

Report On
The Expansion of Financial Inclusion in Bangladesh: A Study on
ONE Bank Limited

By

Sayed Salim
ID: 16104061

An internship report submitted to the Brac Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration (BBA)

Brac Business School
Brac University
April 2020

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

Sayed Salim
Student ID: 16104061

Supervisor's Full Name & Signature:

Mr. Saif Hossain
Assistant Professor, Brac Business School
Brac University

Letter of Transmittal

Mr. Saif Hossain
Assistant Professor,
Brac Business School
Brac University
66 Mohakhali, Dhaka-1212

Subject: **Submission of Internship Report.**

Dear Sir,

I would like to notify you that, it is my immense pleasure to submit the internship report on “The Expansion of Financial Inclusion in Bangladesh: A Study on ONE Bank Limited” which has been written and prepared for the academic requirement of BBA program of Brac Business School. I have completed my internship in ONE bank limited and this program helped me to assemble lots of essential information about the banking actions, operations and procedures.

I have put my best effort to complete this report with the essential and relevant data collected from different authentic sources. I firmly believe that this report will meet the appropriate standard and serve its purpose accordingly.

Finally, I would like to genuinely thank you for the enormous support and necessary guidelines that you have provided during preparing this report.

Sincerely yours,

Sayed Salim
Student ID: 16104061
Brac Business School
Brac University
Date: April 21, 2020

Non-Disclosure Agreement

This agreement is made and entered into by and between ONE Bank Limited and Sayed Salim, the undersigned student at Brac University; to undertake the internship project described in this report based on the assurance of avoiding the unapproved disclosure of any confidential data of the organization.

ONE Bank Limited

Sayed Salim

Acknowledgement

At the beginning I am very much grateful to the Almighty Allah for the successful completion of this internship report. Without His blessings, it was not possible for me to complete the report.

I would like the opportunity to express my heartfelt gratitude to those people who gave me constant support during the preparation of this report. First of all I would like to thank my supervisor **Mr. Saif Hossain, Assistant professor of Brac Business School, Brac University**. I genuinely appreciate his cooperation, guidance and supervision in preparing this report.

Then I would like to express my heartiest appreciation to The ONE Bank Limited, Banani Branch for giving me such great opportunity to complete my internship program and helping me by providing all the necessary information for completing my Internship report in every possible way. My eternal gratitude to **Mr. Newaz Khalid Ahmed, EVP & Branch Manager; Mr. Rashidul Islam, FAVP & SRM; M. F. Shahriar Kabir, AVP & SRM, Swapna Aktar, SO & ARM** for their priceless supervision, counsel and essential information during my Internship period. Lastly, I would like to mention the magnificent working atmosphere of Banani Branch that has allowed and helped me to observe and understand the banking activities appropriately.

Executive Summary

Banking sector, one of the fastest growing sector in Bangladesh, plays incredibly significant and major role in the country's economy. Sound and effective financial practices are very much required to accomplish the improvement and financial growth. OBL has put utmost attention in financial inclusion and various financial measures have been taken to make this agenda successful.

This report titled "The Expansion of Financial Inclusion in Bangladesh: A Study on ONE Bank Limited" portrays the importance of financial inclusion and ONE Bank's initiatives regarding this agenda. This also reflects the challenges and future prospects of financial inclusion in Bangladesh. Financial inclusion aims to help people secure financial products and services at economical prices such as deposits, loans, fund transfer services, payment services etc. A large number of unbanked populations can contribute to the country's economy if they get the opportunity to use financial services properly. OBL's inclusion strategies and initiatives are currently making strong impacts on many peoples' socio-economic wellbeing.

Table of Contents

	Page
Declaration	ii
Letter of Transmittal	iii
Non-Disclosure Agreement	iv
Acknowledgement	v
Executive Summary	vi
Table of Contents	vii
List of Tables	viii
List of Acronyms	ix
Chapter 1: Overview of Internship	1
1.1 Student Information	1
1.2 Internship Information	1
1.3 Internship Outcomes	2
Chapter 2: Organization Part: Overview, Operations and a Strategic Audit	4
2.1 Overview of the Company	4
2.2 Management Practice	5
2.3 Marketing Practice	6
2.4 Financial Overview	7
2.5 Operations Management & Information System Practice	7
2.6 Industry & Competitive Analysis	8
2.7 Summary & Conclusion	9
Chapter 3: Project Part: The Expansion of Financial Inclusion in Bangladesh: A Study on ONE Bank Limited	10
3.1 Introduction	10
3.2 Methodology	11
3.3 Findings & Analysis	11
3.4 Summary and Conclusions	19
3.5 Recommendations	20
References	21

