“CSR Reporting Practices of Mercantile Bank Limited”

Date of Submission: 29th June, 2024

“CSR Reporting Practices of Mercantile Bank Limited”

Prepared by

Anika Alam

ID: 221-14-449

Program: MBA

Major in Finance

Department of Business Administration

Daffodil International University

Supervised by

Prof. Md. Abdur Rouf, PhD

Professor of Accounting

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Date of Submission: 29th June, 2024

Letter of Transmittal

22nd June, 2024

Prof. Md. Abdur Rouf, PhD
Professor of Accounting
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Subject: Submission Internship report on CSR Reporting Practices of Mercantile Bank Limited.

Respected Sir,

I am pleased to present my internship report on **"CSR Reporting Practices of Mercantile Bank Limited"** here. The only basis for this paper is the experience I gained during my internship at Mercantile Bank Limited. I will be grateful and honored if you read my internship report and recognize my hard work and dedication. I have tried my best to effectively and efficiently portray the basic scenario of Corporate Social Responsibility of Mercantile Bank Limited.

Finally, I would like to express my sincere gratitude and thanks to you for preparing this report. I will be happy to answer your questions on this topic.

Sincerely Yours,

Anika Alam
…………………………..

Anika Alam
ID: 221-14-449
Program: MBA
Major in Finance
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Student's Declaration

I hereby s certify that the work submitted for this internship report **"CSR Reporting Practices of Mercantile Bank Limited"** is accurate. I conducted a study on the Uttara branch; it has beenbefore submitted to a university for an academic certificate.

I further undertake to indemnify the development compare from breach of the foregoing obligations.

Anika Alam

……………………………..

Anika Alam

ID: 221-14-449

Program: MBA

Major in Finance

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Certificate of Supervisor

To certify that **Anika Alam, ID: 221-14-449, MBA (Finance)**, is a regular student of Daffodil International University, Department of Business Administration, Faculty of Business and Entrepreneurship. She has successfully completed her internship program at Mercantile Bank Limited and prepared for this internship under my direct supervision. Her assigned internship topic is **“CSR Reporting Practices of Mercantile Bank Limited”**. I feel that the report is well-intentioned in fulfilling the partial requirements of the MBA program.

I wish her success in the future.

29.06.24

………………………………………

Prof. Md. Abdur Rouf, PhD
Professor of Accounting
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Acknowledgement

I want to express my deep gratitude to Almighty God for the giving me strength & the composure to complete the internship report. Words will not be enough to express how grateful I am, but I will try my level best to express my gratitude to some people. This internship report can never be done without the necessary knowledge, many books, articles, websites and initial information. It also enhances my knowledge of banking business as well as overall banking activities. Thanks to everyone, who helped me. Initially, I want to express my deep respect for giving me valuable time and all the necessary guidance, to my respected supervisor, Prof. Md. Abdur Rouf, PhD. Inspired by his continuous supervision, to make more possible reports about depth analysis.

I grateful to my job supervisor, A.K.M Fazlul Haque Tipu (Vice President and Head of Branch), Nasrin Siddiqua (Senior Executive Officer), Syed Ahsanul Haque Nuri (First Vice President & Manager-Operation) Mercantile Bank Limited whose supervision I have done my internship successful. They are very generous and friendly with me. I am greatly thankful to him.

Moreover, I express gratitude to the whole officer for their cooperation. Without their help, it wasdifficult for me to do an internship and make a report.

Executive Summary

A management idea known as "Corporate Social Responsibility" (CSR) promotes companies to integrate social and environmental concerns into their everyday operations and interactions with stakeholders. **"CSR Reporting Practices of Mercantile Bank Limited**- An Internship Report on Mercantile Bank Limited," was developed to fulfill the internship program, which is also required to complete the MBA degree. Four chapters make up this report: Introduction, Bangladesh Bank CSR Activities Guideline, CSR Practices of MBL, Findings and Recommendations and Conclusion. The main objective of this study is to describe Bangladesh banks guideline for financial institution on CSR activities and to present the overall CSR Reporting practice of Mercantile Bank Limited (MBL). This descriptive study used secondary data. MBL is dedicated to conducting all financial activities in accordance with guideline. This study also contrasted the CSR policies of MBL and other banks in Bangladesh. The investigation revealed that MBL supported mostly health, education, disaster management, art & culture, sports and other sectors. MBL should increase its CSR efforts by supporting performing arts, visual arts, and culture like other banks. They should make more promotional efforts to improve their public image.

TABLE OF CONTENTS

Chapter-1

Introduction

1.1 Introduction

Mercantile Bank Limited Where I am interning. So, I prepared an internship report on MBL's CSR activities. Mercantile Bank Limited is the largest and largest private bank in the commercial sector of Bangladesh. Accordingly, there are a number of private commercial banks that can compete with MBL. This banking system aims to achieve the goal of an economy based on a well-structured system. My internship report was prepared to evaluate my knowledge including the MBA program and CSR. This was part of my internship at the Uttara Branch of Mercantile Bank Limited. So, I have to write a CSR Reporting Practices of Mercantile Bank Limited. The internship report is divided into Four chapters, including an introduction, Overview on Mercantile Bank Limited, CSR Practices of MBL, Findings & Recommendation, and a conclusion. Bangladesh is a growing country, and increased globalization is affecting the customer perception of the banking sector, so I am conducting this report on Corporate Social Responsibility.

