INDONESIA

WAVE REPORT
FII TRACKER SURVEY
Conducted August-November 2015

February 2016
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](http://www.finclusion.org).
# CONTENTS

1. Executive Summary 4
2. Financial Inclusion 13
3. Indonesians’ Financial Lives 21
4. Access to, Use of Mobile Phones 29
5. Financial Services Use 37
6. Banks 43
7. Mobile-based Financial Services 50
8. Other Financial Services 55
9. Poverty 60
10. Agriculture 66
11. Youth 73
12. Women 79
13. Methodology & Research Description 85
14. Glossary 88
EXECUTIVE SUMMARY
# Survey demographics

<table>
<thead>
<tr>
<th>Gender</th>
<th>% of survey</th>
<th>Geography</th>
<th>% of survey</th>
<th>Income</th>
<th>% of survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>49%</td>
<td>Urban</td>
<td>52%</td>
<td>Above the $2.50/day poverty line</td>
<td>40%</td>
</tr>
<tr>
<td>Female</td>
<td>51%</td>
<td>Rural</td>
<td>48%</td>
<td>Below the $2.50/day poverty line</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Basic literacy</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Basic numeracy</td>
<td>98%</td>
</tr>
</tbody>
</table>

Age

<table>
<thead>
<tr>
<th>% of survey</th>
<th>15-24</th>
<th>22%</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of survey</td>
<td>25-34</td>
<td>22%</td>
</tr>
<tr>
<td>% of survey</td>
<td>35-44</td>
<td>21%</td>
</tr>
<tr>
<td>% of survey</td>
<td>45-54</td>
<td>16%</td>
</tr>
<tr>
<td>% of survey</td>
<td>55+</td>
<td>18%</td>
</tr>
</tbody>
</table>

Figures are weighted to reflect national census data demographics.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Country context

- Banks and informal savings groups continued to dominate the financial services landscape in 2015.
  
  o Banks remain the most widely used formal financial service while informal savings groups are the most widely used form of financial service; 27 percent of adults have used a bank and 33 percent are involved in at least one informal savings group.
  
  o Users of these services form two fairly distinct groups, with just 11 percent of adults using both. Bank users are disproportionately male, urban, and above the $2.50 a day poverty line, while those involved in informal savings groups are disproportionately female, rural and below the $2.50 a day poverty line.

- Mobile money awareness is on the rise.
  
  o Awareness of mobile money providers is a first step to building toward usage, and awareness grew by 2 percent. High numeracy and literacy rates mean these are not barriers to mobile money uptake. In some countries, the population’s literacy and numeracy limitations hinder adoption.
  
  o Though awareness of mobile money services rose, use of the services remained very limited at 0.5 percent – up from 0.1 percent in 2014.

- The central bank and financial authority continue to push financial-inclusion-related programs.
  
  o In August 2014 the central bank – Bank Indonesia (BI) – and other government actors launched the National Non-Cash Movement (GNNT). The initiative has led to an increase in the number of active mobile-based financial services now available to Indonesians, with greater emphasis on promoting the products. (http://www.bi.go.id/en/ruang-media/pidato-dewan-gubernur/Documents/kuliah_umum_hendar_Kediri_270315_en.pdf)
  
  o Otoroitas Jasa Keuangan (OJK), the Indonesian financial services authority, has been focusing on increasing Indonesians’ financial literacy and access. In September 2015, OJK signed an agreement with the Federation of Private Domestic Banks to improve financial literacy programs, and forged similar agreements with universities. This push is, in part, based on OJK’s realization that “the focus of banks who wish to increase their outreach shouldn’t be on the expensive practice of opening new branches or ATMs. In order to improve the financial literacy of the wider public, banking regulators and players must now focus on digital banking by effectively promoting its usage.” (http://www.thejakartapost.com/news/2015/09/04/ri-s-financial-literacy-remains-among-lowest-asia.html)
  
  o In addition to improving financial literacy programs, OJK is trying to increase credit availability to micro, small and medium enterprises. The People’s Business Credit program (KUR) was launched in 2007 utilizing 33 banks over the first eight years (2007 to 2014) to disburse 178 trillion rupiah (approx. $13 billion USD). The program was altered in 2015 and tasked 11 banks to disburse 30 trillion rupiah ($2.25 billion USD) in loans. The 2016 goal is to disburse 100 trillion rupiah (approx. $7.5 billion USD) in loans in 2016. (http://jakartaglobe.beritasatu.com/archive/govt-to-expand-kur-loan-program-for-small-business/; http://www.thejakartapost.com/news/2015/12/30/analysis-optimizing-kur-distribution-through-ministry-partnership-program.html; http://www.thejakartapost.com/news/2015/06/27/govt-involves-more-banks-its-people-s-credit-scheme.html; 2015 ACSIC Conference Speech, Indonesia Financial Inclusion and Economic Transformation)
Key findings: Financial inclusion

- Financial inclusion holds at nearly one-quarter of the population.
  - Twenty-four percent of adults were financially included in 2015.
  - Financial inclusion was bank-driven: 23 percent of adults have registered bank accounts, compared with 3 percent of adults with nonbank financial institution (NBFI) accounts, and 0.3 percent with mobile money accounts.
  - Financial inclusion was highest among those above the $2.50/day poverty line, at 40 percent. It was lowest among rural and below-poverty-line individuals, at 14 percent for each.

- Financial inclusion corresponds to greater financial security and financial planning.
  - The percent of adults who regularly experience economic vulnerability (i.e., can’t afford food, medical expenses) is lower among the financially included, regardless of poverty level, than it is among the financially excluded.
    - Six percent of adults living above the poverty line who are financially included are economically vulnerable, compared with 16 percent of above-poverty individuals who are financially excluded.
    - Twenty-one percent of adults living below the poverty line who are financially included are economically vulnerable, versus 33 percent of below-poverty individuals who are financially excluded.
  - Having a financial plan for unexpected events is more common among the financially included than among the financially excluded, regardless of poverty level: 51 percent of above-poverty adults and 43 percent of below-poverty adults who are financially included have financial plans, compared with 31 percent above-poverty and 27 percent below-poverty adults who are financially excluded.

- The majority of financially included adults have digital access to their accounts.
  - Twenty-three percent of adults (95 percent of financially included adults) can access their financial accounts via a digital platform, such as mobile phone, ATM, debit/credit cards or the internet.

