BANGLADESH

WAVE 6 REPORT
SIXTH ANNUAL FII TRACKER SURVEY

Conducted September-October 2018

April 2019
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 implements nationally representative population surveys and quantitative research studies in Bangladesh, India, Indonesia, Kenya, Nigeria, Pakistan, Tanzania and Uganda to:

• Track access to and demand for financial services generally, especially DFS;
• Measure adoption and use of DFS among key underserved groups (females, poor, rural, 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 based on rigorous data to support product and service development and delivery.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: www.finclusion.org.
**KEY DEFINITIONS**

**Access to a bank** – Counts individuals who have ever used a bank, or who have a bank account registered in their name or a joint account in their and someone else’s name.

**Access to mobile money or an NBFI** – Counts individuals who have ever used a mobile money service or a full-service NBFI.

**Active registered user** – An individual who has an account registered in their name with a full-service financial institution and has used it in the last 90 days.

**Advanced user** – An active registered user who has ever used their account for any of the following: saving, borrowing, insurance, investment, paying bills, receiving wages or government benefits. Buying airtime top-ups is considered an advanced use of a bank account or NBFI account but not a mobile money account.

**Agent banking** – Banking services provided outside of regular bank branches by engaged agents under a valid agency agreement, mainly intended to reach the underserved population.

**Airtime** – Minutes of talk time available on a mobile phone.

**Basic use** – Activities include cash-in (deposits) or cash-out (withdrawals), money transfers to another individual, or account maintenance. Buying airtime using mobile money is considered a basic use case.

**Below the poverty line** – In this particular study, adults living on less than $2.50 per day in 2005 purchasing power parity in USD, as observed value of a statistic will be found in 95 out of 100 repeat measurements.

**Confidence interval** (95%) – The range of values within which the observed value of a statistic will be found in 95 out of 100 repeat measurements.

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

**Credit-only nonbank financial institutions** – Financial institutions that only disburse loans to their customers and are therefore not considered full service.

**Customer journey** – A series of progressive stages through which individuals become more active users of more sophisticated financial services.

**Digital financial inclusion** – Counts individuals who have an account in their name with a full-service financial institution that offers digital services (e.g., online account access, debit/ATM card, credit card, electronic cash transfers).

**Digital financial services (DFS)** – Financial services provided through an electronic platform (e.g., mobile phones, debit or credit electronic cards, internet).

**Digital stored-value account** – A mobile money account or a full-service bank or NBFI account that offers digital services.

**Financial inclusion** – Individuals who hold an account with an institution that provides a full suite of financial services and comes under some form of government regulation.

**Financial literacy** – Basic knowledge of four fundamental concepts in financial decision-making (interest rates, interest compounding, inflation, and risk diversification) as measured by the Standard and Poor’s Rating Service’s Global Financial Literacy Survey.

**Financial numeracy** – The ability to read numerical place value and other key numeracy skills needed to complete a financial transaction on a mobile phone without assistance.

**Full-service financial institutions** – Financial institutions that offer loans to their customers and at least one of the following additional services: savings, money transfers, insurance, or investments.

**Microfinance 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.

**Mobile money (MM)** – A service that allows a mobile phone to be used for storing and transferring money, and potentially accessing other financial services.

**Nonbank financial institution (NBFI)** – A financial organization that is not formally licensed as a bank or a mobile money provider, but whose activities are regulated, at least to some extent, by the central bank within the country. Such financial institutions include microfinance institutions (MFIs), cooperatives and Post Office Banks.

**Numeracy** – The ability to use basic math skills, including counting, addition, division, multiplication and computing short- and long-term interest rates.

**Post Office Bank** – A bank that offers savings and money transfers and has branches at local post offices.

**Poverty Probability Index (PPI)** – A measurement tool wherein a set of country-specific survey questions are used to compute the likelihood that an individual’s income is below a specific threshold.

**Registered user** – Counts individuals who have a financial account registered in their name or registered jointly in their and someone else’s name.

**Unregistered/over-the-counter (OTC) user** – An individual who has used a financial service through someone else’s account, including a mobile money agent’s account or the account of a family member or a neighbor.

**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.

**Village savings and loan association (VSLA)** – A member-organized group that provides members with informal financial services such as savings, loans and insurance.
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FINANCIAL INCLUSION OVERVIEW
UNDERSTANDING FINANCIAL INCLUSION

<table>
<thead>
<tr>
<th>What is financial inclusion?</th>
<th>How is it measured?</th>
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<td>Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way (The World Bank). Financially included individuals are those who have an account in their name with a full-service financial institution.</td>
<td>We measure financial inclusion as the percentage of adults (15+ years old) who report having at least one account in their name with an institution that offers a full suite of financial services, and comes under some form of government regulation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How is it created?</th>
<th>What institutions and services do not count?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial inclusion is created through the uptake and use of individual accounts with institutions that offer a full suite of financial services – savings, credit, money transfers, insurance and investment. Full-service financial institutions include banks, mobile money service providers, and nonbank financial institutions, such as deposit-taking microfinance institutions (MFIs) and financial cooperatives.</td>
<td>Individuals who own accounts with institutions that are not full service, such as credit-only microfinance institutions (MFIs), are not considered financially included. Individuals who do not have their own full-service account or use someone else's account are not considered financially included. Individuals who only use services such as money guards, savings collectors, and digital recharge cards that are not attached to a bank or MFI account are also considered financially excluded.</td>
</tr>
</tbody>
</table>
ABOUT THE SURVEY


• Nationally representative sample of 6,000 adults aged 15+ residing in households.

• Representative statistics at the national level, and for urban and rural populations separately.

• The sampling frame was the list of urban centers (Division Headquarters, Other Municipal Centers, Non-Municipal Centers or “Thanas”) and villages.

