

# Quarterly Report on No-Frill Accounts

(October-December 2021)



**Bangladesh Bank**

**Financial Inclusion Department**

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## Acronyms

<b>BB</b>	Bangladesh Bank
<b>BKB</b>	Bangladesh Krishi Bank
<b>FCB</b>	Foreign Commercial Bank
<b>FID</b>	Financial Inclusion Department
<b>MFS</b>	Mobile Financial Service
<b>MFI</b>	Microfinance Institution
<b>MRA</b>	Microcredit Regulatory Authority
<b>NFAs</b>	No-Frill Accounts
<b>NGO</b>	Non-Governmental Organization
<b>NID</b>	National Identity
<b>PCB</b>	Private Commercial Bank
<b>PFI</b>	Participatory Financial Institutions
<b>PPO</b>	Pension Payment Order
<b>RAKUB</b>	Rajshahi Krishi Unnayan Bank
<b>RMG</b>	Ready Made Garments
<b>SB</b>	Specialized Bank
<b>SBA</b> s	School Banking Accounts
<b>SoCB</b>	State-owned Commercial Bank
<b>SSN</b>	Social Safety Net
<b>SUAs</b>	Street Urchin and Working Children Accounts

## Executive Summary

This report demonstrates quarterly review of the No-Frill Accounts (NFAs) which include the accounts opened with an initial deposit of Tk. 10/50/100 by the marginalized people and the School Banking Accounts opened by the students under 18 years of age. In this quarter, total number of No-Frill Accounts is recorded as 2,77,87,209 with total deposit of Tk. 5,164.18 crore.

The number of Tk. 10/50/100 accounts (excluding the School Banking and Street Urchin and Working Children Accounts) stands at 2,49,00,931 and the cumulative deposits in these accounts increase to Tk. 2,957.99 crore. Thus, the number of accounts has grown 2.33 percent in the reporting quarter. The number of Tk. 10 Accounts for the Farmers, which remain the largest component of the NFAs, stands at 98,83,878 contributing to 40 percent of the total Tk. 10/50/100 accounts. However, Accounts for the Extreme Poor and those for the Beneficiaries of the Social Safety Net (SSN) programs constitute 37 percent and 14 percent respectively. In the reporting quarter, the Accounts for the Extreme Poor and those for the Beneficiaries of the SSN programs have increased by 1.98 percent and 4.60 percent respectively due to the support expansion policy of the government during COVID-19 pandemic.

Up to December 2021, individuals with Tk. 10/50/100 accounts have received Tk. 302.68 crore as credit under the refinance scheme for the No-Frill Accounts. The increased demand of such credit could be attributed to the revival of the economic activities paused by the pandemic. Meanwhile, participating banks have sent an annual target of Tk. 370.12 crore for the disbursement of credit in 2022 under the revised<sup>1</sup> the Refinance Scheme for No-Frill Accounts holders. The increased fund size of Tk. 500 Crore would allow more people of low-income groups to get easy access to credit with lower cost since the interest rate has been brought down to 7 percent from 9 percent.

Tk. 10/50/100 Accounts continues to play significant role in the distribution of foreign inward remittances. In December 2021 quarter, these accounts have received Tk. 0.44 crore as foreign remittances. The cumulative amount of foreign remittances received through these accounts at the end of the reporting quarter reaches at Tk. 514 crore.

The number of School Banking Accounts has decreased by 2.99 percent over the previous quarter mainly due to transformation of bank accounts to Mobile Financial Services (MFS) accounts in Trust Bank Limited. Yet, these accounts have grown 16.99 percent over December 2020 quarter. Up to December 2021, 19 banks have opened 19,405 Street Urchin and Working Children accounts. In short, No Frill Accounts remain important policy tools for bringing low-income people under the umbrella of formal financial services.

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<sup>1</sup> FID Circular-01/2021, BB Website

## Chapter 1: No-Frill Accounts

BB has taken various initiatives to ensure financial services for the people of all segments of the society. As part of these initiatives, the central bank has issued directives for the banks to open accounts for the marginalized people with an initial deposit of Tk.10/50/100.

These accounts require neither a minimum balance nor any service charge/fee. On the contrary, relatively higher interest rates than the existing savings rates are offered in these accounts to augment welfare of the low-income people. Generally, these accounts are referred to as No-Frill Accounts (NFAs). The target people of these accounts include farmers, RMG workers, extreme poor, the beneficiaries of the Social Safety Net (SSN) programs etc. No Frill Accounts also include the School Banking Accounts (SBAs) where students under 18 years can open bank accounts with an initial deposit of Tk. 100 only.

Up to December 2021 quarter, the government has used 74,44,079 No-Frill Accounts in order to disburse subsidy/salary to various segments of marginalized people of the society. In addition, No-Frill Accounts play a significant role in channelizing inward foreign remittances. Up to December 2021, the cumulative amount of foreign remittances received through these accounts reaches at Tk. 514.00 crore which is

2.94 percent higher than the cumulative amount received by the end of December 2020 quarter. In addition, the number of School Banking Accounts has decreased by 3.26 percent over the previous quarter due to conversion of bank account into MFS accounts, though; these accounts have grown by 6.25 percent over the December 2020 quarter.

### ***The Salient Features of No-Frill Accounts (Up to December 2021):***

#### ***Tk. 10/50/100 Accounts (Except SBAs & SUAs)***

- *Total Number of Accounts: 2,49,00,931*
- *Total Amount of Deposits: Tk. 2,957.99 crore*
- *Total Number of Accounts for the Farmers: 98,83,878 (40 percent of total Tk. 10 accounts)*
- *Second and Third largest categories of Tk. 10 Accounts are Accounts for the beneficiaries of the SSN Programs (37 percent) and the Extreme Poor (14 percent).*
- *The Amount of Remittance sent through Tk. 10 Accounts: Tk. 514.00 crore.*

#### ***School Banking Accounts (SBAs)***

- *Total Number of Accounts: 28,66,873*
- *Total Amount of Deposits: Tk. 2,205.79 crore*

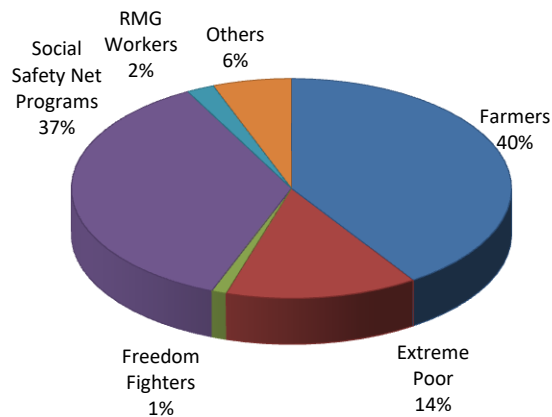
#### ***Street Urchin and Working Children Accounts (SUAs)***

- *Total Number of Accounts: 19,409*
- *Total Amount of Deposits: Tk. 39.54 lac*

## Chapter 2: Tk.10/50/100 Accounts

### 2.1 Different Categories of Tk. 10/50/100 Accounts

As of December 2021, the total number of Tk. 10/50/100 accounts excluding School Banking Accounts and Street Urchin Accounts has become 2,49,00,931 containing deposits of Tk. 2,957.99 crore. Among all the categories of Tk. 10/50/100 accounts, Accounts for the Farmers remain the largest component through which government subsidies in agricultural sectors are disbursed regularly.



