

Quarterly Report on No-Frill Accounts

(October-December 2022)



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 this quarter, total number of NFAs is recorded as 29,454,704 with total deposit of Tk. 58,509 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 26,161,381 and Tk. 35,648.74 million respectively in the December 2022 quarter. The number of accounts has grown 1.18% 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 37.87% 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 37.32% of the total NFAs in the reporting quarter, increases by 0.43% over the previous quarter.

As on 31 December 2022, individuals with Tk. 10/50/100 accounts have received Tk. 6,342.50 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 December 2022 quarter, these accounts have received Tk. 240.60 million as foreign remittances. The cumulative amount of foreign remittances received through these accounts by the end of the reporting quarter reaches Tk. 5,685.71 million. The amount is 4.42% higher than the cumulative amount received by the end of September 2022 quarter.

The number of School Banking Accounts has increased by 13.80% over December 2021 quarter. This increase is due to reopening of educational institutes, which remained closed/ disrupted due to COVID-19 since the early 2020 and resumption of school banking conferences across the country. As of 31 December 2022, 19 banks have opened 30,898 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 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 December 2022 quarter, the government has disbursed subsidy/salary to 7,187,916 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 December 2022, the cumulative amount of foreign remittances received through these accounts reaches Tk. 5,685.71 million. The amount is 4.42% higher

than the cumulative amount received by the end of September 2022 quarter. In addition, the number of SBAs has increased by 1.40% over the previous quarter. SBAs have grown by 8.87% over the December 2021 quarter and this increase is due to the resumption of School Banking activities by banks after the COVID-19 pandemic.

The Salient Features of No-Frill Accounts (Up to December 2022):

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

- *Total Number of Accounts: 26,161,381*
- *Total Amount of Deposits: Tk. 35,648.74 million.*
- *Total Number of Accounts for the Farmers: 9,906,824 (37.87% 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 (37.32%) and the Extreme Poor (13.52%).*
- *The Amount of Remittance sent through No Frill Accounts: Tk. 5,685.71 million.*

School Banking Accounts (SBAs)

- *Total Number of Accounts: 3,262,425*
- *Total Amount of Deposits: Tk. 22,855.71 million*

Street Urchin and Working Children Accounts (SUAs)

- *Total Number of Accounts: 30,898*
- *Total Amount of Deposits: Tk. 4.55 million.*

Chapter 2: Tk.10/50/100 Accounts

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

10/50/100 Accounts

As of December 2022, the total number of Tk. 10/50/100 accounts excluding SBAs and Street Urchin Accounts becomes 26,161,381. These accounts hold deposits of Tk. 35,648.74 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.

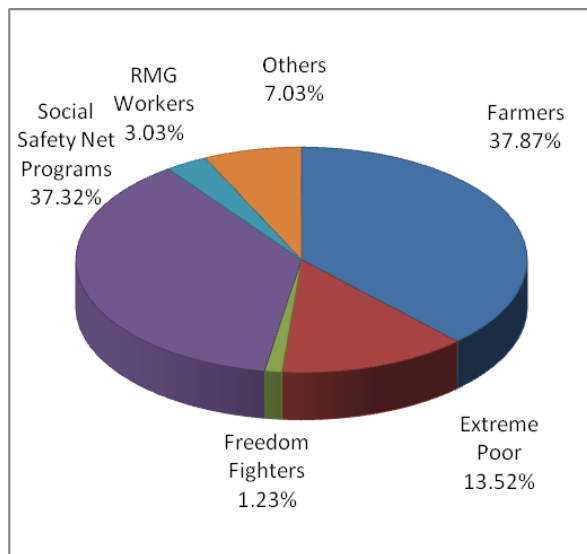


Figure 1: Major Categories of Tk. 10/50/100 Accounts

The major categories of Tk. 10/50/100 accounts comprise of the Accounts for the Farmers (37.87%), Beneficiaries of the SSN programs (37.32%) and Extreme Poor (13.52%). 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 December 2022, the total number of Tk. 10/50/100 accounts reaches 26,161,381 which indicates a 1.18% growth over the previous quarter and 5.06% growth over the December 2021 quarter.

