



Daffodil
International
University

“Credit Management of Mutual Trust Bank Limited: A study
on Principal Branch.”

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Letter of Transmittal

24 February 2019

To

Professor Dr. Mohammed Masum Iqbal

Department of Business Administration

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Subject: Submission of internship report on “**Credit Management of Mutual Trust Bank Limited: A study on Principal Branch.**”

Dear Sir,

I have attempted my best to show every one of the realities that I have recouped through my entry level position at Principal Branch, Dhaka in Mutual Trust Bank Ltd.

I endeavored to work earnestly and difficult to cover every single applicable issue with respect to the issue. In spite of the fact that I have looked to a few restrictions in setting up this report, I have altogether delighted in setting up this report, which has contributed fundamentally to my comprehension on how credit the executives exercises are done and money related data practice in Mutual Trust Bank Ltd.

Along these lines, I truly trust that my exertion will make you to acknowledge and value my report.

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Declaration

I, **Wasifa Noor Siddiqua** the understudy of BBA, 40thbatchmy ID: **151-11-4516** noteworthy in Finance from Daffodil International University, might want to gravely proclaim here that, the report entitled "**Credit Management of Mutual Trust Bank Limited: An investigation on Principal Branch.**" typifies the aftereffects of my own examination works, sought after under the supervision of **Professor Dr. Mohammed Masum Iqbal**, Department of Business Administration, Daffodil International University.

I further attest that according to I realize the work detailed in this examination is unique and is no part or entire of the report has been submitted to some other college or foundation or any degree or any certificate or some other reason. I presented this report just for my scholastic reason.

Wasifa Noor Siddiqua

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Certificate

This is to ensure that is the temporary job provide details regarding "**Credit Management of Mutual Trust Bank Limited: An investigation on Principal Branch.**" For incomplete satisfaction of the level of Bachelor of Business Administration (BBA), major in Finance from the Daffodil International University completed by **Wasifa Noor Siddiqua ID: 151-11-4516** under my direction and supervision this report is being done effectively. No piece of the entry level position report has accordingly for submitted for any level of confirmation, title, or acknowledgment previously.

Along these lines, I wish her each achievement throughout everyday life

Professor Dr. Mohammed Masum Iqbal

Department of Business Administration

Daffodil International University

Acknowledgement

Most importantly, I wish to offer my thanks to the omnipotent ALLAH for the giving me the solidarity to play out my duties as an understudy and complete the report inside the stipulated time.

Amid the conduction of this examination, I have been extremely lucky to get truly help, support, guidance, help, suggestion, and guidance from various fair people, who is truly involvement in this field.

As a matter of first importance, I offer my heartiest thanks to my boss **Professor Dr. Mohammed Masum Iqbal**, Daffodil International University for her consistent and patient direction, bolster motivation and profitable recommendations.

I might want to express my appreciation to bank boss **Md. Mohiuddin Chowdhury, Assistant Vice President**, Archive who has helped me such a great amount for setting up my report. He has given me required data that is required to set up a significant report.

I might likewise want to pay tribute to **Mahajabeen Zaman, Assistant Officer (General)** Archive the individuals who has helped me a great deal understanding and doing office chip away at Archive and furthermore arranged report.

In conclusion, I am appreciative to all who have helped me in leading entry level position work and setting up this report.

Executive Summery

Mutual Trust Bank Limited is a scheduled commercial bank in Bangladesh. The Company used to be blanketed as a Public Limited Company on the September 29, 1999, under the Companies Act 1994. The Company used to be as soon as also issued Certificate for Commencement of Business on the same day and used to be once granted license on October 05, 1999 by Bangladesh Bank underneath the Banking Companies Act 1991 and commenced its banking operation on October 24, 1999. At present Mutual Trust Bank Limited have 112 branches, more than 165 ATM Booths in our country.

This report depends on layaway the board framework and fixation is given on the Mutual Trust Bank Principal branch. Individual perception and discussion with the concerned faculty is the key wellsprings of information. Hazard is intrinsic in all parts of the business activity. Despite the fact that for banks and money related foundations, credit the executives is a vital factor that should be overseen. Credit the executives is one of the significant dangers looked by the Bank.

This investigation primarily attempts to give a diagram with respect to credit approach, credit endorsement process additionally discover the credit payment credit assignment. The investigation covers some money related proportions like Credit Deposit Ratio, Return on Equity, Return on Asset, Cost Income Ratio, Capital Adequacy Ratio and some different proportions.

Subsequent to investigating in general examination it tends to be uncovered that the credit the executives should be a ground-breaking process that empowers banks to proactively oversee advance portfolios so as to limit misfortunes and acquire an adequate dimension of return for investors gaining. I likewise look at some vital proportion of credit and dissect their present circumstance dependent on productivity. The execution of the bank is well in a few parts than the earlier year however in a few areas the situation of the bank is intensify. Particularly at the situation of the arrival to the partners. So the supervisory group and the best dimension expert and officials of the bank ought to wind up worry about the administration ability of the bank which can profit increasingly more to its partners.



Abbreviations

Particulars	Abbreviation
MTBL	Mutual Trust Bank Limited
SME	Small and Medium Enterprise
STD	Short Deposit Account
FDR	Fixed Deposit Rate
CD	Current Account
SB	Saving Bank Account
OD	Bank Overdraft
KYC	Know Your Customer
LIM	Loan against Imported Merchandise
LTR	Loan against Trust Receipt
PAD	Payment against Documents
L/C	Letter Of Credit
Ad	Authorized dealer
ATM	automated teller machine
BOCC	Branch Officers Credit Committee
HOBU	Head of Business Units
HOCR	Head of Credit Risk



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CHAPTER- ONE: INTRODUCTION

1.1 INTRODUCTION

In this day and age just instructive does never again portray an understudy best to turn as focused with the corporate and worldwide endeavor world. By completing a temporary job program, an understudy can motivate plausibility to examine managing about genuine venture world. Entry level position is reasonably wished to acquire thought, know-how and experience.

As an internee student I have joined at Mutual Trust Bank Limited and endeavoring to keep up the rhythm with the forceful business venture condition on expert exercises, culture, reasoning, standards and styles. It will reflect the charming at any control of my private life. The administrator is my normal data and predominant. Accepting his everything sort of sincere help, I have profited the chance to work with working environment the spot I am on the system of getting idea about genuine business undertaking and corporate world.

The primary reason for this report is to get a considered the "Impacts of Promotion contraction on Employee work fulfillment of Mutual have confidence Bank Ltd.", a second era bank of the private managing an account gadget us of a make an industry examination on the keeping money zone of Bangladesh. This archive is an attempt to reproduce the job of Mutual Trust Limited, in the keeping money venture of Bangladesh, techniques, strategies and exercises with accentuation Promotion of faculty and Level of Employee work joy of Mutual Trust Limited.

