



## Acceptance of New Standards for Financial Inclusion by Financial Service Providers in Bangladesh

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### ABSTRACT

This study looked at the readiness of investors to raise the post-COVID 19 year, using access to financial services as a consideration of their customer's financial expectations in the future. Standard of living in the financial expectations of their customer. A random sampling modeling method and a survey-based research method were also used in this study. A sample of the research methodology was also used in this study. A total of 110 respondents from the insurance, financial, and banking and non -banking sectors in Bangladesh participated in the survey and provided responses. Hypotheses were tested using descriptive and inferential data, with a threshold of significance of 5 percent considered significant. There has been a significant link between Bangladesh's socio-economic progress and the adoption of financial intermediation as a new norm in financial transactions, according to the findings. Public finance agencies and individuals are encouraged to create a conducive environment in developing financial technology as a driver of investment in Bangladesh's rapid growth, it is expected.

**Keywords:** Covid-19; Financial Inclusion; Financial Service Provider; Financial Transaction; Green Finance; New Standard.

## INTRODUCTION

Before COVID-19, several countries had already made significant progress toward the goal of financial inclusion. As a reminder, the idea of promoting financial inclusion is not a recent one. However, despite the pandemic's challenges, there are ways to boost economic development by embracing financial inclusion, with all its advantages and difficulties. According to Sahay et al. (2020), the COVID-19 pandemic has accelerated the development of financial technology, opening up new opportunities for financial investment. Despite its booming economy, Bangladesh has not bungled the reinvention of its banking sector. As the developed world's economies expand, so too will citizens' access to banking and other financial services. Fintech is well recognized for its ability to provide low-cost financial services to economically disadvantaged individuals, especially those living in rural regions (Nwanne, 2015; Biswas, Ahsan & Hasan, 2022). According to Adeyinka and Olugbamila (2015), the concept of financial inclusion first gained prominence in the early 2000s as a result of research highlighting the link between financial exclusions and poverty and slow economic development in developing nations. According to Fung et al. (2014), financial exclusion is the most significant barrier to economic development. In addition, the push for financial inclusion was reenergized so that business owners could get access to flexible and reasonably priced financial instruments designed to meet their needs in the wake of the COVID-19 epidemic.

It must be stressed that both politicians and academics were unaware of the impending pandemic. However, since the COVID-19 pandemic has emerged, it is more important than ever for developing nations to advocate for financial integration and their policies. Clients can afford them, they meet their needs, and they provide enough security. De et al. (2016) argued that giving individuals in rural areas access to financial services would boost economic activity, reduce poverty, and improve living standards. Irechuku (2000) looked at an earlier iteration of the conventional banking system and concluded that Fintech has a tendency to grow and bring innovation via digital solutions to solve gaps in traditional banking, which cannot make financial services accessible to crisis-affected persons. Bangladesh was included in the book COVID-19's notoriety for pouring economic blows to every nation. Therefore, this research focused on how emerging countries may be included into investment strategies for long-term economic growth and stability. According to Sahay et al. (2020), financial services are a technology that may generate new financial services-related business models, programs, processes, and/or products. Fintech and investing are topics that have seen some study before the spread of the COVID-19 virus. Evans and

Adeboye (2016) and Migap et al. (2015) wrote "Financial Inclusion for Inclusive Growth: The Nigerian Perspective" for the *Apelika* journal. Titled "Financial Inclusion for Inclusive Growth: The Nigerian Perspective," it examines the topic from the country's unique vantage point.

The model utilized in this investigation was similar to what was employed. However, weaknesses were formed since these studies lacked foreign factors, as was seen in the COVID-19 pandemic, affecting business decisions. Therefore, the gaps in this study arise from the fact that the COVID-19 delivered a new normal accidentally. This notion involves recognizing changes in standards and values that can be restored before a new age. It is the reality of the epidemic of COVID-19 across the whole world, and especially in Bangladesh. Bangladesh's recent financial inclusion criterion would reassess and admit many people in Bangladesh, small companies, and prospective entrepreneurs who have been and are currently excepted from financial services (Mohan 2006; Rasheed et al., 2021; Azim, Dey & Roy, 2021).

