

Quarterly Report on No-Frill Accounts

(April-June 2023)



Bangladesh Bank
Financial Inclusion Department

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Acronyms

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

Executive Summary

This report presents quarterly review of the No-Frill Accounts (NFAs) which include the accounts opened with an initial deposit of Tk. 10/50/100 by the low income people, the school students under 18 years of age and the street urchin or working children. In June 2023 quarter, total number of NFAs is recorded as 31,008,370 with total deposit of Tk. 64,896.88 million.

The number of Tk. 10/50/100 accounts (excluding the School Banking, Street Urchin and Working Children Accounts) and the cumulative deposits in these accounts stand at 27,007,752 and Tk. 41,306.41 million respectively in the June 2023 quarter. The number of accounts has grown 1.77% in the reporting quarter compared to the previous one. The number of Tk. 10 Accounts for the Farmers remains the largest component of the NFAs, contributing 38.06% of the total Tk. 10/50/100 accounts. On the other hand, number of accounts for the beneficiaries of the Social Safety Net (SSN) programs constitutes 37.10% of the total NFAs in the reporting quarter, increases by 0.76% over the previous quarter.

As on June 2023, individuals with Tk. 10/50/100 accounts have received Tk. 5,925.56 million as credit from both the Tk. 200 crore and Tk. 500 crore refinance schemes for the No-Frill Accounts. The increased demand of such credit could be attributed to the revival of the economic activities paused by the COVID-19 pandemic.

No-Frill Accounts play significant role in the distribution of foreign inward remittances. In June 2023 quarter, these accounts have received Tk. 367.05 million as foreign remittances. The cumulative amount of foreign remittances received through these accounts by the end of the reporting quarter reaches Tk. 6,152.03 million. The amount is 6.34% higher than the cumulative amount received by the end of March 2023 quarter.

The number of School Banking Accounts has increased by 2.36% over the previous quarter. This increase is due to the resumption of school banking conferences across the country. Scheduled banks have resumed School Banking Conferences since November 2022. Street Urchin and Working children accounts have also increased by 5.89% over the last quarter. 19 banks have opened 33,806 such type of accounts. Overall, the No Frill Accounts contribute significantly in bringing the financially excluded people under the umbrella of formal financial services.

Chapter 1: No-Frill Accounts

BB has taken various initiatives to ensure financial services for the people of all segments of the society. As a 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. NFAs 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 June 23 quarter, the government has disbursed subsidy/salary to 7,113,449 NFAs held with various segments of marginalized people of the society. In addition, NFAs play a significant role in channelizing inward foreign remittances. Up to June 2023 quarter the

cumulative amount of foreign remittances received through these accounts reaches Tk. 6,152.03 million. The amount is 6.34% higher than the cumulative amount received by the end of March 2023 quarter. In addition, the number of SBAs has increased by 2.36% over the previous quarter. SBAs have grown by 23.26% over the June 2022 quarter. The resumption of School Banking Conferences by banks across the country has contributed to this growth.

The Salient Features of No-Frill Accounts (Up to June 2023):

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

- *Total Number of Accounts: 27,007,752*
- *Total Amount of Deposits: Tk. 41,306.41 million.*
- *Total Number of Accounts for the Farmers: 10,277,837 (38.06% of total Tk. 10/50/100 accounts)*
- *Second and Third largest categories of Tk. 10 Accounts are Accounts for the beneficiaries of the SSN Programs (37.10%) and the Extreme Poor (13.31%).*
- *The Amount of Remittance sent through No Frill Accounts: Tk. 6,152.03 million.*

School Banking Accounts (SBAs)

- Total Number of Accounts: 3,966,812
- Total Amount of Deposits: Tk. 23,584.50 million

Street Urchin and Working Children Accounts (SUAs)

- Total Number of Accounts: 33,806
- Total Amount of Deposits: Tk. 5.97 million.

Chapter 2: Tk.10/50/100 Accounts

2.1 Different Categories of Tk.

10/50/100 Accounts

As of June 2023, the total number of Tk. 10/50/100 accounts excluding SBAs and Street Urchin Accounts becomes 27,007,752. These accounts hold deposits of Tk. 41,306.41 million. Among all the categories of Tk. 10/50/100 accounts, Accounts for the Farmers remain the largest component through which government subsidies in agricultural sector are disbursed regularly.

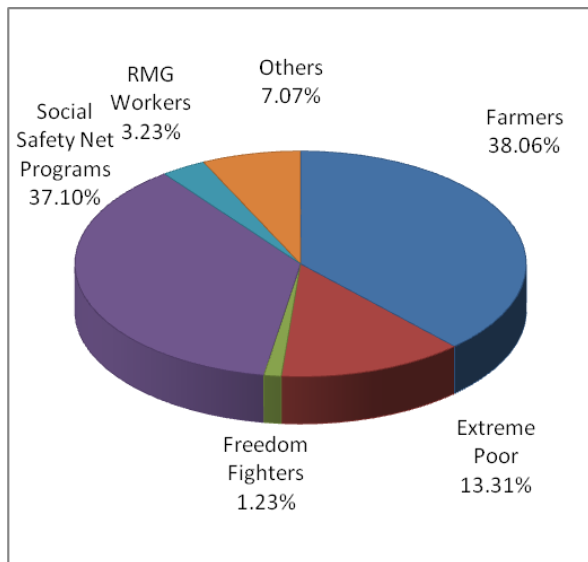


Figure 1: Major Categories of Tk. 10/50/100 Accounts

The major categories of Tk. 10/50/100 accounts comprise of the Accounts for the Farmers (38.06%), Beneficiaries of the SSN programs (37.10%) and Extreme Poor (13.31%). A small

but significant component of Tk. 10/50/100 accounts is the No-Frill Accounts for Ready-made Garments (RMG) workers, constitutes 3.23% of the total Tk. 10/50/100 accounts. A complete list of these components is shown in the Table 1 in the Appendix A.

