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## From the Desk of the Editor

# Financial literacy needs more attention

**B**angladesh Bank is going to launch a completely digital bank in line with the government's plan to build a smart Bangladesh. Bangladesh Bank Governor Abdur Rouf Talukder disclosed this while addressing a two-day digital transformation summit organised by the Association of Bankers Bangladesh Limited (ABB) held this month in the city. This is welcome news because digital transformation ensures good governance and the country's financial institutions need to keep abreast of the developments taking place both at home and abroad. One of the biggest headaches for policymakers today is the nagging problem of non-performing loans (NPLs) which is not only hurting profitability but also denting the country's international rating. If technology adoption can cut NPLs down to acceptable levels, then it is obvious that such technology and innovation must be adopted as fast as possible.

But the path is not a bed of roses. The rise in digital fraud is a concern. When good things happen slowly then bad things happen quickly. Since technology is evolving, scammers and fraudsters are not sitting idle. They are using increasingly sophisticated tactics to steal money from common people who are mostly less literate, remained excluded from financial services and now enjoying the benefits of mobile banking services. The worrying fact has come in a recent survey conducted by the Policy Research Institute of Bangladesh (PRI) that shows one in every 10 MFS users in Bangladesh has faced financial fraud sometimes. So, the banking industry is now facing risks on the digital front.

Here financial literacy comes to the fore as most of them are fighting each other to grab the market share, leaving their innocent users- mostly poor and low-income people- in the hands of smart, talented and clever fraudsters. To reap the benefit of digital banking, it is the responsibility of banks and fintech to set a minimum risk management structure on the platform to guide operators and educate their customers with adequate financial literacy. To educate customers, all MFs players should stand on a single platform and fight together against fraudsters. Bangladesh Bank can play a vital role in its regulations. Above all financial literacy needs more attention.

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# Bangladesh soon sees complete digital bank, banking innovations



Managing director & chief executive officers of different banks pose at the inaugural session of a two-day summit titled 'Banking on Digital Transformation' in the city on Wednesday. Bangladesh Bank Governor Abdur Rouf Talukder was present as the chief guest at the event organised by the Association of Bankers Bangladesh Limited (ABB).

## DF Report

Bangladesh Bank Governor Abdur Rouf Talukder has said that Bangladesh is set to see soon full-fledged digital bank as the country braces itself for fitting in the fast-changing technologies in the fourth industrial revolution (4IR).

He said this while addressing a two-day digital transformation summit organised by the Association of Bankers Bangladesh Limited (ABB) held this month in the city.

"Bangladesh is very close to launching the country's first-ever national debit card and an online and real-time credit-scoring system", the central bank governor said and called upon the management of commercial banks to brace themselves for facing the changes and

work on the 4IR and its accompanied technologies.

In the last decade, the governor said the economy has seen a shift from manual to digital, from legacy banking to disruptive innovating banking in the financial sector.

"Not only are we emphasizing digitizing existing legacy system but soon we'll introduce a digital bank in the country," he told the bankers, who are just adapting to the digitization process.

The governor notes that AI (artificial intelligence), machine learning, robotics, quantum-point computing and other disruptive technologies are anticipated to radically transform the banking industry. It also has a goal to make 75 per cent of all the transactions cashless. To achieve that end, commercial banks have to revisit a few areas.

"Banks need to address what kinds of risk it faces in the new banking model. Whether the existing risk culture is good enough to meet the already-faced risks...whether banks require adopting new risk-management policy," he said.

A good-governance framework can mitigate risks and the culture of compliance could help banks to keep a safe distance from sucking risks, he added.

Terming corporate governance and NPLs (non-performing loans) two burning issues hurting the banking business here, he said there is a need to bring in cultural changes, and enforce ethical and good practices through training and proper education of people involved in the industry.

"Enforcing prudential guidelines and the strong role of the CEOs may resolve the NPL problem," the BB governor told the meeting.

Banks worldwide are now embarking on a digital transformation journey in response to customers' demand for greater convenience and Bangladeshi banks are no exception, said Selim RF Hussain, chairman of the ABB.

"Digital transformation is more of a mindset than a physical infrastructure. That is why training and people development are of utmost importance. We must align our people to adopt new ways of doing things using technology and leaving behind traditional methods," he added about the dos from their side.

Top executives of the country's leading banks called upon all in the industry not to go for digitisation without knowing the importance of value addition and enough readiness as the automation process requires a good amount of investment.

Instead of concentrating on automating only the payment system by opening a digital unit, they suggested industry players concentrate on digitising the entire process of the banks to get maximum returns on the investment.

Speaking as a panel discussant, managing director and chief executive officer of City Bank Limited Mashrur Arefin said bankers in some cases are trying to basically turn the bank into digital without understanding the importance of value addition.

"This should not be the goal. The goal should be what digital can bring for me. The goal should be to simplify things for the customers," he said.

Highlighting the importance of complete readiness, Mr Arefin, also ABB vice-chairman, said the bankers should properly analyse their absorbing capacity before going for embracing the digitisation move.

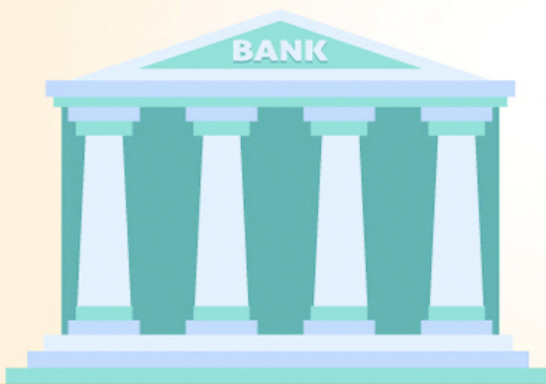
Giving a different view, the managing director and CEO of Eastern Bank Limited Ali Reza Iftekhar said payment is a part of the digitisation. It is not digitisation. It is probably 5-10 per cent of digital banking.

"We have a concept that if we make payment through a digital channel that means the bank is completely digital. I humbly disagree with those people," he said.

"Digital banking is where you first fix up your internal process. First, you have your data captured and make sure that you can interpret the data," he said, adding that the entire bank must be ready to go for automation.

A total of 150 participants from Bangladesh's 46 commercial banks, aiming to explore the digital transformation journey of the banking industry in the country, participated in the summit meeting.

BB governor announces at bankers' meet, terms corporate governance, NPLs nagging issues



Online, real-time credit-scoring system in the offing

Maiden national debit card about to be launched

BB also has goal to make 75pc of all transactions cashless



# Cyberbullying declines, new cybercrimes emerge: Report



## DF Report

While cyberbullying has decreased in the country, there is a growing concern over the rise of new forms of cybercrimes, such as app-based fraudulence, which poses a threat to people's online security, according to the report "Bangladesh Cybercrime Trend 2023" released by the Cybercrime Awareness Foundation (CAF).

The findings were presented during a press briefing at Dhaka Reporters Unity on Saturday.

According to the report, cyberbullying accounted for 52.21% of all reported online crimes in 2022. These cases involved activities such as pornography, indecent messaging, and abusive posts on social media. This percentage was 59.90% in 2017.

The report attributed the decrease in cyberbullying cases to factors such as enhanced awareness campaigns and increased implementation of preventive measures.

The organisation indicates a notable increase in new forms of cybercrimes, rising from 1.81% in the 2022 report to 6.91% in the 2023 report. A significant portion of these crimes are associated with fake job circulars and various app-based fraudulences.

Meanwhile, the report brought to light a rise in financial fraud cases in the cyber realm. In 2022, a concerning 14.64% of people fell victim to online shopping scams, indicating a worrisome trend.

