

Internship Report On

*Impact of Mobile Financial Services on Financial Inclusion of
Bangladesh: A Case Study on Nagad Ltd.*

By

AFROZA ZAMAN ROZA
18104008

An internship report submitted to the BRAC Business School, in partial fulfilment of the requirements for the degree of Bachelor of Business Administration

Brac Business School
Brac University
November 2022

© 2022. Brac University
All rights reserved.

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

AFROZA ZAMAN ROZA
18104008

Supervisor's Full Name & Signature:

Dr. Md. Kausar Alam
Assistant Professor, Brac Business School
Brac University

Letter of Transmittal

Dr. Md. Kausar Alam
Assistant Professor,
Brac Business School
Brac University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship report on “Impact of Mobile Financial Services on Financial Inclusion of Bangladesh: A Case Study on Nagad Ltd.”

Dear Sir,

With due respect, I, Afroza Zaman Roza, am honoured to state that I have finished my internship report on “Impact of Mobile Financial Services on Financial Inclusion of Bangladesh: A Case Study on Nagad Ltd.” as a requirement of the Bachelor of Business Administration (BBA) degree. This report includes my overall internship experience at Nagad Ltd. while working with the strategy team as an intern. I was greatly motivated by the company culture of the company.

I, therefore, hope that you will find this report insightful. I have tried my level best to make this report as much comprehensive and informative as possible with the necessary data and proper recommendation. I trust that the reports will meet the requirements and quality desired.

Sincerely yours,

Afroza Zaman Roza

18104008

Brac Business School

Brac University

November 5, 2022

Non-Disclosure Agreement

I hereby declare that, this internship work entitled “Impact of Mobile Financial Services on Financial Inclusion of Bangladesh: A Case Study on Nagad Ltd.” is an original work done by me under the supervision of Dr. Md. Kausar Alam, Assistant Professor, Brac Business School, Brac University. This project work is submitted as a part of partial fulfilment of the requirements for the Internship Program. This report has not been submitted to any other university or Institution for any other award of any degree.

Afroza Zaman Roza

18104008

Brac Business school

Brac University

Executive Summary

*As a requirement for the completion of the Bachelor of Business Administration (BBA) program, this report is prepared after a 3 months internship at Nagad Ltd. on **“Impact of Mobile Financial Services on Financial Inclusion of Bangladesh: A Case Study on Nagad Ltd.”**. The general responsibilities assigned to me as intern of business strategy is described here as well as the challenges and learnings received throughout the internship period. An overview of Nagad Ltd. as the second largest fintech company of the country is described in this report as well as the management, marketing practices, recruitments process, operations, different services offered by the company. In order to find out the company’s contribution in the Mobile Financial Service (MFS) industry of Bangladesh and the activities to increase financial inclusivity, different types of analysis are conducted; a comparison between Mobile Banking and Mobile Financial Service being the first one give idea of the growth of the Mobile Financial Industry of the country. Some estimated figures are derived from the company insiders to give a clear picture about the company’s service wise monthly transaction and monthly contribution in the industry. Lastly to find out if the company is properly reaching its ‘potential customer base, to gather customer’s opinion, perceptions about the services offered by the company and attitude towards the acceptance of services provided by Nagad Ltd. an in-person survey was conducted among random 40 people. Finally, some limitations and are drawn from the study and some recommendations are suggested to improve the company’s service.*

Table of Contents

Declaration.....	2
Letter of Transmittal	3
Non-Disclosure Agreement	4
Executive Summary	5
Table of Contents	6
List of Tables	9
List of Figures.....	10
List of Acronyms	12
Chapter: 1: Overview of Internship	14
1.1 Student Information	14
1.2 Internship Information	14
1.2.1: Organizational Information	14
1.2.2: Company Supervisor’s Information	14
1.2.3: Job Scope-Job Responsibilities	14
1.3: Internship Outcomes	16
1.3.1: Student’s Contribution and Benefits	16
1.3.2: Difficulties Faced during the Internship Period	17
1.3.3: Recommendation for the companies for the future interns	17
Chapter: 2: Organization Part	19
2.1: Introduction.....	19
2.2: Overview of the company	19
2.2.2: Services offered by the company	20
2.2.3 Interest Payment for regular Nagad Account	22
2.2.4 Nagad Islamic	22
.....	22

2.2.5: Limit and Charges for the offered services of Nagad Limited:	22
2.3: Management Practices:	24
2.3.1: Leadership style.....	24
2.3.2: Organogram of Nagad Ltd.....	24
2.3.3: Recruitment and Selection Process	25
2.3.4: Performance Appraisal System	25
2.4: Marketing Practices:	26
2.4.1: Target Customers:	26
2.4.2: Marketing Channels:	26
2.4.3: New Product development and competitive practices.....	28
2.5: Finance Performance:	28
2.7 Industry and Competitive Analysis.....	29
2.7.1 Porter’s Five Forces Analysis of Nagad Ltd.	29
2.7.2 SWOT Analysis: Nagad Ltd.....	31
2.8 Summary and Conclusions	33
2.9 Limitations and recommendations	33
Chapter 3: Project part	36
3.1: Introduction:.....	36
3.1.1: Background.....	36
3.1.2: Objective.....	37
3.1.3: Significance	37
3.2 Methodology:.....	38
3.3 Findings and Analysis:.....	39
3.4 Summary and Conclusions	59
3.5 Recommendations.....	59
References.....	61
Appendix A.....	63

Appendix B	65
Appendix C	67
Appendix D	70

List of Tables

Table 1: Limits and Charges for Nagad Ltd.	23
---	----

List of Figures

Figure 1: Nagad Islamic.....	22
Figure 2: Organogram of Nagad Ltd.	24
Figure 3: Nagad ERP Visual.....	25
Figure 4: Nagad App Visuals.....	26
Figure 5: Collaboration with MNOs to promote Nagad Ltd.'s Offer.....	27
Figure 6: Celebrities representing Nagad and Brand Ambassadors	27
Figure 7: Nagad Ltd.'s Website.....	27
Figure 8: CB offer by Nagad Ltd.	28
Figure 9: Porter's 5 Forces Analysis of Nagad Ltd.	29
Figure 10: SWOT Analysis of Nagad Ltd.	32
Figure 11: Number of Users of IB and MFS	40
Figure 12: Number of transactions of IB and MFS	40
Figure 13: Total Transaction of IB and MFS.....	41
Figure 14: Total transaction for Cash In and Cash Out of MFS Industry of Aug'22	42
Figure 15: Total transaction for P2P of MFS Industry of Aug'22.....	42
Figure 16: Total transaction for Utility Bill Payment of MFS Industry of Aug'22.....	43
Figure 17: Utility Bill PMT using MFS.....	43
Figure 18: Total transaction for Merchant Payment of MFS Industry of Aug'22.....	44
Figure 19: Total transaction for Government and Salary Disbursement of MFS Industry of Aug'22	45
Figure 20: Total transaction for Talktime purchase using MFS, Aug'22	46
Figure 21: Nagad MFS Account Holders Against Total MFS Account Holders as of Aug'22	46
Figure 22: Nagad Ltd.'s Service Wise Contribution in the MFS Industry as of Aug'22	47
Figure 23: All Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	48
Figure 24: Cash In Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	48
Figure 25: Cash Out Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	49
Figure 26: P2P Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	49

Figure 27: Merchant Payment Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	50
Figure 28: G2P Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	50
Figure 29: Salary Disbursement Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	51
Figure 30: Talktime Purchase Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	51
Figure 31: Utility Bill PMT Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22.....	52
Figure 32: Age of the Respondents17.....	53
Figure 33: Highest Level of Education of the Respondents	53
Figure 34: Income Level of the Respondents17	54
Figure 35: Methods Preferred for Financial Transaction.....	54
Figure 36: Respondents with an MFS Account17	55
Figure 37: Reasons for Using MFS17	55
Figure 38: Preferred MFS Providers of the Respondents17	56
Figure 39: Active Nagad Account Holders of the Total Account Holders.....	57
Figure 40: Most Used Nagad Services.....	57
Figure 41: Reasons Behind Choosing Nagad over all the MFS	58
Figure 42: Reasons Behind not Choosing Nagad	58

List of Acronyms

MFS- Mobile Financial Service

Ltd.- Limited

MNO- Mobile Number Operator

T&C- Terms and Conditions

SCC- Service Completion Charge

SBU- Strategic Business Unit

NBFI- Non-Banking Financial Institutions

CCO- Chief Commercial Officer

CB- Cash back

USSD- Unstructured supplementary service data

Fintech- Financial Technology

TXN- Transaction

AMT- Amount

ERP- Enterprise Resource Planning

PRISM- Professional Results in Sales and Marketing

DSO- Distribution Sales Officer

DH- Distribution House

BPO- Bangladesh Post Office

ATM- Automated Teller Machine

IB- Internet Banking

BB- Bangladesh Bank

P2P- People to People

G2P- Government to People

DTH- Direct to Home

E-Com- Electronic Commerce

SSC- Secondary School Certificate

HSC- Higher Secondary School Certificate

Overview of Internship

Internship at Nagad Ltd.



Chapter: 1: Overview of Internship

1.1 Student Information

I am Afroza Zaman Roza, bearing ID: 18104008, a detail oriented, self-motivated and hardworking student at BRAC Business School, BRAC University. I got enrolled in the BBA program in Spring 2018 and my specializations are Accounting and Finance. I Have an urge to pursue long term careers as an accounting professional and explore different fields of work relevant to my studies and interest. I am currently doing my internship in Nagad Ltd.

1.2 Internship Information

1.2.1: Organizational Information

I joined Nagad Ltd. as a Summer Intern from the 30th of June, 2022 for a 3 months internship. I am currently working in the commercial division as a business strategy intern. Fortunately, I got the opportunity to work with the team very closely at the head office of Nagad Ltd. The head office is situated at 36, Delta Dahlia Tower, Kemal Attaturk, banani.

1.2.2: Company Supervisor's Information

I was assigned under the Head of business strategy, Salahuddin Mohammad Yousuf and he constantly supported me to make the best use of my internship period to learn from the team of the commercial and understand the organization better.

1.2.3: Job Scope-Job Responsibilities

Being in the first batch of Nagad Ltd 's structured internship program, I did not have much fixed routine work, rather I used to do many types of work according to the need of my team. As a business strategy intern, I was responsible for multiple tasks like weekly competitors' analysis and presentation, product performance review and reporting, contributing to new product ideas, MNO product list checking and updating, preparing campaign product list and configuration files, checking T&C files. Additionally, few times I have checked and updated monthly SCC files, analysed and reviewed merchant revenue files, done analysis of customer base especially the base of banks and Bank and NBFI's contribution on the company's growth. Most of the tasks are discussed briefly below:

- **Weekly competitors' analysis and presentation:** I was responsible for preparing competitor analysis for two SBUs: Bank and NBFI and Lifestyle. This analysis had to be presented weekly to the CCO and other teams.
- **Product performance review and reporting:** As a MFS company Nagad has a versatile list of products specially in the MNO product lists. I was assigned with the exclusive product list to check its daily performance and reviewing all with report and presentation.
- **MNO product list checking and updating:** I was responsible for checking the MNO product lists with the Nagad mobile app and report any discrepancies with 12 PM every day.
- **Preparing campaign product list and configuration files:** Nagad Ltd. launches different campaigns every now and then like “Unlimited cashback campaign”, “Flash hour campaign” etc. Often, I had to prepare the product lists and configuration files and report them to the senior executives.
- **Checking T&C files:** For every campaign, I used to check the T&C files and report to the senior executives about any discrepancies.
- **Checked and updated monthly SCC files:** SCC files contains the costing and bill for MNO service providers that is handed over to the Finance team from the strategy team. For the months of June, July and August I prepared the SCC files and reported back to the senior executives and supervisor.
- **Analysed and reviewed merchant revenue files:** At the beginning of the internship, to understand the revenue generation pattern, I once reviewed the merchant revenue files to understand the business better and finding out the top sources of revenue generation from specific SBUs.
- **Analysis of customer base of Bank and NBFI's:** I analysed the contribution of different bank's customer base and their contribution to Nagad's Bank and NBFI segment. The goal was to find out segment's contribution on the company's growth in order to find out areas for improvement.
- **Contributing to new product ideas:** After the analysis of different product lists, I often reported and made suggestions to the supervisors which products will be the best seller of the market.

1.3: Internship Outcomes

1.3.1: Student's Contribution and Benefits

Internship at Nagad Ltd has helped me to explore my new potentials and brushed up my skills. Belonging to the amazing team of the commercial division I witnessed what actual teamwork is. I very closely learned from the team how an MFS manages its operations with different outside parties, how the plannings and executions are done. I learned more about different services offered by MFS and explored the companies' side of providing these services like mobile recharge, add money, send money, bill payment. I learned more about on spot problem serving being with the team; if there were any inconvenience or problems faced, I learned how it gets solved by communicating with the responsible parties and negotiations. Moreover, I worked very closely with the three senior executives and one senior executive of the division and they continuously supported and guided me to learn whenever new tasks were assigned. I mostly worked with MS Excel and learned many new different functions. As I prepared many reports throughout my internship period my writing skills improved. Moreover, it goes without saying, being with an amazing team my teamwork excellency developed further. I learned more about reporting and how the communications were made between the divisions about any changes and updates, thus, communication skills got a lot better. I learned how multitasking can be done by prioritizing tasks and get work done by the given deadline.

I learned that a company's customers are the biggest asset of the company. Nagad Ltd. has always prioritized their customers. Whenever there was new product development the first and foremost priority was customer satisfaction.

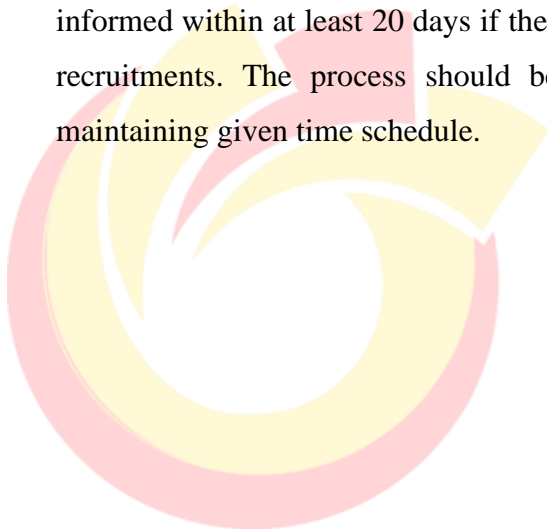
The teamwork between the commercial division is excellent. I witnessed how it contributes to the quality of their work. The relationship between the colleagues is wonderful. They are very supportive and empathetic towards each other and it was no different for me. Their relationship has contributed to their success as a team and contribution in the company's growth. They always encouraged me to ask questions and provided me with supports whenever I had trouble understanding work. I will always try to imply this learning from the team in my future to ensure a better outcome.

1.3.2: Difficulties Faced during the Internship Period

As I had no prior experience in working before this internship, it was a tad bit difficult for me to adjust through the transition to the corporate world from student life at the beginning but the commercial team gave me warm welcome and gave enough support. Besides, the other interns were very helpful and empathetic for which it was very easy for me to blend in and adjust.

1.3.3: Recommendation for the companies for the future interns

There should be a few developments added in the recruitment process for the interns. During our recruitment process, we were informed after more than a month that we qualified for the next rounds after applying for the internship. So, the timeline is too long and candidates assume they did not make it to the next stage. The candidates should be informed within at least 20 days if they are eligible or qualified for the next rounds of the recruitments. The process should be smoother and the interviews should be taken maintaining given time schedule.



बगद

Organization Part

Nagad Ltd.-Mobile Financial Service of Bangladesh Post Office



Chapter: 2: Organization Part

2.1: Introduction

Nagad Ltd. is the second largest digital financial service of Bangladesh currently operating under the authority of Bangladesh Post Office. Nagad started its journey on March 26th, 2019 with a mission to provide a comprehensive digital and ever-evolving financial service to the people of Bangladesh and ever since has made ground-breaking achievements and won many awards.



2.2: Overview of the company

Initially the company was named Third Wave Technologies Ltd as a Mobile Financial Service of Bangladesh Post Office and later on named Nagad Ltd. BPO acquired 51% share of the company in June, 2021 and currently this financial service provider is regulated under the Bangladesh Postal Act Amendment 2010. The company's current customer base is more than 6.5 crores and has record of being responsible for BDT 700 crores transactions in one day. The biggest innovation of Nagad limited is the introduction of digital KYC service which enabled customer to open Nagad account simply by dialling *167#. In this year, the company was named the gold winner in the ninth edition of the Asia Pacific Stevie Award in the category of "Excellence in Innovation in Financial Industries". Previously the company was also mentioned as 'The World's Fastest Growing MFS'. Additionally, in the company's only 3 years of journey, it has won multiple awards like Digital Marketing Award in 2021, Fintech Impact Award in November, 2021, Global Economics Awards, 2021, Mastercard Excellence Award, 2021 etc.

2.2.2: Services offered by the company

As a Mobile Financial Service provider Nagad Ltd offers a variety of services like send money, add money mobile recharge etcⁱ. Below the offered services are discussed briefly



Send Money

One of the most availed services of Nagad Ltd is send money through which a Nagad user can send money to another Nagad account.



Cash Out

A Nagad user can withdraw money from Angad account from any Uddokta point using app and USSD. The cash out charge for app users is 11.48 takas taka and for USSD users is 15 takas per 1,000 takas inclusive of VAT



Cash In

Nagad users can deposit money as needed into their Nagad digital financial account from any Nagad Uddokta point.



EMI Payment

Nagad users can pay their EMI bill payment to the enlisted billers using Nagad app.



Mobile Recharge

Nagad users can do mobile recharge any time using the Nagad digital account from both app and USSD. Moreover, post-paid mobile bills can also be paid directly using Nagad. This service is applicable for the following mobile number operators: Grameenphone, Banglalink, Airtel, Robi and Teletalk



Bill Pay

Bill payment through MFS has been a life changing service for all the people by making the process hassle free, easier and faster. Nagad users can make payment for electricity, water, telephone, gas, DTH services, internet, credit card bills using Nagad app any time form anywhere in the country without having to stay and wait in a long queue.