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Key findings: Account access and ownership

- The spectrum of engagement with financial services ranges from active account holders to those unaware of bank or mobile money locations near their homes.
  - Twenty-eight percent of adults are at the base of the spectrum – unaware of a bank or mobile-money point of service within 5 kilometers of their homes – compared with 23 percent at the opposite end of the spectrum – active bank or mobile money account holders (those who used their accounts in the past 90 days).
  - Forty-one percent of adults know of financial service access points within 5 kilometers of their homes, but have never accessed formal financial services.

- Mobile phone ownership remained relatively low at 62 percent of adults.
  - Mobile phone ownership was 62 percent in both 2014 and 2015.
  - The percent of adults who were able to borrow another person’s phone, but did not own their own, grew from 14 percent in 2014 to 17 percent in 2015.
  - Of the adults who had access to a mobile phone (either owned a phone or could borrow one), the majority (88%) had basic competency – meaning they had used the phones to send or receive text messages (SMS). This suggests that facility with a mobile phone is not a major barrier to the adoption of mobile-based financial services.

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

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Key findings: Active and advanced account use

- The number of active financial account holders grew slightly between 2014 and 2015.
  - The number of active account holders grew from 21% in 2014 to 23% in 2015. This reflects 91% and 93% of all registered account holders, respectively.
  - The number of active bank account holders grew the most, growing from 19% in 2014 to 22% in 2015.

- Use of bank accounts for beyond-basic activities is on the rise.
  - In 2014, 28 percent of active bank account holders used their accounts for basic activities only (i.e., deposits, withdrawals and account management). This number decreased to 14% in 2015.
  - Use of bank accounts for advanced functions – such as paying bills, taking out or paying off loans – increased from 65 percent to 77 percent in the same period.

Bank uses, by type
(Shown: Percentage of active, full-service bank account holders)

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

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Key findings: Mobile money

- Mobile money awareness and use saw slight increases.
  - Awareness of mobile money providers grew from 6 percent in 2014 to 8 percent in 2015.
  - The number of adults who use mobile money still represents a very small percentage of the population, however, it appears to be increasing. In 2014, 0.1 percent of adults had used mobile money; this grew to 0.4 percent in 2015.

- The race for mobile money brand awareness remains highly competitive.
  - Of the eight mobile money providers included in the FII survey, all were known by at least 10 percent of mobile-money-aware adults.
  - XL Tunai was the most widely known mobile money provider at 51 percent, while Skye was the least known at 11 percent.
  - In addition to XL Tunai, T-Cash, Dompetku, Rekening Ponsel, BBM Money and ECash were all recognized by at least 25 percent of mobile-money-aware adults.

Mobile money provider awareness by brand

(Shown: Percentage of Indonesian adults aware of at least one mobile money provider, by year)

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

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
At-a-glance: Bank accounts continue to be the primary means of financial access

**Financial account access**
- Mobile money: 0.1% (2014), 0.4% (2015)
- Bank: 26% (2014), 27% (2015)
- Nonbank financial institution: 4% (2014), 7% (2015)

**Registered financial service users**
(Shown: Percentage of Indonesian adults for each year)
- Mobile money: 0.1% (2014), 0.3% (2015)
- Bank: 20% (2014), 23% (2015)
- Nonbank financial institution: 4% (2014), 3% (2015)

**Active* financial account holders**
- Mobile money: 0.1% (2014), 0.2% (2015)
- Bank: 19% (2014), 22% (2015)
- Nonbank financial institution: 3% (2014), 2% (2015)

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

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Account ownership is increasing, use of accounts for more advanced functions also grew between 2014 and 2015

<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>18%</td>
<td>22%</td>
<td>All adults</td>
</tr>
<tr>
<td>Poor adults (15+) who have active digital stored-value accounts</td>
<td>9%</td>
<td>12%</td>
<td>All poor</td>
</tr>
<tr>
<td>Rural women (15+) who have active digital stored-value accounts</td>
<td>8%</td>
<td>10%</td>
<td>All rural females</td>
</tr>
<tr>
<td>Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)</td>
<td>11%</td>
<td>17%</td>
<td>All adults</td>
</tr>
<tr>
<td>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)</td>
<td>5%</td>
<td>8%</td>
<td>All poor</td>
</tr>
<tr>
<td>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)</td>
<td>4%</td>
<td>6%</td>
<td>All rural females</td>
</tr>
</tbody>
</table>

Digital stored-value accounts: accounts in which a monetary value is represented in a digital electronic format and can be retrieved/ transferred 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 Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
# 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 FII Program)*

## How is it measured?

To determine financial inclusion, we look at 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 Indonesia, nonbank financial institutions include rural credit banks, cooperatives, post office banks and pawn shops. 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, arisans, 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.

*Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.*
Just under one-quarter of Indonesians are financially included

24% Financially included*

2015 (N=6,060)

3% Have a full-service NBFI account

23% Have a full-service bank account**

0.3% Have a mobile money account

Individuals must have accounts with institutions offering a full suite of financial services including savings facilities. Some banks and many NBFI only offer credit services to their customers. These are not included.

*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 Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Bank account ownership is on the rise but overall financial inclusion remained at just under one-quarter of all adults

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

<table>
<thead>
<tr>
<th></th>
<th>2014 (N=6,000)</th>
<th>2015 (N=6,060)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially included</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>NBFI</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Bank</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

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

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Growth in financial inclusion is static across all demographics

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

Poverty level

- Above $2.50 a day poverty line (2014, n=2,239; 2015, n=2,462)
- Below $2.50 a day poverty line (2014, n=3,761; 2015, n=3,598)

Gender

- Male (2014, n=2,367; 2015, n=2,352)
- Female (2014, n=3,633; 2015, n=3,708)

Location

- Urban (2014, n=3,160; 2015, n=3,210)
- Rural (2014, n=2,840; 2015, n=2,850)

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Financial inclusion corresponds to greater economic stability within poverty levels and financial planning regardless of poverty level

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

<table>
<thead>
<tr>
<th></th>
<th>Financially included above poverty</th>
<th>Financially excluded above poverty</th>
<th>Financially included below poverty</th>
<th>Financially excluded below poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>16%</td>
<td>21%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>(n=970)</td>
<td>(n=1,492)</td>
<td>(n=480)</td>
<td>(n=3,118)</td>
<td></td>
</tr>
</tbody>
</table>

