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# finimile

F i n a n c e f o r A l l

*Special Edition  
on FIN-B Conference*

## 1<sup>st</sup> International FIN-B Financial Inclusion Conference and Inclusion Fair 2019

A FIN-B Publication

Published by



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*an initiative of InM*



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# FINIMILE

Special Edition  
on FIN-B Conference

## FIN-B Conference 2019

Organised by



An initiative of



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## Financial Inclusion Network, Bangladesh (FIN-B)

Financial Inclusion Network-Bangladesh (FIN-B), an initiative of the Institute for Inclusive Finance and Development (InM), has been formed to develop, share and disseminate knowledge and expertise on financial inclusion through stimulating exchanges, developing collaboration, and promoting the Network to its members as a knowledge partner in their preferred areas of inclusive finance.

FIN-B leverages expertise in advancing financial inclusion as a key instrument for poverty reduction and inclusive growth and development. It is a unique platform to bring together all financial sector stakeholders including banks/MFIs/NGOs/financial institutions/local government and grassroots organisations for sharing ideas and best practices from home and abroad. For ensuring effective functioning of FIN-B, a Steering Committee has been formed under the Chairmanship of Dr. Qazi Kholiquzzaman Ahmad, Chairman of InM and PKSF including representatives from Bangladesh Bank, Financial Institutions Division of the Ministry of Finance, banks, MFIs and other stakeholders for providing guidance to the Network

FIN-B provides a platform to develop, share and disseminate knowledge and expertise in financial inclusion through stimulating exchanges, developing collaboration and supporting its members to develop as centres of excellence in their preferred areas of inclusive finance.

The principal aim is to leverage expertise in advancing financial inclusion as a key instrument for poverty reduction and inclusive growth and development in Bangladesh.

FIN-B Events

- FIN-B Conference
- FIN-B Inclusion Fair

# FIN-B CONFERENCE 2019

Accessing affordable financial services delivered responsibly and sustainably.

FIN-B, a unique Platform, brought together all financial sector stakeholders, grassroot organisations, development practitioners and financially excluded community in "FIN-B Conference 30-31 July 2019.

### Venue

3D Seminar Hall, Krishibid Institution Bangladesh  
Farmgate, Dhaka

[www.inm.org.bd/financial-inclusion-network-bangladesh-fin-b/](http://www.inm.org.bd/financial-inclusion-network-bangladesh-fin-b/)

### Themes of Conference Papers:

- Financial Inclusion Landscape in Bangladesh: Strength and Weaknesses
- Bangladesh's Current State of Financial Inclusion: Barriers and Disparities
- Regulatory and Policy Frameworks: Challenges and Opportunities
- Technological Innovations, Agent Banking and Digital Financial Services
- Designing Business Models for Financial Inclusion: Innovative Approaches and Success Cases
- Role of FIN-B: Enhancing Relevance and Effectiveness

## Day One : 30 July 2019, Tuesday

Time	Session
10:00 a.m.- 10:30 a.m.	<b>Inaugural Session</b>
10:45 a.m – 11.15 a.m.	<b>Plenary Session 1: Path Setting Speech</b> Human Dignity and Financial Inclusion
11.15 a.m.-12.15 p.m.	<b>Academic Session 1:</b> Financial Inclusion Landscape in Bangladesh: Strengths and Weaknesses
12.15 p.m. – 01.15 p.m.	<b>Academic Session 2:</b> Regulatory and Policy Frameworks: Challenges and Opportunities
02.15 p.m.- 02:45 p.m.	<b>Plenary Session 2: Keynote Speech</b> Issues of Financial Inclusion, Social Inclusion and Poverty Alleviation in India – A Few Cases
02:45 p.m.- 03:45 p.m.	<b>Academic Session 3:</b> Omni-channel Distribution Models as Source of Competitive Advantage for Banks and Financial Inclusion
03:45 p.m. – 04.45 p.m.	<b>Academic Session 4:</b> Financial Access and Inclusion

## Day Two : 31 July 2019, Wednesday

Time	Session
10:00 a.m.- 10:30 a.m.	<b>Plenary Session 3: Keynote Speech</b> Leadership and Financial Inclusion
11.00 a.m. – 12.15 p.m.	<b>Academic Session 5:</b> Innovative Models & Approaches for Financial Inclusion and Success Cases
12.15 p.m.- 01:15 p.m.	<b>Academic Session 6:</b> How Can Digital Platforms Meet the Financing Gaps for MSMEs in Bangladesh?
02.15 p.m. – 02.45 p.m.	<b>Plenary Session 4: Keynote Speech</b> Leveraging Data to Advance Financial Inclusion
02:45 p.m. – 04:00 p.m.	<b>Conference Learning Session</b> Human Dignity and Financial Inclusion
04:00 p.m. – 05:00 p.m.	<b>Closing Ceremony</b>



## Inaugural Session

- Chair** : Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM and PKSF.
- Chief Guest** : Dr. Masiur Rahman, Adviser on Economic Affairs to the Prime Minister Government of the People's Republic of Bangladesh.
- Introductory Speech** : Dr. Mustafa K. Mujeri, Executive Director, InM.



Dr. Mustafa K. Mujeri, Executive Director, InM welcomed the participants to the event and mentioned that 'financial inclusion matters for leading a life with human dignity and financial inclusion'. He added that the conference would give significant opportunities of cross learning across the diverse audience comprising policy makers, financial experts, practitioners, academicians, and the people at large, over the numerous complex issues and challenges, facing financial inclusion for all.



The honourable chief guest of the inaugural session, Dr. Mashiur Rahman, in his speech, observed that "Bangladesh is a pioneer in financial inclusion with its strides towards 'Digital Bangladesh', rapid development of the financial sector, rich heritage in microfinance, and unprecedented gains in adopting digital finance and expanding mobile financial services. The government treats finance as a powerful tool of inclusive growth and shared



prosperity". Dr. Rahman called for strengthening financial capabilities in several key areas including provision of financial education tools for better management of income, encouraging households to use long term savings products to effectively manage savings goals, providing clear implications of debt burden to facilitate responsible borrowing, generating awareness on alternative risk coping mechanisms, education on exercising consumer rights and accessing grievance channels, and removing mind-set barriers to using new financial products and services.

