Internship Report

On

"Deposit Mobilization of Mercantile Bank Limited PLC"

By

Intesar Kabir Vaskor

ID: 21264018

An internship report submitted to the BRAC Business School in partial
fulfilment of the requirements for the degree of
Master of Business Administration (MBA)

Masters of Business Administration

BRAC University

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Declaration

I am hereby placing on record my conclusion as follows:

- My internship report is my writing, prepared at Mercantile Bank Limited PLC during my studies at BRAC University.
- No material from other sources was used in the report except what is acknowledged by proper referencing.
- No part of this report is the same as anything accepted or submitted toward another degree or diploma at another university or institution.
- All significant references and assistance sources are mentioned, and the appropriate permissions are on file.

Student's Full Name & Signature:

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Intesar Kabir Vaskor

Supervisor's Full Name & Signature:

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Ekramul Islam, PhD

Assistant Professor, BRAC Business School

BRAC University

Letter of Transmittal

Ekramul Islam, PhD

Assistant Professor

BRAC Business School

BRAC University

Kha 224, Bir Uttam Rafiqul Islam Ave, Dhaka 1212

Subject: Submission of Internship Report

Dear Sir,

I am happy to hand in this internship report on "Deposit Mobilization of Mercantile Bank Limited PLC" as the last part of my internship at Mercantile Bank Limited PLC. The report presents the work I did and the things I learned while working for the bank's deposit sections and marketing efforts.

My internship allowed me to apply the theories I learnt at BRAC University to banking operations. This report analyzes how Mercantile Bank used deposit-collecting activities, processes, and marketing techniques to help achieve its deposit goals.

I want to say thank you for everything you did to help me during this internship. Your comments and what you learned during the internship greatly helped determine the structure and content of this report.

Don't hesitate to ask if you'd like more information.

Thank you for your time and consideration.

Sincerely yours,

Intesar Kabir Vaskor

Id No: 21264018

BRAC Business School

Acknowledgment

I am grateful to everyone who aided and guided me at Mercantile Bank Limited PLC and during the preparation of this report.

At the outset, I want to thank Dr. Ekramul Islam, an Assistant Professor at BRAC Business School, for helping me, supporting me, and providing feedback throughout this internship. Thanks to him, I now understand more about banking and how marketing can support deposit gathering.

I am thankful to Lutfun Nahar, First Vice President and Manager of Operations at Mercantile Bank, who taught me and encouraged me about deposit mobilization and marketing practices. Because of their valuable support, I gained a lot from my internship.

In addition, I would like to thank everyone at Mercantile Bank Limited PLC for making our workplace friendly and team-oriented and for helping me learn and contribute properly.

I want to thank my family and friends for always encouraging me and allowing me to get through this process.

I'm grateful to everyone who helped me in this learning process.

Executive Summary

This report concentrates on Mercantile Bank Limited PLC's deposit mobilization, which is essential for the bank's growth. The report will analyze the bank's moves to attract and retain its depositors and its methods for marketing these services. The insights from my Mercantile Bank internship were used to make this report, which outlines key strategies and main obstacles for the bank in the competition.

The report initially introduces Mercantile Bank's mission, vision, and intended strategies, highlighting how these add value to their trimmed moods on deposit collection. Next, the report examines how the bank markets itself to increase its number of depositors by mentioning the bank's targets, positioning, and methods of announcing messages and promotions. The report also emphasizes the way the bank is run and the role of digital tools in offering greater convenience to customers and supporting increased deposit growth.

In addition, a SWOT analysis and Porter's Five Forces analysis examine the factors inside and outside the bank that shape its deposit mobilization strategy. Moreover, at the end of the report, strategies are offered for strengthening savings growth, involving increasing digital banking services and engaging special customer groups.

It covers how Mercantile Bank plans its activities, executes them, and overcomes challenges related to deposit collection. The report also suggests ways for improvement in these areas in the future.

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Name: Intesar Kabir Vaskor

ID: 21264018

Program: MBA

Major: Marketing

1.2 Internship Information

1.2.1 Period

November 1, 2024 to February 1, 2025

Company Name: Mercantile Bank PLC

Department: General Banking

Address: 151/6 Green Rd, Dhaka 1205

1.2.2 Internship Company Supervisor Information

Name: Lutfun Nahar, First Vice President & Manager Operations

1.2.3 Job Scope

Job Description

- **General Banking Department:** Collecting information, gaining knowledge on all sorts of products of the banks, documenting them, deal with clients, inputting various information on Excel sheets, opening new accounts, help clients fill up information, updating forms.
- **Card Division:** Inform clients on various types of cards and cheque book status, increase limit if needed, hear complaints and give proper solutions as par bank standards, send messages, emails and lastly inform them to pick new cards and cheque book.
- **Credit Department:** Work with vouchers and writing and updating registers.
- **Foreign Exchange Department:** Record all the imported products issue date, expiry date and dollar or euro amount.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

As a Marketing Intern at Mercantile Bank PLC, I contribute to the company by assisting in the promotion and mobilization of deposit products. My role in market research helps the bank stay updated on competitor offerings, customer preferences, and emerging market demands, allowing the marketing team to tailor strategies that resonate with target audiences. By analyzing customer data, I assist in identifying key segments—such as individuals, businesses, and non-resident Bangladeshis (NRBs)—for effective deposit mobilization campaigns.

I develop interesting information for the bank's websites and social media channels to help people see the key benefits of the bank's deposit accounts. Participating in events, webinars, and online activity efforts attracts attention from the public and encourages more people to become depositors. I check how each campaign performs and give helpful information on essential metrics such as new money coming in, average customer retention, and how many people are interacting with the campaign.

I help bank branches give their staff the right marketing tools to promote deposit products. By talking with clients, I provide them with the most recent updates on new deposit offers and promotions. To this end, I aid the company in its effort to attract more deposits and improve customers' feelings about the bank.

1.3.2 Benefits to the Student

Interning at Mercantile Bank Limited PLC as a Marketing Intern has enormously improved my professional skills. Carrying out the Deposit Mobilization campaign has helped me explore market trends, locate the ideal customers, and improve our marketing approaches to boost deposit numbers. Analyzing data and grouping customers has made me better understand market trends and develop practical research skills.

Creating marketing content has helped me communicate more effectively with several audiences so that the bank's deposit products are easy for them to understand and find attractive. I also learned how to manage social networks, create emails to customers, and interact with new clients, which has helped me grow in digital marketing.

In addition, my work organizing promotional events and webinars has helped me learn how to organize and execute campaigns that increase our customers' involvement. Working with different parts of the company, including the branches and marketing, has improved how I interact with others on my team.

In general, the internship helped me understand the marketing practices in banking so that I could apply what I learned in my studies to real situations and improve my chances of finding work in marketing.

1.3.3 Problems faced during the Internship Period

As a Marketing Intern at Mercantile Bank Limited PLC, I dealt with challenges that taught me important lessons. One of the biggest problems for me was managing strict deadlines. Managing more than one project and several deadlines at a time often made it tough to manage everything I was responsible for in marketing. Because of this, I needed to get better at organizing my time and focusing on what was most important.

