27	Panama.....	5.07	██████████	██████████
28	Jordan.....	4.99	██████████	██████████
29	Thailand.....	4.45	██████████	██████████
30	Hong Kong SAR.....	4.24	██████████	██████████
31	Israel.....	4.17	██████████	██████████
32	Ghana.....	4.16	██████████	██████████
33	Finland.....	4.16	██████████	██████████
34	Czech Republic.....	4.09	██████████	██████████
35	Saudi Arabia.....	3.98	██████████	██████████
36	Slovak Republic.....	3.77	██████████	██████████
37	Vietnam.....	3.57	██████████	██████████
38	Australia.....	3.52	██████████	██████████
39	Romania.....	3.39	██████████	██████████
40	Nigeria.....	3.28	██████████	██████████
41	Poland.....	3.11	██████████	██████████
42	South Africa.....	2.86	██████████	██████████
43	Kuwait.....	2.78	██████████	██████████
44	Morocco.....	2.68	██████████	██████████
45	Egypt.....	2.67	██████████	██████████
46	Argentina.....	2.67	██████████	██████████
47	Colombia.....	2.50	██████████	██████████
48	Kenya.....	2.28	██████████	██████████
49	Indonesia.....	2.13	██████████	██████████
50	Peru.....	2.07	██████████	██████████
51	Mexico.....	1.56	██████████	██████████
52	Chile.....	1.20	██████████	██████████
53	Venezuela.....	1.17	██████████	██████████
54	Korea, Rep.....	1.16	██████████	██████████
55	Bangladesh.....	1.00	██████████	██████████
55	Brazil.....	1.00	██████████	██████████
55	India.....	1.00	██████████	██████████
55	Pakistan.....	1.00	██████████	██████████
55	Tanzania.....	1.00	██████████	██████████
n/a	Kazakhstan.....	n/a		
n/a	Russian Federation.....	n/a		
n/a	Ukraine.....	n/a		

SOURCE: The World Bank, *World Trade Indicators 2009/2010*. Interaction results from World Economic Forum analysis.

1.03

Domestic financial sector liberalization

This index measures the degree of domestic financial sector liberalization within a country, standardized on a scale from 1 (least liberalized) to 7 (most liberalized) | 2012

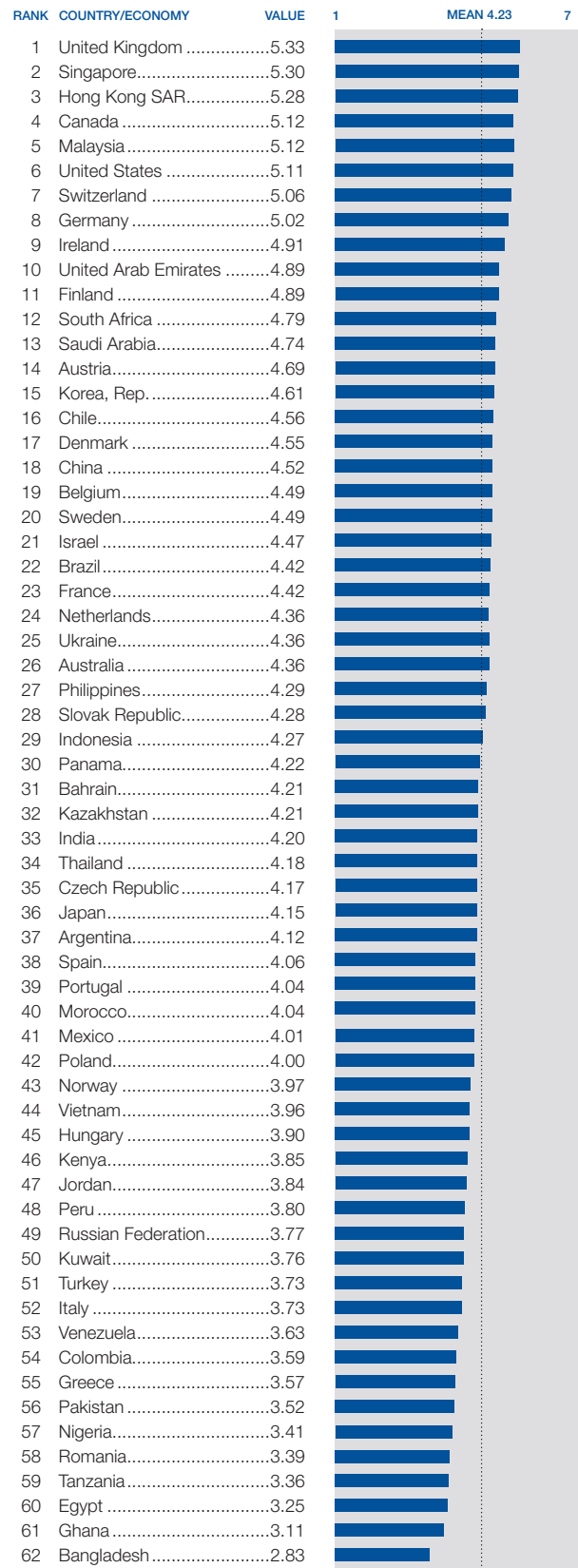


SOURCE: Kaminsky, G. and S. Schmukler. 2003. "Short-Run Pain, Long-Run Gain: The Effects of Financial Liberalization." *IMF Working Paper* 03/34. Washington DC: IMF. Interaction results from World Economic Forum analysis.

1.04

Extent of incentive-based compensation

To what extent is management compensation in your country based on performance rather than fixed salaries? (1 = Not at all — based on fixed salaries; 7 = Heavily — based on performance using bonuses or equity compensation) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.05

Efficacy of corporate boards

How would you characterize corporate governance by investors and boards of directors in your country? (1 = Management has little accountability to investors and boards; 7 = Investors and boards exert strong supervision of management decisions) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.68	7
1	South Africa	5.84			
2	Singapore	5.64			
3	Australia	5.61			
4	Norway	5.57			
5	Sweden	5.55			
6	Switzerland	5.53			
7	Canada	5.52			
8	Finland	5.43			
9	Netherlands	5.42			
10	Denmark	5.34			
11	Malaysia	5.30			
12	United Kingdom	5.25			
13	Germany	5.19			
14	Austria	5.19			
15	Saudi Arabia	5.16			
16	Belgium	5.16			
17	France	5.16			
18	United Arab Emirates	5.13			
19	United States	5.10			
20	Japan	5.07			
21	Bahrain	5.01			
22	Hong Kong SAR	4.99			
23	Kazakhstan	4.88			
24	Chile	4.87			
25	Brazil	4.87			
26	Ireland	4.84			
27	Morocco	4.77			
28	Philippines	4.72			
29	Peru	4.69			
30	Israel	4.65			
31	Indonesia	4.59			
32	Czech Republic	4.54			
33	Colombia	4.53			
34	Mexico	4.52			
35	Thailand	4.51			
36	Slovak Republic	4.48			
37	India	4.43			
38	Panama	4.43			
39	Ghana	4.41			
40	Tanzania	4.39			
41	Kenya	4.39			
42	Poland	4.39			
43	Nigeria	4.31			
44	China	4.30			
45	Hungary	4.26			
46	Jordan	4.23			
47	Turkey	4.23			
48	Vietnam	4.20			
49	Portugal	4.19			
50	Spain	4.18			
51	Argentina	4.15			
52	Pakistan	4.06			
53	Ukraine	4.03			
54	Bangladesh	4.02			
55	Romania	4.00			
56	Korea, Rep.	3.98			
57	Russian Federation	3.93			
58	Venezuela	3.89			
59	Kuwait	3.85			
60	Greece	3.85			
61	Italy	3.80			
62	Egypt	3.78			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.06

Reliance on professional management

In your country, who holds senior management positions? (1 = Usually relatives or friends without regard to merit; 7 = Mostly professional managers chosen for merit and qualifications) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.72	7
1	Finland	6.28			
2	Netherlands	6.13			
3	Norway	6.11			
4	Sweden	6.05			
5	Switzerland	6.04			
6	Canada	6.00			
7	Denmark	5.99			
8	United Kingdom	5.97			
9	Australia	5.93			
10	Singapore	5.90			
11	Ireland	5.87			
12	South Africa	5.60			
13	Germany	5.56			
14	Japan	5.50			
15	Austria	5.45			
16	United States	5.43			
17	Belgium	5.43			
18	Malaysia	5.32			
19	United Arab Emirates	5.20			
20	Israel	5.19			
21	Hong Kong SAR	5.05			
22	Bahrain	5.04			
23	France	5.01			
24	Saudi Arabia	4.98			
25	Philippines	4.92			
26	Brazil	4.89			
27	Korea, Rep.	4.89			
28	Chile	4.87			
29	Spain	4.68			
30	India	4.58			
31	Peru	4.58			
32	China	4.55			
33	Czech Republic	4.49			
34	Ghana	4.47			
35	Indonesia	4.45			
36	Argentina	4.43			
37	Nigeria	4.37			
38	Turkey	4.29			
39	Kenya	4.28			
40	Mexico	4.25			
41	Slovak Republic	4.20			
42	Thailand	4.19			
43	Poland	4.18			
44	Venezuela	4.17			
45	Tanzania	4.14			
46	Portugal	4.14			
47	Colombia	4.12			
48	Kazakhstan	3.98			
49	Jordan	3.95			
50	Hungary	3.93			
51	Morocco	3.84			
52	Kuwait	3.81			
53	Pakistan	3.81			
54	Greece	3.78			
55	Vietnam	3.69			
56	Russian Federation	3.62			
57	Italy	3.56			
58	Panama	3.55			
59	Bangladesh	3.51			
60	Romania	3.50			
61	Ukraine	3.42			
62	Egypt	3.29			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.07

Willingness to delegate

In your country, how do you assess the willingness to delegate authority to subordinates? (1 = Not willing — top management controls all important decisions; 7 = Very willing — authority is mostly delegated to business unit heads and other lower-level managers) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.13	7
1	Denmark	6.16			
2	Sweden	5.98			
3	Norway	5.73			
4	Netherlands	5.66			
5	Finland	5.45			
6	Canada	5.23			
7	Switzerland	5.20			
8	United States	5.12			
9	Ireland	5.05			
10	Australia	5.02			
11	Malaysia	4.96			
12	Belgium	4.96			
13	Germany	4.88			
14	United Kingdom	4.85			
15	United Arab Emirates	4.76			
16	Israel	4.69			
17	Singapore	4.65			
18	Austria	4.62			
19	Hong Kong SAR	4.62			
20	Saudi Arabia	4.59			
21	Japan	4.51			
22	Philippines	4.45			
23	South Africa	4.33			
24	Kuwait	4.26			
25	Brazil	4.24			
26	Indonesia	4.14			
27	Bahrain	4.05			
28	Korea, Rep.	4.02			
29	Jordan	3.99			
30	Egypt	3.98			
31	India	3.91			
32	Nigeria	3.91			
33	China	3.83			
34	Colombia	3.82			
35	Mexico	3.78			
36	Panama	3.77			
37	Spain	3.76			
38	Tanzania	3.75			
39	Thailand	3.75			
40	Poland	3.72			
41	Czech Republic	3.68			
42	Chile	3.67			
43	Peru	3.66			
44	Slovak Republic	3.63			
45	Argentina	3.60			
46	Kazakhstan	3.57			
47	Kenya	3.56			
48	France	3.53			
49	Pakistan	3.40			
50	Portugal	3.36			
51	Turkey	3.34			
52	Ghana	3.30			
53	Morocco	3.30			
54	Italy	3.28			
55	Vietnam	3.27			
56	Greece	3.20			
57	Romania	3.19			
58	Venezuela	3.16			
59	Russian Federation	3.16			
60	Ukraine	3.14			
61	Hungary	2.99			
62	Bangladesh	2.82			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.08

Strength of auditing and reporting standards

In your country, how would you assess financial auditing and reporting standards regarding company financial performance? (1 = Extremely weak; 7 = Extremely strong) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.95	7
1	South Africa	6.57			
2	Finland	6.27			
3	Singapore	6.08			
4	Canada	6.07			
5	Netherlands	6.04			
6	Australia	6.04			
7	Bahrain	6.01			
8	Hong Kong SAR	5.96			
9	Sweden	5.94			
10	Norway	5.93			
11	United Kingdom	5.88			
12	Austria	5.66			
13	Saudi Arabia	5.64			
14	Belgium	5.56			
15	Switzerland	5.54			
16	Israel	5.49			
17	Germany	5.48			
18	United Arab Emirates	5.40			
19	Malaysia	5.38			
20	Denmark	5.27			
21	France	5.25			
22	Panama	5.21			
23	United States	5.19			
24	Poland	5.19			
25	Japan	5.14			
26	Philippines	5.12			
27	Brazil	5.11			
28	Hungary	5.08			
29	India	5.04			
30	Chile	5.03			
31	Jordan	4.96			
32	Peru	4.95			
33	Czech Republic	4.94			
34	Thailand	4.90			
35	Portugal	4.87			
36	Mexico	4.83			
37	Kuwait	4.72			
38	Turkey	4.68			
39	Ireland	4.63			
40	Spain	4.61			
41	China	4.55			
42	Kazakhstan	4.48			
43	Korea, Rep.	4.45			
44	Ghana	4.43			
45	Kenya	4.42			
46	Greece	4.39			
47	Colombia	4.38			
48	Pakistan	4.37			
49	Indonesia	4.36			
50	Slovak Republic	4.35			
51	Morocco	4.34			
52	Venezuela	4.22			
53	Italy	4.14			
54	Egypt	4.13			
55	Romania	3.99			
56	Nigeria	3.94			
57	Tanzania	3.94			
58	Argentina	3.85			
59	Ukraine	3.77			
60	Russian Federation	3.77			
61	Bangladesh	3.67			
62	Vietnam	3.48			

SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

1.09

Ethical behavior of firms

How would you rate the corporate ethics (ethical behavior in interactions with public officials, politicians, and other enterprises) of firms in your country? (1 = Among the worst in the world; 7 = Among the best in the world) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.49	7
1	Finland	6.49			
2	Singapore	6.41			
3	Denmark	6.40			
4	Switzerland	6.37			
5	Netherlands	6.35			
6	Canada	6.22			
7	Sweden	6.22			
8	Norway	6.21			
9	Australia	5.92			
10	United Kingdom	5.88			
11	Germany	5.82			
12	Japan	5.75			
13	United Arab Emirates	5.68			
14	Hong Kong SAR	5.67			
15	Austria	5.64			
16	Belgium	5.42			
17	Ireland	5.41			
18	France	5.35			
19	Chile	5.31			
20	Bahrain	5.20			
21	Saudi Arabia	5.16			
22	United States	5.00			
23	Israel	4.98			
24	Malaysia	4.97			
25	Spain	4.49			
26	Portugal	4.47			
27	Jordan	4.34			
28	South Africa	4.28			
29	Poland	4.17			
30	Korea, Rep.	4.06			
31	Turkey	4.04			
32	China	4.04			
33	Kuwait	4.02			
34	Panama	3.99			
35	Morocco	3.96			
36	Thailand	3.93			
37	Kazakhstan	3.86			
38	Egypt	3.83			
39	Ghana	3.80			
40	Mexico	3.80			
41	India	3.76			
42	Brazil	3.69			
43	Philippines	3.67			
44	Vietnam	3.65			
45	Italy	3.64			
46	Peru	3.62			
47	Indonesia	3.61			
48	Hungary	3.57			
49	Kenya	3.56			
50	Nigeria	3.53			
51	Pakistan	3.52			
52	Tanzania	3.52			
53	Colombia	3.47			
54	Czech Republic	3.41			
55	Slovak Republic	3.40			
56	Russian Federation	3.35			
57	Ukraine	3.22			
58	Romania	3.19			
59	Greece	3.11			
60	Venezuela	2.96			
61	Argentina	2.96			
62	Bangladesh	2.93			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.10

Protection of minority shareholders' interests

In your country, to what extent are the interests of minority shareholders protected by the legal system? (1 = Not protected at all; 7 = Fully protected) | 2011–2012 weighted average

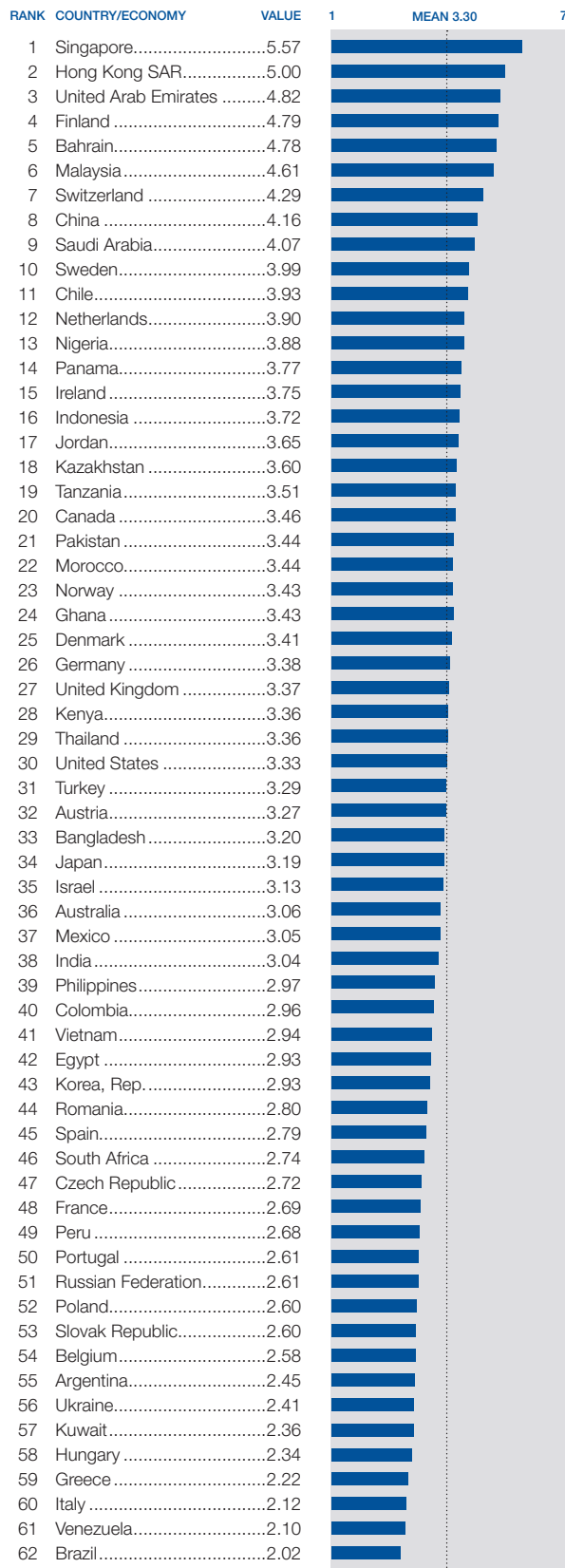
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.48	7
1	Finland	6.06			
2	South Africa	5.99			
3	Norway	5.77			
4	Sweden	5.63			
5	Singapore	5.51			
6	Saudi Arabia	5.47			
7	Bahrain	5.46			
8	Canada	5.45			
9	Netherlands	5.36			
10	Hong Kong SAR	5.31			
11	Malaysia	5.23			
12	United Kingdom	5.21			
13	Australia	5.10			
14	Austria	5.08			
15	United Arab Emirates	4.99			
16	Denmark	4.99			
17	Germany	4.94			
18	Belgium	4.93			
19	Japan	4.91			
20	Jordan	4.82			
21	United States	4.81			
22	Switzerland	4.80			
23	Brazil	4.74			
24	Israel	4.72			
25	Panama	4.71			
26	Ireland	4.70			
27	France	4.64			
28	Morocco	4.49			
29	Chile	4.49			
30	Ghana	4.44			
31	India	4.43			
32	Thailand	4.39			
33	Philippines	4.33			
34	Portugal	4.31			
35	Mexico	4.30			
36	Greece	4.28			
37	Indonesia	4.27			
38	Spain	4.21			
39	China	4.20			
40	Peru	4.18			
41	Turkey	4.16			
42	Egypt	4.12			
43	Czech Republic	4.06			
44	Pakistan	4.04			
45	Colombia	4.02			
46	Hungary	3.97			
47	Poland	3.95			
48	Kenya	3.95			
49	Kazakhstan	3.94			
50	Nigeria	3.92			
51	Tanzania	3.89			
52	Kuwait	3.87			
53	Vietnam	3.84			
54	Slovak Republic	3.79			
55	Korea, Rep.	3.70			
56	Italy	3.53			
57	Romania	3.47			
58	Argentina	3.37			
59	Venezuela	3.24			
60	Bangladesh	3.24			
61	Russian Federation	3.04			
62	Ukraine	2.96			

SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

1.11

Burden of government regulation

How burdensome is it for businesses in your country to comply with governmental administrative requirements (e.g., permits, regulations, reporting)? (1 = Extremely burdensome; 7 = Not burdensome at all) | 2011–2012 weighted average

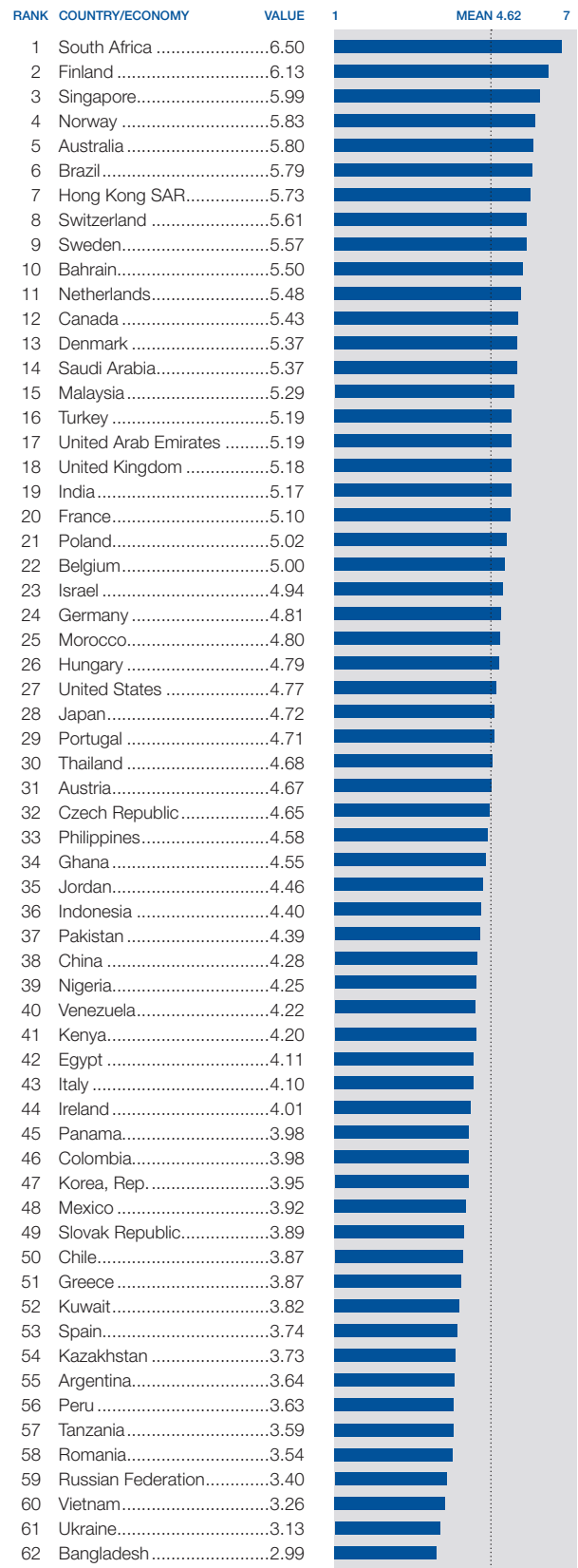


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.12

Regulation of securities exchanges

How would you assess the regulation and supervision of securities exchanges in your country? (1 = Ineffective; 7 = Effective) | 2011–2012 weighted average

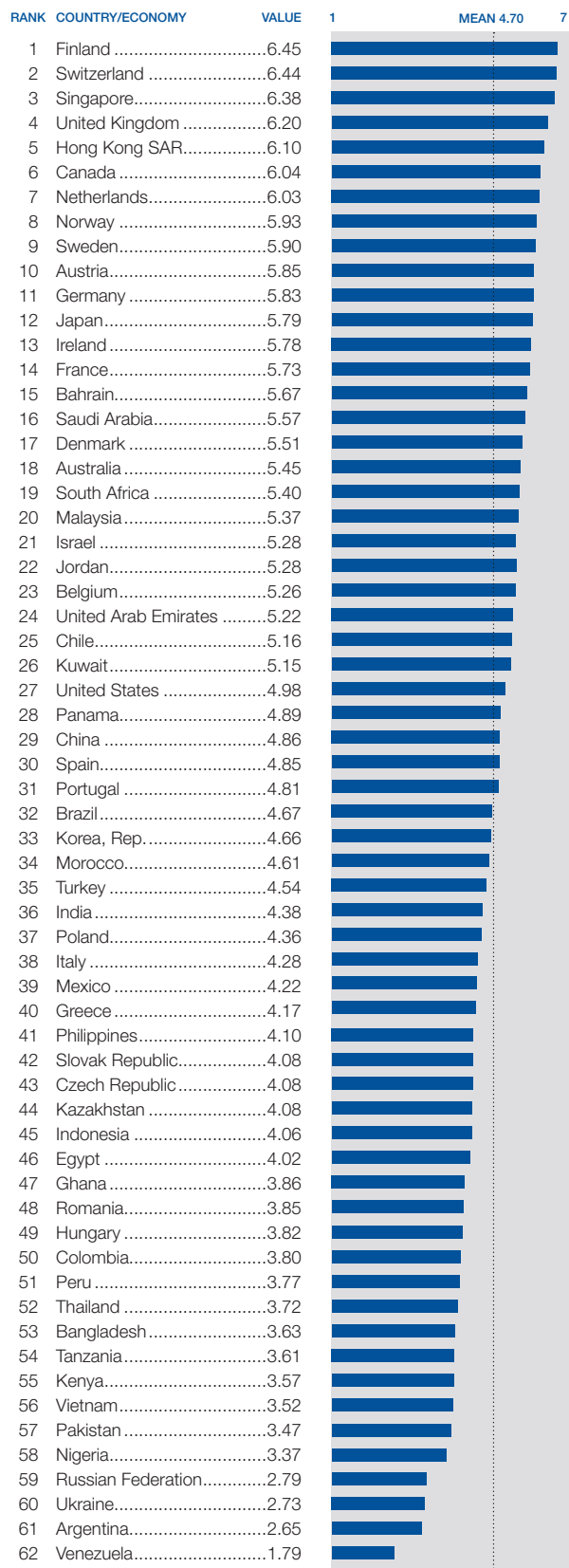


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.13

Property rights

How would you rate the protection of property rights, including financial assets, in your country? (1 = Very weak; 7 = Very strong) | 2011–2012 weighted average

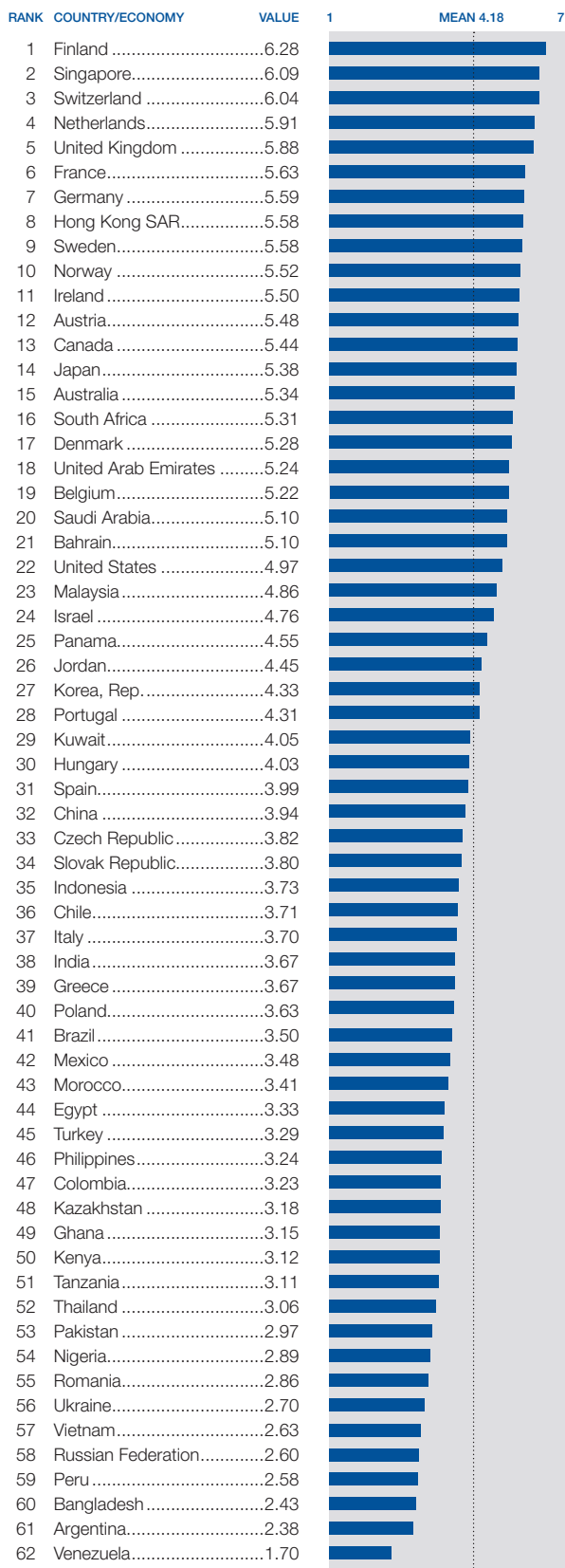


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.14

Intellectual property protection

How would you rate intellectual property protection, including anti-counterfeiting measures, in your country? (1 = Very weak; 7 = Very strong) | 2011–2012 weighted average

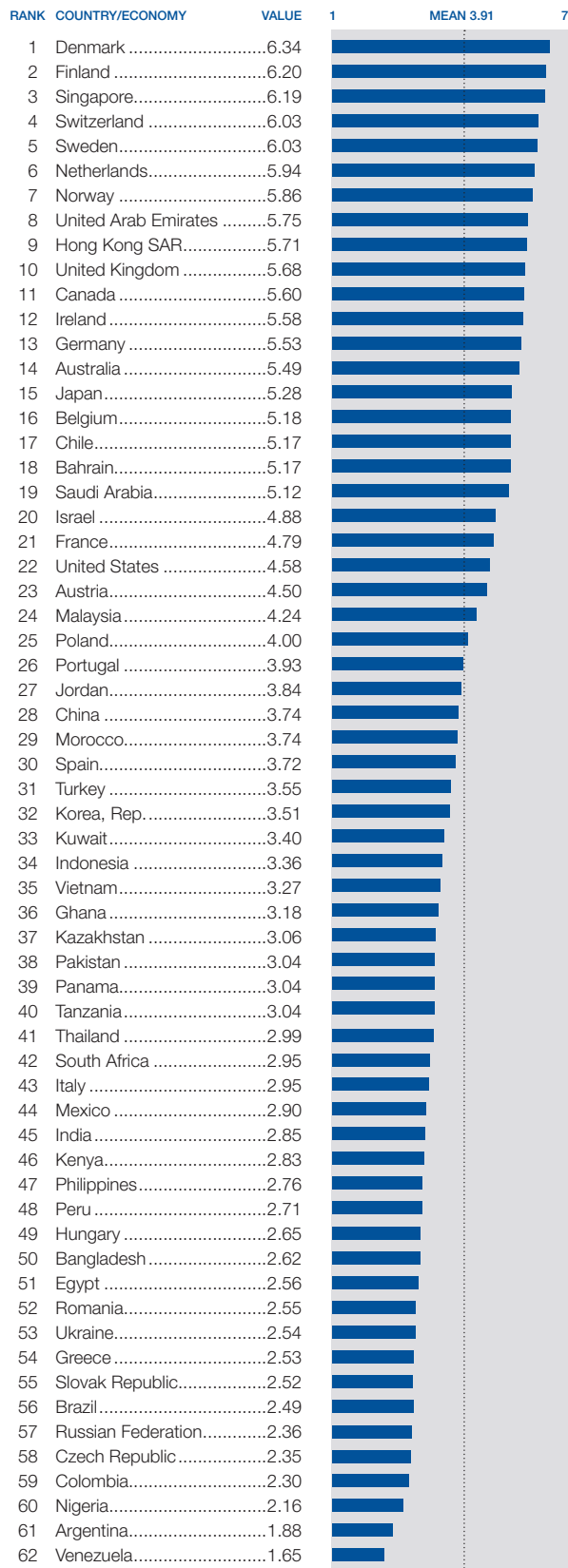


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.15

Diversion of public funds

In your country, how common is diversion of public funds to companies, individuals, or groups due to corruption? (1 = Very common; 7 = Never occurs) | 2011–2012 weighted average

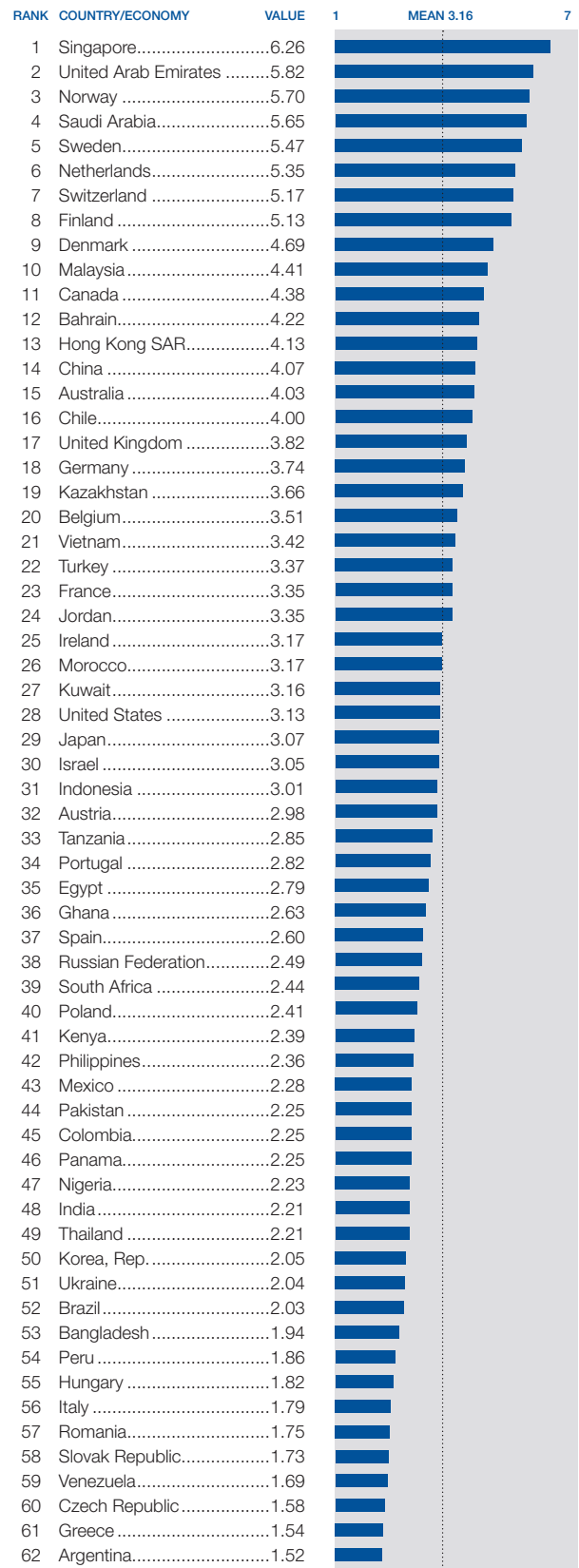


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.16

Public trust in politicians

How would you rate the level of public trust in the ethical standards of politicians in your country? (1 = Very low; 7 = Very high) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.17

