

Unlocking International Pathways

How Bangladeshi Banks Empower Students to Study Abroad

PRIYAM PAUL

Students aspiring to pursue higher education abroad typically transfer their expenses—such as university or college admission fees, tuition, and accommodation costs—through local banks. To facilitate these transactions, a foreign currency transaction file, commonly referred to as a 'student file,' must be opened at the bank. Banks can open these files across their authorised dealer (AD) branches.

Once the admission process is completed, the costs associated with studying abroad are managed through funds transferred

through the student file. To prevent this, students must be informed about who will operate the account, the timing of operations while they are abroad, any required delegation of authority, the preferred mode of operation, and whether a joint account is necessary—requirements that vary depending on individual circumstances.

Bangladesh Bank has issued specific guidelines on the types of student files that can be opened, detailing the requirements students must meet to qualify. These guidelines govern the transfer of remittances for tuition fees and living expenses abroad, ensuring that banks manage student files in compliance with regulatory standards.

"We process a significant number of student files, with 90



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via this bank account. Maintaining the student file properly ensures that students abroad can manage their finances effectively and pursue their education without disruptions.

Highlighting the potential benefits of financing students who wish to study abroad, Mohammad Ali, Managing Director and CEO of Pubali Bank, states: "Education is the backbone of the nation. Just as we support workers sending remittances, we also need to encourage students to go abroad for higher education. This is beneficial for the national economy; although they may not send a significant amount of money initially, any brain drain can be offset by long-term gains that will ultimately benefit us more."

Bank insiders recognise that the earning potential of students studying abroad is significantly higher than that of non-skilled or semi-skilled labourers, who currently make up the primary source of remittances. Consequently, financing students to pursue higher studies abroad is increasingly being seen as an investment, as they are likely to join the global skilled labour force and contribute to the country's economy in the future.

According to the latest UNESCO data, 52,799 Bangladeshi students studied abroad in 2023, with 6,586 opting for the UK, making it the second most popular destination after the US. The UK has consistently remained a top choice for Bangladeshi students pursuing higher education.

The ongoing dollar crisis has made opening student files at banks a challenging task for over a year. While banks have faced a shortage of foreign currency, there has been no direct guidance from the central bank to limit the number of student files or restrict their maintenance. Despite these constraints, banks have continued to support the movement of students abroad, even during the currency crisis.

"We faced challenges but were able to open student files and LCs as well. For those who had already opened files, we extended our support, and we also opened new student files for some need-based accounts during the period when foreign currency was limited," states Md. Rashed Akter, Head of Retail Distribution at Midland Bank.

He further notes that many students aspiring to study abroad are often unsure about when to open their files or how to manage them properly, leading to difficulties in maintaining these accounts. Once an account becomes dormant, transactions cannot be processed

per cent of students in the Sylhet zone opening their files at our bank, particularly in the Gulshan area, where most student visa processing agencies are located," says Mohammad Ali, Managing Director and CEO of Pubali Bank.

He further explains that banks only open student files after verifying authentic documents, visas, travel documents, and tuition fees. The funds are sent directly to the educational institution's account rather than to any personal account.

Banks are adopting proactive measures to simplify the processing of student files, prioritising support for students aiming to study abroad. Additionally, some student agencies play a supportive role by guiding students to approach banks for advice and assistance.

"We have 16 authorised dealer (AD) branches approved by Bangladesh Bank to handle foreign currency transactions. These branches facilitate the opening of student files. Furthermore, our 125 non-AD branches can also assist in opening student files through coordination with AD branches. Our call centre, reachable at 1620, is updated with comprehensive information on opening and managing student files, allowing students to access guidance with just a call," states Ahsan Zaman Chowdhury, Managing Director, Trust Bank PLC.

He further notes that students are becoming increasingly aware of how to open and manage their files. For those unfamiliar with the process, Trust Bank provides detailed instructions on its website and shares relevant updates on its Facebook page, ensuring that students can easily access the necessary information.

Banks recognise their role in supporting students who aspire to study abroad, understanding the significance of their responsibilities as financial institutions. Without their assistance, many students' dreams of pursuing higher education overseas would remain unfulfilled. Formal banking support is essential for transferring funds, enabling students to access global educational opportunities and ultimately return to promising career paths.

"We decided to process student files, even under constrained circumstances, because without our support, studying abroad would become impossible. Today, we have around 7,000 active student files," shares H M Mostafizur Rahaman, SEVP & Head of Retail Business, Dhaka Bank PLC.

He further elaborates: "Every year, we open over 2,000 new student files, contributing to a market of approximately 40,000 files annually across all banks."

Discussing recent trends, Mustafiz



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highlights that students are increasingly heading to destinations such as the USA and Canada in North America; the UK, Germany, and Sweden in Europe; and Australia and New Zealand. Additionally, the United Arab Emirates, Malaysia, Malta, and Thailand are emerging as popular choices in Asia and beyond.

Banks are strategically enhancing their services to encourage students to pursue education abroad while ensuring a seamless experience throughout their journey.

"We offer unique features to facilitate student banking, making our bank a preferred choice for managing student files. To ease students' travel experience, we provide complimentary lounge access at airports, allowing them to rest comfortably before their flights. Additionally, we offer insurance coverage to address unforeseen situations, such as the death or accident of a parent, ensuring that students can continue their studies abroad without interruptions," mentions Tahsin Taher, Head of Retail Segment at Mutual Trust Bank (MTB).

MTB introduced its student file products in 2018 and has been consistently enhancing its offerings. Currently, the bank

manages over 7,000 student file accounts, reflecting its growing commitment to supporting students in their academic endeavours abroad.

"EBL Student File is a convenient and hassle-free way to send funds abroad. Currently, EBL provides this service from all of its 85 branches, including five student centres and four dedicated desks. In 2024, a total of 1,910 student files were opened as of December 8, with a processed amount of Taka 5.27 crore," mentions Ali Reza Iftekhar, Managing Director and CEO of Eastern Bank PLC.

He also mentions that EBL customises financial statements to meet specific institutional and regulatory requirements, a service particularly beneficial for students. These tailored statements help reduce administrative burdens and simplify the admission process. Additionally, EBL facilitates educational loans for higher studies, recognising students' financial challenges when pursuing education abroad. By introducing accessible and student-friendly loan facilities, the bank provides crucial support, enabling students to achieve their academic aspirations with greater ease.

Student Banking

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