

Financial Inclusion through Digital Financial Services and Branchless Banking: Inclusiveness, Challenges and Opportunities

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Abstract

The initiative to enhance financial inclusion in Indonesia has been done through Financial Digital Service (LKD) by Bank Indonesia (BI) and Smart Act Branchless Banking Service for Financial Inclusion (*Laku Pandai*) by Financial Services Authority (OJK). There are several factors contributing to the success of both programs. One of the most important factors is the quality of the agents in charge. In order to monitor the development progress of financial inclusion brought by both programs, LPEM FEBUI conducted preliminary research through financial service agent field survey in West Nusa Tenggara and Aceh. The programs inclusiveness, challenges faced by agents, and opportunity for service expansions are three components assessed in the study. The results depicted that, despite the leap in the number of agents, both programs so far serve mainly as complimentary service. It is also found that, although agents find sufficient profitability and sustainability, there are still notable challenges in infrastructure, funding, and technical capability which need to be addressed. Such results recommend regulator, especially BI and OJK, to put more attention on the establishment of information and training center for their agents and enhancement on digital inclusion as well as electricity coverage.

JEL Classification: G28; G21

Keywords

Financial Inclusion — LKD — *Laku Pandai* — Digital Inclusion

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1. Introduction

The benefits of financial inclusion are not only significant for individuals, but for economies as well. There have been numerous studies confirming positive impact of financial inclusion, including promoting economic growth [1][2], raising individuals' income [3], and reducing inequality [4]. It is also expected that financial inclusion provides greater opportunities to enhance financial stability [5]. Therefore, basic financial services should be provided for all sections of society.

As countries prioritize inclusive growth and development in their policy agendas, attention on financial inclusion

has been rising globally, especially in Asia developing countries [6]. Among the initiatives are the establishment of Asia Pacific Forum on Financial Inclusion under the Asia-Pacific Economic Forum (APEC) Finance Minister's Process and the mutual commitment of Association of Southeast Asian Nations (ASEAN) in anchoring promotion of financial literacy, among other agendas, to support the pillar of Equitable Economic Development framework. Despite such efforts has started widely, financial inclusion in developing countries remains challenging.

As the proportion of people with access to financial services varies widely across countries, disparities of financial inclusion persevere. Although there have been pilot programs in the past to spur microfinance, 6% of the world's unbanked population is located in Indonesia with only India and China have more proportion of world's unbanked population [7]. Comparing to its peers in the region, Indonesia has the lowest percentage of people above age 15 who has a bank account (Figure 1). Furthermore, such disparity can even be larger when access to financial services is examined within segments in a country [6].

The work in advancing financial inclusion in Indonesia was initiated through, Digital Financial Services (LKD) and *Laku Pandai*¹. Crucial to their effort is comprehensive data which can be valuable source in evaluating progress,

¹LKD, established in 2013 by Bank Indonesia, performs financial services through non-physical office such as mobile/web based technology and third party agent. *Laku Pandai*, established in 2015 by Financial Services of Authority of Indonesia.

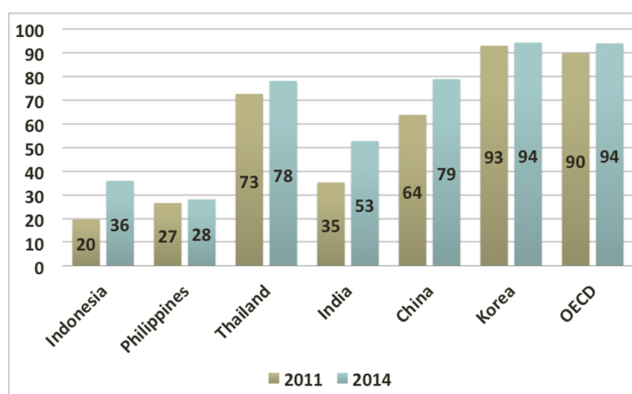


Figure 1. Account at A Financial Institution (percent of population above age 15)
Source: World Bank Findex

listing priorities, and constructing evidence-based policies. Among ASEAN countries, Malaysia, Thailand, and Philippines shown their concern on the importance of data collection by conducting national survey on financial inclusion in micro level, although surveys were mostly conducted on users alone instead of coupled with agents survey². Meanwhile, at present in Indonesia, the available data coming from financial service providers and the authority are insufficient to provide the complete picture of financial inclusion progress.