Card to Nagad

Nagad users can add money in their Nagad digital account or any other Nagad account using the apps add money from card service. This service can be used to add money from any bank's Visa card or Mastercard at anytime, anywhere in the country free of any charge.



Bank to Nagad

Nagad users who are also Internet Banking user can easily add money to their digital Nagad account from their listed bank accounts in the app any time without incurring any additional charge.



Merchant Pay

Nagad users do not have to carry loads of cash rather they can easily make payment to the listed merchants of Nagad Ltd, for any purchase using the Nagad app and USSD service. Nagad users have to scan the QR code or input the merchant account number provided by the merchants to make payments.



Donation

Nagad users can also donate through Nagad app to the listed organizations.

2.2.3 Interest Payment for regular Nagad Accounts

For the regular Nagad users, Nagad pays interest from 1.5 percent to 7.5 percent for saving money in the digital wallet¹.

2.2.4 Nagad Islamic

The “Islamic Account” of Nagad Ltd. operates through the app according to Islamic shariah based rules for customers who prefers shariah based banking; interest free banking. It is operating under the supervision of a Shariah Supervisory Committee. The Nagad Islamic users can easily calculate zakat amount and pay Islamic donations like Fitrah, Zakat etc. Apart from that, the users can also make payment for Hajj and Umrah travel expenses and flight fare¹.



Figure 1: Nagad Islamic¹

2.2.5: Limit and Charges for the offered services of Nagad Limited:

The table below shows the charge for every service provided by Nagad Ltd. using both the app and the USSD².

Services	Limit				Range per TXN	
	TXN Amount (Daily)	TXN Count (Daily)	TXN Amount (monthly)	TXN Count (Monthly)	Min	Max
Send Money (*167#)	25,000	50	200,000	100	10	25,000
Send Money (App)						
Cash Out (*167#)	25,000	5	150,000	20	50	25,000

¹ <https://businessinspection.com.bd/nagad-islamic-banking-future-of-shariah-mfs-in-bd/>

² <https://nagad.com.bd/pg/?n=limits-and-charges>

Cash Out (App)						
Cash In	80,000	200	300,000	600	50	30,000
Check Balance (*167#)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Check Balance (App)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mobile Recharge	100,000	50	100,000	1,500	For Robi, Airtel, Banglalink and Teletalk minimum 10Tk recharge is allowed. For 'Grameenphone' mobile recharge, minimum 20 Tk. (except recharge offer amounts) recharge is allowed.	50,000 (For Pre-paid & Skitto mobile recharge - Max. 1,000 taka recharge is allowed)
Bank to Nagad	Existing Cash In limits applicable. Cash in limits include any transfer received from Bank, Cash in from Uddokta & Cash in from Card. i.e. Cash In From Uddokta and receive from bank & card will share the same limit.					
Card to Nagad						
Credit Card Bill Payment	No limit applicable					

Table 1: Limits and Charges for Nagad Ltd (Taken from Company website).²

2.3.3: Recruitment and Selection Process

Nagad Ltd. generally posts on LinkedIn for their vacant positions and asks for CV and documents through email. The primarily selected candidates go through screening tests, online tests or a written test and finally interviews in 1 or 2 steps depending on the types of positions they are hiring for according to the assistant Manager of HR, Nagad Ltd.³ Nagad has taken their recruitment very seriously as most of the interviews are taken by the heads of every division to ensure they choose the right person for respective vacancies.

2.3.4: Performance Appraisal System

The attendances and performance of each employee is tracked using an internal software called Nagad ERP. Their activities and KPIs are tracked using that software and compensations are determined over the fixed remuneration. Below is a visual of the ERP software taken from the company.

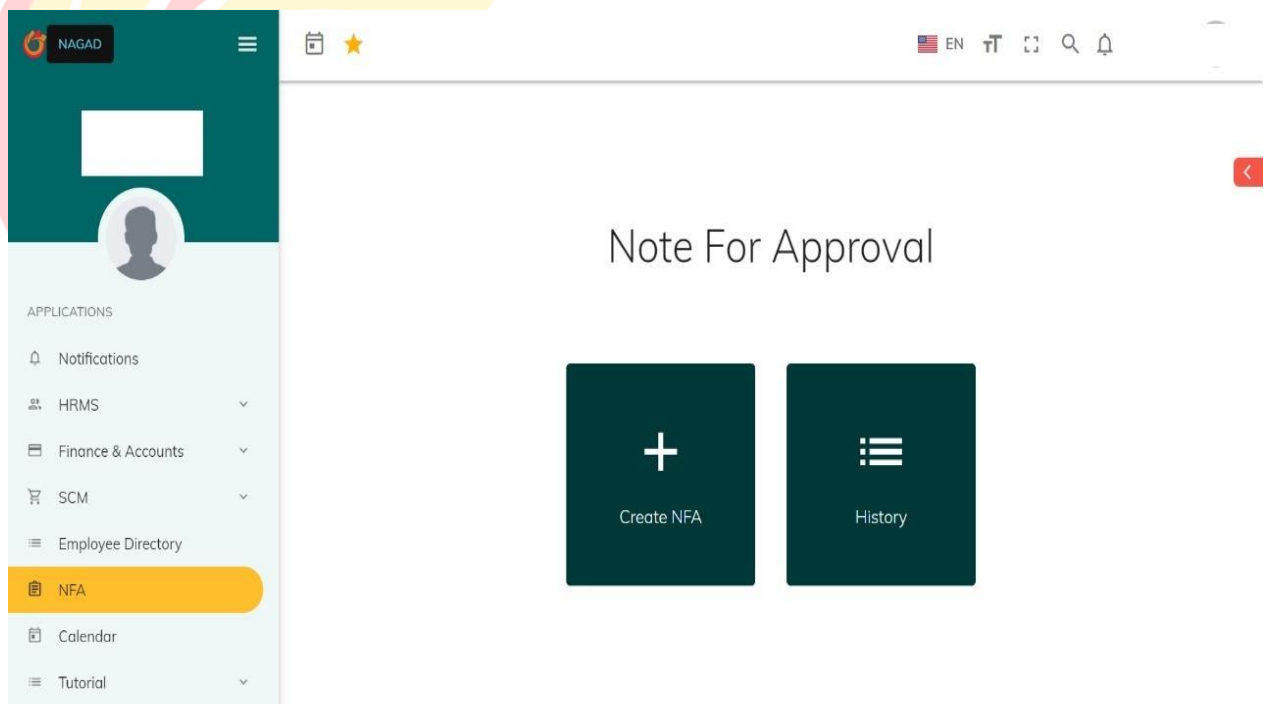


Figure 3: Nagad ERP Visual³

³ Retrieved from the company

2.4: Marketing Practices:

2.4.1: Target Customers:

The mass target customers for Nagad Ltd, are every mobile network user. Smartphone and feature phone users of every age of Bangladesh fall into the target customer list of Nagad Ltd. It is not necessary that the customer has have a national ID card to use services provided by Nagad Ltd. A lot of people use services like send money, assisted mobile recharge, receive government disbursements using Nagad. So, every mobile network user and people within the reach of the network except for the infants in Bangladesh are target customers for this mobile financial service provider.

2.4.2: Marketing Channels:

Nagad ltd. makes uses of every type of media available to communicate their products and offers to its target customers.

Mass media advertisements: Nagad Ltd. has been communicating their offers over Television and radio using with creative advertisements with catchy messages to reach the target customers of the company.

Social media: Almost all the offers are communicated on the official Facebook page of the company with catchy banners, image sand videos. Moreover, engagement ads on Facebook bumper ads on YouTube, have been introduced to engage more customers.

Push notification through app and SMS:

Nagad sends push notifications to its target customers informing about their current offerings. These are often customized according to the customer base and different products offers are communicated which falls under CLM (Customer Lifecycle Management).

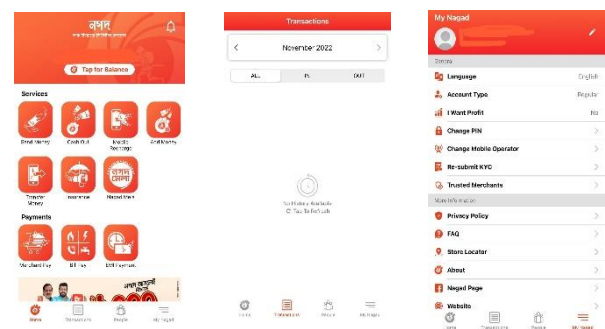


Figure 4: Nagad App Visuals¹⁷

Promotion using Mobile number operators: Nagad collaborates with the mobile network operators to encourage customers to purchase offers doing mobile recharge using Nagad. A recent promotion of an offer called “Laabher Ghonta: 7 PM to 8 PM” is being

communicated to the customers using the mobile number operators; Grameenphone, Robi, Airtel and Banglalink and the promotion was done using the companies' designated apps as well like My GP, My Airtel etc. CLM offers are also communicated through text messages by the operators



Figure 5: Collaboration with MNOs to promote Nagad Ltd.'s Offer⁵

Famous personas as Company Ambassadors: The captain for the One-day international cricket team, the legendary Tamim Iqbal is the brand ambassador of Nagad Ltd. Apart from that, famous actor like Chanchal Chowdhury, Mosharraf Karim, Mishu Sabbir, have made their appearances in the video advertisements of Nagad Ltd.

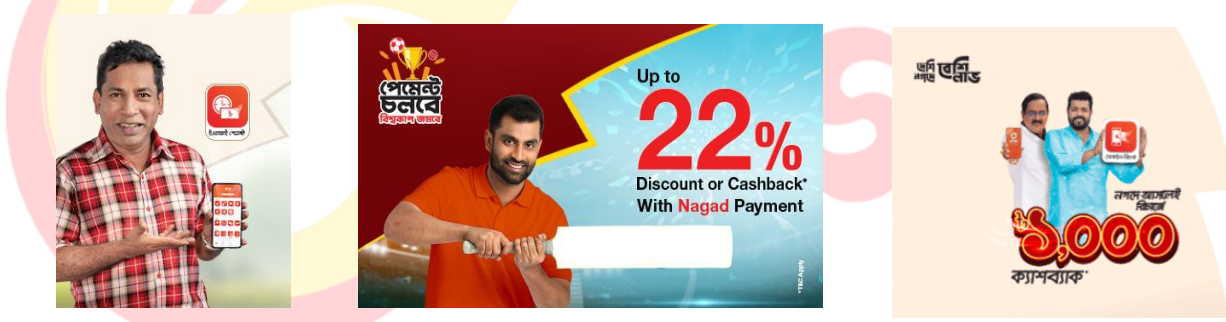


Figure 6: Celebrities representing Nagad and Brand Ambassadors

Company Website: All the latest offers for customers with details are available on the website of Nagad: <https://nagad.com.bd/>, including the terms and condition and validity.

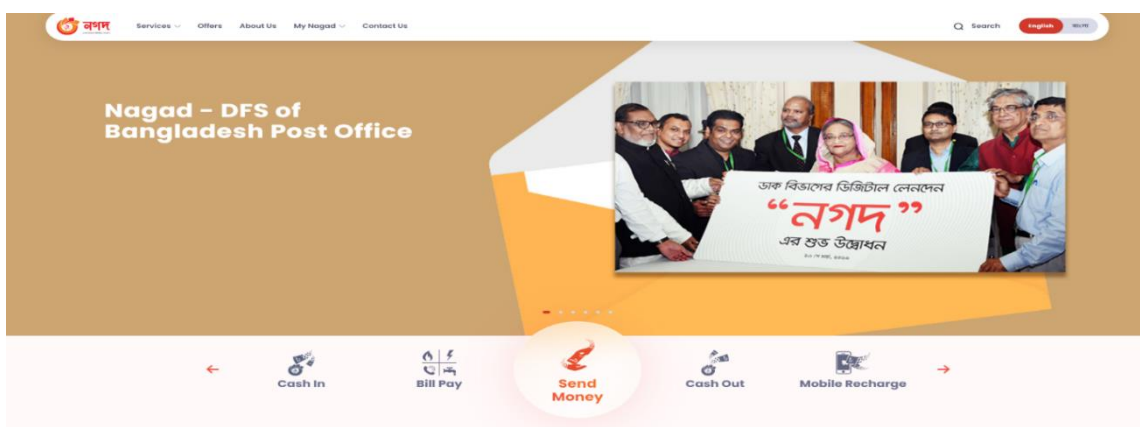


Figure 7: Nagad Ltd.'s Website⁴

2.4.3: New Product development and competitive practices.

Lowest Cash out charge: Nagad offers the lowest cash out charge; 0.99% or 9.99 TK per 1,000 TK or 1.1% or 11 TK Per 1,000 TK Including Vat using App. No other MFS in Bangladesh is offering this rate for cash out⁴.

Cashback offers: Nagad offers cashback on many of their products considering what the competitors are offering. These cashbacks are offered on merchant payments, mobile recharge, bill payments etc. Bonus are offered on add money services.⁵



Figure 8: CB offer by Nagad Ltd.⁵

Exclusive Products: Nagad crafts a list of offers which are exclusively available only on Nagad app to differentiate their product list from the competitors. Most of the exclusive offers provide more compared to the competitors offerings. For example, 1 GB data can be purchased for 10 TK only from Nagad.

Customer retainment: Nagad often provides customized offers to attract new customers and retain inactive customers like by registering in Nagad new customer can enjoy up to 1000 TK cashback on self-mobile recharge.

2.5: Finance Performance:

Nagad Ltd. is the digital financial service of Bangladesh Post Office and has been continuing its operations since 2019 following all the regulations and guideline imposed by Bangladesh Bank for the Mobile Financial Service Providers. Ever since the beginning from March, 2019, Nagad has been growing and contributing to the financial inclusion of the country in significant amount in only 3 years. It has been called the fastest growing MFS of the world which reached a record of daily transaction of almost 10 billion TK and the average daily transaction amounts up to 7 billion TK.⁶

2.6: Operations Management and Information System Practice:

Being a private company Nagad Ltd. do not share their internal information to all the stakeholders but they communicate major milestone achievement through news publication

⁴ <https://nagad.com.bd/>

⁵ <https://nagad.com.bd/campaigns>

⁶ <https://en.prothomalo.com/corporate/local/nagads-single-day-transaction-reaches-record-tk-953b>

and company website with the stakeholders. The company uses some internal software to collect necessary information. Nagad for example, PRISM is an internally developed software to keep track of the sales activities associated with Uddokta, DSO and DH, Nagad ERP is used for employee management. The company uses Microsoft Outlook to communicate with all the employees.

2.7 Industry and Competitive Analysis

2.7.1 Porter’s Five Forces Analysis of Nagad Ltd.

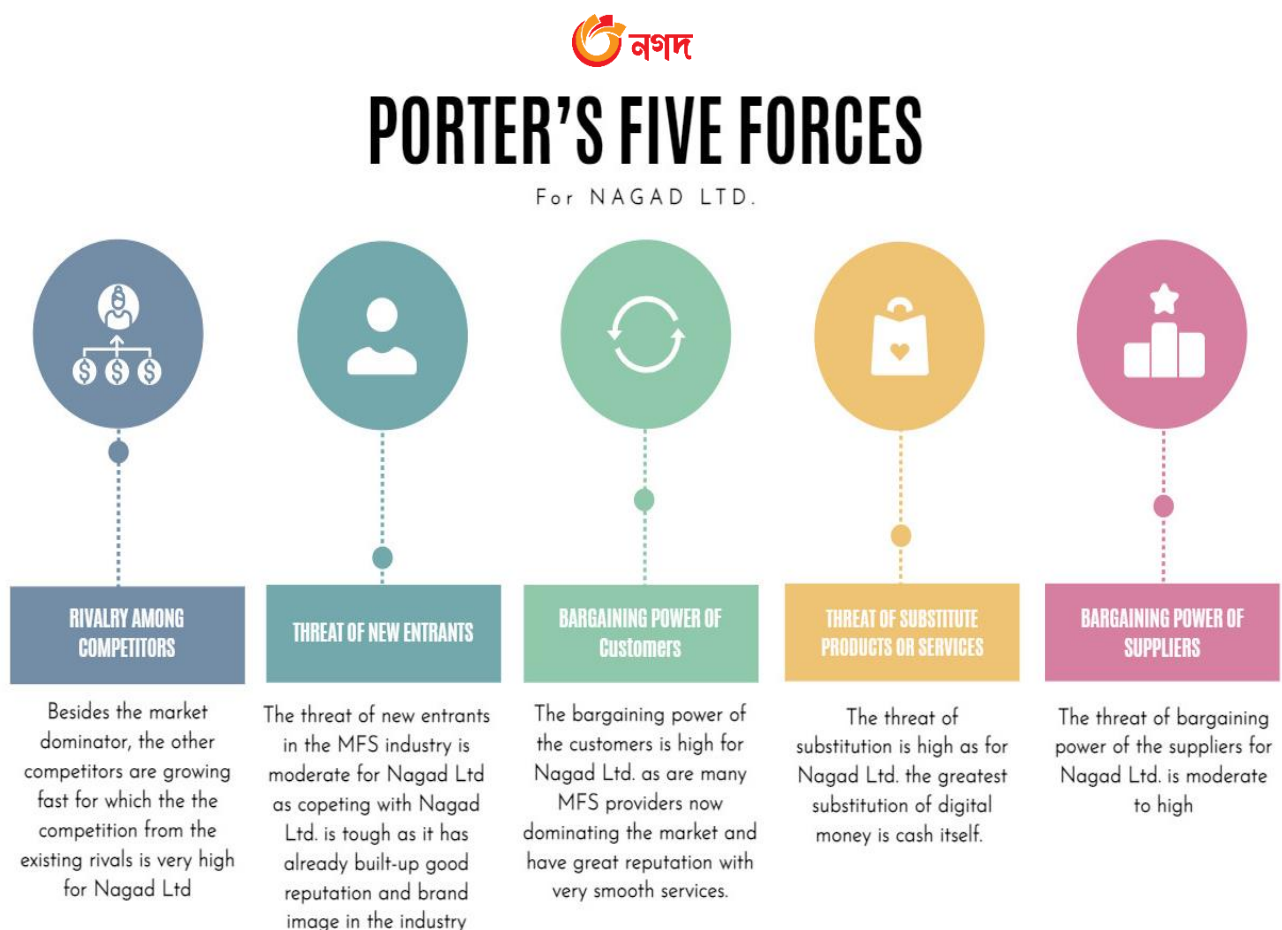


Figure 9: Porter's 5 Forces Analysis of Nagad Ltd.¹⁵

The above figure developed by the author represents the Porter’s five forces analysis for Nagda Ltd. The brief is discussed below.