• Stratified multistage sample, by urban/rural within each division:
  o First stage: Selection of 333 primary sampling units (PSUs), with the PSU being urban centers in urban areas, and villages in rural areas. All eight division headquarters were retained in the first stage;
  o Second stage: 24 households were selected in each Other Municipal Centers, and 16 households in each Non-Municipal Center and village. In Dhaka division headquarters, the eight largest wards were sampled and then 40-48 households were sampled in each selected ward; and
  o Third stage: One adult household member randomly selected in each household.

• Face-to-face interviews administered using tablets.

• Sampling weights used to make inferences about the target population (15+). The weights were based on 2018 population projections by age, urban-rural residence, and gender. The weights were normalized at the national level so the weighted number of cases equals the total sample size. Weighted percentages are reported together with unweighted respondent counts.

2018: National demographics
(Shown: Percentage of Bangladesh adults, N=6,000)

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48</td>
</tr>
<tr>
<td>Female</td>
<td>52</td>
</tr>
<tr>
<td>Urban</td>
<td>26</td>
</tr>
<tr>
<td>Rural</td>
<td>74</td>
</tr>
<tr>
<td>Above the $2.50/day poverty line</td>
<td>28</td>
</tr>
<tr>
<td>Below the $2.50/day poverty line</td>
<td>72</td>
</tr>
<tr>
<td>Age: 15-24</td>
<td>26</td>
</tr>
<tr>
<td>25-34</td>
<td>25</td>
</tr>
<tr>
<td>35-44</td>
<td>19</td>
</tr>
<tr>
<td>45-54</td>
<td>15</td>
</tr>
<tr>
<td>55+</td>
<td>15</td>
</tr>
<tr>
<td>Basic literacy</td>
<td>55</td>
</tr>
<tr>
<td>Basic numeracy</td>
<td>99</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
COUNTRY CONTEXT

Financial inclusion is advancing in Bangladesh as the government continues to implement its Perspective Plan 2010-2021 (also called Vision 2021), a strategy for achieving social and economic advancement, including reaching a “Digital Bangladesh.”

- Through the public sector agency, Access to Information (a2i), the government increasingly has been encouraging G2P payments targeted to women in an effort to increase financial inclusion among this group. Fil 2018 data shows women remain financially underserved compared to men, with substantial gender gaps in the uptake of financial services.

Policy reforms continue as Bangladesh Bank, the state bank, Alliance for Financial Inclusion (AFI) and the government work together on drafting the National Financial Inclusion Strategy (NFIS) for implementation between 2019-2024. The NFIS is intended to serve as a comprehensive public document that provides a clear road map for implementing and coordinating all stakeholder financial inclusion initiatives. Its goal is to promote financial inclusion for those excluded from basic financial services.

In 2018, Bangladesh Bank and the government continued to aggressively promote agent banking (bank services provided outside of regular bank branches), which contributed to a surge in registered bank account holders. A quarter of adults in Bangladesh now have a bank account.

- The latest data from Bangladesh Bank show that 18 banks provide agent banking services nationwide through 3,902 agents and 5,791 outlets in rural areas. From January to September 2018, the number of agent banking accounts increased by 38%. As of September, 2,028,864 adults had agent banking accounts.

- Promotion of agent banking services to the rural population led to positive growth in financial inclusion overall, and among the rural poor subpopulation. Fil 2018 data showed a 7 percentage-point increase in bank accounts among the rural poor in the last three years. Agent banking was launched in 2015.

- In addition to deposit and withdrawal services, agent banking is increasingly being used for loan disbursement. Increased credit availability will likely encourage greater registration of bank accounts and advance financial inclusion overall.

Bangladesh Bank data shows no growth in active mobile money accounts from August 2017 to September 2018 as the market responded to stricter regulatory enforcement around account use. The Fil 2018 data supports this as mobile money indicators remained unchanged between 2017 and 2018.

- In 2017, Bangladesh Bank lowered the ceiling for mobile money transactions, specifically deposit and cash out limits, in an attempt to reduce illegal use of financial services, especially for terrorist financing. Bangladesh Bank has continued to enforce this policy, which reduces the utility of mobile money for regular payments and transfers. The 2017-2018 period saw no growth in the proportion of registered and unregistered users among the adult population. Bangladesh Bank continues to enforce strict compliance with know-your-customer rules, which should promote continued conversions from unregistered to registered use, and overall growth in registered users.

bKash and DBBL Rocket remained the top providers of mobile financial services in 2018, as they expanded operations and increased collaboration with payments platforms, merchants and other banks. This effort will likely encourage greater engagement with advanced financial activities.

- In 2018, bKash partnered with Pathao, an increasingly popular application-based, on-demand, ride service platform, to allow passengers to pay for rides using bKash. Bkash also partnered with WorldRemit, a fintech provider in the digital money transfer sector, to encourage international transfers to bKash mobile money wallets via WorldRemit.

- In January 2018, DBBL launched NexusPay, a digital payments platform branded as a one-stop solution for all payments, which specifically targets merchant payments.
Financial inclusion reached a new high of 47% of adults in 2018. The main driver was a 5 percentage-point increase in the proportion of the adult population that reported having a bank account compared to the previous year.

- In 2018, 23% of adults were financially included via microfinance and other nonbank financial institutions (NBFIs), compared to only 9% in 2017. Improved survey measurement using a revised questionnaire corrected for undercounting error in the 2016 and 2017 surveys. Thus, improvements to the survey, rather than changes in the market, are behind the apparent increase. The 2018 findings corroborate supply-side data that show no decline in NBFI users since 2015. Contrary to the 2016 and 2017 FII survey findings, it’s likely that NBFIs have maintained a steady market share of approximately one-fifth of the adult population since 2015.

- Registered users of mobile money did not increase over 2017 as regulators lowered transaction limits and vigorously enforced know-your-customer rules.