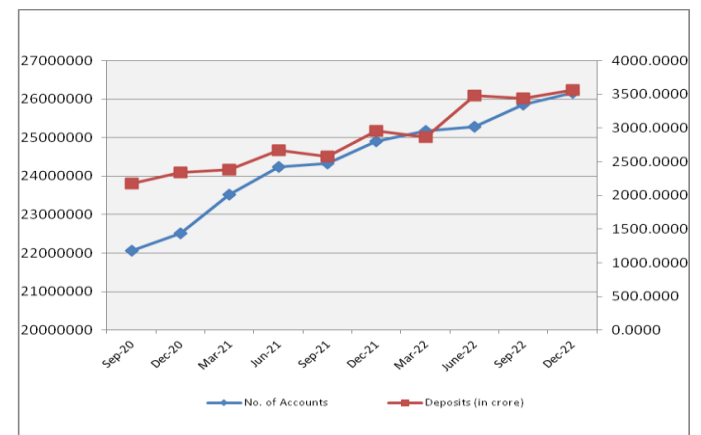


Figure 2: Quarterly Movement of Tk. 10/50/100 Accounts

Total deposit in Tk.10/50/100 accounts amounts to Tk. 35,648.74 million in the reporting quarter, which is 3.75% higher than that of the previous quarter and 20.52% higher than the amount recorded in December 2021 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.

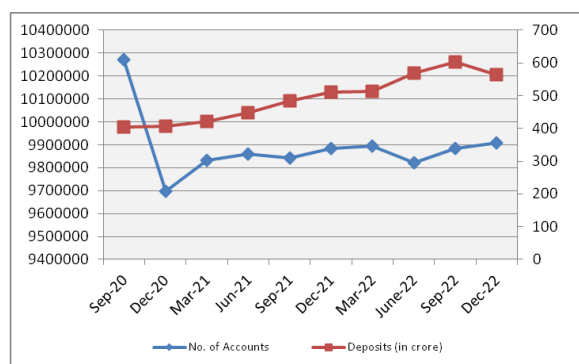


Figure 3: Quarterly Trend of Tk. 10 Accounts for the Farmers

As of December 2022, the total number of Accounts for the Farmers reaches 9,906,824 which is 0.23% higher than that of the previous quarter. On the other hand, the total deposit in the Accounts for the Farmers stands at Tk 5,632.33 million, which is 6.48% lower than that of the previous quarter but 10.18% higher than that of the December 2021 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 December 2022, the number of Accounts for the Extreme Poor reaches 3,537,995. This number is 0.45% lower than that of the previous quarter but 1.47% higher than that of the December 2021 quarter.

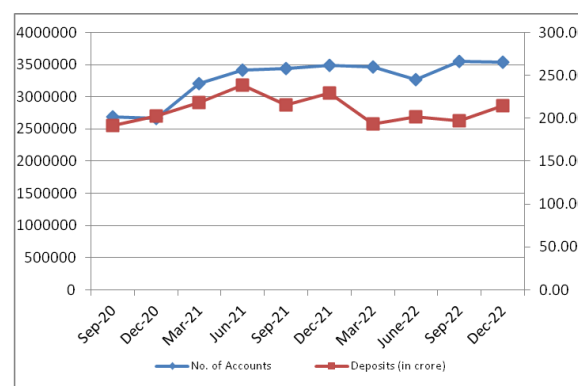


Figure 4: Quarterly Movement of Tk. 10 Accounts for the Extreme Poor

Deposit in the Accounts for Extreme Poor increases by 9.14% over the previous quarter but decreases by 6.11% than that of the December 2021 quarter.

The trend shows a decline in the number of NFAs for the extreme poor in the reporting quarter. Government has preferred MFSs to bank accounts in order to disburse financial supports to the extreme poor. This has left some NFAs inoperative resulting in a slight decline in the number of accounts of this category. However, the increase in deposit shows recovery of household savings of extreme poor from the COVID-19 shock.

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.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 Government's allowances disbursed through SSN Accounts have been considered as a great support for the poor people confronting the second wave of COVID-19.

