

## Sustainable Banking

6.1 Sustainable banking is a banking approach that creates long-term resilient and sustainable economic, social and environmental value by having a 'green', 'responsible' and 'inclusive' strategy and taking into consideration the every dimension of how a business operates in the environmental, social and economic environment. It also formulates strategies to build a company that fosters longevity, resilience and sustainability of economy, society, environment and itself through transparency and efficient utilisation of resources. The main objective of sustainable banking is economic benefit and social benefit which turn into financial stability as well as social stability. Bangladesh Bank (BB) has been integrating 'sustainability' into core banking practices through green banking, corporate social responsibility, financial inclusion and financial education. These society and environment oriented banking practices gradually create the concept of sustainable banking. Thus BB has been pursuing policy and instructions in all possible areas of sustainable banking for banks and Non-Bank Financial Institutions (NBFIs) to sustainable banking activities. Sustainable banking mainly focuses on three broad categories named green banking, corporate social responsibility and financial inclusion.

### A. Green Banking

6.2 Bangladesh Bank has set examples for others by pioneering green banking initiatives

while BB has been proactively guiding the banks and NBFIs for diverse sustainable banking initiatives since 2011. In such aspect, green banking initiatives of BB broadly categorised into the following aspects: policy initiatives, monitoring of green banking activities of banks and NBFIs, refinance support from BB in diverse green products/sectors, and BB's own initiatives for environmental management.

### A.1. Policy Initiatives

6.3 In January 2011, guidelines on Environmental Risk Management (ERM) was issued to all banks and NBFIs which was first policy instruction of BB regarding green banking. Policy guidelines for green banking was issued to the scheduled banks in February 2011. Policy guidelines for green banking was issued to NBFIs in August 2013 and to the new banks (scheduled in 2013) in September 2013. BB aligned the phase out plan to implementing policy guidelines for all banks in December 2013. It issued a circular in September 2014 to expedite the ongoing initiatives of banks and NBFIs at faster pace for sustaining the environment compatible to climate change risk, minimum target of direct green finance as certain percentage of total funded loan to be disbursed/ invested in each year effective from January 2015 onwards. For banks scheduled before 2013, target will be 5 percent of the total disbursement/

investment of funded loan in 2015. For new banks scheduled in 2013 and NBFIs, target will be 3 percent and 4 percent respectively of the total disbursement/ investment of funded loan in 2015. This target will be 5 percent of the total loan disbursement /investment from January 2016 onwards for all banks and NBFIs.

### A.2. Green Finance

6.4 A total amount of Taka 465.9 billion was disbursed during FY15 by 46 banks involved in green finance. The relative contributions of different institutions were as follows; PCBs (78.6 percent) followed by FCBs (15.4 percent), NBFIs (5.1 percent), SCBs (0.9 percent) and DFIs (0.1 percent). Product-wise and direct & indirect green finance by banks are given in Table 6.1 and Table 6.2 respectively.

### A.3. Environmental Risk Management (ERM)

6.5 Environmental risk management taken into account in disbursing credit. An environmental risk rating is estimated and a threshold level is applied in taking a decision to disburse loan following the guidelines on ERM for banks and NBFIs. ERR is applicable for the projects as well as the credit facility that fall above the threshold limit. All banks conducted environmental risk rating in FY15. The number of projects applicable for Environmental Due Diligence (EDD) during the year was 55881. Total amount of Taka 1500.1 billion disbursed in 39613 rated projects out of 47926 rated projects in FY15 (Table 6.3).