Corruption perceptions index

This is a composite index measuring the perceived levels of corruption in a given country, as determined by expert assessments and opinion surveys. Higher scores indicate less extensive corruption | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Finland	9.40
2	Denmark	9.39
3	Sweden	9.30
4	Singapore	9.17
5	Norway	8.99
6	Netherlands	8.89
7	Australia	8.84
8	Switzerland	8.80
9	Canada	8.67
10	Hong Kong SAR	8.39
11	Germany	8.05
12	Japan	8.04
13	Austria	7.79
14	United Kingdom	7.78
15	Ireland	7.54
16	Belgium	7.49
17	Chile	7.21
18	United States	7.14
19	France	7.01
20	United Arab Emirates	6.82
21	Spain	6.23
22	Portugal	6.10
23	Israel	5.81
24	Poland	5.48
25	Korea, Rep.	5.36
26	Bahrain	5.11
27	Kuwait	4.62
28	Hungary	4.56
29	Jordan	4.49
30	Saudi Arabia	4.39
31	Czech Republic	4.37
32	Malaysia	4.31
33	Turkey	4.21
34	South Africa	4.08
35	Slovak Republic	3.97
36	Italy	3.91
37	Ghana	3.85
38	Brazil	3.77
39	China	3.64
40	Romania	3.61
41	Colombia	3.45
42	Morocco	3.44
43	Greece	3.39
44	Peru	3.39
45	Thailand	3.38
46	Panama	3.27
47	India	3.10
48	Indonesia	3.03
49	Argentina	3.00
50	Mexico	2.97
51	Tanzania	2.95
52	Vietnam	2.86
53	Egypt	2.86
54	Kazakhstan	2.69
55	Bangladesh	2.66
56	Philippines	2.64
57	Pakistan	2.47
58	Nigeria	2.45
59	Russian Federation	2.45
60	Ukraine	2.30
61	Kenya	2.24
62	Venezuela	1.89

SOURCE: Transparency International, *Corruption Perceptions Index 2011*

1.18

Strength of legal rights index

This index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. The index ranges from 0 to 10, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	10.00
1	Kenya	10.00
1	Malaysia	10.00
1	Singapore	10.00
1	South Africa	10.00
1	United Kingdom	10.00
7	Australia	9.00
7	Denmark	9.00
7	Ireland	9.00
7	Israel	9.00
7	Nigeria	9.00
7	Poland	9.00
7	Romania	9.00
7	Slovak Republic	9.00
7	Ukraine	9.00
7	United States	9.00
17	Finland	8.00
17	Ghana	8.00
17	India	8.00
17	Korea, Rep.	8.00
17	Switzerland	8.00
17	Tanzania	8.00
17	Vietnam	8.00
24	Austria	7.00
24	Bangladesh	7.00
24	Belgium	7.00
24	Canada	7.00
24	France	7.00
24	Germany	7.00
24	Hungary	7.00
24	Japan	7.00
24	Norway	7.00
24	Peru	7.00
24	Sweden	7.00
35	Chile	6.00
35	China	6.00
35	Czech Republic	6.00
35	Mexico	6.00
35	Netherlands	6.00
35	Pakistan	6.00
35	Spain	6.00
42	Colombia	5.00
42	Panama	5.00
42	Saudi Arabia	5.00
42	Thailand	5.00
46	Argentina	4.00
46	Bahrain	4.00
46	Greece	4.00
46	Jordan	4.00
46	Kazakhstan	4.00
46	Kuwait	4.00
46	Philippines	4.00
46	Turkey	4.00
46	United Arab Emirates	4.00
55	Brazil	3.00
55	Egypt	3.00
55	Indonesia	3.00
55	Italy	3.00
55	Morocco	3.00
55	Portugal	3.00
55	Russian Federation	3.00
62	Venezuela	1.00

SOURCE: The World Bank, *Doing Business 2012*

1.19

Central bank transparency

This index measures the degree of transparency that exists in a central bank's policy actions. The index ranges from 0 to 15, with higher scores indicating that a central bank operates with greater transparency | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Sweden.....	15.00
2	United Kingdom	12.50
3	Hungary	11.50
3	Turkey	11.50
5	Austria.....	11.00
5	Belgium.....	11.00
5	Canada	11.00
5	Czech Republic	11.00
5	Finland	11.00
5	France.....	11.00
5	Germany	11.00
5	Greece	11.00
5	Ireland.....	11.00
5	Italy	11.00
5	Netherlands.....	11.00
5	Portugal	11.00
5	Slovak Republic.....	11.00
5	Spain.....	11.00
19	Australia	10.50
19	Poland.....	10.50
19	Switzerland	10.50
22	Japan.....	10.00
22	United States	10.00
24	Brazil.....	9.50
24	Israel	9.50
24	Philippines.....	9.50
24	South Africa	9.50
24	Thailand	9.50
29	Korea, Rep.....	9.00
29	Norway	9.00
29	Peru	9.00
32	Argentina.....	8.00
32	Indonesia	8.00
34	Chile.....	7.50
34	Colombia.....	7.50
34	Denmark	7.50
34	Mexico	7.50
34	Nigeria.....	7.50
39	Hong Kong SAR.....	7.00
39	Singapore.....	7.00
41	Malaysia.....	6.50
41	Romania.....	6.50
43	Ghana	6.00
43	Pakistan	6.00
45	Kazakhstan	5.50
46	Bahrain.....	5.00
46	Kenya.....	5.00
46	Tanzania.....	5.00
49	China	4.00
49	Ukraine.....	4.00
51	Bangladesh.....	3.50
52	Egypt	3.00
52	Russian Federation.....	3.00
54	India.....	2.50
54	Kuwait.....	2.50
56	Jordan.....	2.00
56	United Arab Emirates	2.00
58	Saudi Arabia.....	1.00
n/a	Morocco.....	n/a
n/a	Panama.....	n/a
n/a	Venezuela.....	n/a
n/a	Vietnam.....	n/a

SOURCE: Siklos, P.L. 2011. "Central Bank Transparency: Another Look." *Applied Economics Letters* 18 (10): 929-33

1.20

Effectiveness of law-making bodies

How effective is your national parliament/congress as a law-making institution? (1 = Very ineffective; 7 = Very effective) | 2011–2012 weighted average

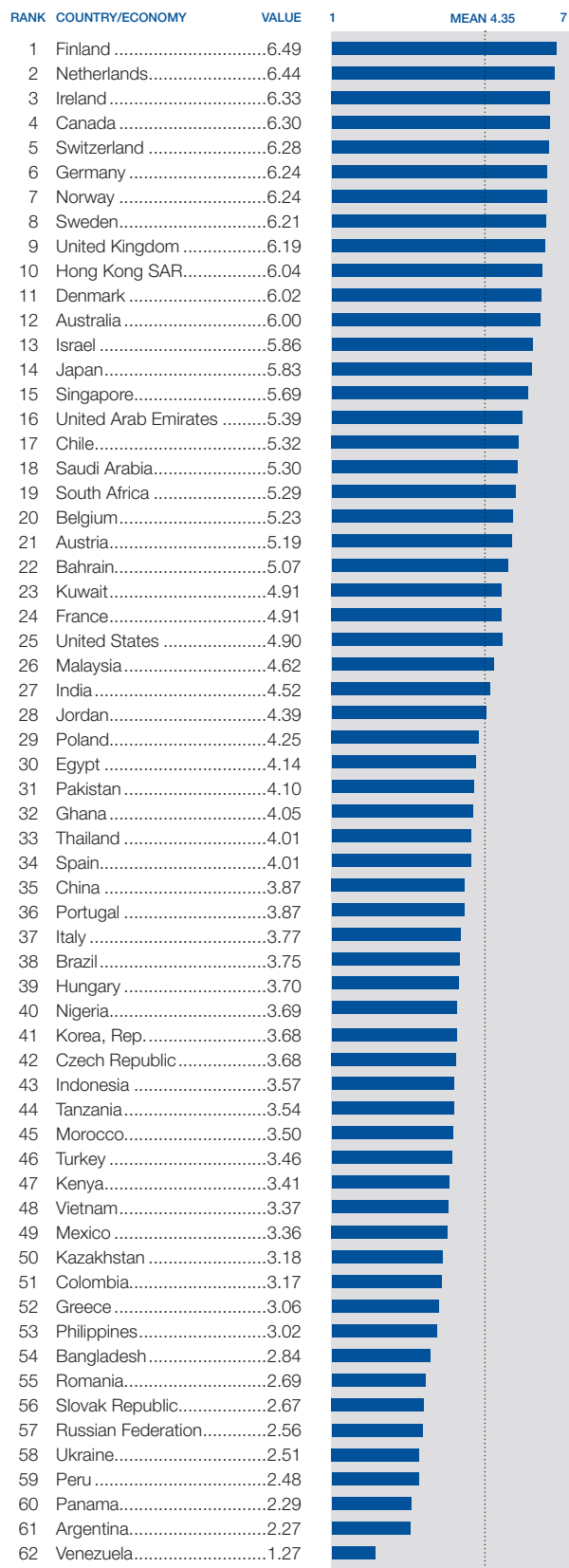
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.79	7
1	Singapore.....	6.36			
2	Finland	5.60			
3	Sweden.....	5.47			
4	Canada	5.29			
5	Norway	5.28			
6	United Kingdom	5.24			
7	Netherlands.....	5.09			
8	Malaysia.....	5.06			
9	Switzerland	4.92			
10	Denmark	4.87			
11	Australia	4.85			
12	Germany	4.82			
13	United Arab Emirates	4.81			
14	Turkey	4.76			
15	Saudi Arabia.....	4.64			
16	France.....	4.54			
17	South Africa	4.31			
18	Ireland.....	4.30			
19	China	4.30			
20	Austria.....	4.16			
21	Ghana	4.10			
22	Kazakhstan	4.00			
23	Bahrain.....	3.98			
24	Vietnam.....	3.95			
25	Hong Kong SAR.....	3.94			
26	Chile.....	3.93			
27	India.....	3.90			
28	Japan.....	3.90			
29	Israel	3.88			
30	United States	3.82			
31	Hungary	3.78			
32	Spain.....	3.73			
33	Kenya.....	3.72			
34	Belgium.....	3.69			
35	Morocco.....	3.65			
36	Tanzania.....	3.65			
37	Nigeria.....	3.64			
38	Portugal	3.51			
39	Indonesia	3.46			
40	Poland.....	3.33			
41	Kuwait.....	3.33			
42	Jordan.....	3.33			
43	Philippines.....	3.15			
44	Slovak Republic.....	3.10			
45	Greece	3.08			
46	Bangladesh.....	3.06			
47	Pakistan	3.02			
48	Thailand	2.99			
49	Czech Republic.....	2.98			
50	Russian Federation.....	2.98			
51	Panama.....	2.84			
52	Italy	2.79			
53	Colombia.....	2.77			
54	Korea, Rep.....	2.75			
55	Brazil.....	2.70			
56	Egypt	2.65			
57	Romania.....	2.47			
58	Mexico	2.44			
59	Ukraine.....	2.33			
60	Argentina.....	2.03			
61	Peru	1.99			
62	Venezuela.....	1.68			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.21

Judicial independence

To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms? (1 = Heavily influenced; 7 = Entirely independent) | 2011–2012 weighted average

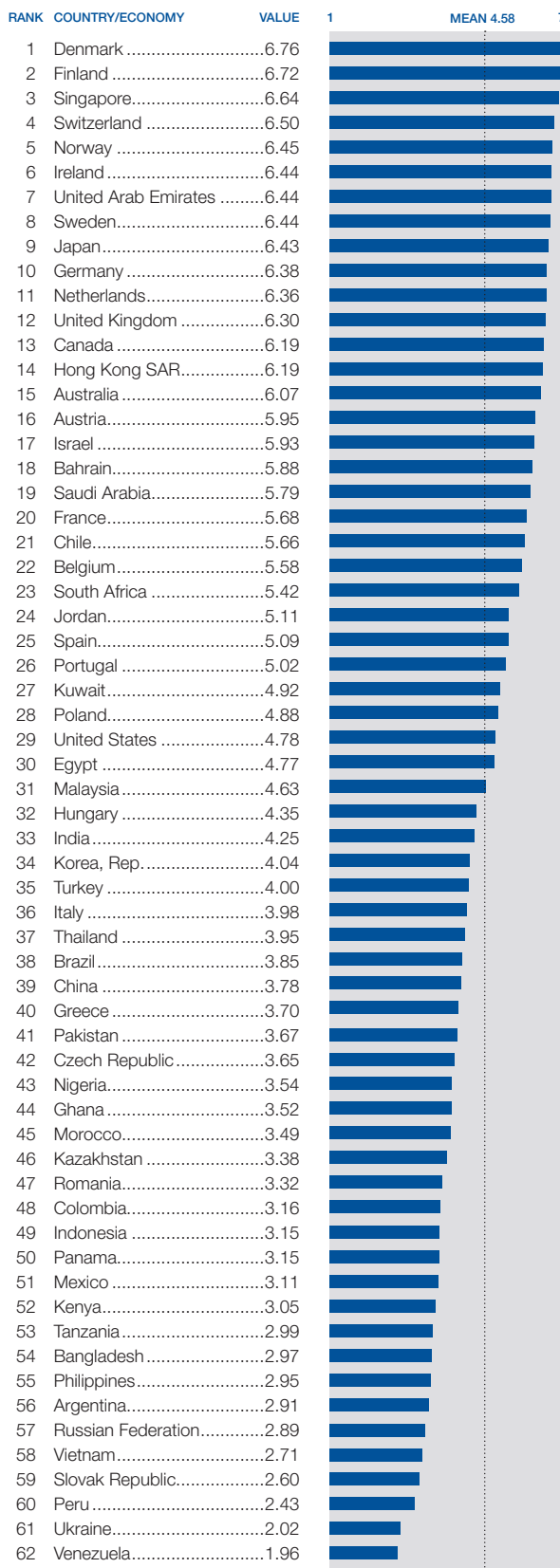


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.22

Irregular payments in judicial decisions

In your country, how common is it for firms to make undocumented extra payments or bribes connected with judicial decisions? (1 = Very common; 7 = Never occurs) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

1.23

Time to enforce a contract

This variable is the time in days to resolve a dispute related to a contract | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Singapore.....	150
2	Korea, Rep.....	230
3	Hong Kong SAR.....	280
3	Norway	280
5	Russian Federation.....	281
6	Vietnam.....	295
7	United States	300
8	France.....	331
9	Ukraine.....	343
10	Japan.....	360
11	Finland	375
12	Kazakhstan	390
12	Switzerland	390
14	Germany	394
15	Australia	395
15	Hungary	395
17	Austria.....	397
18	United Kingdom	399
19	China	406
20	Denmark	410
21	Mexico	415
22	Turkey	420
23	Malaysia.....	425
24	Peru	428
25	Nigeria.....	457
26	Tanzania.....	462
27	Kenya.....	465
28	Thailand	479
29	Chile.....	480
30	Ghana.....	487
31	Belgium.....	505
32	Sweden.....	508
33	Morocco.....	510
33	Venezuela.....	510
35	Romania.....	512
36	Netherlands.....	514
37	Spain.....	515
38	United Arab Emirates	537
39	Portugal	547
40	Slovak Republic.....	565
41	Kuwait.....	566
42	Canada	570
42	Indonesia	570
44	Argentina.....	590
45	South Africa	600
46	Czech Republic.....	611
47	Bahrain.....	635
47	Saudi Arabia.....	635
49	Ireland	650
50	Panama.....	686
51	Jordan.....	689
52	Brazil.....	731
53	Greece.....	819
54	Poland.....	830
55	Philippines.....	842
56	Israel	890
57	Pakistan	976
58	Egypt	1,010
59	Italy	1,210
60	Colombia.....	1,346
61	India	1,420
62	Bangladesh	1,442

SOURCE: The World Bank, *Doing Business 2012*

1.24

Number of procedures to enforce

This variable is the number of procedures from the moment the plaintiff files a lawsuit in court until the moment of payment | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland.....	21
1	Singapore.....	21
3	Austria.....	25
4	Belgium.....	26
4	Hong Kong SAR.....	26
4	Netherlands.....	26
7	Czech Republic	27
8	Australia	28
8	United Kingdom	28
10	France.....	29
10	Malaysia	29
10	South Africa	29
13	Germany	30
13	Japan.....	30
13	Sweden.....	30
13	Ukraine.....	30
13	Venezuela.....	30
18	Panama.....	31
18	Portugal	31
18	Romania.....	31
21	Slovak Republic.....	32
21	Switzerland	32
21	United States	32
24	Finland	33
24	Korea, Rep.....	33
26	China	34
26	Colombia.....	34
26	Norway	34
26	Vietnam.....	34
30	Denmark	35
30	Hungary	35
30	Israel	35
33	Argentina.....	36
33	Canada	36
33	Chile.....	36
33	Ghana	36
33	Kazakhstan	36
33	Russian Federation.....	36
33	Thailand	36
33	Turkey	36
41	Philippines.....	37
41	Poland.....	37
43	Jordan.....	38
43	Mexico	38
43	Tanzania.....	38
46	Greece.....	39
46	Spain.....	39
48	Indonesia	40
48	Kenya.....	40
48	Morocco.....	40
48	Nigeria.....	40
52	Bangladesh	41
52	Egypt	41
52	Italy	41
52	Peru	41
56	Saudi Arabia.....	43
57	Brazil.....	45
58	India.....	46
58	Pakistan	46
60	Bahrain.....	48
61	United Arab Emirates	49
62	Kuwait.....	50

SOURCE: The World Bank, *Doing Business 2012*

1.25

Strength of investor protection index

This index assesses the strength of investor protection on a scale from 0 (worst) to 10 (best) | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Singapore.....	9.30
2	Hong Kong SAR.....	9.00
3	Malaysia.....	8.70
4	Canada.....	8.30
4	Colombia.....	8.30
4	Ireland.....	8.30
4	Israel.....	8.30
4	United States.....	8.30
9	Kazakhstan.....	8.00
9	South Africa.....	8.00
9	United Kingdom.....	8.00
12	Thailand.....	7.70
13	Belgium.....	7.00
13	Japan.....	7.00
13	Peru.....	7.00
13	Saudi Arabia.....	7.00
17	Bangladesh.....	6.70
17	Norway.....	6.70
19	Chile.....	6.30
19	Denmark.....	6.30
19	Kuwait.....	6.30
19	Pakistan.....	6.30
19	Sweden.....	6.30
24	Ghana.....	6.00
24	India.....	6.00
24	Indonesia.....	6.00
24	Mexico.....	6.00
24	Poland.....	6.00
24	Portugal.....	6.00
24	Romania.....	6.00
31	Australia.....	5.70
31	Finland.....	5.70
31	Italy.....	5.70
31	Nigeria.....	5.70
31	Turkey.....	5.70
36	Bahrain.....	5.30
36	Brazil.....	5.30
36	Egypt.....	5.30
36	France.....	5.30
36	Korea, Rep.....	5.30
41	China.....	5.00
41	Czech Republic.....	5.00
41	Germany.....	5.00
41	Kenya.....	5.00
41	Morocco.....	5.00
41	Spain.....	5.00
41	Tanzania.....	5.00
48	Argentina.....	4.70
48	Netherlands.....	4.70
48	Panama.....	4.70
48	Russian Federation.....	4.70
48	Slovak Republic.....	4.70
48	Ukraine.....	4.70
54	Hungary.....	4.30
54	Jordan.....	4.30
54	United Arab Emirates.....	4.30
57	Austria.....	4.00
57	Philippines.....	4.00
59	Greece.....	3.30
60	Switzerland.....	3.00
60	Vietnam.....	3.00
62	Venezuela.....	2.30

SOURCE: The World Bank, *Doing Business 2012*

1.26

Cost of enforcing contracts

This variable is the cost of enforcing contracts as a percent of the legal claim | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Norway.....	9.90
2	Korea, Rep.....	10.30
3	China.....	11.10
4	Poland.....	12.00
5	Thailand.....	12.30
6	Portugal.....	13.00
7	Finland.....	13.30
8	Russian Federation.....	13.40
9	Tanzania.....	14.30
10	Germany.....	14.40
10	Greece.....	14.40
10	United States.....	14.40
13	Bahrain.....	14.70
14	Hungary.....	15.00
15	Argentina.....	16.50
15	Brazil.....	16.50
17	Spain.....	17.20
18	France.....	17.40
19	Belgium.....	17.70
20	Austria.....	18.00
21	Kuwait.....	18.80
22	Hong Kong SAR.....	21.20
23	Australia.....	21.80
24	Kazakhstan.....	22.00
25	Canada.....	22.30
26	Ghana.....	23.00
27	Denmark.....	23.30
28	Pakistan.....	23.80
29	Netherlands.....	23.90
30	Switzerland.....	24.00
31	United Kingdom.....	24.80
32	Morocco.....	25.20
33	Israel.....	25.30
34	Singapore.....	25.80
35	Philippines.....	26.00
36	Egypt.....	26.20
36	United Arab Emirates.....	26.20
38	Ireland.....	26.90
39	Malaysia.....	27.50
39	Saudi Arabia.....	27.50
41	Turkey.....	27.90
42	Vietnam.....	28.50
43	Chile.....	28.60
44	Romania.....	28.90
45	Italy.....	29.90
46	Slovak Republic.....	30.00
47	Jordan.....	31.20
47	Sweden.....	31.20
49	Mexico.....	32.00
49	Nigeria.....	32.00
51	Japan.....	32.20
52	Czech Republic.....	33.00
53	South Africa.....	33.20
54	Peru.....	35.70
55	India.....	39.60
56	Ukraine.....	41.50
57	Venezuela.....	43.70
58	Kenya.....	47.20
59	Colombia.....	47.90
60	Panama.....	50.00
61	Bangladesh.....	63.30
62	Indonesia.....	122.70

SOURCE: The World Bank, *Doing Business 2012*

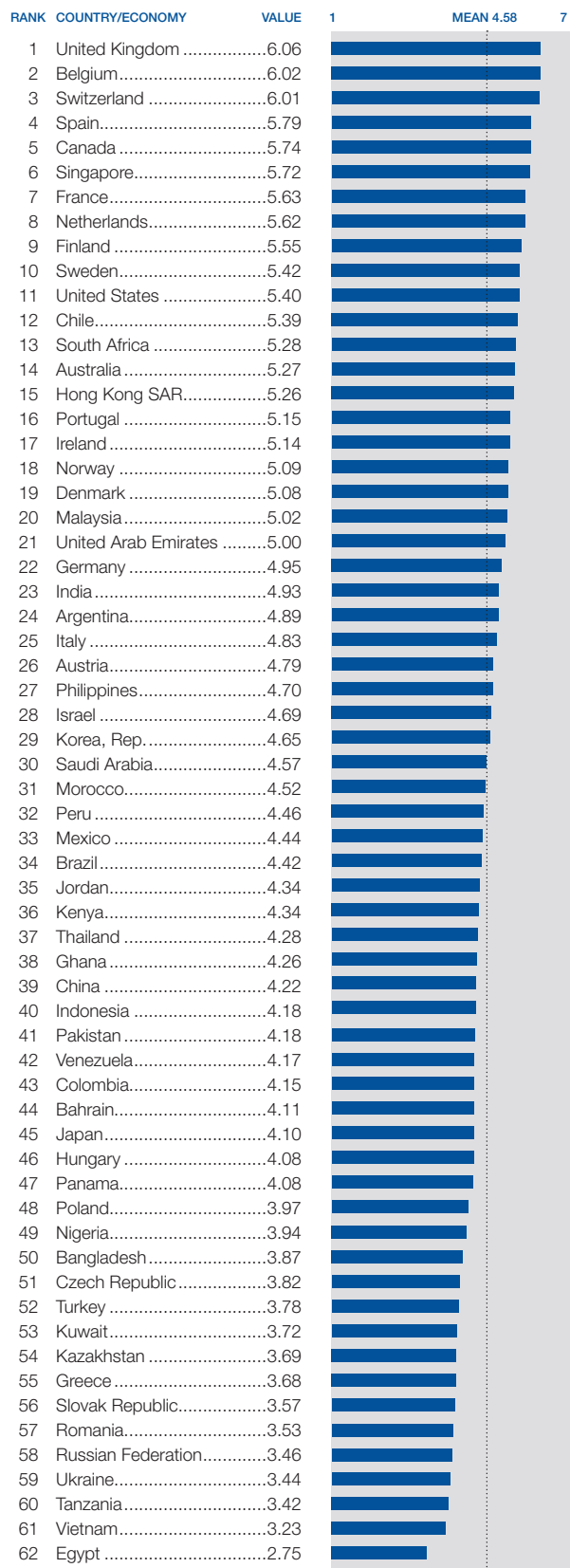
Section II

Business environment

2.01

Quality of management schools

How would you assess the quality of management or business schools in your country? (1 = Poor ; 7 = Excellent) | 2011–2012 weighted average

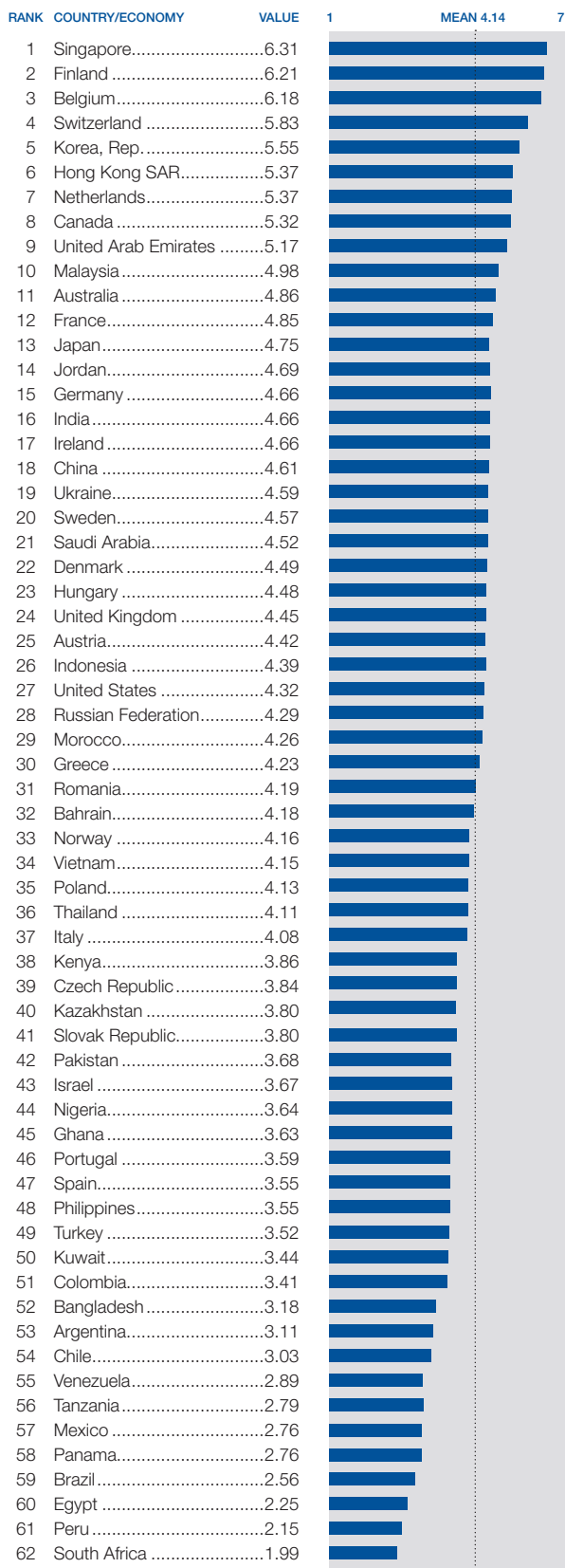


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.02

Quality of math and science education

How would you assess the quality of math and science education in your country's schools? (1 = Poor; 7 = Excellent) | 2011–2012 weighted average

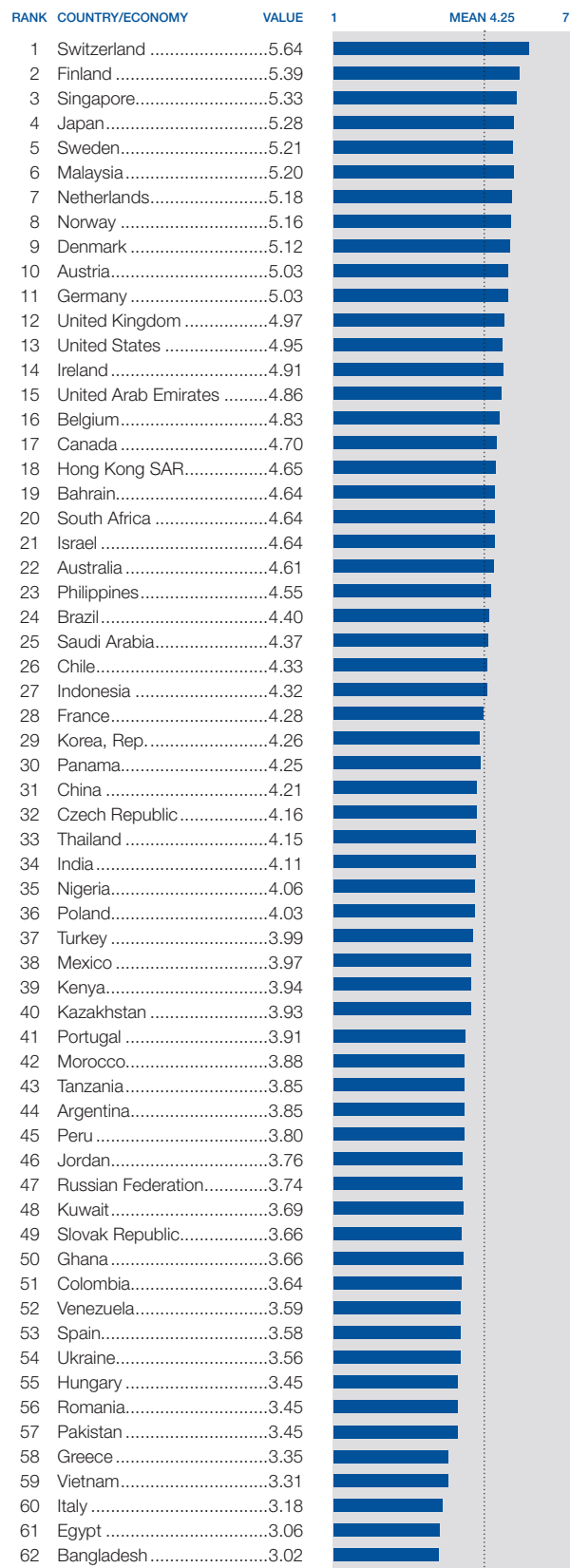


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.03

Extent of staff training

To what extent do companies in your country invest in training and employee development? (1 = Hardly at all; 7 = To a great extent) | 2011–2012 weighted average

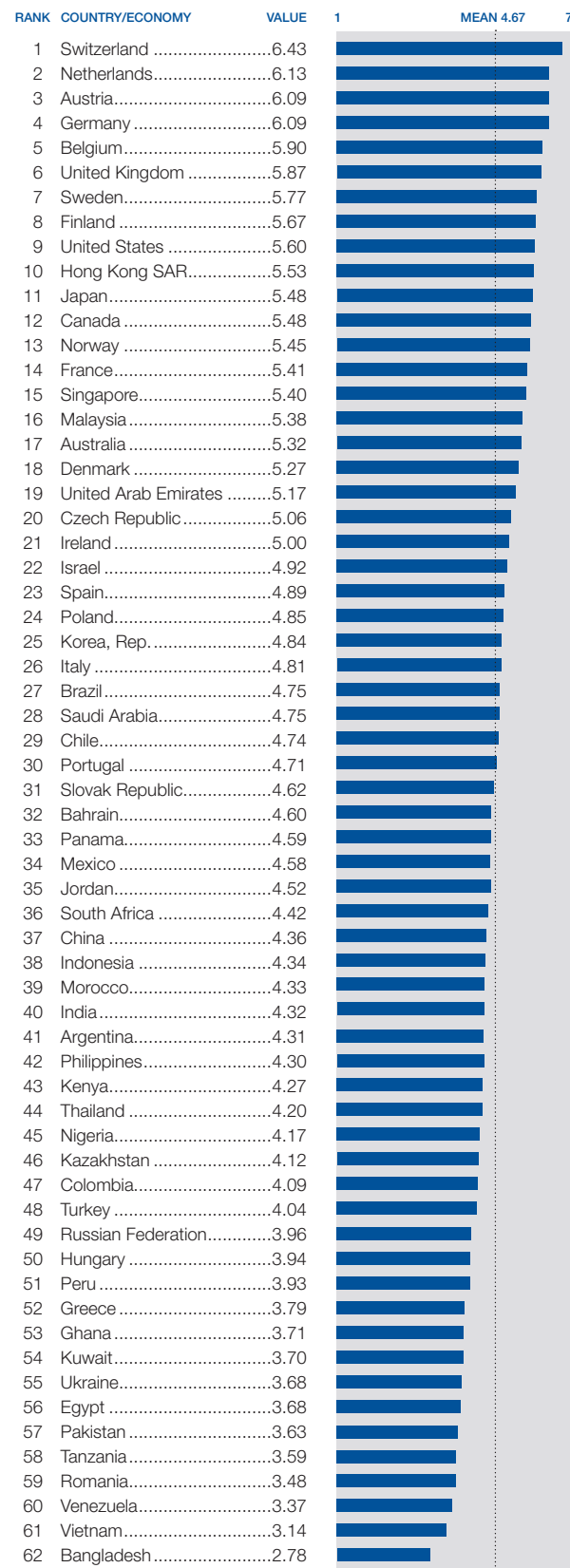


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.04

Local availability of specialized research and training services

In your country, to what extent are high-quality, specialized training services available? (1 = Not at all available; 7 = Widely available) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.05

Brain drain

Does your country retain and attract talented people? (1 = No, the best and brightest normally leave to pursue opportunities in other countries; 7 = Yes, there are many opportunities for talented people within the country) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.97	7
1	Switzerland	6.29			
2	Singapore	5.72			
3	United Kingdom	5.62			
4	United States	5.58			
5	United Arab Emirates	5.51			
6	Canada	5.49			
7	Hong Kong SAR	5.44			
8	Norway	5.37			
9	Netherlands	5.27			
10	Sweden	5.16			
11	Finland	5.07			
12	Saudi Arabia	5.05			
13	Chile	4.96			
14	Korea, Rep.	4.81			
15	Bahrain	4.77			
16	Belgium	4.75			
17	Malaysia	4.73			
18	Germany	4.67			
19	Ireland	4.60			
20	Brazil	4.58			
21	Panama	4.49			
22	India	4.47			
23	Australia	4.44			
24	Austria	4.41			
25	Denmark	4.27			
26	Thailand	4.14			
27	Israel	4.12			
28	China	4.11			
29	Japan	4.10			
30	Indonesia	4.00			
31	Peru	3.94			
32	Kuwait	3.82			
33	South Africa	3.79			
34	Nigeria	3.78			
35	France	3.75			
36	Jordan	3.66			
37	Ghana	3.65			
38	Mexico	3.64			
39	Morocco	3.61			
40	Pakistan	3.50			
41	Kenya	3.43			
42	Argentina	3.42			
43	Philippines	3.40			
44	Kazakhstan	3.40			
45	Turkey	3.38			
46	Spain	3.31			
47	Czech Republic	3.31			
48	Colombia	3.20			
49	Portugal	3.18			
50	Tanzania	3.15			
51	Vietnam	3.08			
52	Poland	2.89			
53	Russian Federation	2.80			
54	Bangladesh	2.77			
55	Italy	2.76			
56	Slovak Republic	2.47			
57	Greece	2.42			
58	Hungary	2.31			
59	Ukraine	2.28			
60	Egypt	2.24			
61	Romania	2.07			
62	Venezuela	2.05			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.06

Tertiary enrollment

This variable is the gross tertiary enrollment rate | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Korea, Rep.	103.11
2	United States	94.81
3	Finland	93.68
4	Greece ⁶	89.38
5	Australia	79.92
6	Ukraine	79.47
7	Venezuela ⁸	78.13
8	Russian Federation ⁸	75.89
9	Denmark ⁸	74.40
10	Norway	74.36
11	Sweden	73.77
12	Spain ⁸	73.24
13	Singapore	72.00
14	Argentina ⁸	71.23
15	Poland ⁸	70.54
16	Belgium ⁸	67.46
17	Italy ⁸	65.98
18	Netherlands ⁸	62.70
19	Israel ⁸	62.48
20	Portugal ⁸	62.20
21	Hungary ⁸	61.68
22	Ireland ⁸	60.96
23	Czech Republic ⁸	60.65
24	Austria ⁸	60.20
25	Canada ¹	59.99
26	Japan	59.74
27	Hong Kong SAR	59.72
28	Chile ⁸	59.18
29	Romania	58.84
30	United Kingdom ⁸	58.53
31	Slovak Republic	54.84
32	Switzerland	54.82
33	France ⁸	54.53
34	Bahrain	51.21
35	Thailand ⁹	47.70
36	Turkey ⁸	45.82
37	Panama ⁸	44.65
38	Peru	42.99
39	Kazakhstan ⁹	40.81
40	Malaysia ⁸	40.24
41	Colombia	39.13
42	Jordan	37.74
43	Saudi Arabia	36.76
44	Egypt	32.37
45	Philippines ⁷	28.89
46	Mexico	28.03
47	China	25.95
48	Brazil ⁴	25.63
49	Indonesia	23.12
50	United Arab Emirates ²	22.46
51	Vietnam	22.29
52	Kuwait ³	21.86
53	India	17.87
54	South Africa ⁵	15.41
55	Morocco ⁸	13.22
56	Ghana ⁹	12.14
57	Bangladesh ⁸	10.59
58	Nigeria ⁴	10.26
59	Pakistan ⁷	5.36
60	Kenya ⁸	4.03
61	Tanzania	2.11
n/a	Germany	n/a

