

Report On
DEPOSIT MOBILIZATION OF MERCANTILE BANK LIMITED

By

MD WASIM ASHFAQ KHAN
19104040

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of [Bachelor of Business Administration]

[BRAC Business School]
BRAC University
11th October, 2023

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Declaration

I hereby declare 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:

MD WASIM ASHFAQ KHAN
19104040

Supervisor's Full Name & Signature:

SAIF HOSSAIN
Assistant Professor and Program Director, BBS Department
BRAC University

Letter of Transmittal

Saif Hossain
Assistant Professor & Director
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report of Deposit Mobilization of Mercantile Bank Limited

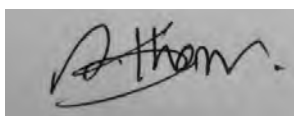
Dear Sir,

With all due respect, I hereby enclose my internship report. It is a great achievement and an honor to work under his leadership.

Due to the huge number of works in general banking, the majority of MBL's interns are assigned to the Accounts Opening desk in the General Banking section. Consequently, I worked closely with the accounts opening department under the supervision of Zihan-Al-Fuad for the duration of my 12-week internship.

I pray and hope that you will kindly accept my internship report and provide your insightful feedback. I would be thrilled if you found this report beneficial and enlightening.

Sincerely yours,



MD WASIM ASHFAQ KHAN
19104040
BRAC Business School
BRAC University
Date: 11th October, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between Mercantile Bank Limited and the undersigned student at BRAC University MD Wasim Ashfaq Khan (19104040)



HRD/Internship/93

January 09, 2023

Ms. Shanzida Shahab Uddin
Manager
Office of Career Services & Alumni Relations (OCSAR)
BRAC University
Dhaka

Subject: Internship.

Madam,

While referring to your letter dated 08/01/2023 we are pleased to inform that Mr. Md. Wasim Ashfaq Khan has been placed as an intern at Bank's Mohakhali Branch, Dhaka for the period of 03 months starting from January 15, 2023.

We would request you to advise Mr. Md. Wasim Ashfaq Khan writing to report to the Senior Executive Vice President & Head of Mohakhali Branch, Green Delta Aims Tower (1st, 2nd, 3rd & 4th Floor) S1-52, Mohakhali C/A, Dhaka-1212.

We would also request you to advise her to obtain "Certificate" after completion of internship program from branch.

Thanking you,

Sincerely yours,

MOHAMMAD IQBAL REZWAN
Senior Executive Vice President and
Head of HR

Copy for kind information and necessary action:

1. The Senior Executive Vice President, Mercantile Bank Limited, Mohakhali Branch, Dhaka with the request to supervise the internship of Mr. Md. Wasim Ashfaq Khan and pay Tk. 3,000/- (Three Thousand) only per month to the intern as honorarium.
2. Mr. Md. Wasim Ashfaq Khan, Student of BRAC University.
3. Office copy

Acknowledgement

Firstly, I would like to express my deep appreciation to the Almighty Allah for allowing me to participate in the Internship Program and successfully complete this report. Finally, I'd want to express my gratitude to my internship supervisor, Saif Hossain Sir, for all of the time, supervision, guidance, support, and direction he's given me in putting together my report. Then, I'd want to thank the Mercantile Bank LTD., Mohakhali Branch, for allowing me to participate in an internship program there. For the ample assistance and cooperation, I received in writing this report, I would also want to thank the staff of the Mohakhali branch of Mercantile Bank Limited. In the end, I want to express my gratitude once more to ZIHAN-AL-FUAD, Senior Vice President at the Mohakhali branch of the mercantile bank, who serves as my internal supervisor. Due to his helpful comments and encouragement throughout the duration of my report's writing, as well as his vital assistance, I was able to successfully complete my project paper.

Executive Summary

This study really gets into the details of how Mercantile Bank gets deposits. This report gives a thorough look at the patterns and changes in the surplus and shortfall that can be used to raise deposits. Moreover, this report gives very useful information about how Mercantile Bank gets people to put money in their accounts. It does this by using both first-hand information gathered during a three-month job at the Mohakhali Branch and information from other sources.

The report is organized according to four primary goals, each of which has been methodically handled using well defined procedures. Using a plethora of secondary data, such as annual reports and financial records from the previous five years, the first goal is to conduct an analysis of the historical patterns in surplus and deficit for deposit mobilization. This will be done by analyzing the historical trends in surplus and deficit for deposit mobilization. The study draws a thorough image of the bank's products and activities by relying on observations made from the website as well as direct experiences gained while working as an intern within the bank. This allows the usage of deposit mobilization by Mercantile Bank to be shown accurately. In addition, it analyzes the difficulties encountered during the process of deposit mobilization by using questionnaires to shed light on client experiences and contacts with bank workers. In its final section, the report investigates potential methods for optimizing the process of deposit mobilization by making use of surveys to learn about the perspectives and anticipations of customers.

The results showed some important things about Mercantile Bank's efforts to get people to put money. Notably, the surplus for bank mobilization has been going up steadily for the past five years, though it has changed with the seasons. The report stresses how important it is to strategically allocate assets and handle cash flow in order to keep a reliable surplus. Mercantile Bank has been able to get and keep customers thanks to its wide range of deposit products and effective marketing efforts. Comparable interest rates to competitors have made the bank's

situation even stronger. But customers' sensitivity to interest rates is still a big problem. The report stresses how important it is to build trust, address security concerns, and keep informed and helpful customer service staff in branches. These results give Mercantile Bank a solid plan for improving its methods for getting deposits, which will help it grow and be successful in this important area of banking.

Keywords: Banking; Mercantile Bank Limited; Deposit Analysis; SWOT analysis; Management System; Deposit Scheme

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List of Acronyms

ATM	Automated Teller Machine
BB	Bangladesh Bank
CD	Current Deposit
CSR	Corporate Social Responsibility
EPS	Earnings Per Share
FDR	Fixed Deposit Receipt
GDP	Gross Domestic Product
KYC	Know Your Customer
MSS	Monthly Saving Scheme
MBL	Mercantile Bank Limited
SND	Special Notice Deposit
SWIFT	Society for the Worldwide Interbank Financial Technology
SVP	Senior Vice President
TIN	Tax Identification Number
TP	Transaction Profile

Chapter 1

OVERVIEW OF INTERNSHIP

1.1. Student Information

Name: MD WASIM ASHFAQ KHAN

ID: 19104040

Program: Bachelor of Business Administration

Major: Human Resource Management

Minor: Computer Information Management

1.2. Internship Information

1.2.1. Period, Company Name, Department/Division, Address

- **Period:** (15/01/2023)- (15/04/2023)
- **Company Name:** Mercantile Bank Limited
- **Department/ Division:** General Banking
- **Address:** 51-52, Green Delta Tower, Mohakhali Dhaka

1.2.2. Internship Company Supervisor's Information

- **Name:** ZIHAN-AL-FUAD
- **Position:** SVP (Senior Vice President)

1.2.3. Job Scope

I was given the chance to serve as an intern at the Mohakhali Branch of Mercantile Bank Limited. Therefore, I made the decision to focus my internship report on Mercantile Bank Limited's Deposit Mobilization. I focus on the bank's General Bank Sector for the report. Moreover, I have to create different type of saving account for the customer by collecting their necessary information and then help them to take their order for checkbook and credit card.

1.3. INTERNSHIP OUTCOME

1.3.1. Student's Contribution to the company

I have worked in general banking sector during the internship program. In this banking sector, I always have to be concerned about the customer needs. In case of any account opening, account statement, checkbook and credit card, I always had to ready to serve all of those services to the customer. Moreover, whose account has been dormant, I had to call them to inform and told them to come and active their account. In addition, whose FDR AND MSS account has been matured, I had to inform them to collect their desire money from bank or renew it if they want by collecting their necessary documents.

1.3.2. Benefits to the Student

As an intern, in banking sector, I gained some practical experiences in the field of finance and banking. And I believe, that experience would help me looking to pursue a career in the industry. Moreover, it can develop important skills such as communication, problem solving and team work as I had to deal with customer all day long. So, these skills are highly valued in the industry and can help anyone to stand out when applying for full time positions.

1.3.3. Problems/Difficulties (faced during the internship period)

The most challenging component of my internship was adjusting to the new setting and becoming acquainted with the new people I worked with. As a result of my lack of previous experience working in an office setting, I inevitably ran into a number of difficulties. In spite of the fact that the atmosphere was quite warm and inviting, I found it difficult to speak up and ask questions. Throughout the course of my internship, I made it a point to gather and record as much relevant practical experience as I possibly could. Due to the fact that I had forgotten the knowledge and specifics, I was unable to recall them all when I was asked about my previous work experience. In addition, I had a hard time treating the staff members with respect and decency at the same time. Another problem that I've come across is the unwillingness of management to disclose information to workers on the grounds that such disclosure would violate worker confidentiality.

