

# FINANCIAL INCLUSION *insights*

APPLIED RESEARCH FOR  digital financial inclusion

## BANGLADESH

### **QUICKSIGHTS REPORT FII TRACKER SURVEY**

Conducted June-August 2014

November 2014



## THE BANGLADESH FII TRACKER SURVEY - DETAILS

### Survey summary

- Annual, nationally representative survey (N=6,000) of Bangladeshi individuals aged 15+
- Face-to-face interviews lasting upwards of 60 minutes
- Second survey (wave 2) conducted from 6/16/2014 to 8/22/2014
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted from 9/28/2013 to 11/7/2013

### Data collected

- Basic demographics
- Poverty measurement (Grameen Progress Out of Poverty Index)
- Access/use of mobile devices
- Access/use of mobile money
- Access/use of formal financial services (e.g., bank accounts)
- Access/use of semi-formal and informal financial services (e.g., SACCO, cooperatives, self-help groups)
- Financial literacy and preparedness
- Technical literacy

**BANGLADESH**

## Survey demographics

Demographic	% of Survey (N=6,000)
Male	51%
Female	49%
Urban	32%
Rural	68%
Above the \$2.50/day poverty line	26%
Below the \$2.50/day poverty line	74%
Ages 15-24	30%
Ages 25-34	26%
Ages 35-44	19%
Ages 45-54	12%
Ages 55+	13%

*Figures are weighted to reflect national census data demographics.*

*Source: InterMedia Bangladesh FII Tracker survey (N=6,000 15+) June-August 2014.*