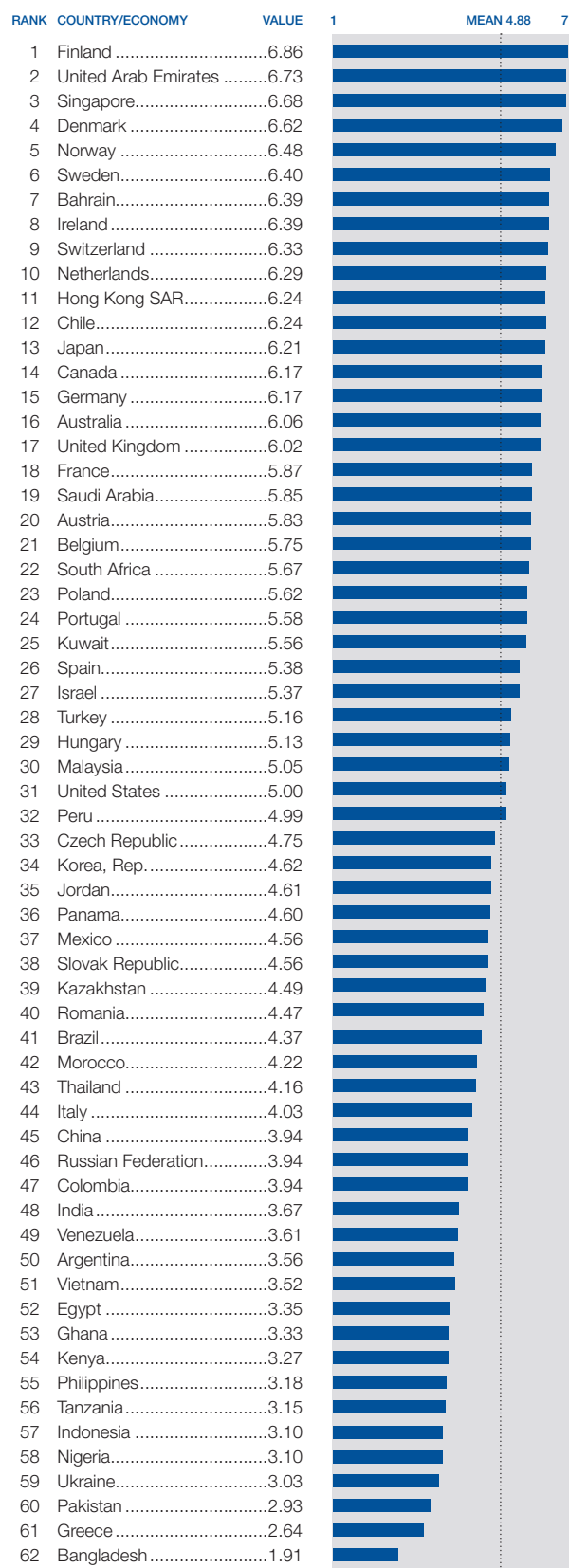
SOURCE: UNESCO Institute for Statistics (data retrieved May 2012); national sources

¹ 2002 ² 2003 ³ 2004 ⁴ 2005 ⁵ 2006 ⁶ 2007 ⁷ 2008 ⁸ 2009 ⁹ 2011

2.07

Irregular payments in tax collection

In your country, how common is it for firms to make undocumented extra payments or bribes connected with annual tax payments? (1 = Very common; 7 = Never occurs) | 2011–2012 weighted average

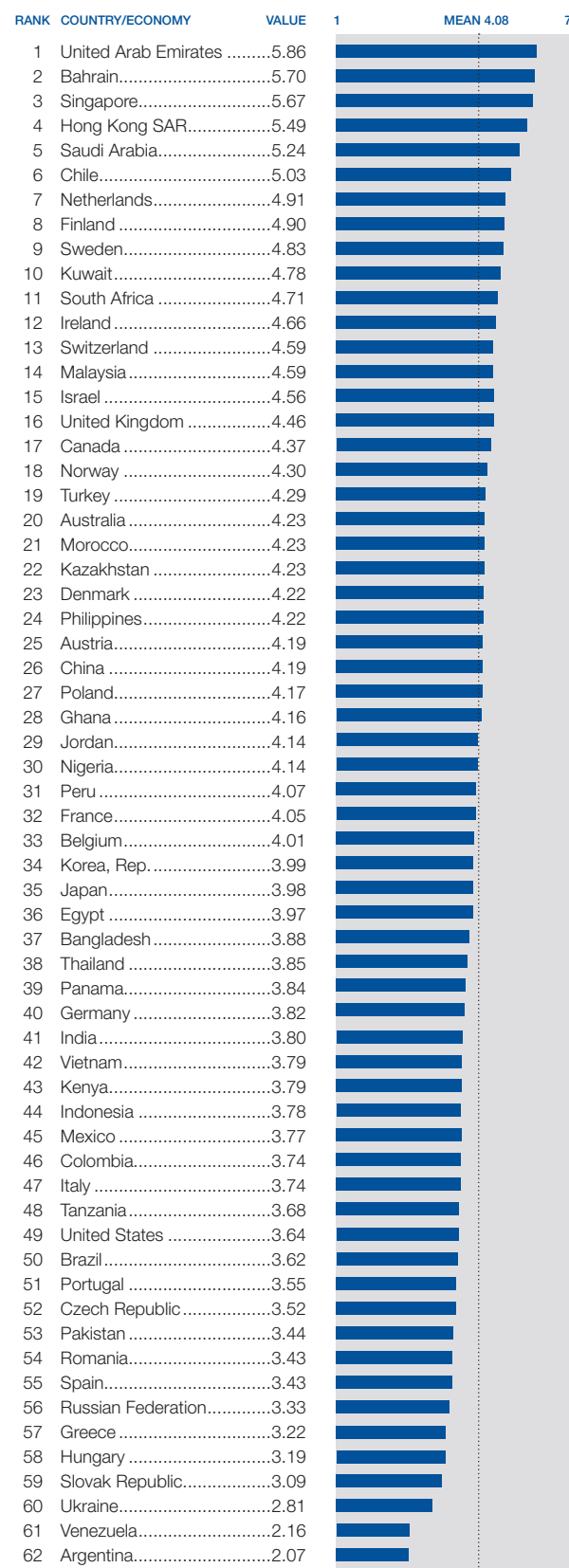


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.08

Distortive effect of taxes and subsidies on competition

In your country, to what extent do government subsidies and tax breaks distort competition? (1 = Significantly distort competition; 7 = Do not distort competition) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.09

Marginal tax variation

This is the variation between the top tax rate on corporate income and the taxes and mandatory contributions paid by a prototypical business as a percent of commercial profits | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Kuwait.....	-4.80
2	Germany.....	-3.20
3	Kenya.....	-3.10
4	Hong Kong SAR.....	-1.10
5	Bahrain.....	0.00
5	United Arab Emirates.....	0.00
7	Saudi Arabia.....	0.40
8	Ireland.....	0.60
9	Jordan.....	1.00
10	Israel.....	1.20
10	Thailand.....	1.20
12	Indonesia.....	1.40
13	Poland.....	1.60
14	Chile.....	2.00
15	Turkey.....	2.10
16	United Kingdom.....	2.90
17	Japan.....	3.00
18	Peru.....	3.40
19	Norway.....	3.60
19	South Africa.....	3.60
21	Australia.....	4.00
22	Kazakhstan.....	4.10
23	Hungary.....	4.20
24	Netherlands.....	4.60
25	Italy.....	4.70
26	Denmark.....	4.80
26	Morocco.....	4.80
28	Mexico.....	5.50
29	Romania.....	5.60
30	Ghana.....	6.60
31	Egypt.....	7.00
32	Canada.....	7.10
33	United States.....	7.40
34	Nigeria.....	7.70
35	Vietnam.....	7.80
36	Malaysia.....	8.00
37	Korea, Rep.....	9.00
37	Philippines.....	9.00
39	India.....	9.40
40	Tanzania.....	9.80
41	Austria.....	10.00
42	Singapore.....	10.50
43	Greece.....	10.60
44	Sweden.....	10.60
45	Ukraine.....	10.80
46	Russian Federation.....	11.00
47	Panama.....	11.30
48	Czech Republic.....	11.50
48	Portugal.....	11.50
50	Brazil.....	11.60
51	Slovak Republic.....	11.80
52	Finland.....	12.30
53	Colombia.....	14.10
54	Switzerland.....	15.10
55	Pakistan.....	17.10
56	China.....	19.00
57	Bangladesh.....	19.30
58	France.....	26.20
59	Venezuela.....	27.10
60	Belgium.....	28.80
60	Spain.....	28.80
62	Argentina.....	32.20

SOURCE: Corporate tax rate data from the Heritage Foundation, *2012 Index of Economic Freedom*; profit tax rate data from The World Bank, *Doing Business 2012*

2.10

Time to pay taxes

This is the time to prepare, file, and pay or withhold the corporate income tax, the value-added tax, and social security contributions (hours per year) | 2010

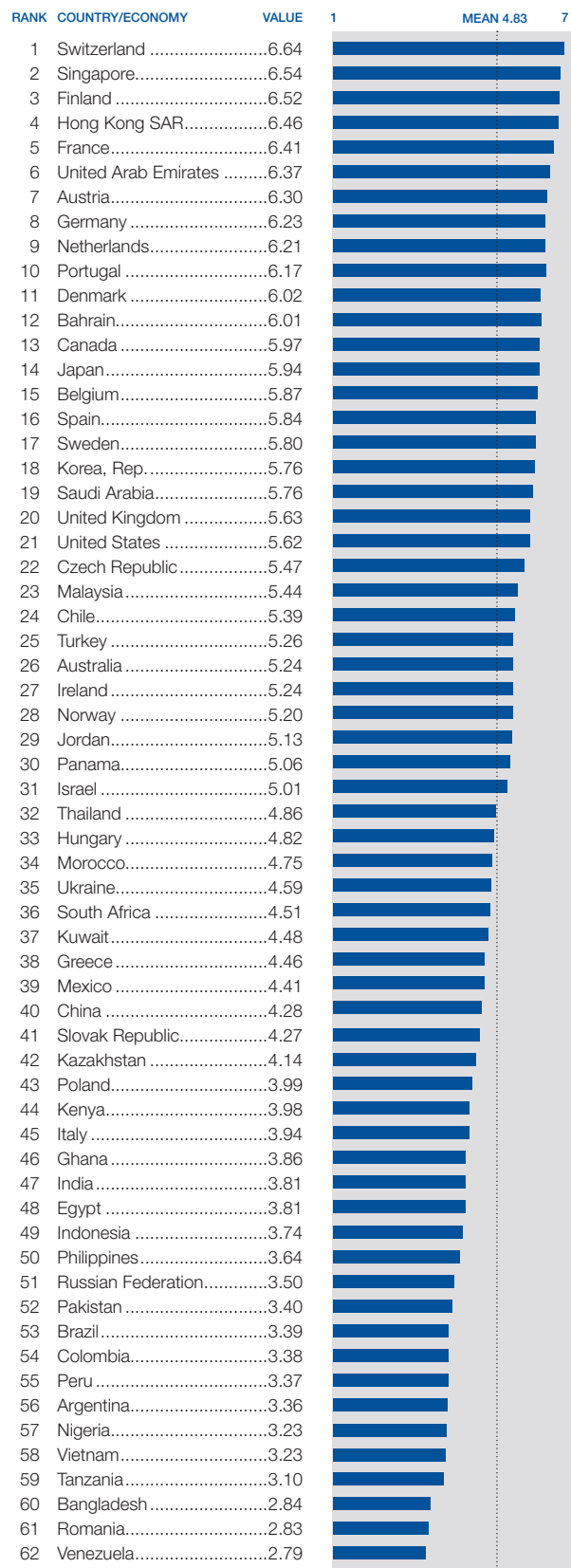
RANK	COUNTRY/ECONOMY	VALUE
1	United Arab Emirates.....	12
2	Bahrain.....	36
3	Switzerland.....	63
4	Ireland.....	76
5	Saudi Arabia.....	79
6	Hong Kong SAR.....	80
7	Singapore.....	84
8	Norway.....	87
9	Finland.....	93
10	Australia.....	109
11	United Kingdom.....	110
12	Jordan.....	116
13	Kuwait.....	118
14	Sweden.....	122
15	Netherlands.....	127
16	Canada.....	131
17	France.....	132
18	Malaysia.....	133
19	Denmark.....	135
20	Belgium.....	156
21	Austria.....	170
22	Tanzania.....	172
23	Spain.....	187
23	United States.....	187
25	Kazakhstan.....	188
26	Colombia.....	193
27	Philippines.....	195
28	South Africa.....	200
29	Germany.....	221
30	Romania.....	222
31	Turkey.....	223
32	Ghana.....	224
32	Greece.....	224
34	Korea, Rep.....	225
35	Slovak Republic.....	231
36	Israel.....	235
37	Morocco.....	238
38	India.....	254
39	Thailand.....	264
40	Indonesia.....	266
41	Portugal.....	275
42	Hungary.....	277
43	Italy.....	285
44	Russian Federation.....	290
45	Poland.....	296
46	Bangladesh.....	302
47	Peru.....	309
48	Chile.....	316
49	Japan.....	330
50	Mexico.....	347
51	Kenya.....	393
52	China.....	398
53	Argentina.....	415
54	Egypt.....	433
55	Panama.....	482
56	Czech Republic.....	557
57	Pakistan.....	560
58	Ukraine.....	657
59	Venezuela.....	864
60	Nigeria.....	938
61	Vietnam.....	941
62	Brazil.....	2,600

SOURCE: The World Bank, *Doing Business 2012*

2.11

Quality of overall infrastructure

How would you assess general infrastructure (e.g., transport, telephony, and energy) in your country? (1 = Extremely underdeveloped; 7 = Extensive and efficient by international standards) | 2011–2012 weighted average

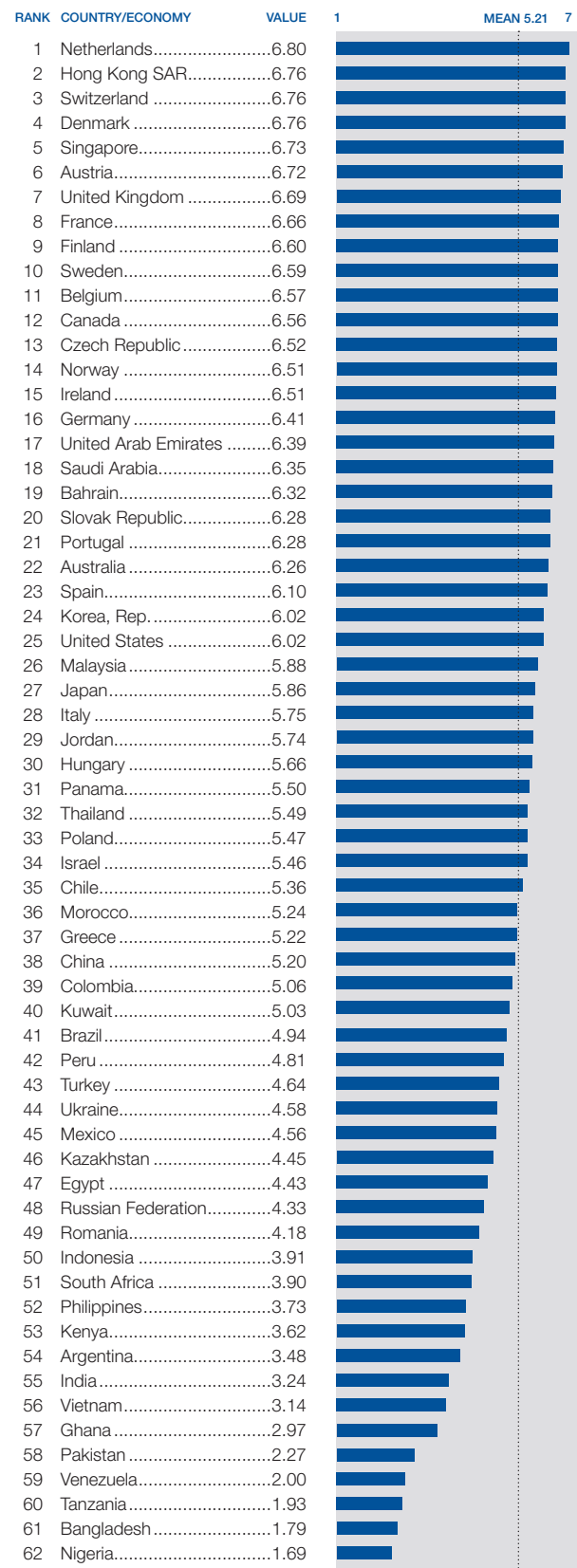


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.12

Quality of electricity supply

How would you assess the quality of the electricity supply in your country (lack of interruptions and lack of voltage fluctuations)? (1 = Insufficient and suffers frequent interruptions; 7 = Sufficient and reliable) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

2.13

Internet users

This variable is the percent of individuals using the Internet | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Norway	93.97
2	Netherlands	92.30
3	Sweden	91.00
4	Denmark	90.00
5	Finland	89.37
6	Switzerland	85.20
7	Korea, Rep.	83.80
8	Canada	83.00
8	Germany	83.00
10	United Kingdom	82.00
11	Austria	79.80
12	France	79.58
13	Japan	79.53
14	Australia	79.00
15	Belgium	78.00
16	United States	77.86
17	Bahrain	77.00
18	Ireland	76.82
19	Singapore	75.00
20	Hong Kong SAR	74.50
21	Slovak Republic	74.44
22	Kuwait	74.20
23	Czech Republic	72.97
24	Israel	70.00
24	United Arab Emirates	70.00
26	Spain	67.60
27	Poland	64.88
28	Malaysia	61.00
29	Hungary	59.00
30	Italy	56.80
31	Portugal	55.30
32	Chile	53.89
33	Greece	53.00
34	Morocco	51.00
35	Russian Federation	49.00
36	Argentina	47.70
37	Saudi Arabia	47.50
38	Brazil	45.00
38	Kazakhstan	45.00
40	Romania	44.02
41	Panama	42.70
42	Turkey	42.10
43	Colombia	40.40
44	Venezuela	40.22
45	China	38.30
46	Peru	36.50
47	Mexico	36.15
48	Egypt	35.62
49	Vietnam	35.07
50	Jordan	34.90
51	Ukraine	30.60
52	Philippines	29.00
53	Nigeria	28.43
54	Kenya	28.00
55	Thailand	23.70
56	South Africa	21.00
57	Indonesia	18.00
58	Ghana	14.11
59	Tanzania	12.00
60	India	10.07
61	Pakistan	9.00
62	Bangladesh	5.00

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

2.14

Broadband Internet subscriptions

This variable is the total broadband Internet subscriptions per 100 inhabitants | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Switzerland	39.20
2	Netherlands	38.74
3	Denmark	38.21
4	Korea, Rep.	36.91
5	Norway	36.55
6	France	36.12
7	Belgium	32.95
8	United Kingdom	32.74
9	Germany	32.47
10	Canada	32.02
11	Sweden	31.77
12	Hong Kong SAR	31.54
13	Finland	29.50
14	United States	28.75
15	Japan	27.36
16	Austria	26.49
17	Singapore	25.51
18	Australia	23.93
19	Israel	23.80
20	Spain	23.52
21	Italy	22.84
22	Hungary	22.16
23	Ireland	22.08
24	Greece	21.64
25	Portugal	20.95
26	Czech Republic	15.66
27	Romania	15.39
28	Poland	14.36
29	Bahrain	13.83
30	Slovak Republic	13.65
31	Russian Federation	12.20
32	Chile	11.65
33	China	11.61
34	United Arab Emirates	10.99
35	Mexico	10.62
36	Argentina	10.53
37	Turkey	10.29
38	Brazil	8.56
39	Panama	7.92
40	Kazakhstan	7.50
41	Malaysia	7.44
42	Ukraine	7.01
43	Colombia	6.94
44	Saudi Arabia	5.73
45	Thailand	5.38
46	Vietnam	4.32
47	Peru	3.49
48	Jordan	3.16
49	Egypt	2.21
50	Philippines	1.89
51	Morocco	1.83
52	South Africa	1.80
53	Kuwait ¹	1.68
54	Indonesia	1.13
55	India	1.03
56	Venezuela	0.87
57	Pakistan	0.42
58	Ghana	0.25
59	Nigeria	0.13
60	Kenya	0.12
61	Bangladesh	0.04
62	Tanzania	0.01

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

¹ 2010

2.15

Telephone subscriptions

This variable is the number of fixed-telephone subscriptions per 100 inhabitants | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Germany	63.05
2	Hong Kong SAR	61.06
3	Korea, Rep.	60.90
4	Switzerland	60.82
5	France	55.92
6	United Kingdom	53.24
7	Japan	51.06
8	Greece	49.91
9	Sweden	48.72
10	United States	47.91
11	Canada	47.86
12	Australia	46.63
13	Israel	46.28
14	Ireland	45.22
15	Denmark	45.13
16	Belgium	43.06
17	Netherlands	42.81
18	Norway	42.71
19	Spain	42.34
20	Portugal	42.33
21	Austria	40.27
22	Singapore	38.88
23	Italy	34.64
24	Russian Federation	30.93
25	Hungary	29.43
26	Ukraine	28.06
27	Kazakhstan	26.15
28	Venezuela	24.91
29	Argentina	24.87
30	United Arab Emirates	23.13
31	Romania	21.93
32	Brazil	21.88
33	China	21.16
34	Czech Republic	20.90
35	Bahrain	20.89
36	Kuwait ¹	20.69
37	Turkey	20.66
38	Finland	20.06
39	Chile	19.49
40	Slovak Republic	19.30
41	Poland	18.07
42	Mexico	17.15
43	Saudi Arabia	16.50
44	Indonesia	15.94
45	Colombia	15.19
45	Panama	15.19
47	Malaysia	14.70
48	Vietnam	11.46
49	Peru	11.08
50	Morocco	11.05
51	Egypt	10.56
52	Thailand	9.67
53	South Africa	8.18
54	Jordan	7.35
55	Philippines	7.15
56	Pakistan	3.24
57	India	2.63
58	Ghana	1.14
59	Bangladesh	1.06
60	Kenya	0.68
61	Nigeria	0.44
62	Tanzania	0.35

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

¹ 2010

2.16

Mobile telephone subscriptions

This indicator is the number of mobile cellular telephone subscriptions per 100 inhabitants | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	209.64
2	Panama	203.88
3	Saudi Arabia	191.24
4	Russian Federation	179.31
5	Finland	166.02
6	Kuwait ¹	160.78
7	Austria	154.78
8	Italy	151.84
9	Singapore	149.49
10	United Arab Emirates	148.62
11	Vietnam	143.39
12	Kazakhstan	142.55
13	Argentina	134.92
14	Germany	132.30
15	United Kingdom	130.75
16	Switzerland	130.06
17	Chile	129.71
18	Poland	128.46
19	Bahrain	127.96
20	Malaysia	127.04
21	South Africa	126.83
22	Denmark	126.46
23	Brazil	123.18
24	Ukraine	122.96
25	Israel	121.66
26	Czech Republic	121.60
27	Netherlands	119.02
28	Sweden	118.57
29	Jordan	118.20
30	Hungary	117.30
31	Norway	116.75
32	Belgium	116.61
33	Portugal	114.92
34	Spain	114.23
35	Morocco	113.26
36	Thailand	113.16
37	Peru	110.41
38	Slovak Republic	109.35
39	Romania	109.16
40	Korea, Rep.	108.50
41	Ireland	108.41
42	Australia	108.34
43	Greece	106.48
44	United States	105.91
45	France	105.03
46	Japan	102.67
47	Egypt	101.08
48	Colombia	98.45
49	Venezuela	97.78
50	Indonesia	97.72
51	Philippines	91.99
52	Turkey	88.70
53	Ghana	84.78
54	Mexico	82.38
55	Canada	75.28
56	China	73.19
57	India	72.00
58	Kenya	64.84
59	Pakistan	61.61
60	Nigeria	58.58
61	Bangladesh	56.48
62	Tanzania	55.53

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

¹ 2010

2.17

Cost of starting a business

This indicator is the cost of starting a business as a percent of income per capita | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark	0.00
2	South Africa	0.30
3	Canada	0.40
3	Ireland	0.40
5	Sweden	0.60
6	Australia	0.70
6	Bahrain	0.70
6	Singapore	0.70
6	United Kingdom	0.70
10	Kazakhstan	0.80
11	France	0.90
12	Finland	1.00
13	Kuwait	1.20
14	United States	1.40
15	Norway	1.80
15	Slovak Republic	1.80
17	Hong Kong SAR	1.90
18	Russian Federation	2.00
19	Switzerland	2.10
20	Portugal	2.30
21	Romania	3.00
22	China	3.50
23	Israel	4.40
23	Ukraine	4.40
25	Germany	4.60
26	Spain	4.70
27	Chile	5.10
28	Austria	5.20
28	Belgium	5.20
30	Brazil	5.40
31	Netherlands	5.50
32	Egypt	5.60
32	United Arab Emirates	5.60
34	Saudi Arabia	5.90
35	Thailand	6.20
36	Japan	7.50
37	Hungary	7.60
38	Colombia	8.00
39	Czech Republic	8.40
40	Panama	9.90
41	Vietnam	10.60
42	Mexico	11.20
42	Pakistan	11.20
42	Turkey	11.20
45	Argentina	11.90
45	Peru	11.90
47	Jordan	13.90
48	Korea, Rep.	14.60
49	Morocco	15.70
50	Malaysia	16.40
51	Ghana	17.30
51	Poland	17.30
53	Indonesia	17.90
54	Italy	18.20
55	Philippines	19.10
56	Greece	20.10
57	Venezuela	26.10
58	Tanzania	28.80
59	Bangladesh	30.60
60	Kenya	37.80
61	India	46.80
62	Nigeria	70.60

SOURCE: The World Bank, *Doing Business 2012*

2.18

Cost of registering property

This variable is the cost of registering property as a percent of the property value | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Saudi Arabia	0.00
1	Slovak Republic	0.00
3	Kazakhstan	0.10
4	Russian Federation	0.20
5	Poland	0.40
5	Switzerland	0.40
7	Kuwait	0.50
8	Denmark	0.60
8	Vietnam	0.60
10	Ghana	0.70
11	Egypt	0.80
11	United States	0.80
13	Romania	1.20
14	Chile	1.30
15	Canada	1.80
16	Colombia	2.00
16	United Arab Emirates	2.00
18	Brazil	2.30
19	Norway	2.50
19	Venezuela	2.50
21	Bahrain	2.70
22	Singapore	2.80
23	Czech Republic	3.00
24	Malaysia	3.30
24	Peru	3.30
24	Turkey	3.30
27	China	3.60
28	Ukraine	3.90
29	Finland	4.00
30	Hong Kong SAR	4.10
31	Kenya	4.30
31	Sweden	4.30
33	Tanzania	4.40
34	Italy	4.50
35	Austria	4.60
36	United Kingdom	4.70
37	Philippines	4.80
38	Morocco	4.90
39	Australia	5.00
39	Hungary	5.00
39	Israel	5.00
42	Korea, Rep.	5.10
43	Germany	5.20
44	Mexico	5.30
44	Panama	5.30
46	South Africa	5.60
47	Japan	5.70
48	France	6.10
48	Netherlands	6.10
50	Thailand	6.30
51	Ireland	6.50
52	Bangladesh	6.60
53	Argentina	7.00
54	Spain	7.10
55	India	7.30
55	Portugal	7.30
57	Jordan	7.50
58	Pakistan	7.70
59	Indonesia	10.80
60	Greece	12.00
61	Belgium	12.70
62	Nigeria	20.80

SOURCE: The World Bank, *Doing Business 2012*

2.19

Cost of closing a business

This variable is the cost of closing a business as a percent of the estate
| 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Colombia.....	1.00
1	Kuwait.....	1.00
1	Norway.....	1.00
1	Singapore.....	1.00
5	Belgium.....	4.00
5	Canada.....	4.00
5	Denmark.....	4.00
5	Finland.....	4.00
5	Japan.....	4.00
5	Korea, Rep.....	4.00
5	Netherlands.....	4.00
5	Pakistan.....	4.00
5	Switzerland.....	4.00
14	United Kingdom.....	6.00
15	Peru.....	7.00
15	United States.....	7.00
17	Australia.....	8.00
17	Bangladesh.....	8.00
17	Germany.....	8.00
20	France.....	9.00
20	Greece.....	9.00
20	Hong Kong SAR.....	9.00
20	India.....	9.00
20	Ireland.....	9.00
20	Jordan.....	9.00
20	Portugal.....	9.00
20	Russian Federation.....	9.00
20	Sweden.....	9.00
29	Bahrain.....	10.00
30	Romania.....	11.00
30	Spain.....	11.00
32	Argentina.....	12.00
32	Brazil.....	12.00
34	Chile.....	15.00
34	Hungary.....	15.00
34	Kazakhstan.....	15.00
34	Malaysia.....	15.00
34	Poland.....	15.00
34	Turkey.....	15.00
34	Vietnam.....	15.00
41	Czech Republic.....	17.00
42	Austria.....	18.00
42	Indonesia.....	18.00
42	Mexico.....	18.00
42	Morocco.....	18.00
42	Panama.....	18.00
42	Slovak Republic.....	18.00
42	South Africa.....	18.00
49	China.....	22.00
49	Egypt.....	22.00
49	Ghana.....	22.00
49	Italy.....	22.00
49	Kenya.....	22.00
49	Nigeria.....	22.00
49	Saudi Arabia.....	22.00
49	Tanzania.....	22.00
57	Israel.....	23.00
58	United Arab Emirates.....	30.00
59	Thailand.....	36.00
60	Philippines.....	38.00
60	Venezuela.....	38.00
62	Ukraine.....	42.00

SOURCE: The World Bank, *Doing Business 2012*

2.20

Time to start a business

This variable is the time in days to start a business | 2011

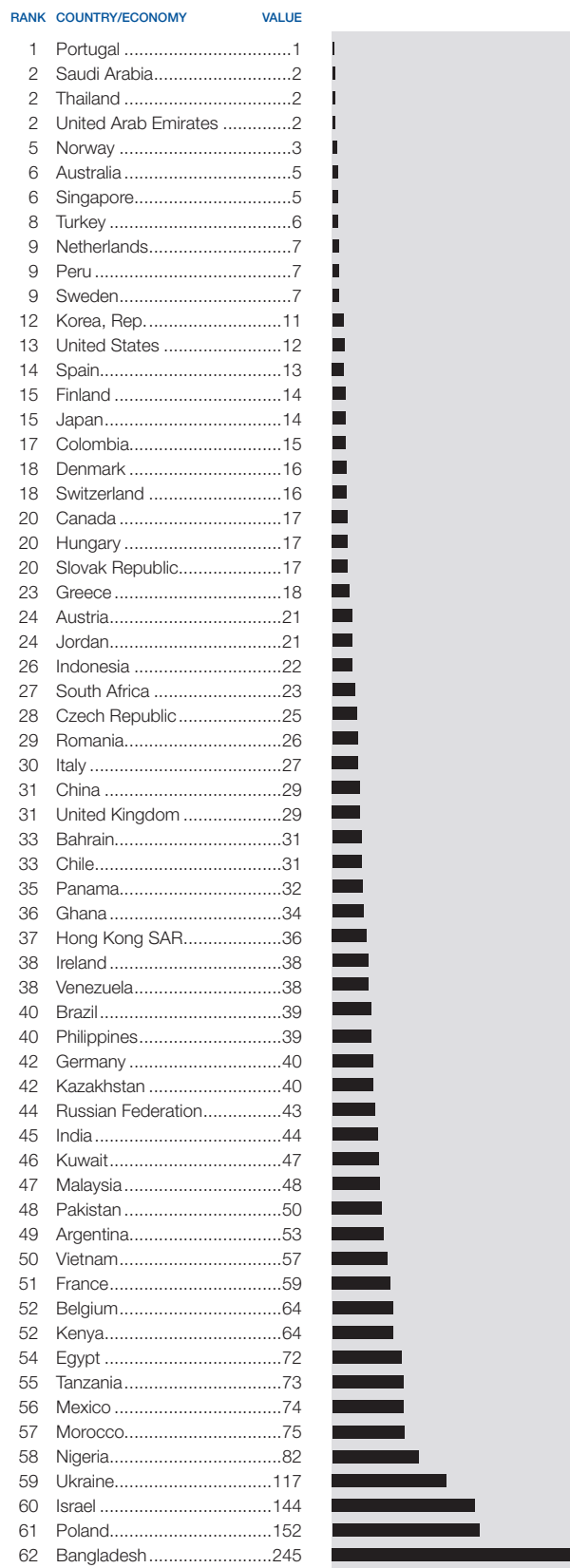
RANK	COUNTRY/ECONOMY	VALUE
1	Australia.....	2
2	Hong Kong SAR.....	3
2	Singapore.....	3
4	Belgium.....	4
4	Hungary.....	4
6	Canada.....	5
6	Portugal.....	5
6	Saudi Arabia.....	5
9	Denmark.....	6
9	Italy.....	6
9	Malaysia.....	6
9	Turkey.....	6
9	United States.....	6
14	Chile.....	7
14	Egypt.....	7
14	France.....	7
14	Korea, Rep.....	7
14	Norway.....	7
19	Netherlands.....	8
19	Panama.....	8
21	Bahrain.....	9
21	Mexico.....	9
23	Greece.....	10
24	Ghana.....	12
24	Jordan.....	12
24	Morocco.....	12
27	Ireland.....	13
27	United Arab Emirates.....	13
27	United Kingdom.....	13
30	Colombia.....	14
30	Finland.....	14
30	Romania.....	14
33	Germany.....	15
33	Sweden.....	15
35	Slovak Republic.....	18
35	Switzerland.....	18
37	Bangladesh.....	19
37	Kazakhstan.....	19
37	South Africa.....	19
40	Czech Republic.....	20
41	Pakistan.....	21
42	Japan.....	23
43	Ukraine.....	24
44	Argentina.....	26
44	Peru.....	26
46	Austria.....	28
46	Spain.....	28
48	India.....	29
48	Tanzania.....	29
48	Thailand.....	29
51	Russian Federation.....	30
52	Kuwait.....	32
52	Poland.....	32
54	Kenya.....	33
55	Israel.....	34
55	Nigeria.....	34
57	Philippines.....	35
58	China.....	38
59	Vietnam.....	44
60	Indonesia.....	45
61	Brazil.....	119
62	Venezuela.....	141