## Plenary Session-1: Path Setting Speech

## Human Dignity and Financial Inclusion

**Speaker :** Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM and PKSF



**‘Financial inclusion enhances economic empowerment, which in turn helps improve overall welfare while providing the building blocks for further progress and enhanced human dignity’**

Dr. Qazi Kholiquzzaman Ahmad commenced his speech by stating the theme of the conference. He observed that: “Respect for human dignity in the context of sustainable development implies commitment to creating conditions under which individuals can improve their circumstances sufficiently to develop a sense of self-worth and security. In this regard, financial inclusion enhances economic empowerment, which in turn helps improve overall welfare while providing the building blocks for further progress and enhanced human dignity”.

He further observed that: “As poor people suffer from multiple disadvantages, focusing on one factor alone, such as income, is not enough to capture the reality of poverty. Access to formal financial services—in payments, savings, credit, and insurance—for financially excluded individuals transforms individual lives in a particular way. The policies must work to narrow, and finally close, the

gap between those who have access to formal financial services and those who live on the margins”. The Palli Karma-Sahayak Foundation (PKSF) contributes to financial inclusion with its core mandate of poverty reduction through sustainable employment creation and promoting institutions. He focused on the issue that they were finding those activities where expansion was possible. And PKSF was presenting a new paradigm and changing its pattern of services where they no longer would undertake any project of a limited time period, rather programmes which were conditional to identifying the elements necessary to be continued throughout the project and PKSF would provide the possible funding for those activities.

## Academic Session-1: Financial Inclusion Landscape in Bangladesh: Strength and Weakness

**Chair** : Mr. Khondkar Ibrahim Khaled, Former Chairman, Bangladesh Krishi Bank (BKB)

### Panelists :

Mr Md. Anwarul Islam, General Manager of Financial Inclusion Department, Bangladesh Bank

Mr A.K.M. Musha, Country Director of Concern Worldwide

Dr. Md. Jashim Uddin, Deputy Managing Director of PKSF



### Academic Discussion

#### Financial Inclusion Index at District Levels in Bangladesh: A Distance Based Approach



Mr. Md. Rashel Hasan, Joint Director, Chief Economist's Unit, Bangladesh Bank  
Dr. Md. Ezazul Islam, General Manager, Chief Economist's Unit, Bangladesh Bank

This paper estimates an index of financial inclusion to measure the extent of inclusive finance at the district level of Bangladesh. The index indicates most of the districts of Bangladesh have experienced a significant progress in financial inclusion over the period 2008-2018. The financial inclusion map reflects that the process of financial inclusion got accelerated in early 2010, just after the inclusive finance policy initiatives taken by Bangladesh Bank in 2009. The paper pointed out that the progress of financial inclusion seems relatively very slow for nineteen districts. Districts belonging to Rangpur and Mymensingh divisions are prone to river erosion and face famine almost every year. In addition, literacy rate of this region is low accompanying with higher poverty rate.

#### Social Entrepreneurship for Social and Financial Inclusion in Bangladesh: Current Trend and Future Direction



Mr. Foyasal Khan, National Consultant, Islamic Finance, UNDP

This paper proposes a better alternative for social and financial inclusion in Bangladesh through the development of different models of social entrepreneurship. The paper also promotes academic curiosity for social entrepreneurship as an exciting field of research and brings the academic community, the policy makers and the entrepreneurs a step closer towards legitimising and inspiring social entrepreneurship as a means to create social and economic value in Bangladesh.



## Financial Inclusion Landscape in Bangladesh: Strength and Weakness



Dr. Md. Ezazul Islam, General Manager, Chief Economist's Unit, Bangladesh Bank  
Mst. Nurnaher Begum, Deputy General Manager, Research Department, Bangladesh Bank  
Mr. Raju Ahmed, Assistant Director, Chief Economist's Unit, Bangladesh Bank

This paper reviews the financial inclusion landscape to find out strength and weakness of financial inclusion. The notable approaches are to expand credit flow to agricultural, MSMEs; to bring a large number of un-banked/under-banked socially disadvantaged people into the ambit of financial services; to adopt mobile financial services and agent banking to expand banking services to remote areas, and to tap information and communication technology (ICT) in delivering financial products at an affordable cost have impacted for broadening financial inclusion.

### Panel Discussion

#### Mr. Md. Anwarul Islam

General Manager, Financial Inclusion Department, Bangladesh bank

The panelist proposed to include DFS and agent banking while calculating the inclusion index. It would have been interesting to analyse the reasons for some districts to lag behind in financial inclusion and to analyse the influencing index for financial inclusion.

#### Mr. A.K.M. Musha

Country Director, Concern Worldwide, Bangladesh

Mr. Musha mentioned that a clear link between social entrepreneurship and financial inclusion could be investigated. He also pointed out that establishing a link between status of financial inclusion and strength and weakness would enrich the papers.

#### Dr. Md. Jashim Uddin

Deputy Managing Director, PKSF

He proposed to include women financial inclusion and the status of microfinance sector while analysing the financial inclusion status. He also mentioned that one of the major challenges was to include the un-served and under-served group in the financial sector. He pointed out that PKSF had taken various development programmes, such as for women headed households, differently abled families, 'dalit', 'harijon', transgender, tea plantation workers, ultra-poor people in char and coastal areas.



