

Cashless Economy & Financial Inclusion

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Financial System Framework : Banks

61

Scheduled Banks

5

Non- Scheduled
Banks

11,392

Branches (Aug'25)

12,801

ATMs (Aug'25)

165,706,821

Deposit Accounts (Mar'25)

134,615

POS Machines (Aug'25)

Financial System Framework : Agent Banking

30

Licensed Banks

15,346

Agents

20,530

Outlets

24.86 million

Deposit Accounts

21.13 million

Rural Accounts

Financial System Framework : NBFIs

35

Non-Bank Financial Institutions

300

Branches

480,163

Deposit Accounts

Financial System Framework : MFIs

2615.24

Billion BDT disbursed as
loans

41.55 million

No. of members

685.91

Billion BDT in Savings

Financial System Framework : MFS

240.46 million

Accounts

1,856,192

Agents

674,798,192

No. of Transactions

1,590,806

Million BDT worth of transactions

Financial System Framework: Cards

44.99 million

Debit Card Users

53,570,000

No. of transactions using cards

3.01 million

Credit Card Users

450,899.74

Million BDT worth of transactions using cards

Financial System Framework: Internet Banking

11,963,735

Customers

21,234,251

No. of transactions using Internet Banking

1,116,671

Million BDT worth of transactions using Internet Banking

Financial System Framework : Co-Operatives

178,667

Societies

12,521,312

Members

Financial System Framework: Insurance

82

Companies

36

Life

46

Non-life

Insurance premium to GDP ratio: 0.40 (Swiss Re Institute)


Financial System Framework: PSP and PSO

9

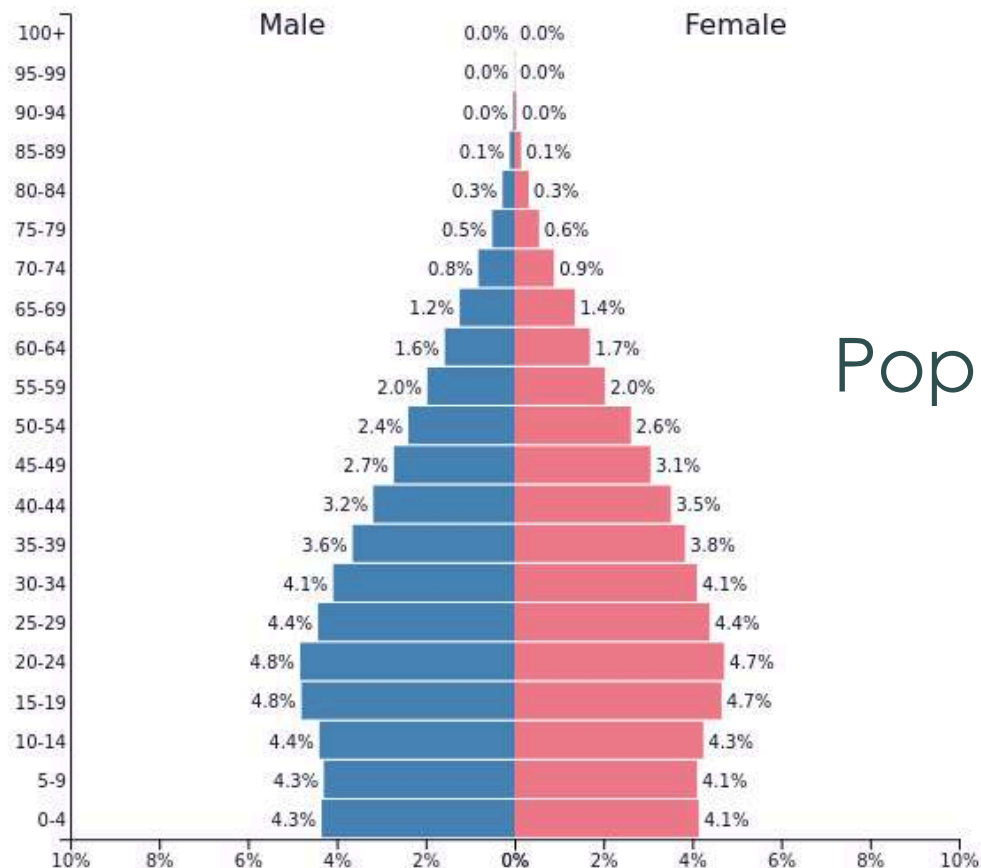
Payment Service Providers (PSPs)