List of Tables

Table 1: Five Years' Financial Highlights of ONE Bank Limited.....	7
Table 2: Loan Facilities for Agricultural Activities.....	16

List of Acronyms

OBL	ONE Bank Limited
BB	Bangladesh Bank
MFS	Mobile Financial Service

Chapter 1: Overview of Internship

1.1 Students Information

I am Sayed Salim and my Student ID is 16104061. I am a regular BBA student of Brac University since Spring 2016. I did my major in Finance and minor in Supply Chain Management.

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

I have joined ONE Bank Limited as an Intern on January 5, 2020. It was a three months Internship program which ended on April 5, 2020. I have worked in Cash, General Banking and Credit Department. I was posted on Banani Branch which is located at Abedin Tower, Plot#35, Road#17, Banani C/A, Dhaka.

1.2.2 Internship Company Supervisor Information

M. F. Shahriar Kabir, AVP & SRM of Banani Branch was my on-site supervisor during this 3-month internship program. He tried his best to help me in every step during my internship period.

1.2.3 Job Scope

As an intern I had to work in Cash, General Banking and Credit Department. Cheque Clearing Entry was the main job in Cash Department I was designated to do. Besides I observed how the officers deal with the customers, detect the counterfeit money and cheques, collect the electricity bill etc. In General Banking Department I had to update the General Savings, Salary Savings and Student Account form. In addition I had to deal with the new customers who mainly came to open new account. Moreover, I helped an officer about writing applications to Bangladesh Bank regarding remitting money. Then I found Credit department most interesting and exploratory to work. Here I prepared an excel sheet to maintain the Bank Guarantees

and Pay order cheques and updated it different times after the release and liquidation. I also helped the officers to update some balance sheets and income statements. Furthermore, I was fortunate enough to involve in a client-visit with an officer of the bank. So, I mainly worked in three separate departments of the bank and practically learned a lot about banking activities.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

Internship program is a learning stage for a graduate student where he/she can get the opportunity to apply the academic learning in the corporate world. As a part of a company an intern has the responsibility to contribute something to the organization. During my internship period I tried my level best to help the employees in their respective tasks. I helped the officers in making different excel sheets, balance sheets and income statements, writing applications, opening accounts etc. Moreover, as an intern I had to represent the organization in front of the customers. I tried to give them necessary information as much as I know. Whenever the officers of the Credit Department went to the client-visit or absent in the desk for any important reason, I used to receive their phone calls and communicate with the officials of other branches and head office. Furthermore, when employees sought any help to get idea about something that they thought I might know, I tried to help them as much as I could.

1.3.2 Benefits to the Students

The most important part of an internship is that it amalgamates classroom knowledge and theory with practical application and skills. As an intern, I was encircled by professionals, communicated with them in daily basis and helped them in different

ways. These helped me immensely to create network and extract knowledge from them. Moreover, internship program helped to gain more confidence and allowed me to implement specific techniques which I have learned in academic life. It also helped me to become a good team player. By working with the professionals, I have learned a lot about different technical and specialized skills. Lastly, as OBL offers paid internship to the students, I could also earn some money during the internship period.

1.3.3 Problems / Difficulties

ONE Bank Limited always tries to make the customers happy with excellent banking services by highly trained and experienced employees. As an intern I never felt an outsider in the office. All the employees treat me like of their own. They encouraged and helped me to be more skilled and professional by providing proper guidelines. Whenever I was confused of doing something and asked for help, they tried to make me understand in every possible way. I also got help from my on-site supervisor both in office work and internship report related work. By considering all these things, I did not face any problems or difficulties during my internship period.