The number of Tk. 10 Accounts for the beneficiaries of the SSN has increased by 0.43% in the reporting quarter over the previous quarter and 6.15% over the December 2021 quarter.

The amount of deposits in these accounts has increased by 1.86% compared to that of the previous quarter and increased by 8.27% than that of the December 2021 quarter.

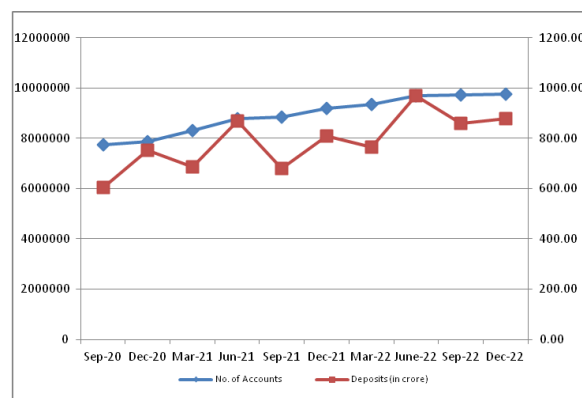


Figure 5: Quarterly Movement of Tk. 10 Accounts for Beneficiaries of the SSN Programs

2.2.4 NFAs Accounts for RMG Workers

The number of Tk. 100 Accounts for the RMG workers has increased by 13.46% in the reporting quarter over the previous quarter and 37.59% over the December 2021 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 3.23% over the previous quarter and 11.30% over the December 2021 quarter.

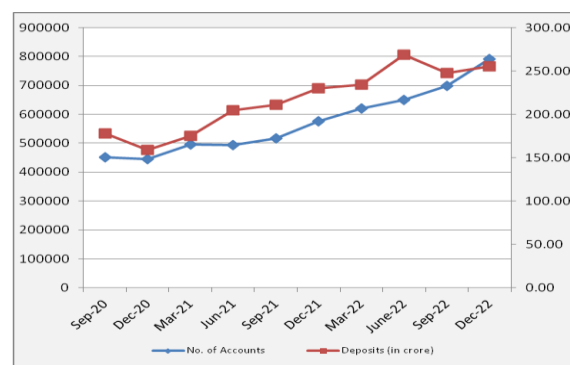


Figure 6: Quarterly Trend of Tk. 10 Accounts for RMG Workers

² BRPD Circular No-05 dated 19 June 2011

³ FID Circular No-02 dated 06 July 2020

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

State-owned Commercial Banks (SoCBs) dominates over the other categories of banks in opening Tk.10/50/100 Accounts. As of December 2022, SoCBs have opened 14,337,058 number of No-Frill Accounts which constitute 54.80% of the total accounts. Specialized Banks (SBs) have 25.77% while the Private Commercial Banks (PCBs) have 19.43% 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. 35,648.74 million. SoCBs hold Tk. 23,674.93 million or 66.41% of the total deposits in these accounts.

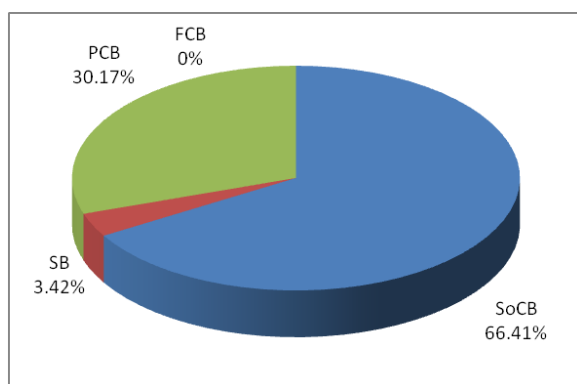


Figure 7: Market Share of Tk. 10/50/100 Accounts Deposit

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

As of December 2022, top 5 banks have opened 80.88% of the total Tk. 10/50/100 Accounts. Sonali Bank Limited has opened 26.32% of the total accounts. Two other SoCBs in the list of top 5 banks, Agrani Bank Limited and Janata Bank Limited, have opened 14.82% and 10.72% of the total accounts respectively. Bangladesh Krishi Bank (BKB), the specialized bank with 17.02% of the total accounts, is another major contributor in promoting financial inclusion through opening No-Frill Accounts.