12

Payment Service Operators
(PSOs)



PSO	PSP	MFS	WLAMA
Online aggregator	Can create own merchant network with own brand	Can create separate brand with own customer	Can create brand with its own merchant network
Not focused on own customer	Dependent on banked people for cash in	Significant investment required for brand, technology, customer acquisition & distribution	Investment on technology is significant
	Dependent on merchant network for payment, other MFS network & ATM	Cannot give credit to customers	ATM/OR access with settlement bank
No brand	Can create E-money		No customer
	Tough to create wallet balance	Easy to create wallet balance	Tough for USSD customer of the banks to use it



Population of Bangladesh:

176,333,572

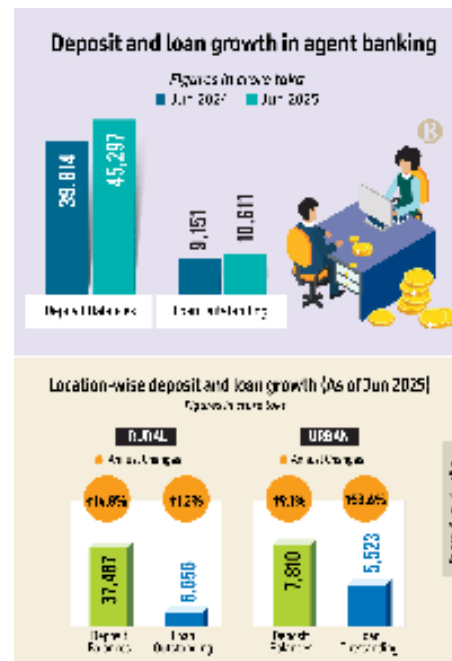
Digital Financial Services –Findex Report 2025

- Population: 122.84 million adults aged 15+
- Adult population without an account: 69.67 million
- Account ownership of adults aged 15+: 43%
- Saved in an Account: 11%
- Borrowed from a lender: 13%
- Used digital payments: 34%
- Used a card or mobile to make a payment: 2%
- 3% Wage payments and 6% Government payments are made into accounts



Digital Financial Services –Findex Report 2025

- ▶ Bangladesh remains one of eight countries with the largest unbanked adult population.
- ▶ Account ownership gap between men and women was 21 percentage points.
- ▶ 38% of people use smart phones while 44% use basic phones.





Major Barriers to Cashless Bangladesh Initiatives

Financial Literacy and User Readiness

- ▶ Low digital and financial skills among large population segments reduce trust and correct use of digital payments, causing errors, fraud susceptibility, and preference for cash.
- ▶ Gender and rural gaps mean women and remote communities lag in both account ownership and active use of services, limiting reach and network effects.
- ▶ Agent dependence and cash-in/out habits persist because many users rely on cash conversions and agent assistance rather than direct digital use, increasing transaction costs and friction.

Digital Infrastructure & Connectivity

- ▶ Uneven internet and smartphone coverage in rural areas creates unreliable access and poor UX for payments, raising failure rates and abandoned transactions.
- ▶ High latency and expensive bandwidth raise operational costs for providers and reduce transaction speed and reliability for end users.
- ▶ Limited digital identity and KYC reach raises onboarding friction for many unbanked or informal-economy users, delaying the scale of fully digital accounts.

Interoperability and Ecosystem Fragmentation

- ▶ Platform fragmentation and lack of seamless interoperability force users to cash out/cash in between services, increasing cost and user effort.
- ▶ Proprietary rails and competing incentives among banks, MFS providers, and wallets create pricing and UX barriers that discourage cross-platform transactions and merchant acceptance.
- ▶ Incomplete regulatory and technical standards adoption slows a unified clearing/settlement infrastructure and delays universal acceptance at POS and online channels.

Security, Fraud and Trust

- ▶ Weak adoption of global security standards (EMV, PCI) and slow upgrade cycles increase vulnerability to card and account fraud and reduce merchant and consumer confidence.
- ▶ High incidence of social-engineering and agent-level fraud exploits low literacy and cash handling culture, eroding trust and increasing churn.
- ▶ Limited cyber-resilience and incident response capacity across smaller providers raises systemic risk and deters large-scale institutional and merchant participation.



