



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

# INTERNSHIP REPORT ON

**“An Analysis of Deposit Schemes of Mutual Trust Bank  
Ltd : A Study on Corporate Branch”**

**Submitted To:**

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**Date of Submission: 15 November, 2018**

## LETTER OF TRANSMITTAL

Date: November 11, 2018

### **Mohammad Shibli Shahriar**

Associate Professor & Head  
Department of Innovation & Entrepreneurship  
Daffodil International University.

**Subject: Submission of Internship Report on “An Analysis of Deposit Schemes of Mutual Trust Bank Ltd : A Study on Corporate Branch”**

Dear Sir,

Here is the internship report on “**An Analysis of Deposit Schemes of Mutual Trust Bank Ltd : A Study on Corporate Branch**”- the prerequisite of the 90 days long internship program.

The internship program has provided me with an opportunity of having an exposure to the working environment in General banking of the MTBL Corporate Branch, from 24<sup>th</sup> October'17 to 25<sup>th</sup> January'18. I have acquired a sound knowledge and understanding on the basic operation of the Bank. I hope this knowledge & experience will help me a lot in many diverse ways to perform my responsibility in an effective manner.

I have invested my every effort to depict the General Banking performed by the MTBL as well as the financial performance of the Bank. I have aimed this report at the academic purpose only. I will be grateful and pleased as well having any suggestions, directions and/or recommendations for further improvement of the report.

Thanking you for your kind cooperation in accomplishing my task given by you.

Your's Faithfully

Tania Sultana Moonmoon  
ID. NO.: 162-14-2128  
Program: MBA  
Department of Business Administration  
Daffodil International University.

## STUDENT DECLARATION

I hereby declare that the report entitled “**An Analysis of Deposit Schemes of Mutual Trust Bank Ltd : A Study on Corporate Branch**”- is submitted as the partial fulfillment of the degree of Masters of Business Administration of Daffodil International University.

It is my original work and is not submitted for the award of any other degrees, diploma and fellowship and that the work has not been published in any journal or magazine.

Your's Faithfully

Tania Sultana Moonmoon  
ID. NO.: 162-14-2128  
Program: MBA  
Department of Business Administration  
Daffodil International University.

## SUPERVISOR'S CERTIFICATION

It's my pleasure to certify that **Tania Sultana Moonmoon**, ID: 162-14-2128, Student of Masters of Business Administration of Daffodil International University has successfully completed the MBA Internship program entitled "**An Analysis of Deposit Schemes of Mutual Trust Bank Ltd : A Study on Corporate Branch**" He has completed this work under my supervision and prepared this report according to my direction and guidance.

Therefore, her overall performance was satisfactory. I pray success in her professional life.

.....  
Supervisor

**Mohammad Shibli Shahriar**

Associate Professor & Head  
Department of Innovation & Entrepreneurship  
Daffodil International University

## ACKNOWLEDGEMENT

I feel immensely pleased to have an opportunity, on the very occasion of submitting my internship report, to thank a number of individuals for their unprecedented support, cordial co-operation, objective direction and endless encouragement that have significantly contributed to the preparation of the report.

First and foremost, I would like to thank almighty **Allah**, the omniscient and omnipotent, who bestowed me the capability of successful completion of my internship report and the internship as well.

I would like to offer my heartfelt thank and gratitude to my internship supervisor **Mohammad Shibli Shahriar**, Associate Professor & Head, Department of Innovation & Entrepreneurship, Daffodil International University.

His instructive advice and guidance have emerged as stepping-stone in making this report Successful. This report has smelt the scent of my creativity only as he entrusted his every belief on my capability and analytical ability in preparing the report.

My pleasure turns blooming to offer thanks to **Md.Anisur Rahman**, SVP & Manager, MTBL,Corporate Branch for allowing me to show my practicability in an organizational area under his supervision.

There are no doubts that because of their help; I an inexperienced person in the professional field was able to accomplish the impossible task of compiling such a report. They took time out of their busy schedule to aid me in my survey for which I can only give them accolades of the highest degree.

And last but not the least; I would like to thank all the personnel working at MTBL,Corporate Branch. They made the environment congenial and favorable for me to understand the task. Without their assistance and co-operation, this report might not have seen the light of day.

## EXECUTIVE SUMMARY

Banking System of Bangladesh has gone through three phases of development – Nationalization, Privatization and lastly Financial Sector Reform. Mutual Trust Bank Limited a private sector commercial bank. Mutual Trust Bank Ltd. (MTBL, the 3rd generation bank) has started its journey as a private commercial bank on 29 September, 1999. The bank has its head office at Dhaka and 114 branches. The bank conducts all types of commercial banking activities including foreign exchange business and other financial services.

Here is my internship report that fulfills partial requirements of Master's of Business Administration (MBA) degree. It is very important for a student of Business Administration to undergo a project. While running practical orientation with MTBL Corporate Branch; generally, I was placed in vital departments. My placing department is General Banking. Different kinds of practical experience were gathered while performing the job during the Internship period. During the period of internship there were lots of constrains, but it was solved through authentic determination and the proper guidance by the employee of Mutual Trust Bank Ltd.

This internship report on have been prepared as per our Master's of Business Administration (MBA) Program requirement which will be submitted to my internship supervisor Mohammad Shibli Shariar, Associate Professor & Head, Department of Innovation & Entrepreneurship, Daffodil International University.

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## Table of Contents

Chapter	Topic	Page No.
	Letter of Transmittal	1
	Student Declaration	2
	Supervisor's Certification	3
	Acknowledgement	4
	Executive Summary	5

### Chapter-1

#### Introduction

	Introduction	9
	Origin of the Report	9
	Limitation of the Report	10
	Methodology of the Study	10
	Primary and secondary sources	10

### Chapter-2

#### An Overview of Mutual Trust Bank Limited

	Mutual Trust Bank Limited At A Glance	12
	Company mission	12
	Company Objective	12-13
	Company History	13
	Hierarchy Of BOD	14
	Management Hierarchy	15
	Arrays of Services of MTBL	16-20
	Products of MTBL	21
	Foreign trade	21
	Branches	22
	Departments	22-23
	Services provided by MTBL	23-26

### Chapter-3

#### MTB Corporate Branch & General Banking Division

	MTB Corporate Branch	28
	General Banking Division	29-39

**Chapter-4**  
**My Job At MTBL**

	<b>Responsibilities &amp; Learning</b>	<b>41-43</b>
--	--	--------------

**Chapter-5**  
**Performance Evaluation of MTBL**

	<b>Financial statement analysis</b>	<b>45</b>
	<b>Ratio analysis</b>	<b>45-46</b>
	<b>Profitability ratio</b>	<b>47-48</b>
	<b>Efficiency ratio</b>	<b>49-51</b>
	<b>Risk ratio</b>	<b>51-54</b>
	<b>Liquidity ratio</b>	<b>55-56</b>
	<b>EPS</b>	<b>57</b>
	<b>DEPOSITS</b>	<b>57-58</b>
	<b>LOANS AND ADVANCES</b>	<b>58-59</b>

**Chapter-6**  
**Findings**

	<b>Findings</b>	<b>61-62</b>
--	-----------------	--------------

**Chapter-7**  
**Recommendation and Conclusion**

	<b>Recommendation</b>	<b>64</b>
	<b>Conclusion</b>	<b>65</b>

**Chapter-8**  
**Reference and Appendix**

	<b>Appendix</b>	<b>67</b>
	<b>Ratio Formula</b>	<b>68</b>
	<b>Bibliography</b>	<b>69</b>
	<b>Reference</b>	<b>69</b>



## **CHAPTER 01**

### **INTRODUCTION**

## **INTRODUCTION**

In general sense we mean —Bank as a financial institution that deals with money. There are different types of banks like Central bank, Commercial bank, Savings bank, Investment bank, Merchant bank, Co-operative bank etc. But when we use the term bank it generally means commercial bank that is one which is concerned with accepting deposit of money from the public, repaying on demand or otherwise and withdraw able on demand or otherwise and employing the deposits in the form of loan and investment to meet the financial needs of business and other classes of society.

Now-a-days banking sector is modernizing and expanding its hand in different financial events every day. At the same time the banking process is becoming faster, easier and is becoming wider. In order to survive in the competitive field of the banking sector all organizations are looking for better service opportunities to provide their fellow clients. So, it has become essential for every person to have some idea on the bank and banking procedure.

### **Origin of the Report**

An Internship is an agreement between a university and an organization that offers an opportunity for students like us to undertake a temporary work assignment in the organization which enables us to have a realistic exposure to job and organizational conditions. It is called earn while you learn program of training. Although it is not a compulsory in many universities in the country, but in Daffodil International University it is a mandatory course for all. In fact, it weighs 3 credits out of 39 for completion of MBA. It has to cover duration of at least 7 to 10 weeks under a supervisor assigned by the students' perspective departments.

This report is originated for the fulfillment of my internship program for which I have been placed in one of the best reputed private banks in the country-Mutual Trust Bank Ltd. I worked in the General Banking Division, MTB centre corporate branch for about 3 months. And as assigned the report I came up with is about the **Analysis of Deposit Schemes** of Mutual Trust Bank Ltd.

## **Limitation of the Report**

There were innumerable topics to be researched and studied but that could not happen due to lack of time, information and other accessibilities. Data collection was the biggest pain ever. I could sense a little bit of fear factor in all employee levels regarding the sharing of data whereas I have not asked them any confidential data.

In the company part all the departments could not be presented in an elaborative way. It is due to lack of accessibility and most of all the employees' reluctance to talk about anything without a favor in return. I have used many useful ratios and graphs to present my analysis along financial statements of the past 5 years starting from 2009 to 2013. Again my study was limited to the data given by the organization only. No external factors could be measured which is highly critical to Risk Factors of any private banks of Bangladesh. Also there are many soft ware's nowadays to assess bank risk factors but I was not literate of that either. So my study and conclusions are all based on the ratios and trends in financial data. The information obtained was directly used for analysis. They could not be checked or verified for 100% accuracy.

## **Methodology**

You have got the information of my report from various sources. Whatever data I received, I tried to recheck them from other different sources to confirm accuracy. For example, I got MTBL's financial statements from their company's website and I rechecked them with the ones posted in the website of Dhaka Stock Exchange.

### **Primary Sources:**

- ✓ Practical experience and desk work.
- ✓ Personal observation and discussion with staff members
- ✓ Interview of different officials including the Deputy Manager of the branch.

