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**INTERNSHIP REPORT
ON
GENERAL BANKING AND PERFORMANCE EVALUTION
OF
MUTUAL TRUST BANK LIMITED (MTBL)**

Supervised by

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LETTER OF TRANSMITTAL

Date- AUGUST-31 2013

MOHAMMAD REZAUR RAZZAK
Course Coordinator
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Subject: Submission of Internship Report.

Dear Sir,

Here is the internship report on "**General Banking And Performance Evaluation of Mutual Trust Bank Limited (MTBL)**" - the prerequisite of the three month long internship program.

The internship program has provided me with an opportunity of having an exposure to the working environment in General banking of the MTBL, Basundhara city Branch. I have acquired a sound knowledge and understanding on the basic operation of the Bank. I hope this knowledge & experience will help me a lot in many diverse ways to perform my responsibility in an effective manner.

I have invested my every effort to depict the General Banking functions performed by the MTBL as well as the financial performance of the Bank. I have aimed this report at the academic purpose only. I will be grateful and pleased as well having any suggestions, directions and/or recommendations for further improvement of the report.

Thanking you for your kind cooperation in accomplishing my task given by you.

Yours faithfully

Aparna Sharma
id No: 11164071
MBA Program (Finance)
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SUPERVISOR'S CERTIFICATE

This is to certify that the internship report on "GENERAL BANKING AND PERFORMANCE EVALUATION OF MUTUAL TRUST BANK LIMITED(MTB)" in the file record at the report is done by Aparna Sharma ID no:11164071 as a part fulfillment of the requirement of MBA program from BRAC UNIVERSITY.

The report has been prepared under my guidance and is a record of the file work carried out successfully.

MOHAMMAD REZAUR RAZZAK
COURSE COORDINATOR
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ACKNOWLEDGEMENT

I feel immensely pleased to have an opportunity, on the very occasion of submitting my internship report, to thank a number of individuals for their unprecedented support, cordial co-operation, objective direction and endless encouragement that have significantly contributed to the preparation of the report.

First and foremost, I would like to thank GOD, the omniscient and omnipotent, who bestowed me the capability of successful completion of my internship report and the internship as well.

I would like to offer my heartfelt thank and gratitude to my internship advisor Rezaur Razzak, **Brac BUbusiness School**. His instructive advice and guidance have emerged as stepping-stone in making this reports a fruit. This report has smelt the scent of my creativity only as he entrusted his every belief on my capability and analytical ability in preparing the report.

My pleasure turns blooming to offer thanks to **MD. Younus Miah**, the Senior Assistant Vice President (SAVP) and Assistant Vice President Mohammed Ershad Ullah MTBL, Basundhara City Branch for allowing me to show my practicability in an organizational area under their supervision.

.

And last but not the least; I would like to thank all the personnel working at MTBL, Basundhara City Branch. They made the environment congenial and favorable for me to understand the task. Without their assistance and co-operation, this report might not have seen the light of day.

EXECUTIVE SUMMARY

Banking System of Bangladesh has gone through three phases of development – Nationalization, Privatization and lastly Financial Sector Reform. Mutual Trust Bank Ltd. (MTBL, the 3rd generation bank) has started its journey as a private commercial bank on 29 September, 1999.

The whole working area of a modern bank can be divided mainly into 4 (four) Sections, such as - 1) General Banking Section, 2) Cash Section, 3) Loans & Advance Section and 4) Foreign Trade Section. Our focus & discussion will be concentrated mainly on General Banking Section.

General Banking is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customer. It opens new accounts, remit funds, issue bank drafts & pay orders etc. Provide customers through quick and sincere service are the goal of the general banking department.

In this study, a fervent appeal has been made to demonstrate and analyze the general banking practice and the subsequent outcome of Mutual Trust Bank Ltd. (MTBL), which is passing its childhood period to establish an iconic threshold in the banking arena.

This report has been originated as the degree prerequisite of the MBA program at the Faculty of Brac Business School, Brac University . This report focuses three months working experiences in Mutual Trust Bank , Bosundhara City Branch.

The report contains (6) chapters. The **First** Chapter of the report describes the Origin, Purpose, Objectives, Methods and Sources, Scopes and Limitations. The **Second** Chapter contains the Overview and activities of MTBL and Chapter **Three** contains General Banking Activities of MTBL and Chapter **Four** Performance Analysis of MTB, Liquidity position of the Scheduled banks, Import ,Export ,Retail product of MTB, Wholesale, Term finance. Chapter **Five** the findings during the three-month long internship period. Chapter six, recommendations based on the findings and the overall conclusion.

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Chapter -I

Introduction



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1.1 Introduction

Bank is very old institution that is contributing toward the development of any economy and is treated as an important service industry in the modern world. Economic history shows that development has started everywhere with the banking system and its contribution towards financial development of a country is the highest in the initial stage. Modern banks play an important part in promoting economic development of a country.

Bank provides necessary funds for executing various programs in the process of economic development .they collect savings from large masses of people scattered throughout the country, which in the absence of banks would have remained ideal and unproductive, these scattered amounts are collected, pooled together and made available to commerce and industry for meeting the financial requirements.

Bank plays a vital role in the economy by providing means of payment and mobilizing resources. Bank is the most important financial institution in the economic development of a country depends on the development of banking sector. Today's modern banks are not only providing traditional banking but also expanding the many financials services. In today's world the life of the people directly are within the arena of banking whether conventional or Islamic banking is not a newer concept in Bangladesh as it has started its operation since 1983, very few people are aware about its operation. But things are changing. Islamic banking is also getting popularity in the country.



1.2 Origin:

As I am the student of business administration I have been authorized by our guide teacher to prepare a report on internship on the activities of the general banking and performance evaluation of Mutual Trust Bank Ltd. The internship program of MBA is a partial requirement to take test of real life challenge conducted by the intern. This program is three month duration. During this period I have worked closely with the employee of Basundhara city Branch. This report presents the outcomes of the study during the internship- Mutual Trust Bank Limited.

1.3 Purpose:

The purpose of this report is the writing purpose as well as to know about the activities of the companies, and their performances. Report can cover a wide range of topics but usually focus on transmitting information with a clear purpose to a specific audience. Reports are documents that are accurate, objectives and complete information.

1.4 OBJECTIVES OF THE REPORT:

- To understand the Banking business in Bangladesh. How Banking transactions Take place.
- To observe the authorities, tasks & responsibilities of the bankers.
- The rules and regulations of private commercial Banks
- To know the background of the MTBL
- To know the General Banking system of MTBL
- To understand the Financial and Accounting techniques of MTBL. In fact this is the prime objective and I have chosen this as the topic of my report.
- To have the idea about the communication between the Branch office and Head office.
- To better understand about the General Banking activities.



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- To learn the Banking Laws.
- To appraise the total achievements and success of MTBL
- To focus the growth and development of Mutual Trust Bank Ltd.
- To know the work environment & organizational behavior of the bank.

1.5. Methodology of the Study:

The methodology of the report is given below-

- For the procedure of different banking operations, I had observed the operations and worked with the officers at the same time. I had interviewed the MTBL officials for getting more information.
- For the analysis part, data have been collected from different statements and the annual report of the bank.

1.6. Sources of Information:

The data collection method of study consists of both of primary and secondary sources. But majority of the information was collected from secondary sources.

Primary Data:

Primary data is mostly derived from the discussion with the employees & conversation with customers of the organization. Primary information is under consideration in the following manner:

- ❖ Face to face conversation with the employees
- ❖ Practical work experience from different department of the concerned officers.
- ❖ Discussion with customers regarding quality of service of the bank.
- ❖ Guidelines and suggestions from all the senior employees in charge of mutual trust bank.



Secondary data:

Secondary sources that will be used in the study is include:

Internal Sources

- Bank's Annual Report
- Published Booklist of Mutual Trust Bank Ltd.
- Magazine of Mutual Trust Bank Ltd.
- Any information regarding the Banking sector

External Sources

- Different books and periodicals related to the banking sector
- Bangladesh Bank Report
- Newspaper
- Bank website

1.7. Scope of the Study

Mutual Trust Bank Limited is one of the new generation banks in Bangladesh. The scope of the study is limited to the Basundhara City Branch only. The report covers the organizational structure; background, functions and the performance of the bank have mainly worked in the General Banking so my report covers all the activities of General Banking department in the Basundhara City Branch. While preparing this report I haven't any limitations the employees of General Banking department has helped me a lot and I have use both primary and secondary data which was available to me.



1.8. Limitation of the Study:

Three months is not enough to know about commercial banking operation through I have been received maximum assistance from the every individual of the MTBL Basundhara City Branch. Definitely, I could not produce an outstanding report for the time limitations. Due to the time limit, the scope and dimension of the study has been curtailed.

The Term paper is likely to have following limitations:

- Since the ideal size of data could not be taken, suggested Operating process may not be useful without appropriate modifications.
- Due to shortage of time, the accuracy of information may not have been completely perfect.
- The Operating Process is a theoretical suggestion. Only a practical application of this may justify its effectiveness that could not be done due to time limitation.
- Confidentiality of data was another important barrier that was faced during the conduct of this study. Every organization has their own secrecy that is not revealed to others. While collecting data on MTBL, personnel did not disclose enough information for the sake of confidentiality of the organization.



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1.9. Conceptual Framework of the Report:

Objective of the practical orientation program is to have practical exposure for the students. Our internee duration is three months, which was somehow not sufficient enough to gather adequate experience of such vast banking business. After working whole day in the office it was very much difficult and also impossible to study against the theoretical aspects of banking. Finally as the banks renovation activities was going on so the physical working condition was not healthy enough that we thought it would be.

1.10. Time period of the study:

The report is a combination of three months internship program with Mutual Trust Bank Limited. This report focuses about ninety days working experiences in Mutual Trust Bank Limited ,Basondhara city branch. This report will give a clear idea about the activities and operational strategies of Mutual Trust Bank Limited



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CHAPTER -II

OVERVIEW AND ACTIVITIES OF MTBL



Overview And Activities Of MTBL:

2.1 Historical Background:

The Company was incorporated on September 29, 1999 under the Companies Act 1994 as a public company limited by shares for carrying out all kinds of banking activities with Authorized Capital of Tk. 38,00,000,000 divided into 38,000,000 ordinary shares of Tk.100 each. Board of directors as agents of the shareholders, monitors the functions of the bank whether it is performed efficiently or not and also solves all the problems.

The Company was also issued Certificate for Commencement of Business on the same day and was granted license on October 05, 1999 by Bangladesh Bank under the Banking Companies Act 1991 and started its banking operation on October 24, 1999. As envisaged in the Memorandum of Association and as licensed by Bangladesh Bank under the provisions of the Banking Companies Act 1991, the Company started its banking operation and entitled to carry out the following types of banking business.

The Company (Bank) operates through its Principal office at Dhaka and 68 branches and 12 SME/Agri Branches Service Centers. The Company/Bank carries out international business through a Global Network of Foreign Correspondent Banks.

