PUTTING THE USER FRONT AND CENTER

The Financial Inclusion Insights (FII) program responds to the need identified by multiple stakeholders for timely, demand-side data and practical insights into digital financial services (DFS), including mobile money, and the potential for their expanded use among the poor.

The FII team conducts regular survey and qualitative research in Kenya, Tanzania, Uganda, Nigeria, India, Pakistan, Bangladesh and Indonesia to:

- Track access to and demand for financial services generally, and the uptake and use of DFS specifically;
- Measure adoption and use of DFS among key target groups (females, BOP, rural, unbanked, etc.);
- Identify drivers and barriers to further adoption of DFS;
- Evaluate the agent experience and the performance of mobile money agents; and
- Produce actionable, forward-looking insights to support product and service development and delivery, based on rigorous FII data.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: www.finclusion.org.
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EXECUTIVE SUMMARY
Survey demographics

<table>
<thead>
<tr>
<th>Gender</th>
<th>% of survey</th>
<th>Geography</th>
<th>% of survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>51%</td>
<td>Urban</td>
<td>32%</td>
</tr>
<tr>
<td>Female</td>
<td>49%</td>
<td>Rural</td>
<td>68%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>% of survey</th>
<th>Aptitude</th>
<th>% of survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above the $2.50/day poverty line</td>
<td>23%</td>
<td>Basic literacy</td>
<td>60%</td>
</tr>
<tr>
<td>Below the $2.50/day poverty line</td>
<td>77%</td>
<td>Basic numeracy</td>
<td>98%</td>
</tr>
</tbody>
</table>

Figures are weighted to reflect national census data demographics.
Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Country context

• As of October 2015, 28 banks were licensed to offer mobile financial services in Bangladesh; 20 of those banks are actively offering services.
  o Despite the large number of mobile money providers, bKash remains the clear market leader, trailed by DBBL, in visibility and customer base. Many licensed providers have yet to make any impression on the market.

• Bangladesh Bank estimated there were 30.24 million registered mobile financial services accounts in October 2015.
  o These accounts would represent approximately 27 percent of the adult population. Bangladesh Bank statistics measure the number of accounts, not the number of individuals as is the case with FII data. Both reflect a clear growth in the mobile money market and suggest that a substantial minority of the population is utilizing the services.
  o Active account use comes in at approximately 11 percent of adults, according to the central bank. This closely mirrors the FII figure for active mobile money account holders of 8 percent of adult Bangladeshis.
  o Bangladesh Bank figures are based on supply-side information collected from mobile financial service providers. This may not account for instances of multiple account ownership and agents registering personal accounts. Yet, despite differences in definitions and data sources between supply-side data and FII demand-side data, http://www.impatientoptimists.org/Posts/2015/04/Mobile-money-usage-in-Bangladesh-A-sidebyside-comparison-of-demand-and-supply-side-data#.VqKZ-1MrKR, both result in similar conclusions.
  o By volume, cash-in and cash-out (CICO) transactions were by far the most common form of financial transaction. In October 2015, CICO transactions accounted for 78 percent of all transaction volume and person-to-person (P2P) transfers accounted for 18 percent; totalling 96 percent of all transaction value.

• In August of 2015, Bangladesh Bank released draft mobile financial service (MFS) regulations.
  o Draft regulations are purportedly meant to encourage greater competition. However, draft guidelines limiting ownership stakes in MFS providers to 15 percent per entity, and a requirement that at least four banks must form a consortium to achieve a 51 percent majority-ownership share, have proven controversial.* As of January 2016, the regulations were yet to be finalized.


Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Financial inclusion is on the rise in Bangladesh, driven in large part by growth in mobile money use and registration.

- Just over four in 10 (43 percent) Bangladeshi adults are now financially included, meaning they have accounts at financial institutions offering at least one of the following services: savings, insurance, investments or money transfers.

- More adults are financially included now versus in 2014 (37 percent), largely due to the growth in mobile money accounts.

- Males and individuals living above the poverty line saw the greatest increases in financial inclusion, with increases of 10 percent and 14 percent, respectively.

- Women and below poverty individuals saw the least growth in financial inclusion, growing by just 3 percent and 4 percent, respectively.

- The gender divide on financial inclusion has increased.

- More women are financially included in 2015 than were in 2014, growing from 35 percent to 38 percent.

- Men enjoyed three times the growth in financial inclusion that women did, growing from 38 percent to 48 percent.

- Financial inclusion corresponds to greater financial security, especially for poorer segments.

- Financially excluded individuals living on less than $2.50 a day are more likely to have had to go without necessities, such as food, medicine, or cooking fuel, due to a lack of money than are their financially included counterparts.

- Financially included individuals have a greater likelihood of having a plan in place to help cope with unexpected financial shocks, such as the loss of a job, than do financially excluded Bangladeshis.

*2013 survey data for determining financially included is not comparable to 2014 and 2015.

Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Key findings: Account access and ownership

• Bangladesh is experiencing a shift in the primary means of financial access.
  o In 2013 and 2014, nonbank financial institutions (NBFIs) were the most widely used financial services among adults. Now, in 2015, mobile money use surpasses NBFI use (33 percent vs. 29 percent, respectively). Versus 2014, there is a 10-percent increase in overall mobile money use, including unregistered use.
  o There are still more registered bank and NBFI accounts versus registered mobile money accounts, but mobile money accounts have grown the most. Mobile money accounts and active use nearly doubled between 2014 and 2015 (5 to 9 percent, and 4 to 8 percent, respectively).
  o Bank account use has remained static across years.

• NBFIs continue to be prominent tools for banking activities among women, rural and illiterate populations.
  o Of the approximately 20 percent of adults only using their NBFI accounts to access financial services, 54 percent are illiterate, 55 percent are women, 77 percent live in rural areas and 90 percent live on less than $2.50 a day. This is in comparison to 23 percent, 38 percent, 51 percent and 55 percent, respectively, of those only using banks.
  o Microfinance institutions (MFIs) account for 90 percent of NBFIs in Bangladesh.

*FII 2013 survey data collected for NBFIs is not comparable to 2014 and 2015.

Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Key findings: Active and advanced account use

- More account holders actively use their accounts.
  - Active account holders for any financial service rose 6 percent between 2014 (28 percent) and 2015 (34 percent), primarily led by an increase in active mobile money account holders.
  - The greatest growth in active account holders was seen with mobile money, which doubled from 4 to 8 percent.

- Mobile money activities reflect more advanced use.
  - Advanced use of mobile money services (i.e., bill pay, loans) by active account holders increased from 2 percent in 2013 to 13 percent in 2015.
  - Use of the services for basic activities and remittances (person-to-person or P2P transfers) saw even greater increases, rising from 7 percent in 2013 to 58 percent in 2015.