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

Having a plan is more common among the financially included

<table>
<thead>
<tr>
<th></th>
<th>Financially included above poverty</th>
<th>Financially excluded above poverty</th>
<th>Financially included below poverty</th>
<th>Financially excluded below poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>31%</td>
<td>43%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>(n=970)</td>
<td>(n=1,492)</td>
<td>(n=480)</td>
<td>(n=3,118)</td>
<td></td>
</tr>
</tbody>
</table>

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Just under one-quarter of Indonesians are digitally included

23% Digitally included*

23%
Have a digital bank account

0.7%
Have a digital NBFI account

0.3%
Have a mobile money account

2015 (N=6,060)

*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 Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Digital access is strongest for banks, trails for NBFI

2015: Financially included*
(Shown: Percentage of Indonesian adults, N=6,060)

- 24% Financially included
  - 3% Have a full-service NBFI account
  - 23% Have a full-service bank account
  - 0.3% Have a mobile money account

2015: Digitally included*
(Shown: Percentage of Indonesian adults, N=6,060)

- 23% Digitally included
  - 0.7% Have a full-service digital NBFI account
  - 23% Have a full-service digital bank account
  - 0.3% Have a mobile money account

*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 Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
INDONESIANS’ FINANCIAL LIVES
Few adults have a plan for unexpected events; economic vulnerability is a reality for nearly one-quarter of Indonesians

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Shown: Percentage of Indonesian adults, n=6,060)</td>
<td>(n=1,450)</td>
<td>(n=4,610)</td>
</tr>
<tr>
<td>Able to pay bills on time</td>
<td></td>
<td>47%</td>
<td>62%</td>
</tr>
<tr>
<td>Have a financial plan for unexpected events</td>
<td></td>
<td>33%</td>
<td>48%</td>
</tr>
<tr>
<td>Regularly experience economic vulnerability (i.e., can’t afford food, medical expenses)</td>
<td></td>
<td>24%</td>
<td>11%</td>
</tr>
</tbody>
</table>

*Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Forgoing medical help when it is needed is the most common form of economic vulnerability

### 2015: Economic vulnerability
(Shown: Percentage of Indonesian adults, N=6,060)

- 24% regularly experience some form of economic vulnerability

### 2015: Form of economic vulnerability*
(Shown: Percentage of vulnerable adults, n=1,453)

<table>
<thead>
<tr>
<th>Form of Economic Vulnerability</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gone without medical help</td>
<td>47%</td>
</tr>
<tr>
<td>Miss an important family event (i.e., funeral, wedding, etc.)</td>
<td>33%</td>
</tr>
<tr>
<td>Gone without food to eat</td>
<td>29%</td>
</tr>
<tr>
<td>Gone without cooking fuel</td>
<td>27%</td>
</tr>
<tr>
<td>Gone without fertilizer for the farm</td>
<td>24%</td>
</tr>
<tr>
<td>Had to close down business temporarily or completely</td>
<td>15%</td>
</tr>
<tr>
<td>Couldn’t pay school fees</td>
<td>3%</td>
</tr>
</tbody>
</table>

### 2015: Profile of vulnerable adults
(n=1,453)

- 50% Female
- 64% Rural
- 80% Live on less than $2.50 a day
- 25% Live on less than $1.25 a day
- 95% Numerate
- 10% Illiterate

*Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Over five in 10 adults are gainfully employed; few are actively looking for work

2015: Employment
(Shown: Percentage of Indonesian adults, N=6,060)

56% gainfully employed
34% housewife or student
5% unemployed, job searching
5% retired, disabled or other

53% of those gainfully employed report more than one member of the household earning an income

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Over one-quarter of gainfully employed adults work on or own a farm

56% Gainfully employed

49% of the total population is male, but males represent 68% of the gainfully employed.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Most Indonesians save money using informal means; just under a quarter of all savers know the interest rate they earn.

**2015: Savings**
(Shown: Percentage of Indonesian adults, N=6,060)

- 73% Currently have savings
- 24% Know the interest rate they earn
- 5% Buying goods as investments (i.e., property, agriculture inputs)
- 11% With people in the community
- 7% Savings or lending group
- 24% In-kind assets, such as gold
- 30% Bank
- 74% Cash at home

**2015: Location of savings**
(Shown: Percentage of Indonesian adults who save, n=4,467)

- 56% Save at a bank
- 4% Savings or lending group
- 24% In-kind assets, such as gold
- 11% With people in the community
- 30% Bank
- 74% Cash at home

*Question allowed for multiple responses.
Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Most Indonesians have borrowed money; family and friends are the primary sources of loans

2015: Borrowing
(Shown: Percentage of Indonesian adults, N=6,060)

61% have borrowed money

2015: Source of loans*
(Shown: Percentage of adults who borrow, n=3,821)

- Family or friends: 80%
- An informal moneylender: 21%
- Layaway purchase/loan: 17%
- A group that lends to others, with interest: 16%
- Banks: 9%
- Cooperatives: 7%

53% of borrowers know the interest rates on their loans.

*Question allowed for multiple responses.
Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Few have any form of insurance; medical insurance is the most widely owned policy

**2015: Insurance**  
(Shown: Percentage of Indonesian adults, N=6,060)

- Medical: 92%
- Life: 10%
- Retirement/pension: 7%
- Vehicle: 6%
- Educational policy: 4%
- Property: 0.5%
- Agriculture: 0%

**2015: Type of insurance***  
(Shown: Percentage of Indonesian adults with insurance, n=1,327)

- 89% with medical insurance bought it through the government; 7% acquired it through a private or bank provider.

*Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
ACCESS TO, USE OF MOBILE PHONES
Lack of phone ownership is more of a barrier to DFS uptake than a lack of competency with mobile phones; nearly all who have a mobile phone text.

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

- 2014 (N=6,000): 76%
- 2015 (N=6,060): 79%
- 62% 62%

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

- 2014 (N=6,000): 62%
- 2015 (N=6,060): 62%

- 96% have sent or received an SMS.

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

- 2014: 68%
- 2015: 69%

- 96% have sent or received an SMS.

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Basic phones – those that only allow calling, sending/receiving SMS and saving phone numbers – are more common than smartphones, feature phones

2015: Type of mobile phone*
(Shown: Percentage of mobile phone owners, n=3,480)

- Basic phone: 62%
- Feature phone: 24%
- Smartphone: 30%

Basic phone: Only allows 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 Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Telksomel has the greatest market share among mobile phone owners, and those consumers tend to have basic handsets.

