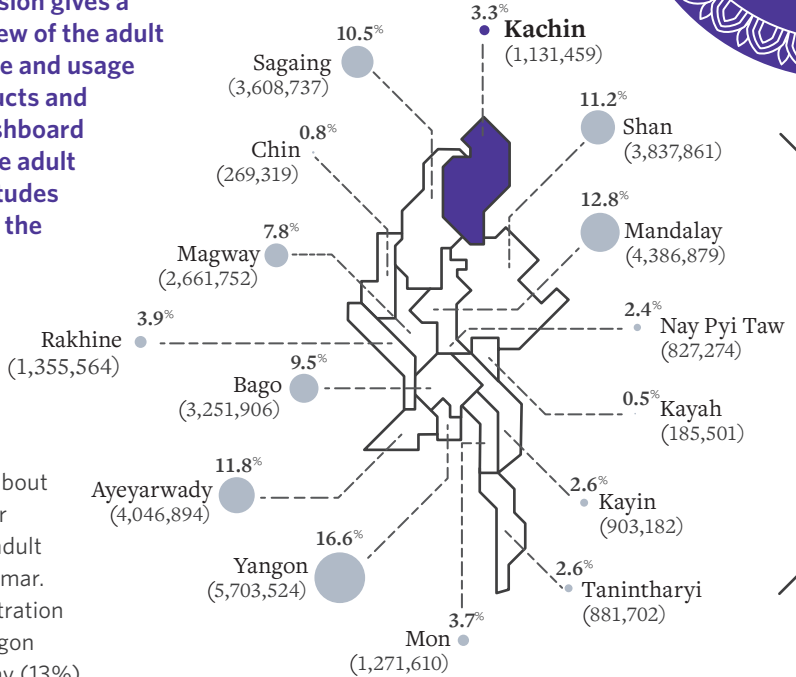


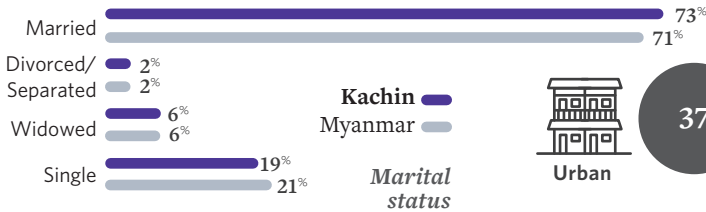
This Kachin state dashboard on financial inclusion gives a high-level overview of the adult population uptake and usage of financial products and services. The dashboard also describes the adult perceptions, attitudes and needs within the Kachin state.

Demographics

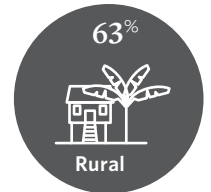
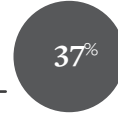
Kachin is home to about 1.13 million adults or close to 3% of the adult population in Myanmar. The largest concentration of adults are in Yangon (17%) and Mandalay (13%).



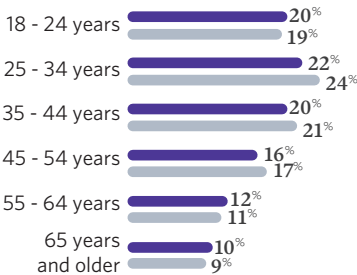
Adult population by State/Region



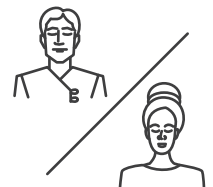
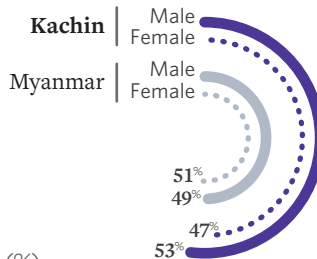
Urban



