



**Daffodil**  
*International*  
**University**

**An Analysis of the Operations of the Card Division: A  
Study on Mutual Trust Bank Limited**

**Submitted To:**

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**Date of Submission: January 20, 2019**

## Letter of Transmittal

January 20, 2019

**To**

**Professor Mohammed Masum Iqbal, PhD**

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of internship report on “**An Analysis of the Operations of the Card Division: A Study on Mutual Trust Bank Limited**”

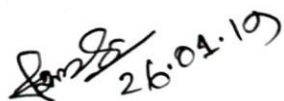
Dear Sir,

I am delighted to submit intern my internship report on “An analysis of the Operations of the Card Division: A Study on Mutual Trust Bank Limited “which was assigned to me as a part of my MBA program. I have tried my best to incorporate as much as possible and this report and given lot of effort to accomplish this project. I have thoroughly enjoyed preparing this report as a requirement of the internship program of MBA

I therefore, hope and wish you will appreciate my endeavor and find the report up to your expectation.

Thanking you.

Respectfully yours

Handwritten signature and date: 26.04.19

**Md. Ahsan Habib**

ID: 112-14-565

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Department of Business Administration

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## Certificate of Approval

This is to certify that the internship report titled “**An Analysis of the Operations of the Card Division: A Study on Mutual Trust Bank Limited**” prepared by Md. Ahsan Habib, ID: 112-14-656 as a partial fulfillment of Masters of Business Administration (MBA) from Department of Business Administration, Daffodil International University

This report is recommended for submission



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**Professor Mohammed Masum Iqbal, PhD**  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## Acknowledgement

All praise to Allah, the almighty, and the merciful. Without his blessing and endorsement this report not have been accomplished.

The success completion of this report might never be possible in time without the help some person whose inspiration and suggestion made it happen. First of all I want to thanks my manager of Card Division of Mutual Trust Bank Ltd. For guiding me during my internship. Without his help this report not have been accomplished.

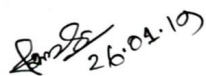
Then I would like to thanks to my honorable supervisor Professor Dr. Mohammed Masum Iqbal, PhD

Professor Department of Business Administration Faculty of Business and Entrepreneurship Daffodil International University for helping my internship report titled “**An Analysis of the Operations of the Card Division: A Study on Mutual Trust Bank Limited**”

I also thanks to my colleague who helped me by providing informative instruction. I was closely attached with them during my internship tenure. Without them this project would have been very difficult.

Finally, I also express my sincere post gratitude to all those who participated to prepare the report.

With warm thanks

Handwritten signature and date: 26.04.19

**Md. Ahsan Habib**

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## **Executive Summary**

This report provides a study and collected information on **“An analysis of the Operations of the Card Division: A Study on Mutual Trust Bank Limited** “Method of findings and analysis include both primary and secondary data. The method of analysis includes frequency distribution of the collected data. The primary data was collected by face to face conversation with officers and customers and the secondary data was collected from company’s annual reports, website and other yearly reports. This report also includes overview of Mutual Trust Bank Limited (MTBL), services and products, working experience during the internship period and operation of foreign exchange department of MTBL. The report also includes the fact that the analysis conducted has limitations. Based on the data, this report finds that most of the customers are satisfied with quality of service provided by the foreign trade department of MTBL. However, in case of overall environment, service charges, and timeliness, some of the customers were dissatisfied with the service quality of the card division but due to some networking error some card holding customers are dissatisfied to MTBL. MTBL should focus on these issues in order to improve their quality of service in card divisions. A bank’s performance and profit largely depends on its divisions. I have completed my internship at MTBTL because I have preferred to work in this area and I think MTBTL is the best training institution for all sectors because of its good accommodation, providing best speakers to the trainees, and it also has a sophisticated management system.

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**CHAPTER-ONE**  
**INTRODUCTION**



## 1.0 Introduction:

Now a day, it has become essential for almost every person to deal with banks somehow in their bred and better life. As a result it has been essential for every person to have some idea of bank and banking procedure. At present time banking procedure is becoming faster, easier and the banking arena is becoming wider. As the comparative field of the banking sector, the banking organizations are coming with innovative ideas.

Globally banking system is shifting from human interaction to automation. In this wake plastic cards, ATM machines and POS stations are bringing new dimensions. Debit cards are safe, time saving process and fast. As a result, it has become very popular among clients. On the other hand, credit cards are cheap source of credit and also it is an easy loan process. Without any doubt it can be said, alternative delivery channel is become more and more popular and will be major driving force in future.

MTB cards center started its operations on 2<sup>nd</sup> August 2007 by launching Debit cards. At present MTB have around 1, 50,000 plus active debit cards. MTB also introduced Credit and prepaid cards on 27<sup>th</sup> May 2009. At present have around 17000 active credit cards and have around 700 prepaid cards. MTB also started deploying POS terminals on 14<sup>th</sup> July 2018 and at present total number of POS is 2024 (April, 2018) and starting installing MTB ATM on 27 March 2018 and at present there are 205 MTB ATMs in total.

This report has been developed concerning on the topic **“An Overall Performance of Mutual Trust Card Division”**

## *1.1 Origin of the Study:*

An internship program of the University is an integral part of the MBA program. So it is obligatory to undertake such task by the student who desire to complete and successfully end-up their MBA degree. This also provides an opportunity to the students to minimize the gap between theoretical and practical knowledge. During the internship program the teachers of the department are attached to actively and constantly guide the students. Students are required to work on a specific topic based on their theoretical and practical knowledge acquired during the period of internship program and then submit to the teacher. This program consists of three phases:

- I. Organization orientation to acquaint at the intern's as with structure, function, and financial highlights of the organizations.
- II. This study covers the basic differences between various types of cards, their problems and measures to overcome the problems.
- III. The report writing to summarize the intern's analysis, findings achievements in proceeding two phases.

## *1.2 Scope of the Study:*

This report has been prepared on the basis of experience gathered through internship in the bank. In internship period of Mutual Trust Bank Limited my scope of the work is not so limited. I tried to concentrate all activities in practically and theoretically. The scope of the study is only related to Mutual Trust Bank Limited, **Bangla Motor Branch**, Dhaka. This report focuses on the overview of the organizational structure, background, functions, features, operations, problems & prospects of cards & mainly focal point is various types of cards. This information I got from the employees of the MTBL but sometimes they didn't want to say some information about their bank so here also mentioned some problems of MTBL operating systems and its solutions. The empirical part includes only the published information and current practices of the MTBL included.

### *1.3 Objectives of the Study:*

1. To identify the cards offered by Mutual Trust Bank Limited;
2. To analyze the operations of the card division of Mutual Trust Bank Limited;
3. To evaluate the performance of the card division of Mutual Trust Bank Limited;
4. To identify problems related to the card operations of Mutual Trust Bank Limited;
5. To make recommendations to solve the problems of Mutual Trust Bank Limited;

### *1.4 Methodology of the Study:*

#### **Selection of the topic and contents:**

Before selection of the topic, my supervisor asked me to prepare proposals and list of topics on which I can conduct a study on MUTUAL TRUST Bank. After submission of proposal my supervisor discussed with me and instructed me to do report on “A study on Prospects & Procedures of Card Division of Mutual Trust Bank Ltd.” so that it can be focused deeply and prepared in an organized manner as my assigned department was Prospects & Procedures of Card Division of Mutual Trust Bank.

After selecting the topic I have prepared the contents that are essential for my report to conduct a study on the said topic.

### 1.4.1 Data sources:

I have tried to explore different prospects & procedures of Mutual Trust Bank Card Division. To prepare this report both types of data i.e. Primary Data & Secondary Data have been used.

#### 1. Primary data sources:

- The officers of the bank help to find out the required information I need for preparing the report.
- I have collected data by face to face conversation with the customers of the bank.
- Gather information by observing practical work.

#### 2. Secondary data sources:

- I have collected the data mainly from the annual reports of the Mutual Trust Bank Ltd.
- The website of Mutual Trust bank Ltd.
- Various file study on MTBL.
- Internet.
- I have used several annual report of Bangladesh Bank.
- I have also used data from the internship report prepared previous year.

### 1.4.2 Financial Analysis Tools & Techniques:

In my report I have used some financial analysis tools and techniques to compare Mutual Trust Bank Limited's Card Division with other Bank's Card Division. I used necessary number of table, chart, and graph to present my report.

### 1.4.3 Computer Software:

After gathering all the required data I have prepared my internship report using different software like- Microsoft Word and Microsoft Excel.

## *1.5 Limitations of the Study:*

In spite of having the wholehearted effort, there were some limitations, which acted as a barrier to conduct the program and for doing an empirical research work. The limitations were—

### **Busy working environment:**

The officials have some time been unable to provide information because of their huge routine work. That is why I do not gather vast knowledge about the critical issue.

### **Shortage of time:**

I had to complete this report within a shorter period since many days have been passed during the training session. Therefore, the time constraint of the study hindering the course of vast area and time for preparing a study within the mentioned period is difficult.