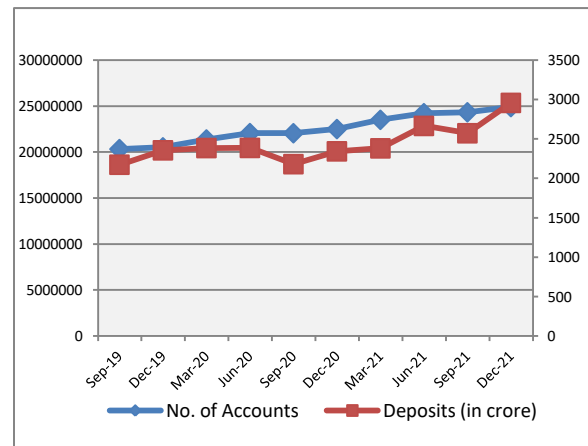
**Figure 1: Major Categories of Tk. 10/50/100 Accounts**

The major categories of Tk. 10/50/100 accounts comprise of the Accounts for the Farmers (40 percent), Beneficiaries of the SSN programs (37 percent) and Extreme Poor (14 percent). A small but significant component of Tk. 10/50/100

accounts is the No-Frill Accounts for Ready-made Garments (RMG) workers (2 percent). A complete list of these components can be found in the Table 1 in the Appendix A.

### 2.2 Quarterly Trend of Tk. 10/50/100 Accounts

As of December 2021, the total number of Tk. 10/50/100 accounts reaches at 2,49,00,931 which indicates a 2.33 percent growth over the previous quarter and 10.63 percent growth over the previous year.



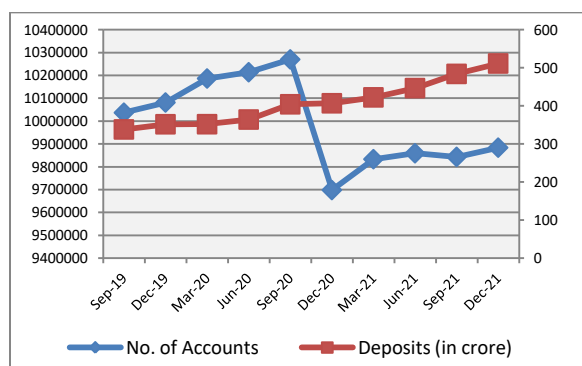
**Figure 2: Quarterly Movement of Tk. 10/50/100 Accounts**

Total deposit in Tk.10/50/100 accounts amounts to Tk. 2,957.99 in the reporting quarter, which is 14.97 percent higher than that of the previous quarter and 26.23 percent higher than that of the previous year.



### 2.2.1 No-Frill Accounts (NFAs) for the Farmers

BB introduced Tk. 10 Accounts for the Farmers in 2010<sup>2</sup> as one of the most significant financial inclusion initiatives to bring rural communities living on agriculture under the umbrella of formal financial services.



**Figure 3: Quarterly Trend of Tk. 10 Accounts for the Farmers**

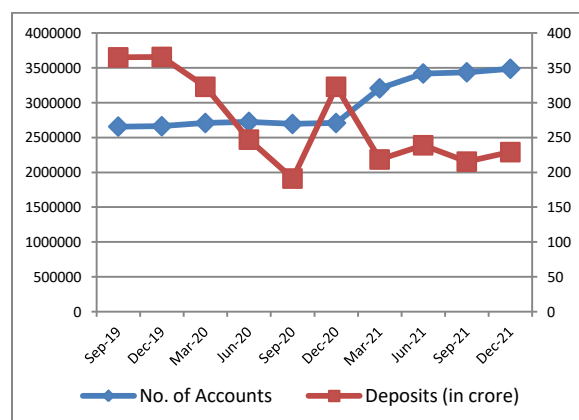
As of December 2021, the total number of Accounts for the Farmers reaches at 98,83,878 which is 0.41 percent higher than that of the previous quarter. However, the number was 1.92 percent higher than that of the previous year indicating annual positive growth in opening Accounts for the Farmers. On the other hand, the total deposit in the Accounts for the Farmers reaches at Tk 511.37 crore, which is 5.66 percent higher than that of the previous quarter and 25.69 percent higher than that of the previous year.

<sup>2</sup> BRPD Circular No.-01/2010

### 2.2.2 NFAs for the Extreme Poor

Poverty reduction is one of the major policy objectives of BB. The central bank has advised all banks to open accounts for the extreme poor so that they can get various Government financial assistances through the banking channel. Tk.10 account also provides the extreme poor with the opportunities to save their hard-earned money.

As of December 2021, the number of Accounts for the Extreme Poor reaches at 34,86,814 which was 34,36,401 in the previous quarter indicating 1.47 percent higher than that of the previous quarter and 28.74 percent higher than that of the previous year.



**Figure 4: Quarterly Movement of Tk. 10 Accounts for the Extreme Poor**

Both quarterly and yearly trend show positive growth in opening bank accounts by these people. The positive trend may be due to increase in number of the recipients of government subsidies.

Deposits in the Accounts for Extreme Poor also increase by 6.35 percent over the previous quarter.

### 2.2.3 NFAs for the Beneficiaries of the SSN Programs

Government SSN programs greatly contribute to support the marginal people of the society. Poor people can receive SSN allowances through Tk. 10 accounts. BB has advised all the banks to open SSN accounts for the individuals having National Identification (NID) cards and Pension Payment Order (PPO) book.<sup>3</sup> It is noteworthy that during COVID-19 pandemic, Government has used the Accounts for the Beneficiaries of the SSN programs to distribute cash allowances among the affected low-income families.<sup>4</sup> Government's allowances disbursed through SSN Accounts have been considered as a great support for the poor people confronting the second wave of COVID-19.

The number of Tk. 10 Accounts for the beneficiaries of the SSN has increased by 3.97 percent in the reporting quarter over the previous quarter and 16.81 percent over the previous year. The amount of deposits in these accounts has significantly increased by 19.26 percent compared to that of the previous quarter.