SOURCE: The World Bank, *Doing Business 2012*

2.21

Time to register property

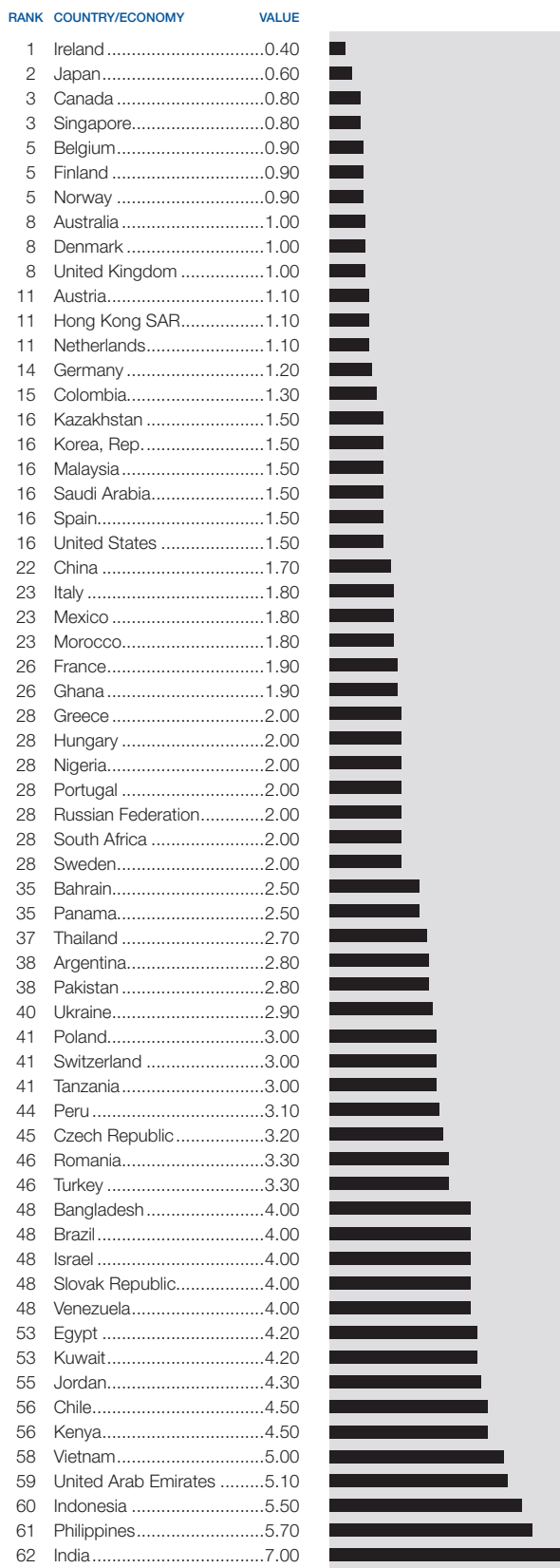
This variable is the time in days to register property | 2011

SOURCE: The World Bank, *Doing Business 2012*

2.22

Time to close a business

This variable is the time in years to close a business | 2011

SOURCE: The World Bank, *Doing Business 2012*

Section III

Financial stability

3.01

Change in real effective exchange rate (REER)

This is the average percent change in real effective exchange rate (REER) from year-to-year over the period 2007–2011. Higher REER represents appreciation | 2007–2011

RANK	COUNTRY/ECONOMY	VALUE
1	Brazil	8.30
2	Venezuela	7.92
3	Indonesia	5.38
4	Egypt	5.06
5	Colombia	4.02
6	Japan	3.88
7	Russian Federation	3.86
8	Malaysia	3.78
9	Israel	3.60
10	Norway	3.52
11	Australia	3.42
12	Czech Republic	3.24
13	Switzerland	3.12
14	Kazakhstan	2.98
15	China	2.90
16	Thailand	2.58
17	Peru	2.34
18	Chile	1.62
19	Saudi Arabia	1.52
20	Singapore	1.32
21	Kuwait	1.32
22	Slovak Republic	1.22
23	Greece	1.20
24	Panama	1.12
25	South Africa	0.84
26	Romania	0.72
27	Pakistan	0.60
28	Spain	0.56
29	Belgium	0.44
30	Poland	0.42
31	Hungary	0.28
32	Portugal	0.06
33	Denmark	-0.02
34	Austria	0.00
35	Italy	-0.04
36	Finland	-0.06
37	India	-0.06
38	Netherlands	-0.08
39	Ireland	-0.22
40	France	-0.28
41	Sweden	-0.44
42	Germany	-0.52
43	Morocco	-0.56
44	Mexico	-0.70
45	Ukraine	-0.70
46	Argentina	-0.82
47	United States	-1.78
48	Canada	-1.96
49	Hong Kong SAR	-2.34
50	Turkey	-2.38
51	United Kingdom	-3.24
52	Philippines	-3.32
53	Bahrain	-3.92
54	Korea, Rep.	-4.24
n/a	Bangladesh	n/a
n/a	Ghana	n/a
n/a	Jordan	n/a
n/a	Kenya	n/a
n/a	Nigeria	n/a
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a
n/a	Vietnam	n/a

SOURCE: Moody's, Moody's Country Credit Statistical Handbook, May 2012

3.02

External vulnerability indicator

The external vulnerability indicator is the sum of several measures of external exposure as a percent of foreign exchange reserves | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Saudi Arabia	9.30
2	China	14.30
3	Egypt	16.10
4	Morocco	19.10
5	Bangladesh	19.80
5	Peru	19.80
7	Panama	21.10
8	Philippines	25.10
9	Russian Federation	28.20
10	Brazil	33.70
11	Thailand	35.00
12	Malaysia	40.50
13	India	48.80
14	Indonesia	49.70
15	Colombia	55.30
16	Mexico	57.70
17	Korea, Rep.	62.60
18	Argentina	66.10
19	South Africa	68.80
20	Pakistan	73.40
21	Czech Republic	86.50
22	Jordan	86.60
23	Vietnam	99.30
24	Israel	111.20
25	Chile	123.40
26	Kazakhstan	128.00
27	Poland	138.20
28	Kuwait	147.20
29	Ukraine	163.00
30	Romania	166.80
31	Turkey	173.80
32	Hungary	202.40
33	United Arab Emirates	272.00
34	Venezuela	297.70
35	Bahrain	631.30
n/a	Australia	n/a
n/a	Austria	n/a
n/a	Belgium	n/a
n/a	Canada	n/a
n/a	Denmark	n/a
n/a	Finland	n/a
n/a	France	n/a
n/a	Germany	n/a
n/a	Ghana	n/a
n/a	Greece	n/a
n/a	Hong Kong SAR	n/a
n/a	Ireland	n/a
n/a	Italy	n/a
n/a	Japan	n/a
n/a	Kenya	n/a
n/a	Netherlands	n/a
n/a	Nigeria	n/a
n/a	Norway	n/a
n/a	Portugal	n/a
n/a	Singapore	n/a
n/a	Slovak Republic	n/a
n/a	Spain	n/a
n/a	Sweden	n/a
n/a	Switzerland	n/a
n/a	Tanzania	n/a
n/a	United Kingdom	n/a
n/a	United States	n/a

SOURCE: Moody's, Moody's Country Credit Statistical Handbook, May 2012

3.03

Current account balance to GDP

This variable, which is the three-year average of current account balance to GDP, provides an indicator of the difficulty a country might have in mobilizing the foreign exchange necessary for debt service | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	Kuwait.....	31.96
2	Singapore.....	20.86
3	Saudi Arabia.....	14.93
4	Switzerland.....	13.53
5	Malaysia.....	13.16
6	Norway.....	12.61
7	Sweden.....	6.68
8	Netherlands.....	6.10
9	Hong Kong SAR.....	6.08
10	Germany.....	5.92
11	Venezuela.....	5.36
12	Thailand.....	5.29
13	United Arab Emirates.....	5.22
14	Nigeria.....	5.12
15	Denmark.....	5.04
16	Russian Federation.....	4.74
17	China.....	4.38
18	Philippines.....	4.26
19	Bahrain.....	3.50
20	Korea, Rep.....	3.07
21	Japan.....	2.81
22	Austria.....	2.29
23	Israel.....	2.19
24	Kazakhstan.....	2.05
25	Bangladesh.....	1.35
26	Indonesia.....	1.19
27	Finland.....	0.85
28	Hungary.....	0.83
29	Chile.....	0.75
30	Argentina.....	0.72
31	Belgium.....	-0.11
32	Mexico.....	-0.55
33	Ireland.....	-0.79
34	Peru.....	-0.95
35	France.....	-1.83
36	Brazil.....	-1.94
37	Egypt.....	-2.10
38	Slovak Republic.....	-2.18
39	United Kingdom.....	-2.23
40	Pakistan.....	-2.58
41	Colombia.....	-2.69
42	India.....	-2.72
43	Czech Republic.....	-2.82
44	Italy.....	-2.93
45	Canada.....	-2.97
46	United States.....	-3.03
47	Ukraine.....	-3.10
48	Australia.....	-3.10
49	South Africa.....	-3.39
50	Vietnam.....	-3.75
51	Romania.....	-4.26
52	Poland.....	-4.32
53	Spain.....	-4.50
54	Morocco.....	-5.68
55	Turkey.....	-6.14
56	Jordan.....	-6.66
57	Ghana.....	-6.85
58	Kenya.....	-8.01
59	Panama.....	-8.08
60	Portugal.....	-9.11
61	Tanzania.....	-9.87
62	Greece.....	-10.21

SOURCE: IMF, *World Economic Outlook Database*, April 2012

3.04

Dollarization vulnerability indicator

This variable measures the risk of payment crisis and default originating from the presence of a large amount of dollarization in the domestic banking system | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Australia.....	0.00
1	Austria.....	0.00
1	Belgium.....	0.00
1	Brazil.....	0.00
1	Canada.....	0.00
1	Colombia.....	0.00
1	Denmark.....	0.00
1	Finland.....	0.00
1	France.....	0.00
1	Germany.....	0.00
1	Greece.....	0.00
1	Hong Kong SAR.....	0.00
1	Ireland.....	0.00
1	Italy.....	0.00
1	Japan.....	0.00
1	Netherlands.....	0.00
1	Norway.....	0.00
1	Portugal.....	0.00
1	Singapore.....	0.00
1	Slovak Republic.....	0.00
1	Spain.....	0.00
1	Sweden.....	0.00
1	Switzerland.....	0.00
1	United Kingdom.....	0.00
1	United States.....	0.00
26	Thailand.....	2.50
27	Venezuela.....	2.90
28	Morocco.....	4.50
29	India.....	4.80
30	Mexico.....	8.30
31	Pakistan.....	22.80
32	Hungary.....	24.40
33	Philippines.....	28.20
34	Argentina.....	31.20
35	Indonesia.....	32.20
36	Bahrain.....	34.20
37	Russian Federation.....	35.30
38	Kazakhstan.....	37.90
39	Jordan.....	38.70
40	Romania.....	41.50
41	Peru.....	46.60
42	Ukraine.....	60.10
43	Egypt.....	67.90
44	Vietnam ¹	94.00
45	Turkey.....	101.50
n/a	Bangladesh.....	n/a
n/a	Chile.....	n/a
n/a	China.....	n/a
n/a	Czech Republic.....	n/a
n/a	Ghana.....	n/a
n/a	Israel.....	n/a
n/a	Kenya.....	n/a
n/a	Korea, Rep.....	n/a
n/a	Kuwait.....	n/a
n/a	Malaysia.....	n/a
n/a	Nigeria.....	n/a
n/a	Panama.....	n/a
n/a	Poland.....	n/a
n/a	Saudi Arabia.....	n/a
n/a	South Africa.....	n/a
n/a	Tanzania.....	n/a
n/a	United Arab Emirates.....	n/a

SOURCE: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

¹ 2010

3.05

External debt to GDP (developing economies)

This variable refers to a country's external debt as a percent of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	China	9.60
2	Saudi Arabia	14.10
3	Egypt	14.80
4	Kuwait	18.00
5	Brazil	18.10
6	India	19.00
7	Bangladesh	22.70
8	Colombia	22.80
9	Mexico	24.30
10	Peru	24.40
11	Indonesia	26.50
12	South Africa	27.30
13	Pakistan	29.40
14	Russian Federation	29.50
15	Malaysia	30.20
16	Thailand	30.70
17	Argentina	31.20
18	Morocco	31.40
19	Venezuela	34.00
20	Philippines	34.70
21	Korea, Rep.	35.70
22	Chile	39.70
23	Panama	40.90
23	Turkey	40.90
23	Vietnam	40.90
26	Israel	42.00
27	United Arab Emirates	48.70
28	Czech Republic	49.20
29	Jordan	58.30
30	Kazakhstan	72.10
30	Romania	72.10
32	Poland	72.20
33	Ukraine	76.40
34	Hungary	147.40
35	Bahrain	156.60
n/a	Australia	n/a
n/a	Austria	n/a
n/a	Belgium	n/a
n/a	Canada	n/a
n/a	Denmark	n/a
n/a	Finland	n/a
n/a	France	n/a
n/a	Germany	n/a
n/a	Ghana	n/a
n/a	Greece	n/a
n/a	Hong Kong SAR	n/a
n/a	Ireland	n/a
n/a	Italy	n/a
n/a	Japan	n/a
n/a	Kenya	n/a
n/a	Netherlands	n/a
n/a	Nigeria	n/a
n/a	Norway	n/a
n/a	Portugal	n/a
n/a	Singapore	n/a
n/a	Slovak Republic	n/a
n/a	Spain	n/a
n/a	Sweden	n/a
n/a	Switzerland	n/a
n/a	Tanzania	n/a
n/a	United Kingdom	n/a
n/a	United States	n/a

SOURCE: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.06

Net international investment position to GDP (advanced economies)

This variable refers to a country's net international investment position as a percent of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	287.70
2	Singapore ¹	219.60
3	Switzerland	156.90
4	Norway ¹	97.20
5	Belgium	62.60
6	Japan	56.30
7	Netherlands	37.30
8	Germany	36.30
9	Denmark	22.10
10	Finland	14.10
11	Austria	-5.50
12	Sweden	-7.00
13	France	-10.90
14	Canada	-12.00
15	United Kingdom	-13.40
16	United States ¹	-17.00
17	Italy	-21.80
18	Australia	-59.30
19	Slovak Republic	-64.50
20	Greece	-79.20
21	Spain	-92.10
22	Ireland	-101.90
23	Portugal	-103.70
n/a	Argentina	n/a
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Brazil	n/a
n/a	Chile	n/a
n/a	China	n/a
n/a	Colombia	n/a
n/a	Czech Republic	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Hungary	n/a
n/a	India	n/a
n/a	Indonesia	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Korea, Rep.	n/a
n/a	Kuwait	n/a
n/a	Malaysia	n/a
n/a	Mexico	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Peru	n/a
n/a	Philippines	n/a
n/a	Poland	n/a
n/a	Romania	n/a
n/a	Russian Federation	n/a
n/a	Saudi Arabia	n/a
n/a	South Africa	n/a
n/a	Tanzania	n/a
n/a	Thailand	n/a
n/a	Turkey	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

¹ 2010

3.07

Frequency of banking crises

This variable is calculated based on the number of banking crises a country experienced from 1970 to 2011. Recent crises are weighted more heavily | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Australia	0.00
1	Bahrain	0.00
1	Canada	0.00
1	Hong Kong SAR	0.00
1	Pakistan	0.00
1	Saudi Arabia	0.00
1	Singapore	0.00
1	South Africa	0.00
1	United Arab Emirates	0.00
10	Egypt	0.50
10	Israel	0.50
10	Morocco	0.50
13	Ghana	0.75
13	Kuwait	0.75
13	Peru	0.75
16	Bangladesh	1.00
16	Chile	1.00
16	Finland	1.00
16	Jordan	1.00
16	Norway	1.00
16	Panama	1.00
16	Romania	1.00
16	Tanzania	1.00
24	Czech Republic	1.25
24	India	1.25
24	Poland	1.25
24	Venezuela	1.25
28	China	1.50
28	Indonesia	1.50
28	Japan	1.50
28	Korea, Rep.	1.50
28	Malaysia	1.50
28	Slovak Republic	1.50
28	Vietnam	1.50
35	Mexico	1.75
36	Austria	2.00
36	Belgium	2.00
36	Denmark	2.00
36	France	2.00
36	Germany	2.00
36	Greece	2.00
36	Ireland	2.00
36	Italy	2.00
36	Kazakhstan	2.00
36	Kenya	2.00
36	Netherlands	2.00
36	Portugal	2.00
36	Switzerland	2.00
36	United Kingdom	2.00
50	Brazil	2.25
50	Colombia	2.25
50	Philippines	2.25
50	Thailand	2.25
50	Turkey	2.25
55	Spain	2.50
56	Hungary	3.00
56	Nigeria	3.00
56	Sweden	3.00
56	United States	3.00
60	Russian Federation	3.50
60	Ukraine	3.50
62	Argentina	4.25

SOURCE: Laeven, L. and F. Valencia. 2012. "Systemic Banking Crises Database: An Update." *IMF Working Paper* 12/163. Washington DC: IMF. All weighting is based on World Economic Forum analysis.

3.08

Financial strengths indicator

This is the weighted average financial strength rating by bank assets | 2012

RANK	COUNTRY/ECONOMY	VALUE
1	Canada	9.00
1	Hong Kong SAR	9.00
1	Singapore	9.00
4	Australia	8.00
5	Brazil	7.00
5	Chile	7.00
5	Switzerland	7.00
5	United States	7.00
9	Czech Republic	6.00
9	Denmark	6.00
9	Finland	6.00
9	Mexico	6.00
9	Netherlands	6.00
9	Saudi Arabia	6.00
9	Spain	6.00
9	Sweden	6.00
17	Belgium	5.00
17	France	5.00
17	Germany	5.00
17	Israel	5.00
17	Italy	5.00
17	Japan	5.00
17	Jordan	5.00
17	Korea, Rep.	5.00
17	Kuwait	5.00
17	Malaysia	5.00
17	Norway	5.00
17	South Africa	5.00
17	United Kingdom	5.00
30	Austria	4.00
30	Bahrain	4.00
30	Colombia	4.00
30	India	4.00
30	Peru	4.00
30	Poland	4.00
30	Slovak Republic	4.00
30	Thailand	4.00
30	United Arab Emirates	4.00
39	Argentina	3.00
39	China	3.00
39	Hungary	3.00
39	Indonesia	3.00
39	Morocco	3.00
39	Panama	3.00
39	Philippines	3.00
39	Romania	3.00
39	Turkey	3.00
48	Ireland	2.00
48	Russian Federation	2.00
48	Ukraine	2.00
51	Egypt	1.00
51	Kazakhstan	1.00
51	Pakistan	1.00
51	Portugal	1.00
51	Vietnam	1.00
56	Greece	0.00
n/a	Bangladesh	n/a
n/a	Ghana	n/a
n/a	Kenya	n/a
n/a	Nigeria	n/a
n/a	Tanzania	n/a
n/a	Venezuela	n/a

SOURCE: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.09

Aggregate measure of real estate bubbles

This is the aggregate measure of real estate bubbles based on price-to-income ratio and price-to-rent ratio | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	6.93
2	Chile	6.92
3	Mexico	6.76
4	Sweden	6.70
5	Jordan	6.64
6	Panama	6.61
7	Peru	6.54
8	United Arab Emirates	6.52
9	Hungary	6.48
10	Colombia	6.25
11	Argentina	6.03
12	Malaysia	6.01
13	Slovak Republic	6.00
14	Portugal	5.95
15	Egypt	5.89
16	Netherlands	5.86
17	Indonesia	5.74
18	Belgium	5.68
19	Brazil	5.66
20	Romania	5.66
21	Germany	5.44
22	Poland	5.37
23	United States	5.35
24	Thailand	5.34
25	South Africa	5.25
26	Turkey	5.23
27	Japan	5.10
28	Denmark	5.08
29	Morocco	5.00
30	Finland	4.99
31	Australia	4.99
32	Austria	4.95
33	Canada	4.91
34	Italy	4.87
35	Israel	4.84
36	Ukraine	4.72
37	Switzerland	4.72
38	Czech Republic	4.65
39	Spain	4.64
40	United Kingdom	4.43
41	Kenya	4.36
42	Tanzania	3.98
43	Philippines	3.88
44	France	3.76
45	Singapore	3.68
46	Greece	3.60
47	Hong Kong SAR	3.25
48	Russian Federation	2.94
49	China	1.00
49	India	1.00
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Ghana	n/a
n/a	Kazakhstan	n/a
n/a	Korea, Rep.	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Norway	n/a
n/a	Pakistan	n/a
n/a	Saudi Arabia	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Global Property Guide, <http://www.globalpropertyguide.com> (data retrieved July 2012)

3.10

Tier 1 capital ratio

This is the weighted average Tier 1 regulatory capital ratio at the 10 largest banks | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Ghana	22.72
2	Japan	22.20
3	Kenya	19.76
4	Tanzania	19.58
5	Bahrain	19.01
6	Nigeria	18.76
7	Switzerland	18.05
8	Ukraine	16.83
9	Ireland	16.24
10	Kuwait	16.13
11	Jordan	15.79
12	Saudi Arabia	15.49
13	United Arab Emirates	15.27
14	Denmark	15.07
15	Kazakhstan	14.53
16	Singapore	13.84
17	Netherlands	13.83
18	Turkey	13.82
19	Germany	13.59
20	Peru	13.49
21	Mexico	13.43
22	Canada	13.43
23	Philippines	13.42
24	Romania	13.32
25	Finland	13.07
26	Pakistan	12.99
27	Indonesia	12.96
28	Belgium	12.96
29	Panama	12.84
30	South Africa	12.70
31	Poland	12.62
32	Slovak Republic	12.58
33	Hong Kong SAR	12.17
34	United Kingdom	12.13
35	United States	11.98
36	Russian Federation	11.56
37	Hungary	11.23
38	Brazil	11.15
39	Malaysia	11.11
40	Thailand	11.02
41	France	11.02
42	Sweden	10.93
43	Korea, Rep.	10.87
44	Egypt	10.38
45	Spain	10.26
46	Austria	10.07
47	Australia	9.99
48	Italy	9.95
49	Norway	9.94
50	Colombia	9.93
51	China	9.73
52	Chile	9.49
53	India	9.33
54	Portugal	9.31
55	Bangladesh	9.11
56	Vietnam	9.05
57	Morocco	8.42
58	Israel	8.15
59	Greece	2.83
n/a	Argentina	n/a
n/a	Czech Republic	n/a
n/a	Venezuela	n/a

SOURCE: BankScope database (data retrieved July 2012)

3.11

Output loss during banking crises

This is the percent difference between actual and trend real GDP during a banking crisis. Output loss during recent crises is weighted more heavily | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Australia	0.00
1	Bahrain	0.00
1	Bangladesh	0.00
1	Canada	0.00
1	Czech Republic	0.00
1	Hong Kong SAR	0.00
1	India	0.00
1	Kazakhstan	0.00
1	Pakistan	0.00
1	Poland	0.00
1	Romania	0.00
1	Russian Federation	0.00
1	Saudi Arabia	0.00
1	Singapore	0.00
1	Slovak Republic	0.00
1	South Africa	0.00
1	Switzerland	0.00
1	Tanzania	0.00
1	United Arab Emirates	0.00
1	Vietnam	0.00
21	Egypt	0.44
22	Venezuela	1.45
23	Ukraine	4.00
24	Norway	5.15
25	Morocco	10.96
26	Chile	14.25
27	Germany	22.00
28	Austria	28.00
28	Nigeria	28.00
30	China	29.10
31	Mexico	30.36
32	Ghana	33.98
33	Belgium	38.00
34	Israel	38.01
35	Peru	41.40
36	France	46.00
36	Netherlands	46.00
38	Malaysia	47.17
39	United Kingdom	50.00
40	United States	62.00
41	Brazil	62.30
42	Italy	64.00
43	Japan	67.50
44	Philippines	68.76
45	Finland	69.59
46	Denmark	72.00
47	Portugal	74.00
48	Hungary	80.00
49	Kenya	80.63
50	Turkey	81.78
51	Sweden	82.90
52	Panama	85.04
53	Greece	86.00
54	Korea, Rep.	86.38
55	Colombia	100.32
56	Indonesia	103.53
57	Jordan	106.37
58	Spain	107.25
59	Kuwait	107.58
60	Argentina	148.18
61	Thailand	182.57
62	Ireland	212.00

SOURCE: Laeven, L. and F. Valencia. 2012. "Systemic Banking Crises Database: An Update." *IMF Working Paper* 12/163. Washington DC: IMF. All weighting is based on World Economic Forum analysis.

3.12

Local currency sovereign rating

This variable measures the probability that a country will pay its local currency borrowing in a full and timely manner | 2012

RANK	COUNTRY/ECONOMY	VALUE
1	Australia	20.00
1	Canada	20.00
1	Denmark	20.00
1	Germany	20.00
1	Hong Kong SAR	20.00
1	Norway	20.00
1	Singapore	20.00
1	Sweden	20.00
1	Switzerland	20.00
1	United Kingdom	20.00
11	Finland	19.70
11	Netherlands	19.70
13	Austria	18.70
13	France	18.70
13	United States	18.70
16	Chile	18.30
17	Czech Republic	18.00
17	Kuwait	18.00
19	Belgium	17.70
20	China	17.00
20	Israel	17.00
20	Saudi Arabia	17.00
23	Japan	16.70
24	Korea, Rep.	16.00
25	Malaysia	15.00
25	Poland	15.00
25	Slovak Republic	15.00
28	South Africa	14.70
29	Brazil	14.00
29	Mexico	14.00
29	Thailand	14.00
32	Colombia	13.00
32	Kazakhstan	13.00
32	Peru	13.00
32	Russian Federation	13.00
36	Ireland	12.70
36	Italy	12.70
36	Spain	12.70
39	Morocco	12.00
39	Panama	12.00
41	Bahrain	11.70
42	Turkey	11.00
43	India	10.70
44	Indonesia	10.30
45	Philippines	10.00
45	Romania	10.00
47	Hungary	9.70
48	Jordan	8.70
48	Portugal	8.70
50	Bangladesh	8.00
50	Vietnam	8.00
52	Nigeria	7.30
53	Kenya	7.00
53	Venezuela	7.00
55	Ukraine	6.70
56	Ghana	6.00
57	Argentina	5.70
57	Egypt	5.70
59	Pakistan	5.00
60	Greece	3.00
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a

SOURCE: Standard and Poor's (data retrieved July 2012)

3.13

Foreign currency sovereign rating

This variable measures the probability that a country will pay its foreign currency borrowing in a full and timely manner | 2012

RANK	COUNTRY/ECONOMY	VALUE
1	Australia	20.00
1	Canada	20.00
1	Denmark	20.00
1	Germany	20.00
1	Hong Kong SAR	20.00
1	Norway	20.00
1	Singapore	20.00
1	Sweden	20.00
1	Switzerland	20.00
1	United Kingdom	20.00
11	Finland	19.70
11	Netherlands	19.70
13	Austria	18.70
13	France	18.70
13	United States	18.70
16	Kuwait	18.00
17	Belgium	17.70
18	China	17.00
18	Czech Republic	17.00
18	Saudi Arabia	17.00
21	Japan	16.70
22	Chile	16.30
23	Israel	16.00
24	Korea, Rep.	15.00
24	Slovak Republic	15.00
26	Malaysia	14.00
26	Poland	14.00
28	Kazakhstan	13.00
28	Thailand	13.00
30	Ireland	12.70
30	Italy	12.70
30	South Africa	12.70
30	Spain	12.70
34	Brazil	12.00
34	Mexico	12.00
34	Panama	12.00
34	Peru	12.00
34	Russian Federation	12.00
39	Bahrain	11.70
40	Colombia	11.00
40	Morocco	11.00
42	India	10.70
43	Indonesia	10.30
44	Philippines	10.00
44	Romania	10.00
46	Hungary	9.70
47	Turkey	9.00
48	Jordan	8.70
48	Portugal	8.70
50	Bangladesh	8.00
50	Vietnam	8.00
52	Nigeria	7.30
53	Kenya	7.00
53	Venezuela	7.00
55	Ukraine	6.70
56	Ghana	6.00
57	Argentina	5.70
57	Egypt	5.70
59	Pakistan	5.00
60	Greece	3.00
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a

SOURCE: Standard and Poor's (data retrieved July 2012)

3.14

Aggregate macroeconomic indicator

This is an aggregate measure of macroeconomic soundness based on real GDP growth, deposit interest rate, inflation volatility, and inflation level | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Peru	6.38
2	Kuwait	6.35
3	Chile	6.27
4	Panama	6.25
5	Malaysia	6.14
6	Saudi Arabia	6.00
7	Colombia	5.99
8	Israel	5.96
9	China	5.95
10	United Arab Emirates	5.94
11	France	5.73
12	Mexico	5.61
13	Switzerland	5.55
14	Czech Republic	5.55
15	Canada	5.52
16	Singapore	5.49
17	Germany	5.49
18	Finland	5.47
19	Kazakhstan	5.47
20	Japan	5.46
21	Argentina	5.45
22	United States	5.44
23	Sweden	5.41
24	Philippines	5.41
25	Belgium	5.36
26	Bahrain	5.36
27	Korea, Rep.	5.35
28	Indonesia	5.28
29	Poland	5.25
30	Austria	5.23
31	Norway	5.18
32	Morocco	5.16
33	Italy	5.12
34	Jordan	5.10
35	Netherlands	5.08
36	South Africa	5.02
37	Slovak Republic	4.99
38	Thailand	4.98
39	Australia	4.95
40	Denmark	4.89
41	Hungary	4.85
42	Ireland	4.84
43	Nigeria	4.84
44	Hong Kong SAR	4.72
45	United Kingdom	4.72
46	Romania	4.69
47	Brazil	4.67
48	Tanzania	4.50
49	Spain	4.46
50	Russian Federation	4.42
51	India	4.18
52	Kenya	4.18
53	Ukraine	4.15
54	Portugal	4.00
55	Egypt	3.80
56	Bangladesh	3.68
57	Turkey	3.64
58	Ghana	3.52
59	Pakistan	3.41
60	Greece	2.96
61	Vietnam	2.85
62	Venezuela	2.51

SOURCE: GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved July 2012); deposit rate from World Bank, *World Development Indicators and Global Development Finance* (data retrieved July 2012); inflation volatility data from Thomson Reuters Datastream (data retrieved July 2012)

3.15

Manageability of public debt

This variable is based on total debt owed by the government to domestic residents, foreign nationals, and multilateral institutions as a percent of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Kuwait.....	6.23
2	Russian Federation.....	8.30
3	Chile.....	9.20
4	Kazakhstan.....	12.81
5	Saudi Arabia.....	13.00
6	China.....	15.10
7	Nigeria.....	18.45
8	Peru.....	19.88
9	Indonesia.....	24.70
10	Australia.....	26.85
11	Romania.....	31.23
12	Bangladesh.....	31.76
13	South Africa.....	33.89
14	Venezuela.....	34.86
15	Mexico.....	35.38
16	Korea, Rep.....	35.59
17	Ghana.....	35.92
18	Ukraine.....	36.00
19	Switzerland.....	36.51
20	Sweden.....	38.37
21	Turkey.....	39.74
22	Hong Kong SAR.....	39.86
23	Czech Republic.....	41.24
24	Argentina.....	41.42
25	Panama.....	42.56
26	United Arab Emirates.....	43.26
27	Slovak Republic.....	43.30
28	Denmark.....	44.10
29	Tanzania.....	44.39
30	Colombia.....	44.45
31	Thailand.....	45.47
32	Pakistan.....	48.37
33	Finland.....	48.56
34	Philippines.....	50.86
35	India.....	51.10
36	Vietnam.....	51.47
37	Kenya.....	51.99
38	Bahrain.....	53.42
39	Malaysia.....	53.49
40	Poland.....	53.83
41	Brazil.....	54.16
42	Norway.....	57.52
43	Jordan.....	58.01
44	Morocco.....	64.70
45	Netherlands.....	64.98
46	United States.....	67.10
47	Spain.....	68.12
48	Austria.....	71.87
49	Israel.....	72.82
50	Hungary.....	80.60
51	Germany.....	81.24
52	Egypt.....	83.58
53	United Kingdom.....	85.74
54	France.....	85.76
55	Canada.....	87.40
56	Belgium.....	97.92
57	Portugal.....	107.41
58	Ireland.....	108.01
59	Singapore.....	108.32
60	Italy.....	120.11
61	Greece.....	163.27
62	Japan.....	211.77

SOURCE: Public debt data from the Economist Intelligence Unit, *CountryData Database* (data retrieved July 2012); GDP data from the IMF, *World Economic Outlook Database*, April 2012

3.16

Credit default swap spreads

This measure shows the spreads on sovereign credit default swaps | 2012

RANK	COUNTRY/ECONOMY	VALUE
1	Norway.....	36.17
2	United States.....	43.60
3	Canada.....	50.72
4	Switzerland.....	55.05
5	Sweden.....	55.48
6	Finland.....	70.76
7	United Kingdom.....	75.83
8	Hong Kong SAR.....	76.05
9	Australia.....	76.93
10	Singapore.....	80.11
11	Germany.....	89.25
12	Netherlands.....	104.25
13	Chile.....	111.71
14	Japan.....	113.78
15	Denmark.....	114.73
16	Saudi Arabia.....	122.29
17	China.....	128.39
18	Malaysia.....	130.03
19	Czech Republic.....	131.07
20	Panama.....	138.54
21	Korea, Rep.....	141.05
22	Colombia.....	141.89
23	Mexico.....	143.15
24	Brazil.....	149.07
25	Peru.....	153.42
26	Thailand.....	160.27
27	Israel.....	165.63
28	Austria.....	166.25
29	South Africa.....	167.04
30	Philippines.....	173.90
31	France.....	186.29
32	Indonesia.....	196.43
33	Russian Federation.....	217.21
34	Poland.....	223.90
35	Slovak Republic.....	231.58
36	Kazakhstan.....	239.99
37	Turkey.....	244.36
38	Morocco.....	245.20
39	Belgium.....	263.72
40	Bahrain.....	352.18
41	Vietnam.....	364.38
42	Romania.....	371.55
43	United Arab Emirates.....	395.78
44	Italy.....	415.38
45	Nigeria.....	425.67
46	Spain.....	438.09
47	Hungary.....	511.99
48	Egypt.....	561.97
49	Ireland.....	668.01
50	Ukraine.....	784.09
51	Venezuela.....	926.73
52	Argentina.....	943.25
53	Portugal.....	1,088.01
54	Greece.....	4,371.54
n/a	Bangladesh.....	n/a
n/a	Ghana.....	n/a
n/a	India.....	n/a
n/a	Jordan.....	n/a
n/a	Kenya.....	n/a
n/a	Kuwait.....	n/a
n/a	Pakistan.....	n/a
n/a	Tanzania.....	n/a

SOURCE: Markit CDS; Bloomberg; Thomson Reuters Datastream; data retrieved July 2012

Section IV

Banking financial services

4.01

Deposit money bank assets to GDP

These are claims on the domestic real nonfinancial sector by deposit money banks as a share of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	245.11
2	Spain	229.55
3	Denmark	219.72
4	Netherlands	217.65
5	Hong Kong SAR	207.44
6	United Kingdom	202.58
7	Portugal	201.15
8	Switzerland	186.01
9	Japan	180.04
10	Italy	145.17
11	Canada ¹	140.14
12	Sweden	138.67
13	Austria	136.04
14	Australia	131.42
15	China	130.53
16	France	130.38
17	Germany	130.36
18	Greece	128.96
19	Malaysia	123.92
20	Singapore	123.90
21	Vietnam	118.13
22	Belgium	115.74
23	Korea, Rep.	105.40
24	Thailand	104.56
25	Israel	100.93
26	Finland	97.39
27	Jordan	95.22
28	Bahrain	90.30
29	Morocco	86.68
30	Panama	82.78
31	Brazil	82.53
32	South Africa	82.28
33	Kuwait ¹	82.02
34	Hungary	81.89
35	Ukraine	70.98
36	Chile	70.54
37	Czech Republic	69.64
38	Slovak Republic	66.13
39	Egypt	65.13
40	United States	64.63
41	Turkey	63.74
42	India	61.52
43	Bangladesh	59.17
44	Saudi Arabia	58.61
45	Romania	49.95
46	Russian Federation	46.15
47	Kenya	45.86
48	Kazakhstan	43.42
49	Philippines	42.78
50	Nigeria	40.26
51	Colombia	38.01
52	Pakistan	36.62
53	Mexico	34.03
54	Indonesia	29.40
55	Peru	24.29
56	Ghana	23.80
57	Tanzania	22.56
58	Venezuela	22.04
59	Argentina	21.56
60	Poland	11.79
n/a	Norway	n/a
n/a	United Arab Emirates	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

4.02

Central bank assets to GDP

These are claims on the domestic real nonfinancial sector by the central bank as a share of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Brazil	18.31
2	Japan	15.51
3	United Kingdom	13.49
4	Egypt	13.20
5	Pakistan	9.71
6	Argentina	8.26
7	United States	6.17
8	Greece	5.98
9	Ghana	5.92
10	Ukraine	5.89
11	Jordan	5.84
12	Panama	5.16
13	Italy	4.37
14	Indonesia	4.35
15	Vietnam	3.99
16	China	3.92
17	Tanzania	3.45
18	Bangladesh	3.28
19	India	3.28
20	Australia	3.24
21	Canada	3.21
22	Philippines	3.08
23	Thailand	2.99
24	Kenya	2.53
25	Singapore	2.46
26	France	2.16
27	Spain	1.98
28	Nigeria	1.80
29	Israel ¹	1.64
30	Korea, Rep.	1.35
31	Ireland	1.12
32	Hungary	1.00
33	Turkey	0.99
34	Morocco	0.89
35	Belgium	0.85
36	Chile	0.84
37	Russian Federation	0.79
38	Austria	0.50
39	Colombia	0.46
40	South Africa	0.39
41	Venezuela	0.35
42	Malaysia	0.32
43	Switzerland	0.25
44	Netherlands	0.19
45	Germany	0.18
46	Finland	0.16
47	Denmark	0.11
48	Slovak Republic ¹	0.02
49	Kazakhstan	0.02
n/a	Bahrain	n/a
n/a	Czech Republic	n/a
n/a	Hong Kong SAR	n/a
n/a	Kuwait	n/a
n/a	Mexico	n/a
n/a	Norway	n/a
n/a	Peru	n/a
n/a	Poland	n/a
n/a	Portugal	n/a
n/a	Romania	n/a
n/a	Saudi Arabia	n/a
n/a	Sweden	n/a
n/a	United Arab Emirates	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

