

# Quarterly Report on No-Frill Accounts

(January-March 2023)



**Bangladesh Bank**  
**Financial Inclusion Department**

## Table of contents

|   |            |
|---|------------|
| <b>List of Tables</b>   | <b>iii</b> |
| <b>List of Figures</b>  | <b>iv</b>  |
| <b>Executive Summary</b>  | <b>vi</b>  |
| <b>Chapter 1: No-Frill Accounts</b>   | <b>1</b>   |
| <b>Chapter 2: Tk.10/50/100 Accounts</b>   | <b>2</b>   |
| 2.1 Different Categories of Tk. 10/50/100 Accounts  | 2          |
| 2.2 Quarterly Trend of Tk. 10/50/100 Accounts   | 2          |
| 2.2.1 No-Frill Accounts (NFAs) for the Farmers  | 3          |
| 2.2.2 NFAs for the Extreme Poor   | 3          |
| 2.2.3 NFAs for the Beneficiaries of the SSN Programs                                      | 4          |
| 2.2.4 NFAs Accounts for RMG Workers   | 4          |
| 2.3 Performance of the Banks regarding Tk. 10/50/100 Accounts                             | 5          |
| 2.4 Top 5 Banks' Performance on Tk. 10/50/100 Accounts                                    | 5          |
| 2.5 Refinance Scheme for No-Frill Account Holders   | 6          |
| <b>Chapter 3: School Banking Activities</b>   | <b>7</b>   |
| 3.1 School Banking Activities in Bangladesh   | 7          |
| 3.2 Region-wise of Distribution of School Banking Activities                              | 7          |
| 3.3 Gender-wise School Banking Activities   | 8          |
| 3.4 Banks' Performance on School Banking Accounts and Deposits                            | 9          |
| 3.5 Top 5 Banks in School Banking Activities  | 10         |
| 3.6 Conversion of School Banking Accounts to General Savings A/Cs                         | 10         |
| <b>Chapter 4: Banking Services for Street Urchin and Working Children</b>                 | <b>11</b>  |
| <b>Chapter 5: Recommendations</b>   | <b>12</b>  |
| Appendix A: Tables  | 13         |
| Appendix B: BB Circulars used as References in this Report                                | 20         |
| Appendix C: Initial Deposits for Opening No-Frill Accounts                                | 20         |
| Appendix D: Financial Literacy and Digital Financial Inclusion for TK. 10/50/100 Accounts | 21         |

## List of Tables

|   |    |
|---|----|
| Table 1: Cumulative Figures of Different Components of Tk. 10/50/100 Accounts excluding SBAs.....   | 13 |
| Table 2: Growth of Tk. 10/50/100 Accounts.....  | 14 |
| Table 3: Growth of Deposits in No-Frill Accounts.....   | 14 |
| Table 4: Cumulative Amount of Deposits in No-Frill Accounts for the Farmers.....                    | 14 |
| Table 5: Cumulative Amount of Deposits in No-Frill Accounts for the Extreme Poor.....               | 15 |
| Table 6: Cumulative Amount of Deposits in No-Frill Accounts for the Freedom Fighters.....           | 15 |
| Table 7: Cumulative Amount of Deposits in No-Frill Accounts for the Beneficiaries of SSN Programs.. | 15 |
| Table 8: Cumulative Amount of Deposits in No-Frill Accounts for RMG Workers .....                   | 16 |
| Table 9: Bank Category-wise No-Frill Accounts except SBAs.....                                      | 16 |
| Table 10: Top 5 Banks Based on Number of Accounts and Amount of Deposits.....                       | 16 |
| Table 11: Area-wise School Banking Accounts and Deposits.....                                       | 17 |
| Table 12: Regional Distribution of School Banking Accounts and Amount of Deposits.....              | 17 |
| Table 13: Gender-wise School Banking Accounts and Deposits.....                                     | 17 |
| Table 14: Bank Category-wise School Banking Accounts and Deposits.....                              | 17 |
| Table 15: Banks' Performance on Opening School Banking Accounts in the Last 5 Quarters.....         | 18 |
| Table 16: Top 5 Banks' Performance in Opening School Banking Accounts and Deposits Collection.....  | 18 |
| Table 17: Bank Category-wise School Banking Accounts Holders who completed 18 years old.....        | 18 |
| Table 18: Bank Accounts opened in the name of Street Urchin and Working Children.....               | 19 |

## List of Figures

|   |    |
|---|----|
| Figure 1: Major Categories of Tk. 10/50/100 Accounts .....                                  | 2  |
| Figure 2: Quarterly Movement of Tk. 10/50/100 Accounts .....                                | 2  |
| Figure 3: Quarterly Trend of Tk. 10 Accounts for the Farmers .....                          | 3  |
| Figure 4: Quarterly Movement of Tk. 10 Accounts for the Extreme Poor .....                  | 3  |
| Figure 5: Quarterly Movement of Tk. 10 Accounts for Beneficiaries of the SSN Programs ..... | 4  |
| Figure 6: Quarterly Trend of Tk. 10 Accounts for RMG Workers .....                          | 4  |
| Figure 7: Market Share of Tk. 10/50/100 Accounts .....                                      | 5  |
| Figure 8: Top 5 Banks Based on Number of No-Frill Accounts .....                            | 5  |
| Figure 9: Top 5 Banks Based on Deposits in No-Frill Accounts.....                           | 6  |
| Figure 10: Division-wise School Banking Accounts .....                                      | 8  |
| Figure 11: Division-wise School Banking Deposits .....                                      | 8  |
| Figure 12: Gender-wise School Banking Accounts .....  | 9  |
| Figure 13: Gender-wise School Banking Deposits .....  | 9  |
| Figure 14: Banks' Performance on Opening School Banking Accounts .....                      | 9  |
| Figure 15: Banks' Performance on School Banking Deposits .....                              | 9  |
| Figure 16: Top Performing 5 Banks in Opening School Banking Accounts .....                  | 10 |

## 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 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 this quarter, total number of NFAs is recorded as 30,446,421 with total deposit of Tk. 58,898.28 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 26,539,136 and Tk. 36,192.86 million respectively in the March 2023 quarter. The number of accounts has grown 1.44% 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 37.77% 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 37.47% of the total NFAs in the reporting quarter, increases by 1.85% over the previous quarter.

