

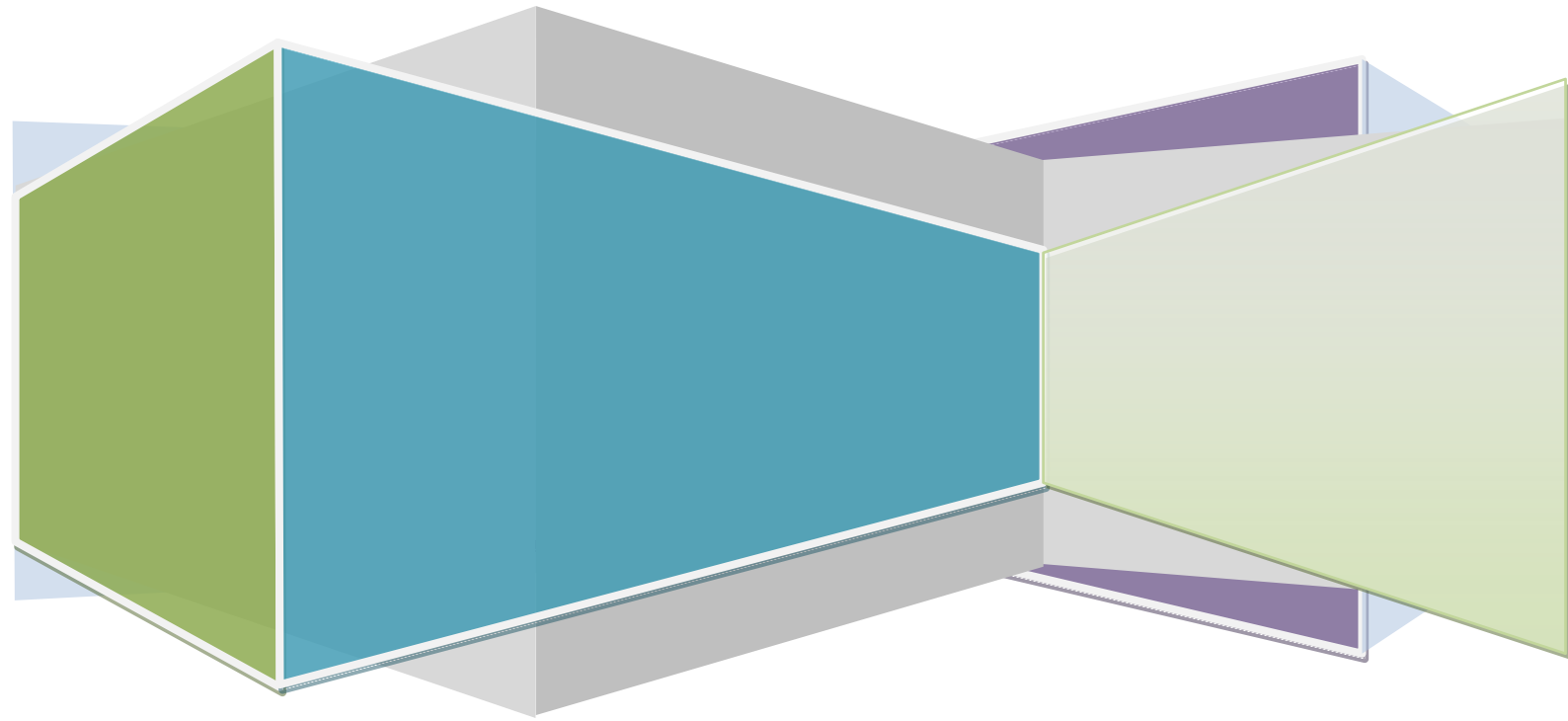
Quarterly Report

April-June, 2020

No-Frill Accounts in Bangladesh



Financial Inclusion Department
Bangladesh Bank



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Executive Summary

This report provides quarterly update of the No-Frill Accounts opened with an initial deposit of Tk. 10/50/100 in the bank in favour of various underprivileged people, the School Banking Accounts opened by the banks for under 18 years Students and Working Children Accounts opened by the banks through the collaboration with Non-Government Organizations (NGOs). As of June 2020, a total number of 2,20,70,630 No-Frill Accounts has been opened through banks which is 3.24% higher than the number of accounts opened in the previous quarter. Among the various categories of No-Frill Accounts, accounts of farmers, hardcore poor, freedom fighters and social safety net beneficiaries have increased by 0.55%, 0.58%, 2.42% and 7.20% respectively. As of June 2020, a total of 24,31,602 School Banking Accounts has been opened which is 4.4% more than that of the previous quarter. On the other hand, 19 banks have opened 10,029 accounts for Working Children with the help of 23 Non-Government Organizations (NGOs).

As of June 2020, Farmers' Accounts remain the major category of No-Frill Accounts that contributes around 45% of the total Tk. 10/50/100 Accounts. The total number of accounts opened under Social Safety Net Programs has increased by 38.32% during the current quarter. Ongoing pandemic could contribute to this growth since the social safety net programs by the government shows an increasing trend to lend a hand to the affected people.

The total amount of deposits in the No-Frill Accounts reaches at Tk. 2,386.74 crore in June 2020. This indicates 19.13% annual growth (compared to Tk.1,930.19 crore in June 2019) and 0.07% quarterly growth (compared to Tk. 2,385.13 crore in March 2020). For the disbursement of Government subsidy through the banking channel, a total number of 57,40,826 accounts has been opened and total deposit of Tk. 1,007.90 crore has been accumulated in these accounts. Therefore, over the quarter, the number of government subsidy accounts has grown by 12.42% while deposits in these accounts have increased by 10.06%.

In short, as of June 2020, despite severe constraints on economic activities due to COVID-19, No-Frill accounts show an increasing trend indicating a better sign of financial inclusion of the marginal people.

1. Introduction

Bangladesh Bank has taken various initiatives to provide 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 under privileged people with an initial deposit of Tk.10/50/100. These accounts have no annual fees, nor do they require a minimum balance. In addition, they provide higher interest rates than the existing savings rates to augment welfare of the marginal people. Generally, these accounts are referred to as No-Frill Accounts. The target groups of these accounts include farmers, freedom fighters, Physically challenged persons, hardcore poor, beneficiaries of the government social security programs.

This report provides quarterly update of No-Frill Accounts as of June 2020. Section 2 summarises update on No-Frill Accounts related to farmers, hardcore poor, freedom fighters and beneficiaries of government social safety net programs. Section 3 provides update on under 18 years Students' Accounts while Section 4 provides update on accounts related to Working Children.

2. Update of No-Frill Accounts

2.1. Category-wise Tk. 10/50/100 Accounts

As of June 2020, a total number of 2,20,70,630 accounts has been opened in different categories of Tk. 10/50/100 accounts. Farmers' Accounts comprise of 45% of the total No-Frill Accounts, while the accounts opened under social safety net program comprise of 34%, the accounts of hardcore poor comprise of 13% while the accounts for freedom fighters comprise of 1%. The rest 7% of the total number of No-Frill Accounts belongs to beneficiaries of various government allowances like physically challenged people, beneficiaries of National Service Program etc. In addition, total numbers of No-Frill Accounts of Ready-Made Garments (RMG) workers reached at 4,35,956 from 3,22,244 reported in March 2020 quarter. This increase would indicate channeling of government's quick recovery funds for RMG sector especially for salary/allowance through bank accounts or Mobile Financial Services (MFS).