4.03

Financial system deposits to GDP

This variable shows the demand, time, and savings deposits in deposit-money banks and other financial institutions as a share of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR.....	305.82
2	Japan ¹	178.77
3	United Kingdom ¹	163.39
4	Spain.....	159.61
5	Switzerland.....	145.85
6	Netherlands.....	139.79
7	Ireland.....	134.69
8	Belgium.....	130.43
9	Portugal.....	126.23
10	Singapore.....	124.00
11	Germany.....	117.50
12	Malaysia ¹	109.05
13	Austria.....	105.88
14	Greece.....	101.67
15	Australia.....	98.82
16	Canada ¹	98.13
17	Jordan.....	91.20
18	Israel.....	88.40
19	Panama ¹	87.26
20	France.....	86.47
21	Italy.....	84.68
22	Bahrain.....	82.50
23	United States ¹	82.12
24	Morocco ¹	81.60
25	Thailand ¹	79.25
26	Egypt ¹	75.46
27	Denmark ¹	71.82
28	Korea, Rep.....	68.21
29	South Africa ¹	67.21
30	Kuwait ¹	65.80
31	Brazil ¹	65.28
32	Finland.....	63.19
33	Czech Republic ¹	62.28
34	India.....	58.89
35	Sweden ¹	55.92
36	Chile ¹	54.70
37	Slovak Republic.....	53.84
38	Bangladesh ¹	51.72
39	China.....	50.97
40	Philippines ¹	50.88
41	Hungary ¹	49.78
42	Turkey ¹	42.17
43	Poland ¹	41.64
44	Kazakhstan ¹	38.77
45	Russian Federation ¹	37.24
46	Pakistan ¹	36.66
47	Indonesia ¹	33.16
48	Romania ¹	32.12
49	Saudi Arabia.....	29.58
50	Kenya ¹	29.57
51	Peru.....	27.34
52	Nigeria ¹	25.35
53	Tanzania ¹	25.05
54	Venezuela.....	24.90
55	Mexico ¹	23.09
56	Colombia ¹	21.85
57	Argentina.....	18.74
58	Vietnam.....	14.12
n/a	Ghana.....	n/a
n/a	Norway.....	n/a
n/a	Ukraine.....	n/a
n/a	United Arab Emirates.....	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

4.04

M2 to GDP

This variable is the money and quasi-money supply as a percent of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR.....	320.54
2	China.....	170.62
3	Japan.....	168.17
4	Switzerland.....	166.07
5	Spain.....	162.40
6	Portugal.....	142.89
7	United Kingdom.....	141.29
8	Netherlands.....	138.07
9	Malaysia.....	133.89
10	Singapore.....	130.25
11	Germany.....	123.59
12	Thailand.....	121.46
13	Ireland.....	116.01
14	Belgium.....	113.46
15	Jordan.....	111.10
16	Vietnam.....	110.36
17	Austria.....	101.74
18	Greece.....	100.79
19	Australia.....	99.73
20	Italy.....	97.02
21	France.....	92.13
22	Morocco.....	83.54
23	Panama.....	82.90
24	Canada.....	81.27
25	Bahrain.....	81.00
26	Korea, Rep.....	75.54
27	India.....	75.18
28	Egypt.....	73.90
29	Czech Republic.....	72.69
30	Finland.....	69.65
31	Norway.....	61.11
32	United Arab Emirates.....	60.71
33	United States.....	59.65
34	Sweden.....	59.27
35	South Africa.....	59.11
36	Slovak Republic.....	58.33
37	Kuwait.....	54.65
38	Poland.....	54.06
39	Denmark.....	53.26
40	Saudi Arabia.....	53.15
41	Hungary.....	53.07
42	Mexico.....	52.86
43	Israel.....	51.86
44	Chile.....	51.25
45	Bangladesh.....	51.16
46	Ukraine.....	49.43
47	Kenya.....	47.21
48	Philippines.....	43.68
49	Russian Federation.....	41.48
50	Pakistan.....	36.20
51	Brazil.....	36.13
52	Indonesia.....	35.94
53	Romania.....	35.83
54	Colombia.....	34.88
55	Peru.....	34.46
56	Turkey.....	31.29
57	Nigeria.....	30.69
58	Venezuela.....	30.07
59	Ghana.....	28.42
60	Kazakhstan.....	27.88
61	Argentina.....	25.85
62	Tanzania.....	22.30

SOURCE: M2 supply data from the Economist Intelligence Unit, *CountryData Database* (data retrieved July 2012); GDP data from the IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

4.05

Private credit to GDP

This variable shows private credit by deposit money banks and other financial institutions as a percent of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark ¹	229.78
2	Ireland	228.21
3	Spain	208.40
4	Netherlands	205.45
5	United Kingdom	202.58
6	United States	192.24
7	Portugal	186.57
8	Japan	172.24
9	Switzerland	172.17
10	Hong Kong SAR	167.04
11	South Africa	139.80
12	Sweden ¹	133.42
13	Australia	128.66
14	Austria	121.29
15	China	120.26
16	Bahrain	116.18
17	Italy	114.79
18	Canada ¹	114.54
19	France	111.59
20	Thailand	111.03
21	Vietnam	109.09
22	Malaysia	109.00
23	Germany	107.70
24	Greece	105.92
25	Korea, Rep.	99.18
26	Singapore	99.04
27	Belgium	94.61
28	Finland	92.04
29	Israel	91.53
30	Chile	83.73
31	Kuwait ¹	82.70
32	Panama	78.80
33	Hungary ¹	72.87
34	Morocco	72.19
35	Jordan	67.47
36	Saudi Arabia	64.09
37	Ukraine	61.90
38	Czech Republic ¹	56.04
39	Brazil	51.69
40	Poland ¹	47.82
41	Slovak Republic	47.13
42	Romania	45.78
43	India	43.52
44	Russian Federation	42.66
45	Bangladesh	41.24
46	Colombia	40.34
47	Kazakhstan	39.54
48	Turkey	38.05
49	Egypt	32.32
50	Kenya	30.58
51	Nigeria	30.33
52	Philippines	27.72
53	Indonesia	26.39
54	Peru	22.84
55	Mexico	22.82
56	Pakistan	21.02
57	Venezuela	18.06
58	Tanzania	14.60
59	Ghana	13.72
60	Argentina	12.70
n/a	Norway	n/a
n/a	United Arab Emirates	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

4.06

Bank deposits to GDP

This variable shows the demand, time, and savings deposits in deposit money banks as a share of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	305.82
2	Japan ¹	179.93
3	United Kingdom ¹	170.93
4	Spain	159.61
5	Switzerland	145.85
6	Netherlands	139.79
7	Ireland	134.69
8	Belgium	130.43
9	Portugal	126.23
10	Singapore	121.02
11	Germany	117.50
12	Malaysia ¹	109.12
13	Austria	105.88
14	Canada ¹	103.61
15	Greece	101.67
16	Australia	98.82
17	Jordan	91.20
18	Israel	88.40
19	Panama ¹	87.77
20	France	86.47
21	Italy	84.68
22	United States ¹	83.12
23	Bahrain	82.50
24	Morocco ¹	81.60
25	Thailand ¹	78.98
26	Egypt ¹	75.42
27	Denmark ¹	72.35
28	United Arab Emirates ¹	70.85
29	Kuwait ¹	70.55
30	Korea, Rep.	68.21
31	South Africa ¹	67.15
32	Brazil ¹	66.42
33	Finland	63.19
34	Czech Republic ¹	61.95
35	India	58.89
36	Sweden ¹	56.57
37	Chile ¹	55.19
38	Slovak Republic	53.84
39	Bangladesh ¹	51.33
40	China	50.97
41	Hungary ¹	50.14
42	Philippines ¹	45.31
43	Turkey ¹	42.14
44	Poland ¹	41.55
45	Kazakhstan ¹	39.05
46	Pakistan ¹	35.72
47	Russian Federation ¹	35.63
48	Indonesia ¹	33.20
49	Romania ¹	32.03
50	Saudi Arabia	29.58
51	Kenya ¹	28.61
52	Peru	27.34
53	Nigeria ¹	26.05
54	Tanzania ¹	25.32
55	Venezuela	24.80
56	Mexico ¹	22.72
57	Colombia ¹	22.11
58	Argentina	18.66
59	Vietnam	14.12
n/a	Ghana	n/a
n/a	Norway	n/a
n/a	Ukraine	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

4.07

Money market instruments to GDP

This variable is total money market instruments (US\$ billions) as a percent of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	18.59
2	Netherlands	13.58
3	Sweden	8.16
4	Hong Kong SAR	6.73
5	United Kingdom	6.64
6	Finland	4.97
7	Greece	4.65
8	Austria	4.30
9	Singapore	4.28
10	Germany	4.19
11	France	3.39
12	Belgium	3.17
13	Australia	2.68
14	Norway	2.31
15	Denmark	1.89
16	Portugal	1.24
17	Spain	0.71
18	Korea, Rep.	0.57
19	Panama	0.46
20	United States	0.31
21	Israel	0.22
22	Canada	0.07
23	United Arab Emirates	0.06
24	Czech Republic	0.06
25	Brazil	0.04
26	Argentina	0.03
27	Switzerland	0.02
28	Kazakhstan	0.02
29	Japan	0.02
30	Mexico	0.00
31	South Africa	0.00
32	Italy	0.00
33	Bahrain	0.00
33	Bangladesh ¹	0.00
33	Chile	0.00
33	China	0.00
33	Colombia	0.00
33	Egypt	0.00
33	Ghana	0.00
33	Hungary	0.00
33	India	0.00
33	Indonesia	0.00
33	Jordan	0.00
33	Kenya	0.00
33	Kuwait	0.00
33	Malaysia	0.00
33	Morocco	0.00
33	Nigeria	0.00
33	Pakistan	0.00
33	Peru	0.00
33	Philippines	0.00
33	Poland	0.00
33	Romania	0.00
33	Russian Federation	0.00
33	Saudi Arabia	0.00
33	Slovak Republic	0.00
33	Tanzania ¹	0.00
33	Thailand	0.00
33	Turkey	0.00
33	Ukraine	0.00
33	Venezuela	0.00
33	Vietnam	0.00

SOURCE: Bank for International Settlements, *BIS Quarterly Review*, June 2012

¹ 2010

4.08

Aggregate profitability indicator

This variable is based on a three-year average of three measures of profitability: net interest margin, bank return on assets, and bank return on equity | 2008–2010

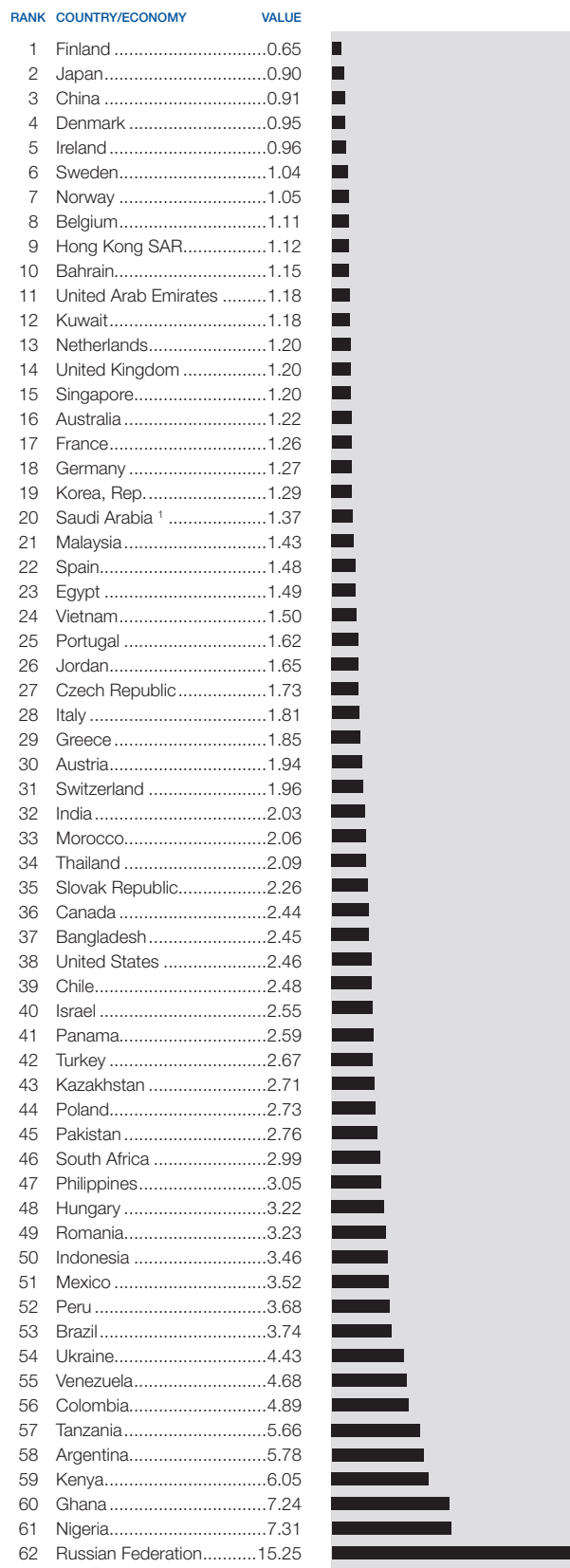
RANK	COUNTRY/ECONOMY	VALUE
1	Czech Republic	5.98
2	Bangladesh	5.83
3	Saudi Arabia	5.77
4	China	5.60
5	Australia	5.55
6	Singapore	5.49
7	Vietnam	5.48
8	Kenya	5.37
9	Colombia	5.36
10	Hong Kong SAR	5.36
11	Turkey	5.32
12	India	5.25
13	Malaysia	5.24
14	Egypt	5.22
15	Korea, Rep.	5.19
16	Panama	5.19
17	Sweden	5.18
18	Norway	5.17
19	Morocco	5.11
20	Thailand	5.10
21	Finland	5.10
22	Tanzania	5.10
23	Spain	5.07
24	Indonesia	5.02
25	Peru	5.00
26	Argentina	4.94
27	Jordan	4.92
28	Kuwait	4.91
29	Hungary	4.86
30	Venezuela	4.82
31	Ghana	4.71
32	Canada	4.66
33	Slovak Republic	4.64
34	Bahrain	4.59
35	United Kingdom	4.58
36	Poland	4.57
37	Japan	4.47
38	Romania	4.47
39	Israel	4.43
40	United Arab Emirates	4.43
41	Pakistan	4.42
42	Philippines	4.39
43	Italy	4.33
44	France	4.25
45	Russian Federation	4.16
46	Austria	4.12
47	Denmark	4.07
48	Portugal	3.94
49	South Africa	3.89
50	United States	3.89
51	Brazil	3.82
52	Mexico	3.77
53	Germany	3.67
54	Greece	3.46
55	Netherlands	3.41
56	Chile	3.37
57	Switzerland	3.04
58	Ireland	3.00
59	Belgium	2.65
60	Nigeria	2.36
61	Kazakhstan	1.82
62	Ukraine	1.15

SOURCE: World Bank, *Global Financial Development Database*, September 2012

4.09

Bank overhead costs

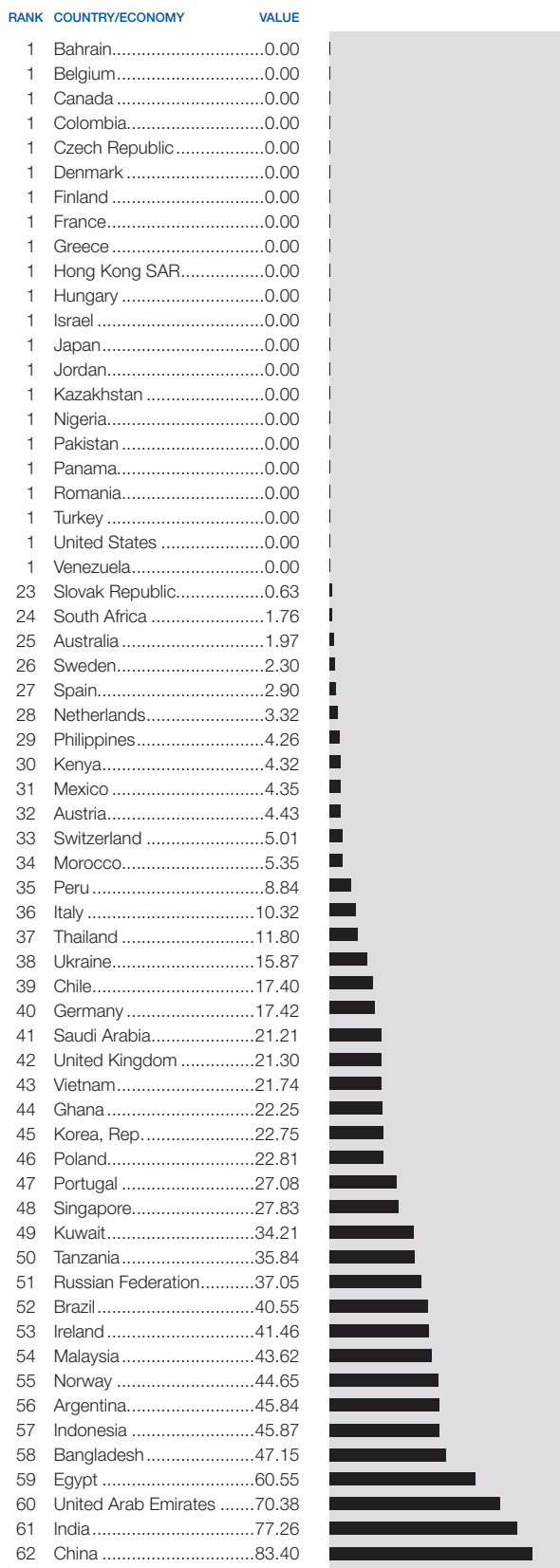
This is bank overhead costs as a percent of total assets | 2010

SOURCE: World Bank, *Global Financial Development Database*, September 2012¹ 2009

4.10

Public ownership of banks

This variable is the percent of assets held by the 10 largest banks that is located in banks that are more than 25 percent government-owned | 2011



SOURCE: BankScope database (data retrieved July 2012)

4.11

Bank operating costs to assets

This is non-interest expense as a percent of average assets in the last reported year | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Sweden	0.84
2	Finland	0.85
3	Japan	0.86
4	Denmark	0.88
5	Germany	0.96
6	Norway	0.96
7	Ireland	0.98
8	Belgium	0.98
9	Hong Kong SAR	1.00
10	China	1.04
11	Singapore	1.11
12	Netherlands	1.11
13	France	1.17
14	Korea, Rep.	1.24
15	United Arab Emirates	1.27
16	United Kingdom	1.32
17	Australia	1.32
18	Saudi Arabia	1.34
19	Kuwait	1.44
20	Spain	1.46
21	Vietnam	1.51
22	Bahrain	1.56
23	Malaysia	1.57
24	Egypt	1.59
25	Jordan	1.68
26	Switzerland	1.75
27	Portugal	1.76
28	Czech Republic	1.79
29	Canada	1.85
30	Austria	1.88
31	Greece	2.00
32	Bangladesh	2.13
33	Thailand	2.13
34	Kazakhstan	2.20
35	Panama	2.21
36	Morocco	2.21
37	United States	2.26
38	Slovak Republic	2.30
39	Poland	2.56
40	Chile	2.59
41	India	2.63
42	Pakistan	2.93
43	Philippines	3.15
44	Romania	3.21
45	South Africa	3.27
46	Mexico	3.34
47	Turkey	3.41
48	Russian Federation	3.49
49	Hungary	3.50
50	Brazil	3.61
51	Indonesia	3.80
52	Ukraine	4.20
53	Israel	4.30
54	Peru	4.40
55	Italy	4.86
56	Nigeria	5.18
57	Colombia	5.55
58	Venezuela	5.64
59	Tanzania	6.14
60	Argentina	6.37
61	Kenya	6.50
62	Ghana	8.36

SOURCE: BankScope database (data retrieved July 2012)

4.12

Non-performing bank loans to total loans

This variable is the percent of non-performing bank loans relative to total number of loans outstanding | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Finland	0.54
2	Hong Kong SAR	0.69
3	Canada	0.80
4	Switzerland ²	0.86
5	Panama	0.86
6	China	1.00
7	Argentina	1.20
7	Singapore	1.20
9	Korea, Rep.	1.40
10	Venezuela	1.44
11	Norway	1.68
12	Australia	1.98
13	Sweden ¹	1.99
14	Mexico	2.10
15	Indonesia	2.20
16	India	2.30
17	Chile	2.35
18	Japan	2.40
19	Peru	2.47
20	Colombia	2.50
21	Israel	2.50
22	Malaysia	2.68
23	Turkey	2.70
24	Austria	2.71
25	Netherlands	2.72
26	Belgium	2.80
27	Thailand	2.94
28	Saudi Arabia ²	3.00
29	Philippines	3.30
30	Brazil	3.47
31	Denmark	3.48
32	France	3.70
32	Germany ²	3.70
34	United Kingdom	3.88
35	United States	4.09
36	Kenya	4.40
37	South Africa	4.69
38	Morocco	4.90
39	Spain	5.27
40	Czech Republic	5.45
41	Slovak Republic	5.61
42	United Arab Emirates	6.20
43	Russian Federation	6.59
44	Portugal	6.94
45	Poland	8.20
46	Jordan	8.50
47	Kuwait ²	8.90
48	Italy	10.97
49	Egypt	11.00
50	Nigeria	11.60
51	Hungary	13.34
52	Ghana	14.10
52	Romania	14.10
54	Ireland	14.66
55	Greece	14.70
56	Ukraine	14.73
57	Pakistan	16.20
58	Kazakhstan	30.80
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Tanzania	n/a
n/a	Vietnam	n/a

SOURCE: IMF, Global Financial Stability Report, April 2012

¹ 2009 ² 2010

4.13

Private credit bureau coverage

This variable is the percent of adults covered by a private credit registry | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Argentina.....	100.00
1	Australia.....	100.00
1	Canada.....	100.00
1	Germany.....	100.00
1	Ireland.....	100.00
1	Israel.....	100.00
1	Italy.....	100.00
1	Korea, Rep.....	100.00
1	Norway.....	100.00
1	Sweden.....	100.00
1	United Kingdom.....	100.00
1	United States.....	100.00
13	Japan.....	99.00
14	Mexico.....	98.10
15	Czech Republic.....	95.70
16	Hong Kong SAR.....	86.30
17	Malaysia.....	83.40
18	Netherlands.....	83.20
19	Greece.....	82.40
20	Poland.....	74.80
21	Colombia.....	71.20
22	Brazil.....	61.50
23	Turkey.....	60.50
24	Slovak Republic.....	56.10
25	Panama.....	53.80
25	Singapore.....	53.80
27	South Africa.....	52.00
28	Austria.....	51.60
29	Romania.....	42.00
30	Thailand.....	41.70
31	Bahrain.....	40.00
32	Kazakhstan.....	37.60
33	Peru.....	36.00
34	Russian Federation.....	35.80
35	United Arab Emirates.....	29.20
36	Kuwait.....	29.00
37	Switzerland.....	27.30
38	Chile.....	25.80
39	Portugal.....	21.50
40	Finland.....	20.50
41	Ukraine.....	17.00
42	Hungary.....	16.10
43	Saudi Arabia.....	16.00
44	India.....	15.10
45	Morocco.....	14.60
46	Egypt.....	13.70
47	Spain.....	11.40
48	Philippines.....	8.20
49	Denmark.....	7.30
50	Kenya.....	4.50
51	Ghana.....	3.30
52	Pakistan.....	2.00
53	Bangladesh.....	0.00
53	Belgium.....	0.00
53	China.....	0.00
53	France.....	0.00
53	Indonesia.....	0.00
53	Jordan.....	0.00
53	Nigeria.....	0.00
53	Tanzania.....	0.00
53	Venezuela.....	0.00
53	Vietnam.....	0.00

SOURCE: The World Bank, *Doing Business 2012*

4.14

Public credit registry coverage

This variable is the percent of adults covered by a public credit registry | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Portugal.....	86.20
2	China.....	82.50
3	Belgium.....	72.60
4	Spain.....	54.70
5	Malaysia.....	49.40
6	France.....	43.30
7	Brazil.....	36.10
8	Argentina.....	35.90
9	Chile.....	35.60
10	Indonesia.....	31.80
11	Vietnam.....	29.80
12	Peru.....	28.50
13	Turkey.....	23.80
14	Italy.....	23.00
15	Romania.....	15.20
16	United Arab Emirates.....	9.00
17	Pakistan.....	6.90
18	Czech Republic.....	6.10
19	Egypt.....	3.50
20	Slovak Republic.....	2.60
21	Austria.....	1.70
22	Jordan.....	1.60
23	Germany.....	1.30
24	Bangladesh.....	0.60
25	Nigeria.....	0.10
26	Australia.....	0.00
26	Bahrain.....	0.00
26	Canada.....	0.00
26	Colombia.....	0.00
26	Denmark.....	0.00
26	Finland.....	0.00
26	Ghana.....	0.00
26	Greece.....	0.00
26	Hong Kong SAR.....	0.00
26	Hungary.....	0.00
26	India.....	0.00
26	Ireland.....	0.00
26	Israel.....	0.00
26	Japan.....	0.00
26	Kazakhstan.....	0.00
26	Kenya.....	0.00
26	Korea, Rep.....	0.00
26	Kuwait.....	0.00
26	Mexico.....	0.00
26	Morocco.....	0.00
26	Netherlands.....	0.00
26	Norway.....	0.00
26	Panama.....	0.00
26	Philippines.....	0.00
26	Poland.....	0.00
26	Russian Federation.....	0.00
26	Saudi Arabia.....	0.00
26	Singapore.....	0.00
26	South Africa.....	0.00
26	Sweden.....	0.00
26	Switzerland.....	0.00
26	Tanzania.....	0.00
26	Thailand.....	0.00
26	Ukraine.....	0.00
26	United Kingdom.....	0.00
26	United States.....	0.00
26	Venezuela.....	0.00

SOURCE: The World Bank, *Doing Business 2012*

Section V
Non-banking financial services

5.01

IPO market share

This is the three-year average of percent of world initial public offerings (IPOs) issued in a given country, as measured in US dollars | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	China	37.78
2	United States	16.95
3	Hong Kong SAR	6.22
4	Brazil	4.33
5	Japan	3.11
6	India	2.89
7	Korea, Rep.	2.42
8	United Kingdom	2.36
9	Malaysia	2.20
10	Australia	1.91
11	Switzerland	1.86
12	Canada	1.79
13	Poland	1.78
14	Russian Federation	1.75
15	Singapore	1.74
16	Spain	1.32
17	Italy	1.27
18	Indonesia	1.09
19	Germany	0.98
20	Norway	0.88
21	Denmark	0.57
22	France	0.55
23	Turkey	0.45
24	Netherlands	0.45
25	Saudi Arabia	0.43
26	South Africa	0.38
27	Mexico	0.38
28	Argentina	0.35
29	Chile	0.25
30	Israel	0.20
31	Thailand	0.19
32	Philippines	0.18
33	Kuwait ²	0.16
34	Finland ¹	0.15
35	Sweden	0.11
36	Colombia	0.11
37	Greece	0.11
38	Ukraine	0.11
39	Austria	0.10
40	Egypt	0.07
41	Bahrain	0.07
42	Bangladesh	0.05
43	United Arab Emirates	0.05
44	Hungary ¹	0.04
45	Nigeria	0.04
46	Kazakhstan ²	0.04
47	Belgium	0.03
48	Morocco	0.02
49	Peru	0.02
50	Czech Republic	0.02
51	Kenya	0.01
52	Ghana	0.01
53	Pakistan	0.01
54	Ireland	0.00
55	Tanzania	0.00
56	Vietnam	0.00
57	Jordan	0.00
58	Romania	0.00
n/a	Panama	n/a
n/a	Portugal	n/a
n/a	Slovak Republic	n/a
n/a	Venezuela	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012)

¹ 2007–2009 ² 2008–2010

5.02

IPO proceeds amount

This is the three-year average of total initial public offering (IPO) proceeds as a percent of GDP | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	5.07
2	Malaysia	1.72
3	Singapore	1.42
4	China	1.15
5	Poland	0.70
6	Switzerland	0.62
7	Bahrain	0.55
8	Korea, Rep.	0.45
9	Brazil	0.38
10	Norway	0.38
11	India	0.35
12	Denmark	0.33
13	Indonesia	0.29
14	Australia	0.28
15	Chile	0.22
16	United States	0.21
17	Canada	0.21
18	Russian Federation	0.21
19	South Africa	0.20
20	United Kingdom	0.19
21	Kuwait ²	0.19
22	Israel	0.17
23	Philippines	0.17
24	Saudi Arabia	0.17
25	Argentina	0.17
26	Spain	0.17
27	Ukraine	0.14
28	Turkey	0.12
29	Thailand	0.12
30	Italy	0.11
31	Japan	0.10
32	Netherlands	0.10
33	Finland ¹	0.10
34	Bangladesh	0.09
35	Kenya	0.08
36	Colombia	0.07
37	Mexico	0.07
38	Greece	0.06
39	Egypt	0.06
40	Germany	0.05
41	Ghana	0.05
42	Morocco	0.05
43	Hungary ¹	0.05
44	Sweden	0.04
45	Austria	0.04
46	Kazakhstan ²	0.04
47	France	0.04
48	Nigeria	0.03
49	United Arab Emirates	0.03
50	Peru	0.03
51	Czech Republic	0.02
52	Belgium	0.01
53	Tanzania	0.01
54	Pakistan	0.01
55	Jordan	0.00
56	Ireland	0.00
57	Vietnam	0.00
58	Romania	0.00
n/a	Panama	n/a
n/a	Portugal	n/a
n/a	Slovak Republic	n/a
n/a	Venezuela	n/a

SOURCE: IPO proceeds data from Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

¹ 2007–2009 ² 2008–2010

5.03

Share of world IPOs

This is the three-year average of the number of initial public offering (IPO) issues as a percent of total global number of issues | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	China	30.20
2	Canada	11.56
3	United States	9.32
4	Poland	8.02
5	Korea, Rep.	6.66
6	Australia	4.54
7	India	3.96
8	United Kingdom	2.48
9	Japan	2.36
10	Malaysia	2.00
11	Hong Kong SAR	1.97
12	Indonesia	1.82
13	Singapore	1.75
14	France	1.39
15	Thailand	1.24
16	Turkey	1.12
17	Brazil	0.88
18	Israel	0.79
19	Germany	0.73
20	Bangladesh	0.70
20	Saudi Arabia	0.70
22	Russian Federation	0.61
23	Spain	0.57
24	Italy	0.54
25	Norway	0.48
26	Sweden	0.36
27	South Africa	0.33
28	Ukraine	0.30
29	Philippines	0.27
30	Chile	0.24
30	Mexico	0.24
32	Czech Republic	0.15
32	Greece	0.15
34	Finland ¹	0.13
35	Belgium	0.12
35	Colombia	0.12
35	Denmark	0.12
35	Morocco	0.12
35	Netherlands	0.12
40	Kuwait ²	0.11
41	Argentina	0.09
41	Switzerland	0.09
41	United Arab Emirates	0.09
44	Kazakhstan ²	0.07
45	Austria	0.06
45	Egypt	0.06
45	Ireland	0.06
45	Kenya	0.06
45	Nigeria	0.06
45	Pakistan	0.06
51	Hungary ¹	0.03
52	Bahrain	0.03
52	Ghana	0.03
52	Jordan	0.03
52	Peru	0.03
52	Romania	0.03
52	Tanzania	0.03
52	Vietnam	0.03
n/a	Panama	n/a
n/a	Portugal	n/a
n/a	Slovak Republic	n/a
n/a	Venezuela	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012)

¹ 2007–2009 ² 2008–2010

5.04

M&A market share

This is the three-year average of the dollar value of mergers and acquisitions (M&As) occurring in a given country as a percent of the total global value | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	United States	34.41
2	United Kingdom	6.82
3	China	6.75
4	Japan	4.53
5	Australia	3.99
6	Brazil	3.92
7	Canada	3.80
8	Germany	3.80
9	Spain	3.33
10	France	3.23
11	Russian Federation	2.86
12	Italy	2.13
13	India	1.86
14	Korea, Rep.	1.85
15	Switzerland	1.75
16	Netherlands	1.69
17	Sweden	0.89
18	Hong Kong SAR	0.89
19	Belgium	0.87
20	Mexico	0.85
21	Singapore	0.70
22	Ireland	0.62
23	South Africa	0.60
24	Norway	0.55
25	Malaysia	0.54
26	Poland	0.51
27	Chile	0.48
28	Austria	0.45
29	Indonesia	0.45
30	Denmark	0.43
31	Turkey	0.41
32	Philippines	0.36
33	Colombia	0.32
34	Kazakhstan	0.32
35	Thailand	0.27
36	Israel	0.27
37	Argentina	0.23
38	Czech Republic	0.21
39	United Arab Emirates	0.21
40	Ukraine	0.20
41	Finland	0.18
42	Portugal	0.17
43	Hungary	0.14
44	Greece	0.12
45	Morocco	0.12
46	Peru	0.11
47	Vietnam	0.09
48	Egypt	0.09
49	Venezuela	0.08
50	Saudi Arabia	0.08
51	Nigeria	0.06
52	Panama	0.04
53	Kuwait	0.04
54	Romania	0.03
55	Pakistan	0.03
56	Slovak Republic	0.02
57	Bangladesh	0.02
58	Ghana	0.02
59	Bahrain	0.01
60	Jordan	0.01
61	Tanzania	0.00
n/a	Kenya	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012)

5.05

M&A transaction value to GDP

This variable is the rank value of the three-year average of mergers and acquisitions (M&A) transactions in US dollars as a percent of GDP | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR.....	9.87
2	Australia	8.08
3	Switzerland	7.97
4	Singapore.....	7.89
5	United Kingdom	7.50
6	Ireland	7.25
7	Canada	6.17
8	United States	5.96
9	Spain.....	5.79
10	Malaysia.....	5.76
11	Chile.....	5.66
12	Kazakhstan	5.43
13	Netherlands.....	5.27
14	Sweden.....	4.80
15	Russian Federation.....	4.73
16	Brazil.....	4.72
17	Korea, Rep.....	4.71
18	Philippines.....	4.61
19	Belgium.....	4.50
20	South Africa	4.28
21	Panama.....	4.13
22	Ukraine.....	3.56
23	Denmark	3.36
24	Morocco.....	3.28
25	Norway	3.27
26	India.....	3.10
27	Israel	3.09
28	France.....	3.05
29	Austria.....	2.86
30	Colombia.....	2.85
31	Germany	2.82
32	China	2.79
33	Poland.....	2.74
34	Hungary	2.65
35	Czech Republic.....	2.65
36	Italy	2.53
37	Vietnam.....	2.22
38	Thailand	2.20
39	Japan.....	2.08
40	Mexico	2.08
41	Peru.....	1.91
42	Portugal	1.82
43	Finland	1.81
44	United Arab Emirates	1.70
45	Indonesia	1.61
46	Argentina.....	1.51
47	Turkey	1.47
48	Bahrain.....	1.28
49	Ghana.....	1.19
50	Egypt	1.04
51	Greece.....	1.00
52	Jordan.....	0.98
53	Kuwait.....	0.81
54	Nigeria.....	0.75
55	Venezuela.....	0.68
56	Slovak Republic.....	0.58
57	Tanzania.....	0.54
58	Romania.....	0.50
59	Saudi Arabia.....	0.42
60	Bangladesh.....	0.38
61	Pakistan	0.36
n/a	Kenya.....	n/a

SOURCE: M&A transaction value data from Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