Bargaining power of suppliers: High

The main suppliers for Nagad Ltd. are the 4 mobile operator companies; Grameenphone, Banglalink, Robi, Airtel and Teletalk, the enlisted 28 banks of the company, numerous agents and vendors. These entities are also collaborating with the industry player and other competitors of the MFS industry. So, the threat of bargaining power of the suppliers for Nagad Ltd. is moderate to high.

Bargaining power of customers: High

The bargaining power of the customers is high as are many MFS providers now dominating the market and have great reputation with very smooth services. Besides the market dominator, bKash; Upay and Tap has been growing fast operating with app with stunning visuals. Rocket also once dominated the market with fair share of customer base. All these MFS providers are constantly putting pressure on the agents to get more customers. Moreover, with many MFS providers with exciting cashbacks, bonuses and offers, the customers have plenty of options to choose from.

Threat of new entrants: Moderate

The threat of new entrants in the MFS industry is moderate for Nagad Ltd. New MFS providers may enter the industry as the Bangladesh Bank already approved and provided license 28 banks to operate MFS. 13 banks are already providing MFS while 11 banks remain. But the new entrants will not be able to compete with Nagad Ltd. very easily as it has already built-up good reputation and brand image in the industry and is the second one to dominate the industry with approximately 20% share after bKash.

Threat of substitution: High

The greatest substitution of digital money is cash itself. Bangladesh being a developing country do not have many people who are technologically sound and equipped. Still, 45% of the Bangladeshi population do not use mobile financial service. People who do not own a mobile phone has no option to use MFS for transacting. Moreover, a lot of people approximately 32% of the total population refrain from using MFS because of safety concern like fraudulent according to an article published in The Daily Start. So, the threat of substitution is high.⁷

⁷ <https://www.thedailystar.net/business/news/45-bangladesh-population-dont-use-mfs-survey-2993976>

Competition from existing Rivals: Very high

As of August 2022, there are more than 183 million registered MFS account in Bangladesh and out of those more than 65 million accounts are registered with Nagad Ltd which is only 36% of the total MFS users of the country⁸. The biggest rival for Nagad Ltd. is bKash Ltd. dominating more than 70% of the total market share of the industry. Also, Upay and Tap are also growing at a steady rate showcasing very high potential growth in the future. So, the competition from the existing rivals is very high for Nagad Ltd.

2.7.2 SWOT Analysis: Nagad Ltd.

Strengths: Being a service of BPO Nagad Ltd. has the upper hand than all the competitors for working under a government entity. Moreover, for providing governments services like allowances Nagad Ltd. is solely used for the government disbursements. It is the second largest MFS of the country and has a customer base of more than 6.5 crores. The service is cheaper with the lowest cash out charge operating with a very easy app for all spheres of people. Nagad Ltd. provides a wide range of services following the guideline of Bangladesh Bank partnering up with companies of every industry like banks, MNOs, government entities etc. Also, Nagad Ltd. is known to be providing services with cheaper rate compared to the competitors and provides the most exciting offers.

Weakness: The customer service provided by Nagad Ltd. does not hold good reputation in the market. Moreover, there are rumours going on about the ownership of Nagad Ltd. of being operated under the BPO for which trust issues are created in general public. Another major weakness of Nagad Ltd. is the app it is operating with. Often the app does not work for glitches and other issues and customers suffer. The fact that one needs internet to get all the service from the app and has to be in range of network to use the service, during natural calamities or geographical area where network is not strong makes it difficult for public to use the service. There are also transaction limits for different services. Finally, the biggest weakness is the lack of general education about digital wallet among the population of Bangladesh especially people of rural area who are not technologically sound.

⁸ <https://www.bb.org.bd/en/index.php/econdata/index>,
<https://www.bb.org.bd/en/index.php/econdata/index>

The figure below developed by the author shows the SWOT analysis of Nagad Ltd.

SWOT Analysis

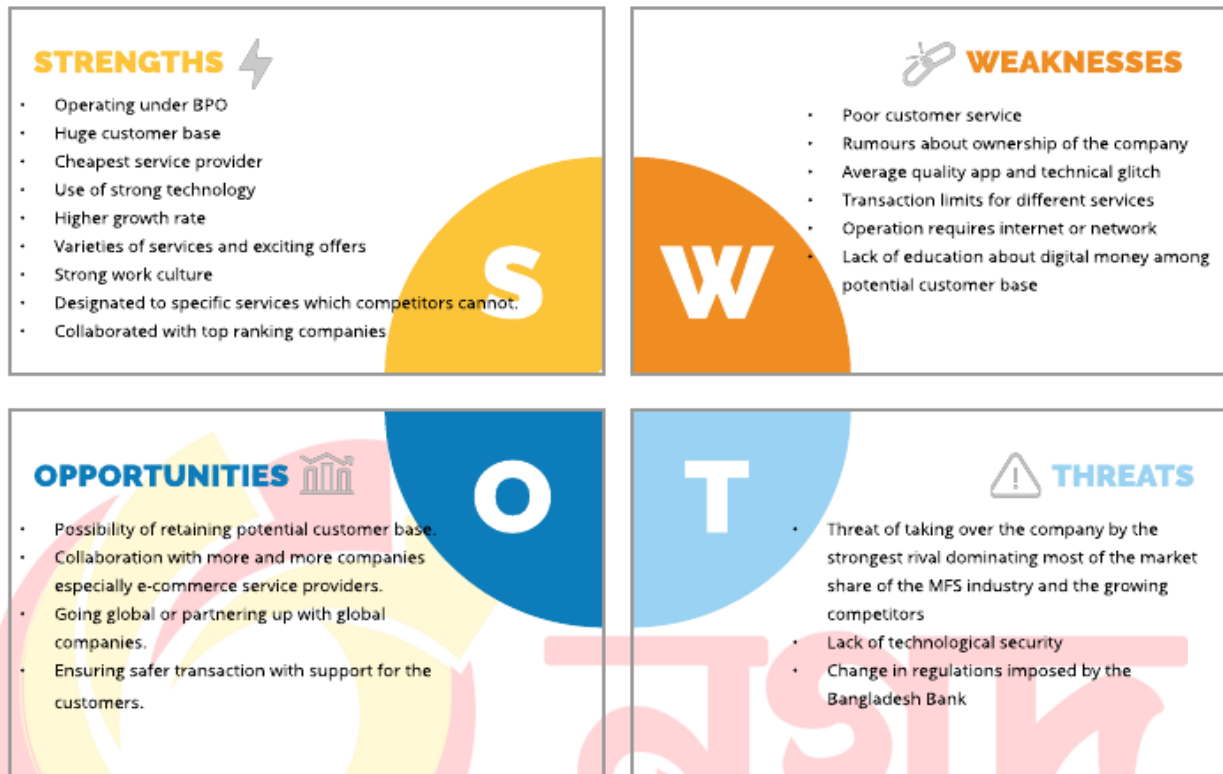


Figure 10: SWOT Analysis of Nagad Ltd.¹⁵

Opportunities: The pace of the growth of Nagad Ltd. is none like before. The company was able to land 6 crores of customers withing 3 years of operation and has been able to become the second largest MFS company of the country. The company is already competing with the market dominating MFS. The Covid-19 pandemic has opened a door of opportunities for this company to persuade customers into switching towards digital wallet rather than cash. People nowadays look for convenience and being a MFS company Nagad can provide exactly this to the customers.

Threats: The biggest threat this company is its ‘biggest rival taking over the total market. Nagad still has not gained major amount of market share and is exposed to greater threat of easily out taken by its ‘rivals. Moreover, changes in government regulations may pose threat to the entire operating system of Nagad Ltd. As it is operating as a Fintech company, the technological threats are high too like hacking of official website and servicer.

2.8 Summary and Conclusions

The management practices of Nagad Ltd. are sure to attract talented working people from all over the country with the amazing work culture Nagad is operating with the company can grow to a fast pace if the recruitment process gets a bit strong. Besides using various medias for promotion, Nagad Ltd. is applying strategic brilliant tactics to retain customers like “Laaabher Ghonta”, “1000 Takar Offer”

Although the competition is very from the fellow competitors, and the greatest substitute product of the service, cash, with very demanding customer base with which negotiations may lead to the doom of the company, following some strategy and improving in areas will surely give the company an upper hand in the MFS Industry considering it is the MFS Provider with lowest charges with varieties of services.

Besides many weaknesses the company has immense strengths heavily equipped with an amazing technology team and resources and for operating under the Bangladesh Post Office with a huge customer base. Below some limitations of the fintech company and recommendations are given to overcome the weakness and possible threats imposed on the company.

2.9 Limitations and recommendations

Critical marketing issues and gaps:

Although having a large target customer, Nagad is still lacking to reach a greater portion of it. Most of the advertisements and communications are reaching literate people but people of remote areas are often left out as most of the communications are made using networking. People who are illiterate cannot receive the offers even after using a smartphone or feature phone as they will not be able to use the app or USSD services and cannot read SMS. A few more recommendations are listed below.

ATM cash out: The company still does not have an ATM cash out service from Nagad wallet whereas all the competitors have been offering this service

Customer service: Many customers are not satisfied with the customer service of Nagad Ltd. Most of the complains are about customer service.

Lower satisfaction of customers using app: Nagad has the simplest app as the MFS provider of the country. Although the app for Nagad Ltd. has been built considering the lower number of technologically advanced people of our country, a large number of customers do not reach out to use this app because of the average representation and visual of the app. Also, it is not as smooth as it is supposed to be. The company must work on the development of the app.

Remittance: Nagad Ltd. does not provide any service to receive international remittance. It is a necessity to many; thus, the company should work on it.



Project Part

***Impact of Mobile Financial Services on Financial Inclusion of
Bangladesh: A Case Study on Nagad Ltd.***



Chapter 3: Project part

“Impact of Mobile Financial Services on Financial Inclusion of Bangladesh: A Case Study on Nagad Ltd.”

3.1: Introduction:

The mobile financial service industry brought revolutionary changes to the country's economy. As a part of achieving vision 2021, Bangladesh Bank provided licence to operate mobile financial services to a few banks in 2011 with an aim to increase financial inclusion⁹. Within a very short time the service industry grew tremendously as the service was affordable, easy and secure. By July 2021 the amount of registered MFS users crossed 10 crore and the monthly transaction amount was above 32 crores. This also paved the way of transformation to digital economy in Bangladesh. Before the emerge of the MFS industry the financial inclusion rate was only 20 percent which rose to 55 percent in 2019. This revolution has created growth opportunity for ecommerce industry as well for the easy digital payment gateway through MFS. The paper currency usage decreased so as the cost for the production of paper currency. Moreover, the MFS is the biggest holder of financial information and data which is the he world's most valuable source. Most of the government disbursements are being distributed using MFS; especially Nagad is responsible for most of the disbursements regarding wages, allowance. This process was complicated before the MFS providers

3.1.1: Background

Being relatively new industry, unfortunately, there are not enough literature about this industry from our country's perspective. In the past two years, this industry has made record worthy changes in the pattern of financial activities in people's day to day lives. Internet banking, a very similar service's usage was only popular among literate and privileged people. But the mobile financial service has been extremely popular and one of the preferred ways of transacting on a daily basis. Every type of people is availing services offered by MFS whereas the financial activities through bank is very limited to people and not easy for daily using on daily basis. The charge incurred is also very lower for the MFS

⁹ <https://www.thedailystar.net/business/economy/news/mfs-helping-bangladesh-become-digital-economy-2912311>

services. Money transfer for P2P, payment of salary and disbursements, allowances and paying grants through MFS have been the most availed services and the transaction trend indicates that this industry can be a key to boost the growth rate of the country. As important as the industry is, there are very less studies conducted from different perspective. However, Nagad Ltd. being one of the very new companies of the countries, it has grown like no other MFS of the world and shows great possibility of contributing in this industry's development and growth. It is the second largest MFS of Bangladesh and one of the most preferred MFS companies by the people of the country. Till today there is no literature available showing quantified contribution of the company on the countries MFS Industry and in the country's growth and financial inclusion.

3.1.2: Objective

Broad Objective:

- To determine the contribution of the Mobile Financial Service (MFS) industry of Bangladesh in promoting Financial Inclusivity based on Nagad Ltd.'s contribution.

Specific Objective:

- Giving an overall idea about the internship experience at Nagad Ltd.
- To evaluate the contribution of this company in the MFS industry of Bangladesh.
- Finding out preference of people to determine the extent of the inclusivity the company has created.

3.1.3: Significance

The study contains an overall idea about the second largest and the fastest growing mobile financial service provider, Nagad Ltd. and its business practices. Moreover, the study will also give an overall monthly performance of the MFS Industry in the country's economy and the company and contains insights about the total contribution of Nagad Ltd. in the MFS industry can be recognized for every type of services and in promoting financial inclusion. The consistency of the company's growth can also be predicted from this study. Moreover, this study will give insights about customer's preference and acceptance of mobile financial service and customer's perception about Nagad Ltd. The strengths and the shortcomings of the companies are also discussed in this study. Lastly, as there is no available literature covering Nagad Ltd.'s contribution in the financial inclusivity of the country with quantitative and

qualitative data, this report will give an overall idea about Service wise Nagad's share in the MFS industry of Bangladesh with quantitative analysis.

3.2 Methodology:

A mixed approach was followed to conduct this study. Data for this study is derived from both primary source and secondary sources and both quantitative and qualitative data was used.

As I have done 3 months of internship in the company, I got to know about the operations of the company and was exposed to insider insights of the industry. Moreover, I have interviewed the senior managers of the company to know more about Nagad's contribution in the industry and financial inclusion. Apart from the data from the industry leaders, I have also conducted an in-person survey on random 40 people of different backgrounds to know about people's acceptance, perspective and preference towards the mobile financial services offered by Nagad Ltd.

For the analysis, I worked with secondary data derived from the internet. Most of the data have been taken from the Bangladesh Bank website and published news articles as most of the literature published about financial inclusivity resulted from the emergence of MFS in Bangladesh is done based on the largest MFS company of Bangladesh; bKash.

In order to find out the contribution of the mobile financial service industry and to get a clearer picture of the growth of the industry and acceptance of the service, a comparison is done between similar service; mobile banking and Mobile Financial Services, showing each sectors contribution by monthly transaction, number of registered accounts, amount of payments in different sectors using each service.

Data and insights about the operations and business practices, marketing and recruitment practices are taken by interviewing official persons of Nagad Ltd. **To find out the contribution for every service offered by Nagad Ltd. in the MFS industry of Bangladesh, the figures are calculated using estimated percentages of contribution taken by the suggestions of the company insiders of Nagad Ltd.** as the actual data is highly confidential and cannot be disclosed at any circumstances to anyone outside the company.

3.3 Findings and Analysis:

Banking Activities vs. Mobile Financial Service (MFS) Activities:

Traditional Banking activities generally include deposit taking, providing personal loans and business loans, bill payment services, money transfer from one account to another, service of check writing, saving money etc. All of these services can be availed by visiting physical branches through interaction with persons in charge of any bank.

Internet banking is an electronic payment system that allows customers of certain banks and financial institutions to conduct financial activities using mobile phone or using computer using the website of designated banks.

To take the advantage of the internet banking service, one must have an active bank account in the scheduled commercial banks of the country. As, most of our country's people are not educated with such knowledge to avail banking services this sector could not cover most of the citizens in the financial inclusion. Moreover, the banking activities are complex and having a bank account costs a bit which may not be bearable for every lower income holder citizen. This is the main limitation of the banks of our country that the reach for their services is very limited to certain type of customers.

Whereas MFS makes it very easy for people to engage in financial activities. All one needs is a NID to open an account. That too is simpler when it comes to opening an account. One can just dial *167# and enter a 4-digit pin and the account is ready to use. Customers can also use the app to open an account in only 3 steps; scan one's NID, take a selfie and put digital signature and finally set the 4-digit pin. The process is very simple and does not take any hassle. Also, there is no charge for opening and operating the account.

People who do not have a bank account can still transact using their MFS wallet. The most popular services are send money, cash in, cash out, mobile recharge, bill payment, merchant pay. Despite of having own website and mobile banking facilities, many of the registered banks have their services integrated with top MFS companies for the widespread flexibility of the service.

Below is the comparison of the registered users, transaction count and transaction amount of MFS and internet banking of Bangladesh. The data used to compare both services' performance is taken from the Bangladesh Bank website. The comparison is done taking the growth and changes in the amounts in the last 3 years considering August'19 as the base month.

Number Of Users of IB and MFS

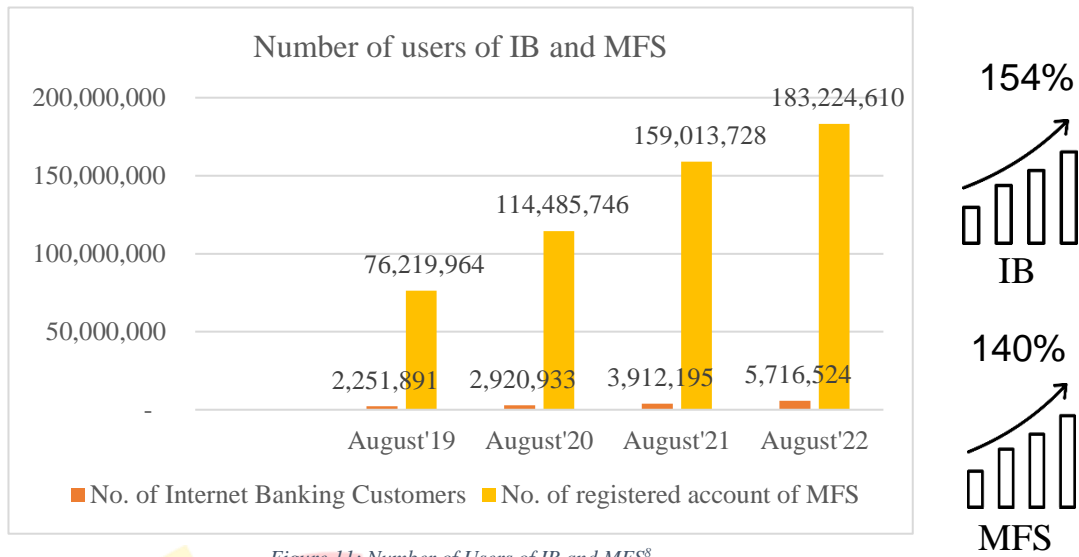


Figure 11: Number of Users of IB and MFS⁸

The above economic data of Bangladesh Internet Banking and MFS performance derived from the Bangladesh Bank website shows, as of August, 2022, there are more than 183 million registered users of MFS increasing from over 76 million in August, 2019, whereas the number of internet banking users are only almost 6 million starting from over 2 million in August, 2019. Despite of the high growth rate of the Internet banking users, the amount of the users is very less compared to the registered MFS users.