### A.4. Climate Risk Fund and Green Marketing

6.6 In FY15 total amount utilised from climate risk fund by 22 banks and for green

**Table 6.1 Green finance in different products: FY15**  
(million Taka)

Category of green finance	SCBs	DFIs	PCBs	FCBs	NBFIs	Total
Renewable energy	107.4	5.8	2284.2	554.5	6249.3	9201.3
Energy efficiency	92.0	0.0	1400.7	0.0	81.7	1574.4
Solid waste management	14.9	0.0	2112.7	0.0	0.0	2127.6
Liquid waste management	22.0	0.0	1755.5	52.5	202.0	2032.0
Alternative energy	17.3	0.0	0.0	0.0	0.0	17.3
Fire burnt brick	1797.3	34.0	5292.3	0.0	59.0	7182.5
Non fire block brick	0.0	0.0	20.5	0.0	0.0	20.5
Recycling & recyclable product	0.0	8.9	2376.8	26.8	124.3	2536.8
Green industry	420.0	0.0	831.1	2638.3	80.0	3969.5
Safety and security of factory	0.0	0.0	236.4	1.5	24.7	262.6
Others	596.3	37.4	3788.4	0.0	43.2	4465.2
<b>Total</b>	<b>3067.2</b>	<b>86.1</b>	<b>20098.6</b>	<b>32733.6</b>	<b>6864.2</b>	<b>33389.7</b>

Source: Sustainable Finance Department, BB.

**Table 6.2 Direct and indirect green finance: FY15**  
(million Taka)

Type of banks/NBFIs	Direct green finance	Indirect green finance	Total green finance	Sector wise contribution
SCBs	3067.2	910.6	3977.7	0.9
DFIs	86.1	263.0	349.0	0.1
PCBs	20098.6	346134.7	366233.2	78.6
FCBs	3273.6	68240.7	71514.3	15.4
NBFIs	8320.7	15493.0	23813.6	5.1
<b>Total</b>	<b>34846.0</b>	<b>431041.9</b>	<b>465887.9</b>	<b>100.0</b>

Source: Sustainable Finance Department, BB.

**Table 6.3 Environmental risk rating of banks and NBFIs: FY15**

Type of banks/NBFIs	No. of projects applicable for EDD	No. of projects rated	No. of rated projects financed	Amount disbursed in rated projects (million Taka)
SCBs	2224	1804	1718	28896.8
DFIs	225	225	225	3824.3
PCBs	47316	40575	33897	1281527.1
FCBs	3765	2855	1375	109230.5
NBFIs	2351	2467	2398	76578.3
<b>Total</b>	<b>55881</b>	<b>47926</b>	<b>39613</b>	<b>1500057.0</b>

Source: Sustainable Finance Department, BB.

marketing by 29 banks were Taka 564.3 million and Taka 168.7 million respectively. For the NBFIs, total amount disbursed from climate risk fund was Taka 4.3 million and total expenditure for green marketing was Taka 4.9 million in FY15.

#### A.5. Online Banking and Energy Efficiency

6.7 55 banks out of 56 banks had online branches at the end of FY15 whereas the number was 54 at the end of FY14. Online branches were 51.9 percent of total branches at the end of FY14 which stood at 68.1 percent at end of FY15. Green banking policy encourages the banks to establish branches powered by solar energy. Following the principle of green banking, the number of branches powered by solar energy was 315 at the end of FY14 which stood at 416 at the end of FY15.

#### A.6. BB's in House Environmental Management

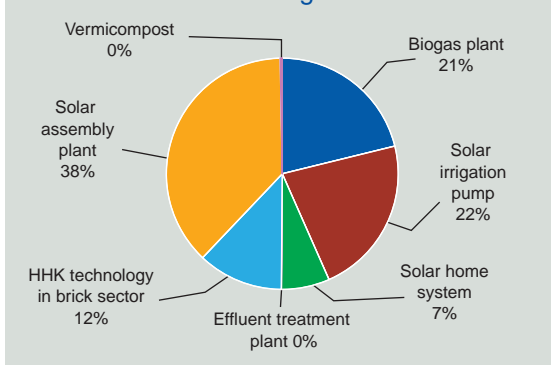
6.8 BB installed solar power system on its rooftop for energy efficiency and chiller based central air conditioning system for reducing CFC emission. BB initiated the process to measure the carbon footprint of its own. E-recruitment, documentation management system, leave management system, online salary and account statement, personal file update system, online office orders, electronic pass for visitors and many have been introduced through BB intranet. All the departments of BB's head office and its nine branch offices have already been brought under a computer network (LAN/WAN), connecting more than 3500 PCs. BB has introduced open data initiative for all through its interactive website which is updated at all time. Most of the regulatory reporting from banks and NBFIs are collected through web

