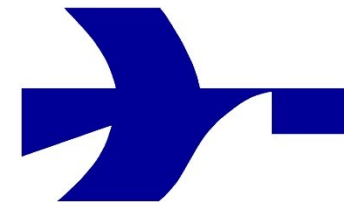


Postal Financial Services Working Group

**Chairperson,
Postal Financial Services Working Group.**

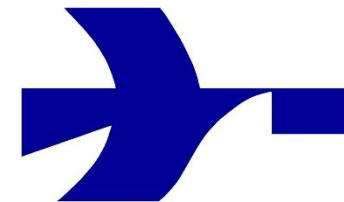
**ASIAN-PACIFIC POSTAL UNION CONGRESS
29 August – 2 September 2022 ,Bangkok, Thailand**



Agenda:

- Prospect of postal financial services.
- Postal financial Product and services.
- Payment Readiness for Ecommerce (PRE).
- Best Practices.
- NAGAD: Fastest Growing Mobile Financial Service of Bangladesh.
- Current financial service scenario of Bangladesh Post.
- Next Steps.

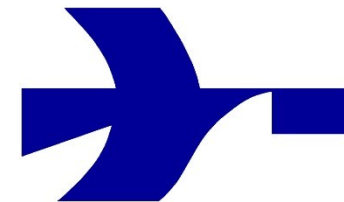
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Preface: Postal Financial Service

- The provision of basic postal financial services contributes significantly to global economic and social development and plays an important role in improving living standards.
- The postal sector is able to play a key role in-
 - Payments market.
 - Financial inclusion.
 - Diminishing consumer risk in using informal networks and money laundering.
- According to a UPU study, postal operators provide some 1.5 billion people worldwide with access to basic financial services (payments, money transfers, savings etc).

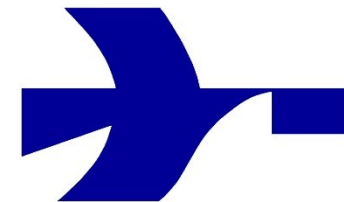
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Prospect: Postal Financial Service

- Post offices can play an important role in advancing financial inclusion. Leveraging their existing postal network infrastructure may be one of the ways that developing countries can use to address the financial inclusion challenges they face.
- The postal network comprises more than 663,000 physical contact points offering remittances, the postal payments services (PPS) a traditionally more affordable formal financial services channel compared to banks, money transfer operators and others.
- 91% of designated postal operators in UPU member countries and territories provide financial services.

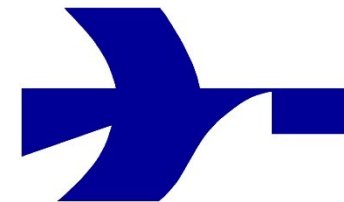
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Postal Financial Products and Services

- **Postal Savings:** Postal Savings Bank, Gov. Savings Certificate, etc.
- **Postal Payment:** Remittance, Mobile financial Service, Electronic money transfer, Payment of social aid and scholarships, Payment of e-commerce products, etc.
- **Postal Insurance:** Postal life insurance, Postal property insurance, Postal liability Insurance, etc.
- **Postal Credit:** Credit card, Advances etc.

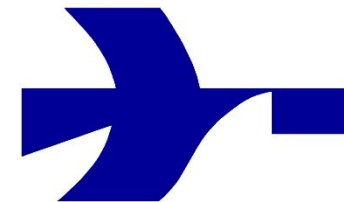
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Postal Savings

- Worldwide almost 15% of the bank account holders in adults have postal savings accounts. It's a big amount and undoubtedly it helps to world financial inclusion of mass people.
- Three different Methods:
 - Limited Partnerships with Banks for cash in/cash out, deposit or withdrawal services.
 - Full Fledged Partnerships with a Bank to offer account based services
 - Postal account based services.

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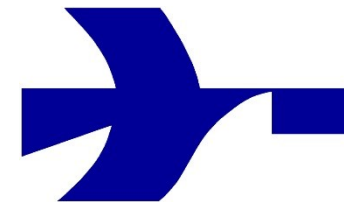


Postal Payment Service



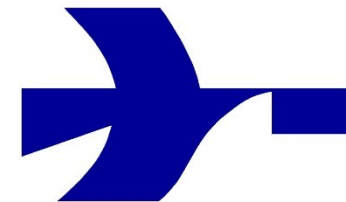
- Payment service includes remittance, bill payment, government payment, business payment, e-commerce payment etc.
- Around **80%** of the posts provide **international remittance services**.
- Around **55%** of posts provide **Government Payment services** and **57%** provide **bill payments services**.