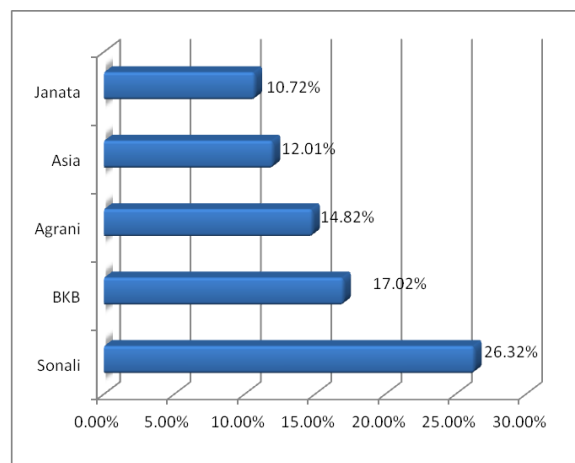


Figure 8: Top 5 Banks Based on Number of No-Frill Accounts

Top 5 banks hold 83.56% 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.

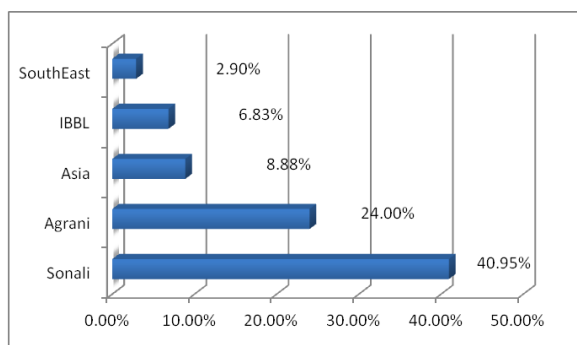


Figure 9: Top 5 Banks Based on Deposits in No-Frill Accounts

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 measures⁴ 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 signifincant 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.

⁴ 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 December 2022, a total of 1,21,866 borrowers have received Tk. 6,342.50 million from both the Tk. 200 crore and Tk. 500 crore schemes. The reporting quarter has observed 2.90% 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 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 and no service charges. Moreover, these accounts offer attractive interest rates, debit card facilities and financial education programs. 57 out of 61 banks operating in Bangladesh have so far offered school banking. The number of SBAs has reached 3,262,425 in the review quarter, a 1.40% higher than that of previous quarter.

⁵BRPD Circular Letter No.12/2010.

⁶GBCSRD Circular No.7/2013.

⁷FID Circular Letter No.02/2018.

Year-to-year comparison has also marked significant growth in School Banking activities. The number of SBAs has grown by 13.80% in the December 2022 quarter compared to December 2021 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. 22,855.71 million during the reporting quarter and decreased by 1.59% over the previous quarter.

Highlights of the School Banking, December 2022:

- *No. of Banks Operating School Banking Accounts: 57*
- *Total no. of School Banking Accounts: 3,262,425*
- *Total Amount of Deposits: Tk.22,855.71 million.*
- *49.65% of Total Accounts are in the Urban Area and 50.35% are in the Rural Area.*
- *Male Students are holding 53.28% and Female Students are holding 46.72% of total No. of Accounts.*
- *The PCBs have the largest share of 68.69% in opening SBAs*

3.2 Region-wise Distribution of School Banking Activities

As of December 2022, banks have opened 3,262,425 SBAs. 50.35% of the accounts are in the rural areas while the remaining accounts are in the urban areas. The number of SBAs has increased by 1.49% in the urban areas and increased by 1.31% in the rural areas in the reporting quarter indicating a higher growth in the urban areas than that of the rural areas.

In division wise distribution, Dhaka has the largest share of 26.08% SBAs containing 44.04% of the total deposits. Chattogram follows Dhaka with 20.62% share of the total SBAs and 22.71% of the total deposits. Figure 10 and 11 illustrate the division wise distribution of SBAs and deposits held in those accounts.