## Academic Session-2: Regulatory and Policy Frameworks: Challenges and Opportunities

**Chair** : Dr. Atiur Rahman, Former Governor, Bangladesh Bank

### Panelists :

Mr. Khondker Morshed Millat,  
General Manager, Sustainable  
Finance Department, Bangladesh  
Bank

Dr. Rubana Haq, Presedent,  
BGMEA

Mr. Zahirul Alam, Executive  
Director, Integrated Develop-  
ment Foundation (IDF)

### Academic Discussion

#### Regulatory and Policy Frameworks: Challenges and Opportunities for the Mobile Financial Sector in Bangladesh



Major General Sheikh Md. Monirul Islam (retd), Chief External & Corporate Affairs Officer, Chief Anti-Money Laundering & Compliance Officer;  
Ms. Tonoya Imam, Senior Officer;  
Mr. Shadman Jamal, Senior Officer;  
Mr. Md Noor E Alam, Deputy General Manager, Strategic Relationship Management, Regulatory & Corporate Affairs Department, External & Corporate Affairs Division, bKash Limited



This paper addresses the importance for organisations to understand, acknowledge and respect regulations. No matter how convenient

a financial service is, delivering it to the consumer in most safe and secure manner is of utmost importance so that the customers can put their full faith into the MFS providing companies. Innovative technological solutions are priceless assets to MFS providers such as bKash to achieve these goals. Hence, when technology and regulations complement each other, a secure and customer-friendly digital environment is well achieved that works to the complete advantage of the consumers as well as the financial institutions providing MFS in Bangladesh.

#### Technological Innovations, Agent Banking and Digital Financial Services for Financial Inclusion in Bangladesh



Md. Arfan Ali  
President and  
Managing Director,  
Bank Asia Limited,  
Dhaka

This paper maintains that adoption of technology and change the business model according to adoption is one of the key factors to

satisfy customer's demand. As reaching out with brick and mortar is not an option, we have to prepare ourselves to create this digital channels and also invest to educate the customers to adopt the channels. If we continue to expand the eco system with the help of agent banking and other related transactional comforts, then true benefit of digital banking will cross the boundary of

city limit and reach all village level household of customers and truly contribute to attain SDGs as planned for the stakeholders.

### Promoting Digital Finance Innovations through Regulatory Sandbox in Bangladesh: The Next Steps



Galib Ibn Anwarul Azim  
Project Officer, United Nations  
Capital Development Fund  
(UNCDF), Dhaka

This study explores a suitable sandbox model for the Bangladesh context, features and operational considerations to be adopted in the design, coordination strategies among multiple regulators and immediate next steps for designing and launching a sandbox model. The findings suggest a product testing sandbox will be the best fit, allowing thematic/issue based experiments if required. The model should: (i) have support mechanisms similar to an innovation office; (ii) provide cross-sector testing opportunities supported by multiple regulators; and (iii) target high volume driver sectors and last mile customers.

## Panel Discussion

### Mr. Morshed Millat

General Manager, Sustainable Finance Department, Bangladesh Bank

Mr. Morshed Millat stated that Bangladesh Bank had undertaken a consultative approach while forming regulatory policy. He focused on the matter of customer protection, protecting their confidentiality, integrity etc. He also emphasised on interoperability, awareness and capacity building through exchange of views and experience among all the stakeholders.

### Mr. Zahirul Alam

Executive Director, Integrated Development Foundation (IDF)

Mr. Zahirul Alam emphasised on reaching people throughout the country by creating a strong and sustainable network among the regulators, FIs and government.

### Dr. Rubana Haq

President, BGMEA

Dr. Rubana Haq mentioned about 'Digital Wallet' pilot project with 150 RMG workers. She was expecting that this initiative would be beneficial in many ways by assuring transparency of wages, increasing the value of the wage, receiving funds from CSR, making digital payments for utility and financial services, enabling them to access and transfer funds easily and increasing security.

### Dr. Atiur Rahman

Former Governor, Bangladesh Bank

Dr. Atiur Rahman, in his concluding remarks talked about how regulatory sandbox could be instrumental in achieving the goals of financial inclusion. Agent banking system in Bangladesh had achieved such a pace in such a short time which was unprecedented in world history. Policy consistency must continue to support all these initiatives.





## Plenary Session-2 : Issues of Financial Inclusion, Social Inclusion and Poverty Alleviation in India-A Few Cases.

**Chair** : Dr.Qazi Kholiquzzaman Ahmad, Chairman, InM and PKSf.

**Speaker** : Prof. Arup Choudhuri, Chairman and CEO, Acasia Global Consulting LLP, India.

### Keynote speech:

Prof. Arup Choudhuri presented the history of the emergence of banks and MFIs in India. The indigenous bankers ruled for a long period of time and during that entire period, exploitation was rampant. Poor people couldn't graduate from their financial situation. Then came the Imperial Bank during British era but common Indian didn't get the opportunity to get served financially by it. He also mentioned about an observation made in 2015 which pointed out that banks in India were serving the educated middle-income population. Dr. Qazi Kholiquzzaman Ahmad thanked the speaker for giving an impressive presentation. He mentioned that Bangladesh, too, had gone through such transition as India. But now, slowly but steadily, banks and FIs were going for sustainability. PKSf was working towards

that and he concluded the session by hoping that all our efforts would be helpful to eradicate disparity in this sector and they could make a great impact on the lives of the poor people.



Inclusive Financial  
Institution (InM)

### Academic Session-3 : Omni-channel Distribution Models as a Source of Competitive Advantage for Banks and Financial Inclusion

**Moderator** : Mr. Feisal Hussain, Team Leader, BFP-B Project.



#### Panelists :

Mr. Md. Arfan Ali, President & MD, Bank Asia Ltd.

Dr. Ahsan H. Mansur, Executive Director, Policy Research Institute of Bangladesh (PRI);

Ms. Afsana Islam, Private Sector Development Adviser & Deputy Team Leader, DFID Bangladesh.

Syed Abdul Momen, Head of SME, BRAC Bank.

### Academic Discussion

#### Omni-channel Distribution Models as a Source of Competitive Advantage for Banks and Financial Inclusion



Mahbubur Rahman, Deputy Challenge Fund Manager-Banking Expert, BFP-B

Muhymin Chowdhury, Deputy Challenge Fund Manager-DFS Expert, BFP-B

In highly competitive, capital centric and corporate financing focused banking sector, non-performing loans had been growing at an undesirable rate. Significant growth was being seen in syndicated financing, supply chain finance, rural housing finance and MFI lending although the portfolio quality and distribution had not reached expected targets. Pricing obviously played a role in maintaining such dispersed business relationships. However, Nathan's market insights strengthened by global studies

showed that an inability to deliver a seamless quality of service across all customer engagement channel (both digital and offline) forced a customer to search for alternatives.