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Payment readiness for e-commerce (PRE) On POC C 4 2021.1

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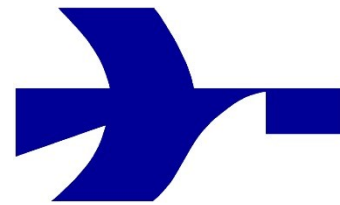


Payment readiness for e-commerce

- After the ORE (Operational Readiness for e-commerce) UPU focused on DRE (Digital Readiness for e-commerce).
- Now Payment Readiness for e-commerce (PRE), in progress, through partnership with Mastercard.
- It's a developing tool for payments of e-commerce for both consumers and SMEs.
- The ultimate goal is to ensure that online shoppers have suitable e-commerce payment infrastructure to develop their business through Posts.

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Payment readiness for e-commerce



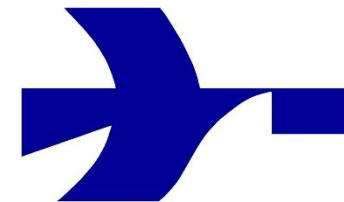
Postal Payment strategy

- Creation of the postal strategy and business model for the payment services and products offering to enable e-commerce payments;
- Creation of the postal payment roadmap and planning;
- Ensure preparation of contacts for potential partnerships to potential payment services and solutions providers.

Postal Payment implementation

- Ensure the contracting/ partnership with potential payment services and solution providers;
- Ensure development/enhancement of the e-commerce payment solutions gateway/platform and integration in the e-commerce platform;
- Develop internal payment skills and marketing.

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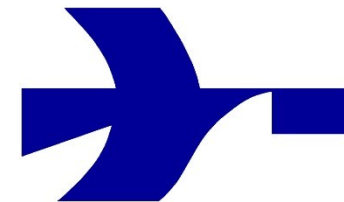


Postal Insurance



- **Three main business models used by Posts:**
 - **Agency partnerships:** Posts collect premium, disburses claim benefits and issue policies on behalf of insurance companies
 - **Full Fledged partnerships:** the posts provides insurance products in partnerships with an insurance company
 - **Own Insurance:** the posts provide own insurance products.

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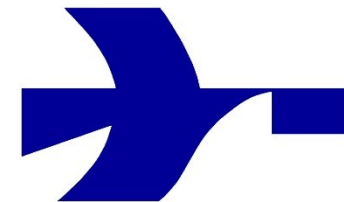
Postal Credit Service

- Credit is more profitable sector with high market demand in many countries for small loans. So posts can apply various policies to penetrate market segment through:

- Partnership with Banks
- Microfinance Institution
- Licensed Credit



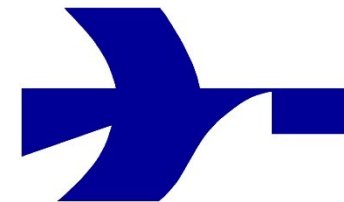
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Financial Inclusion: Key Factor

- The network: Post can provide last mile solution.
- Staff- Post has experienced and well trained staffs
- Financial capability
- Cash Management
- Risk Management
- Customer loyalty
- Legal and Regulatory Framework- Post has solid legal and regulatory framework

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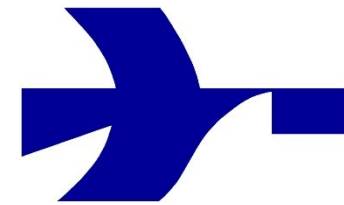
Challenges



- Posts are well positioned to address the following main challenges of Financial Inclusion:
 - Access
 - Eligibility
 - Affordability
 - Tech change that is the Big data, AI, 5G, IoT etc.