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

As of June 2023, the total number of Tk. 10/50/100 accounts reaches to 27,007,752 which indicates a 1.77% growth over the previous quarter and 6.85% growth over the June 2022 quarter.

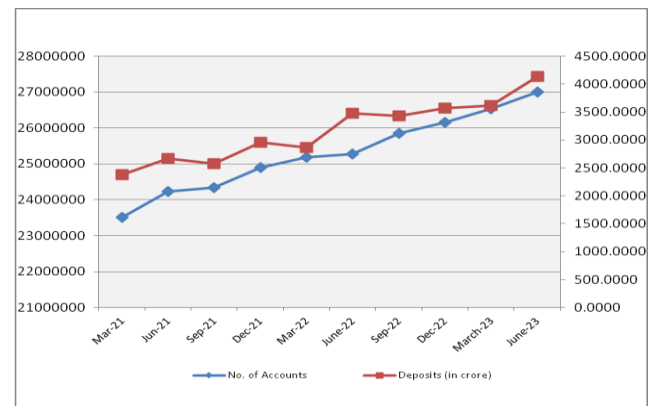


Figure 2: Quarterly Movement of Tk. 10/50/100 Accounts

Total deposit in Tk.10/50/100 accounts amounts to Tk. 41,306.41 million in the reporting quarter, which is 14.13% higher than that of the previous quarter and 18.82% higher than the amount recorded in June 2022 quarter.

2.2.1 No-Frill Accounts (NFAs) for the Farmers

BB introduced Tk. 10 Accounts for the Farmers in 2010¹ as one of the significant financial inclusion initiatives to bring rural communities living on agriculture under the umbrella of formal financial services.

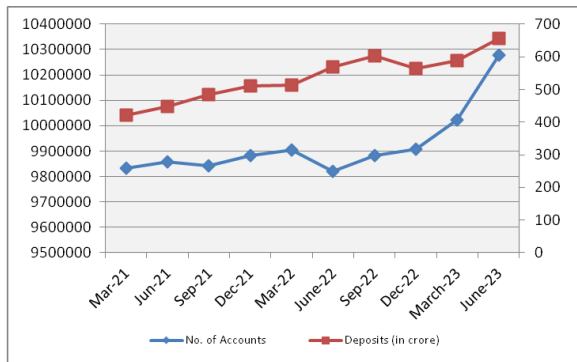


Figure 3: Quarterly Trend of Tk. 10 Accounts for the Farmers

As of June 2023, the total number of Accounts for the Farmers reaches 10,277,837 which is 2.54% higher than that of the previous quarter. On the other hand, the total deposit in the Accounts for the Farmers stands at Tk 6,568.90 million, which is 11.46% higher than that of the previous quarter and 15.38% higher than that of the June 2022 quarter.

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 supports through the banking channel.

¹ BRPD Circular No.-01/2010

Tk.10 account also provides the extreme poor with the opportunities to save their hard-earned money.

As of June 2023, the number of Accounts for the Extreme Poor reaches 3,594,852. This number is 0.84% higher than that of the previous quarter and 10.22% higher than that of the June 2022 quarter.

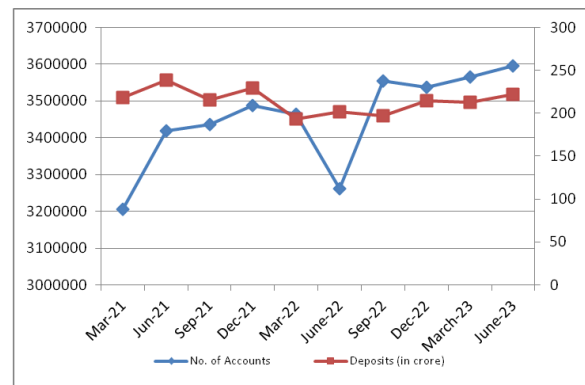


Figure 4: Quarterly Movement of Tk. 10 Accounts for the Extreme Poor

Deposit in the Accounts for Extreme Poor increases by 4.47% over the previous quarter and 10.32% over the June 2022 quarter.

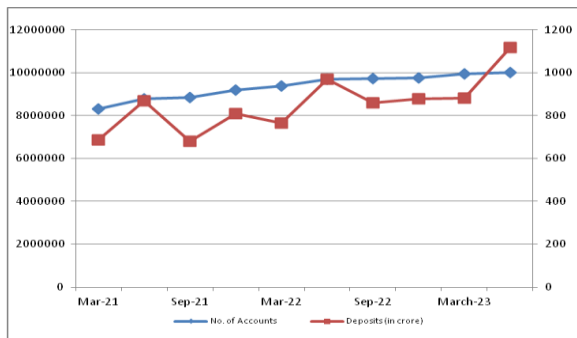
Increasing trend in deposit in the NFAs for the extreme poor shows a positive savings behavior of the extreme poor even in the inflationary pressure.

