



	Getting credit				Bank capital to asset ratio	Ratio of bank nonperforming loans to total gross loans	Domestic credit provided by banking sector	Interest rate spread	Risk premium on lending		
	Strength of legal rights index	Depth of credit information index	% of adult population							Lending rate minus deposit rate	Prime lending rate minus treasury bill rate
	0–10 (weak to strong)	0–6 (low to high)	Public credit registry coverage	Private credit bureau coverage						percentage points	percentage points
June 2008	June 2008	June 2008	June 2008	% 2007	% 2007	% of GDP 2007	2007	2007			
Afghanistan	1	0	0.0	0.0	..	..	-1.6	..	..
Albania	9	4	8.3	0.0	5.8	3.4	62.1	8.4	8.2		
Algeria	3	2	0.2	0.0	..	..	-3.5	6.3	7.0
Angola	4	4	2.7	0.0	..	..	1.9	10.9	..
Argentina	4	6	31.2	100.0	13.1	2.7	28.5	3.1	..		
Armenia	7	5	2.6	24.4	22.5	2.4	12.1	11.3	11.4		
Australia	9	5	0.0	100.0	4.6	0.2	141.8	5.4	..		
Austria	7	6	1.3	40.9	6.5	2.1	125.8	..	..
Azerbaijan	8	5	3.1	0.0	14.2	7.2	18.2	7.6	8.5		
Bangladesh	8	2	0.9	0.0	6.5	14.0	58.2	6.8	..		
Belarus	2	5	2.4	0.0	15.9	0.7	27.2	0.3	..		
Belgium	7	4	57.7	0.0	4.3	1.2	113.4	..	4.8		
Benin	3	1	10.5	0.0	..	..	8.9	..	..
Bolivia	1	6	11.9	29.7	9.6	5.6	53.5	9.3	6.8		
Bosnia and Herzegovina	5	5	0.0	69.2	13.1	3.0	54.7	3.6	..		
Botswana	7	4	0.0	52.9	..	..	-16.4	7.6	..
Brazil	3	5	20.2	62.2	9.9	3.0	95.9	33.1	32.2		
Bulgaria	8	6	30.7	5.0	7.7	2.1	59.2	6.3	6.2		
Burkina Faso	3	1	1.9	0.0	..	..	12.4	..	..
Burundi	2	1	0.3	0.0	..	..	38.5	..	8.2
Cambodia	9	0	0.0	0.0	..	..	12.9	14.6	..
Cameroon	3	2	4.9	0.0	..	..	5.8	10.8	..
Canada	6	6	0.0	100.0	5.5	0.7	165.1	4.0	2.0		
Central African Republic	3	2	1.2	0.0	..	..	17.4	10.8	..
Chad	3	1	0.6	0.0	..	..	1.1	10.8	..
Chile	4	5	28.1	34.5	6.7	0.8	90.0	3.1	..		
China	6	4	58.8	0.0	5.5	6.7	132.0	3.3	..		
Hong Kong, China	10	5	0.0	69.9	12.0	0.9	125.3	4.3	4.8		
Colombia	5	5	0.0	42.5	11.4	3.2	41.6	7.4	..		
Congo, Dem. Rep.	3	0	0.0	0.0	..	..	5.6	..	..
Congo, Rep.	3	2	6.9	0.0	..	..	-10.1	10.8	..
Costa Rica	5	5	5.9	51.6	10.7	1.2	47.4	6.4	..		
Côte d'Ivoire	3	1	2.9	0.0	..	..	20.7	..	..
Croatia	6	3	0.0	71.8	12.5	4.8	82.9	7.0	..		
Cuba	..	..	..	..	..	..	..	..	..
Czech Republic	6	5	4.6	65.2	6.0	2.6	52.9	4.5	2.2		
Denmark	9	4	0.0	5.0	6.1	0.6	205.1	..	..
Dominican Republic	3	6	33.9	35.0	9.5	4.0	54.0	8.9	..		
Ecuador	3	5	37.7	46.8	8.5	2.9	18.7	7.1	..		
Egypt, Arab Rep.	3	5	2.2	4.7	5.1	24.7	89.5	6.4	5.7		
El Salvador	5	6	18.4	83.0	11.8	2.1	46.3	..	..
Eritrea	2	0	0.0	0.0	..	..	124.5	..	..
Estonia	6	5	0.0	20.6	8.6	0.5	95.1	2.1	..		
Ethiopia	4	2	0.1	0.0	..	..	47.2	3.4	6.9
Finland	7	5	0.0	14.8	9.2	0.3	85.6	..	..
France	7	4	28.3	0.0	5.5	2.7	122.0	..	..
Gabon	3	2	20.7	0.0	7.0	7.6	2.9	10.8	..		
Gambia, The	5	0	0.0	0.0	..	..	23.9	15.0	..
Georgia	6	6	0.0	4.5	20.4	2.6	31.6	10.9	..		
Germany	7	6	0.7	98.4	4.3	3.4	124.9	..	..
Ghana	7	0	0.0	0.0	11.8	6.4	32.9	..	..
Greece	3	4	0.0	39.0	6.6	4.5	108.6	..	..
Guatemala	7	5	16.1	19.7	9.2	5.8	41.4	8.1	..		
Guinea	3	0	0.0	0.0	..	..	16.0	..	..
Guinea-Bissau	3	1	1.0	0.0	12.1		
Haiti	2	2	0.7	0.0	22.8	45.5	32.7		