Chapter 2: Organization Part: Overview, Operations and a Strategic Audit

2.1 Overview of the Company

2.1.1 About OBL

ONE Bank Limited, a well-known private commercial bank of the country, was incorporated in May, 1999 with the official registrar of Joint Stock Companies beneath the Companies Act. 1994. The Bank is highly committed and obliged to serve the clients as well as the community with highest commitment. The main focal point is on effectiveness, transparency, accuracy and inspiration with the strength and conviction to stand out as ONE Bank in value, esteem and image. It is a third generation commercial bank in the private segment which is committed in the precise business line of collecting deposit from individuals through its diverse and distinctive saving schemes and provide the monetary fund as loan in several segments at a specific margin. The unique name “**ONE Bank**” is determined from the understanding and long cherished approach of the promoters to connect with the individuals of all classes of the society as well as progress mutually towards success and prosperity in power of oneness. Working capital and long term financing are being concentrated in bank financing. One Bank limited vigilantly follows appropriate risk evaluation and compliance in determination of asset and liability portfolio. OBL has commenced some imperative banking services include real time online banking service, transaction through Visa debit card and credit card, ATM facility, E-Banking, mobile banking service etc.

2.1.2 Vision Statement

- To establish ONE Bank Limited as a Role Model in the Banking Sector of Bangladesh; and
- To meet the needs of the Customers, Provide fulfillment for People and create Shareholder Value (ONE Bank Limited, 2020, OBL Profile section).

2.1.3 Mission Statement

- To constantly seek ways to better serve the Customers;
- Be pro-active in fulfilling the Social Responsibilities;
- To review all business lines regularly and develop the Best Practices in the industry; and
- Working environment to be supportive of Teamwork, enabling the Employees to perform to the very best of their abilities (ONE Bank Limited, 2020, OBL Profile section).

2.2 Management Practices

The top management of the ONE Bank Limited has been involved and contributed enormously from the beginning of the bank's operation. Currently the board of directors consists of a Chairman, Vice Chairman and 7 Directors including a Managing director. Directors are appointed on the basis of the capability and experience in the banking industry. Human Resource Department of the bank appoints the officers and the staffs. Employees of every department work as per the regulation of the respective departments and the organization. To ensure the growth and development of the company the employees are kept under supervision. OBL is also very much aware of the employee satisfaction and positive working environment.

The board has three committees (Audit Committee, Executive Committee, Risk Management Committee) consist of chairmen and members.

Board of Directors:

- **Chairman** – Mr. Sayeed Hossain Chowdhury
- **Vice Chairman** – Mr. Asoke Das Gupta
- **Directors** – Mr. Zahur Ullah, Mr. A.S.M. Shahidullah Khan, Mr. Kazi Rukunuddin Ahmed, Mr. Shawket Jaman, Mr. Salahuddin Ahmed (Independent Director), Mr. Syed Nurul Amin (Independent Director) & Mr. M. Fakhrul Alam (Managing Director).

2.3 Marketing Practices

Like other companies ONE Bank also has its own marketing practice policy. Printing media advertisement, television commercial, radio commercial are some common platform for promotional activities. ONE Bank has a dedicated Facebook page which covers updates about banking products and provides special notices for the customers. The bank organizes several events and celebrates different national ceremony by which people can get to know about them. Affiliation with several hotels, shops and service companies also play important roles in promotional activities. Moreover, ONE Bank uses all the branches as marketing platform by covering outside visible parts with the information of banking products and facilities. Furthermore, the sales team also plays important role in the marketing activities as the sales officers are the direct representatives of the bank. So by following all these ONE Bank usually conduct the marketing activities and tries to reach out the potential customers.

2.4 Financial Overview

Five Years' Financial Highlights of ONE Bank Limited:

Figures in Million Taka

Particulars	2018	2017	2016	2015	2014
Authorized Capital	10,000	10,000	10,000	10,000	10,000
Paid up Capital	7,665	7,300	6,637	5,899	5,244
Shareholders' equity	14,392	14,109	12,916	11,579	10,225
Statutory Reserve	5,572	5,104	4,435	3,846	3,306
Total Capital (Tier-1 + Tier-2 Capital)	23,196	21,366	20,309	14,759	14,511
Total Assets	266,050	227,202	188,241	154,193	121,820
Total Deposits	202,631	182,675	153,428	131,252	100,295
Total Loans & Advances	198,909	170,393	132,084	106,749	90,499
Total Investment	28,724	26,144	28,049	22,900	14,724
Import business handled	137,904	150,633	127,067	105,199	111,888
Export business handled	94,797	93,806	67,483	56,176	66,866
Guarantee business handled	19,297	15,673	10,240	12,939	9,310
Total Contingent Liabilities	81,651	73,062	70,895	61,444	49,787
Total Operating Income	10,214	9,575	8,222	7,640	7,172
Total Operating Expenses	4,829	4,471	3,946	3,492	3,263
Profit before provision	5,385	5,105	4,275	4,148	3,909
Provision for loans and other assets	3,043	1,760	1,329	1,450	706
Profit after provision and before taxes	2,342	3,345	2,946	2,698	3,203
Provision for taxation	949	1,163	886	776	1,107
Net profit after taxation	1,393	2,181	2,061	1,922	2,096