Number Of Transactions of IB and MFS

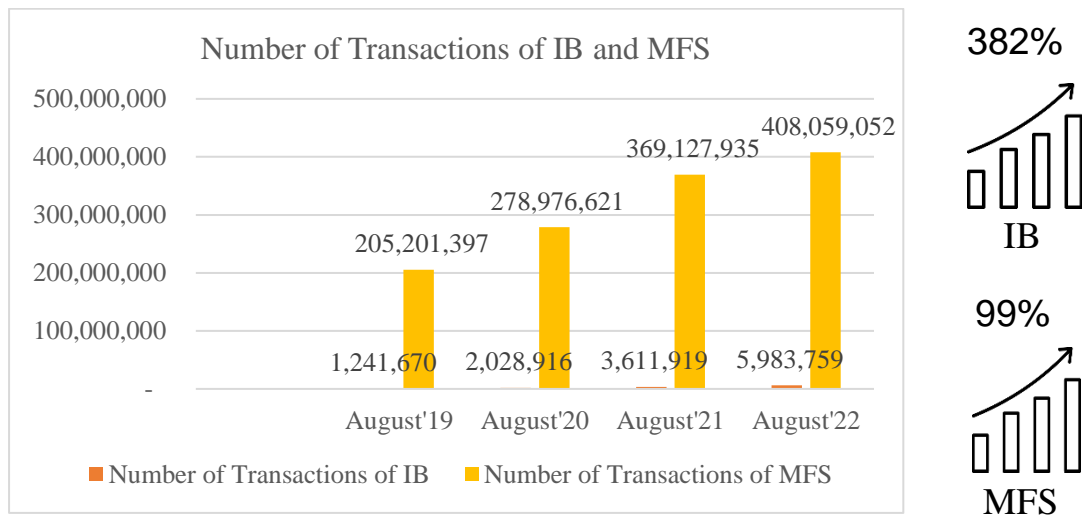


Figure 12: Number of transactions of IB and MFS⁸

In the above chart, Bangladesh Bank’s data shows that the same pattern applies for the number of transactions completed using IB and MFS users. The growth rate of IB is again, very high compared to the MFS transaction count with a difference of over 40 million in August, 2022.

Amount of Transactions of IB and MFS

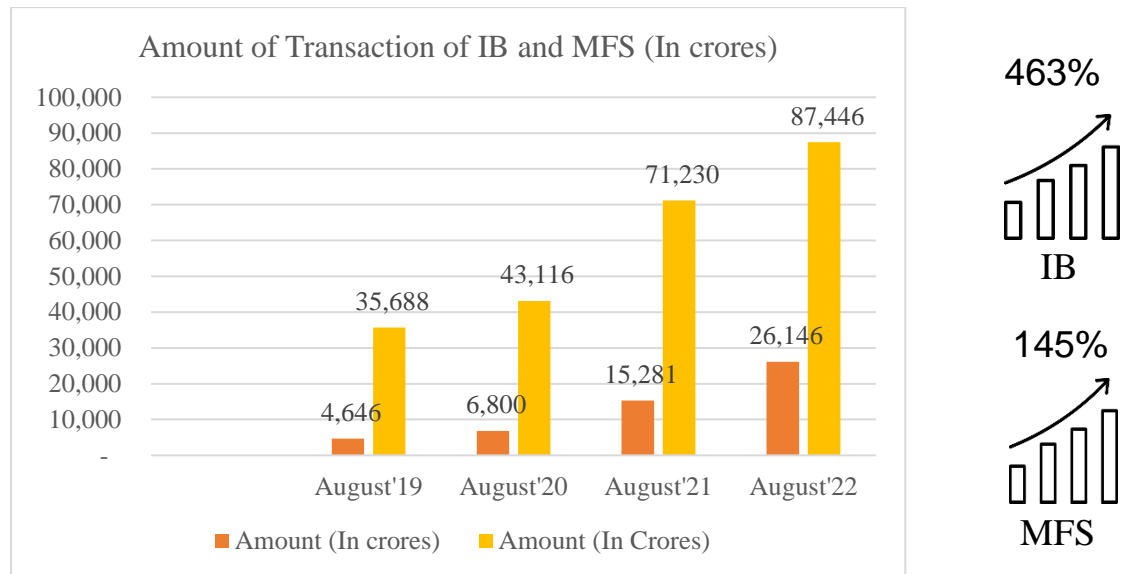


Figure 13: Total Transaction of IB and MFS⁸

According to the data for the transaction amount for August 2022 for MFS taken from the Bangladesh Bank website shows that over 87,446 crore BDT whereas it was 26,146 crore BDT for internet banking. The growth rate of 463% is impressive for internet banking users but the overall picture leaves a winning impression for the MFS.

One of the reasons for higher growth rate for internet banking is the Covid-19 pandemic when all banking service users had to switch towards online banking. Being relatively new industry, MFS’s contribution in the economy of Bangladesh has shown new potential area of growth in the country’s economy and towards the transformation to cashless country.

This analysis clearly shows that MFS is more preferred and convenient way for people to transact on a daily basis.

Number of services taken by the MFS users of Bangladesh in a month

Through the emergence of the MFS providers, people do not have worry about carrying with loads of cash. For someone who has an active bank account does not have to worry about ATM booths anymore because MFS is one of the safest places for soft money and the retailer points are available almost everywhere of the country.

Cash In and Cash Out Service

In the below chart, Cash In and Cash Out number of transaction and amount of transaction is presented according to the Central Bank of Bangladesh. People can deposit money through “Cash In” service and withdraw money using the “Cash Out” service with a little percentage of charge. In terms of depositing and withdrawing little amount of money it is a hassle for busy customers to go to a bank or to look for an ATM booth. This is where the MFS providers jump in these services have been most common to the customers.

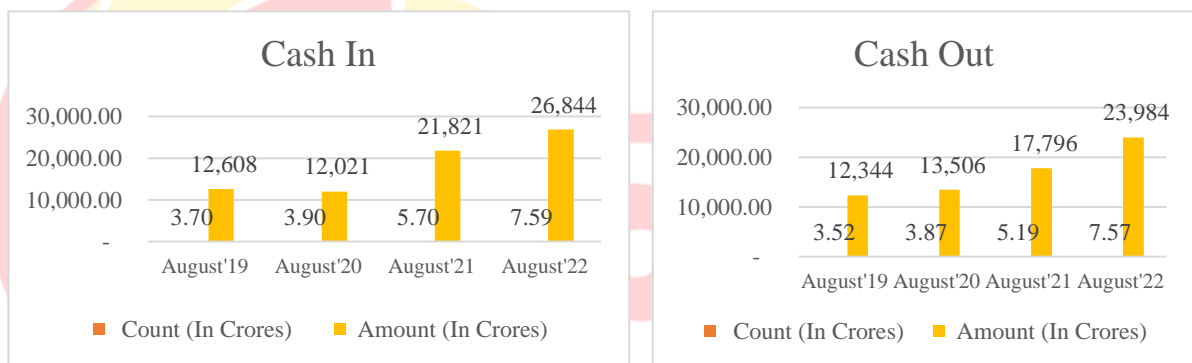


Figure 14: Total transaction for Cash In and Cash Out of MFS Industry of Aug '22¹⁰

P2P Service

One of the most common services offered by the MFS providers is “Send Money” also known as the P2P transaction. According to the data taken from Bangladesh Bank is charted below which shows the count and amount of the transaction keeps increasing. Before the emerge of the MFS providers, this was done solely by

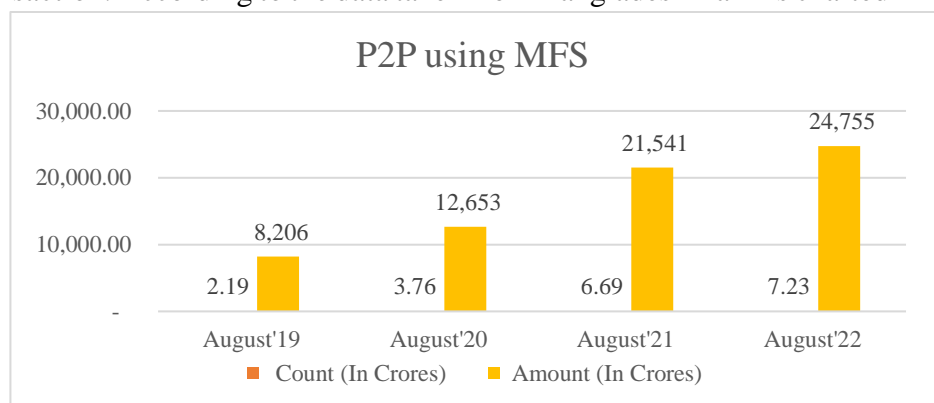


Figure 15: Total transaction for P2P of MFS Industry of Aug '22¹⁰

the banks. MFS providers has made this service widely available to every stage of people with the simplest process. This service has been famous among people who live away from families and have to send money rural areas within a short time or people who have to transact on a daily basis for different purposes, significant amount of money is daily transacted using this service and has been growing ever since the emergence of the MFS providers.

Utility Bill Payment

In terms of bill payment, MFS has become a popular platform. People can pay their utility bills like electricity bills, water bill, gas bill and payments for services from anywhere anytime using their digital MFS wallet. The chart below shoes that, amount of utility payments through MFS providers stood more than 2,200 crore BDT in the month of August, 2022

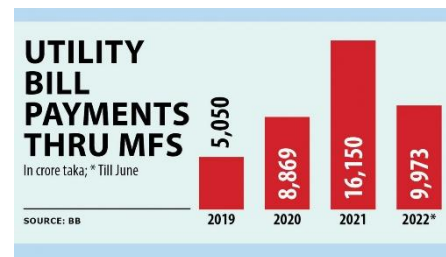


Figure 17: Utility Bill PMT using MFS¹²

according to the Bangladesh Bank website¹⁰. A recently published article by the Dhaka Tribune reported that amount of utility bill payments using MFS has increased in June, 2022 by 17.28% from May on a monthly basis, presented in the 17th figure of this report. Most of the people now prefer MFS for paying utility bills as it is the most convenient way

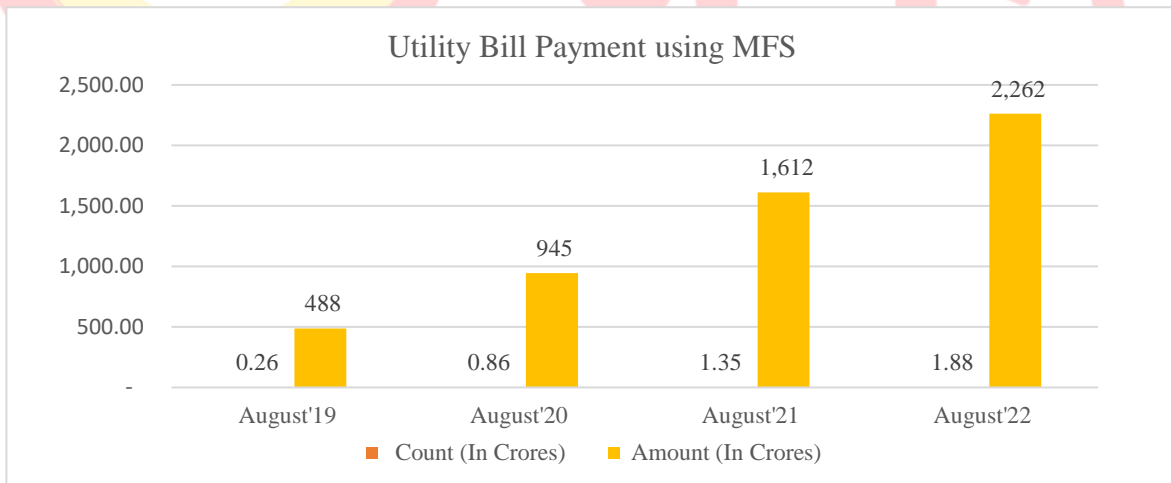


Figure 16: Total transaction for Utility Bill Payment of MFS Industry of Aug'22¹⁰

to pay bills from home. Apart from the utility bill payments, customers are also paying their internet bills, telephone bills, DTH services using MFS. The growth is huge because more and more people are relying on MFS providers for daily financial activities such as money

¹⁰ <https://www.bb.org.bd/en/index.php/financialactivity/mfsdata>

transfer, receiving funds to paying bills, according to a news article published in the Daily Star, Bangladesh¹¹¹². Credit Card bill payment is one of the newest services offered by the MFS providers and is being used by Visa and MasterCard holders.

Merchant and E-commerce Payment

For merchant payments and E-commerce transactions, people have been very adaptive towards the MFS providers specially around any occasion the transaction rises higher. During the last Eid-ul-Fitr, there was a record transaction of MFS reaching 93,0033 Crore BDT¹³ where merchant contributed for more than 2,500 crores BDT¹⁰. The most recent data taken from Bangladesh Bank website and presented below shows for merchant payment the MFS transaction crossed 3,000 crore BDT.

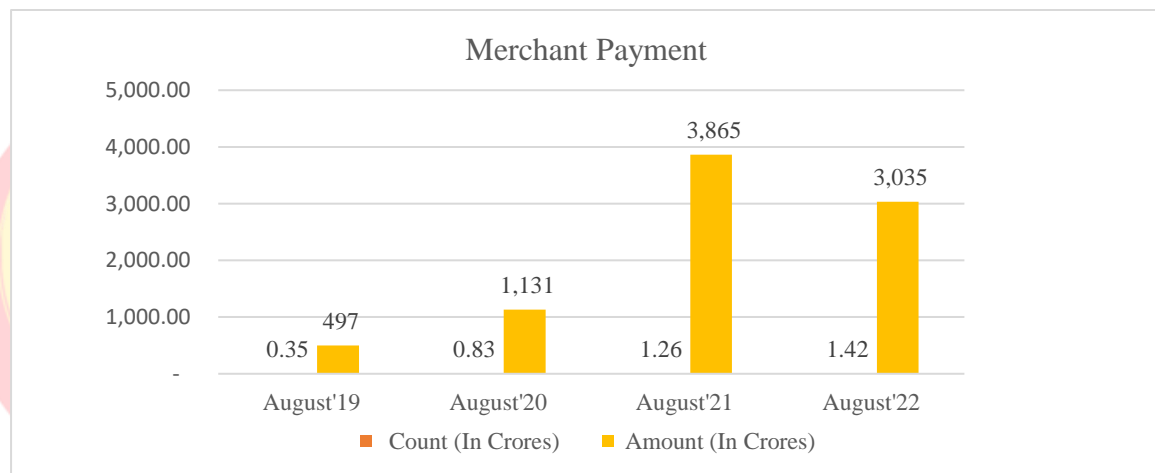


Figure 18: Total transaction for Merchant Payment of MFS Industry of Aug '22¹⁰

¹¹ <https://www.thedailystar.net/business/economy/news/mfs-providers-see-surge-utility-payments-3095996>

¹² <https://www.dhakatribune.com/business/2022/08/16/people-are-using-mfs-more-and-more-to-pay-bills-in-bangladesh>

¹³ <https://www.newagebd.net/article/173375/eid-boosts-mfs-transactions-to-record-tk-93033cr-in-apr>

Government and Salary Disbursement

During the Covid-19 pandemic when people were suffering with economic condition and when the threat of transmission became so high that salary and government disbursement became a major complicated issue. MFS providers became the ultimate solution in this case

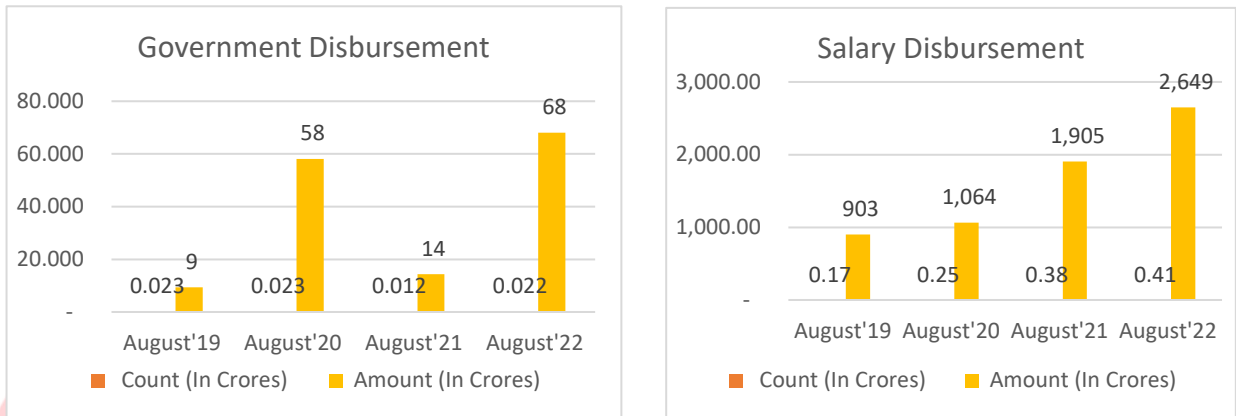


Figure 19: Total transaction for Government and Salary Disbursement of MFS Industry of Aug '22¹⁰

to make disbursements of government allowances and salaries. The charts above showing Government disbursement and Salary Disbursement for the last 4 years given using MFS according to the data from Bangladesh Bank depicts major growth in the MFS transaction trend because of this disbursement. Through this, people got more used to using MFS to receive disbursements and allowances and now it is a major medium to make payment, salary disbursement, government allowances and disbursements.

