

# On the money in Bangladesh with **bKash**



Scan for mobile reading

How can you create a flourishing economy when 85 percent of people don't have a bank account? In Bangladesh, bKash is the simple, secure, and mobile answer. Affordable and effective, it's already attracted 30 million registered users. How did it do that and how does it work?

By Wang Hai, Du Juan





**B**angladesh's 165 million people live in the most densely populated nation in the world. More than 70 percent live in rural areas, where mainstream banks don't provide services. In fact, only around 15 percent of Bangladeshis have access to banking services, while most are unable to obtain credit, make digital payments, remittances, or deposits, or start a savings account.

The government has made great efforts to develop mobile payment services to aid the 85 percent of the population without a bank account, introducing regulations to encourage more players to join the market. In 2011, under the direction of Bangladesh Bank, the country's central bank, the government issued 28 mobile financial services licenses to operators and qualified banks. One was awarded to bKash – a subsidiary of BRAC Bank. The new company's founding mission was to expand financial inclusion by providing convenient, affordable, and reliable financial services.

## Making life easier

With no access to formal banking services, most people struggle with day-to-day finances like sending money to other accounts, paying bills on time, or carrying cash safely. By integrating banking and telecom services, bKash makes it possible for anyone with a feature phone to access its ten main services, which include deposits, withdrawals, transfers, and payments on a USSD service interface. Today, bKash's service covers 98 percent of Bangladeshi mobile subscribers.

Raju works in the capital Dhaka, and supports his family who live in the countryside. In the past, it was hard for him to send money back to his village, but now he can securely send money to his wife's account on his phone using bKash. Maya can then pick up the cash straight away from a nearby bKash agent.

Shudeb Kumar Ghosh runs a family dairy business. Financial transactions were a lot of

“bKash has more than 50,000 companies on its network, including shops, medical facilities, and educational institutions, that provide payment services for users.”

hassle, and sometimes meant he had to stop production to collect money from buyers. bKash lets him receive payments for goods in a few hours via secure and real-time transactions on his phone.

## Team effort

bKash collaborated with all the GSM operators in Bangladesh to establish its payment service. Consumers can use a Grameenphone, Robi, Banglalink, or Teletalk number to open a bKash account, with their phone number serving as their account number. Services are operated via the telco's USSD and SMS systems.

bKash is increasing its collaboration with banks and international remittance companies. It has signed cooperation agreements with 14 banks, including Sonali Bank, Bangladesh's largest state-owned commercial bank, to use their nationwide network to provide receipts, payments, and other services to bKash distributors. bKash also teamed up with Standard

Chartered Bank to launch Straight2Bank wallets in Bangladesh and Western Union and MasterCard to provide international remittance services.

On the making payments side of things, bKash is partnering up with more businesses to increase service coverage and build up the payments ecosystem. bKash has more than 50,000 companies on its network, including shops, medical facilities, and educational institutions, that provide payment services for users.

By generously sharing benefits with its distributors, operators, and other partners, bKash has stimulated significant growth for its service. It has distribution agents in over 160,000 locations, and the company has built up a huge business network through a four-tier hierarchical management system. bKash has agents in many remote areas and even small bKash booths open past 10pm, which bank counter services cannot rival.

## Trusted brand



bKash's bright pink signage is eye-catching and easily identifiable amid the lush green backdrop of Bangladesh's rural areas. The company's advertising billboards also often occupy prominent locations in towns and cities and promote the value of the service through customer stories. In Bangladesh, everyone knows of bKash whether or not they've used its service.

bKash frequently teams up with merchants to run promotional campaigns, especially during holidays. Its real-time cash back service uses Huawei's Mobile Money platform, which gives users a slight rebate when using bKash to pay selected merchants.

bKash continues to refine its platform to provide users with a more secure, reliable, and diverse service. The company aims to turn the brand into a lifestyle product that's more than just a money transfer tool. bKash's next step is to focus on developing a user-oriented app and providing financial services that connect to banks. As bKash's platform-side strategic partner, Huawei will assist the company achieve this vision.

bKash's CEO Kamal Quadir believes that the Huawei solution is very well designed, helping bKash tailor needs to different customers. "A customer may say, 'I want to use this platform to access my bank account', 'transfer funds', 'buy airtime', or 'buy insurance', and so on," says Quadir, "That's the main reason we're working with Huawei."

bKash's vision for the future is to provide financial services for low-income areas not covered by conventional services, and thus cover more people in Bangladesh. In just six years, bKash has grown into Bangladesh's largest mobile financial services provider, with 17 percent of the population holding a bKash account.

It's now a trusted brand whose rapid and widespread success comes down to easily accessible services, a reliable and secure solution, diverse service scenarios and ecosystems, and a socially responsible brand culture. Simplifying money transfers from the city to the countryside is bKash's key contribution to economic development in Bangladesh. [www.bkash.com](#)