As there is currently limited study on LKD and *Laku Pandai* inclusivity and minimum understanding about the challenges and opportunity experienced by both agents and users, LPEM FEB UI conducted a preliminary research in financial inclusion through LKD and *Laku Pandai*. The purpose of this research is to assess inclusivity of the program, including access to, usage of, and quality of both LKD and *Laku Pandai* services as well as challenges faced by agents and opportunities for agent network expansion.

2. Background

In the past few years, the Government of Indonesia (GOI) has launched several regulations and programs to improve financial inclusion. Bank Indonesia and Financial Services Authority (OJK) have issued regulation on digital financial services, electronic money, and branchless banking (*Laku Pandai*), respectively. Bank Indonesia's regulation regarding electronic money was first introduced in 2009 through Bank Indonesia Regulation Number 11/12/PBI/2009 while agent-related regulation was included in the Bank Indonesia Regulation Number 16/8/PBI/2014 Concerning Amendment of Bank Indonesia Regulation Number 11/12/PBI/2009. The regulation only allows banks with more than IDR 30 trillion capital (BUKU IV) to partner with informal, unregistered entities, such as stall, as agents. Meanwhile, smaller banks and MNO can only hire registered legal entities.

In September 2016, Bank Indonesia published Bank Indonesia Regulation Number 18/17/PBI/2016 Concerning Second Amendment of Bank Indonesia Regulation Number 11/12/PBI/2009 to ease the agent-related specification.

²They include National Baseline Survey on Financial Inclusion (Philippines), Financial Access Survey of Thai Household (Thailand), Financial Inclusion Demand Side Survey and Financial Inclusion Supply Side Survey (Malaysia).

Presently, banks that have capital more than IDR 5 trillion (BUKU III and BUKU IV) are allowed to partner with individual or unregistered entities as their agents. In addition, the maximum allowed balance for registered user is now IDR 10 million from previously IDR 5 million while the maximum allowed balance for unregistered user remains at IDR 1 million.

Moving on to *Laku Pandai*, OJK initiated "*Laku Pandai*" program that aims to provide basic saving account for all Indonesian citizens. Banks are supported by individual and institutional agents that can deliver several financial services. Other usage of *Laku Pandai* is direct payment of government benefits, which is the Welfare Family Savings Program (PSKS). The GOI distributes the benefits through a non-cash account so that the receivers are easily identified and the fund is received by the intended beneficiaries.

As a result, financial inclusion status in Indonesia showed progress. The population who has access to financial services increases to 36% in 2014 from 20% in 2011 [8]. The number of agents doubled from about 69,000 agents in 2015 to around 122,000 agents in 2016. According to Bank Indonesia, the volume of transaction of e-money increases from around 530 million transactions in 2015 to more than 680 million transactions in 2016, or 27.6% increase. The value of transaction of e-money also increases by 33.7% from IDR 5.3 trillion in 2015 to IDR 7.0 trillion in 2016. Therefore the increase in number of agents is not followed by the increase in transaction at the same rate. Also, the number of accounts registered through LKD agents only rise from 1.15 million account in 2015 to 1.24 million in 2016 [9]. In addition, only 8% of the citizen who knew about LKD provider and only 0.4% of the population above 15 who has digital financial account [10]. Similar case also appears in *Laku Pandai*. Although the number of *Laku Pandai* agents increased significantly from 60,000 agents in 2015 to 160,000 agents in 2016, the number of outstanding accounts demonstrated lower increase from 1.2 million account in 2015 to 1.9 million accounts in 2016 [11]. This indicates that increase in the number of agents does not translate into increase in financial services inclusion (increase in LKD and *Laku Pandai* user).

This preliminary survey aims to shed some lights on potential problems that might hinder financial service inclusion despite high rate of growth in number of LKD and *Laku Pandai* agents. We also aims to explore challenges faced by

agents that potentially affect their effectiveness. Last, the objective of this survey is to investigate the potentials for agent network expansion through recruiting more grocery stores and cellphone prepaid credit stores owners.