1.2 Background of the Study

This study makes understanding the history of MBL's corporate social responsibility (CSR) much easier. It would also be beneficial to assess the present state of their financial activities. To address the unique needs of its customers, the MBL Banking division regularly faces difficulties that are met by creating innovative products and services and engaging in (CSR) corporate social responsibility. Competition among nationalized private commercial banks is becoming more intense over time on. And banks are emphasizing offering their particular consumers more cutting-edge goods and services. All businesses strive to supply their fellow customers with superior service opportunities to compete in the fiercely competitive banking industry. Therefore, I set out to learn how they conduct their daily banking operations, how they practice corporate social responsibility (CSR), how they deal with the newest issues in providing service to their customers, and how successfully they launch new products for their customers. In-depth information about MBL's banking CSR activities will be provided in this paper.

1.3 Scope of the Study

This study is based on my observations and research from my internship at Mercantile Bank Limited. The major themes of the company's Corporate Social Responsibility were the main focus. My research focuses on Mercantile Bank Limited. I was observed in almost every department division during my three-month internship program. However, this study looks at Mercantile Bank Limited's CSR from various angles. This report would be helpful for individuals who want to understand more about Mercantile Bank Limited and evaluate its CSR in comparison to Policy Guidelines.

1.4 Objectives of the Study

This research provided a general overview of MBL's CSR condition. Identifying the policy maintenance of Corporate Social Responsibility in Bangladesh and at Mercantile Bank Ltd is the primary goal of this paper.

Specific Objective:

i. To present the overall CSR practice of MBL.
ii. To find the problems related to CSR reporting practice of MBL.
iii. To provide recommendations on the basis of the findings of the study.

1.5 Methodology of the study

This report is based mainly on observations that I experienced during the internship period. At the time of my internship period, I tried to collect both primary and secondarydata. Some primary data are collected by taking interview and by discussion with the manager and officer of MBL. Here primary data are collected through spending three month in the MBL during the working hour. Here I observed the total banking process of Mercantile Bank Limited.

Primary sources of data:

- Knowing about various organizational system from Mercantile Bank Limited.
- By communicating relevant personnel of MBL of my branch.
- Some practical records and interview with officers.

- Field work with officers and visit some customer of MBL.
- Manuals of Mercantile Bank Limited
- Face to face conversations with the employees and customers at various fields.

Secondary sources of data:

- Relevant data and last some years report of Mercantile Bank Ltd Limited.
- Some text books that provide banking knowledge.
- Experts or Officers personal opinion and some publishers Journal.
- Information about the organization from their company profile.
- Web sites of Bangladesh Bank, Mercantile Bank Ltd etc.

1.6 Limitations of the Study

In every organization, there are some limitations for the outsiders. So as an internship student my learning area and companies' major information's are limited. Some limitations are below:

1) As it was for three months, so time constraints were short for knowing about the company.
2) Another limitation is that the banking policy provides or discloses their informationafter the next years.
3) The bigger knowledge one cannot earn or collect because of company privacyproblem.
4) Normally the company didn't want to provide their internal data to someone.
5) Restriction of knowing about banks different sector mainly accounting and FDIsectors.
6) Lack of actual information to the officers because companies some major information limited on Head Office.
7) I had to complete this report within a very short span of time that was not sufficientfor managing actual information.

Chapter-2

Bangladesh Bank CSR Activities Guideline

2.1 Definition of Corporate Social Responsibility (CSR)

Corporate social responsibility is not formally defined anywhere, but the CSR approach It should be noted that the banking industry is slightly different from the development and economic sectors in terms of economic and social activities and meeting the expectations of shareholders CSR is commonly defined as a national and global perspective as well as concept analysis.

After that, it can be described as follows:

CSR is a time-bound approach with short and long-term goals to balance the triple bottom line of social, environmental, and economic imperatives. Besides being philanthropic, CSR significantly addresses the key issues facing sustainable development through effective initiatives and community investment in the nation's sustainable and equitable growth. CSR to improve food quality and living conditions CSR to reduce all forms of inequality and social exclusion.

2.2 Objective of CSR

In order to carry out Bangladesh Bank's mission and vision of establishing subsidized advance loans in agriculture, CMSME, and green finance, the bank also focuses on underdeveloped areas such as hill clusters, coastal areas, and vulnerable tribal, and tribal populations. Transgender and non-binary people; disabled people street children and women Those who suffer from gender discrimination and harassment Bangladesh Bank plans to conduct CSR objectives across the country for the socio-economic development of rural and urban marginalized groups through CSR facilitation Banks and financial institutions must play an important role.

2.3 CSR's Vision and Mission

The basic vision of CSR concern is to preserve and integrate the basic rights of the underprivileged, disadvantaged, helpless, marginalized, and socially backward sections of the population with a view to eliminating all forms of poverty and inequality by ensuring that no one is left behind in society.

Bangladesh Bank's structure and cooperative measures to address vulnerable groups by introducing socially responsible financing policies make all banks and financial institutions proactively involved in their CSR initiatives.

2.4 Alignment with SDG and INDC

For SDG localization and implementation, Bangladesh has already paved the way. For each of the 2030 agenda's goals and targets, ministries and agencies have been given clear-cut duties to fulfill. Bangladesh is one of the signatories that included information about the climate actions they intended to take after 2020 as part of their INDCs under the Paris Agreement. As a result, the following sectors of CSR spending and target beneficiaries have been coordinated with pertinent SDGs goals and targets and INDC's commitment to Bangladesh:

CSR expenditure: Education, health, income-generating, Infrastructure Development, Climate Change Mitigation, and Adaptation Disaster, Green SRF, Financial Inclusion, Sports and Culture.

