

Quarterly Report on No-Frill Accounts

(April-June 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, and the school students under 18 years of age. In this quarter, total number of NFAs is recorded as 2,85,18,260 with total deposit of Tk. 5,815.87 crore.

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 2,52,76,832 and Tk. 3,476.33 crore respectively in the June 2022 quarter. The number of accounts has grown 0.53% in the reporting quarter compared to the previous one. The number of Tk. 10 Accounts for the Farmers, which remains the largest component of the NFAs, reaches 98,20,699 contributing to 39% of the total Tk. 10/50/100 accounts. On the other hand, Accounts for the Beneficiaries of the Social Safety Net (SSN) programs have increased by 3.77% over the previous quarter and constitute 38% of the total NFAs in the reporting quarter.

As on 30 June 2022, individuals with Tk. 10/50/100 accounts have received Tk. 559.58 crore as credit under the refinance scheme for the No-Frill Accounts. The increased demand of such credit could be attributed to the revival of the economic activities paused by the COVID-19 pandemic. Banks participating in the scheme have set an annual target of Tk. 475 crore for lending in 2022.

No-Frill Accounts play significant role in the distribution of foreign inward remittances. In June 2022 quarter, these accounts have received Tk. 4.73 crore as foreign remittances. The cumulative amount of foreign remittances received through these accounts by the end of the reporting quarter reaches Tk. 529.78 crore. The amount is 0.90% higher than the cumulative amount received by the end of March 2021 quarter.

The number of School Banking Accounts has increased by 3.74% over the previous quarter. The accounts have also grown 8.11% over June 2021 quarter. This increase is due to reopening of educational institutes, which remained closed/disrupted due to COVID-19 since the early 2020. As of June 30, 2022, 19 banks have opened 23,235 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 June 2022 quarter, the government has disbursed subsidy/salary to 72,34,160 NFAs held with various segments of marginalized people of the society. In addition, NFAs play a significant role in channelizing inward foreign remittances. Up to June 2022, the cumulative amount of foreign remittances received through these accounts reaches Tk. 529.78 crore. The

amount is 0.90% higher than the cumulative amount received by the end of March 2021 quarter. In addition, the number of SBAs has increased by 3.74% over the previous quarter. The SBAs have also grown by 8.11% over the June 2021 quarter. This increase is due to the resumption of School Banking activities by banks after the easing of COVID-19 pandemic.

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

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

- *Total Number of Accounts: 2,52,76,832*
- *Total Amount of Deposits: Tk. 3,476.33 crore*
- *Total Number of Accounts for the Farmers: 98,20,699 (39 percent of total Tk. 10 accounts)*
- *Second and Third largest categories of Tk. 10 Accounts are Accounts for the beneficiaries of the SSN Programs (38%) and the Extreme Poor (13%).*
- *The Amount of Remittance sent through Tk. 10 Accounts: Tk. 529.78 crore.*

School Banking Accounts (SBAs)

- *Total Number of Accounts: 32,18,193*
- *Total Amount of Deposits: Tk. 2,339.09 crore*

Street Urchin and Working Children Accounts (SUAs)

- *Total Number of Accounts: 23,235*
- *Total Amount of Deposits: Tk. 44.61 lac*

Chapter 2: Tk.10/50/100 Accounts

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

10/50/100 Accounts

As of June 2022, the total number of Tk. 10/50/100 accounts excluding SBAs and Street Urchin Accounts reaches 2,52,76,832. Total amount of deposit held with these accounts reaches Tk. 3,476.33 crore. Among the categories of Tk. 10/50/100 accounts, Accounts for the Farmers remain the largest component through which government disburses subsidies to the beneficiaries in the agricultural sectors.

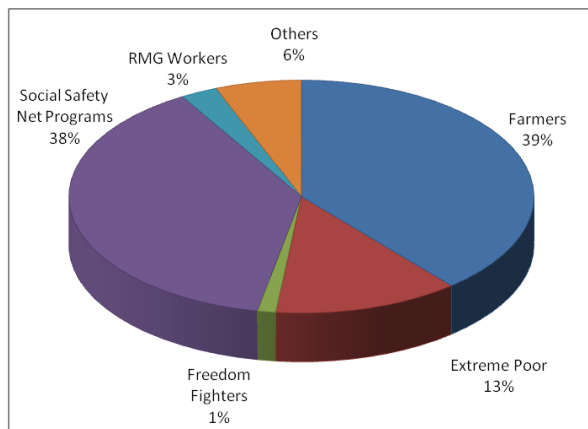


Figure 1: Major Categories of Tk. 10/50/100 Accounts

The major categories of Tk. 10/50/100 accounts comprise of the Accounts for the Farmers (39%), Beneficiaries of the SSN programs (38%) and Extreme Poor (13%). A small but significant component of these accounts, the No-Frill

Accounts for Ready-made Garments (RMG) workers, constitutes 3% of the total Tk. 10/50/100 accounts. A complete list of these components is shown in the Table 1 in the Appendix A.