Source: ONE Bank Limited Annual Report, 2018

Table 1: Five Years' Financial Highlights of ONE Bank Limited

2.5 Operations Management & Information System Practices

OBL depends on third party organizations for logistics support. The bank relies on other companies for computers, scanner machines, cheque scanners, production of cheque books, stamps and cartridge papers, other essential papers etc. In terms of internal operations, operation managers are responsible for account opening activities,

Pay Order request, FDR request, BEFTN, RTGS and other documentation. Respective officers assigned for the operational activities report to the operation managers on regular basis. As a centralized bank the top management has the authority to supervise and take necessary actions for specific branches if needed.

In case of Management Information System (MIS), various branches and divisions utilize distinctive MIS strategy according to the specific tasks and operations. It helps in managing data, strategic planning, problems identification and efficiency management. The application of MIS is constantly improving in the bank by the support of skilled MIS officers.

2.6 Industry & Competitive Analysis

SWOT analysis helps to understand the real situation of a company by identifying the strength, weakness, opportunities and threats. By conducting a single analysis it provides a excellent way for companies to observe both positive and negative aspects.

SWOT analysis of ONE Bank Limited is given below –

Strengths:

- Skilled and proficient Management
- Strong relationship with clients
- Fast growth
- Good profitability
- Excellent Online Banking system
- Healthy workplace environment for employees

Weaknesses:

- Inadequate branches and ATM in some regions
- Non Performing Loan (NPL) burden

- Less focus on marketing and promotional activities

Opportunities:

- Expanding current line of business
- Opening branches in rural and remote areas
- Scope to increase MFS and Internet banking activities

Threats:

- Operations of various Private, foreign and state owned banks
- Loan default culture in the country
- Strict supervision of Bangladesh Bank

2.7 Summary and Conclusions

Currently private banks are playing noteworthy role in the economy of the country. A large number of Private banks have been established in last few years which make this banking sector very competitive. Despite various challenges ONE Bank Limited earned a good name for customer friendly approach and prompt actions. It is a financially sound bank and always gives utmost attention towards banking transparency. As NPL is one of the major problems in banking sector of Bangladesh, OBL has recently increased the monitoring and surveillance for the recovery and regularization of NPL. Few specialists also have been recruited for legal, recovery and marketing department. OBL strongly believes in Corporate Social Responsibility (CSR) and spent more than 10 crore during the year 2018 for several programs. By maintaining customer satisfaction and integrity in banking, OBL is working towards achieving growth and glory.

Chapter 3: Project Part: “The Expansion of Financial Inclusion in Bangladesh: A Study on ONE Bank Limited”

3.1 Introduction

3.1.1 Background

Financial Inclusion has appeared as one of the biggest tools for inclusive growth and poverty reduction. During my internship period few officers of Banani Branch suggested me to work on “Financial Inclusion” as it is one of most important financial agendas right now in Bangladesh and plays very important role in country’s economy. The report titled “The Expansion of Financial Inclusion in Bangladesh: A Study on ONE Bank Limited” can give a better picture of what services ONE Bank Limited provides in advancing financial inclusion. This study is also notifies about the challenges and future prospects of financial inclusion in Bangladesh.

3.1.2 Objective

The following are the specific objectives of the study –

1. To study and understand the meaning of “Financial Inclusion” and why it is important for inclusive growth.
2. To know the process of indulging the unbanked population in financial activities.
3. To know the challenges of financial inclusion.
4. To know the future prospect of financial inclusion in Bangladesh.