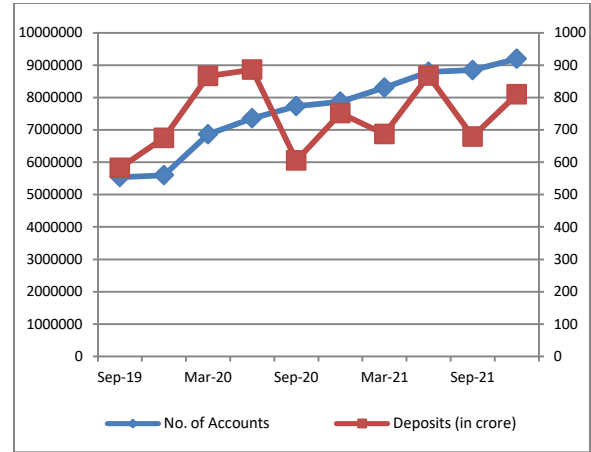


Figure 5: Quarterly Movement of Tk. 10 Accounts for Beneficiaries of the SSN Programs

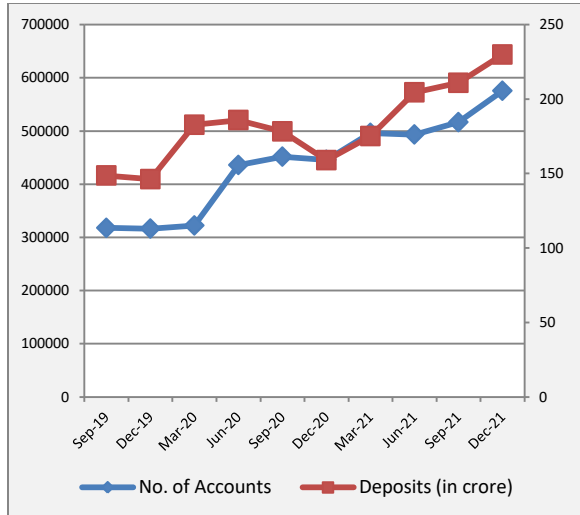
Moreover, it has also increased by 7.74 percent than that of the previous year. The amount of deposits usually changes due to change in government subsidy disbursement through EFT from time to time.

### 2.2.4 NFAs Accounts for RMG Workers

The number of Tk. 100 Accounts for the RMG workers has increased by 11.41 percent in the reporting quarter over the previous quarter and 29.11 percent over the previous year. It is noteworthy that the use of Digital Financial Services has been increased significantly for the payment of salaries of RMG workers in the recent times along with the use of bank accounts. Deposits in these accounts have shown a positive growth by 9.01 percent and 44.61 percent over the previous quarter and previous year respectively. The positive trend in amount of deposits reflects the recovery tendency from the effect of COVID-19 pandemic.

<sup>3</sup> BRPD Circular No-05 dated 19 June 2011

<sup>4</sup> FID Circular No-02 dated 06 July 2020

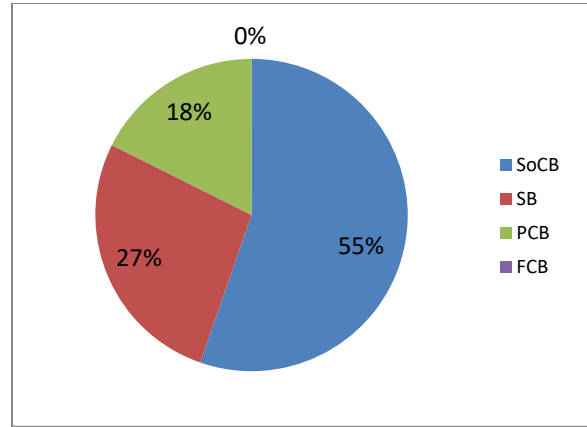


**Figure 6: Quarterly Trend of Tk. 10 Accounts for RMG Workers**

### 2.3 Performance of the Banks regarding Tk. 10/50/100 Accounts

State-owned Commercial Banks (SoCBs) dominates over the other categories of banks in opening Tk.10/50/100 Accounts. As of December 2021, SoCBs have opened 1,37,78,031 number of No-Frill Accounts which constitute 55 percent of the total accounts. Specialized Banks (SBs) have 27 percent while the Private Commercial Banks (PCBs) have 18 percent share of the total Tk. 10/50/100 accounts. However, due to limited branches, participation of Foreign Commercial Banks (FCBs) is very low in this area.

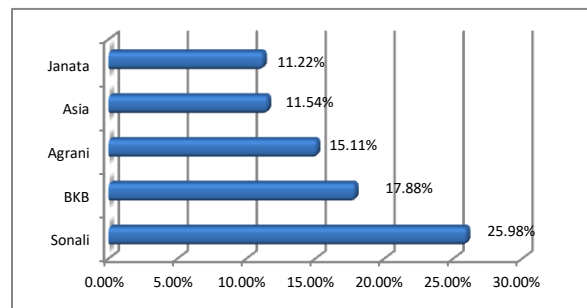
During the reporting quarter, the total deposits held in the scheduled banks as Tk. 10/50/100 Accounts amounts to Tk. 2,957.99 crore. SoCBs hold Tk. 1,870.44 crore or 63 percent of the total deposits in these accounts.



**Figure 7: Market Share of Tk. 10/50/100 Accounts**

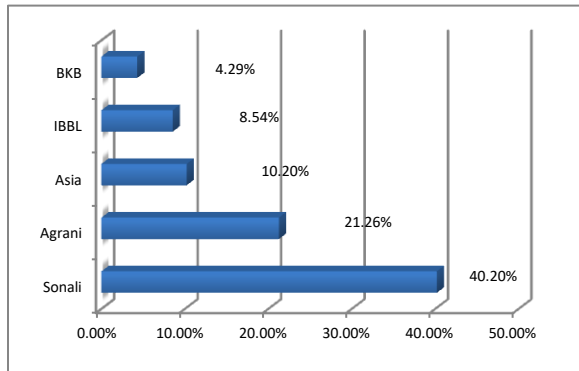
### 2.4 Top 5 Banks' Performance on Tk. 10/50/100 Accounts

As of December 2021, top 5 banks have opened 81.73 percent of the total Tk. 10/50/100 Accounts. Sonali Bank Limited has opened 25.98 percent of the total accounts. Two other SoCBs in the list of top 5 banks, Agrani Bank Limited and Janata Bank Limited, have opened 15.11 percent and 11.22 percent of the total accounts respectively. Bangladesh Krishi Bank (BKB), the specialized bank with 17.88 percent of the total accounts, is another major contributor in promoting financial inclusion through opening No-Frill Accounts.