Rural vs. urban



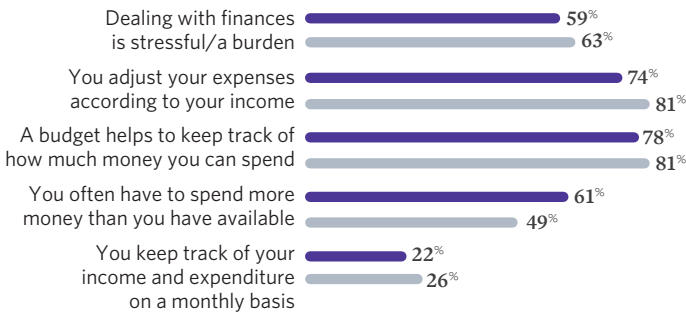
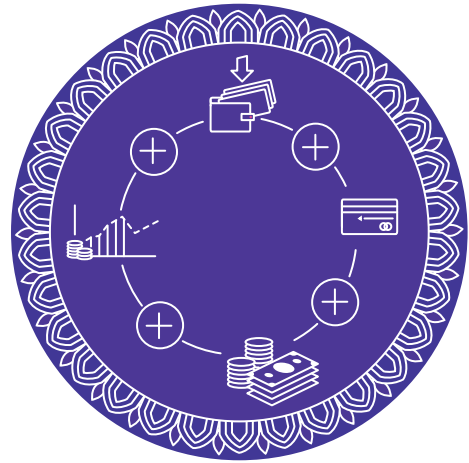
Age (%)



Male vs. female

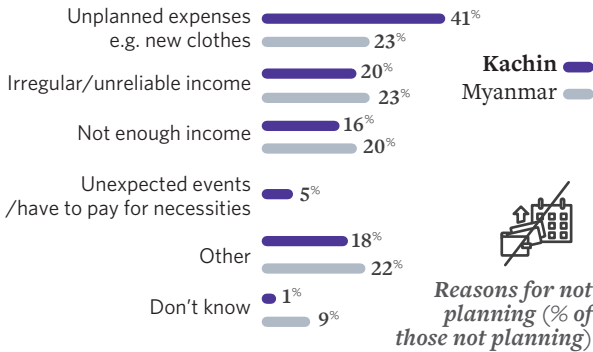
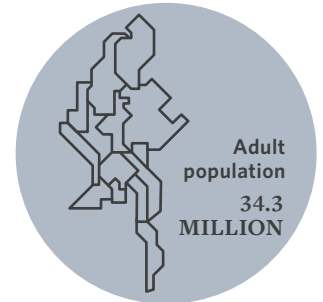
Myanmar

KACHIN



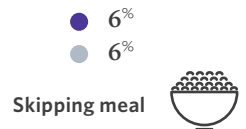
Kachin ■
Myanmar ■

Agreeing with statement (%)

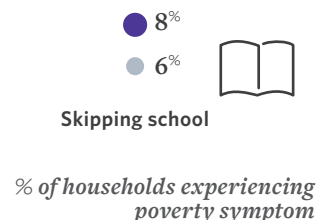
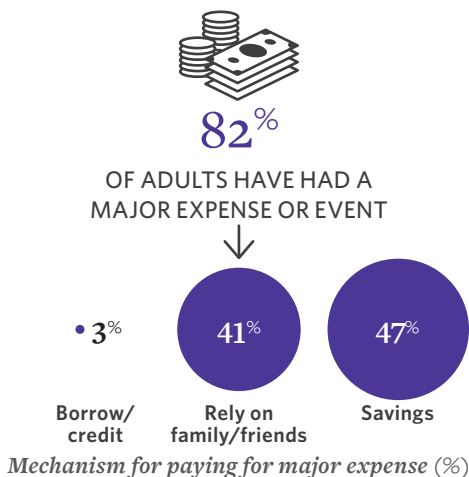
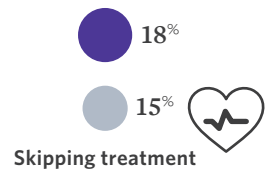


62%

OF KACHIN ADULTS HAVE DEPLETED HOUSEHOLD FUNDS FOR FOOD AND OTHER CRITICAL LIVING NEEDS BEFORE THEIR NEXT INCOME



Poverty symptoms reduced nationally between 2013 and 2018 (22% to 18%). Kachin citizens have a higher than national average prevalence of medical and educational symptoms due to a lack of money. Kachin households have a high incidence of poverty related symptoms.