1.2 BACKGROUND OF THE STUDY

Bachelor of Business Administration (BBA) is planned with an incredible blend of practical and the hypothetical perspectives. In the wake of completing the BBA to satisfy the necessity of this Degree, I used to be doled out to seek after Internship in Mutual Trust Bank Limited (Principal Branch), Dhaka. I have attempted my top notch to utilize this likelihood to improve my expertise on saving money framework. Subsequent to looking cautiously, I have arranged this document on the establishment of my discoveries and comment bearing on to the point.

1.3 SCOPE OF STUDY

During these Two months internship program in MTB. (Principal Branch) almost all the desks have been observed. For that motive it was once needed to get records from MTB Head Office. But the internship application was performed in MTB, Principal Branch. There it used

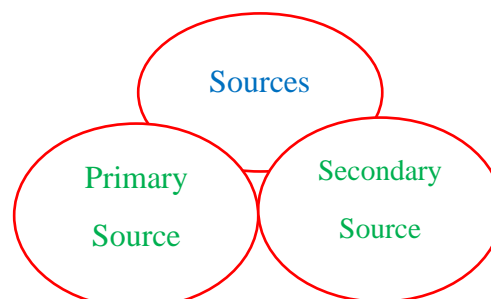
to be hard to work in its average department wise function, especially foreign remittance department desks as a hobbies work. It was hard to gather the information significant my report, in light of the fact that the general population of this Bank was so occupied with their obligation that they can't be competent to give me a mess time however they provide a their precious time by means of giving information needed and assist to whole this report. Here tried to cover the activities and rules and rules related to overseas remittance.

1.4 OBJECTIVES OF THE STUDY

2. To identify the credit schemes of Mutual Trust Bank Limited, Principal Branch;
3. To explain credit sanctioning and recovery process of Mutual Trust Bank Limited, Principal Branch;
4. To show the performance of credit management of Mutual Trust Bank Limited, Principal Branch;
5. To identify problems related to the credit management of Mutual Trust Bank Limited, Principal Branch;
6. To make recommendations to solve the problems of Mutual Trust Bank Limited, Principal Branch;

1.5 METHODOLOGY

This segment will depict exceptional sources from the spot data have been amassed and used to make this report. This is basic on the grounds that the archive should make efficiently to accomplish the objective of the examination. The uncommon sources and accumulated the data from is partitioned into two key class.



1.5.1 PRIMARY SOURCES

The important records in this report all around incorporate looking over the changed bureaus of the Bank. It incorporates:

- ✚ Up close and personal exchange with the separate officers of the banks.
- ✚ Practical experience gained via touring extraordinary desks throughout internship period.
- ✚ Face to face dialog with the clients.

1.5.2 SECONDARY SOURCES

Optional sources are the lasting and printed wellsprings of data, for example,

- ✚ Annual Reports of Mutual Trust Bank Limited.
- ✚ Different circular issued by means of the Head Office and Bangladesh Bank
- ✚ Relevant papers and exclusive books.
- ✚ Official Records of Mutual Trust Bank Limited.
- ✚ Official web site of the Mutual Trust Bank Ltd.
- ✚ Prior lookup reports.

1.6 RATIONALE OF THE STUDY

Bank is the coronary heart of the economics and banking is the blood circulation of country's financial growth. Banks function a huge function to serve the wants of the society in one of a kind sectors, such as: capital formation, giant scale of production, industrialization, increase of change and commerce etc. and banks are contributing a lot of aspect Mutual Trust Bank Limited has already emerged as one of the world huge diagnosed banks due to its foreign exchange, overseas exchange vogue and better patron carrier in accordance to the concepts of Islamic Shariah.

So I have tried my excellent to signify my journey and studying about their overall performance and troubles and potentialities on the ground of conventional banking.

1.7 LIMITATIONS OF THE STUDY

I face some limitations, which can be termed as limitations of learn about and strive to discover out a way to solve it, this are as follows:

- ✚ There have been many categorized facts which the bank couldn't supply me due their secrecy policy.
- ✚ As I have a time limitation, I couldn't cover all the sectors.
- ✚ The bank is updating every day, it wasn't feasible to cope in each way with them.



CHAPTER- TWO:
AN OVERVIEW OF MUTUAL TRUST BANK
LIMITED.

2.1 ORGANIZATION

Mutual Trust Bank Limited is the creating non-open part bank in Bangladesh granting full change of Personal, Corporate, International Trade, Foreign Exchange, Lease Finance and Capital Market Services. Mutual Trust Bank Limited is the favored inclination in saving money for wonderful and customized administrations, cutting zone innovation, customized alternatives for business needs, global reach in change and trade and unreasonable yield on speculations, guaranteeing Excellence in Banking Services.

Mutual Trust Bank is as of now one of the quickest rising full supplier booked business bank in Bangladesh having each adjacent and global Institutional investors started its experience on 1999 and by and by one of the speediest creating money related organization in our nation.

2.2 HISTORY OF MTBL

The Company used to be covered as a Public Limited Company on the September 29, 1999, under the Companies Act 1994, with an Authorized Share Capital of BDT 1,000,000,000 separated into 10,000,000 standard offers of BDT a hundred each. At present, the Authorized Share Capital of the business endeavor is BDT 10,000,000,000 partitioned into 1,000,000,000 ordinary offers of BDT 10 each.

The Company used to be when additionally issued Certificate for Commencement of Business around the same time and used to be once conceded permit on October 05, 1999 by Bangladesh Bank underneath the Banking Companies Act 1991 and started its keeping money task on October 24, 1999.

2.3 OBJECTIVES OF MTBL

The objective of the Mutual Trust Bank Limited is explicit and centered to its innovative and insightful and to work itself in the mentality of the general population as a manage an account with contrast'. The objectives of the Mutual Trust Bank Limited are as per the following:

- ✚ To assemble the reserve funds and diverting it out as credit or upgrade as the association support.
- ✚ To set up, keep up, raise on, execute and attempt a wide range of speculation and money related business, for example, guaranteeing, overseeing and disseminating the inconvenience of stocks, debentures, and diverse securities.

- ✚ To finance the international alternate each in import and export.
- ✚ To lift on the foreign exchange business, such as shopping for and promoting of foreign currency, vacationers Cheque issuing, global credit score card issuance etc.
- ✚ To improve the preferred of residing of the limited profits team via providing Consumer Credit.
- ✚ To finance the industry, change and commerce in each the traditional way and by using offering purchaser friendly deposit service.
- ✚ To inspire the new entrepreneurs for investment and as a result to improve the country's enterprise quarter and make a contribution to the monetary development.

