

# *Cambodia Financial Inclusion*

## MOBILE TRACKER SURVEY 2021



NATIONAL BANK  
OF CAMBODIA



SUSTAINABLE  
DEVELOPMENT **GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Impact Capital  
for Development

## Partnering for a common purpose

Making Access Possible (MAP) is a multi-country initiative to support financial inclusion through a process of evidence-based analysis feeding into a financial inclusion roadmap jointly implemented by a range of local stakeholders. Through its design, MAP seeks to strengthen and focus the domestic development dialogue on financial inclusion. In each country, MAP brings together a broad range of stakeholders from within government, the private sector and the donor community to create a set of practical actions aimed at extending financial inclusion tailored to that country.

## The cover symbol and artwork

Through the MAP programme, we hope to effect real change at country level and see the impact of financial inclusion on broader national growth and development. The cover graphic features a , the national flower of Cambodia. The plant has a yellowish-white flower with a single alternate leaf, a height of 8 to 12 metres, and edible fruits clustering with dark-red color when ripened. The flower symbolizes growth and development while the circle represents inclusive growth.



### National Vision for Financial inclusion in Cambodia

*Improve household welfare by improving their access to financial services so the access is broad, convenient and deep, meeting the needs for livelihoods development; assist households and enterprises to increase economic efficiency and support growth by improving financial inclusion.*

The national vision on financial inclusion was established by the 2019-2025 National Financial Inclusion Strategy (NFIS) adopted by the Royal Government of Cambodia, based on the 2017 MAP Diagnostic findings and the 2018 MAP Roadmap.

Over the period, United Nations Capital Development Fund (UNCDF) supported Cambodia on financial inclusion.

This tracking survey is to determine the market updates in financial inclusion, since the initial FinScope survey in 2015. MAP is a diagnostic and programmatic framework to support expanding access to financial services.

#### DATA COLLECTION, VERIFICATION AND TECHNICAL OVERSIGHT



**NATIONAL BANK OF CAMBODIA**  
(Host organisation)



**NATIONAL INSTITUTE OF STATISTICS**  
(Sample breakdown oversight)



**UNCDF**  
(Funding and financial inclusion technical quality control)



**FINMARK TRUST**  
(Project management & technical support)



**GEPOLL**  
(Mobile data collection)

### Cambodia FinScope 2015 and the mobile indicator tracker survey (2021)

*The FinScope survey undertaken in 2015 covered the total landscape of financial inclusion in Cambodia with an in-depth understanding of people's financial lives and their livelihoods. The mobile tracker survey (2021) was done to determine market uptake and movements in financial inclusion.*

#### KEY DIFFERENCES IN THE SURVEY COVERAGE AND DATA GENERATED

##### *FinScope: Livelihoods survey*

Provides a detailed, in depth understanding of people's financial lives and their livelihoods.

The full FinScope covered:

- Demographics
- Livelihoods and income generation
- Financial needs
- Financial decision making
- Access, uptake and usage
- Drivers and barriers to access, uptake and usage, and perceptions and attitudes
- Depth of informal market understanding
- Specialised gender focus

##### *Mobile tracker survey: Indicator tracking*

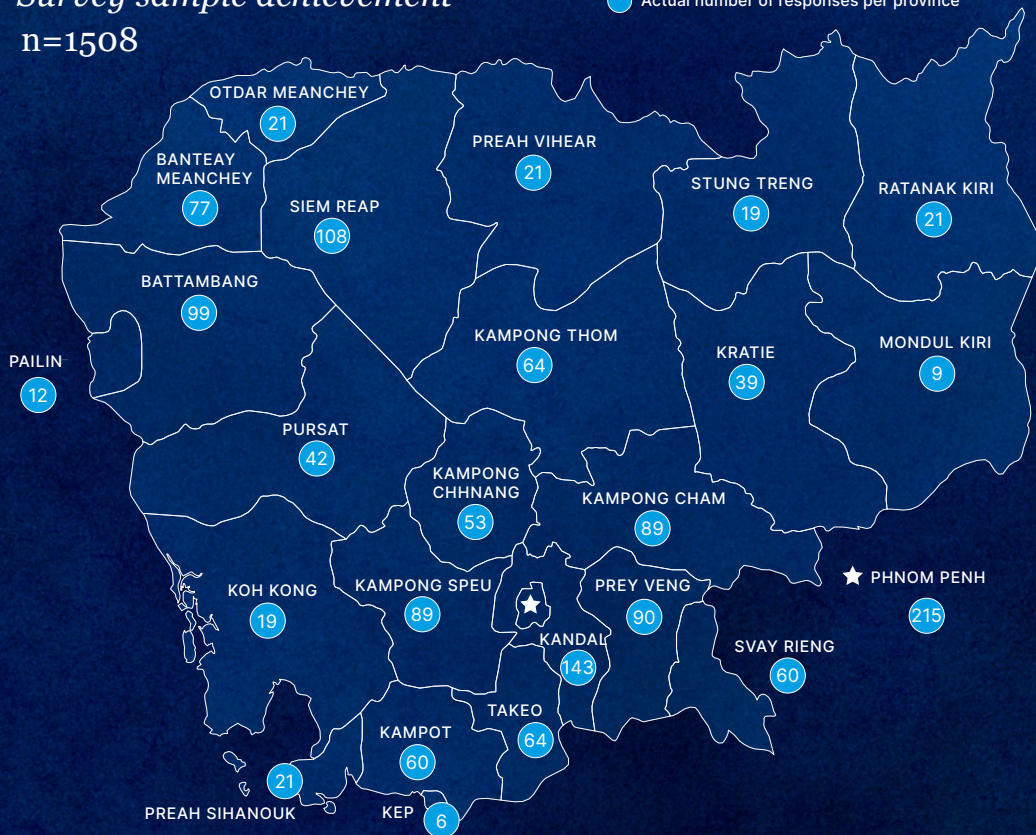
Specialised modular focus on key financial inclusion market updates, to measure progress against specific indicators. The mobile survey covered:

- Core demographics
- Access, uptake and usage

# Survey sample achievement

n=1508

● Actual number of responses per province



18-24

172

25-34

361

35-44

356

45+

619

MALE

674

FEMALE

834

URBAN

538

RURAL

970

UNEDUCATED

146

PRIMARY INCOMPLETE

484

PRIMARY COMPLETE

150

LOWER SECONDARY

374

SECONDARY COMPLETE

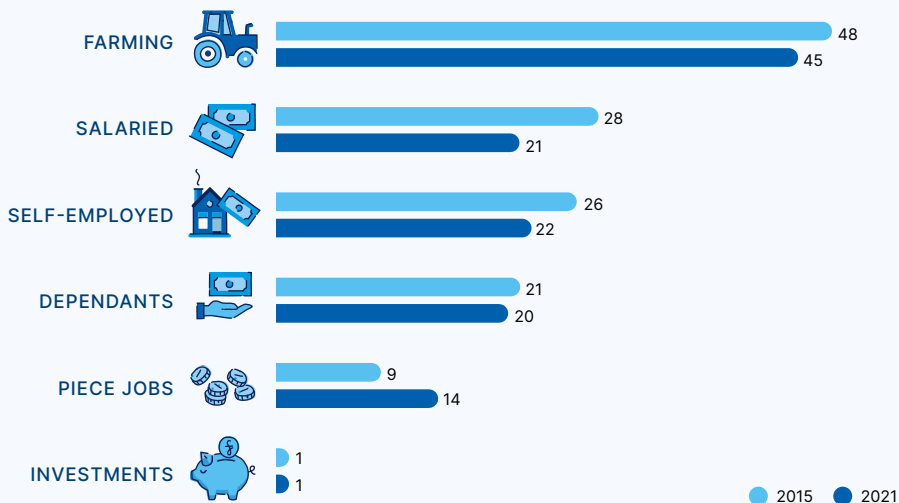
264

HIGHER

90

## KEY SHIFTS IN SOURCES OF MONEY AND REDUCED CERTAINTY IN EMPLOYMENT

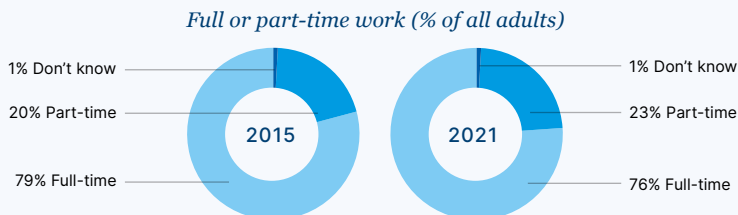
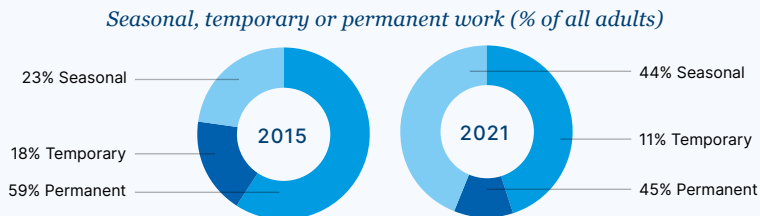
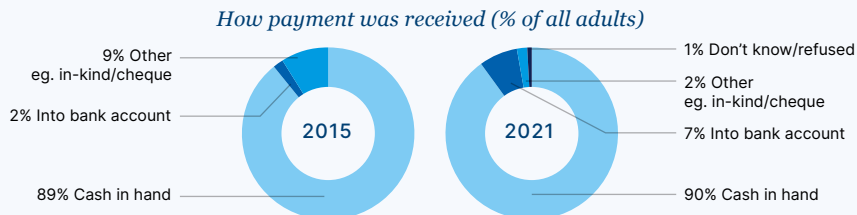
*A shift in employment with salaried and self-employed decreasing, piece jobs increasing may be as a result of the COVID-19 pandemic. People are also getting money from slightly fewer places, approximately 1.2 sources vs. 1.3 in 2015.*



48% of the 2015 sample source their money from farming and 45% of 2021 sample do this. The number of dependants is the closest proxy for unemployment and this is stable from 2015. However, the repertoire of places people are getting money from is slightly lower (approx 1.3 vs 1.2). Government dependants as a source of income has been excluded from this graph, as it received 0 responses. This income source included elderly or disability assistance from government, but suspension allowances would not be picked up in this category.

## SOURCE OF MONEY

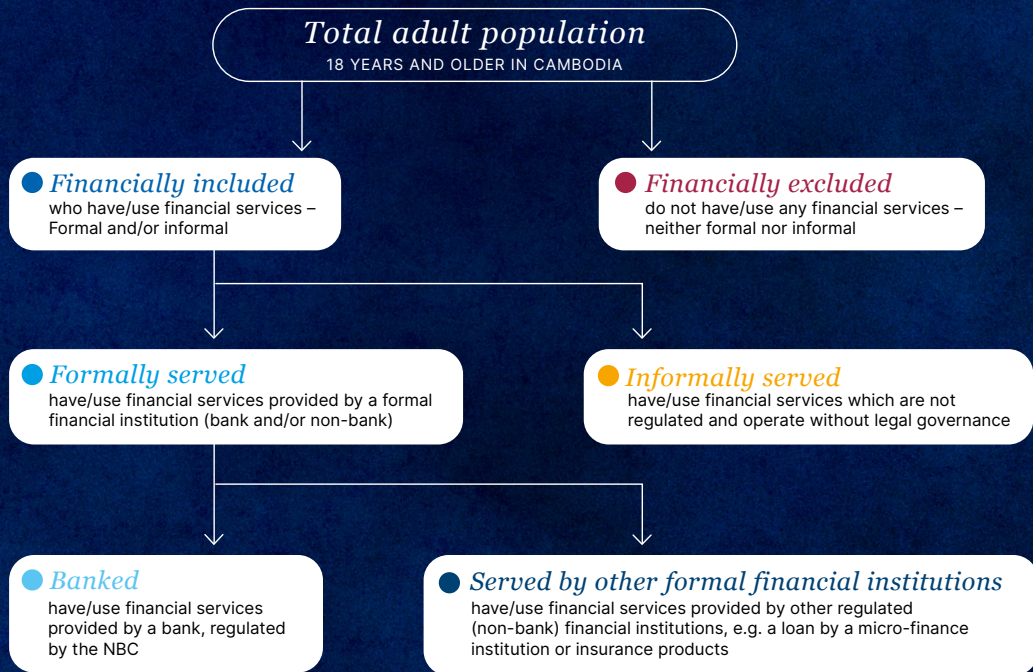
*A mixture of permanent and seasonal employment drives the income source and seasonal income increased.*



Fieldwork in 2015 was from November–December and for 2021 it was August–September, this may explain some of the difference in seasonal work being cited.



## DEFINING FINANCIAL INCLUSION



● *Financially included*

Adults who have/use financial services – formal and/or informal.

● *Formally served*

Adults who have/use financial services provided by a formal financial institution (bank and/or non-bank). A formal financial institution is governed by a legal precedent of any kind and bound by legally recognised rules.

● *Banked*

The percentage of adults who have/use financial services provided by banks registered with and regulated by NBC. This is not necessarily exclusive usage, and these individuals could also be using financial services from other formal financial institutions, or informal financial service providers.

● *Served by other formal financial institutions*

The percentage of adults that use financial services from non-bank formal institutions regulated or monitored by a supervisory authority as mandated by law, eg. MFI's (both credit and deposit taking institutions), leasing companies, insurance companies and mobile financial service providers. These individuals could also be using informal services.

● *Formally excluded*

Adults who do not have/use any formal financial services.