3.1.3 Significance

The significance of the report is that nobody has made any report similar to the topic of this report “The Expansion of Financial Inclusion in Bangladesh: A Study on ONE

Bank Limited”. It will be helpful for the future study and also for the banks as this report discusses about the initiatives ONE Bank has been taken to meet the objectives of Financial Inclusion. This study also has great significance as it provides necessary information about the inclusive growth, challenges that Bangladesh is facing currently regarding financial inclusion and the future prospect of it. I believe this report will be helpful for OBL as well as other banks to take future decisions and initiatives related to ‘Financial Inclusion’.

3.2 Methodology

Different methods have been used in this report to perceive the specific objectives of the study. To study and understand the meaning and need for inclusive growth, information has been taken from literature reviews and websites. Data from OBL website, findings of the Research Department of BB and information from different websites and news articles have been extracted to perceive the process of indulging the unbanked population in financial activities as well as the challenges of financial inclusion. Finally, to know the future prospects of financial inclusion in Bangladesh, an officer of OBL has been interviewed and information has also been taken from some news articles and literature reviews.

3.3 Findings and Analysis

3.3.1 Financial Inclusion and Inclusive Growth

The World Bank describes financial Inclusion as the access of the people and businesses to valuable and affordable monetary products and services (transactions,

savings, payments etc.) that assemble their needs and conveyed in a sustainable and accountable manner. It mainly refers the indulgence of the unbanked population in financial activities. In the book named “Building Inclusive Financial Sectors for Development”, United Nations (2006) classifies financial inclusion as the access to the variety of financial services for the bankable individuals and firms in a cost-effective way. Financial Inclusion enhances people’s access to different financial services and improves their lives by increasing economic opportunities. Missing segment of the marginal and poor can get the benefit from it and thus it is considered as a useful tool for poverty reduction.

Financial inclusion is one of the significant keys to inclusive growth. Higher amount of savings from the broad section of the bottom of the pyramid have positive effects on the economy as a whole. As inequality and exclusion are two vital challenges world is facing today, Inclusive growth is essential for ensuring a growing economy. Financial inclusion has great significance in the economy as day-to-day management of finances can notably be developed by the access to proper financial services. Then it also facilitates proficient allotment of productive resources. Furthermore, growth of informal and unofficial sources of credit like moneylenders’ activity can be reduced by inclusive financial system.

3.3.2 ONE Bank's Financial Inclusion Initiatives

ONE Bank Limited has adopted various financial inclusion measures for ensuring inclusive growth. Some of the important initiatives are described below-

I. Agent Banking

For providing financial inclusion services, Agent Banking is one of the most important and demanding key value propositions. ONE bank limited has taken the initiative for extending affordable and easily accessible financial services to the underserved population. OBL launched agent banking operation on November 5, 2019 to promote and endorse inclusive financial services across the country. Agent Banking solution makes banking services easy for the unbanked customers who live in remote locations without access to financial services. Currently bank is delivering financial services through the engaged agents who mainly conduct banking dealings on behalf of the Bank. These agents are generally the owner of the outlets and they are progressively becoming an imperative distribution channel to reach unbanked segment of the society. Now there are total 27 Agent Banking centers across the country.

Agent Banking Services of OBL:

- Account Opening (Savings, Current, Term Deposit, DPS, SME loan, Retail loan, Agricultural loan)
- Cash Deposit and Cash Withdrawal
- Fund Transfer to OBL Account
- Electronic Fund Transfer through BEFTN and RTGS
- Balance Inquiry
- Account Statement
- Debit Card Request Processing

- Inward Foreign Remittance Cash Disbursement
- Inward Foreign Remittance in Account
- Loan Disbursement and Installments Collection
- Insurance Premium Collection
- purchase of Mobile Data Package and Mobile Top-Up
- Utility Bill Payment
- Purchase facility of Bus Ticket, Air Ticket, Hotel Booking and Assisted e-Commerce
- Mobile Banking Service (OK Wallet)
- Doctor appointment and Audio/Video Conference Facility

II. School Banking

This product is one kind of savings deposit and specially designed only for the students. It is one of the most important initiatives of financial inclusion. The vision of this product is to develop savings habit among the students and help young generation to familiarize with banking services.

With the consent of parent or any legal guardian, a school going student aged below 18 years old can open this account. Except the government fees there is no minimum balance requirement and charges for this special account. Minimum initial deposit for this account is BDT 100/= and account holder is applicable for issuing ATM card. As only the students are eligible to open this account, ONE Bank gives special attractive kits to greet every account holder. Whenever an account holder turns 18 years, the account will automatically be converted to normal savings account.