- I. Investment in Merchant Banking Activities
- II. Investment in Company Activities Financial, Promoters, Capitalists.
- III. Financial Intermediary Services.
- IV. Any related Financial Service



2.2 Corporate Strategy:

The corporate strategy of any organization is a vital role on the performance of the company's performance and lead the to the way of being in growth prospect of the company. So the corporate strategy of the Mutual Trust Bank is describe below-

- Financing establishment of small units of industries and business and facilitate their growth
- Small Balance Sheet size composed of quality assets.
- Steady and sustainable growth.
- Investment in a cautious way.

Adoption of new banking technology



2.3.Achievement:

The performance of Mutual Trust Bank Ltd has been satisfactory since its inception in respect of all the measurement parameters. The total assets of the Bank increased to Taka 38964.97million at the end 2008 from Taka 32181.90million in the previous year.

The growth rate was 21.08 percent. Deposit rose from Taka 24776.92 million in 2007 to Taka 24776.92 million in 2008 showing a growth rate of 36.50 percent. Loans and advances stood at Taka 28529.35 million as on December 31, 2008 against Taka 22683.23 million at the end of 2007, recording a growth rate of 25.77 percent. The total contingent liabilities increases in taka 11467.71 million at the end of 2008 from taka 10916.14 million in the previous year. Lending deposit ratio is 84.36 percent in end of 2008 and 91.55 percent in the previous year. Classified loans as % of total loan & advance 1.92 percent in 2008 and 2.39 percent in 2007. Profit after provision and term in end of 2008 is 305.03 million taka one the other hand 210.80 in 2007. The earning asset of Mutual Trust Bank Ltd is 33944.60 million taka in the end of the period 2008 and 27929.33 million taka in the previous year. Non interest earning Asset Increases 5020.37 million taka in 2008 from 4252.57 million taka in 2007. Return of interest 8.11 percent in 2008 and 4.10 percent in previous years. Return of Asset of MTBL 78 percent in 2008 and 66 percent in 2007. In come from investment increase 451.84 million taka in 2008 from 162.41 million taka in 2007.



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2.4.Utilization of Fund:

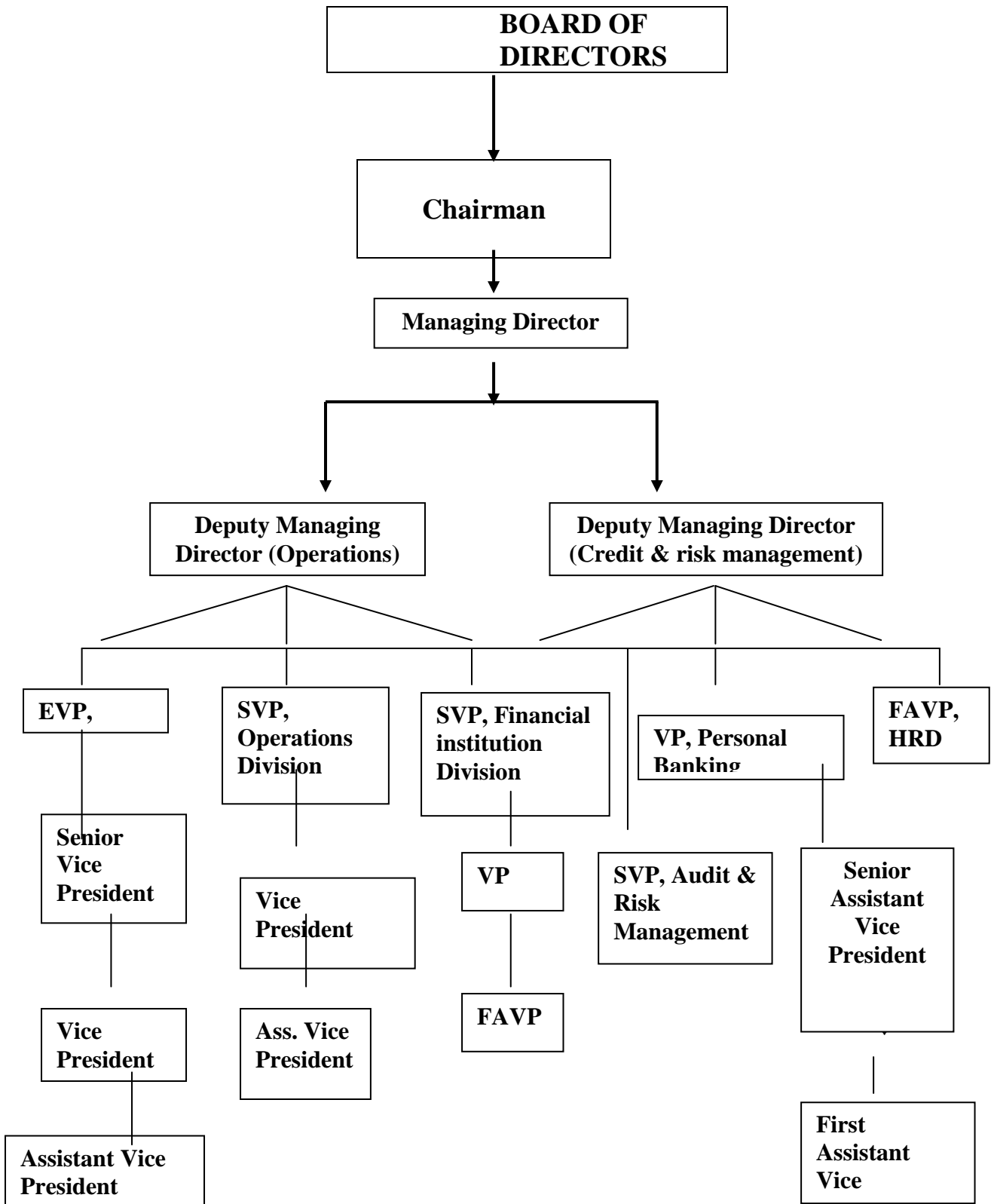
Mutual Trust Banwk Limited utilizes its funds in accordance with its organizational goals and corporate strategy. Main use is for lending to industrial and trade sectors. Maintenance of cash and statutory liquidity reserve with the Bangladesh Bank covers 25 percent of demand and time liabilities. Placement of funds in Nostrums Accounts to handle foreign trade and investment in money market is also done as usual.

2.5. Management:

Overall management is vested to the Board of Directors of the Bank. On behalf of the Board Managing Director executes all business, financial and administrative powers to operate the bank. Managing Director is assisted by 2 Deputy Managing Director posted of head office. For smooth functioning of bank's day to day affairs head office activities are conducted under the banner of different named departments. The said departments are Human Resources Division (HRD), Credit Division (CRD), International Division (ID), General Banking Division GBD), Board & MD Secretariat, Central Accounts & MIS Division (CAD), Establishment & Development Division (ESD) etc. The Organization Chart of the bank as obtained is presented below.



Organ Gram of Mutual Trust Bank:





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Hierarchy of Mutual Trust Bank Limited:





Profile of Mutual Trust Bank Limited at a Glance

Name of the Company	Mutual Trust Bank Limited
Year of establishment	1999
Principal Branch	ww.Tower (1 st -3 rd Floor) 68,Motijheel C/A, Dhaka.
Corporate Head Office	MTB center 26 Gulshan Avenue Dhaka1212
No of branch	86
Managing Directors	Mr. Anis A khan
Chairman:	Dr. Arif Dowla
Vice Chairman	Mr. RashedAhmed Chowdhury
Web site	www.mutualtrustbank.com

2.6 Departments

It would be very difficult to control the system effectively, if the jobs are not organized considering their interrelationship and are not allocated in a particular department. If the departments are not fitted for the particular works there would be random situation and the performance of a particular department would not be measured. Mutual Trust Bank Limited has done this work very well. There are -

- MDs Secretariat
- Board Division
- Internal Control & Compliance Division
 - Audit Department



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- Compliance Unit
- Monitoring Unit
- Human resource Division
- General Services Division
 - Security & Printing Stationery
- Financial Administration Division
 - Reconciliation Department
 - MIS Department
- Credit Division
 - CIB Department
 - Syndication Department
 - Credit Processing & Approval
- International Division
 - Correspondent Banking Dept.
 - Remittance Department
 - SWIFT Department
- Merchant Banking Division
- Card Division
- SME Division
- Treasury Department
 - Asset Liability Mgt. Department
- Banking Operations Department



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- Anti Money Laundering
- Test Key Department

- Corporate Banking Department
- Credit Administration Department
- Credit Monitoring Cell
- Credit Recovery Cell
- ID Department
- Business Development & Marketing
- Public Relations Department
- Share Department
- Engineering Department
- Training Institute

2.7 Branches

Mutual Trust Bank Limited is a fast growing commercial bank in our country. It has established a good operating network throughout the country. It has 36 Branches throughout the country till now.

Dhaka Division

- 21 Branches

Chittagong Division

- 9 Branches

Sylhet Division

- 2 Branches

Rajshahi Division

- 2 Branches

Barisal Division

- 2 Branches



2.8. Mission & Vision:

Mission:

We aspire to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused company, which offers an array of products and services in the search for excellence and to create an impressive economic value.



Vision:

Mutual Trust Bank's vision is based on a philosophy known as MTB 3 vision.

We envision MTB to be:



- 1) One of the best performing bank in Bangladesh.
- 2) The bank of choice.
- 3) A truly world class bank.

2.9. Banking Services and Products:

Mutual Trust Bank provides the following services and financial products:

(I). Retails Banking:

We aim to satisfy all clients, regardless of how big or small they may be. Individuals are counseled on the best type of accounts suitable to them. At MTB we have designed different type of retail product to meet different need. The following are our range of retail banking product.

- 1) Deposit Product
- 2) Loan Product
- 3) MTB Card.



Deposit Product:

1. Savings Account
2. Current Account
3. Brick By Brick
4. Children's Education Plan
5. Fixed Deposit
6. Monthly Benefit Plan
7. MTB Senior
8. MTB Inspire
9. MTB Double Saver Plan.
10. MTB Millionaire Plan.
11. MTB Ruby.

Loan Product:

1. MTB Personal Loan
2. MTB Auto Loan
3. MTB Home Loan.
4. MTB Home Equity Loan

MTB Card:

- I. Debit Card
- II. Credit Card

(II). Corporate Banking:

The promise of world class corporate banking has created a new panorama opportunity to leverage on our excellent image created over the years. MTB offer flexible of options to afford the right financial products and services, designed particularly to meet immediate needs, individually concerned and professionally realized. Now we focused our corporate Banking.

- 1) Term Finance.
- 2) Working Capital Finance.
- 3) Trade Finance
- 4) Offshore Finance.
- 5) Syndication & Structured Finance.



(III). SME Banking:

SME's has different types of credit needs and have designed a number of loan products to meet the needs.

MTB Green Energy Loan.