CAF President Kazi Mustafiz referred to the statistics from the Dhaka Metropolitan Police's Detective Branch Cyber and Special Crime division regarding financial fraudulence in cyberspace. Among the 406 cases in that division, 98 cases, accounting for approximately 24% of the total, were related to financial

scams.

Another 17.73% cases were reported to the unit related to mobile banking and financial services related scam.

He further added that there has been a dramatic surge in scams where people are deceived under the guise of lucrative offers for online buying and purchases.

Additionally, the report emphasised that hacking primarily targeted social media accounts of women, comprising 25.18% of all reported cases.

The CAF report also highlighted a worrying trend in the number of victims filing complaints related to cybercrime offenses.

In recent years, there has been a notable decrease in the number of complaints lodged. In 2018, approximately 61% of cybercrime victims filed complaints, whereas last year, that figure significantly dropped to 20.83%.

Around 75% of the survey respondents who were victims fell into the age group of 18 to 30. This age group experienced attacks on social media through fake post campaigns or their accounts were hacked.

Furthermore, in 2022, child victims accounted for a total of 14.82% of all reported cases, which represents a significant increase of 140.87% compared to 2018. These children primarily faced harassment on social media platforms.

During the report launching programme, several notable individuals were in attendance, including Mohammad Saiful Alam Khan, project director of BGD e-GOV CIRT, Rasheda Rownak Khan, associate professor from the Anthropology Department of Dhaka University, Md Nasim Parvez, director general of BTRC, and Nazmul Karim Bhyuiian, the president of ISPAB.



# BB's Cashless Journey

Will it reach the goal with out financial literacy?

● FARUK AHMED

The journey of "Cashless Bangladesh" - a quick response or QR code-based universal payment system developed by Bangladesh Bank (BB)- has started with an initial engagement of 1,200 merchants, including street vendors. Bangladesh Bank Governor Abdur Rauf Talukdar said efforts would be made to achieve 75 per cent of the country's transactions going cashless within the next four years.

On January 18, the central bank unveiled a campaign titled "Cashless Bangladesh, Smart Bangladesh" at the capital's Motijheel area to bring small merchants under a low-cost payment system. The campaign is part of the idea to popularize an interoperable Bangla QR Code across the capital that will help clients pay their bills for goods and services through mobile banking applications, mobile financial services (MFS), and payment service providers (PSP).

The 12th Governor of Bangladesh Bank Mr. Abdur Rouf Talukder, a former bureaucrat who has command of finance knows well that "when you have a dream you've got to grab it and never let go" as narrated by American actress, comedian, singer, and writer Carol Burnett. To fulfil the dream of Smart Bangladesh, he knows, the nation must be cashless as people of smart societies around the world are dumping cash with mobile phones or credit cards and walking on the road to a cashless society.

The benefits are enormous: Less chance of fraud and robbery, no cash handling fees, no trips to the bank, shorter queues, quicker transactions, and better for the retailer and the customer. Countries like Denmark, Sweden, and Thailand have passed laws that allow businesses to ban cash payments, and in some cases require payments by mobile applications or credit cards.

So, in his maiden speech, the BB governor said with QR code people can pay for whatever they buy even from small merchants by scanning the printed interoperable Bangla QR Code - available with the roadside vendors. Central bank spokesperson Md Mezbaul Haque expressed his optimism saying that a large number of people are now using MFS, debit and credit cards to pay for goods and services. "But we have to do more as significant investment is required to develop digital payment infrastructure and maintain those", he said.





Around the world, the use of cash has been steadily declining, and some experts predict that cash payments will fall by as much as fifty per cent over the next ten years. By 2020, most people in the UK will have embraced and fully adopted the use of smart-device swiping for purchases they make, nearly eliminating the need for cash or credit cards, according to Pew Research Centre. There's a lot of evidence that demonstrates how almost all markets across the globe are moving towards a cashless society with mobile and more brick-and-mortar businesses becoming cashless.

For economists and digital experts, paper currency is not an asset of the future. It belongs to yesterday, having served as a means of payment and store of value for centuries. But the rise in digital fraud is a concern. Bangladesh, a global success story in the mobile finan-



cial services revolution, is no exception. Almost all MFS players have already introduced QR codes and many consumers are using this mechanism in their shopping and even to access media on the Internet, download offers, find product information and more.

The reason is that it is very cost-effective for both users and merchants. If Bangladesh can properly implement QR transactions, experts say the Gross Domestic Product (GDP) will increase by 1.7%. Singapore is fully utilising QR in all aspects.

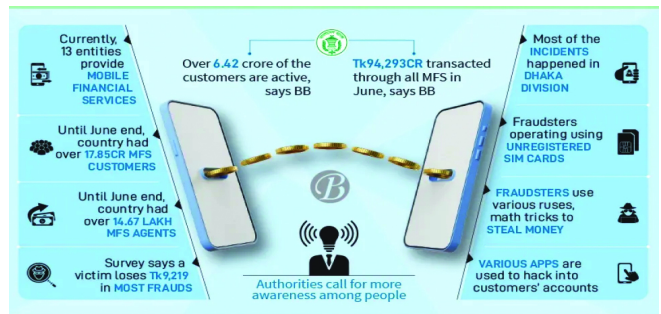
Bangladesh is not far away from this journey. More people here are now avoiding cash and using mobile phones in their payments thanks to the rapid growth of the mobile financial service (MFS) industry led by bKash, the second largest MFS player in the world with more than 50 million users across the country and increasing use of debit and credit cards thanks to the impressive performance of commercial banks led by Dutch Bangla Bank.

The average daily transaction of MFS operators has crossed Tk3200 core and its volume shows a growing trend. Experts predicted that MFS will get the better of all other methods to push forward the Bangladesh journey towards a cashless society for better growth thanks to the spread of smartphones among anyone and everyone.

The electronic payment mode has an important role to play in making the economy vibrant as it encourages people to engage in economic activities. Our people are very much enthusiastic to use digital services. This is high time to accelerate the QR-based transaction at the grassroots level. Industry experts say Bangladesh has a bright opportunity to leverage the advantages of a cashless society regime with MFS industry which is growing day by day and experienced an astronomical 120 per cent growth a year since 2011.

Despite all the benefits, however, the reality of a completely cashless society is still more of a pipe dream. A lot of issues are pending as barriers in the way of the road, which have generated seriously concerned among industry experts regarding a cashless society. The rise in digital fraud is a big threat. Low financial literacy rate is a big concern.

A few market players like bKash took some financial literacy programmes in a limited scale to educate MFS users. But this is like a few drops in a ocean. Therefore, the question remains: Will it reach the goal with out financial literacy?



### Growing frauds pose a threat

When good things happen slowly then bad things happen quickly. Since technology is evolving, scammers and fraudsters are not sitting idle. They are using increasingly sophisticated tactics to steal money from common people who are mostly less literate, remained



excluded from financial services and now enjoying the benefits of mobile banking services.

So, the MFS industry is now facing risks and challenges in Bangladesh. Many fear that the dream of a Smart Bangladesh through building a cashless society might be faded by growing incidents of fraud in mobile banking amid a poor financial literacy environment. Here, the role of MFS players is inadequate as most of them are fighting each other to grab the market share, leaving their innocent users- mostly poor and low-income people- in the hands of smart, talented and clever fraudsters.

How many fraud incidents are taking place in mobile banking in Bangladesh? It is a tough question to answer since it is tougher to find figures. The issue came to light last year after Rapid Action Battalion (RAB) arrested 13 members of a mobile banking and debit or credit card forgery ring from Dhaka and Bhanga Upazila of Faridpur.



