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The Financial Development Report 2011



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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

The fourth edition of *The Financial Development Report* comes at a time when the world appears to be moving from crisis to crisis. Many of the underlying issues that emerged as a result of the US subprime crisis have yet to be fully addressed, and new threats seem to arise at an unimaginable speed. The urgency with which policymakers need to respond in order to contain the fallout is increasing daily. A lack of financial stability, particularly with respect to unsustainable public debt levels and high unemployment, is probably the critical issue responsible for these turbulent times. Ultimately, many of the underlying problems can be addressed only by sustainable economic growth. Therefore, the need to create an enabling environment that allows for sustainable growth is of equal, if not more, importance than financial stability.

There is considerable hope riding on emerging economies' ability to provide growth until advanced economies are back on the recovery track. However, many emerging nations are still partially dependent on the financial systems of advanced economies. For example, the decrease in the supply of loans in advanced economies has had a spillover effect on emerging economies. In this context, it is becoming increasingly important to identify and address areas for improvement in emerging economies to ensure that the much-needed economic growth can be delivered. In contrast, the advanced countries are grappling with legacy issues from the crisis and its effects on their domestic economy. A specific challenge will be to instill financial stability without having the negative side-effect of inhibiting economic growth.

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. Thus it 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 extended program of outreach and dialogue with members of the academic community, public figures, representatives of nongovernmental organizations, and business leaders from across the world. This

work included numerous interviews and collaborative sessions to discuss the findings, and their implications, of the Index 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, Director, World Economic Forum USA; Chris Coles, Partner, Actis; Michael Drexler, Senior Director, World Economic Forum USA; 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; Mthuli Ncube, Chief Economist and Vice President, African Development Bank; 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; 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 at the World Economic Forum, editor of the *Report*, for her energy and commitment to the project, as well as the other members of the project team, including Todd Glass and Marc Wagner. We are grateful to James Bilodeau, Margareta Drzeniek Hanouz, and Thierry Geiger for their guidance as Project Advisors. Appreciation also goes to the Centre for Global Competitiveness and Performance Team, including Jennifer Blanke, Beñat Bilbao-Osorio, Ciara Browne, Roberto Crotti, Satu Kauhanen, and Tania Gutknecht. 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 2011*, the fourth 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 current need for economic growth is undeniably one of the most pressing to confront the global community in generations. As such, we believe that *The Financial Development Report* offers significant insight into how both emerging and advanced economies can successfully address their challenges and ultimately facilitate economic growth.

Striving to finance economic growth

The deterioration of the economic environment has caused considerable concern around the globe. Advanced economies are battling with legacy issues from the recent crisis as well as events that increase financial instability on a near daily basis. Emerging economies have been impacted as well, particularly in areas such as financial intermediation.

The need for economic growth is critical for both advanced and emerging economies—on the one hand to ensure a robust recovery, and on the other to deliver much-needed and anticipated growth. Nevertheless, the temptation of short-termism must be avoided since it is crucial for required reforms to avoid unintended consequences that might ultimately inhibit growth. We believe *The Financial Development Report* provides an important tool with which to center a debate on both the effectiveness of proposed reforms and their possible long-term consequences at the country level.

Given the vital role that credit plays in economic activity, it is important to monitor the availability of and access to capital not just for today, but also over the coming years. For advanced economies this may mean putting programs in place to ensure the availability of credit, such as those implemented in the United Kingdom. By contrast, emerging economies still require improvements across all sources of capital. Ultimately, these broad improvements will need to be supported by

local reforms that facilitate the development of financial systems.

The variables in this *Report* help provide guidance for measuring the progress of financial development at the country level. As potential programs and reforms are proposed and some are implemented, a spectrum of opinions may arise regarding their effectiveness. This *Report* can be used to help assess this effectiveness. It uses a comprehensive framework and includes variables that measure the access to capital and many related factors. As such, we believe this *Report* will be highly informative and useful as a vehicle for future dialogue and debate.

The Financial Development Report 2011

In this context, we offer this year's *Report* as a way to identify the factors that play a crucial role in addressing how to achieve 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 four 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 importance of financial development indicators, their use, and how benchmarking analysis can be enhanced by using a statistical approach when looking to understand either the extent of or reasons behind an emerging gap in the results. Chapter 1.3 highlights some of the challenges emerging economies are facing in the aftermath of the financial crisis. And finally, Chapter 1.4 proposes possible solutions to the problems stemming from the US housing market finance system, one of the key legacy issues of the US subprime crisis.

We encourage readers to delve into the detail 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, in the *Report's* attempt to establish a comprehensive framework and a means for benchmarking, we feel it provides a useful common vantage point 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 Isabella Reuttner and Todd Glass for their boundless support.

Executive Summary

The *Financial Development Report 2011* and the Financial Development Index (“the Index”) on which it is based provide a score and rank for 60 of the world’s leading financial systems and capital markets. The Index analyzes drivers of financial system development that support economic growth. Ultimately, it aims to serve as a tool for both advanced and emerging economies to benchmark themselves and thereby 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 disclosure
5. *Non-banking financial services*: includes IPO and M&A activity, insurance, and securitization
6. *Financial markets*: contains foreign exchange and derivative markets, and equity and bond market development
7. *Financial access*: evaluates commercial and retail access

The Index takes a holistic 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.

Table 1: Top 10 in overall Index rankings, 2011 vs. 2010

Country/Economy	2011 rank	2010 rank	2011 score (1–7)	Change in score
Hong Kong SAR	1	4	5.16	+0.12
United States	2	1	5.15	+0.03
United Kingdom	3	2	5.00	–0.07
Singapore	4	3	4.97	–0.08
Australia	5	5	4.93	–0.08
Canada	6	6	4.86	–0.11
Netherlands	7	7	4.71	–0.04
Japan	8	9	4.71	+0.05
Switzerland	9	8	4.63	–0.09
Norway	10	15	4.52	+0.18

Note: Year-on-year comparisons include post-release adjustments to 2010 rankings and scores.

The composition of the top 10 economies in the Index has remained predominantly the same as last year (see Table 1); the only change involves Norway’s replacement of Belgium at the 10th spot. Nevertheless, the results do show movement across the ranks. One of the most notable changes is that Hong Kong takes 1st place from the United States (2nd), albeit with only a small difference in overall score. The rest of the countries in the top 10 have seen only minor changes—Japan increased by one rank, while the United Kingdom, Singapore, and Switzerland have each dropped one position.

An important finding from this year’s Index results can be seen in the relative year-on-year performance of countries in the different pillars. In particular, the highest variance can be observed in the pillars underlying financial intermediation. Banking financial services sees the majority of economies increase in score, whereas non-banking financial services and financial markets see the majority of economies experiencing declines. Although this may be expected given the overall deterioration of the economic environment, a potentially more troublesome aspect is the effect this may have on the overall ability of firms to secure financing on a sustainable basis.

The Index’s commercial access scores may prove helpful in understanding the current situation relating to

access to capital. As the need for growth increases, it is potentially worrisome to see that the majority of countries have not yet returned to pre-crisis levels (measured as the difference between 2008 and 2011 commercial access scores). Although an overall marginal increase from last year's level is evident, further attention is needed both by advanced and emerging economies. Those with the highest ranks are primarily advanced economies, possibly suggesting that the cause for the reduction in score may be found in the effects of the recent crisis. A gap remains across most of the variables when comparing emerging economies with advanced economies. This could imply that the challenge for advanced economies will lie in making capital more available over the coming years, while the emerging economies would benefit from further reforms to encourage improvement across all of the variables.

There are other factors that play a role in a firm's ability to access capital. Academic literature suggests that corporate governance is one such factor. Therefore, the Index's corporate governance scores may provide some further insight into the possible risks associated with an economy's access to and availability of capital. Both advanced and emerging economies experienced declines in corporate governance scores over the past four years (2008 to 2011). This would indicate that perceived corporate governance issues are global rather than restricted to advanced economies. This may be of particular concern given the important role that emerging economies are expected to play in future global economic growth. An area in need of improvement can be found in the protection of minority shareholders' interests, which may imply a deterioration of shareholders' confidence in adequate protection should the company face challenges. As the economic environment becomes increasingly uncertain, shareholder confidence could continue to deteriorate.

As the global financial system moves from crisis to crisis, it is tempting for international leaders to focus all reform efforts on restoring stability to the system. Nevertheless, as the overall Index results show, access to capital may prove to be as—or even more—significant than financial stability in promoting economic growth. The need to make different forms of capital available will be crucial over the coming years for both advanced economies, to ensure their robust recovery, and for emerging economies, to continue to serve as the primary engine of global economic growth.

Part 1

Findings from the Financial Development Index 2011

The Financial Development Index 2011: Striving to Finance Economic Growth

ISABELLA REUTTNER, World Economic Forum

TODD GLASS, World Economic Forum USA

The global economic environment continues to face significant uncertainty and the urgency of the situation is underscored by recent developments in the euro zone. While many believe that the problems brought on by the subprime crisis have not yet been fully addressed, governments are forced to grapple with new issues on a near daily basis. In particular, the speed at which developments occur has been surprising. For example, six months ago it was difficult to imagine a country leaving the euro zone. Now, however, such measures are actively being discussed.

Countries are facing enormous challenges and their policy responses should address not only the immediate symptoms of the crises, but also their underlying causes. These responses need to be effective and instill more resilience into the system, but at the same time it is important to avoid unintentionally inhibiting economic growth. Financial systems play a vital role in economic development and, to be successful in the longer term, countries must take a holistic view by identifying and improving long-term factors that are crucial to their development. Such a process would allow countries to encourage economic prosperity for all participants in the global economy. This approach is supported by empirical studies that have generally found that cross-country differences in levels of financial development explain a considerable portion of the cross-country differences in growth rates of economies.¹

It is against this backdrop that the fourth 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 60 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 on 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 over a theoretical focus on a few specific areas. With this in mind, it is not surprising that a disconnect in our results can be observed in times of turmoil, such as we are currently seeing in the euro zone. This incongruity is particularly evident within the financial stability pillar. Nevertheless, 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 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-run 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 risks. This increases the long-run growth trajectory of a country and ultimately improves the welfare and prosperity of producers and consumers with 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 perspective has proven itself to be accurate in the slow economic recovery experienced by many countries since the onset of the recent crisis. The situation has become more complex with the added strain that is currently being put on the world's financial systems by the events in the euro zone, which thereby increases 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 undergone 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 financial stability alone.

Economic theory suggests that financial markets and intermediaries exist mainly because of two types of market frictions: information costs and transaction costs.

These frictions lead to the development of financial intermediaries and financial markets, which perform multiple functions. These functions include assisting in the trading, hedging, diversification, and pooling of risk; providing insurance services; allocating savings and resources to the appropriate investment projects; monitoring managers and promoting corporate control and governance; mobilizing savings efficiently; and facilitating the exchange of goods and services.

Financial intermediation and financial markets contribute directly to increased 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 appropriately 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.

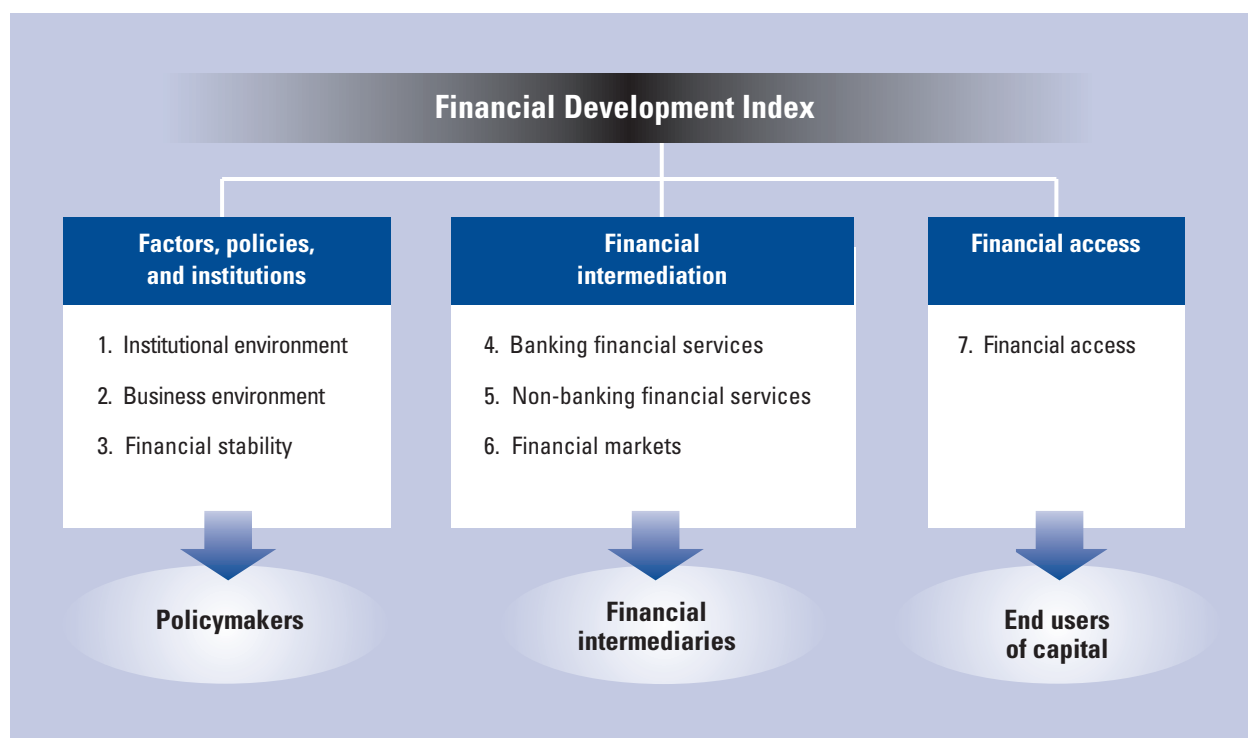
Financial markets and intermediation also benefit consumers and firms in many other ways that are not directly related to economic growth. Access to financial markets for consumers and producers can reduce poverty, as when the poor have access to banking services and credit. The importance of microfinance can be seen in this context. This access allows consumers to smooth consumption over time by borrowing and/or lending; in addition, it stabilizes consumer welfare in the presence of 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 help mitigate a variety of risks that individuals and firms face, thus allowing better sharing of individual or even macroeconomic risks.⁶

The seven pillars of financial development

Several different factors contribute to the degree of depth and efficiency in the provision of financial services. All of these factors and their respective interactions need to be considered when looking to understand and measure a country's degree of financial development. Box 1 and subsequent Chapter 1.2 provide insight into the importance of financial development indicators, their use, and how the benchmarking analysis can be enhanced through a statistical approach when looking to understand either the extent of or reasons behind an emerging gap in the results.

When thinking about an index that measures the degree of financial development from a conceptual perspective, the various aspects of development can be seen as seven "pillars" grouped into three broad categories, as shown in Figure 1:

Figure 1: Composition of the Financial Development Index



Source: World Economic Forum.

Box 1: Benchmarking financial development: Challenges and solutions

Please see Chapter 1.2 by Augusto de la Torre, Erik Feyen, and Alain Ize for a full discussion of this topic.

Although promoting sustainable financial development is a key dimension of public policy, identifying policy gaps that need to be addressed may pose considerable challenges. The most straightforward approach to assessing and comparing levels of financial development is to rank countries for different possible dimensions of development, using raw numbers. Although this can be a valuable assessment tool, an enhanced approach may be called for when seeking to understand either the extent of or reasons behind an emerging gap in any of these dimensions of development. The power of a benchmarking exercise may be greatly enhanced by using a broad statistical approach that controls for cross-country differences in economic development as well as important country-specific structural (non-policy) differences that affect financial development.

Nevertheless, statistical benchmarking faces at least two conceptual difficulties. The first is the two-way direction of causality between economic development and financial development. Because the impact of financial development on economic development lags behind that of economic development on financial development, it is possible to assess the quality of financial development policies, since they are revealed by observed changes in financial development. The second challenge is associated with the multiplicity of possible paths to the development of financial systems. Financial development paths are likely to be unique—that is, the lower-income countries of

today are unlikely to retrace precisely the paths that were followed yesterday by higher-income countries. The reasons for this are multifaceted and include country-specific policies, path dependence, leapfrogging, and financial cycles and crashes.

These challenges are addressed by a benchmarking methodology that aims to retain the benefits of a comprehensive statistical approach that capitalizes on common developmental forces and patterns. The results can be used for country-specific (or group-specific) assessment purposes, as well as for broader analytical purposes.

In addition to providing an assessment tool, the statistical benchmarking methodology helps organize the information in a way that is analytically useful and revealing. In particular, the coefficients of the income and population size terms can be used to rank financial development indicators according to their order of appearance (the minimum income level required for their emergence), the shape (convex or concave) of the paths they follow after they emerge, and the returns to scale that they exhibit.

The statistical benchmarking methods described above should prove useful for countries attempting to enhance the effectiveness of their financial development policies, as well as for researchers seeking to further their understanding of the financial development process.

Box 2: Financial development in the aftermath of the global financial crisis

Please see Chapter 1.3 by Subir Lall for a full discussion of this topic.

Although the financial crisis of 2008 has put significant strain on the global financial system, emerging economies have been quite successful in weathering the proverbial storm. However, many questions regarding the role of financial development in emerging and developing economies remain. In the wake of the crisis, global leaders and policymakers must determine whether financial development can be “too much of a good thing” and whether or not a “speed limit” on financial development in emerging markets is justifiable.

For emerging markets, the central objective of financial development is to facilitate sustainable growth. Maintaining a high rate of growth is critical because it allows living standards to improve for a large segment of the population. Still, it is important to recognize that high levels of capital flows carry a number of risks—namely, the potential for asset bubbles, excessive exchange rate appreciation, and overleveraging. Moreover, an abrupt reversal in capital flows could prove to be exceptionally debilitating, as was seen in Southeast Asia in 1997 and 1998.

The financial crisis offers several lessons to nations that seek to use financial development as an engine for economic growth. One fairly obvious point is that prudent macroeconomic policies are critical. Fiscal, monetary, and exchange rate policies should not be overly aggressive—rather, these policies should focus on achieving growth targets that align with the particular economy’s potential. Nevertheless, sound macroeconomic policies alone are not sufficient. Macroprudential measures that focus on financial stability should both complement and reinforce broad macroeconomic policies. Emerging economies must also be cognizant of the links between individual sectors and the broader economy. The systemic nature of certain industries and corporations should be factored into the policymaking process, and a solid regulatory framework must be developed in order to provide for proper oversight.

The financial crisis has highlighted the integrated nature of the global economy. It is therefore essential that emerging markets not only understand the failures that led to the crisis, but also make the reforms necessary to achieve long-term sustainable growth.

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

This first category covers those foundational features that provide an environment in which appropriate financial intermediation can take place, supported by the necessary level of financial services. It 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. This pillar 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 exists to alleviate 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 the pillar.

The recent crisis has 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. Although this is important, it is only a portion of the bigger picture when countries, in particular emerging economies, aim to use financial development as an engine for economic growth (for a discussion of financial development in emerging economies in the wake of the financial crisis, see Box 2 and the subsequent Chapter 1.3). As emphasized by the recent financial crisis, central banks play a critical role in the functioning of financial systems; we have therefore included a measure related to central bank transparency.

A variable addressing the effectiveness of regulation of securities exchanges is also included. In addition, much current debate centers around supervision and internationally coordinated or harmonized regulation, both of which are equally important considerations. However, since cross-country data remain sparse, we are unable to incorporate any specific indicators—at least until further research makes additional data available.

Better corporate governance is believed to encourage financial development, which in turn has a positive impact on growth.¹⁰ Contract enforcement is also important because it limits the scope for default among debtors, which then promotes compliance. Variables capturing these measures as they relate to the formal transfer of funds from savers to investors are included in the pillar.¹¹ 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.¹² Nevertheless, the 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 a negative effect on company performance.¹³ Furthermore, inadequate enforcement of financial contracts has been found to promote credit rationing, thus hindering the overall process of growth.¹⁴

Other important aspects of the institutional environment are a country's capital account openness and its 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.¹⁵ Empirically, however, the impact of capital account liberalization delivers mixed results. Several studies have asserted that capital account liberalization has no impact on growth, while others have found a positive, and statistically significant, impact.¹⁶ 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.¹⁷ Assessments of commitment to World Trade Organization (WTO) trade agreements that relate 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. This 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 a country's economic growth. Variables representing each of these characteristics have been interacted to represent this result. Research supports the importance of advanced legal systems and institutions in this respect, holding that the presence of such institutions is as vital as having both a developed banking sector and an equity market.¹⁸

Second pillar: Business environment

The second pillar focuses on the business environment and considers:

- the availability of human capital—that is, the presence of 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.

Economic growth can be assisted by facilitating the creation and improvement of human capital.¹⁹ This observation is supported by empirical evidence and shows positive correlations between human capital and the degree of financial development.²⁰ Our proxies for the quality of human capital are related to the enrollment levels of tertiary education. We also include 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 is important for its role in enhancing the process of private capital accumulation and financial depth in countries by increasing the profitability of investment.²¹ However, our analysis of infrastructure emphasizes measures of information and communication technologies, which are particularly significant for those firms operating within a financial context because of the data-intensive nature of their work.

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 be facing.²² As such, 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 such costs 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 or 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 also considers taxes, which comprise another key constraint that businesses in the financial sector can face. The variables in this subpillar focus on issues related to misrepresentative and burdensome tax policies. Because high marginal tax rates have been found to have distortionary effects, we have included a variable to capture such results. As there is less clarity in the academic literature around the effects of absolute rates of taxation and issues of data comparability, we have not included measures related to overall tax rates.

In addition, empirical evidence suggests that civic capital encompasses a positive economic payoff and can be used to explain persistent differences in economic development between countries.²³ However, current data that capture levels of civic capital do not provide enough coverage of countries in the Index. For this reason, we are unable to include such a measure until coverage increases.

Third pillar: Financial stability

The third pillar of the Index addresses the stability of the financial system. The severe negative impacts of financial instability on economic growth can be clearly seen in the recent financial crisis as well as in past financial crises. This instability can lead to significant losses to investors, resulting in several types of debilitating crises.

This pillar captures three types of risks: currency crises, systemic banking crises, and sovereign debt crises. For the risk of currency crises, we include the change in the 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. The external debt to GDP and net international investment position variables are specifically applied to developing and developed countries, respectively.

The systemic banking crises subpillar combines measures of historical banking system instability, an assessment of aggregate balance sheet strength, and measures of the presence of real estate bubbles. With specific focus on these bubbles, recent literature proposes

that real estate prices should be taken into account when drafting policies targeting inflation in order to lessen the incidence of future crisis.²⁴ Historical 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 to the degree of financial intermediation.²⁵ We also capture the degree of economic output loss associated with crises (weighting output loss from more recent crises more heavily). A Financial Stress Index also captures the incidence in countries of financial strain that does not reach the proportions of a full-blown crisis.²⁶ It is important that prudential regulation include the establishment of uniform capital adequacy requirements, and accordingly we have included a measurement of Tier 1 capital in this subpillar.²⁷ Some research indicates that quantitative capital adequacy measures are not always accurate measures of the financial strength of banks in developing countries.²⁸ As such, 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 private indebtedness would also be valuable. However, because cross-country data are limited, we are unable to incorporate this measure into the Index—at least until further data become available.

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 percentage of GDP, is included here. 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 such a crisis. In particular, these variables increase in importance because of the transfer of debt from the private 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 a lower 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, macroeconomic measures such as inflation and GDP growth are included, as these also influence the ability of countries to service their debt.

The greater the risk of these crises, the greater the likelihood that the different 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. Many theories support the view that financial innovation drives the financial system toward the goal of greater economic efficiency.²⁹ For example, a financial

system that is very heavily supervised and regulated may be very stable and never spark a financial crisis. However, such a controlled system would hamper the financial development and innovation that increases returns, diversifies risks, and better allocates resources to the highest-return investments. Conversely, a financial system that is very free and innovative and is very lightly regulated and supervised may eventually become unstable by triggering unsustainable credit booms and asset bubbles that can severely affect growth, returns, and welfare. 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.³⁰ This relationship is corroborated by the view that the size of financial markets is an important determinant of savings and investment.³¹ The size of the financial system (the total financial assets within a country) also matters because the larger the 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 existing credit constraints. This facilitates borrowing by firms and further improves the process of savings mobilization and the channeling of savings to investors. Given that a large financial system should allocate capital efficiently and better monitor the use of funds, improved accessibility to financing will tend to amplify the resilience of an economy to shocks.

Therefore, a deeper financial system (where depth is understood as total financial assets as a percentage of GDP) is an important component of financial development because it contributes to economic growth rates across countries.³² Measures of size and depth have been included in each of the three financial intermediation pillars to capture this factor.

Fourth pillar: Banking financial services

Although the previous pillar captures some of the negative impacts 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 the acquisition of financial information and to lower transaction costs, as well as to allocate credit more efficiently—an element that 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.³³ 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.³⁴ Research also shows that, compared with other forms of financial intermediation, well-established banks form strong ties with the private sector, establishing a relationship that enables them to acquire information about firms more efficiently and to persuade firms to pay their debts in a timely manner.³⁵ 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 seen as key players in eradicating liquidity risk, which causes them to increase investments in high-return, illiquid assets and speed up the process of economic growth.³⁶

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 can be channeled from savers to investors. This enhances the process of financial development, which in turn leads to greater economic growth. These measures of size span 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 cost 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 the processes of credit allocation and channeling capital, which in turn slows the process of financial intermediation.

Measures of operating efficiency may provide an incomplete picture of the efficacy of the banking system if it is not profitable. We have thus also included an aggregate measure of bank profitability. Conversely, if banks are highly profitable while performing poorly in the operating measures, then this may indicate a lack of competition along with undue and high inefficiency.

A third key aspect of the efficacy of the banking system captured by this pillar is the role of financial information disclosure within the operation of banks. Policies that induce correct and appropriate information disclosure and that authorize private-sector corporate control of banks, as well as those that motivate private agents to exercise corporate control, tend to encourage bank development, operational efficiency, and stability.³⁷ However, because of limited cross-country data availability we are not able to include variables that

capture this. Cross-country data are available for the coverage of private credit bureaus and public credit registries, however, and we have included such 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 encourages 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, they fulfill unique and vital roles as financial intermediaries.

The degree of development of non-bank financial intermediaries in general has been found to be a good proxy of a country's overall level of financial development.³⁸ Empirical research has shown that banks as well as non-bank financial intermediaries are larger, more active, and more efficient in advanced economies.³⁹ 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.⁴⁰ There are three main areas of non-bank financing activity that we capture in the Index: initial public offerings (IPOs), merger and acquisitions (M&As), 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 established a strong positive relationship between insurance sector development and economic growth, which holds quite strongly even in developing countries.⁴¹ Insurance also creates liquidity and facilitates the process of building economies of scale in investment, thereby improving overall financial efficiency.⁴²

Sixth pillar: Financial markets

The four major types of financial markets include bond markets (both for government and corporate bonds), stock markets where equities are traded, foreign exchange markets, and derivatives markets.

Stock market liquidity is statistically significant in terms of its positive impact on capital accumulation,

productivity growth, and current and future rates of economic growth.⁴³ More generally, economic theory suggests that stock markets encourage long-run growth by promoting specialization, acquiring and disseminating information, and mobilizing savings in a more efficient way, thus promoting investment.⁴⁴ Research also demonstrates that, as countries become wealthier, stock markets become more active and efficient relative to banks.⁴⁵ Bond markets have received little empirical attention, but research has shown that they play an important role in financial development and the effective allocation of capital.⁴⁶

Derivatives markets are an important aspect of this pillar because they can significantly improve risk management and risk diversification. The development of derivatives markets can enhance the confidence of international investors and financial institutions and encourage these agents to participate in them. Derivatives markets generally are small in emerging markets. The strengthening of the legal and regulatory environment can enhance the development of such markets.⁴⁷

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 has been associated with the usual proxies for financial development and the resulting economic growth.⁴⁸ The mere presence of financial services *per se* as reflected by size and depth does not imply their accessibility by the different types of users within an economy. Thus, the presence of access becomes 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 the penetration of bank accounts and ATMs and access to microfinance; these data were provided by the Consultative Group to Assist the Poor and the Microfinance Information Exchange.

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 (which varies widely across countries), the financial needs of SMEs can be viewed from the perspective of 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 this need 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 Index remains the same as in last year's *Report*. There are still seven pillars in the Index with the same associated subpillars in each. Each of these subpillars contains the constituent variables that make up the Index. Appendix A lays out the complete structure and methodological detail for the Index.

We have made some minor changes to the Index this year at the variable level. The aggregate macroprudential indicator has been changed to an aggregate macroeconomic indicator because we believe the term *macroeconomic* more appropriately reflects the variable's components. Because of the lack of updated data on microfinance institution (MFI) borrower penetration rates, we replaced this variable with a measure of the number of loan accounts at MFIs.

We have enhanced the methodology for our calculations across all variables by using prior year data where updated data are unavailable for individual countries. These data are used in the belief that they will be updated soon or that using prior year data are more indicative than using no data at all. This approach helps mitigate some of the volatility in year-to-year country performance resulting from changes in data availability.

We have also added three countries to the Index: Ghana, Tanzania, and Tunisia. This raises the total number of economies covered in the Index from 57 to 60. Accordingly, this will lower the year-on-year ranks of those countries that score below the newly added ones.

The Financial Development Index 2011 rankings

The overall rankings and scores for this year's *Financial Development Report* can be seen in Table 1, along with the 2010 rankings, the Index scores, and the change in score from last year. Looking broadly across the results for the 60 economies covered in the Index, some general trends emerge.

Overall trends in 2011 rankings

The composition of the group of top-ranked economies has not changed significantly since last year. One of the most notable changes is that Hong Kong SAR takes the top spot from the United States, which comes in at 2nd this year, albeit with only a small difference in overall score. Belgium drops out of the top 10, with Norway taking its spot at 10th place. The rest of the countries in

Table 1: The Financial Development Index 2011 rankings: Comparison with 2010

Country/Economy	2011 rank	2010 rank	2011 score (1–7)	Change in score
Hong Kong SAR	1	4	5.16	+0.12
United States	2	1	5.15	+0.03
United Kingdom	3	2	5.00	–0.07
Singapore	4	3	4.97	–0.08
Australia	5	5	4.93	–0.08
Canada	6	6	4.86	–0.11
Netherlands	7	7	4.71	–0.04
Japan	8	9	4.71	+0.05
Switzerland	9	8	4.63	–0.09
Norway	10	15	4.52	+0.18
Sweden	11	12	4.51	–0.09
France	12	11	4.44	–0.19
Belgium	13	10	4.38	–0.26
Germany	14	13	4.33	–0.16
Denmark	15	16	4.30	+0.00
Malaysia	16	17	4.24	+0.04
Spain	17	14	4.24	–0.18
Korea, Rep.	18	24	4.13	+0.13
China	19	22	4.12	+0.08
Austria	20	19	4.11	–0.08
Finland	21	20	4.11	–0.01
Ireland	22	18	4.10	–0.09
Saudi Arabia	23	26	3.90	+0.02
Bahrain	24	23	3.90	–0.10
United Arab Emirates	25	21	3.89	–0.16
Israel	26	27	3.86	+0.01
Italy	27	25	3.85	–0.11
Kuwait	28	28	3.73	+0.03
South Africa	29	32	3.64	+0.11
Brazil	30	31	3.61	+0.09
Chile	31	30	3.61	+0.07
Jordan	32	29	3.48	–0.16
Poland	33	35	3.45	+0.13
Czech Republic	34	33	3.40	–0.05
Thailand	35	34	3.32	–0.04
India	36	37	3.29	+0.05
Panama	37	39	3.23	–0.01
Slovak Republic	38	36	3.22	–0.07
Russian Federation	39	40	3.18	–0.04
Peru	40	48	3.16	+0.16
Mexico	41	43	3.16	+0.09
Morocco	42	41	3.15	–0.03
Turkey	43	42	3.14	–0.02
Philippines	44	50	3.13	+0.17
Colombia	45	47	3.09	+0.06
Kazakhstan	46	49	3.06	+0.08
Hungary	47	45	3.03	–0.01
Tunisia	48	n/a	3.00	n/a
Egypt	49	38	2.99	–0.25
Vietnam	50	46	2.98	–0.05
Indonesia	51	51	2.92	+0.02
Romania	52	44	2.85	–0.19
Argentina	53	52	2.69	–0.10
Ukraine	54	53	2.62	–0.13
Pakistan	55	54	2.58	–0.02
Bangladesh	56	56	2.58	+0.03
Tanzania	57	n/a	2.55	n/a
Ghana	58	n/a	2.55	n/a
Venezuela	59	55	2.44	–0.12
Nigeria	60	57	2.44	+0.03

Note: Year-on-year comparisons include post-release adjustments to 2010 rankings and scores.

Table 2: Financial Development Index 2011

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	Country/Economy	Rank	Score
Hong Kong SAR	1	5.16	Singapore	1	6.14	Denmark	1	6.05	Saudi Arabia	1	6.04
United States	2	5.15	Sweden	2	6.05	Singapore	2	5.99	Switzerland	2	5.71
United Kingdom	3	5.00	Canada	3	5.90	Hong Kong SAR	3	5.96	Tanzania*	3	5.64
Singapore	4	4.97	Denmark	4	5.90	Switzerland	4	5.84	Hong Kong SAR	4	5.58
Australia	5	4.93	Norway	5	5.86	Norway	5	5.83	United Arab Emirates	5	5.54
Canada	6	4.86	United Kingdom	6	5.86	Finland	6	5.82	Malaysia	6	5.53
Netherlands	7	4.71	Finland	7	5.78	Netherlands	7	5.76	Chile	7	5.45
Japan	8	4.71	Netherlands	8	5.76	Sweden	8	5.75	Singapore	8	5.44
Switzerland	9	4.63	Hong Kong SAR	9	5.70	Canada	9	5.73	Norway	9	5.41
Norway	10	4.52	Germany	10	5.67	United Kingdom	10	5.70	China	10	5.10
Sweden	11	4.51	Switzerland	11	5.66	United States	11	5.55	Brazil	11	5.03
France	12	4.44	Belgium	12	5.60	Australia	12	5.54	Canada	12	4.97
Belgium	13	4.38	United States	13	5.59	Germany	13	5.45	Australia	13	4.95
Germany	14	4.33	Austria	14	5.56	Ireland	14	5.37	Finland	14	4.94
Denmark	15	4.30	Ireland	15	5.56	Korea, Rep.	15	5.35	Kuwait	15	4.93
Malaysia	16	4.24	Japan	16	5.53	Bahrain	16	5.33	Austria	16	4.92
Spain	17	4.24	France	17	5.50	Saudi Arabia	17	5.33	Peru	17	4.86
Korea, Rep.	18	4.13	Australia	18	5.45	Japan	18	5.25	Czech Republic	18	4.85
China	19	4.12	Bahrain	19	5.21	Austria	19	5.22	South Africa	19	4.85
Austria	20	4.11	Israel	20	5.19	Belgium	20	5.21	France	20	4.83
Finland	21	4.11	Malaysia	21	5.16	France	21	5.17	Mexico	21	4.81
Ireland	22	4.10	Spain	22	4.93	United Arab Emirates	22	5.13	Sweden	22	4.80
Saudi Arabia	23	3.90	United Arab Emirates	23	4.77	Chile	23	4.95	Denmark	23	4.79
Bahrain	24	3.90	Saudi Arabia	24	4.67	Hungary	24	4.86	Netherlands	24	4.79
United Arab Emirates	25	3.89	South Africa	25	4.55	Malaysia	25	4.83	Slovak Republic	25	4.77
Israel	26	3.86	Hungary	26	4.52	Israel	26	4.70	Colombia	26	4.75
Italy	27	3.85	Chile	27	4.51	Spain	27	4.67	Thailand	27	4.71
Kuwait	28	3.73	Jordan	28	4.33	Italy	28	4.65	Japan	28	4.68
South Africa	29	3.64	Italy	29	4.32	Kuwait	29	4.63	Belgium	29	4.66
Brazil	30	3.61	Poland	30	4.28	Slovak Republic	30	4.60	Germany	30	4.56
Chile	31	3.61	China	31	4.21	Russian Federation	31	4.58	Israel	31	4.55
Jordan	32	3.48	Thailand	32	4.16	Tunisia	32	4.53	Morocco	32	4.52
Poland	33	3.45	Panama	33	4.15	Czech Republic	33	4.53	Indonesia	33	4.46
Czech Republic	34	3.40	Korea, Rep.	34	4.06	Turkey	34	4.52	Bangladesh	34	4.46
Thailand	35	3.32	Czech Republic	35	3.97	Romania	35	4.51	Tunisia	35	4.32
India	36	3.29	Kuwait	36	3.90	Kazakhstan	36	4.49	Poland	36	4.26
Panama	37	3.23	Romania	37	3.86	Poland	37	4.47	Bahrain	37	4.26
Slovak Republic	38	3.22	Ghana	38	3.82	Colombia	38	4.41	Korea, Rep.	38	4.26
Russian Federation	39	3.18	Nigeria	39	3.82	Peru	39	4.29	Panama	39	4.26
Peru	40	3.16	Turkey	40	3.79	Jordan	40	4.27	Italy	40	4.23
Mexico	41	3.16	Brazil	41	3.73	South Africa	41	4.23	United Kingdom	41	4.21
Morocco	42	3.15	Philippines	42	3.73	Panama	42	4.19	United States	42	4.20
Turkey	43	3.14	Slovak Republic	43	3.72	Morocco	43	4.09	Russian Federation	43	4.15
Philippines	44	3.13	Peru	44	3.71	Mexico	44	4.07	Philippines	44	4.13
Colombia	45	3.09	Mexico	45	3.68	Thailand	45	4.06	Kazakhstan	45	4.12
Kazakhstan	46	3.06	Tunisia	46	3.65	China	46	4.01	Egypt	46	4.04
Hungary	47	3.03	Morocco	47	3.54	Ghana	47	3.85	India	47	4.02
Tunisia	48	3.00	Vietnam	48	3.51	Egypt	48	3.79	Venezuela	48	3.91
Egypt	49	2.99	Colombia	49	3.49	Argentina	49	3.79	Jordan	49	3.83
Vietnam	50	2.98	Egypt	50	3.45	Brazil	50	3.78	Spain	50	3.83
Indonesia	51	2.92	Indonesia	51	3.43	Ukraine	51	3.60	Romania	51	3.79
Romania	52	2.85	Kazakhstan	52	3.42	Indonesia	52	3.53	Pakistan	52	3.64
Argentina	53	2.69	Argentina	53	3.22	Vietnam	53	3.51	Vietnam	53	3.56
Ukraine	54	2.62	India	54	3.13	India	54	3.42	Turkey	54	3.43
Pakistan	55	2.58	Tanzania	55	3.09	Philippines	55	3.39	Nigeria*	55	3.33
Bangladesh	56	2.58	Russian Federation	56	3.08	Pakistan	56	3.25	Argentina	56	3.17
Tanzania	57	2.55	Pakistan	57	3.01	Tanzania	57	3.16	Ireland	57	3.01
Ghana	58	2.55	Ukraine	58	2.80	Nigeria	58	2.97	Hungary	58	2.93
Venezuela	59	2.44	Bangladesh	59	2.52	Venezuela	59	2.93	Ukraine	59	2.88
Nigeria	60	2.44	Venezuela	60	2.34	Bangladesh	60	2.81	Ghana*	60	2.54

* Refers to countries for which more than 50 percent of subpillar results were not available.

Table 2: Financial Development Index 2010 (cont'd.)

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
United Kingdom	1	5.51	United States	1	6.01	United States	1	5.65	Hong Kong SAR	1	5.29
Norway	2	5.49	Korea, Rep.	2	4.85	Singapore	2	5.04	Australia	2	5.17
Hong Kong SAR	3	5.43	China	3	4.64	United Kingdom	3	4.81	Belgium	3	5.15
Netherlands	4	5.35	United Kingdom	4	4.48	Kuwait*	4	4.59	United States	4	4.82
Spain	5	5.31	India	5	4.18	Japan	5	4.56	Canada	5	4.68
Japan	6	5.31	Japan	6	4.12	Switzerland	6	4.54	Saudi Arabia	6	4.67
Australia	7	5.16	Canada	7	4.04	France	7	4.47	Norway	7	4.56
Ireland	8	4.94	Australia	8	3.90	Hong Kong SAR	8	4.42	Austria	8	4.48
China	9	4.92	Russian Federation	9	3.83	Australia	9	4.37	United Kingdom	9	4.42
Sweden	10	4.85	Hong Kong SAR	10	3.73	Netherlands	10	4.35	Singapore	10	4.41
Bahrain	11	4.81	Brazil	11	3.47	Spain	11	4.21	Ireland	11	4.31
Belgium	12	4.73	Singapore	12	3.35	Canada	12	4.06	Sweden	12	4.30
Canada	13	4.63	Malaysia	13	3.21	Germany	13	3.83	Bahrain	13	4.24
Switzerland	14	4.61	Netherlands	14	3.16	Denmark	14	3.71	Spain	14	4.15
Malaysia	15	4.49	Germany	15	2.92	Sweden	15	3.65	France	15	4.06
Singapore	16	4.40	France	16	2.87	Italy	16	3.57	United Arab Emirates	16	4.01
Germany	17	4.38	Ireland	17	2.63	Korea, Rep.	17	3.34	Israel	17	3.88
Finland	18	4.37	Spain	18	2.55	Belgium	18	3.25	Netherlands	18	3.84
Austria	19	4.27	Switzerland	19	2.55	Finland	19	2.96	Malaysia	19	3.80
Korea, Rep.	20	4.21	Philippines	20	2.53	Ireland	20	2.91	Italy	20	3.65
United States	21	4.19	Poland	21	2.50	Jordan*	21	2.88	Japan	21	3.55
France	22	4.18	Kazakhstan	22	2.44	Israel	22	2.78	China	22	3.52
United Arab Emirates	23	4.15	Argentina	23	2.42	Austria	23	2.72	Brazil	23	3.51
Italy	24	4.15	South Africa	24	2.42	Malaysia	24	2.67	Denmark	24	3.50
Israel	25	4.10	Italy	25	2.36	South Africa	25	2.52	Switzerland	25	3.49
Denmark	26	4.07	Indonesia	26	2.29	Norway	26	2.50	Germany	26	3.48
Czech Republic	27	4.04	Jordan	27	2.23	Brazil	27	2.45	Egypt	27	3.39
Panama	28	3.93	Sweden	28	2.16	China	28	2.41	Chile	28	3.37
Vietnam	29	3.91	Ukraine	29	2.11	India	29	2.35	South Africa	29	3.37
Jordan	30	3.86	Finland	30	2.10	Poland	30	2.11	Vietnam	30	3.37
Thailand	31	3.70	Denmark	31	2.09	Venezuela*	31	2.07	Turkey	31	3.36
Morocco	32	3.69	Belgium	32	2.09	United Arab Emirates*	32	2.05	Peru	32	3.31
South Africa	33	3.53	Chile	33	2.04	Philippines	33	2.04	Panama	33	3.26
Turkey	34	3.48	Mexico	34	2.02	Hungary	34	1.98	Poland	34	3.26
Slovak Republic	35	3.42	Norway	35	1.98	Turkey	35	1.86	Czech Republic	35	3.18
Philippines	36	3.41	Bahrain	36	1.86	Kazakhstan	36	1.83	Bangladesh	36	3.16
Tunisia	37	3.41	Morocco	37	1.86	Pakistan	37	1.78	Slovak Republic	37	3.14
Kuwait	38	3.40	Czech Republic	38	1.85	Saudi Arabia	38	1.77	Thailand	38	3.11
Chile	39	3.34	Israel	39	1.85	Morocco	39	1.77	Mexico	39	3.09
Saudi Arabia	40	3.33	Colombia	40	1.82	Thailand	40	1.76	Colombia	40	3.07
Brazil	41	3.31	Peru	41	1.81	Russian Federation	41	1.74	Hungary	41	3.03
Poland	42	3.28	Thailand	42	1.77	Egypt	42	1.72	Kuwait	42	3.01
India	43	3.12	Panama	43	1.66	Mexico	43	1.63	Jordan	43	3.00
Ghana	44	3.05	Kuwait	44	1.64	Chile	44	1.59	Romania	44	2.84
Egypt	45	2.99	Austria	45	1.62	Bahrain	45	1.58	Korea, Rep.	45	2.83
Bangladesh	46	2.94	United Arab Emirates	46	1.60	Slovak Republic	46	1.49	Finland	46	2.81
Mexico	47	2.82	Egypt	47	1.58	Ukraine	47	1.48	India	47	2.80
Ukraine	48	2.80	Vietnam	48	1.54	Indonesia	48	1.45	Tunisia	48	2.77
Pakistan	49	2.79	Turkey	49	1.54	Vietnam	49	1.44	Ukraine	49	2.70
Kazakhstan	50	2.79	Saudi Arabia	50	1.49	Czech Republic	50	1.41	Philippines	50	2.66
Colombia	51	2.77	Venezuela	51	1.49	Peru	51	1.41	Morocco	51	2.62
Peru	52	2.75	Slovak Republic	52	1.42	Romania	52	1.40	Indonesia	52	2.59
Indonesia	53	2.69	Hungary	53	1.38	Argentina	53	1.34	Russian Federation	53	2.53
Argentina	54	2.60	Pakistan	54	1.34	Colombia	54	1.30	Ghana	54	2.36
Hungary	55	2.52	Romania	55	1.27	Nigeria*	55	1.16	Kazakhstan	55	2.35
Nigeria	56	2.43	Tunisia	56	1.25	Panama*	56	1.12	Argentina	56	2.27
Russian Federation	57	2.35	Ghana	57	1.21	Tunisia*	57	1.11	Pakistan	57	2.26
Venezuela	58	2.34	Nigeria	58	1.20	Bangladesh	58	1.01	Nigeria	58	2.15
Romania	59	2.30	Bangladesh	59	1.16	Ghana*	59	1.00	Tanzania	59	2.05
Tanzania	60	1.85	Tanzania	60	1.07	Tanzania*	60	1.00	Venezuela	60	2.01

Table 3: Variance across country/economy scores, 2010 vs. 2011 (percent)

	Factors, Policies, and Institutions			Financial Intermediation			Financial Access
	Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5	Pillar 6	Pillar 7
Increase in score	47.4	56.1	42.1	68.4	31.6	28.1	54.4
Decrease in score	45.6	43.9	57.9	29.8	68.4	70.2	43.9

Note: Ghana, Tanzania, and Tunisia are excluded because they were not added until 2011.

Table 4: Composition of top 20 commercial access scores, 2008 vs. 2011 (percent)

	2008	2011
Emerging economies	20	30
Advanced economies	80	70

Notes: (1) Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years. (2) Foreign direct investment to GDP (7.06) is excluded from overall commercial access scores for comparability purposes.

the top 10 see only minor changes—Japan increases by one rank, while the United Kingdom, Singapore, and Switzerland each decrease by one.

Korea (18th) and China (19th) join the top 20, while Finland and Ireland drop out, moving to 21st and 22nd place, respectively. China joins Malaysia as the second of only two emerging economies within the top 20.

The overall Index and subpillar results for 2011 can be found in Table 2. As in previous years, the subpillars continue to be influenced by a high degree of volatility. While the year-over-year change in pillars from the factors, policies, and institutions category as well as the financial access category is broadly spread evenly between increases and decreases, the pillars in financial intermediation have experienced significantly more variance (see Table 3). The banking financial services pillar has substantially more increases across countries than decreases. This stands in contrast to the non-banking financial services and financial markets pillars, which see significantly more decreases than increases. The non-banking financial services pillar experiences the largest change among the three financial intermediation pillars, with Spain dropping in score from 3.64 to 2.55 and Korea jumping from 4.15 to 4.85.

IPO, M&A, and securitization activity, perhaps not surprisingly, show considerable decreases in many economies. This may be attributed to the freezing of the securitization markets and the subsequent financial downturn that resulted from the subprime crisis, particularly for Western countries. A number of Asian economies still see an increase across these variables, which would seem to reflect their resilience to the recent crisis because of the much stronger macroeconomic

and financial fundamentals with which they entered the downturn.

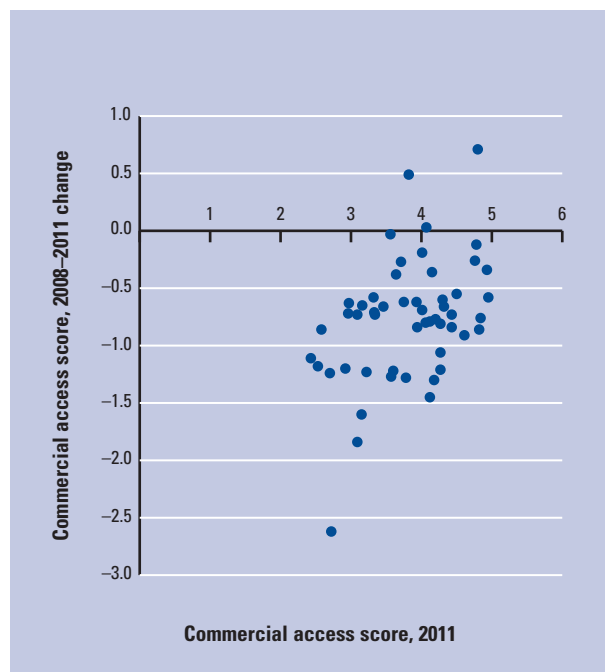
Potentially the most worrisome aspect of this volatility in financial intermediation performance is its impact on the ability of firms to access capital on a sustainable basis. In particular, as empirical evidence suggests, new credit is closely correlated with economic activity during periods of recovery from severe recessions.⁴⁹ The Index's commercial access score over the past four years may prove informative in this respect.

Ease of access to capital

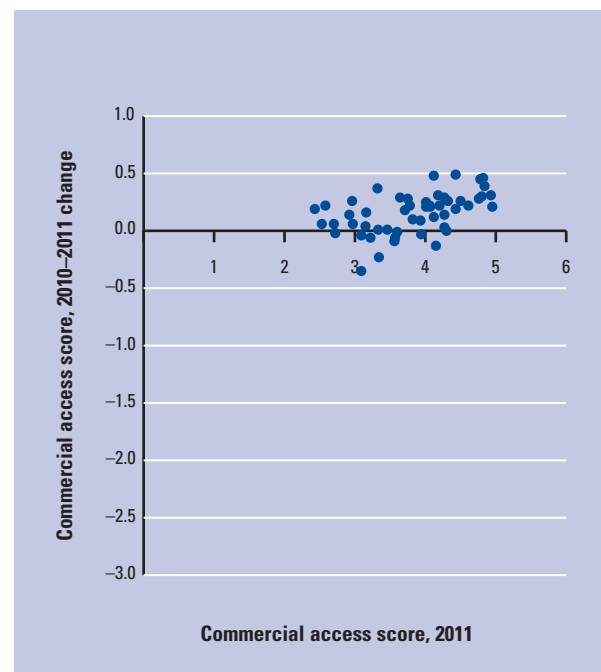
The variables within the Index's commercial access subpillar are derived from the World Economic Forum's Executive Opinion Survey, which is conducted annually using a consistent set of survey questions across the sample of economies. It therefore offers a comparable view on the ease of access to different sources of capital over the last four years. These variables measure an economy's venture capital availability, its ease of access to credit and loans, the ability to finance through its local equity markets, and its overall financial market sophistication.

Looking broadly at the top 20 economies in each of the commercial access variables, one can see that advanced economies still dominate the composition of the top 20 across the majority of variables (see Table 4). The only area in which emerging markets come close to accounting for half of those in the top 20 is ease of access to credit. The main change in composition for emerging economies is evident in increases in two variables: venture capital availability and ease of access to loans. Since 2008, China and Indonesia have joined Malaysia in venture capital availability, whereas Chile and Indonesia, among others, have entered the top 20 in ease of access to loans over the same period.

One interesting finding is that overall commercial access scores have decreased for the majority of countries over the period 2008 to 2011, as seen in Figure 2 (for a list of 2008 and 2011 commercial access scores by country, see Table B1 of Appendix B). With the exception of financial market sophistication, all of the variables see a similar decrease in score. This decrease indicates that over 90 percent of countries have not returned to pre-crisis levels of commercial access (as

Figure 2: Commercial access score, 2008 to 2011 change

Notes: (1) Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years. (2) Foreign direct investment to GDP (7.06) is excluded from overall commercial access scores for comparability purposes.

Figure 3: Commercial access score, 2010 to 2011 change

Notes: (1) Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years. (2) Foreign direct investment to GDP (7.06) is excluded from overall commercial access scores for comparability purposes.

measured by a comparison of 2008 and 2011 scores). The gap appears to be the highest for Ireland, Korea, Spain, and the United Kingdom. Ireland and the United Kingdom experience the steepest declines in ease of access to credit and ease of access to loans. For Spain, on the other hand, the biggest drop occurs in ease of access to credit. Korea appears to be a slightly different case, as venture capital availability sees the largest decrease. This would suggest that new ventures in Korea find it much more difficult to secure capital today than they did four years ago.

Among the few countries that increase their overall commercial access score are Brazil and China. This increase appears to have been driven by marked improvements in ease of access to loans and venture capital availability. In contrast, Hong Kong, the United Kingdom, and the United States all see a decline in commercial access scores (although Hong Kong's decline is the least severe). While Hong Kong and the United States are influenced by declines in ease of access to credit, the ease of access to loans affects the United Kingdom the most. This suggests that it is currently more difficult for corporations in the United States and Hong Kong to secure financing than it was four years ago. In the United Kingdom, by comparison, it is now more difficult to gain funding for new ventures than it was over the same period. These findings are potentially problematic given the sizable role that SMEs can play in supporting economic growth.

Yet some areas of recent improvement are apparent when comparing 2010 with 2011 scores. Figure 3

shows that nearly 80 percent of countries have marginally increased their overall year-on-year score. Ease of access to credit seems to improve across most countries, followed closely by financing through local equity markets. The year-over-year change sees both the United Kingdom and the United States perform slightly better across all of the commercial access scores. In particular, improvement is observed in ease of access to credit and ease of access to loans, albeit on a slightly smaller scale. In the United Kingdom, for example, this development may be attributed to the effects of the stimulus and public programs that have been put in place in recent years.

The annual comparison (2010–2011) also presents some possible problematic areas going forward. For example, although the overall commercial access scores for Brazil, China, and Hong Kong show an increase, some variables experience a slight decline. These include venture capital availability, ease of access to loans, and ease of access to credit. These declines highlight potentially problematic financing constraints for some sectors that may require monitoring over the coming years.

Many factors influence the degree of access to capital. Overall, this will be affected by the stability of the lender as well as the creditworthiness of the borrower. Many regulatory reforms intended to make the lender more stable are now being discussed (e.g., new capital requirements under Basel III). Nevertheless, the borrower's role in seeking financing should also be taken into account. Although the creditworthiness of the borrower will clearly have been influenced by the overall deterioration of the economic environment, additional

Table 5: Variance across corporate governance scores, 2008–2011 vs. 2010–2011

Indicator	2008–2011		2010–2011	
	Increase (%)	Decrease (%)	Increase (%)	Decrease (%)
Extent of incentive-based compensation	17.3	82.7	51.9	48.1
Efficacy of corporate boards	23.1	76.9	55.8	44.2
Reliance on professional management	23.1	76.9	50.0	50.0
Willingness to delegate	17.3	82.7	57.7	42.3
Strength of auditing and reporting standards	34.6	65.4	57.7	42.3
Ethical behavior of firms	38.5	61.5	36.5	63.5
Protection of minority shareholders' interests	19.2	80.8	59.6	40.4

Note: Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years.

factors also play a role. Some literature suggests that better corporate frameworks benefit firms through greater access to financing, lower cost of capital, better firm performance, and more favorable treatment of all stakeholders.⁵⁰ A review of the Index's corporate governance scores may yield further insight in this respect.

The deterioration of corporate governance

Similar to the commercial access scores discussed in the preceding section, the corporate governance scores are derived from the Executive Opinion Survey and therefore directly comparable on a year-over-year basis. As the responses are based on a survey, the results are likely to reflect the awareness and perception of corporate governance as much as they reflect actual fact.

Performance in these variables appears to support the hypothesis that corporate governance is a very important issue across our sample. About 85 percent of the economies in the comparative sample have declined in overall corporate governance scores since 2008. Most of the individual variables also see significant decreases, which can be seen in Table 5. An exception to this degree of decline occurs in strength of auditing and reporting standards and in ethical behavior of firms, where the ratio is split with roughly 60 percent of countries decreasing and 40 percent increasing.

Interestingly, both advanced and emerging economies decline equally. Of the top 10 countries that have declined the most during this time period, four are emerging economies. This would appear to indicate that these perceived corporate governance issues are global rather than contained within the group of advanced economies—and are potentially of significant concern given the important role that emerging economies are expected to play in future economic growth.

Only 8 out of the 52 comparable economies have increased their overall score since 2008, as shown in Figure 4 (for a list of 2008 and 2011 corporate governance scores by country, see Table B2 of Appendix B). Among this select group are Canada, China, and Singapore, all of which see a sizeable improvement in the ethical behavior of firms. Other areas in which all three perform well include the efficacy of corporate boards and the strength of their auditing and reporting standards.

In contrast to those countries with significant improvements, Korea, Indonesia, and Ireland see the sharpest declines over the past four years. These countries experience a broadly similar decline in the efficacy of corporate boards and protection of minority shareholders' interests. This may point to a deterioration of shareholders' confidence in adequate protection should a company face challenges—which is more and more likely in an increasingly uncertain environment. Other possible areas of improvement for Korea and Ireland include the strength of auditing and reporting standards; results for Indonesia indicate that reliance on professional management is a potentially problematic area.

Figure 5 shows a slight improvement in corporate governance scores, similar to the commercial access scores, on a year-over-year basis (2010 to 2011). With the exception of the ethical behavior of firms, all of the variables see more increases than decreases over this time period. Nevertheless, the scores remain below 2008 levels. Canada, China, and Singapore continue to perform strongly, and while Ireland sees a slight improvement, the scores for Indonesia and Korea are still decreasing (albeit only very fractionally for Korea).

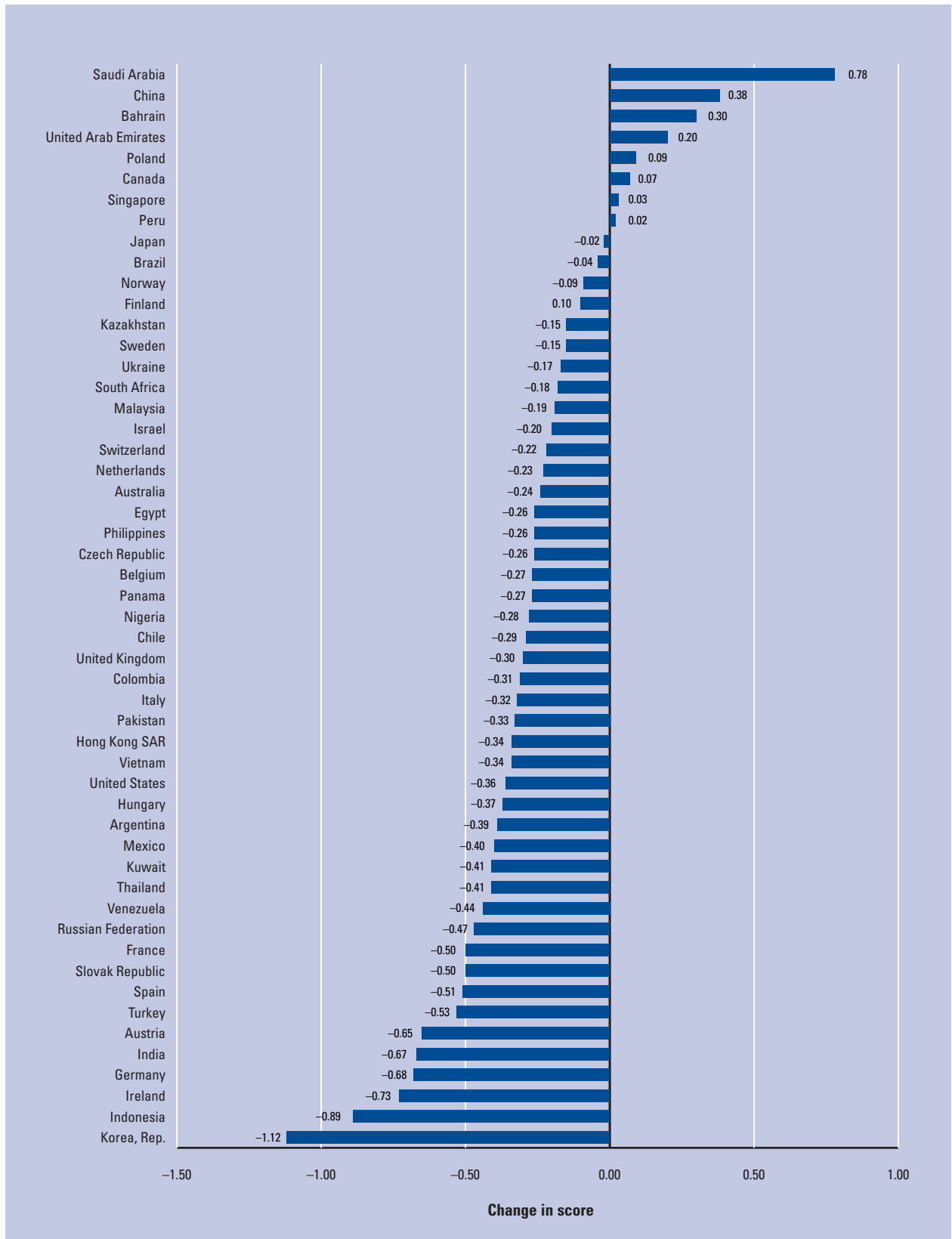
Regional analysis

While some high-level trends were highlighted earlier, it is at the country level that some of the potentially most useful findings from this *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 drawn from these profiles and presented below.

ASIA AND THE PACIFIC

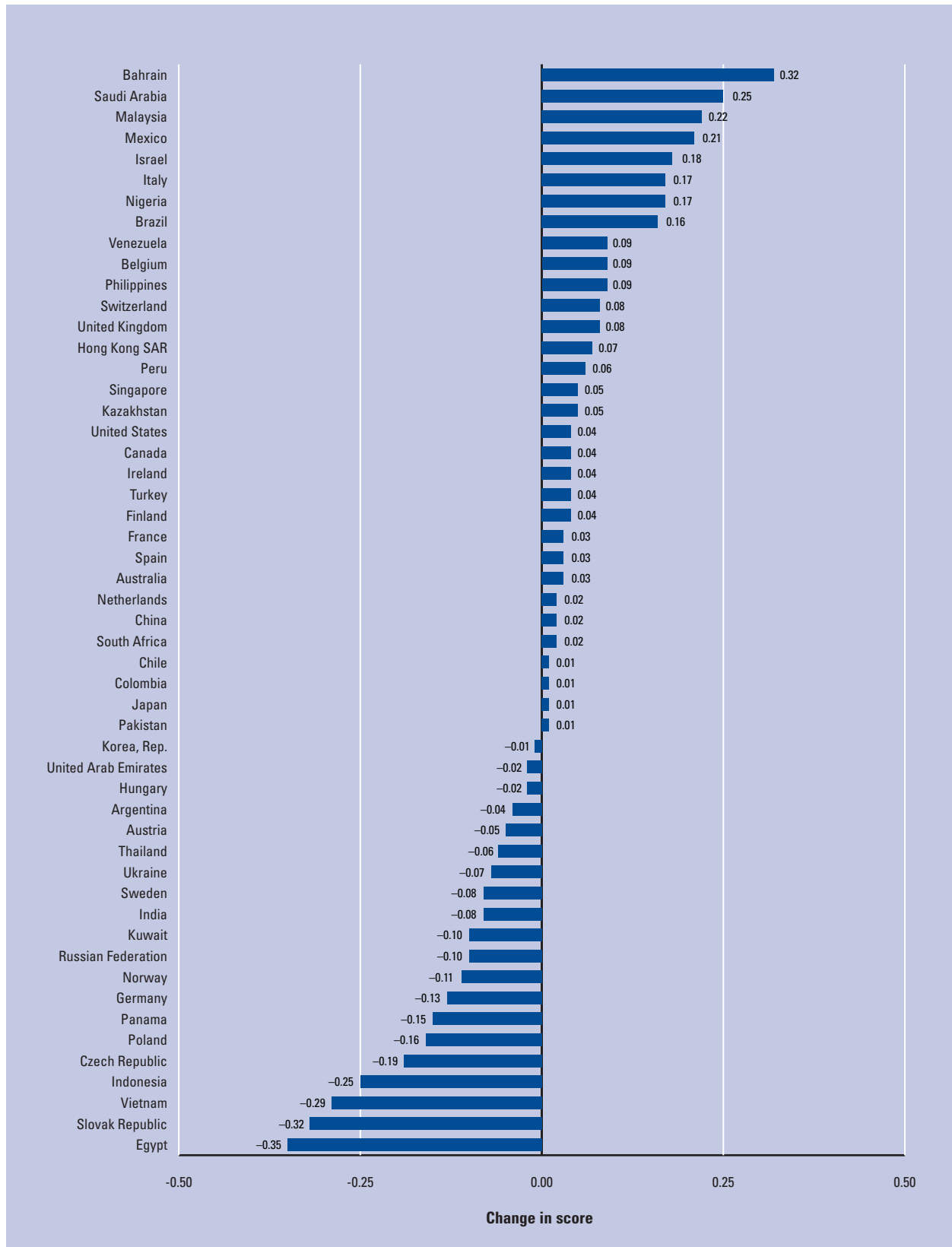
Hong Kong SAR places 1st in the Index this year, thus becoming the first Asian economy to achieve the top standing. Jumping three spots from last year, Hong Kong finishes in the top 10 across all seven pillars. In terms of factors, policies, and institutions, Hong Kong shows considerable strength in the business environment (3rd) and financial stability (4th) pillars. Specifically, business environment performance is driven by a strong tax regime (2nd) and highly developed infrastructure

Figure 4: Corporate governance score, 2008 to 2011 change



Note: Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania and Tunisia are excluded because they were added in later years.

Figure 5: Corporate governance score, 2010 to 2011 change



Note: Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years.

(1st), whereas financial stability is positively affected by the low risk of sovereign debt crisis (1st). Financial intermediation for Hong Kong proves to be resilient in a time of great uncertainty and volatility. Non-banking financial services such as IPO activity (2nd) and insurance (10th) show considerable improvement as Hong Kong moves up nine and five spots in these indicators, respectively. Access to commercial capital remains a strong point for Hong Kong, with equity market financing (1st) and foreign direct investment (1st) being particularly robust. Despite these positive developments, Hong Kong shows relative weakness in securitization activity (30th) and bond market development (29th). Moreover, areas for improvement within the business environment pillar include tertiary enrollment (26th), the cost of registering property (30th), and time to register property (35th).

Singapore falls one spot to place 4th in the Index, accompanied by a decrease in overall score. Like Hong Kong, Singapore exhibits strength in its factors, policies, and institutions. Singapore's strong institutional (1st) and business (2nd) environment is reflected in its commitment to contract enforcement (1st), improvement in human capital (3rd), and low cost of doing business (2nd). Singapore experiences declines in score across all three financial intermediation pillars: banking financial services (16th), non-banking financial services (12th), and financial markets (2nd). Of particular significance are the 13-rank declines in both securitization (28th) and banking system efficiency (14th). Nevertheless, Singapore continues to make access to commercial capital (2nd) readily available. This is further highlighted by a strong venture capital presence (3rd) and high level of foreign direct investment (2nd).

Australia maintains its 5th place rank in the Index and sees no significant movement across the seven pillars. The country remains strong in financial intermediation, ranking relatively high in the banking financial services (7th), non-banking financial services (8th), and financial markets (9th) pillars. However, these strengths are balanced with relatively weak scores in currency stability (36th), financial sector liberalization (26th), and infrastructure (21st). Moreover, Australia experiences a nine-spot decline in banking system stability (18th). This weakness can be attributed to its low average Tier 1 capital ratio (38th) and a financial system plagued with high level of stress (40th). Despite these limitations, Australia continues to benefit from being the Index leader in retail access to capital (1st).

Japan's 8th place finish in the Index is one spot higher than last year and its strengths continue to be in financial intermediation. However, improvement does occur across the financial information disclosure (17th), banking efficiency (8th), and IPO activity (12th) subpillars. Although Japan has well-developed foreign exchange (3rd) and derivatives markets (7th), it remains relatively weak in equity (18th) and bond market

development (17th). The country's overall score is further hampered by a lack of financial stability (28th), resulting from banking system instability (31st) and a high risk of sovereign debt crisis (30th). Despite some improvements, Japan continues to be relatively restrictive in commercial access to capital (28th).

Malaysia's 16th place rank, up one spot from last year, is bolstered by strong results in financial stability (6th), banking financial services (15th), and non-banking financial services (13th). Malaysia retains the top rank in currency stability and continues to be a leader in financial information disclosure (2nd). Both contribute to Malaysia's reputation as a leader in financial system stability. Nevertheless, the country's relatively weak business environment (25th) is an area of concern. Although there have been improvements, continued focus should be given to developing infrastructure (33rd) and reducing the cost of doing business (31st). In terms of financial markets (24th), further attention could be given to both the foreign exchange (32nd) and derivatives markets (32nd). Access to capital remains split between strong commercial access (5th) and relatively weak retail access (23rd).

The **Republic of Korea** (18th) shows considerable improvement in this year's Index, moving up an impressive six spots. Korea's jump in the rankings can be attributed to solid scores in financial intermediation, specifically in the banking (20th) and non-banking financial services (2nd) pillars. At the subpillar level, Korea places 1st in securitization, 3rd in insurance, and 6th in IPO activity. Despite these positive developments, Korea continues to demonstrate difficulty in its ability to facilitate access to capital. Its poor commercial access results (56th) are heavily influenced by a lack of venture capital availability (53rd), considerable difficulty in obtaining access to loans (57th), and a low level of foreign direct investment (51st). Further areas for improvement are apparent in factors, policies, and institutions. Specific areas of focus should include corporate governance (43rd), banking system stability (50th), and currency stability (39th).

China moves up three spots to place 19th overall in the Index. The improvement this year is supported by an increase in scores within the financial stability (10th) and non-banking financial services (3rd) pillars. However, China's business environment (46th) remains an area of considerable weakness. The decline in the pillar is caused by poor results in taxes (51st), infrastructure (46th), and cost of doing business (41st). Despite these weaknesses, China remains strong in terms of financial intermediation. Non-banking financial services are particularly robust, with the country's share of world IPOs (1st), its share of total M&A deals (2nd), and its real growth of direct insurance premiums (1st) being the primary drivers. Although China's financial system is quite secure (10th), the stability of the country's banking system (52nd) continues to be an area of

great concern. It is worth noting that neither implicit nor explicit government guarantees are considered part of this measure.

Thailand's 35th position in the Index is a result of relative uniformity across many of the pillars. However, weakness in banking system stability (54th) and securitization (50th) continues to hinder Thailand's financial system development. Nevertheless, Thailand is able to counterbalance its weak securitization score with considerable improvement in IPO (19th) and insurance activity (27th), indicating that the country's non-banking financial services are moving in the right direction. Although it retains a slight development advantage in terms of commercial (25th) and retail access to capital (33rd), there is still room for growth, as venture capital availability (36th) and the number of commercial bank branches (38th) remain relatively limited.

India, at 36th place overall, improves by one rank for the second year in a row. Particular strengths lie in India's non-banking financial services (5th), with IPO activity (5th), insurance (7th), and securitization (4th) being the primary drivers of the pillar's high score. India's strong financial intermediation is further bolstered by robust results in its foreign exchange (15th) and derivatives markets (20th). However, a low level of financial sector liberalization (56th), an inability to enforce contracts (57th), an underdeveloped infrastructure (56th), and a high cost of doing business (55th) all contribute to a weak institutional and business environment (both ranked 54th). Weakness in financial access (47th) is a reflection of India's lack of retail access to capital (41st). **Pakistan** (55th), India's neighbor to the north, shows similar weaknesses in their factors, policies, and institutions. However, unlike India, Pakistan also shows a lack of financial intermediation. Specifically, IPO activity (51st), M&A activity (57th), and insurance (53rd) weigh down Pakistan's score in this pillar. Nevertheless, bright spots are evident in currency stability (25th), securitization (27th), and bond market development (30th).

The **Philippines** (44th) improves significantly over the past year, moving up an impressive six spots in the Index. Financial intermediation remains an area of strength for the Philippines as its non-banking financial services (20th) and financial markets (33rd) continue to develop. Specifically, the country has a relative advantage in areas such as securitization (5th), M&A activity (25th), and derivatives markets (25th). Its business environment (55th) and financial access (50th), however, continue to hinder its development. A weak business environment is the result of a lack of infrastructure (53rd) and an extremely high cost of doing business (60th). Other impediments include limitations in financial access in areas such as foreign direct investment (48th) and the total number of ATMs (45th).

Kazakhstan finishes 46th overall in the Index, a three-spot improvement from last year. Kazakhstan's

institutional environment (52nd) remains particularly weak in areas related to financial sector liberalization (52nd), corporate governance (49th), and legal and regulatory issues (53rd). Bright spots in Kazakhstan's financial system are seen in its non-banking financial services (22nd). In particular, Kazakhstan has considerable advantages in its overall M&A transaction value to GDP (5th), real growth of direct insurance premiums (5th), and securitization deal values to GDP (6th). Still, these advantages do not compensate for weaker scores across banking financial services (50th) and financial access (55th).

Vietnam (50th), **Indonesia** (51st), and **Bangladesh** (56th) round out the remaining Asian countries represented in the Index, and all fall within the bottom 10 of the rankings. All three countries suffer from underdeveloped institutional and business environments. Because factors, policies, and institutions are a cornerstone of financial development, these countries face considerable hurdles and must work to improve corporate governance, liberalize their financial sectors, and reduce their costs of doing business. Nevertheless, there are some areas where these countries are making progress. IPO activity for both Bangladesh (39th) and Indonesia (14th) proves to be particularly robust. Indonesia and Bangladesh also have very stable currencies (9th and 6th, respectively)—an advantage from which both countries will benefit as they continue to develop. Vietnam, on the other hand, has a relatively sizeable (20th) and efficient (27th) banking system that provides a solid foundation for further growth. In addition, Vietnam has an advantage in securitization (33rd), which underscores the relative depth and sophistication of that country's non-banking financial services (48th).

EUROPE AND NORTH AMERICA

The **United States** comes in at 2nd place overall in the Index, down one spot from the previous year. Results vary across the seven pillars as the United States exhibits a clear mix of strengths of weaknesses. Factors, policies, and institutions are relatively weak, with particular limitations residing in the institutional environment (13th) and financial stability (42nd) pillars. Aspects of corporate governance (18th) are in need of improvement, especially with regard to its strengthening auditing and reporting standards (25th), the ethical behavior of firms (22nd), and its protection of minority shareholders' interests (22nd). From a financial stability perspective, the United States continues to be plagued by banking system (53rd) and currency (41st) volatility. For a more detailed discussion of how reforms could stabilize the US housing market, see Box 3 and subsequent Chapter 1.4. Despite these areas of concern, the country is quite strong in several aspects of financial intermediation. It performs extremely well in non-banking financial

Box 3: A proposal for reforming the US housing finance system

Please see Chapter 1.4 by Viral V. Acharya, Stijn Van Nieuwerburgh, Matt Richardson, and Lawrence J. White for a full discussion of this topic.

The 2008 financial crisis was a manifestation of problems that originated in the housing sector in the United States. Wide availability of credit allowed individuals with no assets, low incomes, and low credit scores to obtain mortgages in order to fulfill the “American Dream.” Lenders would then sell the mortgages to investment banks; these banks, in turn, would package loans with various levels of risk and sell them to the public as diversified mortgage-backed securities (MBS). The process was then repeated across the United States and other parts of the developed world. The bursting of the housing bubble resulted in a depreciation of home prices and a massive wave of defaults; owners of MBS saw their investments quickly become worthless. This proved to threaten global stability because the sale of these products spread to the entire spectrum of investors—from the most risk-averse pension funds requiring AAA-rated investments to speculators and hedge funds seeking higher yields and alpha. What started as a crisis in housing quickly became a larger, systemic crisis.

In the United States, two government-sponsored enterprises—Fannie Mae and Freddie Mac—wrote \$3.5 trillion worth of insurance and made a portfolio investment in another \$1.5

trillion in mortgages and MBS. The fact that regulators required these entities to hold only \$15 billion in capital to support the \$3.5 trillion of insurance is indicative of a failure in governance, regulation, and oversight. Although the United States weathered the immediate storm, little has been done to address the problems underlying the country’s housing market finance system.

The housing finance system is in need of considerable reform. Such efforts should be directed toward winding down and eventually privatizing Fannie Mae and Freddie Mac, as well as reducing home ownership subsidies. The focus should also be on rental assistance programs for the poor that are on-budget and housed under the domain of the US Federal Housing Administration. Moreover, mortgage loan origination and securitization should be standardized and should conform to a higher quality of credit. A privatized mortgage finance system based on pure economic theory further suggests that investors should be the ones to carry credit risk and that there should be few guarantees, if any, from the government. These reform measures may provide the greatest chance of achieving future stability and prosperity in the housing system.

services (1st), outperforming every country in the Index in both insurance and securitization activity. In addition, the depth of its financial markets (1st) is attributable to highly developed foreign exchange (1st) and derivatives markets (1st). Still, problems within banking financial services (21st) should be addressed. Specifically, the lack of efficiency (34th) of the US banking system can be attributed to high bank overhead costs (42nd), low profitability (47th), and a large percentage of non-performing bank loans to total loans (35th).

The **United Kingdom** (3rd) falls one spot because of continued weakness in financial stability (41st). Although there are improvements within the pillar, the United Kingdom continues to be plagued by currency (42nd) and banking system instability (48th), as well as a relatively high risk of sovereign debt crisis (21st). Despite these difficulties, the United Kingdom has one of the most developed financial systems in the Index. Financial intermediation remains quite solid as the country ranks in the top five for banking financial services (1st), non-banking financial services (4th), and financial markets (3rd). M&A activity (1st), foreign exchange markets (1st), and derivatives markets (1st) continue to be robust in spite of deteriorating market conditions around the globe. Although the United Kingdom’s overall institutional environment (6th) remains relatively strong, it could improve its score by

reducing the burden of government regulation (33rd), centralizing its economic policymaking (41st), and reestablishing public trust in political leaders (23rd). Moreover, commercial access to capital (20th) remains relatively weak as the accessibility of both credit (50th) and loans (34th) proves to be increasingly difficult.

Canada ranks 6th overall for the second consecutive year and exhibits considerable strengths across its factors, policies, and institutions. Positive results in the institutional environment pillar (3rd) are driven by a high degree of financial sector liberalization (1st), as well as solid corporate governance (2nd). Nevertheless, financial stability (12th) is relatively weak and currency stability (38th) is an area of explicit concern. Regarding financial intermediation, Canada displays development advantages in non-banking financial services (7th), with M&A (5th) and IPO activity (10th) being particularly healthy. Although Canada’s banking system is relatively small (17th), it is highly efficient (7th). This can be attributed to the fact that Canada has no publicly owned banks (1st) and has a low level of non-performing bank loans to total loans (5th). Although Canada continues to show strong results in the financial access pillar (5th), commercial access (13th) lags behind retail access to capital (6th). Improvement in commercial access could be directed toward encouraging more foreign direct

investment (40th), as well as making credit more easily accessible (28th).

Once again the **Netherlands** comes in at 7th overall in the Index. The country's strong institutional environment (8th) is led by a high degree of financial sector liberalization (1st), strong corporate governance (7th), and a solid legal and regulatory framework (9th). Nevertheless, financial stability (24th) continues to be an area of weakness for the Netherlands, as its currency (23rd) and banking systems (35th) are regarded as fairly unstable. Specifically, its score is negatively affected by the impact of a high frequency of banking crises (38th), its low Tier 1 capital ratio (42nd), and its high output loss during banking crises (41st). Still, financial intermediation remains relatively strong, particularly with respect to the size (3rd) of the Dutch banking system and the country's equity (1st) and bond market development (3rd). Although improvements have been made, commercial access (24th) to capital is still limited. This can be attributed to limited foreign direct investment (60th) and a high degree of restrictiveness in terms of access to credit (51st). Compared with the Netherlands, neighboring **Belgium** (13th) has weaker scores across factors, policies, and institutions, as well as financial intermediation. Of particular interest is the relative weakness in Belgium's business environment (20th), with specific focus on the limitations of the Belgian tax system (47th). Financial stability (29th) and non-banking financial services (32nd) also decline significantly, which hinders any prospect for further financial system development. Despite these constraints, Belgium continues to have a high level of financial access (3rd).

Switzerland's placement at 9th in the rankings is supported by strong scores across its factors, policies, and institutions. Switzerland's business environment (4th) is particularly solid and its financial system remains highly stable (2nd). The country has a well-developed infrastructure (2nd) and a highly educated pool of human capital (2nd). Nevertheless, several areas for improvement exist within the financial intermediation category. Specifically, the disclosure of financial information is considerably weak (44th). In addition, IPO (47th) and securitization activity (44th) offset the generally positive results of other non-banking financial services. Still, Switzerland's financial markets (6th) are highly developed, particularly its foreign exchange (6th) and equity markets (2nd). Financial access (25th) remains an area of relative weakness. Commercial (18th) and retail access (24th) scores are negatively affected by low levels of foreign direct investment (59th) and the small number of commercial bank branches per 100,000 adults (54th).

The strong position of the Scandinavian countries—**Norway** (10th), **Sweden** (11th), **Denmark** (15th), and **Finland** (21st)—is the result of their highly developed institutional and business environments. While Sweden and Denmark retain the top spot in

financial sector liberalization, Finland and Norway experience strong advantages in both contract enforcement (5th and 3rd, respectively) and cost of doing business (7th and 4th, respectively). Although factors, policies, and institutions remain generally strong for this group, financial intermediation presents a clear area for improvement. All four countries show weakness in non-banking financial services. Norway (42nd), Sweden (53rd), and Denmark (34th) rank quite low in securitization, while Finland underperforms in both IPO (40th) and M&A activity (41st). Financial access scores are quite mixed among the Scandinavian countries. Finland ranks near the bottom of the pillar because of limited retail access to capital (45th). Denmark shows relative weakness as well, but that country's score is a consequence of limitations in commercial access (31st). Sweden and Norway, on the other hand, show relative strengths in financial access, ranking 12th and 7th in the pillar, respectively.

France (12th) falls one spot in the Index because of considerable declines in both the business environment (21st) and financial stability (20th) pillars. Although it maintains its well-developed infrastructure (8th) and a relatively healthy pool of human capital (15th), France's tax regime (42nd) is sub-optimal, hurting it in the pillar ranking. Banking system stability (38th) proves to be another area of concern, with the threat of real estate bubbles (42nd) being particularly problematic. Despite these weaknesses, France shows positive results in financial markets (7th), and its derivatives (1st) and bond markets (2nd) are clear areas of strength. M&A activity (10th) and insurance (9th) bolster France's overall position in non-banking financial services (16th). With regard to financial access (15th), France has an advantage in retail access to capital (10th), but a relative disadvantage for commercial access (27th). Areas for improvement include ease of access to credit (56th) and foreign direct investment (42nd).

Although **Germany** (14th) falls one spot in the Index, it continues to show relative strength in its institutional and business environments, placing 10th and 13th in these pillars. Germany's development advantage in its factors, policies, and institutions stems from its high degree of financial sector liberalization (1st) and its well-developed infrastructure (4th). On the other hand, Germany shows weakness in financial stability (30th), with banking system stability (44th) being the primary driver of its low score. Germany's level of financial intermediation is somewhat mixed. While the size (14th) of its banking system is relatively large, it is not very efficient (30th). One particular area for improvement is bank overhead costs (48th), which should be reduced. In the financial markets pillar (13th), Germany ranks 1st in derivatives markets and maintains advantages in both foreign exchange markets (10th) and bond market development (11th). Germany's financial access lags from weak scores in commercial access to capital (33rd).

Specifically, there is considerable difficulty in obtaining access to credit (42nd) and foreign direct investment (41st) is limited.

Spain comes in three spots below Germany at 17th place in this year's Index. Financial stability (50th) remains an area of great concern, with instability in the currency (47th) and banking systems (49th) having an adverse impact on the overall pillar score. Spain's institutional (22nd) and business environment (27th) are also relatively underdeveloped. A weak tax regime (50th), a high cost of doing business (36th), and a lack of sufficient contract enforcement (34th) are the reason for Spain's relatively weak factors, policies, and institutions. Despite these difficulties, Spain is quite strong in financial intermediation. Its banking system (5th) is both large (4th) and efficient (9th), and its 11th place rank in the financial markets pillar can be attributed to the highly developed nature of its equity (6th), bond (7th), and derivatives markets (9th). Moreover, financial access (14th) continues to be a relative strength for Spain. On the other hand, there is considerable divergence between Spain's commercial access (49th) and retail access (5th) scores.

Austria's overall ranking of 20th in the Index is bolstered by strong scores across its factors, policies, and institutions. Similar to Germany, Austria has a high degree of financial sector liberalization (1st) and a well-developed infrastructure (13th). However, unlike its neighbor, Austria has a stable banking system (11th). These elements have a positive impact on Austria's rank in the institutional environment (14th), business environment (19th), and financial stability (16th) pillars. Nevertheless, the country shows considerable weakness in non-banking financial services (45th). IPO (57th) and securitization activity (52nd) rank near the bottom of the Index and require greater attention. Austria is quite strong in terms of financial access (8th); however, there is a stark contrast between its commercial (41st) and retail access (4th) scores.

Ireland falls four spots to place 22nd in this year's Index. Although Ireland has relatively strong institutional (15th) and business environments (14th), financial stability (57th) continues to drag down its overall score. Ireland faces considerable risk of sovereign debt crisis (53rd) as well as a very unstable banking system (57th). Despite these problems, Ireland has some bright spots in financial intermediation, notably banking (8th) and non-banking financial services (17th). Specifically, the size of its banking system (2nd) and its ability to disclose financial information (7th) boost the country's position in the pillar. Still, areas for improvement include IPO activity (56th) and equity market development (31st). As with Spain and Austria, Ireland's financial access (11th) results are quite uneven, with high retail access (7th) scores being offset by overall weakness in commercial access (34th).

Italy ranks 27th in the Index, down two spots from last year. Italy's factors, policies, and institutions remain relatively weak because of low scores in the institutional environment (29th) and financial stability (40th) pillars. Poor corporate governance (50th) and a lack of sufficient contract enforcement (55th) bring its institutional environment score down considerably, despite the fact that Italy maintains a high degree of financial sector liberalization (1st). Italy's high risk of sovereign debt crisis (43rd) can be partially attributed to unsustainable public debt levels (59th), as well as to widening credit default swap spreads (46th). Despite these problems, the country is relatively strong in terms of financial intermediation. Italy's financial markets (16th) are well developed and its bond (6th), equity (16th), and derivatives markets (14th) are clear sources of strength. Like many other European nations, Italy's financial access (20th) score is based on diverging results from commercial (54th) and retail access (11th).

Poland and the **Czech Republic** score the highest of the Eastern European countries in the Index this year and rank 33rd and 34th, respectively. Poland's strengths reside in financial intermediation, with the non-banking financial services (21st) and financial markets (30th) pillars providing a boon to its overall score. Specifically, Poland is bolstered by very strong IPO activity (4th) and a highly developed bond market (10th). The Czech Republic's strengths, by contrast, are in both financial stability (18th) and banking financial services (27th). The Czech Republic has a low risk of sovereign debt crisis (15th) in addition to very good mechanisms for the disclosure of financial information (5th). Although Poland's pillar scores are fairly consistent with its overall rank, there is still room for improvement in banking financial services (42nd). Conversely, the Czech Republic's weaknesses stem from underdeveloped financial markets (50th), with particular emphasis on a lack of equity market development (47th). Poland and the Czech Republic both show mixed results regarding financial access (34th and 35th, respectively). For both countries, development advantages lie in retail access, but these advantages are mitigated by weak scores in commercial access to capital.

The **Slovak Republic** and the **Russian Federation** place 38th and 39th, respectively, in this year's Index. The institutional environment remains relatively weak for both countries. Russia is particularly hindered by a lack of corporate governance (58th) and a weak legal and regulatory system (59th). The Slovak Republic, on the other hand, is limited by its ability to enforce contracts (49th). Russia and the Slovak Republic differ considerably in their financial stability pillar scores. While the Slovak Republic's financial system remains relatively stable (25th), Russia is weighed down by considerable instability in its banking system (58th). Russia does see some positive developments in currency stability (11th), which can be attributed to

development advantages in the change in real effective exchange rate (6th) and external vulnerability indicator (9th). In terms of financial intermediation, Russia continues to show strong results in non-banking financial services (9th). The solid rank is driven by healthy M&A (7th) and securitization activity (3rd). Conversely, the Slovak Republic is quite underdeveloped in non-banking financial services (52nd). Both M&A activity (55th) and insurance (51st) are clear areas for future development. In terms of financial access, both Russia and the Slovak Republic are quite weak in commercial access to capital, ranking 53rd and 51st, respectively.

Rounding out the remaining European countries are **Hungary** (47th), **Romania** (52nd), and the **Ukraine** (54th), all of which rank in the bottom quarter of the Index. Whereas the Scandinavian countries all have very strong factors, policies, and institutions, these former–Eastern Bloc nations show considerable weakness in this area, particularly with respect to financial stability. The scores for the Ukraine, Hungary, and Romania are all undermined by a high risk of sovereign debt crisis (57th, 50th, and 46th, respectively). Financial intermediation remains quite weak, particularly for both Romania and Hungary. Nevertheless, there are some relatively bright spots in both the non-banking financial services and financial markets pillars. While the Ukraine has a development advantage in securitization (19th), Romania and Hungary show relative strengths in equity market (32nd) and bond market development (22nd), respectively. Although they rank in the bottom half of the financial access pillar, Hungary (19th), Romania (29th), and Ukraine (30th) show some promise in retail access to capital.

LATIN AMERICA

Brazil and **Chile** place 30th and 31st in this year's Index. Chile is somewhat stronger than Brazil in the institutional and business environment pillars (27th and 41st, and 23rd and 50th, respectively). Chile's strength resides in the fact that it maintains development advantages in areas such as taxes (10th) and contract enforcement (23rd). Brazil, on the other hand, has a relatively low degree of financial sector liberalization (43rd), as well as a high cost of doing business (46th). Although both countries achieve high rankings in financial stability, Brazil's strength is attributed to a stable currency system (2nd) while Chile experiences both a stable banking system (4th) and a low risk of sovereign debt crisis (5th). Brazil's greatest advantage is in non-banking financial services (11th), and IPO (9th) and M&A (14th) activity remain particularly robust. Conversely, Chile shows relative weakness in IPO activity (42nd), which, in turn, drags down its overall score in non-banking financial services (33rd). Financial access remains a source of strength for both countries. However, Chile's

advantage resides in commercial access (8th compared with 21st for Brazil), whereas Brazil benefits from its retail access scores (21st compared with 35th for Chile).

Panama comes in six spots behind Brazil at 37th in the Index overall. Panama's institutional environment (33rd) shows wide discrepancies between its strengths and weaknesses. Specifically, the country has a high degree of financial sector liberalization (19th), yet it ranks near the bottom in terms of contract enforcement (58th). Other aspects of Panama's factors, policies, and institutions that require improvement include the quality of its math and science education (58th), time to pay taxes (53rd), and regulation of securities exchanges (51st). However, from a financial stability perspective (39th), Panama retains a slight development advantage in currency stability (34th) and risk of sovereign debt crisis (35th). Within financial intermediation, areas for improvement center on equity market development (54th) and securitization (54th), both of which rank near the bottom of the Index. Panama's relative strength in financial access (33rd) is highly attributable to its 7th place rank in commercial access, where it benefits from easy access to loans (13th) as well as a high level of foreign direct investment (5th).

Peru moves up a very impressive eight spots to place 40th in this year's Index. This dramatic improvement is the result of positive developments across the majority of the pillars. Peru's improving business environment (39th) can be attributed to a strong tax regime (27th) and a relatively low cost of doing business (35th). The country's stable financial system (17th) is an effect of low financial stress (2nd), minimal external debt (9th), and a limited threat of real estate bubbles (4th). Despite these positive characteristics, Peru could improve in several areas of financial intermediation. In particular, Peru's banking system (52nd) is quite small (54th) and relatively inefficient (46th). Peru's foreign exchange (43rd) and bond markets (43rd) are relatively weak and could be areas on which to focus future development efforts. In terms of financial access (32nd), Peru shows development advantages in both commercial (15th) and retail access to capital (32nd). Sources of strength include ease of access to credit (1st), as well as the number of loan accounts at microfinance institutions (1st).

Mexico finishes one spot behind Peru at 41st, up two spots from last year's Index. Financial stability (21st) continues to be an area of considerable strength for Mexico. Success in this pillar mirrors that of Peru to some extent and can be attributed to a low level of external debt (7th), a minimal threat of real estate bubbles (7th), and a solid measure of financial strength (10th). Nevertheless, several areas require further attention. For instance, Mexico's banking system (47th), again like Peru, is small (51st) and inefficient (52nd). In addition, it shows weakness in human capital (49th), legal and regulatory issues (48th), and infrastructure (45th).

Its business (44th) and institutional environments (45th) will remain constrained until these issues are adequately addressed. Finally, Mexico's financial access score (39th) is balanced between development advantages in retail access (26th) and relative weakness in commercial access (46th).

Colombia finishes 45th overall, up two spots from last year's Index. The country's institutional environment remains in need of improvement because of a weak legal and regulatory framework (50th) as well as an inability to enforce contracts (52nd). However, Colombia's rank in the business environment (38th) pillar is bolstered by its very low cost of doing business (8th). Financial intermediation in the country remains generally weak, particularly in banking financial services (51st) and financial markets (54th). Nevertheless, bright spots exist in securitization activity (21st) and its relatively high degree of financial information disclosure (25th). Additionally, commercial (36th) and retail access to capital (31st) are both relative strengths for Colombia. Positive developments in retail access may be attributed to a high market penetration of bank accounts (18th) and a significant number of loan accounts at microfinance institutions (4th).

Argentina falls one place to 53rd overall in this year's Index. Aside from non-banking financial services (23rd), the country shows relative weakness across the other six pillars. Argentina's weak institutional environment (53rd) is a consequence of its low degree of financial sector liberalization (50th), its lack of corporate governance (52nd), and its poor legal and regulatory framework (58th). Financial system stability (56th) also remains an area of great concern because the country's banking system is quite unstable (56th) and there is an ever-looming risk of a sovereign debt crisis (54th). The relative strength of non-banking financial services is caused by positive developments in insurance (20th) and securitization activity (6th). Still, financial access to capital (56th) is extremely limited, particularly on the commercial (59th) side.

The last Latin American country in the Index is **Venezuela**, which falls four spots to place 59th overall. Venezuela shows considerable weakness across all seven pillars, ranking at the very bottom of both institutional environment and financial access. Venezuela also has a highly dysfunctional business environment (59th). Specific areas to address include reducing the cost of closing a business (58th), improving the quality of telephone infrastructure (60th), and finding ways to reduce brain drain (60th). Venezuela's strength in its financial markets (31st) is attributed to a relatively well developed bond market (31st), although it should be noted that a lack of data prevented Venezuela from being ranked in the foreign exchange, derivatives, and equity market development subpillars. However, there is considerable work to be done to improve Venezuela's small (49th) and inefficient (50th) banking system (58th).

MIDDLE EAST AND NORTH AFRICA

The highest-ranked Middle East or North African country is **Saudi Arabia** (23rd), which moves up three spots in this year's Index. For the second consecutive year Saudi Arabia ranks 1st overall in terms of financial stability. The country's strength in this pillar may be specifically attributed to its stable banking (1st) and currency systems (3rd) as well as to its low risk of sovereign debt crisis (9th). Saudi Arabia also maintains development advantages in its business environment (17th) because of a well-developed tax regime (4th) and its low cost of doing business (9th). Despite these positive attributes, Saudi Arabia is quite weak in terms of financial intermediation. Banking financial services (40th), non-banking financial services (50th), and financial markets (38th) all show areas for improvement. Specific focus should be paid to M&A (54th) and securitization (56th) activity, since these are its two weakest areas. Saudi Arabia exhibits a strong commitment to commercial access to capital (3rd), with financing through its local equity market (3rd) and venture capital availability (6th) being particularly strong.

Bahrain and the **United Arab Emirates (UAE)** place 24th and 25th in the Index. These Gulf States deliver relatively sound performances in both the business and institutional environments. However, while the UAE shows a slight development advantage in legal and regulatory issues (22nd), Bahrain has relatively strong corporate governance (17th) and a high degree of financial sector liberalization (15th). Both nations also have very sound tax systems: the UAE ranks 3rd in this subpillar while Bahrain places 1st overall. Non-banking financial services represent an area for improvement in both countries. The UAE is weaker in M&A activity (49th), and Bahrain is limited in its levels of securitization (51st). Data limitations preclude the effective benchmarking of the size of the banks of either of these countries. Financial stability offers relatively mixed results between Bahrain and the UAE. Although both nations rank very high in terms of banking system stability (Bahrain and UAE rank 2nd and 3rd, respectively), Bahrain's score in the pillar is offset by a 51st place rank in currency stability.

Israel follows the Gulf States of Bahrain and the UAE, moving up one spot to 26th in the Index this year. Israel's position in the business environment pillar (26th) is bolstered by its favorable tax regime (19th) as well as its highly developed infrastructure (16th). However, favorable scores are offset by its very high cost of doing business (53rd), with particular emphasis on the high cost of closing a business (55th) and the considerable time it takes to register property (58th). Further areas of weakness are evident in the country's banking system stability (39th) and securitization activity (48th). Nevertheless, Israel does maintain some development advantages in financial intermediation. Specifically,

financial information disclosure (7th) and equity market development (14th) are two areas of relative strength. Israel also demonstrates solid results in both commercial (12th) and retail access to capital (14th).

Kuwait maintains its 28th place rank in this year's Index. Its position in the institutional (36th) and business environment (29th) pillars is diminished by its weak legal and regulatory framework (45th) as well as its underdeveloped human capital base (53rd). Low tertiary enrollment (51st) and the poor quality of its management schools (51st) are specific areas of concern. Still, Kuwait finds its financial system to be quite stable (15th), with particular emphasis on its low risk of sovereign debt crisis (11th). Financial intermediation scores are mixed because banking (38th) and non-banking financial services (44th) are relative weaknesses, while Kuwait's equity market (9th) is considered to be highly developed. The weakness in overall financial access (42nd) is the result of the relative disadvantage associated with Kuwait's commercial access to capital (43rd) score.

Jordan comes in at 32nd in the Index, three spots below last year. Jordan shows fairly mixed results across its factors, policies, and institutions. On the one hand, the country has a high degree of financial sector liberalization (20th), a favorable tax regime (23rd), and a relatively stable banking system (26th). However, these positive attributes are counterbalanced by its low degree of contract enforcement (47th), its high cost of doing business (47th), and its increased risk of sovereign debt crisis (47th). Nevertheless, Jordan shows relative strength across financial intermediation. While its non-banking financial services (27th) are led by considerable securitization activity (8th), Jordan's financial markets (21st) are bolstered by a relatively solid equity market (23rd).

Turkey falls one spot to 43rd in this year's Index. Turkey's institutional (40th) and business environment (34th) scores continue to be hindered by its uneducated human capital pool (51st) and its weak corporate governance (55th). The instability (54th) of Turkey's financial system can be attributed to its volatile currency system (49th) and its high risk of sovereign debt crisis (45th). Turkey shows mixed results across the financial intermediation category, with development advantages in its banking financial services (34th) and financial markets (35th) but relative weakness in its non-banking financial services (49th); securitization (55th) proves to be Turkey's weakest area in this pillar. Retail access to capital (20th) is stronger than commercial access (35th) in Turkey, and its position in the financial access (31st) pillar is considered to be one of the country's relative strengths.

The nations of **Morocco** (42nd), **Tunisia** (48th), and **Egypt** (49th) round out the remaining Middle East and North African countries in the Index. Both Morocco and Egypt exhibit relative weaknesses in

terms of human capital (48th and 58th, respectively) and infrastructure development (44th and 50th, respectively). Tunisia, on the other hand, possesses development advantages in human capital (31st) and infrastructure (41st), driven in part by success in areas such as the quality of its math and science education (10th) and its number of mobile telephone subscribers (34th). Morocco scores the best of the three countries across the various areas of financial intermediation. Specifically, Morocco's banking system (32nd) is relatively large (27th) and efficient (23rd). This stands in contrast to Egypt, which has one of the least efficient (53rd) banking systems in the Index. Further areas to address include financial market (57th) development in Tunisia, improving financial access (51st) in Morocco, and establishing a better legal and regulatory framework (55th) in Egypt.

SUB-SAHARAN AFRICA

South Africa moves up three spots this year, placing 29th overall in the Index. Performance remains relatively strong across most of the pillars, with a particular strength in financial intermediation. In particular, South Africa possesses development advantages in both its non-banking financial services (24th) and its financial markets (25th). South Africa's robust performance in these pillars can be attributed to its strong scores in insurance (6th) in addition to its well-developed equity (15th) and derivatives markets (17th). South Africa's rank in financial stability (19th) was bolstered by the overall steadiness of its banking system (8th). Despite these positive attributes, South Africa's business environment (29th) is a clear area for improvement. Less-developed human capital (52nd) and weak infrastructure (52nd) continue to hinder the country. From a financial access (29th) perspective, South Africa has slight development advantages in both commercial (23rd) and retail access to capital (27th).

Tanzania and **Ghana** were added to this year's Index and rank 57th and 58th, respectively, overall. Bright spots for these two African nations are few and far between. However, Ghana's development advantage in the cost of doing business (32nd) is attributable to its low cost of registering property (10th) and the short time it takes to start a business (23rd). Tanzania, on the other hand, shows a relative strength in its ability to enforce contracts (36th). Although Tanzania may have a highly stable banking system (5th), the country does not offer a significant amount of banking financial services (60th). Overall, both Tanzania and Ghana are quite weak in terms of financial intermediation. Whereas Ghana shows considerable underdevelopment in its equity market (57th), Tanzania shows similar weakness with respect to its bond market (51st).

After falling three spots, **Nigeria** ranks at the very bottom of this year's Index. Although the number of positive developments is limited, Nigeria does possess a relative strength in terms of financial sector liberalization (29th). Conversely, its business environment (58th) remains highly underdeveloped. The quality of Nigeria's overall infrastructure (57th) is quite poor and the costs associated with starting a business (60th) and registering property (60th) in the country are extraordinarily high. As such, Nigeria lacks many of the foundational elements necessary for successful financial development. Moreover, financial intermediation is lacking across its banking financial services (56th), non-banking financial services (58th), and financial markets (55th). Finally, overall financial access remains low (58th), despite Nigeria's advantages in foreign direct investment (20th) and loan accounts at microfinance institutions (21st).

Conclusion

As the global financial system moves from crisis to crisis, it is tempting for international leaders to focus all reform efforts on instilling stability back into the system. Nevertheless, as the overall Index results show, significant issues with access to capital still prevail. The need to make different forms of capital available will be crucial over the coming years—both for advanced economies, to ensure a robust recovery, and for emerging economies, to deliver on the much-anticipated growth. While the challenge for advanced economies will lie in making new credit more available in order to encourage and support economic activity, emerging economies would benefit from addressing the weaknesses highlighted across all the main variables. Ultimately, these broad improvements will need to be supported by local-level reforms that ensure that the foundations that allow financial systems to develop are in place. For example, corporate governance may be an area in which improvement efforts could be effective.

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 comprehensive 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) held that financial intermediaries select the firms that utilize an economy's savings. More formally, his view stipulated 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, 1998b, 1999b; Levine 1998, 1999; and Barth et al. 1999.
- 9 Bekaert and Harvey 2005 also held explicitly that reforms that strengthen a country's legal environment and investor protection are most likely the true cause for better growth prospects.
- 10 La Porta et al. 1997; King and Levine 1993.
- 11 Schleifer and Vishny 1997.
- 12 Tavares 2002.
- 13 Claessens et al. 2010.
- 14 Galor and Zeira 1993.
- 15 Fitzgerald 2007.
- 16 See Grilli and Milesi-Ferretti 1995; Kraay 1998; Rodrik 1998; and Edison et al. 2002a for findings related to the positive relationship between liberalization and growth. 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 found the relationship to be ambiguous.
- 17 De la Torre et al. 2008.
- 18 Ito and Chin 2007.
- 19 Levine 1997.
- 20 Outreville 1999.
- 21 Barro 1991.
- 22 Beck 2006.
- 23 Guiso et al. 2010.
- 24 Allen and Carletti 2011.
- 25 Loayza and Ranciere 2002.
- 26 Balakrishnan et al. 2009.
- 27 De la Torre and Ize 2009.
- 28 Rojas-Suarez 2003.
- 29 Among the many works discussing theories of financial innovation is Merton and Bodie 1995.
- 30 Goldsmith 1969.
- 31 Ito and Chinn 2007.
- 32 Levine 2004.
- 33 That such channeling and efficient allocation occurs 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.
- 34 Gerschenkron 1962, in addition to others, 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 Rajan and Zingales 2001.
- 36 Levine 1997, 2001.

- 37 Barth et al. 1999.
- 38 Vittas 1998.
- 39 Demirgüç-Kunt and Levine 2001.
- 40 Noyer 2006.
- 41 Avram et al. 2010.
- 42 Lin 2007.
- 43 Levine and Zervos 1996 employed 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).
- 44 Arestis et al. 2001.
- 45 Demirgüç-Kunt and Levine 2001.
- 46 Fink et al. 2003.
- 47 See <http://www.imf.org/external/np/speeches/2007/082207.htm>.
- 48 Beck et al. 2006.
- 49 See Biggs et al. 2009.
- 50 See, for example, Claessens 2003.

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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, the presence of a strong legal and regulatory environment and a developed bond market tends 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 indexes were adjusted. Any economy with standardized scores above the average for the legal and regulatory environment and bond market development experienced positive effects as a result of the liberalization process, 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 (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 Centralization of economic policymaking	
1.13 Regulation of securities exchanges	
1.14 Property rights	
1.15 Intellectual property protection	

(Cont'd.)

Appendix A: Structure of the Financial Development Index 2011 (cont'd.)

1.16	Diversion of public funds		
1.17	Public trust of politicians		
1.18	Corruption perceptions index		
1.19	Strength of legal rights index		
1.20	Central bank transparency		
D. Contract enforcement		25.00%	
1.21	Effectiveness of law-making bodies		
1.22	Judicial independence		
1.23	Irregular payments in judicial decisions		
1.24	Time to enforce a contract		
1.25	Number of procedures to enforce a contract		
1.26	Strength of investor protection index		
1.27	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 and ease of hiring foreign labor		
2.06	Tertiary enrollment		
B. Taxes		25.00%	
2.07	Irregular payments in tax collection		
2.08	Distortive effect on competition 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 telephone infrastructure		
2.13	Internet users		
2.14	Broadband Internet subscriptions		
2.15	Telephone lines		
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	Financial Stress Index		
3.11	Tier 1 capital ratio		
3.12	Output loss during banking crises		
C. Risk of sovereign debt crisis		30.00%	
3.13	Local currency sovereign rating		
3.14	Foreign currency sovereign rating		
3.15	Aggregate macroeconomic indicator		
3.16	Manageability of public debt		
3.17	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 density		
5.08	Non-life insurance density		
5.09	Real growth of direct insurance premiums		
5.10	Life insurance coverage		
5.11	Non-life insurance coverage		
5.12	Relative value-added of insurance to GDP		
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		

(Cont'd.)

Appendix A: Structure of the Financial Development Index 2011 (cont'd.)

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 Total number of point of sale (POS) devices
- 7.11 Loan accounts at MFIs

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 environment was 3.97. The average score for the bond market development was 2.67.

Appendix B: Commercial access and corporate governance scores, 2008 vs. 2011

Table B1 presents the overall commercial access scores for 2008 and 2011.

Table B1: Commercial access scores, 2008 vs. 2011

Country/Economy	Commercial access	
	2008 score	2011 score
Argentina	3.45	2.58
Australia	5.33	4.27
Austria	4.82	3.60
Bahrain	4.91	4.78
Belgium	4.86	4.06
Brazil	4.04	4.07
Canada	5.05	4.50
Chile	4.98	4.32
China	3.33	3.82
Colombia	4.01	3.64
Czech Republic	4.07	3.34
Egypt	3.59	3.56
Finland	5.52	4.61
France	4.78	3.94
Germany	5.06	3.78
Hong Kong SAR	5.53	4.95
Hungary	4.12	2.92
India	4.91	4.12
Indonesia	4.51	4.15
Ireland	5.34	2.72
Israel	5.26	4.43
Italy	3.81	3.16
Japan	4.70	4.01
Kazakhstan	3.94	2.70
Korea, Rep.	4.93	3.09
Kuwait	4.84	3.57
Malaysia	5.02	4.76
Mexico	3.90	3.32
Netherlands	5.48	4.18
Nigeria	3.59	2.97
Norway	5.60	4.84
Pakistan	4.12	3.46
Panama	4.91	4.30
Peru	4.20	4.01
Philippines	3.98	3.71
Poland	4.03	3.33
Russian Federation	3.68	2.96
Saudi Arabia	4.08	4.80
Singapore	5.27	4.93
Slovak Republic	4.45	3.22
South Africa	4.98	4.20
Spain	4.75	3.15
Sweden	5.68	4.82
Switzerland	5.16	4.43
Thailand	4.56	3.93
Turkey	4.37	3.75
Ukraine	3.54	2.43
United Arab Emirates	5.09	4.27
United Kingdom	5.57	4.12
United States	5.49	4.27
Venezuela	3.71	2.53
Vietnam	3.82	3.09

Notes: (1) Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years. (2) Foreign direct investment to GDP (7.06) is excluded from overall commercial access scores for comparability purposes.

Table B2 shows the overall corporate governance scores for 2008 and 2011.

Table B2: Corporate governance scores, 2008 vs. 2011

Country/Economy	Corporate governance	
	2008 score	2011 score
Argentina	4.19	3.80
Australia	5.75	5.51
Austria	5.75	5.10
Bahrain	4.86	5.16
Belgium	5.46	5.20
Brazil	4.51	4.47
Canada	5.68	5.75
Chile	5.23	4.93
China	4.01	4.40
Colombia	4.39	4.08
Czech Republic	4.54	4.27
Egypt	4.17	3.91
Finland	5.84	5.73
France	5.43	4.93
Germany	5.93	5.25
Hong Kong SAR	5.52	5.18
Hungary	4.47	4.10
India	4.96	4.29
Indonesia	4.99	4.10
Ireland	5.57	4.84
Israel	5.29	5.09
Italy	4.13	3.81
Japan	5.14	5.12
Kazakhstan	4.00	3.85
Korea, Rep.	5.22	4.09
Kuwait	4.53	4.12
Malaysia	5.39	5.20
Mexico	4.49	4.09
Netherlands	5.78	5.54
Nigeria	4.20	3.92
Norway	5.74	5.64
Pakistan	4.14	3.80
Panama	4.52	4.25
Peru	4.28	4.29
Philippines	4.53	4.26
Poland	4.20	4.29
Russian Federation	3.99	3.52
Saudi Arabia	4.43	5.21
Singapore	5.65	5.68
Slovak Republic	4.60	4.10
South Africa	5.48	5.31
Spain	4.86	4.35
Sweden	6.16	6.01
Switzerland	5.75	5.53
Thailand	4.67	4.26
Turkey	4.32	3.79
Ukraine	3.56	3.39
United Arab Emirates	4.74	4.93
United Kingdom	5.77	5.47
United States	5.49	5.13
Venezuela	3.99	3.56
Vietnam	4.14	3.80

Note: Bangladesh, Denmark, Ghana, Jordan, Morocco, Romania, Tanzania, and Tunisia are excluded because they were added in later years.

Benchmarking Financial Development: Challenges and Solutions

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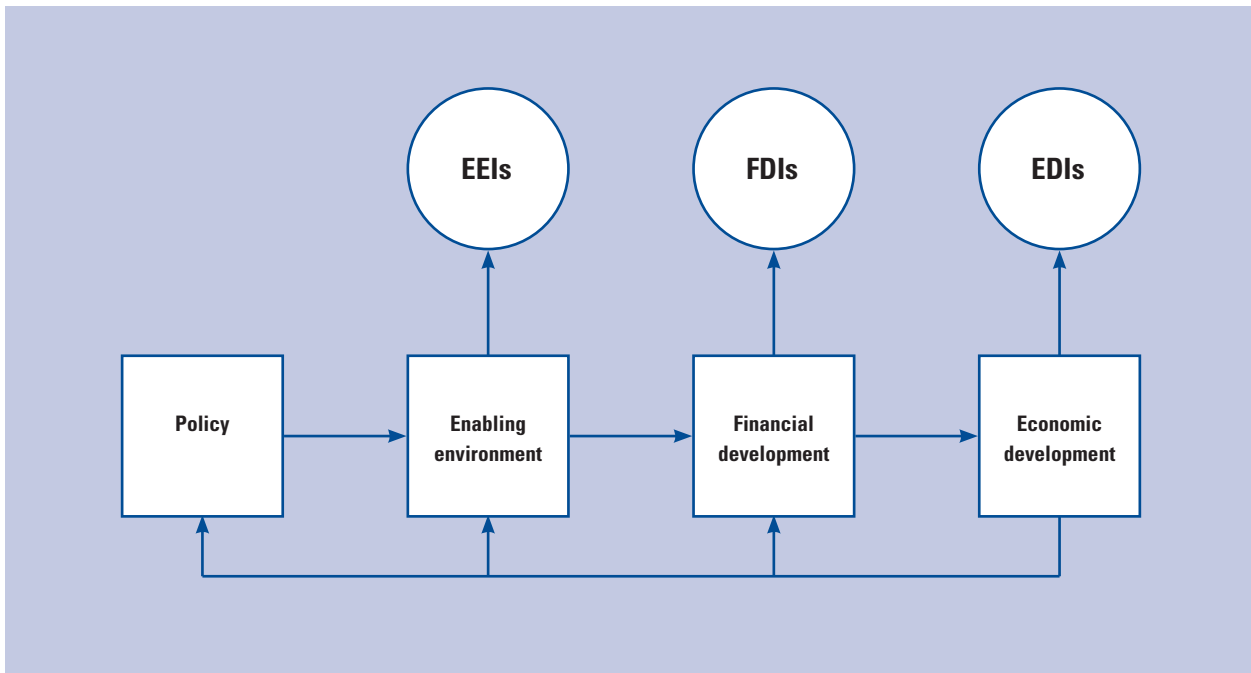
Financial development has been shown to have an important impact on economic welfare, notably output growth and poverty reduction. Countries with more advanced financial systems grow faster and experience faster reductions in poverty.¹ But although promoting sustainable financial development is a key dimension of public policy, identifying the policy gaps that need to be addressed may not be as straightforward as it might seem. This chapter shows that statistical benchmarking can provide both a valuable assessment tool for policymakers and a useful analytical tool for researchers. However, statistical benchmarking also faces some challenges that need to be overcome. The chapter explores these issues and illustrates the potential benefits of statistical benchmarking, using countries in the Latin American and Caribbean region as examples.

Reasons to statistically benchmark financial development indicators

Why should one be interested in conducting statistical benchmarking of financial development indicators? This question has three dimensions: (1) Why use these particular indicators in the first place? (2) Why benchmark them? (3) Why use a full-blown statistical approach?

Regarding the first dimension, financial development depends on the quality of the enabling (informational and contractual) environment.² The latter is in turn affected by policy. This results in a multilayered channel of transmission between a country's financial policies and its ultimate welfare objectives—including such elements as economic growth and poverty reduction (Figure 1).

To detect policy gaps, it is possible to focus exclusively on measuring improvements in the enabling environment by using a battery of enabling environment indicators—such as indexes of the rule of law, creditor rights and contract enforcement, transparency and disclosure standards, and so on. The policy process could then limit itself to improving these enabling indicators irrespective of how well or how poorly the financial system is doing. However, because the links among policy, the enabling environment, financial development, and welfare are complex, identifying the key policy inputs—that is, identifying the weakest linkages in the enabling environment—is not a straightforward exercise. Instead, financial development indicators can function as intermediate indicators and targets, much as monetary intermediate targets functioned before the advent of “Taylor rules” (the monetary reaction functions that nowadays guide central banks' interest rate management) and modern inflation targeting. These indicators can help detect which financial services may be underprovided and which financial subsectors or instruments may be underdeveloped. This in turn can help identify possible gaps and key underperforming components of the enabling environment. Clear identification of these gaps and underperforming factors is essential because the

Figure 1: The process and measurement of financial development

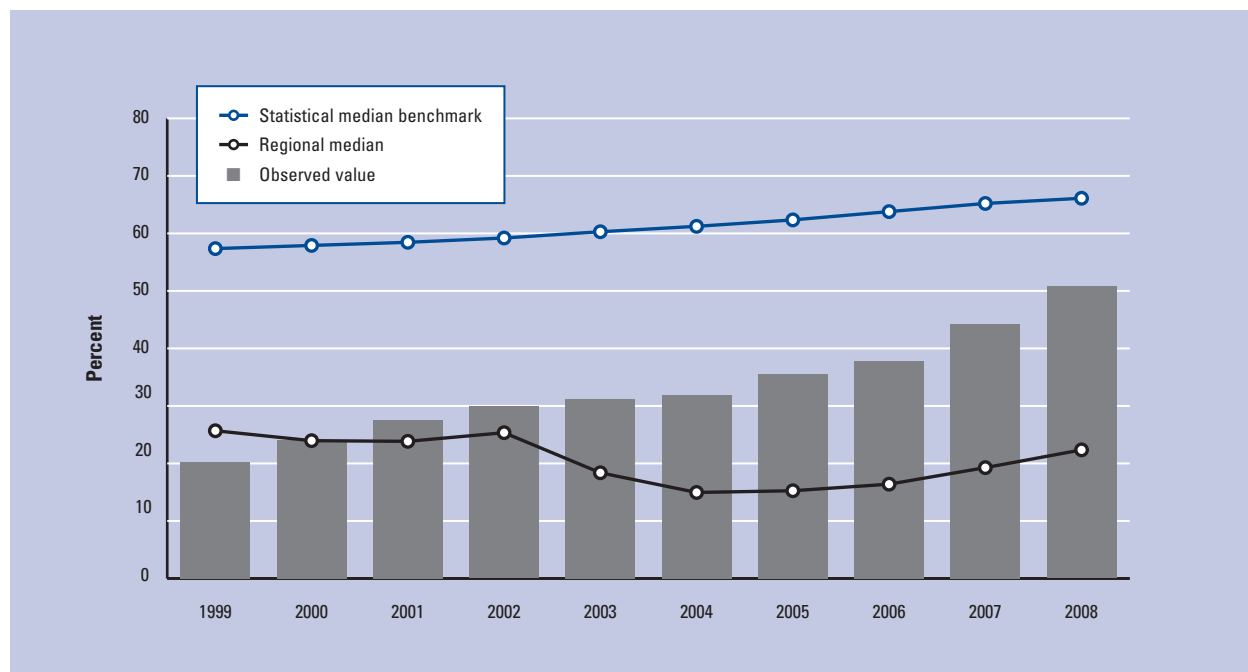
Note: EEIs are enabling environment indicators; FDIs are financial development indicators; and EDIs are economic development indicators.

relative importance of the various enabling environment indicators is not the same for different financial services or activities.

We now consider the second dimension of the question—why benchmark financial development indicators? The most straightforward approach to assessing and comparing levels of financial development is simply to rank countries using raw numbers. For financial depth indicators (which provide the most common yardsticks of financial development), raw numbers typically take the form of a ratio to GDP—for instance, the ratio of bank credit to the private sector as a percentage of GDP. Because financial development at least partly originates in economic development, one would expect the financial development of lower-income countries to rank generally below that of countries with a higher GDP per capita. Thus, when countries find that their financial development rankings lag behind those of peers with a similar level of economic development (typically proxied by GDP per capita), it immediately sounds an alarm. Raw ranking is thus a simple yet clearly valuable assessment tool. Nonetheless, while comparisons based on raw rankings may warn the country of a problem, they can neither shed much light on the extent of the true gap—because several structural (non-policy) factors other than GDP per capita also affect financial development—nor give sufficient guidance to detect the particular reasons behind a gap. To identify the specific policies that require attention, a deeper and more discerning approach is called for.

This naturally brings us to the third dimension of the opening question: why use full statistical benchmarking? Relative to the alternative of simply comparing countries with their immediate peers (typically defined as countries with similar levels of economic development, as proxied by per capita income), full statistical benchmarking has clear benefits. Because financial systems across the world fulfill similar functions and face similar constraints, the financial development process should be broadly comparable across countries and stages of development once appropriate controls are introduced. If this is the case, using a broad statistical approach that controls for cross-country differences in economic development, as well as important country-specific structural (non-policy) differences that affect financial development, can greatly enhance the statistical (hence discriminatory) power of the benchmarking exercise. This can help identify both the specific dimensions of financial development where gaps exist that require attention and the specific gaps in the enabling environment that may underlie the developmental gaps.

Figure 2, which benchmarks the performance of Costa Rica's private credit to GDP relative to the median performance of its Central American neighbors, on the one hand, and a statistical benchmark, on the other, illustrates the benefits of statistical benchmarking. While Costa Rica overperforms relative to its neighbors, it clearly underperforms relative to its statistical benchmark, which corrects for the most relevant country differences between Costa Rica and its neighbors. Thus, a simple peer-group approach may lead to conclusions

Figure 2: Private credit to GDP in Costa Rica: Regional vs. statistical benchmarking

Source: *FINSTATS*, World Bank.

quite different from those obtained through statistical benchmarking.

Benchmarking challenges

Statistical benchmarking faces two main conceptual difficulties, however. The first challenge concerns endogeneity, especially the two-way direction of causality between economic and financial development. The second challenge concerns the existence of multiple paths to financial development, whereby countries at a lower stage of economic development today are unlikely to exactly retrace the financial development path followed by the rich countries in the past. We consider both of these challenges in turn.

That economic development clearly affects financial development is the result of both demand-side effects (the volume and sophistication of financial services increases to satisfy demands that come with higher per capita income levels) and supply-side effects (larger, richer economies provide the economies of scale, network effects, competition, and infrastructure that better enable financial systems to develop and become more complex). However, as noted earlier, improvements in financial development also cause, on average, a statistically significant improvement in economic development. Because of this financial development–economic development endogeneity, distinguishing between the directions of causality—and hence assessing the impacts of each—becomes more difficult.³

If it is assumed that the impact of financial development on economic development is instantaneous

and complete, comparing financial development across countries while controlling for their economic development would be uninformative about the quality of those countries' financial development policies. Under such an assumption, any positive financial policy innovation would immediately translate into greater economic development. Hence, after controlling for economic development, the country with superior financial development policies could not be shown to perform better than countries with worse policies. The impact of financial development policy would be undetectable because it would be immediately and fully appropriated by the improvement in GDP per capita.

In reality, however, the impact of financial development on economic development lags behind that of economic development on financial development.⁴ Such lag differentials allow financial development to either move ahead of or lag behind economic development, depending on the quality of the underlying financial policies. Thus, even after controlling for economic development, the quality of financial development policies can be assessed because they should be revealed by changes in financial development.⁵

Consider next the issue of multiple paths. The path to financial development is likely to be unique—that is, the lower-income countries of today are unlikely to retrace precisely the path followed yesterday by higher-income countries. There are several reasons for this. One obvious reason worth noting is the existence of country-specific policies, particularly as they

affect the quality of institutions and general economic management.

A second reason is “path dependence”—that is, the dependence of the path to financial development on the country’s initial conditions. This results from the fact that economic development is itself a function of financial development, and is compounded by the fact that institutional rules and arrangements are themselves self-reinforcing.⁶ Thus path dependence will accentuate the impact of policy differences over time. Countries with better initial conditions may follow quite different paths from those that are less well endowed to begin with.

A third reason concerns leapfrogging—the ability of one country to jump ahead of the path followed by others.⁷ Financial innovations that can be most easily transferred across borders and rely least on non-tradable local institutions are those that are most likely to generate such leapfrogging effects.

A fourth reason for multiple paths is the effects of financial cycles and crashes. These can give rise to steep short-term deviations from trend growth paths. Finally, abrupt nonlinearities may also generate seemingly discontinuous paths. In particular, abrupt accelerations of financial development in countries at the higher end of the income scale may give rise to what looks like multiple paths.

Benchmarking methodology and basic results

To deal with these benchmarking challenges while retaining the benefits of a full-blown statistical approach that capitalizes on common developmental forces and patterns, the following benchmarking methodology is followed.

The goal is to isolate the cross-country developmental path for a given financial development indicator that will serve as a benchmark against which the dynamic paths of individual countries or country groupings can be compared and assessed. The benchmark path should meet at least two conditions. First, it should enable the identification of policy-dependent financial development gaps. This implies that the cross-country benchmark should reflect not only the stage of a country’s economic development but also structural factors that affect financial development but are independent from the quality of policy and policy-related institutions. In this way, gaps in financial development relative to the benchmark will reflect primarily policy shortages. Second, the cross-country benchmark path against which all countries should be compared should not be distorted by unsustainable bubbles or devastating crashes. Nor should it be unduly influenced by any of the other factors listed above, which could result in country-specific dynamic paths that diverge sharply from the cross-country benchmark path.

In an effort to meet these requirements for a benchmark path, the method follows three basic steps. In the first step, yearly observations for a battery of

some 40 financial development indicators (extracted from a worldwide database with maximum coverage between 1980 and 2008) are collapsed into a single average historical observation per country. The multiplicity of these indicators helps capture the multidimensionality of financial development. While the historical averaging of financial development indicator values into a single observation per country implies a sacrifice of variation over time in the panel data, it goes a reasonably long way toward eliminating the effects of multiple dynamic paths. This raises the usefulness of the benchmark path, because it helps to ensure that the benchmark reflects a country’s true level of financial development, as expected from its level of economic development and country-specific characteristics, as discussed below.

In the second step, to obtain the benchmark path, the cross-country observations of a given financial development indicator are controlled (using regression techniques) for GDP per capita (a proxy for economic development) as well as structural factors that are independent from policy but that matter for financial development.⁸ Three of these structural controls are demographic: population size, density, and the age dependency ratio. Population size accounts for scale effects, which matter significantly for the development of some financial services. Population density reflects efficiency gains, because the costs per customer of making financial services available should decline as populations become denser. Different demographic structures, as proxied by the age dependency ratio, are associated with different savings patterns, and hence different uses of financial services.

The other three structural factors used as controls in the regression are the status of a country as an offshore center, an oil exporter, or a country in transition. All three variables clearly affect the developmental path followed by financial systems.

Admittedly, each of these variables reflects policy choices made at some point in the country’s history. However, they are largely orthogonal to the quality of financial development policies, which are the ones in which the benchmarking exercise is interested. Hence, for the purposes of this exercise, these variables are considered to be structural. The regression using these controls yields the benchmark path, defined as the best nonlinear fit with respect to per capita GDP.⁹

In the third step, the raw yearly data for any given financial development indicator is replaced by the residuals, which are obtained from the difference between the indicator value predicted by the regression and observed historic averages, plus the difference between the yearly observations and their historic average. Thus, in the end, for each financial development indicator there is now a new panel dataset that contains one value (the residual) for each year for each country.¹⁰

Table 1: Benchmark model for the LAC region's financial development indicators

Indicator	MEDIAN ACTUAL VALUES (%)		MEDIAN RESIDUALS			
	Rest of LAC	LAC-7	Rest of LAC		LAC-7	
	2000–2008	2000–2008	1990–1999	2000–2008	1990–1999	2000–2008
Bank private credit	36.0	24.2	–3.9‡	–0.8‡	–13.6‡	–22.5‡
Bank claims on domestic financial sector	1.1	2.6	–1.3‡	–0.4‡	–1.1‡	–0.2
Bank non-deposit funding	18.4	24.3	–3.1	–1.4	–5.1*	–6.5‡
Life insurance premiums	0.3	0.7	–0.3‡	–0.3‡	–0.7‡	–0.4‡
Non-life insurance premiums	1.3	1.1	–0.1	0.1‡	–0.2‡	–0.3‡
Pension fund assets	7.5	11.7	n/a	–4.3‡	n/a	–0.7*
Mutual fund assets	1.1	5.9	n/a	–9.8‡	n/a	–5.9
Net interest margin	4.9	4.8	0.0	1.0‡	3.3‡	0.9‡
Stock market capitalization	15.7	33.6	–8.5	–7.7‡	–7.7	–0.6
Domestic private debt securities	0.6	9.0	–10.1	–12.3	–1.6‡	–3.0*
Domestic public debt securities	28.5	19.7	–17.6‡	0.7	–21.3‡	–12.2‡
Foreign private debt securities	1.8	4.0	–1.6*	–2.4‡	–1.9‡	–2.5‡
Foreign public debt securities	9.6	8.9	–3.0	1.3‡	0.9	2.6‡

Source: de la Torre et al., 2011.

Notes: The asterisks correspond to the level of significance of Wilcoxon rank sum tests for distributional differences of the residuals between LAC and rest of the world: ‡, †, and * represent significance at 1 percent, 5 percent, and 10 percent levels, respectively; n/a means that data are not available.

Figure 3 provides a summary illustration of inputs and outputs using the above methodology, based on one specific indicator (bank credit to the private sector as a percent of GDP), four specific regions (the G-7 countries, Asia without China, the Eastern European region, and the seven largest Latin America and Caribbean countries—LAC-7), as well as two specific countries within the LAC-7 (Mexico and Chile).¹¹ Figure 3a shows the raw cloud of yearly observations in the initial panel dataset (plotted against per capita income) and the underlying cross-country benchmark path. Figure 3b shows the raw cloud of historic averages (also plotted against income) superposed on top of the central cross-country path and the dynamic paths followed by regions against income using the filtered yearly data (that is, the data that have been made homogeneous by adjusting them to reflect the values of the controls). Figures 3c and 3d show the dynamic paths followed by regions and countries on the basis of the unfiltered and filtered data, respectively, but this time plotted against time rather than income.¹²

Several important general features of the estimation methodology are worth noting. First, the benchmarking exercise shows that there are many more patterns in financial development—reflecting a commonality of underlying developmental forces—than is perhaps commonly believed. Second, because per capita income generally rises over time, plotting developmental paths against per capita income (rather than time) can help reveal the extent to which a country's (or a region's) financial development path has been shaped by common rather than specific forces and patterns.

Third, data filtering provides a much richer perspective on how the developmental paths of countries

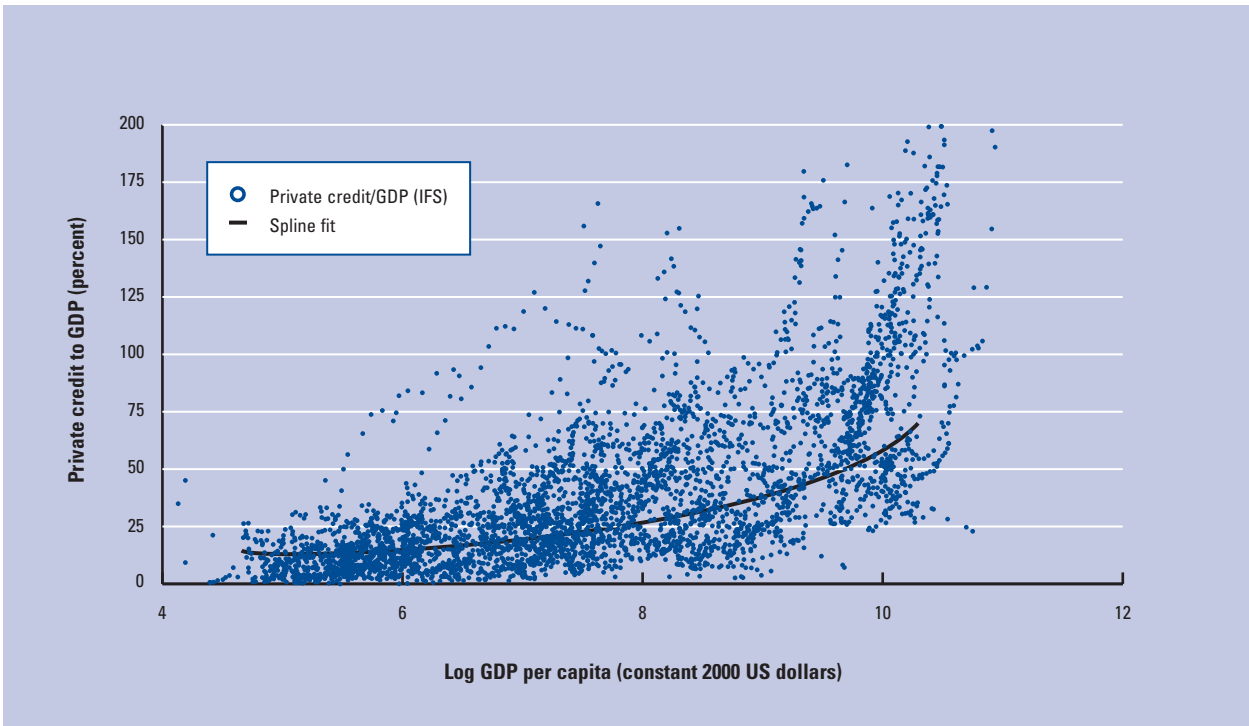
(or regions) compare with each other over time. This is immediately apparent in Figures 3c and 3d, where the ebbs and flows of development are much better revealed when measured with filtered (controlled) data than with unfiltered (uncontrolled, raw) data. Thus the Asian countries, rather than the G-7 ones, become the star performers over the whole period. However, reflecting the very rapid development of their financial sectors over the last three decades, the G-7 countries, which started toward the bottom of the pack, ended up toward the top.¹³ On the other hand, regions or countries that underwent financial crises—Chile in 1982, Mexico in 1995, the Asian countries and other LAC-7 countries in the late 1990s and early 2000s—undergo sharp developmental reversals. Indeed, the LAC-7 countries, which were broadly following the herd until the mid to late 1990s, have fallen sharply behind in the wake of the financial turbulence to which they were exposed during the last 10 to 15 years.

Benchmarking to understand relative financial sector performance

We now focus on the results and possible uses of statistical benchmarking. This type of benchmarking can be used for country-specific (or group-specific) assessment purposes as well as for broader analytical purposes. Starting with benchmarking for assessment purposes, Table 1 provides a summary of how the LAC-7 region currently performs, relative to benchmarks, for a variety of financial development indicators. Two gaps stand out both because of their size and because they have been worsening, rather than improving. These gaps relate to the depth of banking intermediation (the banking gap)

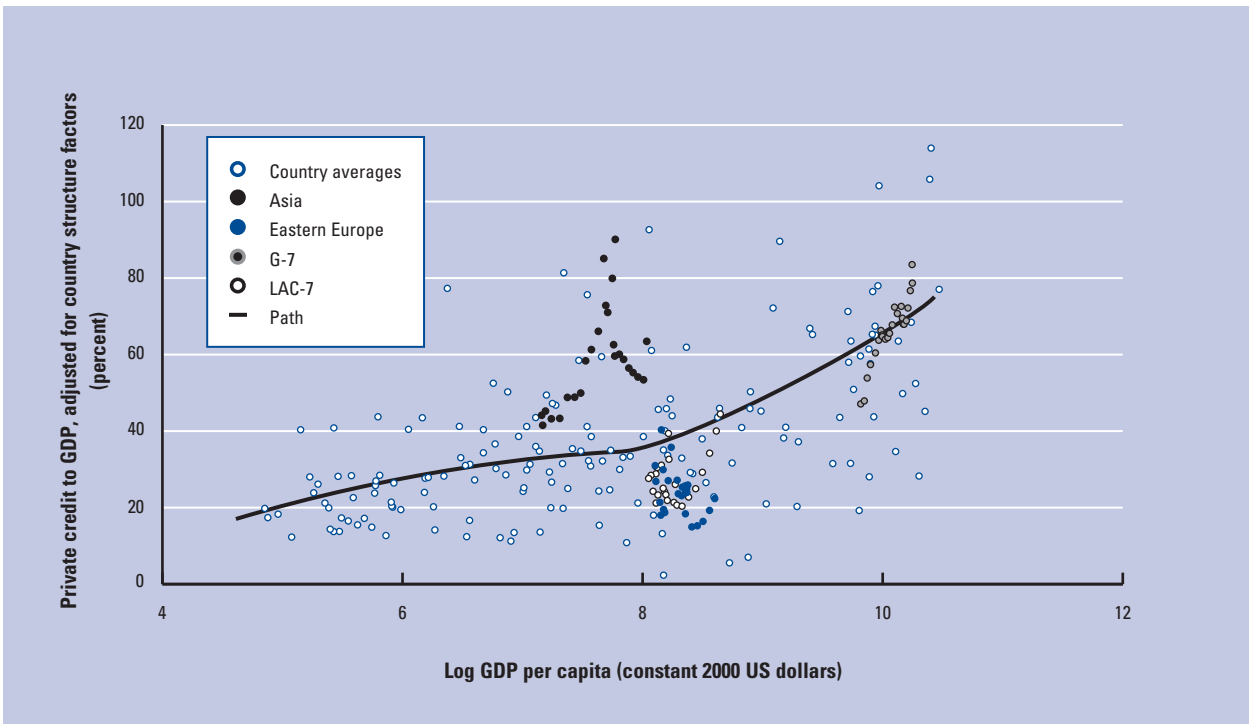
Figure 3: Unpacking the results of the basic benchmarking model

3a: Private credit to GDP (IMF's International Financial Statistics): Raw data cloud and cross-country benchmark path



Source: *FINSTATS*, World Bank.

3b: Private credit to GDP: Historical average cloud, dynamic paths, and cross-country benchmark path

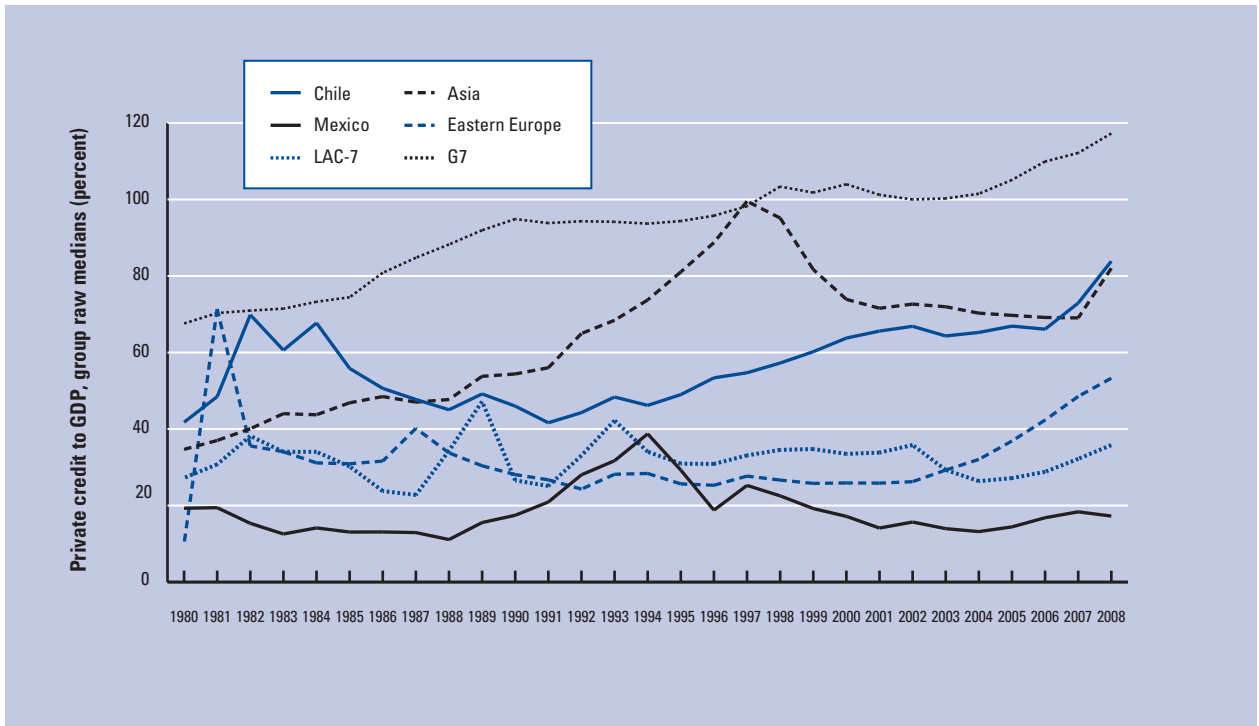


Source: *FINSTATS*, World Bank.