1. MTB Bhagyoboti
2. MTB Krishi
3. MTB Mousumi
4. MTB Revolving Loan
5. MTB Small Business Loan
6. Micro Digoon

(IV). Treasury Service:

- 1) Money Market.
- 2) DIBOR.
- 3) Foreign Exchange.
- 4) Primary Dealers.

(V). MTB Services:

1. Corporate Banking.
2. Institutional Banking.
3. Off-Shore Banking.
4. Investment Banking.
5. Merchant Banking.
6. Securities Trading and Brokerage Service.
7. SME Banking.
8. Consumer Banking.
9. Card Services.
10. Leasing.
11. Services Non Resident Bangladesh (NRBs).



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CHAPTER –III

GENERAL BANKING OPERATION

OF

MTBL



3.1 General Banking:

Financial institution/ intermediary that mediates or stands between ultimate borrowers and ultimate lenders is known as banking financial institution. Banks perform this function in two ways- taking deposits from various areas in different forms and lending that accumulated amount of money to the potential investors

General Banking is the starting point of all the banking operating. General Banking department aids in taking deposits and simultaneously provides some ancillary services. It provides those customers who come frequently and those customers who come one time in banking for enjoying ancillary services. In some general banking activities, there is no relation between banker and customers who will take only one service from Bank. On the other hand, there are some customers with whom bank are doing its business frequently. It is the department, which provides day-to-day services to the customers. Everyday it receives deposits from the customers and meets their demand for cash by honoring cheques.

It opens new accounts, demit funds, issue bank drafts and pay orders etc. since bank is confined to provide the service everyday general banking is also known as retail banking.

3.2 Scope of General Banking: -

1. Customer Service.
2. Account Opening
3. Deposit Department.
4. Payment Order.
5. Demand Draft.
6. T.T.
7. IBC/ OBC Collection.



8. Remittance.
9. Account's Department.
10. Clearing Transfer.
11. Cash.
12. Loan and Advance.

1. Customer Services of Mutual Trust Bank :

Professional merit and Competency, Flexibility, Determination and Dedication are the core resources that MTBL consider to be of paramount importance for building a client oriented modern banking. Customer satisfaction is MTBL foremost professional undertaking. Therefore, a satisfied client is MTBL precious product and they consider them MTBL ambassador in the market.

2. Account Opening of MTBL:

Under this department, MTBL officer opens different types of account on the request of clients. The procedure of opening account is given bellow:

(a) .Types of Accounts:

(i) Current Deposit:

1. Individual Account
2. Joint Account
3. Proprietorship Account
4. Limited Company Account

(ii) Savings Deposits:

1. Individual Account
2. Joint Account
3. Proprietor Ship Account
4. Limited Company Account



(iii) Short Term Deposits:

1. Individual Account
2. Joint Account
3. Proprietor Ship Account
4. Limited Company Account

(b). Procedure of Account:

Account Opening (Normal Account):

1. Collect an Account opening outline from the Bank.
2. Fill all the requirements of the form.
3. Nominee is must be specified and also signed this form.
4. Photograph is most important for any account.
5. The Account holder sign on his own self in front of specific bank principal officer in front of account opening form.

Account Opening (Saving Account):

- 1 Collect Account openings form from the Bank.
2. Fill all the requirements of the form.
3. Nominee is must be specified and signed in the form.
4. Photograph is most important for any account.
5. The account holder sign of his/her own self in front or the specific bank principle Officer in the account opening form.





Account Opening (Current Deposit Account):

1. Collect an Account opening form from the Bank.
2. Fill all the requirements of the form.
3. Nominee is must be specified and signed in the account opening form.
4. Photograph is most important for any account.
5. To open this account the most important things is that Passport or National ID photocopy must have to add with the account opening form and also enclose the trade license with tin number.

Account Opening(Fixed Deposit):

Fixed deposit is one, which is repayable after the expiry of a predetermined period fixed by him. The period varies form 3 month. These deposits are not repayable on demand but they are withdrawn able subject to a period of notice but bank paid only principal amount not interest. Hence, it is a popularly known as term. Deposit. Normally the money on a fixed deposit is not repayable before the expiry of a fixed period.

Before opening a Fixed Deposit Account a customer has to fill up an application form which contains the followings:

1. Amounting figures
2. Beneficiary's name and address
3. Period
4. Rate of interest
5. Date of issue
6. Date of maturity
7. Instructions:
8. Special instruction



9. How the account will be operated (singly or jointly)

10 Signatures

11. FDR no.

12. Nominee's name and signature.

(c) Interest Posting to Client's Account:

Bangladesh Government has circulated that, 10% deduction from the Bank's Internal Account's. This 10% tax deduction from the client's interest.

Other wise another circulation is that, from the OBC collection every bank cut off there OBC commission as income account, here Bangladesh Bank said that 15% money cut off from the OBC collection as Vat on Others.

(d).Cheque Book Issues:

Types of Cheque Book's:

1. Savings Account
2. Current Deposit Account

(e).Cheque Issued By Using Two Types of Slips:

1. Direct requisition slips
2. Cheque Book's requisition slip

Customers Service Officer receives these types of slip from the client's and gives the cheque books under processing. Processing means sent this account number to MTBL head office and they verified this and under processing they are issue a cheque for the client. Customer Service Officer receive cheque . These things the Principal Officer for sign, after his sign the client receive the cheque book. Then Principal Officer posting that cheque books leaves number in the computer data processing system.



(f). Account Closing:

For two reasons, one can be closed. One is by banker and other is by the customer.

By banker: If any customer doesn't maintain any transaction within six years and the A/C balance becomes lower than the minimum balance, banker has the right to close an A/C.

By customer: If the customer wants to close his A/C, he writes an application to the manager urging him to close his A/C.

(g) Different Type of Procedure are Followed in Case of Different Type of Account to Close:

1. Fixed deposit A/C is closed after the termination of the period.
2. Brick by Brick A/C is very easily closing if one of the clients didn't pay his/her monthly installment at the bank three months one after one, in this way three months.
3. Another account's will be closed on the parties advice, if they want to close any one of the account clients must have to submit an A/C closing letter through des pass. Then the Sr. Principal Officer checks it out and closes the A/C.

Closing Process For Current & Savings A/C:

1. After receiving customer's application the officer verifies the balance of the A/C.
2. He then calculates interest and other charges accumulated on the A/C.
3. If it bears a credit balance, the officer writes advice voucher. He gives necessary Accounting entries post to accounts section.
4. The balance is returned to the customer. And lastly the A/C is closed.



(3) Deposit Department:

(a) Brick by Brick

Drops of water make an ocean. Your habit of regular savings will provide you comfort in the future. Brick by Brick is a unique monthly savings plan which builds up over the years and provides a lump sum amount at maturity.



monthly deposit in the scheme's account and you must ensure that your account has sufficient balance within the 20th of each month.

This plan is so flexible that at maturity you can earn a handsome amount depending on the size of installment amount of savings and tenure.

Monthly installments (Tk.)	3years	5Years	8 years	10 years
500	21826	41468	81487	117502
1000	43652	82936	162,974	235,004
2000	87,304	165,872	325,948	470,008
5000	218,260	414,680	814,870	1,175,020

(b) Monthly Benefit Plan:

This plan offers you to generate monthly income out of your deposit. It has been designed to help and assist conscious savers from all strata of the society. The minimum deposit is Tk. 50,000/= or in multiples thereof. There is no upper limit and this plan is offer for 1(one) to 3 (three) years term that cannot be changed subsequently.

You will require opening a savings/current account. Monthly income will be credited to your account.



(c) Saving's Account:

Saving money for the future is a common practice in any society. Savings help you to build a better tomorrow. Regular saving makes a man become disciplined, self confident successful.



An-easy-to operate savings account that allow you to operate issue cheques, Draw demand drafts and withdraw cash. Check up on your balances from the comfort of your home or office through Internet Banking and SMS banking. This scheme's interest rate is 5.25% and wage earner 5.50% for half yearly basis. accrued in this account on a daily basis.

(d) Children Education Plan:

Education is the backbone of any nation and one of the primary factors of prosperity. An educated nation stands tall in the committee of nations and deserves respect. A child's education is of prime importance and every parent should ensure and make every effort to get their child educated.

To admit a child in a good institution parents require adequate amount of savings for the cost of admission into a school. This plan allows new parents to save for 4/7/9/12 years.



The parent can deposit any amount of money at any day of the month. The interest rate is very lucrative and we offer substantially more than the prevailing savings rate. Monthly installment are Tk.1000 or multiples are 1000 but not exceeding Tk.20000.



(e) Current Account:

A Current account is ideal for carrying out day-to-day business transactions. With the MTB Regular Current Account, you can access your account anytime, anywhere, pay using payable at par cheques or deposit cheque at any MTB bank branch .Access to the largest fleet of the country.

In order to make a significant contribution in the living standards of the people of medium and low income category, Mutual Trust Bank has introduced a scheme called "Consumer Loan Scheme". With in a view to materialize the dream of those who are unable to make one time investment from their own savings.

All shot of household durables e.g. Television, Refrigerators, Computers, Air Conditioners, Video Cameras, Washing/ Drying Machines and Furniture's are allowed under this scheme. One can buy Motorcycle too under this programme.

(f.) MTB Double Saver Plan:

MTB Double Saver Plan offers you an one time savings scheme, which will provide you double the amount of your deposit after 8 years. You will receive a handsome amount at maturity.

If you are an individual or if your institution is an NGO or an Educational institution or a Trust or Society or any other institution, you may invest your savings in this scheme with a minimum deposit of Tk. 10,000/- for 8 years with no limit for maximum amount. At maturity you will get double of your deposited amount.

You can even avail loan up to 90% of the deposited amount.

Deposit Amount	After Maturity Amount
10,000	20,000
20,000	40,000
50,000	100,000
100,000	200,000



(g). Fixed Deposit.

A specific amount of fund is placed on deposit under the name of account holder. The most unusual characteristics of fixed deposit is that the fund cannot be withdrawn for a specified period of time. Duration that time the money remains in the account and cannot be withdrawn for any reason. Individuals, corporate entities and even organization that wish to set aside fund and limit their access to the funds for a period of a time often find fixed deposit a simple way to accomplish their goal but for any reason account holder can receive their money before maturity period so bank pays only principle amount.



(h) Millionaire Plan:

Millionaire Plan is a monthly savings plan, which is designed to make you a millionaire in a few years. An individual may invest your savings in this scheme for 6/8/10/12/15/20 years with different installment sizes. At maturity you will get Tk. 10,00,000/-.

Monthly Installment	years	After maturity amount
9400	6	10,00,000
6,140	8	10,00,000
4,260	10	10,00,000
3,060	12	10,00,000
1,950	15	10,00,000
1,030	20	10,00,000

You can even avail loan up to 90% of the deposited amount after 1(one year).