**2015: SIM card providers**
(Shown: Percentage of mobile phone owners, n=3,480)

<table>
<thead>
<tr>
<th>Provider</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telkomsel</td>
<td>57%</td>
</tr>
<tr>
<td>Indosat</td>
<td>21%</td>
</tr>
<tr>
<td>XL</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>AXIS</td>
<td>3%</td>
</tr>
<tr>
<td>SmartFren*</td>
<td>2%</td>
</tr>
<tr>
<td>Esia*</td>
<td>1%</td>
</tr>
</tbody>
</table>

**2015: mobile phone ownership type, by provider**
(Shown: Percentage of SIM card owners, by MNO)

<table>
<thead>
<tr>
<th>Provider</th>
<th>Basic</th>
<th>Feature</th>
<th>Smart</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telkomsel</td>
<td>55%</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>Indosat</td>
<td>46%</td>
<td>27%</td>
<td>35%</td>
</tr>
<tr>
<td>XL</td>
<td>51%</td>
<td>24%</td>
<td>32%</td>
</tr>
<tr>
<td>3</td>
<td>30%</td>
<td>21%</td>
<td>57%</td>
</tr>
<tr>
<td>AXIS</td>
<td>33%</td>
<td>24%</td>
<td>52%</td>
</tr>
<tr>
<td>SmartFren*</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Esia*</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Number of respondents too small to conduct further analysis.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Adults who own a mobile phone are demographically very different from those who don’t; they are disproportionately male, urban and above poverty.

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

- **Own a mobile phone**
  - Overall: 62%
  - Male: 69%
  - Female: 55%
  - Urban: 73%
  - Rural: 50%
  - Above the poverty line: 77%
  - Below the poverty line: 52%

- **Can borrow a mobile phone**
  - Overall: 17%
  - Male: 21%
  - Female: 13%
  - Urban: 21%
  - Rural: 21%
  - Above the poverty line: 10%
  - Below the poverty line: 21%

- **Have no access to a mobile phone**
  - Overall: 21%
  - Male: 24%
  - Female: 14%
  - Urban: 29%
  - Rural: 12%
  - Above the poverty line: 12%
  - Below the poverty line: 27%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Consumers with greater mobile phone proficiency are more likely to have mobile money accounts or be financially included

**2015: Have ever sent a text message (SMS)**
(Shown: Percentage of Indonesian adults, N=6,060)

- 69% Have sent an SMS (SMS capable)
- 31% SMS incapable

**2015: Full-service account ownership (financial inclusion)**
(Shown: Percentage of SMS capable, n=3,950)
- Bank: 31%
- Mobile money: 3%
- NBFI: 0.5%

**32% financially included**

**2015: Full-service account ownership (financial inclusion)**
(Shown: Percentage of SMS incapable, n=2,110)
- Bank: 6%
- Mobile money: 0%
- NBFI: 2%

**8% financially included**

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
The greatest disparity in advanced phone use is among different age groups, the gender gap shows the least disparity.

**2015: Advanced mobile phone use by demographic**

(Shown: Percentage of subgroups)

- **Male** (n=2,352): 32%
- **Female** (n=3,708): 26%
- **Urban** (n=3,210): 40%
- **Rural** (n=2,850): 17%
- **Above poverty** (n=2,462): 42%
- **Below poverty** (n=3,598): 21%

Greatest gap between demographics

**Source:** InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Taking color pictures is the most commonly used advanced phone function, followed by internet and social media use.

**2015: Advanced phone use**
(Shown: Percentage of mobile phone users, n=4,612)

- Took a color picture: 32%
- Used/browsed the internet: 24%
- Used social media (i.e.: WhatsApp, Facebook, etc.): 24%
- Download music or video games: 19%
- Downloaded any other mobile application: 14%
- Sent/received MMS: 13%
- Used "Call Tunes" or other on-demand audio/video service: 9%
- Navigation/maps: 7%
- Made a financial transaction: 3%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
FINANCIAL SERVICES USE
The spectrum of engagement with financial services ranges from active account holders to those unaware of bank or mobile money locations.

**2015: Engagement with financial services**
(Shown: Percentage of Indonesian adults, N=6,060)

- Active account holder: 23%
- Has accessed financial services, but not a registered user: 8%
- Inactive account holder: 2%
- Aware of bank or mobile money POS within 5 kms, but hasn’t used financial services: 40%
- Unaware of bank or mobile money POS within 5 kms, and hasn’t used financial services: 28%

More adults are unaware of bank or mobile money POS near their homes than there are account holders using the services regularly.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
At-a-glance: Bank accounts continue to be the primary means of financial access

### Financial account access

- **Any financial service**
  - 2014: 28%
  - 2015: 31%
- **Mobile money**
  - 2014: 0.1%
  - 2015: 0.4%
- **Bank**
  - 2014: 26%
  - 2015: 27%
- **Nonbank financial institution**
  - 2014: 4%
  - 2015: 7%

### Registered financial service users

(Shown: Percentage of Indonesian adults for each year)

- **Any financial service**
  - 2014: 23%
  - 2015: 24%
- **Mobile money**
  - 2014: 0.1%
  - 2015: 0.3%
- **Bank**
  - 2014: 20%
  - 2015: 23%
- **Nonbank financial institution**
  - 2014: 4%
  - 2015: 3%

### Active* financial account holders

- **Any financial service**
  - 2014: 21%
  - 2015: 23%
- **Mobile money**
  - 2014: 0.1%
  - 2015: 0.2%
- **Bank**
  - 2014: 19%
  - 2015: 22%
- **Nonbank financial institution**
  - 2014: 3%
  - 2015: 2%

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

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Registered account holders are mostly active account users

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

- Any financial service: 2014 (21%) vs. 2015 (23%)
- Mobile money: 2014 (0.1%) vs. 2015 (0.2%)
- Bank: 2014 (19%) vs. 2015 (22%)
- Nonbank financial institution: 2014 (3%) vs. 2015 (2%)

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

- Any financial service: 2014 (91%) vs. 2015 (93%)
- Mobile money: 2014 & 2015: Bases (n) too small for further analysis.
- Bank: 2014 (92%) vs. 2015 (95%)
- Nonbank financial institution: 2014 (81%) vs. 2015 (75%)

Types of accounts are not mutually exclusive.