**Table 6.4 Disbursement trend of BB refinance scheme for green products**

(million Taka)					
Green product category	FY11	FY12	FY13	FY14	FY15
Bio gas	50.2	133.2	113.6	212.8	83.3
Solar home system	59.4	10.5	40.2	32.2	87.5
Solar irrigation pump	12.4	8.4	0.0	17.9	26.5
Effluent treatment plant	10.8	22.2	57.4	10.0	0.0
HHK technology in brick kiln	0.0	55.0	172.2	59.0	47.0
Solar assembly plant	0.0	248.8	122.7	49.6	148.1
Vermicompost	0.0	0.0	0.0	0.0	1.1
<b>Total</b>	<b>132.8</b>	<b>478.1</b>	<b>506.1</b>	<b>381.5</b>	<b>393.5</b>

Source: Sustainable Finance Department, BB.

**Chart 6.1 Shares of green products in refinancing: FY15**



upload and Enterprise Data Warehouse (EDW) system. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Online Credit Information Bureau and Enterprise Resources Planning (ERP) have been started in operation. Bangladesh Bank has also started e-procurement.

#### A.7. BB's Refinance Schemes for Green Products/Sectors

6.9 To promote renewable energy and environment friendly financial activity of Bangladesh, BB formulated a Revolving Refinance Scheme from its own source amounting Taka 2.0 billion in 2009. Refinance facilities are extended to the Participating Financial Institutions (PFIs) in this purpose. To

avail refinance facility till 30 June 2015, 37 banks and 15 NBFIs signed participation agreement with BB. Initially only five products were eligible for refinance. BB increased the green product lines under the scheme to 47 in FY15. BB segregated these products into 11 categories which are: renewable energy, energy efficiency, solid waste management, liquid waste management, alternative energy, fire burnt brick, non fire block brick, recycling & recyclable product, green industry, ensuring safety and work environment of factories and miscellaneous. The cumulative refinanced amounts of the scheme up to June 2015 stood at Taka 1909.2 million. Total disbursement of refinance scheme for green products through BB increased by 3.1 percent to Taka 393.5 million in FY15 which was Taka 381.5 million in FY14. Product-wise total disbursement for green products under refinance scheme increased in FY15 except effluent treatment plant. The disbursement trend of this fund is given in Table 6.4 and Chart 6.1. In September 2014, BB introduced a refinance scheme funded by liquidity of Shariah based banks and NBFIs in excess of their requirement which will be explicitly utilised for direct green finance of the said banks and NBFIs. These banks and NBFIs can utilise this fund for financing in the 47 products identified under BB refinance scheme.

#### A.8. ADB Supported 'Financing Brick Kiln Efficiency Improvement Project'

6.10 To improve the efficiency of the brick kiln through efficient use of technology and energy including reducing Green House Gas (GHG) and Suspended Particulate Matter (SPM) on lending facilities namely "Financing Brick Kiln Efficiency Improvement Project",

**Table 6.5 Expenditure details of the BB disaster management & corporate social responsibility fund**

(million Taka)	
Sectors	Amount
Education	22.2
Health	6.0
Environment	3.2
Human resources development/ capacity building	7.5
Financial inclusion/ women empowerment	9.4
Others	3.0
<b>Total</b>	<b>51.3</b>

Source: Sustainable Finance Department, BB.

was established in BB financed by Asian Development Bank (ADB) in 2012. In this disbursement process, total amount of loan from ADB was about USD 50.0 million or equivalent Taka. It has two parts: Part-A: USD 30.0 million (approximately)/equivalent Taka will be provided for conversion of Fixed Chimney Kiln (FCK) to Improved Zigzag Kiln and Part-B: about USD 20.0 million/ equivalent Taka for establishment of new Vertical Shaft Brick Kiln (VSBK), Hybrid Hoffman Kiln (HHK) and Tunnel Kiln. On lending facilities are extended to the PFIs in this purpose. Till 30 June 2015, 35 banks and 18 NBFIs signed participation agreement with BB. Up to December 2014, USD 4.6 million was disbursed under this project. During April-June 2015 period, total USD 2.74 million was disbursed under this project. In FY15, the cumulative disbursement was USD 7.4 million.