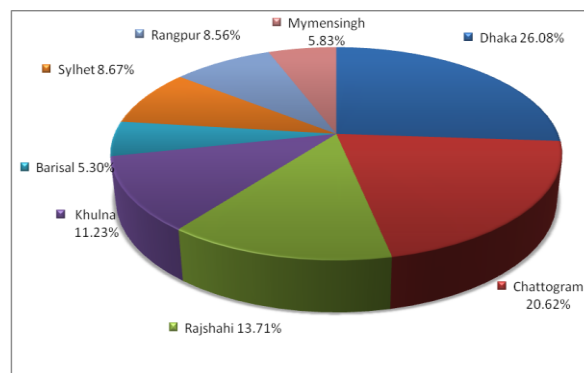


Figure 10: Division-wise School Banking Accounts

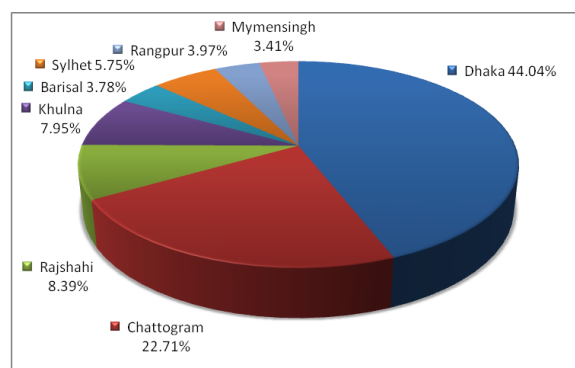


Figure 11: Division-wise School Banking Deposits

3.3 Gender-wise School Banking Activities

Gender distribution of SBAs is slightly inclined to the male students holding 53.28% of the total SBAs. Female students hold the rest 46.72% of the total accounts. The number of male accounts has increased by 1.47% and also the number of female accounts has increased by 1.32% in the reporting quarter. The amount of deposit in male and female accounts has decreased by 0.79% and 2.55% respectively in the reporting quarter.

Dhaka Division

Total no. of Accounts: 850,931

Total amount of Deposits: Tk. 10,066.41 million.

Chattogram Division

Total no. of Accounts: 672,615

Total amount of Deposits: Tk. 5,191.16 million.

Rajshahi Division

Total no. of Accounts: 447,182

Total amount of Deposits: Tk. 1,917.59 million.

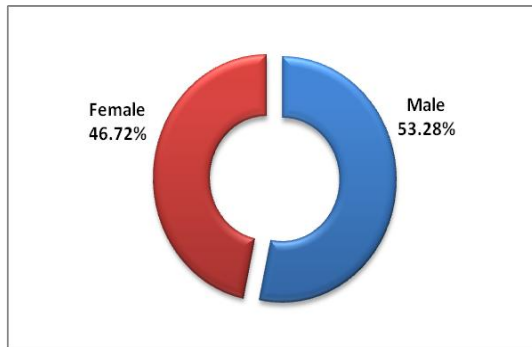


Figure 12: Gender-wise School Banking Accounts

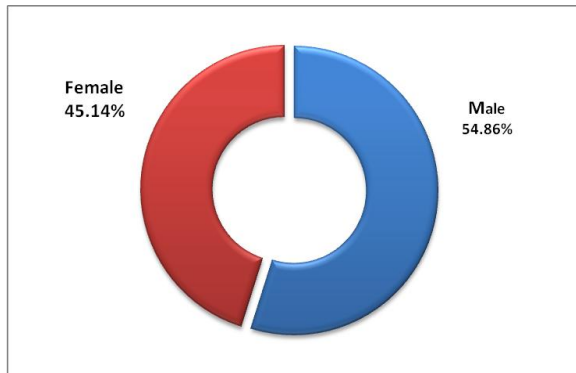


Figure 13: Gender-wise School Banking Deposits

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 68.69% of the total School Banking accounts and held 77.73% of the overall School Banking deposit amounting to TK. 17,764.46 million during the reporting quarter. The number of accounts with the PCBs has increased by 0.34% but the amount of deposits decreased by 2.22% compared to the previous quarter.