(i). MTB Senior:

A saving account for senior citizen age 60 years or above. For MTB age requirement is 55 years or above. Interest is added on daily basis and will be credited monthly instead of traditionally half yearly. Minimum account opening balance is 10000 on half yearly. Minimum daily qualifying balance to earn interest is 15000. Rate of interest is 5.60% P.A. Lifetime free debit card and internet banking. First three cheques are free and 20% discount on locker charge.



(j). MTB Inspire:

Actually inspire account means provide a lot of facility to inspire people. Interest is add of daily basis. Minimum account opening balance is 10000 on half yearly. Minimum daily qualifying balance to earn interest is 15000. Rate of interest is 5%. And free debit card for one year and free internet banking.

(k). MTB Ruby:

MTB Ruby enables today's independent women to enjoy hassle-free banking services. Besides the core MTB banking advantage, MTB Ruby, an exclusive savings account for women, is packed with special benefits for our women customers. Enjoy your present and plan for the future, with this rewarding savings account Interest will add on higher interest on daily basis. Minimum account opening balance is 10000 and minimum daily qualifying balance to earn interest is 10000. Free debit card only one year and free interest banking.

4. Payment Order:

The pay order is an instrument issued by bank, instructing itself a certain amount of money mentioned in the instrument taking amount of money and commission when it is presented in bank. Only the branch of the bank that has issued it will make the payment of pay order.

Issuing of Pay Order:

The procedures for issuing a Pay Order are as follows:

1. Deposit money by the customer along with application form.
2. Give necessary entry in the bills payable (Pay Order) register where payee's name, date, PO no, etc is mentioned.
3. Prepared the instrument.
4. After scrutinizing and approval of the instrument by the authority, it is delivered to customer. Signature of customer is taken on the counterpart.



5. Demand Draft Issue/Collection:

The person intending to remit the money through a Demand Draft (DD) has to deposit the money to be remitted with the commission which the banker charges for its services. The amount of commission depends on the amount to be remitted. On issue of the DD, the remitter does not remain a party to the instrument: Drawer branch ii) Drawee branch iii) Payee. This is treated as the current liability of the bank as the banker on the presentation of the instrument should pay the money. The banker even on receiving instructions from the remitter cannot stop the payment of the instrument. Stop payment can be done in the following cases:

1. Loss of draft before endorsement: In this case, “Draft reported to be lost, payee’s endorsement requires verification” is marked.
2. Loss of draft after endorsement: In this case, the branch first satisfies itself about the claimant and the endorsement in his favor.

Issuing of Duplicate DD:

If the customer wants to issue a duplicate DD, then customer is asked to do the following formalities:

1. Making a general diary (GD) in the nearest Police Station.
2. Furnishing an Indemnity Bond in Tk.50/= stamp

The banker immediately marks “stop payment” in the register after receiving the application from the customer and a duplicate DD is issued.



6.TT(Telex Transfer):

Telex transfer (TT) is another widely used mode for remittances of funds. In case of telex transfer the message for transfer of funds is communicated through telex. MTBL generally recovers from the telex charges in addition to the usual service charges.

7. LBC/OBC:

By OBC, we mean that those cheques drawn on other banks which are not within the same clearing house. Officer gives OBC seal on this type of cheques and later sends a letter to the manager of the branch of the some Bank located in the branch on which cheque has been drawn. After collection of that bill branch advises the concerned branch in which cheques has been presented to credit the customer account through Inter Branch Credit Advice (IBCA).

In absence of the branch of the same bank, officer sends letter to manager of the bank on which the cheques is drawn. That bank will send pay order in the name of the branch. This is the procedure of OBC mechanism.

Actually OBC comes from the out side bank's branch, or inter branches. Suppose AGRANI Bank, Jatrabari Branch sent a Cheque, which no: 012536, Tk. 5, 00,000/- to Mutual Trust Bank Limited against AGRANI Bank Motijheel Corp. Branch. So this cheque could be an OBC. Now what Mutual Trust Bank Limited has to do? MTBL tries to collect this cheque through Bangladesh Bank Clearing House, and credited clients account.



8. Remittance:

Remittance of funds is ancillary services of MTBL. It aids to remit fund from one place to another place on behalf of its customers as well as non- customers of Bank. MTBL has its branches in the major cities of the country and therefore, it serves as one of the best mediums for remittance of funds from one place to another. The main instruments used by MTBL, Dilkusha Branch for remittance of funds.

9. Accounts Department:

Accounts Department is play most vital role in Banking. Accounts Department is a department with which each and every department is related. It records the profit & loss A/C and statement of assets and liabilities by applying “Golden Rules” of book-keeping.

Basically Accounts Department is not alone. Accounts department is a mix of as follows:

- 1.Cash
- 2.Transfer
- 3.Clearing

1) Cash:

The cash section of any branch plays very significant role in Accounts Department. Because, it deals with most liquid assets the MTBL has an equipped cash section. This section receives cash from depositors and pay cash against cheque, draft, PO, and pay in slip over the counter. Every Bank must have a cash counter where customer withdrawn and deposit there money. When the valued client's deposit their money at the cash counter they must have to full fill the deposit slip his/her own, then they sing as the depositor option's then they deposit their money through cash officer at the cash counter.



(a) Receiving Cash:

Any people who want to deposit money will fill up the deposit slip and give the form along with the money to the cash officer over the counter. The cash officer counts the cash and compares with the figure written in the deposit slip. Then he put his signature on the slip along with the 'cash received' seal and records in the cash receive register book against A/C number. At the end of the procedure, the cash officer passes the deposit slip to the counter section for posting purpose and delivers duplicate slip to the clients.

(b) Disbursing Cash:

The drawn who wants to receive money against cheque comes to the payment counter and presents his cheque to the officer. He verifies the following information:

1. Date of the cheque
2. Signature of the A/C holder
3. Material alteration
4. Whether the cheque is crossed or not.
5. Whether the cheque is endorsed or not.
6. Whether the amount in figure and in word correspondent or not then he checks the cheque from computer for further verification.

Here the following information is checked:

1. Whether there is sufficient balance or not
2. Whether there is stop payment instruction or not
3. Whether there is any legal obstruction (Garnishee Order) or not

After checking everything, if all are in order the cash officer gives amount to the holder and records in the paid register.



The cash section of MTBL deals with all types of negotiable instruments, cash and other instruments and treated as a sensitive section of the bank. It includes the vault which is used as the store of cash instruments. The vault is insured up to Tk. 1 corer. If the cash stock goes beyond this limit, the excess cash is then transferred to Branch Office the cash officer issues IBDA. When cash is brought from MTBL Principle Branch Office.

2. Transfer:

Transfer is not a critical sector in banking but it is very important. Transfers play a vital role in banking sector. So now we have to know what transfer is basically transfer is a type of register maintaining matter. In this register officer write down every day transactions in Debit and Credit side then the officer calculate both the side of the register if both side shown same amount.

3. Clearing:

Clearing is one of the magical parts of banking.

Clearinghouse:

In Bangladesh Bank, there is a very large room, which contains fifty (50) or more tables for each bank that is called the clearing house.

Clearing House Process:

Every bank has an officer of clearinghouse who is work with Bangladesh Bank clearing house. Actually most of major client deposit their account in different kinds of bank cheques. Clearing officer check all the cheques and deposit slip very carefully and then he received the cheque. After that the clearing officer posting all the cheques in computer software which is recognized through Bangladesh bank computer department. Then clearing officer seal all the cheques in advance date after that the officer endorsement all the cheques and sign all the cheques. All the cheques are posted in the computer by branch wise, then officer print the entire document and staple all the called cheques by



branch wise this is schedule of clearing house. It is a very difficult job to staple all the cheques, because some time's the cheques are huge in quantity, it may be 250 to 400, this is very vital job because every cheque must have to staple very carefully, it means cheque amount and the print sheet amount and cheque branch must have to be same. If the cheques staple in wrong direction, the cheque may be return from another ba that's why MTBL not to be able to credited party account. Then the clearinghouse officer copying the entire document in two floppy dist as per Bangladesh Bank requirement.

Types of Clearing Cheque:

MTBL Shanir Akhra Branch performs the bill clearing function through Bangladesh Bank. MTBL Shanir Akhra Branch acts as the agent of all MTBL branches for the clearing house of the Bangladesh Bank. There are two types of cheque which are-

1. Inward clearing cheque
2. Outward clearing cheque.

1. Inward Cheques :

Inward cheques are those ones drawn the respective branch which have been presented on other banks and will be cleared / honored through the clearing house of Bangladesh Bank. Then the cheque is called inward cheque.

2. Outward Cheques:

Outward cheques are those ones drawn on other bank branches which are presented on the concerned branch for collection through clearing house of Bangladesh Bank. These cheques are called outward clearing cheques.

9. Account's Department:

Like all other Banks, in MTBL Accounts Department is regarded as the nerve Center of the bank. In banking business, transactions are done every day and



these transactions are to be recorded properly and systematically as the banks deal with the depositors' money. Any deviation in proper recording may hamper public confidence and the bank has to suffer a lot otherwise. Improper recording of transactions will lead to the mismatch in the debit side and in the credit side. To avoid these mishaps, the bank provides a separate department whose function is to check the mistakes in passing vouchers or wrong entries or fraud or forgery. This department is called as Accounts Department.

The tasks of the Accounts Department may be seen in two different angles:

1. Daily Tasks.
2. Periodical Tasks

1. Daily Tasks:

The routine daily tasks of the Accounts Departments are as follows –

1. Recording the daily transactions in the cashbook.
2. Recording the daily transactions in general and subsidiary ledgers.
3. Preparing the daily position of the branch comprising of deposit and cash.
4. Preparing the daily Statement of Affairs showing all the assets and liability of the branch as per General Ledger and Subsidiary Ledger separately.
5. Making payment of all the expenses of the Branch.
6. Recording inters branch fund transfer and providing accounting treatment in this regard.
7. Recording of the vouchers in the Voucher Register.



2. Periodical Tasks:

The routine periodical tasks performed by the department are as follows:

1. Preparing the monthly salary statements for the employees.
2. Publishing the basic data of the branch.
3. Preparing the weekly position for the branch which is sent to the Head Office to maintain Cash Reserve Requirement (C.R.R).
4. Preparing the monthly position for the branch which is sent to the Head Office to maintain Statutory Liquidity Requirement (C.R.R).
5. Preparing the weekly position for the branch comprising of the break up of sector-wise deposit, credit etc.
6. Preparing the weekly position for the branch comprising of the denomination wise statement of cash in tills.

10.Loan Product:

In the banking arena, many type of financial facilities are extended to the clients with the expectation of getting the same returned along with interest this “provided purchasing power” can be termed as loan, credit and advance. Bank can provide loan in different ways, Loan can be cash or in non-cash form

According to the Dictionary of Banking & Finance, Loan can be defined as “the lending of a sum of money by a lender to a borrower to be repaid with a certain amount of interest.”