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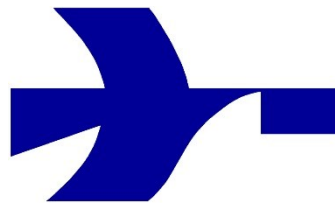
SWOT Analysis



STRENGTH	THREATS	OPPORTUNITIES	WEAKNESS
<ul style="list-style-type: none">• 1. Largest network• 2. Cash management experience• 3. Experience in financial transaction• 4. Trust of customer	<ul style="list-style-type: none">• 1. Declining of traditional postal market• 2. Exponential growth of mobile finance• 3. Current price structure• 4. Limited possibility to invest	<ul style="list-style-type: none">• 1. Agents for cash in / cash out• 2. Strategic partnership/ Joint venture• 3. Interconnectivity to other organizations• 4. Product portfolio diversification.	<ul style="list-style-type: none">• 1. Lack of technological innovation• 2. Lack of customer orientation• 3. In some cases liquidity challenge in rural areas• 4. Lack of resources to invest to develop posts

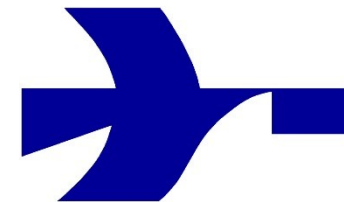
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Best Practices-APPU Member Countries



- Australia Post launched Bill pay which makes it easy to pay bills quickly and securely. Anyone can pay gas, electricity, phone, council rates, tax, insurance and many more. There are different ways to pay with Post Bill pay: APP, online, by phone, physically in outlets.
- The Financial service offered by India Post office includes Savings and Postal Life Insurance (PLI) / Rural Postal Life Insurance (RPLI). The Post Office small savings scheme provides a secure, risk free and attractive investment option for the small investors and offers the savings products in posts.

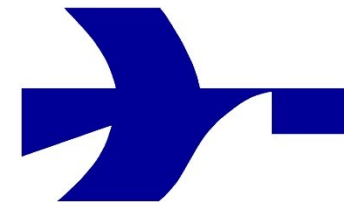
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Best Practices-APPU Member Countries

- Vietnam post is offering services: Life Insurance, Bill Collection and Payment, Non-life Insurance Agency (Post and Telecommunication Insurance), Flower telegraph and gift delivery service. Banking service is provided at 63 post offices of cities and provinces across the country through the co-operation between Vietnam Post and Lien Viet Post Bank.
- Thailand Post offers the Money Order, International Electronic Money Order, Bill payment/ ticket/ payment, Deposit, Bank transfer, E-wallet.

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Best Practices – Bangladesh Post

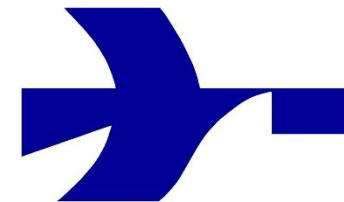
Bangladesh Post At a glance:

- Number of Post Offices- **9,893**
- Population: **162.65 Million**
- Population per post office: **16,441**

Financial Services of Bangladesh Post:

- Postal payment
- Postal Savings
- Postal Insurance

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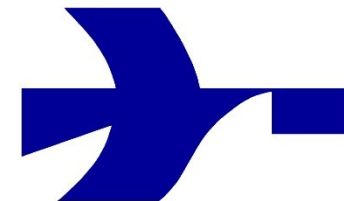
Best Practices – BANGLADESH POST

Electronic Payment Services in Bangladesh Post:

- Electronic money order
- Postal cash card (Prepaid Card)
- NAGAD: Mobile financial service