Figuring out complex banking products was another difficult task for me. Although I understood marketing theory, it took me longer than expected to become fluent in all the available deposit products. Explaining these products well in marketing or when answering questions involved understanding their features and how they help customers.

Teamwork among different teams sometimes brought some challenges. Managing communications among the marketing team, the branches, and other departments played a big role in success, but sometimes there were delays and misunderstandings. My work included building relationships between departments and ensuring my messages were understood.

I learned a lot about overcoming barriers through helpful communication, organized time management, and frequent feedback. This process has given me the skills I need for upcoming roles in marketing.

1.3.4 Recommendations on Future Internships

- ✓ Thorough Training: Explain all the bank’s offerings, roles, and marketing strategies to the interns so that they quickly learn the bank’s workings.
- ✓ Match interns with mentors who provide guidance and career advice and help with their development.
- ✓ Assign specific and essential marketing campaigns and deposit mobilization projects so that students can try the content in practice.
- ✓ Make sure to give interns feedback and evaluate their work often, which will help them advance throughout the program.

- ✓ Interns should be involved with several departments to learn about all the different areas of the bank.
- ✓ Programs are planned where Interns learn by attending workshops, networking events and webinars alongside senior professionals.

Chapter 2
Organization Part

2.1 History of Mercantile Bank PLC

On March 2, 1999, Mercantile Bank Limited, a significant commercial bank in Bangladesh, started providing effective banking services not only to people but also to companies. Starting as a private-sector bank, it was built by businessmen and entrepreneurs who hoped to develop a prosperous and sound financial institution that would shape Bangladesh's economy.

Under the Bank Companies Act of 1991, the Bangladesh Bank, the country's central bank, set up the bank and gave it its banking license. In just a short time, Mercantile Bank built a positive image by prioritizing customers, releasing new financial services, and working to install the latest banking technology. With growth over the years, it has improved its services and attracted many customers, positioning itself as a top private-sector bank in Croatia.

Right from the start, Mercantile Bank spread its operations all over Bangladesh. It grew by setting up locations in Dhaka, Chittagong, and Sylhet and supporting various banking activities for individuals, companies, and small enterprises. The bank permanently launched new products and facilities for retail, corporate, and trade banking to answer the increasing demands.

In 2005, Mercantile Bank started trading by issuing shares through a public offering of capital. The bank's IPO drew positive attention, and its shares started trading on the DSE and CSE, which was a first for the company. Going public on the stock exchanges meant that Mercantile Bank could use the capital markets to help it lend more and grow larger.

As the years passed, the bank improved its financial stability, added more products for customers, and boosted its technology. ATMs, mobile banking, and Internet banking were provided to make banking easier and more available for the bank's consumers. When the bank started using new banking technology, its service and customer experience improved, and it gained more customers, too.

2.2.1 Mission of Mercantile Bank PLC

Mercantile Bank PLC's mission is to provide innovative and comprehensive financial solutions that deliver value to its customers, shareholders, and the community. The bank is committed to maintaining high standards of professionalism, transparency, and trust while offering a range of banking services that cater to both individuals and businesses. Through continuous investment in technology and staff development, Mercantile Bank aims to ensure customer satisfaction, sustainable growth, and contribute to the overall economic development of Bangladesh.

2.2.2 Vision of Mercantile Bank PLC

The vision of Mercantile Bank PLC is to become a leading private sector commercial bank in Bangladesh, recognized for its superior customer service, innovative banking products, and a strong commitment to corporate social responsibility. The bank envisions being a significant player in enhancing financial inclusion, economic stability, and driving sustainable growth for its stakeholders.

2.2.3 Strategic Objectives of Mercantile Bank PLC

- **Enhancing Customer-Centric Services**:

To provide innovative and customer-focused banking solutions by constantly improving the quality of service and expanding the range of products available.

- **Achieving Sustainable Growth**:

To expand the bank's market share by increasing its deposits, loans, and assets while maintaining a strong financial position.

- **Embracing Technological Advancements**:

To lead in digital transformation by investing in state-of-the-art banking technologies, such as mobile banking, online services, and AI-driven solutions.

- **Strengthening Risk Management**:

To implement robust risk management practices, ensuring the safety of assets, minimizing financial risks, and ensuring compliance with regulatory requirements.

- **Promoting Financial Inclusion**:

To support the growth of underserved communities and small businesses by offering affordable financial services and products, contributing to broader social and economic development.

- **Commitment to Corporate Social Responsibility (CSR)**:

To be socially responsible by focusing on initiatives related to education, healthcare, environmental sustainability, and supporting the overall well-being of the community.

2.2.3 Commitment to CSR and Sustainability of Mercantile Bank PLC

Mercantile Bank has always understood its corporate social responsibility (CSR) role. Year after year, the company has worked towards sustainable development while helping with social issues. For years, the bank has participated in programs to help the community with education, healthcare, and the environment. Many of its programs are designed to increase the well-being of underprivileged people.

Besides, the bank tries to protect the environment by using earth-friendly technologies and pushing for more online banking.

2.2.4 Innovations and Technological Advancements

Mercantile Bank has always responded to changes in the banking industry. The banking software and technologies it has introduced have made operations smoother, improved efficiency, and kept all transactions secure. The bank has always worked on expanding its digital banking offerings to meet the needs of its digital customers.

The bank has been expanding digital banking recently by offering mobile and internet banking services to customers. With these methods, customers can quickly move money between accounts, settle their bills, and check their account balances at any time from any suitable place.

2.2.5 Current Position and Future Outlook

Mercantile Bank PLC operates in almost all parts of Bangladesh through its network of more than 150 branches. The bank is recognized for its effective management, focus on including all customers and commitment to finding new banking ideas. You can use a bank for retail, corporate, trade, or investment services and get Islamic banking or SME financing.

Mercantile Bank PLC plans to increase its reach, improve its technology, and continue improving its customer service. Because it keeps up with new trends and inventive approaches, the Mercantile Bank is well-placed to impact Bangladesh’s economic development significantly.

2.3 Management Practices

Mercantile Bank Limited PLC leads with a democratic style, where everyone works together, collaborates and participates in making choices. Because of this, employees at any level can share their ideas, and all team members feel valued and empowered. A democratic approach helps employees feel responsible and interested in the business, which is key to building on the bank's deposit activities and improving customer service.

When mobilizing deposits, Mercantile Bank's approach is constructed around its democratic leadership style. The bank values employee ideas from many departments when designing deposit products that serve various needs. Meetings, group ideas sessions, and discussions help all employees give their views on the direction of deposit services. As a result, the bank can design specific deposit products for individual and business customers, as well as foreign Bangladeshis living abroad.

Mercantile Bank invests in training and development for its staff so that all employees have what is necessary to assist customers and promote deposit services. Enrolling in continuous training provides employees with knowledge of the bank's plans to grow deposits to contribute to its success by following the company's vision.