Talk time Purchase

One of the most popular services offered by MFS providers is the “Mobile recharge”. Few years ago, people had to head towards shop to get their mobile recharged but now it has become very easy to recharge mobile for any operator using MFS digital wallet. People can do self-recharge (recharge to MFS account registered number) and assisted recharge (recharge to any other number) anytime anywhere. Using bank account to merely recharge 20 BDT or 50 BDT can be troublesome to individuals and a lot of work is involved in the process. Now, it does not matter if one has a bank account or not. using MFS apps or USSD people of every sphere can recharge their phone whether they have. Moreover, they can enjoy exclusive offers, cashbacks and bonuses besides the recharge amount for availing the service.

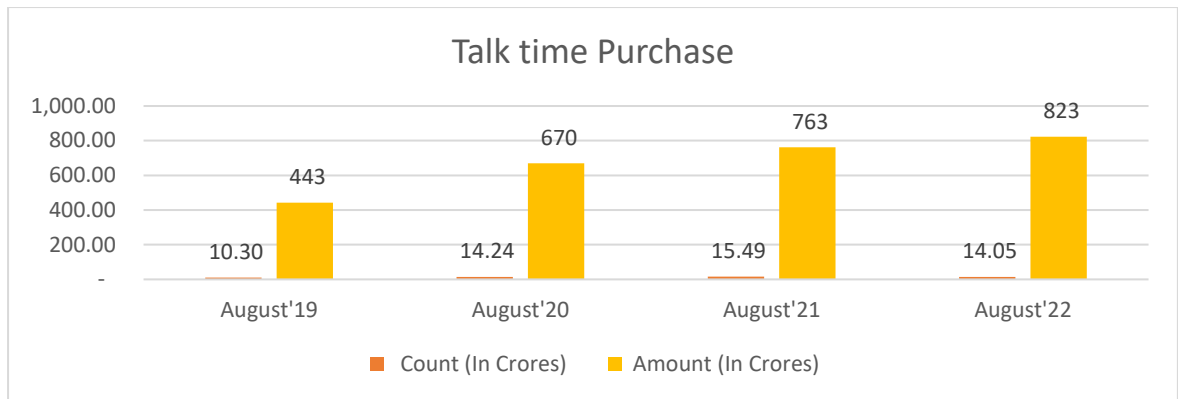


Figure 20: Total transaction for Talktime purchase using MFS, Aug'22¹⁰

The chart above shows how the amount of mobile recharge using MFS increased over the last 3 years including the transaction count, according to the Bangladesh Bank

Of all these contribution in the industry, Nagad Ltd. is responsible for roughly 20% of the total transactions. Below brief discussion of Nagad Ltd.'s contribution on the industry in terms of accelerating financial inclusion is done.

Nagad's Contribution in the MFS Industry

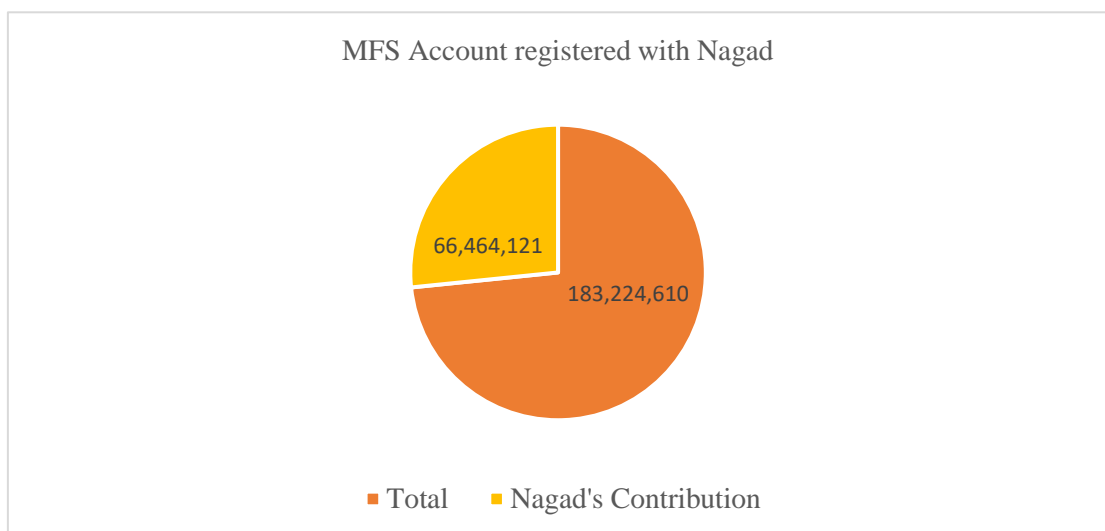


Figure 21: Nagad MFS Account Holders Against Total MFS Account Holders as of Aug'22⁸¹⁵¹⁶

As of August 2022, out of the total registered MFS accounts according to Bangladesh Bank, the company higher officials said that 36%¹⁴¹⁵ of the accounts are registered with Nagad Ltd. Nagad is known as the fastest growing MFS company to achieve over 60 million customers in just 3 years of operation.

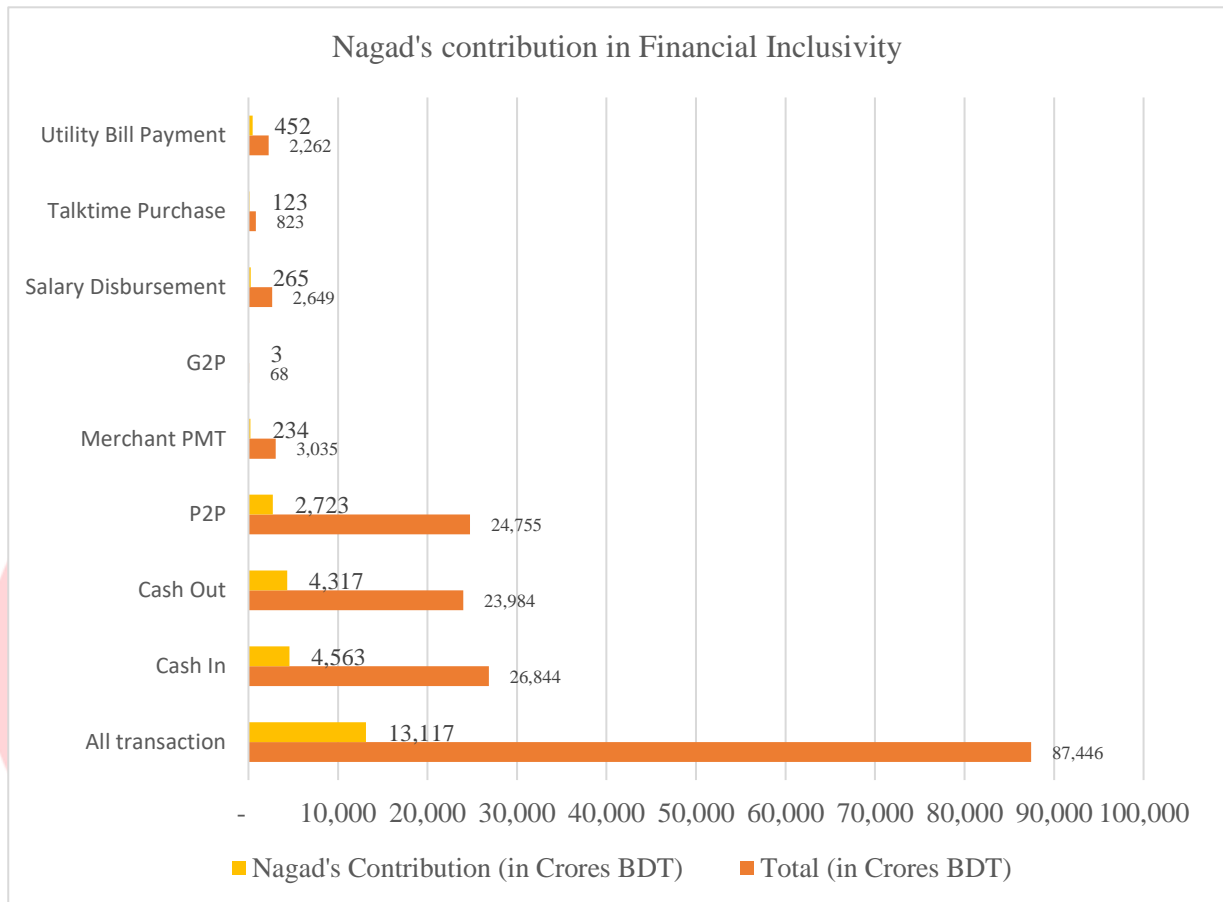


Figure 22: Nagad Ltd.'s Service Wise Contribution in the MFS Industry as of Aug'22⁸¹⁵¹⁶

The above figure represents the contribution of Nagad Ltd. in different services offered by MFS against the total amount of transaction and service wise transaction of the MFS industry of Bangladesh taken from the Bangladesh Bank website. All the figures of Nagad Ltd.'s contribution is not absolute but estimated percentage figures taken as suggested by the industry leaders and company higher officials.¹⁶

Below is the quantitative (% of total Bangladesh MFS Industry) contribution of Nagad Ltd. is shown against the total amount of transaction happened in the MFS Industry according to Bangladesh Bank for the month of August, 2022.

¹⁴ The contribution amount and percentages are taken from the company insiders

¹⁵ Figures developed by the Author

¹⁶ Nagad's contribution is considered by approximate % in all services provided by MFS

Nagad's Contribution in All Transaction

Out of the total monthly transaction of August 2022 according to BB, Nagad higher officials said that Nagad is responsible for 15% of the transactions amounting up to 13,117 Crores BDT

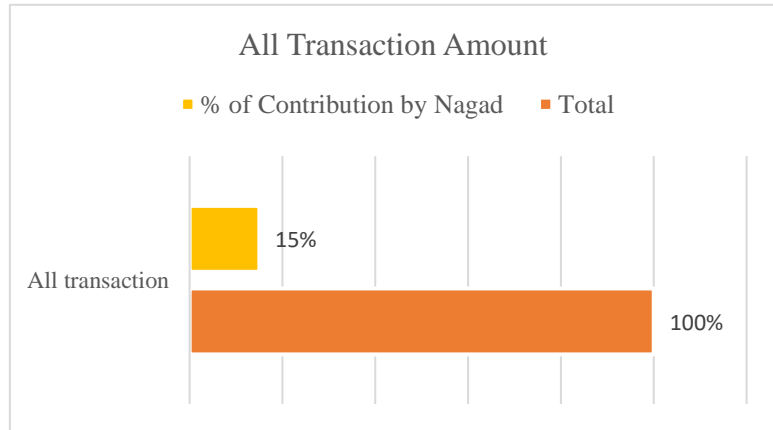
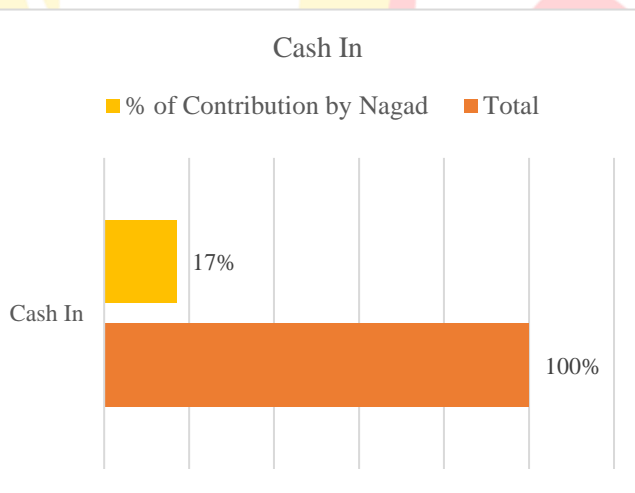


Figure 23: All Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in Cash In



Out of the total monthly Cash In transaction of August 2022 derived from BB website, Nagad is responsible for 17% of the transactions amounting up to approximately 4,563 Crores BDT, according to the company officials.

Figure 24: Cash In Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in Cash Out

Out of the total monthly Cash Out transaction of August 2022 according to BB, the company officials told that Nagad has contributed for almost 18% of the transactions amounting up to 4,317 Crores BDT.

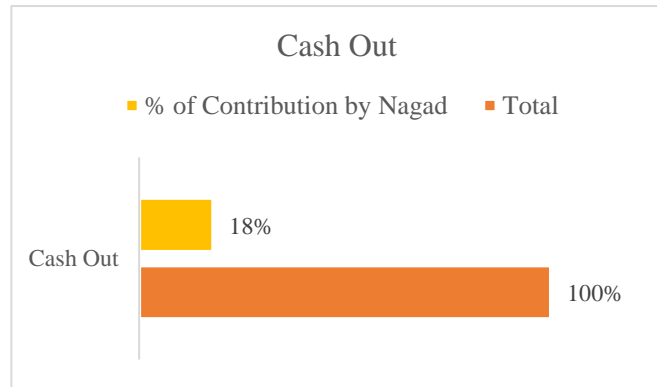
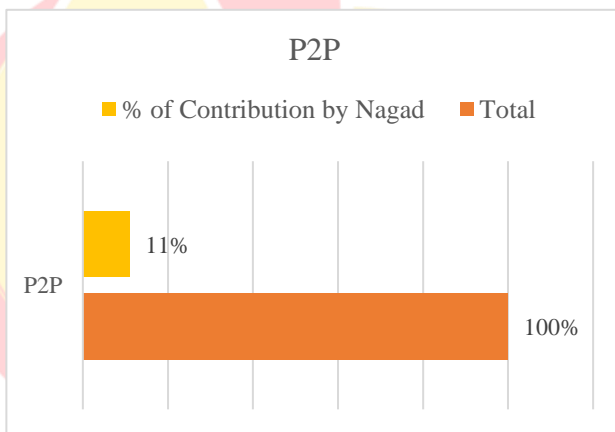


Figure 25: Cash Out Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in P2P



In accordance with BB, out of the total monthly Person to Person transaction also known as “Send Money” of August 2022, Nagad has contributed for almost 11% of the transactions amounting up to 2,723 Crores BDT, according to the company officials of Nagad Ltd.

Figure 26: P2P Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in Merchant Payment

Out of the total Merchant Payment, MFS transaction of August 2022 stood up to 3,035 crore BDT depicted by BB. Nagad has contributed for approximately 8% of the transactions amounting up to 234 Crores BDT, according to the company officials of Nagad Ltd.

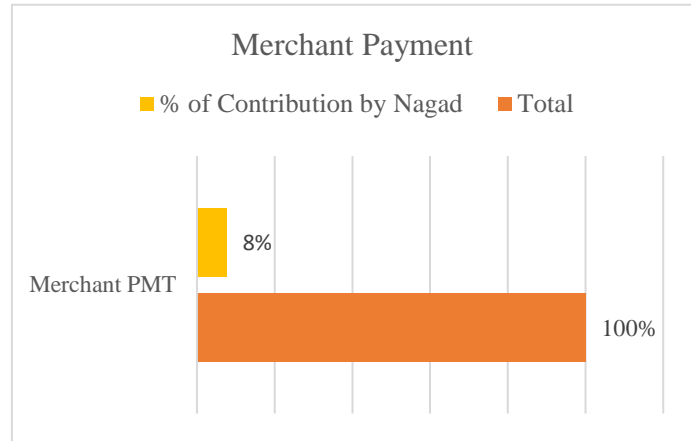
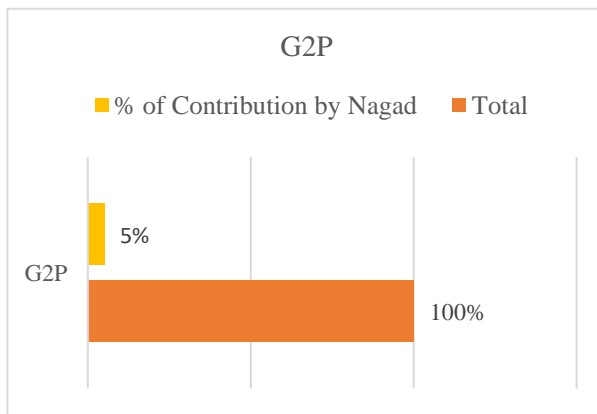


Figure 27: Merchant Payment Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in G2P



Out of the total monthly Government to Person transaction meaning government disbursements of August 2022 according to BB, the company insiders of Nagad Ltd. said that, Nagad has contributed for almost 5% of the transactions like retirement allowance, educational allowance amounting up to 3 Crores BDT

Figure 28: G2P Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in Salary Disbursement

Out of the total monthly Salary Disbursement of August 2022 was 2,649 crore BDT in accordance with BB. Nagad is responsible for 10% of the transactions amounting up to 265 Crores BDT according to the company officials.