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Pronounced income and geographic disparities are seen with active account use; lower income, rural users are much less likely to be active account holders.

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

- **Above poverty line (n=2,462)**
  - Total population (N=6,060): 22%
  - Urban (n=3,210): 31%
  - Males (n=2,352): 25%
  - Females (n=3,708): 19%
  - Rural (n=2,850): 12%
  - Below poverty line (n=3,598): 12%

- **Total population (N=6,060)**: 23%

Largest gap in active financial account holdings

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Indonesians know of at least one point of service in their area; very few know of any mobile money agent locations.

**2015: Proximity to points of service (POS) for financial institutions**
(Shown: Percentage of Indonesian adults N=6,060)

- Any POS: 68%
- Informal group: 51%
- MM agent: 40%
- Retail store with an MM agent: 3%
- Bank branch: 28%
- ATM: 32%
- BPR**: 22%
- Cooperative: 12%

*POS includes post office banks and pawnshops; not shown. **A BPR (Bank Perkreditan Rakyat) is a rural credit bank.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
BANKS
Sharia-compliant and credit-only bank accounts make up a small portion of consumer bank accounts

**2015: Bank account ownership, by type**
(Shown: Percentage of Indonesian adults, N=6,060)

- 76% Do not have a registered bank account
- 23% Registered full-service bank account
- 0.6% Registered credit-only bank account

6% of full-service account holders (1% of adults) have a Sharia-compliant account.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
ATMs are bank account holders’ preferred method of accessing their accounts

### 2015: Preferred method of bank account access
(Shown: Percentage of full-service bank account holders, n=1,363)

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM</td>
<td>88%</td>
</tr>
<tr>
<td>Over-the-counter at a bank branch</td>
<td>83%</td>
</tr>
<tr>
<td>Deposit or withdrawals at a retail store</td>
<td>17%</td>
</tr>
<tr>
<td>Through a mobile app</td>
<td>5%</td>
</tr>
<tr>
<td>Bank’s website</td>
<td>2%</td>
</tr>
<tr>
<td>Through a mobile wallet</td>
<td>0.6%</td>
</tr>
<tr>
<td>A door-to-door banking agent</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
A perceived lack of money or need for a bank account are the primary reasons Indonesians have not registered for bank accounts.

### 2015: Top reasons for not registering for a bank account
(Shown: Percentage of adults without a bank account, n=4,697)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t have money</td>
<td>29%</td>
</tr>
<tr>
<td>I don’t need one, I don’t make transactions</td>
<td>22%</td>
</tr>
<tr>
<td>I don’t have money to make transactions</td>
<td>19%</td>
</tr>
<tr>
<td>I don’t know what it is</td>
<td>5%</td>
</tr>
<tr>
<td>I don’t know how to open one</td>
<td>4%</td>
</tr>
<tr>
<td>There are no banks near where I live</td>
<td>3%</td>
</tr>
</tbody>
</table>

77% of adults do not have a bank account registered in their name.

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Bank account ownership increased universally across demographic groups; the greatest increase in account ownership was in urban areas.

Demographic trends for registered full-service bank account ownership
(Shown: Percentage of Indonesian adults who fall into each category)

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Active bank account holders are increasingly using their accounts for advanced activities

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

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

Note: The number of registered mobile money users is too low to draw conclusions.

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Saving or setting aside money, and transfers between bank accounts are the most common account uses for active bank account holders

**2015: Advanced bank account uses**
(Shown: Percentage of active full-service bank account holders, n=1,291)

- Save/set aside money: 50%
- Make bank2bank transfers: 36%
- Receive wages: 31%
- Bill pay: 14%
- Loan activity: 9%
- Insurance activity: 7%
- Pay for goods at a store: 5%
- Receive G2P payments: 4%
- Pay for large acquisitions: 2%

77% of active registered users have used at least one advanced function through their accounts (vs. 65% in 2014)

Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
MOBILE-BASED FINANCIAL SERVICES
More Indonesians now know of mobile money vs. 2014, which may be translating to increased use

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

2014 (N=6,000)
- 6% aware
- MM registered users, 0.1%
- 0.1% use mobile money
- 0.01 conversion rate

2015 (N=6,060)
- 8% aware
- MM registered users, 0.3%
- MM OTC use, 0.1%
- 0.4% use mobile money
- 0.06 conversion rate

Conversation rates are the % of mobile-money-aware individuals that have used mobile money services.
*Awareness of at least one mobile money provider.
Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
The greatest increases in mobile money awareness are within urban and above-poverty populations.

Demographic trends for mobile money aware
(Shown: Percentage of Indonesian adults who fall into each category)

Source: InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
There is a near universal increase in awareness of specific mobile money providers

**Mobile money provider awareness by brand**
(Shown: Percentage of adults aware of at least one mobile money provider, by year)

- **XL Tunai**: 38% (2014: 10%) to 37% (2015: 12%)
- **T-Cash**: 24% (2014: 10%) to 38% (2015: 11%)
- **Dompetku**: 24% (2014: 10%) to 37% (2015: 11%)
- **Rekening Ponsel**: Not previously included in 2014; 37% (2015)
- **BBM Money**: Not previously included in 2014; 28% (2015)
- **ECash**: 26% (2014: 10%) to 29% (2015: 11%)
- **Mo cash**: 10% (2014: 10%) to 12% (2015: 11%)
- **Skye**: Not previously included in 2014; 11% (2015)

**Source:** InterMedia Indonesia FII Tracker surveys Wave 1 (N=6,000, 15+), August-November 2014; Wave 2 (N=6,060, 15+), August-November 2015.
Mobile money brand awareness is still not translating into an understanding of the products

Top reasons mobile-money aware do not use mobile money
(Shown: Percentage of mobile-money aware that don’t use, by year)

- I don’t know what it is: 27% (2014), 28% (2015)
- I don’t know how to open one: 14% (2014), 18% (2015)
- I don’t understand the service’s use: 9% (2014), 16% (2015)
- I don’t need one, I don’t make any transactions: 12% (2014), 14% (2015)
- I never have money to make transactions with the service: 8% (2014), 4% (2015)

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.