#### B. Corporate Social Responsibility

6.11 A new indicative guideline for allocation and end use monitoring of CSR engagements of the financial sector was issued by BB on 22 December 2014. The guideline clearly states the administrative setup, budgetary allocation, expected range/coverage of CSR activities

and end use monitoring process of CSR expenditures and activities.

### B.1. BB's Own CSR Activities

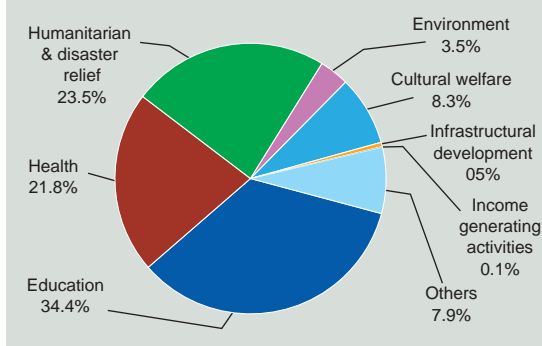
6.12 BB sanctioned Taka 51.3 million (contribution from BB profit + bank interest) in FY15 from the 'Bangladesh Bank Disaster Management & Corporate Social Responsibility Fund' which was Taka 50.2 million in F14 for different projects addressing health, education, environment and human resources development/ capacity building, financial inclusion and women empowerment, etc. Total disbursed amount from this fund is reported as Table 6.5.

### B.2. CSR Activities of Banks and NBFIs

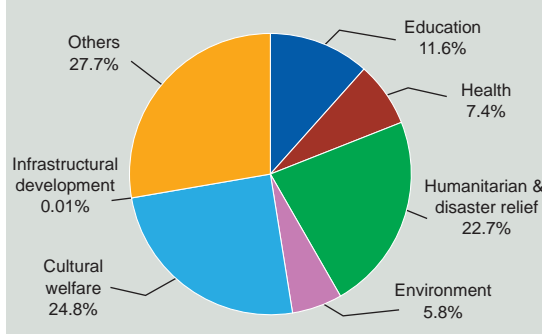
6.13 CSR activities of banks' and NBFIs' are concentrated on i) financial inclusion of less privileged population segments and underserved economic sectors, ii) promotion of health, education and cultural/recreational activities for advancement and well-being of underprivileged population segments, iii) promotion of environment friendly projects, iv) adoption of energy efficient, carbon footprint reducing internal processes and practices in own offices and establishments are in progress. Total amount of CSR expenditure by Banks and NBFIs in FY15 was Taka 5400.7 million. The sector-wise expenditure scenario of banks and NBFs in FY15 are stated in Table 6.6.

6.14 Banks continued to maintain major share in education, health and humanitarian & disaster relief. Education, health, humanitarian & disaster relief contributed to 34.5, 21.8 and 23.5 percent respectively of the total CSR activities. Expenditure on cultural welfare which includes sports and art & culture was 8.3 percent and on environment 3.5 percent.

**Chart 6.2 Sector-wise CSR expenditure of banks: FY15**



**Chart 6.3 Sector-wise CSR expenditure of NBFIs: FY15**



**Table 6.6 CSR expenditure of banks and NBFIs**

Sectors	Banks		NBFIs	
	FY15	Sectoral share	FY15	Sectoral share
Education	1845.2	34.4	5.1	11.6
Health	1165.3	21.8	3.3	7.4
Humanitarian & disaster relief	1257.2	23.5	10.0	22.7
Environment	189.6	3.5	2.6	5.8
Cultural welfare	445.0	8.3	11.0	24.8
Infrastructural development	27.0	0.5	0.01	0.01
Income generating activities	4.0	0.1	0.0	0.0
Others	423.2	7.9	12.2	27.7
<b>Total</b>	<b>5356.5</b>	<b>100</b>	<b>44.2</b>	<b>100</b>

Source: Sustainable Finance Department, BB.

As infrastructural development in underprivileged area and income generating activities for poor are relatively new concept, banks expenditure in those areas was not significant. Notable specific share of

expenditure in CSR programmes of banks in FY15 are shown in Chart 6.2.