*Have used their account in the last 90 days.

Source: InterMedia Bangladesh Fil Tracker surveys Wave 1 (N=6,000, 15+), September- November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Key findings: Mobile money

- Registered use of mobile money services is closing the gap on unregistered or over-the-counter use; unregistered use remains the dominant market force.
  - Overall mobile money use grew from 23 percent to 33 percent of adults between 2014 and 2015.
  - While OTC remains the primary form of mobile money use, recent service provider efforts to encourage account registration appear to be having an effect, as the proportion of those with registered accounts among overall mobile money users grew 4% from 2014.
  - The longer an individual has used mobile money services, the more likely they are to be a registered account holder.

- Mobile phone competency, especially with regards to sending and receiving text messages, corresponds to higher rates of mobile money use.
  - More than three times as many adults who have used a mobile phone to send or receive text messages (SMS capable) have a mobile money account in their name (16 percent) than do adults who have never sent or received an SMS (5 percent).
  - The difference between these two groups in other financial account ownership is smaller. SMS capable adults are less than twice as likely to have a bank account (27 percent vs. 15 percent) than their counterparts; SMS capable adults are less likely to have an NBFI account than the SMS incapable.

Length of time using mobile money services

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

- Used 0-3 months (n=146)
  - Registered mobile money use: 19%
  - OTC use: 81%
- Used 3 months to one year (n=525)
  - Registered mobile money use: 23%
  - OTC use: 77%
- Used more than one year (n=1,192)
  - Registered mobile money use: 30%
  - OTC use: 70%

I opened an account after using an agent’s account to make transactions for seven months.

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+) June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Financial access and use overview

**Financial account access**


**Registered financial service users**

- Mobile money: 3% (2013), 5% (2014), 9% (2015)
- Bank: 18% (2013), 18% (2014), 19% (2015)

**Active financial service users**

- Mobile money: 3% (2013), 4% (2014), 8% (2015)
- Bank: 12% (2013, 2014), 16% (2015)

Types of account ownership are not mutually exclusive.

Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Account ownership is increasing; use of accounts for more advanced functions is static with 2014

<table>
<thead>
<tr>
<th>Main FSP Indicator</th>
<th>2014</th>
<th>2015</th>
<th>Base Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults (15+) who have active digital stored-value accounts</td>
<td>11%</td>
<td>15%</td>
<td>All adults</td>
</tr>
<tr>
<td></td>
<td>6,000</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>Poor adults (15+) who have active digital stored-value accounts</td>
<td>9%</td>
<td>11%</td>
<td>All poor</td>
</tr>
<tr>
<td></td>
<td>4,499</td>
<td>4,597</td>
<td></td>
</tr>
<tr>
<td>Rural women (15+) who have active digital stored-value accounts</td>
<td>5%</td>
<td>7%</td>
<td>All rural females</td>
</tr>
<tr>
<td></td>
<td>2,032</td>
<td>2,129</td>
<td></td>
</tr>
<tr>
<td>Adults (15+) who have active digital stored-value accounts and use them to access</td>
<td>2%</td>
<td>2%</td>
<td>All adults</td>
</tr>
<tr>
<td>other financial services (beyond basic wallet, P2P and bill pay)*</td>
<td>6,000</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>Poor adults (15+) who have active digital stored-value accounts and use them to</td>
<td>2%</td>
<td>1%</td>
<td>All poor</td>
</tr>
<tr>
<td>access other financial services (beyond basic wallet, P2P and bill pay)</td>
<td>4,499</td>
<td>4,597</td>
<td></td>
</tr>
<tr>
<td>Rural women (15+) who have active digital stored-value accounts and use them to</td>
<td>2%</td>
<td>1%</td>
<td>All rural females</td>
</tr>
<tr>
<td>access other financial services (beyond basic wallet, P2P and bill pay)</td>
<td>2,032</td>
<td>2,129</td>
<td></td>
</tr>
</tbody>
</table>

*Though use of digital stored-value accounts for more advanced functions did not change among active account holders, use of mobile money accounts for more advanced functions among active mobile money account holders increased by 8 percent.

Digital stored-value accounts: accounts in which a monetary value is represented in a digital electronic format and can be retrieved/transfered by the account owner remotely. For this particular study, DSVAs include a bank account or NBFI account with digital access (a card, online access or a mobile phone application) and a mobile money account.

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
FINANCIAL INCLUSION
Understanding financial inclusion

**What is financial inclusion?**

For the purposes of this report, financial inclusion is defined as having an account with an institution that provides a full-suite of financial services and comes under some form of government regulation.

These services include savings, money transfers, insurance or investment. Institutions that only offer loans to consumers, such as some microfinance institutions (MFIs), are not considered to be full-service institutions. *(Source: InterMedia Fil Program)*

**How is it measured?**

To determine financial inclusion, we measure the percentage of adults who report having an account in their name with at least one institution offering a full-suite of financial services.

**What is included in this?**

Banks, nonbank financial institutions and mobile money services are included in the financial inclusion measure. In the case of Bangladesh, nonbank financial institutions include MFIs, cooperatives, post office banks and village savings groups. In all countries, individuals must have an account in their own name.

**What isn’t included?**

Excluded from the financial inclusion measure are money guards, savings collectors, hawla/hundi networks, and digital recharge cards that are not attached to a bank or MFI account.

Additionally, individuals who have accessed formal financial services but do not have their own account, such as those using another family member’s account, are not included.
Just over four in 10 Bangladeshis are financially included

43% Financially included*

- 24% have a full-service NBFI account
- 19% have a full-service bank account**
- 9% have a mobile money account

N=6,000

*Overlap representing those who have multiple kinds of financial accounts is not shown.

**For the purposes of this study, bank account holders have accounts at full-service institutions, unless otherwise noted.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Financial inclusion is on the rise due to mobile money and NBFI growth

Financially included
(Shown: Percentage of Bangladeshi adults for each year)

<table>
<thead>
<tr>
<th>Financially included</th>
<th>2014 (N=6,000)</th>
<th>2015 (N=6,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially included</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBFI</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>Bank</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>5%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Overlap representing those who have multiple kinds of financial accounts is not shown.

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Financial inclusion rose across poverty, gender and location; increases were more dramatic for higher income, men and urban adults.