1.3.4. Recommendations (to the company on future internships)

Even though I had some problems during my internship classes, it was a great way for me to learn. As there are many practical jobs, I have learned them from my managers and the other employees of that organization. For interns, a clear structure was set up so that they could quickly learn how to do all kinds of account and data related jobs. Still, interns can be given more useful work to do. Also, it will be better to make the job program longer so that interns can get more real-world experience.

Chapter 2

ORGANIZATION PART

2.1. Introduction

This project paper was created in order to fulfill a requirement for BRAC University's Bachelor of Business Administration program. This report was created with the intention of bringing together, in one place, the theoretical knowledge acquired through academic training and the practical experience gained by working in genuine organizations.

Mercantile Bank Limited is a commercial bank in Bangladesh that caters to individual customers, customers operating small businesses, and customers operating larger corporations by providing a comprehensive selection of financial goods and services. Since its establishment in 1999, the bank has grown to become one of the most successful financial institutions in Bangladesh. It currently has over 150 branches and more than 450 automated teller machines (ATMs) located all across the nation.

Retail banking, corporate banking, small and medium-sized business banking, Islamic banking, and online banking are some of the services offered by the bank. In addition, Mercantile Bank Limited provides customers with a selection of other banking services and products like credit cards, loans, savings accounts, and fixed deposit accounts. The financial institution is dedicated to delivering outstanding service to its customers, and it employs a staff of highly qualified experts who are focused on catering to the specific requirements of those consumers.

Mercantile Bank Limited has been honored with a number of prestigious honors and accolades in recent years due to the exceptional work it has done in the banking industry. Several international organizations, such as Global Finance, Euromoney, and The Banker, have awarded the bank the title of "Best Bank in Bangladesh" for their work in Bangladesh. In addition to this, the Institute of Chartered Secretaries and Administrators of Bangladesh has presented the "Best Corporate Governance Award" to the bank.

Overall, Mercantile Bank Limited is a well-established and highly reputed bank in Bangladesh that is dedicated to providing its customers with high-quality financial goods and services. This commitment can be seen in the bank's overall mission statement.

2.2. Overview of the Company

As a new business bank, Mercantile Bank Limited was created to provide good banking services and help the country's economy grow. The bank started working on June 2, 1999.

The bank offers a wide variety of banking services to both individuals and businesses. The board of directors is made up of well-known people in the country's business and industry sectors.

At last, the labor pains are over, and the day, June 2, 1999, a new business bank, mercantile bank limited, is born. Numbers-wise, it's definitely just another commercial bank in Bangladesh, but the bank's owners are determined to make it a little different and a little more special in other ways. This bank will have a new mission to accomplish and a new goal to reach. It will try to teach new things to get closer to its dream.

Mercantile Bank Limited, a bank for the 21st century, is not just a catchphrase. The bank has hired smart and gifted people and given them the most up-to-date technology so that they can meet the challenges of the 21st century as effectively as possible.

As for the bank's second slogan, "Efficiency is our strength," it's not just a statement; it's part of what we believe and will help us get through the long, hard road ahead.

As part of Bangladesh's strategy to liberalize its banking and financial services, the government has given Mercantile bank limited a license to operate as a scheduled bank in the private sector. With all of this in mind, the bank has had a lot of success in the nine years it has been open, and it has always met the capital adequacy standards set by the Bangladesh Bank. As of 2011,

the bank's total authorized capital is Tk 8 billion, and its total paid-up capital is Tk 4968.09 billion.

The bank offers a wide variety of banking services to both individuals and businesses. The board of directors is made up of well-known people in the country's business and industry sectors. The bank has created a new standard for lending in the industrial grade and point exchange business. Its various deposit and credit products have also drawn customers, both businesses and individuals, who feel comfortable doing business with the bank.

2.2.1. Vision Of MBL

“Would make finest corporate citizen”.

2.2.2. Mission Of MBL

“Will become most caring, focused for equitable growth based on diversified deployment of resources and nevertheless would remain healthy and gainfully profitable bank”.

2.3. Management Practices of MBL

Management of mercantile bank is based on Democratic leadership model. A democratic leader would encourage employees to discuss financial strategies and products. This strategy can boost employee morale, foster a sense of ownership and responsibility, and result in improved decisions by incorporating multiple perspectives.

Ideally, the selection process of Merc involves mutual decision making. The organization determines whether to make a job offer and the attractiveness of the offer, while the job

candidate determines whether the organization and the job offer meet his or her needs and career objectives. Beginning with a preliminary screening interview and concluding with the final employment decision, selection procedures typically adhere to a standard pattern. The selection procedure is the system of functions and devices utilized by Mercantile Bank to determine whether a candidate's qualifications match the job's requirements and specifications. The Mercantile Bank follows a standard procedure for selecting and identifying the most qualified candidates for employment.

A diagram of selection process of Mercantile bank is given below:

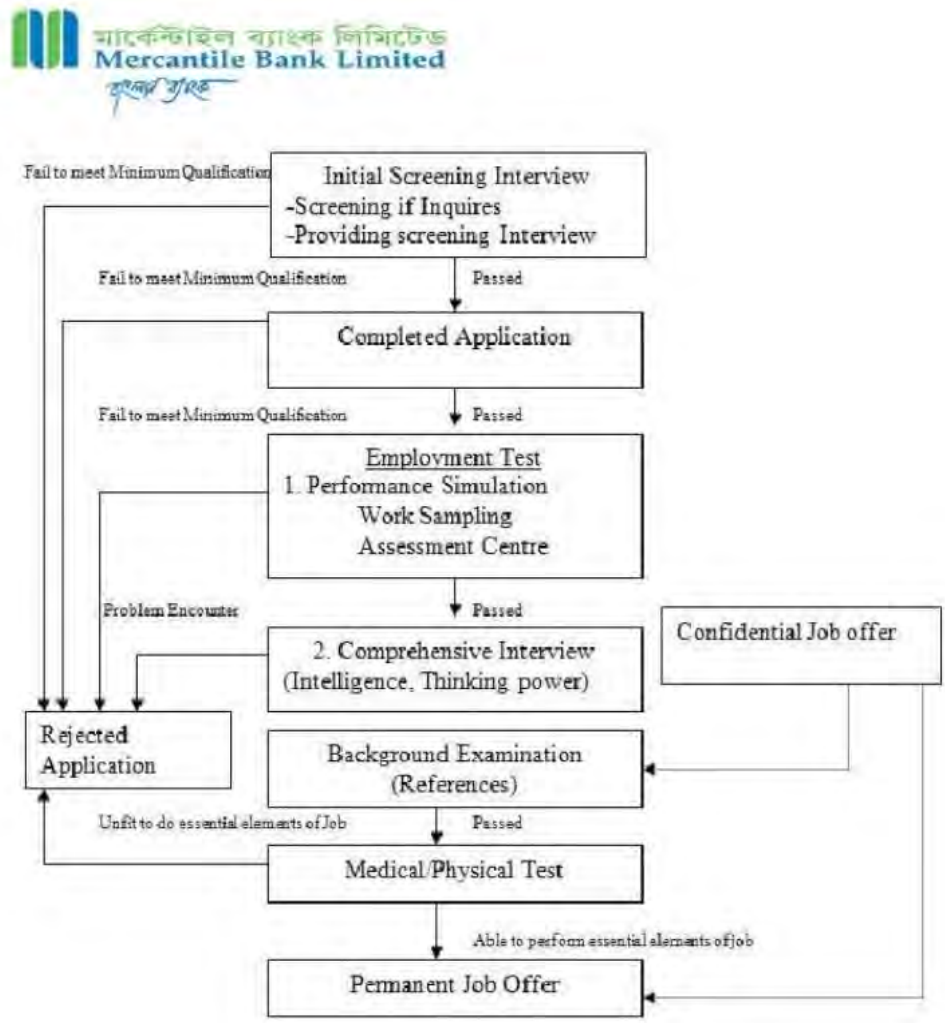


Table 1: Selection process of MBL

The Bank's compensation structure is founded on the aforementioned job grades. Job grades are determined based on an analytical evaluation of the position's size, responsibilities, decision-making authorities, and nature.

The components of an employee's compensation are:

- Basic Salary
- House rent
- Medical Allowance
- Festival Bonus & other benefits
- Performance Bonus

Salaries are confidential between the affected employees and the Administration. The salary ranges for these job grades are periodically evaluated. Temporary and outsourced HR personnel are not assigned a grade. The contracts receive a consolidated monthly payment, and there are no other benefits except commission based on job requirements.