As of March 2023, individuals with Tk. 10/50/100 accounts have received Tk. 8,183.01 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 March 2023 quarter, these accounts have received Tk. 99.27 million as foreign remittances. The cumulative amount of foreign remittances received through these accounts by the end of the reporting quarter reaches Tk. 5,784.98 million. The amount is 1.75% higher than the cumulative amount received by the end of December 2022 quarter.

The number of School Banking Accounts has increased by 18.79% over the previous quarter. This increase is due to reopening of educational institutes, which remained closed/ disrupted due to COVID-19 since the early 2020 and full-scale resumption of school banking conferences across the country. As of March 2023, 19 banks have opened 31,927 Street Urchin and Working Children 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 March 23 quarter, the government has disbursed subsidy/salary to 7,213,637 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 March 2023 quarter the cumulative amount of foreign remittances

received through these accounts reaches Tk. 5,784.98 million. The amount is 1.75% higher than the cumulative amount received by the end of December 2022 quarter. In addition, the number of SBAs has increased by 18.79% over the previous quarter. SBAs have grown by 24.93% over the March 2022 quarter. The resumption of School Banking activities by banks after the COVID-19 pandemic has contributed to this growth.

### ***The Salient Features of No-Frill Accounts (Up to March 2023):***

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

- *Total Number of Accounts: 26,539,136*
- *Total Amount of Deposits: Tk. 36,192.86 million.*
- *Total Number of Accounts for the Farmers: 10,022,973 (37.77% 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 (37.47%) and the Extreme Poor (13.43%).*
- *The Amount of Remittance sent through No Frill Accounts: Tk. 5,784.98 million.*

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

- Total Number of Accounts: 3,875,358
- Total Amount of Deposits: Tk. 22,700.48 million

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

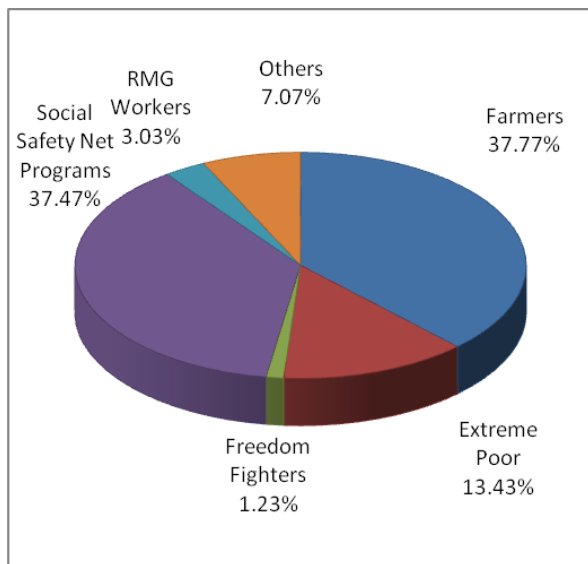
- Total Number of Accounts: 31,927
- Total Amount of Deposits: Tk. 4.94 million.

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

### 2.1 Different Categories of Tk.

#### 10/50/100 Accounts

As of March 2023, the total number of Tk. 10/50/100 accounts excluding SBAs and Street Urchin Accounts becomes 26,539,136. These accounts hold deposits of Tk. 36,192.86 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.



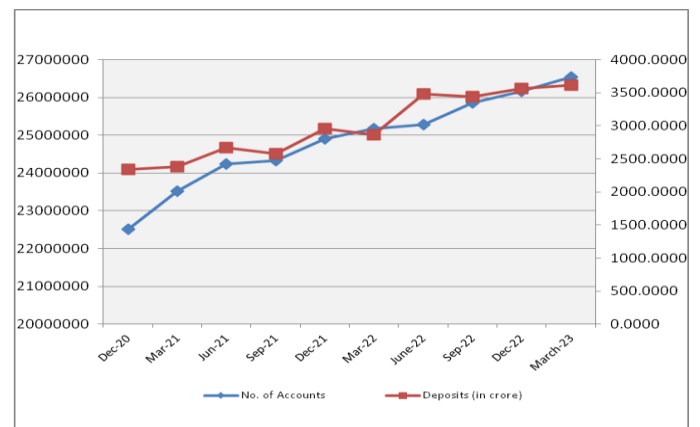
**Figure 1: Major Categories of Tk. 10/50/100 Accounts**

The major categories of Tk. 10/50/100 accounts comprise of the Accounts for the Farmers (37.77%), Beneficiaries of the SSN programs (37.47%) and Extreme Poor (13.43%). A small

but significant component of Tk. 10/50/100 accounts is the No-Frill Accounts for Ready-made Garments (RMG) workers, constitutes 3.03% of 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 March 2023, the total number of Tk. 10/50/100 accounts reaches to 26,539,136 which indicates a 1.44% growth over the previous quarter and 5.41% growth over the March 2022 quarter.



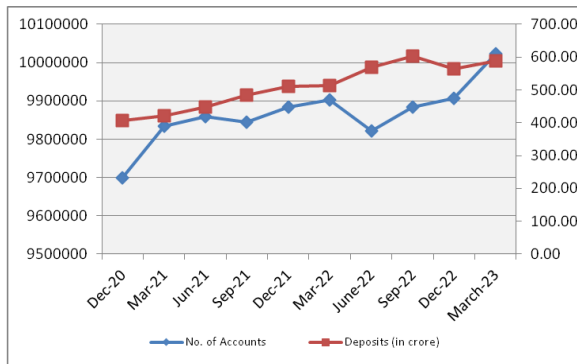
**Figure 2: Quarterly Movement of Tk. 10/50/100 Accounts**

Total deposit in Tk.10/50/100 accounts amounts to Tk. 36,192.86 million in the reporting quarter, which is 1.51% higher than that of the previous quarter and 26.45% higher than the amount recorded in March 2022 quarter.