To ensure an omni experience, banks needed to integrate existing channels. Focus should be seamless and customers should ideally be able to start engaging through one channel and complete the transaction through another. Returns from customers could only be maximised if one were part of their entire journey.



## Panel Discussion:

### Mr. Feisal Hussain

Team Leader, BFP-B Project.

Mr. Feisal Hussain chaired the session. He mentioned that if we want to reach people in geographically dispersed places, not only we had to make that business model viable but also we had to figure out some way to attract the customers to that business and only then could we maximise the return from our customer.

### Dr. Ahsan H. Mansur

Executive Director, Policy Research Institute of Bangladesh (PRI);

Dr. Ahsan Mansur mentioned that Bangladesh's economy would become a trillion dollar economy within 2031 with \$5,700 per capita income. But one issue that would be looming over our head was sustainability. He pointed out that manufacturing and rest of the industrial sector was growing at a rapid speed where service sector was broadly unchanged but was undergoing composition change itself from informal to formal. Financial inclusion of any kind had to keep track of these transformations. They had to co-exist, evolve and share the market, develop their strategy and technology and make it cost effective. The whole process shouldn't be based on donor grounds.

### Ms. Afsana Islam

Private Sector Development Adviser & Deputy Team Leader, DFID Bangladesh.

Ms. Afsana Islam pointed out that the role of the donors had already evolved over the past 20

years and they were working as catalysts and enablers in the development of financial sector in Bangladesh. Donors might also play strong supporting roles in policy shifts that would enable financial inclusion to happen.

Mr. Arfan Ali mentioned 'Ekti Bari, Ekti Khamar' project where Bank Asia was the digitisation and implementation partner. They had launched a long term pilot project on agent banking which was profitable and also successful.

### Syed Abdul Momen

Head of SME, BRAC Bank.

Syed Abdul Momen stated that their approach, model and background were quite different. Although they applied for agent banking license almost at the same time as Bank Asia, the entire process was delayed. They had financed 7 lakhs customers under SME banking service so far. One thing they value most was their relationship with customers. They treated the customers of agents and the customers of branches equally and followed a complimentary business model rather than a silo business model.

Syed Abdul Momen stated that BRAC had a treasure of data including 18 years' worth payment data, payment records etc. By doing data mining and using Artificial Intelligence and also with the eKYC, they could design an algorithm in future to provide algorithm based loans that could be provided within 24 hours.

### Mr. Feisal Hussain

Team Leader, BFP-B Project.

Mr. Feisal Hussain thanked all the panelists for sharing their interesting views and insights on various topics and concluded the session.



## Academic Session-4 : Financial Access and Inclusion

**Chair** : Dr. Toufic Ahmad Choudhury, Former Director General, BIBM.



### Panelists :

Mr. Md. Mezbaul Haque, General Manager, Payment Systems Department, Bangladesh Bank  
Mr. Shabbir Ahmed Chowdhury, Director, InM  
Mr. Md. Fazlul Kader, Deputy Managing Director, PKSF

## Academic Discussion

### Effect of Mobile Financial Services on Financial Inclusion in Bangladesh



Nahid Akhter, Senior Research Associate, InM  
M. A. Baqui Khalily, Former Executive Director, InM

Some 27 percent of the households and around 13 percent of the adult populations have access to mobile financial services using either own mobile account or others' accounts. But among them only 3% have own mobile bank account. Intensity of uses of MFSs varies by divisions with higher access in Barisal and Rangpur. It is expected that, higher the percentage of migrant workers, higher will be the remittance flow.

Share of accessing bank financial services as well as mobile financial services is highest among the richest 20 per cent which gradually decreases as we move from the richest 20 per cent to the lowest 20 per cent. The marginal effect shows that, on average, the probability of using mobile financial services

by a household increases by about 43% if the household have temporary domestic migrant family member. Female household heads are less likely to use MFS compared to male household head.

### Appropriate Financial Products for Vulnerable Excluded Groups: Policy and Regulatory Frameworks



Farhana Nargis, Research Fellow, InM

Shah Md. Ahsan Habib, Director, BIBM

It is possible to implement social policies more effectively if a financial market exists where all citizens have an equal right to access. However, policies should be directed towards expanding the reach of financial services to unbanked and under-banked in the rural areas. NGO-MFIs might play notable role in creating these linkages. Proper understanding of the financial behavior and attitudes of different groups of people is important since the nature and level of income strongly influence the use of financial services. Creating appropriate economic opportunities for them and make them participate in those economic activities should be the utmost priority. Finally, they will need the social acceptance; without this, no policy or initiatives will work for their

betterment. Similarly for disabled group physical access should be introduced while planning infrastructure to remove access barriers such as; building ramps for them.

### Financial Inclusion for Working Street Children: A Demand Side Investigation



Farah Muneer, Senior Research Associate, InM

The study shows that 25% of working children do save informally in difference places indicating severe lack of secure place to keep their hard earned money. The probability of being able to save is higher by 1.83 times for a female child compared to a male child. This may indicate that 'money psychology' of a male child and a female child is different from one another. It is observed that the male children significantly spend more on entertainment and miscellaneous purposes than female. On contrary, spending on productive purposes like food and education is significantly higher for female children. It is found that the probability that male child will spend the savings on consumption is higher by 5 times than female child.

### Practical Approach to Defining Efficiency of Agent Banking System and Identifying Data Availability for the Efficiency Indicators for Bangladesh



Sadia Sultana, Deputy Director, Monetary Policy Department, Bangladesh Bank

Saila Sarmin Rapti, Assistant Director, Research Department, Bangladesh Bank

Nabila Fahria, Assistant Director, Monetary Policy Department, Bangladesh Bank

The finding of the study is that data availability to measure the efficiency of agent banking system is very limited, mainly because agent banking is relatively new among the financial inclusion tools in Bangladesh and capacity of collecting relevant data is limited at this point. The study recommends steps for making the collection of necessary data feasible, which are unavailable for the efficiency indicators. Bridging the gap in data would certainly capacitate us to measure the efficiency of agent banking effectively in future.