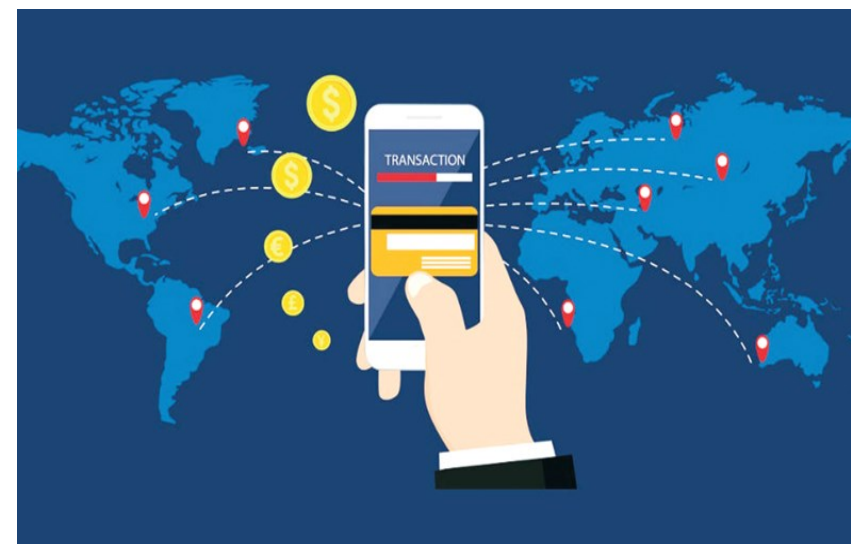


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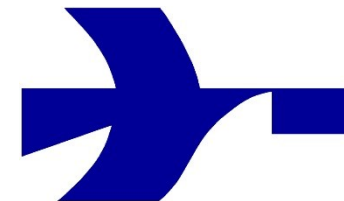


Mobile Financial Service With Post

- Mobile financial service or mobile banking through post office is the most popular and easier digital financial transaction service.
- It helps to financial inclusion for rural and mass people.
- In Bangladesh Perspective, it is the most growing financial service now.

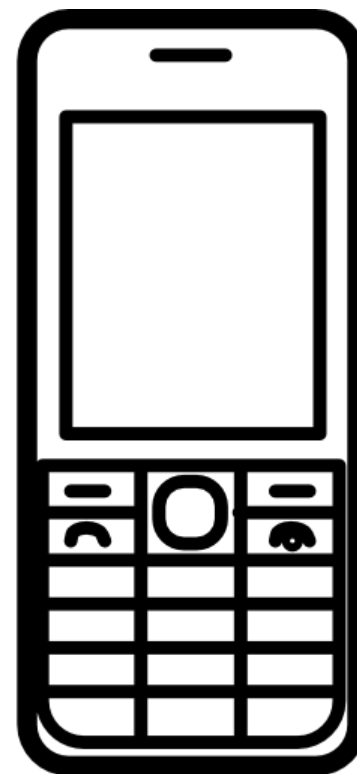


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Postal MFS (Nagad) Services

Send Money	Cash in	Cash out	Mobile recharge
Corona a test fee	G2P	Merchant Payment	TAX payment
Add money (from bank & Card)	EMI Collection	E Commerce payment	Utility Bill payment
Railway Ticket Fee	Indian Visa fee payment	Donation Collection	Insurance premium payment collection
School College University Fee collection			



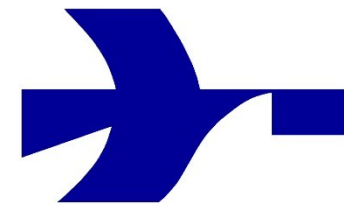
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Nagad App

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NAGAD: Most Growing Mobile Financial Service of Bangladesh.



Nagad Growth on 38 months (about 3 years)

6.48 crores
Customer

Number of
Entrepreneurs
3,11,000

Crossed
953 crores
Daily
Transaction

**625 'Nagad service
centers' nationwide
spread in country**

Employment
generation
Direct: 6,231 people
Indirect: 2 lakh 55
thousand

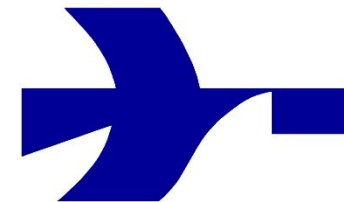
208
distributors

At least two
entrepreneur
points in every
market of the
country

24/7 customer
service

46 'Nagad'
service centers
spread across the
country

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Number of 'Nagad' customers

In just 38 months, 57 percent of Bangladeshi adults are 'cash' customers

Nagad has grown customers faster than any other technology start up in Bangladesh's history

Bloomberg the Company & Its Products | Bloomberg Terminal Demo Request | Bloomberg Anywhere Remote Login | Bloomberg Customer Support

Q Search

Bloomberg

Sign In

Business

Fastest-Growing FinTech Carrier Nagad Ties up with MetLife

July 2, 2021, 9:48 PM GMT+6

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Tweet

in Post

DHAKA, BANGLADESH / ACCESSWIRE / July 2, 2021 / Nagad, a mobile financial service arm of Bangladesh Post Office, has joined hands with MetLife Insurance for a premium payment channel (related links on MetLife).

From now on, the customers of Nagad can easily pay their premiums using the app without the hassle of visiting physical locations. The partnership is essentially valid since cashless transactions are beneficial during the ongoing pandemic.