### **Insufficient data:**

The data required for sufficient analysis for writing study could not be collected due to excessive workload. I had to rely entirely on the data received from personal interaction, article and annual report of MTBL and I had no opportunity to verify the satisfaction level of clients and receive their suggestion to implement.

### **Secrecy of Management:**

There some information which are confidential I am unable to collect these data. Some data could not be collected for confidentiality or secrecy of management.

### **Other limitation:**

As we are newcomer, there is a lack of previous experience in this concern and many practical matters have been written from our own observation that may vary from person to person.

## **CHAPTER-TWO**

### **COMPANY OVERVIEW**

## *2.0 Overview of Mutual Trust Bank Limited:*

The company was incorporated on September 29, 1999 under the Companies Act 1994 as a public company limited by shares for carrying out all kinds of banking activities with authorized capital of BDT 200 million divided into 2,000,000 ordinary shares of 100 each. At present, authorized capital of the company is BDT 10,000,000,000 (BDT 10 billion) divided into 1,000,000,000 (one billion) ordinary shares of BDT 10 each.

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

- ✚ Wholesale Banking
- ✚ Retail Banking
- ✚ International Trade Financing
- ✚ Card Services
- ✚ Small and Medium Enterprise (SME) Banking
- ✚ NRB Banking
- ✚ Privilege Banking
- ✚ Treasury Operations

The company (Bank) operates through its Head Office at Dhaka and 114 branches. The Company/Bank carries out international business through a Global Network of Foreign Correspondent Banks.

### **Registered name of the Company:**

Mutual Trust Bank Limited

### **Company registration no:**

C38707,(665)/99 on September 29, 1999

**Bangladesh Bank Permission No:**

BRPD (P) 744(78)/99-3081 on October 5, 1999

**Registered Office:**

MTB Centre, 26 Gulshan Avenue,  
Gulshan-1, Dhaka 1212, Bangladesh

**SWIFT CODE:**

MTBL BD DH

**Membership of MTBL**

1. The Institute of Bankers Bangladesh (IBB)
2. Bangladesh Association of Banks (BAB)
3. Bangladesh Foreign Exchange Dealer Association (BAFEDA)
4. Bangladesh Institute of Bank Management (BIBM)
5. Bangladesh Association of Publicly Listed Companies (BAPLC)
6. Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI)
7. International Chamber of Commerce Bangladesh Limited (ICCB)
8. Dhaka Stock Exchange (DSE)
9. Dhaka Chamber of Commerce & Industry (DCCI)
10. Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
11. American Chamber of Commerce in Bangladesh (AMCHAM)
12. Primary Dealers Bangladesh Limited (PDBL)



**Table - 2.0** (Source- MTB's Website)

## ***2.1 Corporate Information:***

<b>Name of the Company</b>	Mutual Trust Bank
<b>Chairman</b>	Mr. M. A. Rouf, JPMr. Md. Hadayetullah
<b>Managing Director</b>	Mr. Anis A. Khan (CEO)
<b>Legal Status</b>	Public Limited Company
<b>Date of Incorporation</b>	29, September 1999
<b>Line of Business</b>	Banking
<b>Authorized Capital</b>	10.00 billion
<b>Vice Chairman</b>	Mrs. Khwaja Nargis Hossain
<b>Directors</b>	Mr. Syed Manzur Elahi (Founding Chairman) Dr. ArifDowla (Former Chairman) Mr. Rashed Ahmed Chowdhury (Former Chairman) Mr. Md. Abdul Malek Mr. Md. Wakiluddin Mrs. KhwajaNargisHossain Mr. AnjanChowdhury Mr. Q.A.F.M. Serajul Islam
<b>Independent Directors</b>	Mr. Anwarul Amin Dr. Sultan Hafeez Rahman



**Table: 2.1 Corporate information**

**(Source: Annual report)**

## *2.2 Aims and Objectives of MTBL:*

Mutual Trust Bank is always ready to maintain the highest quality of services by upgrading banking technology and applying high standard of business ethics through its established commitment and heritage.

- To contribute in achieving the ultimate goal.
- To ensure customer first priority with best customer service.
- To establish participatory banking instead of banking on debtor-creditor relationship.
- To invest on profit and risk sharing basis.
- To establish a welfare-oriented banking system.
- To extend co-operation to the poor, the helpless and the low income group for their economic development.
- To play a vital role in human development and employment generation.

## *2.3 Corporate Vision of MTBL:*

Mutual Trust Bank's vision is based on a philosophy known as MTB3V. We envision MTB to be:

- I. One of the best performing banks in Bangladesh.
- II. The bank of choice.
- III. A truly world-class bank.

## *2.4 Corporate Mission of MTBL:*

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

## *2.5 Functions of MTBL:*

- ✦ The main task of MTBL is to accept deposits from various customers through various accounts.
- ✦ Invests its fund into profitable sectors.
- ✦ Provides card customer service.
- ✦ Easy credit card loan terms and conditions.
- ✦ Creates loan deposit.
- ✦ Provides loan on easy terms and conditions.
- ✦ Transfers money by Pay Order (PO), Telegraphic Transfer, Pay slip (PS) etc.
- ✦ Does transaction of bill of exchange, cheque etc on behalf of the clients.
- ✦ MTBL assists in the foreign exchange by issuing letter of credit.
- ✦ Insures the securities & valuable documents of clients.

## *2.6 Values of MTBL:*

**Shareholders-** Create sustainable economic value for our shareholders by utilizing an honest and efficient business methodology.

**Community-** Committed to serve the society through employment creation, support community projects and be a responsible corporate citizen.

**Customers-** Render state-of-the-art service to our customers, offering diversified products and aspiring to fulfill their banking needs to the best of our abilities.

**Employees-** Be reliant on the inherent merit of the employees and honor our relationships as a tribute to be a part of this renowned financial institution.

**Accountability-** As a bank we are judged solely by the successful execution of the commitments that the bank expects and embraces that form of judgment.

**Agility-** We can see things from different perspectives; we are open to change and not bounded by how we have done things in past.

**Trust-** We value Mutual Trust, which encompasses transparent and candid communications among all parties.

## *2.7 Products and Services of MTBL:*

### **MTB Products**

#### **MTB Banking Products:**

- Small Business Loan
- MTB Krishi
- MTB Green Energy Loan
- MTB Researching Loan
- Merchant Schemes

#### **MTB Deposit Schemes:**

- Brick by Brick
- Monthly Benefit Plan
- MTB Double Server
- Children Education plan
- MTB Graduate

#### **MTB Customer Loan:**

- MTB life line
- Home Loan Scheme
- Home Repair Loan
- Home Loan (Pre-Finance)
- Auto loan
- Doctor's loan

#### **E-Banking:**

- Local Classic Credit Card
- Local Gold Credit Card
- International Credit Card
- VISA Electronic Debit Card
- International Travel Card
- VISA Remittance Card
- MTB Tele-banking
- MTB SMS Banking
- SWIFT Services

## MTB Services:

- Corporate Banking
- International Banking
- Off-Shore Banking
- Securities Trading & Brokerage Services
- Merchant Banking
- Primary Dealership in Government Securities
- SME Banking
- Card Services
- Consumer Banking
- Leasing
- Services for Non-Residence Bangladesh(NRBs)

### **MTBL is one of the largest private banks in Bangladesh**

- It operates through 103 fully computerized branches ensuring best possible and fastest services to its valued clients.
- The bank has more than 1000 foreign correspondents worldwide.
- The Board of Directors consists of 13 members.

## *2.8 Departments of MTBL:*

Mutual Trust Bank maintains the job in a proper and organized considering their interrelationship that are allocated in a particular department to control the system effectively. Different departments of MTBL are as follows:

### **1. Corporate Banking Division:**

MTB corporate banking division are a blend of the corporate, Off-shore banking , Syndication and Structured Finance that focuses on offering a wide range of services to large corporate, multinationals and institutional clients.

### **2. MTB Banking Operation Department:**

As part of its commitment to provide global quality service, Mutual Trust Bank Ltd, one of the largest local banks, has launched its corporate & MTB Banking Operation Department recently, who will act as one stop contract point for the customers of the bank.

### **3. MTB Board Division:**

A team of experienced professionals maintains the following committees to run the bank efficiently:

- ❖ Management and Credit Committee.
- ❖ Asset and Liability Committee.
- ❖ Administrative and Disciplinary Action Committee.
- ❖ Technical and Audit Committee.
- ❖ Procurement and Purchase Committee.

### **4. MTBL Retail Banking Department:**

Mutual Trust Bank is one of the largest private retail banks in the country and serves the need of individual client through its extensive branch network across the country. It offers an array of deposit and loan product to cater the financial needs of its large customer base.