**Figure 8: Top 5 Banks Based on Number of No-Frill Accounts**

Top 5 banks hold 84.50 percent of the total amount of deposits. In terms of total deposits, Islami Bank Bangladesh Limited and Bank Asia Limited have emerged in the list as two PCBs along with Sonali Bank Limited, Agrani Bank Limited and Bangladesh Krishi Bank (BKB).



**Figure 9: Top 5 Banks Based on Deposits in No-Frill Accounts**

## 2.5 Refinance Scheme for No-Frill Account Holders

In 2014, BB created a refinance scheme with a revolving fund of Tk. 200 crore to facilitate income generating activities of the low income people with Tk. 10 account. Under the scheme, the banks can lend to the beneficiaries without any collateral. Up to December 2021, a total of 85,123 borrowers has received Tk. 302.68 crore from this scheme. The reporting quarter has observed 15.40 percent increase of such loans over the previous quarter indicating a recovery of economic activities from COVID-19 pandemic.

BB has taken several measures<sup>5</sup> to facilitate rapid recovery of rural economy from the pandemic as well as to make this scheme more attractive both for the banks and the targeted borrowers. The fund size has increased from Tk. 200 Crore to Tk. 500, individual loan size has increased from Tk. 50, 000 to Tk. 5,00,000. The most significant revision of the scheme lies in the interest rate which is now 7 percent at the borrower level and 1 percent at the bank level, replacing the earlier rates of 9 percent at the borrower level and 1 percent at bank level. Another revision is that Shariah based banks are permitted to be included in the scheme. 50 banks have signed participatory agreement with BB under the refinance scheme. The participating banks have sent an annual target of Tk. 370.12 crore for the disbursement of credit under the scheme during 2022.

The revised scheme is expected to ensure easier access to finance for the marginalized people with Tk. 10/50/100 Accounts.

<sup>5</sup> FID Circular-01/2021, BB Website

## Chapter 3: School Banking Activities

### 3.1 School Banking Activities in Bangladesh

School Banking is one of the most significant financial inclusion interventions by Bangladesh Bank. The program was initiated with an aim to develop savings behavior of the students at an early age. This program introduces banking services and modern banking technologies to students below 18 years of age. Bangladesh Bank issued directive for the banks to introduce School Banking in November 2010<sup>6</sup>, later framed a comprehensive policy in October 2013<sup>7</sup>. These policies have preceded the directive to convert School Banking Accounts (SBAs) to general savings accounts once the students reach the age of 18 years (subject to the consent of the account holder)<sup>8</sup>.

In light of the existing School Banking policies, banks can open student accounts with a minimum deposit of Tk. 100 and no service charges. Moreover, these accounts offer attractive interest rates, debit card facilities and financial education programs. 55 banks out of 60 banks operating in Bangladesh have so far offered school banking. The number of School Banking accounts has reached at 28,66,873 in the review quarter which was 2.99 percent lower

than that of previous quarter. The decrease in number is mainly contributed by Trust Bank Limited that deducted the number of T-cash account for students due to the establishment of separate entity named Trust Axiata Pay (TAP). In previous, the accounts opened through T-cash was acknowledged as SBAs. Since, T-cash, transformed as a separate entity with all its accounts, Trust Bank Limited can't show TAP accounts as SBAs in their core banking software. However, the number of School Banking Accounts was 20.59 percent higher in the September 2021 than that of the previous year. So, the year-to-year comparison has marked significant growth in School Banking

#### ***Highlights of the School Banking, December 2021:***

- *No. of Banks Operating School Banking Accounts: 55*
- *Total no. of School Banking Accounts: 28,66,873*
- *Total Amount of Deposits: Tk.2,205.79 crore*
- *52 percent of Total Accounts are in the Urban Area and 48 percent are in the Rural Area.*
- *Male Students are holding 54 percent and Female Students are holding 46 percent of total No. of Accounts.*
- *The PCBs have the largest share of 68.20 percent in opening SBAs*

<sup>6</sup>BRPD Circular Letter No.12/2010.

<sup>7</sup>GBCSRD Circular No.7/2013.

<sup>8</sup>FID Circular Letter No.02/2018.

activities. It is mentionable that the current vaccination program for COVID-19 in educational institutes would further enhance the normal class based education system as well as more growth in school banking activities.

### 3.2 Region-wise Distribution of School Banking Activities

As of December 2021, banks have opened 28,66,873 School Banking accounts in which 52 percent of the total accounts are in the urban area while 48 percent are in the rural area. The number of accounts has increased by 1.23 percent in the rural areas but decreased by 6.09 percent in the urban areas in the reporting quarter.

<b>Dhaka Division</b>	
Total no. of Accounts:	7,38,963
Total amount of Deposits:	Tk. 979.40 crore
<b>Chattogram Division</b>	
Total no. of Accounts:	6,06,741
Total amount of Deposits:	Tk. 508.28 crore
<b>Rajshahi Division</b>	
Total no. of Accounts:	4,01,272
Total amount of Deposits:	Tk. 182.14 crore

In division wise distribution, Dhaka has the largest share of 25.78 percent SBAs containing 44.40 percent of the total deposits. Chattogram

follows Dhaka with 21.16 percent share of the total School Banking accounts and 23.04 percent of the total deposits. Figure 10 and 11 illustrate the division wise distribution of School Banking accounts and deposits held in those accounts.

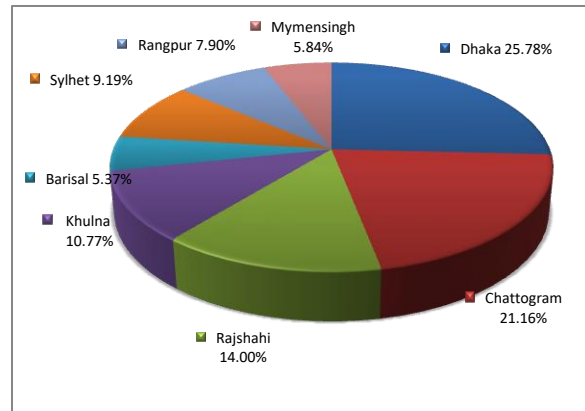


Figure 10: Division-wise School Banking Accounts

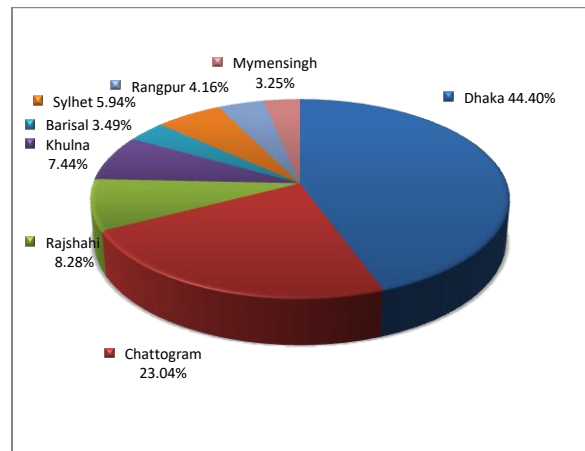


Figure 11: Division-wise School Banking Deposits

### 3.3 Gender-wise School Banking Activities

Gender distribution of these accounts is slightly inclined to the male students holding 54 percent of the total accounts. Female students, on the other hand, hold 46 percent of the total. The

number of male and female accounts has slightly decreased by 3.12 percent and 2.84 percent respectively in the December 2021 quarter. However, the amount of deposit in male and female accounts has increased by 1.29 percent and 2.31 percent respectively in the reporting quarter.