Financially included
(Shown: Percentage of Bangladeshi adults for each year)

Poverty level

<table>
<thead>
<tr>
<th>Year</th>
<th>Above $2.50 a day poverty line</th>
<th>Below $2.50 a day poverty line</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>52%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>38%</td>
<td>35%</td>
</tr>
<tr>
<td>2015</td>
<td>48%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Location

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>41%</td>
<td>34%</td>
</tr>
<tr>
<td>2015</td>
<td>49%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Especially among poorer segments, financial inclusion corresponds to increased financial security

**2015: Economically vulnerable**
(Shown: Percentage of adults by financial inclusion, poverty levels)

<table>
<thead>
<tr>
<th>Financial Status</th>
<th>Poverty Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially included above poverty</td>
<td>(n=745)</td>
<td>22%</td>
</tr>
<tr>
<td>Financially excluded above poverty</td>
<td>(n=658)</td>
<td>21%</td>
</tr>
<tr>
<td>Financially included below poverty</td>
<td>(n=1,867)</td>
<td>46%</td>
</tr>
<tr>
<td>Financially excluded below poverty</td>
<td>(n=2,730)</td>
<td>53%</td>
</tr>
</tbody>
</table>

**2015: Have a financial plan for unexpected events**
(Shown: Percentage of adults by financial inclusion, poverty levels)

<table>
<thead>
<tr>
<th>Financial Status</th>
<th>Poverty Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially included above poverty</td>
<td>(n=745)</td>
<td>34%</td>
</tr>
<tr>
<td>Financially excluded above poverty</td>
<td>(n=658)</td>
<td>27%</td>
</tr>
<tr>
<td>Financially included below poverty</td>
<td>(n=1,867)</td>
<td>22%</td>
</tr>
<tr>
<td>Financially excluded below poverty</td>
<td>(n=2,730)</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Economically vulnerable individuals had to forgo some form of necessity (e.g., food, medicine) in the past six months due to a lack of money. 
Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Less than one in five adults is financially included with digital access to an account

18% Digitally included*

11% have a digital bank account

9% have a mobile money account

1% have a digital NBFI account

N=6,000

*Overlap representing those who have multiple kinds of financial accounts is not shown.

Digital access to an account means that an individual can access their account via any number of electronic platforms, including debit and credit cards, electronic money transfers, or mobile phones.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Very few NBFI account holders have digital access to their services

2015: Financially included
(Shown: Percentage of Bangladeshi adults, N=6,000)

24% Have a full-service NBFI account

19% Have a full-service bank account

9% Have a mobile money account

43% Financially included*

2015: Digitally included
(Shown: Percentage of Bangladeshi adults, N=6,000)

1% Have a full-service digital NBFI account

11% Have a full-service digital bank account

9% Have a mobile money account

18% Digitally included*

*Overlap representing those who have multiple kinds of financial accounts is not shown.

**Digital access to an account means that an individual can access their account via any number of electronic platforms, including debit and credit cards, electronic money transfers, or mobile phones.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
BANGLADESHIS’ FINANCIAL LIVES
Economic vulnerability is a reality for more than four in 10 Bangladeshis; 20 percent have a plan for unexpected events

<table>
<thead>
<tr>
<th>2015: Financial responsibility, vulnerability</th>
<th>2015: Financially included (n=2,612)</th>
<th>2015: Financially excluded (n=3,388)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Able to pay bills on time</td>
<td>55%</td>
<td>62%</td>
</tr>
<tr>
<td>Regularly experience economic vulnerability (i.e., can’t afford food, medical expenses)</td>
<td>44%</td>
<td>39%</td>
</tr>
<tr>
<td>Have a financial plan for unexpected events</td>
<td>20%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Forgoing medical help when a doctor is needed is the most common form of economic vulnerability.

2015: Economic vulnerability
(Shown: Percentage of Bangladeshi adults, n=6,000)

44% regularly experience some form of economic vulnerability.

2015: Profile of vulnerable adults
(n=2,665)

- 50% Female
- 73% Rural
- 88% Live on less than $2.50 a day
- 38% Live on less than $1.25 a day
- 96% Numerate
- 53% Illiterate

2015: Form of economic vulnerability
(Shown: Percentage of vulnerable adults, n=2,665)

<table>
<thead>
<tr>
<th>Concern</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gone without medical help</td>
<td>79%</td>
</tr>
<tr>
<td>Gone without food to eat</td>
<td>40%</td>
</tr>
<tr>
<td>Gone without cooking fuel</td>
<td>29%</td>
</tr>
<tr>
<td>Miss an important family event (i.e., funeral, wedding, etc.)</td>
<td>17%</td>
</tr>
<tr>
<td>Gone without fertilizer for the farm</td>
<td>17%</td>
</tr>
<tr>
<td>Gone without help from a veterinarian</td>
<td>13%</td>
</tr>
<tr>
<td>Had to close down business temporarily or completely</td>
<td>7%</td>
</tr>
<tr>
<td>Couldn’t pay school fees</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
More than 90 percent of adults are gainfully employed, housewives or students.

### 2015: Employment
(Shown: Percentage of Bangladeshi adults, N=6,000)

- **50%** housewife or student
- **43%** gainfully employed
- **5%** retired or disabled
- **2%** unemployed, job searching

Source: *InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.*
Over one-third of gainfully employed adults work on or own a farm.

2015: Employment (Shown: Percentage of Bangladeshi adults, N=6,000)

2015: Most common primary occupation (Shown: Percentage of gainfully employed adults, n=2,491)

- Farmer/farm owner: 34%
- Business owner: 14%
- Driver: 8%
- Shop owner: 5%
- Carpenter/mason: 4%

90% of the gainfully employed are males.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Four in 10 Bangladeshis save money; more save through formal and semi-formal financial institutions than via cash and informal mechanisms

2015: Savings
(Shown: Percentage of Bangladeshi adults, N=6,000)

44% currently have savings

2015: Location of savings
(Shown: Percentage of adults who save, n=2,695)

- MFI*: 48%
- Cash at home: 30%
- Bank: 27%
- With people in the community: 5%
- Savings or lending group: 3%

54% know the interest rate they earn.
Emergencies (73%) and making ends meet (50%) are the top two reasons to save money.

*MFI: Microfinance institution
Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Most borrowers know the interest rates on their loans; MFIs and people in the community are the top sources of loans

2015: Borrowing
(Shown: Percentage of Bangladeshi adults, N=6,000)

44% borrowed money in the last year

2015: Source of loans
(Shown: Percentage of adults who borrow, n=2,669)

- MFI*: 55%
- Through people in the community: 48%
- Bank: 6%
- Savings or lending group: 2%
- Private moneylender: 0.8%

71% know the interest rates on their loans.

*Microfinance Institution (MFI)

Source: InterMedia Bangladesh Fill Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Few have any form of insurance; life insurance is the most widely owned form of insurance

2015: Insurance  
(Shown: Percentage of Bangladeshi adults, N=6,000)

2015: Type of insurance  
(Shown: Percentage of adults with insurance, n=409)

- Life: 92%
- Medical: 3%
- Vehicle: 2%
- Property: 1%
- Retirement: 0.9%

7% have insurance

70% with life insurance bought it through a private insurance company; 20% acquired it through Jibon Bima Corporation, the lone state-owned life insurance provider.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
ACCESS TO & USE OF MOBILE PHONES
Nearly all have access to a mobile phone; ownership, and the use of phones to send and receive text messages lags behind.

