Report on

Enhancing Payment Processing: An Evaluation of Digitised Travel Allowance & Daily Allowance (TA-DA) Processing at Mutual Trust Bank PLC's Group Finance Division

By

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

Brac Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Abu Saad Md. Masnun Al Mahi
Associate Professor
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Subject: Internship Report on Group Finance Division, Mutual Trust Bank PLC

Dear Sir,

Thank you so much for your continued guidance and support while preparing this internship report. I really appreciate your patience in helping me prepare this report from scratch. Your insightful and constructive feedback truly helped me shape this report.

I also want to thank the Group Finance Division team at Mutual Trust Bank, especially the Unit Head, Line Manager and all officials. They guided me during my internship, shared data, and taught me a lot about payment processes.

The experience and knowledge I gained from this project will definitely help me in my future career, be it in banking or anywhere else.

Thank you once again for your unwavering support and patience

Sincerely yours,

_____

Fakir Jawad Al Quddus
21204032
BRAC Business School
BRAC University
Date: March 2, 2026

Acknowledgement

Firstly, I would like to praise the Almighty Allah (SWT), as his guidance and blessings have helped me to accomplish my internship and this report. If it was not by His grace, none of my efforts would have been possible.

I would like to express my sincere gratitude to my faculty supervisor, Abu Saad Md. Masnun Al Mahi, who has guided me through the entire process of writing this report and provided me with the relevant and constructive feedback. His support has been instrumental towards the fine-tuning of this report.

I owe a lot of my success to my organizational supervisor, Md. Mehedi Hasan, Officer, Group Finance, who patiently guided me, cooperated and gave me continuous support throughout my internship. He never hesitated to respond to my queries even at the busiest moments in the department. I would further like to express my warmest gratitude to Anwar Hossain, Unit Head of Group Finance and SAVP, Sumaiya Mehjabin, AVP and Assif Hassan Chowdhury, Officer, Group Finance together with all of the officials of the Group Finance Division who have accommodated me very well and been helpful in every aspect during my very first experience in a corporate setting.

Executive Summary

This report reflects a three month long internship in the Group Finance Division of Mutual Trust Bank PLC. This focuses on the role of the payment processing unit as the bank's firewall for operating and capital expenditures. It outlines MTB's organizational background, financial performance, as well as their governance practices to portray how the Group Finance department supports proper expense management and regulatory compliance.

In this context, the report traces the end to end bill and reimbursement workflow and, in more particular detail, the digitisation of Travel Allowance and Daily Allowance (TADA) processing. The analysis of the traditional and paper based workflows against the new system reveals that digitisation does save a lot of processing time and manual hand offs. It enhances the quality of the documentation, traceability and the internal control of approvals. The estimated savings are huge reductions in the auxiliary messenger costs as well as increased capacity of processing per period.

The results depict that despite the benefits of TA-DA digitisation, other segments like petty cash, conveyance bills and holiday bills are still largely manual. This puts the bank at risk of unnecessary delays, operational risk and increased administrative expenses. The report suggests the expansion of digital workflows, the reinforcement of the Bill MIS, as well as the more comprehensive integration of core banking and ERP platforms to make the processing of payments in all types of expenses more streamlined would result in greater benefit in the long run. These would improve efficiency, cost management and control and governance.

Chapter 1: Overview of the Internship

1.1 Student Information

My name is Fakir Jawad Al Quddus, Student ID - 21204032. I am currently enrolled in the Bachelor of Business Administration (BBA) program at BRAC University, with a major in Finance and a minor in Management Information Systems.

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

I have completed my internship in the Group Finance Division, at Mutual Trust Bank PLC, which is a leading private commercial bank in Bangladesh. The internship tenure was of three months, from October to December. The timing of my internship was regular banking hours which is 10:00 a.m. to 6:00 p.m, five days a week. My place of posting was in the bank's corporate head office, also known as MTB Centre, at 26 Gulshan Avenue, Gulshan 1, Dhaka-1212, Bangladesh.

1.2.2 Internship Company Supervisor's Information

During the internship, my direct and official company supervisor was Md. Mehedi Hasan, who is an officer in the Group Finance Division at Mutual Trust Bank PLC. He provided me with day-to-day guidance, assigned rotational desk attachments and also monitored my progress in the various units under Group Finance.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

My role as an intern in the Group Finance Division was primarily observational and oriented towards learning through exposure to several desks under Group Finance, including the payment processing unit, accounts, strategic finance, Bangladesh Bank reporting, corporate tax and VAT, and investment management activities. This rotational attachment helped me to see how the different sub units within the Group Finance Division coordinate with each other and support the MTB'S financial operations overall.

I spent the most amount of time at the payment processing unit. My first activities involved assisting officers in carrying out day to day duties such as receiving bills, checking on completeness of documents and sorting files to be subjected to compliance checking and payment processing. During the period, I was able to see how the bills of various branches and departments are categorised, entered into the Bill MIS and then routed to compliance before the bills are ultimately posted.

I was assigned with the responsibility of relieving the assistant officer who was in charge of bill reception and maintenance of MIS for a period of 15 days when she was on mandatory/block

leave. During that period, I received physical bills independently from branches throughout the country and departments. I stamped them and signed them as received, issued signed and sealed photocopies as evidence of receipt and sorted the bills into types and departments. I also in charge of maintaining the central Bill MIS on Excel. Additionally, I directed the bills to the compliance desk to be thoroughly checked. Upon compliance clearance, I sent out the bills to respective payment officers to post them in the system. This task was not easy since this was my first time working in a corporate setting, but it served as a way of building my confidence, attention to detail and skills in cross functional collaboration.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

As an intern, my core contribution was to support the day to day workflow of the payment processing unit and related desks by handling routine tasks accurately and on time. By taking over the bill-receiving and MIS-updating responsibilities for 15 days, I helped to ensure that there was no disruption in bill registration, document routing and payment scheduling during the assistant officer's mandatory leave period. I also consistently checked if the bills had the necessary supporting documents attached before sending them for compliance, which reduced unnecessary back and forth and helped to maintain a smoother workflow.

I also contributed by maintaining an organised record of bills in the Excel-based Bill MIS, updating serial numbers, categories and payment status details as instructed, which supported later reconciliation and tracking of the bills. At the end of each day, I also generated a print copy of a spreadsheet that contained the details of the bills I distributed to payment officers that day, and subsequently took their respective signatures as proof of distribution. In other units, I assisted with document handling and file organisation, allowing officers to focus more on analysis and decision making tasks. Overall, my role added value by assisting with the operational workload as well as maintaining accuracy in routine tasks in the Group Finance Division.

1.3.2 Benefits to the Student

This internship provided me with a lot of practical learning and enabled me to connect my classroom knowledge with real world business operations. I gained first hand exposure to how a large private commercial bank's Finance Division operates on a daily basis, and how bills of very different sizes starting from small petty expenses all the way to large value payments are subjected to the same structured process of documentation, compliance checking and final approval. This improved my understanding of internal control, especially in a bank of MTB's scale.

Through working closely with officers in the payment processing unit and also other sub-units improved my technical and soft skills. I got to interact with and learn from seasoned bankers on a daily basis, attend internal events such as the division's informal gatherings and the bank's 26th

anniversary celebration, and observe speeches from senior management, and those engagements enabled me to gain valuable experience. It also helped me become more comfortable in a corporate environment and improved my professional confidence. Finally, this internship helped me connect my academic studies in Finance and Management Information Systems with actual real world practices.

Chapter 2: Organization Part

Introduction

This chapter of the report aims at providing a more comprehensive understanding of what Mutual Trust Bank PLC is and what it stands for, including its background, the organizational structure, business activity, along with its operational practices. Doing this will allow for a clearer understanding of how the bank actually functions and also, how the Group Finance Division fits into the overall operations of the bank.

Objective

The primary objectives of this chapter are to first of all to present the existing profile as well as the historical background of Mutual Trust Bank PLC. Secondly, explain and analyse the organizational structure, the services that it provides and is known for, and its core values. Thirdly, exploring its internal management as well as its external business practices and finally, painting a picture of how the bank is currently positioned in the financial/banking sector of the country. All of the aforementioned segments provide a foundation for project analysis in chapter 3 as well.

Scope of Study

This study and report covers publicly available information on MTB's website, its annual reports, and is supplemented by the observations made by me during my internship tenure at the

Group Finance Divsion. The scope begins from MTBs inception in 1999, all the way to its most recent corporate data (2024 annual report). My exposure was limited to the Group Finance Division only, thus the other departments are discussed based on secondary data (annual reports, website, public disclosures) instead of direct observation and interviews.

Methodology

The information for this part has been gathered from multiple sources. The primary source of information was MTB's website which contains information beginning from the company profile to the full services portfolio. Secondly, the annual reports of MTB (namely 2019-24) which depicted the financial situation of the company through 5 years. Finally, all of the information sources were complemented and supplemented with my internal observation and interviews with officials from the Group Finance Division. This approach combines qualitative information like background, mission/vision and product/services portfolio, and quantitative information like financial and corporate data in order to provide a more comprehensive view. Furthermore, cross-checking among sources was done in order to ensure accuracy.

Significance of Study

In order to interpret the impact of my internship tasks and project work at MTB, it is important to understand its organisational context. It also helps in connecting theoretical banking and financial concepts from academic courses to the banking practices that are prevalent in the real world. It also provides an insight into actually how a private commercial bank in Bangladesh

operates. All in all, this chapter lays a foundation and paves a path for the subsequent analysis that is done in the Project Part (Chapter 3).

Limitations

One limitation is restricted access to a lot of internal documents and confidential data. There are some statements made in this chapter which are derived from observation of internal procedure and documents, which I was allowed to read and observe for my understanding (allowed to implement in report in my own words) but cannot be referenced. Furthermore, there was restricted access to many documents such as detailed internal management reports and publicly unavailable operational data. Another limitation arises due to my exposure being solely in the Group Finance Division, making it difficult to cross check information provided on other departments.