6.15 NBFIs reported direct CSR expenditure of Taka 44.2 million in FY15. NBFIs also concentrated more in the cultural welfare 24.8 percent, humanitarian & disaster relief 22.7 percent and other sector 27.7 percent. Education, health and environment got less priority as they spent on these sector 11.6, 7.4 and 5.8 percent in FY15. NBFIs also concentrated less on infrastructural development in underprivileged area and income generating activities for poor. Sectoral shares of CSR expenditure by NBFIs in FY15 are stated in Chart 6.3.

### C. Financial Inclusion

6.16 BB has taken various significant initiatives to provide access to financial services to financially excluded people. In particular, it has extended formal banking services to less privileged people in urban and rural areas. BB has identified the target group of people (farmers, hardcore poor, beneficiary under the social security programme, freedom fighters, small life insurance policy holder, city corporation cleaning workers, food & livelihood security programme, national service programme, physically challenged persons, distressed rehabilitation, RMG workers, street working children and school students) and advised banks for opening No-Frill Accounts (NFAs).

#### C. 1. NFAs for Farmers and other than Farmers

6.17 BB instructed the SCBs and DFIs to open NFAs for farmers in January 2010. Up to FY15 BB has gradually issued instructions to these banks for opening nine categories of

**Table 6.7 Total No. of NFAs for farmers and other than farmers as of June 2015**

	SCBs	DFIs	PCBs	FCBs	Total
Farmers	4130114	3973815	486947	0	8590876
Beneficiaries under social					
safety net programme	2725389	802400	20	0	3527809
Freedom fighters	156661	2709	377	0	159747
Small life insurance policy					
holder (Taka 100 A/C)	30153	6085	1570	0	37808
National service programme	3436	11431	914	0	15781
Hardcore poor	1159726	735194	10703	0	1905623
City corporation cleaning					
workers	9703	0	9	0	9712
Distressed rehabilitation	28608	1	0	0	28609
Food & livelihood security	16036	344	23	0	16403
Physically challenged persons	61006	22861	30	0	83897
RMG workers	30267	563	168767	210	199807
LSBPC-Shoe & Leather Worker	41	32	3767	0	3840
Others	709064	26136	1746	0	736946
<b>Total</b>	<b>9060204</b>	<b>5581571</b>	<b>674873</b>	<b>210</b>	<b>15316858</b>

Source: Financial Inclusion Department, BB.

**Table 6.8 Total outstanding balance of NFAs for farmers and other than farmers as of June 2015**  
(million Taka)

	SCBs	DFIs	PCBs	FCBs	Total
Farmers	308.3	423.7	987.0	0.0	1719.0
Beneficiaries under social					
safety net programme	973.3	1119.7	12.0	0.0	2105.0
Freedom fighters	296.6	1.8	1.7	0.0	300.1
Small life insurance policy					
holder (Taka 100 A/C)	45.1	26.9	6.9	0.0	78.9
National service programme	50.7	11.6	1.1	0.0	63.4
Hardcore poor	283.5	584.1	1026.3	0.0	1893.9
City corporation cleaning					
workers	2.0	0.0	0.2	0.0	2.2
Distressed rehabilitation	1.9	0.0	0.0	0.0	1.9
Food & livelihood security	7.7	0.1	0.0	0.0	7.8
Physically challenged persons	29.3	22.7	0.1	0.0	52.1
RMG workers	486.4	3.6	727.1	0.2	1217.3
LSBPC-Shoe & Leather Worker	0.0	0.0	14.2	0.0	14.2
Others	504.7	9.6	2.9	0.0	517.2
<b>Total</b>	<b>2989.5</b>	<b>2203.8</b>	<b>2779.5</b>	<b>0.2</b>	<b>7973.0</b>

Source: Financial Inclusion Department, BB.

NFAs other than farmer's account. BB has also provided instruction to all banks to open NFAs for readymade garment workers and workers of small footwear & leather product industries. In FY15 all banks were instructed to open NFAs for physically challenged persons.