### **Secondary Sources:**

- ✓ Annual reports of MTBL of the year's 2009, and 2013.
- ✓ A few Financial Institution and Risk Management related Text Books
- ✓ Financial articles in Newspaper
- ✓ Circulars published by Bangladesh Bank
- ✓ Other relevant data from the Internet.

**CHAPTER 02**  
**AN OVERVIEW OF MUTUAL TRUST BANK**

## **MTB at A Glance:**

Mutual Trust Bank Limited (MTBL) is a Public Limited Company by shares in Bangladesh, with commendable operating performance. Directed by the mission to provide with prompt and efficient services to clients, MTBL provides a wide range of commercial banking services also. The bank has achieved success among its peer group within a short span of time with its professional and dedicated team of management having long experience, commendable knowledge and expertise in convention with modern banking. With all the resources, management of the bank firmly believes that the bank would be able to encounter problems that may arise both at micro and microeconomic levels.

## **Mission statement:**

*“We aspire to be one of the most admired banks in the nation and be recognized as an innovative and client-focused company, enabled by cutting-edge technology, a dynamic workforce and a wide array of financial products and services.” --- MTBL Group.*

## **Objectives:**

The main object of the Mutual Trust Bank Limited (MTBL) had been to offer an interest free banking system in the financial market. Apart from that, the bank started its operation in the country with a view to realizing the following objectives:

- To analyze a partnership relationship with customers and to eliminate the idea of the debtor-creditor relationship of traditional banks.
- To analyze welfare-oriented banking system.
- To analyze savings towards productive sectors.
- To analyze the invest on profit and risk sharing basis.
- To analyze deposits on profit and loss sharing basis.

- To analyze the employment opportunities by investing savings towards prospective economic sectors.
- To extend banking services towards the poor, helpless and low-income group of people in the society in order to uplift of their standard of living.
- To contribute to establishment of a society by equitable distribution of wealth.
- To establish justice in trade and commerce in the country.
- To render services for the economic development of the nation.

**Background of MTBL:**

**Company Registration No:**

C38707 (665)/99 on September 29, 1999

**Bangladesh Bank Permission No:**

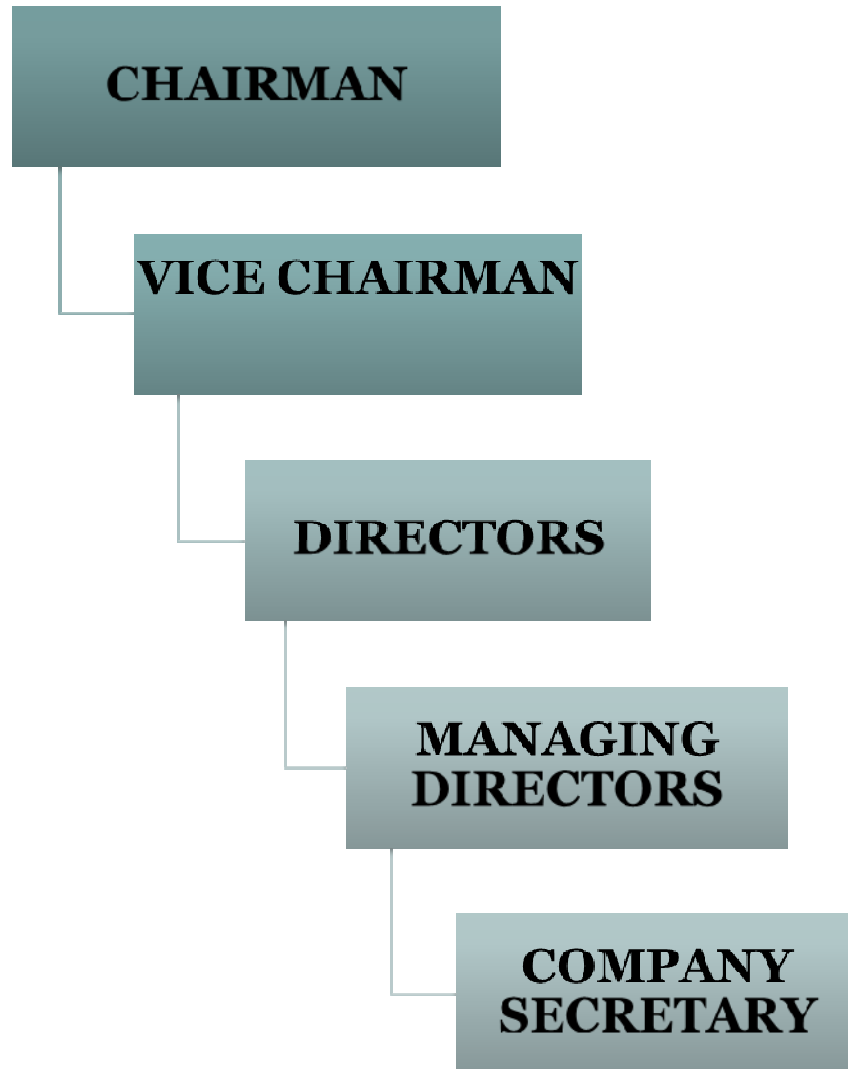
BRPD (P) 744(78)/99-3081 on October 5, 1999

**Registered Office:**

MTB Centre, 26 Gulshan Avenue

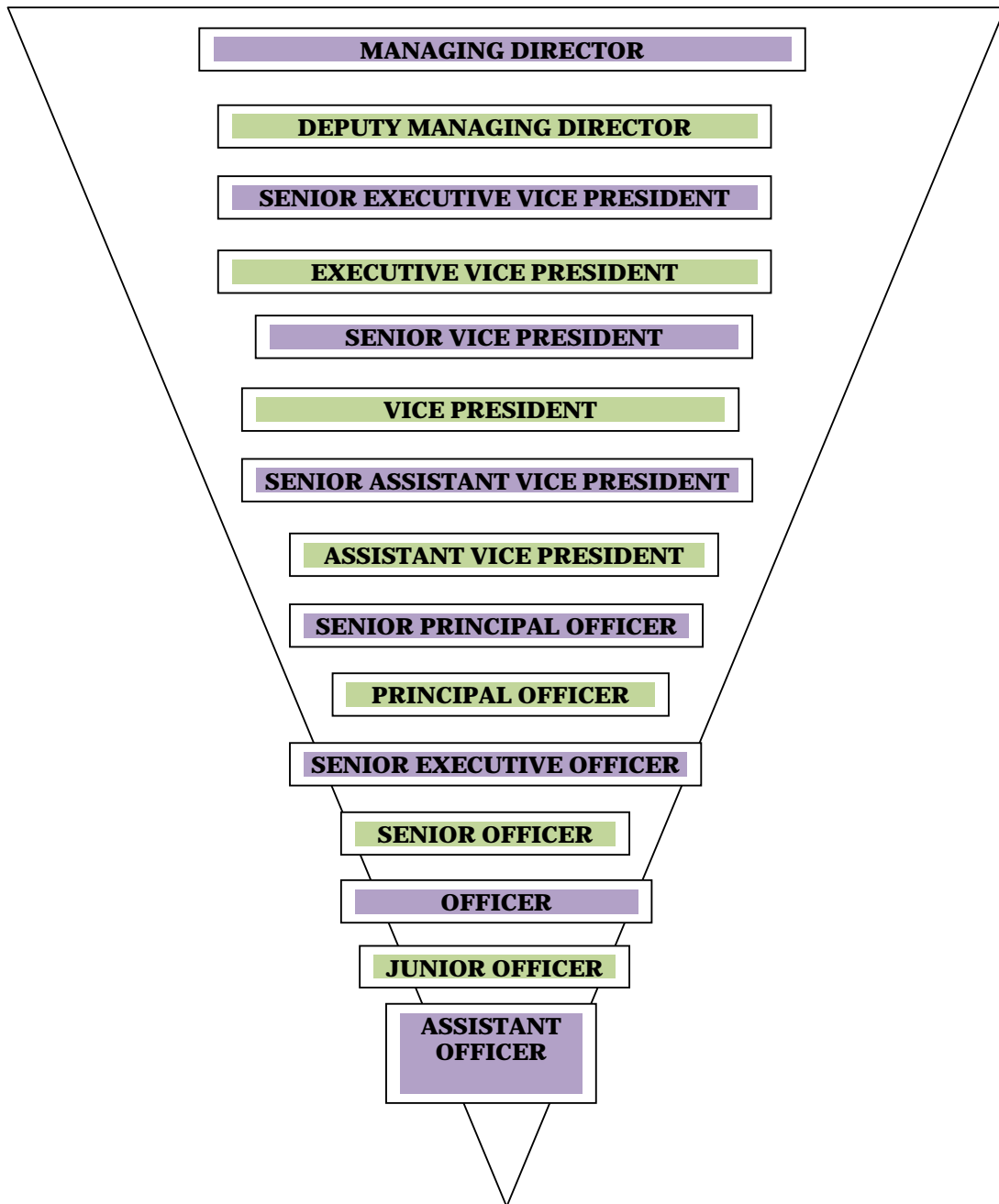
Plot 5, Block SE (D), Gulshan 1, Dhaka 1212

**Hierarchy of the Board of Directors:**



*Figure.: Hierarchy of the Board of Directors*

**Management Hierarchy:**





## ❖ Arrays of Services of MTBL

### 🏠 Consumer Banking Products

#### MTB Consumer Banking Products are:

- ✓ Regular Savings Account
- ✓ Current account
- ✓ Brick by Brick Savings Scheme
- ✓ Short Term Deposit (STD)
- ✓ Monthly Benefit Plan
- ✓ Children's Education Plan
- ✓ Consumer Credit Scheme
- ✓ Best Invest Plan

#### 🏠 Regular Savings Account:

The Savings account allows the clients to have interest income on their deposit. They can draw a maximum number of cheques per week. MTB offers a competitive interest rate on the account. Also, there is a requirement for a minimum balance to be maintained in the account to be eligible for the interest. Interest is applied to the account on half-yearly basis.



### Features and Benefits:

- Wide network of branches across the country
- Access to largest ATM fleet of the country
- Bank conveniently with facilities like Internet Banking and SMS Banking
- Cheque-book facility
- Collect foreign remittance in both T.C. & Taka draft.
- Transfer of fund from one branch to another by Demand Draft /Telegraphic Transfer
- Online banking service
- The most attractive interest rate of 4.50% on Savings Account
- Initial Deposit: Tk. 500.00 at rural branches and Tk. 1000/- for urban branches which should be considered as minimum balance.
- In case of BO account openers, initial deposit: Tk. 1500/- as they need to cut the charge of the bank statement and certificate.