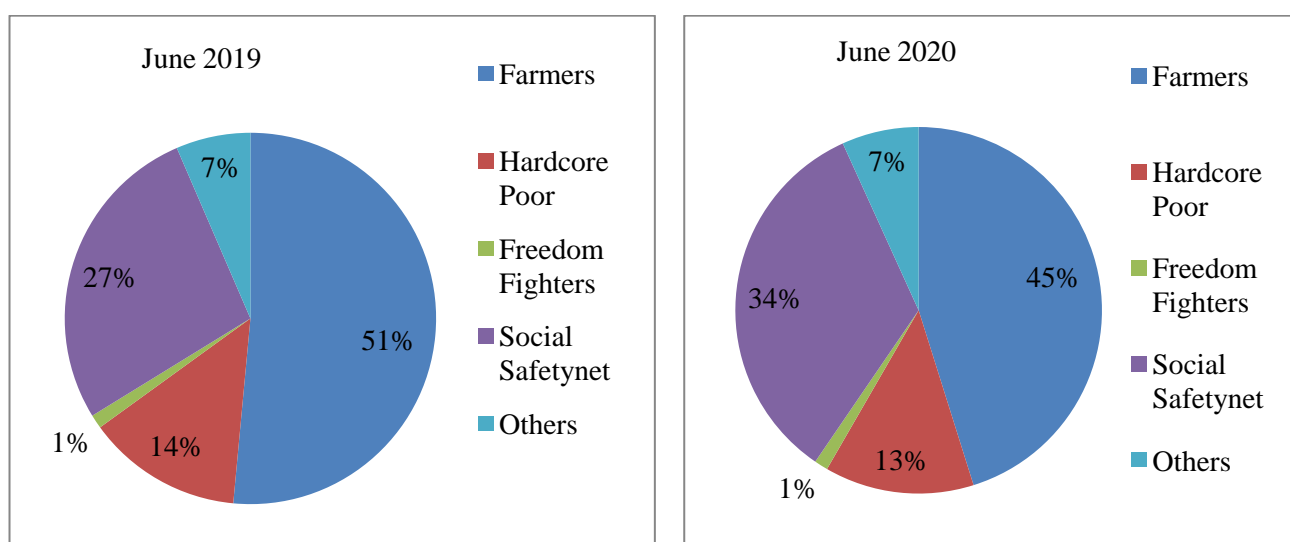
Table 1: Category-wise update of No-Frill Accounts

Category of Accounts		Details of the accounts		Accounts used for Govt. subsidy/salary		Tk. 200 crore refinance scheme		Foreign Remittance	
		Total Cumulative number of Accounts	Total Cumulative Amount of Deposits (Tk. in crore)	Number of Accounts	Total Cumulative Amount of Deposits (Tk. in crore)	Number of Accounts	Amount of lending under the scheme (Tk. in crore)	Number of Accounts	Amount of Remittance (Tk. in crore)
1	Farmers	1,02,70,143	364.15	2,564,921	71.84	43,006	100.23	72,221	269.59
2	Hardcore poor	27,23,995	246.94	8,58,676	284.14	5,168	17.70	2,403	12.57
3	Freedom fighters	2,54,197	402.78	1,18,506	131.00	9,318	197.35	278	2.63
4	Social Safety net allowance	73,58,243	886.12	19,05,363	387.94	5,691	5.25	3,006	18.64
5	Food & livelihood security	65,208	2.00	11,714	0.37	-	-	232	0.34
6	Poor rehabilitation under Ministry of Religious Affairs	1,505	0.65	269	0.36	-	-	95	0.23
7	City corporation workers	10,161	0.97	21	0.01	-	-	-	-
8	RMG Workers	4,35,956	185.87	67,964	7.99	-	-	97	0.36
9	Leather Industry Workers	4,307	2.28	54	0.00	-	-	-	-
10	National Service Program	60,781	139.12	17,372	86.06	-	-	-	-
11	Small Life Insurance Program	1,25,924	32.72	6,248	1.81	-	-	482	1.85
12	Physically challenged persons	2,47,120	42.93	122,458	25.73	259	0.01	889	0.09
13	Others	5,13,090	80.21	67,260	10.65	3,402	15.90	10,576	41.36
Total		2,20,70,630	2,386.74	57,40,826	1,007.90	66,844	336.43	90,279	347.66

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

Category of Accounts	June 2019	March 2020	June 2020	Change in Q-to-Q*	Change in Y-to-Y**
Farmers	10,036,907	10,214,049	10,270,143	0.55%	2.32%
Hardcore poor	2,641,206	2,708,409	2,723,995	0.58%	3.13%
Freedom fighters	234,908	248,189	254,197	2.42%	8.21%
Social safety net allowance	5,319,619	6,864,052	7,358,243	7.20%	38.32%
Others	1,265,405	1,344,059	1,464,052	8.93%	15.70%
Total	1,94,98,045	2,13,78,758	2,20,70,630	3.24%	13.19%

*Quarter **Year

Figure 1: Yearly Comparative Outlook of Tk. 10/50/100 Accounts of Major Categories**Table 3: Growth of No-Frill Accounts' Deposits**

Category of Accounts	Amount of Deposits (Tk. in crore)			Change in Q-to-Q*	Change in Y-to-Y**
	June 2019	March 2020	June 2020		
Farmers	318.63	351.92	364.15	3.48%	12.50%
Hardcore poor	376.15	322.76	246.94	-23.49%	-52.33%
Freedom fighters	280.21	368.86	402.78	9.20%	30.43%
Social Safety Net	568.16	866.46	886.12	2.27%	35.88%
Others	387.04	475.13	486.76	2.45%	20.49%
Total	1,930.19	2385.13	2,386.74	0.07%	19.13%