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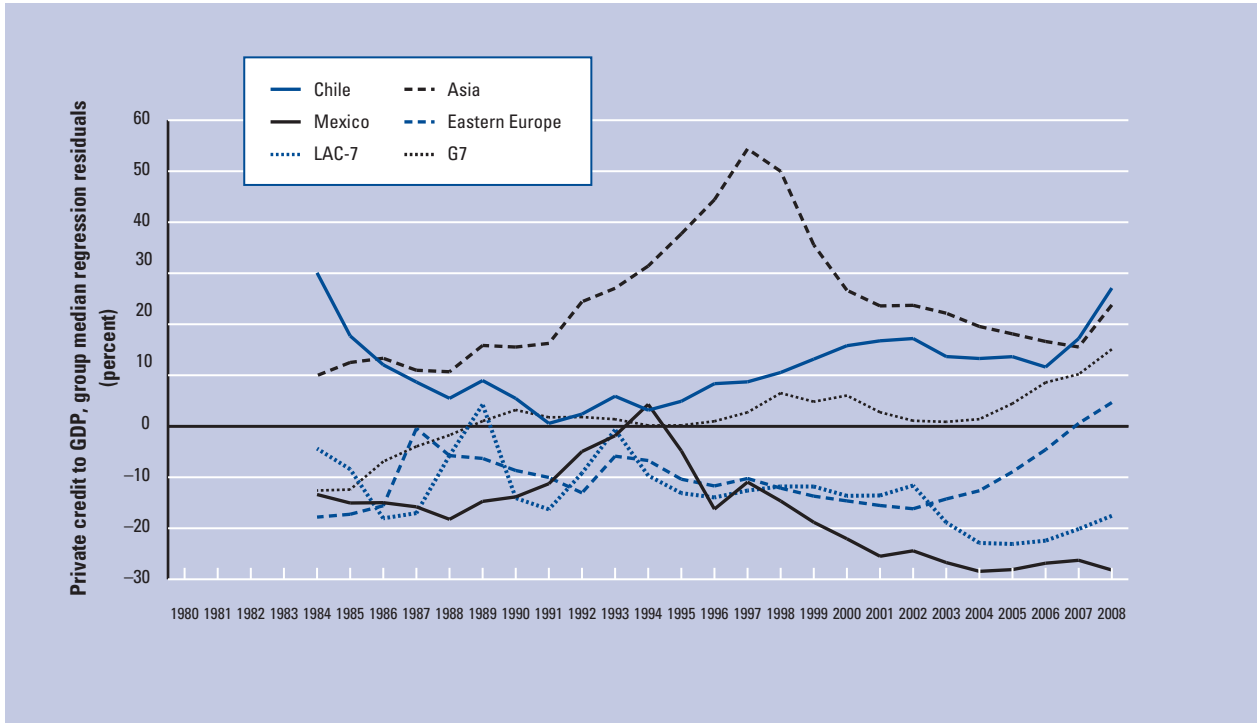
Figure 3: Unpacking the results of the basic benchmarking model (cont'd.)

3c: Private credit to GDP: Raw regional medians and country raw data series



Source: FINSTATS, World Bank.

3d: Private credit to GDP: Residual regional medians and country residual data series



Source: FINSTATS, World Bank.

Table 2: Benchmark model for LAC-7 banking credit indicators: Credit gap by type of credit, 1996 and 2007

	Expected	Actual	Gap	Gap/Expected
Year: 1996				
Credit to the private sector (% of GDP)				
Commercial	24.7	19.4	5.2	21.1
Mortgage	8.4	5.4	3.0	35.7
Consumer	8.8	3.4	5.4	61.4
Total	41.8	28.2	13.6	32.5
Year: 2007				
Credit to the private sector (% of GDP)				
Commercial	22.9	14.5	8.4	36.7
Mortgage	12.6	3.1	9.5	75.4
Consumer	11.2	6.5	4.7	42.0
Total	46.7	24.2	22.5	48.2

Source: de la Torre et al., 2011.

and the liquidity of the domestic equity market (the equity gap).

The question that then naturally arises is what explains these large and increasing gaps. Take, for example, the banking credit gap. A breakdown by type of credit (Table 2) reveals that, although the gap affects all types of credit, it has worsened substantially for the longer maturity loans (mortgages) while improving for the shorter credits (consumer lending). Thus the benchmark model shows that long-term finance has proven to be particularly challenging in the region.

An expanded econometric analysis, which incorporates a variety of enabling environment indicators, sheds additional light. As shown in Table 3, a dominant share of the region's gap can be explained by its history. The region's devastating financial crises of the past have left enduring visible imprints that are still evident today. The region's mediocre growth—which may have been associated with a lack of productive investment, and hence a lack of good bankable projects—explains a sizable additional portion of the gap. Remaining contractual and institutional weaknesses (enforcement costs, creditor and property rights) explain the remainder.

This exploratory analysis immediately points the policy agenda in several key directions. First, ways to facilitate lending at longer maturities (going long) represent a critical component of this agenda. Second, ensuring financial sustainability through good systemic oversight will be crucial to avoid a costly repeat of the crises of the past. Third, the possible shortage of bankable projects naturally puts a premium on growth-promoting financial policies. And fourth, correcting the remaining contractual and institutional weaknesses that continue to affect the lending environment, which is a difficult yet crucial component of the policy agenda, should be given top priority.

Table 3: Explained credit gap based on LAC-7 median values

Indicator	Percent of GDP
Contract enforcement index	1.98
Creditor rights index	0.65
Property rights index	0.34
GDP growth*	2.80
Credit crashes†	6.27
Total explained gap	12.04
Total gap	15.70

Source: de la Torre et al., 2011.

Notes: The contract enforcement index is the principal component of the following indicators from the World Bank's *Doing Business*: contract enforcement costs, number of days to enforce a contract (in logs), and number of procedures to enforce a contract. The creditor rights index is also from *Doing Business*. The property rights index is from the Heritage Foundation.

* In annualized terms.

† A dummy that shows the number of crashes as a share of total observations.

Benchmarking to gain insight into the process of financial development

In addition to providing an assessment tool, the statistical benchmarking methodology also helps organize the information in a way that is analytically useful and revealing. In particular, the coefficients of the income and population size terms can be used to rank financial development indicators according to their order of appearance (the minimum income level required for their emergence), the shape (convex or concave) of the paths they follow after they emerge, and the returns to scale that they exhibit.¹⁴ One would expect the financial activities that are less exposed to agency or collective participation frictions to emerge first. At the same time,

although collective participation frictions can delay the appearance of some financial activities (such as bond or stock markets), once these frictions are overcome and financial activities start to develop, increasing participation should become self-reinforcing (liquidity begets liquidity). Thus the activities that emerge later because they are exposed to strong collective frictions should also be, once they emerge, those with the more convex paths. Finally, one would also naturally expect the activities that require the largest returns to scale to be those most exposed to collective participation frictions and, hence, those that appear the latest. Thus, order of appearance, convexity, and returns to scale should all generally correlate.

The results of these three key patterns are superposed in Figure 4. Overall results broadly conform as expected. The three indexes are indeed substantially correlated, particularly in their order of appearance and convexity. However, there are also notable outliers, particularly between order of appearance and returns to scale.¹⁵

Public debt is the earliest financial activity to emerge, reflecting lower agency frictions (such as information asymmetry or contract enforcement costs). However, echoing participation frictions (disincentives or impediments to participate in financial markets), government borrowing initially takes place abroad. Although domestic public debt develops after external public debt, it arises at an earlier stage than would be consistent with the large returns to scale. This suggests that governments are willing to pay a premium to meet their financing needs or to promote a government debt market because it facilitates the conduct of monetary policy and helps other financial markets develop.

The next financial activity to emerge is banking services, with retail funding (bank deposits) materializing before credit. Clearly, banks have a harder time lending than attracting funds. However, as private credit rises along a more convex path, over time it catches up to deposit funding, eventually exceeding it because wholesale (non-deposit) funding (which also follows a more convex path) makes up for the slack. Lending to other financial institutions follows private credit and is highly convex. These features of financial systems are all related. As agency and collective participation frictions ease, retail investors are increasingly able to shift into higher-yielding market-based instruments and institutional investors that eventually re-invest a portion of their funds in banks. At the same time, banks increasingly lend, including to each other.

After banking come capital markets. Their late appearance, the strong convexity of their development path, and the substantial returns to scale to which they are exposed are, of course, all consistent with the existence of strong collective action frictions. Remarkably, however, the highest returns to scale are linked with trading and market liquidity (the equity turnover),

rather than with the size of the primary market (market capitalization). Moreover, private debt markets emerge late, after equity markets, despite involving relatively limited returns to scale. This suggests that, unlike public debt—whose growth is primarily constrained by critical mass effects—agency (rather than participation) frictions are the key binding constraint for private debt.

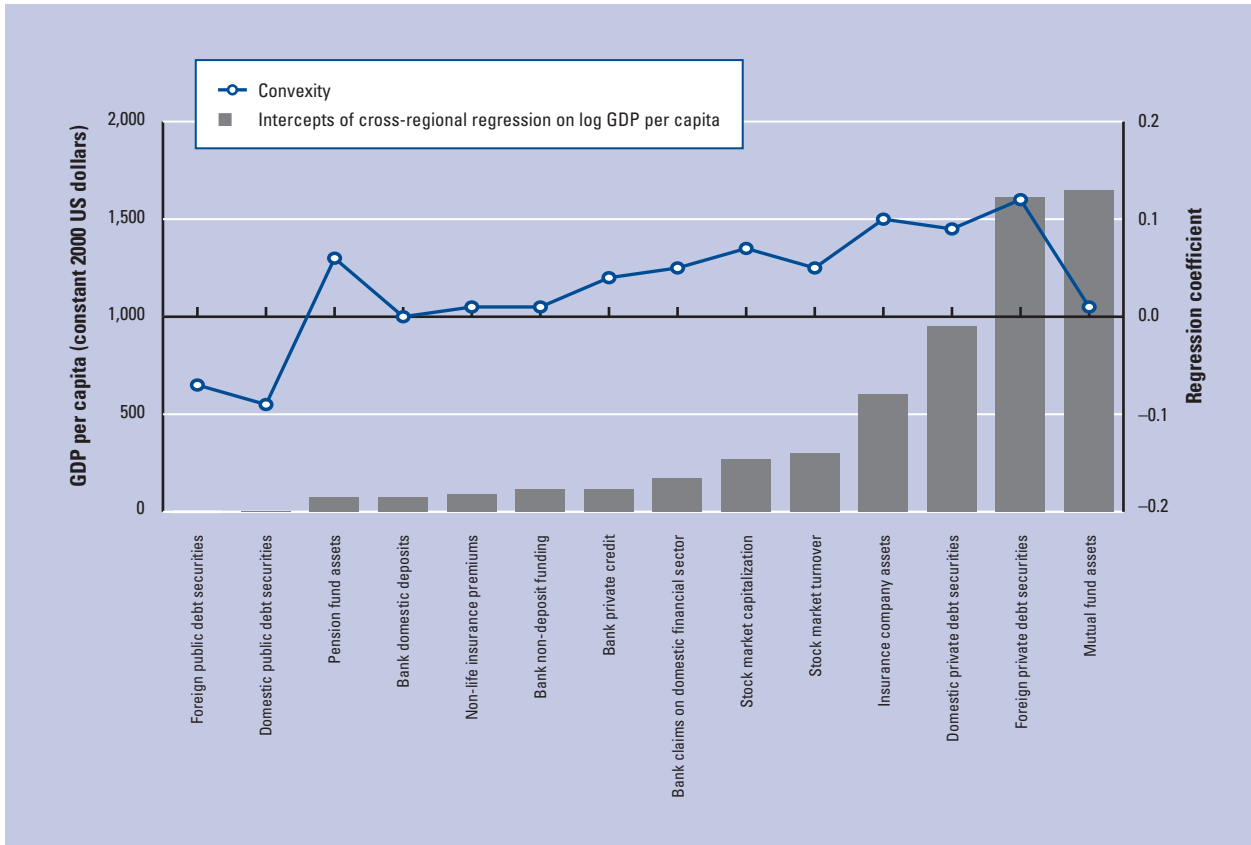
Institutional investors appear at different stages of the financial development process. Pension funds emerge earlier than would be predicted by their relatively high convexity and returns to scale. Indeed, their early appearance reflects the key role played by policy initiatives, such as pension reforms. Yet their growth trajectory, including the convexity of their development path, mimics the development of capital markets. Inversely, mutual funds appear later than would be predicted from their relatively low convexity and returns to scale. This again can be explained by the fact that the availability of marketable assets is a precondition for their development. Similarly, non-life insurance emerges earlier than life insurance partly because, as in the case of pension funds, the former is influenced by policy (particularly mandatory insurance for motor vehicles). Instead, the latter is more dependent on the development of capital markets. Hence, once capital markets bloom, it follows a steeply convex path.

Some concluding thoughts

The statistical benchmarking methods described above should be useful for countries attempting to enhance the effectiveness of their financial development policies, as well as for researchers seeking to further their understanding of the financial development process. Additional research and more and better information should of course allow both to extend the scope of the analysis and to improve its quality. Three directions for further progress come readily to mind: (1) deepening the analysis of financial development indicators to provide a more complete and thorough assessment; (2) further exploring the links between financial development indicators and enabling environment indicators; and (3) assessing more thoroughly the links between financial development indicators and economic development so as to improve the assessment of final impact. While important research has been produced in recent years to demonstrate the existence of these linkages, more work is needed to help reveal leads, lags, sequences, and complementarities.

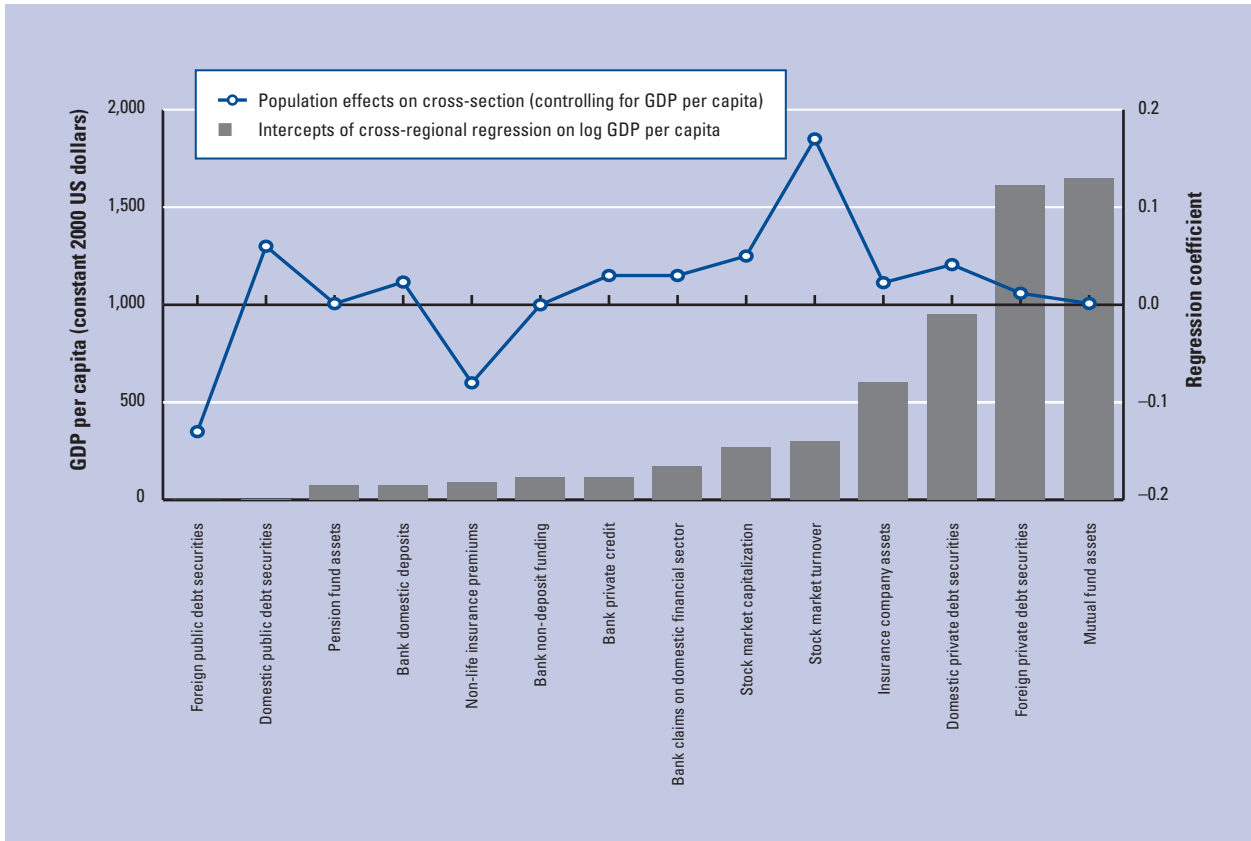
Figure 4: Key financial development indicators

4a: Convexity and order of appearance



Source: de la Torre et al., 2011.

4b: Returns to scale and order of appearance



Source: de la Torre et al., 2011.

Notes

- 1 A comprehensive review of the finance-growth nexus is found in Levine 2005. A more recent strand of literature (Rioja and Valev 2004; Arcand et al. 2011) finds that the impact of finance on growth is nonlinear and subject to decreasing returns.
- 2 Key components of the enabling environment include: (1) a sound and effective contractual framework that appropriately defines and enforces creditor and debtor rights; (2) a smooth information framework, including accounting and auditing standards and effective arrangements for debtor and collateral information sharing; (3) adequate macroeconomic management, including a sound fiscal policy, a transparent and credible monetary policy, and deep government bond markets; (4) competitive and contestable markets; and (5) effective prudential oversight, including adequate macroprudential management, micro-systemic regulation, systemic supervision, and a well-functioning safety net.
- 3 Should sufficient instrumental variables be available to perfectly isolate the endogenous component of income, it might be better to use these rather than income to isolate the impact of policy. However, the standard set of instrumental variables that is usually utilized (legal origin, distance from the equator, etc.) provides only limited help in this respect.
- 4 For example, Calderon and Liu 2003 find that the link from economic development to financial development is immediate, while that from financial development to economic development increases over time.
- 5 A more formal development of this argument can be found in Beck et al. 2008.
- 6 See North 1990.
- 7 Consider, for example, the cases of credit card services and e-banking. These services are now found in most developing countries and, while they cover a smaller fraction of the adult population, they work with the same functionality and quality as in rich countries. In both cases, developing countries have been able to leapfrog because the associated technology is relatively easy to import and adapt, and the services do not heavily depend on local contractual institutions.
- 8 Extensive trial and error led to the identification of the structural factors. To better isolate outlier observations, quantile regressions (which use medians rather than averages in the estimation) are used. To conduct these regressions, the controls are also averaged over the whole sample period.
- 9 A spline technique is used to derive the best fit.
- 10 Residuals, by construction, lack scale. To restore scale, a constant—calculated as the average value of the financial development indicator predicted by the median values of the controls—can be added back to the residuals.
- 11 The G-7 countries are Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. The Asian countries include Indonesia, Republic of Korea, Malaysia, the Philippines, and Thailand. The Eastern European group includes Croatia, the Czech Republic, Hungary, Lithuania, Poland, the Russian Federation, and Turkey. The LAC-7 group includes Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Uruguay. Consistent with the rest of the methodology, the regional indicators are calculated based on medians, rather than averages.
- 12 When plotted against time, the data are filtered for all the controls. When plotted against income, the data are filtered only for the structural controls, but not for income.
- 13 Whether this abrupt rise is sustainable or may have largely reflected a bubble remains for now an open question, however.
- 14 The level of GDP per capita at which financial services start to appear is measured by the intercept of the cross-section paths with the horizontal axis. To limit lower tail distortions when a nonlinear fit is imposed on the data, for these estimates only a linear per capita GDP term is used. Convexity is measured by the coefficient of quadratic per capita GDP when financial indicators are regressed against both per capita GDP and its square. Scale effects are measured by the coefficient of population size.

- 15 Remarkably, the sequence derived from the statistical benchmarking based on cross-section analysis broadly matches that found in individual countries through historical studies of the process of financial development. The literature on the history of finance in the Western world is vast. See, for instance, Ferguson 2008 and Rajan and Zingales 2003.

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Financial Development in the Aftermath of the Global Crisis

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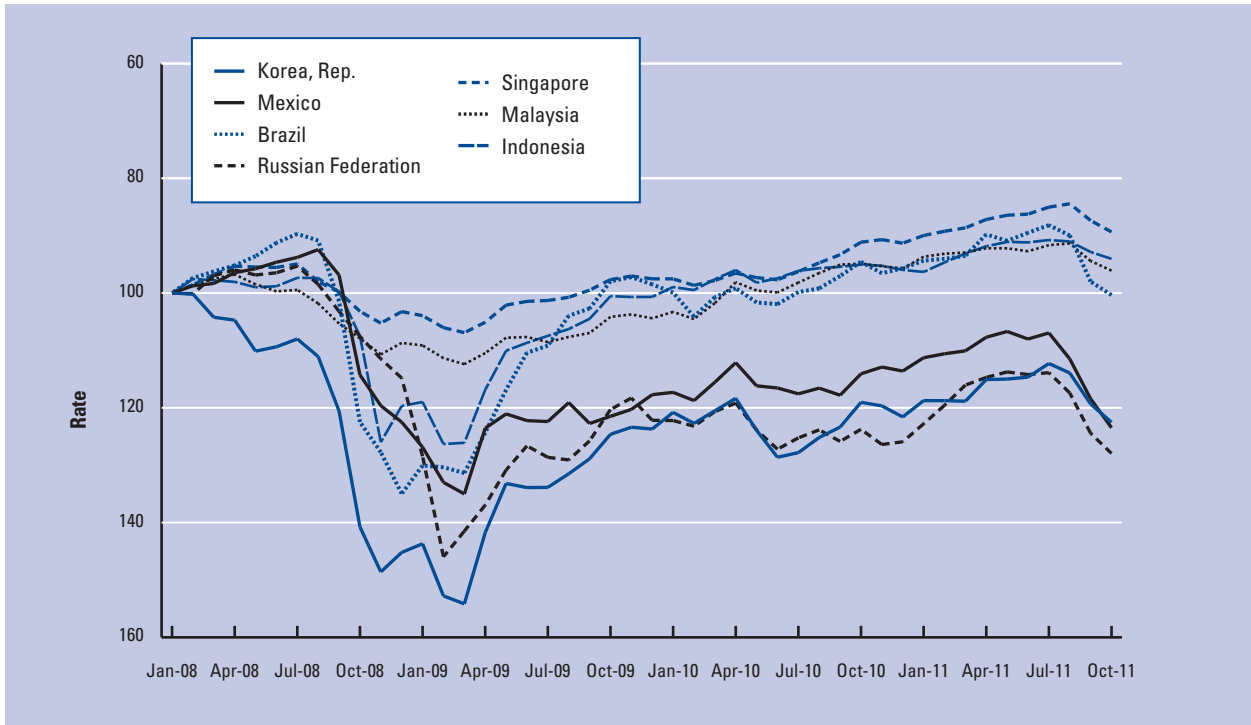
The effects of the global financial crisis that erupted in 2008 are still being felt around the world. Although the financial stress that intensified in the immediate aftermath of the collapse of Lehman Brothers was felt most acutely in the Western advanced economies, emerging market economies were not immune to the real and financial spillovers. The global liquidity squeeze experienced in late 2008 was accompanied by a sharp reversal in capital flows to these economies, which included interbank lending as well as portfolio bond and equity flows. This was associated with the steep depreciation of many currencies (see Figure 1). Economic activity in emerging markets was also affected, both directly through trade linkages with advanced economies and indirectly through tighter financial conditions and higher global risk aversion. However, in general, the strengthened fundamentals that emerging market economies had put in place through much of the preceding decade, along with their ability to respond swiftly with macroeconomic and financial policies, helped cushion the downturn and pave the way for their rapid recovery in activity by the middle of 2009 (Figure 2).

Once the most virulent stage of the crisis passed and growth in emerging market economies rebounded, they faced the challenges posed by international capital flows. Against the backdrop of ample global liquidity, and with growth prospects in the major advanced economies still significantly weaker than they had been in the pre-crisis years, capital flowed into those emerging economies that exhibited strong fundamentals, robust growth prospects, and deep and liquid markets (Figures 3a, b, c). However, these capital flows pose their own challenges, as they can lead to rapid asset price increases in domestic markets, excessive exchange rate appreciation, the buildup of leverage, or overheating pressures.¹ More recently, as seen in the volatility in global markets since the summer of 2011, high capital flows can also reverse abruptly when global conditions change. Such reversal can be destabilizing and pose serious policy challenges, even in economies with sound fundamentals.

The experience of the past few years has kept the role of finance at the forefront of debates in policymaking circles, among market practitioners, and among the households and firms that are the ultimate end users of financial services. If a financial crisis in well-developed financial systems can be disruptive to economic activity for an extended period of time, as evidenced by the lackluster growth and high rates of unemployment across many advanced economies, it is worth asking whether financial development in emerging economies that is too rapid could pose risks down the line. Is there a way to reap the benefits of financial intermediation without subjecting the economy as a whole to extreme volatility from financial stress? Should emerging

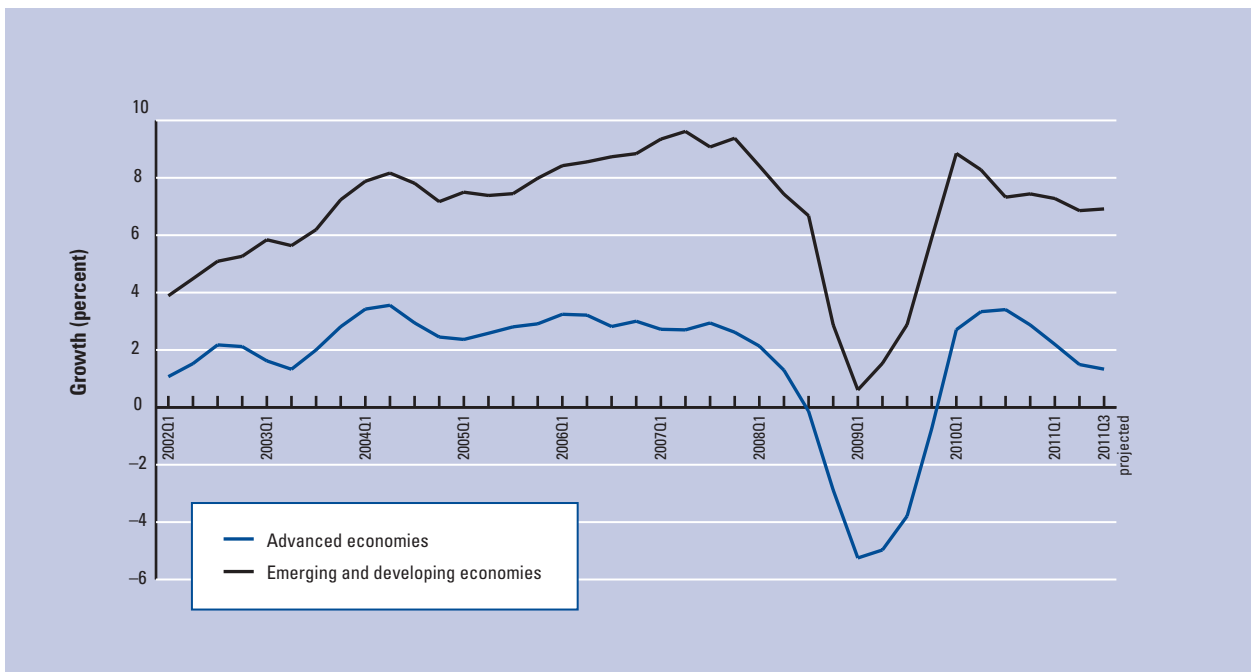
The views expressed in this article are those of the author and do not necessarily represent those of the International Monetary Fund or IMF policy.

Figure 1: Exchange rates across selected emerging market economies, 2008–2011



Source: IMF, *International Financial Statistics* database.
 Note: Exchange rates are in national currency per US dollar; January 2008 = 100.

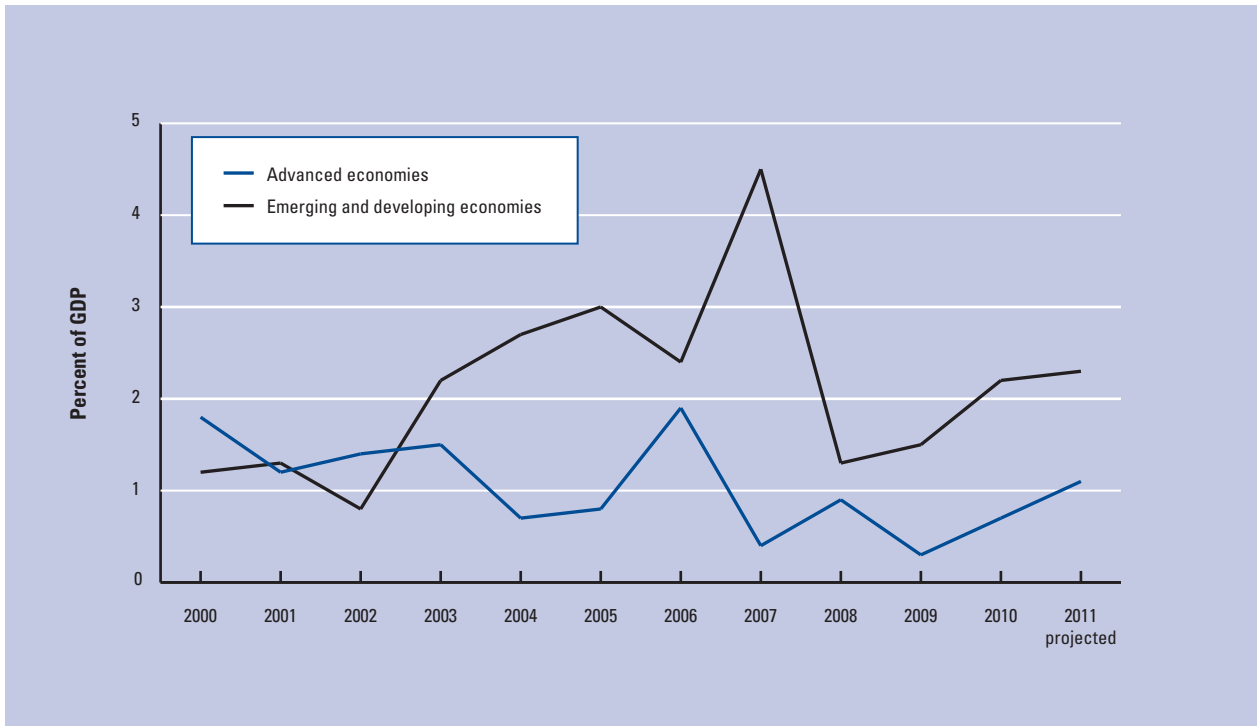
Figure 2: Real GDP growth: Advanced vs. emerging economies, 2002–2011



Source: IMF, *World Economic Outlook* database.
 Note: Data present seasonally adjusted year-on-year growth.

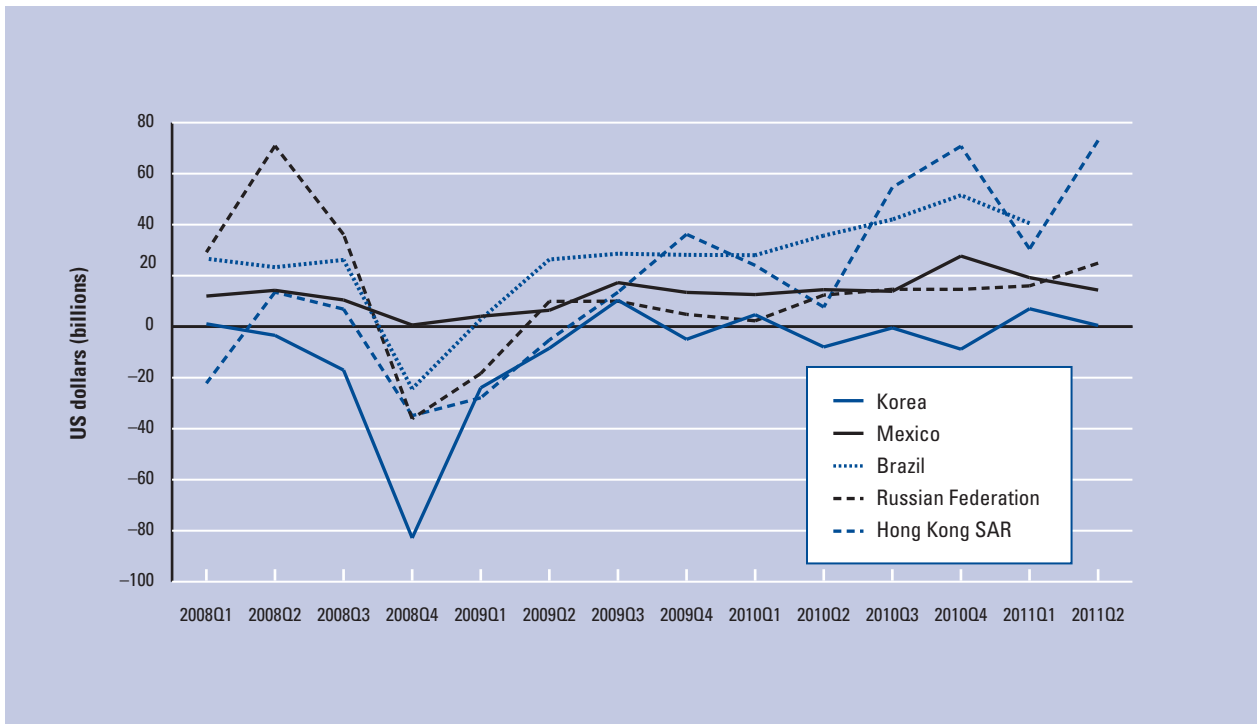
Figure 3: Capital flows, 2009–2011

3a: Private capital flows



Source: IMF, *World Economic Outlook* database.

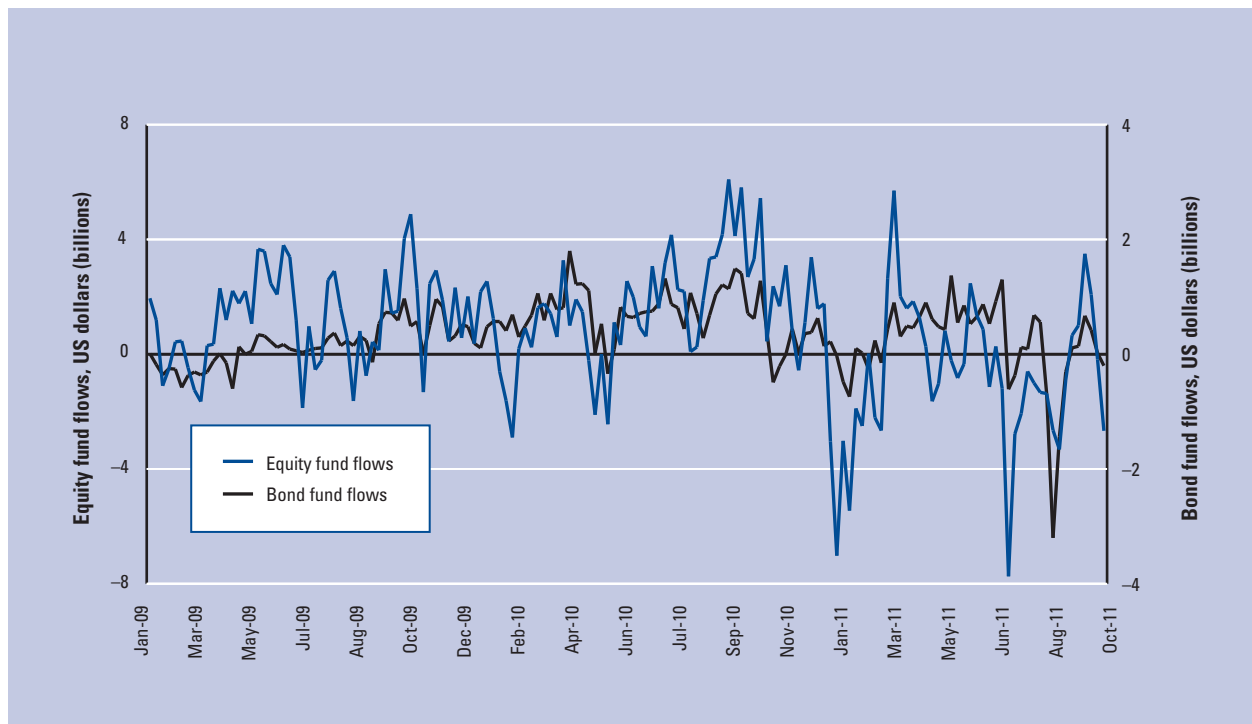
3b: Capital inflows



Source: IMF, *Balance of Payments Yearbook* database.

Figure 3: Capital flows, 2009–2011 (cont'd.)

3c: Capital inflows into emerging markets, weekly



Source: EPFR Global, accessed via Haver Analytics.

economies take a more cautious approach to financial development?

These themes are explored below against the backdrop of some early lessons that the crisis offers. More specifically, in the context of the goal of financial development—to improve growth prospects²—it is worth taking a step back to ask whether rapid financial development can be “too much of a good thing.” If capital flows into the deepest and most liquid markets, can these flows be destabilizing both on the way in and on the way out? If, as the crisis has shown, risk management systems can have weaknesses, and if financial markets may self-correct not in a smooth but in a destabilizing way, is there a case for a speed limit on financial development in emerging market economies, particularly as non-bank intermediation develops?

The role of financial development in emerging and developing economies

In order to address these questions, it is useful to recall the role played by finance in emerging market economies. The overarching policy objective in these economies is to be able to grow sustainably and at a high rate, allowing living standards to rise for as broad a segment of the population as possible. Essential to this goal is not just high growth but also low economic volatility, because downturns affect the poor disproportionately more than the better off. Financial development plays a crucial role in both: by effectively intermediating savings (both domestic and global) into investment in

human and physical capital, it can help raise the productive capacity of the economy; and by providing access to credit, it can also help smooth consumption when income fluctuates, in turn supporting domestic demand and smoothing economic cycles. These vital functions of finance remain unchanged for emerging economies despite the global financial crisis.

The evolution of financial systems in the run up to the 2008 crisis

Before arriving at some lessons from the global financial crisis for financial development in emerging economies, it is useful to acknowledge some of the key developments across financial systems in the decades prior to the global crisis.

Financial systems across the world, and especially in advanced economies, moved from a relationship-based system of intermediation (primarily led by banks) to a more arms-length system (primarily through capital markets). This shift to arms-length intermediation proceeded at different speeds in different economies, influenced by technological changes, the institutional environment, globalization, and the underlying needs of the economy. The relationship-based model was dominant at a time when lenders (mainly banks) had an informational advantage about potential borrowers and their projects, and thus were able to provide financing based on the asymmetry in information. This model was dominant through much of the 19th and early 20th centuries, when much of financing was related

to building industries where technology and competition remained relatively stable for an extended period of time, sometimes spanning decades. Despite the rise in arms-length financing, this model continues even now to be effective and dominant in many economies around the globe.

With the rapid evolution of technology and trade beginning in the second half of the 20th century, which brought the possibility of abrupt technological change and greater competition—including from overseas competitors—the informational advantage on which relationship-based lending was founded gradually weakened. Financial innovation responded through greater securitization and newer financial instruments intermediated through the non-bank financial sector. This allowed risks of lending to be diversified in portfolios that were priced continuously in markets, permitting finance to be made available more broadly, particularly in newer areas of growth. It also allowed financing to shift more rapidly from declining to new engines of economic growth. Overall, the rapid evolution of arms-length financing was one of the major achievements of financial intermediation that responded to the demands of the new post-industrial economy and the forces of globalization. Without it—and without the ability to tap global, not just domestic, sources of capital—financing for new and unproven ventures would likely have taken a different and more gradual course.³

The development of arms-length financing evolved over time from simple equity and debt securities to include a vast array of derivative instruments, including mortgage-backed securities that pooled different types of underlying mortgage risks and—in the decade preceding the global financial crisis—a variety of credit risk transfer instruments, such as credit default swaps. As is well known by now, many of these instruments were at the heart of the crisis, which originated in the US subprime market and which also helped transmit the crisis quickly across institutions and borders. Risks turned out to be more heavily concentrated in financial institutions than was previously understood, magnifying the impact of the downturn in the US housing market. While the global financial crisis exposed some of the problems associated with securitization and the evolution of arms-length financing, in general, the ability of this type of financing to provide financial intermediation remains important. In a globalized world where technological shifts can occur rapidly and informational advantages that supported relationship-based lending are less relevant, arms-length financing will continue to play an important role as more emerging markets shift into a post-industrial knowledge-based economy.

Another important facet of the evolution of financial systems in the years preceding the crisis is that, by being able to tap more efficiently into a broad pool of savings—both domestic and cross-border—intermediation was able to reduce its costs and make these savings

available to a broader range of borrowers. This development was also supported by greater macroeconomic stability and low and stable inflation in what has been termed the “Great Moderation.” As a result, financial access improved considerably in advanced economies in terms of costs and also in breadth of access. This aspect of financial development will remain important in the future for emerging economies, given the needs for financing investment in both human capital for a broad cross-section of society and in physical capital in areas of future growth.

Enduring features of financial intermediation

Accepting the premise that financial development in emerging economies remains important for raising living standards and helping to rebalance the sources of their future growth, the financial crisis in advanced economies has provided several lessons that could be very useful for emerging markets to consider. The most important is that the links between financial systems and the economy are strong and powerful. The financial system does not operate as a separate “sector” of the economy, but is fundamentally intertwined with it. That fundamental connection gives it systemic importance, because volatility in the financial sector can be transmitted to the real economy. Although the benefits of financial development have been well documented, it is equally important to think of the risks inherent in the financial sector. As a result, maintaining economic stability and ensuring financial stability are closely inter-related. Financial stress, when it occurs, has deep and long-lasting effects on macroeconomic performance.⁴

As elaborated previously, arms-length financing will have to be an essential component of financial intermediation because the informational advantages that lenders enjoy in a manufacturing-based growth model become less relevant as these economies rebalance their sources of growth. As they globalize further and move from manufacturing to services and knowledge-based industries, the financial sector will need to be able to provide financing to support these new engines of growth. Arms-length financing also allows individuals to borrow against their future incomes to invest in their own human capital (through education and skills training, for example) even if they do not have sufficient collateral at early stages of their lives. This ability to access financing can help to promote financial inclusion that can complement other efforts.

How policy frameworks evolve

Maintaining financial stability includes avoiding the buildup of financial vulnerabilities over the course of the economic cycle. Policy frameworks therefore need to fully internalize the notion that the financial system and the broader economy are each part of an integrated whole, and to recognize the inter-linkages between them and the rest of the world. This means that the

distinction between macroeconomic and financial policies is not as well defined as it is for some other policies, which can be more narrowly focused. Macroeconomic policies can have financial stability implications, and financial policy setting can determine the effectiveness of macroeconomic policies.

One concrete illustration of the need for an integrated approach can be found through examining monetary policy. A key element of macroeconomic policy frameworks across many emerging market economies over the past decade has been the adoption of inflation-targeting frameworks, where the central bank establishes as its sole objective the maintenance of price stability. While this framework is analytically attractive, and has proven very successful across a broad range of countries in establishing low and stable inflation, the inflation-targeting approach has not, in general, been able to incorporate fully either the specific features of economies that experience rapid capital inflows and outflows or more general financial stability considerations. While the conventional inflation-targeting framework has the appeal of “one instrument, one objective”—in this case, policy interest rate and inflation—it is useful to recognize that this interest rate sets the price of risk and affects the procyclical buildup of leverage in financial systems.⁵ In practice, inflation-targeting frameworks have already begun adapting to the realities of open capital accounts and fast-developing financial systems. For example, analysis of the post-crisis monetary policy response has demonstrated that discretionary monetary policy responses beyond the level that would be implied in a conventional inflation-targeting framework have reduced the magnitude of the downturn.⁶ Recent analytical work has also begun to address the shortcomings of previous New Keynesian models of monetary policy by demonstrating how augmenting the traditional Taylor rule, which stipulates the level of the policy interest rate necessary to achieve the inflation target, by incorporating financial stability considerations in arriving at optimal interest rates, may be able to do a better job of achieving the inflation target than traditional models while keeping an eye on financial factors.⁷ However, the broader academic literature has in general failed to integrate the financial sector in a realistic manner in New Keynesian models, while policymakers have begun to move forward based on real life experience and needs.

In addition to better incorporating the linkages between the economy and the financial system, there is also a need to be more aware of linkages across borders, as well as the impact that policies and developments in other economies can have on the domestic economy and financial systems. As evidenced in 2008, the global liquidity squeeze in major advanced economy financial systems affected the financial systems in emerging market economies even though they were not directly exposed to the securities at the heart of the crisis. For

example, wholesale financing by banks was a key transmission channel; many emerging economies have since acted to reduce the vulnerability of banks to a sudden drying up of cross-border wholesale financing. Policy frameworks have thus adapted quickly to shifting realities, even though a new, more integrated analytical framework that internalizes macro-financial linkages has yet to be established.

Key elements of a post-crisis paradigm

A new macro-financial framework—one that builds on essential and generally accepted foundations, but also incorporates more realistically how finance operates at a macro level—has yet to be fully fleshed out. But it is possible to provide some basic principles that can serve as guideposts for macroeconomic and financial policy frameworks as emerging markets continue to develop their financial systems.

It is widely agreed that the financial crisis exposed shortcomings in the regulatory framework of financial institutions. Many countries have already moved to strengthen their regulatory systems; these individual actions are in addition to the broader multilateral efforts that are underway to ensure that financial systems are fortified. However, in addition to reinforcing regulatory frameworks, an internally consistent approach among macroeconomic and macroprudential policies is needed to ensure that these policies reinforce each other, thus preserving financial stability while supporting growth. Macroeconomic policies are, by definition, a blunt instrument. Although they play a critical role, they need to be supported by macroprudential instruments that can be targeted more effectively to address the localized buildup of vulnerabilities.

For emerging market economies, appropriate macroeconomic settings include suitable monetary, exchange rate, and fiscal policy settings to ensure that growth is in line with the economy’s potential. Appropriate space for countercyclical policies must also be in place so that the economy can withstand exogenous shocks, such as developments in global trade. Moreover, these macroeconomic policy settings can play an important role in preventing the buildup of financial vulnerabilities. For instance, since capital flows are driven by both exogenous “push” and domestic “pull” factors, macro policy settings can help limit excessive inflows. For example, exchange rates that are seen as being well below the level that fundamentals would suggest would be appropriate, thus providing a one-way appreciation bet to foreign investors, can attract more capital inflows than exchange rates that are more closely in line with fundamentals. Allowing exchange rates to move more in line with fundamentals would help create greater two-way risk for foreign investors and lower speculative inflows. Similarly, if domestic credit growth is very high because the price of risk is low, monetary policy may have a preemptive

role in “leaning against the wind” by adjusting the price of risk.

However, it has to be recognized that broad-stroke macroeconomic policies may need to be complemented by macroprudential measures that are more targeted to specific financial stability concerns. For example, even when exchange and interest rate settings are optimal, “push” factors may lead to excessive capital inflows into emerging markets. This can both complicate macroeconomic management and lead to financial instability. Under such circumstances, macroprudential capital flow measures may be appropriate in certain situations. These types of measures are generally seen to be most effective over shorter time periods, and—if they do not create large distortionary effects—they may be useful in dealing with temporary surges in capital flows. Over the past few years, many emerging economies have introduced such measures, which include withholding taxes or levies on certain types of inflows, for example.

In the context of the global crisis, housing markets have garnered a great deal of attention because of their macroeconomic and financial implications. Housing is often the single largest asset of households, while the associated mortgage is correspondingly the single largest liability. Real estate-related lending is one of the primary household lending exposures of banks. The state of the housing market therefore has important implications for household wealth and consumption, for bank balance sheets, and for the construction sector. Given the systemic importance of housing markets, preventing booms and busts in housing markets is an important policy consideration. Since economy-wide interest rates are only one of the factors that affect the demand for housing, other policy tools—such as adjustments to loan-to-value ratios and debt-to-income limits—have been implemented in many emerging economies to ensure that housing market developments do not lead to a buildup of vulnerabilities. But the application of these policies needs to occur without unintended consequences elsewhere in the economy or financial system. While these policies can help ensure that housing bubbles are avoided, it is important to make certain that price signals are not distorted and house prices are able to reflect the fundamentals of the demand for housing and its supply.

Concluding remarks

The severe consequences of the global financial crisis have focused attention on the role of finance in growth and development. While the crisis has exposed the large real costs of financial stress and weaknesses in the functioning of financial markets in the pre-crisis era, the arguments for encouraging financial development in emerging markets and developing economies to assist them attain higher growth and greater opportunities remain unchallenged. Indeed, the crisis has reinforced the need for strong institutions and financial stability

as an essential precondition for successful financial development.

In addition, the crisis has forced a rethinking of approaches to macroeconomic and financial policies. Essential to this is a comprehensive view of the economy and the financial system as a well-integrated whole with close linkages and macro-financial feedback loops. Although a formal and widely accepted analytical framework that incorporates financial and macroeconomic aspects realistically is still a work in progress, some key principles can serve as a guidepost for policymaking:

- Policy approaches to ensuring financial and economic stability need to be multi-pronged, employing regulation and financial policies at the individual institution’s level, as well as broader macroprudential policies and appropriate macroeconomic policies.
- Macroprudential and macroeconomic policies need to be seen as complementary, and need to be mutually reinforcing.
- Developing such a comprehensive policy framework needs to incorporate the links among individual sectors and the broader economy, and to ensure that the full impact of policies across sectors is completely understood and incorporated in the policymaking process.

Encouragingly, efforts are well underway to augment policy frameworks in light of these principles. Progress on these frameworks will help provide the appropriate environment within which financial systems in emerging market economies can develop sustainably, and thereby provide a catalyst for raising the economy’s growth potential and living standards.

Notes

- 1 Davies and Drexler 2010; Ostry et al. 2010; IMF 2011.
- 2 Bilodeau and Harry 2010.
- 3 Cardarelli et al. 2006.
- 4 Cardarelli et al. 2011.
- 5 Shin 2010.
- 6 Alp et al. Forthcoming.
- 7 Aydin and Volkan 2011.

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Reforming the US Housing Finance System: A Proposal

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At a US Senate Budget Committee hearing in March 2009, Federal Reserve Board Chairman Ben Bernanke declared that “If there’s a single episode in this entire 18 months that has made me more angry, I can’t think of one, than AIG.” Chairman Bernanke was referring to the \$550 billion worth of insurance that AIG had written on so-called AAA-rated securities with little or no capital, putting the stability of the world financial system at risk.

The need to reform housing finance in the United States: Where’s the outrage?

Chairman Bernanke should have been even more outraged at the government-sponsored enterprises (GSEs) of the United States, Fannie Mae and Freddie Mac. Together these enterprises wrote \$3.5 trillion worth of insurance—seven times that of AIG—on mortgage-backed securities (MBS) much riskier than AIG’s; they also made a portfolio investment in another \$1.5 trillion in mortgages and MBS, a significant proportion of which was again of dubious quality. How much capital did regulators require to support that \$3.5 trillion in insurance? Just a little over \$15 billion—a very small fraction in the face of bearing the inherent credit risks on a third of the entire residential mortgage market in the United States.

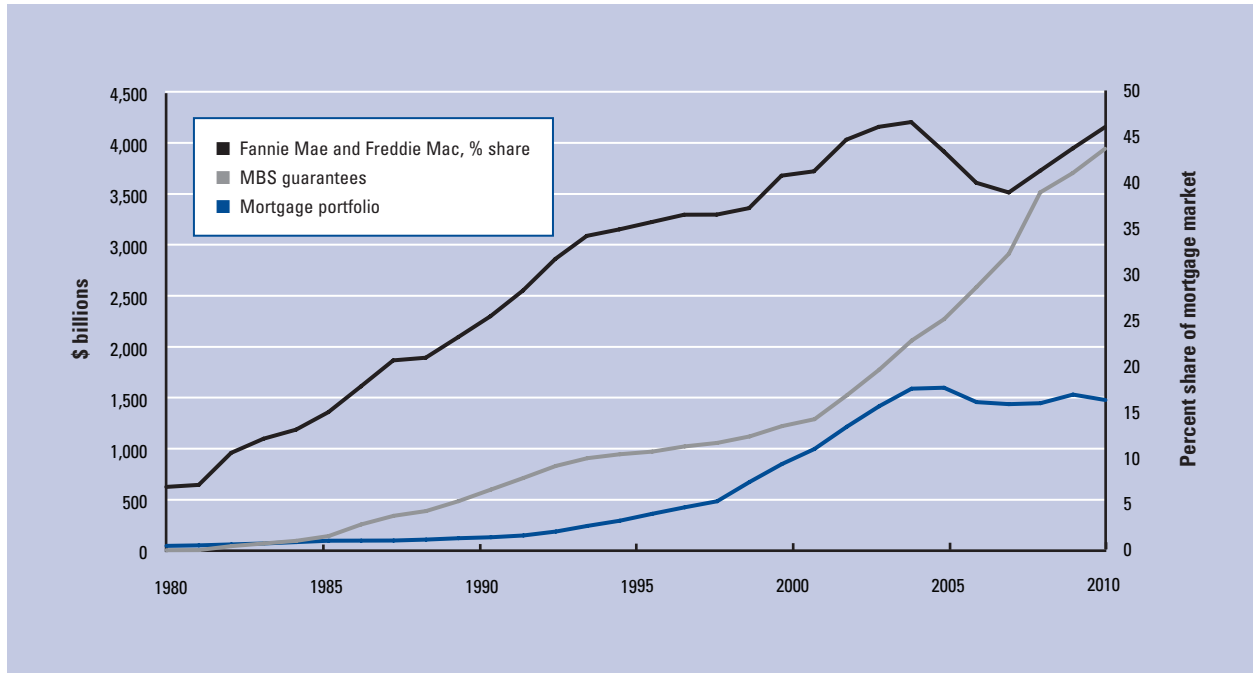
Nevertheless, it took the Obama Administration until February of 2011—more than halfway through its first term, and over 30 months since Fannie and Freddie’s conservatorships under the US Treasury began in September of 2008—to make any type of formal statement about these GSEs. And despite substantial argumentation during the Dodd-Frank Reform and Consumer Protection Act’s financial reform debates, the GSEs were not addressed.¹

Since then some progress has been made by a series of Fannie and Freddie-related bills passing the relevant House subcommittee in July of this year. If implemented, the eventual result of these bills will effectively close these institutions. However, as of November 2011, no action has been taken on these bills—and no one appears to be concerned. The media and the public at large are uninterested, even though Fannie and Freddie’s losses far exceed those of all other financial firms combined. Moreover, the pre-crisis salaries of Fannie and Freddie management were commensurate with those of other large Wall Street firms, so the lack of outrage is not the result of reasonable salaries for their executives.

A possible explanation for the lack of interest in addressing one of the exacerbating causes of the crisis of 2007–2008—the government’s overreach, through the GSEs, in influencing the way residential housing finance works in the United States—might be that in general

This essay is based on our book *Guaranteed to Fail: Fannie Mae, Freddie Mac and the Debacle of Mortgage Finance*, Princeton University Press, March 2011.

Figure 1: GSE growth, 1980–2010



Sources: Federal Housing Finance Agency; Federal Reserve.

everyone wants the Fannie and Freddie mortgage guarantee to continue just “a little bit longer.” This desire to continue an unsustainable guarantee can be considered a form of addiction. As private companies, Fannie and Freddie have supplied their own form of pain killer to the US housing market for over 40 years; each year, the mortgage finance system has been getting a little sicker and more addicted, yet it has remained numb to the pain. By the time of the crisis, through their insurance guarantees and mortgage purchases, Fannie Mae and Freddie Mac controlled almost 50 percent of the entire mortgage market (see Figure 1), but they held very little capital against highly risky mortgages, and were arguably the most systemically risky financial institutions in the world. In fact, if allowed to fail, their collapse would have almost certainly caused a sovereign debt crisis for the United States because foreign investors, often other governments, have always believed that Fannie and Freddie are implicitly guaranteed by the US government.

This was not the original intent of these agencies. Although Fannie Mae, founded in 1938, was originally a government agency, it was privatized in 1968 not because of any deep belief about the efficiency of private versus public institutions, but instead, and incredibly, primarily for accounting purposes. The Johnson Administration wanted Fannie Mae privatized to remove its debt from the federal government’s books, thereby reducing the size of the national debt. Fannie’s special privileges were kept in place, and with them came the financial markets’ belief that the government

would support Fannie’s debt. Freddie Mac, created by Congress two years later, followed suit.

The US government finds it useful to have an entitlement program that is off its balance sheet. Fannie and Freddie have been just that. The government backstopped the creditors of these firms, yet provided no upfront funding and wrote legislation that encouraged banks (through lower capital requirements) to trade with them. This effectively transferred massive subsidies to the housing market—a process that worked until it stopped working, and the whole pyramid structure collapsed.

These schemes are reminiscent of the other entitlement programs such as Social Security, Medicare, and Medicaid. It is worrisome that it took the worst financial crisis in 75 years to begin to address the issues inherent in Fannie and Freddie, even though analysts and researchers have railed against them for over a decade. Even more alarming is that, after all the economy has been through in the last three years, legislation is barely moving along.

Before we offer our concrete proposal to unwind Fannie and Freddie, we provide a brief summary of how the mortgages they underwrote deteriorated in quality, especially starting in 1992, and how there emerged a race to the bottom between the GSEs and the large complex financial institutions (LCFIs) in the private sector during 2003–2007 that culminated in the housing price bust and the financial crisis.

Table 1: GSE affordable housing goals, share of mortgage purchases (1993–2008)

Goal	1993–1995 (percent)	1996 (percent)	1997–2000 (percent)	2001–2004 (percent)	2005 (percent)	2006 (percent)	2007 (percent)	2008 (percent)
Low and moderate income	30	40	42	50	52	53	55	56
Underserved areas	30	21	24	31	37	38	38	39
Special affordability	n/a*	12	14	20	22	23	25	27

Source: Federal Housing Finance Authority.

*n/a = not applicable: goals for 1993–1995 were set in dollar amounts rather than percentages for each GSE.

Ticking time bomb

On October 28, 1992, President George H.W. Bush signed into law HR 5334, the Housing and Community Development Act of 1992. Title XIII of this law, Federal Housing Enterprises Financial Safety and Soundness Act (FHEFSSA), created rules for the two largest GSEs, Fannie Mae and Freddie Mac. In his remarks, President Bush said:

This legislation addresses the problems created by the rapid expansion of certain GSEs in the last decade. It establishes a means to protect taxpayers from the possible risks posed by GSEs in housing finance. The bill creates a regulator within the Department of Housing and Urban Development (HUD) to ensure that the housing GSEs are adequately capitalized and operated safely. . . . I regret, however, that the Congress chose to attach these important reforms to a housing bill that contains numerous provisions that raise serious concerns. My Administration worked diligently to craft a compromise housing bill that would target assistance where it is needed most, expand homeownership opportunities, ensure fiscal integrity, and empower recipients of Federal housing assistance.²

Title XIII was a compromise between those politicians who wished to restrain the GSEs and those who wanted to unleash them. On the one hand, the FHEFSSA created a separate regulator for Fannie Mae and Freddie Mac to provide a measure of safety and soundness: the Office of Federal Housing Enterprise Oversight (OFHEO), which was lodged in HUD. At the time, however, many observers thought that a policy-oriented department such as HUD was not the appropriate agency for lodging a prudential regulator. While there may have been a policy angle to allowing this, it should also be noted that Fannie and Freddie spent over \$200 million lobbying the Congress to avoid tighter oversight. The GSEs were essentially a government-supported banking system and should have been regulated as such.

On the other hand, the FHEFSSA specified a set of “mission goals” that comprised efforts to help support housing for low- and moderate-income households as well as a special “affordable lending goal” intended to

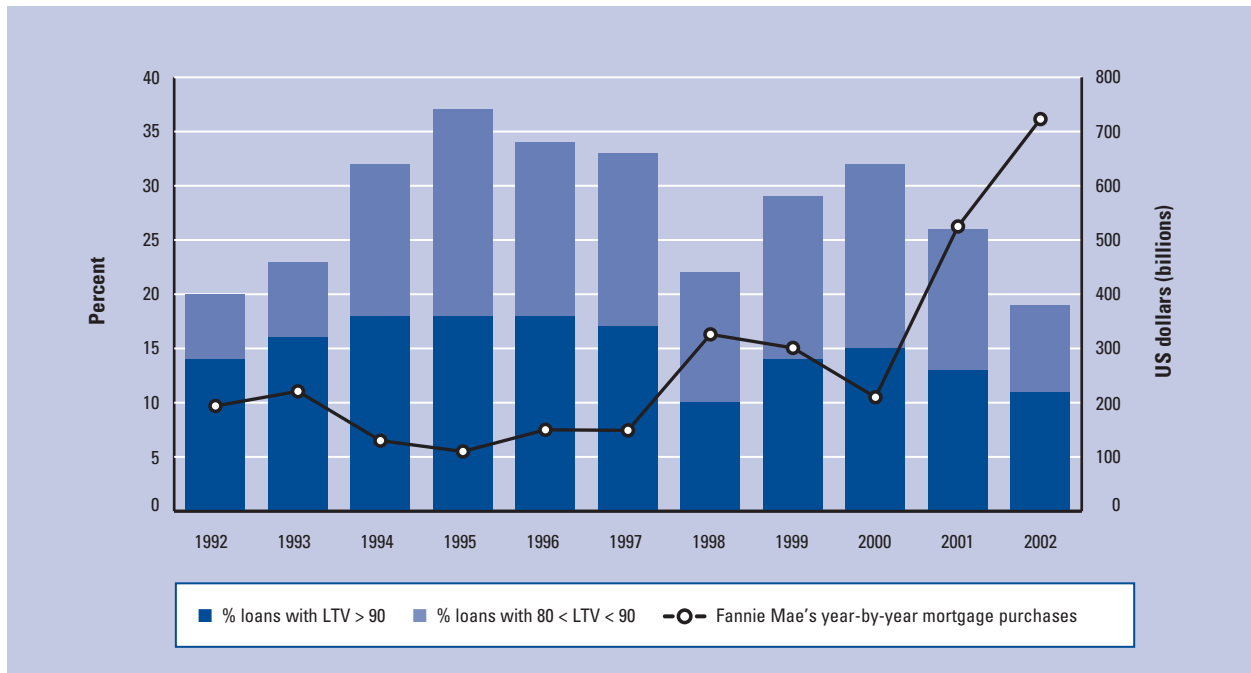
serve “underserved areas” (formerly inner-city areas). It established HUD (but not OFHEO) as the mission regulator. The mission goals essentially gave the GSEs a mandate to purchase lower-quality, higher-risk mortgages that nevertheless received the same implicit government guarantee.

Below, we provide evidence of GSEs increasing use of riskier mortgages from the mid 1990s until 2003, as a result of (or at least justified by) the 1992 Act. With good reason, many analysts point to the behavior of Fannie and Freddie in 2004–2007 as a rationale for the ramping up of the risk of their portfolio. Actually the origin of this behavior and the GSEs’ eventual collapse had begun a decade earlier. Analysts, regulators, and politicians, however, did not realize that the GSEs were a ticking time bomb because aggregate US housing prices increased every month from July 1995 until May 2006, thus obscuring the ever-increasing credit risk that Fannie and Freddie were taking on.

The mission to support affordable housing

The new mission laid out in the FHEFSSA was quite specific and encompassed three related goals for the GSEs. The overarching theme of the mission was for the GSEs to reach a target percentage of their mortgage purchases in terms of homeownership for lower- and middle-income households. The first goal was directed toward low-income housing, defined as household incomes that were below the area median. The second goal chose underserved areas, as defined by census tracts with median household incomes that were less than 90 percent of the area median, or else in census tracts with a minority population of at least 30 percent and with a tract median income of less than 120 percent of the area median income. The final goal, named “special affordable housing,” targeted census tracts with family incomes that were less than 60 percent of the area median (or else in tracts with incomes less than 80 percent of the area median and also located in specified low-income areas). Table 1 provides the detailed goals for 1993 and after.

Until the late 1990s, Fannie and Freddie shared in the general process of encouraging buyers to make more expensive purchasing decisions, buying larger houses on larger lots than they would have otherwise.

Figure 2: Fannie Mae risky mortgage purchases, 1992–2002

Sources: Fannie Mae, annual reports; *Inside Mortgage Finance*, available at <http://www.insidemortgagefinance.com/>.
 Note: LTV = loan-to-value ratio.

Most of this business occurred in upper-income communities—as Jonathan Brown explains in Peter Wallison’s book, *Serving Two Masters, Yet Out of Control*, Fannie and Freddie were doing little business in the inner city with poor households and more business in the suburbs. These patterns led HUD in 2004 to step up their targets, which, in turn, led Fannie and Freddie to undertake a greater proportion of high-risk mortgages. This increase followed on the heels of the large target increases of 2001.

It is an interesting counterfactual question to ask whether the GSEs’ foray into risky lending would have occurred without these mission goals. In other words, in their desire to expand, would they still have moved along the increasingly risky mortgage credit curve? Given the GSEs’ cheap source of financing and weak regulatory oversight, it is entirely possible that they would still have moved in this direction. Nevertheless, the FHEFSSA made the point somewhat moot.

To reach the new targets, the FHEFSSA called for a study of the “implications of implementing underwriting standards that (A) establish a down payment requirement for mortgagors of 5 percent or less, (B) allow the use of cash on hand as a source for down payments, and (C) approve borrowers who have a credit history of delinquencies if the borrower can demonstrate a satisfactory credit history for at least the 12-month period ending on the date of the application for the mortgage.”³

A study commissioned by HUD in 2002 found that, over the previous decade, Fannie Mae and Freddie Mac had in fact adopted more flexible underwriting

guidelines in terms of (A) through (C) above.⁴ While the HUD report was describing these changes in Fannie and Freddie’s underwriting as a success, it also confirms the impact of the FHEFSSA. Examples of such underwriting practices include Fannie Mae’s introduction of their Flex 97 product, which required a down payment of only 3 percent if the borrower had a strong credit history.

Risky business

As the MBS market took off in the 1980s, Fannie and Freddie dominated the growth in this market as a result of their government support. The credit-risk profile of Fannie and Freddie’s mortgages in those days, however, was reasonably safe: (1) low- to medium-sized loans, (2) loan-to-value (LTV) ratios of less than 80 percent, (3) high standards for a borrower’s creditworthiness, and (4) income documentation of the borrower’s ability to make interest payments on the loans. This does not mean that Fannie and Freddie were not without risk. But many analysts and economists at the time considered the greater source of risk to be the interest rate risk of Fannie and Freddie’s mortgage portfolio, not the credit risk of their portfolio plus their outstanding MBS.

But something dramatically changed with the FHEFSSA. Although the 1992 Act required Fannie and Freddie to hold only conforming mortgages, there was considerable flexibility. A conforming mortgage had to be less than a certain dollar amount (the “conforming loan limit”), have an LTV ratio of less than 80 percent

(or, with flexibility, a higher LTV with private mortgage insurance), and meet unspecified “investment quality standards.” Not surprisingly, the above housing goals combined with the ambiguity of what constitutes a conforming mortgage translated into considerably riskier credit portfolios.

Consider data on Fannie Mae’s year-by-year mortgage purchases over the next decade from 1992 onward. Although complete data are not available, using the annual reports of Fannie and Freddie, along with data recently released by the FHFA, Figure 2 graphs the share of risky mortgage loans each year, as defined by either LTVs greater than 90 percent or between 80 and 90 percent.⁵ While it was commonly known that the Federal Housing Administration (FHA) and the Veterans Administration made risky loans, it is less well-known that Fannie (and Freddie) already had a growing presence in the high LTV mortgage market during the 1990s. Fannie’s role generally increased over the next several years both in dollar amounts and market share. For example, from just 6 percent (\$11.6 billion) of loans having LTVs greater than 90 percent in 1992, by 1995, the number of loans with LTVs greater than 90 percent had doubled to \$20.9 billion and 19 percent of Fannie Mae’s purchases. Though the percentage of loans with LTVs greater than 90 percent dropped to 13 percent by 2001, by that time the dollar amounts had increased substantially to \$68.3 billion.

Although Freddie Mac’s annual reports provide only a snapshot of their mortgage holdings by year, the data tell a similar story. For example, in 1992, their mortgage book held just 3 percent of its loans with original LTVs greater than 90 percent, and 13 percent with LTVs between 80 and 90 percent. The next year, this number increased to 4 percent and 15 percent respectively, and by 1994 to 9 percent and 18 percent. By the late 1990s, the number had steadied to around 10 percent of loans with LTVs greater than 90 percent and 15 percent with LTVs between 80 and 90 percent.

The entry of Fannie and Freddie into high-risk mortgages had an unfortunate but subtle effect. Their critics’ primary concern had been that of interest rate risk: both GSEs held hundreds of billions of dollars of long-term fixed-rate mortgages in their portfolios. They funded these mortgages, to a large extent, with debt that had shorter maturities. Both GSEs claimed that they had engaged in derivative transactions (interest rate swaps and options) in order to eliminate any significant interest-rate risk from their overall asset-liability positions. But the specifics of the hedging were obscure, and critics were doubtful.

At the same time, however, the credit risks on the mortgages that the GSEs bought (and either held or securitized) were not considered by the critics to be a problem. The GSEs had a reputation for high underwriting standards, and their loss experiences supported this view. Except for a few years in the early 1970s for

Freddie Mac, the credit loss experience of the GSEs had always been below the “guarantee fees” that they were charging on the MBS that they issued.

This observation ignored two important facts:

1. Prior to the mid 1990s, the GSEs guaranteed only safe, conforming mortgages with generally low LTVs, good income coverage, and borrowers with high credit scores. So, even with small-to-medium downturns in the economy, mortgage defaults were not that likely.
2. After the mid 1990s, while the GSEs’ mortgage underwriting standards deteriorated and their mortgages became much riskier, there was no housing downturn and there was only one mild recession, in 2001. In fact, from July 1995 to May 2006, S&P/Case-Shiller Home Price Indices—the bellwether housing index for the US residential housing market—increased by 196 percent, with no months experiencing a decline.⁶ Many analysts and politicians did not think that credit risk was an issue, because they were neglecting the fact that homeowners do not default (i.e., if necessary, they sell) if their underlying house collateral has appreciated in value.

Point 2 above is important. Common wisdom is that Fannie Mae and Freddie Mac blew up because of their risky behavior with respect to 2006 and 2007 mortgage vintages, which consisted in a significant measure of high-risk mortgages. The 2009 credit reports of Fannie show, for instance, that in 2007, it had as much as 25 percent of its loans with LTV ratios above 80 percent and 18 percent with FICO scores below 660; in 2006, as much as 22.5 percent of its loans were in subprime and similarly high-risk mortgages and 15.2 percent in interest-only loans. It is certainly true that the majority of GSE losses derived from these vintages. But the losses were confined to 2006 and 2007 vintages—not because of prudent lending in prior years but instead because weaker loans in earlier years were masked by the continued rising in housing prices through mid 2006. Mortgages issued in 2003 and 2004 may have been just as substandard, but homeowners had built substantial equity in their homes by 2006 because of the large house price increases, which protected them (and Fannie and Freddie) against the subsequent price decreases.

In other words, the moment that the GSEs lowered their underwriting standards, there was no turning back, and as soon as housing prices started falling, serious problems were inevitable.

A final observation is that the GSE affordable housing goals were all stipulated as a percentage of their mortgage share. There were no growth targets. In fact, as Figure 1 shows, their mortgage portfolios remained steady in size during 2003–2007. It was the MBS

guarantee element of the business that truly expanded. The government push for affordable housing does not explain why the GSEs chose to grow the MBS guarantee business so dramatically. Although HUD, the first entity to which the GSEs were accountable, might have been discontented with a lack of growth, the next—the GSEs’ shareholders—would have been even unhappier because investment banks had started generating substantial returns in lines of business that the GSEs could do. This is the issue that we turn to next.

A race to the bottom

When the US Financial Crisis Inquiry Commission released its report in early 2011,⁷ there emerged—some-what ironically—a crisis of its inquiry. The majority of the commissioners for this report attributed the credit boom and bust to greedy but incompetent bankers and lazy but ideological regulators. The dissenting commissioners focused more on poorly designed housing subsidies. While the two groups reached largely polarized views, consensus should have in fact been easy to reach.

There was, during 2003–2007, a race to the bottom between the huge GSEs—Fannie Mae and Freddie Mac—and the private financial sector, consisting of too-big-to-fail LCFIs. Both the GSEs and the LCFIs were making highly leveraged bets on the mortgage market at below-market funding rates in credit markets that were implicitly backed by the government.

The mortgage market in the United States increased dramatically in size during these years, especially starting in late 2003 with the sharp growth of the riskier subprime and Alternative A-paper (Alt-A—that is, lending where the risk profile falls between prime and subprime) mortgage lending (see Figure 3 for private-sector MBS growth starting 2003 and Figure 4 for the composition of private-sector mortgage originations). Since the too-big-to-fail LCFIs could not compete directly with Fannie and Freddie because of the GSEs’ access to government-guaranteed capital and their lower borrowing costs—roughly 40 basis points lower—instead they moved along the credit curve of increasingly unstable mortgage loans. These were loans with which the GSEs had difficulty competing because of the restrictions, even if somewhat porous, that the GSEs had on their underwriting standards. Also, the LCFIs greatly increased their leverage through the use of asset-backed commercial paper and sale-and-repurchase (“repo”) financing, allowing them to expand by issuing cheap debt.

The too-big-to-fail LCFIs were not only creating more toxic MBS, but they were also investing in those same securities. Over 50 percent of AAA-rated non-GSE MBS were held within the financial sector. It was not just the proverbial Norwegian village pension fund investing for the long run in AAA-rated securities to earn a higher yield than Treasury bonds that suffered when those MBS collapsed. It is inaccurate to accuse

these firms of not having a high enough stake in the transactions (“skin in the game”) to ensure that their investment risk was sustainable; rather the LCFIs did not have enough capital to cover their stake.

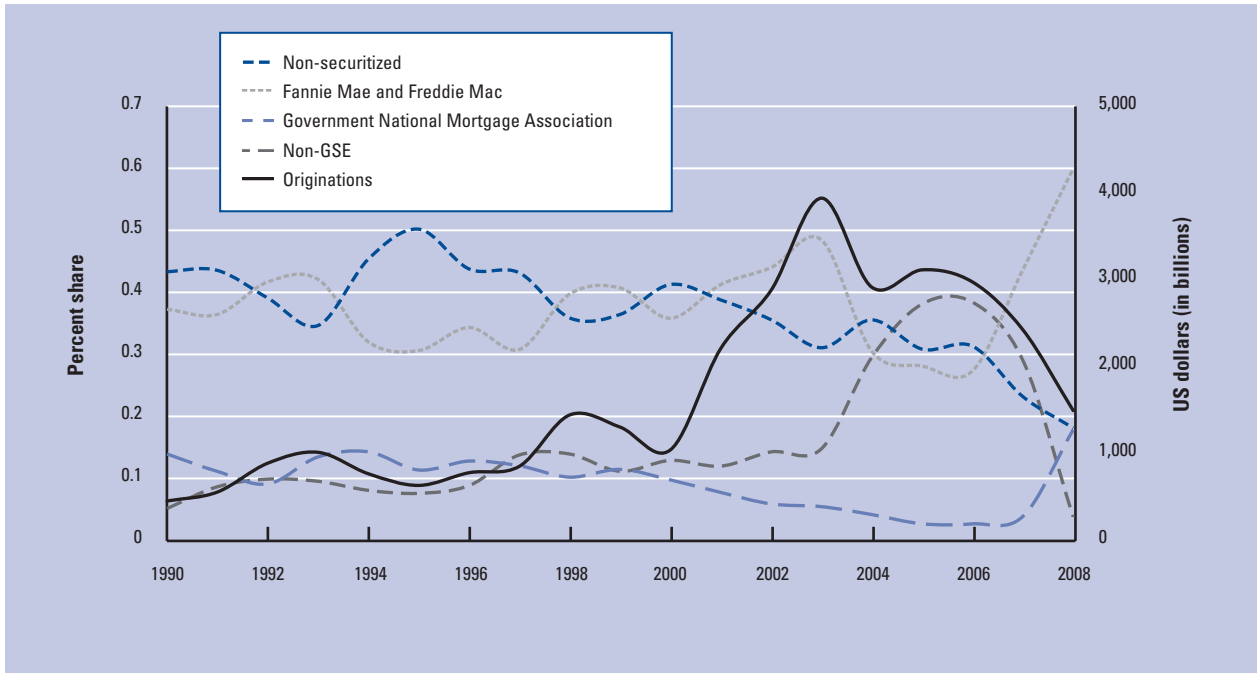
This growth in private MBS was the culmination of the aim of the US 1982 Housing Commission. However, in what would have caused great consternation to that Commission, an unintended consequence was to encourage the GSEs to take on riskier portfolios in order to preserve their market share from the private-sector LCFIs. For example, as Figure 3 shows, Fannie and Freddie’s share of the mortgage market rose sharply starting 2005, in contrast to the steep decline of the preceding years when they lost market share to private-sector MBS.

Prior to 2003, as a fraction of their total MBS portfolio, each year the GSEs made approximately 10 percent of their total purchases in lower-quality loans. From 2004 to 2007, however, this fraction averaged 50 percent. While there is little doubt that, starting in the mid 1990s, government-mandated affordability housing goals played a role in shifting Fannie and Freddie’s profile to riskier mortgage loans, an interesting question is how much of the GSEs’ steeper dive into lower-quality mortgages was driven by those mandates and how much by their desire to maintain and expand their market shares.

Their former regulator, James Lockhart, testified that both Fannie and Freddie “had serious deficiencies in systems, risk management and internal controls.” Furthermore, “there was no mission related reason why the Enterprises needed portfolios that totaled \$1.5 trillion.” He held “the Enterprises’ drive for market share and short-term profitability” responsible.⁸ Similar language can be found in Fannie Mae’s own strategic plan document, “Fannie Mae Strategic Plan, 2007–2011, Deepen Segments – Develop Breadth,” which outlines its strategy for 2007 onward: “Our business model—investing in and guaranteeing home mortgages—is a good one, so good that others want to ‘take us out.’ . . . Under our new strategy, we will take and manage more credit risk, moving deeper into the credit pool to serve a large and growing part of the mortgage market.”⁹ Indeed, the data in Table 2 confirm that the GSE share of overall high-risk activity in mortgages (defined as mortgages with LTVs greater than 90 percent and borrower FICO scores of less than 620) declined from 43 percent in 2003 to 15 percent by 2006, but these risky mortgages regained their market share, to 31 percent, in 2007.

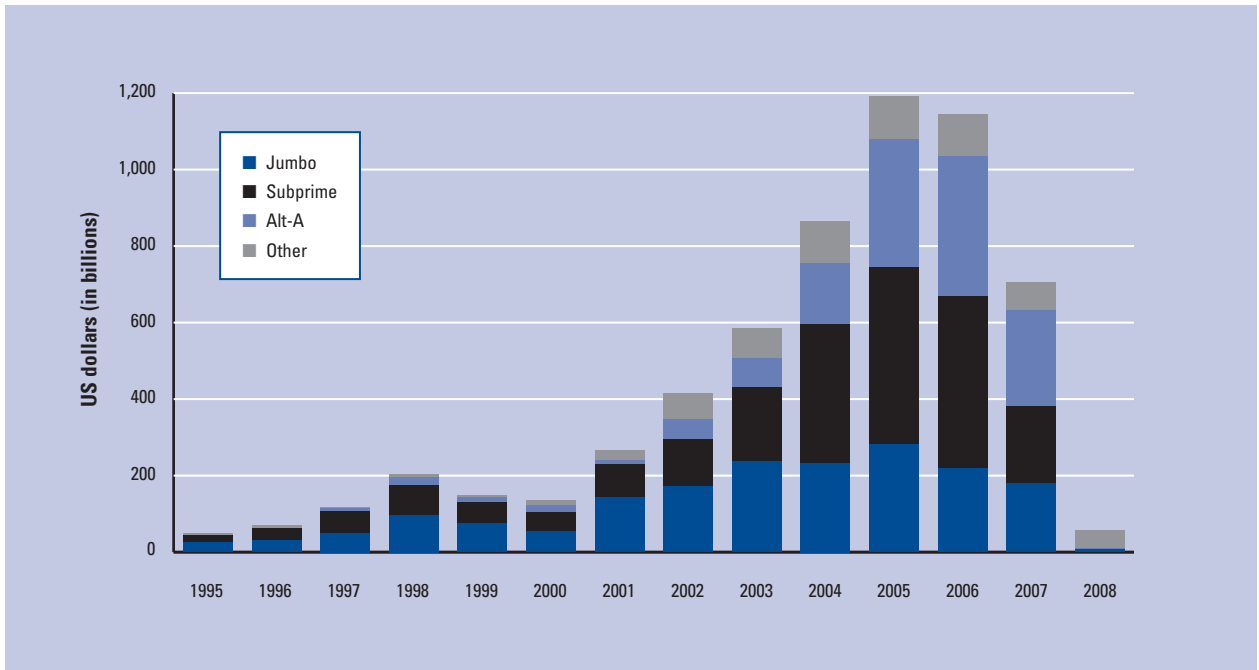
Ultimately, it is not possible to fix the US housing finance system for the long term without dismantling the GSEs in a phased manner and eliminating their imprint on housing markets, lest another race to the bottom emerge once benign conditions return and capital and credit become more readily available. However, it is unrealistic to believe that systemic risk will not

Figure 3: Evolution of share of risky loans and securitization in mortgage market



Source: *Inside Mortgage Finance*, available at <http://www.insidemortgagefinance.com/>.
 Note: Non-GSE data refer to private-sector MBS market data; originations means the total mortgages originated.

Figure 4: Composition of private-sector mortgage issuance, 1995–2008



Source: *Inside Mortgage Finance*, available at <http://www.insidemortgagefinance.com/>.

Table 2: GSE share of high-risk mortgage activity

Year	GSE NEW BUSINESS		NONAGENCY NEW BUSINESS	GSE HIGH RISK (%)	GSE SHARE IN HIGH-RISK ACTIVITY (%)
	High risk (\$, billions)	Total (\$, billions)	High risk (\$, billions)		
2003	466	1,839	625	25	43
2004	262	898	1,060	29	20
2005	238	899	1,370	26	15
2006	245	877	1,430	28	15
2007	363	1,012	815	26	31

Sources: Federal Housing Finance Authority; *OFHEO Annual Report*, various years; *Inside Mortgage Finance*, various years.

Note: High-risk mortgages are defined as those with LTVs greater than 90 percent and borrower FICO scores of less than 620.

exist in the mortgage finance market once the GSEs are removed: it is inevitable that too-big-to-fail LCFIs will gradually build up this risk on their balance sheets. Therefore it is crucial that the external costs of systemic risk be internalized by each of these LCFIs, or we will end up with an alternative group of private GSE financial firms in the mortgage finance area. The Dodd-Frank Act, even if imperfect, serves as a useful step in the direction of focusing regulatory attention on systemic risk contributions of the private financial firms.¹⁰

Unfortunately, in every crisis the share of mortgage markets owned by the FHA and the GSEs only rises. It stands at over 90 percent at present in the United States, and the situation is not too different in other parts of the world. The *Landesbanken* (the local savings banks of Germany) and the *Cajas* (the municipality-controlled savings and loans institutions of Spain) are also currently operating as the “bad banks” of the (housing) crisis, just as Fannie and Freddie are in the United States.

Although it is indisputable that every crisis has a bad bank, if governments run their own banks badly in good times, this will increase the likelihood that bad banks will emerge and crowd out private banks, thereby encouraging the latter to take greater risks. A secular credit boom and bust must follow. The seeds of such a new cycle are currently being sown. In the next section, we will propose a reform plan to avoid this outcome and contrast it with the proposals currently being put forward by the US Treasury.

A blueprint for mortgage finance reform

The goal of reforming housing finance should be to ensure economic efficiency, both in the primary mortgage market (origination) as well as in the secondary mortgage market (securitization). By *economic efficiency*, we have in mind a housing finance system that:

- corrects any market failures if they exist; notable in this case is the externality from originators and securitizers undertaking too much credit and interest rate risk, because this risk is inherently systemic in nature;

- maintains a level playing field among the different financial players in the mortgage market in order to limit a concentrated buildup of systemic risk;
- restricts income redistribution and the encouragement of homeownership to smaller, focused, transparent, on-budget programs within the FHA;
- does not try to prop up residential property values or try to maintain levels of employment in home building, real estate brokerage, or mortgage lending; and
- does not engender moral hazard issues in mortgage origination and securitization.

We argue that such a mortgage finance system should be primarily private in nature. It should involve origination and securitization of mortgages that are standardized and conform to reasonable credit quality. The credit risk underlying the mortgages should be borne by market investors, perhaps with some support from private guarantors. There should be few guarantees, if any, from the government.

The question is: how does one effectively get to this private system given the current state of mortgage finance? A quarter of a century ago, mortgage markets were deregulated while government guarantees and special treatment of the GSEs, Fannie Mae and Freddie Mac, were left in place. Capital markets over the past 25 years have become reliant on these guarantees. To wean the system off these guarantees we need to transition away from a government-backed system to a private-based one. The problem is that the transitional process will succeed only if private markets are not crowded out, regulatory capital arbitrage by private guarantors is averted, and systemic risk inherent in mortgage credit and interest rate risks is managed.

We envision that the initial phase of this transformative process would preserve mortgage default insurance, because such guarantees have been essential for the way that the securitization market for mortgages has developed. However, the government share of these guarantees would be steadily phased out. To achieve this, the transition should include a public-private partnership in which the private sector decides

which mortgages to guarantee and sets the price for those mortgage guarantees but insures only a fraction of them (say 25 percent), while the government is a silent partner, insuring the remainder and receiving the corresponding market-based premiums. The public-sector involvement should be limited to conforming, tightly underwritten mortgages (for example, to mortgages with LTV ratios that are at most 80 percent). The private-sector mortgage guarantors would have to be regulated to be well capitalized and subject to an irrefutable resolution authority. This way, the market pricing of mortgage guarantees would reflect neither explicit nor implicit government guarantees. And the government guarantees that are being offered in passive partnership with private guarantors—and, importantly, at private market prices—would ensure that the private sector is not crowded out.

We envision that if such a transition plan were followed, then the private sector would be encouraged to shrug off any regulatory uncertainty and allowed to flourish. Financial innovation in these markets could return. New investors that are focused on the credit risk of mortgage pools would emerge. Mortgages would become more standardized, and underwriting standards would improve. To help the transition process toward an efficient mortgage market in the long run, reliance on the GSEs' guarantees should be mandated to end in a phased manner. One example of such a mandate would be a gradual reduction of the size limit for conforming mortgages; another would be an increase in the fees that the GSEs charge for their guarantees. These mandates could be accelerated if the private capital market develops more quickly.

Although our book *Guaranteed to Fail: Fannie Mae, Freddie Mac, and the Debacle of Mortgage Finance* was written before the Obama Administration's recently announced plan, they have two major points in common: (1) the GSEs should be wound down; and (2) efforts to ensure housing affordability for low- and moderate-income households should be explicit, on-budget, and primarily the domain of the FHA.

However, the Obama Administration does not currently have a specific proposal for the long-run future role of government guarantees in the US housing finance market. Instead, the Administration offers three possibilities, without indicating its preference: (1) a wholly private structure; (2) a largely private structure with a government agency that would provide guarantees to new MBS at times of severe stress in the mortgage markets; and (3) a largely private structure with a government agency providing "tail risk" or catastrophic insurance in the event that a private mortgage guarantor defaulted on its obligations.

We believe that the first of these three possibilities is the appropriate long-term goal and that our transition plan offers a superior means of reaching that goal. The Federal Reserve is already the agency for dealing with

general and severe stress in financial markets, including MBS, so that any additional effort by a new agency would be duplicative. Further, tail-risk government insurance would inevitably be underpriced and thus would likely end up being a way to circumvent the prohibition against subsidizing general mortgage borrowing. Our proposal calls for the government to provide side-by-side guarantees—but only in the interim—and would explicitly use the market-based pricing of the private guarantors. Also, our proposal would encourage the private sector to develop tail-risk insurance capabilities, which could then expand and replace those of the government. The advocates of option 3 have no such phase-out scenario.

Interestingly, the House Subcommittee on Capital Markets and Government-Sponsored Enterprises has proposed a mortgage finance system largely consistent with the Administration's first possibility. Their approach is to create uniform government standards for mortgages eligible for securitization. The hope is that, in conjunction with the shrinking of the GSEs, these standards will allow a private mortgage finance system to emerge. The goal of the Subcommittee's proposal, and for that matter the Administration's goal as well, is in line with our proposal. The methods of achieving that goal, however, differ in some important ways.

We provide now in greater detail an exact timeline and implementation plan corresponding to our proposal.

Closure of Fannie Mae and Freddie Mac

- Create a resolution trust corporation (RTC) for the GSEs to wind down their \$1.7 trillion investment portfolio of mortgages and MBS. The preferred structure would be equity partnerships along the lines of those created to resolve the savings and loan (S&L) crisis of the 1980s and 1990s. Since the typical paydown rate for the GSEs in normal times is around 25 percent, this suggests that almost 60 percent of the original portfolio could be sold off within the first three years.
- For purposes of market stabilization, the GSE RTC could purchase modest quantities of MBS that have been guaranteed by the GSEs in the first three years. This would delay slightly the winding down of the portfolio.
- Since the GSEs are to be shut down, the GSEs' securitization and guarantor function for mortgages should similarly be phased out, by reducing the size of loans that they can securitize (the "conforming loan limit") and raising their guarantee fees (the "g-fees").
- After three years, the GSE RTC would no longer purchase any MBS, and instead would sell the remaining 50 percent over the next seven years or sooner. The GSE RTC would be mandated to sell

1/7 of the 50 percent every year, but, depending on market conditions, might sell a greater amount.

Options for conforming mortgages

For conforming mortgages (such as those with LTVs of less than 80 percent, FICO scores above 660, and made to borrowers with measurable income—from labor or asset holdings—that can cover the interest on mortgages), mortgage originators have three primary choices:

- Hold the mortgage loans on their balance sheet and be subject to a K percent capital requirement.
- Securitize the mortgages, and sell these securities to the capital market at large. Under the Dodd-Frank Act, banks will be required to retain a 5 percent interest and must hold at least K percent capital against their 5 percent interest. Qualified residential mortgages, whose criteria remain to be determined, are exempt from this retention requirement. Prudentially regulated capital market investors must also hold at least K percent capital on their holdings of these MBS. Of course, market participants that are considered systemically risky—the “systemically important financial institutions” as determined by the Financial Stability Oversight Council under the Dodd-Frank Act—would be subject to even higher capital requirements. If the securities are structured into various tranches, it must be recognized that the weighted-average capital requirement of the combined tranches must also be at least K percent. The expectation is that an MBS market without guarantees will eventually dominate as capital markets develop savvy mortgage-credit investors, and as the transparency of structured products improves.
- Securitize the mortgage but purchase a guarantee. Private guarantors would offer insurance on 25 percent of the securitized mortgage pool at insurance rates that are determined in the market place. As a silent partner, a newly formed government mortgage risk insurance corporation (GMRIC) would provide insurance on the remaining 75 percent at those same rates, backed by the full faith and credit of the US government. Initially, given their experience in focusing only on interest rate and prepayment risk rather than not credit risk, capital market investors might prefer these guaranteed MBS. The expectation, however, is that because this insurance is priced by the market and therefore costly, many investors would prefer to take the credit risk themselves and earn higher yields.

- » The conforming mortgage limit for providing guarantees by the GMRIC would start at \$625,000 in the first year (current GSE limits exceed \$729,000 in some high-cost geographic areas), decline by \$75,000 each year to \$400,000 in the 4th year, and by \$66,000 each year thereafter to \$0 by the 10th year. The GMRIC would cease to exist after a decade-long period.
- » The private mortgage guarantors would be subject to rigorous prudential regulation and a credible resolution authority (see below).

Options for non-conforming mortgages

For mortgages that are non-conforming, banks again have three primary choices:

- Hold the mortgage loans on their balance sheet and be subject to a K^* percent capital requirement (where K^* exceeds K , K being the requirement for conforming mortgages).
- Securitize the mortgages and sell these securities to the capital market at large. Under Dodd-Frank, banks would be required to hold a 5 percent interest, and, under this rule, they must hold at least K^* percent capital to support their 5 percent interest. Prudentially regulated capital market investors must also hold at least K^* percent capital on their MBS holdings with the proviso that systemically important financial institutions would be subject to greater capital requirements. And, as for the above, if the securities are divided into various tranches, it must be recognized that the weighted-average capital requirement of the combined tranches must also be at least K^* percent.
- Private insurance could be offered on 100 percent of the securitized mortgage pool at insurance rates determined in the marketplace. There would be no role for the government other than fulfilling its regulatory function. These private mortgage guarantors would automatically be considered by the Financial Stability Oversight Council to be systemically important financial institutions, which in effect means that they would be subject to (1) higher capital requirements—that is, K^{**} percent (where K^{**} exceeds K^*), (2) other forms of enhanced prudential regulation, and (3) a credible resolution authority (see below).

Role and properties of the resolution authority and private guarantors

The private mortgage guarantors and their resolution authority would have the following properties:

- The private mortgage guarantors cannot be financed via short-term (systemically risky) liabilities

because the risks that they guarantee are long term and systemic in nature.

- If the private guarantors are housed within a larger, complex financial institution, then the insurance unit must be ring-fenced and financed separately, again not using short-term liabilities for funding purposes.
- Upon the failure of one of these private insurers, any losses associated with unpaid mortgage guarantees to capital market investors would be *pari passu* with the senior unsecured debt of the guarantor. In other words, in the event of a failure of a private insurer, capital market investors would receive payment on only a fraction of the mortgage balance. This is quite similar to the treatment of covered bonds in the mortgage market in other international jurisdictions. The investors would, however, be assured of receiving the 75 percent share of insurance from the GMRIC.

The bigger picture

There is tremendous subsidization of homeownership in the United States. The Congressional Budget Office estimated that the total cost of tax expenditures—such as the mortgage interest rate tax deductibility, the tax exemption of implicit income from owned housing, the exemption from capital gains upon sale of a house, the subsidies to the GSEs, and so on—is alone close to a staggering \$300 billion per year. This number needs to be substantially reduced to enable private markets to allocate capital more efficiently in the economy. In particular:

- There is overconsumption of housing by the residents of the United States, which crowds out more productive economic investment such as human capital, social infrastructure, and business investment.
- The merits of the public mission of stimulating homeownership can be debated. While the GSEs may have had a little impact on increasing housing accessibility for the poor, they engaged in many activities that were completely unrelated to this mission. There are many more direct and effective ways to support housing initiatives at the federal, state, or municipal level. Furthermore, the GSE subsidies applied equally to first and second homes, encouraged leverage, and benefited the rich substantially more than the poor. The latter is true of several of the other tax expenditures as well.

Housing finance reform: Part of the US budget solution

The current budget crisis in the United States provides a wonderful opportunity to rethink US housing policy.

The below-market mortgage interest rates that the GSEs deliver are just one of many ways in which the

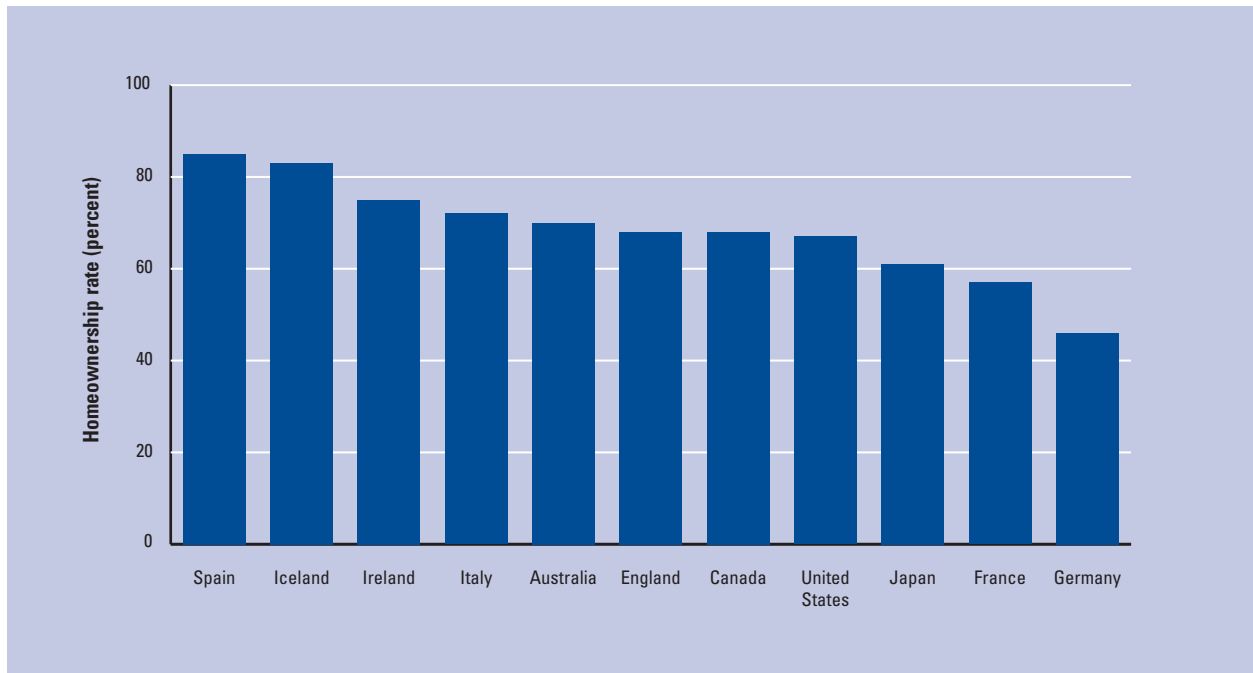
United States stimulates homeownership. The mortgage interest rate deduction, which allows homeowners to deduct the interest payment on a mortgage (up to a \$1.1 million loan balance) from taxable income, will result in an estimated \$484 billion loss of tax revenue in the five years from 2010 to 2014, according to the Joint Committee on Taxation. The exclusion of capital gains on primary residences (up to \$0.5 million for married taxpayers) is expected to cost another \$86 billion in lost revenue, and the deductibility of state and local property taxes for primary residences adds another \$121 billion to the five-year cost to the federal government. Other federal revenue losses came from the first-time home buyer tax credits and the discharge of mortgage indebtedness resulting from foreclosure or mortgage restructuring, not to mention a myriad of other smaller programs that subsidize homeownership. Finally, there is the exclusion of income implicitly derived from the use of one's home, a source of income that would constitute taxable income if a landlord were to rent out the house instead. This tax expenditure does not even figure in the report of the Joint Committee on Taxation. While this number is harder to pin down and fluctuates with the state of the housing market, this untaxed return from housing results in a revenue loss of at least \$215 billion in 2011 (assuming an average tax rate of 15 percent and a price-to-rent multiple of 15). All together, these housing-related "tax expenditures" add up to \$350 billion in 2011 alone, or more than one-fifth of the \$1.5 budget deficit. Over the five-year period through 2014, these expenditures will cost more than the entire 2011 budget deficit.

In 2011, the Supreme Court of the United States rejected the notion that such tax expenditures are equivalent to government spending. While that may be true in a strict legal sense, such a premise is false from an economic point of view since nearly every government expenditure can be turned into a tax expenditure.

Until recently, massive support for homeownership was untouchable for both US political parties both because these programs were deemed to be too popular with voters to dismantle and because of massive lobbying efforts. The Right characterized it as part of its "ownership society," whereas the Left saw it as a way of fighting rising income inequality. But the evidence on the efficacy of housing subsidies overwhelmingly points in the opposite direction.

International comparison shows clearly that no other developed country stimulates homeownership to a comparable degree, yet many other developed countries perform better in terms of the extent of homeownership (see Figure 5). Subsidizing homeownership with tax breaks and institutions such as Fannie and Freddie is neither a necessary nor a sufficient condition for a flourishing housing market.

In the United States, these policies failed to deliver. First, they pushed many homeowners into highly

Figure 5: Homeownership rates around the world, available dates during 2000–2010

Source: Pollock, 2010.

Notes: *Homeownership rates* refers to the percent of homes that are owned by the people who live in them. These rates are not available for the same year for all these countries.

levered bets on real estate that turned sour and wiped out nearly \$8 trillion in household net worth. US households now collectively have an ownership stake that amounts to only 40 percent of the value of their houses, the lowest fraction ever. Second, these homeownership policies are severely regressive. In recent research, Poterba and Sinai estimate that the benefits from the home mortgage interest deduction for the average home-owning household that earns between \$40,000 and \$75,000 are one-tenth of the benefits that accrue to the average home-owning household earning more than \$250,000.¹¹ Similarly, Jeske, Krueger, and Mitman find that GSE subsidies benefit the rich but hurt the poor. In other words, these policies increase income inequality instead of reducing it.¹²

These programs come at a cost that is overlooked in the public debate: they make housing relatively cheaper and other goods relatively more expensive. This, in turn, leads to more consumption of housing, more investment in housing and construction, but less business investment and less consumption of non-housing goods and services. The consensus among economists is that investment in residential real estate is substantially less productive (at the margin) than is capital investment by businesses outside the real estate sector—investment in social infrastructure capital or human capital. Every dollar that is spent on residential construction instead of on business or other investment reduces economic growth. Some research has found that all of the incentives for more houses have led to a housing stock that is 30 percent larger than would be

the case if all of the incentives were absent, and that US GDP is 10 percent smaller than it could be.¹³ Even a small amount of additional economic growth would be very efficacious as the economy is struggling.

Our preferred approach, as explained before, would be first to privatize Freddie Mac and Fannie Mae and then to dramatically scale back homeownership subsidies. We favor a focus on rental assistance programs for the poor that are on-budget, that are administered by the FHA, and whose costs are transparent.

This proposal is particularly relevant at this time because much-needed long-term reform of the US housing financing system can contribute to the solution of the short-term budget problems of the United States, and can also contribute to increasing financial stability. As became clear both during the paralysis of the US political system around the debt ceiling in August and again in November of 2011, the budgetary problems of the country are dire. Reforming housing subsidies can make a real contribution to their solution.

Notes

- 1 For a summary of the Dodd-Frank Act, see http://banking.senate.gov/public/_files/070110_Dodd_Frank_Wall_Street_Reform_comprehensive_summary_Final.pdf.
- 2 Bush 1992.
- 3 *Housing and Community Development Act of 1992*, Title XIII, "Government Sponsored Enterprises", Sec. 1354 "Review of Underwriting Guidelines."
- 4 See Ambrose and Temkin 2002.

- 5 As mentioned above, the GSEs generally required loans with LTVs of greater than 80 percent to have private mortgage insurance. An important point, however, is that while private mortgage insurance helps insulate some of the GSE losses from a defaulted mortgage, the high LTVs also make default more likely. As is well documented, mortgage defaults usually create dead-weight losses that are associated with spillover effects in the neighborhood, disinvestment in the property, and so on.
- 6 S&P/Case-Shiller Home Price Indices are available at <http://www.standardandpoors.com/indices/sp-case-shiller-home-price-indices/en/us/?indexId=spusa-cashpidff-p-us--->.
- 7 Financial Crisis Inquiry Commission 2011.
- 8 James B. Lockhart, Acting Director of the Office of Federal Housing Enterprise Oversight (OFHEO), released its *Report of the Special Examination of Fannie Mae* on May 23, 2006. See <http://www.fhfa.gov/webfiles/2095/52306fnmserelase.pdf>.
- 9 Fannie Mae Strategic Plan, 2007–2011.
- 10 See a discussion of the Dodd-Frank Act in Acharya et al. 2010.
- 11 Poterba and Sinai 2008.
- 12 Jeske et al. 2010.
- 13 Mills 1987a, b.

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- . 1987b. "Dividing up the Investment Pie: Have We Overinvested in Housing?" Federal Reserve Bank of Philadelphia *Business Review* (March/April 1987): 13–23.
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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 60 economies covered by *The Financial Development Report 2011*.

Page 1

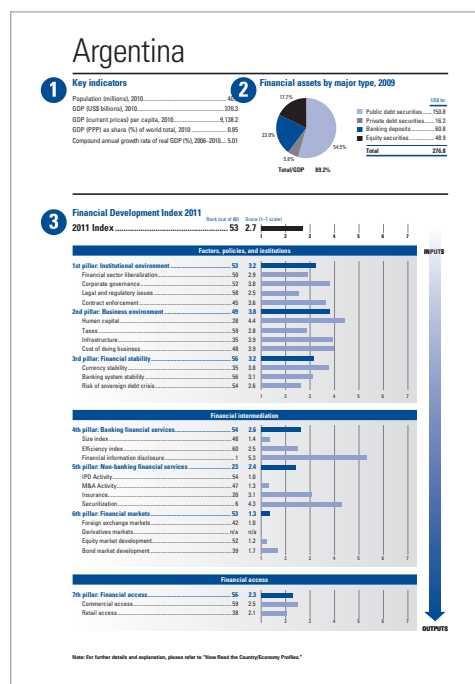
1 Key indicators

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 2011.

2 Financial assets by major type, 2009

- Public debt figures are from the Economist Intelligence Unit's *CountryData Database*, as accessed in October 2011. Private debt data come from the Bank for International Settlements *Quarterly Review*, June 2011, and are presented as of 2009. Data on banking deposits are from the IMF *International Financial Statistics* database, electronic version, accessed November 2011. Equity securities data were downloaded from the market capitalization dataset on the World Bank's *World Development Indicators* database in October 2011.
- 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 to 100 percent because of rounding.
- The total financial assets data are shown as a percentage 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 60 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 60 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 on 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 the 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 Singapore, which is ranked 4th overall, its 2nd rank in the variable *Quality of overall infrastructure* makes this variable a development advantage, whereas *Internet users*, on which it ranks 19th, constitutes a development disadvantage for the country.
- For those economies ranked from 11 through 30 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 Denmark, ranked 15th overall, its 10th rank in the variable *Telephone lines* makes this variable a development advantage, whereas *Mobile telephone subscriptions*, on which it ranks 17th, constitutes a development disadvantage for the country.
- For those economies ranked lower than 30 in the overall Index, any individual variables ranked 30th or higher are considered advantages. Any variables ranked 31st or lower are considered to be disadvantages. For Romania, ranked 52nd overall, its rank of 26 in *Foreign direct investment to GDP* constitutes a development advantage for the country, whereas its 51st rank in the variable *Financial market sophistication* makes this variable a development disadvantage.
- 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.

INDICATOR		RANK	VALUE	BEST PERFORMER	Worst
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	52	■	-0.8	Multiple (28) 2.5
1.02	Commitments to WTO agreement on trade in services	43	■	-0.25	Sri Lanka 0.5
1.03	Domestic financial sector liberalization	38	■	-1.0	Multiple (35) 1.0
Corporate governance					
1.04	Existence of investor-oriented compensation	38	■	4.0	Singapore 5.2
1.05	Efficacy of corporate boards	53	■	4.1	Sweden 5.9
1.06	Reliance on professional management	39	■	4.3	Sweden 6.4
1.07	Willingness to delegate	40	■	3.6	Sweden 6.3
1.08	Strength of auditing and reporting standards	56	■	2.9	South Africa 6.5
1.09	Ethical behavior of firms	58	■	3.2	Denmark 6.7
1.10	Prevalence of minority shareholders' interests	57	■	3.5	Sweden 6.0
Legal and regulatory issues					
1.11	Burden of government regulation	55	■	2.5	Singapore 5.6
1.12	Continuation of economic policymaking	59	■	1.7	Switzerland 5.6
1.13	Regulation of securities exchanges	54	■	3.8	South Africa 6.4
1.14	Priority rights	58	■	2.8	Finland 6.4
1.15	Intellectual property protection	58	■	2.5	Finland 6.2
1.16	Diversion of public funds	59	■	2.0	Denmark 6.5
1.17	Public trust in institutions	59	■	1.6	Singapore 6.4
1.18	Corruption perceptions index	49	■	2.9	Multiple (2) 9.3
1.19	Strength of legal rights index	45	■	4.5	Maldives (2) 10.0
1.20	Central bank transparency	29	■	7.5	Sweden 15.0
Contract enforcement					
1.21	Effectiveness of insolvency bodies	57	■	2.2	Singapore 6.5
1.22	Judicial independence	57	■	2.6	Denmark 6.6
1.23	Irregular payments to judicial decisions	48	■	3.2	Denmark 6.8
1.24	Time to enforce a contract	43	■	100.0	Singapore 190.0
1.25	Number of procedures to enforce a contract	32	■	36.0	Multiple (2) 23.0
1.26	Strength of investor protection index	47	■	4.7	Singapore 9.3
1.27	Cost of enforcing contracts	73	■	16.5	Norway 9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools	18	■	5.1	Belgium 6.1
2.02	Quality of math and science education	30	■	3.2	Singapore 6.4
2.03	Existence of skill training	42	■	3.9	Switzerland 5.6
2.04	Local availability of specialized research and training services	35	■	4.5	Switzerland 6.4
2.05	Brain drain and ease of hiring foreign labor	32	■	3.9	Switzerland 5.6
2.06	Talent environment	13	■	67.7	Korea, Rep. 98.1
Taxes					
2.07	Irregular payments on tax collection	51	■	3.7	Denmark 6.8
2.08	Distortive effect of taxes and subsidies on competition	60	■	2.2	Singapore 5.7
2.09	Marginal tax variation	60	■	32.2	Kuwait -4.7
2.10	Time to pay taxes	51	■	415.0	United Arab Emirates 12.0
Infrastructure					
2.11	Quality of overall infrastructure	52	■	3.5	Switzerland 6.7
2.12	Quality of telephone infrastructure	46	■	5.1	Sweden 6.9
2.13	Internet users	42	■	36.0	Norway 93.4
2.14	Broadband internet subscriptions	34	■	85	Switzerland 282.2
2.15	Telephone lines	26	■	24.7	Hong Kong SAR 61.6
2.16	Mobile telephone subscriptions	11	■	141.8	Hong Kong SAR 190.2
Cost of doing business					
2.17	Cost of starting a business	45	■	11.9	Denmark 0.0

- 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.

List of Countries/Economies

Country/Economy	Page	Country/Economy	Page
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Bangladesh	90	Saudi Arabia	246
Belgium	94	Singapore	250
Brazil	98	Slovak Republic	254
Canada	102	South Africa	258
Chile	106	Spain	262
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Colombia	114	Switzerland	270
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Denmark	122	Thailand	278
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Morocco	202		
Netherlands	206		
Nigeria	210		
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Panama	222		
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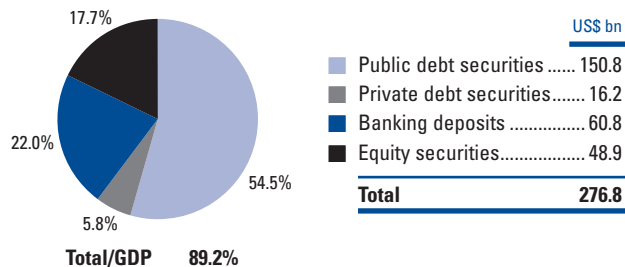
* Added in 2011

Argentina

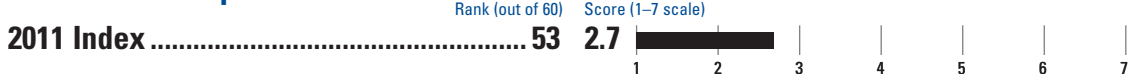
Key indicators

Population (millions), 2010.....	40.5
GDP (US\$ billions), 2010.....	370.3
GDP (current prices) per capita, 2010.....	9,138.2
GDP (PPP) as share (%) of world total, 2010	0.85
Compound annual growth rate of real GDP (%), 2006–2010....	5.01

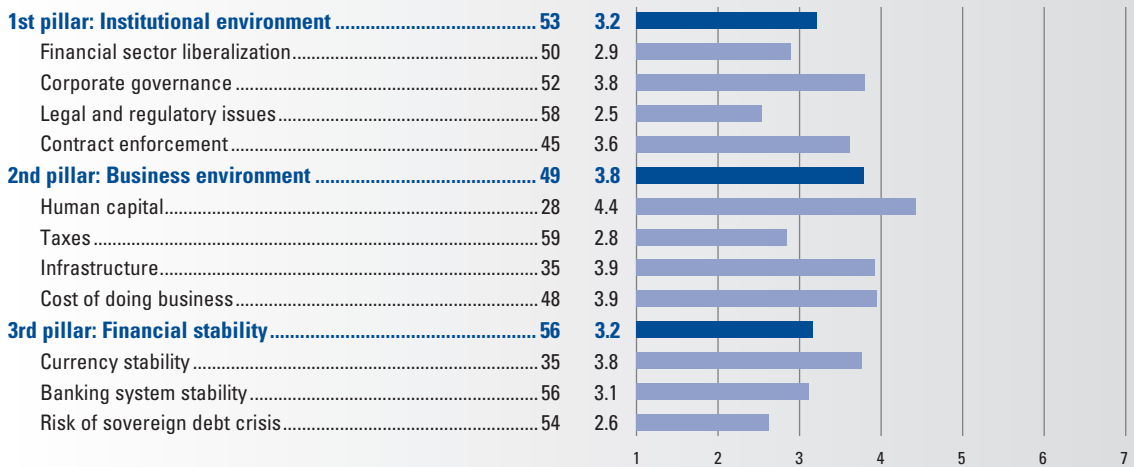
Financial assets by major type, 2009



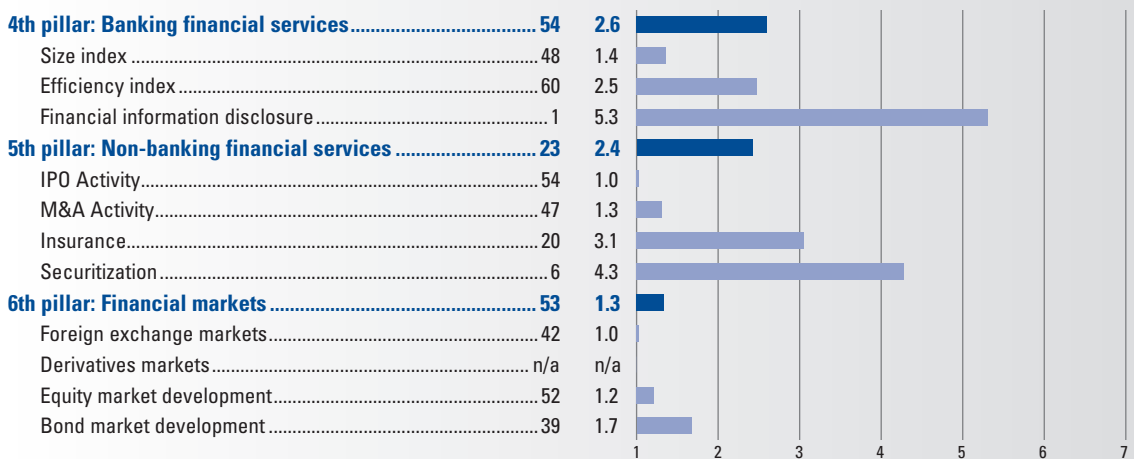
Financial Development Index 2011



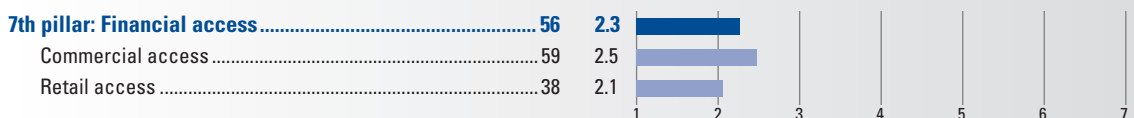
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	52	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	43	Turkey	83.5
1.03	Domestic financial sector liberalization	38	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	38	Singapore	5.2
1.05	Efficacy of corporate boards	53	Sweden	5.9
1.06	Reliance on professional management	39	Sweden	6.4
1.07	Willingness to delegate	40	Sweden	6.3
1.08	Strength of auditing and reporting standards	55	South Africa	6.5
1.09	Ethical behavior of firms	58	Denmark	6.7
1.10	Protection of minority shareholders' interests	57	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	55	Singapore	5.6
1.12	Centralization of economic policymaking	59	Switzerland	5.6
1.13	Regulation of securities exchanges	54	South Africa	6.4
1.14	Property rights	58	Finland	6.4
1.15	Intellectual property protection	58	Finland	6.2
1.16	Diversion of public funds	59	Denmark	6.5
1.17	Public trust in politicians	59	Singapore	6.4
1.18	Corruption perceptions index	49	Multiple (2)	9.3
1.19	Strength of legal rights index	45	Multiple (5)	10.0
1.20	Central bank transparency	29	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	57	Singapore	6.5
1.22	Judicial independence	57	Denmark	6.6
1.23	Irregular payments in judicial decisions	48	Denmark	6.8
1.24	Time to enforce a contract	43	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	Multiple (2)	21.0
1.26	Strength of investor protection index	47	Singapore	9.3
1.27	Cost of enforcing contracts	13	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	18	Belgium	6.1
2.02	Quality of math and science education	50	Singapore	6.4
2.03	Extent of staff training	40	Switzerland	5.6
2.04	Local availability of specialized research and training services	35	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	32	Switzerland	5.6
2.06	Tertiary enrollment	13	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	51	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	60	Singapore	5.7
2.09	Marginal tax variation	60	Kuwait	-4.7
2.10	Time to pay taxes	51	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	52	Switzerland	6.7
2.12	Quality of telephone infrastructure	46	Sweden	6.9
2.13	Internet users	42	Norway	93.4
2.14	Broadband Internet subscriptions	34	Switzerland	38.2
2.15	Telephone lines	26	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	11	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	45	Denmark	0.0

(Cont'd.)

Argentina

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	53	Multiple (2)	0.0
2.19	Cost of closing a business	31	Multiple (4)	1.0
2.20	Time to start a business	43	Australia	2.0
2.21	Time to register property	48	Multiple (3)	2.0
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)	46	Malaysia	10.9
3.02	External vulnerability indicator	27	Saudi Arabia	8.4
3.03	Current account balance to GDP	26	Kuwait	32.8
3.04	Dollarization vulnerability indicator	33	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	19	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	60	Multiple (10)	0.0
3.08	Financial strengths indicator	38	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	14	Ireland	7.0
3.10	Financial Stress Index	16	Austria	-3.9
3.11	Tier 1 capital ratio	n/a	Japan	23.9
3.12	Output loss during banking crises	58	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	56	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	56	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	32	Peru	6.7
3.16	Manageability of public debt	30	Russian Federation	9.1
3.17	Credit default swap spreads	52	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	54	Denmark	242.4
4.02	Central bank assets to GDP	11	Egypt	19.7
4.03	Financial system deposits to GDP	54	Hong Kong SAR	303.4
4.04	M2 to GDP	60	Hong Kong SAR	330.7
4.05	Private credit to GDP	54	Ireland	231.9
4.06	Bank deposits to GDP	58	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	24	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	58	Netherlands	6.1
4.09	Bank overhead costs	56	Singapore	0.3
4.10	Public ownership of banks	55	Multiple (24)	0.0
4.11	Bank operating costs to assets	58	Japan	0.8
4.12	Non-performing bank loans to total loans	16	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	7	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	44	China	35.4
5.02	IPO proceeds amount	52	Hong Kong SAR	3.7
5.03	Share of world IPOs	50	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

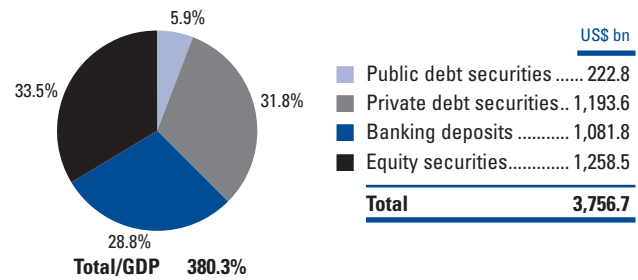
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	40	■	0.2	United States.....	34.0
5.05	M&A transaction value to GDP.....	49	■	1.4	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	39	■	0.3	United States.....	22.6
Insurance						
5.07	Life insurance density.....	44	■	0.5	Ireland.....	19.2
5.08	Non-life insurance density.....	22	■	2.2	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	3	■	0.2	China.....	0.3
5.10	Life insurance coverage.....	39	■	0.2	India.....	53.6
5.11	Non-life insurance coverage.....	19	■	0.9	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	22	■	1.5	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	17	■	0.7	United States.....	4.8
5.14	Share of total number of securitization deals.....	5	■	3.9	United States.....	52.3
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.....	44	■	0.0	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	n/a		n/a	United Kingdom.....	33.4
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.....	42	■	29.3	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	46	■	29.0	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	40	■	7.5	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	39	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	35	■	2.8	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	39	■	13.4	Poland.....	344.7
6.15	Private international bonds to GDP.....	47	■	1.6	Ireland.....	243.6
6.16	Public international bonds to GDP.....	8	■	13.3	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	43	■	0.0	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	57	■	3.4	United Kingdom.....	6.7
7.02	Venture capital availability.....	60	■	1.9	Israel.....	4.5
7.03	Ease of access to credit.....	43	■	3.1	Peru.....	4.8
7.04	Financing through local equity market.....	57	■	2.6	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	60	■	1.8	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	37	■	1.7	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	23	■	90,628.8	Japan.....	717,241.6
7.08	Commercial bank branches.....	32	■	13.2	Ireland.....	573
7.09	Total number of ATMs.....	36	■	36.9	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	24	■	0.5	Peru.....	110.0

Australia

Key indicators

Population (millions), 2010.....	22.2
GDP (US\$ billions), 2010.....	1,235.5
GDP (current prices) per capita, 2010.....	55,589.5
GDP (PPP) as share (%) of world total, 2010	1.19
Compound annual growth rate of real GDP (%), 2006–2010....	2.24

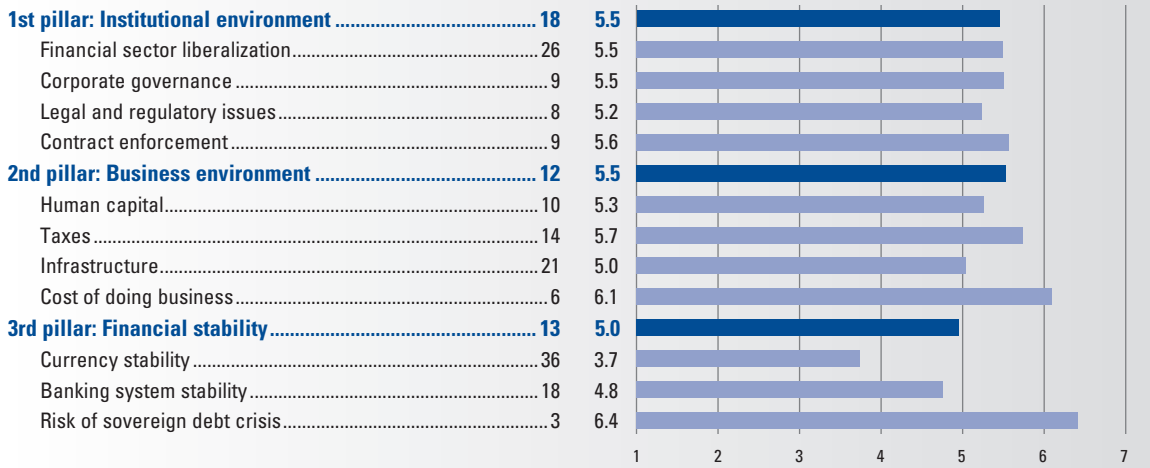
Financial assets by major type, 2009



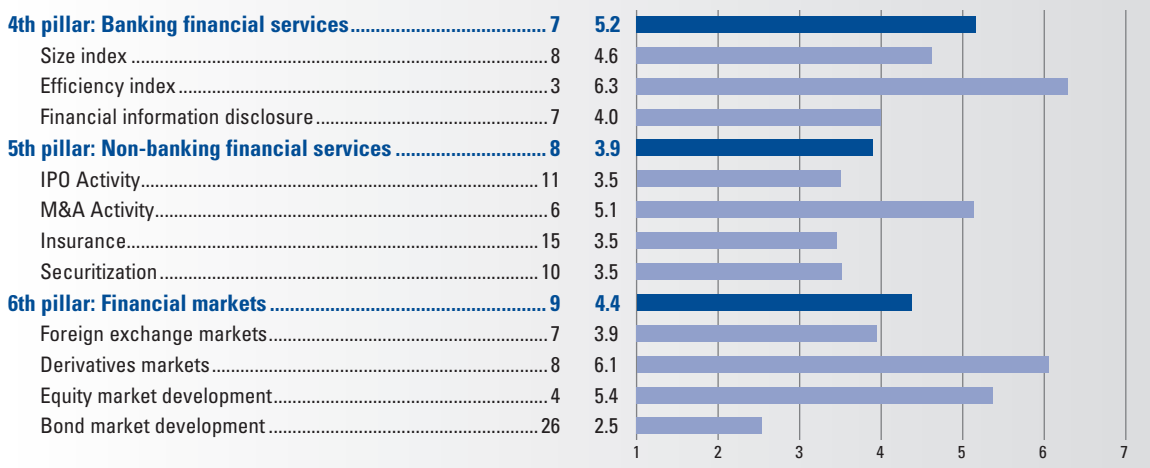
Financial Development Index 2011



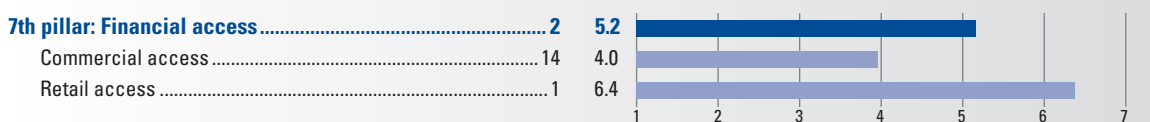
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	26	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	38	Turkey	83.5
1.03	Domestic financial sector liberalization	1	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	18	Singapore	5.2
1.05	Efficacy of corporate boards	3	Sweden	5.9
1.06	Reliance on professional management	9	Sweden	6.4
1.07	Willingness to delegate	9	Sweden	6.3
1.08	Strength of auditing and reporting standards	10	South Africa	6.5
1.09	Ethical behavior of firms	9	Denmark	6.7
1.10	Protection of minority shareholders' interests	11	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	31	Singapore	5.6
1.12	Centralization of economic policymaking	8	Switzerland	5.6
1.13	Regulation of securities exchanges	8	South Africa	6.4
1.14	Property rights	18	Finland	6.4
1.15	Intellectual property protection	15	Finland	6.2
1.16	Diversion of public funds	11	Denmark	6.5
1.17	Public trust in politicians	10	Singapore	6.4
1.18	Corruption perceptions index	7	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	14	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	5	Singapore	6.5
1.22	Judicial independence	12	Denmark	6.6
1.23	Irregular payments in judicial decisions	16	Denmark	6.8
1.24	Time to enforce a contract	15	Singapore	150.0
1.25	Number of procedures to enforce a contract	8	Multiple (2)	21.0
1.26	Strength of investor protection index	31	Singapore	9.3
1.27	Cost of enforcing contracts	21	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	13	Belgium	6.1
2.02	Quality of math and science education	11	Singapore	6.4
2.03	Extent of staff training	16	Switzerland	5.6
2.04	Local availability of specialized research and training services	14	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	27	Switzerland	5.6
2.06	Tertiary enrollment	8	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	19	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	23	Singapore	5.7
2.09	Marginal tax variation	19	Kuwait	-4.7
2.10	Time to pay taxes	10	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	25	Switzerland	6.7
2.12	Quality of telephone infrastructure	44	Sweden	6.9
2.13	Internet users	17	Norway	93.4
2.14	Broadband Internet subscriptions	19	Switzerland	38.2
2.15	Telephone lines	17	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	38	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	6	Denmark	0.0

(Cont'd.)

Australia

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	38	Multiple (2)	0.0
2.19	Cost of closing a business	18	Multiple (4)	1.0
2.20	Time to start a business	1	Australia	2.0
2.21	Time to register property	5	Multiple (3)	2.0
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)	12	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	47	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	14	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (10)	0.0
3.08	Financial strengths indicator	4	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	27	Ireland	7.0
3.10	Financial Stress Index	40	Austria	-3.9
3.11	Tier 1 capital ratio	38	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	1	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	30	Peru	6.7
3.16	Manageability of public debt	13	Russian Federation	9.1
3.17	Credit default swap spreads	7	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	13	Denmark	242.4
4.02	Central bank assets to GDP	6	Egypt	19.7
4.03	Financial system deposits to GDP	8	Hong Kong SAR	303.4
4.04	M2 to GDP	17	Hong Kong SAR	330.7
4.05	Private credit to GDP	10	Ireland	231.9
4.06	Bank deposits to GDP	9	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	7	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	19	Netherlands	6.1
4.09	Bank overhead costs	17	Singapore	0.3
4.10	Public ownership of banks	28	Multiple (24)	0.0
4.11	Bank operating costs to assets	16	Japan	0.8
4.12	Nonperforming bank loans to total loans	4	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	7	China	35.4
5.02	IPO proceeds amount	12	Hong Kong SAR	3.7
5.03	Share of world IPOs	7	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

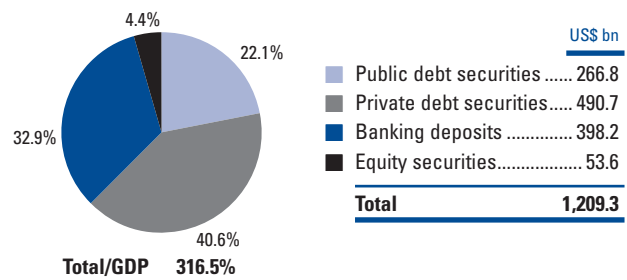
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	10	3.1	United States.....	34.0
5.05 M&A transaction value to GDP.....	6	7.8	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	7	4.2	United States.....	22.6
Insurance				
5.07 Life insurance density.....	21	3.1	Ireland.....	19.2
5.08 Non-life insurance density.....	16	2.8	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	33	0.0	China.....	0.3
5.10 Life insurance coverage.....	22	0.7	India.....	53.6
5.11 Non-life insurance coverage.....	27	0.6	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	3	3.9	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	9	1.4	United States.....	4.8
5.14 Share of total number of securitization deals.....	11	1.3	United States.....	52.3
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.....	33.4
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.....	9	202.9	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	10	179.0	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	7	349.4	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	3	1.1	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	12	54.8	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	32	23.1	Poland.....	344.7
6.15 Private international bonds to GDP.....	14	46.4	Ireland.....	243.6
6.16 Public international bonds to GDP.....	44	0.8	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	28	0.4	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	9	6.2	United Kingdom.....	6.7
7.02 Venture capital availability.....	17	3.5	Israel.....	4.5
7.03 Ease of access to credit.....	36	3.3	Peru.....	4.8
7.04 Financing through local equity market.....	13	4.7	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	16	3.7	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	22	2.6	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08 Commercial bank branches.....	11	31.9	Ireland.....	573
7.09 Total number of ATMs.....	3	156.7	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	3	4,039.6	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Austria

Key indicators

Population (millions), 2010.....	8.4
GDP (US\$ billions), 2010.....	376.8
GDP (current prices) per capita, 2010.....	44,986.6
GDP (PPP) as share (%) of world total, 2010	0.45
Compound annual growth rate of real GDP (%), 2006–2010....	0.76

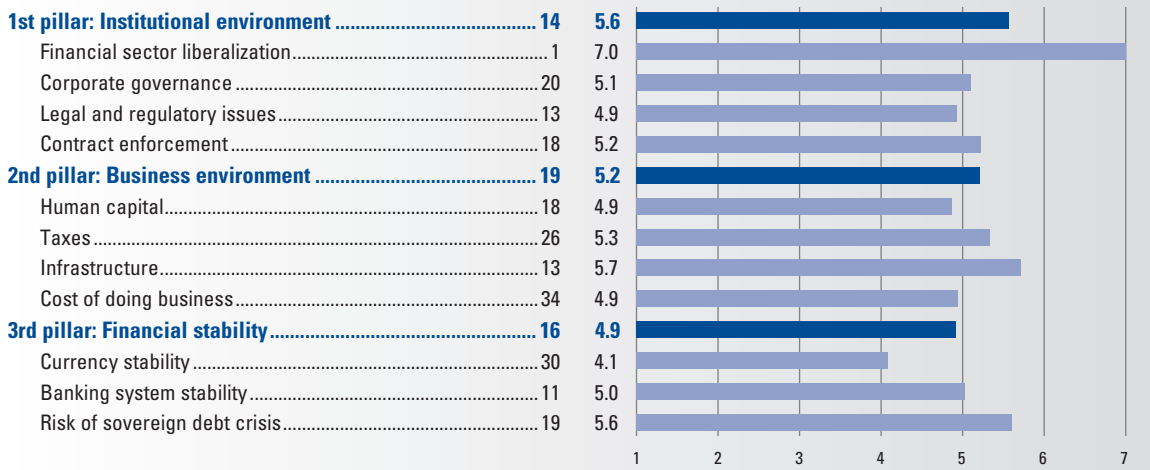
Financial assets by major type, 2009



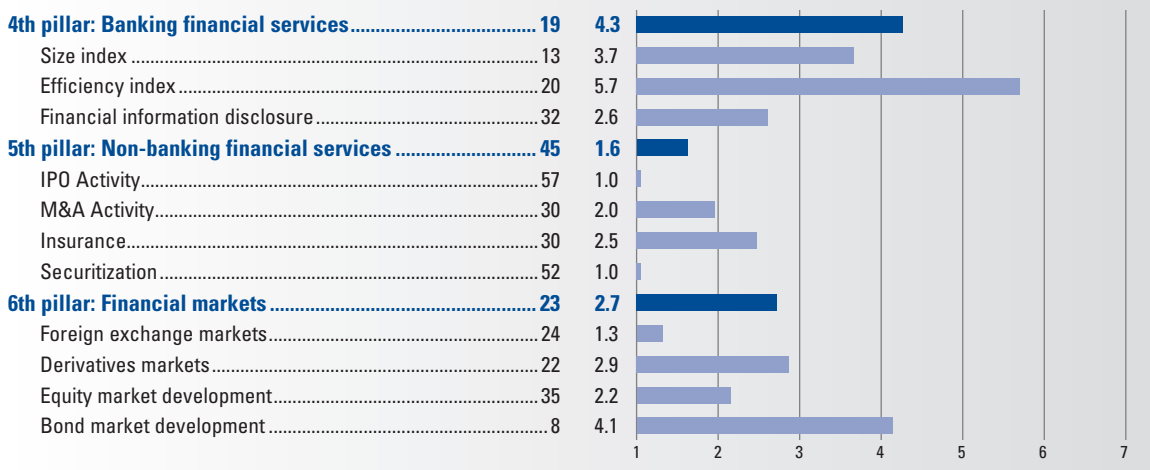
Financial Development Index 2011



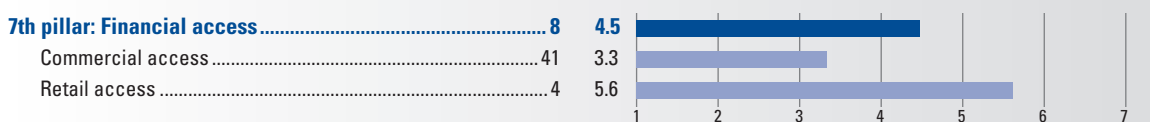
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	71.6	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	20	■	4.4	Singapore	5.2
1.05	Efficacy of corporate boards	16	■	5.2	Sweden	5.9
1.06	Reliance on professional management	19	■	5.2	Sweden	6.4
1.07	Willingness to delegate	20	■	4.4	Sweden	6.3
1.08	Strength of auditing and reporting standards	15	■	5.7	South Africa	6.5
1.09	Ethical behavior of firms	11	■	5.9	Denmark	6.7
1.10	Protection of minority shareholders' interests	23	■	4.8	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	19	■	3.5	Singapore	5.6
1.12	Centralization of economic policymaking	7	■	4.3	Switzerland	5.6
1.13	Regulation of securities exchanges	30	■	4.7	South Africa	6.4
1.14	Property rights	11	■	5.9	Finland	6.4
1.15	Intellectual property protection	13	■	5.5	Finland	6.2
1.16	Diversion of public funds	16	■	5.3	Denmark	6.5
1.17	Public trust in politicians	18	■	3.7	Singapore	6.4
1.18	Corruption perceptions index	12	■	7.9	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	20	■	4.4	Singapore	6.5
1.22	Judicial independence	17	■	5.5	Denmark	6.6
1.23	Irregular payments in judicial decisions	13	■	6.3	Denmark	6.8
1.24	Time to enforce a contract	17	■	397.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	3	■	25.0	Multiple (2)	21.0
1.26	Strength of investor protection index	56	■	4.0	Singapore	9.3
1.27	Cost of enforcing contracts	18	■	18.0	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	24	■	4.8	Belgium	6.1
2.02	Quality of math and science education	23	■	4.6	Singapore	6.4
2.03	Extent of staff training	13	■	5.0	Switzerland	5.6
2.04	Local availability of specialized research and training services	5	■	6.0	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	29	■	4.0	Switzerland	5.6
2.06	Tertiary enrollment	28	■	54.7	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	16	■	6.2	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	25	■	4.2	Singapore	5.7
2.09	Marginal tax variation	40	■	10.0	Kuwait	-4.7
2.10	Time to pay taxes	22	■	170.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	7	■	6.3	Switzerland	6.7
2.12	Quality of telephone infrastructure	10	■	6.8	Sweden	6.9
2.13	Internet users	18	■	72.7	Norway	93.4
2.14	Broadband Internet subscriptions	18	■	23.9	Switzerland	38.2
2.15	Telephone lines	18	■	38.7	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	8	■	145.8	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	28	■	5.2	Denmark	0.0

(Cont'd.)