### 13 held over credit card, mobile banking fraud

Readymade garment workers, small entrepreneurs, and low-income and less-educated people were the victims of the forgery ring. A senior RAB official said 10-12 cases of extortion using mobile banking services are reported every day, according to reports published in dailies.

The worrying fact has come in a recent survey conducted by the Policy Research Institute of Bangladesh (PRI) that shows one in every 10 MFS users in Bangladesh has faced financial fraud sometimes. The survey, which was carried out from August to September last year covering 9,279 respondents in urban and rural areas, also found that "compromised PINs" and "scams involving impersonation" are primary frauds experienced by MFS users.

The average size of the financial loss from using MFS accounts amounted to over Tk9,000, and although no significant difference in the average loss was recorded between urban and rural residents, the size was seen to be increasing with higher educational degrees. Of the

2,000 MFS agents also surveyed for the study, nearly 13% said they have experienced fraud with their MFS accounts. The average size of financial losses suffered by agents from operating MFS accounts amounted to over Tk18,000, with a maximum loss recorded at Tk70,000. Agents also blamed "compromised PINs" as the main type of fraud, with the highest financial loss incurred from this amounting to more than Tk20,000.

As the incidents of mobile banking fraud are rising alarmingly the UK recently decided to ban all cold calls for financial products. The new British Prime Minister Rishi Sunak already has launched a plan to tackle scams: "Fraud accounts for over 40% of crime." For developing markets, like Bangladesh and India, the situation is too cautious. According to data released by the Reserve Bank of India, 2,331 fraud cases involving Rs 87 crore were reported by banking entities during the six-month period as against 1,532 frauds involving Rs 60 crore.

In Bangladesh, the situation is more worsen. Bangladesh Bank has yet to release such data on MFS fraud incidents and all MFS operators are yet to be united to fight frauds.

### Financial literacy comes to fore



There's no single silver bullet for mobile banking security that will slay this mobile threat. The best protection is a layered, defence-in-depth approach consisting of (but not limited to) such as strong customer authentication, client- and server-side risk analysis for fraud prevention and mobile app shielding with runtime protection. Here, financial literacy comes to the fore. Study shows that financial literacy through financial education can only minimise these cyber frauds and the common man can safeguard his hard-earned money.

The Organization for Economic Co-operation and Development (OECD) has defined financial literacy as "a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual well-being". Financial literacy helps individuals to improve their level of understanding of financial matters, which enables them to process financial information and make informed decisions about personal finance.



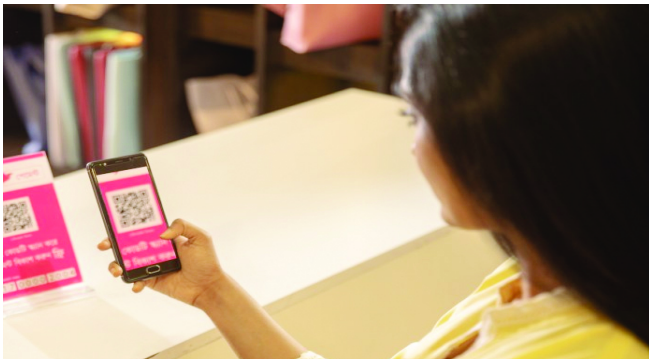
New fraud research released by The FINRA Investor Education Foundation (FINRA Foundation) shows that individuals who are socially isolated or who have low financial literacy levels are more likely to lose their money to a fraudster.

In 2015, Standard and Poor's conducted a global survey across 140 countries with more than 150,000 participants. The results were varied, with first-world countries scoring high- Norway (71), Sweden (71), UK (67) and USA (57)- while third-world countries scored very low. Bangladesh scored just 19, with only 10 countries scoring below them. Our neighbouring countries scored higher- India (24) and Pakistan (26)- with Bhutan (54) and Myanmar (52) very much out of reach. This low score highlighted how little average people in Bangladesh could grasp concepts about financial literacy.



It was clear from the results that more financial education had to be included in Bangladesh. However, the study failed to highlight one important aspect. Who are the ones that lack the financial literacy the most?

Research in Bangladesh regarding financial literacy is non-existent and the current scenario is the one and only survey conducted by S&P. In August and September 2021, RPDC conducted two rounds of surveys throughout Bangladesh on financial literacy. With a random sampling technique used, 3,120 responses were recorded. Respondents were asked basic questions relating to knowledge of numeracy, interest, inflation, and risk diversification.



Financial illiteracy has long been recognized as one of the major hurdles to building a financially inclusive economy. Financial literacy empowers communities. It will lead to food security, and a stronger and more educated workforce, which translates into a lower crime rate, fewer foreclosures in our neighbourhoods, less stress in our lives and happier individuals and families. In financially capable communities, everyone benefits.

But the level of financial literacy is low- nearly 28%, according to Intermedia Research as most MFS users in Bangladesh are poor, low-income people and not well educated. Unfortunately, MFS operators as well as the regulators do not give proper importance to this crucial issue. MFS operators as well as the regulators do not give proper importance to this crucial issue. Bangladesh Bank in its guidelines has given an important focus on financial literacy programmes which remains in the paper- not seen in fields as most MFS operators are shy to invest in this area.

So, concern remains about the Bangladesh Bank's move towards a cashless society within its stipulated time without improving financial literacy among MFS users. With appropriate planning and the correct education, however, it can be done, and when it is so, the people of Bangladesh can be more aptly prepared to manage their finances for a better way of life.



**All players should stand together**

Currently, 13 MFS operators are offering different services to millions of people mostly those who remained out of formal banking services. But the poor financial literacy and awareness programmes may halt Bangladesh's journey towards a cashless society which gained momentum in 2011 after the entrance of bKash, the leading mobile financial service in the country. Now more than ever millions of people are bKash to send and receive money, save money for their future needs and buy essentials, goods and medicines from markets and stores as they have learned that carrying cash is risky and unhealthy.

To push forward the Bangladesh journey towards a cashless society, it is the responsibility of MFS providers to set a minimum risk management structure



on the platform to guide operators. At the same time, it is their responsibility to educate their customers with adequate financial literacy. To educate customers, all MFs players should stand on a single platform and fight together against fraudsters. Bangladesh Bank can play a vital role in its regulations.

But the big concern is that regulations in Bangladesh sometimes fail to enforce its rules due to the government's intervention. Such interventions destabilize the level playing field and ignite uneven competition among market players which opens a window of opportunity for mobile banking fraudsters to steal money from the pockets of innocent users- a red alert on the journey.

For example, to mitigate risks and fraud in mobile banking, Bangladesh Bank introduced the KYC protocol in line with the Financial Action Task Force (FATF). Banks follow this process while opening accounts and periodically update the same. This is a part of the bank's due diligence framework. So, one of the major pillars on which this MFS industry stands is the simplified KYC introduced by Bangladesh Bank and the BFIU.

But millions of MFS accounts were opened by some MFS operators without KYC protocol. Some operators were too powerful and interlinked with the govern-

ment. Bangladesh had nothing to take action without issuing a general guideline.

### The Bottomline

The financial landscape has become complex over the past few years with the introduction of many new financial products. Mobile payment makes it easier and more convenient for consumers to pay for products compared to credit card or cash payments. In order to understand the risk and return associated with these products, a minimum level of financial literacy is a must.

The central bank has set a goal so that at least 75 per cent of retail transactions are settled through digital technologies by 2027, a move that may give Bangladesh's digital transformation a massive fillip and turn the cash-based economy into cash-

less. The initiative is cost-effective, secured, and cardless and is expected to help promote digital transactions to a large extent in an economy that relies almost entirely on paper currencies and notes to function.