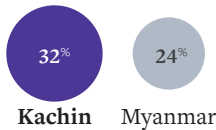
Financial Inclusion

FinScope measures the perceived ownership/usage of financial products. If an adult (18 years or older) believes to currently have or use a product or service from an institution (e.g. MADB) or family/friend, the individual is classified as accessing financial services, either formally or informally. This classification may deviate from supply-side information (on formal product reporting) as one adult may have multiple products with similar institutions (e.g. savings account with two banks). FinScope only counts this adult once although having multiple products in the access strand. The 'banked' category has precedence over other formal channels which has precedence over informal channels. Hence, Finscope and supply-side may differ when reporting on adult perceptions versus accounts in the corresponding supply side analysis.

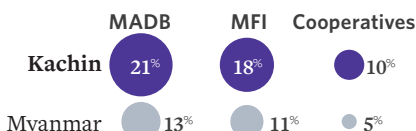
Overall, 48% of Myanmar adults are formally served while 50% are informally served. 44% of Kachin adults are formally served with 51% of adults being served informally. Kachin state has 32% of its households with a formal account compared to 24% nationally – being 8 percentage points higher than the national average.



One household one account (%)



Kachin adult product ownership or usage is largely driven by the MADB (21%), MFIs (18%) and the cooperatives (10%). Other formal (non-bank) credit drives formal credit product uptake. No formal insurance uptake.



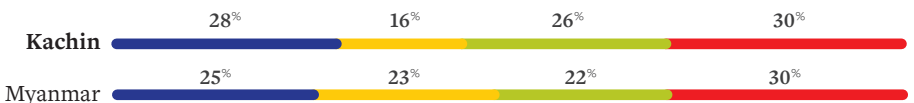
Penetration levels - formal product up-take (%)

	Focus	Regulated/unregulated	Uptake	Main Financial Product	Main Provider(s)
Access		Formal	44%	Credit, payments	MADB, MFI, cooperatives, banks
		Informal	51%	Savings	Savings groups, jewellery, livestock
Depth		Formal	22%	Savings, credit	MADB, MFI, cooperatives
		Informal only	26%	Savings	Savings groups, jewellery, livestock
Area		Formal	38%	Payments	Bank
		Informal	48%	Savings	Savings groups, jewellery
		Formal	47%	Credit	MADB, MFI
		Informal	52%	Savings	Savings groups, jewellery, livestock
Gender		Formal	46%	Payments	Bank
		Informal	45%	Savings	Savings groups, jewellery, livestock
		Formal	41%	Credit	MADB, MFI
		Informal	56%	Savings	Savings groups, jewellery

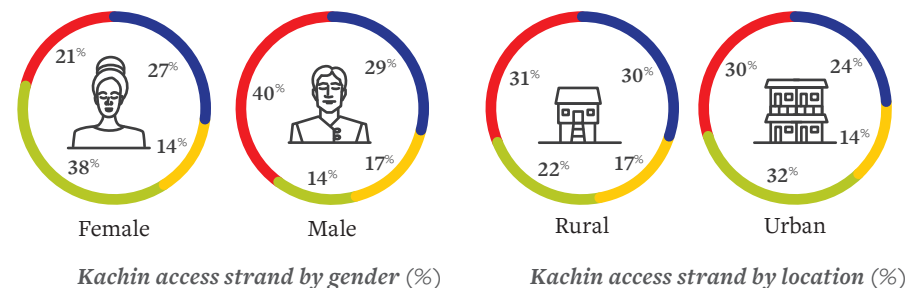
Overview of financial access (%)

Financial access (overall)

Bank access is higher in Kachin although other formal (non-bank) product uptake is lower. Low economic activity, stability, remote financial access points and general perceptions of financial services contribute to lower than average formal financial inclusion compared to national averages.



Financial access strand (%)



Kachin access strand by gender (%)

Kachin access strand by location (%)



MEDICAL EXPENSES

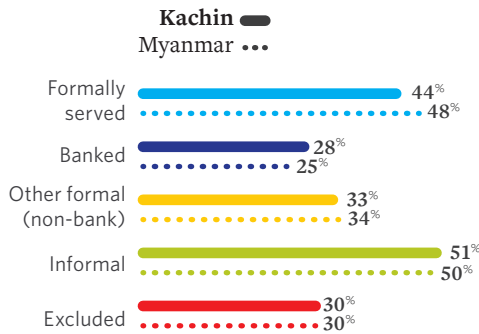


LIVING EXPENSES



EDUCATION EXPENSES

Kachin adults use different financial mechanisms (both formal and informal), ranging from borrowing and pawning of goods to saving and investing, to meet their top three needs which are medical, living, and education expenses.