III. SME Banking

Small and Medium Enterprise (SME) sector plays crucial role in the economy of our country. To assist SMEs access to finance, to meet the need for Financing SMEs and to expand bank's exposure in SME sector, ONE Bank limited introduced SME Banking program. Another main objective of this program is to make self-sufficient SMEs and to familiarize them in banking.

For SME banking ONE Bank mainly focuses on two types of financing.

1. Working Capital Finance (Financing tenure – 3 years)
2. Project Finance (Financing tenure – 5 years)

Working Capital Finance is used for short-term and mid-term financing as well as expansion of business on existing product line. On the other hand Project Finance is designed for vehicles, machineries, office equipments and medical equipments purchase.

Loan Amount for SMEs:

- Minimum amount – 2 Lacs
- Maximum amount – 5 Lacs

IV. Agri Finance

One Bank puts utmost emphasis on the development of agriculture sector. It gives loans to individuals or small & medium enterprises to meet the costs of agricultural activities.

Agricultural Sector	Loan Facilities for Specific Costs
1. Crop production	Purchase of seeds & fertilizer, pesticide Purchase, land preparation cost, labor cost, irrigation cost, Land rent, marketing and warehousing etc.
2. Fish Farming & Hatchery Business	Excavation and expansion of ponds and hatchery, Renu Pona purchase, feed and medicine purchase etc.
3. Dairy Farming, Beef Fattening, Lamb Rearing and Goat Rearing	Purchase of cattle, shed expansion cost, feed and medicine cost etc.
4. Poultry Business (Egg & Meat)	Purchase of chicks, feed and medicine costs, shed expansion cost, cage and hatchery cost etc.

Table 2: Loan Facilities for Agricultural Activities

OBL also finances to purchase heavy farming tools, equipments and vehicles.

In Agricultural & Rural credit sector, target and achievement for Fiscal Year 2018-19 were Tk. 317.00 crore and Tk. 318.85 crore. For achieving Agriculture & Rural Credit Disbursement Target, ONE Bank Limited received prestigious Letter of Appreciation from Bangladesh Bank for 4(four) consecutive years.

V. Mobile Financial Service (MFS)

Nowadays a large number of people in the country are habituated to the usage of mobile phones. Like other developing countries, MFS has appeared as one of the most valuable and promising tools for digital financial inclusion in Bangladesh. Recently OBL relaunched a digital wallet with the features of mobile financial services named “OK Wallet”.

OK Wallet key services:

- Cash deposit (cashin) and cash withdrawal (cashout) facility
- Merchant payment in various well-known merchant outlets (Khulshi Mart, Meena Bazar, Singer Bd, Bread and Beyond, Daily Shopping, The Cox Today, Gems Gallery, Gitanjali Jewellers, Delhi Darbar etc.)
- Utility bill payments in Dhaka WASA, Dhaka Power Development Company Limited (DPDC), North West Zone Power Distribution Company Limited (NWZPDCL)
- National Identity Card (NID card) related fees
- Money transfer from one OK account to own core banking account or other OK account
- Salary and allowances disbursement
- Mobile recharge

OK wallet has created strong business partnership with different banks, nonbank financial institutions, digital wallets and insurance companies. Currently it is working with Grameenphone to make MFS more accessible to the users.

3.3.3 Challenges and Future Prospects of Financial Inclusion in

Bangladesh

Though Bangladesh Bank has taken various necessary steps to include unbanked population in financial activities, there are still some challenges regarding Financial Inclusion in Bangladesh. Some challenges are given below –

1. Banking Infrastructure of Bangladesh is one of the main problems for Financial Inclusion. A large number of people in the country do not have

direct and physical access to the banking activities in rural and remote areas due to the unavailability of nearby banking services. For example, there are less than 7 bank branches or ATM per 100,000 citizens whereas Spain has 96 branches for the same population and per 1000 square kilometer; Bangladesh has 67 branches or ATM in contrast to the 790 branches in Spain (Khalily and Khaleque, 2013).