### Panel Discussion:

#### Mr. Md. Mezbaul Haque

General Manager, Payment Systems Department, Bangladesh Bank

Mr. Md. Mezbaul Haque mentioned that the daily transaction in mobile services is BDT. 13.62 billion. There was demand for new products (such as, credit) as well as some challenges, like who would take credit risks for those products. BB was developing a separate law for MFS.

#### Mr. Shabbir Ahmed Chowdhury

Director, InM

Mr. Shabbir Ahmed Chowdhury mentioned two issues, vulnerable areas and vulnerable people. He suggested to change banker's mindset to develop appropriate products for the excluded communities like, char and haor residents, tribal residents, tea garden workers, transgender, and physically challenged population.

#### Mr. Md. Fazlul Kader,

Deputy Managing Director, PKSF

Mr. Md. Fazlul Kader discussed the reasons of why financial inclusion was required. He mentioned that PKSF was going to examine cloud financing to increase investment planning.

### Concluding Remarks

#### Dr. Toufic Ahmad Choudhury

Former Director General, BIBM.

Dr. Toufic Ahmad Choudhury thanked all panelists for their valuable inputs. In closing, he thanked all for coming to the discussion and giving their valuable inputs to the session.





### Plenary Session-3 : Leadership and Financial Inclusion

Chair : Dr. Mustafa K. Mujeri, Executive Director, InM.  
 Speaker : Dr. Atiur Rahman, Former Governor, Bangladesh Bank.

#### Keynote speech:

Dr. Atiur Rahman observed that we needed leaders who were intellectually and emotionally fierce, ethically grounded, willing to change the status quo, passionate about a cause with goals and as well as ready to prize partnership for collaboration. As for leading institutions, they must transform potential into performance, create urgency of change in individual mindset, motivate coworkers to help and work together and uplift each other. Nowadays, one of the most important tasks for a leader was managing digital transformation to make institutional changes where technology was in the driving seat. He hoped that all financial institutions would collaborate and work together to reach people from all spheres of life.

#### Concluding Remarks of the Chair:

Dr. Mustafa K. Mujeri applauded Dr. Atiur Rahman for his speech on the unconventional topic and he opined that 'leadership matters, it matters more for the poor people because the way leaders think and the way leadership works, make all the difference'. He hoped that the speech



would inspire and encourage the audience and all the young people present to undertake the enormous responsibility of thinking how we could serve the causes of the poor and the financially excluded groups and how we could be well-adjusted to cater to their specific needs.

## Academic session 5 : Innovative models & approaches for financial inclusion and success cases

**Chair** : Dr. Mustafa K. Mujeri, Executive Director, InM.

### Panelists :

Ms. Claire Lyons, Senior Strategist, Water.Org.

Dr. MD. Mosleh Uddin Sadeque, Director, InM

Nazim Hasan Sattar, GM, SME Foundation



### Academic Discussion:

#### Ensuring Cost Effectiveness, Sustainability, and Financial Inclusion: Grameen Business Model.



Golam Morshed Mohammad, AGM, Grameen Bank.

Financial and social performances are the key elements in the Grameen business model and this model considers profitability of the branches as the key for ensuring viability and profitability of the organisation. The study highlights that the Grameen model is based on business principles, and does not treat microfinance as a charity. The immediate goal of poverty

focused Grameen business model is to reach the poorest and the ultimate goal is to operate on a sustainable basis so that it can have positive impact on the lives of the borrowers and their families.

#### Ensuring Inclusion of Persons with Disabilities through Financial Inclusion: An Experimental Study on Sitakund Upazila.



Mohammed Arifur Rahman, Chief Executive, Young Power in Social Action (YPSA).

The study investigates how the financial inclusion programme of YPSA facilitates inclusion of Persons with Disabilities (PwDs) in mainstream development. Nearly 79% of PwDs prefer to receive loans to start their own businesses and other income generating activities, while only 30% succeeded in receiving loans from different government and non-government organisations. The programme for PwDs has different modes of operations and privileges which facilitate accessibility to the targeted groups. The participation in the programme benefits and improves their lives and livelihoods along with contributing towards community development. Both government and non-government organisations should come forward to provide different forms of assistance as well as soft loans with flexible terms and conditions for PwDs to ensure their meaningful financial inclusion.

### Enabling Piggyback Primary Health Care and Education Support Services through Financial Inclusion.



Shajahan Bhuiya  
Advisor, Centre for  
Development Innovation and  
Practices (CDIP)

Alamgir Khan  
Research and Publication  
Officer, CDIP

The study explores how financial inclusion and its expanded coverage can enable an organisation like CDIP to implement piggyback primary health care and education support services for sustainable human development of the organised group members, their families as well as others in the community, particularly the poor, marginalised and disadvantaged women and children. The results of the study reveal that financial inclusion of the poor, marginalised and disadvantaged people in the community by NGOs enables them to invest their surplus in sustainable human development programmes like health and education to develop people's wellbeing capability through using the piggyback structure.

Anitta Mankhin, Monitoring Evaluations and Learning (MEL) Manager, Water.org (Bangladesh) and Sajid Amit, Country Director, Water.org (Bangladesh).  
Water and sanitation lending by Water.org through digital financial service (DFS) providers enables borrowers to make loan repayments digitally through agent points, without visiting microfinance branches. The study explores the perceptual benefits and deterrents of digital payment at the household level and also investigates the causal links to improved water supply and sanitation services and development of women entrepreneurs in the presence of

digital payment facility using structural equation modeling. The results show that relatively poor women having proper facility of water supply and sanitation (WSS) can utilise their time in productive work. This clearly indicates that development and survival of women entrepreneurs most likely depend on access water and sanitation products. This is also borne out by case studies. The results contribute positively to the discourse of financial inclusion and women empowerment in Bangladesh.