2.2 Overview of the Company

2.2.1 Background and Legal Profile

Mutual Trust Bank PLC is one of the leading private commercial banks in bangladesh. It was established in 1999 as a public limited company, under the companies act 1994. MTB obtained its license from the Bangladesh Bank in 1999, the same year as its establishment, and began operations with the vision of providing modern and customer centric services. Ever since MTB's inception, they have consistently expanded their branches, sub-branches, agent banking outlets,

ATMs and CRMs all over the country, providing services to retail customers, SMEs and corporate clients. The bank has done all of this with a balanced mix of both traditional banking services, as well as technology driven solutions.

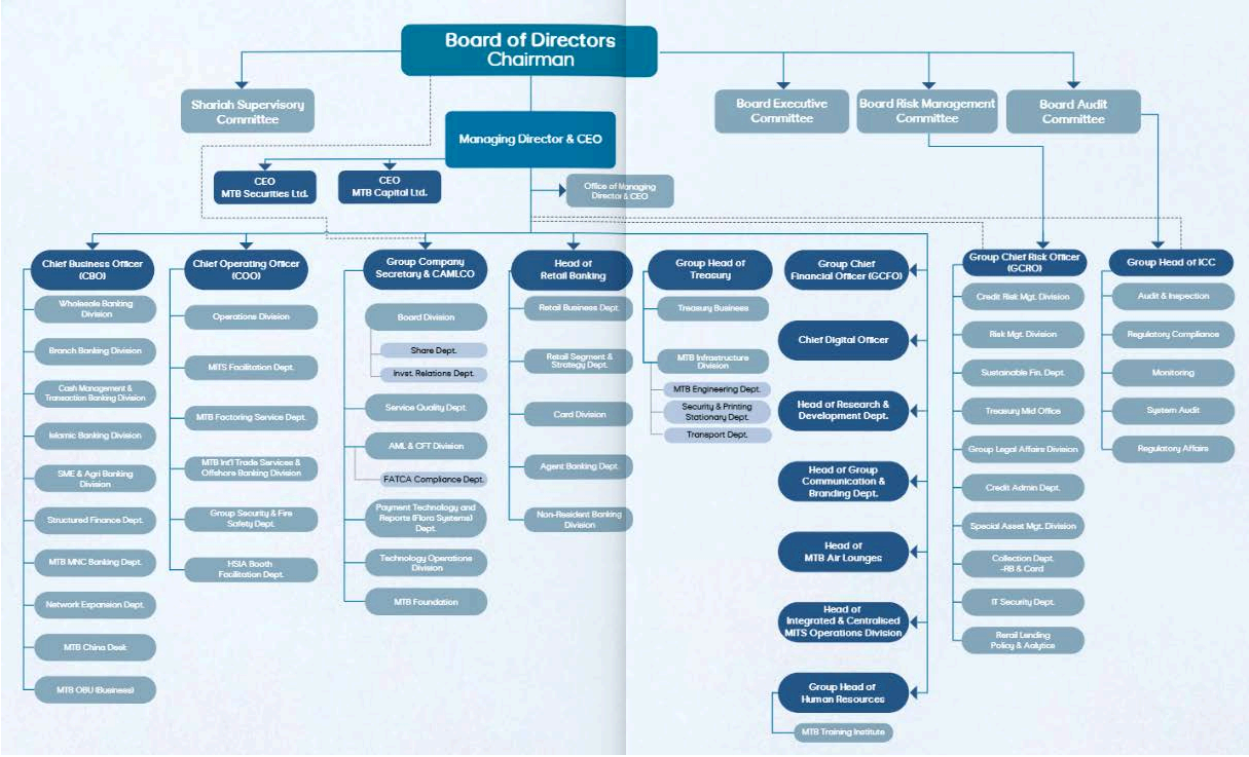
From a legal standpoint, MTB is a publicly listed company in Bangladesh that is traded on both the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Their operations adhere to the Bangladesh Bank guidelines, the Bangladesh Securities and Exchange Commission (BSEC) guidelines, as well as the Bangladesh Financial Reporting Standards (BFRS). The bank also has a structured system of governance through the board of directors and senior management, which ensures compliance with national regulations, Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), along with sound risk management practices, be it credit risk or currency risk.

2.2.2 Key Financial and Corporate Indicators

Authorized Capital -*BDT(mn)*	10,000.00
Paid Up Capital -*BDT(mn)*	10,814.32
Total Shares	1,081,431,720
Market Capitalization -*BDT(mn)*	13,193.47
Credit Rating	LT:"AA+", ST:"ST-2"

The bank has authorized capital of BDT 10,000 million and paid-up capital of BDT 10,814.32 million. Their market capitalization stands at BDT 13,193.47 million (as at November, 2025), and it also has a solid credit rating of long-term "AA+" and short-term "ST-2". These ratings indicate the bank's robust ability to meet their financial commitments.

2.2.3 Organizational Structure / Management Hierarchy



2.2.4 Vision, Mission, and Core Values

The vision of Mutual Trust Bank PLC is to be the country's most trusted bank, and exceed the expectations of their customers in all banking aspects via innovation and sustainable solutions.

MTB's mission is to be among the most admired financial institutions in the country, one that is known for being dynamic, driving innovation and most of all, client focused. Their wide array of offerings of products and services are aimed at generating economic value.

Mutual Trust Bank PLC's core values reflect commitment that are not singular in nature. First of all, they are committed to their shareholders, trying to create sustainable economic value through transparent and efficient business practices. Secondly, to the community. MTB aims to serve the society responsibly by creating jobs and supporting the community through various CSR activities. Third and finally, they are committed to serve their to the customers by providing the latest banking services tailored to their specific needs, and also serve the employees by acknowledging their merit and creating a work environment that is not only inclusive, but fair.

2.2.5 Products and Services

Mutual Trust Bank PLC offers its customers a large array of products and services, each catering to different needs. Their offerings span across different customer segments like SME (Small and Medium Enterprises), NRB (Non-Resident Bangladeshi), privilege banking, wholesale banking and others. Their product portfolio consists of various types of loan products, deposit accounts, digital banking services, specialized SME banking solutions and others. Some of their key offering categories are as follows:

Retail Banking Products

Retail Banking customers are offered deposit accounts of various natures like savings, fixed deposit, student savings accounts, and other specialised savings accounts such as MTB Care for children with special needs. There is a wide range of retail loan offerings as well, like auto loans, personal loans, home loans, credit cards and various consumer credit schemes which are tailored for different specific personal needs.

SME Banking Products

MTB provides customised financing options which are tailored to their SME clients. They include services like revolving short term loans, equipment/machinery financing, landlord loans, and commercial space financing. The bank, furthermore, offers trade finance facilities like letters of credit and bank guarantees in order to support import/export business activities. Also for clients in agro based industries or infrastructure development industries, they offer specialized loan products that may not be traditionally available in retail banking.

NRB and Privilege Banking Services

MTB also offers Non-Resident Bangladeshis banking services like NRB deposit accounts, via which they can easily get remittance facilities and also access NRB specific loans like home loans. The Privilege Banking Services are aimed at providing high net worth individuals (HNIs) with prioritized services and exclusive benefits, that enhance their banking experience.

Wholesale and Digital Banking

Wholesale banking is aimed at serving large corporations with tailored offerings like term financing, working capital finance and trade finance. In times when a large corporation's needs exceed MTB's (or any other banks') ability to finance it on their own, MTB also offers them syndicated loans. The bank's Digital Banking services like the MTB Neo app enables customers to access various features starting from account management and banking transactions, all the way to paying bills, setting up fixed deposits, and applying for loans.

2.2.6 Corporate Social Responsibility (CSR)

Mutual Trust Bank PLC proactively engages in Corporate Social Responsibility (CSR) initiatives in an effort to do their part in helping society. These initiatives are primarily carried out through the MTB Foundation and span out across sectors like education, healthcare, environmental sustainability, disaster management and empowerment of impoverished people. Furthermore, their efforts are well aligned with the UN Sustainable Development Goals (SDGs) as well. The bank has also earned distinguished awards like "Best Bank in CSR, Bangladesh" from Business Tabloid Magazine and also the AmCham CSR Excellence Award for their contribution to society.

Key CSR segments:

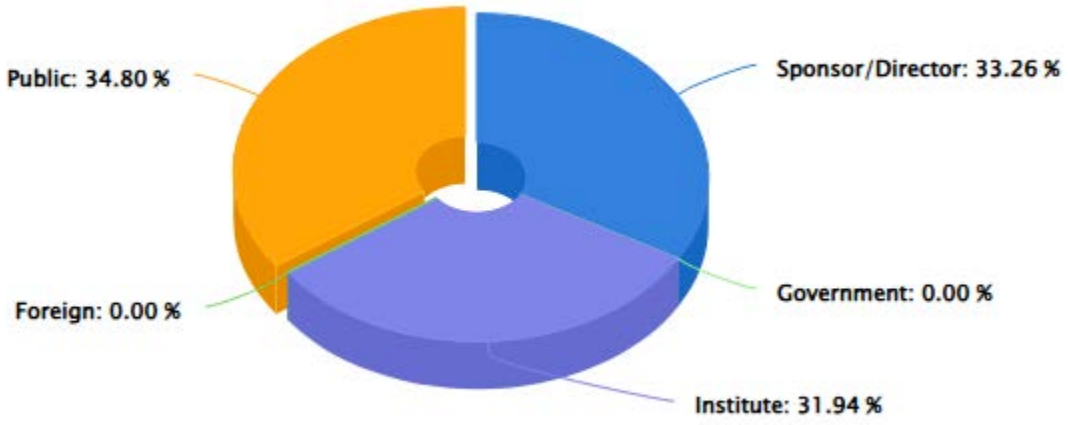
- Education: MTB provides various scholarships to underprivileged students through partnerships like 'MEDHA' in the Kushtia district. They provide school bags, bicycles and other items to the rural and tribal people through the 'Swapno Sarathi' project, and

also support after school programs through other non profit organizations like the Monomela Foundation.