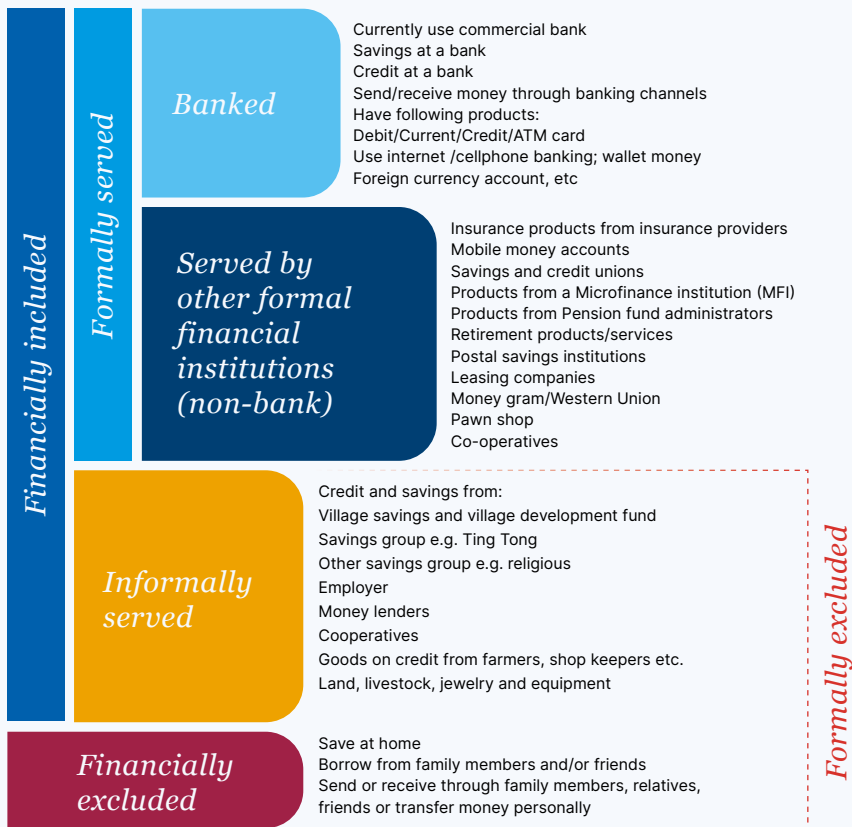
● *Informally served*

Adults who have/use financial services which are not regulated and operate without legal governance that would be recognised, e.g. Burial society.

● *Financially excluded*

Adults who do not have/use any financial services (formal or informal).

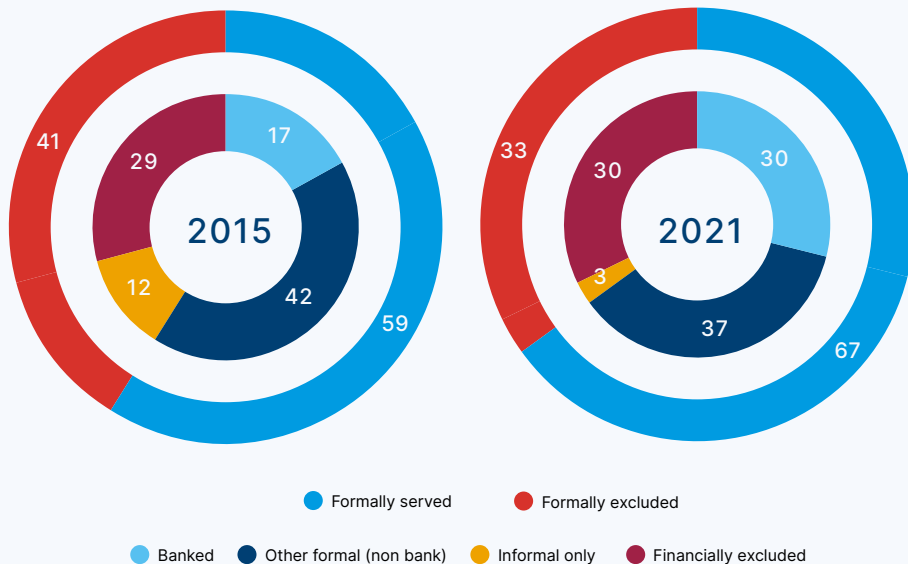
## CLASSIFICATION OF FINANCIAL SERVICES



## ACCESS TO FORMAL FINANCIAL SERVICES INCREASED

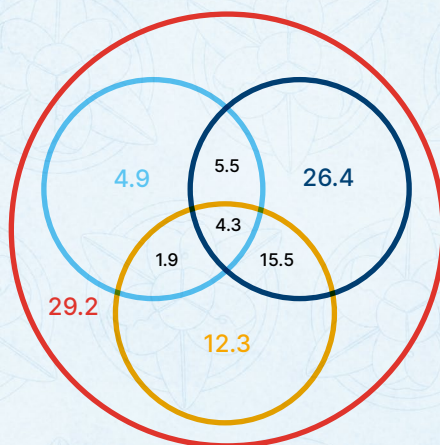
*Banking financial services are playing a critical role in deepening financial inclusion.*

*Access Strand (% of all adults)*

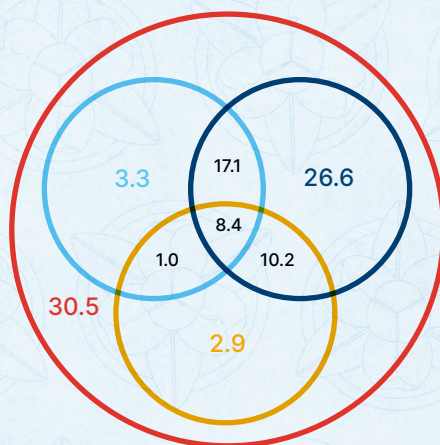


## OVERLAPS IN USAGE

*Consumers generally use a combination of financial services to meet their financial needs.*



2015 (% OF ALL ADULTS)



2021 (% OF ALL ADULTS)

● Banked    ● Other formal (non bank)    ● Informal    ● Excluded from formal and informal

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19.6%

*of Cambodian adults use a combination of formal and informal mechanisms to manage financial needs in 2021.*

*This indicates that, for some, needs may not be fully met by the formal sector alone.*

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3.3%

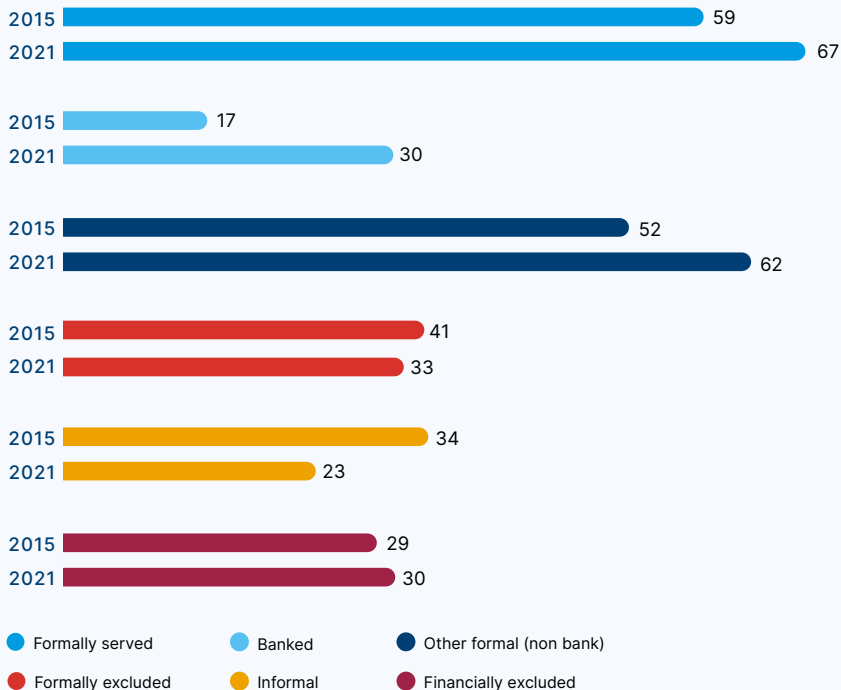
↓ 4.9% IN 2015

*of Cambodian adults rely exclusively on banking services in 2021. Reliance on informal mechanisms alone decreased from 2015.*