### ❏ **Current Account:**

A Current account is ideal for carrying out day-to-day business transactions. With the Mutual Trust Bank Regular Current Account, anybody can access his/her account anytime, anywhere, pay using payable at par cheques or deposit cheque at any MTB bank branch.



#### Features and Benefits:

- ✓ Wide network of branches across the country
- ✓ Access to largest ATM fleet of the country
- ✓ Bank conveniently with facilities like Internet Banking and SMS Banking
- ✓ Cheque-book facility
- ✓ Opportunity to apply for safe deposit locker facility
- ✓ Collect foreign remittance in both T.C. & Taka draft.
- ✓ Transfer of fund from one branch to another by Demand Draft /Telegraphic Transfer
- ✓ Online banking service

#### ■ Brick by Brick Savings Scheme:



MTBL **Brick by Brick savings scheme** is a unique monthly savings plan which builds up over the years and provides a lump sum amount at maturity. The savings periods are 5, 8 and 10 years. Monthly installments are Tk. 500/=, TK. 1,000/=, TK. 2,000/=, TK.5,000/=and thereafter in multiples of Tk.500.

#### **Short Term Deposit (STD)**

Short Term Deposit account is open for any individual/firm/company/Financial Institutions/societies/clubs/Trust/NGOs/Banks/Corporations/Autonomousbodies/government organizations.

#### **General Characteristics:**

- ✓ Initial Deposit for opening account is Tk. 10,000/- which should be considered as minimum balance.

- ✓ Customers deposit money for a shorter period of time.
- ✓ Short Term Deposit account can be treated as semi-term deposit
- ✓ Short Term Deposit should be kept for at least thirty days to get interest.
- ✓ The interest offered for STD is less than that of savings deposit.
- ✓ More than three times a week withdrawal is discouraged and requires prior notice.

**❏ Fixed Deposit Receipt (FDR):**

Clients can open fixed deposit accounts for 3 months, 6 months, and 1-year term deposit. Clients can place their deposit under lien with them and take a loan, buy shares or open an account to meet their cash requirements. Interest rates on deposits vary from time to time.

Fixed deposit gives higher interest rate than other forms of deposits. Mutual Trust Bank Ltd. is offering competitive interest rate in FDR:

**Statement of Revised Rates of Interest  
(Per annum percentage)**

<i>SN</i>	<i>Deposit</i>	<i>Interest Rate</i>
01.	Saving Deposit	4.50%
02.	Short Term Deposit	3.75%
03.	Short Term Deposit - Bank to Bank/ Non-Banking Financial Institutions (NBFI)	2.5 %
04.	FDR (1 months)	5.00%
05.	FDR (3 months)	6.00%
06.	FDR (6 months)	7.00%
07.	FDR (1 year to 3 year)	8.00%

**🚩 Consumer Credit includes** different types of plan:

○ **MTB Double Saver Plan:**

Mutual Trust Bank Limited Double Saver Plan offers a one-time savings scheme, which will provide the people double the amount of their deposit after ten (10) years

three (3) months. People will receive a handsome amount at maturity. If they are an individual or if their institution is an NGO or an Educational institution or a Trust or Society or any other institution they may invest their savings in this scheme with a minimum deposit of Tk. 100,000/- for ten (10) years three (3) months and no limit for maximum amount.

#### ○ **MTB Triple Saver Plan**

Triple saver plan provide them three times of their deposit after ten (12) years. If they are an individual or if their institution is an NGO or an Educational institution or a Trust or Society or any other institution, they may invest their savings in this scheme with a minimum deposit of Tk.10,000/- for ten (10) years with no limit for maximum amount and at maturity Customer will get three times of their deposited amount.

#### ○ **MTB Millionaire Plan**

Mutual Trust Bank Millionaire Plan is a monthly savings plan, which is designed to make a Millionaire in a few years. People may invest their savings in this scheme for 6/8/10/12/15/20 Years with different installment amount. At maturity they will get Tk.10, 00,000/-.

#### ○ **Pension Savings Scheme (PSS)**

Mutual Trust Bank Ltd. is pleased to offer 3(three) / 5(five) Years Monthly Savings plan with higher return and monthly pension option at maturity.

##### I. **Characteristics of PSS:**

- Duration: Three and Five years.
- Eligibility: No minor and joint venture
- Monthly installment procedure: Up to 20<sup>th</sup> day of a month.
- Nominees control over PSS: one or more nominee can have control over PSS and cannot continue the account after the death of account holder and afterwards nominee can draw the money from the account.
- Automatic closure: Continue without payment after three months consecutively

- No cheque books
- Have to have CD/SB account in the same branch
- Deposit is transferred to the CD/SB account.

### **Products of MTBL:**

<b><u>No.</u></b>	<b><u>Deposit Products</u></b>	<b><u>Loan Products</u></b>	<b><u>Visa Cards</u></b>
1	Brick by Brick Savings Scheme	Small Business Loan	Local Classic Credit Card
2	Monthly Benefit Plan	Home Loan	Local Gold Credit Card
3	Unique Savings Plan	Home Repair Loan	Prepaid International Travel
4	Festival Savings Plan	Auto Loan	Money Card
5	Save Everyday Plan	Consumer Loan	Prepaid Local Gift Card
6	Education Plan		Visa Electron Debit Card
7	Double Saver Plan		
8	Triple Saver Plan		
9	Millionaire Plan		
10	Best Invest Plan		

### **■ Foreign Trade**

MTBL is one of the best performers in the foreign trade sector in the past few years. It provides a wide range of banking services to all types of commercial concerns such as Import & Export Finance and Services, Investment Advice, Foreign Remittance and other specialized services as required. Although it is a private commercial Bank, they have a strong global network that helps them to undertake international trade smoothly and efficiently.

## ■ **Branches:**

At present it has 114 Branches (Including SME/Agri) all around the country.

**Dhaka Division: 60 Branches**  
**Chittagong Division: 30 Branches**  
**Sylhet Division: 6 Branches**  
**Khulna Division: 3 Branches**  
**Rajshahi Division: 8 Branches**  
**Rangpur Division: 5 Branches**  
**Barishal Division: 2 Branches**

## ■ **Departments:**

The following are MTBL's departments and their sub divisions.

- MDs Secretariat
- Board Division
- Internal Control & Compliance Division
  - ICC Audit Department
  - ICC Compliance Unit
  - ICC Monitoring Unit
- Human resource Division
- General Services Division
  - Security & Printing Stationery
- Financial Administration Division
  - Reconciliation Department
  - MIS Department
- Credit Division
  - CIB Department
  - Syndication Department
  - Credit Processing & Approval
- International Division
  - Correspondent Banking Dept.
  - Remittance Department
  - SWIFT Department
- Merchant Banking Division

- Card Division
- SME Division
- Treasury Department
  - Asset Liability Mgt. Department
- Banking Operations Department
  - Anti-Money Laundering
  - Test Key Department
- Corporate Banking Department
- Credit Administration Department
- Credit Monitoring Cell
- Credit Recovery Cell
- ID Department
- Business Development& Marketing
- Public Relations Department
- Share Department
- Engineering Department
- Training Institute

Although there are innumerable departments specialized to perform different financial and non-financial jobs of the firm, mainly there are two divisions which carves up the entire organization's financial activities. They are: ***General Banking division, lastly the Credit Division.***

## ■ **Banking services**

- **Online banking service**

Mutual trust bank provides online banking facilities to its client. Online banking offers a customer to withdraw and deposits any amount of money from any branch anywhere.



➤ **MTBL Tele Banking Services**

By Tele-banking services system, customer can access their account on a 24x7 basis over telephone.



➤ **Swift Service**

S.W.I.F.T. is a worldwide community. In their own word swift "consistently deliver quantifiable business value and proven technical excellence to its members through its comprehensive messaging standards, the security, reliability and „five nines“ availability of its messaging platform and its role in advancing step. the guiding principles of swift are clear: to offer the financial services industry a common platform of advanced technology and access to shared solutions through which each member can build its competitive edge”.

➤ **Locker Service**

Mutual Trust Bank provide locker service. Clients can rent a locker for one year. They can keep any documents, ornaments and valuable thing in the locker. One key is given to the clients. There are three types of locker at MTBL: small, medium and big. The fee of this locker is taka 1500, 2000, and 2500.

**Formalities to get the service:**

1. Application form
2. Must have an account and having sufficient average balance
3. Fill up the specimen signature card
4. Letter of authority for the third-party operation
5. Revocation of Letter of Authority
6. Allotment on yearly basis
7. Advance rent
8. Rent receipt
9. Security deposit
10. Operation during office hour
11. Issue of key to be noted in locker register
12. Checking
13. Custody of master key
14. Duplicate key to be kept in other branch or other bank
15. Locker Register
16. Head office prior approval is needed

**➤ Credit Card Service:****MTBL Credit Card:****Benefits:**

- ✓ The great benefit of Credit card is customer can pay later.
- ✓ Customer can get up to 45 days interest free period.
- ✓ 50% cash advance facility.
- ✓ 5000 outlets for shopping in Bangladesh.

**➤ Visa electronic debit card service****Benefits:**

- ✓ For first year no Credit card fee
- ✓ No transaction fees applicable on some POS & bank.
- ✓ No timeline for cash withdrawal.
- ✓ There are more than 5000 outlets for shopping in Bangladesh.

➤ **MTB Internet Banking Service:**

- ✓ View account information, summary of all your accounts and access account statements Order cheque book
- ✓ Transfer funds to any MTB account.
- ✓ Set up payees (within MTB), to whom you transfer funds regularly.
- ✓ View credit card details and pay any MTB credit card bill.
- ✓ Pay utility bills.
- ✓ Manage your profile information.

**CHAPTER 03**

**MTB CENTRE CORPORATE BRANCH**

**&**

**GENERAL BANKING DEPARTMENT**

## **MTB Centre Corporate Branch:**

MTB Centre Corporate Branch is the important branch of Mutual Trust Bank Ltd. It is situated in 120 Gulshan Avenue, Dhaka 1212. It is the corporate branch of MTBL.