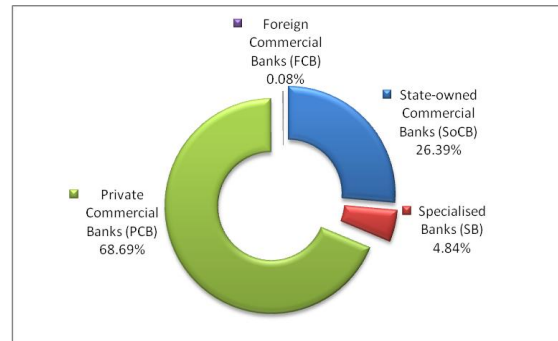


Figure 14: Banks' Performance on Opening School Banking Accounts

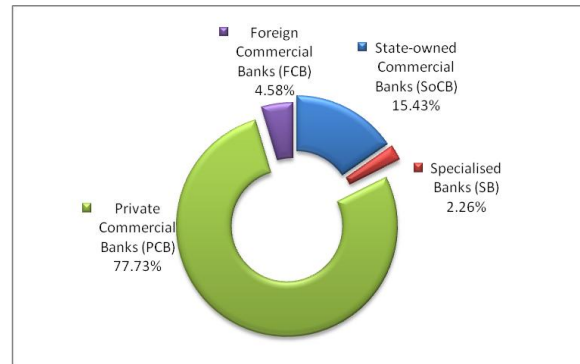


Figure 15: Banks' Performance on School Banking Deposits

The SoCBs rank next to the PCBs with 26.39% of the total accounts and 15.43% of the total deposits. The number of accounts by the SoCBs has increased by 4.36% and the collection of deposits has also increased by 1.88% respectively in the reporting quarter. SBs have opened 4.84% of the total School Banking accounts and hold deposit of Tk. 517.52 million. 7 out of 9 FCBs operating in Bangladesh have offered School Banking so far. The number of accounts opened by the FCBs is 0.08% 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 55.17% 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 606,605 numbers of accounts covering around 18.59% of the total accounts as well as accumulating Tk. 5,811.20 million deposits with a share of 25.43% of total deposits in SBAs. Islami Bank Bangladesh Limited (IBBL) holds second highest position with 14.92% of the total SBAs. Among the SoCBs, only Agrani Bank Limited and Rupali Bank Limited retain their position in the top 5 performers of School Banking Activities.

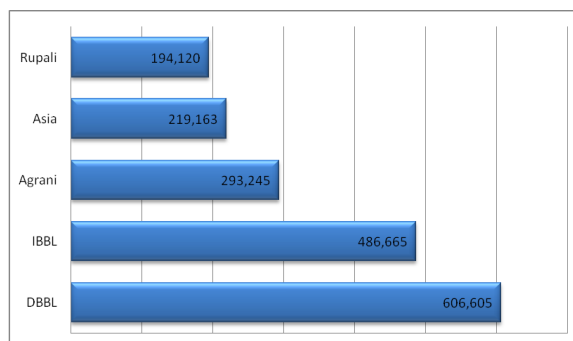


Figure 16: Top Performing 5 Banks in Opening School Banking Accounts

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

A significant portion of SBAs has 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 completed 18 years, has become 861,258 in which 685,193 accounts (approximately 79.56%) 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 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 December 2022, 19 banks have opened 30,898 street urchin accounts through 53 NGOs. The total amount of deposits in these accounts reaches Tk. 4.55 million at the end of the reporting quarter. In the reporting quarter number of accounts for street urchin has increased by 10.93% 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 26,186 accounts up to December 2022. 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. 1.96 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 start 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.
- 5.3. NFAs can be opened through Mobile Financial Services and equally be treated as bank accounts and reported accordingly.