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## OVERALL INCREASE IN ACCESS ACROSS FORMAL FINANCIAL MECHANISMS DRIVEN BY BANK AND OTHER FORMAL SERVICES

*Overall increase (% of all adults)*





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13%

*Increase in uptake of bank products.*

*As a result, the formally included increased by 8 percentage points, and the formally excluded decreased by the same.*

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10%

*Increase in uptake of other formal, non-bank products.*

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11%

*Decrease in informal financial services or mechanisms as a result of the increased uptake of bank products.*

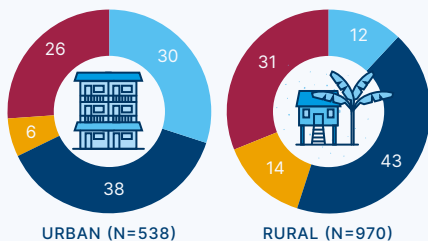
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## FORMAL FINANCIAL INCLUSION INCREASED IN URBAN AND RURAL AREAS

*Using only informal financial services declined in rural and urban areas. Formal inclusion increased for men and remained stable for women.*

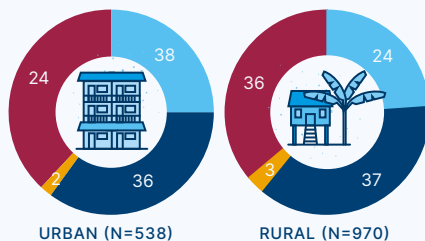
**2015**

*By location (% of adults in each location)*

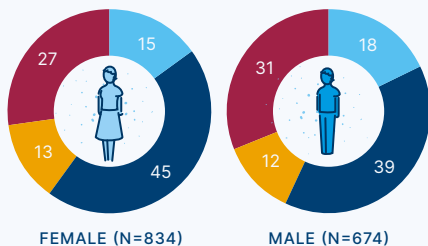


**2021**

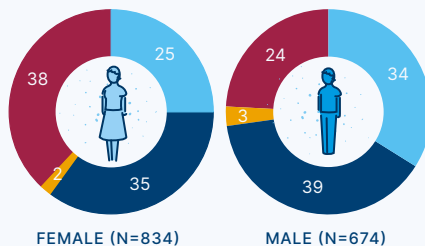
*By location (% of adults in each location)*



*By gender (% of female and male adults)*



*By gender (% of female and male adults)*

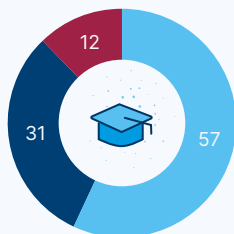


● Banked
 ● Other formal (non bank)
 ● Informal only
 ● Financially excluded

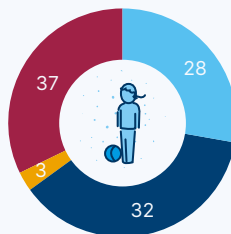
## YOUTH ARE MORE INCLUDED THAN SENIORS

*Adults with lower levels of education and seniors are more likely to be excluded or relying exclusively on informal mechanism to manage their financial needs.*

*2021: By education (% of adults in each group)*

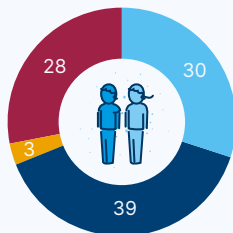


SECONDARY AND HIGHER N=354

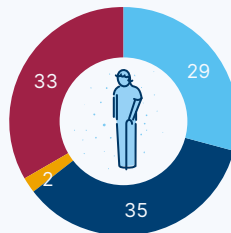


PRIMARY AND BELOW N=1154

*2021: By age (% of adults in age group)*



YOUTH (18-34) N=533



SENIORS (35+) N=975

● Banked ● Other formal (non bank) ● Informal only ● Financially excluded

## MOST USERS OF FINANCIAL SERVICES STILL ONLY MAKE USE OF ONE OF FOUR



CREDIT



SAVINGS

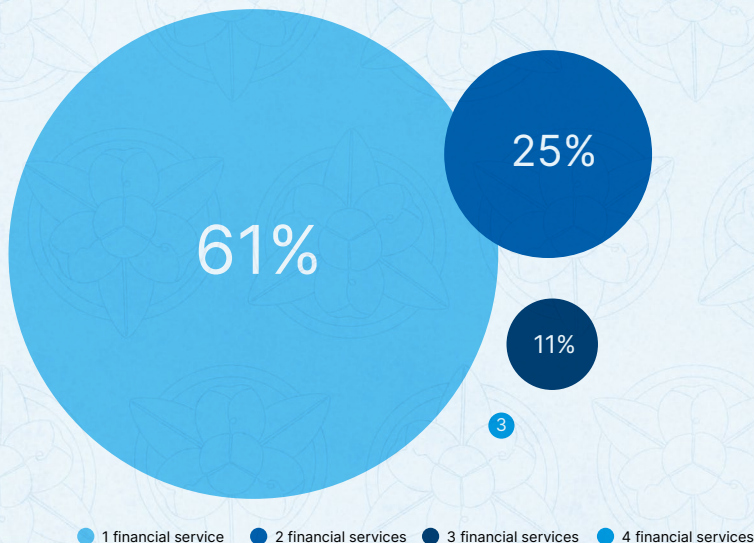


INSURANCE



REMITTANCES

*Multiple formal financial service usage (% of adults)*

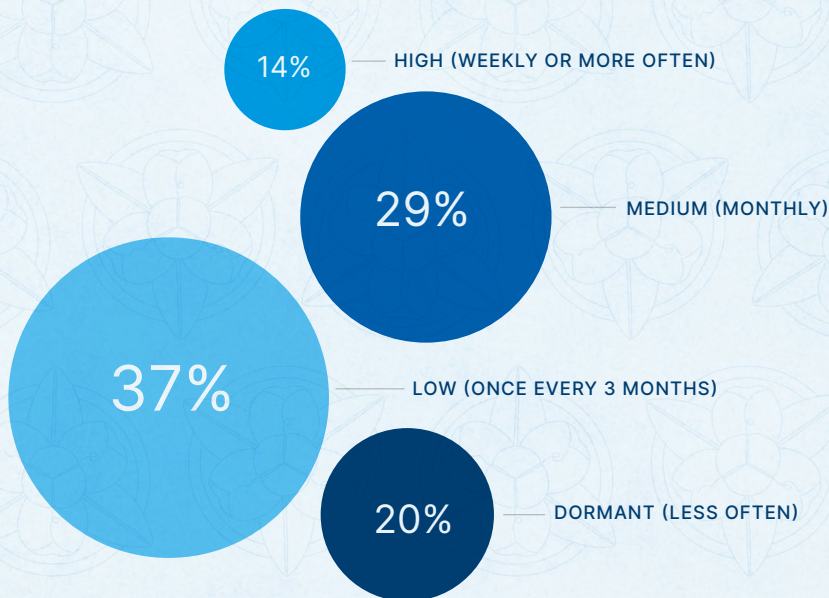


## MOST BANK ACCOUNTS ARE STILL NOT USED FREQUENTLY

**43%** *Banked adults use their bank account at least monthly*

**20%** *Banked adults are dormant users (using their bank accounts less than once every three months)*

*Bank account usage within the banked population (% of adults who have bank accounts)*



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*A greater proportion of people are saving formally, driven by other formal mechanisms.*