*Quarter **Year

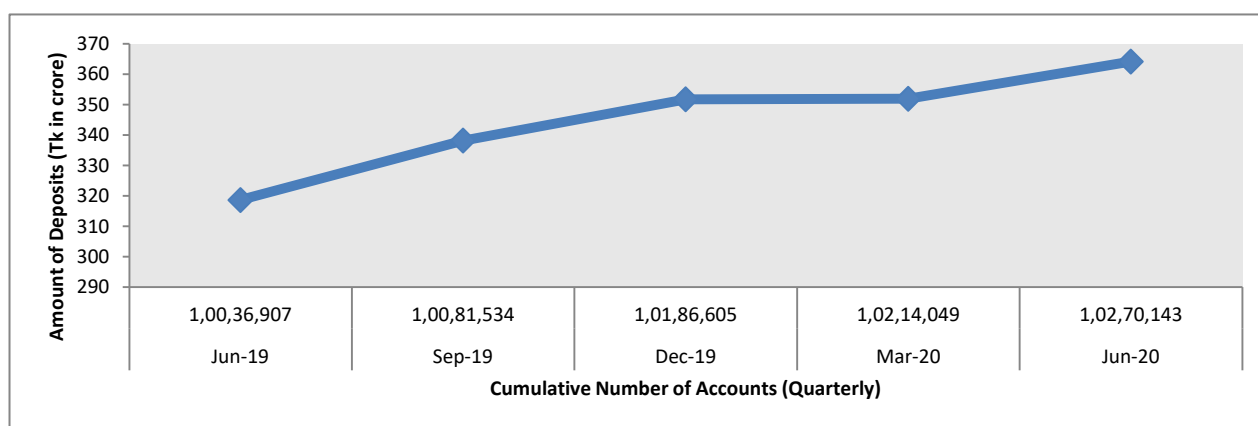
2.2.Tk. 10 Accounts of Farmers

Bangladesh Bank (BB) has introduced Tk. 10 Farmers' Accounts in 2010¹ as one of the most significant financial inclusion initiatives to bring rural mass living on agriculture under the umbrella of formal financial services. As of June 2020, the total number of Farmers' Accounts reaches at 1,02,70,143 which is 56,094 more than that of the previous quarter. The quarterly growth rate of the Farmers' Account is 0.55%. As of June 2020, the number of Farmers' Account is about 45% of the total number of Tk. 10 accounts. Till June 2020 quarter, yearly increase in Farmers' Accounts becomes 2.32% from the previous year. The total deposit in Farmers' Accounts reaches Tk. 364.15 crore as of June 2020, which is Tk. 12.23 crore or 3.48% more than that of the previous quarter and Tk. 45.52 crore or 12.50% more than that of the previous year. Up to June 2020, the number of Farmers' Accounts linked to government subsidy are 25,64,921 and the deposited amount is Tk. 71.84 crore. On the other hand, among all Tk. 10 Farmers' Accounts, 43,006 account holders have been benefitted by the refinanced loans from BB funded refinance scheme of Tk. 200 crore. Data on Farmers' Accounts and deposits in last five quarters of June 2019 to June 2020 are given below:

Table 4: Cumulative Amount of Deposits against Tk. 10 Farmers' Accounts

Quarter	Cumulative Number of Farmers' Accounts	Amount of Deposits (Tk. in crore)
June 2019	1,00,36,907	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

Figure 2: Quarterly Growth of Tk.10 Farmers' Accounts and Deposits



¹ BRPD Circular No.-01/2010

2.3. Tk. 10 Accounts of Hardcore Poor

Poverty reduction is one of the major policy objectives of Bangladesh Bank. The central bank has been providing directions to all banks for opening accounts of hardcore poor so that they can get any allowance from the government through formal financial system². A Tk.10 bank account also provides them with opportunities to utilize their hard-earned money properly. Up to June 2020, total number of accounts for hardcore poor reaches at 2,723,995 which is 0.58% higher than that of the March quarter and 3.13% higher than that of the June 2019 quarter. However, deposit in these accounts decreases by 23.49% in this quarter in compared to previous quarter.

Table 5: Cumulative Amount of Deposits against Tk. 10 Hardcore Poor's Accounts

Quarter	Cumulative Number of Accounts of Hardcore Poor	Amount of Deposits (Tk. in crore)
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

2.4. Tk. 10 Accounts of Freedom Fighters

To facilitate the distribution of government allowances for freedom fighters, Tk. 10 accounts have been playing very important role. BB has introduced Tk.10 accounts for freedom fighters in 2011³. Up to June 2020, a total number of Freedom Fighters' Accounts reaches at 2,54,197 which is 2.42% higher than the March 2020 quarter and 8.21% higher than June 2019 quarter. On the other hand, deposit on these accounts increases by 9.20% in June 2020 quarter than the previous quarter. This reflects a steady growth of government allowances disbursed through these accounts.

Table 6: Cumulative Amount of Deposits against Tk. 10 Freedom Fighters' Accounts

Quarter	Cumulative Number of Accounts of Freedom Fighters	Amount of Deposits (Tk. in crore)
June 2019	2,34,908	280.21
September 2019	2,39,326	308.25
December 2019	2,47,497	345.39
March 2020	2,48,189	368.87
June 2020	2,54,197	402.78

² BRPD Circular No.-29/2010

³ BRPD Circular No.-04/2011

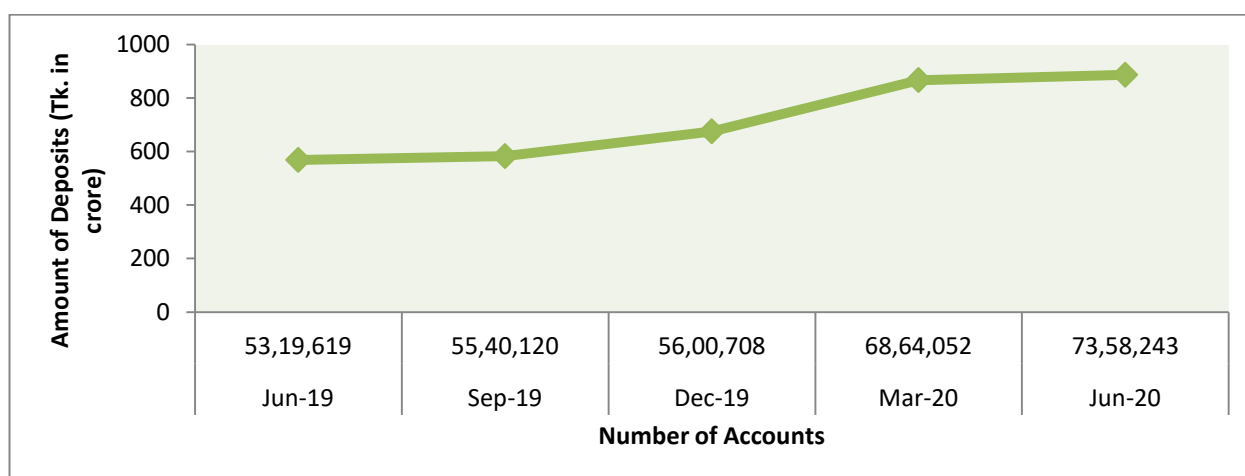
2.5. Tk. 10 Accounts of the Beneficiaries of Social Safety Net (SSN) Programs

Social Safety Net Programs by the government are greatly contributing in supporting the marginal people of the society. No-Frill accounts opened for the beneficiaries of the social safety net program help ensure the secure channeling of the fund. Poor people having access to banks through the SSN program are getting opportunities to explore their potentials to get rid out of the curse of poverty. Moreover, No-frill Accounts opened under SSN Program serve a range of different forms of assistance for different groups of population. These include the provision of income security for the elderly, widows and persons-with-disabilities, generating temporary employment for working-aged people, and supporting the healthy development of young mothers and children etc. BB has instructed all banks to open Tk. 10 SSN accounts against National Identity Card (NID Card) and Pension Payment Order (PPO) book.⁴ The number of total Tk. 10 SSN beneficiaries' accounts increases by 7.2% in June 2020 quarter than the previous quarter. It is mentionable that Tk. 10 Accounts can also be used for distributing the cash allowances provided by government for COVID-19 affected low-income families.⁵