The customers of the branch are mostly businessmen and mostly of the Gulshan, Mohakhali, Baridhara, Badda, Khilkhet, Banani, Progati Sarani, Shahzadpur, Rampura, Khilgaon area. The branch has three sections for providing better service to the customers. The sections are:

- General Banking (GB),
- Advance (Loan Section),
- Foreign Exchange (ForEx).

I have assigned at the MTB Centre Corporate Branch of Mutual Trust Bank Limited to complete my internship program. I had a lot of fun during my internship program. I realized how to work under the pressure of responsibilities. The main things that I have learned at Mutual Trust Bank are:

- ✓ Proper responsibility
- ✓ Commitment
- ✓ Punctuality and regularity
- ✓ Interaction with different sorts of people.

I was rotated across all 3 different departments in the past 3 months. However, my main concentration was General Banking section and thereby, I allocated maximum time to work at general banking section. Therefore, in this report I have described about my job responsibilities at GB.

## ***General banking (GB)***

### ▪ **Account Opening:**

#### **I. Accounts Opening Process:**

Recently, Bangladesh Bank has been declared, designed and enforced a unique format of form for every bank. This format should hold the important document in a same manner and process respectively for different kind of accounts Mutual Trust Bank Ltd. is not different from this practice. Accounts opening process can be as follows:

#### **Step 1**

- ✓ Receiving filled up application in bank's prescribed form mentioning what type of account is desired to be opened.
  - ✓ The account opening form is filled up by the applicant himself/herself
  - ✓ Two copies of passport size photo from individual are taken and in case of firms
  - ✓ A Junior officer are taken information from customer by key information system

#### **Step 2**

- ✓ Applications are must be submitting with required documents
- ✓ Applications are must be sign specimen signature sheet and give mandate
- ✓ Introducer's signature and accounts number-verified by legal office

#### **Step 3**

- ✓ Filling & signing up KYC or Know Your Customer Form
- ✓ Filling TP or Transaction Profile Properly
- ✓ Filling and signing up Owner Information Form.

#### **Step 4**

- ✓ Authorized Officer accepts the application

#### **Step 5**

- ✓ Minimum balance is deposited and only cash is accepted in deposit

#### **Step 6**

- ✓ Account is opened and a chequing book and pay-in-slip book is given

### **II. Information Collected to Open Account:**

Accounts opening information that is collected by Mutual Trust Bank Ltd. Are varies for each Type of account.

#### **• Individual Account**

- Name of account holder
- Present and Permanent Address of A/C holder
- Signature of account holder
- Date of birth and age
- Nationality
- Taxpayer Identification Number (TIN- if available)
- Passport or certificate provided by the employer
- Introducer
- Photograph of the account holder duly attested by the introducer.
- Nominee Sign

#### **• Partnership Firm**

- All the required information mentioned for Individual Accounts; along with,
- Copy of Partnership Deed
- Mandate from the partners is essential – indicating who will operate the account.

#### **• Limited Company**

- All the required information mentioned for Individual Accounts; along with,
- Certificate of Incorporation
- Copy of Memorandum and Article of Association

→Certificate of Commencement

### **III. Dormant Account**

If any account is inoperative for more than one year is called dormant account. To operate these accounts manager permission is necessary.

### **IV. Transfer of Account**

Following steps are considered for this purpose:

- Application in written to the Manager of the account maintaining branch
- Manager sends a request to the manager of the desired branch of depositors
- **Cheque Clearing:**

Bank receive all kinds of cheque in favor of the client for clearing. When a cheque is received it is necessary to endorse it and cross it specially.

#### **▪ Types of Cheque Explanation Clearing Process**

##### **a. Clearing Process**

Cheque received from the clearing house of Mutual Trust Bank

Party's A/c...Dr.

Mutual Trust Bank General A/c...Cr

- ##### **b. OBC (Outward Bills for Collection):** Cheques of other branch of Mutual Trust Bank Ltd. within its clearing house area. These cheques are directly sent to the respective branch and request them to send IBCA. When it comes, then customer's A/c is credited for the cheque.

#### **▪ Cheque book**

#### **▪ Providing Cheque:**

Customer can collect their cheque books after four working days. The acting officer provides cheque to the customer when the customer shows him the receiving thanks letter. To provide the cheque the officer needs to maintain some formalities.

- ✓ collecting office copy of thanks letter from the customer
- ✓ Attaché the thanks letter to the form.
- ✓ Cheque issue charge from the account will be Debit.
- ✓ Make active the cheque for further use.



- ✓ To facilitate withdrawals and payment to third parties by the customer, Mutual trust bank provides cheque book to the customer.
- ✓ CD account cheque book contains 20, 50 and 100 leaf, while SB account cheque book has 10 leaves. Bank maintains a separate register in this regard.
- ✓ Requisition slip is provided to the customer in cheque book to issue new cheque book.
- ✓ A new cheque book should be delivered only to the account holder. Otherwise authorization letter is needed from client for delivery to another person / bearer.

- **Outward Clearing**

Cheques for another bank outside the clearing area if any branch of Mutual Trust Bank exists within the clearing house area of drawee bank then Mutual Trust Bank Ltd. send the cheque to that branch of Mutual Trust Bank Ltd. and sends IBCA to it.

- **Inward Bills for Collection (IBC)**

From the other branch Mutual Trust Bank Ltd. These cheques are settled by IBCA, i.e. debiting depositor's account and crediting senders from another bank outside the clearing house these cheques are settled debiting depositor's account and sending DD, MT, TT in favor of sender's bank.

- **Remittance Payment:**

Sending money from one place to another through some charges is called remittance. To pay or receive money of customers in the form of remittance from one place to another, from one person to another inside and outside the national boundary is an earning source of every bank. MTB Centre Corporate Branch operates both the foreign and local remittance to serve its customers. In addition, this service is an important part of country's payment system. Through this service, people can transfer their funds from one place to another place very quickly.

## **1. Foreign Remittance**

Foreign remittance is to send money of customers from one place to another, from one person to another outside the national boundary. Though MTB Centre Corporate Branch, Mutual Trust Bank Ltd. Is a non-ad branch, it can able to serve the customers by receiving and paying their incoming foreign remittance in the form of local currency. Foreign remittance is received by the bank via some internationally authorized agents. There are two mediums of agent for foreign remittance at MTB Centre Corporate Branch, Mutual Trust Bank Ltd.; they are:

### **i. Moneygram:**

Moneygram is a money transfer medium/agent serves both domestic & international services. Its identification number consists of 8 digits.

### **ii. Western Union:**

Western Union is a money transfer medium/agent serves both domestic & international services. Its identification number consists of 10 digits.

### **iii. X-Press Money:**

X-Press Money is a money transfer medium/agent serves both domestic & international services. Its identification number consists of 16 digits.

### **iv. MTB Exchange (UK) Limited:**

MTB Exchange (UK) Limited is a fully owned subsidiary company of Mutual Trust Bank in Bangladesh.

## **2. Local Remittance**

Transfer money of customers in the form of remittance from one place to another, from one person to another is a vital earning source of every bank. In addition, this service is an important part of country's payment system. People can transfer their funds from one place to another place very quickly through this service. There are several techniques for collecting local remittance. These are:

### **▪ Pay Order**

Pay order gives the payee the right to claim payment from the issuing bank. It is payment from issuing branch only within the clearing house area of issuing branch. Payment is made through clearing.

**i. Issuing of a pay Order (PO):**

A customer can purchase pay order in different ways, these are provided in the next page:

<b>By cash</b>	Cash A/C.....Dr.
	Bills Payable and commission (P.O) A/C .....Cr.
<b>By account</b>	Client's A/C .....Dr.
	Bills Payable (P.O) A/C .....Cr.
	Income A/C .....Cr.
<b>By transfer</b>	Head office \ other department's client A\C.....Dr.
	Bills Payable (P.O) A/C .....Cr.

From the above accounting treatments, it is clear that the money, which is received by the bank from selling the instrument, is kept under bills payable account. It is current liability on the part of bank, which implies that, money received in this purpose has to be paid to the payees collecting bank on placement of the instrument.

But in the banking arena every bank takes charges for issuing Payment Order from its account holders.

**ii. The procedure for P.O. is as follows:**

- ✓ Purchaser must be an A/C holder of MTB.
- ✓ Deposit money with P.O. application form.
- ✓ Give necessary entry in the Bills Payable (P.O.) register
- ✓ Payees' name, date, P.O. No. Etc.
- ✓ Prepare the instrument.
- ✓ After it has been scrutinized and approved by higher authority, the instrument is delivered to customer.
- ✓ Signature of customer is taken in the counterpart.

iii. **Practice and operation of pay order:**

• **Types of PO**

<b>Account payee only</b>	<b>Only can en-cash it by depositing it in his account.</b>
<b>Blank Crossed</b>	<b>Any one can en-cash it by depositing in their account.</b>
<b>Cash payment</b>	<b>P.O. can be paid in cash if buyer gives a Letter of Identification regarding payee.</b>

iv. **Unutilized P.O. / Cancellation of a P.O.:**

If buyer wants to cancel the P.O. he has to give a letter of instruction in this regard. He will also have to return the instrument. Adjusting entry will be:

<b>Bills Payable (P.O.) A\C .....</b>	<b>Dr.</b>
<b>Client's A\C .....</b>	<b>Cr.</b>

v. **Collection of PO:**

A customer of Mutual Trust Bank Ltd. who is the payee of a P.O. will deposit it for collection. The instrument is given to the clearing that will place it to the issuing bank in the clearinghouse. Before placement, MTB as a collecting bank gives necessary endorsement.

▪ **Closing account:**

General banking department also close the accounts when customer wants to close.

The process of closing account-

- ✓ Applying to the branch.
- ✓ On receipt of the application, the signature of the account – holder shall be verified and the number of unused cheque leaves shall be noted thereon and applications shall than be sent to the ledger keepers who shall write thereon the balance of the account and initial it.
- ✓ Before the account is closed the Deputy, Manager shall approve the application after ascertaining the liability, if any.

- ✓ Officer of the corresponding department will destroy unused cheque leaves.
  - ✓ In case of joint account, the application to close the account shall be signed by all the joint holders, even if the account is operated by any of them or by an attorney.
  - ✓ The account closes stamp shall be affixed on the computer sheet, AOF and Specimen Signature Cards.
- **Delivering outwards:**

Here includes issuing thanks letter to the newly opened customer, sending different types of greeting cards, etc.