Target Beneficiaries: Vulnerable and undernourished men, women, and children of all ages living in the poverty line, Underprivileged students, street children, Indigenous peoples, family farmers, pastoralists, and fishermen, unemployed youth and adults, Climate-vulnerable and coastal women, children, and old people, People living in slums, informal settlements, remote areas, hill tracts, and islands Climate refugees, Students, unskilled and unemployed women, and youths; pensioners and the elderly; micro-enterprises, micro-merchants, and low-income households; freelancers; migrants.

2.5 Scope of CSR (sector and sub-sector)

Sustainable CSR programmers need to be structured in such a way that sustainability is key to addressing both projects and events. Through socially sustainable events and projects and financial institutions can carry out their CSR programs and should focus on long-term projects instead of short-term events. CSR for banks and financial institutions covers business education, health, environment, climate, adaptation, disadvantaged groups, income generation activities, disaster management, infrastructure development, sports, culture, and other sectors.

2.5.1 Education:

Bangladesh Bank in their CSR circular has stated that all the banks and financial institutions in Bangladesh will spend 30 percent in the education sector so that the neglected children in the society can get a good education.

Banks and FIs should spend a minimum of 30% of their total CSR expenditure on the education sector, which includes:

Scholarships and stipends for students from low-income families enrolled in academic and vocational institutions (the scholarship and stipend selection process should contain sufficient data to prevent applicants from receiving benefits from multiple bank financial institutions). Support academic and technical vocational training institutions to improve facilities or serve students and trainees from underdeveloped rural and urban populations.

Job Central Vocational Training to increase advancement opportunities for underprivileged population; Support for education of mentally, and physically challenged, blind children, to prevent dropout. Stipend for employee's children and training awareness program to prevent own company harassment. To establish libraries, for the spread of knowledge and education across the country. To build a developed nation ICT and science laboratories need to be set up for schools/colleges in underprivileged and remote areas awareness raising programs for children torture child marriage human trafficking sanitary hygiene etc.

Financial literacy-related programs and research-related issues.

2.5.2 Health:

Bangladesh Bank has asked all banks and financial institutions to spend a minimum of 30 percent on medical care so that the underprivileged people of Bangladesh can get treatment at a low cost.

Banks and FIs should spend a minimum of 30% of their total CSR expenditure on the health sector that includes:

Preventive and curative health care needs to be subsidized for the underprivileged population, and the government needs to cover curative care for the poorest and most vulnerable for costly treatments like cancer, kidney disease, heart disease, liver disease, accidents related to arms trafficking, burns, acid burns, and sun surgery. Grants are required to help meet the costs associated with maintaining hospital and diagnostic center facilities that treat a large number of diseases in the underprivileged population.

Provision of safe drinking water Hygienic toilet facilities for poor households and floating population in urban areas Cost of preventive public health and hygiene initiatives and cost of preventive public health to fight pandemic covid-19 SARS, AIDS, dengue, malaria, and other deadly diseases Quality hospitals Reducing infant mortality and improving maternal health by providing facilities and low-cost medicines Supporting welfare organizations for the well-being of the mentally and physically challenged Health care for the poor and helpless elderly.

Initiatives for Employee Safety and Wellness; Related Research Concerns.

2.5.3 Environment and Climate Change Mitigation and Adaptation:

Climate change is a global phenomenon that poses a serious risk to poverty alleviation and threatens to set back decades of development efforts. The adverse effects of climate change are already associated with natural disasters becoming more frequent and more devastating. People in developing countries are especially vulnerable to these events due to their high dependence on natural resources and their limited capacity to cope with climate variability and extremes. Bangladesh is one of the most vulnerable countries in the world to the adverse effects of global development and climate change. Trade, tourism, environmental protection, ecosystems, products and services, and food security are the main development sectors of the country directly affected by climate change trends. Bangladesh Bank is the first central bank to initiate green banking initiatives to reduce carbon emissions through banking activities by promoting environmentally friendly practices.

Banks and financial institutions are required to spend a minimum of 20% of their total CSR expenditure on environment and climate change mitigation and adaptation including: Rivers/Canals/Dams/Urban Drainage/Storm Sewage; Solar Energy/Power Plants; Roads, bridges/culverts in vulnerable areas; Housing/Cluster Villages/Growth Centers; Cyclone Shelters/Flood Shelters; Strengthening of embankment systems in coastal areas; sandwich panels for coastal dwellers; assistance to affected fishermen; Support for Livestock Sector; maintenance and construction of cyclone shelters and climate-proof housing; Adaptation in the health sector (i.e. implementation of surveillance systems for existing and emerging disease risks); Implementation of clean drinking water and sanitation programs in areas vulnerable to climate change and disaster-prone areas; Development of efficient water irrigation and water management systems; promotion of diversified crop production; coastal forestry and plantation; Research work on climate change.

2.5.4 Income-Generating Activities:

Banks and FIs may spend on the basis of the requirements that it demands. This is including:

The bank aims to help farmers learn to use good technology and benefit the people of our country and through the use of technology they can increase crop yield and create animal farms and encourage farmers to use improved technology in fisheries and poultry. And financial institution takes care.

Creating new job opportunities, self-employment, and skill development programs for youth; Support towards blind people with equipment for self-employment;

Food, shelter, and on-hands training to helpless, orphans, blind, physically challenged, and old aged people; Training and capacity-building initiatives for distressed, vagabond, handicapped, and homeless people;

2.5.5 Disaster Management:

Disaster management has become an integral part of sustainable development. Disaster management activities can be referred to as promotion, mitigation, prevention, preparedness, response and recovery. Banks and financial institutions can spend their demands in this sector.