Table 7: Cumulative Amount of Deposits against the Number of Social Safety Net Accounts

Quarter	Number of Accounts	Amount of Deposits (Tk. in crore)
June 2019	53,19,619	568.16
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

Figure 3: Quarterly Growth of Tk. 10 Social Safety Net Accounts and Deposits



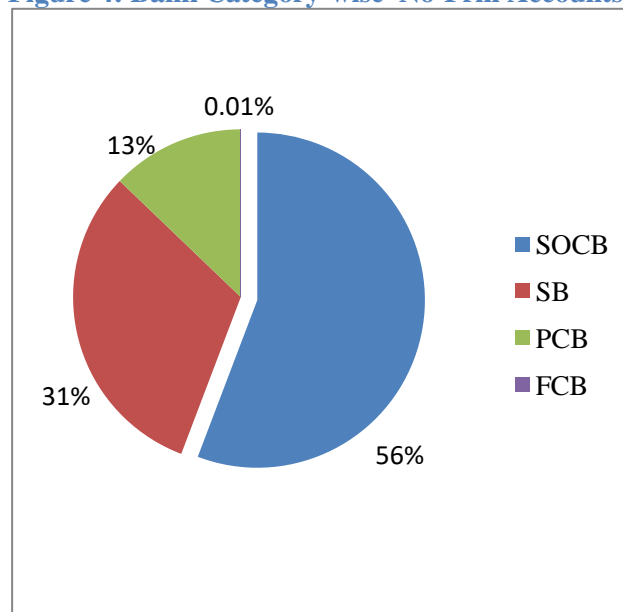
⁴ BRPD Circular No-05 dated 19 June 2011

⁵ FID Circular No-02 dated 06 July 2020

Table 8: Bank Category-wise No-Frill Accounts

June 2020		
Category of Banks	Accounts	Deposits (Tk. in Crore)
State Owned Commercial Banks(SOCB)	1,23,10,695	992.992
Specialized Banks (SB)	69,26,936	785.160
Private Commercial Banks (PCB)	28,32,962	608.590
Foreign Commercial Banks (FCB)	37	0.001
Total	2,20,70,630	2,386.743

Figure 4: Bank Category-wise No-Frill Accounts



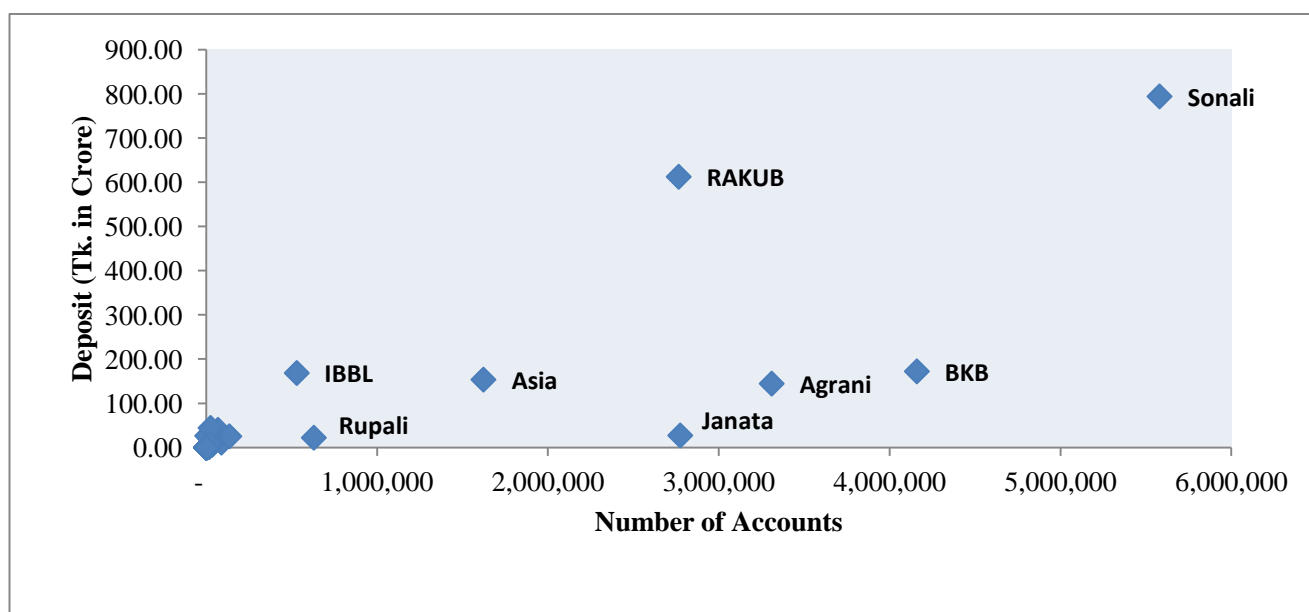
2.6. Bank Category-wise No-Frill Accounts

State Owned Commercial Banks (SOCBs) dominate over other categories of banks in opening No-Frill Accounts. As of June 2020, SOCBs have opened 1,23,10,695 No-Frill Accounts which is 56% of the total number of No-Frill Accounts while Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank have opened 69,26,936 No-Frill Accounts which is 31% of the total number of No-Frill Accounts opened by all banks. PCBs have opened only 13% of the total number of No-Frill accounts while participation of FCBs is very low in this regard. In case of deposits in No-Frill Accounts, SOCBs have largest amounts in total which is Tk. 992.99 crore or 41.60% of the total amount of deposits in No-Frill Accounts held by all banks.

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 Deposit in crore Tk.)			
SL	Bank Name	Account	Percentage	SL	Bank Name	Deposit	Percentage
1	Sonali Bank Limited	55,80,988	25.29%	1	Sonali Bank Limited	794.47	33.29%
2	Bangladesh Krishi Bank (BKB)	41,60,492	18.85%	2	Rajshahi Krishi Unnayan Bank (RAKUB)	612.69	25.67%
3	Agrani Bank Limited	33,10,730	15.00%	3	Bangladesh Krishi Bank (BKB)	172.47	7.23%
4	Janata Bank Limited	27,75,626	12.58%	4	Islami Bank Bangladesh Limited (IBBL)	168.77	7.07%
5	Rajshahi Krishi Unnayan Bank (RAKUB)	27,66,444	12.53%	5	Bank Asia Limited	153.80	6.44%
	Total		84.25%		Total		79.70%

Figure 5: Banks based on Number of No-Frill Accounts and Amount of Deposits



2.7. Top 5 Banks in Opening No-Frill Accounts and Amount of Deposits

As of June 2020, top 5 banks have opened 84.25% of the total No-Frill Accounts. Sonali Bank Limited alone has opened 25.29% of the total accounts. On the other hand, top 5 banks have amassed 79.7% of the total amount of deposit. Islami Bank Bangladesh Limited and Bank Asia Limited entered into the list as two active private commercial banks while other private commercial banks have small or no contribution.