## BANGLADESH

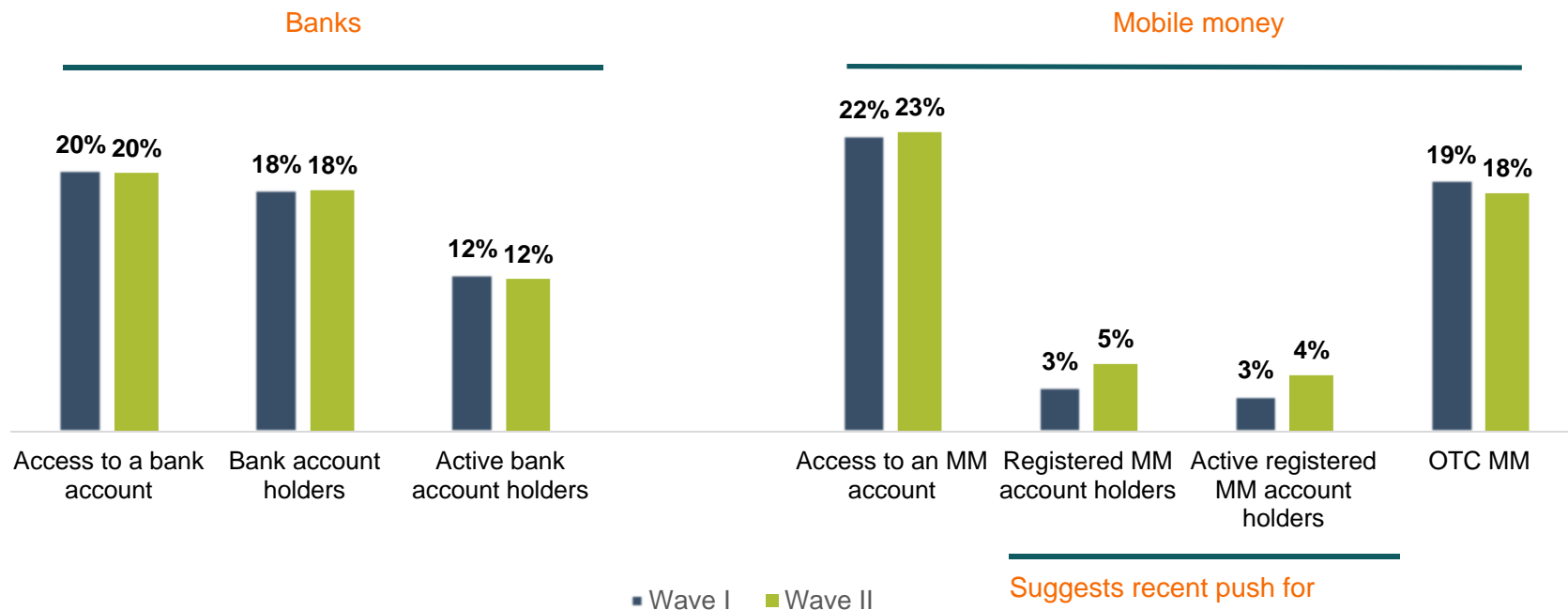
**NOTABLE STATISTICS**

- **Close to four in 10 Bangladeshis (37 percent) are now financially included.**
  - Registered mobile-money account use is now at 5 percent, up from 3 percent in 2013. Registered use of mobile money accounts among men, urban adults and those above the poverty line increased by significant margins. Static with 2013, more than two in 10 (23 percent) have access to mobile money accounts.
  - Two in 10 Bangladeshi adults (20 percent) have access to bank accounts, and nearly that (18 percent) are bank account holders.
  - Two in 10 currently have an MFI account, which is the leading form of semi-formal or informal financial services in the country right now. It's more common for women (25 percent compared with 16 percent of men), those in rural areas (22 percent compared with 14 percent of those in urban areas), and those below the poverty line (22 percent compared with 15 percent of those above) to have an MFI.
- **Bangladeshis are aware of mobile money providers**, with nearly all individuals knowing at least one provider, and bKash far and away the most widely recognized. There is lesser awareness, however, of mobile money as a concept. Only about a third knew the term “mobile money.”
- **bKash is the most commonly used mobile money provider.** In the past year, it has attracted users below the poverty line, in addition to its core customers who are primarily male and from rural areas.
- **The two most common motivators for opening a mobile money account are receiving or sending money** (54 percent and 30 percent, respectively).
- **Saving money registers as a reason to open an account.** While only among a small portion of the population (2 percent), this is a functional motivator to watch.
- **Once opened, Bangladeshis use their accounts for withdrawing, depositing** money (77 and 56 percent respectively), more so than for actually receiving or sending money.

## Access and use of bank accounts is static, mobile money access and use increased

### Bank and mobile-money (MM) account access and use: Wave I vs. Wave II

(Shown: Percentage of Bangladeshi adults who fall into each category, N=6,000)



Suggests recent push for account registration may be resonating with consumers.

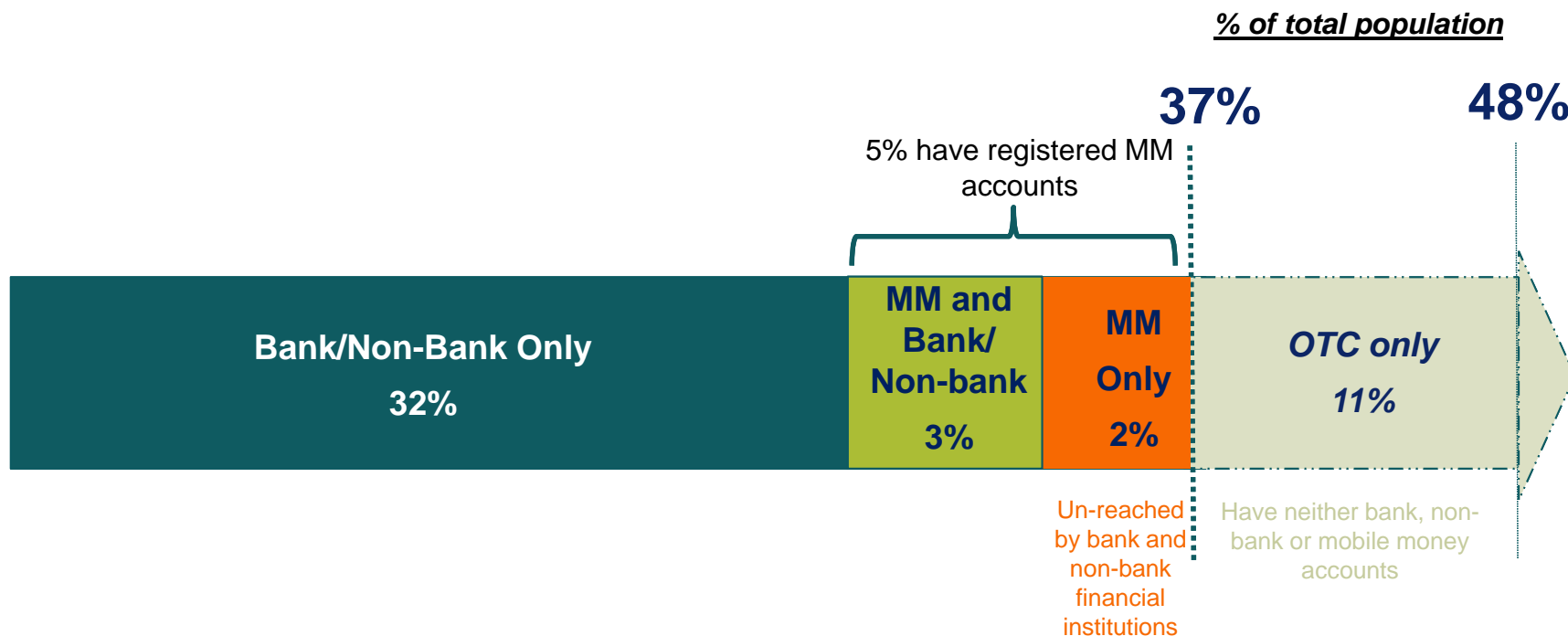
OTC MM = users whose financial access is limited to over-the-counter mobile money use

Growth in registered and active registered mobile money account holders is significant at the 95% confidence level.

Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.