- Healthcare: The bank often organizes free eye care and health camps in remote areas of the country, helps thalassaemia patients with medical aid, and supplies hygeine materials to female students.
- Environment: Building community water points across the country, distributing dwarf coconut trees to marginalized women, supporting small scale farmers with livestock to boost their livelihoods, and also promoting green and sustainable financing in alignment with the Bangladesh Bank guidelines that include waste management projects along with renewable energy.

Mutual Trust Bank PLC has, furthermore, received widespread recognition for their initiatives like the "Bravery and Courage Award" which honors and rewards selfless heroes, and also disaster relief such as blanket distributions to people adversely affected by cold in winter. The bank also focuses on transparent ESG practices. For instance, MTB publishes sustainability reports on an annual basis, following the Global Reporting Initiative (GRI) standards. The 11th edition of the annual sustainability reports was published on 2024.

2.2.7 Shareholding Structure



The Shareholding pattern of Mutual Trust Bank PLC reflects a well balanced ownership structure. The Sponsors and directors hold 33.26 percent of shares, that provides strategic control. The institutional investors own 31.94 percent and this reflects strong confidence from professional investors. The rest of the share percentage of 34.80 percent is held by the general public. This structure provides stability and at the same time supports market participation. It also ensures that there is broad based ownership. The government and foreign holdings remain at zero and it highlights MTB's status as a fully privately held Bangladeshi Bank.

2.3 Management Practices

2.3.1 Leadership Style and Decision-Making

Mutual Trust Bank PLC actively practices a democratic leadership style where employee participation of all levels is valued. The senior management, before making any major decisions, takes the input of employees of different levels. The senior management emphasizes values like inclusion and innovation which is proven through their emphasis on initiatives like diversity and empowerment, along with digital transformation.

The overall decision making is usually committee based, meaning they are not only made through a single person but through boards and management committees. Some of the most prominent committees in the bank include the Board Audit Committee, Board Executive Committee, Board Risk Management Committee, Asset Liability Committee (ALCO), MTB Core Management Committee, and Shariah Supervisory Committee, among others. Unit heads of respective departments, as previously shown in the Organizational Structure/Management Hierarchy chart, take input of their subordinates and carry the information forward to their respective seniors, which is eventually evaluated and taken in consideration before the final decision making by the committees. The presence and active strategic decision making of these committees play a pivotal role in the long term growth and risk management of the bank.

2.3.2 Human Resource Planning, Recruitment and Selection

The bank's Human Resource Planning begins every year with a forecasting of manpower needs across all 122 branches, 53 sub branches, and head office divisions like MTB Tower and MTB Centre. In this forecast, the respective branches and head office divisions are required to report expected vacancies in the upcoming year, based on which the Human Resource Department comes up with a talent acquisition plan in an effort to aid the bank in deploying the right amount of people in all sorts of roles, be it customer service, operational or specialist roles. This prediction of staffing needs is crucial for maintaining quality of service, as understaffing in a high pressure banking environment like that of MTB can directly affect operations adversely.

The recruitment of MTB staff follows a different structure for each categories of staff. For general officers, vacancies are announced through the bank's own career portal in their website and also through external media like LinkedIn and BDjobs. Then the bank shortlists candidates and has them go through a written test and interview before making final hiring decisions. For Management Trainees, known as the MMT program, it is a bit different and there are some additional stages like focus group discussions and presentations in order to evaluate their leadership and analytical skills. More experienced and specialist hires are assessed based on their experience and track record, along with their technical skillset. The overall recruitment process at MTB is systematic and multi staged so that the correct person is selected for the position. This, in turn, also reduces employee turnover, operational efficiency, along with long term in-house talent development.

2.3.3 Compensation, Training and Development

Mutual Trust Bank PLC has one of the most competitive compensation structures that is designed to attract and retain talented employees. The total gross salary package consists of basic salary, house rent and conveyance allowance. Along with that, there are several other benefits like provident fund, gratuity, performance bonuses and profit sharing incentives. At the end of the fiscal year, a salary review is conducted and on top of that, there is a 3% increment on basic salary. Additionally, the bank provides festival bonuses on both Eid occasions (100% of basic salary) and Pohela Boishakh occasion (20-25% of basic salary).

Training and development of employees is coordinated by the Human Resources Division. When a new employee is hired, they are welcomed with a standard onboarding procedure which consists of a 5 day orientation and 15 day basic training. Training of existing employees also takes place on a continuous basis. The training programs include both on site and off site trainings, with both internal and external speakers and instructors. Speakers from the Bangladesh Bank also often make appearances. These programs are curated for not only the entry to mid level employees, but also the top level management to be able to stay up to date with changing modern day banking standards.

2.4 Marketing Practices

2.4.1 Marketing Objectives, Strategy and Target Market

The primary marketing objectives of Mutual Trust Bank PLC focuses on expanding their retail and SME customer base, along with increasing the usage of digital channels for advertisement

and promotions, and also solidifying the image of the bank as a modern and customer centric bank, especially after their rebranding earlier this year. MTB also aims to reinforce existing customer relationships by cross selling multiple products, like cards, loans, different types of accounts and other digital products, in an effort to increase the customer lifetime value and simultaneously sustainable, low cost deposit growth.

The overall strategy of the bank emphasizes a few key areas. Among them are personalized relationship banking, focus on superior service quality, and very importantly, innovation in technology based solutions like mobile banking apps. Improving focus on technology based solutions is crucial especially in this modern era, where the “anytime, anywhere” banking is almost a necessity for clients. MTB’s primary target markets consist of urban and semi urban customers, salary based professionals, SMEs, and youth/student account holders. They are more inclined to require and adopt digital banking services. However, corporate and institutional clients still remain a very important base for fee based baking services and trade related income.

2.4.2 Positioning and Service Delivery Channels

This bank constantly positions themselves as a modern and customer centric private bank which offers “easy banking” with the help of a mix between personalized service and tech based solutions. Reliability, transparent conduct and technological innovation are some of the things that the bank tries to highlight in an effort to stand out from the competition. Additionally they also try to highlight diverse financing options for small to medium enterprises, as well as a range of inclusive services for various customer groups.

MTB delivers services primarily through a combination of both physical and digital channels in an effort to reach a wide and diverse range of customers. The core network of the bank is made up of 122 branches and 53 sub branches, which are supported by more than 300 ATM/CRMs and upwards of 180 agent banking centres. The ATM/CRMs and agent banking centres extend basic services like cash withdrawal with or without cards, deposits and remittance services to the rural and semi urban areas. Furthermore, with the help of internet banking and and mobile app platforms, like the application NEO, customers are allowed to check balances, transfer funds, pay bills, request services like FDs and DPS, which eventually reduce dependency on visiting branches and aid the bank's shift towards more technology driven banking.

2.4.3 Branding, Advertising and Digital/Social Media Marketing

Mutual Trust Bank PLC, through their visual identity and service standards, try to create a brand image that is consistent, trustworthy and modern. MTB went through a rebranding phase earlier this year and they unveiled a new logo and visual identity. The new logo now consists of three colored gradient stripes and it is trying to signal a more modern and future oriented image, while keeping the promise of reliability intact. This rebranding was also supported by various campaigns such as "Ei Somoyer Banking". This move positions them as digitally progressive.

In case of advertising, the bank uses a sort of integrated approach which combines both traditional media and high visibility events with a strong digital presence in order to promote their products like MTB Neo, MEasy, cards, loan schemes and many other products. On social

media platforms like LinkedIn, Facebook, Instagram and YouTube, the bank continually runs content campaigns. Additionally, through these platforms, they share activities like CSR initiatives, product updates, educational posts, and engage directly with the customer. These activities are carried out in an effort to build brand loyalty, especially among the young and tech savvy customers.

2.4.4 Competitive Practices, Issues and Gaps

MTB operates in a private commercial banking market that is highly competitive and where many banks offer very similar products. As a result, the key differentiating factors that the bank mainly competes through are quality of service, digital innovation and a strong 'trust based' brand image. Recently, they have gained an edge through heavily investing in their digital platform, MTB Neo, which has aided them in winning awards like Bangladesh's Best Digital Bank and Most Innovative Digital Bank. These awards and national recognition further reinforces their position among the tech savvy and SME customer base. However, despite all of this, Mutual Trust Bank still faces sector wide challenges like tightening liquidity, rising non-performing loans, a sensitive political climate, and cybersecurity risks.

2.5 Financial Performance and Accounting Practices

2.5.1 Overview of Financial Performance

Mutual Trust Bank PLC, over the 2022-2024 fiscal years, has maintained positive profitability with the net profit margin ranging around 14% to 16%, while the Return on Equity (ROE) ranged around 11% to 12%. This indicates steady value creation for the shareholders of the bank. MTB also had Return on Assets (ROA) around 0.7% to 0.8%, which is usually typical for the bangladeshi private commercial banks. The bank did this while expanding their loan and deposit base consistently, despite the politically difficult climate in recent years, along with the challenging macroeconomic and interest rate environment.

2.5.2 Financial Stability Analysis

	2024	2023	2022
Loan (gross) to Total Deposits	91.50%	99.40%	109.1%
Liquid Assets to Total Deposits	9.10%	9.00%	11.60%
Capital to Risk Weighted Assets (CRAR or CAR)	13.6%	14.93%	14.48%
Non-performing Loan (NPL) Ratio	6.95%	6.54%	5.77%
Loan Loss Coverage Ratio	96.66%	91.70%	85.70%

The data above shows that the loan to deposit ratio of Mutual Trust Bank has declined from 109.1% in 2022 to 99.40% in 2023 and further to 91.50% in 2024. This indicates an improvement in liquidity as the bank reduced the over extension of loans relative to deposits. The liquid assets to total deposits remained stable within the 9% to 12% range over the three

years, which is likely in an effort to keep a liquidity buffer in line with the regulatory requirements.