6.18 As of end of June 2015, sector-wise distribution of NFAs showed that SCBs, DFIs, PCBs and FCBs had opened 8590876 farmer's account, followed by beneficiaries under social safety net programme (3527809 accounts), freedom fighters (159747 accounts), small life insurance policy holder Taka 100 account (37808 accounts), national service programme (15781 accounts), hardcore poor (1905623 accounts), city corporation cleaning workers (9712 accounts), distressed rehabilitation (28609 accounts), food & livelihood security (16403 accounts), physically challenged persons (83897 accounts), RMG workers (199807 accounts), and others Taka 10 account (736946 accounts). The total number of all categories of accounts stood at 15316858. Total outstanding balance of NFAs of all type of banks for farmers against this accounts stood at Taka 1719 million, whereas the total balance of all categories of account reached at Taka 7973.0 million. Total number of NFAs and outstanding balance for farmers and non-farmers as of end of June 2015 are reported in Table 6.7 and 6.8.

### C.2. School Banking

6.19 In order to broaden and deepen the financial inclusion through including the students under the age of 18, BB advised the scheduled banks to introduce school banking activities in 2010. Since then, banks have started to provide banking services to students through savings account and deposit scheme. The main objective of school banking is to promote savings behaviour among school goers and to orientate them with banking literacy and modern banking technology. To enhance the school banking activities of the banks, BB issued a

**Table 6.9 School banking account and outstanding as of end June 2015**

Type of banks	Number of accounts	Outstanding (million Taka)
SCBs	206856	337.4
DFIs	139780	207.3
PCBs	556233	6320.9
FCBs	1224	14.3
<b>Total</b>	<b>904652</b>	<b>6879.9</b>

Source: Financial Inclusion Department, BB.

comprehensive guideline in October 2013. Under this guideline, any school student of 6-18 years age can open school banking account through parents or legal guardian by depositing a minimum of Taka 100. Total outstanding balance of school banking stood at Taka 6879.9 million against 904652 accounts at the end of June 2015. The update status as of June 2015 of school banking is reported in Table 6.9.

### C.3. Banking for Working/Street Children

6.20 After introducing various types of banking services for farmers and some other underprivileged people, BB advised all scheduled banks to bring street children under institutional financial support on 9 March 2014 through opening custodial account with NGOs by Taka 10 as minimum opening balance and no service charge/fee for working/street children. These initiatives would help street children to develop their savings habits and eventually help them step towards better future. Concerned NGOs will be fully responsible for the operation of the children accounts and the well-being of the account holders. Till June 2015, 12 banks signed bi-lateral agreement with different registered NGOs for offering the services. The progress statement of working/street children programme of banks as of June 2015 is reported in Table 6.10.

### C.4. Agent Banking

6.21 Bangladesh Bank issued agent banking guidelines in December 2013 for the banks with a view to safety, security and soundness of the proposed alternative delivery channel for banking services for non-privileged, underserved population and the poor segment of the society, especially from geographically remote location. Agent banking has opened doorway to provide banking services through an outlet by banks where branch establishment is extremely difficult or not feasible. To facilitate the agent banking activities, a guidance note for approval and operation of agent banking activities of banks was issued in June 2014. Till June 2015, nine banks got approval from BB for agent banking services and four banks started operation. Till June 2015, number of agents stood at 107 and number of outlets was 118.

### C.5. BB Refinance Scheme for Taka 10 Account Holders

6.22 With a view to bring the financially deprived grass root population under formal financial services and to gear up the banking activities of Taka 10 accounts, BB constructed a Revolving Refinance Fund in May 2014. The size of fund is Taka 2.0 billion. Highest limit of refinance facility is Taka 50000 under this scheme and participating banks will be provided interest subsidy under certain conditions. To avail refinance facility, till 30 June 2015, 31 banks signed participation agreement with Bangladesh Bank and disbursed amounts stood at Taka 65.5 million in FY15.