2.2.3 NFAs for the Beneficiaries of the SSN Programs

Government's 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 Identity Card (NID) and Pension Payment Order (PPO) book.² 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.³

The number of Tk. 10 Accounts for the beneficiaries of the SSN has increased by 0.76% in the reporting quarter over the previous quarter and 3.22% over the June 2022 quarter.

The amount of deposits in these accounts has increased by 26.69% compared to that of the previous quarter and increased by 15.40% than that of the June 2022 quarter.



² BRPD Circular No-05 dated 19 June 2011

³ FID Circular No-02 dated 06 July 2020

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

2.2.4 NFAs Accounts for RMG Workers

The number of Tk. 100 Accounts for the RMG workers has increased by 8.73% in the reporting quarter over the previous quarter and 34.42% over the June 2022 quarter. Use of Digital Financial Services has increased significantly due to the payment of salaries of RMG workers in the recent times. This has in turn contributed to the increase of bank accounts. As well as, deposits in these bank accounts increased by 24.35% over the previous quarter and 22.85% over the June 2022 quarter.

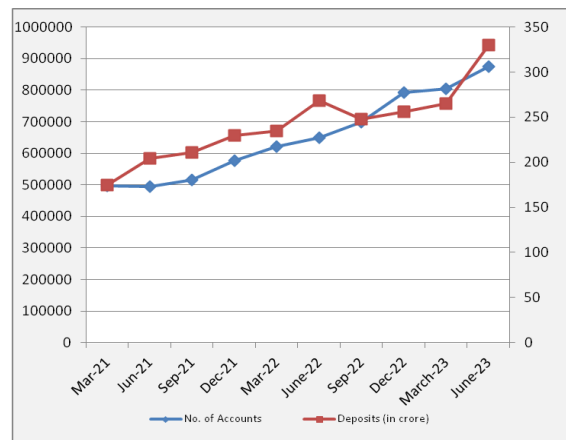


Figure 6: Quarterly Trend of Tk. 10 Accounts for RMG Workers

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

State-owned Commercial Banks (SoCBs) dominate over the other categories of banks in opening Tk.10/50/100 Accounts. As of June

2023, SoCBs have opened 14,593,219 number of No-Frill Accounts which constitute 54.03% of the total accounts. Specialized Banks (SBs) have 24.96% while the Private Commercial Banks (PCBs) have 21.01% share of the total Tk. 10/50/100 accounts. Due to limited branches, participation of Foreign Commercial Banks (FCBs) is insignificant in this area.

During the reporting quarter, the total deposits held in the scheduled banks as Tk. 10/50/100 Accounts amounts to Tk. 41,306.41 million. SoCBs hold Tk. 24,923.96 million or 60.34% of the total deposits in these accounts.

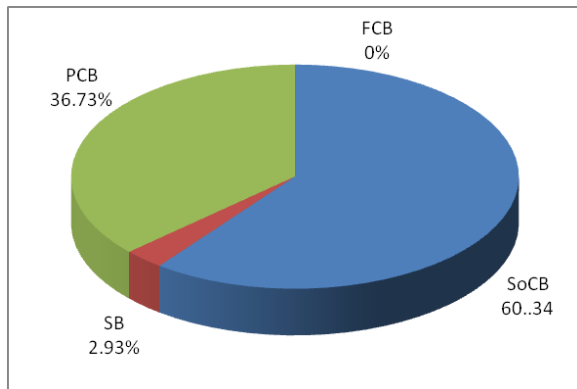


Figure 7: Market Share of Tk. 10/50/100 Accounts Deposit

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

As of June 2023, top 5 banks have opened 80.14% of the total Tk. 10/50/100 Accounts. Sonali Bank PLC has opened 25.35% of the total accounts. Two other SoCBs in the list of top 5 banks, Agrani Bank Limited and Janata Bank PLC have opened 15.38% and 10.39% of the total accounts respectively. Bangladesh Krishi

Bank (BKB), the specialized bank with 16.48% of the total accounts, is another major contributor in promoting financial inclusion through opening No-Frill Accounts.

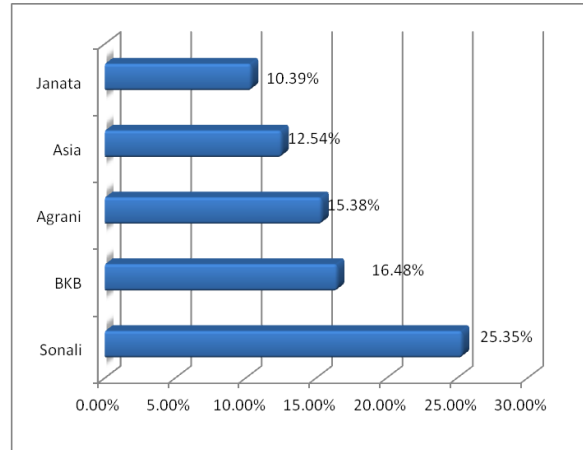


Figure 8: Top 5 Banks Based on Number of No-Frill Accounts

Top 5 banks hold 79.73% of the total amount of deposits. In terms of total deposits, Bank Asia Limited, Islami Bank Bangladesh PLC and Southeast Bank Limited have emerged in the list as three PCBs along with Sonali Bank PLC and Agrani Bank Limited.