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

BB introduced Tk. 10 Accounts for the Farmers in 2010<sup>1</sup> 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 March 2023, the total number of Accounts for the Farmers reaches 10,022,973 which is 1.17% higher than that of the previous quarter. On the other hand, the total deposit in the accounts for the Farmers stands at Tk 5,893.25 million, which is 4.62% higher than that of the previous quarter and 15.04% higher than that of the March 2022 quarter.

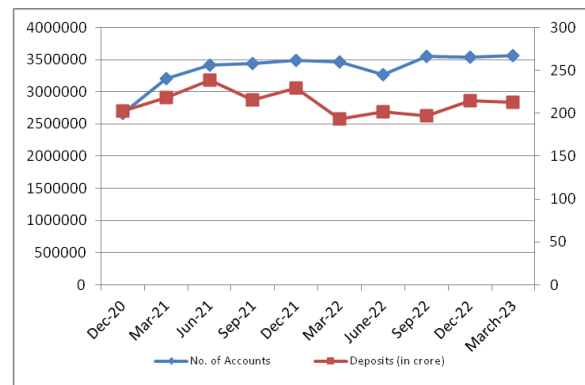
## 2.2.2 NFAs for the Extreme Poor

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.

<sup>1</sup> BRPD Circular No.-01/2010

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

As of March 2023, the number of Accounts for the Extreme Poor reaches 3,564,735. This number is 0.76% higher than that of the previous quarter and 2.89% higher than that of the March 2022 quarter.



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

Deposit in the Accounts for Extreme Poor decreases by 0.93% over the previous quarter but increases by 10.36% than that of the March 2022 quarter.

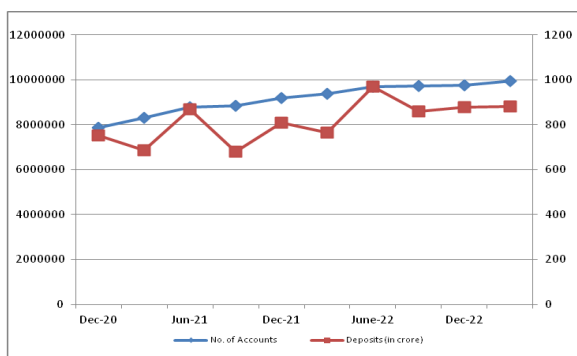
The trend shows a decline in the deposit of NFAs for the extreme poor in the reporting quarter. Recently, Government has preferred MFSs to bank accounts in order to disburse financial supports to the extreme poor. This preference results in a slight decline in the amount of deposit of this category. In addition, cost of living is dwindling savings, which is ultimately resulting in a slight decline in deposit.

### 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 Identity Card (NID) and Pension Payment Order (PPO) book.<sup>2</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>3</sup>

The number of Tk. 10 Accounts for the beneficiaries of the SSN has increased by 1.85% in the reporting quarter over the previous quarter and 6.03% over the March 2022 quarter.

The amount of deposits in these accounts has increased by 0.57% compared to that of the previous quarter and increased by 15.45% than that of the March 2022 quarter.



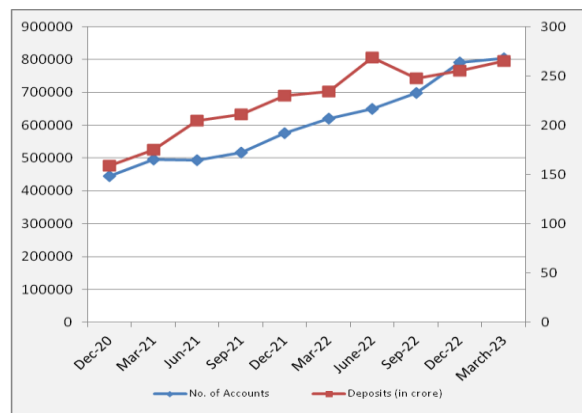
**Figure 5: Quarterly Movement of Tk. 10 Accounts for Beneficiaries of the SSN Programs**

<sup>2</sup> BRPD Circular No-05 dated 19 June 2011

<sup>3</sup> FID Circular No-02 dated 06 July 2020

### 2.2.4 NFAs Accounts for RMG Workers

The number of Tk. 100 Accounts for the RMG workers has increased by 1.43% in the reporting quarter over the previous quarter and 29.50% over the March 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 3.52% over the previous quarter and 13.25% over the March 2022 quarter.

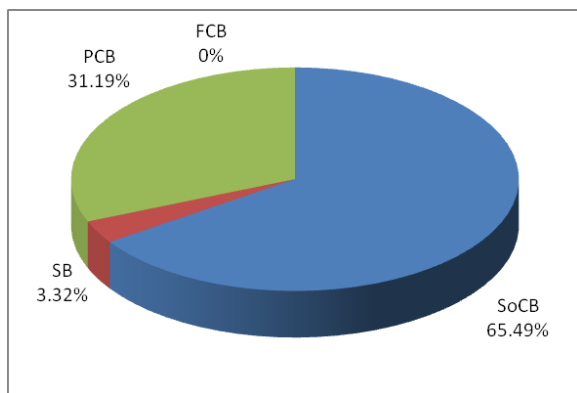


**Figure 6: Quarterly Trend of Tk. 10 Accounts for RMG Workers**

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

State-owned Commercial Banks (SoCBs) dominates over the other categories of banks in opening Tk.10/50/100 Accounts. As of March 2023, SoCBs have opened 14,389,076 number of No-Frill Accounts which constitute 54.22% of the total accounts. Specialized Banks (SBs) have 25.40% while the Private Commercial Banks (PCBs) have 20.38% share of the total Tk. 10/50/100 accounts. Due to limited branches, participation of Foreign Commercial Banks (FCBs) is insignificant in this area.