- Aggressive expansion of agent banking in Bangladesh contributed to a 5 percentage-point surge (20% to 25%) in registered bank users from 2017 to 2018. Active users of banks also increased by 3 percentage points (13% to 16%) during the same period.

- The proportion of advanced users (90-day active account holders who also accessed advanced services such as savings, credit, investment, insurance or bill pay) was unchanged compared to 2014. However, the mix of advanced user activities has been changing.
  - Until last year, saving was the most widespread activity among bank and mobile money advanced users. In 2018, bill pay emerged as the most widespread advanced activity, likely due to marketing efforts by bank and mobile money providers to promote the use of bill pay services.
  - Mobile money was the preferred digital payment channel for buying goods and services from merchants. There was a 5 percentage-point increase in the proportion of advanced users who adopted this use case from 2017 to 2018.
  - In 2018, NBFIs were more widely used for savings and loans than were any other type of formal financial institution.
ACCESS TO FINANCIAL SERVICES

Access increased by 10 percentage points compared to 2017

A 13 percentage-point increase in access to banks propelled the increase in overall access, combined with increased access to NBFIs. Mobile money access remained statistically unchanged from 2017. Access to NBFIs was 7 percentage points higher in 2018 compared to 2015. The comparison between the 2015 and 2018 measurements of access to NBFIs is most meaningful because of measurement challenges in the 2016 and 2017 surveys.

The 13 percentage-point increase in individual access to banks from 2017-2018 was likely due to the aggressive expansion of agent banking.

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
Points-of-service (POS) were more widespread for mobile money than for banks

Bangladesh adults have widespread geographical access to financial services. The large majority of adults (80%) were aware of a financial POS within 1 kilometer of their households in 2018. Only 3 percent of respondents (versus 12 percent in 2016) reported not knowing of any POS near their homes. Consistent with 2017, the large majority of adults knew of a mobile money agent or a retail store with an over-the-counter mobile money kiosk within 1 kilometer of their homes. The percentage of adults who knew of a bank (bank branch, banking agent, ATM) POS increased compared to 2017.

2018: Proximity to points-of-service (POS) for financial institutions
(Shown: Percentage of Bangladesh adults, N=6,000)

*NBFiS include: MFIs, Post Office Banks and VSLAs.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
FINANCIALLY INCLUDED (REGISTERED USERS)

Financial inclusion via banks increased by 5 percentage points from 2017-2018

The number of registered bank users showed no significant change until 2018, when the number increased from 20% to 25% of adults. In 2016 and 2017, mobile money was the main driver of the increase in financial inclusion, but the uptrend leveled off in 2018. Improved measurement of NBFI registered users suggests that this group has remained around 23-24% of the population since 2015.

47% of the adult population held any financial account and was therefore counted as financially included. More adults were financially included via a bank account than ever before.

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
FINANCIAL INCLUSION BY GENDER

Banks drove the gain in financial inclusion for both men and women from 2017 to 2018

A persistent gender gap of 10 percentage points remained among registered bank users in 2018. The mobile money gender gap was wider at 14 percentage points in 2018. Female NBFI registered users have consistently outnumbered male NBFI registered users since 2014, indicating that NBFIs tend to be the preferred financial institution among women.

Registered users, by financial institution & gender
Percentage of each gender group who are registered users, by year

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
FINANCIAL INCLUSION AMONG THE RURAL POOR

In 2018, financial inclusion was 4 percentage points higher among the rural poor than in 2015.

Registered users of NBFIs are more common among the rural poor than among the adult population as a whole. Improved measurement of NBFI users in the 2018 survey was behind the large annual increase in financial inclusion among the rural poor compared to 2017. Comparing 2015 to 2018, the increase in financial inclusion in this group was driven by an increase in bank and mobile money accounts rather than NBFI accounts.

Registered users among the rural poor
(Shown: Percentage of rural poor adults in Bangladesh who are registered users, by year)

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
Registered bank users increased the most among urban and above-poverty adults

Financial inclusion via banks has been trending upward for both men and women, but a persistent gender gap of 10 percentage points remained in 2018. The rural/urban gap narrowed between 2016 and 2017, but widened again between 2017 and 2018 as registered users surged among urban adults. Bank account ownership has been trending steadily upward among below-poverty adults since 2015.

Registered bank users, by demographic group
(Shown: Percentage of each demographic group who are registered bank users, by year)

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.

3% of adults reported using the services of a bank agent, which coincides with supply-side data.
MOBILE MONEY USERS BY DEMOGRAPHIC GROUP

There was no annual growth in registered mobile money users in any demographic

Financial inclusion via mobile money showed no growth across the major demographic groups from 2017 to 2018, consistent with the national trend. The 14 percentage-point gender gap in registered mobile money users was higher than the 10-point gap among registered bank users. In 2018, the locality and income gaps were narrower for registered users of mobile money than for banks.

Registered mobile money users, by demographic group
(Shown: Percentage of each demographic group who are registered mobile money users, by year)

Findings showed a 14 percentage-point gender gap among registered mobile money users, consistent with 2017.

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September–October 2018.
NBFI USERS BY DEMOGRAPHIC GROUP

Registered NBFI users were predominant among the female and below-poverty groups

Overall, financial inclusion via NBFI remained about the same between 2015 and 2018. Unlike banks and mobile money, NBFI consistently serve a greater proportion of women, rural and below-poverty groups than they do their male, urban and above-poverty counterparts.

Registered NBFI users, by demographic group
(Shown: Percentage of each demographic group who are registered NBFI users, by year)

Source: InterMedia Bangladesh FI Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.