Providing financial assistance to organizations involved in disaster management activities Awareness raising programs for disaster management such as seminars, workshops, advertisements, leaflets, etc. Training for human resource development to ensure disaster management.

Emergency Disaster and Relief Emergency rescue services for damage caused by floods, cyclones, tidal waves, earthquakes, landslides, fires, cold, drought, heavy rains, river bursts, etc. Updating facilities and life-saving equipment like (Fire Brigade, Coast Guard) etc.

2.5.6 Infrastructure Development:

For more rapid economic growth and sustainable development, infrastructure development is crucial. Priority should be given to building infrastructure for underprivileged communities in outlying areas. Banks and FIs are permitted to spend based on the conditions that are demanded.

School buildings, libraries, children's parks, playgrounds, recreation centers and cultural centers (relating to art, music, dance, painting etc.) for vulnerable groups;

Development of village market infrastructure for better marketing of local agricultural produce; solar power generation projects and biogas generation projects in remote areas;

Setting up of infrastructure/sheds/buildings for cottage and micro product clusters; Development of tourism sector infrastructure in promising areas;

2.5.7 Sports and culture:

Banks and financial institutions can spend on their needs as part of their CSR activities to provide artistic, cultural, and literary, sports and recreational facilities to the underprivileged for sports and cultural development in remote/underprivileged areas. This sector is included:

Financial assistance for organizing various indoor and outdoor sports competitions like football, volleyball, cricket, hockey, ha-doo-doo, kabaddi, chess, swimming etc. in rural areas;

Financial assistance for weaker players or those with serious injuries. This assistance will be applicable to coaches, teachers, writers, poets, singers, social workers, sports organizers as well as eminent persons of various recognized professions;

Allocation of CSR funds to organizations working for the country's history, heritage, culture, liberation war-related publications, raising awareness of the liberation war and organizing related events;

Funding for contemporary research work and projects undertaken on Bengali literature and language and other subjects.

2.5.8 Others Sectors:

A part from the sectors mentioned above, banks and FIs can provide CSR assistance if they feel that any individual/institution/entity (Prime Minister's Office, Government Organization, etc.) is eligible for grant from CSR programmers. Such CSR contributions will be recognized and reported in other sectors. Such expenditure shall be fully and specifically disclosed in the applicable sector-wise CSR allocation (mentioned above) along with supporting documents in the statement/report submitted to Bangladesh Bank.

2.6 Financial inclusion under CSR

The Bangladesh Banks and Financial Institutions Division (BFID) of the Bangladesh Ministry of Finance has formulated the National Financial Inclusion Strategy (NFIS) approved by the Cabinet in May 2021 to ensure inclusive growth in the country. Banks and FIs can expand their CSR activities by integrating financial inclusion strategic goals and objectives. The following financial inclusion activities will be included in the CSR of Banks and Fls:

Banks offer "no-frills accounts" for student accounts, marginal farmers, and readymade garments (RMG) workers; financial assistance to improve the quality of life/livelihood of the residents of backward areas like hills, haors, and enclaves of Bangladesh;

Support in promoting Mobile Financial Services (MFS) in remote areas; financial assistance for street urchins/laboring children/technical education/financial literacy education;

2.7 Women Empowerment

Women in Bangladesh struggle and face barriers in almost every aspect of their lives, including access to health care, economic opportunity, occupational participation and finance. Bangladesh Bank seeks to facilitate the participation of women, reduce gender inequality and establish their fundamental rights.

Banks and FIs can take the following CSR initiatives to empower women across the country:

Support women education through financial assistance/scholarships; Skill development programs for unskilled women; Provision of machinery for self-employment of trained women; Financial

support to women for a startup; food, shelter and hands-on training for vulnerable/vulnerable women; Financial assistance/concessional loans to women without collateral;
Construction of women's hostel building; Construction of separate wash blocks for female students in school and college premises; Providing separate transport facility for women employees; participation of women in employment;

2.8 Prohibition in CSR Activities

1. Activities related to underage/child labor/forced labor; Threats to social value/public image in society;
2. Sponsorship of sports and cultural activities at international level; branding/advertising/business development;
3. Activities not supported by the country's laws and regulations;
4. Threat of environmental disaster; Facilitation/Abit/Financing of Militancy and Terrorism.

Chapter-3

CSR Practices of MBL

3.1 MBL’s CSR Practices

CSR is at the core of MBL Bank corporate culture and policies. Corporate Social Responsibility is about making a profit while doing what is good for society and the environment. In addition to its own activities, MBL is committed to making a beneficial impact around the world by supporting Mercantile Bank Limited programs that advance the nation. We also have to improve the standard of living in our country. Promote sustainability literacy and environmental responsibility by volunteering in the community and participating in educational initiatives that support causes.

Mercantile Bank Limited organizes social events and offers innovative solutions to their clients. The culture and ethics of Mercantile Bank Limited rely heavily on CSR and adhere to several investment principles approved by Islamic law and management decisions related to CSR. Respecting the bank's commitment to create a financial system that prioritizes social welfare through development projects and more in their own operations Prioritize social welfare through development projects, and Mercantile Bank Limited has taken steps to incorporate its own ethical principles. In an effort to help mankind, they established a foundation called United Commercial Bank for the welfare of the people. MBL follows some sectors, like education, health, culture, disaster management, sports, etc.; they follow the Bangladesh Bank CSR Guidelines.

3.2 Education

According to Bangladesh Bank's CSR guidelines, all banks and financial institutions should spend 30% (G. BB) of their total CSR expenditure on education so that all underprivileged students in society can benefit and be well educated, can study, and they can contribute something to society. Mercantile Bank Limited follow CSR According to Bangladesh Bank's CSR guidelines, they have spent the amount shown below in the education sector.