Training is an educational experience that aims to bring about a change in an individual that is reasonably long-lasting and will increase their capacity to execute their profession.

Employee Training: Training specifically designed to help employees improve their existing skill sets and acquire new ones is called employee training. The most important aspect of employee training is getting workers up to speed on the most recent job requirements.

Employee Development: Employee development activities are intended to assist the organization in ensuring that it already have the requisite talent to satisfy its future human resource requirements. The goal of employee development is to prepare the person for a future role within the organization that requires them to have more competencies.

A performance appraisal is a process that discovers, evaluates, and develops employee performance to fulfill employee and organizational goals.

Performance appraisal process of mercantile bank limited:



Table 2: Performance appraisal process of MBL

There are many different kinds of methods for measuring and evaluating performance. But according to the information we have, MBL only employs two different strategies for performance. These are given below:

- 350-degree feedback
- Experience based

350-degree feedback: 360-degree feedback is one of the most common methods of performance evaluation today. In this method, managers, peers, officers, senior officers, and executives are requested to submit a survey. Generally, the questionnaire is a protracted process.

When a questionnaire is filled out, the authority analyses it to determine the performance outcome.

Experience based: Employees performance at Mercantile Bank limited is also evaluated based on their level of experience.

2.4. MARKETING PRACTICES

2.4.1. Marketing Strategy

As a financial institution, Mercantile Bank places a strong emphasis on developing credibility, trust, and a favorable reputation with both current and potential clients. They work to create a strong brand identity that will aid in increasing customer credibility and trust. MBL consistently tries to provide alluring incentives and promotions to draw in new customers and keep those it already has. MBL engages in digital marketing by using their website and other social media channels to contact customers.

2.4.2. Target customers, targeting and positioning strategy

The banking services offered by Mercantile Bank Limited in Bangladesh are aimed towards a wide variety of customers. Personal banking services such savings accounts, checking accounts, fixed deposits, loans, and credit cards are the key focus for this company. The bank's services, which include business loans, trade finance, and cash management solutions, are aimed towards small and medium-sized businesses (SMEs) as well. Banking services such as corporate finance, treasury management, risk management, and cash management are just few of the many that Mercantile Bank Limited plans to offer to its corporate clients, including multinational corporations. Finally, the bank's primary clientele are those with substantial disposable income who have a need for expert financial counseling, asset management, and estate planning services. Mercantile Bank Limited's strategy is to attract these types of

customers so that it can meet the various banking requirements of people, businesses, and government agencies all over Bangladesh.

Mercantile Bank Limited in Bangladesh is trying to promote itself as a reliable, customer-focused bank. The financial institution promotes itself as a dependable collaborator that delivers individualized banking services. Through its physical locations and online channels, the company stresses its dedication to providing superior service, convenience, and access. Mercantile Bank Limited stands out from the competition by providing cutting-edge financial services including online banking, smartphone apps, and digital payment solutions through its innovative use of technology. The bank also promotes itself as a good neighbor by participating in community events and programs and making other positive contributions. Overall, Mercantile Bank Limited seeks to establish itself as a reliable, client-centric financial institution that provides cutting-edge banking services alongside a strong sense of social responsibility.

2.4.3. Marketing Channels

Mercantile Bank Limited of Bangladesh uses a wide range of marketing platforms to reach and keep its target customer's attention. The bank uses its many branches carefully placed in different parts of the country to give customers easy access to banking services and personalized help. Mercantile Bank Limited is a physical bank that also uses digital tools and technologies. It has a website that is both informative and easy to use. This site tells customers everything they need to know about its goods, services, and branch locations. The bank also uses online banking sites and mobile apps so that customers can make transactions, check their account information, and use digital banking services. Mercantile Bank Limited also uses social media sites like Facebook, Twitter, LinkedIn, and YouTube to connect with customers,

share news, help customers, and advertise its banking services. The bank targets a wide audience by using both traditional advertising channels like print, TV, and radio, as well as digital advertising channels like search engine ads and ads on social media sites. Mercantile Bank Limited could also do direct marketing, sponsorships, and partnerships to reach more people and build up its image in the market.

2.4.4. Branding Activities

Mercantile Bank Limited of Bangladesh engages in a number of branding initiatives to build a solid and well-known brand in the country and beyond. As a first priority, the bank is working to establish a memorable brand name and logo. Developing a unique brand identity for a bank includes developing a logo, tagline, and other visual components that convey the bank's values, mission, and specialties. Customers are more likely to remember and associate your brand with these characteristics if you apply them consistently throughout all of your communications.

Secondly, Mercantile Bank Limited's branding approach centers on providing a positive experience for its customers. The bank's mission is to exceed its customers' expectations by providing superior service tailored to their individual needs. The bank's brand reputation improves as a result of client trust, loyalty, and positive word of mouth fostered by the bank's excellent service.

Finally, the bank makes an effort to improve its brand image and show its dedication to society through corporate social responsibility (CSR) programs. Charity, community improvement, and eco-friendly policies are all things that Mercantile Bank Limited is involved with. These corporate social responsibility (CSR) initiatives not only help society as a whole, but also promote the bank as an ethical and trustworthy organization.

2.4.5. Advertising and Promotion Strategies

The Mercantile Bank Limited of Bangladesh uses a number of different forms of advertising and promotion to get its name out there. To reach potential customers across all age groups, the bank places ads in newspapers, on television, and in the radio. The goal of Mercantile Bank Limited's advertising is to attract new customers by exposing them to the bank's products and services through widespread exposure to the media.

The bank uses digital marketing strategies to reach a wider audience at a lower cost than with traditional advertising methods alone. It spends money on search engine optimization (SEO), social media marketing (SMM), email marketing (EM), and paid online advertising (PA). Mercantile Bank Limited successfully promotes its products and services to its target demographics, raises brand recognition, and stimulates consumer activity through focused online advertising and interactive social media campaigns. The bank positions itself as an expert in the field of finance by using content marketing to disseminate relevant information and helpful tools to its target demographic.

Mercantile Bank Limited, a major player in Bangladesh's banking sector, employs a multifaceted approach to advertising and promotion that includes both traditional and digital marketing channels to reach and connect with its core demographic.

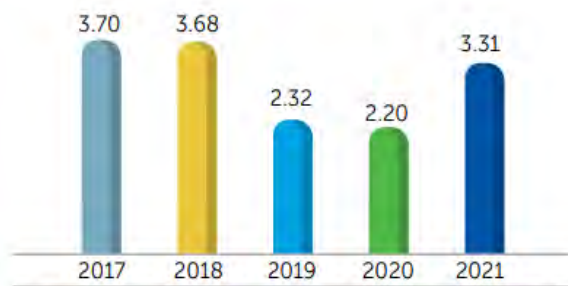
2.5. Financial Performance and Accounting Practices

Financial information and other records, such as accounting reports, are confidential. However, the accessible financial performance statistics and data are given below.

DEPOSITS (BDT IN MILLION)



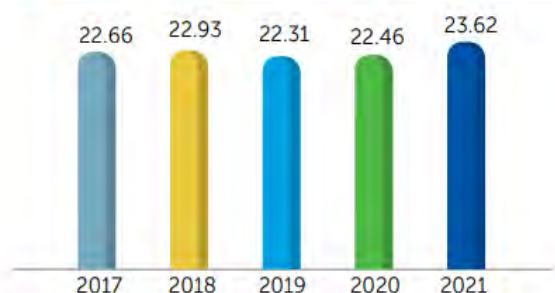
EARNING PER SHARE (EPS) (BDT)



REMITTANCE (BDT in Million)



NET ASSETS VALUE PER SHARE (BDT)



MARKET PRICE PER SHARE Taka



OPERATING PROFIT AS % OF WORKING FUND





Figure 1: 5years performance of MBL

On that given information, we can see each year's performance of mercantile bank. Firstly, regarding deposit, in 2017 to 2019, deposits has been increased which is 220,516.63 million to 262,964.05 million. But in 2020, for covid, it has been increased into 252,814.40 million. But after that in 2021, again it has been increased. Secondly, in earning per share (EPS), in every year it has been decreased. Thirdly, in remittance activity, from 2017 to 2018, remittance flow is creased but then it has been decreased for the pandemic covid-19. Fourthly, net asset value per share was in ups and down in each year. Fifthly, market per share value have declined compared to previous years as well as operating profit of working fund.