Besides, the bank's management supports open dialogues between staff and leadership, making sure that all decisions are clear to everyone. This helps build trusting relationships and motivates employees, which is key to reaching the bank's deposit growth objectives.

The bank's democratic leadership encourages a joint work atmosphere, which is essential for successful deposit gathering and steady growth.

2.4 Marketing Practices

Mercantile Bank Limited has practised thorough marketing strategies to assemble more deposits to succeed and maintain a performance lead in the Bangladesh banking sector. These activities play a big role in bringing new people in, keeping returning customers loyal and choosing the bank for financial needs. Check out some of the marketing techniques the bank uses below.

Marketing Strategy

Mercantile Bank creates its marketing plan with the main focus on what its customer segments require. The bank works to please its customers by providing a variety of deposit services that offer flexible terms, fair rates, and an easy banking experience. The approach also stresses digital banking, using mobile apps, and personal services, all of which are vital to today’s tech-driven and quick-service market.

Target Customer

The bank serves personal account holders as well as small, medium, and large businesses. Retail and specialized markets for Non-Resident Bangladeshis (NRBs) are essential on an individual customer level. The company develops personalized services for companies’ cash management, payroll, and various corporate banking purposes. Considering the unique sectors, Mercantile Bank has increased its base of customers and generated more deposits.

Targeting & Positioning Strategy

Mercantile Bank uses a focused approach, supplying products to people from various market segments. It wants to be seen as a reliable bank where customers find customary and modern banking services. Positioning aims to ensure banking is safe and open and uses technology to make customers feel comfortable. Also, the bank makes it easy for customers to earn competitive interest, use attractive bonuses and access their accounts using its digital tools.

Marketing Channels

To serve its varied customers, Mercantile Bank uses different marketing strategies. Besides visiting branches and buying in person, customers can also use mobile banking and bank online. Since customers can easily deposit, make transactions, and interact with the bank online, digital banking platforms are the main focus of the bank's marketing plan. It is important for the bank to integrate social media, online advertising, and content marketing on its website so customers stay involved and recognize the bank.

Product/New Product Development

The bank continually tries to stay ahead by introducing new offerings that help meet its customers' needs. By creating various deposit products, the bank can match different customer preferences, such as regular or fixed income. Assistance from diasporas has grown with the availability of NRB products, and increasing interest on long deposits has made Bangladeshi banks attract more deposits.

In addition, the bank offers Sharia-compliant deposit products to customers who want Islamic banking services. This strategy allows the bank to serve regular and Islamic banking customers.

Competitive Practices

Amid tough banking competition, Mercantile Bank tries various methods to differentiate itself. Customer service is focused on meeting high standards, so the company provides training to help staff address customer problems quickly and correctly. Moreover, the bank introduces new financial products using competitive terms and rates. Because Mercantile Bank provides individual service, customers stay loyal and satisfied with the bank.

The bank is also dedicated to making its systems faster and simpler for customers. Among these are automating tasks, lowering the time it takes to deliver services and improving digital banking options for tech-friendly customers.

Advertising and Promotion Strategies

Mercantile Bank advertises its deposit services through TV, radio and online marketing. TV, newspapers, and radio ads are ways to tell many people what the bank has to offer. Furthermore, the bank uses Facebook, Instagram and LinkedIn to interact with clients who prefer social media. People use them to showcase products, record customer reviews and supply helpful information on saving and financial planning.

The bank likes to offer special interest rates or benefits that match essential dates such as Eid or New Year, encouraging more people to start new savings accounts. These programs are meant to boost customer engagement and motivate customers to send their friends.

2.5 Financial Performance

Mercantile Bank Limited PLC's financial performance has steadily increased, mainly in the deposit mobilization department. The bank's proper handling of its assets, liabilities, and capital has developed a substantial market presence and assures long-term growth.

The bank's assets and deposits have regularly risen, showing that it can draw deposits from individuals and firms. Interest income from loans and investments in government securities has strongly contributed to this. The bank is showing strong results by using its assets and equity well due to high profitability ratios, while its capital adequacy ratio is maintained above minimum levels.

With a proper liquid assets ratio and loan-to-deposit ratio, Mercantile Bank can meet short-term needs and help deposit mobilization efforts. The bank's low cost-to-income ratio shows reasonable spending control supporting its substantial profits.

The firm's ongoing financial growth over the last five years (2020-2024) shows that Mercantile Bank Limited PLC has strong deposit-gathering strategies and a strong market presence. Below is a summary of key financial ratios during this period:

Financial Ratio	2020	2021	2022	2023	2024
Return on Assets (ROA)	0.69%	0.73%	1.03%	0.52%	0.74%
Return on Equity (ROE)	10.33%	15.25%	9.34%	7.89%	11.10%
Capital Adequacy Ratio (CAR)	14.5%	14.1%	13.2%	13.5%	13.8%
Loan-to-Deposit Ratio	78.4%	75.2%	68.5%	70.1%	72.3%
Cost-to-Income Ratio	38.6%	39.5%	41.2%	42.5%	40.0%

Because of these ratios, Mercantile Bank ensures it maintains profits, enough capital, and an effective way of working, which are necessary for building and sustaining customer deposits.

2.6 Operation Management and Information System Practices and Supply Chain Management (SCM)

Mercantile Bank Limited PLC has adopted strong operations management procedures to ensure better results and a streamlined system and boost customer happiness. It aims to automate its processes, make fewer manual mistakes and thus reduce delays. Thanks to this, Mercantile Bank provides services more quickly and keeps all branches consistent. Also, having the same standards ensures all customers get dependable, quality services wherever they are. Using digital channels and automated technology shows the bank aims to reduce spending and work faster. Because of this, employee development is valued so that all staff members are confident and competent in helping customers.

The bank's information system practices feature a complete CBS, ensuring all customer transactions and updates are carried out instantly across all branches. As a result of the system, customers have easy access to all banking services, which increases the bank's efficiency. Digital transformation is shown by the bank's easy access to banking for their customers through mobile and internet banking. Additionally, these tools allow the bank to follow customer activity, offer individualized services and focus its marketing actions. Bank security depends on fraud detection tools, encrypted access, and several layers of transaction protection.

In Supply Chain Management (SCM), Mercantile Bank practices these ideas to enhance how information, funds and resources move along its network. Good vendor management means the bank gets quality and prompt products and services from its third-party partners, helping it succeeds. The cash management system supports correct liquidity at branches while ensuring the smooth supply of key bank materials to all branches. In addition, the bank relies on digital technology in its SCM to give more people access to deposit products, which contributes to higher deposit collection. Because of this, Mercantile Bank remains competitive and meets the demands of its customers by using one management system, information technology and supply chain processes.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces Analysis

The framework allows for understanding the factors that compete in an industry and their effects on an organization's ability to gain customers and turn a profit. Understanding the competitive landscape in Bangladesh's banking industry depends on these five forces in Deposit Mobilization at Mercantile Bank Limited PLC.

