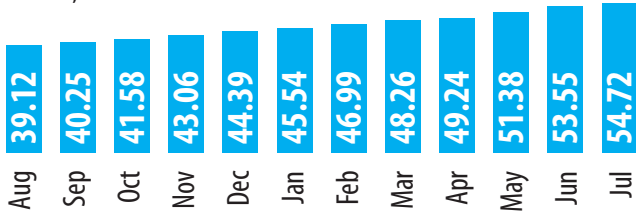


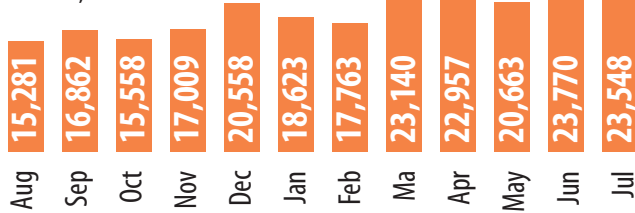
INTERNET BANKING CUSTOMERS

In lakh; SOURCE: BB



INTERNET BANKING TRANSACTIONS

In taka; SOURCE: BB



INTERNET BANKING transactions double in July

MD FAZLUR RAHMAN

Internet banking transactions nearly doubled to Tk 23,548 crore in July compared to a year earlier, central bank figures showed as more people in Bangladesh are using computers and mobile apps to access various financial services.

It stood at Tk 12,768 crore in the same month in 2021. July's internet banking transactions amount, however, were slightly lower than Tk 23,770 crore in June, according to the Bangladesh Bank.

Internet banking, popularly known as online banking, allows users to conduct financial transactions via internet and offers customers almost every service traditionally available through a local branch including deposits, transfers, and online bill payments.

Introduced in Bangladesh by Standard Chartered two decades ago, internet banking has grown at a faster clip in the country since then.

The pace has been accelerated by the coronavirus pandemic since consumers were compelled to turn to internet to access finances from the conveniences of their homes in a bid to avoid catching the deadly virus.

The number of customers using internet banking to carry out transactions digitally rose more than 43 per cent year-on-year to 54.72 lakh in July, as more consumers embrace technologies to buy financial services thanks to convenience and efficiency.

It was 38.22 lakh in July last year and 53.55 lakh in June this year.

"Customers who use internet banking service just once become glued to it," said Amin Md Mehedi Hasan, vice-president and head of digital banking of Eastern Bank Ltd.

"Internet banking has exponentially grown since the pandemic struck the world."

He cited that customer migration from the traditional banking channel to online banking saw a 600 per cent increase at EBL in 2020 and 2021. And 91 per cent of transactions take place online at the private commercial bank while the rest through branches.

Md Mezbaul Haque, director of the Payment Systems Department of the central bank, recalled that when he joined the Payment Systems Department in 2016, only Tk 2 crore to Tk 3 crore used to be transferred through interbank online banking daily.

"Now it has surged to Tk 150 crore to Tk 200 crore daily."

Haque thinks online banking is the future of banking as technologies advance and people's approach to banking goes through a major shift.

"Not many people will be interested in visiting branches. This is happening all over the world," he said.

According to Haque, internet banking is also cost-effective for banks as well as it allows them to use technologies to provide the financial services that a brick-and-mortar branch is currently providing.

This means that if banking takes place online and over the phone, banks would be able to cut the huge operating expenses needed to cater services in the traditional form.

"This is the only way for banks to minimise costs and ensure efficiency," said Haque.

For individuals, the maximum value of each transaction is Tk 3 lakh through internet banking. The frequency is a maximum of 10 times a day and not more than Tk 10 lakh per day, according to the BB.

The pace has been accelerated by the coronavirus pandemic since consumers were compelled to turn to internet to access finances from the conveniences of their homes

For corporate, the limit has been set at Tk 5 lakh per transaction. The maximum frequency is 20 times while a total of Tk 25 lakh could be transacted per day.

In July, fund transfers through the Bangladesh Electronic Fund Transfer Network (BEFTN) rose to Tk 40,488 crore, up nearly 23 per cent from Tk 32,986 crore in the same month last year. It was, however, lower than June's Tk 45,369 crore, data from the central bank showed.

Rollled out in 2011, the BEFTN was the country's first paperless electronic

inter-bank funds transfer system. It facilitates both credit and debit transactions, as a lead over the cheque-clearing system.

It can handle credit transfers such as payroll, foreign and domestic remittances, social security payments, company dividends, bill payments, corporate payments, government tax payments, social security payments, and person-to-person payments.

Besides, it accommodates payments such as insurance premiums, club/association subscription fees, and equated monthly instalments.

Transactions through the Bangladesh Real Time Gross Settlement (BD-RTGS), which has been executing high-value and time-critical payments since 2015, nearly tripled to Tk 415,052 crore in July from Tk 144,410 crore a year earlier.