## **LITERATURE REVIEW**

For a country's growth to be sustainable, diverse resources must be exploited to meet the people's economic, social, and environmental demands. The standard of living should be increased from one generation to the next. According to Oluba (2008), the majority of elderly Nigerians living in rural areas do not use banks. This indicates that there are fewer commercial centers and public financial services than metropolitan areas. Furthermore, with over 100 million Bangladeshis, most of whom live in rural areas, financial services are in short supply. This vast South Asian country was severely affected by the vital safety measures adopted throughout the epidemic. The World Bank has said that the post-COVID-19 monetary policies will be amended and implemented as part of the new norm. According to Beck et al. (2007), Investment Is Crucial in Economic Growth. The fact that it is a tool or more for organizations and families to fulfill their financial responsibility at reasonable and appropriate costs supports this demand. Adeyinka and Olugbamila (2015) argue that the economic health of a country is determined by the performance of each sector.

The government was asked to establish clear policies. This review is necessary because we believe that COVID-19 disease has altered all subjects. During illness, physical access to places and buildings was restricted, and human contact was limited to prevent transmission. Financial services, according to Sahay et al (2020). According to Uwah and Akininyi (2020), consumers should choose based on the expected economic conditions.

Consequently, financial service providers were influenced in their financial returns by information economics/statistic decision theory during the epidemic. That was their customers. Therefore, it is necessary to positively disrupt the formal way of financial service delivery via digital access to and using these services. It may happen via mobile telephones and computers, and financial service providers must take on the issue to reduce an economic decline (Islam et al., 2017; Khalid & Sheerin, 2020). Financial inclusion may thus be regarded as a way to officially conduct financial transactions, giving payments and transfers of cash, savings, insurance services, and all the other activities economic operators can provide. According to Nwanne (2015), financial inclusion promotes financial growth, and neglecting to specify operations and ideas may underestimate or overestimate the predicted real benefit of an inclusive financial system. The notion of financial inclusion was introduced when the leading financial services providers became aware that a segment of a society composed of individuals and companies could not gain access to the relevant financial services (Nwanne 2015). If the coin is not financially inclusive, then financial exclusion becomes essential, according to Leyshon and Thrift (1995). In Bangladesh, the new standard for financial service providers in the post-COVID-19 period indicates that their customers should not be excluded in financial terms. The notion of financial exclusion first came formally up in 1993, according to Leyshon and Thrift (1995), when a group of geographers found in a study that physical banking was not accessible to a wide range of banks as a result of significant closures. In recent times, this scenario has been escalating as banks had to stop stores due to a pandemic, Uwah and Udoayang (2020) argue, and financial integration has gained boosts from suppliers of financial services to balance the economy. According to the International Monetary Fund (2020), during the COVID-19 pandemic, digital payments, including payment by mobile or online services, were widely employed in the pandemic by the customers of financial services providers. Digital financing and credit were also provided throughout the epidemic in an expanded dimension. Credit activities include the expansion of money by digital methods and digital loans through loans on the market, e-commerce loans, online bank loans, mobile loans, and peer-to-peer loans (IMF 2020). The authors are concerned about reporting issues since income management may resurface if the new financial reporting standard is not included. COVID-19 has affected human lives and services globally, according to various intellectuals and university researchers.

Singhraul and Batwe (2020). The situation in the post-COVID-19 period would either enhance or depress the international economy, according to either Singhraul or Batwe (2020). A country's Gross Domestic Product (GDP) may increase or decline to strangle or encourage

the economy based on how products and services are supplied. The trigger that would provide all economic agents access to essential financial services contributing to economic growth may be financial inclusion in line with Hannig and Jansen (2010). Effiong et al. (2020) think that every company wants to operate into the immediate future and maximize its shareholders' contributions and wealth.

Furthermore, a COVID-19 pandemic need financial innovations to avert serious systemic impacts worldwide. It's the standard, too. It is anticipated that international financial standards and financial regulators would standardize financial benchmarks to make financial inclusion possible (Hannig and Jansen 2010). Solutions (2008) said that if it were approved, more people and businesses may benefit from financial inclusion by having more access to and use of formal financial services in their interactions. Credit availability and supply would benefit society's economically disadvantaged members (Onaolapo 2015). Financing through digital platforms connecting lenders and borrowers is crucial during the pandemic, as suggested by Sahay et al. (2020). There was also an uptick in the use of mobile money and the financial service provided to its consumers by mobile network providers and their associates. However, according to Sarma and Pais (2011), an economic system is deemed inclusive if it can effectively and cheaply address the needs of a wide range of people. They claim that the financial institution's socioeconomic status is irrelevant if the goal of financial inclusion is to simply supply the services. To that end, Cohen et al. (2006) contend that satisfied customers are more likely to remain with the financial service provider. Moreover, efficient deployment of financial resources would be encouraged, which is generally seen to foster economic expansion and development regardless of context.