2. Financial literacy is very low in Bangladesh and many people of the country, particularly live in rural and remote areas are not aware of banking activities. In many instances, people do not know about the available banking services, how to access them and financial benefits.
3. In Bangladesh minimum amounts are required to open a bank account, whereas countries like South Africa or Switzerland charge no amount. As a large number of people in Bangladesh live below poverty line, minimum amount to open bank account discourages many to use banking services.
4. Low income of a broad segment of the population is also a major barrier to financial inclusion. People having insufficient of money are usually un-served by financial institutions.
5. Lack of initiatives of banks is also a major barrier. Though many banks are trying to reach un-served population, it is true that demand side problems of financially excluded portion are not properly addressed yet.
6. Lack of proper documentation is another challenge for financial inclusion. NID cards, introducers, income source documents, reference letter, proof of domicile etc are required to open bank accounts in the country. But many people do not have these documents which makes them ineligible for banking facilities.

Currently one-third of the population in the country financially excluded and BB has taken various necessary steps to include more people in financial activities. Government of Bangladesh has introduced National Financial Inclusion Strategy – Bangladesh (NFIS-B) which will promote financial inclusion vastly. The trending in Bangladesh is now showing the positive growth of inclusion. Though the overall growth is not still very much satisfactory, in near future more people specially people live in rural and remote areas will be included in banking facilities (Aktar, S. 2020, personal communication, 18 March). To bring the more unbanked people under the financial system the transaction cost will possibly be reduced and regulatory framework will be strengthen according to the banking policy. As usage of mobile phone has increased enormously, Mobile Financial Service (MFS) will be a great tool to increase the inclusion. Many banks including OBL are now using MFS and the users are increasing day by day. As Bangladesh Bank put emphasis on MFS it can be said that within a short time more banks will adopt this tool. Furthermore, banks will open new branches in financially underserved areas to capture more unbanked people.

3.4 Summary and Conclusions

ONE Bank Limited is continuously working to strengthen the financial inclusion agenda by upgrading the policy framework. Over the last few decades this concept has gained utmost importance all over the world. After implementing this agenda a lot of countries including Bangladesh have witnessed positive results. BB has taken several initiatives in this regard and advised the banks to follow these. Many banks in the country have taken this agenda seriously and started working to fulfill the requirements. OBL has already outgrown the expectations by ensuring financial services for a large number of underserved people. This study on OBL indicates the

measures and actions towards financial inclusion, how they are operating and what steps are followed to make this program successful. After studying the practices of OBL it can be easily said that, the bank is quite successful in inclusion measures and still trying to contribute more.

3.5 Recommendations

Some recommendations from my side regarding OBL's financial inclusion are being mentioned:

1. OBL has total 104 branches across the country and out of them 87 branches are situated in Dhaka and Chattogram division (Dhaka – 42, Chattogram – 45). So, OBL should open more branches in Sylhet, Khulna, Rajshahi, Rangpur and Barishal Division.
2. As financial transactions through ATMs are increasing day by day, OBL should install more ATMs in busy and rural areas.
3. MFS is the future of financial inclusion. OBL needs to put more attention to make the bank's MFS more effective and popular.
4. The bank should increase its Agent Banking activities in remote and rural areas.

References

1. Onebank.com.bd, (2020). ONE Bank's Official Website. [online] Available at: <https://www.onebank.com.bd/> [Accessed 21 March. 2020].
2. Islam, M. E. and Mamun, M. S. A. (2011). *Financial Inclusion: The Role of Bangladesh bank*. [pdf] Available at: <https://www.bb.org.bd/pub/> [Accessed 25 March. 2020].
3. Parveen et al. (2019). *Survey on Impact Analysis of Access to Finance in Bangladesh*. [pdf] Available at: <https://www.bb.org.bd/pub/> [Accessed 25 March. 2020].
4. Worldbank.org, (2020). World Bank's Official Website. [online] Available at: <https://www.worldbank.org/> [Accessed 28 March. 2020].
5. United Nations. (2006). *Building inclusive financial sectors for development*. New York: UN Publications.
6. Khalily, M.A.B. and Khaleque M.A. (2013). Access to Financial Services in Bangladesh. In: *National Conference on Microfinance and Development*. 24-25 August. PKSF Auditorium, Institute of Microfinance, Dhaka.
7. Mahmud, N. (2018). Financial inclusion for all by 2024. *Dhaka Tribune*, [online] Available at: <https://www.dhakatribune.com/> [Accessed 12 April. 2020].
8. One-third population financially excluded. (2018). *The Daily Star*, [online] Available at: <https://www.thedailystar.net/> [Accessed 8 April. 2020].