### **5. MTB Card Division:**

MTBL is the first domestic commercial bank in Bangladesh to introduce Visa Electronic and Visa Credit Card at the same time. MTBL is also the only bank in Bangladesh to introduce Visa ATM acquirer along with POS Acquire, which opened the opportunity for all Visa cardholders (domestic & international) to use the ATMs.

### **6. SME Banking Division:**

Small and Medium enterprise (SMEs) play an important role in the development of country. SMEs contribute to economic development in various ways, by creating employment for rural and urban growing labor force, providing desirable sustainability and innovation in the country as a whole.

### **7. Credit Monitoring Cell:**

This is an integral and vital part of the bank. The services department ensures smooth operation and functioning within and between all the departments of MTBL.

### **8. MTB Credit Risk Management Division:**

The borrowing capacity providing to an individual by the banking system, in the form of credit or a loan. Credit policy committee is composed of the managing director, the general manager, the chief risk officer and the assistant general manager responsible for credits.

#### **9. Group Finance:**

It keeps tracks of each and every transaction made within MTBL Bangladesh. It is headed by manager of FCD who ensures that all the transactions are made according to rules and regulation of MTBL group.

#### **10. MTB Internal Control And Compliance:**

- Controlling different functions of the branches and search for location for expansion.
- Conducting internal audit and inspecting both regularly and suddenly.
- Ensuring compliance with Bangladesh Bank (BB), monitoring BB's inspection and external audit report.

#### **11. MTB Information Technology And System Division:**

This department gives the hardware and software supports to different departments of the bank. As Mutual Trust Bank is engaged in online banking, the role IT is very crucial for the bank.

#### **12. MTB NRB Banking:**

They recognize that every client has distinctively different needs and they meet these by providing exemplary level of personal service, convenience and security. Prosperity, financial confidence and the wellbeing of their clients are the main properties of this division.

#### **13. MTB Risk Management Unit:**

As a financial intermediary, Mutual Trust Bank is exposed to certain amount of risk which is associated with its lending and trading businesses and operational activities, managing and mitigating such risks have always been a primary concern of the bank.

#### **14. MTB Special Asset Management Division:**

MTBL special asset management division deals with the customer credit, schemes such as the personal loan, car loan, education loan, tax loan, personal secured loan that are tailored to meet the demand of individual customers.

#### **15. Treasury Division:**

MTB treasury department receive, keep manages and disburses private or public fund. The activities include the corporate house handling of all financial matters and the generation of external and internal funds for business.



## 2.9 Managerial Hierarchy of Mutual Trust Bank Ltd:

"People with goals succeed because they know where they're going."

--- Earl Nightingale

Mutual Trust Bank Ltd.

Organization Hierarchy



Figure: 2.1: Managerial hierarchy of MTBL

## **CHAPTER-THREE**

### **OPERATIONAL ACTIVITIES OF CARD DIVISION**

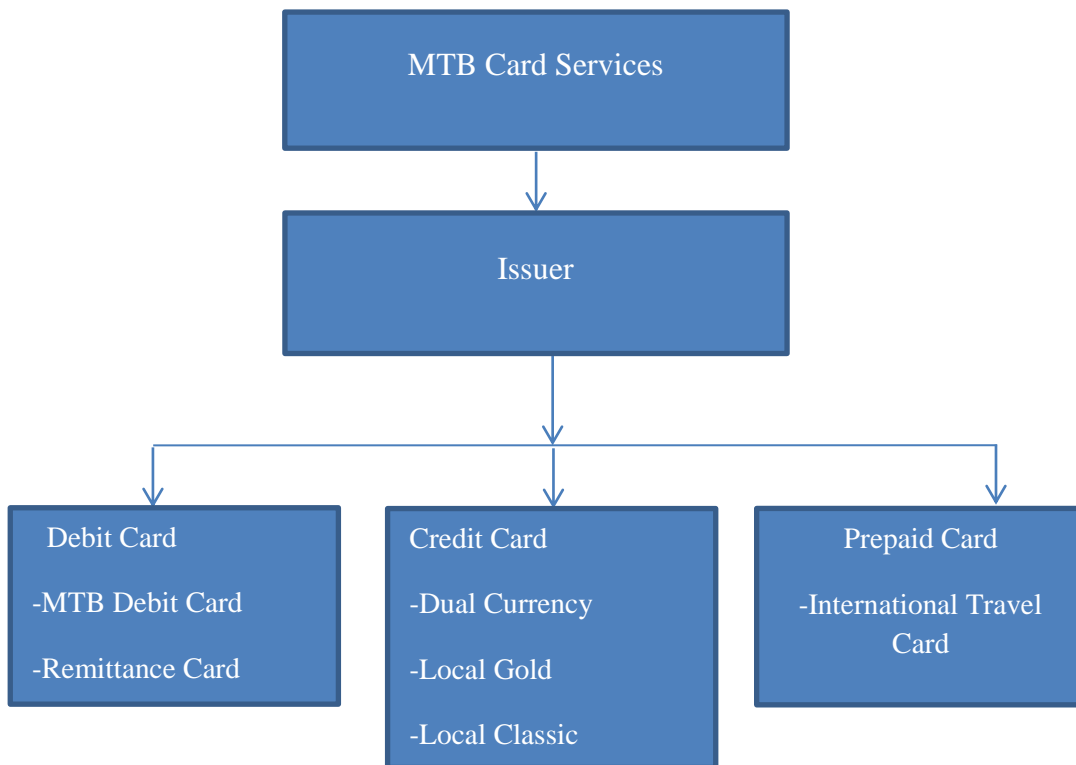
### 3.0 Introduction of Card Division:

Card division mainly deals with cards. They are debit, credit and prepaid cards. MTB Card division provides services both as an Issuer and Acquirer. As an Issuer, MTB issues different types of cards for its clients. MTB card can be classified into two different types. They are:

1. Debit Card
2. Credit Card



There is another type of card that is International or Prepaid Card. It is mainly a form of credit card. MTB provides payment services to any card having Visa logo through its nationwide ATM and POS network.



### Figure: 3.0: Card Services

A description about these cards is described below:

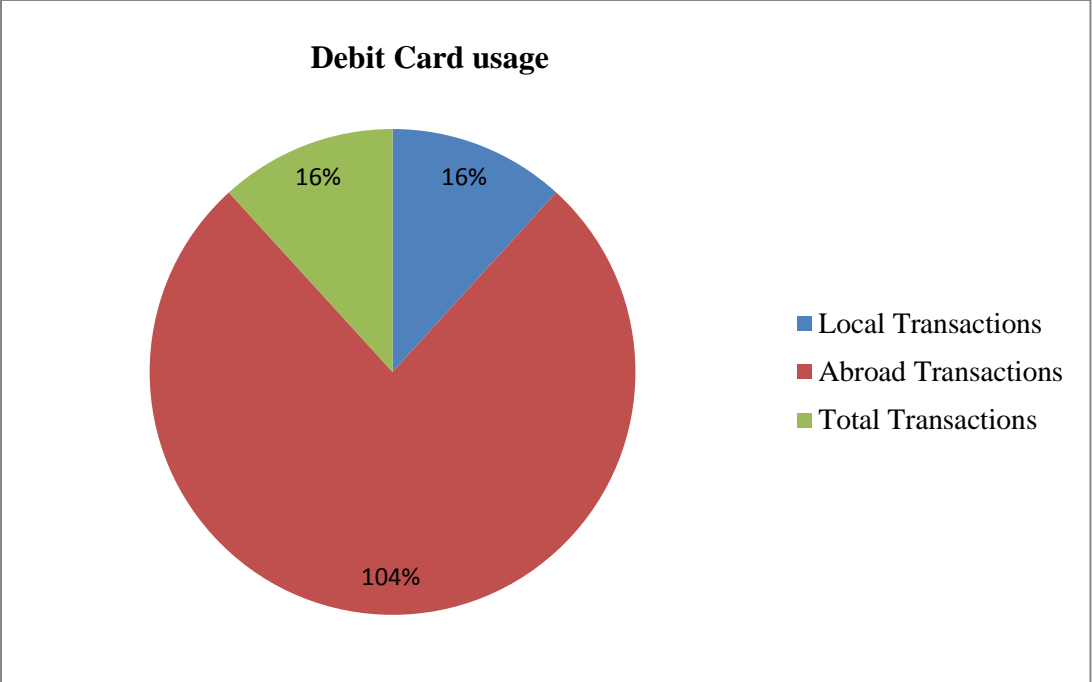
#### 1. Debit Card:

Debit Card pull money out of one's checking or brokerage account. Debit cards do not create or increase a loan like credit cards do. A person can only withdraw amount deposited by them.