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	9,906,824	5,632.33	2,897,082	677.08	75,832	3233.93	123,732	4,805.86
2	Extreme poor	3,537,995	2,147.00	947,333	1,495.60	11,488	1418.66	3,164	121.20
3	Freedom fighters	322,914	10,390.85	157,700	3,262.48	7,365	1447.21	367	30.43
4	Social Safety net allowance	9,762,870	8,773.54	2,588,365	2,986.86	4,408	12.95	2,247	182.10
5	Food & livelihood security	165,454	331.41	15,732	14.24	-	0	219	4.90
6	Poor rehabilitation under Ministry of Religious Affairs	1,767	16.74	336	00.70	-	0	241	5.00
7	City corporation workers	10,113	25.23	6	00.00	-	0	0	0
8	RMG workers	792,048	2,556.11	120,435	198.40	-	0	414	12.46
9	Leather Industry workers	506	1.65	56	00.20	-	0	0	0
10	National Service Program	59,064	264.17	29,663	222.41	-	0	6	0.20
11	Small Life Insurance Program	142,174	1,343.83	4,275	7.12	-	0	553	8.46
12	Physically challenged persons	626,246	1,296.26	239,948	954.00	18,526	1.20	267	0
13	Others	833,406	2,869.62	186,985	236.44	4,247	228.55	10,553	515.10
Total		26,161,381	35,648.74	7,187,916	10,055.53	121,866	6342.50	141,763	5,685.71

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

Components	Dec'21	Sep'22	Dec' 22	% change in Q-Q	% change in Y-Y
Farmers	9,883,878	9,883,689	9,906,824	0.23%	0.23%
Extreme poor	3,486,814	3,554,128	3,537,995	-0.45%	1.47%
Freedom fighters	286,975	322,676	322,914	0.07%	12.52%
Social Safety Net	9,197,404	9,721,529	9,762,870	0.43%	6.15%
RMG Workers	575,664	698,057	792,048	13.46%	37.59%
Others	1,470,196	1,676,135	1,838,730	9.70%	25.07%
Total	24,900,931	25,856,214	26,161,381	1.18%	5.06%

*Quarter **Year

Table 3: Growth of Deposits in No-Frill Accounts

Deposits	Dec'21 (Tk. In billions)	Sep'22 (Tk. In billions)	Dec'22 (Tk. In billions)	% change in Q-Q	% change in Y-Y
Farmers	5.11	6.02	5.63	-6.48%	10.18%
Extreme poor	2.29	1.97	2.15	9.14%	-6.11%
Freedom fighters	7.85	9.56	10.39	8.68%	32.36%
Social Safety net allowance	8.10	8.61	8.77	1.86%	8.27%
RMG Workers	2.30	2.48	2.56	3.23%	11.30%
Others	3.93	5.72	6.15	7.52%	56.49%
Total	29.58	34.36	35.65	3.75%	20.52%

*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)
September 2020	10,270,143	4.04
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	9,893,243	5.12
June 2022	9,820,699	5.69
September 2022	9,883,689	6.02
December 2022	9,906,824	5.63

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)
September 2020	2,694,062	1.91
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

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)
September 2020	239,326	3.08
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	3,22,914	10.39

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)
September 2020	7,733,802	6.05
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	9,353,837	7.64
June 2022	9,706,621	9.68
September 2022	9,721,529	8.61
December 2022	9,762,870	8.77

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

Quarter	Cumulative Number of Accounts	Amount of Deposits (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

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)	14,337,058	23,674.93
Specialized Banks (SB)	6,740,080	1,218.10
Private Commercial Banks (PCB)	5,084,190	10,755.41
Foreign Commercial Banks (FCB)	53	00.30
Total	26,161,381	35,648.74

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 Limited	6,884,483	26.32%	1	Sonali Bank Limited	14,597.900	40.95%
2	Bangladesh Krishi Bank	4,452,214	17.02%	2	Agrani Bank Limited	8,555.87	24.00%
3	Agrani Bank Limited	3,877,692	14.82%	3	Bank Asia Limited	3,165.71	8.88%
4	Bank Asia Limited	3,141,362	12.01%	4	Islami Bank Bangladesh Limited	2,435.60	6.83%
5	Janata Bank Limited	2,804,533	10.72%	5	Southeast Bank Ltd.	1,034.56	2.90%
	Total	21,160,284	80.88%		Total	29,789.64	83.56%