5.06

Share of total number of M&A deals

This is the three-year average of the percent of world mergers and acquisitions (M&A) deals occurring in a given country, as measured by the share of the total number of global M&A deals | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	United States	23.30
2	China	9.68
3	Japan.....	7.06
4	Russian Federation.....	6.18
5	United Kingdom	6.10
6	Canada	4.83
7	Australia	4.17
8	France.....	3.67
9	Germany	3.39
10	India.....	3.11
11	Korea, Rep.....	2.71
12	Spain.....	2.60
13	Sweden.....	1.99
14	Italy	1.91
15	Malaysia	1.70
16	Netherlands.....	1.44
17	Brazil.....	1.27
18	Hong Kong SAR.....	1.19
19	Singapore.....	1.00
20	Norway	0.89
21	Switzerland	0.80
22	Poland.....	0.79
23	Indonesia	0.79
24	Denmark	0.77
25	Ukraine.....	0.68
26	South Africa	0.66
27	Thailand	0.57
28	Belgium.....	0.54
29	Finland	0.47
30	Vietnam.....	0.42
31	Austria.....	0.40
32	Mexico	0.37
33	Chile.....	0.35
34	Philippines.....	0.34
35	Czech Republic.....	0.31
36	Argentina.....	0.31
37	Israel	0.30
38	Turkey	0.30
39	Ireland	0.29
40	Colombia.....	0.27
41	Portugal	0.23
42	Peru.....	0.22
43	Hungary	0.19
44	Romania.....	0.19
45	United Arab Emirates	0.15
46	Egypt	0.12
47	Kazakhstan	0.11
48	Greece	0.10
49	Jordan.....	0.09
50	Saudi Arabia.....	0.09
51	Kuwait.....	0.06
51	Slovak Republic.....	0.06
53	Morocco.....	0.06
54	Nigeria.....	0.06
55	Pakistan	0.06
56	Venezuela.....	0.05
57	Tanzania.....	0.05
58	Panama.....	0.05
59	Ghana.....	0.04
60	Bangladesh.....	0.03
61	Bahrain.....	0.03
n/a	Kenya.....	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012)

5.07

Life insurance penetration

This variable is the ratio of direct life insurance premiums from domestic sources to GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	19.77
2	South Africa	10.18
3	Hong Kong SAR	10.09
4	Japan	8.94
5	United Kingdom	8.69
6	Finland	7.66
7	Korea, Rep.	7.09
8	Denmark	6.45
9	France	6.29
10	Sweden	5.94
11	Switzerland	5.52
12	Belgium	5.05
13	Italy	4.78
14	Portugal	4.41
15	Singapore	4.34
16	Netherlands	3.71
17	India	3.61
18	United States	3.56
19	Malaysia	3.34
20	Germany	3.18
21	Australia	3.04
22	Canada	3.00
23	Israel	2.75
24	Thailand	2.67
25	Norway	2.66
26	Spain	2.63
27	Austria	2.33
28	Chile	2.25
29	Czech Republic	1.89
30	China	1.84
31	Poland	1.80
32	Brazil	1.65
33	Hungary	1.56
34	Slovak Republic	1.41
35	Indonesia	1.12
36	Kenya	1.01
37	Greece	0.97
38	Philippines	0.89
39	Morocco	0.88
40	Mexico	0.87
41	Panama	0.77
42	Peru	0.71
43	Bangladesh	0.70
44	Colombia	0.69
45	Vietnam	0.67
46	Argentina	0.58
47	Bahrain	0.57
48	Pakistan	0.35
49	United Arab Emirates	0.34
50	Egypt	0.31
51	Romania	0.29
52	Turkey	0.20
53	Jordan	0.19
54	Nigeria	0.17
55	Venezuela	0.14
56	Kazakhstan	0.12
57	Kuwait	0.10
58	Ukraine	0.10
59	Russian Federation	0.06
60	Saudi Arabia	0.05
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCE: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012

5.08

Non-life insurance penetration

This variable is the ratio of direct non-life insurance premiums from domestic sources to GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Netherlands	9.49
2	Korea, Rep.	4.59
3	United Kingdom	4.53
4	Switzerland	4.48
5	United States	4.42
6	Ireland	4.23
7	Canada	3.98
8	Germany	3.67
9	France	3.54
10	Denmark	3.36
11	Venezuela	3.28
12	Austria	3.17
13	Singapore	3.15
14	Australia	2.95
15	Belgium	2.95
16	Spain	2.73
17	Panama	2.68
18	South Africa	2.66
19	Italy	2.52
20	Portugal	2.42
21	Israel	2.38
22	Argentina	2.29
23	Russian Federation	2.27
24	Japan	2.23
25	Czech Republic	2.18
26	Norway	2.02
27	Morocco	2.00
28	Kenya	1.97
29	Jordan	1.93
30	Poland	1.92
31	Sweden	1.89
32	Finland	1.87
33	Malaysia	1.78
34	Ukraine	1.77
35	Thailand	1.74
36	Bahrain	1.65
37	Chile	1.65
38	Colombia	1.63
39	Slovak Republic	1.57
40	United Arab Emirates	1.50
41	Brazil	1.49
42	Hong Kong SAR	1.35
43	Greece	1.30
44	Hungary	1.26
45	China	1.20
46	Turkey	1.09
47	Romania	1.08
48	Mexico	1.05
49	Vietnam	0.84
50	Saudi Arabia	0.81
51	Peru	0.79
52	India	0.73
53	Kazakhstan	0.55
54	Indonesia	0.55
55	Nigeria	0.48
56	Philippines	0.46
57	Egypt	0.41
58	Kuwait	0.35
59	Pakistan	0.30
60	Bangladesh	0.23
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCE: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012

5.09

Real growth of direct insurance premiums

This is the annual real rate of growth, in percent, of direct premiums (life and non-life) based on local currency prices | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Argentina.....	21.90
2	Kenya ¹	18.00
3	Kazakhstan.....	15.70
4	Kuwait ¹	15.30
5	Turkey.....	14.20
6	Philippines.....	12.30
7	Russian Federation.....	12.00
8	Indonesia.....	11.70
9	Colombia.....	11.10
10	United Arab Emirates.....	10.30
11	Mexico.....	9.90
12	Brazil.....	8.70
13	Saudi Arabia.....	8.30
14	Panama.....	8.20
15	Chile.....	7.40
16	Malaysia.....	6.50
16	Peru.....	6.50
18	Singapore.....	6.40
19	Thailand.....	6.30
20	Japan.....	5.80
21	Australia.....	5.40
22	Korea, Rep.....	5.30
23	Norway.....	4.70
24	Israel.....	4.60
25	Hong Kong SAR.....	4.10
26	Vietnam.....	3.80
27	Jordan.....	3.50
28	Morocco ¹	3.20
29	Bahrain ¹	2.90
30	Pakistan ¹	2.80
31	Ireland.....	2.40
32	Switzerland.....	2.20
33	Poland.....	2.10
34	South Africa.....	1.90
35	Spain.....	1.00
36	Netherlands.....	0.90
37	United States.....	0.50
38	Denmark.....	0.30
39	Slovak Republic.....	-0.10
40	Canada.....	-0.50
41	Venezuela ¹	-1.30
42	United Kingdom.....	-1.80
43	Czech Republic.....	-2.50
44	Germany.....	-2.80
45	Ukraine.....	-3.20
46	Sweden.....	-3.50
47	Austria.....	-4.30
47	Belgium.....	-4.30
49	Egypt.....	-5.40
50	India.....	-5.50
51	China.....	-6.40
52	Finland.....	-6.50
52	Greece ¹	-6.50
54	Nigeria ¹	-6.90
55	Hungary.....	-7.40
56	France.....	-10.00
57	Romania.....	-10.10
58	Italy.....	-14.70
59	Portugal.....	-31.20
n/a	Bangladesh.....	n/a
n/a	Ghana.....	n/a
n/a	Tanzania.....	n/a

SOURCE: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012

¹ 2010

5.10

Life insurance density

This is the ratio of direct domestic premiums for life insurance to per capita GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	India.....	43.52
2	China.....	24.85
3	Japan.....	11.43
4	United States.....	11.11
5	United Kingdom.....	5.44
6	South Africa.....	5.15
7	France.....	3.97
8	Korea, Rep.....	3.48
9	Brazil.....	3.21
10	Italy.....	2.90
11	Indonesia.....	2.69
12	Germany.....	2.60
13	Thailand.....	1.71
14	Spain.....	1.21
15	Bangladesh.....	1.16
16	Canada.....	1.03
17	Mexico.....	0.99
18	Malaysia.....	0.96
19	Ireland.....	0.91
20	Philippines.....	0.85
21	Hong Kong SAR.....	0.72
22	Australia.....	0.69
23	Poland.....	0.68
24	Netherlands.....	0.62
25	Pakistan.....	0.62
26	Vietnam.....	0.60
27	Sweden.....	0.56
28	Belgium.....	0.55
29	Portugal.....	0.47
30	Switzerland.....	0.43
31	Finland.....	0.41
32	Kenya.....	0.41
33	Chile.....	0.39
34	Denmark.....	0.36
35	Colombia.....	0.32
36	Morocco.....	0.28
37	Nigeria.....	0.27
38	Egypt.....	0.25
39	Argentina.....	0.24
40	Singapore.....	0.23
41	Peru.....	0.21
42	Israel.....	0.21
43	Czech Republic.....	0.20
44	Austria.....	0.20
45	Hungary.....	0.16
46	Turkey.....	0.15
47	Norway.....	0.13
48	Greece.....	0.11
49	Russian Federation.....	0.09
50	Slovak Republic.....	0.08
51	Romania.....	0.06
52	Ukraine.....	0.05
53	Venezuela.....	0.04
54	Panama.....	0.03
55	Kazakhstan.....	0.02
56	United Arab Emirates.....	0.02
57	Saudi Arabia.....	0.01
58	Jordan.....	0.01
59	Bahrain.....	0.01
60	Kuwait.....	0.00
n/a	Ghana.....	n/a
n/a	Tanzania.....	n/a

SOURCE: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP per capita data from IMF, *World Economic Outlook Database*, April 2012

5.11

Non-life insurance density

This is the ratio of direct domestic premiums for non-life insurance to per capita GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	China	16.13
2	United States	13.79
3	India	8.78
4	Russian Federation	3.24
5	Germany	3.00
6	Brazil	2.91
7	Japan	2.85
8	United Kingdom	2.84
9	Korea, Rep.	2.25
10	France	2.24
11	Netherlands	1.58
12	Italy	1.53
13	Canada	1.37
14	South Africa	1.34
15	Indonesia	1.33
16	Spain	1.26
17	Mexico	1.20
18	Thailand	1.12
19	Venezuela	0.98
20	Argentina	0.94
21	Kenya	0.81
22	Turkey	0.81
23	Ukraine	0.81
24	Nigeria	0.77
25	Colombia	0.75
26	Vietnam	0.75
27	Poland	0.73
28	Australia	0.67
29	Morocco	0.65
30	Pakistan	0.53
31	Malaysia	0.51
32	Philippines	0.45
33	Bangladesh	0.38
34	Switzerland	0.35
35	Egypt	0.33
36	Belgium	0.32
37	Chile	0.29
38	Austria	0.27
39	Portugal	0.26
40	Peru	0.24
41	Romania	0.23
42	Czech Republic	0.23
43	Saudi Arabia	0.23
44	Ireland	0.19
45	Denmark	0.19
46	Israel	0.18
47	Sweden	0.18
48	Singapore	0.17
49	Greece	0.15
50	Hungary	0.13
51	Jordan	0.12
52	Finland	0.10
53	Norway	0.10
54	Hong Kong SAR	0.10
55	Panama	0.10
56	Kazakhstan	0.09
57	Slovak Republic	0.09
58	United Arab Emirates	0.08
59	Bahrain	0.02
60	Kuwait	0.01
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCE: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP per capita data from IMF, *World Economic Outlook Database*, April 2012

5.12

Relative value added of insurance to GDP

This is the value added by insurance and pension services to the economy, after costs are subtracted, as a percent of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Bahrain	5.96
2	Australia	3.99
3	Hong Kong SAR	3.81
4	Singapore	3.24
5	Switzerland	3.13
6	Israel	2.95
7	United States	2.76
8	Malaysia	2.61
9	United Arab Emirates	2.36
10	Jordan	2.34
11	Korea, Rep.	2.15
12	South Africa	2.14
13	Ukraine	2.03
14	Ireland	2.03
15	Brazil	1.94
16	Morocco	1.71
17	Egypt	1.68
18	Argentina	1.66
19	Japan	1.61
20	Kenya	1.59
21	Chile	1.58
22	Netherlands	1.51
23	Philippines	1.46
24	United Kingdom	1.41
25	Denmark	1.32
26	Canada	1.27
27	Colombia	1.27
28	Sweden	1.19
29	Belgium	1.17
30	Portugal	1.16
31	Peru	1.12
32	Turkey	1.10
33	Norway	1.08
34	India	1.05
35	Indonesia	1.05
36	France	1.02
37	Poland	0.99
38	Saudi Arabia	0.94
39	Austria	0.88
40	Panama	0.78
41	Czech Republic	0.73
42	Finland	0.66
43	China	0.65
44	Spain	0.65
45	Germany	0.61
46	Hungary	0.58
47	Thailand	0.55
48	Vietnam	0.53
49	Nigeria	0.51
50	Bangladesh	0.51
51	Pakistan	0.49
52	Slovak Republic	0.47
53	Mexico	0.43
54	Italy	0.40
55	Romania	0.40
56	Russian Federation	0.37
57	Greece	0.35
58	Kuwait	0.27
59	Venezuela	0.25
n/a	Ghana	n/a
n/a	Kazakhstan	n/a
n/a	Tanzania	n/a

SOURCE: IHS, *World Industry Services* (data retrieved August 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

5.13

Securitization to GDP

This is the three-year average of the sum of asset-backed securities (ABS), mortgage-backed securities (MBS), high-yield bonds, and highly leveraged loans' deal value as a percent of GDP | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	United States	5.05
2	Jordan ¹	3.66
3	Netherlands	2.81
4	Korea, Rep.	2.57
5	Philippines	2.31
6	United Kingdom	2.14
7	Australia	1.78
8	Kazakhstan	1.49
9	Kuwait ¹	1.38
10	Russian Federation	1.33
11	Canada	1.24
12	Ireland	1.24
13	Venezuela	0.93
14	Singapore	0.82
15	Ukraine	0.76
16	Morocco ¹	0.72
17	Indonesia	0.70
18	Hong Kong SAR	0.66
19	Peru	0.64
20	Mexico	0.64
21	Norway	0.59
22	Colombia	0.58
23	Japan	0.57
24	Germany	0.55
25	India	0.53
26	Brazil	0.52
27	Pakistan	0.50
28	Slovak Republic ¹	0.47
29	Italy	0.46
30	Argentina	0.43
31	Malaysia	0.43
32	Denmark	0.42
33	Romania ¹	0.40
34	Spain	0.35
35	Vietnam	0.35
36	Portugal	0.34
37	France	0.32
38	Switzerland	0.31
39	Chile	0.28
40	Czech Republic	0.27
41	Belgium	0.26
42	South Africa	0.25
43	Greece	0.23
44	Poland	0.21
45	Panama	0.18
46	Sweden	0.18
47	Hungary	0.17
48	Nigeria	0.16
49	Egypt	0.15
50	United Arab Emirates	0.15
51	China	0.12
52	Finland	0.11
53	Bahrain ¹	0.08
54	Israel	0.05
55	Thailand	0.04
56	Austria	0.04
57	Turkey	0.03
58	Saudi Arabia	0.03
59	Bangladesh ¹	0.01
n/a	Ghana	n/a
n/a	Kenya	n/a
n/a	Tanzania	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

¹ 2007–2009

5.14

Share of total number of securitization deals

This is the three-year average of the sum of asset-backed securities (ABS), mortgage-backed securities (MBS), high-yield bonds, and highly leveraged loans deals as a percent of total deals | 2009–2011

RANK	COUNTRY/ECONOMY	VALUE
1	United States	53.63
2	Korea, Rep.	9.89
3	India	5.60
4	Russian Federation	4.54
5	Japan	2.86
6	Canada	2.03
7	United Kingdom	1.87
8	Australia	1.66
9	Brazil	1.61
10	Argentina	1.56
11	Germany	1.53
12	Indonesia	1.22
13	Mexico	1.14
14	Philippines	1.14
15	China	0.99
16	Netherlands	0.84
17	Malaysia	0.83
18	France	0.77
19	Peru	0.65
20	Norway	0.59
20	Spain	0.59
22	Italy	0.53
23	Colombia	0.50
24	Singapore	0.39
25	Hong Kong SAR	0.36
26	Switzerland	0.24
27	Vietnam	0.21
28	Ireland	0.18
28	Ukraine	0.18
30	Chile	0.17
30	Greece	0.17
30	Sweden	0.17
33	Belgium	0.14
33	Kazakhstan	0.14
33	Poland	0.14
36	Denmark	0.12
37	Pakistan	0.11
38	Czech Republic	0.09
39	Finland	0.08
39	Turkey	0.08
41	Kuwait ¹	0.06
41	Romania ¹	0.06
43	Egypt	0.06
43	Nigeria	0.06
43	Portugal	0.06
43	South Africa	0.06
43	Venezuela	0.06
48	Hungary	0.05
48	United Arab Emirates	0.05
50	Slovak Republic ¹	0.04
51	Austria	0.03
51	Israel	0.03
51	Thailand	0.03
54	Jordan ¹	0.02
54	Morocco ¹	0.02
56	Panama	0.02
56	Saudi Arabia	0.02
58	Bahrain ¹	0.01
58	Bangladesh ¹	0.01
n/a	Ghana	n/a
n/a	Kenya	n/a
n/a	Tanzania	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012)

¹ 2007–2009

Section VI

Financial markets

6.01

Spot foreign exchange turnover

This is the percent share of the world total of spot foreign exchange turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	38.49
2	United States	26.11
3	Japan	5.61
4	Singapore	5.02
5	Switzerland	3.37
6	Australia	3.33
7	Hong Kong SAR	2.42
8	Denmark	1.83
9	Germany	1.66
10	France	1.49
11	Russian Federation	1.25
12	Korea, Rep.	1.02
13	Canada	1.01
14	India	0.74
15	Sweden	0.65
16	Italy	0.50
17	Brazil	0.48
18	China	0.48
19	Spain	0.46
20	Belgium	0.44
21	Austria	0.32
22	Turkey	0.30
23	Mexico	0.29
24	Netherlands	0.28
25	South Africa	0.22
26	Malaysia	0.22
27	Israel	0.21
28	Ireland	0.20
29	Saudi Arabia	0.18
30	Thailand	0.16
31	Chile	0.15
32	Norway	0.13
33	Indonesia	0.12
34	Philippines	0.12
35	Poland	0.11
36	Colombia	0.10
37	Argentina	0.09
38	Greece	0.07
39	Romania	0.07
40	Czech Republic	0.06
41	Portugal	0.06
42	Peru	0.06
43	Finland	0.05
44	Hungary	0.04
45	Bahrain	0.04
46	Slovak Republic	0.01
n/a	Bangladesh	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.02

Outright forward foreign exchange turnover

This is the percent share of the world total of outright forward foreign exchange turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	41.30
2	United States	21.02
3	Singapore	6.60
4	Hong Kong SAR	5.80
5	Japan	5.72
6	Switzerland	2.03
7	Denmark	2.01
8	France	1.80
9	Netherlands	1.55
10	Germany	1.47
11	Australia	1.45
12	Canada	1.14
13	Korea, Rep.	1.10
14	India	0.89
15	Brazil	0.69
16	China	0.55
17	Spain	0.48
18	Turkey	0.46
19	Ireland	0.40
20	Chile	0.38
21	Sweden	0.35
22	Austria	0.33
23	Norway	0.33
24	Belgium	0.28
25	Italy	0.23
26	Colombia	0.18
27	Thailand	0.18
28	Mexico	0.17
29	South Africa	0.12
30	Saudi Arabia	0.12
31	Malaysia	0.12
32	Philippines	0.11
33	Russian Federation	0.11
34	Portugal	0.09
35	Finland	0.08
36	Peru	0.07
37	Poland	0.06
38	Hungary	0.05
39	Indonesia	0.04
40	Czech Republic	0.04
41	Greece	0.04
42	Israel	0.03
43	Bahrain	0.02
44	Romania	0.02
45	Slovak Republic	0.01
46	Argentina	0.01
n/a	Bangladesh	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.03

Foreign exchange swap turnover

This is the percent share of the world total of foreign exchange swap turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	33.32
2	United States	11.48
3	Switzerland	7.82
4	Japan	7.23
5	Hong Kong SAR	6.32
6	Singapore	5.24
7	Australia	5.05
8	France	4.48
9	Denmark	3.11
10	Germany	2.74
11	Canada	1.45
12	Finland	1.28
13	Sweden	1.26
14	Belgium	0.97
15	Korea, Rep.	0.79
16	Russian Federation	0.79
17	Italy	0.76
18	Norway	0.75
19	Spain	0.72
20	Austria	0.46
21	Mexico	0.45
22	South Africa	0.39
23	Ireland	0.35
24	China	0.34
25	India	0.33
26	Turkey	0.29
27	Israel	0.23
28	Poland	0.23
29	Czech Republic	0.16
30	Bahrain	0.15
31	Greece	0.15
32	Thailand	0.14
33	Netherlands	0.14
34	Hungary	0.13
35	Malaysia	0.10
36	Portugal	0.08
37	Romania	0.08
38	Saudi Arabia	0.05
39	Philippines	0.05
40	Indonesia	0.04
41	Chile	0.02
42	Brazil	0.01
43	Slovak Republic	0.01
44	Colombia	0.00
45	Peru	0.00
n/a	Argentina	n/a
n/a	Bangladesh	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.04

Interest rate derivatives turnover:
Forward rate agreements

This is the percent share of world total of over-the-counter single-currency forward interest rate agreements turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	48.36
2	United States	33.98
3	France	5.88
4	Switzerland	2.54
5	Germany	1.91
6	Italy	1.06
7	Sweden	0.88
8	Australia	0.85
9	Canada	0.83
10	Singapore	0.59
11	South Africa	0.51
12	Denmark	0.47
13	Spain	0.46
14	Norway	0.45
15	Austria	0.27
16	Japan	0.25
17	Hong Kong SAR	0.17
18	Netherlands	0.12
19	Ireland	0.11
20	Poland	0.10
21	Brazil	0.07
22	Korea, Rep.	0.05
23	Belgium	0.03
24	Czech Republic	0.02
25	Hungary	0.01
26	Finland	0.01
27	Thailand	0.00
28	Malaysia ¹	0.00
29	Turkey ¹	0.00
30	Greece	0.00
31	India	0.00
32	Mexico	0.00
33	Saudi Arabia	0.00
34	Philippines ¹	0.00
35	Portugal	0.00
36	Chile ¹	0.00
37	Colombia	0.00
38	Indonesia	0.00
n/a	Argentina	n/a
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	China	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Peru	n/a
n/a	Romania	n/a
n/a	Russian Federation	n/a
n/a	Slovak Republic	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

¹ 2007

6.05

Interest rate derivatives turnover: Swaps

This is the percent share of the world total of over-the-counter single-currency interest rate swaps turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	45.30
2	United States	18.97
3	France	7.86
4	Japan	5.05
5	Netherlands	3.68
6	Switzerland	3.60
7	Canada	2.12
8	Australia	2.06
9	Germany	1.94
10	Singapore	1.75
11	Spain	1.52
12	Italy	1.04
13	Hong Kong SAR	0.97
14	Denmark	0.72
15	Korea, Rep.	0.60
16	Norway	0.51
17	Sweden	0.49
18	Ireland	0.38
19	Brazil	0.34
20	Belgium	0.29
21	India	0.14
22	Austria	0.14
23	Mexico	0.08
24	Philippines	0.07
25	South Africa	0.07
26	Malaysia	0.06
27	Finland	0.06
28	Poland	0.05
29	Thailand	0.04
30	Portugal	0.04
31	China	0.01
32	Chile	0.01
33	Greece	0.01
34	Czech Republic	0.01
35	Saudi Arabia	0.01
36	Hungary	0.00
37	Bahrain	0.00
38	Colombia	0.00
39	Peru	0.00
40	Turkey	0.00
41	Indonesia	0.00
42	Slovak Republic	0.00
43	Romania	0.00
n/a	Argentina	n/a
n/a	Bangladesh	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Russian Federation	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.06

Interest rate derivatives turnover: Options

This is the percent share of the world total of over-the-counter interest rate options turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	50.37
2	United States	28.35
3	France	7.83
4	Japan	2.50
5	Belgium	2.21
6	Sweden	1.44
7	Spain	1.03
8	Italy	0.84
9	Germany	0.80
10	China	0.58
11	Singapore	0.58
12	Hong Kong SAR	0.56
13	India	0.51
14	South Africa	0.41
15	Brazil	0.40
16	Denmark	0.40
17	Canada	0.26
18	Austria	0.19
19	Korea, Rep.	0.18
20	Netherlands	0.16
21	Australia	0.15
22	Finland	0.13
23	Mexico	0.04
24	Portugal	0.04
25	Turkey ¹	0.03
26	Switzerland	0.02
27	Norway	0.01
28	Malaysia	0.01
29	Ireland	0.01
30	Thailand	0.00
31	Saudi Arabia	0.00
32	Poland ¹	0.00
33	Romania	0.00
34	Indonesia ¹	0.00
35	Czech Republic	0.00
36	Colombia	0.00
n/a	Argentina	n/a
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Chile	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Greece	n/a
n/a	Hungary	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Peru	n/a
n/a	Philippines	n/a
n/a	Russian Federation	n/a
n/a	Slovak Republic	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

¹ 2007

6.07

Foreign exchange derivatives turnover: Currency swaps

This is the percent share of the world total of over-the-counter foreign exchange currency swaps turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	32.05
2	United States	16.03
3	Hong Kong SAR	12.41
4	Australia	7.82
5	France	7.10
6	Japan	3.94
7	Germany	2.37
8	Denmark	2.34
9	Netherlands	2.25
10	Canada	2.19
11	Turkey	1.62
12	Ireland	1.22
13	Singapore	1.21
14	Spain	1.16
15	Korea, Rep.	1.15
16	Philippines	0.90
17	Brazil	0.74
18	Norway	0.72
19	Saudi Arabia ¹	0.69
20	Austria	0.54
21	Chile	0.36
22	Malaysia	0.27
23	Mexico	0.27
24	Thailand	0.20
25	Sweden	0.16
26	Belgium	0.15
27	Poland	0.14
28	Israel	0.13
29	Finland	0.13
30	Indonesia	0.09
31	South Africa	0.07
32	Czech Republic	0.06
33	India	0.05
34	Italy	0.05
35	Switzerland	0.04
36	Colombia	0.02
37	Bahrain	0.02
38	Romania	0.01
39	Greece	0.01
40	Peru	0.01
41	China	0.00
42	Hungary ¹	0.00
n/a	Argentina	n/a
n/a	Bangladesh	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Portugal	n/a
n/a	Russian Federation	n/a
n/a	Slovak Republic	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

¹ 2007

6.08

Foreign exchange derivatives turnover: Options

This is the percent share of the world total of over-the-counter foreign exchange options turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	55.27
2	United States	16.12
3	Singapore	6.51
4	Japan	3.57
5	Switzerland	3.44
6	Hong Kong SAR	3.12
7	France	2.55
8	Germany	2.12
9	Denmark	1.08
10	Canada	0.91
11	Australia	0.76
12	Sweden	0.67
13	India	0.54
14	Turkey	0.43
15	Spain	0.36
16	Brazil	0.34
17	Austria	0.33
18	Italy	0.23
19	Philippines	0.22
20	Belgium	0.21
21	South Africa	0.20
22	Israel	0.20
23	Greece	0.08
24	Mexico	0.07
25	Korea, Rep.	0.07
26	Norway	0.06
27	Poland	0.05
28	Portugal	0.05
29	Netherlands	0.05
30	Bahrain	0.05
31	Russian Federation	0.04
32	Malaysia	0.04
33	China	0.04
34	Thailand	0.04
35	Saudi Arabia	0.03
36	Finland	0.03
37	Ireland	0.03
38	Slovak Republic	0.03
39	Hungary	0.02
40	Czech Republic	0.01
41	Romania	0.01
42	Colombia	0.01
43	Peru	0.00
44	Chile	0.00
45	Indonesia	0.00
n/a	Argentina	n/a
n/a	Bangladesh	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Pakistan	n/a
n/a	Panama	n/a
n/a	Tanzania	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.09

Stock market turnover ratio

This is the ratio of the value of total shares traded to average real market capitalization | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Turkey	237.86
2	United States	210.36
3	Italy	191.19
4	Bangladesh	191.13
5	China	186.53
6	Korea, Rep.	186.22
7	Hong Kong SAR	180.65
8	Vietnam	144.05
9	Russian Federation	135.78
10	Spain	128.63
11	Hungary	123.27
12	Thailand	117.63
13	United Kingdom	117.62
14	Germany	114.95
15	India	114.67
16	Japan	110.22
17	Finland	109.58
18	Netherlands	108.16
19	Norway	99.62
20	Australia	95.08
21	Sweden	91.67
22	Singapore	91.12
23	Kuwait ¹	90.71
24	Austria	89.07
25	France	83.13
26	Greece	81.25
27	Brazil	78.48
28	Denmark	77.94
29	Switzerland	77.35
30	Saudi Arabia	77.15
31	Israel	74.47
32	Egypt	73.77
33	Canada	73.72
34	Indonesia	67.47
35	Pakistan	66.76
36	Ireland	58.25
37	Poland	54.03
38	South Africa	51.78
39	Belgium	47.55
40	Jordan	40.29
41	Portugal	38.72
42	Czech Republic	33.66
43	Mexico	32.98
44	Malaysia	29.89
45	Philippines	28.47
46	Nigeria	20.60
47	Chile	19.66
48	Morocco	18.38
49	United Arab Emirates	17.28
50	Colombia	15.97
51	Kenya	15.80
52	Ukraine	14.89
53	Romania	7.45
54	Argentina	7.17
55	Ghana	6.31
56	Kazakhstan	6.20
57	Peru	5.27
58	Slovak Republic	4.65
59	Panama	2.44
60	Bahrain	1.75
61	Venezuela	1.40
n/a	Tanzania	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

6.10

Stock market capitalization to GDP

This indicator is the value of listed shares as a percent of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	440.22
2	South Africa	252.21
3	Switzerland	221.88
4	Singapore	165.05
5	Malaysia	144.72
6	Australia	131.49
7	United Kingdom	129.95
8	Chile	129.54
9	Canada	127.88
10	Jordan	119.11
11	Sweden	111.98
12	United States	111.89
13	Korea, Rep.	99.90
14	Israel	93.82
15	Kuwait ¹	90.98
16	Spain	85.97
17	China	83.79
18	India	83.12
19	Bahrain	81.67
20	Netherlands	76.34
21	Saudi Arabia	75.64
22	France	74.65
23	Morocco	71.84
24	Japan	70.46
25	Brazil	67.34
26	Thailand	67.13
27	Denmark	66.00
28	Russian Federation	64.45
29	Colombia	62.53
30	Philippines	60.30
31	Norway	58.38
32	Peru	56.20
33	Belgium	55.56
34	Finland	43.11
35	Germany	40.57
36	Kazakhstan	40.27
37	Egypt	39.79
38	Indonesia	39.48
39	Mexico	39.46
40	Portugal	38.66
41	Kenya	38.37
42	Turkey	37.12
43	Panama	35.86
44	Poland	35.16
45	Czech Republic	24.34
46	Hungary	21.69
47	Nigeria	21.02
48	Greece	20.79
49	Ukraine	20.22
50	Pakistan	19.78
51	Romania	19.09
52	Vietnam	18.71
53	Austria	15.71
54	Italy	15.17
55	Ireland	15.10
56	Argentina	15.02
57	Bangladesh	11.08
58	Ghana	9.48
59	Slovak Republic	4.94
60	Venezuela	1.54
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

6.11

Stock market value traded to GDP

This is the total value of shares traded on stock market exchanges as a percent of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR.....	681.49
2	United States	268.78
3	Korea, Rep.....	167.77
4	Switzerland	160.72
5	China	145.78
6	United Kingdom	141.28
7	Singapore.....	129.77
8	Spain.....	103.03
9	South Africa	101.89
10	Australia	94.56
11	Sweden.....	92.05
12	Canada	87.16
13	Kuwait ¹	85.63
14	Japan.....	80.07
15	Netherlands.....	75.72
16	India	64.46
17	Saudi Arabia.....	61.50
18	Thailand	57.27
19	Norway	56.98
20	France.....	54.28
21	Israel	51.74
22	Russian Federation.....	51.18
23	Turkey	46.13
24	Denmark	46.13
25	Jordan.....	44.11
26	Germany	40.07
27	Finland	39.74
28	Brazil	38.39
29	Malaysia	35.68
30	Belgium.....	25.02
31	Italy	23.88
32	Morocco.....	21.73
33	Chile.....	21.64
34	Egypt	20.88
35	Hungary	20.30
36	Indonesia	18.48
37	Vietnam.....	17.53
38	Portugal	16.45
39	Greece	15.47
40	Bangladesh	14.46
41	Poland.....	14.40
42	Philippines.....	11.22
43	Pakistan	10.23
44	Austria.....	9.57
45	Mexico	9.20
46	Czech Republic.....	8.83
47	Ireland	8.36
48	Colombia.....	6.54
49	Bahrain.....	2.51
50	Nigeria.....	2.47
51	Kenya.....	2.40
52	Peru	2.36
53	Kazakhstan	2.17
54	Romania.....	1.09
55	Ukraine.....	0.96
56	Argentina.....	0.71
57	Panama.....	0.46
58	Ghana	0.25
59	Slovak Republic.....	0.20
60	Tanzania	0.17
61	Venezuela.....	0.01
n/a	United Arab Emirates	n/a

SOURCE: World Bank, *Global Financial Development Database*, September 2012

¹ 2009

6.12

Number of listed companies per 10,000 people

This is the number of publicly listed companies per 10,000 people | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR.....	1.98
2	Canada	1.11
3	Singapore.....	0.91
4	Australia	0.86
5	Israel	0.80
6	Kuwait.....	0.79
7	Spain.....	0.72
8	Romania.....	0.65
9	Jordan.....	0.46
10	Norway	0.40
11	Denmark	0.37
12	Korea, Rep.....	0.36
13	Sweden.....	0.35
14	Bahrain.....	0.35
15	Malaysia	0.34
16	United Kingdom	0.33
17	Switzerland	0.31
18	Japan.....	0.28
19	Greece	0.25
20	Finland	0.23
21	Slovak Republic.....	0.17
22	Poland.....	0.15
23	Belgium.....	0.15
24	France.....	0.14
25	United States	0.14
26	United Arab Emirates	0.13
27	Chile.....	0.13
28	Ireland	0.11
29	Austria.....	0.10
30	Thailand	0.08
31	South Africa	0.07
32	Germany	0.07
33	Peru	0.07
34	Netherlands.....	0.07
35	Panama.....	0.07
36	Saudi Arabia.....	0.05
37	Italy	0.05
38	Hungary	0.05
39	Turkey	0.05
40	Portugal	0.04
41	India	0.04
42	Ukraine.....	0.04
43	Pakistan	0.04
44	Kazakhstan	0.04
45	Vietnam.....	0.03
46	Philippines.....	0.03
47	Egypt	0.03
48	Argentina.....	0.02
49	Russian Federation.....	0.02
50	Morocco.....	0.02
51	Brazil	0.02
52	Venezuela.....	0.02
53	Colombia.....	0.02
54	Indonesia	0.02
55	China	0.02
56	Czech Republic	0.02
57	Ghana	0.01
58	Bangladesh	0.01
59	Kenya.....	0.01
60	Nigeria.....	0.01
61	Mexico	0.01
62	Tanzania	0.00

SOURCE: World Bank, *Global Financial Development Database*, September 2012

6.13

Private domestic bond market capitalization to GDP

This variable is the domestic debt securities issued by financial institutions and corporations as a share of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark	177.21
2	Ireland	109.48
3	United States	92.03
4	Netherlands	69.47
5	Portugal	67.26
6	Korea, Rep.	58.15
7	France	54.71
8	Malaysia	53.55
9	Spain	52.91
10	Sweden	52.35
11	Austria	50.92
12	Belgium	50.42
13	Italy	49.96
14	Australia	41.59
15	Japan	36.42
16	Greece	32.92
17	Norway	30.96
18	Switzerland	27.28
19	Canada	25.93
20	Germany	23.26
21	China	22.65
22	Brazil	20.99
23	Finland	20.82
24	South Africa	18.68
25	Mexico	15.54
26	Hong Kong SAR	15.35
27	Chile	14.36
28	Thailand	12.46
29	Czech Republic	12.29
30	United Kingdom	12.09
31	Singapore	8.90
32	Hungary	5.80
33	India	5.54
34	Slovak Republic	4.84
35	Peru	3.33
36	Poland	2.05
37	Argentina	2.03
38	Indonesia	1.38
39	Philippines	0.99
40	Turkey	0.57
41	Colombia	0.56
42	Bangladesh ¹	0.00
42	Egypt ¹	0.00
42	Morocco ¹	0.00
42	Pakistan	0.00
42	Romania ¹	0.00
42	Russian Federation	0.00
42	Tanzania ¹	0.00
42	Venezuela	0.00
n/a	Bahrain	n/a
n/a	Ghana	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Saudi Arabia	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