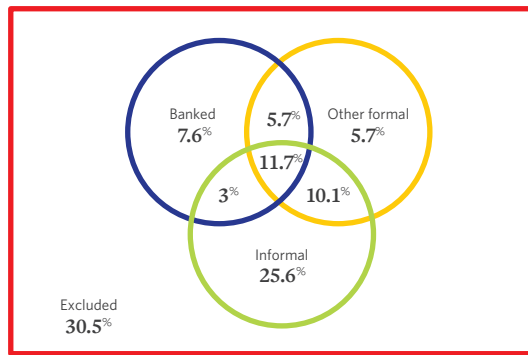


Financial access overall (with overlaps) (%)

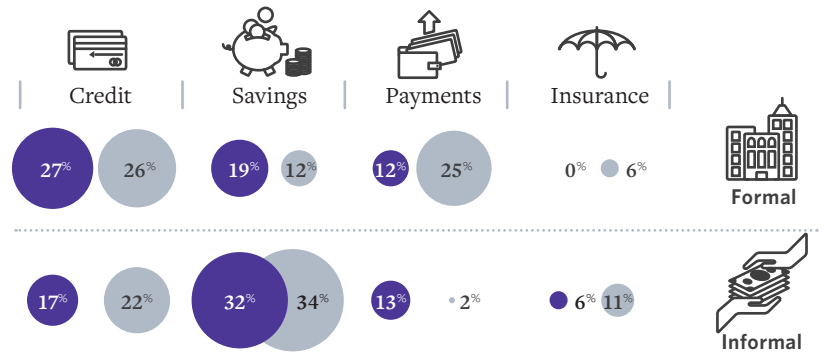
Formal vs. informal usage of financial products

Kachin adults have a high use of informal products with savings informal being the most popular. Credit transactions mainly use formal mechanisms.

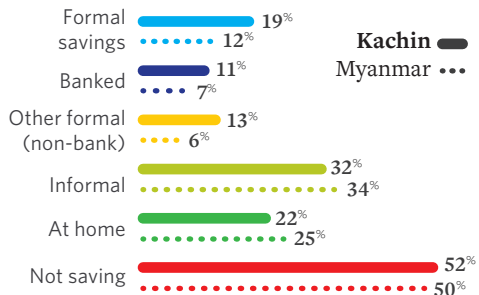
Informal credit comprises mostly of current borrowing from money lenders, employers and getting goods in advance from shop/store. Informal insurance largely comprises community based groups or solidarity systems and funeral or burial societies referred to as Nar yay athin. Informal savings comprises village savings groups such as Su Jay or Su-mae, savings in livestock and jewellery.



Cross-use between bank products and services, other formal (non-bank) and informal products



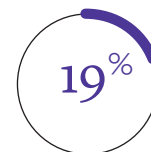
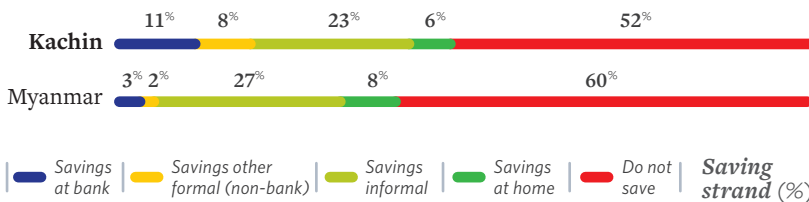
Formal (regulated) vs. informal usage of financial products (%)



Savings overall (with overlaps) (%)