Changes to the 2018 questionnaire corrected the undercounting error visible in the 2016 and 2017 findings on NBFI users.
Active registered users increased by 3 percentage points from 2015 to 2018

Banks and mobile money drove the increase in active users (used their account in the 90 days prior to the survey) from 2015 to 2018. While mobile money drove the overall increase from 2015-2017, the surge in active bank users was more significant from 2017 to 2018. In the last year, transaction limits on mobile money imposed by Bangladesh Bank likely constrained the growth in active mobile money users, which remained at 2017 levels. Active bank account users, however, increased by 3 percentage points from 2017 to 2018.

38% of registered bank account holders did not use their accounts in the last 90 days, compared to 15% of mobile money account holders and 25% of NBFI account holders.

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
Advanced Users

In 2018 advanced users were 22% of adults, still below the 2015 level of 26%

Combining NBFI, bank, and mobile money advanced users, the proportion of advanced users in the adult population (those who used their account in the 90 days prior to the survey and accessed an advanced service such as savings, credit, investment, insurance, or bill payment) was statistically unchanged compared to 2014. From 2014 to 2018, a 3 percentage-point increase in mobile money advanced users was offset by the 5 percentage-point decrease in NBFI advanced users. There has been no statistical change in the prevalence of advanced bank users since 2015.

Advanced users
(Shown: Percentage of Bangladesh adults, by year)

*Fewer than 50 observations
Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
DIGITAL FINANCIAL INCLUSION
DIGITAL FINANCIAL INCLUSION

Banks drove a 7 percentage-point increase in digital financial inclusion compared to 2017

- Thirty-five percent of Bangladesh adults were digitally included via a registered mobile money account and/or a bank or NBFI account that offers digital access.
- Seventy-one percent of adults owned a mobile phone – an increase of 4 percentage points since 2017. Consistent with the trend from past years, adults who owned feature phones outnumbered owners of basic phones and smartphones.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
DIGITAL PAYMENTS AND TRANSFERS

Nearly half of Bangladesh adults reported having ever made a digital payment or transfer

Mobile money transfers were the most popular digital use case. Uptake of mobile money transfers was 3X greater than bank transfers. Three-quarters (78%) of adults who had used any digital payment or transfer used a mobile money transfer. Bill pay was the second most prevalent digital financial activity, mainly adopted by bank users. Merchant payment adoption was 2X greater among mobile money users than bank users.

2018: Digital payments and transfers access
(Shown: Percentage of Bangladesh adults, N=6,000)

2018: Digital financial inclusion by service type
(Shown: Percentage of Bangladesh adults who accessed a digital payment or transfer, n=2,553)

*Fewer than 50 observations

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
Digital readiness among adults in Bangladesh remained consistent with 2017 levels

Official identification is nearly universal among adults in Bangladesh and large majorities have access to a mobile phone and own a SIM card. More adults in Bangladesh own a SIM card than ever before. The ability to text continues to lag behind other key indicators of digital readiness at 47% of the population.

2018: Key indicators of readiness to adopt digital financial services
(Shown: Percentage of Bangladesh adults, N=6,000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Necessary ID*</th>
<th>Mobile phone access (own/borrow)</th>
<th>Own a SIM card</th>
<th>Ability to send and receive text messages</th>
<th>Financial literacy</th>
<th>Financial numeracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>85%</td>
<td>84%</td>
<td>76%</td>
<td>47%</td>
<td>28%</td>
<td>83%</td>
</tr>
<tr>
<td>2016</td>
<td>84%</td>
<td>85%</td>
<td>59%</td>
<td>31%</td>
<td>11%</td>
<td>NA</td>
</tr>
<tr>
<td>2015</td>
<td>86%</td>
<td>96%</td>
<td>40%</td>
<td>37%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2014</td>
<td>88%</td>
<td>97%</td>
<td>62%</td>
<td>31%</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

*In 2018, we revised the definition for "ID necessary for registering a financial services account" for all years to include one of the following: a national ID/voter ID, passport, driver's license, company or government ID, military ID, or student photo ID. Birth certificate was included in the definition for previous years, but was excluded this year to reflect changes in know-your-customer rules.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
READINESS: FINANCIALLY INCLUDED VS. EXCLUDED

DFS readiness was lower among the financially excluded

Key predictors of DFS adoption, such as possessing necessary ID, phone access, SIM card ownership and texting ability, were significantly lower among those who were financially excluded. The largest gap in readiness was in SIM card ownership (18 percentage points), followed by access to a mobile phone (15 percentage points). In comparison, the gaps in financial numeracy (6 percentage points) and financial literacy (3 percentage points) between the financially excluded and financially included adults were much narrower. In Bangladesh, limited resources to adopt DFS are a greater barrier than insufficient skills to use these services.

2018: Readiness indicators by financially included vs. excluded
(Shown: Percentage of Bangladesh adults who are financially included vs. excluded)

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
FINANCIAL NUMERACY IS A KEY DIGITAL SKILL

Other, less prevalent, digital skills are greater constraints to registered use of mobile money

- Financial numeracy measures skills needed to complete a financial transaction on a mobile phone without assistance. In this study, adults were counted as financially numerate if they could add 200 to 2000 (Taka), and avoid a place value error when reading the number 1,080 (Taka). Financial numeracy is important for avoiding errors that would result in sending the wrong amount of mobile money by an order of magnitude. Primary education is providing financial numeracy for the large majority of adults in Bangladesh.

- Financially numerate adults were 50% more likely to have a registered mobile money account than those who were not financially numerate. However, the ability to text and navigate the phone menu are stronger predictors of having a mobile money account than is financial numeracy.