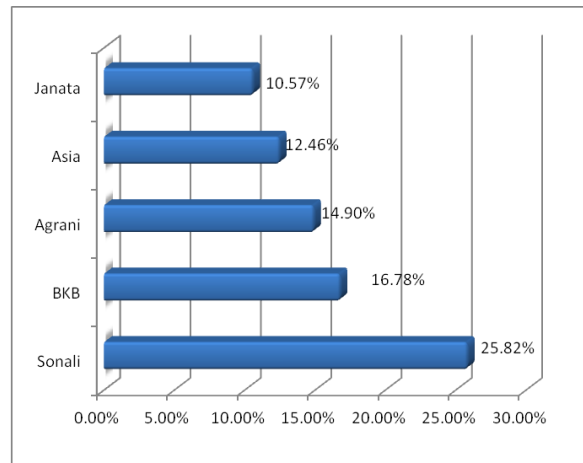
During the reporting quarter, the total deposits held in the scheduled banks as Tk. 10/50/100 Accounts amounts to Tk. 36,192.86 million. SoCBs hold Tk. 23,701.52 million or 65.49% of the total deposits in these accounts.



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

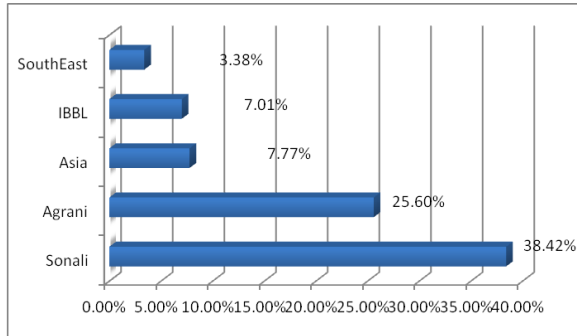
### 2.4 Top 5 Banks' Performance on Tk. 10/50/100 Accounts

As of March 2023, top 5 banks have opened 80.53% of the total Tk. 10/50/100 Accounts. Sonali Bank Limited has opened 25.82% of the total accounts. Two other SoCBs in the list of top 5 banks, Agrani Bank Limited and Janata Bank Limited have opened 14.90% and 10.57% of the total accounts respectively. Bangladesh Krishi Bank (BKB), the specialized bank with 16.78% 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 82.18% of the total amount of deposits. In terms of total deposits, Bank Asia Limited, Islami Bank Bangladesh Limited and Southeast Bank Limited have emerged in the list as three PCBs along with Sonali Bank Limited 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

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 are able to lend without any collateral. In september 2021, BB took several measures<sup>4</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. As a part of those measures, the fund size of the refinance scheme has 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.

<sup>4</sup> FID Circular-01/2021, BB Website

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

Up to March 2023, a total of 1,23,581 borrowers have received Tk. 8,183.01 million from both the Tk. 200 crore and Tk. 500 crore schemes. The reporting quarter has observed 29.02% increase of such loans over the previous quarter indicating an expansion in economic activities among the target people.

## 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 directives<sup>5</sup> for the banks to introduce School Banking in November 2010 and later framed a comprehensive policy<sup>6</sup> in October 2013. These policies have preceded the directive<sup>7</sup> 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. The number of SBAs has reached 3,875,358 in this quarter, 18.79% 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 24.93% in the March 2023 quarter compared to March 2022 quarter. The vaccination program for COVID-19 in educational institutes has further enhanced the normal class activities in school as well as School Banking activities.

Deposit in the SBAs has decreased to Tk. 22,700.48 million during the reporting quarter and decreased by 0.68% over the previous quarter.

#### ***Highlights of the School Banking, March 2023:***

- *No. of Banks Operating School Banking Accounts: 59*
- *Total no. of School Banking Accounts: 3,875,358*
- *Total Amount of Deposits: Tk.22,700.48 million.*
- *44.67% of Total Accounts are in the Urban Area and 55.33% are in the Rural Area.*
- *Male Students are holding 51.72% and Female Students are holding 48.28% of total No. of Accounts.*
- *The PCBs have the largest share of 72.30% in opening SBAs*

<sup>5</sup>BRPD Circular Letter No.12/2010.

<sup>6</sup>GBCSRD Circular No.7/2013.

<sup>7</sup>FID Circular Letter No.02/2018.

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

As of March 2023, banks have opened 3,875,358 SBAs. 55.33% of the accounts are in the rural areas while the remaining accounts are in the urban areas. The number of SBAs has increased by 6.87% in the urban areas and increased by 30.54% 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 24.74% SBAs containing 43.52% of the total deposits. Chattogram follows Dhaka with 20.99% share of the total SBAs and 23.19% of the total deposits. Figure 10 and 11 illustrate the division wise distribution of SBAs and deposits held in those accounts.