Austria

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	34	Multiple (2)	0.0
2.19	Cost of closing a business	41	Multiple (4)	1.0
2.20	Time to start a business	45	Australia	2.0
2.21	Time to register property	22	Multiple (3)	2.0
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)	40	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	20	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	8	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	38	Multiple (10)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	20	Ireland	7.0
3.10	Financial Stress Index	1	Austria	-3.9
3.11	Tier 1 capital ratio	10	Japan	23.9
3.12	Output loss during banking crises	32	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	1	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	39	Peru	6.7
3.16	Manageability of public debt	48	Russian Federation	9.1
3.17	Credit default swap spreads	18	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	16	Denmark	242.4
4.02	Central bank assets to GDP	20	Egypt	19.7
4.03	Financial system deposits to GDP	17	Hong Kong SAR	303.4
4.04	M2 to GDP	16	Hong Kong SAR	330.7
4.05	Private credit to GDP	14	Ireland	231.9
4.06	Bank deposits to GDP	19	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	8	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	37	Netherlands	6.1
4.09	Bank overhead costs	33	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	28	Japan	0.8
4.12	Nonperforming bank loans to total loans	13	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	27	Multiple (12)	100.0
4.14	Public credit registry coverage	21	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	57	China	35.4
5.02	IPO proceeds amount	57	Hong Kong SAR	3.7
5.03	Share of world IPOs	54	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage
■ Development Disadvantage

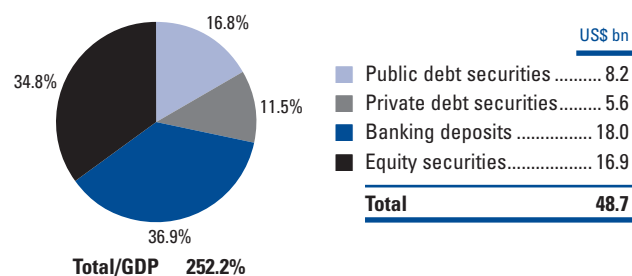
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....25	■	0.5	United States.....34.0
5.05	M&A transaction value to GDP.....26	■	3.4	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....30	■	0.5	United States.....22.6
Insurance				
5.07	Life insurance density.....23	■	2.7	Ireland.....19.2
5.08	Non-life insurance density.....11	■	3.2	Netherlands.....9.2
5.09	Real growth of direct insurance premiums.....38	■	0.0	China.....0.3
5.10	Life insurance coverage.....37	■	0.2	India.....53.6
5.11	Non-life insurance coverage.....38	■	0.3	China.....16.3
5.12	Relative value-added of insurance to GDP.....38	■	0.8	Bahrain.....5.9
Securitization				
5.13	Securitization to GDP.....52	■	0.0	United States.....4.8
5.14	Share of total number of securitization deals.....37	■	0.1	United States.....52.3
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.....33.4
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				
6.09	Stock market turnover ratio.....22	■	90.6	Italy.....579.3
6.10	Stock market capitalization to GDP.....34	■	73.0	Hong Kong SAR.....742.5
6.11	Stock market value traded to GDP.....25	■	57.7	Switzerland.....673.1
6.12	Number of listed companies per 10,000 people.....n/a		n/a	Canada.....1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....11	■	54.8	Denmark.....185.9
6.14	Public domestic bond market capitalization to GDP.....21	■	32.7	Poland.....344.7
6.15	Private international bonds to GDP.....10	■	61.3	Ireland.....243.6
6.16	Public international bonds to GDP.....6	■	26.1	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....15	■	1.0	Singapore.....3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....25	■	5.5	United Kingdom.....6.7
7.02	Venture capital availability.....31	■	2.9	Israel.....4.5
7.03	Ease of access to credit.....49	■	2.8	Peru.....4.8
7.04	Financing through local equity market.....48	■	3.6	Hong Kong SAR.....5.4
7.05	Ease of access to loans.....29	■	3.2	Bahrain.....5.0
7.06	Foreign direct investment to GDP.....35	■	1.8	Hong Kong SAR.....30.6
Retail access				
7.07	Market penetration of bank accounts.....5	■	240,270.8	Japan.....717,241.6
7.08	Commercial bank branches.....12	■	27.5	Ireland.....573
7.09	Total number of ATMs.....7	■	118.9	Canada.....218.5
7.10	Total number of point of sale (POS) devices.....2	■	4,174.1	South Africa.....89,086.8
7.11	Loan accounts at MFIs.....n/a		n/a	Peru.....110.0

Bahrain

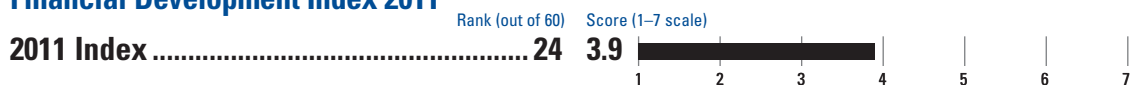
Key indicators

Population (millions), 2010.....	1.1
GDP (US\$ billions), 2010.....	22.7
GDP (current prices) per capita, 2010.....	20,474.8
GDP (PPP) as share (%) of world total, 2010	0.04
Compound annual growth rate of real GDP (%), 2006–2010....	4.34

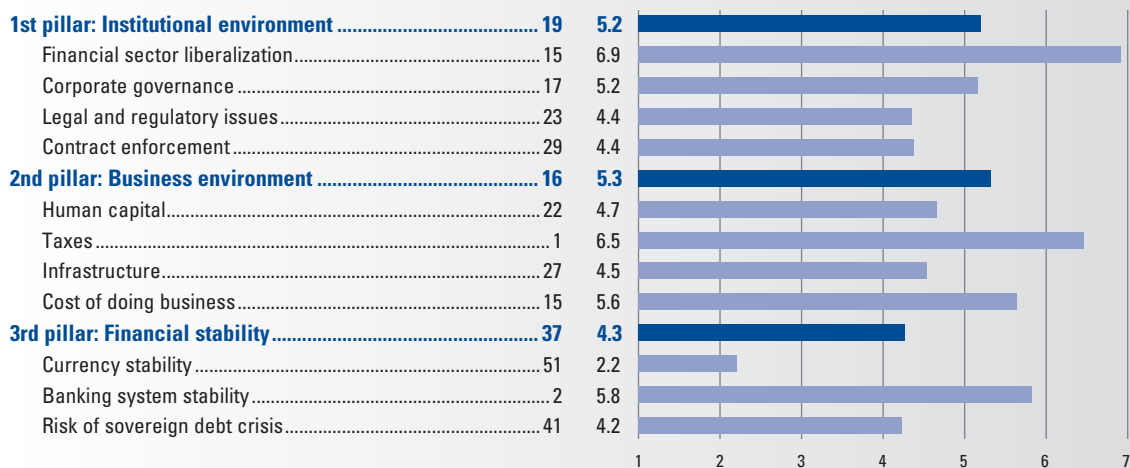
Financial assets by major type, 2009



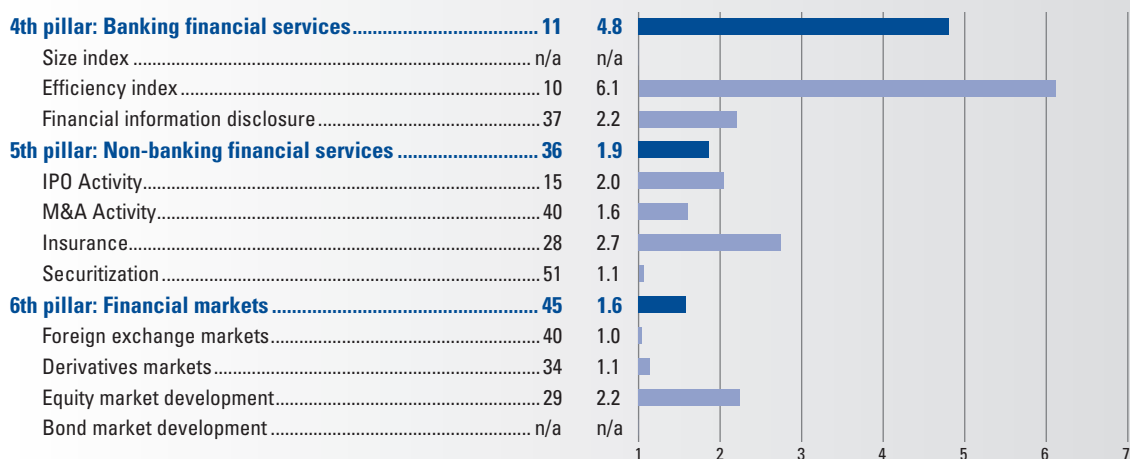
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	17	■	54.0	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	19	■	4.5	Singapore	5.2
1.05	Efficacy of corporate boards	15	■	5.2	Sweden	5.9
1.06	Reliance on professional management	22	■	5.1	Sweden	6.4
1.07	Willingness to delegate	22	■	4.4	Sweden	6.3
1.08	Strength of auditing and reporting standards	5	■	6.1	South Africa	6.5
1.09	Ethical behavior of firms	21	■	5.3	Denmark	6.7
1.10	Protection of minority shareholders' interests	6	■	5.6	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	3	■	4.9	Singapore	5.6
1.12	Centralization of economic policymaking	35	■	3.0	Switzerland	5.6
1.13	Regulation of securities exchanges	6	■	5.8	South Africa	6.4
1.14	Property rights	15	■	5.7	Finland	6.4
1.15	Intellectual property protection	16	■	5.3	Finland	6.2
1.16	Diversion of public funds	13	■	5.5	Denmark	6.5
1.17	Public trust in politicians	11	■	4.4	Singapore	6.4
1.18	Corruption perceptions index	25	■	4.9	Multiple (2)	9.3
1.19	Strength of legal rights index	45	■	4.0	Multiple (5)	10.0
1.20	Central bank transparency	42	■	3.5	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	21	■	4.3	Singapore	6.5
1.22	Judicial independence	19	■	5.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	20	■	5.9	Denmark	6.8
1.24	Time to enforce a contract	46	■	635.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	58	■	48.0	Multiple (2)	21.0
1.26	Strength of investor protection index	36	■	5.3	Singapore	9.3
1.27	Cost of enforcing contracts	11	■	14.7	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	37	■	4.3	Belgium	6.1
2.02	Quality of math and science education	24	■	4.5	Singapore	6.4
2.03	Extent of staff training	10	■	5.0	Switzerland	5.6
2.04	Local availability of specialized research and training services	29	■	4.7	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	11	■	4.8	Switzerland	5.6
2.06	Tertiary enrollment	31	■	51.2	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	7	■	6.5	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	3	■	5.5	Singapore	5.7
2.09	Marginal tax variation	5	■	0.0	Kuwait	-4.7
2.10	Time to pay taxes	2	■	36.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	16	■	5.9	Switzerland	6.7
2.12	Quality of telephone infrastructure	13	■	6.7	Sweden	6.9
2.13	Internet users	28	■	55.0	Norway	93.4
2.14	Broadband Internet subscriptions	28	■	12.2	Switzerland	38.2
2.15	Telephone lines	40	■	18.1	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	18	■	124.2	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	6	■	0.7	Denmark	0.0

(Cont'd.)

Bahrain

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	21	■	2.7	Multiple (2)	0.0
2.19	Cost of closing a business	28	■	10.0	Multiple (4)	1.0
2.20	Time to start a business	20	■	9.0	Australia	2.0
2.21	Time to register property	31	■	31.0	Multiple (3)	2.0
2.22	Time to close a business	34	■	2.5	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	51	■	-2.9	Malaysia	10.9
3.02	External vulnerability indicator	36	■	623.0	Saudi Arabia	8.4
3.03	Current account balance to GDP	13	■	5.9	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	36	■	171.3	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	1	■	0.0	Multiple (10)	0.0
3.08	Financial strengths indicator	30	■	4.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a		n/a	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	40	■	11.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	37	■	11.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	14	■	5.7	Peru	6.7
3.16	Manageability of public debt	44	■	60.8	Russian Federation	9.1
3.17	Credit default swap spreads	41	■	290.5	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	n/a		n/a	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	n/a		n/a	Hong Kong SAR	303.4
4.04	M2 to GDP	19	■	92.3	Hong Kong SAR	330.7
4.05	Private credit to GDP	n/a		n/a	Ireland	231.9
4.06	Bank deposits to GDP	17	■	93.0	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	5	■	5.3	Netherlands	6.1
4.09	Bank overhead costs	45	■	4.1	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	22	■	1.6	Japan	0.8
4.12	Nonperforming bank loans to total loans	n/a		n/a	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	30	■	40.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	40	■	0.1	China	35.4
5.02	IPO proceeds amount	6	■	0.6	Hong Kong SAR	3.7
5.03	Share of world IPOs	54	■	0.0	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

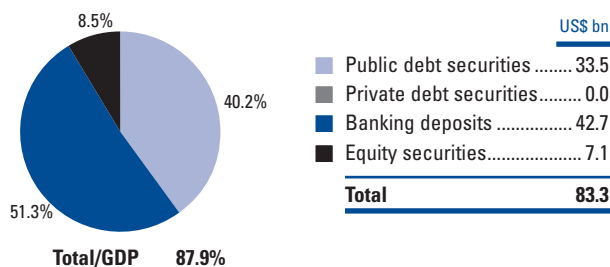
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	54	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	29	■	3.2	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	58	■	0.0	United States.....	22.6
Insurance						
5.07	Life insurance density.....	38	■	0.8	Ireland.....	19.2
5.08	Non-life insurance density.....	28	■	1.9	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a		n/a	China.....	0.3
5.10	Life insurance coverage.....	57	■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	57	■	0.0	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	1	■	5.9	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	50	■	0.1	United States.....	4.8
5.14	Share of total number of securitization deals.....	56	■	0.0	United States.....	52.3
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.....	41	■	0.0	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	30	■	0.2	United Kingdom.....	33.4
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.....	35	■	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.....	28	■	0.0	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	48	■	4.3	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a		n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a		n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	10	■	0.4	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	22	■	24.1	Ireland.....	243.6
6.16	Public international bonds to GDP.....	15	■	9.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	16	■	6.0	United Kingdom.....	6.7
7.02	Venture capital availability.....	7	■	4.2	Israel.....	4.5
7.03	Ease of access to credit.....	14	■	4.2	Peru.....	4.8
7.04	Financing through local equity market.....	15	■	4.6	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	1	■	5.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	50	■	0.7	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	n/a		n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	n/a		n/a	Ireland.....	573
7.09	Total number of ATMs.....	n/a		n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

Bangladesh

Key indicators

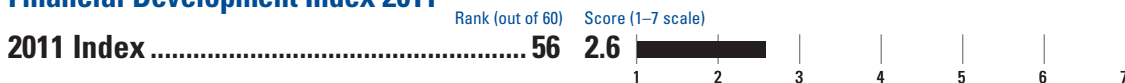
Population (millions), 2010.....	164.5
GDP (US\$ billions), 2010.....	104.9
GDP (current prices) per capita, 2010.....	637.9
GDP (PPP) as share (%) of world total, 2010	0.35
Compound annual growth rate of real GDP (%), 2006–2010....	4.79

Financial assets by major type, 2009

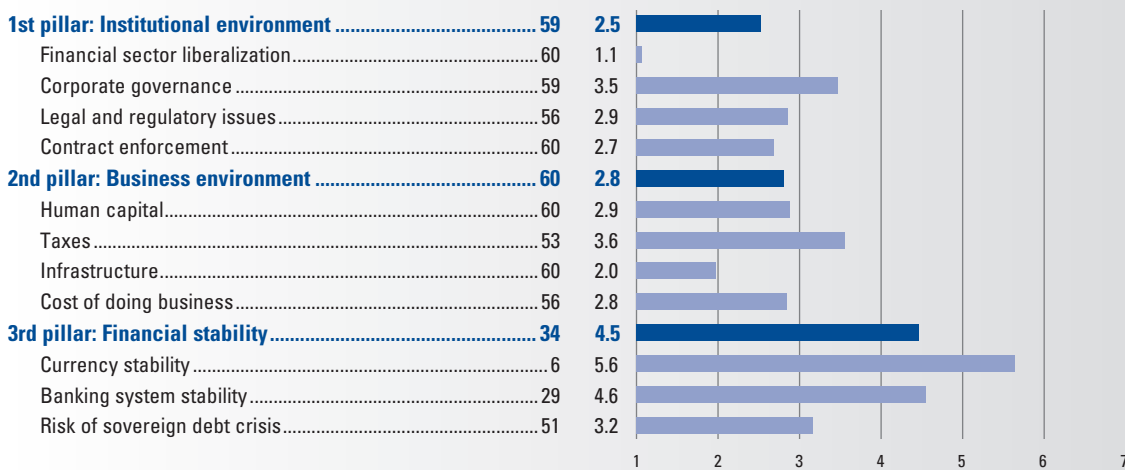


	US\$ bn
Public debt securities	33.5
Private debt securities.....	0.0
Banking deposits	42.7
Equity securities.....	7.1
Total	83.3

Financial Development Index 2011

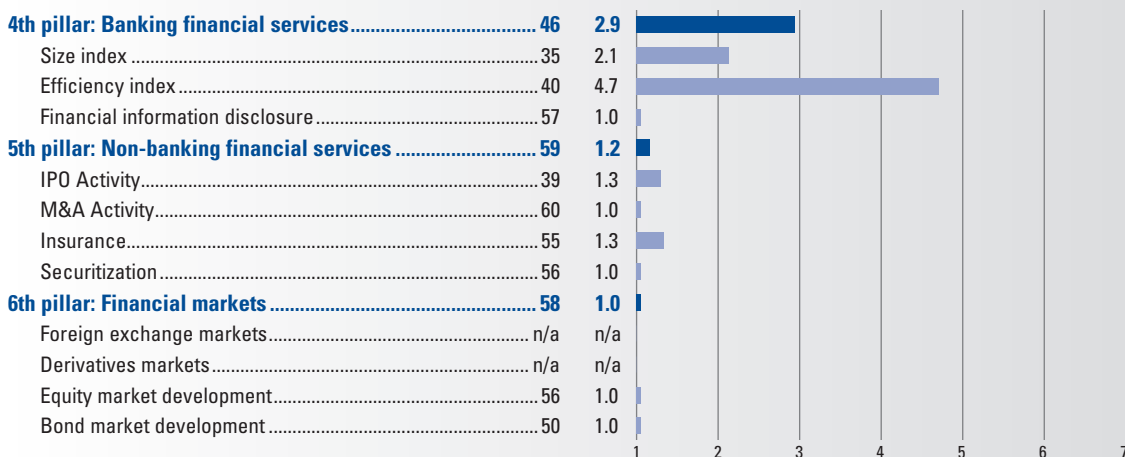


Factors, policies, and institutions

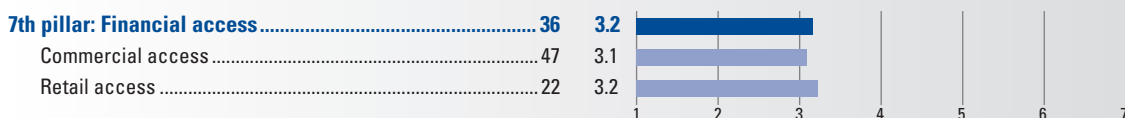


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	58	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	53	Turkey	83.5
1.03	Domestic financial sector liberalization	n/a	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	60	Singapore	5.2
1.05	Efficacy of corporate boards	54	Sweden	5.9
1.06	Reliance on professional management	52	Sweden	6.4
1.07	Willingness to delegate	59	Sweden	6.3
1.08	Strength of auditing and reporting standards	57	South Africa	6.5
1.09	Ethical behavior of firms	57	Denmark	6.7
1.10	Protection of minority shareholders' interests	56	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	35	Singapore	5.6
1.12	Centralization of economic policymaking	54	Switzerland	5.6
1.13	Regulation of securities exchanges	49	South Africa	6.4
1.14	Property rights	50	Finland	6.4
1.15	Intellectual property protection	59	Finland	6.2
1.16	Diversion of public funds	51	Denmark	6.5
1.17	Public trust in politicians	50	Singapore	6.4
1.18	Corruption perceptions index	54	Multiple (2)	9.3
1.19	Strength of legal rights index	23	Multiple (5)	10.0
1.20	Central bank transparency	n/a	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	44	Singapore	6.5
1.22	Judicial independence	50	Denmark	6.6
1.23	Irregular payments in judicial decisions	47	Denmark	6.8
1.24	Time to enforce a contract	60	Singapore	150.0
1.25	Number of procedures to enforce a contract	50	Multiple (2)	21.0
1.26	Strength of investor protection index	17	Singapore	9.3
1.27	Cost of enforcing contracts	59	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	49	Belgium	6.1
2.02	Quality of math and science education	48	Singapore	6.4
2.03	Extent of staff training	59	Switzerland	5.6
2.04	Local availability of specialized research and training services	60	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	57	Switzerland	5.6
2.06	Tertiary enrollment	58	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	60	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	31	Singapore	5.7
2.09	Marginal tax variation	55	Kuwait	-4.7
2.10	Time to pay taxes	45	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	59	Switzerland	6.7
2.12	Quality of telephone infrastructure	58	Sweden	6.9
2.13	Internet users	60	Norway	93.4
2.14	Broadband Internet subscriptions	59	Switzerland	38.2
2.15	Telephone lines	59	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	60	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	58	Denmark	0.0

(Cont'd.)

Bangladesh

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
2nd pillar: Business environment (cont'd.)					
2.18	Cost of registering property	52	6.6	Multiple (2)	0.0
2.19	Cost of closing a business	18	8.0	Multiple (4)	1.0
2.20	Time to start a business	36	19.0	Australia	2.0
2.21	Time to register property	60	245.0	Multiple (3)	2.0
2.22	Time to close a business	47	4.0	Ireland	0.4
3rd pillar: Financial stability					
Currency stability					
3.01	Change in real effective exchange rate (REER)	n/a	n/a	Malaysia	10.9
3.02	External vulnerability indicator	5	19.4	Saudi Arabia	8.4
3.03	Current account balance to GDP	25	2.2	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	8	24.0	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	n/a	Hong Kong SAR	308.6
Banking system stability					
3.07	Frequency of banking crises	17	1.0	Multiple (10)	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	Ireland	7.0
3.10	Financial Stress Index	n/a	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	47	4.8	Japan	23.9
3.12	Output loss during banking crises	1	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis					
3.13	Local currency sovereign rating	51	8.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	51	8.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	48	4.5	Peru	6.7
3.16	Manageability of public debt	14	33.3	Russian Federation	9.1
3.17	Credit default swap spreads	n/a	n/a	United States	36.7
4th pillar: Banking financial services					
Size index					
4.01	Deposit money bank assets to GDP	41	54.3	Denmark	242.4
4.02	Central bank assets to GDP	7	6.4	Egypt	19.7
4.03	Financial system deposits to GDP	36	51.7	Hong Kong SAR	303.4
4.04	M2 to GDP	43	54.3	Hong Kong SAR	330.7
4.05	Private credit to GDP	44	37.3	Ireland	231.9
4.06	Bank deposits to GDP	40	51.3	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	0.0	Ireland	39.1
Efficiency index					
4.08	Aggregate profitability indicator	7	5.0	Netherlands	6.1
4.09	Bank overhead costs	31	2.4	Singapore	0.3
4.10	Public ownership of banks	56	51.2	Multiple (24)	0.0
4.11	Bank operating costs to assets	40	2.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	n/a	n/a	Switzerland	0.4
Financial information disclosure					
4.13	Private credit bureau coverage	50	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	24	0.6	China	82.5
5th pillar: Non-banking financial services					
IPO activity					
5.01	IPO market share	47	0.0	China	35.4
5.02	IPO proceeds amount	40	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	17	0.8	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

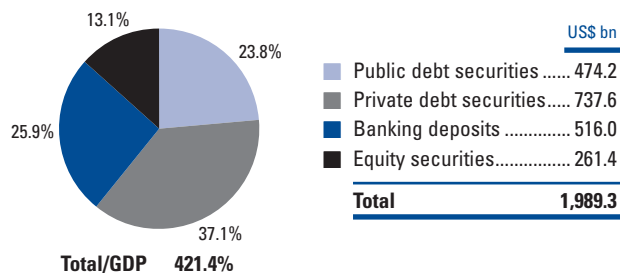
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	58	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	60	■	0.3	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	60	■	0.0	United States.....	22.6
Insurance						
5.07	Life insurance density.....	42	■	0.7	Ireland.....	19.2
5.08	Non-life insurance density.....	58	■	0.2	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a		n/a	China.....	0.3
5.10	Life insurance coverage.....	14	■	1.1	India.....	53.6
5.11	Non-life insurance coverage.....	32	■	0.4	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	50	■	0.5	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	57	■	0.0	United States.....	4.8
5.14	Share of total number of securitization deals.....	56	■	0.0	United States.....	52.3
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.....	33.4
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.....	n/a		n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	52	■	16.7	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a		n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	47	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	41	■	0.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	44	■	6.5	Poland.....	344.7
6.15	Private international bonds to GDP.....	55	■	0.0	Ireland.....	243.6
6.16	Public international bonds to GDP.....	53	■	0.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	55	■	3.5	United Kingdom.....	6.7
7.02	Venture capital availability.....	51	■	2.3	Israel.....	4.5
7.03	Ease of access to credit.....	22	■	4.0	Peru.....	4.8
7.04	Financing through local equity market.....	18	■	4.5	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	44	■	2.6	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	49	■	0.9	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	38	■	31,667.1	Japan.....	717,241.6
7.08	Commercial bank branches.....	47	■	5.2	Ireland.....	573
7.09	Total number of ATMs.....	n/a		n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	2	■	65.3	Peru.....	110.0

Belgium

Key indicators

Population (millions), 2010.....	10.9
GDP (US\$ billions), 2010.....	465.7
GDP (current prices) per capita, 2010.....	42,630.1
GDP (PPP) as share (%) of world total, 2010	0.53
Compound annual growth rate of real GDP (%), 2006–2010....	0.56

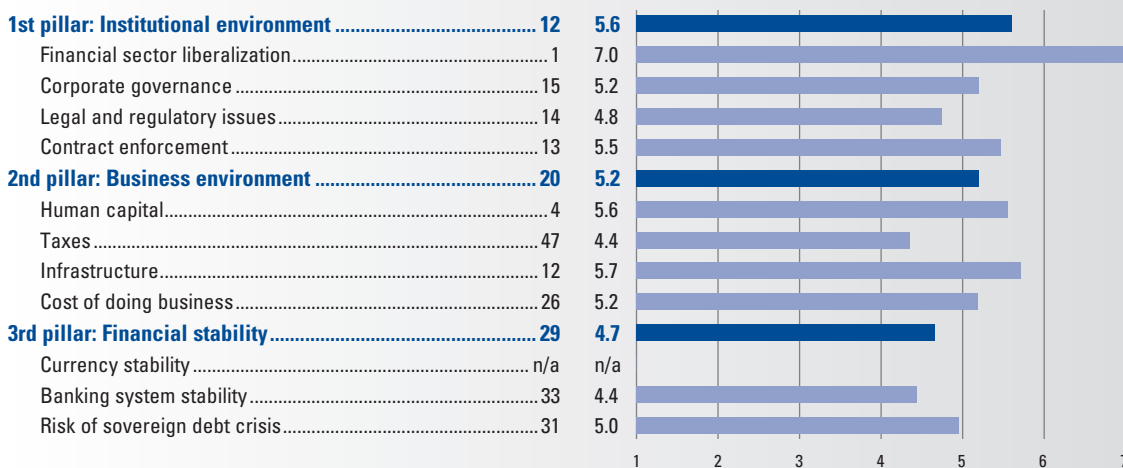
Financial assets by major type, 2009



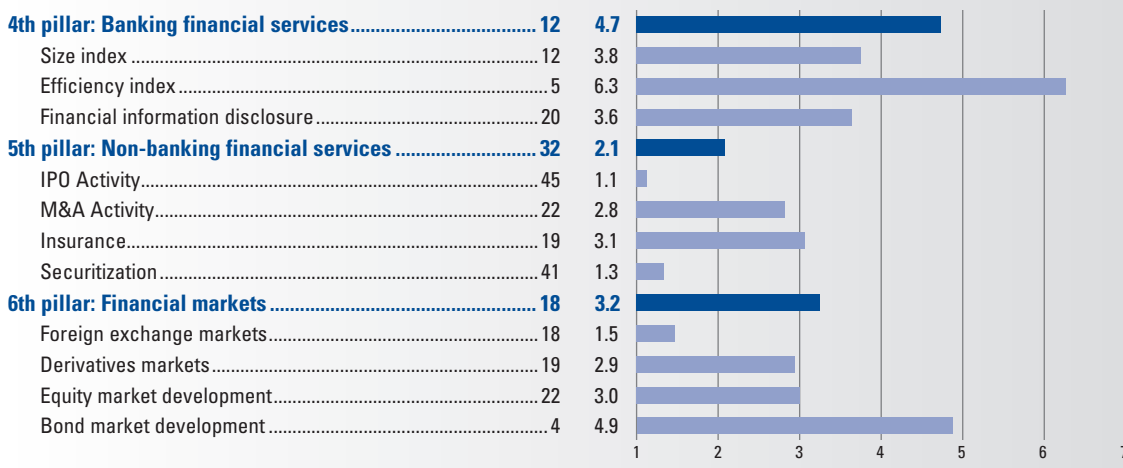
Financial Development Index 2011



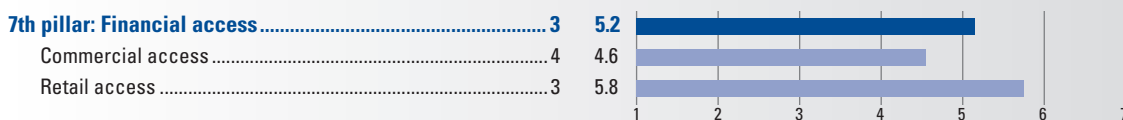
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.48	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	72.80	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.00	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	22	■	4.42	Singapore	5.2
1.05	Efficacy of corporate boards	20	■	5.06	Sweden	5.9
1.06	Reliance on professional management	13	■	5.58	Sweden	6.4
1.07	Willingness to delegate	10	■	4.95	Sweden	6.3
1.08	Strength of auditing and reporting standards	13	■	5.72	South Africa	6.5
1.09	Ethical behavior of firms	16	■	5.64	Denmark	6.7
1.10	Protection of minority shareholders' interests	15	■	5.00	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	53	■	2.49	Singapore	5.6
1.12	Centralization of economic policymaking	2	■	5.18	Switzerland	5.6
1.13	Regulation of securities exchanges	23	■	4.97	South Africa	6.4
1.14	Property rights	19	■	5.37	Finland	6.4
1.15	Intellectual property protection	19	■	5.06	Finland	6.2
1.16	Diversion of public funds	19	■	5.21	Denmark	6.5
1.17	Public trust in politicians	22	■	3.48	Singapore	6.4
1.18	Corruption perceptions index	17	■	7.10	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.00	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.00	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	38	■	3.42	Singapore	6.5
1.22	Judicial independence	20	■	5.27	Denmark	6.6
1.23	Irregular payments in judicial decisions	21	■	5.80	Denmark	6.8
1.24	Time to enforce a contract	30	■	505.00	Singapore	150.0
1.25	Number of procedures to enforce a contract	4	■	26.00	Multiple (2)	21.0
1.26	Strength of investor protection index	13	■	7.00	Singapore	9.3
1.27	Cost of enforcing contracts	17	■	17.70	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	1	■	6.12	Belgium	6.1
2.02	Quality of math and science education	2	■	6.29	Singapore	6.4
2.03	Extent of staff training	12	■	4.98	Switzerland	5.6
2.04	Local availability of specialized research and training services	6	■	5.80	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	17	■	4.53	Switzerland	5.6
2.06	Tertiary enrollment	18	■	62.97	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	21	■	5.84	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	28	■	4.19	Singapore	5.7
2.09	Marginal tax variation	58	■	28.80	Kuwait	-4.7
2.10	Time to pay taxes	21	■	156.00	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	14	■	5.92	Switzerland	6.7
2.12	Quality of telephone infrastructure	22	■	6.58	Sweden	6.9
2.13	Internet users	14	■	79.26	Norway	93.4
2.14	Broadband Internet subscriptions	9	■	31.49	Switzerland	38.2
2.15	Telephone lines	13	■	43.31	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	29	■	113.46	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	28	■	5.20	Denmark	0.0

(Cont'd.)

Belgium

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	59	■	12.70	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.00	Multiple (4)	1.0
2.20	Time to start a business	4	■	4.00	Australia	2.0
2.21	Time to register property	51	■	64.00	Multiple (3)	2.0
2.22	Time to close a business	5	■	0.90	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	32	■	0.24	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	30	■	0.05	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	38	■	2.00	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.00	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	19	■	5.50	Ireland	7.0
3.10	Financial Stress Index	34	■	1.37	Austria	-3.9
3.11	Tier 1 capital ratio	9	■	13.95	Japan	23.9
3.12	Output loss during banking crises	38	■	46.00	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	15	■	18.70	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	15	■	18.70	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	23	■	5.43	Peru	6.7
3.16	Manageability of public debt	57	■	101.20	Russian Federation	9.1
3.17	Credit default swap spreads	40	■	229.01	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	18	■	115.32	Denmark	242.4
4.02	Central bank assets to GDP	23	■	1.28	Egypt	19.7
4.03	Financial system deposits to GDP	14	■	96.39	Hong Kong SAR	303.4
4.04	M2 to GDP	13	■	116.65	Hong Kong SAR	330.7
4.05	Private credit to GDP	17	■	103.63	Ireland	231.9
4.06	Bank deposits to GDP	15	■	96.40	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	6	■	4.45	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	2	■	5.89	Netherlands	6.1
4.09	Bank overhead costs	49	■	4.67	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	8	■	0.94	Japan	0.8
4.12	Nonperforming bank loans to total loans	16	■	2.70	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	50	■	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	2	■	72.60	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	45	■	0.04	China	35.4
5.02	IPO proceeds amount	55	■	0.01	Hong Kong SAR	3.7
5.03	Share of world IPOs	23	■	0.48	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

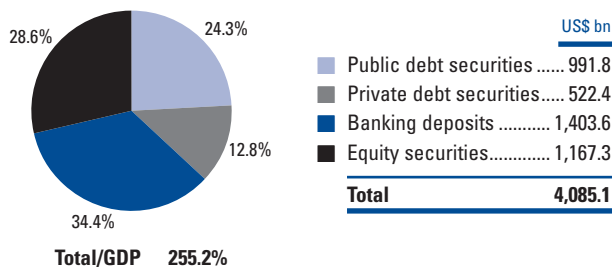
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....18	■..... 1.07	United States.....	34.0
5.05	M&A transaction value to GDP.....14	■..... 6.00	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....27	■..... 0.59	United States.....	22.6
Insurance				
5.07	Life insurance density.....12	■..... 5.88	Ireland.....	19.2
5.08	Non-life insurance density.....13	■..... 2.95	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....26	■..... 0.04	China.....	0.3
5.10	Life insurance coverage.....24	■..... 0.64	India.....	53.6
5.11	Non-life insurance coverage.....35	■..... 0.32	China.....	16.3
5.12	Relative value-added of insurance to GDP.....27	■..... 1.24	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....39	■..... 0.27	United States.....	4.8
5.14	Share of total number of securitization deals.....42	■..... 0.06	United States.....	52.3
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover.....20	■..... 0.44	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....24	■..... 0.28	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....14	■..... 0.97	United Kingdom.....	33.4
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements.....23	■..... 0.03	United Kingdom.....	48.4
6.05	Interest rate derivatives turnover: Swaps.....20	■..... 0.29	United Kingdom.....	45.3
6.06	Interest rate derivatives turnover: Options.....5	■..... 2.21	United Kingdom.....	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps.....26	■..... 0.15	United Kingdom.....	32.1
6.08	Foreign exchange derivatives turnover: Options.....20	■..... 0.21	United Kingdom.....	55.3
Equity market development				
6.09	Stock market turnover ratio.....13	■..... 178.22	Italy.....	579.3
6.10	Stock market capitalization to GDP.....30	■..... 88.39	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....21	■..... 107.50	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....n/an/a	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....8	■..... 62.00	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....8	■..... 63.19	Poland.....	344.7
6.15	Private international bonds to GDP.....5	■..... 95.12	Ireland.....	243.6
6.16	Public international bonds to GDP.....3	■..... 31.86	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....27	■..... 0.45	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....17	■..... 5.90	United Kingdom.....	6.7
7.02	Venture capital availability.....16	■..... 3.55	Israel.....	4.5
7.03	Ease of access to credit.....45	■..... 3.07	Peru.....	4.8
7.04	Financing through local equity market.....38	■..... 3.86	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....10	■..... 3.95	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....3	■..... 13.25	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....2	■..... 396,895.40	Japan.....	717,241.6
7.08	Commercial bank branches.....3	■..... 48.49	Ireland.....	573
7.09	Total number of ATMs.....5	■..... 138.32	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....16	■..... 1,193.42	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....n/an/a	Peru.....	110.0

Brazil

Key indicators

Population (millions), 2010.....	193.3
GDP (US\$ billions), 2010.....	2,090.3
GDP (current prices) per capita, 2010.....	10,816.5
GDP (PPP) as share (%) of world total, 2010	2.94
Compound annual growth rate of real GDP (%), 2006–2010....	3.57

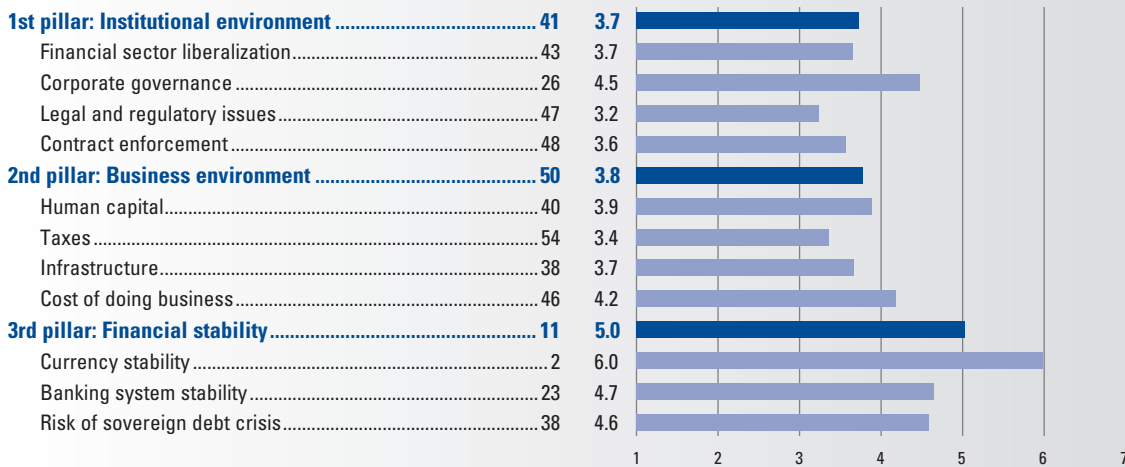
Financial assets by major type, 2009



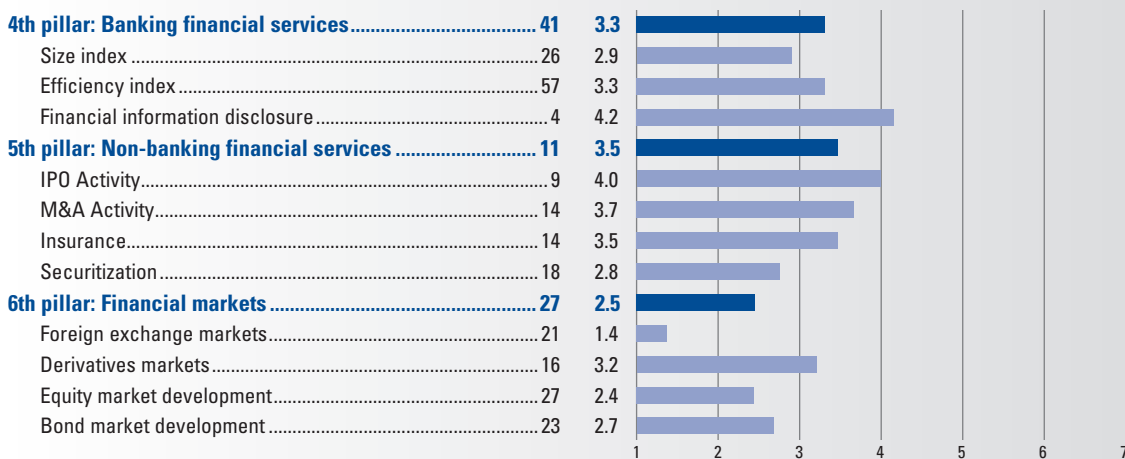
Financial Development Index 2011



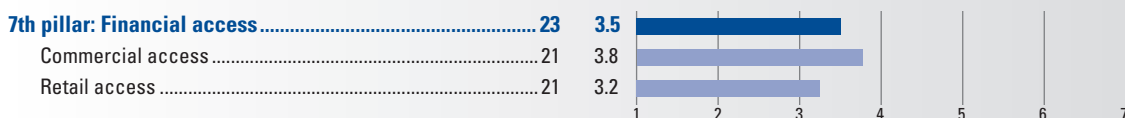
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	39	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	53	Turkey	83.5
1.03	Domestic financial sector liberalization	27	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	25	Singapore	5.2
1.05	Efficacy of corporate boards	25	Sweden	5.9
1.06	Reliance on professional management	26	Sweden	6.4
1.07	Willingness to delegate	26	Sweden	6.3
1.08	Strength of auditing and reporting standards	30	South Africa	6.5
1.09	Ethical behavior of firms	40	Denmark	6.7
1.10	Protection of minority shareholders' interests	28	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	60	Singapore	5.6
1.12	Centralization of economic policymaking	46	Switzerland	5.6
1.13	Regulation of securities exchanges	7	South Africa	6.4
1.14	Property rights	34	Finland	6.4
1.15	Intellectual property protection	43	Finland	6.2
1.16	Diversion of public funds	50	Denmark	6.5
1.17	Public trust in politicians	46	Singapore	6.4
1.18	Corruption perceptions index	38	Multiple (2)	9.3
1.19	Strength of legal rights index	53	Multiple (5)	10.0
1.20	Central bank transparency	23	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	52	Singapore	6.5
1.22	Judicial independence	40	Denmark	6.6
1.23	Irregular payments in judicial decisions	38	Denmark	6.8
1.24	Time to enforce a contract	51	Singapore	150.0
1.25	Number of procedures to enforce a contract	55	Multiple (2)	21.0
1.26	Strength of investor protection index	36	Singapore	9.3
1.27	Cost of enforcing contracts	13	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	38	Belgium	6.1
2.02	Quality of math and science education	56	Singapore	6.4
2.03	Extent of staff training	24	Switzerland	5.6
2.04	Local availability of specialized research and training services	30	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	28	Switzerland	5.6
2.06	Tertiary enrollment	42	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	39	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	45	Singapore	5.7
2.09	Marginal tax variation	45	Kuwait	-4.7
2.10	Time to pay taxes	60	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	50	Switzerland	6.7
2.12	Quality of telephone infrastructure	28	Sweden	6.9
2.13	Internet users	35	Norway	93.4
2.14	Broadband Internet subscriptions	39	Switzerland	38.2
2.15	Telephone lines	32	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	37	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	30	Denmark	0.0

(Cont'd.)

Brazil

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	18	■	2.3	Multiple (2)	0.0
2.19	Cost of closing a business	31	■	12.0	Multiple (4)	1.0
2.20	Time to start a business	59	■	119.0	Australia	2.0
2.21	Time to register property	38	■	39.0	Multiple (3)	2.0
2.22	Time to close a business	47	■	4.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	3	■	8.6	Malaysia	10.9
3.02	External vulnerability indicator	10	■	32.2	Saudi Arabia	8.4
3.03	Current account balance to GDP	34	■	-1.8	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	4	■	16.4	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	49	■	2.3	Multiple (10)	0.0
3.08	Financial strengths indicator	5	■	7.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	12	■	6.0	Ireland	7.0
3.10	Financial Stress Index	7	■	-2.4	Austria	-3.9
3.11	Tier 1 capital ratio	37	■	8.6	Japan	23.9
3.12	Output loss during banking crises	43	■	62.3	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	33	■	13.3	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	38	■	11.3	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	22	■	5.5	Peru	6.7
3.16	Manageability of public debt	39	■	54.7	Russian Federation	9.1
3.17	Credit default swap spreads	26	■	141.6	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	25	■	90.8	Denmark	242.4
4.02	Central bank assets to GDP	2	■	13.8	Egypt	19.7
4.03	Financial system deposits to GDP	29	■	65.3	Hong Kong SAR	303.4
4.04	M2 to GDP	52	■	37.1	Hong Kong SAR	330.7
4.05	Private credit to GDP	33	■	69.1	Ireland	231.9
4.06	Bank deposits to GDP	32	■	66.4	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	19	■	0.1	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	56	■	2.3	Netherlands	6.1
4.09	Bank overhead costs	58	■	11.6	Singapore	0.3
4.10	Public ownership of banks	49	■	34.6	Multiple (24)	0.0
4.11	Bank operating costs to assets	48	■	3.5	Japan	0.8
4.12	Nonperforming bank loans to total loans	27	■	3.8	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	21	■	61.5	Multiple (12)	100.0
4.14	Public credit registry coverage	6	■	36.1	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	4	■	5.2	China	35.4
5.02	IPO proceeds amount	8	■	0.5	Hong Kong SAR	3.7
5.03	Share of world IPOs	17	■	0.8	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

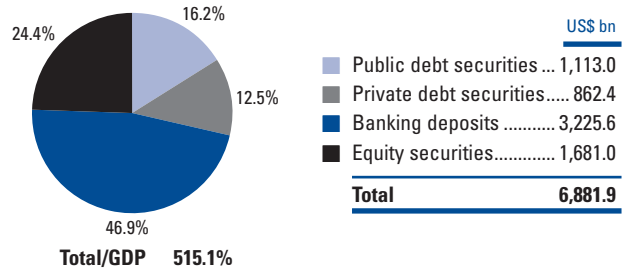
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	9 ■	3.3	United States.....	34.0
5.05	M&A transaction value to GDP.....	19 ■	5.0	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	18 ■	1.1	United States.....	22.6
Insurance					
5.07	Life insurance density.....	32 ■	1.6	Ireland.....	19.2
5.08	Non-life insurance density.....	40 ■	1.5	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	9 ■	0.1	China.....	0.3
5.10	Life insurance coverage.....	10 ■	3.1	India.....	53.6
5.11	Non-life insurance coverage.....	6 ■	2.9	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	14 ■	1.9	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	24 ■	0.6	United States.....	4.8
5.14	Share of total number of securitization deals.....	8 ■	1.8	United States.....	52.3
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.....	40 ■	0.0	United Kingdom.....	33.4
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 ■	59.4	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	12 ■	169.7	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	40 ■	0.0	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	15 ■	37.7	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	7 ■	65.5	Poland.....	344.7
6.15	Private international bonds to GDP.....	28 ■	8.5	Ireland.....	243.6
6.16	Public international bonds to GDP.....	28 ■	4.2	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	30 ■	0.4	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	12 ■	6.2	United Kingdom.....	6.7
7.02	Venture capital availability.....	37 ■	2.8	Israel.....	4.5
7.03	Ease of access to credit.....	18 ■	4.1	Peru.....	4.8
7.04	Financing through local equity market.....	25 ■	4.2	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	33 ■	3.1	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	25 ■	2.3	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	21 ■	106,535.4	Japan.....	717,241.6
7.08	Commercial bank branches.....	33 ■	12.7	Ireland.....	573
7.09	Total number of ATMs.....	9 ■	112.1	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	12 ■	2,247.4	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	13 ■	4.8	Peru.....	110.0

Canada

Key indicators

Population (millions), 2010.....	34.1
GDP (US\$ billions), 2010.....	1,574.1
GDP (current prices) per capita, 2010.....	46,214.9
GDP (PPP) as share (%) of world total, 2010	1.80
Compound annual growth rate of real GDP (%), 2006–2010....	0.65

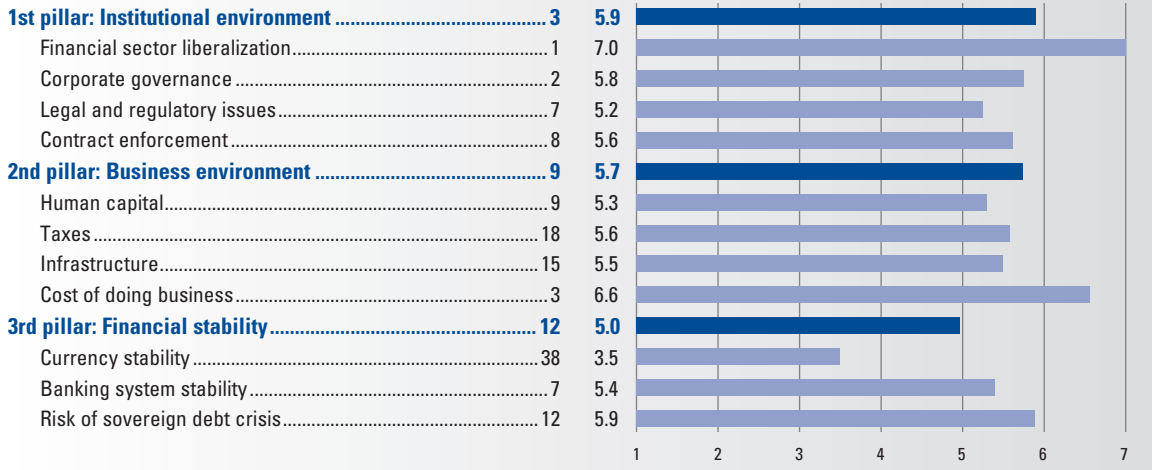
Financial assets by major type, 2009



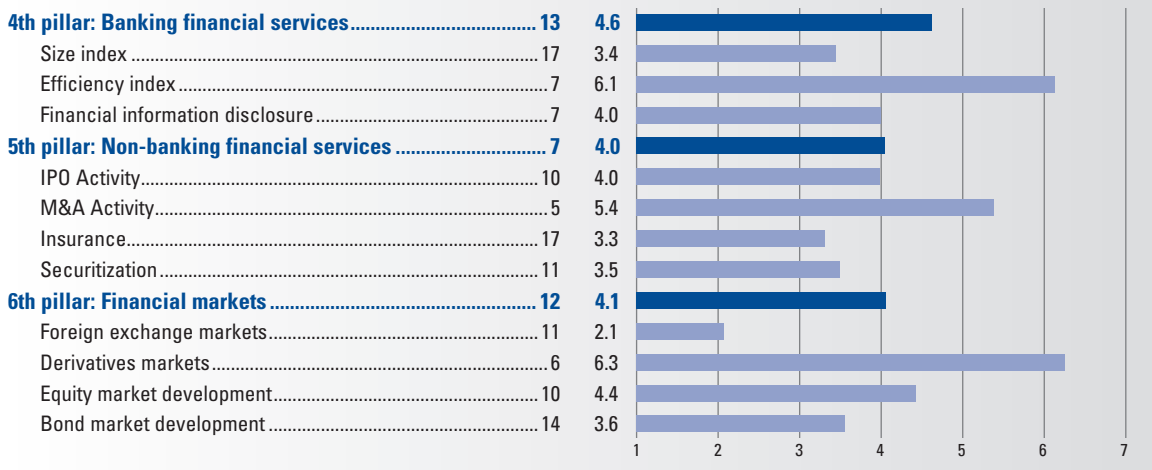
Financial Development Index 2011



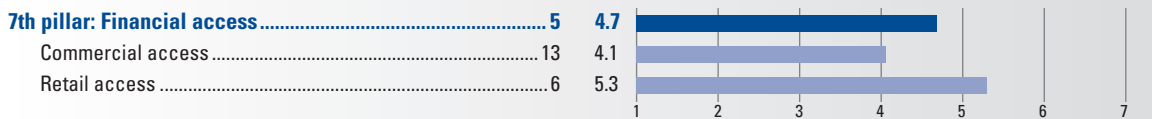
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	63.3	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	2	■	5.2	Singapore	5.2
1.05	Efficacy of corporate boards	4	■	5.6	Sweden	5.9
1.06	Reliance on professional management	4	■	6.1	Sweden	6.4
1.07	Willingness to delegate	7	■	5.1	Sweden	6.3
1.08	Strength of auditing and reporting standards	4	■	6.2	South Africa	6.5
1.09	Ethical behavior of firms	6	■	6.5	Denmark	6.7
1.10	Protection of minority shareholders' interests	8	■	5.5	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	18	■	3.5	Singapore	5.6
1.12	Centralization of economic policymaking	5	■	4.7	Switzerland	5.6
1.13	Regulation of securities exchanges	16	■	5.4	South Africa	6.4
1.14	Property rights	8	■	6.0	Finland	6.4
1.15	Intellectual property protection	14	■	5.4	Finland	6.2
1.16	Diversion of public funds	10	■	5.7	Denmark	6.5
1.17	Public trust in politicians	12	■	4.4	Singapore	6.4
1.18	Corruption perceptions index	5	■	8.9	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	7	■	5.2	Singapore	6.5
1.22	Judicial independence	7	■	6.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	8	■	6.4	Denmark	6.8
1.24	Time to enforce a contract	41	■	570.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	■	36.0	Multiple (2)	21.0
1.26	Strength of investor protection index	4	■	8.3	Singapore	9.3
1.27	Cost of enforcing contracts	24	■	22.3	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	4	■	5.8	Belgium	6.1
2.02	Quality of math and science education	5	■	5.4	Singapore	6.4
2.03	Extent of staff training	17	■	4.9	Switzerland	5.6
2.04	Local availability of specialized research and training services	13	■	5.5	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	14	■	4.7	Switzerland	5.6
2.06	Tertiary enrollment	19	■	62.3	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	9	■	6.4	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	21	■	4.4	Singapore	5.7
2.09	Marginal tax variation	35	■	8.7	Kuwait	-4.7
2.10	Time to pay taxes	16	■	131.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	13	■	6.0	Switzerland	6.7
2.12	Quality of telephone infrastructure	11	■	6.7	Sweden	6.9
2.13	Internet users	10	■	81.6	Norway	93.4
2.14	Broadband Internet subscriptions	12	■	29.8	Switzerland	38.2
2.15	Telephone lines	8	■	50.0	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	54	■	70.7	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	3	■	0.4	Denmark	0.0

(Cont'd.)

Canada

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	15	■	1.8	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	6	■	5.0	Australia	2.0
2.21	Time to register property	19	■	17.0	Multiple (3)	2.0
2.22	Time to close a business	3	■	0.8	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	48	■	-1.0	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	35	■	-1.8	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	10	■	-16.7	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	1	■	0.0	Multiple (10)	0.0
3.08	Financial strengths indicator	1	■	9.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	15	■	5.8	Ireland	7.0
3.10	Financial Stress Index	38	■	2.5	Austria	-3.9
3.11	Tier 1 capital ratio	13	■	12.8	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	10	■	5.9	Peru	6.7
3.16	Manageability of public debt	55	■	84.2	Russian Federation	9.1
3.17	Credit default swap spreads	4	■	54.2	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	8	■	140.1	Denmark	242.4
4.02	Central bank assets to GDP	14	■	3.0	Egypt	19.7
4.03	Financial system deposits to GDP	13	■	98.1	Hong Kong SAR	303.4
4.04	M2 to GDP	23	■	83.7	Hong Kong SAR	330.7
4.05	Private credit to GDP	13	■	114.5	Ireland	231.9
4.06	Bank deposits to GDP	13	■	103.6	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	21	■	0.1	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	17	■	4.1	Netherlands	6.1
4.09	Bank overhead costs	21	■	1.7	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	29	■	2.1	Japan	0.8
4.12	Nonperforming bank loans to total loans	5	■	1.3	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	1	■	100.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	12	■	1.8	China	35.4
5.02	IPO proceeds amount	20	■	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	2	■	13.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

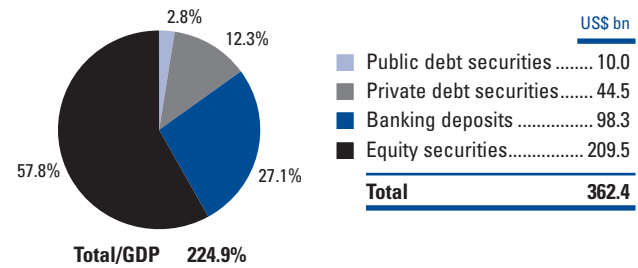
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	6 ■	3.8	United States.....	34.0
5.05	M&A transaction value to GDP.....	9 ■	7.0	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	6 ■	4.8	United States.....	22.6
Insurance					
5.07	Life insurance density.....	19 ■	3.3	Ireland.....	19.2
5.08	Non-life insurance density.....	7 ■	4.1	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	30 ■	0.0	China.....	0.3
5.10	Life insurance coverage.....	16 ■	1.1	India.....	53.6
5.11	Non-life insurance coverage.....	14 ■	1.4	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	26 ■	1.2	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	13 ■	1.1	United States.....	4.8
5.14	Share of total number of securitization deals.....	7 ■	1.8	United States.....	52.3
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.....	33.4
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.....	24 ■	73.9	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	6 ■	207.4	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	13 ■	190.6	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	1 ■	1.2	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	20 ■	26.5	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	9 ■	61.3	Poland.....	344.7
6.15	Private international bonds to GDP.....	17 ■	31.8	Ireland.....	243.6
6.16	Public international bonds to GDP.....	19 ■	6.9	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	8 ■	1.7	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	3 ■	6.6	United Kingdom.....	6.7
7.02	Venture capital availability.....	15 ■	3.6	Israel.....	4.5
7.03	Ease of access to credit.....	28 ■	3.6	Peru.....	4.8
7.04	Financing through local equity market.....	6 ■	5.0	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	15 ■	3.7	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	40 ■	1.5	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	16 ■	24.1	Ireland.....	573
7.09	Total number of ATMs.....	1 ■	218.5	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	7 ■	2,556.0	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Chile

Key indicators

Population (millions), 2010.....	17.2
GDP (US\$ billions), 2010.....	203.3
GDP (current prices) per capita, 2010.....	11,828.0
GDP (PPP) as share (%) of world total, 2010	0.35
Compound annual growth rate of real GDP (%), 2006–2010....	2.33

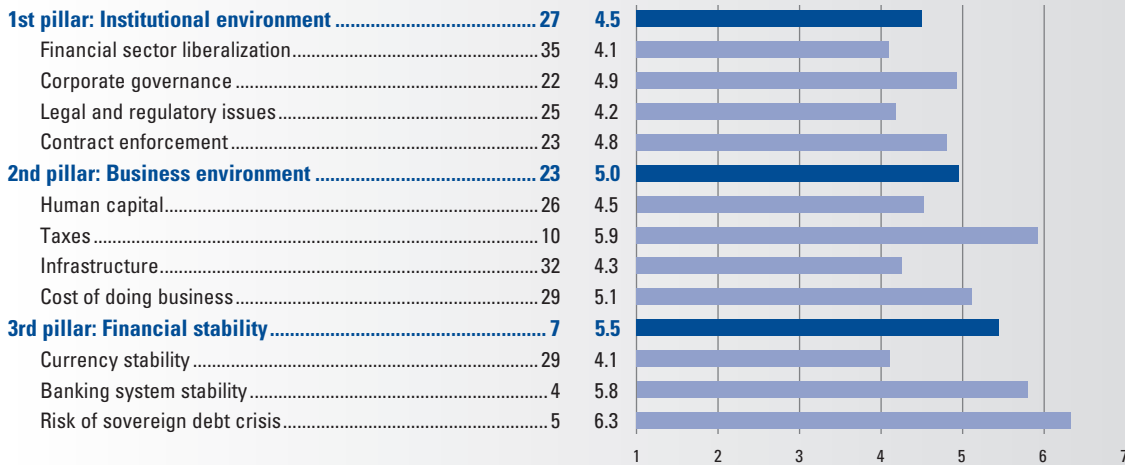
Financial assets by major type, 2009



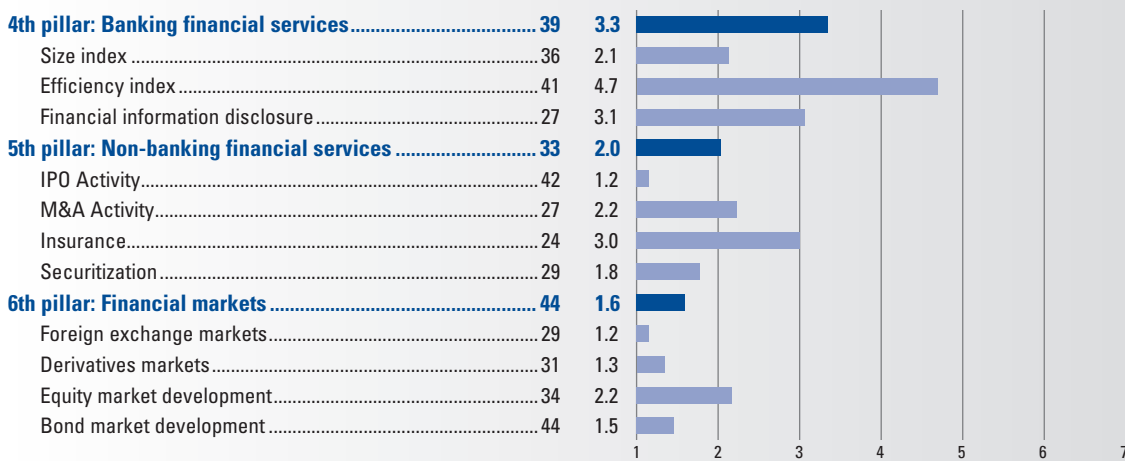
Financial Development Index 2011



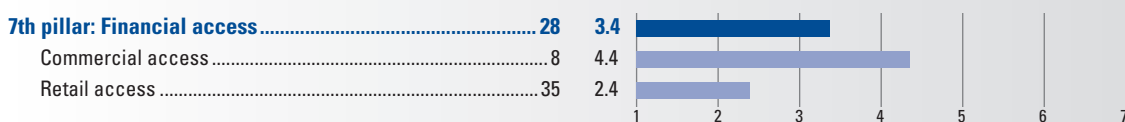
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage
■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	28	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	52	Turkey	83.5
1.03	Domestic financial sector liberalization	28	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	16	Singapore	5.2
1.05	Efficacy of corporate boards	18	Sweden	5.9
1.06	Reliance on professional management	20	Sweden	6.4
1.07	Willingness to delegate	37	Sweden	6.3
1.08	Strength of auditing and reporting standards	20	South Africa	6.5
1.09	Ethical behavior of firms	17	Denmark	6.7
1.10	Protection of minority shareholders' interests	20	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	13	Singapore	5.6
1.12	Centralization of economic policymaking	47	Switzerland	5.6
1.13	Regulation of securities exchanges	47	South Africa	6.4
1.14	Property rights	26	Finland	6.4
1.15	Intellectual property protection	38	Finland	6.2
1.16	Diversion of public funds	21	Denmark	6.5
1.17	Public trust in politicians	16	Singapore	6.4
1.18	Corruption perceptions index	16	Multiple (2)	9.3
1.19	Strength of legal rights index	34	Multiple (5)	10.0
1.20	Central bank transparency	29	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	23	Singapore	6.5
1.22	Judicial independence	18	Denmark	6.6
1.23	Irregular payments in judicial decisions	22	Denmark	6.8
1.24	Time to enforce a contract	28	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	Multiple (2)	21.0
1.26	Strength of investor protection index	19	Singapore	9.3
1.27	Cost of enforcing contracts	42	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	12	Belgium	6.1
2.02	Quality of math and science education	54	Singapore	6.4
2.03	Extent of staff training	27	Switzerland	5.6
2.04	Local availability of specialized research and training services	27	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	9	Switzerland	5.6
2.06	Tertiary enrollment	27	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	12	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	6	Singapore	5.7
2.09	Marginal tax variation	4	Kuwait	-4.7
2.10	Time to pay taxes	47	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	23	Switzerland	6.7
2.12	Quality of telephone infrastructure	16	Sweden	6.9
2.13	Internet users	31	Norway	93.4
2.14	Broadband Internet subscriptions	31	Switzerland	38.2
2.15	Telephone lines	36	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	26	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	27	Denmark	0.0

(Cont'd.)

Chile

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	14	■	1.3	Multiple (2)	0.0
2.19	Cost of closing a business	33	■	15.0	Multiple (4)	1.0
2.20	Time to start a business	13	■	7.0	Australia	2.0
2.21	Time to register property	31	■	31.0	Multiple (3)	2.0
2.22	Time to close a business	55	■	4.5	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	15	■	2.5	Malaysia	10.9
3.02	External vulnerability indicator	28	■	113.3	Saudi Arabia	8.4
3.03	Current account balance to GDP	29	■	0.5	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	24	■	42.6	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	5	■	7.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	6	■	6.4	Ireland	7.0
3.10	Financial Stress Index	20	■	-1.4	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	29	■	16.4	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	17	■	18.3	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	23	■	16.3	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	8	■	6.1	Peru	6.7
3.16	Manageability of public debt	3	■	9.2	Russian Federation	9.1
3.17	Credit default swap spreads	12	■	95.2	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	32	■	77.6	Denmark	242.4
4.02	Central bank assets to GDP	25	■	1.1	Egypt	19.7
4.03	Financial system deposits to GDP	32	■	54.7	Hong Kong SAR	303.4
4.04	M2 to GDP	42	■	54.5	Hong Kong SAR	330.7
4.05	Private credit to GDP	20	■	94.1	Ireland	231.9
4.06	Bank deposits to GDP	36	■	55.2	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	54	■	2.4	Netherlands	6.1
4.09	Bank overhead costs	34	■	2.8	Singapore	0.3
4.10	Public ownership of banks	42	■	19.8	Multiple (24)	0.0
4.11	Bank operating costs to assets	38	■	2.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	20	■	3.3	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	37	■	25.8	Multiple (12)	100.0
4.14	Public credit registry coverage	8	■	35.6	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	41	■	0.1	China	35.4
5.02	IPO proceeds amount	38	■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	38	■	0.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage
■ Development Disadvantage

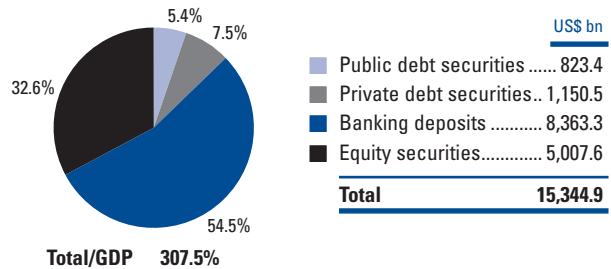
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	32	0.3	United States.....	34.0
5.05 M&A transaction value to GDP.....	18	5.1	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	36	0.3	United States.....	22.6
Insurance				
5.07 Life insurance density.....	26	2.5	Ireland.....	19.2
5.08 Non-life insurance density.....	36	1.6	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	4	0.2	China.....	0.3
5.10 Life insurance coverage.....	30	0.4	India.....	53.6
5.11 Non-life insurance coverage.....	37	0.3	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	18	1.6	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	28	0.5	United States.....	4.8
5.14 Share of total number of securitization deals.....	25	0.3	United States.....	52.3
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.....	39	0.0	United Kingdom.....	33.4
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.....	31	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.....	42	0.0	United Kingdom.....	55.3
Equity market development				
6.09 Stock market turnover ratio.....	38	36.7	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	19	147.2	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	28	52.5	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	21	0.1	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	23	17.9	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	43	9.5	Poland.....	344.7
6.15 Private international bonds to GDP.....	35	5.5	Ireland.....	243.6
6.16 Public international bonds to GDP.....	41	1.2	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	34	0.3	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	19	5.8	United Kingdom.....	6.7
7.02 Venture capital availability.....	25	3.1	Israel.....	4.5
7.03 Ease of access to credit.....	8	4.3	Peru.....	4.8
7.04 Financing through local equity market.....	11	4.7	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	19	3.6	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	8	7.4	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	31	72,975.5	Japan.....	717,241.6
7.08 Commercial bank branches.....	28	14.9	Ireland.....	573
7.09 Total number of ATMs.....	20	58.7	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	26	486.1	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	10	13.3	Peru.....	110.0

China

Key indicators

Population (millions), 2010.....	1,341.4
GDP (US\$ billions), 2010.....	5,878.3
GDP (current prices) per capita, 2010.....	4,382.1
GDP (PPP) as share (%) of world total, 2010	13.61
Compound annual growth rate of real GDP (%), 2006–2010....	8.56

Financial assets by major type, 2009



Financial Development Index 2011

2011 Index	Rank (out of 60)	Score (1–7 scale)
2011 Index	19	4.1

Factors, policies, and institutions

Pillar	Rank	Score
1st pillar: Institutional environment	31	4.2
Financial sector liberalization.....	37	3.9
Corporate governance	27	4.4
Legal and regulatory issues.....	28	3.9
Contract enforcement.....	25	4.6
2nd pillar: Business environment	46	4.0
Human capital.....	35	4.1
Taxes	51	4.0
Infrastructure.....	46	3.4
Cost of doing business.....	41	4.6
3rd pillar: Financial stability	10	5.1
Currency stability.....	4	5.8
Banking system stability.....	52	3.7
Risk of sovereign debt crisis.....	6	6.3

Financial intermediation

4th pillar: Banking financial services	9	4.9
Size index	n/a	n/a
Efficiency index.....	28	5.4
Financial information disclosure.....	7	4.0
5th pillar: Non-banking financial services	3	4.6
IPO Activity.....	1	6.9
M&A Activity.....	3	5.5
Insurance.....	4	4.6
Securitization.....	36	1.6
6th pillar: Financial markets	28	2.4
Foreign exchange markets.....	20	1.4
Derivatives markets.....	26	2.3
Equity market development.....	n/a	n/a
Bond market development	19	3.1

Financial access

7th pillar: Financial access	22	3.5
Commercial access	29	3.5
Retail access	n/a	n/a

INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	49	■	-1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	20	■	55.0	Turkey	83.5
1.03	Domestic financial sector liberalization	40	■	2.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	17	■	4.6	Singapore	5.2
1.05	Efficacy of corporate boards	38	■	4.4	Sweden	5.9
1.06	Reliance on professional management	31	■	4.7	Sweden	6.4
1.07	Willingness to delegate	34	■	3.8	Sweden	6.3
1.08	Strength of auditing and reporting standards	36	■	4.8	South Africa	6.5
1.09	Ethical behavior of firms	32	■	4.1	Denmark	6.7
1.10	Protection of minority shareholders' interests	33	■	4.4	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	10	■	3.9	Singapore	5.6
1.12	Centralization of economic policymaking	17	■	3.8	Switzerland	5.6
1.13	Regulation of securities exchanges	34	■	4.5	South Africa	6.4
1.14	Property rights	25	■	5.0	Finland	6.4
1.15	Intellectual property protection	30	■	4.0	Finland	6.2
1.16	Diversion of public funds	29	■	3.7	Denmark	6.5
1.17	Public trust in politicians	15	■	4.2	Singapore	6.4
1.18	Corruption perceptions index	41	■	3.5	Multiple (2)	9.3
1.19	Strength of legal rights index	34	■	6.0	Multiple (5)	10.0
1.20	Central bank transparency	39	■	4.5	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	16	■	4.4	Singapore	6.5
1.22	Judicial independence	36	■	3.9	Denmark	6.6
1.23	Irregular payments in judicial decisions	39	■	3.9	Denmark	6.8
1.24	Time to enforce a contract	19	■	406.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	25	■	34.0	Multiple (2)	21.0
1.26	Strength of investor protection index	41	■	5.0	Singapore	9.3
1.27	Cost of enforcing contracts	3	■	11.1	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	36	■	4.3	Belgium	6.1
2.02	Quality of math and science education	18	■	4.7	Singapore	6.4
2.03	Extent of staff training	32	■	4.2	Switzerland	5.6
2.04	Local availability of specialized research and training services	34	■	4.5	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	15	■	4.6	Switzerland	5.6
2.06	Tertiary enrollment	49	■	24.5	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	42	■	4.1	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	14	■	4.6	Singapore	5.7
2.09	Marginal tax variation	54	■	19.1	Kuwait	-4.7
2.10	Time to pay taxes	50	■	398.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	37	■	4.2	Switzerland	6.7
2.12	Quality of telephone infrastructure	43	■	6.0	Sweden	6.9
2.13	Internet users	44	■	34.3	Norway	93.4
2.14	Broadband Internet subscriptions	35	■	9.4	Switzerland	38.2
2.15	Telephone lines	31	■	21.9	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	55	■	64.0	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	21	■	3.5	Denmark	0.0

(Cont'd.)

China

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment <i>(cont'd.)</i>				
2.18	Cost of registering property	27	Multiple (2)	0.0
2.19	Cost of closing a business	48	Multiple (4)	1.0
2.20	Time to start a business	56	Australia	2.0
2.21	Time to register property	29	Multiple (3)	2.0
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)	12	Malaysia	10.9
3.02	External vulnerability indicator	2	Saudi Arabia	8.4
3.03	Current account balance to GDP	10	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	1	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	30	Multiple (10)	0.0
3.08	Financial strengths indicator	38	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	46	Ireland	7.0
3.10	Financial Stress Index	14	Austria	-3.9
3.11	Tier 1 capital ratio	34	Japan	23.9
3.12	Output loss during banking crises	30	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	21	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	19	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	5	Peru	6.7
3.16	Manageability of public debt	6	Russian Federation	9.1
3.17	Credit default swap spreads	17	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	n/a	Denmark	242.4
4.02	Central bank assets to GDP	n/a	Egypt	19.7
4.03	Financial system deposits to GDP	n/a	Hong Kong SAR	303.4
4.04	M2 to GDP	2	Hong Kong SAR	330.7
4.05	Private credit to GDP	n/a	Ireland	231.9
4.06	Bank deposits to GDP	5	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	11	Netherlands	6.1
4.09	Bank overhead costs	5	Singapore	0.3
4.10	Public ownership of banks	59	Multiple (24)	0.0
4.11	Bank operating costs to assets	7	Japan	0.8
4.12	Nonperforming bank loans to total loans	10	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	50	Multiple (12)	100.0
4.14	Public credit registry coverage	1	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	1	China	35.4
5.02	IPO proceeds amount	4	Hong Kong SAR	3.7
5.03	Share of world IPOs	1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

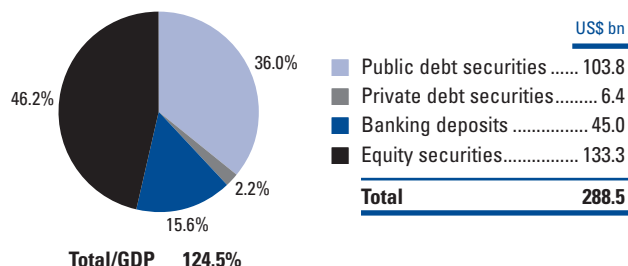
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	3 ■	5.6	United States.....	34.0
5.05	M&A transaction value to GDP.....	32 ■	3.0	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	2 ■	9.3	United States.....	22.6
Insurance					
5.07	Life insurance density.....	28 ■	2.4	Ireland.....	19.2
5.08	Non-life insurance density.....	44 ■	1.2	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	1 ■	0.3	China.....	0.3
5.10	Life insurance coverage.....	2 ■	32.6	India.....	53.6
5.11	Non-life insurance coverage.....	1 ■	16.3	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	42 ■	0.7	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	44 ■	0.1	United States.....	4.8
5.14	Share of total number of securitization deals.....	18 ■	0.7	United States.....	52.3
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.....	33.4
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.....	30 ■	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.....	40 ■	0.0	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.....	n/a	n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a	n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	50 ■	0.0	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	14 ■	40.5	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	12 ■	49.8	Poland.....	344.7
6.15	Private international bonds to GDP.....	46 ■	1.8	Ireland.....	243.6
6.16	Public international bonds to GDP.....	48 ■	0.2	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	6 ■	2.0	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	46 ■	4.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	18 ■	3.5	Israel.....	4.5
7.03	Ease of access to credit.....	12 ■	4.2	Peru.....	4.8
7.04	Financing through local equity market.....	34 ■	4.0	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	31 ■	3.1	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	33 ■	1.8	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	54 ■	0.0	Ireland.....	573
7.09	Total number of ATMs.....	n/a	n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	26 ■	0.4	Peru.....	110.0

Colombia

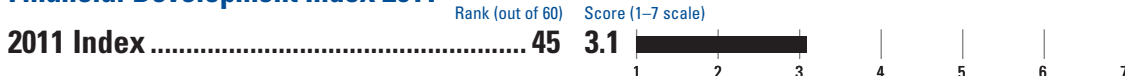
Key indicators

Population (millions), 2010.....	45.5
GDP (US\$ billions), 2010.....	285.5
GDP (current prices) per capita, 2010.....	6,273.4
GDP (PPP) as share (%) of world total, 2010	0.58
Compound annual growth rate of real GDP (%), 2006–2010....	3.21

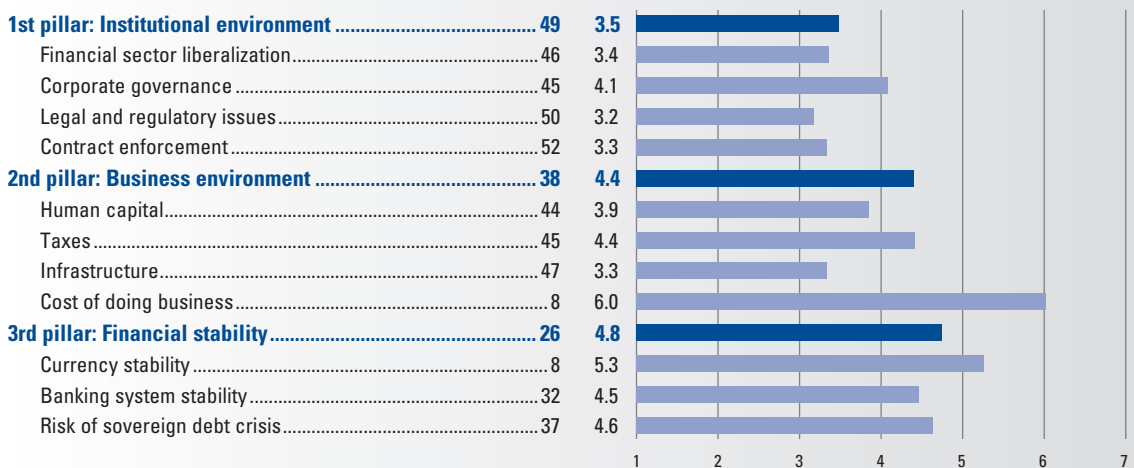
Financial assets by major type, 2009



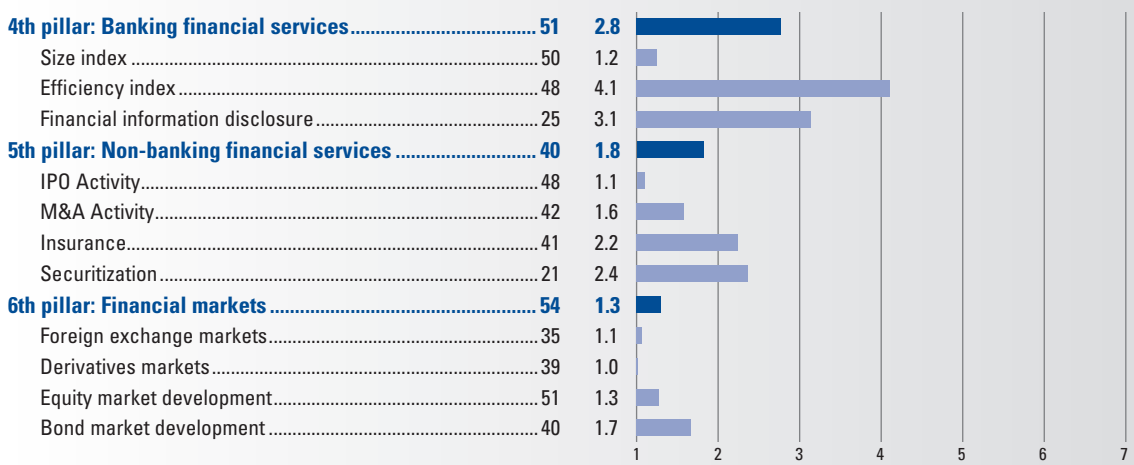
Financial Development Index 2011



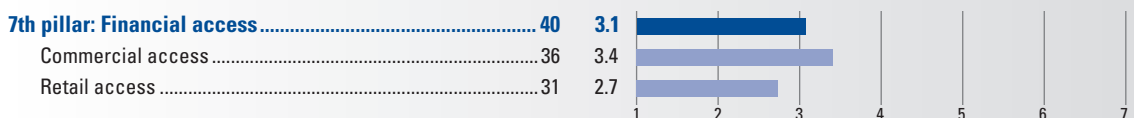
Factors, policies, and institutions



Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	45	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	45	Turkey	83.5
1.03	Domestic financial sector liberalization	33	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	51	Singapore	5.2
1.05	Efficacy of corporate boards	33	Sweden	5.9
1.06	Reliance on professional management	43	Sweden	6.4
1.07	Willingness to delegate	32	Sweden	6.3
1.08	Strength of auditing and reporting standards	42	South Africa	6.5
1.09	Ethical behavior of firms	42	Denmark	6.7
1.10	Protection of minority shareholders' interests	41	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	39	Singapore	5.6
1.12	Centralization of economic policymaking	30	Switzerland	5.6
1.13	Regulation of securities exchanges	50	South Africa	6.4
1.14	Property rights	47	Finland	6.4
1.15	Intellectual property protection	45	Finland	6.2
1.16	Diversion of public funds	53	Denmark	6.5
1.17	Public trust in politicians	40	Singapore	6.4
1.18	Corruption perceptions index	41	Multiple (2)	9.3
1.19	Strength of legal rights index	41	Multiple (5)	10.0
1.20	Central bank transparency	29	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	48	Singapore	6.5
1.22	Judicial independence	47	Denmark	6.6
1.23	Irregular payments in judicial decisions	45	Denmark	6.8
1.24	Time to enforce a contract	58	Singapore	150.0
1.25	Number of procedures to enforce a contract	25	Multiple (2)	21.0
1.26	Strength of investor protection index	4	Singapore	9.3
1.27	Cost of enforcing contracts	57	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	33	Belgium	6.1
2.02	Quality of math and science education	41	Singapore	6.4
2.03	Extent of staff training	45	Switzerland	5.6
2.04	Local availability of specialized research and training services	45	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	36	Switzerland	5.6
2.06	Tertiary enrollment	39	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	43	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	50	Singapore	5.7
2.09	Marginal tax variation	49	Kuwait	-4.7
2.10	Time to pay taxes	27	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	48	Switzerland	6.7
2.12	Quality of telephone infrastructure	37	Sweden	6.9
2.13	Internet users	41	Norway	93.4
2.14	Broadband Internet subscriptions	40	Switzerland	38.2
2.15	Telephone lines	46	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	46	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	38	Denmark	0.0

(Cont'd.)

Colombia

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	16	■	2.0	Multiple (2)	0.0
2.19	Cost of closing a business	1	■	1.0	Multiple (4)	1.0
2.20	Time to start a business	29	■	14.0	Australia	2.0
2.21	Time to register property	16	■	15.0	Multiple (3)	2.0
2.22	Time to close a business	15	■	1.3	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	8	■	3.7	Malaysia	10.9
3.02	External vulnerability indicator	17	■	55.6	Saudi Arabia	8.4
3.03	Current account balance to GDP	41	■	-2.7	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	6	■	22.8	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	49	■	2.3	Multiple (10)	0.0
3.08	Financial strengths indicator	30	■	4.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	9	■	6.2	Ireland	7.0
3.10	Financial Stress Index	3	■	-3.4	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	52	■	100.3	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	34	■	13.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	40	■	11.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	27	■	5.4	Peru	6.7
3.16	Manageability of public debt	31	■	46.0	Russian Federation	9.1
3.17	Credit default swap spreads	24	■	140.6	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	44	■	51.0	Denmark	242.4
4.02	Central bank assets to GDP	39	■	0.2	Egypt	19.7
4.03	Financial system deposits to GDP	53	■	21.8	Hong Kong SAR	303.4
4.04	M2 to GDP	55	■	36.3	Hong Kong SAR	330.7
4.05	Private credit to GDP	37	■	52.0	Ireland	231.9
4.06	Bank deposits to GDP	57	■	22.1	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	51	■	2.7	Netherlands	6.1
4.09	Bank overhead costs	52	■	5.4	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	55	■	5.2	Japan	0.8
4.12	Nonperforming bank loans to total loans	30	■	4.4	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	20	■	71.2	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	42	■	0.1	China	35.4
5.02	IPO proceeds amount	45	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	45	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

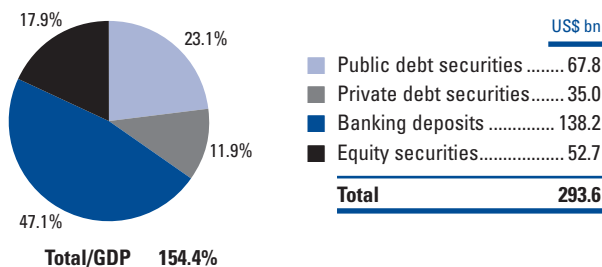
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....	36	United States.....	34.0
5.05	M&A transaction value to GDP.....	38	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	41	United States.....	22.6
Insurance				
5.07	Life insurance density.....	43	Ireland.....	19.2
5.08	Non-life insurance density.....	37	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	23	China.....	0.3
5.10	Life insurance coverage.....	33	India.....	53.6
5.11	Non-life insurance coverage.....	25	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	29	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....	14	United States.....	4.8
5.14	Share of total number of securitization deals.....	20	United States.....	52.3
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover.....	36	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....	26	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	42	United Kingdom.....	33.4
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements.....	35	United Kingdom.....	48.4
6.05	Interest rate derivatives turnover: Swaps.....	36	United Kingdom.....	45.3
6.06	Interest rate derivatives turnover: Options.....	35	United Kingdom.....	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps.....	36	United Kingdom.....	32.1
6.08	Foreign exchange derivatives turnover: Options.....	40	United Kingdom.....	55.3
Equity market development				
6.09	Stock market turnover ratio.....	49	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	35	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	41	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	49	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....	39	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	33	Poland.....	344.7
6.15	Private international bonds to GDP.....	45	Ireland.....	243.6
6.16	Public international bonds to GDP.....	21	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	31	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....	42	United Kingdom.....	6.7
7.02	Venture capital availability.....	35	Israel.....	4.5
7.03	Ease of access to credit.....	23	Peru.....	4.8
7.04	Financing through local equity market.....	44	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	27	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	24	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....	18	Japan.....	717,241.6
7.08	Commercial bank branches.....	31	Ireland.....	573
7.09	Total number of ATMs.....	38	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	27	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	4	Peru.....	110.0

Czech Republic

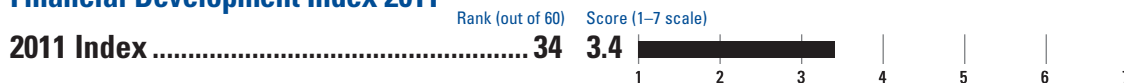
Key indicators

Population (millions), 2010.....	10.5
GDP (US\$ billions), 2010.....	192.2
GDP (current prices) per capita, 2010.....	18,288.3
GDP (PPP) as share (%) of world total, 2010	0.35
Compound annual growth rate of real GDP (%), 2006–2010....	1.30

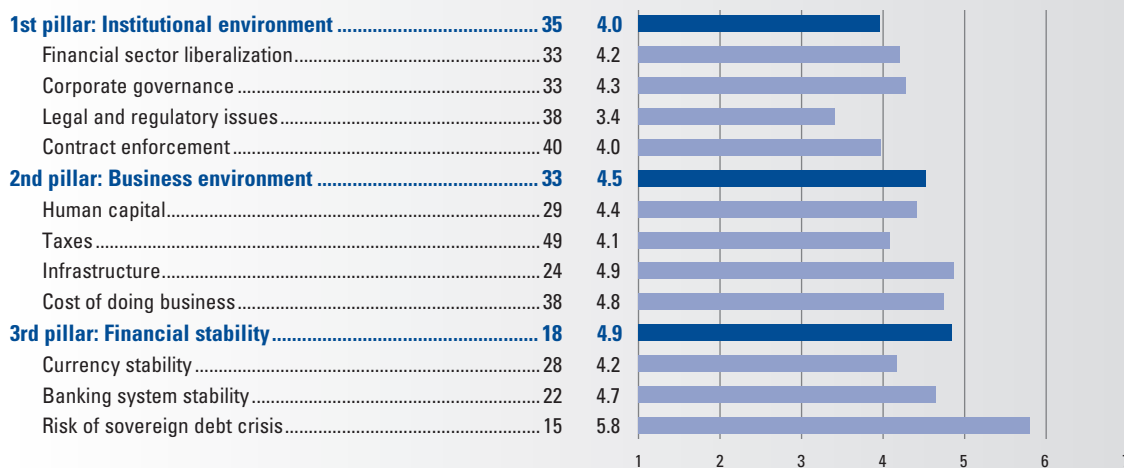
Financial assets by major type, 2009



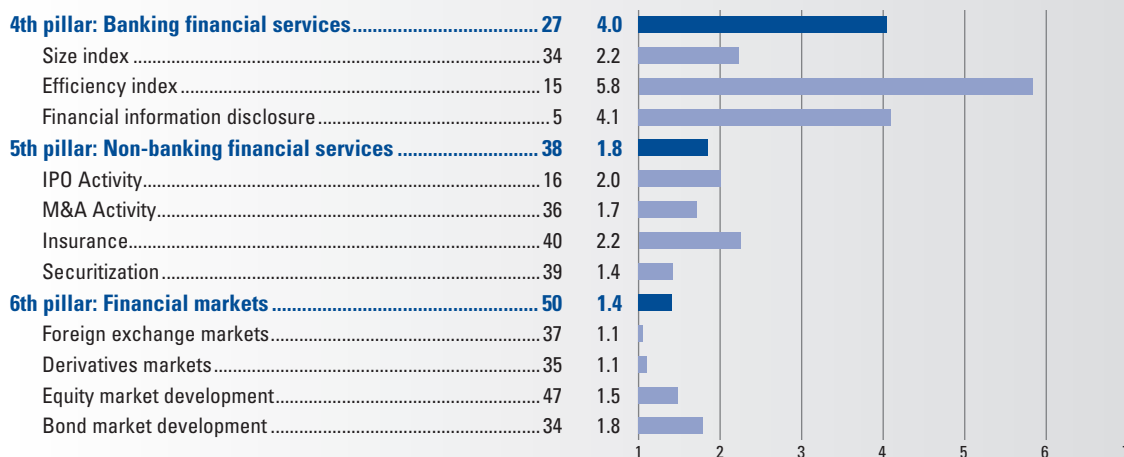
Financial Development Index 2011



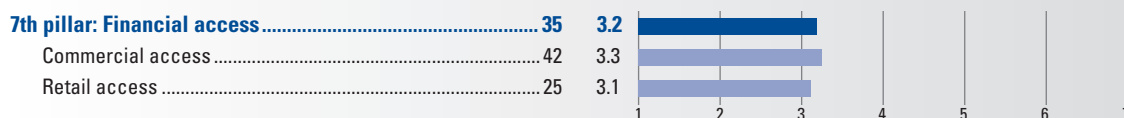
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	27	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	34	■	53.4	Turkey	83.5
1.03	Domestic financial sector liberalization	45	■	2.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	27	■	4.3	Singapore	5.2
1.05	Efficacy of corporate boards	30	■	4.7	Sweden	5.9
1.06	Reliance on professional management	28	■	4.7	Sweden	6.4
1.07	Willingness to delegate	29	■	3.9	Sweden	6.3
1.08	Strength of auditing and reporting standards	29	■	5.0	South Africa	6.5
1.09	Ethical behavior of firms	54	■	3.3	Denmark	6.7
1.10	Protection of minority shareholders' interests	45	■	4.0	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	50	■	2.6	Singapore	5.6
1.12	Centralization of economic policymaking	14	■	4.0	Switzerland	5.6
1.13	Regulation of securities exchanges	29	■	4.7	South Africa	6.4
1.14	Property rights	41	■	4.1	Finland	6.4
1.15	Intellectual property protection	34	■	3.7	Finland	6.2
1.16	Diversion of public funds	55	■	2.3	Denmark	6.5
1.17	Public trust in politicians	58	■	1.7	Singapore	6.4
1.18	Corruption perceptions index	29	■	4.6	Multiple (2)	9.3
1.19	Strength of legal rights index	34	■	6.0	Multiple (5)	10.0
1.20	Central bank transparency	n/a		n/a	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	49	■	2.9	Singapore	6.5
1.22	Judicial independence	42	■	3.7	Denmark	6.6
1.23	Irregular payments in judicial decisions	40	■	3.7	Denmark	6.8
1.24	Time to enforce a contract	45	■	611.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	7	■	27.0	Multiple (2)	21.0
1.26	Strength of investor protection index	41	■	5.0	Singapore	9.3
1.27	Cost of enforcing contracts	51	■	33.0	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	47	■	4.0	Belgium	6.1
2.02	Quality of math and science education	36	■	4.1	Singapore	6.4
2.03	Extent of staff training	29	■	4.3	Switzerland	5.6
2.04	Local availability of specialized research and training services	19	■	5.2	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	39	■	3.7	Switzerland	5.6
2.06	Tertiary enrollment	23	■	58.3	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	33	■	4.9	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	47	■	3.8	Singapore	5.7
2.09	Marginal tax variation	44	■	11.5	Kuwait	-4.7
2.10	Time to pay taxes	54	■	557.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	22	■	5.6	Switzerland	6.7
2.12	Quality of telephone infrastructure	19	■	6.6	Sweden	6.9
2.13	Internet users	22	■	68.8	Norway	93.4
2.14	Broadband Internet subscriptions	25	■	14.7	Switzerland	38.2
2.15	Telephone lines	33	■	20.9	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	12	■	136.6	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	39	■	8.4	Denmark	0.0

(Cont'd.)

Czech Republic

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	23	■	3.0	Multiple (2)	0.0
2.19	Cost of closing a business	40	■	17.0	Multiple (4)	1.0
2.20	Time to start a business	39	■	20.0	Australia	2.0
2.21	Time to register property	26	■	25.0	Multiple (3)	2.0
2.22	Time to close a business	44	■	3.2	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	11	■	3.2	Malaysia	10.9
3.02	External vulnerability indicator	25	■	87.0	Saudi Arabia	8.4
3.03	Current account balance to GDP	33	■	-1.4	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	27	■	48.7	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	30	■	1.5	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	41	■	3.7	Ireland	7.0
3.10	Financial Stress Index	30	■	0.1	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	18	■	18.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	19	■	17.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	28	■	5.4	Peru	6.7
3.16	Manageability of public debt	20	■	38.5	Russian Federation	9.1
3.17	Credit default swap spreads	16	■	107.6	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	35	■	67.1	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	30	■	62.3	Hong Kong SAR	303.4
4.04	M2 to GDP	27	■	73.8	Hong Kong SAR	330.7
4.05	Private credit to GDP	35	■	56.0	Ireland	231.9
4.06	Bank deposits to GDP	33	■	61.9	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	14	■	4.2	Netherlands	6.1
4.09	Bank overhead costs	24	■	2.1	Singapore	0.3
4.10	Public ownership of banks	30	■	3.9	Multiple (24)	0.0
4.11	Bank operating costs to assets	26	■	1.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	31	■	4.9	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	15	■	95.7	Multiple (12)	100.0
4.14	Public credit registry coverage	18	■	6.1	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	23	■	0.6	China	35.4
5.02	IPO proceeds amount	9	■	0.4	Hong Kong SAR	3.7
5.03	Share of world IPOs	38	■	0.2	China	26.3

Czech Republic

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

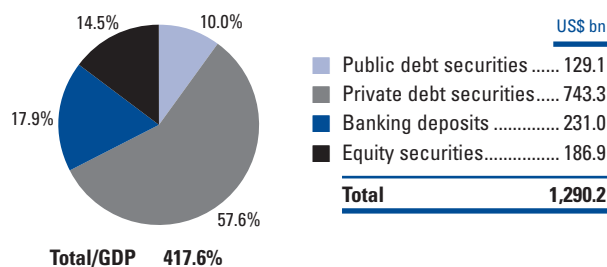
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	37	■	0.2	United States.....	34.0
5.05	M&A transaction value to GDP.....	33	■	2.9	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	33	■	0.3	United States.....	22.6
Insurance						
5.07	Life insurance density.....	29	■	1.9	Ireland.....	19.2
5.08	Non-life insurance density.....	23	■	2.2	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	28	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	40	■	0.2	India.....	53.6
5.11	Non-life insurance coverage.....	41	■	0.2	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	39	■	0.8	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	37	■	0.3	United States.....	4.8
5.14	Share of total number of securitization deals.....	34	■	0.1	United States.....	52.3
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.....	39	■	0.0	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	29	■	0.2	United Kingdom.....	33.4
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.....	32	■	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.....	32	■	0.1	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.....	35	■	41.9	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	41	■	53.3	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	34	■	29.2	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	37	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	29	■	13.1	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	29	■	27.4	Poland.....	344.7
6.15	Private international bonds to GDP.....	31	■	6.2	Ireland.....	243.6
6.16	Public international bonds to GDP.....	23	■	5.8	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	38	■	0.2	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	35	■	4.7	United Kingdom.....	6.7
7.02	Venture capital availability.....	47	■	2.4	Israel.....	4.5
7.03	Ease of access to credit.....	38	■	3.3	Peru.....	4.8
7.04	Financing through local equity market.....	49	■	3.5	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	40	■	2.9	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	15	■	3.5	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	14	■	173,925.7	Japan.....	717,241.6
7.08	Commercial bank branches.....	17	■	22.2	Ireland.....	573
7.09	Total number of ATMs.....	34	■	39.9	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	19	■	869.0	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

Denmark

Key indicators

Population (millions), 2010.....	5.5
GDP (US\$ billions), 2010.....	310.8
GDP (current prices) per capita, 2010.....	56,147.1
GDP (PPP) as share (%) of world total, 2010	0.27
Compound annual growth rate of real GDP (%), 2006–2010..	-0.57

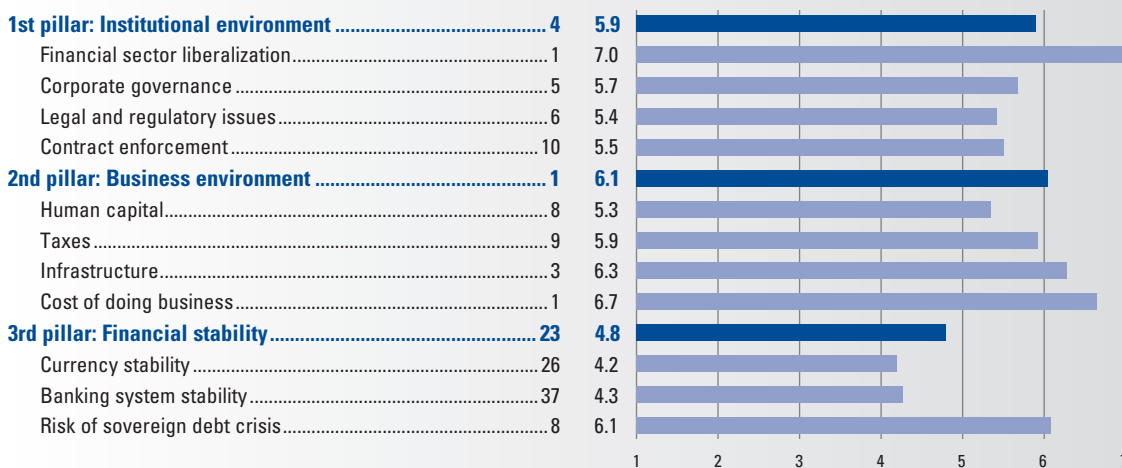
Financial assets by major type, 2009



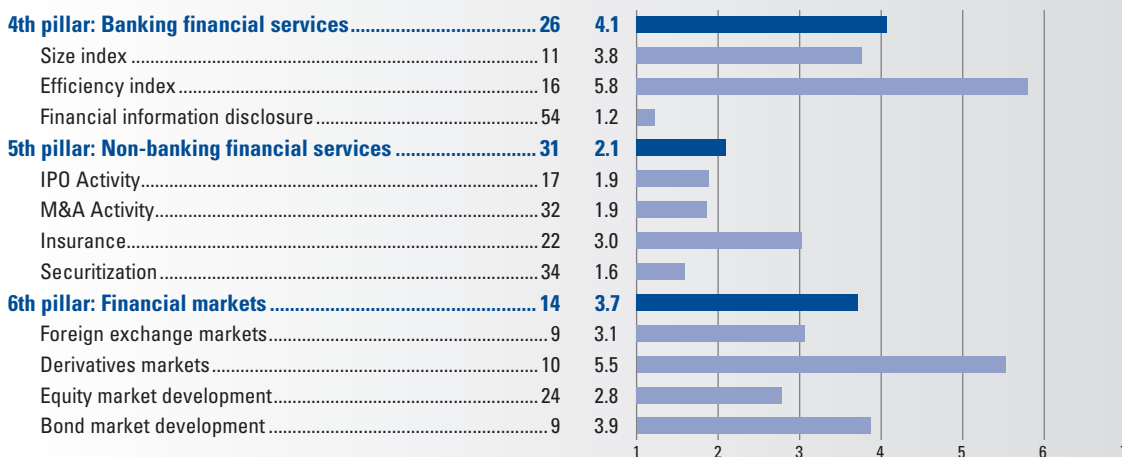
Financial Development Index 2011



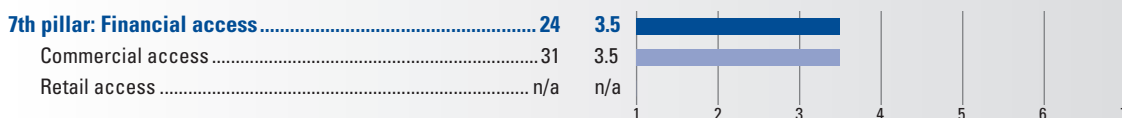
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	73.5	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	24	■	4.4	Singapore	5.2
1.05	Efficacy of corporate boards	11	■	5.3	Sweden	5.9
1.06	Reliance on professional management	6	■	6.0	Sweden	6.4
1.07	Willingness to delegate	2	■	6.0	Sweden	6.3
1.08	Strength of auditing and reporting standards	14	■	5.7	South Africa	6.5
1.09	Ethical behavior of firms	1	■	6.7	Denmark	6.7
1.10	Protection of minority shareholders' interests	9	■	5.5	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	9	■	4.0	Singapore	5.6
1.12	Centralization of economic policymaking	21	■	3.5	Switzerland	5.6
1.13	Regulation of securities exchanges	11	■	5.5	South Africa	6.4
1.14	Property rights	6	■	6.0	Finland	6.4
1.15	Intellectual property protection	5	■	5.9	Finland	6.2
1.16	Diversion of public funds	1	■	6.5	Denmark	6.5
1.17	Public trust in politicians	6	■	5.4	Singapore	6.4
1.18	Corruption perceptions index	1	■	9.3	Multiple (2)	9.3
1.19	Strength of legal rights index	6	■	9.0	Multiple (5)	10.0
1.20	Central bank transparency	29	■	7.5	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	4	■	5.4	Singapore	6.5
1.22	Judicial independence	1	■	6.6	Denmark	6.6
1.23	Irregular payments in judicial decisions	1	■	6.8	Denmark	6.8
1.24	Time to enforce a contract	20	■	410.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	29	■	35.0	Multiple (2)	21.0
1.26	Strength of investor protection index	19	■	6.3	Singapore	9.3
1.27	Cost of enforcing contracts	26	■	23.3	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	16	■	5.2	Belgium	6.1
2.02	Quality of math and science education	17	■	4.8	Singapore	6.4
2.03	Extent of staff training	3	■	5.5	Switzerland	5.6
2.04	Local availability of specialized research and training services	9	■	5.7	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	26	■	4.1	Switzerland	5.6
2.06	Tertiary enrollment	6	■	78.1	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	1	■	6.8	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	12	■	4.6	Singapore	5.7
2.09	Marginal tax variation	25	■	4.9	Kuwait	-4.7
2.10	Time to pay taxes	19	■	135.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	5	■	6.4	Switzerland	6.7
2.12	Quality of telephone infrastructure	5	■	6.9	Sweden	6.9
2.13	Internet users	4	■	88.7	Norway	93.4
2.14	Broadband Internet subscriptions	3	■	37.4	Switzerland	38.2
2.15	Telephone lines	10	■	47.3	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	17	■	124.4	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	1	■	0.0	Denmark	0.0

(Cont'd.)

Denmark

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	8	■	0.6	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	8	■	6.0	Australia	2.0
2.21	Time to register property	17	■	16.0	Multiple (3)	2.0
2.22	Time to close a business	8	■	1.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	34	■	0.1	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	19	■	3.7	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	6	■	8.8	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	38	■	2.0	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	18	■	5.7	Ireland	7.0
3.10	Financial Stress Index	32	■	0.2	Austria	-3.9
3.11	Tier 1 capital ratio	18	■	12.3	Japan	23.9
3.12	Output loss during banking crises	46	■	72.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	36	■	5.1	Peru	6.7
3.16	Manageability of public debt	28	■	43.5	Russian Federation	9.1
3.17	Credit default swap spreads	13	■	98.7	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	1	■	242.4	Denmark	242.4
4.02	Central bank assets to GDP	38	■	0.2	Egypt	19.7
4.03	Financial system deposits to GDP	24	■	71.8	Hong Kong SAR	303.4
4.04	M2 to GDP	38	■	56.2	Hong Kong SAR	330.7
4.05	Private credit to GDP	2	■	229.8	Ireland	231.9
4.06	Bank deposits to GDP	26	■	72.3	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	11	■	2.9	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	39	■	3.3	Netherlands	6.1
4.09	Bank overhead costs	32	■	2.4	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	4	■	0.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	n/a		n/a	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	47	■	7.3	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	21	■	0.7	China	35.4
5.02	IPO proceeds amount	13	■	0.3	Hong Kong SAR	3.7
5.03	Share of world IPOs	31	■	0.3	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage
■ Development Disadvantage

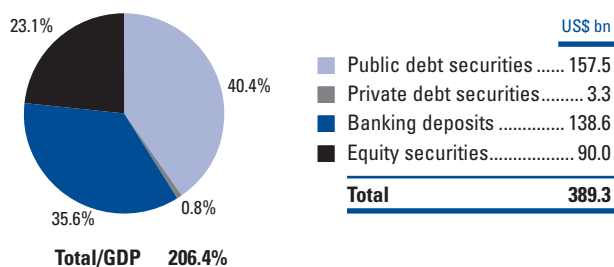
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	33	■	0.3	United States.....	34.0
5.05	M&A transaction value to GDP.....	35	■	2.8	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	23	■	0.8	United States.....	22.6
Insurance						
5.07	Life insurance density.....	10	■	6.1	Ireland.....	19.2
5.08	Non-life insurance density.....	10	■	3.4	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	36	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	32	■	0.3	India.....	53.6
5.11	Non-life insurance coverage.....	44	■	0.2	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	23	■	1.4	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	30	■	0.4	United States.....	4.8
5.14	Share of total number of securitization deals.....	33	■	0.1	United States.....	52.3
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.....	33.4
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.....	21	■	113.2	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	26	■	101.8	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	20	■	126.4	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	n/a		n/a	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	1	■	185.9	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	22	■	31.7	Poland.....	344.7
6.15	Private international bonds to GDP.....	15	■	46.3	Ireland.....	243.6
6.16	Public international bonds to GDP.....	20	■	6.6	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	20	■	5.7	United Kingdom.....	6.7
7.02	Venture capital availability.....	20	■	3.4	Israel.....	4.5
7.03	Ease of access to credit.....	46	■	3.0	Peru.....	4.8
7.04	Financing through local equity market.....	26	■	4.2	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	20	■	3.6	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	58	■	-0.6	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	n/a		n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	4	■	45.4	Ireland.....	573
7.09	Total number of ATMs.....	n/a		n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

Egypt

Key indicators

Population (millions), 2010.....	78.3
GDP (US\$ billions), 2010.....	218.5
GDP (current prices) per capita, 2010.....	2,788.8
GDP (PPP) as share (%) of world total, 2010	0.67
Compound annual growth rate of real GDP (%), 2006–2010....	4.78

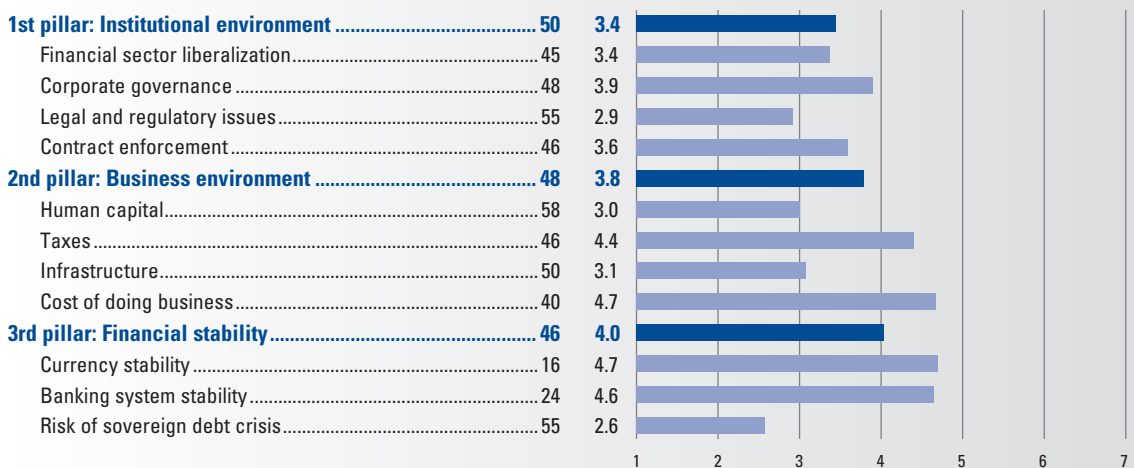
Financial assets by major type, 2009



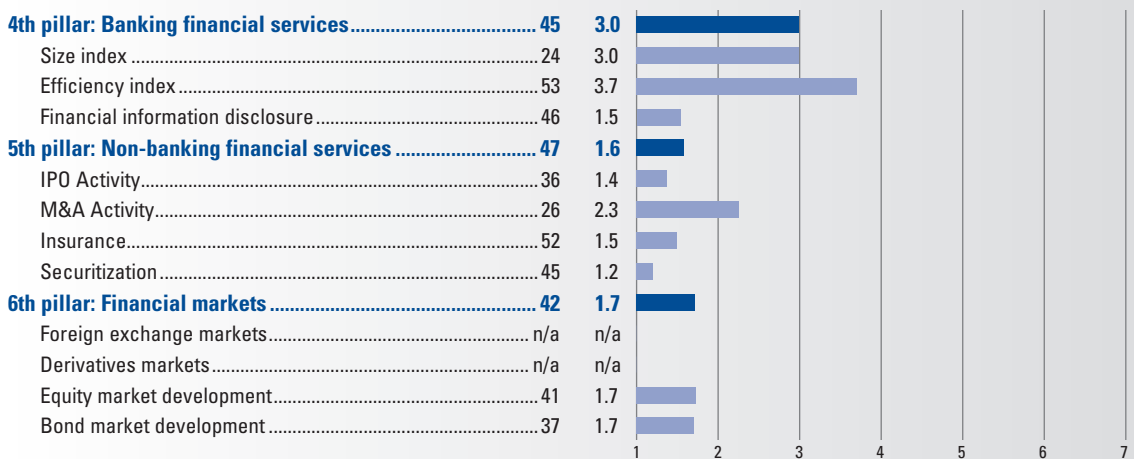
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	34	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	42	Turkey	83.5
1.03	Domestic financial sector liberalization	52	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	50	Singapore	5.2
1.05	Efficacy of corporate boards	57	Sweden	5.9
1.06	Reliance on professional management	59	Sweden	6.4
1.07	Willingness to delegate	31	Sweden	6.3
1.08	Strength of auditing and reporting standards	51	South Africa	6.5
1.09	Ethical behavior of firms	44	Denmark	6.7
1.10	Protection of minority shareholders' interests	34	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	37	Singapore	5.6
1.12	Centralization of economic policymaking	53	Switzerland	5.6
1.13	Regulation of securities exchanges	40	South Africa	6.4
1.14	Property rights	40	Finland	6.4
1.15	Intellectual property protection	42	Finland	6.2
1.16	Diversion of public funds	47	Denmark	6.5
1.17	Public trust in politicians	33	Singapore	6.4
1.18	Corruption perceptions index	47	Multiple (2)	9.3
1.19	Strength of legal rights index	53	Multiple (5)	10.0
1.20	Central bank transparency	44	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	47	Singapore	6.5
1.22	Judicial independence	26	Denmark	6.6
1.23	Irregular payments in judicial decisions	24	Denmark	6.8
1.24	Time to enforce a contract	56	Singapore	150.0
1.25	Number of procedures to enforce a contract	50	Multiple (2)	21.0
1.26	Strength of investor protection index	36	Singapore	9.3
1.27	Cost of enforcing contracts	35	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	60	Belgium	6.1
2.02	Quality of math and science education	57	Singapore	6.4
2.03	Extent of staff training	60	Switzerland	5.6
2.04	Local availability of specialized research and training services	51	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	59	Switzerland	5.6
2.06	Tertiary enrollment	47	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	48	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	27	Singapore	5.7
2.09	Marginal tax variation	30	Kuwait	-4.7
2.10	Time to pay taxes	52	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	42	Switzerland	6.7
2.12	Quality of telephone infrastructure	30	Sweden	6.9
2.13	Internet users	50	Norway	93.4
2.14	Broadband Internet subscriptions	50	Switzerland	38.2
2.15	Telephone lines	48	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	49	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	32	Denmark	0.0

(Cont'd.)

Egypt

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	11	■	0.8	Multiple (2)	0.0
2.19	Cost of closing a business	48	■	22.0	Multiple (4)	1.0
2.20	Time to start a business	13	■	7.0	Australia	2.0
2.21	Time to register property	52	■	72.0	Multiple (3)	2.0
2.22	Time to close a business	52	■	4.2	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	5	■	5.6	Malaysia	10.9
3.02	External vulnerability indicator	3	■	15.6	Saudi Arabia	8.4
3.03	Current account balance to GDP	32	■	-1.3	Kuwait	32.8
3.04	Dollarization vulnerability indicator	41	■	53.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	2	■	15.4	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	11	■	0.5	Multiple (10)	0.0
3.08	Financial strengths indicator	48	■	2.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	16	■	5.8	Ireland	7.0
3.10	Financial Stress Index	19	■	-1.4	Austria	-3.9
3.11	Tier 1 capital ratio	41	■	8.3	Japan	23.9
3.12	Output loss during banking crises	23	■	0.4	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	49	■	9.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	49	■	8.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	56	■	3.5	Peru	6.7
3.16	Manageability of public debt	52	■	81.4	Russian Federation	9.1
3.17	Credit default swap spreads	48	■	383.5	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	37	■	56.2	Denmark	242.4
4.02	Central bank assets to GDP	1	■	19.7	Egypt	19.7
4.03	Financial system deposits to GDP	23	■	75.5	Hong Kong SAR	303.4
4.04	M2 to GDP	24	■	80.7	Hong Kong SAR	330.7
4.05	Private credit to GDP	43	■	37.9	Ireland	231.9
4.06	Bank deposits to GDP	24	■	75.4	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	26	■	3.8	Netherlands	6.1
4.09	Bank overhead costs	44	■	3.9	Singapore	0.3
4.10	Public ownership of banks	57	■	62.5	Multiple (24)	0.0
4.11	Bank operating costs to assets	24	■	1.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	50	■	13.4	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	44	■	13.7	Multiple (12)	100.0
4.14	Public credit registry coverage	19	■	3.5	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	34	■	0.2	China	35.4
5.02	IPO proceeds amount	23	■	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	42	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

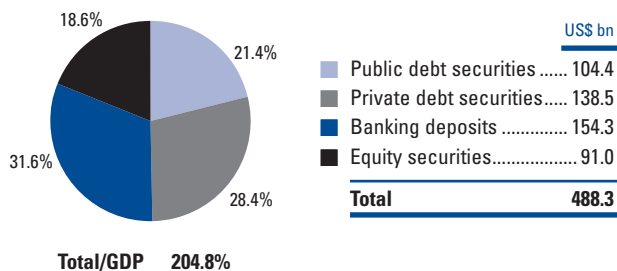
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	29 ■	0.4	United States.....	34.0
5.05	M&A transaction value to GDP.....	17 ■	5.3	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	45 ■	0.1	United States.....	22.6
Insurance					
5.07	Life insurance density.....	48 ■	0.3	Ireland.....	19.2
5.08	Non-life insurance density.....	55 ■	0.4	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	51 ■	-0.1	China.....	0.3
5.10	Life insurance coverage.....	36 ■	0.2	India.....	53.6
5.11	Non-life insurance coverage.....	34 ■	0.3	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	17 ■	1.6	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	42 ■	0.2	United States.....	4.8
5.14	Share of total number of securitization deals.....	42 ■	0.1	United States.....	52.3
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.....	33.4
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.....	44 ■	22.3	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	25 ■	114.0	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	29 ■	36.6	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	41 ■	0.0	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	41 ■	0.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	20 ■	34.0	Poland.....	344.7
6.15	Private international bonds to GDP.....	48 ■	1.6	Ireland.....	243.6
6.16	Public international bonds to GDP.....	38 ■	1.9	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	26 ■	0.5	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	52 ■	3.8	United Kingdom.....	6.7
7.02	Venture capital availability.....	30 ■	3.0	Israel.....	4.5
7.03	Ease of access to credit.....	17 ■	4.1	Peru.....	4.8
7.04	Financing through local equity market.....	23 ■	4.3	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	43 ■	2.7	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	18 ■	2.9	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	n/a	n/a	Ireland.....	573
7.09	Total number of ATMs.....	n/a	n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	18 ■	2.4	Peru.....	110.0

Finland

Key indicators

Population (millions), 2010.....	5.4
GDP (US\$ billions), 2010.....	239.2
GDP (current prices) per capita, 2010.....	44,488.6
GDP (PPP) as share (%) of world total, 2010	0.25
Compound annual growth rate of real GDP (%), 2006–2010....	0.13

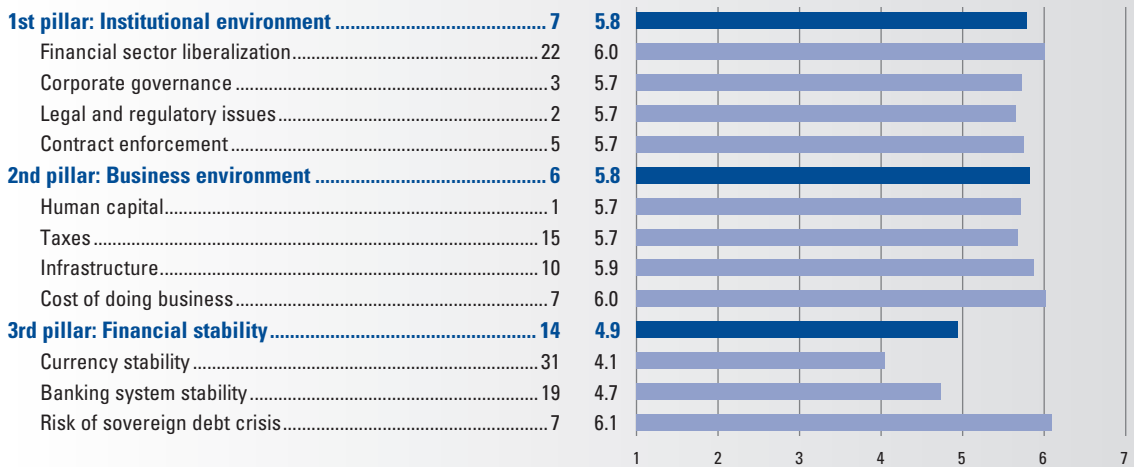
Financial assets by major type, 2009



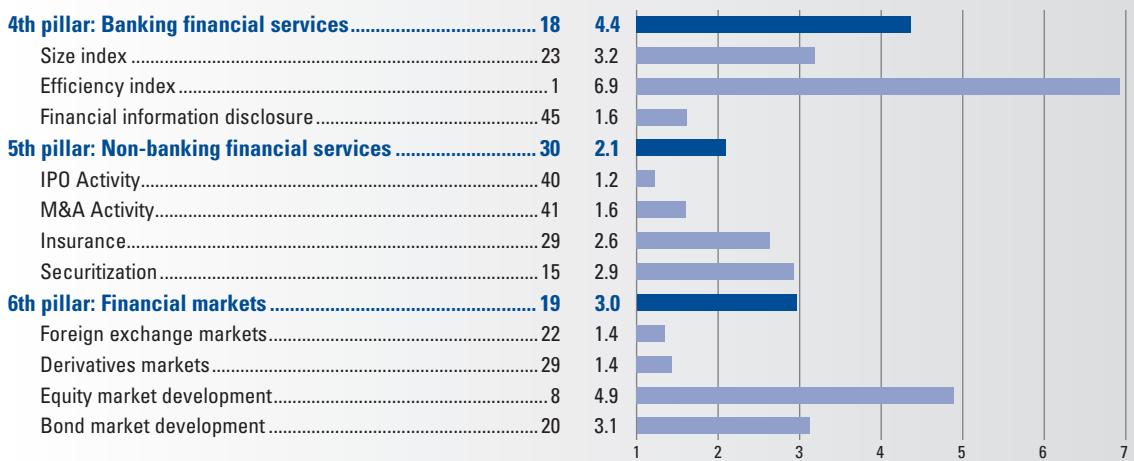
Financial Development Index 2011



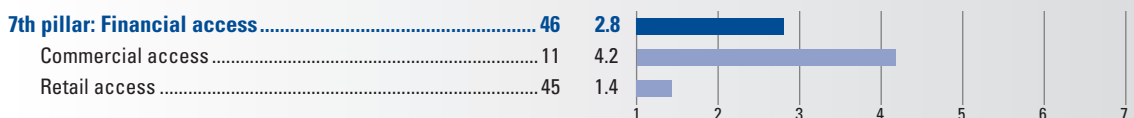
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	32	■	29.9	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	15	■	4.6	Singapore	5.2
1.05	Efficacy of corporate boards	6	■	5.5	Sweden	5.9
1.06	Reliance on professional management	2	■	6.2	Sweden	6.4
1.07	Willingness to delegate	6	■	5.2	Sweden	6.3
1.08	Strength of auditing and reporting standards	6	■	6.1	South Africa	6.5
1.09	Ethical behavior of firms	4	■	6.6	Denmark	6.7
1.10	Protection of minority shareholders' interests	2	■	5.9	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	6	■	4.4	Singapore	5.6
1.12	Centralization of economic policymaking	11	■	4.1	Switzerland	5.6
1.13	Regulation of securities exchanges	4	■	5.9	South Africa	6.4
1.14	Property rights	1	■	6.4	Finland	6.4
1.15	Intellectual property protection	1	■	6.2	Finland	6.2
1.16	Diversion of public funds	4	■	6.2	Denmark	6.5
1.17	Public trust in politicians	9	■	5.0	Singapore	6.4
1.18	Corruption perceptions index	3	■	9.2	Multiple (2)	9.3
1.19	Strength of legal rights index	16	■	8.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	3	■	5.6	Singapore	6.5
1.22	Judicial independence	3	■	6.4	Denmark	6.6
1.23	Irregular payments in judicial decisions	3	■	6.7	Denmark	6.8
1.24	Time to enforce a contract	11	■	375.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	23	■	33.0	Multiple (2)	21.0
1.26	Strength of investor protection index	31	■	5.7	Singapore	9.3
1.27	Cost of enforcing contracts	6	■	13.3	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	14	■	5.3	Belgium	6.1
2.02	Quality of math and science education	3	■	6.3	Singapore	6.4
2.03	Extent of staff training	7	■	5.3	Switzerland	5.6
2.04	Local availability of specialized research and training services	10	■	5.6	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	12	■	4.8	Switzerland	5.6
2.06	Tertiary enrollment	2	■	94.4	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	3	■	6.7	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	8	■	4.9	Singapore	5.7
2.09	Marginal tax variation	47	■	12.3	Kuwait	-4.7
2.10	Time to pay taxes	9	■	93.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	6	■	6.4	Switzerland	6.7
2.12	Quality of telephone infrastructure	9	■	6.8	Sweden	6.9
2.13	Internet users	5	■	86.9	Norway	93.4
2.14	Broadband Internet subscriptions	13	■	29.1	Switzerland	38.2
2.15	Telephone lines	29	■	23.3	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	7	■	156.4	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	12	■	1.0	Denmark	0.0

(Cont'd.)

Finland

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment <i>(cont'd.)</i>						
2.18	Cost of registering property	29	■	4.0	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	29	■	14.0	Australia	2.0
2.21	Time to register property	14	■	14.0	Multiple (3)	2.0
2.22	Time to close a business	5	■	0.9	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	41	■	-0.3	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	22	■	2.8	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	7	■	6.9	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	5	■	7.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	29	■	4.9	Ireland	7.0
3.10	Financial Stress Index	8	■	-2.2	Austria	-3.9
3.11	Tier 1 capital ratio	12	■	13.2	Japan	23.9
3.12	Output loss during banking crises	51	■	87.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	26	■	5.4	Peru	6.7
3.16	Manageability of public debt	32	■	48.4	Russian Federation	9.1
3.17	Credit default swap spreads	20	■	120.8	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	28	■	86.5	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	35	■	51.9	Hong Kong SAR	303.4
4.04	M2 to GDP	28	■	71.6	Hong Kong SAR	330.7
4.05	Private credit to GDP	27	■	83.7	Ireland	231.9
4.06	Bank deposits to GDP	38	■	52.3	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	5	■	7.2	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	6	■	5.3	Netherlands	6.1
4.09	Bank overhead costs	7	■	1.0	Singapore	0.3
4.10	Public ownership of banks	25	■	0.6	Multiple (24)	0.0
4.11	Bank operating costs to assets	2	■	0.8	Japan	0.8
4.12	Nonperforming bank loans to total loans	2	■	0.8	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	38	■	20.5	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	36	■	0.2	China	35.4
5.02	IPO proceeds amount	35	■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	44	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

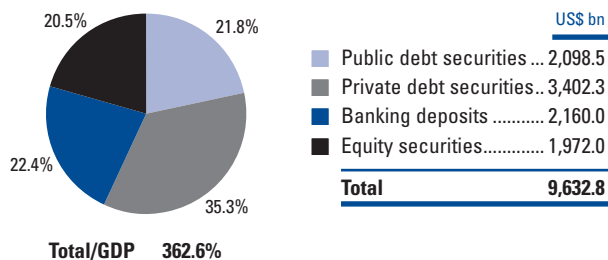
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	39	■	0.2	United States.....	34.0
5.05	M&A transaction value to GDP.....	40	■	2.2	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	29	■	0.5	United States.....	22.6
Insurance						
5.07	Life insurance density.....	6	■	7.5	Ireland.....	19.2
5.08	Non-life insurance density.....	27	■	1.9	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	35	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	31	■	0.4	India.....	53.6
5.11	Non-life insurance coverage.....	50	■	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	43	■	0.7	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	8	■	1.5	United States.....	4.8
5.14	Share of total number of securitization deals.....	35	■	0.1	United States.....	52.3
6th pillar: Financial markets						
Foreign exchange markets						
6.01	Spot foreign exchange turnover.....	41	■	0.0	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....	34	■	0.1	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	12	■	1.3	United Kingdom.....	33.4
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.....	34	■	0.0	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	11	■	179.1	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	11	■	172.5	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	4	■	410.1	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	n/a		n/a	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	21	■	25.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	40	■	12.8	Poland.....	344.7
6.15	Private international bonds to GDP.....	18	■	31.5	Ireland.....	243.6
6.16	Public international bonds to GDP.....	5	■	27.2	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	19	■	0.7	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	13	■	6.0	United Kingdom.....	6.7
7.02	Venture capital availability.....	8	■	4.2	Israel.....	4.5
7.03	Ease of access to credit.....	10	■	4.3	Peru.....	4.8
7.04	Financing through local equity market.....	30	■	4.1	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	6	■	4.5	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	32	■	1.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	n/a		n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	54	■	0.0	Ireland.....	573
7.09	Total number of ATMs.....	35	■	38.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	35	■	64.3	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

France

Key indicators

Population (millions), 2010.....	63.0
GDP (US\$ billions), 2010.....	2,582.5
GDP (current prices) per capita, 2010.....	41,018.6
GDP (PPP) as share (%) of world total, 2010	2.90
Compound annual growth rate of real GDP (%), 2006–2010....	0.26

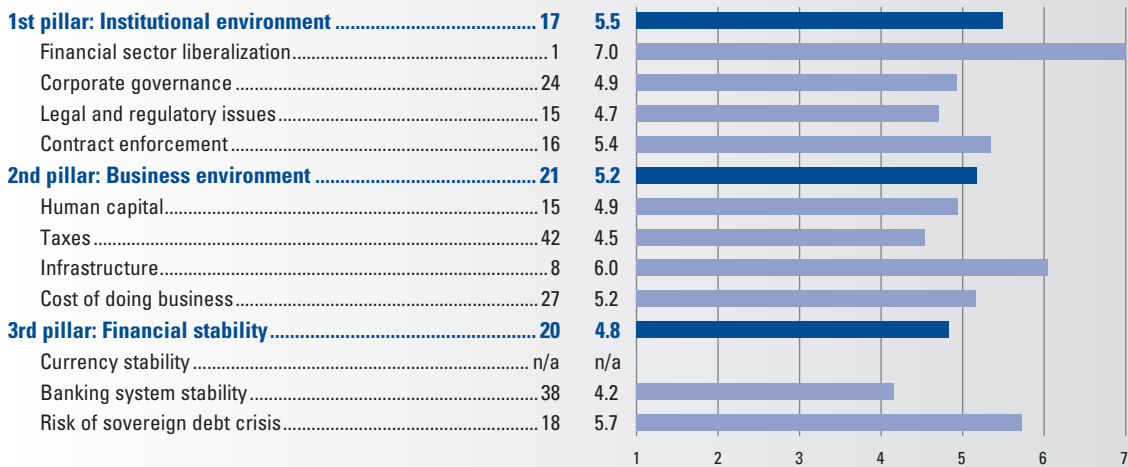
Financial assets by major type, 2009



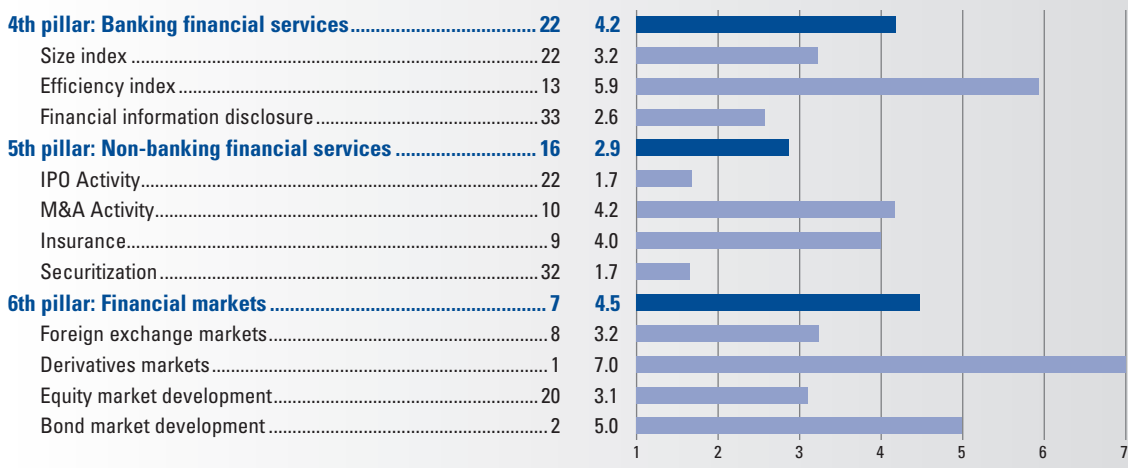
Financial Development Index 2011



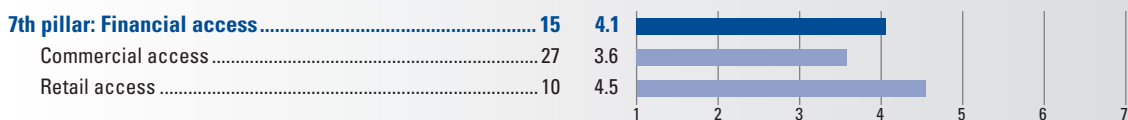
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	72.4	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	21	■	4.4	Singapore	5.2
1.05	Efficacy of corporate boards	17	■	5.1	Sweden	5.9
1.06	Reliance on professional management	21	■	5.1	Sweden	6.4
1.07	Willingness to delegate	35	■	3.8	Sweden	6.3
1.08	Strength of auditing and reporting standards	17	■	5.6	South Africa	6.5
1.09	Ethical behavior of firms	15	■	5.7	Denmark	6.7
1.10	Protection of minority shareholders' interests	24	■	4.8	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	46	■	2.6	Singapore	5.6
1.12	Centralization of economic policymaking	34	■	3.0	Switzerland	5.6
1.13	Regulation of securities exchanges	15	■	5.4	South Africa	6.4
1.14	Property rights	10	■	5.9	Finland	6.4
1.15	Intellectual property protection	6	■	5.8	Finland	6.2
1.16	Diversion of public funds	20	■	5.1	Denmark	6.5
1.17	Public trust in politicians	21	■	3.7	Singapore	6.4
1.18	Corruption perceptions index	19	■	6.8	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	10	■	4.9	Singapore	6.5
1.22	Judicial independence	25	■	4.9	Denmark	6.6
1.23	Irregular payments in judicial decisions	19	■	5.9	Denmark	6.8
1.24	Time to enforce a contract	8	■	331.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	10	■	29.0	Multiple (2)	21.0
1.26	Strength of investor protection index	36	■	5.3	Singapore	9.3
1.27	Cost of enforcing contracts	16	■	17.4	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	5	■	5.7	Belgium	6.1
2.02	Quality of math and science education	9	■	5.1	Singapore	6.4
2.03	Extent of staff training	26	■	4.4	Switzerland	5.6
2.04	Local availability of specialized research and training services	8	■	5.7	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	37	■	3.8	Switzerland	5.6
2.06	Tertiary enrollment	29	■	54.6	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	18	■	6.1	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	26	■	4.2	Singapore	5.7
2.09	Marginal tax variation	56	■	26.2	Kuwait	-4.7
2.10	Time to pay taxes	17	■	132.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	3	■	6.5	Switzerland	6.7
2.12	Quality of telephone infrastructure	12	■	6.7	Sweden	6.9
2.13	Internet users	11	■	80.1	Norway	93.4
2.14	Broadband Internet subscriptions	6	■	33.9	Switzerland	38.2
2.15	Telephone lines	4	■	56.1	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	43	■	99.7	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	11	■	0.9	Denmark	0.0

(Cont'd.)

France

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	47	Multiple (2)	0.0
2.19	Cost of closing a business	21	Multiple (4)	1.0
2.20	Time to start a business	13	Australia	2.0
2.21	Time to register property	50	Multiple (3)	2.0
2.22	Time to close a business	27	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	42	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	38	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	38	Multiple (10)	0.0
3.08	Financial strengths indicator	10	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	42	Ireland	7.0
3.10	Financial Stress Index	10	Austria	-3.9
3.11	Tier 1 capital ratio	29	Japan	23.9
3.12	Output loss during banking crises	37	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	1	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	25	Peru	6.7
3.16	Manageability of public debt	53	Russian Federation	9.1
3.17	Credit default swap spreads	6	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	14	Denmark	242.4
4.02	Central bank assets to GDP	24	Egypt	19.7
4.03	Financial system deposits to GDP	26	Hong Kong SAR	303.4
4.04	M2 to GDP	21	Hong Kong SAR	330.7
4.05	Private credit to GDP	12	Ireland	231.9
4.06	Bank deposits to GDP	30	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	9	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	33	Netherlands	6.1
4.09	Bank overhead costs	30	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	12	Japan	0.8
4.12	Nonperforming bank loans to total loans	26	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	50	Multiple (12)	100.0
4.14	Public credit registry coverage	5	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	22	China	35.4
5.02	IPO proceeds amount	49	Hong Kong SAR	3.7
5.03	Share of world IPOs	14	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

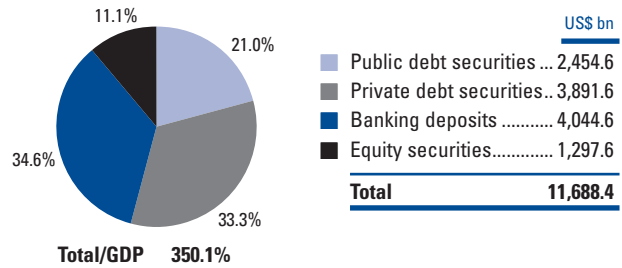
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	8 ■	3.5	United States.....	34.0
5.05 M&A transaction value to GDP.....	25 ■	3.5	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	8 ■	3.6	United States.....	22.6
Insurance				
5.07 Life insurance density.....	7 ■	7.5	Ireland.....	19.2
5.08 Non-life insurance density.....	9 ■	3.4	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	34 ■	0.0	China.....	0.3
5.10 Life insurance coverage.....	7 ■	4.7	India.....	53.6
5.11 Non-life insurance coverage.....	9 ■	2.1	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	35 ■	1.0	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	40 ■	0.3	United States.....	4.8
5.14 Share of total number of securitization deals.....	20 ■	0.6	United States.....	52.3
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.....	33.4
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.....	15 ■	176.4	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	23 ■	124.4	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	12 ■	194.7	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	22 ■	0.1	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	5 ■	67.2	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	4 ■	78.1	Poland.....	344.7
6.15 Private international bonds to GDP.....	6 ■	89.4	Ireland.....	243.6
6.16 Public international bonds to GDP.....	31 ■	2.7	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	3 ■	2.3	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	11 ■	6.2	United Kingdom.....	6.7
7.02 Venture capital availability.....	27 ■	3.0	Israel.....	4.5
7.03 Ease of access to credit.....	56 ■	2.4	Peru.....	4.8
7.04 Financing through local equity market.....	8 ■	4.9	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	30 ■	3.2	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	42 ■	1.3	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	29 ■	77,198.7	Japan.....	717,241.6
7.08 Commercial bank branches.....	5 ■	43.2	Ireland.....	573
7.09 Total number of ATMs.....	10 ■	105.3	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	8 ■	2,456.9	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Germany

Key indicators

Population (millions), 2010.....	81.6
GDP (US\$ billions), 2010.....	3,315.6
GDP (current prices) per capita, 2010.....	40,631.2
GDP (PPP) as share (%) of world total, 2010	3.96
Compound annual growth rate of real GDP (%), 2006–2010....	0.42

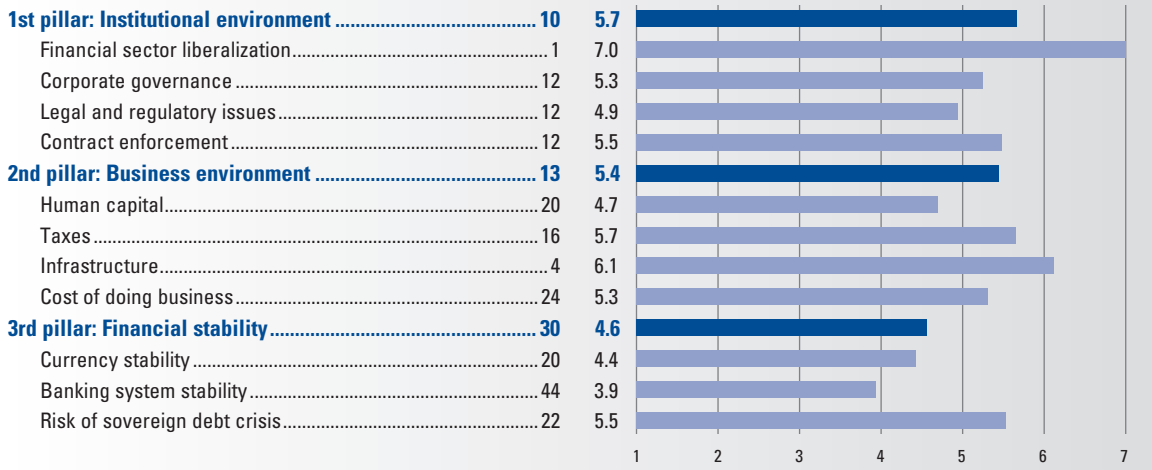
Financial assets by major type, 2009



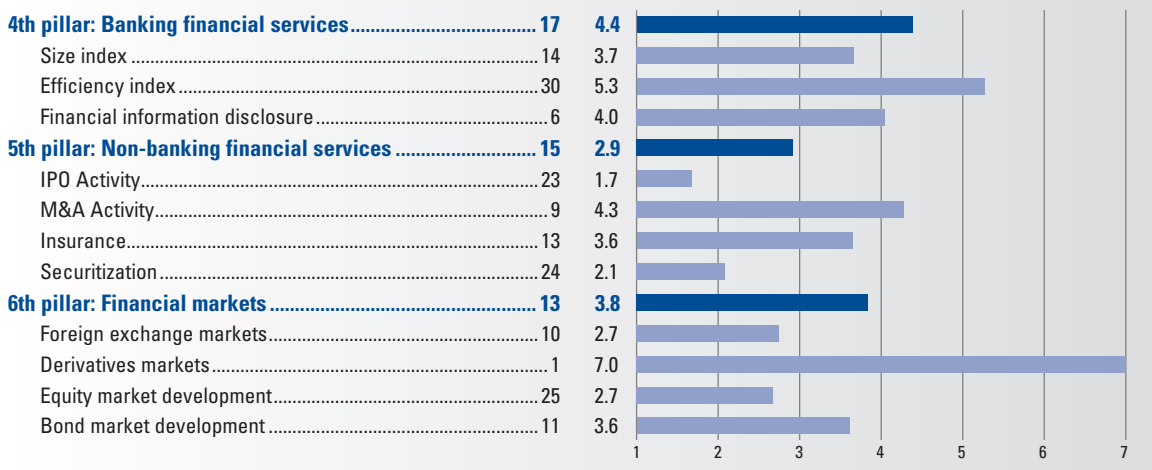
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	73.5	Turkey	83.5
1.03	Domestic financial sector liberalization	1	1.0	Multiple (35)	1.0
Corporate governance					
1.04	Extent of incentive-based compensation	7	5.0	Singapore	5.2
1.05	Efficacy of corporate boards	14	5.2	Sweden	5.9
1.06	Reliance on professional management	12	5.7	Sweden	6.4
1.07	Willingness to delegate	12	4.8	Sweden	6.3
1.08	Strength of auditing and reporting standards	23	5.3	South Africa	6.5
1.09	Ethical behavior of firms	12	5.9	Denmark	6.7
1.10	Protection of minority shareholders' interests	21	4.8	Sweden	6.0
Legal and regulatory issues					
1.11	Burden of government regulation	34	3.0	Singapore	5.6
1.12	Centralization of economic policymaking	4	4.8	Switzerland	5.6
1.13	Regulation of securities exchanges	33	4.5	South Africa	6.4
1.14	Property rights	14	5.7	Finland	6.4
1.15	Intellectual property protection	11	5.6	Finland	6.2
1.16	Diversion of public funds	12	5.6	Denmark	6.5
1.17	Public trust in politicians	20	3.7	Singapore	6.4
1.18	Corruption perceptions index	12	7.9	Multiple (2)	9.3
1.19	Strength of legal rights index	23	7.0	Multiple (5)	10.0
1.20	Central bank transparency	3	11.0	Sweden	15.0
Contract enforcement					
1.21	Effectiveness of law-making bodies	14	4.6	Singapore	6.5
1.22	Judicial independence	6	6.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	10	6.3	Denmark	6.8
1.24	Time to enforce a contract	14	394.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	13	30.0	Multiple (2)	21.0
1.26	Strength of investor protection index	41	5.0	Singapore	9.3
1.27	Cost of enforcing contracts	9	14.4	Norway	9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools	26	4.8	Belgium	6.1
2.02	Quality of math and science education	28	4.4	Singapore	6.4
2.03	Extent of staff training	15	4.9	Switzerland	5.6
2.04	Local availability of specialized research and training services	3	6.0	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	24	4.1	Switzerland	5.6
2.06	Tertiary enrollment	35	43.6	Korea, Rep.	98.1
Taxes					
2.07	Irregular payments in tax collection	15	6.2	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	52	3.6	Singapore	5.7
2.09	Marginal tax variation	2	-3.2	Kuwait	-4.7
2.10	Time to pay taxes	30	221.0	United Arab Emirates	12.0
Infrastructure					
2.11	Quality of overall infrastructure	9	6.2	Switzerland	6.7
2.12	Quality of telephone infrastructure	23	6.5	Sweden	6.9
2.13	Internet users	9	81.9	Norway	93.4
2.14	Broadband Internet subscriptions	7	31.6	Switzerland	38.2
2.15	Telephone lines	5	55.4	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	16	127.0	Hong Kong SAR	190.2
Cost of doing business					
2.17	Cost of starting a business	25	4.6	Denmark	0.0

(Cont'd.)