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

As of June 2022, the total number of Tk. 10/50/100 accounts reaches 2,52,76,832 which indicates a 0.53% growth over the previous quarter and 4.30% growth over the previous year.

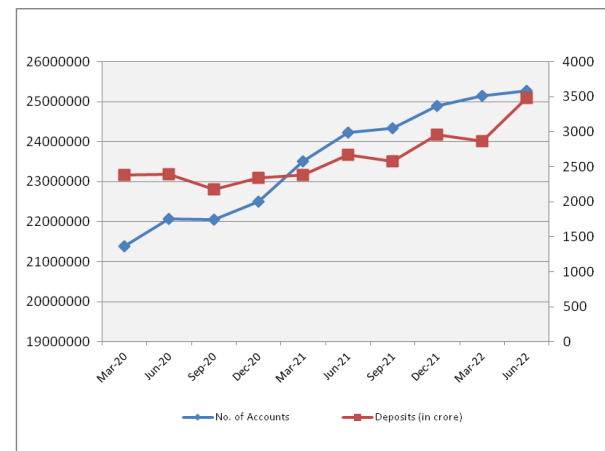


Figure 2: Quarterly Movement of Tk. 10/50/100 Accounts

Total deposit in Tk.10/50/100 accounts amounts to Tk. 3,476.33 in the reporting quarter, which is 21.45% higher than that of the previous quarter and 23.31% higher than that of the previous year.

2.2.1 No-Frill Accounts (NFAs) for the Farmers

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

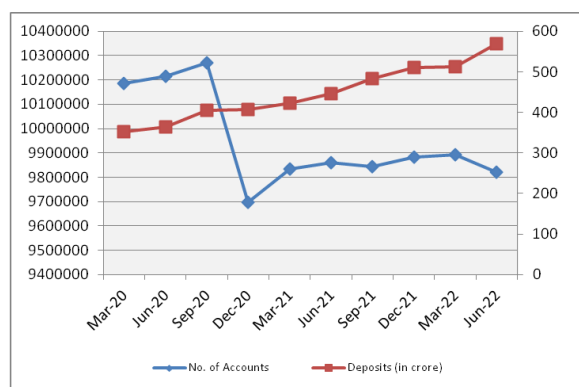


Figure 3: Quarterly Trend of Tk. 10 Accounts for the Farmers

As of June 2022, the total number of Accounts for the Farmers reaches 98,20,699 which is 0.73% lower than that of the previous quarter. On the other hand, the total deposit in the Accounts for the Farmers stands at Tk 569.33 crore, which is 11.12% higher than that of the previous quarter and 21.54% higher than that of the previous year. The decrease in the number of Accounts for the Farmers during the reporting quarter is due to KYC update of a SOCB which observes many of these accounts migrating to other codes in their core banking system. BB keeps close contact with the bank to follow up this change.

¹ BRPD Circular No.-01/2010

2.2.2 NFAs for the Extreme Poor

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

As of June 2022, the number of Accounts for the Extreme Poor reaches 32,61,400. This number is 5.86% lower than that of the previous quarter and 4.61% lower than that of the previous year.

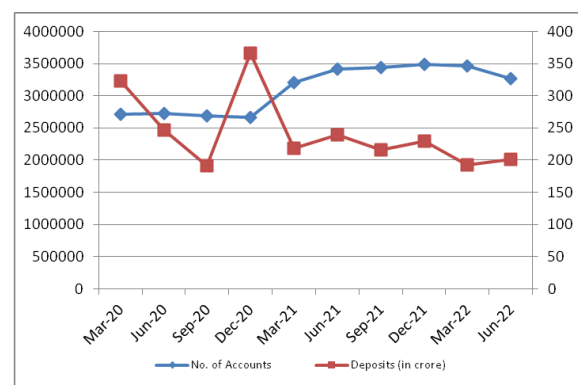


Figure 4: Quarterly Movement of Tk. 10 Accounts for the Extreme Poor

The trend shows a negative growth in opening NFAs for the extreme poor. However, the quarterly decline in number is due to decrease in number of the recipients of government subsidies after the COVID-19 recovery period and subsequently migration of these accounts to dormant/inactive accounts.

Deposits in the Accounts for Extreme Poor, however, increase by 4.39% over the previous quarter indicating the saving tendency of the account holders in the recent time.

2.2.3 NFAs for the Beneficiaries of the SSN Programs

Government SSN programs greatly contribute to support the marginal people of the society. Poor people can receive SSN allowances through Tk. 10 accounts. BB has advised all the banks to open SSN accounts for the individuals having National Identification (NID) cards and Pension Payment Order (PPO) book.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 3.77% in the reporting quarter over the previous quarter and 10.39% over the previous year.