Question allowed for multiple responses.
OTHER FINANCIAL SERVICES
NBFI usage spans almost one-fifth of the population; most NBFIIs are not full-service accounts

### 2015: Nonbank financial services (NBFI) usage
(Shown: Percentage of Indonesian adults, N=6,060)

- 81% have not used an NBFI
- 19% have used an NBFI (credit-only or full-service)

### 2015: NBFI use by type of NBFI account*
(Shown: Percentage of Indonesian adults, N=6,060)

- Post office bank: 1% (9%)
- Cooperative: 1% (4%)
- Pawnshop: 0.1% (4%)
- Rural credit bank: 0.7% (1%)

*Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Informal savings groups and banks serve distinct groups; informal savings groups primarily serve female, rural and poor populations

2015: Demographics of bank users who do not use savings groups
(Shown: Percentage of bank users not using savings groups, n=946)

- Female: 42%
- Rural: 24%
- Below $2.50/day poverty line: 36%
- Below $1.25/day poverty line: 3%
- Illiterate: 1%

Half of all adults use either a savings group or a bank, but just 11% use both.

2015: Demographics of savings groups users, who do not use banks
(Shown: Percentage of savings groups users not using banks, n=1,494)

- Female: 60%
- Rural: 61%
- Below $2.50/day poverty line: 70%
- Below $1.25/day poverty line: 14%
- Illiterate: 5%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
The functions of informal savings groups vary from loan distribution to savings and rainy-day loans/funds

**2015: Functions of informal savings groups**
(Shown: Percentage of informal savings group participants, n=2,187)

- Help each other out with big expenses like funerals: 37%
- Collect money and give to each member a lump sum or gift in turn: 34%
- Periodically distribute all money held by the group to its members: 31%
- Save and lend money to people to be repaid with interest: 30%
- Formed a group to borrow money from a bank or MFI: 2%
- Save together and put the money into an account: 2%
- Make other kinds of investments, as a group (i.e., property, business): 0.5%
- Invest in the stock market as a group: 0.1%

67% do not participate in any informal savings groups
33% participate in at least one informal savings group
10% are involved in more than one savings group

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Socialization and regular lump-sum disbursements of savings are the top two driving forces behind participation in informal savings groups.

**2015: Primary reasons for participating in informal savings groups**

(Shown: Percentage of participants in informal savings groups, n=2,187)

- To socialize: 26%
- To have a lump sum to use when it is your turn: 23%
- To help when there is an emergency other than a death: 11%
- It is compulsory in your village: 10%
- To help when there is a death in the family: 8%
- Because it encourages you to work harder: 8%
- You can get money easily when you need it: 6%
- The group buys you necessities when it is your turn: 2%
- To become more disciplined/motivated with savings: 2%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
POVERTY
Fewer Indonesian adults live in extreme poverty (less than $1.25/day) than above the $2.50/day poverty line.
Indonesia’s extreme poor are much more likely to live in rural areas than are the poor or those above the poverty line

### Above poverty
- **40%** live on more than $2.50 a day (n=2,462)
  - Rural: 29%
  - Female: 52%
  - Under 35 years old: 42%
  - Literate: 98%
  - Numerate: 99%

### Poor
- **49%** live on between $2.50 and $1.25 a day (n=2,953)
  - Rural: 58%
  - Female: 52%
  - Under 35 years old: 45%
  - Literate: 94%
  - Numerate: 97%

### Extreme poor
- **11%** live on less than $1.25 a day (n=645)
  - Rural: 77%
  - Female: 47%
  - Under 35 years old: 52%
  - Literate: 91%
  - Numerate: 96%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Digital inclusion is low among the poor, especially among the extreme poor

**Above poverty**
- **40%** live on more than $2.50 a day (n=2,462)
  - Own a mobile phone: 77%
  - Financially included: 40%
  - Own a bank account: 39%
  - Own an MM* account: 0.7%
  - Digitally included: 39%
  - Own an NBFI account: 4%

**Poor**
- **49%** live on between $2.50 and $1.25 a day (n=2,953)
  - Own a mobile phone: 55%
  - Financially included: 16%
  - Own a bank account: 14%
  - Own an MM* account: 0.1%
  - Digitally included: 14%
  - Own an NBFI account: 2%

**Extreme poor**
- **11%** live on less than $1.25 a day (n=645)
  - Own a mobile phone: 40%
  - Financially included: 7%
  - Own a bank account: 5%
  - Own an MM* account: 0%
  - Digitally included: 5%
  - Own an NBFI account: 2%

*MM: mobile money.
Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
The extreme poor are more likely to have borrowed money in the previous year; use of banks for loans increases with decreased poverty levels.

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

<table>
<thead>
<tr>
<th></th>
<th>Extreme poor (n=645)</th>
<th>Poor (n=2,953)</th>
<th>Above poverty line (n=2,462)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>39%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>34%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>30%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2015: Most common sources of loans**
(Shown: Percentage of Indonesian adults who borrow, by subgroup)

<table>
<thead>
<tr>
<th></th>
<th>Extreme poor (n=266)</th>
<th>Poor (n=1,027)</th>
<th>Above poverty line (n=776)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>80%</td>
<td>81%</td>
<td>68%</td>
</tr>
<tr>
<td>Private money lender</td>
<td>35%</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Bank</td>
<td>3%</td>
<td>8%</td>
<td>17%</td>
</tr>
</tbody>
</table>

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

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Covering regular expenses is the primary reason people save money, regardless of poverty level

81% above poverty save money

70% poor save money

61% extreme poor save money

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

- Cover regular expenses
  - Above poverty who save, (n=1,992): 65% 64%
  - Poor who save, (n=2,081): 51%
  - Extreme poor who save, (n=394): 43%

- Protect family from poverty, crime
  - Above poverty who save, (n=1,992): 49%
  - Poor who save, (n=2,081): 36%
  - Extreme poor who save, (n=394): 31%

- Build child's education fund
  - Above poverty who save, (n=1,992): 37%
  - Poor who save, (n=2,081): 32%
  - Extreme poor who save, (n=394): 29%

- Protect belongings
  - Above poverty who save, (n=1,992): 29%
  - Poor who save, (n=2,081): 27%
  - Extreme poor who save, (n=394): 23%

- Start/expand business
  - Above poverty who save, (n=1,992): 14%
  - Poor who save, (n=2,081): 17%
  - Extreme poor who save, (n=394): 13%

49% of those living above poverty save; 31% of poor and 20% of extreme poor have emergency funds to cover unplanned expenses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
AGRICULTURE
More than one-third of the adult population has ties to the agricultural sector

**2015: Involvement in the agricultural sector**
(Shown: Percentage of Indonesian adults, N=6,060)

- **36%** are involved in agriculture*
  - **28%** Live in households with someone who owns a farm or farmland
  - **29%** Work on or own a farm
  - **18%** Occasionally grow and/or sell agricultural products as a source of income

Overlap across categories is not shown. *Individuals may not work on a farm themselves, but instead have family members who own a farm or farmland.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Individuals actively involved in working on farms or those who own them are primarily male, below the poverty line and over 35 years old.
Farmers are more likely to experience economic hardship than those outside of agriculture, but they are equally responsible in their financial management.