The ability of financial service providers to effectively achieve financial inclusion is contingent on the widespread use of financial technology. This is why banks and other financial institutions should embrace e-commerce and mobile payment systems. The digital economy, according to Anyalenkeya (2020), is built on digital transactions, and people cannot participate economically unless they participate in digital transactions. Digital infrastructure, digital platforms, digital financial services, digital enterprise, and digital skills were outlined as the five pillars of the digital economy. Anyalenkeya (2020). Adeyinka and Olugbamila argue that the internet makes distance and location irrelevant in the digital economy (2015). There has to be introspection and collaboration between the public and private sectors in Bangladesh. A financial inclusion template of zero exists in the absence of this change. According to experts, e-commerce is a key growth area since it uses cutting-edge

technology to provide consumers a wide variety of goods and services, including banking and investments.

Digital currency, insurance policies, and online shopping are all booming. M-commerce, according to Schmitz and Grayston (2020), involves the use of mobile technology. All mobile-friendly products and services, such as phones, applications, and payment methods, are included. Providers of financial services using financial technology platforms may, in fact, effectively operate with financial inclusion, since they can offer customers more competitive pricing and perhaps avoid costly investments in physical infrastructure. As a result, thanks to post-COVID-19 financial integration, consumers have access to a wider selection of goods and services that they may acquire remotely regardless of their physical location, as seen by the rise of e-commerce and m-commerce. Researchers (Soludo 2008, Swamy 2011, Sarma und Pais 2011) agree that keeping more information on customers in these areas allows financial institutions to give more individualized services. This demonstrates how digital commerce is made possible by the advent of the internet, the cloud, mobile devices, and social networks. Because of this, financial service providers need to try to build a name for themselves at COVID-19 by include these capacities as assets in the new normal arrangement.

According to Asuquo et al., financial service providers will take financial intermediation in a different path in the post-COVID-19 age (2020c). They contend that the government, given the various changes inherent in the new normal, should be ready to use microeconomic factors to regulate the economy. As the concept has evolved, it offers the ability to unite many offline financial institutions into a single online hub. It's the same with interacting with potential clients in virtual settings. The novel idea of financial intermediation increases the effectiveness of economic transactions by increasing access to financial services. The government must ensure price stability, a redistribution of income between high and low-income employees, etc., and the establishment of social facilities inside the economy to assist citizens and other private groups in carrying out new obligations. In light of these shifts, it is essential that accounting standards be adaptable enough to permit innovation while also imposing strict control over financial reporting (Asuquo 2013). This novel notion of financial intermediation is helpful in cutting down on unnecessary expenditures since it allows service providers and customers to pool their resources and pay less than they would if they did it on their own (Mohan, 2006). When the company's client base outnumbered that of conventional banks and other financial institutions, incredible results may be realized. Big data, Blockchain, Artificial Intelligence (AI), machine learning, and quantum computing were

identified by Ojedokun (2020) as the primary digital advancements since the COVID 19 period that will influence the world economy and society. Financial security for an area should increase in tandem with its population. After the end of the Covid-19 period, digital platform systems will still guarantee the convenience and availability of payments through USSD, ATMs, POS terminals, and other devices in outlying regions. This is one way the new business model has the potential to increase economic activity (Wakdok 2018).

Schmitz and Grayston claim that during the COVID-19 pandemic, the only certainty there is about businesses and their relationships is uncertainty (in the year 2020). (212). In order to go forward with confidence in our businesses, it is important for diverse financial services providers to prepare for the post-COVID-19 scenario. Many companies have already started the digital transition acceleration before the COVID-19 age, and this must be maintained. The International Monetary Fund (2020) asserts that governments throughout the world, even developing economies, have started adopting new technological innovations to aid future economic transactions. The continuation of economic activities depends on clients and financial service providers accepting technological innovation (Schnitz and Grayston 2020). Rees (2020) argues that developing nations like Bangladesh need to increase and accelerate technology adoption since the COVID-19 challenge provided service/goods suppliers and customers a view into the future (Asuquo et al. 2020b). Companies in a variety of industries, including retail, tax administration, and insurance, are using self-service claim assessment systems. Most, if not all, workers may now work remotely because of the technological advancements made by companies (Schmitz and Grayston 2020). To assist banks and their clients deal with the COVID-19 pandemic, Rees (2020) offered technological solutions. Financial experts are urged to take the following precautions as medical experts fear that the pandemic might eventually become endemic:

Financial service providers should have access to the company's data and applications, according to Res (2020). Remote access technology may be utilized to build a community outreach team, and cloud applications like Google Docs and Xero make collaboration simple and inexpensive. Adeyinka and Olugbamila argue that the primary barriers to effective remote work are a lack of adequate technology and infrastructure (2015). Governments in underdeveloped nations should take these measures alongside the formal commercial sector. The commercial and governmental sectors would both gain from the digital economy of the twenty-first century in the long run (William and Tavneet 2016). According to Wakdok (2018), transitioning a workplace to an online environment has risks that must be addressed for sustainable financial inclusion based on proper technology and infrastructure. According

to Rees, it is crucial to prioritize security while also prioritizing employee happiness, efficiency, and convenience (2020). In their 2020 paper, Singhraul and Batwe argue that the new system should safeguard banks. For instance, Reese Security has lately discovered ransomware, compromised company e-mails, and malicious websites (2020). These are the perils of financial inclusion made possible by distant financial transactions. Protect your endpoints with top-notch anti-malware software, as recommended by McEwan (2020). When it comes to promoting financial inclusion, Swamy (2011) proposes that financial service providers use a VPN. So, it's important for banks and other financial institutions to maintain contact with their customers. Zoom, GoToMeeting, or Cisco Webex will be used in Rees (2020). It claims that in order to strike a fair balance, financial service providers must lessen the isolation of their workers who do their duties from afar. In order to guarantee that employees remain attentive at weekly team meetings, these apps are obligatory. It's possible that instant messaging apps like "slack," "chant," and "workplace on Facebook" may make long-distance communication much simpler. Yet additional challenge for businesses in the financial services industry is the management of remote workers. According to McEwan (2020) cited in Rees (2019), the success of remote employees relies greatly on whether or not they are trusted to carry out the job, even when supervisors do not see it (2020). Financial service providers in Bangladesh, for instance, clearly have access to the necessary technology to keep track of the actual work carried out by the employees remotely, as if they were the company's owners. The success of this strategy is still dependent on the availability of infrastructure in the time after COVID-19. According to Ojedokun (2020), cloud transformation by accountants and other providers of financial services is something to think about. According to McEwan (2020), numerous firms need to undergo a significant digital transformation in order to adapt to the pandemic, and cloud applications provide long-term financial advantages. Moving data to an on-premises cloud, in his opinion, improves remote access to files, reduces or eliminates the need for server maintenance, and saves money. It's worth noting that Microsoft's one-stop, google-drive, and Dropbox companies provide venues for this (McEwan 2020). For the accounting and finance industry to survive in the post-19 COVID era, it will need to ensure a deeper degree of customer interaction. Personal meetings, as noted by Rees (2020), are great but not always convenient. Customers have been meeting more regularly, and the company's travel expenses have been cut in half, since the introduction of lecture apps. Using Zoom video and e-mail newsletters, webinars are a great method to enlighten and educate clients, answering any and all questions they may have (Anyalenkeya 2020). Asuquo et al. (2020a) call on accountants and other financial service



providers to use best practices in performance management. The transition to remote work, as proposed in the post-COVID-19 era, will necessitate the elimination of inefficient management practices (Nwanne, 2015). According to McEwan, we will see that our remote workforce is just as productive, if not more so, than the workforces of yesteryear (2020). We will, after things have settled down. According to Sahay et al. (2020), organizations will be able to gauge the productivity and worth of their employees thanks to the introduction of cutting-edge technology equipped with a set of well calibrated key performance indicators. Even if businesses adjust to flexible work arrangements and effectively adopt the right technologies in the wake of COVID-19, Schmitz and Grayston (20) argue that they still have a greater chance of improving their business.

According to Ojedokun (2020), the term "digital disruption" describes how the value proposition of traditional products and services shifts as a result of the introduction of novel digital technology and business models. He describes how incumbents may successfully compete with incumbents using a process he calls "disturbance." This has to do with a shift in the business model that makes it possible for new entrants to provide simple products at cheap prices. Though digital disruption may include both novel and established technologies, it is the latter's impact on society that is being scrutinized here. The worry is that the technology will be embraced once people start talking about unpleasant experiences. Through the use of a digital disruption model, we can see how the advent of new digital technologies may provide a new source of value and improve economic conditions (Cloud, Social Movements, Big Data, the Internet of All). Possible cost savings might improve customer retention, raise profit margins, fuel top-line growth, and ultimately boost the worth of the company (Evans and Adeoye 2016). Ochi et al. (2021), on the other hand, argue that the virtuous cycle of corporate growth and development would encourage new business models by attracting a diverse range of customers and employees. Financial service providers will benefit from the new sorts of customers and employees who will in turn benefit from the new management and leadership styles and the new value sources that these businesses will create. According to Ojedokun (2020), a digital disruption at any level involves four main factors:

1. The business idea that assesses the present and future market, the plans for business development, pricing strategies, services, and other products, etc.
2. Technology in situ, which deals with innovations, design, and use of new technology to which enterprises are exposed.