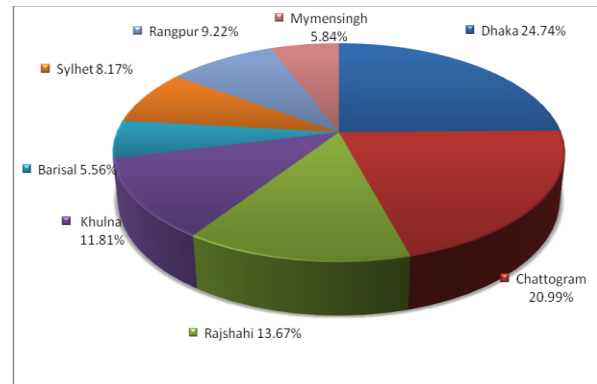


Figure 10: Division-wise School Banking Accounts

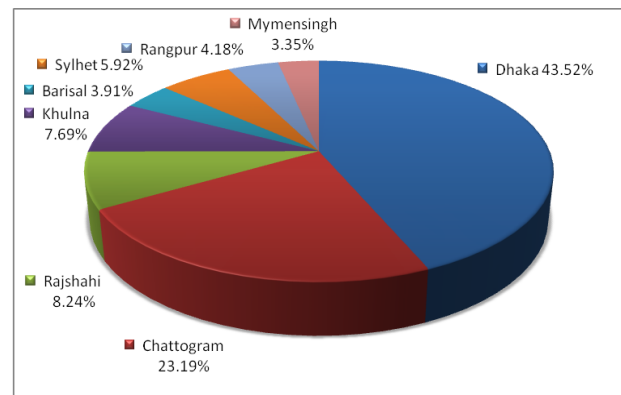


Figure 11: Division-wise School Banking Deposits

### 3.3 Gender-wise School Banking Activities

Gender distribution of SBAs is slightly inclined to the male students holding 51.72% of the total SBAs. Female students hold the rest 48.28% of the total accounts. The number of male accounts has increased by 15.32% and also the number of female accounts has increased by 22.74% in the reporting quarter. The amount of deposit in male accounts has decreased by 1.33% but increased by 0.12% in female accounts in the reporting quarter.

#### **Dhaka Division**

Total no. of Accounts: 958,617

Total amount of Deposits: Tk. 9,878.29 million.

#### **Chattogram Division**

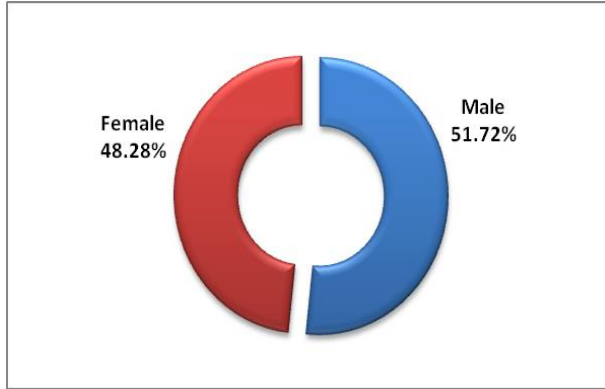
Total no. of Accounts: 813,573

Total amount of Deposits: Tk. 5,264.86 million.

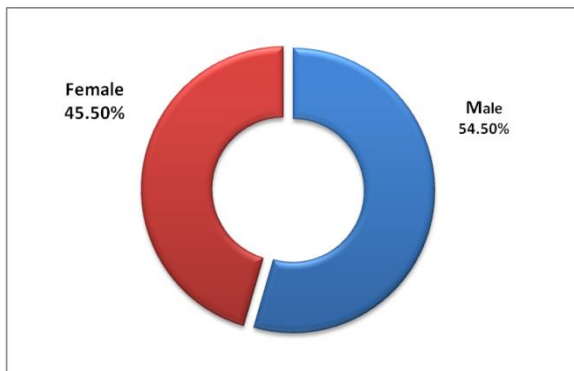
#### **Rajshahi Division**

Total no. of Accounts: 529,623

Total amount of Deposits: Tk. 1,870.77 million.



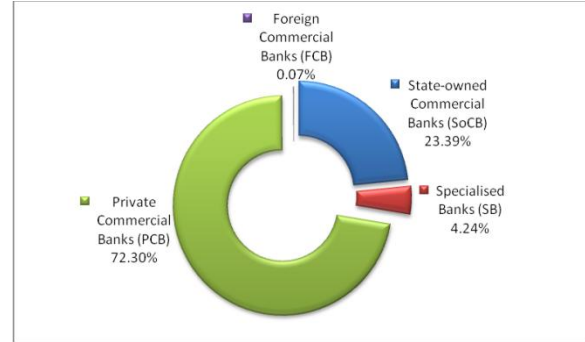
**Figure 12: Gender-wise School Banking Accounts**



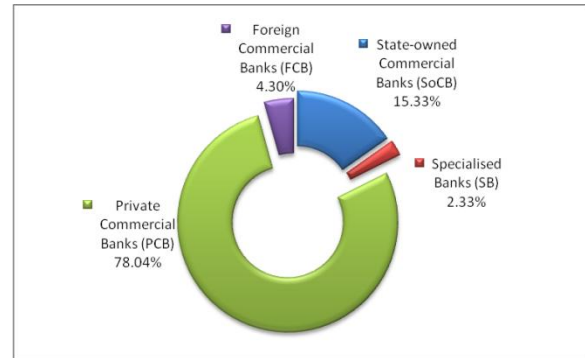
**Figure 13: Gender-wise School Banking Deposits**

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

The PCBs have the largest share in the accumulation of SBAs and deposits. They have opened 72.30% of the total School Banking accounts and held 78.04% of the overall School Banking deposit amounting to TK. 17,716.39 million during the reporting quarter. The number of accounts with the PCBs has increased by 25.02% but the amount of deposits decreased by 0.27% compared to the previous 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 23.39% of the total accounts and 15.33% of the total deposits. The number of accounts by the SoCBs has increased by 5.30% but the collection of deposits has decreased by 1.36% in the reporting quarter. SBs have opened 4.24% of the total School Banking accounts and hold deposit of Tk. 529.48 million. 7 out of 9 FCBs operating in Bangladesh have offered School Banking 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 59.03% 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 913,106 numbers of accounts covering around 23.56% of the total accounts as well as accumulating Tk. 5,768.92 million deposits with a share of 25.41% of total deposits in SBAs. Islami Bank Bangladesh Limited (IBBL) holds second highest position with 16.40% 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.