Financial access, stability, and efficiency

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	Getting credit				Bank capital to asset ratio	Ratio of bank nonperforming loans to total gross loans	Domestic credit provided by banking sector	Interest rate spread	Risk premium on lending		
	Strength of legal rights index 0–10 (weak to strong) June 2008	Depth of credit information index 0–6 (low to high) June 2008	% of adult population							Lending rate minus deposit rate percentage points 2007	Prime lending rate minus treasury bill rate percentage points 2007
			Public credit registry coverage June 2008	Private credit bureau coverage June 2008							
Honduras	6	6	11.3	60.5	8.4	6.6	51.0	8.8	..		
Hungary	7	5	0.0	10.0	8.3	2.4	74.4	2.3	1.4		
India	8	4	0.0	10.5	6.4	2.5	64.2	..	..
Indonesia	3	4	26.1	0.0	10.0	9.3	40.5	5.9	..		
Iran, Islamic Rep.	5	3	21.7	0.0	..	..	50.5	0.4	..
Iraq	3	0	0.0	0.0	..	..	..	8.4	-1.3
Ireland	8	5	0.0	100.0	4.5	0.7	195.7	2.6	..		
Israel	9	5	0.0	91.0	6.2	1.7	74.8	2.8	1.9		
Italy	3	5	11.8	74.9	7.7	4.8	129.7	..	2.3		
Jamaica	8	0	0.0	0.0	8.7	2.6	63.9	10.1	4.6		
Japan	7	6	0.0	76.2	5.0	1.5	294.1	1.1	1.3		
Jordan	4	2	1.0	0.0	6.7	4.1	123.5	3.2	..		
Kazakhstan	5	6	0.0	25.6	15.2	2.7	41.0	..	..
Kenya	10	4	0.0	2.1	12.4	22.7	37.6	8.2	6.8		
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..
Korea, Rep.	7	6	0.0	90.4	9.0	0.7	110.2	1.4	..		
Kuwait	4	4	0.0	31.2	12.0	3.2	72.5	3.1	5.5		
Kyrgyz Republic	7	5	0.0	3.7	..	..	14.2	19.9	20.4
Lao PDR	4	0	0.0	0.0	..	..	6.8	23.5	9.7
Latvia	9	4	3.7	0.0	7.9	0.4	94.8	4.8	6.7		
Lebanon	3	5	6.8	0.0	8.1	10.1	186.9	2.3	5.0		
Lesotho	8	0	0.0	0.0	14.6	3.0	-18.4	7.7	6.3		
Liberia	4	1	0.3	0.0	..	..	160.6	11.3	..
Libya	..	..	..	..	..	..	-66.3	3.5	..
Lithuania	5	6	8.9	7.2	7.4	1.0	61.1	1.5	2.6		
Macedonia, FYR	7	4	6.5	0.0	..	9.1	35.5	5.4	..		
Madagascar	2	0	0.1	0.0	..	10.1	9.9	28.5	33.2		
Malawi	8	0	0.0	0.0	..	..	16.1	21.7	13.8
Malaysia	10	6	52.9	..	7.5	6.6	113.4	3.2	3.0		
Mali	3	1	4.1	0.0	..	..	14.9	..	..
Mauritania	3	1	0.2	0.0	..	..	..	15.5	13.1
Mauritius	5	3	20.6	0.0	..	..	110.5	10.1	..
Mexico	4	6	0.0	70.8	14.4	2.5	37.7	4.4	0.4		
Moldova	8	0	0.0	0.0	17.3	3.7	40.2	3.8	5.7		
Mongolia	6	3	22.7	0.0	..	..	30.1	4.1	..
Morocco	3	2	2.4	0.0	6.9	7.9	90.1	..	..
Mozambique	2	4	1.9	0.0	6.4	2.6	10.4	7.7	4.4		
Myanmar	..	..	..	..	..	..	28.1	5.0	..
Namibia	8	5	0.0	59.6	7.9	2.8	63.7	5.3	4.3		
Nepal	5	2	0.0	0.2	..	..	49.3	5.8	4.4
Netherlands	6	5	0.0	81.0	3.3	0.8	204.4	0.7	..		
New Zealand	9	5	0.0	100.0	..	..	144.4	5.0	5.3
Nicaragua	3	5	13.4	100.0	8.8	8.0	73.5	7.0	..		
Niger	3	1	0.9	0.0	..	..	7.1	..	..
Nigeria	8	0	0.1	0.0	16.3	8.4	20.2	6.7	10.1		
Norway	7	4	0.0	100.0	5.0	0.6	..	1.8	..		
Oman	4	2	23.4	0.0	13.2	3.2	28.7	3.1	..		
Pakistan	6	4	4.9	1.5	10.2	8.4	45.7	6.5	2.8		
Panama	6	6	0.0	43.7	13.7	1.3	89.3	3.5	..		
Papua New Guinea	5	0	0.0	0.0	..	..	22.8	8.7	5.1
Paraguay	3	6	9.7	48.6	11.6	1.3	19.5	20.0	..		
Peru	7	6	23.7	33.2	8.8	1.3	16.2	19.6	..		
Philippines	3	3	0.0	5.4	11.7	5.8	46.0	5.0	5.3		
Poland	8	4	0.0	50.0	7.4	3.1	46.6	3.3	1.3		
Portugal	3	4	76.4	11.3	6.2	0.8	172.3		
Puerto Rico	8	5	0.0	61.4		



