



# “BRAC Bank is keen to enhance customer experience with new products and services”

In conversation with Selim R. F. Hussain, MD and CEO, BRAC Bank

**TDS:** What is the current status of digitalization within your organization?

**Selim R.F. Hussain (SRFH):** BRAC Bank initiated its digital transformation in 2018 to enhance customer experience across all segments. The initial phase focused on upgrading core systems like banking, card management, and call centres, followed by process streamlining and automation. This phase significantly improved customer convenience, service speed, revenue, and control.

The second phase focuses on differentiating customer experiences and developing data-driven decision-making and prediction models.

We prioritize advanced digital solutions. Our super-app Astha offers over 120 services, including Astha Lifestyle, instant fixed deposits, and digital partnerships like bKash. CorpNet, our internet banking service for corporate clients, has gained substantial popularity. Our Astha App users get free internet while using it.

Central to the bank's ethos is its SME focus, for which it has developed a scalable loan origination system for faster processing. Digital loan services like Baki, Shafollo, Jibika for SMEs, and Saddho for Retail customers have been introduced. We are also working on numerous digital projects to further elevate our banking services.

**TDS:** What challenges do you see in implementing digital transformation within the financial sector?

**SRFH:** Cybersecurity is a major concern when implementing digital solutions, given the prevalence of cyber threats. Banks are investing

significantly in cybersecurity, and there is a trend towards collaborative Security Operations Centres (SoCs) to address these threats collectively.

Digital literacy is another significant aspect. While people are familiar with social media, they often lack interest and understanding in using financial apps securely, including the importance of password confidentiality.

With digital banking evolving, there is a growing demand for new skills to reimagine banking digitally.

This requires individuals capable of developing disruptive strategies and innovative products.

**TDS:** How does your organization guarantee security, encompassing cybersecurity, prevention of forgery, and the safety of data?

**SRFH:** We dedicate substantial capital and human resources to ensure the security of our digital services, aiming to provide customers with a worry-free digital experience. Before deploying any digital service, we engage third-party cybersecurity experts for thorough vetting, ensuring we launch with no security vulnerabilities.

We regularly update our cybersecurity team's skills to keep them abreast of evolving cyber threats and countermeasures. We have established Bangladesh's first Security Operation Centre (SOC) for continuous network monitoring, detecting potential threats in real-time.

**TDS:** How does digitalization contribute to addressing sustainability and the inclusion of unbanked individuals in the banking sector?

**SRFH:** Sir Fazle Hasan Abed

founded BRAC Bank to integrate the 'missing middle' into the financial system, embodying his vision of financial inclusion and values-based banking. Digital banking plays a crucial role in extending services beyond the traditional banking reach, simultaneously promoting sustainability.

We incorporate sustainability in everything from small initiatives to large projects. For instance, we have replaced physical statements with an SMS containing links for statement downloads, significantly reducing paper use. Our Astha App allows customers to manage accounts, transfer funds, pay bills, and access various services, reducing our carbon footprint.

Digital banking accelerates financial inclusion across Bangladesh. With tools like Astha and biometric-powered Agent Banking, remote areas can access banking services outside standard hours.

**TDS:** What future plans does your organization have to enhance digitalization?

**SRFH:** BRAC Bank is keen to enhance customer experience with new products and services. We aim to provide a consistent experience across digital and physical channels through an omni-channel approach. Customer Relationship Management (CRM) systems will deliver this seamless experience.

Adopting a "segment of 1" approach, similar to methodologies used by social media platforms, we plan to tailor our products and services to individual customer needs, moving away from the one-size-fits-all model.

We recognize the significant role of Artificial Intelligence (AI) in shaping the future of banking. AI's rapid advancement presents an opportunity to improve customer experiences and optimize our internal processes and systems.



# DIGITAL TRANSFORMATION bKash's Pivotal Role in Shaping Bangladesh's Financial Ecosystem

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In the ever-evolving landscape of mobile financial services, bKash stands as a trailblazer, reshaping the digital narrative in Bangladesh. bKash, from the very inception, has been contributing to the transformative journey that has redefined the fundamentals of digital finance in our nation.

Traditional services like P2P money transfer and Cash In, Cash Out, provided by MFS providers should not be named as the sole pillars of the next frontier, our digital metamorphosis goes beyond these basics, and at the heart of this evolution are services like all kinds of digital payment including Utility Bill Payment, Transfer money from/to Bank, Mobile Recharge, Digital Payroll, Inbound Remittances, Digital Loan, Savings, etc. have emerged as catalysts of the digital ecosystem.

At bKash, our commitment to providing seamless services is evident as we have connected over 1,000 billers, ensuring our customers enjoy uninterrupted utility bill payment services 24/7 all over the country. Notably, around 30% of Mobile Recharge now takes place digitally through bKash wallet, freeing users from the constraints of traditional mobile top-up methods.

The introduction of Add Money has been revolutionary, creating synergy between banks and fintech companies like bKash.

Beyond finance, our digital transformation has had a profound impact on sectors like tourism. There is a surge in tech-savvy individuals relying on bKash for purchasing tickets and booking accommodations completely from the app or online payment gateway. It is simplifying processes

at both ends of customers and businesses and fostering growth in the industry.

However, the true testament to our digital influence lies in the behavioral shift among customers. Parents, for instance, are leveraging bKash to pay their children's education fees online, saving significant time and contributing to enhanced productivity on a larger scale. This cultural shift is an indication to the impactful role bKash plays in shaping the digital financial fabric of Bangladesh.

What sets bKash apart is our commitment to being digital from the very beginning. As we celebrate 12 years of innovation, each service introduction marks significant milestones in the roadmap of Digital Bangladesh. The Digital Savings service and Digital Nano Loan that we introduced in collaboration with banks and financial institutions exemplify our dedication to fostering financial inclusion and ensuring a sustainable future.

bKash's Digital Savings service is enabling millions of customers to save money without any hassle of going to a financial institution and ensure a sustainable future. On the other hand, Digital Nano Loan is helping thousands of customers with financial flexibility and assisting small and medium entrepreneurs to steer through hard times in emergency. It is an inspiring fact that over BDT 500 crore worth of digital nano loans has been availed by around 200 thousand customers till now which is one step more towards boosting financial inclusion by bringing unbanked individuals into the formal financial channel.

However, introducing digital transformation in Bangladesh was

challenging due to inadequate digital literacy, scarcity of the digital infrastructure and seamless connectivity as well as some cultural factors and the daunting task of ensuring security end-to-end. bKash addressed these challenges through taking educational initiatives and nationwide training programs to enhance digital literacy and promoting the benefits of digital transactions.

Our continuous engagement with regulators to align them with emerging technology and constant development in the digital financial arena as well as working closely with the regulatory bodies have ensured not only highest level of compliance in this field but also fostered an environment conducive to digital innovation. Along with all these, we always take robust security measures to ensure customers' data security and instill confidence in them regarding the safety of digital transactions.

Over the years, bKash has seamlessly become a part of lifestyle for millions, offering widespread merchant payment options, bank-to-bKash fund transfers, and a spectrum of digital financial services. We are excited about the future, where bKash will continue innovating and collaborating with banks, NBFIs, businesses, government organizations, E-commerce companies, startups and MFIs to create a comprehensive ecosystem that further augments digitization. If you are using bKash, rest assured - you are not just embracing digital, you are an integral part of Bangladesh's digital future.

*Ali Ahmmed is the Chief Commercial Officer of bKash Limited.*

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