**Have access to a mobile phone**
(Shown: Percentage of Bangladeshi adults, by year)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 (N=6,000)</th>
<th>2015 (N=6,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>97%</td>
<td>96%</td>
<td></td>
</tr>
</tbody>
</table>

**Own a mobile phone**
(Shown: Percentage of Bangladeshi adults, by year)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 (N=6,000)</th>
<th>2015 (N=6,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>61%</td>
<td>64%</td>
<td></td>
</tr>
</tbody>
</table>

**Basic mobile phone competency (has sent/received text messages [SMS])**
(Shown: Percentage of Bangladeshi adults, by year)

- 2014: 31% sent/received SMS
- 2015: 37% sent/received SMS

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Feature phone and basic phone ownership still outpace smartphone ownership

2015: Type of mobile phone*
(Shown: Percentage of mobile phone owners, n=3,654)

- Feature phone: 49%
- Basic phone: 36%
- Smartphone: 17%

Low smartphone use suggests app-based mobile money solutions are unlikely to reach many.

Basic phone: Only allows for calling, text messaging (SMS) and saving phone numbers
Feature phone: Has a camera, radio, etc., but does not have email or mobile applications
Smartphone: Provides access to email accounts, mobile applications

*Question allowed for multiple responses, depending on the number of phones owned.
Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Grameenphone has the greatest market share among mobile phone owners

**SIM card providers**
(Shown: Percentage of mobile phone owners, n=3,654)

- **Grameenphone**: 39%
- **Banglalink**: 20%
- **Robi**: 16%
- **Airtel**: 7%
- **TeleTalk**: 2%
- **Citycell**: 0.2%

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Adults who own a mobile phone are demographically very different from those who can only borrow a phone or have no access to one at all

**2015: Dynamics of mobile phone access**
(Shown: Percentage of those who own or borrow, or have no access to, a mobile phone, by demographic)

- **64%** Own a mobile phone
  - 79% Male
  - 59% Female

- **32%** Can borrow a mobile phone
  - 46% Male
  - 37% Female

- **4%** Have no access to a mobile phone
  - 2% Male
  - 6% Female

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Mobile phone ownership corresponds to higher rates of mobile money and bank use

Mobile phone ownership and availability coincides with higher percentages of mobile money use.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Financial inclusion is significantly higher among those who can use mobile phones to send and receive texts.

**2015: Have ever sent a text message (SMS)**
(Shown: Percentage of Bangladeshi adults, N=6,000)

- 63% SMS incapable
- 37% Have sent an SMS (SMS capable)

**2015: Full-service account ownership (financial inclusion)**
(Shown: Percentage of SMS capable, n=1,973)

- 27% Bank
- 16% Mobile money
- 20% NBFI
- 49% financially included

**2015: Full-service account ownership (financial inclusion)**
(Shown: Percentage of SMS incapable, n=4,027)

- 15% Bank
- 5% Mobile money
- 26% NBFI
- 39% financially included

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
The older an individual is, the less likely they are to use mobile phones for advanced functions, such as using the internet or sending picture messages.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Taking color pictures is the most commonly used advanced phone function, followed by touchscreen, internet and social media use.

### 2015: Advanced phone use
(Shown: Percentage of advanced mobile phone users, n=1,336)

- Took a color picture: 84%
- Used touchscreen: 44%
- Used/ browsed the internet: 41%
- Used social media (e.g., WhatsApp, Facebook, etc.): 36%
- Sent/received MMS: 31%
- Download music or video games: 28%
- Downloaded any other mobile application: 22%
- Used "Call Tunes" or other on-demand audio/video service: 21%
- Made a financial transaction: 13%
- Navigation/maps: 8%

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
FINANCIAL SERVICES USE
Mobile money drove most of the increased engagement with financial services from 2014 to 2015; NBFI use also contributed to growth.

Types of account ownership are not mutually exclusive. *Used in the last 90 days.

Source: InterMedia Bangladesh Fil Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Most mobile money account holders are active, more so than bank or NBFI account holders

**Active* financial account holders**
(Shown: Percentage of Bangladeshi adults)

<table>
<thead>
<tr>
<th></th>
<th>2013 (N=6,000)</th>
<th>2014 (N=6,000)</th>
<th>2015 (N=6,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any financial service</td>
<td>14%</td>
<td>28%</td>
<td>34%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>3%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Bank</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Nonbank financial institution</td>
<td>N/A</td>
<td>16%</td>
<td>19%</td>
</tr>
</tbody>
</table>

**Active* financial account holders**
(Shown: Percentage of registered users for each type of account, by year)

<table>
<thead>
<tr>
<th></th>
<th>2013 (N=6,000)</th>
<th>2014 (N=6,000)</th>
<th>2015 (N=6,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any financial service</td>
<td>68%</td>
<td>77%</td>
<td>80%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>81%</td>
<td>83%</td>
<td>86%</td>
</tr>
<tr>
<td>Bank</td>
<td>65%</td>
<td>63%</td>
<td>71%</td>
</tr>
<tr>
<td>Nonbank financial institution</td>
<td>N/A</td>
<td>81%</td>
<td>80%</td>
</tr>
</tbody>
</table>

*A registered account used in the last 90 days. Types of accounts are not mutually exclusive.

Source: InterMedia Bangladesh Fil Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Usage is now more diversified; more active users are moving beyond basic account activities

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

**Mobile money uses, by type**  
(Shown: Percentage of active* mobile money account holders)

*Used their registered account in the last 90 days.  
Due to the changes in the questionnaire some data points may not be directly comparable across years.  
*Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.*
The divide in active account use is most pronounced across above/below poverty line and urban/rural demographic groups

2015: Active account usage by demographic
(Shown: Percentage of each subgroup)

- Above poverty line (n=1,403)
  - Active bank account holders: 27%
  - Active mobile-money account holders: 14%
  - Active NBFI account holders: 13%
  - All financial account holders: 43%

- Urban (n=1,968)
  - Active bank account holders: 22%
  - Active mobile-money account holders: 12%
  - Active NBFI account holders: 16%
  - All financial account holders: 41%

- Males (n=2,791)
  - Active bank account holders: 16%
  - Active mobile-money account holders: 12%
  - Active NBFI account holders: 17%
  - All financial account holders: 38%

- Total population (N=6,000)
  - Active bank account holders: 13%
  - Active mobile-money account holders: 8%
  - Active NBFI account holders: 19%
  - All financial account holders: 34%

- Females (n=3,209)
  - Active bank account holders: 10%
  - Active mobile-money account holders: 4%
  - Active NBFI account holders: 21%
  - All financial account holders: 31%

- Rural (n=4,032)
  - Active bank account holders: 10%
  - Active mobile-money account holders: 6%
  - Active NBFI account holders: 21%
  - All financial account holders: 31%

- Below poverty line (n=4,597)
  - Active bank account holders: 9%
  - Active mobile-money account holders: 6%
  - Active NBFI account holders: 21%
  - All financial account holders: 32%

Types of accounts are not mutually exclusive.
Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
More adults know of a mobile money (MM) agent within 1 km of where they live than they do bank branches or ATMs.