Germany

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	42	Multiple (2)	0.0
2.19	Cost of closing a business	18	Multiple (4)	1.0
2.20	Time to start a business	32	Australia	2.0
2.21	Time to register property	41	Multiple (3)	2.0
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)	44	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	14	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	4	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	38	Multiple (10)	0.0
3.08	Financial strengths indicator	21	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	32	Ireland	7.0
3.10	Financial Stress Index	39	Austria	-3.9
3.11	Tier 1 capital ratio	11	Japan	23.9
3.12	Output loss during banking crises	34	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	1	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	29	Peru	6.7
3.16	Manageability of public debt	54	Russian Federation	9.1
3.17	Credit default swap spreads	30	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	19	Denmark	242.4
4.02	Central bank assets to GDP	40	Egypt	19.7
4.03	Financial system deposits to GDP	11	Hong Kong SAR	303.4
4.04	M2 to GDP	11	Hong Kong SAR	330.7
4.05	Private credit to GDP	19	Ireland	231.9
4.06	Bank deposits to GDP	12	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	10	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	35	Netherlands	6.1
4.09	Bank overhead costs	48	Singapore	0.3
4.10	Public ownership of banks	41	Multiple (24)	0.0
4.11	Bank operating costs to assets	6	Japan	0.8
4.12	Nonperforming bank loans to total loans	20	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	23	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	16	China	35.4
5.02	IPO proceeds amount	44	Hong Kong SAR	3.7
5.03	Share of world IPOs	16	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

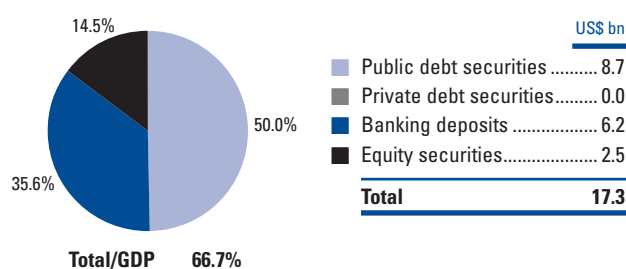
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	5	4.1	United States.....	34.0
5.05 M&A transaction value to GDP.....	28	3.2	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	9	3.4	United States.....	22.6
Insurance				
5.07 Life insurance density.....	16	3.5	Ireland.....	19.2
5.08 Non-life insurance density.....	8	3.8	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	27	0.0	China.....	0.3
5.10 Life insurance coverage.....	11	2.8	India.....	53.6
5.11 Non-life insurance coverage.....	5	3.1	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	45	0.6	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	32	0.4	United States.....	4.8
5.14 Share of total number of securitization deals.....	14	1.0	United States.....	52.3
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	2.8	United Kingdom.....	33.4
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.....	12	179.0	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	32	74.7	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	18	151.2	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	25	0.1	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	18	32.3	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	13	49.1	Poland.....	344.7
6.15 Private international bonds to GDP.....	9	76.2	Ireland.....	243.6
6.16 Public international bonds to GDP.....	14	9.1	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	13	1.0	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	21	5.7	United Kingdom.....	6.7
7.02 Venture capital availability.....	28	3.0	Israel.....	4.5
7.03 Ease of access to credit.....	42	3.1	Peru.....	4.8
7.04 Financing through local equity market.....	31	4.0	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	37	3.0	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	41	1.4	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08 Commercial bank branches.....	27	15.9	Ireland.....	573
7.09 Total number of ATMs.....	8	112.2	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	20	836.5	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Ghana

Key indicators

Population (millions), 2010.....	23.7
GDP (US\$ billions), 2010.....	31.1
GDP (current prices) per capita, 2010.....	1,311.6
GDP (PPP) as share (%) of world total, 2010	0.08
Compound annual growth rate of real GDP (%), 2006–2010....	5.02

Financial assets by major type, 2009



Financial Development Index 2011

2011 Index	Rank (out of 60)	Score (1–7 scale)
2011 Index	58	2.5

Factors, policies, and institutions

Pillar	Sub-pillar	Rank	Score
1st pillar: Institutional environment	1st pillar: Institutional environment	38	3.8
	Financial sector liberalization	47	3.1
	Corporate governance	38	4.1
	Legal and regulatory issues	32	3.6
	Contract enforcement	28	4.4
2nd pillar: Business environment	2nd pillar: Business environment	47	3.8
	Human capital	55	3.3
	Taxes	33	4.9
	Infrastructure	57	2.2
3rd pillar: Financial stability	3rd pillar: Financial stability	60	2.5
	Currency stability	n/a	n/a
	Banking system stability	n/a	n/a
	Risk of sovereign debt crisis	56	2.5

Financial intermediation

Pillar	Sub-pillar	Rank	Score
4th pillar: Banking financial services	4th pillar: Banking financial services	44	3.1
	Size index	n/a	n/a
	Efficiency index	51	4.0
	Financial information disclosure	55	1.1
5th pillar: Non-banking financial services	5th pillar: Non-banking financial services	57	1.2
	IPO Activity	41	1.2
	M&A Activity	50	1.2
	Insurance	n/a	n/a
	Securitization	n/a	n/a
6th pillar: Financial markets	6th pillar: Financial markets	59	1.0
	Foreign exchange markets	n/a	n/a
	Derivatives markets	n/a	n/a
	Equity market development	57	1.0
Bond market development	n/a	n/a	

Financial access

Pillar	Sub-pillar	Rank	Score
7th pillar: Financial access	7th pillar: Financial access	54	2.4
	Commercial access	38	3.4
	Retail access	49	1.4

INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	48	■	-1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	30	■	38.7	Turkey	83.5
1.03	Domestic financial sector liberalization	n/a		n/a	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	59	■	3.0	Singapore	5.2
1.05	Efficacy of corporate boards	29	■	4.7	Sweden	5.9
1.06	Reliance on professional management	29	■	4.7	Sweden	6.4
1.07	Willingness to delegate	52	■	3.3	Sweden	6.3
1.08	Strength of auditing and reporting standards	39	■	4.7	South Africa	6.5
1.09	Ethical behavior of firms	34	■	4.0	Denmark	6.7
1.10	Protection of minority shareholders' interests	31	■	4.5	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	15	■	3.6	Singapore	5.6
1.12	Centralization of economic policymaking	42	■	2.8	Switzerland	5.6
1.13	Regulation of securities exchanges	36	■	4.3	South Africa	6.4
1.14	Property rights	44	■	4.0	Finland	6.4
1.15	Intellectual property protection	46	■	3.1	Finland	6.2
1.16	Diversion of public funds	33	■	3.4	Denmark	6.5
1.17	Public trust in politicians	35	■	2.9	Singapore	6.4
1.18	Corruption perceptions index	36	■	4.1	Multiple (2)	9.3
1.19	Strength of legal rights index	16	■	8.0	Multiple (5)	10.0
1.20	Central bank transparency	n/a		n/a	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	22	■	4.2	Singapore	6.5
1.22	Judicial independence	33	■	4.1	Denmark	6.6
1.23	Irregular payments in judicial decisions	37	■	4.0	Denmark	6.8
1.24	Time to enforce a contract	29	■	487.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	■	36.0	Multiple (2)	21.0
1.26	Strength of investor protection index	24	■	6.0	Singapore	9.3
1.27	Cost of enforcing contracts	25	■	23.0	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	41	■	4.1	Belgium	6.1
2.02	Quality of math and science education	45	■	3.4	Singapore	6.4
2.03	Extent of staff training	43	■	3.8	Switzerland	5.6
2.04	Local availability of specialized research and training services	54	■	3.6	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	45	■	3.6	Switzerland	5.6
2.06	Tertiary enrollment	57	■	8.6	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	50	■	3.7	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	15	■	4.6	Singapore	5.7
2.09	Marginal tax variation	29	■	6.6	Kuwait	-4.7
2.10	Time to pay taxes	33	■	224.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	47	■	3.7	Switzerland	6.7
2.12	Quality of telephone infrastructure	55	■	5.1	Sweden	6.9
2.13	Internet users	58	■	8.6	Norway	93.4
2.14	Broadband Internet subscriptions	57	■	0.2	Switzerland	38.2
2.15	Telephone lines	57	■	1.1	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	53	■	71.5	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	51	■	17.3	Denmark	0.0

(Cont'd.)

Ghana

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	10	■	0.7	Multiple (2)	0.0
2.19	Cost of closing a business	48	■	22.0	Multiple (4)	1.0
2.20	Time to start a business	23	■	12.0	Australia	2.0
2.21	Time to register property	34	■	34.0	Multiple (3)	2.0
2.22	Time to close a business	27	■	1.9	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	n/a		n/a	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	57	■	-7.3	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	14	■	0.8	Multiple (10)	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	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	31	■	34.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	56	■	6.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	56	■	6.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	58	■	2.8	Peru	6.7
3.16	Manageability of public debt	16	■	35.3	Russian Federation	9.1
3.17	Credit default swap spreads	49	■	402.2	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	n/a		n/a	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	n/a		n/a	Hong Kong SAR	303.4
4.04	M2 to GDP	56	■	35.7	Hong Kong SAR	330.7
4.05	Private credit to GDP	n/a		n/a	Ireland	231.9
4.06	Bank deposits to GDP	n/a		n/a	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	3	■	5.5	Netherlands	6.1
4.09	Bank overhead costs	47	■	4.4	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	60	■	6.8	Japan	0.8
4.12	Nonperforming bank loans to total loans	52	■	18.9	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	48	■	3.3	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	52	■	0.0	China	35.4
5.02	IPO proceeds amount	33	■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	45	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage
■ Development Disadvantage

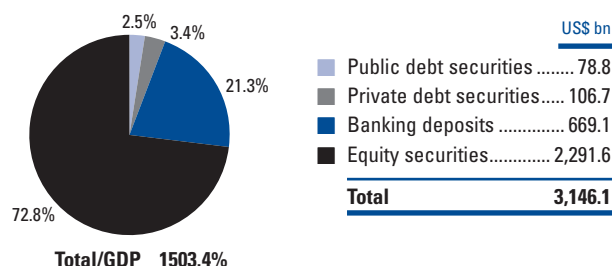
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	57	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	45	■	1.5	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	59	■	0.0	United States.....	22.6
Insurance						
5.07	Life insurance density.....	n/a		n/a	Ireland.....	19.2
5.08	Non-life insurance density.....	n/a		n/a	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a		n/a	China.....	0.3
5.10	Life insurance coverage.....	n/a		n/a	India.....	53.6
5.11	Non-life insurance coverage.....	n/a		n/a	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	n/a		n/a	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	n/a		n/a	United States.....	4.8
5.14	Share of total number of securitization deals.....	n/a		n/a	United States.....	52.3
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.....	33.4
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.....	n/a		n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	51	■	17.1	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a		n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	51	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	55	■	0.0	Ireland.....	243.6
6.16	Public international bonds to GDP.....	33	■	2.5	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	48	■	4.2	United Kingdom.....	6.7
7.02	Venture capital availability.....	59	■	2.0	Israel.....	4.5
7.03	Ease of access to credit.....	35	■	3.3	Peru.....	4.8
7.04	Financing through local equity market.....	35	■	3.9	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	56	■	2.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	6	■	8.1	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	37	■	33,260.9	Japan.....	717,241.6
7.08	Commercial bank branches.....	48	■	5.1	Ireland.....	573
7.09	Total number of ATMs.....	47	■	4.8	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	11	■	6.8	Peru.....	110.0

Hong Kong SAR

Key indicators

Population (millions), 2010.....	7.1
GDP (US\$ billions), 2010.....	225.0
GDP (current prices) per capita, 2010.....	31,590.7
GDP (PPP) as share (%) of world total, 2010	0.44
Compound annual growth rate of real GDP (%), 2006–2010....	2.50

Financial assets by major type, 2009

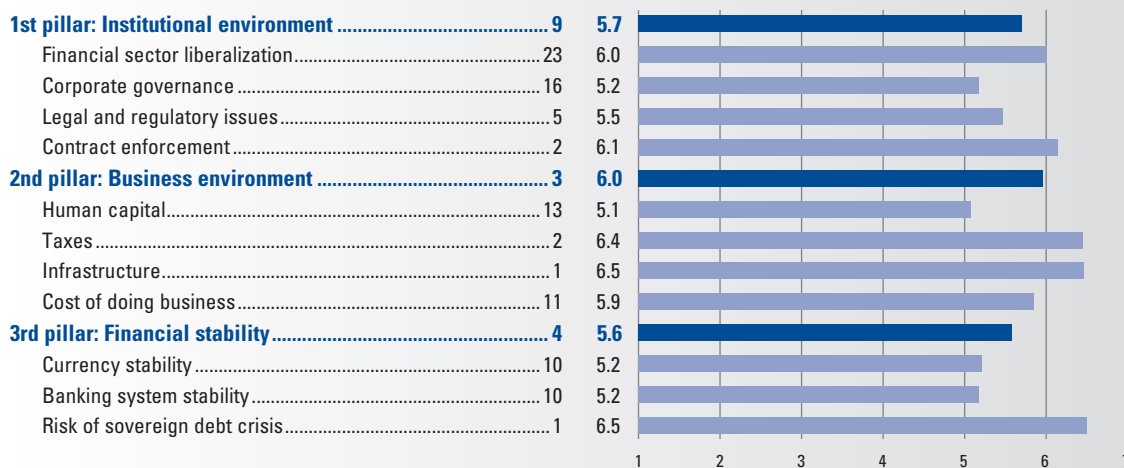


	US\$ bn
Public debt securities	78.8
Private debt securities.....	106.7
Banking deposits	669.1
Equity securities.....	2,291.6
Total	3,146.1

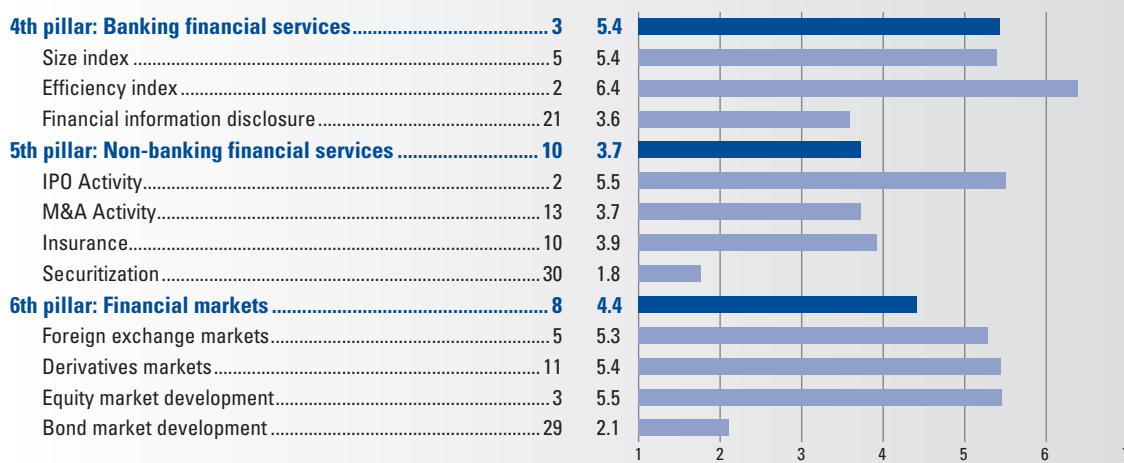
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	33	■	35.3	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	4	■	5.1	Singapore	5.2
1.05	Efficacy of corporate boards	22	■	4.9	Sweden	5.9
1.06	Reliance on professional management	24	■	5.0	Sweden	6.4
1.07	Willingness to delegate	21	■	4.4	Sweden	6.3
1.08	Strength of auditing and reporting standards	9	■	5.9	South Africa	6.5
1.09	Ethical behavior of firms	13	■	5.9	Denmark	6.7
1.10	Protection of minority shareholders' interests	17	■	5.0	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	2	■	5.0	Singapore	5.6
1.12	Centralization of economic policymaking	24	■	3.4	Switzerland	5.6
1.13	Regulation of securities exchanges	9	■	5.6	South Africa	6.4
1.14	Property rights	5	■	6.1	Finland	6.4
1.15	Intellectual property protection	12	■	5.5	Finland	6.2
1.16	Diversion of public funds	8	■	5.9	Denmark	6.5
1.17	Public trust in politicians	13	■	4.4	Singapore	6.4
1.18	Corruption perceptions index	10	■	8.4	Multiple (2)	9.3
1.19	Strength of legal rights index	1	■	10.0	Multiple (5)	10.0
1.20	Central bank transparency	n/a		n/a	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	25	■	4.1	Singapore	6.5
1.22	Judicial independence	13	■	6.1	Denmark	6.6
1.23	Irregular payments in judicial decisions	11	■	6.3	Denmark	6.8
1.24	Time to enforce a contract	3	■	280.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	4	■	26.0	Multiple (2)	21.0
1.26	Strength of investor protection index	2	■	9.0	Singapore	9.3
1.27	Cost of enforcing contracts	20	■	21.2	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	17	■	5.2	Belgium	6.1
2.02	Quality of math and science education	7	■	5.3	Singapore	6.4
2.03	Extent of staff training	21	■	4.7	Switzerland	5.6
2.04	Local availability of specialized research and training services	16	■	5.3	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	7	■	5.0	Switzerland	5.6
2.06	Tertiary enrollment	26	■	56.6	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	10	■	6.4	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	4	■	5.4	Singapore	5.7
2.09	Marginal tax variation	3	■	-1.1	Kuwait	-4.7
2.10	Time to pay taxes	6	■	80.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	4	■	6.5	Switzerland	6.7
2.12	Quality of telephone infrastructure	7	■	6.8	Sweden	6.9
2.13	Internet users	21	■	69.4	Norway	93.4
2.14	Broadband Internet subscriptions	11	■	30.2	Switzerland	38.2
2.15	Telephone lines	1	■	61.6	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	1	■	190.2	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	17	■	1.9	Denmark	0.0

(Cont'd.)

Hong Kong SAR

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	30	■	4.1	Multiple (2)	0.0
2.19	Cost of closing a business	21	■	9.0	Multiple (4)	1.0
2.20	Time to start a business	2	■	3.0	Australia	2.0
2.21	Time to register property	35	■	36.0	Multiple (3)	2.0
2.22	Time to close a business	11	■	1.1	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	50	■	-2.0	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	7	■	9.6	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	1	■	308.6	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	1	■	0.0	Multiple (10)	0.0
3.08	Financial strengths indicator	1	■	9.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	44	■	3.1	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	25	■	10.6	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	33	■	5.1	Peru	6.7
3.16	Manageability of public debt	8	■	17.8	Russian Federation	9.1
3.17	Credit default swap spreads	9	■	76.4	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	11	■	133.7	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	1	■	303.4	Hong Kong SAR	303.4
4.04	M2 to GDP	1	■	330.7	Hong Kong SAR	330.7
4.05	Private credit to GDP	11	■	121.2	Ireland	231.9
4.06	Bank deposits to GDP	1	■	313.1	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	12	■	2.7	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	23	■	4.0	Netherlands	6.1
4.09	Bank overhead costs	14	■	1.4	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	10	■	1.1	Japan	0.8
4.12	Nonperforming bank loans to total loans	3	■	1.1	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	16	■	86.3	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	3	■	5.2	China	35.4
5.02	IPO proceeds amount	1	■	3.7	Hong Kong SAR	3.7
5.03	Share of world IPOs	11	■	1.9	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

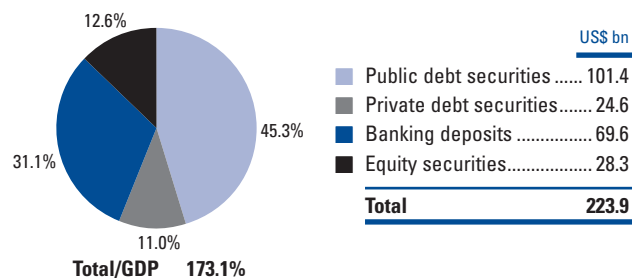
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....20	0.8	United States.....	34.0
5.05	M&A transaction value to GDP.....1	10.4	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....17	1.4	United States.....	22.6
Insurance				
5.07	Life insurance density.....3	10.1	Ireland.....	19.2
5.08	Non-life insurance density.....42	1.4	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....11	0.1	China.....	0.3
5.10	Life insurance coverage.....21	0.7	India.....	53.6
5.11	Non-life insurance coverage.....52	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....2	4.5	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....26	0.5	United States.....	4.8
5.14	Share of total number of securitization deals.....26	0.3	United States.....	52.3
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.....	33.4
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.....23	78.9	Italy.....	579.3
6.10	Stock market capitalization to GDP.....1	742.5	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....2	1.2	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....28	14.3	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....34	22.3	Poland.....	344.7
6.15	Private international bonds to GDP.....16	35.4	Ireland.....	243.6
6.16	Public international bonds to GDP.....46	0.6	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....23	0.7	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....5	6.3	United Kingdom.....	6.7
7.02	Venture capital availability.....4	4.4	Israel.....	4.5
7.03	Ease of access to credit.....7	4.4	Peru.....	4.8
7.04	Financing through local equity market.....1	5.4	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....9	4.2	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....1	30.6	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....18	21.2	Ireland.....	573
7.09	Total number of ATMs.....n/a	n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....n/a	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....n/a	n/a	Peru.....	110.0

Hungary

Key indicators

Population (millions), 2010.....	10.0
GDP (US\$ billions), 2010.....	129.0
GDP (current prices) per capita, 2010.....	12,879.3
GDP (PPP) as share (%) of world total, 2010	0.25
Compound annual growth rate of real GDP (%), 2006–2010..	-0.82

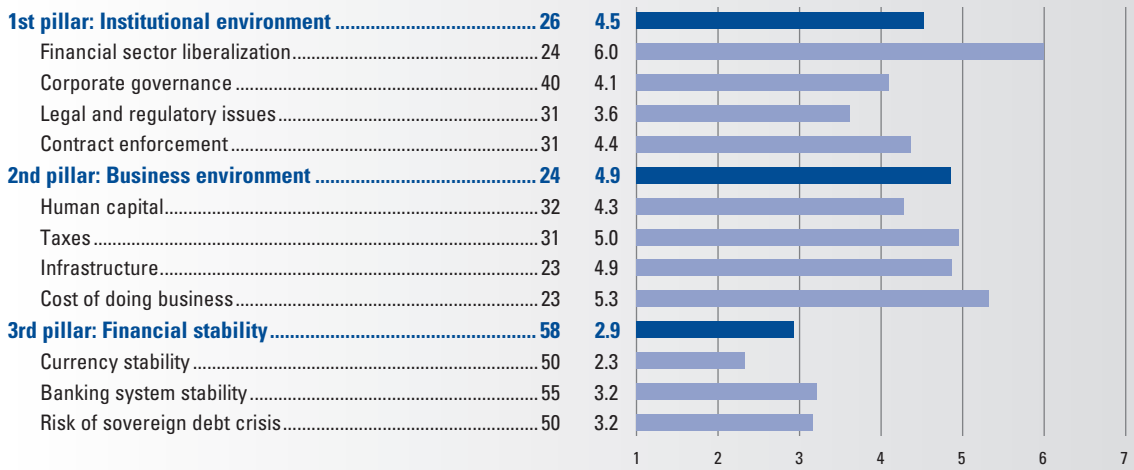
Financial assets by major type, 2009



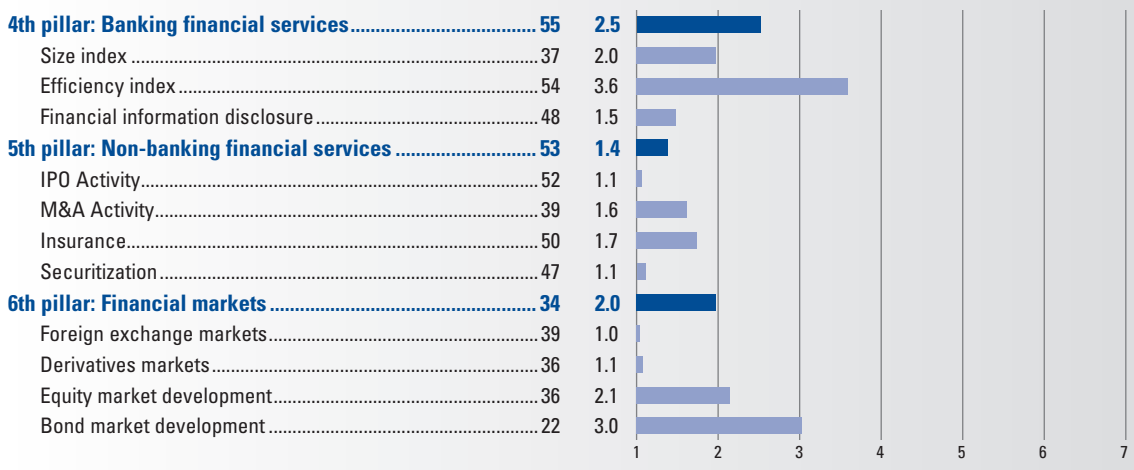
Financial Development Index 2011



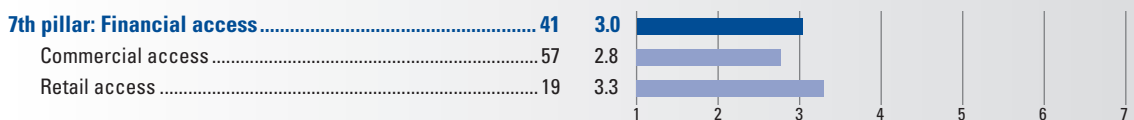
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	81.3	Turkey	83.5
1.03	Domestic financial sector liberalization	41	■	2.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	42	■	4.0	Singapore	5.2
1.05	Efficacy of corporate boards	36	■	4.5	Sweden	5.9
1.06	Reliance on professional management	38	■	4.3	Sweden	6.4
1.07	Willingness to delegate	58	■	3.0	Sweden	6.3
1.08	Strength of auditing and reporting standards	21	■	5.4	South Africa	6.5
1.09	Ethical behavior of firms	51	■	3.4	Denmark	6.7
1.10	Protection of minority shareholders' interests	40	■	4.1	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	57	■	2.3	Singapore	5.6
1.12	Centralization of economic policymaking	49	■	2.6	Switzerland	5.6
1.13	Regulation of securities exchanges	26	■	4.8	South Africa	6.4
1.14	Property rights	36	■	4.3	Finland	6.4
1.15	Intellectual property protection	28	■	4.1	Finland	6.2
1.16	Diversion of public funds	49	■	2.6	Denmark	6.5
1.17	Public trust in politicians	56	■	1.8	Singapore	6.4
1.18	Corruption perceptions index	26	■	4.7	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	34	■	3.6	Singapore	6.5
1.22	Judicial independence	37	■	3.9	Denmark	6.6
1.23	Irregular payments in judicial decisions	32	■	4.5	Denmark	6.8
1.24	Time to enforce a contract	15	■	395.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	29	■	35.0	Multiple (2)	21.0
1.26	Strength of investor protection index	53	■	4.3	Singapore	9.3
1.27	Cost of enforcing contracts	12	■	15.0	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	43	■	4.0	Belgium	6.1
2.02	Quality of math and science education	22	■	4.6	Singapore	6.4
2.03	Extent of staff training	56	■	3.4	Switzerland	5.6
2.04	Local availability of specialized research and training services	48	■	4.0	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	34	■	3.9	Switzerland	5.6
2.06	Tertiary enrollment	16	■	65.0	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	31	■	5.0	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	53	■	3.5	Singapore	5.7
2.09	Marginal tax variation	21	■	4.2	Kuwait	-4.7
2.10	Time to pay taxes	41	■	277.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	30	■	4.8	Switzerland	6.7
2.12	Quality of telephone infrastructure	15	■	6.7	Sweden	6.9
2.13	Internet users	25	■	65.3	Norway	93.4
2.14	Broadband Internet subscriptions	23	■	19.6	Switzerland	38.2
2.15	Telephone lines	23	■	29.8	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	22	■	120.3	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	37	■	7.6	Denmark	0.0

(Cont'd.)

Hungary

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment <i>(cont'd.)</i>						
2.18	Cost of registering property	38	■	5.0	Multiple (2)	0.0
2.19	Cost of closing a business	33	■	15.0	Multiple (4)	1.0
2.20	Time to start a business	4	■	4.0	Australia	2.0
2.21	Time to register property	19	■	17.0	Multiple (3)	2.0
2.22	Time to close a business	29	■	2.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	35	■	0.0	Malaysia	10.9
3.02	External vulnerability indicator	32	■	180.9	Saudi Arabia	8.4
3.03	Current account balance to GDP	39	■	-2.1	Kuwait	32.8
3.04	Dollarization vulnerability indicator	31	■	29.9	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	35	■	140.0	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	56	■	3.3	Multiple (10)	0.0
3.08	Financial strengths indicator	38	■	3.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	5	■	6.5	Ireland	7.0
3.10	Financial Stress Index	36	■	2.0	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	48	■	84.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	45	■	10.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	43	■	10.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	49	■	4.5	Peru	6.7
3.16	Manageability of public debt	51	■	80.8	Russian Federation	9.1
3.17	Credit default swap spreads	50	■	407.9	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	26	■	90.5	Denmark	242.4
4.02	Central bank assets to GDP	34	■	0.4	Egypt	19.7
4.03	Financial system deposits to GDP	38	■	49.8	Hong Kong SAR	303.4
4.04	M2 to GDP	44	■	53.3	Hong Kong SAR	330.7
4.05	Private credit to GDP	32	■	72.9	Ireland	231.9
4.06	Bank deposits to GDP	41	■	50.1	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	60	■	1.5	Netherlands	6.1
4.09	Bank overhead costs	60	■	25.9	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	45	■	3.2	Japan	0.8
4.12	Nonperforming bank loans to total loans	44	■	7.8	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	40	■	16.1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	46	■	0.0	China	35.4
5.02	IPO proceeds amount	46	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	57	■	0.0	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

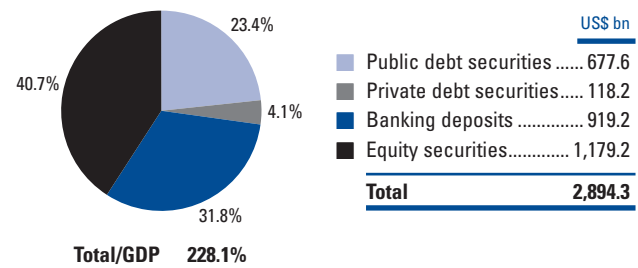
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	42	■	0.1	United States.....	34.0
5.05	M&A transaction value to GDP.....	34	■	2.8	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	42	■	0.2	United States.....	22.6
Insurance						
5.07	Life insurance density.....	31	■	1.7	Ireland.....	19.2
5.08	Non-life insurance density.....	41	■	1.4	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	46	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	42	■	0.2	India.....	53.6
5.11	Non-life insurance coverage.....	48	■	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	46	■	0.6	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	47	■	0.1	United States.....	4.8
5.14	Share of total number of securitization deals.....	54	■	0.0	United States.....	52.3
6th pillar: Financial markets						
Foreign exchange markets						
6.01	Spot foreign exchange turnover.....	42	■	0.0	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....	37	■	0.0	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	33	■	0.1	United Kingdom.....	33.4
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.....	34	■	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.....	41	■	0.0	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.....	10	■	195.0	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	45	■	31.1	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	26	■	56.5	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	35	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	31	■	7.3	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	11	■	54.1	Poland.....	344.7
6.15	Private international bonds to GDP.....	25	■	10.7	Ireland.....	243.6
6.16	Public international bonds to GDP.....	7	■	18.9	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	29	■	5.0	United Kingdom.....	6.7
7.02	Venture capital availability.....	58	■	2.1	Israel.....	4.5
7.03	Ease of access to credit.....	57	■	2.3	Peru.....	4.8
7.04	Financing through local equity market.....	56	■	2.8	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	50	■	2.4	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	30	■	1.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	9	■	205,827.1	Japan.....	717,241.6
7.08	Commercial bank branches.....	23	■	18.3	Ireland.....	573
7.09	Total number of ATMs.....	22	■	55.6	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	21	■	831.3	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

India

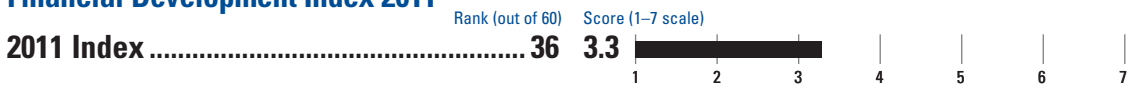
Key indicators

Population (millions), 2010.....	1,215.9
GDP (US\$ billions), 2010.....	1,538.0
GDP (current prices) per capita, 2010.....	1,264.8
GDP (PPP) as share (%) of world total, 2010	5.40
Compound annual growth rate of real GDP (%), 2006–2010....	6.57

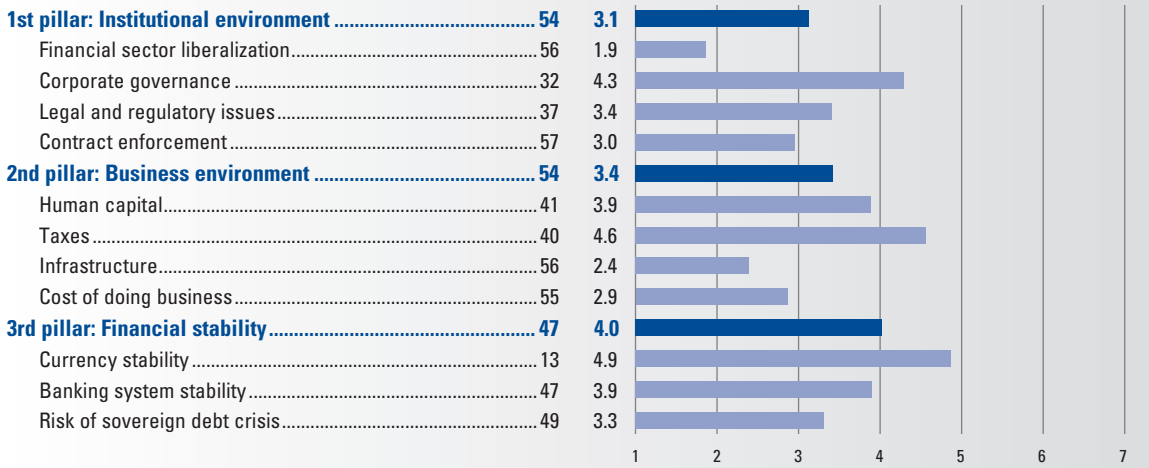
Financial assets by major type, 2009



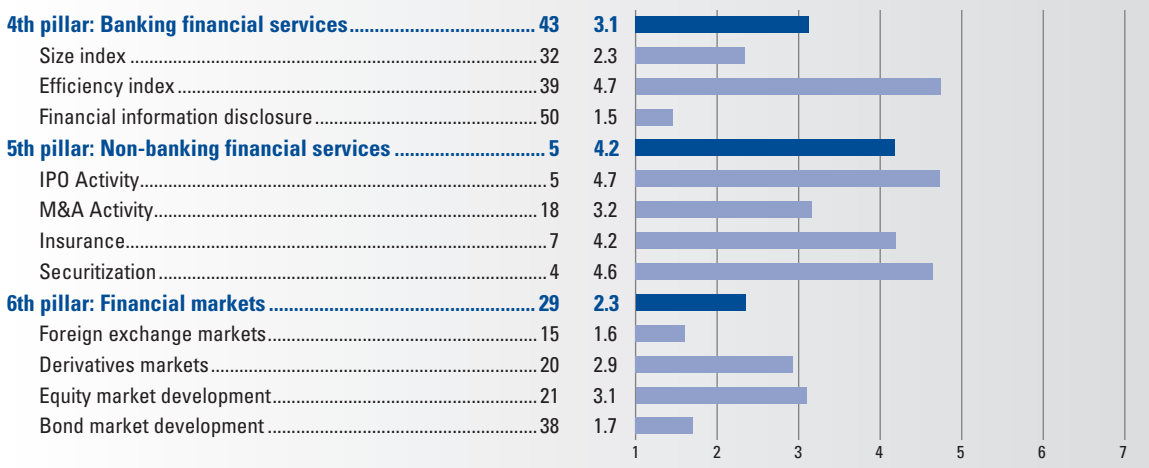
Financial Development Index 2011



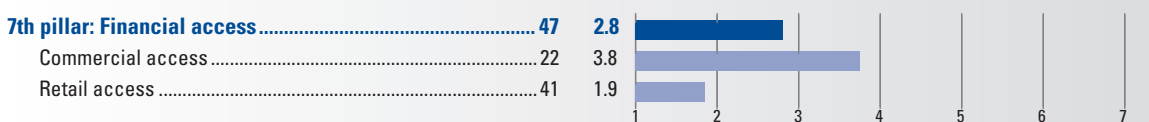
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	54	■	-1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	53	■	6.2	Turkey	83.5
1.03	Domestic financial sector liberalization	48	■	2.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	34	■	4.1	Singapore	5.2
1.05	Efficacy of corporate boards	40	■	4.4	Sweden	5.9
1.06	Reliance on professional management	34	■	4.5	Sweden	6.4
1.07	Willingness to delegate	27	■	3.9	Sweden	6.3
1.08	Strength of auditing and reporting standards	32	■	5.0	South Africa	6.5
1.09	Ethical behavior of firms	41	■	3.7	Denmark	6.7
1.10	Protection of minority shareholders' interests	35	■	4.4	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	38	■	3.0	Singapore	5.6
1.12	Centralization of economic policymaking	20	■	3.6	Switzerland	5.6
1.13	Regulation of securities exchanges	18	■	5.2	South Africa	6.4
1.14	Property rights	37	■	4.3	Finland	6.4
1.15	Intellectual property protection	39	■	3.5	Finland	6.2
1.16	Diversion of public funds	44	■	2.9	Denmark	6.5
1.17	Public trust in politicians	44	■	2.3	Singapore	6.4
1.18	Corruption perceptions index	46	■	3.3	Multiple (2)	9.3
1.19	Strength of legal rights index	16	■	8.0	Multiple (5)	10.0
1.20	Central bank transparency	46	■	2.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	27	■	4.0	Singapore	6.5
1.22	Judicial independence	29	■	4.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	34	■	4.1	Denmark	6.8
1.24	Time to enforce a contract	59	■	1,420.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	56	■	46.0	Multiple (2)	21.0
1.26	Strength of investor protection index	24	■	6.0	Singapore	9.3
1.27	Cost of enforcing contracts	54	■	39.6	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	22	■	4.9	Belgium	6.1
2.02	Quality of math and science education	19	■	4.7	Singapore	6.4
2.03	Extent of staff training	37	■	4.0	Switzerland	5.6
2.04	Local availability of specialized research and training services	40	■	4.3	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	31	■	3.9	Switzerland	5.6
2.06	Tertiary enrollment	53	■	13.5	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	47	■	3.9	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	37	■	3.9	Singapore	5.7
2.09	Marginal tax variation	38	■	9.3	Kuwait	-4.7
2.10	Time to pay taxes	38	■	254.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	45	■	3.8	Switzerland	6.7
2.12	Quality of telephone infrastructure	41	■	6.1	Sweden	6.9
2.13	Internet users	59	■	7.5	Norway	93.4
2.14	Broadband Internet subscriptions	54	■	0.9	Switzerland	38.2
2.15	Telephone lines	55	■	2.9	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	56	■	61.4	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	59	■	46.8	Denmark	0.0

(Cont'd.)

India

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	55	■	7.3	Multiple (2)	0.0
2.19	Cost of closing a business	21	■	9.0	Multiple (4)	1.0
2.20	Time to start a business	47	■	29.0	Australia	2.0
2.21	Time to register property	44	■	44.0	Multiple (3)	2.0
2.22	Time to close a business	60	■	7.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	36	■	0.0	Malaysia	10.9
3.02	External vulnerability indicator	15	■	42.6	Saudi Arabia	8.4
3.03	Current account balance to GDP	40	■	-2.7	Kuwait	32.8
3.04	Dollarization vulnerability indicator	27	■	4.4	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	3	■	15.9	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	30	■	4.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	46	■	1.0	Ireland	7.0
3.10	Financial Stress Index	26	■	-0.7	Austria	-3.9
3.11	Tier 1 capital ratio	36	■	8.7	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	43	■	11.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	40	■	11.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	50	■	4.1	Peru	6.7
3.16	Manageability of public debt	38	■	53.5	Russian Federation	9.1
3.17	Credit default swap spreads	n/a		n/a	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	34	■	69.0	Denmark	242.4
4.02	Central bank assets to GDP	16	■	2.2	Egypt	19.7
4.03	Financial system deposits to GDP	25	■	70.0	Hong Kong SAR	303.4
4.04	M2 to GDP	25	■	79.6	Hong Kong SAR	330.7
4.05	Private credit to GDP	36	■	52.8	Ireland	231.9
4.06	Bank deposits to GDP	29	■	69.5	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	25	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	20	■	4.0	Netherlands	6.1
4.09	Bank overhead costs	16	■	1.5	Singapore	0.3
4.10	Public ownership of banks	60	■	69.8	Multiple (24)	0.0
4.11	Bank operating costs to assets	36	■	2.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	13	■	2.3	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	42	■	15.1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	5	■	4.2	China	35.4
5.02	IPO proceeds amount	7	■	0.5	Hong Kong SAR	3.7
5.03	Share of world IPOs	6	■	4.8	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

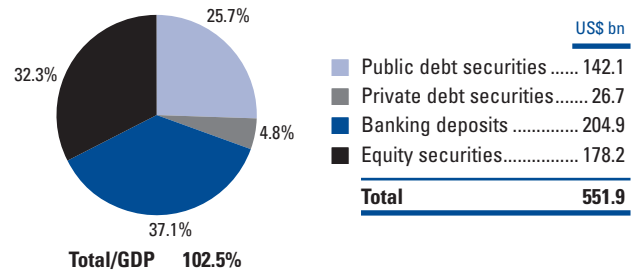
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	15	1.6	United States.....	34.0
5.05 M&A transaction value to GDP.....	31	3.2	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	10	3.2	United States.....	22.6
Insurance				
5.07 Life insurance density.....	15	4.4	Ireland.....	19.2
5.08 Non-life insurance density.....	50	0.7	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	22	0.0	China.....	0.3
5.10 Life insurance coverage.....	1	53.6	India.....	53.6
5.11 Non-life insurance coverage.....	3	8.4	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	32	1.1	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	25	0.5	United States.....	4.8
5.14 Share of total number of securitization deals.....	3	5.0	United States.....	52.3
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.....	33.4
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.....	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.....	41	32.8	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	4	278.1	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	16	170.2	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	33	0.0	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	32	5.6	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	19	37.3	Poland.....	344.7
6.15 Private international bonds to GDP.....	39	3.2	Ireland.....	243.6
6.16 Public international bonds to GDP.....	53	0.0	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	29	0.4	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	31	5.0	United Kingdom.....	6.7
7.02 Venture capital availability.....	22	3.4	Israel.....	4.5
7.03 Ease of access to credit.....	11	4.2	Peru.....	4.8
7.04 Financing through local equity market.....	12	4.7	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	24	3.4	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	38	1.6	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	30	74,729.3	Japan.....	717,241.6
7.08 Commercial bank branches.....	40	10.1	Ireland.....	573
7.09 Total number of ATMs.....	46	7.3	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	34	67.1	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	5	18.8	Peru.....	110.0

Indonesia

Key indicators

Population (millions), 2010.....	234.4
GDP (US\$ billions), 2010.....	706.7
GDP (current prices) per capita, 2010.....	3,015.4
GDP (PPP) as share (%) of world total, 2010	1.39
Compound annual growth rate of real GDP (%), 2006–2010....	4.58

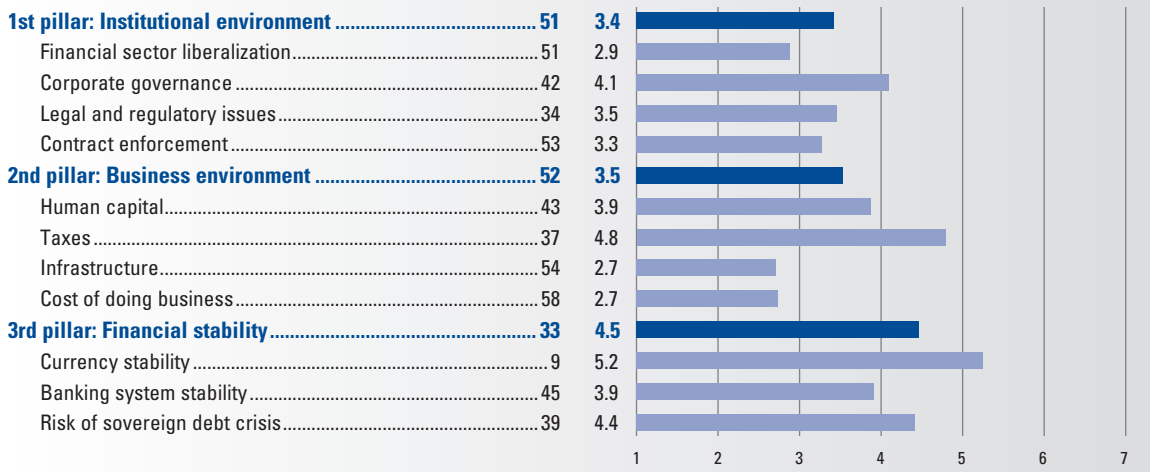
Financial assets by major type, 2009



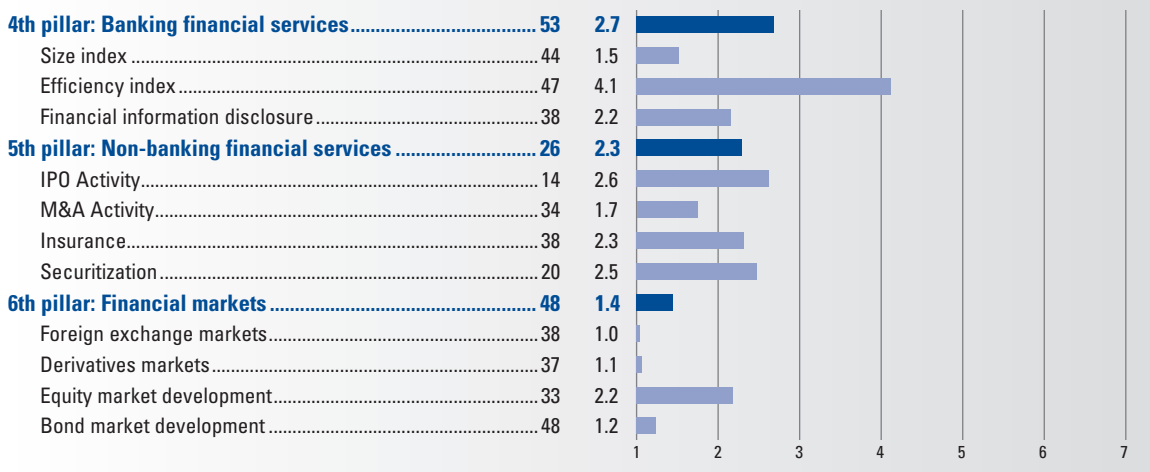
Financial Development Index 2011



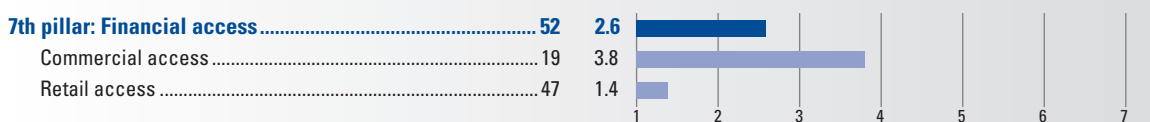
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	40	■	1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	48	■	29.8	Turkey	83.5
1.03	Domestic financial sector liberalization	51	■	2.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	32	■	4.2	Singapore	5.2
1.05	Efficacy of corporate boards	37	■	4.5	Sweden	5.9
1.06	Reliance on professional management	42	■	4.3	Sweden	6.4
1.07	Willingness to delegate	36	■	3.8	Sweden	6.3
1.08	Strength of auditing and reporting standards	48	■	4.3	South Africa	6.5
1.09	Ethical behavior of firms	52	■	3.4	Denmark	6.7
1.10	Protection of minority shareholders' interests	37	■	4.3	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	16	■	3.6	Singapore	5.6
1.12	Centralization of economic policymaking	9	■	4.2	Switzerland	5.6
1.13	Regulation of securities exchanges	35	■	4.4	South Africa	6.4
1.14	Property rights	45	■	4.0	Finland	6.4
1.15	Intellectual property protection	37	■	3.6	Finland	6.2
1.16	Diversion of public funds	35	■	3.3	Denmark	6.5
1.17	Public trust in politicians	32	■	3.1	Singapore	6.4
1.18	Corruption perceptions index	51	■	2.8	Multiple (2)	9.3
1.19	Strength of legal rights index	53	■	3.0	Multiple (5)	10.0
1.20	Central bank transparency	25	■	8.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	40	■	3.4	Singapore	6.5
1.22	Judicial independence	44	■	3.6	Denmark	6.6
1.23	Irregular payments in judicial decisions	49	■	3.2	Denmark	6.8
1.24	Time to enforce a contract	41	■	570.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	47	■	40.0	Multiple (2)	21.0
1.26	Strength of investor protection index	24	■	6.0	Singapore	9.3
1.27	Cost of enforcing contracts	60	■	122.7	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	40	■	4.2	Belgium	6.1
2.02	Quality of math and science education	32	■	4.3	Singapore	6.4
2.03	Extent of staff training	33	■	4.1	Switzerland	5.6
2.04	Local availability of specialized research and training services	41	■	4.2	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	21	■	4.2	Switzerland	5.6
2.06	Tertiary enrollment	50	■	23.5	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	55	■	3.1	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	36	■	4.0	Singapore	5.7
2.09	Marginal tax variation	11	■	1.3	Kuwait	-4.7
2.10	Time to pay taxes	40	■	266.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	43	■	3.9	Switzerland	6.7
2.12	Quality of telephone infrastructure	56	■	5.1	Sweden	6.9
2.13	Internet users	57	■	9.1	Norway	93.4
2.14	Broadband Internet subscriptions	55	■	0.8	Switzerland	38.2
2.15	Telephone lines	43	■	15.8	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	47	■	91.7	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	53	■	17.9	Denmark	0.0

(Cont'd.)

Indonesia

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	58	■	10.8	Multiple (2)	0.0
2.19	Cost of closing a business	41	■	18.0	Multiple (4)	1.0
2.20	Time to start a business	58	■	45.0	Australia	2.0
2.21	Time to register property	24	■	22.0	Multiple (3)	2.0
2.22	Time to close a business	58	■	5.5	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	2	■	10.3	Malaysia	10.9
3.02	External vulnerability indicator	14	■	39.1	Saudi Arabia	8.4
3.03	Current account balance to GDP	27	■	1.2	Kuwait	32.8
3.04	Dollarization vulnerability indicator	32	■	31.2	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	10	■	27.9	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	30	■	1.5	Multiple (10)	0.0
3.08	Financial strengths indicator	38	■	3.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	24	■	5.3	Ireland	7.0
3.10	Financial Stress Index	9	■	-1.8	Austria	-3.9
3.11	Tier 1 capital ratio	20	■	12.1	Japan	23.9
3.12	Output loss during banking crises	54	■	103.5	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	46	■	10.3	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	45	■	10.3	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	38	■	5.0	Peru	6.7
3.16	Manageability of public debt	12	■	25.7	Russian Federation	9.1
3.17	Credit default swap spreads	34	■	166.4	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	51	■	29.0	Denmark	242.4
4.02	Central bank assets to GDP	9	■	5.1	Egypt	19.7
4.03	Financial system deposits to GDP	47	■	33.2	Hong Kong SAR	303.4
4.04	M2 to GDP	51	■	38.5	Hong Kong SAR	330.7
4.05	Private credit to GDP	51	■	22.9	Ireland	231.9
4.06	Bank deposits to GDP	50	■	33.2	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	45	■	3.0	Netherlands	6.1
4.09	Bank overhead costs	36	■	2.8	Singapore	0.3
4.10	Public ownership of banks	54	■	45.8	Multiple (24)	0.0
4.11	Bank operating costs to assets	50	■	3.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	20	■	3.3	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	50	■	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	9	■	31.8	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	14	■	1.4	China	35.4
5.02	IPO proceeds amount	11	■	0.4	Hong Kong SAR	3.7
5.03	Share of world IPOs	13	■	1.8	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

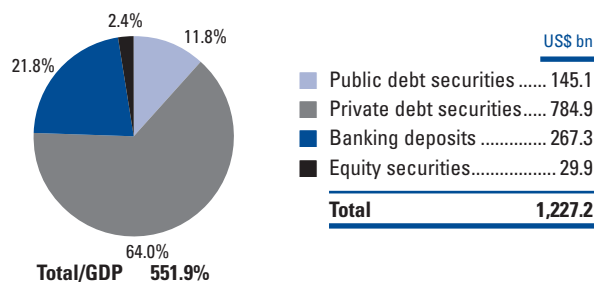
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	26 ■	0.5	United States.....	34.0
5.05	M&A transaction value to GDP.....	41 ■	2.2	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	26 ■	0.7	United States.....	22.6
Insurance					
5.07	Life insurance density.....	34 ■	1.0	Ireland.....	19.2
5.08	Non-life insurance density.....	52 ■	0.5	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	17 ■	0.1	China.....	0.3
5.10	Life insurance coverage.....	12 ■	2.4	India.....	53.6
5.11	Non-life insurance coverage.....	16 ■	1.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	33 ■	1.0	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	19 ■	0.7	United States.....	4.8
5.14	Share of total number of securitization deals.....	12 ■	1.1	United States.....	52.3
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.....	38 ■	0.0	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	38 ■	0.0	United Kingdom.....	33.4
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.....	39 ■	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.....	30 ■	0.1	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.....	20 ■	130.8	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	33 ■	74.1	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	45 ■	0.0	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	37 ■	1.5	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	42 ■	12.0	Poland.....	344.7
6.15	Private international bonds to GDP.....	44 ■	2.5	Ireland.....	243.6
6.16	Public international bonds to GDP.....	35 ■	2.3	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	39 ■	0.1	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	43 ■	4.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	13 ■	3.7	Israel.....	4.5
7.03	Ease of access to credit.....	5 ■	4.4	Peru.....	4.8
7.04	Financing through local equity market.....	19 ■	4.4	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	11 ■	3.9	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	29 ■	1.9	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	33 ■	50,474.1	Japan.....	717,241.6
7.08	Commercial bank branches.....	44 ■	7.7	Ireland.....	573
7.09	Total number of ATMs.....	44 ■	14.4	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	32 ■	117.9	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	22 ■	0.7	Peru.....	110.0

Ireland

Key indicators

Population (millions), 2010.....	4.5
GDP (US\$ billions), 2010.....	204.3
GDP (current prices) per capita, 2010.....	45,688.8
GDP (PPP) as share (%) of world total, 2010	0.23
Compound annual growth rate of real GDP (%), 2006–2010..	-1.40

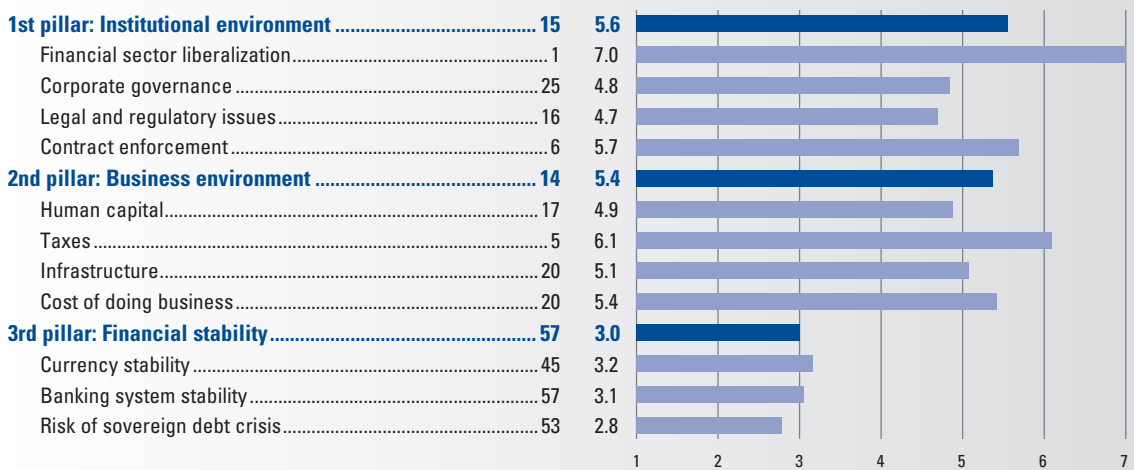
Financial assets by major type, 2009



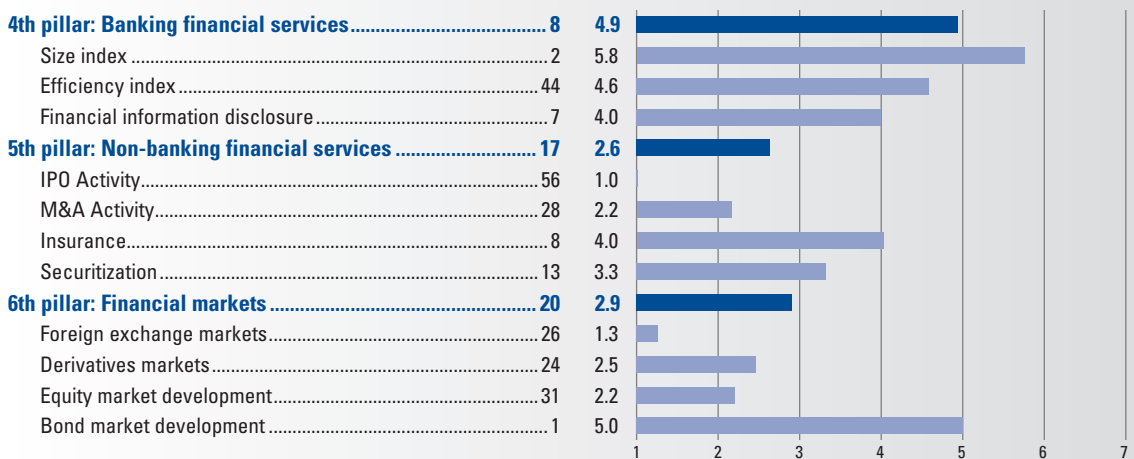
Financial Development Index 2011



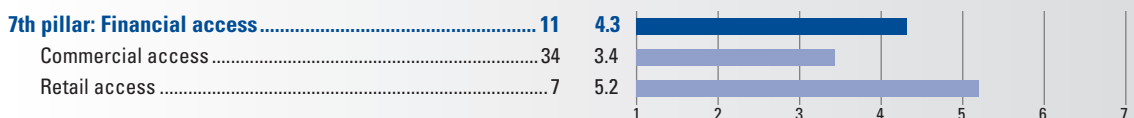
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	71.3	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	11	■	4.8	Singapore	5.2
1.05	Efficacy of corporate boards	41	■	4.4	Sweden	5.9
1.06	Reliance on professional management	11	■	5.8	Sweden	6.4
1.07	Willingness to delegate	17	■	4.6	Sweden	6.3
1.08	Strength of auditing and reporting standards	44	■	4.3	South Africa	6.5
1.09	Ethical behavior of firms	19	■	5.4	Denmark	6.7
1.10	Protection of minority shareholders' interests	30	■	4.5	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	23	■	3.4	Singapore	5.6
1.12	Centralization of economic policymaking	57	■	1.8	Switzerland	5.6
1.13	Regulation of securities exchanges	46	■	3.9	South Africa	6.4
1.14	Property rights	9	■	6.0	Finland	6.4
1.15	Intellectual property protection	8	■	5.7	Finland	6.2
1.16	Diversion of public funds	14	■	5.4	Denmark	6.5
1.17	Public trust in politicians	34	■	3.0	Singapore	6.4
1.18	Corruption perceptions index	11	■	8.0	Multiple (2)	9.3
1.19	Strength of legal rights index	6	■	9.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	26	■	4.0	Singapore	6.5
1.22	Judicial independence	9	■	6.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	9	■	6.4	Denmark	6.8
1.24	Time to enforce a contract	48	■	650.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	1	■	21.0	Multiple (2)	21.0
1.26	Strength of investor protection index	4	■	8.3	Singapore	9.3
1.27	Cost of enforcing contracts	37	■	26.9	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	21	■	4.9	Belgium	6.1
2.02	Quality of math and science education	20	■	4.6	Singapore	6.4
2.03	Extent of staff training	19	■	4.7	Switzerland	5.6
2.04	Local availability of specialized research and training services	21	■	5.1	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	13	■	4.7	Switzerland	5.6
2.06	Tertiary enrollment	22	■	58.3	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	13	■	6.3	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	20	■	4.4	Singapore	5.7
2.09	Marginal tax variation	8	■	0.6	Kuwait	-4.7
2.10	Time to pay taxes	4	■	76.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	33	■	4.6	Switzerland	6.7
2.12	Quality of telephone infrastructure	36	■	6.2	Sweden	6.9
2.13	Internet users	20	■	69.9	Norway	93.4
2.14	Broadband Internet subscriptions	21	■	22.8	Switzerland	38.2
2.15	Telephone lines	11	■	46.5	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	36	■	105.2	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	3	■	0.4	Denmark	0.0

(Cont'd.)

Ireland

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	51	■	6.5	Multiple (2)	0.0
2.19	Cost of closing a business	21	■	9.0	Multiple (4)	1.0
2.20	Time to start a business	26	■	13.0	Australia	2.0
2.21	Time to register property	36	■	38.0	Multiple (3)	2.0
2.22	Time to close a business	1	■	0.4	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	33	■	0.1	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	43	■	-3.1	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	17	■	-97.0	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	38	■	2.0	Multiple (10)	0.0
3.08	Financial strengths indicator	48	■	2.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	1	■	7.0	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	44	■	6.6	Japan	23.9
3.12	Output loss during banking crises	60	■	220.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	34	■	13.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	30	■	13.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	45	■	4.6	Peru	6.7
3.16	Manageability of public debt	56	■	96.2	Russian Federation	9.1
3.17	Credit default swap spreads	53	■	813.4	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	2	■	233.2	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	12	■	101.2	Hong Kong SAR	303.4
4.04	M2 to GDP	12	■	118.9	Hong Kong SAR	330.7
4.05	Private credit to GDP	1	■	231.9	Ireland	231.9
4.06	Bank deposits to GDP	14	■	99.6	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	1	■	39.1	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	41	■	3.2	Netherlands	6.1
4.09	Bank overhead costs	29	■	2.2	Singapore	0.3
4.10	Public ownership of banks	52	■	41.2	Multiple (24)	0.0
4.11	Bank operating costs to assets	5	■	0.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	47	■	10.4	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	1	■	100.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	50	■	0.0	China	35.4
5.02	IPO proceeds amount	53	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	50	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

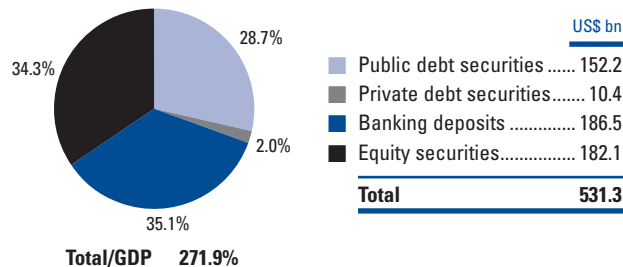
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	27	■	0.4	United States.....	34.0
5.05	M&A transaction value to GDP.....	20	■	4.6	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	32	■	0.3	United States.....	22.6
Insurance						
5.07	Life insurance density.....	1	■	19.2	Ireland.....	19.2
5.08	Non-life insurance density.....	6	■	4.2	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	21	■	0.1	China.....	0.3
5.10	Life insurance coverage.....	19	■	0.9	India.....	53.6
5.11	Non-life insurance coverage.....	43	■	0.2	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	15	■	1.9	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	7	■	1.7	United States.....	4.8
5.14	Share of total number of securitization deals.....	27	■	0.3	United States.....	52.3
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.....	33.4
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.....	28	■	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.....	35	■	0.0	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	n/a		n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	40	■	55.8	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	19	■	129.2	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	n/a		n/a	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	2	■	121.9	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	27	■	29.2	Poland.....	344.7
6.15	Private international bonds to GDP.....	1	■	243.6	Ireland.....	243.6
6.16	Public international bonds to GDP.....	4	■	30.3	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	35	■	0.2	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	32	■	4.9	United Kingdom.....	6.7
7.02	Venture capital availability.....	55	■	2.2	Israel.....	4.5
7.03	Ease of access to credit.....	59	■	1.7	Peru.....	4.8
7.04	Financing through local equity market.....	54	■	2.9	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	59	■	1.9	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	4	■	12.9	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	7	■	218,184.5	Japan.....	717,241.6
7.08	Commercial bank branches.....	1	■	57.3	Ireland.....	57.3
7.09	Total number of ATMs.....	14	■	95.7	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	11	■	2,258.0	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

Israel

Key indicators

Population (millions), 2010.....	7.4
GDP (US\$ billions), 2010.....	213.1
GDP (current prices) per capita, 2010.....	28,685.6
GDP (PPP) as share (%) of world total, 2010	0.30
Compound annual growth rate of real GDP (%), 2006–2010....	2.97

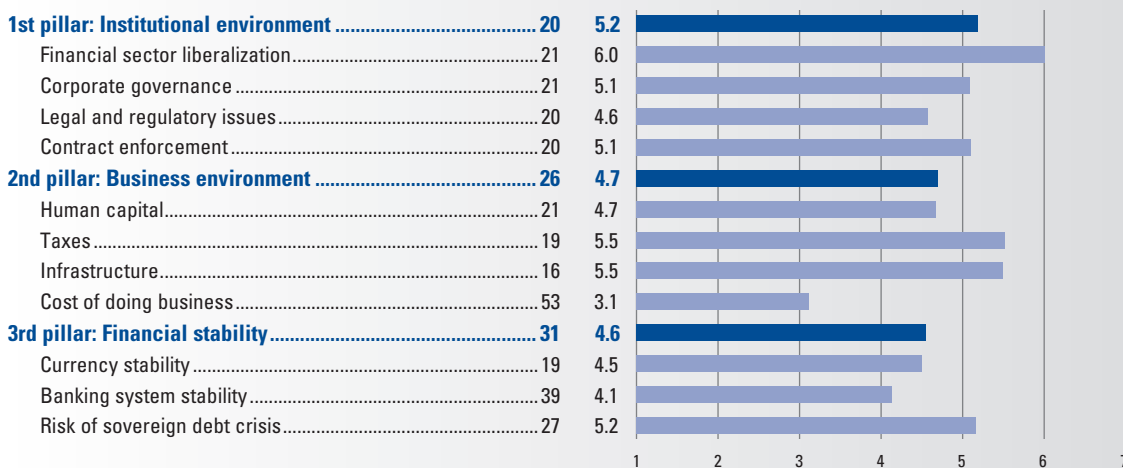
Financial assets by major type, 2009



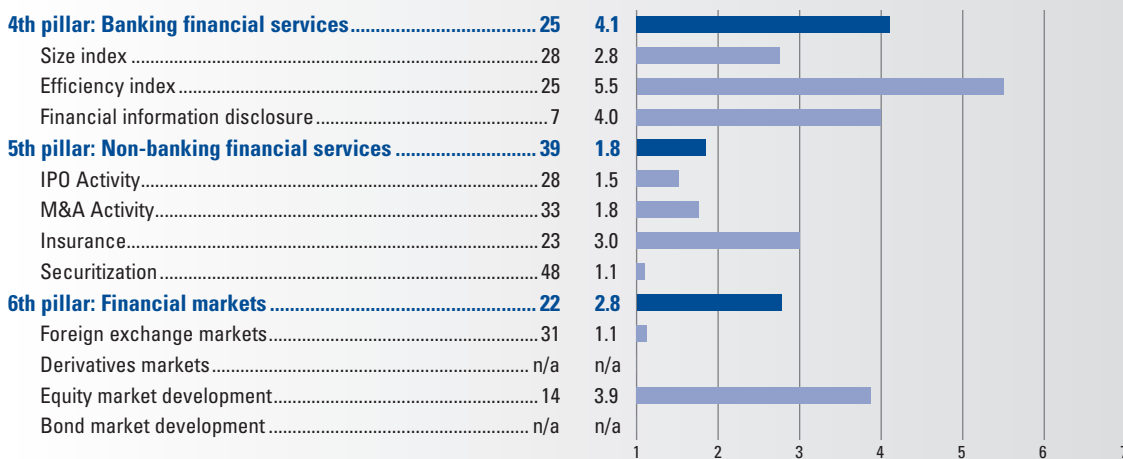
Financial Development Index 2011



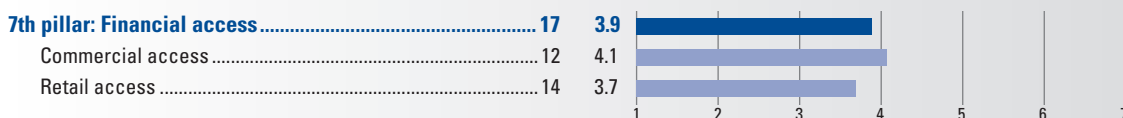
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	31	■	28.6	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	14	■	4.6	Singapore	5.2
1.05	Efficacy of corporate boards	24	■	4.8	Sweden	5.9
1.06	Reliance on professional management	18	■	5.4	Sweden	6.4
1.07	Willingness to delegate	14	■	4.7	Sweden	6.3
1.08	Strength of auditing and reporting standards	8	■	5.9	South Africa	6.5
1.09	Ethical behavior of firms	23	■	5.0	Denmark	6.7
1.10	Protection of minority shareholders' interests	13	■	5.2	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	27	■	3.3	Singapore	5.6
1.12	Centralization of economic policymaking	19	■	3.6	Switzerland	5.6
1.13	Regulation of securities exchanges	12	■	5.5	South Africa	6.4
1.14	Property rights	22	■	5.3	Finland	6.4
1.15	Intellectual property protection	24	■	4.6	Finland	6.2
1.16	Diversion of public funds	22	■	4.7	Denmark	6.5
1.17	Public trust in politicians	28	■	3.2	Singapore	6.4
1.18	Corruption perceptions index	21	■	6.1	Multiple (2)	9.3
1.19	Strength of legal rights index	6	■	9.0	Multiple (5)	10.0
1.20	Central bank transparency	18	■	9.5	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	24	■	4.2	Singapore	6.5
1.22	Judicial independence	11	■	6.2	Denmark	6.6
1.23	Irregular payments in judicial decisions	14	■	6.2	Denmark	6.8
1.24	Time to enforce a contract	54	■	890.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	29	■	35.0	Multiple (2)	21.0
1.26	Strength of investor protection index	4	■	8.3	Singapore	9.3
1.27	Cost of enforcing contracts	32	■	25.3	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	15	■	5.3	Belgium	6.1
2.02	Quality of math and science education	40	■	3.8	Singapore	6.4
2.03	Extent of staff training	18	■	4.8	Switzerland	5.6
2.04	Local availability of specialized research and training services	20	■	5.2	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	41	■	3.7	Switzerland	5.6
2.06	Tertiary enrollment	21	■	59.7	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	22	■	5.6	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	22	■	4.4	Singapore	5.7
2.09	Marginal tax variation	14	■	2.2	Kuwait	-4.7
2.10	Time to pay taxes	36	■	235.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	26	■	5.1	Switzerland	6.7
2.12	Quality of telephone infrastructure	4	■	6.9	Sweden	6.9
2.13	Internet users	23	■	67.2	Norway	93.4
2.14	Broadband Internet subscriptions	16	■	25.1	Switzerland	38.2
2.15	Telephone lines	12	■	44.2	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	14	■	133.1	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	23	■	4.4	Denmark	0.0

(Cont'd.)

Israel

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	38	Multiple (2)	0.0
2.19	Cost of closing a business	55	Multiple (4)	1.0
2.20	Time to start a business	53	Australia	2.0
2.21	Time to register property	58	Multiple (3)	2.0
2.22	Time to close a business	47	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	10	Malaysia	10.9
3.02	External vulnerability indicator	23	Saudi Arabia	8.4
3.03	Current account balance to GDP	23	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	28	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	11	Multiple (10)	0.0
3.08	Financial strengths indicator	21	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	38	Ireland	7.0
3.10	Financial Stress Index	17	Austria	-3.9
3.11	Tier 1 capital ratio	46	Japan	23.9
3.12	Output loss during banking crises	35	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	21	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	25	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	12	Peru	6.7
3.16	Manageability of public debt	49	Russian Federation	9.1
3.17	Credit default swap spreads	31	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	22	Denmark	242.4
4.02	Central bank assets to GDP	n/a	Egypt	19.7
4.03	Financial system deposits to GDP	18	Hong Kong SAR	303.4
4.04	M2 to GDP	45	Hong Kong SAR	330.7
4.05	Private credit to GDP	26	Ireland	231.9
4.06	Bank deposits to GDP	21	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	24	Netherlands	6.1
4.09	Bank overhead costs	25	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	52	Japan	0.8
4.12	Nonperforming bank loans to total loans	7	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	33	China	35.4
5.02	IPO proceeds amount	28	Hong Kong SAR	3.7
5.03	Share of world IPOs	19	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

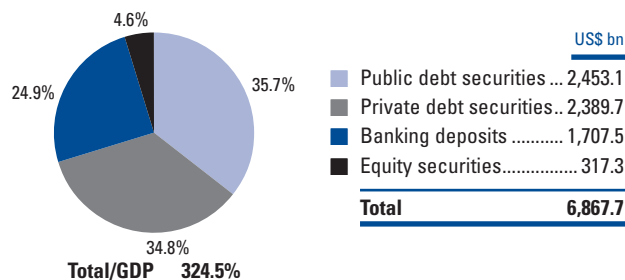
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	35	0.2	United States.....	34.0
5.05 M&A transaction value to GDP.....	30	3.2	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	37	0.3	United States.....	22.6
Insurance				
5.07 Life insurance density.....	24	2.6	Ireland.....	19.2
5.08 Non-life insurance density.....	19	2.6	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	31	0.0	China.....	0.3
5.10 Life insurance coverage.....	41	0.2	India.....	53.6
5.11 Non-life insurance coverage.....	42	0.2	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	7	2.8	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	48	0.1	United States.....	4.8
5.14 Share of total number of securitization deals.....	42	0.1	United States.....	52.3
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.....	40	0.0	United Kingdom.....	41.3
6.03 Foreign exchange swap turnover.....	27	0.2	United Kingdom.....	33.4
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.....	36	41.4	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	7	198.4	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	22	90.2	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	4	1.0	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	n/a	n/a	Poland.....	344.7
6.15 Private international bonds to GDP.....	33	5.6	Ireland.....	243.6
6.16 Public international bonds to GDP.....	25	4.5	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	n/a	n/a	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	18	5.9	United Kingdom.....	6.7
7.02 Venture capital availability.....	1	4.5	Israel.....	4.5
7.03 Ease of access to credit.....	25	3.8	Peru.....	4.8
7.04 Financing through local equity market.....	17	4.6	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	22	3.5	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	23	2.4	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	22	105,570.8	Japan.....	717,241.6
7.08 Commercial bank branches.....	21	19.8	Ireland.....	573
7.09 Total number of ATMs.....	11	104.3	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	n/a	n/a	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Italy

Key indicators

Population (millions), 2010.....	60.3
GDP (US\$ billions), 2010.....	2,055.1
GDP (current prices) per capita, 2010.....	34,058.7
GDP (PPP) as share (%) of world total, 2010	2.39
Compound annual growth rate of real GDP (%), 2006–2010..	-0.78

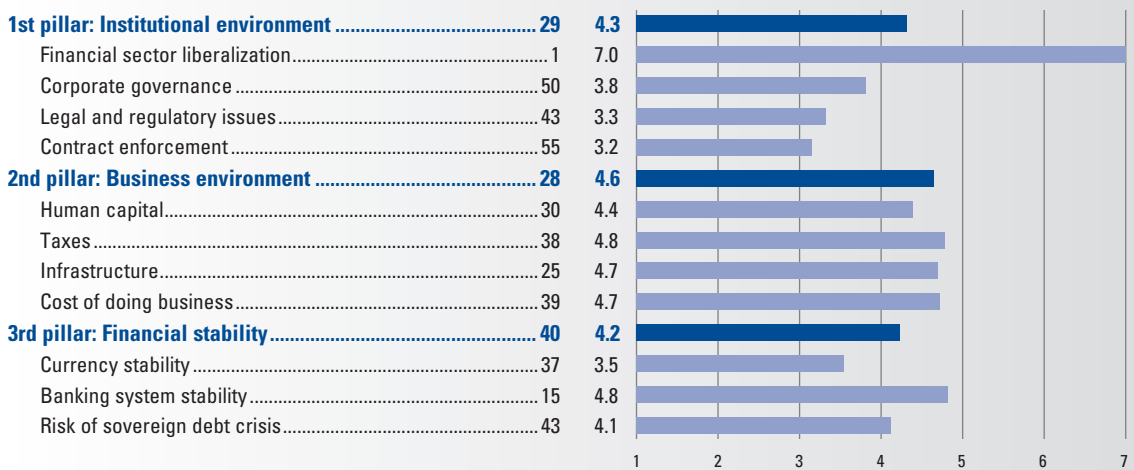
Financial assets by major type, 2009



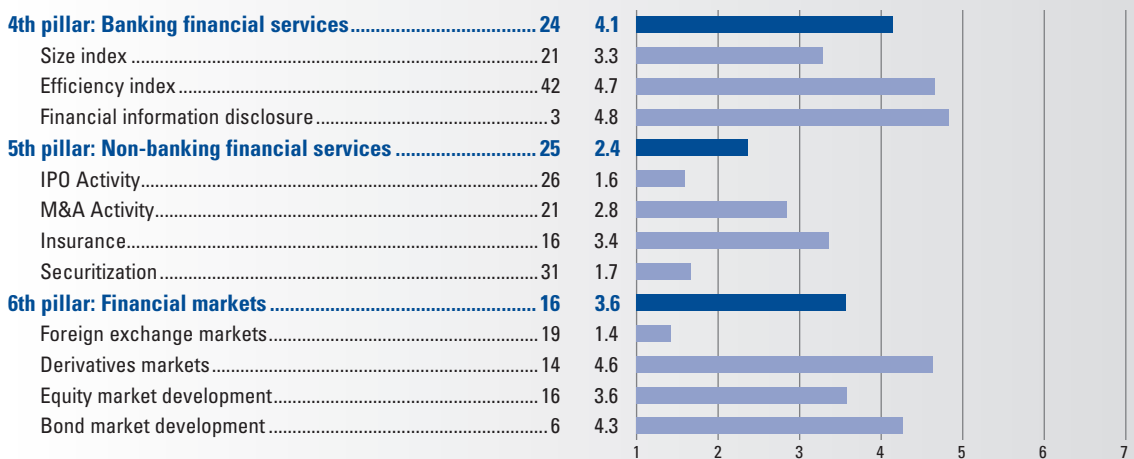
Financial Development Index 2011



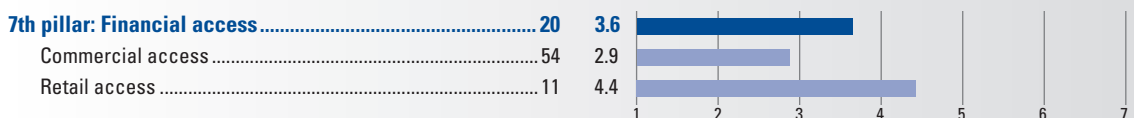
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage
■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	Turkey	83.5
1.03	Domestic financial sector liberalization	1	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	46	Singapore	5.2
1.05	Efficacy of corporate boards	56	Sweden	5.9
1.06	Reliance on professional management	56	Sweden	6.4
1.07	Willingness to delegate	49	Sweden	6.3
1.08	Strength of auditing and reporting standards	46	South Africa	6.5
1.09	Ethical behavior of firms	38	Denmark	6.7
1.10	Protection of minority shareholders' interests	54	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	59	Singapore	5.6
1.12	Centralization of economic policymaking	25	Switzerland	5.6
1.13	Regulation of securities exchanges	37	South Africa	6.4
1.14	Property rights	38	Finland	6.4
1.15	Intellectual property protection	35	Finland	6.2
1.16	Diversion of public funds	38	Denmark	6.5
1.17	Public trust in politicians	54	Singapore	6.4
1.18	Corruption perceptions index	37	Multiple (2)	9.3
1.19	Strength of legal rights index	53	Multiple (5)	10.0
1.20	Central bank transparency	3	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	46	Singapore	6.5
1.22	Judicial independence	34	Denmark	6.6
1.23	Irregular payments in judicial decisions	33	Denmark	6.8
1.24	Time to enforce a contract	57	Singapore	150.0
1.25	Number of procedures to enforce a contract	50	Multiple (2)	21.0
1.26	Strength of investor protection index	31	Singapore	9.3
1.27	Cost of enforcing contracts	44	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	25	Belgium	6.1
2.02	Quality of math and science education	38	Singapore	6.4
2.03	Extent of staff training	58	Switzerland	5.6
2.04	Local availability of specialized research and training services	26	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	46	Switzerland	5.6
2.06	Tertiary enrollment	14	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	41	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	44	Singapore	5.7
2.09	Marginal tax variation	23	Kuwait	-4.7
2.10	Time to pay taxes	42	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	41	Switzerland	6.7
2.12	Quality of telephone infrastructure	47	Sweden	6.9
2.13	Internet users	29	Norway	93.4
2.14	Broadband Internet subscriptions	22	Switzerland	38.2
2.15	Telephone lines	19	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	13	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	54	Denmark	0.0

(Cont'd.)

Italy

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	33	■	4.5	Multiple (2)	0.0
2.19	Cost of closing a business	48	■	22.0	Multiple (4)	1.0
2.20	Time to start a business	8	■	6.0	Australia	2.0
2.21	Time to register property	28	■	27.0	Multiple (3)	2.0
2.22	Time to close a business	24	■	1.8	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	37	■	-0.1	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	42	■	-2.8	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	12	■	-19.6	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	1	■	0.0	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	33	■	4.8	Ireland	7.0
3.10	Financial Stress Index	28	■	-0.4	Austria	-3.9
3.11	Tier 1 capital ratio	43	■	7.5	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	27	■	15.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	26	■	15.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	31	■	5.3	Peru	6.7
3.16	Manageability of public debt	59	■	119.0	Russian Federation	9.1
3.17	Credit default swap spreads	46	■	359.6	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	9	■	140.1	Denmark	242.4
4.02	Central bank assets to GDP	12	■	4.3	Egypt	19.7
4.03	Financial system deposits to GDP	22	■	76.2	Hong Kong SAR	303.4
4.04	M2 to GDP	18	■	99.6	Hong Kong SAR	330.7
4.05	Private credit to GDP	15	■	110.7	Ireland	231.9
4.06	Bank deposits to GDP	25	■	74.2	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	26	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	43	■	3.1	Netherlands	6.1
4.09	Bank overhead costs	15	■	1.4	Singapore	0.3
4.10	Public ownership of banks	38	■	9.7	Multiple (24)	0.0
4.11	Bank operating costs to assets	54	■	4.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	42	■	7.0	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	1	■	100.0	Multiple (12)	100.0
4.14	Public credit registry coverage	14	■	23.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	17	■	0.9	China	35.4
5.02	IPO proceeds amount	41	■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	21	■	0.7	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

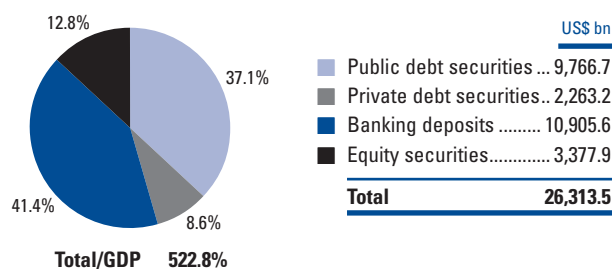
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....13	■	2.0	United States.....34.0
5.05	M&A transaction value to GDP.....37	■	2.5	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....13	■	2.0	United States.....22.6
Insurance				
5.07	Life insurance density.....11	■	5.9	Ireland.....19.2
5.08	Non-life insurance density.....21	■	2.5	Netherlands.....9.2
5.09	Real growth of direct insurance premiums.....20	■	0.1	China.....0.3
5.10	Life insurance coverage.....8	■	3.6	India.....53.6
5.11	Non-life insurance coverage.....11	■	1.5	China.....16.3
5.12	Relative value-added of insurance to GDP.....53	■	0.4	Bahrain.....5.9
Securitization				
5.13	Securitization to GDP.....36	■	0.3	United States.....4.8
5.14	Share of total number of securitization deals.....23	■	0.5	United States.....52.3
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.....33.4
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.....1	■	579.3	Italy.....579.3
6.10	Stock market capitalization to GDP.....42	■	51.0	Hong Kong SAR.....742.5
6.11	Stock market value traded to GDP.....9	■	266.3	Switzerland.....673.1
6.12	Number of listed companies per 10,000 people.....31	■	0.1	Canada.....1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....10	■	55.4	Denmark.....185.9
6.14	Public domestic bond market capitalization to GDP.....3	■	94.7	Poland.....344.7
6.15	Private international bonds to GDP.....11	■	55.2	Ireland.....243.6
6.16	Public international bonds to GDP.....9	■	12.1	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....16	■	0.8	Singapore.....3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....40	■	4.6	United Kingdom.....6.7
7.02	Venture capital availability.....52	■	2.2	Israel.....4.5
7.03	Ease of access to credit.....44	■	3.1	Peru.....4.8
7.04	Financing through local equity market.....45	■	3.6	Hong Kong SAR.....5.4
7.05	Ease of access to loans.....53	■	2.2	Bahrain.....5.0
7.06	Foreign direct investment to GDP.....53	■	0.5	Hong Kong SAR.....30.6
Retail access				
7.07	Market penetration of bank accounts.....28	■	77,499.2	Japan.....717,241.6
7.08	Commercial bank branches.....2	■	52.0	Ireland.....573
7.09	Total number of ATMs.....13	■	97.8	Canada.....218.5
7.10	Total number of point of sale (POS) devices.....14	■	2,091.0	South Africa.....89,086.8
7.11	Loan accounts at MFIs.....n/a	■	n/a	Peru.....110.0

Japan

Key indicators

Population (millions), 2010.....	127.5
GDP (US\$ billions), 2010.....	5,458.9
GDP (current prices) per capita, 2010.....	42,820.4
GDP (PPP) as share (%) of world total, 2010	5.82
Compound annual growth rate of real GDP (%), 2006–2010..	-0.29

Financial assets by major type, 2009



Financial Development Index 2011

2011 Index	Rank (out of 60) 8	Score (1–7 scale) 4.7
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Factors, policies, and institutions

Pillar	Rank	Score
1st pillar: Institutional environment	16	5.5
Financial sector liberalization	1	7.0
Corporate governance	19	5.1
Legal and regulatory issues	19	4.6
Contract enforcement	15	5.4
2nd pillar: Business environment	18	5.2
Human capital	16	4.9
Taxes	21	5.4
Infrastructure	18	5.3
Cost of doing business	21	5.4
3rd pillar: Financial stability	28	4.7
Currency stability	17	4.6
Banking system stability	31	4.5
Risk of sovereign debt crisis	30	5.0

Financial intermediation

4th pillar: Banking financial services	6	5.3
Size index	6	5.2
Efficiency index	8	6.1
Financial information disclosure	17	4.0
5th pillar: Non-banking financial services	6	4.1
IPO Activity	12	3.4
M&A Activity	4	5.4
Insurance	5	4.5
Securitization	14	3.1
6th pillar: Financial markets	5	4.6
Foreign exchange markets	3	6.6
Derivatives markets	7	6.3
Equity market development	18	3.3
Bond market development	17	3.3

Financial access

7th pillar: Financial access	21	3.5
Commercial access	28	3.5
Retail access	n/a	n/a

INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	62.5	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	26	■	4.3	Singapore	5.2
1.05	Efficacy of corporate boards	19	■	5.1	Sweden	5.9
1.06	Reliance on professional management	14	■	5.5	Sweden	6.4
1.07	Willingness to delegate	16	■	4.7	Sweden	6.3
1.08	Strength of auditing and reporting standards	22	■	5.4	South Africa	6.5
1.09	Ethical behavior of firms	14	■	5.8	Denmark	6.7
1.10	Protection of minority shareholders' interests	16	■	5.0	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	30	■	3.2	Singapore	5.6
1.12	Centralization of economic policymaking	51	■	2.4	Switzerland	5.6
1.13	Regulation of securities exchanges	24	■	4.9	South Africa	6.4
1.14	Property rights	16	■	5.7	Finland	6.4
1.15	Intellectual property protection	17	■	5.3	Finland	6.2
1.16	Diversion of public funds	18	■	5.2	Denmark	6.5
1.17	Public trust in politicians	31	■	3.2	Singapore	6.4
1.18	Corruption perceptions index	14	■	7.8	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	15	■	10.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	17	■	4.4	Singapore	6.5
1.22	Judicial independence	14	■	5.8	Denmark	6.6
1.23	Irregular payments in judicial decisions	7	■	6.5	Denmark	6.8
1.24	Time to enforce a contract	10	■	360.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	13	■	30.0	Multiple (2)	21.0
1.26	Strength of investor protection index	13	■	7.0	Singapore	9.3
1.27	Cost of enforcing contracts	50	■	32.2	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	35	■	4.3	Belgium	6.1
2.02	Quality of math and science education	13	■	4.9	Singapore	6.4
2.03	Extent of staff training	6	■	5.3	Switzerland	5.6
2.04	Local availability of specialized research and training services	12	■	5.5	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	23	■	4.2	Switzerland	5.6
2.06	Tertiary enrollment	24	■	58.0	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	11	■	6.3	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	30	■	4.1	Singapore	5.7
2.09	Marginal tax variation	15	■	3.0	Kuwait	-4.7
2.10	Time to pay taxes	48	■	330.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	11	■	6.0	Switzerland	6.7
2.12	Quality of telephone infrastructure	8	■	6.8	Sweden	6.9
2.13	Internet users	12	■	80.0	Norway	93.4
2.14	Broadband Internet subscriptions	14	■	26.9	Switzerland	38.2
2.15	Telephone lines	21	■	31.9	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	45	■	95.4	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	36	■	7.5	Denmark	0.0

(Cont'd.)

Japan

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
2nd pillar: Business environment (cont'd.)					
2.18	Cost of registering property	46 ■	5.7	Multiple (2)	0.0
2.19	Cost of closing a business	5 ■	4.0	Multiple (4)	1.0
2.20	Time to start a business	41 ■	23.0	Australia	2.0
2.21	Time to register property	14 ■	14.0	Multiple (3)	2.0
2.22	Time to close a business	2 ■	0.6	Ireland	0.4
3rd pillar: Financial stability					
Currency stability					
3.01	Change in real effective exchange rate (REER)	22 ■	1.6	Malaysia	10.9
3.02	External vulnerability indicator	n/a	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	21 ■	3.2	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1 ■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	3 ■	53.2	Hong Kong SAR	308.6
Banking system stability					
3.07	Frequency of banking crises	30 ■	1.5	Multiple (10)	0.0
3.08	Financial strengths indicator	21 ■	5.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	34 ■	4.7	Ireland	7.0
3.10	Financial Stress Index	33 ■	0.6	Austria	-3.9
3.11	Tier 1 capital ratio	1 ■	23.9	Japan	23.9
3.12	Output loss during banking crises	44 ■	67.5	Multiple (22)	0.0
Risk of sovereign debt crisis					
3.13	Local currency sovereign rating	24 ■	16.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	22 ■	16.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	9 ■	6.1	Peru	6.7
3.16	Manageability of public debt	60 ■	199.7	Russian Federation	9.1
3.17	Credit default swap spreads	14 ■	104.6	United States	36.7
4th pillar: Banking financial services					
Size index					
4.01	Deposit money bank assets to GDP	7 ■	148.3	Denmark	242.4
4.02	Central bank assets to GDP	5 ■	9.8	Egypt	19.7
4.03	Financial system deposits to GDP	2 ■	178.8	Hong Kong SAR	303.4
4.04	M2 to GDP	5 ■	161.8	Hong Kong SAR	330.7
4.05	Private credit to GDP	21 ■	93.1	Ireland	231.9
4.06	Bank deposits to GDP	2 ■	179.9	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	23 ■	0.0	Ireland	39.1
Efficiency index					
4.08	Aggregate profitability indicator	44 ■	3.1	Netherlands	6.1
4.09	Bank overhead costs	11 ■	1.2	Singapore	0.3
4.10	Public ownership of banks	1 ■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	1 ■	0.8	Japan	0.8
4.12	Nonperforming bank loans to total loans	11 ■	1.7	Switzerland	0.4
Financial information disclosure					
4.13	Private credit bureau coverage	13 ■	99.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26 ■	0.0	China	82.5
5th pillar: Non-banking financial services					
IPO activity					
5.01	IPO market share	6 ■	3.6	China	35.4
5.02	IPO proceeds amount	34 ■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	8 ■	3.4	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

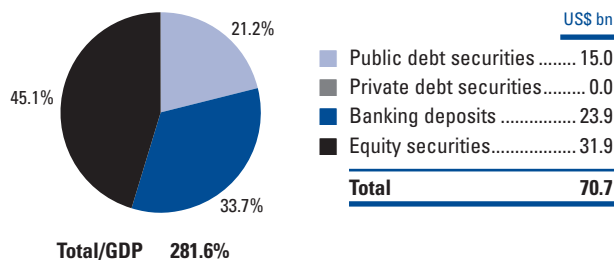
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	4	4.8	United States.....	34.0
5.05 M&A transaction value to GDP.....	36	2.5	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	3	8.0	United States.....	22.6
Insurance				
5.07 Life insurance density.....	5	8.1	Ireland.....	19.2
5.08 Non-life insurance density.....	24	2.1	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	39	0.0	China.....	0.3
5.10 Life insurance coverage.....	4	10.3	India.....	53.6
5.11 Non-life insurance coverage.....	7	2.7	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	20	1.5	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	27	0.5	United States.....	4.8
5.14 Share of total number of securitization deals.....	6	2.5	United States.....	52.3
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.....	33.4
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.....	14	176.6	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	28	98.4	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	17	159.8	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	11	0.4	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	16	36.4	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	2	195.0	Poland.....	344.7
6.15 Private international bonds to GDP.....	30	7.4	Ireland.....	243.6
6.16 Public international bonds to GDP.....	52	0.1	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	12	1.2	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	27	5.1	United Kingdom.....	6.7
7.02 Venture capital availability.....	34	2.9	Israel.....	4.5
7.03 Ease of access to credit.....	13	4.2	Peru.....	4.8
7.04 Financing through local equity market.....	10	4.8	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	32	3.1	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	56	0.0	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	1	717,241.6	Japan.....	717,241.6
7.08 Commercial bank branches.....	34	12.5	Ireland.....	573
7.09 Total number of ATMs.....	n/a	n/a	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	n/a	n/a	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Jordan

Key indicators

Population (millions), 2010.....	6.1
GDP (US\$ billions), 2010.....	27.5
GDP (current prices) per capita, 2010.....	4,499.8
GDP (PPP) as share (%) of world total, 2010	0.05
Compound annual growth rate of real GDP (%), 2006–2010....	4.25

Financial assets by major type, 2009

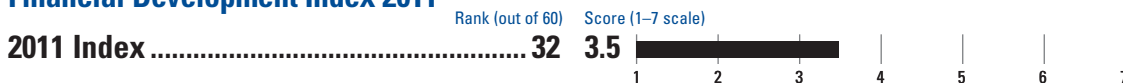


US\$ bn

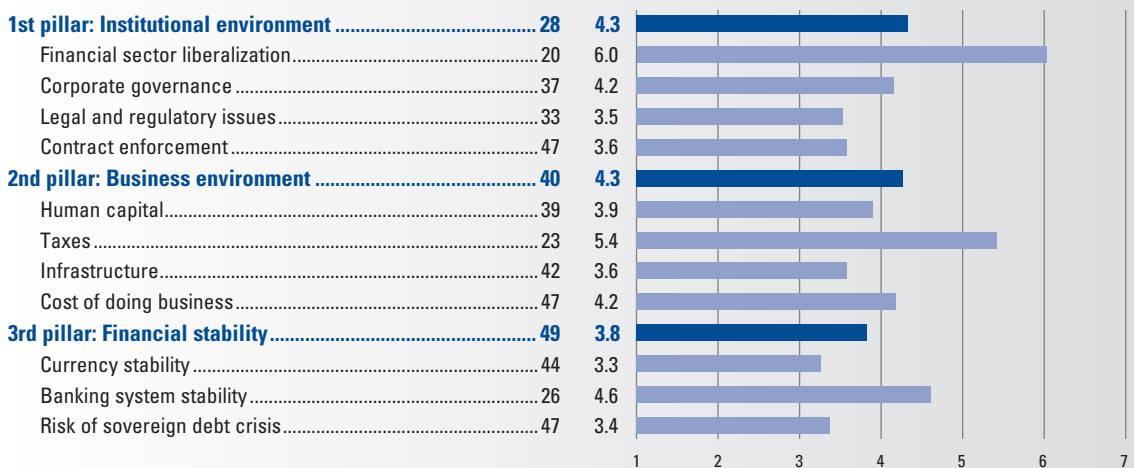
Public debt securities	15.0
Private debt securities.....	0.0
Banking deposits	23.9
Equity securities.....	31.9

Total 70.7

Financial Development Index 2011

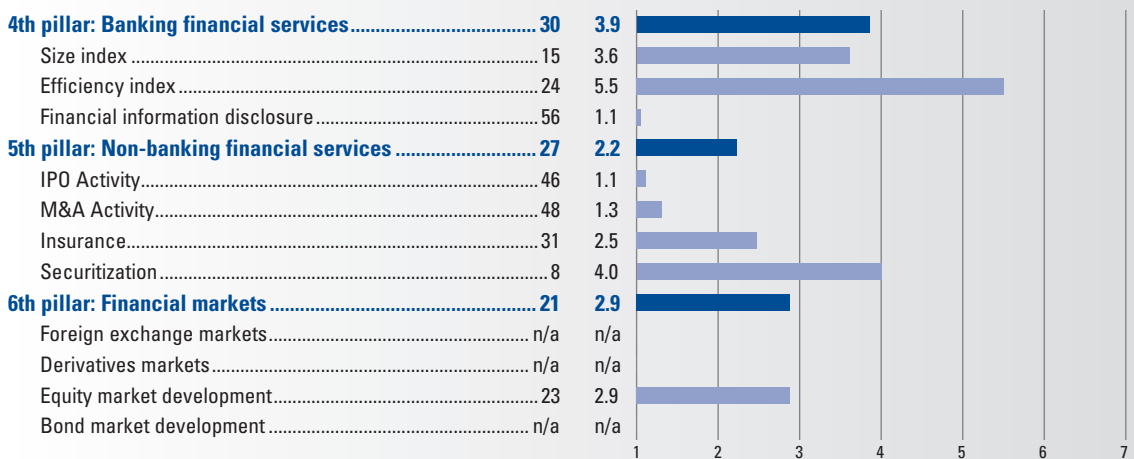


Factors, policies, and institutions

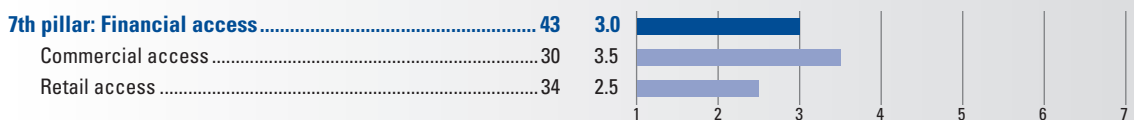


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	23	■	49.4	Turkey	83.5
1.03	Domestic financial sector liberalization	n/a		n/a	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	56	■	3.3	Singapore	5.2
1.05	Efficacy of corporate boards	45	■	4.3	Sweden	5.9
1.06	Reliance on professional management	53	■	3.8	Sweden	6.4
1.07	Willingness to delegate	43	■	3.6	Sweden	6.3
1.08	Strength of auditing and reporting standards	27	■	5.2	South Africa	6.5
1.09	Ethical behavior of firms	29	■	4.3	Denmark	6.7
1.10	Protection of minority shareholders' interests	25	■	4.8	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	28	■	3.3	Singapore	5.6
1.12	Centralization of economic policymaking	50	■	2.5	Switzerland	5.6
1.13	Regulation of securities exchanges	27	■	4.8	South Africa	6.4
1.14	Property rights	23	■	5.2	Finland	6.4
1.15	Intellectual property protection	26	■	4.2	Finland	6.2
1.16	Diversion of public funds	28	■	3.9	Denmark	6.5
1.17	Public trust in politicians	30	■	3.2	Singapore	6.4
1.18	Corruption perceptions index	26	■	4.7	Multiple (2)	9.3
1.19	Strength of legal rights index	45	■	4.0	Multiple (5)	10.0
1.20	Central bank transparency	46	■	2.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	50	■	2.8	Singapore	6.5
1.22	Judicial independence	28	■	4.4	Denmark	6.6
1.23	Irregular payments in judicial decisions	29	■	4.8	Denmark	6.8
1.24	Time to enforce a contract	50	■	689.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	42	■	38.0	Multiple (2)	21.0
1.26	Strength of investor protection index	53	■	4.3	Singapore	9.3
1.27	Cost of enforcing contracts	46	■	31.2	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	48	■	3.9	Belgium	6.1
2.02	Quality of math and science education	26	■	4.5	Singapore	6.4
2.03	Extent of staff training	53	■	3.5	Switzerland	5.6
2.04	Local availability of specialized research and training services	39	■	4.3	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	50	■	3.4	Switzerland	5.6
2.06	Tertiary enrollment	37	■	40.7	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	40	■	4.3	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	33	■	4.1	Singapore	5.7
2.09	Marginal tax variation	9	■	1.0	Kuwait	-4.7
2.10	Time to pay taxes	12	■	116.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	27	■	5.0	Switzerland	6.7
2.12	Quality of telephone infrastructure	20	■	6.6	Sweden	6.9
2.13	Internet users	39	■	38.0	Norway	93.4
2.14	Broadband Internet subscriptions	47	■	3.2	Switzerland	38.2
2.15	Telephone lines	53	■	7.8	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	33	■	107.0	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	47	■	13.9	Denmark	0.0

(Cont'd.)

Jordan

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment <i>(cont'd.)</i>						
2.18	Cost of registering property	56	■	7.5	Multiple (2)	0.0
2.19	Cost of closing a business	21	■	9.0	Multiple (4)	1.0
2.20	Time to start a business	23	■	12.0	Australia	2.0
2.21	Time to register property	22	■	21.0	Multiple (3)	2.0
2.22	Time to close a business	54	■	4.3	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	n/a		n/a	Malaysia	10.9
3.02	External vulnerability indicator	24	■	86.1	Saudi Arabia	8.4
3.03	Current account balance to GDP	56	■	-6.9	Kuwait	32.8
3.04	Dollarization vulnerability indicator	35	■	34.1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	30	■	62.2	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	17	■	1.0	Multiple (10)	0.0
3.08	Financial strengths indicator	21	■	5.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	10	■	6.1	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	6	■	14.9	Japan	23.9
3.12	Output loss during banking crises	55	■	106.4	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	49	■	9.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	49	■	8.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	43	■	4.7	Peru	6.7
3.16	Manageability of public debt	42	■	58.3	Russian Federation	9.1
3.17	Credit default swap spreads	44	■	357.6	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	12	■	129.2	Denmark	242.4
4.02	Central bank assets to GDP	15	■	2.8	Egypt	19.7
4.03	Financial system deposits to GDP	9	■	109.5	Hong Kong SAR	303.4
4.04	M2 to GDP	15	■	114.2	Hong Kong SAR	330.7
4.05	Private credit to GDP	18	■	100.2	Ireland	231.9
4.06	Bank deposits to GDP	10	■	109.2	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	40	■	3.3	Netherlands	6.1
4.09	Bank overhead costs	26	■	2.1	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	21	■	1.6	Japan	0.8
4.12	Nonperforming bank loans to total loans	41	■	6.7	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	50	■	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	22	■	1.6	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	56	■	0.0	China	35.4
5.02	IPO proceeds amount	39	■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	42	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

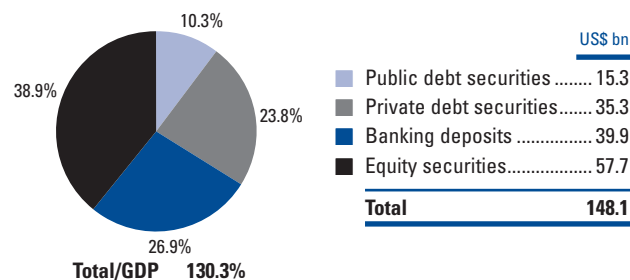
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	56	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	43	■	1.9	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	47	■	0.1	United States.....	22.6
Insurance						
5.07	Life insurance density.....	51	■	0.2	Ireland.....	19.2
5.08	Non-life insurance density.....	29	■	1.9	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	18	■	0.1	China.....	0.3
5.10	Life insurance coverage.....	56	■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	49	■	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	11	■	2.2	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	2	■	3.7	United States.....	4.8
5.14	Share of total number of securitization deals.....	52	■	0.0	United States.....	52.3
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.....	33.4
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.....	43	■	24.0	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	8	■	192.7	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	24	■	63.2	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	9	■	0.5	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	52	■	0.3	Ireland.....	243.6
6.16	Public international bonds to GDP.....	39	■	1.8	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	39	■	4.6	United Kingdom.....	6.7
7.02	Venture capital availability.....	39	■	2.7	Israel.....	4.5
7.03	Ease of access to credit.....	47	■	3.0	Peru.....	4.8
7.04	Financing through local equity market.....	41	■	3.8	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	39	■	2.9	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	11	■	6.2	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	24	■	89,880.9	Japan.....	717,241.6
7.08	Commercial bank branches.....	24	■	17.8	Ireland.....	573
7.09	Total number of ATMs.....	40	■	26.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	7	■	15.6	Peru.....	110.0

Kazakhstan

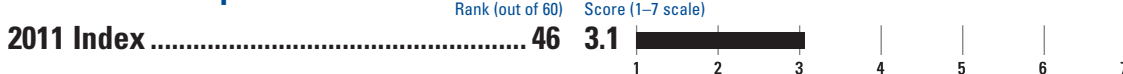
Key indicators

Population (millions), 2010.....	15.6
GDP (US\$ billions), 2010.....	138.4
GDP (current prices) per capita, 2010.....	8,883.0
GDP (PPP) as share (%) of world total, 2010	0.26
Compound annual growth rate of real GDP (%), 2006–2010....	4.00

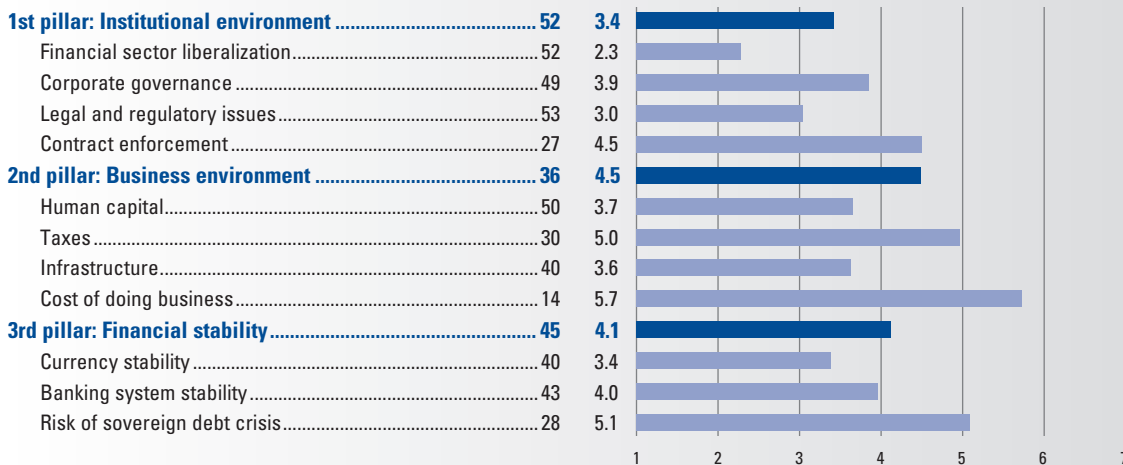
Financial assets by major type, 2009



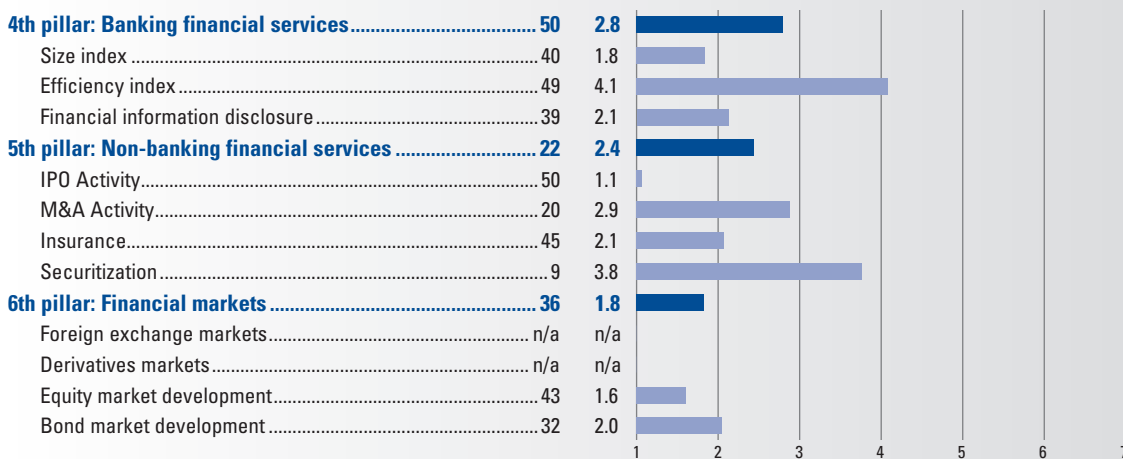
Financial Development Index 2011



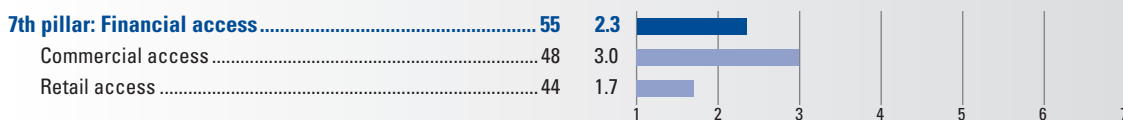
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	55	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	n/a	Turkey	83.5
1.03	Domestic financial sector liberalization	49	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	36	Singapore	5.2
1.05	Efficacy of corporate boards	34	Sweden	5.9
1.06	Reliance on professional management	58	Sweden	6.4
1.07	Willingness to delegate	53	Sweden	6.3
1.08	Strength of auditing and reporting standards	47	South Africa	6.5
1.09	Ethical behavior of firms	45	Denmark	6.7
1.10	Protection of minority shareholders' interests	55	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	26	Singapore	5.6
1.12	Centralization of economic policymaking	31	Switzerland	5.6
1.13	Regulation of securities exchanges	56	South Africa	6.4
1.14	Property rights	52	Finland	6.4
1.15	Intellectual property protection	53	Finland	6.2
1.16	Diversion of public funds	48	Denmark	6.5
1.17	Public trust in politicians	24	Singapore	6.4
1.18	Corruption perceptions index	49	Multiple (2)	9.3
1.19	Strength of legal rights index	45	Multiple (5)	10.0
1.20	Central bank transparency	38	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	31	Singapore	6.5
1.22	Judicial independence	53	Denmark	6.6
1.23	Irregular payments in judicial decisions	56	Denmark	6.8
1.24	Time to enforce a contract	12	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	Multiple (2)	21.0
1.26	Strength of investor protection index	9	Singapore	9.3
1.27	Cost of enforcing contracts	23	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	55	Belgium	6.1
2.02	Quality of math and science education	42	Singapore	6.4
2.03	Extent of staff training	51	Switzerland	5.6
2.04	Local availability of specialized research and training services	50	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	49	Switzerland	5.6
2.06	Tertiary enrollment	36	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	46	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	40	Singapore	5.7
2.09	Marginal tax variation	20	Kuwait	-4.7
2.10	Time to pay taxes	26	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	44	Switzerland	6.7
2.12	Quality of telephone infrastructure	51	Sweden	6.9
2.13	Internet users	46	Norway	93.4
2.14	Broadband Internet subscriptions	43	Switzerland	38.2
2.15	Telephone lines	25	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	20	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	10	Denmark	0.0

(Cont'd.)

Kazakhstan

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	3	Multiple (2)	0.0
2.19	Cost of closing a business	33	Multiple (4)	1.0
2.20	Time to start a business	36	Australia	2.0
2.21	Time to register property	41	Multiple (3)	2.0
2.22	Time to close a business	17	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	18	Malaysia	10.9
3.02	External vulnerability indicator	26	Saudi Arabia	8.4
3.03	Current account balance to GDP	28	Kuwait	32.8
3.04	Dollarization vulnerability indicator	37	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	33	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	38	Multiple (10)	0.0
3.08	Financial strengths indicator	52	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	22	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	34	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	33	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	20	Peru	6.7
3.16	Manageability of public debt	4	Russian Federation	9.1
3.17	Credit default swap spreads	37	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	27	Denmark	242.4
4.02	Central bank assets to GDP	41	Egypt	19.7
4.03	Financial system deposits to GDP	43	Hong Kong SAR	303.4
4.04	M2 to GDP	47	Hong Kong SAR	330.7
4.05	Private credit to GDP	25	Ireland	231.9
4.06	Bank deposits to GDP	46	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	53	Netherlands	6.1
4.09	Bank overhead costs	37	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	35	Japan	0.8
4.12	Nonperforming bank loans to total loans	53	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	31	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	48	China	35.4
5.02	IPO proceeds amount	47	Hong Kong SAR	3.7
5.03	Share of world IPOs	50	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

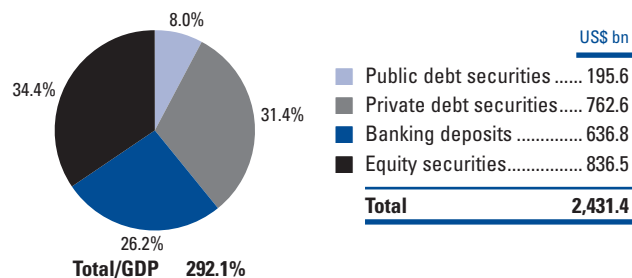
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	28 ■	0.4	United States.....	34.0
5.05	M&A transaction value to GDP.....	5 ■	8.1	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	46 ■	0.1	United States.....	22.6
Insurance					
5.07	Life insurance density.....	54 ■	0.1	Ireland.....	19.2
5.08	Non-life insurance density.....	51 ■	0.6	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	5 ■	0.2	China.....	0.3
5.10	Life insurance coverage.....	55 ■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	53 ■	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	n/a	n/a	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	6 ■	1.9	United States.....	4.8
5.14	Share of total number of securitization deals.....	24 ■	0.5	United States.....	52.3
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.....	33.4
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.....	n/a	n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	36 ■	66.0	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	35 ■	24.5	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	23 ■	0.1	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a	n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	19 ■	27.5	Ireland.....	243.6
6.16	Public international bonds to GDP.....	53 ■	0.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	22 ■	0.7	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	53 ■	3.7	United Kingdom.....	6.7
7.02	Venture capital availability.....	50 ■	2.3	Israel.....	4.5
7.03	Ease of access to credit.....	55 ■	2.6	Peru.....	4.8
7.04	Financing through local equity market.....	55 ■	2.8	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	54 ■	2.1	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	9 ■	7.2	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	50 ■	2.8	Ireland.....	573
7.09	Total number of ATMs.....	27 ■	52.1	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	30 ■	170.9	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	14 ■	4.3	Peru.....	110.0

Korea, Rep.

Key indicators

Population (millions), 2010.....	48.9
GDP (US\$ billions), 2010.....	1,007.1
GDP (current prices) per capita, 2010.....	20,591.0
GDP (PPP) as share (%) of world total, 2010	1.97
Compound annual growth rate of real GDP (%), 2006–2010....	2.71

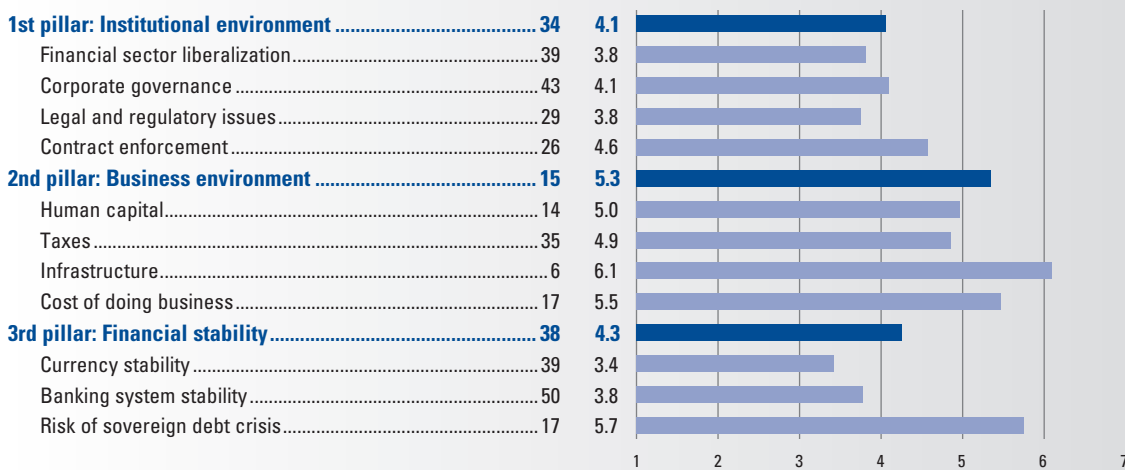
Financial assets by major type, 2009



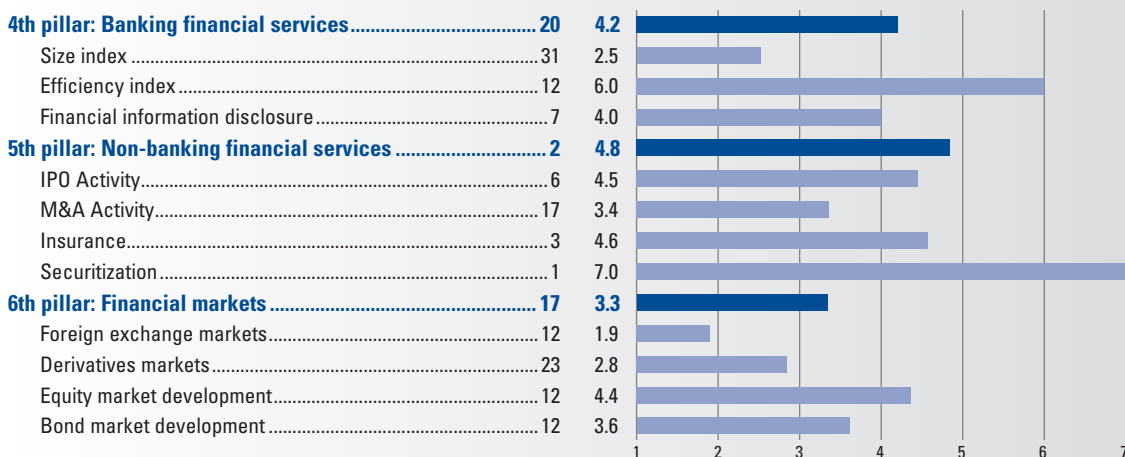
Financial Development Index 2011



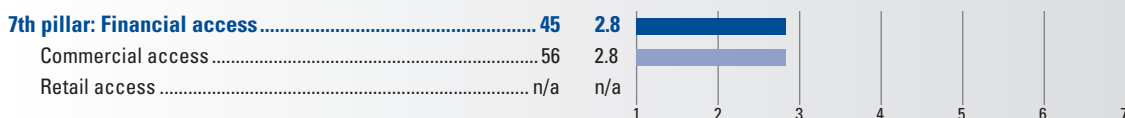
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	33	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	46	Turkey	83.5
1.03	Domestic financial sector liberalization	39	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	28	Singapore	5.2
1.05	Efficacy of corporate boards	55	Sweden	5.9
1.06	Reliance on professional management	27	Sweden	6.4
1.07	Willingness to delegate	45	Sweden	6.3
1.08	Strength of auditing and reporting standards	50	South Africa	6.5
1.09	Ethical behavior of firms	33	Denmark	6.7
1.10	Protection of minority shareholders' interests	53	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	47	Singapore	5.6
1.12	Centralization of economic policymaking	48	Switzerland	5.6
1.13	Regulation of securities exchanges	42	South Africa	6.4
1.14	Property rights	32	Finland	6.4
1.15	Intellectual property protection	29	Finland	6.2
1.16	Diversion of public funds	31	Denmark	6.5
1.17	Public trust in politicians	48	Singapore	6.4
1.18	Corruption perceptions index	23	Multiple (2)	9.3
1.19	Strength of legal rights index	16	Multiple (5)	10.0
1.20	Central bank transparency	23	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	54	Singapore	6.5
1.22	Judicial independence	39	Denmark	6.6
1.23	Irregular payments in judicial decisions	35	Denmark	6.8
1.24	Time to enforce a contract	2	Singapore	150.0
1.25	Number of procedures to enforce a contract	23	Multiple (2)	21.0
1.26	Strength of investor protection index	36	Singapore	9.3
1.27	Cost of enforcing contracts	2	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	31	Belgium	6.1
2.02	Quality of math and science education	8	Singapore	6.4
2.03	Extent of staff training	30	Switzerland	5.6
2.04	Local availability of specialized research and training services	32	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	22	Switzerland	5.6
2.06	Tertiary enrollment	1	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	35	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	39	Singapore	5.7
2.09	Marginal tax variation	37	Kuwait	-4.7
2.10	Time to pay taxes	34	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	15	Switzerland	6.7
2.12	Quality of telephone infrastructure	14	Sweden	6.9
2.13	Internet users	8	Norway	93.4
2.14	Broadband Internet subscriptions	4	Switzerland	38.2
2.15	Telephone lines	2	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	35	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	48	Denmark	0.0

(Cont'd.)

Korea, Rep.

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	41	■	5.1	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	13	■	7.0	Australia	2.0
2.21	Time to register property	11	■	11.0	Multiple (3)	2.0
2.22	Time to close a business	17	■	1.5	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	53	■	-3.5	Malaysia	10.9
3.02	External vulnerability indicator	19	■	62.4	Saudi Arabia	8.4
3.03	Current account balance to GDP	24	■	2.4	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	15	■	29.9	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	30	■	1.5	Multiple (10)	0.0
3.08	Financial strengths indicator	21	■	5.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a		n/a	Ireland	7.0
3.10	Financial Stress Index	6	■	-2.6	Austria	-3.9
3.11	Tier 1 capital ratio	45	■	6.4	Japan	23.9
3.12	Output loss during banking crises	50	■	86.4	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	26	■	16.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	27	■	15.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	13	■	5.8	Peru	6.7
3.16	Manageability of public debt	9	■	22.8	Russian Federation	9.1
3.17	Credit default swap spreads	21	■	130.2	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	17	■	121.1	Denmark	242.4
4.02	Central bank assets to GDP	17	■	2.1	Egypt	19.7
4.03	Financial system deposits to GDP	39	■	49.5	Hong Kong SAR	303.4
4.04	M2 to GDP	26	■	76.2	Hong Kong SAR	330.7
4.05	Private credit to GDP	30	■	79.6	Ireland	231.9
4.06	Bank deposits to GDP	34	■	58.7	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	18	■	0.4	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	9	■	4.6	Netherlands	6.1
4.09	Bank overhead costs	9	■	1.1	Singapore	0.3
4.10	Public ownership of banks	44	■	22.1	Multiple (24)	0.0
4.11	Bank operating costs to assets	27	■	1.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	7	■	1.5	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	1	■	100.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	9	■	2.3	China	35.4
5.02	IPO proceeds amount	10	■	0.4	Hong Kong SAR	3.7
5.03	Share of world IPOs	5	■	7.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

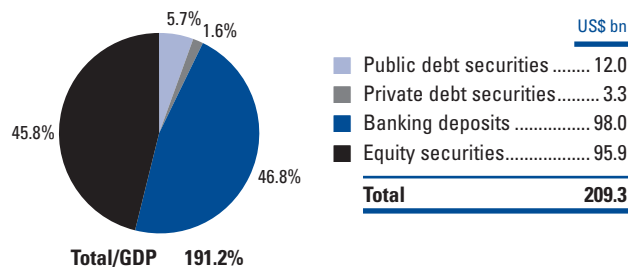
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	16 ■	1.5	United States.....	34.0
5.05	M&A transaction value to GDP.....	22 ■	4.3	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	11 ■	3.1	United States.....	22.6
Insurance					
5.07	Life insurance density.....	8 ■	7.1	Ireland.....	19.2
5.08	Non-life insurance density.....	4 ■	4.3	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	12 ■	0.1	China.....	0.3
5.10	Life insurance coverage.....	9 ■	3.5	India.....	53.6
5.11	Non-life insurance coverage.....	10 ■	2.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	13 ■	2.0	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	3 ■	2.8	United States.....	4.8
5.14	Share of total number of securitization deals.....	2 ■	10.3	United States.....	52.3
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.....	33.4
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.....	24 ■	0.1	United Kingdom.....	55.3
Equity market development					
6.09	Stock market turnover ratio.....	7 ■	217.9	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	21 ■	138.9	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	5 ■	376.3	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	12 ■	0.4	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	7 ■	63.6	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	16 ■	44.8	Poland.....	344.7
6.15	Private international bonds to GDP.....	24 ■	12.8	Ireland.....	243.6
6.16	Public international bonds to GDP.....	45 ■	0.7	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	2 ■	2.7	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	45 ■	4.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	53 ■	2.2	Israel.....	4.5
7.03	Ease of access to credit.....	37 ■	3.3	Peru.....	4.8
7.04	Financing through local equity market.....	46 ■	3.6	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	57 ■	2.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	51 ■	0.7	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	35 ■	12.3	Ireland.....	573
7.09	Total number of ATMs.....	n/a	n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Kuwait

Key indicators

Population (millions), 2010.....	3.6
GDP (US\$ billions), 2010.....	131.3
GDP (current prices) per capita, 2010.....	36,412.0
GDP (PPP) as share (%) of world total, 2010	0.19
Compound annual growth rate of real GDP (%), 2006–2010....	1.17

Financial assets by major type, 2009



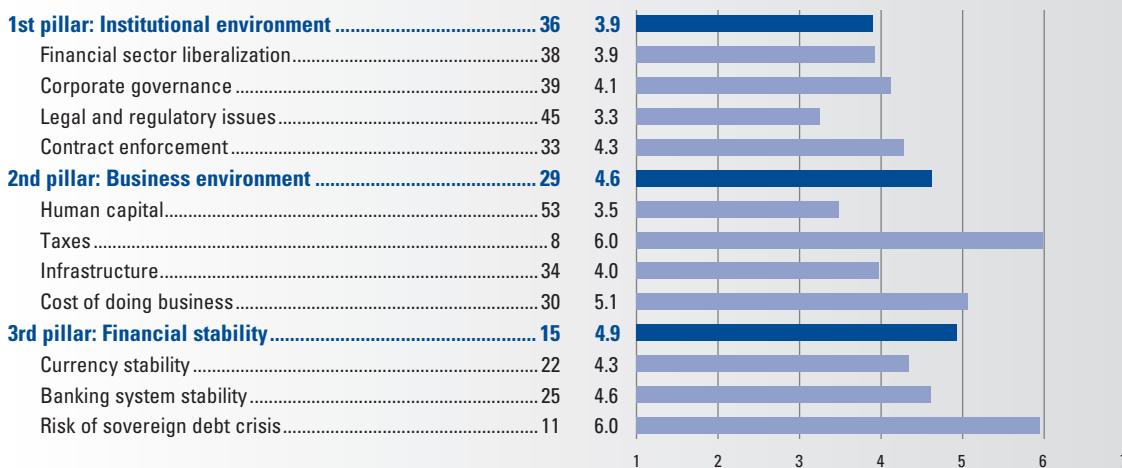
US\$ bn

Public debt securities	12.0
Private debt securities.....	3.3
Banking deposits	98.0
Equity securities.....	95.9
Total	209.3

Financial Development Index 2011

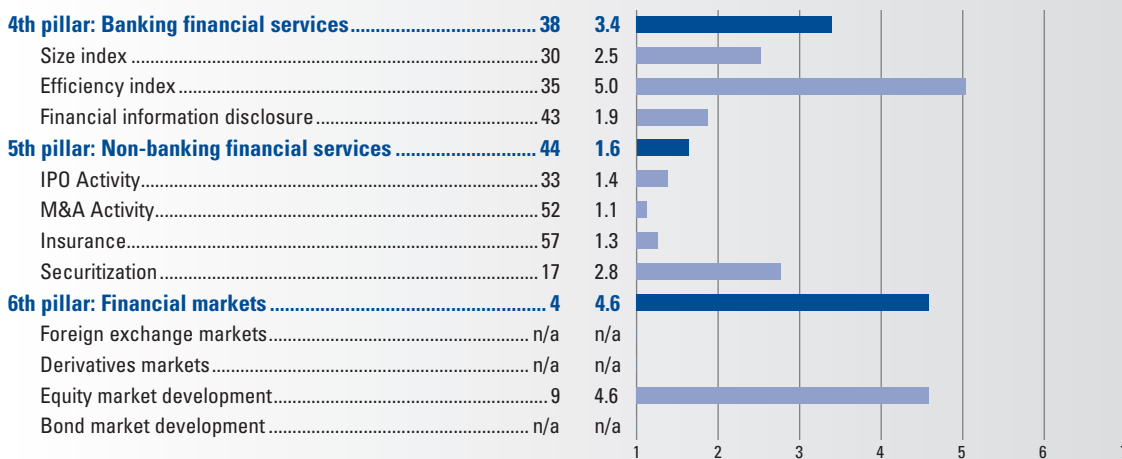


Factors, policies, and institutions

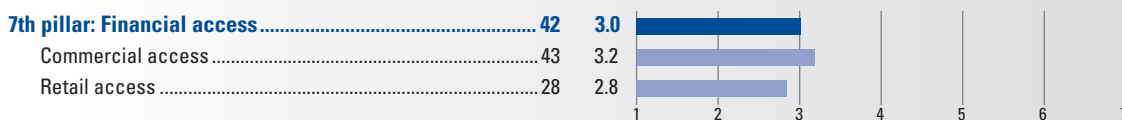


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage
■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	29	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	40	Turkey	83.5
1.03	Domestic financial sector liberalization	42	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	41	Singapore	5.2
1.05	Efficacy of corporate boards	60	Sweden	5.9
1.06	Reliance on professional management	50	Sweden	6.4
1.07	Willingness to delegate	23	Sweden	6.3
1.08	Strength of auditing and reporting standards	40	South Africa	6.5
1.09	Ethical behavior of firms	27	Denmark	6.7
1.10	Protection of minority shareholders' interests	51	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	48	Singapore	5.6
1.12	Centralization of economic policymaking	55	Switzerland	5.6
1.13	Regulation of securities exchanges	44	South Africa	6.4
1.14	Property rights	27	Finland	6.4
1.15	Intellectual property protection	31	Finland	6.2
1.16	Diversion of public funds	30	Denmark	6.5
1.17	Public trust in politicians	25	Singapore	6.4
1.18	Corruption perceptions index	30	Multiple (2)	9.3
1.19	Strength of legal rights index	45	Multiple (5)	10.0
1.20	Central bank transparency	46	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	35	Singapore	6.5
1.22	Judicial independence	21	Denmark	6.6
1.23	Irregular payments in judicial decisions	26	Denmark	6.8
1.24	Time to enforce a contract	40	Singapore	150.0
1.25	Number of procedures to enforce a contract	60	Multiple (2)	21.0
1.26	Strength of investor protection index	19	Singapore	9.3
1.27	Cost of enforcing contracts	19	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	51	Belgium	6.1
2.02	Quality of math and science education	44	Singapore	6.4
2.03	Extent of staff training	52	Switzerland	5.6
2.04	Local availability of specialized research and training services	52	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	19	Switzerland	5.6
2.06	Tertiary enrollment	51	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	28	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	11	Singapore	5.7
2.09	Marginal tax variation	1	Kuwait	-4.7
2.10	Time to pay taxes	13	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	32	Switzerland	6.7
2.12	Quality of telephone infrastructure	52	Sweden	6.9
2.13	Internet users	38	Norway	93.4
2.14	Broadband Internet subscriptions	51	Switzerland	38.2
2.15	Telephone lines	35	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	6	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	13	Denmark	0.0

(Cont'd.)

Kuwait

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
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	51	Australia	2.0
2.21	Time to register property	45	Multiple (3)	2.0
2.22	Time to close a business	52	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	28	Malaysia	10.9
3.02	External vulnerability indicator	29	Saudi Arabia	8.4
3.03	Current account balance to GDP	1	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	22	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	14	Multiple (10)	0.0
3.08	Financial strengths indicator	21	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	3	Japan	23.9
3.12	Output loss during banking crises	57	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	18	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	17	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	37	Peru	6.7
3.16	Manageability of public debt	2	Russian Federation	9.1
3.17	Credit default swap spreads	n/a	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	31	Denmark	242.4
4.02	Central bank assets to GDP	n/a	Egypt	19.7
4.03	Financial system deposits to GDP	28	Hong Kong SAR	303.4
4.04	M2 to GDP	30	Hong Kong SAR	330.7
4.05	Private credit to GDP	24	Ireland	231.9
4.06	Bank deposits to GDP	28	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	10	Netherlands	6.1
4.09	Bank overhead costs	35	Singapore	0.3
4.10	Public ownership of banks	47	Multiple (24)	0.0
4.11	Bank operating costs to assets	19	Japan	0.8
4.12	Nonperforming bank loans to total loans	46	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	35	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	35	China	35.4
5.02	IPO proceeds amount	19	Hong Kong SAR	3.7
5.03	Share of world IPOs	45	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage
■ Development Disadvantage

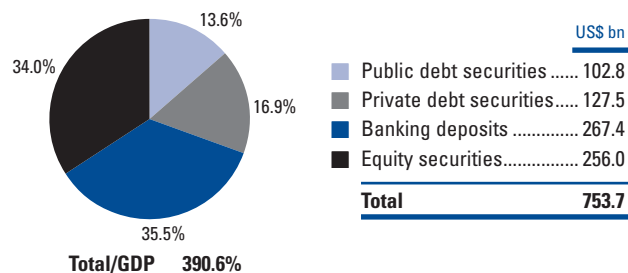
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	50 ■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	52 ■	1.0	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	50 ■	0.1	United States.....	22.6
Insurance					
5.07	Life insurance density.....	52 ■	0.1	Ireland.....	19.2
5.08	Non-life insurance density.....	54 ■	0.4	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a	n/a	China.....	0.3
5.10	Life insurance coverage.....	58 ■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	58 ■	0.0	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	34 ■	1.0	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	10 ■	1.4	United States.....	4.8
5.14	Share of total number of securitization deals.....	40 ■	0.1	United States.....	52.3
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.....	33.4
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.....	17 ■	144.5	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a	n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	7 ■	0.8	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	n/a	n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a	n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	40 ■	3.1	Ireland.....	243.6
6.16	Public international bonds to GDP.....	53 ■	0.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a	n/a	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	47 ■	4.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	21 ■	3.4	Israel.....	4.5
7.03	Ease of access to credit.....	53 ■	2.7	Peru.....	4.8
7.04	Financing through local equity market.....	36 ■	3.9	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	21 ■	3.5	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	55 ■	0.1	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	26 ■	16.5	Ireland.....	573
7.09	Total number of ATMs.....	24 ■	53.4	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	18 ■	1,040.1	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Malaysia

Key indicators

Population (millions), 2010.....	28.3
GDP (US\$ billions), 2010.....	238.0
GDP (current prices) per capita, 2010.....	8,423.2
GDP (PPP) as share (%) of world total, 2010	0.56
Compound annual growth rate of real GDP (%), 2006–2010....	3.26

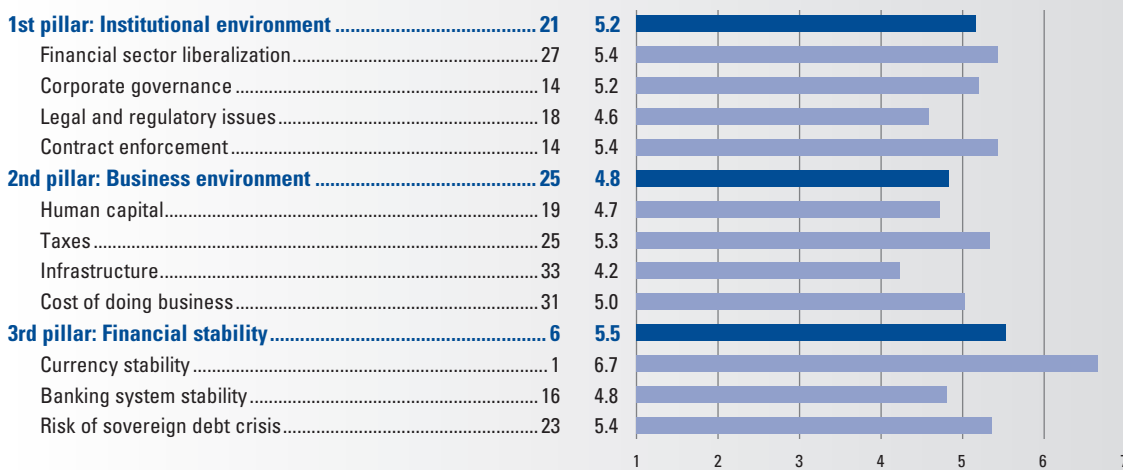
Financial assets by major type, 2009



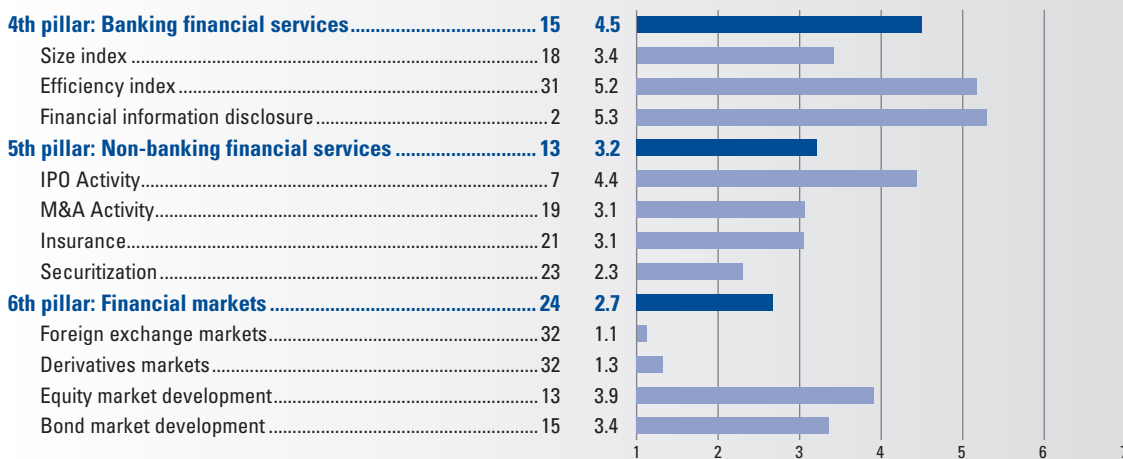
Financial Development Index 2011



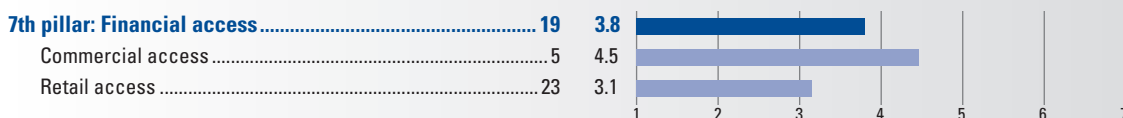
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	38	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	22	Turkey	83.5
1.03	Domestic financial sector liberalization	1	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	9	Singapore	5.2
1.05	Efficacy of corporate boards	8	Sweden	5.9
1.06	Reliance on professional management	17	Sweden	6.4
1.07	Willingness to delegate	11	Sweden	6.3
1.08	Strength of auditing and reporting standards	19	South Africa	6.5
1.09	Ethical behavior of firms	24	Denmark	6.7
1.10	Protection of minority shareholders' interests	10	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	4	Singapore	5.6
1.12	Centralization of economic policymaking	16	Switzerland	5.6
1.13	Regulation of securities exchanges	14	South Africa	6.4
1.14	Property rights	20	Finland	6.4
1.15	Intellectual property protection	23	Finland	6.2
1.16	Diversion of public funds	24	Denmark	6.5
1.17	Public trust in politicians	14	Singapore	6.4
1.18	Corruption perceptions index	32	Multiple (2)	9.3
1.19	Strength of legal rights index	1	Multiple (5)	10.0
1.20	Central bank transparency	36	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	8	Singapore	6.5
1.22	Judicial independence	27	Denmark	6.6
1.23	Irregular payments in judicial decisions	30	Denmark	6.8
1.24	Time to enforce a contract	23	Singapore	150.0
1.25	Number of procedures to enforce a contract	10	Multiple (2)	21.0
1.26	Strength of investor protection index	3	Singapore	9.3
1.27	Cost of enforcing contracts	38	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	19	Belgium	6.1
2.02	Quality of math and science education	12	Singapore	6.4
2.03	Extent of staff training	8	Switzerland	5.6
2.04	Local availability of specialized research and training services	17	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	18	Switzerland	5.6
2.06	Tertiary enrollment	40	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	29	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	19	Singapore	5.7
2.09	Marginal tax variation	34	Kuwait	-4.7
2.10	Time to pay taxes	18	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	18	Switzerland	6.7
2.12	Quality of telephone infrastructure	35	Sweden	6.9
2.13	Internet users	27	Norway	93.4
2.14	Broadband Internet subscriptions	38	Switzerland	38.2
2.15	Telephone lines	42	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	21	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	50	Denmark	0.0

(Cont'd.)