3. The industry discovered would affect the processes, standards, and suggested modifications to the current standards and performance techniques and the acceptability of the changes by consumers.

4. A key factor to be observed is the society where the disturbance is to take place. It is related to people's culture and how change is appreciated. What about the new technology habits and movements? It has lately been seen in many regions of the world amid the movement of 5G Network Technology.

In the end, the digital disruption would be advantageous in the post-COVID period - 19 times if the company owners and society recognized the shift, financial services providers built their identity and revived our collective future (Ojedokun 2020).

### ***Theoretical Foundation***

This study was based on several economic and financial theories, including information asymmetry theory and financial development theory. In the 1970s and 1980s, information asymmetry theories described how intermediation might help small businesses and disadvantaged borrowers avoid market failures by allowing them to allocate financial resources effectively. It also involves an imbalance between buyers and sellers. The buyers are the customers of the financial inclusion network, while the vendors are the suppliers of financial services. When financial intermediaries can address information asymmetry, there will be an effective distribution in a free market of commodities and services and market failure. After COVID-19, the financial service providers would break apart and give sufficient information via digital channels, which would meet customers who utilize the service at the appropriate moment. It will offer the financial development adequate flow. Financial development theory has provided that private contractual relationships underpin financial activities.

Moreover, financial theory's legal capacity to adapt to changes in commercial and financial situations is based on legal traditions that differ. In principle, the efficient adaptation of operational circumstances to changes will also contribute more efficiently to financial development. It comprises financial structure, integration, and depth in this context. Financial inclusion, which economists use to extend financial services and access to diverse socio-economic levels, is linked to financial deepening. As part of financial sector reforms, a deeper financial system would encourage governments and organizations to establish public sector banks that can provide pro-poor services. Traditional banking and other financial

services will function better as a result of this. According to this idea, an inclusively deeper financial system supports both inclusive and equitable pro-poor growth. It is also an economic development tool.

### ***Theoretical context***

Many writers have experimentally investigated the notion of financial inclusion at various levels, but no study has yet related the topic to the COVID-19 pandemic. Anyanwu (2004) conducted empirical research on rural household empowerment through financial inclusion. He gathered secondary data, evaluated it, and discovered a close link between financial inclusion and rural empowerment. The study indicated that financial inclusion could boost economic stimulation among the economically disadvantaged sectors of a country, especially rural people. Murari and Didwania (2010) looked at the influence of microfinance on poverty, using financial inclusion as a trigger. The study done in India used the regression analysis approach and evaluated secondary data acquired from banks and primary data from 260 rural inhabitants who did not have sufficient income to use banking services. The findings revealed that financial inclusion has a significant impact on poverty eradication and may give chances for self-employment for the poor and disadvantaged in society.

Swamy (2011) investigated the patterns of financial inclusion in India and discovered that the number of banks is insufficient for India's vast rural population living in rural regions. It was determined that a higher majority of small farmers were not provided with essential financial services. It was thought to be the cause of the downward trend in agriculture's contribution to Indian GDP, the backbone of rural inhabitants. Their research on financial inclusion and development, Sarma and Pais (2011) found the elements that significantly connected with financial inclusion at the cross-country level. The study finds that a country's degree of human development has a strong link with financial inclusion, with a few outliers in the hypotheses examined. The study also found a substantial connection between financial inclusion and physical infrastructure. However, when it came to financial service providers like banks, the study found that government ownership of banks was not substantially related to financial inclusion.

Onaolapo (2015) investigated the impact of financial inclusion on Nigeria's economic growth. The study's primary factors were poverty reduction and financial intermediation as indicators of economic progress, with loans, payment methods, and investments indicating financial inclusion. According to the study's findings, there is an important link between financial inclusion and Nigerian economic growth. It was suggested that financial authorities

in the Nigerian economic sector establish appropriate rules and regulations to stimulate financial intermediation among Nigeria's impoverished rural inhabitants. Gebrehiwot and Makina (2015) conducted a study on "financial inclusion in Africa using GMM dynamic panel data analysis." The study looked at the factors that influence financial inclusion in 27 African nations. They used a model that compared the issues that plagued previous research of the factors of financial inclusion. According to their model, financial inclusion is substantially and favorably connected to its lagged value, GDP per capita, and mobile infrastructure and adversely related to government borrowing. They concluded that the increasing penetration of mobile infrastructure in Africa is a positive development that should be supported. Similarly, the high ratio of government debt to GDP, which impedes attempts to promote financial inclusion, should be reduced.