To reach the goal, it is high time for Bangladesh Bank and MFS players to focus more on the financial literacy programme. All MFS players must stand together to implement such a programme for promoting BB's cashless journey towards a smart Bangladesh.



## MARKET UPDATE

# Number of mobile financial service accounts surpasses 19cr-mark

## DF Report

The number of accounts with mobile financial services (MFS) such as bKash and Nagad surpassed the 19 crore-mark in the country, according to the latest data of the central bank, thanks to the increasing utility of digital payments and technological advancement.

The account-holders stood at 19.11 crore in number, to be exact, at the end of December last year, up by 2.14 crore year-on-year. The increased number of users has also been contributing to a gradual surge in MFS transactions. The amounts of transactions crossed the Tk96,000 crore mark in December after an upward trend in the previous three months.

The growth in user base, however, does not necessarily reflect the increase of individual people using MFS, sector insiders said, as a person can open multiple accounts with different service providers. The Bangladesh Bank does not reveal the number of people using mobile financial services.

Insiders believe that the number of people using MFS is still low and there are scopes to work further to include more people in the MFS network.

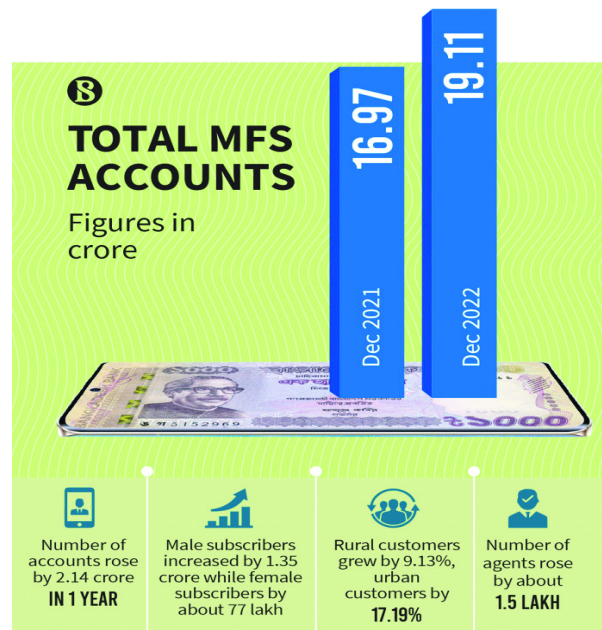
"People are gradually becoming used to digital transactions. We are also trying to continuously include a variety of facilities. Currently, dozens of facilities including merchant payment and bank deposit are available through MFS," said Shamsuddin Haider Dalim, head of corporate communications of bKash.

"We have observed that once a customer transacts through bKash, he or she continues to transact," he added and noted that the government engagement such as the disbursement of various allowances through MFS has helped increase customers and transactions.

bKash has 6.5 crore subscribers, Shamsuddin Haider said.

According to the latest Bangladesh Bank data, the number of MFS account holders was 10.60 cores in the rural areas as of December last, significantly higher than the 8.50 crore in urban areas. The year-on-year growth in account-holders in rural areas was 9.13% and in urban areas 17.19%.

Apart from this, institutional accounts have increased



by over 1 lakh to 4.5 lakh over the past year. The central bank data says year-on-year MFS transactions increased by over Tk15,000 crore to Tk96,133 crores in the month of December.

Financial services are also becoming popular for paying utility bills, as reflected in the December data. In that month, more than utility bills worth Tk1,950 crores were paid using these digital services. At the end of December, MFS providers saw some Tk9,000 crore in remaining balances.

With the Bangladesh Bank's approval in 2010, mobile financial services started the journey in the country in early 2011 with the launch of Dutch-Bangla Bank's mobile banking services. Later, Brac Bank launched bKash as a subsidiary, which now dominates the market, followed by Nagad.

Currently, 13 banks offer mobile banking services in the country under various names such as bKash, Rocket, UKash, MyCash and SureCash. They provide services like sending money, cash-in, cash-out, salary disbursement, donation for the poor, stipend disbursement, remittance, payments for different government services, toll payment, credit card bill payment, insurance premiums, etc.



# BRAC Bank Astha users to enjoy free Hoichoi subscription as digital rewards

DF Report

BRAC Bank Limited has partnered with Hoichoi Technologies Bangladesh Limited to provide free OTT subscriptions to its digital banking app 'Astha' users, reads a press release.

The bank regularly offers digital rewards against transactional activities in Astha app. As a part of the Digital Reward Programme, eligible Astha users will get a free Hoichoi subscription through which they can access the full Hoichoi content library through the web and app on-the-go in their mobile devices like TVs and desktop computers.

The platform contains thousands of movies, web series from various genres like drama, thriller, comedy, horror, detective, classic, romance, family, kids, and shorts.

The signing ceremony took place at BRAC Bank's head office in Dhaka on 22 May with Mahiul Islam,



head of Retail Banking, BRAC Bank; and Sakib R Khan, country director, Bangladesh, Hoichoi; representing their respective organisations.

Tanjina Anis, head of Digital Business and Payments, and Sultan Mahmud Sarkar, Senior Assistant Vice President, Digital Business and Payments, BRAC Bank; were also present.

# Two bKash case studies featured in Philip Kotler's book

DF Report

Two case studies on mobile financial services provider bKash were featured in local edition of Philip Kotler's 'Essentials of Modern Marketing', the world's first marketing book around market-specific success stories, said a press release.



The two bKash case studies are titled 'bKash: Bangladesh's MFS Story' and 'bKash App, A Household Tool'.

Philip Kotler's 'Essentials of Modern Marketing' was unveiled at a ceremony held at a hotel in the capital Dhaka recently.

Planning Minister MA Mannan and prime minister's economic affairs adviser Mashiur Rahman were present at the ceremony. Philip joined the event virtually. Kotler Impact Inc Canada and Northern Education Group jointly organised the event.



# Over 130 government fees can be paid through Bkash at Automated Challan System

## DF Report

Logging into the government's Automated Challan System (ACS), more than 130 government fees including passport fees, NBR tax, land tax, NID correction, birth registration, etc can be paid easily through Bkash.

After successful payment, customers can immediately download the challan, reads a press release.

The experience of taking government services is getting easier as people can pay fees through Bkash at the Automated Challan System without going to any office or standing in long queues.

The service can be availed from anywhere in the country saving time and money. Besides, customers can also pay fees of city corporations, municipalities, NID correction, land tax etc through the Bkash app.

One needs to tap on the Pay Bill option in the Bkash app, then select the Government Fees icon to pay various government fees.

To pay the fee through Automated Challan System, one has to log in to the website (<https://ibas.finance.gov.bd/acs>) and select a specific service. After filling out the form with the required information, the customer needs to select the mobile banking option and pick Bkash.



After payment, customers can download the challan instantly and save it for future use.

It is also mentionable that online fee payment for different government services through Bkash has become very popular across the country which is making people habituated to digital payment.

Apart from paying various government fees, bills for utility services like electricity, gas, water, and telephone can also be paid through Bkash conveniently.

# Meghna Bank, Bangladesh Bank ink deal under technology development

## DF Report

Meghna Bank and Bangladesh Bank officials pose for photo at the signing ceremony recently.

Meghna Bank Ltd has signed Participation Agreements with Bangladesh Bank recently to extend facilities for export oriented industries under Technology Development/Up-gradation Fund and Refinancing Scheme for Pre-Shipment Credit.

The deal is to avail Tk 1,000 crore Technology Development/Up-gradation Fund and Tk 5,000 crore Refinancing Scheme for Pre-Shipment Credit.