## BANGLADESH

### Five percent of Bangladeshis have mobile money (MM) accounts, extending total financial inclusion to 37 percent



Non-Bank = Those with accounts at non-bank formal and semi-formal financial institutions, including MFIs, that offer services beyond credit

Both = Those with a bank/non-bank account, and a registered mobile money account

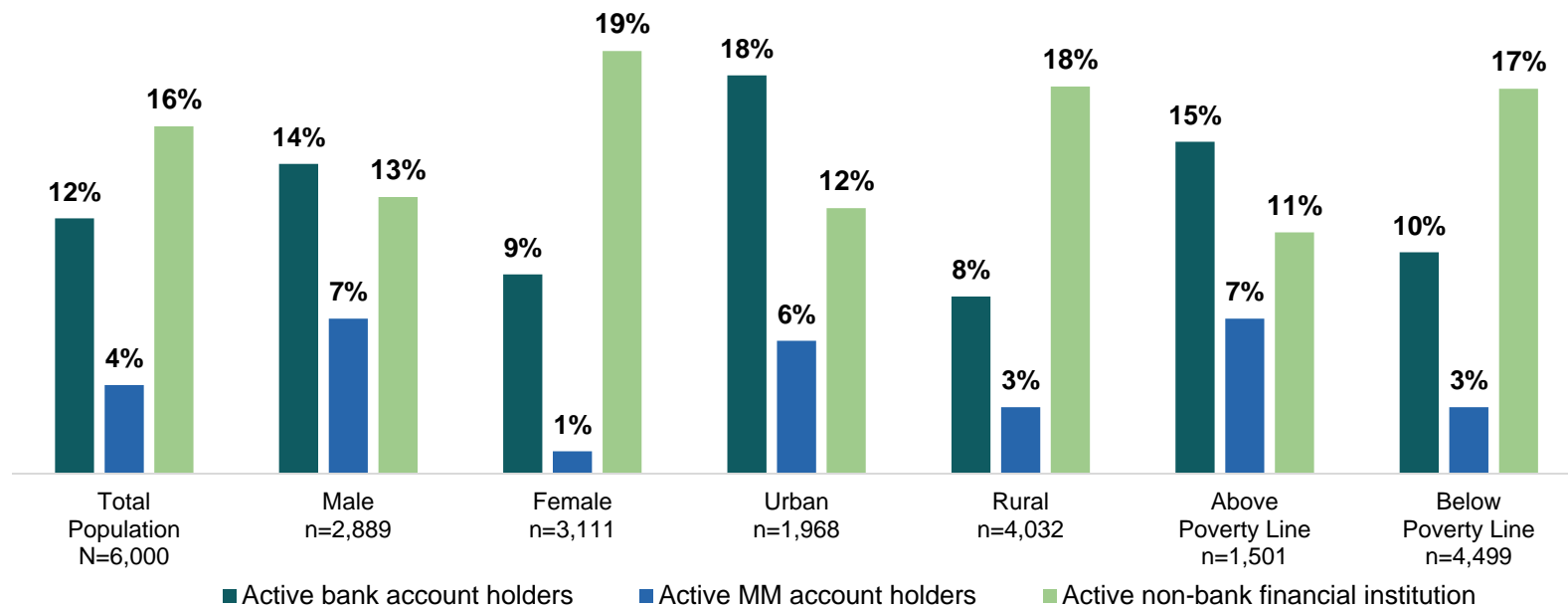
OTC = Users whose financial access is limited to "over-the-counter" digital payments

## BANGLADESH

**Bank and mobile money accounts are more prevalent among men and urban residents; MFIs and other non-bank financial institutions are more prevalent among women, rural residents and those below the poverty line**

### Financial inclusion measures by key demographic groups

(Shown: Percentage of each subgroup)



Categories are not mutually exclusive

Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) June-August 2014.

## One in 10 uses a digital stored-value account, but few use it as an access channel for other financial services

Main FSP Indicator	%	Base n	Base Definition
Adults (15+) who have active digital stored-value accounts	11.0%	6,000	All adults
Poor adults (15+) who have active digital stored-value accounts	9.1%	4,499	All poor
Rural women (15+ ) who have active digital stored-value accounts	4.8%	2,032	All rural females
Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	3.7%	6,000	All adults
Poor adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	3.5%	4,499	All poor
Rural women (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	2.6%	2,032	All rural females

Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) June-August 2014.