Table10: Top 10 Banks Based on Average Deposits in No-Frill Accounts

SL	Name of the Bank	Average Deposits
1	Southeast Bank Limited	41,169.19
2	United Commercial Bank Limited (UCB)	16,967.42
3	Social Islami Bank Limited (SIBL)	8,927.02
4	One Bank Limited	7,151.07
5	BRAC Bank Limited	6,738.25
6	Premier Bank Limited	6,152.01
7	First Security Islami Bank Limited (FSIBL)	5,777.43
8	Al Arafah Islami Bank Limited	5,653.46
9	Basic Bank Limited	4,743.14
10	Modhumoti Bank Limited	4,264.82

Top 10 Banks Based on Average Deposits (Amount in Tk.)

2.8. Top 10 Banks Based on Average Deposits in No-Frill Accounts

Table 10 shows the top 10 banks with average deposits per account-holder of No-Frill Accounts. Private Commercial Banks (PCBs) are in top of the list while one State-Owned Bank (Basic Bank Limited) remains among the top 10 banks. Though the number of accounts in PCBs is low, the average deposits in No-Frill Accounts opened in PCBs are higher. It could be an indication that PCBs are more successful to mobilize savings in the No-Frill Accounts than other categories of banks.

2.9. Overall Review of Tk. 10/50/100 Accounts

The salient points of Tk. 10/50/100 accounts up to June 2020 are mentioned below:

2.9.1. As of June 2020, a total number of 2,20,70,630 No-Frill Accounts has been opened under the financial inclusion program. The number was 1,94,98,045 and 2,13,78,758 in June 2019 and March 2020 respectively indicating an annual growth of 13.19% and a quarterly growth of 3.24%.

2.9.2 The total amount of deposits in the No-Frill Accounts reaches at Tk. 2,386.74 crore in June 2020 compared to Tk. 1,930.19 crore in June 2019 and Tk. 2,385.13 crore in March 2020 respectively. This indicates 19.13% annual growth and a 0.07% quarterly growth in deposit.

2.9.3. Farmers' Accounts are the major category of No-Frill Accounts that contributes around 45% of the total Tk. 10 accounts. As of June 2020, total number of farmers accounts reached at 1,02,70,143, 0.55% higher than that of the previous quarter. By analyzing the statements sent by the banks, it can be observed that in the June 2020 quarter, despite of COVID-19 effects, farmers accounts are in increasing trend that indicated a sign of better financial access of the farmers.

2.9.4. Second and third largest categories of the accounts belong to the accounts opened under Social Safety Net Programs (34%) and for the hardcore poor (13%). A significant 38.32% quarterly growth of the accounts under social safety net program has been observed that could be due to ongoing pandemic since the social safety net program to assist the affected people by the government shows a sharp rise in numbers.

2.9.4. Government has been implementing several projects to help hardcore poor by disbursing subsidy through banking channel. Till June 2020, a total number of 57,40,826 accounts has been opened and the deposit becomes Tk. 915.80 crore in these accounts. So, the quarterly growth in accounts and deposits in account opened for government subsidy are 12.42% and 10.06% respectively.

2.9.5. Till June 2020, the amount of remittance sent through Tk. 10 Accounts is Tk. 347.66 crore which is Tk. 83.16 crore or 31.44% higher than the previous quarter. This indicates that the remittance flow remains persistent even in severe constraints on businesses due to COVID-19 pandemic.

3. Update of School Banking Activities

3.1. School Banking Activities in Bangladesh

One of the most significant milestones in the financial inclusion initiatives of Bangladesh Bank is the introduction of School Banking Program with an aim at developing savings habit at an early age. The program introduces banking services and modern banking technology to students less than 18 years. Bangladesh Bank issued directive for the banks to introduce School Banking in November 2010⁶, later framed a comprehensive policy in October 2013⁷. These policies have preceded the directive to convert School Banking Accounts to general savings accounts once the students reach the age of 18 years (subject to the consent of the account holder)⁸. In 1961, School Banking was initiated under the program named ‘National Publicity Campaign to Develop Banking Habit and Savings’ by the State Bank of Pakistan⁹. Re-introduction of School Banking Program in 2010 has been quite successful in encouraging young students to develop their banking habits.

In light of the existing School Banking policies, banks can open Students’ Accounts with a minimum deposit of Tk. 100 and no service charges. Moreover, these accounts offer attractive interest rates, debit card facility and financial education programs. A total of 55 banks out of 60 banks operating in Bangladesh have so far offered school banking. Total deposit in students accounts under School Banking initiatives has increased by 2.21% in June 2020 quarter with a total deposit of Tk. 1762.82 crore from the Tk. 1724.63 crore in the March 2020 quarter. It is mentionable that due to the COVID-19 pandemic and lockdown, the School Banking Accounts and deposits have slower growth in June 2020 than that of the previous quarters. However, year to year comparison has marked significant growth of School Banking. The number of accounts and amount of deposit have increased by 4,35,572 (or 21.82%) and Tk. 268.42 crore (or 17.96%) respectively in June 2020 from June 2019. Following sections summarizes the updates on the School Banking activities up to June 2020.

3.2. Area-wise School Banking Activities

As of June 2020, banks have opened 24,31,602 School Banking Accounts, which is 1,02,471 (4.40%) accounts more than that of March 2020. Out of total accounts, 60.82% are in the urban area while 39.18% are in the rural area. The number of accounts in the rural and urban area has increased by 6.04% and 3.37% respectively in June 2020 quarter.

⁶BRPD Circular Letter No.12/2010.

⁷GBCSRD Circular No.7/2013.

⁸FID Circular Letter No.02/2018.

⁹BCD (D)/47/22_61, 15 March 1961.

Table 11: Area-wise School Banking Accounts and Deposits

	Rural		Urban		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	9,52,616	39.18%	14,78,986	60.82%	24,31,602
Amount of Deposit (BDT crore)	457.63	25.96%	1,305.19	74.04%	1,762.82

Figure 6: Area-wise Comparison of School Banking Accounts

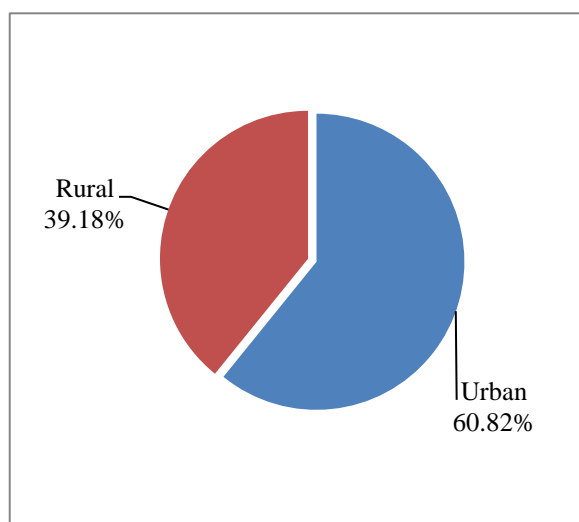
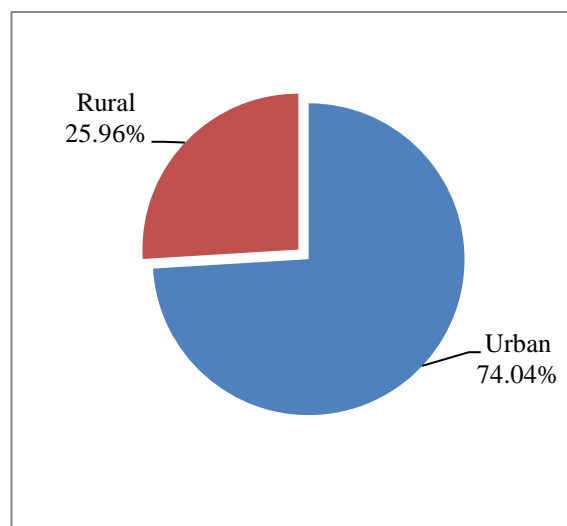