3. Methodology

To answer our research objectives, four districts in two provinces were selected as survey locations using secondary data from SUSENAS and PODES because there was almost no data available on LKD and *Laku Pandai* agents during our survey preparation period with the exception of data on BTPN's *Laku Pandai* agents. Two provinces, Nanggroe Aceh Darussalam (NAD) and Nusa Tenggara Barat (NTB), were selected based on four supply-side indicators (wide electricity coverage, strong signal, and good internet access) and one demand-side indicator (low number of ATM). Low number of ATM indicates low number of financial institution in the area, which means that it is an opportunity for financial institution to expand their services in the area. The same indicators were used in order to select two districts in each province taking into account division between urban and rural area. Lhokseumawe City and Aceh Utara Regency in NAD and Lombok Utara and Lombok Timur Regencies in NTB were selected in our study. Figure 2 below depicts the basic information of the selected districts. Then, two to four sub-districts in each selected district were selected using the same method.

We targeted grocery stores and agen pulsa (cellphone prepaid credit stores) owners as our agent survey respondents. Some of those storeowners were LKD or *Laku Pandai* agents and some were not. Chart 2 below shows our agent survey sampling design for each sub-district. We do not include convenience store, such as Indomaret and Alfamart, as our respondent because the survey includes questions about capital, business practice, and agent, which could only be answered by owner and may not be answered by the staff. In addition, three users from each agent surveyed were also interviewed in this study. In the end, this study surveyed 246 business owners (154 agents and 92 non-agents) and 444 users (230 LKD users and 214 *Laku Pandai* users).

4. Results

We interviewed 154 agents and 92 non-agents in our survey. Out of 154 agents, 60 of which or 24% of total agents and non-agents were LKD agents and 94 of which or 37% of total agents and non-agents were *Laku Pandai* agents.

Table 1. Respondent Type (Agent)

Agent	Number	Percent
LKD	60	24%
<i>Laku Pandai</i>	94	38%
Non-agen	92	37%
Total	246	100%

Source: LPEM FEB UI (2017)

For LKD agents, almost 50% of them are grocery store owners, while 27% of them are agen pulsa and 25% of them are others. On the other hand, about 41% of *Laku Pandai* agents were grocery store and almost 40% of *Laku Pandai*

agents interviewed were agen pulsa. Lastly, above 70% of non-agents consist of grocery store and agen pulsa.

Table 2. Break Down of Respondent Type (Agent)

Agent	Percentage			Total
	Grocery Store	Agen Pulsa	Others*	
LKD	48.33%	26.67%	25.00%	100%
<i>Laku Pandai</i>	41.49%	39.36%	19.15%	100%
Non-agent	70.65%	22.83%	6.52%	100%
Total	54.07%	30.08%	15.85%	100%

Source: LPEM FEB UI (2017);

Note: (*) Others include: clothing store (4), coffee shop (3), cellular shop (3), knitting/convection business (3), jewelry shop (3).

4.1 Inclusiveness

4.1.1 Accessibility

Based on the information depicted on Table 3 we can see that LKD agents are dominated by three banks: BRI, Bank Mandiri, and BNI, which consist of 34 agents, 22 agents, and 4 agents, respectively. BTPN dominates *Laku Pandai* agents with 66 agents³. We also found other banks for *Laku Pandai* agents, such as BRI, BNI, Bank Mandiri, and BJB. We did not find any grocery store owners or agen pulsa who acted as MNO agent in our survey area, except convenience store (Indomaret and Alfamart), which is not our target respondent.

Table 3. Break Down of Respondent Type (Agent)

Partner	LKD	<i>Laku Pandai</i>
Bank Mandiri	22	3
BRI	34	19
BNI	4	5
BTPN*		66
BJB		1
MNO	-	

Source: LPEM FEB UI (2017)

The majority of agents are individual agents, 45 of LKD agents and 88 of *Laku Pandai* agents are individuals. There is small ratio of Usaha dagang (UD), commanditaire vennootschap (CV), and cooperative who act as LKD and *Laku Pandai* agents (Table 4). However, we did not find registered legal entity agent (PT).

Many agents are still located relatively close to Banks. Information on Table 5 shows that on average; agents are located within 2.31 km or 17 minutes from the nearest bank. The average cost incurred for agent to go to the nearest bank is IDR 6,350. Looking more closely, half of the agents are located less than 1 km from the nearest bank. This indicates that bank experienced challenges in hiring agents located farther from their location. Whereas, one of the objectives of financial inclusion in Indonesia is to provide financial services to people who are located in remote areas not yet reached by banks [14]. We found similar results regarding agent distance to ATM. On average, agents are located within 2.28 km or 15 minutes from the nearest ATM. The average cost incurred for agent to go to the nearest ATM is IDR 6,292. On the other hand, the average distance from

³We took information regarding number of BTPN *Laku Pandai* agents in the district into account while we determined our survey area. Therefore this information regarding bank composition should be treated with caution.