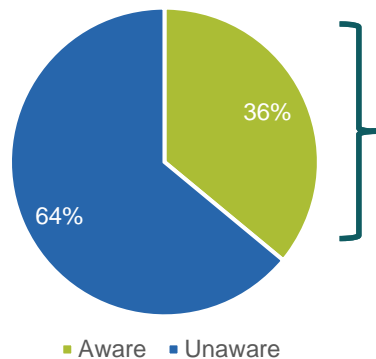


## BANGLADESH

### More are aware of mobile money providers than the concept of mobile money

#### Awareness of "mobile money" as a concept

(Shown: Percentage of Bangladeshi adults, N=6,000)

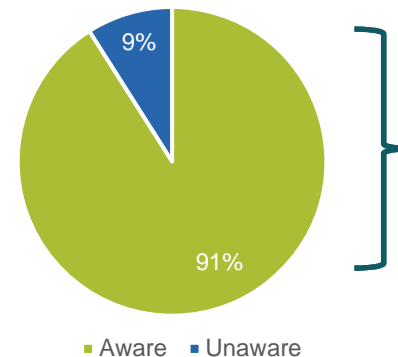


#### Among those aware

- 100% are aware of at least one mobile money provider
- 34% have used mobile money
- 10% have registered mobile money accounts

#### Awareness of at least one mobile money provider

(Shown: Percentage of Bangladeshi adults, N=6,000)



#### Among those aware

- 39% are aware of the concept of mobile money
- 25% have used mobile money
- 6% have registered mobile money accounts

Categories are not mutually exclusive.

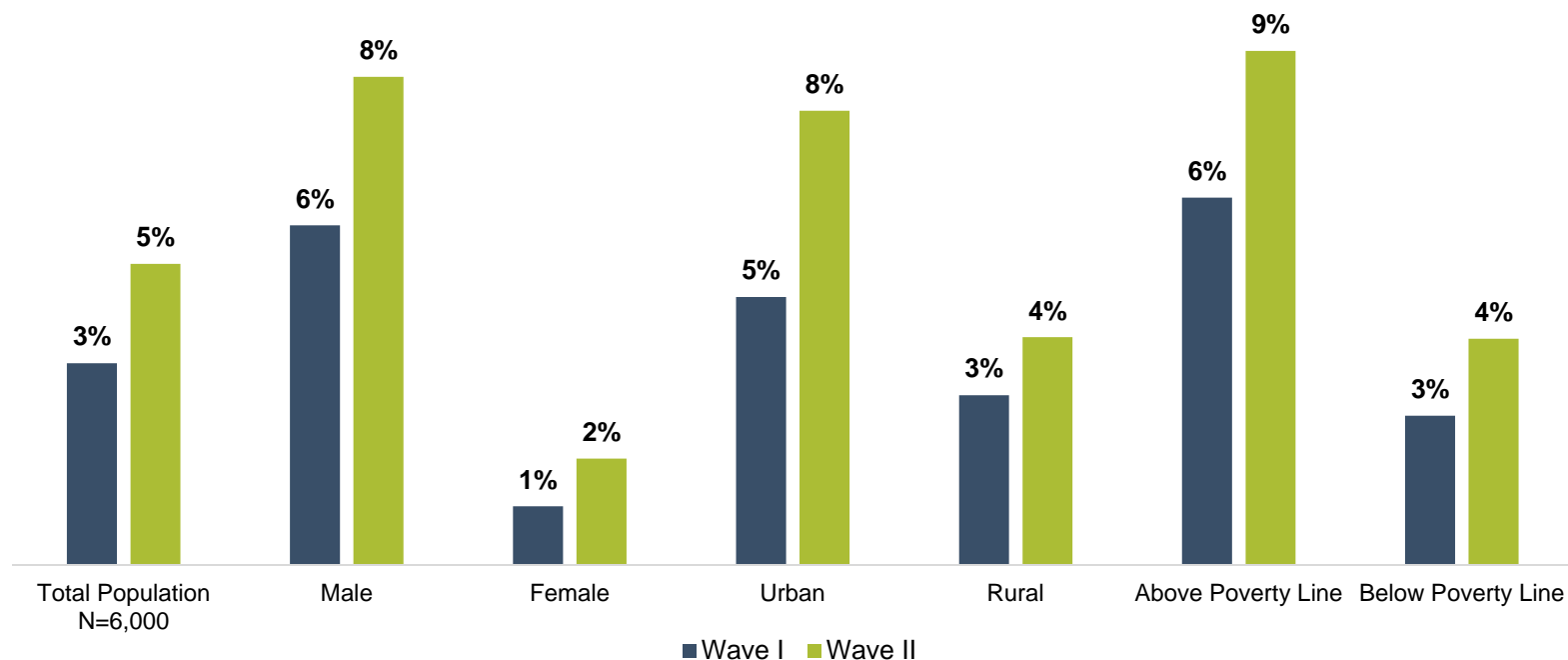
Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) June-August 2014.

## BANGLADESH

### Mobile money account usage has increased significantly among men, urban adults and those above the poverty line

#### Demographic trends for mobile money account use

(Shown: Percentage of Bangladeshi adults who fall into each category, N=6,000)



Differences in waves are significant at the 95% confidence level for male, urban and below poverty line. Categories are not mutually exclusive.  
 Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.