'Sustainable Finance is a must, not an option, where refinancing schemes play as a primary catalysts', said Bangladesh Bank Sustainable Finance Department



director Chowdhury Liakat Ali.

Among others, Meghna Bank managing director and chief executive officer Sohail R K Hussain and other senior officials from Bangladesh Bank and Meghna Bank were also present.



# GP recharge through Bkash: Customers win many prizes including 2 motorbikes

## DF Report

Bkash has handed over the prizes to the motorbike winners of the "Bike Hobe Tar, Bkash Theke Grameenphone-a Sharboccho Recharge Jar" campaign.

Besides, in the two-phase campaign, a total of 1,200 customers won various prizes including cashback and coupons, reads a press release.

Shafayatul Islam Khan, executive vice president and Mahbubul Islam Chowdhury, vice president of Bkash's Commercial Department handed over the key of the motorbike to the winners in a simple ceremony at Bkash headquarter on Sunday.

The campaign was launched to further encourage customers to do more mobile top-ups through Bkash, the largest mobile financial services provider in the country.



# bKash offers instant cashback at 4 amusement parks

## DF Report

bKash is currently offering instant cashback on payment at four amusement parks namely Fantasy Kingdom, Water Kingdom, Foy's Lake and Sea World, said a press release.

According to the release, customers can avail Tk 300 instant cashback on a minimum payment of Tk 950 through bKash at Fantasy Kingdom and Water Kingdom amusement parks located at the outskirts of Dhaka. They can enjoy the cashback offer twice, that is, Tk 600 cashback during the campaign.

The offer will be valid till June 30.

Similarly, users can avail Tk 200 instant cashback on a minimum payment of Tk 500 through bKash at Foy's Lake and Sea World in Chattogram. They can avail the offer twice as well, that is, Tk 400 during until June 30.





# bKash offers instant cashback on payment at pharmacies

## DF Report

bKash is offering instant cashback on payment for purchasing medicines and other medical supplies at more than 6,000 pharmacies across the country, said a press release.

bKash



Customers can enjoy the cashback till June 30.

Under this offer, a customer will get 5 per cent instant cashback in a day, up to Tk 25, and up to Tk 50 during the campaign period, said the release.

# bKash app adds new features

## DF Report

bKash recently added new features named "Auto Pay", "Balance Hide Option" and "View Charges in Statement" to its app.

To avail the Auto Pay service, a customer needs to tap on the "New Auto Pay" button by selecting "Auto Pay" from "My bKash" or bKash menu option in the app, said a press release.

Customers have to select the type of bill, account details, bill amount and date on which the auto pay will be done in the next step.

The service will be activated with consent. Before the

due date in every month, customers will be notified through messages to keep sufficient balance. Customers can enable auto pay for multiple prepaid bills if they want.

They can also cancel any auto pay option at any time. List and details as well as tutorial video can be seen from the autopay menu as well.

Customers, however, can share transaction details of the home delivery of any product keeping their account balance private in balance hide option.

In the View Charges in Statement option, customers can keep track of every detail of their transactions.

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অটো পে

# Digital Nano Loan: Customers availed Tk175cr through bKash app

## DF Report

Arif, a private employee, found himself in a predicament when he urgently needed to send Tk10,000 to his father near the end of the month. With limited funds in his account, he turned to the bKash app for a solution. Through this innovative platform, he effortlessly obtained a collateral-free loan of Tk10,000, providing him with immediate relief and enabling him to support his father promptly.

Reflecting on his experience, Arif shared, "Four months ago, it would have been challenging for me to manage my monthly expenses while dealing with an additional Tk10,000 expenditure. Thankfully, I was able to repay the loan in three convenient instalments. This incident has made me truly appreciate the blessings of technology."

As the country's leading mobile financial services (MFS) provider, bKash has taken the lead in introducing Bangladesh's first-ever Digital Nano Loan in collaboration with City Bank.

After a successful year-long pilot phase, the digital nano loan service was officially launched in December 2021. With this service, bKash users are no longer required to visit physical locations or submit extensive documentation to access collateral-free loans through the bKash app.

Since its inception, bKash customers have availed of Tk175 crore in digital nano loans, with Tk125 crore already repaid. The remaining amount will be settled upon the completion of the loan instalments.

Reza, a resident of the capital's Badda area, shared his experience with the loan service. When faced with a shortage of cash while shopping for his family before Eid, Reza utilised bKash's nano loan to avoid returning empty-handed or missing out on essential items from his shopping list.

Expressing his satisfaction, Reza stated, "I use bKash

for various transactions, such as sending money, paying bills, and recharging my mobile balance. The hassle-free repayment process through the bKash app is commendable. The app even reminds me of my payment schedule. This instant collateral-free loan system truly is a blessing from bKash."

The introduction of this paperless digital nano loan service aims to enhance financial inclusion and provide customers with instant access to loans. Depending on their credit rating, bKash users can borrow amounts ranging from Tk500 up to Tk20,000 from City Bank.

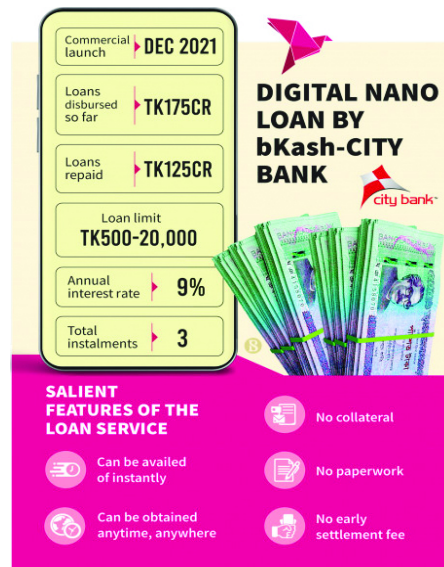
The loans come with an annual interest rate of 9%, and users can easily repay the loan in three instalments via the bKash app. The daily interest rate is automatically calculated, allowing borrowers to repay the loan ahead of schedule. In such cases, the interest is charged only for specific days. Notably, there are no additional charges for early settlements.

How to avail of a loan

On the bKash app, users need to select the "Loan from Banks and Financial Institutions" icon, input the desired loan amount within the City Bank's limit, and agree to the terms and conditions. Once eligible, users can enter their PIN to receive the loan amount directly in their bKash account.

Ali Ahmmad, chief commercial officer of bKash, emphasised the company's commitment to simplifying and streamlining financial transactions for the public. He described the collateral-free loan as a blessing accessible to individuals from all walks of life.

"bKash has already set a milestone by facilitating digital nano loans to customers based on their credit ratings, which is the first of its kind in Bangladesh. To pave the way to bring more exciting dimensions of the nano loan in the coming days, bKash will continue its endeavour," he concluded.





# Growing MFS frauds pose a threat to Bangladesh's cashless journey

## DF Report

For economists and digital experts, paper currency is not an asset of the future. It belongs to yesterday, having served as a means of payment and store of value for centuries. But the rise in digital fraud is a concern. Here, Bangladesh, which is a global success story in the mobile financial services revolution is no exception.

When the world is moving toward a cashless society and Asia is leading the queue, Bangladesh is not sitting idle rather than moving fast driven by its robust mobile financial services (MFS) under a conducive regulatory environment. The average daily transaction of MFS operators has crossed Tk3200 core and its volume shows a growing trend. Experts predicted that MFS will get the better of all other methods to push forward the Bangladesh journey towards a cashless society for better growth thanks to the spread of smartphones among anyone and everyone.