- Have a financial plan for unexpected events: 33% inside farming, 33% outside farming.
- Regularly experience economic vulnerability (i.e., can’t afford food, medical expenses): 38% inside farming, 17% outside farming.
- Able to pay bills on time: 44% inside farming, 49% outside farming.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Farmers’ access to full-service financial services, except for NBFIs, is almost half that of those outside of agriculture

2015: Use of financial services, mobile phones
(Shown: Percentage of farmers, adults outside of agriculture, who use financial services, mobile phones)

<table>
<thead>
<tr>
<th>Service</th>
<th>Farmers (n=1,746)</th>
<th>Non-agriculture (n=3,873)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access mobile phone</td>
<td>66%</td>
<td>85%</td>
</tr>
<tr>
<td>Mobile money account</td>
<td>0%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Bank account users</td>
<td>16%</td>
<td>34%</td>
</tr>
<tr>
<td>NBFI account</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Any account</td>
<td>21%</td>
<td>37%</td>
</tr>
</tbody>
</table>

40% of farmers participate in informal savings groups, vs. 29% of those outside of agriculture.

Led by post office banks (6%) and cooperatives (2%)

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Active bank account use is significantly lower among farmers, but use of accounts for advanced functions is on par with adults who are outside of agriculture.

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

- Farmers (n=1,746):
  - 19% only use basic functions
  - 70% use at least one advanced function
  - 10% use basic & P2P only
  - 28% use at least one advanced function

- Non-agriculture (n=3,873):
  - 8% use basic & P2P only
  - 13% only use basic functions
  - 79% use at least one advanced function

*Used an account in the last 90 days.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Farmers’ lack of proximity to traditional formal financial services, such as banks, ATMs and rural credit banks, may be a barrier to further use.

**2015: Known proximity to points of service within 5 kilometers**  
(Shown: Percentage of farmers, adults who work outside of agriculture)

- ATM: 74% (Farmers) 43% (Outside the agricultural sector)
- Bank branch: 73% (Farmers) 43% (Outside the agricultural sector)
- Bank agent: 8% (Farmers) 7% (Outside the agricultural sector)
- Retail store with OTC mobile money: 5% (Farmers) 4% (Outside the agricultural sector)
- Mobile money agent: 2% (Farmers) 3% (Outside the agricultural sector)
- Informal savings group: 59% (Farmers) 54% (Outside the agricultural sector)
- Post office bank: 61% (Farmers) 39% (Outside the agricultural sector)
- Pawnshop: 52% (Farmers) 29% (Outside the agricultural sector)
- Cooperative: 30% (Farmers) 34% (Outside the agricultural sector)
- BPR: 23% (Farmers) 35% (Outside the agricultural sector)

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
YOUTH
Relatively few youth (15-24 year olds) are gainfully employed, including through part-time work.

**2015: Age divides**
(Shown: Percentage of Indonesian adults, N=6,060)

- Youth* (15-24 year olds) (n=882)
  - Above poverty: 35%
  - Poor: 50%
  - Extreme poor: 15%

- Other age groups (25+ years olds)
  - Above poverty: 78%
  - Poor: 22%

**2015: Youth employment status, involvement in agriculture**
(Shown: Percentage of youth, n=882)

- Are gainfully employed: 30%
- Are students or housewives: 52%
- Have a connection to the agricultural sector: 30%

Just 17% of youth (vs. 32% of other age groups) work on or own a farm.

*The definition of youth can vary greatly by country and institution. The definition used here aligns with the current UNESCO definition for youth.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Youth are much more primed for onboarding to DFS than their older counterparts

**2015: Age divides**
(Shown: Percentage of Indonesian adults, N=6,060)

- Youth* (15-24 year olds, n=882)
- Other age groups (25+ years old, n=5,178)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own a mobile phone</td>
<td>78%</td>
</tr>
<tr>
<td>Have access to a mobile phone</td>
<td>89%</td>
</tr>
<tr>
<td>Have basic numeracy</td>
<td>99%</td>
</tr>
<tr>
<td>Have sent/received text messages</td>
<td>86%</td>
</tr>
<tr>
<td>Aware of a mobile money provider</td>
<td>14%</td>
</tr>
</tbody>
</table>

**2015: Readiness for use of DFS**
(Shown: Percentage of adults by age category)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own a mobile phone</td>
<td>58%</td>
</tr>
<tr>
<td>Have access to a mobile phone</td>
<td>76%</td>
</tr>
<tr>
<td>Have basic numeracy</td>
<td>97%</td>
</tr>
<tr>
<td>Have sent/received text messages</td>
<td>65%</td>
</tr>
<tr>
<td>Aware of a mobile money provider</td>
<td>6%</td>
</tr>
</tbody>
</table>

*The definition of youth can vary greatly by country and institution. The definition used here aligns with the current UNESCO definition for youth.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Few youth are confident in their ability to manage their finances; just over one-third pay their bills on time and are satisfied with their current financial situation.

**2015: Youth financial responsibility, confidence**
(Shown: Percentage of Indonesian youth, aged 15-24, n=882)

- 29% have a financial plan for unexpected events.
- 35% believe they have the skills to manage their finances.
- 35% are satisfied with their current financial situation.
- 36% are able to pay their bills on time.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Many youth engage in saving or borrowing behaviors, but few do so through formal institutions.

**2015: Youth financial behaviors**
(Shown: Percentage of Indonesian youth, aged 15-24, n=882)

- **21%** borrowed in the past year.
  - Friends or family: 76%
  - Informal money lender: 26%
  - Informal savings group that lends with interest: 21%

- **56%** know their interest rate.