### C.6. NRB Database

6.23 Foreign remittance sent by NRBs has significant contribution to the economic

**Table 6.10 Working/street children account and outstanding as of end June 2015**

Name of Banks	Name of listed NGO	Number of accounts	Total (million Taka)
Rupali Bank Ltd	Manab Sheba & Samajik Unnayan Sangostha, SUF	900	0.61
Agrani Bank Ltd. Bangladesh	Uddipon	300	0.03
Krishi Bank	Uddipon	135	0.16
Pubali Bank Ltd	Oporajayo Bangla, BRAC, Nari Maytri	511	0.72
City Bank Ltd	Prodipon	131	0.10
One Bank Ltd	Shajeda Foundation	224	0.11
Marcantile Bank Ltd	Oporajayo Bangladesh	113	0.06
Bank Asia Ltd	Prodipon	123	0.16
Mutual Trust Bank Ltd	Assistance for Slum Dwellers (ASD)	34	0.00
National Bank Ltd	Community Participation and Development (CPD)	19	0.01
Al-Arafah Islami Bank Ltd	Assistance for Slum Dwellers (ASD)	38	0.00
Trust Bank Ltd.	Manab Sheba & Samajik Unnayan Sangostha	253	0.04
<b>Total</b>		<b>2781</b>	<b>2.00</b>

Source: Financial Inclusion Department, BB.

development of Bangladesh. Gross remittance earning increased by 7.7 percent to USD 15316.9 million in FY15 compared to USD 14228.3 million in FY14. In order to document the remittance senders, BB has taken an initiative to collect the information of NRBs and maintain that in a dynamic, interactive and online database. Any NRB can open an account in this database through BB website and upload his/her information. This database will play as a communication platform for BB and NRBs as well. For Bangladesh Bank, this database helps to promote and uphold investment information arranged for NRBs by government and to create awareness on proper remittance channel & method and important financial or economic moves of government in which NRBs can participate.



**Box 6.1****Financial Literacy and Bangladesh Bank's Initiatives**

Financial literacy can benefit anyone, regardless of age, income or background; create demand for financial products and services by accelerating financial inclusion; ensure consumer protection by applying transparency. Everyone associated with the financial system needs to be financially literate. This includes all users of financial services i.e. children, financially excluded resource-poor, the lower and middle income groups or the high net worth individuals and also the providers of services. But to start with, BB will remain focused on children up to the age of 18 years and vulnerable adults.

**Bangladesh Bank's Initiatives**

A webpage has been developed and linked with Bangladesh Bank website (<http://finedu.bb.org.bd>). This includes the basic financial literacy topics, financial calculator, financial games, etc. The key objective is to make financially literate school going children as well as adults. It is also used for creating awareness among people regarding savings, advances and other financial services. Two visuals and ten audio commercials are made and are being broadcasted through TV and radio channels. Posters and advertisements on financial literacy are being published on news papers. Financial literacy campaign among school going children are being conducted throughout the country.

**Guidelines for Banks on Financial Literacy**

In the aftermath of the global financial crisis, financial education issues have reached a momentum and financial literacy has gained international recognition as a critical life skill for individuals. In this respect, many countries are developing national financial education strategies and guidelines for different sectors. Bangladesh Bank has also started by preparing a guideline on financial literacy for banks containing instructions for: i) designating focal point/contact person in each bank for financial literacy issues; ii) developing descriptions of bank's products and services in simple language; iii) interest calculator; iv) cautionary notices about fraudulent activities; iv) separate tab for children (up to 18 year age) including school banking account, financial games, stories on banking concept, etc; and v) a page containing FAQs and option for query & complaints.

To promote financial literacy, the Financial Inclusion Department (FID) of BB is taking steps to mainstream financial literacy in our education system by including a chapter regarding financial literacy into the text book, which may start from grade-3 and onwards. It will enable teachers to teach financial responsibility through fun and experiential learning. To introduce as well as to enhance financial literacy among mass people - slogans, jingles, pictures, symbols about financial literacy may be printed on ATMs, bill-boards, opposite side of check books, deposit slips and various publications of banks.

They can submit complaint, query or feedback through this database. They also use this database to link between themselves and search other NRBs according to country, profession, etc. 359 NRBs were registered till June 2015 in the NRB Database of BB. To recognise and encourage the contribution of NRBs towards sending remittance through banking channel, BB has introduced "Bangladesh Bank Remittance Award" in each year. In 2014, 31 individuals and two NRBs

owned exchange houses were awarded for highest remittance and investment in bonds.

**C.7. Financial Education**

6.24 Bangladesh Bank has taken various initiatives to bring the larger portion of financially excluded population under formal financial services. BB has developed a web-link titled "Financial Literacy" in BB webpage to undertake diverse financial education initiatives from FY14 in a rigorous manner (Box 6.1).