**the dailyobserver** We stand for people's rights

But the path is not a bed of roses. the rise in digital fraud is a concern. When good things happen slowly then bad things happen quickly. Since technology is evolving, scammers and fraudsters are not sitting idle. They are using increasingly sophisticated tactics to steal money from common people who are mostly less literate, remained excluded from financial services and now enjoying the benefits of mobile banking services. So, the MFS industry is now facing risks and challenges in Bangladesh. Here the role of MFS players is inadequate as most of them are engaged in fighting each other to grab the market share leaving their innocent users- mostly poor and low-income people in the hands of fraudsters who are smart and clever.

How many fraud incidents are taking place in mobile

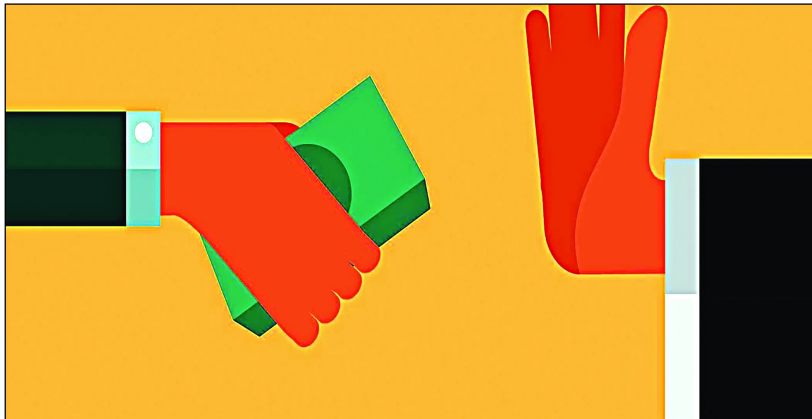
banking in Bangladesh? It is a tough question to answer since it is tougher to find figures. The issue came into the discussion after Rapid Action Battalion (RAB) arrested 13 members of a mobile banking and debit or credit card forgery ring from Dhaka and Bhanga Upazila of Faridpur. Readymade garment workers, small entrepreneurs, and low-income and less-educated people were the victims of the forgery ring. A senior RAB official said 10-12 cases of extortion using mobile

banking services are reported every day, according to reports published in dailies.

The worrying fact has come in a recent survey conducted by the Policy Research Institute of Bangladesh (PRI) that shows one in every 10 MFS users

in Bangladesh has faced financial fraud sometimes. The survey, which was carried out from August to September last year covering 9,279 respondents in urban and rural areas, also found that "compromised PINs" and "scams involving impersonation" are primary frauds experienced by MFS users. Moreover, the average size of the financial loss from using MFS accounts amounted to over Tk9,000, and although no significant difference in the average loss was recorded between urban and rural residents, the size was seen to be increasing with higher educational degrees. Of the 2,000 MFS agents also surveyed for the study, nearly 13% said they have experienced fraud with their MFS accounts. The average size of financial losses suffered by agents from operating MFS accounts amounted to over Tk18,000, with a maximum loss recorded at Tk70,000. Agents also blamed "compromised PINs" as the main type of fraud, with the highest financial loss incurred from this amounting to more than Tk20,000.

As the incidents of mobile banking fraud are rising alarmingly the UK recently decided to ban all cold calls for financial products. The new British Prime Minister Rishi Sunak already has launched a plan to tackle scams: "Fraud accounts for over 40% of crime."





For developing markets, like Bangladesh and India, the situation is too cautious. According to data released by the Reserve Bank of India, 2,331 fraud cases involving Rs 87 crore were reported by banking entities during the six-month period as against 1,532 frauds involving Rs 60 crore. In Bangladesh the situation is no doubt, more worsen. Bangladesh Bank has yet to release such data on MFS fraud incidents and all MFS operators are yet to be united to fight frauds.

Keeping pace with the growth of digital transactions, industry experts say, new modes of cyber fraud are introduced by the culprits. Financial literacy through financial education can only minimise these cyber frauds and the common man can safeguard his hard-earned money. New fraud research released by The FINRA Investor Education Foundation (FINRA Foundation) shows that individuals who are socially isolated or who have low financial literacy levels are more likely to lose their money to a fraudster. In Bangladesh, the level of financial literacy is at the bottom level as most MFS users in Bangladesh are mostly poor, low-income people and not well educated. Unfortunately, MFS operators as well as the regulators do not give proper importance to this crucial issue.

The government as well as Bangladesh Bank are promoting the cashless transaction which has ignited a revolutionary journey towards a digital economy for a better and smart Bangladesh. Currently, 13 MFS operators are offering different services to millions of people mostly those who remained out of formal banking services. But the poor financial literacy and awareness programmes may halt Bangladesh's journey towards a cashless society which gained momentum in 2011. With MFS tools, people are receiving remittances and gifts instantly from their relatives and friends.

To push forward the Bangladesh journey towards a

cashless society, it is the responsibility of MFS providers to set a minimum risk management structure on the platform to guide operators. At the same time, it is their responsibility to educate their customers with adequate financial literacy. To educate customers, all MFs players should stand on a single platform and fight together against fraudsters. Bangladesh Bank can play a vital role in its regulations.

But the big concern is that regulations in Bangladesh sometimes fail to enforce its rules due to the government's intervention. Such interventions destabilize the level playing field and ignite uneven competition among market players which opens a window of opportunity for mobile banking fraudsters to steal money from the pockets of innocent users- a red alert.

For example, to mitigate risks and fraud in mobile banking, Bangladesh Bank introduced the KYC protocol in line with the Financial Action Task Force (FATF). Banks follow this process while opening accounts and periodically update the same. This is a part of the bank's due diligence framework. So, one of the major pillars on which this MFS industry stands is the simplified KYC introduced by Bangladesh Bank and the BFIU. But millions of MFS accounts were opened by some MFS operators without KYC protocol. Some operators were too powerful and interlinked with the government. So, Bangladesh Bank had nothing to take action without issuing a general guideline.

MFS customers who are in front of Bangladesh's journey toward a cashless society are poor and low-income citizens. Rising fraudulent activities may discourage them to shy away from using MFS tools which ultimately will hit financial inclusion and jeopardize the Bangladesh cashless journey.

*( The article was published in The Daily Observer).*



# Mobile Banking Increased Dramatically, but Anti-fraud Protection is Lagging Behind

- \* Adoption of anti-fraud protection to combat ad fraud by banking apps has stayed relatively static.
- \* Over 90% of the UK alone used online banking in 2022, according to Statista.

Kalen Bushe



Kalen Bushe has over seven years of experience in sales, marketing and business development. He is now the Vice President, Growth, at TrafficGuard, an international ad fraud detection and protection software provider. Within his role,

Kalen leads the company's global affiliate ad fraud protection product and works with marketing leaders to protect their affiliate traffic from fraud.

The rise in digitalization is transforming the banking and financial services industry. Every day individuals are turning to mobile banking apps over bricks-and-mortar for more efficiency, speed, and ease in their daily lives, now more than ever. However, despite a dramatic increase in mobile banking, the adoption rates of anti-fraud protection to combat advertising fraud by

banking apps have stayed relatively static.

By providing an app, banks can make the process smooth for customers when completing transactions and managing accounts. With over 90% of the UK alone using online banking in 2022, according to Statista, this provides an opportunity to outperform rivals and better position themselves in a market that is ever more crowded. Companies utilizing digitalization and improving customer experience will see a rise in customers and, hence, will generate more profit from their operations.

However, there is no benefit in investing more money into mobile marketing without clarifying that budgets return maximum investment. Apps must invest in the proper marketing channels and remove invalid traffic from infiltrating their campaigns to see an increased return on investment (ROI). The truth behind invalid traffic is that financial organizations are laser-focused on their cybersecurity efforts.