- **Instruments of other branches**

However, the MTB Centre Corporate Branch clears its checks as well as the checks of other branches as no other branch is allowed to represent directly. The other branches send the instruments along with IBDA. Mutual Trust Bank Ltd. Local office acts as an agent in this case.

- **Debit Card**

Mutual Trust Bank Ltd. Debit Card can be used at any ATM displaying Logo of MTB for withdrawal of cash and at any POS displaying Logo OF MTB for purchase of goods and services within Bangladesh. ATM transactions are to be secured by Personal Identification Number (PIN) known by the concerned customer only. POS transactions will not require PIN. However, all the transactions are to be authorized by the system electronically.

Mutual Trust Bank Ltd. debit card is issued against any individual savings/current account maintained with any branch of Mutual Trust Bank Ltd. The designated savings/current account can be operated by using the debit card without using cheques 24 hours in a day, 7 days in a week, and 365 days in a year.

- **Minimum Documents Required**

- ✓ Filled-in Application Form, 1(one) copy of photograph

- **Submission of Application**

Filled-in Application Form is required to be submitted to the branch where the designated account is maintained.

- **Cheque and Debit Card requisition collection:**

Customer give their requisition for their cheques in this department. When the officers get requisition from the customer they give entry on the system and sent to Bangladesh Bank for proving cheque books. And for issuing Debit Card when customer fills the form the officer will verify the signature with the account opening form than sent to the MTB Card Division.

- **Information about another department:**

As GB department is the most visited department by the customer in the bank when customer needs information about other department or need any help contact with the officers and they are always ready to help them.

- **Opening SMS banking and internet banking:**

SSM banking is a must for the customer of the bank. There is a prescribed form for opening SMS banking. This form must be filled by customer. After that the requisition sent to the head office and they will active the phone number.

- **Checking balance:**

Sometimes customers come to check their balance on account. The officer will tell him the balance if the account belongs to him.

- **Safe custody service**

If any of branches or a local branch of another bank wants to keep a sealed packet with a branch, it may be kept in the main safe under joint custody or a locker may be allotted for the purpose. Branch where no lockers have been provided may also accept such sealed packet as safe deposit.

### **Formalities**

- Shall be sealed and bear identification mark of the depositor bank
  - Give serial number on the packet
  - Forwarding letter, writing description, other instructions, duly signed in confidential file.
  - Withdrawal should be given with a written request
  - Fixed amount of fees
- **Purchase and sales of Prize Bonds, Sanchaya Patras, wage earners development bond:**

#### **A) Purchase of Prize Bonds and Sanchaya Patras from Bangladesh Bank**

- One day prior notice is given to Bangladesh Bank (BB) for purchase
- BB keeps requisite number
- Bonds are bought against cash
- Authorized signature
- A claim showing details of the fresh bonds purchased is submitted to the BB for the commission allowed by them.
- The commission earned from BB

#### **B) Inter – branch purchase of prize bonds and Sanchaya Patras**

- Get it by Inter Branch Credit Advice (IBCA) to feeding branch or nearest branch.

#### **C) Purchase of prize bonds and Sanchaya Patras from public**

- Prize bonds are cashable
- When the prize bonds are presents then examined carefully to ensure that- the bond is genuine, not declared as lost and prize bonds are not cancelled, defaced or endorsed.

#### **D) Sales of Prize Bonds and Sanchaya Patras to BB**

- Bond sales to the BB with a deposit slip signed by authorized signature

#### **E) Sales of Prize Bonds and Sanchaya Patras to public**

- Cheque is drawn in favor of our bank
- Separate credit voucher is prepared

#### **▪ Handling of wage earners development bond**

Collection of bond scripts and application forms: Copies of government notification rules, application forms and bond scripts will be collected from the Public Debt Office (PDO). Bangladesh Bank is against proper indent, acknowledgement and records.

#### **a) Eligibility:**

- When a Bangladeshi wage earner serving broad
- When the remittance is adequate to cover the value of the bond
- Who are in Bangladeshi mission abroad and employed by the government and paid in foreign currency
- When a wage earner is an employee of the government or a statutory autonomous or semi-autonomous body

b) Presentation of application

c) Nominee

d) Sale of wage earners development bonds

e) Denomination of bonds

f) Payment for purchase of bond



## **CHAPTER 04**

# **MY JOB AT MTBL**

## Responsibilities & Learnings:

### ❖ Opening accounts:

From the first day of my joining I was mainly assigned to help customers in opening the account. Maximum time I have to write the information that is needed to fill in the form to open the accounts. Though MTBL has different types of saving product I open 4 types of account on the regular basis. They are-

- Savings account
- Current account
- Brick by brick
- Fixed deposit

### ◆ Savings account:

The account that is mostly open by the customer. it has a certain form that a customer has to fill by himself. To open a savings account, I have to explain the following things clearly to the customer.

- **One introducer:** an introducer is that person to contain account with this bank.
- **A nominee:** nominee is the beneficiary of the person who wants to open the account. If any accident occur to that person nominee has the right to have all the savings.
- **Photographs:** basically, three photos are needed for a savings account- 2copy photo of the person who wants to open the account and 1 copy photo of the nominee. One extra photo is needed if anybody wants to have a David Card. on the back of the photos of the person who want to open the account the has to write his full name clearly and the introducer will sing below it. On the back of the nominee photo the person who is interested to open the account will sing below nominee full clear name

- **Identity card:** to verify a customer and his nominee his identity card like: National Id Card, Passport, Driving License, or any types of identify card that is verifiable is needed. The main copy of any of these identity cards must show to the account opening officer. After verifying the card, he will make a photocopy of the card.

When I got all these things clearly, I have to check if he fills all of the information clearly or not. If someone is unable to fill the account opening form I have to help.

- ◆ **Current accounts:** Current account is the account that the banks want most. It has different types of form. To open a current account mostly same as savings account with a little bit difference. The things are-
  - The introducer must be a current account holder.
  - Trade license, TIN number, rental deed, etc. are must
  - If Partnership than partnership deeds are must.
  - If Public than Memorandum, Articles of Association, Resolution of BOD, Certificate of Incorporation, etc. are must.
- ◆ **Brick by brick:** Another mostly open account by the customer is brick by brick. To open this account, one should have a saving account. It is now mandatory for everyone without some exceptional client. Its procedure to open is like savings and its form also same as saving account.
- ◆ **Cheques and pay order vouchers:** The vouchers of cheque and pay order are given by the customer to prepare the document for their use.
- ◆ **Preparing pay orders:** to prepare a pay order I have to make the highest care if there is any mistake happens. That's why the officers are not interested to prepare it by me maximum time.
- ◆ **The process of account closing:**
  - A customer may close his account at any time by-
    - Applying to the branch.
    - On receipt of the application, the signature of the account – holder shall be verified and the number of unused cheque leaves shall be noted thereon and applications shall than be sent to the ledger keepers who shall write thereon the balance of the account and initial it.

- Before the account is closed the Deputy Manager shall approve the application after ascertaining the liability, if any.
- The account shall be debited for the account closing charges.

◆ **Preparing KYC, TP:** KYC is Know Your Customer. Here we measure the risk associated with a customer. To measure it we have to know how much transaction a customer will do against his account. Below 14 marks a customer risk is low and above 14 high. TP is transaction profile. Here we write the maximum amount to be transacted, the number of transaction will be occurred, the total amount that the person can have in a month.

◆ **The destruction of the cheque:** as I was present when the internal audit team doing auditing on this July I saw there was a lot of cheque books that is undelivered. Sometimes some clients do not want to collect their cheque. These cheques are being destructed after getting confirmation that they don't want a cheque.

## **CHAPTER 05**

### **PERFORMANCE EVALUATION OF MUTUAL TRUST BANK**

## *Financial Statement Analysis:*

Financial statement analysis (or financial analysis) refers to an assessment of the viability, stability and profitability of a business, sub-business or project. For analyzing the performance of the Mutual Trust Bank in the industry financial statement analysis is important. It explains to us-

- 1. Extension of Credit:** The creditors are the providers of loan to the company. The man has to make decision as to weather the have to extend their loans to the company and demand for higher interest rates.
- 2. Investment Decision:** The perspective decisions are those who have surplus capital to invest in some profitable opportunities. Therefore, they often have to decide whether to invest their capital in company's share.
- 3. Asset Valuation:** Typically, privet companies have a variety of assets the have different degrees of liquidities. It is easier, for instance to sell and make a profit off of land than it is to sell a department. Assets can be counted as a part of a typical liquidity ration based on what the would sell for on the immediate market. Often, assets will be undervalued by the market at any time, which makes them less certain.

## *Ratio Analysis*

It is the single most important technique of financial analysis in which quantities are converted into ratios for meaningful comparisons, with past ratios and ratios of other firms in the same or different industries. Ratio analysis determines trends and exposes strengths or weaknesses of a firm.

### **Necessity of Ratio Analysis:**

Ratio analysis is an important tool for analyzing the company's financial performance. The following are the important advantages of the accounting ratios.

- 1. Judging Efficiency:** Ratio analyses are important for judging the company's in term of its operations and management. They help to judge how well the company has been able to utilize its assets and earn profits.
- 2. Locating weakness:** Ratio analyses are can also be used in locating the weakness of the company's operations even though its overall performance may be quite good. Management can pay attention to the weakness and take remedial measures to overcome them.
- 3. Formulating Plans:** Although ratio analyses are used to analyze the company's past financial performance, they can also be used to establish the company's trends of its financial performance.