The amount of deposits in these accounts has increased by 26.68% compared to that of the previous quarter. However, it has increased by 10.39% than that of the previous year.

² BRPD Circular No-05 dated 19 June 2011

³ FID Circular No-02 dated 06 July 2020

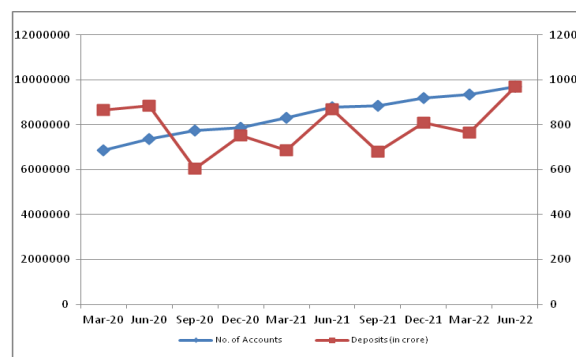


Figure 5: Quarterly Movement of Tk. 10 Accounts for Beneficiaries of the SSN Programs

2.2.4 NFAs Accounts for RMG Workers

The number of Tk. 100 Accounts for the RMG workers has increased by 4.75% in the reporting quarter over the previous quarter and 31.71% over the previous year. Use of Digital Financial Services has increased significantly for the payment of salaries of RMG workers in the recent times. This has in turn contributed to the increase of bank accounts. In addition, deposits in these accounts have shown a positive growth by 14.59% over the previous quarter (and 23.90% over the previous year). The positive trend in the amount of deposits reflects the recovery from the effect of COVID-19 pandemic.

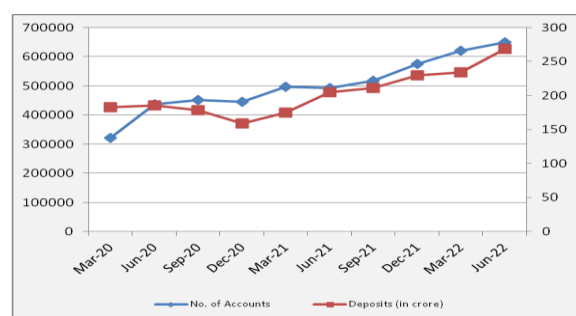


Figure 6: Quarterly Trend of Tk. 10 Accounts for RMG Workers

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 June 2022, SoCBs have opened 1,38,60,344 number of No-Frill Accounts which constitute 55% of the total accounts. Specialized Banks (SBs) have 27% while the Private Commercial Banks (PCBs) have 18% 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. 3,476.33 crore. SoCBs hold Tk. 2,173.78 crore or 62% of the total deposits in these accounts.

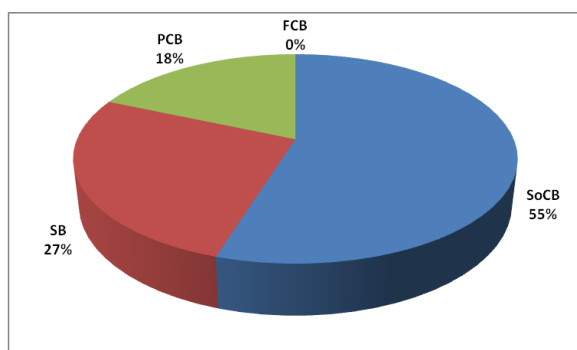


Figure 7: Market Share of Tk. 10/50/100 Accounts

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

As of June 2022, top 5 banks have opened 81.54% of the total Tk. 10/50/100 Accounts.

Sonali Bank Limited has opened 25.59% of the total accounts. Two other SoCBs in the list of top 5 banks, Agrani Bank Limited and Janata Bank Limited, have opened 15.17% and 11.08% of the total accounts respectively. Bangladesh Krishi Bank (BKB), the specialized bank with 17.62% of the total accounts, is another major contributor in promoting financial inclusion through opening No-Frill Accounts.

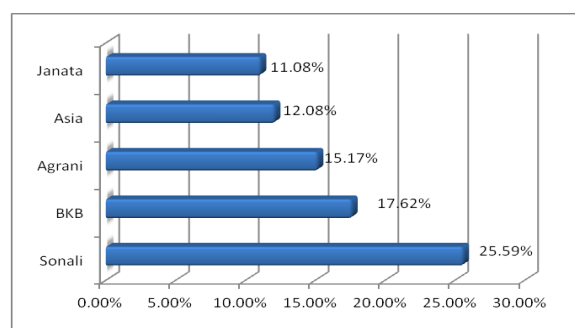


Figure 8: Top 5 Banks Based on Number of No-Frill Accounts

Top 5 banks hold 84.25% of the total amount of deposits. In terms of total deposits, Islami Bank Bangladesh Limited and Bank Asia Limited have emerged in the list as two PCBs along with Sonali Bank Limited, Agrani Bank Limited and Bangladesh Krishi Bank (BKB).