Figure 7: Area-wise Comparison of School Banking Deposits



3.3. Gender-wise School Banking Activities

Gender distribution of these accounts is biased to the male students holding 56.71% of the total accounts while female students holding 43.29%. The number of male and female accounts has increased by 3.01% and 6.27% respectively in this quarter.

Table 12: Gender-wise School Banking Accounts and Deposits

	Male		Female		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	13,78,994	56.71%	10,52,608	43.29%	24,31,602
Amount of Deposit (BDT crore)	974.05	55.26%	788.77	44.74%	1,762.82

Figure 8: Gender-wise Comparison of School Banking Accounts

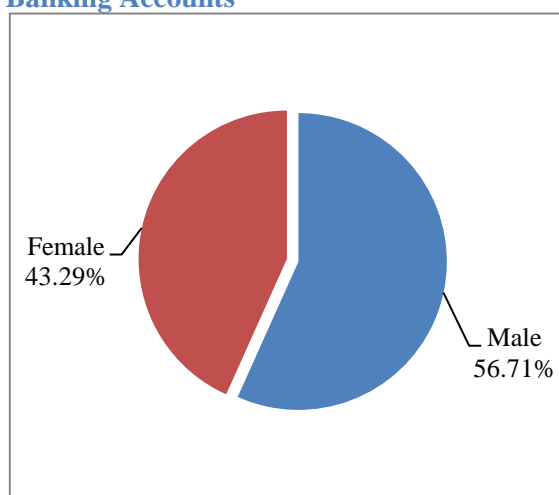
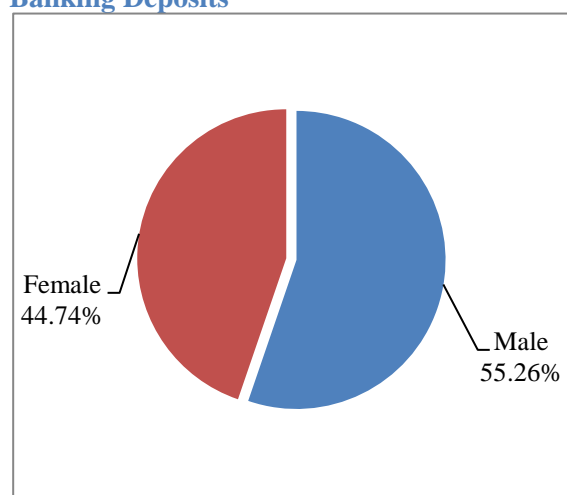


Figure 9: Gender-wise Comparison of School Banking Deposits



3.4. Bank Category-wise School Banking Accounts and Deposits

The PCBs have the largest share in the accumulation of School Banking Accounts and deposits. The PCBs have opened 69.05% of the total School Banking Accounts (a total of 16,78,889 accounts). Their collection of deposit in this area is Tk. 1,466.12 crore which is 83.17% of the overall School Banking deposit. The number of accounts opened and collection of deposits by the PCBs have increased by 4.14% and 1.52% respectively in this quarter. The SOCBs rank next to the PCBs with 25.01% of the total accounts and 13.01% of the total deposits through School Banking. The number of accounts opened and collection of deposit by the SOCBs have increased by 6.05% and 5.29% respectively in this quarter. Seven banks out of 9 FCBs operating in Bangladesh have offered School Banking so far and have opened 2,725 accounts with a collection of Tk. 26.04 crore of deposit. The number of accounts opened by the FCBs has decreased by 0.69%, although the collection of deposit has increased by 5.98% in this quarter.

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

Bank Type	Number of Accounts	Percentage	Amount of Deposit (BDT in crore)	Percentage
State-owned Commercial Banks(SOCB)	6,08,133	25.01%	229.40	13.01%
Specialized Banks(SB)	1,41,855	5.83%	41.26	2.34%
Private Commercial Banks(PCB)	16,78,889	69.05%	1,466.12	83.17%
Foreign Commercial Banks(FCB)	2,725	0.11%	26.04	1.48%
Total	24,31,602	100.00%	1,762.82	100.00%

