

Welcome to the presentation of Bangladesh Post in the UPU Workshop on Postal Financial Inclusion

A Success Story



Bangladesh

Banking Service Scenario in Bangladesh as on 31.12.2010

- **Total Population: 146100000**
- **Number of Operating Branches of Govt. and Private Banks: 7,711**
- **per capita deposit: 25,256 BDT**
- **per capita advances: 20,252 BDT**
- **Total number of accounts: 486,78,937**
- **Total Amount Deposited: 368,919,98 Lacs BDT**
- **Deposit distributed by all banks in urban area: 320,287,19 Lacs BDT**
- **Deposit distributed by all banks in rural area: 48,632,79 Lacs BDT**
- **Total Deposit distributed by all banks in Bangladesh: 368,919,98 Lacs BDT**



Like all other parts of the world, Branchless banking is the demand of the day in Bangladesh also. Bangladesh Post has already put its footsteps into the world of branchless banking. We have pleasure in presenting Electronic Money Transfer Service (EMTS) and Postal Cash Card Service before the comity of postal nations.

The Post Office now offers two branchless banking services. With a view to unlocking the postal potentials, the Electronic Money Transfer Service (EMTS) was inaugurated by the Honorable Prime Minister on March 26, 2010 A.D. This service was commercially launched in a limited scope (in 104 post offices) on May 01, 2010 A.D.

However, in response of overwhelming demand, this service has now been expanded in 2000 post offices throughout the country including all district head post offices, sub-district post offices and rural post offices. By December 2011, the service will be extended up to 8,000 post offices and almost 80% of the people of Bangladesh will be under the service network of EMTS.



The software used in EMTS is our innovation. This service has got wide acceptability and popularity within a short period of time. Anyone can send money within two or three minutes through this mobile-based money transfer service while manually it takes at least three to five days and even seven days. EMTS, as it is envisaged, will soon replace the traditional money order.

For the mobile-based system, the post offices will charge Tk 20 for the first Tk 1,000 and Tk 10 for each of the next Tk 1,000. Besides, Tk 7.0 will be charged as electronic cost. Anyone can send money order worth Tk 10,000 in the maximum at a time.

Post office staff uses either a web interface, for those with internet connectivity, or a menu on a specially equipped mobile phone to key in information about the sender and receiver. There is also an option for a free text to be sent to the recipient notifying them of the transfer.



Money Transfer Market July 2010 to June 2011

Money Transfer Players	Before Introduction of EMTS		After Introduction of EMTS	
	Total Amount in Million BDT.	% of Market Share	Total Amount in Million BDT.	% of Market Share
Bangladesh Post	4258.20	8.52	11191.35	22.38
Banks	33510.00	67.02	29500.00	59.00
Others	12231.80	24.46	9308.65	18.62
TOTAL	50000.00	100.00	50000.00	100.00



In Bangladesh, 21% of total population live in urban area and 79% of total population live in rural area.

At present, Bangladesh Post is rendering EMTS Service to 16% of total rural people with its 2000 post offices. By December 2011, 8000 post offices will provide EMTS service and then 64% of total rural people will enjoy this service.

- Bangladesh Post earned 143.36 million BDT as commission of EMTS.
- This service achieves an average growth rate of 11% per month since its introduction.
- Money transfer market is expected to be worth 70000 million BDT in the next 5 years.
- Bangladesh post will be able to render EMTS to almost 90% of the total rural people.
- This service is assumed to experience a growth rate of 5%-6% per month in future.



Business Growth of

EMTS

Month	No. of EMTS Issued	Total Value of EMTS	Commission Earned
May-10	2,433	8,048,489.00	109,360.00
Jun-10	10,962	36,524,651.00	492,560.00
Jul-10	28,635	97,883,560.00	1,309,780.00
Aug-10	66,491	234,650,655.00	3,109,210.00
Sep-10	132,764	254,416,807.00	4,471,381.00
Oct-10	110,561	358,298,163.00	4,913,420.00
Nov-10	126,387	480,475,168.00	6,331,080.00
Dec-10	123,198	531,170,674.00	6,725,910.00
Jan-11	155,825	665,782,087.00	8,446,262.00
Feb-11	162,703	682,012,880.00	8,687,479.00
Mar-11	210,418	882,900,627.00	11,244,130.00
Apr-11	210,553	866,072,956.00	11,086,510.00
May-11	235,377	1,021,352,786.00	12,907,600.00
Jun-11	236,471	1,044,387,947.00	13,150,709.00
Jul-11	291,225	1,261,970,292.00	15,960,567.00
Aug-11	382,294	1,760,334,447.00	21,955,530.00
Sep-11	238,498	1,005,071,057.00	12,793,540.00



Postal Cash Card

Postal cash card has been launched on March 26, 2010 A.D. It ensures digital banking service for the unbanked poor people. The card looks like a bank ATM card and comes in a smart plastic wallet to protect it from the elements. This card will minimize the risk of carrying cash in one hand and will enable customers to reap the benefit of encashment and remittance in post office counters and ATM booths on the other hand. This card may also act equally as a Debit Card, Credit Card and Plastic Money.

The card does not bear the name of the holder, so you can sign up and walk out of the branch in the same day with your account active. It costs Tk45 (US \$0.60) to open the account. The card allows you to safely store money and it is free to make deposits. Customers are charged 1% for withdrawals. The Post Office will be rolling out more POS devices to an increasing number of branches over the coming months.



Postal Cash Card Growth

Serial	Month	Deposit		Withdrawal	
		No. of Deposits	Amount in BDT	No. of withdrawals	Amount in BDT
1.	July	448	465070.00	18	277390.00
2.	August	491	532770.45	63	468155.00
3.	September	864	612827.45	134	357653.95
4.	Up to October 17	1062	1937528.00	114	1007800.80
	Total=	2865	3548195.90	329	2110999.75



Our government is planning to disburse allowances for senior citizens and also some other allowances under the social safety net programmes through this card. We are expecting to earn revenue of 220 million BDT this year for this postal cash card. This service is assumed to experience a growth rate of 6%-7% per month in future.

The post office (amendment) act, 2010 has opened up a window to provide newer services for the people of Bangladesh. Bangladesh post is amply empowered by the freedom bestowed to it in respect of providing remittance transfer services, banking services and postal life insurance services to the people. Both EMTS & Postal Cash Card complies with the anti-money laundering rules and regulations prevailing in Bangladesh. Bangladesh Bank, central bank of Bangladesh, is the regulator of EMTS & Postal cash card. It is also closely monitoring the trends of the services.

Bangladesh Post is also on the verge of establishing micro insurance and micro banking for the unbanked poor people. Bangladesh Post would really appreciate if UPU, different postal administrations and donor agencies could kindly extend their cooperation and arrange resource mobilization for any of Bangladesh Post's effort.



**Thank you all for a patient hearing
and
enjoy the video clips on EMTS and Postal Cash Card.**



Bangladesh