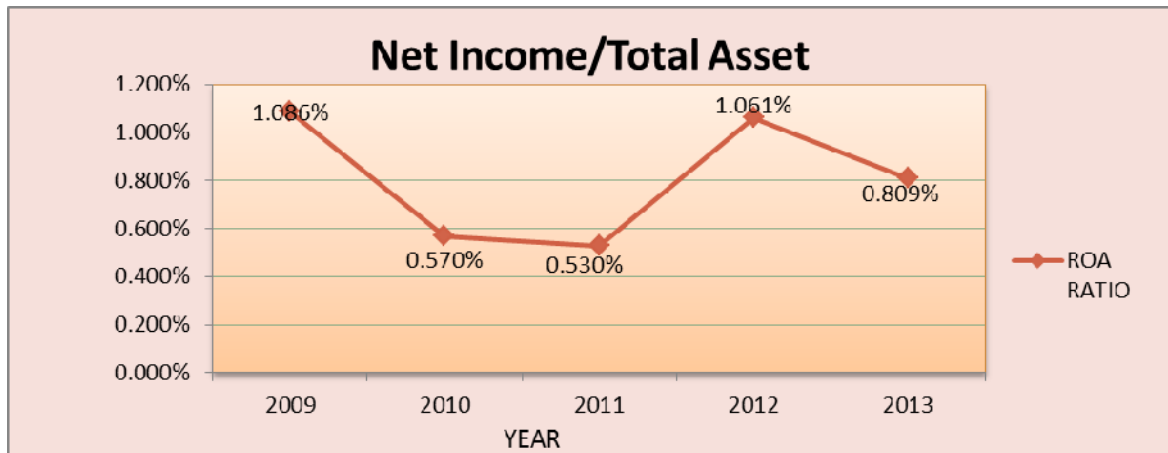
## *Financial Ratio Analysis of MTBL*

### A. Profitability ratio:

- i. Return on Total Assets(ROA)
- ii. Return on Average Equity (NIM)
- iii. Net profit margin(NIM)

#### 1. Return on Total Assets (ROA):

YEAR	2009	2010	2011	2012	2013
ROA Ratio	15.558%	7.488%	8.395%	20.448%	15.060%



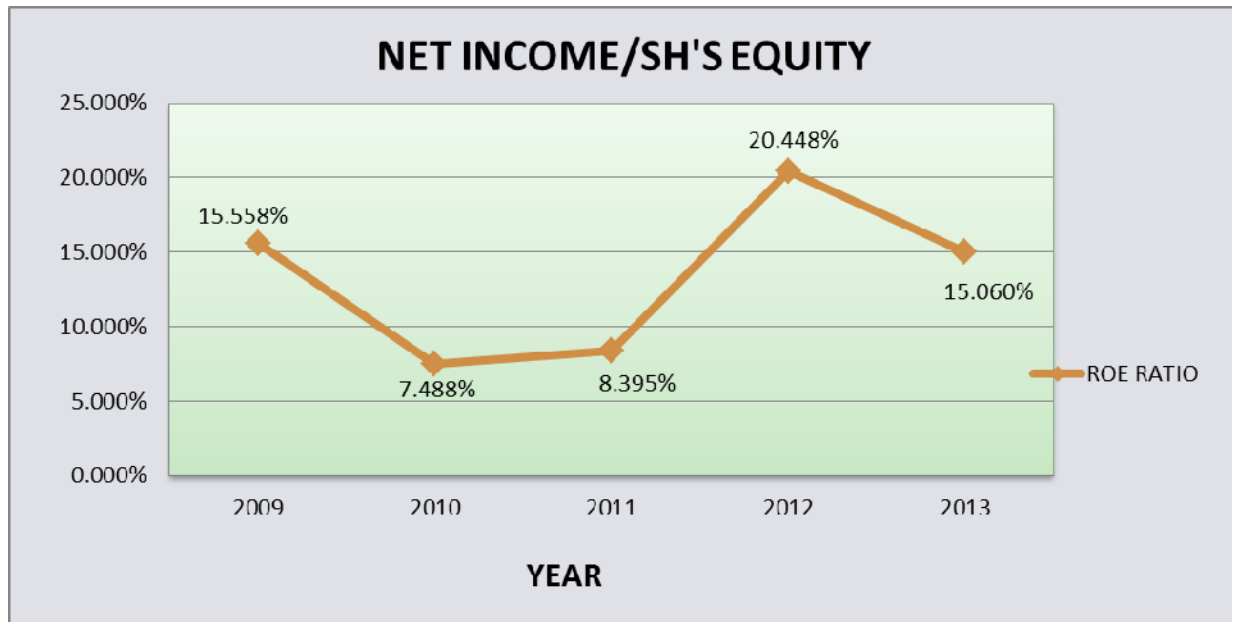
*Fig: MTBL'S ROA Ratio*

ROA shows how profitable a bank's total assets in generating net income. In 2009, the ROA was 1.086% which reveals that this bank generated 1.086% net income by using its total asset. In the year 2010 and 2011 it sharply goes down to 0.570% & 0.530% which indicate a high loss in 2010 and 2011. The reason behind it may be the economic recession and crash of share market. Again in the year 2012 it sharply goes up to 1.061%. The increase in net income may be behind this increase. In the year 2013 ROA ratio again decrease to 0.809%. So, overall profitability ratio is not good.

#### 2. Return on Average Equity (ROE):

YEAR	2009	2010	2011	2012	2013
ROE	15.558%	7.488%	8.395%	20.448%	15.060%



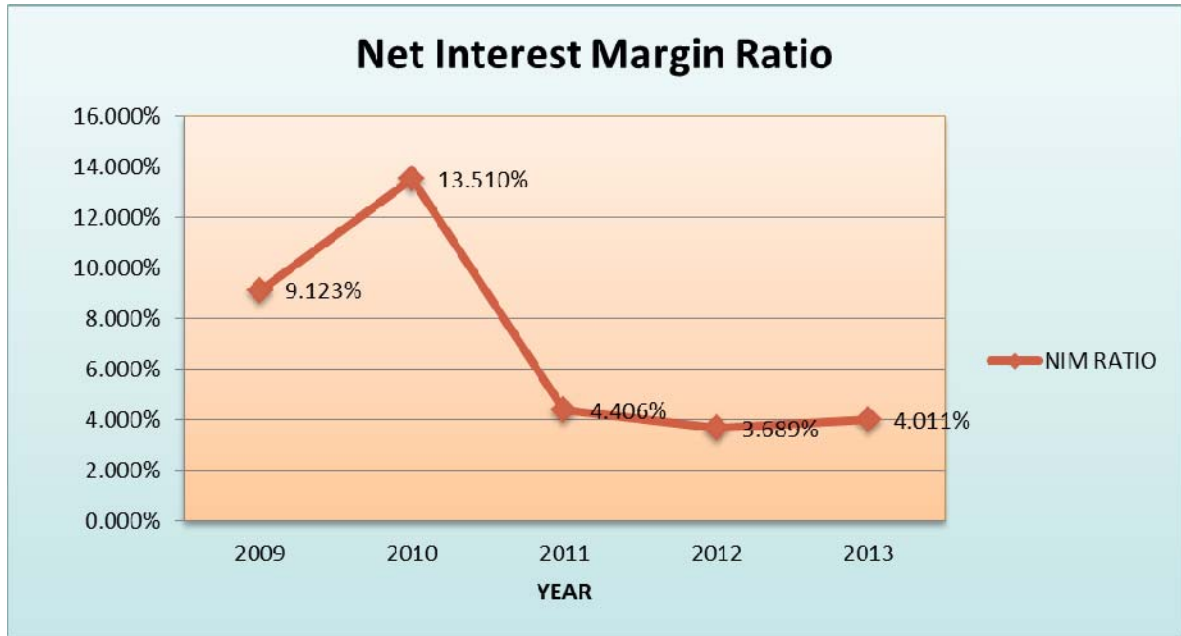


*Fig: MTBL'S ROE Ratio*

**ROE** measures a bank's profitability by revealing how much net income a bank generates by using its shareholders equity. In 2009, the ROE was 15.558% which reveals that this bank generated 15.558% net income by using its total shareholders' equity. In the year 2010 and 2011 it sharply goes down to 7.488% & 8.395% which indicates a huge loss in 2010 and 2011. The reason behind it may be the economic recession and crash of share market. Again in the year 2012 it sharply goes up to 20.448%. The increase in net income may be behind this increase. In the year 2013, ROE ratio again decreases to 15.060%. So, overall profitability ratio is good at present.

### 3. Net profit margin (NIM):

YEAR	2009	2010	2011	2012	2013
NIM RATIO	9.123%	13.510%	4.406%	3.689%	4.011%



*FIG: MTBL'S NIM Ratio*

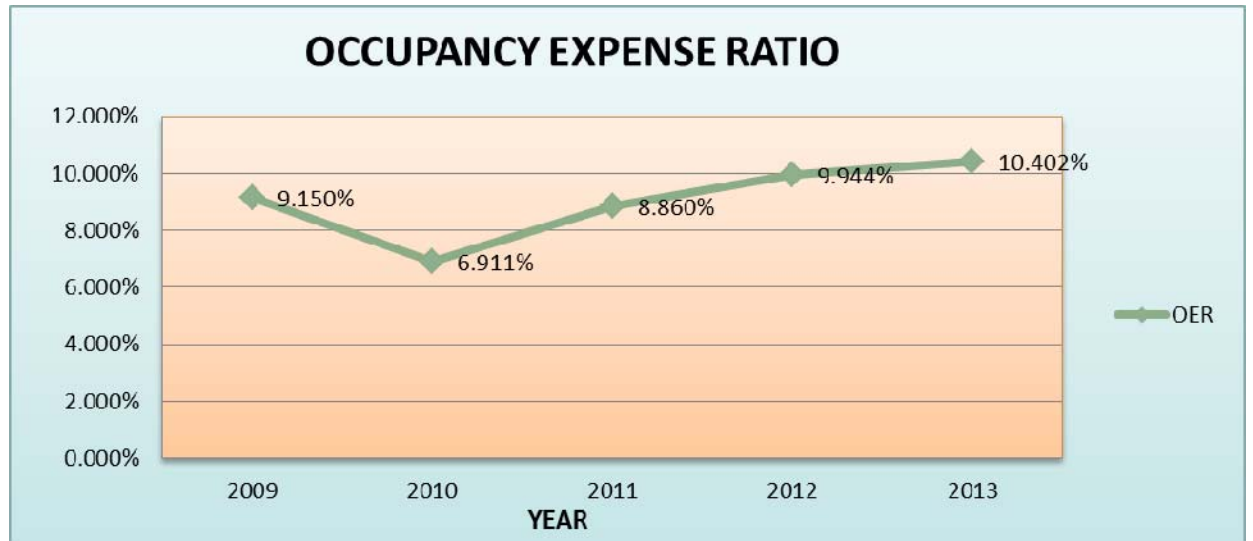
**Net interest margin ratio** measures how effectively a bank utilizes its earning assets in relation to the interest cost of funding. In 2009, the NIM was 9.123% which reveals that this bank generated 9.123% net interest margin by using its earning assets. In the year 2010 it sharply increases to 13.510% which indicate a higher profitability in 2010. In 2011 and 2012 it sharply goes down to 4.406% & 3.689% which indicates a huge loss in 2011 and 2012. The reason behind it may be the economic recession and crash of share market. Again, in the year 2013 it lowly goes up to 4.011%. The increase in net income may be behind this increase. So, overall profitability ratio is not good at present.