Figure 10: Bank Category-wise School Banking Accounts

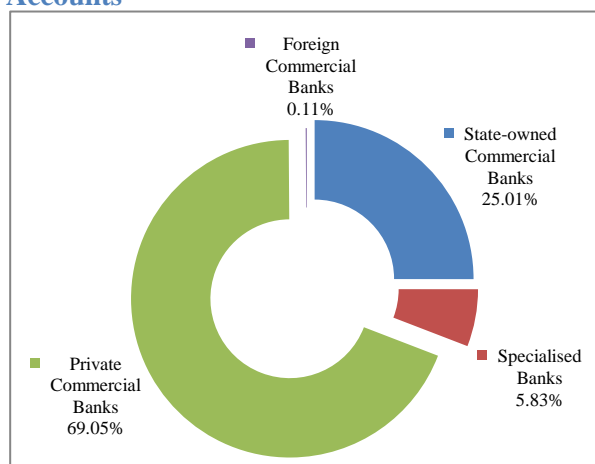


Figure 11: Bank Category-wise School Banking Deposits

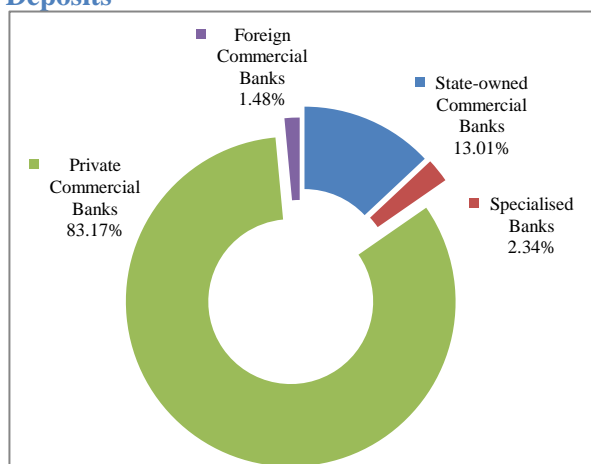
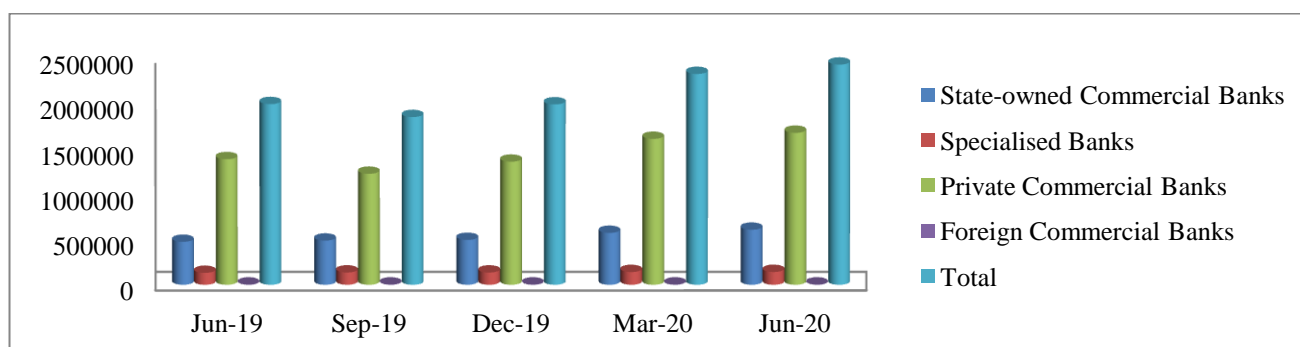


Table 14: Bank Category-wise Number of Accounts in Last Five Quarters

Bank Type	Number of Accounts					Change in the Last Quarter
	June 2019	September 2019	December 2019	March 2020	June 2020	
State-owned Commercial Banks	4,74,094	4,88,107	4,95,560	5,73,465	6,08,133	6.05%
Specialized Banks	1,31,652	1,35,823	1,35,256	1,40,809	1,41,855	0.74%
Private Commercial Banks	13,87,725	12,26,403	13,59,407	16,12,113	16,78,889	4.14%
Foreign Commercial Banks	2,559	2,580	2,679	2,744	2,725	-0.69%
Total	19,96,030	18,52,913	19,92,902	23,29,131	24,31,602	4.40%

Figure 12: Bank Category-wise Growth of Number of Accounts



3.5. Top Performing 5 Banks in School Banking

Dutch-Bangla Bank Limited has ranked the top in School Banking operations with 5,18,363 accounts (21.32% of the total accounts) and a total deposit of Tk. 513.20 crore (29.11% of the total deposits).

Table 15: Top 5 Banks' Number of Accounts and Amount of Deposits

Number of Accounts				Amount of Deposits			
Sl	Bank Name	Accounts	% of Total Accounts	Sl	Bank Name	Deposits (BDT crore)	% of Total Deposits
1	Dutch-Bangla Bank Limited	518,363	21.32%	1	Dutch-Bangla Bank Limited	513.20	29.11%
2	Islami Bank Bangladesh Limited	248,347	10.21%	2	Eastern Bank Limited	142.72	8.10%
3	Agrani Bank Limited	239,900	9.87%	3	Islami Bank Bangladesh Limited	107.14	6.08%
4	Trust Bank Limited	136,209	5.60%	4	Dhaka Bank Limited	102.62	5.82%
5	Rajshahi Krishi Unnayan Bank	115,667	4.76%	5	United Commercial Bank Limited	84.38	4.79%

3.6 Overall Review of School Banking Activities

The salient points of the School Banking activities up to June 2020 are mentioned below:

3.6.1. As of June 2020, banks have opened 24,31,602 School Banking Accounts, which is 1,02,471 (4.40%) accounts more than that of March 2020. Out of total accounts, 60.82% are in the urban areas while 39.18% are in the rural areas. The number of accounts in the rural and urban areas has increased by 6.04% and 3.37% respectively in this quarter. Gender distribution of these accounts is biased to the male students holding 56.71% of the total accounts while female students holding 43.29%. The number of male and female accounts has increased by 3.01% and 6.27% respectively in this quarter.

3.6.2. Total deposit in School Banking has marked 2.21% increase in June 2020 quarter with a total deposit of Tk. 1762.82 crore from the Tk. 1724.63 crore in the March 2020 quarter. It is mentionable that due to the COVID-19 pandemic and lockdown measures, the School Banking Accounts and deposits has slower growth in June 2020 than that of the previous quarters. However, year to year comparison has marked significant growth of school banking. The number of accounts and amount of deposits have increased by 4,35,572 (or 21.82%) and Tk. 268.42 crore (or 17.96%) respectively in June 2020 from June 2019.

3.6.3. The PCBs have the largest share in the accumulation of School Banking Accounts and deposits. The PCBs have opened 69.05% of the total School Banking Accounts (a total of 16,78,889 accounts). Their collection of deposit in this area is Tk. 1,466.12 crore which is 83.17% of the overall School Banking Deposits.

3.6.4. The number of accounts opened and collection of deposit by the PCBs have increased by 4.14% and 1.52% respectively in this quarter.

3.6.5. The SOCBs rank next to the PCBs with 25.01% of the total accounts and 13.01% of the total deposits through School Banking. The number of accounts opened and collection of deposits by the SOCBs have increased by 6.05% and 5.29% respectively in this quarter. Seven banks out of 9 FCBs operating in Bangladesh have offered School Banking so far and have opened 2,725 accounts with a collection of Tk. 26.04 crore of deposit.

3.6.6. The number of accounts opened by the FCBs has decreased by 0.69%, although the collection of deposit has increased by 5.98% in this quarter.

3.6.7. Dutch-Bangla Bank Limited has ranked top in School Banking operations with 5,18,363 accounts (21.32% of the total accounts) and a total deposit of Tk. 513.20 crore.

4. Update of Banking Services for Working Children

Bangladesh Bank has directed banks¹⁰ to provide financial services to Working Children to secure their hard earned money and help them to grow a savings attitude. Children who do not have biological parents can open accounts in the designated banks with the help of the registered Non-Government Organizations (NGOs). The NGOs involved in this process are responsible for the account operation and for the welfare of the account holders. No fees are charged on these accounts. Table 16 provides a brief overview of the banking services for Working Children as of June 2020.

Table 16: Overview of the Banking Services for Working Children

Sl	Name of the Bank	Account Opened in June Quarter	Account Closed June Quarter	Cumulative Number of Accounts	Cumulative amount of deposits (in BDT thousands)
1	Sonali Bank Limited	-	-	46	9.10
2	Agrani Bank Limited	-	-	5320	52.92
3	Janata Bank Limited	-	-	200	80.00
4	Rupali Bank Limited	32	-	981	1195.61
5	Bangladesh Development Bank Limited	-	3	185	13.88
6	Bangladesh Krishi Bank	-	-	162	40.00
7	Al-ArafahIslami Bank Limited	-	-	153	185.78
8	Bank Asia Limited	-	-	234	171.90
9	Dutch-Bangla Bank Limited	-	-	20	4.41
10	Mercantile Bank Limited	-	-	226	125.48
11	Mutual Trust Bank Limited	-	-	45	1.77
12	National Bank Limited	-	-	19	13.00
13	One Bank Limited	-	-	226	213.28
14	Prime Bank Limited	-	-	39	2.00
15	Pubali Bank Limited	-	-	544	400.00
16	Social Islami Bank Limited	1	-	1164	1055.41
17	The City Bank Limited	-	-	152	200.00
18	Trust Bank Limited	-	-	274	100.00
19	Uttara Bank Limited	-	-	39	4.00
	Total	33	3	10,029	3868.55

¹⁰BRPD Circular No.05/2014

4.1 Overall Review of Working Children Accounts

The main points of Working Children Accounts upto June 2020 are mentioned below:

4.1.1. Upto June 2020, 19 banks have opened 10,029 Working Children Accounts through the help of 23 NGOs.

4.1.2. The number of accounts for Working Children has increased by 4,882 in June 2020 compared to June 2019, i.e., the number of accounts has increased by 94.85% in the last one year.