2.4 VISION

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

- ✚ One of the best performing banks in Bangladesh
- ✚ The bank of choice
- ✚ A truly world-class bank

2.5 MISSION

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

2.6 CORE VALUES

Commitment:

- ✚ Shareholders – Create sustainable monetary price for our shareholders via utilizing a straightforward and environment friendly enterprise methodology.
- ✚ Community – Committed to serve the society through employment creation, assist community initiatives and activities and be an accountable company citizen.
- ✚ Customers – Render modern day provider to our customers by way of offering various products and by using aspiring to fulfill their banking wishes to the first-rate of our abilities.

✚ Employees – We depend on the inherent merits of the employee and honor our relation as a section of this renowned economic institution. We work together to celebrate and reward special backgrounds, viewpoints, competencies and talents of all and sundry at the work place, no depend what their job is.

Accountability:

As a bank, we are made a decision about exclusively by means of the fruitful execution of our duties; we expect and grasp this structure of judgment. We are in charge of giving the least demanding dimension of administration alongside meeting the strict necessities of administrative models and good business rehearses.

Agility:

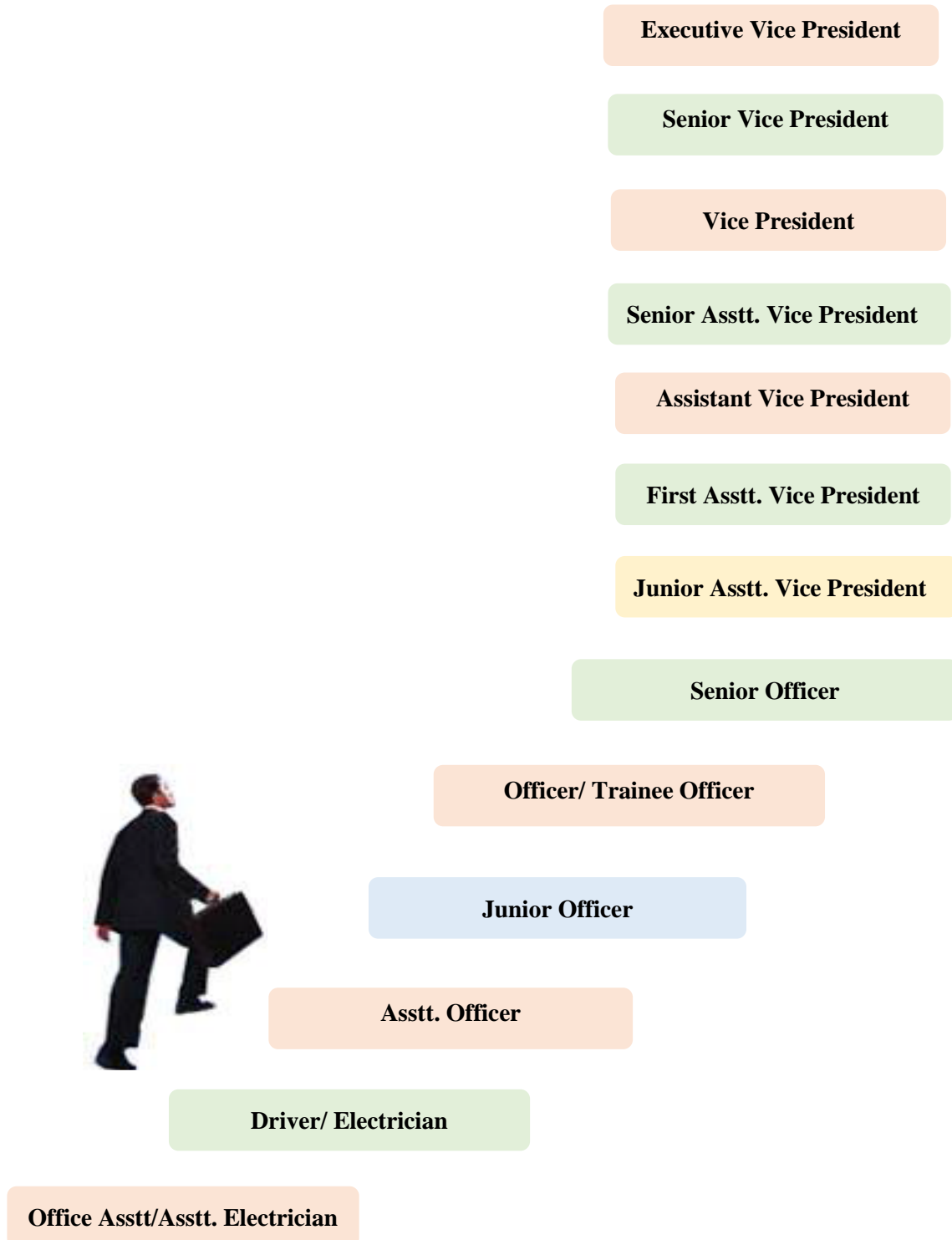
We can see things from novel viewpoints; we are available to exchange and not sure by methods for how we have achieved issues previously. We can react quickly and change our method of activity to meet partner wishes and addition our objectives.

Trust:

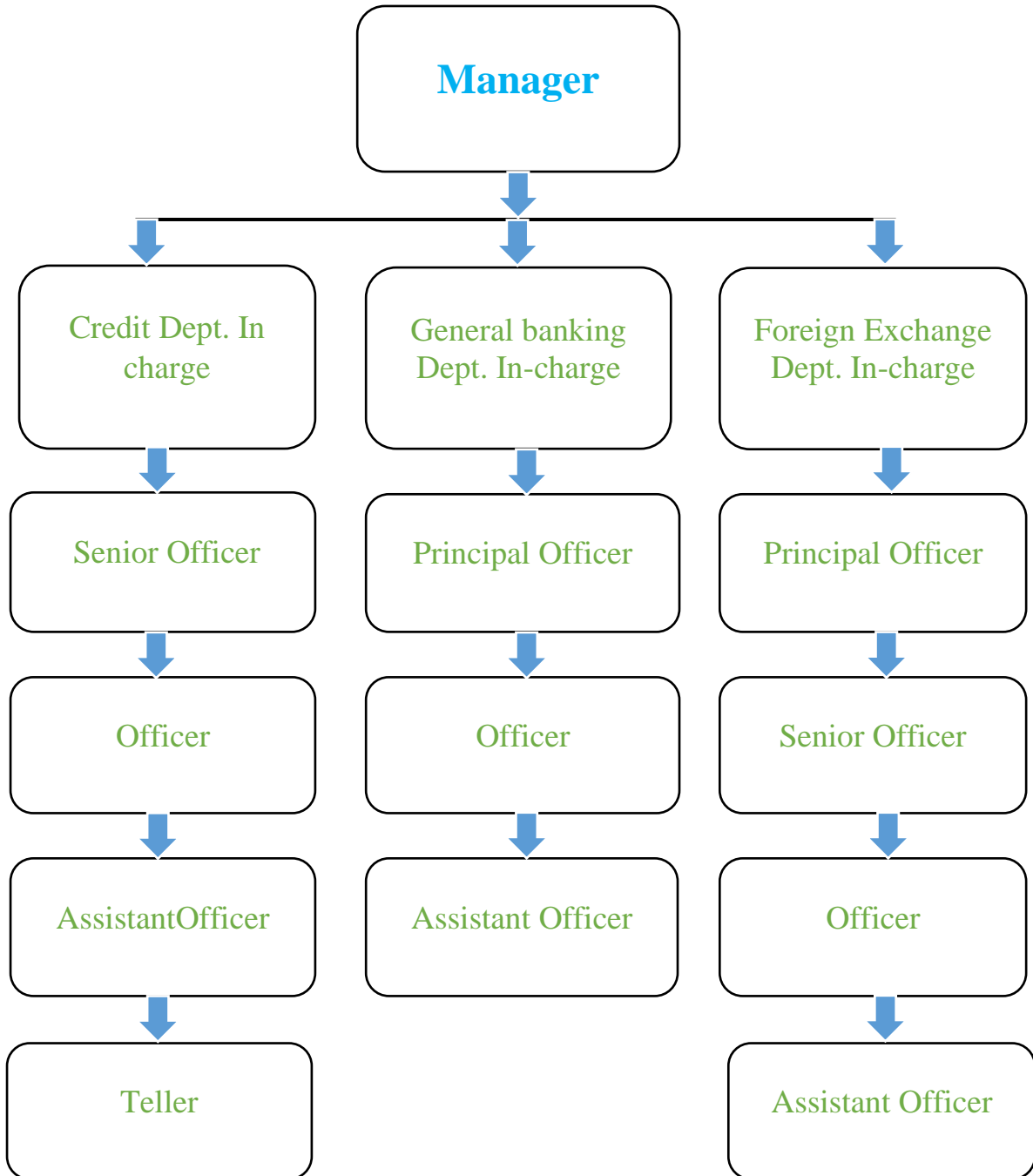
We esteem common trust, which includes evident and real to life interchanges among all gatherings.

2.7 HIERARCHY OF POSITION STRUCTURE OF MTBL

Mutual Trust Bank Ltd. Organization Hierarchy



2.8 ORGAN GRAM OF MTBL



2.9 PRODUCTS & SERVICES OF MTBL

The financial institution has open range of product line to swimsuit the want of the strata. In incorporation to conference product both asset and liabilities aspects the bank gives exclusive savings merchandise for its customer. These are:

MTB Products

SME Banking Products

- Small Business Loan
- MTB Krishi
- MTB Mousumi
- MTB Bhaggaboti
- MTB Digoon
- MTB Revolving Loan
- MTB Green Energy Loan
- Microfinance Scheme

MTB Consumer Loans

- MTB Life Line
- Home Loan Scheme
- Home Repair Loan
- Home Loan(Re-finance)
- Auto Loan
- Doctor's Loan

MTB Deposit Scheme

- Brick By Brick
- Monthly Benefit Plan
- Save Everyday Plan
- Children Education Plan
- Bestinvest Plan

E-Banking

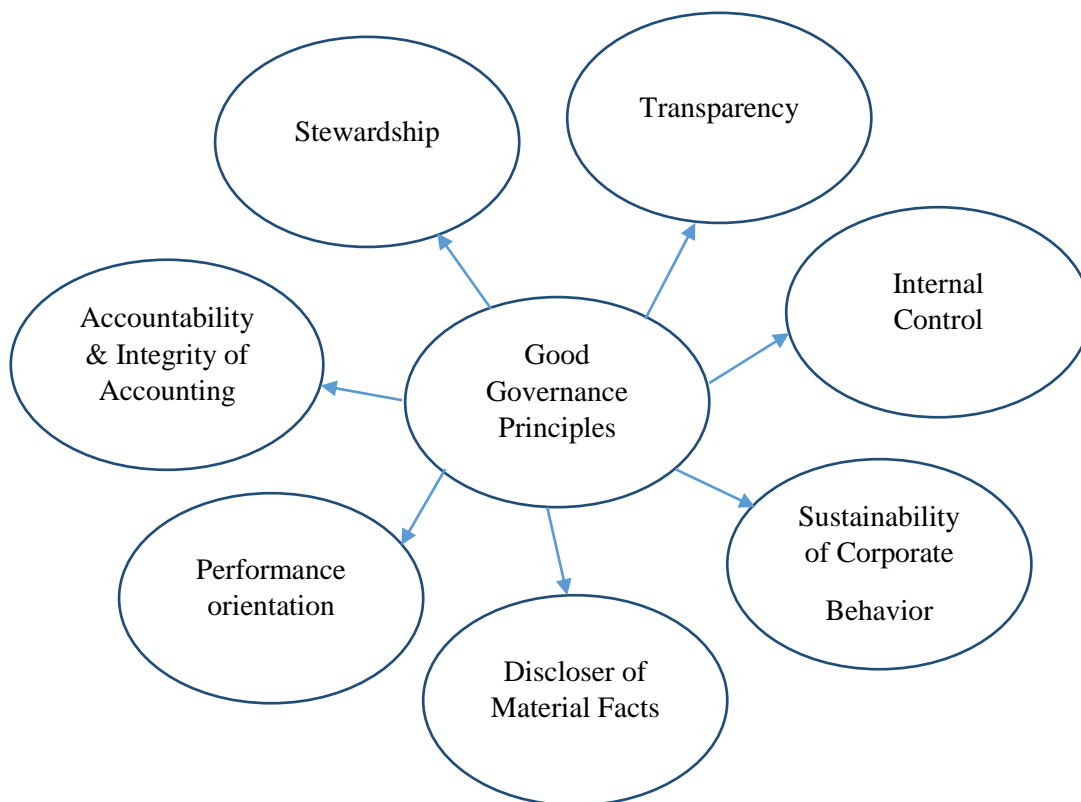
- Local Classic Credit Card
- Local Gold Credit Card
- International Credit Card
- VISA Electron Debit Card
- International Travel Card
- VISA Remittance Card
- MTB Hajj Card
- MTB Telebanking
- MTB SMS Banking
- SWIFT Services

MTB Services

- | | |
|--|---|
| <ul style="list-style-type: none"> • Corporate Banking • Institutional Banking • Off-Shore Banking • Investment Banking • Securities Trading & Brokerage services • Merchant Banking | <ul style="list-style-type: none"> • Primary Dealership in Government Securities • SME Banking • Consumer Banking • Card Services • Leasing • Services for Non-Resident Bangladeshis (NRBs) |
|--|---|