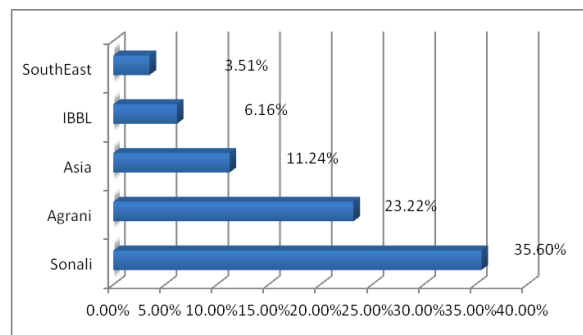


Figure 9: Top 5 Banks Based on Deposits in No-Frill Accounts

2.5 Refinance Scheme for No-Frill Account Holders

This revolving scheme facilitates banks to lend to the marginalized people with Tk. 10/50/100 accounts without collateral. In september 2021, BB took several measures⁴ to facilitate rapid recovery of rural economy from the COVID-19 pandemic as well as to make this scheme more attractive both for the banks and the targeted borrowers. As a part of those measures, the fund size of the refinance scheme has been increased from Tk. 200 crore to Tk. 500 crore. Individual loan size in the revised scheme has increased from Tk. 50,000 to Tk. 500,000. The most significant revision of the scheme lies in the interest rate which is now 7% at the borrower level and 1% at the bank level, replacing the earlier rates of 9% at the borrower level and 4% at bank level. Besides, Shariah based banks are now permitted to participate in the scheme.

Up to June 2023, a total of 1,19,024 borrowers have received Tk. 5,925.56 million from both the Tk. 200 crore and Tk. 500 crore revolving schemes.

⁴ 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 innovations 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 directives⁵ for the banks to introduce School Banking in November 2010 and later framed a comprehensive policy⁶ in October 2013. These policies have preceded the directive⁷ 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).

In light of the existing School Banking policies, banks can open student accounts with a minimum deposit of Tk. 100 with no service charges. Moreover, these accounts offer attractive interest rates, debit card facilities and financial education programs. 59 out of 61 banks operating in Bangladesh have so far offered school banking services. The number of SBAs has reached 3,966,812 in this quarter, 2.36% higher than that of previous quarter. Year-to-

year comparison has also marked significant growth in School Banking activities. The number of SBAs has grown by 23.26% in the June 2023 quarter compared to June 2022 quarter. Scheduled banks have resumed school banking conferences since November 2022 across the country. This has helped to augment school banking activities.

Deposit in the SBAs has increased to Tk. 23,584.50 million during the reporting quarter with the increase of 3.89% over the previous quarter.

Highlights of the School Banking, June 2023:

- *No. of Banks Operating School Banking Accounts: 59*
- *Total no. of School Banking Accounts: 3,966,812*
- *Total Amount of Deposits: Tk.23,584.50 million.*
- *44.37% of Total Accounts are in the Urban Area and 55.63% are in the Rural Area.*
- *Male Students are holding 51.45% and Female Students are holding 48.55% of total No. of Accounts.*
- *The PCBs have the largest share of 71.89% in opening SBAs*

⁵BRPD Circular Letter No.12/2010.

⁶GBCSRD Circular No.7/2013.

⁷FID Circular Letter No.02/2018.

3.2 Region-wise Distribution of School Banking Activities

As of June 2023, banks have opened 3,966,812 SBAs. 55.63% of the accounts are in the rural areas while the remaining accounts are in the urban areas. The number of SBAs has increased by 1.66% in the urban areas and increased by 2.92% in the rural areas in the reporting quarter indicating a higher growth in the rural areas than that of the urban areas.

In division wise distribution, Dhaka has the largest share of 23.54% SBAs containing 42.61% of the total deposits. Chattogram follows Dhaka with 21.37% share of the total SBAs and 22.91% of the total deposits. Figure 10 and 11 illustrate the division wise distribution of SBAs and deposits held in those accounts.

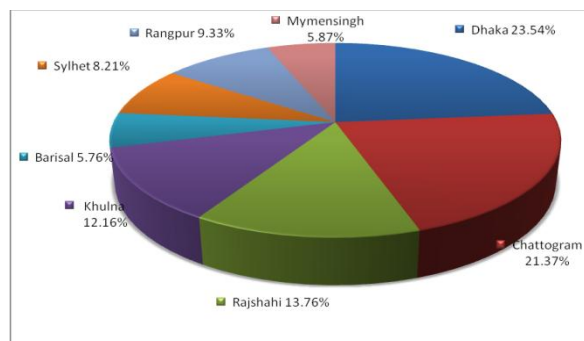


Figure 10: Division-wise School Banking Accounts

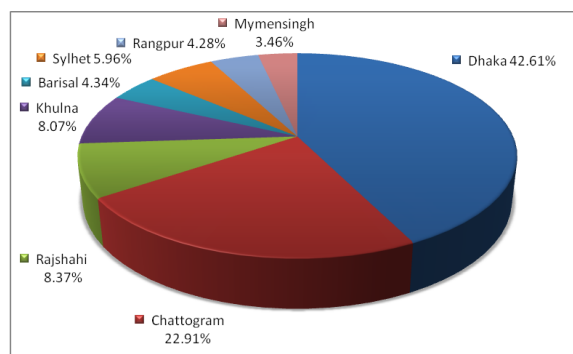


Figure 11: Division-wise School Banking Deposits

3.3 Gender-wise School Banking Activities

Gender distribution of SBAs is slightly inclined to the male students holding 51.45% of the total SBAs. Female students hold the rest 48.55% of the total accounts. The number of male accounts has increased by 1.83% and also the number of female accounts has increased by 2.93% in the reporting quarter. The amount of deposit in male accounts has increased by 3.37% and also the number of female accounts increased by 4.53% in the reporting quarter.