## **METHODOLOGY**

All three research methods—investigation, descriptive, and causal—were used in this comprehensive analysis. As a result, we came up with a tool in the form of an open-ended questionnaire that serves as our checklist. The 110 participants in the research were from a variety of financial sectors, including banks, non-banks, insurance companies, academics, and the Central Bank of Bangladesh. This group was selected because all business and government entities as well as private citizens in Bangladesh have an interest in financial data and related technology. We were certain that the availability of financial data will influence their choice about financial inclusion and productivity development, hence enhancing socioeconomic activity beyond the COVID-19 period. Decisional sampling was used to ensure that people in each of Bangladesh's four geo-administrative divisions filled out the survey. For this study, we used the Taro Yamane sampling technique to pick 110 participants among the four geographical administrative regions. Information was gathered from a total of 98 questions in the form of questionnaires, and the collected data was analyzed using the Pearson Moment Correlation Coefficient at the 0.05 significance level.

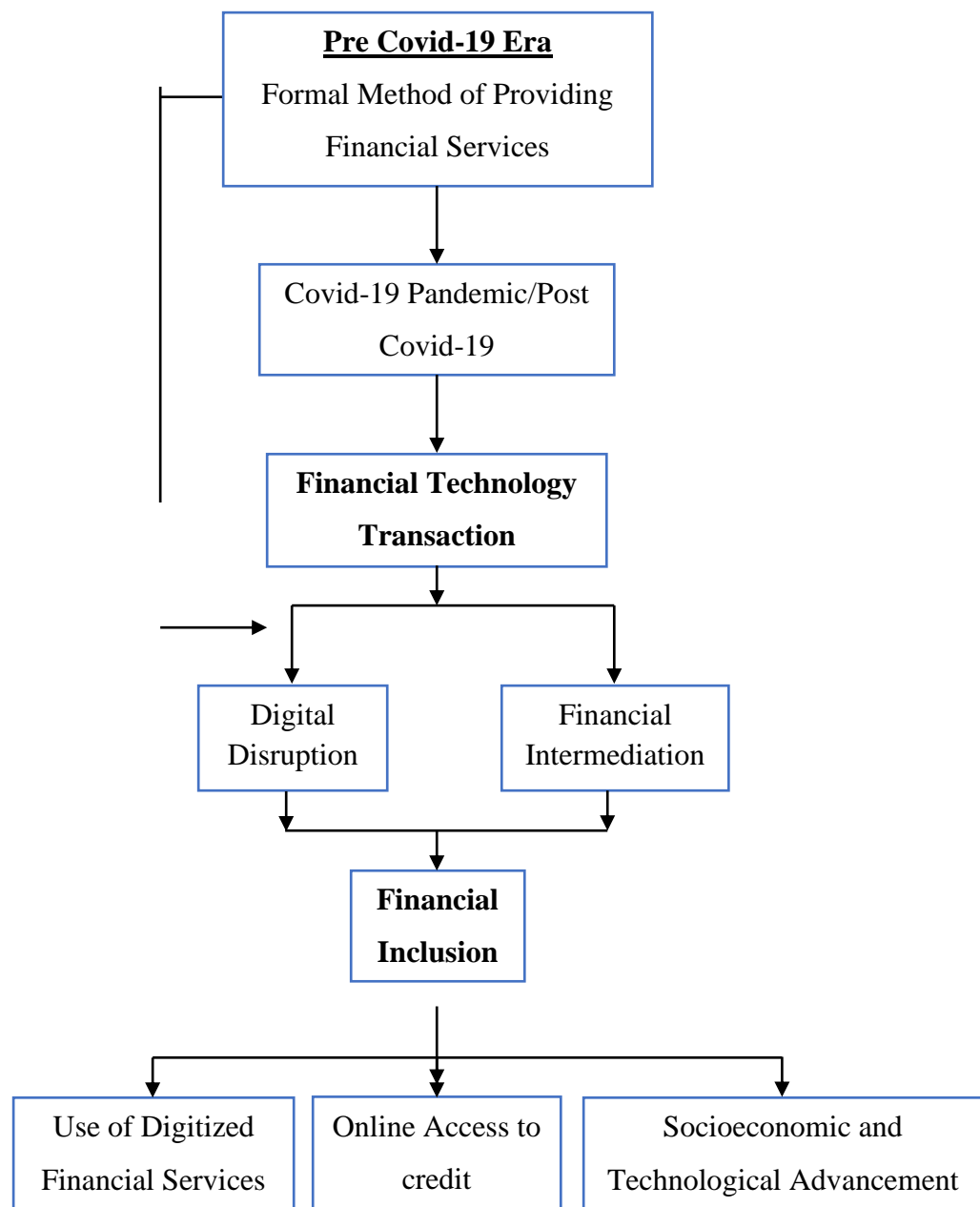
### ***The Model's Evolution***

In this investigation, a model was developed that corresponds to the abstract idea presented in the conceptual framework. Before COVID-19, most people relied on banks and other financial institutions to handle their financial needs in a formal/traditional way. Due to a lack of shared knowledge, financial inclusion services were minimal. The normal method of delivering financial services was disrupted during the COVID-19 outbreak, leading to a greater focus on financial inclusion programs. At the time, financial transactions using fintech

were revolutionizing the industry. Fintech research has become the new norm in the financial services industry and is one of the main causes driving financial inclusion. This trend is the result of the combination of two trends: digital disruption (DD) and financial intermediation (FI). So, the benefits of financial integration include now things like using digital financial services, having access to online credit, and experiencing general socioeconomic and technical advancement.

### Hypothesis Development

The hypotheses for this study were developed based on the relationship amongst the variables, as shown in Figure 1.



**Figure 1.** The scale of conceptual framework representation and variables derivation

H<sub>0</sub>1: Bangladesh's digital disruption and financial inclusion are not substantial.

H<sub>0</sub>2: Bangladesh's financial intermediation and financial inclusion have no meaningful link.

H<sub>0</sub>3: Between digital disruption, financial intermediation, and financial inclusion, there is no substantial common link.

### Specification of Model

Using the standard regression equation,  $Y = f(X)$ , Uwah and Udoayang (2020) established a relationship between the variables. This relationship demonstrates that Y is dependent on X.