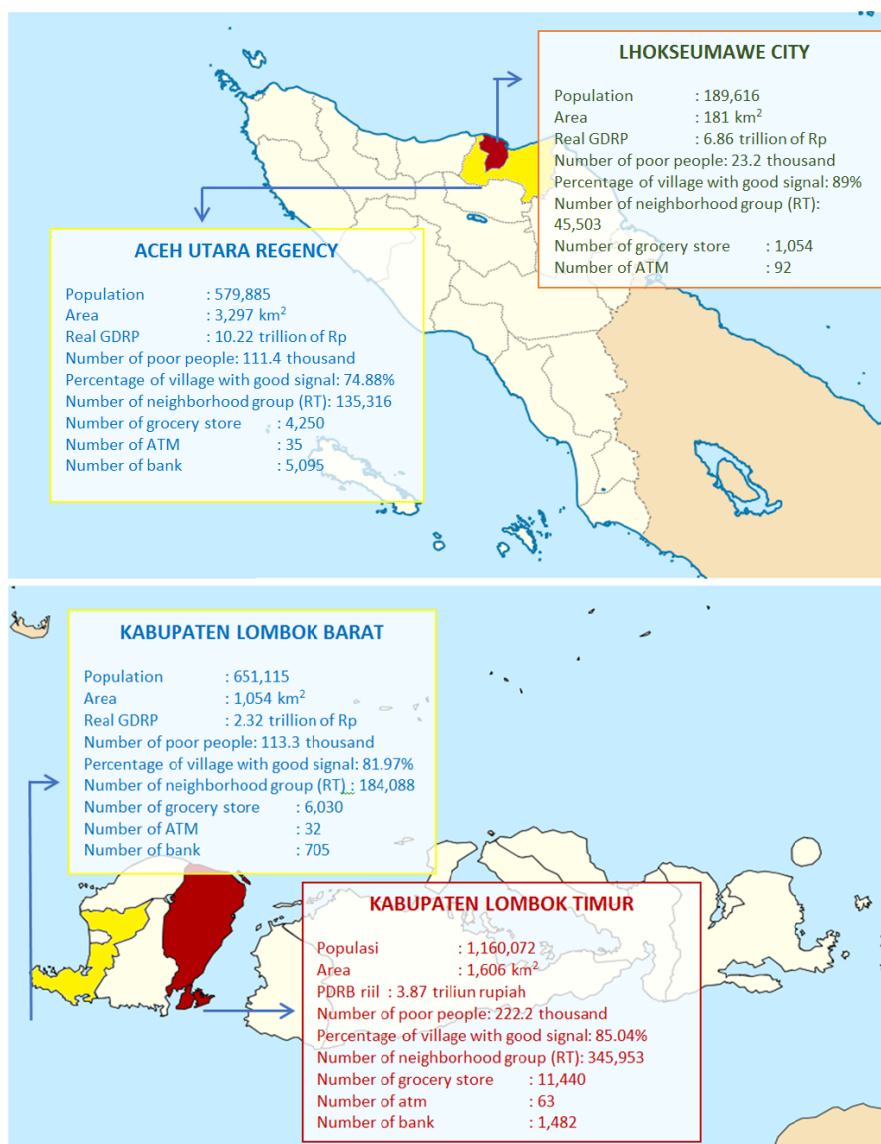


Figure 2. Basic Information of Survey Area
 Source: SUSENAS 2015[12] and PODES 2014[13]

agents' location to the nearest partner's agency services is 6.08 km or 26 minutes, higher than to the bank or ATM. The cost to reach the nearest partner's agency services is also higher, which is IDR 11,327. This means, agents need to travel considerable distance and spent considerable amount of money when they need to visit their partner bank/agency to solve their problems. Most of the remainder agents take up one hour of travel to reach their partner and 5% of the agents requires up to two hours.

One of the financial inclusion goals is to bring agent closer to user [14]. *Laku Pandai* user stated that agent location is closer to them than Bank/ATM while LKD user claimed the opposite. Table 6 shows that on average, the distance between user and *Laku Pandai* agent is 1.49 km while the distance between user and ATM is 2.41 km. Meanwhile, the average distance between user and LKD agent and between user and ATM are more than 2 km.