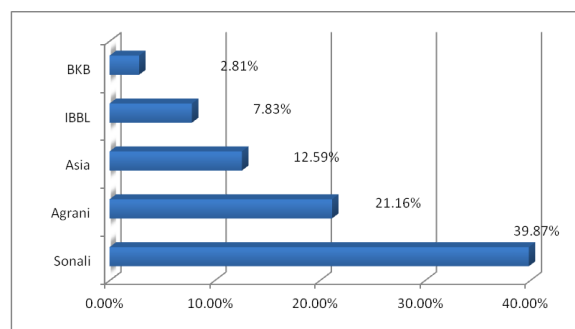


Figure 9: Top 5 Banks Based on Deposits in No-Frill Accounts

2.5 Refinance Scheme for No-Frill

Account Holders

In 2014, BB created a refinance scheme with a revolving fund of Tk. 200 crore to facilitate income generating activities of the low income people with Tk. 10 account. Under the scheme, the banks were 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 increased from Tk. 200 Crore to Tk. 500 crore. Individual loan size in the revised schme has increased from Tk. 50,000 to Tk. 5,00,000. 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. 50 banks, who have so far signed in the scheme, have sent an annual lending target of Tk. 475.00 crore under the scheme for the calendar year 2022.

Up to June 2022, a total of 94,535 borrowers have received Tk. 559.58 crore from both the Tk. 200 crore and Tk. 500 crore schemes. The reporting quarter has observed 51.69% increase of such loans over the previous quarter indicating a vibration in economic activities of recent time.

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

⁴ FID Circular-01/2021, BB Website

Chapter 3: School Banking Activities

3.1 School Banking Activities in Bangladesh

School Banking is one of the most significant financial inclusion interventions by Bangladesh Bank. The program was initiated with an aim to develop savings behavior of the students at an early age. This program introduces banking services and modern banking technologies to students below 18 years of age. Bangladesh Bank issued directive⁵ 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. 55 banks out of 60 banks operating in Bangladesh have so far offered school banking services. The number of SBAs has reached 32,18,193 in the review quarter, a 3.74 percent higher than the number in

the previous quarter. Year-to-year comparison has also marked significant growth in School Banking activities. The number of SBAs has grown by 8.11 percent in the June 2022 quarter compared to March 2021 quarter. The vaccination program for COVID-19 in educational institutes has helped to resume normal classes in school as well as School Banking activities.

Deposit in the SBAs has reached Tk. 2339.09 crore during the reporting quarter and increased by 4.97 percent over the previous quarter.

Highlights of the School Banking, March 2022:

- *No. of Banks Operating School Banking Accounts: 55*
- *Total no. of School Banking Accounts: 32,18,193*
- *Total Amount of Deposits: Tk.2339.09 crore*
- *49 percent of Total Accounts are in the Urban Area and 51 percent are in the Rural Area.*
- *Male Students are holding 53 percent and Female Students are holding 47 percent of total No. of Accounts.*
- *The PCBs have the largest share of 69.75 percent in opening SBAs*

⁵BRPD Circular Letter No.12/2010.

⁶GBCSRD Circular No.7/2013.

⁷FID Circular Letter No.02/2018.

3.2 Region-wise Distribution of School Banking Activities

As of June 2022, banks have opened 32,18,193 SBAs. 51 percent of the accounts are in the rural areas while the remaining accounts are in the urban areas. The number of SBAs has increased by 5.41 percent in the rural areas and 2.07 percent in the urban areas in the reporting quarter indicating a higher growth in the rural areas than that in the urban areas.

In division wise distribution, Dhaka has the largest share of 25.20 percent SBAs containing 43.77 percent of the total deposits. Chattogram follows Dhaka with 21.13 percent share of the total SBAs and 22.81 percent of the total deposits. Figure 10 and 11 illustrate the division wise distribution of SBAs and deposits held in those accounts.