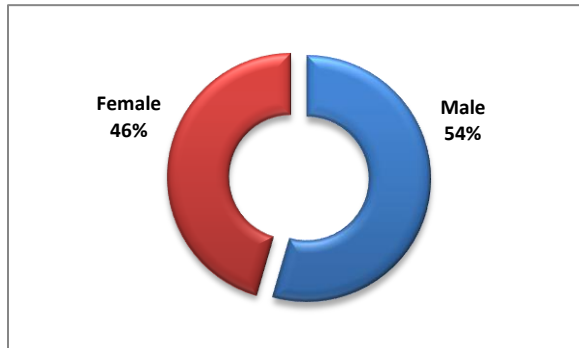


Figure 12: Gender-wise School Banking Accounts

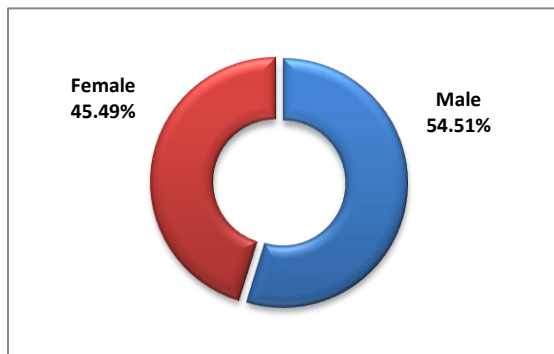


Figure 13: Gender-wise School Banking Deposits

### 3.4 Banks' Performance on School Banking Accounts and Deposits

The PCBs have the largest share in the accumulation of School Banking accounts and deposits. They have opened 68.20 percent of the total School Banking accounts and held 80.67 percent of the overall School Banking deposit

amounting to TK. 1,741.45 crore. During the reporting quarter, the number of accounts with the PCBs has decreased by 5.30 percent than that of previous quarter and the amount of deposits has decreased by 0.48 percent in the reporting quarter.

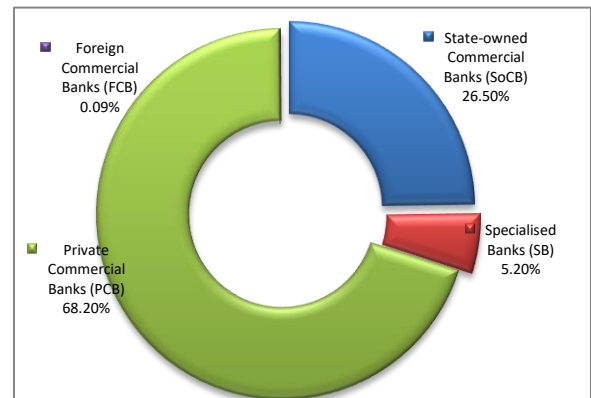


Figure 14: Banks' Performance on Opening School Banking Accounts

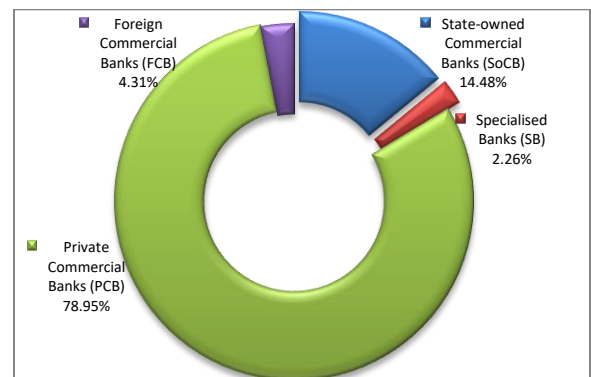


Figure 15: Banks' Performance on School Banking Deposits

The SoCBs rank next to the PCBs with 26.50 percent of the total accounts and 14.48 percent of the total deposits. The number of accounts by the SoCBs has increased by 4.30 percent and the collection of deposits has increased by 4.58 percent respectively in the reporting quarter. SBs have opened 5.20 percent of the total School



Banking accounts and hold deposit of Tk. 49.81 crore. 7 banks out of 9 FCBs operating in Bangladesh have offered School Banking so far. The number of accounts opened by the FCBs is 0.09% only. Figure 14 and 15 illustrate banks' category-wise performance in terms of School Banking accounts and deposits held with those accounts respectively.

### 3.5 Top 5 Banks in School Banking Activities

Top 5 banks have opened 53.94 percent of total number of School Banking Accounts. Among the top 5 banks, Dutch-Bangla Bank Limited (DBBL) has ranked the top in School Banking activities with opening of 5,50,537 number of accounts covering around 19.20 percent of the total accounts as well as accumulating Tk. 588.58 crore deposits with a share of 26.74 percent of total deposits in School Banking Accounts. Islami Bank Bangladesh Limited (IBBL) holds second highest position with 13.02 percent of the total SBAs. Among the SoCBs, only Agrani Bank Limited and Rupali Bank Limited retain their position in the top 5 performers of School Banking Activities.

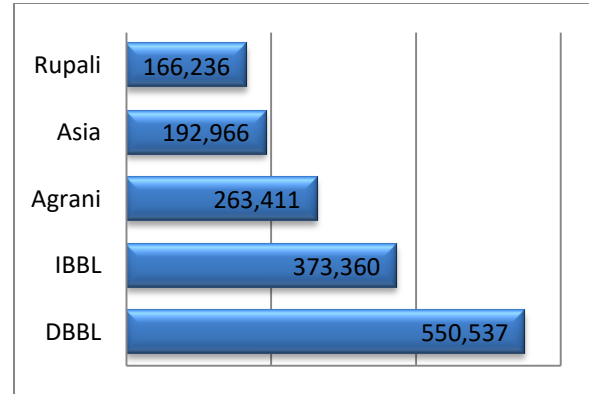


Figure 16: Top Performing 5 Banks in Opening School Banking Accounts

### 3.6 Conversion of School Banking Accounts to General Savings A/Cs

A significant portion of SBAs has converted to general savings accounts when the students surpassed 18 years of age. In the reporting quarter, the number of accounts belongs to students who completed 18 years, has become 3,97,740 in which 3,32,372 accounts (approximately 84%) have been converted to general savings accounts. A bank category wise distribution of such accounts is added as Table 16 in Appendices.