LIVE ON BLOOMBERG

Watch Live TV >

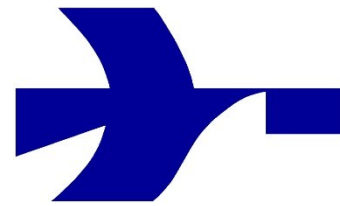
Listen to Live Radio >

Bloomberg Television

Date	Customers (in Crores)
March 19	0.05
April 19	0.10
May 19	0.15
June 19	0.20
July 19	0.25
August 19	0.30
September 19	0.35
October 19	0.40
November 19	0.50
December 19	0.60
January 20	0.70
February 20	0.80
March 20	0.90
April 20	1.00
May 20	1.10
June 20	1.20
July 20	1.30
August 20	1.40
September 20	1.50
October 20	1.60
November 20	1.70
December 20	1.80
January 21	1.90
February 21	2.00
March 21	2.10
April 21	2.20
May 21	2.30
June 21	2.40
July 21	2.50
August 21	2.60
September 21	2.70
October 21	2.80
November 21	2.90
December 21	3.00
January 22	3.10
February 22	3.20
March 22	3.30
April 22	3.40
May 22	3.50
June 22	6.48

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Contribution of 'Nagad' for Introducing Innovative Services and Technologies:



Digital KYC
KYC completion
and verification in
automated and
digital process

Send Money to Any
Number (SMTAP)
Sending money to
any mobile number
even without
having a 'cash'
account

Mobile to fintech
account
Introduction of digital
paper KYC through
dial *167#

Digital STR
System to report
suspicious
transactions
digitally

PRODUCT INNOVATION OF NAGAD

Introduced first digital KYC for opening accounts within a minute

First financial company to verify accounts through NID database

First in the world to launch opening accounts via mobile operators

First to let customers get money even without having a Nagad account

Offers **7.5%** net interest on deposit and refunds cash-out charge

Has the lowest cash-out charge for entrepreneurs – **Tk6 for Tk1,000**

Nagad brings revolutionary success for government

Monirul Islam, who works for a food delivery company in the capital, sends money to his home every week, a costly affair for him.

So, employees like Monirul who are doing a low-salaried job understand the importance of cost perfectly. That's why the main consideration to him is how much it costs to send money to his family living in a village in northern part of the country. As a result, Monirul's obvious choice is Nagad.

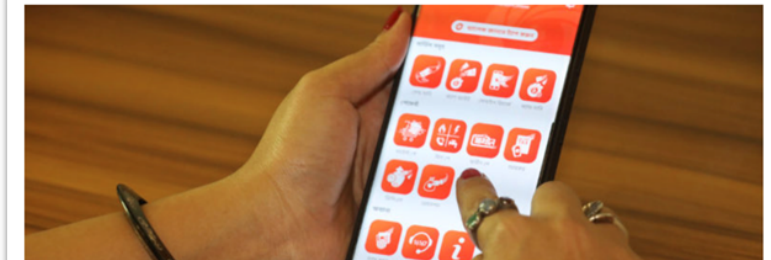


TOP NEWS

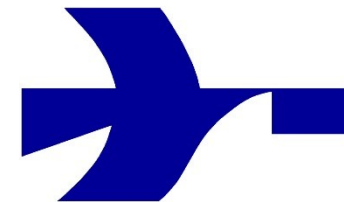
- Is Huji taking over Hefajat?
- Hours after dissolving central c announces convening committee
- Germany will send oxygen, med
- Narayanganj gas explosion: 1 of dies
- Bashkhali power plant clash: Go compensation for victims
- Malls reopen, roads see heavier

Bangladesh boasts world's fastest-growing MFS

3,706 1 minute read



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Contribution of 'Nagad' in the journey of building a prosperous Bangladesh:



Increase in revenue of Department of Posts

A total of 04 crores and 60 lakhs in three years



Reduction in cost of government in distribution of allowance
- Cost of distribution of allowance is BDT.07 per thousand instead of BDT.20

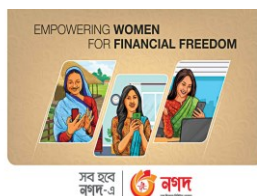


Savings in customer transactions
Various offers including lowest cash out charges, send money and bill payment free