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Financial access, stability, and efficiency

	Getting credit				Bank capital to asset ratio	Ratio of bank nonperforming loans to total gross loans	Domestic credit provided by banking sector	Interest rate spread	Risk premium on lending
	Strength of legal rights index 0–10 (weak to strong) June 2008	Depth of credit information index 0–6 (low to high) June 2008	% of adult population credit registry coverage Public Private June 2008							% 2007	% 2007	% of GDP 2007	Lending rate minus deposit rate percentage points 2007	Prime lending rate minus treasury bill rate percentage points 2007
Romania	8	5	4.5	24.7	7.3	9.7	35.7	6.6	6.2
Russian Federation	3	4	0.0	10.0	13.3	2.5	25.7	4.9	..
Rwanda	2	2	0.3	0.0	9.2	27.2	8.7	9.1	8.6
Saudi Arabia	4	6	0.0	14.1	9.9	2.1	17.5	..	..
Senegal	3	1	4.4	0.0	10.4	18.6	24.8	..	..
Serbia	7	5	0.0	91.9	17.1	3.8	30.8	7.1	6.7
Sierra Leone	4	0	0.0	0.0	17.7	31.7	9.8	15.0	6.6
Singapore	10	4	0.0	48.3	9.3	1.8	80.7	4.8	3.0
Slovak Republic	9	4	1.4	39.9	10.6	2.5	51.5	4.3	..
Slovenia	6	2	2.7	0.0	8.4	2.5	82.0	2.3	2.0
Somalia	..	..	..	..	..	..	..	..	..
South Africa	9	6	0.0	64.8	7.9	1.4	198.1	4.0	4.1
Spain	6	5	45.8	8.1	7.0	0.7	192.5	..	..
Sri Lanka	4	5	0.0	8.7	..	9.6	45.0	8.0	0.5
Sudan	5	0	0.0	0.0	..	..	0.2	..	..
Swaziland	6	5	0.0	43.5	22.9	4.0	6.8	6.1	4.1
Sweden	5	4	0.0	100.0	4.0	0.5	131.7	2.5	1.6
Switzerland	8	5	0.0	22.5	4.9	0.3	189.7	1.0	1.0
Syrian Arab Republic	1	0	0.0	0.0	..	..	38.8	1.8	..
Tajikistan	2	0	0.0	0.0	..	..	15.4	14.4	..
Tanzania	8	0	0.0	0.0	..	..	14.1	7.3	2.6
Thailand	4	5	0.0	31.8	9.5	7.9	104.9	4.2	3.6
Timor-Leste	1	0	0.0	0.0	..	..	-29.9	14.3	..
Togo	3	1	2.6	0.0	..	..	22.0	..	..
Trinidad and Tobago	8	4	0.0	37.6	..	..	26.2	5.9	4.8
Tunisia	3	5	14.9	0.0	7.7	17.3	71.5	..	..
Turkey	4	5	12.7	26.3	13.0	3.6	48.7	..	..
Turkmenistan	..	..	..	..	..	..	..	..	..
Uganda	7	0	0.0	0.0	10.3	4.1	5.2	9.8	10.1
Ukraine	9	3	0.0	3.0	12.5	13.2	61.7	5.8	..
United Arab Emirates	4	5	6.5	7.7	12.6	6.3	66.6	..	..
United Kingdom	9	6	0.0	100.0	8.9	0.9	190.5	..	0.0
United States	8	6	0.0	100.0	10.3	1.4	240.6	..	3.6
Uruguay	5	6	15.4	98.0	10.5	1.1	24.8	6.6	1.8
Uzbekistan	3	3	2.3	2.2	..	..	..	..	..
Venezuela, RB	3	0	0.0	0.0	8.3	1.2	22.7	6.4	..
Vietnam	7	4	13.4	0.0	..	..	96.2	3.7	7.0
West Bank and Gaza	0	3	7.8	0.0	..	..	8.3	4.8	..
Yemen, Rep.	2	0	0.1	0.0	..	..	9.9	5.0	2.1
Zambia	9	0	0.0	0.1	..	10.8	16.6	9.7	6.9
Zimbabwe	8	0	0.0	0.0	..	..	93.1	457.5	330.2