The Capital to Risk Weighted Assets ratio (CRAR) remained strong above regulatory minimums at 14.48% in 2022, 14.93% in 2023, and 13.6% in 2024. The Non-performing Loan (NPL) Ratio increased moderately from 5.77% to 6.54% and 6.95%, while the Loan Loss Coverage Ratio improved significantly from 85.70% to 91.70% and 96.66%. Overall, these ratios indicate that Mutual Trust Bank PLC has maintained a stable liquidity and capital position while continuing to comply with the regulatory requirements set by the Bangladesh Bank. This suggests that the bank is managing their lending activities and risk exposure in a balanced manner.

2.5.3 Profitability and Efficiency Analysis

	2024	**2023**	**2022**
Net profit margin	0.141	0.164	0.147
Operating profit margin	0.524	0.470	0.485
Net interest margin	0.016	0.022	0.012
Interest expense to interest income	0.739	0.650	0.759
Return on earning assets	0.008	0.009	0.008

Net profit margin increased from 14.7% in 2022 to 16.4% in 2023. Then it dropped slightly to 14.1% in 2024. This reflects a bit of pressure from higher funding costs and provisioning in 2024. Then, operating profit margin was around 48% to 52%. This indicated that even when the

net profit margin dropped a little the core banking operations was strong. The Return on Asset (ROA) was close to 0.70% to 0.80% and Return on Equity (ROE) went up from about 11.10% in 2022 to 11.90% in 2023. Eventually it stood at 12.4% in 2024. This was primarily driven by rising income and smart leverage. Additionally, growth in non interest income as well as cost control helped to keep the cost to income ratio competitive as well.

2.5.4 Leverage, Market Value and Trend Analysis

The leverage of the bank which is measured by the relationship between the total assets and shareholders' equity remained fairly moderate, in turn supporting the Return on Equity (ROE) without creating unnecessary balance sheet risk. The market value indicator showed further strength. MTB's earnings per share stayed around BDT 2.65 in 2022 and then rose further in 2023, eventually going above BDT 2.9 in 2024. The Net Asset Value (NAV) also rose from around BDT 23.9 in 2022 to around BDT 24.5 in 2023, and over BDT 25 by mid-2024. Along with the rising ROE as well, as previously mentioned, these trends indicate that the bank is slowly but consistently improving shareholder value even in times of volatility in the broader banking sector, as well as the equity market in Bangladesh.

2.5.5 Basis of Preparation and Core Accounting Principles

A clear strength of Mutual Trust Bank PLC is tgat it uses more of a conservative accounting framework, and it can be seen when assessing their reported figures. They use historical cost

with selective fair value measurement under IFRS/BFRS and Bangladesh Bank guidelines. They also follow a full accrual basis of accounting (except for interest on classified loans). As a result, they adhere to the main principles of going concern. This structure is supported by complete annual audited statements along with detailed notes for all key figures. This allows us to compare performance of the bank across years. However, it needs to be kept in mind that regulatory overlays sometimes limit full alignment with pure IFRS when comparing MTB with banks that are outside of Bangladesh.

2.5.6 Depreciation, Amortization and Asset Useful Lives

In depreciation and amortization, the combination of reducing-balance method and straight-line method is used in MTB. This demonstrates an effort to align expense recognition with the economic effectiveness of the assets that are possessed by MTB. Land is not depreciated, immovable property is depreciated at 2.5 percent on reducing-balance basis, furniture and fixtures is depreciated at 10 percent and office and electrical equipment is depreciated at 20 percent. This increases the cost of recognition of the items which wear out easily. Depreciation of assets such as computer equipment, laptops, servers and motor vehicles are also done on the straight line basis over the specific lives which are usually in the range of 3 to 8 years in the case of IT equipment and 5 years in the case of vehicles. Lastly, intangible assets like software is amortised over a span of 10 years which is the period in which it is expected to benefit in the long run. These policies are rational, but have the implication that during the years that the bank is spending a lot on technology and/or branch infrastructure, the reported profit and profit on asset (ROA) can be artificially low due to the depreciation expenses. We must bear this in

consideration and emphasize this when we are explaining any movements in operating expenses and returns.

2.5.7 Disclosures, Compliance and Quality of Reporting

The disclosure practices of the bank are also detailed and in line with the expectations on good governance of a listed commercial bank. They give extensive breakdown of credit risk rating, non performing loans (NPLs) and provisioning, liquidity risk and market risk, capital adequacy (they do this separately in detail under the heading of Disclosure of risk based capital) and transactions involving the related parties. This helps us to understand the risk profile that the bank is undertaking so that they can in fact have the profit figures reported in the headlines. They also have independent auditors who have unaltered opinions and assure that there are appropriate books of account in place. They also make sure that regulatory ratios are being observed. Due to all of this, we can make our conclusion that the accounting practices of MTB are broadly compliant and transparent. However, there are some measurements that are influenced more by Bangladesh Bank rules as opposed to pure IFRS such as provisioning and some investment valuations.

2.6 Information System Practices

2.6.1 Use of Information Systems

Mutual Trust Bank PLC uses an array of ERP and in-house systems to collect, store and process operational and financial data. In the Group Finance Division, the payment processing unit relies on systems such as TCS, Odoo and Ababil for recording and authorising payments. TCS BaNCS, shortly referred to as TCS by MTB group finance officials, is a comprehensive core banking platform developed by Tata Consultancy Services that is designed to streamline financial operations such as payments, fund management, and regulatory reporting. Odoo is an open-source suite of integrated business applications that supports functions like accounting and procurement, along with workflow automation. Finally, Ababil is a core banking system which is tailored for Islamic banking, developed by Millennium Information Solution Ltd. and facilitates Shariah compliant transactions and financial record management

An Excel-based Bill MIS is used as a central register to track payables and details like bill type, department, amount, category (OPEX/CAPEX), payment date and voucher details. The bills are received and logged, checked at a compliance desk with reference to financial delegation limits and supporting documents, and then posted individually or in batches by payment officers through the transaction systems. This creates an auditable trail of approvals and postings. Along with internal platforms, MTB also operates customer facing channels like MTB Neo (upgraded replacement of previously MTB eBank) that enables fund transfers, bill payments and real time reporting. It feeds transaction data into the bank's central databases and reporting layers.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces Analysis - Mutual Trust Bank PLC (within Bangladeshi Banking Industry)

Competitive rivalry - high for MTB: With over 60 banks competing for the same customers, MTB faces tough competition from bigger players like BRAC Bank and Dutch-Bangla. They have more branches and arguably stronger digital platforms. MTB has to work hard on rates and customer service in order to keep and retain SME and retail clients from switching. This is especially important as products are similar among the banks.

Threat of new entrants - low impact on MTB: In order to open a new bank, it must have at least BDT 500 crore capital and it needs to get a license from the bangladesh bank. These things somewhat protect MTB from new scheduled banks entering. However, fintechs like bKash are taking small payments/remittances away from all banks including MTB, so MTB needs to partner or build better digital services to protect their transaction fees.

Bargaining power of customers - high pressure on MTB: MTB's retail and SME customers can easily check rates online on websites or apps and switch to competitors that are offering them better deposit rates or loan terms. On top of this, MFS platforms like bKash now offer deposit schemes and small loans as well. Thus, MTB has to constantly improve mobile banking and fees to stop losing customers.

Bargaining power of suppliers - moderate for MTB: MTB benefits from surplus liquidity in the system so they don't pay high deposit rates. For funding, MTB's diversified deposit base across retail and SME helps to negotiate better funding terms compared to smaller banks that mainly depend on few large depositors.

Threat of substitutes - growing challenge for MTB: bKash/Nagad are getting in and reducing MTB's small transaction fees and agent banking revenue. MTB needs to push its own mobile app more and make partnerships (like City Bank did with Google Pay) in order to compete. If they don't, customers will use MFS for daily transactions and only come to MTB for loans/deposits.

2.7.2 SWOT Analysis of Mutual Trust Bank PLC

Strengths

- MTB has strong brand positioning around "trust," and it is reinforced by several awards for digital innovation, sustainability, CSR. This differentiates MTB within the crowded private commercial banking market.

- The bank has competitive digital capabilities through platforms like the fairly recent 'MTB Neo'. It is also recognized as one of Bangladesh's best and most innovative digital banks, which supports customer acquisition as well as retention, particularly among the tech-savvy and SME segments.

Weaknesses

- Like all Bangladeshi banks, MTB does remain exposed to sector wide issues. They include rising non-performing loans (NPLs) as well as margin pressure from interest rate caps, and intense price competition that can limit profitability.

- Dependence on domestic operations means that earnings are closely tied to Bangladesh's macroeconomic and regulatory environment, with limited geographic diversification compared to some regional peers (for instance, Islami Bank Bangladesh PLC and Dutch Bangla Bank Limited who both have a massive branch network across the country).

Opportunities

- There is growing demand for SME, CMSME and retail financing, along with the government's initiatives for financial inclusion. This creates a scope for MTB to leverage their digital channels and tailored products to capture newer customer segments.

- Expansion of green and sustainable finance, where MTB is already a recognized and well regarded figure, provides opportunities to access specialised (often subsidized) funding and build a differentiated ESG-focused brand.

Threats

- Increased competition from other private commercial banks as well as state owned banks, combined with regulatory changes and tighter supervision (especially after the July revolution), may very likely compress spreads along with raising compliance costs.

- The rapid growth of fintech and MFS players as substitutes for traditional banking services could potentially have an adverse effect on transaction-based income of the bank. Additionally it can weaken customer loyalty if MTB does not continuously innovate and upgrade its digital value proposition.

2.8 Summary and Conclusions

This chapter (chapter 2) shows that Mutual Trust Bank PLC is a mature private commercial bank that has been operating in the Bangladesh banking industry for more than 26 years. MTB has a diversified product portfolio, democratic management style and increasingly growing digital capabilities. The bank has further strengthened its brand through a fairly recent rebranding, CSR activities and awards for digital innovation, while serving retail, SME, corporate and NRB segments through an extensive branch, sub branch, and alternative delivery networks. Financially, MTB has maintained stable profitability and relatively improved liquidity over 2022–2024. This was supported primarily through conservative accounting policies and detailed disclosures. However, the bank still does remain exposed to sector wide issues such as NPL pressure and intense competition from both banks and fintech/MFS players, along with subsequent tight margins.

