



SHOREBANK INTERNATIONAL

IMMEDIATE RELEASE

ShoreBank International Announces New Mobile Money Initiative

To build a highly scalable mobile money platform, allowing low income people in Bangladesh to store, transfer, and receive money safely thereby extending the reach of the financial system to unbanked individuals, households and entrepreneurs.

November 16, 2010—(Chicago, IL, USA)-ShoreBank International Ltd. (SBI) announced today that it has received a \$10 million grant from the Bill & Melinda Gates Foundation to support a newly-established local enterprise build a highly scalable electronic payment platform in Bangladesh.

In a joint venture between BRAC Bank, Ltd. and Money in Motion, a new mobile money company called bKash will provide an electronic payment platform to increase access to a broader range of financial services for low income people of Bangladesh and promote sustainable micro-savings to achieve broader financial inclusion. By providing financial services that are convenient, affordable, and reliable, bKash aims to achieve greater financial inclusion, providing access for the unbanked to products and services that are safe and efficient. The international consulting firm SBI is partnering with bKash to provide services at a large scale that will allow low income people in Bangladesh to store, transfer, and receive money safely via an extensive network of community-based agents and existing technology, including mobile phones.

The innovative offering is designed to address one of the biggest barriers facing the region's poor – limited access to financial services.

“Financial transactions are a daily part of life for Bangladeshis, whether they are sending, receiving, or saving money,” said Laurie J. Spengler, President of ShoreBank International Ltd. “However, only thirteen percent of Bangladeshis have bank accounts or are connected to the formal financial system. Everyone else must find ways to conduct commercial transactions outside the banking system,” added Spengler.

Without debit or credit cards and with few ATMs outside cities, the vast majority of these unbanked millions nevertheless own or share a mobile phone and have access to small shops across the county that offer the potential for cash-in/cash-out convenience. The mobile phone, which is now part of our basic global technology landscape can be combined with existing infrastructure of small shops and microfinance networks, linked to regulated commercial banks such as BRAC Bank Ltd, to create a safe and accessible platform for electronic payment transactions ranging from receiving, sending and saving money to making payments that are safer and more efficient than traditional ways of transporting cash. In the future, this platform is

expected to link millions of unbanked to a financial system where they can access all kinds of services such as savings, credit and remittance services through formal and regulated financial institutions.

bKash will offer a full-scale electronic payments platform by providing cheaper, faster, and safer transactions to low income people in Bangladesh.

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“Savings doesn’t just help people mitigate the risks posed by a medical emergency or a bad crop,” said Gates at the foundation-hosted event. “It also gives them the ability to marshal their resources to build something better for themselves and their children. It allows them to fund their own businesses, to look ahead with confidence. Savings helps families to take the giant leap from reacting to events to planning for a healthier, happier future.”

By working with bKash, SBI will strengthen the company’s capacity with regard to strategic and operational planning, customer uptake/marketing, building the agent network, technology, and cash management, all under the umbrella of promoting financial inclusion in Bangladesh.

This venture is being supported by BRAC Bank, Ltd. (BBL) which has the potential to bring a large percentage of the population that is not currently banked into the formal banking system. BBL, one of the leading private commercial banks in the country, was recently awarded the Financial Times 2010 Sustainable Bank Award for Asian Emerging Markets and has a fundamental mission focus on expanding access to finance in Bangladesh.

“bKash presents a compelling business plan which capitalizes on a ripe economy to dramatically expand access to formal financial services, both as an extension of BBL and, potentially, as a full-scale mobile phone-based payments switch. This will highly benefit the country as 83% of the population lives under \$2 a day and access for finance can help in improving the economic situation,” said Rume Ali, Chairman of BRAC Bank and Chairman of bKash.

“The Gates Foundation funded initiative will focus on supporting bKash in strategy and business plan development, developing and expanding its agent network across Bangladesh, facilitating fast customer uptake, establishing efficient cash management systems, and integrating systems and applications,” said Spengler.

This grant was announced November 16th by Melinda French Gates at the Global Savings Forum in Seattle, Washington, as a part of the foundation’s \$500 million pledge to expand access to savings accounts and help the world’s poor build financial security. The pledge included a package of six grants, totaling \$40 million, from the foundation’s Financial Services for the Poor initiative, to support projects and partnerships that will bring quality, affordable savings accounts and other financial services to the doorsteps of the poor in the developing world.

About ShoreBank International:

ShoreBank International Ltd. (SBI) is an international consulting firm that advises all types of financial institutions in emerging economies to achieve greater inclusive finance. SBI is dedicated to expanding access to capital, information and services for small & growing businesses, entrepreneurs and households, to create an inclusive global financial system.

The company grew out of a 1983 invitation from the Ford Foundation to work with Muhammad Yunus as he was transforming his microfinance organization in Bangladesh into the Grameen Bank.

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Since 1988 SBI has worked in more than 76 countries, helping more than 200 commercial banks, microfinance entities and other institutions reach individuals and entrepreneurs who are otherwise too poor or too small to obtain access to quality financial services. SBI has overseen the disbursement of more than \$709 million in over 85,487 micro, small business and real estate loans to households and entrepreneurs with an average charge-off rate of less than 1.0%. More recently, the company is working with financial institutions to design and implement more expansive offerings of products and services for low to moderate income people, including savings products and technology-enabled platforms for greater reach.

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