### Indirect Effect of Water Supply and Sanitation on Women Entrepreneurs Mediated by Digital Payment: A Case from Bangladesh.



Anitta Mankhin  
Monitoring Evaluations and  
Learning (MEL) Manager,  
Water.org (Bangladesh)

Sajid Amit  
Country Director, Water.org  
(Bangladesh).

## Panel Discussion:

### Ms. Claire Lyons

Senior strategist, Water.Org.

Ms. Claire Lyons found the session very exciting, thought provoking and confirming from different perspectives. She said that as CDIP had a profitable organisational design and business model, they should pay more attention to the business side of that model. She mentioned that income generating was an enormous problem and barrier for having equity in water and sanitation and achieving 'Leaving No One Behind' 2030 agenda.

### Dr. MD. Mosleh Uddin Sadeque

Director, InM

Dr. Md. Mosleh Uddin Sadeque brought the issue of dependency of banks and MFIs on borrower's deposit into the light and he proposed that we should go for different, new products rather than depending only on the deposit. He also talked about the importance of sustainability of these programmes.

### Nazim Hasan Sattar

GM, SME Foundation

Mr. Nazim Hasan Sattar highlighted the need to develop new and innovative financial models, products and players to ensure financial inclusion which should be beneficiary/target group friendly. He suggested that MFIs should find ways to reduce their cost of operation and venture for other sources of funding.

Dr. Nilufar Banu from Bangladesh Unnayan Parishad (BUP) asked about the marketing side of these models. Dr. Mujeri thanked the panelists for their learned observation and concluded the session.





## Academic Session 6 : How Can Digital Platforms Meet the Financing Gaps for MSMEs in Bangladesh?

**Chair** : Mr. Md. Ashraful Alam, Country Project Coordinator, SHIFT SAARC, UNCDF.

### Panelists :

Mr. Shah Ziaul Haque, Joint Director, Payment Systems Department, Bangladesh Bank

Mr. Kamal Quadir, CEO, bKash

Ms. Siffat Sarwar, COO, ShopUp.

Mr. Kenneth Kou, Chief Operations Officer and Founder, JULO.



### Academic Discussion:

Platform business model is a plug-and-play business model that allows multiple providers and consumers to connect, interact, create and exchange values. To be a successful platform, a company should provide the toolbox, it should work as the magnet and it should also work as the match-maker. Platform offers the following four things for markets: aggregation & distribution, transaction facilitation, credibility enhancement and information analysis & advice. The digital 'platformisation' of markets is one of the defining forces of change in the shift to digital economies that presents both new possibilities and new challenges for us. The most common and severe challenge faced by MSMEs is access to finance. Platforms should support MSMEs to meet their credit needs by providing alternative credit scoring facility.



### Panel Discussion:

**Mr. Kamal Quadir**  
CEO, bKash

Mr. Quadir took the opportunity to explain bKash and its mode of operation. He noted that they had 32 million KYC and also hosting digital KYC. The main contribution they could provide was data and when the financial institution had decided to give the loan to a certain person; they could carry that loan through the digital platform which would save time with the lowest transport cost.

**Ms. Siffat Sarwar**  
COO, ShopUp

Then Ms. Siffat took the floor to explain how ShopUp worked. They worked with sellers selling their products on social media and the automatically generated transaction data and behavioural data/pattern along with customer review and personal information; gave them the idea about each seller's customer base, the volume of business that they were doing/how good

was their business which altogether built a very solid profile.

**Mr. Kenneth Kou**

Chief Operations Officer and Founder, JULO.

Then Mr. Kenneth gave a quick understanding of how Julu worked. He mentioned that in Indonesia KYC process was entirely digital, done through a mobile app. He also confirmed with Ms. Siffat about creating a profile for each customer and credit scoring to predict if anyone was trustworthy about repaying the loan in almost the same way because although Indonesia had a pretty high bank account penetration, there was a huge credit gap as credit card penetration and access to credit rate was much lower.

**Mr. Shah Ziaul Haque**

Joint Director, Payment Systems Department, Bangladesh Bank

Mr. Shah Ziaul Haque mentioned about new products for all segments of the population that they had introduced over the years and changes in regulations they had brought about in recent years to ensure easy access to payment system. He also noted that they were trying to facilitate interoperability in payment system.

Mr. Quadir added that everyday roughly 5.5 million small transactions took place in bKash and 50% of those transaction were payments/bills rather than P2P transactions. Mr. Shah Ziaul Haque stressed about creating value within and outside the market. To prevent fraudulent activities, he stressed on the matter of

creating awareness among people and noted that one should never share their password or verification code with anyone.

Mr. Kamal Quadir added that they had taken initiatives to reach people in many ways in the past and they would continue to do so in future. Knowledge sharing and building partnerships were really important. Prof. Arup remarked that in India a number of cases had emerged where voter card of a person was not cancelled after his death, banks were not notified about the death of their clients and illicit transactions took place due to this. So, BB should make eKYD rather than eKYC and verify the data at frequent intervals. The Chair concluded the session hoping that the concerned authorities would try to identify solutions of the issues.



## Plenary Session-4 : Leveraging data to advance financial inclusion.

Chair : Professor S. R. Osmani, University of Ulster, United Kingdom

Speaker : Mr. Rajeev Kumar Gupta, SHIFT Programme Manager-ASEAN & SAARC,  
United Nations Capital Development Fund (UNCDF).

### Keynote speech:

Mr. Gupta probed into the causes for using big data for financial inclusion, why we were connecting data to financial inclusion and how dynamic data would give us better insights into what was happening around us so that we could take informed decisions. He stressed on the importance of generating data in informing and shaping national digital financial inclusion policies and regulation and evaluating their SDG impact on the real economy. He talked about conducting thematic deep dive analytics on women and youth empowerment, MSME growth, remittances and migration, energy finance and agricultural development that could inform innovations, policies and open digital ecosystem needs, leading to more value for them as "customer segmentation" was a pre-requisite in order to reach people from all walks of life.