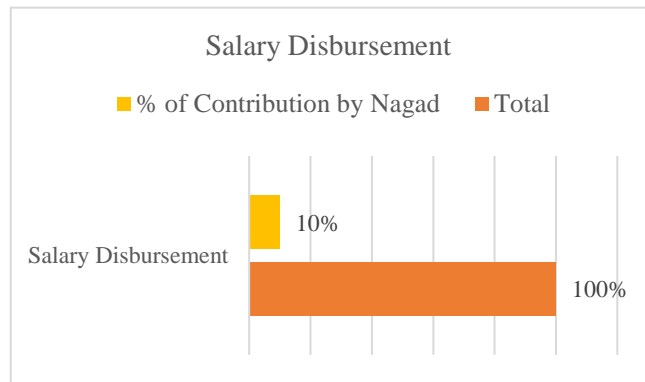
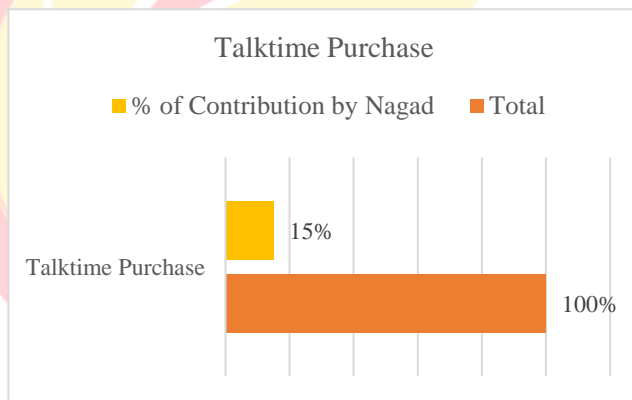


Figure 29: Salary Disbursement Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in Talktime Purchase



Out of the total monthly Talktime Purchase or Mobile Recharge using MFS of August 2022 derived from the BB website, the company insiders explained that Nagad has contributed for almost 15% of the transactions amounting up to 123 Crores BDT,

Figure 30: Talktime Purchase Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

Nagad's Contribution in Utility Bill Payment

The company officials stated that, Nagad is responsible for 20% of the Utility Bill Payment of the total monthly utility bill payment using MFS of the Industry for the month of August, 2022, taken from the BB economic data of Bangladesh. which makes up 452 Crores BDT of total of 2,262 Crores BDT of Utility Bill Payment

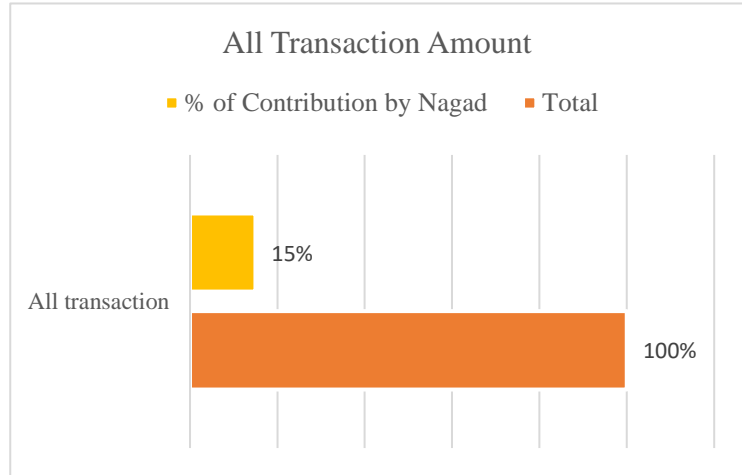


Figure 31: Utility Bill PMT Transaction AMT by Nagad Ltd. against the total of the MFS Industry as of Aug'22¹⁵¹⁶

From the above representation it can be stated that Nagad Ltd. has become responsible for a significant amount of financial transaction happening every day in the MFS Industry of Bangladesh for every type of service offered within the industry.

As the MFS industry is new, the conclusion cannot be made only on the statistics. To find out if the MFSs are convenient way to conduct financial activities on a daily basis, I have conducted an in-person survey among approximately 40 people and the below findings are based on the outcome of the survey.

Background of the respondents:

Age: Majority of the respondents were aged between 25 to 35 where as people aged from 35 to 45 and 45 to 55 stood to be 15% of the total respondents. 20% of the total sample were aged between 18 to 20 and 22% people were aged between 23 to 25¹⁷.

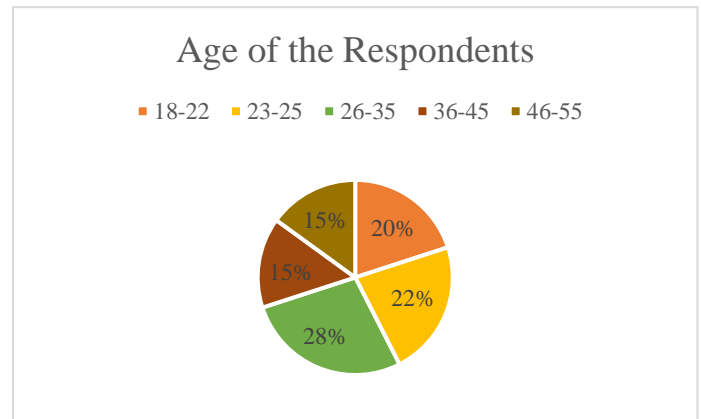


Figure 32: Age of the Respondents¹⁷

Education: Among all the respondents, 25% finished undergraduate and most of the respondents, 35% belonged to the group of people with the highest level of education being HSC whereas 10% of the total sample only passed SSC. 23% of the total respondents received primary level education, and 7% did not receive any sort of education.

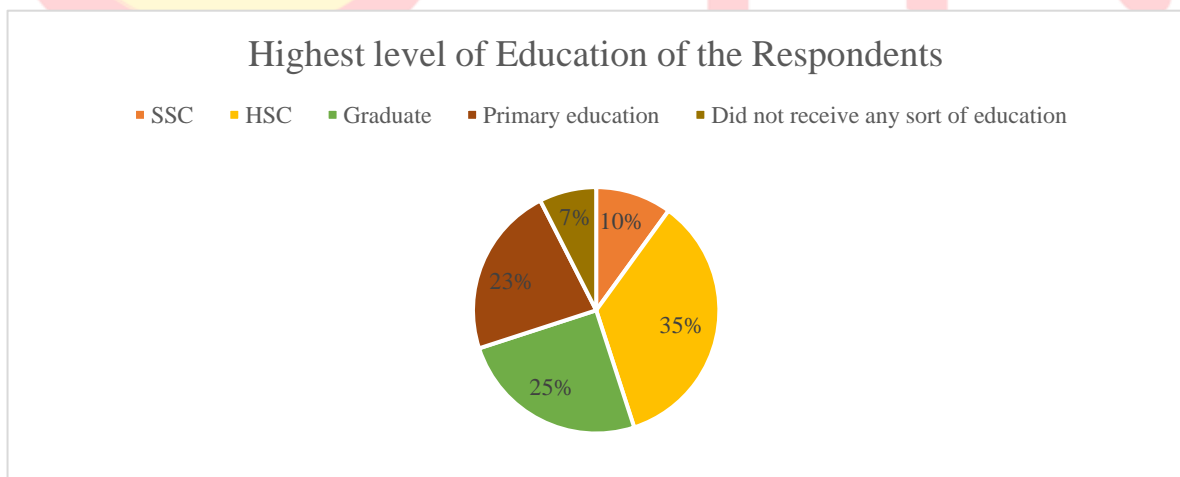


Figure 33: Highest Level of Education of the Respondents¹⁷

¹⁷ Created by the Author

Income Level: 55% of the respondent's monthly income is between 10,000 to 30,000 BDT and 31,000 to 50,000 BDT is the monthly income range for 20% of the sample. Only 15% people of the total respondent's monthly income is between 51,000 to 70,000 BD. 7% of the respondents earns from 71,000 to 90,000 BDT monthly and 3% of them has monthly income amounted above 90,000 BDT.

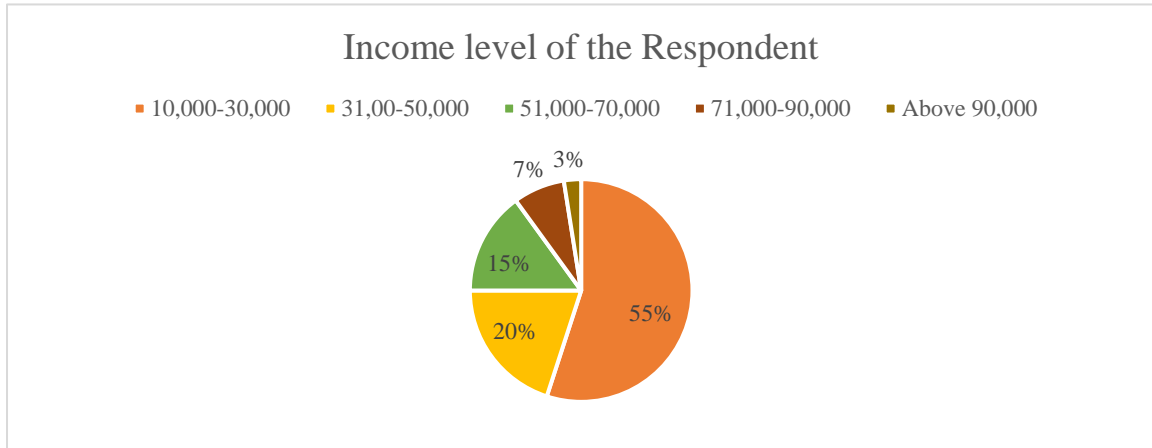


Figure 34: Income Level of the Respondents¹⁷

Acceptance of MFS among the respondents

Preference for using MFS

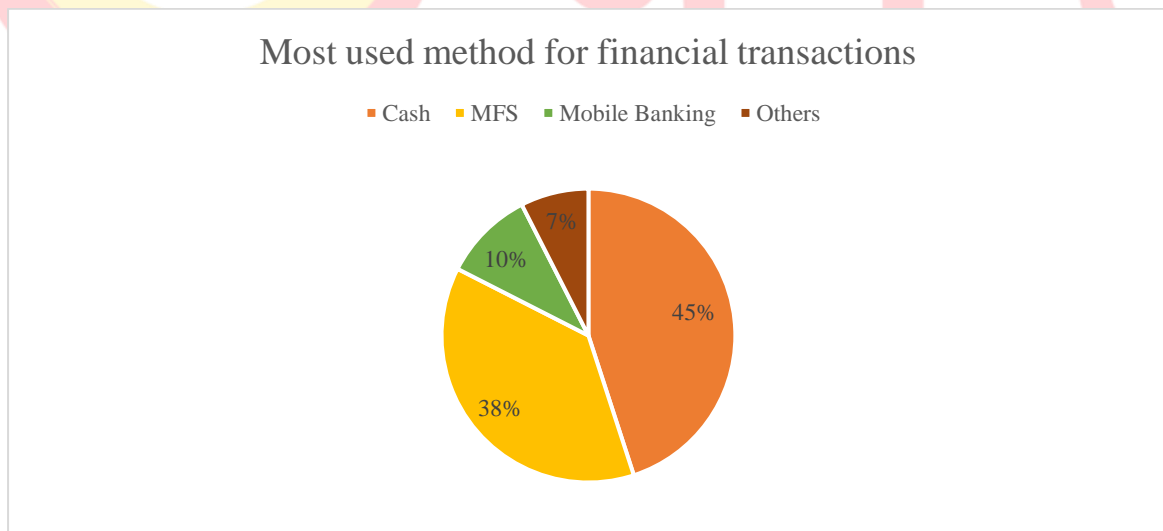


Figure 35: Methods Preferred for Financial Transaction¹⁷

Most of the respondents making up 45% of the total sample stated that they prefer to transact using Cash as it is readily available and can be used for any transaction methods.

38% of the respondents prefer MFS for transaction on a daily basis as they do not have to go through, the trouble of carrying cash with them everywhere. 10% of the total respondents said they prefer mobile banking for being a safe method of transaction and 7% of the respondents said they prefer other methods like payment using debit-credit cards, checks etc.

Number of MFS users

Among the total respondents 77% users have registered digital wallet with MFS. Rest of the 23% do not have any MFS account because of reasons like not having a smart phone, or not having a NID and some simply have not felt the need to use MFS.

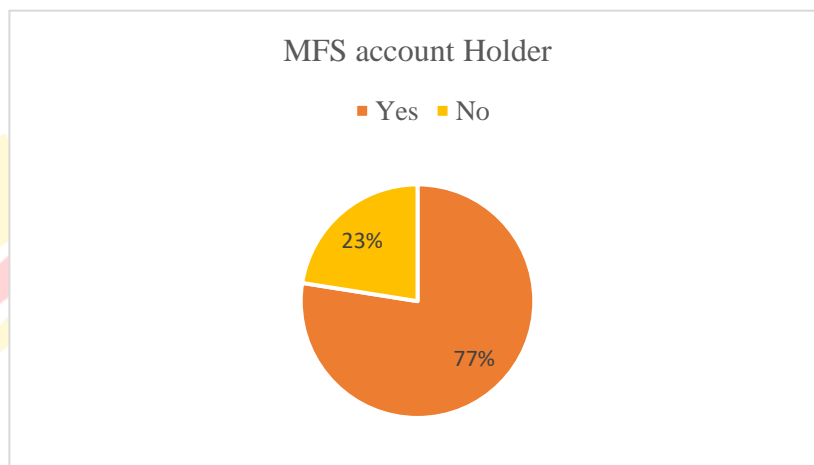


Figure 36: Respondents with an MFS Account17

Reasons for using MFS

Among the MFS account holder respondents, 47% registered to transfer money by send money which is the most used service by the customers of MFS. 20% of the respondents

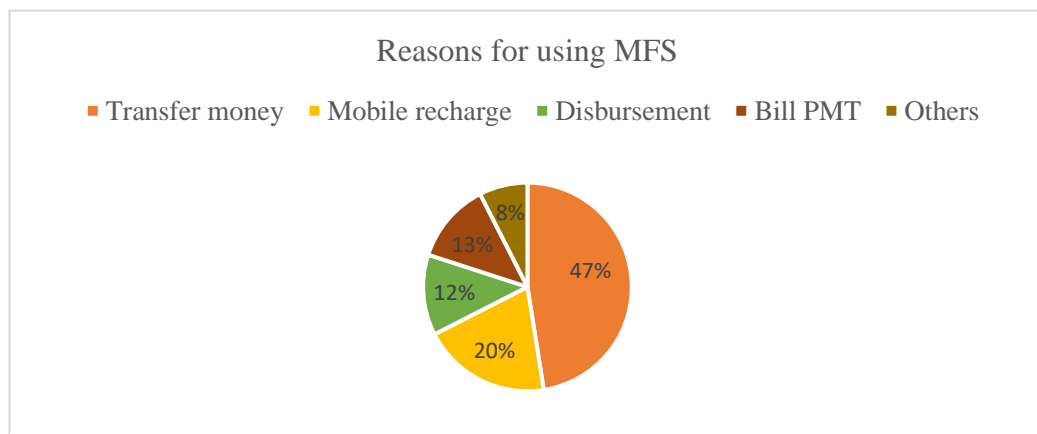


Figure 37: Reasons for Using MFS17

use their MFs account to do mobile recharge as many exciting offers on mobile recharge

are provided to the users of specific MFS wallet. 12% of the respondents receive their disbursement through MFs and 13% pay different bills using their digital wallet like utility bills, CCBP, e-commerce and merchant bill payment etc.

Preferred MFS Provider

Out of the total respondents, 37% prefer bKash to transact on a daily basis as it is the most popular MFS provider of the country. After bKash, second preference is won by Nagad as it provides the easiest service and for working under government entity BPO. 15% respondents stated Upay as their MFS for having a app with stunning visuals and for having different wallets within the app. 8% of the respondents prefer Rocket for being one of the first MFSs, 5% prefer Tap and rest of the 3% prefer other MFS providers of the country.

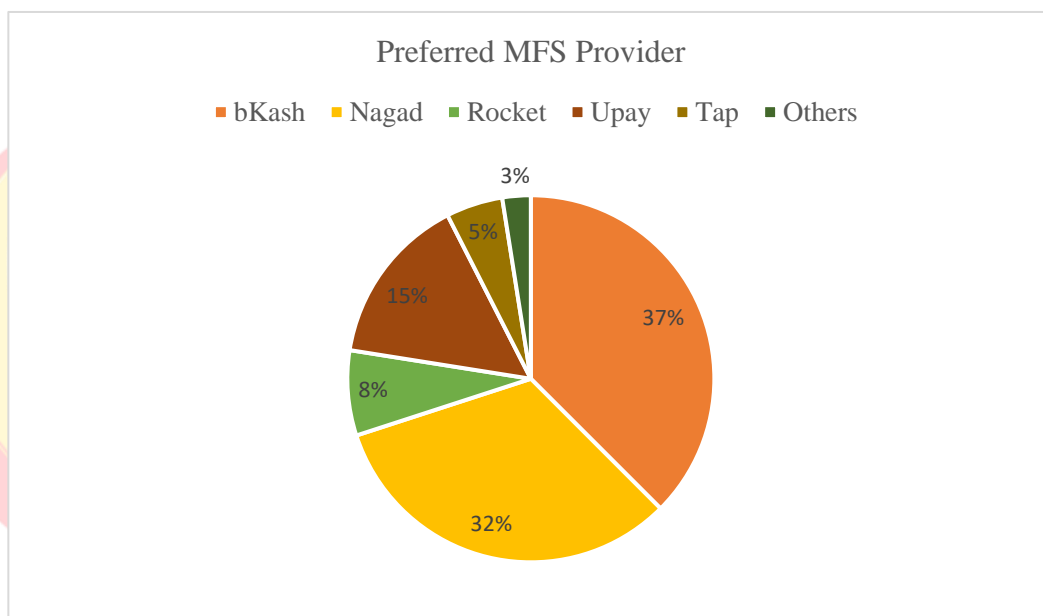


Figure 38: Preferred MFS Providers of the Respondents17

Perception and acceptance of the customers of Nagad as an MFS provider

Number of active Nagad Users

Out of the respondents having a MFS account, 80% have registered with Nagad for a digital wallet. But 32% of the respondents Nagad digital wallet is not active. The most stated reason by them are, forgetting password or inputting wrong passwords and restrictions put on the account holder.

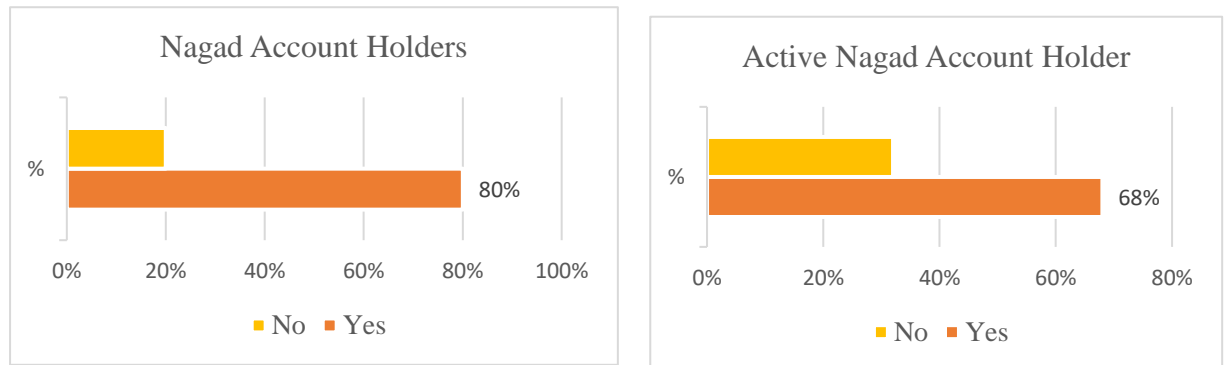


Figure 39: Active Nagad Account Holders of the Total Account Holders¹⁷

Most used Nagad Services

35% of the active Nagad account holders of the respondents use Nagad to transfer money, 23% of them use the service to do mobile recharge and 18% use Nagad digital wallet to pay bills like gas bill, water bill, electricity bill, DTH bills etc. 12% of the respondents receive their government allowance and disbursement through Nagad and another 12% use Nagad for other services like merchant payment, add money from bank or card, EMI payment, donation etc.