Dhaka Division

Total no. of Accounts: 933,828

Total amount of Deposits: Tk. 10050.54 million.

Chattogram Division

Total no. of Accounts: 847,641

Total amount of Deposits: Tk. 5,402.65 million.

Rajshahi Division

Total no. of Accounts: 546,021

Total amount of Deposits: Tk. 1,974.97 million.

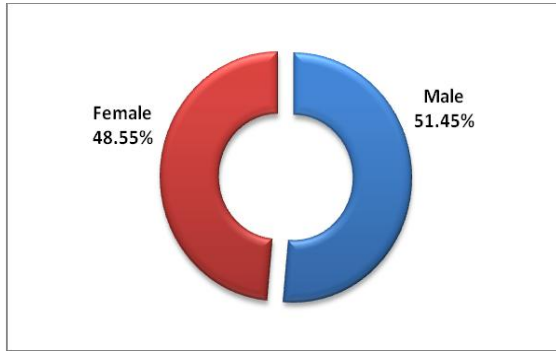


Figure 12: Gender-wise School Banking Accounts

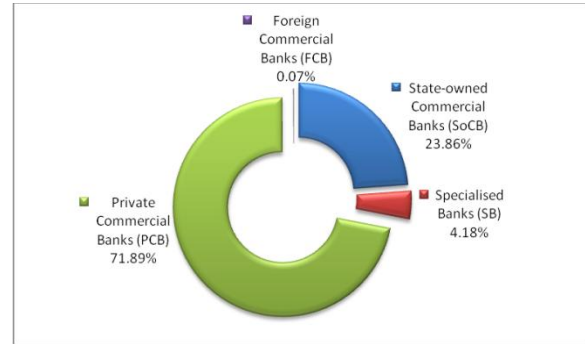


Figure 14: Banks' Performance on Opening School Banking Accounts

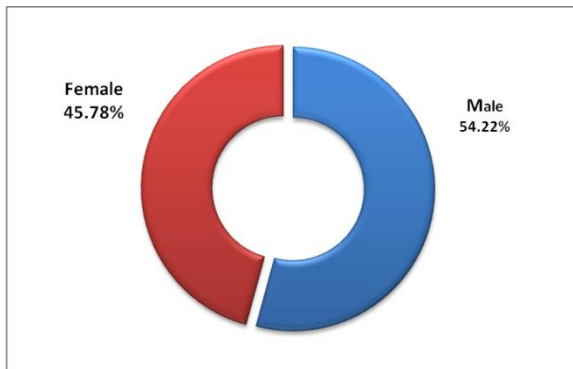


Figure 13: Gender-wise School Banking Deposits

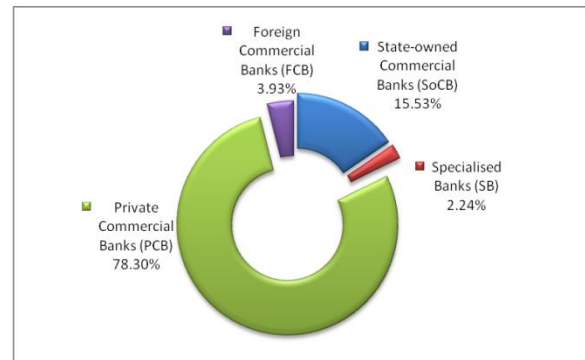


Figure 15: Banks' Performance on School Banking Deposits

3.4 Banks' Performance on School Banking Accounts and Deposits

The PCBs have the largest share in the accumulation of SBAs and deposits. They have opened 71.89% of the total School Banking accounts and held 78.30% of the overall School Banking deposit amounting to TK. 18,465.51 million during the reporting quarter. The number of accounts with the PCBs has increased by 1.79% and the amount of deposits also increased by 4.23% compared to the previous quarter.

The SoCBs rank next to the PCBs with 23.86% of the total accounts and 15.53% of the total deposits. The number of accounts by the SoCBs has increased by 4.38% and the collection of deposits has also increased by 5.27% in the reporting quarter. SBs have opened 4.18% of the total School Banking accounts and hold deposit of Tk. 529.09 million. 7 out of 9 FCBs operating in Bangladesh have offered School Banking facilities so far. The number of accounts opened by the FCBs is 0.07% only. Figure 14 and 15 illustrate banks' category-wise performance in terms of SBAs and deposits held with those accounts respectively.

3.5 Top 5 Banks in School Banking Activities

Top 5 banks have opened 58.96% of total number of SBAs. Among the top 5 banks, Dutch-Bangla Bank Limited (DBBL) has ranked the top in School Banking activities with opening of 932,430 numbers of accounts covering around 23.51% of the total accounts as well as accumulating Tk. 5,880.20 million deposits with a share of 24.93% of total deposits in SBAs. Islami Bank Bangladesh PLC holds the second highest position with 16.15% 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.