#### Usage of Debit Cards:

Debit Cards Usage at ATM Transactions	(BDT in Crore)		
	Local Transactions (issuing)	Abroad Transactions (Issuing)	Total Transactions (Issuing)
(July-Sept) 2017	20479.5	15.9	20495.4
(July-Sept) 2018	23716.2	32.4	23748.6
Growth	16%	104%	16%

**Table: 3.0 Usage of Debit cards**



**Figure: 3.1 Usages of Debit Card**

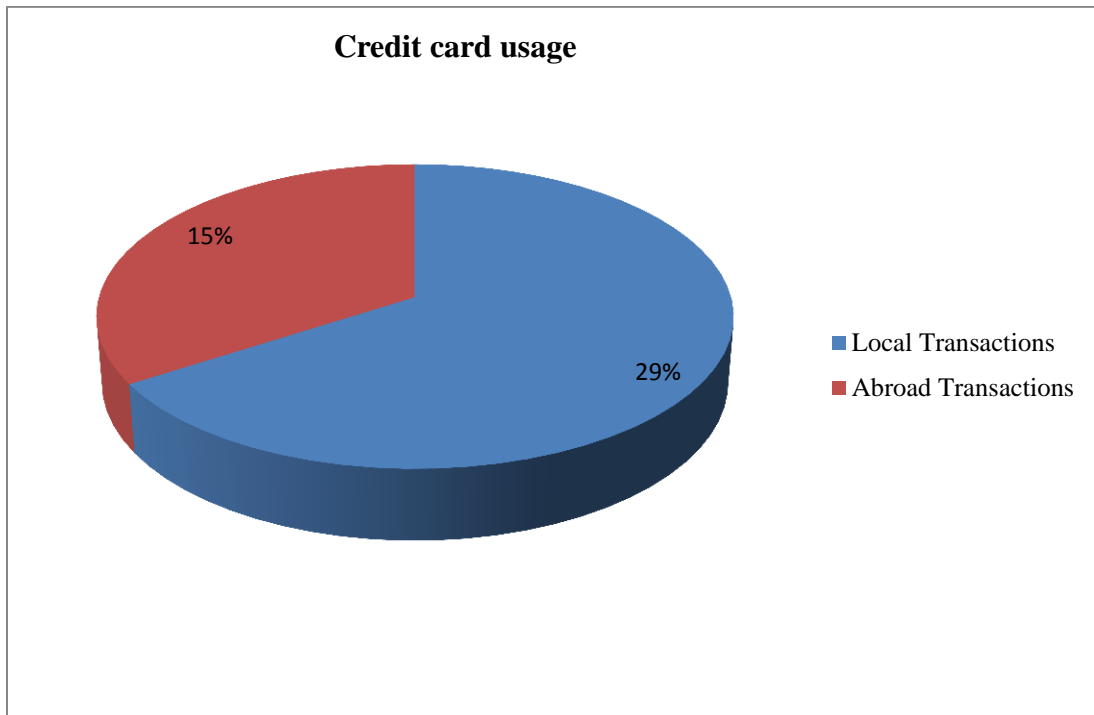
**2. Credit Card:**

A card issued by a financial company giving the holder to borrow funds, usually at point of sale. Credit Cards charge interest and are primarily used for short-term financing. Interest usually begins one month after a purchase is made and borrowing limits are pre-set according to the individual’s credit rating.

**Usage of Credit Cards:**

Credit Cards Transactions	Usage at POS (BDT in Crore)	
	Local Transactions (Issuing)	Abroad Transactions (Issuing)
(July-Sept) 2017	954.92	239.22
(July-Sept) 2018	1232.19	276.28
Growth	29%	15%

**Table: 3.1 Usage of Credit Cards**



**Figure: 3.2 Usages of Credit Card**

### **3. Prepaid Card:**

A prepaid card is such type of card that the cardholder can withdraw or use money deposited previously by them. These types of cards mostly used in international transaction.

## Usages of Prepaid Cards:

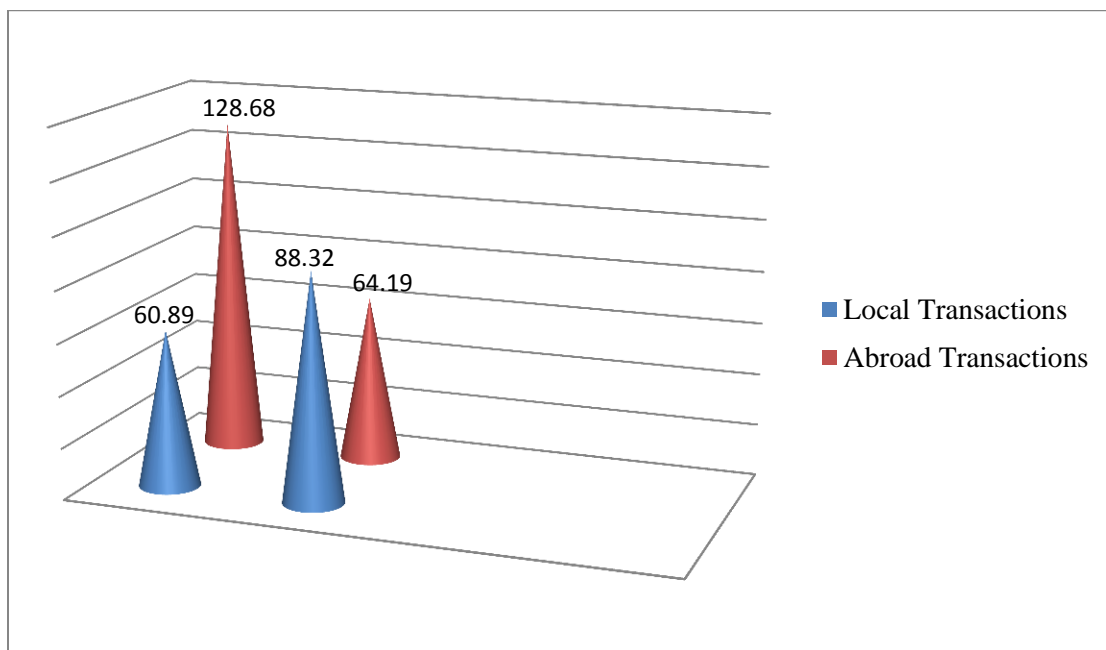
Prepaid Cards

(BDT in Crore)

Transactions

	Local Transactions (Issuing)	Abroad Transactions (Issuing)
(July-Sept) 2017	60.89	128.68
(July-Sept) 2018	88.32	64.19

**Table: 3.3 Usages of Prepaid Cards**



**Figure: 3.3 Usages of Prepaid Cards**

### *3.1 Features of cards:*

#### **Debit Card:**

- Banking and shopping card.
- MTB Visa Debit card can be used as an ATM card at any Visa ATM across the world, as well as for making purchases at merchant locations.
- More safety, more convenience.
- MTB Visa Debit card is extremely versatile and simple to use.
- Widely accepted and internationally valid.
- Easy billing system.

#### **Credit Card:**

- Worldwide acceptable.
- Easy repayment facility.
- Good credit facility.
- Pay a minimum amount, which is 5% of total bill amount or any higher amount whichever is convenient and carry forward the balance to a better financial month.
- Free supplementary card.
- Cash advance facility.
- Interest free credit facility avail up to 45 days of interest free period from the date of purchase.



## 3.2 Operations of MTBL Cards:

Card division produce card through operation unit. The procedure of this unit is described below:

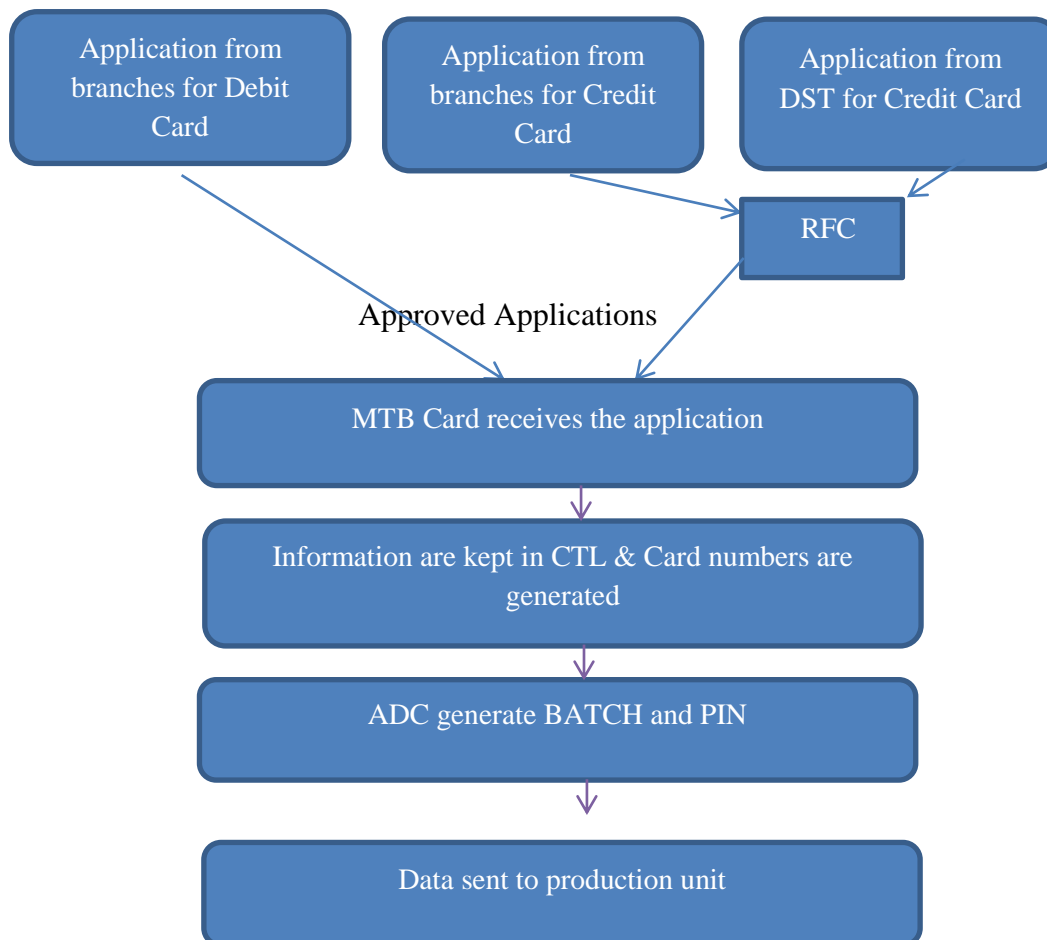
### i. New accounts opening and maintenance:

New Accounts Opening and Maintenance unit work on the data received from clients. This unit receives the application for debit card from branches and approved application. After data entry and verification process, a batch run is conducted at the day end. At the very beginning of the next day production unit starts the production based on this data.

#### a) Card Issue:

- ❖ **Capturing Debit and Credit Card:** A new card number is generated from here by providing client's name, address, mobile number, mother's name and his account number.
  
- ❖ **Authorization:** Another officer verifies the captured data and authorizes the input. This data is then placed for batch run at the day end.
  
- ❖ **Batch Run:** Batch run processes three different tasks shown below:
  1. **Encoding:** For PIN generation.
  2. **Embossing:** For Card production.
  3. **Mailer:** For printing Client's address along with activation slip.

In addition to these jobs, batch run is also important for synchronization among these jobs. Total process of New Accounts and Maintenance can be shown by the following diagram:



**Figure: 3.4: New Accounts Opening and Maintenance unit**

**a) Card Cheque Book Issue:**

- Receive Cheque book issue request from branch/customer. All new Credit Cards are automatically eligible for 'Card Cheque'.
- Relevant information of client is uploaded into the card software.
- Cheque book issue list is given to vendor for production and MTB Cards Accounts for charge creation against the respective cardholder.
- Vendor prints cheque book and returns to MTB card division.
- Update Cheque leaf serial number into the system.
- Distribute Cheque to the customer.
- Activate Cheque book after getting confirm request from the customer.

**b) Limit Enhancement:**

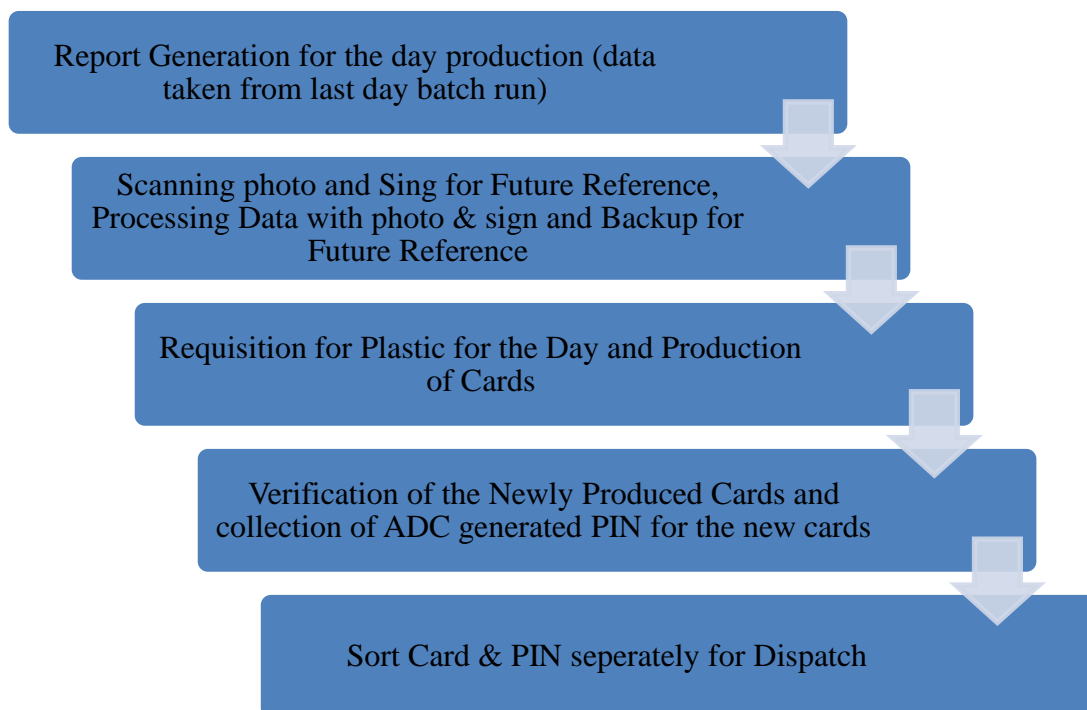
- MTB cards receive approved limit enhancement application form.
- Modifies the credit limit both in Account and Card level in the CTL software.
- Generation of memo inside the system for future reference.

**c) Statement Generation:**

- Generates Card Statements based on the billing cycle (25<sup>th</sup> and 1<sup>st</sup> of every month)
- Sent to client over e-mail if e-statement is subscribed.
- If e-statement is not subscribed then the statement will be sent via courier service.

**ii. Card Production Unit:**

Card production unit is technology oriented department and efficient department. It solely depends on New Accounts Opening and Maintenance unit for client data. Utilizing all these data production unit produces appropriate cards and sent them to respective branches. Total process can be illustrated by the following diagram:



**Figure: 3.5 Production Unit**

### iii. Cards Customer Service:

Cards Customer Service team respond towards different queries from clients. Natures of the queries vary greatly and steps taken by the customer service also very diverse. Customer satisfaction is the ultimate target and this team always strives for that. Few commonly addressed customer services are following:

- Card activation and deactivation.
- Per day withdrawal limit enhancement for debit card.
- Fund transfer through card cheque.
- Fund transfer.
- Card replacement.
- Card re-issue.
- PIN re-issue.
- Perform address change.
- Captured card processing.
- Passport endorsement and authorization of international transaction.
- Closing of debit and credit card.
- Monitor all VIP cards.
- Captured card dispatch to concern branch etc.

### iv. Card Accounts Section:

The principal tasks that are being accomplished by the card division are Merchant payment and Dispute Settlement.

#### a) Merchant Payment:

Card division needs to pay our merchants when there is any transaction at MTB POS. This transaction can be used both MTB cards and other bank cards. This payment can be done by three different ways:

- ❖ **Account Transfer:** For merchants who are having current account with MTB.

- ❖ **BFFTN:** For merchants who are using different bank account for the payment collection.
- ❖ **Pay order:**For merchants who are not willing to receive the payment with any of the above.

**b) Dispute Settlement:**

During the ATM and POS transaction dispute may arises. Accounts division settles the claims by taking appropriate documentation for example- Electronic Journal of the ATM machines or sales receipt from the merchants. Broadly disputes can be divided into:

- ❖ **ON US**
- ❖ **OFF US**

**1. In Case of ON US:**

**First Step:** We receive a claim from the customer; customer may fill CR (Customer Request) form.

**Second Step:** We verify the claim. See the statement for verification of his claims; see online issuer for ATM transaction details.

**Third Step:** After assessing this if we find that the claim is valid we sent a mail to IT regarding this matter.

**Fourth Step:** After necessary investigation IT reply our mail.

**Last Step-Settlement:** It includes the following steps:

- ❖ **Not Dispensed:** If IT inform us that cash is not dispensed then we credit the claimed amount to the cardholder account.
- ❖ **Dispensed:** If the finding is dispensed which means the cash is already dispensed so there is no need to dispense cash again.
- ❖ **Retrieve:** ATM cash dispensed but the customer was unable to receive the cash as a result ATM takes back the dispensed cash and preserved it in rejected box. So the clients claim is valid and his account also be credited for this amount after taking necessary action.

## **2. In Case of OFF US:**

In case of OFF US, bank usually takes longer time to settle the dispute with the acquirer bank.

The following are the supportive activities of accounts section along with the primary chore:

- Administration of the bank's ATM services.
- Proper settlement of ATM transaction dispute.
- Reconciliation between Flora and CTL prime.