Malaysia

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	24	■	3.3	Multiple (2)	0.0
2.19	Cost of closing a business	33	■	15.0	Multiple (4)	1.0
2.20	Time to start a business	8	■	6.0	Australia	2.0
2.21	Time to register property	46	■	48.0	Multiple (3)	2.0
2.22	Time to close a business	17	■	1.5	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	1	■	10.9	Malaysia	10.9
3.02	External vulnerability indicator	8	■	29.8	Saudi Arabia	8.4
3.03	Current account balance to GDP	3	■	15.3	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	14	■	29.3	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	30	■	1.5	Multiple (10)	0.0
3.08	Financial strengths indicator	21	■	5.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	8	■	6.3	Ireland	7.0
3.10	Financial Stress Index	11	■	-1.7	Austria	-3.9
3.11	Tier 1 capital ratio	24	■	10.7	Japan	23.9
3.12	Output loss during banking crises	39	■	47.2	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	28	■	15.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	28	■	14.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	3	■	6.5	Peru	6.7
3.16	Manageability of public debt	37	■	53.1	Russian Federation	9.1
3.17	Credit default swap spreads	19	■	118.9	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	21	■	98.6	Denmark	242.4
4.02	Central bank assets to GDP	32	■	0.7	Egypt	19.7
4.03	Financial system deposits to GDP	10	■	109.0	Hong Kong SAR	303.4
4.04	M2 to GDP	7	■	138.4	Hong Kong SAR	330.7
4.05	Private credit to GDP	22	■	91.9	Ireland	231.9
4.06	Bank deposits to GDP	11	■	109.1	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	25	■	3.9	Netherlands	6.1
4.09	Bank overhead costs	20	■	1.6	Singapore	0.3
4.10	Public ownership of banks	53	■	44.3	Multiple (24)	0.0
4.11	Bank operating costs to assets	23	■	1.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	24	■	3.5	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	17	■	83.4	Multiple (12)	100.0
4.14	Public credit registry coverage	4	■	49.4	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	10	■	2.2	China	35.4
5.02	IPO proceeds amount	2	■	1.5	Hong Kong SAR	3.7
5.03	Share of world IPOs	10	■	2.3	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

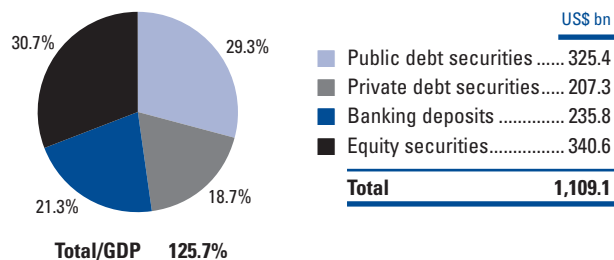
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....24	■	0.5	United States.....34.0
5.05	M&A transaction value to GDP.....11	■	6.4	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....15	■	1.9	United States.....22.6
Insurance				
5.07	Life insurance density.....18	■	3.3	Ireland.....19.2
5.08	Non-life insurance density.....35	■	1.6	Netherlands.....9.2
5.09	Real growth of direct insurance premiums.....16	■	0.1	China.....0.3
5.10	Life insurance coverage.....17	■	0.9	India.....53.6
5.11	Non-life insurance coverage.....30	■	0.5	China.....16.3
5.12	Relative value-added of insurance to GDP.....8	■	2.6	Bahrain.....5.9
Securitization				
5.13	Securitization to GDP.....20	■	0.6	United States.....4.8
5.14	Share of total number of securitization deals.....17	■	0.9	United States.....52.3
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.....34	■	0.1	United Kingdom.....33.4
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.....27	■	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.....30	■	0.0	United Kingdom.....55.3
Equity market development				
6.09	Stock market turnover ratio.....18	■	140.4	Italy.....579.3
6.10	Stock market capitalization to GDP.....5	■	210.6	Hong Kong SAR.....742.5
6.11	Stock market value traded to GDP.....n/a		n/a	Switzerland.....673.1
6.12	Number of listed companies per 10,000 people.....13	■	0.4	Canada.....1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....13	■	43.5	Denmark.....185.9
6.14	Public domestic bond market capitalization to GDP.....14	■	46.4	Poland.....344.7
6.15	Private international bonds to GDP.....23	■	14.6	Ireland.....243.6
6.16	Public international bonds to GDP.....42	■	1.0	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....4	■	2.1	Singapore.....3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....24	■	5.6	United Kingdom.....6.7
7.02	Venture capital availability.....9	■	4.1	Israel.....4.5
7.03	Ease of access to credit.....2	■	4.7	Peru.....4.8
7.04	Financing through local equity market.....7	■	4.9	Hong Kong SAR.....5.4
7.05	Ease of access to loans.....7	■	4.5	Bahrain.....5.0
7.06	Foreign direct investment to GDP.....14	■	3.8	Hong Kong SAR.....30.6
Retail access				
7.07	Market penetration of bank accounts.....8	■	206,332.8	Japan.....717,241.6
7.08	Commercial bank branches.....37	■	11.4	Ireland.....573
7.09	Total number of ATMs.....23	■	54.0	Canada.....218.5
7.10	Total number of point of sale (POS) devices.....17	■	1,063.1	South Africa.....89,086.8
7.11	Loan accounts at MFIs.....n/a		n/a	Peru.....110.0

Mexico

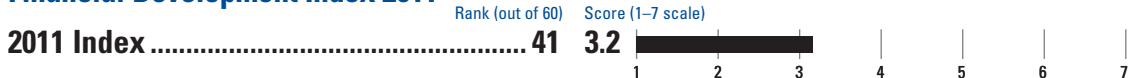
Key indicators

Population (millions), 2010.....	108.6
GDP (US\$ billions), 2010.....	1,039.1
GDP (current prices) per capita, 2010.....	9,566.0
GDP (PPP) as share (%) of world total, 2010	2.09
Compound annual growth rate of real GDP (%), 2006–2010....	0.75

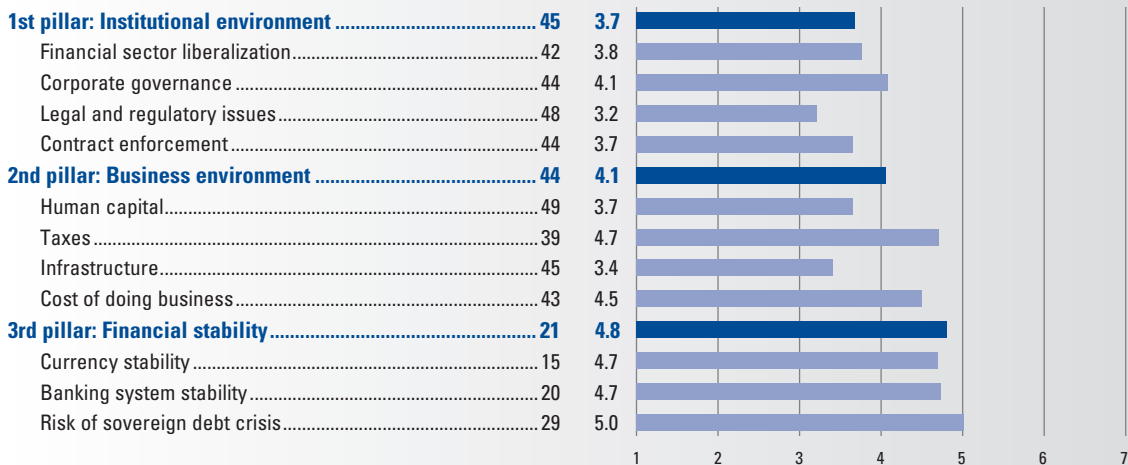
Financial assets by major type, 2009



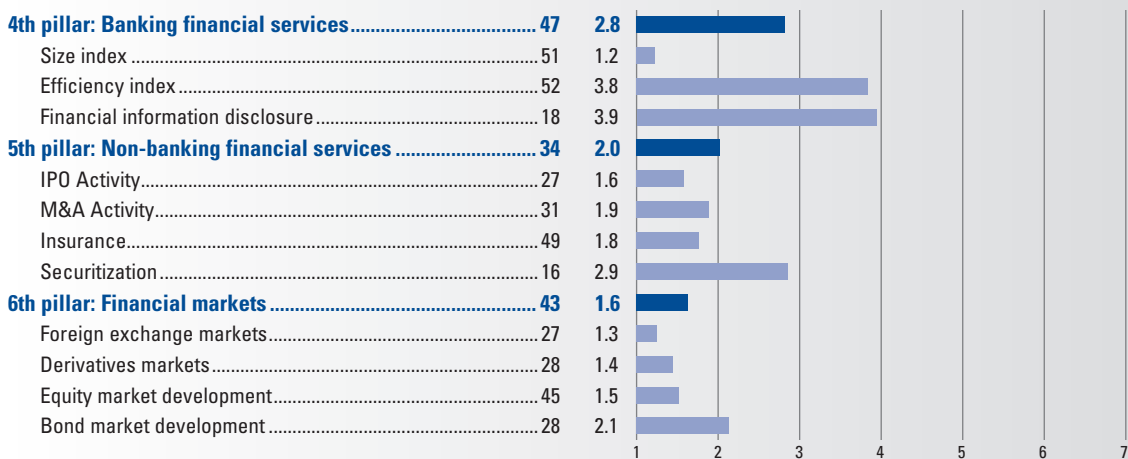
Financial Development Index 2011



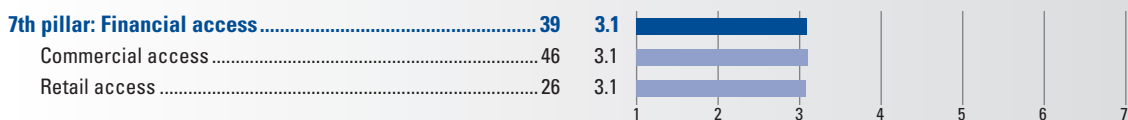
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	37	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	50	Turkey	83.5
1.03	Domestic financial sector liberalization	30	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	44	Singapore	5.2
1.05	Efficacy of corporate boards	42	Sweden	5.9
1.06	Reliance on professional management	44	Sweden	6.4
1.07	Willingness to delegate	41	Sweden	6.3
1.08	Strength of auditing and reporting standards	38	South Africa	6.5
1.09	Ethical behavior of firms	43	Denmark	6.7
1.10	Protection of minority shareholders' interests	39	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	40	Singapore	5.6
1.12	Centralization of economic policymaking	29	Switzerland	5.6
1.13	Regulation of securities exchanges	48	South Africa	6.4
1.14	Property rights	43	Finland	6.4
1.15	Intellectual property protection	44	Finland	6.2
1.16	Diversion of public funds	45	Denmark	6.5
1.17	Public trust in politicians	45	Singapore	6.4
1.18	Corruption perceptions index	47	Multiple (2)	9.3
1.19	Strength of legal rights index	34	Multiple (5)	10.0
1.20	Central bank transparency	33	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	56	Singapore	6.5
1.22	Judicial independence	49	Denmark	6.6
1.23	Irregular payments in judicial decisions	51	Denmark	6.8
1.24	Time to enforce a contract	21	Singapore	150.0
1.25	Number of procedures to enforce a contract	42	Multiple (2)	21.0
1.26	Strength of investor protection index	24	Singapore	9.3
1.27	Cost of enforcing contracts	48	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	30	Belgium	6.1
2.02	Quality of math and science education	55	Singapore	6.4
2.03	Extent of staff training	42	Switzerland	5.6
2.04	Local availability of specialized research and training services	33	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	40	Switzerland	5.6
2.06	Tertiary enrollment	48	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	37	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	48	Singapore	5.7
2.09	Marginal tax variation	27	Kuwait	-4.7
2.10	Time to pay taxes	49	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	39	Switzerland	6.7
2.12	Quality of telephone infrastructure	40	Sweden	6.9
2.13	Internet users	47	Norway	93.4
2.14	Broadband Internet subscriptions	32	Switzerland	38.2
2.15	Telephone lines	41	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	52	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	42	Denmark	0.0

(Cont'd.)

Mexico

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	43	Multiple (2)	0.0
2.19	Cost of closing a business	41	Multiple (4)	1.0
2.20	Time to start a business	20	Australia	2.0
2.21	Time to register property	54	Multiple (3)	2.0
2.22	Time to close a business	24	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	45	Malaysia	10.9
3.02	External vulnerability indicator	16	Saudi Arabia	8.4
3.03	Current account balance to GDP	31	Kuwait	32.8
3.04	Dollarization vulnerability indicator	28	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	7	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	38	Multiple (10)	0.0
3.08	Financial strengths indicator	10	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	7	Ireland	7.0
3.10	Financial Stress Index	25	Austria	-3.9
3.11	Tier 1 capital ratio	30	Japan	23.9
3.12	Output loss during banking crises	33	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	31	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	33	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	17	Peru	6.7
3.16	Manageability of public debt	18	Russian Federation	9.1
3.17	Credit default swap spreads	25	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	48	Denmark	242.4
4.02	Central bank assets to GDP	n/a	Egypt	19.7
4.03	Financial system deposits to GDP	52	Hong Kong SAR	303.4
4.04	M2 to GDP	40	Hong Kong SAR	330.7
4.05	Private credit to GDP	49	Ireland	231.9
4.06	Bank deposits to GDP	56	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	27	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	57	Netherlands	6.1
4.09	Bank overhead costs	59	Singapore	0.3
4.10	Public ownership of banks	31	Multiple (24)	0.0
4.11	Bank operating costs to assets	47	Japan	0.8
4.12	Nonperforming bank loans to total loans	18	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	14	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	18	China	35.4
5.02	IPO proceeds amount	31	Hong Kong SAR	3.7
5.03	Share of world IPOs	30	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

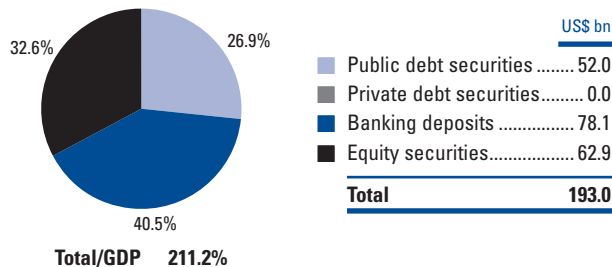
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....	19	United States.....	34.0
5.05	M&A transaction value to GDP.....	39	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	31	United States.....	22.6
Insurance				
5.07	Life insurance density.....	36	Ireland.....	19.2
5.08	Non-life insurance density.....	46	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	42	China.....	0.3
5.10	Life insurance coverage.....	18	India.....	53.6
5.11	Non-life insurance coverage.....	17	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	55	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....	16	United States.....	4.8
5.14	Share of total number of securitization deals.....	9	United States.....	52.3
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover.....	23	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....	28	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	21	United Kingdom.....	33.4
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements.....	31	United Kingdom.....	48.4
6.05	Interest rate derivatives turnover: Swaps.....	23	United Kingdom.....	45.3
6.06	Interest rate derivatives turnover: Options.....	23	United Kingdom.....	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps.....	23	United Kingdom.....	32.1
6.08	Foreign exchange derivatives turnover: Options.....	23	United Kingdom.....	55.3
Equity market development				
6.09	Stock market turnover ratio.....	33	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	38	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	36	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	52	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....	25	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	35	Poland.....	344.7
6.15	Private international bonds to GDP.....	34	Ireland.....	243.6
6.16	Public international bonds to GDP.....	27	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	14	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....	33	United Kingdom.....	6.7
7.02	Venture capital availability.....	44	Israel.....	4.5
7.03	Ease of access to credit.....	32	Peru.....	4.8
7.04	Financing through local equity market.....	50	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	49	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	34	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....	20	Japan.....	717,241.6
7.08	Commercial bank branches.....	29	Ireland.....	573
7.09	Total number of ATMs.....	31	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	24	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	3	Peru.....	110.0

Morocco

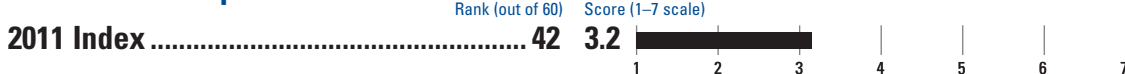
Key indicators

Population (millions), 2010.....	31.9
GDP (US\$ billions), 2010.....	103.5
GDP (current prices) per capita, 2010.....	3,249.0
GDP (PPP) as share (%) of world total, 2010	0.21
Compound annual growth rate of real GDP (%), 2006–2010....	3.26

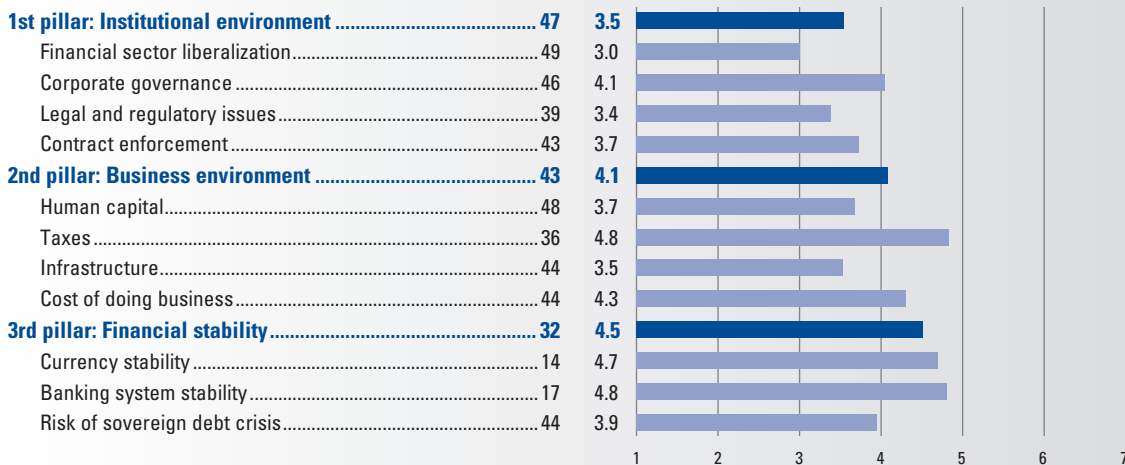
Financial assets by major type, 2009



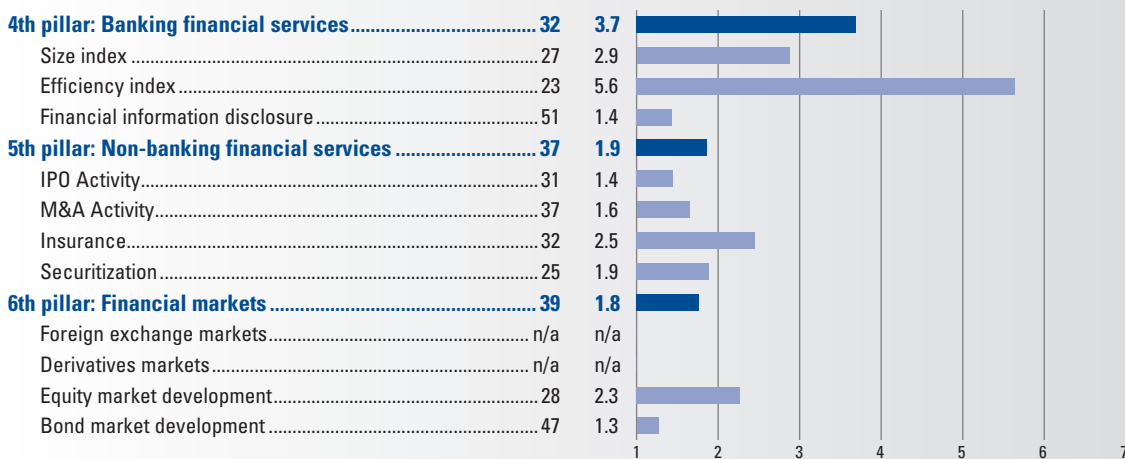
Financial Development Index 2011



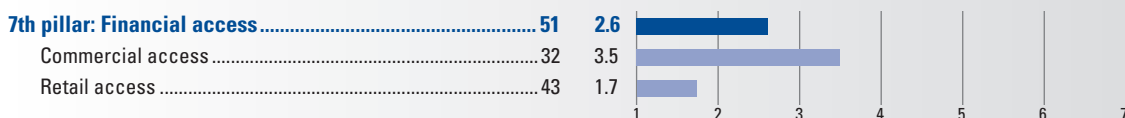
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	56	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	41	Turkey	83.5
1.03	Domestic financial sector liberalization	35	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	33	Singapore	5.2
1.05	Efficacy of corporate boards	28	Sweden	5.9
1.06	Reliance on professional management	54	Sweden	6.4
1.07	Willingness to delegate	54	Sweden	6.3
1.08	Strength of auditing and reporting standards	49	South Africa	6.5
1.09	Ethical behavior of firms	36	Denmark	6.7
1.10	Protection of minority shareholders' interests	32	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	25	Singapore	5.6
1.12	Centralization of economic policymaking	32	Switzerland	5.6
1.13	Regulation of securities exchanges	25	South Africa	6.4
1.14	Property rights	35	Finland	6.4
1.15	Intellectual property protection	40	Finland	6.2
1.16	Diversion of public funds	32	Denmark	6.5
1.17	Public trust in politicians	26	Singapore	6.4
1.18	Corruption perceptions index	45	Multiple (2)	9.3
1.19	Strength of legal rights index	53	Multiple (5)	10.0
1.20	Central bank transparency	n/a	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	33	Singapore	6.5
1.22	Judicial independence	46	Denmark	6.6
1.23	Irregular payments in judicial decisions	46	Denmark	6.8
1.24	Time to enforce a contract	32	Singapore	150.0
1.25	Number of procedures to enforce a contract	47	Multiple (2)	21.0
1.26	Strength of investor protection index	41	Singapore	9.3
1.27	Cost of enforcing contracts	31	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	32	Belgium	6.1
2.02	Quality of math and science education	35	Singapore	6.4
2.03	Extent of staff training	38	Switzerland	5.6
2.04	Local availability of specialized research and training services	38	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	35	Switzerland	5.6
2.06	Tertiary enrollment	54	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	49	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	35	Singapore	5.7
2.09	Marginal tax variation	24	Kuwait	-4.7
2.10	Time to pay taxes	37	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	36	Switzerland	6.7
2.12	Quality of telephone infrastructure	27	Sweden	6.9
2.13	Internet users	30	Norway	93.4
2.14	Broadband Internet subscriptions	52	Switzerland	38.2
2.15	Telephone lines	49	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	42	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	49	Denmark	0.0

(Cont'd.)

Morocco

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	37	■	4.9	Multiple (2)	0.0
2.19	Cost of closing a business	41	■	18.0	Multiple (4)	1.0
2.20	Time to start a business	23	■	12.0	Australia	2.0
2.21	Time to register property	55	■	75.0	Multiple (3)	2.0
2.22	Time to close a business	24	■	1.8	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	30	■	0.4	Malaysia	10.9
3.02	External vulnerability indicator	13	■	36.6	Saudi Arabia	8.4
3.03	Current account balance to GDP	51	■	-4.7	Kuwait	32.8
3.04	Dollarization vulnerability indicator	26	■	3.2	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	12	■	28.2	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	11	■	0.5	Multiple (10)	0.0
3.08	Financial strengths indicator	38	■	3.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	30	■	4.9	Ireland	7.0
3.10	Financial Stress Index	27	■	-0.6	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	28	■	11.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	39	■	12.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	40	■	11.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	47	■	4.6	Peru	6.7
3.16	Manageability of public debt	45	■	60.9	Russian Federation	9.1
3.17	Credit default swap spreads	36	■	199.8	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	24	■	91.3	Denmark	242.4
4.02	Central bank assets to GDP	19	■	1.8	Egypt	19.7
4.03	Financial system deposits to GDP	15	■	94.9	Hong Kong SAR	303.4
4.04	M2 to GDP	22	■	84.2	Hong Kong SAR	330.7
4.05	Private credit to GDP	29	■	79.6	Ireland	231.9
4.06	Bank deposits to GDP	16	■	93.5	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	29	■	3.7	Netherlands	6.1
4.09	Bank overhead costs	12	■	1.3	Singapore	0.3
4.10	Public ownership of banks	34	■	5.7	Multiple (24)	0.0
4.11	Bank operating costs to assets	31	■	2.3	Japan	0.8
4.12	Nonperforming bank loans to total loans	34	■	5.2	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	43	■	14.6	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	37	■	0.1	China	35.4
5.02	IPO proceeds amount	16	■	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	34	■	0.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

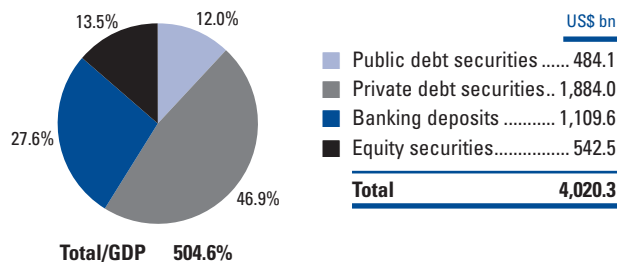
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	44	■	0.1	United States.....	34.0
5.05	M&A transaction value to GDP.....	27	■	3.2	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	54	■	0.1	United States.....	22.6
Insurance						
5.07	Life insurance density.....	37	■	0.8	Ireland.....	19.2
5.08	Non-life insurance density.....	32	■	1.7	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	14	■	0.1	China.....	0.3
5.10	Life insurance coverage.....	34	■	0.3	India.....	53.6
5.11	Non-life insurance coverage.....	28	■	0.5	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	19	■	1.6	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	18	■	0.7	United States.....	4.8
5.14	Share of total number of securitization deals.....	52	■	0.0	United States.....	52.3
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.....	33.4
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.....	28	■	59.2	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	9	■	184.2	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	31	■	35.9	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	38	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	41	■	0.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	38	■	16.2	Poland.....	344.7
6.15	Private international bonds to GDP.....	55	■	0.0	Ireland.....	243.6
6.16	Public international bonds to GDP.....	40	■	1.3	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	36	■	0.2	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	36	■	4.7	United Kingdom.....	6.7
7.02	Venture capital availability.....	23	■	3.3	Israel.....	4.5
7.03	Ease of access to credit.....	26	■	3.8	Peru.....	4.8
7.04	Financing through local equity market.....	24	■	4.2	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	26	■	3.2	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	44	■	1.3	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	39	■	26,527.9	Japan.....	717,241.6
7.08	Commercial bank branches.....	41	■	9.9	Ireland.....	573
7.09	Total number of ATMs.....	42	■	18.6	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	33	■	89.9	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	6	■	17.5	Peru.....	110.0

Netherlands

Key indicators

Population (millions), 2010.....	16.6
GDP (US\$ billions), 2010.....	783.3
GDP (current prices) per capita, 2010.....	47,172.1
GDP (PPP) as share (%) of world total, 2010	0.91
Compound annual growth rate of real GDP (%), 2006–2010....	0.69

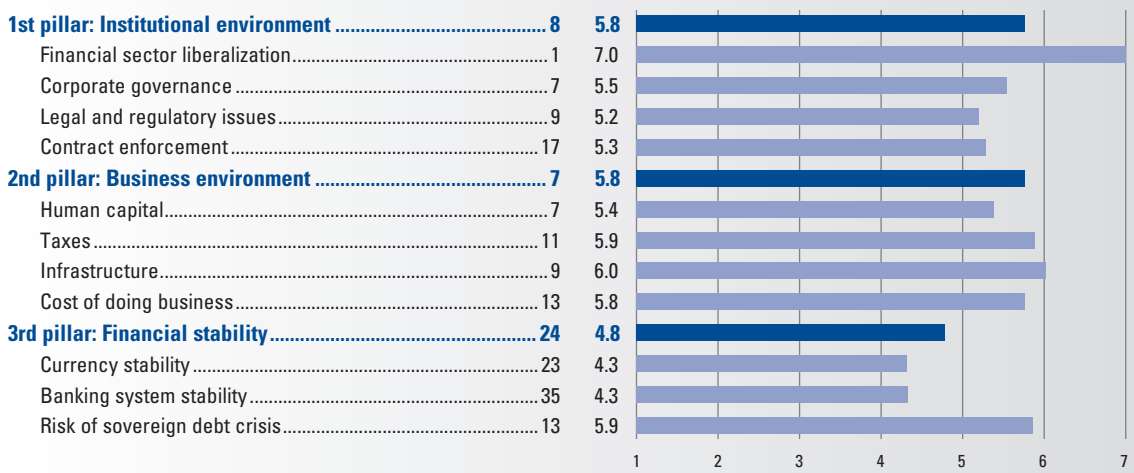
Financial assets by major type, 2009



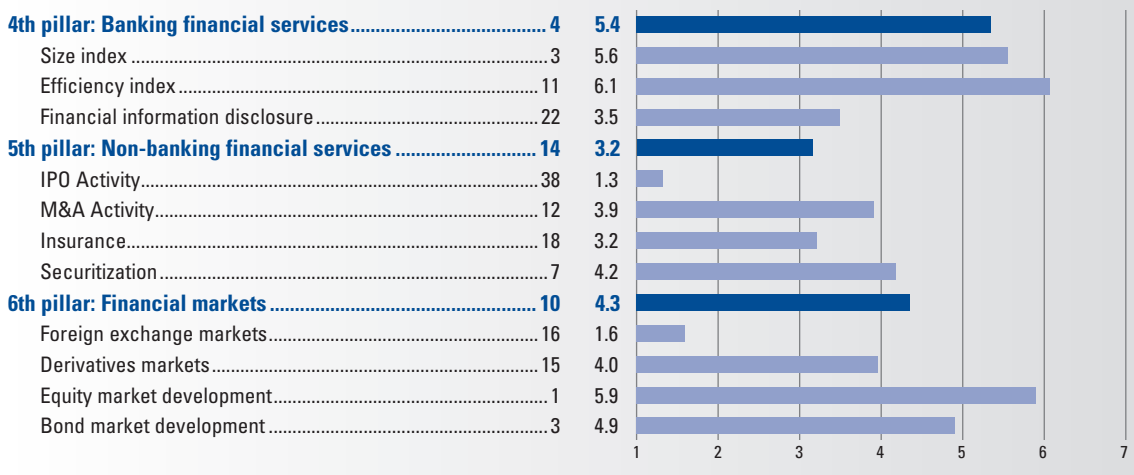
Financial Development Index 2011



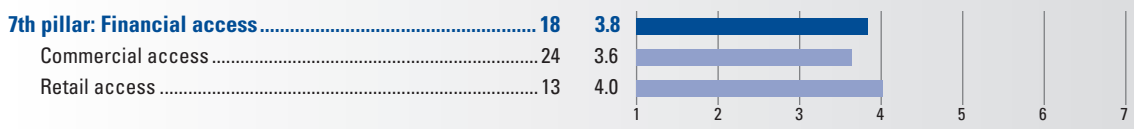
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	■	74.6	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	23	■	4.4	Singapore	5.2
1.05	Efficacy of corporate boards	12	■	5.3	Sweden	5.9
1.06	Reliance on professional management	7	■	6.0	Sweden	6.4
1.07	Willingness to delegate	4	■	5.7	Sweden	6.3
1.08	Strength of auditing and reporting standards	12	■	5.9	South Africa	6.5
1.09	Ethical behavior of firms	7	■	6.4	Denmark	6.7
1.10	Protection of minority shareholders' interests	12	■	5.2	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	20	■	3.5	Singapore	5.6
1.12	Centralization of economic policymaking	15	■	4.0	Switzerland	5.6
1.13	Regulation of securities exchanges	17	■	5.2	South Africa	6.4
1.14	Property rights	13	■	5.8	Finland	6.4
1.15	Intellectual property protection	7	■	5.8	Finland	6.2
1.16	Diversion of public funds	6	■	6.0	Denmark	6.5
1.17	Public trust in politicians	7	■	5.1	Singapore	6.4
1.18	Corruption perceptions index	6	■	8.8	Multiple (2)	9.3
1.19	Strength of legal rights index	34	■	6.0	Multiple (5)	10.0
1.20	Central bank transparency	3	■	11.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	12	■	4.9	Singapore	6.5
1.22	Judicial independence	5	■	6.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	12	■	6.3	Denmark	6.8
1.24	Time to enforce a contract	35	■	514.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	4	■	26.0	Multiple (2)	21.0
1.26	Strength of investor protection index	47	■	4.7	Singapore	9.3
1.27	Cost of enforcing contracts	28	■	23.9	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	9	■	5.5	Belgium	6.1
2.02	Quality of math and science education	6	■	5.4	Singapore	6.4
2.03	Extent of staff training	9	■	5.1	Switzerland	5.6
2.04	Local availability of specialized research and training services	2	■	6.0	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	8	■	5.0	Switzerland	5.6
2.06	Tertiary enrollment	20	■	60.6	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	14	■	6.3	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	10	■	4.9	Singapore	5.7
2.09	Marginal tax variation	22	■	4.6	Kuwait	-4.7
2.10	Time to pay taxes	15	■	127.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	12	■	6.0	Switzerland	6.7
2.12	Quality of telephone infrastructure	21	■	6.6	Sweden	6.9
2.13	Internet users	2	■	90.7	Norway	93.4
2.14	Broadband Internet subscriptions	2	■	38.0	Switzerland	38.2
2.15	Telephone lines	15	■	43.2	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	25	■	116.2	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	31	■	5.5	Denmark	0.0

(Cont'd.)

Netherlands

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	47	■	6.1	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	18	■	8.0	Australia	2.0
2.21	Time to register property	8	■	7.0	Multiple (3)	2.0
2.22	Time to close a business	11	■	1.1	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	38	■	-0.2	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	15	■	5.3	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	5	■	19.9	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	38	■	2.0	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	17	■	5.8	Ireland	7.0
3.10	Financial Stress Index	23	■	-1.1	Austria	-3.9
3.11	Tier 1 capital ratio	42	■	8.0	Japan	23.9
3.12	Output loss during banking crises	41	■	50.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	35	■	5.1	Peru	6.7
3.16	Manageability of public debt	47	■	62.5	Russian Federation	9.1
3.17	Credit default swap spreads	10	■	77.8	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	4	■	215.2	Denmark	242.4
4.02	Central bank assets to GDP	37	■	0.3	Egypt	19.7
4.03	Financial system deposits to GDP	6	■	130.0	Hong Kong SAR	303.4
4.04	M2 to GDP	8	■	137.6	Hong Kong SAR	330.7
4.05	Private credit to GDP	5	■	208.6	Ireland	231.9
4.06	Bank deposits to GDP	7	■	128.1	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	2	■	13.1	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	1	■	6.1	Netherlands	6.1
4.09	Bank overhead costs	50	■	4.8	Singapore	0.3
4.10	Public ownership of banks	29	■	3.1	Multiple (24)	0.0
4.11	Bank operating costs to assets	11	■	1.1	Japan	0.8
4.12	Nonperforming bank loans to total loans	n/a		n/a	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	18	■	83.2	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	25	■	0.5	China	35.4
5.02	IPO proceeds amount	37	■	0.1	Hong Kong SAR	3.7
5.03	Share of world IPOs	45	■	0.1	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

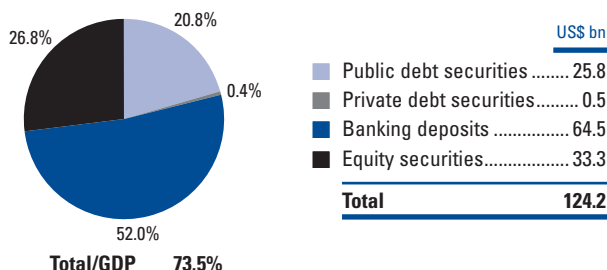
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....12	■	2.3	United States..... 34.0
5.05	M&A transaction value to GDP.....7	■	7.5	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....16	■	1.4	United States.....22.6
Insurance				
5.07	Life insurance density.....20	■	3.2	Ireland.....19.2
5.08	Non-life insurance density.....1	■	9.2	Netherlands.....9.2
5.09	Real growth of direct insurance premiums.....48	■	0.0	China.....0.3
5.10	Life insurance coverage.....28	■	0.5	India.....53.6
5.11	Non-life insurance coverage.....12	■	1.5	China.....16.3
5.12	Relative value-added of insurance to GDP.....21	■	1.5	Bahrain.....5.9
Securitization				
5.13	Securitization to GDP.....5	■	2.2	United States.....4.8
5.14	Share of total number of securitization deals.....22	■	0.6	United States.....52.3
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.....32	■	0.1	United Kingdom.....33.4
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.....27	■	0.0	United Kingdom.....55.3
Equity market development				
6.09	Stock market turnover ratio.....3	■	345.9	Italy.....579.3
6.10	Stock market capitalization to GDP.....20	■	145.3	Hong Kong SAR.....742.5
6.11	Stock market value traded to GDP.....2	■	515.8	Switzerland.....673.1
6.12	Number of listed companies per 10,000 people.....n/a		n/a	Canada.....1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....3	■	112.6	Denmark.....185.9
6.14	Public domestic bond market capitalization to GDP.....5	■	71.0	Poland.....344.7
6.15	Private international bonds to GDP.....2	■	239.0	Ireland.....243.6
6.16	Public international bonds to GDP.....26	■	4.3	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....17	■	0.8	Singapore.....3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....10	■	6.2	United Kingdom.....6.7
7.02	Venture capital availability.....12	■	3.9	Israel.....4.5
7.03	Ease of access to credit.....51	■	2.8	Peru.....4.8
7.04	Financing through local equity market.....29	■	4.1	Hong Kong SAR.....5.4
7.05	Ease of access to loans.....12	■	3.9	Bahrain.....5.0
7.06	Foreign direct investment to GDP.....60	■	-2.1	Hong Kong SAR.....30.6
Retail access				
7.07	Market penetration of bank accounts.....12	■	176,579.2	Japan.....717,241.6
7.08	Commercial bank branches.....15	■	25.4	Ireland.....573
7.09	Total number of ATMs.....19	■	64.1	Canada.....218.5
7.10	Total number of point of sale (POS) devices.....9	■	2,343.4	South Africa.....89,086.8
7.11	Loan accounts at MFIs.....n/a		n/a	Peru.....110.0

Nigeria

Key indicators

Population (millions), 2010.....	156.1
GDP (US\$ billions), 2010.....	216.8
GDP (current prices) per capita, 2010.....	1,389.3
GDP (PPP) as share (%) of world total, 2010	0.51
Compound annual growth rate of real GDP (%), 2006–2010....	5.62

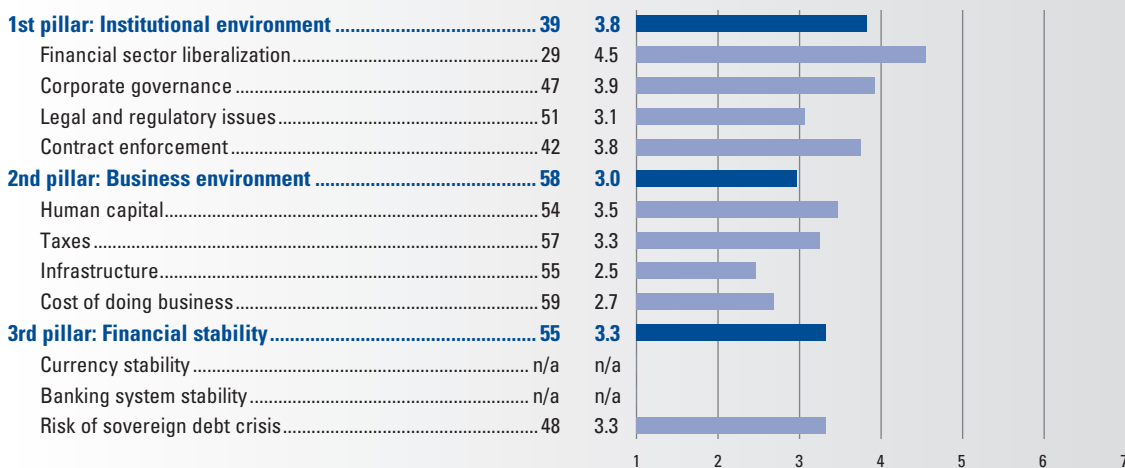
Financial assets by major type, 2009



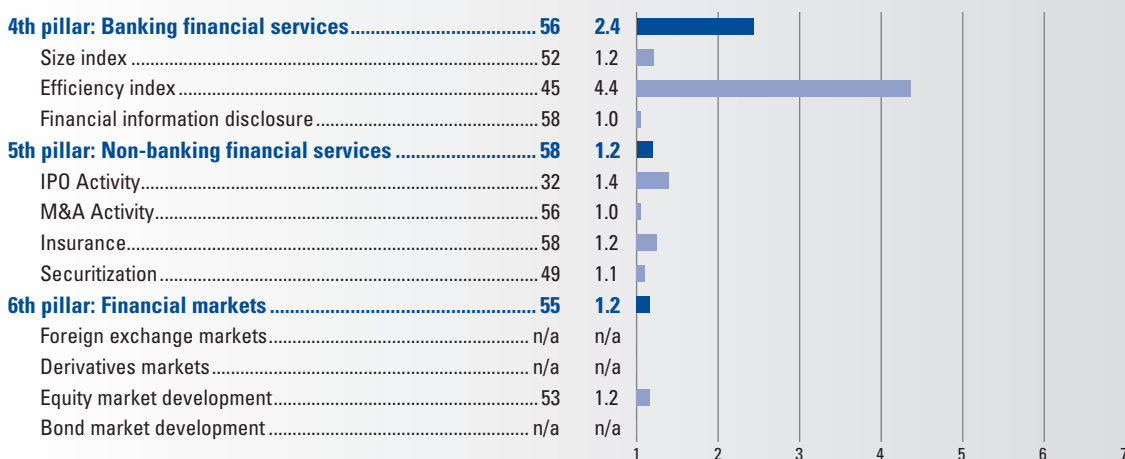
Financial Development Index 2011



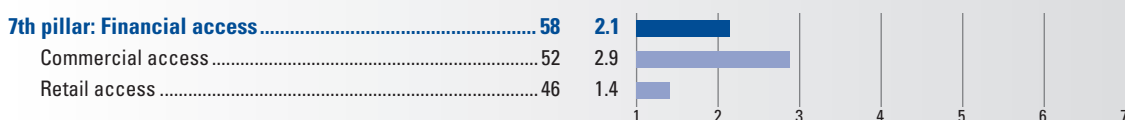
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	43	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	28	Turkey	83.5
1.03	Domestic financial sector liberalization	24	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	43	Singapore	5.2
1.05	Efficacy of corporate boards	44	Sweden	5.9
1.06	Reliance on professional management	41	Sweden	6.4
1.07	Willingness to delegate	30	Sweden	6.3
1.08	Strength of auditing and reporting standards	58	South Africa	6.5
1.09	Ethical behavior of firms	47	Denmark	6.7
1.10	Protection of minority shareholders' interests	52	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	14	Singapore	5.6
1.12	Centralization of economic policymaking	36	Switzerland	5.6
1.13	Regulation of securities exchanges	43	South Africa	6.4
1.14	Property rights	56	Finland	6.4
1.15	Intellectual property protection	51	Finland	6.2
1.16	Diversion of public funds	58	Denmark	6.5
1.17	Public trust in politicians	52	Singapore	6.4
1.18	Corruption perceptions index	54	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	40	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	39	Singapore	6.5
1.22	Judicial independence	41	Denmark	6.6
1.23	Irregular payments in judicial decisions	44	Denmark	6.8
1.24	Time to enforce a contract	25	Singapore	150.0
1.25	Number of procedures to enforce a contract	47	Multiple (2)	21.0
1.26	Strength of investor protection index	31	Singapore	9.3
1.27	Cost of enforcing contracts	48	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	46	Belgium	6.1
2.02	Quality of math and science education	46	Singapore	6.4
2.03	Extent of staff training	36	Switzerland	5.6
2.04	Local availability of specialized research and training services	43	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	25	Switzerland	5.6
2.06	Tertiary enrollment	55	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	57	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	38	Singapore	5.7
2.09	Marginal tax variation	32	Kuwait	-4.7
2.10	Time to pay taxes	58	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	57	Switzerland	6.7
2.12	Quality of telephone infrastructure	31	Sweden	6.9
2.13	Internet users	48	Norway	93.4
2.14	Broadband Internet subscriptions	58	Switzerland	38.2
2.15	Telephone lines	58	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	58	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	60	Denmark	0.0

(Cont'd.)

Nigeria

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	60	■	20.8	Multiple (2)	0.0
2.19	Cost of closing a business	48	■	22.0	Multiple (4)	1.0
2.20	Time to start a business	53	■	34.0	Australia	2.0
2.21	Time to register property	56	■	82.0	Multiple (3)	2.0
2.22	Time to close a business	29	■	2.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	n/a		n/a	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	6	■	11.6	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	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	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	53	■	7.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	53	■	7.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	53	■	3.9	Peru	6.7
3.16	Manageability of public debt	5	■	16.2	Russian Federation	9.1
3.17	Credit default swap spreads	43	■	322.9	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	46	■	45.4	Denmark	242.4
4.02	Central bank assets to GDP	29	■	0.9	Egypt	19.7
4.03	Financial system deposits to GDP	50	■	25.3	Hong Kong SAR	303.4
4.04	M2 to GDP	58	■	34.5	Hong Kong SAR	330.7
4.05	Private credit to GDP	45	■	36.8	Ireland	231.9
4.06	Bank deposits to GDP	52	■	26.0	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	38	■	3.4	Netherlands	6.1
4.09	Bank overhead costs	38	■	3.0	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	59	■	6.5	Japan	0.8
4.12	Nonperforming bank loans to total loans	40	■	6.6	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	50	■	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	25	■	0.1	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	32	■	0.2	China	35.4
5.02	IPO proceeds amount	24	■	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	34	■	0.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

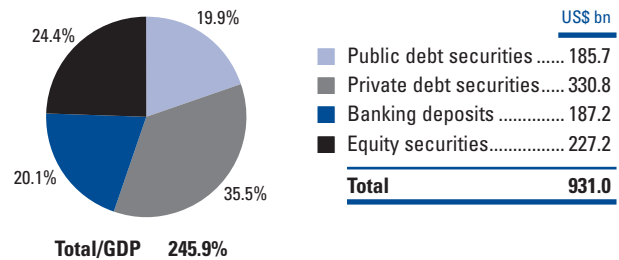
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....	51	United States.....	34.0
5.05	M&A transaction value to GDP.....	56	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	52	United States.....	22.6
Insurance				
5.07	Life insurance density.....	55	Ireland.....	19.2
5.08	Non-life insurance density.....	53	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a	China.....	0.3
5.10	Life insurance coverage.....	44	India.....	53.6
5.11	Non-life insurance coverage.....	24	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	51	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....	49	United States.....	4.8
5.14	Share of total number of securitization deals.....	42	United States.....	52.3
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.....	33.4
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.....	45	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	48	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....	n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	53	Ireland.....	243.6
6.16	Public international bonds to GDP.....	53	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....	49	United Kingdom.....	6.7
7.02	Venture capital availability.....	54	Israel.....	4.5
7.03	Ease of access to credit.....	54	Peru.....	4.8
7.04	Financing through local equity market.....	37	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	55	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	20	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....	35	Japan.....	717,241.6
7.08	Commercial bank branches.....	46	Ireland.....	573
7.09	Total number of ATMs.....	n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	21	Peru.....	110.0

Norway

Key indicators

Population (millions), 2010.....	4.9
GDP (US\$ billions), 2010.....	414.5
GDP (current prices) per capita, 2010.....	84,443.6
GDP (PPP) as share (%) of world total, 2010	0.35
Compound annual growth rate of real GDP (%), 2006–2010....	0.49

Financial assets by major type, 2009



Financial Development Index 2011

2011 Index	Rank (out of 60) 10	Score (1–7 scale) 4.5
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Factors, policies, and institutions

Pillar	Rank	Score
1st pillar: Institutional environment	5	5.9
Financial sector liberalization	17	6.8
Corporate governance	6	5.6
Legal and regulatory issues	10	5.1
Contract enforcement	3	5.9
2nd pillar: Business environment	5	5.8
Human capital	12	5.1
Taxes	6	6.0
Infrastructure	14	5.7
Cost of doing business	4	6.6
3rd pillar: Financial stability	9	5.4
Currency stability	n/a	n/a
Banking system stability	12	5.0
Risk of sovereign debt crisis	10	6.0

Financial intermediation

4th pillar: Banking financial services	2	5.5
Size index	n/a	n/a
Efficiency index	6	6.2
Financial information disclosure	7	4.0
5th pillar: Non-banking financial services	35	2.0
IPO Activity	18	1.9
M&A Activity	24	2.4
Insurance	37	2.3
Securitization	42	1.3
6th pillar: Financial markets	26	2.5
Foreign exchange markets	23	1.3
Derivatives markets	21	2.9
Equity market development	17	3.3
Bond market development	27	2.2

Financial access

7th pillar: Financial access	7	4.6
Commercial access	6	4.5
Retail access	9	4.7

INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	19	■	60.1	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	37	■	4.0	Singapore	5.2
1.05	Efficacy of corporate boards	7	■	5.5	Sweden	5.9
1.06	Reliance on professional management	3	■	6.2	Sweden	6.4
1.07	Willingness to delegate	3	■	5.8	Sweden	6.3
1.08	Strength of auditing and reporting standards	7	■	6.0	South Africa	6.5
1.09	Ethical behavior of firms	8	■	6.3	Denmark	6.7
1.10	Protection of minority shareholders' interests	4	■	5.7	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	29	■	3.3	Singapore	5.6
1.12	Centralization of economic policymaking	37	■	2.9	Switzerland	5.6
1.13	Regulation of securities exchanges	5	■	5.9	South Africa	6.4
1.14	Property rights	12	■	5.9	Finland	6.4
1.15	Intellectual property protection	10	■	5.6	Finland	6.2
1.16	Diversion of public funds	7	■	5.9	Denmark	6.5
1.17	Public trust in politicians	4	■	5.7	Singapore	6.4
1.18	Corruption perceptions index	9	■	8.6	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	25	■	8.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	6	■	5.3	Singapore	6.5
1.22	Judicial independence	8	■	6.3	Denmark	6.6
1.23	Irregular payments in judicial decisions	6	■	6.5	Denmark	6.8
1.24	Time to enforce a contract	3	■	280.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	25	■	34.0	Multiple (2)	21.0
1.26	Strength of investor protection index	17	■	6.7	Singapore	9.3
1.27	Cost of enforcing contracts	1	■	9.9	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	20	■	5.0	Belgium	6.1
2.02	Quality of math and science education	39	■	3.9	Singapore	6.4
2.03	Extent of staff training	5	■	5.4	Switzerland	5.6
2.04	Local availability of specialized research and training services	15	■	5.4	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	16	■	4.6	Switzerland	5.6
2.06	Tertiary enrollment	9	■	73.2	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	5	■	6.6	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	18	■	4.5	Singapore	5.7
2.09	Marginal tax variation	17	■	3.6	Kuwait	-4.7
2.10	Time to pay taxes	8	■	87.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	28	■	5.0	Switzerland	6.7
2.12	Quality of telephone infrastructure	3	■	6.9	Sweden	6.9
2.13	Internet users	1	■	93.4	Norway	93.4
2.14	Broadband Internet subscriptions	5	■	34.6	Switzerland	38.2
2.15	Telephone lines	20	■	34.8	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	30	■	113.1	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	15	■	1.8	Denmark	0.0

(Cont'd.)

Norway

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	19	■	2.5	Multiple (2)	0.0
2.19	Cost of closing a business	1	■	1.0	Multiple (4)	1.0
2.20	Time to start a business	13	■	7.0	Australia	2.0
2.21	Time to register property	4	■	3.0	Multiple (3)	2.0
2.22	Time to close a business	5	■	0.9	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	9	■	3.7	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	4	■	14.6	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a		n/a	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	31	■	9.7	Japan	23.9
3.12	Output loss during banking crises	26	■	6.4	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	42	■	4.8	Peru	6.7
3.16	Manageability of public debt	33	■	49.5	Russian Federation	9.1
3.17	Credit default swap spreads	2	■	43.2	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	n/a		n/a	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	n/a		n/a	Hong Kong SAR	303.4
4.04	M2 to GDP	32	■	64.4	Hong Kong SAR	330.7
4.05	Private credit to GDP	n/a		n/a	Ireland	231.9
4.06	Bank deposits to GDP	n/a		n/a	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	15	■	1.1	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	30	■	3.7	Netherlands	6.1
4.09	Bank overhead costs	8	■	1.1	Singapore	0.3
4.10	Public ownership of banks	35	■	6.3	Multiple (24)	0.0
4.11	Bank operating costs to assets	9	■	0.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	7	■	1.5	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	1	■	100.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	20	■	0.8	China	35.4
5.02	IPO proceeds amount	14	■	0.3	Hong Kong SAR	3.7
5.03	Share of world IPOs	26	■	0.4	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

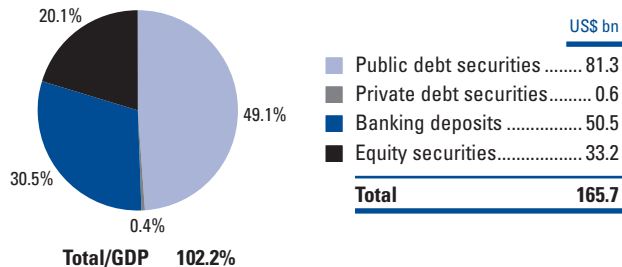
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....22	0.7	United States.....	34.0
5.05	M&A transaction value to GDP.....21	4.6	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....22	0.9	United States.....	22.6
Insurance				
5.07	Life insurance density.....22	2.7	Ireland.....	19.2
5.08	Non-life insurance density.....25	2.1	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....29	0.0	China.....	0.3
5.10	Life insurance coverage.....45	0.1	India.....	53.6
5.11	Non-life insurance coverage.....51	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....31	1.1	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....45	0.1	United States.....	4.8
5.14	Share of total number of securitization deals.....27	0.3	United States.....	52.3
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover.....32	0.1	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....23	0.3	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....18	0.8	United Kingdom.....	33.4
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements.....14	0.5	United Kingdom.....	48.4
6.05	Interest rate derivatives turnover: Swaps.....16	0.5	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.....18	0.7	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.....16	146.4	Italy.....	579.3
6.10	Stock market capitalization to GDP.....24	118.9	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....15	172.5	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....n/a	n/a	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....17	35.1	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....31	23.3	Poland.....	344.7
6.15	Private international bonds to GDP.....12	47.8	Ireland.....	243.6
6.16	Public international bonds to GDP.....53	0.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....33	0.3	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....15	6.0	United Kingdom.....	6.7
7.02	Venture capital availability.....2	4.4	Israel.....	4.5
7.03	Ease of access to credit.....16	4.1	Peru.....	4.8
7.04	Financing through local equity market.....4	5.1	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....3	4.6	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....19	2.9	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....9	34.5	Ireland.....	573
7.09	Total number of ATMs.....21	56.8	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....6	3,014.5	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....n/a	n/a	Peru.....	110.0

Pakistan

Key indicators

Population (millions), 2010.....	166.6
GDP (US\$ billions), 2010.....	174.9
GDP (current prices) per capita, 2010.....	1,049.7
GDP (PPP) as share (%) of world total, 2010	0.63
Compound annual growth rate of real GDP (%), 2006–2010....	3.07

Financial assets by major type, 2009



Financial Development Index 2011

2011 Index	Rank (out of 60)	Score (1–7 scale)
2011 Index	55	2.6

Factors, policies, and institutions

Pillar	Rank	Score
1st pillar: Institutional environment	57	3.0
Financial sector liberalization.....	55	1.9
Corporate governance	53	3.8
Legal and regulatory issues.....	52	3.0
Contract enforcement.....	51	3.3
2nd pillar: Business environment	56	3.2
Human capital.....	56	3.2
Taxes	56	3.3
Infrastructure.....	58	2.2
Cost of doing business.....	45	4.3
3rd pillar: Financial stability	52	3.6
Currency stability.....	25	4.2
Banking system stability.....	30	4.5
Risk of sovereign debt crisis.....	59	1.9

Financial intermediation

Pillar	Rank	Score
4th pillar: Banking financial services	49	2.8
Size index	42	1.7
Efficiency index.....	43	4.6
Financial information disclosure.....	52	1.3
5th pillar: Non-banking financial services	54	1.3
IPO Activity.....	51	1.1
M&A Activity.....	57	1.0
Insurance.....	53	1.4
Securitization.....	27	1.8
6th pillar: Financial markets	37	1.8
Foreign exchange markets.....	n/a	n/a
Derivatives markets.....	n/a	n/a
Equity market development.....	48	1.5
Bond market development	30	2.1

Financial access

Pillar	Rank	Score
7th pillar: Financial access	57	2.3
Commercial access	44	3.2
Retail access	48	1.4

INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	53	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	53	Turkey	83.5
1.03	Domestic financial sector liberalization	47	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	54	Singapore	5.2
1.05	Efficacy of corporate boards	48	Sweden	5.9
1.06	Reliance on professional management	49	Sweden	6.4
1.07	Willingness to delegate	48	Sweden	6.3
1.08	Strength of auditing and reporting standards	52	South Africa	6.5
1.09	Ethical behavior of firms	48	Denmark	6.7
1.10	Protection of minority shareholders' interests	46	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	32	Singapore	5.6
1.12	Centralization of economic policymaking	28	Switzerland	5.6
1.13	Regulation of securities exchanges	41	South Africa	6.4
1.14	Property rights	55	Finland	6.4
1.15	Intellectual property protection	48	Finland	6.2
1.16	Diversion of public funds	41	Denmark	6.5
1.17	Public trust in politicians	42	Singapore	6.4
1.18	Corruption perceptions index	58	Multiple (2)	9.3
1.19	Strength of legal rights index	34	Multiple (5)	10.0
1.20	Central bank transparency	42	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	43	Singapore	6.5
1.22	Judicial independence	35	Denmark	6.6
1.23	Irregular payments in judicial decisions	42	Denmark	6.8
1.24	Time to enforce a contract	55	Singapore	150.0
1.25	Number of procedures to enforce a contract	56	Multiple (2)	21.0
1.26	Strength of investor protection index	19	Singapore	9.3
1.27	Cost of enforcing contracts	27	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	45	Belgium	6.1
2.02	Quality of math and science education	43	Singapore	6.4
2.03	Extent of staff training	55	Switzerland	5.6
2.04	Local availability of specialized research and training services	55	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	38	Switzerland	5.6
2.06	Tertiary enrollment	59	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	59	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	46	Singapore	5.7
2.09	Marginal tax variation	53	Kuwait	-4.7
2.10	Time to pay taxes	55	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	53	Switzerland	6.7
2.12	Quality of telephone infrastructure	54	Sweden	6.9
2.13	Internet users	54	Norway	93.4
2.14	Broadband Internet subscriptions	56	Switzerland	38.2
2.15	Telephone lines	56	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	57	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	42	Denmark	0.0

(Cont'd.)

Pakistan

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	57	■	7.7	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	40	■	21.0	Australia	2.0
2.21	Time to register property	47	■	50.0	Multiple (3)	2.0
2.22	Time to close a business	37	■	2.8	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	29	■	0.4	Malaysia	10.9
3.02	External vulnerability indicator	6	■	25.5	Saudi Arabia	8.4
3.03	Current account balance to GDP	53	■	-5.5	Kuwait	32.8
3.04	Dollarization vulnerability indicator	30	■	24.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	16	■	32.0	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	1	■	0.0	Multiple (10)	0.0
3.08	Financial strengths indicator	52	■	1.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a		n/a	Ireland	7.0
3.10	Financial Stress Index	31	■	0.2	Austria	-3.9
3.11	Tier 1 capital ratio	21	■	12.0	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	58	■	5.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	58	■	5.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	55	■	3.5	Peru	6.7
3.16	Manageability of public debt	35	■	51.2	Russian Federation	9.1
3.17	Credit default swap spreads	54	■	912.4	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	47	■	41.5	Denmark	242.4
4.02	Central bank assets to GDP	8	■	5.3	Egypt	19.7
4.03	Financial system deposits to GDP	45	■	36.7	Hong Kong SAR	303.4
4.04	M2 to GDP	49	■	41.7	Hong Kong SAR	330.7
4.05	Private credit to GDP	48	■	28.1	Ireland	231.9
4.06	Bank deposits to GDP	48	■	35.7	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	49	■	2.8	Netherlands	6.1
4.09	Bank overhead costs	22	■	1.7	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	42	■	2.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	48	■	13.1	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	49	■	2.0	Multiple (12)	100.0
4.14	Public credit registry coverage	17	■	6.9	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	53	■	0.0	China	35.4
5.02	IPO proceeds amount	54	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	31	■	0.3	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

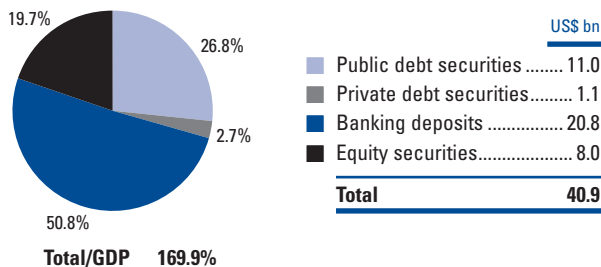
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	53	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	58	■	0.5	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	51	■	0.1	United States.....	22.6
Insurance						
5.07	Life insurance density.....	45	■	0.3	Ireland.....	19.2
5.08	Non-life insurance density.....	57	■	0.3	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	44	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	27	■	0.6	India.....	53.6
5.11	Non-life insurance coverage.....	29	■	0.5	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	49	■	0.5	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	22	■	0.6	United States.....	4.8
5.14	Share of total number of securitization deals.....	31	■	0.2	United States.....	52.3
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.....	33.4
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.....	37	■	39.4	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	43	■	49.9	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	33	■	31.2	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	36	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	41	■	0.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	25	■	29.9	Poland.....	344.7
6.15	Private international bonds to GDP.....	54	■	0.2	Ireland.....	243.6
6.16	Public international bonds to GDP.....	43	■	0.9	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	11	■	1.4	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	50	■	3.9	United Kingdom.....	6.7
7.02	Venture capital availability.....	33	■	2.9	Israel.....	4.5
7.03	Ease of access to credit.....	30	■	3.4	Peru.....	4.8
7.04	Financing through local equity market.....	39	■	3.8	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	28	■	3.2	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	47	■	1.2	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	40	■	22,949.3	Japan.....	717,241.6
7.08	Commercial bank branches.....	42	■	8.7	Ireland.....	573
7.09	Total number of ATMs.....	48	■	4.1	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	37	■	49.0	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	12	■	6.1	Peru.....	110.0

Panama

Key indicators

Population (millions), 2010.....	3.5
GDP (US\$ billions), 2010.....	26.8
GDP (current prices) per capita, 2010.....	7,592.5
GDP (PPP) as share (%) of world total, 2010	0.06
Compound annual growth rate of real GDP (%), 2006–2010....	6.49

Financial assets by major type, 2009



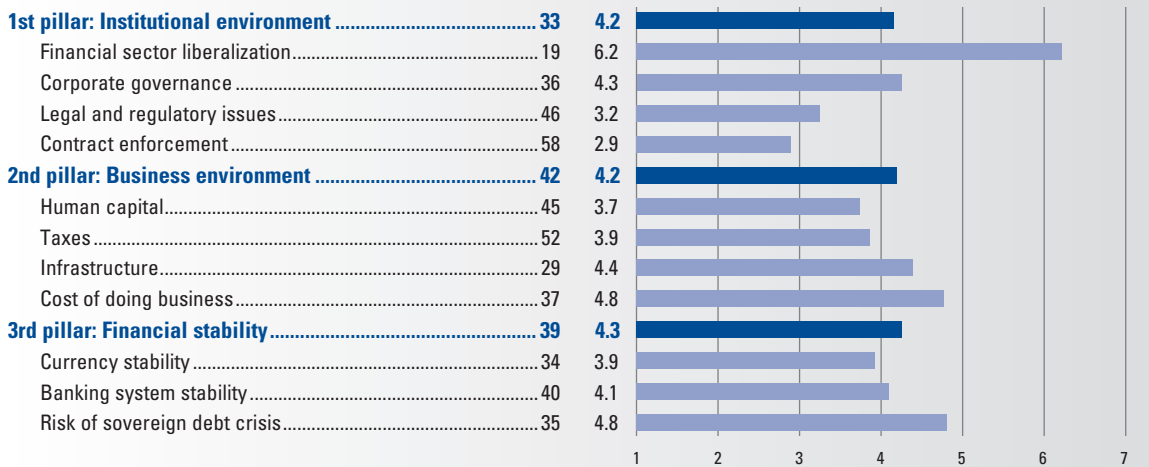
US\$ bn

Public debt securities	11.0
Private debt securities.....	1.1
Banking deposits	20.8
Equity securities.....	8.0
Total	40.9

Financial Development Index 2011

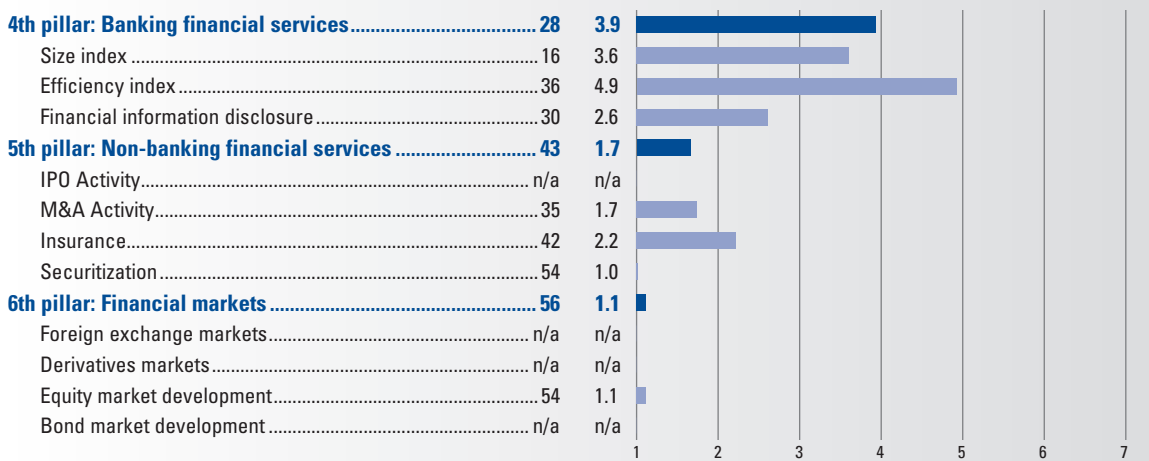


Factors, policies, and institutions

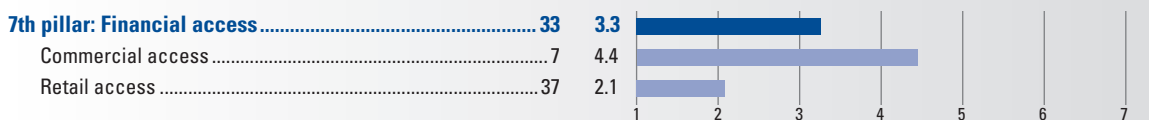


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	25	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	25	Turkey	83.5
1.03	Domestic financial sector liberalization	23	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	35	Singapore	5.2
1.05	Efficacy of corporate boards	43	Sweden	5.9
1.06	Reliance on professional management	55	Sweden	6.4
1.07	Willingness to delegate	28	Sweden	6.3
1.08	Strength of auditing and reporting standards	31	South Africa	6.5
1.09	Ethical behavior of firms	31	Denmark	6.7
1.10	Protection of minority shareholders' interests	27	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	21	Singapore	5.6
1.12	Centralization of economic policymaking	56	Switzerland	5.6
1.13	Regulation of securities exchanges	51	South Africa	6.4
1.14	Property rights	31	Finland	6.4
1.15	Intellectual property protection	25	Finland	6.2
1.16	Diversion of public funds	39	Denmark	6.5
1.17	Public trust in politicians	47	Singapore	6.4
1.18	Corruption perceptions index	40	Multiple (2)	9.3
1.19	Strength of legal rights index	41	Multiple (5)	10.0
1.20	Central bank transparency	n/a	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	55	Singapore	6.5
1.22	Judicial independence	58	Denmark	6.6
1.23	Irregular payments in judicial decisions	55	Denmark	6.8
1.24	Time to enforce a contract	49	Singapore	150.0
1.25	Number of procedures to enforce a contract	18	Multiple (2)	21.0
1.26	Strength of investor protection index	47	Singapore	9.3
1.27	Cost of enforcing contracts	58	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	52	Belgium	6.1
2.02	Quality of math and science education	58	Singapore	6.4
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 and ease of hiring foreign labor	43	Switzerland	5.6
2.06	Tertiary enrollment	33	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	38	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	49	Singapore	5.7
2.09	Marginal tax variation	52	Kuwait	-4.7
2.10	Time to pay taxes	53	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	34	Switzerland	6.7
2.12	Quality of telephone infrastructure	25	Sweden	6.9
2.13	Internet users	33	Norway	93.4
2.14	Broadband Internet subscriptions	37	Switzerland	38.2
2.15	Telephone lines	44	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	3	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	40	Denmark	0.0

(Cont'd.)

Panama

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	43	Multiple (2)	0.0
2.19	Cost of closing a business	41	Multiple (4)	1.0
2.20	Time to start a business	18	Australia	2.0
2.21	Time to register property	33	Multiple (3)	2.0
2.22	Time to close a business	34	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	23	Malaysia	10.9
3.02	External vulnerability indicator	7	Saudi Arabia	8.4
3.03	Current account balance to GDP	59	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	25	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	17	Multiple (10)	0.0
3.08	Financial strengths indicator	38	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	3	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	33	Japan	23.9
3.12	Output loss during banking crises	49	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	42	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	38	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	7	Peru	6.7
3.16	Manageability of public debt	27	Russian Federation	9.1
3.17	Credit default swap spreads	23	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	29	Denmark	242.4
4.02	Central bank assets to GDP	3	Egypt	19.7
4.03	Financial system deposits to GDP	19	Hong Kong SAR	303.4
4.04	M2 to GDP	20	Hong Kong SAR	330.7
4.05	Private credit to GDP	28	Ireland	231.9
4.06	Bank deposits to GDP	20	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	17	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	21	Netherlands	6.1
4.09	Bank overhead costs	54	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	49	Japan	0.8
4.12	Nonperforming bank loans to total loans	6	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	24	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	n/a	China	35.4
5.02	IPO proceeds amount	n/a	Hong Kong SAR	3.7
5.03	Share of world IPOs	n/a	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

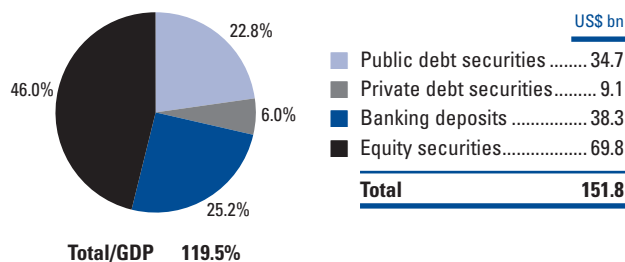
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	52	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	24	■	3.8	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	55	■	0.0	United States.....	22.6
Insurance						
5.07	Life insurance density.....	35	■	0.9	Ireland.....	19.2
5.08	Non-life insurance density.....	20	■	2.6	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	24	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	51	■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	54	■	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	40	■	0.8	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	53	■	0.0	United States.....	4.8
5.14	Share of total number of securitization deals.....	50	■	0.0	United States.....	52.3
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.....	33.4
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.....	50	■	1.0	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	47	■	27.4	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	44	■	0.3	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	29	■	0.1	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	38	■	3.9	Ireland.....	243.6
6.16	Public international bonds to GDP.....	2	■	34.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	8	■	6.2	United Kingdom.....	6.7
7.02	Venture capital availability.....	24	■	3.2	Israel.....	4.5
7.03	Ease of access to credit.....	15	■	4.2	Peru.....	4.8
7.04	Financing through local equity market.....	28	■	4.2	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	13	■	3.8	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	5	■	8.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	36	■	41,192.2	Japan.....	717,241.6
7.08	Commercial bank branches.....	22	■	18.5	Ireland.....	573
7.09	Total number of ATMs.....	33	■	40.6	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	16	■	3.3	Peru.....	110.0

Peru

Key indicators

Population (millions), 2010.....	29.6
GDP (US\$ billions), 2010.....	152.8
GDP (current prices) per capita, 2010.....	5,171.7
GDP (PPP) as share (%) of world total, 2010	0.37
Compound annual growth rate of real GDP (%), 2006–2010....	5.58

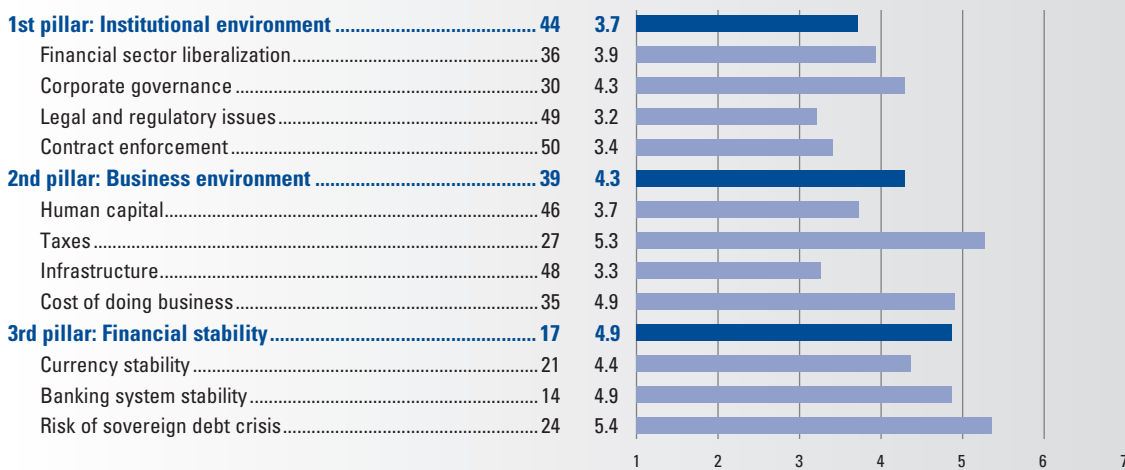
Financial assets by major type, 2009



Financial Development Index 2011

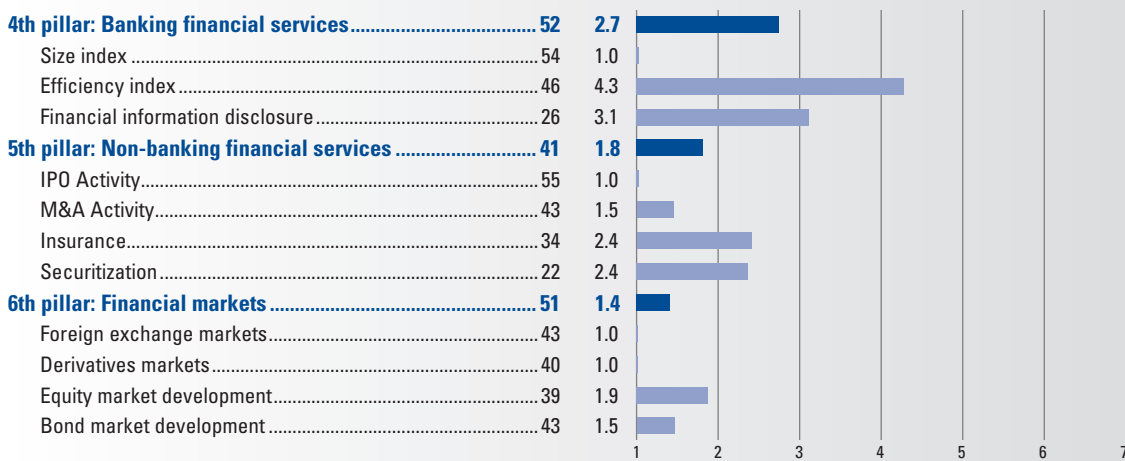


Factors, policies, and institutions

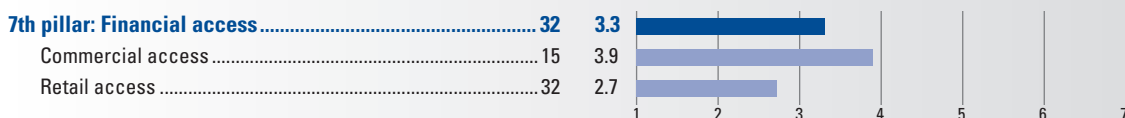


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	30	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	49	■	26.5	Turkey	83.5
1.03	Domestic financial sector liberalization	34	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	45	■	3.9	Singapore	5.2
1.05	Efficacy of corporate boards	26	■	4.8	Sweden	5.9
1.06	Reliance on professional management	32	■	4.6	Sweden	6.4
1.07	Willingness to delegate	39	■	3.6	Sweden	6.3
1.08	Strength of auditing and reporting standards	28	■	5.1	South Africa	6.5
1.09	Ethical behavior of firms	39	■	3.7	Denmark	6.7
1.10	Protection of minority shareholders' interests	36	■	4.4	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	49	■	2.6	Singapore	5.6
1.12	Centralization of economic policymaking	23	■	3.4	Switzerland	5.6
1.13	Regulation of securities exchanges	59	■	3.5	South Africa	6.4
1.14	Property rights	48	■	3.9	Finland	6.4
1.15	Intellectual property protection	55	■	2.5	Finland	6.2
1.16	Diversion of public funds	43	■	2.9	Denmark	6.5
1.17	Public trust in politicians	53	■	1.9	Singapore	6.4
1.18	Corruption perceptions index	41	■	3.5	Multiple (2)	9.3
1.19	Strength of legal rights index	23	■	7.0	Multiple (5)	10.0
1.20	Central bank transparency	25	■	8.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	59	■	1.9	Singapore	6.5
1.22	Judicial independence	55	■	2.6	Denmark	6.6
1.23	Irregular payments in judicial decisions	58	■	2.5	Denmark	6.8
1.24	Time to enforce a contract	24	■	428.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	50	■	41.0	Multiple (2)	21.0
1.26	Strength of investor protection index	13	■	7.0	Singapore	9.3
1.27	Cost of enforcing contracts	53	■	35.7	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	29	■	4.7	Belgium	6.1
2.02	Quality of math and science education	59	■	2.4	Singapore	6.4
2.03	Extent of staff training	39	■	3.9	Switzerland	5.6
2.04	Local availability of specialized research and training services	46	■	4.1	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	20	■	4.2	Switzerland	5.6
2.06	Tertiary enrollment	41	■	34.5	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	24	■	5.6	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	24	■	4.2	Singapore	5.7
2.09	Marginal tax variation	16	■	3.4	Kuwait	-4.7
2.10	Time to pay taxes	46	■	309.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	51	■	3.5	Switzerland	6.7
2.12	Quality of telephone infrastructure	24	■	6.5	Sweden	6.9
2.13	Internet users	44	■	34.3	Norway	93.4
2.14	Broadband Internet subscriptions	48	■	3.1	Switzerland	38.2
2.15	Telephone lines	50	■	10.9	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	41	■	100.1	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	45	■	11.9	Denmark	0.0

(Cont'd.)

Peru

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	24	■	3.3	Multiple (2)	0.0
2.19	Cost of closing a business	15	■	7.0	Multiple (4)	1.0
2.20	Time to start a business	43	■	26.0	Australia	2.0
2.21	Time to register property	8	■	7.0	Multiple (3)	2.0
2.22	Time to close a business	43	■	3.1	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	20	■	2.1	Malaysia	10.9
3.02	External vulnerability indicator	4	■	17.8	Saudi Arabia	8.4
3.03	Current account balance to GDP	36	■	-1.8	Kuwait	32.8
3.04	Dollarization vulnerability indicator	38	■	40.6	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	9	■	26.2	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	14	■	0.8	Multiple (10)	0.0
3.08	Financial strengths indicator	30	■	4.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	4	■	6.6	Ireland	7.0
3.10	Financial Stress Index	2	■	-3.5	Austria	-3.9
3.11	Tier 1 capital ratio	48	■	4.0	Japan	23.9
3.12	Output loss during banking crises	36	■	41.4	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	34	■	13.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	33	■	12.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	1	■	6.7	Peru	6.7
3.16	Manageability of public debt	10	■	23.9	Russian Federation	9.1
3.17	Credit default swap spreads	28	■	146.6	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	53	■	21.2	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	49	■	25.6	Hong Kong SAR	303.4
4.04	M2 to GDP	53	■	36.8	Hong Kong SAR	330.7
4.05	Private credit to GDP	52	■	21.1	Ireland	231.9
4.06	Bank deposits to GDP	53	■	25.9	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	59	■	1.6	Netherlands	6.1
4.09	Bank overhead costs	40	■	3.4	Singapore	0.3
4.10	Public ownership of banks	33	■	5.5	Multiple (24)	0.0
4.11	Bank operating costs to assets	53	■	4.6	Japan	0.8
4.12	Nonperforming bank loans to total loans	19	■	3.0	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	32	■	36.0	Multiple (12)	100.0
4.14	Public credit registry coverage	11	■	28.5	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	51	■	0.0	China	35.4
5.02	IPO proceeds amount	50	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	54	■	0.0	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

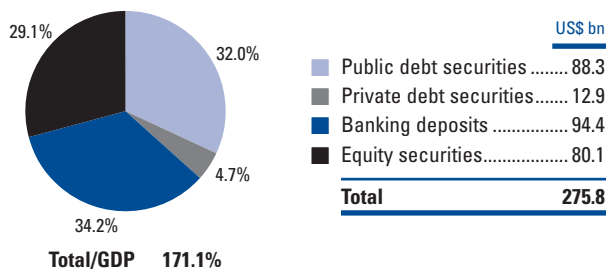
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	46	■	0.1	United States.....	34.0
5.05	M&A transaction value to GDP.....	42	■	2.2	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	43	■	0.2	United States.....	22.6
Insurance						
5.07	Life insurance density.....	39	■	0.7	Ireland.....	19.2
5.08	Non-life insurance density.....	49	■	0.8	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	2	■	0.2	China.....	0.3
5.10	Life insurance coverage.....	38	■	0.2	India.....	53.6
5.11	Non-life insurance coverage.....	40	■	0.2	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	37	■	1.0	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	21	■	0.6	United States.....	4.8
5.14	Share of total number of securitization deals.....	15	■	1.0	United States.....	52.3
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.....	35	■	0.1	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	43	■	0.0	United Kingdom.....	33.4
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.....	39	■	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.....	47	■	6.2	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	13	■	159.3	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	38	■	14.7	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	28	■	0.1	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	34	■	3.8	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	41	■	12.7	Poland.....	344.7
6.15	Private international bonds to GDP.....	42	■	2.9	Ireland.....	243.6
6.16	Public international bonds to GDP.....	18	■	7.7	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	41	■	0.1	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	34	■	4.8	United Kingdom.....	6.7
7.02	Venture capital availability.....	29	■	3.0	Israel.....	4.5
7.03	Ease of access to credit.....	1	■	4.8	Peru.....	4.8
7.04	Financing through local equity market.....	40	■	3.8	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	18	■	3.6	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	12	■	4.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	26	■	78,336.7	Japan.....	717,241.6
7.08	Commercial bank branches.....	45	■	7.3	Ireland.....	573
7.09	Total number of ATMs.....	41	■	22.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	36	■	54.0	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	1	■	110.0	Peru.....	110.0

Philippines

Key indicators

Population (millions), 2010.....	94.0
GDP (US\$ billions), 2010.....	188.7
GDP (current prices) per capita, 2010.....	2,007.4
GDP (PPP) as share (%) of world total, 2010	0.47
Compound annual growth rate of real GDP (%), 2006–2010....	3.79

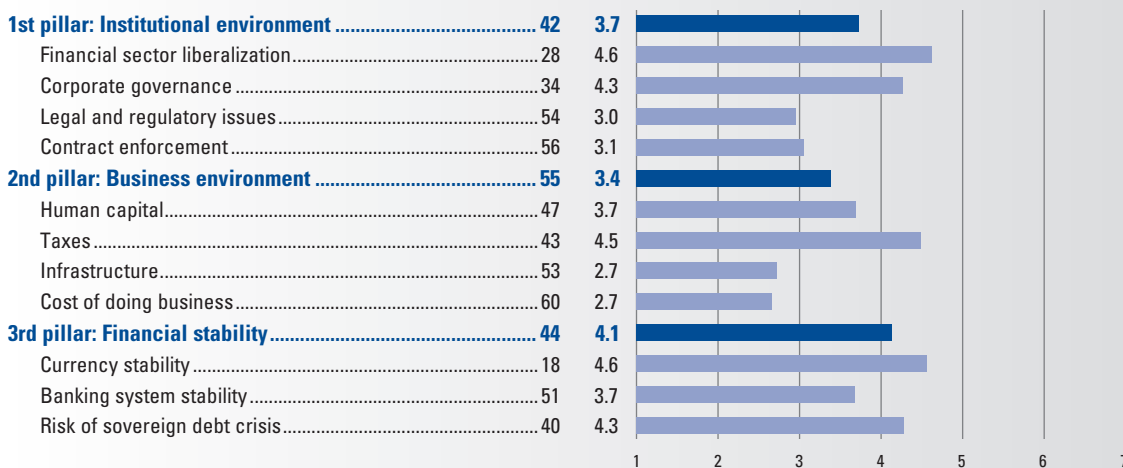
Financial assets by major type, 2009



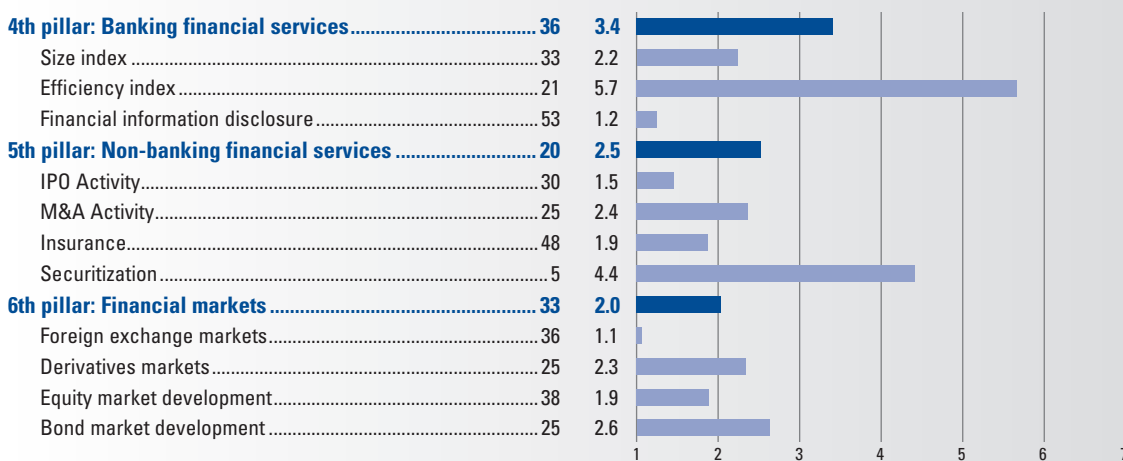
Financial Development Index 2011



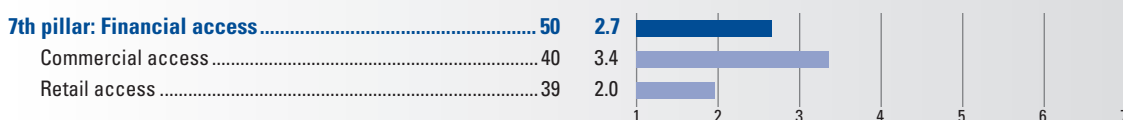
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	41	■	0.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	26	■	61.5	Turkey	83.5
1.03	Domestic financial sector liberalization	29	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	30	■	4.2	Singapore	5.2
1.05	Efficacy of corporate boards	27	■	4.8	Sweden	5.9
1.06	Reliance on professional management	33	■	4.6	Sweden	6.4
1.07	Willingness to delegate	25	■	4.2	Sweden	6.3
1.08	Strength of auditing and reporting standards	37	■	4.8	South Africa	6.5
1.09	Ethical behavior of firms	56	■	3.2	Denmark	6.7
1.10	Protection of minority shareholders' interests	44	■	4.0	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	52	■	2.6	Singapore	5.6
1.12	Centralization of economic policymaking	33	■	3.0	Switzerland	5.6
1.13	Regulation of securities exchanges	38	■	4.2	South Africa	6.4
1.14	Property rights	51	■	3.6	Finland	6.4
1.15	Intellectual property protection	50	■	2.8	Finland	6.2
1.16	Diversion of public funds	57	■	2.3	Denmark	6.5
1.17	Public trust in politicians	55	■	1.8	Singapore	6.4
1.18	Corruption perceptions index	54	■	2.4	Multiple (2)	9.3
1.19	Strength of legal rights index	45	■	4.0	Multiple (5)	10.0
1.20	Central bank transparency	18	■	9.5	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	51	■	2.7	Singapore	6.5
1.22	Judicial independence	52	■	2.9	Denmark	6.6
1.23	Irregular payments in judicial decisions	53	■	2.9	Denmark	6.8
1.24	Time to enforce a contract	53	■	842.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	40	■	37.0	Multiple (2)	21.0
1.26	Strength of investor protection index	56	■	4.0	Singapore	9.3
1.27	Cost of enforcing contracts	34	■	26.0	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	34	■	4.4	Belgium	6.1
2.02	Quality of math and science education	51	■	3.1	Singapore	6.4
2.03	Extent of staff training	25	■	4.4	Switzerland	5.6
2.04	Local availability of specialized research and training services	42	■	4.2	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	52	■	3.3	Switzerland	5.6
2.06	Tertiary enrollment	46	■	28.7	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	58	■	2.9	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	32	■	4.1	Singapore	5.7
2.09	Marginal tax variation	36	■	9.0	Kuwait	-4.7
2.10	Time to pay taxes	28	■	195.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	54	■	3.4	Switzerland	6.7
2.12	Quality of telephone infrastructure	48	■	5.5	Sweden	6.9
2.13	Internet users	51	■	25.0	Norway	93.4
2.14	Broadband Internet subscriptions	49	■	1.8	Switzerland	38.2
2.15	Telephone lines	54	■	7.3	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	50	■	85.7	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	55	■	19.1	Denmark	0.0

(Cont'd.)

Philippines

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	36	Multiple (2)	0.0
2.19	Cost of closing a business	58	Multiple (4)	1.0
2.20	Time to start a business	55	Australia	2.0
2.21	Time to register property	38	Multiple (3)	2.0
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)	16	Malaysia	10.9
3.02	External vulnerability indicator	12	Saudi Arabia	8.4
3.03	Current account balance to GDP	18	Kuwait	32.8
3.04	Dollarization vulnerability indicator	35	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	22	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	49	Multiple (10)	0.0
3.08	Financial strengths indicator	38	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	40	Ireland	7.0
3.10	Financial Stress Index	18	Austria	-3.9
3.11	Tier 1 capital ratio	14	Japan	23.9
3.12	Output loss during banking crises	45	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	48	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	48	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	6	Peru	6.7
3.16	Manageability of public debt	40	Russian Federation	9.1
3.17	Credit default swap spreads	32	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	52	Denmark	242.4
4.02	Central bank assets to GDP	4	Egypt	19.7
4.03	Financial system deposits to GDP	37	Hong Kong SAR	303.4
4.04	M2 to GDP	46	Hong Kong SAR	330.7
4.05	Private credit to GDP	50	Ireland	231.9
4.06	Bank deposits to GDP	43	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	22	Netherlands	6.1
4.09	Bank overhead costs	19	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	43	Japan	0.8
4.12	Nonperforming bank loans to total loans	29	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	46	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	31	China	35.4
5.02	IPO proceeds amount	18	Hong Kong SAR	3.7
5.03	Share of world IPOs	34	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

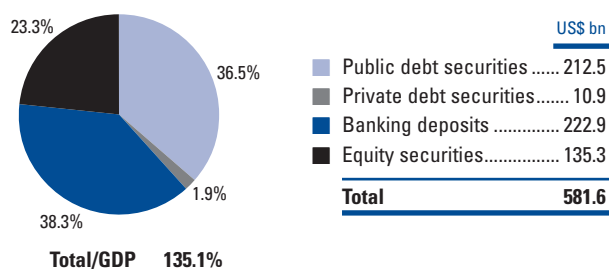
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	31	■	0.4	United States.....	34.0
5.05	M&A transaction value to GDP.....	16	■	5.6	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	35	■	0.3	United States.....	22.6
Insurance						
5.07	Life insurance density.....	41	■	0.7	Ireland.....	19.2
5.08	Non-life insurance density.....	56	■	0.4	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	13	■	0.1	China.....	0.3
5.10	Life insurance coverage.....	23	■	0.7	India.....	53.6
5.11	Non-life insurance coverage.....	31	■	0.4	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	41	■	0.8	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	4	■	2.2	United States.....	4.8
5.14	Share of total number of securitization deals.....	16	■	0.9	United States.....	52.3
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.....	37	■	0.1	United Kingdom.....	33.4
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.....	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.....	32	■	50.9	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	27	■	98.6	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a		n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	42	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	38	■	0.7	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	37	■	20.1	Poland.....	344.7
6.15	Private international bonds to GDP.....	37	■	4.3	Ireland.....	243.6
6.16	Public international bonds to GDP.....	13	■	9.1	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	7	■	1.9	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	38	■	4.7	United Kingdom.....	6.7
7.02	Venture capital availability.....	41	■	2.6	Israel.....	4.5
7.03	Ease of access to credit.....	9	■	4.3	Peru.....	4.8
7.04	Financing through local equity market.....	33	■	4.0	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	36	■	3.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	48	■	0.9	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	34	■	49,910.4	Japan.....	717,241.6
7.08	Commercial bank branches.....	36	■	11.8	Ireland.....	573
7.09	Total number of ATMs.....	45	■	14.2	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	8	■	15.3	Peru.....	110.0

Poland

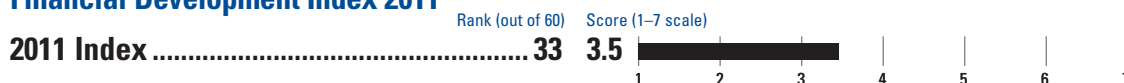
Key indicators

Population (millions), 2010.....	38.1
GDP (US\$ billions), 2010.....	468.5
GDP (current prices) per capita, 2010.....	12,300.1
GDP (PPP) as share (%) of world total, 2010	0.97
Compound annual growth rate of real GDP (%), 2006–2010....	3.45

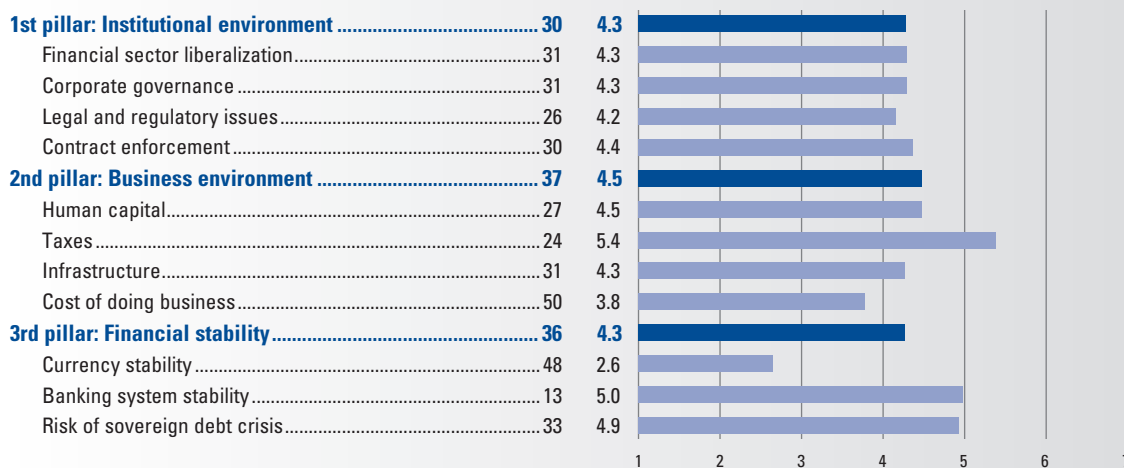
Financial assets by major type, 2009



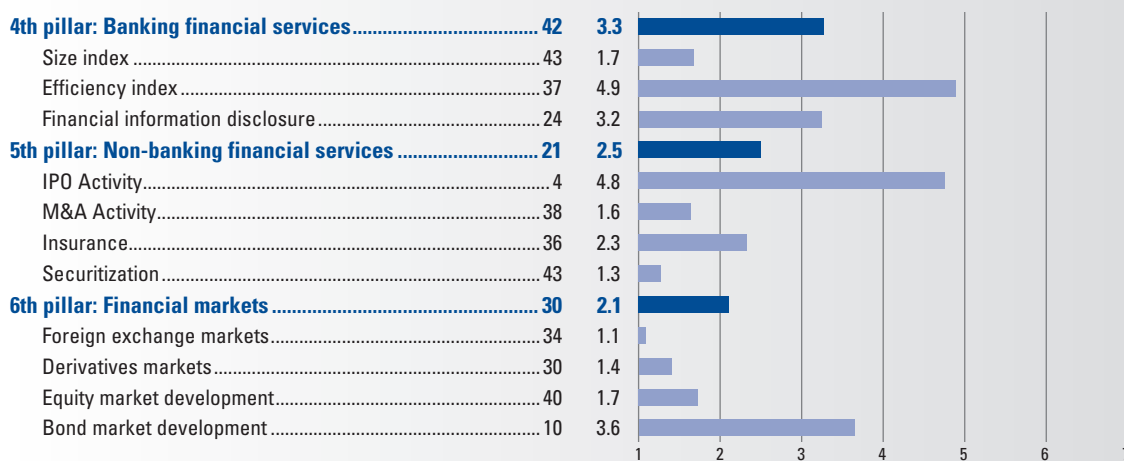
Financial Development Index 2011



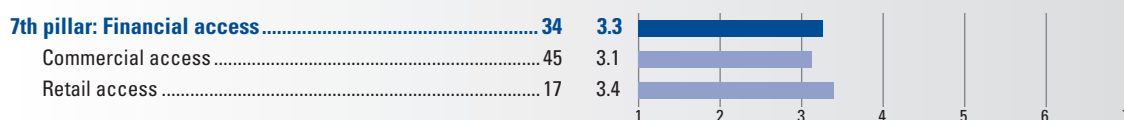
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	36	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	35	Turkey	83.5
1.03	Domestic financial sector liberalization	36	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	40	Singapore	5.2
1.05	Efficacy of corporate boards	39	Sweden	5.9
1.06	Reliance on professional management	40	Sweden	6.4
1.07	Willingness to delegate	33	Sweden	6.3
1.08	Strength of auditing and reporting standards	26	South Africa	6.5
1.09	Ethical behavior of firms	30	Denmark	6.7
1.10	Protection of minority shareholders' interests	42	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	51	Singapore	5.6
1.12	Centralization of economic policymaking	13	Switzerland	5.6
1.13	Regulation of securities exchanges	20	South Africa	6.4
1.14	Property rights	33	Finland	6.4
1.15	Intellectual property protection	36	Finland	6.2
1.16	Diversion of public funds	26	Denmark	6.5
1.17	Public trust in politicians	39	Singapore	6.4
1.18	Corruption perceptions index	24	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	15	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	37	Singapore	6.5
1.22	Judicial independence	30	Denmark	6.6
1.23	Irregular payments in judicial decisions	28	Denmark	6.8
1.24	Time to enforce a contract	52	Singapore	150.0
1.25	Number of procedures to enforce a contract	40	Multiple (2)	21.0
1.26	Strength of investor protection index	24	Singapore	9.3
1.27	Cost of enforcing contracts	4	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	44	Belgium	6.1
2.02	Quality of math and science education	31	Singapore	6.4
2.03	Extent of staff training	34	Switzerland	5.6
2.04	Local availability of specialized research and training services	23	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	53	Switzerland	5.6
2.06	Tertiary enrollment	12	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	25	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	29	Singapore	5.7
2.09	Marginal tax variation	12	Kuwait	-4.7
2.10	Time to pay taxes	44	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	46	Switzerland	6.7
2.12	Quality of telephone infrastructure	45	Sweden	6.9
2.13	Internet users	26	Norway	93.4
2.14	Broadband Internet subscriptions	27	Switzerland	38.2
2.15	Telephone lines	27	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	23	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	51	Denmark	0.0

(Cont'd.)

Poland

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	5	■	0.4	Multiple (2)	0.0
2.19	Cost of closing a business	33	■	15.0	Multiple (4)	1.0
2.20	Time to start a business	51	■	32.0	Australia	2.0
2.21	Time to register property	59	■	152.0	Multiple (3)	2.0
2.22	Time to close a business	40	■	3.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	24	■	0.9	Malaysia	10.9
3.02	External vulnerability indicator	33	■	190.2	Saudi Arabia	8.4
3.03	Current account balance to GDP	44	■	-3.4	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a		n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	31	■	65.5	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	30	■	4.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	23	■	5.3	Ireland	7.0
3.10	Financial Stress Index	21	■	-1.3	Austria	-3.9
3.11	Tier 1 capital ratio	19	■	12.2	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	28	■	15.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	28	■	14.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	19	■	5.6	Peru	6.7
3.16	Manageability of public debt	36	■	52.9	Russian Federation	9.1
3.17	Credit default swap spreads	38	■	215.2	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	38	■	55.5	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	42	■	41.6	Hong Kong SAR	303.4
4.04	M2 to GDP	41	■	54.8	Hong Kong SAR	330.7
4.05	Private credit to GDP	40	■	47.8	Ireland	231.9
4.06	Bank deposits to GDP	45	■	41.6	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	27	■	3.7	Netherlands	6.1
4.09	Bank overhead costs	27	■	2.1	Singapore	0.3
4.10	Public ownership of banks	45	■	23.3	Multiple (24)	0.0
4.11	Bank operating costs to assets	37	■	2.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	43	■	7.6	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	19	■	74.8	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	11	■	1.9	China	35.4
5.02	IPO proceeds amount	5	■	0.6	Hong Kong SAR	3.7
5.03	Share of world IPOs	4	■	7.3	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

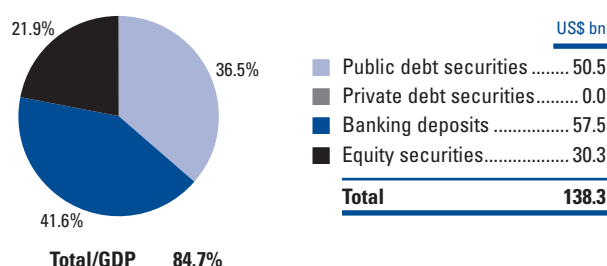
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	34	■	0.3	United States.....	34.0
5.05	M&A transaction value to GDP.....	44	■	1.6	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	20	■	1.0	United States.....	22.6
Insurance						
5.07	Life insurance density.....	30	■	1.9	Ireland.....	19.2
5.08	Non-life insurance density.....	30	■	1.9	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	32	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	20	■	0.7	India.....	53.6
5.11	Non-life insurance coverage.....	26	■	0.7	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	36	■	1.0	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	41	■	0.2	United States.....	4.8
5.14	Share of total number of securitization deals.....	32	■	0.2	United States.....	52.3
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.....	36	■	0.1	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	28	■	0.2	United Kingdom.....	33.4
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.....	31	■	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.....	26	■	0.1	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	31	■	51.2	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	39	■	61.5	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	32	■	32.6	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	20	■	0.1	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	27	■	14.4	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	1	■	344.7	Poland.....	344.7
6.15	Private international bonds to GDP.....	27	■	8.7	Ireland.....	243.6
6.16	Public international bonds to GDP.....	1	■	102.2	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	40	■	0.1	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	41	■	4.5	United Kingdom.....	6.7
7.02	Venture capital availability.....	45	■	2.4	Israel.....	4.5
7.03	Ease of access to credit.....	41	■	3.2	Peru.....	4.8
7.04	Financing through local equity market.....	42	■	3.7	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	41	■	2.7	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	27	■	2.1	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	16	■	162,641.1	Japan.....	717,241.6
7.08	Commercial bank branches.....	10	■	32.2	Ireland.....	573
7.09	Total number of ATMs.....	30	■	49.1	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	23	■	666.7	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

Romania

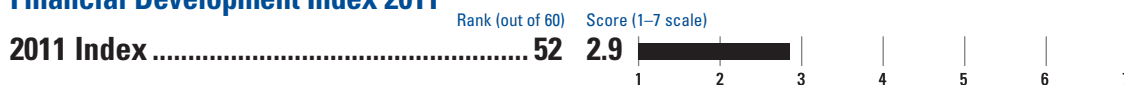
Key indicators

Population (millions), 2010.....	21.4
GDP (US\$ billions), 2010.....	161.6
GDP (current prices) per capita, 2010.....	7,542.3
GDP (PPP) as share (%) of world total, 2010	0.34
Compound annual growth rate of real GDP (%), 2006–2010....	0.92

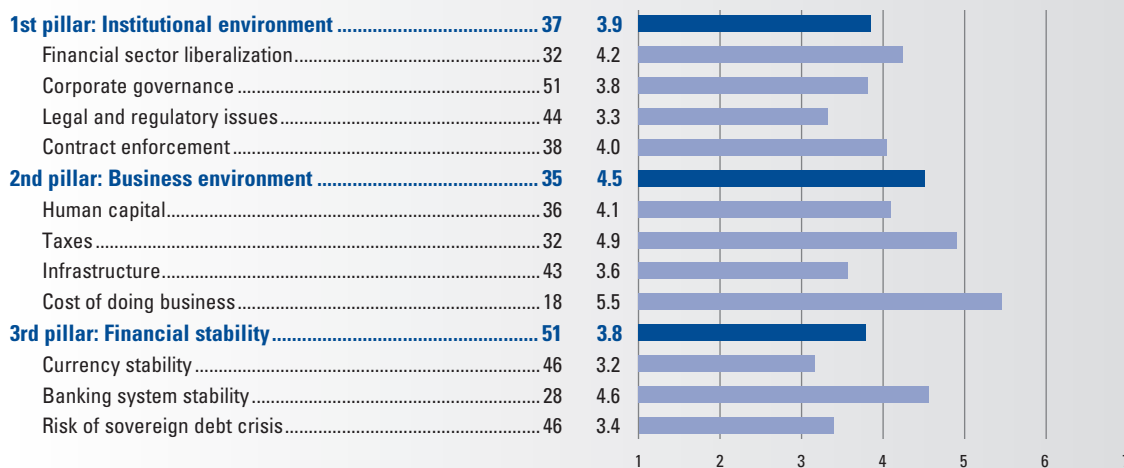
Financial assets by major type, 2009



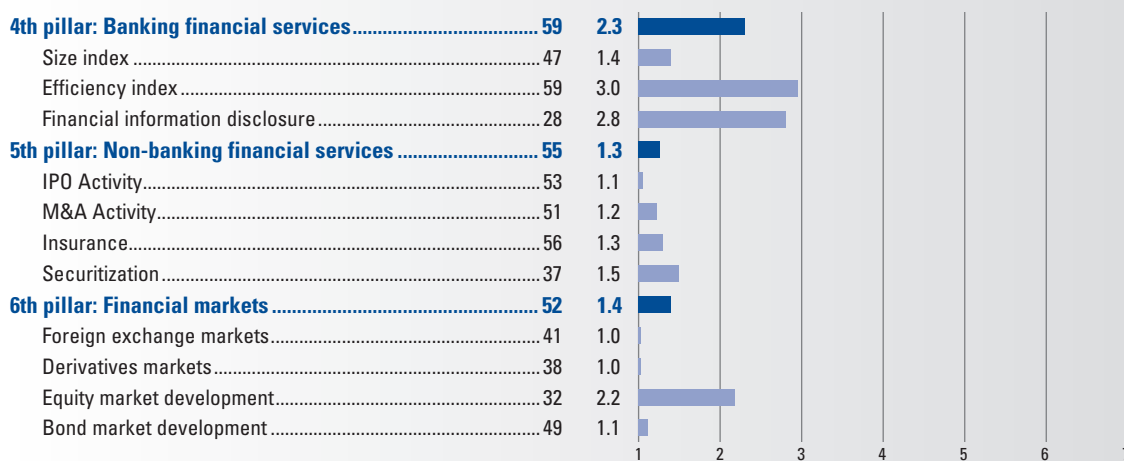
Financial Development Index 2011



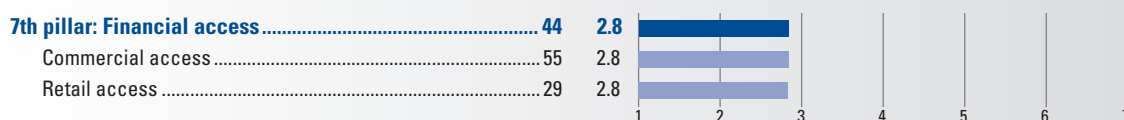
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	32	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	39	Turkey	83.5
1.03	Domestic financial sector liberalization	37	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	52	Singapore	5.2
1.05	Efficacy of corporate boards	47	Sweden	5.9
1.06	Reliance on professional management	48	Sweden	6.4
1.07	Willingness to delegate	51	Sweden	6.3
1.08	Strength of auditing and reporting standards	45	South Africa	6.5
1.09	Ethical behavior of firms	49	Denmark	6.7
1.10	Protection of minority shareholders' interests	49	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	41	Singapore	5.6
1.12	Centralization of economic policymaking	39	Switzerland	5.6
1.13	Regulation of securities exchanges	52	South Africa	6.4
1.14	Property rights	46	Finland	6.4
1.15	Intellectual property protection	49	Finland	6.2
1.16	Diversion of public funds	46	Denmark	6.5
1.17	Public trust in politicians	51	Singapore	6.4
1.18	Corruption perceptions index	38	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	35	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	53	Singapore	6.5
1.22	Judicial independence	51	Denmark	6.6
1.23	Irregular payments in judicial decisions	43	Denmark	6.8
1.24	Time to enforce a contract	34	Singapore	150.0
1.25	Number of procedures to enforce a contract	18	Multiple (2)	21.0
1.26	Strength of investor protection index	24	Singapore	9.3
1.27	Cost of enforcing contracts	43	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	50	Belgium	6.1
2.02	Quality of math and science education	27	Singapore	6.4
2.03	Extent of staff training	41	Switzerland	5.6
2.04	Local availability of specialized research and training services	57	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	51	Switzerland	5.6
2.06	Tertiary enrollment	15	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	36	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	54	Singapore	5.7
2.09	Marginal tax variation	28	Kuwait	-4.7
2.10	Time to pay taxes	31	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	60	Switzerland	6.7
2.12	Quality of telephone infrastructure	49	Sweden	6.9
2.13	Internet users	36	Norway	93.4
2.14	Broadband Internet subscriptions	26	Switzerland	38.2
2.15	Telephone lines	34	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	27	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	20	Denmark	0.0

(Cont'd.)

Romania

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	13	■	1.2	Multiple (2)	0.0
2.19	Cost of closing a business	29	■	11.0	Multiple (4)	1.0
2.20	Time to start a business	29	■	14.0	Australia	2.0
2.21	Time to register property	27	■	26.0	Multiple (3)	2.0
2.22	Time to close a business	45	■	3.3	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	14	■	2.9	Malaysia	10.9
3.02	External vulnerability indicator	21	■	69.2	Saudi Arabia	8.4
3.03	Current account balance to GDP	55	■	-6.7	Kuwait	32.8
3.04	Dollarization vulnerability indicator	39	■	43.3	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	32	■	75.6	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	17	■	1.0	Multiple (10)	0.0
3.08	Financial strengths indicator	38	■	3.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	25	■	5.2	Ireland	7.0
3.10	Financial Stress Index	15	■	-1.5	Austria	-3.9
3.11	Tier 1 capital ratio	40	■	8.3	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	43	■	11.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	46	■	10.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	59	■	2.6	Peru	6.7
3.16	Manageability of public debt	15	■	33.8	Russian Federation	9.1
3.17	Credit default swap spreads	42	■	305.7	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	42	■	51.8	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	48	■	32.1	Hong Kong SAR	303.4
4.04	M2 to GDP	50	■	38.9	Hong Kong SAR	330.7
4.05	Private credit to GDP	38	■	48.8	Ireland	231.9
4.06	Bank deposits to GDP	51	■	32.0	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	52	■	2.5	Netherlands	6.1
4.09	Bank overhead costs	57	■	8.1	Singapore	0.3
4.10	Public ownership of banks	37	■	8.3	Multiple (24)	0.0
4.11	Bank operating costs to assets	46	■	3.3	Japan	0.8
4.12	Nonperforming bank loans to total loans	51	■	17.5	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	28	■	42.0	Multiple (12)	100.0
4.14	Public credit registry coverage	15	■	15.2	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	55	■	0.0	China	35.4
5.02	IPO proceeds amount	56	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	34	■	0.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

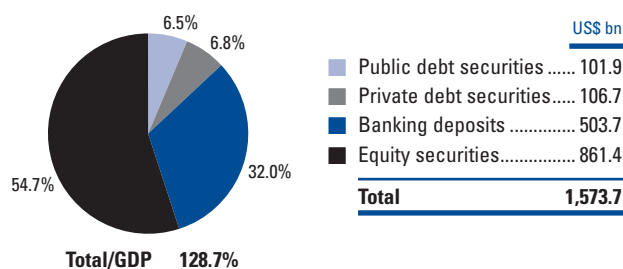
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....	48	United States.....	34.0
5.05	M&A transaction value to GDP.....	51	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	40	United States.....	22.6
Insurance				
5.07	Life insurance density.....	46	Ireland.....	19.2
5.08	Non-life insurance density.....	43	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	52	China.....	0.3
5.10	Life insurance coverage.....	48	India.....	53.6
5.11	Non-life insurance coverage.....	36	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	56	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....	33	United States.....	4.8
5.14	Share of total number of securitization deals.....	40	United States.....	52.3
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover.....	38	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....	42	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	35	United Kingdom.....	33.4
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements.....	n/a	United Kingdom.....	48.4
6.05	Interest rate derivatives turnover: Swaps.....	41	United Kingdom.....	45.3
6.06	Interest rate derivatives turnover: Options.....	32	United Kingdom.....	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps.....	38	United Kingdom.....	32.1
6.08	Foreign exchange derivatives turnover: Options.....	39	United Kingdom.....	55.3
Equity market development				
6.09	Stock market turnover ratio.....	39	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	48	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	39	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	8	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....	41	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	45	Poland.....	344.7
6.15	Private international bonds to GDP.....	55	Ireland.....	243.6
6.16	Public international bonds to GDP.....	34	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....	51	United Kingdom.....	6.7
7.02	Venture capital availability.....	43	Israel.....	4.5
7.03	Ease of access to credit.....	52	Peru.....	4.8
7.04	Financing through local equity market.....	52	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	45	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	26	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	8	Ireland.....	573
7.09	Total number of ATMs.....	25	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	25	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	19	Peru.....	110.0

Russian Federation

Key indicators

Population (millions), 2010.....	140.4
GDP (US\$ billions), 2010.....	1,465.1
GDP (current prices) per capita, 2010.....	10,437.5
GDP (PPP) as share (%) of world total, 2010	3.00
Compound annual growth rate of real GDP (%), 2006–2010....	1.83

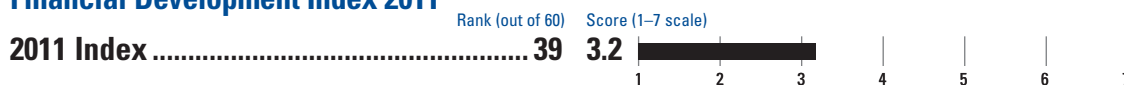
Financial assets by major type, 2009



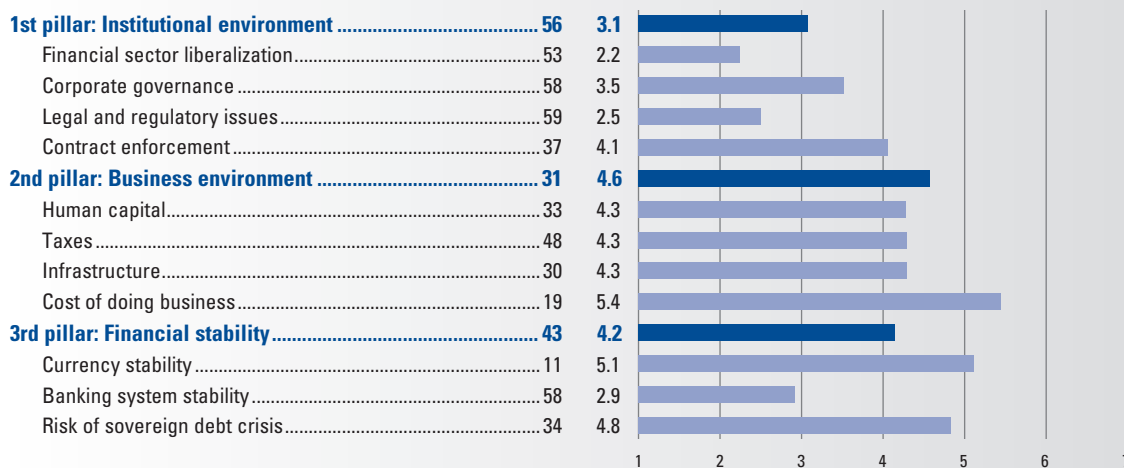
US\$ bn

Public debt securities	101.9
Private debt securities.....	106.7
Banking deposits	503.7
Equity securities.....	861.4
Total	1,573.7

Financial Development Index 2011

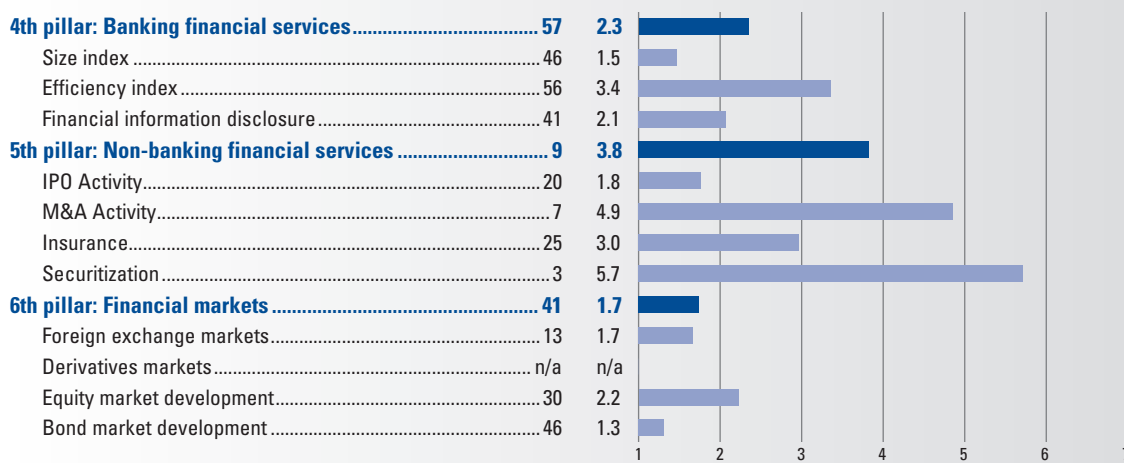


Factors, policies, and institutions

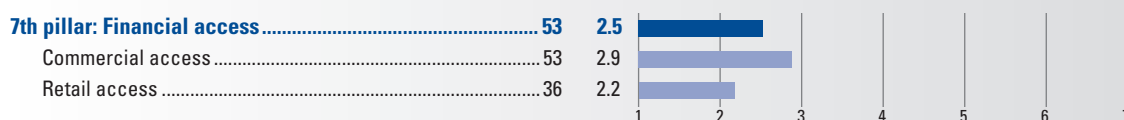


INPUTS

Financial intermediation



Financial access



OUTPUTS

Russian Federation

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	47	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	n/a	Turkey	83.5
1.03	Domestic financial sector liberalization	54	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	48	Singapore	5.2
1.05	Efficacy of corporate boards	58	Sweden	5.9
1.06	Reliance on professional management	57	Sweden	6.4
1.07	Willingness to delegate	56	Sweden	6.3
1.08	Strength of auditing and reporting standards	56	South Africa	6.5
1.09	Ethical behavior of firms	55	Denmark	6.7
1.10	Protection of minority shareholders' interests	59	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	56	Singapore	5.6
1.12	Centralization of economic policymaking	43	Switzerland	5.6
1.13	Regulation of securities exchanges	58	South Africa	6.4
1.14	Property rights	57	Finland	6.4
1.15	Intellectual property protection	56	Finland	6.2
1.16	Diversion of public funds	54	Denmark	6.5
1.17	Public trust in politicians	37	Singapore	6.4
1.18	Corruption perceptions index	59	Multiple (2)	9.3
1.19	Strength of legal rights index	53	Multiple (5)	10.0
1.20	Central bank transparency	44	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	42	Singapore	6.5
1.22	Judicial independence	56	Denmark	6.6
1.23	Irregular payments in judicial decisions	52	Denmark	6.8
1.24	Time to enforce a contract	5	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	Multiple (2)	21.0
1.26	Strength of investor protection index	47	Singapore	9.3
1.27	Cost of enforcing contracts	7	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	54	Belgium	6.1
2.02	Quality of math and science education	29	Singapore	6.4
2.03	Extent of staff training	44	Switzerland	5.6
2.04	Local availability of specialized research and training services	49	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	56	Switzerland	5.6
2.06	Tertiary enrollment	7	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	44	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	55	Singapore	5.7
2.09	Marginal tax variation	43	Kuwait	-4.7
2.10	Time to pay taxes	43	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	49	Switzerland	6.7
2.12	Quality of telephone infrastructure	57	Sweden	6.9
2.13	Internet users	32	Norway	93.4
2.14	Broadband Internet subscriptions	29	Switzerland	38.2
2.15	Telephone lines	22	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	5	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	18	Denmark	0.0

(Cont'd.)

Russian Federation

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment <i>(cont'd.)</i>				
2.18	Cost of registering property	4	Multiple (2)	0.0
2.19	Cost of closing a business	21	Multiple (4)	1.0
2.20	Time to start a business	50	Australia	2.0
2.21	Time to register property	43	Multiple (3)	2.0
2.22	Time to close a business	29	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	6	Malaysia	10.9
3.02	External vulnerability indicator	9	Saudi Arabia	8.4
3.03	Current account balance to GDP	16	Kuwait	32.8
3.04	Dollarization vulnerability indicator	34	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	17	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	58	Multiple (10)	0.0
3.08	Financial strengths indicator	48	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	45	Ireland	7.0
3.10	Financial Stress Index	41	Austria	-3.9
3.11	Tier 1 capital ratio	15	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	34	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	33	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	44	Peru	6.7
3.16	Manageability of public debt	1	Russian Federation	9.1
3.17	Credit default swap spreads	35	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	45	Denmark	242.4
4.02	Central bank assets to GDP	30	Egypt	19.7
4.03	Financial system deposits to GDP	44	Hong Kong SAR	303.4
4.04	M2 to GDP	48	Hong Kong SAR	330.7
4.05	Private credit to GDP	39	Ireland	231.9
4.06	Bank deposits to GDP	49	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	46	Netherlands	6.1
4.09	Bank overhead costs	55	Singapore	0.3
4.10	Public ownership of banks	48	Multiple (24)	0.0
4.11	Bank operating costs to assets	41	Japan	0.8
4.12	Nonperforming bank loans to total loans	45	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	33	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	15	China	35.4
5.02	IPO proceeds amount	32	Hong Kong SAR	3.7
5.03	Share of world IPOs	23	China	26.3

Russian Federation

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

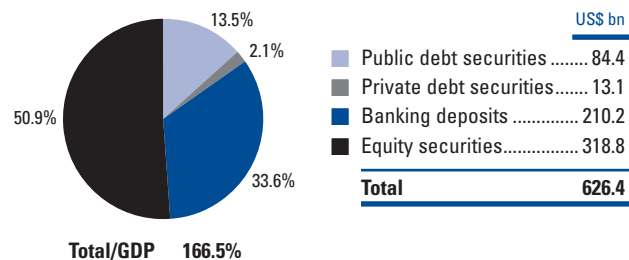
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	11	■	3.1	United States.....	34.0
5.05	M&A transaction value to GDP.....	15	■	5.8	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	5	■	4.8	United States.....	22.6
Insurance						
5.07	Life insurance density.....	58	■	0.1	Ireland.....	19.2
5.08	Non-life insurance density.....	17	■	2.8	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	41	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	46	■	0.1	India.....	53.6
5.11	Non-life insurance coverage.....	4	■	3.9	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	28	■	1.2	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	11	■	1.4	United States.....	4.8
5.14	Share of total number of securitization deals.....	4	■	4.9	United States.....	52.3
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.....	33.4
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.....	29	■	0.0	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	30	■	53.7	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	14	■	158.0	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	23	■	75.5	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	43	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	41	■	0.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	47	■	4.1	Poland.....	344.7
6.15	Private international bonds to GDP.....	29	■	8.2	Ireland.....	243.6
6.16	Public international bonds to GDP.....	37	■	2.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	32	■	0.3	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	54	■	3.6	United Kingdom.....	6.7
7.02	Venture capital availability.....	48	■	2.3	Israel.....	4.5
7.03	Ease of access to credit.....	31	■	3.4	Peru.....	4.8
7.04	Financing through local equity market.....	53	■	3.1	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	48	■	2.4	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	21	■	2.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	n/a		n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	52	■	2.6	Ireland.....	573
7.09	Total number of ATMs.....	16	■	76.5	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	28	■	293.0	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

Saudi Arabia

Key indicators

Population (millions), 2010.....	26.1
GDP (US\$ billions), 2010.....	443.7
GDP (current prices) per capita, 2010.....	16,995.8
GDP (PPP) as share (%) of world total, 2010	0.84
Compound annual growth rate of real GDP (%), 2006–2010....	2.11

Financial assets by major type, 2009



Financial Development Index 2011

2011 Index	Rank (out of 60)	Score (1–7 scale)
23	3.9	

Factors, policies, and institutions

Pillar	Factor	Rank	Score
1st pillar: Institutional environment 24	Financial sector liberalization.....	30	4.3
	Corporate governance	13	5.2
	Legal and regulatory issues.....	21	4.4
	Contract enforcement.....	24	4.7
	4.7		
2nd pillar: Business environment 17	Human capital.....	25	4.5
	Taxes	4	6.3
	Infrastructure.....	28	4.4
	Cost of doing business.....	9	6.0
5.3			
3rd pillar: Financial stability 1	Currency stability.....	3	5.8
	Banking system stability.....	1	6.2
	Risk of sovereign debt crisis.....	9	6.0
	6.0		

Financial intermediation

Pillar	Factor	Rank	Score
4th pillar: Banking financial services 40	Size index	39	1.9
	Efficiency index.....	17	5.7
	Financial information disclosure.....	49	1.5
	3.3		
5th pillar: Non-banking financial services 50	IPO Activity.....	25	1.6
	M&A Activity.....	54	1.1
	Insurance.....	39	2.3
	Securitization.....	56	1.0
	1.5		
6th pillar: Financial markets 38	Foreign exchange markets.....	33	1.1
	Derivatives markets.....	27	1.6
	Equity market development.....	26	2.5
	Bond market development	41	1.6
1.8			

Financial access

Pillar	Factor	Rank	Score
7th pillar: Financial access 6	Commercial access	3	4.7
	Retail access	n/a	n/a
	4.7		

INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	31	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	27	Turkey	83.5
1.03	Domestic financial sector liberalization	43	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	8	Singapore	5.2
1.05	Efficacy of corporate boards	13	Sweden	5.9
1.06	Reliance on professional management	23	Sweden	6.4
1.07	Willingness to delegate	15	Sweden	6.3
1.08	Strength of auditing and reporting standards	16	South Africa	6.5
1.09	Ethical behavior of firms	20	Denmark	6.7
1.10	Protection of minority shareholders' interests	7	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	5	Singapore	5.6
1.12	Centralization of economic policymaking	6	Switzerland	5.6
1.13	Regulation of securities exchanges	13	South Africa	6.4
1.14	Property rights	17	Finland	6.4
1.15	Intellectual property protection	18	Finland	6.2
1.16	Diversion of public funds	15	Denmark	6.5
1.17	Public trust in politicians	2	Singapore	6.4
1.18	Corruption perceptions index	26	Multiple (2)	9.3
1.19	Strength of legal rights index	41	Multiple (5)	10.0
1.20	Central bank transparency	50	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	11	Singapore	6.5
1.22	Judicial independence	16	Denmark	6.6
1.23	Irregular payments in judicial decisions	17	Denmark	6.8
1.24	Time to enforce a contract	46	Singapore	150.0
1.25	Number of procedures to enforce a contract	54	Multiple (2)	21.0
1.26	Strength of investor protection index	13	Singapore	9.3
1.27	Cost of enforcing contracts	38	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	28	Belgium	6.1
2.02	Quality of math and science education	15	Singapore	6.4
2.03	Extent of staff training	23	Switzerland	5.6
2.04	Local availability of specialized research and training services	25	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	5	Switzerland	5.6
2.06	Tertiary enrollment	44	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	17	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	2	Singapore	5.7
2.09	Marginal tax variation	7	Kuwait	-4.7
2.10	Time to pay taxes	5	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	20	Switzerland	6.7
2.12	Quality of telephone infrastructure	38	Sweden	6.9
2.13	Internet users	34	Norway	93.4
2.14	Broadband Internet subscriptions	41	Switzerland	38.2
2.15	Telephone lines	45	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	2	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	34	Denmark	0.0

(Cont'd.)

Saudi Arabia

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	1	Multiple (2)	0.0
2.19	Cost of closing a business	48	Multiple (4)	1.0
2.20	Time to start a business	6	Australia	2.0
2.21	Time to register property	1	Multiple (3)	2.0
2.22	Time to close a business	17	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	21	Malaysia	10.9
3.02	External vulnerability indicator	1	Saudi Arabia	8.4
3.03	Current account balance to GDP	5	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	5	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (10)	0.0
3.08	Financial strengths indicator	10	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	5	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	21	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	19	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	24	Peru	6.7
3.16	Manageability of public debt	7	Russian Federation	9.1
3.17	Credit default swap spreads	15	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	39	Denmark	242.4
4.02	Central bank assets to GDP	n/a	Egypt	19.7
4.03	Financial system deposits to GDP	33	Hong Kong SAR	303.4
4.04	M2 to GDP	31	Hong Kong SAR	330.7
4.05	Private credit to GDP	47	Ireland	231.9
4.06	Bank deposits to GDP	37	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	32	Netherlands	6.1
4.09	Bank overhead costs	13	Singapore	0.3
4.10	Public ownership of banks	40	Multiple (24)	0.0
4.11	Bank operating costs to assets	17	Japan	0.8
4.12	Nonperforming bank loans to total loans	20	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	41	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	26	China	35.4
5.02	IPO proceeds amount	27	Hong Kong SAR	3.7
5.03	Share of world IPOs	19	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

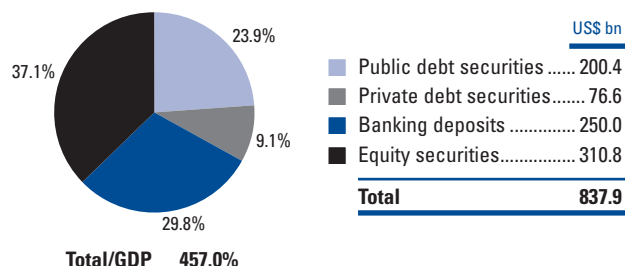
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....	45	United States.....	34.0
5.05	M&A transaction value to GDP.....	55	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	49	United States.....	22.6
Insurance				
5.07	Life insurance density.....	56	Ireland.....	19.2
5.08	Non-life insurance density.....	47	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	6	China.....	0.3
5.10	Life insurance coverage.....	53	India.....	53.6
5.11	Non-life insurance coverage.....	39	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	24	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....	55	United States.....	4.8
5.14	Share of total number of securitization deals.....	54	United States.....	52.3
6th pillar: Financial markets				
Foreign exchange markets				
6.01	Spot foreign exchange turnover.....	29	United Kingdom.....	38.5
6.02	Outright forward foreign exchange turnover.....	30	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	36	United Kingdom.....	33.4
Derivatives markets				
6.04	Interest rate derivatives turnover: Forward rate agreements.....	32	United Kingdom.....	48.4
6.05	Interest rate derivatives turnover: Swaps.....	33	United Kingdom.....	45.3
6.06	Interest rate derivatives turnover: Options.....	30	United Kingdom.....	50.4
6.07	Foreign exchange derivatives turnover: Currency swaps.....	19	United Kingdom.....	32.1
6.08	Foreign exchange derivatives turnover: Options.....	33	United Kingdom.....	55.3
Equity market development				
6.09	Stock market turnover ratio.....	19	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	37	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	14	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	26	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....	n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	41	Ireland.....	243.6
6.16	Public international bonds to GDP.....	53	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	20	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....	23	United Kingdom.....	6.7
7.02	Venture capital availability.....	6	Israel.....	4.5
7.03	Ease of access to credit.....	4	Peru.....	4.8
7.04	Financing through local equity market.....	3	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	4	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	10	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	n/a	Ireland.....	573
7.09	Total number of ATMs.....	n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a	Peru.....	110.0

Singapore

Key indicators

Population (millions), 2010.....	5.2
GDP (US\$ billions), 2010.....	222.7
GDP (current prices) per capita, 2010.....	43,116.7
GDP (PPP) as share (%) of world total, 2010	0.39
Compound annual growth rate of real GDP (%), 2006–2010....	4.63

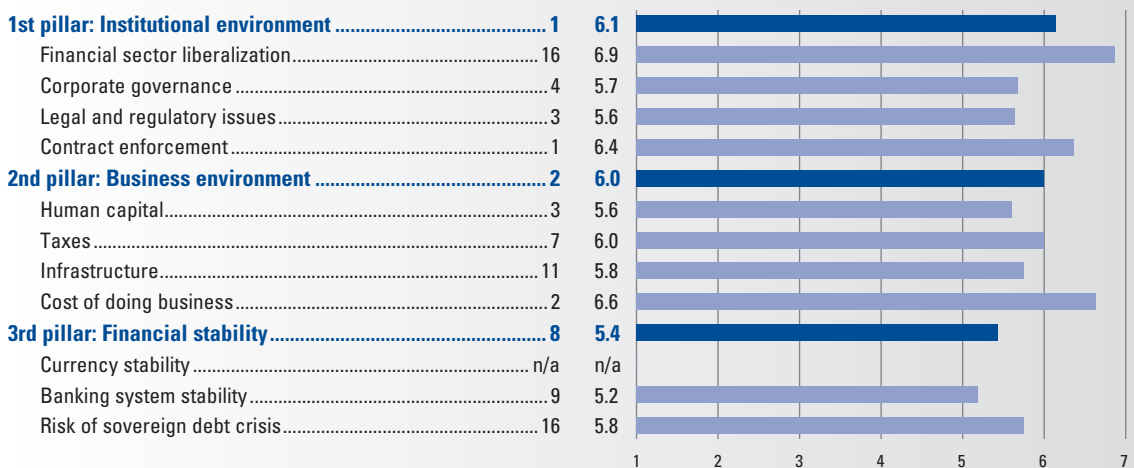
Financial assets by major type, 2009



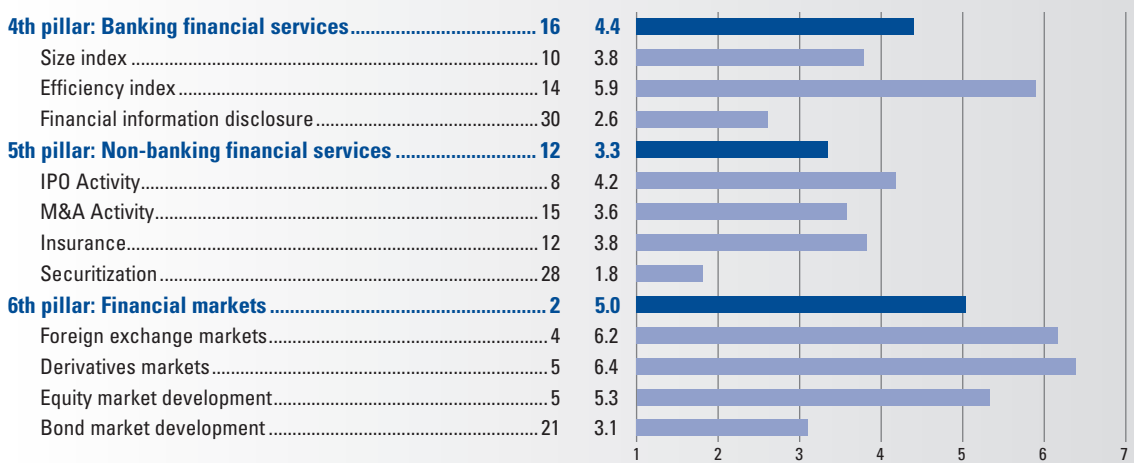
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	1	■	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	18	■	52.4	Turkey	83.5
1.03	Domestic financial sector liberalization	1	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	1	■	5.2	Singapore	5.2
1.05	Efficacy of corporate boards	5	■	5.6	Sweden	5.9
1.06	Reliance on professional management	10	■	5.9	Sweden	6.4
1.07	Willingness to delegate	18	■	4.6	Sweden	6.3
1.08	Strength of auditing and reporting standards	3	■	6.2	South Africa	6.5
1.09	Ethical behavior of firms	3	■	6.6	Denmark	6.7
1.10	Protection of minority shareholders' interests	5	■	5.6	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	1	■	5.6	Singapore	5.6
1.12	Centralization of economic policymaking	58	■	1.8	Switzerland	5.6
1.13	Regulation of securities exchanges	2	■	6.0	South Africa	6.4
1.14	Property rights	3	■	6.4	Finland	6.4
1.15	Intellectual property protection	2	■	6.1	Finland	6.2
1.16	Diversion of public funds	2	■	6.5	Denmark	6.5
1.17	Public trust in politicians	1	■	6.4	Singapore	6.4
1.18	Corruption perceptions index	1	■	9.3	Multiple (2)	9.3
1.19	Strength of legal rights index	1	■	10.0	Multiple (5)	10.0
1.20	Central bank transparency	33	■	7.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	1	■	6.5	Singapore	6.5
1.22	Judicial independence	15	■	5.6	Denmark	6.6
1.23	Irregular payments in judicial decisions	2	■	6.7	Denmark	6.8
1.24	Time to enforce a contract	1	■	150.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	1	■	21.0	Multiple (2)	21.0
1.26	Strength of investor protection index	1	■	9.3	Singapore	9.3
1.27	Cost of enforcing contracts	33	■	25.8	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	7	■	5.6	Belgium	6.1
2.02	Quality of math and science education	1	■	6.4	Singapore	6.4
2.03	Extent of staff training	4	■	5.4	Switzerland	5.6
2.04	Local availability of specialized research and training services	18	■	5.2	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	2	■	5.3	Switzerland	5.6
2.06	Tertiary enrollment	17	■	63.6	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	2	■	6.8	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	1	■	5.7	Singapore	5.7
2.09	Marginal tax variation	41	■	10.5	Kuwait	-4.7
2.10	Time to pay taxes	7	■	84.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	2	■	6.6	Switzerland	6.7
2.12	Quality of telephone infrastructure	6	■	6.9	Sweden	6.9
2.13	Internet users	19	■	70.0	Norway	93.4
2.14	Broadband Internet subscriptions	17	■	24.7	Switzerland	38.2
2.15	Telephone lines	16	■	39.0	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	10	■	143.7	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	6	■	0.7	Denmark	0.0

(Cont'd.)