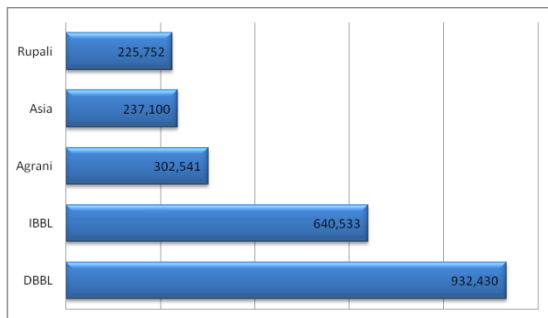


Figure 16: Top Performing 5 Banks in Opening School Banking Accounts

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

SBAs can be converted to general savings accounts when students become 18 years of age. A significant portion of SBAs has been 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 have completed 18 years has become 973,131 and 746,836 accounts of them (approximately 76.75%) have been converted to general savings accounts. A bank category wise distribution of such accounts is added as Table 17 in Appendices.

Chapter 4: Banking Services for Street Urchin and Working Children

BB has advised banks⁸ to provide financial services to street urchin and working children to secure their hard earned money and help them to develop a saving habit. 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 18 in the appendix A shows an overview of the banking services for SUAs during the reporting quarter.

As of June 2023, 19 banks have opened 33,806 street urchin accounts through 53 NGOs. The total amount of deposits in these accounts reaches Tk. 5.97 million at the end of the reporting quarter. In the reporting quarter number of accounts for street urchin has increased by 5.89% over the previous quarter.

Agrani Bank Limited has ranked the top among the banks in opening Street Urchin and Working Children accounts. It has opened 29,037 accounts up to June 2023. Social Islami Bank Limited, on the other hand, has become the top bank in collecting deposits in these accounts with a total deposit of Tk. 2.50 million at the end of this quarter.

⁸BRPD 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 segment of population. Yet, the growth in No-Frill Accounts needs to be accelerated in order to achieve the goal of National Financial Inclusion Strategies (NFIS-B) where it is targeted to confirm bank accounts for all adults by 2026. To achieve the target, some recommendations are as follows:

5.1. Banks should continue the ongoing financial literacy campaign as well as school banking initiatives to enhance financial inclusion.

5.2. Banks can incentivize their agents to open No-Frill Accounts for the underserved population.

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 and 500 crore Refinance Scheme/Others		Foreign Remittance	
		Cumulative number of Accounts	Cumulative amount of Deposits (Tk. in millions)	Cumulative number of Accounts	Cumulative amount of Deposits (Tk. in millions)	Cumulative number of Accounts	Amount of lending under the scheme (Tk. in millions)	Cumulative number of Accounts	Amount of Remittance (Tk. in millions)
1	Farmers	10,277,837	6568.90	2,908,799	721.47	74,676	3,285.20	134309	5212.35
2	Extreme poor	3,594,852	2221.59	944,673	1488.31	12,848	2,025.49	3337	162.48
3	Freedom fighters	333,121	10310.32	159,274	2934.39	63	23.41	331	26.97
4	Social Safety net allowance	10,018,808	11172.46	2,600,607	3782.50	4,408	13.20	2293	186.56
5	Food & livelihood security	170,475	557.80	16,390	9.87	-	-	257	5.30
6	Poor rehabilitation under Ministry of Religious Affairs	4,225	37.37	336	0.40	-	-	257	5.20
7	City corporation workers	15,024	88.42	6	0	-	-	1	0.06
8	RMG workers	873,503	3300.86	28,582	6.8	-	-	423	9.45
9	Leather Industry workers	2,088	22.08	55	0	-	-	0	0
10	National Service Program	64,464	312.14	29,769	223.91	-	-	10	0.20
11	Small Life Insurance Program	147,830	1715.75	3,867	7.44	-	-	678	22.51
12	Physically challenged persons	622,704	1398.72	230,427	954.30	18526	1.20	284	0.45
13	Others	882,821	3600.0.	190,664	252.15	8503	577.06	10651	520.50
Total		27,007,752	41306.41	7,113,449	10,381.54	119,024	5,925.56	152831	6152.03

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

Components	June' 22	March'23	June' 23	% change in Q-Q*	% change in Y-Y**
Farmers	9,820,699	10,022,973	10,277,837	2.54%	4.65%
Extreme poor	3,261,400	3,564,735	3,594,852	0.84%	10.22%
Freedom fighters	322,198	328,080	333,121	1.54%	3.39%
Social Safety Net	9,706,621	9,943,288	10,018,808	0.76%	3.22%
RMG Workers	649,820	803,346	873,503	8.73%	34.42%
Others	1,516,094	1,876,714	1,909,631	1.75%	25.96%
Total	25,276,832	26,539,136	27,007,752	1.77%	6.85%

*Quarter **Year

Table 3: Growth of Deposits in No-Frill Accounts

Deposits	June' 22 (Tk. In millions)	March'23 (Tk. In millions)	June' 23 (Tk. In millions)	% change in Q-Q	% change in Y-Y
Farmers	5,693.30	5,893.25	6,568.90	11.47%	15.38%
Extreme poor	2,013.70	2,126.47	2,221.59	4.47%	10.32%
Freedom fighters	9,634.70	9,674.22	10,310.32	6.58%	7.01%
Social Safety net allowance	9,681.80	8,818.68	11,172.46	26.69%	15.40%
RMG Workers	2,686.90	2,654.53	3,300.86	24.35%	22.85%
Others	5,052.90	7,025.71	7,732.28	10.06%	53.03%
Total	34,763.30	36,192.86	41,306.41	14.13%	18.82%

