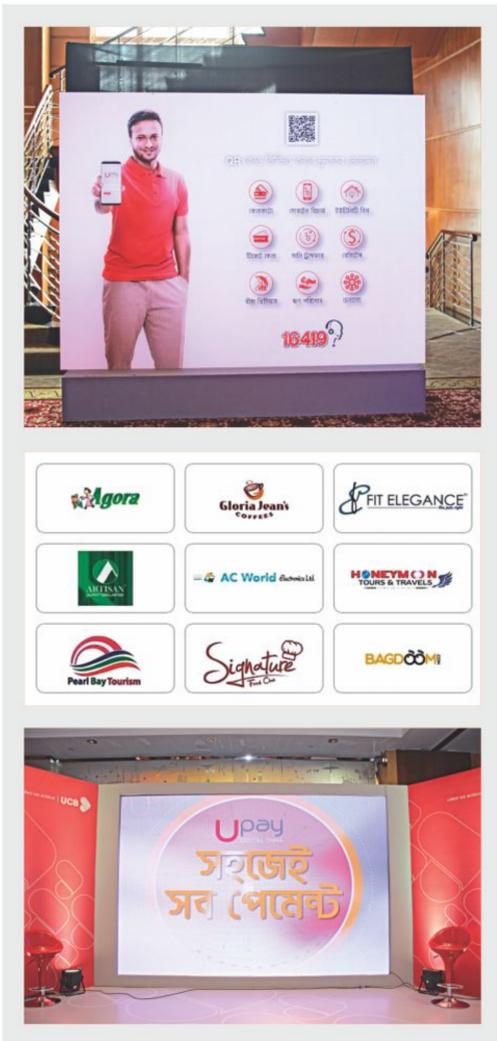




From left, Ahsan Afzal, additional managing director of United Commercial Bank; Md Abdullah Al Mamoon, chief operating officer, and AE Abdul Muhaimen, CEO, attend the launch of the bank's digital banking platform—Upay—at the Westin Dhaka hotel on Tuesday.

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UCB steering Bangladesh to a cashless economy

STAR BUSINESS REPORT

THE future is digital, it is often touted. And that is where United Commercial Bank is firmly heading with its revolutionary mobile application Upay, which was rolled out in Bangladesh on Tuesday.

If the bank has its own way, soon the need to carry cash to purchase goods and service will become a thing of the past, as one's smartphone will provide that convenience.

All one would need is to scan the unique QR code generated by the app at the point-of-sale terminal and the payment would be made.

"This is a never-seen-before technology in Bangladesh," AE Abdul Muhaimen, managing director and chief executive officer of UCB, told The Daily Star.

The payments industry is going through an unprecedented level of changes all over the world with the advent of financial technologies, which enthused UCB to invest on building the next-generation digital banking platform.

"Customers are seeking a

better experience from financial institutions. 'Better' means an excellent customer experience at every point-of-contact -- a highly personalised yet more simplified service; convenient and on-demand anytime-anywhere, with rapid and accurate responses."

Through Upay, UCB is focusing on enhancing existing payment systems of Bangladesh by removing structural inefficiencies that create unnecessary risks and costs to payment services, which is ultimately charged to customers, Muhaimen said.

One of the great hazards of carrying cash is that it leaves one always vulnerable to robbery, and Upay gets around the problem of security by way of state-of-the-art technology.

To activate the generation of the unique QR code one needs to key in a one-time password, which is only sent to the mobile number registered with the UCB bank account.

Under the hood, the app is powered by the blockchain technology that facilitates secure online transactions by leaving an indelible and transparent record.

"Upay is set to become a game-changer in the payments landscape of Bangladesh, both in terms of features and in terms of underlying technologies."

Muhaimen, who has more than 27 years of experience in the banking industry, is optimistic about the prospects of Upay, tipping the payment platform to be a bigger success than the mobile financial services and agent banking ones.

The importance of Upay may be seen in the context of an increasing use of various mobile devices and applications to pay for goods purchased online or at a bricks-and-mortar store as well as for transferring funds to anyone using the National Payment Switch Bangladesh system, he said.

Because of the novel nature of the technology, getting merchants on board would be the main challenge for the 34-year-old bank.

As of now, supermarket chain Agora, eating joints Gloria Jean's Coffees and Signature Food Club, e-commerce site Bagdoom.com, clothing stores Fit Elegance and Artisan, travel agents

Honeymoon Tours & Travels and Pearl Bay Tourism, and electrical appliance vendor AC World Electronics signed up for the progressive payment platform.

UCB would also like other banks to sign up for the payment system, as only then would a cashless economy will be within sights.

"This is our endeavour to promote the national vision and initiative of Digital Bangladesh," Muhaimen said.

Currently available to Android users, Upay also allows users the convenience of accessing their UCB accounts and perform all banking transactions.

The app will cater to all consumer, corporate and government payment needs like merchant shopping, bill payment, fund transfer, loan repayment, inward remittance, insurance premium, salary disbursement, e-commerce and so on.

Moreover, purchase of digital cheque for gifts and redemption of voucher and reward points can be made from Upay. Regular banking activities like balance enquiry and generation of mini statement can also be performed.

Bangladesh spends Tk 500cr on printing currency

Mobile apps, e-commerce channels can reduce the cost

STAR BUSINESS REPORT

BANGLADESH has to spend around Tk 500 crore to print new currency notes and coins a year, a figure that may puzzle many people including policymakers.

The expenses include costs of printing materials, paper, ink, colour and security thread.

The costs have been increasing fast and have doubled in the last five years to keep up with the demand amid the rising economic growth.

"We are encouraging electronic payments so that the dependence on cash goes down," a BB official said.

As part of the effort, the banking regulator is now offering licences to the electronic payment gateways.

The BB move has also encouraged commercial banks, as they

are introducing mobile apps to promote cashless transactions.

United Commercial Bank (UCB), a first generation private bank established in 1983, has launched a state-of-the-art mobile application that seeks to make banking more convenient for its customers.

UCB is the first bank to introduce mobile app in the country to integrate wallets, shopping, payments and banking.

"As a bank, we want to keep up with the trends of the digital age," said Abdullah Al Mamoon, senior executive vice president and chief operating officer of UCB.

"As part of the plan, UCB has launched the mobile app Upay to make banking easier and give our customers greater value."

People can buy goods and services and top up their mobile phones with these apps and e-commerce channels, he said.

These will also enable people to exchange money and make payments for purchases, utilities and other services, Mamoon said.

Bangladesh Bank believes more technology-driven banking services and e-commerce channels will help them reduce currency printing costs.

"If we can bring down the currency printing cost by 20 percent, it will save us Tk 100 crore," said the BB official.

At present, the central bank has to spend Tk 0.95 on a one-taka coin and Tk 1.2 on a two-taka coin. A five-taka coin costs nearly Tk 2.

Bangladesh's largest denomination of currency is Tk 1,000, which costs around Tk 8, while a Tk 500 note costs around Tk 7 and a Tk 100 note nearly Tk 5.

Tk 50 and Tk 20 notes cost Tk 3 each while the Tk 10 and Tk 5 notes cost Tk 2.2 and Tk 2 respectively.



People from the banking sector along with journalists are seen at the launch of Upay.

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