World	5.3 u	2.9 u	5.6 u	20.9 u	8.9 m	2.7 m	162.5 w	6.5 m	
Low income	4.4	1.0	1.2	0.2	..	..	36.9	10.3	
Middle income	5.2	3.2	7.6	19.1	9.6	3.0	75.0	6.6	
Lower middle income	4.7	3.0	7.4	14.4	9.5	3.9	90.5	7.3	
Upper middle income	5.9	3.4	7.9	25.9	9.9	2.5	58.7	6.4	
Low & middle income	4.9	2.4	5.4	12.6	9.7	3.5	73.2	7.1	
East Asia & Pacific	5.4	1.7	8.7	4.2	..	..	116.3	5.9	
Europe & Central Asia	6.3	4.1	4.9	18.2	13.0	3.1	38.8	6.3	
Latin America & Carib.	5.2	3.5	9.9	34.3	10.2	2.3	59.9	7.0	
Middle East & N. Africa	2.6	2.3	4.8	0.4	..	..	47.8	4.3	
South Asia	4.8	2.1	0.7	2.6	6.5	8.4	61.5	6.7	
Sub-Saharan Africa	4.5	1.4	2.5	5.0	..	..	80.6	10.0	
High income	6.5	4.2	6.0	45.7	6.5	1.4	194.8	4.0	
Euro area	5.9	4.2	17.3	36.0	6.4	1.9	138.7	..	

About the data

Financial sector development has positive impacts on economic growth and poverty. The size of the sector determines the resources mobilized for investment. Access to finance can expand opportunities for all with higher levels of access and use of banking services associated with lower financing obstacles for people and businesses. A stable financial system that promotes efficient savings and investment is also crucial for a thriving democracy and market economy. The banking system is the largest sector in the financial system in most countries, so most indicators in the table cover the banking system.

There are several aspects of access to financial services: availability, cost, and quality of services. The development and growth of credit markets depend on access to timely, reliable, and accurate data on borrowers' credit experiences. For secured transactions, such as mortgages or vehicle loans, rapid access to information in property registries is also vital, and for small business loans corporate registry data are needed. Access to credit can be improved by increasing information about potential borrowers' creditworthiness and making it easy to create and enforce collateral agreements. Lenders look at a borrower's credit history and collateral. Where credit registries and effective collateral laws are absent—as in many developing countries—banks make fewer loans. Indicators that cover financial access, or getting credit, include the strength of legal rights index (ranges from 0, weak, to 10, strong), depth of credit information index (ranges from 0, low, to 6, high), public registry coverage, and private bureau coverage.