*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 millions)
March 2021	9,833,281	4,223.50
June 2021	9,859,198	4,466.90
September 2021	9,843,476	4,839.80
December 2021	9,883,878	5,113.70
March 2022	9,903,233	5,123.50
June 2022	9,820,699	5,693.30
September 2022	9,883,689	6,023.23
December 2022	9,906,824	5,632.33
March 2023	10,022,973	5,893.25
June 2023	27,007,752	6,568.91

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 millions)
March 2021	3,206,222	2,184.40
June 2021	3,419,115	2,388.40
September 2021	3,436,401	2,153.30
December 2021	3,486,814	2,290.00
March 2022	3,464,579	1,929.00
June 2022	3,261,400	2,013.70
September 2022	3,554,128	1,973.88
December 2022	3,537,995	2,147.00
March 2023	3,564,735	2,126.47
June 2023	3,594,852	2,221.59

Table 6: Cumulative Amount of Deposits in No-Frill Accounts for the Freedom Fighters

Quarter	Cumulative Number of Accounts for Freedom Fighters	Amount of Deposits (Tk. in millions)
March 2021	264,557	5,602.30
June 2021	267,912	5,839.20
September 2021	278,249	6,349.10
December 2021	286,975	7,853.10
March 2022	289,469	7,214.70
June 2022	322,198	9,634.70
September 2022	322,676	9,565.26
December 2022	322,914	10,390.85
March 2023	328,080	9,674.22
June 2023	333,121	10,310.32

Table 7: 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 millions)
March 2021	8,304,590	6,869.40
June 2021	8,793,136	8,676.10
September 2021	8,845,815	6,790.00
December 2021	9,197,404	8,098.00
March 2022	9,377,837	7,642.80
June 2022	9,706,621	9,681.80
September 2022	9,721,529	8,606.97
December 2022	9,762,870	8,773.54
March 2023	9,943,288	8,818.68
June 2023	10,018,808	11,172.46

Table 8: Cumulative Amount of Deposits in No-Frill Accounts for RMG Workers

Quarter	Cumulative Number of Accounts	Amount of Deposits (Tk. in millions)
March 2021	496,324	1,751.00
June 2021	493,360	2,044.80
September 2021	516,517	2,108.60
December 2021	575,664	2,298.50
March 2022	620,342	2,344.70
June 2022	649,820	2,686.90
September 2022	698,057	2,475.04
December 2022	792,048	2,556.11
March 2023	803,346	2,654.53
June 2023	873,503	3,300.86

Table 9: Bank Category-wise No-Frill Accounts except SBAs

Category of Banks	No. of Accounts	Amount of Deposits (Tk. in millions)
State Owned Commercial Banks (SoCB)	14,593,219	24,923.96
Specialized Banks (SB)	6,740,080	1,209.70
Private Commercial Banks (PCB)	5,674,399	15,172.63
Foreign Commercial Banks (FCB)	54	0.13
Total	27,007,752	41,306.41

Table 10: 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 millions)			
SL	Bank Name	Account	Percentage	SL	Bank Name	Deposit	Percentage
1	Sonali Bank PLC	6,847,771	25.35%	1	Sonali Bank PLC	14,703.90	35.60%
2	Bangladesh Krishi Bank	4,452,214	16.48%	2	Agrani Bank Limited	9,590.14	23.22%
3	Agrani Bank Limited	4,154,141	15.38%	3	Bank Asia Limited	4,643.38	11.24%
4	Bank Asia Limited	3,385,453	12.54%	4	Islami Bank Bangladesh PLC	2,542.50	6.16%
5	Janata Bank PLC	2,804,876	10.39%	5	Southeast Bank Ltd.	1,449.44	3.51%
	Total	21,644,455	80.14%		Total	32,929.36	79.73%

Table 11: Area-wise School Banking Accounts and Deposits

	Rural		Urban		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	2,206,921	55.63%	1,759,891	44.37%	3,966,812
Amount of Deposits (Tk. in millions)	6,902.98	29.27%	16,681.52	70.73%	23,584.50

Table 12: Regional Distribution of School Banking Accounts and Amount of Deposits

Division	Number of Accounts	Percentage	Amount of Deposits (Tk. in millions)	Percentage
Dhaka	933,828	23.54%	10,050.54	42.61%
Chattogram	847,641	21.37%	5,402.65	22.91%
Rajshahi	546,021	13.76%	1,974.97	8.37%
Khulna	482,201	12.16%	1,902.91	8.07%
Barisal	228,572	5.76%	1,023.32	4.34%
Sylhet	325,797	8.21%	1,404.69	5.96%
Rangpur	370,134	9.33%	1,008.84	4.28%
Mymensingh	232,618	5.87%	816.58	3.46%
Total	3,966,812	100%	23,584.50	100%

Table 13: Gender-wise School Banking Accounts and Deposits

	Male		Female		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	2,040,945	51.45%	1,925,867	48.55%	3,966,712
Amount of Deposit (Tk. in millions)	12,787.56	54.22%	10,796.93	45.78%	23,584.49