Singapore

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	22	■	2.8	Multiple (2)	0.0
2.19	Cost of closing a business	1	■	1.0	Multiple (4)	1.0
2.20	Time to start a business	2	■	3.0	Australia	2.0
2.21	Time to register property	5	■	5.0	Multiple (3)	2.0
2.22	Time to close a business	3	■	0.8	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	17	■	2.3	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	2	■	18.6	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	1	■	0.0	Multiple (10)	0.0
3.08	Financial strengths indicator	1	■	9.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	43	■	3.2	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	27	■	10.5	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	4	■	6.4	Peru	6.7
3.16	Manageability of public debt	58	■	105.8	Russian Federation	9.1
3.17	Credit default swap spreads	11	■	78.0	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	20	■	110.3	Denmark	242.4
4.02	Central bank assets to GDP	18	■	1.9	Egypt	19.7
4.03	Financial system deposits to GDP	7	■	120.8	Hong Kong SAR	303.4
4.04	M2 to GDP	9	■	132.7	Hong Kong SAR	330.7
4.05	Private credit to GDP	23	■	89.9	Ireland	231.9
4.06	Bank deposits to GDP	8	■	118.2	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	14	■	1.3	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	15	■	4.2	Netherlands	6.1
4.09	Bank overhead costs	1	■	0.3	Singapore	0.3
4.10	Public ownership of banks	46	■	27.2	Multiple (24)	0.0
4.11	Bank operating costs to assets	14	■	1.2	Japan	0.8
4.12	Nonperforming bank loans to total loans	13	■	2.3	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	24	■	53.8	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	13	■	1.8	China	35.4
5.02	IPO proceeds amount	3	■	1.4	Hong Kong SAR	3.7
5.03	Share of world IPOs	11	■	1.9	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

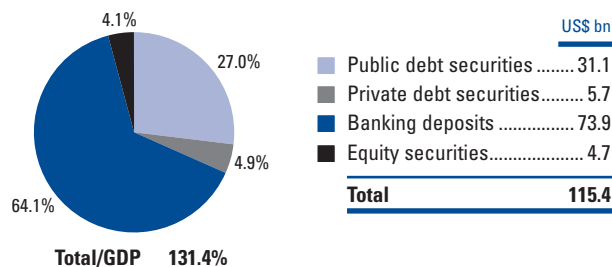
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....21	0.7	United States.....	34.0
5.05	M&A transaction value to GDP.....3	9.8	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....19	1.0	United States.....	22.6
Insurance				
5.07	Life insurance density.....14	4.6	Ireland.....	19.2
5.08	Non-life insurance density.....12	3.2	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....10	0.1	China.....	0.3
5.10	Life insurance coverage.....35	0.2	India.....	53.6
5.11	Non-life insurance coverage.....46	0.2	China.....	16.3
5.12	Relative value-added of insurance to GDP.....4	3.5	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....23	0.6	United States.....	4.8
5.14	Share of total number of securitization deals.....29	0.2	United States.....	52.3
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	5.3	United Kingdom.....	33.4
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.....4	326.4	Italy.....	579.3
6.10	Stock market capitalization to GDP.....17	148.7	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....11	238.1	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....5	1.0	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....30	11.5	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....18	43.0	Poland.....	344.7
6.15	Private international bonds to GDP.....20	24.5	Ireland.....	243.6
6.16	Public international bonds to GDP.....50	0.1	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....1	3.0	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....7	6.3	United Kingdom.....	6.7
7.02	Venture capital availability.....3	4.4	Israel.....	4.5
7.03	Ease of access to credit.....6	4.4	Peru.....	4.8
7.04	Financing through local equity market.....5	5.0	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....2	4.6	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....2	17.3	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....6	223,624.7	Japan.....	717,241.6
7.08	Commercial bank branches.....39	10.5	Ireland.....	573
7.09	Total number of ATMs.....28	49.8	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....13	2,091.4	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....n/a	n/a	Peru.....	110.0

Slovak Republic

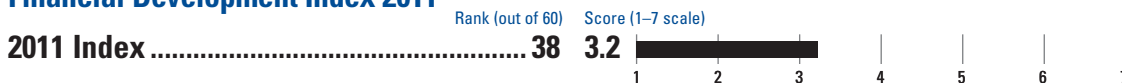
Key indicators

Population (millions), 2010.....	5.4
GDP (US\$ billions), 2010.....	87.5
GDP (current prices) per capita, 2010.....	16,104.0
GDP (PPP) as share (%) of world total, 2010	0.16
Compound annual growth rate of real GDP (%), 2006–2010....	2.98

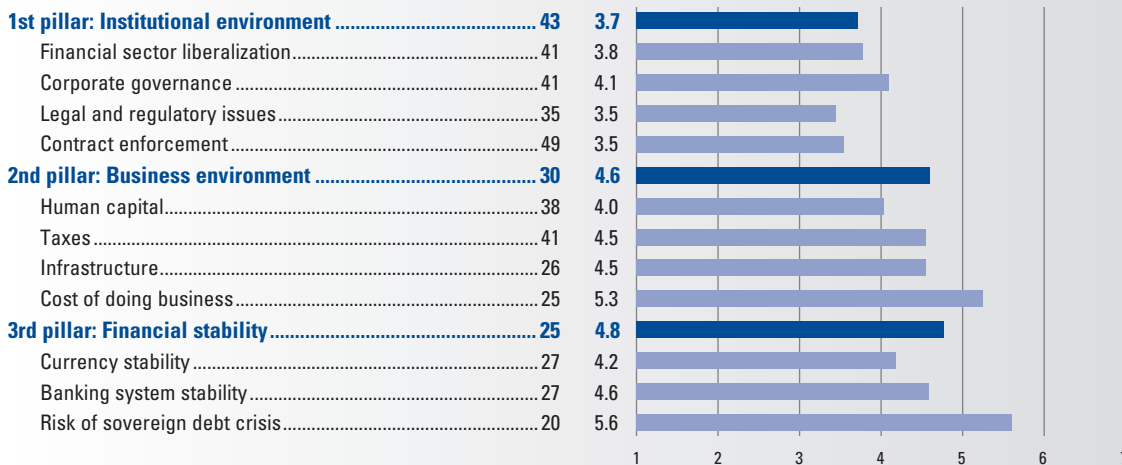
Financial assets by major type, 2009



Financial Development Index 2011

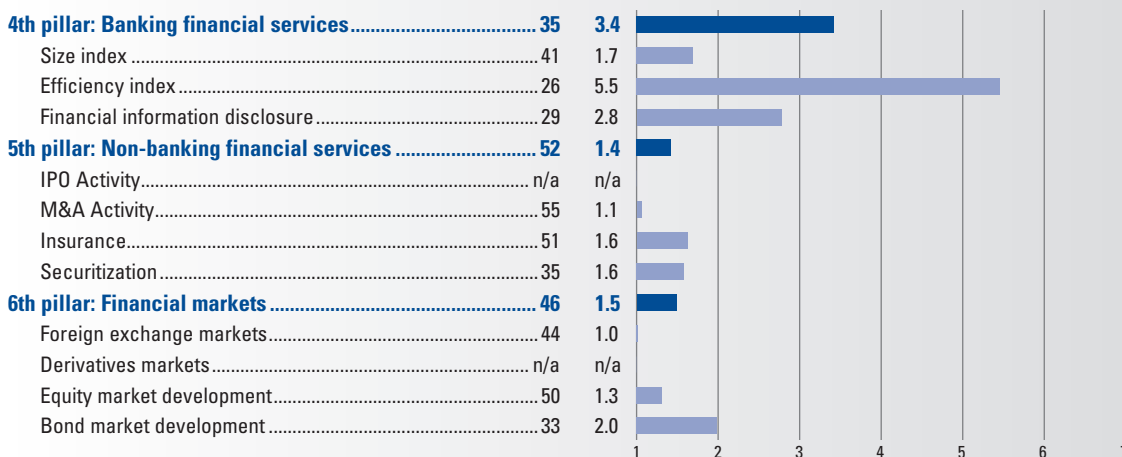


Factors, policies, and institutions

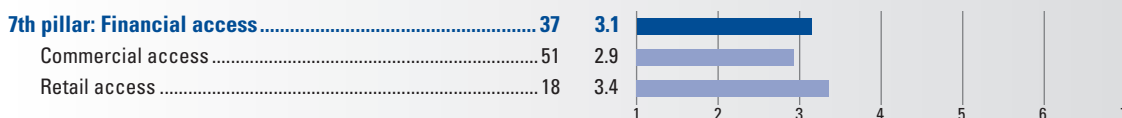


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	35	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	37	Turkey	83.5
1.03	Domestic financial sector liberalization	44	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	29	Singapore	5.2
1.05	Efficacy of corporate boards	32	Sweden	5.9
1.06	Reliance on professional management	36	Sweden	6.4
1.07	Willingness to delegate	46	Sweden	6.3
1.08	Strength of auditing and reporting standards	41	South Africa	6.5
1.09	Ethical behavior of firms	50	Denmark	6.7
1.10	Protection of minority shareholders' interests	48	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	45	Singapore	5.6
1.12	Centralization of economic policymaking	27	Switzerland	5.6
1.13	Regulation of securities exchanges	45	South Africa	6.4
1.14	Property rights	42	Finland	6.4
1.15	Intellectual property protection	32	Finland	6.2
1.16	Diversion of public funds	52	Denmark	6.5
1.17	Public trust in politicians	57	Singapore	6.4
1.18	Corruption perceptions index	34	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	36	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	45	Singapore	6.5
1.22	Judicial independence	54	Denmark	6.6
1.23	Irregular payments in judicial decisions	57	Denmark	6.8
1.24	Time to enforce a contract	38	Singapore	150.0
1.25	Number of procedures to enforce a contract	20	Multiple (2)	21.0
1.26	Strength of investor protection index	47	Singapore	9.3
1.27	Cost of enforcing contracts	45	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	53	Belgium	6.1
2.02	Quality of math and science education	37	Singapore	6.4
2.03	Extent of staff training	47	Switzerland	5.6
2.04	Local availability of specialized research and training services	31	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	47	Switzerland	5.6
2.06	Tertiary enrollment	30	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	34	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	57	Singapore	5.7
2.09	Marginal tax variation	46	Kuwait	-4.7
2.10	Time to pay taxes	35	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	40	Switzerland	6.7
2.12	Quality of telephone infrastructure	17	Sweden	6.9
2.13	Internet users	13	Norway	93.4
2.14	Broadband Internet subscriptions	24	Switzerland	38.2
2.15	Telephone lines	37	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	32	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	15	Denmark	0.0

(Cont'd.)

Slovak Republic

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	1	Multiple (2)	0.0
2.19	Cost of closing a business	41	Multiple (4)	1.0
2.20	Time to start a business	34	Australia	2.0
2.21	Time to register property	19	Multiple (3)	2.0
2.22	Time to close a business	47	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	19	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	49	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	15	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	30	Multiple (10)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	13	Ireland	7.0
3.10	Financial Stress Index	29	Austria	-3.9
3.11	Tier 1 capital ratio	35	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	25	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	23	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	11	Peru	6.7
3.16	Manageability of public debt	23	Russian Federation	9.1
3.17	Credit default swap spreads	33	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	40	Denmark	242.4
4.02	Central bank assets to GDP	42	Egypt	19.7
4.03	Financial system deposits to GDP	40	Hong Kong SAR	303.4
4.04	M2 to GDP	37	Hong Kong SAR	330.7
4.05	Private credit to GDP	41	Ireland	231.9
4.06	Bank deposits to GDP	42	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	36	Netherlands	6.1
4.09	Bank overhead costs	28	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	32	Japan	0.8
4.12	Nonperforming bank loans to total loans	38	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	23	Multiple (12)	100.0
4.14	Public credit registry coverage	20	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	n/a	China	35.4
5.02	IPO proceeds amount	n/a	Hong Kong SAR	3.7
5.03	Share of world IPOs	n/a	China	26.3

Slovak Republic

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

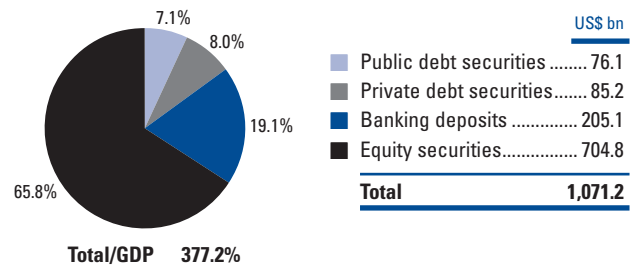
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	55	■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	54	■	0.7	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	48	■	0.1	United States.....	22.6
Insurance						
5.07	Life insurance density.....	33	■	1.4	Ireland.....	19.2
5.08	Non-life insurance density.....	38	■	1.6	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	47	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	47	■	0.1	India.....	53.6
5.11	Non-life insurance coverage.....	55	■	0.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	52	■	0.4	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	29	■	0.5	United States.....	4.8
5.14	Share of total number of securitization deals.....	48	■	0.0	United States.....	52.3
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.....	43	■	0.0	United Kingdom.....	41.3
6.03	Foreign exchange swap turnover.....	41	■	0.0	United Kingdom.....	33.4
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.....	40	■	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.....	36	■	0.0	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	52	■	0.4	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	53	■	7.1	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	45	■	0.0	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	17	■	0.2	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	33	■	5.5	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	30	■	26.7	Poland.....	344.7
6.15	Private international bonds to GDP.....	50	■	0.7	Ireland.....	243.6
6.16	Public international bonds to GDP.....	10	■	11.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	37	■	4.7	United Kingdom.....	6.7
7.02	Venture capital availability.....	40	■	2.6	Israel.....	4.5
7.03	Ease of access to credit.....	33	■	3.4	Peru.....	4.8
7.04	Financing through local equity market.....	58	■	2.5	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	38	■	3.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	52	■	0.6	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	11	■	185,782.7	Japan.....	717,241.6
7.08	Commercial bank branches.....	13	■	26.6	Ireland.....	573
7.09	Total number of ATMs.....	29	■	49.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	22	■	713.1	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a		n/a	Peru.....	110.0

South Africa

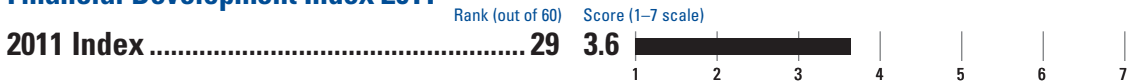
Key indicators

Population (millions), 2010.....	49.9
GDP (US\$ billions), 2010.....	357.3
GDP (current prices) per capita, 2010.....	7,157.8
GDP (PPP) as share (%) of world total, 2010	0.71
Compound annual growth rate of real GDP (%), 2006–2010....	2.02

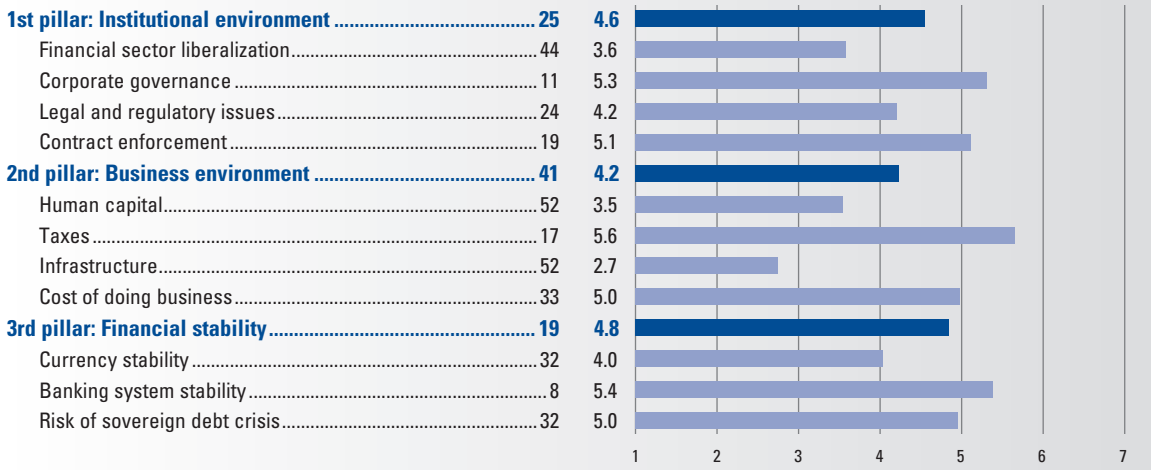
Financial assets by major type, 2009



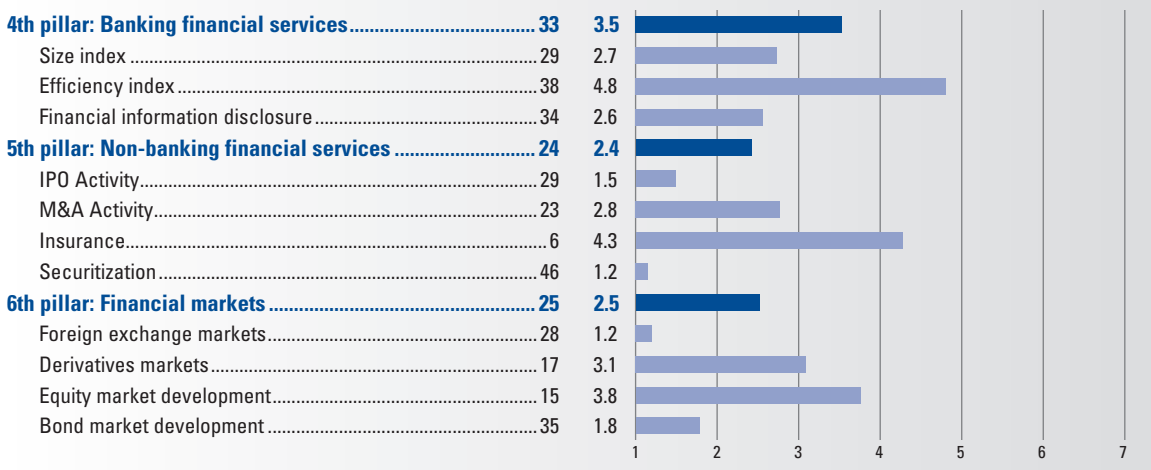
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	51	■	-1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	44	■	28.4	Turkey	83.5
1.03	Domestic financial sector liberalization	26	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	10	■	4.9	Singapore	5.2
1.05	Efficacy of corporate boards	2	■	5.8	Sweden	5.9
1.06	Reliance on professional management	16	■	5.5	Sweden	6.4
1.07	Willingness to delegate	24	■	4.3	Sweden	6.3
1.08	Strength of auditing and reporting standards	1	■	6.5	South Africa	6.5
1.09	Ethical behavior of firms	28	■	4.4	Denmark	6.7
1.10	Protection of minority shareholders' interests	3	■	5.8	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	43	■	2.7	Singapore	5.6
1.12	Centralization of economic policymaking	44	■	2.7	Switzerland	5.6
1.13	Regulation of securities exchanges	1	■	6.4	South Africa	6.4
1.14	Property rights	21	■	5.3	Finland	6.4
1.15	Intellectual property protection	22	■	5.0	Finland	6.2
1.16	Diversion of public funds	42	■	3.0	Denmark	6.5
1.17	Public trust in politicians	41	■	2.4	Singapore	6.4
1.18	Corruption perceptions index	30	■	4.5	Multiple (2)	9.3
1.19	Strength of legal rights index	1	■	10.0	Multiple (5)	10.0
1.20	Central bank transparency	18	■	9.5	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	19	■	4.4	Singapore	6.5
1.22	Judicial independence	23	■	5.0	Denmark	6.6
1.23	Irregular payments in judicial decisions	23	■	5.4	Denmark	6.8
1.24	Time to enforce a contract	44	■	600.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	10	■	29.0	Multiple (2)	21.0
1.26	Strength of investor protection index	9	■	8.0	Singapore	9.3
1.27	Cost of enforcing contracts	52	■	33.2	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	11	■	5.4	Belgium	6.1
2.02	Quality of math and science education	60	■	2.1	Singapore	6.4
2.03	Extent of staff training	22	■	4.7	Switzerland	5.6
2.04	Local availability of specialized research and training services	36	■	4.4	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	58	■	3.1	Switzerland	5.6
2.06	Tertiary enrollment	52	■	15.4	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	23	■	5.6	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	9	■	4.9	Singapore	5.7
2.09	Marginal tax variation	17	■	3.6	Kuwait	-4.7
2.10	Time to pay taxes	29	■	200.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	35	■	4.5	Switzerland	6.7
2.12	Quality of telephone infrastructure	59	■	4.6	Sweden	6.9
2.13	Internet users	55	■	12.3	Norway	93.4
2.14	Broadband Internet subscriptions	53	■	1.5	Switzerland	38.2
2.15	Telephone lines	52	■	8.4	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	40	■	100.5	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	2	■	0.3	Denmark	0.0

(Cont'd.)

South Africa

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	45	Multiple (2)	0.0
2.19	Cost of closing a business	41	Multiple (4)	1.0
2.20	Time to start a business	36	Australia	2.0
2.21	Time to register property	25	Multiple (3)	2.0
2.22	Time to close a business	29	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	27	Malaysia	10.9
3.02	External vulnerability indicator	20	Saudi Arabia	8.4
3.03	Current account balance to GDP	50	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	11	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (10)	0.0
3.08	Financial strengths indicator	21	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	21	Ireland	7.0
3.10	Financial Stress Index	12	Austria	-3.9
3.11	Tier 1 capital ratio	23	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	28	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	30	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	40	Peru	6.7
3.16	Manageability of public debt	17	Russian Federation	9.1
3.17	Credit default swap spreads	29	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	23	Denmark	242.4
4.02	Central bank assets to GDP	35	Egypt	19.7
4.03	Financial system deposits to GDP	27	Hong Kong SAR	303.4
4.04	M2 to GDP	33	Hong Kong SAR	330.7
4.05	Private credit to GDP	8	Ireland	231.9
4.06	Bank deposits to GDP	31	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	42	Netherlands	6.1
4.09	Bank overhead costs	46	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	44	Japan	0.8
4.12	Nonperforming bank loans to total loans	39	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	26	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	27	China	35.4
5.02	IPO proceeds amount	25	Hong Kong SAR	3.7
5.03	Share of world IPOs	26	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

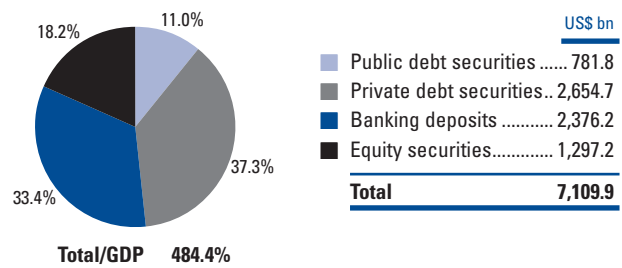
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	23	0.7	United States.....	34.0
5.05 M&A transaction value to GDP.....	13	6.2	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	24	0.8	United States.....	22.6
Insurance				
5.07 Life insurance density.....	2	12.1	Ireland.....	19.2
5.08 Non-life insurance density.....	15	2.8	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	43	0.0	China.....	0.3
5.10 Life insurance coverage.....	5	6.0	India.....	53.6
5.11 Non-life insurance coverage.....	13	1.4	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	10	2.2	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	46	0.1	United States.....	4.8
5.14 Share of total number of securitization deals.....	37	0.1	United States.....	52.3
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.....	33.4
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.....	25	70.5	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	3	338.2	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	10	259.2	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	24	0.1	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	24	16.5	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	26	29.4	Poland.....	344.7
6.15 Private international bonds to GDP.....	26	9.3	Ireland.....	243.6
6.16 Public international bonds to GDP.....	32	2.6	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	37	0.2	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	4	6.5	United Kingdom.....	6.7
7.02 Venture capital availability.....	32	2.9	Israel.....	4.5
7.03 Ease of access to credit.....	39	3.2	Peru.....	4.8
7.04 Financing through local equity market.....	2	5.1	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	25	3.3	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	54	0.4	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	25	83,913.4	Japan.....	717,241.6
7.08 Commercial bank branches.....	43	8.0	Ireland.....	573
7.09 Total number of ATMs.....	26	52.4	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	1	89,086.8	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	28	0.1	Peru.....	110.0

Spain

Key indicators

Population (millions), 2010.....	46.0
GDP (US\$ billions), 2010.....	1,409.9
GDP (current prices) per capita, 2010.....	30,639.3
GDP (PPP) as share (%) of world total, 2010	1.84
Compound annual growth rate of real GDP (%), 2006–2010....	0.09

Financial assets by major type, 2009



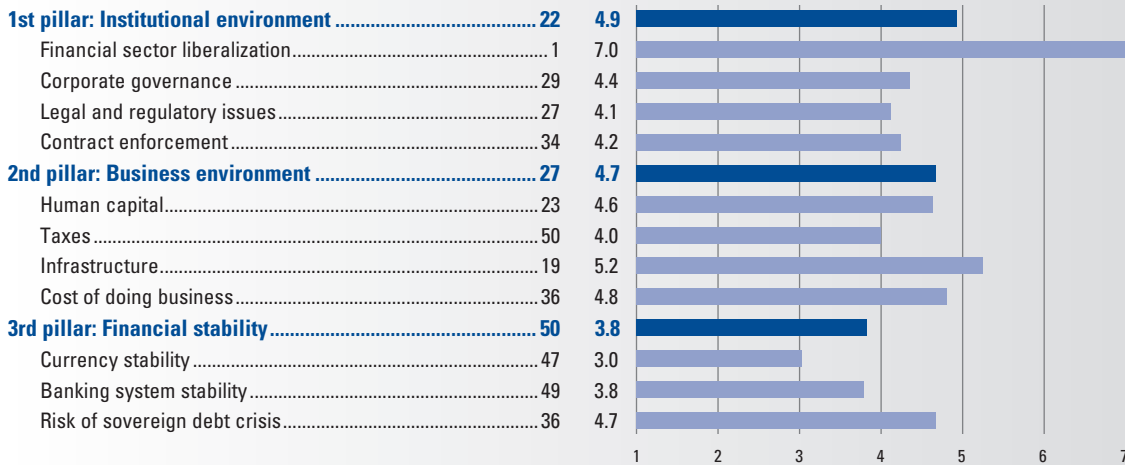
US\$ bn

Public debt securities	781.8
Private debt securities..	2,654.7
Banking deposits	2,376.2
Equity securities.....	1,297.2
Total	7,109.9

Financial Development Index 2011

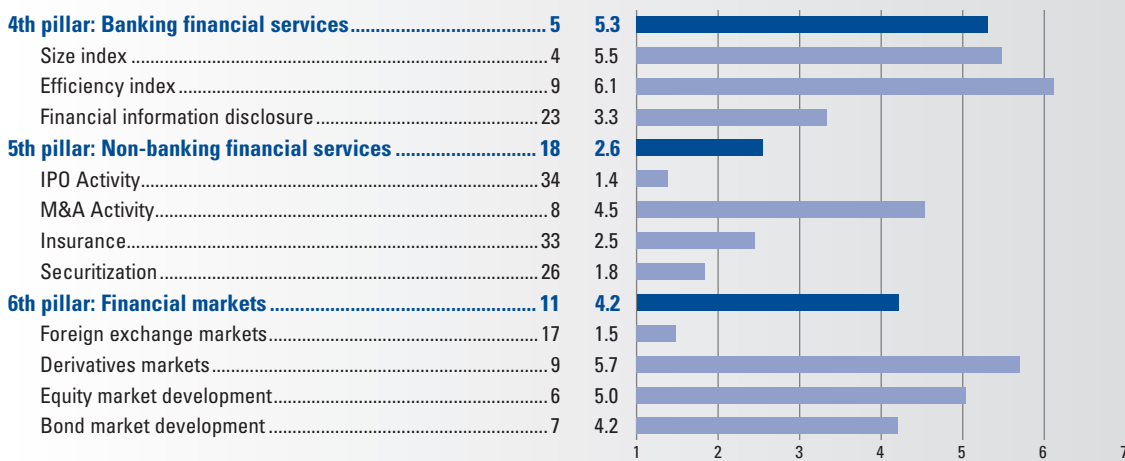


Factors, policies, and institutions

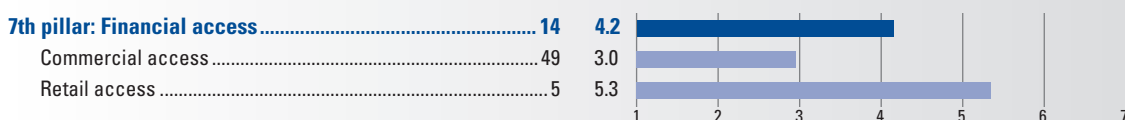


INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	Turkey	83.5
1.03	Domestic financial sector liberalization	1	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	39	Singapore	5.2
1.05	Efficacy of corporate boards	46	Sweden	5.9
1.06	Reliance on professional management	30	Sweden	6.4
1.07	Willingness to delegate	38	Sweden	6.3
1.08	Strength of auditing and reporting standards	34	South Africa	6.5
1.09	Ethical behavior of firms	25	Denmark	6.7
1.10	Protection of minority shareholders' interests	38	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	42	Singapore	5.6
1.12	Centralization of economic policymaking	3	Switzerland	5.6
1.13	Regulation of securities exchanges	53	South Africa	6.4
1.14	Property rights	28	Finland	6.4
1.15	Intellectual property protection	27	Finland	6.2
1.16	Diversion of public funds	27	Denmark	6.5
1.17	Public trust in politicians	38	Singapore	6.4
1.18	Corruption perceptions index	21	Multiple (2)	9.3
1.19	Strength of legal rights index	34	Multiple (5)	10.0
1.20	Central bank transparency	3	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	36	Singapore	6.5
1.22	Judicial independence	38	Denmark	6.6
1.23	Irregular payments in judicial decisions	25	Denmark	6.8
1.24	Time to enforce a contract	36	Singapore	150.0
1.25	Number of procedures to enforce a contract	45	Multiple (2)	21.0
1.26	Strength of investor protection index	41	Singapore	9.3
1.27	Cost of enforcing contracts	15	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	6	Belgium	6.1
2.02	Quality of math and science education	49	Singapore	6.4
2.03	Extent of staff training	48	Switzerland	5.6
2.04	Local availability of specialized research and training services	22	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	33	Switzerland	5.6
2.06	Tertiary enrollment	11	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	26	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	56	Singapore	5.7
2.09	Marginal tax variation	58	Kuwait	-4.7
2.10	Time to pay taxes	24	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	17	Switzerland	6.7
2.12	Quality of telephone infrastructure	33	Sweden	6.9
2.13	Internet users	24	Norway	93.4
2.14	Broadband Internet subscriptions	20	Switzerland	38.2
2.15	Telephone lines	14	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	31	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	26	Denmark	0.0

(Cont'd.)

Spain

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment <i>(cont'd.)</i>				
2.18	Cost of registering property	54	Multiple (2)	0.0
2.19	Cost of closing a business	29	Multiple (4)	1.0
2.20	Time to start a business	45	Australia	2.0
2.21	Time to register property	13	Multiple (3)	2.0
2.22	Time to close a business	17	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	26	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	54	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	16	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	54	Multiple (10)	0.0
3.08	Financial strengths indicator	10	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	37	Ireland	7.0
3.10	Financial Stress Index	4	Austria	-3.9
3.11	Tier 1 capital ratio	32	Japan	23.9
3.12	Output loss during banking crises	56	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	20	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	18	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	51	Peru	6.7
3.16	Manageability of public debt	43	Russian Federation	9.1
3.17	Credit default swap spreads	45	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	3	Denmark	242.4
4.02	Central bank assets to GDP	26	Egypt	19.7
4.03	Financial system deposits to GDP	5	Hong Kong SAR	303.4
4.04	M2 to GDP	4	Hong Kong SAR	330.7
4.05	Private credit to GDP	4	Ireland	231.9
4.06	Bank deposits to GDP	4	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	13	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	13	Netherlands	6.1
4.09	Bank overhead costs	3	Singapore	0.3
4.10	Public ownership of banks	26	Multiple (24)	0.0
4.11	Bank operating costs to assets	18	Japan	0.8
4.12	Nonperforming bank loans to total loans	35	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	45	Multiple (12)	100.0
4.14	Public credit registry coverage	3	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	24	China	35.4
5.02	IPO proceeds amount	42	Hong Kong SAR	3.7
5.03	Share of world IPOs	23	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

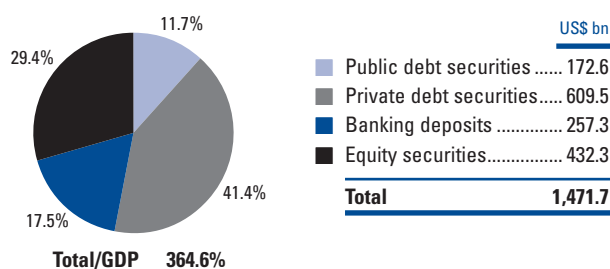
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....7	■	3.6	United States.....34.0
5.05	M&A transaction value to GDP.....10	■	6.4	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....12	■	2.6	United States.....22.6
Insurance				
5.07	Life insurance density.....27	■	2.5	Ireland.....19.2
5.08	Non-life insurance density.....14	■	2.9	Netherlands.....9.2
5.09	Real growth of direct insurance premiums.....50	■	0.0	China.....0.3
5.10	Life insurance coverage.....15	■	1.1	India.....53.6
5.11	Non-life insurance coverage.....15	■	1.4	China.....16.3
5.12	Relative value-added of insurance to GDP.....44	■	0.7	Bahrain.....5.9
Securitization				
5.13	Securitization to GDP.....34	■	0.4	United States.....4.8
5.14	Share of total number of securitization deals.....19	■	0.7	United States.....52.3
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.....33.4
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.....8	■	212.7	Italy.....579.3
6.10	Stock market capitalization to GDP.....16	■	151.5	Hong Kong SAR.....742.5
6.11	Stock market value traded to GDP.....6	■	372.3	Switzerland.....673.1
6.12	Number of listed companies per 10,000 people.....6	■	0.8	Canada.....1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....6	■	63.7	Denmark.....185.9
6.14	Public domestic bond market capitalization to GDP.....17	■	43.5	Poland.....344.7
6.15	Private international bonds to GDP.....4	■	117.0	Ireland.....243.6
6.16	Public international bonds to GDP.....11	■	10.9	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....21	■	0.7	Singapore.....3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....22	■	5.7	United Kingdom.....6.7
7.02	Venture capital availability.....38	■	2.7	Israel.....4.5
7.03	Ease of access to credit.....60	■	1.7	Peru.....4.8
7.04	Financing through local equity market.....51	■	3.3	Hong Kong SAR.....5.4
7.05	Ease of access to loans.....51	■	2.4	Bahrain.....5.0
7.06	Foreign direct investment to GDP.....36	■	1.7	Hong Kong SAR.....30.6
Retail access				
7.07	Market penetration of bank accounts.....27	■	78,047.1	Japan.....717,241.6
7.08	Commercial bank branches.....6	■	38.2	Ireland.....573
7.09	Total number of ATMs.....4	■	154.8	Canada.....218.5
7.10	Total number of point of sale (POS) devices.....4	■	3,711.3	South Africa.....89,086.8
7.11	Loan accounts at MFIs.....n/a		n/a	Peru.....110.0

Sweden

Key indicators

Population (millions), 2010.....	9.3
GDP (US\$ billions), 2010.....	455.8
GDP (current prices) per capita, 2010.....	48,874.6
GDP (PPP) as share (%) of world total, 2010	0.48
Compound annual growth rate of real GDP (%), 2006–2010....	0.51

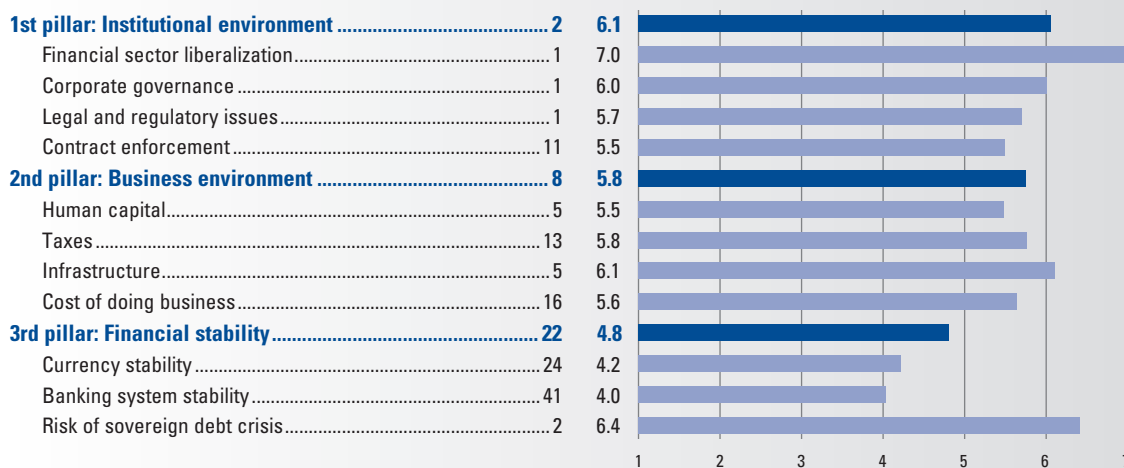
Financial assets by major type, 2009



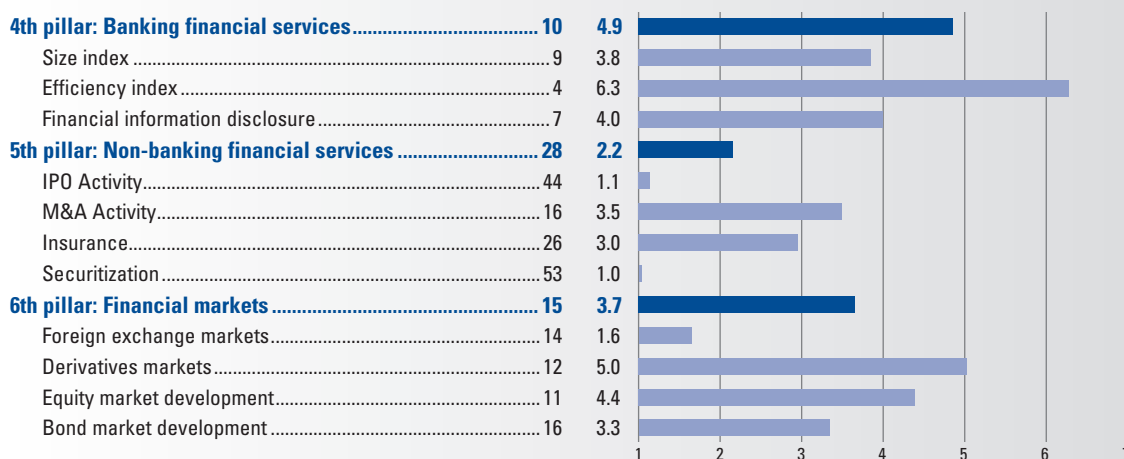
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	77.4	Turkey	83.5
1.03	Domestic financial sector liberalization	1	1.0	Multiple (35)	1.0
Corporate governance					
1.04	Extent of incentive-based compensation	13	4.6	Singapore	5.2
1.05	Efficacy of corporate boards	1	5.9	Sweden	5.9
1.06	Reliance on professional management	1	6.4	Sweden	6.4
1.07	Willingness to delegate	1	6.3	Sweden	6.3
1.08	Strength of auditing and reporting standards	2	6.3	South Africa	6.5
1.09	Ethical behavior of firms	2	6.6	Denmark	6.7
1.10	Protection of minority shareholders' interests	1	6.0	Sweden	6.0
Legal and regulatory issues					
1.11	Burden of government regulation	11	3.9	Singapore	5.6
1.12	Centralization of economic policymaking	18	3.7	Switzerland	5.6
1.13	Regulation of securities exchanges	3	5.9	South Africa	6.4
1.14	Property rights	4	6.2	Finland	6.4
1.15	Intellectual property protection	4	6.0	Finland	6.2
1.16	Diversion of public funds	3	6.4	Denmark	6.5
1.17	Public trust in politicians	3	5.8	Singapore	6.4
1.18	Corruption perceptions index	3	9.2	Multiple (2)	9.3
1.19	Strength of legal rights index	23	7.0	Multiple (5)	10.0
1.20	Central bank transparency	1	15.0	Sweden	15.0
Contract enforcement					
1.21	Effectiveness of law-making bodies	2	5.9	Singapore	6.5
1.22	Judicial independence	2	6.5	Denmark	6.6
1.23	Irregular payments in judicial decisions	4	6.7	Denmark	6.8
1.24	Time to enforce a contract	31	508.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	13	30.0	Multiple (2)	21.0
1.26	Strength of investor protection index	19	6.3	Singapore	9.3
1.27	Cost of enforcing contracts	46	31.2	Norway	9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools	8	5.5	Belgium	6.1
2.02	Quality of math and science education	16	4.9	Singapore	6.4
2.03	Extent of staff training	2	5.5	Switzerland	5.6
2.04	Local availability of specialized research and training services	4	6.0	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	10	4.8	Switzerland	5.6
2.06	Tertiary enrollment	10	71.1	Korea, Rep.	98.1
Taxes					
2.07	Irregular payments in tax collection	4	6.7	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	7	5.1	Singapore	5.7
2.09	Marginal tax variation	42	10.6	Kuwait	-4.7
2.10	Time to pay taxes	14	122.0	United Arab Emirates	12.0
Infrastructure					
2.11	Quality of overall infrastructure	10	6.1	Switzerland	6.7
2.12	Quality of telephone infrastructure	1	6.9	Sweden	6.9
2.13	Internet users	3	90.0	Norway	93.4
2.14	Broadband Internet subscriptions	8	31.6	Switzerland	38.2
2.15	Telephone lines	7	53.5	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	28	113.5	Hong Kong SAR	190.2
Cost of doing business					
2.17	Cost of starting a business	5	0.6	Denmark	0.0

(Cont'd.)

Sweden

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	31	■	4.3	Multiple (2)	0.0
2.19	Cost of closing a business	21	■	9.0	Multiple (4)	1.0
2.20	Time to start a business	32	■	15.0	Australia	2.0
2.21	Time to register property	8	■	7.0	Multiple (3)	2.0
2.22	Time to close a business	29	■	2.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	39	■	-0.2	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	9	■	7.4	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	13	■	-22.1	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	56	■	3.3	Multiple (10)	0.0
3.08	Financial strengths indicator	10	■	6.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	2	■	6.9	Ireland	7.0
3.10	Financial Stress Index	22	■	-1.1	Austria	-3.9
3.11	Tier 1 capital ratio	26	■	10.6	Japan	23.9
3.12	Output loss during banking crises	53	■	103.1	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	15	■	5.7	Peru	6.7
3.16	Manageability of public debt	22	■	40.0	Russian Federation	9.1
3.17	Credit default swap spreads	3	■	53.3	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	10	■	140.0	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	31	■	55.9	Hong Kong SAR	303.4
4.04	M2 to GDP	35	■	61.2	Hong Kong SAR	330.7
4.05	Private credit to GDP	9	■	133.4	Ireland	231.9
4.06	Bank deposits to GDP	35	■	56.6	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	3	■	8.7	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	31	■	3.7	Netherlands	6.1
4.09	Bank overhead costs	6	■	0.9	Singapore	0.3
4.10	Public ownership of banks	27	■	2.8	Multiple (24)	0.0
4.11	Bank operating costs to assets	3	■	0.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	12	■	2.0	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	1	■	100.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	39	■	0.1	China	35.4
5.02	IPO proceeds amount	51	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	28	■	0.4	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

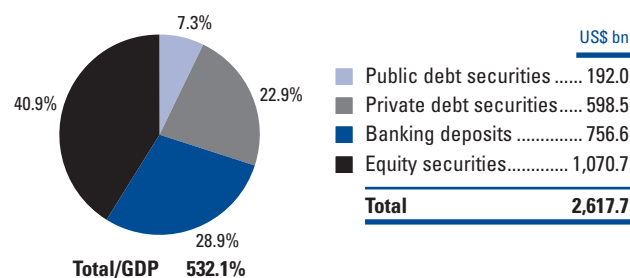
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04 M&A market share.....	17	1.2	United States.....	34.0
5.05 M&A transaction value to GDP.....	8	7.0	Hong Kong SAR.....	10.4
5.06 Share of total number of M&A deals.....	14	2.0	United States.....	22.6
Insurance				
5.07 Life insurance density.....	9	6.5	Ireland.....	19.2
5.08 Non-life insurance density.....	26	1.9	Netherlands.....	9.2
5.09 Real growth of direct insurance premiums.....	15	0.1	China.....	0.3
5.10 Life insurance coverage.....	26	0.6	India.....	53.6
5.11 Non-life insurance coverage.....	45	0.2	China.....	16.3
5.12 Relative value-added of insurance to GDP.....	25	1.3	Bahrain.....	5.9
Securitization				
5.13 Securitization to GDP.....	54	0.0	United States.....	4.8
5.14 Share of total number of securitization deals.....	37	0.1	United States.....	52.3
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.....	33.4
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.....	5	295.3	Italy.....	579.3
6.10 Stock market capitalization to GDP.....	18	147.6	Hong Kong SAR.....	742.5
6.11 Stock market value traded to GDP.....	8	347.8	Switzerland.....	673.1
6.12 Number of listed companies per 10,000 people.....	18	0.2	Canada.....	1.2
Bond market development				
6.13 Private domestic bond market capitalization to GDP.....	9	58.4	Denmark.....	185.9
6.14 Public domestic bond market capitalization to GDP.....	28	27.5	Poland.....	344.7
6.15 Private international bonds to GDP.....	8	79.4	Ireland.....	243.6
6.16 Public international bonds to GDP.....	17	7.9	Poland.....	102.2
6.17 Local currency corporate bond issuance to GDP.....	24	0.6	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01 Financial market sophistication.....	6	6.3	United Kingdom.....	6.7
7.02 Venture capital availability.....	5	4.3	Israel.....	4.5
7.03 Ease of access to credit.....	20	4.0	Peru.....	4.8
7.04 Financing through local equity market.....	9	4.9	Hong Kong SAR.....	5.4
7.05 Ease of access to loans.....	5	4.5	Bahrain.....	5.0
7.06 Foreign direct investment to GDP.....	46	1.2	Hong Kong SAR.....	30.6
Retail access				
7.07 Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08 Commercial bank branches.....	14	25.9	Ireland.....	573
7.09 Total number of ATMs.....	37	36.6	Canada.....	218.5
7.10 Total number of point of sale (POS) devices.....	n/a	n/a	South Africa.....	89,086.8
7.11 Loan accounts at MFIs.....	n/a	n/a	Peru.....	110.0

Switzerland

Key indicators

Population (millions), 2010.....	7.8
GDP (US\$ billions), 2010.....	523.8
GDP (current prices) per capita, 2010.....	67,246.0
GDP (PPP) as share (%) of world total, 2010	0.44
Compound annual growth rate of real GDP (%), 2006–2010....	1.22

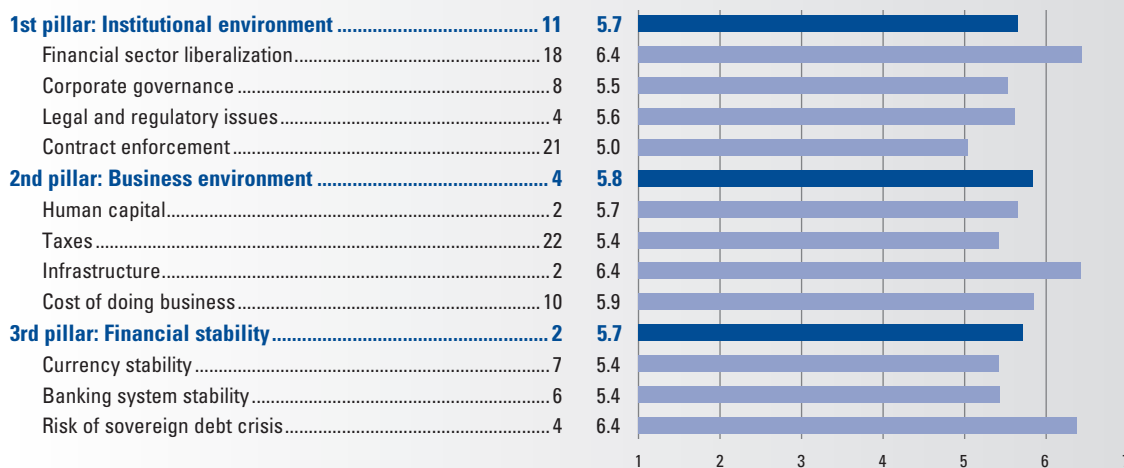
Financial assets by major type, 2009



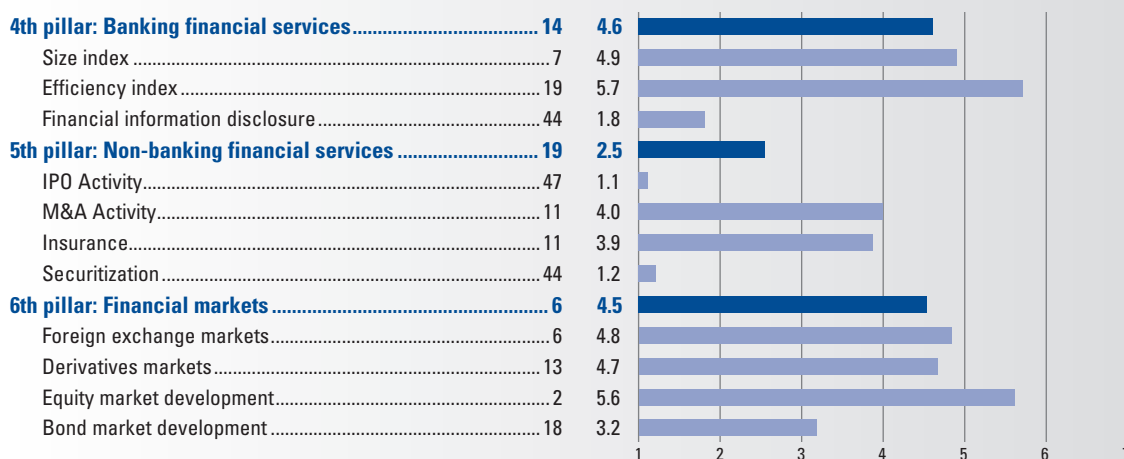
Financial Development Index 2011



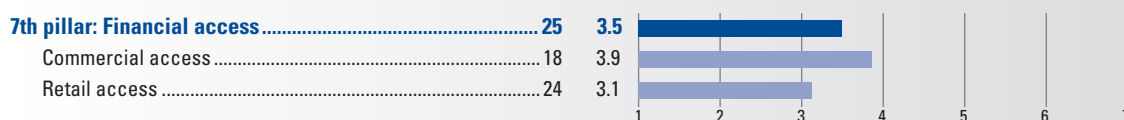
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	56.3	Turkey	83.5
1.03	Domestic financial sector liberalization	31	2.0	Multiple (35)	1.0
Corporate governance					
1.04	Extent of incentive-based compensation	6	5.1	Singapore	5.2
1.05	Efficacy of corporate boards	9	5.3	Sweden	5.9
1.06	Reliance on professional management	8	6.0	Sweden	6.4
1.07	Willingness to delegate	5	5.3	Sweden	6.3
1.08	Strength of auditing and reporting standards	18	5.6	South Africa	6.5
1.09	Ethical behavior of firms	5	6.5	Denmark	6.7
1.10	Protection of minority shareholders' interests	18	4.9	Sweden	6.0
Legal and regulatory issues					
1.11	Burden of government regulation	8	4.1	Singapore	5.6
1.12	Centralization of economic policymaking	1	5.6	Switzerland	5.6
1.13	Regulation of securities exchanges	10	5.6	South Africa	6.4
1.14	Property rights	2	6.4	Finland	6.4
1.15	Intellectual property protection	3	6.1	Finland	6.2
1.16	Diversion of public funds	5	6.1	Denmark	6.5
1.17	Public trust in politicians	8	5.1	Singapore	6.4
1.18	Corruption perceptions index	7	8.7	Multiple (2)	9.3
1.19	Strength of legal rights index	16	8.0	Multiple (5)	10.0
1.20	Central bank transparency	18	9.5	Sweden	15.0
Contract enforcement					
1.21	Effectiveness of law-making bodies	13	4.8	Singapore	6.5
1.22	Judicial independence	4	6.4	Denmark	6.6
1.23	Irregular payments in judicial decisions	5	6.5	Denmark	6.8
1.24	Time to enforce a contract	12	390.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	20	32.0	Multiple (2)	21.0
1.26	Strength of investor protection index	58	3.0	Singapore	9.3
1.27	Cost of enforcing contracts	29	24.0	Norway	9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools	3	6.0	Belgium	6.1
2.02	Quality of math and science education	4	5.8	Singapore	6.4
2.03	Extent of staff training	1	5.6	Switzerland	5.6
2.04	Local availability of specialized research and training services	1	6.4	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	1	5.6	Switzerland	5.6
2.06	Tertiary enrollment	32	49.4	Korea, Rep.	98.1
Taxes					
2.07	Irregular payments in tax collection	8	6.5	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	13	4.6	Singapore	5.7
2.09	Marginal tax variation	51	15.1	Kuwait	-4.7
2.10	Time to pay taxes	3	63.0	United Arab Emirates	12.0
Infrastructure					
2.11	Quality of overall infrastructure	1	6.7	Switzerland	6.7
2.12	Quality of telephone infrastructure	2	6.9	Sweden	6.9
2.13	Internet users	7	83.9	Norway	93.4
2.14	Broadband Internet subscriptions	1	38.2	Switzerland	38.2
2.15	Telephone lines	3	58.6	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	19	123.6	Hong Kong SAR	190.2
Cost of doing business					
2.17	Cost of starting a business	19	2.1	Denmark	0.0

(Cont'd.)

Switzerland

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	5	■	0.4	Multiple (2)	0.0
2.19	Cost of closing a business	5	■	4.0	Multiple (4)	1.0
2.20	Time to start a business	34	■	18.0	Australia	2.0
2.21	Time to register property	17	■	16.0	Multiple (3)	2.0
2.22	Time to close a business	40	■	3.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	25	■	0.8	Malaysia	10.9
3.02	External vulnerability indicator	n/a		n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	8	■	9.3	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	■	0.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a		n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	2	■	136.1	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	38	■	2.0	Multiple (10)	0.0
3.08	Financial strengths indicator	5	■	7.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	31	■	4.9	Ireland	7.0
3.10	Financial Stress Index	24	■	-0.8	Austria	-3.9
3.11	Tier 1 capital ratio	4	■	16.4	Japan	23.9
3.12	Output loss during banking crises	1	■	0.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	■	20.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	21	■	5.5	Peru	6.7
3.16	Manageability of public debt	21	■	38.7	Russian Federation	9.1
3.17	Credit default swap spreads	5	■	60.4	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	6	■	188.9	Denmark	242.4
4.02	Central bank assets to GDP	27	■	1.0	Egypt	19.7
4.03	Financial system deposits to GDP	4	■	158.6	Hong Kong SAR	303.4
4.04	M2 to GDP	3	■	169.0	Hong Kong SAR	330.7
4.05	Private credit to GDP	7	■	180.5	Ireland	231.9
4.06	Bank deposits to GDP	6	■	131.4	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	22	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	28	■	3.7	Netherlands	6.1
4.09	Bank overhead costs	39	■	3.1	Singapore	0.3
4.10	Public ownership of banks	36	■	7.1	Multiple (24)	0.0
4.11	Bank operating costs to assets	25	■	1.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	1	■	0.4	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	36	■	27.3	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	38	■	0.1	China	35.4
5.02	IPO proceeds amount	48	■	0.0	Hong Kong SAR	3.7
5.03	Share of world IPOs	38	■	0.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

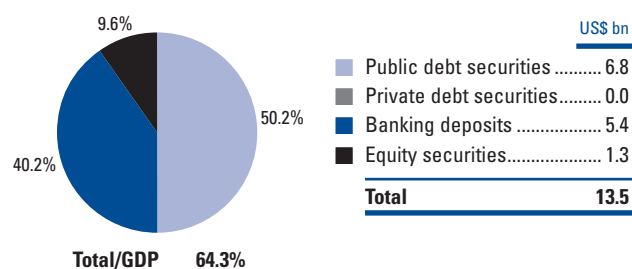
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....14	■	1.8	United States.....34.0
5.05	M&A transaction value to GDP.....4	■	9.5	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....21	■	1.0	United States.....22.6
Insurance				
5.07	Life insurance density.....13	■	5.5	Ireland.....19.2
5.08	Non-life insurance density.....3	■	4.5	Netherlands.....9.2
5.09	Real growth of direct insurance premiums.....37	■	0.0	China.....0.3
5.10	Life insurance coverage.....29	■	0.4	India.....53.6
5.11	Non-life insurance coverage.....33	■	0.3	China.....16.3
5.12	Relative value-added of insurance to GDP.....5	■	3.4	Bahrain.....5.9
Securitization				
5.13	Securitization to GDP.....43	■	0.2	United States.....4.8
5.14	Share of total number of securitization deals.....35	■	0.1	United States.....52.3
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.....33.4
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.....25	■	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.....6	■	254.6	Italy.....579.3
6.10	Stock market capitalization to GDP.....2	■	340.3	Hong Kong SAR.....742.5
6.11	Stock market value traded to GDP.....1	■	673.1	Switzerland.....673.1
6.12	Number of listed companies per 10,000 people.....14	■	0.3	Canada.....1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....19	■	28.5	Denmark.....185.9
6.14	Public domestic bond market capitalization to GDP.....36	■	21.8	Poland.....344.7
6.15	Private international bonds to GDP.....7	■	83.7	Ireland.....243.6
6.16	Public international bonds to GDP.....49	■	0.2	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....10	■	1.5	Singapore.....3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....2	■	6.7	United Kingdom.....6.7
7.02	Venture capital availability.....14	■	3.7	Israel.....4.5
7.03	Ease of access to credit.....29	■	3.5	Peru.....4.8
7.04	Financing through local equity market.....14	■	4.6	Hong Kong SAR.....5.4
7.05	Ease of access to loans.....14	■	3.7	Bahrain.....5.0
7.06	Foreign direct investment to GDP.....59	■	-1.3	Hong Kong SAR.....30.6
Retail access				
7.07	Market penetration of bank accounts.....n/a		n/a	Japan.....717,241.6
7.08	Commercial bank branches.....54	■	0.0	Ireland.....573
7.09	Total number of ATMs.....15	■	93.1	Canada.....218.5
7.10	Total number of point of sale (POS) devices.....15	■	1,985.3	South Africa.....89,086.8
7.11	Loan accounts at MFIs.....n/a		n/a	Peru.....110.0

Tanzania

Key indicators

Population (millions), 2010.....	41.3
GDP (US\$ billions), 2010.....	22.7
GDP (current prices) per capita, 2010.....	548.3
GDP (PPP) as share (%) of world total, 2010	0.08
Compound annual growth rate of real GDP (%), 2006–2010....	5.45

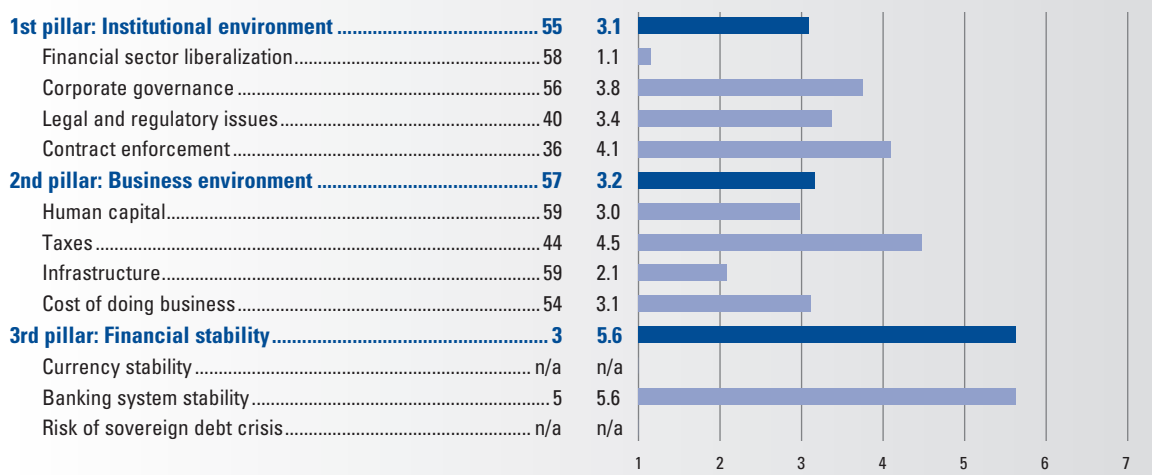
Financial assets by major type, 2009



Financial Development Index 2011

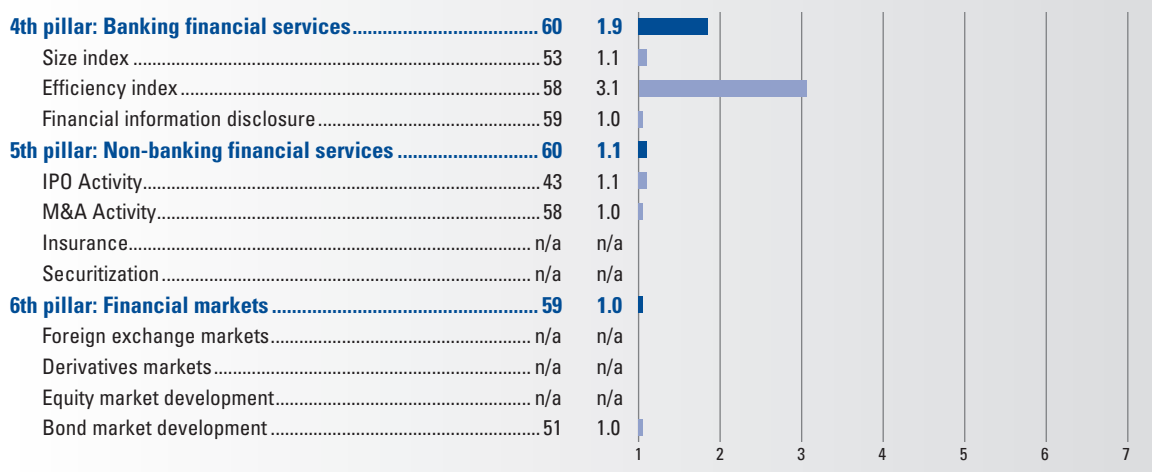


Factors, policies, and institutions



INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	57	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	53	Turkey	83.5
1.03	Domestic financial sector liberalization	n/a	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	58	Singapore	5.2
1.05	Efficacy of corporate boards	52	Sweden	5.9
1.06	Reliance on professional management	45	Sweden	6.4
1.07	Willingness to delegate	42	Sweden	6.3
1.08	Strength of auditing and reporting standards	54	South Africa	6.5
1.09	Ethical behavior of firms	53	Denmark	6.7
1.10	Protection of minority shareholders' interests	50	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	24	Singapore	5.6
1.12	Centralization of economic policymaking	26	Switzerland	5.6
1.13	Regulation of securities exchanges	55	South Africa	6.4
1.14	Property rights	54	Finland	6.4
1.15	Intellectual property protection	41	Finland	6.2
1.16	Diversion of public funds	40	Denmark	6.5
1.17	Public trust in politicians	29	Singapore	6.4
1.18	Corruption perceptions index	52	Multiple (2)	9.3
1.19	Strength of legal rights index	16	Multiple (5)	10.0
1.20	Central bank transparency	n/a	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	32	Singapore	6.5
1.22	Judicial independence	43	Denmark	6.6
1.23	Irregular payments in judicial decisions	50	Denmark	6.8
1.24	Time to enforce a contract	26	Singapore	150.0
1.25	Number of procedures to enforce a contract	42	Multiple (2)	21.0
1.26	Strength of investor protection index	41	Singapore	9.3
1.27	Cost of enforcing contracts	8	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	58	Belgium	6.1
2.02	Quality of math and science education	53	Singapore	6.4
2.03	Extent of staff training	49	Switzerland	5.6
2.04	Local availability of specialized research and training services	56	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	48	Switzerland	5.6
2.06	Tertiary enrollment	60	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	54	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	43	Singapore	5.7
2.09	Marginal tax variation	39	Kuwait	-4.7
2.10	Time to pay taxes	23	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	55	Switzerland	6.7
2.12	Quality of telephone infrastructure	53	Sweden	6.9
2.13	Internet users	56	Norway	93.4
2.14	Broadband Internet subscriptions	60	Switzerland	38.2
2.15	Telephone lines	60	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	59	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	57	Denmark	0.0

(Cont'd.)

Tanzania

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	32	Multiple (2)	0.0
2.19	Cost of closing a business	48	Multiple (4)	1.0
2.20	Time to start a business	47	Australia	2.0
2.21	Time to register property	53	Multiple (3)	2.0
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)	n/a	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	60	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	17	Multiple (10)	0.0
3.08	Financial strengths indicator	n/a	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	39	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	2	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	n/a	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	n/a	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	46	Peru	6.7
3.16	Manageability of public debt	19	Russian Federation	9.1
3.17	Credit default swap spreads	n/a	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	50	Denmark	242.4
4.02	Central bank assets to GDP	31	Egypt	19.7
4.03	Financial system deposits to GDP	51	Hong Kong SAR	303.4
4.04	M2 to GDP	54	Hong Kong SAR	330.7
4.05	Private credit to GDP	53	Ireland	231.9
4.06	Bank deposits to GDP	55	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	18	Netherlands	6.1
4.09	Bank overhead costs	53	Singapore	0.3
4.10	Public ownership of banks	50	Multiple (24)	0.0
4.11	Bank operating costs to assets	57	Japan	0.8
4.12	Nonperforming bank loans to total loans	n/a	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	50	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	54	China	35.4
5.02	IPO proceeds amount	36	Hong Kong SAR	3.7
5.03	Share of world IPOs	50	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

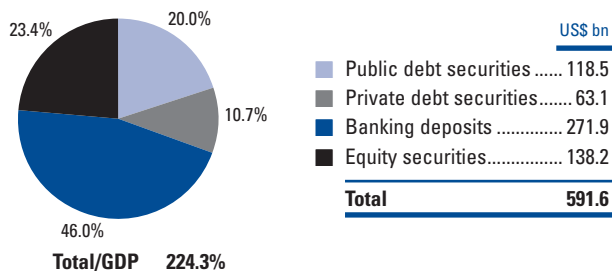
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	60 ■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	59 ■	0.5	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	56 ■	0.0	United States.....	22.6
Insurance					
5.07	Life insurance density.....	n/a	n/a	Ireland.....	19.2
5.08	Non-life insurance density.....	n/a	n/a	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a	n/a	China.....	0.3
5.10	Life insurance coverage.....	n/a	n/a	India.....	53.6
5.11	Non-life insurance coverage.....	n/a	n/a	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	n/a	n/a	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	n/a	n/a	United States.....	4.8
5.14	Share of total number of securitization deals.....	n/a	n/a	United States.....	52.3
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.....	33.4
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.....	n/a	n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a	n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	53 ■	0.0	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	41 ■	0.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	46 ■	5.2	Poland.....	344.7
6.15	Private international bonds to GDP.....	55 ■	0.0	Ireland.....	243.6
6.16	Public international bonds to GDP.....	53 ■	0.0	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a	n/a	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	60 ■	3.2	United Kingdom.....	6.7
7.02	Venture capital availability.....	42 ■	2.6	Israel.....	4.5
7.03	Ease of access to credit.....	40 ■	3.2	Peru.....	4.8
7.04	Financing through local equity market.....	47 ■	3.6	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	47 ■	2.4	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	17 ■	3.1	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	n/a	n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	53 ■	1.8	Ireland.....	573
7.09	Total number of ATMs.....	49 ■	3.4	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	38 ■	16.1	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	15 ■	3.7	Peru.....	110.0

Thailand

Key indicators

Population (millions), 2010.....	63.9
GDP (US\$ billions), 2010.....	318.9
GDP (current prices) per capita, 2010.....	4,991.5
GDP (PPP) as share (%) of world total, 2010	0.79
Compound annual growth rate of real GDP (%), 2006–2010....	2.54

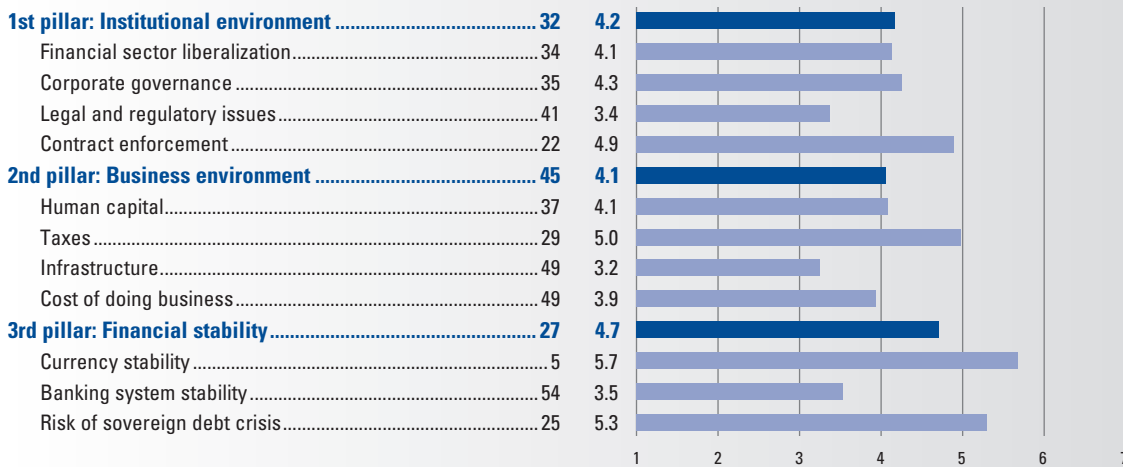
Financial assets by major type, 2009



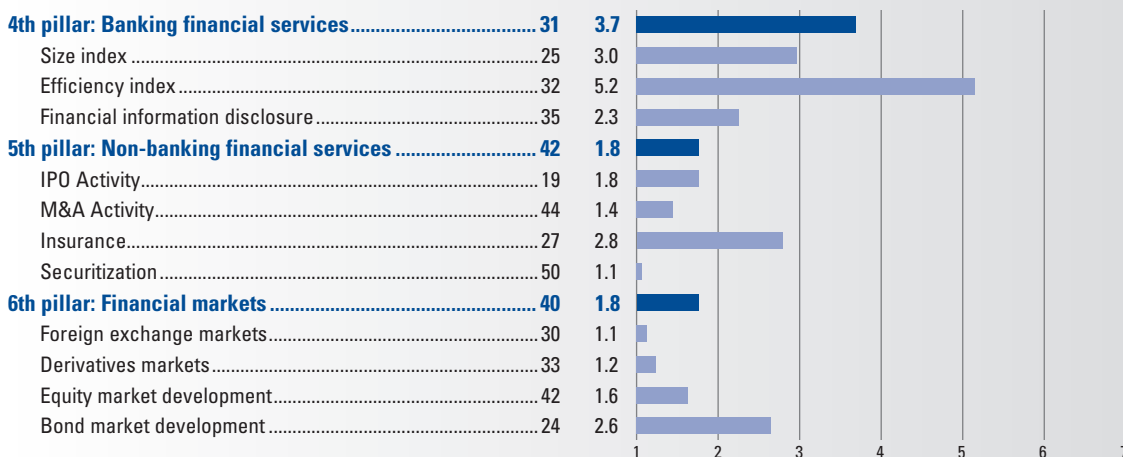
Financial Development Index 2011



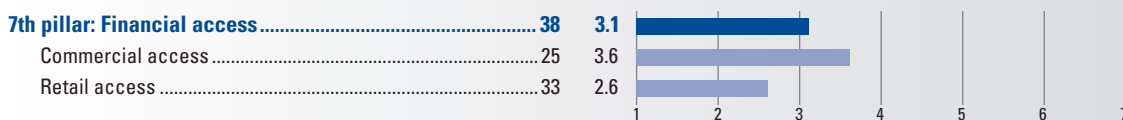
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	50	■	-1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	29	■	49.1	Turkey	83.5
1.03	Domestic financial sector liberalization	25	■	1.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	31	■	4.2	Singapore	5.2
1.05	Efficacy of corporate boards	35	■	4.5	Sweden	5.9
1.06	Reliance on professional management	37	■	4.3	Sweden	6.4
1.07	Willingness to delegate	44	■	3.6	Sweden	6.3
1.08	Strength of auditing and reporting standards	35	■	4.9	South Africa	6.5
1.09	Ethical behavior of firms	37	■	3.7	Denmark	6.7
1.10	Protection of minority shareholders' interests	29	■	4.5	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	17	■	3.6	Singapore	5.6
1.12	Centralization of economic policymaking	38	■	2.9	Switzerland	5.6
1.13	Regulation of securities exchanges	28	■	4.7	South Africa	6.4
1.14	Property rights	53	■	3.6	Finland	6.4
1.15	Intellectual property protection	47	■	3.1	Finland	6.2
1.16	Diversion of public funds	36	■	3.3	Denmark	6.5
1.17	Public trust in politicians	43	■	2.4	Singapore	6.4
1.18	Corruption perceptions index	41	■	3.5	Multiple (2)	9.3
1.19	Strength of legal rights index	41	■	5.0	Multiple (5)	10.0
1.20	Central bank transparency	25	■	8.0	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	41	■	3.2	Singapore	6.5
1.22	Judicial independence	31	■	4.2	Denmark	6.6
1.23	Irregular payments in judicial decisions	36	■	4.0	Denmark	6.8
1.24	Time to enforce a contract	27	■	479.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	■	36.0	Multiple (2)	21.0
1.26	Strength of investor protection index	12	■	7.7	Singapore	9.3
1.27	Cost of enforcing contracts	5	■	12.3	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	42	■	4.1	Belgium	6.1
2.02	Quality of math and science education	34	■	4.2	Singapore	6.4
2.03	Extent of staff training	35	■	4.1	Switzerland	5.6
2.04	Local availability of specialized research and training services	47	■	4.1	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	30	■	4.0	Switzerland	5.6
2.06	Tertiary enrollment	34	■	45.0	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	45	■	3.9	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	41	■	3.9	Singapore	5.7
2.09	Marginal tax variation	10	■	1.2	Kuwait	-4.7
2.10	Time to pay taxes	39	■	264.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	31	■	4.7	Switzerland	6.7
2.12	Quality of telephone infrastructure	42	■	6.1	Sweden	6.9
2.13	Internet users	53	■	21.2	Norway	93.4
2.14	Broadband Internet subscriptions	46	■	3.9	Switzerland	38.2
2.15	Telephone lines	51	■	10.1	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	39	■	100.8	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	35	■	6.2	Denmark	0.0

(Cont'd.)

Thailand

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
2nd pillar: Business environment (cont'd.)					
2.18	Cost of registering property	50	6.3	Multiple (2)	0.0
2.19	Cost of closing a business	57	36.0	Multiple (4)	1.0
2.20	Time to start a business	47	29.0	Australia	2.0
2.21	Time to register property	1	2.0	Multiple (3)	2.0
2.22	Time to close a business	36	2.7	Ireland	0.4
3rd pillar: Financial stability					
Currency stability					
3.01	Change in real effective exchange rate (REER)	7	4.0	Malaysia	10.9
3.02	External vulnerability indicator	11	33.2	Saudi Arabia	8.4
3.03	Current account balance to GDP	17	4.6	Kuwait	32.8
3.04	Dollarization vulnerability indicator	25	2.7	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	12	28.2	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	n/a	Hong Kong SAR	308.6
Banking system stability					
3.07	Frequency of banking crises	49	2.3	Multiple (10)	0.0
3.08	Financial strengths indicator	38	3.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	35	4.7	Ireland	7.0
3.10	Financial Stress Index	5	-2.7	Austria	-3.9
3.11	Tier 1 capital ratio	28	10.4	Japan	23.9
3.12	Output loss during banking crises	59	182.6	Multiple (22)	0.0
Risk of sovereign debt crisis					
3.13	Local currency sovereign rating	31	14.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	30	13.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	2	6.6	Peru	6.7
3.16	Manageability of public debt	24	42.4	Russian Federation	9.1
3.17	Credit default swap spreads	22	136.0	United States	36.7
4th pillar: Banking financial services					
Size index					
4.01	Deposit money bank assets to GDP	30	83.5	Denmark	242.4
4.02	Central bank assets to GDP	13	3.5	Egypt	19.7
4.03	Financial system deposits to GDP	21	79.3	Hong Kong SAR	303.4
4.04	M2 to GDP	14	116.6	Hong Kong SAR	330.7
4.05	Private credit to GDP	31	72.9	Ireland	231.9
4.06	Bank deposits to GDP	23	79.0	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	0.0	Ireland	39.1
Efficiency index					
4.08	Aggregate profitability indicator	55	2.4	Netherlands	6.1
4.09	Bank overhead costs	18	1.5	Singapore	0.3
4.10	Public ownership of banks	32	4.9	Multiple (24)	0.0
4.11	Bank operating costs to assets	34	2.4	Japan	0.8
4.12	Nonperforming bank loans to total loans	33	5.0	Switzerland	0.4
Financial information disclosure					
4.13	Private credit bureau coverage	29	41.7	Multiple (12)	100.0
4.14	Public credit registry coverage	26	0.0	China	82.5
5th pillar: Non-banking financial services					
IPO activity					
5.01	IPO market share	28	0.3	China	35.4
5.02	IPO proceeds amount	26	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	15	1.5	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

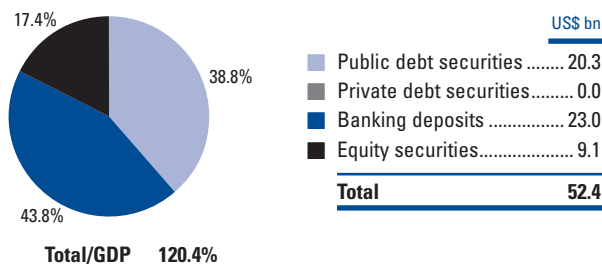
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	41	■	0.2	United States.....	34.0
5.05	M&A transaction value to GDP.....	46	■	1.5	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	28	■	0.6	United States.....	22.6
Insurance						
5.07	Life insurance density.....	25	■	2.6	Ireland.....	19.2
5.08	Non-life insurance density.....	33	■	1.7	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	7	■	0.1	China.....	0.3
5.10	Life insurance coverage.....	13	■	1.7	India.....	53.6
5.11	Non-life insurance coverage.....	18	■	1.1	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	48	■	0.5	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	51	■	0.1	United States.....	4.8
5.14	Share of total number of securitization deals.....	42	■	0.1	United States.....	52.3
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.....	31	■	0.1	United Kingdom.....	33.4
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.....	29	■	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.....	32	■	0.0	United Kingdom.....	55.3
Equity market development						
6.09	Stock market turnover ratio.....	40	■	32.8	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	31	■	78.6	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	30	■	35.9	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	30	■	0.1	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	22	■	18.0	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	15	■	45.9	Poland.....	344.7
6.15	Private international bonds to GDP.....	43	■	2.8	Ireland.....	243.6
6.16	Public international bonds to GDP.....	47	■	0.2	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	9	■	1.6	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	30	■	5.0	United Kingdom.....	6.7
7.02	Venture capital availability.....	36	■	2.9	Israel.....	4.5
7.03	Ease of access to credit.....	21	■	4.0	Peru.....	4.8
7.04	Financing through local equity market.....	22	■	4.3	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	23	■	3.5	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	31	■	1.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	17	■	144,883.8	Japan.....	717,241.6
7.08	Commercial bank branches.....	38	■	11.0	Ireland.....	573
7.09	Total number of ATMs.....	18	■	71.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	27	■	0.1	Peru.....	110.0

Tunisia

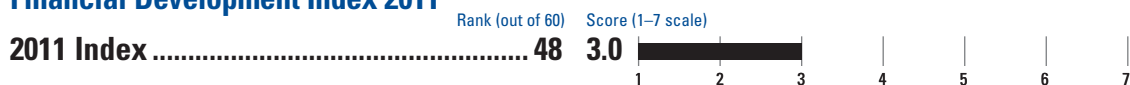
Key indicators

Population (millions), 2010.....	10.5
GDP (US\$ billions), 2010.....	44.3
GDP (current prices) per capita, 2010.....	4,200.5
GDP (PPP) as share (%) of world total, 2010	0.14
Compound annual growth rate of real GDP (%), 2006–2010....	3.49

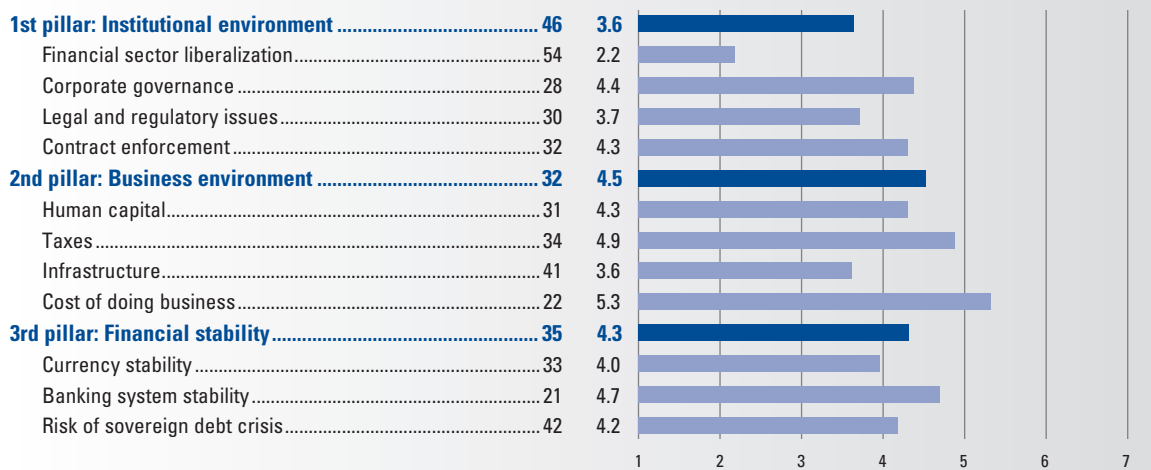
Financial assets by major type, 2009



Financial Development Index 2011

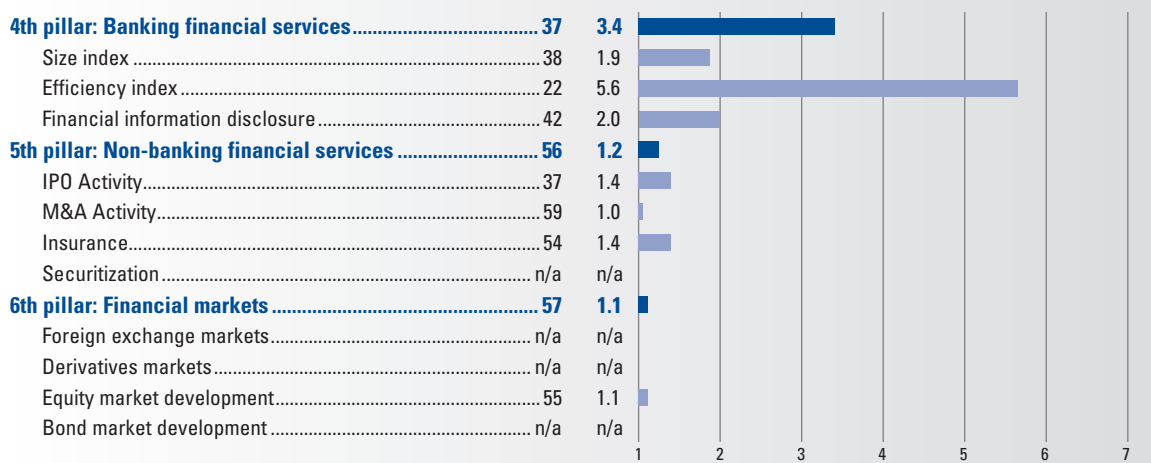


Factors, policies, and institutions



INPUTS

Financial intermediation



Financial access



OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	46	■	-1.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	47	■	17.0	Turkey	83.5
1.03	Domestic financial sector liberalization	n/a		n/a	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	53	■	3.6	Singapore	5.2
1.05	Efficacy of corporate boards	31	■	4.6	Sweden	5.9
1.06	Reliance on professional management	35	■	4.5	Sweden	6.4
1.07	Willingness to delegate	47	■	3.5	Sweden	6.3
1.08	Strength of auditing and reporting standards	33	■	4.9	South Africa	6.5
1.09	Ethical behavior of firms	26	■	4.6	Denmark	6.7
1.10	Protection of minority shareholders' interests	19	■	4.9	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	12	■	3.8	Singapore	5.6
1.12	Centralization of economic policymaking	45	■	2.7	Switzerland	5.6
1.13	Regulation of securities exchanges	32	■	4.5	South Africa	6.4
1.14	Property rights	29	■	4.9	Finland	6.4
1.15	Intellectual property protection	33	■	3.8	Finland	6.2
1.16	Diversion of public funds	25	■	4.3	Denmark	6.5
1.17	Public trust in politicians	17	■	4.0	Singapore	6.4
1.18	Corruption perceptions index	34	■	4.3	Multiple (2)	9.3
1.19	Strength of legal rights index	53	■	3.0	Multiple (5)	10.0
1.20	Central bank transparency	n/a		n/a	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	28	■	4.0	Singapore	6.5
1.22	Judicial independence	32	■	4.1	Denmark	6.6
1.23	Irregular payments in judicial decisions	31	■	4.6	Denmark	6.8
1.24	Time to enforce a contract	38	■	565.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	45	■	39.0	Multiple (2)	21.0
1.26	Strength of investor protection index	24	■	6.0	Singapore	9.3
1.27	Cost of enforcing contracts	21	■	21.8	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	23	■	4.9	Belgium	6.1
2.02	Quality of math and science education	10	■	5.1	Singapore	6.4
2.03	Extent of staff training	28	■	4.4	Switzerland	5.6
2.04	Local availability of specialized research and training services	28	■	4.7	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	44	■	3.6	Switzerland	5.6
2.06	Tertiary enrollment	43	■	33.7	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	32	■	4.9	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	17	■	4.5	Singapore	5.7
2.09	Marginal tax variation	50	■	14.8	Kuwait	-4.7
2.10	Time to pay taxes	20	■	144.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	29	■	5.0	Switzerland	6.7
2.12	Quality of telephone infrastructure	34	■	6.2	Sweden	6.9
2.13	Internet users	40	■	36.8	Norway	93.4
2.14	Broadband Internet subscriptions	44	■	4.6	Switzerland	38.2
2.15	Telephone lines	47	■	12.3	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	34	■	106.0	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	22	■	4.2	Denmark	0.0

(Cont'd.)

Tunisia

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
2nd pillar: Business environment (cont'd.)					
2.18	Cost of registering property	47	6.1	Multiple (2)	0.0
2.19	Cost of closing a business	15	7.0	Multiple (4)	1.0
2.20	Time to start a business	22	11.0	Australia	2.0
2.21	Time to register property	38	39.0	Multiple (3)	2.0
2.22	Time to close a business	15	1.3	Ireland	0.4
3rd pillar: Financial stability					
Currency stability					
3.01	Change in real effective exchange rate (REER)	47	-0.9	Malaysia	10.9
3.02	External vulnerability indicator	22	76.1	Saudi Arabia	8.4
3.03	Current account balance to GDP	48	-3.8	Kuwait	32.8
3.04	Dollarization vulnerability indicator	29	10.0	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	26	47.7	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	n/a	Hong Kong SAR	308.6
Banking system stability					
3.07	Frequency of banking crises	22	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	48	2.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	n/a	Ireland	7.0
3.10	Financial Stress Index	n/a	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	n/a	n/a	Japan	23.9
3.12	Output loss during banking crises	25	1.6	Multiple (22)	0.0
Risk of sovereign debt crisis					
3.13	Local currency sovereign rating	40	11.7	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	43	10.7	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	16	5.7	Peru	6.7
3.16	Manageability of public debt	29	44.0	Russian Federation	9.1
3.17	Credit default swap spreads	n/a	n/a	United States	36.7
4th pillar: Banking financial services					
Size index					
4.01	Deposit money bank assets to GDP	36	62.1	Denmark	242.4
4.02	Central bank assets to GDP	36	0.4	Egypt	19.7
4.03	Financial system deposits to GDP	34	53.2	Hong Kong SAR	303.4
4.04	M2 to GDP	34	63.8	Hong Kong SAR	330.7
4.05	Private credit to GDP	34	58.5	Ireland	231.9
4.06	Bank deposits to GDP	39	52.0	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	0.0	Ireland	39.1
Efficiency index					
4.08	Aggregate profitability indicator	4	5.4	Netherlands	6.1
4.09	Bank overhead costs	23	1.8	Singapore	0.3
4.10	Public ownership of banks	1	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	33	2.3	Japan	0.8
4.12	Nonperforming bank loans to total loans	49	13.2	Switzerland	0.4
Financial information disclosure					
4.13	Private credit bureau coverage	50	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	12	27.3	China	82.5
5th pillar: Non-banking financial services					
IPO activity					
5.01	IPO market share	43	0.1	China	35.4
5.02	IPO proceeds amount	21	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	38	0.2	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage
■ Development Disadvantage

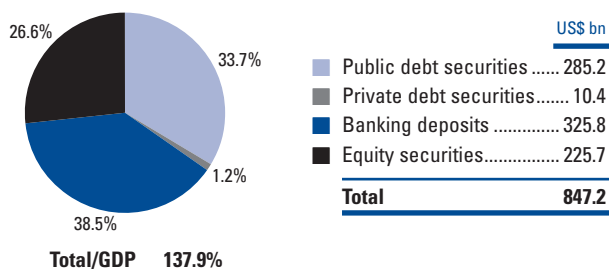
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
5th pillar: Non-banking financial services (cont'd.)					
M&A activity					
5.04	M&A market share.....	59 ■	0.0	United States.....	34.0
5.05	M&A transaction value to GDP.....	57 ■	0.5	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	57 ■	0.0	United States.....	22.6
Insurance					
5.07	Life insurance density.....	49 ■	0.2	Ireland.....	19.2
5.08	Non-life insurance density.....	39 ■	1.5	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	n/a.....	n/a	China.....	0.3
5.10	Life insurance coverage.....	52 ■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	47 ■	0.2	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	54 ■	0.3	Bahrain.....	5.9
Securitization					
5.13	Securitization to GDP.....	n/a.....	n/a	United States.....	4.8
5.14	Share of total number of securitization deals.....	n/a.....	n/a	United States.....	52.3
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.....	33.4
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 ■	13.3	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	50 ■	19.6	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	43 ■	2.4	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	32 ■	0.1	Canada.....	1.2
Bond market development					
6.13	Private domestic bond market capitalization to GDP.....	n/a.....	n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a.....	n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	55 ■	0.0	Ireland.....	243.6
6.16	Public international bonds to GDP.....	16 ■	8.2	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a.....	n/a	Singapore.....	3.0
7th pillar: Financial access					
Commercial access					
7.01	Financial market sophistication.....	44 ■	4.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	26 ■	3.1	Israel.....	4.5
7.03	Ease of access to credit.....	19 ■	4.0	Peru.....	4.8
7.04	Financing through local equity market.....	20 ■	4.4	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	35 ■	3.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	16 ■	3.4	Hong Kong SAR.....	30.6
Retail access					
7.07	Market penetration of bank accounts.....	32 ■	63,966.2	Japan.....	717,241.6
7.08	Commercial bank branches.....	30 ■	14.4	Ireland.....	573
7.09	Total number of ATMs.....	43 ■	17.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	31 ■	121.6	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	9 ■	14.9	Peru.....	110.0

Turkey

Key indicators

Population (millions), 2010.....	71.3
GDP (US\$ billions), 2010.....	741.9
GDP (current prices) per capita, 2010.....	10,398.7
GDP (PPP) as share (%) of world total, 2010	1.29
Compound annual growth rate of real GDP (%), 2006–2010....	1.67

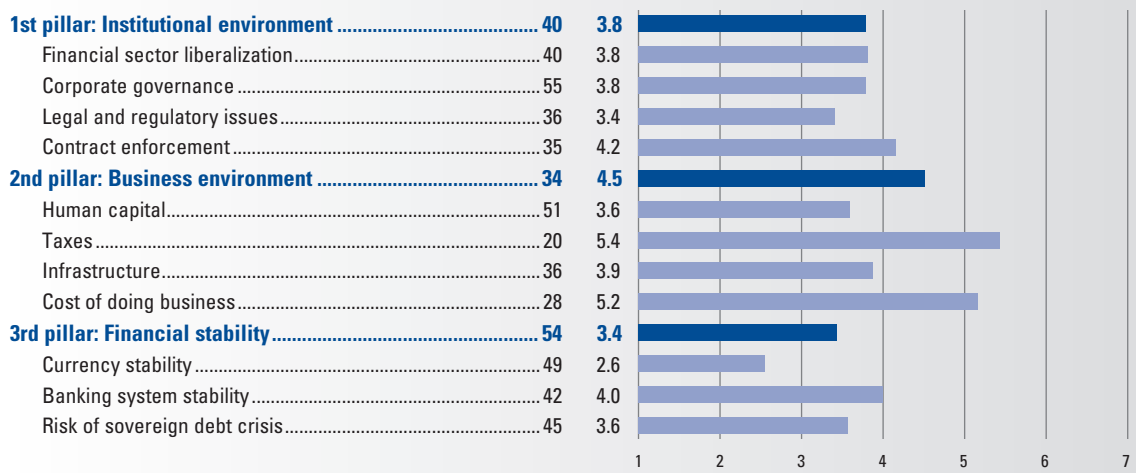
Financial assets by major type, 2009



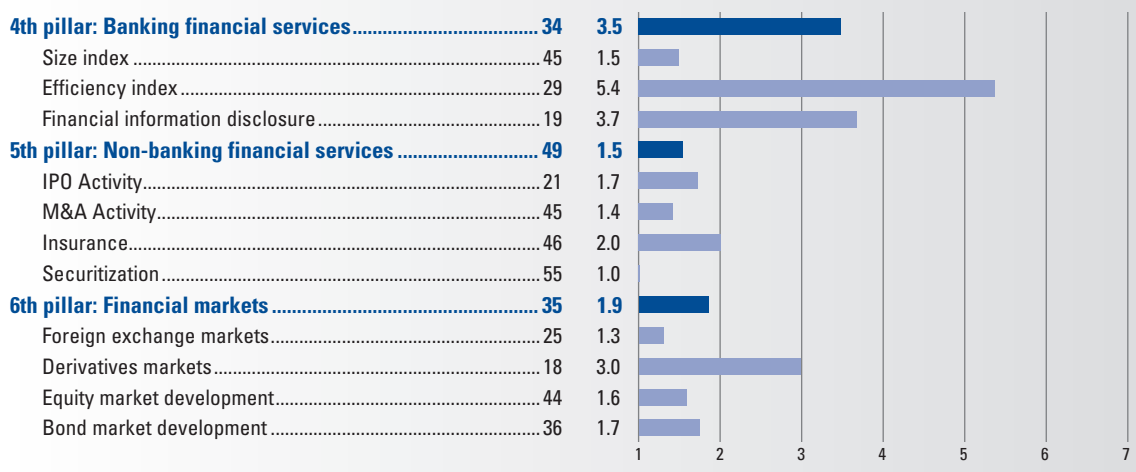
Financial Development Index 2011



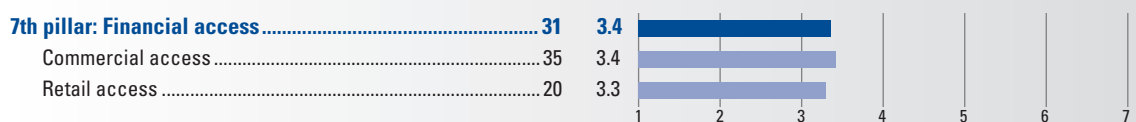
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	42	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	21	Turkey	83.5
1.03	Domestic financial sector liberalization	46	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	57	Singapore	5.2
1.05	Efficacy of corporate boards	50	Sweden	5.9
1.06	Reliance on professional management	46	Sweden	6.4
1.07	Willingness to delegate	60	Sweden	6.3
1.08	Strength of auditing and reporting standards	43	South Africa	6.5
1.09	Ethical behavior of firms	35	Denmark	6.7
1.10	Protection of minority shareholders' interests	47	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	36	Singapore	5.6
1.12	Centralization of economic policymaking	52	Switzerland	5.6
1.13	Regulation of securities exchanges	22	South Africa	6.4
1.14	Property rights	39	Finland	6.4
1.15	Intellectual property protection	52	Finland	6.2
1.16	Diversion of public funds	37	Denmark	6.5
1.17	Public trust in politicians	36	Singapore	6.4
1.18	Corruption perceptions index	32	Multiple (2)	9.3
1.19	Strength of legal rights index	45	Multiple (5)	10.0
1.20	Central bank transparency	18	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	18	Singapore	6.5
1.22	Judicial independence	48	Denmark	6.6
1.23	Irregular payments in judicial decisions	41	Denmark	6.8
1.24	Time to enforce a contract	22	Singapore	150.0
1.25	Number of procedures to enforce a contract	32	Multiple (2)	21.0
1.26	Strength of investor protection index	31	Singapore	9.3
1.27	Cost of enforcing contracts	40	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	56	Belgium	6.1
2.02	Quality of math and science education	47	Singapore	6.4
2.03	Extent of staff training	46	Switzerland	5.6
2.04	Local availability of specialized research and training services	44	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	54	Switzerland	5.6
2.06	Tertiary enrollment	38	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	27	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	34	Singapore	5.7
2.09	Marginal tax variation	13	Kuwait	-4.7
2.10	Time to pay taxes	32	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	24	Switzerland	6.7
2.12	Quality of telephone infrastructure	26	Sweden	6.9
2.13	Internet users	37	Norway	93.4
2.14	Broadband Internet subscriptions	33	Switzerland	38.2
2.15	Telephone lines	30	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	51	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	42	Denmark	0.0

(Cont'd.)

Turkey

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	24	■	3.3	Multiple (2)	0.0
2.19	Cost of closing a business	33	■	15.0	Multiple (4)	1.0
2.20	Time to start a business	8	■	6.0	Australia	2.0
2.21	Time to register property	7	■	6.0	Multiple (3)	2.0
2.22	Time to close a business	45	■	3.3	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	43	■	-0.4	Malaysia	10.9
3.02	External vulnerability indicator	31	■	167.4	Saudi Arabia	8.4
3.03	Current account balance to GDP	52	■	-4.9	Kuwait	32.8
3.04	Dollarization vulnerability indicator	42	■	88.3	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	21	■	40.4	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	49	■	2.3	Multiple (10)	0.0
3.08	Financial strengths indicator	38	■	3.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	22	■	5.4	Ireland	7.0
3.10	Financial Stress Index	13	■	-1.7	Austria	-3.9
3.11	Tier 1 capital ratio	16	■	12.5	Japan	23.9
3.12	Output loss during banking crises	47	■	81.8	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	46	■	10.3	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	47	■	9.3	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	54	■	3.7	Peru	6.7
3.16	Manageability of public debt	25	■	42.5	Russian Federation	9.1
3.17	Credit default swap spreads	39	■	225.5	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	43	■	51.2	Denmark	242.4
4.02	Central bank assets to GDP	22	■	1.5	Egypt	19.7
4.03	Financial system deposits to GDP	41	■	42.2	Hong Kong SAR	303.4
4.04	M2 to GDP	57	■	35.0	Hong Kong SAR	330.7
4.05	Private credit to GDP	46	■	36.0	Ireland	231.9
4.06	Bank deposits to GDP	44	■	42.1	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	16	■	4.1	Netherlands	6.1
4.09	Bank overhead costs	43	■	3.7	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	39	■	2.9	Japan	0.8
4.12	Nonperforming bank loans to total loans	31	■	4.9	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	22	■	60.5	Multiple (12)	100.0
4.14	Public credit registry coverage	13	■	23.8	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	19	■	0.8	China	35.4
5.02	IPO proceeds amount	22	■	0.2	Hong Kong SAR	3.7
5.03	Share of world IPOs	22	■	0.6	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

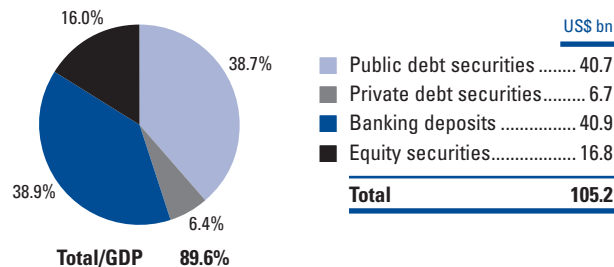
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	30	■	0.4	United States.....	34.0
5.05	M&A transaction value to GDP.....	48	■	1.4	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	38	■	0.3	United States.....	22.6
Insurance						
5.07	Life insurance density.....	50	■	0.2	Ireland.....	19.2
5.08	Non-life insurance density.....	45	■	1.0	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	25	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	43	■	0.1	India.....	53.6
5.11	Non-life insurance coverage.....	23	■	0.7	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	30	■	1.1	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	56	■	0.0	United States.....	4.8
5.14	Share of total number of securitization deals.....	49	■	0.0	United States.....	52.3
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.....	33.4
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.....	38	■	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.....	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.....	29	■	58.6	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	44	■	41.9	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	27	■	53.8	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	34	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	40	■	0.2	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	24	■	30.6	Poland.....	344.7
6.15	Private international bonds to GDP.....	49	■	1.5	Ireland.....	243.6
6.16	Public international bonds to GDP.....	22	■	5.9	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	28	■	5.0	United Kingdom.....	6.7
7.02	Venture capital availability.....	46	■	2.4	Israel.....	4.5
7.03	Ease of access to credit.....	3	■	4.6	Peru.....	4.8
7.04	Financing through local equity market.....	32	■	4.0	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	42	■	2.7	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	45	■	1.2	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	15	■	166,120.7	Japan.....	717,241.6
7.08	Commercial bank branches.....	25	■	17.8	Ireland.....	573
7.09	Total number of ATMs.....	32	■	44.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	5	■	3,232.8	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	23	■	0.6	Peru.....	110.0

Ukraine

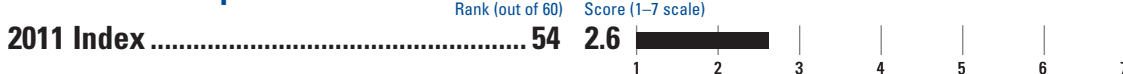
Key indicators

Population (millions), 2010.....	45.5
GDP (US\$ billions), 2010.....	136.4
GDP (current prices) per capita, 2010.....	2,999.6
GDP (PPP) as share (%) of world total, 2010	0.41
Compound annual growth rate of real GDP (%), 2006–2010..	-0.47

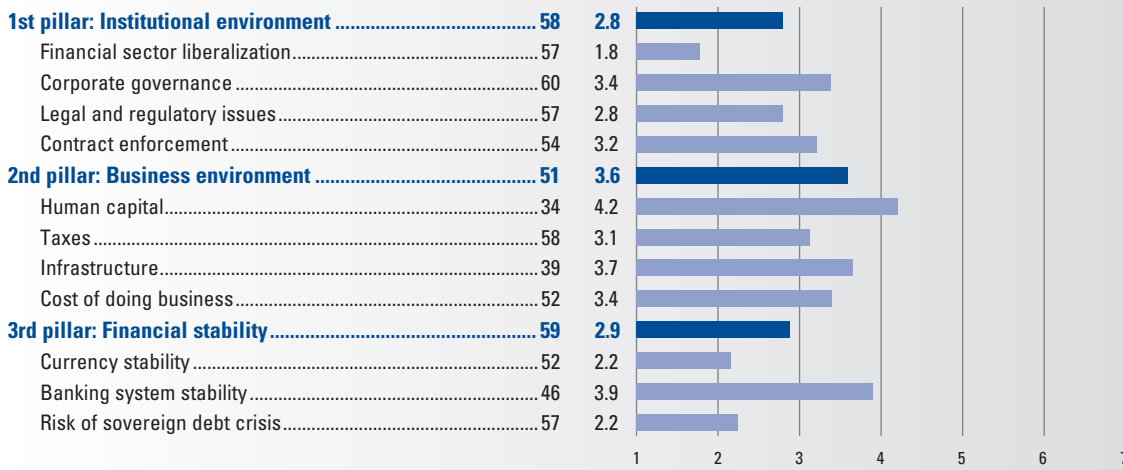
Financial assets by major type, 2009



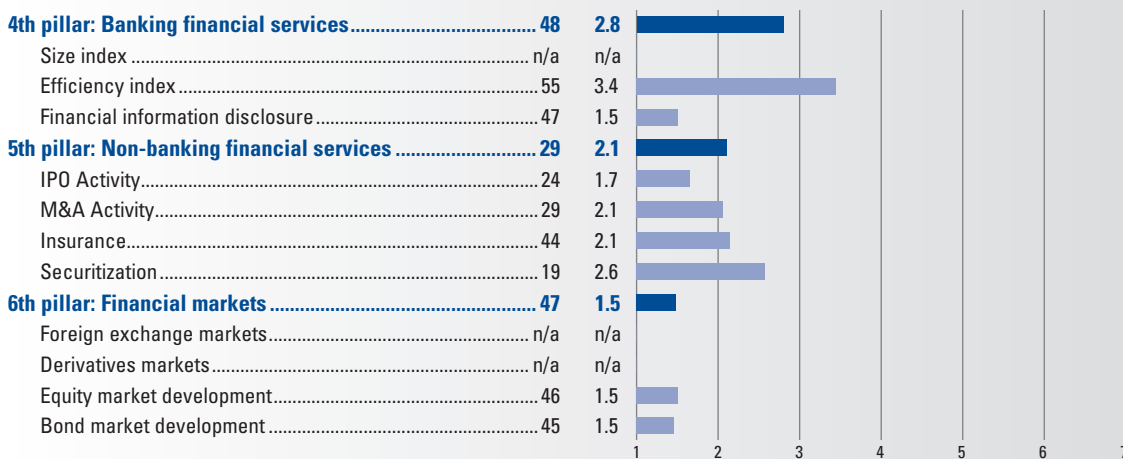
Financial Development Index 2011



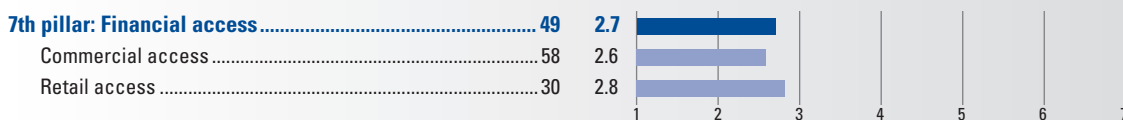
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	59	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	n/a	Turkey	83.5
1.03	Domestic financial sector liberalization	53	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	49	Singapore	5.2
1.05	Efficacy of corporate boards	51	Sweden	5.9
1.06	Reliance on professional management	60	Sweden	6.4
1.07	Willingness to delegate	57	Sweden	6.3
1.08	Strength of auditing and reporting standards	60	South Africa	6.5
1.09	Ethical behavior of firms	59	Denmark	6.7
1.10	Protection of minority shareholders' interests	60	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	54	Singapore	5.6
1.12	Centralization of economic policymaking	40	Switzerland	5.6
1.13	Regulation of securities exchanges	60	South Africa	6.4
1.14	Property rights	59	Finland	6.4
1.15	Intellectual property protection	54	Finland	6.2
1.16	Diversion of public funds	56	Denmark	6.5
1.17	Public trust in politicians	49	Singapore	6.4
1.18	Corruption perceptions index	54	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	40	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	58	Singapore	6.5
1.22	Judicial independence	59	Denmark	6.6
1.23	Irregular payments in judicial decisions	60	Denmark	6.8
1.24	Time to enforce a contract	9	Singapore	150.0
1.25	Number of procedures to enforce a contract	13	Multiple (2)	21.0
1.26	Strength of investor protection index	47	Singapore	9.3
1.27	Cost of enforcing contracts	55	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	57	Belgium	6.1
2.02	Quality of math and science education	21	Singapore	6.4
2.03	Extent of staff training	57	Switzerland	5.6
2.04	Local availability of specialized research and training services	53	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	55	Switzerland	5.6
2.06	Tertiary enrollment	4	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	56	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	58	Singapore	5.7
2.09	Marginal tax variation	48	Kuwait	-4.7
2.10	Time to pay taxes	56	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	38	Switzerland	6.7
2.12	Quality of telephone infrastructure	50	Sweden	6.9
2.13	Internet users	52	Norway	93.4
2.14	Broadband Internet subscriptions	36	Switzerland	38.2
2.15	Telephone lines	24	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	24	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	23	Denmark	0.0

(Cont'd.)

Ukraine

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment (cont'd.)						
2.18	Cost of registering property	28	■	3.9	Multiple (2)	0.0
2.19	Cost of closing a business	60	■	42.0	Multiple (4)	1.0
2.20	Time to start a business	42	■	24.0	Australia	2.0
2.21	Time to register property	57	■	117.0	Multiple (3)	2.0
2.22	Time to close a business	39	■	2.9	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	31	■	0.3	Malaysia	10.9
3.02	External vulnerability indicator	30	■	151.5	Saudi Arabia	8.4
3.03	Current account balance to GDP	45	■	-3.5	Kuwait	32.8
3.04	Dollarization vulnerability indicator	40	■	49.6	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	34	■	92.9	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	58	■	3.5	Multiple (10)	0.0
3.08	Financial strengths indicator	52	■	1.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	28	■	5.0	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	8	■	14.3	Japan	23.9
3.12	Output loss during banking crises	27	■	10.0	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	53	■	7.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	53	■	7.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	57	■	2.9	Peru	6.7
3.16	Manageability of public debt	26	■	42.7	Russian Federation	9.1
3.17	Credit default swap spreads	51	■	538.3	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	n/a		n/a	Denmark	242.4
4.02	Central bank assets to GDP	n/a		n/a	Egypt	19.7
4.03	Financial system deposits to GDP	n/a		n/a	Hong Kong SAR	303.4
4.04	M2 to GDP	39	■	55.1	Hong Kong SAR	330.7
4.05	Private credit to GDP	n/a		n/a	Ireland	231.9
4.06	Bank deposits to GDP	54	■	25.9	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	48	■	2.9	Netherlands	6.1
4.09	Bank overhead costs	41	■	3.5	Singapore	0.3
4.10	Public ownership of banks	39	■	16.9	Multiple (24)	0.0
4.11	Bank operating costs to assets	51	■	4.0	Japan	0.8
4.12	Nonperforming bank loans to total loans	54	■	41.6	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	39	■	17.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	30	■	0.3	China	35.4
5.02	IPO proceeds amount	15	■	0.3	Hong Kong SAR	3.7
5.03	Share of world IPOs	28	■	0.4	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

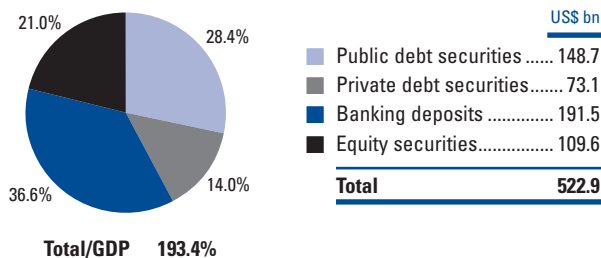
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	38	■	0.2	United States.....	34.0
5.05	M&A transaction value to GDP.....	23	■	4.0	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	25	■	0.7	United States.....	22.6
Insurance						
5.07	Life insurance density.....	57	■	0.1	Ireland.....	19.2
5.08	Non-life insurance density.....	31	■	1.7	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	53	■	-0.1	China.....	0.3
5.10	Life insurance coverage.....	49	■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	21	■	0.8	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	9	■	2.5	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	15	■	0.8	United States.....	4.8
5.14	Share of total number of securitization deals.....	13	■	1.1	United States.....	52.3
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.....	33.4
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.....	51	■	0.7	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	29	■	97.7	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	42	■	2.4	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	27	■	0.1	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	36	■	5.3	Ireland.....	243.6
6.16	Public international bonds to GDP.....	24	■	5.6	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	42	■	0.0	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	59	■	3.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	57	■	2.1	Israel.....	4.5
7.03	Ease of access to credit.....	58	■	2.3	Peru.....	4.8
7.04	Financing through local equity market.....	59	■	2.4	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	58	■	2.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	13	■	4.8	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	3	■	314,532.3	Japan.....	717,241.6
7.08	Commercial bank branches.....	51	■	2.7	Ireland.....	573
7.09	Total number of ATMs.....	17	■	71.3	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	29	■	187.2	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	25	■	0.4	Peru.....	110.0

United Arab Emirates

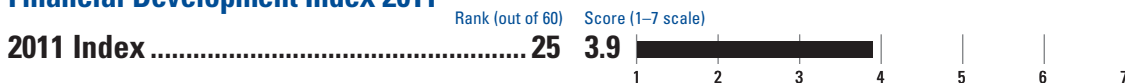
Key indicators

Population (millions), 2010.....	5.1
GDP (US\$ billions), 2010.....	301.9
GDP (current prices) per capita, 2010.....	59,716.9
GDP (PPP) as share (%) of world total, 2010	0.33
Compound annual growth rate of real GDP (%), 2006–2010....	2.33

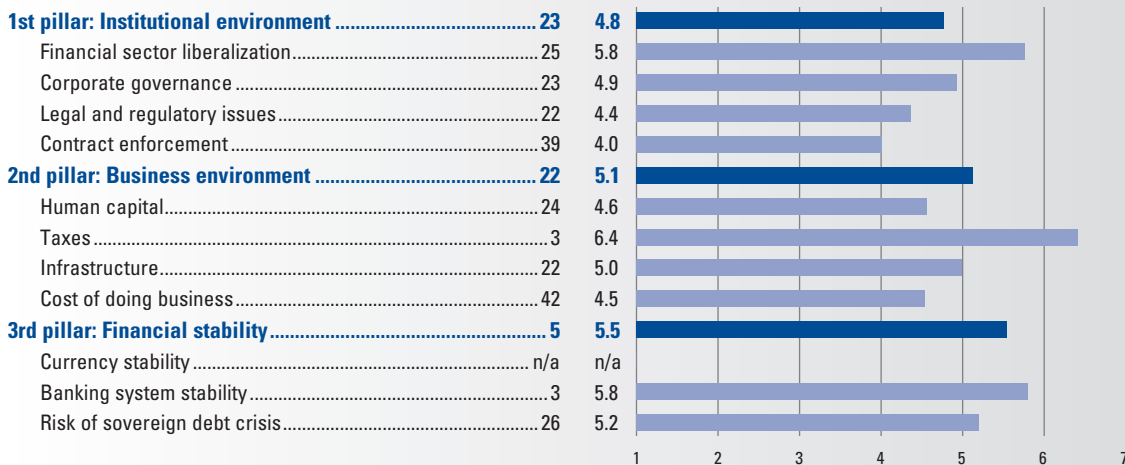
Financial assets by major type, 2009



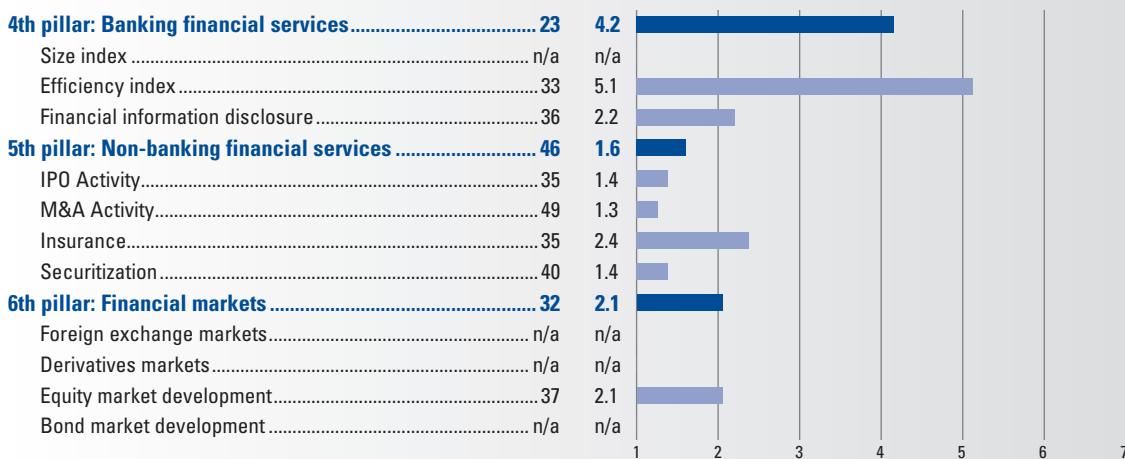
Financial Development Index 2011



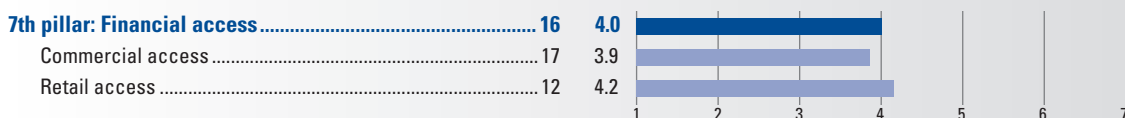
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

United Arab Emirates

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	24	Turkey	83.5
1.03	Domestic financial sector liberalization	32	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	12	Singapore	5.2
1.05	Efficacy of corporate boards	23	Sweden	5.9
1.06	Reliance on professional management	25	Sweden	6.4
1.07	Willingness to delegate	19	Sweden	6.3
1.08	Strength of auditing and reporting standards	24	South Africa	6.5
1.09	Ethical behavior of firms	18	Denmark	6.7
1.10	Protection of minority shareholders' interests	26	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	7	Singapore	5.6
1.12	Centralization of economic policymaking	10	Switzerland	5.6
1.13	Regulation of securities exchanges	21	South Africa	6.4
1.14	Property rights	30	Finland	6.4
1.15	Intellectual property protection	20	Finland	6.2
1.16	Diversion of public funds	17	Denmark	6.5
1.17	Public trust in politicians	5	Singapore	6.4
1.18	Corruption perceptions index	20	Multiple (2)	9.3
1.19	Strength of legal rights index	45	Multiple (5)	10.0
1.20	Central bank transparency	46	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	15	Singapore	6.5
1.22	Judicial independence	22	Denmark	6.6
1.23	Irregular payments in judicial decisions	18	Denmark	6.8
1.24	Time to enforce a contract	37	Singapore	150.0
1.25	Number of procedures to enforce a contract	59	Multiple (2)	21.0
1.26	Strength of investor protection index	53	Singapore	9.3
1.27	Cost of enforcing contracts	35	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	27	Belgium	6.1
2.02	Quality of math and science education	14	Singapore	6.4
2.03	Extent of staff training	20	Switzerland	5.6
2.04	Local availability of specialized research and training services	24	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	3	Switzerland	5.6
2.06	Tertiary enrollment	45	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	6	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	5	Singapore	5.7
2.09	Marginal tax variation	5	Kuwait	-4.7
2.10	Time to pay taxes	1	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	8	Switzerland	6.7
2.12	Quality of telephone infrastructure	29	Sweden	6.9
2.13	Internet users	16	Norway	93.4
2.14	Broadband Internet subscriptions	30	Switzerland	38.2
2.15	Telephone lines	38	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	9	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	32	Denmark	0.0

(Cont'd.)

United Arab Emirates

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	16	Multiple (2)	0.0
2.19	Cost of closing a business	56	Multiple (4)	1.0
2.20	Time to start a business	26	Australia	2.0
2.21	Time to register property	1	Multiple (3)	2.0
2.22	Time to close a business	57	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	n/a	Malaysia	10.9
3.02	External vulnerability indicator	35	Saudi Arabia	8.4
3.03	Current account balance to GDP	12	Kuwait	32.8
3.04	Dollarization vulnerability indicator	n/a	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	29	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	1	Multiple (10)	0.0
3.08	Financial strengths indicator	30	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	11	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	7	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	n/a	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	n/a	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	34	Peru	6.7
3.16	Manageability of public debt	34	Russian Federation	9.1
3.17	Credit default swap spreads	27	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	n/a	Denmark	242.4
4.02	Central bank assets to GDP	n/a	Egypt	19.7
4.03	Financial system deposits to GDP	n/a	Hong Kong SAR	303.4
4.04	M2 to GDP	29	Hong Kong SAR	330.7
4.05	Private credit to GDP	n/a	Ireland	231.9
4.06	Bank deposits to GDP	27	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	20	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	8	Netherlands	6.1
4.09	Bank overhead costs	10	Singapore	0.3
4.10	Public ownership of banks	58	Multiple (24)	0.0
4.11	Bank operating costs to assets	13	Japan	0.8
4.12	Nonperforming bank loans to total loans	37	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	34	Multiple (12)	100.0
4.14	Public credit registry coverage	16	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	29	China	35.4
5.02	IPO proceeds amount	30	Hong Kong SAR	3.7
5.03	Share of world IPOs	31	China	26.3

United Arab Emirates

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

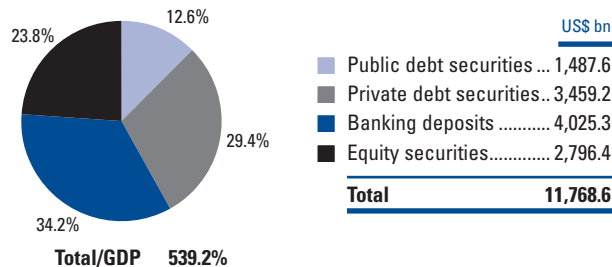
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....	43	United States.....	34.0
5.05	M&A transaction value to GDP.....	50	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	44	United States.....	22.6
Insurance				
5.07	Life insurance density.....	47	Ireland.....	19.2
5.08	Non-life insurance density.....	34	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	19	China.....	0.3
5.10	Life insurance coverage.....	54	India.....	53.6
5.11	Non-life insurance coverage.....	56	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	12	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....	38	United States.....	4.8
5.14	Share of total number of securitization deals.....	42	United States.....	52.3
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.....	33.4
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.....	34	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	16	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....	n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	21	Ireland.....	243.6
6.16	Public international bonds to GDP.....	30	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....	26	United Kingdom.....	6.7
7.02	Venture capital availability.....	11	Israel.....	4.5
7.03	Ease of access to credit.....	24	Peru.....	4.8
7.04	Financing through local equity market.....	27	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	8	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	43	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....	13	Japan.....	717,241.6
7.08	Commercial bank branches.....	19	Ireland.....	573
7.09	Total number of ATMs.....	12	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	n/a	Peru.....	110.0

United Kingdom

Key indicators

Population (millions), 2010.....	62.2
GDP (US\$ billions), 2010.....	2,247.5
GDP (current prices) per capita, 2010.....	36,119.8
GDP (PPP) as share (%) of world total, 2010	2.94
Compound annual growth rate of real GDP (%), 2006–2010..	-0.23

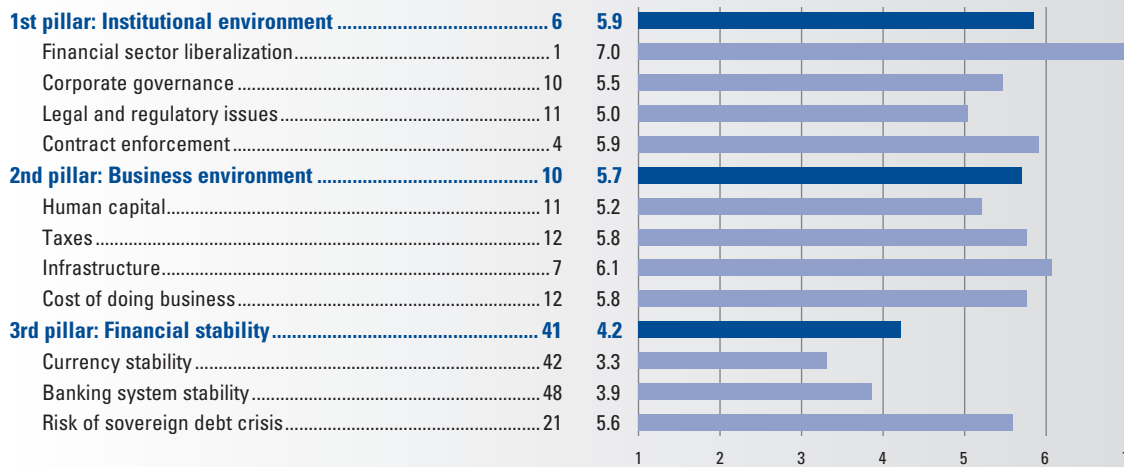
Financial assets by major type, 2009



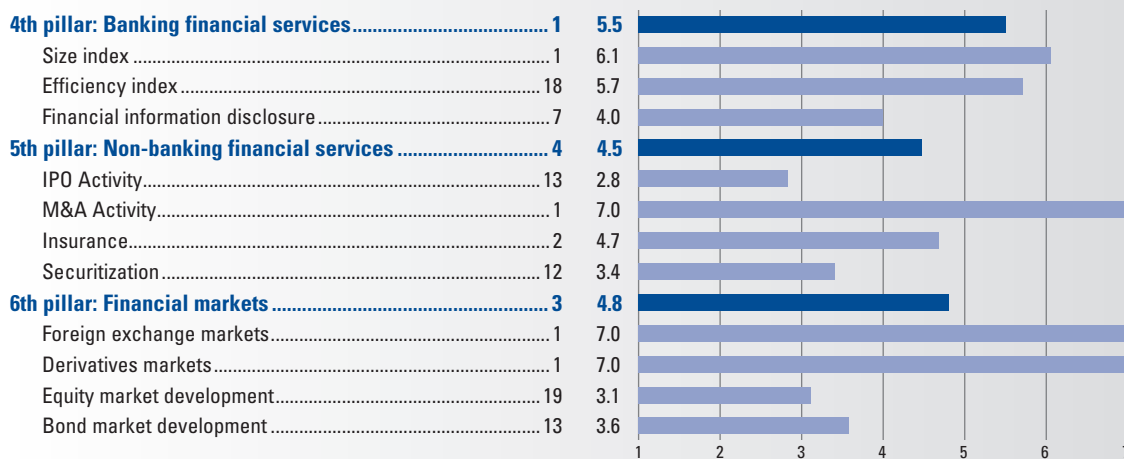
Financial Development Index 2011



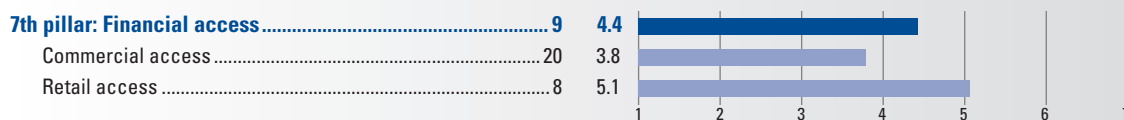
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

United Kingdom

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE	
1st pillar: Institutional environment					
Financial sector liberalization					
1.01	Capital account liberalization	1	2.5	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	1	73.9	Turkey	83.5
1.03	Domestic financial sector liberalization	1	1.0	Multiple (35)	1.0
Corporate governance					
1.04	Extent of incentive-based compensation	3	5.2	Singapore	5.2
1.05	Efficacy of corporate boards	10	5.3	Sweden	5.9
1.06	Reliance on professional management	5	6.0	Sweden	6.4
1.07	Willingness to delegate	13	4.8	Sweden	6.3
1.08	Strength of auditing and reporting standards	11	5.9	South Africa	6.5
1.09	Ethical behavior of firms	10	5.9	Denmark	6.7
1.10	Protection of minority shareholders' interests	14	5.2	Sweden	6.0
Legal and regulatory issues					
1.11	Burden of government regulation	33	3.1	Singapore	5.6
1.12	Centralization of economic policymaking	41	2.8	Switzerland	5.6
1.13	Regulation of securities exchanges	19	5.1	South Africa	6.4
1.14	Property rights	7	6.0	Finland	6.4
1.15	Intellectual property protection	9	5.7	Finland	6.2
1.16	Diversion of public funds	9	5.7	Denmark	6.5
1.17	Public trust in politicians	23	3.4	Singapore	6.4
1.18	Corruption perceptions index	15	7.6	Multiple (2)	9.3
1.19	Strength of legal rights index	1	10.0	Multiple (5)	10.0
1.20	Central bank transparency	2	12.5	Sweden	15.0
Contract enforcement					
1.21	Effectiveness of law-making bodies	9	5.0	Singapore	6.5
1.22	Judicial independence	10	6.2	Denmark	6.6
1.23	Irregular payments in judicial decisions	15	6.1	Denmark	6.8
1.24	Time to enforce a contract	18	399.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	8	28.0	Multiple (2)	21.0
1.26	Strength of investor protection index	9	8.0	Singapore	9.3
1.27	Cost of enforcing contracts	30	24.8	Norway	9.9
2nd pillar: Business environment					
Human capital					
2.01	Quality of management schools	2	6.0	Belgium	6.1
2.02	Quality of math and science education	25	4.5	Singapore	6.4
2.03	Extent of staff training	14	4.9	Switzerland	5.6
2.04	Local availability of specialized research and training services	7	5.8	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	4	5.0	Switzerland	5.6
2.06	Tertiary enrollment	25	57.4	Korea, Rep.	98.1
Taxes					
2.07	Irregular payments in tax collection	20	6.0	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	16	4.5	Singapore	5.7
2.09	Marginal tax variation	25	4.9	Kuwait	-4.7
2.10	Time to pay taxes	11	110.0	United Arab Emirates	12.0
Infrastructure					
2.11	Quality of overall infrastructure	21	5.6	Switzerland	6.7
2.12	Quality of telephone infrastructure	18	6.6	Sweden	6.9
2.13	Internet users	6	85.0	Norway	93.4
2.14	Broadband Internet subscriptions	10	31.4	Switzerland	38.2
2.15	Telephone lines	6	53.7	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	15	130.2	Hong Kong SAR	190.2
Cost of doing business					
2.17	Cost of starting a business	6	0.7	Denmark	0.0

(Cont'd.)

United Kingdom

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	35	Multiple (2)	0.0
2.19	Cost of closing a business	14	Multiple (4)	1.0
2.20	Time to start a business	26	Australia	2.0
2.21	Time to register property	29	Multiple (3)	2.0
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)	52	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	37	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	9	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	38	Multiple (10)	0.0
3.08	Financial strengths indicator	21	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	36	Ireland	7.0
3.10	Financial Stress Index	35	Austria	-3.9
3.11	Tier 1 capital ratio	17	Japan	23.9
3.12	Output loss during banking crises	40	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	1	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	1	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	41	Peru	6.7
3.16	Manageability of public debt	50	Russian Federation	9.1
3.17	Credit default swap spreads	8	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	5	Denmark	242.4
4.02	Central bank assets to GDP	21	Egypt	19.7
4.03	Financial system deposits to GDP	3	Hong Kong SAR	303.4
4.04	M2 to GDP	6	Hong Kong SAR	330.7
4.05	Private credit to GDP	6	Ireland	231.9
4.06	Bank deposits to GDP	3	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	4	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	34	Netherlands	6.1
4.09	Bank overhead costs	4	Singapore	0.3
4.10	Public ownership of banks	43	Multiple (24)	0.0
4.11	Bank operating costs to assets	15	Japan	0.8
4.12	Nonperforming bank loans to total loans	24	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	8	China	35.4
5.02	IPO proceeds amount	29	Hong Kong SAR	3.7
5.03	Share of world IPOs	9	China	26.3

United Kingdom

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

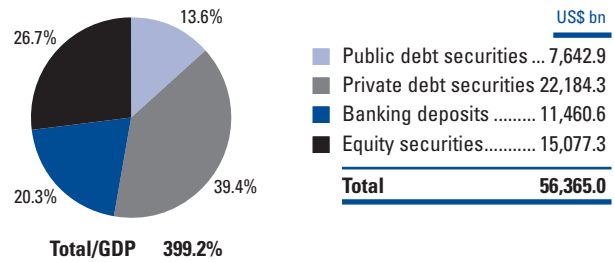
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....2	■ 9.0	United States.....	34.0
5.05	M&A transaction value to GDP.....2	■ 10.3	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....4	■ 6.8	United States.....	22.6
Insurance				
5.07	Life insurance density.....4	■ 9.5	Ireland.....	19.2
5.08	Non-life insurance density.....5	■ 4.3	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....49	■ 0.0	China.....	0.3
5.10	Life insurance coverage.....6	■ 5.9	India.....	53.6
5.11	Non-life insurance coverage.....8	■ 2.7	China.....	16.3
5.12	Relative value-added of insurance to GDP.....16	■ 1.7	Bahrain.....	5.9
Securitization				
5.13	Securitization to GDP.....12	■ 1.3	United States.....	4.8
5.14	Share of total number of securitization deals.....10	■ 1.3	United States.....	52.3
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	■ 33.4	United Kingdom.....	33.4
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.....n/a	n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....22	■ 132.2	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....n/a	n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....15	■ 0.3	Canada.....	1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....26	■ 15.3	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....10	■ 56.1	Poland.....	344.7
6.15	Private international bonds to GDP.....3	■ 137.2	Ireland.....	243.6
6.16	Public international bonds to GDP.....29	■ 3.3	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....18	■ 0.7	Singapore.....	3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....1	■ 6.7	United Kingdom.....	6.7
7.02	Venture capital availability.....19	■ 3.4	Israel.....	4.5
7.03	Ease of access to credit.....50	■ 2.8	Peru.....	4.8
7.04	Financing through local equity market.....16	■ 4.6	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....34	■ 3.0	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....28	■ 2.0	Hong Kong SAR.....	30.6
Retail access				
7.07	Market penetration of bank accounts.....4	■ 292,325.4	Japan.....	717,241.6
7.08	Commercial bank branches.....20	■ 20.7	Ireland.....	573
7.09	Total number of ATMs.....6	■ 122.8	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....10	■ 2,330.7	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....n/a	n/a	Peru.....	110.0

United States

Key indicators

Population (millions), 2010.....	310.0
GDP (US\$ billions), 2010.....	14,657.8
GDP (current prices) per capita, 2010.....	47,283.6
GDP (PPP) as share (%) of world total, 2010	19.74
Compound annual growth rate of real GDP (%), 2006–2010....	0.41

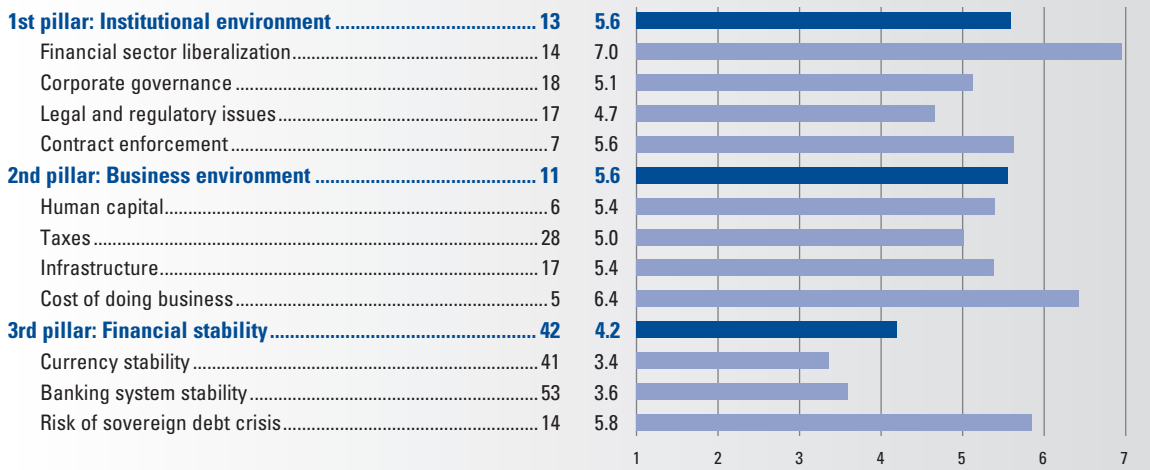
Financial assets by major type, 2009



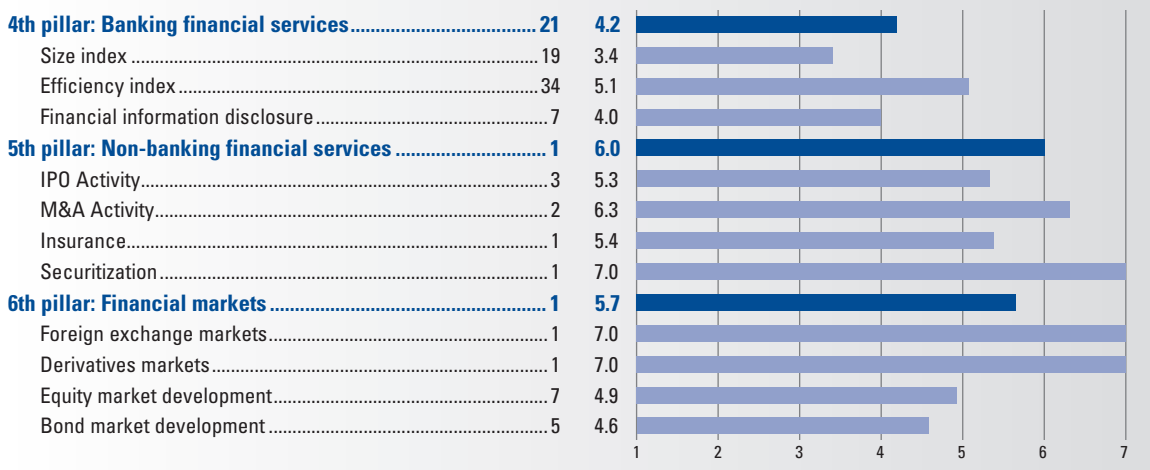
Financial Development Index 2011



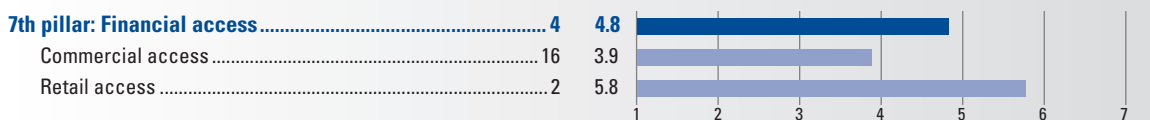
Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	16	Turkey	83.5
1.03	Domestic financial sector liberalization	1	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	5	Singapore	5.2
1.05	Efficacy of corporate boards	21	Sweden	5.9
1.06	Reliance on professional management	15	Sweden	6.4
1.07	Willingness to delegate	8	Sweden	6.3
1.08	Strength of auditing and reporting standards	25	South Africa	6.5
1.09	Ethical behavior of firms	22	Denmark	6.7
1.10	Protection of minority shareholders' interests	22	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	22	Singapore	5.6
1.12	Centralization of economic policymaking	12	Switzerland	5.6
1.13	Regulation of securities exchanges	31	South Africa	6.4
1.14	Property rights	24	Finland	6.4
1.15	Intellectual property protection	21	Finland	6.2
1.16	Diversion of public funds	23	Denmark	6.5
1.17	Public trust in politicians	27	Singapore	6.4
1.18	Corruption perceptions index	17	Multiple (2)	9.3
1.19	Strength of legal rights index	6	Multiple (5)	10.0
1.20	Central bank transparency	15	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	30	Singapore	6.5
1.22	Judicial independence	24	Denmark	6.6
1.23	Irregular payments in judicial decisions	27	Denmark	6.8
1.24	Time to enforce a contract	7	Singapore	150.0
1.25	Number of procedures to enforce a contract	20	Multiple (2)	21.0
1.26	Strength of investor protection index	4	Singapore	9.3
1.27	Cost of enforcing contracts	9	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	10	Belgium	6.1
2.02	Quality of math and science education	30	Singapore	6.4
2.03	Extent of staff training	11	Switzerland	5.6
2.04	Local availability of specialized research and training services	11	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	6	Switzerland	5.6
2.06	Tertiary enrollment	3	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	30	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	51	Singapore	5.7
2.09	Marginal tax variation	31	Kuwait	-4.7
2.10	Time to pay taxes	24	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	19	Switzerland	6.7
2.12	Quality of telephone infrastructure	32	Sweden	6.9
2.13	Internet users	15	Norway	93.4
2.14	Broadband Internet subscriptions	15	Switzerland	38.2
2.15	Telephone lines	9	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	48	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	14	Denmark	0.0

(Cont'd.)