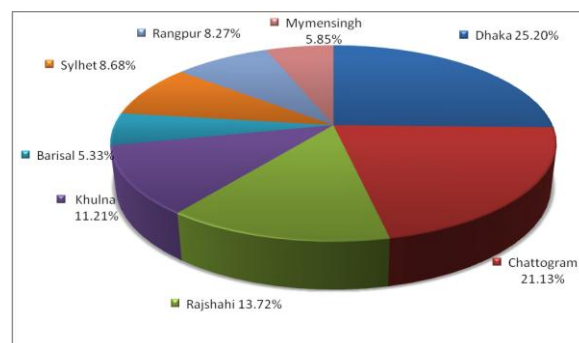


Figure 10: Division-wise School Banking Accounts

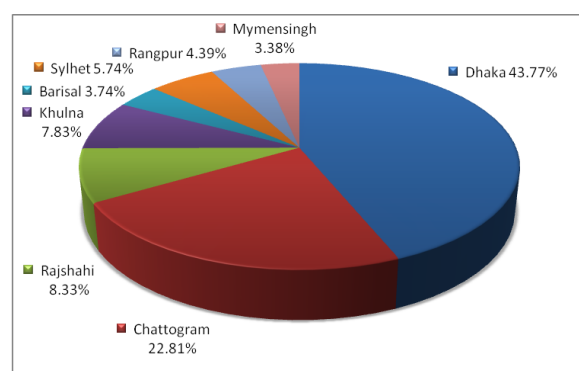


Figure 11: Division-wise School Banking Deposits

3.3 Gender-wise School Banking Activities

Gender distribution of SBAs is slightly inclined to the male students holding 53 percent of the total SBAs. Female students, on the other hand, hold 47 percent of the total accounts. Both the number of male and female accounts has increased by 3.70 percent and 3.80 percent respectively in the June 2022 quarter. The amount of deposit in male and female accounts has also increased by 5.36 percent and 4.52 percent respectively in the reporting quarter.

Dhaka Division

Total no. of Accounts: 8,10,994

Total amount of Deposits: Tk. 1023.85 crore

Chattogram Division

Total no. of Accounts: 6,79,933

Total amount of Deposits: Tk. 533.66 crore

Rajshahi Division

Total no. of Accounts: 4,41,543

Total amount of Deposits: Tk. 194.90 crore

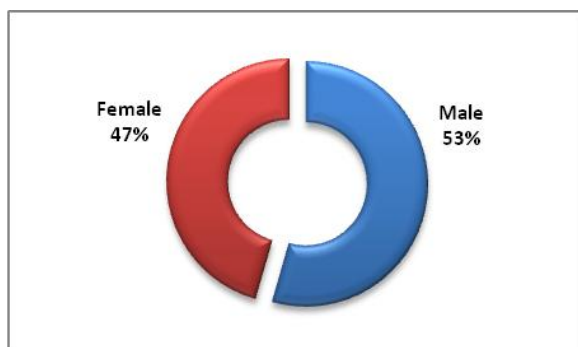


Figure 12: Gender-wise School Banking Accounts

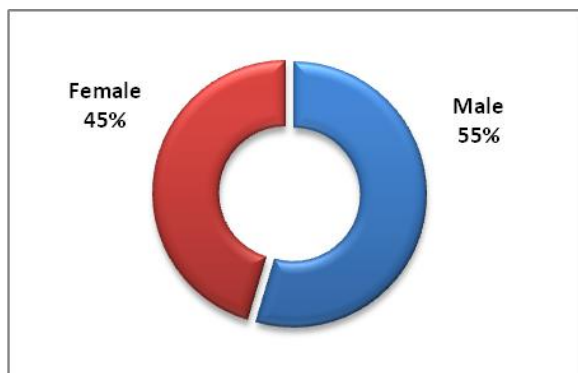


Figure 13: Gender-wise School Banking Deposits

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 69.75 percent of the total School Banking accounts and held 78.61 percent of the overall School Banking deposit amounting to TK. 1,838.71 crore during the reporting quarter. The number of accounts with the PCBs has increased by 4.22 percent and the amount of deposits has increased by 4.15 percent compared to the previous quarter.