- **65%** currently have savings.
  - Cash in a safe place: 78%
  - At a bank: 27%
  - In-kind assets, such as gold: 12%

- **22%** know their interest rate.

Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
A lack of awareness, understanding of the services is the biggest barrier to mobile money adoption among youth aware of mobile money.

**2015: Youth use of financial services**
(Shown: Percentage of Indonesian youth, aged 15-24, n=882)
- 23% have used a bank
- 18% have a full-service bank account
- 14% are aware of at least one mobile money provider
- 0.6% have used mobile money

**2015: Reasons for not registering for a bank account**
(Shown: Percentage of Indonesian youth without bank accounts, n=715)
- I don’t have money: 28%
- I don’t need one, I don’t make transactions: 22%
- I don’t have money to make transactions: 19%
- I don’t have the required documentation: 8%

**2015: Reasons for not using mobile money**
(Shown: Percentage of Indonesian youth aware of, but not using, mobile money, n=120)
- I don’t know what it is: 30%
- I don’t need one, I don’t make transactions: 18%
- I don’t know how to open one: 17%
- I don’t understand what this service can do: 17%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
WOMEN
One in four women live on more than $2.50 a day; fewer than 10 percent are unemployed or retired

2015: Gender
(Shown: Percentage of Indonesian adults, N=6,060)

- Female (n=3,708): 49%
- Male: 51%

2015: Women’s employment status, involvement in agriculture
(Shown: Percentage of women, n=3,708)

- 35% are gainfully employed
- 56% are students or housewives
- 32% have a connection to the agricultural sector

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Women are at a disadvantage in regards to access to, facility with a mobile phone

**2015: Gender**
(Shown: Percentage of Indonesian adults, N=6,060)

- Female (n=3,708): 49%
- Male (n=2,352): 51%

**2015: Readiness for use of DFS**
(Shown: Percentage of adults by gender)

- Own a mobile phone: 55%
- Have access to a mobile phone: 76%
- Have basic numeracy: 97%
- Have sent/received text messages: 65%
- Aware of a mobile money provider: 7%
- 2015: Gender

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Nearly half of all women are confident in their ability to manage their finances

**2015: Women’s financial responsibility, confidence**
(Shown: Percentage of Indonesian women, n=3,708)

- 34% have a financial plan for unexpected events.
- 39% are satisfied with their current financial situation.
- 45% believe they have the skills to manage their finances.
- 48% are able to pay their bills on time.

Question allowed for multiple responses.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
Most women engage in savings behaviors, but few do so through formal institutions

**2015: Women's financial behaviors**
(Shown: Percentage of Indonesian women, n=3,708)

**Borrowed through:**
(Shown: Percentage of women borrowers, n=1,284)
- Friends or family: 76%
- Informal money lender: 28%
- Informal savings group that lends with interest: 27%

**Save with**
(Shown: Percentage of women savers, n=2,734)
- Cash in a safe place: 76%
- In-kind assets, such as gold: 29%
- At a bank: 27%

51% 33% borrowed in the past year. 59% know their interest rate.
73% currently have savings. 23% know their interest rate.

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
A lack of knowledge about opening an account, functionality is the biggest barrier to mobile money adoption among women aware of the services

**2015: Women’s use of financial services**
(Shown: Percentage of Indonesian women, n=3,708)

- 26% have used a full-service bank
- 20% have a full-service bank account

**2015: Reasons for not registering for a bank account**
(Shown: Percentage of Indonesian women without bank accounts, n=2,971)

- I don’t have money 29%
- I don’t need one, I don’t make transactions 23%
- I don’t have money to make transactions 17%
- I don’t know what it is 5%

**2015: Reasons for not using mobile money**
(Shown: Percentage of Indonesian women aware of mobile money, n=230)

- I don’t know what it is 29%
- I don’t know how to open one 20%
- I don’t understand what this service can do 15%
- I don’t need one, I don’t make transactions 12%

Source: InterMedia Indonesia FII Tracker survey Wave 2 (N=6,060, 15+), August-November 2015.
METHODOLOGY & RESEARCH DESCRIPTION
**FII Indonesia Tracker Survey details**

**Survey Summary**
- Annual, nationally representative survey (N=6,060) of Indonesian adults aged 15+
- Face-to-face interviews lasting, on average, 83 minutes.
- Second survey (wave 2) conducted from 8/2/2015 to 11/15/2015
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted in 2014

**Data 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., microfinance institutions, cooperatives, village savings groups)
- Financial literacy and preparedness
- General financial behaviors
Sample size
The sample size was 6,060 respondents.

Target population and sampling frame
The target population covered by the InterMedia survey included all individuals aged 15 and above living in 25 Indonesian provinces. Ten provinces were excluded from the survey for logistical and cost reasons. Despite these exclusions, the sampling frame includes 94 percent of the Indonesian population. The Indonesian Bureau of Statistics drew the sample based on guidance from InterMedia and contributed input on sampling procedures at each level of stratification.

Sampling Census Blocks
The first step of the sampling procedure was to distribute the total sample of 6,060 interviews in the 25 provinces in the sampling frame proportionally to the target population size (15+).

In each province, urban and rural subdistricts were randomly selected using a proportionate-to-population size (PPS) method. In the selected subdistricts, small administrative units called census blocks were listed, from which primary sampling units (PSUs) were randomly selected using a PPS method.

Sampling Households and Respondents
Within in each PSU (selected census block) a household listing was conducted with the guidance of the Indonesian Bureau of Statistics. Ten households were randomly selected from the listing.

One respondent per household was selected using the Kish grid method and relevant consent for eligible respondents under 18 years of age was obtained.
GLOSSARY

• **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.

• **Arisan** – Informal rotating credit savings group.

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

• **Credit-only financial institutions** – Financial institutions that only offer loan disbursement services to their customers.

• **Digital financial services (DFS)** – Financial services 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.

• **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.

• **Financially included** – Individuals who have registered for a financial service account with a full-service financial institution.

• **Full-service institutions** – A financial institution that offers customers at least one of the following services: savings, money transfers, insurance or investments.

• **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.

• **Mobile-money value-added services** – Individually branded service products offered by mobile money providers in addition to or along with their basic mobile money 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

Caldwell Bishop, Research Manager
BishopC@InterMedia.org

Caroline Mangowal, FII Indonesia Leader
MangowalC@InterMedia.org