¹ 2010

6.14

Public domestic bond market capitalization to GDP

This variable is the domestic debt securities issued by the government as a share of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Japan	208.49
2	Italy	88.59
3	United States	82.72
4	Canada	62.12
5	France	61.34
6	United Kingdom	58.28
7	Belgium	57.23
8	Malaysia	52.66
9	Greece	51.03
10	Thailand	48.72
11	Germany	48.57
12	Portugal	47.07
13	Netherlands	46.41
14	Korea, Rep.	43.99
15	Spain	43.97
16	Hungary	42.79
17	Singapore	40.53
18	Brazil	38.51
19	Denmark	38.41
20	Poland	36.65
21	Hong Kong SAR	36.18
22	Egypt ¹	33.97
23	India	33.62
24	Austria	32.83
25	South Africa	31.28
26	Pakistan	31.12
27	Philippines	30.03
28	Ireland	28.46
29	Turkey	26.86
30	Australia	25.86
31	Czech Republic	24.61
32	Sweden	24.44
33	Colombia	22.80
34	Mexico	21.97
35	China	21.94
36	Slovak Republic	20.76
37	Switzerland	19.55
38	Norway	19.07
39	Chile	17.98
40	Morocco ¹	16.19
41	Peru	12.58
42	Finland	11.88
43	Indonesia	10.61
44	Argentina	10.49
45	Bangladesh ¹	6.46
46	Romania ¹	6.36
47	Tanzania ¹	5.16
48	Russian Federation	4.22
49	Venezuela	0.00
n/a	Bahrain	n/a
n/a	Ghana	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kenya	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Saudi Arabia	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Vietnam	n/a

SOURCE: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

¹ 2010

6.15

Private international bonds to GDP

This variable is the international debt securities issued by financial institutions and corporations as a share of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	202.81
2	Netherlands	163.01
3	United Kingdom	124.43
4	Spain	109.43
5	Portugal	84.49
6	Belgium	82.33
7	Switzerland	73.44
8	Sweden	71.79
9	France	71.52
10	Germany	68.72
11	Greece	67.74
12	Austria	56.95
13	Italy	50.32
14	United States	48.68
15	Norway	46.83
16	Denmark	41.19
17	Australia	40.50
18	Hong Kong SAR	34.97
19	Canada	32.16
20	Finland	29.65
21	Singapore	23.79
22	United Arab Emirates	23.09
23	Kazakhstan	22.27
24	Bahrain	20.02
25	Malaysia	13.62
26	Korea, Rep.	13.22
27	South Africa	9.23
28	Hungary	8.78
29	Russian Federation	7.13
30	Japan	7.09
31	Venezuela	6.60
32	Israel	6.56
33	Philippines	6.45
34	Czech Republic	6.02
35	Mexico	5.90
36	Chile	5.81
37	Brazil	5.63
38	Ukraine	5.04
39	Panama	4.35
40	Peru	3.78
41	India	3.23
42	Thailand	2.92
43	Saudi Arabia	2.44
44	Colombia	2.38
45	Indonesia	2.22
46	Kuwait	2.01
47	Turkey	1.70
48	Argentina	1.46
49	China	1.35
50	Poland	1.18
51	Egypt	1.05
52	Jordan	0.52
53	Nigeria	0.46
54	Slovak Republic	0.45
55	Vietnam	0.22
56	Bangladesh ¹	0.00
56	Ghana	0.00
56	Kenya	0.00
56	Morocco	0.00
56	Pakistan	0.00
56	Romania	0.00
56	Tanzania ¹	0.00

SOURCE: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

¹ 2010

6.16

Public international bonds to GDP

This variable is the international debt securities issued by the government as a share of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Greece	70.84
2	Panama	30.01
3	Belgium	29.80
4	Ireland	26.69
5	Finland	26.68
6	Portugal	26.42
7	Austria	25.07
8	Hungary	17.68
9	Slovak Republic	13.27
10	Bahrain	13.23
11	Philippines	12.89
12	Spain	11.68
13	Poland	11.58
14	Italy	11.40
15	Argentina	10.64
16	Venezuela	10.60
17	Germany	8.57
18	Peru	7.67
19	Canada	7.01
20	Sweden	6.82
21	Ukraine	6.40
22	Denmark	6.20
23	Turkey	5.84
24	Colombia	5.77
25	Czech Republic	5.51
26	United Kingdom	4.65
27	Israel	4.44
28	Mexico	3.95
29	Netherlands	3.36
30	Jordan	3.04
31	United Arab Emirates	2.89
32	South Africa	2.60
33	Romania	2.57
34	Indonesia	2.34
35	France	2.30
36	Vietnam	2.22
37	Brazil	2.09
38	Ghana	2.07
39	Morocco	1.99
40	Egypt	1.84
41	Russian Federation	1.71
42	Chile	1.59
43	Malaysia	1.27
44	Australia	0.80
45	Pakistan	0.74
46	Korea, Rep.	0.64
47	Hong Kong SAR	0.59
48	Thailand	0.34
49	Switzerland	0.13
50	Nigeria	0.10
51	China	0.09
52	United States	0.08
53	Japan	0.05
54	Bangladesh ¹	0.00
54	India	0.00
54	Kazakhstan	0.00
54	Kenya	0.00
54	Kuwait	0.00
54	Norway	0.00
54	Saudi Arabia	0.00
54	Singapore	0.00
54	Tanzania ¹	0.00

SOURCE: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

¹ 2010

6.17

Local currency corporate bond issuance to GDP

This is investment-grade and high-yield issuance corporate bonds as a share of GDP | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Malaysia.....	4.89
2	Korea, Rep.....	3.53
3	China.....	2.27
4	United States.....	2.01
5	Philippines ¹	1.94
6	Thailand.....	1.70
7	France.....	1.40
8	Pakistan ¹	1.38
9	Sweden.....	1.26
10	Switzerland.....	1.22
11	Canada.....	1.20
12	Singapore.....	1.13
13	Japan.....	1.10
14	Belgium.....	0.98
15	Chile.....	0.95
16	Austria.....	0.91
17	Portugal.....	0.90
18	Spain.....	0.77
19	Kazakhstan ¹	0.71
20	United Kingdom.....	0.70
21	Hong Kong SAR.....	0.68
22	India.....	0.59
23	Mexico.....	0.55
24	Italy.....	0.55
25	Germany.....	0.54
26	Netherlands.....	0.54
27	Vietnam ¹	0.50
28	Egypt ²	0.47
29	Finland.....	0.44
30	Colombia.....	0.40
31	Brazil.....	0.37
32	Greece.....	0.37
33	Australia.....	0.32
34	Russian Federation.....	0.28
35	Norway.....	0.26
36	Saudi Arabia.....	0.22
37	Morocco ¹	0.21
38	Indonesia ¹	0.11
39	Poland ²	0.07
40	South Africa.....	0.06
41	Czech Republic.....	0.03
42	Nigeria.....	0.03
43	Argentina.....	0.03
44	Ukraine ¹	0.00
45	Ireland.....	0.00
n/a	Bahrain.....	n/a
n/a	Bangladesh.....	n/a
n/a	Denmark.....	n/a
n/a	Ghana.....	n/a
n/a	Hungary.....	n/a
n/a	Israel.....	n/a
n/a	Jordan.....	n/a
n/a	Kenya.....	n/a
n/a	Kuwait.....	n/a
n/a	Panama.....	n/a
n/a	Peru.....	n/a
n/a	Romania.....	n/a
n/a	Slovak Republic.....	n/a
n/a	Tanzania.....	n/a
n/a	Turkey.....	n/a
n/a	United Arab Emirates.....	n/a
n/a	Venezuela.....	n/a

SOURCE: Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

¹ 2009 ² 2010

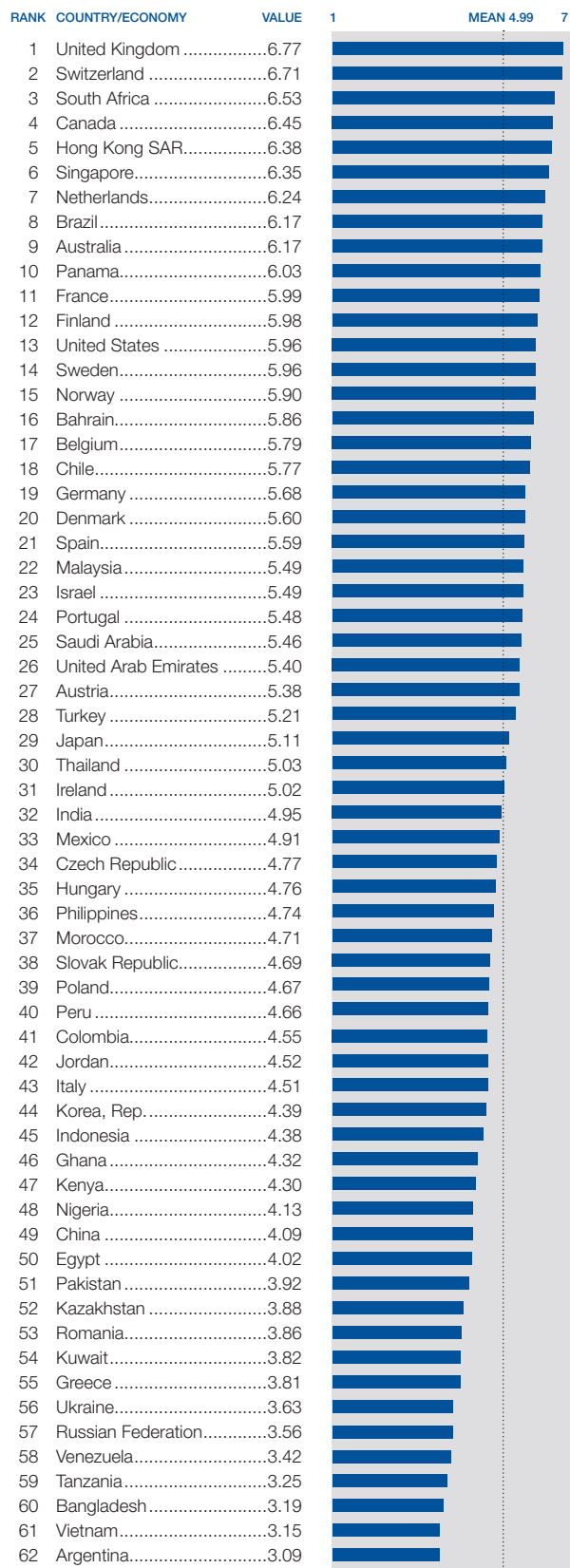
Section VII

Financial access

7.01

Financial market sophistication

How would you assess the level of sophistication of financial markets in your country? (1 = Poor by international standards; 7 = Excellent by international standards) | 2011–2012 weighted average

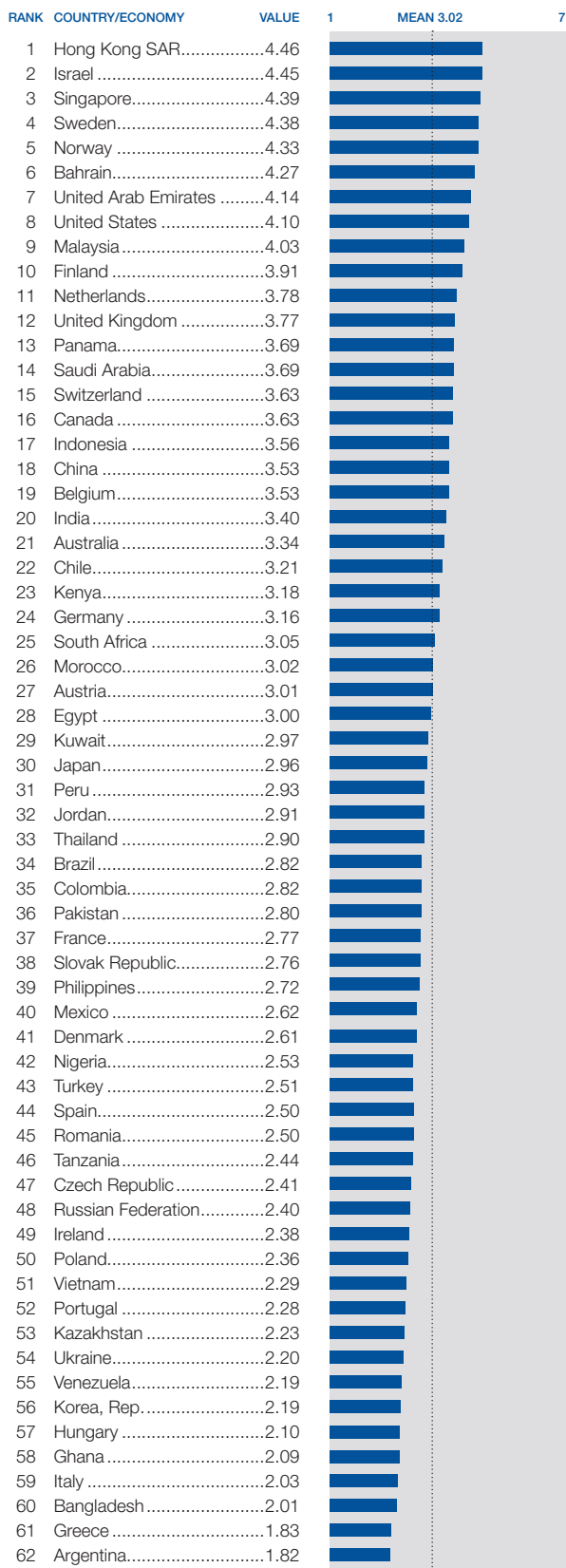


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

7.02

Venture capital availability

In your country, how easy is it for entrepreneurs with innovative but risky projects to find venture capital? (1 = Very difficult; 7 = Very easy) | 2011–2012 weighted average

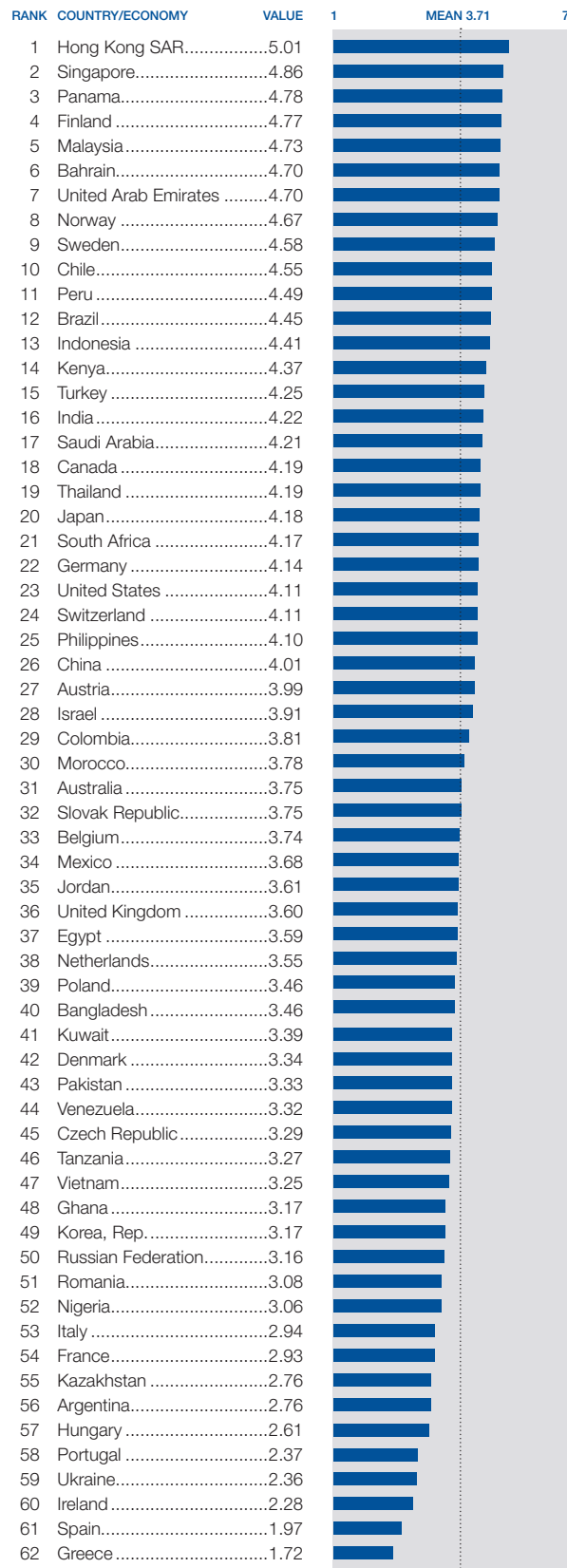


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

7.03

Ease of access to credit

During the past year, has it become easier or more difficult to obtain credit for companies in your country? (1 = Much more difficult; 7 = Much easier) | 2011–2012 weighted average

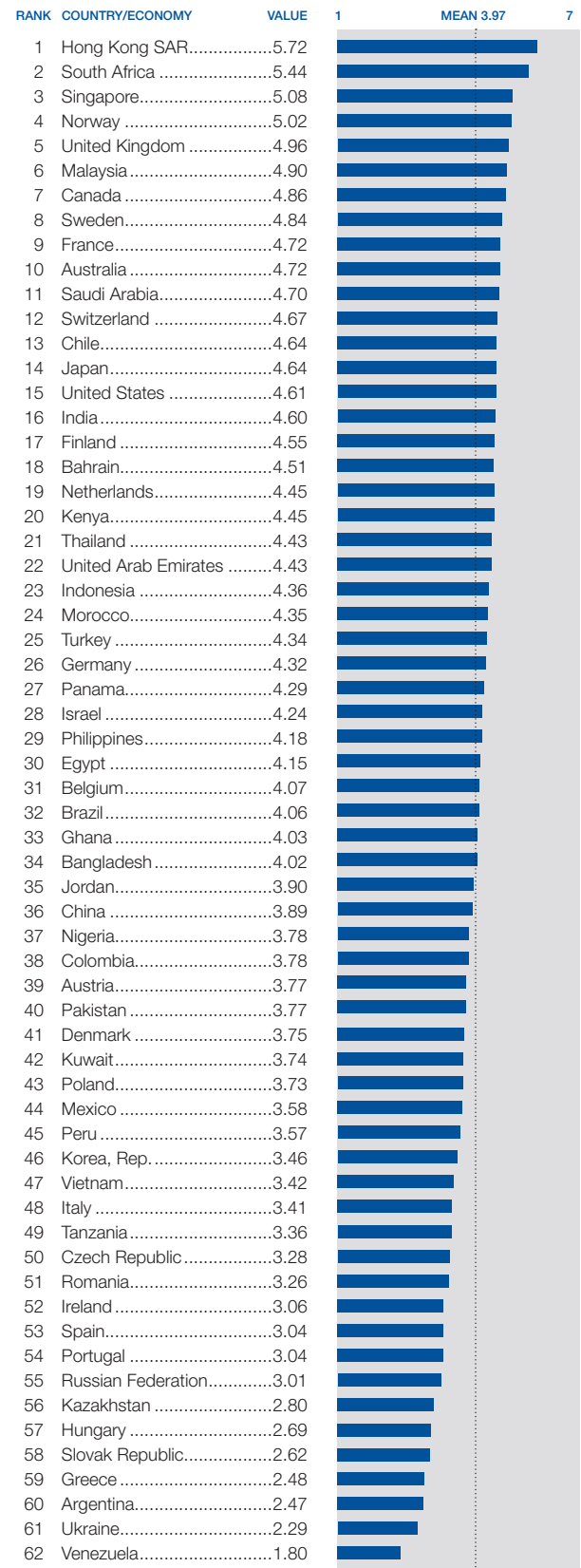


SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

7.04

Financing through local equity market

How easy is it to raise money by issuing shares on the stock market in your country? (1 = Very difficult; 7 = Very easy) | 2011–2012 weighted average



SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

7.05

Ease of access to loans

How easy is it to obtain a bank loan in your country with only a good business plan and no collateral? (1 = Very difficult; 7 = Very easy) | 2011–2012 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.15	7
1	Bahrain.....	4.80			
2	Singapore.....	4.68			
3	Sweden.....	4.56			
4	United Arab Emirates	4.49			
5	Norway	4.45			
6	Hong Kong SAR.....	4.44			
7	Malaysia.....	4.41			
8	Finland	4.41			
9	Panama.....	4.14			
10	Saudi Arabia.....	4.07			
11	Indonesia	3.91			
12	Canada	3.78			
13	Belgium.....	3.78			
14	United States	3.76			
15	Chile.....	3.74			
16	Netherlands.....	3.74			
17	Australia.....	3.68			
18	Switzerland	3.67			
19	Kenya.....	3.65			
20	Peru.....	3.64			
21	Thailand	3.55			
22	South Africa	3.50			
23	Israel	3.41			
24	India	3.33			
25	Austria.....	3.21			
26	Germany	3.17			
27	Jordan.....	3.16			
28	Philippines.....	3.15			
29	United Kingdom	3.14			
30	China	3.13			
31	Brazil.....	3.11			
32	Kuwait.....	3.10			
33	Colombia.....	3.09			
34	Denmark.....	3.09			
35	Japan.....	3.05			
36	Slovak Republic.....	2.98			
37	Morocco.....	2.98			
38	France.....	2.97			
39	Turkey	2.97			
40	Pakistan	2.88			
41	Czech Republic.....	2.88			
42	Romania.....	2.70			
43	Mexico	2.63			
44	Egypt	2.63			
45	Russian Federation.....	2.61			
46	Poland.....	2.55			
47	Venezuela.....	2.51			
48	Bangladesh.....	2.40			
49	Tanzania.....	2.40			
50	Vietnam	2.36			
51	Ukraine.....	2.31			
52	Portugal	2.30			
53	Kazakhstan	2.28			
54	Hungary	2.25			
55	Korea, Rep.....	2.23			
56	Nigeria.....	2.14			
57	Spain.....	2.05			
58	Ghana	2.03			
59	Italy	1.98			
60	Ireland	1.83			
61	Greece.....	1.71			
62	Argentina.....	1.69			

SOURCE: World Economic Forum, Executive Opinion Survey, 2011–2012

7.06

Foreign direct investment to GDP

This variable is comprised of equity capital, reinvested earnings, and intra-company loans | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR.....	34.18
2	Singapore.....	24.63
3	Belgium.....	17.36
4	Panama.....	9.13
5	Ghana	8.67
6	Kazakhstan	7.24
7	Chile.....	6.96
8	Vietnam.....	6.05
9	Ireland.....	6.02
10	Jordan.....	5.03
11	Peru.....	4.74
12	Tanzania.....	4.69
13	Israel	4.68
14	Denmark	4.43
15	Ukraine.....	4.37
16	Portugal	4.33
17	Malaysia.....	4.29
18	Colombia.....	4.03
19	Nigeria.....	3.73
20	Austria.....	3.37
21	Hungary	3.35
22	Bahrain.....	2.99
23	Poland.....	2.95
24	Russian Federation.....	2.86
25	Saudi Arabia.....	2.84
26	Australia	2.78
27	Thailand	2.77
28	Brazil.....	2.67
29	Morocco.....	2.54
30	Czech Republic.....	2.51
31	Canada	2.36
32	Sweden.....	2.25
33	Indonesia	2.24
34	United Kingdom	2.23
35	Slovak Republic.....	2.23
36	United Arab Emirates	2.13
37	Turkey	2.04
38	Netherlands.....	2.04
39	Spain.....	1.97
40	India.....	1.88
41	China	1.70
42	Mexico	1.69
43	Venezuela.....	1.68
44	Argentina.....	1.62
45	United States	1.50
46	France.....	1.47
47	South Africa	1.42
48	Romania.....	1.41
49	Italy	1.32
50	Germany	1.13
51	Bangladesh.....	1.01
52	Kenya.....	0.96
53	Norway	0.74
54	Pakistan	0.63
55	Greece	0.60
56	Philippines.....	0.59
57	Korea, Rep.....	0.42
58	Kuwait.....	0.23
59	Finland	0.02
60	Japan.....	-0.03
61	Switzerland	-0.03
62	Egypt	-0.20

SOURCE: United Nations Conference on Trade and Development, "Inward and Outward Foreign Direct Investment Flows, Annual, 1970–2011"; GDP data from IMF, *World Economic Outlook Database*, April 2012

7.07

Market penetration of bank accounts

This is the percent of the population (15 years or older) with an account at a formal financial institution | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark	99.74
2	Finland	99.65
3	Australia	99.06
4	Sweden	98.99
5	Netherlands	98.66
6	Singapore	98.22
7	Germany	98.13
8	United Kingdom	97.20
9	Austria	97.08
10	France	96.98
11	Japan	96.42
12	Belgium	96.31
13	Canada	95.80
14	Ireland	93.89
15	Spain	93.28
16	Korea, Rep.	93.05
17	Israel	90.47
18	Hong Kong SAR	88.69
19	United States	87.96
20	Kuwait	86.77
21	Portugal	81.23
22	Czech Republic	80.65
23	Slovak Republic	79.58
24	Greece	77.94
25	Hungary	72.67
26	Thailand	72.67
27	Italy	71.01
28	Poland	70.19
29	Malaysia	66.17
30	Bahrain	64.51
31	China	63.82
32	United Arab Emirates	59.73
33	Turkey	57.60
34	Brazil	55.86
35	South Africa	53.65
36	Russian Federation	48.18
37	Saudi Arabia	46.42
38	Romania	44.59
39	Venezuela	44.12
40	Kenya	42.34
41	Chile	42.18
42	Kazakhstan	42.11
43	Ukraine	41.27
44	Bangladesh	39.55
45	Morocco	39.07
46	India	35.23
47	Argentina	33.13
48	Colombia	30.43
49	Nigeria	29.67
50	Ghana	29.43
51	Mexico	27.43
52	Philippines	26.56
53	Jordan	25.47
54	Panama	24.93
55	Vietnam	21.37
56	Peru	20.46
57	Indonesia	19.58
58	Tanzania	17.26
59	Pakistan	10.31
60	Egypt	9.72
n/a	Norway	n/a
n/a	Switzerland	n/a

SOURCE: Demircu-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." *World Bank Policy Research Working Paper 6025*. Washington DC: The World Bank

7.08

Commercial bank branches

This is the number of commercial bank branches per 100,000 adults | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Portugal	75.91
2	Italy	66.86
3	Peru	49.51
4	Belgium ¹	47.96
5	Poland	45.83
6	France	43.11
7	Greece	41.18
8	Denmark	41.13
9	Spain	39.31
10	United States	35.74
11	Japan	33.97
12	Romania	33.16
13	Australia	31.61
14	Ireland	28.63
15	Slovak Republic	26.50
16	United Kingdom ¹	25.51
17	Canada	24.25
18	Hong Kong SAR	23.61
19	Netherlands	23.21
20	Czech Republic	22.53
21	United Arab Emirates ¹	21.73
22	Morocco	20.98
23	Israel	19.99
24	Korea, Rep.	18.63
25	Jordan ¹	18.08
26	Chile	17.59
27	Germany	17.58
28	Turkey ¹	17.38
29	Hungary	16.62
30	Finland	15.60
31	Mexico	15.22
32	Brazil	13.76
33	Argentina	13.28
34	Austria	11.39
35	Thailand	11.16
36	India	10.91
37	Malaysia	10.48
38	Singapore	10.28
39	South Africa	10.10
40	Saudi Arabia ¹	8.97
41	Pakistan	8.76
42	Indonesia	8.32
43	Philippines	7.69
44	Norway	7.64
45	Bangladesh	6.89
46	Russian Federation	5.65
47	Ghana ¹	4.99
48	Kenya ¹	4.41
49	Kazakhstan	3.33
50	Vietnam	3.33
51	Ukraine	2.31
52	Tanzania ¹	1.81
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Colombia	n/a
n/a	Egypt	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Sweden	n/a
n/a	Switzerland	n/a
n/a	Venezuela	n/a

SOURCE: IMF, *Financial Access Survey*, 2011

¹ 2009

7.09

Total number of ATMs

This is the total number of ATMs per 100,000 adults | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Korea, Rep. ¹	250.29
2	Canada	220.02
3	Portugal	197.05
4	United States ¹	173.75
5	Australia	162.38
6	Spain	151.87
7	Japan ¹	132.96
8	Russian Federation	128.39
9	Brazil	120.62
10	Germany ¹	116.80
11	Israel	110.54
12	France	110.07
13	Italy	98.56
14	Switzerland	97.47
15	United Arab Emirates ¹	96.81
16	Ireland	92.47
17	Finland ¹	91.72
18	Belgium ¹	86.37
19	Thailand	77.69
20	Greece	76.72
21	Ukraine	76.13
22	United Kingdom ¹	64.58
23	Denmark	63.55
24	Kazakhstan	62.75
25	Chile	62.51
26	South Africa	59.58
27	Singapore	58.57
28	Netherlands	58.27
29	Saudi Arabia ¹	57.97
30	Hungary	56.73
31	Malaysia	56.18
32	Norway	56.07
33	Romania	55.48
34	Poland	52.10
35	Slovak Republic ¹	50.38
36	Austria ¹	48.16
37	Mexico	47.29
38	Turkey ¹	43.74
39	Argentina	42.45
40	Czech Republic	41.65
41	Peru	25.21
42	Vietnam	17.64
43	Philippines	14.88
44	Indonesia	13.37
45	Kenya ¹	7.27
46	Pakistan	4.40
47	Tanzania ¹	3.30
48	Bangladesh	1.93
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Colombia	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Hong Kong SAR	n/a
n/a	India	n/a
n/a	Jordan	n/a
n/a	Kuwait	n/a
n/a	Morocco	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Sweden	n/a
n/a	Venezuela	n/a

SOURCE: IMF, *Financial Access Survey*, 2011¹ 2009

7.10

Debit card penetration

This is the percent of respondents with a debit card | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Netherlands	97.61
2	Sweden	95.50
3	Denmark	90.13
4	Finland	89.32
5	Germany	88.02
6	Canada	87.96
7	United Kingdom	87.58
8	Austria	86.77
9	Belgium	85.76
10	Kuwait	83.88
11	Australia	79.05
12	Hong Kong SAR	75.77
13	United States	71.77
14	Ireland	70.47
15	France	69.25
16	Slovak Republic	68.27
17	Portugal	68.16
18	Hungary	62.40
19	Bahrain	62.20
20	Spain	62.18
21	Czech Republic	61.02
22	Korea, Rep.	57.91
23	Turkey	56.64
24	United Arab Emirates	55.41
25	South Africa	45.33
26	Thailand	43.10
27	Saudi Arabia	42.31
28	Brazil	41.18
29	China	41.02
30	Poland	37.34
31	Russian Federation	36.96
32	Italy	35.18
33	Venezuela	35.08
34	Greece	33.95
35	Ukraine	33.57
36	Kazakhstan	31.32
37	Kenya	29.94
38	Argentina	29.85
39	Singapore	28.63
40	Romania	27.71
41	Chile	25.77
42	Malaysia	23.13
43	Colombia	22.69
44	Morocco	22.39
45	Mexico	22.28
46	Nigeria	18.56
47	Jordan	14.72
48	Vietnam	14.59
49	Peru	14.13
50	Philippines	13.16
51	Japan	12.96
52	Tanzania	12.04
53	Ghana	11.40
54	Panama	11.28
55	Indonesia	10.54
56	India	8.40
57	Israel	7.46
58	Egypt	5.11
59	Pakistan	2.87
60	Bangladesh	2.28
n/a	Norway	n/a
n/a	Switzerland	n/a

SOURCE: Demircig-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." *World Bank Policy Research Working Paper* 6025. Washington DC: The World Bank

7.11

Loan accounts at MFIs

This variable indicates the total number of active borrowers from microfinance institutions (MFIs) per 1,000 adults | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Peru	121.19
2	Vietnam	100.50
3	Mexico	52.67
4	Colombia	50.34
5	Bangladesh	45.99
6	Philippines	32.22
7	India	21.41
8	Chile	15.16
9	Pakistan	10.91
10	Ghana	10.90
11	Morocco	10.43
12	Brazil	10.30
13	Kenya	10.07
14	Jordan	6.14
15	Tanzania	5.72
16	Kazakhstan	4.62
17	Nigeria	4.43
18	Panama	4.14
19	Egypt	2.50
20	Romania	1.93
21	Indonesia	1.87
22	Venezuela	1.51
23	Argentina	0.96
24	Russian Federation	0.73
25	Poland	0.36
26	China	0.13
27	South Africa	0.08
n/a	Australia	n/a
n/a	Austria	n/a
n/a	Bahrain	n/a
n/a	Belgium	n/a
n/a	Canada	n/a
n/a	Czech Republic	n/a
n/a	Denmark	n/a
n/a	Finland	n/a
n/a	France	n/a
n/a	Germany	n/a
n/a	Greece	n/a
n/a	Hong Kong SAR	n/a
n/a	Hungary	n/a
n/a	Ireland	n/a
n/a	Israel	n/a
n/a	Italy	n/a
n/a	Japan	n/a
n/a	Korea, Rep.	n/a
n/a	Kuwait	n/a
n/a	Malaysia	n/a
n/a	Netherlands	n/a
n/a	Norway	n/a
n/a	Portugal	n/a
n/a	Saudi Arabia	n/a
n/a	Singapore	n/a
n/a	Slovak Republic	n/a
n/a	Spain	n/a
n/a	Sweden	n/a
n/a	Switzerland	n/a
n/a	Thailand	n/a
n/a	Turkey	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	United Kingdom	n/a
n/a	United States	n/a

SOURCE: Microfinance Information Exchange, Inc. (MIX) (data retrieved August 2012)

7.12

Loan from a financial institution

This is the percent of respondents who have borrowed from a financial institution in the past year | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Finland	23.88
2	Sweden	23.40
3	Bangladesh	23.33
4	Bahrain	21.87
5	Kuwait	20.80
6	Canada	20.30
7	United States	20.14
8	Thailand	19.40
9	Denmark	18.80
10	France	18.65
11	Australia	16.98
12	Israel	16.72
13	Korea, Rep.	16.58
14	Vietnam	16.18
15	Ireland	15.72
16	Kazakhstan	13.07
17	Peru	12.75
18	Netherlands	12.56
19	Germany	12.55
20	Colombia	11.95
21	United Kingdom	11.85
22	Spain	11.43
23	Slovak Republic	11.43
24	Malaysia	11.20
25	United Arab Emirates	10.78
26	Philippines	10.51
27	Belgium	10.51
28	Singapore	9.99
29	Panama	9.76
30	Kenya	9.74
31	Poland	9.61
32	Czech Republic	9.47
33	Hungary	9.40
34	South Africa	8.87
35	Indonesia	8.55
36	Romania	8.37
37	Portugal	8.26
38	Austria	8.25
39	Ukraine	8.15
40	Greece	7.93
41	Hong Kong SAR	7.93
42	Chile	7.78
43	India	7.70
44	Russian Federation	7.69
45	Mexico	7.56
46	China	7.26
47	Tanzania	6.61
48	Argentina	6.59
49	Brazil	6.33
50	Japan	6.10
51	Ghana	5.75
52	Italy	4.59
53	Turkey	4.55
54	Jordan	4.47
55	Morocco	4.30
56	Egypt	3.65
57	Saudi Arabia	2.14
58	Nigeria	2.06
59	Venezuela	1.73
60	Pakistan	1.57
n/a	Norway	n/a
n/a	Switzerland	n/a

SOURCE: Demircuc-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." *World Bank Policy Research Working Paper 6025*. Washington DC: The World Bank

Technical Notes and Sources

1.01 Capital account liberalization

This index measures the degree of capital account liberalization within a country, standardized on a scale from 1 (least liberalized) to 7 (most liberalized) | 2012

This variable measures specifically the level of capital controls based on information from the IMF's *Annual Report on Exchange Arrangements and Exchange Restrictions* (AREAER). The World Economic Forum then created an interaction term among these data, the *Legal and regulatory issues* subpillar and the *Bond market development* subpillar of this Financial Development Index, and standardized the scores on a scale from 1 to 7.