Financial inclusion

Five and a half million customers in just two years



Empowerment of women

Transfer of education stipend money to the account of one crore forty lakh mothers

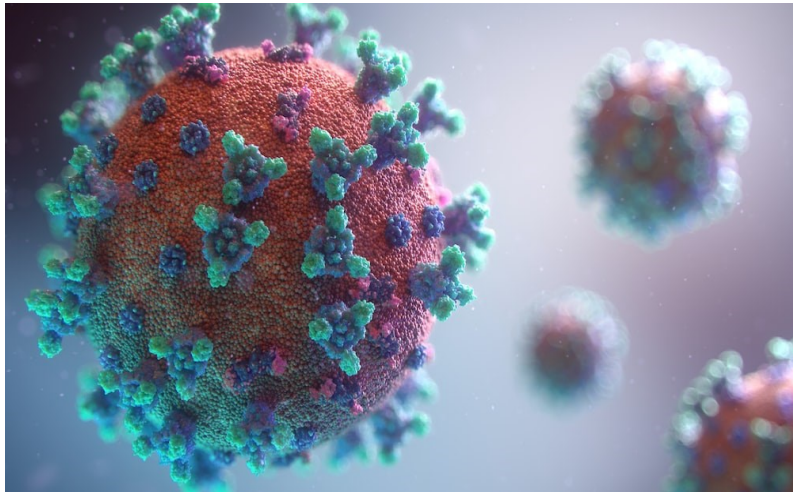
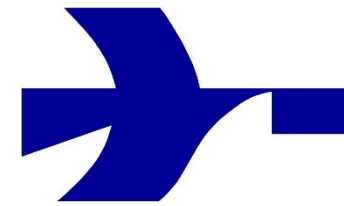


Playing a role in fighting Corona

Department of Health is the only payment partner for covid tests

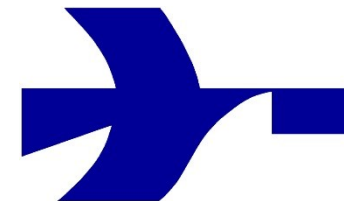
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Bangladesh Post in COVID-19 Pandemic



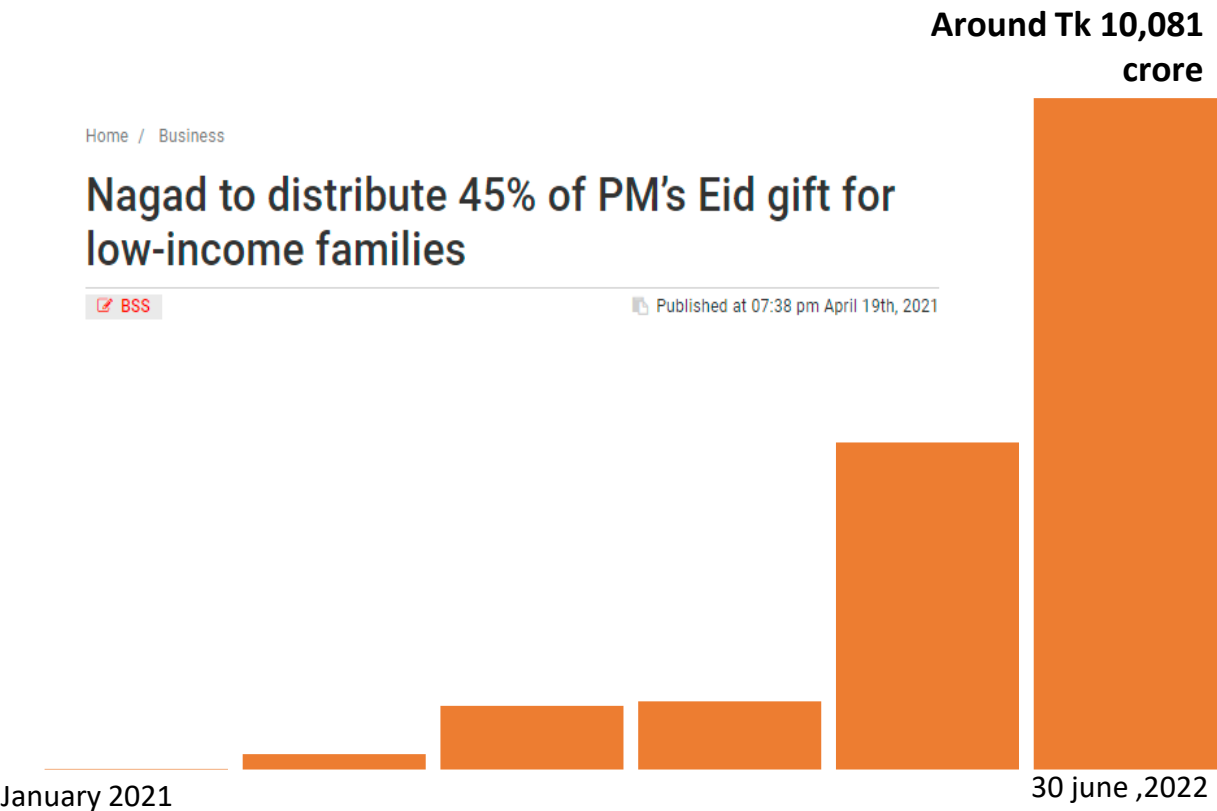
- As an emergency service, Bangladesh Post has never stopped Postal Service in COVID-19 pandemic.
- Bangladesh Post introduced the postal channel for carrying out multitude of duties including transporting farmer's perishable, delivering medicine and relief to remote areas as well as performing financial transactions through NAGAD.
- Bangladesh Post officials are always deployed and still being deployed to reach the essential goods for country people.
- Bangladesh Government is paying the stipend and allowances through postal financial services like Nagad and cash card in COVID-19 Pandemic.
- Bangladesh Post introduced Mobile to Fintech Services