From the above discussion, we can easily say that as a profit oriented business organization. If a bank gives its resources temporarily under certain conditions and for a specific duration, it will be called loan.



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10.1. Personal Loan

Bank now a days gives loans for his personal demand purpose according to the need of the consumers. The loan may be granted to buy costly furniture, freeze, TV, color TV, computer, lap top. While Extending such loan banks wants to be sure that the potential borrowers have regular sources of adequate income.



Characteristics of personal Loan:

1. Loan amounts from Tk. 50,000 to Tk. 10,00,000
2. Flexible repayment option of 12 - 60 months
3. No hidden charges
4. Competitive interest rate
5. Easy documentation and quick processing
6. Option for early settlement

10.2. Home Loan:



Home Loan Scheme has been introduced to facilitate people to fulfill their dream of a home of their own. It has been designed to help people to get home loans on easy terms and without any hassle. Thus banks succeed to a great extent in solving the housing problem of the urban people.

- I. Loan amount under this scheme is Tk. 5 lack to 1 crore.. Salaried executives, professionals, businessmen and govt. officials are eligible to avail this loan scheme.
- II. The loan is to be repaid by monthly equal installments including interest with in the period ranging from 3 years to 25 years depending on the size of loan.



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10.3. MTB Auto Scheme:

To own a car is everyone's dream as well as a part of today's living, which enhances standard and quality of life. Auto Loan scheme has been designed to help materialize your long cherished dream of a car of your own.



Purchase of new/ reconditioned cars is allowed under this scheme. Salaried executives, professionals, businessmen, govt. officials or self employed persons are eligible to avail this loan. Loan amount under this scheme is 80% of car value 3 Lac to Tk. 20 lac.

10.4. MTB Home Equity Loan:

MTB Home Equity loan provides a packaged financial assistance to individuals for fulfillment of your dream home. It's time to get your coveted home by MTB Home Equity Loan. Loan for house construction, extension, renovation, face up liftment, finishing work. Loan amount under this scheme 80% of the work. This loan amount upto 5 lac to 1 crore.

SME Banking:

Business entrepreneurs, NGO, institutions having capacity to repay may apply for the loan.

1. MTB Green Energy Loan: MTB Green Energy Loan is an environment friendly loan enables the prospective customers to set up renewable energy projects such as solar, biogas, wind, hydro and any other potential renewable plant. Any individual. Loan amount upto 3 crore. And interest rate 9%.
2. MTB Bhagyoboti: MTB Bhagyobati loan is only for the SMEs owned by the women entrepreneurs Loan amount up to 1 lac to 50 lac and interest rate is 10% only for female entrepreneur.
3. MTB Krishi: MTB Krishi is designed for direct lending in the agriculture sector. Only eligible farmers and agri SMEs may apply



for the loan. Crops cultivation, fisheries, livestock & poultry are the priority sector of lending.

4. MTB Mousumi: SME customers needs additional fund in some occasions, festivals and seasons. MTB Mousumi enables those SMEs which has seasonal type of business. The loan amount maximum 10 lac and time limit 1- 12 month. 1% service charge and minimum 2 years business experience.
5. MTB Revolving Loan: Any SME, manufacturing, service, trading or farming, requires working capital for smooth operation of the business. This loan product enables those SMEs to meet their working capital requirements to support their operations and future growth. Maximum loan amount 50 lac. And at least two years bank account transaction.
6. MTB Small Business Loan: With the objective of extending financial support to small businessmen, this loan scheme has been introduced. It has been designed to get business loans on easy terms and without any hassle. Only the genuine businessmen have entrepreneurship quality and honesty to run and expand their business smoothly. (a) Maximum loan under the scheme will be up to Tk. 50 lac. (b) Loan period 5 years.
7. Micro Digoon: Enables the SMEs to get loan double amount of their deposit. Security of the loan amount is 50%. Loan tenure 5 years. Loan Amount up to 5-20 lac.

Credit Risk Management is the central point for financial institution like banks through effective and efficient credit risk management overall risk of the management can be alleviated. As so each banking institution follows the



policies and rules of CRM provided by Bangladesh Bank. On the Other hand in developing economy like Bangladesh SME is contributing an important role in GDP through increasing important as well as reducing poverty to run the economic growth to a pro-poor economic growth. As a result most of the financial and non-financial institutions are involve in SME banking and concentrating more to provide better service with maintaining a better credit policy to uphold its own financial growth.

3.3 MTBL Other Service:

Credit Card

- Worldwide acceptance
Accepted at over 23 million Merchant Establishments around the world, including 110,000 Merchant Establishments in India.
- Revolving credit facility
Pay a minimum amount, which is 5% of your total bill amount or any higher amount whichever is convenient and carry forward the balance to a better financial month.
- Free Supplementary card
You can share these wonderful features with your loved ones too - we offer the facility of an add-on card for your spouse, children or parents. Allow us to offer add-on cards to you FREE OF COST with our compliments.
- Interest free credit facility
Avail of up to 45 days of interest free period from the date of purchase





Debit Card:

- Banking cum, Shopping Card

Your MTB Visa Debit card can be used as an ATM card at any VISA ATM across the world, as well as for making purchases at merchant locations.



- More Safety, More convenience

Your MTB Visa Debit card is extremely versatile and simple to use. Just Swipe & Sign to make a purchase, the way one does with a credit card. It allows you the convenience of paying for your purchases directly from your bank account, without having to carry any cash!

- Widely Accepted, Internationally Valid

Your MTB Visa debit card is accepted widely in India and around the world. It is internationally valid and very handy when you are traveling abroad. Just look out for the Visa logo at ATMs and merchant establishments

- Itemized Billing

Your MTB Visa debit card allows you to track your purchases on a regular basis



Locker Service:

MTBL Dilkusha Branch is providing facility of locker service for the purpose of safeguarding the valuable property of customers. The person or organization that has any account in bank branch can enjoy this service. They keep their valuable assets in banker's custody. Customers have right to look after with a key of their individual locker provided by bank. MTBL maintains the following types of lockers:

- *Large locker.*
- *Medium locker.*
- *Small locker.*

For enjoying this service, clients have to give charge yearly Tk.2500/-, Tk.2000/- and Tk.1500/- for large, medium and small locker respectively.

Correspondent Banking:

The objective of Mutual Trust Bank correspondent banking operations is to strengthen our existing relationships with foreign banks and financial institutions around the globe as well as exploring new relationships. In addition to that, we provide assistance in marketing the products of the correspondent banks.

At present MTB is maintaining relationships with 30 (thirty) foreign correspondents and the number is growing everyday. Currently the bank has 18 (eighteen) NOSTRO A/Cs with large foreign banks abroad. The bank is a "SWIFT" member and its Bank Identification Number or BIC is 'MTBL BDDH'.

Foreign Trade:

MTB provides a wide range of banking services to all types of commercial concerns such as Import & Export Finance and Services, Investment Advice, Foreign Remittance and other specialized services as required. Although MTBL are a private commercial Bank, It has a strong global network that helps us to undertake international trade smoothly and efficiently.

Import Business

Mutual Trust Bank supports its customers by providing facilities throughout the import process to ensure smooth running of their business. The facilities are:



- a. Import Letter of Credit
- b. Post Import Financing (LIM,LTR etc)
- c. Import collection services & Shipping Guarantees

. Export Business:

Mutual Trust Bank maintains a strong network with the Exchange Houses worldwide for ensuring better remittance services for its customers. The Bank having a network of 36 branches has established remittance arrangements with a number of exchange houses to facilitate wage earners to remit their money to Bangladesh. The following is the list of exchange houses having arrangement with Mutual Trust Bank Ltd.

3.4.E-Banking of Mutual Trust Bank LTD:

Online Banking:

Mutual Trust Bank is playing a pioneering role among its competitors in providing real time online banking facilities to its customers. Mutual Trust Bank online banking offers a customer to deposit or withdraw any sum of money from any branch anywhere. Any account holder having a checking account with the bank can avail this service.

Based on two-tier client-server architecture, the banking software works basically on central server approach providing the fastest possible access time to any client database from any branch as well as updating the transaction. The branch level server keeping the up to date transaction history of the client ensures the offline transaction ability in case of any failure in the remote communication. Using Microsoft's enterprise version of SQL Server 2000 as data reservoir, the software ensures the highest level of security at application, network, database and operating systems level ascertaining the confidentiality and security of customer's personal and account's information.

In order to ensure the safety and accessibility of mission critical data, the Central Data Center of Mutual Trust Bank is equipped with the state of the art Servers. The recently procured Dell 6600 Server, powered by 4 Xeon processors (RAID5 volume fault tolerance implemented) has been employed as the primary data reservoir of the bank. As a disaster recovery preparation, we have deployed Dell 4300 series Server as Backup server, powered by 2 Xeon processors, which ensures quick fail over of the primary server and smooth operation of online transactions.



In order to provide data communication to ensure seamless operation of online banking system, all the branches of the Mutual Trust Bank (except two rural branches) are connected with the central server at its Head Office through Radio Link of 3.5 Frame Relay network and Fiber Optics provided by the country's leading data communication service provider X-Net Limited, a joint venture company with Grameen Phone. The Bank has recently adopted V-SAT communication system to bring its rural branches under the online branch banking facilities. The V-SAT connectivity is being provided by Square Informatics Ltd.

MTB Tele Banking:

Your bank is just a call away the centralized Tele Banking service introduced in the Bank brings a world of banking convenience to the customers. Through the Tele Banking System, customers can access their Bank Accounts over the telephone on a 24X7 basis.

The facility is secure as the customer is given a unique identification number to access his bank account through the telephone. The voice response system prompts the customer to dial the digits that will help him/ her meet his requirement of placing instructions or retrieving account information. This value added service is offered absolutely free.

Registration is mandatory for Tele Banking. For registration you have to visit your bank branch. You can download the registration form.

An account holder of Mutual Trust Bank Ltd.

Facilities available at present.

- Access your account from anywhere in the world through a telephone.
- Ability to make balance inquiries without visiting the bank.
- Ability to listen to last 5 transaction detail over the phone.
- Provides a language selection being available in English and Bangla.



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SWIFT Service:

The Society for Worldwide Interbank Financial Telecommunication or S.W.I.F.T. is a worldwide community. 7,800 financial institutions in 200 countries connected to one another through SWIFT.

In their own word SWIFT "consistently delivers quantifiable business value and proven technical excellence to its members through its comprehensive messaging standards, the security, reliability and 'five nines' availability of its messaging platform and its role in advancing STP.

The guiding principles of SWIFT are clear: to offer the financial services industry a common platform of advanced technology and access to shared solutions through which each member can build its competitive edge."

Mutual Trust Bank has already become the member of SWIFT community and has started its operation from March 2004. With introduction of SWIFT, MTB ensures its customers the quickest and most secured financial transaction around the world.