Year	Total Expenditure	Expenditure in Education	Percent of Total Expenditure	CSR Guidelines
2021	212.15 million	1.02 million	0.49	30 % of total expenditure
2022	261.39 million	6.05 million	2.31	

Mercantile Bank Limited 2021's total CSR expenditure is BDT 212.15 million (MBL Annual Report-2021), and they spend BDT 1.02 million (MBL Annual Report-2021) on the education sector, which accounts for 0.49 percent of the total CSR expenditure, but according to Bangladesh Bank's CSR guidelines, the minimum of all banks is 30 percent (G. BB) of the education sector. Mercantile Bank Limited did not properly follow the guidelines of Bangladesh Bank to charge the above expenses. Mercantile Bank Limited total CSR expenditure in 2022 is BDT 261.39 million (MBL Annual Report-2022), and they spend BDT 6.05 million (MBL Annual Report-2022) on the education sector. From 2021 to 2022, total CSR Expenditure spent 2.31 percent, which is very little; they spent a little more on CSR Expenditure. They should put more emphasis on education. Mercantile Bank Limited should place a greater emphasis on education so that all of society's underprivileged and students can take advantage of this opportunity. Through its CSR initiatives, MBL makes significant contributions to the education sector. Several of them are below:

- MBL has established the "MBL Scholarship Program" to provide financial assistance to meritorious and needy students from different universities in Bangladesh.
- The bank also supports various educational institutions and programs, including the "MBL Model United Nations Conference" and the "MBL Debate Championship.
- Additionally, MBL has partnered with the Bangladesh Youth Leadership Center (BYLC) to provide leadership training to young people in the country.

3.3 Health

Bangladesh Bank, in its CSR guidelines, has said that all banks and financial institutions in Bangladesh should spend a minimum of 30% (G. BB) on their CSR total expenditure so that the underprivileged people of the society can get free and low-cost treatment. Bangladesh Bank has asked all banks and financial institutions to focus on the health sector in order to ensure that it receives all necessary treatment.

Mercantile Bank Limited conducts its CSR activities by following Bangladesh Bank's CSR guidelines.

Year	Total Expenditure	Expenditure in Health	Percent of Total Expenditure	CSR Guidelines
2021	212.15 million	80.25 million	38	30 % of total expenditure
2022	261.39 million	76.05 million	29.01	

Mercantile Bank Limited total CSR expenditure in 2021 is above BDT 212.15 million (MBL Annual Report-2021), which is 38 % of the total expenditure of BDT 80.25 million (MBL Annual Report- 2021). In 2022, their total CSR expenditure will be BDT 261.39 million (MBL Annual Report-2022), with BDT 76.05 million (MBL Annual Report-2022) going to the health sector. The guidelines of the Bangladesh Bank were to spend a minimum of 30 percent (G. BB) on the health sector. In 2021, Mercantile Bank Limited perform that well, but in 2022, they decrease the 29.01% they spent by helping above, which is the lowest spend then 2021. In 2021, 8 percent more than the guidelines given by the Bangladesh Bank. Mercantile Bank Limited has done a lot for the underprivileged people on COVID-19 by distributing them as well as hand sanitizers and marks so that everyone can be a little healthier as a result of the COVID-19 situation.

- MBL has established the "MBL Health Care Program" to provide financial assistance to underprivileged patients for their medical treatment.
- The bank also supports various health-related institutions and programs, including the " MBL Blood Donation Program" and the " MBL Health Camps" which provide free medical check-ups and treatment to people in remote areas of the country.
- Additionally, MBL has partnered with the "Center for Injury Prevention and Research, Bangladesh (CIPRB)" to promote road safety and prevent injuries.

3.4 Disaster Management

Bangladesh Bank's CSR guidelines state that disaster management has become an integral part of sustainable development and that disaster management activities should promote, mitigation, prevention, and be referred to as preparedness response and recovery so that society can survive any disaster. So that people can make returns and banks and financial institutions have to spend based on their requirements and demands.

Following Bangladesh Bank's CSR guidelines,

Year	Total Expenditure	Expenditure in Disaster Management	Percent of Total Expenditure	CSR Guidelines
2021	212.15 million	87.95 million	40	20 % of total expenditure
2022	261.39 million	171.74 million	65.70	

Mercantile Bank Limited total CSR expenditure in 2021 is BDT 212.15 million (MBL Annual Report-2021) for the disaster management sector, and they spend BDT 87.95 million (MBL Annual Report-2021) on the sector. Total CSR expenditure is 40%, which they spend on disaster management. And in 2022, they spend BDT 171.74 million (MBL Annual Report-2022) of BDT 261.39 million (MBL Annual Report-2022) disaster management sector, Total CSR expenditure is 65.7%, which they spend on disaster management, so they follow the guidelines given by the Bangladesh Bank. Below are the sectors in which Mercantile Bank Limited Disaster Management has donated.

- Donating funds to support relief efforts for natural disasters such as floods, cyclones, and earthquakes. MBL has provided financial assistance to various organizations working on disaster relief and rehabilitation efforts.
- Providing support for victims of fire incidents. MBL has donated funds to fire service organizations to help them provide emergency services and support to those affected by fire incidents.
- Assisting underprivileged communities affected by poverty and social inequality. MBL has provided financial assistance to various organizations working to improve the living conditions of underprivileged communities.
- Donating to hospitals and healthcare institutions for the treatment of patients. MBL has provided financial assistance to hospitals and healthcare institutions to help them provide medical treatment to patients in need.