In comparison with Thailand, Village Funds and Specialized Financial Inclusion (SFI) have reduced distance barriers, approximately 60% of the population access a bank branch and ATM in less than 30 minutes [6]. Meanwhile

in Philippines on the average, it takes 21 minutes to go to the nearest financial access point, 26 minutes to reach bank, and 22 minutes for ATM [15].

Table 7 shows that most of the users already have a bank account. In fact, more than 90% of LKD and *Laku Pandai* users already have a bank account. This is not surprising as agents are located relatively close to the banks

Table 8 shows, around 93% of the LKD and *Laku Pandai* users interviewed stated that they also use ATM/Bank service the month before the interviews took place. Moreover, 47.92% of them use ATM/Bank service the week before the interviews. Therefore, for most LKD and *Laku Pandai* users, LKD and *Laku Pandai* services are complementary to services provided by banks and not substitute. Services are provided to people who are already serviced by banks.

Although most of users already have a bank account, about 7% of them have income less than IDR 1 million (Figure 4). Financial inclusion program target the poor and near poor which do not have access to financial services and live in remote area [16]. As a reference, a household is categorized as poor in NAD if their spending is less than

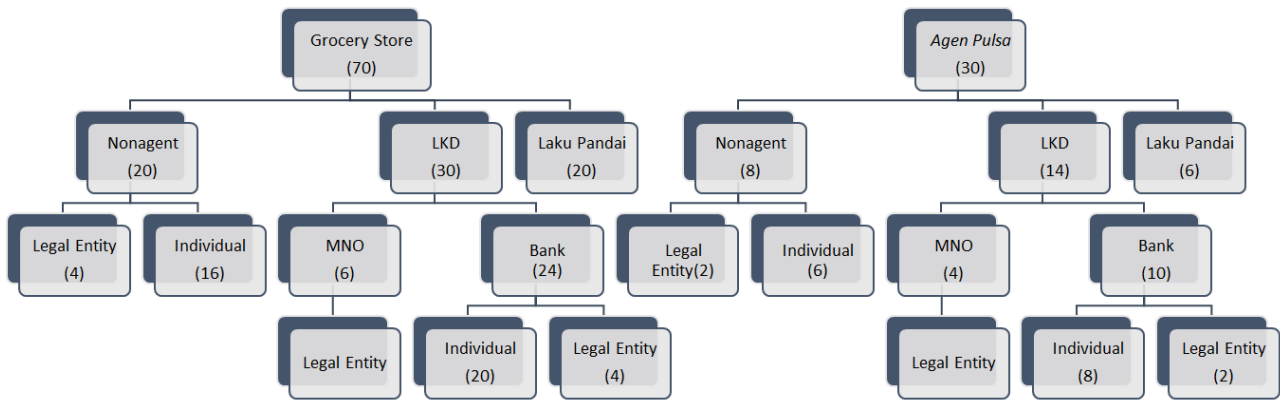


Figure 3. Design Sampling for Each Sub-District
Source: LPEM FEB UI (2017)

Table 4. Registered and Legal Entity Agent

	CV	PT	Cooperative	Individual Agent	Others (UD)
LKD	4	0	4	45	7
Laku Pandai	1	0	0	88	5

Source: LPEM FEB UI (2017)

430 thousand IDR and in NTB if their spending is less than 350 thousand IDR [12]. This indicates that LKD and *Laku Pandai* are not inclusive enough (still have not target unbanked people) and is still an additional service by banks. Similar problem also happened in Thailand where the majority of those who could not access any financial service were households from lowest to low income categories, households from non-urban area [17]. Meanwhile in Philippines, the percentage of people who have experienced service from a financial institution decrease with levels of income and education [15].

4.1.2 Usage

The majority of users use LKD for payment and *Laku Pandai* for basic financial services. About 83% of LKD agents claim that the most frequent transaction is payment (Table 9). Other type of transactions used includes opening an account, top up balances, transfer, withdrawal, and saving. This is in line with [18] and [19] studies. This condition also resembles with Philippines in which for those who are aware of access points, majority (71%) have transacted with payment centers, remittance agents (58.6%) and pawnshops (51.6%) [15].