Savings and Investments

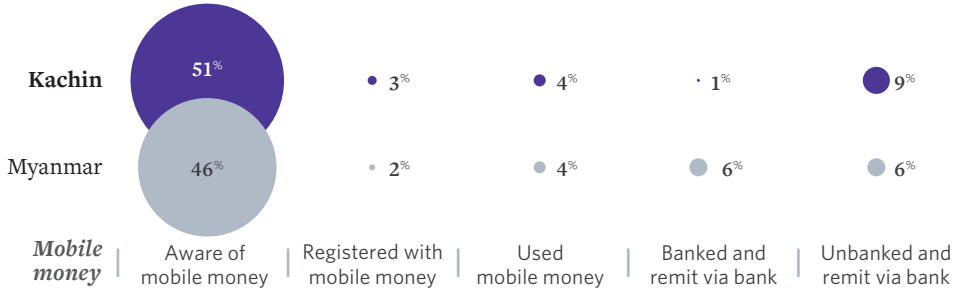
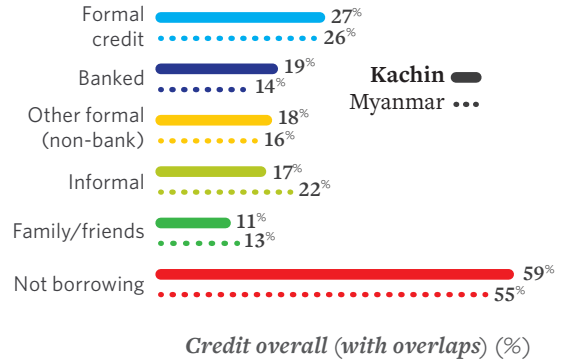
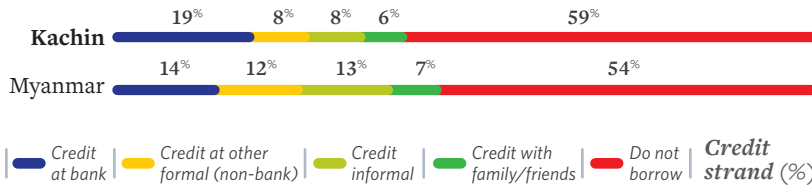
A significant proportion of Kachin adults save through informal mechanisms (32%) compared to a slightly higher national average of 34%. The higher proportion of those that do not save in Kachin may be due to lower incomes and higher prevalence of adults experiencing poverty related symptoms caused by a lack of money.



OF KACHIN ADULTS CLAIM TO BELONG TO INFORMAL SAVINGS GROUPS.

Borrowing and Credit

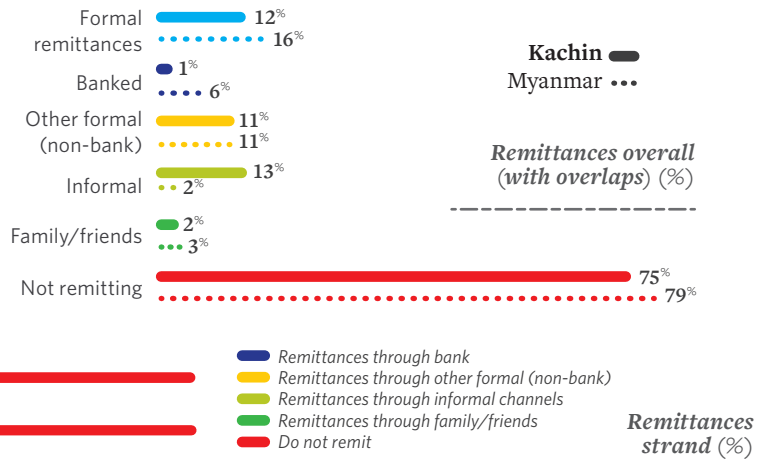
Borrowing from bank (mainly driven by MADB) and other formal (non-bank) (27%) drives credit compared to 26% nationally.



Mobile money awareness in Kachin is slightly higher at 51% of adults while nationally it stands at 46%.

Remittances and mobile money

Bank remittances - both banked and unbanked users (over the counter) - constitute one of the two main drivers of formal remittances.



Insurance and risk management

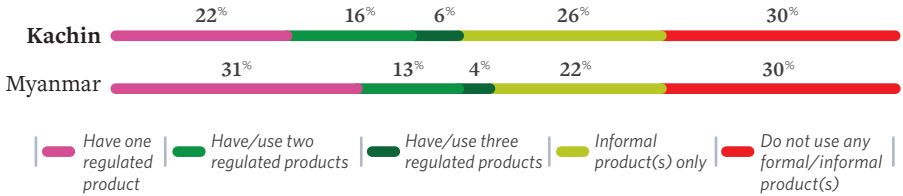
The most common income security risks encountered by Kachin adults in the past 12 months were major illness (17%) and natural disasters or crop failure (14%). The main coping mechanisms for both risks is using formal account savings, cutting down expenses, pawning goods and borrowing money.