Table 11: Area-wise School Banking Accounts and Deposits

	Rural		Urban		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	1,642,551	50.35%	1,619,874	49.65%	3,262,425
Amount of Deposits (Tk. in millions)	6,366.92	27.86%	16,488.79	72.14%	22,855.71

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	850,931	26.08%	10,066.41	44.04%
Chattogram	672,615	20.62%	5,191.16	22.71%
Rajshahi	447,182	13.71%	1,917.59	8.39%
Khulna	366,521	11.23%	1,814.26	7.95%
Barisal	172,936	5.30%	864.32	3.78%
Sylhet	282,722	8.67%	1,314.45	5.75%
Rangpur	279,183	8.56%	907.82	3.97%
Mymensingh	190,335	5.83%	779.70	3.41%
Total	3,262,425	100.00%	22,855.71	100.00%

Table 13: Gender-wise School Banking Accounts and Deposits

	Male		Female		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	1,738,102	53.28%	1,524,323	46.72%	3,262,425
Amount of Deposit (Tk. in millions)	12,538.55	54.86%	10,317.16	45.14%	22,855.71

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

Types of Banks	Dec-22			
	School Banking Account	Percentage	Deposit in millions	Percentage
State-owned Commercial Banks	860,984	26.39%	3,527.35	15.43%
Specialised Banks	157,730	4.84%	517.52	2.26%
Private Commercial Banks	2,241,040	68.69%	17,764.46	77.73%
Foreign Commercial Banks	2,671	0.08%	1,046.38	4.58%
Total	3,262,425	100%	22,855.71	100%

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

Types of Banks	Dec'21	Mar'22	Jun'22	Sep'22	Dec'22	Growth Q TO Q*	Growth Y TO Y**
State-owned Commercial Banks	759,690	793,283	817,175	825,014	860,984	4.36%	13.33%
Specialized Banks	149,189	152,358	153,705	156,258	157,730	0.94%	5.72%
Private Commercial Banks	1,955,281	2,153,716	2,244,681	2,233,445	2,241,040	0.34%	14.61%
Foreign Commercial Banks	2,713	2,720	2,632	2,697	2,671	-0.96%	-1.55%
Total	2,866,873	3,102,077	3,218,193	3,217,414	3,262,425	1.40%	13.80%

* 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	606,605	18.59%	1	Dutch-Bangla Bank Limited	5,811.20	25.43%
2	Islami Bank Bangladesh Limited	486,665	14.92%	2	Islami Bank Bangladesh Limited	1,577.40	6.90%
3	Agrani Bank Limited	293,245	8.99%	3	Eastern Bank Limited	1,529.60	6.69%
4	Bank Asia Limited	219,163	6.72%	4	Dhaka Bank Limited	1,357.50	5.94%
5	Rupali Bank Limited	194,120	5.95%	5	Janata Bank Limited	1,117.19	4.89%

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	23,736	11,662
Specialized Banks	9,913	9,182
Private Commercial Banks	827,534	664,349
Foreign Commercial Banks	75	0
Total	861,258	685,193

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	9.10
2	Agrani Bank Limited	26,186	289.01
3	Janata Bank Limited	200	83.00
4	Rupali Bank Limited	944	900.00
5	Bangladesh Development Bank Limited	185	13.19
6	Bangladesh Krishi Bank	160	32.00
7	Al-Arafah Islami Bank Limited	157	167.00
8	Bank Asia Limited	233	180.23
9	Dutch-Bangla Bank Limited	20	5.07
10	Mercantile Bank Limited	232	161.27
11	Mutual Trust Bank Limited	45	1.88
12	National Bank Limited	19	14.00
13	One Bank Limited	226	190.32
14	Prime Bank Limited	39	2.00
15	Pubali Bank Limited	544	300.00
16	Social Islami Bank Limited	1207	1,963.00
17	The City Bank Limited	148	100.00
18	Trust Bank Limited	269	100.00
19	Uttara Bank Limited	38	41.00
	Total	30,898	4,552.07

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. 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.