On the other hand, *Laku Pandai* agents stated that saving and transfer are the most frequent transactions (Table 10). New finding from our study indicates that the number of users opening an account is increasing; whereas the previous studies claimed that top up were the most frequent transaction. About 20% of *Laku Pandai* agents say that opening an account is one of the most frequent transactions, while only 7% of LKD agents claim that opening an account is one of the most frequent transactions. This indicates that *Laku Pandai* boosts financial inclusion while LKD spur noncash transaction.

Nevertheless, the fact that the use of the services for credit/loan and saving remained low may indicate that LKD and *Laku Pandai* have not yet led the financial inclusion initiative to meet its optimal potency. In China, with the

endorsement by the State Council, the commercial banks in rural area provide, additional to saving and remittance, adequate amount of loan to farmer and Micro and Small Enterprise (MSE) which contribute greatly to the economic development of the region [6]. In India such agenda was even more ambitious as it set the goal to increase the credit-to-GDP ratio to 10% by 2016 and 50% by 2020.

4.1.3 Quality

Our survey found that users were quite satisfied with agent’s services. Table 11 shows that 94% of users expressed satisfaction on agent’s services and almost all users stated that they never experienced any problem during transaction. Registered users reported lower rate of transaction failure experienced compared to unregistered users. This satisfaction level status is better compared to status in other countries such as Bangladesh, Pakistan, India, and several other African countries based on study by Intermedia, in 2015.

Out of the users who have experienced transaction failures, 60.6% complains (3.6% out of total users) by those users stated slow transaction process and only 18.18% of the users (1.08% out of total users) claims that the fund they transfer is pending/not delivered. Slow transaction process (network issue) and agent liquidity are also the biggest problem in other countries. Pending fund transfer fund should be investigated further.

4.2 Challenges

Agent often experience problems related to signal, liquidity, and equipment. The majority of agents, particularly *Laku Pandai* agents, mention that signal is still the biggest challenge followed by liquidity (Table 13). On average, *Laku Pandai* agent has two third as much available cash for transaction as LKD agent. 9–10% of LKD and *Laku Pandai* agents experience problems in equipment (mobile phone, computer, reader machine). This shows that *Laku Pandai* agent experiences more problems than LKD agents, sup-

Table 5. Distance from Agent Location to Nearest Bank/ATM/Partner

Criteria	Distance (km)			Time (minutes)			Cost (Rupiah)		
	min	avg	max	min	avg	max	min	avg	max
Nearest bank	0.003	2.31	16	0.72	16.65	114	0	6,35	30
Nearest ATM	0.01	2.28	20	0.18	15.24	114	0	6,292	30
Nearest partner’s agency services	0.15	6.08	35	1.98	26.27	180	1	11,327	50

Source: LPEM FEB UI (2017)

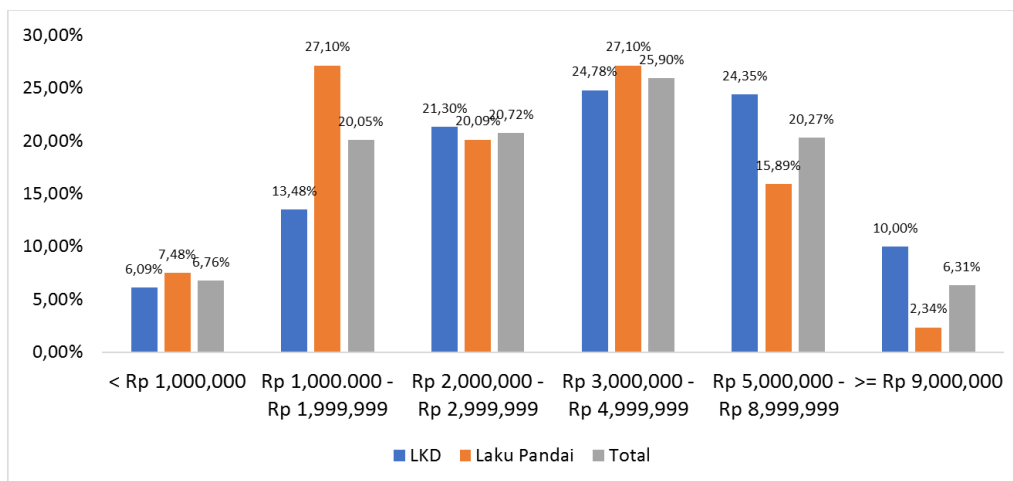


Figure 4. Monthly Income of Users

Source: LPEM FEB UI (2017)

pose because *Laku Pandai* agent is more remote, located farther from a bank.