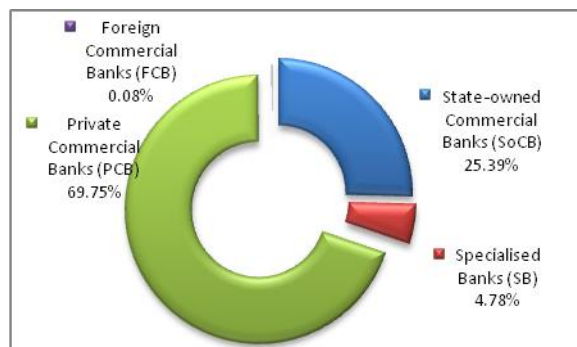


Figure 14: Banks' Performance on Opening School Banking Accounts

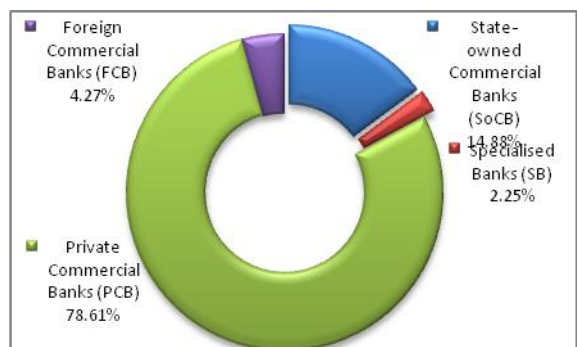


Figure 15: Banks' Performance on School Banking Deposits

The SoCBs rank next to the PCBs with 25.39 percent of the total accounts and 14.88 percent of the total deposits. The number of accounts by the SoCBs has increased by 3.01 percent and the collection of deposits has increased by 10.22 percent respectively in the reporting quarter. SBs have opened 4.78 percent of the total School Banking accounts and hold deposit of Tk. 52.59 crore. 7 banks out of 9 FCBs operating in Bangladesh have offered School Banking so far. The number of accounts opened by the FCBs is 0.08% 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 55.25 percent 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 5,93,995 number of accounts covering around 18.46 percent of the total accounts as well as accumulating Tk. 610.02 crore deposits with a share of 26.15 percent of total deposits in SBAs. Islami Bank Bangladesh Limited (IBBL) holds second highest position with 15.64 percent of the total SBAs. Among the SoCBs, only Agrani Bank Limited and Rupali Bank Limited retain their position in the top 5 performers of School Banking Activities.

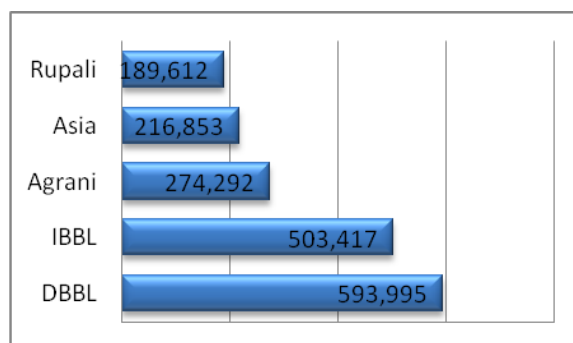


Figure 16: Top Performing 5 Banks in Opening School Banking Accounts

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

A significant portion of SBAs has 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 6,84,802 in which 5,77,100 accounts (approximately 84%) 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.

Upto June 2022, 19 banks have opened 23,235 street urchin accounts through 23 NGOs. The total amount of deposits in these accounts reaches Tk. 44.61 lacs at the end of the reporting quarter. The number of Accounts for Street Urchin and Working Children has increased by 0.007 percent in June 2022 quarter compared to March 2022 quarter.

Agrani Bank Limited has ranked top among the banks in opening Street Urchin and Working Children accounts. It has opened 18,510 accounts up to June 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. 16.46 lac at the end of this quarter.

⁸BRPD Circular No.05/2014

Chapter 5: Recommendations

In recent years, No-Frill Accounts have been considered as one of the most effective ways to help the underserved people to avail formal financial services. Therefore, the growth in No-Frill Accounts need to be accelerated in order to achieve the goal of National Financial Inclusion Strategies (N-FIS) which set targets for all adults to confirm bank accounts by 2025. In order to achieve the target, this report puts forward the following recommendations:

5.1. Banks in every Upazilla should undertake financial literacy campaign as well as school banking initiatives to boost up financial rural financial literacy.

5.2. Banks can incentivize their agents to open No-Frill Accounts in the rural areas where commercial banks have limited network.

5.3. Mobile Financial Services should be able to open NFAs which can equally be treated as fully fledged bank accounts and reported accordingly.

Appendices

Appendix A: Tables

Table 1: Cumulative figures of 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. 200/500 crore Refinance Scheme		Foreign Remittance	
		No. of Accounts	Deposits (Tk. in crore)	No. of Accounts	Deposits (Tk. in crore)	No. of Borrowers	Amount of Lending (Tk. in crore)	No. of Recipients	Amount of Remittance (Tk. in crore)
1	Farmers	9,820,699	569.33	2,837,797	72.58	60,120	248.38	114,677	441.47
2	Extreme poor	3,261,400	201.37	1,023,947	147.53	10,242	85.20	3,047	11.67
3	Freedom fighters	322,198	963.47	144,182	276.06	5,306	204.43	384	4.33
4	Social Safety net allowance	9,706,621	968.18	2,683,623	292.07	4,392	0.96	2,175	19.34
5	Food & livelihood security	71,641	3.21	15,638	2.05	-	-	193	0.47
6	Poor rehabilitation under Ministry of Religious Affairs	1,721	0.23	334	0.11	-	-	211	0.42
7	City corporation workers	10,177	2.52	6	0.00	-	-	-	-
8	RMG workers	649,820	268.69	104,774	31.10	-	-	327	0.59
9	Leather Industry workers	503	0.17	55	0.00	-	-	-	-
10	National Service Program	57,668	26.35	30,498	21.72	-	-	4	0.01
11	Small Life Insurance Program	138,855	116.49	4,348	0.73	-	-	552	0.84
12	Physically challenged persons	549,987	115.58	224,415	95.28	10,524	0.08	266	0.03
13	Others	685,542	240.74	164,543	16.81	3,951	20.53	10,502	50.61
Total		25,276,832	3,476.33	7,234,160	956.05	94,535	559.58	132,338	529.78