**B. Efficiency Ratio:**

1. Occupancy Expense Ratio( OER)
2. Efficiency Ratio( ER)

**1. Occupancy Expense Ratio( OER):**

YEAR	2009	2010	2011	2012	2013
OER	9.150%	6.911%	8.860%	9.944%	10.402%

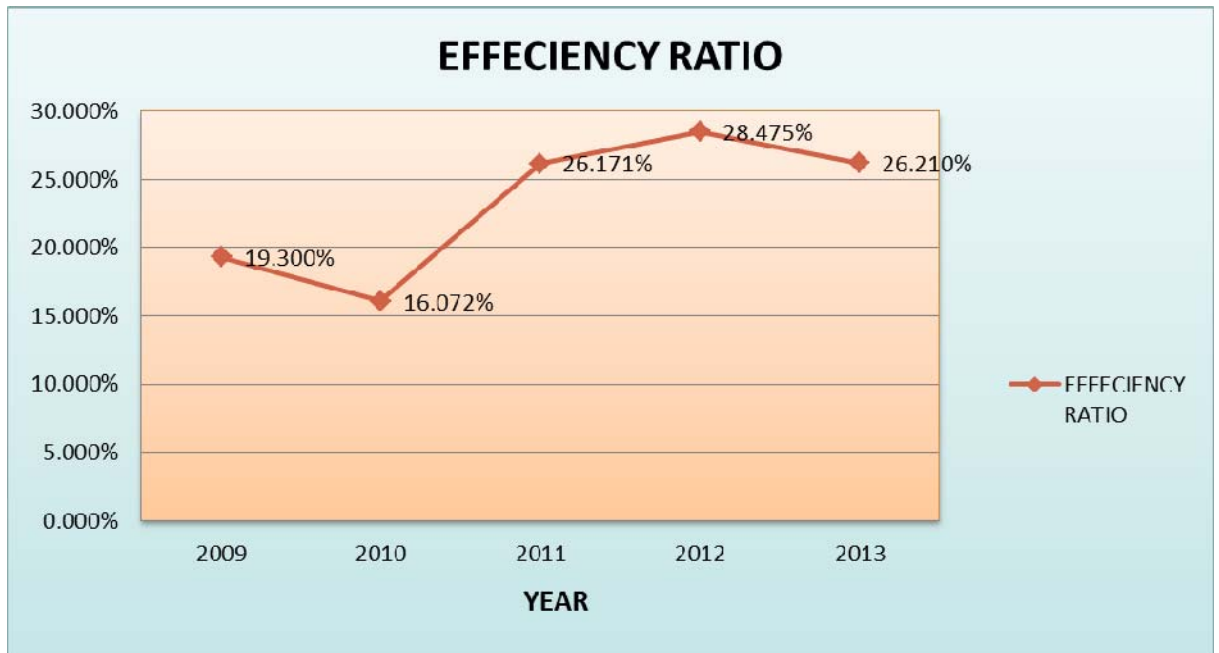


*FIG: MTBL'S OCCUPANCY EXPENSE RATIO*

**OER** indicates the level of fixed expenses that the bank is carrying. In 2009; the OER was 9.150% that indicates fixed expenses is 9.150% of total expenses. In the year 2010 it slowly goes down to 6.911% which is good for the bank. After 2010 this ratio is gradually growing 6.911% to 10.402% by 2013. This is not good for the bank from the perspective of efficiency. So, the bank is performing poor in efficiency management of fixed expenses in respect of total expense.

## 2. Efficiency Ratio(ER):

YEAR	2009	2010	2011	2012	2013
EFFECIENCY RATIO	19.300%	16.072%	26.171%	28.475%	26.210%



*Fig: MTBL'S Efficiency Ratio*

**Efficiency Ratio(ER)** indicates or shows the extent of non-interest expense or salary the bank is carrying .In 2009, the **ER** was 19.300% which reveals that this bank has to pay salary 19.300% of its total revenue. In the year 2010 it decreases to 16.072% which indicate less expense in 2010. But in 2011 and 2012 it sharply goes up to 26.171% & 28.475% which indicates a huge loss in 2011 and 2012. The reason behind it may be the decrease in total revenue. Again in the year 2013 it slowly goes down to 26.210%.the bank is trying to improving the condition. So, overall efficiency ratio is not good at present.

### C. Risk ratio:

It is a type of measurement that helps to determine the how much risk associated with its assets in comparison with liabilities. The company with a higher risk ratio than their competitors is considered to be doing bad.

Risk ratio is two types:

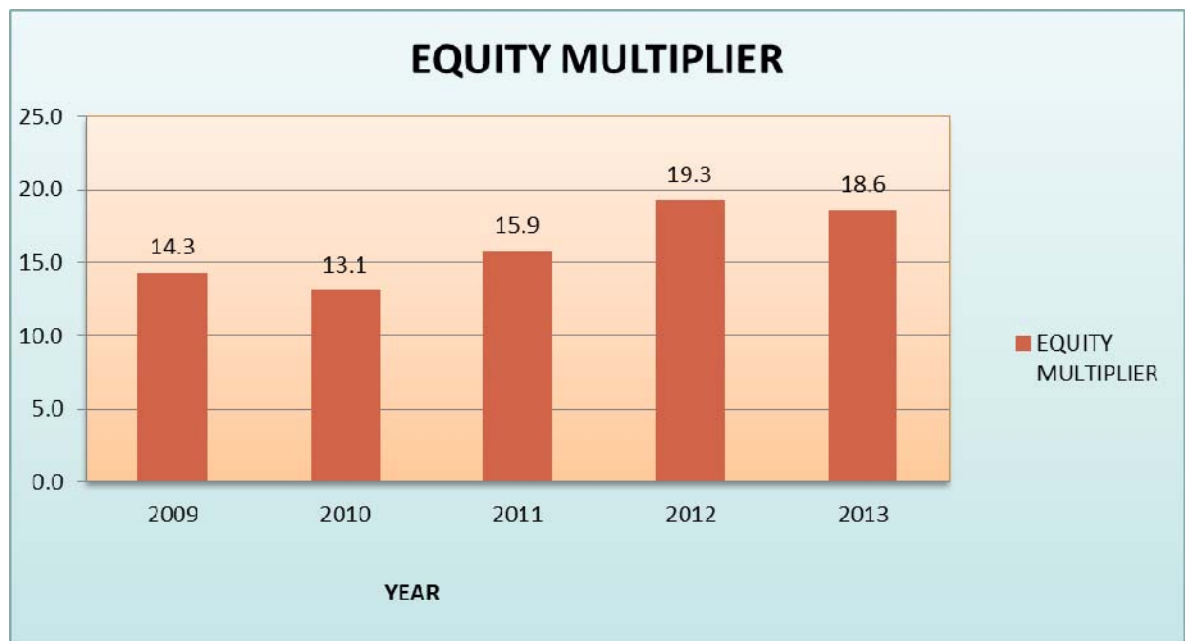
- a. **Capitalization**
  - i. **Equity multiplier**
- b. **Asset Quality**
  - i. **Provision for loan loss ratio**
  - ii. **Loan ratio**

**a. Capitalization:**

It commonly measures the extent to which a bank finances its assets with debt the equity multiplier is an important indicator of the financial health of a company.

**Equity Multiplier:** The higher the equity multiplier, the higher the level of financial leverage.

YEAR	2009	2010	2011	2012	2013
EQUITY MULTIPLIER	14	13	16	19	19



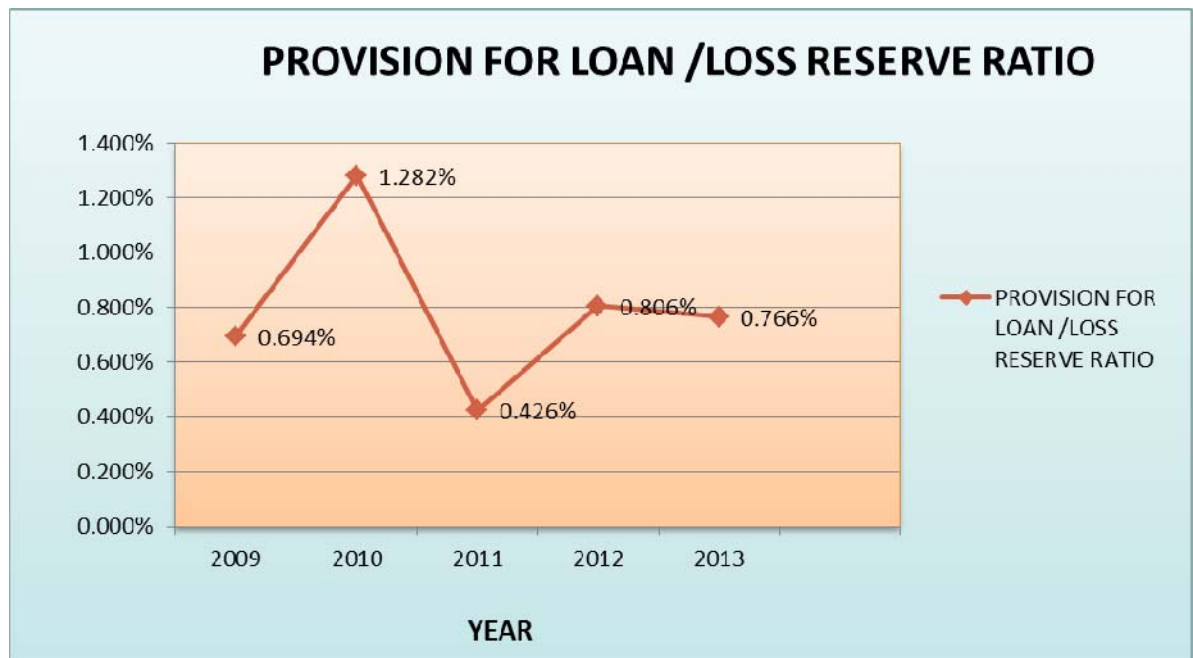
*Fig: MTBL'S Equity Multiplier*

Equity multiplier ratio indicates the extreme to which the bank is using financial leverage. In 2009, the EM was 14.3 which indicate total asset is 14.3 times of total shareholders' equity. In the year 2010 it decreases to 13.1 which indicate the bank is using less financial leverage in 2010. But in 2011 and 2012 it is gradually going up to 15.9&19.3 which indicates a huge risk in 2011 and 2012.