### 2018: Financial numeracy, by demographic group

(Shown: Percentage of Bangladesh adults in each demographic group)

<table>
<thead>
<tr>
<th>Demographic Group</th>
<th>Financial Numerate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (N=6,000)</td>
<td>82</td>
</tr>
<tr>
<td>Male (n=2,534)</td>
<td>87</td>
</tr>
<tr>
<td>Female (n=3,466)</td>
<td>79</td>
</tr>
<tr>
<td>Urban (n=1,624)</td>
<td>88</td>
</tr>
<tr>
<td>Rural (n=4,376)</td>
<td>81</td>
</tr>
<tr>
<td>Above poverty (n=1,629)</td>
<td>88</td>
</tr>
<tr>
<td>Below poverty (n=4,371)</td>
<td>81</td>
</tr>
<tr>
<td>Primary school or more (n=4,723)</td>
<td>94</td>
</tr>
<tr>
<td>No primary education (n=1,277)</td>
<td>64</td>
</tr>
</tbody>
</table>

### 2018: Odds of having a registered mobile money account

(Shown: Odds ratios from multivariate logistic regression of key digital skill indicators on mobile money account ownership, N=6,000)

- Ability to text
- Financial numeracy
- Ability to navigate phone menu

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
Seven in 10 adults in Bangladesh owned mobile phones, a key resource for DFS adoption

Phone ownership increased by 4 percentage points from 2017 to 2018. However, approximately one-third (29%) of adults still did not own a mobile phone. Phone ownership was less common among women, rural residents, and below-poverty adults than among their male, urban, and above-poverty counterparts. Among adults who did not own a mobile phone, approximately half reported a lack of perceived need to buy a mobile phone (48%). The other reported main barriers to phone ownership included cost (47%) and not having permission from family members to use a phone (23%).

Source: InterMedia Bangladesh FI Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
MOBILE PHONE USE

Most adults in Bangladesh used their phones for basic functions, such as calling or texting

Between 2017 and 2018 the proportion of adults who reported using a phone to make a financial transaction increased by 7 percentage points, from 13% to 20%. Ability to text is highly correlated with having a mobile money account. However, only one-fourth of Bangladesh adults reported complete ability to text, and only one in 10 adults reported complete ability to perform a financial transaction. These findings suggest a need to build digital skills to encourage mobile money use and increase user engagement with mobile money services.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
MOBILE MONEY PROVIDERS

bKash has consistently remained the dominant mobile money services provider

Mobile money access across different providers showed no significant change between 2017 and 2018. Four in 10 adults accessed bKash, while approximately one in 10 adults accessed DBBL (Rocket) in 2018. Neither mCash nor SureCash have been able to capture significant market share. However, between 2017 and 2018, there was a 1 percentage-point increase in adults who accessed SureCash, while the proportion of adults who were aware of SureCash increased 3 percentage points, from 18% to 21%.

21% of adults were aware of mCash, and 21% were aware of SureCash in 2018.

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.

*Fewer than 50 observations

95% confidence interval
MARKET SHARE OF MOBILE MONEY PROVIDERS

A large share of both bKash and DBBL users were unregistered

In 2018, bKash remained the preferred mobile money provider in Bangladesh, while DBBL was a distant second. Unregistered users, who use agents to conduct transactions over-the-counter, were predominant in both providers’ user groups. More than half of DBBL users (54%) have a registered account, versus only 36% of bKash users. A greater proportion of DBBL users (48%) were active users (using their account in the last 90 days) compared to bKash users (31%).

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
CUSTOMER JOURNEY

NONUSERS → UNREGISTERED USERS → REGISTERED INACTIVE USERS → ACTIVE BASIC USERS → ADVANCED USERS
Financial inclusion may be conceived as a process through which an individual’s needs are met by advancing step-by-step towards increasingly active engagement with a growing range of financial services. The customer journey theory of change posits that advancement on the journey leads to gains in human welfare.

Understanding how individuals and groups advance on the customer journey is useful for developing strategies and interventions to assist more individuals to become users of the financial services that best meet their needs.

Five major segments of the population on the customer journey are described below. Each group is mutually exclusive of the others. The population shifts between these groups as more individuals make progress on the customer journey.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonusers</td>
<td>Adults who have no access to or have never used a full-service financial institution. Nonusers have not started the customer journey.</td>
</tr>
<tr>
<td>Unregistered users</td>
<td>Adults who do not have an account registered in their name but use a bank, mobile money, and/or NBFI service via another person’s account. This group mainly consists of adults who use mobile money over the counter through an agent.</td>
</tr>
<tr>
<td>Registered inactive users</td>
<td>Adults who have a bank, mobile money, or NBFI account registered in their name but have not used it in the last 90 days.</td>
</tr>
<tr>
<td>Active basic users</td>
<td>Adults who used their registered bank, NBFI, or mobile money account to transfer money to another person, deposit or withdraw cash, and/or check their balance in the previous 90 days ONLY. Buying airtime using mobile money is also a basic use case.</td>
</tr>
<tr>
<td>Advanced users</td>
<td>Adults who have used their registered bank, NBFI, or mobile money account in the previous 90 days and have ever used their account for saving, borrowing, investment, insurance, bill payment, merchant payment, receiving wages, and/or receiving government payments.</td>
</tr>
</tbody>
</table>
CUSTOMER JOURNEY TREND

Banks and mobile money drove progress on the customer journey

*Nonusers* of full-service financial institutions have decreased by 19 percentage points since 2014, as more adults have embarked on the customer journey to financial inclusion. Driven by the uptake of over-the-counter mobile money services, the proportion of *unregistered users* grew markedly from 2014 to 2016, but has leveled off since then. *Registered inactive users* have remained at a steady 7-10% of adults since 2014. *Active basic users* – registered users who reported using their accounts only for money transfers or cash management in the 90 days prior to the survey – almost doubled, from 8% in 2015 to 15% in 2018. Compared to 2014, 2018 showed no statistically significant change in the proportion of *advanced users*.

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
Men were a larger proportion of the population in the financially included segments

The gender gap within the nonuser group became narrower between 2015 and 2018 as more women embarked on the customer journey. While men have consistently dominated the unregistered user group since 2014, the female proportion of the group remained statistically unchanged between 2017 and 2018. The ratio of women to men has increased in the registered inactive and active basic user groups since 2014. The active basic user group has grown significantly since 2014, and the group is now more gender balanced than it has ever been, with almost an equal proportion of men and women in the group. The decrease in advanced users since 2015 has come from both the male and female demographics.

