Turning transaction histories into opportunities for enterprise

> Transaction data can make the financially invisible visible.
>
> **Mashrur Arefin**
> Managing Director and CEO
> City Bank PLC



City Bank PLC

MASHRUR AREFIN

Agent banking can help small businesses access finance, but local reach must be supported by sound assessment and customer protection. In a conversation with The Daily Star, Mashrur Arefin, Managing Director and CEO of City Bank PLC, discusses cash-flow-based lending, support for women entrepreneurs and the role of agents in developing local enterprise.

THE DAILY STAR (TDS): How is agent banking evolving into a platform for local enterprise development?

MASHRUR AREFIN (MA): Our network serves around six lakh customers through 500 outlets, with deposits exceeding Tk 1,800 crore and loan disbursements of around Tk 4,500 crore. Our ambition extends beyond deposits to access to finance, financial literacy and economic inclusion.

By integrating agent banking with our Small & Microfinance business, we are helping customers move from savings and remittances towards productive credit and entrepreneurship. We are beginning to see that shift across the network, particularly where branches and sub-branches are absent. Agents provide a link between the bank and customers who would otherwise struggle to reach formal services.

TDS: What services can entrepreneurs access, and where does the agent's responsibility end?

MA: Agents facilitate account opening, deposits, withdrawals, transfers and remittances. They also connect entrepreneurs with our Small & Microfinance unit for financing, including loans for small businesses, women entrepreneurs and remittance beneficiaries, and eligible facilities under refinance, pre-finance and credit guarantee schemes. Agents identify needs and facilitate access. The bank's authorised business and credit risk teams conduct assessment and approval, maintaining credit discipline while bringing services closer to customers.

TDS: How does an entrepreneur apply for finance?

MA: The agent connects the applicant to our Small Business team. SME relationship officers are stationed at selected outlets in areas with strong business potential, making sourcing and service more convenient.

Applicants generally need a national identity document, a valid trade licence where applicable, business and bank transaction records, and documents specific to the facility. The bank assesses business cash flow, repayment capacity, credit history and regulatory requirements. Processing time depends on document completeness, verification needs and the facility's complexity.

TDS: How do you assess businesses with limited formal accounts or collateral?

MA: We should examine what a business generates alongside what an entrepreneur owns. Savings patterns, remittance receipts, account transactions, business cash flows and repayment behaviour help build a financial profile. Alongside conventional credit assessment, these provide a clearer understanding of small borrowers' repayment capacity. Transaction data can make the financially invisible visible. It cannot replace sound credit assessment, but it can support better-informed decisions and expand responsible access to finance.

TDS: Which financing options suit local businesses with seasonal or uneven cash flows?

MA: We facilitate cottage, small and micro-enterprise loans, women entrepreneur financing, remittance beneficiary loans, agribusiness and farmer financing, and eligible facilities under refinance, pre-finance and credit guarantee schemes. We also disburse short-term digital agricultural loans to smallholder farmers through agent banking, working with farmer associations, agricultural fintech firms and aggregator or supply networks.

Loan amounts and repayment schedules should reflect the financing purpose, business cash flow and repayment capacity. Seasonal enterprises and farmers may need arrangements aligned with their operating cycles, within approved products and credit policies. The aim is to provide finance for a clear purpose, with sustainable repayment terms.

TDS: What barriers do women entrepreneurs face, and how are you addressing them?

MA: Mobility, financial literacy, documentation, digital confidence and limited credit histories remain barriers. Agent banking brings services closer to homes and workplaces, while SME relationship officers at many agent points improve access.

The harder challenge is helping women develop the confidence and capabilities to start, sustain and grow businesses. Our City Alo platform works with agent banking to train rural women entrepreneurs, build business skills and financial awareness, and support access to appropriate financing. We also offer tailored products and, in some cases, relaxed underwriting policies to these segments.

TDS: How do you ensure transparency and protect customers at agent outlets?

MA: Customers must understand charges, financing costs, repayment obligations and application status. We emphasise transparent disclosure, transaction documentation, authentication, agent monitoring and compliance with bank policies and regulatory requirements. Concerns can be raised through our official customer-service and complaint-resolution channels. Agents cannot promise unapproved loans, misrepresent financing terms or charge unauthorised fees.

TDS: What would strengthen agent banking's contribution to enterprise development?

MA: With training and appropriate incentives, agents can identify potential borrowers, connect them with our Small Business teams and support follow-up and repayment monitoring. Transparent, performance-based commissions should reward genuine referrals, quality borrower selection and repayment support, subject to regulation and credit policies. Customers should never face undisclosed interest or charges to fund these commissions.

As an illustration, a rural farmer borrowing informally could be connected through an agent to our Small Business team and assessed for suitable finance, including under an eligible Bangladesh Bank credit guarantee scheme. The agent could help verify business activity and facilitate repayment follow-up, while the bank retains responsibility for credit assessment and approval. This could give the borrower access to more affordable formal finance, allow the agent to earn legitimate commission and help the bank extend responsible lending into underserved communities.





Helping local businesses build a financial record

IMTIAZ U AHMED

Midland Bank PLC

Regular banking transactions can help small businesses establish financial records, but incomplete documentation and uneven income still complicate access to credit. In a conversation with The Daily Star, Imtiaz U Ahmed, managing director and CEO of Midland Bank PLC, discusses how agent outlets, credit assessment and support for women entrepreneurs can help.

THE DAILY STAR (TDS): How are customers using agent banking, and what services can entrepreneurs access?

IMTIAZ U AHMED (IUA): Customers increasingly see outlets as access points to formal banking, beyond deposits and withdrawals. Regular use can help them establish transaction histories and manage business finances.

Services include account opening, deposits, withdrawals, transfers, inward remittances, utility bill payments and balance enquiries. Agents guide customers and assist with initial documentation, but do not assess or approve loans. Financing applications go to branches or lending teams for verification, assessment and approval.

TDS: What should applicants prepare, and how are businesses with limited records assessed?

IUA: Documents generally include identification, photographs, ownership details, a trade licence where applicable, bank statements and income and expense records. Tax, liability and security documents may also be required. Processing time depends on application completeness, business type, financing amount and verification.

We consider income patterns, existing obligations and repayment capacity under our credit policies. Savings, remittance receipts and transaction histories offer additional insights but cannot replace proper assessment.

> Regular savings, remittance receipts and banking transaction histories can provide useful insights into a customer's financial activity and cash flow.
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> **Imtiaz U Ahmed**
> Managing Director
> Midland Bank PLC

TDS: How should financing accommodate different business cycles?

IUA: Short-term loans, working-capital facilities, SME term loans and agricultural finance serve different needs. Eligible customers may benefit from applicable Bangladesh Bank refinance schemes.

Amounts, repayment periods and instalments should reflect actual cash flow. Agricultural repayments may need to follow harvests, while traders need working capital aligned with business cycles. Decisions and costs remain subject to bank policies and product terms.

TDS: How are you addressing barriers facing women entrepreneurs?

IUA: Limited collateral, incomplete documentation, insufficient records and low awareness of financing options create difficulties. Support includes branch-level service desks, products such as MDB Nari Uddog and participation in applicable refinance schemes.

Agent outlets bring services closer to women who struggle to visit branches. Gaps remain in larger loans, financial literacy and reliable business records, requiring continued education and appropriate financing support.

TDS: How can customers understand charges and report problems?

IUA: We explain charges, repayment schedules, instalments and other key terms. Outlets must display approved charges and authorised services; records and inspections support accountability.

Customers can report misleading information, unauthorised charges or service problems through branches, the contact centre or designated complaint channels.