Business

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REGULAR STAR BUSINESS INSIDE

BANKING BEYOND

# Local savings to LOCAL ENTERPRISE

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For Rehana Begum, banking is available just across from her home in Munshiganj. Through a Bank Asia agent outlet, she maintains savings, receives money from her son in Kuwait and has accessed financing for the grocery shop she runs with her husband, Mosharraf Hossain.

She says she borrowed Tk 10 lakh against two DPS savings accounts to support the business. Stocking rice, cooking oil and other essentials requires substantial working capital, particularly when customers buy on credit and the next consignment must arrive before those dues are collected.

The financing took about 10 to 15 days, she recalls. The money was disbursed through the local outlet, but she visited the bank's Nimtala branch to sign documents. Obtaining a chequebook took about a week.

Both describe the banking service positively. Their reservations concern the time and expense of arranging documents, including guarantors' trade licences and an affidavit. For a shop operating on limited margins, Mosharraf says, those expenses matter.

Their experience captures a question facing agent banking: how effectively can a familiar place for savings and withdrawals help a small business obtain suitable finance?

## A COUNTER CLOSER TO HOME

The convenience of nearby banking is considerable. Md Moffazel Hossain, who operates a Bank Asia agent outlet in Shawli Bazar, recalls that residents previously travelled nearly two hours to Bogura for banking services. His outlet opened in 2015.

For traders, such journeys mean transport costs and time away from the shop. For households receiving remittances, a local outlet provides a convenient place to collect money and maintain savings.

Bangladesh Bank's April–June 2026 report, records 30 banks providing agent banking services through 20,597 outlets. Accounts numbered approximately 2.72 crore, around 85 percent belonging to rural customers. Deposits stood at approximately Tk 51,907 crore.

However, the network's reach does not tell the whole story of access to finance. A March 2026 International Growth Centre policy brief, drawing on Policy Research Institute research, found that about two-thirds of agent banking outlets had no outstanding loans as of December 2024. This does not establish that they had never facilitated lending, but it shows how much of the network's activity remains centred on transactions and deposits.

## FROM ENQUIRY TO APPLICATION

When a customer needs business finance, the outlet's role changes. Beyond handling transactions, it may explain available products, help arrange documents and connect the applicant with a branch or lending team.

The agent does not decide whether the business receives a loan. That responsibility remains with the bank, which assesses the application, checks repayment capacity and completes the necessary approval and legal procedures.

Rehana's experience makes this division tangible. Her local outlet provided access to the money, while signing took place at the branch. Her savings also served as security: this was borrowing against existing deposits, rather than financing granted solely on the strength of the grocery business.

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