Benefits of Cashless Economy

Reduce the economy's reliance on physical cash

- ▶ Bangladesh can benefit from lowering the fiscal and operational costs of printing, transporting and handling cash and shrink cash-related risks in transactions.
- ▶ Bangladesh Bank estimates annual cash-related costs in the tens of thousands of crores; independent reports and central-bank remarks put the annual cost of cash handling and inefficiencies at around Tk 20,000 crore
- ▶ Digital money lowers spending on currency printing, mint operations, transportation, security, storage, and teller services, reduced idle cash holdings in bank branches and outlets, and cut opportunity cost on liquidity.

Expand financial inclusion and reduce Gender & rural gaps

- ▶ Cashless transactions will bring unbanked and underbanked populations into formal financial services through mobile wallets, agent networks and digital onboarding to increase access for wage earners, small merchants and rural households.
- ▶ Women and remote communities benefit from both account ownership and active use of services, having positive reach and network effects.
- ▶ Reduced travel/time costs, safer value storage, easier receipt of remittances and wages, and the ability to build transaction histories that unlock microcredit and savings products for micro-entrepreneurs and women customers.

Increase transparency and reduce informality

- ▶ Digitized payments generate auditable transaction trails which make tax compliance easier to enforce and broaden the effective tax net, increasing VAT and income-tax visibility across formal and informal transactions.
- ▶ Senior officials and policy forums have explicitly linked cashless transition to stronger revenue outcomes and urged coordinated action between Bangladesh Bank and the NBR to remove disincentives to digital payments.
- ▶ Cashless transactions will help combating terrorist financing, money laundering and illicit financial activities.



Accelerating the Cashless Economy

Enable interoperability and universal acceptance

- Implementation of shared infrastructure: Bangla QR, National Payment Switch and open APIs, so that accounts, wallets and cards interoperate seamlessly across banks, MFS providers and PSPs to remove payment frictions.

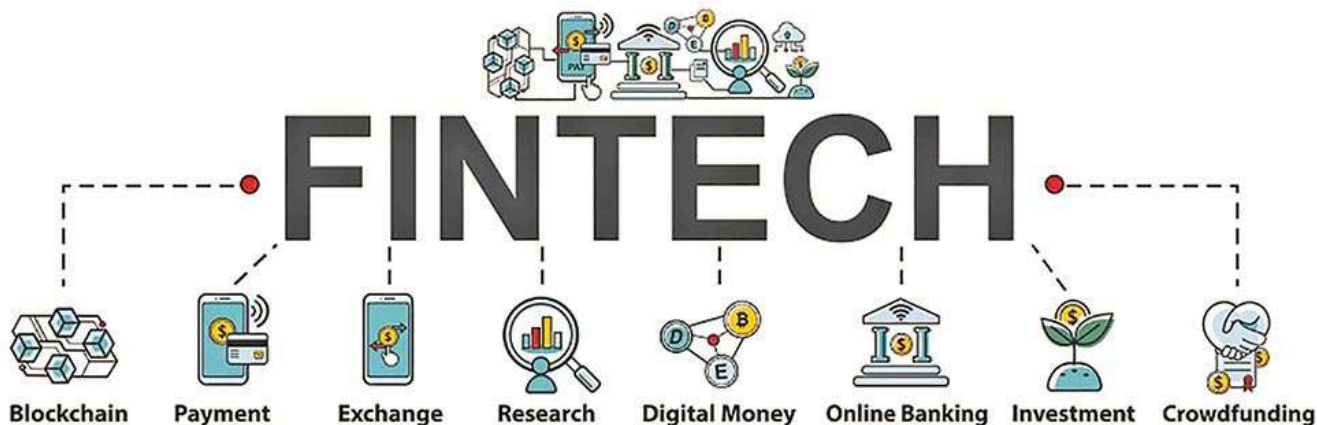
ব্যাংক ও এমএফএসের মধ্যে টাকা
পাঠানো আরও সহজ হচ্ছে,
শুরু ১ নভেম্বর থেকে

Bangladesh Bank has launched a new interoperable digital transaction system under the NPSB platform, enabling seamless fund transfers between banks, bKash, Nagad & Rocket.



Promote private-public partnerships and fintech innovation

- Convene regulators, banks, fintechs and development partners to design rules, sandboxes and investment pathways that scale digital payments while protecting consumers.



Improve efficiency of government payments and public services

- ▶ Electronic delivery of welfare, subsidies and salaries lowers diversion and administrative leakage, improving fiscal targeting and freeing resources for development spending.