2.9 Recommendations/Implications

Mutual Trust Bank PLC should continue strengthening their financial resilience and risk management due to the persistent sector wide challenges like NPL pressure, profitability margin compression and increased regulatory scrutiny. This can be done through tightening credit appraisal and regular monitoring, diversifying the loan portfolio toward lower risk and higher margin segments (for instance, quality SMEs and retail), as well as expanding fee-based businesses like trade finance, cards, A-Challan payments, and cash-management services to reduce over reliance on interest income only. Simultaneously, management can set more clear performance metrics for branches and divisions to protect profitability during periods of interest rate and/or liquidity stress.

Furthermore, the bank should build on its advantages in digital banking, brand equity and CSR in order to sustain more of a long-term competitive edge. Scaling up MTB Neo and related digital channels, perhaps through newer features and integration with fintech/MFS partners may help acquire and retain the younger, more tech-savvy customers. At the same time, investing in staff upskilling (especially in analytics, risk and digital operations) and communicating MTB's progress in sustainability and responsible banking can very likely enhance stakeholder trust and differentiate the bank in a crowded market of over 60 scheduled banks.

Chapter 3: Enhancing Payment Processing: An Evaluation of Digitised TADA Processing at Mutual Trust Bank PLC's Group Finance Division

3.1.1 Background and Problem Statement

The Group Finance Division of Mutual Trust Bank PLC plays a key role in controlling and executing all of the bank's capital and operating expenditures. This includes staff claims, vendor payments, routine standing payments, and others. In this division, there are several units designated to deal with different financial aspects of the bank. Among these units, primarily the payment processing unit deals with all payables. The payment processing unit receives bills from branches and head-office departments all over the country and records them in a central register and spreadsheet-based Bill MIS. Subsequently, before authorization and disbursement, the compliance and documentation are also ensured by the unit and then the bills are forwarded to specific officers who will post them in systems like TCS, ODOO, ABABIL among other systems. This unit acts as the financial firewall and gatekeeper and makes sure that any bill that is paid is legit, correctly calculated and approved. This as a result further eliminates duplicate bills and instills strict cost control in general.

As the digital transformation projects have been rolled out gradually at Mutual Trust Bank PLC, there has been a shift in the Group Finance Division, where the division has moved away to some extent, from a more conventional paper-based workflow to more system-based processes. Among the major areas which are changing is the process of Travel Allowance and Daily

Allowance (TA-DA) claims. TA-DA claims, even in recent times, consisted of a large number of steps that involve physical submissions and compliance checking, and then finally postings of individual payments. This manual system involved a lot of human effort and supervision which led to a high dependency on papers, repetition of data entry and time wastage in physical document moving. As a result, the chances of duplication or miscalculation were very high.

This workflow has become much easier with the introduction of digital TA-DA processing platform at MTB that has allowed employees to file their claims electronically. The verifications, approvals, and payments of these claims are done in batches using integrated systems. This revolution has not only saved on the time taken to process data but it has also saved on the manual errors and administrative surpluses. Nevertheless, the other expense categories like the vendor payments, petty cash, conveyance and the holiday bills continue to be dependent on manual processes. These classes of bills also need their records to be physically documented and compliance to be verified, which can introduce inefficiencies into the operations that limit cost reductions.

Accordingly, the essence of the problem that is being considered in this project is the identification and analysis of these remaining manual processes, their efficiency compared to digitisation of TA-DA workflow, and a set of viable solutions to further digitalisation and automation in the payment processing unit.

3.1.2 Objective(s)

The main objective of this project is to evaluate how digitisation and potential automation of selected processes in the payment processing unit of Mutual Trust Bank PLC influence efficiency, cost control and compliance in internal bill processing. More specifically, the study essentially aims to:

- Trace the end-to-end bill processing workflow under the Group Finance Division through structured observation and officer discussions in order to differentiate manual versus digitised steps in receiving, checking, and paying the bills.

- Compare the previous manual and paper based TA-DA process with the new digital TA-DA workflow by using observed metrics on processing time and claim volumes.

- Identify the key pain points and control risks in the still-manual categories such as petty expenses, conveyance claims, holiday allowance bills and selected vendor payments.

- Propose feasible process and system level improvements to extend digitisation and automation to these categories in order to strengthen internal financial governance, improve staff time utilisation and support more disciplined cost control.

3.1.3 Significance

The significance of the study is high because of the payment processing unit's role as a financial gatekeeper. This unit has a direct impact on the operating costs of the bank. It also impacts the

degree to which the bank is exposed to errors and the audit risk profile. Through examination of a manual and paper based TA-DA operation to a more digitised operation, the research illustrates how specific automation could potentially save processing durations and reduce unnecessary paper handling and messenger costs, as well as decrease the chances of duplicate or multiple payment. The knowledge acquired can assist Mutual Trust Bank PLC to focus more on further automation and MIS upgrade in high volume, rules-based bill categories and may act as a benchmark to other banks in Bangladesh that are slowly shifting their traditional manual processes to more system driven internal processes.

3.1.4 Scope of the Study

This research paper is somewhat limited to the internal bill processing and payment processes in the Group Finance Department of Mutual Trust Bank PLC and more specifically the payment processing unit and how they process the routine payables. It concentrates on a few large bill categories which are handled within the internship time period, such as TA-DA claims and other items such as petty expenses, holiday allowance claims and a few vendor payment note subsets, instead of trying to cover all the potential types of transactions. It is analyzed relying on a three months internship experience, including about two months of direct attachment to the payment processing function, on the observation based sample of TA-DA batches and qualitative information provided by the corresponding officers as the main empirical foundation. Therefore, the paper does not explicitly take into consideration customer facing services and other key banking activities like credit operations, general banking or treasury operations, and its findings represent the practices of the back office Group Finance payment processing unit of the MTB.

3.2 Literature Review

The existing literature on banking and financial operations strongly indicates that automation of processes and application of workflow technologies can significantly minimise the errors on manual processes besides shortening the processing cycle. This is specifically more so in fields such as invoice processing, the expenses of the staff and the execution of the payment (Smith and Ahmed, 2022). Past research indicates that errors and payments made twice are likely to decrease when the transactions are directed to rule based workflow where system validation is done at critical stages. Simultaneously, the pace of routine approvals are likely to go up as well (Johnson, 2021). Studies of internal control framework also propose automated checks, exception reports which are system generated. This facilitates the enforcement of policies by organisations in a more consistent manner throughout branches and departments as compared to the heavy paper based processes, which rely on individual staff.

There is also a connection between automation and digitisation with the increase in transparency and auditability of financial processes (Khan and Lee, 2020). Integrated MIS and electronic workflow generate digital audit trails in which every transaction step such as claim submission, checking, approval and posting is time-stamped and linked to user credentials. This assists the financial institutions in tracking previous transactions more easily both in the process of internal audit and external audit. Comparatively, paper files and manual registers are more prone to things like incomplete records and misplacing them. This consequently leads to difficulty in trying to trace things later on. Other past investigations into the use of expense management

systems and electronic invoicing platforms also point out that the digital records do not only lessen the likelihood of errors going undetected, but also contribute to a faster monitoring process through dashboards (Rahman, 2023).

Policy documents and sectoral reports on financial sector digitisation show a trend of broad shift toward tech driven efficiency and transparency. This shift is relevant both in customer facing services and also in back office operations. Initiatives in the past such as electronic funds transfer systems (EFT), real-time gross settlement (RTGS), mobile financial services (MFS) and automation of government payments have demonstrated positive signals. They demonstrated how digital channels can lower processing time as well as reduce cash handling risks, all while the traceability of transactions are improved. These developments provide a relevant backdrop for assessing how a private commercial bank's internal payment processing unit is moving from manual and paper based bill processing towards more digitised workflows for specific categories like TA-DA, while other categories such as petty expenses, conveyance and holiday compensation are still very much manual. Through looking at this micro-level operational shift, the present study is positioned within the wider literature on process automation in banking. However, this particular research narrows the focus to the internal bill processing activities of a single institution, where efficiency and cost control, along with internal governance are directly affected by the digitisation.

3.3 Methodology

This study is based on a three-month internship in the Group Finance Division of Mutual Trust Bank PLC, including approximately two months of direct attachment to the payment processing unit with regular exposure to bill receipt, compliance checking and payment execution activities. Primary data was collected through day to day observation of key steps like bill receiving, manual MIS updating, routing to compliance and payment officers, along with limited task involvement at the receiving desk. Informal discussions were held with the bill receiving officer, a compliance officer and payment officers to understand bottlenecks, error types and control checks, along with practical constraints in the existing workflow.

To generate quantitative evidence, the study used an observation based sample of TA-DA processing over two weeks- One week when TA-DA was processed manually and one week after the process had been digitised. During the manual week, data was recorded for 10 TA-DA batches covering 459 claims with a total value of BDT 1,040,300, while during the digitised week, data was collected for 11 batches covering 554 claims with a total value of BDT 1,437,000. For each batch, the number of claims, total monetary value and approximate processing time from the start of compliance checking to completion of posting were noted and later used to calculate average processing times and compare the throughput between the manual and digital models. Secondary data in the form of internal policy guidelines, circulars on delegation limits and entitlement rules, and numerical estimates from officers (such as the average messenger cost for TA-DA batch and typical batches per working day) were also used to estimate indicative auxiliary cost savings from digitisation.

This study primarily applied descriptive statistics and simple comparative analysis to the observation data. Average processing time per batch, total number of claims processed, and total TA-DA amounts were computed for both weeks and then annualised by scaling weekly performance over 52 weeks. This was done to assess the percentage reductions in processing time as well as changes in volume handled under digitisation, and projected annual capacity growth. In order to to approximate messenger cost savings, a simple cost estimation approach was used. The reported number of TA-DA batches per working day was multiplied by the per-batch messenger cost and the figures were extrapolated to monthly and annual levels. Qualitative insights from observations and officer discussions were also used to identify bottlenecks in the process and remaining manual dependencies in the other bill categories (petty expenses, conveyance and holiday compensation). These were then integrated with the numerical findings to draw conclusions and formulate recommendations.