## BANGLADESH

### Mobile money account holders first became aware of the service mostly from television and word of mouth, followed by billboards

*“From which source of information did you first learn about this mobile money service?”*

Rank	Top 5 initial sources (percentage of active mobile money account holders)	% - Wave 1 (n=141)	% - Wave 2 (n=225)
①	Television	64	76
②	Family and/or friends	30	35
③	Billboards	29	26
④	Transactional mobile money agents	7	8
⑤	Radio	2	2
⑥	Field agents/promoters of mobile money	2	0.4

*Question allowed multiple responses.*

*Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.*

## BANGLADESH

### Bangladeshis are most likely to open a mobile money account to send/receive money; deposits/withdrawals are top uses once accounts are opened

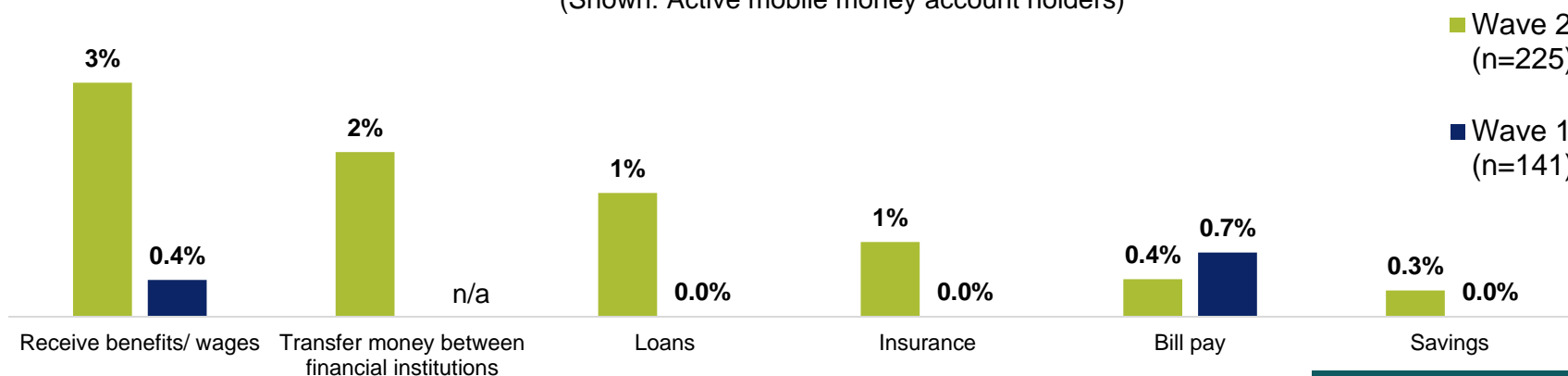
Rank	Top reasons for starting to use an MM account (n=225)	%	Rank	Top uses for MM accounts (percentage of active account holders n=225)	%
①	I had to receive money from another person	54	①	Withdraw money	77
②	I had to send money to another person	30	②	Deposit money	56
③	I saw other people using it and wanted to try myself	4	③	Receive money from other people for regular support/allowances, or emergencies	24
④	Most of my friends/family members are already using it	3	④	Buy airtime top-ups	16
⑤	I saw posters/billboards/radio/TV advertising that convinced me	2	⑤	Receive money from other people for other reasons or no particular reason	15
⑥	I wanted to start saving money with a mobile money account	2	⑥	Send money to other people for other reasons or no particular reason	14

Savings emerges as a reason to open an account (requires registered account)

Question allowed multiple responses. Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) June-August 2014.

## The use of advanced mobile money services is rare but emerging as more services become available

**Advanced mobile money account uses**  
(Shown: Active mobile money account holders)



Only bKash explicitly indicates it provides a savings product.

*Question allowed multiple responses.*

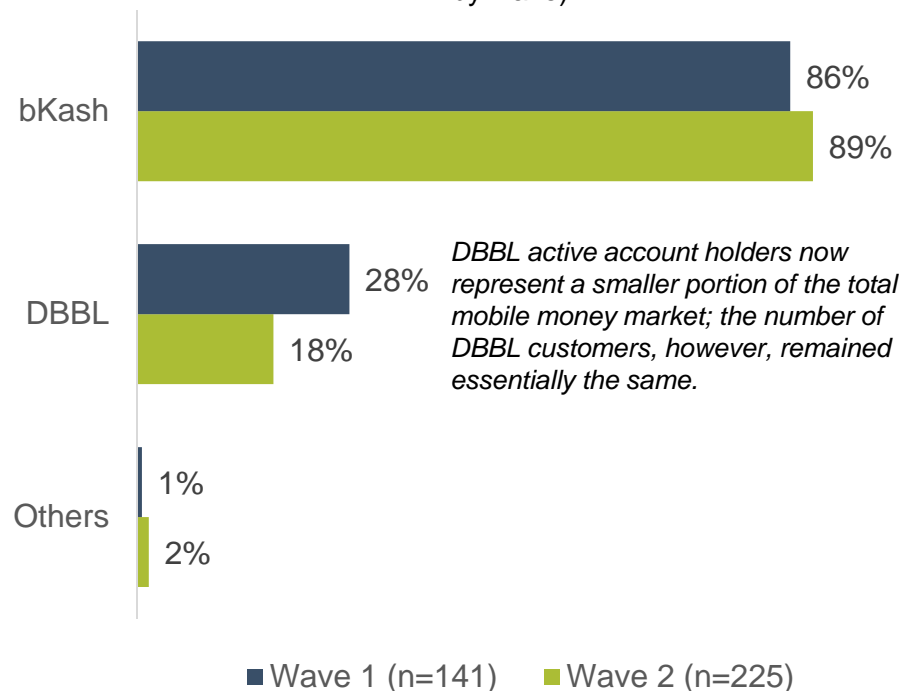
*Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) June-August 2014.*