DuPont analysis analyzes ROE components to identify the main causes influencing variations in ROE. This section breaks down MBL's ROE into Net Profit Margin, Asset Turnover, and Financial Leverage, allowing investors to focus on critical parameters of financial performance. Additionally, a 5-factor model was used to analyze net profit margin, operational profit margin, non-operating items, and tax efficiency.

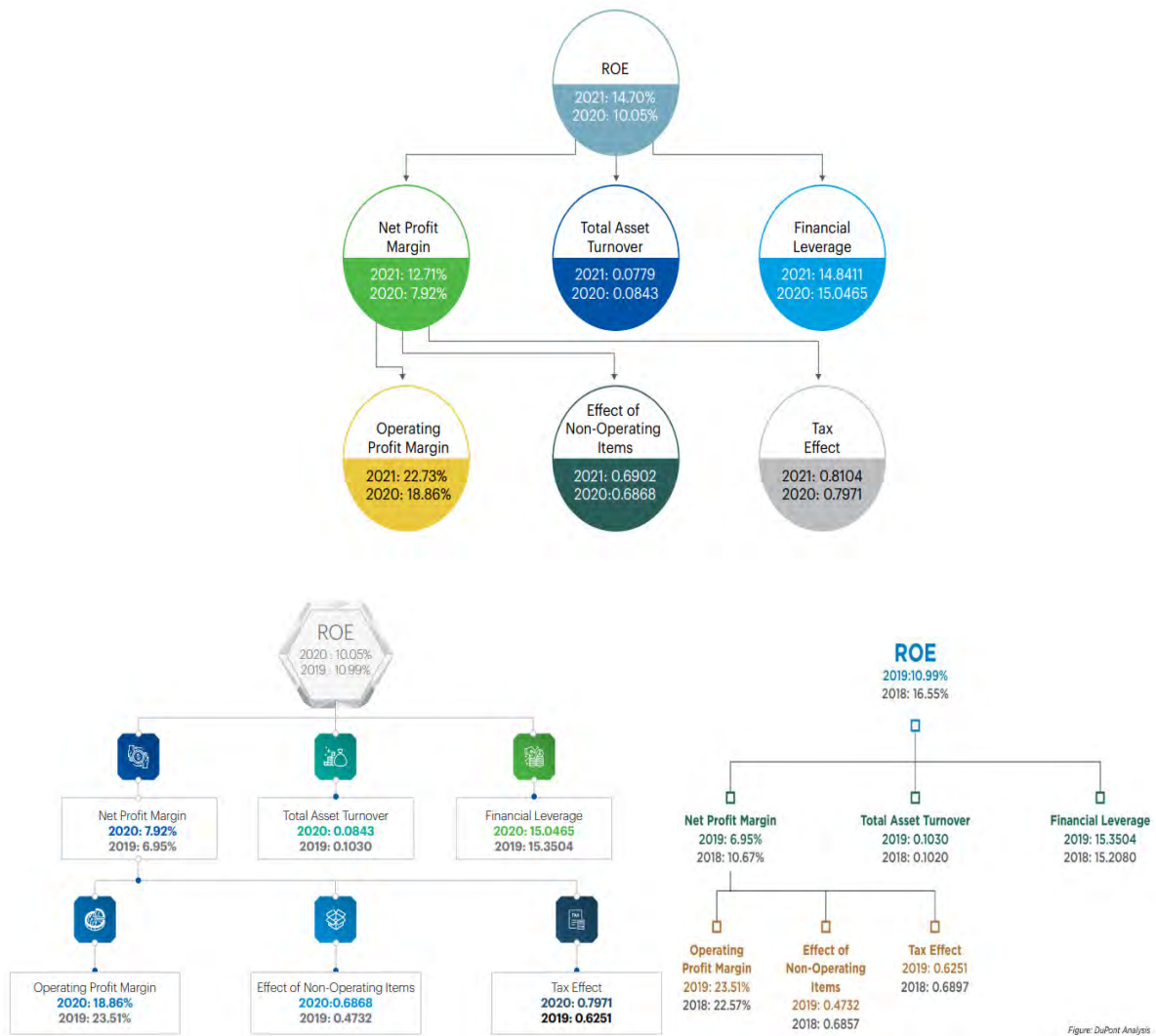


Figure 2: DuPont Analysis

On that given chart, Operating profit margin rose to 23.51% in 2019 from 22.57% in 2018, driven by a 21% increase in net interest income. In 2021, operating profit margin increased to 22.73% from 18.86% in 2020, driven by a 76% increase in net interest income. In non-operating items, loan loss and other provision declined from 0.6857 to 0.4732, despite a 94.28% rise in provision. In 2021, Effects of non-operating items increased to 0.6902 from 0.6868 compared to last year. Moreover, Tax effect dropped from 0.6897 in 2019 to 0.6251. In 2021, Tax effect increased from 0.7971 in 2021 to 0.8104. In 2019, net profit margin decreased to 6.95% from 10.67% due to the combined effects of increased operational profit margin and decreases in non-operating items and tax effects. Increased operating profit margin, non-

operating item effect, and tax effect led to a large increase in net profit margin to 12.71% in 2021, up from 7.92% last year.

2.6. Operations Management and Information System Practices

2.6.1. Operations Management

Process Optimization: Mercantile Bank Limited is dedicated to maximizing the effectiveness of its operations. Streamlining workflows, eliminating unnecessary procedures, and adopting best practices are all part of this effort to boost productivity.

Risk Management: The bank uses strict risk management methods to detect, evaluate, and counteract threats to its daily operations. This involves creating risk management frameworks, performing frequent risk assessments, and setting up internal controls and monitoring systems to guarantee conformity with applicable regulations.

Customer Service: Mercantile Bank Limited is committed to providing superior service to its clients. To achieve this goal, frontline employees must be equipped with the knowledge and tools they need to deliver individualized service, address and resolve customer questions and complaints effectively, and guarantee a consistent and positive experience across all points of contact.

2.6.2. Information System Practices

Core Banking System: Mercantile Bank Limited operates with a full-featured core banking system to handle all of its regular banking needs. The bank is now able to conduct transactions, manage customer accounts, and create real-time reporting on financial operations all from a single, unified system.

Digital Banking Platforms: Mercantile Bank provides consumers with easy access to a variety

of banking services via digital banking platforms such as online banking portals and mobile applications. Customers can make purchases, check their account balances, and review their statements, among other banking functions, via these digital mediums.

Data Security and Privacy: Mercantile Bank Limited is committed to protecting the confidentiality of customer information. The bank uses stringent safety measures like encryption protocols, firewalls, and access controls to guard its customers' private data.

Business Intelligence and Analytics: The Mercantile Bank uses data analytics and business intelligence tools to better understand its customers, the market, and its own performance. These discoveries aid in the formation of sound policy judgments and the enhancement of operational effectiveness.

2.7. Industry and Competitive Analysis

2.7.1. SWOT Analysis

Strengths:

1. Increased Liquidity and Strengthening of the Capital Base
2. Good Corporate Governance
3. Enriched Human Capital
4. Diversified Products and Services
5. Stronger Branch Network
6. Performer of Regulatory Compliance

7. Strong Financial Position to meet all sorts of liabilities
8. High-quality credit rating over the years
9. Strict ethical and moral practices within the Bangladesh.

Weaknesses

1. Credit concentration
2. Limited SME and Retail Exposures
3. Dependence on Core Banking Line Up
4. The Lack of Access to Cutting – Edge Technology

Opportunities

1. Governments Initiatives Towards Development
2. Women Entrepreneurship in Rising
3. GDP Growth along with other Business Development
4. Exploring New Avenue of Business-Like Islamic Banking

Threats

1. Reshaping geo-political outlook due to Russia-Ukraine War.
2. Pre-existed COVID-19 pandemic
3. Lack of stability in the capital market
4. Cyber security
5. Exchange rate fluctuation

2.7.2. Porter's Five Forces

Bargaining power of supplier: The majority of the businesses that operate in industry source the raw materials for their operations from a wide variety of vendors. The market margins that Mercantile Bank Corporation is able to earn are susceptible to being lowered by suppliers who hold dominating positions. The influential suppliers in the financial industry use their negotiation position to coerce the businesses operating in the Regional - Midwest Banks field into paying higher costs. Greater bargaining power on the part of suppliers has the overall effect of reducing the overall profitability of financial institutions located in Bangladesh.

Bargaining power of buyer: Customers frequently exhibit high expectations and requirements. Their goal is to purchase the highest quality products while minimizing the cost as much as feasible. This exerted a detrimental impact on the long-term profitability of Mercantile Bank Corporation. The size and potency of Mercantile Bank Corporation's client base directly correlate with the customers' bargaining power and their capacity to demand greater discounts and offers.