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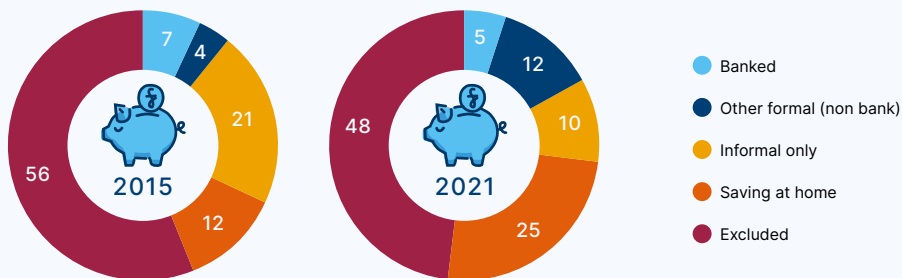
*Informal savings have been replaced by people saving at home – likely driven by the pandemic.*

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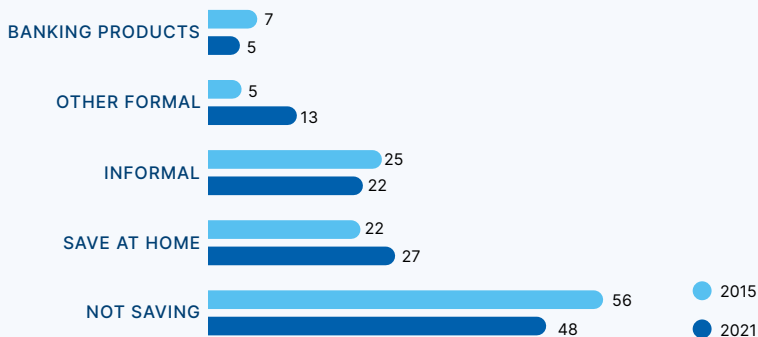
## SAVINGS AND INVESTMENTS

*More people are saving overall, and saving in formal savings mechanisms.*

*Savings Strand (% of all adults)*



*Type of saving (% of all adults)*



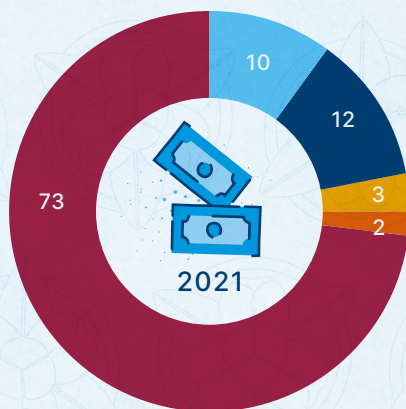
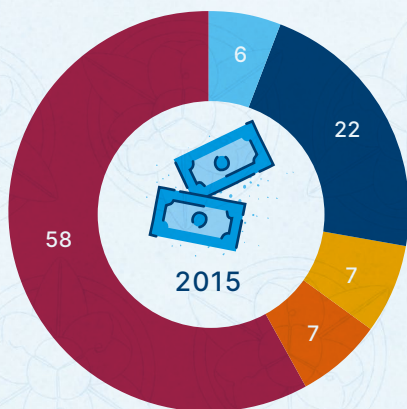
## CREDIT AND BORROWING



# 67%

*Banked credit has increased from 6% of adults having banked credit in 2015 to 10% having it in 2021. However, people are borrowing less from other sources.*

*Credit Strand (% of all adults)*

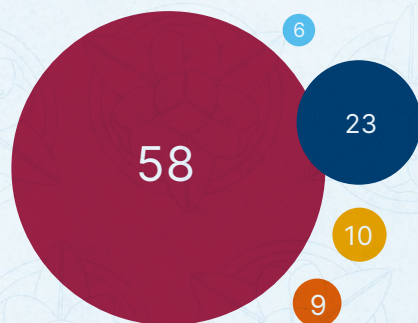


● Banked ● Other formal (non bank) ● Informal only ● Family and friends ● Not borrowing

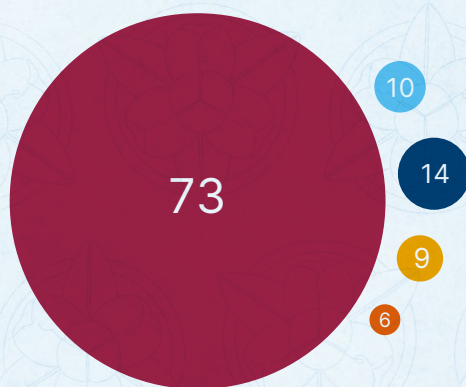
## INCREASE IN CREDIT FROM BANKS, BUT DECREASE IN BORROWING FROM OTHER SOURCES

*Bank credit has increased substantially, but there is a decline in credit from other sources, likely driven by a decrease in borrowing during the pandemic.*

2015 (% of all adults)



2021 (% of all adults)

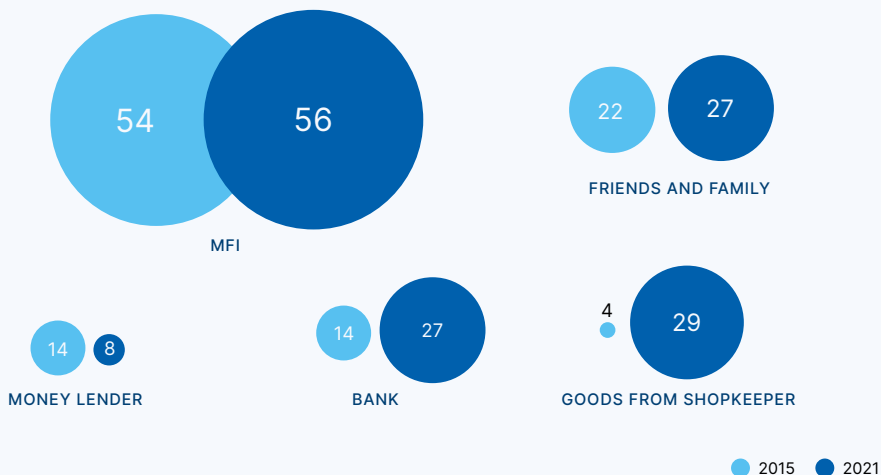


● Bank products    ● Other formal (non bank)    ● Informal    ● Family and friends    ● Not borrowing

## CREDIT MECHANISMS

*Banks have a greater portion of the lending market, and more people are taking goods on credit from shopkeepers – perhaps a sign of the times?*

*Share of credit mechanisms amongst those who have credit  
(% of those who have credit from any source)*

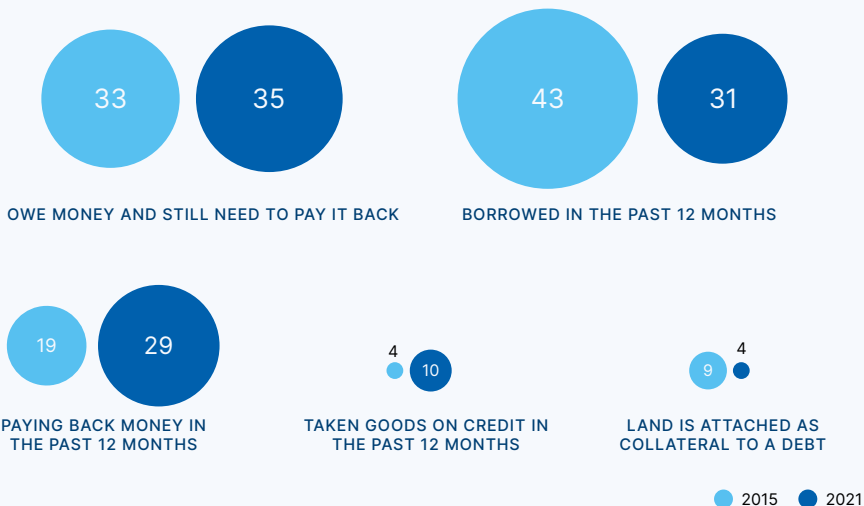


While a smaller percentage of people are borrowing, the absolute numbers in terms of accounts have grown (as the population has grown). The number of people with banked credit in 2021 is just over 1 million up from 600,000 in 2015. This is a 70% increase.