## BANGLADESH

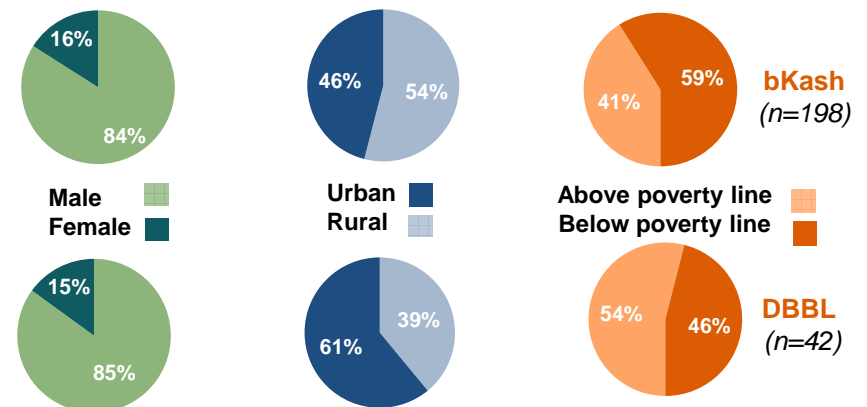
### bKash is more commonly used than any other mobile money provider; its customers are more likely to be lower income, rural and female

#### Mobile money provider market share, by wave

(Shown: Percent of active mobile money account holders, by wave)



#### Demographic trends for mobile money account use, by provider



bKash users below the poverty line increased from 52 to 59 percent since wave 1.

DBBL users' demographics shifted to being less male-dominant (94 to 85 percent) and from primarily rural (58 percent) to much more urban (61 percent).

*Active mobile money account holders can have accounts with more than one provider.*

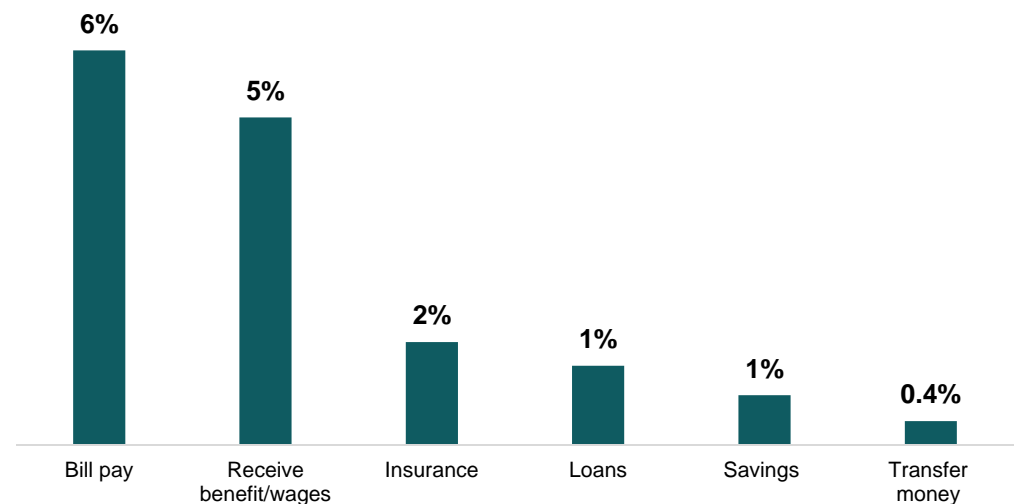
*Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.*