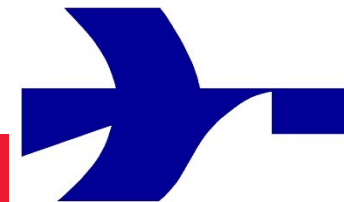
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Participation of 'Nagad' in disbursement of government allowances and scholarships

Amount of disbursement of Government Allowance





Impact on SDG

1 NO
POVERTY



Improving life and livelihood of people through creating *Uddoktas* (micro-merchant entrepreneurs), and facilitating transactions, which will be a source of added revenue for the merchants

5 GENDER
EQUALITY



Empowering women by creating Female *Uddoktas* (micro-merchant entrepreneurs) and providing support for growth towards sustainability

8 DECENT WORK AND
ECONOMIC GROWTH



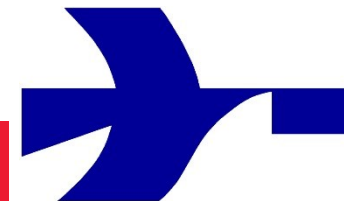
Digitizing transactions to progress towards cashless society, creating a positive impact in the economy

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Financially innovative products to resolve the pain points of end users. Reducing dependence on physical infrastructure through implementation of digital infrastructures

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Impact on SDG

10 REDUCED
INEQUALITIES



Working towards financial inclusion to serve the unbanked population, enabling the BOP population to generate higher income

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Undertaking proper measures to ensure compliance with AML/ CFT guidelines

15 LIFE
ON LAND



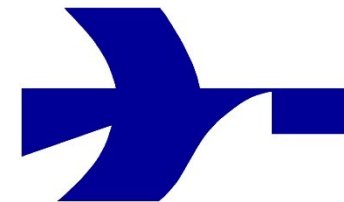
Reducing paper consumption, through digitizing processes, and implementing initiatives like digital KYC

17 PARTNERSHIPS
FOR THE GOALS



Consorting with Bangladesh Post Office, to create a meaningful partnership towards growth. Partnering with INGOs to create a sustainable social impact

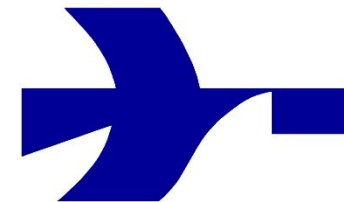
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Future Development Policy Regarding 27 Congress Doc. 15

- The postal sector is positioning itself as a facilitator of financial inclusion and domestic and international e-commerce.
- The old model, based on traditional mail services, is rapidly giving way to one in which e-commerce, money transfers and microfinance are of high priority for all actors in the postal sector.
- Continue to support developing countries in their social inclusion endeavors, through the provision of a universal range of postal and financial products and services.