United States

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
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	8	Australia	2.0
2.21	Time to register property	12	Multiple (3)	2.0
2.22	Time to close a business	17	Ireland	0.4
3rd pillar: Financial stability				
Currency stability				
3.01	Change in real effective exchange rate (REER)	49	Malaysia	10.9
3.02	External vulnerability indicator	n/a	Saudi Arabia	8.4
3.03	Current account balance to GDP	46	Kuwait	32.8
3.04	Dollarization vulnerability indicator	1	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	n/a	China	8.7
3.06	Net international investment position to GDP (advanced economies)	11	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	55	Multiple (10)	0.0
3.08	Financial strengths indicator	5	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	26	Ireland	7.0
3.10	Financial Stress Index	37	Austria	-3.9
3.11	Tier 1 capital ratio	39	Japan	23.9
3.12	Output loss during banking crises	41	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	15	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	15	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	18	Peru	6.7
3.16	Manageability of public debt	46	Russian Federation	9.1
3.17	Credit default swap spreads	1	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	33	Denmark	242.4
4.02	Central bank assets to GDP	10	Egypt	19.7
4.03	Financial system deposits to GDP	20	Hong Kong SAR	303.4
4.04	M2 to GDP	36	Hong Kong SAR	330.7
4.05	Private credit to GDP	3	Ireland	231.9
4.06	Bank deposits to GDP	22	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	16	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	47	Netherlands	6.1
4.09	Bank overhead costs	42	Singapore	0.3
4.10	Public ownership of banks	1	Multiple (24)	0.0
4.11	Bank operating costs to assets	30	Japan	0.8
4.12	Nonperforming bank loans to total loans	35	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	1	Multiple (12)	100.0
4.14	Public credit registry coverage	26	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	2	China	35.4
5.02	IPO proceeds amount	17	Hong Kong SAR	3.7
5.03	Share of world IPOs	3	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

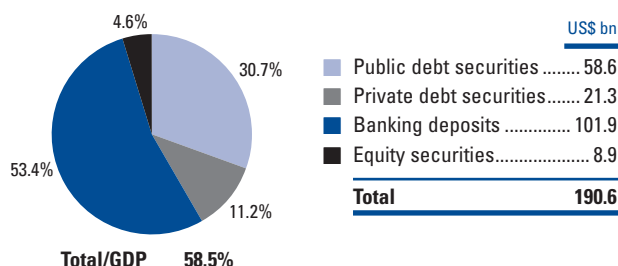
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
5th pillar: Non-banking financial services (cont'd.)				
M&A activity				
5.04	M&A market share.....1	■	34.0	United States..... 34.0
5.05	M&A transaction value to GDP.....12	■	6.4	Hong Kong SAR.....10.4
5.06	Share of total number of M&A deals.....1	■	22.6	United States..... 22.6
Insurance				
5.07	Life insurance density.....17	■	3.5	Ireland..... 19.2
5.08	Non-life insurance density.....2	■	4.5	Netherlands..... 9.2
5.09	Real growth of direct insurance premiums.....40	■	0.0	China.....0.3
5.10	Life insurance coverage.....3	■	10.7	India..... 53.6
5.11	Non-life insurance coverage.....2	■	14.0	China.....16.3
5.12	Relative value-added of insurance to GDP.....6	■	2.9	Bahrain..... 5.9
Securitization				
5.13	Securitization to GDP.....1	■	4.8	United States..... 4.8
5.14	Share of total number of securitization deals.....1	■	52.3	United States..... 52.3
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..... 33.4
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	■	28.4	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	■	350.9	Italy..... 579.3
6.10	Stock market capitalization to GDP.....15	■	152.3	Hong Kong SAR..... 742.5
6.11	Stock market value traded to GDP.....3	■	484.1	Switzerland..... 673.1
6.12	Number of listed companies per 10,000 people.....19	■	0.2	Canada..... 1.2
Bond market development				
6.13	Private domestic bond market capitalization to GDP.....4	■	101.0	Denmark..... 185.9
6.14	Public domestic bond market capitalization to GDP.....6	■	70.1	Poland..... 344.7
6.15	Private international bonds to GDP.....13	■	47.2	Ireland..... 243.6
6.16	Public international bonds to GDP.....51	■	0.1	Poland.....102.2
6.17	Local currency corporate bond issuance to GDP.....5	■	2.0	Singapore..... 3.0
7th pillar: Financial access				
Commercial access				
7.01	Financial market sophistication.....14	■	6.0	United Kingdom..... 6.7
7.02	Venture capital availability.....10	■	4.0	Israel..... 4.5
7.03	Ease of access to credit.....34	■	3.4	Peru..... 4.8
7.04	Financing through local equity market.....21	■	4.3	Hong Kong SAR..... 5.4
7.05	Ease of access to loans.....17	■	3.7	Bahrain..... 5.0
7.06	Foreign direct investment to GDP.....39	■	1.6	Hong Kong SAR..... 30.6
Retail access				
7.07	Market penetration of bank accounts.....10	■	202,189.2	Japan..... 717,241.6
7.08	Commercial bank branches.....7	■	36.3	Ireland..... 573
7.09	Total number of ATMs.....2	■	175.7	Canada..... 218.5
7.10	Total number of point of sale (POS) devices.....n/a	■	n/a	South Africa..... 89,086.8
7.11	Loan accounts at MFIs.....n/a	■	n/a	Peru..... 110.0

Venezuela

Key indicators

Population (millions), 2010.....	29.2
GDP (US\$ billions), 2010.....	290.7
GDP (current prices) per capita, 2010.....	9,960.4
GDP (PPP) as share (%) of world total, 2010	0.47
Compound annual growth rate of real GDP (%), 2006–2010....	1.46

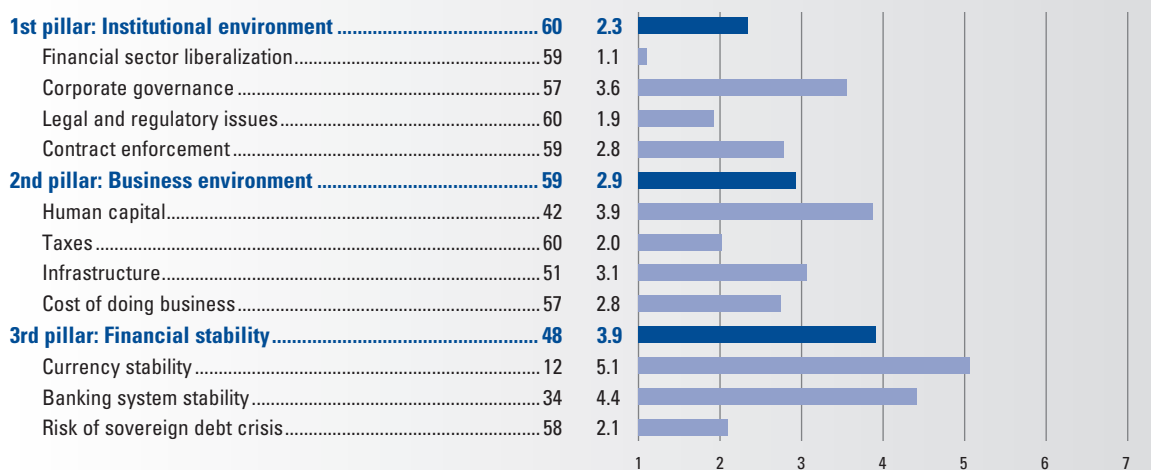
Financial assets by major type, 2009



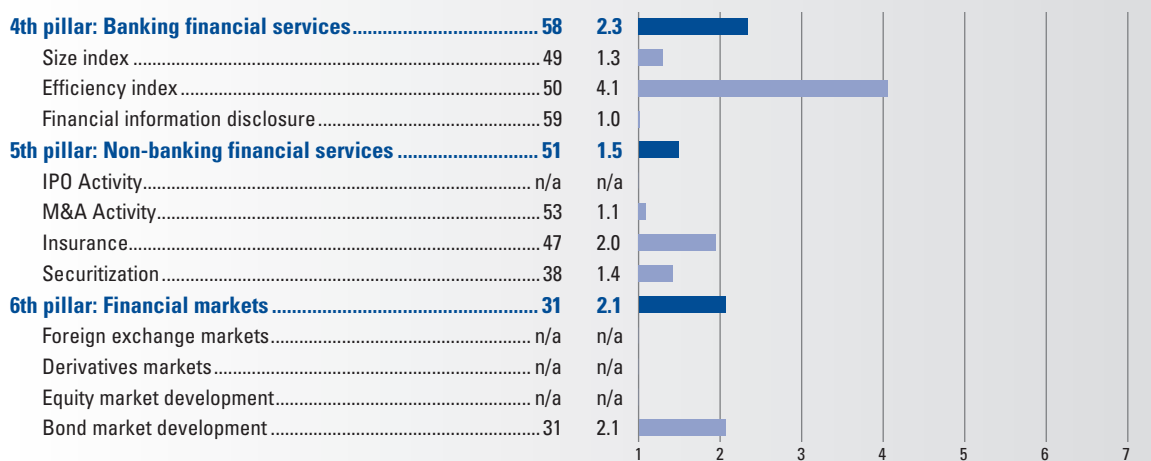
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
1st pillar: Institutional environment				
Financial sector liberalization				
1.01	Capital account liberalization	59	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	51	Turkey	83.5
1.03	Domestic financial sector liberalization	55	Multiple (35)	1.0
Corporate governance				
1.04	Extent of incentive-based compensation	55	Singapore	5.2
1.05	Efficacy of corporate boards	59	Sweden	5.9
1.06	Reliance on professional management	47	Sweden	6.4
1.07	Willingness to delegate	55	Sweden	6.3
1.08	Strength of auditing and reporting standards	53	South Africa	6.5
1.09	Ethical behavior of firms	60	Denmark	6.7
1.10	Protection of minority shareholders' interests	58	Sweden	6.0
Legal and regulatory issues				
1.11	Burden of government regulation	58	Singapore	5.6
1.12	Centralization of economic policymaking	60	Switzerland	5.6
1.13	Regulation of securities exchanges	39	South Africa	6.4
1.14	Property rights	60	Finland	6.4
1.15	Intellectual property protection	60	Finland	6.2
1.16	Diversion of public funds	60	Denmark	6.5
1.17	Public trust in politicians	60	Singapore	6.4
1.18	Corruption perceptions index	60	Multiple (2)	9.3
1.19	Strength of legal rights index	60	Multiple (5)	10.0
1.20	Central bank transparency	n/a	Sweden	15.0
Contract enforcement				
1.21	Effectiveness of law-making bodies	60	Singapore	6.5
1.22	Judicial independence	60	Denmark	6.6
1.23	Irregular payments in judicial decisions	59	Denmark	6.8
1.24	Time to enforce a contract	32	Singapore	150.0
1.25	Number of procedures to enforce a contract	13	Multiple (2)	21.0
1.26	Strength of investor protection index	60	Singapore	9.3
1.27	Cost of enforcing contracts	56	Norway	9.9
2nd pillar: Business environment				
Human capital				
2.01	Quality of management schools	39	Belgium	6.1
2.02	Quality of math and science education	52	Singapore	6.4
2.03	Extent of staff training	50	Switzerland	5.6
2.04	Local availability of specialized research and training services	58	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	60	Switzerland	5.6
2.06	Tertiary enrollment	5	Korea, Rep.	98.1
Taxes				
2.07	Irregular payments in tax collection	52	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	59	Singapore	5.7
2.09	Marginal tax variation	57	Kuwait	-4.7
2.10	Time to pay taxes	57	United Arab Emirates	12.0
Infrastructure				
2.11	Quality of overall infrastructure	58	Switzerland	6.7
2.12	Quality of telephone infrastructure	60	Sweden	6.9
2.13	Internet users	43	Norway	93.4
2.14	Broadband Internet subscriptions	42	Switzerland	38.2
2.15	Telephone lines	28	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	44	Hong Kong SAR	190.2
Cost of doing business				
2.17	Cost of starting a business	56	Denmark	0.0

(Cont'd.)

Venezuela

Financial Development Index in detail *(cont'd.)*

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
2nd pillar: Business environment <i>(cont'd.)</i>						
2.18	Cost of registering property	19	■	2.5	Multiple (2)	0.0
2.19	Cost of closing a business	58	■	38.0	Multiple (4)	1.0
2.20	Time to start a business	60	■	141.0	Australia	2.0
2.21	Time to register property	36	■	38.0	Multiple (3)	2.0
2.22	Time to close a business	47	■	4.0	Ireland	0.4
3rd pillar: Financial stability						
Currency stability						
3.01	Change in real effective exchange rate (REER)	4	■	6.8	Malaysia	10.9
3.02	External vulnerability indicator	34	■	207.7	Saudi Arabia	8.4
3.03	Current account balance to GDP	11	■	6.5	Kuwait	32.8
3.04	Dollarization vulnerability indicator	24	■	0.6	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	18	■	36.1	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a		n/a	Hong Kong SAR	308.6
Banking system stability						
3.07	Frequency of banking crises	22	■	1.3	Multiple (10)	0.0
3.08	Financial strengths indicator	52	■	1.0	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a		n/a	Ireland	7.0
3.10	Financial Stress Index	n/a		n/a	Austria	-3.9
3.11	Tier 1 capital ratio	n/a		n/a	Japan	23.9
3.12	Output loss during banking crises	24	■	1.5	Multiple (22)	0.0
Risk of sovereign debt crisis						
3.13	Local currency sovereign rating	53	■	7.0	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	53	■	7.0	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	60	■	1.1	Peru	6.7
3.16	Manageability of public debt	11	■	24.9	Russian Federation	9.1
3.17	Credit default swap spreads	55	■	1,084.1	United States	36.7
4th pillar: Banking financial services						
Size index						
4.01	Deposit money bank assets to GDP	49	■	38.2	Denmark	242.4
4.02	Central bank assets to GDP	33	■	0.4	Egypt	19.7
4.03	Financial system deposits to GDP	46	■	36.4	Hong Kong SAR	303.4
4.04	M2 to GDP	59	■	33.8	Hong Kong SAR	330.7
4.05	Private credit to GDP	42	■	38.1	Ireland	231.9
4.06	Bank deposits to GDP	47	■	38.9	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	■	0.0	Ireland	39.1
Efficiency index						
4.08	Aggregate profitability indicator	50	■	2.7	Netherlands	6.1
4.09	Bank overhead costs	51	■	5.3	Singapore	0.3
4.10	Public ownership of banks	1	■	0.0	Multiple (24)	0.0
4.11	Bank operating costs to assets	56	■	5.7	Japan	0.8
4.12	Nonperforming bank loans to total loans	27	■	3.8	Switzerland	0.4
Financial information disclosure						
4.13	Private credit bureau coverage	50	■	0.0	Multiple (12)	100.0
4.14	Public credit registry coverage	26	■	0.0	China	82.5
5th pillar: Non-banking financial services						
IPO activity						
5.01	IPO market share	n/a		n/a	China	35.4
5.02	IPO proceeds amount	n/a		n/a	Hong Kong SAR	3.7
5.03	Share of world IPOs	n/a		n/a	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

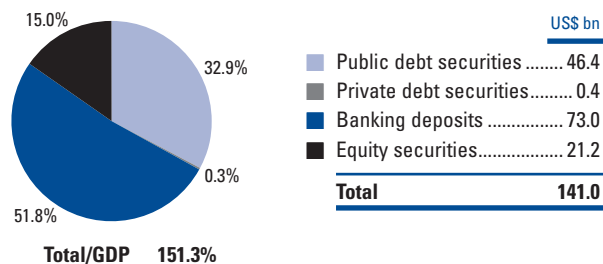
INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	47	■	0.1	United States.....	34.0
5.05	M&A transaction value to GDP.....	53	■	0.8	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	53	■	0.1	United States.....	22.6
Insurance						
5.07	Life insurance density.....	53	■	0.1	Ireland.....	19.2
5.08	Non-life insurance density.....	18	■	2.7	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	45	■	0.0	China.....	0.3
5.10	Life insurance coverage.....	50	■	0.0	India.....	53.6
5.11	Non-life insurance coverage.....	20	■	0.8	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	57	■	0.1	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	35	■	0.4	United States.....	4.8
5.14	Share of total number of securitization deals.....	50	■	0.0	United States.....	52.3
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.....	33.4
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.....	n/a		n/a	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	n/a		n/a	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	n/a		n/a	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	44	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	36	■	1.9	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	23	■	31.2	Poland.....	344.7
6.15	Private international bonds to GDP.....	32	■	5.8	Ireland.....	243.6
6.16	Public international bonds to GDP.....	12	■	10.5	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	n/a		n/a	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	56	■	3.5	United Kingdom.....	6.7
7.02	Venture capital availability.....	56	■	2.1	Israel.....	4.5
7.03	Ease of access to credit.....	48	■	2.9	Peru.....	4.8
7.04	Financing through local equity market.....	60	■	1.9	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	52	■	2.3	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	57	■	-0.5	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	19	■	124,638.9	Japan.....	717,241.6
7.08	Commercial bank branches.....	54	■	0.0	Ireland.....	573
7.09	Total number of ATMs.....	39	■	28.2	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	20	■	1.4	Peru.....	110.0

Vietnam

Key indicators

Population (millions), 2010.....	88.3
GDP (US\$ billions), 2010.....	103.6
GDP (current prices) per capita, 2010.....	1,173.5
GDP (PPP) as share (%) of world total, 2010	0.37
Compound annual growth rate of real GDP (%), 2006–2010....	5.33

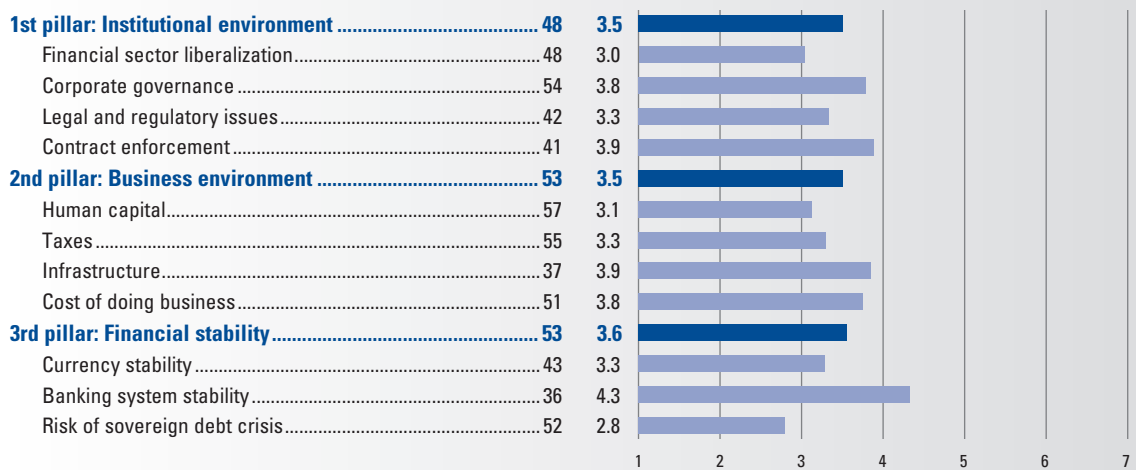
Financial assets by major type, 2009



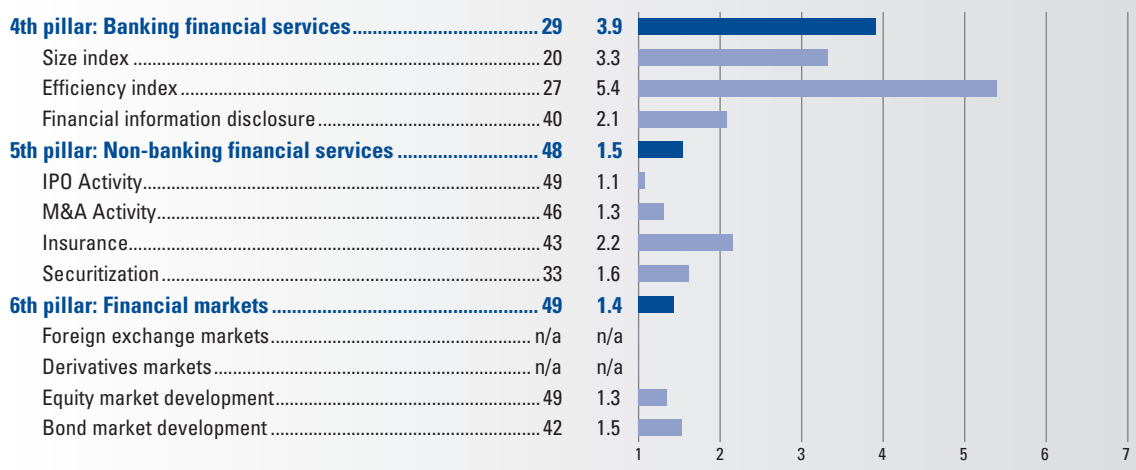
Financial Development Index 2011



Factors, policies, and institutions



Financial intermediation



Financial access



INPUTS

OUTPUTS

Financial Development Index in detail

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
1st pillar: Institutional environment						
Financial sector liberalization						
1.01	Capital account liberalization	44	■	-0.1	Multiple (28)	2.5
1.02	Commitments to WTO agreement on trade in services	36	■	52.3	Turkey	83.5
1.03	Domestic financial sector liberalization	50	■	2.0	Multiple (35)	1.0
Corporate governance						
1.04	Extent of incentive-based compensation	47	■	3.9	Singapore	5.2
1.05	Efficacy of corporate boards	49	■	4.2	Sweden	5.9
1.06	Reliance on professional management	51	■	3.8	Sweden	6.4
1.07	Willingness to delegate	50	■	3.4	Sweden	6.3
1.08	Strength of auditing and reporting standards	59	■	3.6	South Africa	6.5
1.09	Ethical behavior of firms	46	■	3.6	Denmark	6.7
1.10	Protection of minority shareholders' interests	43	■	4.1	Sweden	6.0
Legal and regulatory issues						
1.11	Burden of government regulation	44	■	2.7	Singapore	5.6
1.12	Centralization of economic policymaking	22	■	3.5	Switzerland	5.6
1.13	Regulation of securities exchanges	57	■	3.6	South Africa	6.4
1.14	Property rights	49	■	3.7	Finland	6.4
1.15	Intellectual property protection	57	■	2.5	Finland	6.2
1.16	Diversion of public funds	34	■	3.4	Denmark	6.5
1.17	Public trust in politicians	19	■	3.7	Singapore	6.4
1.18	Corruption perceptions index	52	■	2.7	Multiple (2)	9.3
1.19	Strength of legal rights index	16	■	8.0	Multiple (5)	10.0
1.20	Central bank transparency	n/a		n/a	Sweden	15.0
Contract enforcement						
1.21	Effectiveness of law-making bodies	29	■	4.0	Singapore	6.5
1.22	Judicial independence	45	■	3.6	Denmark	6.6
1.23	Irregular payments in judicial decisions	54	■	2.9	Denmark	6.8
1.24	Time to enforce a contract	6	■	295.0	Singapore	150.0
1.25	Number of procedures to enforce a contract	25	■	34.0	Multiple (2)	21.0
1.26	Strength of investor protection index	58	■	3.0	Singapore	9.3
1.27	Cost of enforcing contracts	41	■	28.5	Norway	9.9
2nd pillar: Business environment						
Human capital						
2.01	Quality of management schools	59	■	3.3	Belgium	6.1
2.02	Quality of math and science education	33	■	4.2	Singapore	6.4
2.03	Extent of staff training	54	■	3.5	Switzerland	5.6
2.04	Local availability of specialized research and training services	59	■	3.1	Switzerland	6.4
2.05	Brain drain and ease of hiring foreign labor	42	■	3.6	Switzerland	5.6
2.06	Tertiary enrollment	56	■	9.7	Korea, Rep.	98.1
Taxes						
2.07	Irregular payments in tax collection	53	■	3.3	Denmark	6.8
2.08	Distortive effect of taxes and subsidies on competition	42	■	3.8	Singapore	5.7
2.09	Marginal tax variation	33	■	7.8	Kuwait	-4.7
2.10	Time to pay taxes	59	■	941.0	United Arab Emirates	12.0
Infrastructure						
2.11	Quality of overall infrastructure	56	■	3.1	Switzerland	6.7
2.12	Quality of telephone infrastructure	39	■	6.1	Sweden	6.9
2.13	Internet users	49	■	27.6	Norway	93.4
2.14	Broadband Internet subscriptions	45	■	4.1	Switzerland	38.2
2.15	Telephone lines	39	■	18.7	Hong Kong SAR	61.6
2.16	Mobile telephone subscriptions	4	■	175.3	Hong Kong SAR	190.2
Cost of doing business						
2.17	Cost of starting a business	41	■	10.6	Denmark	0.0

(Cont'd.)

Vietnam

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE
2nd pillar: Business environment (cont'd.)				
2.18	Cost of registering property	8	Multiple (2)	0.0
2.19	Cost of closing a business	33	Multiple (4)	1.0
2.20	Time to start a business	57	Australia	2.0
2.21	Time to register property	49	Multiple (3)	2.0
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	Malaysia	10.9
3.02	External vulnerability indicator	18	Saudi Arabia	8.4
3.03	Current account balance to GDP	58	Kuwait	32.8
3.04	Dollarization vulnerability indicator	43	Multiple (23)	0.0
3.05	External debt to GDP (developing economies)	20	China	8.7
3.06	Net international investment position to GDP (advanced economies)	n/a	Hong Kong SAR	308.6
Banking system stability				
3.07	Frequency of banking crises	30	Multiple (10)	0.0
3.08	Financial strengths indicator	52	Multiple (3)	9.0
3.09	Aggregate measure of real estate bubbles	n/a	Ireland	7.0
3.10	Financial Stress Index	n/a	Austria	-3.9
3.11	Tier 1 capital ratio	n/a	Japan	23.9
3.12	Output loss during banking crises	1	Multiple (22)	0.0
Risk of sovereign debt crisis				
3.13	Local currency sovereign rating	52	Multiple (14)	20.0
3.14	Foreign currency sovereign rating	52	Multiple (14)	20.0
3.15	Aggregate macroeconomic indicator	52	Peru	6.7
3.16	Manageability of public debt	41	Russian Federation	9.1
3.17	Credit default swap spreads	47	United States	36.7
4th pillar: Banking financial services				
Size index				
4.01	Deposit money bank assets to GDP	15	Denmark	242.4
4.02	Central bank assets to GDP	28	Egypt	19.7
4.03	Financial system deposits to GDP	16	Hong Kong SAR	303.4
4.04	M2 to GDP	10	Hong Kong SAR	330.7
4.05	Private credit to GDP	16	Ireland	231.9
4.06	Bank deposits to GDP	18	Hong Kong SAR	313.1
4.07	Money market instruments to GDP	28	Ireland	39.1
Efficiency index				
4.08	Aggregate profitability indicator	12	Netherlands	6.1
4.09	Bank overhead costs	2	Singapore	0.3
4.10	Public ownership of banks	51	Multiple (24)	0.0
4.11	Bank operating costs to assets	20	Japan	0.8
4.12	Nonperforming bank loans to total loans	n/a	Switzerland	0.4
Financial information disclosure				
4.13	Private credit bureau coverage	50	Multiple (12)	100.0
4.14	Public credit registry coverage	10	China	82.5
5th pillar: Non-banking financial services				
IPO activity				
5.01	IPO market share	49	China	35.4
5.02	IPO proceeds amount	43	Hong Kong SAR	3.7
5.03	Share of world IPOs	45	China	26.3

Financial Development Index in detail (cont'd.)

■ Development Advantage ■ Development Disadvantage

INDICATOR	RANK/60	VALUE	BEST PERFORMER	VALUE		
5th pillar: Non-banking financial services (cont'd.)						
M&A activity						
5.04	M&A market share.....	49	■	0.1	United States.....	34.0
5.05	M&A transaction value to GDP.....	47	■	1.5	Hong Kong SAR.....	10.4
5.06	Share of total number of M&A deals.....	34	■	0.3	United States.....	22.6
Insurance						
5.07	Life insurance density.....	40	■	0.7	Ireland.....	19.2
5.08	Non-life insurance density.....	48	■	0.9	Netherlands.....	9.2
5.09	Real growth of direct insurance premiums.....	8	■	0.1	China.....	0.3
5.10	Life insurance coverage.....	25	■	0.6	India.....	53.6
5.11	Non-life insurance coverage.....	22	■	0.8	China.....	16.3
5.12	Relative value-added of insurance to GDP.....	47	■	0.6	Bahrain.....	5.9
Securitization						
5.13	Securitization to GDP.....	31	■	0.4	United States.....	4.8
5.14	Share of total number of securitization deals.....	30	■	0.2	United States.....	52.3
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.....	33.4
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.....	26	■	64.4	Italy.....	579.3
6.10	Stock market capitalization to GDP.....	49	■	20.1	Hong Kong SAR.....	742.5
6.11	Stock market value traded to GDP.....	37	■	17.7	Switzerland.....	673.1
6.12	Number of listed companies per 10,000 people.....	46	■	0.0	Canada.....	1.2
Bond market development						
6.13	Private domestic bond market capitalization to GDP.....	n/a		n/a	Denmark.....	185.9
6.14	Public domestic bond market capitalization to GDP.....	n/a		n/a	Poland.....	344.7
6.15	Private international bonds to GDP.....	51	■	0.3	Ireland.....	243.6
6.16	Public international bonds to GDP.....	36	■	2.1	Poland.....	102.2
6.17	Local currency corporate bond issuance to GDP.....	25	■	0.5	Singapore.....	3.0
7th pillar: Financial access						
Commercial access						
7.01	Financial market sophistication.....	58	■	3.3	United Kingdom.....	6.7
7.02	Venture capital availability.....	49	■	2.3	Israel.....	4.5
7.03	Ease of access to credit.....	27	■	3.6	Peru.....	4.8
7.04	Financing through local equity market.....	43	■	3.7	Hong Kong SAR.....	5.4
7.05	Ease of access to loans.....	46	■	2.5	Bahrain.....	5.0
7.06	Foreign direct investment to GDP.....	7	■	7.9	Hong Kong SAR.....	30.6
Retail access						
7.07	Market penetration of bank accounts.....	n/a		n/a	Japan.....	717,241.6
7.08	Commercial bank branches.....	49	■	3.2	Ireland.....	573
7.09	Total number of ATMs.....	n/a		n/a	Canada.....	218.5
7.10	Total number of point of sale (POS) devices.....	n/a		n/a	South Africa.....	89,086.8
7.11	Loan accounts at MFIs.....	17	■	2.8	Peru.....	110.0

Part 3

Data Tables

How to Read the Data Tables

The following pages provide detailed data for all 60 economies included in *The Financial Development Report 2011*. 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:

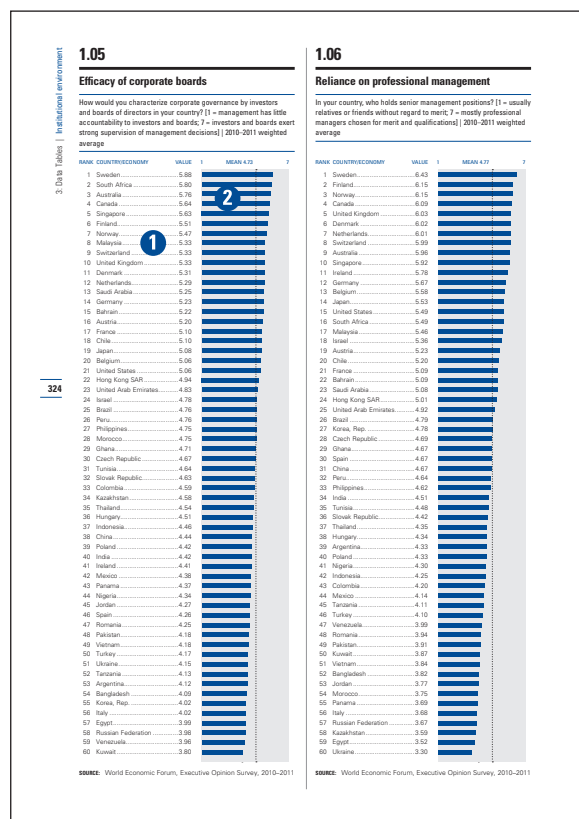
- **Executive Opinion Survey indicators:** These data are the results drawn from the World Economic Forum's Executive Opinion Survey.
- **Other indicators:** These data are indicators obtained from a variety of sources.

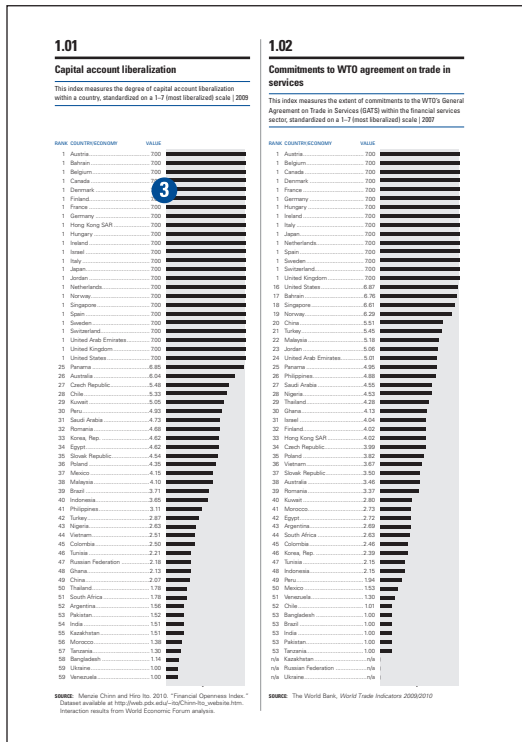
Executive Opinion Survey indicators

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 1.09 on the ethical behavior of firms, India's score is 3.69033 and Colombia's score is 3.68945. These countries rank 41 and 42 respectively, although they are listed with the same rounded score of 3.69.

② A dotted line on the graph indicates the mean score across the 60 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 Centre for Global Competitiveness and Performance 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 the topics related to the Index. For each indicator, a short description appears at the top of the page. The *base year* (i.e., 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 the 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 pay taxes is 187 hours per year in both Spain and the United States. They share the rank of 24 for that variable in Table 2.10.

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2.13 Internet users.....	344	5.07 Life insurance density.....	371
2.14 Broadband Internet subscriptions.....	344	5.08 Non-life insurance density.....	371
2.15 Telephone lines.....	345	5.09 Real growth of direct insurance premiums	372
2.16 Mobile telephone subscriptions.....	345	5.10 Life insurance coverage.....	372
2.17 Cost of starting a business	346	5.11 Non-life insurance coverage.....	373
2.18 Cost of registering property.....	346	5.12 Relative value-added of insurance to GDP	373
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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 1–7 (most liberalized) scale | 2009

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	Hong Kong SAR	7.00	██████████	██████████
1	Hungary	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	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	██████████	██████████
25	Panama	6.85	██████████	██████████
26	Australia	6.04	██████████	██████████
27	Czech Republic	5.48	██████████	██████████
28	Chile	5.33	██████████	██████████
29	Kuwait	5.05	██████████	██████████
30	Peru	4.93	██████████	██████████
31	Saudi Arabia	4.73	██████████	██████████
32	Romania	4.68	██████████	██████████
33	Korea, Rep.	4.62	██████████	██████████
34	Egypt	4.62	██████████	██████████
35	Slovak Republic	4.54	██████████	██████████
36	Poland	4.35	██████████	██████████
37	Mexico	4.15	██████████	██████████
38	Malaysia	4.10	██████████	██████████
39	Brazil	3.71	██████████	██████████
40	Indonesia	3.65	██████████	██████████
41	Philippines	3.11	██████████	██████████
42	Turkey	2.87	██████████	██████████
43	Nigeria	2.63	██████████	██████████
44	Vietnam	2.51	██████████	██████████
45	Colombia	2.50	██████████	██████████
46	Tunisia	2.21	██████████	██████████
47	Russian Federation	2.18	██████████	██████████
48	Ghana	2.13	██████████	██████████
49	China	2.07	██████████	██████████
50	Thailand	1.78	██████████	██████████
51	South Africa	1.78	██████████	██████████
52	Argentina	1.56	██████████	██████████
53	Pakistan	1.52	██████████	██████████
54	India	1.51	██████████	██████████
55	Kazakhstan	1.51	██████████	██████████
56	Morocco	1.38	██████████	██████████
57	Tanzania	1.30	██████████	██████████
58	Bangladesh	1.14	██████████	██████████
59	Ukraine	1.00	██████████	██████████
59	Venezuela	1.00	██████████	██████████

SOURCE: Menzie Chinn and Hiro Ito. 2010. "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 1–7 (most liberalized) scale | 2007

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	Hungary	7.00	██████████	██████████
1	Ireland	7.00	██████████	██████████
1	Italy	7.00	██████████	██████████
1	Japan	7.00	██████████	██████████
1	Netherlands	7.00	██████████	██████████
1	Spain	7.00	██████████	██████████
1	Sweden	7.00	██████████	██████████
1	Switzerland	7.00	██████████	██████████
1	United Kingdom	7.00	██████████	██████████
16	United States	6.87	██████████	██████████
17	Bahrain	6.76	██████████	██████████
18	Singapore	6.61	██████████	██████████
19	Norway	6.29	██████████	██████████
20	China	5.51	██████████	██████████
21	Turkey	5.45	██████████	██████████
22	Malaysia	5.18	██████████	██████████
23	Jordan	5.06	██████████	██████████
24	United Arab Emirates	5.01	██████████	██████████
25	Panama	4.95	██████████	██████████
26	Philippines	4.88	██████████	██████████
27	Saudi Arabia	4.55	██████████	██████████
28	Nigeria	4.53	██████████	██████████
29	Thailand	4.28	██████████	██████████
30	Ghana	4.13	██████████	██████████
31	Israel	4.04	██████████	██████████
32	Finland	4.02	██████████	██████████
33	Hong Kong SAR	4.02	██████████	██████████
34	Czech Republic	3.99	██████████	██████████
35	Poland	3.82	██████████	██████████
36	Vietnam	3.67	██████████	██████████
37	Slovak Republic	3.50	██████████	██████████
38	Australia	3.46	██████████	██████████
39	Romania	3.37	██████████	██████████
40	Kuwait	2.80	██████████	██████████
41	Morocco	2.73	██████████	██████████
42	Egypt	2.72	██████████	██████████
43	Argentina	2.69	██████████	██████████
44	South Africa	2.63	██████████	██████████
45	Colombia	2.46	██████████	██████████
46	Korea, Rep.	2.39	██████████	██████████
47	Tunisia	2.15	██████████	██████████
48	Indonesia	2.15	██████████	██████████
49	Peru	1.94	██████████	██████████
50	Mexico	1.53	██████████	██████████
51	Venezuela	1.30	██████████	██████████
52	Chile	1.01	██████████	██████████
53	Bangladesh	1.00	██████████	██████████
53	Brazil	1.00	██████████	██████████
53	India	1.00	██████████	██████████
53	Pakistan	1.00	██████████	██████████
53	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*

1.03

Domestic financial sector liberalization

This index measures the degree of domestic financial sector liberalization within a country, standardized on a 1–7 (most liberalized) scale | 2009

RANK	COUNTRY/ECONOMY	VALUE	1	7
1	Australia	7.00	██████████	██████████
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	Hong Kong SAR	7.00	██████████	██████████
1	Ireland	7.00	██████████	██████████
1	Israel	7.00	██████████	██████████
1	Italy	7.00	██████████	██████████
1	Japan	7.00	██████████	██████████
1	Malaysia	7.00	██████████	██████████
1	Netherlands	7.00	██████████	██████████
1	Norway	7.00	██████████	██████████
1	Singapore	7.00	██████████	██████████
1	Spain	7.00	██████████	██████████
1	Sweden	7.00	██████████	██████████
1	United Kingdom	7.00	██████████	██████████
1	United States	7.00	██████████	██████████
23	Panama	6.85	██████████	██████████
24	Nigeria	6.48	██████████	██████████
25	Thailand	6.35	██████████	██████████
26	South Africa	6.32	██████████	██████████
27	Brazil	6.24	██████████	██████████
28	Chile	5.96	██████████	██████████
29	Philippines	5.89	██████████	██████████
30	Mexico	5.64	██████████	██████████
31	Switzerland	5.30	██████████	██████████
32	United Arab Emirates	5.27	██████████	██████████
33	Colombia	5.11	██████████	██████████
34	Peru	4.93	██████████	██████████
35	Morocco ¹	4.91	██████████	██████████
36	Poland	4.70	██████████	██████████
37	Romania ¹	4.68	██████████	██████████
38	Argentina	4.45	██████████	██████████
39	Korea, Rep.	4.44	██████████	██████████
40	China	4.21	██████████	██████████
41	Hungary	4.01	██████████	██████████
42	Kuwait	3.92	██████████	██████████
43	Saudi Arabia	3.67	██████████	██████████
44	Slovak Republic	3.28	██████████	██████████
45	Czech Republic	3.13	██████████	██████████
46	Turkey	3.11	██████████	██████████
47	Pakistan	3.09	██████████	██████████
48	India	3.08	██████████	██████████
49	Kazakhstan	3.07	██████████	██████████
50	Vietnam	2.93	██████████	██████████
51	Indonesia	2.83	██████████	██████████
52	Egypt	2.79	██████████	██████████
53	Ukraine	2.56	██████████	██████████
54	Russian Federation	2.30	██████████	██████████
55	Venezuela	1.00	██████████	██████████
n/a	Bangladesh	n/a		
n/a	Ghana	n/a		
n/a	Jordan	n/a		
n/a	Tanzania	n/a		
n/a	Tunisia	n/a		

SOURCE: Graciela Kaminsky and Sergio Schmukler, 2003. "Short-Run Pain, Long-Run Gain: The Effects of Financial Liberalization." *IMF Working Paper 03/34* Washington, DC: International Monetary Fund. Updated as of 2009 based on 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] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.21	7
1	Singapore	5.24	██████████	██████████	██████████
2	Canada	5.19	██████████	██████████	██████████
3	United Kingdom	5.19	██████████	██████████	██████████
4	Hong Kong SAR	5.11	██████████	██████████	██████████
5	United States	5.10	██████████	██████████	██████████
6	Switzerland	5.09	██████████	██████████	██████████
7	Germany	4.96	██████████	██████████	██████████
8	Saudi Arabia	4.96	██████████	██████████	██████████
9	Malaysia	4.95	██████████	██████████	██████████
10	South Africa	4.91	██████████	██████████	██████████
11	Ireland	4.80	██████████	██████████	██████████
12	United Arab Emirates	4.65	██████████	██████████	██████████
13	Sweden	4.64	██████████	██████████	██████████
14	Israel	4.64	██████████	██████████	██████████
15	Finland	4.63	██████████	██████████	██████████
16	Chile	4.59	██████████	██████████	██████████
17	China	4.57	██████████	██████████	██████████
18	Australia	4.52	██████████	██████████	██████████
19	Bahrain	4.48	██████████	██████████	██████████
20	Austria	4.45	██████████	██████████	██████████
21	France	4.42	██████████	██████████	██████████
22	Belgium	4.42	██████████	██████████	██████████
23	Netherlands	4.41	██████████	██████████	██████████
24	Denmark	4.41	██████████	██████████	██████████
25	Brazil	4.40	██████████	██████████	██████████
26	Japan	4.34	██████████	██████████	██████████
27	Czech Republic	4.30	██████████	██████████	██████████
28	Korea, Rep.	4.27	██████████	██████████	██████████
29	Slovak Republic	4.26	██████████	██████████	██████████
30	Philippines	4.23	██████████	██████████	██████████
31	Thailand	4.19	██████████	██████████	██████████
32	Indonesia	4.17	██████████	██████████	██████████
33	Morocco	4.11	██████████	██████████	██████████
34	India	4.10	██████████	██████████	██████████
35	Panama	4.06	██████████	██████████	██████████
36	Kazakhstan	4.03	██████████	██████████	██████████
37	Norway	4.02	██████████	██████████	██████████
38	Argentina	4.01	██████████	██████████	██████████
39	Spain	4.01	██████████	██████████	██████████
40	Poland	3.99	██████████	██████████	██████████
41	Kuwait	3.98	██████████	██████████	██████████
42	Hungary	3.95	██████████	██████████	██████████
43	Nigeria	3.94	██████████	██████████	██████████
44	Mexico	3.89	██████████	██████████	██████████
45	Peru	3.88	██████████	██████████	██████████
46	Italy	3.87	██████████	██████████	██████████
47	Vietnam	3.87	██████████	██████████	██████████
48	Russian Federation	3.81	██████████	██████████	██████████
49	Ukraine	3.79	██████████	██████████	██████████
50	Egypt	3.65	██████████	██████████	██████████
51	Colombia	3.63	██████████	██████████	██████████
52	Romania	3.62	██████████	██████████	██████████
53	Tunisia	3.56	██████████	██████████	██████████
54	Pakistan	3.49	██████████	██████████	██████████
55	Venezuela	3.37	██████████	██████████	██████████
56	Jordan	3.31	██████████	██████████	██████████
57	Turkey	3.21	██████████	██████████	██████████
58	Tanzania	3.17	██████████	██████████	██████████
59	Ghana	3.05	██████████	██████████	██████████
60	Bangladesh	2.91	██████████	██████████	██████████

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

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] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.73	7
1	Sweden	5.88			
2	South Africa	5.80			
3	Australia	5.76			
4	Canada	5.64			
5	Singapore	5.63			
6	Finland	5.51			
7	Norway	5.47			
8	Malaysia	5.33			
9	Switzerland	5.33			
10	United Kingdom	5.33			
11	Denmark	5.31			
12	Netherlands	5.29			
13	Saudi Arabia	5.25			
14	Germany	5.23			
15	Bahrain	5.22			
16	Austria	5.20			
17	France	5.10			
18	Chile	5.10			
19	Japan	5.08			
20	Belgium	5.06			
21	United States	5.06			
22	Hong Kong SAR	4.94			
23	United Arab Emirates	4.83			
24	Israel	4.78			
25	Brazil	4.76			
26	Peru	4.76			
27	Philippines	4.75			
28	Morocco	4.75			
29	Ghana	4.71			
30	Czech Republic	4.67			
31	Tunisia	4.64			
32	Slovak Republic	4.63			
33	Colombia	4.59			
34	Kazakhstan	4.58			
35	Thailand	4.54			
36	Hungary	4.51			
37	Indonesia	4.46			
38	China	4.44			
39	Poland	4.42			
40	India	4.42			
41	Ireland	4.41			
42	Mexico	4.38			
43	Panama	4.37			
44	Nigeria	4.34			
45	Jordan	4.27			
46	Spain	4.26			
47	Romania	4.25			
48	Pakistan	4.18			
49	Vietnam	4.18			
50	Turkey	4.17			
51	Ukraine	4.15			
52	Tanzania	4.13			
53	Argentina	4.12			
54	Bangladesh	4.09			
55	Korea, Rep.	4.02			
56	Italy	4.02			
57	Egypt	3.99			
58	Russian Federation	3.98			
59	Venezuela	3.96			
60	Kuwait	3.80			

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

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] | 2010–2011 weighted average

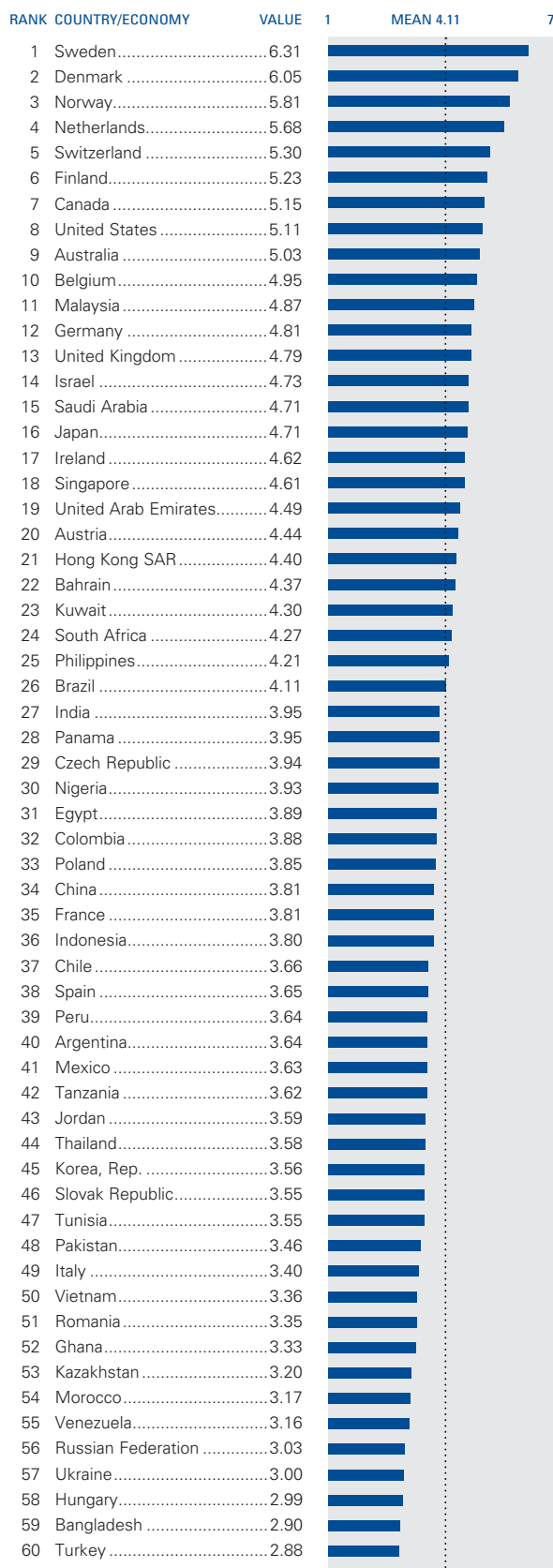
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.77	7
1	Sweden	6.43			
2	Finland	6.15			
3	Norway	6.15			
4	Canada	6.09			
5	United Kingdom	6.03			
6	Denmark	6.02			
7	Netherlands	6.01			
8	Switzerland	5.99			
9	Australia	5.96			
10	Singapore	5.92			
11	Ireland	5.78			
12	Germany	5.67			
13	Belgium	5.58			
14	Japan	5.53			
15	United States	5.49			
16	South Africa	5.49			
17	Malaysia	5.46			
18	Israel	5.36			
19	Austria	5.23			
20	Chile	5.20			
21	France	5.09			
22	Bahrain	5.09			
23	Saudi Arabia	5.08			
24	Hong Kong SAR	5.01			
25	United Arab Emirates	4.92			
26	Brazil	4.79			
27	Korea, Rep.	4.78			
28	Czech Republic	4.69			
29	Ghana	4.67			
30	Spain	4.67			
31	China	4.67			
32	Peru	4.64			
33	Philippines	4.62			
34	India	4.51			
35	Tunisia	4.48			
36	Slovak Republic	4.42			
37	Thailand	4.35			
38	Hungary	4.34			
39	Argentina	4.33			
40	Poland	4.33			
41	Nigeria	4.30			
42	Indonesia	4.25			
43	Colombia	4.20			
44	Mexico	4.14			
45	Tanzania	4.11			
46	Turkey	4.10			
47	Venezuela	3.99			
48	Romania	3.94			
49	Pakistan	3.91			
50	Kuwait	3.87			
51	Vietnam	3.84			
52	Bangladesh	3.82			
53	Jordan	3.77			
54	Morocco	3.75			
55	Panama	3.69			
56	Italy	3.68			
57	Russian Federation	3.67			
58	Kazakhstan	3.59			
59	Egypt	3.52			
60	Ukraine	3.30			

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

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] | 2010–2011 weighted average



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

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] | 2010–2011 weighted average



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

1.09

Ethical behavior of firms

How would you compare the corporate ethics (ethical behavior in interactions with public officials, politicians, and other enterprises) of firms in your country with those of other countries in the world? [1 = among the worst in the world; 7 = among the best in the world] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.58	7
1	Denmark	6.73			
2	Sweden	6.62			
3	Singapore	6.58			
4	Finland	6.56			
5	Switzerland	6.49			
6	Canada	6.49			
7	Netherlands	6.37			
8	Norway	6.34			
9	Australia	6.14			
10	United Kingdom	5.93			
11	Austria	5.91			
12	Germany	5.90			
13	Hong Kong SAR	5.89			
14	Japan	5.84			
15	France	5.68			
16	Belgium	5.64			
17	Chile	5.54			
18	United Arab Emirates	5.53			
19	Ireland	5.42			
20	Saudi Arabia	5.34			
21	Bahrain	5.29			
22	United States	5.11			
23	Israel	5.00			
24	Malaysia	4.92			
25	Spain	4.66			
26	Tunisia	4.59			
27	Kuwait	4.42			
28	South Africa	4.36			
29	Jordan	4.25			
30	Poland	4.14			
31	Panama	4.13			
32	China	4.11			
33	Korea, Rep.	4.09			
34	Ghana	3.97			
35	Turkey	3.86			
36	Morocco	3.82			
37	Thailand	3.74			
38	Italy	3.73			
39	Peru	3.72			
40	Brazil	3.71			
41	India	3.69			
42	Colombia	3.69			
43	Mexico	3.69			
44	Egypt	3.66			
45	Kazakhstan	3.61			
46	Vietnam	3.59			
47	Nigeria	3.52			
48	Pakistan	3.43			
49	Romania	3.40			
50	Slovak Republic	3.40			
51	Hungary	3.38			
52	Indonesia	3.36			
53	Tanzania	3.35			
54	Czech Republic	3.33			
55	Russian Federation	3.25			
56	Philippines	3.24			
57	Bangladesh	3.22			
58	Argentina	3.18			
59	Ukraine	3.10			
60	Venezuela	3.04			

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

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] | 2010–2011 weighted average

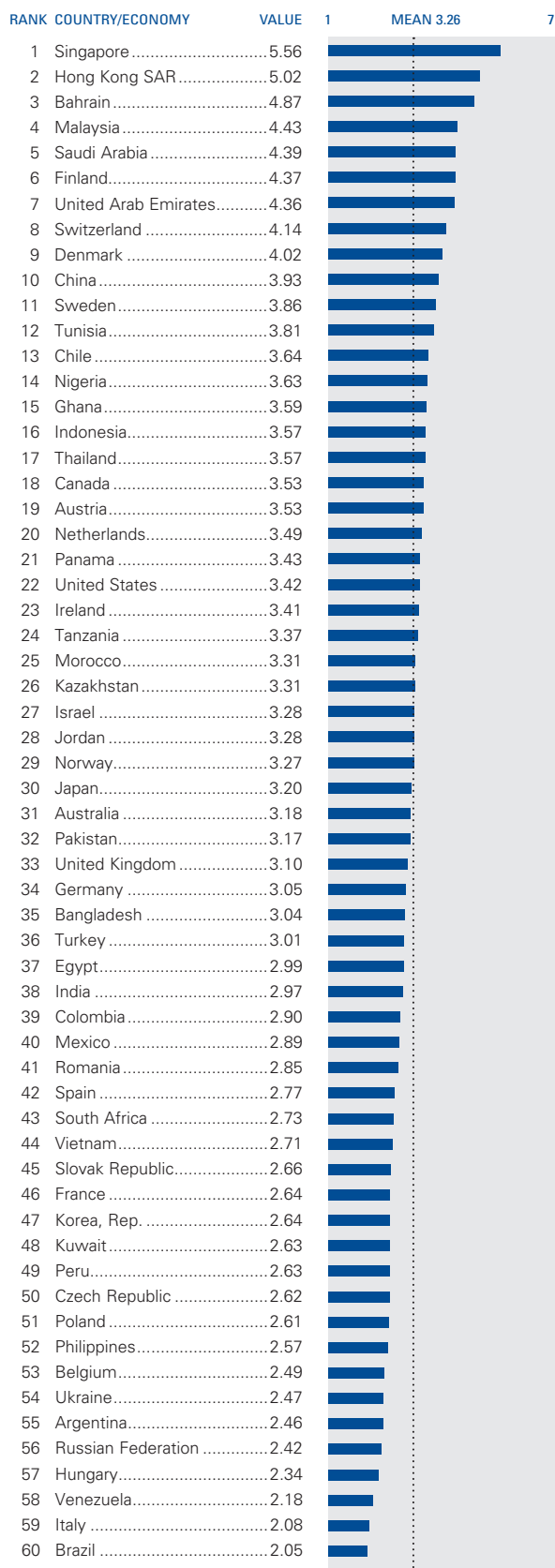
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.53	7
1	Sweden	5.95			
2	Finland	5.93			
3	South Africa	5.84			
4	Norway	5.72			
5	Singapore	5.59			
6	Bahrain	5.57			
7	Saudi Arabia	5.53			
8	Canada	5.52			
9	Denmark	5.52			
10	Malaysia	5.26			
11	Australia	5.26			
12	Netherlands	5.19			
13	Israel	5.18			
14	United Kingdom	5.18			
15	Belgium	5.00			
16	Japan	4.99			
17	Hong Kong SAR	4.98			
18	Switzerland	4.91			
19	Tunisia	4.88			
20	Chile	4.87			
21	Germany	4.84			
22	United States	4.84			
23	Austria	4.80			
24	France	4.77			
25	Jordan	4.77			
26	United Arab Emirates	4.76			
27	Panama	4.57			
28	Brazil	4.54			
29	Thailand	4.53			
30	Ireland	4.52			
31	Ghana	4.51			
32	Morocco	4.48			
33	China	4.41			
34	Egypt	4.37			
35	India	4.37			
36	Peru	4.37			
37	Indonesia	4.34			
38	Spain	4.30			
39	Mexico	4.14			
40	Hungary	4.13			
41	Colombia	4.12			
42	Poland	4.09			
43	Vietnam	4.08			
44	Philippines	4.01			
45	Czech Republic	3.99			
46	Pakistan	3.99			
47	Turkey	3.94			
48	Slovak Republic	3.87			
49	Romania	3.80			
50	Tanzania	3.79			
51	Kuwait	3.77			
52	Nigeria	3.69			
53	Korea, Rep.	3.68			
54	Italy	3.67			
55	Kazakhstan	3.64			
56	Bangladesh	3.52			
57	Argentina	3.47			
58	Venezuela	3.22			
59	Russian Federation	3.09			
60	Ukraine	2.91			

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] | 2010–2011 weighted average

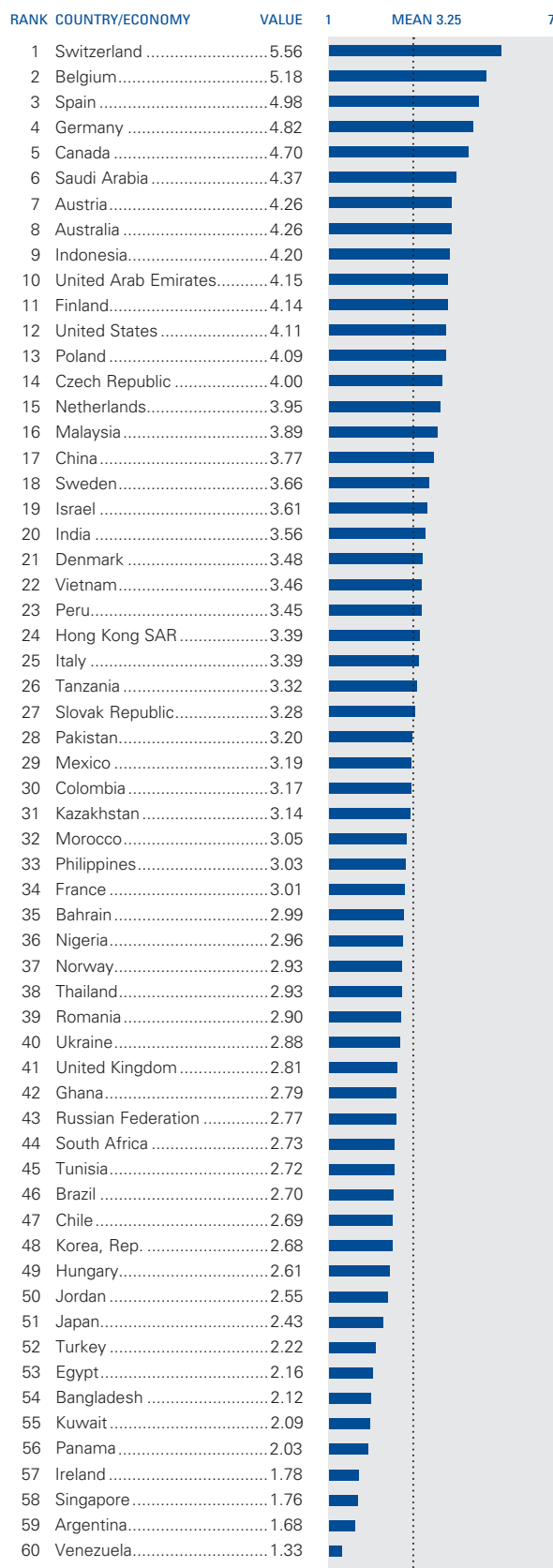


SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

1.12

Centralization of economic policymaking

How centralized is economic policymaking in your country? [1 = highly centralized—national government controls almost all important decisions; 7 = decentralized—states and cities have significant control over economic development] | 2010–2011 weighted average



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

1.13

Regulation of securities exchanges

How would you assess the regulation and supervision of securities exchanges in your country? [1 = ineffective; 7 = effective] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.64	7
1	South Africa	6.36			
2	Singapore	6.02			
3	Sweden	5.94			
4	Finland	5.92			
5	Norway	5.91			
6	Bahrain	5.79			
7	Brazil	5.71			
8	Australia	5.71			
9	Hong Kong SAR	5.65			
10	Switzerland	5.61			
11	Denmark	5.52			
12	Israel	5.51			
13	Saudi Arabia	5.48			
14	Malaysia	5.44			
15	France	5.42			
16	Canada	5.41			
17	Netherlands	5.23			
18	India	5.16			
19	United Kingdom	5.06			
20	Poland	5.03			
21	United Arab Emirates	4.98			
22	Turkey	4.98			
23	Belgium	4.97			
24	Japan	4.86			
25	Morocco	4.83			
26	Hungary	4.80			
27	Jordan	4.79			
28	Thailand	4.73			
29	Czech Republic	4.67			
30	Austria	4.66			
31	United States	4.60			
32	Tunisia	4.54			
33	Germany	4.52			
34	China	4.52			
35	Indonesia	4.40			
36	Ghana	4.32			
37	Italy	4.27			
38	Philippines	4.25			
39	Venezuela	4.19			
40	Egypt	4.19			
41	Pakistan	4.18			
42	Korea, Rep.	4.03			
43	Nigeria	4.01			
44	Kuwait	4.00			
45	Slovak Republic	3.97			
46	Ireland	3.89			
47	Chile	3.83			
48	Mexico	3.77			
49	Bangladesh	3.75			
50	Colombia	3.71			
51	Panama	3.66			
52	Romania	3.66			
53	Spain	3.66			
54	Argentina	3.64			
55	Tanzania	3.60			
56	Kazakhstan	3.57			
57	Vietnam	3.56			
58	Russian Federation	3.47			
59	Peru	3.46			
60	Ukraine	3.04			

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

1.14

Property rights

How would you rate the protection of property rights, including financial assets, in your country? [1 = very weak; 7 = very strong] | 2010–2011 weighted average

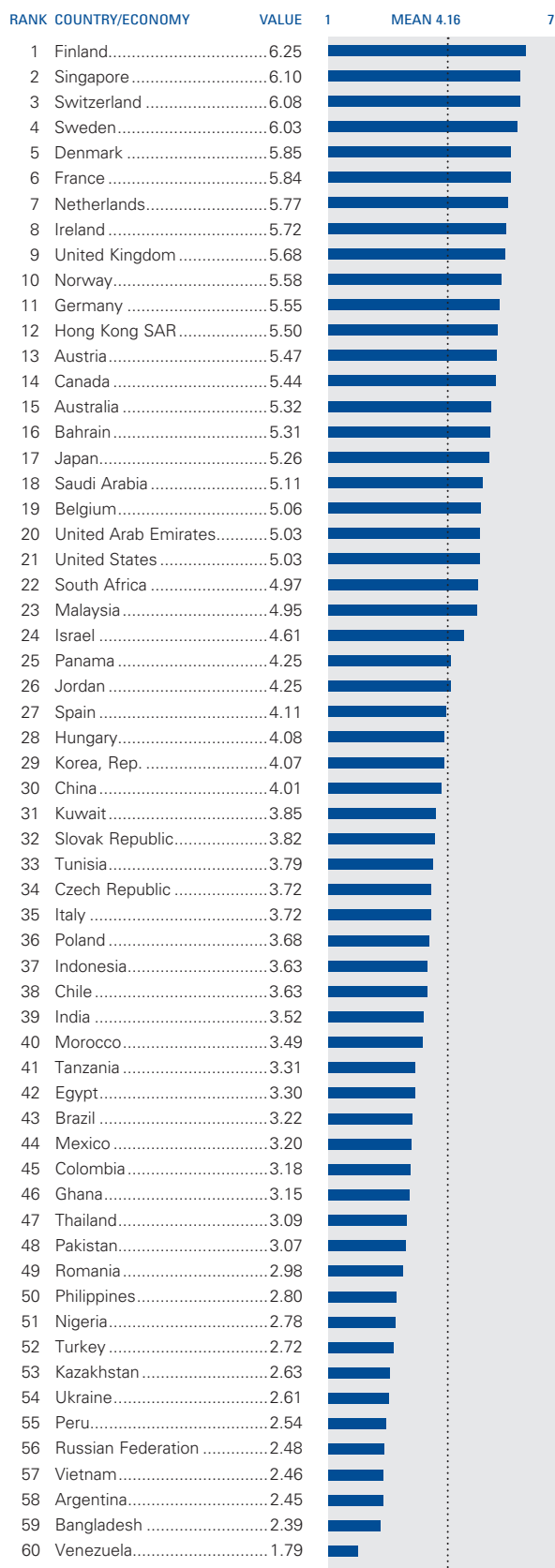
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.71	7
1	Finland	6.45			
2	Switzerland	6.44			
3	Singapore	6.38			
4	Sweden	6.22			
5	Hong Kong SAR	6.12			
6	Denmark	6.05			
7	United Kingdom	6.01			
8	Canada	5.99			
9	Ireland	5.99			
10	France	5.95			
11	Austria	5.94			
12	Norway	5.93			
13	Netherlands	5.83			
14	Germany	5.73			
15	Bahrain	5.72			
16	Japan	5.69			
17	Saudi Arabia	5.59			
18	Australia	5.55			
19	Belgium	5.37			
20	Malaysia	5.31			
21	South Africa	5.29			
22	Israel	5.29			
23	Jordan	5.19			
24	United States	5.06			
25	China	5.04			
26	Chile	5.04			
27	Kuwait	4.98			
28	Spain	4.89			
29	Tunisia	4.89			
30	United Arab Emirates	4.81			
31	Panama	4.75			
32	Korea, Rep.	4.55			
33	Poland	4.54			
34	Brazil	4.41			
35	Morocco	4.37			
36	Hungary	4.33			
37	India	4.29			
38	Italy	4.25			
39	Turkey	4.21			
40	Egypt	4.13			
41	Czech Republic	4.09			
42	Slovak Republic	4.05			
43	Mexico	4.03			
44	Ghana	4.02			
45	Indonesia	3.97			
46	Romania	3.93			
47	Colombia	3.91			
48	Peru	3.87			
49	Vietnam	3.71			
50	Bangladesh	3.67			
51	Philippines	3.61			
52	Kazakhstan	3.58			
53	Thailand	3.57			
54	Tanzania	3.54			
55	Pakistan	3.45			
56	Nigeria	3.21			
57	Russian Federation	2.81			
58	Argentina	2.75			
59	Ukraine	2.67			
60	Venezuela	1.75			

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

1.15

Intellectual property protection

How would you rate intellectual property protection, including anti-counterfeiting measures, in your country? [1 = very weak; 7 = very strong] | 2010–2011 weighted average

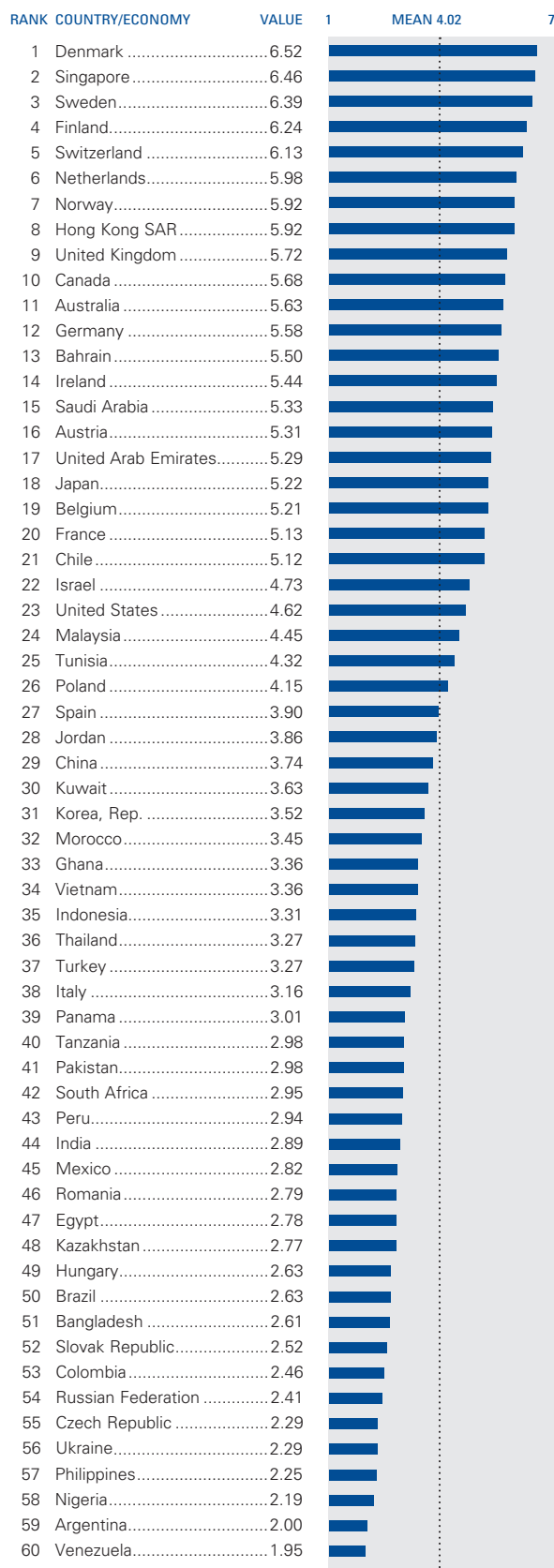


SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

1.16

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] | 2010–2011 weighted average



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

1.17

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] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.26	7
1	Singapore	6.40			
2	Saudi Arabia	5.79			
3	Sweden	5.79			
4	Norway	5.71			
5	United Arab Emirates	5.44			
6	Denmark	5.40			
7	Netherlands	5.13			
8	Switzerland	5.06			
9	Finland	4.95			
10	Australia	4.50			
11	Bahrain	4.42			
12	Canada	4.35			
13	Hong Kong SAR	4.35			
14	Malaysia	4.28			
15	China	4.21			
16	Chile	4.10			
17	Tunisia	3.96			
18	Austria	3.72			
19	Vietnam	3.68			
20	Germany	3.67			
21	France	3.67			
22	Belgium	3.48			
23	United Kingdom	3.43			
24	Kazakhstan	3.32			
25	Kuwait	3.30			
26	Morocco	3.28			
27	United States	3.23			
28	Israel	3.21			
29	Tanzania	3.19			
30	Jordan	3.18			
31	Japan	3.16			
32	Indonesia	3.14			
33	Egypt	2.99			
34	Ireland	2.97			
35	Ghana	2.85			
36	Turkey	2.78			
37	Russian Federation	2.68			
38	Spain	2.65			
39	Poland	2.50			
40	Colombia	2.42			
41	South Africa	2.40			
42	Pakistan	2.38			
43	Thailand	2.36			
44	India	2.27			
45	Mexico	2.20			
46	Brazil	2.07			
47	Panama	2.04			
48	Korea, Rep.	2.04			
49	Ukraine	2.01			
50	Bangladesh	1.95			
51	Romania	1.94			
52	Nigeria	1.92			
53	Peru	1.85			
54	Italy	1.85			
55	Philippines	1.84			
56	Hungary	1.79			
57	Slovak Republic	1.74			
58	Czech Republic	1.73			
59	Argentina	1.61			
60	Venezuela	1.50			

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

1.18

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 | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark	9.30
1	Singapore	9.30
3	Finland	9.20
3	Sweden	9.20
5	Canada	8.90
6	Netherlands	8.80
7	Australia	8.70
7	Switzerland	8.70
9	Norway	8.60
10	Hong Kong SAR	8.40
11	Ireland	8.00
12	Austria	7.90
12	Germany	7.90
14	Japan	7.80
15	United Kingdom	7.60
16	Chile	7.20
17	Belgium	7.10
17	United States	7.10
19	France	6.80
20	United Arab Emirates	6.30
21	Israel	6.10
21	Spain	6.10
23	Korea, Rep.	5.40
24	Poland	5.30
25	Bahrain	4.90
26	Hungary	4.70
26	Jordan	4.70
26	Saudi Arabia	4.70
29	Czech Republic	4.60
30	Kuwait	4.50
30	South Africa	4.50
32	Malaysia	4.40
32	Turkey	4.40
34	Slovak Republic	4.30
34	Tunisia	4.30
36	Ghana	4.10
37	Italy	3.90
38	Brazil	3.70
38	Romania	3.70
40	Panama	3.60
41	China	3.50
41	Colombia	3.50
41	Peru	3.50
41	Thailand	3.50
45	Morocco	3.40
46	India	3.30
47	Egypt	3.10
47	Mexico	3.10
49	Argentina	2.90
49	Kazakhstan	2.90
51	Indonesia	2.80
52	Tanzania	2.70
52	Vietnam	2.70
54	Bangladesh	2.40
54	Nigeria	2.40
54	Philippines	2.40
54	Ukraine	2.40
58	Pakistan	2.30
59	Russian Federation	2.10
60	Venezuela	2.00

SOURCE: Transparency International, *Corruption Perceptions Index 2010*

1.19

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	Malaysia	10.00
1	Singapore	10.00
1	South Africa	10.00
1	United Kingdom	10.00
6	Australia	9.00
6	Denmark	9.00
6	Ireland	9.00
6	Israel	9.00
6	Nigeria	9.00
6	Poland	9.00
6	Romania	9.00
6	Slovak Republic	9.00
6	Ukraine	9.00
6	United States	9.00
16	Finland	8.00
16	Ghana	8.00
16	India	8.00
16	Korea, Rep.	8.00
16	Switzerland	8.00
16	Tanzania	8.00
16	Vietnam	8.00
23	Austria	7.00
23	Bangladesh	7.00
23	Belgium	7.00
23	Canada	7.00
23	France	7.00
23	Germany	7.00
23	Hungary	7.00
23	Japan	7.00
23	Norway	7.00
23	Peru	7.00
23	Sweden	7.00
34	Chile	6.00
34	China	6.00
34	Czech Republic	6.00
34	Mexico	6.00
34	Netherlands	6.00
34	Pakistan	6.00
34	Spain	6.00
41	Colombia	5.00
41	Panama	5.00
41	Saudi Arabia	5.00
41	Thailand	5.00
45	Argentina	4.00
45	Bahrain	4.00
45	Jordan	4.00
45	Kazakhstan	4.00
45	Kuwait	4.00
45	Philippines	4.00
45	Turkey	4.00
45	United Arab Emirates	4.00
53	Brazil	3.00
53	Egypt	3.00
53	Indonesia	3.00
53	Italy	3.00
53	Morocco	3.00
53	Russian Federation	3.00
53	Tunisia	3.00
60	Venezuela	1.00

SOURCE: The World Bank, *Doing Business 2012*

1.20

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 | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Sweden	15.00
2	United Kingdom	12.50
3	Austria	11.00
3	Belgium	11.00
3	Canada	11.00
3	Finland	11.00
3	France	11.00
3	Germany	11.00
3	Hungary	11.00
3	Ireland	11.00
3	Italy	11.00
3	Netherlands	11.00
3	Spain	11.00
14	Australia	10.50
15	Japan	10.00
15	Poland	10.00
15	United States	10.00
18	Israel	9.50
18	Philippines	9.50
18	South Africa	9.50
18	Switzerland	9.50
18	Turkey	9.50
23	Brazil	9.00
23	Korea, Rep.	9.00
25	Indonesia	8.00
25	Norway	8.00
25	Peru	8.00
25	Thailand	8.00
29	Argentina	7.50
29	Chile	7.50
29	Colombia	7.50
29	Denmark	7.50
33	Mexico	7.00
33	Singapore	7.00
35	Romania	6.50
36	Malaysia	6.00
36	Slovak Republic	6.00
38	Kazakhstan	5.50
39	China	4.50
40	Nigeria	4.00
40	Ukraine	4.00
42	Bahrain	3.50
42	Pakistan	3.50
44	Egypt	3.00
44	Russian Federation	3.00
46	India	2.00
46	Jordan	2.00
46	Kuwait	2.00
46	United Arab Emirates	2.00
50	Saudi Arabia	1.00
n/a	Bangladesh	n/a
n/a	Czech Republic	n/a
n/a	Ghana	n/a
n/a	Hong Kong SAR	n/a
n/a	Morocco	n/a
n/a	Panama	n/a
n/a	Tanzania	n/a
n/a	Tunisia	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Pierre L. Siklos. 2010. "Central Bank Transparency: An Updated Look." *Applied Economics Letters* (forthcoming)

1.21

Effectiveness of law-making bodies

How effective is your national parliament/congress as a law-making institution? [1 = very ineffective; 7 = very effective—among the best in the world] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.82	7
1	Singapore	6.53			
2	Sweden	5.93			
3	Finland	5.64			
4	Denmark	5.39			
5	Australia	5.28			
6	Norway	5.26			
7	Canada	5.17			
8	Malaysia	5.07			
9	United Kingdom	5.02			
10	France	4.93			
11	Saudi Arabia	4.92			
12	Netherlands	4.85			
13	Switzerland	4.84			
14	Germany	4.63			
15	United Arab Emirates	4.56			
16	China	4.42			
17	Japan	4.42			
18	Turkey	4.41			
19	South Africa	4.38			
20	Austria	4.38			
21	Bahrain	4.32			
22	Ghana	4.23			
23	Chile	4.21			
24	Israel	4.17			
25	Hong Kong SAR	4.13			
26	Ireland	4.04			
27	India	4.01			
28	Tunisia	3.98			
29	Vietnam	3.97			
30	United States	3.92			
31	Kazakhstan	3.80			
32	Tanzania	3.63			
33	Morocco	3.59			
34	Hungary	3.57			
35	Kuwait	3.54			
36	Spain	3.51			
37	Poland	3.42			
38	Belgium	3.42			
39	Nigeria	3.37			
40	Indonesia	3.36			
41	Thailand	3.23			
42	Russian Federation	3.07			
43	Pakistan	3.05			
44	Bangladesh	3.05			
45	Slovak Republic	3.00			
46	Italy	2.93			
47	Egypt	2.91			
48	Colombia	2.88			
49	Czech Republic	2.88			
50	Jordan	2.85			
51	Philippines	2.75			
52	Brazil	2.74			
53	Romania	2.68			
54	Korea, Rep.	2.42			
55	Panama	2.40			
56	Mexico	2.33			
57	Argentina	2.22			
58	Ukraine	2.12			
59	Peru	1.88			
60	Venezuela	1.65			

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

1.22

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] | 2010–2011 weighted average

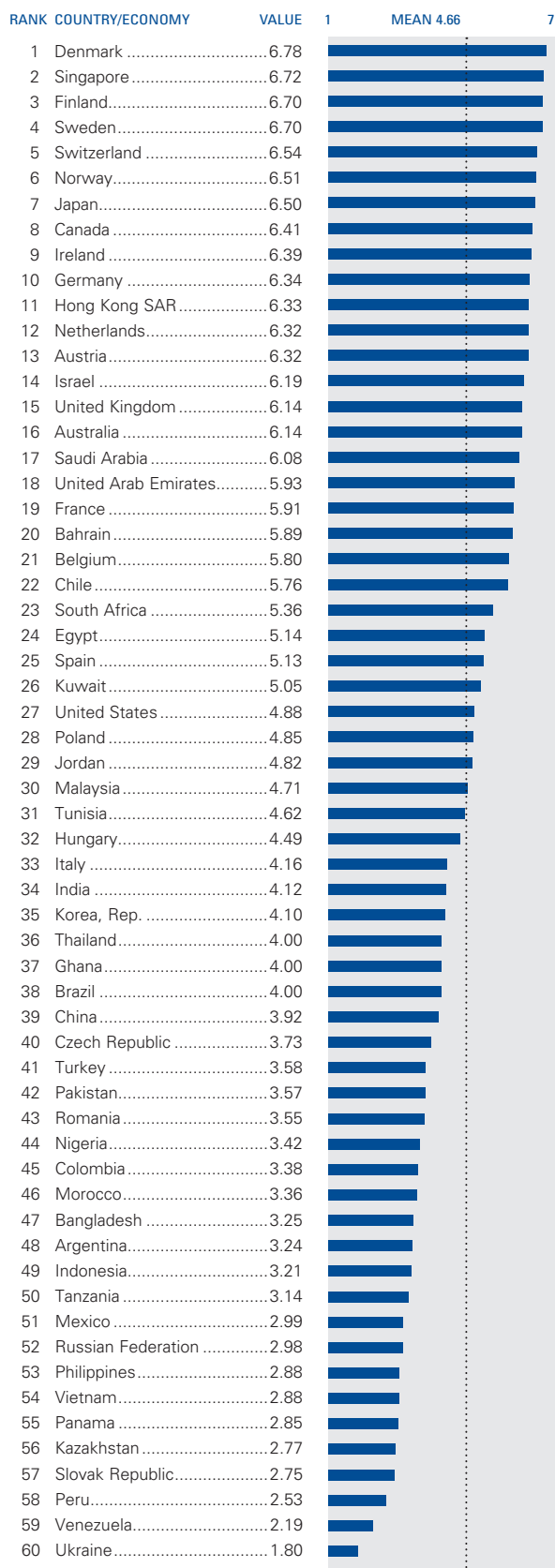
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.46	7
1	Denmark	6.55			
2	Sweden	6.47			
3	Finland	6.41			
4	Switzerland	6.40			
5	Netherlands	6.35			
6	Germany	6.33			
7	Canada	6.33			
8	Norway	6.28			
9	Ireland	6.27			
10	United Kingdom	6.20			
11	Israel	6.18			
12	Australia	6.12			
13	Hong Kong SAR	6.08			
14	Japan	5.83			
15	Singapore	5.64			
16	Saudi Arabia	5.58			
17	Austria	5.54			
18	Chile	5.47			
19	Bahrain	5.31			
20	Belgium	5.27			
21	Kuwait	5.13			
22	United Arab Emirates	5.08			
23	South Africa	4.97			
24	United States	4.94			
25	France	4.90			
26	Egypt	4.77			
27	Malaysia	4.68			
28	Jordan	4.35			
29	India	4.34			
30	Poland	4.33			
31	Thailand	4.20			
32	Tunisia	4.07			
33	Ghana	4.07			
34	Italy	3.99			
35	Pakistan	3.93			
36	China	3.93			
37	Hungary	3.92			
38	Spain	3.92			
39	Korea, Rep.	3.76			
40	Brazil	3.74			
41	Nigeria	3.71			
42	Czech Republic	3.70			
43	Tanzania	3.61			
44	Indonesia	3.60			
45	Vietnam	3.60			
46	Morocco	3.57			
47	Colombia	3.50			
48	Turkey	3.26			
49	Mexico	3.24			
50	Bangladesh	3.22			
51	Romania	3.11			
52	Philippines	2.95			
53	Kazakhstan	2.74			
54	Slovak Republic	2.66			
55	Peru	2.62			
56	Russian Federation	2.60			
57	Argentina	2.58			
58	Panama	2.11			
59	Ukraine	2.08			
60	Venezuela	1.65			

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

1.23

Irregular payments in judicial decisions

In your country, how common is it for firms to make undocumented extra payments or bribes connected with obtaining favorable judicial decisions? [1 = very common; 7 = never occurs] | 2010–2011 weighted average

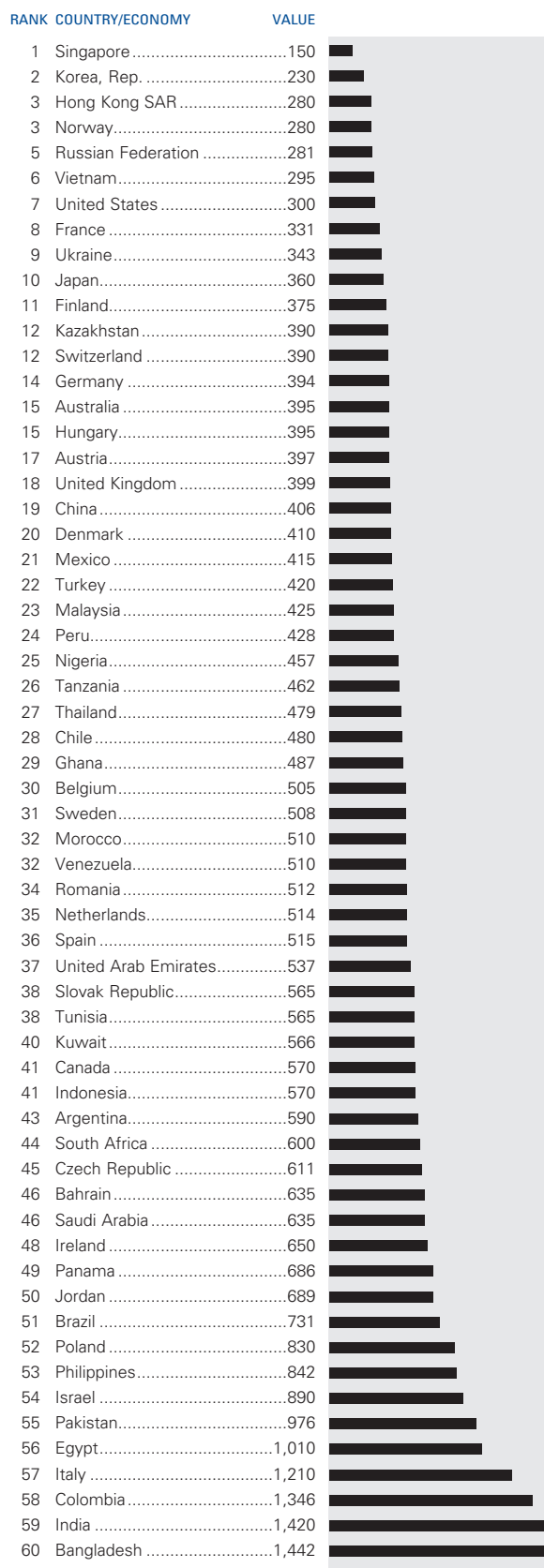


SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

1.24

Time to enforce a contract

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



SOURCE: The World Bank, *Doing Business 2012*

1.25

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

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	Romania	31
20	Slovak Republic	32
20	Switzerland	32
20	United States	32
23	Finland	33
23	Korea, Rep.	33
25	China	34
25	Colombia	34
25	Norway	34
25	Vietnam	34
29	Denmark	35
29	Hungary	35
29	Israel	35
32	Argentina	36
32	Canada	36
32	Chile	36
32	Ghana	36
32	Kazakhstan	36
32	Russian Federation	36
32	Thailand	36
32	Turkey	36
40	Philippines	37
40	Poland	37
42	Jordan	38
42	Mexico	38
42	Tanzania	38
45	Spain	39
45	Tunisia	39
47	Indonesia	40
47	Morocco	40
47	Nigeria	40
50	Bangladesh	41
50	Egypt	41
50	Italy	41
50	Peru	41
54	Saudi Arabia	43
55	Brazil	45
56	India	46
56	Pakistan	46
58	Bahrain	48
59	United Arab Emirates	49
60	Kuwait	50

SOURCE: The World Bank, *Doing Business 2012*

1.26

Strength of investor protection index

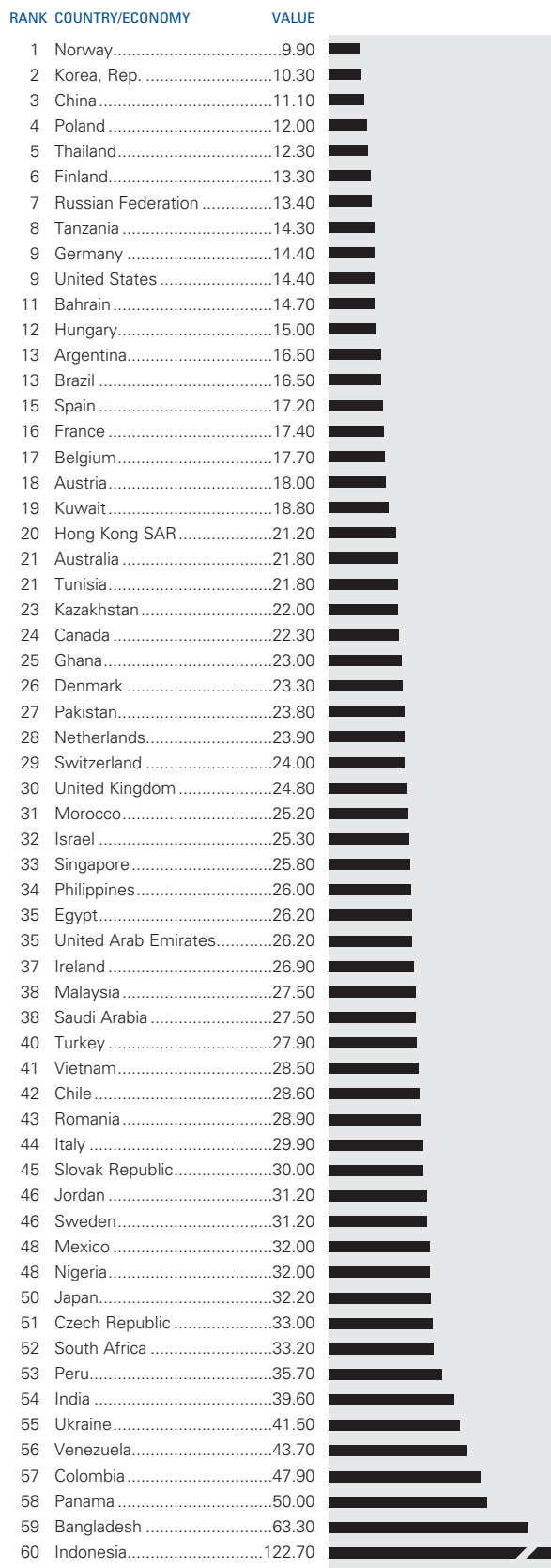
This index assesses the strength of investor protection on a 0-to-10 (best) scale | 2011

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	Romania	6.00
24	Tunisia	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	Morocco	5.00
41	Spain	5.00
41	Tanzania	5.00
47	Argentina	4.70
47	Netherlands	4.70
47	Panama	4.70
47	Russian Federation	4.70
47	Slovak Republic	4.70
47	Ukraine	4.70
53	Hungary	4.30
53	Jordan	4.30
53	United Arab Emirates	4.30
56	Austria	4.00
56	Philippines	4.00
58	Switzerland	3.00
58	Vietnam	3.00
60	Venezuela	2.30

SOURCE: The World Bank, *Doing Business 2012*

Cost of enforcing contracts

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



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—among the best in the world] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.59	7
1	Belgium	6.12			
2	United Kingdom	5.98			
3	Switzerland	5.98			
4	Canada	5.82			
5	France	5.73			
6	Spain	5.71			
7	Singapore	5.64			
8	Sweden	5.54			
9	Netherlands	5.52			
10	United States	5.44			
11	South Africa	5.43			
12	Chile	5.39			
13	Australia	5.38			
14	Finland	5.33			
15	Israel	5.27			
16	Denmark	5.22			
17	Hong Kong SAR	5.16			
18	Argentina	5.12			
19	Malaysia	5.03			
20	Norway	4.95			
21	Ireland	4.93			
22	India	4.92			
23	Tunisia	4.91			
24	Austria	4.79			
25	Italy	4.79			
26	Germany	4.78			
27	United Arab Emirates	4.74			
28	Saudi Arabia	4.69			
29	Peru	4.67			
30	Mexico	4.55			
31	Korea, Rep.	4.50			
32	Morocco	4.48			
33	Colombia	4.40			
34	Philippines	4.38			
35	Japan	4.32			
36	China	4.30			
37	Bahrain	4.30			
38	Brazil	4.30			
39	Venezuela	4.26			
40	Indonesia	4.18			
41	Ghana	4.14			
42	Thailand	4.11			
43	Hungary	4.03			
44	Poland	4.03			
45	Pakistan	4.02			
46	Nigeria	3.97			
47	Czech Republic	3.96			
48	Jordan	3.92			
49	Bangladesh	3.87			
50	Romania	3.76			
51	Kuwait	3.70			
52	Panama	3.62			
53	Slovak Republic	3.61			
54	Russian Federation	3.59			
55	Kazakhstan	3.57			
56	Turkey	3.57			
57	Ukraine	3.42			
58	Tanzania	3.40			
59	Vietnam	3.30			
60	Egypt	2.95			

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

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—among the best in the world] | 2010–2011 weighted average

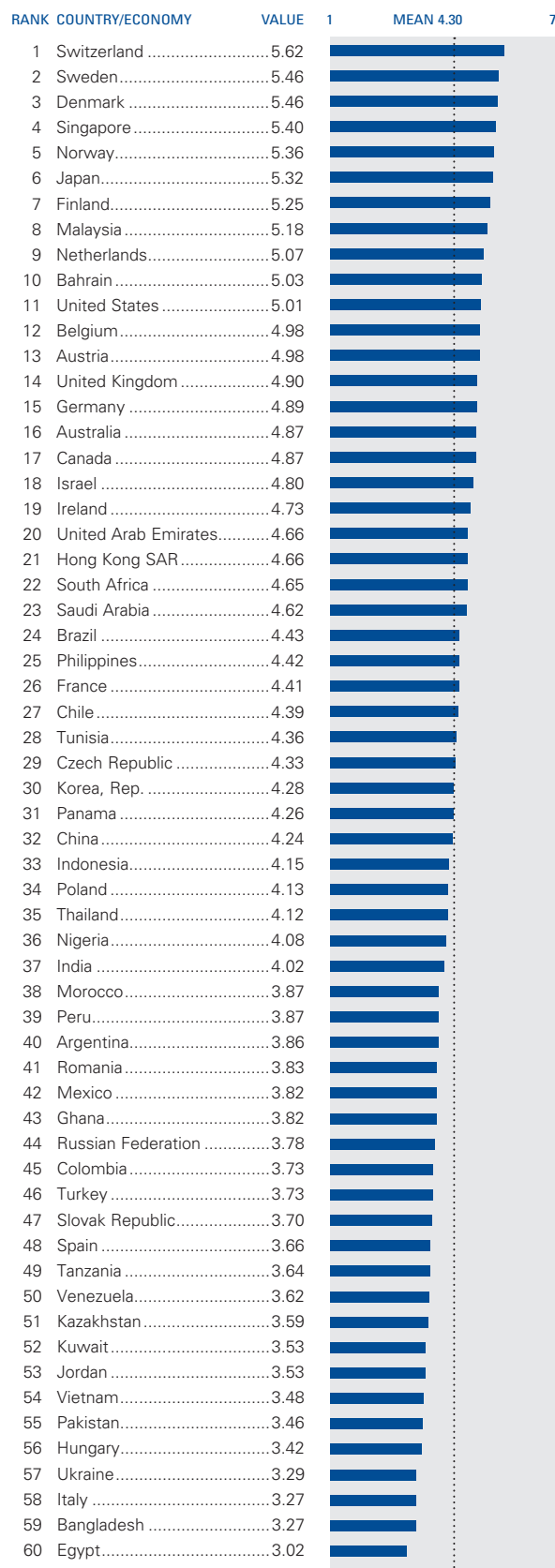
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.19	7
1	Singapore	6.35			
2	Belgium	6.29			
3	Finland	6.26			
4	Switzerland	5.84			
5	Canada	5.43			
6	Netherlands	5.35			
7	Hong Kong SAR	5.33			
8	Korea, Rep.	5.24			
9	France	5.13			
10	Tunisia	5.11			
11	Australia	5.09			
12	Malaysia	5.02			
13	Japan	4.90			
14	United Arab Emirates	4.88			
15	Saudi Arabia	4.88			
16	Sweden	4.86			
17	Denmark	4.77			
18	China	4.75			
19	India	4.74			
20	Ireland	4.60			
21	Ukraine	4.58			
22	Hungary	4.57			
23	Austria	4.57			
24	Bahrain	4.54			
25	United Kingdom	4.48			
26	Jordan	4.47			
27	Romania	4.45			
28	Germany	4.44			
29	Russian Federation	4.35			
30	United States	4.30			
31	Poland	4.29			
32	Indonesia	4.26			
33	Vietnam	4.17			
34	Thailand	4.16			
35	Morocco	4.08			
36	Czech Republic	4.07			
37	Slovak Republic	3.95			
38	Italy	3.94			
39	Norway	3.87			
40	Israel	3.81			
41	Colombia	3.73			
42	Kazakhstan	3.68			
43	Pakistan	3.62			
44	Kuwait	3.47			
45	Ghana	3.40			
46	Nigeria	3.36			
47	Turkey	3.35			
48	Bangladesh	3.31			
49	Spain	3.27			
50	Argentina	3.20			
51	Philippines	3.14			
52	Venezuela	2.95			
53	Tanzania	2.93			
54	Chile	2.83			
55	Mexico	2.76			
56	Brazil	2.69			
57	Egypt	2.44			
58	Panama	2.40			
59	Peru	2.35			
60	South Africa	2.08			

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

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] | 2010–2011 weighted average

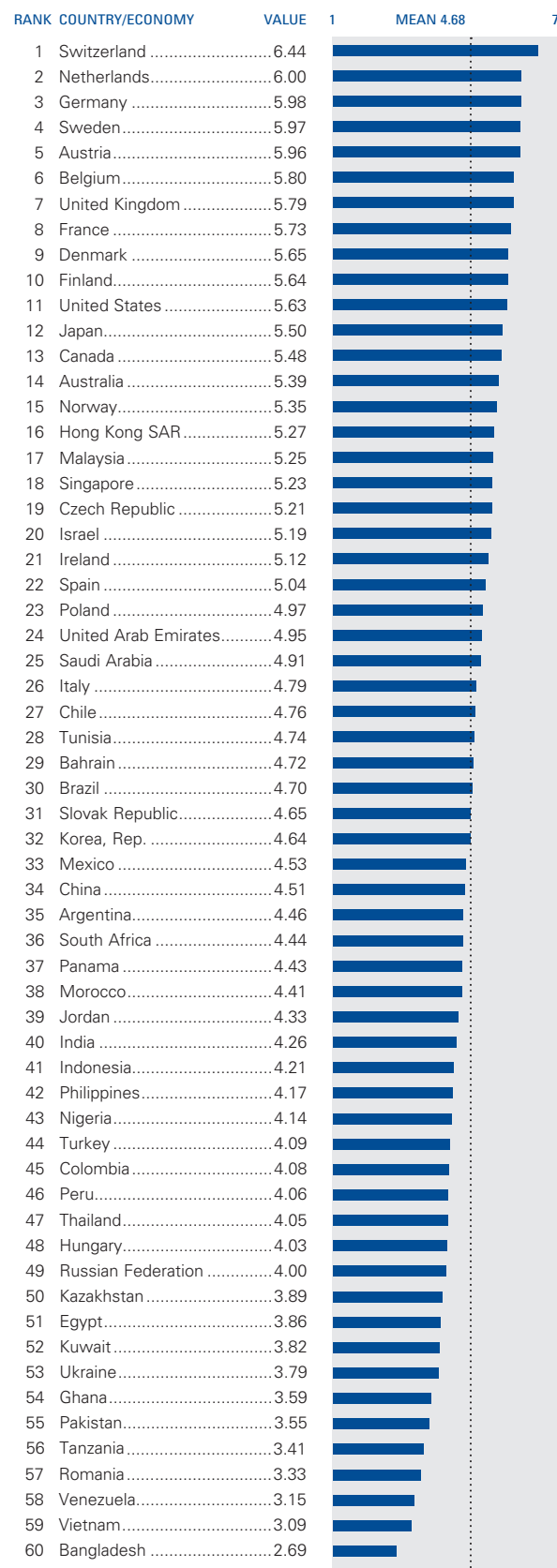


SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

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] | 2010–2011 weighted average



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

2.05

Brain drain and ease of hiring foreign labor

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] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 4.05	7
1	Switzerland	5.61			
2	Singapore	5.34			
3	United Arab Emirates	5.31			
4	United Kingdom	5.03			
5	Saudi Arabia	4.99			
6	United States	4.99			
7	Hong Kong SAR	4.98			
8	Netherlands	4.96			
9	Chile	4.84			
10	Sweden	4.81			
11	Bahrain	4.80			
12	Finland	4.79			
13	Ireland	4.72			
14	Canada	4.69			
15	China	4.65			
16	Norway	4.63			
17	Belgium	4.53			
18	Malaysia	4.52			
19	Kuwait	4.48			
20	Peru	4.23			
21	Indonesia	4.19			
22	Korea, Rep.	4.18			
23	Japan	4.17			
24	Germany	4.13			
25	Nigeria	4.13			
26	Denmark	4.11			
27	Australia	4.05			
28	Brazil	4.01			
29	Austria	4.01			
30	Thailand	3.98			
31	India	3.95			
32	Argentina	3.92			
33	Spain	3.89			
34	Hungary	3.85			
35	Morocco	3.85			
36	Colombia	3.78			
37	France	3.77			
38	Pakistan	3.76			
39	Czech Republic	3.69			
40	Mexico	3.68			
41	Israel	3.68			
42	Vietnam	3.62			
43	Panama	3.61			
44	Tunisia	3.58			
45	Ghana	3.58			
46	Italy	3.57			
47	Slovak Republic	3.51			
48	Tanzania	3.51			
49	Kazakhstan	3.43			
50	Jordan	3.43			
51	Romania	3.39			
52	Philippines	3.32			
53	Poland	3.31			
54	Turkey	3.30			
55	Ukraine	3.18			
56	Russian Federation	3.14			
57	Bangladesh	3.14			
58	South Africa	3.07			
59	Egypt	3.06			
60	Venezuela	2.37			

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

2.06

Tertiary enrollment

This variable is the gross tertiary enrollment rate | 2010

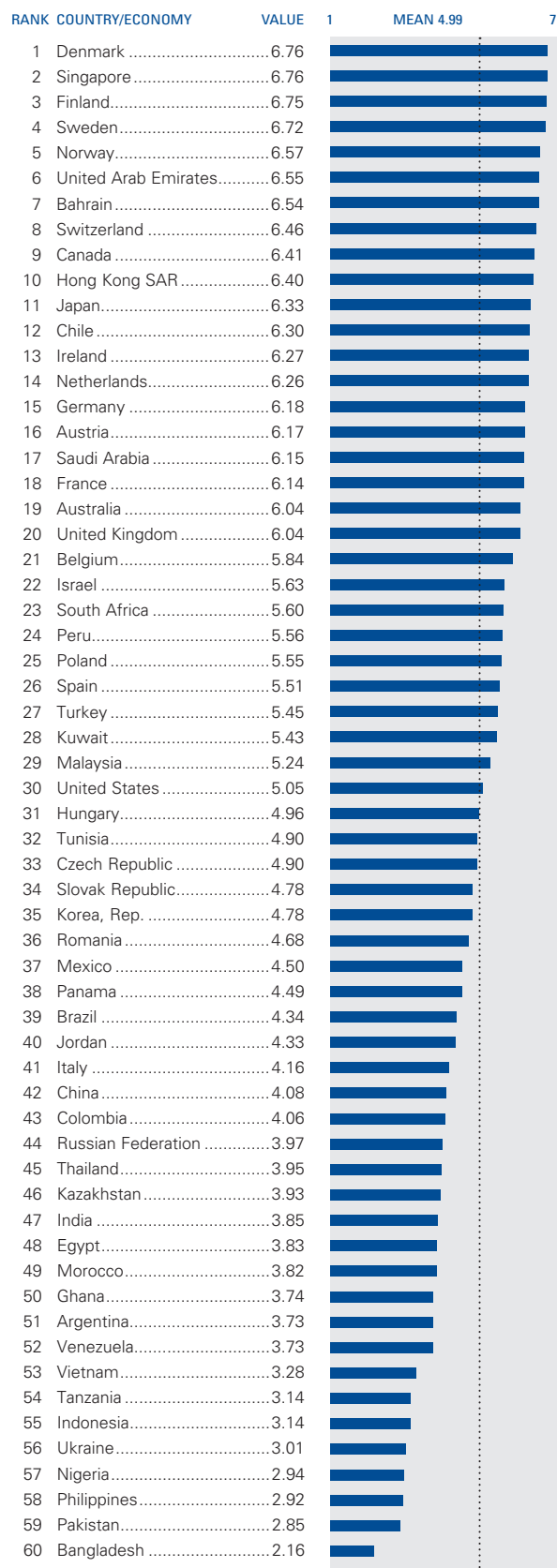
RANK	COUNTRY/ECONOMY	VALUE
1	Korea, Rep. ⁶	98.09
2	Finland ⁶	94.44
3	United States ⁶	82.92
4	Ukraine ⁶	79.44
5	Venezuela ⁶	78.64
6	Denmark ⁶	78.05
7	Russian Federation ⁶	77.19
8	Australia ⁶	77.00
9	Norway ⁶	73.19
10	Sweden ⁶	71.05
11	Spain ⁶	70.58
12	Poland ⁶	69.43
13	Argentina ⁵	67.73
14	Italy ⁶	67.20
15	Romania ⁶	65.56
16	Hungary ⁶	65.02
17	Singapore ⁷	63.60
18	Belgium ⁶	62.97
19	Canada ²	62.27
20	Netherlands ⁶	60.60
21	Israel ⁶	59.73
22	Ireland ⁶	58.31
23	Czech Republic ⁶	58.27
24	Japan ⁶	58.03
25	United Kingdom ⁶	57.42
26	Hong Kong SAR ⁷	56.63
27	Chile ⁶	54.79
28	Austria ⁶	54.71
29	France ⁶	54.58
30	Slovak Republic ⁶	53.62
31	Bahrain	51.20
32	Switzerland ⁶	49.40
33	Panama ⁶	45.11
34	Thailand	45.00
35	Germany ⁴	43.60
36	Kazakhstan ⁷	41.12
37	Jordan ⁶	40.65
38	Turkey ⁶	38.37
39	Colombia ⁷	36.98
40	Malaysia ⁶	36.46
41	Peru ⁴	34.48
42	Brazil ⁶	34.44
43	Tunisia ⁶	33.70
44	Saudi Arabia ⁷	32.78
45	United Arab Emirates ⁷	30.40
46	Philippines ⁶	28.69
47	Egypt ⁶	28.45
48	Mexico ⁶	27.19
49	China ⁷	24.53
50	Indonesia ⁷	23.50
51	Kuwait ²	18.90
52	South Africa ⁴	15.41
53	India ⁵	13.48
54	Morocco ⁷	12.88
55	Nigeria ³	10.07
56	Vietnam ¹	9.68
57	Ghana ⁷	8.63
58	Bangladesh ⁷	7.86
59	Pakistan ⁷	6.41
60	Tanzania ³	1.45

SOURCES: UNESCO Institute for Statistics (retrieved September 2011); The World Bank, *World Development Indicators 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] | 2010–2011 weighted average



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

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] | 2010–2011 weighted average



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

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 percentage of commercial profits | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Kuwait	-4.70
2	Germany	-3.20
3	Hong Kong SAR	-1.10
4	Chile	-1.00
5	Bahrain	0.00
5	United Arab Emirates	0.00
7	Saudi Arabia	0.40
8	Ireland	0.60
9	Jordan	1.00
10	Thailand	1.20
11	Indonesia	1.30
12	Poland	1.60
13	Turkey	2.10
14	Israel	2.20
15	Japan	3.00
16	Peru	3.40
17	Norway	3.60
17	South Africa	3.60
19	Australia	4.00
20	Kazakhstan	4.10
21	Hungary	4.20
22	Netherlands	4.60
23	Italy	4.70
24	Morocco	4.80
25	Denmark	4.90
25	United Kingdom	4.90
27	Mexico	5.50
28	Romania	5.60
29	Ghana	6.60
30	Egypt	7.00
31	United States	7.40
32	Nigeria	7.70
33	Vietnam	7.80
34	Malaysia	8.00
35	Canada	8.70
36	Philippines	9.00
37	Korea, Rep.	9.10
38	India	9.30
39	Tanzania	9.90
40	Austria	10.00
41	Singapore	10.50
42	Sweden	10.60
43	Russian Federation	11.10
44	Czech Republic	11.50
45	Brazil	11.60
46	Slovak Republic	11.80
47	Finland	12.30
48	Ukraine	12.80
49	Colombia	14.10
50	Tunisia	14.80
51	Switzerland	15.10
52	Panama	16.30
53	Pakistan	17.10
54	China	19.10
55	Bangladesh	19.30
56	France	26.20
57	Venezuela	27.10
58	Belgium	28.80
58	Spain	28.80
60	Argentina	32.20

SOURCES: Corporate tax rate data from the Heritage Foundation, 2011 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

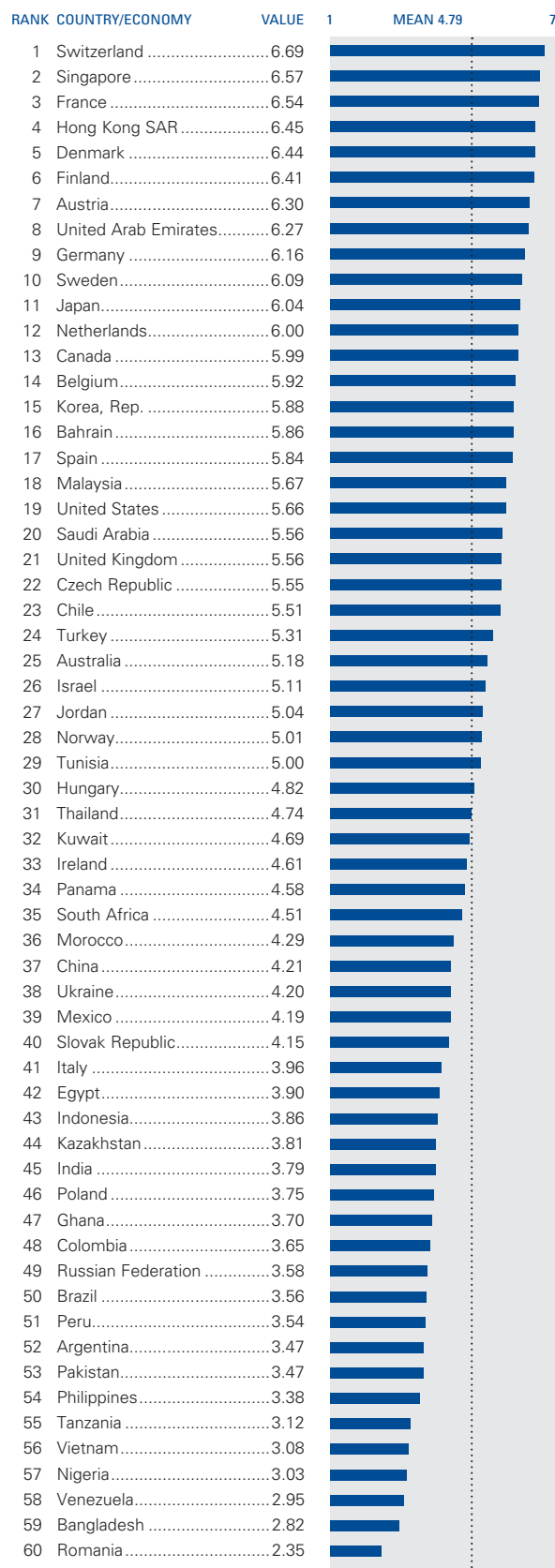
RANK	COUNTRY/ECONOMY	VALUE
1	United Arab Emirates	12
2	Bahrain	36
3	Switzerland	63
4	Ireland	76
5	Saudi Arabia	79
6	Hong Kong SAR	80
7	Singapore	84
8	Norway	87
9	Finland	93
10	Australia	109
11	United Kingdom	110
12	Jordan	116
13	Kuwait	118
14	Sweden	122
15	Netherlands	127
16	Canada	131
17	France	132
18	Malaysia	133
19	Denmark	135
20	Tunisia	144
21	Belgium	156
22	Austria	170
23	Tanzania	172
24	Spain	187
24	United States	187
26	Kazakhstan	188
27	Colombia	193
28	Philippines	195
29	South Africa	200
30	Germany	221
31	Romania	222
32	Turkey	223
33	Ghana	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	Hungary	277
42	Italy	285
43	Russian Federation	290
44	Poland	296
45	Bangladesh	302
46	Peru	309
47	Chile	316
48	Japan	330
49	Mexico	347
50	China	398
51	Argentina	415
52	Egypt	433
53	Panama	482
54	Czech Republic	557
55	Pakistan	560
56	Ukraine	657
57	Venezuela	864
58	Nigeria	938
59	Vietnam	941
60	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] | 2010–2011 weighted average

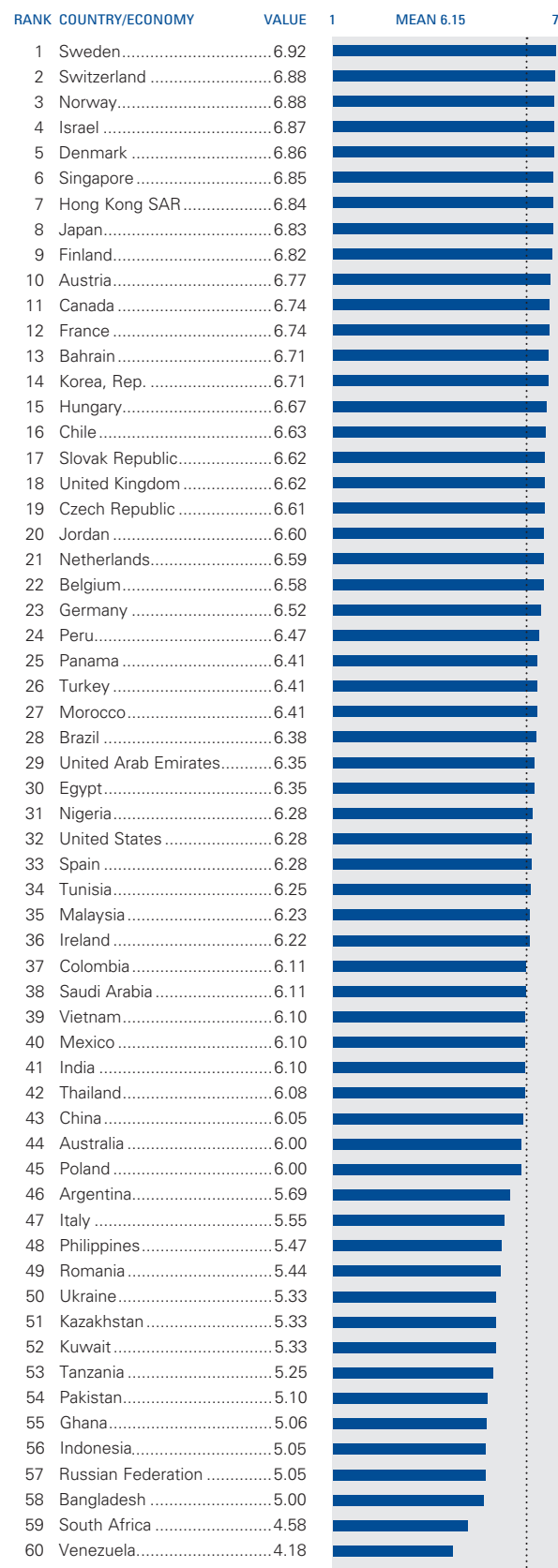


SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

2.12

Quality of telephone infrastructure

How difficult is it to obtain new telephone lines for businesses in your country? [1 = very difficult; 7 = very easy] | 2010–2011 weighted average



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

2.13

Internet users

This variable is the number of Internet users per 100 inhabitants | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Norway.....	93.39
2	Netherlands.....	90.72
3	Sweden.....	90.00
4	Denmark.....	88.72
5	Finland.....	86.89
6	United Kingdom.....	85.00
7	Switzerland.....	83.90
8	Korea, Rep.....	83.70
9	Germany.....	81.85
10	Canada.....	81.60
11	France.....	80.10
12	Japan.....	80.00
13	Slovak Republic.....	79.42
14	Belgium.....	79.26
15	United States.....	79.00
16	United Arab Emirates.....	78.00
17	Australia.....	76.00
18	Austria.....	72.70
19	Singapore.....	70.00
20	Ireland.....	69.85
21	Hong Kong SAR.....	69.40
22	Czech Republic.....	68.82
23	Israel.....	67.20
24	Spain.....	66.53
25	Hungary.....	65.27
26	Poland.....	62.32
27	Malaysia.....	55.30
28	Bahrain.....	55.00
29	Italy.....	53.68
30	Morocco.....	49.00
31	Chile.....	45.00
32	Russian Federation.....	43.00
33	Panama.....	42.75
34	Saudi Arabia.....	41.00
35	Brazil.....	40.65
36	Romania.....	39.93
37	Turkey.....	39.82
38	Kuwait.....	38.25
39	Jordan.....	38.00
40	Tunisia.....	36.80
41	Colombia.....	36.50
42	Argentina.....	36.00
43	Venezuela.....	35.63
44	China.....	34.30
44	Peru.....	34.30
46	Kazakhstan.....	34.00
47	Mexico.....	31.00
48	Nigeria.....	28.43
49	Vietnam.....	27.56
50	Egypt.....	26.74
51	Philippines.....	25.00
52	Ukraine.....	23.00
53	Thailand.....	21.20
54	Pakistan.....	16.78
55	South Africa.....	12.30
56	Tanzania.....	11.00
57	Indonesia.....	9.10
58	Ghana.....	8.55
59	India.....	7.50
60	Bangladesh.....	3.70

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.14

Broadband internet subscriptions

This variable is the total broadband Internet subscriptions per 100 inhabitants | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Switzerland.....	38.16
2	Netherlands.....	37.97
3	Denmark.....	37.38
4	Korea, Rep.....	36.63
5	Norway.....	34.60
6	France.....	33.92
7	Germany.....	31.59
8	Sweden.....	31.59
9	Belgium.....	31.49
10	United Kingdom.....	31.38
11	Hong Kong SAR.....	30.16
12	Canada.....	29.81
13	Finland.....	29.07
14	Japan.....	26.91
15	United States.....	26.34
16	Israel.....	25.14
17	Singapore.....	24.72
18	Austria.....	23.85
19	Australia.....	23.19
20	Spain.....	22.96
21	Ireland.....	22.82
22	Italy.....	22.13
23	Hungary.....	19.59
24	Slovak Republic.....	16.06
25	Czech Republic.....	14.66
26	Romania.....	13.96
27	Poland.....	13.18
28	Bahrain.....	12.21
29	Russian Federation.....	10.98
30	United Arab Emirates.....	10.47
31	Chile.....	10.45
32	Mexico.....	9.98
33	Turkey.....	9.75
34	Argentina.....	9.56
35	China.....	9.42
36	Ukraine.....	8.06
37	Panama.....	7.84
38	Malaysia.....	7.32
39	Brazil.....	7.23
40	Colombia.....	5.66
41	Saudi Arabia.....	5.45
42	Venezuela.....	5.37
43	Kazakhstan.....	5.28
44	Tunisia.....	4.60
45	Vietnam.....	4.13
46	Thailand.....	3.87
47	Jordan.....	3.18
48	Peru.....	3.14
49	Philippines.....	1.85
50	Egypt.....	1.82
51	Kuwait.....	1.68
52	Morocco.....	1.56
53	South Africa.....	1.48
54	India.....	0.90
55	Indonesia.....	0.79
56	Pakistan.....	0.31
57	Ghana.....	0.21
58	Nigeria.....	0.06
59	Bangladesh.....	0.04
60	Tanzania.....	0.01

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.15

Telephone lines

This variable is the number of main telephone lines per 100 inhabitants | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	61.61
2	Korea, Rep.	59.24
3	Switzerland	58.56
4	France	56.06
5	Germany	55.41
6	United Kingdom	53.71
7	Sweden	53.46
8	Canada	50.04
9	United States	48.70
10	Denmark	47.26
11	Ireland	46.49
12	Israel	44.16
13	Belgium	43.31
14	Spain	43.20
15	Netherlands	43.15
16	Singapore	39.00
17	Australia	38.89
18	Austria	38.66
19	Italy	35.67
20	Norway	34.85
21	Japan	31.94
22	Russian Federation	31.45
23	Hungary	29.82
24	Ukraine	28.47
25	Kazakhstan	25.03
26	Argentina	24.74
27	Poland	24.69
28	Venezuela	24.44
29	Finland	23.30
30	Turkey	22.27
31	China	21.95
32	Brazil	21.62
33	Czech Republic	20.95
34	Romania	20.94
35	Kuwait	20.69
36	Chile	20.20
37	Slovak Republic	20.12
38	United Arab Emirates	19.70
39	Vietnam	18.67
40	Bahrain	18.07
41	Mexico	17.54
42	Malaysia	16.10
43	Indonesia	15.83
44	Panama	15.73
45	Saudi Arabia	15.18
46	Colombia	14.71
47	Tunisia	12.30
48	Egypt	11.86
49	Morocco	11.73
50	Peru	10.87
51	Thailand	10.14
52	South Africa	8.43
53	Jordan	7.84
54	Philippines	7.27
55	India	2.87
56	Pakistan	1.97
57	Ghana	1.14
58	Nigeria	0.66
59	Bangladesh	0.61
60	Tanzania	0.39

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.16

Mobile telephone subscriptions

This indicator is the number of mobile cellular telephone subscriptions per 100 inhabitants | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	190.21
2	Saudi Arabia	187.86
3	Panama	184.72
4	Vietnam	175.30
5	Russian Federation	166.26
6	Kuwait	160.78
7	Finland	156.40
8	Austria	145.84
9	United Arab Emirates	145.45
10	Singapore	143.66
11	Argentina	141.79
12	Czech Republic	136.58
13	Italy	135.42
14	Israel	133.11
15	United Kingdom	130.25
16	Germany	127.04
17	Denmark	124.41
18	Bahrain	124.18
19	Switzerland	123.62
20	Kazakhstan	123.35
21	Malaysia	121.32
22	Hungary	120.32
23	Poland	120.18
24	Ukraine	118.66
25	Netherlands	116.23
26	Chile	116.00
27	Romania	114.68
28	Sweden	113.54
29	Belgium	113.46
30	Norway	113.15
31	Spain	111.75
32	Slovak Republic	108.47
33	Jordan	106.99
34	Tunisia	106.04
35	Korea, Rep.	105.36
36	Ireland	105.18
37	Brazil	104.10
38	Australia	101.04
39	Thailand	100.81
40	South Africa	100.48
41	Peru	100.13
42	Morocco	100.10
43	France	99.70
44	Venezuela	96.20
45	Japan	95.39
46	Colombia	93.76
47	Indonesia	91.72
48	United States	89.86
49	Egypt	87.11
50	Philippines	85.67
51	Turkey	84.90
52	Mexico	80.55
53	Ghana	71.49
54	Canada	70.66
55	China	64.04
56	India	61.42
57	Pakistan	59.21
58	Nigeria	55.10
59	Tanzania	46.80
60	Bangladesh	46.17

SOURCE: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.17

Cost of starting a business

This indicator is the cost of starting a business as a percentage 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	Romania	3.00
21	China	3.50
22	Tunisia	4.20
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	Venezuela	26.10
57	Tanzania	28.80
58	Bangladesh	30.60
59	India	46.80
60	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 percentage of income per capita | 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	Sweden	4.30
32	Tanzania	4.40
33	Italy	4.50
34	Austria	4.60
35	United Kingdom	4.70
36	Philippines	4.80
37	Morocco	4.90
38	Australia	5.00
38	Hungary	5.00
38	Israel	5.00
41	Korea, Rep.	5.10
42	Germany	5.20
43	Mexico	5.30
43	Panama	5.30
45	South Africa	5.60
46	Japan	5.70
47	France	6.10
47	Netherlands	6.10
47	Tunisia	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
56	Jordan	7.50
57	Pakistan	7.70
58	Indonesia	10.80
59	Belgium	12.70
60	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 percentage of the estate | 2011

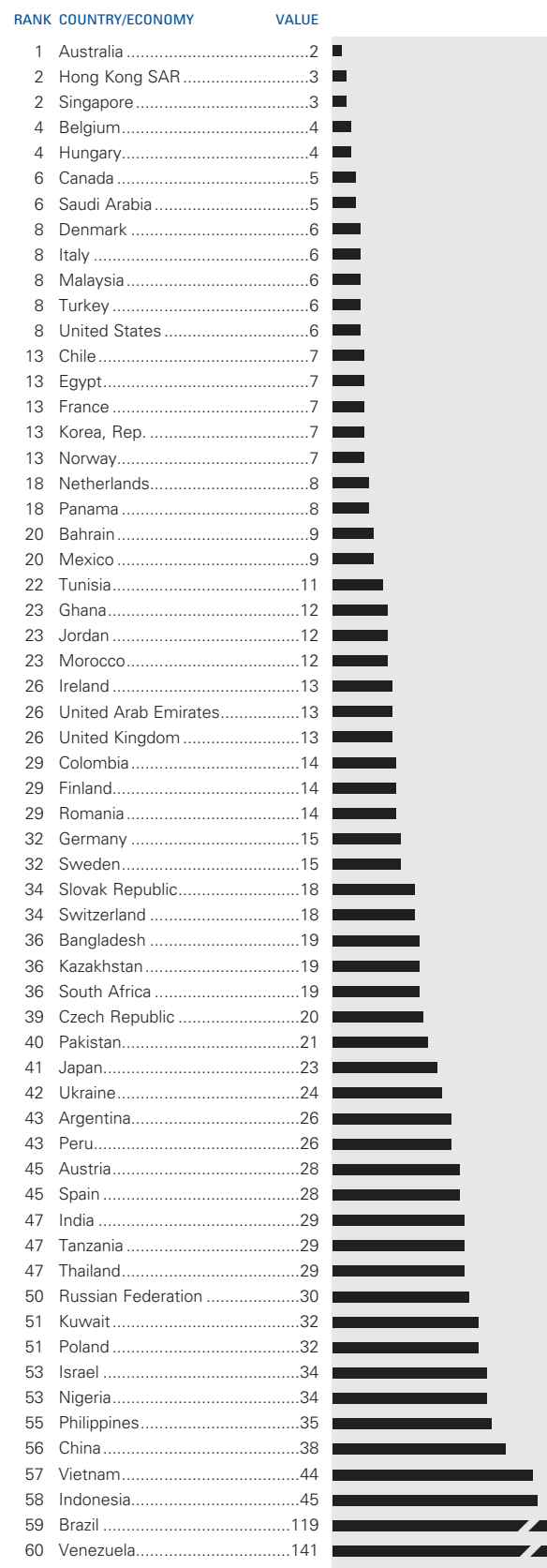


SOURCE: The World Bank, *Doing Business 2012*

2.20

Time to start a business

This variable is the time in days to start a business | 2011

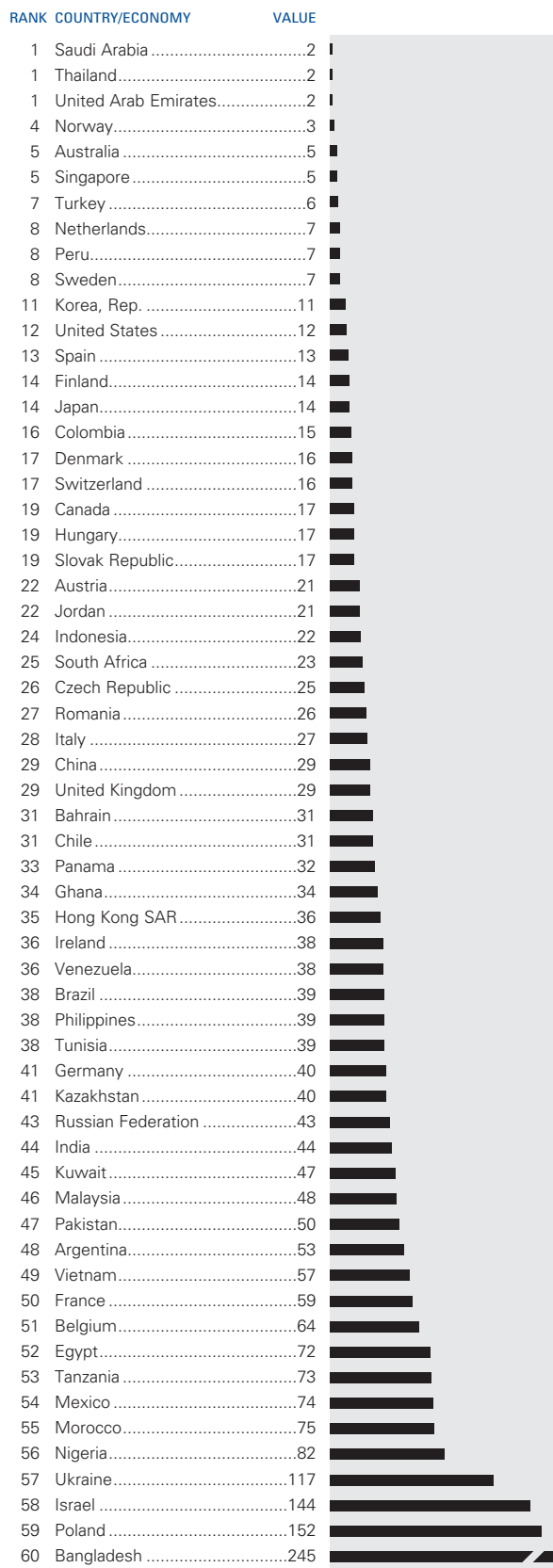


SOURCE: The World Bank, *Doing Business 2012*

2.21

Time to register property

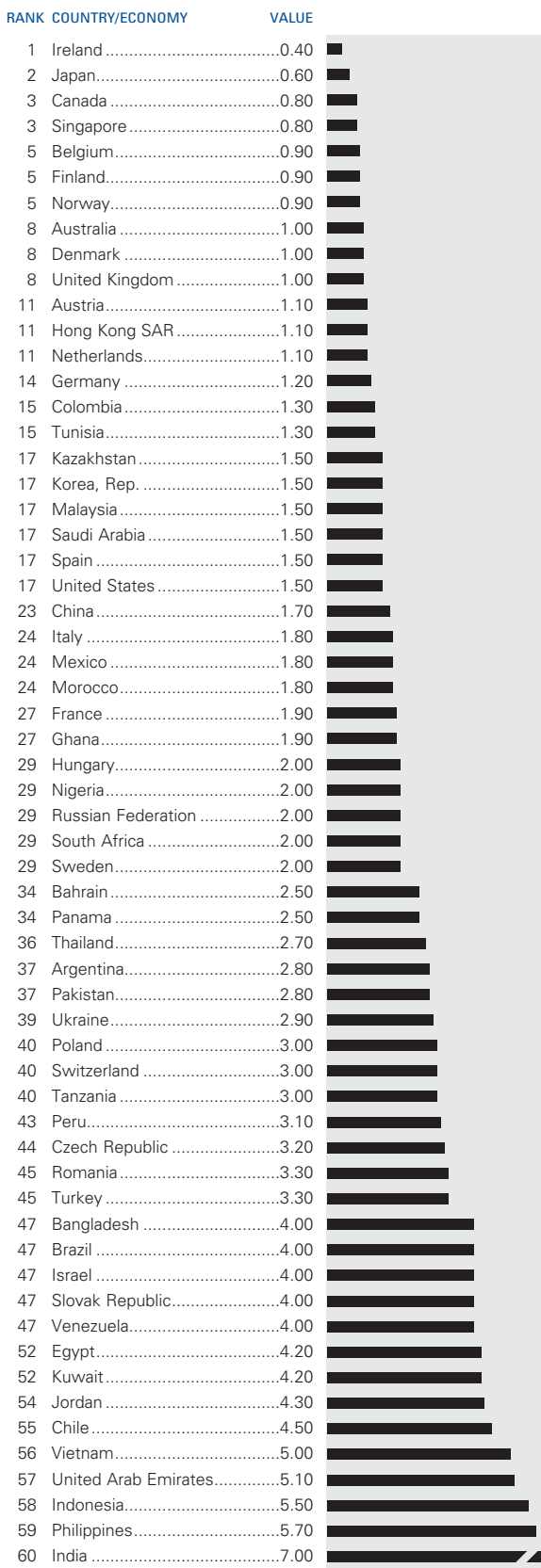
This variable is the time in days to register property | 2011

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 percentage change in real effective exchange rate from year to year over the period 2006–2010. Higher REER represents appreciation | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Malaysia	10.86
2	Indonesia	10.32
3	Brazil	8.62
4	Venezuela	6.78
5	Egypt	5.60
6	Russian Federation	5.32
7	Thailand	3.96
8	Colombia	3.74
9	Norway	3.66
10	Israel	3.64
11	Czech Republic	3.16
12	Australia	3.04
12	China	3.04
14	Romania	2.90
15	Chile	2.54
16	Philippines	2.44
17	Singapore	2.30
18	Kazakhstan	2.26
19	Slovak Republic	2.26
20	Peru	2.14
21	Saudi Arabia	2.00
22	Japan	1.62
23	Panama	1.12
24	Poland	0.88
25	Switzerland	0.80
26	Spain	0.74
27	South Africa	0.52
28	Kuwait	0.48
29	Pakistan	0.42
30	Morocco	0.36
31	Ukraine	0.26
32	Belgium	0.24
33	Ireland	0.14
34	Denmark	0.12
35	Hungary	0.00
36	India	-0.04
37	Italy	-0.12
38	Netherlands	-0.20
39	Sweden	-0.22
40	Austria	-0.24
41	Finland	-0.32
42	France	-0.34
43	Turkey	-0.44
44	Germany	-0.52
45	Mexico	-0.52
46	Argentina	-0.80
47	Tunisia	-0.86
48	Canada	-1.00
49	United States	-1.08
50	Hong Kong SAR	-2.00
51	Bahrain	-2.86
52	United Kingdom	-3.18
53	Korea, Rep.	-3.52
n/a	Bangladesh	n/a
n/a	Ghana	n/a
n/a	Jordan	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 2011)

3.02

External vulnerability indicator

The external vulnerability indicator is the sum of several measures of external exposure as a percentage of foreign exchange reserves | 2010

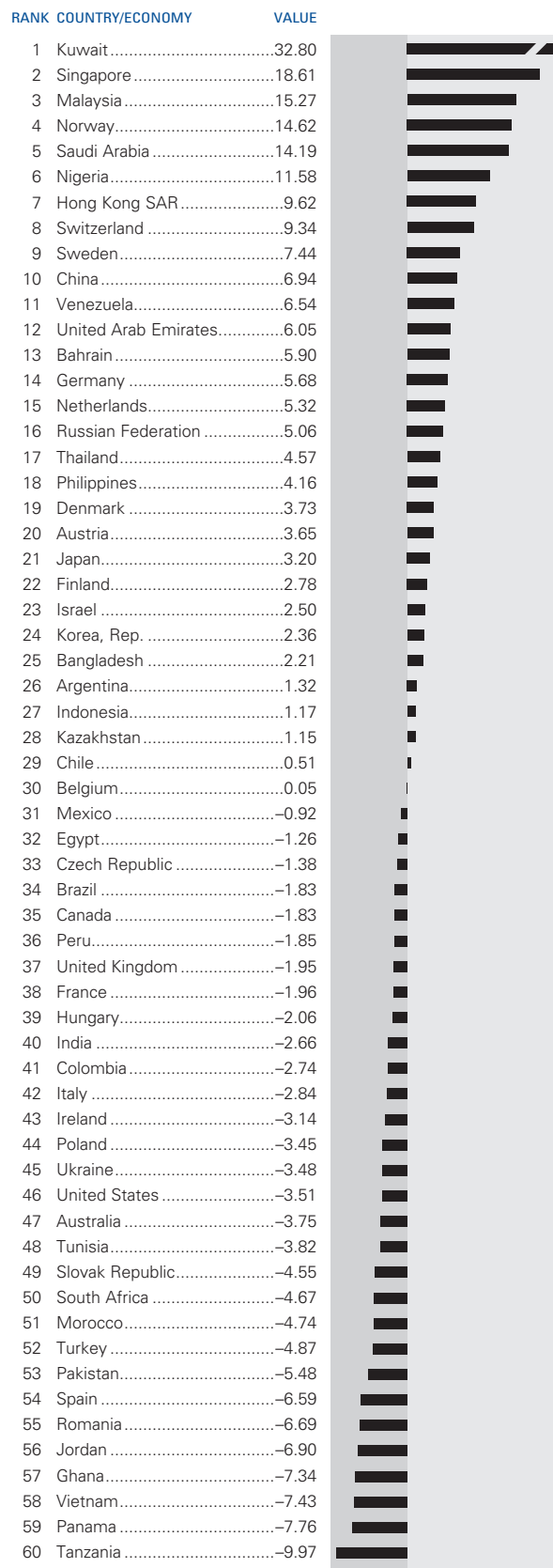
RANK	COUNTRY/ECONOMY	VALUE
1	Saudi Arabia	8.40
2	China	12.10
3	Egypt	15.60
4	Peru	17.80
5	Bangladesh	19.40
6	Pakistan	25.50
7	Panama	29.60
8	Malaysia	29.80
9	Russian Federation	31.80
10	Brazil	32.20
11	Thailand	33.20
12	Philippines	36.00
13	Morocco	36.60
14	Indonesia	39.10
15	India	42.60
16	Mexico	43.20
17	Colombia	55.60
18	Vietnam	60.20
19	Korea, Rep.	62.40
20	South Africa	66.00
21	Romania	69.20
22	Tunisia	76.10
23	Israel	78.30
24	Jordan	86.10
25	Czech Republic	87.00
26	Kazakhstan	93.70
27	Argentina	95.60
28	Chile	113.30
29	Kuwait	142.40
30	Ukraine	151.50
31	Turkey	167.40
32	Hungary	180.90
33	Poland	190.20
34	Venezuela	207.70
35	United Arab Emirates	264.60
36	Bahrain	623.00
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	Hong Kong SAR	n/a
n/a	Ireland	n/a
n/a	Italy	n/a
n/a	Japan	n/a
n/a	Netherlands	n/a
n/a	Nigeria	n/a
n/a	Norway	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 2011)

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 | 2008–2010



SOURCE: IMF, *World Economic Outlook Database* (April 2011)

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 | 2010



SOURCE: Moody's, *Moody's Country Credit Statistical Handbook* (May 2011)

3.05

External debt to GDP (developing economies)

This variable refers to a country's external debt as a percentage of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	China	8.70
2	Egypt	15.40
3	India	15.90
4	Brazil	16.40
5	Saudi Arabia	18.70
6	Colombia	22.80
7	Mexico	23.00
8	Bangladesh	24.00
9	Peru	26.20
10	Indonesia	27.90
11	South Africa	28.00
12	Morocco	28.20
12	Thailand	28.20
14	Malaysia	29.30
15	Korea, Rep.	29.90
16	Pakistan	32.00
17	Russian Federation	33.00
18	Venezuela	36.10
19	Argentina	36.30
20	Vietnam	38.80
21	Turkey	40.40
22	Kuwait	41.30
22	Philippines	41.30
24	Chile	42.60
25	Panama	45.10
26	Tunisia	47.70
27	Czech Republic	48.70
28	Israel	48.90
29	United Arab Emirates	51.00
30	Jordan	62.20
31	Poland	65.50
32	Romania	75.60
33	Kazakhstan	81.20
34	Ukraine	92.90
35	Hungary	140.00
36	Bahrain	171.30
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	Hong Kong SAR	n/a
n/a	Ireland	n/a
n/a	Italy	n/a
n/a	Japan	n/a
n/a	Netherlands	n/a
n/a	Nigeria	n/a
n/a	Norway	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 2011)

3.06

Net international investment position to GDP (advanced economies)

This variable is the net international investment position as a percentage of GDP | 2010

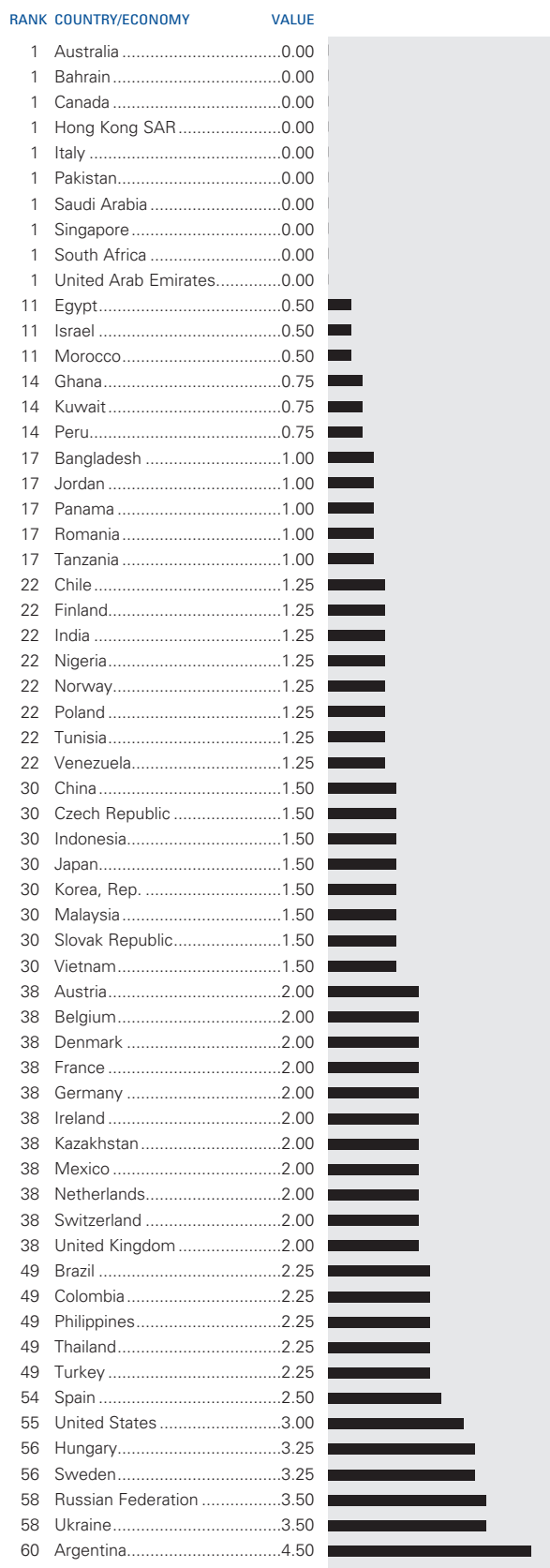
RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	308.60
2	Switzerland	136.10
3	Japan	53.20
4	Germany	42.00
5	Netherlands	19.90
6	Denmark	8.80
7	Finland	6.90
8	Austria	-0.60
9	United Kingdom	-13.20
10	Canada	-16.70
11	United States ¹	-19.30
12	Italy	-19.60
13	Sweden	-22.10
14	Australia	-58.10
15	Slovak Republic	-63.80
16	Spain	-87.10
17	Ireland	-97.00
n/a	Argentina	n/a
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Belgium	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	France	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	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	Norway	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	Singapore	n/a
n/a	South Africa	n/a
n/a	Tanzania	n/a
n/a	Thailand	n/a
n/a	Tunisia	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 2011)

3.07

Frequency of banking crises

This variable is calculated based on the number of banking crises that countries experienced from 1970 to 2010. Recent crises are weighted more heavily | 2010

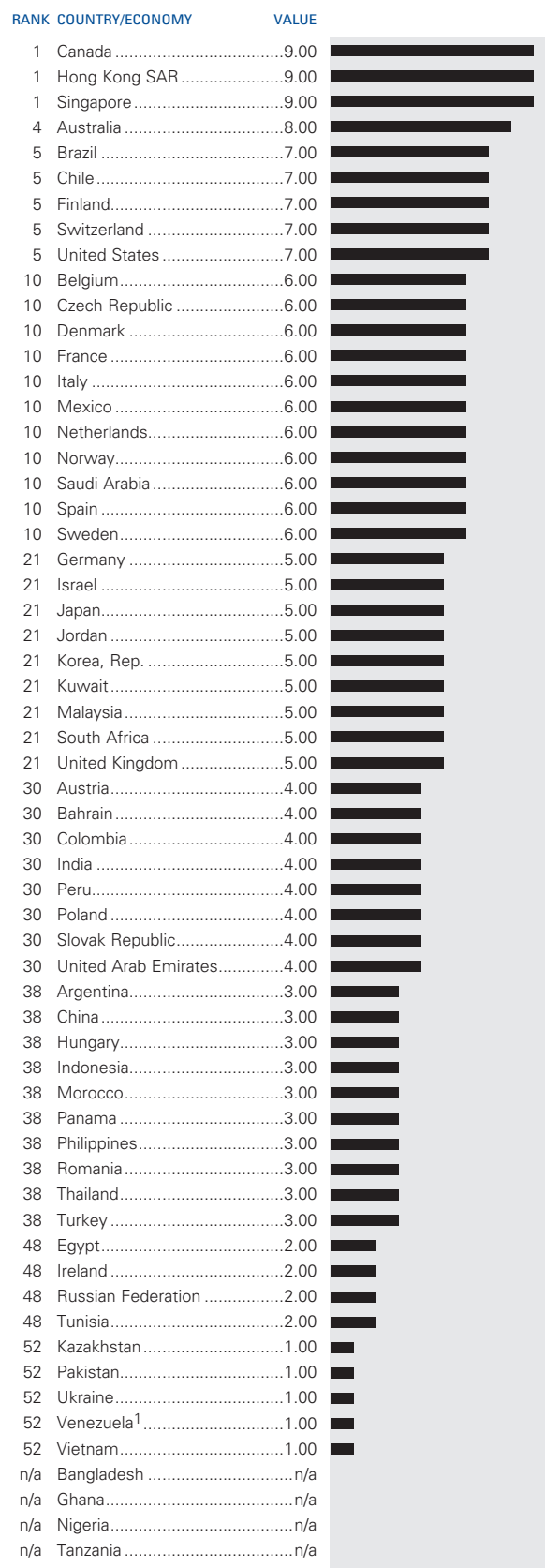


SOURCE: Luc Laeven and Fabian Valencia. 2008. "Systemic Banking Crises: A New Database." *IMF Working Paper 08/224*, Washington, DC. Updated June 2010. All weighting is based on World Economic Forum analysis.