## BORROWING STATUS

*Change in borrowing patterns – this may be due to income uncertainty during the pandemic*

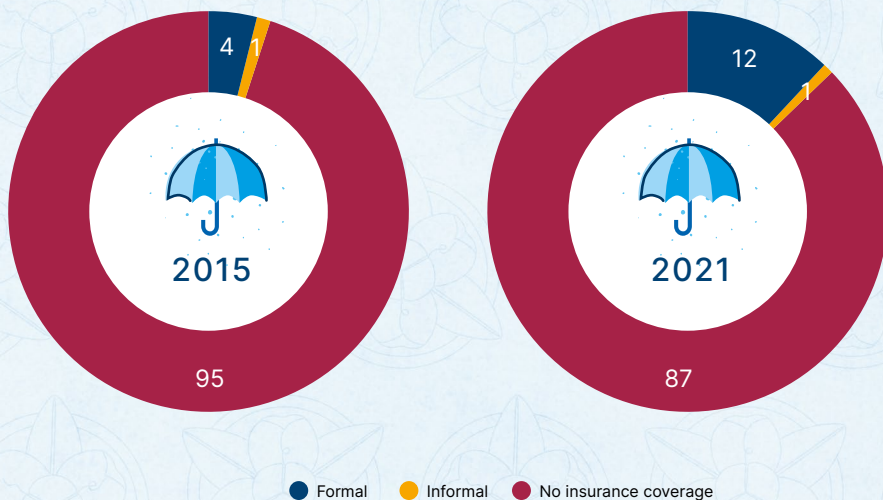
*Credit status and borrowing patterns (% of adults)*



## INSURANCE

*A large majority are still uninsured, however, there appears to be substantial growth in the insurance market*

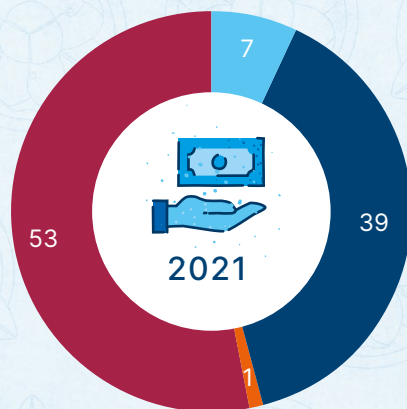
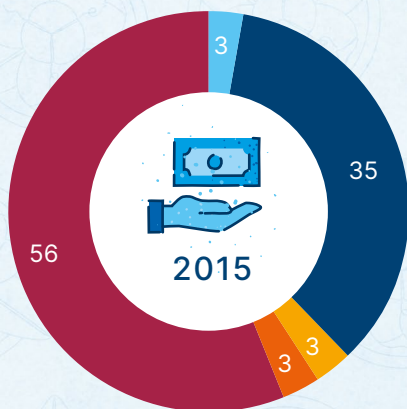
*Insurance Strand (% of all adults)*



## REMITTANCES

*Increase in remittances through banks and other formal sources.*

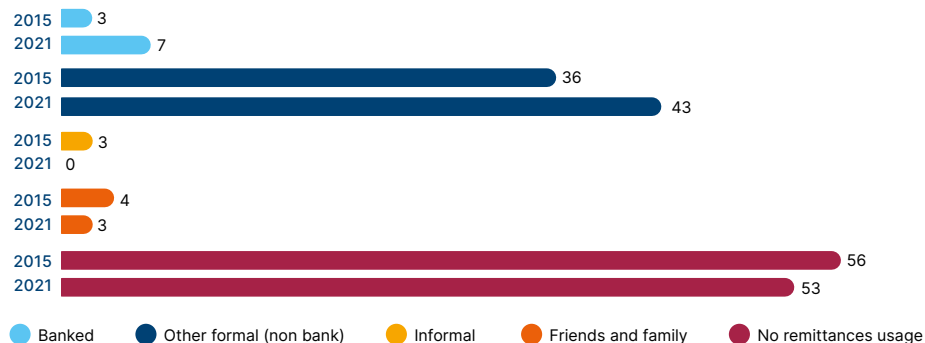
Remittance Strand (% of all adults)



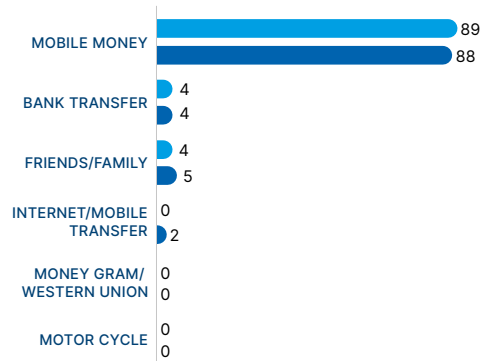
Banked    Other formal (non bank)    Informal only    Friends and family    Excluded

## REMITTANCES MOSTLY OCCUR THROUGH MOBILE MONEY

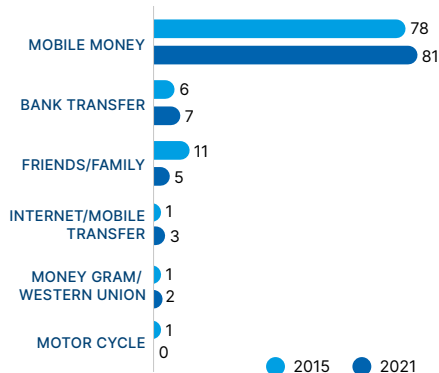
*Overall increase in remittances through banks and other formal sources (% of all adults)*



*Sent money*  
(% of adults who sent money 2021 vs 2015)

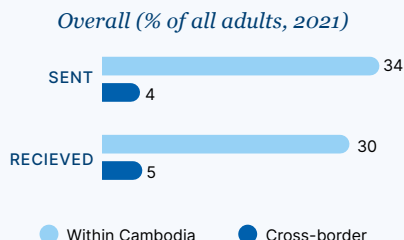


*Received money*  
(% of adults who received money 2021 vs 2015)

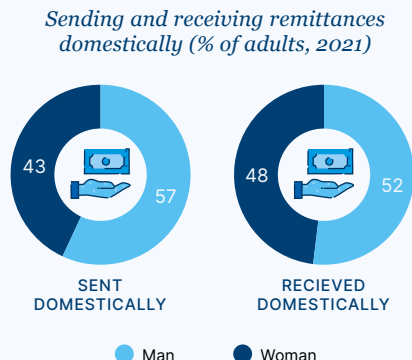


## IMPACT OF PANDEMIC ON REMITTANCES

*More people are receiving money via remittances, likely driven by COVID-19. This growth in remittances could also be linked to payment system innovations in Cambodia.*