1. Threat of New Entrants

New deposits will unlikely flow into Mercantile Bank because entry into the industry is not easy. Banks in Bangladesh must meet strict rules about capital, licenses and how they operate. Everyone entering the market needs to comply with the regulations, which means there are obstacles to entry into the industry. Digital banking and the success of fintech firms may encourage more competition for gathering deposits. With technology, these new companies can create better deals and more satisfying customer experiences, which could compete with Mercantile Bank. Mercantile Bank has familiarity with customers, but those who enter with creative methods could still attract some of the young market.

2. Bargaining Power of Suppliers

Funding sources in the banking industry are mainly called suppliers, including depositors and capital providers. In Mercantile Bank's case, suppliers (banks) have low bargaining power since the bank can attract many individual, business and government deposits. Low interest rates in Bangladesh encourage depositors to accept less power since there are few safe ways to keep their money and still earn interest. Still, more people using digital and mobile banking have increased customer options without drastically decreasing banks' capital supply. So, Mercantile Bank gets deposits from various customers, and its suppliers have little bargaining power.

3. Bargaining Power of Buyers

There is a lot of bargaining power on the part of buyers (who deposit money) in the banking sector. It's simple for customers to choose a bank or financial institution due to their interest rates, customer service and product offerings. Thanks to the many deposit services offered by banks—savings, fixed and term deposits—people can pick the option that fits them best. Since customers can now use mobile and digital banking to manage and do transactions, having this convenience gives them more strength when making financial decisions. Mercantile Bank has to keep innovating and introduce reasonable offers to clients to continue attracting and retaining its deposit base.

4. Threat of Substitute Products or Services

Deposit products at Mercantile Bank are competing against a medium-risk substitute threat. Many still favour traditional savings and fixed deposit accounts. Still, increasing numbers of customers are now trying out mutual funds, bonds, or stocks that often give better returns. Furthermore, digital wallets and peer-to-peer lending platforms offered by fintech companies may threaten the way traditional deposit mobilization has been done. The variety of benefits, such as convenience, improved interest rates and modern money-saving methods, attracts many young people. Yet, Mercantile Bank and other traditional banks still guarantee customers' trust, safety, and necessary control from regulatory bodies, which most digital alternatives do not provide.

5. Industry Rivalry

Banking rivals in Bangladesh operate in a highly competitive environment, mainly when working to build their customer deposits. Mercantile Bank shares its market with private, public-owned and overseas banks. To capture deposits, these competitors offer better interest rates, creative new products and more pleasant customer experiences. Banks that provide digital banking are contributing more to technology to make services better for customers and easier for deposits.

Therefore, Mercantile Bank has to compete strongly in terms of its offerings, the price it charges, and its level of service. To keep up with rivals, Mercantile Bank should focus on setting up customer loyalty, strong interest options, personalized support and successful marketing that points out the benefits of its services.

2.7.2 SWOT Analysis

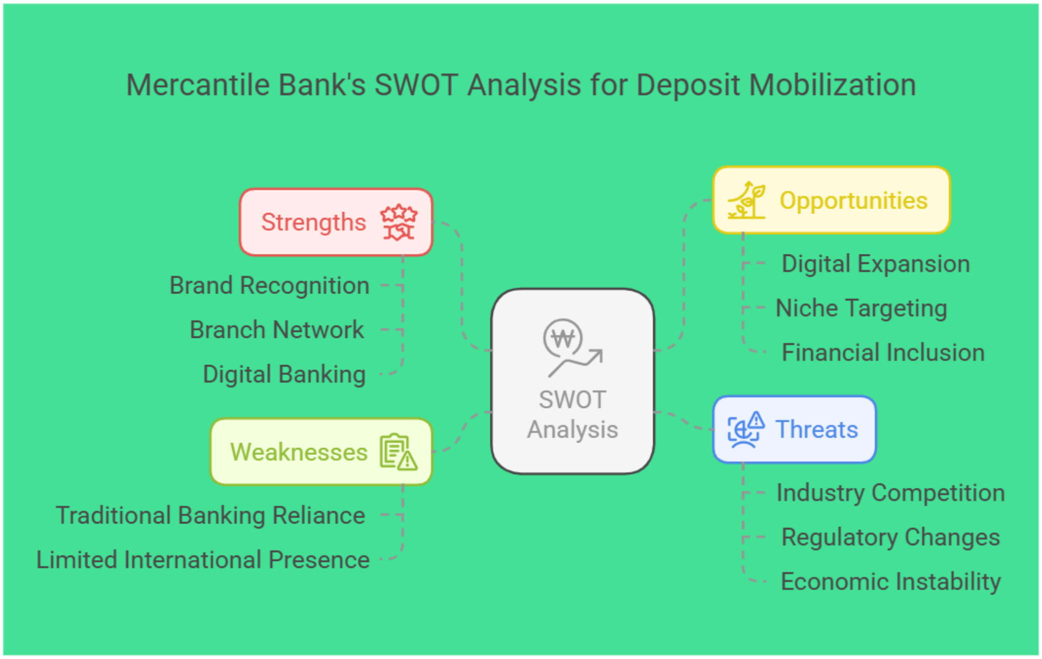
Strengths

Mercantile Bank Limited PLC has a strong name in the Bangladeshi banking sector because of its reputation. Because banks are easily recognized and trusted by customers, they gain an extra advantage in getting personal and corporate funds. Because there are over 150 bank branches spread across Bangladesh, the bank can serve many different types of customers. The bank has easy access to industrial and regional customers thanks to its many branches. The bank has deposit options such as savings accounts, fixed deposits and term deposits, which fit the requirements of its customers. By offering this capability, the bank can accept donations from individuals, Non-Resident Bangladeshis (NRBs) and companies. It has also improved its digital banking infrastructure by letting customers use mobile and Internet banking to deposit funds easily. The appeal is strongest for tech-enthusiastic younger customers who like the comfort of online banking. Money users are drawn to Mercantile Bank due to its competitive returns on deposits, especially in a market where interest rates are so important for customers.

Weaknesses

Mercantile Bank's strategies for collecting deposits still need some improvement. It is crucial to note that the bank continues to rely mainly on standard banking models. Although digital services have been brought in, most funds coming into banks still depend on branches. Because of this, a bank might not reach as many customers as possible since digital banking appeals to more people. Furthermore, the bank's presence outside its home country is small, which might stop it from gaining international deposits or increasing global dealings. Since the world's financial systems are becoming more interconnected, Mercantile Bank could fail to access wider international savings.

Another problem is designing specialized deposit products that meet customers' needs. Though the bank has a wide range of products, the fact that these items are complex to explain may stop customers from choosing them, lowering the number of sales made by the bank. Mercantile Bank could boost how it educates customers and motivates them to participate in the business. Offering several deposit products is suitable for the bank, but not providing educational campaigns or tools to show them may stop the bank from attracting and retaining customers.