- Supporting educational institutions and programs to promote access to education. MBL has provided financial assistance to educational institutions and programs to help promote access to education for underprivileged children.
- Contributing to various social welfare organizations and NGOs working for the betterment of society. MBL has donated funds to various social welfare organizations and NGOs working to improve the lives of people in Bangladesh.

3.5 Art & Culture

According to Bangladesh Bank CSR guidelines, all banks and financial institutions in Bangladesh should spend on art & cultural activities so that people in the society can continue to participate in these activities.

Year	**Total Expenditure**	**Expenditure in Art & Culture**	**Percent of Total Expenditure**	**CSR Guidelines**
2021	212.15 million	Not Spend	0.00	20 % of total expenditure
2022	261.39 million	6.80 million	2.60	

Mercantile Bank Limited adheres to CSR guidelines; they make numerous donations to provide literary and entertainment opportunities, as well as facilities for the development of art and culture in underserved areas of society. In 2022, their total CSR expenditure was BDT 261.39 million (MBL Annual Report- 2022). But they spend BDT 6.80 million (MBL Annual Report-2022) on cultural activities and art, which is a total expenditure of 2.6 percent. This is very little, and more needs to be donating on cultural activities & art. And in 2021, they did not spend on art & cultural activities (MBL Annual Report-2021). Some notable projects are donation for the construction of Bir Muktijoddha Akhtaruzzaman Chowdhury park, Anowara, Chattogram; donation to Banker’s Club, Rajshahi; donation for production of ‘Muktijuddho Protidin’ and many others.

3.6 Sports

According to Bangladesh Bank CSR guidelines, all banks and financial institutions in Bangladesh should spend on sports so that people in the society can continue to participate in these activities. Mercantile Bank Limited adheres to CSR guidelines;

Year	**Total Expenditure**	**Expenditure in Art & Culture**	**Percent of Total Expenditure**	**CSR Guidelines**
2021	212.15 million	Not Spend	0.00	20 % of total expenditure
2022	261.39 million	0.65 million	0.24	

They make numerous donations to provide literary, sporting, and entertainment opportunities, as well as facilities for the development of sports in underserved areas of society. In 2022, their total CSR expenditure was 261.39 million (MBL Annual Report-2022). But they spend s BDT 0.65 million (MBL Annual Report-2022) on sports. This is very little, and more needs to be donating on sports. MBL donated to Corporate Badminton Tournament 2022, Kalam Football Academy etc.

3.7Others Sector

Mercantile Bank Limited is above the others in following Bangladesh Bank's CSR guidelines. Their total CSR expenditure in 2022 is BDT 0.1 million (MBL Annual Report-2022) baht over others' (BDT 261.39 million), which is low than their total expenditure.

3.8Special CSR Activities to Fight against Corona Virus Crisis

MBL Bank has taken several CSR (Corporate Social Responsibility) initiatives to fight against the COVID-19 crisis. Some of these initiatives include:

- Donating BDT 10 Core to the Prime Minister's Relief and Welfare Fund to support the government's efforts in combating the pandemic.
- Distributing essential food items and personal protective equipment (PPE) to the underprivileged communities and frontline healthcare workers.
- Providing financial assistance to the families of the bank's employees who have been affected by the pandemic.

- Launching a digital platform called "MBL e-Donation" to facilitate online donations from customers and employees.
- Partnering with local NGOs and organizations to provide healthcare services and awareness campaigns on COVID-19 prevention.

3.9 MBL Financial Inclusion under CSR

MBL Bank has taken several initiatives under its CSR program to promote financial inclusion in Bangladesh. Some of these initiatives include:

- Launching a mobile banking service called "MyCash" to provide financial services to the unbanked population in remote areas of the country.
- Providing financial literacy training to the underprivileged communities to help them understand the importance of savings, budgeting, and financial planning.
- Offering microfinance loans to small and medium-sized enterprises (SMEs) and low-income individuals to help them start or expand their businesses.
- Partnering with local NGOs and organizations to provide financial services and support to marginalized communities, such as women, youth, and people with disabilities.
- Establishing "MBL Foundation" to support various social development projects, including education, healthcare, and poverty alleviation.

3.10 MBL Women Empowerment Activities

MBL Bank has taken several initiatives under its CSR program to promote women's empowerment in Bangladesh. Some of these initiatives include:

- Providing financial support to women entrepreneurs through microfinance loans and SME loans to help them start or expand their businesses.
- Offering financial literacy training to women to help them understand the importance of savings, budgeting, and financial planning.
- Partnering with local NGOs and organizations to provide vocational training and employment opportunities to women in rural areas.

- Supporting education for girls through scholarships and other educational programs.
- Creating a safe and inclusive workplace for women employees by implementing policies and practices that promote gender equality and prevent discrimination and harassment.
- These initiatives demonstrate MBL Bank's commitment to promoting women's empowerment and gender equality in Bangladesh. The bank recognizes the important role that women play in the country's economic and social development and is committed to supporting their growth and success.

3.11 Prohibition in CSR Activities

- It is the responsibility of everyone in our society to stop activities related to minor and child labor and forced labor. These issues will be a threat to the social value and public image in the society.
- MBL sponsors Islami Bank (taqwa), which sponsors cultural activities on a global scale.
- MBL engages in branding, advertising, and business development activities through CSR.
- MBL undertakes environmental disaster threats and a program to ensure that no one is involved in militancy and terrorism.