Change over time in each segment of the customer journey, by gender
(Shown: Percentage of Bangladesh adults, by year and by gender)

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
The proportion of nonusers who were below poverty continued to decline

Seven in 10 (72%) adults in Bangladesh have below-poverty incomes and the poor form the largest proportion of the population in each segment of the customer journey. The size of the nonuser group shrank by 10 percentage points of adults from 2017 to 2018 due to poor individuals advancing on the customer journey. The share of below-poverty and above-poverty adults in the unregistered user group has remained constant since 2016. The proportion of below-poverty adults in the active basic user group has doubled since 2015, while their share in the advanced user group has decreased during the same time.

Change over time in each segment of the customer journey, by above/below $2.50 (2005 PPP USD) poverty line
(Shown: Percentage of Bangladesh adults, by year and by poverty status)

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
CUSTOMER JOURNEY TREND, BY LOCALSE

Rural adults made the most progress on the customer journey

Three-quarters (74%) of Bangladesh adults reside in rural areas, and they outnumber their urban counterparts in every stage of the customer journey. The share of both urban and rural adults in the nonuser group has decreased by 5 percentage points since 2015. The increasing share of rural adults in the unregistered user group since 2015 is indicative of their increasing use of mobile money services via agents. The share of rural adults in the active basic user group has tripled since 2014, while the share of urban adults in this group has doubled in the same time. An equal proportion of urban and rural adults dropped out of the advanced users group since 2015.

Change over time in each segment of the customer journey, by urban/rural locale
(Shown: Percentage of Bangladesh adults, by year and by locale)

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
AGE GROUP SEGMENTATION

The 25-34 age group made the most progress on the customer journey

The youngest, 15-24 age group was overrepresented among the financially excluded, nonuser and unregistered users groups. The rate of financial inclusion, however, increased significantly in the 25-34 age group. This group was 25% of adults but formed 33% and 32% of active basic and advanced users, respectively. While the oldest age group (55+ years) was underrepresented among financially included groups, more adults in this age group were financially included in 2018 than they were in 2017.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
## NONUSERS, BY DEMOGRAPHIC GROUP

Nonusers were more common among female, rural and below-poverty demographics

In 2018, 32% of adults were nonusers of formal financial services, including 39% of women and only 24% of men. Increasing bank and mobile money account ownership drove the 9 percentage-point decrease in nonusers between 2015 and 2018. Gender, income and age gaps decreased in 2018 compared to 2017.

### 2018: Nonusers, by demographic group

(Shown: Percentage of each demographic group who are nonusers)

<table>
<thead>
<tr>
<th>Demographic Group</th>
<th>Nonusers (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (N=6,000)</td>
<td>32</td>
</tr>
<tr>
<td>Female (n=3,466)</td>
<td>39</td>
</tr>
<tr>
<td>Male (n=2,534)</td>
<td>24</td>
</tr>
<tr>
<td>Rural (n=4,376)</td>
<td>33</td>
</tr>
<tr>
<td>Urban (n=1,624)</td>
<td>28</td>
</tr>
<tr>
<td>Below poverty (n=4,371)</td>
<td>33</td>
</tr>
<tr>
<td>Above poverty (n=1,629)</td>
<td>28</td>
</tr>
<tr>
<td>Younger than 35 (n=3,112)</td>
<td>32</td>
</tr>
<tr>
<td>35 years and older (n=2,888)</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.

The locality gap among nonusers of formal financial services has remained the same since 2017.
UNREGISTERED MOBILE MONEY USERS

There has been no growth in unregistered users since 2016

Strict enforcement of know-your-customer rules has reduced the convenience of using mobile money over-the-counter (OTC) in favor of registered use. In 2018, OTC mobile money users were predominantly male, had incomes below the poverty line, lived in rural areas, and were younger than 35 years old.

2018: Unregistered (OTC) mobile money users, by demographic
(Shown: Percentage of unregistered mobile money users, n=1,677)

- Women: 40%
- Men: 60%
- Below $2.50/day poverty line: 72%
- Above $2.50/day poverty line: 28%
- Rural: 74%
- Urban: 26%
- Younger than 35: 55%
- 35 and older: 45%

Source: InterMedia Bangladesh FII Tracker surveys, Wave 2 (N=6,000, 15+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
ADVANCED USERS 90-DAY ACCOUNT ACTIVITIES

Bill pay was the most common advanced activity for active bank users in 2018

In the last year, bill pay has emerged as the most common advanced activity across bank and mobile money account holders. Bill pay overtook saving as the most common advanced activity for bank users. Paying for goods and services was more common among mobile money users than users of other institutions. NBFI users showed greater saving, borrowing, and insurance activity relative to bank and mobile money account users, suggesting that NBFIs are having continued success at providing a full suite of services to their target groups.

2018: Advanced users’ account activities in last 90 days, by activity and institution
(Shown: Percentage of advanced users, n=1,330)

*Fewer than 50 observations

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
GENDER & FINANCIAL INCLUSION
GENDER GAP IN DIGITAL FINANCIAL INCLUSION

Women were less likely to own a phone and be digitally included than were men

In 2018, there was a 15 percentage-point gender gap in digital inclusion among adults in Bangladesh. Women were less likely to be financially included via a registered mobile money account or bank account than were men. However, equal proportions of the male and female populations were digitally included via an NBFI account. Overall, there was a large gender gap of 25 percentage points in mobile phone ownership, which is a key resource for financial inclusion via a mobile money account.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
GENDER GAP ON DIGITAL PAYMENTS AND TRANSFERS

Less than one-third of women accessed digital payments or transfers in 2018

There was a 24 percentage-point gender gap on access to digital payments and transfers. Mobile money transfers were the major digital financial activity for both men and women. Uptake of bill pay and merchant payment was greater among men. Men also were more likely to have received wages from employers through their digital accounts. However, a greater proportion of women (11%) who accessed digital payments or transfers received government payments through digital accounts than did their male counterparts (8%) in 2018. This is likely a result of the government’s efforts to get more women financially included through G2P digitization.