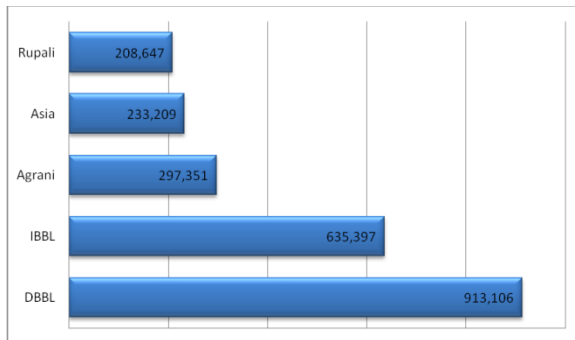


Figure 16: Top Performing 5 Banks in Opening School Banking Accounts

### 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 916,459, and 757,991 accounts of them (approximately 82.71%) 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 banks<sup>8</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 18 in the appendix A shows an overview of the banking services for SUAs during the reporting quarter.

As of March 2023, 19 banks have opened 31,927 street urchin accounts through 53 NGOs. The total amount of deposits in these accounts reaches Tk. 4.94 million at the end of the reporting quarter. In the reporting quarter number of accounts for street urchin has increased by 3.33% 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 27,191 accounts up to March 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. 2.4 million at the end of this quarter.

---

<sup>8</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 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   | 10,022,973                                | 5,893.25  | 2,906,824                              | 700.46   | 76,581  | 3,594.04  | 128,719                       | 4,888.25                               |
| 2            | Extreme poor  | 3,564,735                                 | 2,126.47  | 947,101                                | 1,509.18   | 12,566  | 1,720.12  | 3,241                         | 122.06                                 |
| 3            | Freedom fighters  | 328,080                                   | 9,674.22  | 158,899                                | 2,778.86   | 5,909   | 2,533.71  | 495                           | 37.64                                  |
| 4            | Social Safety net allowance                             | 9,943,288                                 | 8,818.68  | 2,594,109                              | 3,497.08   | 4,407   | 12.90   | 2,272                         | 183.02                                 |
| 5            | Food & livelihood security                              | 169,690                                   | 590.50  | 16,009                                 | 15.14  | -   | -   | 245                           | 5.20                                   |
| 6            | Poor rehabilitation under Ministry of Religious Affairs | 3,106                                     | 18.48   | 336                                    | 0.10   | -   | -   | 257                           | 5.18                                   |
| 7            | City corporation workers                                | 12,782                                    | 45.04   | 6                                      | 0  | -   | -   | -                             | -                                      |
| 8            | RMG workers   | 803,346                                   | 2,654.53  | 128,155                                | 202.08   | -   | -   | 372                           | 9.05                                   |
| 9            | Leather Industry workers                                | 1,342                                     | 9.86  | 55                                     | 0  | -   | -   | -                             | -                                      |
| 10           | National Service Program                                | 62,512                                    | 289.30  | 29,760                                 | 222.72   | -   | -   | 8                             | 0.20                                   |
| 11           | Small Life Insurance Program                            | 146,153                                   | 1,565.20  | 4,569                                  | 7.46   | -   | -   | 669                           | 16.08                                  |
| 12           | Physically challenged persons                           | 626,407                                   | 1,369.35  | 239,974                                | 954.80   | 18,526  | 1.20  | 267                           | -                                      |
| 13           | Others  | 854,722                                   | 3,137.98  | 187,840                                | 229.82   | 5,592   | 321.04  | 10,612                        | 518.30                                 |
| <b>Total</b> |   | <b>26,539,136</b>                         | <b>36,192.86</b>                                | <b>7,213,637</b>                       | <b>10,117.70</b>                                 | <b>123,581</b>                                | <b>8,183.01</b>                                       | <b>147,157</b>                | <b>5,784.98</b>                        |

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

| Components        | March' 22         | Dec'22            | March' 23         | % change in Q-Q | % change in Y-Y |
|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|
| Farmers           | 9,903,233         | 9,906,824         | 10,022,973        | 1.17%           | 1.21%           |
| Extreme poor      | 3,464,579         | 3,537,995         | 3,564,735         | 0.76%           | 2.89%           |
| Freedom fighters  | 289,469           | 322,914           | 328,080           | 1.60%           | 13.34%          |
| Social Safety Net | 9,377,837         | 9,762,870         | 9,943,288         | 1.85%           | 6.03%           |
| RMG Workers       | 620,342           | 792,048           | 803,346           | 1.43%           | 29.50%          |
| Others            | 1,521,180         | 1,838,730         | 1,876,714         | 2.07%           | 23.37%          |
| <b>Total</b>      | <b>25,176,640</b> | <b>26,161,381</b> | <b>26,539,136</b> | <b>1.44%</b>    | <b>5.41%</b>    |

\*Quarter \*\*Year

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

| Deposits                    | March'22<br>(Tk. In billions) | Dec'22<br>(Tk. In billions) | March' 23<br>(Tk. In billions) | % change in Q-Q | % change in Y-Y |
|-----------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------|-----------------|
| Farmers                     | 5.12                          | 5.63                        | 5.89                           | 4.62            | 15.04           |
| Extreme poor                | 1.93                          | 2.15                        | 2.13                           | -0.93           | 10.36           |
| Freedom fighters            | 7.22                          | 10.39                       | 9.67                           | -6.93           | 33.93           |
| Social Safety net allowance | 7.64                          | 8.77                        | 8.82                           | 0.57            | 15.45           |
| RMG Workers                 | 2.34                          | 2.56                        | 2.65                           | 3.52            | 13.25           |
| Others                      | 4.37                          | 6.15                        | 7.03                           | 14.31           | 60.87           |
| <b>Total</b>                | <b>28.62</b>                  | <b>35.65</b>                | <b>36.19</b>                   | <b>1.51</b>     | <b>26.45</b>    |