Despite considerable progress, according to Asian Development Bank Institute (ADB) [6] study, other countries also face some burdens in a broader view. Thailand reported handful but significant issue on regulations for non-state microfinance providers. In both India and China, the challenges exist in financial literacy and financial infrastructure. Besides, India bears obstacle on business financial access for MSMEs while China lacks of financial innovation. In the Philippines, one key challenge is the relatively low use of financial services in the country, particularly caused by lack of financial capability.

4.3 Opportunity

Being an agent has positive impact for main business and agents still have room for growth. More than 80% of the agents claim than income from being agent met their expectation (Table 14). This figure is higher than data in other countries, such as India and Zambia, but slightly lower than in Pakistan [20][21].

Moreover, 50% of the agents expressed being agent has positive impact for their main business and there is no agent who says that being agent has negative impact (Table 15 and 16). Most of the agents also say that their agency business is growing. This indicates that agent find sufficient profitability and sustainability, which support LKD and *Laku Pandai* agent expansion.

There is high potential for non-agent grocery shops or agen pulsa to be recruited as LKD or *Laku Pandai* agent. Businesses that are not LKD or *Laku Pandai* agent have the same characteristic as businesses that are already an LKD or *Laku Pandai* agent, mainly in terms of finance/sales and accounting. However, their most obvious lack compared to LKD and *Laku Pandai* agents is in financial literacy (Table

17).

This indicates that there is a learning process, mainly in financial literacy, for business owners who become LKD or *Laku Pandai* agent. Meanwhile, we found that there are still some *Laku Pandai* agents who do not practice bookkeeping. This is not in accordance with OJK regulation on agent requirement.

We found that the main reasons why businesses (individuals) have not become an agent was because of lack of information and expertise. This is in line with Nethope and Intermedia result, which found only 6–8% of people they interviewed knew about LKD provider and only 2.8% of them understand about LKD. Apart from that, businesses also consider capital as their challenge in becoming an agent. Also, most owners of business entity (PT, UD, CV, and cooperative) expressed they have no time to be an agent (Table 18).

5. Conclusions

LPEM FEB UI conducted a preliminary study on Access to Digital Financial Services and Branchless Banking that aims to assess the inclusion of Digital Financial Services (DFS) and Branchless Banking as well as the potentials for expansions and challenges faced by DFS agents as a result of the evolution of DFS and Branchless Banking regulations in Indonesia. The survey was conducted in Nanggroe Aceh Darussalam and Nusa Tenggara Barat at the end of 2016.

The study concludes that, *first*, despite the leap in the number of DFS and Branchless Banking agents, DFS and Branchless Banking so far have only limited inclusion function and serve mainly as complimentary service for people who already have a bank account. DFS agents are located near banks and around 90% of DFS and Branchless Banking

users already own a bank account and are actively using financial services provided by banks. Also, most of the users are not categorized as poor people. Moreover, although DFS and Branchless Banking provide variety of service, the usage is concentrated on opening account saving for Branchless Banking and payment for DFS. Nevertheless, there is high satisfaction experienced by users regarding services provided by agents.

Second, there are still challenges in infrastructure, funding, and technical capability faced by DFS and Branchless Banking agents that need to be solved. Infrastructure such as signal quality and funding are the main challenges reported by agents. More branchless banking agents (*Laku Pandai*) experienced those problems compared to DFS (LKD) agents.

Third, agents find sufficient profitability and sustainability as majority of them reported satisfaction with the earnings they received as agents and positive impact of agent service to their main business. There are potentials to recruit more business entities and individuals as agents and expand DFS and Branchless Banking to unbanked section of society. However, more investments in awareness effort, education, training, and monitoring are needed. Also, there are different barriers for individuals and business entities in becoming agents. Efforts to recruit them and to promote financial inclusion must consider these differences.