## Chapter 4: Banking Services for Street Urchin and Working Children

BB has advised banks<sup>9</sup> to provide financial services to street urchin and working children to secure their hard earned money and help them to develop a saving attitude. Children who do not have parents or legal guardians can open accounts with the designated banks with the help of a registered Non-Government Organizations (NGOs). The NGOs involved in this process are fully responsible for the account operation and for the welfare of the account holders. No fees are charged for these accounts. Table 17 in the appendix A shows an overview of the banking services for SUAs during the reporting quarter.

the top bank in collecting deposits in these accounts with a total deposit of Tk. 13.50 lac at the end of this quarter.

4.1. Upto December 2021, 19 banks have opened 19,405 street urchin accounts through 23 NGOs. The total amount of deposits in these accounts reaches Tk. 39.54 lacs at the end of the reporting quarter.

4.2. The number of accounts for street urchin has been increased by 4,928 in December 2021 compared to September 2021 quarter, i.e., the number of accounts has increased by 34.04%.

4.3. Agrani Bank Limited has ranked top among the banks in opening Street Urchin and Working Children accounts. It has opened 14,656 accounts up to December, 2021. Social Islami Bank Limited, on the other hand, has become

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<sup>9</sup>BRPD Circular No.05/2014

## Chapter 5: Recommendations

No-Frill Accounts have been considered as one of the most effective ways to expand financial inclusion to the underserved people in case of availing formal financial services. Yet, the growth in No-Frill Accounts need to be accelerated in order to achieve the goal of National Financial Inclusion Strategies (N-FIS) where it is targeted to confirm bank accounts for all adults by 2026. In order to achieve the target, the recommendations are as follows:

- 5.1. Financial literacy campaign as well as school banking initiatives taken by the banks in every Upazilla will be helpful to boost up financial inclusion.
- 5.2. Banks can incentivize their agents to open No-Frill Accounts for the underserved population.
- 5.3. Annual target for each bank can be set which will help achieving Sustainable Development Goals (SDGs)<sup>10</sup> by 2030.
- 5.4. NFAs might be opened through Mobile Financial Services and equally be treated as bank accounts and reported accordingly.

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<sup>10</sup> Sustainable Development Goal 8.10

## Appendices

### Appendix A: Tables

**Table 1: Different Components of Tk. 10/50/100 Accounts excluding SBAs**

Components		Total Number of the Accounts and Deposits		Accounts used for Govt. subsidy/salary		Tk. 200 crore Refinance Scheme/Others		Foreign Remittance	
		Cumulative number of Accounts	Cumulative amount of Deposits (Tk. in crore)	Cumulative number of Accounts	Cumulative amount of Deposits (Tk. in crore)	Cumulative number of Accounts	Amount of lending under the scheme (Tk. in crore)	Cumulative number of Accounts	Amount of Remittance (Tk. in crore)
1	Farmers	9,883,878	511.37	2,923,906	65.65	56,082	240.41	111,043	425.10
2	Extreme poor	3,486,814	229.00	1,049,302	150.51	4,982	25.17	2,955	12.12
3	Freedom fighters	286,975	785.31	142,986	244.17	12,784	15.84	389	4.08
4	Social Safety net allowance	9,197,404	809.80	2,775,403	264.25	4,392	0.96	2,187	19.54
5	Food & livelihood security	77,823	3.25	15,597	1.28	-	-	157	0.41
6	Poor rehabilitation under Ministry of Religious Affairs	1,645	0.60	322	0.02	-	-	193	0.35
7	City corporation workers	10,170	1.32	6	0.00	-	-	-	-
8	RMG workers	575,664	229.85	94,003	19.22	32	0.18	281	0.33
9	Leather Industry workers	490	0.13	55	0.00	-	-	-	-
10	National Service Program	59,711	26.03	23,056	19.03	-	-	2	0.01
11	Small Life Insurance Program	129,605	82.35	4,716	0.73	-	-	551	0.80
12	Physically challenged persons	533,712	85.05	242,484	84.69	2,524	0.08	266	0.03
13	Others	657,040	193.94	172,243	18.67	4,327	20.05	10,415	51.24
<b>Total</b>		<b>24,900,931</b>	<b>2,957.99</b>	<b>7,444,079</b>	<b>868.22</b>	<b>85,123</b>	<b>302.68</b>	<b>128,439</b>	<b>514.00</b>

**Table 2: Growth of Tk. 10/50/100 Accounts**

Components	December 2020	September 2021	December 2021	Change in Q-to-Q*	Change in Y-to-Y**
Farmers	9,728,518	9,843,476	9,883,878	0.41%	1.60%
Extreme poor	2,859,079	3,436,401	3,486,814	1.47%	21.96%
Freedom fighters	331,780	278,249	286,975	3.14%	-13.50%
Social safety net allowance	7,873,584	8,845,815	9,197,404	3.97%	16.81%
RMG Workers	445,721	516,517	575,664	11.45%	29.15%
Others	1,269,340	1,413,345	1,470,196	4.02%	15.82%
<b>Total</b>	<b>22,508,022</b>	<b>24,333,803</b>	<b>24,900,931</b>	<b>2.33%</b>	<b>10.63%</b>

\*Quarter \*\*Year

**Table 3: Growth of Deposits in No-Frill Accounts**

Components	December 2020 (Tk. in crore)	September 2021 (Tk. in crore)	December 2021 (Tk. in crore)	Change in Q-to-Q*	Change in Y-to-Y**
Farmers	406.86	483.98	511.37	5.66%	20.44%
Extreme poor	202.19	215.33	229.00	6.35%	11.71%
Freedom fighters	528.07	634.91	785.31	23.69%	32.76%
Social Safety Net	751.63	679.00	809.80	19.26%	7.18%
Others	454.65	559.51	622.51	11.26%	26.96%
Total	2,343.40	2,572.73	2,957.99	14.97%	26.23%

\*Quarter \*\*Year

**Table 4: Cumulative Amount of Deposits in No-Frill Accounts for the Farmers**

Quarter	Cumulative Number of Accounts for Farmers	Amount of Deposits (Tk. in crore)
March 2019	99,89,906	276.11
June 2019	10,036,907	318.63
September 2019	1,00,81,534	338.19
December 2019	1,01,86,605	351.76
March 2020	1,02,14,049	351.92
June 2020	1,02,70,143	364.15
September 2020	96,98,152	404.24
December 2020	97,28,518	406.86
March 2021	98,33,281	422.35
June 2021	98,59,198	446.69
September 2021	98,43,476	483.98
December 2021	98,83,878	511.37