But the settlement was nearly 24 per cent lower than June's Tk 543,956 crore.

Whereas the transactions through the RTGS are real-time, those routed through the BEFTN are not. Besides, the central bank does not allow the use of RTGS to transfer an amount that is lower than Tk 1 lakh.

Internet banking was a fund transfer and mobile recharge tool in the past. Now, it has become a part of daily lifestyle, EBL's Hasan said.

"The petty cash support a person needs every day is being catered to by almost all banks in Bangladesh. Internet banking has transformed from a value-added service into a requirement in a span of five years."

Banks asked to prepare citizen charter on services

STAR BUSINESS REPORT

The Bangladesh Bank yesterday asked banks to draw up citizen charter such that clients are able to get financial services smoothly.

The citizen's charter is a document of commitments made by either government or private organisation to the citizens or client groups in respect of the services being provided to them or to be provided to them.

Banks will have to attach all types of their services offered to the commoners to the citizen charter.

They will have to categorise their services targeting the age groups of clients.

The charge, fees and commission of the services will have to be mentioned in the charter.

In addition, the lenders will have to mention the required time of providing respective service to ordinary people.

The charter will also inform clients about the measures they can take if they do not get the desired services from lenders.

Each bank will have to update the charter every three months.

The charter will have to be displayed on website of each bank. Besides, it will be exhibited at a comfortable place of head office and every branch of banks such that clients can notice it easily.

Banks will have to assign a focal point official to maintain the charter.

And an alternative focal point official will have to be nominated such that he will play the due role in absence of the regular one.

The banks will have to form seven member committees, who will plan how to implement the charter.

The central bank in the notice said the charter will help boosting accountability of the employees working in banks.

Bangladesh has huge export potential in Kosovo: DCCI

STAR BUSINESS REPORT

Bangladeshi investors should invest more in Kosovo to expand the south Asian country's export market in the landlocked nation, said Rizwan Rahman, president of Dhaka Chamber of Commerce and Industry (DCCI), yesterday.

Increased communication between the private sectors of the two countries is needed now to boost bilateral trade with Kosovo, he said.

He made the call in a meeting with the visiting Deputy Foreign Minister of Kosovo Kreshnik Ahmeti at a hotel in Dhaka, the chamber said in a press release.

Bangladesh established its diplomatic relation with Kosovo in 2018 and the bilateral trade figure stood at only \$0.31 million in 2020, which rose to \$1.41 million in 2021, Rahman said.

He proposed organising virtual business-to-business match-making sessions between the businessmen of the two countries to know each other and create new opportunities.

"Kosovo can also hire IT professionals, engineers and skilled workforce from Bangladesh. Garments and pharmaceutical products of Bangladesh also have huge export potential in Kosovo."

Kosovo is a free market, but to know each other reciprocal exchange of business delegation can play a pivotal role, Ahmeti said.

Online shopping festival begins, offers discounts

STAR BUSINESS REPORT

An online shopping festival styled "10-10", organised by 28 local e-commerce, logistics and payment service providers, began yesterday.

With the theme "let your money stay in the country", the 16-day online shopping bonanza will continue until October 25.

In the fifth edition of the event, which first began in 2018, participating companies are offering various discounts, gifts, free delivery and instant cashback on purchases.

Ajkerdeal, 6 Yards Story, Shop Queen, Walcart, Sheba XYZ, Jachai, Boi Ferry, Rokomari, Fresh Today and Ohhai are some of the participating companies.

Mobile financial service provider bKash will join the festival as payment partner while Delivery Tiger will act as logistics partner. Customers will be able to buy products after visiting the respective website of the participating firms. AKM Fahim Mashroor, CEO of AjkerDeal, said this fair is especially important in the context of recent times.

"Firms participating in the festival will create public awareness in order to reduce the lack of confidence among people about e-commerce," he added.

Regarding the slogan of this year's festival, he said the biggest challenge of the country's economy in recent times is the foreign currency crisis.

The hard-earned foreign exchange is going abroad in various ways, be it legal or illegal. Besides, foreign exchange is also going out of the country through some online platforms, which is putting pressure on the economy.

"So, policy makers, e-commerce entrepreneurs and consumers should play a role in this regard," he added.



Goods-laden containers are being transported in Chattogram port premises. Since there have been price fluctuations of commodities in the global market in recent times, Bangladesh Bank asked lenders to verify prices by cross-checking with several international markets.

PHOTO: RAJIB RATHAN

Cross-check commodity prices for import

BB asks banks

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks to verify prices quoted by importers for commodities by cross-checking with what was prevailing in international markets.

Taking note of the ongoing global commodity market trends, banks are advised to adhere to regulatory parameters for verification of import prices and price competitiveness, according to a central bank notice.

A BB official said there have been price fluctuations of commodities in global market in recent times, which was why the central bank asked banks to verify the prices cross-checking with several international markets.

If the verification is READ MORE ON B2