3.08

Financial strengths indicator

This is the weighted average financial strength rating by bank assets | 2011



SOURCE: Moody's, *Moody's Country Credit Statistical Handbook* (May 2011)

¹ 2010

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 | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	7.00
2	Sweden	6.88
3	Panama	6.66
4	Peru	6.63
5	Hungary	6.45
6	Chile	6.37
7	Mexico	6.34
8	Malaysia	6.30
9	Colombia	6.16
10	Jordan	6.13
11	United Arab Emirates	6.07
12	Brazil	6.04
13	Slovak Republic	5.95
14	Argentina	5.91
15	Canada	5.82
16	Egypt	5.79
17	Netherlands	5.78
18	Denmark	5.65
19	Belgium	5.50
20	Austria	5.46
21	South Africa	5.44
22	Turkey	5.42
23	Poland	5.34
24	Indonesia	5.29
25	Romania	5.20
26	United States	5.20
27	Australia	5.09
28	Ukraine	4.96
29	Finland	4.95
30	Morocco	4.93
31	Switzerland	4.92
32	Germany	4.84
33	Italy	4.77
34	Japan	4.74
35	Thailand	4.69
36	United Kingdom	4.39
37	Spain	4.39
38	Israel	4.10
39	Tanzania	3.91
40	Philippines	3.81
41	Czech Republic	3.71
42	France	3.60
43	Singapore	3.17
44	Hong Kong SAR	3.05
45	Russian Federation	2.50
46	China	1.00
46	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	Tunisia	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Global Property Guide website (data retrieved September 2011), www.globalpropertyguide.com

3.10

Financial Stress Index

This measures the extent to which a country's financial system is under strain | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Austria	-3.90
2	Peru	-3.50
3	Colombia	-3.41
4	Spain	-2.73
5	Thailand	-2.71
6	Korea, Rep.	-2.64
7	Brazil	-2.42
8	Finland	-2.16
9	Indonesia	-1.77
10	France	-1.76
11	Malaysia	-1.72
12	South Africa	-1.71
13	Turkey	-1.70
14	China	-1.62
15	Romania	-1.54
16	Argentina	-1.46
17	Israel	-1.46
18	Philippines	-1.43
19	Egypt	-1.39
20	Chile	-1.39
21	Poland	-1.29
22	Sweden	-1.10
23	Netherlands	-1.07
24	Switzerland	-0.84
25	Mexico	-0.84
26	India	-0.73
27	Morocco	-0.60
28	Italy	-0.38
29	Slovak Republic	-0.17
30	Czech Republic	0.07
31	Pakistan	0.20
32	Denmark	0.25
33	Japan	0.61
34	Belgium	1.37
35	United Kingdom	1.37
36	Hungary	2.02
37	United States	2.24
38	Canada	2.54
39	Germany	2.65
40	Australia	3.84
41	Russian Federation	6.77
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Ghana	n/a
n/a	Hong Kong SAR	n/a
n/a	Ireland	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Norway	n/a
n/a	Panama	n/a
n/a	Saudi Arabia	n/a
n/a	Singapore	n/a
n/a	Tanzania	n/a
n/a	Tunisia	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: Ravi Balakrishnan, Stephan Danninger, Selim Elekdag, and Irina Tytell. *The Transmission of Financial Stress from Advanced to Emerging Economies*. Washington DC: IMF.

3.11

Tier 1 capital ratio

This is the weighted average Tier 1 regulatory capital ratio at the 10 largest banks | 2010



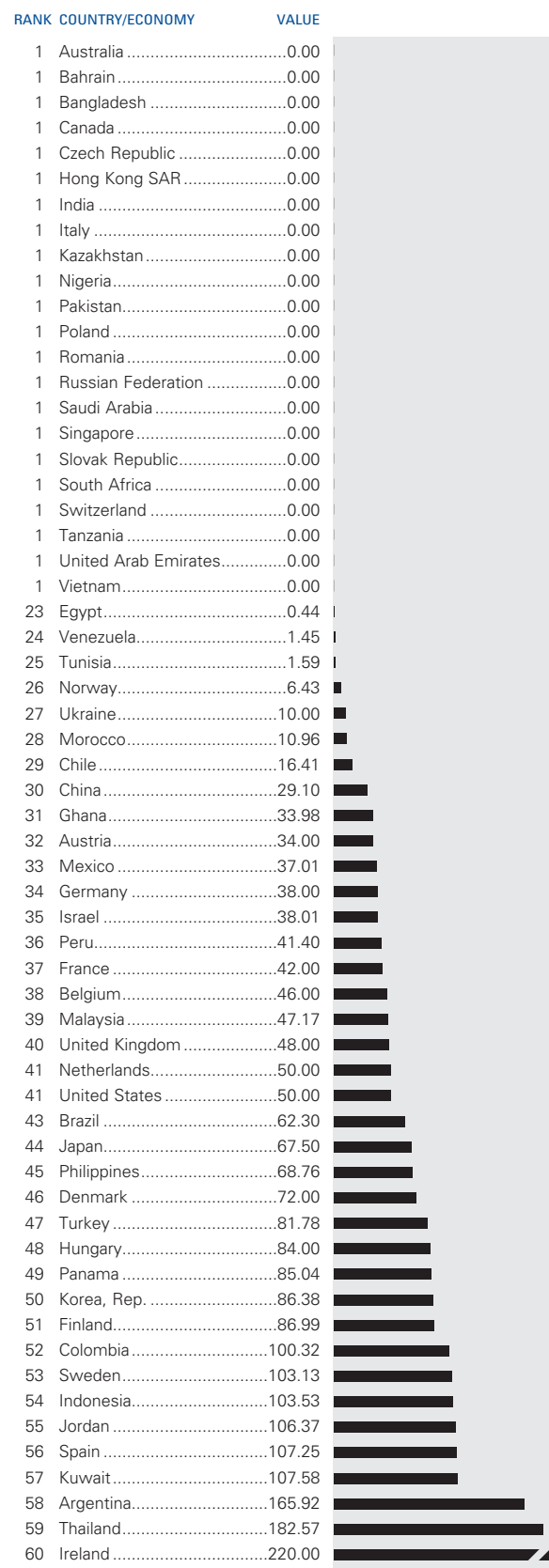
SOURCE: BankScope database, data retrieved October 2011

¹ 2009

3.12

Output loss during banking crises

This is the difference between actual and trend real GDP during a banking crisis. Output loss during recent crises is weighted more heavily | 2010



SOURCE: Luc Laeven and Fabian Valencia. 2008. "Systemic Banking Crises: A New Database." *IMF Working Paper 08/224*, Washington, DC. Updated June 2010. All weighting is based on World Economic Forum analysis.

3.13

Local currency sovereign rating

This variable measures the probability that a country will pay its local currency borrowing in a full and timely manner | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Australia	20.00
1	Austria	20.00
1	Canada	20.00
1	Denmark	20.00
1	Finland	20.00
1	France	20.00
1	Germany	20.00
1	Hong Kong SAR	20.00
1	Netherlands	20.00
1	Norway	20.00
1	Singapore	20.00
1	Sweden	20.00
1	Switzerland	20.00
1	United Kingdom	20.00
15	Belgium	18.70
15	United States	18.70
17	Chile	18.30
18	Czech Republic	18.00
18	Kuwait	18.00
20	Spain	17.70
21	China	17.00
21	Israel	17.00
21	Saudi Arabia	17.00
24	Japan	16.70
25	Slovak Republic	16.30
26	Korea, Rep.	16.00
27	Italy	15.70
28	Malaysia	15.00
28	Poland	15.00
28	South Africa	15.00
31	Mexico	14.00
31	Thailand	14.00
33	Brazil	13.30
34	Colombia	13.00
34	Ireland	13.00
34	Kazakhstan	13.00
34	Peru	13.00
34	Russian Federation	13.00
39	Morocco	12.00
40	Bahrain	11.70
40	Tunisia	11.70
42	Panama	11.30
43	India	11.00
43	Romania	11.00
45	Hungary	10.70
46	Indonesia	10.30
46	Turkey	10.30
48	Philippines	10.00
49	Egypt	9.70
49	Jordan	9.70
51	Bangladesh	8.00
52	Vietnam	7.70
53	Nigeria	7.00
53	Ukraine	7.00
53	Venezuela	7.00
56	Argentina	6.00
56	Ghana	6.00
58	Pakistan	5.00
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a

SOURCE: Standard and Poor's, September 2011

3.14

Foreign currency sovereign rating

This variable measures the probability that a country will pay its foreign currency borrowing in a full and timely manner | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	Australia	20.00
1	Austria	20.00
1	Canada	20.00
1	Denmark	20.00
1	Finland	20.00
1	France	20.00
1	Germany	20.00
1	Hong Kong SAR	20.00
1	Netherlands	20.00
1	Norway	20.00
1	Singapore	20.00
1	Sweden	20.00
1	Switzerland	20.00
1	United Kingdom	20.00
15	Belgium	18.70
15	United States	18.70
17	Kuwait	18.00
18	Spain	17.70
19	China	17.00
19	Czech Republic	17.00
19	Saudi Arabia	17.00
22	Japan	16.70
23	Chile	16.30
23	Slovak Republic	16.30
25	Israel	16.00
26	Italy	15.70
27	Korea, Rep.	15.00
28	Malaysia	14.00
28	Poland	14.00
30	Ireland	13.00
30	South Africa	13.00
30	Thailand	13.00
33	Kazakhstan	12.00
33	Mexico	12.00
33	Peru	12.00
33	Russian Federation	12.00
37	Bahrain	11.70
38	Brazil	11.30
38	Panama	11.30
40	Colombia	11.00
40	India	11.00
40	Morocco	11.00
43	Hungary	10.70
43	Tunisia	10.70
45	Indonesia	10.30
46	Romania	10.00
47	Turkey	9.30
48	Philippines	9.00
49	Egypt	8.70
49	Jordan	8.70
51	Bangladesh	8.00
52	Vietnam	7.70
53	Nigeria	7.00
53	Ukraine	7.00
53	Venezuela	7.00
56	Argentina	6.00
56	Ghana	6.00
58	Pakistan	5.00
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a

SOURCE: Standard and Poor's, September 2011

3.15

Aggregate macroeconomic indicator

This is the aggregate measure of macroeconomic soundness based on real GDP growth, deposit interest rate, inflation volatility, and inflation level | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Peru.....	6.67
2	Thailand.....	6.60
3	Malaysia.....	6.49
4	Singapore.....	6.38
5	China.....	6.23
6	Philippines.....	6.19
7	Panama.....	6.16
8	Chile.....	6.07
9	Japan.....	6.06
10	Canada.....	5.94
11	Slovak Republic.....	5.83
12	Israel.....	5.81
13	Korea, Rep.....	5.79
14	Bahrain.....	5.73
15	Sweden.....	5.68
16	Tunisia.....	5.66
17	Mexico.....	5.62
18	United States.....	5.58
19	Poland.....	5.57
20	Kazakhstan.....	5.55
21	Switzerland.....	5.55
22	Brazil.....	5.45
23	Belgium.....	5.43
24	Saudi Arabia.....	5.43
25	France.....	5.43
26	Finland.....	5.41
27	Colombia.....	5.40
28	Czech Republic.....	5.39
29	Germany.....	5.30
30	Australia.....	5.28
31	Italy.....	5.26
32	Argentina.....	5.23
33	Hong Kong SAR.....	5.12
34	United Arab Emirates.....	5.09
35	Netherlands.....	5.08
36	Denmark.....	5.06
37	Kuwait.....	4.99
38	Indonesia.....	4.96
39	Austria.....	4.93
40	South Africa.....	4.92
41	United Kingdom.....	4.84
42	Norway.....	4.77
43	Jordan.....	4.75
44	Russian Federation.....	4.69
45	Ireland.....	4.61
46	Tanzania.....	4.56
47	Morocco.....	4.55
48	Bangladesh.....	4.52
49	Hungary.....	4.51
50	India.....	4.12
51	Spain.....	4.11
52	Vietnam.....	3.96
53	Nigeria.....	3.92
54	Turkey.....	3.71
55	Pakistan.....	3.52
56	Egypt.....	3.50
57	Ukraine.....	2.87
58	Ghana.....	2.76
59	Romania.....	2.61
60	Venezuela.....	1.08

SOURCES: GDP and inflation level data from IMF, *World Economic Outlook Database* (April 2011); deposit rate from World Bank, *World Development Indicators and Global Development Finance*, retrieved September 2011; inflation volatility data from Bloomberg, retrieved October 2011

3.16

Manageability of public debt

This variable is based on total debt owed by the government to domestic residents, foreign nations, and multilateral institutions as a percentage of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Russian Federation.....	9.09
2	Kuwait.....	9.19
3	Chile.....	9.21
4	Kazakhstan.....	15.83
5	Nigeria.....	16.22
6	China.....	16.29
7	Saudi Arabia.....	16.80
8	Hong Kong SAR.....	17.77
9	Korea, Rep.....	22.79
10	Peru.....	23.94
11	Venezuela.....	24.90
12	Indonesia.....	25.72
13	Australia.....	28.84
14	Bangladesh.....	33.29
15	Romania.....	33.78
16	Ghana.....	35.31
17	South Africa.....	36.30
18	Mexico.....	36.69
19	Tanzania.....	38.04
20	Czech Republic.....	38.49
21	Switzerland.....	38.67
22	Sweden.....	39.95
23	Slovak Republic.....	40.96
24	Thailand.....	42.35
25	Turkey.....	42.49
26	Ukraine.....	42.74
27	Panama.....	43.43
28	Denmark.....	43.53
29	Tunisia.....	43.95
30	Argentina.....	45.14
31	Colombia.....	46.02
32	Finland.....	48.37
33	Norway.....	49.48
34	United Arab Emirates.....	50.44
35	Pakistan.....	51.22
36	Poland.....	52.90
37	Malaysia.....	53.15
38	India.....	53.49
39	Brazil.....	54.74
40	Philippines.....	55.42
41	Vietnam.....	57.08
42	Jordan.....	58.28
43	Spain.....	60.11
44	Bahrain.....	60.84
45	Morocco.....	60.87
46	United States.....	61.67
47	Netherlands.....	62.51
48	Austria.....	72.45
49	Israel.....	74.71
50	United Kingdom.....	76.22
51	Hungary.....	80.84
52	Egypt.....	81.42
53	France.....	81.75
54	Germany.....	82.67
55	Canada.....	84.17
56	Ireland.....	96.19
57	Belgium.....	101.20
58	Singapore.....	105.77
59	Italy.....	119.01
60	Japan.....	199.71

SOURCES: Public debt data from the Economist Intelligence Unit *CountryData Database*, data retrieved September 2011; GDP data from the IMF, *World Economic Outlook Database* (April 2011)

3.17

Credit default swap spreads

This measure shows the spreads on sovereign credit default swaps
| 2011

RANK	COUNTRY/ECONOMY	VALUE
1	United States	36.69
2	Norway	43.18
3	Sweden	53.34
4	Canada	54.16
5	Switzerland	60.45
6	France	64.42
7	Australia	69.69
8	United Kingdom	74.67
9	Hong Kong SAR	76.42
10	Netherlands	77.77
11	Singapore	78.00
12	Chile	95.16
13	Denmark	98.74
14	Japan	104.59
15	Saudi Arabia	105.42
16	Czech Republic	107.64
17	China	110.95
18	Austria	113.37
19	Malaysia	118.86
20	Finland	120.76
21	Korea, Rep.	130.24
22	Thailand	136.01
23	Panama	137.73
24	Colombia	140.62
25	Mexico	140.65
26	Brazil	141.62
27	United Arab Emirates	146.20
28	Peru	146.59
29	South Africa	151.93
30	Germany	153.24
31	Israel	158.96
32	Philippines	161.02
33	Slovak Republic	162.42
34	Indonesia	166.45
35	Russian Federation	189.16
36	Morocco	199.82
37	Kazakhstan	206.54
38	Poland	215.17
39	Turkey	225.54
40	Belgium	229.01
41	Bahrain	290.47
42	Romania	305.69
43	Nigeria	322.89
44	Jordan	357.63
45	Spain	357.68
46	Italy	359.58
47	Vietnam	382.80
48	Egypt	383.51
49	Ghana	402.24
50	Hungary	407.88
51	Ukraine	538.27
52	Argentina	757.67
53	Ireland	813.37
54	Pakistan	912.41
55	Venezuela	1,084.09
n/a	Bangladesh	n/a
n/a	India	n/a
n/a	Kuwait	n/a
n/a	Tanzania	n/a
n/a	Tunisia	n/a

SOURCE: Markit CDS, data retrieved October 2011

Section IV

Banking financial services

4.01

Deposit money bank assets to GDP

These are claims on domestic real nonfinancial sector by deposit money banks as a share of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark	242.37
2	Ireland	233.15
3	Spain	216.66
4	Netherlands	215.24
5	United Kingdom	207.57
6	Switzerland	188.88
7	Japan	148.28
8	Canada	140.14
9	Italy	140.07
10	Sweden	140.02
11	Hong Kong SAR	133.67
12	Jordan	129.17
13	Australia	128.62
14	France	127.22
15	Vietnam	124.40
16	Austria	121.78
17	Korea, Rep.	121.10
18	Belgium	115.32
19	Germany	115.10
20	Singapore	110.27
21	Malaysia	98.64
22	Israel	95.11
23	South Africa	94.76
24	Morocco	91.29
25	Brazil	90.79
26	Hungary	90.46
27	Kazakhstan	88.84
28	Finland	86.50
29	Panama	86.05
30	Thailand	83.53
31	Kuwait	81.38
32	Chile	77.60
33	United States	72.94
34	India	69.00
35	Czech Republic	67.05
36	Tunisia	62.14
37	Egypt	56.19
38	Poland	55.47
39	Saudi Arabia	55.11
40	Slovak Republic	54.68
41	Bangladesh	54.26
42	Romania	51.81
43	Turkey	51.19
44	Colombia	50.96
45	Russian Federation	48.78
46	Nigeria	45.35
47	Pakistan	41.50
48	Mexico	38.31
49	Venezuela	38.20
50	Tanzania	31.26
51	Indonesia	29.03
52	Philippines	28.46
53	Peru	21.20
54	Argentina	18.46
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Ghana	n/a
n/a	Norway	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.02

Central bank assets to GDP

These are claims on domestic real nonfinancial sector by the central bank as a share of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Egypt	19.71
2	Brazil	13.85
3	Panama	11.13
4	Philippines	10.84
5	Japan	9.84
6	Australia	9.23
7	Bangladesh	6.37
8	Pakistan	5.35
9	Indonesia	5.06
10	United States	5.01
11	Argentina	4.71
12	Italy	4.26
13	Thailand	3.55
14	Canada	3.03
15	Jordan	2.84
16	India	2.16
17	Korea, Rep.	2.14
18	Singapore	1.88
19	Morocco	1.78
20	Austria	1.75
21	United Kingdom	1.59
22	Turkey	1.50
23	Belgium	1.28
24	France	1.27
25	Chile	1.13
26	Spain	1.08
27	Switzerland	0.98
28	Vietnam	0.95
29	Nigeria	0.94
30	Russian Federation	0.75
31	Tanzania	0.75
32	Malaysia	0.65
33	Venezuela	0.44
34	Hungary	0.43
35	South Africa	0.42
36	Tunisia	0.36
37	Netherlands	0.34
38	Denmark	0.24
39	Colombia	0.24
40	Germany	0.17
41	Kazakhstan	0.11
42	Slovak Republic	0.02
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Czech Republic	n/a
n/a	Finland	n/a
n/a	Ghana	n/a
n/a	Hong Kong SAR	n/a
n/a	Ireland	n/a
n/a	Israel	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	Romania	n/a
n/a	Saudi Arabia	n/a
n/a	Sweden	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.03

Financial system deposits to GDP

This variable shows the demand, time, and saving deposits in deposit-money banks and other financial institutions as a share of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	303.37
2	Japan	178.77
3	United Kingdom	163.39
4	Switzerland	158.62
5	Spain	151.95
6	Netherlands	129.95
7	Singapore	120.83
8	Australia	112.53
9	Jordan	109.52
10	Malaysia	109.05
11	Germany	106.11
12	Ireland	101.19
13	Canada	98.13
14	Belgium	96.39
15	Morocco	94.90
16	Vietnam	93.01
17	Austria	92.97
18	Israel	87.28
19	Panama	87.26
20	United States	82.12
21	Thailand	79.25
22	Italy	76.21
23	Egypt	75.46
24	Denmark	71.82
25	India	69.96
26	France	68.94
27	South Africa	67.21
28	Kuwait	65.80
29	Brazil	65.28
30	Czech Republic	62.28
31	Sweden	55.92
32	Chile	54.70
33	Saudi Arabia	54.70
34	Tunisia	53.18
35	Finland	51.90
36	Bangladesh	51.72
37	Philippines	50.88
38	Hungary	49.78
39	Korea, Rep.	49.49
40	Slovak Republic	48.92
41	Turkey	42.17
42	Poland	41.64
43	Kazakhstan	38.77
44	Russian Federation	37.24
45	Pakistan	36.66
46	Venezuela	36.37
47	Indonesia	33.16
48	Romania	32.12
49	Peru	25.63
50	Nigeria	25.35
51	Tanzania	25.05
52	Mexico	23.09
53	Colombia	21.85
54	Argentina	19.83
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Ghana	n/a
n/a	Norway	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.04

M2 to GDP

This variable is the money and quasi-money supply as a percentage of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	330.70
2	China	182.38
3	Switzerland	169.01
4	Spain	167.84
5	Japan	161.81
6	United Kingdom	148.28
7	Malaysia	138.39
8	Netherlands	137.65
9	Singapore	132.74
10	Vietnam	125.11
11	Germany	124.71
12	Ireland	118.87
13	Belgium	116.65
14	Thailand	116.56
15	Jordan	114.23
16	Austria	105.64
17	Australia	101.88
18	Italy	99.58
19	Bahrain	92.34
20	Panama	90.41
21	France	89.61
22	Morocco	84.24
23	Canada	83.72
24	Egypt	80.72
25	India	79.59
26	Korea, Rep.	76.21
27	Czech Republic	73.79
28	Finland	71.59
29	United Arab Emirates	70.93
30	Kuwait	68.12
31	Saudi Arabia	65.02
32	Norway	64.36
33	South Africa	64.14
34	Tunisia	63.79
35	Sweden	61.16
36	United States	60.38
37	Slovak Republic	58.82
38	Denmark	56.18
39	Ukraine	55.10
40	Mexico	54.86
41	Poland	54.83
42	Chile	54.47
43	Bangladesh	54.29
44	Hungary	53.34
45	Israel	52.73
46	Philippines	48.22
47	Kazakhstan	47.86
48	Russian Federation	44.98
49	Pakistan	41.74
50	Romania	38.86
51	Indonesia	38.47
52	Brazil	37.07
53	Peru	36.75
54	Tanzania	36.32
55	Colombia	36.30
56	Ghana	35.72
57	Turkey	34.98
58	Nigeria	34.54
59	Venezuela	33.84
60	Argentina	29.16

SOURCES: M2 supply data from the Economist Intelligence Unit *CountryData Database*, data retrieved September 2011; GDP data from the IMF, *World Economic Outlook Database* (April 2011)

4.05

Private credit to GDP

This variable shows private credit by deposit-money banks and other financial institutions as a percentage of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	231.89
2	Denmark	229.78
3	United States	218.69
4	Spain	209.70
5	Netherlands	208.55
6	United Kingdom	206.47
7	Switzerland	180.48
8	South Africa	173.93
9	Sweden	133.42
10	Australia	130.48
11	Hong Kong SAR	121.20
12	France	116.07
13	Canada	114.54
14	Austria	112.02
15	Italy	110.70
16	Vietnam	105.75
17	Belgium	103.63
18	Jordan	100.20
19	Germany	98.84
20	Chile	94.12
21	Japan	93.09
22	Malaysia	91.94
23	Singapore	89.90
24	Kuwait	88.85
25	Kazakhstan	87.92
26	Israel	86.58
27	Finland	83.72
28	Panama	82.89
29	Morocco	79.61
30	Korea, Rep.	79.60
31	Thailand	72.92
32	Hungary	72.87
33	Brazil	69.09
34	Tunisia	58.48
35	Czech Republic	56.04
36	India	52.82
37	Colombia	52.03
38	Romania	48.77
39	Russian Federation	48.54
40	Poland	47.82
41	Slovak Republic	47.58
42	Venezuela	38.10
43	Egypt	37.89
44	Bangladesh	37.28
45	Nigeria	36.83
46	Turkey	35.97
47	Saudi Arabia	33.91
48	Pakistan	28.09
49	Mexico	27.59
50	Philippines	26.18
51	Indonesia	22.95
52	Peru	21.11
53	Tanzania	20.48
54	Argentina	15.65
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Ghana	n/a
n/a	Norway	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.06

Bank deposits to GDP

This variable shows the demand, time, and savings deposits in deposit-money banks as a share of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	313.14
2	Japan	179.93
3	United Kingdom	170.93
4	Spain	155.54
5	China	145.84
6	Switzerland	131.40
7	Netherlands	128.07
8	Singapore	118.22
9	Australia	114.18
10	Jordan	109.24
11	Malaysia	109.12
12	Germany	106.72
13	Canada	103.61
14	Ireland	99.57
15	Belgium	96.40
16	Morocco	93.50
17	Bahrain	92.97
18	Vietnam	92.78
19	Austria	91.84
20	Panama	87.77
21	Israel	87.27
22	United States	83.12
23	Thailand	78.98
24	Egypt	75.42
25	Italy	74.25
26	Denmark	72.35
27	United Arab Emirates	70.85
28	Kuwait	70.55
29	India	69.54
30	France	68.98
31	South Africa	67.15
32	Brazil	66.42
33	Czech Republic	61.95
34	Korea, Rep.	58.70
35	Sweden	56.57
36	Chile	55.19
37	Saudi Arabia	53.09
38	Finland	52.35
39	Tunisia	51.98
40	Bangladesh	51.33
41	Hungary	50.14
42	Slovak Republic	49.00
43	Philippines	45.31
44	Turkey	42.14
45	Poland	41.55
46	Kazakhstan	39.05
47	Venezuela	38.91
48	Pakistan	35.72
49	Russian Federation	35.63
50	Indonesia	33.20
51	Romania	32.03
52	Nigeria	26.05
53	Peru	25.94
54	Ukraine ¹	25.86
55	Tanzania	25.32
56	Mexico	22.72
57	Colombia	22.11
58	Argentina	19.79
n/a	Ghana	n/a
n/a	Norway	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.07

Money market instruments to GDP

This variable is total money market instruments (US\$ billions) as a percentage of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	39.08
2	Netherlands	13.11
3	Sweden	8.68
4	United Kingdom	8.28
5	Finland	7.23
6	Belgium	4.45
7	Australia	3.89
8	Austria	3.83
9	France	3.37
10	Germany	2.95
11	Denmark	2.91
12	Hong Kong SAR	2.65
13	Spain	2.04
14	Singapore	1.32
15	Norway	1.09
16	United States	0.66
17	Panama	0.52
18	Korea, Rep.	0.41
19	Brazil	0.09
20	United Arab Emirates	0.07
21	Canada	0.06
22	Switzerland	0.04
23	Japan	0.04
24	Argentina	0.01
25	India	0.00
26	Italy	0.00
27	Mexico	0.00
28	Bahrain	0.00
28	Bangladesh	0.00
28	Chile	0.00
28	China	0.00
28	Colombia	0.00
28	Czech Republic	0.00
28	Egypt	0.00
28	Ghana	0.00
28	Hungary	0.00
28	Indonesia	0.00
28	Israel	0.00
28	Jordan	0.00
28	Kazakhstan	0.00
28	Kuwait	0.00
28	Malaysia	0.00
28	Morocco	0.00
28	Nigeria	0.00
28	Pakistan	0.00
28	Peru	0.00
28	Philippines	0.00
28	Poland	0.00
28	Romania	0.00
28	Russian Federation	0.00
28	Saudi Arabia	0.00
28	Slovak Republic	0.00
28	South Africa	0.00
28	Tanzania	0.00
28	Thailand	0.00
28	Tunisia	0.00
28	Turkey	0.00
28	Ukraine	0.00
28	Venezuela	0.00
28	Vietnam	0.00

SOURCE: Bank for International Settlements, *BIS Quarterly Review*, June 2011

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 | 2007–2009

RANK	COUNTRY/ECONOMY	VALUE
1	Netherlands	6.08
2	Belgium	5.89
3	Ghana	5.50
4	Tunisia	5.39
5	Bahrain	5.33
6	Finland	5.31
7	Bangladesh	4.98
8	United Arab Emirates	4.74
9	Korea, Rep.	4.60
10	Kuwait	4.35
11	China	4.30
12	Vietnam	4.26
13	Spain	4.22
14	Czech Republic	4.20
15	Singapore	4.16
16	Turkey	4.10
17	Canada	4.07
18	Tanzania	4.07
19	Australia	4.04
20	India	4.03
21	Panama	4.03
22	Philippines	4.01
23	Hong Kong SAR	3.97
24	Israel	3.95
25	Malaysia	3.92
26	Egypt	3.79
27	Poland	3.73
28	Switzerland	3.73
29	Morocco	3.72
30	Norway	3.72
31	Sweden	3.67
32	Saudi Arabia	3.65
33	France	3.64
34	United Kingdom	3.57
35	Germany	3.52
36	Slovak Republic	3.44
37	Austria	3.40
38	Nigeria	3.37
39	Denmark	3.34
40	Jordan	3.26
41	Ireland	3.23
42	South Africa	3.15
43	Italy	3.14
44	Japan	3.12
45	Indonesia	2.98
46	Russian Federation	2.92
47	United States	2.90
48	Ukraine	2.87
49	Pakistan	2.80
50	Venezuela	2.71
51	Colombia	2.70
52	Romania	2.47
53	Kazakhstan	2.40
54	Chile	2.38
55	Thailand	2.37
56	Brazil	2.34
57	Mexico	1.89
58	Argentina	1.84
59	Peru	1.60
60	Hungary	1.54

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.09

Bank overhead costs

This is bank overhead costs as a percentage of total assets | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Singapore	0.28
2	Vietnam	0.67
3	Spain	0.81
4	United Kingdom	0.83
5	China	0.88
6	Sweden	0.92
7	Finland ¹	1.03
8	Norway	1.05
9	Korea, Rep.	1.13
10	United Arab Emirates	1.17
11	Japan	1.21
12	Morocco	1.26
13	Saudi Arabia	1.28
14	Hong Kong SAR	1.37
15	Italy	1.39
16	India	1.47
17	Australia	1.51
18	Thailand	1.51
19	Philippines	1.58
20	Malaysia	1.60
21	Canada	1.66
22	Pakistan	1.68
23	Tunisia	1.81
24	Czech Republic	2.06
25	Israel	2.09
26	Jordan	2.13
27	Poland	2.14
28	Slovak Republic	2.20
29	Ireland	2.22
30	France	2.28
31	Bangladesh	2.36
32	Denmark	2.44
33	Austria	2.56
34	Chile	2.82
35	Kuwait	2.83
36	Indonesia	2.85
37	Kazakhstan	3.01
38	Nigeria	3.03
39	Switzerland	3.08
40	Peru	3.39
41	Ukraine	3.53
42	United States	3.59
43	Turkey	3.71
44	Egypt	3.86
45	Bahrain	4.10
46	South Africa	4.30
47	Ghana	4.36
48	Germany	4.40
49	Belgium	4.67
50	Netherlands	4.78
51	Venezuela	5.33
52	Colombia	5.44
53	Tanzania	5.45
54	Panama	6.69
55	Russian Federation	7.50
56	Argentina	7.53
57	Romania	8.13
58	Brazil	11.61
59	Mexico ¹	20.89
60	Hungary	25.94

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.10

Public ownership of banks

This variable is the percentage of assets held by the 10 largest banks that is located in banks that are more than 25 percent government-owned | 2010

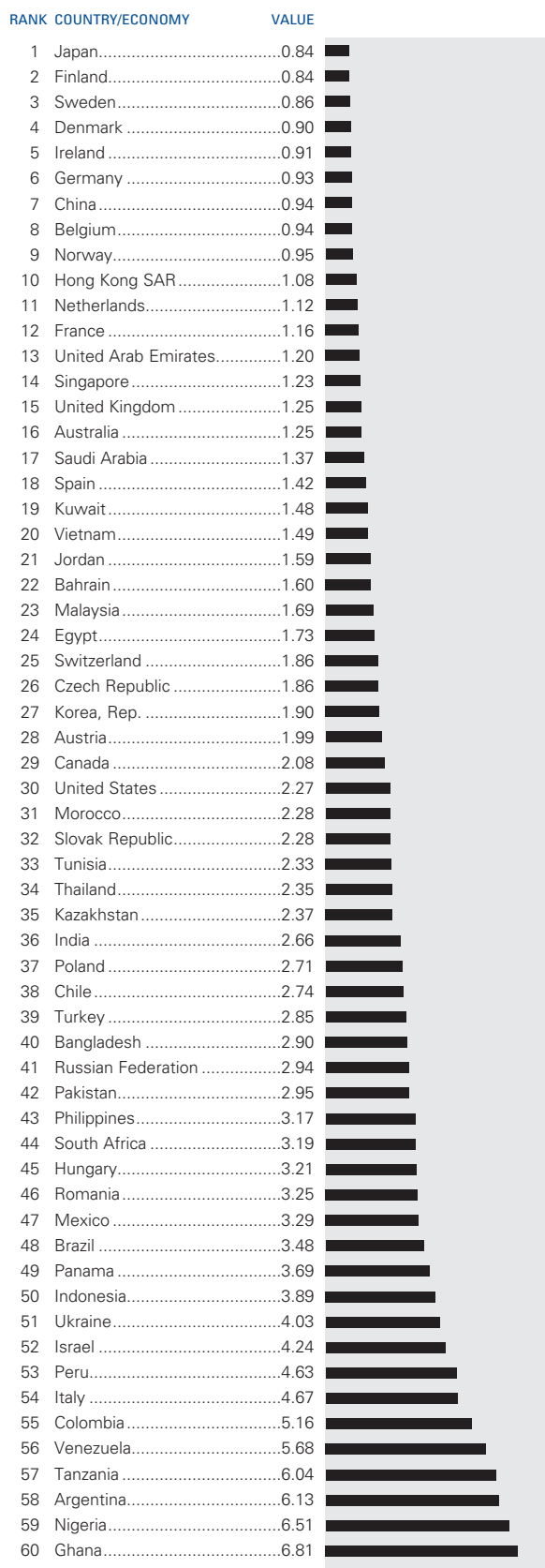
RANK	COUNTRY/ECONOMY	VALUE
1	Austria	0.00
1	Bahrain	0.00
1	Belgium	0.00
1	Canada	0.00
1	Colombia	0.00
1	Denmark	0.00
1	France	0.00
1	Ghana	0.00
1	Hong Kong SAR	0.00
1	Hungary	0.00
1	Israel	0.00
1	Japan	0.00
1	Jordan	0.00
1	Kazakhstan	0.00
1	Nigeria	0.00
1	Pakistan	0.00
1	Panama	0.00
1	Philippines	0.00
1	Slovak Republic	0.00
1	South Africa	0.00
1	Tunisia	0.00
1	Turkey	0.00
1	United States	0.00
1	Venezuela	0.00
25	Finland	0.55
26	Spain	2.63
27	Sweden	2.79
28	Australia	2.85
29	Netherlands	3.07
30	Czech Republic	3.87
31	Mexico	4.55
32	Thailand	4.86
33	Peru	5.51
34	Morocco	5.66
35	Norway	6.33
36	Switzerland	7.12
37	Romania	8.34
38	Italy	9.70
39	Ukraine	16.87
40	Saudi Arabia	17.70
41	Germany	18.77
42	Chile	19.81
43	United Kingdom	21.59
44	Korea, Rep.	22.06
45	Poland	23.27
46	Singapore	27.24
47	Kuwait	28.42
48	Russian Federation	33.92
49	Brazil	34.55
50	Tanzania	39.54
51	Vietnam	39.66
52	Ireland	41.17
53	Malaysia	44.33
54	Indonesia	45.77
55	Argentina	48.91
56	Bangladesh	51.20
57	Egypt	62.47
58	United Arab Emirates	69.50
59	China	69.70
60	India	69.76

SOURCE: *BankScope* database, data retrieved September 2011

4.11

Bank operating costs to assets

This is non-interest expense as a percentage of average assets in last reported year | 2010

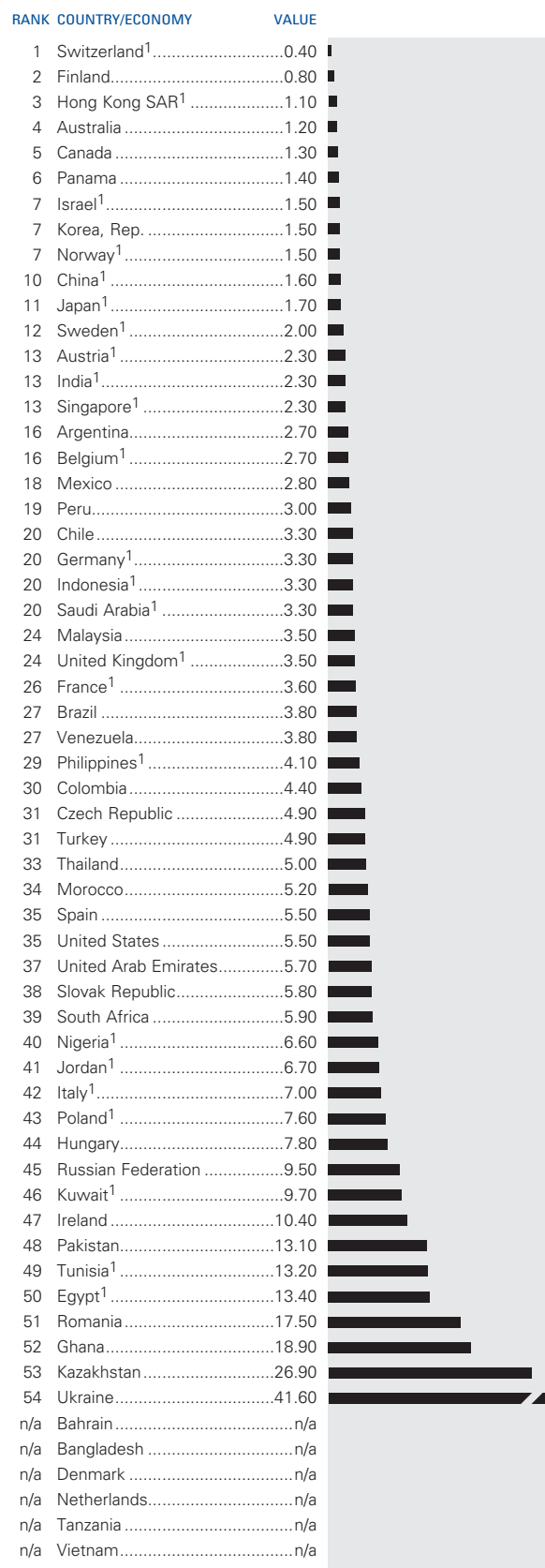


SOURCE: BankScope database, data retrieved September 2011

4.12

Non-performing bank loans to total loans

This variable is the percentage of non-performing bank loans relative to total number of loans outstanding | 2010



SOURCE: IMF, Global Financial Stability Report (April 2011)

¹ 2009

4.13

Private credit bureau coverage

This variable is the percentage 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	Poland.....	74.80
20	Colombia.....	71.20
21	Brazil.....	61.50
22	Turkey.....	60.50
23	Slovak Republic.....	56.10
24	Panama.....	53.80
24	Singapore.....	53.80
26	South Africa.....	52.00
27	Austria.....	51.60
28	Romania.....	42.00
29	Thailand.....	41.70
30	Bahrain.....	40.00
31	Kazakhstan.....	37.60
32	Peru.....	36.00
33	Russian Federation.....	35.80
34	United Arab Emirates.....	29.20
35	Kuwait.....	29.00
36	Switzerland.....	27.30
37	Chile.....	25.80
38	Finland.....	20.50
39	Ukraine.....	17.00
40	Hungary.....	16.10
41	Saudi Arabia.....	16.00
42	India.....	15.10
43	Morocco.....	14.60
44	Egypt.....	13.70
45	Spain.....	11.40
46	Philippines.....	8.20
47	Denmark.....	7.30
48	Ghana.....	3.30
49	Pakistan.....	2.00
50	Bangladesh.....	0.00
50	Belgium.....	0.00
50	China.....	0.00
50	France.....	0.00
50	Indonesia.....	0.00
50	Jordan.....	0.00
50	Nigeria.....	0.00
50	Tanzania.....	0.00
50	Tunisia.....	0.00
50	Venezuela.....	0.00
50	Vietnam.....	0.00

SOURCE: The World Bank, *Doing Business 2012*

4.14

Public credit registry coverage

This variable is the percentage of adults covered by a public credit registry | 2011

RANK	COUNTRY/ECONOMY	VALUE
1	China.....	82.50
2	Belgium.....	72.60
3	Spain.....	54.70
4	Malaysia.....	49.40
5	France.....	43.30
6	Brazil.....	36.10
7	Argentina.....	35.90
8	Chile.....	35.60
9	Indonesia.....	31.80
10	Vietnam.....	29.80
11	Peru.....	28.50
12	Tunisia.....	27.30
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	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	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 percentage of world initial public offerings (IPOs) issued in a given country as measured by US dollars | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	China	35.38
2	United States	18.58
3	Hong Kong SAR	5.22
4	Brazil	5.20
5	India	4.21
6	Japan	3.57
7	Australia	2.35
8	United Kingdom	2.35
9	Korea, Rep.	2.27
10	Malaysia	2.17
11	Poland	1.90
12	Canada	1.78
13	Singapore	1.76
14	Indonesia	1.39
15	Russian Federation	1.17
16	Germany	1.05
17	Italy	0.87
18	Mexico	0.82
19	Turkey	0.79
20	Norway	0.77
21	Denmark	0.69
22	France	0.61
23	Czech Republic	0.57
24	Spain	0.53
25	Netherlands	0.47
26	Saudi Arabia	0.44
27	South Africa	0.32
28	Thailand	0.30
29	United Arab Emirates	0.27
30	Ukraine	0.26
31	Philippines	0.22
32	Nigeria	0.21
33	Israel	0.21
34	Egypt	0.20
35	Kuwait	0.16
36	Finland ¹	0.15
37	Morocco	0.13
38	Switzerland	0.11
39	Sweden	0.08
40	Bahrain	0.08
41	Chile	0.08
42	Colombia	0.07
43	Tunisia	0.05
44	Argentina	0.05
45	Belgium	0.04
46	Hungary ¹	0.04
47	Bangladesh	0.04
48	Kazakhstan	0.04
49	Vietnam	0.03
50	Ireland	0.03
51	Peru	0.03
52	Ghana	0.02
53	Pakistan	0.02
54	Tanzania	0.01
55	Romania	0.01
56	Jordan	0.01
57	Austria	0.00
n/a	Panama	n/a
n/a	Slovak Republic	n/a
n/a	Venezuela	n/a

SOURCE: Dealogic Analytics, data retrieved September 2011

¹ 2007-2009

5.02

IPO proceeds amount

This is the three-year average of total initial public offering (IPO) proceeds as a percentage of GDP | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	3.72
2	Malaysia	1.54
3	Singapore	1.37
4	China	1.06
5	Poland	0.62
6	Bahrain	0.58
7	India	0.48
8	Brazil	0.45
9	Czech Republic	0.44
10	Korea, Rep.	0.38
11	Indonesia	0.37
12	Australia	0.33
13	Denmark	0.33
14	Norway	0.29
15	Ukraine	0.28
16	Morocco	0.21
17	United States	0.20
18	Philippines	0.20
19	Kuwait	0.19
20	Canada	0.19
21	Tunisia	0.18
22	Turkey	0.18
23	Egypt	0.17
24	Nigeria	0.17
25	South Africa	0.16
26	Thailand	0.16
27	Saudi Arabia	0.16
28	Israel	0.16
29	United Kingdom	0.15
30	United Arab Emirates	0.14
31	Mexico	0.13
32	Russian Federation	0.12
33	Ghana	0.12
34	Japan	0.11
35	Finland ¹	0.10
36	Tanzania	0.09
37	Netherlands	0.09
38	Chile	0.07
39	Jordan	0.06
40	Bangladesh	0.06
41	Italy	0.06
42	Spain	0.05
43	Vietnam	0.05
44	Germany	0.05
45	Colombia	0.05
46	Hungary ¹	0.05
47	Kazakhstan	0.04
48	Switzerland	0.03
49	France	0.03
50	Peru	0.03
51	Sweden	0.03
52	Argentina	0.02
53	Ireland	0.02
54	Pakistan	0.02
55	Belgium	0.01
56	Romania	0.01
57	Austria	0.00
n/a	Panama	n/a
n/a	Slovak Republic	n/a
n/a	Venezuela	n/a

SOURCES: IPO proceeds data from Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

¹ 2007-2009

5.03

Share of world IPOs

This is the three-year average of the number of initial public offering (IPO) issues as a percentage of total global number of issues | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	China	26.25
2	Canada	13.07
3	United States	8.21
4	Poland	7.28
5	Korea, Rep.	7.20
6	India	4.79
7	Australia	3.86
8	Japan	3.38
9	United Kingdom	2.60
10	Malaysia	2.30
11	Hong Kong SAR	1.93
11	Singapore	1.93
13	Indonesia	1.78
14	France	1.60
15	Thailand	1.52
16	Germany	0.85
17	Bangladesh	0.82
17	Brazil	0.82
19	Israel	0.74
19	Saudi Arabia	0.74
21	Italy	0.71
22	Turkey	0.56
23	Belgium	0.48
23	Russian Federation	0.48
23	Spain	0.48
26	Norway	0.45
26	South Africa	0.45
28	Sweden	0.37
28	Ukraine	0.37
30	Mexico	0.30
31	Denmark	0.26
31	Pakistan	0.26
31	United Arab Emirates	0.26
34	Morocco	0.22
34	Nigeria	0.22
34	Philippines	0.22
34	Romania	0.22
38	Chile	0.19
38	Czech Republic	0.19
38	Switzerland	0.19
38	Tunisia	0.19
42	Egypt	0.15
42	Jordan	0.15
44	Finland ¹	0.13
45	Colombia	0.11
45	Ghana	0.11
45	Kuwait	0.11
45	Netherlands	0.11
45	Vietnam	0.11
50	Argentina	0.07
50	Ireland	0.07
50	Kazakhstan	0.07
50	Tanzania	0.07
54	Austria	0.04
54	Bahrain	0.04
54	Peru	0.04
57	Hungary ¹	0.03
n/a	Panama	n/a
n/a	Slovak Republic	n/a
n/a	Venezuela	n/a

SOURCE: Dealogic Analytics, data retrieved September 2011

¹ 2007-2009

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 percentage of the total global value | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	United States	34.02
2	United Kingdom	9.04
3	China	5.63
4	Japan	4.79
5	Germany	4.09
6	Canada	3.78
7	Spain	3.55
8	France	3.51
9	Brazil	3.27
10	Australia	3.14
11	Russian Federation	3.12
12	Netherlands	2.28
13	Italy	1.99
14	Switzerland	1.77
15	India	1.59
16	Korea, Rep.	1.48
17	Sweden	1.16
18	Belgium	1.07
19	Mexico	0.89
20	Hong Kong SAR	0.83
21	Singapore	0.72
22	Norway	0.71
23	South Africa	0.70
24	Malaysia	0.52
25	Austria	0.49
26	Indonesia	0.47
27	Ireland	0.39
28	Kazakhstan	0.39
29	Egypt	0.37
30	Turkey	0.37
31	Philippines	0.36
32	Chile	0.34
33	Denmark	0.33
34	Poland	0.29
35	Israel	0.24
36	Colombia	0.23
37	Czech Republic	0.22
38	Ukraine	0.21
39	Finland	0.20
40	Argentina	0.17
41	Thailand	0.16
42	Hungary	0.14
43	United Arab Emirates	0.14
44	Morocco	0.11
45	Saudi Arabia	0.11
46	Peru	0.11
47	Venezuela	0.09
48	Romania	0.07
49	Vietnam	0.05
50	Kuwait	0.05
51	Nigeria	0.04
52	Panama	0.03
53	Pakistan	0.03
54	Bahrain	0.03
55	Slovak Republic	0.02
56	Jordan	0.02
57	Ghana	0.02
58	Bangladesh	0.01
59	Tunisia	0.01
60	Tanzania	0.00

SOURCE: Dealogic Analytics, data retrieved September 2011

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 (including the net debt of the target) as a percentage of GDP | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	10.37
2	United Kingdom	10.33
3	Singapore	9.81
4	Switzerland	9.48
5	Kazakhstan	8.15
6	Australia	7.77
7	Netherlands	7.54
8	Sweden	7.01
9	Canada	6.95
10	Spain	6.44
11	Malaysia	6.42
12	United States	6.40
13	South Africa	6.23
14	Belgium	6.00
15	Russian Federation	5.82
16	Philippines	5.64
17	Egypt	5.34
18	Chile	5.09
19	Brazil	4.97
20	Ireland	4.63
21	Norway	4.63
22	Korea, Rep.	4.34
23	Ukraine	4.00
24	Panama	3.82
25	France	3.52
26	Austria	3.36
27	Morocco	3.23
28	Germany	3.23
29	Bahrain	3.21
30	Israel	3.20
31	India	3.17
32	China	2.97
33	Czech Republic	2.94
34	Hungary	2.82
35	Denmark	2.80
36	Japan	2.53
37	Italy	2.49
38	Colombia	2.46
39	Mexico	2.40
40	Finland	2.22
41	Indonesia	2.18
42	Peru	2.15
43	Jordan	1.86
44	Poland	1.62
45	Ghana	1.54
46	Thailand	1.53
47	Vietnam	1.48
48	Turkey	1.44
49	Argentina	1.35
50	United Arab Emirates	1.31
51	Romania	1.14
52	Kuwait	0.97
53	Venezuela	0.78
54	Slovak Republic	0.72
55	Saudi Arabia	0.70
56	Nigeria	0.61
57	Tunisia	0.52
58	Pakistan	0.52
59	Tanzania	0.50
60	Bangladesh	0.32

SOURCES: M&A transaction value data from Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.06

Share of total number of M&A deals

This is the three-year average of the percentage 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 | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	United States	22.56
2	China	9.30
3	Japan	8.04
4	United Kingdom	6.80
5	Russian Federation	4.78
6	Canada	4.77
7	Australia	4.21
8	France	3.60
9	Germany	3.39
10	India	3.16
11	Korea, Rep.	3.11
12	Spain	2.58
13	Italy	2.05
14	Sweden	1.98
15	Malaysia	1.88
16	Netherlands	1.41
17	Hong Kong SAR	1.37
18	Brazil	1.13
19	Singapore	1.02
20	Poland	1.00
21	Switzerland	0.97
22	Norway	0.87
23	Denmark	0.80
24	South Africa	0.77
25	Ukraine	0.73
26	Indonesia	0.68
27	Belgium	0.59
28	Thailand	0.58
29	Finland	0.52
30	Austria	0.49
31	Mexico	0.38
32	Ireland	0.34
33	Czech Republic	0.34
34	Vietnam	0.33
35	Philippines	0.32
36	Chile	0.30
37	Israel	0.28
38	Turkey	0.27
39	Argentina	0.26
40	Romania	0.24
41	Colombia	0.23
42	Hungary	0.22
43	Peru	0.21
44	United Arab Emirates	0.17
45	Egypt	0.14
46	Kazakhstan	0.11
47	Jordan	0.09
48	Slovak Republic	0.08
49	Saudi Arabia	0.07
50	Kuwait	0.07
51	Pakistan	0.07
52	Nigeria	0.06
53	Venezuela	0.05
54	Morocco	0.05
55	Panama	0.04
56	Tanzania	0.04
57	Tunisia	0.03
58	Bahrain	0.03
59	Ghana	0.03
60	Bangladesh	0.02

SOURCE: Dealogic Analytics, data retrieved September 2011

5.07

Life insurance density

This variable is the direct life insurance premiums from domestic sources to GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	19.24
2	South Africa	12.09
3	Hong Kong SAR	10.05
4	United Kingdom	9.51
5	Japan	8.08
6	Finland	7.45
7	France	7.45
8	Korea, Rep.	7.06
9	Sweden	6.45
10	Denmark	6.12
11	Italy	5.94
12	Belgium	5.88
13	Switzerland	5.50
14	Singapore	4.57
15	India	4.41
16	Germany	3.46
17	United States	3.45
18	Malaysia	3.32
19	Canada	3.28
20	Netherlands	3.20
21	Australia	3.08
22	Norway	2.69
23	Austria	2.66
24	Israel	2.62
25	Thailand	2.61
26	Chile	2.47
27	Spain	2.46
28	China	2.43
29	Czech Republic	1.92
30	Poland	1.92
31	Hungary	1.66
32	Brazil	1.59
33	Slovak Republic	1.43
34	Indonesia	1.02
35	Panama	0.87
36	Mexico	0.86
37	Morocco	0.80
38	Bahrain	0.76
39	Peru	0.73
40	Vietnam	0.72
41	Philippines	0.71
42	Bangladesh	0.69
43	Colombia	0.68
44	Argentina	0.53
45	Pakistan	0.34
46	Romania	0.32
47	United Arab Emirates	0.31
48	Egypt	0.30
49	Tunisia	0.23
50	Turkey	0.19
51	Jordan	0.19
52	Kuwait	0.11
53	Venezuela	0.11
54	Kazakhstan	0.09
55	Nigeria	0.09
56	Saudi Arabia	0.08
57	Ukraine	0.07
58	Russian Federation	0.06
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCES: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.08

Non-life insurance density

This variable is the direct non-life insurance premiums from domestic sources to GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Netherlands	9.19
2	United States	4.50
3	Switzerland	4.45
4	Korea, Rep.	4.30
5	United Kingdom	4.28
6	Ireland	4.21
7	Canada	4.06
8	Germany	3.77
9	France	3.39
10	Denmark	3.36
11	Austria	3.24
12	Singapore	3.21
13	Belgium	2.95
14	Spain	2.94
15	South Africa	2.83
16	Australia	2.79
17	Russian Federation	2.78
18	Venezuela	2.70
19	Israel	2.62
20	Panama	2.56
21	Italy	2.54
22	Argentina	2.21
23	Czech Republic	2.20
24	Japan	2.13
25	Norway	2.09
26	Sweden	1.93
27	Finland	1.92
28	Bahrain	1.91
29	Jordan	1.91
30	Poland	1.88
31	Ukraine	1.73
32	Morocco	1.70
33	Thailand	1.66
34	United Arab Emirates	1.64
35	Malaysia	1.63
36	Chile	1.61
37	Colombia	1.58
38	Slovak Republic	1.56
39	Tunisia	1.52
40	Brazil	1.48
41	Hungary	1.44
42	Hong Kong SAR	1.38
43	Romania	1.31
44	China	1.22
45	Turkey	1.05
46	Mexico	0.99
47	Saudi Arabia	0.98
48	Vietnam	0.88
49	Peru	0.79
50	India	0.69
51	Kazakhstan	0.59
52	Indonesia	0.49
53	Nigeria	0.46
54	Kuwait	0.43
55	Egypt	0.43
56	Philippines	0.42
57	Pakistan	0.31
58	Bangladesh	0.22
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCES: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.09

Real growth of direct insurance premiums

This is the annual real rate of growth (%) of direct premiums (life and non-life) based on local currency prices | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	China	0.26
2	Peru	0.24
3	Argentina	0.20
4	Chile	0.19
5	Kazakhstan	0.15
6	Saudi Arabia	0.14
7	Thailand	0.13
8	Vietnam	0.11
9	Brazil	0.10
10	Singapore	0.09
11	Hong Kong SAR	0.09
12	Korea, Rep.	0.08
13	Philippines	0.08
14	Morocco ¹	0.08
15	Sweden	0.07
16	Malaysia	0.07
17	Indonesia	0.07
18	Jordan	0.07
19	United Arab Emirates	0.07
20	Italy	0.07
21	Ireland	0.06
22	India	0.05
23	Colombia	0.05
24	Panama	0.05
25	Turkey	0.05
26	Belgium	0.04
27	Germany	0.04
28	Czech Republic	0.04
29	Norway	0.03
30	Canada	0.03
31	Israel ¹	0.03
32	Poland	0.03
33	Australia	0.02
34	France	0.02
35	Finland	0.02
36	Denmark	0.01
37	Switzerland	0.01
38	Austria	0.00
39	Japan	0.00
40	United States	0.00
41	Russian Federation	-0.01
42	Mexico	-0.01
43	South Africa	-0.01
44	Pakistan	-0.01
45	Venezuela	-0.01
46	Hungary	-0.02
47	Slovak Republic	-0.03
48	Netherlands	-0.03
49	United Kingdom	-0.03
50	Spain	-0.05
51	Egypt	-0.09
52	Romania	-0.11
53	Ukraine	-0.13
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Ghana	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Tanzania	n/a
n/a	Tunisia	n/a

SOURCE: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011

5.10

Life insurance coverage

This is the direct domestic premiums for life insurance to per capita GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	India	53.61
2	China	32.63
3	United States	10.71
4	Japan	10.30
5	South Africa	6.03
6	United Kingdom	5.92
7	France	4.69
8	Italy	3.58
9	Korea, Rep.	3.45
10	Brazil	3.07
11	Germany	2.83
12	Indonesia	2.39
13	Thailand	1.67
14	Bangladesh	1.13
15	Spain	1.13
16	Canada	1.12
17	Malaysia	0.94
18	Mexico	0.94
19	Ireland	0.86
20	Poland	0.73
21	Hong Kong SAR	0.72
22	Australia	0.68
23	Philippines	0.67
24	Belgium	0.64
25	Vietnam	0.63
26	Sweden	0.60
27	Pakistan	0.56
28	Netherlands	0.53
29	Switzerland	0.43
30	Chile	0.42
31	Finland	0.40
32	Denmark	0.34
33	Colombia	0.31
34	Morocco	0.25
35	Singapore	0.24
36	Egypt	0.23
37	Austria	0.22
38	Peru	0.22
39	Argentina	0.21
40	Czech Republic	0.20
41	Israel	0.19
42	Hungary	0.17
43	Turkey	0.14
44	Nigeria	0.14
45	Norway	0.13
46	Russian Federation	0.09
47	Slovak Republic	0.08
48	Romania	0.07
49	Ukraine	0.03
50	Venezuela	0.03
51	Panama	0.03
52	Tunisia	0.02
53	Saudi Arabia	0.02
54	United Arab Emirates	0.02
55	Kazakhstan	0.01
56	Jordan	0.01
57	Bahrain	0.01
58	Kuwait	0.00
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCES: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP per capita data from IMF, *World Economic Outlook Database* (April 2011)

5.11

Non-life insurance coverage

This is the direct domestic premiums for non-life insurance to per capita GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	China	16.35
2	United States	13.96
3	India	8.35
4	Russian Federation	3.90
5	Germany	3.08
6	Brazil	2.85
7	Japan	2.72
8	United Kingdom	2.66
9	France	2.14
10	Korea, Rep.	2.10
11	Italy	1.54
12	Netherlands	1.53
13	South Africa	1.41
14	Canada	1.38
15	Spain	1.35
16	Indonesia	1.15
17	Mexico	1.07
18	Thailand	1.06
19	Argentina	0.89
20	Venezuela	0.79
21	Ukraine	0.79
22	Vietnam	0.78
23	Turkey	0.75
24	Nigeria	0.73
25	Colombia	0.72
26	Poland	0.71
27	Australia	0.62
28	Morocco	0.54
29	Pakistan	0.52
30	Malaysia	0.46
31	Philippines	0.39
32	Bangladesh	0.37
33	Switzerland	0.35
34	Egypt	0.34
35	Belgium	0.32
36	Romania	0.28
37	Chile	0.28
38	Austria	0.27
39	Saudi Arabia	0.26
40	Peru	0.23
41	Czech Republic	0.23
42	Israel	0.19
43	Ireland	0.19
44	Denmark	0.19
45	Sweden	0.18
46	Singapore	0.17
47	Tunisia	0.16
48	Hungary	0.14
49	Jordan	0.12
50	Finland	0.10
51	Norway	0.10
52	Hong Kong SAR	0.10
53	Kazakhstan	0.09
54	Panama	0.09
55	Slovak Republic	0.08
56	United Arab Emirates	0.08
57	Bahrain	0.02
58	Kuwait	0.02
n/a	Ghana	n/a
n/a	Tanzania	n/a

SOURCES: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP per capita data from IMF, *World Economic Outlook Database* (April 2011)

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 percentage of GDP | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Bahrain	5.92
2	Hong Kong SAR	4.52
3	Australia	3.92
4	Singapore	3.55
5	Switzerland	3.38
6	United States	2.91
7	Israel	2.84
8	Malaysia	2.64
9	Ukraine	2.46
10	South Africa	2.17
11	Jordan	2.15
12	United Arab Emirates	2.06
13	Korea, Rep.	1.99
14	Brazil	1.89
15	Ireland	1.89
16	United Kingdom	1.65
17	Egypt	1.63
18	Chile	1.60
19	Morocco	1.58
20	Japan	1.51
21	Netherlands	1.50
22	Argentina	1.50
23	Denmark	1.35
24	Saudi Arabia	1.30
25	Sweden	1.27
26	Canada	1.25
27	Belgium	1.24
28	Russian Federation	1.23
29	Colombia	1.21
30	Turkey	1.11
31	Norway	1.09
32	India	1.05
33	Indonesia	1.04
34	Kuwait	1.03
35	France	1.02
36	Poland	0.99
37	Peru	0.98
38	Austria	0.84
39	Czech Republic	0.84
40	Panama	0.79
41	Philippines	0.75
42	China	0.68
43	Finland	0.68
44	Spain	0.65
45	Germany	0.62
46	Hungary	0.62
47	Vietnam	0.57
48	Thailand	0.54
49	Pakistan	0.52
50	Bangladesh	0.48
51	Nigeria	0.46
52	Slovak Republic	0.42
53	Italy	0.40
54	Tunisia	0.34
55	Mexico	0.30
56	Romania	0.26
57	Venezuela	0.14
n/a	Ghana	n/a
n/a	Kazakhstan	n/a
n/a	Tanzania	n/a

SOURCE: Global Insight, *World Industry Services*, data retrieved October 2011

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 percentage of GDP | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	United States	4.84
2	Jordan ¹	3.66
3	Korea, Rep.	2.79
4	Philippines	2.24
5	Netherlands	2.21
6	Kazakhstan	1.94
7	Ireland	1.72
8	Finland	1.50
9	Australia	1.38
10	Kuwait ¹	1.38
11	Russian Federation	1.36
12	United Kingdom	1.27
13	Canada	1.11
14	Colombia	0.80
15	Ukraine	0.75
16	Mexico	0.73
17	Argentina	0.72
18	Morocco ¹	0.72
19	Indonesia	0.65
20	Malaysia	0.65
21	Peru	0.64
22	Pakistan	0.59
23	Singapore	0.56
24	Brazil	0.56
25	India	0.53
26	Hong Kong SAR	0.51
27	Japan	0.51
28	Chile	0.48
29	Slovak Republic ¹	0.47
30	Denmark	0.44
31	Vietnam	0.42
32	Germany	0.40
33	Romania ¹	0.40
34	Spain	0.36
35	Venezuela	0.36
36	Italy	0.32
37	Czech Republic	0.32
38	United Arab Emirates	0.31
39	Belgium	0.27
40	France	0.25
41	Poland	0.18
42	Egypt	0.17
43	Switzerland	0.17
44	China	0.15
45	Norway	0.14
46	South Africa	0.13
47	Hungary	0.12
48	Israel	0.10
49	Nigeria	0.09
50	Bahrain ¹	0.08
51	Thailand	0.07
52	Austria	0.05
53	Panama	0.05
54	Sweden	0.04
55	Saudi Arabia	0.03
56	Turkey	0.02
57	Bangladesh ¹	0.01
n/a	Ghana	n/a
n/a	Tanzania	n/a
n/a	Tunisia	n/a

SOURCES: Dealogic Analytics, data retrieved September 2011; GDP data from IMF. *World Economic Outlook Database* (April 2011)

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 percentage of total deals | 2008–2010

RANK	COUNTRY/ECONOMY	VALUE
1	United States	52.25
2	Korea, Rep.	10.29
3	India	4.96
4	Russian Federation	4.93
5	Argentina	3.94
6	Japan	2.52
7	Canada	1.83
8	Brazil	1.79
9	Mexico	1.59
10	United Kingdom	1.35
11	Australia	1.28
12	Indonesia	1.13
13	Ukraine	1.08
14	Germany	1.02
15	Peru	0.96
16	Philippines	0.92
17	Malaysia	0.85
18	China	0.74
19	Spain	0.69
20	Colombia	0.64
20	France	0.64
22	Netherlands	0.62
23	Italy	0.50
24	Kazakhstan	0.50
25	Chile	0.34
26	Hong Kong SAR	0.27
27	Ireland	0.26
27	Norway	0.26
29	Singapore	0.23
30	Vietnam	0.21
31	Pakistan	0.20
32	Poland	0.16
33	Denmark	0.13
34	Czech Republic	0.10
35	Finland	0.09
35	Switzerland	0.09
37	Austria	0.07
37	South Africa	0.07
37	Sweden	0.07
40	Kuwait ¹	0.06
40	Romania ¹	0.06
42	Belgium	0.06
42	Egypt	0.06
42	Israel	0.06
42	Nigeria	0.06
42	Thailand	0.06
42	United Arab Emirates	0.06
48	Slovak Republic ¹	0.04
49	Turkey	0.04
50	Panama	0.03
50	Venezuela	0.03
52	Jordan ¹	0.02
52	Morocco ¹	0.02
54	Hungary	0.01
54	Saudi Arabia	0.01
56	Bahrain ¹	0.01
56	Bangladesh ¹	0.01
n/a	Ghana	n/a
n/a	Tanzania	n/a
n/a	Tunisia	n/a

SOURCE: Dealogic Analytics, data retrieved September 2011

¹ 2007-2009

Section VI
Financial markets

6.01

Spot foreign exchange turnover

This is the percentage share of the world total of spot foreign exchange turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	38.54
2	United States	26.15
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	1.67
10	France	1.50
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	0.33
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	Romania	0.07
39	Czech Republic	0.06
40	Peru	0.06
41	Finland	0.05
42	Hungary	0.04
43	Bahrain	0.04
44	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	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	Tunisia	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 percentage share of the world total of outright forward foreign exchange turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	41.35
2	United States	21.04
3	Singapore	6.61
4	Hong Kong SAR	5.80
5	Japan	5.73
6	Switzerland	2.04
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.	1.11
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	Finland	0.08
35	Peru	0.07
36	Poland	0.06
37	Hungary	0.05
38	Indonesia	0.04
39	Czech Republic	0.04
40	Israel	0.03
41	Bahrain	0.02
42	Romania	0.02
43	Slovak Republic	0.01
44	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	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	Tunisia	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 percentage share of the world total of foreign exchange swap turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	33.40
2	United States	11.51
3	Switzerland	7.84
4	Japan	7.25
5	Hong Kong SAR	6.33
6	Singapore	5.26
7	Australia	5.06
8	France	4.49
9	Denmark	3.12
10	Germany	2.75
11	Canada	1.46
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	0.73
20	Austria	0.46
21	Mexico	0.45
22	South Africa	0.39
23	Ireland	0.35
24	China	0.35
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	Thailand	0.14
32	Netherlands	0.14
33	Hungary	0.13
34	Malaysia	0.10
35	Romania	0.08
36	Saudi Arabia	0.05
37	Philippines	0.05
38	Indonesia	0.04
39	Chile	0.02
40	Brazil	0.01
41	Slovak Republic	0.01
42	Colombia	0.00
43	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	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	Tunisia	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 percentage 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	India	0.00
31	Mexico	0.00
32	Saudi Arabia	0.00
33	Philippines ¹	0.00
34	Chile ¹	0.00
35	Colombia	0.00
36	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	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	Tunisia	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

6.05

Interest rate derivatives turnover: Swaps

This is the percentage share of the world total of over-the-counter single currency interest rate swaps turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	45.32
2	United States	18.98
3	France	7.87
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	China	0.01
31	Chile	0.01
32	Czech Republic	0.01
33	Saudi Arabia	0.01
34	Hungary	0.00
35	Bahrain	0.00
36	Colombia	0.00
37	Peru	0.00
38	Turkey	0.00
39	Indonesia	0.00
40	Slovak Republic	0.00
41	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	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	Tunisia	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 percentage share of the world total of over-the-counter interest rate options turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	50.39
2	United States	28.36
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	0.81
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	Turkey ¹	0.03
25	Switzerland	0.02
26	Norway	0.01
27	Malaysia	0.01
28	Ireland	0.01
29	Thailand	0.00
30	Saudi Arabia	0.00
31	Poland ¹	0.00
32	Romania	0.00
33	Indonesia ¹	0.00
34	Czech Republic	0.00
35	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	Hungary	n/a
n/a	Israel	n/a
n/a	Jordan	n/a
n/a	Kazakhstan	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	Tunisia	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

6.07

Foreign exchange derivatives turnover: Currency swaps

This is the percentage 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	Peru	0.01
40	China	0.00
41	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	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	Slovak Republic	n/a
n/a	Tanzania	n/a
n/a	Tunisia	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 percentage share of the world total of over-the-counter foreign exchange options turnover | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	United Kingdom	55.34
2	United States	16.14
3	Singapore	6.52
4	Japan	3.58
5	Switzerland	3.45
6	Hong Kong SAR	3.13
7	France	2.55
8	Germany	2.12
9	Denmark	1.08
10	Canada	0.91
11	Australia	0.76
12	Sweden	0.68
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	0.21
22	Israel	0.20
23	Mexico	0.07
24	Korea, Rep.	0.07
25	Norway	0.06
26	Poland	0.05
27	Netherlands	0.05
28	Bahrain	0.05
29	Russian Federation	0.04
30	Malaysia	0.04
31	China	0.04
32	Thailand	0.04
33	Saudi Arabia	0.03
34	Finland	0.03
35	Ireland	0.03
36	Slovak Republic	0.03
37	Hungary	0.02
38	Czech Republic	0.01
39	Romania	0.01
40	Colombia	0.01
41	Peru	0.00
42	Chile	0.00
43	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	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	Tunisia	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 | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Italy	579.32
2	United States	350.93
3	Netherlands	345.95
4	Singapore	326.36
5	Sweden	295.27
6	Switzerland	254.60
7	Korea, Rep.	217.90
8	Spain	212.65
9	Australia	202.88
10	Hungary	194.98
11	Finland	179.15
12	Germany	179.01
13	Belgium	178.22
14	Japan	176.60
15	France	176.44
16	Norway	146.41
17	Kuwait	144.49
18	Malaysia	140.41
19	Saudi Arabia ¹	131.98
20	Indonesia	130.77
21	Denmark	113.19
22	Austria	90.61
23	Hong Kong SAR ¹	78.87
24	Canada	73.87
25	South Africa	70.48
26	Vietnam ¹	64.39
27	Brazil	59.44
28	Morocco	59.21
29	Turkey	58.63
30	Russian Federation	53.69
31	Poland	51.20
32	Philippines ²	50.89
33	Mexico	47.77
34	United Arab Emirates	42.74
35	Czech Republic	41.91
36	Israel	41.37
37	Pakistan	39.42
38	Chile	36.70
39	Romania	35.02
40	Thailand	32.77
41	India	32.76
42	Argentina	29.31
43	Jordan ²	23.98
44	Egypt	22.25
45	Nigeria ¹	19.43
46	Tunisia	13.31
47	Peru	6.21
48	Bahrain	4.25
49	Colombia	2.89
50	Panama	1.04
51	Ukraine	0.72
52	Slovak Republic ¹	0.43
n/a	Bangladesh	n/a
n/a	China	n/a
n/a	Ghana	n/a
n/a	Ireland	n/a
n/a	Kazakhstan	n/a
n/a	Tanzania	n/a
n/a	United Kingdom	n/a
n/a	Venezuela	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

6.10

Stock market capitalization to GDP

This indicator is the value of listed shares as a percentage of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	742.50
2	Switzerland	340.29
3	South Africa	338.20
4	India	278.07
5	Malaysia	210.62
6	Canada	207.40
7	Israel	198.43
8	Jordan	192.66
9	Morocco	184.16
10	Australia	179.01
11	Finland	172.51
12	Brazil	169.73
13	Peru	159.31
14	Russian Federation	157.98
15	United States	152.28
16	Spain	151.49
17	Singapore	148.74
18	Sweden	147.58
19	Chile	147.15
20	Netherlands	145.32
21	Korea, Rep.	138.93
22	United Kingdom	132.22
23	France	124.38
24	Norway	118.90
25	Egypt	113.99
26	Denmark	101.79
27	Philippines	98.55
28	Japan	98.36
29	Ukraine ²	97.72
30	Belgium	88.39
31	Thailand	78.60
32	Germany	74.69
33	Indonesia	74.12
34	Austria	73.01
35	Colombia	69.04
36	Kazakhstan	66.04
37	Saudi Arabia	65.34
38	Mexico	64.71
39	Poland	61.49
40	Ireland	55.79
41	Czech Republic	53.30
42	Italy	51.01
43	Pakistan	49.89
44	Turkey	41.93
45	Hungary	31.06
46	Argentina	29.03
47	Panama	27.36
48	Romania	26.74
49	Vietnam ¹	20.12
50	Tunisia	19.59
51	Ghana	17.09
52	Bangladesh	16.66
53	Slovak Republic	7.14
n/a	Bahrain	n/a
n/a	China	n/a
n/a	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a
n/a	Venezuela	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

6.11

Stock market value traded to GDP

This is the total value of shares traded on stock market exchanges as a percentage of GDP | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Switzerland	673.07
2	Netherlands	515.82
3	United States	484.15
4	Finland	410.08
5	Korea, Rep.	376.28
6	Spain	372.27
7	Australia	349.45
8	Sweden	347.78
9	Italy	266.30
10	South Africa	259.16
11	Singapore ¹	238.14
12	France	194.67
13	Canada	190.60
14	Saudi Arabia ¹	178.12
15	Norway	172.45
16	India	170.19
17	Japan	159.84
18	Germany	151.18
19	Ireland	129.19
20	Denmark	126.43
21	Belgium	107.50
22	Israel	90.22
23	Russian Federation	75.46
24	Jordan	63.16
25	Austria	57.74
26	Hungary	56.49
27	Turkey	53.75
28	Chile	52.53
29	Egypt	36.60
30	Thailand	35.87
31	Morocco ¹	35.86
32	Poland	32.62
33	Pakistan	31.16
34	Czech Republic	29.15
35	Kazakhstan	24.54
36	Mexico	23.21
37	Vietnam ¹	17.67
38	Peru	14.75
39	Romania	10.38
40	Argentina	7.50
41	Colombia	3.01
42	Ukraine	2.43
43	Tunisia	2.35
44	Panama	0.30
45	Slovak Republic ¹	0.04
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	Brazil	n/a
n/a	China	n/a
n/a	Ghana	n/a
n/a	Hong Kong SAR	n/a
n/a	Indonesia	n/a
n/a	Kuwait	n/a
n/a	Malaysia	n/a
n/a	Nigeria	n/a
n/a	Philippines	n/a
n/a	Tanzania	n/a
n/a	United Arab Emirates	n/a
n/a	United Kingdom	n/a
n/a	Venezuela	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

¹ 2007

6.12

Number of listed companies per 10,000 people

This is the number of publicly listed companies per 10,000 people | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Canada	1.21
2	Hong Kong SAR	1.15
3	Australia	1.07
4	Israel	1.02
5	Singapore	0.99
6	Spain	0.84
7	Kuwait	0.80
8	Romania	0.67
9	Jordan	0.47
10	Bahrain	0.43
11	Japan	0.41
12	Korea, Rep.	0.40
13	Malaysia	0.38
14	Switzerland	0.34
15	United Kingdom	0.32
16	United Arab Emirates	0.25
17	Slovak Republic	0.23
18	Sweden	0.20
19	United States	0.17
20	Poland	0.14
21	Chile	0.13
22	France	0.11
23	Kazakhstan	0.11
24	South Africa	0.10
25	Germany	0.08
26	Saudi Arabia	0.08
27	Ukraine	0.07
28	Peru	0.06
29	Panama	0.06
30	Thailand	0.06
31	Italy	0.06
32	Tunisia	0.05
33	India	0.04
34	Turkey	0.04
35	Hungary	0.04
36	Pakistan	0.04
37	Czech Republic	0.04
38	Morocco	0.03
39	Argentina	0.03
40	Brazil	0.03
41	Egypt	0.03
42	Philippines	0.03
43	Russian Federation	0.03
44	Venezuela	0.03
45	Indonesia	0.02
46	Vietnam	0.02
47	Bangladesh	0.02
48	Nigeria	0.02
49	Colombia	0.01
50	China	0.01
51	Ghana	0.01
52	Mexico	0.01
53	Tanzania	0.00
n/a	Austria	n/a
n/a	Belgium	n/a
n/a	Denmark	n/a
n/a	Finland	n/a
n/a	Ireland	n/a
n/a	Netherlands	n/a
n/a	Norway	n/a

SOURCE: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

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 | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Denmark	185.95
2	Ireland	121.91
3	Netherlands	112.61
4	United States	101.04
5	France	67.24
6	Spain	63.71
7	Korea, Rep.	63.56
8	Belgium	62.00
9	Sweden	58.39
10	Italy	55.45
11	Austria	54.84
12	Australia	54.80
13	Malaysia	43.47
14	China	40.55
15	Brazil	37.68
16	Japan	36.36
17	Norway	35.08
18	Germany	32.32
19	Switzerland	28.54
20	Canada	26.50
21	Finland	24.97
22	Thailand	18.04
23	Chile	17.92
24	South Africa	16.53
25	Mexico	16.10
26	United Kingdom	15.27
27	Poland	14.40
28	Hong Kong SAR	14.35
29	Czech Republic	13.06
30	Singapore	11.46
31	Hungary	7.31
32	India	5.64
33	Slovak Republic	5.53
34	Peru	3.81
35	Argentina	2.81
36	Venezuela	1.94
37	Indonesia	1.51
38	Philippines	0.70
39	Colombia	0.50
40	Turkey	0.18
41	Bangladesh	0.00
41	Egypt	0.00
41	Morocco	0.00
41	Pakistan	0.00
41	Romania	0.00
41	Russian Federation	0.00
41	Tanzania	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	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Saudi Arabia	n/a
n/a	Tunisia	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Vietnam	n/a

SOURCES: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

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 | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Poland	344.69
2	Japan	194.97
3	Italy	94.75
4	France	78.08
5	Netherlands	71.03
6	United States	70.12
7	Brazil	65.46
8	Belgium	63.19
9	Canada	61.28
10	United Kingdom	56.12
11	Hungary	54.07
12	China	49.79
13	Germany	49.07
14	Malaysia	46.43
15	Thailand	45.91
16	Korea, Rep.	44.80
17	Spain	43.51
18	Singapore	42.98
19	India	37.30
20	Egypt	33.97
21	Austria	32.66
22	Denmark	31.70
23	Venezuela	31.21
24	Turkey	30.62
25	Pakistan	29.94
26	South Africa	29.44
27	Ireland	29.18
28	Sweden	27.48
29	Czech Republic	27.42
30	Slovak Republic	26.69
31	Norway	23.33
32	Australia	23.14
33	Colombia	23.00
34	Hong Kong SAR	22.34
35	Mexico	21.98
36	Switzerland	21.84
37	Philippines	20.11
38	Morocco	16.19
39	Argentina	13.40
40	Finland	12.79
41	Peru	12.70
42	Indonesia	12.02
43	Chile	9.53
44	Bangladesh	6.46
45	Romania	6.36
46	Tanzania	5.16
47	Russian Federation	4.08
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	Kuwait	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Saudi Arabia	n/a
n/a	Tunisia	n/a
n/a	Ukraine	n/a
n/a	United Arab Emirates	n/a
n/a	Vietnam	n/a

SOURCES: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

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 | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	243.62
2	Netherlands	238.98
3	United Kingdom	137.21
4	Spain	117.05
5	Belgium	95.12
6	France	89.38
7	Switzerland	83.66
8	Sweden	79.40
9	Germany	76.21
10	Austria	61.33
11	Italy	55.24
12	Norway	47.82
13	United States	47.15
14	Australia	46.42
15	Denmark	46.26
16	Hong Kong SAR	35.45
17	Canada	31.77
18	Finland	31.54
19	Kazakhstan	27.52
20	Singapore	24.53
21	United Arab Emirates	24.37
22	Bahrain	24.10
23	Malaysia	14.63
24	Korea, Rep.	12.83
25	Hungary	10.75
26	South Africa	9.26
27	Poland	8.71
28	Brazil	8.47
29	Russian Federation	8.22
30	Japan	7.44
31	Czech Republic	6.16
32	Venezuela	5.79
33	Israel	5.57
34	Mexico	5.55
35	Chile	5.51
36	Ukraine	5.26
37	Philippines	4.25
38	Panama	3.94
39	India	3.15
40	Kuwait	3.15
41	Saudi Arabia	3.05
42	Peru	2.92
43	Thailand	2.79
44	Indonesia	2.51
45	Colombia	2.02
46	China	1.85
47	Argentina	1.62
48	Egypt	1.57
49	Turkey	1.54
50	Slovak Republic	0.67
51	Vietnam	0.30
52	Jordan	0.27
53	Nigeria	0.26
54	Pakistan	0.18
55	Bangladesh	0.00
55	Ghana	0.00
55	Morocco	0.00
55	Romania	0.00
55	Tanzania	0.00
55	Tunisia	0.00

SOURCES: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

6.16

Public international bonds to GDP

This variable is the international debt securities issued by the government as a share of GDP | 2010

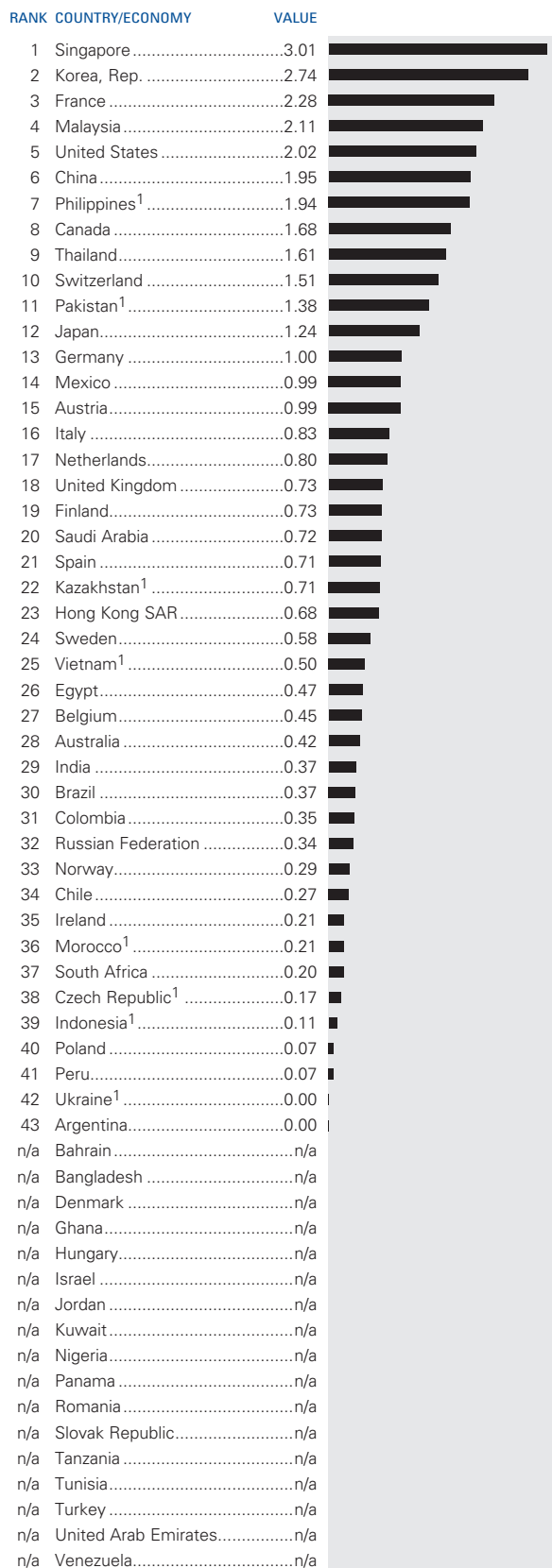
RANK	COUNTRY/ECONOMY	VALUE
1	Poland	102.23
2	Panama	33.97
3	Belgium	31.86
4	Ireland	30.35
5	Finland	27.18
6	Austria	26.11
7	Hungary	18.94
8	Argentina	13.32
9	Italy	12.08
10	Slovak Republic	10.96
11	Spain	10.90
12	Venezuela	10.54
13	Philippines	9.09
14	Germany	9.06
15	Bahrain	8.96
16	Tunisia	8.16
17	Sweden	7.89
18	Peru	7.67
19	Canada	6.91
20	Denmark	6.60
21	Colombia	6.39
22	Turkey	5.87
23	Czech Republic	5.78
24	Ukraine	5.60
25	Israel	4.52
26	Netherlands	4.33
27	Mexico	4.24
28	Brazil	4.19
29	United Kingdom	3.26
30	United Arab Emirates	3.11
31	France	2.72
32	South Africa	2.59
33	Ghana	2.48
34	Romania	2.42
35	Indonesia	2.35
36	Vietnam	2.05
37	Russian Federation	2.02
38	Egypt	1.89
39	Jordan	1.84
40	Morocco	1.32
41	Chile	1.25
42	Malaysia	0.99
43	Pakistan	0.90
44	Australia	0.83
45	Korea, Rep.	0.72
46	Hong Kong SAR	0.64
47	Thailand	0.20
48	China	0.17
49	Switzerland	0.15
50	Singapore	0.08
51	United States	0.08
52	Japan	0.06
53	Bangladesh	0.00
53	India	0.00
53	Kazakhstan	0.00
53	Kuwait	0.00
53	Nigeria	0.00
53	Norway	0.00
53	Saudi Arabia	0.00
53	Tanzania	0.00

SOURCES: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

6.17

Local currency corporate bond issuance to GDP

This is investment grade and high-yield issuance corporate bonds as a share of GDP | 2010



SOURCES: Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

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] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 5.04	7
1	United Kingdom	6.71			
2	Switzerland	6.70			
3	Canada	6.55			
4	South Africa	6.46			
5	Hong Kong SAR	6.33			
6	Sweden	6.29			
7	Singapore	6.26			
8	Panama	6.21			
9	Australia	6.20			
10	Netherlands	6.20			
11	France	6.19			
12	Brazil	6.16			
13	Finland	6.04			
14	United States	5.99			
15	Norway	5.99			
16	Bahrain	5.95			
17	Belgium	5.90			
18	Israel	5.86			
19	Chile	5.83			
20	Denmark	5.74			
21	Germany	5.72			
22	Spain	5.67			
23	Saudi Arabia	5.59			
24	Malaysia	5.58			
25	Austria	5.50			
26	United Arab Emirates	5.10			
27	Japan	5.07			
28	Turkey	5.05			
29	Hungary	5.03			
30	Thailand	4.96			
31	India	4.95			
32	Ireland	4.91			
33	Mexico	4.85			
34	Peru	4.77			
35	Czech Republic	4.70			
36	Morocco	4.68			
37	Slovak Republic	4.68			
38	Philippines	4.68			
39	Jordan	4.60			
40	Italy	4.59			
41	Poland	4.54			
42	Colombia	4.48			
43	Indonesia	4.34			
44	Tunisia	4.33			
45	Korea, Rep.	4.33			
46	China	4.27			
47	Kuwait	4.26			
48	Ghana	4.18			
49	Nigeria	4.04			
50	Pakistan	3.89			
51	Romania	3.82			
52	Egypt	3.78			
53	Kazakhstan	3.66			
54	Russian Federation	3.58			
55	Bangladesh	3.53			
56	Venezuela	3.49			
57	Argentina	3.44			
58	Vietnam	3.34			
59	Ukraine	3.33			
60	Tanzania	3.25			

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

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] | 2010–2011 weighted average

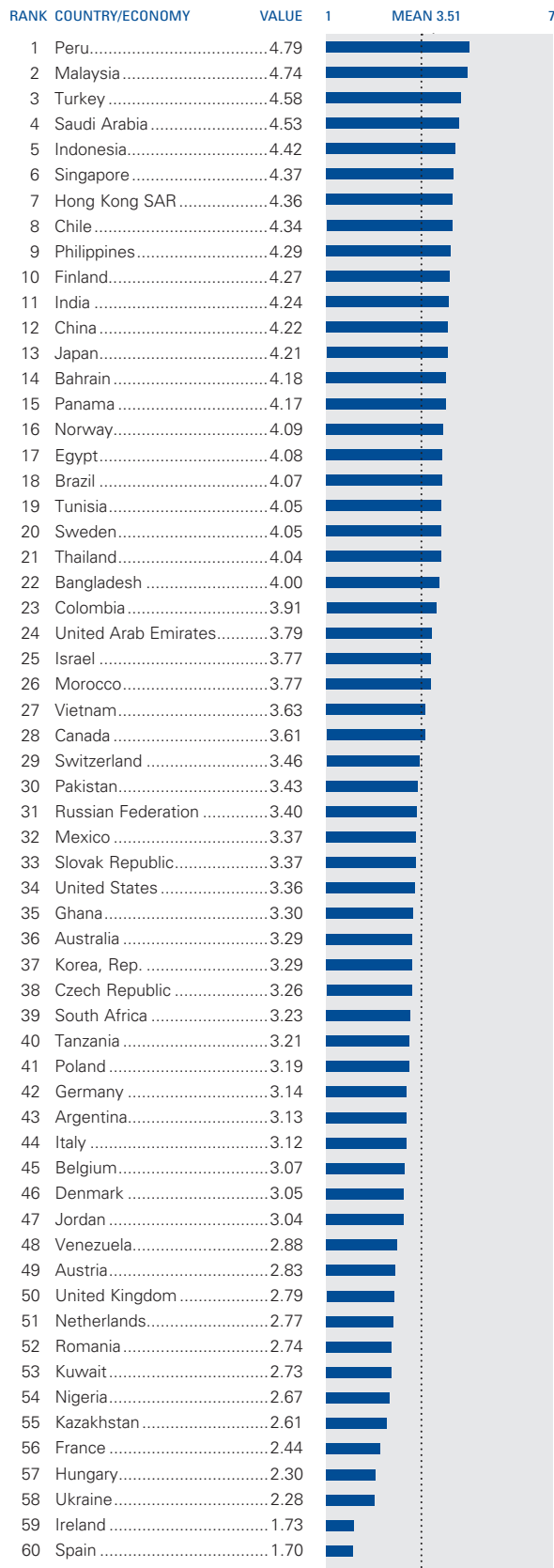
RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.07	7
1	Israel	4.46			
2	Norway	4.45			
3	Singapore	4.37			
4	Hong Kong SAR	4.37			
5	Sweden	4.34			
6	Saudi Arabia	4.18			
7	Bahrain	4.17			
8	Finland	4.16			
9	Malaysia	4.13			
10	United States	4.03			
11	United Arab Emirates	3.97			
12	Netherlands	3.92			
13	Indonesia	3.67			
14	Switzerland	3.65			
15	Canada	3.65			
16	Belgium	3.55			
17	Australia	3.54			
18	China	3.50			
19	United Kingdom	3.43			
20	Denmark	3.42			
21	Kuwait	3.42			
22	India	3.37			
23	Morocco	3.26			
24	Panama	3.15			
25	Chile	3.11			
26	Tunisia	3.09			
27	France	3.03			
28	Germany	3.02			
29	Peru	3.01			
30	Egypt	2.97			
31	Austria	2.93			
32	South Africa	2.93			
33	Pakistan	2.93			
34	Japan	2.91			
35	Colombia	2.88			
36	Thailand	2.86			
37	Brazil	2.80			
38	Spain	2.70			
39	Jordan	2.67			
40	Slovak Republic	2.58			
41	Philippines	2.58			
42	Tanzania	2.55			
43	Romania	2.46			
44	Mexico	2.46			
45	Poland	2.43			
46	Turkey	2.39			
47	Czech Republic	2.36			
48	Russian Federation	2.33			
49	Vietnam	2.31			
50	Kazakhstan	2.29			
51	Bangladesh	2.26			
52	Italy	2.23			
53	Korea, Rep.	2.19			
54	Nigeria	2.16			
55	Ireland	2.16			
56	Venezuela	2.12			
57	Ukraine	2.10			
58	Hungary	2.06			
59	Ghana	1.98			
60	Argentina	1.91			

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

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] | 2010–2011 weighted average

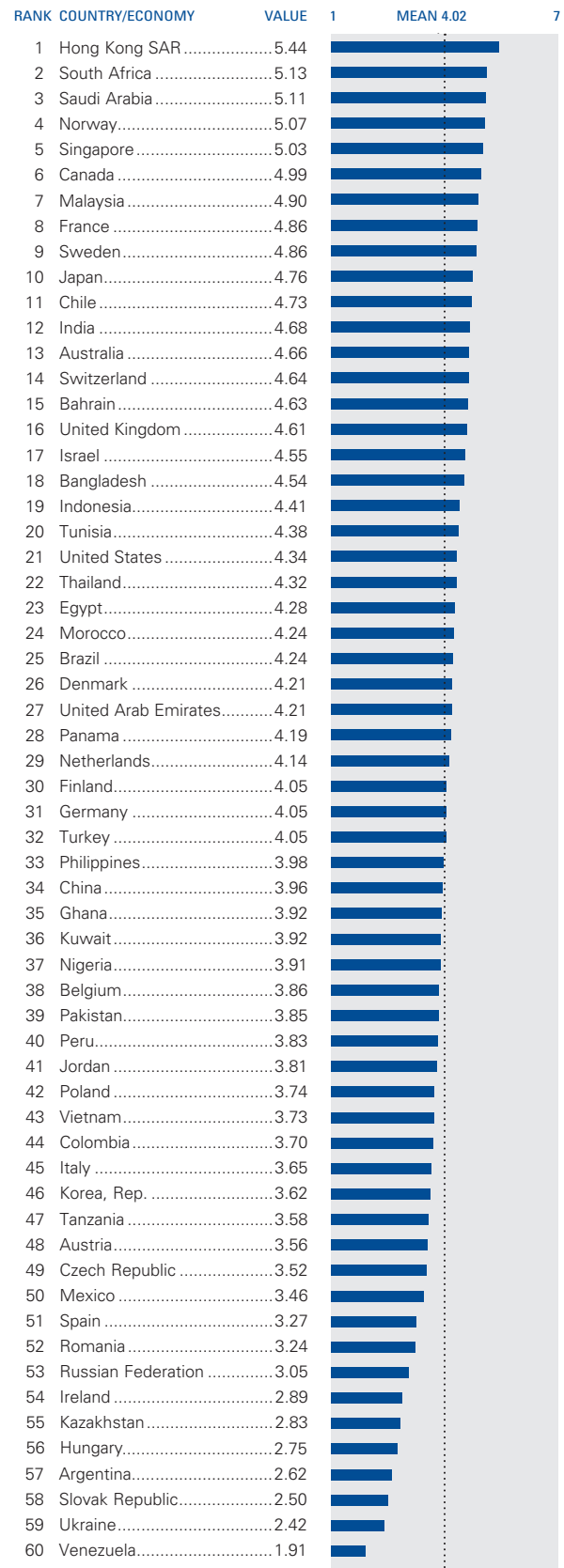


SOURCE: World Economic Forum, Executive Opinion Survey, 2010–2011

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] | 2010–2011 weighted average



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

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] | 2010–2011 weighted average

RANK	COUNTRY/ECONOMY	VALUE	1	MEAN 3.19	7
1	Bahrain	4.99			
2	Singapore	4.62			
3	Norway	4.61			
4	Saudi Arabia	4.57			
5	Sweden	4.54			
6	Finland	4.50			
7	Malaysia	4.47			
8	United Arab Emirates	4.27			
9	Hong Kong SAR	4.23			
10	Belgium	3.95			
11	Indonesia	3.91			
12	Netherlands	3.86			
13	Panama	3.80			
14	Switzerland	3.70			
15	Canada	3.69			
16	Australia	3.68			
17	United States	3.65			
18	Peru	3.65			
19	Chile	3.59			
20	Denmark	3.55			
21	Kuwait	3.52			
22	Israel	3.50			
23	Thailand	3.48			
24	India	3.36			
25	South Africa	3.26			
26	Morocco	3.23			
27	Colombia	3.21			
28	Pakistan	3.21			
29	Austria	3.19			
30	France	3.16			
31	China	3.14			
32	Japan	3.11			
33	Brazil	3.09			
34	United Kingdom	3.05			
35	Tunisia	3.04			
36	Philippines	3.03			
37	Germany	2.97			
38	Slovak Republic	2.96			
39	Jordan	2.89			
40	Czech Republic	2.88			
41	Poland	2.72			
42	Turkey	2.70			
43	Egypt	2.69			
44	Bangladesh	2.61			
45	Romania	2.60			
46	Vietnam	2.45			
47	Tanzania	2.45			
48	Russian Federation	2.44			
49	Mexico	2.44			
50	Hungary	2.44			
51	Spain	2.39			
52	Venezuela	2.28			
53	Italy	2.23			
54	Kazakhstan	2.11			
55	Nigeria	2.05			
56	Ghana	2.04			
57	Korea, Rep.	2.03			
58	Ukraine	2.02			
59	Ireland	1.89			
60	Argentina	1.81			

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

7.06

Foreign direct investment to GDP

This variable is comprised of equity capital, reinvested earnings, and intra-company loans | 2010

RANK	COUNTRY/ECONOMY	VALUE
1	Hong Kong SAR	30.62
2	Singapore	17.35
3	Belgium	13.25
4	Ireland	12.89
5	Panama	8.82
6	Ghana	8.13
7	Vietnam	7.89
8	Chile	7.42
9	Kazakhstan	7.20
10	Saudi Arabia	6.33
11	Jordan	6.19
12	Peru	4.80
13	Ukraine	4.76
14	Malaysia	3.83
15	Czech Republic	3.53
16	Tunisia	3.42
17	Tanzania	3.09
18	Egypt	2.92
19	Norway	2.86
20	Nigeria	2.81
21	Russian Federation	2.81
22	Australia	2.63
23	Israel	2.42
24	Colombia	2.37
25	Brazil	2.32
26	Romania	2.21
27	Poland	2.07
28	United Kingdom	2.04
29	Indonesia	1.88
30	Hungary	1.84
31	Thailand	1.82
32	Finland	1.80
33	China	1.80
34	Mexico	1.80
35	Austria	1.75
36	Spain	1.74
37	Argentina	1.71
38	India	1.60
39	United States	1.56
40	Canada	1.49
41	Germany	1.39
42	France	1.31
43	United Arab Emirates	1.31
44	Morocco	1.26
45	Turkey	1.22
46	Sweden	1.17
47	Pakistan	1.15
48	Philippines	0.91
49	Bangladesh	0.87
50	Bahrain	0.69
51	Korea, Rep.	0.68
52	Slovak Republic	0.60
53	Italy	0.46
54	South Africa	0.43
55	Kuwait	0.06
56	Japan	-0.02
57	Venezuela	-0.48
58	Denmark	-0.58
59	Switzerland	-1.25
60	Netherlands	-2.06

SOURCES: United Nations Conference on Trade and Development, "Inward and Outward Foreign Direct Investment Flows, Annual, 1970–2010"; GDP data from IMF, *World Economic Outlook Database* (April 2011)

7.07

Market penetration of bank accounts

This is the number of commercial bank accounts per 100,000 adults | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Japan	717,241.60
2	Belgium	396,895.40
3	Ukraine	314,532.30
4	United Kingdom	292,325.40
5	Austria	240,270.80
6	Singapore	223,624.70
7	Ireland	218,184.50
8	Malaysia	206,332.80
9	Hungary	205,827.10
10	United States	202,189.20
11	Slovak Republic	185,782.70
12	Netherlands	176,579.20
13	United Arab Emirates	175,064.50
14	Czech Republic	173,925.70
15	Turkey	166,120.70
16	Poland	162,641.10
17	Thailand	144,883.80
18	Colombia	126,743.70
19	Venezuela	124,638.90
20	Mexico	109,676.30
21	Brazil	106,535.40
22	Israel	105,570.80
23	Argentina	90,628.79
24	Jordan	89,880.90
25	South Africa	83,913.41
26	Peru	78,336.68
27	Spain	78,047.07
28	Italy	77,499.24
29	France	77,198.72
30	India	74,729.30
31	Chile	72,975.51
32	Tunisia	63,966.20
33	Indonesia	50,474.06
34	Philippines	49,910.37
35	Nigeria	46,121.01
36	Panama	41,192.18
37	Ghana	33,260.91
38	Bangladesh	31,667.14
39	Morocco	26,527.85
40	Pakistan	22,949.28
n/a	Australia	n/a
n/a	Bahrain	n/a
n/a	Canada	n/a
n/a	China	n/a
n/a	Denmark	n/a
n/a	Egypt	n/a
n/a	Finland	n/a
n/a	Germany	n/a
n/a	Hong Kong SAR	n/a
n/a	Kazakhstan	n/a
n/a	Korea, Rep.	n/a
n/a	Kuwait	n/a
n/a	Norway	n/a
n/a	Romania	n/a
n/a	Russian Federation	n/a
n/a	Saudi Arabia	n/a
n/a	Sweden	n/a
n/a	Switzerland	n/a
n/a	Tanzania	n/a
n/a	Vietnam	n/a

SOURCE: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group.

7.08

Commercial bank branches

This is the number of commercial bank branches per 100,000 adults | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Ireland	57.27
2	Italy	52.04
3	Belgium	48.49
4	Denmark	45.36
5	France	43.21
6	Spain	38.19
7	United States	36.33
8	Romania	35.00
9	Norway	34.49
10	Poland	32.21
11	Australia	31.86
12	Austria	27.54
13	Slovak Republic	26.64
14	Sweden	25.87
15	Netherlands	25.36
16	Canada	24.11
17	Czech Republic	22.17
18	Hong Kong SAR	21.19
19	United Arab Emirates	20.85
20	United Kingdom	20.74
21	Israel	19.85
22	Panama	18.52
23	Hungary	18.31
24	Jordan	17.79
25	Turkey	17.77
26	Kuwait	16.47
27	Germany	15.91
28	Chile	14.92
29	Mexico	14.67
30	Tunisia	14.40
31	Colombia	14.30
32	Argentina	13.20
33	Brazil	12.71
34	Japan	12.46
35	Korea, Rep.	12.27
36	Philippines	11.81
37	Malaysia	11.44
38	Thailand	11.04
39	Singapore	10.54
40	India	10.11
41	Morocco	9.92
42	Pakistan	8.68
43	South Africa	8.00
44	Indonesia	7.74
45	Peru	7.31
46	Nigeria	6.42
47	Bangladesh	5.16
48	Ghana	5.11
49	Vietnam	3.21
50	Kazakhstan	2.79
51	Ukraine	2.74
52	Russian Federation	2.62
53	Tanzania	1.84
54	China	0.00
54	Finland	0.00
54	Switzerland	0.00
54	Venezuela	0.00
n/a	Bahrain	n/a
n/a	Egypt	n/a
n/a	Saudi Arabia	n/a

SOURCE: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group.

7.09

Total number of ATMs

This is the total number of ATMs per 100,000 adults | 2009

RANK	COUNTRY/ECONOMY	VALUE
1	Canada	218.55
2	United States	175.69
3	Australia	156.69
4	Spain	154.76
5	Belgium	138.32
6	United Kingdom	122.84
7	Austria	118.86
8	Germany	112.18
9	Brazil	112.06
10	France	105.27
11	Israel	104.33
12	United Arab Emirates	99.27
13	Italy	97.81
14	Ireland	95.74
15	Switzerland	93.06
16	Russian Federation	76.51
17	Ukraine	71.34
18	Thailand	71.32
19	Netherlands	64.14
20	Chile	58.74
21	Norway	56.85
22	Hungary	55.62
23	Malaysia	53.99
24	Kuwait	53.42
25	Romania	53.21
26	South Africa	52.41
27	Kazakhstan	52.10
28	Singapore	49.83
29	Slovak Republic	49.34
30	Poland	49.14
31	Mexico	44.80
32	Turkey	44.25
33	Panama	40.56
34	Czech Republic	39.91
35	Finland	38.31
36	Argentina	36.85
37	Sweden	36.63
38	Colombia	29.56
39	Venezuela	28.19
40	Jordan	26.27
41	Peru	22.26
42	Morocco	18.63
43	Tunisia	17.26
44	Indonesia	14.44
45	Philippines	14.25
46	India	7.29
47	Ghana	4.77
48	Pakistan	4.06
49	Tanzania	3.44
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	China	n/a
n/a	Denmark	n/a
n/a	Egypt	n/a
n/a	Hong Kong SAR	n/a
n/a	Japan	n/a
n/a	Korea, Rep.	n/a
n/a	Nigeria	n/a
n/a	Saudi Arabia	n/a
n/a	Vietnam	n/a

SOURCE: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group.

7.10

Total number of point of sale (POS) devices

This is the total number of POSs per 100,000 adults | 2009

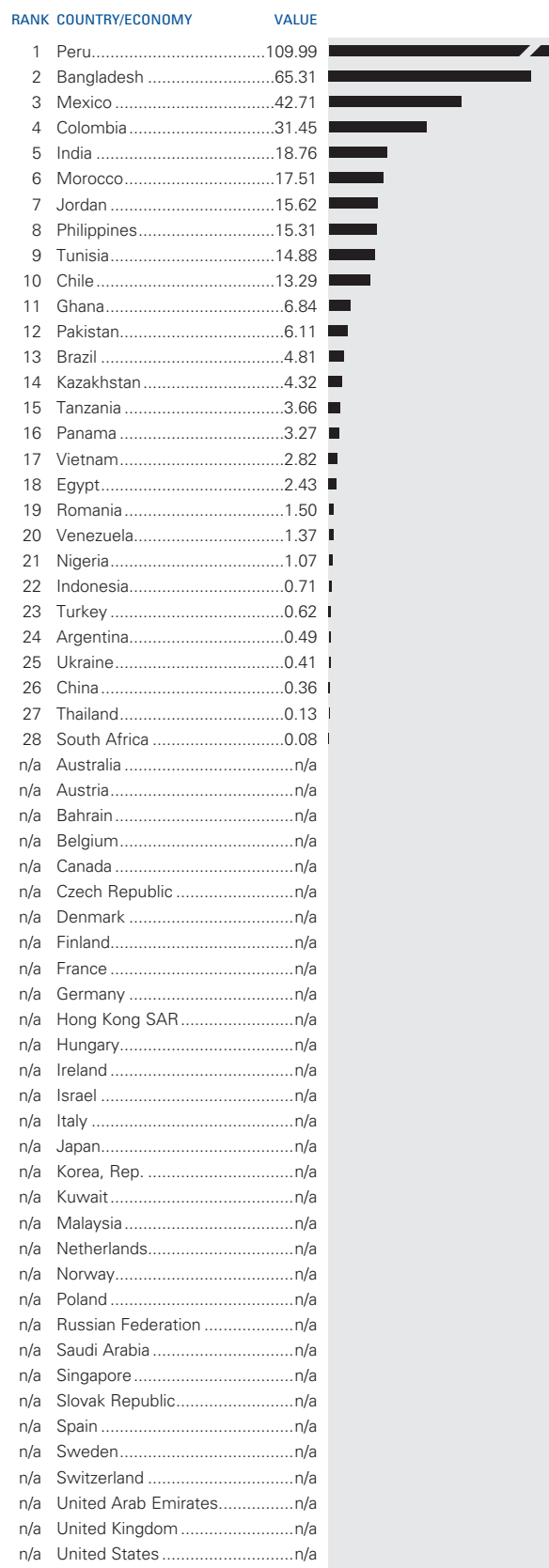
RANK	COUNTRY/ECONOMY	VALUE
1	South Africa	89,086.84
2	Austria	4,174.11
3	Australia	4,039.64
4	Spain	3,711.27
5	Turkey	3,232.79
6	Norway	3,014.45
7	Canada	2,556.01
8	France	2,456.92
9	Netherlands	2,343.41
10	United Kingdom	2,330.70
11	Ireland	2,258.04
12	Brazil	2,247.41
13	Singapore	2,091.42
14	Italy	2,091.02
15	Switzerland	1,985.35
16	Belgium	1,193.42
17	Malaysia	1,063.09
18	Kuwait	1,040.14
19	Czech Republic	868.98
20	Germany	836.53
21	Hungary	831.30
22	Slovak Republic	713.06
23	Poland	666.71
24	Mexico	592.14
25	Romania	540.33
26	Chile	486.07
27	Colombia	441.06
28	Russian Federation	293.05
29	Ukraine	187.17
30	Kazakhstan	170.86
31	Tunisia	121.65
32	Indonesia	117.89
33	Morocco	89.93
34	India	67.06
35	Finland	64.29
36	Peru	53.96
37	Pakistan	48.98
38	Tanzania	16.14
n/a	Argentina	n/a
n/a	Bahrain	n/a
n/a	Bangladesh	n/a
n/a	China	n/a
n/a	Denmark	n/a
n/a	Egypt	n/a
n/a	Ghana	n/a
n/a	Hong Kong SAR	n/a
n/a	Israel	n/a
n/a	Japan	n/a
n/a	Jordan	n/a
n/a	Korea, Rep.	n/a
n/a	Nigeria	n/a
n/a	Panama	n/a
n/a	Philippines	n/a
n/a	Saudi Arabia	n/a
n/a	Sweden	n/a
n/a	Thailand	n/a
n/a	United Arab Emirates	n/a
n/a	United States	n/a
n/a	Venezuela	n/a
n/a	Vietnam	n/a

SOURCE: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group.

7.11

Loan accounts at MFIs

This variable indicates the total number of active borrowers from microfinance institutions per 1,000 adults | 2010



SOURCE: Microfinance Information Exchange, Inc. (MIX). 2011.

Technical Notes and Sources

The following section complements the Data Tables by providing additional information and definitions for those indicators that enter the composition of the Financial Development Index 2011 that are not derived from the Executive Opinion Survey. In the following pages, the number next to the variable corresponds to the number of the Data Table that shows the ranks and values for all economies on this particular indicator.

The data used in this *Report* represent the best available estimates from various international agencies, private sources, and national authorities at the time the *Report* was prepared. It is possible that some data will have been updated or revised after publication.

Section I: Institutional environment

1.01 Capital account liberalization

This index measures the degree of capital account liberalization within a country, standardized on a 1–7 (most liberalized) scale | 2009

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: Menzie Chinn and Hiro Ito. 2010. "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 1–7 (most liberalized) scale | 2007

Each entry is assigned a standardized score on a 0–100 (most liberalized) scale based on its relative restrictiveness. This is done using a 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*

1.03 Domestic financial sector liberalization

This index measures the degree of domestic financial sector liberalization within a country, standardized on a 1–7 (most liberalized) scale | 2009

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 up to 2005 for a subset of the sample countries. The World Economic Forum used their methodology to update all of the countries represented in the FDI for the purposes of the calculations in this *Report*. National sources, central banks, and IMF reports were the main sources of these updates. 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: Graciela Kaminsky and Sergio Schmukler, 2003. "Short-Run Pain, Long-Run Gain: The Effects of Financial Liberalization." *IMF Working Paper* 03/34 Washington DC: International Monetary Fund. Updated as of 2009 based on World Economic Forum analysis.

1.18 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 | 2010

The CPI is an aggregate indicator that ranks the 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 13 different surveys or assessments produced by 10 independent organizations.

Source: Transparency International, *Corruption Perceptions Index 2010*

1.19 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 features related to legal rights in collateral law and two features in bankruptcy law.

Source: The World Bank, *Doing Business 2012*

1.20 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 | 2009

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 methodology created by Nergiz Dincer and Barry Eichengreen in "Central Bank Transparency: Where, Why, and to What Effect?" (2007); updated by Pierre L. Siklos. 2010. "Central Bank Transparency: An Updated Look." *Applied Economics Letters* (forthcoming). All euro zone countries, except the Slovak Republic, are assigned the score of the European Central Bank.

Source: Pierre L. Siklos. 2010. "Central Bank Transparency: An Updated Look." *Applied Economics Letters* (forthcoming)

1.24 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*

1.25 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. This year 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*

1.26 Strength of investor protection index

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

The Strength of Investor Protection 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*

1.27 Cost of enforcing contracts

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

This variable is recorded as a percentage 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 fees where the use of attorneys is mandatory or common.

Source: The World Bank, *Doing Business 2012*

Section II: Business environment

2.06 Tertiary enrollment

This variable is the gross tertiary enrollment rate | 2010

According to the World Bank's *World Development Indicators*, this corresponds to the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the tertiary education level. Tertiary education, 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.

Sources: UNESCO Institute for Statistics (retrieved September 2011); The World Bank, *World Development Indicators 2011*

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 percentage of commercial profits | 2010

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 governmental 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, 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.

Sources: Corporate tax rate data from the Heritage Foundation, *2011 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 taken 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 the 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 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 number of Internet users per 100 inhabitants | 2010

The estimated number of Internet users out of total population includes those using the Internet from any device (including mobile phones) in the last 12 months. A growing number of countries are measuring this through household surveys. In countries where household surveys are available, this estimate should correspond to the estimated number derived from the percentage of Internet users collected.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.14 Broadband Internet subscriptions

This variable is the total broadband Internet subscriptions per 100 inhabitants | 2010

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 kb/s. This can include, 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 2010*

2.15 Telephone lines

This variable is the number of main telephone lines per 100 inhabitants | 2010

A *fixed telephone line* (previously called *main telephone line in operation*) is an active line connecting the subscriber's terminal equipment to the public switched telephone network (PSTN) and that has a dedicated port in the telephone exchange equipment.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.16 Mobile telephone subscriptions

This indicator is the number of mobile cellular telephone subscriptions per 100 inhabitants | 2010

Mobile telephone subscriptions refers to subscriptions of portable telephones to a public mobile telephone service using cellular technology, which provides access to the PSTN. This includes analogue and digital cellular systems, including IMT-2000 (Third Generation, 3G). Both postpaid and prepaid subscriptions are included. Prepaid subscriptions are those where accounts have been used within a reasonable period of time (e.g., three months). Inactive subscriptions, that is, prepaid cards where a call has not been made or received within the last three months, are excluded.

Source: International Telecommunication Union, *World Telecommunication/ICT Indicators Database 2010*

2.17 Cost of starting a business

This indicator is the cost of starting a business as a percentage of income per capita | 2011

This includes all official fees and 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 percentage of income per capita | 2011

Cost is recorded as a percentage 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 percentage of the estate | 2011

The cost is calculated on the basis of survey responses and includes court fees and government levies; fees of insolvency administrators, auctioneers, assessors, and lawyers; and all other fees and costs. Respondents provide cost estimates from among the following options: less than 2%, 2–5%, 5–8%, 8–11%, 11–18%, 18–25%, 25–33%, 33–50%, 50–75%, and more than 75% of the value of the estate.

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. 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*

Section III: Financial stability**3.01 Change in real effective exchange rate (REER)**

This is the average percentage change in real effective exchange rate from year to year over the period 2006–2010. Higher REER represents appreciation | 2010

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. This variable relies on available measures of the prices of domestically produced finished manufactured goods and consumer prices.

Source: Moody's, *Moody's Country Credit Statistical Handbook* (May 2011)

3.02 External vulnerability indicator

The external vulnerability indicator is the sum of several measures of external exposure as a percentage of foreign exchange reserves | 2010

This variable is the short-term external debt + currently maturing long-term external debt + total nonresident deposits over one year / official foreign exchange reserves (%).

Source: Moody's, *Moody's Country Credit Statistical Handbook* (May 2011)

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 | 2008–2010

Balance of payments data are based upon the methodology of the 5th edition of the IMF's *Balance of Payments Manual* (1993).

Source: IMF, *World Economic Outlook Database* (April 2011)

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 | 2010

This variable is foreign-currency deposits in domestic banks / official foreign-exchange reserves + foreign assets of domestic banks (%).

Source: Moody's, *Moody's Country Credit Statistical Handbook* (May 2011)

3.05 External debt to GDP (developing economies)

This variable refers to a country's external debt as a percentage of GDP | 2010

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 2011)

3.06 Net international investment position to GDP (advanced economies)

This variable is the net international investment position as a percentage of GDP | 2010

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 2011)

3.07 Frequency of banking crises

This variable is calculated based on the number of banking crises that countries experienced from 1970 to 2010. Recent crises are weighted more heavily | 2010

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: Luc Laeven and Fabian Valencia. 2008. "Systemic Banking Crises: A New Database." *IMF Working Paper* 08/224, Washington DC. Updated June 2010. 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 | 2011

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 2011)

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 | 2010

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 annual rental income expressed as a percentage of property purchase price.

Source: Global Property Guide website (data retrieved September 2011), www.globalpropertyguide.com

3.10 Financial Stress Index

This measures the extent to which a country's financial system is under strain | 2009

The index for advanced economies is the sum of the following seven standardized subcomponents: 12-month rolling beta of Bank Stock Index, TED or interbank spread, corporate bond yield spread, inverted term spread, monthly stock returns (measured as declines), Generalized Auto-Regressive Conditional Heteroskedasticity (GARCH) volatility of monthly stock returns, and real effective exchange rates. The index for emerging economies is the sum of the following five standardized subcomponents: 12-month rolling beta of Bank Stock Index, monthly stock returns (measured as declines), GARCH volatility of monthly stock returns, sovereign debt spreads, and Exchange Market Pressure Index.

Source: Ravi Balakrishnan, Stephan Danninger, Selim Elekdag, and Irina Tytell. *The Transmission of Financial Stress from Advanced to Emerging Economies*. Washington DC: IMF.

3.11 Tier 1 capital ratio

This is the weighted average Tier 1 regulatory capital ratio at the 10 largest banks | 2010

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 October 2011

3.12 Output loss during banking crises

This is the difference between actual and trend real GDP during a banking crisis. Output loss during recent crises is weighted more heavily | 2010

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 loss is expressed as a percentage of trend real GDP for the period $[T, T + 3]$ where T is the starting year of the crisis. Trend real GDP is computed by applying an HP filter ($\lambda = 100$) to the 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: Luc Laeven and Fabian Valencia. 2008. "Systemic Banking Crises: A New Database." *IMF Working Paper* 08/224, Washington DC. Updated June 2010. All weighting is based on World Economic Forum analysis.

3.13 Local currency sovereign rating

This variable measures the probability that a country will pay its local currency borrowing in a full and timely manner | 2011

Foreign currency sovereign credit ratings of Standard and Poor's were converted on a linear numerical scale from 0 (reflecting SD) to 20 (reflecting AAA). Credit outlooks were given either a positive 0.3 or a negative 0.3 to be added or taken off of the actual rating of a country.

Source: Standard and Poor's, September 2011

3.14 Foreign currency sovereign rating

This variable measures the probability that a country will pay its foreign currency borrowing in a full and timely manner | 2011

Foreign currency sovereign credit ratings of Standard and Poor's were converted on a linear numerical scale from 0 (reflecting SD) to 20 (reflecting AAA). Credit outlooks were given either a positive 0.3 or a negative 0.3 to be added or taken off of the actual rating of a country.

Source: Standard and Poor's, September 2011

3.15 Aggregate macroeconomic indicator

This is the aggregate measure of macroeconomic soundness based on real GDP growth, deposit interest rate, inflation volatility, and inflation level | 2010

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 percentage change in average consumer prices. All data are as of 2010 except deposit interest rates, for which the latest available data are as of 2009.

Sources: GDP and inflation level data from IMF, *World Economic Outlook Database* (April 2011); deposit rate from World Bank, *World Development Indicators and Global Development Finance*, retrieved September 2011; inflation volatility data from Bloomberg, retrieved October 2011

3.16 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 percentage of GDP | 2010

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 percentage of GDP. The values are standardized on a 1–7 scale.

Sources: Public debt data from the Economist Intelligence Unit *CountryData Database*, data retrieved September 2011; GDP data from the IMF, *World Economic Outlook Database* (April 2011)

3.17 Credit default swap spreads

This measure shows the spreads on sovereign credit default swaps | 2011

This indicator reflects pricing of five-year senior credit default swaps for the government sector.

Source: Markit CDS, data retrieved October 2011

Section IV: Banking financial services

4.01 Deposit money bank assets to GDP

These are claims on domestic real nonfinancial sector by deposit money banks as a share of GDP | 2009

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: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.02 Central bank assets to GDP

These are claims on domestic real nonfinancial sector by the central bank as a share of GDP | 2009

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: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.03 Financial system deposits to GDP

This variable shows the demand, time, and saving deposits in deposit-money banks and other financial institutions as a share of GDP | 2009

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 and time and saving deposits, P_e is end-of period CPI, and P_a is average annual CPI.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.04 M2 to GDP

This variable is the money and quasi-money supply as a percentage 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 money and quasi-money, P_e is end-of period CPI, and P_a is average annual CPI.

Sources: M2 supply data from the Economist Intelligence Unit *CountryData Database*, data retrieved September 2011; GDP data from the IMF, *World Economic Outlook Database* (April 2011)

4.05 Private credit to GDP

This variable shows private credit by deposit-money banks and other financial institutions as a percentage of GDP | 2009

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: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.06 Bank deposits to GDP

This variable shows the demand, time, and savings deposits in deposit-money banks as a share of GDP | 2009

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 and time and saving deposits, P_{-e} is end-of period CPI, and P_{-a} is average annual CPI.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.07 Money market instruments to GDP

This variable is total money market instruments (US\$ billions) as a percentage of GDP | 2010

Figures are based on the residence of the issuer.

Source: Bank for International Settlements, *BIS Quarterly Review*, June 2011

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 | 2007–2009

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 percentage of total assets. Bank return on equity is calculated as net income as a percentage of total shareholder's equity.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.09 Bank overhead costs

This is bank overhead costs as a percentage of total assets | 2009

This figure is calculated as the accounting value of a bank's overhead costs as a share of its total assets.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

4.10 Public ownership of banks

This variable is the percentage of assets held by the 10 largest banks that is located in banks that are more than 25 percent government-owned | 2010

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 September 2011

4.11 Bank operating costs to assets

This is non-interest expense as a percentage of average assets in last reported year | 2010

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 September 2011

4.12 Non-performing bank loans to total loans

This variable is the percentage of non-performing bank loans relative to total number of loans outstanding | 2010

Bank nonperforming loans to total gross loans are the value of nonperforming loans divided by the total value of the loan portfolio (including nonperforming 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 2011)

4.13 Private credit bureau coverage

This variable is the percentage 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 percentage 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 facilitates the exchange of credit information among creditors.

Source: The World Bank, *Doing Business 2012*

4.14 Public credit registry coverage

This variable is the percentage 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 percentage 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 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*

Section V: Non-banking financial services

5.01 IPO market share

This is the three-year average of percentage of world initial public offerings (IPOs) issued in a given country as measured by US dollars | 2008–2010

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 60 economies included in the Index.

Source: Dealogic Analytics, data retrieved September 2011

5.02 IPO proceeds amount

This is the three-year average of total initial public offering (IPO) proceeds as a percentage of GDP | 2008–2010

This variable represents IPO proceeds as a percentage of GDP. The initial public offering (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.

Sources: IPO proceeds data from Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.03 Share of world IPOs

This is the three-year average of the number of initial public offering (IPO) issues as a percentage of total global number of issues | 2008–2010

This variable counts the number of IPO issues as defined in the IPO proceeds amount variable and shows the percentage of the total global issuance in number of issues attributable to that country. Share calculation is based on IPOs in 60 economies included in the Index.

Source: Dealogic Analytics, data retrieved September 2011

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 percentage of the total global value | 2008–2010

This indicator is the percentage of the total world rank value of the transaction in US dollars (including the net debt of the target) 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 by 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 60 economies included in the Index.

Source: Dealogic Analytics, data retrieved September 2011

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 (including the net debt of the target) as a percentage of GDP | 2008–2010

The rank value is calculated by subtracting the value of any liabilities assumed in a transaction from the transaction value and by 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.

Sources: M&A transaction value data from Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.06 Share of total number of M&A deals

This is the three-year average of the percentage 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 | 2008–2010

This is the percentage of total world rank value of transactions in US dollars (including the net debt of the target), attributable to a particular country. The rank value is calculated by subtracting the value of any liabilities assumed in a transaction from the transaction value and by 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. Share calculation is based on M&A transactions in 60 economies included in the Index.

Source: Dealogic Analytics, data retrieved September 2011

5.07 Life insurance density

This variable is the direct life insurance premiums from domestic sources to GDP | 2010

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Sources: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.08 Non-life insurance density

This variable is the direct non-life insurance premiums from domestic sources to GDP | 2010

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Sources: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

5.09 Real growth of direct insurance premiums

This is the annual real rate of growth (%) of direct premiums (life and non-life) based on local currency prices | 2010

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 2010: Premiums Back to Growth—Capital Increases*, 2011

5.10 Life insurance coverage

This is the direct domestic premiums for life insurance to per capita GDP | 2010

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Sources: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP per capita data from IMF, *World Economic Outlook Database* (April 2011)

5.11 Non-life insurance coverage

This is the direct domestic premiums for non-life insurance to per capita GDP | 2010

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included.

Sources: Swiss Re, *World Insurance in 2010: Premiums Back to Growth—Capital Increases*, 2011; GDP per capita data from IMF, *World Economic Outlook Database* (April 2011)

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 percentage of GDP | 2010

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: Global Insight, *World Industry Services*, data retrieved October 2011

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 percentage of GDP | 2008–2010

This figure is calculated based on a three-year average GDP.

Sources: Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

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 percentage of total deals | 2008–2010

This figure is calculated based on a three-year average of securitization deals.

Source: Dealogic Analytics, data retrieved September 2011

Section VI: Financial markets

6.01 Spot foreign exchange turnover

This is the percentage 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. Percentages are based on the 60 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 percentage 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. Percentages are based on the 60 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 percentage 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). Percentages are based on the 60 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 percentage 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. Percentages are based on the 60 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 percentage 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. Percentages are based on the 60 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 percentage 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. Percentages are based on the 60 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 percentage 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. Percentages are based on the 60 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 percentage 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. Percentages are based on the 60 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 | 2009

The denominator is deflating using the following deflation method:

$$\frac{T_t}{P_{-a_t}} \div \left(0.5 \times \left[\frac{M_t}{P_{-e_t}} + \frac{M_{t-1}}{P_{-e_{t-1}}} \right] \right)$$

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: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

6.10 Stock market capitalization to GDP

This indicator is the value of listed shares as a percentage of GDP | 2009

The ratio is calculated using the following deflation method:

$$\left(0.5 \times \left[\frac{F_t}{P_{-e_t}} + \frac{F_{t-1}}{P_{-e_{t-1}}} \right] \right) \div \frac{GDP_t}{P_{-a_t}}$$

where F is stock market capitalization, P_{-e} is end-of period CPI, and P_{-a} is average annual CPI.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

6.11 Stock market value traded to GDP

This is the total value of shares traded on stock market exchanges as a percentage of GDP | 2009

Value of shares traded and GDP are measured over the same time period.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

6.12 Number of listed companies per 10,000 people

This is the number of publicly listed companies per 10,000 people | 2009

Number of publicly listed companies per capita.

Source: Thorsten Beck, Asli Demirgüç-Kunt, and Ross Eric Levine. "A New Database on Financial Development and Structure." *World Bank Economic Review*. Updated November 2010

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 | 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 amount outstanding of private domestic debt securities, P_{-e} is end-of period CPI, and P_{-a} is average annual CPI.

Sources: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

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 | 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 amount outstanding of private domestic debt securities, P_{-e} is end-of period CPI, and P_{-a} is average annual CPI.

Sources: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

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 | 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 amount outstanding of private international debt securities, P_{-e} is end-of period CPI, and P_{-a} is average annual CPI.

Sources: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

6.16 Public international bonds to GDP

This variable is the international debt securities issued by the government 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 amount outstanding of public international debt securities, P_{-e} is end-of period CPI, and P_{-a} is average annual CPI.

Sources: Bank for International Settlements, *BIS Quarterly Review*, June 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

6.17 Local currency corporate bond issuance to GDP

This is investment grade and high-yield issuance corporate bonds as a share of GDP | 2010

Corporate bonds consist of industrial and utility businesses; this variable excludes all financial firms.

Sources: Dealogic Analytics, data retrieved September 2011; GDP data from IMF, *World Economic Outlook Database* (April 2011)

Section VII: Financial access

7.06 Foreign direct investment to GDP

This variable is comprised of equity capital, reinvested earnings, and intra-company loans | 2010

Equity capital is the foreign direct investor's purchase of shares of an enterprise in a country other than that of its residence. 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.

Sources: United Nations Conference on Trade and Development, "Inward and Outward Foreign Direct Investment Flows, Annual, 1970–2010"; GDP data from IMF, *World Economic Outlook Database* (April 2011)

7.07 Market penetration of bank accounts

This is the number of commercial bank accounts per 100,000 adults | 2009

These data are collected as part of an access to a finance questionnaire administered in February 2010. The survey was directed to the central bank governor's office or head office of the financial regulator for approval and assignment to a contact person responsible for gathering the appropriate information. Response was received from 142 countries.

Source: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group.

7.08 Commercial bank branches

This is the number of commercial bank branches per 100,000 adults | 2009

These data are collected as part of an access to a finance questionnaire administered in February 2010. The survey was directed to the central bank governor's office or head office of the financial regulator for approval and assignment to a contact person responsible for gathering the appropriate information. Response was received from 142 countries.

Source: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group

7.09 Total number of ATMs

[This is the total number of ATMs per 100,000 adults | 2009](#)

These data are collected as part of an access to a finance questionnaire administered in February 2010. The survey was directed to the central bank governor's office or head office of the financial regulator for approval and assignment to a contact person responsible for gathering the appropriate information. Response was received from 142 countries.

Source: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group

7.10 Total number of point of sale (POS) devices

[This is the total number of POSs per 100,000 adults | 2009](#)

Data collected as part of an access to a finance questionnaire administered in February 2010. The survey was directed to the central bank governor's office or head office of the financial regulator for approval and assignment to a contact person responsible for gathering the appropriate information. Response was received from 142 countries.

Source: Consultative Group to Assist the Poor (CGAP)/The World Bank Group, *Financial Access 2010 Report: The State of Financial Inclusion Through the Crisis*. Washington DC: CGAP and The World Bank Group

7.11 Loan accounts at MFIs

[This variable indicates the total number of active borrowers from microfinance institutions per 1,000 adults | 2010](#)

The total number of people registered as active borrowers at an MFI divided by the total population.

Source: Microfinance Information Exchange, Inc. (MIX). 2011

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Viral V. Acharya joined New York University Stern School of Business as a Professor of Finance in September 2008. Prior to joining NYU Stern, Professor Acharya was a Professor of Finance and Academic Director of the Private Equity Institute at the London Business School, a Research Affiliate of the Center for Economic Policy Research, and an Academic Advisor to the Bank of England. He was appointed Senior Houblon-Norman Research Fellow at the Bank of England to conduct research on efficiency of the inter-bank lending markets for the summer of 2008. Professor Acharya's research interests lie in the regulation of banks and financial institutions, corporate finance, credit risk and valuation of corporate debt, and asset pricing with a focus on the effects of liquidity risk. He has published extensively, including articles in the *Journal of Finance*, the *Journal of Financial Economics*, the *Review of Financial Studies*, the *Journal of Business*, the *Rand Journal of Economics*, the *Journal of Financial Intermediation*, the *Journal of Money, Credit and Banking*, and the *Financial Analysts Journal*. Professor Acharya earned a Bachelor of Technology in Computer Science and Engineering from the Indian Institute of Technology, Mumbai, and a PhD in Finance from New York University Stern School of Business.

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