**Table 5: Cumulative Amount of Deposits in No-Frill Accounts for the Extreme Poor**

Quarter	Cumulative Number of Extreme Poor Accounts	Amount of Deposits (Tk. in crore)
March 2019	26,32,787	346.76
June 2019	26,41,206	376.15
September 2019	26,56,915	365.00
December 2019	26,62,162	365.59
March 2020	27,08,409	322.76
June 2020	27,23,995	246.94
September 2020	26,94,062	191.08
December 2020	28,59,079	202.19
March 2021	32,06,222	218.44
June 2021	34,21,115	238.84
September 2021	34,36,401	215.33
December 2021	34,86,814	229.00

**Table 6: Cumulative Amount of Deposits in No-Frill Accounts for the Beneficiaries of SSN Programs**

Quarter	Cumulative Number of SSN Accounts	Amount of Deposits (Tk. in crore)
March 2019	51,25,164	549.07
June 2019	53,19,619	568.17
September 2019	55,40,120	582.28
December 2019	56,00,708	674.93
March 2020	68,64,052	866.46
June 2020	73,58,243	886.12
September 2020	77,33,802	605.36
December 2020	78,73,584	751.63
March 2021	83,04,590	686.94
June 2021	87,93,136	867.61
September 2021	88,45,815	679.00
December 2021	91,97,404	809.80

**Table 7: Cumulative Amount of Deposits in No-Frill Accounts for RMG Workers**

Quarter	Cumulative Number of Accounts	Amount of Deposits (Tk. in crore)
March 2019	2,66,552	164.05
June 2019	2,86,423	125.61
September 2019	3,17,719	148.66
December 2019	3,16,365	146.19
March 2020	3,22,244	182.7
June 2020	4,35,956	185.87
September 2020	4,51,620	178.25
December 2020	4,45,721	158.94
March 2021	4,96,324	175.10
June 2021	4,93,360	204.48
September 2021	5,16,517	210.86
December 2021	5,75,664	229.85

**Table 8: Bank Category-wise No-Frill Accounts except SBAs**

Category of Banks	No. of Accounts	Amount of Deposits (Tk. in Crore)
State-owned Commercial Banks (SoCB)	13,778,031	1,870.442
Specialized Banks (SB)	6,740,081	162.180
Private Commercial Banks (PCB)	4,381,732	924.999
Foreign Commercial Banks (FCB)	1,087	0.369
<b>Total</b>	<b>24,900,931</b>	<b>2,957.99</b>

**Table 9: Top 5 Banks Based on Number of Accounts and Amount of Deposits**

Top 5 Banks (Based on Number of Accounts)				Top 5 Banks (Based on Deposits of Tk. in crore)			
SL	Bank Name	Account	Percentage	SL	Bank Name	Deposit	Percentage
1	Sonali Bank Limited	6,469,021	25.98%	1	Sonali Bank Limited	1189.02	40.20%
2	Bangladesh Krishi Bank	4,451,989	17.88%	2	Agrani Bank Limited	628.97	21.26%
3	Agrani Bank Limited	3,761,735	15.11%	3	Bank Asia Limited	301.81	10.20%
4	Bank Asia Limited	2,873,067	11.54%	4	Islami Bank Bangladesh Limited	252.62	8.54%
5	Janata Bank Limited	2,795,094	11.22%	5	Bangladesh Krishi Bank	126.95	4.29%
	<b>Total</b>		<b>81.73%</b>		<b>Total</b>		<b>84.50%</b>

**Table 10: Area-wise School Banking Accounts and Deposits**

	Rural		Urban		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	13,84,969	48%	14,81,904	52%	28,66,873
Amount of Deposits (Tk. in crore)	597.59	27%	1,608.20	73%	2,205.79

**Table 11: Regional Distribution of School Banking Accounts and Amount of Deposits**

Division	Number of Accounts	Percentage	Amount of Deposits (Tk. in crore)	Percentage
Dhaka	738963	25.78%	979.40	44.40%
Chattogram	606741	21.16%	508.28	23.04%
Rajshahi	401272	14.00%	182.14	8.26%
Khulna	308252	10.75%	164.46	7.46%
Barisal	154024	5.37%	76.94	3.49%
Sylhet	263590	9.19%	131.03	5.94%
Rangpur	226529	7.90%	91.74	4.16%
Mymensingh	167502	5.84%	71.80	3.25%
<b>Total</b>	<b>28,66,873</b>	<b>100.00%</b>	<b>2,205.79</b>	<b>100.00%</b>

**Table 12: Gender-wise School Banking Accounts and Deposits**

	Male		Female		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	15,53,991	54%	13,12,882	46%	28,66,873
Amount of Deposit (Tk. in crore)	1,202.43	55%	1,003.36	45%	2,205.79

**Table 13: Bank Category-wise School Banking Accounts and Deposits**

Bank Type	Number of Accounts	Percentage	Amount of Deposits (Tk. in crore)	Percentage
State-owned Commercial Banks	759690	26.50%	319.42	14.48%
Specialized Banks	149189	5.20%	49.81	2.26%
Private Commercial Banks	1955281	68.20%	1741.45	78.95%
Foreign Commercial Banks	2,713	0.09%	95.11	4.31%
<b>Total</b>	<b>28,66,873</b>	<b>100.00%</b>	<b>2,205.79</b>	<b>100.00%</b>

**Table 14: Banks' Performance on Opening School Banking Accounts in the Last 5 Quarters**

Types of Banks	Number of Accounts					Growth Q-to- Q*	Growth Y-to-Y**
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21		
State-owned Commercial Banks	6,65,445	6,67,584	7,29,615	7,42,124	759690	2.37%	14.16%
Specialized Banks	1,45,564	1,45,777	1,48,210	1,50,385	149189	-0.80%	2.49%
Private Commercial Banks	18,76,815	19,52,403	20,96,089	20,59,998	1955281	-5.08%	4.18%
Foreign Commercial Banks	2,726	2,729	2,729	2,711	2713	0.07%	-0.48%
Total	26,90,550	27,68,493	29,76,643	29,55,218	2,866,873	-2.99%	6.55%