Source: Chinn, M. and H. Ito. 2012. *Financial Openness Index*. Dataset available at http://web.pdx.edu/~ito/Chinn-Ito_website.htm. Interaction results from World Economic Forum analysis.

1.02 Commitments to WTO Agreement on Trade in Services

This index measures the extent of commitments to the WTO's General Agreement on Trade in Services (GATS) within the financial services sector, standardized on a scale from 1 (least liberalized) to 7 (most liberalized) | 2012

Each entry is assigned a standardized score on a 0–100 (least to most liberalized) scale based on its relative restrictiveness. This is done using criteria set out by Bernard Hoekman's methodology. The World Economic Forum then created an interaction term among these data, the *Legal and regulatory issues* subpillar and the *Bond market development* subpillar of this Financial Development Index, and standardized the scores on a scale from 1 to 7.

Source: The World Bank, *World Trade Indicators 2009/2010*. Interaction results from World Economic Forum analysis.

1.03 Domestic financial sector liberalization

This index measures the degree of domestic financial sector liberalization within a country, standardized on a scale from 1 (least liberalized) to 7 (most liberalized) | 2012

This index was calculated on the basis of whether or not controls (ceilings and floors) on interest rates and credit exist, and whether or not deposits in foreign currency are allowed. Schmukler and Kaminsky updated their results to 2005 for a subset of the sample countries. The World Economic Forum then created an interaction term among these data, the *Legal and regulatory issues* subpillar and the *Bond market development* subpillar of this Financial Development Index, and standardized the scores on a scale from 1 to 7.

Source: Kaminsky, G. and S. Schmukler. 2003. "Short-Run Pain, Long-Run Gain: The Effects of Financial Liberalization." *IMF Working Paper* 03/34. Washington DC: IMF. Interaction results from World Economic Forum analysis.

1.17 Corruption perceptions index

This is a composite index measuring the perceived levels of corruption in a given country, as determined by expert assessments and opinion surveys. Higher scores indicate less extensive corruption | 2011

The CPI is an aggregate indicator that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index drawing on corruption-related data from 17 different surveys or assessments produced by 13 independent organizations.

Source: Transparency International, *Corruption Perceptions Index 2011*

1.18 Strength of legal rights index

This index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. The index ranges from 0 to 10, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit | 2011

This index includes eight aspects related to legal

rights in collateral law and two aspects in bankruptcy law.

Source: The World Bank, *Doing Business 2012*

1.19 Central bank transparency

This index measures the degree of transparency that exists in a central bank's policy actions. The index ranges from 0 to 15, with higher scores indicating that a central bank operates with greater transparency | 2011

This index is the sum of scores for answers to 15 questions assessing transparency along five dimensions: politics, economics, procedure, policy, and operations. Questions are taken from a methodology created by Dincer and Eichengreen in "Central Bank Transparency: Where, Why, and to What Effect?" (2007) and updated by Siklos through 2011. All euro zone countries are assigned the score of the European Central Bank.

Source: Siklos, P.L. 2011. "Central Bank Transparency: Another Look." *Applied Economics Letters* 18 (10): 929-33

1.23 Time to enforce a contract

This variable is the time in days to resolve a dispute related to a contract | 2011

Time is recorded in calendar days, counted from the moment the plaintiff decides to file the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods between. The average duration of different stages of dispute resolution is recorded: the completion of service of process (time to file and serve the case), the issuance of judgment (time for the trial and obtaining the judgment), and the moment of payment (time for enforcement of judgment).

Source: The World Bank, *Doing Business 2012*

1.24 Number of procedures to enforce a contract

This variable is the number of procedures from the moment the plaintiff files a lawsuit in court until the moment of payment | 2011

A *procedure* is defined as any interaction between the parties, or between them and the judge or court officer. This includes steps to file the case, steps for trial and judgment, and steps necessary to enforce the judgment. The World Bank's survey allowed respondents to record procedures that exist in civil law but not common law jurisdictions, and vice versa. To indicate the overall efficiency of court procedures, one procedure is now subtracted for countries that

have specialized commercial courts and one procedure for countries that allow electronic filing of court cases.

Source: The World Bank, *Doing Business 2012*

1.25 Strength of investor protection index

This index assesses the strength of investor protection on a scale from 0 (worst) to 10 (best) | 2011

This index is the average of the extent of disclosure index, the extent of director liability index, and the ease of shareholder suits index. The index ranges from 0 to 10, with higher values indicating more investor protection.

Source: The World Bank, *Doing Business 2012*

1.26 Cost of enforcing contracts

This variable is the cost of enforcing contracts as a percent of the legal claim | 2011

This variable is recorded as a percent of the legal claim, assumed to be equivalent to 200 percent of income per capita. Only official costs required by law are recorded, including court and enforcement costs and average attorney's fees where the use of attorneys is mandatory or common.

Source: The World Bank, *Doing Business 2012*

2.06 Tertiary enrollment

This variable is the gross tertiary enrollment rate | 2010

The reported value corresponds to the ratio of total tertiary enrollment, regardless of age, to the population of the age group that officially corresponds to the tertiary education level. Tertiary education (ISCED levels 5 and 6), whether or not leading to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Source: UNESCO Institute for Statistics (retrieved May 2012); national sources

2.09 Marginal tax variation

This is the variation between the top tax rate on corporate income and the taxes and mandatory contributions paid by a prototypical business as a percent of commercial profits | 2011

The top tax rate on corporate income in a country is compiled by the Heritage Foundation from Ernst & Young, Deloitte, the IMF, investment agencies, and government sources. The profit tax rate is based on the taxes and mandatory contributions payable by a medium-sized company in its second year of

operation. To make the data comparable across countries, several assumptions about the business are used. These include that the business is a limited liability company and that it is a taxable company with a gross margin (pretax) of 20 percent and a turnover of 1,050 times income per capita.

Source: Corporate tax rate data from the Heritage Foundation, *2012 Index of Economic Freedom*; profit tax rate data from The World Bank, *Doing Business 2012*

2.10 Time to pay taxes

[This is the time to prepare, file, and pay or withhold the corporate income tax, the value-added tax, and social security contributions \(hours per year\) | 2010](#)

The indicator measures the time it takes to prepare, file, and pay three major types of taxes and contributions: the corporate income tax, value-added or sales tax, and labor taxes, including payroll taxes and social contributions. Preparation time includes the time to collect all information necessary to compute the tax payable and to calculate the amount payable. If separate accounting books must be kept for tax purposes—or separate calculations made—the time associated with these processes is included. This extra time is included only if regular accounting work is not enough to fulfill the tax accounting requirements. Filing time includes the time to complete all necessary tax return forms and to file the relevant returns at the tax authority. Payment time considers the hours needed to make the payment online or at the tax authorities. Where taxes and contributions are paid in person, the time includes delays while waiting.

Source: The World Bank, *Doing Business 2012*

2.13 Internet users

[This variable is the percent of individuals using the Internet | 2011](#)

The percent of individuals using the Internet is calculated by dividing the number of in-scope individuals who used the Internet (from any location) in the last 12 months by the total number of in-scope individuals.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

2.14 Broadband Internet subscriptions

[This variable is the total broadband Internet subscriptions per 100 inhabitants | 2011](#)

Total fixed (wired) broadband Internet subscriptions refers to subscriptions to high-speed access to the public Internet (a TCP/IP connection) at downstream speeds equal to, or greater than, 256 kbit/s. This includes, for example, cable modem, DSL, fiber-to-the-home/building, and other fixed (wired) broadband subscriptions. This total is measured irrespective of the method of payment. It excludes subscriptions that have access to data communications (including the Internet) via mobile cellular networks.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

2.15 Telephone subscriptions

[This variable is the number of fixed-telephone subscriptions per 100 inhabitants | 2011](#)

A fixed telephone subscription (previously called main telephone line in operation) is the sum of active number of analogue fixed-telephone lines, voice-over-IP (VoIP) subscriptions, fixed wireless local loop (WLL) subscriptions, ISDN voice-channel equivalents, and fixed public payphones.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

2.16 Mobile telephone subscriptions

[This indicator is the number of mobile cellular telephone subscriptions per 100 inhabitants | 2011](#)

Mobile telephone subscriptions refers to the number of subscriptions to a public mobile-telephone service that provide access to the public switched telephone network (PSTN) using cellular technology. Both postpaid and prepaid subscriptions are included. It excludes subscriptions via data cards or USB modems, subscriptions to public mobile data services, private trunked mobile radio, telepoint, radio paging, and telemetry services.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2012*

2.17 Cost of starting a business

[This indicator is the cost of starting a business as a percent of income per capita | 2011](#)

This includes all official fees as well as fees for legal or professional services if such services are required by law. Fees for purchasing and legalizing company books are included if these transactions are required

by law. The company law, the commercial code, and specific regulations and fee schedules are used as sources for calculating costs. In the absence of fee schedules, a government officer's estimate is taken as an official source. In the absence of a government officer's estimate, estimates of incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied.

Source: The World Bank, *Doing Business 2012*

2.18 Cost of registering property

[This variable is the cost of registering property as a percent of the property value | 2011](#)

Cost is recorded as a percent of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties, and any other payment to the property registry, notaries, public agencies, or lawyers. Other taxes, such as capital gains tax or value-added tax, are excluded from the cost measure. Both costs borne by the buyer and those borne by the seller are included. If cost estimates differ among sources, the median reported value is used.

Source: The World Bank, *Doing Business 2012*

2.19 Cost of closing a business

[This variable is the cost of closing a business as a percent of the estate | 2011](#)

The cost is calculated on the basis of questionnaire responses and includes court fees and government levies; fees of insolvency administrators, auctioneers, assessors, and lawyers; and all other fees and costs.

Source: The World Bank, *Doing Business 2012*

2.20 Time to start a business

[This variable is the time in days to start a business | 2011](#)

The measure captures the median duration that incorporation lawyers indicate is necessary to complete a procedure with minimum follow-up with government agencies and no extra payments. It is assumed that the minimum time required for each procedure is one day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). A procedure is considered completed once the company has received the final document, such as the company registration certificate or tax number. If a procedure can be

accelerated for an additional cost, the fastest procedure is chosen. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry regulations and their sequence from the beginning but has had no prior contact with any of the officials.

Source: The World Bank, *Doing Business 2012*

2.21 Time to register property

[This variable is the time in days to register property | 2011](#)

The measure captures the median duration that property lawyers, notaries, or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is one day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all regulations and their sequence from the beginning.

Source: The World Bank, *Doing Business 2012*

2.22 Time to close a business

[This variable is the time in years to close a business | 2011](#)

Time for creditors to recover their credit is recorded in calendar years. The period of time measured by *Doing Business* is from the company's default until the payment of some or all of the money owed to the bank. Potential delay tactics by the parties, such as the filing of dilatory appeals or requests for extension, are taken into consideration.

Source: The World Bank, *Doing Business 2012*

3.01 Change in real effective exchange rate (REER)

[This is the average percent change in real effective exchange rate \(REER\) from year-to-year over the period 2007–2011. Higher REER represents appreciation | 2007–2011](#)

Real effective exchange rates (REERs) are available only for a subgroup of rated countries and come from

two main sources: JP Morgan and the IMF. The JP Morgan REER index relies on available measures of the prices of domestically produced finished manufactured goods (excluding primary food and energy), while the IMF index is based on consumer prices. Cross-country comparisons are therefore difficult, but changes over time for individual countries still give a rough indication of the evolution of relative costs.

Source: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.02 External vulnerability indicator

The external vulnerability indicator is the sum of several measures of external exposure as a percent of foreign exchange reserves | 2011

This variable is:

$$\frac{\text{short-term external debt} + \text{currently maturing long-term external debt} + \text{total nonresident deposits over one year}}{\text{official foreign exchange reserves (\%)}}$$

Source: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.03 Current account balance to GDP

This variable, which is the three-year average of current account balance to GDP, provides an indicator of the difficulty a country might have in mobilizing the foreign exchange necessary for debt service | 2009–2011

Current account is all transactions other than those in financial and capital items. The major classifications are goods and services, income, and current transfers. The focus of the balance of payments (BOP) data is on transactions (between an economy and the rest of the world) in goods, services, and income.

Source: IMF, *World Economic Outlook Database*, April 2012

3.04 Dollarization vulnerability indicator

This variable measures the risk of payment crisis and default originating from the presence of a large amount of dollarization in the domestic banking system | 2011

This variable is:

$$\frac{\text{foreign-currency deposits in domestic banks}}{\text{official foreign-exchange reserves} + \text{foreign assets of domestic banks (\%)}}$$

Source: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.05 External debt to GDP (developing economies)

This variable refers to a country's external debt as a percent of GDP | 2011

This variable measures the total debt held by nonresidents, regardless of the currency in which the debt is denominated, as a share of GDP, for emerging markets only.

Source: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.06 Net international investment position to GDP (advanced economies)

This variable refers to a country's net international investment position as a percent of GDP | 2011

For advanced economies only, this variable measures the role they play in the international movement of capital. The estimate is based on the difference between the market value of an economy's foreign assets and that of its liabilities relative to GDP.

Source: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.07 Frequency of banking crises

This variable is calculated based on the number of banking crises a country experienced from 1970 to 2011. Recent crises are weighted more heavily | 2011

The crisis count includes systemic banking crises (defined as much or all of bank capital being exhausted), excluding banking system distress events that affected isolated banks and were neither fully nor borderline systemic in nature.

Source: Laeven, L. and F. Valencia. 2012. "Systemic Banking Crises Database: An Update." *IMF Working Paper* 12/163. Washington DC: IMF. All weighting is based on World Economic Forum analysis.

3.08 Financial strengths indicator

This is the weighted average financial strength rating by bank assets | 2012

This indicator is a measure of a country's banks' ability to meet obligations to depositors and other creditors, as viewed by specialized analysts. It incorporates quantitative and qualitative information on a country's banks' operating environment. The sample is restricted to larger banks in each country.

Source: Moody's, *Moody's Country Credit Statistical Handbook*, May 2012

3.09 Aggregate measure of real estate bubbles

This is the aggregate measure of real estate bubbles based on price-to-income ratio and price-to-rent ratio | 2011

The house price-to-income ratio is the ratio of the cost of a typical upscale housing unit of 100 square meters, compared to the country's GDP per capita. The house price-to-income ratios published by the Global Property Guide are based on the Global Property Guide's own proprietary in-house research. The price-to-rent ratio is calculated by dividing the gross rental yield (gross annual rental income, expressed as a percent of property purchase price) by 100.

Source: Global Property Guide, <http://www.globalpropertyguide.com> (data retrieved July 2012)

3.10 Tier 1 capital ratio

This is the weighted average Tier 1 regulatory capital ratio at the 10 largest banks | 2011

This ratio is calculated based on the weighted average of assets held by the top 10 bank holding and holding companies, commercial banks, cooperative banks, Islamic banks, savings banks, and specialized governmental credit institutions in each country. The ratio is excluded for countries in which data are not available for the majority of the top 10 banks by assets.

Source: *BankScope* database (data retrieved July 2012)

3.11 Output loss during banking crises

This is the percent difference between actual and trend real GDP during a banking crisis. Output loss during recent crises is weighted more heavily | 2011

The crisis count includes systemic banking crises (defined as much or all of bank capital being exhausted), excluding banking system distress events that affected isolated banks and were neither fully nor borderline systemic in nature. Output losses are computed as the cumulative sum of the differences between actual and trend real GDP over the period $[T, T + 3]$, expressed as a percent of trend real GDP, where T is the starting year of the crisis. Trend real GDP is computed by applying an HP filter (with $\lambda=100$) to the log of real GDP series over $[T - 20, T - 1]$. No output losses are reported for crises in transition economies that took place during the period of transition to market economies.

Source: Laeven, L. and F. Valencia. 2012. "Systemic Banking Crises Database: An Update." *IMF Working*

Paper 12/163. Washington DC: IMF. All weighting is based on World Economic Forum analysis.

3.12 Local currency sovereign rating

This variable measures the probability that a country will pay its local currency borrowing in a full and timely manner | 2012

Local currency sovereign credit ratings of Standard and Poor's were converted on a linear numerical scale from 0 (SD) to 20 (AAA). Credit outlooks were given either a positive 0.3 or a negative 0.3 to be added to the actual rating of a country.

Source: Standard and Poor's (data retrieved July 2012)

3.13 Foreign currency sovereign rating

This variable measures the probability that a country will pay its foreign currency borrowing in a full and timely manner | 2012

Foreign currency sovereign credit ratings of Standard and Poor's were converted on a linear numerical scale from 0 (SD) to 20 (AAA). Credit outlooks were given either a positive 0.3 or a negative 0.3 to be added to the actual rating of a country.

Source: Standard and Poor's (data retrieved July 2012)

3.14 Aggregate macroeconomic indicator

This is an aggregate measure of macroeconomic soundness based on real GDP growth, deposit interest rate, inflation volatility, and inflation level | 2011

This measure is calculated as the mean of four normalized variables: year-over-year growth of real GDP, deposit interest rate, standard deviation of month-over-month change in consumer price index during a one-year period, and annual percent change in average consumer prices. All data are as of 2011 except deposit interest rates, for which the latest available data are as of 2010.

Source: GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved July 2012); deposit rate from World Bank, *World Development Indicators and Global Development Finance* (data retrieved July 2012); inflation volatility data from Thomson Reuters Datastream (data retrieved July 2012)

3.15 Manageability of public debt

This variable is based on total debt owed by the government to domestic residents, foreign nationals, and multilateral institutions as a percent of GDP | 2011
The total debt includes both local and foreign currency

owed by the government to domestic residents, foreign nationals, and multilateral institutions such as the IMF, and is expressed as a percent of GDP.

Source: Public debt data from the Economist Intelligence Unit, *CountryData Database* (data retrieved July 2012); GDP data from the IMF, *World Economic Outlook Database*, April 2012

3.16 Credit default swap spreads

This measure shows the spreads on sovereign credit default swaps | 2012

This indicator reflects the average of daily prices of five-year senior credit default swaps for the government sector over the past year.

Source: Markit CDS; Bloomberg; Thomson Reuters Datastream; data retrieved July 2012

4.01 Deposit money bank assets to GDP

These are claims on the domestic real nonfinancial sector by deposit money banks as a share of GDP | 2010

The ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is deposit money bank claims, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

4.02 Central bank assets to GDP

These are claims on the domestic real nonfinancial sector by the central bank as a share of GDP | 2010

The ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is central bank claims, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

4.03 Financial system deposits to GDP

This variable shows the demand, time, and savings deposits in deposit money banks and other financial institutions as a share of GDP | 2010

The ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is demand, time, and savings deposits, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

4.04 M2 to GDP

This variable is the money and quasi-money supply as a percent of GDP | 2011

This ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is money and quasi-money, P_e is end-of period CPI, and P_a is average annual CPI.

Source: M2 supply data from the Economist Intelligence Unit, *CountryData Database* (data retrieved July 2012); GDP data from the IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

4.05 Private credit to GDP

This variable shows private credit by deposit money banks and other financial institutions as a percent of GDP | 2010

The ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is credit to the private sector, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

4.06 Bank deposits to GDP

This variable shows the demand, time, and savings deposits in deposit money banks as a share of GDP | 2010

This ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is demand, time, and savings deposits, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

4.07 Money market instruments to GDP

This variable is total money market instruments (US\$ billions) as a percent of GDP | 2011

Figures are based on the residence of the issuer.

Source: Bank for International Settlements, *BIS Quarterly Review*, June 2012

4.08 Aggregate profitability indicator

This variable is based on a three-year average of three measures of profitability: net interest margin, bank return on assets, and bank return on equity | 2008–2010

Net interest margin is the accounting value of the bank's net interest revenue as a share of its interest-bearing (total earning) assets. Bank return on assets is calculated as net income as a percent of total assets. Bank return on equity is calculated as net income as a percent of total shareholder's equity.

Source: World Bank, *Global Financial Development Database*, September 2012

4.09 Bank overhead costs

This is bank overhead costs as a percent of total assets | 2010

This figure is calculated as the accounting value of a bank's overhead costs as a share of its total assets.

Source: World Bank, *Global Financial Development Database*, September 2012

4.10 Public ownership of banks

This variable is the percent of assets held by the 10 largest banks that is located in banks that are more than 25 percent government-owned | 2011

This figure is based on bank holding and holding companies, commercial banks, cooperative banks, Islamic banks, savings banks, and specialized governmental credit institutions in each country. Banks owned by public authorities in foreign countries are not included in this measure.

Source: *BankScope* database (data retrieved July 2012)

4.11 Bank operating costs to assets

This is non-interest expense as a percent of average assets in the last reported year | 2011

This ratio is calculated based on the weighted average of assets held by the top 10 bank holding and holding companies, commercial banks, cooperative banks, Islamic banks, savings banks, and specialized governmental credit institutions in each country.

Source: *BankScope* database (data retrieved July 2012)

4.12 Non-performing bank loans to total loans

This variable is the percent of non-performing bank loans relative to total number of loans outstanding | 2011

Bank non-performing loans to total gross loans is the value of non-performing loans divided by the total value of the loan portfolio (including non-performing loans before the deduction of specific loan-loss provisions). The loan amount recorded as non-performing should be the gross value of the loan as recorded on the balance sheet, not just the amount that is overdue.

Source: IMF, *Global Financial Stability Report*, April 2012

4.13 Private credit bureau coverage

This variable is the percent of adults covered by a private credit registry | 2011

The private credit bureau coverage indicator reports the number of individuals and firms listed by a private credit bureau with information on their borrowing history from the past five years. The number is expressed as a percent of the adult population (the population age 15 and above in 2010, according to the World Bank's *World Development Indicators*). A *private credit bureau* is defined as a private firm

or nonprofit organization that maintains a database on the creditworthiness of borrowers (individuals or firms) in the financial system and that facilitates the exchange of credit information among creditors. If no private bureau operates, the coverage value is 0.

Source: The World Bank, *Doing Business 2012*

4.14 Public credit registry coverage

This variable is the percent of adults covered by a public credit registry | 2011

The public credit registry coverage indicator reports the number of individuals and firms listed in a public credit registry with information on their borrowing history from the past five years. The number is expressed as a percent of the adult population (the population age 15 and above in 2010, according to the World Bank's *World Development Indicators*). A public credit registry is defined as a database managed by the public sector, usually by the central bank or the superintendent of banks, that collects information on the creditworthiness of borrowers (individuals or firms) in the financial system and that facilitates the exchange of credit information among banks and other regulated financial institutions. If no public registry operates, the coverage value is 0.

Source: The World Bank, *Doing Business 2012*

5.01 IPO market share

This is the three-year average of percent of world initial public offerings (IPOs) issued in a given country, as measured in US dollars | 2009–2011

IPOs are issues where the common stock has never traded publicly in any market and is offered in its initial public offering. Annual volumes accumulate the proceeds amount + over-allotment sold (US\$ millions), which is the amount of the issue in this market plus the over-allotment amount ("green shoe") sold in this market, for all issues based on the issue/announcement date. Market share calculation is based on IPOs in the 62 economies included in the Index.

Source: Dealogic Analytics (data retrieved July 2012)

5.02 IPO proceeds amount

This is the three-year average of total initial public offering (IPO) proceeds as a percent of GDP | 2009–2011

This variable represents IPO proceeds as a percent of GDP. The IPO proceeds amount is calculated when the common stock has never before traded publicly in any market. Annual volumes accumulate as the

proceeds amount + over-allotment sold (US\$ millions), which is the amount of the issue in this market plus the over-allotment amount ("green shoe") sold in this market, for all issues based on the issue/announcement date.

Source: IPO proceeds data from Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

5.03 Share of world IPOs

This is the three-year average of the number of initial public offering (IPO) issues as a percent of total global number of issues | 2009–2011

This variable counts the number of IPO issues as defined in the *IPO proceeds amount* variable and shows the percent of the total global issuance in number of issues attributable to that country. Share calculation is based on IPOs in the 62 economies included in the Index.

Source: Dealogic Analytics (data retrieved July 2012)

5.04 M&A market share

This is the three-year average of the dollar value of mergers and acquisitions (M&As) occurring in a given country as a percent of the total global value | 2009–2011

This indicator is the percent of the total world rank value of the transaction in US dollars attributable to a given country. The rank value is calculated by subtracting the value of any liabilities assumed in a transaction from the transaction value and adding the target's net debt (US\$ millions). Net debt is straight debt + short-term debt + preferred equity – cash and marketable securities as of the date of the most current financial information prior to the announcement of the transaction. Preferred equity is not included if the cost to acquire preferred shares (CSTPFD) is filled in. Market share calculation is based on M&A transactions in 62 economies included in the Index.

Source: Dealogic Analytics (data retrieved July 2012)

5.05 M&A transaction value to GDP

This variable is the rank value of the three-year average of mergers and acquisitions (M&A) transactions in US dollars as a percent of GDP | 2009–2011

The rank value is calculated by subtracting the value of any liabilities assumed in a transaction from the transaction value and adding the target's net debt (US\$ millions). Net debt is straight debt + short-term debt + preferred equity – cash and marketable

securities as of the date of the most current financial information prior to the announcement of the transaction. Preferred equity is not included if the cost to acquire preferred shares (CSTPFD) is filled in.

Source: M&A transaction value data from Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

5.06 Share of total number of M&A deals

This is the three-year average of the percent of world mergers and acquisitions (M&A) deals occurring in a given country, as measured by the share of the total number of global M&A deals | 2009–2011

This variable counts the number of M&A transactions as defined in the *M&A transaction value to GDP* variable and shows the percent of the total global M&A deals attributable to that country. Share calculation is based on M&A deals in the 62 economies included in the Index.

Source: Dealogic Analytics (data retrieved July 2012)

5.07 Life insurance penetration

This variable is the ratio of direct life insurance premiums from domestic sources to GDP | 2011

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Source: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012

5.08 Non-life insurance penetration

This variable is the ratio of direct non-life insurance premiums from domestic sources to GDP | 2011

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Source: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012

5.09 Real growth of direct insurance premiums

This is the annual real rate of growth, in percent, of direct premiums (life and non-life) based on local currency prices | 2011

Real growth rates are calculated using premiums in local currencies and adjusted for inflation using the consumer price index for each country.

Source: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012

5.10 Life insurance density

This is the ratio of direct domestic premiums for life insurance to per capita GDP | 2011

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Source: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP per capita data from IMF, *World Economic Outlook Database*, April 2012

5.11 Non-life insurance density

This is the ratio of direct domestic premiums for non-life insurance to per capita GDP | 2011

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Source: Swiss Re, *World Insurance in 2011: Non-life Ready to Take Off*, 2012; GDP per capita data from IMF, *World Economic Outlook Database*, April 2012

5.12 Relative value added of insurance to GDP

This is the value added by insurance and pension services to the economy, after costs are subtracted, as a percent of GDP | 2011

This indicator represents what remains of total sales revenue after the costs of providing insurance and pension products are taken out, signifying the value that the insurance and pension sector creates in the economy. Figures are preliminary and subject to change.

Source: IHS, *World Industry Services* (data retrieved August 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

5.13 Securitization to GDP

This is the three-year average of the sum of asset-backed securities (ABS), mortgage-backed securities (MBS), high-yield bonds, and highly leveraged loans' deal value as a percent of GDP | 2009–2011

This figure is calculated based on a three-year average of securitization deals and GDP.

Source: Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

5.14 Share of total number of securitization deals

This is the three-year average of the sum of asset-backed securities (ABS), mortgage-backed securities (MBS), high-yield bonds, and highly leveraged loans deals as a percent of total deals | 2009–2011

This figure is calculated based on a three-year average of securitization deals.

Source: Dealogic Analytics (data retrieved July 2012)

6.01 Spot foreign exchange turnover

This is the percent share of the world total of spot foreign exchange turnover | 2010

Transactions are measured in US dollars and involve the exchange of two currencies at a rate agreed upon on the date of the contract for value or delivery (cash settlement) within two business days. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.02 Outright forward foreign exchange turnover

This is the percent share of the world total of outright forward foreign exchange turnover | 2010

Transactions are measured in US dollars and involve the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) at some time in the future (more than two business days later). This category also includes non-deliverable forwards and other forward contracts for differences. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.03 Foreign exchange swap turnover

This is the percent share of the world total of foreign exchange swap turnover | 2010

Transactions are measured in US dollars and involve the actual exchange of two currencies (principal amount only) on a specific date at a rate agreed at the time of the conclusion of the contract (the short leg), and a reverse exchange of the same two currencies at a date further in the future at a rate (generally different from the rate applied to the short leg) agreed at the time of the contract (the long leg). Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.04 Interest rate derivatives turnover:**Forward rate agreements**

This is the percent share of world total of over-the-counter single-currency forward interest rate agreements turnover | 2010

Transactions are measured in US dollars and involve interest rate forward contracts in which the rate to be paid or received on a specific obligation for a set period of time, beginning at some time in the future, is determined at contract initiation. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.05 Interest rate derivatives turnover: Swaps

This is the percent share of the world total of over-the-counter single-currency interest rate swaps turnover | 2010

Transactions are measured in US dollars and involve agreements to exchange periodic payments related to interest rates on a single currency; these can be fixed for floating, or floating for floating based on different indices. This group includes those swaps whose notional principal is amortized according to a fixed schedule independent of interest rates. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.06 Interest rate derivatives turnover: Options

This is the percent share of the world total of over-the-counter interest rate options turnover | 2010

Transactions are measured in US dollars and involve option contracts that give the right to pay or receive a specific interest rate on a predetermined principal for a set period of time. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.07 Foreign exchange derivatives turnover:**Currency swaps**

This is the percent share of the world total of over-the-counter foreign exchange currency swaps turnover | 2010

Transactions are measured in US dollars and involve contracts that commit two counterparties to exchange streams of interest payments in different currencies for an agreed period of time and to exchange principal amounts in different currencies at a pre-agreed

exchange rate at maturity. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.08 Foreign exchange derivatives turnover: Options

This is the percent share of the world total of over-the-counter foreign exchange options turnover | 2010

Transactions are measured in US dollars and involve contracts that give the right to buy or sell a currency with another currency at a specified exchange rate during a specified period. This category also includes exotic foreign exchange options, such as average rate options and barrier options. Percents are based on the 62 economies included in the Index.

Source: Bank for International Settlements, *Triennial Central Bank Survey*, December 2010

6.09 Stock market turnover ratio

This is the ratio of the value of total shares traded to average real market capitalization | 2010

The denominator is calculated using the following deflation method:

$$\frac{\frac{T_t}{P_{_a_t}}}{(0.5) \times \left[\frac{M_t}{P_{_e_t}} + \frac{M_{t-1}}{P_{_e_{t-1}}} \right]}$$

where T is total value traded, M is stock market capitalization, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

6.10 Stock market capitalization to GDP

This indicator is the value of listed shares as a percent of GDP | 2010

The ratio is calculated using the following deflation method:

$$\frac{(0.5) \times \left[\frac{F_t}{P_{_e_t}} + \frac{F_{t-1}}{P_{_e_{t-1}}} \right]}{\frac{GDP_t}{P_{_a_t}}}$$

where F is stock market capitalization, P_e is end-of period CPI, and P_a is average annual CPI.

Source: World Bank, *Global Financial Development Database*, September 2012

6.11 Stock market value traded to GDP

This is the total value of shares traded on stock market exchanges as a percent of GDP | 2010

Value of shares traded and GDP are measured over the same time period.

Source: World Bank, *Global Financial Development Database*, September 2012

6.12 Number of listed companies per 10,000 people

This is the number of publicly listed companies per 10,000 people | 2010

Number of publicly listed companies per capita. This indicator does not include investment companies, mutual funds, or other collective investment vehicles.

Source: World Bank, *Global Financial Development Database*, September 2012

6.13 Private domestic bond market capitalization to GDP

This variable is the domestic debt securities issued by financial institutions and corporations as a share of GDP | 2011

This ratio is calculated using the following deflation method:

$$\frac{(0.5) \times \left[\frac{F_t}{P_{_e_t}} + \frac{F_{t-1}}{P_{_e_{t-1}}} \right]}{\frac{GDP_t}{P_{_a_t}}}$$

where F is amount outstanding of private domestic debt securities, P_e is end-of period CPI, and P_a is average annual CPI.

Source: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

6.14 Public domestic bond market capitalization to GDP

This variable is the domestic debt securities issued by the government as a share of GDP | 2011

This ratio is calculated using the following deflation method:

$$\frac{(0.5) \times \left[\frac{F_t}{P_{_e_t}} + \frac{F_{t-1}}{P_{_e_{t-1}}} \right]}{\frac{GDP_t}{P_{_a_t}}}$$

where F is amount outstanding of public domestic

debt securities, P_e is end-of period CPI, and P_a is average annual CPI.

Source: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

6.15 Private international bonds to GDP

This variable is the international debt securities issued by financial institutions and corporations as a share of GDP | 2011

The ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is amount outstanding of private international debt securities, P_e is end-of period CPI, and P_a is average annual CPI.

Source: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

6.16 Public international bonds to GDP

This variable is the international debt securities issued by the government as a share of GDP | 2011

The ratio is calculated using the following deflation method:

$$(0.5) \times \frac{\left[\frac{F_t}{P_{e_t}} + \frac{F_{t-1}}{P_{e_{t-1}}} \right]}{\frac{GDP_t}{P_{a_t}}}$$

where F is amount outstanding of public international debt securities, P_e is end-of period CPI, and P_a is average annual CPI.

Source: Bank for International Settlements, *BIS Quarterly Review*, June 2012; GDP data from IMF, *World Economic Outlook Database*, April 2012; inflation data from IMF, *International Financial Statistics* (data retrieved August 2012)

6.17 Local currency corporate bond issuance to GDP

This is investment-grade and high-yield issuance corporate bonds as a share of GDP | 2011

Corporate bonds consist of industrial and utility businesses; this variable excludes all financial firms.

Source: Dealogic Analytics (data retrieved July 2012); GDP data from IMF, *World Economic Outlook Database*, April 2012

7.06 Foreign direct investment to GDP

This variable is comprised of equity capital, reinvested earnings, and intra-company loans | 2011

Equity capital is the foreign direct investor's purchase of shares of an enterprise in a country other than that where the investor resides. Reinvested earnings are comprised of the foreign direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by affiliates or earnings not remitted to the foreign direct investor. Such retained profits by affiliates are reinvested.

Intra-company loans or intra-company debt transactions refer to short- or long-term borrowing and lending of funds between foreign direct investors (parent enterprises) and affiliate enterprises.

Source: United Nations Conference on Trade and Development, "Inward and Outward Foreign Direct Investment Flows, Annual, 1970–2011"; GDP data from IMF, *World Economic Outlook Database*, April 2012

7.07 Market penetration of bank accounts

This is the percent of the population (15 years or older) with an account at a formal financial institution | 2011

These data are collected as part of a survey of financial inclusion administered by the World Bank. More than 150,000 nationally represented and randomly selected adults age 15 and above were interviewed. Responses were received from 148 economies during the 2011 calendar year.

Source: Demirguc-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." *World Bank Policy Research Working Paper* 6025. Washington DC: The World Bank

7.08 Commercial bank branches

This is the number of commercial bank branches per 100,000 adults | 2010

These data are collected as part of an access to finance survey administered by the IMF in 2011.

Responses were received from approximately 140 countries.

Source: IMF, *Financial Access Survey*, 2011

7.09 Total number of ATMs

This is the total number of ATMs per 100,000 adults | 2010

These data are collected as part of an access to finance survey administered by the IMF in 2011.

Responses were received from approximately 140 countries.

Source: IMF, *Financial Access Survey*, 2011

7.10 Debit card penetration

This is the percent of respondents with a debit card | 2011

These data are collected as part of a survey of financial inclusion administered by the World Bank.

More than 150,000 nationally represented and randomly selected adults age 15 and above were interviewed. Responses were received from 148 economies during the 2011 calendar year.

Source: Demircuc-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." *World Bank Policy Research Working Paper* 6025. Washington DC: The World Bank

7.11 Loan accounts at MFIs

This variable indicates the total number of active borrowers from microfinance institutions (MFIs) per 1,000 adults | 2011

The total number of people registered as active borrowers at an MFI divided by the total population.

Source: Microfinance Information Exchange, Inc. (MIX) (data retrieved August 2012)

7.12 Loan from a financial institution

This is the percent of respondents who have borrowed from a financial institution in the past year | 2011

These data are collected as part of a survey of financial inclusion administered by the World Bank. More than 150,000 nationally represented and randomly selected adults age 15 and above were interviewed. Responses were received from 148 economies during the 2011 calendar year.

Source: Demircuc-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion: The Global Findex Database." *World Bank Policy Research Working Paper* 6025. Washington DC: The World Bank

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