## ***3.3 Problems of Cards:***

Mainly MTB has two types of cards debit and credit card. Debit card money is own money and credit card money is borrowed money. There is some scope of hacking of those cards. The problems associated with those cards are described below:

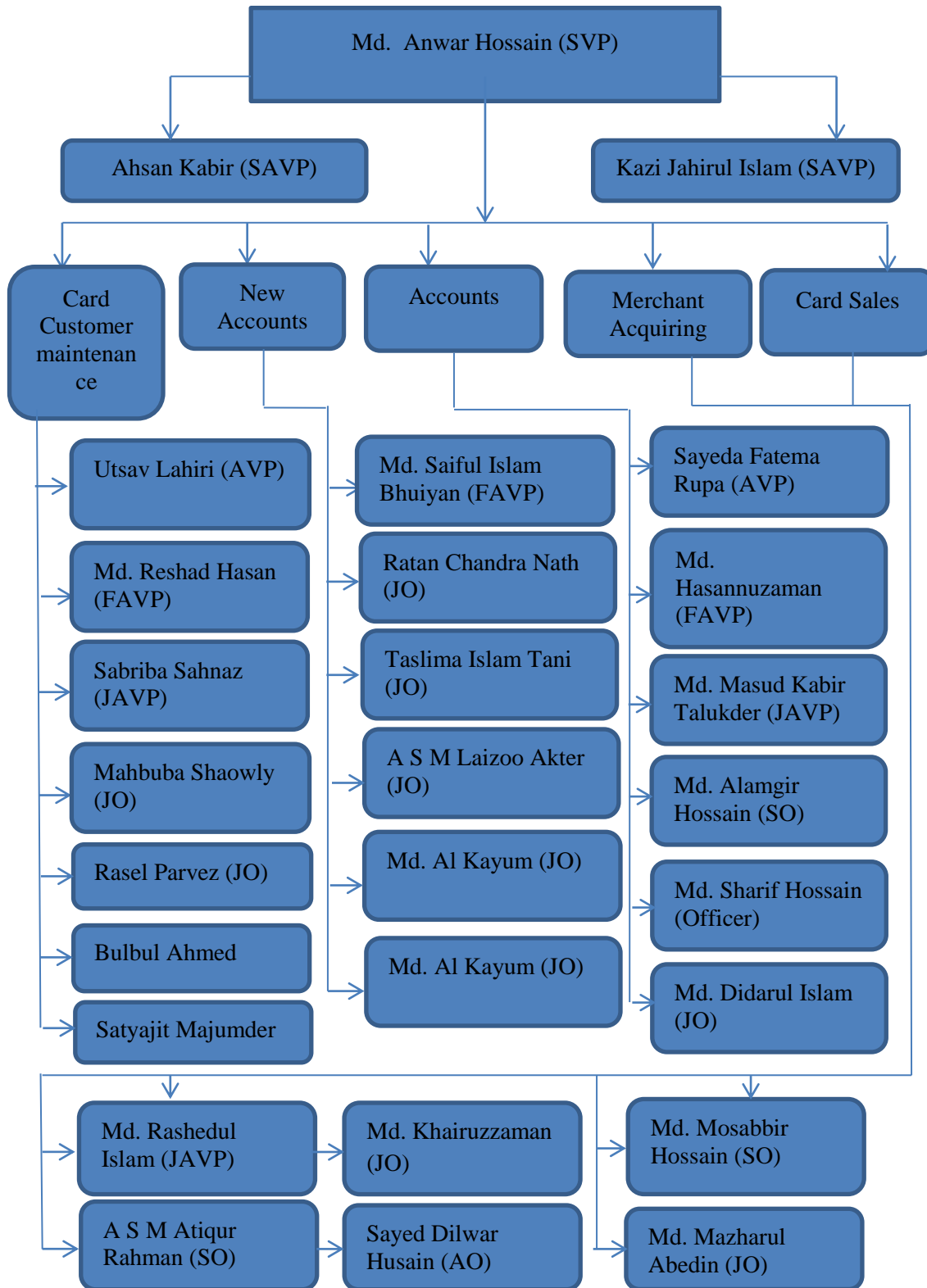
- Card has to send the statement to their clients each month. Office sometimes has connection problem. So they sometimes not send it in right time that's why fees arise.
- MTB Credit card have to pay 2% interest to get the cash advance. It sometimes increases the amount.
- Today card fraud is most common matter. Anyone can hack a card by scanning it, where the customer use it in times of shopping, or using ATM both, or scratch on the times of POS machines.
- Card fraud may happen in cash, sometimes cards can be stolen. They may be physically stolen (if you lose your wallet or purse) or sometimes may steal your card number (from a receipt, over the phone, or from a website) and use card to rack up debts.
- Sometimes it is not possible to withdraw money quickly because of network problem.
- If the pin code is pressed wrong in 3 times the card is blocked. Then customer has to renew the card.
- Sometimes they produce low quality card which is broken in a small time. But they have to give money to renew it. It is a problem.
- Some customers may not be comfortable to use those cards because of some formalities.

**3.4 Measures to Overcome the Problems:** There are some steps to be taken to prevent card fraud are as follows:

- Officials have to give the statement in time before billing date.
- Have to decrease the percentage amount. Because it is an extra burden for clients.
- Customers have to be aware before using cards. They should use SWIFT logo in their card to prevent card fraud.
- Banks have to take necessary measure to stop fraud. Close circuit camera should be placed in every both.
- Network system should be improved.
- Give client with quick withdraw limit.
- Increase the quality of card to prevent card fraud.

These are the problem of cards to be found. This is the limitation of their services.

### 3.5 Card Division Hierarchy:



**Figure: 3.6 Card Division Hierarchies**



### ***3.6 Branch, ATM, Card Holders and Others:***

- At present the Bank has 114 branches, 194 ATM.
- The number of total cardholders is (for Debit Card-1, 50,000 and for Credit Card-15,000).
- Number of POS machine-2000.

All the branches and ATMs are computerized under distributed server environment.

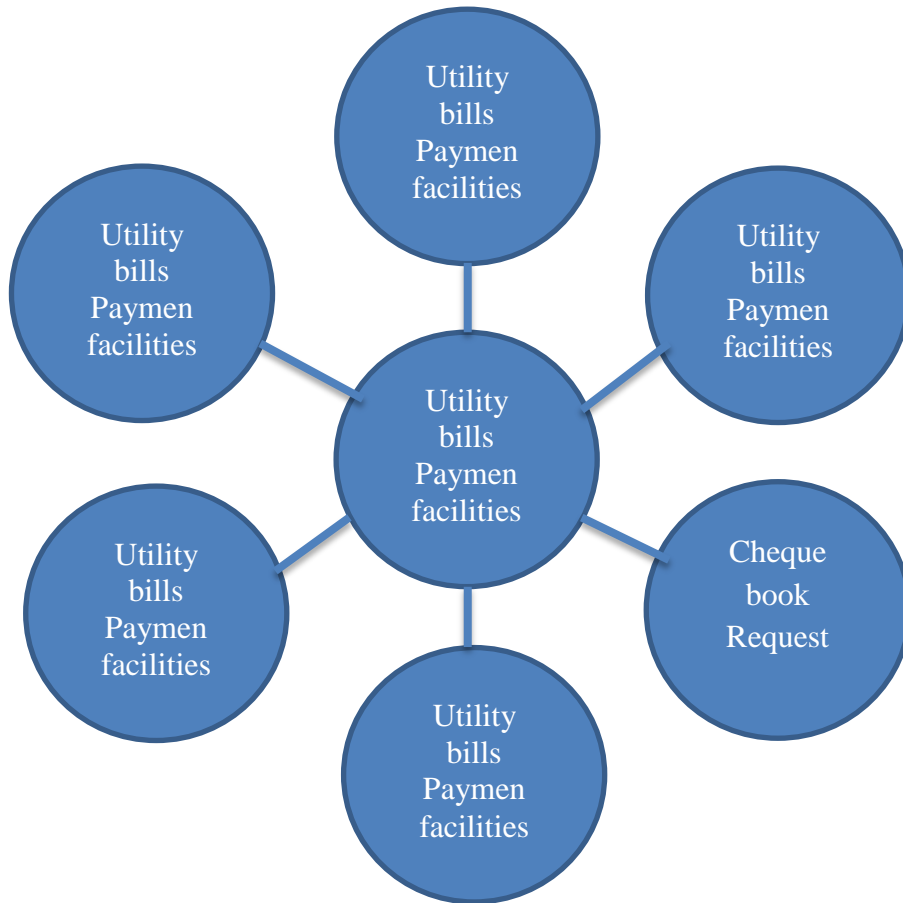


***Picture: 1.0***

### ***3.7 Services through ATM:***

Cash advance facility has a close relation with ATM (Automated Teller Machine) facility for credit card, which is very convenient for the cardholders to draw cash from ATM rather than going to the bank.