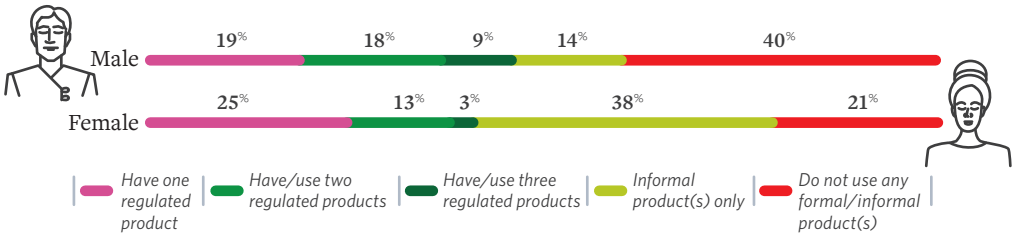
Formal insurance is largely driven by social security benefit while informal insurance is largely driven by informal funeral funds and solidarity systems.

Product Depth Strand

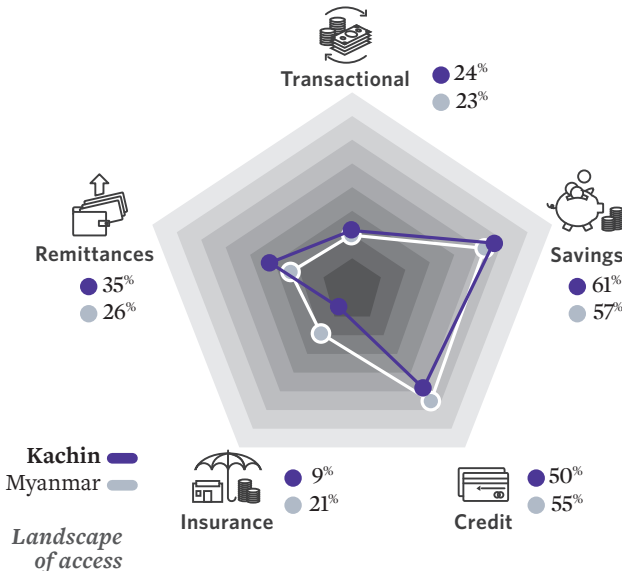
The product depth strand classifies adults with their current number of different regulated (formal) products across the four main categories of credit, savings, payments (transactions and remittances), and insurance. The last two tiers are those only using informal (unregulated) products and the excluded (those that do not have/use any financial product/service).



Product depth strand (%)



Kachin product depth strand by gender (%)



Landscape of Access

The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/saving in secret place). The population here would include those formally included as well informally included.

Key findings

- » Kachin has lower than national average formal financial access in 2018 at 44% compared to 48%. Formal financial access is driven mainly by MADB credit (21%), in line with the national average, MFIs, and formal remittance channels.
 - » Kachin has a similar national average uptake of informal financial products (51% versus 50%) largely driven by borrowing from money lenders, village savings groups and informal funeral funds/solidarity systems.
 - » Kachin has a higher proportion of adults (26%) dependent only on informal mechanisms as compared to the national average (22%)
 - » Most adults only use one formal product (26%) with less using two or three regulated products (18%).
 - » The proportion of households with one account is at 32% for Kachin which is eight percentage points than the national average of 24%.
 - » Urban adults in Kachin are less formally included at 38% while rural adults are at 47%. Urban adults that are informally served sit at 32% while rural adults sit at 22% indicating higher urban dependency on the informal services alone.
 - » Over half of adults are aware of mobile money but with insignificant uptake.
-

Note to Reader: *The data displayed depicts the understanding, perceptions and responses to questions of the surveyed adult population asked by well-trained enumerators. The dashboard reflects the demand-side data on financial inclusion for understanding consumer perceptions and behaviour. Disparities emerging between the FinScope findings and supply-side are due to measurement differences, duplication, literacy, awareness, etc. Some of these disparities are explored for follow-up investigation in the MAP Diagnostic Report. Some graphs are not meant to be added due to multiple mention/overlaps. Some of the numbers in the graphics may add to less or more than 100% due to rounding off.*