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

Components	June 2021	March 2022	June 2022	Change in Q-to-Q*	Change in Y-to-Y**
Farmers	9,859,198	9,893,243	9,820,699	-0.73%	-0.39%
Extreme poor	3,419,115	3,464,579	3,261,400	-5.86%	-4.61%
Freedom fighters	267,912	289,469	322,198	11.31%	20.26%
Social safety net allowance	8,793,136	9,353,837	9,706,621	3.77%	10.39%
RMG Workers	493,360	620,342	649,820	4.75%	31.71%
Others	1,400,944	1,521,180	1,516,094	-0.33%	8.22%
Total	24,233,665	25,142,650	25,276,832	0.53%	4.30%

*Quarter **Year

Table 3: Growth of Deposits in No-Frill Accounts

Components	June 2021 (Tk. in crore)	March 2022 (Tk. in crore)	June 2022 (Tk. in crore)	Change in Q-to-Q*	Change in Y-to-Y**
Farmers	446.69	512.35	569.33	11.12%	21.54%
Extreme poor	238.84	192.90	201.37	4.39%	-18.61%
Freedom fighters	583.92	721.47	963.47	33.54%	39.39%
Social Safety Net	867.61	764.28	968.18	26.68%	10.39%
RMG Workers	204.48	234.47	268.69	14.59%	23.90%
Others	324.41	436.90	505.29	15.65%	35.80%
Total	2665.95	2,862.37	3,476.33	21.45%	23.31%

*Quarter **Year

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

Quarter	Cumulative Number of Accounts for Farmers	Amount of Deposits (Tk. in crore)
March 2020	1,01,86,605	351.92
June 2020	1,02,14,049	364.15
September 2020	1,02,70,143	404.24
December 2020	96,98,152	406.86
March 2021	98,33,281	422.35
June 2021	98,59,198	446.69
September 2021	98,43,476	483.98
December 2021	98,83,878	511.37
March 2022	98,93,243	512.35
June 2022	98,20,699	569.33

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

Quarter	Cumulative Number of Extreme Poor Accounts	Amount of Deposits (Tk. in crore)
March 2020	27,08,409	322.76
June 2020	27,23,995	246.94
September 2020	26,94,062	191.08
December 2020	26,62,162	202.19
March 2021	32,06,222	218.44
June 2021	34,19,115	238.84
September 2021	34,36,401	215.33
December 2021	34,86,814	229.00
March 2022	34,64,579	192.90
June 2022	32,61,400	201.37

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 crore)
March 2020	2,39,451	341.05
June 2020	2,34,908	280.21
September 2020	2,39,326	308.25
December 2020	2,47,497	345.39
March 2021	2,48,189	368.87
June 2021	2,54,197	402.78
September 2021	3,26,119	515.11
December 2021	3,31,780	528.07
March 2022	2,89,469	721.47
June 2022	3,22,198	963.47

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 crore)
March 2020	68,64,052	866.46
June 2020	73,58,243	886.12
September 2020	77,33,802	605.36
December 2020	78,73,584	751.63
March 2021	83,04,590	686.94
June 2021	87,93,136	867.61
September 2021	88,45,815	679.00
December 2021	91,97,404	809.80
March 2022	93,53,837	764.28
June 2022	97,06,621	968.18

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

Quarter	Cumulative Number of Accounts	Amount of Deposits (Tk. in crore)
March 2020	3,22,244	182.7
June 2020	4,35,956	185.87
September 2020	4,51,620	178.25
December 2020	4,45,721	158.94
March 2021	4,96,324	175.10
June 2021	4,93,360	204.48
September 2021	5,16,517	210.86
December 2021	5,75,664	229.85
March 2022	6,20,342	234.47
June 2022	6,49,820	268.69

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

Category of Banks	No. of Accounts	Amount of Deposits (Tk. in Crore)
State Owned Commercial Banks (SoCB)	13,860,344	2,173.78
Specialized Banks (SB)	6,739,560	127.04
Private Commercial Banks (PCB)	4,676,883	1,175.49
Foreign Commercial Banks (FCB)	45	0.02
Total	25,276,832	3,476.33

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 crore)			
SL	Bank Name	Account	Percentage	SL	Bank Name	Deposit	Percentage
1	Sonali Bank Limited	6,468,639	25.59%	1	Sonali Bank Limited	1385.38	39.87%
2	Bangladesh Krishi Bank	4,452,214	17.62%	2	Agrani Bank Limited	735.18	21.16%
3	Agrani Bank Limited	3,832,847	15.17%	3	Bank Asia Limited	437.34	12.59%
4	Bank Asia Limited	3,053,403	12.08%	4	Islami Bank Bangladesh Limited	272.15	7.83%
5	Janata Bank Limited	2,799,465	11.08%	5	Bangladesh Krishi Bank	97.56	2.81%
	Total		81.54%		Total		84.25%