Table 14: Bank Category-wise School Banking Accounts and Deposits

Types of Banks	June-23			
	School Banking Account	Percentage	Deposit in millions	Percentage
State-owned Commercial Banks	946,323	23.86%	3,662.71	15.53%
Specialized Banks	165,877	4.18%	529.09	2.24%
Private Commercial Banks	2,851,892	71.89%	18,465.51	78.30%
Foreign Commercial Banks	2,720	0.07%	927.18	3.93%
Total	3,966,812	100%	23,584.49	100%

Table 15: Banks' Performance on Opening School Banking Accounts in the Last 5 Quarters

Types of Banks	June'22	Sep'22	Dec'22	March'23	June'23	Growth Q TO Q*	Growth Y TO Y**
State-owned Commercial Banks	817,175	825,014	860,984	906,603	946,323	4.38%	15.80%
Specialized Banks	153,705	156,258	157,730	164,226	165,877	1.01%	7.92%
Private Commercial Banks	2,244,681	2,233,445	2,241,040	2,801,834	2,851,892	1.79%	27.05%
Foreign Commercial Banks	2,632	2,697	2,671	2,695	2,720	0.93%	3.34%
Total	3,218,193	3,217,414	3,262,425	3,875,358	3,966,812	2.36%	23.26%

* Quarter **Year

Table 16: 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 millions)	% of Total Deposits
1	Dutch-Bangla Bank Limited	932,430	23.51%	1	Dutch-Bangla Bank Limited	5,880.20	24.93%
2	Islami Bank Bangladesh PLC	640,533	16.15%	2	Islami Bank Bangladesh PLC	1,747.00	7.41%
3	Agrani Bank Limited	302,541	7.63%	3	Eastern Bank Limited	1,453.60	6.16%
4	Bank Asia Limited	237,100	5.98%	4	Dhaka Bank Limited	1,387.40	5.88%
5	Rupali Bank Limited	225,752	5.69%	5	Janata Bank PLC	1,126.40	4.78%

Table 17: 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 Savings Accounts
State Owned Commercial Banks	27,255	13,764
Specialized Banks	11,008	9,589
Private Commercial Banks	934,787	723,470
Foreign Commercial Banks	81	13
Total	973,131	746,836

Table 18: Bank Accounts opened in the name of Street Urchin and Working Children

Sl	Name of the Bank	Cumulative Number of Accounts	Cumulative amount of deposits (Tk. in thousands)
1	Sonali Bank PLC	46	9.10
2	Agrani Bank Limited	29,037	317.52
3	Janata Bank PLC	200	83.00
4	Rupali Bank Limited	940	846.05
5	Bangladesh Development Bank Limited	185	13.19
6	Bangladesh Krishi Bank	160	32.00
7	Al-Arafah Islami Bank Limited	159	182.00
8	Bank Asia Limited	233	181.87
9	Dutch-Bangla Bank Limited	20	105.39
10	Mercantile Bank PLC	232	164.93
11	Mutual Trust Bank Limited	45	1.74
12	National Bank Limited	19	14.00
13	One Bank Limited	228	194.54
14	Prime Bank Limited	39	2.00
15	Pubali Bank Limited	544	300.00
16	Social Islami Bank Limited	1,267	2500.00
17	The City Bank Limited	147	100.00
18	Trust Bank Limited	267	900.00
19	Uttara Bank PLC	38	22.00
	Total	33,806	5,969.33

Appendix B: BB Circulars used as References in this Report

Date	Circular No.	Title
17-01-2010	BRPD Circular No.-01/2010	Regarding the Opening of the Accounts for Farmers.
08-09-2010	BRPD Circular No.-29/2010	Bank Accounts for the Extreme Poor
02-11-2010	BRPD Circular Letter No.-12/2010	School Banking Accounts
11-04-2011	BRPD Circular No.-04/2011	Bank Accounts for the Freedom Fighters
19-06-2011	BRPD Circular No.-05/2011	Bank Accounts for Beneficiaries under Social Safety Net Program
03-08-2015	FID Circular No.-02/2015	Opening Bank Accounts for the Dwellers of Angorpota -Dohogram and Newly Included 111 Enclaves in Bangladesh
18-06-2015	GBCSRD Circular Letter No.-07/2015	Regarding Opening 10 Taka Accounts for Small/ Marginal/ Landless/ Natural Disaster affected Farmers and Small or Micro Traders
17-12-2018	FID Circular Letter No.-02/2018	Conversion of the School Banking Accounts into General Savings 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 (<https://finlit.bb.org.bd>) has been launched on December 2022. Television and Radio commercials have been prepared and measures have been taken to include a chapter on Financial Literacy in the national curriculum. Banks have already started Financial Literacy Programs across the country under the guidelines of Bangladesh Bank. To create savings tendency and financial awareness among the young students, banks have started School Banking Conferences at district level across the country under the guidance of Bangladesh Bank. In addition, banks are enthusiastically publishing financial literacy related brochures, slogans, leaflets etc. in this regard. BB encourages banks to arrange open disbursement program under the refinance schemes for Tk. 10/50/100 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 capacity (over-indebtedness), thereby lower credit risk in the financial system. Open disbursement programme of credit for the marginalized people is one of the key processes to inspire banks to participate in the refinance scheme.

Secondly, No-Frill Accounts have 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 as well as agent banking can play significant role to take the financial services to the doorsteps of the target population. Since, mobile phone 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.