WHAT’S DRIVING FINANCIAL INCLUSION IN SOUTH ASIA?
Understanding country-specific trends and opportunities in Pakistan, Bangladesh and India

PAKISTAN
1 in 10 financially included

Growth Factors
- Mobile money and nonbank financial institution (NBFI) account registration are growing gradually due to increased awareness, and contribute to growth in overall financial inclusion.
- Bank accounts continue to be the primary means of financial account registered use.

2015: Registered financial service users
(Shown: Percentage of Pakistani adults for each year)

<table>
<thead>
<tr>
<th>Service Type</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any financial service</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Bank</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Nonbank financial institution</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Evolving Trends
- Financial inclusion doubled among women, primarily due to increased NBFI services use.

Financially included by gender
(Shown: Percentage of Pakistani adults within each demographic group, by year)

- 2014 (N=6,000) 2015 (N=6,000)
  - Total population: 7% 9%
  - Women: 9% 6%
  - Men: 11% 11%

WHAT’S NEXT?
- Connect financial services to financial activities individuals currently conduct, building meaningful awareness.

BANGLADESH
4 in 10 financially included

Growth Factors
- Mobile money use and registration is on the rise, increasing financial inclusion.
- NBFI services use mobile money, though 13% use it via OTC.

2015: Registered financial service users
(Shown: Percentage of Bangladeshi adults for each year)

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<td>9%</td>
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<tr>
<td>Mobile money</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Bank</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Nonbank financial institution</td>
<td>24%</td>
<td>20%</td>
</tr>
</tbody>
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Evolving Trends
- Mobile money use surpassed NBFI use and became the primary means of accessing financial services.
- The longer an individual has used mobile money services, the more likely they are to be a registered account holder.

Length of time using mobile money services
(Shown: Percentage of mobile money users, by length of time using the services)

- 0 to 3 months (n=146): 81%
- 3 months to one year (n=526): 77%
- More than one year (n=1,192): 70%

WHAT’S NEXT?
- Advance consumers to the next stage of their mobile money journey, converting awareness to use, OTC use to registered use, and basic use to more advanced use.
- Move beyond basic cash-in cash-out mobile money use to advanced use.
- Increase digital inclusion among women and rural individuals through NBFI.

INDIA
7 in 10 financially included

Growth Factors
- The PMJDY program, the government’s initiative to increase financial inclusion, drove year-on-year increases in bank account ownership.
- NBFI services use mobile money, though 13% use it via OTC.

2015: Registered financial service users
(Shown: Percentage of Indian adults for each year)

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</thead>
<tbody>
<tr>
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<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Bank</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Nonbank financial institution</td>
<td>0%</td>
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Evolving Trends
- Active bank account use has grown, although about 20% of bank accounts remain dormant.
- With the growth in bank accounts, activities reflect more basic use and are in line with the large number of new users.

WHAT’S NEXT?
- Stimulate active bank account use to ward off dormancy by giving account holders ways, reasons and examples of how to use accounts.
- Build mobile money presence with value-based messaging that shows users what mobile money can do for them.

Bank account uses, by type
(Shown: Percentage of active* bank account holders)

- 2013 (n=16,874) 2014 (n=12,472) 2015 (n=18,749)
  - Total: 100%
  - Registered mobile money: 21%
  - OTC use: 11%

Over-the-counter (OTC) use = unregistered use.