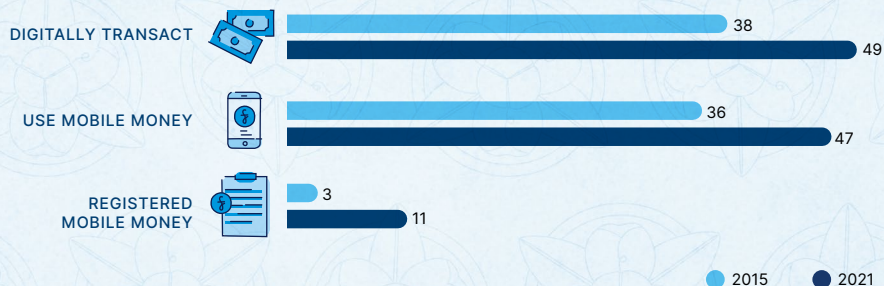
A similar proportion of adults in 2021 are sending money domestically, compared to 2015 (34% in 2021 vs. 33% in 2015). However more people are receiving money domestically in 2021 (30% vs. 22% in 2015).



In 2021, a greater portion of domestic remittance senders are men, while receiving domestic remittances is more balanced between men & women. In 2015, a greater proportion of domestic remittances receivers were women (56%), however, in 2021 women comprise a smaller proportion of domestic receivers (48%)

## DIGITAL FINANCIAL SERVICES IS LARGELY DRIVEN BY MOBILE MONEY AND REMITTANCES

*Financial services used (% of all adults)*



### *Digitally transact (any digital channel)*

Claim to use mobile money, the internet or their mobile phone for any transactions

### *Use mobile money*

Claim to have a registered mobile money account or to use mobile money for remittances

### *Registered mobile money*

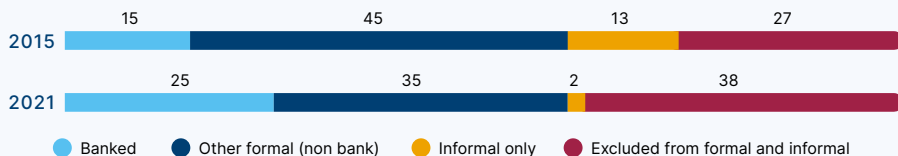
Claim to have one or more registered mobile money accounts



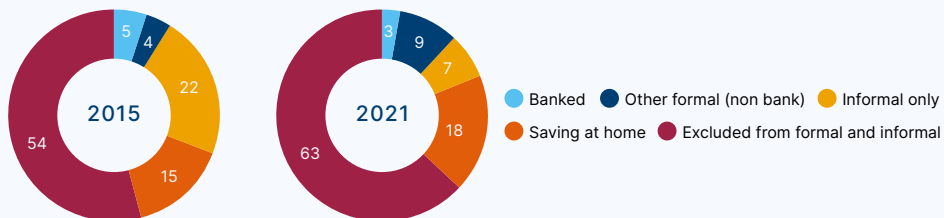
*Usage of mobile money is still weakly linked to account ownership, with far more people using mobile money (particularly for remittances) than have registered accounts.*

## WOMEN'S FINANCIAL INCLUSION

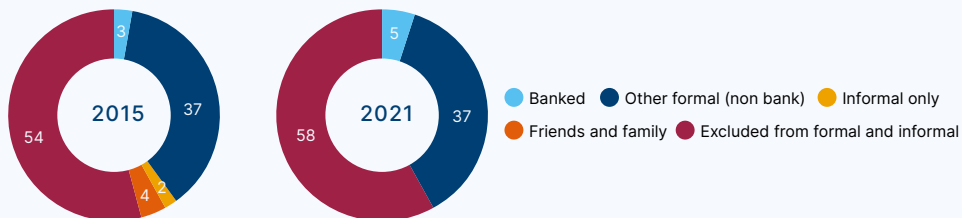
*Overall access (% of women)*



*Savings Strand (% of women)*



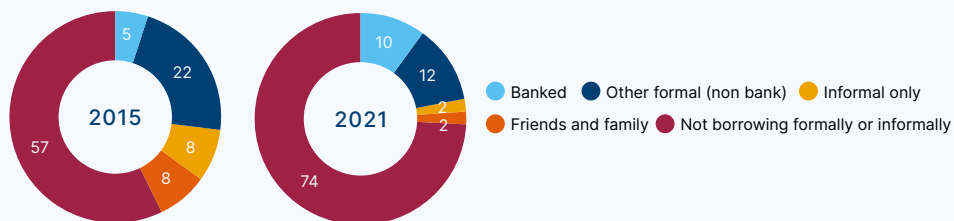
*Remittance Strand (% of women)*



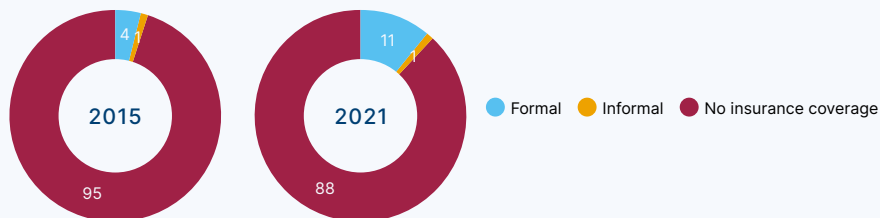
*The NFIS target to decrease exclusion from formal and informal financial services for women, from 27% in 2015, to 13% in 2025.*

“Formal financial inclusion for women has remained stable against 2015 (at 60%), so exclusion from formal financial services also remain stable (at 40%). There has been a decrease in women saving, borrowing and remitting informally, and these women have become fully excluded from both formal and informal mechanisms. There has, however, been an increase in women saving at home.