The strength of legal rights index is based on eight aspects related to legal rights in collateral law and two aspects in bankruptcy law. The methodology for the index in this edition includes three improvements. First, a standardized case scenario with assumptions was introduced to bring the indicator in line with other Doing Business indicators. Second, the indicator focuses on revolving movable collateral, such as accounts receivable and inventory, rather than tangible movable collateral, such as equipment. Third, the indicator no longer considers whether management remains in place during reorganization, thus better accommodating economies that adopt reorganization procedures similar to U.S. Chapter 11 reorganization or *redressement* procedures in civil law systems. The depth of credit information index assesses six features of the public registry or the private credit bureau (or both). For more information on these indexes, see www.doingbusiness.org/MethodologySurveys/.

The size and mobility of international capital flows make it increasingly important to monitor the strength of financial systems. Robust financial systems can increase economic activity and welfare, but instability in the financial system can disrupt financial activity and impose widespread costs on the economy. The ratio of bank capital to assets, a measure of bank solvency and resiliency, shows the extent to which banks can deal with unexpected losses. Capital includes tier 1 capital (paid-up shares and common stock), a common feature in all countries' banking systems, and total regulatory capital, which includes several types of subordinated debt instruments that need not be repaid if the funds are required to maintain minimum capital levels (tier 2 and tier 3 capital). Total assets include all nonfinancial and financial assets. Data are from internally consistent financial statements.

The ratio of bank nonperforming loans to total gross loans, a measure of bank health and efficiency, helps to identify problems with asset quality in the loan portfolio. A high ratio may signal deterioration of the credit portfolio. International guidelines recommend that loans be classified as nonperforming when payments of principal and interest are 90 days or more past due or when future payments are not expected to be received in full. See the International Monetary Fund's (IMF) *Global Financial Stability Report* for details.

Domestic credit by the banking sector as a share of GDP is a measure of banking sector depth and financial sector development in terms of size. In a few countries governments may hold international reserves as deposits in the banking system rather than in the central bank. Since the claims on the central government are a net item (claims on the central government minus central government deposits), this net figure may be negative, resulting in a negative figure of domestic credit provided by the banking sector.

The interest rate spread—the margin between the cost of mobilizing liabilities and the earnings on assets—is a measure of financial sector efficiency in intermediation. A narrow interest rate spread means low transaction costs, which lowers the cost of funds for investment, crucial to economic growth.

The risk premium on lending is the spread between the lending rate to the private sector and the “risk-free” government rate. Spreads are expressed as annual averages. A small spread indicates that the market considers its best corporate customers to be low risk. A negative rate indicates that the market considers its best corporate clients to be lower risk than the government.

Definitions

- **Strength of legal rights index** measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Higher values indicate that the laws are better designed to expand access to credit.
- **Depth of credit information index** measures rules affecting the scope, accessibility, and quality of information available through public or private credit registries. Higher values indicate the availability of more credit information.
- **Public credit registry coverage** is the number of individuals and firms listed in a public credit registry with current information on repayment history, unpaid debts, or credit outstanding as a percentage of the adult population.
- **Private credit bureau coverage** is the number of individuals or firms listed by a private credit bureau with current information on repayment history, unpaid debts, or credit outstanding as a percentage of the adult population.
- **Bank capital to asset ratio** is the ratio of bank capital and reserves to total assets. Capital and reserves include funds contributed by owners, retained earnings, general and special reserves, provisions, and valuation adjustments.
- **Ratio of bank nonperforming loans to total gross loans** is the value of nonperforming loans divided by the total value of the loan portfolio (including nonperforming loans before the deduction of loan loss provisions). The amount recorded as nonperforming should be the gross value of the loan as recorded on the balance sheet, not just the amount overdue.
- **Domestic credit provided by banking sector** is all credit to various sectors on a gross basis, except to the central government, which is net. The banking sector includes monetary authorities, deposit money banks, and other banking institutions for which data are available.
- **Interest rate spread** is the interest rate charged by banks on loans to prime customers minus the interest rate paid by commercial or similar banks for demand, time, or savings deposits.
- **Risk premium on lending** is the interest rate charged by banks on loans to prime private sector customers minus the “risk-free” treasury bill interest rate at which short-term government securities are issued or traded in the market.

Data sources

Data on getting credit are from the World Bank's Doing Business project (www.doingbusiness.org). Data on bank capital and nonperforming loans are from the IMF's *Global Financial Stability Report*. Data on credit and interest rates are from the IMF's *International Financial Statistics*.