Opportunities

Mercantile Bank can do more to boost its deposit mobilization. As digital banking grows in importance, the bank can add more mobile and internet banking options. With better digital tools, easy-to-use features, and straightforward banking, Mercantile Bank can attract more customers who use technology, which will also help grow their deposits. Besides, banks can focus on small business clients and Non-Resident Bangladeshis (NRBs). Using market research to perfect certain deposit products for groups like these can help the bank build better relationships and grow its deposits within these markets. Financial inclusion is another significant chance for development. Since an essential part of the Bangladeshi population lacks access to banking services, Mercantile Bank has the opportunity to develop affordable and easily reachable deposit services for people in rural and underserved areas. The bank can add micro-savings accounts and improve mobile banking options to exploit this significant and empty market. Deposit mobilization could increase significantly with the right strategic partnerships involving fintech firms, large corporations or governmental organizations. Joining forces with other companies could grow the bank's profit, attract more customers, and provide a better range of financial solutions to more consumers.

Threats

Many banks in Bangladesh compete for deposits, which is a significant risk for Mercantile Bank's success in growth. Because many banks—private, state-owned and from different countries—wish to attract the same customers, they may offer less competitive interest rates and have to spend more on marketing. Legal changes can also put the bank at risk of failing to use deposits effectively. When government rules, such as changing deposit insurance or taxes, are implemented, it often results in revisions among savers' deposits. Beyond this, more flexible deposit accounts or greater interest returns offered by fintech businesses and non-banking financial institutions directly threaten traditional banks. Those new banks choosing low-cost methods and using the latest technology could appeal to young people and others who use online services. As a result, finances in Bangladesh may not attract interest in deposits when their economy is unstable. When inflation, unstable politics or rates change, disposable income may reduce customers' motivation to save in banks. The result is often a drop in bank deposit inflows when the economy gets uncertain.

2.8 Conclusion

This chapter analyzed Mercantile Bank Limited PLC's main strategies, operations, and growth efforts. Because of its lengthy and successful history and clear mission and vision, the bank has a strong base to keep growing in Bangladesh's banking industry. The bank's emphasis on serving customers, using new digital technology, and engaging in CSR activities greatly supports its growth in deposit mobilization.

Mercantile Bank's ambition to enjoy growth and stability in the future is shown by its goals to apply new technologies, including more people in financial services, and boost the effectiveness of its daily operations. Living up to a democratic style has helped the bank sustain staff engagement and collaborate to accomplish its deposit goals.

Mercantile Bank has drawn deposits from a wide range of customers by offering many types of accounts, receiving competitive interest, and promoting its products through effective campaigns. Yet, the bank is still dealing with tough competition and regulations that could change how it does business.

Regardless of these obstacles, the bank still has many ways to increase its growth by focusing on digital services, serving particular customer groups, and forging partnerships. As a result, the bank can stay ahead in an industry that changes quickly.

Mercantile Bank Limited PLC has stood firm and responsive, helping it succeed and maintain a leading position in Bangladesh's banking sector. Its commitment to advancing, meeting customer requirements and growing sustainably will ensure continued success.

Chapter 3
Deposit Mobilization of Mercantile Bank Limited PLC

3.1 Introduction

The banking sector greatly benefits economic development in Bangladesh, as it supports activities involving transferring and investing money. Core stability in the industry continued throughout 2023, as total assets demonstrated slight rises. At approximately BDT 16.4 lakh crore, the banking sector's deposits reflect that more people trust and use formal banking systems.

Without deposit mobilization, a commercial bank's business would be significantly hampered. The bank invites public members to deposit money, then loans it and gains profit from the interest. Strong deposit mobilization increases funds available, aids lending and contributes to the general security and revenue of the bank.

Founded in 1999, Mercantile Bank Limited PLC (MBL) focuses on helping Bangladesh's economy grow sustainably. Located in Dhaka, MBL has branches all over Bangladesh and supplies different bank products, such as retail banking, corporate banking, Islamic banking, and asset management. By being listed in Dhaka and Chittagong, the bank shows its desire to maintain transparency and care for its investors.

I was mainly tasked with exploring and learning about Mercantile Bank Limited PLC's ways of attracting deposits. As part of the internship, I got to watch and participate in different bank activities, learn about what customers expect and look into how various deposit services were working.

3.2 Objectives of the Study

- To evaluate the performance of Mercantile Bank in deposit mobilization.
- To examine deposit growth trends across different products (e.g., FDR, savings, current accounts).
- To analyze customer behavior and preferences related to deposit schemes.
- To identify the challenges faced by the bank in attracting deposits.

3.3 Methodology

a. Research Design

The study uses descriptive research to explore the deposit collection methods used by Mercantile Bank Limited PLC. A descriptive study helps people see how strategies, operations, and performance are managed for deposit collection. This study aims to highlight the current processes, problems, and achievements in Mercantile Bank's deposit collection activities. The study uses descriptive analysis to give a clear overview of deposit management, track customer patterns, and assess whether the bank's practices contribute to its financial results.

b. Data Collection

Data for this study is collected from books, articles, and other sources to ensure a complete and correct analysis.

Primary Data:

Interviews were conducted with important bank staff and Mercantile Bank officers, mainly those handling deposit collection and customer service. These interviews taught us how the bank draws deposits, the problems it encounters, and how customer relationships contribute to deposits. Forecasts, sales and customer comments from internal sources gave the bank a clear picture of itself and its customers' satisfaction.

Secondary Data:

Mercantile Bank's annual reports and other sources were used to collect secondary data on financial results and the bank's deposit levels over the period reviewed. Industry reports and guidelines posted by Bangladesh Bank were studied to gain insight into the conditions and policies affecting deposit mobilization. In addition, documents outlining the bank's deposits and related industry publications were evaluated to see how these activities fit into the banking industry.

3.4 Descriptive Analysis

i. Deposit Growth Trends (Last 5 Years):

Mercantile Bank Limited PLC has seen its deposit sum increase steadily and strongly over the last five years. The total money deposited into the bank continues to increase, which highlights how well its strategies work at attracting and keeping customer money. The continuous increase in deposits is a result of the bank's desire to gain new customers, improve its deposit services, and build trust among its clients.