The forecasting of annual data to weekly data followed a straightforward annualisation process. It is justified by the stable and rather recurring nature of TA-DA claims in banking operations. Weekly performance metrics (like batches, claims per batch, amount per batch) from the observed digitised week were scaled by 52 weeks in order tp project annual capacity, assuming that the processing patterns stay consistent in full year (260 working days). This approach is standard for operational benchmarking where short term observations can represent a longer time horizon. This is possible as TA-DA submission volumes usually follow a predictable cycle rather than seasonal volatility. For instance, manual week claims (45.9) × 520 annual batches resulted in 23,868 claims, while digitised claims (50.36) × 572 batches projected approximately 28,808 claims, which was a 20.7% growth in capacity. In a similar way, messenger savings projection

used observed daily batches (4) × BDT 400 × 260 days = BDT 416,000 annually. This method provides conservative projections which are grounded in primary observation data while acknowledging the limitations of the small sample size.

3.4 Findings and Analysis

3.4.1 Overview of Bill Processing Workflow

The payment processing unit of the Group Finance Division follows sort of a sequential workflow. In the beginning, the bills are received and the process ends with payment execution and subsequent voucher recording. The bills that are submitted by all the branches and sub-branches all around the country as well as head-office departments are first received at the central desk. The responsible assistant officer at the central desk then stamps them as “received,” and then provides a signed and sealed photocopy as proof to the messenger or staff who brought the bill, and records a few key details such as bill type, department, amount and category (OPEX or CAPEX) in an Excel-based Bill MIS. Here, each and every bill is also given a unique serial number and categorised so that control chekcs later on can be traced back to the original entry.

After the initial phase where the bills are recorded as well as categorised, the physical file is then forwarded to a compliance officer where they are responsible for detailed checking of the files. This stage is known as the compliance stage and here each bill is reviewed for document completeness, authenticity and financial accuracy. The files are also checked for verification of the related supporting documents (VAT challans, delivery challans, requisition emails, etc),

quantities and totals are cross checked, and validation of seals and signatures that include tax-related documents such as proof of return submission (PSR) are verified as well. In the cases where higher-level approvals are needed, such as signatures from senior officials for amounts exceeding a unit head's delegation limit, the file is routed accordingly to the respective authority. The payment officers then re-check the delegation limits and input the bills into the core transaction system (such as TCS or Odoo) in batches. After posting is completed, at the end of the day, daily vouchers are generated which are kept in archive. The vouchers are then reflected back in the Bill MIS to confirm payment statuses. This end to end flow essentially shows how financial control is maintained through several manual steps. These manual steps eventually create many potential points for delay and inconsistency.

3.4.2 Manual Processes and Control Risks

Through day to day observation, it can be seen that many stages of the payment processing workflow are still manual and paper intensive. More specifically, petty expenses, conveyance claims and holiday bills. These bills are carried from branches and departments to Group Finance by messengers who depend on stamped photocopies as proof of submission. Furthermore, the receiving desk handles a large volume of multi page bills that are usually stapled together with VAT challans and delivery challan receipts. Then these are sorted by category and department, and then entered manually into the Excel Bill MIS before stamping them with a seal, signature and serial number. Any human error at this stage like simply mistyping the bill amount or assigning a wrong serial number, can lead to difficulty in tracing the transactions later on. This

may later complicate reconciliations and audit reviews. As per the Group Finance officials themselves, these human errors are not rare.

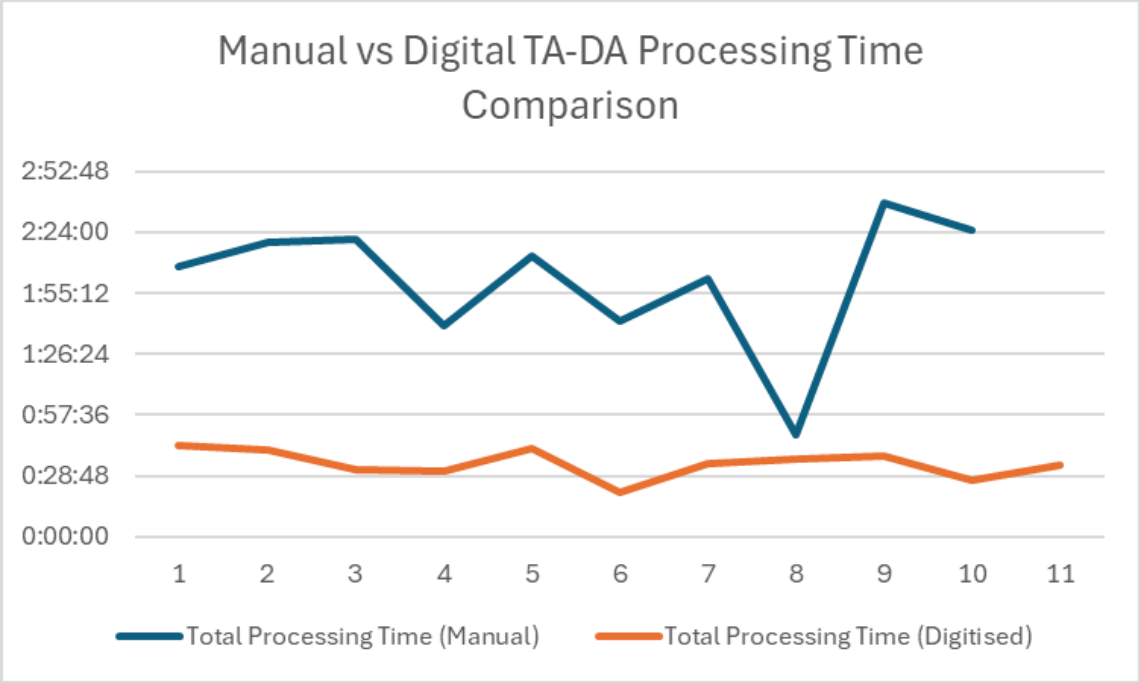
Moving forward, this manual checking adds more control risks and workload at the compliance desk. Bills like petty expenses and conveyance bills require calculation of amounts that are done using a basic physical calculator. Bills like holiday compensation claims depend on conditions such as the employee's designation, fixed entitlement amount for that grade, and also if that the work day is recognised as an official holiday in the bank's calendar. Currently, all of these conditions are checked manually against printed documents or email instructions. These processes increase the probability of things like overpayment and missed supporting documentation, or inconsistent application of rules if the verification is not thorough. Also they consume a significant amount of staff time, as each bill must be individually inspected, verified and recorded at multiple points in the workflow.

3.4.3 Impact of TA-DA Digitisation on Efficiency

In comparison to the processes for petty expenses and conveyance and holiday bills, which are still highly manual, Travel and Daily Allowance (TA-DA) processing for permanent staff has been fully digitised, with only the TA-DA of contractual staff remaining manual (which is a much smaller portion of the total TA-DA volume). In the previous manual model, TA-DA claims were submitted as physical paper bills which were carried by messengers. They were processed in batches where each claim had to be checked against rules on distance (for example, classifying journeys above or below a certain kilometre threshold as TA-DA or conveyance), entitlement

limits based on corporate designations, and document evidence such as the original tickets /receipts. So for each batch the compliance officer and supporting staff had to flip through many pages and manually calculate or verify totals before the payment officer could enter the claims individually into the payment system.

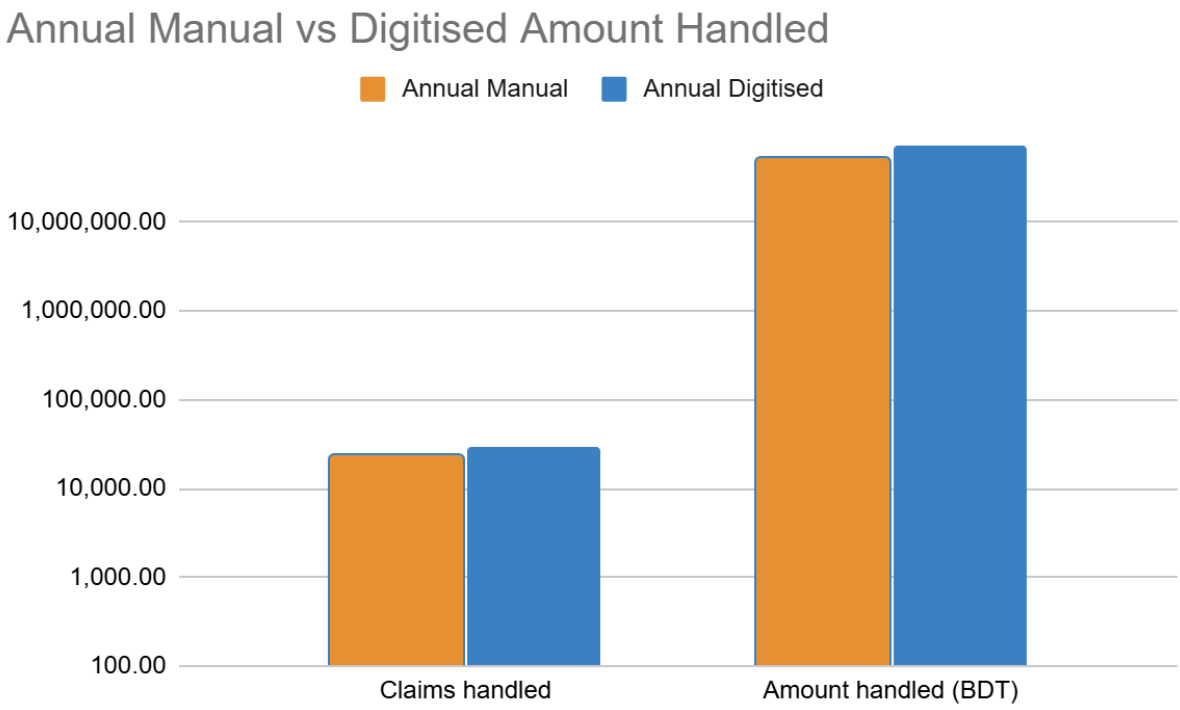
In order to assess the impact of digitisation, more particularly the impact on efficiency, one observed week of processing data of manual TA-DA handling was compared with one observed week of digitised TA-DA processing (dataset provided in appendix). During the manual week, the officer processed 10 batches comprising of 459 claims with a total value of BDT 1,040,300, which required a total processing time of **20 hours and 16 minutes** (on average 2 hours and 1 minute per batch). In the digitised week, in comparison to the manual week, 11 batches comprising of 554 claims with a total value of BDT 1,437,000 were processed in just **6 hours**



and 21 minutes (on average 34 minutes and 38 seconds per batch).