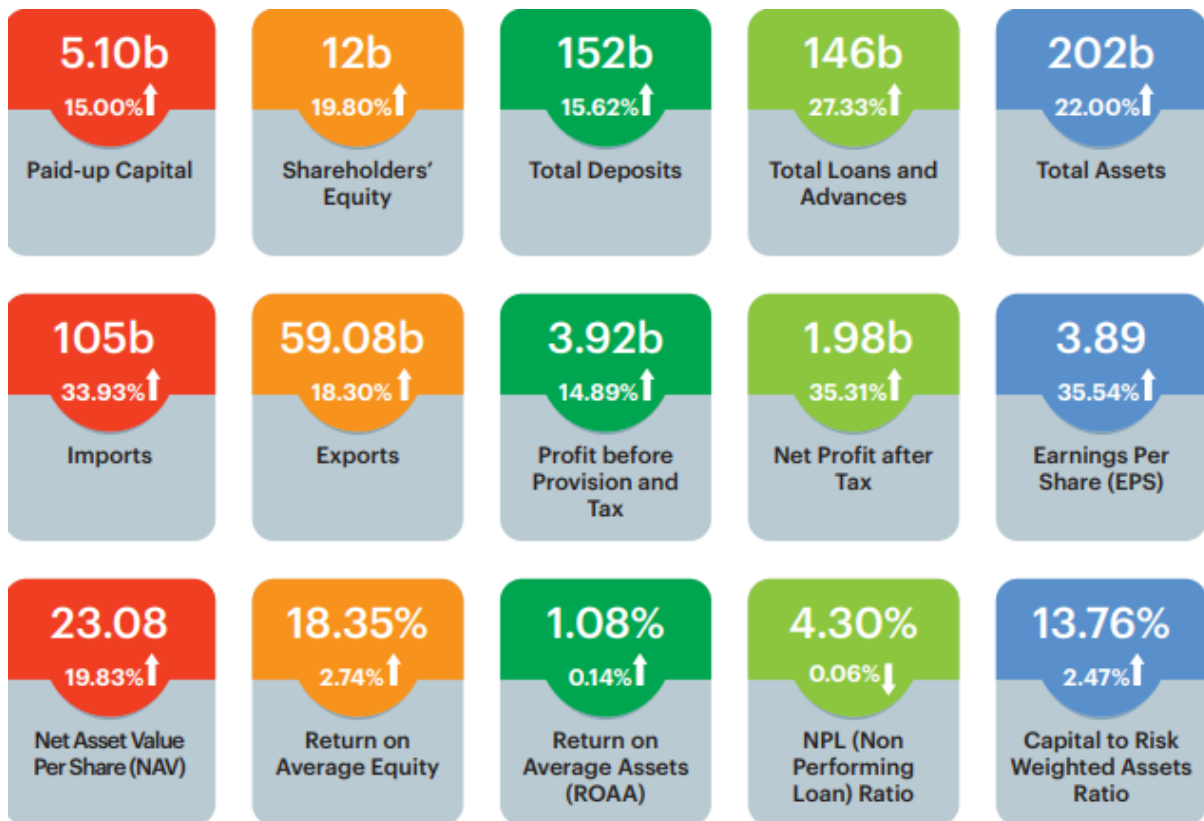
2.10 OPERATIONAL NETWORK ORGANOGRAM

The board of MTBL: MTBL Bangladesh is one such office that needs to beat a great deal of obstacles to accomplish the position it presently holds. Common Trust Bank's Board of Directors, Executive Committee, Audit Committee, and Management and Management Committee ensure the high caliber Corporate Governance, being straightforward, to fault and master in releasing their obligations.





2.11 INANCIAL PERFORMANCE



2.12 FINANCIAL INCLUSION GROWTH



2.13 SWOT ANALYSIS OF MTBL



Strengths:

- ✚ Top management.
- ✚ Satisfactory asset quality.
- ✚ Good interior capital generation.
- ✚ Satisfactory operating efficiency.
- ✚ Diversified product lines.
- ✚ Low human resource turnover.
- ✚ Experienced Management Team.
- ✚ Provider of exact first-rate services.

Opportunity:

- ✚ Merchant banking or diversify into leasing and insurance plan sector.
- ✚ Investment in the Secondary market.
- ✚ Opportunity in retail banking.
- ✚ Expansion of its product line to enhance sustainable aggressive advantage.
- ✚ Introduction of one-of-a-kind corporate scheme for the corporate

Weakness:

- ✚ Failed to furnish a sturdy quality-recruitment policy in the lower and some mid-level position.
- ✚ Service excellent of this financial institution is accurate but hot excessive as the customers' expectation.
- ✚ Having a group of unhappy employees.
- ✚ Low promotional sector.

Threats:

- ✚ Increasing cost of fund.
- ✚ Increased Market competition.
- ✚ Product Risk.
- ✚ The default risks of all terms of loan.
- ✚ The low compensation package of the employees from mid-level to decrease degree position



CHAPTER- THREE:
OVERVIEW OF CREDIT MANAGEMENT OF
MUTUAL TRUST BANK LIMITED

3.1 CREDIT

The expression store originates from the Latin expression "Philosophy" signifying "I accept". It is a loan specialist's believe in an individual's or firms or organization's potential or possible capacity and aim to reimburse. Credit is a legally binding assertion, in which a borrower gets something of value now, with the settlement to reimburse the loan specialist at some date later on. One of the straightforward elements of the money related foundation is FICO assessment extraction and reserve funds augmentation. Overseeing store tasks is the crying requirement for any bank.

The goal of the credit organization is to expand the performing resource and the minimization of the non-performing resource as pleasantly as ensuring the most satisfying purpose of advances and propels and their condition well-disposed administration.

3.2 FACTORS CONSIDERED FOR CREDIT

- ✚ Time
- ✚ Operating Expense
- ✚ Risk
- ✚ Interest Rate
- ✚ Legal Considerations
- ✚ Finance Charge
- ✚ Inflation

3.3 SIGNIFICANCE OF CREDIT

- ✚ Business cycle can run properly only by way of the help of lending system.
- ✚ Helps to create employment opportunities.
- ✚ Credit performs a quintessential function in national economy in the following ways.
- ✚ It represents working capital for industrialization.
- ✚ It brings social equity.
- ✚ Cash technology happens for its profitable performance.
- ✚ Economic stabilization.
- ✚ Raise preferred of living.

3.4 CREDIT MANAGEMENT

Credit organization is a dynamic order the spot a beyond any doubt surely understood of long-extend arranging is expected to distribute the store in various control and to restrict the opportunity and amplifying the arrival on the contributed reserve. Consistent supervision, observing and follow-up are particularly required for guaranteeing the very much coordinated reimbursement and limiting the default. The all-inclusive achievement in FICO assessment the executives relies upon the banks' reserve funds approach, arrangement of credit, checking, supervision and follow-up of the home loan and advance. Consequently, while breaking down the store the board of MTB, it is required to examinations its store strategy, FICO rating system and amazing of reserve funds portfolio.