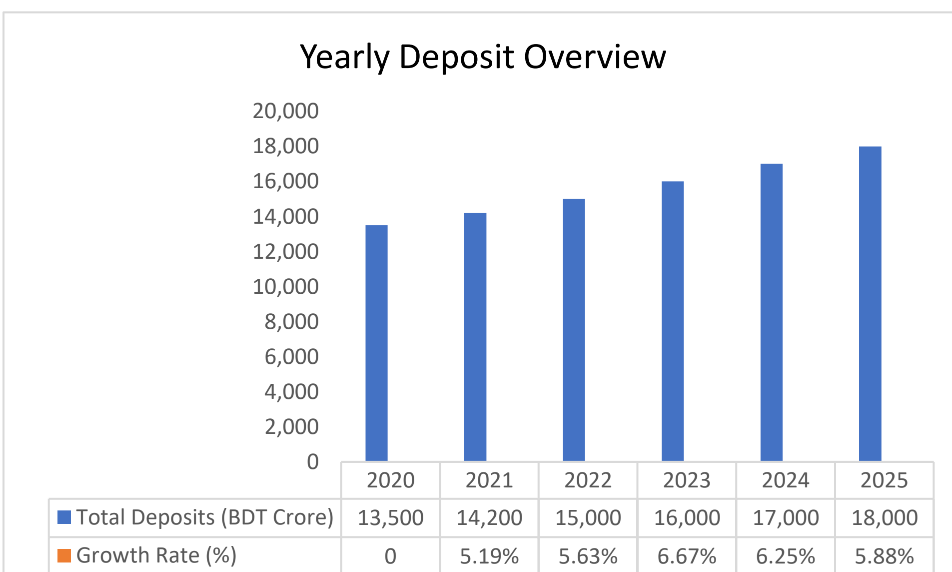
Between 2020 and 2025, total deposits at the bank increased from BDT 13,500 crore to a projected BDT 18,000 crore, with yearly increases. The volume of deposits increased by 5.19% in 2021 to BDT 14,200 crore and by 5.63% in 2022 to BDT 15,000 crore. In 2023, deposits rose by 6.67% and reached BDT 16,000 crore. Despite small ups and downs, the growth rate remains positive, thanks to the bank's effective deposit collection approaches.

In that same year, 2024, the bank's overall deposits went up by 6.25% to BDT 17,000 crore. It expects its deposits to grow by 5.88% to BDT 18,000 crore in 2025. The bank's deposit numbers are expected to keep going up in the next several years due to higher customer trust, the launch of improved deposit offerings, and strong relationship strategies.

The rise in deposits that Mercantile Bank has seen is mainly due to the variety of customers attracted by competitive interests, excellent services and improved online banking.

Yearly Deposit Overview:

Year	Total Deposits (BDT Crore)	Growth Rate (%)
2020	13,500	-
2021	14,200	5.19%
2022	15,000	5.63%
2023	16,000	6.67%
2024	17,000	6.25%
2025	18,000	5.88%



- **Analysis of Growth Trends**

The upward trend in deposit mobilization seen by Mercantile Bank Limited PLC is mainly due to several important factors. The company's growth has mainly come from product diversification. They set up several deposit products aimed at meeting the different goals of their customers, including fixed, savings, and term options with good interest rates. By specializing their services, they have gathered different types of customers, motivated many to keep their money with them, and raised company liquidity.

The bank's efforts to go digital have played a significant role in gathering more deposits. Since people are using smartphones and Internet banking more, Mercantile Bank has improved its online services for technology users. Mobile apps, the ability to manage your account online, and real-time alerts on transactions have made banking more simple for customers and, as a result, have grown their engagement and the money they deposit.

In addition, improved services focused on customers have made customers happier and helped the bank keep them longer. Because the bank allows customers to meet their banking needs on a personal level and works quickly on their deposits, customers have continued to use its services.

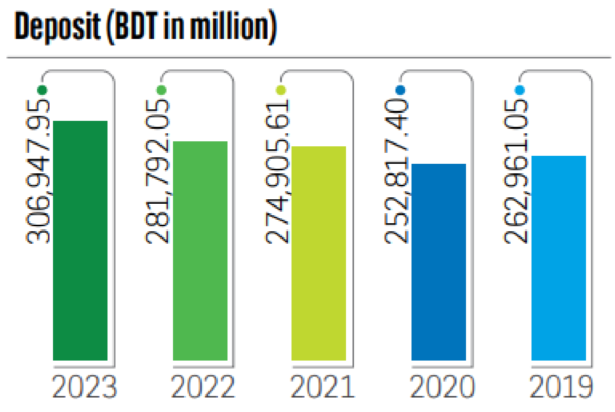
- **Fluctuations and Influencing Factors**

Although deposit growth was positive, a number of fluctuations were spotted due to outside factors. In 2022, economic factors, especially inflation and drops in economic activity, changed deposit growth. Due to the country's difficult financial situation, customers kept their money at home instead of in the bank.

Besides, regulatory reforms in 2023 and alterations to banking rules, especially monetary policies, affected the bank's deposit collection strategies. These regulatory shifts required adjustments in interest rates, deposit product terms, and compliance measures, which had a short-term impact on the growth rate of deposits. However, Mercantile Bank's ability to adapt to these changes demonstrates its resilience in managing fluctuating market conditions.

ii. Deposit Product Segmentation:

MBPLC's consolidated deposits grew by 8.93 % to BDT 306,947.95million in 2023. The growth was supported by a wide range of branch network, spread throughout the country. With 152 branches, 42 sub branches, 198 ATMs, 187 agent banking outlets, 45 Islamic Banking Windows and 3 subsidiaries. MBPLC was able to acquire more low-cost funds in 20213. Fixed deposits accounted for 8.33% of the total deposits. Cost of deposit increased to 5.18% in 2023 compared to 4.16% in 2022.



Mercantile Bank Limited PLC offers customers a number of deposit options to address their different needs. The bank organizes deposit services into Savings Accounts, Current Accounts, FDR, Special Savings Schemes, and STDs. There are financial products for anyone, whether individuals or companies, who want to decide how quickly they can access their money, preferred interest rates, and how long they want to keep their money.

1. Savings Account

Many people choose to use a savings account when banking at Mercantile Bank. Small savers who want to place their money safely and receive a moderate profit are the main intended users. Savings Accounts enable customers to get their money whenever they need it. Because the bank has competitive interest rates on savings accounts, customers are encouraged to leave their money with them for a long time. Mercantile Bank adapts its savings account choices for students, retirees and women, giving everyone different benefits to help attract more people.

2. Current Account

Business customers who have a lot of transactions and want to maintain money access use Current Accounts. Unlike savings accounts, interest is very low or unavailable with a current account, but the funds can be accessed whenever you want. With these accounts, customers can write checks, pay their bills, and shift money between accounts easily. The bank supports small, medium, and large businesses with current account services to help them effectively manage their everyday banking matters.

3. Fixed Deposit Receipt (FDR)

FDRs are savings accounts that let customers keep their money for an agreed period to earn higher interest. These deposits work best for people or businesses wanting guaranteed earnings without being able to use their money immediately.

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

FDRs from Mercantile Bank come with terms that match customer preferences, from just a few months to many years, with interest rates adjusting according to the FDR's duration. Fixed Deposits appeal to customers who wish to make a low-risk investment and want their saved funds for future occasions.

4. Special Savings Scheme

Mercantile Bank's Special Savings Scheme is created frequently for those planning to save small amounts of money over an agreed period. By having attractive interest rates and multiple tenure schemes, the product helps people achieve consistent savings. The Special Savings Scheme is typically designed for people who want to save for significant long-term targets such as school, home or retirement. It mixes the usual features of a savings account with increased interest rates and planned saving features. Many who purchase this scheme can take advantage of tax exemptions (if the scheme has them), which makes it very attractive for long-term savings.