\*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 billions) |
|----------------|---|--------------------------------------|
| December 2020  | 9,698,152                                 | 4.07                                 |
| March 2021     | 9,833,281                                 | 4.22                                 |
| June 2021      | 9,859,198                                 | 4.47                                 |
| September 2021 | 9,843,476                                 | 4.84                                 |
| December 2021  | 9,883,878                                 | 5.11                                 |
| March 2022     | 9,903,233                                 | 5.12                                 |
| June 2022      | 9,820,699                                 | 5.69                                 |
| September 2022 | 9,883,689                                 | 6.02                                 |
| December 2022  | 9,906,824                                 | 5.63                                 |
| March 2023     | 10,022,973                                | 5.89                                 |

**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 billions) |
|----------------|--|--------------------------------------|
| December 2020  | 2,662,162                                  | 2.02                                 |
| March 2021     | 3,206,222                                  | 2.18                                 |
| June 2021      | 3,419,115                                  | 2.39                                 |
| September 2021 | 3,436,401                                  | 2.15                                 |
| December 2021  | 3,486,814                                  | 2.29                                 |
| March 2022     | 3,464,579                                  | 1.93                                 |
| June 2022      | 3,261,400                                  | 2.01                                 |
| September 2022 | 3,554,128                                  | 1.97                                 |
| December 2022  | 3,537,995                                  | 2.15                                 |
| March 2023     | 3,564,735                                  | 2.13                                 |

**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 billions) |
|----------------|--|--------------------------------------|
| December 2020  | 247,497  | 3.45                                 |
| March 2021     | 248,189  | 3.69                                 |
| June 2021      | 254,197  | 4.03                                 |
| September 2021 | 326,119  | 5.15                                 |
| December 2021  | 331,780  | 5.28                                 |
| March 2022     | 289,469  | 7.21                                 |
| June 2022      | 322,198  | 9.63                                 |
| September 2022 | 322,676  | 9.56                                 |
| December 2022  | 322,914  | 10.39                                |
| March 2023     | 328,080  | 9.67                                 |

**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 billions) |
|----------------|-----------------------------------|--------------------------------------|
| December 2020  | 7,873,584                         | 7.52                                 |
| March 2021     | 8,304,590                         | 6.87                                 |
| June 2021      | 8,793,136                         | 8.68                                 |
| September 2021 | 8,845,815                         | 6.79                                 |
| December 2021  | 9,197,404                         | 8.10                                 |
| March 2022     | 9,377,837                         | 7.64                                 |
| June 2022      | 9,706,621                         | 9.68                                 |
| September 2022 | 9,721,529                         | 8.61                                 |
| December 2022  | 9,762,870                         | 8.77                                 |
| March 2023     | 9,943,288                         | 8.82                                 |

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

| Quarter        | Cumulative Number of Accounts | Amount of Deposits<br>(Tk. in billions) |
|----------------|-------------------------------|---|
| September 2020 | 451,620                       | 1.78                                    |
| December 2020  | 445,721                       | 1.59                                    |
| March 2021     | 496,324                       | 1.75                                    |
| June 2021      | 493,360                       | 2.04                                    |
| September 2021 | 516,517                       | 2.11                                    |
| December 2021  | 575,664                       | 2.30                                    |
| March 2022     | 620,342                       | 2.34                                    |
| June 2022      | 649,820                       | 2.69                                    |
| September 2022 | 698,057                       | 2.47                                    |
| December 2022  | 792,048                       | 2.56                                    |
| March 2023     | 803,346                       | 2.65                                    |

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

| Category of Banks                   | No. of Accounts   | Amount of Deposits<br>(Tk. in millions) |
|-------------------------------------|-------------------|---|
| State Owned Commercial Banks (SoCB) | 14,389,076        | 23,701.52                               |
| Specialized Banks (SB)              | 6,740,080         | 1,201.00                                |
| Private Commercial Banks (PCB)      | 5,409,926         | 11,290.17                               |
| Foreign Commercial Banks (FCB)      | 54                | 00.17                                   |
| Total                               | <b>26,539,136</b> | <b>36,192.86</b>                        |

**Table 10: Top 5 Banks Based on Number of Accounts and Amount of Deposits**

| Top 5 Banks<br>(Based on Number of Accounts) |                        |            |               | Top 5 Banks<br>(Based on Deposits of Tk. in millions) |                                |           |               |
|--|------------------------|------------|---------------|---|--------------------------------|-----------|---------------|
| SL   | Bank Name              | Account    | Percentage    | SL  | Bank Name                      | Deposit   | Percentage    |
| 1  | Sonali Bank Limited    | 6,852,458  | 25.82%        | 1   | Sonali Bank Limited            | 1,3905.70 | 38.42%        |
| 2  | Bangladesh Krishi Bank | 4,452,214  | 16.78%        | 2   | Agrani Bank Limited            | 9265.39   | 25.60%        |
| 3  | Agrani Bank Limited    | 3,953,354  | 14.90%        | 3   | Bank Asia Limited              | 2811.31   | 7.77%         |
| 4  | Bank Asia Limited      | 3,306,258  | 12.46%        | 4   | Islami Bank Bangladesh Limited | 2538.90   | 7.01%         |
| 5  | Janata Bank Limited    | 2,804,081  | 10.57%        | 5   | Southeast Bank Ltd.            | 1224.74   | 3.38%         |
|  | Total                  | 21,368,365 | <b>80.53%</b> |   | Total                          | 2,9746.04 | <b>82.18%</b> |

**Table 11: Area-wise School Banking Accounts and Deposits**

|   | Rural     |            | Urban     |            | Total     |
|---|-----------|------------|-----------|------------|-----------|
|   | Total     | Percentage | Total     | Percentage |           |
| Number of Accounts                      | 2,144,262 | 55.33%     | 1,731,096 | 44.67%     | 3,875,358 |
| Amount of Deposits<br>(Tk. in millions) | 6,574.34  | 28.96%     | 16,126.14 | 71.04%     | 22,700.48 |