2018: Digital payments and transfers access
(Shown: Percentage of Bangladesh adults by gender, N=6,000)

2018: Digital financial inclusion by service type
(Shown: Percentage of male or female Bangladesh adults who accessed a digital payment or transfer)

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.

*Fewer than 50 observations
UNEQUAL ACCESS TO DIGITAL RESOURCES

Lower access to mobile phones and SIM cards are significant barriers for women

Official identification, access to mobile phones and SIM card ownership are considered key resources for adopting and using DFS, especially mobile money. While there is no significant gender gap in possession of necessary IDs, fewer women than men have access to a phone or own a SIM card. Lack of these resources could hinder individual mobile money account ownership, which has the ability to empower women and give them greater control over their finances.

2018: Key resources to adopt digital financial services
(Shown: Percentage of male or female Bangladesh adults)

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
GENDER GAP ON FINANCIAL AND DIGITAL SKILLS

Women were less likely than men to have key financial and digital skills

In addition to resources, possessing certain skills increases the likelihood of DFS adoption among adults. These skills include the ability to text, financial literacy, financial numeracy, and financial management. Women lag behind men in all of these skills. The largest gender gap is in ability to text (16 percentage points) while the smallest gap is in financial numeracy (8 percentage points). Only 62% of women believe they have the skills and knowledge necessary to manage their finances well, compared to 73% of men.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
KEY INDICATORS OF WOMEN’S ECONOMIC EMPOWERMENT

Women were less likely than men to report high levels of influence, voice, agency and control

The FII survey tracks economic empowerment through a set of four indicators that measure the influence, voice, agency and control adults have in their household financial activities measured on a 5-point scale. For a woman, the ability to have bargaining power in her household and to influence joint decisions on household spending is empowering. The ability to voice disagreement within her household and have the agency or power to make household decisions is tied to a greater sense of well-being. Control over her own finances empowers a woman to decide what to do with her own money without relying on input from family members.

2018: Economic empowerment indicators,
(Shown: Percentage of male or female Bangladesh adults reporting somewhat/strongly agree)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Male (n=2,534)</th>
<th>Female (n=3,466)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence</td>
<td>69%</td>
<td>38%</td>
</tr>
<tr>
<td>Voice</td>
<td>75%</td>
<td>62%</td>
</tr>
<tr>
<td>Agency</td>
<td>81%</td>
<td>65%</td>
</tr>
<tr>
<td>Control</td>
<td>84%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
Financially included women were more empowered than women who were financially excluded

Financial inclusion empowers both men and women, but women still lag behind men. The gender gap is largest for influence on household spending decisions for both included and excluded segments. Having an account (financially included) increases a woman’s voice and agency; the percentage of financially included women for each of these two indicators is greater than that of financially excluded men. When it comes to control over personal finances, the financially included group shows a smaller gender gap than does the financially excluded group.

<table>
<thead>
<tr>
<th>Influence</th>
<th>Voice</th>
<th>Agency</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially excluded:</td>
<td>Financially excluded:</td>
<td>Financially excluded:</td>
<td>Financially excluded:</td>
</tr>
<tr>
<td>I have most/ almost all influence on final decisions on household spending</td>
<td>Somewhat/very likely to voice disagreement with spending decision</td>
<td>I am somewhat/very involved in deciding how to spend household income</td>
<td>I make the final decision on how my money is spent or saved (somewhat/strongly agree)</td>
</tr>
<tr>
<td>Male (Financially included n=1,298, Financially excluded n=1,236)</td>
<td>Male (Financially included n=1,563, Financially excluded n=1,903)</td>
<td>Male (Financially included n=1,563, Financially excluded n=1,903)</td>
<td>Male (Financially included n=1,563, Financially excluded n=1,903)</td>
</tr>
<tr>
<td>60</td>
<td>68</td>
<td>72</td>
<td>78</td>
</tr>
<tr>
<td>32</td>
<td>56</td>
<td>57</td>
<td>59</td>
</tr>
<tr>
<td>44</td>
<td>69</td>
<td>69</td>
<td>68</td>
</tr>
<tr>
<td>77</td>
<td>81</td>
<td>88</td>
<td>89</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
WOMEN’S ECONOMIC EMPOWERMENT SEGMENTATION

Women’s economic empowerment increased at each step in the customer journey

Progressing along the customer journey improves economic empowerment for women. Female nonusers had the lowest empowerment indicators while advanced users had the highest. Women who had advanced to later stages of the journey were more likely to voice disagreement and be involved in decisions around household spending. Financially included women, particularly registered inactive users (mainly of banks) and advanced users (mainly of NBFIs), reported greater autonomy in deciding how to manage their finances more often than women in the first two, financially excluded, segments.

