

EMPOWERING THE NEXT GENERATION WITH FINANCIAL LITERACY

The Daily Star (TDS): Why is school banking pivotal for individual development and national advancement?

Md. Touhidul Alam Khan (MTAK): School banking is a vital initiative aimed at instilling financial literacy and saving habits in students from an early age. Implemented in various countries, including Australia and the UK, this programme encourages young individuals to save by allowing them to deposit surplus funds, such as pocket money or gifts. Over time, these small savings can accumulate and be utilised for educational purposes and future financial needs.

This practice not only curtails unnecessary expenditures but also fosters a culture of financial discipline that benefits individuals throughout their lives. The involvement of parents, guardians, and educators is crucial in motivating students to engage in school banking. As the leaders of tomorrow, students can transform their modest savings today into substantial investments for a prosperous future.

TDS: What has been the recent response to school banking initiatives in the country?

MTAK: Launched by Bangladesh Bank in 2010 and enhanced with a comprehensive policy in 2013, School Banking aims to promote saving habits and financial literacy among individuals under 18. Students can open accounts with a minimum deposit of BDT 100, which come with no service

charges, favourable interest rates, debit cards, and educational resources. Upon reaching 18, these accounts can be converted into general savings accounts with parental consent.

As of June 2024, the number of School Banking Accounts (SBAs) has risen to 4.41 million, marking a 2.60% increase from the previous quarter, with total deposits amounting to BDT 24,068.96 million—a 9.60% rise.

TDS: How does your bank facilitate school banking?

MTAK: National Bank has been an active participant in all School Banking Conferences organised by the Financial Inclusion Department of Bangladesh Bank. To further

fees, service charges, or minimum balance requirements, aside from government-imposed charges.

5. The account can receive deposits for scholarships and stipends.

As of 5 December 2024, the current status of the “NBL Shikkharthi” programme includes a total of 16,746 accounts and total deposits amounting to BDT 93,207,524.96.

Understanding the banking preferences of younger consumers is essential for maintaining relevance and competitiveness, particularly in school banking. Generations Z and Alpha, shaped by a digital environment, favour technology-driven banking solutions. To effectively engage this demographic, modern school



MD. TOUHIDUL ALAM KHAN
Managing Director and CEO, National Bank

the objectives of financial inclusion and literacy among the youth, National Bank successfully conducted School Banking Conferences as a lead bank in 2018 and 2019 at Kishoreganj Branch and Jhalakathi, respectively.

The bank also offers the “NBL Shikkharthi” School Banking Account, which encompasses several noteworthy features:

1. This account is available for Bangladeshi students aged 6 to below 18 and is operated by their legal guardians.
2. Guardians are notified of transactions via SMS alerts.
3. The account offers a 1% higher interest rate compared to general savings accounts.
4. There are no maintenance

banking must harness online and mobile platforms, aligning with their digital-first expectations.

The “NBL Shikkharthi” programme plays a vital role in fostering financial literacy and saving habits among the youth, establishing a strong foundation for their future financial independence. By encouraging students to develop sound financial habits early on, we empower the next generation to secure their financial well-being. As Benjamin Franklin wisely stated, “An investment in knowledge always pays the best interest.” This initiative embodies that principle, demonstrating that investing in our youth today will yield significant benefits for society tomorrow.

SUPPORTING STUDENT GROWTH WITH Compassionate Banking

The Daily Star (TDS): Why is school banking pivotal for individual development and national advancement?

Mohammad Ali (MA): The youth of today are the household-level trendsetters of tomorrow. They will eventually become parents, social influencers, and dedicated professionals. What we are essentially talking about are the social and financial interactions of the future, which stem from the education received today. In the context of the latter, modern financial systems, such as digital transactions (e.g., at home and outside), are key.

The youth of today are sometimes ahead of their parents when it comes to dealing with the new-age financial sector. They are placing orders online, interacting with card systems, and transacting via bKash. CRM and ATM booths, too, are part of these realities. When a young person opens an account and receives a debit card, they become culturally intertwined with a language that will only be beneficial in the future. We are committed to fostering social, financial, and knowledge-based interactions where young people are prepared to mature. These dimensions are important for more reasons than one.

To reach a certain level of comfort with the financial world, it is crucial for the youth of the country to engage with various levels of interaction. This may pave the way for learning about

savings, connectedness, and leading a disciplined life.

TDS: What has been the recent response to school banking initiatives in the country?

MA: School banking has seen impressive growth, with the market advancing every year. In general, female students have been more careful with their savings than male students. Here, academic institutions need to come forward to embrace the financial world through automated systems. That's when school banking will really take off.

TDS: How does your bank facilitate

Several schools in Bangladesh are joining our network of mobile banking, where matters such as payments are managed. We have also held campaigns at various institutions, with a recent one in Chittagong where a digital booth was installed. These initiatives allow us to engage with both students and parents.

We are currently heavily involved in introducing new student files. The Sylhet and Gulshan (Dhaka) regions, in particular, have been especially welcoming. I personally believe that international banks and Pubali Bank are primary players in this field.

We regard education as the backbone of communities, and



MOHAMMAD ALI
Managing Director & CEO, Pubali Bank

school banking?

MA: At Pubali Bank, we have taken initiatives such as Shikkhya Sanchay Prokalpa (SSP), which enables the opening of regular accounts and products for international students (e.g., those seeking foreign education).

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we strive to provide services to those who wish to study abroad and need financial support. All transactions are fully legitimate, supported by genuine documents exchanged between our institution and the respective academic establishments. Promoting students seeking higher education—both for overall development and to attract more remittances in the future—is something that cannot be overlooked.

Many of the current interim government advisers are foreign-educated, and our institution prioritises looking forward to guiding the leaders of the future. Whenever possible, we try to provide the necessary services.



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41.32%	OTHERS
15.55%	ISLAMIBANKBANGLADESH
7.29%	AGRANIBANK
6.80%	BANKASIA
6.41%	SONALIBANK

Top 5 Banks' Performance in DEPOSITS COLLECTION



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9.59%	ISLAMIBANKBANGLADESH
6.32%	EASTERNBANK
5.79%	SONALIBANK
4.91%	RUPALIBANK