However, the industry is losing millions yearly due to a lack of awareness or proactivity around advertising fraud. Digital ad spending loss to fraud was estimated at \$68 billion in 2022 and is predicted to rise to \$112.6 billion in 2026, Juniper Research revealed.

Ad fraud is a subset of invalid traffic. It includes a variety of tactics, such as click injection and click flooding from bots used to prevent digital ads from being delivered to genuine audiences. This essentially sabotages the advertising efforts of a business for financial gain. It impacts every campaign type, no matter the objective.

For advertisers in markets where mobile banking penetration is low, such as Italy, which Statista reported was only 36% in 2021, building a customer base is a focus, and user acquisition is the priority. Fraudulent clicks will never convert to actual app users, meaning banking companies fail to climb the app store charts and increase new customers.

As previously mentioned, retaining existing customers is a much more important priority in markets with high penetration, such as the UK. False installs and engagements distort metrics as marketers believe fraudsters are genuine customers. This means when advertising teams invest further to increase top-of-mind awareness, they'll use polluted data, and the wrong channels will be scaled.

Not understanding the true impact of invalid traffic in terms of hampered user acquisition and misattribution is incredibly harmful. Rather than banks benefiting from cheaper operational costs, improved user experience, and an expanded user base, invalid traffic is a severe risk to their growth in the mobile app industry. In the accelerating market, marketers cannot afford to analyze data containing artificially inflated traffic from bots to inform their scaling and budgeting decisions.

### Finding a Solution

Excluding fraudulent traffic is a simple way to drive a return on investment with greater efficiency and trust. It starts with understanding the techniques for fraud prevention on mobile apps. Here are a few things to think about when it comes to securing your apps:

- \* **Increase Visibility** - Organizations may trust analytics from sources such as the app store that delivers sur-



The Telegraph

face-level data rather than any real insight into the quality of the traffic. This leads to growth strategies based on inaccurate information that ultimately halts growth altogether.

- \* **Know Your Metrics** - If marketers are experiencing unusual rises in traffic, clicks, and downloads, but their user metrics are falling or staying the same, mobile ad fraud may be present. This is often seen when user engagement is high during the early funnel stages but drops off quickly post-install.

- \* **Monitor Your Mobile Measurement Partner** - Trusting your MMP's attribution data alone will likely increase vulnerabilities as they only operate at or after the app install attribution rather than impression or click level. A partner who can complement your MMP to ensure installs are correctly attributed will improve traffic and genuine customers.

### Creating Competitive Advantages

Across Europe, people benefit from taking care of their financial needs simply with a digital wallet. Research by Finder found that as of January 2022, over a quarter of adults in Britain had opened an account with a digital-only bank. Looking to the future, it is not only legacy banks launching apps, but digital banks are populating the online financial landscape and increasing competition.

Online banking apps have a target on their backs that is stunting growth. Invalid traffic and ad fraud are stopping businesses in the financial sector from reaping the operational and customer-centric benefits of having an app, which is causing damage to ROI. To gain a competitive edge over others in the industry, mobile banking providers need to eradicate invalid traffic from their campaigns and develop a flexible and efficient model that stops fraud before it can cause damage.

---- Courtesy: Financial Magnates



# Exploring the fintech landscape & opportunities in Bangladesh

MOHAMMAD ASHRAFUL ISLAM KHAN

The financial technology (fintech) industry is currently experiencing a significant transition in both its technological advancements and business models. Regardless of whether one is the CEO of a well-established financial institution or the founder of a fledgling fintech startup, maximising investments is crucial for success. However, the second half of 2022 presented unique challenges for the global fintech sector, which faced a combination of economic and market pressures, including high inflation and interest rates, limited exit opportunities, declining valuations, and margin pressures for companies involved in buy now, pay later services.

To remain competitive and thrive in today's fast-paced financial services industry, innovation is essential. The sector is constantly transforming, thanks to the emergence of novel products, channels, and business models. This shift is driven by changing customer expectations, digitalization, and ongoing regulatory and cost strains.

Recent examples of fintech innovation include widespread adoption of decentralised finance (DeFi) platforms, which use blockchain technology to offer alternative financial services, such as lending and borrow-

ing, without the need for traditional intermediaries. Furthermore, the use of artificial intelligence and machine learning to analyze data and provide personalized financial advice to consumers is becoming increasingly popular.

The fintech industry is undergoing a significant transformation, driven by technological innovation, changing customer expectations, and regulatory pressures. While the industry faces unique challenges, fintech companies that prioritise innovation and investment optimisation will likely thrive in this evolving landscape.

The fintech industry in South Asia, particularly in Bangladesh, is currently in the developing phase. Despite being a Least Developed Country (LDC), Bangladesh has made significant strides in adopting digital financial services. The government has also initiated various programmes to promote the growth of the fintech sector, recognising its potential to improve financial inclusion and economic growth.

One of the significant challenges that Bangladesh faces is financial inclusion, with a large segment of the population still unbanked. However, fintech is rapidly changing this landscape. The government has taken several endeavours to promote fintech innovation in the country.



For instance, the Bangladesh Bank, the central bank of Bangladesh, has launched a regulatory sandbox to foster the development of fintech solutions. This initiative allows fintech startups to test their innovative products and services in a controlled environment before launching them in the market. Additionally, the government has set up a digital financial services lab to facilitate the development of fintech startups.

Fintech startups in Bangladesh are also making significant strides. One example is bKash, a mobile financial service provider that has revolutionised the way people transfer money and pay bills in the country. Founded in 2011, bKash now has over 60 million registered users, and its services have been instrumental in promoting financial inclusion in Bangladesh.

Another example is ShopUp, a fintech startup that provides working capital loans to small and medium-sized businesses. ShopUp uses data analytics and artificial intelligence to assess the creditworthiness of borrowers, making it easier for small businesses to access financing.

South Asia is home to many emerging economies, and the fintech sector is growing rapidly in the region. While Bangladesh has made strides in developing its fintech industry in recent years, it still lags behind some of its neighbors.

In terms of fintech development, India is currently considered the leader in the region. The country has a large pool of tech talent, a supportive regulatory environment, and a robust startup ecosystem. India's fintech sector has seen significant growth in recent years, with companies like Paytm, PhonePe, and PolicyBazaar achieving unicorn status. India is currently the third largest FinTech market, following the US and the UK, with over 7300 startups in the segment, supported by an overall funding volume of around \$30.2 billion.

Other countries in the region that are also making substantial strides in fintech include:

### **SINGAPORE**

The city-state is known for its supportive regulatory environment, and has become a hub for fintech startups in Southeast Asia. Companies like Grab, Razer, and InstaReM have all set up operations in Singapore.

### **INDONESIA**

With a large and growing population, Indonesia has become an attractive market for fintech companies. Startups like Gojek, OVO, and Tokopedia have all

made waves in the Indonesian fintech sector.

### **SRI LANKA**

While still in the early stages of fintech development, Sri Lanka has a growing startup ecosystem and a supportive government that is encouraging innovation in the financial sector. Companies like PayHere and FriMi have emerged as key players in the country's fintech space.

While Bangladesh has made progress in developing its fintech industry, it still faces challenges such as a lack of investment and a regulatory environment that is not always supportive of innovation. However, with a large and growing population and a strong entrepreneurial spirit, there is significant potential for the country's fintech sector to grow and flourish.

Bangladesh has made progress in developing its fintech industry in recent years, with mobile money services like bKash and Nagad becoming popular among the country's unbanked population. However, there are still areas where Bangladesh can adopt new fintech products to further boost its economic development.