4.1.3. Upto June 2020, Agrani Bank Limited has opened the highest number of accounts among the banks with 5,320 accounts and Rupali Bank Limited is top deposit collecting bank with a total deposit of Tk. 11.96 lac.

4.1.4. Due to the COVID-19, the growth of accounts and deposits for Working Children in June 2020 was very low.

5. Conclusion

Even amidst the COVID-19 pandemic, No-Frill Accounts are in the rise over the June 2020 quarter. These accounts are playing a significant role in providing formal financial services to the marginal people. In addition to help receive government safety net allowances, these accounts are also being increasingly used for savings and loans. This indicates that No-Frill Accounts are gradually serving the complete purpose of financial inclusion for the marginal people. The scope of utilizing the No-Frill Accounts in Bangladesh is largely unmatched as majority of the low-income people are still out of reach of formal financial services. Moreover, COVID-19 situation has revealed the need of these accounts for bringing marginal people under the umbrella of formal financial services.

Appendix A: Financial Inclusion related Circulars of Bangladesh Bank

Date	Circular No.	Title
17-01-10	BRPD Circular No.-01/2010	Regarding the opening of Farmers' Accounts.
25-03-10	BRPD Circular Letter No.-05/2010	Regarding the opening of Farmers' Accounts.
02-05-10	BRPD Circular No. -17/2010	Regarding the opening of beneficiaries' accounts' under Social Security Program.
08-09-10	BRPD Circular No.-29/2010	Bank account for hardcore poor
02-11-10	BRPD Circular Letter No.-12/2010	School Banking
11-04-11	BRPD Circular No.-04/2011	Bank account for freedom fighters
19-06-11	BRPD Circular No.-05/2011	Bank account for beneficiaries under Social Security Program
18-09-11	BRPD Circular No.-07/2011	Bank account for distressed people having grant from Hindu Religious Welfare Trust
01-11-11	BRPD Circular No.-08/2011	Bank account for policy holders of Small Life Insurance
06-11-12	ACFID Circular Letter No.-04/2012	To expedite transactions of 10 Taka A/Cs of marginal & poor farmers
18-11-12	BRPD Circular No.-17/2012	Bank Account for Hardcore Poor Woman
26-05-13	GBCSRD Circular No.-01/2013	Bank A/C opening for destitute people receiving allowance from Ministry of Religious Affairs
25-07-13	GBCSRD Circular No.-03/2013	Opening of Bank Accounts for Cleaning Staffs of Dhaka North and Dhaka South City Corporation
11-09-13	SMESPD Circular Letter No.-01/2013	Financing to all disable SME entrepreneurs including blind under Bangladesh Bank Fund
17-09-13	GBCSRD Circular No.-05/2013	Opening of Bank Accounts for Ready Made Garments Workers
26-09-13	GBCSRD Circular No.-06/2013	GBCSRD Circular No. 06 : Opening of Bank Accounts for Workers of Small Footwear & Leather Products' Industries under LSBPC (Leather Sector Business Promotion Council) Project
09-03-14	BRPD Circular No.-05/2014	Regarding Banking Service for Working Children
14-05-14	GBCSRD Circular No.-01/2014	Refinance Scheme for 10 TK. Account Holders, Small/ Marginal/ Landless/ Natural Disaster Affected Farmers and Micro/ Small Traders Under Financial Inclusion Program
20-01-15	GBCSRD Circular No.-01/2015	Ensuring banking services for physically challenged persons

Date	Circular No.	Title
12-02-15	GBCSRD Circular Letter No.-02/2015	Regarding Banking Service for Working Children
03-03-15	GBCSRD Circular No.-02/2015	Regarding Profit/interest rate of Tk. 10 (Ten), 50 (Fifty) and 100 (Hundred) Accounts
08-04-15	SMESPD Circular No. -02/2015	Extending Credit Financial Services in favour of Fresh Women Entrepreneurs in cottage, Micro & Small sector.
18-06-15	GBCSRD Circular Letter No.-07/2015	Regarding Opening 10 Taka Account for Small/ Marginal/ Landless/ Natural Disaster Affected Farmers and Small or Micro Traders
03-08-15	FID Circular No.-02/2015	Opening Bank Accounts for the dwellers of Angorpota - Dohogram and newly included 111 enclaves in Bangladesh
17-09-15	DMD Circular No.-02/2015	Regarding the transfer of profit and principal of Sanchaipatra directly to the bank accounts
04-11-15	FID Circular Letter No.-02/2015	Opening of Bank Accounts for students Under School Banking Guidelines
26-01-16	FID Circular Letter No.-02/2016	Opening of School Banking Accounts for children aged under 6 years old under School Banking policy
14-02-16	FID Circular Letter No.-03/2016	Banking service for Working Children
28-01-18	FID Circular Letter No.-01/2018	Opening of School Banking Accounts
17-12-18	FID Circular Letter No.-02/2018	Conversion of the School Banking Accounts into general accounts

Appendix B: Tk. 200 Crore Refinance Scheme

From 2014, a revolving refinance fund of Tk. 200 crore has been in operation that created by Bangladesh Bank to facilitate the rural economic activities by expanding the income-generating activities of the low income marginal/small traders affected by natural disasters as well as marginal/small farmers with accounts of Tk. 10 to provide access to credit to the financial services. The scheme has been used to refinance loans by banks directly and through Micro-Financial Institutions (MFI) linkage. Under this scheme, the banks under contract can lend up to Tk. 50,000 to the account holders of Tk. 10 for one year period without any collateral. In contrast to the disbursement of these loans, Bangladesh Bank provides refinance facility to banks at existing bank rate. The banks are also provided with a rebate at a rate of 3.5% under this fund, against successful recovery of disbursed loans. Up to June 2020, a number of 66,864 No-Frill Accounts received loans under the scheme and the amount of deposit decreases to Tk. 336.43 crore which leads to 7.53% quarterly and 7.42% yearly change respectively. On the other hand, the amount of deposits in these accounts also decreases in June 2020 quarter.

Table 17: Number of Accounts and Amount of Deposit under the Tk. 200 Crore Refinance Scheme

	June 2019	March 2020	June 2020	Change in Q-to-Q	Change in Y-to-Y
Number of Accounts	72,205	72,286	66,844	-7.53%	-7.42%
Amount of Deposits (In crore Tk.)	385.60	349.98	336.43	-3.87%	-12.75%