3.5 CREDIT POLICY OF MTB

A standout amongst the most crucial ways, a money related establishment can verify that its advances meet authoritative and administrative prerequisites and they are gainful. It is important to build up a credit approach. Such an inclusion offers contract organization an exact fundamental in settling on individual advances choices and in molding the bank's general credit portfolio. In Mutual Trust Bank Limited there is maybe a store arrangement anyway there is no FICO assessment composed strategy.

3.6 PRINCIPLES OF CREDIT

In the component, credit standards comprise of the typical proposals of providing financial assessment by utilizing division manager or store officer. In Mutual Trust Bank Limited they watch the accompanying principle while giving advance and create to the customer.

- ✚ All credit score allowances ought to fulfil with the obligation of Bank Company Act and the Central bank.
- ✚ Not to lengthen savings to the persons/entities not sustained with the aid of CIB report.
- ✚ To keep truly fitting proportion among home loan and store. To empower store in a way which not the slightest bit tradeoffs with banks prevalent of magnificence.
- ✚ Expansion of store for the most part from client's stores and now not out of momentary assets.

- ✚ To advance hazard and reward.
- ✚ To guarantee moral standard in all FICO rating exercises.
- ✚ To stretch store office upon adequate pre financing investigations and reimbursement capacity of the customers.
- ✚ To maintain a strategic distance from unnecessary investment funds mindfulness through discerning enhancement of credit.

3.7 TYPE OF CREDIT ACTIVITIES:

Credit may be classified with reference to factors of time, nature of financing and provision base.

3.7.1 CLASSIFICATION ON THE BASIS OF TIME

On the basis of elements of time, the bank credit classified as:

Continuous loan:

These are the advances having no consistent reimbursement time table yet have a date at which it is inexhaustible on fine execution of the customers. Persistent home loan in general comprises of "Money credit every hypothecation and vow" and "Overdraft".

Demand loan:

In opening letter of credit (L/C), the customers need to give the full L/C sum in outside trade to the bank. To purchase this abroad trade, bank stretches out interest home loan to the buyers at stipulated edge. In any case, when the L/C records arrive, the bank asks for the customers to alter their credit and to resign the L/C archives. Request advances when all is said in done envelop "Installment towards Documents," "Advance against imported stock (LIM)" and "Later of Trust Receipt".

Term loan:

- ✚ These are the advances made with the aid of the financial institution with a fixed reimbursement schedule. Terms loans in the main include "Consumer deposit scheme", "Lease finance", "Hire purchase", and "Staff loan". The term loans are defined as follows:
 - ✚ Short term loan: Up to 12 months.

- + Medium term loan: More than 12 months & up to 36 months.
- + Long term loan: More than 36 months.

Table 4: Classification on characteristics of the financing of Mutual Trust Bank Limited

Funded	Non-funded
Overdraft	Letter of Credit
Loan	Bank Guarantee
Consumer Credit	---
LTR	---
PAD	---
Cash Credit (Pledge & Hypo)	---
Staff Loan	---
Term Loan	---

Short Term Agricultural Loan and Micro Credit

These advances are speedy term credit enrolled by methods for Agricultural Credit division of Bangladesh Bank in its „annual advance program“. Credits dispensed in rural segment for a length not additional than a year are likewise canvassed in this class. Transient small scale credits are the credits not surpassing BDT 25,000/- (taka twenty five thousand) just and repayable inside a year.

3.7.2 APPLICATION BASED CATEGORIES OF LOAN

Based on the motive of the loan, loans are labeled as follows:

Corporate Loan

Any loan exceeding 1, 00, 00,000 BDT and issued for business and trade purposes is defined as corporate loan. Such loans mainly serve the motive of initials for the institution of enterprise or large scale factory.


SME (Small & Medium Enterprise) Loans

This sort of advance is dispensed for business venture works anyway the amount lent does never again surpass 1, 00, 00,000 BDT. The amount advanced directly here serves the reason of possible (fractional) working capital for little and medium business adventures.

Retail Loan of MTB

Retail credits are given for private use as an option than for big business purposes. It incorporates car advance, individual credit, occasion advance, and home advance.

 MTB Personal Loan (Consumer Credit Scheme)

 MTB Personal Loan is simple, handy and quick.





Auto Loan of MTB









Mutual Trust Bank offers advantageous advance costs that would brilliantly astound the customer. Mutual Trust Bank Auto Loans are worked for most outrageous speed and capacity. Mutual Trust Bank Auto Loan is available for financing both new and reconditioned vehicles.

Home Loan of MTB

3.8 RATES OF INTEREST AND LENDING

Table 5: Rates of Interest & Landing

SL Number	Categories	Rates
1	Agriculture	12.50% (Highest) *
2	Term loan to large, medium, small & cottage industries	13.00% (Highest)**
3	Working Capital  Large and Medium Scale  Small Scale	 15.50% (Mid-Rate)  15.50% (Mid-Rate)

4	Export Finance (PC, ECC)	7.00% (Highest)**
5	Commercial Lending	16.00% (Mid-Rate)
6	Import Finance <ul style="list-style-type: none">  General  Essential Goods (rice, wheat, edible oil, lentils, chickpeas, onion, date and sugar) 	<ul style="list-style-type: none">  15.50% (Mid-Rate)  12.00% (Highest)**
7	Housing Loan <ul style="list-style-type: none">  Commercial  Residential 	<ul style="list-style-type: none">  16.00% (Mid-Rate)  14.00% (Mid-Rate)
8	Consumer Credit	18.00% (Mid-Rate)
9	Lease Finance	16.50% (Mid-Rate)
10	Loan to Non-Banking Financial Institutions	15.50% (Mid-Rate)
11	Loan/SOD against FDR of MTB	3.00% above FDR interest rate
12	SOD against FDR of other Banks	16.50% (Mid-Rate)
13	Loan/SOD against other Special Deposit Products of MTB	3.00% above Deposit Product interest rate
14	Auto Loan	16.50% (Mid-Rate)
15	Small Business Loan under SME	16.50% (Mid-Rate)
16	Others	16.50% (Mid-Rate)

3.9 CREDIT POLICY OF MTBL

Mutual Trust Bank Limited credit arrangement contains perspectives on complete full scale monetary advancement of the nation all in all by method for giving money related help to the exchange, trade and industry. Every through it credit activity Mutual Trust Bank Limited goes to each conceivable corners of the general public. Mutual Trust Bank credit arrangement is the gathering of same shrewd choices, which help the advance officer in each progression of the advance procedure to execute his/her obligation productively and legitimately. Credit approach provides for the advance administration explicit rules for settling on advance

choices, molding and dealing with the Bank's general advance portfolio. Mutual Trust Bank Limited has a few strategies for overseeing credit, those are following:

- ✚ Maintaining Know your Customer (KYC) Policy.
- ✚ Discouraging short net worth or highly levered borrowers.
- ✚ Fondness to trade and commerce sector.
- ✚ Ensure liquidity of customers.
- ✚ Ensure safety and security of credits.
- ✚ Fondness to short-term credit.
- ✚ Fondness to sanction loan of small amount.
- ✚ To give importance on manufacture profit.
- ✚ To grow customer loans.