The transition from cash to technology was not happening in a speed that we'd like to see and he addressed this issue by saying that this would require consistent effort and perception of the need of behavioural change among people. Privacy and rights of data must be in-built in the journey or



the whole thing won't work. He concluded his speech and presentation by saying that AI and Block chain were the inevitable future.

### Concluding Remarks of the Chair:

Prof. Osmani addressed the rather murky topic of the ethics of data use. He said that data by itself was only a tool and it could be put to both good use and bad use. But the most important challenge was to ensure that the collected data were of good quality as well as we would put the data into good use which would not go against the interest of those people from whom the data were collected. As there is a fundamental asymmetry of power relation between the two concerning parties where the subjects of the data were in a disadvantageous position compared to those who were collecting, analysing and utilising the data generated from them, there was a severe risk of abusing/ manipulating those data against the vulnerable group. Eventually, he said that it was high time we focused on developing an ethical regulatory framework of data generation.





## Learning Session: Human Dignity And Financial Inclusion

**Chair** : Dr.Toufiq Ahmed Chowdhury, Former DG, BIBM.

**Panelists** : Mr. Anir Chowdhury, Policy Advisor at UNDP/Gov. of Bangladesh  
 Mr. Kamal Quadir, CEO, Bkash  
 Mr. S.M. Rabiul Hasan, Executive director, Bangladesh Bank.  
 Ms. Laura Ralstone, Financial Institution Training Specialist, Water.org.  
 Dr. Mustafa K. Mujeri, Executive Director, InM

### Panel Discussion:

The audience actively participated in the session. There were clarifications sought from bKash, BB and from specialists/experts. Mr. Quadir clarified that they did not charge any extra fees while using USSD session. Mobile operators charged a certain amount of fees to MFS operators and MFS operator/service provider such as bKash paid that to GP, Banglalink etc. He suggested that it'd be better if everyone used app given two choices as app



offered more options that could not be provided through mobile messaging service. He mentioned that the regulators were working on creating sustainable block chain. Mr. Rabiul Hasan talked about interoperability and other aspects of financial inclusion. He confirmed that they were now working on eKYC to promote paperless, secured, cost effective and less time consuming and more inclusive banking sector. Ms. Laura Ralstone advocated for holistic approach for financial inclusion. She emphasised on listening to the customers and putting the needs of the customer ahead of everything and then act on it.

The chair expressed his deep appreciation to the audience for playing an active role throughout the whole session. He thanked the panelists and the audience and concluded the session.



## Closing Ceremony

**Chair** : Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM and PKSf.

**Chief Guest** : Dr. Gowher Rizvi, Adviser on International Relation Affairs to the Prime Minister, Government of the People's Republic of Bangladesh.

**Special Guest** : Mr. Ahmed Mushtaque Reza Chowdhury, Former Vice-Chairperson, BRAC.

The honourable chair inaugurated the closing ceremony by summarising the proceedings of the conference. He was delighted to see some exciting propositions from different perspectives from this two-day conference. He requested the special guest to share his journey with BRAC. Mr. Reza shared his past experience and mentioned some programmes undertaken by BRAC to help the ultra-poor people to graduate from their condition.

The chief guest Dr. Gowher Rizvi stated that human dignity was the only lacking element from the development process and



financial inclusion and this conference had been successful in the sense that it had helped incorporate the missing element and made the entire concept of financial inclusion fully acceptable to all. He appreciated the effort of disseminating the research findings that could possibly contribute to innovate new pathways to promote the financial inclusion agenda. He talked about the need to learn from

the experience of financial partners, being accountable to the community that we would serve. He stressed on the gravity of the lack of inclusiveness in the financial sector and said that no development was going to be meaningful without it.

Afterwards, Dr. Mujeri took the floor to give the vote of thanks. He thanked all participants, panelists, guests, partners and others for their invaluable contribution to make the conference a success and formally announced the closing of the conference.



## FIN-B Conference Partners

The 1st International FIN-B Conference on 'Financial Inclusion' is organised by the Financial Inclusion Network-Bangladesh (FIN-B), an initiative of the Institute for Inclusive Finance and Development (InM), in collaboration with its Conference and Media Partners.

FIN-B and InM have entered into a number of conference partnerships with organisations through the Conference Partnership Programme. This Partnership Programme provides mutual recognition and scope for partner organisations to showcase their availability in the industry, their strengths, as well as engage in the development of projects and programmes with FIN-B and InM. Also, it provides strong recognition for financial inclusion related activities and emphasises our commitment to finance for all. A full list of FIN-B's Partners is available below. FIN-B and InM would like to thank the following organisations for their support:



Business Finance for the Poor in Bangladesh (BFP-B) is a £25m facility to create economic opportunities for small businesses by changing the behaviour of market actors in the financial sector. We are assisting financial institutions to design, test and roll out viable business models for the last mile, improving the policy and regulatory environment, inducing private sector investment and enhancing the credit worthiness of small businesses.

BFP-B is funded by UK aid and managed by Nathan. The Bangladesh Bank (BB), the central bank of Bangladesh, and Microcredit Regulatory Authority (MRA) are the implementing agencies, and the Financial Institutions Division (FID) of the Ministry of Finance (MoF), Government of Bangladesh (GoB), is the executing agency.



bKash is the leading MFS Provider in Bangladesh that started its journey in 2010 as a joint venture between BRAC Bank and Money in Motion LLC. Afterwards, IFC, Bill & Melinda Gates Foundation and Ant Financial became its equity partners. It has been empowering people through digital financial innovation by providing safe, convenient and affordable financial solutions like Send Money, Add Money, Payment, Pay Bill and Mobile Recharge etc. Currently, bKash has more than 30 million registered accounts and over 200,000 agents across Bangladesh as of 2018. It has been ranked 23rd on Fortune's 'Change the World' list in 2017.





The UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries. Shaping Inclusive Finance Transformations (SHIFT) programme for the South Asian Association for Regional Cooperation (SAARC) countries, is a regional market-facilitation initiative of UNCDF that aims to improve livelihoods and reduce poverty rates in SAARC countries by 2021. The initiative seeks to stimulate investment, business innovations and regulatory reform to expand economic participation and opportunities for women, and help small and growing businesses to be active agents in the formal economy.