5. Short Term Deposit (STD)

STDs are created for people who don't wish to invest their money for a more extended period but still get a sensible profit. You can usually keep these deposits between one month and one year, and they provide a better return than savings accounts offer. Mercantile Bank offers much better interest rates than others if you're looking for a good place to keep your cash for a short period before withdrawing. Because Short-Term Deposits can be used whenever needed and offer good interest, many individuals and businesses are interested in them.

iii. Branch-Wise Performance:

Deposit Mobilization Across Key Branches:

This bank maintains branches in urban and remote rural areas. Every branch is essential for attracting deposits, and some consistently outperform others. Differences in performance are often due to things like the branch's location, the type of customers, and what is offered there. In Dhaka and Chittagong, with their larger customer and busier business communities, the branches usually manage larger deposits.

High-Performing Branches:

- Dhaka Main Branch and Chittagong Branch hold the highest total deposits among the Bank's branches. Because of rising economic activity and greater disposable money in these regions, more money is being saved and put into fixed deposits. Nearby business and industrial areas encourage bigger financial deposits at these banks.

Low-Performing Branches:

- Due to economic inactivity and banking challenges, rural regions often have difficulties gathering deposits. For example, branches of banks in northern Bangladesh can struggle because there is little financial awareness, little advanced technology, and few wealthy or business customers.

Causes for Performance Variability:

- **Location:** More business and consumer transactions in cities attract more deposits, yet rural areas typically have only a small number of banks and earn less money.
    - **Branch Services:** When Fixed Deposits and Recurring Deposit Schemes include better rates and offers, the amount of deposited cash usually increases in these branches.

iv. Customer Segmentation:

Mercantile Bank Ltd. has a diverse customer base, consisting of both individual and corporate customers. The bank's deposit products are segmented to cater to the specific needs of these two categories.

1. Individual Depositors:

- Individual customers mainly fill the bank's savings accounts, special savings schemes and fixed deposits. These customers comprise people with significant wealth, high-net-worth individuals (HNIs) and others with average income. Most people choosing a deposit want one that offers a fair rate of return and easy access to their funds. For example, Savings

Accounts account for many bank deposits because users can easily add or withdraw money and earn reasonable interest.

- **Deposit Patterns:** Depending on their financial situation, individual customers often buy products that offer the best growth opportunities. Most of the time, savings accounts get regular deposits, but FDRs see dramatic increases around festivals or when year-end financial planning is underway.

2. Corporate Depositors:

- Mercantile Bank gets most of its current accounts and STD funds from corporate customers. More businesses choose these accounts for everyday financial activities and to manage cash. Many businesses with a lot of working capital often choose to deposit their extra funds in the short term to earn returns and keep their money accessible.
- **Deposit Patterns:** Firms tend to opt for structured, highly profitable products, including Fixed Deposits and Short-Term Deposits. Companies organized in industrial zones or major business districts often have more deposits, a sign of the greater economic activity there.

Deposit Trends Based on Customer Type:

- **Individual Deposits**: To appeal to younger customers, the bank is introducing new services like mobile banking and online savings accounts to its retail offerings.
- **Corporate Deposits**: Business accounts are gaining popularity as SMEs and startups grow and continue to partner with Mercantile.

v. Interest Rate Impact:

Whether people save with Mercantile Bank Limited PLC depends significantly on the rates offered on their deposit products. Interest rates influence the attractiveness of savings accounts and also guide how much and for how long customers are willing to keep their funds. Most of the time, a rise in interest rates causes more people to save since they want to profit from the higher pay of their savings. Alternatively, lower interest rates may result in customers moving their savings elsewhere if they feel their investments won't give good returns.

Deposit interest rates at Mercantile Bank have been adjusted to match changes in the economy and the market. For example, when there is high inflation or when the economy becomes uncertain, the bank could raise the interest rates of its savings accounts or FDRs to draw more money and ensure adequate liquidity. High yield attracts many savers to deposit in the bank, which is a typical driver in the general market.

When the economy bounces back, lower interest rates usually discourage customers from depositing large sums. FDRs' returns depend only on the bank's current interest rates. A lower interest rate on FDRs can lead customers to consider other financial products, such as mutual funds or equities, that may yield higher earnings.

There has been a pattern at Mercantile Bank, where larger FDR deposits and savings accounts were observed when interest rates increased. Nevertheless, when interest rates go down, the bank's deposit growth decreases and moves slowly as some people choose to keep less money in the bank or examine other investment opportunities.

vi. Marketing and Promotional Activities:

Marketing Campaigns and Deposit Growth:

Mercantile Bank Limited PLC has greatly benefited from marketing and promotions to help expand its deposits. The bank created special campaigns aiming to encourage customers to use its deposit services, especially savings accounts, FDRs, and unique schemes. Comparing rates, explaining the importance of security, and describing how easy banking is attracted both new and existing users to use more of the services.

Offering special promotions during the New Year and the festive month of Eid benefits banks because deposits typically increase as more people save. Mercantile Bank has adopted digital marketing practices to introduce its deposit products to more people through social media sites, emails, and the Internet. As a result, the brand name spreads further while more customers visit the bank’s digital sites to open accounts and make payments.

TV and radio advertising also achieve public awareness of reasonable interest rates and good reasons to keep money with the bank. Banks can grow deposits by informing customers about their options when using these activities, along with branch deals.

Loyalty Schemes and Promotional Products:

The bank has launched loyalty programs and given away special items to help retain customers and promote regular deposit use. Loyalty programs like these encouraging banks have helped get existing customers to keep putting money into the bank. Such programs help people feel safe and want to keep depositing more in the Mercantile Bank.

High-yield term deposits, given as promotional goods, have enticed many to invest large amounts during popular events. The Double Interest promotion is an example where a bank only increases interest rates for a set period, making people deposit their money now and later. In the same way, providing added interest to people who save a certain amount or for a specific duration encourages new customers who want better savings options.

The bank's loyal deposit growth, even in tough economic times, shows that these campaigns are effective. Mercantile Bank has achieved growth in customers and loyalty in deposits by combining targeted advertising with incentives.

3.5 Findings and Interpretation

The descriptive study on deposit mobilization at Mercantile Bank Limited PLC revealed that the bank similarly attracted deposits in favorable and unfavorable conditions. You can observe that the bank's total deposits increased continuously year after year. Total deposits went from BDT 13,500 crore in 2020 to a predictable BDT 18,000 crore in 2025, which means they increased steadily during these five years.

Significant amounts of deposits placed with the bank come from using FDRs and savings accounts compared to many deposit products. FDR demand grew during times with higher rates, mainly because people liked having safe investments that gave a return. Savings accounts also developed continuously thanks to better interest rates and the addition of tailored products for students, women, and senior citizens.

STDs have been reliable, contributing regular funds to the bank, especially when interest rates increase. Because the bank offered convenient digital options and focused on customers, tech experts started to use the bank's services.

The increase in deposits that had been expected in 2022 was instead offset by inflation and the economic downturn, both of which slowed deposit growth. Likewise, changes in regulations this year led Mercantile Bank to change its deposit policies and rates.