## BANGLADESH

### A small percentage of active bank account holders use services beyond cash withdrawals and deposits

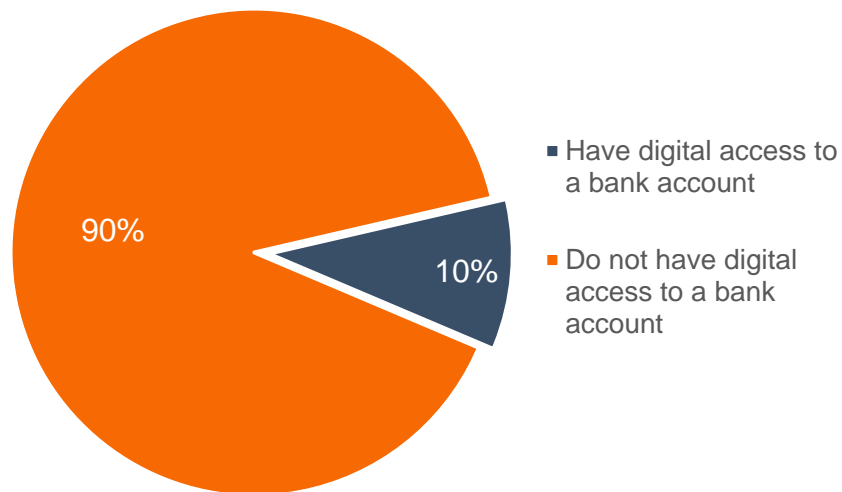
Rank	Top uses for active BANK accounts (n=716)	%
①	Withdraw money	92
②	Deposit money	86
③	Receive money from other people for regular support or to help with emergencies	7
④	Send money to other people for regular support or to help with emergencies	5
⑤	Receive wages for primary job	4

**Advanced bank use**  
(Shown: Active bank account holders, n=716)

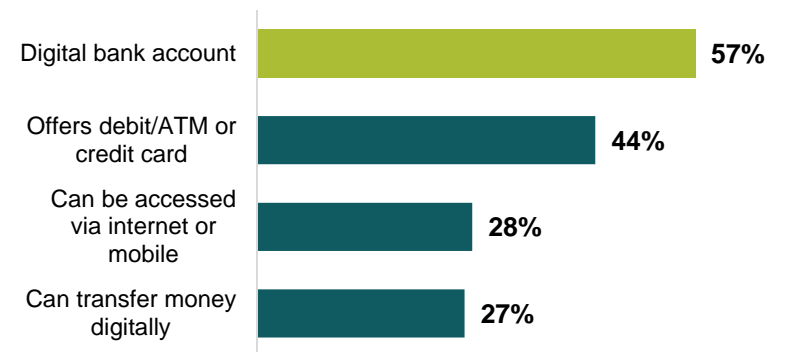


## Digital access is widespread: Nearly six in 10 account holders can access their bank accounts through some form of digital means

**Digital bank account access**  
(Shown: Total population, N=6,000)



**Digital access among bank account holders**  
(Shown: Active bank account holders, n=716)



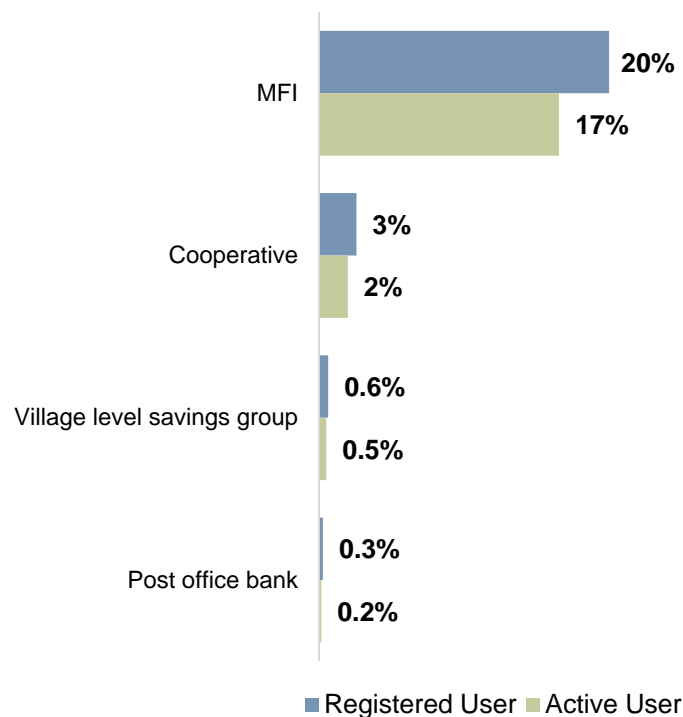
Digital bank accounts are those that offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.



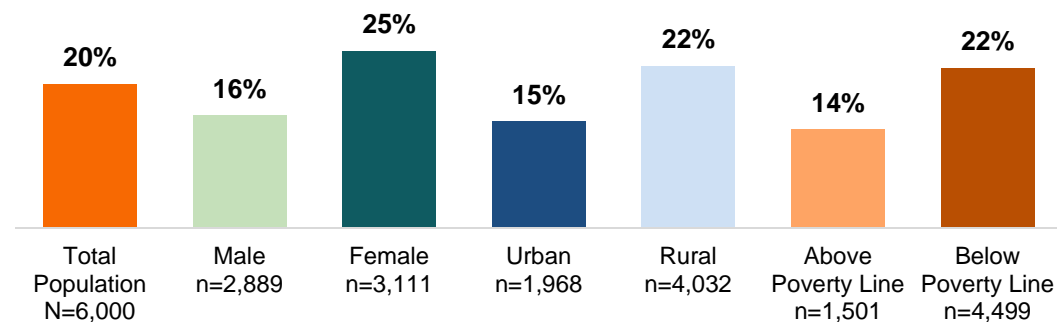
## Microfinance institutions are the most popular form of semi-formal or informal financial services

### Financial institution usage

(Shown: Percentage of non-bank financial institution account holders among the total population, N=6,000)



### Registered MFI users by demographic



Microfinance institutions are somewhat unique in that more women than men are registered users of the service.