### 2015: Proximity to points-of-service (POS) for financial institutions
(Shown: Percentage of Bangladeshi adults N=6,000)

<table>
<thead>
<tr>
<th>POS Type</th>
<th>Less than 1 km</th>
<th>1-5 kms</th>
<th>More than 5 kms</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any POS</td>
<td>79%</td>
<td>14%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Savings or lending</td>
<td>78%</td>
<td>13%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>MM agent</td>
<td>65%</td>
<td>12%</td>
<td>3%</td>
<td>19%</td>
</tr>
<tr>
<td>Retail store</td>
<td>60%</td>
<td>10%</td>
<td>2%</td>
<td>28%</td>
</tr>
<tr>
<td>Any banking POS</td>
<td>43%</td>
<td>29%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>Bank branch</td>
<td>44%</td>
<td>23%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>ATM</td>
<td>55%</td>
<td>36%</td>
<td>20%</td>
<td>6%</td>
</tr>
<tr>
<td>MFI</td>
<td>37%</td>
<td>36%</td>
<td>20%</td>
<td>6%</td>
</tr>
</tbody>
</table>

72% know of any mobile money agent within 1 km of their home.

44% know of any banking POS within 1 km of their home.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
BANKS
Bank account holders are primarily male, literate and living on less than $2.50 a day

**2015: Dynamics of bank account holders**  
(Shown: Percentage of bank account holders, n=1,206)

- **Male**
  - Rural: 51%<br>  - Below $2.50/day poverty line: 57%<br>  - 35+ years old: 55%<br>  - Literate: 79%

- **Female**
  - Urban: 49%<br>  - Above $2.50/day poverty line: 43%<br>  - <35 years old: 45%<br>  - Illiterate: 21%

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Just over half of Bangladeshis who had used a bank account had digital access to that account.

**2015: Digital bank account access and usage**
(Shown: Percentage of Bangladeshi adults)
- Access to a bank account: 11%
- Active bank account holders: 8%

**2015: Digital access among active bank account holders**
(Shown: Percentage of active bank account holders, n=839)
- Digital bank account: 61%
- Offers debit/ATM or credit card: 51%
- Can transfer money digitally: 21%
- Can be accessed via internet and/or mobile: 22%

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.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Few active bank account holders are using their accounts for advanced purposes

2015: Advanced bank account uses
(Shown: Percentage of active bank account holders, n=839)

- Bill pay: 5%
- Save/set aside money: 4%
- Loan activity: 4%
- Receive wages: 3%
- Make bank2bank transfers: 2%
- Receive G2P payments: 2%
- Investment activity: 0.2%
- Make bank2MM transfers: 0.2%
- Pay/receive money to/from a savings and lending group: 0%

16% of active registered users have used at least one advanced function through their account
(vs. 13% in 2014 and 9% in 2013)

Due to the changes in the questionnaire some data points may not be directly comparable across years.
Question allowed for multiple responses.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Few bank account holders use banks for more than deposits, withdrawals and person-to-person transfers.

2015: Monthly uses of bank accounts
(Shown: Percentage of bank account holders, n=1,206)

- Make a deposit or withdrawal: 51%
- P2P: 6%
- Bill pay: 3%
- Receive wages: 2%
- Save for emergency: 1%
- Receive G2P payments: 1%

All other uses were below 1%.

Question allowed for multiple responses.
Source: InterMedia Bangladesh Fill Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
MOBILE MONEY
There continue to be distinct user groups for full-service account use; very few use more than one type of service

**Full-service financial services account access, overlap and exclusivity**

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

*Numbers do not add up to 100 percent due to rounding.

Nonbank = Have accessed accounts at nonbank formal and semi-formal financial institutions, including MFIs, that offer services beyond credit.

Mobile money (MM) and bank/nonbank = Have accessed accounts at a bank or nonbank, and a mobile money account.

OTC = Unregistered over-the-counter use; OTC users have limited financial services access.

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Awareness of mobile money providers remains high; now more than one-third of those aware are using mobile money

Conversion from awareness* of mobile money providers to mobile money use
(Shown: Percentage of Bangladeshi adults for each year)

2013 (N=6,000)
- 89% aware
- 22% use mobile money
- MM registered users, 3%
- MM OTC use, 19%

2014 (N=6,000)
- 91% aware
- 23% use mobile money
- MM registered users, 5%
- MM OTC use, 18%

2015 (N=6,000)
- 92% aware
- 33% use mobile money
- MM registered users, 9%
- MM OTC use, 24%

*Awareness of at least one mobile money provider.

Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
The largest increases in registered mobile money use are among males, urban and above-poverty populations.

Demographic trends for registered mobile money account use
(Shown: Percentage of Bangladeshi adults who fall into each category, N=6,000)

* Categories are not mutually exclusive.

Source: InterMedia Bangladesh Fill Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Loan activities are the primary advanced uses of mobile money services

2015: Advanced mobile money (MM) account uses
(Shown: Percentage of active mobile money account holders, n=400)

- Loan activities: 4%
- Make MM2MM transfers: 3%
- Save/set aside money: 2%
- Pay for goods at a store: 2%
- Make large acquisitions: 2%
- Receive government payments: 1%
- Make MM2bank transfers: 0.6%

13% of active registered users have used at least one advanced mobile money function (vs. 7% in 2014 and 2% in 2013)

Due to the changes in the questionnaire some data points may not be directly comparable across years. Question allowed for multiple responses.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
The increase in those using mobile money for airtime top-ups suggests a deeper engagement with their mobile money accounts.

**Use of mobile money accounts for airtime top-ups**
(Shown: Percentage of active mobile money account holders, by year)

- 2013 (n=141): 7%
- 2014 (n=225): 16%
- 2015 (n=400): 34%

Increased use of mobile money for airtime top-ups suggests that the barrier to increased advanced use among active account holders may not be based solely on their level of mobile phone competency.

Due to the changes in the questionnaire some data points may not be directly comparable across years.

Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
**bKash continues to dominate the market while other providers’ market share decreases**

**Active mobile-money (MM) account holders, by provider**
(Shown: Percentage of active registered account holders, by year)

- **bKash**: 86% (2013), 88% (2014), 91% (2015)
- **DBBL***: 18% (2013), 17% (2014), 28% (2015)
- **M Cash**: 0.7%, 0.4%, 0%
- **M Pay**: 0%, 0.5%, 0%
- **U Cash**: 0%, 0.5%, 0%
- **Mobi Cash**: 0%, 0.7%, 0%

**2015: Mobile money usage exclusivity**
(Shown: Percentage of active mobile money account holders, n=400)

- Only use bKash, 82%
- Use bKash & other MM services, 9%
- Don't use bKash, 9%

*The percent of adults actively using their DBBL accounts is constant across years at approximately 1 percent of the total population.

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

**Source:** InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
MOBILE MONEY: OVER THE COUNTER
Most bKash and DBBL users do not register for an account with the provider until after they have used the services OTC.

**2015: bKash**
(Shown: Percentage of bKash account holders, n=422)
- 50% Registered for mobile money after using services over the counter
- 49% Registered for mobile money before having used the services
- 0.5% Registered but never used the services

**2015: DBBL**
(Shown: Percentage of DBBL account holders, n=90)
- 58% Registered for mobile money after using services over the counter
- 39% Registered for mobile money before having used the services
- 3% Registered but never used the services

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
P2P drives initial use, withdrawing and depositing become a part of active use

<table>
<thead>
<tr>
<th>2015: Top reasons active account holders start to use mobile money (MM)</th>
<th>2015: Top uses of mobile money services among active account holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Shown: Percentage of active mobile money account holders, n=400)</td>
<td>(Shown: Percentage of active mobile money account holders, n=400)</td>
</tr>
</tbody>
</table>

- **Receive money from another person:** 48%
- **Send money to another person:** 33%
- **Most of my friends/family are using it:** 4%
- **Safe place to keep/store money:** 3%
- **Someone requested I open an account:** 3%
- **Withdraw money:** 95%
- **Deposit money:** 74%
- **Receive money from another person:** 63%
- **Send money to another person:** 48%
- **Buy airtime top-ups:** 34%
- Question allowed for multiple responses.

*Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.*
Registered mobile money account holders are more educated, younger and more likely to be above the poverty line than OTC mobile money users

2015: Dynamics of registered mobile money users
(Shown: Percentage of registered mobile money users, n=463)

- Male: 76%
- Rural: 53%
- Below $2.50/day poverty line: 59%
- <35 years old: 73%
- Literate: 88%

2015: Dynamics of OTC mobile money users
(Shown: Percentage of OTC mobile money users, n=1,401)

- Male: 67%
- Rural: 63%
- Below $2.50/day poverty line: 74%
- <35 years old: 59%
- Literate: 67%

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Server issues are the top problem for mobile money users, especially registered users; sending money to the wrong number is second

**2015: Top challenges of mobile money users**  
(Shown: Percentage of mobile money users, by use type)

- **System failures/ servers down**: 29% (Total), 24% (Registered), 40% (OTC)
- **Sending to a wrong number**: 19% (Total), 16% (Registered), 20% (OTC)
- **Agent float/cash availability**: 6% (Total), 6% (Registered), 6% (OTC)
- **Other**: 14% (Total), 12% (Registered), 15% (OTC)

*One registered mobile money user indicated they registered for an account but had not used the service.*

*Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.*
The longer individuals have used mobile money services, the more likely they are to be a registered user.

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

```

<table>
<thead>
<tr>
<th>Length of Time</th>
<th>Registered use</th>
<th>OTC use</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 3 months (n=146)</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>3 months to one year (n=525)</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>More than one year (n=1,192)</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
```

"I opened an account after using an agent’s account to make transactions for seven months."

"I used bKash for the last three years. At first I used an agent's number, but 15-20 days later I opened my own account."

Source: InterMedia Bangladesh FII Tracker surveys Wave 1 (N=6,000, 15+), September-November 2013; Wave 2 (N=6,000, 15+), June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015. InterMedia FII Bangladesh Mobile Money Consumer and Agent Experiences Study, February-March 2015.
**DBBL users are much more likely to use non-agent accounts than are bKash users**

**2015: Modes of account access, bKash vs. DBBL users**
(Shown: Percentage of mobile money users, by account ownership)

<table>
<thead>
<tr>
<th>Mode of Account Access</th>
<th>bKash Users (n=1,820)</th>
<th>DBBL Users (n=224)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent account</td>
<td>70%</td>
<td>48%</td>
</tr>
<tr>
<td>Own account</td>
<td>24%</td>
<td>40%</td>
</tr>
<tr>
<td>Family, friend or coworker account</td>
<td>7%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Over-the-counter (OTC) users continue to make up the majority of mobile money users

### 2015: Mobile money use: registered vs. OTC
(Shown: Percentage of mobile money users, n=1,863)

<table>
<thead>
<tr>
<th>Registered</th>
<th>OTC</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>77%</td>
</tr>
</tbody>
</table>

### 2014: Mobile money use: registered vs. OTC
(Shown: Percentage of mobile money users, n=1,282)

<table>
<thead>
<tr>
<th>Registered</th>
<th>OTC</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>73%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reason for not signing up for mobile money</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t need to, I don’t make any transactions</td>
<td>23</td>
</tr>
<tr>
<td>Using an account is difficult</td>
<td>19</td>
</tr>
<tr>
<td>I can have all the services I need through an agent</td>
<td>17</td>
</tr>
<tr>
<td>I prefer that agents perform transactions for me</td>
<td>6</td>
</tr>
<tr>
<td>I don’t know how to use it on my own</td>
<td>6</td>
</tr>
<tr>
<td>Someone in my family already has an account</td>
<td>5</td>
</tr>
<tr>
<td>I don’t have a state ID or other required documents</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker surveys Wave 2 (N=6,000, 15+) June-August 2014; Wave 3 (N=6,000, 15+), August-September 2015.
Use of mobile money for advanced functions, such as bill pay, sets registered mobile money users apart from OTC users

2015: OTC vs. registered mobile money (MM) users’ use of basic, advanced services
(Shown: Percentage of Bangladeshi adults by type of mobile money account use)

Registered MM users (n=1,401)
- Basic: 95%
- P2P: 69%
- Advanced: 38%

OTC MM users (n=463)
- Basic: 80%
- P2P: 74%
- Advanced: 7%

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
NONBANK FINANCIAL INSTITUTIONS (NBFIs)
NBFI account holders are even more likely to use the service exclusively than are bank or mobile money account holders

2015: Registered financial service users holding accounts exclusively with one financial service
(Shown: Percentage of Bangladeshi adults by type of financial service)

- 77% only have NBFI accounts
  - of whom 24% registered NBFI account holders
- 64% only have bank accounts
  - of whom 19% registered bank account holders
- 45% only have MM accounts
  - of whom 9% registered MM account holders

NBFIs are more likely to serve marginalized groups – such as women, uneducated and below poverty individuals – than are banks or mobile money. Stakeholders’ continued efforts to work with NBFIs to develop innovative products may help bring even more of the country’s most marginalized segments under the financially included umbrella.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
NBFIs and banks serve two very different groups; NBFIs primarily serve females and those in rural areas; banks primarily serve males and the literate.

