

Dhaka, Ctg home to most agent banking activities

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The Daily Morning Voice Online Desk: Although agent banking is spreading at a faster clip in Bangladesh, accelerating financial inclusion, a majority of activities are concentrated in Dhaka and Chattogram divisions, central bank data showed. As of October, the total number of agents was 14,833. Of them, 2,267 were in urban areas and 12,566 in rural areas, according to the monthly report of the Bangladesh Bank. There are 2,820 outlets in urban centres versus 17,544 in rural areas, meaning rural areas are quite covered by banking facilities through agent banking, said the BB. The Dhaka division has a maximum of 3,738 agents, accounting for 25 per cent of the total, while the Chattogram division came second with 22 per cent of the agents. Khulna and Rajshahi had 13 and 12 per cent of the agents, respectively. The Mymensingh came last with 829 agents, or 6 per cent. Similarly, the Dhaka division has a maximum of 5,041 outlets, again 25 per cent of the total. The Chattogram division was second-placed and is home to 22 per cent of the outlets. Khulna and Rajshahi have 12 per cent of the outlets each. “Entrepreneurs in the Dhaka and Chattogram divisions are more interested in agent banking businesses compared to other divisions,” said the BB.

Mymensingh has 1,197 outlets, or 6 per cent of the total, the lowest among eight divisions in the country. In 2013, the central bank introduced agent banking to provide banking services to underprivileged people in rural areas, especially those in remote areas. It is less costly compared to the traditional banking system and allows customers to receive various banking services in real time through an agent. At present, 31 banks are running agent banking activities. The monthly report showed the Dhaka district has the highest number of agents and outlets at 984 and 1,120, whereas Bandarban has the lowest number of agents and outlets at 34 and 42, respectively. Among the upazilas, Lakshmipur sadar has the highest number of agents, which is 102, and Savar has the highest number of outlets at 167. Ruma upazila in Bandarban has the lowest number of agents and outlets. There is only one agent and one outlet in the hilly upazila.

According to the report, the top five banks in the agent banking segment — Bank Asia Ltd, Islami Bank Bangladesh Ltd (IBBL), Dutch Bangla Bank Ltd (DBBL), Brac Bank and City Bank – captured 71 per cent share in the total agents. Bank Asia has the highest 5,285 agents, making up 36 per cent of the total. IBBL was second-placed with 2,693 agents, or 18 per cent of the total. DBBL has 1,067 agents, Brac Bank appointed 773 agents and City Bank has 705 agents. The five banks accounted for 77 per cent of the total outlets. Of them, DBBL has the highest number of outlets at 6,016, which is 30 per cent of the total. Bank Asia came second with 5,404 outlets, followed by IBBL (2,693 outlets), Brac Bank (848 outlets) and City Bank (717 outlets). There are 1.7 crore deposit accounts on the agent banking network as of October.

The Dhaka division has a maximum of 39.77 lakh deposit accounts. The Mymensingh division has the lowest number of accounts of 8.19 lakh. In Chattogram, Dhaka, Khulna and Rangpur, the number of male account-holders is higher than that of female, whereas the scenario is opposite in Barishal, Mymensingh, Rajshahi, and Sylhet. The deposit accounts in urban areas are 23.69 lakh while it is 1.46 crore in rural areas. This shows that rural and under-served people are receiving banking facilities through agent banking, said the BB report. Loan accounts numbered 1.52 lakh as of October.

The Chattogram division has the highest number of loan accounts of 35,969. Dhaka came second. The outstanding balance as of October was Tk 5,310 crore. Banks recovered Tk 314 crore in the month. In October, Tk 59,770 crore was transacted through the agent banking system, up more than 42 per cent from Tk 42,072 crore in the same month a year earlier. Microcredit loans are disbursed more preferably through agent banking outlets compared to the traditional banking system, said the report. Using agent banking networks, rural and underprivileged people are carrying out transactions like cash deposits and withdrawals, receiving remittances, transferring funds, and paying utility bills. “It indicates that the marginal population is included in agent banking facilities. Thus, agent banking plays a vital role to ensure financial services in rural

areas,” said the central bank report. “Moreover, the participation of women in financial activities is encouraging. Higher activities of agent banking in rural areas illustrate the financial inclusion of marginal people.”