\* Quarter \*\*Year

**Table 15: Top 5 Banks' Performance in Opening School Banking Accounts and Deposits Collection**

Top 5 Banks (Number of Accounts)				Top 5 Banks (Amount of Deposits)			
Sl	Bank Name	Accounts	% of Total Accounts	Sl	Bank Name	Deposits (Tk. in crore)	% of Total Deposits
1	Dutch-Bangla Bank Limited	550,537	19.20%	1	Dutch-Bangla Bank Limited	588.58	26.74%
2	Islami Bank Bangladesh Limited	373,360	13.02%	2	Eastern Bank Limited	167.47	7.61%
3	Agrani Bank Limited	263,411	9.19%	3	Islami Bank Bangladesh Limited	161.90	7.36%
4	Bank Asia Limited	192,966	6.73%	4	Dhaka Bank Limited	122.47	5.56%
5	Rupali Bank Limited	166,236	5.80%	5	Janata Bank Limited	105.34	4.79%

**Table 16: Bank Category-wise School Banking Accounts Holders who completed 18 years old.**

Category of Banks	School Banking Accounts who completed 18 years old	School Banking Accounts converted to General Accounts
State-owned Commercial Banks (SoCB)	19,391	9,406
Specialized Banks (SB)	8,281	7,389
Private Commercial Banks (PCB)	3,70,014	3,15,576
Foreign Commercial Banks (FCB)	54	1
Total	<b>3,97,740</b>	<b>3,32,372</b>



**Table 17: Bank Accounts opened in name of Street Urchin and Working Children**

Sl	Name of the Bank	Cumulative Number of Accounts	Cumulative amount of deposits (in BDT thousands)
1	Sonali Bank Limited	46	8.1
2	Agrani Bank Limited	14656	173.71
3	Janata Bank Limited	200	80
4	Rupali Bank Limited	998	1000
5	Bangladesh Development Bank Limited	185	13.76
6	Bangladesh Krishi Bank	160	32
7	Al-Arafah Islami Bank Limited	155	230.1
8	Bank Asia Limited	234	192.12
9	Dutch-Bangla Bank Limited	20	5.019
10	Mercantile Bank Limited	236	313.81.
11	Mutual Trust Bank Limited	43	1.14
12	National Bank Limited	19	13
13	One Bank Limited	226	246.3
14	Prime Bank Limited	39	2
15	Pubali Bank Limited	544	300
16	Social Islami Bank Limited	1186	1350.11
17	The City Bank Limited	150	200
18	Trust Bank Limited	269	100
19	Uttara Bank Limited	39	6.7
	Total	<b>19,405</b>	<b>3,954.059</b>

## Appendix B: BB Circulars used as References in this Report

<b>Date</b>	<b>Circular No.</b>	<b>Title</b>
<b>17-01-2010</b>	BRPD Circular No.-01/2010	Regarding the Opening of the Accounts for Farmers.
<b>08-09-2010</b>	BRPD Circular No.-29/2010	Bank Accounts for the Extreme Poor
<b>02-11-2010</b>	BRPD Circular Letter No.-12/2010	School Banking Accounts
<b>11-04-2011</b>	BRPD Circular No.-04/2011	Bank Accounts for the Freedom Fighters
<b>19-06-2011</b>	BRPD Circular No.-05/2011	Bank Accounts for Beneficiaries under Social Safety Net Program
<b>03-08-2015</b>	FID Circular No.-02/2015	Opening Bank Accounts for the Dwellers of Angorpota -Dohogram and Newly Included 111 Enclaves in Bangladesh
<b>18-06-2015</b>	GBCSRD Circular Letter No.-07/2015	Regarding Opening 10 Taka Accounts for Small/ Marginal/ Landless/ Natural Disaster Affected Farmers and Small or Micro Traders
<b>17-12-2018</b>	FID Circular Letter No.-02/2018	Conversion of the School Banking Accounts into General Accounts

## Appendix C: Initial Deposits for Opening No-Frill Accounts

	Type of No-Frill Accounts	Reference	Initial Deposits (Tk.)
1	Farmers	BRPD-01/2010	10/-
2	Extreme poor	BRPD-29/2010	10/-
3	Freedom fighters	BRPD-04/2011	10/-
4	Social Safety net allowance	BRPD-05/2011	10/-
5	Food & livelihood security	BRPD-17/2012	10/-
6	Poor rehabilitation under Ministry of Religious Affairs	GBCSRD-01/2013	10/-
7	City corporation cleaning workers	GBCSRD-03/2013	10/-
8	RMG workers	GBCSRD-05/2013	100/-
9	Leather Industry workers	GBCSRD-06/2013	100/-
10	National Service Program	BRPD-17/2010	50/-
11	Small Life Insurance Program	BRPD-08/2011	100/-
12	Blind/Physically challenged persons	GBCSRD-01/2015	10/-
13	Beneficiaries of Hindu Welfare Trust	BRPD-07/2011	10/-
14	School Banking	GBCSRD-07/2013	100/-
15	Street Urchin and Working Children	BRPD-05/2014	10/-
16	Former habitant of Sit-mahal Areas (Enclaves)	FID-02/2015	10/-
17	Others Categories (Not included in the above categories)	Banks' Discretion	10/50/100/-

## **Appendix D: Financial Literacy and Digital Financial Inclusion for TK. 10/50/100 Accounts**

Bangladesh Bank has taken diverse financial literacy initiatives since 2014 to bring the larger portion of financially excluded population under formal financial services. Financial literacy website has been launched, Television and Radio commercials have been prepared and measures have been taken to include a chapter on Financial Literacy in the national curriculum. School Banking Conference has been arranged at the district levels in different parts of Bangladesh. However, due to COVID-19 situation, these conferences have been postponed since March 2020. In line with the initiatives of Bangladesh Bank, commercial banks have also published financial literacy brochures, slogans, leaflets, photos at the bank branches, ATM booths, billboards, deposit slip and various publications of the banks. BB encourages banks to arrange open disbursement program under the refinance schemes for Tk. 10 account holders and the financial literacy campaigns are aligned to ensure `Access to Finance` for this segment of people. The idea is that once become financially literate, the low income individuals are more likely to avoid borrowing beyond their repayment capacities (over-indebtedness), thereby lower credit risk in the financial system. Open disbursement programme of credit for the marginal people is one of the key process to inspire banks to participate in the refinance scheme.

Secondly, No Frill Accounts has been proved to be effective in providing access to formal banking services for the low income population at a lower cost. However, due to limited outreach of banking network, there is a big challenge to expand these services especially in the rural areas. In this context, digital financial inclusion initiatives such as internet banking, mobile financial services, can play significant role to take the financial services to the doorsteps of the target population. Since, mobile has become available for majority of the adult population of Bangladesh; MFS has been convenient for rural population. No-Frill Accounts can be used as a linked account for MFS Accounts through which beneficiaries of government subsidies, credits from refinance scheme etc can be easily disbursed. The interoperability between the No-Frill accounts and MFS accounts would bring more accessibility and flexibility for the users. Therefore, it is worth examining whether the No Frill Accounts can be linked with the MFS accounts.