3.10 SANCTION OF CREDIT MANAGEMENT OF MTBL

While receiving a loan application from the customer Branch Officers Credit Committee (BOCC) decided to send a proposal to Head Office for approval. After getting approval from the competent authority of the bank with all terms and conditions of loan branch issue a sanction advice to the customer and duly received and accepted all the terms and conditions by him. After finishing of the considerable number of conventions according to terms of assent counsel credit organization division orchestrate to dispense the advance. The conditions, which are incorporated into the advance assents, are given cry:

- ✚ Limit
- ✚ Primary Securities
- ✚ Collateral Securities
- ✚ The Rate of Interest
- ✚ Expiry Date
- ✚ Repayment

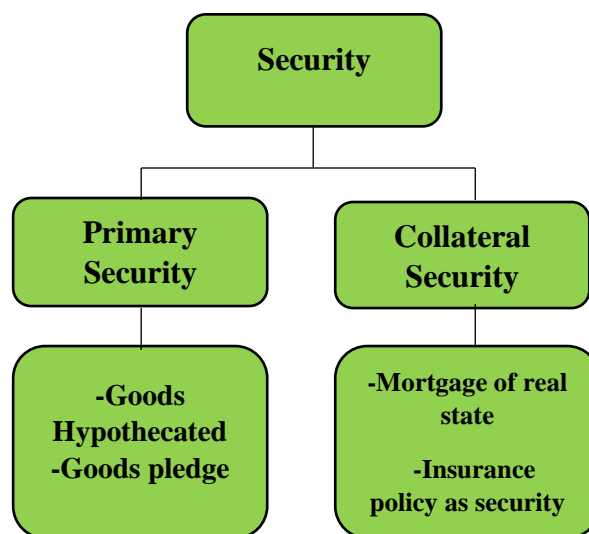
3.11 CLASSIFICATION OF LOANS

Credit arrangement is required to get a genuine image of the advances given by Mutual Trust bank. Reason for the credit characterization is to be aware of about vulnerability and hazard. It screens and take proper choice with respect to every venture account, a wide range of speculation fall into following four scales:

- ✚ **Unclassified:** Repayment is regular.
- ✚ **Substandard:** Repayment is stopped but has reasonable expectation of improvement. Interest is booked into Suspense Account and loan loss provision is made.
- ✚ **Doubtful debt:** Doubtful to be repaid but special collection efforts may result in partial recovery. Loan loss provision are raised and interest is booked into Interest Suspense Account.
- ✚ **Bad/Loss:** Very little possibility of recovery and legal options is pursued.

3.12 SECURITY OF LOAN

Security offered against advance might be extraordinary. The securities may change from gold and silver to products of various sorts, resolute properties, life coverage arrangements, stock trade securities, promissory notes and so on a reasonable investor dependably attempts to accept unmistakable resources as securities to protect his interests. For the most part, security has two sorts:

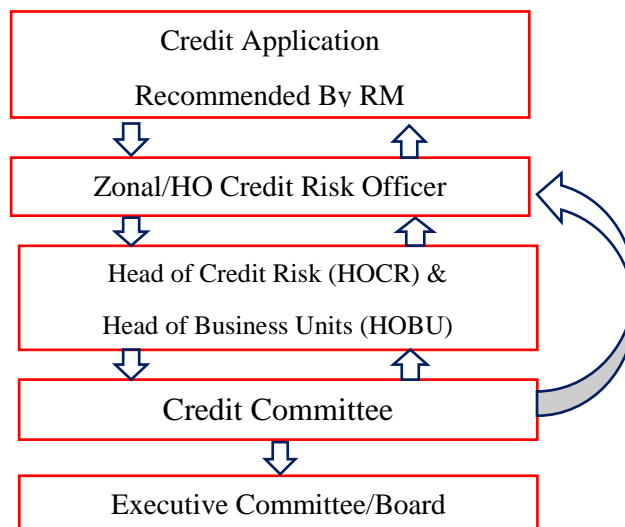


1. Primary security: The main cover for an advance. The deposited by the borrower himself.

2. Collateral security: The additional or subsidiary or secondary security. The resorted to after exhausting all possibilities of recovery.

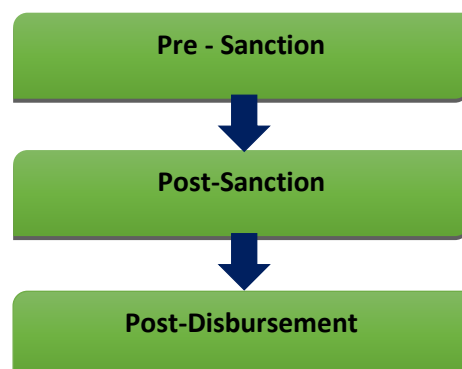
3.13 APPROVAL PROCESS

The endorsement procedure strengthens the isolation of Relationship Management/Marketing (RM) from supporting expert. The credit along these lines affirmed by appropriate endorsement board. The methodology for all the specialty units is appeared:



3.14 LENDING PROCEDURE

The significant capacity of business bank is to take store and contribute this reserve. Along these lines appropriate the administration supervision and follow-up is vital in the loaning and recuperation process. Mutual Trust Bank Limited pursues a three stage process immovably to administer and catch up the loaning and recuperation process.



Pre-Sanction Stage

The genuine supervision of credits begins amid pre-endorse organize. At this stage credit examination is critical as it require determination of right and subjective borrower. Select the borrower Mutual Trust bank restricted individual at first meeting the individual to pass judgment on their capacity.

Post-Sanction

Appropriate documentation is critical at this phase for security of the credit office to be stretched out MTBL to exchange the advance risk in case of the borrower's default.

Post- Disbursement Stage

At this stage Mutual Trust bank limited considered the following points:

- ✚ Balance in the loan an account remains within limit.
- ✚ Fund expend has been used for the purpose the loan has been sanction for.
- ✚ Personal contact with borrower at a regular basis.
- ✚ Closely watch and supervise the financial and management position of borrower.
- ✚ Taking steps so that the loan does not turn over time-barred.