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CHAPTER-IV

PERFORMANCE ANALYSIS OF MTB



4.00. Performance Analysis of MTB:

Banking is one of the indispensable service industries performing a number of roles in an economy. Such institution plays a pivotal role in capital formation and stimulates the level of industrialization, poverty alleviation and human development. Banking is an essential industry that affects the welfare of every commercial bank in a country has a tremendous affect on national economy. The performance of a commercial bank can be measured by considering following dynamics.

FINANCIAL PERFORMANCE

As of the year 2012, MTB's total assets along with subsidiaries had risen by 22.0% over 2011, reaching BDT 93.2 billion. Accompanying this quantitative growth has been an improvement in asset quality, with our careful risk management measure contributing to high quality loans and advances. The NPL ratio of the bank increased by 1.2% to 3.7%, which is still lower than that of the average country NPL. Due to the difficult economic situation, in 2012, our net income reduced by 18.9% going down to 328 million from 404 million in the previous year. A number of successful strategies were taken in the year 2012, including steady growth of our savings and lending businesses, development of more innovative and customer centric financial products.

4.1.Assets

The Bank's total assets posted a 22.0% increase in 2012, rising from BDT 76.3 billion to BDT 93.2 billion. The major contributor to this growth was the increase in Investments, which jumped by 18.0%, or from BDT 19.8 billion to BDT 23.3 billion and in loans and advances, which jumped by 20.2%, or from BDT 47.0 billion to BDT 56.5 billion. Fixed assets of the Bank also increased remarkably i.e. raised to BDT 2.4 billion from BDT 1.6 billion, an increase of 53.6%. MTB also had to increase its Cash Reserve Requirement (CRR) maintained with Bangladesh Bank and its agents in 2012. The earning assets grew at a rate of 18.2% to BDT 78.8 billion.

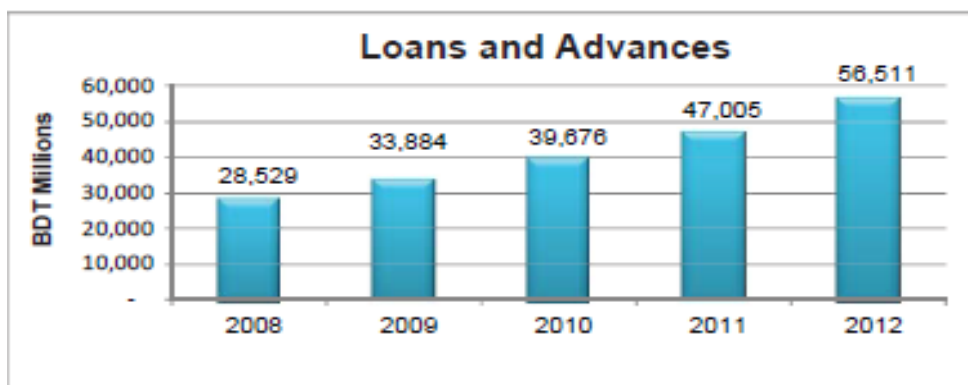


Summary of Assets in Balance Sheet:

	BDT Millions		
	2012	2011	(%) Change
Total Assets	93,162	76,331	22
Loans/ Advances	56,511	47,005	20
Investments	23,251	19,756	18
Fixed Assets	2,385	1,553	54
Other Assets	3,372	2,597	30

4.2.Loans and Advances by the Bank & Subsidiaries:

The Bank's exposure to loans and advances increased from BDT 47.0 billion to BDT 56.5 billion in 2012 registering a 20.2% growth over last year. MTB's credit portfolio is mostly comprised of corporate, consumer and SME clients. MTB is delighted to have availed funding from UBL Dubai to finance through our Offshore Banking Unit (OBU) starting from the year 2010, though it reduced in the year 2012, and stood at USD 1 million i.e. BDT 80.2 million at the year end. Overdraft against Margin loans stands at BDT 4.1 billion in 2012 from 3.5 billion in 2011 in MTB Securities Ltd. A subsidiary of MTB. At the end of year 2012, the Bank's total credit was up by 20.2% over 2011, showing an increase of BDT 9.5 billion. Despite this large growth, loans classified as "substandard and below" experienced a slight growth of 1.2%, which is being addressed carefully by the Bank. This allowed the



	BDT Millions	
	2012	2011
Total loans & advances	56,511	47,005
Non-performing loans	2,085	1,195
NPL ratio	3.69%	2.54%

Liabilities and Shareholders' Equity

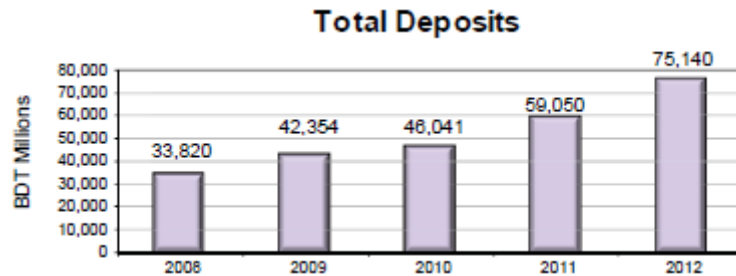


4.3.Liabilities

Total liabilities (excluding equity) stood at BDT 88.3 billion at the end of 2012, which was 23.5% more than the previous year's figure. This increase in liability is mainly due to increase in deposits from customers and borrowing from other banks, financial institutions and agents.

4.4.Deposits

Deposits, representing the largest portion of total liabilities accounts for 85.1%, showing an increase of 27.3%, or BDT 16.1 billion, to BDT 75.1 billion from BDT 59.1 billion. Over the past four years, MTB was able to almost double its deposits portfolio from BDT 33.8 billion in 2008 to BDT 75.1 billion in 2012.



4.5.Deposit Mix and Growth

The deposit mix showed significant changes during the year 2012. The proportion of high cost deposits i.e. fixed deposits increased by 29% (from BDT 35.2 billion to BDT 45.3 billion). Deposit Products had also increased by 47% to BDT 9.8 billion from BDT 6.6 billion. In addition to this, zero cost deposit had increased by 3.0% or BDT 269 million (from BDT 8.8 billion to BDT 9.1 billion).

	Amount in BDT million		Growth (%)	Mix	
	2012	2011		2012	2011
CD & Other					
Accounts	9,051	8,782	3	12%	15%
Bills Payable	1,814	602	201	2%	1%
Savings Deposits	9,224	7,840	18	12%	13%
Fixed Deposits	45,301	35,193	29	60%	60%
Other Deposit Products	9,750	6,633	47	13%	11%



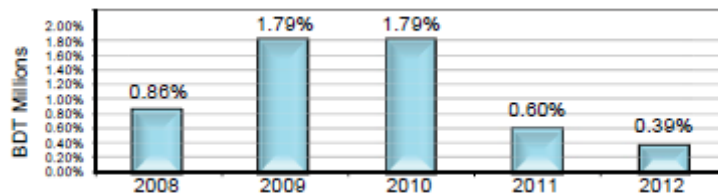
4.6.Shareholders' Equity

Shareholders' equity increased BDT 4.8 billion to BDT 4.9 billion in 2012. This rise, propelled by earnings growth, was also reflected in consolidated net income. General reserve is kept at BDT 277 million due to a policy for strengthening the reserve base for taking over any future claim for corporate tax and others. The Consolidated Earnings per Share (EPS) stood at BDT 1.29 (Face value per Share BDT 10) and Return on Average Equity (ROAE) at 6.8% during 2012. Market capitalization stood at BDT 55.7 billion as of December 2012. During 2012, the Bank declared 10% stock as final dividend.

Summary of Shareholders' Equity

	BDT Millions		
	2012	2011	(%) Change
Paid up Capital	2,543	2,543	-
Statutory Reserve	1,637	1,474	11%
Revaluation Gain	121	122	-1%
General Reserve	277	362	-23%
Retained Earnings	255	311	-18%

Return on Average Assets (ROAA)



4.7.Capital Adequacy

The Bank's Capital Adequacy Ratio (CAR) decreased by 1.3% at the end of 2012. The main reasons for decrease were the increase of risk weighted assets and decrease in profitability. In terms of capital adequacy, Tier 1 capital edged up to post 7.1% at the end of 2012. A significant positive effect was made in Tier 2 capital through subordinated debt.



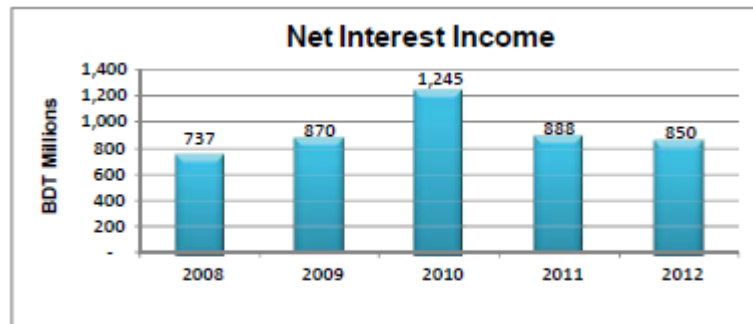
Position of Capital Adequacy Ratio:

	2012	2011	(%) Change
Required/Base Ratio	10.0%	10.0%	-
Tier 1 Ratio (%)	7.1%	8.1%	-1.0
Tier 2 Ratio (%)	3.6%	3.9%	-0.2
Maintained Ratio	10.7%	12.0%	-1.3

Earning Analysis

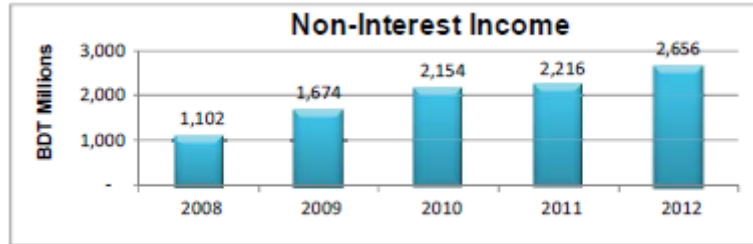
4.8.Net Interest Income

Total interest income in 2012 showed a positive growth of 29% to reach BDT 7.8 billion from BDT 6.1 billion despite numerous challenges. Interest expenses in the year were BDT 7.0 billion which increased by 34% from 2011 (BDT5.2 billion). Comparatively, the growth of interests expense is much higher than the growth of interest income, the resultant net interest margin (NIM) showed a negative growth by 4.1% in 2012 (BDT 850 million in 2012 and BDT 888 million in 2011).



4.9.Non-interest Income

In 2012, investment income, fee income from assurance/guarantee, beneficiary certificates and brokerage, credit cards and foreign exchange trading gains reached an amount of BDT 2.7 billion collectively, which was 20% higher than 2011 (BDT 2.2 billion). Investment income consists of interest earned on treasury bills & bonds and dividend received on shares.