MTBL has 195 ATM all over the country. They are also planning to establish a largest and many Automated Teller Machine (ATM) and own Point of Sales (POS). MTBL card provides round the clock banking through ATMs from which customer can avail:



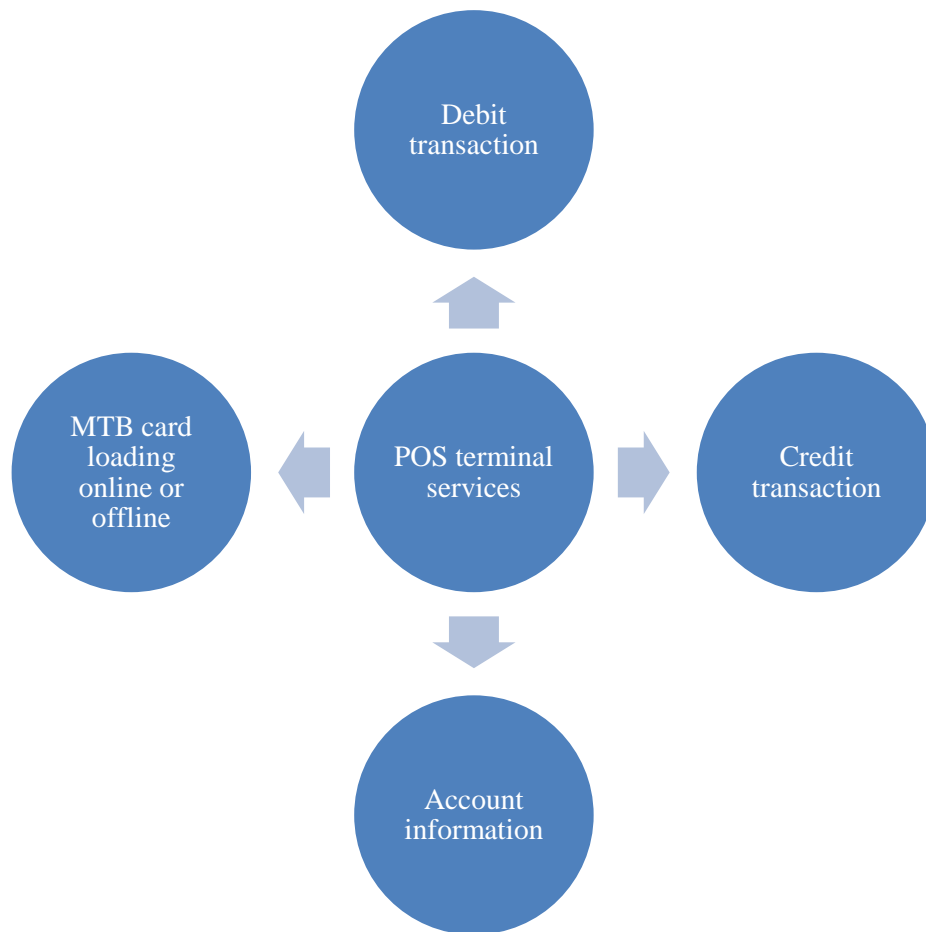
**Figure: 3.7 Round the clock banking through ATM**

### *3.8 POS Terminals:*



*Picture: 1.1*

POS terminals at the merchant end will operate/provide service throughout the day & beyond banking hours to offer:



**Figure: 3.8 POS terminal services**

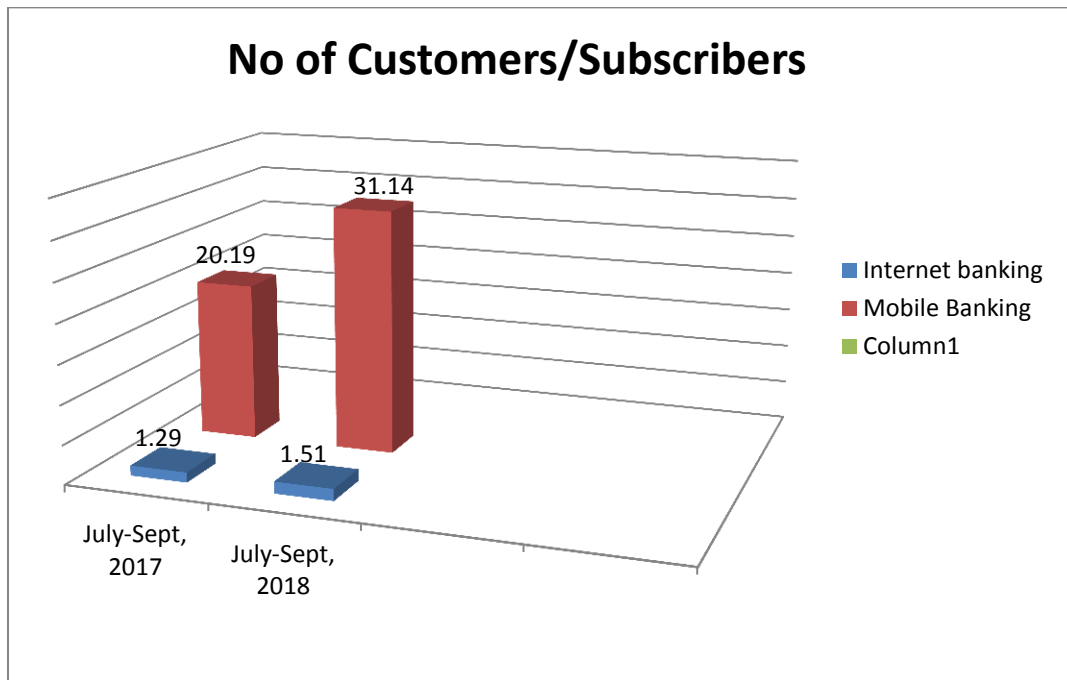
The **MTB CARD** network can operate both online in case line failure. Since MTB card can store account information within & record transaction offline. ATM & POS services can be accessed without the need for online authorization from bank. MTB card helps for self service banking any time anywhere through ATMs & POS terminals.

### ***3.9 Channel and Networks: ATM-POS:***

Currently there are 9.09 million plastic card users in Bangladesh. These plastic card users can use a wide network of ATM & POS all over Bangladesh. According to Bangladesh Bank, the number of ATM, as of September 30, 2017 is 6,694 and the number of POS is 29,188. Both ATM and POS network has grown by 11% and 12% respectively in comparison with the third quarter of 2017.

### 3.10 Services through Internet Banking and Mobile Banking:

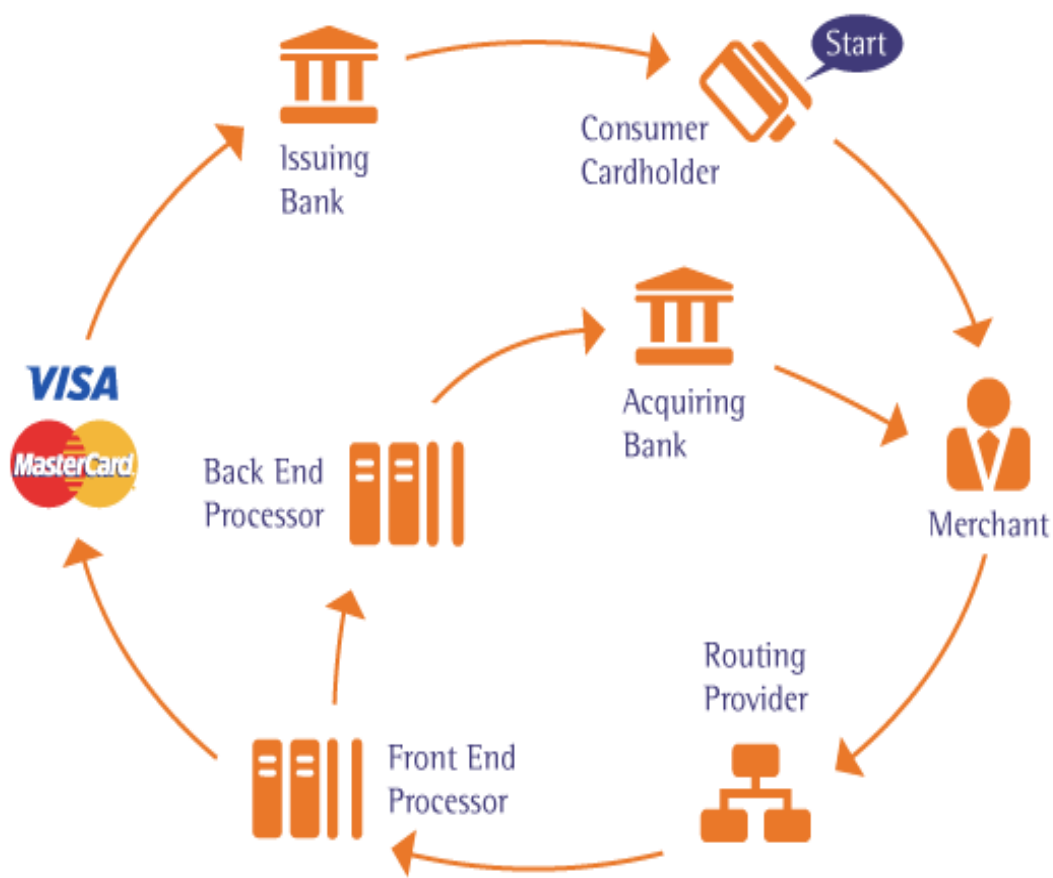
The mobile services are typically modified versions of the internet banking services of the particular bank and the architectures are backed by several banking industry consortiums. Several banks have introduced successful mobile financial services for smart phone users. The number of customers used internet banking and mobile banking are shown through a graph:



**Figure: 3.10 Number of Customers/Subscribers**

### 3.10 Understanding Card Transaction through POS machines:

To understand the operations of the MTB card division, understanding the standard operating process of VISA transaction is critically important. Whenever we push our card into a ATM machine or swap the card over a POS, this transaction follows a very standard and secured process. ATM/POS sends a signal to VISA network for authentication from the issuing Bank. Getting the positive signal from the issuing bank, VISA network sends a positive authentication to the ATM/POS machine. After that the ATM dispenses money or the POS generates sales memo. This process is illustrated by the following diagram taking POS as the example:



**Figure: 3.11 VISA transaction cycle**

### 3.11 Overview of the Mutual Trust Bank Cards:

Mutual Trust Bank Limited is one of the famous banks in Bangladesh. It has a separate Card Division. The corporate office of MTB is in Bangla Motor. I got chance to work there. The environment of the card division was so friendly. All the employees work there helps me a lot in my work. There I came to know about the cards, about limit enhancement. The card division launched their cards in 2007. In a short time they try their best to reach their goal.

Mutual Trust Bank Limited (MTBL) got affiliated with VISA international and procures Card Management Systems from UK based reputed card software vendor TSYS with the technical assistance of TSYS. MTBL launched VISA card business in the year of 2006. Within some years the card sector of MTB developed a lot. By its attractive features it enable to capture more clients. But the credit card facilities have some lacking-like the interest rate or the limit. If the division tries to overcome the problems in future, the bank will be able to reach its goal. The number of card sale is increasing day by day. The amount of sale from 2014 to 2018 is described in a table below:

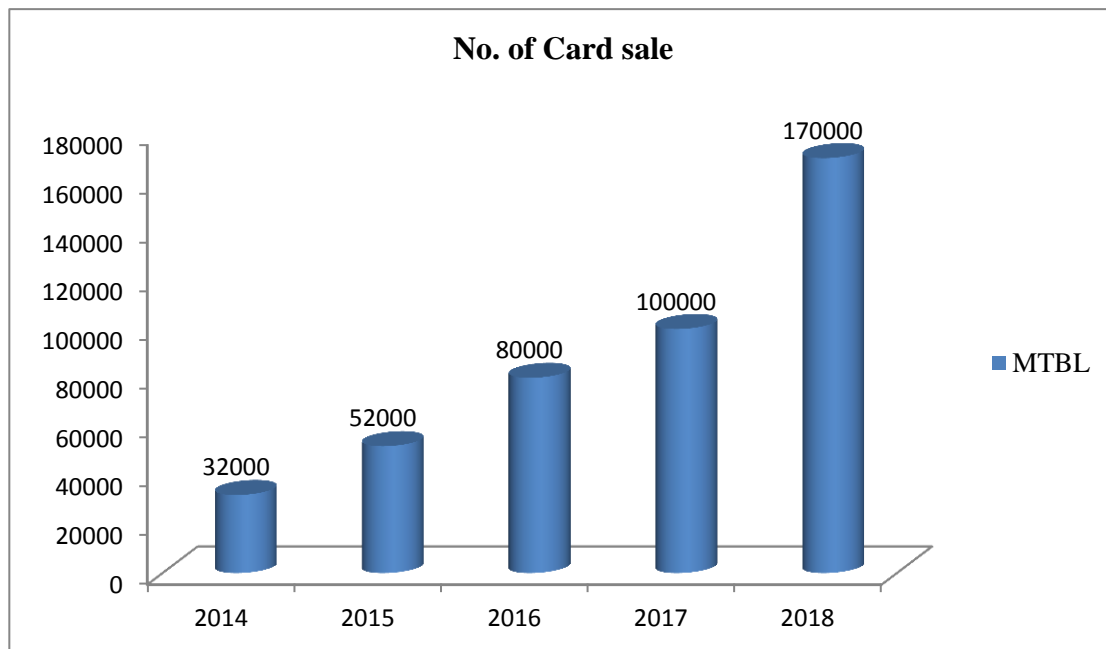


Figure: 3.12 No. of Card Sale

### *Comment:*

As we can see in the above figure the number of card sale is increasing day by day. From 2014-2018 number of card sale is increasing from 32,000 to 1, 70,000.



**CHAPTER-FOUR**

**PROBLEMS,**

**RECOMMENDATIONS AND CONCLUSION**

## *4.0 Problems Identified*

- 1) Automation of the MTB Card Centre is imperative. CBS-Flora cannot take data from CTL. As a result MTB is not able to manage large volume of data. As the Card business of MTB is growing so it is the prime time for MTB to optimize the system by installing automated software.
- 2) Cards Cheque processing fee is only 1% which is the lowest rate in the market. This strength should be branded nicely among the existing and future client base.
- 3) The performance of card division is increasing day by day. Their software system is not so updated that's why they have work manually. This reduces their valuable time.
- 4) MTB ATM and branches should be tagged at Google Map. This is cost free but can be a good branding source as the number of android user is increasing in our country.
- 5) Schedule of charges given at e-mail contains obsolete data on MTB cards. This should be updated.
- 6) Product description at MTB cards in the e-mail and website should be updated that explains more about the features of the products and benefits for the customers.
- 7) The bank should give emphasis on relationship marketing. It should see that its existing clients are not leaving the bank, as there are many new banks in the market and the competition is intense.
- 8) They take more time to production and delivery of card comparing their competitive bank.
- 9) Customer attract to cards because of its various features, qualities and styleness. This should be updated with the passes of time.
- 10) Excessive Formalities should be not maintained so that card fraud may not happen.
- 11) In compassion of other bank the number of card and also ATM is low.

## *4.1 Recommendations:*

- 1) Mutual Trust Banak, Card division should to create software which is able to keep high volume of data.
- 2) Card processing free is now not at 1 percent. It is now 1.25 percent which is not lower market rate. But in market there is some lower rate card processing free bank like- National bank, NRB bank etc.
- 3) Mutual Trust Banak, Card division should to Train employees repeatedly so that they can provide better service to the card holders.
- 4) The card delivery time should be less than a week. But it should not be less than 3 days, because the possibility of incorrect assessment of the creditworthiness of the applicants would be very high then.
- 5) ATM facility is an advantage for the bank to provide ATM facility to its cardholders so MTBL should increase the number of its ATM booth.
- 6) In case of determining the charges and fees the bank should follow the least price strategy, at least initially, while entering the market, to attract the customers. The charges may be gradually increased while staying competitive in the market.
- 7) The bonus point system can be followed. Waiver on interest charges and/or renewal charges will strike into minds of the cardholders and they will be more satisfied and encouraged to do more and more card transaction.
- 8) Customers should be offered occasional gifts and discounts, which can make the Card more attractive and keep the consumer delighted.
- 9) Regular customer survey could also be conducted with an aim to find out the customer's expectations or to know about their satisfaction on bank's performance.
- 10) Take special consideration while make transaction of VIP cardholder.
- 11) They have to launch differential card product.
- 12) They should pay apprenticeship salary.

Finally, heavy marketing and promotional campaign should be conducted to popularize the product and make people aware of the service.

## *4.2 Conclusion:*

Banking sector is chief financial intermediaries in a country. It's also true for Bangladesh Mutual Trust Bank Ltd. which is a very challenging institution. MTBL card division started their journey a few years ago. But within this short time they have proved their efficiency in the market. They have launched many new products recently which will help them to grab more customers. Their main segments of cards are Credit and Debit cards.

Credit Card is a type of loan provided by banks to its customers. Where Credit is an important input in the production process of a country as well as Credit Card improves the standard of living of individuals. The demand for Credit in a developing country like Bangladesh is much higher than its supply. It's also have limit which is fixed by Bangladesh Bank i.e. for SARC countries USD \$5000 and other than SARC countries USD \$ 7000. Anyone can take it as a cash depending on his/her convenience.

Another product is the Debit card. It's not like loan. It's the amount of savings or current account that is spent through the cards. Its usage is some like Credit's, but in some extent it's usage is limited. Daily withdrawals limit is BDT 50,000.

The main purpose of this report is to study the Cards of MTBL to gather information for the report of my internship program. Through this study I tried to find the current economic position of Bangladesh as well as the living standard of people and the overall performance of Mutual Trust Card Division.

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