Threat of substitutes: In the banking business, the term "substitutes" refers to non-traditional financial services that are available to customers as an option to satisfy their requirements in lieu of traditional banking. Mobile payment systems, fintech platforms, and online banking are some examples of this type of technology. As a result of developments in technology as well as shifting preferences on the part of customers, the banking industry in Bangladesh is becoming increasingly vulnerable to competition from alternative options. Mercantile bank needs to adjust to the shifting environment by embracing digital banking solutions, improving its technological skills, and providing creative services to reduce the threat.

Threat of new entrants: The Mercantile Bank Corporation faces increased competition from new entrants in the regional-Midwest banking industry, which employs a lower pricing approach, cuts expenses, and offers new value propositions to clients. Managing these threats and erecting adequate defenses is essential for Mercantile Bank Corporation to maintain its edge in the market.

Industry Rivalry: If the competition among the existing companies in an industry is particularly fierce, then this will result in price erosion and a reduction in the overall profitability of the business as a whole. The Regional - Midwest Banks industry is extremely competitive, and Mercantile Bank Corporation is a participant in this market. The organization's total profitability over the long term is likely to suffer as a consequence of this rivalry.

Mercantile Bank Corporation's strategists can acquire a comprehensive understanding of the factors influencing the firm's bottom line by doing a five-forces analysis of the competitive environment in the Regional - Midwest Banks industry. They have the ability to foresee potentially transformative trends and act rapidly to capitalize on them. Managers at Mercantile Bank Corporation can influence outcomes by improving their knowledge of the Porter Five Forces.

2.8. Conclusion

Mercantile Bank Limited of Bangladesh has a prominent presence in Bangladesh's banking industry and uses effective management, marketing, accounting, operations management, and information system techniques. Strategic decision-making, risk management, and customer-centricity are the bank's management methods for sustainable growth and profitability. Mercantile Bank Limited uses a mix of traditional and digital marketing channels to reach its target audience, increase brand visibility, and promote its products and services.

The bank follows sound financial reporting standards to ensure financial statement transparency and accountability. Operations management strategies optimize procedures, improve operational efficiency, and provide exceptional customer service. To ensure smooth operations, data security, and improved client experiences, Mercantile Bank Limited uses advanced information systems, including core banking systems and digital banking platforms. The bank also shows industry competitive analysis by continuously analyzing market changes, keeping up with consumer preferences, and offering competitive banking goods and services. To be competitive and provide value to customers, it responds to changing market circumstances.

Mercantile Bank Limited's success in the Bangladesh banking industry is due to its effective management, marketing, accounting, operations management, information system practices, and competitive analysis, which allow it to meet customer needs, grow, and maintain its reputation as a trusted financial institution.

Chapter 3

Report Part

3.1. INTRODUCTION

3.1.1. Background

The banking sector is constantly evolving as a result of factors such as the economy, technological advancement, decreased regulation, and globalization. It's hard to conceive of modern economic growth occurring without banks. The banking industry in Bangladesh is likewise growing, and the government there is adopting internationally recognized banking norms like the Basel III Accord to keep up. Bangladesh's banking system has grown rapidly over the past three decades, and it is now spreading to the country's rural areas with the help of microcredits and microfinance. However, it is becoming difficult to survive in urban areas without access to banking services or a bank account. Banks and financial institutions are essential to the smooth operation of any business or organization, and their services are similarly indispensable to the general public: from receiving paychecks to making purchases, from paying for tuition to financing vacations, almost all monetary transactions today are processed by banks. Therefore, it is crucial to recognize the pivotal function that banks serve not only in the workplace but also in the current way of life.

The banking industry is complex, and it takes more than textbook knowledge to succeed in it. Working in the field is the best way to obtain practical experience, therefore I was hoping for some pointers on how to best put my academic training to use in the workplace. My time as an intern at Mercantile Bank was quite rewarding. Over the course of three months, I was able to gain valuable experience and insight into the financial industry thanks to an internship at a reputable institution. I am grateful for MBL's trust in me to serve as an intern. Mercantile Bank

is a nationwide commercial banking institution with locations around the country. One of the primary objectives of financial institutions is customer happiness. The bank's goal is to show that they care about their customers' expectations by providing innovative financial services. Interning at Mercantile Bank Limited has given me the opportunity to research and write about several elements of the company, including its potential for growth in the banking business.

3.1.2. Research Objective

Banks offer deposit and loan services to the public. They take deposits from savers and give those funds to people who need money in the economy. So, banks can only work well and quickly if they can move the money in their deposits to where they are supposed to and get the money back in a timely manner. Overall, the purpose of the suggested study is to look at how far banks have come in reaching these goals. The following is a list of some of the objectives:

1. To analyze the trend of the surplus/deficit available for deposit mobilization
2. To portray the usage of deposit mobilization by Mercantile bank
3. To figure out the challenges faced during deposit mobilization
4. To explore the possibilities of improving the deposit mobilization process

3.1.3. Significance

The effective and optimal strategy for raising funds within a bank is indicative of the bank's financial stability. The creation and effective implementation of a fund mobilization policy are crucial in the banking industry. This study will provide valuable insights for banking sectors on the effective mobilization of cash gathered from the public.

- a) The examination of policies related to fund mobilization will furnish the bank's management with valuable insights to facilitate remedial measures in the realm of banking operations.
- b) The study aims to furnish shareholders with comprehensive information regarding the investment potential of shares in different banks.
- c) The study would assist depositors in making informed decisions on depositing their funds with the relevant bank.
- d) The study aims to provide the general public with information regarding the mobilization activities of a bank.
- e) The study aids the government in the formulation of policies.
- f) The study will facilitate the acquisition of knowledge pertaining to banking activities for the student.

3.2. Methodology

In this particular study, I made use of both primary and secondary resources of information. Due to the fact that I have worked for the past three months working in the account opening sector of the Mercantile Bank of Mohakhali Branch. So, I have prepared a report for my internship regarding deposit mobilization of my bank. So, for that reason I have arranged some objectives of this report. To meet the objectives of my report I have used some methods. To meet the first objective which is **to analyze the train of the surplus or deficit available for deposit mobilization**, I have to use secondary data which helped me to figure out the last five years on an annual report and the financial data secondly to meet the second objective, which is **to portray the usage of deposit mobilization by MBL**. I had to use the website of mercantile bank and as an intern of that bank I have observed all the operations of that bank to

know all the products what they serve to all customers. Thirdly to meet the 3rd objective which is **to figure out the challenges faced during deposit mobilization**, I had to make a survey to know the situation when the customers will go there and make the deposit, how they are treated by the employees and what facilities they are getting from the employees of the bank to get more deposit mobilization. Lastly, to meet the 4th objective which is **to explore the possibilities of improving deposit mobilization process**, I have used some questionnaire for the customers to know their perception regarding deposit mobilization process and what kinds of benefits they want through the bank during deposit mobilization.

3.3. Finding and Analysis

3.3.1. Surplus Growth

FIGURE 3: BALANCE SHEET OF THE LAST 5 YEARS

YEAR	TOTAL ASSET (BDT)	TOTAL LIABILITIES (BDT)	SURPLUS AMOUNT (total asset-total liabilities) (BDT)	IN PERCANTAGE (surplus amount/total asset) *100
2022	384,478,385,845	358,756,729,952	25,721,655,893	6.69%
2021	361,308,536,392	336,602,548,342	24,705,988,049	6.83%
2020	330,785,560,739	308,683,783,660	22,101,777,079	6.68%
2019	316,363,468,930	295,455,174,652	20,908,294,277	6.60%
2018	291,385,648,610	272,702,093,982	18,683,554,627	6.41%

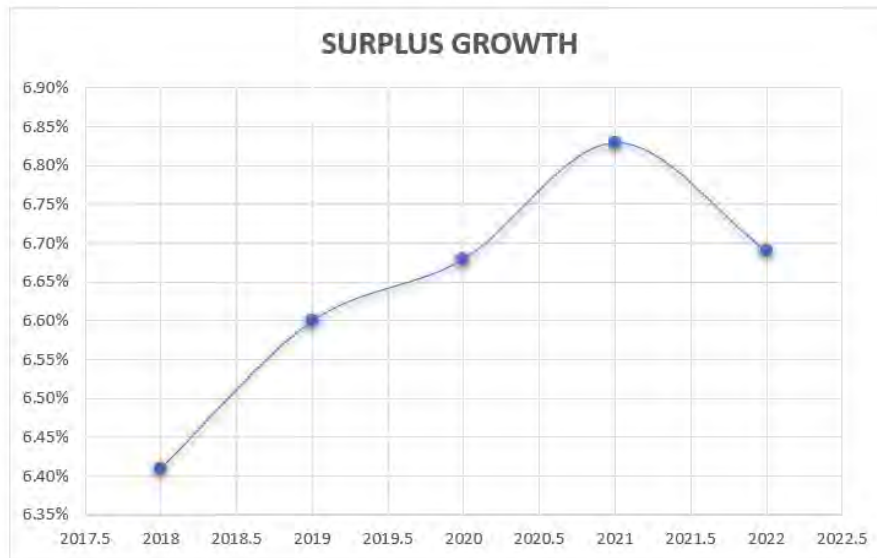


Figure 4: Surplus growth of last 5 years

According to that graph we can find the last five years surplus or deficit in Mercantile Bank. As surplus indicates the positive balance of financial growth of any bank which includes financial health, profitability, reliability and loan capacity. There we can see in 2018, the surplus growth was 6.41% which is comparatively low with the upcoming year except the year of 2022. In 2019, the surplus growth rate increased into 6.60 and the year of 2020 and 2021, the surplus growth was increased respectively into 6.68% and 6.83%. but in 2022, it has been decreased into 6.69% because of the world war between the country of Ukraine and Russia which has affected the whole world, affected banking industry as well.