4.10. Operating Expenses

Total operating expenses increased by 14.6%, or BDT 276 million, resulting in an amount of BDT 2.2 billion in 2012. This is because of a significant increase in people cost, rental, advertisement and other expenses, which include mainly employee training, business development, registration fees, security services for additional branches, etc. The Bank provided full provision for gratuity payment, which was BDT 46 million in 2012. Increase of fixed assets caused a 29% increase in depreciation charged during 2012. The headcount increased by 4% throughout the year mainly due to opening of new branches and expansion of business network.

	2012	2011
Operating Income per employee	2.7M	2.5M
Profit before tax per employee	0.6M	0.8M

4.11. Wholesale Banking:

In the backdrop of the macroeconomic conditions and continued challenges encountered by the banking sector globally as well as the ever-changing competitive landscape of the banking industry in Bangladesh, Wholesale Banking Division (WBD) exhibited resilient performance during the year registering 24% growth over last year. Commission and exchange earnings have also increased by 1.3%. WBD offers a range of credit and capital market products and delivers integrated financial solutions to corporate and institutional banking clients all over the country through 5 (five) major units: [i] Centralized Wholesale Banking Unit [ii] Branch-Support Wholesale Banking [iii] Syndications & Structured Finance Unit [iv] Cash Management Unit and [iv] Offshore Banking Unit.



4.12.Retail Banking:

2012 Initiatives

This year, in our continuing efforts to meet customer expectations and create the best experience by providing the widest range of products in the market, we launched some attractive new deposit products and campaigns.

MTB Shanchay

MTB Shanchay is a savings product for the “Base of the Pyramid”. It will provide access to banking facilities – enabling the management of financial needs for those in the low income group.

MTB Care

MTB Care, a unique proposition of MTB, is a savings product for children with special needs. This product assists special needs children in opening and maintaining accounts at a lower cost compared to other savings products. MTB is committed to helping special needs children have access to banking services.

Customer Meet Program for Branches

This year, we held 10 Customer Meet Programs across our branches, which elicited valuable feedback from existing customers and expectations of potential customers. A good number of initiatives have been implemented based on suggestions and feedback from these meetings.

Student Banking Campaign

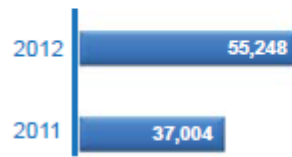
A Student Banking Campaign was launched across various universities to assist students and guardians to open student accounts.

4.13.Cards Business

Our debit card business has grown 49% from last year (2011). Contributing to this growth has been the introduction of the Classic card, Gold card, Dual Currency card, e-statements and card cheque facilities. Our 2012 Credit card outstanding portfolio is BDT 171.8 million, a growth of 200% from the year before, aided by our new dedicated cards sales team (which began in March 2012). We have continued our deployment of Point of Sale (POS) terminals at different renowned merchants, installing more than 850 this year.



Number of Debit Cards

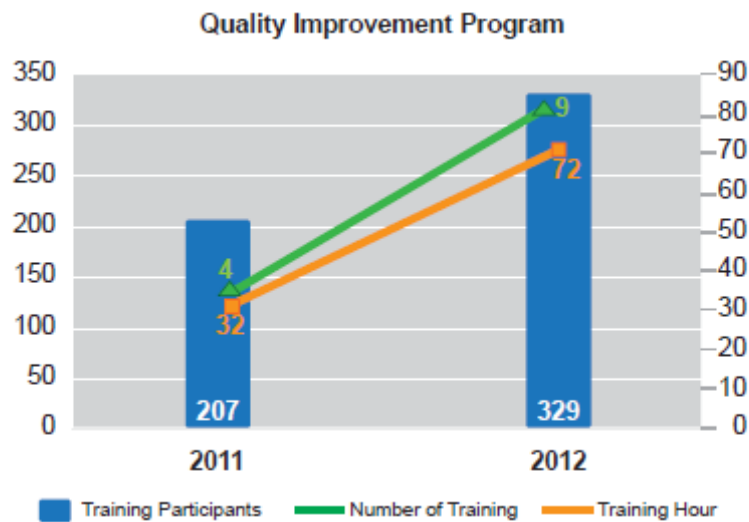


Credit Card Outstanding (in million)



4.14. Service Quality

With the guidelines of MTB Winning, an etiquette and service excellence guideline for employees, our Service Quality (SQ) Department is meeting the commitments and standards for the services that MTB promises.



4.15. INTERNATIONAL TRADE:

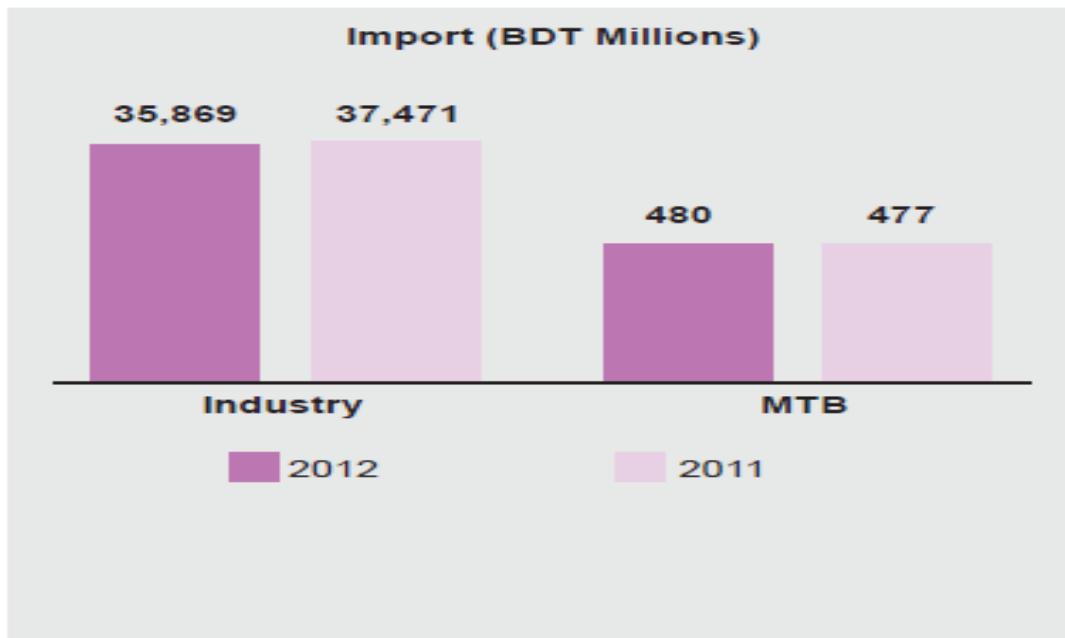
The International Chamber of Commerce's (ICC) "Rethinking Trade and Finance" survey revealed "While 2011 opened with positive growth prospects for world exports and imports, with both projected to recover their pre-crisis volume level by December 2010, a series of global shocks the Arab Spring disruptions, the earthquake in Japan and the debt crises in the euro-zone and the US resulted in



uneven performance throughout 2011 and is dampening what had looked like a robust recovery. As a result, the outlook for 2012 is expected to have a negative carry-over, with annual trade growth forecast at 5.2% for 2012 and 7.2% in 2013.” Total national growth in LC opening, during the 2011-2012 fiscal year, showed a negative growth by 4.0% against a positive 34.0% growth in the previous fiscal year. This negative growth continued to 10.9% at the end of July-September quarter of this year. Total national export stood at USD 24.3 billion in current fiscal year against USD 22.9 billion of the previous fiscal year, a growth of 5.9%. But, this growth stood at 3.1% at the end of July-September quarter of this year.

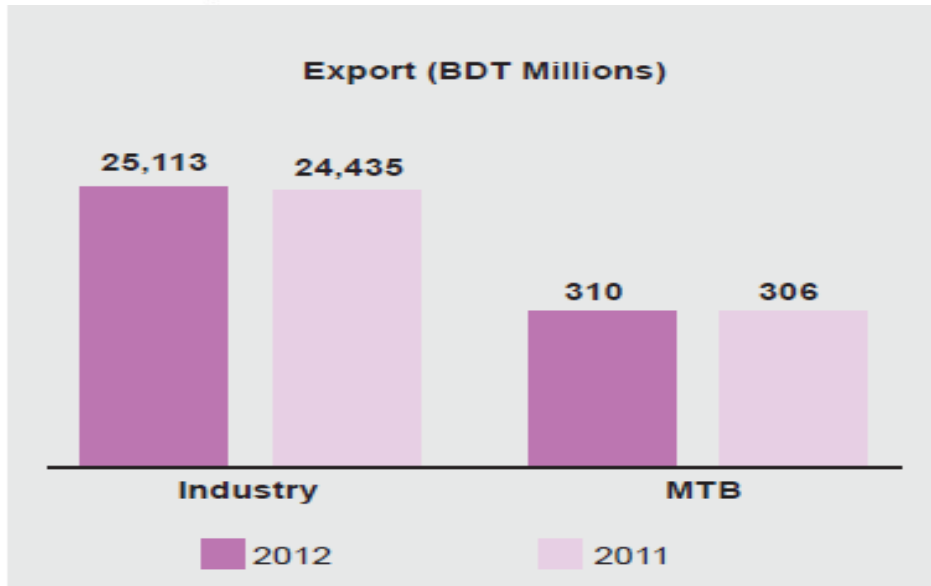
4.16.Import

Import volume of MTB during the year 2012 was USD 479.6 million (up to Dec 12) compared to USD 476.8 million in 2011 (up to Dec 11), which showed a slight growth by 0.6%. The major import areas were raw materials, fabrics and accessories, chemicals, electronic goods and other consumer products, capital machinery, medical equipments and food grains (vegetable oil, pulse, rice, sugar etc.).



4.17.Export

During 2012, total export volume of MTB stood at USD 310.1 million (up to Dec 12) compared to USD 306.2 million in 2011. This reflects a slight increase in growth by 1.3%. The bank has given emphasis on export of traditional items like jute, jute goods, raw jute, leather and ready-made garments.



4.18. INFORMATION TECHNOLOGY SERVICES:

Expansion in ATM & POS Network

Since our first ATM was installed in 2011, we now have 150 ATMs across the country, making us one of the top five ATM service providing banks in the country. We are constantly working on expanding our ATM network to increase our reach. Currently, approximately 75% of cash withdrawals of our card holders take place through MTB's own ATMs while 25% is through the VISA network. In 2012, we added nearly 100 ATMs to the network. In March 2012, we completed the VISA certification process successfully for acquiring the cards of other VISA members and have started accepting VISA cards of other banks in our ATM network. This has facilitated enhanced access to other banks' VISA customers and increased fee income. Our POS network launched in July 2011, now stands at over 1,000 POS machines.

MTB Smart Banking (Kiosk)

MTB has installed five kiosks in prime locations around the country. Our interactive MTB kiosks provide ATMs, cash/ cheque deposit machines, access to internet banking, and a kiosk attendee to provide assistance and preliminary banking services.



Internet Banking

A substantial expansion in the customer base was experienced through the enhancements to our internet banking services, now re-branded as 'MTB Internet Banking'. The state-of-the-art software, built in-house, enabled us to overcome the hurdles to the single customer identification number and improved access security. 'MTB Internet Banking' is one of the best internet banking suits within the local banking industry.