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UPU CONGRESS 2016: DECISION

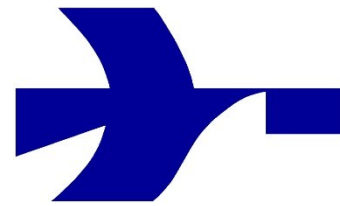
Resolution C 23/2016 asked Restricted Unions to “integrate the relevant elements of the Istanbul World Postal Strategy into their respective priorities and action programs.”

Following the directive in C 23/2016, the APPU has a Working Group structure that includes:

- Physical Services and E-Commerce
- Postal Financial Services
- Market Development and E-Services
- Supply Chain Integration
- UPU CA Matters
- Reform of the APPU

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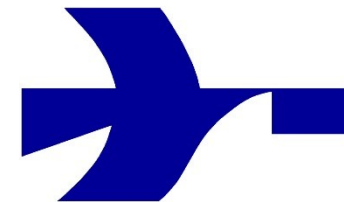
UPU Congress 2016: Financial Inclusion



Resolution C 8/2016: Development of postal payment services (and possibly other postal financial services), and financial inclusion

- to encourage member countries and designated operators to develop efficient, reliable, secure and affordable electronic postal payment services; –
- to continue developing the multilateral framework for postal payment services; –
- to strengthen and promote cooperation with partners from the public and private sectors with a view to developing the UPU worldwide electronic postal payment network and promoting its connection to other networks;
- to promote the provision of financial services directly by designated operators or in partnership with banks, microfinance institutions or mobile telephone operators, with a view to promoting the financial inclusion of populations,

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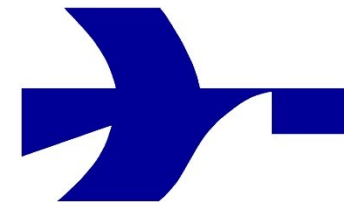


According to the Resolution C8/2016:

- Bangladesh Post developed Cash Card & Nagad also as a payment service for the mass people.
- Bangladesh Post is now implementing the uses of POS machine for money transfer & e-commerce by the side of domestic and international mail management.
- 25,000 POS machine already distributed among the around 9000 Post Offices for these purpose.
- Bangladesh Post introduced 'Nagad' as a Public Private Partnership which with a view to promoting the financial inclusion of populations.



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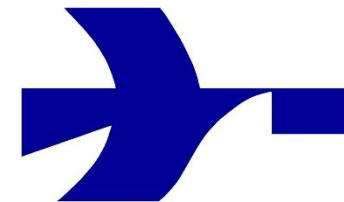


APPU Congress, 2017

Agenda Item 25: The Post Financial Working group would take up the following activities in this cycle.

- 1 Conducting a Study of E-financial solutions in the Market;
- 2 Setting up of Financial Services Platform;
- 3 Development of Mobile APPs;

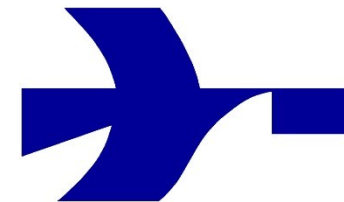
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According to the Agenda Item 15 of APPU Congress 2017:

- Bangladesh Post developed a Mobile App 'NAGAD' for financial inclusion.
- 'NAGAD' has gradually occupied an important place in the financial service platform of Bangladesh.
- If any member country is interested about NAGAD then Bangladesh is ready to share the views.

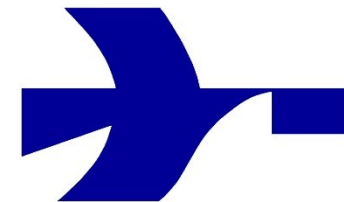
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Next Steps

- Establishment of paperless and cashless financial services.
- Identifying smart technology for financial inclusion in APPU member countries.
- Establishment of UPU oriented Payment Readiness for Ecommerce (PRE) as a common payment gateway for flourishing of e-commerce.
- Expansion of Postal savings bank for financial inclusion and mobilizing resource.
- Stepping up the digital financial services.
- Bangladesh Post has made various developments in the field of creative financial inclusion, thus if any member country wishes to exchange thoughts with Bangladesh, Bangladesh is willing to do so.

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THANK YOU

Chairperson,
Postal Financial Working Group

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