

Nagad truly accelerating country's financial inclusion with groundbreaking innovations

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Dhaka : Nagad, one of the country's two leading mobile financial service, under the authority of Bangladesh Post Office, is truly in efforts to accelerate financial inclusion by providing the unbanked people with access to finance. For this purpose, Nagad, since its inception in 2019, has always been introducing first-of-its-kind groundbreaking innovations to actually meet the needs of the unbanked people and bring them under finance conveniently.

Tanvir A Mishuk, Managing Director of Nagad said this while talking to The Bangladesh Monitor at his office in the capital recently.

The Managing Director of Nagad mentioned that 52 per cent of the country's population still uses cash while only 48 per cent uses digital financial services. The former consists of people living in rural areas of the country without any smartphone.

Hence, Nagad was the first to introduce Digital Know Your Customer (KYC) which brought a revolution in the country. Due to this innovation, customers can open an MFS account only by dialing *167# on their feature or bar phones without internet. This brought even those who do not have a smartphone under the umbrella of mobile financial service, explained Mishuk.

Also, most of this 52 per cent population are not tech-savvy. Thus, Mishuk pointed

out that Nagad has 120 customer points across the country where these people can learn how to avail the services.

Moreover, for smartphone users, Nagad, for the first time in the country, introduced another revolutionary innovation which is the Electronic Know Your Customer (EKYC), said Mishuk, adding, this system allows customers to open an account through their smartphones without the need of filling any forms, paving the way for mobile financial service revolution in the country.

Another milestone of Nagad, as mentioned by its Managing Director, is it managed to reduce the cash-out charge to single digit only. Now, to cash-out BDT 1000, the charge will be BDT 9.99 only. With VAT, the amount stands at BDT 11.49 only, which is the lowest in the market.

Nagad also allows customers to pay utility bills for free and was the first to do so, expressed Mishuk.

The aforementioned groundbreaking innovations of Nagad allow it to offer such services for free or at low cost, explained Mishuk.

Because of these unparalleled services, the number of Nagad users has been rising exponentially, claimed the MD, making it the second largest MFS provider of the country in only three years.

Thanks to Nagad and its convenient usage, 3.40 crore customers started using it in 2021 alone. Currently, Nagad has almost six crore customers and daily transactions of BDT 7-750 crore.

Mishuk mentioned how Nagad is leading the way in implementing the Digital Bangladesh vision of the government. Since the government chose to distribute its social safety net allowance and other financial stimulus through Nagad, it helped digitise the process. In 2020-2021, Nagad distributed BDT 9 crore stimulus to three crore beneficiaries with transparency, said Mishuk.

It may be mentioned here that Nagad also introduced the country's first Shariah based mobile financial service Nagad Islamic.

However, for a truly cashless society, Mishuk urged true fintech people to come into the MFS industry. Currently, there are only two MFS providers who are genuine, including Nagad, in the market, claimed Mishuk. By genuine, he meant, who are not backed by any bank.

Mishuk claimed the market needs 10 more of such MFS providers to actually expand the services nationwide and bring the entire population under finance.

Another hindrance coming in the way of full financial inclusion of the country is the charge of any MFS. It has to be brought down to zero, noted Mishuk, saying, that it is only possible if more genuine MFS providers enter the market. That will bring the total industry rate down, stressed Mishuk, claiming, only then expansion will not be expensive.

In 10 years from now, Mishuk foresees that to be a reality, when customers will not be charged for any MFS, rather they will get interest.