3.15 RECOVERY PROCEDURE

It is the duty of the bank to recover the landed fund within specify time and if the borrower fails to repay the money within the said period bank will declare him as a non-payer and recover the fund by selling the securities given by the borrower or by freezing his account. Despite a lot of barrier owing to the careful & relentless efforts of the division, an amount of Taka 73.35 core has been recovered against the total recovery target of taka 150.00 core during the year 2017.



Strategies for Recover

Re-front of credit can be made in the accompanying 3 methods.

1. Persuasive recover
2. Voluntarily recover
3. Legally recover

1. Persuasive Recover

In the event that the borrower didn't paid the due measure of advance in time, at that point the initial segment of bank is private correspondence with him. It makes a psychological weight on borrower to reimburse advance sum. All things considered the bank can give some exhortation to the borrower for reimbursing advance.

2. Voluntarily Recover

In this method, some parts are followed for recovering loan. This are:-

- ✚ Building Task Force
- ✚ Arranging seminar
- ✚ Waiver of interest rate

3. Legal recover

Recuperation strategy of Mutual Trust Bank is the last blend of the time, exertion of cash. It pursues four procedural pieces of recoup the loaning sum, which is joint exertion of bank, society and lawful organizations, which are appeared as follows:

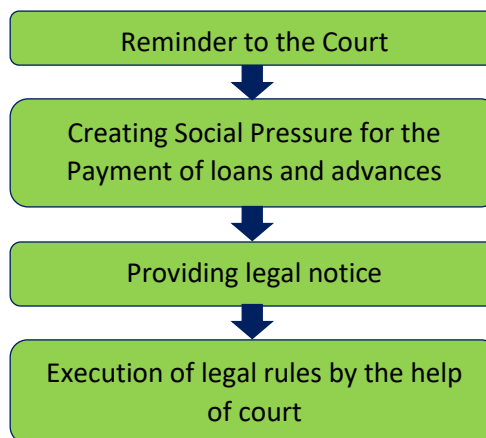


Figure: recovery Procedures

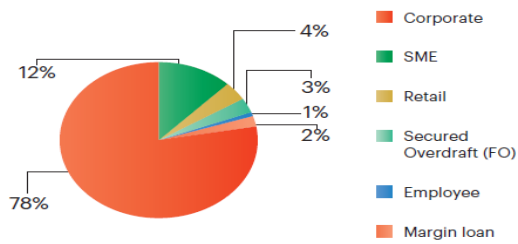


3.16 ANALYSIS OF CREDIT

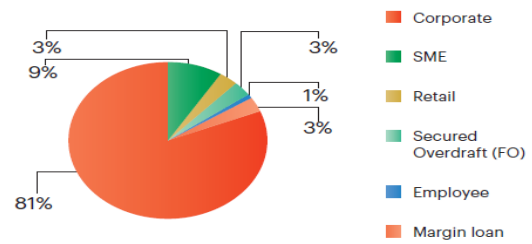
BDT Million

Particulars	2017	2016	2015	2014	2013
Corporate	114,762	91,944	77,719	59,835	44,411
SME	18,019	10,452	9,278	7,028	4,869
Retail	5,551	3,734	2,952	2,454	2,343
Secured Overdraft (FO)	3,655	3,692	3,207	3,145	3,316
Employee	633	668	601	577	542
Margin loan	2,987	3,866	3,832	4,102	4,068
Total	145,607	114,356	97,589	77,141	59,548

Portfolio Mix 2017



Portfolio Mix 2016



CHAPTER-FOUR:

PROBLEMS IDENTIFIED, RECOMENDATIONS

AND CONCLUSION

4.1 PROBLEMS IDENTIFIED

During my internship report I have observed.

1. From the most recent two years investigation it has been seen that Mutual Trust bank was giving more credit offices in urban regions than rustic regions which urges governments to be progressively thoughtful their causes.
2. The recuperation rate of Mutual Trust Bank has expanded step by step which implies number of awful obligations has diminished.
3. Higher rate of intrigue assumes an extraordinary job in credit the executives. A few times the rate is high to the point that the arrival from the speculation isn't so sufficiently satisfactory to reimburse the advance. What's more, subsequently default happens.
4. The standard credit of shared Trust Bank is expanding step by step. What's more, it conveys positive sign for Mutual Trust Bank. It likewise prompts trust capacity among its partners.

5. The premium salary credit of Mutual Trust Bank restricted is expanding step by step. This implies the bank's net benefit will build further and it can grow all the more broadly.

4.2 RECOMMENDATIONS

1. The bank ought to entirely pursue The Principle of Sound Lending. Bank ought not to authorize advance to client without every single vital archive.
2. As recuperation rate from grouped advance was in acceptable dimension yet at the same time 18% of credit goes default. So Mutual Trust Bank ought to need to expand a greater amount of its recuperation rate of arranged credit.
3. Shared Trust Bank ought to keep up an agreeable dimension of loan cost for dealing with the credit to limit the rate of default.
4. Legitimate and successful observing framework ought to be created so as to limit the measure of non-performing advance.
5. As we have seen that the bank was giving a substantial bit in ineffective division, which is anything but a decent sign for our economy. So bank should pay more focus on profitable divisions like mechanical credit rather than useless area as vehicle advance.

4.3 CONCLUSION

Appropriate money related device of us of a can contribute toward the improvement of the nation's economy. In our banks are fundamental in the money related framework. Again private modern banks, which are a ton superior to anything kingdom possessed bank, are playing significant just as essential position and the advancement of our nation. Positively Mutual Trust Bank is preparing the majority of its sources on this equivalent tune to get most conceivable commitment to the country.

In spite of firm challenge among banks running in Bangladesh both abroad and neighborhood, Mutual Trust Bank has done top notch advance in regions of its activities and earned an amazing running salary over the earlier years. The monetary foundation would like to get a top notch phase of development in every aspect of its activities which incorporates focus of productivity.

In achieving the previously mentioned goals of the bank, funds task is of principal significance as the best offer of complete salary of the money related foundation is produced from it, most peril is established in it and even the very presence of monetary organization depends upon on reasonable administration of its reserve funds portfolio.

The creator might want to recommend, a monetary establishment requires some extraordinary non-open qualities that not each bank has. Among the most fundamental of these are trustworthiness, dependability, painstaking quality and readiness to consistently be available to new considerations and new techniques for get together supporter needs.

Today isn't care for the earlier day and day after today will be stand-out from today. Given the quick changing, powerful worldwide economy and the developing worry of globalization, advancement, union and disintermediation, it is indispensable that Mutual Trust bank controlled has a hearty store danger the executive's protection strategies and methodology that are delicate to these changes.

4.4 REFERENCES

1. Mutual Trust Bank Ltd. Annual Report (2013, 2014, 2015, 2016, 2017).
2. Web site of Mutual Trust Bank Ltd.: www.mutualtrustbank.com
3. Different Office Circulars.
4. Some other web sites.