**2015: Dynamics of bank account holders, who only use a bank**  
(Shown: Percentage of adults who are registered bank account holders but not NBFI account holders, n= 783)

- Female: 38%
- Rural: 51%
- Below $2.50/day poverty line: 55%
- Below $1.25/day poverty line: 7%
- Illiterate: 23%

**2015: Dynamics of NBFI account holders, who only use an NBFI**  
(Shown: Percentage of adults who are registered NBFI account holders but not bank account holders, n=1,140)

- Female: 55%
- Rural: 77%
- Below $2.50/day poverty line: 90%
- Below $1.25/day poverty line: 37%
- Illiterate: 54%

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Use of microfinance institutions dominates the Bangladeshi semi-formal financial sector

2015: Nonbank financial institution usage
(Shown: Percentage of Bangladeshi adults, N=6,000)

- MFI: 17%
- Cooperative: 2%
- Village savings group: 0.1%
- Post office bank: 0.1%

Question allowed for multiple responses.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Beyond deposits and withdrawals, MFIs are primarily used for loans, large acquisitions and savings

**2015: Microfinance institution usage**
(Shown: Percentage of Bangladeshi adults, N=6,000)

**2015: Use of microfinance institution accounts***
(Shown: Percentage of microfinance account holders, n=1,350)

- **Deposit/withdraw**: 97%
- **Loans**: 19%
- **Large acquisitions**: 10%
- **Save/set aside money**: 6%
- **P2P**: 5%
- **Pay bills**: 2%
- **Insurance**: 2%
- **Goods at grocery store, etc.**: 2%
- **Receive wages**: 0.5%
- **Account maintenance**: 0.3%
- **Bank/MM account to IFI****: 0.2%
- **Receive G2P**: 0.2%
- **Invest**: 0.1%
- **Pay or receive money from savings/lending group**: 0.1%

*Question allowed for multiple responses. **Informal financial institution

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
BANGLADESH

FOCUS ON POVERTY
As many Bangladeshi adults live in extreme poverty (less than $1.25/day) as do above the $2.50/day poverty line.

**2015: Mapping Poverty**
(Shown: Percentage of Bangladeshi adults, N=6,000)

- **23%** of adults live above the poverty line on more than $2.50 a day.
- **53%** of adults live on between $1.25 and $2.50 a day.
- **23%** of adults live on less than $1.25 a day.

Numbers add to 99 due to rounding.

*Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.*
Bangladesh’s extreme poor face greater obstacles in the form of geographic remoteness, illiteracy

<table>
<thead>
<tr>
<th>Above poverty line</th>
<th>23%</th>
<th>50%</th>
<th>58%</th>
<th>52%</th>
<th>81%</th>
<th>99%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live on more than</td>
<td></td>
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<tr>
<td>$2.50 a day</td>
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<tr>
<td>(n=1,403)</td>
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<td></td>
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</tr>
<tr>
<td>Urban/ Rural</td>
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</tr>
<tr>
<td>Male</td>
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<tr>
<td>Under 35 years old</td>
<td></td>
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</tr>
<tr>
<td>Literate</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Numerate</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Poor</th>
<th>53%</th>
<th>68%</th>
<th>50%</th>
<th>57%</th>
<th>61%</th>
<th>98%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live on between $1.25 and $2.50 a day</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>(n=3,214)</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Rural</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(Fe)male</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 35 years old</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Literate</td>
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</tr>
<tr>
<td>Numerate</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Extreme poor</th>
<th>23%</th>
<th>85%</th>
<th>53%</th>
<th>60%</th>
<th>36%</th>
<th>95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live on less than</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>$1.25 a day</td>
<td></td>
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</tr>
<tr>
<td>(n=1,383)</td>
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<td></td>
</tr>
<tr>
<td>Rural</td>
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<td></td>
</tr>
<tr>
<td>Female</td>
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<td></td>
</tr>
<tr>
<td>Under 35 years old</td>
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<td></td>
</tr>
<tr>
<td>Literate</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Numerate</td>
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</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FI Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Digital inclusion is low among the poor, especially among the extreme poor

<table>
<thead>
<tr>
<th>Above poverty line</th>
<th>23%</th>
<th>80%</th>
<th>52%</th>
<th>35%</th>
<th>16%</th>
<th>33%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live on more than $2.50 a day (n=1,403)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own a mobile phone</td>
<td>Finanlly included</td>
<td>Own a bank account</td>
<td>Own a mobile money account</td>
<td>Digitally included</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Poor</th>
<th>53%</th>
<th>65%</th>
<th>41%</th>
<th>18%</th>
<th>9%</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live on between $1.25 and $2.50 a day (n=3,214)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own a mobile phone</td>
<td>Finanlly included</td>
<td>Own a bank account</td>
<td>Own a mobile money account</td>
<td>Digitally included</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Extreme poor</th>
<th>23%</th>
<th>45%</th>
<th>38%</th>
<th>6%</th>
<th>3%</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live on less than $1.25 a day (n=1,383)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own a mobile phone</td>
<td>Finanlly included</td>
<td>Own a bank account</td>
<td>Own a mobile money account</td>
<td>Digitally included</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
The extreme poor are more likely to have borrowed money in the previous year; use of banks for loans increases with poverty level

2015: Have borrowed money in the last year
(Shown: Percentage of adults, by poverty level)

2015: Most common sources of loans

<table>
<thead>
<tr>
<th></th>
<th>Extreme poor who borrow (n=618)</th>
<th>Poor who borrow (n=1,133)</th>
<th>Above poverty line who borrow (n=389)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFI</td>
<td>59%</td>
<td>47%</td>
<td>37%</td>
</tr>
<tr>
<td>Community</td>
<td>47%</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td>Bank</td>
<td>2%</td>
<td>5%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Above poverty line: Those who live on more than $2.50 a day.
Poor: Those who live on between $1.25 and $2.50 a day.
Extreme poor: Those who live on less than $1.25 a day.