2018: Economic empowerment indicators, by customer journey segment
(Shown: Percentage of Bangladesh women in each segment reporting somewhat/strongly agree)

<table>
<thead>
<tr>
<th>Segment</th>
<th>I have most/almost all influence on final decisions on household spending</th>
<th>Somewhat/very likely to voice disagreement with a spending decision if I disagree</th>
<th>I make the final decision on how my money is spent/saved</th>
<th>I am somewhat/very involved in deciding how to spend household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonusers (n=1,297)</td>
<td>30</td>
<td>54</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Unregistered users (n=631)</td>
<td>37</td>
<td>60</td>
<td>67</td>
<td>65</td>
</tr>
<tr>
<td>Registered inactive users (n=357)</td>
<td>45</td>
<td>67</td>
<td>68</td>
<td>73</td>
</tr>
<tr>
<td>Active basic users (n=462)</td>
<td>43</td>
<td>69</td>
<td>69</td>
<td>75</td>
</tr>
<tr>
<td>Advanced users (n=719)</td>
<td>44</td>
<td>71</td>
<td>76</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
FINANCIAL HEALTH
**THE FINANCIAL HEALTH INDEX**

Financial health is a key outcome of financial inclusion

FII measures financial health using 11 different indicators based on the framework developed by the Accion Center for Financial Inclusion (CFI).* Each indicator uses a 5-point agreement scale to capture a dimension of financial health. The indicator scores are averaged together to generate the FII Financial Health Index shown in the graph below.

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*https://www.centerforfinancialinclusion.org/from-idea-into-action-on-global-financial-health/

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
FINANCIAL HEALTH, INSTITUTIONS AND ACTIVITIES

Registered bank users are most likely to be financially healthy

Both formal and informal institutions have a significant relationship to financial health. Having a bank account increases an individual’s financial health index score by an average of 39%. Using a financial institution for a variety of activities is associated with an increase in financial health. While it was reported by relatively few individuals, investment activity increased financial health by an average of 43%.

Source: InterMedia Bangladesh FII Tracker survey, Wave 6 (N=6,000, 15+), September-October 2018.
### Key Indicators Summary

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Base Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>%, Base n</td>
<td>%, Base n</td>
<td>%, Base n</td>
<td>%, Base n</td>
<td>%, Base n</td>
<td>%, Base n</td>
<td></td>
</tr>
<tr>
<td>Adults (15+) who have active digital stored-value accounts</td>
<td>11% (+/- 1.0%)</td>
<td>15% (+/- 1.2%)</td>
<td>15% (+/- 1.2%)</td>
<td>22% (+/- 1.3%)</td>
<td>26% (+/- 1.6%)</td>
<td>All adults</td>
</tr>
<tr>
<td></td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</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% (+/- 1.0%)</td>
<td>11% (+/- 1.1%)</td>
<td>11% (+/- 1.1%)</td>
<td>19% (+/- 1.4%)</td>
<td>22% (+/- 1.7%)</td>
<td>All poor</td>
</tr>
<tr>
<td></td>
<td>4,499</td>
<td>4,597</td>
<td>4,622</td>
<td>4,548</td>
<td>4,371</td>
<td></td>
</tr>
<tr>
<td>Poor women (15+) who have active digital stored-value accounts</td>
<td>6% (+/- 1.0%)</td>
<td>8% (+/- 1.2%)</td>
<td>7% (+/- 1.1%)</td>
<td>14% (+/- 1.5%)</td>
<td>17% (+/- 1.6%)</td>
<td>All poor females</td>
</tr>
<tr>
<td></td>
<td>2,376</td>
<td>2,546</td>
<td>2,599</td>
<td>2,475</td>
<td>2,614</td>
<td></td>
</tr>
<tr>
<td>Rural women (15+) who have active digital stored-value accounts</td>
<td>5% (+/- 1.0%)</td>
<td>7% (+/- 1.3%)</td>
<td>7% (+/- 1.3%)</td>
<td>14% (+/- 1.6%)</td>
<td>18% (+/- 1.8%)</td>
<td>All rural females</td>
</tr>
<tr>
<td></td>
<td>2,032</td>
<td>2,129</td>
<td>2,187</td>
<td>2,302</td>
<td>2,492</td>
<td></td>
</tr>
<tr>
<td>Adults (15+) who actively use digital stored-value accounts and have accessed</td>
<td>6% (+/- 0.8%)</td>
<td>8% (+/- 0.8%)</td>
<td>6% (+/- 0.8%)</td>
<td>10% (+/- 1.0%)</td>
<td>14% (+/- 1.2%)</td>
<td>All adults</td>
</tr>
<tr>
<td>at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>Poor adults (15+) who actively use digital stored-value accounts and have</td>
<td>5% (+/- 0.8%)</td>
<td>5% (+/- 0.8%)</td>
<td>4% (+/- 0.7%)</td>
<td>8% (+/- 1.0%)</td>
<td>11% (+/- 1.2%)</td>
<td>All poor</td>
</tr>
<tr>
<td>accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>4,499</td>
<td>4,597</td>
<td>4,622</td>
<td>4,548</td>
<td>4,371</td>
<td></td>
</tr>
<tr>
<td>Poor women (15+) who actively use digital stored-value accounts and have</td>
<td>4% (+/- 0.8%)</td>
<td>4% (+/- 0.9%)</td>
<td>2% (+/- 0.7%)</td>
<td>6% (+/- 1.2%)</td>
<td>9% (+/- 1.2%)</td>
<td>All poor females</td>
</tr>
<tr>
<td>accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>2,376</td>
<td>2,546</td>
<td>2,599</td>
<td>2,475</td>
<td>2,614</td>
<td></td>
</tr>
<tr>
<td>Rural women (15+) who actively use digital stored-value accounts and have</td>
<td>3% (+/- 0.8%)</td>
<td>4% (+/- 0.9%)</td>
<td>2% (+/- 0.8%)</td>
<td>6% (+/- 1.2%)</td>
<td>9% (+/- 1.3%)</td>
<td>All rural females</td>
</tr>
<tr>
<td>accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>2,032</td>
<td>2,129</td>
<td>2,187</td>
<td>2,302</td>
<td>2,492</td>
<td></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, DSVs 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+), September 2014; Wave 3 (N=6,000, 15+), September 2015; Wave 4 (N=6,000, 15+), August 2016; Wave 5 (N=6,000, 15+), July-September 2017; Wave 6 (N=6,000, 15+), September-October 2018.
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