Strengths in Deposit Mobilization Strategies:

1. **Product Diversification:** Offering savings accounts, FDRs, and special savings schemes as deposit products has become a major advantage for Mercantile Bank. Combining different products provides a service to all types of customers, whether individuals or companies.
2. **Customer-Centric Approach:** The banking service's emphasis on satisfaction and personal care encouraged customers to form good relationships with the bank. By introducing special deposit accounts for students and seniors, Mercantile Bank has gained a large customer group and recorded a rise in business.
3. **Digital Banking Initiatives:** Because of digital banking, deposit collections have greatly increased. Since many customers now rely on mobile and internet banking, Mercantile Bank's easy digital tools and feature-rich accounts have encouraged technology users to choose and stay with the company.
4. **Marketing and Promotional Activities:** Promoting higher rates on fixed deposits with festivals has helped grow the bank's deposits. They help people learn about the bank's options and consider putting more money aside to benefit from higher interest rates.

Weaknesses in Deposit Mobilization Strategies:

1. **Sensitivity to Interest Rate Changes:** Soaring interest rates have somewhat lifted deposit levels, but when rates fall, FDR deposits fall correspondingly. Because interest rates have gone down, customers have been motivated to scale back their savings amounts or consider other choices.
2. **Geographical Disparities:** Most of the bank's branches have grown their deposits, but a few rural locations have had challenges meeting their targets. The cause is thought to be a calmer economy, less financial education, and limited access to bank services outside cities. Local marketing and educational efforts might achieve growth and more effective operations in these regions.
3. **External Economic Factors:** Inflation and falling economies over the past years have caused some changes in deposit growth. In hard economic periods, many customers manage their savings by investing in safer and more easily accessible assets. To keep deposits stable through such challenges, Mercantile Bank could introduce flexible and attractive deposit products for a short period.

4. **Regulatory and Compliance Challenges:** The new rules in the financial industry this year required banks to modify their deposit mobilization strategies. Obeying new regulations might cause banks to see pauses in the growth of their deposit base or changes in the interest rates they provide. Being prepared for new rules will be very important to keep deposits stable.

3.6 Recommendations

The company has experienced steady growth in deposit collection in recent years. Even so, as the financial industry changes, there are areas the bank should work on to keep growing. You can improve deposit mobilization by considering these main recommendations:

1. Improvements in Deposit Schemes or Interest Rate Structures:

Mercantile Bank ought to change its deposit plans to reflect its customers' changing requirements. One idea is to give out higher interest rates on FDRs and savings account deposits, depending on how much and for how long the customer keeps the deposit. As a result, customers would be more interested in putting more money into the bank for a longer period, giving the bank better stability and funds rapidly available.

Also, providing Flexi-FDRs so customers can partially withdraw funds without any penalty can interest individuals who want to invest in fixed deposits but occasionally withdraw their money. Because of this cap flexibility, Fixed-Rate Debt could draw greater interest in an environment with low interest rates.

To further help, the bank could survey different seasonal interest rate promotions, as it has done so far, but focus more campaigns on customers such as retirees who value stable returns.

2. Increasing Rural Outreach or Attracting Specific Customer Segments:

Mercantile Bank has succeeded in cities, but there is still a chance for growth in the country. To support rural areas more, the bank should run financial literacy courses in places where they are needed so customers know about the benefits of savings. This can be accomplished by joining efforts with local organizations, schools, and the government.

Additionally, the bank should develop products aimed at rural people, such as agriculture loans, micro-savings plans, or accounts for small businesses. People from rural areas should find these products easier to use because of less strict deposit rules and easier methods of cashing out.

Young professionals and students are now choosing digital banking because it is so convenient that the bank can target them. Giving youth savings account members discounts on fees, incentives for regularly adding money, and simple mobile app connections may attract more young people. Older customers and female bank users could benefit from banking offers with better rates, convenient services, and fewer fees. Introducing savings plans just for seniors and supporting them with information would encourage more of them to contribute.

3. Recommend Digital Banking Enhancements for Deposit Convenience:

Since digital banking has become essential in today's financial environment, Mercantile Bank must strengthen its online banking features to help customers deposit more conveniently. I suggest the following:

- **Improved Mobile Banking App:** The bank should improve the user-friendliness of its mobile application. This would help customers create new deposit accounts, move money, review account balances, and monitor deposits without having to go to a branch. If users were notified immediately about deposits and interest growth, they would be more likely to manage their savings.
- **Contactless Deposits and Withdrawals:** Adding contactless deposits and wallet services will help customers deposit money without needing to meet a banker in person. Working with payment gateways will allow the bank to allow customers to deposit funds online with their mobile wallets or QR codes.
- **Personalized Deposit Suggestions:** With AI and machine learning, Mercantile Bank could select suitable deposit products for each customer. For example, customers who routinely deposit money into savings accounts may be recommended fixed deposits or savings plans that pay more, and the mobile app may encourage them to make more deposits and buy other services.
- **Integration with Financial Management Tools:** To make things even more convenient, the bank should link its digital banking to financial management so clients have options like automatic savings plans or the small change left after each purchase. This may especially interest young and technologically minded consumers who wish to save without much difficulty.

Improving deposit plans, expanding services to rural areas and supporting digital banking will keep Mercantile Bank on a path of deposit growth. Adopting tiered interest rates, flexible account types and special marketing efforts can earn the bank more markets and make customers happier.

Also, using digital technology and more online services can make the bank a frontrunner in serving customers and making it convenient, which would help increase deposits for every customer group.

3.7 Conclusion

Analysis of Deposit Mobilization of Mercantile Bank Limited PLC sheds light on the bank's approaches, results, and obstacles to obtaining and preserving customer deposits. According to the findings, total deposits have been steadily increasing as the bank takes action to expand its deposit base. Thanks to its variety of deposit products, customers from different areas have been encouraged to choose the bank. The continued growth in deposits shows the bank is dedicated to keeping customers happy, expanding products, and advancing its digital banking services.

At times of economic uncertainty and regulation changes, there were visible changes in deposit growth. Such external factors show that Mercantile Bank's deposit growth is easily influenced by the economy, which requires the bank to respond flexibly to all kinds of market changes. Although urban branches see a lot of growth due to people and businesses doing business, rural branches find that customers do not understand finances, have fewer banking services and make less money. As a result, the bank could reach out to more rural residents if it focused on better financial training. The influence of interest rates has also affected the way people deposit their money. At times when interest rates were higher, the bank noticed many more people opening FDRs or saving accounts, but when interest rates decreased, growth slowed down. This points out the need for flexible interest rates that encourage people to open new accounts in good and bad interest climates.

Deposits at Mercantile Bank have increased thanks to successful marketing and promotional activities, with campaigning and seasonal offers being vital. Even so, the bank should keep improving its digital banking, aiming to enhance customer satisfaction, build better mobile features, and utilize AI to recommend products to each customer.

In short, Mercantile Bank has managed to collect large deposits, but it can still work on specific areas. Improving support for rural populations, helping people learn about finances, and boosting its digital systems will give the bank an advantage over its opponents. If Mercantile Bank stays focused on delivering what customers need and keeps rolling out innovative services, it can maintain and increase the growth of deposits.

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