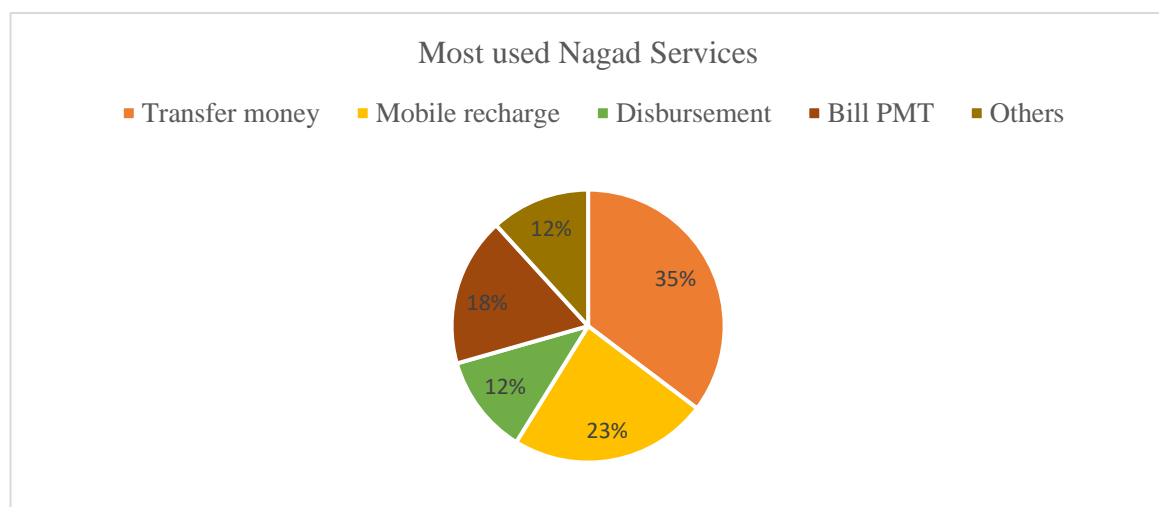


Figure 40: Most Used Nagad Services¹⁷

Reasons For Choosing Nagad

41% of the active Nagad account holders stated that they use Nagad as the cash out charge is the lowest of all the MFS providers of the county. 24% of them receives government allowances through Nagad and 18% people use Nagad for monthly government and corporate disbursements

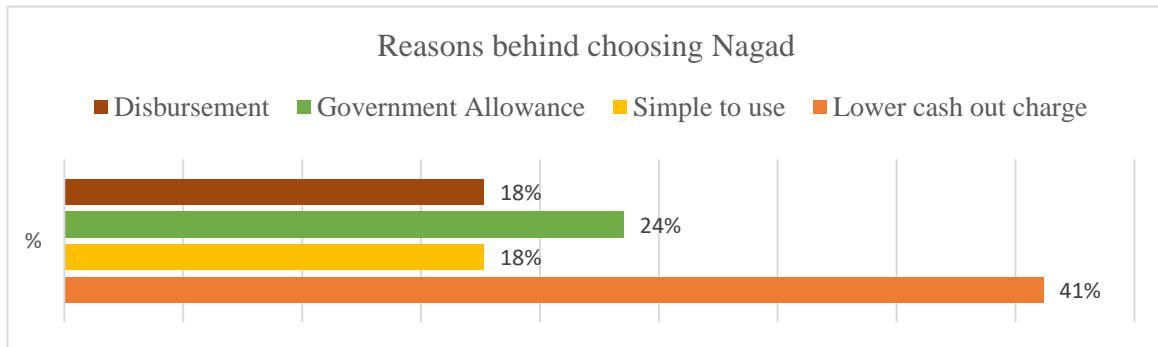


Figure 41: Reasons Behind Choosing Nagad over all the MFS¹⁷

Reasons For not choosing Nagad

38% of the respondents having registered account with Nagad stated that they cannot use their Nagad wallet as their accounts got locked away or restricted, 19% said they do not like the app Nagad operates with. Most of the time their experience was not good as their apps were not working, the correct password was not accepted, the keyboards were not working and some other glitches appeared. 24% said the customer service provided by Nagad is not good and very complicated. After communicating through call centre, the service takes too much time perform, moreover, most of the time the customer service was out of reach for them. 14% of the respondents stated that they have heard rumours of the ownership of Nagad Ltd and the loans taken by the company are against the digital money of the wallets of the customers, so they do not feel reliable to use Nagad wallet.

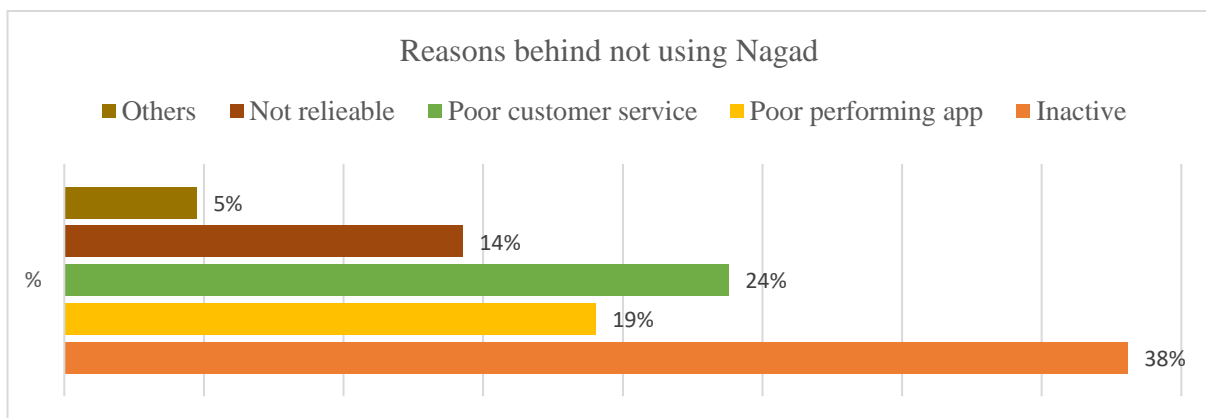


Figure 42: Reasons Behind not Choosing Nagad¹⁷

3.4 Summary and Conclusions

From the above survey and findings, it can be concluded that although Nagad Limited holds market share of almost 20% of the industry the company has a long way to go. It is definitely showing potential for future accelerating growth the company still has a large portion of potential customers to bring under the service they are providing.

The acceleration of the MFS industry in our country is very clear especially if compared with a similar service like mobile banking which cannot even make up 20% of the total amount of transaction happening is the MFS Industry. The amount of different services offered by the MFS providers like transfer money or P2P, cash in, cash out, utility bill payment, merchant payment, talktime purchase etc. have been increasing at a record worthy rate.

While the utility bill payment using MFS is on the rise, other services should be more promoted, especially like merchant payment, e-commerce payment because in this category Nagad has greater opportunity. Having the resources that Nagad currently has, if utilized the company can reach milestones. Below are some recommendations given which the company can work on to retain more customer, boost transaction and contribute and promote financial inclusion. .

3.5 Recommendations

Introducing Customer Service using Chatbot or by texting

Nagad only has the customer service available through phone call which can be very troubling for every customer to avail in this busy era. People always look for easiest option. If a chat bot can be introduced customers will be easily contact whenever facing difficulties. Similar option can be a direct messaging platform with the customer service people.

Incorporating automated system for password recovery and change

A lot of people registered with Nagad for an MFS wallet as customer can easily open an account in 3 little steps. But most of the customers have forgotten their passwords. Moreover, recovering password at present requires to communicate with the customer service through phone call which again take us to the previous problem, complicated and time consuming. If an automated process is introduced for changing and recovering password in a secured way customers will be more likely to return to using Nagad new customers will be eager to avail more services.

Developing app with advanced features for smooth operation and customer Experiences

Many people refrain from using Nagad's service because the app does not work properly. Many glitches continuously appear and sometimes the key does not work, specific functions do not work which hinder a customer from getting smoother experience. Nagad should definitely take a deeper look into the matter and come out with an app with advanced features.

Introducing ATM Cash out Service

Having the competitive advantage of having the lowest cash out charge, Nagad can definitely use this service to retain more customers. Currently Nagad Ltd. does not provide the cash out service using ATM booth where as other competitors of the industry like bKash, Upay is providing the service with Upay providing the lowest cash out charge for cash out from ATM booth. Nagad Ltd. should definitely look into the matter and introduce this service to increase its customer base promoting to more transaction in the MFS industry.

Partnering up with more E-commerce and Food Delivery Service Company

Nagad only has the payment option available for HungryNaki as food delivery service and the enlisted E-commerce companies are not many considering the number of E-commerce companies operating in our countries. A lot of people use MFS to pay online as they feel Card payment can be a bit risky. So, this option should definitely be considered by Nagad Ltd.

References

- Nagad. (n.d.). Retrieved November 1, 2022, from <https://nagad.com.bd/pg/?n=about-nagad>
- Desk, T. (2022, July 5). Pay your mastercard credit card bill through Nagad. Dhaka Tribune - Current & Breaking News Bangladesh & World. Retrieved November 4, 2022, from <https://www.dhakatribune.com/business/2022/07/05/pay-your-mastercard-credit-card-bill-through-nagad>
- Hossan, S. (2022, April 28). Nagad Islamic Banking: The future of shariah MFS in Bangladesh. Business Inspection BD. Retrieved November 4, 2022, from <https://businessinspection.com.bd/nagad-islamic-banking-future-of-shariah-mfs-in-bd/0>
- TBS Report. (2021, June 19). Regional financial intuition leaders praise Nagad's Ppp model, want to replicate innovations. The Business Standard. Retrieved November 4, 2022, from <https://www.tbsnews.net/economy/corporates/regional-financial-intuition-leaders-praise-nagads-ppp-model-want-replicate>.
- Prothom Alo English Desk. (2022, April 30). Nagad's single-day transaction reaches record Tk 9.53b. Prothom Alo English. Retrieved November 4, 2022, from <https://en.prothomalo.com/corporate/local/nagads-single-day-transaction-reaches-record-tk-953b>.
- Star Business Report. (2022, March 30). 45% Of Bangladesh population don't use Mfs: survey. The Daily Star, Bangladesh. Retrieved November 4, 2022, from <https://www.thedailystar.net/business/news/45-bangladesh-population-dont-use-mfs-survey-2993976>.
- Alam, M. R. (2021, December 8). Mfs helping Bangladesh become digital economy. The Daily Star. Retrieved November 4, 2022, from <https://www.thedailystar.net/business/economy/news/mfs-helping-bangladesh-become-digital-economy-2912311>.
- Mobile Financial Services (MFS) comparative summary statement of June, 2022 and July, 2022. Bangladesh Bank. (n.d.). Retrieved November 4, 2022, from <https://www.bb.org.bd/en/index.php/financialactivity/mfsdata>
- Hasan, M. (2022, August 16). Mfs providers see surge in utility payments. The Daily Star. Retrieved November 4, 2022, from

<https://www.thedailystar.net/business/economy/news/mfs-providers-see-surge-utility-payments-3095996>.

- Liaquat, Z. B. (2022, August 16). People are using Mfs more and more to pay bills in Bangladesh. Dhaka Tribune. Retrieved November 4, 2022, from <https://www.dhakatribune.com/business/2022/08/16/people-are-using-mfs-more-and-more-to-pay-bills-in-bangladesh>.
- Jahan, A. E. (2021). Mobile Financial Services by Banks: Accelerating the Concept of Digital Bangladesh (thesis).
- Hossain, T. (2019). BRAC University Institutional Repository. BRAC University Institutional Repository. Retrieved November 4, 2022, from <http://dspace.bracu.ac.bd/xmlui/handle/10361/12179>.
- Murtuza, H. M. (2022, June 15). New Age Bangladesh. Retrieved November 4, 2022, from <https://www.newagebd.net/article/173375/eid-boosts-mfs-transactions-to-record-tk-93033cr-in-apr>.

Appendix A

Below is the data published by Bangladesh Bank for the MFS industry:

Mobile Financial Services (MFS) Statistics (including NAGAD): Part-2 (Published by BB)

Period	All Transaction		Cash In		Cash Out		P2P		Merchant Payment		G2P		Salary Disbursement		Talktime Purchase		Utility Bill Payment		Float
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	Amount
August'22	408059052	87446.4	75883906	26843.9	75662097	23983.7	72318450	24755.3	14186375	3034.8	218435	68.1	4096679	2648.9	140520104	823.1	18770962	2262.3	8938.8
July'22	431892765	89169.3	66802889	25780.4	77476530	26253.5	69413176	24353.3	13526761	2948.9	8078419	868.8	4775357	3187.0	159745849	879.2	16302345	1859.9	9293.1
June'22	461609837	94293.7	72631808	27419.5	83160939	26692.1	71048571	24520.6	15379893	3126.5	23592907	3508.8	5469915	3308.2	155172363	797.5	17251409	2059.0	10869.9
May'22	413216473	76321.0	63552572	22109.0	68584196	22113.3	68249184	22142.1	12260180	2746.7	6173395	947.6	3704967	1257.3	165429294	850.8	16867277	1755.5	9146.6
April'22	444373921	107460.3	79253156	32148.1	78553461	30421.7	80118204	29253.5	13186892	2965.7	9304688	1785.3	8111629	5031.7	153002187	787.0	16185233	1702.0	12479.3
March'22	413268681	89077.0	74955032	27796.0	70420819	25307.0	70538212	24978.2	12178767	3097.5	3288752	292.2	4214535	2877.9	155946946	785.7	16504602	1601.6	8929.7
February'22	368643121	78545.2	65797672	24304.6	62101057	21726.1	63312821	21772.6	12288392	3426.9	3342187	397.4	3999593	2744.0	139749058	707.0	13677638	1345.1	8433.2
January'22	408094514	84783.4	70325423	25928.5	69438715	23611.2	68162585	23151.7	12116329	3309.5	10311939	1796.1	4039303	2665.5	153610944	779.8	15735479	1510.6	8557.5
December'21	391636834	81099.1	68907993	25980.2	61730817	22068.3	66957913	22347.5	13461708	3646.6	2737094	218.3	3921829	2489.5	157189713	771.6	12926599	1516.0	8046.9
November'21	376260335	78584.1	66271726	24491.4	64455961	21723.4	62795579	21327.8	12449035	3197.5	6823631	1151.0	3769361	2490.5	143577144	709.2	12528718	1601.7	7995.9
October'21	376249253	76725.3	67347578	24355.1	60575324	20712.5	64539676	21658.3	11751636	3107.8	529786	90.2	3554491	2389.6	150793320	739.1	13623062	1703.9	7824.2
September'21	365210917	74248.5	63307636	22939.7	56915484	19465.9	64782213	21865.7	11914317	3159.4	82020	23.1	3717580	2459.9	147716748	721.8	13205968	1659.6	7937.3
August'21	369127935	71229.0	56955906	21820.5	51869469	17796.4	66923472	21541.4	12572129	3864.5	116954	14.4	3806484	1905.3	154949204	762.8	13539273	1611.6	8070.7
July'21	381554769	77645.9	49033916	20962.5	57263273	21238.8	64879873	22720.4	10122079	3604.4	11673744	1616.0	5685887	3407.0	167185304	819.2	11209070	1277.1	9033.6
June'21	398129176	78586.2	57140242	22091.6	68538844	20515.1	60629547	21277.6	11293289	4712.6	31066739	3899.2	3651592	2246.9	151016187	722.5	11836757	1459.1	9122.3
May'21	405077304	84333.4	57631663	22831.1	60353537	22836.8	67741111	23651.4	14198785	4856.7	26271261	3318.8	4765732	2789.1	160146454	761.9	10721924	1290.3	8175.9
April'21	335660433	71576.6	56572459	22025.1	50710063	18644.5	55431290	20629.8	10795529	3637.9	4397044	761.5	3724198	2408.9	141010735	730.6	10137829	1131.1	8035.8
March'21	348172496	67602.2	61153377	21108.7	59479473	19140.3	51725121	18839.5	9820460	2623.5	7154222	494.8	3534960	2223.5	142331629	675.0	10393490	1079.2	6618.1
February'21	301084915	60769.8	52285236	18159.5	48042200	16972.6	49929462	17654.7	9209010	2389.5	1898155	688.8	3319846	2196.1	125361666	595.1	8773733	904.6	6956.7
January'21	316672662	62689.2	55060676	19311.7	49021039	17457.0	52529782	18251.8	9361478	2482.4	357850	133.1	3327000	2194.6	135540891	659.4	8568148	916.6	6644.7
December'20	315091902	61757.5	54453237	19367.0	47985903	17023.4	51453246	17602.1	11250423	2789.1	135650	41.4	3273046	2093.7	135910599	623.6	7782723	936.7	6461.8
November'20	292703255	56974.3	51718145	17750.2	45400355	16015.2	47671091	16498.0	10889273	2105.1	93213	33.4	3291857	2023.6	124492778	602.5	7023577	928.0	6362.4
October'20	300159480	55925.0	50861632	16931.8	45371781	15557.4	48558846	16856.5	9973084	1888.3	188146	68.7	2839411	1918.1	133081588	630.5	7279419	976.5	6313.9
September'20	281211925	50946.8	46500562	15396.4	41472986	14446.0	43549119	15069.2	7398189	1370.9	49268	20.6	2869631	1954.8	129981313	608.4	7652363	989.2	6121.2
August'20	278976621	43116.2	39025346	12021.4	38744979	13506.3	37567450	12652.7	8265183	1131.1	229322	58.1	2519144	1063.6	142373508	669.6	8618897	945.1	6088.1
July'20	319278197	65278.9	44893243	17897.5	52666227	19984.2	45004167	17562.9	7376734	1267.3	13354805	1179.9	6523624	4587.0	141313746	662.1	6278475	885.3	8561.3
June'20	263319571	46780.5	34410360	12717.7	37723807	13952.2	35478538	13319.9	5356665	851.8	2915687	371.6	3439144	2377.1	136372015	643.8	6056004	993.0	6602.7
May'20	289238050	49369.5	35654865	14009.5	41099903	14512.0	40852127	15052.8	4430712	505.8	10794158	801.5	4334965	2218.0	146320834	680.6	4140390	598.3	7145.8
April'20	225252644	30894.6	27170604	9498.0	24756986	8729.3	27935057	9465.4	2962295	552.1	476071	78.2	1822658	1064.9	136525428	626.6	2417042	271.3	5702.8
March'20	248947593	43051.9	45870459	15242.0	41728044	14429.5	30675898	10188.6	4658578	483.1	985042	122.8	2004065	1246.5	116674519	504.0	4540077	433.3	4958.8
February'20	239073004	44711.6	49032723	16192.6	43879011	15223.9	30306690	10072.1	5199740	585.3	2099849	275.5	2048551	1087.7	100947268	442.6	3659798	441.1	4977.3
January'20	240945056	45060.8	49472381	16328.0	43852008	15273.9	30499053	10290.6	4637870	626.5	653929	152.4	2007742	1083.6	104776527	453.5	3316038	472.0	4567.8
December'19	235789000	42753.6	46554183	15549.5	42328411	14434.1	31185112	9996.0	4745353	606.5	197220	65.3	2216262	1004.7	103782198	443.7	2907879	312.8	4275.2
November'19	236994314	39146.4	44130280	14030.2	46589290	13205.5	27777491	9182.8	4643529	512.4	7273385	294.4	2110837	870.0	99747937	415.3	2890446	465.4	4345.0
October'19	231695221	38509.9	45053885	14017.0	41540746	12944.7	27057442	9035.9	5040565	535.1	3266307	101.8	1717299	860.5	103507223	428.5	3312729	499.9	4209.9
September'19	214150562	35765.9	42287835	13031.2	36898867	12040.6	25012644	8314.3	4194006	446.5	8457	0.8	1560002	787.6	100196500	418.3	3533667	562.1	4005.2
August'19	205201397	35687.5	36960700	12607.6	35189496	12343.8	21915159	8206.3	3532221	496.7	232675	9.4	1680319	903.3	102973384	442.8	2569778	487.8	3994.0
July'19	228937034	37826.5	42637635	13623.4	46038902	13074.7	22748800	8149.0	3251516	493.2	10430332	416.2	1858362	943.5	99194710	410.3	2587420	519.4	4175.2
June'19	200530700	31952.2	35610113	11186.5	33859347	11566.6	20096092	7080.9	3329802	409.0	1062884	134.7	1432381	537.7	102421295	455.8	2464879	445.6	3732.4
May'19	232323753	42579.1	47826587	16455.9	47488192	15339.6	22483223	7488.8	4602601	666.5	6295493	313.6	2392083	1243.7	98658160	414.4	2323289	491.8	4741.9
April'19	211927904	35175.3	45327892	13836.2	41784284	13254.9	19528935	5607.4	3707286	593.8	3746054	199.9	1511158	800.7	94179254	370.5	1873057	374.9	3888.5
March'19	209415152	34810.8	46037479	13905.3	40308820	13121.5	19625786	5651.0	3716199	516.4	34365	10.1	1400500	756.4	96269904	375.2	1789813	357.8	3720.3
February'19	195968030	32214.6	41211641	12399.9	40482600	12605.5	17791274	5177.1	3526743	475.0	2951467	103.7	1374078	733.4	87013820	334.9	1359828	268.6	3707.3