One fintech product that Bangladesh could adopt is blockchain technology. It is also an area that

Bangladesh could explore further. Blockchain offers a secure and transparent way to record transactions, making it useful for a variety of applications, including remittances, supply chain management, and identity verification. Blockchain technology has the potential to benefit local people in Bangladesh in a number of ways. Here are some examples:

### **REMITTANCES**

Bangladesh is a major recipient of remittances, with millions of people relying on money sent from overseas to support their families. Blockchain technology can make remittances faster, cheaper, and more secure. For example, blockchain-based platforms like BitPesa and BitSpark allow users to send money across borders with lower fees and faster transaction times than traditional remittance providers.

### **SUPPLY CHAIN MANAGEMENT**

Bangladesh is a major player in the global textile industry, with millions of people employed in the sector. However, the supply chain for textiles can be complex, with many different actors involved in the production process. Blockchain technology can help improve transparency and accountability in the supply





chain, making it easier to track products from raw materials to finished goods. This can help ensure that labor and environmental standards are being met, and that products are authentic and not counterfeit.

Blockchain technology has the potential to benefit local people in Bangladesh by making financial transactions faster, cheaper, and more secure, improving supply chain transparency, providing a secure way to verify identity, and enabling greater access to microfinance. As the technology continues to evolve and mature, it is likely that we will see more and more innovative use cases emerge in Bangladesh and around the world.

Also Bangladesh could benefit from the adoption of robo-advisory services, which use algorithms to provide investment advice to customers.

Robo-advisory services can help democratise access to financial advice, making it more affordable and accessible to a wider range of people.

Fintech contribute significantly to Bangladesh's GDP growth by increasing access to financial services, reducing transaction costs, and increasing efficiency in the financial sector. This can lead to increased investment, entrepreneurship, and job creation, which can all contribute to economic growth. Fintech can help increase efficiency in the financial sector by reducing the costs and time associated with traditional banking services. This can lead to increased investment, entrepreneurship, and job creation, which can all contribute to economic growth.

Some countries like China, Kenya have made significant progress in using fintech to drive economic growth. China's fintech industry has seen tremendous growth in recent years, driven in large part by the success of companies like Alibaba's Ant Financial and Tencent's WeChat Pay. These companies have helped to increase financial inclusion and drive innovation in the financial sector.

As the world becomes increasingly digital, the need for fintech education is becoming more important than ever before. In Bangladesh, there is a growing recognition that fintech can play a key role in driving economic growth, but there is still much work to be done to ensure that the country is fully prepared to take advantage of these opportunities. To achieve this, there are

several steps that can be taken to improve fintech education in the country.

Firstly, there is a need to increase awareness of fintech among students, educators, and policymakers. This can be achieved through the development of workshops, seminars, and other training programs that focus on fintech and its potential applications. By raising awareness of fintech, more people can be encouraged to explore the field and consider careers in fintech-related industries.

Secondly, it is important to improve the quality of fintech education in Bangladesh. This can be achieved by developing specialised fintech courses and curricula that are relevant to the needs of the local market. Fintech education should cover not only technical skills but also business

and regulatory aspects of fintech, as these are critical to success in the field.

Thirdly, there is a need to establish partnerships between universities, industry players, and regulators to facilitate the exchange of knowledge and expertise. Such partnerships can help to bridge the gap between academia and industry and ensure that students are exposed to real-world challenges and opportunities in fintech.

Finally, there is a need to invest in fintech infrastructure in Bangladesh, including the development of fintech labs, incubators, and accelerators. These facilities can provide students and entrepreneurs with access to the latest fintech tools and resources, as well as mentorship and funding opportunities to help them develop and launch their fintech ideas.

In conclusion, the adoption of fintech education in Bangladesh has the potential to transform the country's economy and drive growth in the years to come. By increasing awareness, improving the quality of education, establishing partnerships, and investing in infrastructure, Bangladesh can position itself as a leader in fintech in the region and beyond.

*(The writer Mohammad Ashraf Islam Khan is a Management Consultant, is Head of Supply Chain Advisory Services at Management Consulting KPMG Bangladesh. The article was first published in THE FINANCIAL EXPRESS)*



# Fintech can help improve lives of people with disabilities

Financial technology companies, with the support of governments, can lead the way in making technology a tool for people with disabilities to have greater access to financial services.

One in six people live with a disability in our world today. These individuals suffer a range of auditory, cognitive, physical, speech and visual disorders that can hinder access to financial services. Indeed, when stranded by mobility limitations, they are most likely to live in a "financial services desert" with inadequate or no access to mainstream financial services.

Yet the invisibility of most disabilities makes addressing financial inclusion for these people challenging because many choose not to be open about their difficulties. Visual disabilities, for example, are not only due to mild to severe vision loss in one or both eyes. The color blind can also experience a lower or complete lack of sensitivity to specific colors.

Auditory disabilities include partial hearing loss or hearing impairment in one or both ears. Cognitive, learning and neurological disabilities can range from mild reading-related disabilities to severe impairments. Physical disabilities can include paralysis, arthritis, poor coordination, tremors and missing limbs.

The proliferation of fintech innovations has enormous potential to expand access to finance to many of these people. For example, in the United States, Purple, a niche mobile banking application for people with disabilities, combines a tax-advantaged bank account with a debit card that links to a financial platform using cutting-edge algorithms. As a result, customers are not only able to make contactless, easy, and secure payments with a smartphone, but also manage their wealth and pension accounts.

A new mobile app developed by Kasikornbank is helping people with visual disabilities and the elderly in Thailand to conduct financial transactions on their smartphones via touch screens and voice and vibration systems. Users do not need to look at the screen while transacting. Instead, with intuitive and straightforward finger movements and non-location-based interface technology, multi-sensory feedback directs users in every transaction step.

AllLife has developed life insurance and disability cover for people living with HIV and diabetes in South Africa. Affordable insurance policies are on offer using data-driven algorithmic pricing for previously uninsur-

able segments. However, customers commit themselves to adhering to an ongoing health monitoring and treatment program.

Tencent's WeBank has enabled accessibility features on its app to ensure visually impaired citizens of China easy access to banking services. The WeBank app integrates biometric authentication, face anti-spoofing, artificial intelligence-powered speech synthesis, and real-time image processing. In addition, the open-source development framework of the app allows WeBank to share its experience with the wider industry to help improve accessibility.

Accessible smartphone apps provide customers with disabilities convenience, financial records, and safety; they lower costs, increase transparency and comfort, and improve customer control over finances.

Yet progress toward these goals is not seamless. There is a wide disability gap in mobile phone ownership?where people with disabilities are less likely to own a mobile phone than the non-disabled. Bangladesh has the widest gap, with 55 percent of the disabled not owning mobile phones, and Pakistan the narrowest, at 11 percent. With the smartphone ownership gap exceeding the overall mobile phone ownership gap, they are most likely to experience a digital divide.

Smartphone uptake is hindered by a lack of perceived relevance, affordability, safety and security, with poor digital literacy, skills and broadband accessibility affecting mobile internet usage.

Even for those who can afford smartphones, weak understanding, navigation and interaction of digital financial products remain a formidable challenge. Embracing inclusive design and rethinking business as usual are critical to empower people of all abilities.

Financial institutions and fintech companies need to ensure that customers with disabilities can access the same financial services that non-disabled people can. They, therefore, need to have a sound understanding of the unique needs of people with disabilities and barriers to technology accessibility.

Today, developed countries such as Australia, Canada, the United States and the United Kingdom stipulate web/digital accessibility guidelines. If any fintech product is not accessible? simple, structured, and easy to navigate?the financial services companies can open themselves to a lawsuit.