SMS Alerts

'SMS Alerts', one of the most valued fraud detection services offered to our customers, was enhanced this year, by offering customers the alerts to all transactions in addition to ATM and POS transactions.

Automated Clearing House Operations

By installing Magnetic Ink Character Recognition(MICR) Cheque scanning machines in 67 branches in 2012, we have ensured that all our MTB branches can have clearing cheques scanned at their own premises, thereby reducing the lead time – enabling same day clearing, ensuring customer satisfaction. New branches were opened with cheque scanning facilities from day one.

Electronic Fund Transfer Network

Transactions through the Bangladesh Electronic Fund Transfer Network (BEFTN), the electronic fund transfer gateway introduced by Bangladesh Bank late in 2011, increased in 2012. A growing number of customers enjoy the ability to transfer funds electronically through the central bank without sending physical instruments. At MTB, we have been using the EFT to process remittances to all banks and many remote locations, with a 95% success rate of same-day transfers. We also used the EFT to process a large number of dividend warrants to other banks, ensuring quick dividend proceeds to beneficiaries.



VMware Server

VMware virtualization helps reduce capital expenses through server consolidation and improve operating expenses through automation, while minimizing lost revenue by reducing both planned and unplanned downtime. MTB uses the full server resources of server systems by deploying VMware applications.

MTB Corporate Intranet

The internal web portal popularly known as Corporate Intranet or iMail, was enhanced with new features including daily performance dashboards and live account opening meters (which has renewed staff enthusiasm and acts as an incentive). The HR management system was enhanced with the introduction of Online Leave Application and Approval System, Training Management System and Performance Management System (PMS). The introduction of an online requisition system has brought about an end to paper based requisitions in the bank.

Participation in National Payment Switch Bangladesh(NPSB)

MTB has begun the process to join the NPSB, which will connect all switches in banks, mobile operators and internet banking solutions enabling inter-bank payment instructions to be sent via the NPSB for clearing and settlement. This will create a common platform for debit/credit/prepaid cards, internet and mobile based payments in the country for all the banks and financial institutes. E-commerce will spread and transaction costs will go down.

Outlook for 2013

Our technology platform is poised to scale up financial inclusion across the nation. Achieving business volume growth by improving customer convenience, attention to data security and bringing in cost efficiencies across our operations would be our key strategies in 2013.

4.19..MTB Treasury Service:

MTB has a dedicated Treasury team. Our aim to deliver the widest range of services customized to our client requirement. Our focus is to be the risk solution provider of choice and the premier market maker in the country.



- a) **Money Market:** Money markets refer to raising and deploying short-term resources, with maturity of funds generally not exceeding one year. MTB money market is one of the most active and efficient desk in the interbank market of the country. The money market is sub-divided into Call Money, Term Money Market, SWAP, Repo & Reverse Repo etc.
- b) **DIBOR:** Interbank market is considered to be a risk free market, though in reality, the banks do carry counterparty risk. However, for practical purposes, interbank market carries lowest risk, not only to sovereign risk; hence the interest rates prevailing in interbank market constitute "benchmark" rates. The call money rate as indicated by the overnight Dhaka Interbank Offered Rate is most widely accepted benchmark rate for corporate debt paper, as also for bank credit extended on floating rate basis
- c) **Foreign Exchange:** Our dynamic Corporate and institutional marketing teams provide up to date market intelligence, advice and timely execution of deals of our customers throughout the trading day. Including the following: Spot Foreign Exchange, Forward Foreign Exchange, Fx SWAP, Competitive Forex Rates for Remittances, Export and Import, Market outlook etc.
- d) **Primary Dealer:** Primary dealer system is an agreement between two major stakeholders in the domestic government debt market. The central bank has given approval to Mutual Trust Bank Limited as primary dealer (PD) aiming to boost the country's secondary securities market.



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- To be a market leader in the primary dealership market and establishing a unique brand in the secondary securities market.
- To help enhance the liquidity and depth in the securities market through selling government securities and establishing new trading relationship with other parties.
- To develop secondary market by popularizing government securities to individuals and institutions
- To help Bangladesh Bank in achieving their strategic monetary targets

4.20. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is embedded within the ethos of Mutual Trust Bank Ltd (MTB). We believe that to be a good corporate citizen, we not only have to perform well, but do it in way that is beneficial to the society as a whole. The initiatives undertaken in 2012 focused on education, especially for women and children; vocational training, skill development for the underprivileged and disabled to allow them a chance for a sustainable living and promotion of arts and culture in the country. Additionally, we provided support to distressed people especially during winter. Many of these initiatives were new projects which began in 2012, and based on the success of the program, will continue in 2013. Contributing to the success of all these initiatives was the active participation by all the employees of MTB.



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Chapter -5 & 6

FINDINGS & RECOMMENDATIONS & CONCLUSION



5. SWOT ANALYSIS OF MTB;

SWOT analysis is an important tool for evaluating the company's strengths, weaknesses, and opportunities. It helps the organization to identify, evaluate its performance, and scan the macro environment, which in turn would help the organization to navigate in the turbulent ocean of competition.

Following is given the SWOT analysis of MTB.

5.1 Strengths:

Top Management:

The top management of the bank, the key strengths for MTB has contributed heavily towards the growth and development of the bank. The top management officials are enough capable to manage their work so they have a good idea about the current situation.

Company Reputation:

MTB has created a good reputation in the banking industry of the country. Their main customers are many respective organizations and respective persons also. The popularity of this bank is increasing day by day.

Modern Facility and computer:

From the very beginning MTB tries to furnish their work surrounding with modern equipment and facilities. For speed service to the customer, MTB had installed money counting machines in the teller counter. The bank has computerized banking operations under software called PC banking. Moreover, computer printer statements are available for internal use and occasionally for the customer. MTB is equipped with telex and fax facilities.

Stirring Branches:

The company operates through its Head Office at Dhaka and 86 branches .The company/Bank carries out international business through a Global Network of Foreign Correspondent Banks.

Interactive Corporate Culture:

The corporate culture of MTB is very much interactive compare to other local organization. This interactive environment encourages the employees to work alternatively. Since the banking job is very much routine work oriented and lovely environment boots up the work capability of the employees.

5.2.Weaknesses:

Limitation Of Information System:

Engaged in account opening and closing task , FLORA Bank software is used to operate the account information. Following is the job description and some important discussion regarding this software. Some time net too much slow that hamper the work.

Hierarchy problem:

The hierarchy problem treated as a weakness for MTB ,because the employee will not stay for a long . So there will be a chance of brain from this bank to other bank.



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Advertisement problem:

There is another weakness for MTB is advertisement .Their media coverage is so much low that people do not know the bank thoroughly.

5.3. Opportunities:

Diversification:

MTB pursue diversification strategy in expanding its current line of business. They do serve not only the organization but also individual person.

Business Banking:

The investment Potential of Bangladesh is foreign investment. So MTB has opportunity to expand in business banking.

Credit Card:

There is an opportunity to launch Credit Card in Bangladesh by MTB. Beside this , MTB can acquire service for cards like VISA, MASTER CARD, etc. so that they can enhance market based card service.

5.44. Threats:

Contemporary Bank:

The contemporary Bank of MTB like : Dhaka Bank Ltd, Brace Bank Ltd is major rivals. They are carrying out aggressive campaign o attract lucrative clients as well as big time depositors.MTB should remain vigilant about the steps taken by these banks, as these will in turn affect MTB strategies.



Multinational Bank:

The rapid expansion of multinational bank poses a potential threat to new FLORA bank. Due to the booming energy sector, more foreign banks are expected to operate in Bangladesh. Moreover, the existing foreign Banks such as HSBC, AMEX, CITI N.A and STANDARD CHARTERED are now pursuing an aggressive branch expansion strategy. Since the foreign banks have tremendous financial strength, it will pose a threat to a certain extent in terms of robbing the lucrative clients.

6.1.Recommendation:

MUTUAL TRUST BANK is one of the most flourishing Banks of Bangladesh with wide growth opportunities in the industry. The survey on the customers of MUTUAL TRUST BANK was conducted with an aim of improving the overall customer satisfaction at MUTUAL TRUST BANK. The research gave valuable insights as to where improvements were necessary to improve the quality of service.

Based on the above results, it can be said that MUTUAL TRUST should reconsider its service strategies in Bangladesh and design products and services that better satisfy customer needs and requirements. Bank should be more tactful in dealing with the customers and launch new products that fully meet customer expectations.

The following point can be recommended on the findings of survey:

- The bank should introduce more products based on the market demand.
- The bank should reduce their minimum balance to attract more customers.



- The salary of the worker need to be rise, as a result experienced people from other bank will be attract to join Mutual Trust Bank Limited.
- Mutual Trust Limited should offer international credit card, because in modern world the use of increasing paper currencies is decreasing.
- The bank can open more branches to reach to more customers.
- The bank can open branches or foreign booth because many people send money from abroad every year to Bangladesh.
- The bank should finance to the consumer goods, because many people in the country wants to buy consumer goods from bank loan.
- The marketing department of the bank should more efficient to reach at the heart of the customer.
- The bank should be more profit concern as well as took part to the economics development of the country.
- The departments of the bank should more efficient to make profit by satisfying customers.
- The bank should use printed instruments like cheque, pay orders etc.
- Being a clear transparent the bank can provide the best support to the customer as earn profit.
- The bank should solve the problems regarding ATM card because it causes an embarrassing situation for the employee in front of customers.
- Mutual Trust Bank should appoint new employees so that the problem of shortage of employees like Bashundhara Branch will be removed and also the new comers will get the chance to serve very effectively.
- MTBL should arrange a lot of training schedules, seminars and workshops for its existing employees to make them more effective and efficient.

- Mutual Trust Bank should make connect with other money exchange like western union, UK exchange to get more foreign remittance through them.

6.2. CONCLUSIONS:

As an organization the Mutual Trust Bank Limited has earned the reputation of top banking operation in Bangladesh. The organization is much more structured compared to any other bank operating local or foreign in Bangladesh. It is relentless in pursuit of business innovation and improvement. It has a reputation as a partner of consumer growth.

With a bulk of qualified and experienced human resource, Mutual Trust Bank Limited can exploit any opportunity in the banking sector. It is pioneer in introducing many new products and services in the banking sector of the country. Moreover, in the overall-banking sector, it is unmatched with any other banks because of its wide spread branch networking thought the country.

This report tries to figure out most of the indicators of problems and strengths of Mutual Trust Bank Limited as a valid pretender in the competitive banking sector of Bangladesh. A severe cut throat competition is going on currently in this sector and that's why Mutual Trust Bank Limited has to work out with different dimensions like – product diversification, market forecasting, proactive activities undertaken by Mutual Trust Bank Limited and some suggestion to get rid of the predicaments that exist.



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