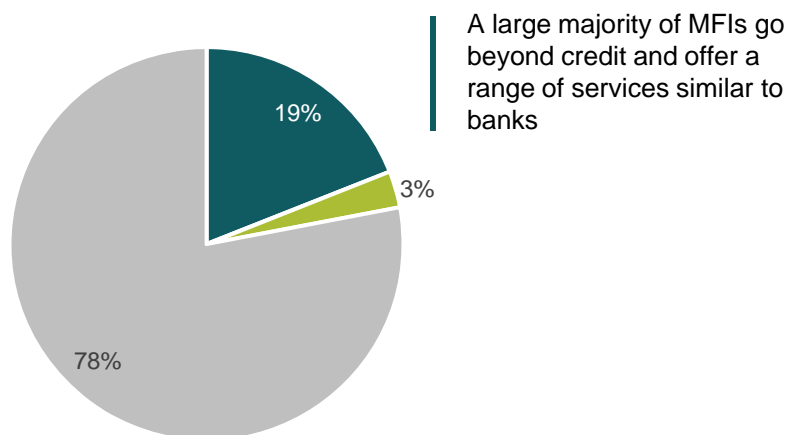
For the other two widely used forms of financial services in Bangladesh – banks and mobile money – men are the primary users with nearly double (or more) the number of registered account holders as compared with women.

## BANGLADESH

### The large majority of microfinance institutions in Bangladesh provide services beyond credit, most notably savings

#### Types of services available at MFIs

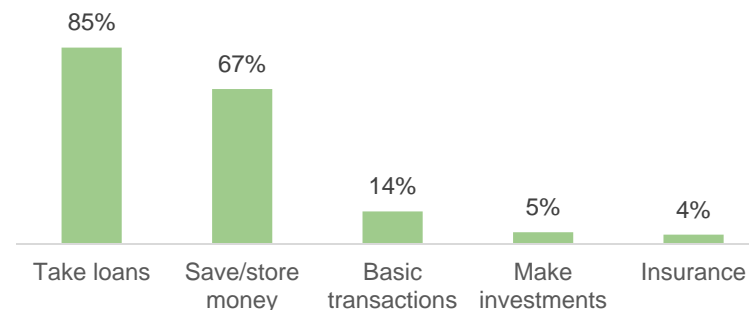
(Shown: Total population, n=6,000)



■ Savings and other banking services ■ Credit only ■ Non-users

#### MFI usage

(Shown: MFI users, n=1440)



While extending credit remains a core function of MFIs in Bangladesh, over two-thirds of users saved money at their MFI.

## GLOSSARY OF TERMS

- **Access** - Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person.
- **Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.
- **Active user** – An individual who has used any DFS for any type of transaction in the past 90 days via his/her own account or somebody else’s account.
- **Adults with DFS Access** – Adults who either own a DFS account or have access to someone else’s account.
- **Below the Poverty Line** - In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.). **For this particular study, digital financial services include bank services and mobile money services.**
- **Digital stored-value account (DSVA)** – An account in which funds or monetary value are represented in a digital electronic format and can be retrieved/transferred by the owner of the account remotely, without him/her physically present at a branch of a financial institution providing the account. For this particular study, DSVAs include a bank card (debit or credit) and a mobile money account.
- **Financial inclusion** – A state in which all people who are able to use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients.
- **Financially included** – An adult who owns or has access to digital financial services.
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line.
- **Lapsed registered/non-registered user** – An individual who has used a DFS on their own or somebody else’s account, but has not done so in the last 90 days.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.
- **Registered active user** – A person with a registered DFS account that has used it in the last 90 days.
- **Services beyond basic wallet** – DFS transactions that go beyond simple deposits, withdrawals or money transfers.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

For more information, contact:

Nat Kretchun, FII Asia Lead

[KretchunN@InterMedia.org](mailto:KretchunN@InterMedia.org)

Peter Goldstein, Director of Business Development

[GoldsteinP@InterMedia.org](mailto:GoldsteinP@InterMedia.org)



[www.finclusion.org](http://www.finclusion.org) | Twitter: @finclusion\_FII

The Financial Inclusion Insights program is operated by InterMedia and supported by the Bill & Melinda Gates Foundation. All data and materials resulting from the program are the property of the Gates Foundation, but the findings and conclusions within are those of the authors and do not necessarily reflect positions or policies of the foundation.



**Headquarters**  
Washington, D.C.  
Tel: +1.202.434.9310

**InterMedia Europe**  
London, U.K.  
Tel: +44.207.253.9398

**InterMedia Africa**  
Nairobi, Kenya  
Tel: +254.720.109183