3.12 CSR Benefit for MBL and its Customer

For bank,

Build Customer Trust:

CSR is a way to build trust by coming to charity organizations, in contrast to making donations, which United Commercial Bank should do for local people.

Provide positive customer outreach:

Active in customer outreach and special invention activities that can generate significant coverage and media interest for the bank. Provide educational materials to involved children, their parents, and the media in their neighborhood. Positive social interactions at Mercantile Bank Limited can change how people perceive an organization and actively help improve its public image. Mercantile Bank Limited customers can develop a relationship with you because of your dedication to the neighborhood and the significance of their support. With all of your efforts, trust and their environment can be advantageous.

Customers appreciate:

People feel better about supporting businesses where they believe their money is being used wisely where they believe shareholders and decision-makers truly care about their well-being and their environment, they invest their money wisely. How customers choose Mercantile Bank Limited products can reflect how committed they are to Mercantile Bank Limited business as well as the advice and popular support for it. Mercantile Bank Limited should focus on incorporating social responsibility into its business models to increase customer loyalty and build a positive reputation with the public. Such corporate social responsibility initiatives can demonstrate to customers that a company is not only interested in making profits but also in sharing those profits with others.

Interested in using it for the benefit of the community.

Banks that demonstrate social responsibility can expect to increase their customer loyalty and public support because customers feel more favorably toward businesses that prioritize community benefits over profit-making and use their profits to improve community benefits through engagement. Banks can demonstrate that they are actively investing in making trust a better place.

Positive Boost to Employee Productivity and Engagement:

While CSR greatly benefits marketing, customer satisfaction, and consumer status, an internal term increases employee relations and creativity among employees. Long-term business benefits from CSR include a more cohesive and committed workforce that is driven by MBL's social mission and can both benefit from and improve a sustainability climate by developing a strong corporate social responsibility program. All though not everyone is concerned with social justice or social responsibility, many people value and respect CSR initiatives as active members of their communities and as potential customers because they understand how important it is for MBL to do respectable work for the bank. When it comes to customer support, creativity, engagement, and company representatives, this festival can pay off significantly over time with a positive impact on socially responsible communities like this bank. With improved employees, this significant and lasting impact can increase corporate investment leverage.

For Customer,

Green banking help for customer:

The environmental sustainability concerns of banks gave rise to the concept of "green banking," which should primarily benefit society. The banking industry and the economy are regarded as critical components of green finance. Green banking means activities green banking is environmentally friendly as well as improving operations and technology to protect the environment from the environmental impacts of normal banking and its activities. Customers have benefited a lot from green banking as they can minimize their costs, the amount of paper used has been reduced, and they can do bank transactions and withdraw money from anywhere they want. Able to collect documents, through Mercantile Bank Limited, the paper used by the customers earlier has been reduced, and they have become more economical and can minimize the cost, thus profiting.

Employee’s productivity benefit for customer:

CSR programs contribute to improving social and environmental issues by attracting new talent as well as keeping employees engaged, productive, and loyal. Customers can easily complete their tasks thanks to skilled workers, and if the customer has any questions, they are promptly answered, and they are informed about any societal work. Customer benefit for well-skilled employees Customers don’t know the financial sector Customers take advice from employees on topics they don't understand, such as finance, and then go to the bank.

Customer benefit for health sector:

MBL Bank offers health financing options to help customers pay for medical expenses, including hospitalization, surgery, and diagnostic tests. The bank offers flexible repayment terms and competitive interest rates to make healthcare more affordable for customers. MBL Bank offers health insurance

plans to provide financial protection against unexpected medical expenses. The bank partners with leading insurance companies in Bangladesh to offer a range of health insurance products to customers. MBL Bank offers a health card to its customers, which provides discounts on medical services and products at partner hospitals, clinics, and pharmacies. The health card is free for MBL Bank customers and can be used at over 500 partner locations across the country. MBL Bank has partnered with a leading telemedicine provider in Bangladesh to offer telemedicine services to its customers. Customers can consult with doctors and healthcare professionals remotely, without having to visit a hospital or clinic in person.

Customers benefit for education sectors:

Mercantile Bank Limited CSR department can get benefits from the customers, such as by building schools in development areas, creating science labs for students to study, building roads so that students can go to school well, and providing good education for the teacher training system.

3.13 MBL Prove CSR to Their Customer

MBL Bank demonstrates its CSR (Corporate Social Responsibility) commitment to its customers in several ways. Some of these ways include:

Transparency:

MBL Bank is transparent about its CSR activities and regularly publishes reports on its website detailing its CSR initiatives and impact. This allows customers to see how the bank is contributing to social and environmental causes.

Customer Engagement:

MBL Bank engages with its customers on CSR issues through various channels, including social media, email, and events. The bank seeks feedback from customers on its CSR initiatives and incorporates their suggestions into its programs.

Community Outreach:

MBL Bank engages local communities through its CSR initiatives, such as providing financial support to underprivileged communities, supporting education and healthcare programs, and promoting environmental sustainability. This helps to build trust and goodwill with customers and the wider community.

Employee Engagement:

MBL Bank involves its employees in its CSR initiatives, encouraging them to volunteer their time and skills to support social and environmental causes. This helps to build a sense of pride and purpose among employees and demonstrates the bank's commitment to CSR to its customers.

3.14 Gap Between the Bangladesh Bank Guide line

Year	Sector	Guideline Of Bangladesh Bank	MBL
2021	Education	30%	0.49 %
2022			2.31 %
2021	Health	30%	38 %
2022			29.01 %
2021	Disaster Management	20%	40 %
2022			65.70 %
2021	Art & Culture, Sports and Others	20%	0.00 %
2022			2.90 %

It appears that there is a gap between the guideline set by Bangladesh Bank and the actual percentage of given by MBL in various sectors in 2021 and 2022.