3.3.2. Deposits

A deposit account is a type of financial instrument that is typically made available to customers by banks and other financial institutions. This type of account makes it possible for individuals, businesses, and other types of organizations to place their money in a secure location where they may or may not earn interest on the funds during the time that they are stored there. These accounts are offered in many forms and types.

- **Savings Bank Account**

This savings account was created designed specifically for individuals who desire to save money from their salary. There are limitations placed on the amount as well as the frequency of withdrawals.

Rate of Interest: 2.00% (for general) (for any amount)

- **Fixed Deposit Account**

Branch accepts fixed deposits from consumers for a specified length of time with interest under the term plan, unlike CD, SND, and SB accounts. Since FDR is neither transferable nor negotiable, the depositor will receive interest on maturity. After proper formalities, nominees or assignees can receive FDR.

FDR Rates (Individual and recognized Fund)

Period	For any Amount
3 months to less than 6 months	6.35% (For any amount)
6 months to less than 1 year	6.35% (For any amount)
1 year	6.35% (For any amount)
2 years	6.35% (For any amount)

Table 3: FDR Rates

• **Current Deposit Account**

Current Deposit Account is the amount of money that comes in and goes out of your account every day. It is a current account that is simple and easy to use. Current Deposit Accounts are good for customers who need to do a lot of activities because there are no limits on the amount or number of withdrawals.

Interest Rate: Nil

Cheque-book facility

Types of Current Deposit Account

- Individuals
- Two or more persons jointly
- Sole Proprietorship Concerns
- Partnership Firms
- Limited Companies (Both Public and Private)
- Societies / Clubs / Associations / Local Bodies
- Banks
- Govt. / Semi Govt. Offices / Corporations / Autonomous bodies.
- Others

• **Savings Bank Account for MSS**

Interest Rate: 1.00% (1.00% less than the regular SB rate)

Benefits

- Customers will get relief from waiting in queue to deposit MSS installment;
- Free from overdue burden and risk of 03(Three) consecutive installments failure which may lead to force encashment to the MSS;

- Customers will be entitled for a significant amount through forced savings without any change in the living style;
- It is convenient for remote living customer to continue MSS account by making payment through EFTN or Exchange house.

• Masik Sanchaya Prokolpo (MSP)

Interest Rate:

Monthly installment sizes are 250, 500, 1000, 1500, 2500, 5000 and in multiples of 5000 up to BDT 25000.

Table 4

Period	Simple Interest Rate	Effective Interest Rate
3 years	.	7.01%
5 years	.	7.01%
8 years	.	7.01%
10 years	.	7.01%

Other Features

- All taxes/duty/levy and /or any other surcharges presently in force or that may be imposed by the Government of Bangladesh (GOB) from time to time will be deducted/ recovered from the deposit account under this scheme.
- In case of pre-mature encashment before 03 years, interest will be paid on Savings Account Rate. But in case of early encashment before 05 or 08 or 10 years the depositor will get full benefit up to previous slab and Savings Account Rate for each subsequent year; no interest will be paid for fraction year.
- Upon deposit of installment for at least 01 year (minimum deposit amount must be BDT 12,000.00) under this scheme, loan may be granted up to maximum 82% of the deposited amount.
- Loan processing fee be realized BDT 50.00 only and stamp costs also be realized.

• **School Banking**

Rate of Interest: 4.00% (for general) (for any amount)

Features:

- Interest bearing deposit account.
- Initial Balance – Tk. 100.
- No hidden charge.
- Smart personalized (VISA) Debit Card to the parents.

Benefits:

- Round – the – clock ATM access across the country.
- No queues for withdrawal of money.
- Free SMS Banking
- Cost free Mobile Banking Registration.

• **Non- Resident Investors Taka Account (NITA)**

Bangladesh Bank offers guidelines for opening Non-Resident Investor's Taka Accounts (NITA) for non-resident individuals/institutions, including Bangladeshis. MBL plans to provide NITA account facility to boost Bangladesh's Capital Market and economy by bringing foreign remittance from abroad through normal banking channels or by transferring funds from non-resident investors' foreign currency accounts, if any.

• **MBL Kotipoti Monthly Saving Scheme**

“MBL Kotipoti Monthly Savings Scheme” is a long-term monthly installment-based deposit scheme with competitive interest rate.

Interest Rate:

- 7.00 percent simple interest
- 7.23 percent effective interest

Tenors: 5/8/10/12/15/20 years

Initial Deposit + Monthly Installment

Initial Deposit = BDT 1Lac/ 2lacs/ 5lacs/10lacs				
Installment	Period	Simple Interest Rate	Effective Interest Rate	Maturity Value
137,699	5 years	7.00%	7.23%	1,00,00,000.00 (Before Tax)
76,640	8 years	7.00%	7.23%	
56,614	10 years	7.00%	7.23%	
43,476	12 years	7.00%	7.23%	
30,651	15 years	7.00%	7.23%	
18,421	20 years	7.00%	7.23%	

Table 5

• Special Noticed Deposit Account

Anyone can open a Special Notice Deposit Account, which is an interest-bearing deposit account for a brief period of time, whether they are an individual or business entity. If the consumer wants to withdraw money from this account, they must give 7 days' notice.

Interest rates for SND accounts will vary according to the balance rather than the client or tenure.

Features & Benefits

- Attractive Interest Rates

- Customer has to notify 7 days before withdrawing money.
- MICR Cheque Book with every SND account is a must.
- Minimum Balance Fee: NIL
- Incidental Charge Ledger Fee: NIL
- Service Charge: NIL
- Account Maintenance Fee: Maximum BDT 500.00 Only (half yearly basis)
- Account Closing Fee: Maximum BDT 300.00 Only

BDT 1 Lac to Less than BDT 1 Cr.	BDT 1 Cr. to less than BDT 25 Cr	BDT 25 Cr. to less than BDT 50 Cr.	BDT 50 Cr. to less than BDT 100 Cr.	BDT 100 Cr. and above
1.00%	1.5%	2.5%	3.00%	3.5%

• **Masik Munafa Amanat Prokolpo**

Mode

- Deposit a fixed amount of money for a minimum tenure of 03 (Three) year to a maximum tenure of 05 (Five) years.
- Depositor will get a certain sum of money in each month proportion to his/her deposit during the entire tenure.

Benefits

- Minimum amount of required deposit is TK.50,000.00 or its multiple

Masik Munafa Amanat Prokolpo (MMAP) Rates

Tenure	Simple Interest Rate	Effective Interest Rate
3 & 5 years	7%	7.23%

Other Features

- The Minimum amount of deposit is BDT 50,000.00 (Fifty thousand) or its multiples.
- All taxes/duty/levy and /or any other surcharges presently in force or that may be imposed by the Government of Bangladesh (GOB) from time to time will be deducted/ recovered from the deposit account under this scheme.
- In case of premature encashment interest will be paid on Saving A/C Rate.
- A saving account will be needed to be maintained to receive quarterly benefit payment.
- Loan may be granted up to maximum 80% of the forced encashment value on the date of loan processing. During the period of continuation of loan, monthly benefits of MBS account will be credited only to loan account.
- Loan processing fee be realized BDT 50.00 only and stamp costs also be realized.