January'19	214798544	34676.9	44402903	13615.8	45265418	13282.8	18815682	5496.5	3026527	462.5	6918547	279.2	1764771	747.5	92775923	360.9	1485238	282.5	3801.3
December'18	210210194	32116.1	39684935	12272.9	44393869	12224.1	17464444	5074.3	3244330	486.4	11841610	649.5	1802308	613.2	89500305	375.4	1940706	292.7	3636.7

(Amount in TK. Crore)

Note: 1.P2P-Person to Person, G2P-Government to Person

Float Amount is compiled up to the current month and the rests are compiled for the current month.

NAGAD has been included from December, 2018. NAGAD is the Digital Financial Service of Bangladesh Post Office.

Mobile Financial Services (MFS) Statistics (including NAGAD): Part-1(Published by BB)

Period	MFS Agent			MFS Male Account			MFS Female Account			MFS Other Account			MFS Total Account		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
August'22	731210	762188	1493398	48142985	58077896	106220881	33140199	43456183	76596382	256880	150467	407347	81540064	101684546	183224610
July'22	767560	758679	1526239	47194552	57131464	104326016	32935692	43473798	76409490	253362	148895	402257	80383606	100754157	181137763
June'22	764464	751201	1515665	46728634	56820123	103548757	32215458	42480876	74696334	248485	146066	394551	79192577	99447065	178639642
May'22	754220	741636	1495856	45988861	55964148	101953009	31620156	41810980	73431136	241510	144204	385714	77850527	97919332	175769859
April'22	773130	708886	1482016	47564802	54630133	102194935	30415301	39951203	70366504	234809	141046	375855	78214912	94722382	172937294
March'22	763921	701111	1465032	46758151	53871251	100629402	29852331	39402031	69254362	229719	138245	367964	76840201	93411527	170251728
February'22	753199	692338	1445537	45868201	55148523	101016724	29930857	44968975	74899832	223016	134658	357674	76022074	100252156	176274230
January'22	745319	684531	1429850	44970483	54230537	99201020	29316888	44402688	73719576	216539	130837	347376	74503910	98764062	173267972
December'21	734474	678293	1412767	43723069	53224563	96947632	28637497	43807390	72444887	205856	123656	329512	72566422	97155609	169722031
November'21	718721	670020	1388741	42717241	52474947	95192188	28092167	43394397	71486564	205097	121643	326740	71014505	95990987	167005492
October'21	770002	661362	1431364	41839891	51810374	93650265	27613092	43039862	70652954	198511	117637	316148	69651494	94967873	164619367
September'21	757726	653466	1411192	40896834	51052297	91949131	27158459	42667246	69825705	198205	122286	320491	68253498	93841829	162095327
August'21	755222	666711	1421933	39893788	50114327	90008115	26583231	42110590	68693821	193432	118360	311792	66670451	92343277	159013728
July'21	738798	656657	1395455	38895616	49291899	88187515	25995428	41539879	67535307	189006	114541	303547	65080050	90946319	156026369
June'21	723182	654434	1377616	37035589	48922350	85957939	24809406	41396674	66206080	186016	112232	298248	62031011	90431256	152462267
May'21	684610	635798	1320408	33441779	47325656	80767435	22800390	40483601	63283991	181599	109761	291360	56423768	87919018	144342786
April'21	662640	627753	1290393	31081403	46020562	77101965	21179220	39832544	61011764	178327	109156	287483	52438950	85962262	138401212
March'21	667194	627291	1294485	31400373	45106307	76506680	21430136	43434909	64865045	176799	107191	283990	53007308	88648407	141655715
February'21	658549	618004	1276553	29638030	40556036	70194066	20203414	40692894	60896308	172739	104281	277020	50014183	81353211	131367394
January'21	650450	609517	1259967	28316854	38296205	66613059	19211721	39023457	58235178	167479	100507	267986	47696054	77420169	125116223
December'20	659459	607336	1266795	27790013	37612250	65402263	18879824	38395744	57275568	158152	92294	250446	46827989	76100288	122928277
November'20	631710	596012	1227722	27106814	36832245	63939059	18409455	37710374	56119829	151825	86632	238457	45668094	74629251	120297345
October'20	622689	583630	1206319	26579555	36251776	62831331	17970697	37147292	55117989	143505	80619	224124	44693757	73479687	118173444
September'20	616288	573542	1189830	26080014	35396409	61476423	17533015	36654062	54187077	139778	78737	218515	43752807	72129208	115882015
August'20	611021	567551	1178572	25728507	35041492	60769999	17224136	36278531	53502667	135797	77283	213080	43088440	71397306	114485746
July'20	606390	563401	1169791	25152310	34590842	59743152	16811081	35404726	52215807	134050	76786	210836	42097441	70072354	112169795
June'20	599376	560745	1160121	24095188	31936960	56032148	16177189	35060824	51238013	130169	75302	205471	40402546	67073086	107475632
May'20	596353	557159	1153512	23730024	31478971	55208995	15916031	34746317	50662348	130305	76474	206779	39776360	66301762	106078122
April'20	594644	555717	1150361	22753691	28941516	51695207	15253024	33414807	48667831	127062	73502	200564	38133777	62429825	100563602

March'20	593857	554629	1148486	21983067	27982159	49965226	14542151	32721472	47263623	125462	71878	197340	36650680	60775509	97426189
February'20	586665	546236	1132901	21455510	26983460	48438970	14044994	31666645	45711639	118973	68280	187253	35619477	58718385	94337862
January'20	581094	538479	1119573	20873990	26034399	46908389	13394823	30444454	43839277	111471	64405	175876	34380284	56543258	90923542
December'19	573995	524226	1098221	20160737	24893228	45053965	12789162	29430765	42219927	102212	55343	157555	33052111	54379336	87431447
November'19	567067	515520	1082587	19780354	24043399	43823753	11985931	28510614	40496545	27265	11104	38369	31793550	52565117	84358667
October'19	556488	505509	1061997	18942419	23109308	42051727	11726527	27812631	39539158	26368	10339	36707	30695314	50932278	81627592
September'19	553720	499303	1053023	18440077	22351367	40791444	11264584	27103533	38368117	24760	9351	34111	29729421	49464251	79193672
August'19	532373	517516	1049889	17779052	21687092	39466144	10602577	26148132	36750709	1074	2037	3111	28382703	47837261	76219964
July'19	525954	511146	1037100	17476643	21477483	38954126	10438143	25978657	36416800	950	1818	2768	27915736	47457958	75373694
June'19	528812	495960	1024772	17234004	20757042	37991046	10246766	25538222	35784988	854	1722	2576	27481624	46296986	73778610
May'19	514835	504524	1019359	17000434	19758337	36758771	10141315	24941362	35082677	824	1644	2468	27142573	44701343	71843916
April'19	505414	507123	1012537	16333380	19665560	35998940	9739027	23542408	33281435	777	1609	2386	26073184	43209577	69282761
March'19	503042	493982	997024	16574635	19201465	35776100	9744399	22791889	32536288	768	1519	2287	26319802	41994873	68314675
February'19	495975	484885	980860	16697088	19006106	35703194	9458043	22781950	32239993	755	1483	2238	26155886	41789539	67945425
January'19	491140	474042	965182	16684243	18880373	35564616	9533773	22513069	32046842	754	1475	2229	26218770	41394917	67613687
December'18	505623	437887	943510	15053470	21030462	36083932	8491129	23093199	31584328	695	1513	2208	23545294	44125174	67670468

Note: MFS data of NAGAD has been included from December, 2018. NAGAD is the Digital Financial Service of Bangladesh Post Office.

Appendix B

The below tables are developed by the author, presenting the comparison of growth and contribution of IB and MFS data taken from BB website.

Period	No. of Internet Banking Customers	Internet Banking Transaction	
		Number of Transactions	Amount (Tk. in Crore)
August'22	5,716,524	5,983,759	26,146
August'21	3,912,195	3,611,919	15,281
August'20	2,920,933	2,028,916	6,800
August'19	2,251,891	1,241,670	4,646

Period	No. of registered account of MFS	All Transaction (MFS)	
		Number of Transactions	Amount
August'22	183,224,610	408,059,052	87,446
August'21	159,013,728	369,127,935	71,230
August'20	114,485,746	278,976,621	43,116
August'19	76,219,964	205,201,397	35,688

Period	No. of Internet Banking Customers	No. of registered account of MFS
August'19	2,251,891	76,219,964
August'20	2,920,933	114,485,746
August'21	3,912,195	159,013,728
August'22	5,716,524	183,224,610
GR	154%	140%

Period	Number of Transactions of IB	Number of Transactions of MFS
August'19	1,241,670	205,201,397
August'20	2,028,916	278,976,621
August'21	3,611,919	369,127,935
August'22	5,983,759	408,059,052
	382%	99%

Period	Amount (In crores)	Amount (In Crores)
August'19	4,646	35,688
August'20	6,800	43,116
August'21	15,281	71,230
August'22	26,146	87,446
	463%	145%

Period	All Transaction		Cash In		Cash Out	
	No.	Amount	No.	Amount	No.	Amount
August'19	205,201,397	35,688	36,960,700	12,608	35,189,496	12,344
August'20	278,976,621	43,116	39,025,346	12,021	38,744,979	13,506
August'21	369,127,935	71,230	56,955,906	21,821	51,869,469	17,796
August'22	408,059,052	87,446	75,883,906	26,844	75,662,097	23,984

Period	P2P		Merchant Payment		G2P	
	No.	Amount	No.	Amount	No.	Amount
August'19	21,915,159	8,206	3,532,221	497	232,675	9
August'20	37,567,450	12,653	8,265,183	1,131	229,322	58
August'21	66,923,472	21,541	12,572,129	3,865	116,954	14

August'22	72,318,450	24,755	14,186,375	3,035	218,435	68
-----------	------------	--------	------------	-------	---------	----

Period	Salary Disbursement		Talk time Purchase		Utility Bill Payment	
	No.	Amount	No.	Amount	No.	Amount
August'19	1,680,319	903	102,973,384	443	2,569,778	488
August'20	2,519,144	1,064	142,373,508	670	8,618,897	945
August'21	3,806,484	1,905	154,949,204	763	13,539,273	1,612
August'22	4,096,679	2,649	140,520,104	823	18,770,962	2,262

Appendix C

Survey Questionnaire and Responses:

Below, the table represents the background of the respondents and response collected from the survey taker. All the tables are developed by the author.

What is your age?

Age	Number of respondents	%
18-20	8	20%
23-25	9	23%
25-35	11	28%
35-45	6	15%
45-55	6	15%

Your highest education levels?

Highest level of Education of the Respondents	Number of respondents	%
SSC	4	10%
HSC	14	35%
Graduate	10	25%
Primary education	9	23%
Did not receive any sort of education	3	8%

Range of your monthly Income?

Income level	Number of respondents	%
10,000-30,000	22	55%
31,00-50,000	8	20%
51,000-70,000	6	15%
70,000-90,000	3	8%
Above 90,000	1	3%

What medium do you mostly use for daily financial transactions?

Most used method for financial transactions	Number of respondents	%
Cash	18	45%
MFS	15	38%
Bank	4	10%
Others	3	8%

For what service do you mostly use MFS?

For what service do you mostly use MFS?	Number of respondents	%
Transfer money	19	48%
Mobile recharge	8	20%
Disbursement	5	13%
Bill PMT	5	13%
Others	3	8%

Do you have a MFS account?

Do you have a MFS account?	Number of respondents	%
Yes	31	78%
No	9	23%

Which MFS Company of the country do you prefer the most?

Which MFS provider you prefer the most?	Number of respondents	%
Bkash	12	29%
Nagad	4	10%
Rocket	2	6%
Upay	5	12%
Tap	2	4%
Others	1	2%

Do you have a Nagad account?

Nagad Account Holders	Number of respondents	%
Yes	25	80%
No	6	20%

Is your Nagad account active?

Active Nagad Account Holder	Number of respondents	%
Yes	17	68%
No	8	32%

For what services you mostly use Nagad?

For what service do you mostly use Nagad?	Number of respondents	%
Transfer money	6	35%
Mobile recharge	4	24%
Disbursement	2	12%
Bill PMT	3	18%
Others	2	12%

Why do you prefer Nagad over the other MFS providers?

Reasons behind choosing Nagad	Number of respondents	%
Lower cash out charge	7	41%
Simple to use	3	18%
Government Allowance	4	24%
Disbursement	3	18%
Others	0	0%

Why you do not prefer Nagad over the other MFS providers?

Reasons behind not using Nagad	Number of respondents	%
Inactive	8	38%
Poor performing app	4	19%
Poor customer service	5	24%
Not reliable	3	14%
Others	1	5%

Appendix D

An interview was conducted by the author with the company officials of Nagad Ltd. to determine the contribution, inside operation of the company and most importantly to get the overall idea about the progress and contribution of the company in financial inclusion. Below the question answers are presented.

Interview with the officials of Nagad Ltd. (Assistant Manager-HR)

Can you give me an overall idea about the recruitment process of the company?

Ans: We mostly post our job offers on LinkedIn. We shortlist the CVs and then for some positions inline assessments are arranged. For some positions, written exams are taken as the prior. The successful candidates are called for a final interview which is mostly taken by the chief executives of designated departments. For some vacant positions candidates are required to prepare a presentation on selected topics.

How is the performance evaluated and the KPIs are measured for such huge number of employees?

Ans: We have our Nagad ERP to track performance of every employee of the organizations for example the working hours can be traced using ERPs, Targets re set for KPI using the same software and employee performance evaluation is done.

Interview with the officials of Nagad Ltd. (Divisional Head-Strategy)

How is the backend sales operation done with the agents and Uddoktas?

Ans: Nagad Ltd. has its own app to track the activities and performance of the Divisional Head, DSO, Uddookta named PRISM. Everyday DSOs are given a target to fulfil by the DHs and their KPIs are set and daily routes are specified covering every Uddokta oin the designated route. The cash in and cash out for DHs are also done using PRISM. The sales operations team is responsible for these activities.

Interview with the officials of Nagad Ltd. (DGM-Pricing, Business Modeling and Performance Review)

The most revenue generating stream of the company?

Ans: Corporate collection and disbursements, transfer money and mobile recharge

Estimated figures taken from the officials for Nagad's Service wise Contribution in the MFS Industry for the Month of August 2022

Services	Total (in Crores BDT)	Nagad's Contribution (in Crores BDT)	Percentage
All transaction	87,446	13,117	15%
Cash In	26,844	4,563	17%
Cash Out	23,984	4,317	18%
P2P	24,755	2,723	11%
Merchant PMT	3,035	234	8%
G2P	68	3	5%
Salary Disbursement	2,649	265	10%
Talktime Purchase	823	123	15%
Utility Bill Payment	2,262	452	20%

ⁱ <https://nagad.com.bd/>