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Preparing for emergencies is the primary reason to save money, regardless of poverty level

48% of those above poverty line save money

43% of the poor save money

41% of the extreme poor save money

2015: Reasons for saving
(Shown: Percentage of adults, by poverty level)

- Emergencies: 75% (Above poverty line), 73% (Poor), 68% (Extreme poor)
- Make ends meet: 53% (Above poverty line), 51% (Poor), 43% (Extreme poor)
- Protect family from poverty, crime: 33% (Above poverty line), 37% (Poor), 42% (Extreme poor)
- Protect belongings: 25% (Above poverty line), 23% (Poor), 16% (Extreme poor)
- Build child's education fund: 18% (Above poverty line), 22% (Poor), 21% (Extreme poor)

Above poverty line: Those who live on more than $2.50 a day.
Poor: Those who live on between $1.25 and $2.50 a day.
Extreme poor: Those who live on less than $1.25 a day.

Source: InterMedia Bangladesh FIII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
FOCUS ON AGRICULTURE
BANGLADESH

Nearly half the adult population has ties to the agricultural sector

Involvement in the agricultural sector
(Shown: Percentage of Bangladeshi adults, N=6,000)

- **43%** are involved in agriculture*
- **37%** are in a household where someone owns a farm or farmland
- **19%** Work on or own a farm
- **10%** Occasionally grow and/or sell agricultural products as a source of income

*Individuals may not own or work on a farm themselves, but instead have family members that own farms or farmland. Overlap exists as individuals can be counted in more than one group. Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Individuals actively involved in working on farms or owning them are primarily male, below the poverty line and over 35 years old.

Demographics of adults working on or owning a farm
(Shown: Percentage of farmers, n=1,169)

- 19% Work on or own a farm
- 17% Above poverty
- 50% Poor
- 33% Extreme poor
- 92% male
- 91% rural
- 83% below poverty
- 61% 35+ years old

*Question allowed for multiple responses.
Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Farmers are more likely to experience economic hardships than those outside of agriculture, but they are equally responsible in their financial management.

- Have a financial plan for unexpected events: 18% (farmers) vs. 19% (outside agriculture).
- Regularly experience economic vulnerability (i.e., can't afford food, medical expenses): 55% (farmers) vs. 43% (outside agriculture).
- Able to pay bills on time: 52% (farmers) vs. 52% (outside agriculture).

Source: InterMedia Bangladesh FII Tracker survey Wave 3 (N=6,000, 15+), August-September 2015.
Farmers are as likely to have used financial services as those outside of agriculture

<table>
<thead>
<tr>
<th>Service</th>
<th>Farmers (n=1,169)</th>
<th>Non-agriculture (n=3,393)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone</td>
<td>97%</td>
<td>95%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>Bank</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>NBFI</td>
<td>31%</td>
<td>26%</td>
</tr>
<tr>
<td>Any</td>
<td>60%</td>
<td>56%</td>
</tr>
</tbody>
</table>

2015: Use of financial services, mobile phones
(Shown: Percentage of farmers, adults outside of agriculture)
The use of active mobile money account use is lower among farmers.

**2015: Active mobile money account use***
(Shown: Percentage of farmers, adults outside of agriculture, who are active mobile money account holders)

- **Farmers** (n=1,169):
  - 40% only use basic functions
  - 4% use at least one advanced function
  - 55% use basic and P2P only

- **Non-agriculture** (n=3,393):
  - 14% only use basic functions
  - 7% use at least one advanced function
  - 53% use basic and P2P only

[Graph showing the distribution of mobile money account use among farmers and non-agriculture adults.]
METHODOLOGY & RESEARCH DESCRIPTION
Bangladesh Tracker Survey details

Key Summary

- Annual, nationally representative survey (N=6,000) of Bangladeshi adults aged 15+
- Face-to-face interviews lasting, on average, 64 minutes
- Third survey (wave 3) conducted from 8/5/2015 to 9/4/2015
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted in 2013, and second survey conducted in 2014

Collection

- Basic demographics and 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., MFIs, cooperatives, village savings groups)
- Financial literacy and preparedness
- General financial behaviors
A nationally representative sample of all adults (defined as those aged 15 or over) was drawn from the national population of Bangladesh (as defined in the preliminary 2011 Bangladesh Census Data).

Bangladesh is divided into seven divisions. The total sample was distributed among the seven divisions in proportion to their population. Each of the seven divisions contain a specified number of administrative subdivisions. The number of interviews within each subdivision was distributed in proportion to its population size.

Sampling Subdivisions
Every subdivision class that was sampled (except the seven Divisional Headquarters which were all sampled) was randomly selected using statistical software.

Sampling Start-Points, Households and Respondents
Electoral rolls were used to randomly assign starting points in each selected subdivision. In villages where electoral rolls were unavailable, the village was mapped into blocks and a block was randomly selected. Five interviews were conducted per starting point.

After completing an interview at the randomly selected first household, subsequent households were selected using the right-hand rule (every fifth household in urban areas and every third household in rural areas).

An individual respondent from each household was selected using the Kish Grid method.
GLOSSARY

Access – Access to a bank, NBFI or mobile money account; those with access have used the services either via their own account or via the account of another person.

Account holder – An individual who has a registered financial services account and has used it in the last 90 days.

Access – Access to a DFS account through one’s own account or someone else’s account.

The poverty line – In this particular study, adults living on less than $2.50 per day, as classified by the Grameen PPI.

Cooperative – Typically, a business or other professional organization that is owned and run jointly by its members, who share the profits or losses. Cooperatives can release some of the profits/funds as loans to its members.

Only nonbank financial institution – A financial institution that only disperses loans to its customers.

Financial services (DFS) – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.).

Only nonbank financial institution – Financial institution that offers its customers at least one of the following services: savings, money transfers, insurance or investment.

Progress out of Poverty Index (PPI) – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific indicators are used to compute the likelihood that a household is living below the poverty line.

Finance institution (MFI) – An organization that offers financial services to low-income populations. Almost all give loans to their members, and many offer insurance, deposit and other services.

Money (MM) – A service in which a mobile phone is used to access financial services.

Bank financial institution (NBFI) – A financial organization that is not formally licensed as a bank or a mobile money provider, but whose services are regulated by the central bank or another regulatory body within the respective country. Such financial institutions in Bangladesh may include microfinance institutions (MFI), cooperatives, post office Savings Banks and village level semi-formal savings groups.

Savings Bank – A government-run bank that operates through local post offices.

Registered/OTC user – An individual who has ever used a bank, NBFI or mobile money services without a registered account of their own, often using a mobile money agent’s account or the account of a family member or neighbor. In Bangladesh, this primarily refers to unregistered use of mobile money services.

Urban and 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:
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KretchunN@InterMedia.org

Caldwell Bishop, Research Manager
BishopC@InterMedia.org