## Bank Asia

Bank Asia is a third generation private commercial bank in Bangladesh. Its journey started on November 27, 1999. Initially, the Bank acquired the operation of two foreign Banks: The Bank of Nova Scotia of Canada and Muslim Commercial Bank of Pakistan, first ever in the banking history of Bangladesh. In last 19 years of journey, Bank Asia has created a distinctive brand image among the leading banks of the country for its technology driven sophisticated banking services. Bank Asia is the pioneer of Agent Banking that brings unbanked population within the fold of banking system and involved them to mainstream development.



Co-founded by Matt Damon and Gary White, Water.org, a non-profit organisation pioneers innovative and sustainable solutions to the global water crisis, giving women hope, children health, people the opportunity to break the cycle of poverty and communities a future. By March 2019 Water.org helped 21.2 million people living at the base of the pyramid in Africa, South Asia and Central America by providing affordable access to safe water and sanitation, mobilising \$ 1.7 billion capital through its 113 partners. Water.org envisions the day when everyone has access to safe drinking-water and the dignity of a toilet.



Concern Worldwide is an international humanitarian organisation dedicated to tackling poverty and suffering in the world's poorest countries. Sustained by the concern of our many supporters, we seek out those who most urgently need our support, and work with them, through thick and thin, to tackle poverty, hunger and disaster.

Concern has been fighting extreme poverty in Bangladesh since 1972. For over 48 years, we have worked relentlessly to reduce extreme poverty by focusing on three dimensions – lack of assets, risks and vulnerabilities, and inequalities. These three dimensions guide us in all of the work we do. Combining the expertise with the knowledge, and the support of tens of thousands of concerned people, together we energetically go beyond the quick fix to deliver real, sustainable improvements.



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## Media Partners

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Financial Inclusion Television International (FITV) is an international media platform for Financial Inclusion and FINTECH, with specialisation in the use of media, most importantly visuals to enhance the development of Financial Inclusion and FINTECH. It also serves as a knowledge sharing platform with stakeholders in the industry. The focus ranges from Financial Inclusion activities, Sustainable Development, FINTECH and other developmental initiatives.

FITV disseminates information globally to its teaming audience on all continents, it brings forward media section of all events. It conducts and presents interviews, stream webinars, conferences, workshops, lectures, documentaries from a global point of view on Financial Inclusion and Fintech programmes.

## বনিব বার্তা

Daily Bonik Barta has already established itself as one of the most credible leading national dailies in Bangladesh. Mr. Dewan Hanif Mahmud, a very prominent journalist of the country, is the CEO & Editor of Bonik Barta. The daily goes over the best of its services at all times in various sectors since having about 141,500 subscribers as certified by DFP and 700,000 online readerships every day.

Since its initiation in 2011, it has demonstrated a sustainable growth in quality reporting. Bonik Barta strives to be a strong and reliable partner to the State's Policy Makers and to their Strategic Partners, Business Community, Financial Institutions, Government Sector, Public & Private Corporations, and MNCs. Today this daily has an extensive network of circulation across all districts and especially the major operation areas of the country.

Apart from readership Bonik Barta has corporate citizenship activities, Non-Fiction Book Fair, and numbers of publications. Bangladesh Institute of Development Studies (BIDS), one of the top Think Tanks Worldwide, has been strategic partner of two signature programs of Bonik Barta titled 'Uddokta Sommanona' and 'Gunijon Songbordhona' since 2014. Bonik Barta also arranges roundtables on important issues engaging sector specialists and regulators on regular basis.

Moreover, this daily is also emerging with an effective combination of expertise in Digital Print Media to cater thoughtful business insight to its readers and partners from an extended platform.



The Financial Express (FE) is the first financial daily of Bangladesh in English under the ownership of the company -- International Publications Limited which was incorporated under the Companies Act in the year 1993. The FE started its journey on November 10, 1993. In terms of circulation, this daily now ranks second, among its contemporary English dailies, in Bangladesh.

The FE's prime objective is dissemination of fair and objective news and information. FE keeps its readers informed about the ongoing socio-economic and political developments daily through in-depth analyses, views and opinions on major domestic, regional and global trade, business and other related issues in its print and online editions.

## A single photograph talks more than million words















## **Institute for Inclusive Finance and Development (InM)**

A Centre of Excellence in Research, Training, Education and Knowledge Management

The Institute for Inclusive Finance and Development (InM) is functioning since 1 January 2016 (previously known as Institute of Microfinance) as a non-profit organisation established primarily to meet the research and training needs of national as well as global financial sector including microfinance institutions (MFIs). Its predecessor, Institute of Microfinance, was established at the initiative of the Palli Karma-Sahayak Foundation (PKSF) on 1 November 2006. The InM is registered as an independent non-profit institution under the Societies Registration Act 1860. The Institute works for developing the overall capacity of the financial sector and strengthening the links between the financial and real sectors through undertaking research, training, education, knowledge management and other programmes in priority areas including microfinance, inclusive finance, poverty and development.

### **VISION**

Towards establishing a poverty free world, InM sees itself as a frontline centre of excellence in research, training, education and knowledge management.

### **MISSION**

InM undertakes capacity building and knowledge generating activities for the financial (including microfinance) sector, organises training and academic programmes for human development, conducts research and undertakes dissemination of new knowledge and technology, and implements activities for the benefit of the sector. The aim is to emerge as a knowledge centre in inclusive finance, poverty, enterprise development, and other key areas. InM works at both national and international levels through building networks with financial institutions, development practitioners, academicians and researchers for collaboration and exchange of ideas and experiences.

### **MAJOR SERVICES**

The major services that InM provides are research on poverty, microfinance, enterprise development, impact assessment and evaluation of microfinance programmes. InM also provides microfinance related training, education, capacity building support and knowledge management services to microfinance institutions and other development organisations. InM also provide education support Diploma in Microfinance.

### **LEGAL ENTITY**

InM is registered as an independent non-profit research and training institute under the Societies Registration Act 1860.

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