• **MBL Probashi Sanchaya Hishab**

Savings Bank (SB) Account for NRBs is a Savings Bank (SB) Account in local currency for Non-Resident Bangladeshis (NRBs) who are living abroad or who are traveling there for work. This was specifically created for NRBs who wish to save their hard-earned money to use in the future and earn the best interest or profits on their savings with hassle-free banking services.

Rate of Interest: 3.00% (1.00% higher than the regular SB rate)

Eligibility

- Any Bangladeshi passport holder who is living outside Bangladesh and working there with a valid work permit/resident visa.

- Any Bangladeshi crew member working in foreign shipping company.
- Persons who are leaving Bangladesh with a job offer (overseas posting/new job) can open NRB account before leaving Bangladesh.
- Minimum Age: 18 years (minors are not eligible to open this account).

Main Features

- Only NRBs can open this account in their own name.
- Individual Customers (single or jointly) is entitled to open this account. In case of Joint Account, minimum two signatories (including NRB) are needed for operating the account.
- Customers can enjoy the maximum interest on their savings.
- Initial deposit amount would be BDT 1,000.00.
- Interest Rate is 0.50% higher than the existing simple interest rate of regular Savings Bank account.
- Interest will be calculated based on monthly minimum Balance as regular Saving Bank account.
- The Interest will be calculated and accrued monthly and credited to the account on half-yearly basis (June and December of each year).
- Customers will avail Debit Card & Cheque Book facility.
- The account maintenance charge is lower than the regular Savings Account.
- 1st year Annual Fee of Debit Card is Free.
- Customers are eligible for Online Banking, SMS Banking, service from MBL Contact Centre.

• MBL Probashi Masik Sanchaya Hishab

Masik Sanchaya Prokolpo (MSP) for NRBs is a monthly installment-based savings bank product with flexible long-term terms for people who live outside of Bangladesh or are going to work abroad. Bangladesh Bank is trying to get NRBs to save more of their hard-earned money in Bangladesh.

Eligibility

- Any Bangladeshi passport holder who is living outside Bangladesh and working there with a valid work permit/resident visa.
- Any Bangladeshi crew member working in foreign shipping company.
- Persons who are leaving Bangladesh with a job offer (overseas posting/new job) can open NRB account before leaving Bangladesh.
- Minimum Age: 18 years

Period & Benefits

Period	Simple Interest Rate	Effective Interest Rate
1 Years	7.00%	7.23%
3 Years	7.25%	7.50%
5 Years	7.25%	7.50%
8 Years	7.25%	7.50%
10 Years	7.25%	7.50%

Main Features

- Only Non-Resident Bangladeshis (NRBs) may open this account in their own name.
- Only Individual Customers (single account holder) is entitled to open this account. There is no option to open this account jointly.
- Tenure: 1 year, 3 years, 5 years, 8 years and 10 years.
- Monthly Installment: BDT 500, 1000, 1500, 2000, 2500, 5000 and in multiples of 5000 up to BDT 25000.
- Interest Rate offered to Customers is 7% for 1 year and 7.25% for rest of the tenures.

- The account will be matured after completing specified years (1/3/5/8/10) on the same date as it was opened.
- Loan facilities (in taka) may be granted up to maximum 80% of the deposited amount (minimum amount Tk. 10,000).

• **Super Munafa Amanat Prokolpo (SMAP)**

This scheme has been formulated with a view to gain an upper hand in the market in terms of Deposit collection. Features of this scheme are enumerated below:

Features and Terms of the scheme:

- Minimum Deposit amount would be BDT 150,000/-- (One Lac Fifty Thousand) or multiples thereof.
- The tenor of the scheme would be one (1) year and renewable at mutually agreed rate.
- Customer will not be entitled to any interest in case of pre-mature encashment i.e. all benefits given will be deducted from principal.
- Benefits can be drawn monthly / quarterly / half yearly or at maturity.
- Benefits will be transferred to the SB/CD or any other account where the benefit(s) will be transferred.
- Scheme holder is entitled to benefit from the next month of account opening.
- A separate prefix number (provided by our IT division) should be used for this scheme.
- A sheet containing form and duly signed by the customer.
- Standard procedure of account opening must be followed.
- Scheme holder will be given a Deposit Receipt after account opening and is non-transferrable

Super Munafa Amanat Prokolpo (SMAP) Rates

Tenure	Interest Rate	Effective Annual Interest Rate
One year	6.01% p.a.	6.18% p.a..
(Tk. 1000 per month per Tk. 222,000/-)		

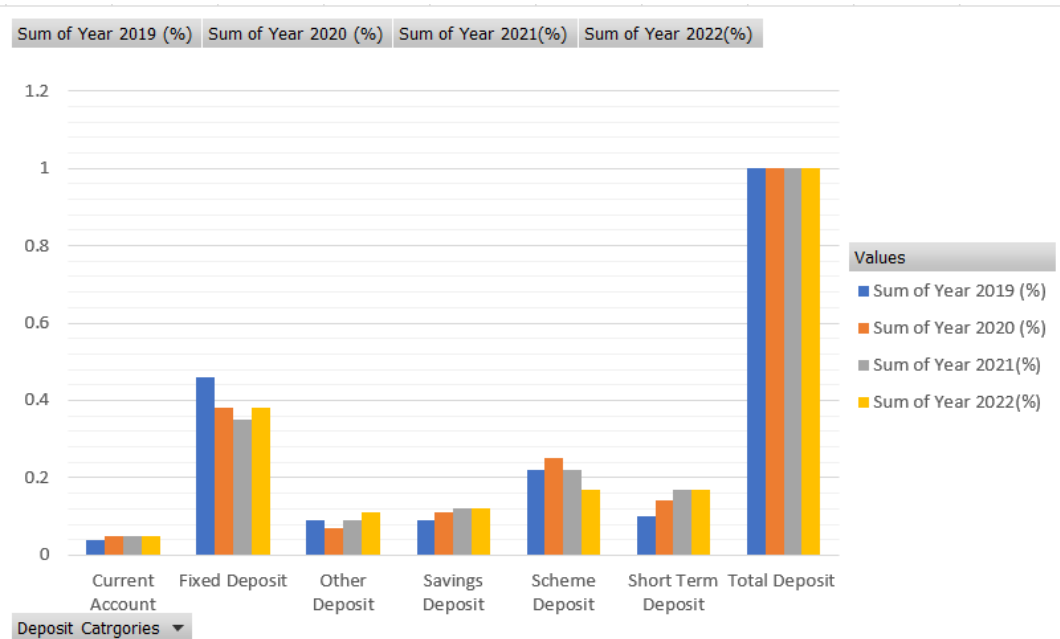


Figure 5: The Last Four Years Deposit Collection Data

There is other deposit banking system regarding Islamic banking as recently Mercantile Bank has started its "Islamic Banking Operations" (Taqwa) with the goal of serving customers who prefer Islamic Shari'ah-based banking and are committed to Islamic lifestyles. They did this by getting official permission from Bangladesh Bank for Islamic banking window operations. There is different type of accounts of Islamic banking.

Deposit Products and Schemes-

- Al-Wadiah Current Account
- Mudaraba Savings Account (general)
- Mudaraba Special Notice Deposit Account
- Mudaraba Term Deposit Account
- Mudaraba Masik Sanchaya Prokolpo
- Mudaraba Masik Munafa Amanat Prokolpo
- Mudaraba Digun Briddhi Amanat Prokolpo

3.3.3. SURVEYS OF FACING CHALLENGE

The objective of this survey is to obtain a comprehensive understanding of the challenges faced by our financial institution in the mobilization of deposits. The insights gathered from this survey will serve as valuable inputs for informing and guiding future decision-making processes. The mobilization of deposits is a crucial aspect of our banking operations as it directly impacts our ability to provide credit and various financial services to our clientele. In order to enhance our services and address obstacles that may impede deposit growth, it is imperative that we possess a comprehensive grasp of the challenges faced by our clients and prospective depositors.

Figure 6

Survey question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) When compared to other banks, the bank's interest rates on deposit accounts are reasonable.	3	7	20	30	40
2) The bank's website and mobile app make deposit account management easy.	1	2	30	32	35
3) For deposit account adjustments, the bank communicates clearly and promptly.	4	8	18	25	45
4) Foreign Exchange Rate	2	5	16	35	42
5) Competition in the Banking Industry	3	4	25	29	39
6) In-branch customer service representative are informed and helpful about deposit products.	3	6	20	30	41
7) The bank's promotional offers and incentives for depositing money are attractive and compelling.	5	10	18	29	38
8) The bank makes opening a deposit account easy.	3	8	20	30	39

9) The bank's customer service is quick and good at solving problems with savings accounts.	5	8	25	29	33
10) The bank offers various deposit products for savings and investment.	4	9	23	33	31

According to that survey, first challenge facing of deposit mobilization in MBL is about to interest rate compared to the other bank. So according the table, 40% strongly agreed of this statement. As 10% disagreed and 20% neutral MBL bank should have to concern about their interest rate.