This modified model may be expressed as: Financial Inclusion (FI) =  $f(\text{Financial Technology Transactions})$  and the equation is written as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \mu$$

Where  $\alpha$  is the intercept, and  $\beta_1, \beta_2$  are the coefficients of the variables respectively, which show the kind of relationship between dependent and independent variables, and  $\mu$  is known as the error term. Therefore,

Y = Dependent, financial inclusion variable.

X = The independent variable, Post COVID-19, has been suggested by digital disruption and financial intermediation for transactions utilizing financial technology.

Digitized financial services, online credit availability, and societal and technological development all pointed to financial inclusion as the reliable variable. The aforementioned assumptions were tested by using a bivariate statistical technique, the Pearson Moment Correlation Coefficient, to data collected from primary sources. After establishing that our data had a causal relationship, we needed to see whether it also showed a high degree of correlation.

Our model is,

Financial Inclusion (FI) =  $f(\text{Financial Technology Transactions})$

$$FI = \alpha_0 + \beta_1 DD + \beta_2 FIn + \mu$$

Where, FI = Financial Inclusion

DD = Digital disruption.

FIn = Financial Intermediation.

## Testing of Hypotheses and Analysis

The first three hypotheses were put to the test with the help of SPSS. As a key component of the independent variable, financial technology transactions were proxied by measures of financial inclusion. Null hypothesis was rejected if the calculated result, p, was less than the alpha value of 0.05 ( $p < 0.05$ ), and accepted otherwise (95% CI).

## RESULTS AND DISCUSSION

This section contains the study's tables and findings, as well as the accompanying outcomes.

Pearson Correlation	Financial Inclusion	Digital Disruption	Financial Intermediation
Financial Inclusion	1.0	0.183	0.792
Digital Disruption	0.183	1.0	-0.076
Financial Intermediation	0.792	-0.076	1.0
<b>Sig. (1-tailed)</b>			
Financial Inclusion	-----	0.144	0.00
Digital Disruption	0.144	-----	0.196
Financial Intermediation	0.00	0.196	-----
<b>N</b>			
Financial Inclusion	98	98	98
Digital Disruption (DD)	98	98	98
Financial Intermediation (FIn)	98	98	98

**Table 1.** Correlation Analysis Showing the Relationship between Financial Technology transactions' Sub-Variables and Financial Inclusion

The data is tabulated and examined using SPSS. Table 1's total pairwise correlation coefficients represent the correlation's significance level. A proxy for financial inclusion is shown in the table. This sub-variable of financial technology transactions shows a correlation of 0.183 with online credit accessibility, showing an insignificant 18% link. Table indicates calculated p is greater than alpha threshold ( $p > 0.05$ ). Our decision rule accepts null hypothesis 1. In the same vein, hypotheses 2 and 3 were considered. The  $r = 0.792$  indicates a 79 percent significant link between financial intermediation and socio-economic and technical advancement. Because the calculated p-value was less than the alpha value (0.05),

our judgment criteria rejected the null hypothesis. Also, financial inclusion and financial intermediation are strongly linked.