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Table 6. User's Distance to Agent/ATM

User	Average Distance to	
	The Nearest Agent	The Nearest ATM
LKD	2.55 km	2.11 km
<i>Laku Pandai</i>	1.49 km	2.41 km

Source: LPEM FEB UI (2017)

Table 7. Bank Account Owner

Have A Bank Account	Financial Services		Total
	LKD	<i>Laku Pandai</i>	
Yes	94.35%	90.52%	92.57%
No, but used to have	3.48%	8.02%	5.63%
Never	2.17%	1.42%	1.80%
Total	100.00%	100.00%	100.00%

Source: LPEM FEB UI (2017)

Table 8. User Use of Bank/ATM Service

Use of Bank/ATM Service	Number	Percent
Last Week	184	47.92%
Last Month	175	45.57%
Longer than a month	25	6.51%
Total	384	100.00%

Table 9. Most Frequent LKD transaction

LKD Transaction	Number of Agent	Percentage
1. Open an account (registered)	4	6.67
2. Payment	50	83.33
3. Top-up balances into direct account	1	1.67
4. Top-up balances into indirect account	0	0.00
5. Transfer	2	3.33
6. Withdrawal	1	1.67
7. Saving	1	1.67
8. Credit/loan	0	0.00
9. Others	0	0.00
10. No answer	1	1.67

Source: LPEM FEB UI (2017)

Table 10. Most Frequent *Laku Pandai* transaction

Transaction	Number of Agent	Percentage
1. Open an account	19	20.21
2. Saving	31	32.98
3. Withdrawal	4	4.26
4. Transfer	20	21.3
5. Payment	15	15.96
6. Insurance	0	0.0
7. Credit/loan	1	1.06
8. No answer	4	4.26

Source: LPEM FEB UI (2017)

Table 11. Transaction Failure

LKD	Have Experienced Transaction Failure		Total
	Yes	No	
Registered	2.15%	97.85%	100.00%
Unregistered	9.89%	90.11%	100.00%
Total	5.98%	94.02%	100.00%

Source: LPEM FEB UI (2017)

Table 12. Type of Transaction Failure

Transaction	% User Experiencing Transaction Failure
Transfer is not delivered to recipient	18.18
Slow transaction	60.60
Funds cannot be cashed or less	0
Agent's money is less than needed	12.12
Limit exceeded	0
User's balance is less than needed	0
Others	0

Source: LPEM FEB UI (2017)

Table 13. Challenges

Challenge	% of Agents Experiencing Challenges	
	LKD	<i>Laku Pandai</i>
Poor signal	16.23%	35.06%
Inadequate equipment	9.74%	9.09%
Lack of expertise in conducting transaction	2.60%	6.49%
Cash available for transaction	11.04%	25.97%
Others	3.90%	10.39%

Source: LPEM FEB UI (2017)

Table 14. Expectation income of being Agent

AGENT	Does income from being agent meet your expectation?		TOTAL
	Yes	No	
	LKD	83.1%	
<i>Laku Pandai</i>	85.6%	14.4%	100.0%

Table 15. Impact of Agent Business to Main Business

Agent	Does being agent affect your main business?		Total
	Yes	No	
	LKD	57.63%	
<i>Laku Pandai</i>	45.65%	54.35%	100.00%
Total	50.33%	49.67%	100.00%

Source: LPEM FEB UI (2017)

Table 16. Positive Impact of Being Agent

Agent	Impact		Total
	Positive	Negative	
LKD	100.00%	-	100.00%
<i>Laku Pandai</i>	100.00%	-	100.00%
Total	100.00%	-	100.00%

Source: LPEM FEB UI (2017)

Table 17. Characteristics of Agent and Non-agent

Characteristics	LKD	<i>Laku Pandai</i>	Non-agent
Financial Literacy (% Literate)	83.33%	80.85%	67.39%
Year established (Median)	2012	2010	2010
Sales (average) (Rp)	87,922,857	10,101,563	52,021,839
Cash available for transaction (cash, average) (Rp)	6,051,754	4,072,903	6,607,857
Cash available for transaction (ATM, average) (Rp)	13,706,818	8,325,472	15,647,344
Book keeping (% of score 1)	85.00%	63.04%	70.00%

Source: LPEM FEB UI (2017)

Table 18. Fulfillment of Income Expectation from Being An Agent

Reasons Not Becoming Agent	CV	PT	Individual	UD
1. Not a legal entity	0	0	18	1
2. Have no time	1	1	19	8
3. Have no capital	0	0	28	7
4. Poor phone signal	0	0	1	0
5. Poor internet quality	0	0	1	2
6. Inadequate equipment	0	0	4	1
7. No user	0	0	10	4
8. Not profitable	0	0	15	3
9. Do not know	1	0	33	9
10. Lack of expertise	1	0	25	12
11. In the process and others	0	0	1	1
12. Others (not supported by family)	0	0	1	0
Total	1	1	70	20