



Bangladesh

Serving its vulnerable and underserved populations through mobile banking services



Major stimulus packages announced by Bangladesh

To date, the Bangladeshi government has announced rescue packages worth **USD11.6 billion**, equivalent to **3.5% of GDP**, that focus mainly on supporting manufactured exports and agriculture, as well as creating various safety nets.



- As part of Bangladesh's coronavirus relief efforts, the government launched a scheme to provide financial assistance to 5.0 million vulnerable families who will each receive a one-time grant of BDT 2,500 through mobile banking services.
- In addition, the government inaugurated a programme through which the education stipends and tuition fees will be provided to graduate-level students through mobile banking services.

The government has also focused on the promotion of payment services during this difficult period:

- Bangladesh Bank has instructed Mobile Financial Service (MFS) providers to offer free cash-out for a maximum of BDT 1000 daily.
- Waiver of charges to merchants when accepting debit and credit card payments for essential goods and medicine
- Daily transaction limit for contactless debit and credit cards were increased

94.0 million
mobile internet subscribers



161.5 million
mobile phone subscribers



BDT 200 billion for cottage, micro, small and medium enterprises (CMSMEs) as working capital loans



BDT 127.5 billion allocated under the Bangladesh Bank Export Development Fund (EDF)



BDT 50.0 billion pre-shipment Credit Refinance Scheme for export-oriented industries



BDT 300 billion for industries and services sectors as working capital loans

- Launched in May 2020, **Ekdesh** is the country's first digital crowd-funding platform that raises funds and disburses them as zakat or financial aid. The platform has enabled individuals or organizations to make donations via debit/credit cards or mobile payment/digital wallet for businesses and low-income populations whose income and livelihoods have been adversely impacted by the coronavirus pandemic.
- Currently, the country's statistics support the growth of mobile banking services, which is an important stride toward financial inclusion. As of May 2020, there were 161.5 million mobile phone subscribers in Bangladesh, of which 94.0 million are mobile internet subscribers, according to the Bangladesh Telecommunication Regulatory Commission.
- In a country where mobile penetration is very high, mobile money has been touted as an effective way for Bangladeshis excluded from the formal financial system - including women, youth and the rural poor - to access reliable financial services and tools such as payments, savings, credit, and insurance.

Account Ownership



Ages 15-24	56%	41%
Ages 25+	72%	54%
Male	72%	65%
Female	65%	36%
Rural	66%	50%
Mobile money account (% age 15+)	4%	21%
Mobile money account (male, % age 15+)	66%	50%
Mobile money account (female, % age 15+)	3%	10%
Mobile money account, rural (% age 15+)	4%	22%

* Global Findex Database 2017

- Overall, the high mobile phone density coupled with a large rural population (63.4%) in Bangladesh presents a unique opportunity to leverage the mobile platform to meet the objectives and challenges of financial inclusion.



Use of Mobile Financial Services

(as of April 2020)

Inward remittance
BDT 1.12 billion

Cash in transaction
BDT 87.10 billion

Cash out transaction
BDT 82.28 billion

P2P transaction
BDT 92.43 billion

Salary disbursement (B2P)
BDT 10.65 billion

Utility Bill Payment (P2B)
BDT 2.71 billion



Financial Inclusion in Bangladesh

- A key component of the government's financial inclusion strategy is to promote a "Digital Bangladesh" that includes the uptake of mobile money and other digital payment platforms.
- Positively, Bangladesh's mobile banking landscape received a boost in September 2011, when the central bank issued the **Mobile Financial Service Guidelines** which clarified mobile banking opportunities for banks, defined clear roles, and signalled support for banking innovation.

The share of adults with a mobile money account has reached

higher than the world average of



4%



21%



Males represent a considerably **higher percentage of bank account ownership** compared to females



Number of banks
15

Number of agents
995,265

Number of registered clients
85.129 million

Number of active accounts
28.170 million

Number of daily average transaction
7,252,165.00



Mobile Banking At a Glance

(as of April 2020)