Secondly, 35% strongly agreed that MBL's website and mobile app make deposit account management easy. That's how customers can easily can see their statement and transfer money from MBL to another bank through online.

Thirdly, 3rd statement shows that 45% of people like how MBL communicates about savings account terms. They think that when account terms change, MBL tells them in a clear and timely way. Neutral respondents (18%) might not have strong views. They might not have had any trouble communicating, but they might not have seen good communication either. The 12% who didn't agree are in the minority of people who think that MBL's information about deposit account terms is unclear or late. This shows that this area could be improved to address the worries of this minority and improve communication for all customers.

Fourthly, Customer satisfaction was 77% for MBL foreign exchange rates. It appears MBL offers competitive exchange rates. At 16%, neutral respondents may not care about MBL foreign currency rates. They may have had little bank foreign exchange experience or notable challenges or benefits. MBL foreign exchange rates worried 7% of the customer. MBL rates may be uncompetitive or foreign exchange experiences may be poor. These minority concerns suggest MBL foreign exchange services could be enhanced.

Fifthly, according to 68%, MBL competes in a market. People think MBL compete on price, services, and interest rates. Most customers knew about the competition. MBL competition may not interest 25% of neutrals. Their involvement in sector rivalry may have been limited. Competitors don't bother this company. MBL competition was opposed by 7%. Their location may not have faced MBL competition. Minority and local factors may influence their beliefs.

Sixthly, the 71% of respondents who think in-branch customer service can help with deposits are positive. Most clients enjoy the bank's in-branch staff and think they know deposit options.

The 20% who were ambivalent may not value in-branch deposit product knowledge and support. The group's comments indicate they haven't had many issues with in-branch representatives. The 9% who disagreed were minorities with concerns. They may believe branch staff lack deposit product knowledge or fail to assist. Individual interactions or experiences may influence a small percentage of their beliefs.

Seventhly, A majority of respondents 67% liked the bank's deposit incentives and promotions. Most clients think the bank's programs are good deposit incentives. The bank's promotions may not appeal to 18% of neutral respondents. You may not have liked these promotions. The 15% who disagreed raised concerns. They may not like the bank's promotions or haven't profited. This is a small fraction, and personal experiences may influence their judgments.

Moreover, most respondents 64%, agreed the bank offered savings and investment deposit possibilities. Most consumers know and think the bank offers savings and investment deposit options. The bank's deposit offers may not interest 23% neutral responders. They may have missed certain possibilities or have complex savings or investing goals. Those 13% who disagreed worried. The bank's services may not meet their savings or investment goals. Income and preferences may influence this small percentage's sentiments.

3.3.4. Improving Deposit Mobilization Process Survey

Figure 7

Improving deposit mobilization	Disagree	Neutral	Agree
Reduce requirement for loan application	30	35	35
The more updated use of mobile banking	40	40	20
Radius queue and waiting time	17	25	58
Reduce account opening procedure and processes	32	28	40
Availability and functional modern ICT facility	10	25	65
Reduce high rate of service charges	20	22	58
Less minimum balance deposit	18	36	46
The use of attractive products, incentives and bonus	21	30	49
Less foreign exchange rate	10	38	52

The bank can boost deposit mobilization by reducing loan application improvements. While 35% of clients believe that reducing loan application requirements can boost deposit mobilization for MBL, 35% are unsure of how this variable would impact their deposit mobilization, and 30% disagree. To increase deposit mobilization, MBL management should simplify loan application requirements to attract clients considering the bank's lending facilities. Mobile depositing is crucial for enhancing deposit mobilization in MBL. Rational customers prefer using their mobile phones to deposit money into their accounts from their individual locations. The data shows that 20% of consumers believe that using a mobile phone to deposit money at the bank will considerably increase deposit mobilization. 40% of clients were unsure how using a mobile phone to deposit money into their account would increase revenue or deposit mobilization, while 40% disagreed. If MBL implements mobile phone deposits, it will dramatically increase revenue and deposit mobilization. Another method MBL might boost deposit mobilization is by lowering high costs on products and services. High service rates dissuade customers from transacting with MBL, driving them to banks with lower rates. The data shows that 58% of clients believe lowering rates on products and services will increase clientele and boost bank revenue. Improved deposit or revenue mobilization in MBL can be achieved through attractive goods and incentives. A reasonable and economic customer will be interested in attractive products and incentives. The data shows that 49% of respondents believe that introducing appealing goods and offering incentives is key for increasing bank mobilization. Introduce enticing products and incentives to increase client confidence and deposit mobilization.

3.4. Conclusion

Since banking services overall and private banks specifically are doing well, it is evident that people today are increasingly concerned with protecting their wealth and ensuring that they have access to reliable assistance when they need it. Because of this, numerous new commercial banks have cropped up in recent years. Because of these financial institutions, competition in this industry is fierce. Now more than ever, it is imperative that financial institutions structure their operations and conduct their business in response to market demand. The conventional banking system is no longer necessary for financial institutions. Due to global competition, this industry has spread its horizons to encompass any and all forms of financial services, anywhere in the world. Banking institutions need to effectively manage their assets and liabilities if they

are to succeed in today's highly competitive market.

The study was conducted on analyzing the surplus or deficit available in the bank, the usage of deposit account which helps to deposit mobilized and if there exist any challenges during the mobilization of deposit and the way of improving deposit mobilization taking some steps in this Mercantile bank limited. Analyzing all of those can be the better way to bring some important change in mercantile bank deposit mobilization compared to the other banking industry.

Moreover, Mercantile Bank Limited's leadership is expected that the bank will do its absolute best over the next few years to preserve its profit margins and keep expanding. With the Bank's current performance and a little tweak here and there, Mercantile Bank Limited will undoubtedly become one of the finest Private Banks in Bangladesh.

3.5. Recommendation

While Mercantile Bank Limited is doing some advertising, it needs to do more of it to reach more people in more places. Plans need to be made for all of the branches in different locations to ensure that each one benefits as much as possible from its geographical setting. I would suggest the following to Mercantile Bank Limited:

- 1) Increasing the number of billboards and other forms of outdoor advertising in both urban and rural regions can raise brand awareness and bring in new business. Mercantile Bank Limited has to boost the number of outdoor campaigns it runs in Dhaka City, where it now has a surprisingly low number of billboards and advertisements. To let consumers, know about the latest product/service enhancements, advertisements might be placed in national daily newspapers and electronic media.
- 2) In order to increase the bank's visibility, more personal sales professionals and employees can be hired.
- 3) Customers using Retail Banking services are on the rise, so MBL should respond by expanding its selection of retail banking products and establishing a dedicated Retail Banking Department at each of its branches (with a focus on Dhaka City).

4) Since it is expected, in the modern business world, that a company will place a premium on the aesthetics of its branches, Mercantile Bank Limited will also factor the refurbishment of the building into its plans.

5) Mercantile Bank Limited's filing process should be kept consistent and transparent at all times. Currently, there is not enough order or consistency in the filing of customer paperwork and other associated documentation. Employees will benefit from a reduction in wasted effort, and sensitive records will be kept safely.

6) Decentralizing the decision-making process is an option. If you want to get something done quickly and efficiently, you should use a collaborative strategy. In some cases, it may be useful to have a group discussion in order to make a speedy decision.

7) There is expansion opportunity in the SME sector, thus Mercantile Bank Limited should direct more of its attention there. The bank's focus shouldn't be limited to the garment industry alone; rather, it should be broadened to include other potential investment avenues, such as the jute, leather, chemical, and shipbuilding industries.

8) Improve the ratio of export financing to total financing through growing Mercantile Bank Limited's export operations.

9) We need a better-established information system. The Internet should be used more frequently by MBL for both domestic and foreign communication. The Computer Department must be modernized and expanded for the good of the other departments. Modern transaction delivery to customers is made possible by advances in communication technology. Mercantile Bank Limited's Online Banking is to be properly implemented.

10) The financial institution must guarantee continuous operation of the network system. The officials who use it will appreciate the time and stress it saves them.

11) The credit sanction process needs to be streamlined because of how cutthroat the business

sector has become. Three to four weeks is too long to wait for the ordinary consumer to receive a secured loan.

12) In order to attract new customers and keep current ones, the bank should improve the quality of its services slightly. This can be accomplished by establishing a Research and Development Division at the Bank's Headquarters and a Customer Service Department in each branch.

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