The nnual projections (scaled over 52 weeks) further illustrate the sustained impact. Under the manual model, MTB usually would process around **23,868** claims worth **BDT 54,095,600** annually. On the other hand, in the digitised model, the projected capacity is upwards of **28,800** claims worth **BDT 74,724,000**. This shows a growth of **20.7%** in claims volume as well as a growth of **38.1%** growth in total value handled.

	Manual		Digitised		
	Weekly	**Annual**	**Weekly**	**Annual**	**Growth Rate**
Claims handled	459	23,868.00	554	28,808.00	20.70%
Amount handled	1,040,300	54,095,600.00	1,437,000	74,724,000.00	38.13%



When the above mentioned projections are paired with the dramatic time savings, this suggests that digitisation significantly increases the throughput without proportionate increases in staff capacity or effort. In the manual model, the officer required support from one intern for the handling of physical files and data entry, whereas the digitised system allowed for the officer to process the claims alone as key fields such as employee ID, designation, distances, dates, claimed amounts were captured as well as validated automatically. This digitised performance occurred during the system's initial implementation phase which came with a learning curve; the officer efficiency is expected to improve further as they get more and more familiar with the system.

If MTB is able to sustain this digitised TA-DA performance, they would potentially be able to annually handle **4,940** more claims, which reflects a 20.7% growth, as well as **BDT 20,628,400** more value, reflecting a 38.1% growth, than under manual operations. This would furthermore reduce average batch processing time from **121.6 minutes** to just **34.6 minutes**. In the longe run, this translates to substantial savings of staff hour and increased processing capacity during peak demand. Also skilled compliance officers can be better utilised for more analytical tasks instead of just routine data handling.

3.4.4 Potential Cost and Compliance Benefits

The digitisation of the TA-DA claims process creates cost and compliance benefits. The risk of typing errors, miscalculations and human error in general is reduced as for each individual claim the manual data entry part is eliminated and the rule application parts is automated (for example, distance-based classifications and grade-wise entitlement limits). Exceptions like unusually high

claims, repeated journeys in short time windows by same staff, as well as discrepancies between claimed distance and typical route data (natively held within the system) can be flagged with the digitised system. These sort of exceptions are the ones that the compliance officer would review, while the straightforward cases can be processed with as little manual intervention as possible. These changes reduce the chances of undetected duplicates or claims that were overstated and also lowers the amount of corrections / adjustments required after payments have already been executed.

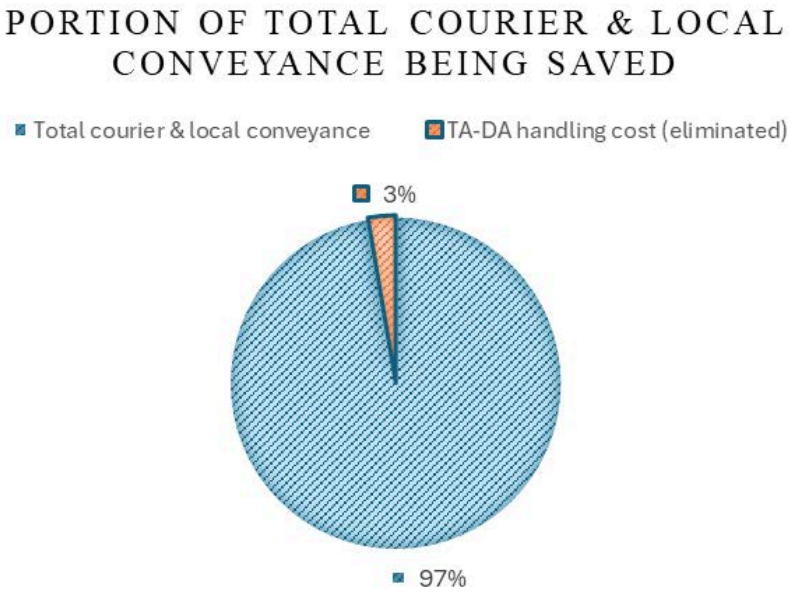
In the case of auxiliary cost savings, the manual TA-DA model actually required physical messengers to transport batches of paper bills from branches and departments to MTB's Group Finance Division at the Head Office. This created sort of a predictable daily expense stream. On average, the messenger cost per TA-DA batch was BDT 400 (secondary data obtained through interview with a Group Finance officer), with an observed pattern of around 4 batches per working day during the manual period. This caused a daily messenger expense of BDT 1,600 (4 × BDT 400). This figure scaled across 260 working days annually would translate to **BDT 416,000** in total TA-DA messenger costs under the manual model.

Period	Batches/Day	Cost/Batch (BDT)	Daily Cost (BDT)	Monthly (20 days)	Annual (260 days)
Manual	4	400	1,600	32,000	416,000
Digitised	4	*Zero messenger expenses*			
Savings	—	**416,000**			

Digitisation completely eliminates these TA-DA messenger costs. As a result it delivers a direct annual savings of BDT 416,000 which essentially is equivalent to approximately 26 full time messenger months (at BDT 15,000–18,000 monthly salary plus travel allowance). This

represents a **100% cost avoidance** for TA-DA messenger operations, while maintaining full compliance visibility through digital audit trails which can be accessed more easily and seamlessly, instead of having to shuffle through thousands of paper bills.

MTB's total courier & local conveyance expense for FY 2024–25, as stated in their financial statements, was **BDT 15,100,776**. From this, TA-DA digitisation would potentially result in **BDT 416,000** in annual savings. Thus this would represent a **2.75% reduction** in this operational cost category. This single process contribution represents a rather modest part of the overall bank expenses, and also it won't dramatically transform profitability on its own. However, through the complete elimination of TA-DA messenger overhead costs, it does establish cost reduction initiatives while simultaneously not compromising any compliance controls whatsoever.



The **2.75 percent** possible courier cost saving justifies the digitisation as a tested and scalable model with **71.5 percent** of the processing time saved, from around 2 hours down to less than 35

minutes per batch further supporting digitisation. The beneficial implications are likely to compound eventually as more high volume processes (petty expenses, conveyance claims, holiday compensation, etc.) replicate the same approach. This would gradually reduce cost to serve ratios on the part of MTB, and would allow for margin expansion through long-run cumulative savings .

In addition to the straightforward financial recovery, manpower that had been wasted through physical processing (estimated 2-3 hours per day per officer) could be diverted to better value compliance checking and exception processing, and computer records would further enhance internal management and reduce future audit issues. All these gains give MTB an improved competitive position alongside reduced costs, quicker service turnover among the branches/departments and the redistribution of resources to other more strategic priorities.

3.4.5 Financial Benefits from Time Savings

By quantifying the financial benefits of the 71.5% reduction in TA-DA processing time, the efficiency gains can be translated into measurable staff cost savings using MTB officer salary data. Aside from the auxiliary messenger cost elimination (BDT 416K/year, Section 3.4.4), this analysis calculates labor cost avoidance for the primary TA-DA officer and discusses broader implications across the payment processing unit. These staff savings represent an additional, return on investment (ROI) from digitisation that was previously unquantified .

The 71.5% reduction in TA-DA batch processing time (121.6 min → 34.6 min) translates to 835 minutes/week saved (20h16m manual - 6h21m digitised = 13.9 hours/week). This frees up approximately 2.78 hours/day (5-day week) for one officer which essentially is around 1/3 of an 8-hour shift that is now available for other tasks.

Staff Cost Savings Calculation

Assumptions (MTB officer salary, internal source):

- Gross monthly: BDT 69,000 (BDT 40,000 basic + allowances)
- Daily cost (22 days/month): BDT 3,136
- Hourly cost (8-hr day): BDT 392

Metric	**Value**	**Notes**
Weekly Hours Saved	13.9	Primary TA-DA officer
Daily Hours Saved	2.78	~35% of shift
Hourly Officer Cost	BDT 392	Cash equivalent
Annual Hours Saved	724	13.9 hrs × 52 weeks
Annual Savings	BDT 283,710	One officer only

Unit-Wide Implications

The BDT 284K annual saving reflects only the direct value of the primary TA-DA officer's time that has been freed. However, the benefits extend across the entire payment processing unit, including assistant officers, senior officers, and supervisory roles such as FAVP and AVP. Faster TA-DA processing reduces bottlenecks across compliance and payment desks, while digitisation eliminates the need for intern support that was previously required in the manual workflow model. As a result, senior staff can allocate more time to higher-value tasks such as exception handling, audits, and analytical work, improving overall unit productivity.

Savings Type	**Annual Amount**
Messenger Costs	BDT 416,000
Officer Time	BDT 283,710
TOTAL	BDT 699,710

Combined BDT 700K/year from TA-DA digitisation proves strong ROI. Scaling to petty expenses/conveyance/holiday (higher volumes) could yield multi-million savings across Group Finance operations.