In the education sector, the guideline set by Bangladesh Bank was 30% (G. BB), but MBL only gave out 0.49% (MBL Annual Report-2021) of in 2021 and 2.31% (MBL Annual Report-2022) in 2022. This indicates a significant gap between the guideline and the actual percentage of guideline. Similarly, in the health sector, the guideline was 30% (G. BB), but MBL only gave out 38% (MBL Annual Report- 2021) of in 2021 and 29.01% (MBL Annual Report-2022) in 2022. Again, there is a gap between the guideline and the actual percentage of given. In the disaster management sector, the guideline was 20% (G. BB), but MBL only gave out 40% (MBL Annual Report-2021) of in 2021 and 65.70% (MBL Annual Report-2022) in 2022. This indicates that MBL has improved its lending in this sector in 2022 compared to 2021. Finally, in the art & culture, sports, and others sector, the guideline was 20% (G. BB), but MBL only gave out 0.00% (MBL Annual Report-2021) of in 2021 and 2.90% (MBL Annual Report-2022) in 2022. This indicates that MBL has started to lend in this sector in 2022.

Overall, the table shows that MBL has not been able to meet the guidelines set by Bangladesh Bank in most sectors, except for disaster management in 2021 and 2022. It is important for MBL to improve its lending in these sectors to support the development of the country.

Chapter-4

Findings, Recommendations and Conclusion

4.1 Findings of the Study

1) Bangladesh Bank's CSR guidelines state that providing job-centered vocational training will expand advancement opportunities for the underprivileged population. Still, Mercantile Bank Limited has not followed but must follow them.
2) Mercantile Bank Limited refuses to comply with Bangladesh Bank's CSR guidelines. Still, it must follow, which states that the bank must support the education of children who are blind, physically disabled, or both.
3) According to Bangladesh Bank's CSR guidelines, Mercantile Bank Limited should have implemented programs to raise awareness of child abuse, prevent child marriage, and stop human trafficking. Still, it has not done so but must follow.
4) Mercantile Bank Limited has not complied with Bangladesh Bank's CSR guidelines but must follow them, which state that funding should be provided for initiatives that promote preventive public health and hygiene among urban populations as well as the provision of safe drinking water and sanitary toilet facilities for low-income families.
5) Mercantile Bank Limited has not implemented Bangladesh Bank's CSR guidelines but it must follow them, which state that it will contribute financially to the development of women's hostel buildings.

4.2 Recommendations

To improve its overall CSR practices, Mercantile Bank Limited should consider monitoring its CSR activities by incorporating the perspectives and considerations of its employees. Additionally, MBL could implement the following improvements in its CSR management and activities:

1) MBL can provide more training to job-oriented candidates by opening vocational training institutions in underdeveloped areas and can expand opportunities for advancement for disadvantaged populations.
2) MBL can support the education of mentally and physically challenged or blind children. They can provide accommodation for the physically challenged and for the education of blind children they can open a school where blind children can study.

3) MBL can do an awareness-raising program on child abuse and can have programs to prevent child marriage as well as human trafficking. Through programs in different areas, they can inform all people that child abuse is not right, child marriage is not right, and human trafficking is not right. They should refrain from these.
4) MBL can concentrate on providing safe drinking water to low-income families and can construct hygienic toilet facility systems for those families. Additionally, they can offer them funding and awareness raising guidance for programs that promote good hygiene and public health for city dwellers.
5) MBL can provide financial assistance in the construction of a Female hostel building.
6) By implementing these improvements, MBL can enhance its CSR practices and demonstrate its commitment to making a positive impact on society and the environment.

4.3 Conclusion

As an organization the Mercantile Bank Ltd has earned the reputation of top banking operation in Bangladesh. The organization is much more structured compared to any other bank operating local or foreign in Bangladesh. It is relentless in pursuit of business innovation and improvement. It has a reputation as a partner of consumer growth. With a bulk of qualified and experienced human resource, Mercantile Bank Ltd can exploit any opportunity in the banking sector. It is pioneer in introducing many new products and servicesin the banking sector of the country. Moreover, in the overall-banking sector, it is unmatched with any other banks because of its wide spread branch networking thought the country. This report tries to figure out most of the indicators of problems and strengths of Mercantile Bank Ltd as a valid pretender in the competitive banking sector of Bangladesh. A severe cut throat competition is going on currently in this sector and that’s why Mercantile Bank Ltd has to work out with different dimensions like product diversification, market forecasting, proactive activities undertaken by Mercantile Bank Ltd and some suggestion to get rid of the predicaments that exist.

References

Journals:

i. Annual Report 2021 & 2022 of Mercantile Bank Ltd.
ii. Mercantile Bank Ltd, Guidelines Manual of 2021 & 2022
iii. Bangladesh Bank. (2022, January 9). Policy Guidelines on Corporate Social Responsibility for Banks and Financial Institutions

Websites:

i. http://www.google/ bank/Bangladesh.com
ii. http://www.mblbd.com

221-14-449

ORIGINALITY REPORT

7%	7%	0%	2%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	dspace.daffodilvarsity.edu.bd:8080 Internet Source	6%
2	Submitted to Delgado Community College Student Paper	<1%
3	Submitted to George Bush High School Student Paper	<1%
4	Submitted to Institut Teknologi Brunei Student Paper	<1%
5	www.jitbm.com Internet Source	<1%

Exclude quotes Off
Exclude bibliography Off
Exclude matches Off