Table 11: Area-wise School Banking Accounts and Deposits

	Rural		Urban		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	16,35,448	51%	15,82,745	49%	32,18,193
Amount of Deposits (Tk. in crore)	672.28	29%	1666.81	71%	2339.09

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

Division	Number of Accounts	Percentage	Amount of Deposits (Tk. in crore)	Percentage
Dhaka	8,10,994	25.20%	1023.85	43.77%
Chottogram	6,79,933	21.13%	533.66	22.81%
Rajshahi	4,41,543	13.72%	194.90	8.33%
Khulna	3,60,892	11.21%	183.19	7.83%
Barisal	1,71,547	5.33%	87.50	3.74%
Sylhet	2,79,383	8.68%	134.38	5.74%
Rangpur	2,66,142	8.27%	102.59	4.39%
Mymensingh	1,88,171	5.85%	79.04	3.38%
Total	32,18,193	100.00%	2339.09	100.00%

Table 13: Gender-wise School Banking Accounts and Deposits

	Male		Female		Total
	Total	Percentage	Total	Percentage	
Number of Accounts	17,12,234	53%	15,05,959	47%	32,18,193
Amount of Deposit (Tk. in crore)	1277.26	55%	1,061.83	45%	2,339.09

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

Types of Banks	June-22			
	School Banking Account	Percentage	Deposit in Crore	Percentage
State-owned Commercial Banks	8,17,175	25.39%	347.96	14.88%
Specialised Banks	1,53,705	4.78%	52.59	2.25%
Private Commercial Banks	22,44,681	69.75%	1838.71	78.61%
Foreign Commercial Banks	2,632	0.08%	99.82	4.27%
Total	32,18,193	100.00%	2339.09	100.00%

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

Types of Banks	Jun'21	Sep'21	Dec'21	Mar'22	Jun'22	Growth Q TO Q*	Growth Y TO Y**
State-owned Commercial Banks	729615	742124	759690	793283	817175	3.01%	12.00%
Specialized Banks	148210	150385	149189	152358	153705	0.88%	3.71%
Private Commercial Banks	2096089	2059998	1955281	2153716	2244681	4.22%	7.09%
Foreign Commercial Banks	2729	2711	2713	2720	2632	-3.24%	-3.55%
Total	2,976,643	2,955,218	2,866,873	3,102,077	3,218,193	3.74%	8.11%

* 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 crore)	% of Total Deposits
1	Dutch-Bangla Bank Limited	593,995	18.46%	1	Dutch-Bangla Bank Limited	610.02	26.15%
2	Islami Bank Bangladesh Limited	503,417	15.64%	2	Islami Bank Bangladesh Limited	186.09	7.98%
3	Agrani Bank Limited	274,292	8.52%	3	Eastern Bank Limited	158.98	6.81%
4	Bank Asia Limited	216,853	6.74%	4	Dhaka Bank Limited	130.42	5.59%
5	Rupali Bank Limited	189,612	5.89%	5	Janata Bank Limited	109.76	4.70%

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	20,954	10,749
Specialized Banks	9,808	8,916
Private Commercial Banks	6,53,979	5,57,434
Foreign Commercial Banks	61	1
Total	6,84,802	5,77,100

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 (BDT in thousands)
1	Sonali Bank Limited	46	9.1
2	Agrani Bank Limited	18,510	212.25
3	Janata Bank Limited	200	80
4	Rupali Bank Limited	964	1054.49
5	Bangladesh Development Bank Limited	185	13.34
6	Bangladesh Krishi Bank	160	32
7	Al-Arafah Islami Bank Limited	155	270
8	Bank Asia Limited	234	196.11
9	Dutch-Bangla Bank Limited	20	5.04
10	Mercantile Bank Limited	232	161.26
11	Mutual Trust Bank Limited	45	1.69
12	National Bank Limited	19	13
13	One Bank Limited	226	187.31
14	Prime Bank Limited	39	2
15	Pubali Bank Limited	544	300
16	Social Islami Bank Limited	1,200	1646
17	The City Bank Limited	148	100
18	Trust Bank Limited	269	100
19	Uttara Bank Limited	39	78
	Total	23,235	4461.60

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, 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 have been arranged at the district levels in different parts of Bangladesh. However, due to COVID-19 situation, these conferences have been postponed since March 2020. In line with the initiatives of Bangladesh Bank, commercial banks have also published financial literacy brochures, slogans, leaflets, photos at the bank branches, ATM booths, billboards, deposit slip and various publications of the banks. BB encourages banks to arrange open disbursement program under the refinance schemes for Tk. 10/50/100 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 capacities (over-indebtedness), thereby lower credit risk in the financial system. Open disbursement programme of credit for the marginal people is one of the key 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, 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.