3.4.6 Remaining Gaps: Petty, Conveyance and Holiday Bills

Even though there were a lot of improvements after the transformation of TA-DA processing, the other major bill categories like petty expenses, conveyance claims and holiday compensation still

rely on manual workflows as well as physical/paper documentation. Very often bill categories like petty expenses require many low value payments which are necessary for day to day operations of the bank, like tea, coffee, sugar, etc. These bills, however, still require staff to prepare physical bills, attach required approvals, and send them by messenger to Group Finance. Conveyance claims, another bill category, follows a similar path, with manual verification of trip details, distances and entitlement rules for each individual claim. These categories often generate a high volume of small bills, which can lead to repetitive manual workload. The error risk can also be significant, even if the individual amounts are relatively small.

Furthermore, holiday compensation bills are especially eligible for digitisation and further automation. It is because the underlying rules are relatively stable and can be codified. Entitlement is usually a fixed amount per day that is linked to the employee grade (for instance, one rate for support/office staff and a higher rate for officers and senior grades), often conditional on working at least a minimum number of hours on an official holiday which is recognised in the bank's yearly calendar. At present the verification of these things require manual cross checking of attendance information, holiday lists and grade wise entitlements. This is not only time consuming but prone to human error when it comes to policy implementation. A rule based workflow, like that of the digitised TA-DA model, would automatically cross check attendance or work logs against the official holiday calendar and apply grade wise rates. This would help in reducing routine manual checks as well as minimising the risk of errors, along with freeing up compliance staff to focus on more complex items.

3.4.7 Scope for Workflow Automation and MIS Enhancement

This overall analysis suggests that there is a good opportunity to implement digitization and automation beyond just TA-DA, to other routine bill categories. In turn, it is likely to further strengthen the supporting MIS as well. The current Bill MIS at the receiving desk is maintained in Excel and requires the staff to type in key fields such as bill type, department, amount, payment date, journal reference, user ID, authoriser and payment channel both at the point of receipt and again after payment, when daily voucher information becomes available. This duplication increases the chance of discrepancy between the MIS and actual accounting records, as was observed during the tenure of the internship. It furthermore consumes staff time that could otherwise be used for analytical or exception-handling tasks. An MIS that is integrated and directly linked with the bank's transaction systems would be able to automatically capture many of these data fields from the system postings directly. This would reduce manual data entry and human error, and also enable more timely reporting on both the outstanding bills and the paid ones.

Similarly, just like the TA-DA digitisation portrayed earlier, simple digital workflows for petty expenses, conveyance claims and holiday bills could potentially allow branches and departments to submit claims electronically with built-in validation for things like delegation limits, eligibility criteria and the required supporting documents. Thus the compliance desk could then focus on reviewing exceptions or flagged items within the system, while routine cases move on without unnecessary intervention and delays. Payment officers would be able to process approved claims in batches rather than keying in each bill individually. All together, these potential

transformations would definitely be costly to the bank in the short run, but in the longer run it would help towards preserving more strong control of the payment processing unit. Additionally it would contribute towards improving efficiency, reducing the associated auxiliary costs and also create a more solid audit trail.

3.4.7 Summary of TA-DA Digitisation Benefits

Benefit Category	Manual TA-DA	Digitised TA-DA	Improvement
Processing Time	121.6 min/batch	34.6 min/batch	71.5% reduction
Annual Claims	23,868 claims	28,808 claims	+4,940 claims
Annual Value	BDT 54.1M	BDT 74.7M	+BDT 20.6M
Messenger Costs	BDT 416K/year	BDT 0	100% savings
Officer Cost	BDT 413K/year	BDT 129K/year	BDT 284K saved
Staff Support	Officer + intern	Officer only	Solo processing
Error Risk	Manual checks	Auto-validation	Significantly reduced
Audit Trail	Paper files	Digital logs	Fully traceable

3.5 Summary and Conclusions

This chapter essentially discussed how the payment processing unit of the Group Finance Division in Mutual Trust Bank PLC operates as sort ofa financial firewall as well as how digitisation initiatives, specifically in the TA-DA processing, have had an impact on efficiency, cost and control. The workflow mapping has shown that while the overall process has clear control checkpoints, beginning from bill receipt and MIS recording to compliance checking, system posting and voucher generation, there are a lot of categories that still rely on paper based submissions and manual calculations. All of this together creates scope for delay and rework.

Using one observed week of manual TA-DA processing and one week of digitised TA-DA processing, this chapter presented a small scale quantitative comparison of processing volume, time and value. The manual week covered 10 batches with 459 claims amounting to BDT 1,040,300. It required about 20 hours and 16 minutes in total. On the other hand, the digitised week handled 11 batches with 554 claims amounting to BDT 1,437,000; That took only 6 hours and 21 minutes. Even though the digitised week handled more claims and a higher total value, the average processing time per batch fell drastically from more than 2 hours to about 35 minutes. Thus, these fidnings indicate that digitisation can indeed improve processing efficiency along with better staff time utilisation.

Beyond just the time savings, this analysis also highlighted the potential cost and compliance benefits. As a result of the reduced processing time, there were measurable cost savings from the officer now having to allocate a reduced amount of working hours to processing TA-DA claims. Digital workflows strengthen the audit trail and also reduce the risk of undetected overpayments or documentation gaps. This is done through rule based checks and automated data capture. However, these benefits are not yet fully realised across the whole payment processing unit as there is still continued use of manual processes for other bill categories. Overall, the chapter ends on the note that targeted implementation of digitisation has the potential to improve efficiency, reduce costs and support more robust internal financial governance in Mutual Trust Bank PLC's overall bill processing activities.

3.6 Recommendations/Implications

In light of these findings, MTB should consider implementing digital workflows to other relatively standardised bill categories. These categories include petty expenses, conveyance claims and holiday compensation. Allowing branches and departments to submit claims through an internal portal with built in checks for required supporting documents and other eligibility conditions would reduce reliance on messengers and physical paper and shorten processing times. This would also eventually lower the risk of incomplete claims reaching the payment processing unit. Upon implementation, this could potentially have additional auxiliary cost savings similar in nature to the TA-DA savings.

The other component that should be improved is the Bill MIS. By replacing or updating the available MIS which is based on Excel with an integrated system that is connected to the core transaction platforms of the bank, a lot of primary fields such as amount, department, and journal reference, date of payment and payment authoriser would be automatically captured instead of being typed in. This would eliminate discrepancy between operational entries and accounting entries and give some sort of a real time picture of outstanding bills, payment status and workload distribution.

The consequences of the quantitative analysis of the comparison between the manual and digitised TA-DA are not confined to a single type of bill. The increased volume processing and decreased auxiliary expenses, as well as the significant decrease in the amount of time spent processing a batch, indicates that specific digitisation can free up the staff capacity on more high-risk processing and analysis instead of dealing with repetitive and standard data processing.

With an increasing number of workflows becoming digitalised, the compliance function may eventually become more exception based reviews only. What it means to the management is that additional investment in internal digital tools and integration of MIS in Group Finance can be used not only to enable more control, but also to use the resources in a more efficient way. This would allow operational practices to be in line with the larger industry trend towards technology enabled banking operations and sustainability.

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Appendix A: Manual TA-DA Processing at MTB (One-Week Sample)

Manual TA-DA Processing Data							
Date	**Batch ID**	**Number of Claims**	**Total Amount (BDT)**	**Processing Start Time**	**Processing End Time**	**Total Time (minutes)**	**Staff Involved**
Nov 4	M-001	41	85,600	11:30:00 AM	1:38:00 PM	2:08:00	Officer + 1 intern
Nov 5	M-002	43	98,400	11:15:00 AM	1:34:00 PM	2:19:00	Officer + 1 intern
Nov 5	M-003	50	110,700	3:00:00 PM	5:21:00 PM	2:21:00	Officer + 1 intern
Nov 6	M-004	48	105,000	12:00:00 PM	1:40:00 PM	1:40:00	Officer + 1 intern
Nov 6	M-005	56	136,800	3:15:00 PM	5:28:00 PM	2:13:00	Officer + 1 intern
Nov 9	M-006	45	105,900	11:30:00 AM	1:12:00 PM	1:42:00	Officer + 1 intern
Nov 9	M-007	48	103,800	2:15:00 PM	4:17:00 PM	2:02:00	Officer + 1 intern
Nov 9	M-008	21	50,200	4:50:00 PM	5:38:00 PM	0:48:00	Officer + 1 intern
Nov 10	M-009	54	124,700	11:15:00 AM	1:53:00 PM	2:38:00	Officer + 1 intern
Nov 10	M-010	53	119,200	3:15:00 PM	5:40:00 PM	2:25:00	Officer + 1 intern

Appendix B: Digitised TA-DA Processing at MTB (One-Week Sample)

Post Digitisation TA-DA Processing Data							
Date	**Batch ID**	**Number of Claims**	**Total Amount (BDT)**	**Processing Start Time**	**Processing End Time**	**Total Processing Time (minutes)**	**Staff Involved**
Nov 16	D-001	65	152,400	11:45:00 AM	12:28:00 PM	0:43:00	Officer only
Nov 16	D-002	61	145,200	2:14:00 PM	2:55:00 PM	0:41:00	Officer only
Nov 17	D-003	49	133,600	11:30:00 AM	12:02:00 PM	0:32:00	Officer only
Nov 17	D-004	44	126,000	1:18:00 PM	1:49:00 PM	0:31:00	Officer only
Nov 17	D-005	58	141,200	3:42:00 PM	4:24:00 PM	0:42:00	Officer only
Nov 18	D-006	42	107,900	1:07:00 PM	1:28:00 PM	0:21:00	Officer only
Nov 18	D-007	48	124,300	1:32:00 PM	2:07:00 PM	0:35:00	Officer only
Nov 18	D-008	47	123,200	3:08:00 PM	3:45:00 PM	0:37:00	Officer only
Nov 19	D-009	53	148,800	10:40:00 AM	11:18:00 AM	0:38:00	Officer only
Nov 19	D-010	42	109,500	2:04:00 PM	2:31:00 PM	0:27:00	Officer only
Nov 19	D-011	45	124,900	3:38:00 PM	4:12:00 PM	0:34:00	Officer only