Model	Sum of Squares	df	Mean Square	F	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Sig.	Result
Regression	56.476	6	9.413						
Residual	11.346	52	0.218						
<b>Total</b>	<b>67.822</b>	<b>58</b>	<b>1.17</b>	<b>78.203</b>	<b>0.913**</b>	<b>0.833</b>	<b>0.814</b>	<b>0.00</b>	<b>Significant</b>

*\*\*Dependent variable: Financial inclusion. \*Independent variable: Financial Technology Transactions (Digital Disruption, Financial Intermediation).*

**Table 2.** Variance analysis (ANOVA) Associated with multiple regressions of the expected relationship between Financial Technology Variables and Financial Inclusion

Table 2 displays the variance analysis (ANOVA), which demonstrates a significant F ratio of 78.20 with multiple correlations translated to F at 0.000. This shows that, when regressed jointly, all of the sub-variable financial technology transactions had a lower p-value than the alpha value in this study ( $p < 0.05$ ) and achieved a multiple R of 0.913, indicating a solid correlation also achieved. The R<sup>2</sup> value of 0.833 shows that the total combined independent factors contribute about 83% to financial inclusion. The null hypothesis 3 was thus rejected with a lower p-value of 0.000 than 0.05. This suggests a significant common link between digital disruption and financial intermediation.

Model	Unstandardized Coefficients		Standardized Coefficients	95% Confidence Interval for B		t	Sig.
	B	Std. Error	Beta	Upper Bound	Lower Bound		
<b>(Constant)</b>	-1.014	0.193		-1.231	-0.482	-4.21	0.00
<b>Digital Disruption</b>	0.076	0.048	0.055	-0.013	0.131	2.012	0.096
<b>Financial Intermediation</b>	0.701	0.059	0.623	0.49	0.624	7.56	0.00

**Table 3.** Coefficients of the Mutual Relationship between Financial Technology Transaction Variables and Financial Inclusion

Table 3 depicts the coefficients of the reciprocal association between financial technology transaction variables used in this study and financial inclusion. Overall, the regression indicates a significant link (0.00), while the relationship of DD does not exhibit significant



values. For DD, the Beta was 0.055 (not significant,  $p > 0.05$ ). The pairwise correlation coefficients in Table 1 illustrate the level of significance for each correlation. The first hypothesis revealed an insignificant connection between digital disruption and financial inclusion, with online credit accessibility serving as a proxy. The cause of not correlating the variables is said to be due to the fact that the services provider and their customers slowly adopt digital services. In Bangladesh, power is epileptic, as most consumers cannot power their cell phones and other digital interruption-enabled gadgets. This outcome might be caused by the drastic delivery of this technology due to environmental circumstances. Hypothesis 2 showed a substantial result about the link between financial intermediation and financial inclusion, represented by socio-economic and technical progress. This can be attributed to the reduced costs of loans and other payments that rural residents had previously taken out of their comfort areas to bargain for such amenities. Incorporating and campaigning e-commerce involvement of small and medium-sized enterprises in Bangladesh made development more accessible than before when handled manually. Hypothesis 3 assessed a combined connection between the independent and reliance variables. The finding has shown a good connection. This is perhaps because the majority of rural and urban inhabitants in Bangladesh embrace financial inclusion. The cost reduction and saving of time are appreciated when comparing traditional financial services to the digital waiver of company operations. Different groups and people defended the acceptance of the “new normal” due to its simplicity.

## **CONCLUSION AND STUDY GUIDELINES**

This research studied the “new normal” and Fintech in the wake of the COVID-19 epidemic. Financial inclusion and digital technology support factors have regressed, allowing financial service providers to take on and expand “new normal” services for their customers. Financial service providers should be involved in more than just formal financial transactions. This paper recommends that public sector governance in Bangladesh should foster financial inclusion using financial technology. In a competitive society, most investors would shut shops to rivals if they used technology. Bangladesh's socio-economic development metrics remain low. Rural residents, who make up the majority, must actively engage. Also, small business owners are vital to economic progress and should be encouraged.

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