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

| Division   | Number of Accounts | Percentage | Amount of Deposits<br>(Tk. in millions) | Percentage |
|------------|--------------------|------------|---|------------|
| Dhaka      | 958,617            | 24.74%     | 9,878.29                                | 43.52%     |
| Chattogram | 813,573            | 20.99%     | 5,264.86                                | 23.19%     |
| Rajshahi   | 529,623            | 13.67%     | 1,870.77                                | 8.24%      |
| Khulna     | 457,869            | 11.81%     | 1,746.10                                | 7.69%      |
| Barisal    | 215,580            | 5.56%      | 887.83                                  | 3.91%      |
| Sylhet     | 316,470            | 8.17%      | 1,343.06                                | 5.92%      |
| Rangpur    | 357,120            | 9.22%      | 949.40                                  | 4.18%      |
| Mymensingh | 226,506            | 5.84%      | 760.17                                  | 3.35%      |
| Total      | 3,875,358          | 100.00%    | 22,700.48                               | 100.00%    |

**Table 13: Gender-wise School Banking Accounts and Deposits**

|  | Male      |            | Female    |            | Total     |
|--|-----------|------------|-----------|------------|-----------|
|  | Total     | Percentage | Total     | Percentage |           |
| Number of Accounts                     | 2,004,347 | 51.72%     | 1,871,011 | 48.28%     | 3,875,358 |
| Amount of Deposit<br>(Tk. in millions) | 12,371.21 | 54.50%     | 10,329.27 | 45.50%     | 22,700.48 |

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

| Types of Banks               | March-23               |            |                     |            |
|------------------------------|------------------------|------------|---------------------|------------|
|                              | School Banking Account | Percentage | Deposit in millions | Percentage |
| State-owned Commercial Banks | 906,603                | 23.39%     | 3,479.29            | 15.33%     |
| Specialised Banks            | 164,226                | 4.24%      | 529.48              | 2.33%      |
| Private Commercial Banks     | 2,801,834              | 72.30%     | 17,716.39           | 78.04%     |
| Foreign Commercial Banks     | 2,695                  | 0.07%      | 975.32              | 4.30%      |
| Total                        | 3,875,358              | 100%       | 22,700.48           | 100%       |

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

| Types of Banks               | Mar'22           | Jun'22           | Sep'22           | Dec'22           | March'23         | Growth Q TO Q* | Growth Y TO Y** |
|------------------------------|------------------|------------------|------------------|------------------|------------------|----------------|-----------------|
| State-owned Commercial Banks | 793,283          | 817,175          | 825,014          | 860,984          | 906,603          | 5.30%          | 14.28%          |
| Specialized Banks            | 152,358          | 153,705          | 156,258          | 157,730          | 164,226          | 4.12%          | 7.79%           |
| Private Commercial Banks     | 2,153,716        | 2,244,681        | 2,233,445        | 2,241,040        | 2,801,834        | 25.02%         | 30.09%          |
| Foreign Commercial Banks     | 2,720            | 2,632            | 2,697            | 2,671            | 2,695            | 0.90%          | -0.92%          |
| <b>Total</b>                 | <b>3,102,077</b> | <b>3,218,193</b> | <b>3,217,414</b> | <b>3,262,425</b> | <b>3,875,358</b> | <b>18.79%</b>  | <b>24.93%</b>   |

\* 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      | 913,106  | 23.56%              | 1                                | Dutch-Bangla Bank Limited      | 5,768.92                   | 25.41%              |
| 2                                | Islami Bank Bangladesh Limited | 635,397  | 16.40%              | 2                                | Islami Bank Bangladesh Limited | 1,629.50                   | 7.18%               |
| 3                                | Agrani Bank Limited            | 297,351  | 7.67%               | 3                                | Eastern Bank Limited           | 1,462.90                   | 6.44%               |
| 4                                | Bank Asia Limited              | 233,209  | 6.02%               | 4                                | Dhaka Bank Limited             | 1,371.70                   | 6.04%               |
| 5                                | Rupali Bank Limited            | 208,647  | 5.38%               | 5                                | Janata Bank Limited            | 1,029.10                   | 4.53%               |

**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 | 22,714   | 13,292  |
| Specialized Banks            | 10,466   | 9,376   |
| Private Commercial Banks     | 883,197  | 735,308   |
| Foreign Commercial Banks     | 82   | 15  |
| <b>Total</b>                 | <b>916,459</b>                                     | <b>757,991</b>  |



**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 Limited                 | 46                            | 4.10  |
| 2  | Agrani Bank Limited                 | 27,191                        | 299.06  |
| 3  | Janata Bank Limited                 | 200                           | 83.00   |
| 4  | Rupali Bank Limited                 | 940                           | 850.28  |
| 5  | Bangladesh Development Bank Limited | 185                           | 13.19   |
| 6  | Bangladesh Krishi Bank              | 160                           | 32.00   |
| 7  | Al-Arafah Islami Bank Limited       | 157                           | 181.00  |
| 8  | Bank Asia Limited                   | 233                           | 180.23  |
| 9  | Dutch-Bangla Bank Limited           | 20                            | 5.07  |
| 10 | Mercantile Bank Limited             | 232                           | 164.94  |
| 11 | Mutual Trust Bank Limited           | 45                            | 1.88  |
| 12 | National Bank Limited               | 19                            | 14.00   |
| 13 | One Bank Limited                    | 228                           | 190.53  |
| 14 | Prime Bank Limited                  | 39                            | 2.00  |
| 15 | Pubali Bank Limited                 | 544                           | 300.00  |
| 16 | Social Islami Bank Limited          | 1,234                         | 2,400.00  |
| 17 | The City Bank Limited               | 148                           | 100.00  |
| 18 | Trust Bank Limited                  | 268                           | 100.00  |
| 19 | Uttara Bank Limited                 | 38                            | 21.00   |
|    | Total                               | <b>31,927</b>                 | <b>4,942.28</b>                                   |

## 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 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. School Banking Conferences at different districts of Bangladesh have resumed after a pause due to Covid-19 pandemic. These conferences will continue to increase financial awareness among the young students. 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. 10/50/100 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.