Strengthen consumer protection and cyber resilience

- ▶ Digital-literacy campaigns, complaint resolution, and real-time fraud monitoring to safeguard users and build trust in digital channels.
- ▶ Digital and financial skills among users increase trust and reduce errors, fraud susceptibility, and preference for cash.
- ▶ Mandating minimum security controls and phased certification for all PSPs and banks.
- ▶ Publishing month by month adoption and fraud metrics

Cashless Bangladesh Initiatives

- ▶ Bangladesh Bank has driven multiple flagship efforts: Bangla QR for standardized merchant acceptance, the National Payment Switch Bangladesh (NPSB) as a connective layer, and directives to enable full interoperability across banks, MFS and PSPs beginning November 2025.
- ▶ Taka Pay Card is expected to be the main payment instrument in near future depending on scaling up by banks.

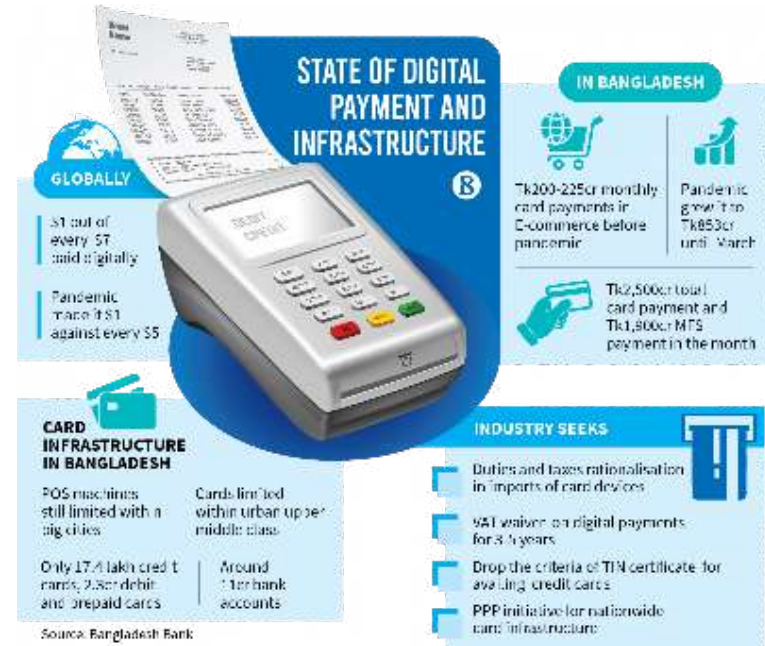


Banks build digital payment rails and infrastructure

- ▶ Provide account and transaction rails that enables electronic transfer, cards and bank led mobile apps, connecting consumers, merchants, government payments and MFS providers
- ▶ Deploy POS, QR, and card acceptance across merchant networks to convert cash only business to digital payments
- ▶ Integrate MFS and fintechs to enable interoperability

How Cards Drive Cashless Transactions in Bangladesh

- ▶ Payment cards such as debit, credit, and prepaid cards play a vital role in promoting a cashless economy in Bangladesh. International networks like **Visa** and **Mastercard**, along with the local **Taka Pay Card**, are driving secure and convenient digital transactions.
- ▶ Through ATM, POS, and e-commerce integrations, cards help bridge the gap between traditional banking and digital payments



Roles of PSP, PSO and MFS for building Cashless Bangladesh

PSP

- ▶ Enables merchants to accept digital payments ie, POS, QR, WEB, In-app
- ▶ Connects merchants, acquirers and schemes

PSO

- ▶ Operates and maintains switching and settlement rails
- ▶ Enable innovation

Payment Service
Provider (PSP)



Payment System
Operators (PSO)

Mobile Financial
Service (MFS)

MFS

- ▶ Provides simple low friction interface for payments, remittances, bill pay and merchants payments
- ▶ Operates extensive agent networks

Cashless Bangladesh Summit 2025

► National summits and outreach (Cashless Bangladesh campaigns and the Cashless Bangladesh Summit 2025) have convened regulators, banks, fintechs and development partners to coordinate strategy and address inclusion risks.



Short action checklist for policymakers and implementers

- ▶ Reallocate savings from reduced cash costs to subsidize agent onboarding, smartphone affordability programs and last-mile connectivity.
- ▶ Accelerate interoperability and Bangla QR adoption to ensure seamless payments between banks, wallets and merchants.
- ▶ Coordinate tax policy with digital incentives so merchants and consumers face clear, positive reasons to go digital (e.g., targeted VAT credits, temporary MDR support).
- ▶ Protect consumers and build trust with strong fraud monitoring, simple grievance-addressing channels and mandatory digital-literacy modules at onboarding.