*Credit Strand (% of women)*

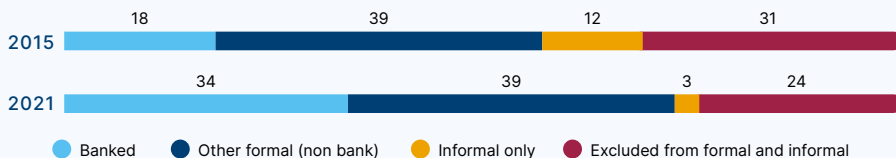


*Insurance Strand (% of women)*

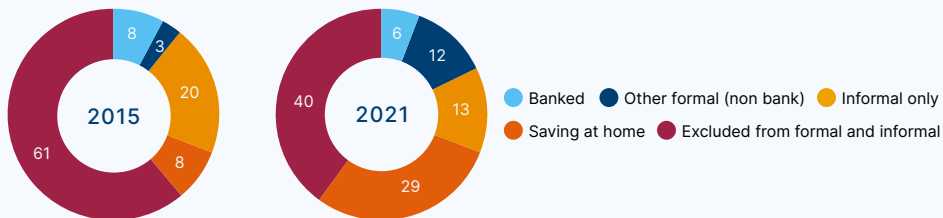


## MEN'S FINANCIAL INCLUSION

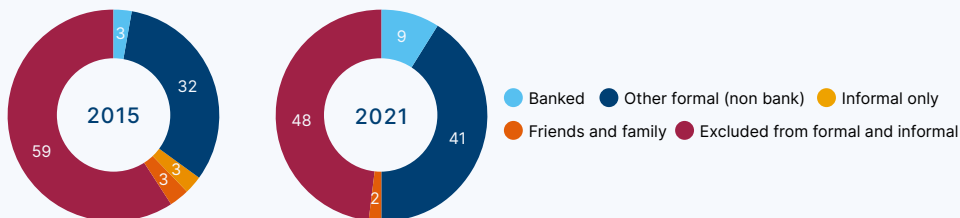
*Overall access (% of men)*



*Savings Strand (% of men)*

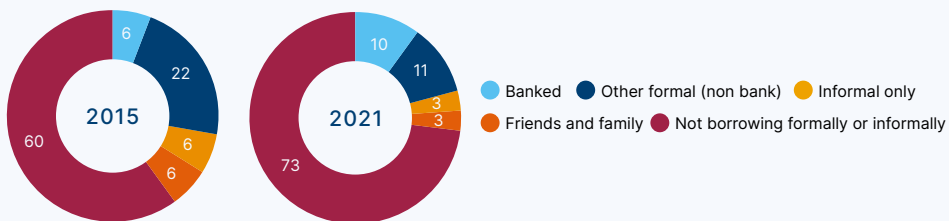


*Remittance Strand (% of men)*

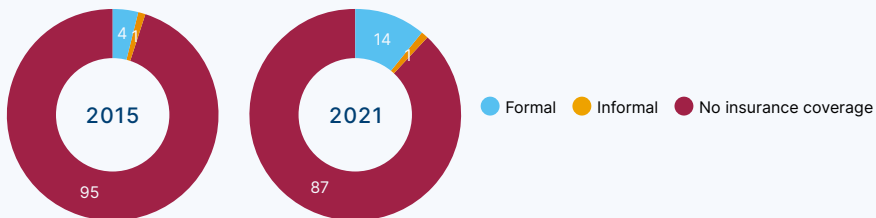


*Other formal remittances increased a lot for men, while not for women, contributing substantially to unequal levels of access in 2021. Men also reported saving at home a lot more in 2021.*

*Credit Strand (% of men)*



*Insurance Strand (% of men)*





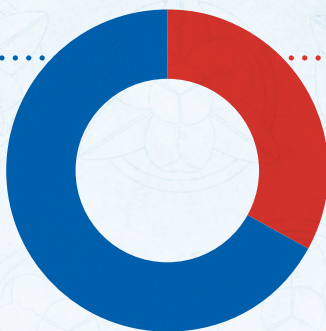
## KEY TAKE-OUTS

*Going forward, financial inclusion should focus on how improvements since 2015 can be leveraged to further embed the financial services sector's role to support domestic growth to improve livelihoods and contribute to inclusive growth.*

67% .....

Formal financially included increased from 59%. The use of informal products has decreased.

This demonstrates market growth for financial services and increasing comfort in customers using financial services, though the depth of access remains low (using more than one type of formal service).



..... 33%

Formal financially excluded decreased from 41%. Exclusion from formal and informal services remained relatively stable, with no change.

Overall people have fewer financial products, largely driven by the decline in credit. One in five banked adults are dormant users (using their bank accounts less than once every three months).





## For women

Formal financial services remained stable for women, and there has been growth in women having bank accounts. Informal only decreased (more women do not use formal or informal financial services). This is likely due to the COVID-19 pandemic, which may be having a worse economic impact on women than on men.



## Bank Usage

Access to bank products contributed to increased formal access, but more than half of those who are banked remain low or dormant users.



## Savings

Growth in savings, especially through formal, non bank, and substantial movement from informal savings to savings at home.



## Credit

Substantial growth in bank credit, but less borrowing from other sources. Decrease in borrowing during the pandemic may have contributed.



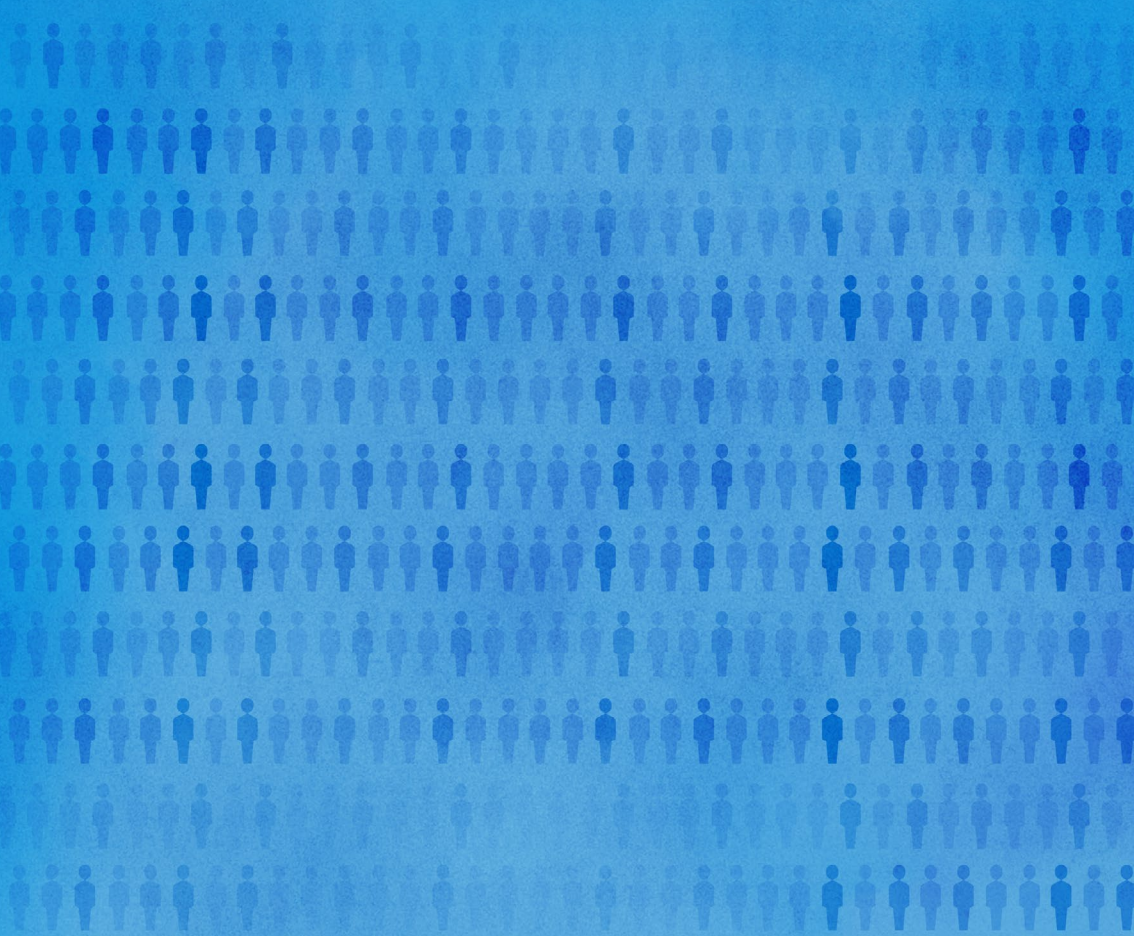
## Remittances

More people are receiving money through formal remittances, this is likely driven by COVID-19. The innovation in the payment system may also be driving an increase in remittances.



## Insurance

The majority of adults are still uninsured, despite substantial growth in the insurance market.



FOR FURTHER INFORMATION  
ABOUT THE MOBILE TRACKER  
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