The reason behind it may be the increase in equity and increase in total asset. Again, in the year 2013 it slowly goes down to 18.6. So, the overall position of the bank is not acceptable because the bank is taking higher debt.

**Provision for loan loss ratio:**

YEAR	2009	2010	2011	2012	2013
EQUITY MULTIPLIER	14.3	13.1	15.9	19.3	18.6

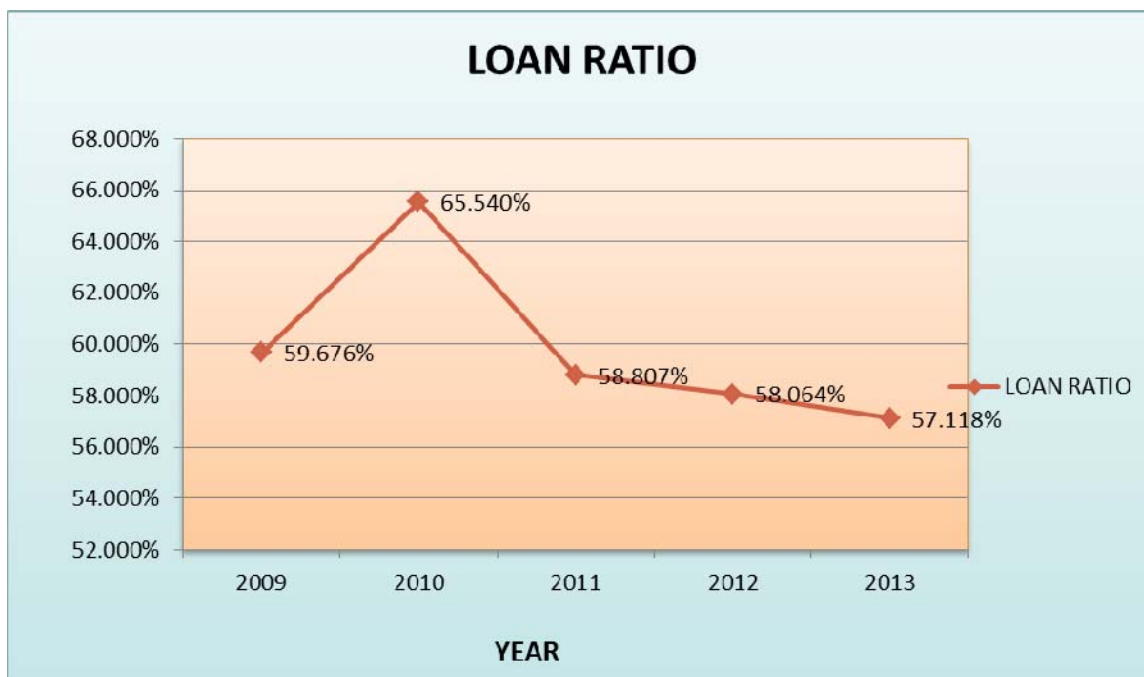


*FIG: MTBL'S PROVISION FOR LOAN LOSS RATIO*

A bank is keeping safety nets for the future loan loss. In 2009, the provision for loan loss ratio was 0.694% that means the bank was keeping 0.694 taka against 100-taka loan and lease. This was very alarming for the bank. In the year 2010 it increases to 1.282% which indicates the bank is keeping more reserve in 2010. But in 2011 it sharply goes down to 0.426%. in 2012 and 2013 it is gradually going up to 0.806% & 0.766% which indicates the bank keeping more reserve than the previous years. So, the overall position of the bank is worse from the perspective of loan loss reserve.

### Loan Ratio:

YEAR	2009	2010	2011	2012	2013
LOAN RATIO	59.676%	65.540%	58.807%	58.064%	57.118%



*FIG:MTBL'S LOAN RATIO*

Loan ratio indicates the extent to which the bank given loans to third party. In 2009, the loan ratio was 59.676% that means the bank was providing a huge loan to the third party in respect of its total asset which indicates a huge risk was taken by the bank. This was more alarming in the year 2010 as it increases to 65.540% and it was very alarming. But in 2011 it sharply goes down to 58.807%. and In 2012 and 2013 it was gradually going down to 58.064%&57.118% which indicates a the bank gradually decreasing its loan toward third party. So, the overall position of the bank is not good from the perspective of loan ratio.

#### D. Liquidity ratio:

It is used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.

For bank there two types of liquidity ratio:

- a) Temporary investment ratio (TIR)
- b) Volatile liability dependency (VLD)

##### a. Temporary investment ratio (TIR):

YEAR	2009	2010	2011	2012	2013
TIR	22.602%	19.447%	29.171%	27.553%	27.023%



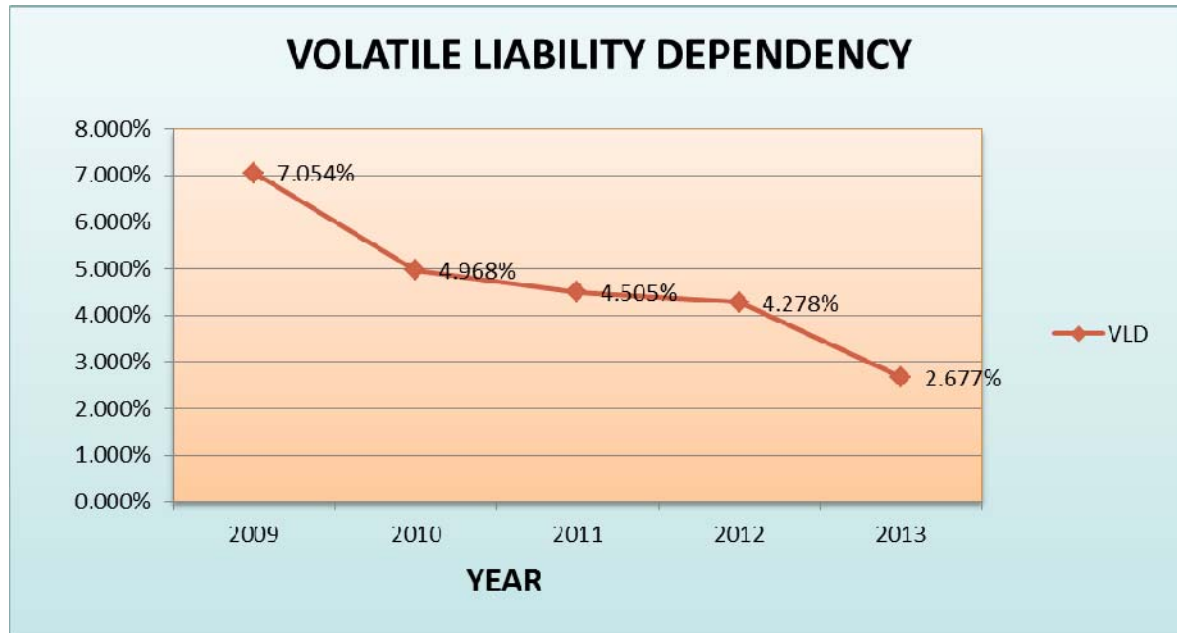
*FIG: MTBL'S TIR*

This ratio shows the levels of most liquid assets the bank is carrying. In 2009, the TIR was 22.602% that means Federal Fund Sold and investment securities is 22.602% of total asset the bank was having. In the year 2010 as it decreases to 19.447% and it was good. But in 2011, 2012, 2013 the ratios are on the increasing level that is 29.171%, 27.553% & 27.023% which indicates the bank is having too much liquid asset. So, the overall position of the bank is not good from the perspective of temporary investment ratio.



**b. Volatile liability dependency (VLD)**

YEAR	2009	2010	2011	2012	2013
VLD	7.054%	4.968%	4.505%	4.278%	2.677%

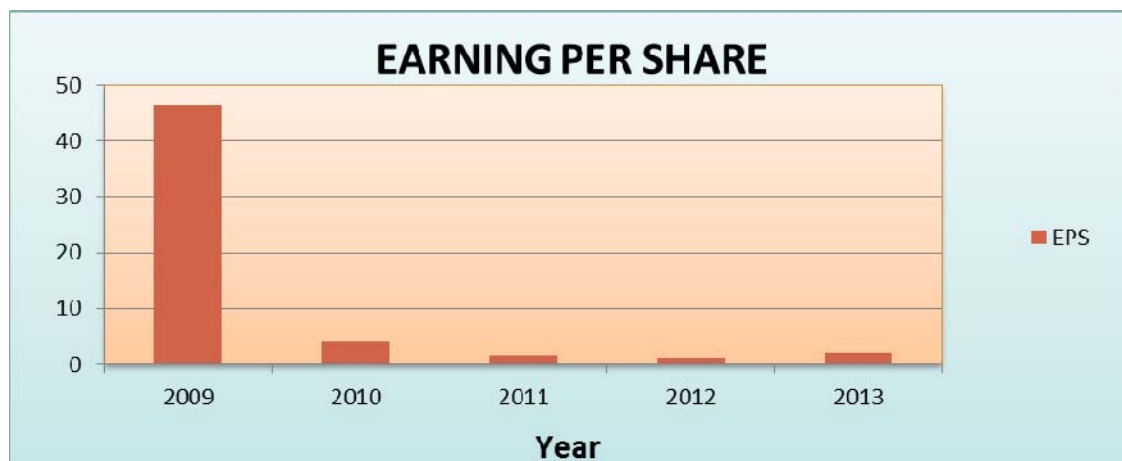


***FIG: MTBL'S VOLATILE LIABILITY DEPENDENCY RATIO***

It considers the degree to which the riskiest assets are being funded by unstable money funds that can disappear from the bank overnight. The volatile liability dependence ratio varies inversely with liquidity. In 2009, the VLD was 7.054% that the bank is dependent on volatile liability. In the year 2010 as it decreases to 4.968% and it was good because liquidity level is gradually decreasing also. But in 2011, 2012, 2013 the ratios are decreasing to 4.505%, 4.278%, 2.677% which indicates the bank is decreasing too rapidly its liquid asset that is not good for the bank. So, the overall position of the bank is not good from the perspective of volatile liability dependency ratio.

### E. Earnings per share:

YEAR	2,009	2010	2011	2012	2013
EPS	46.46	3.89	1.59	1.17	2.05

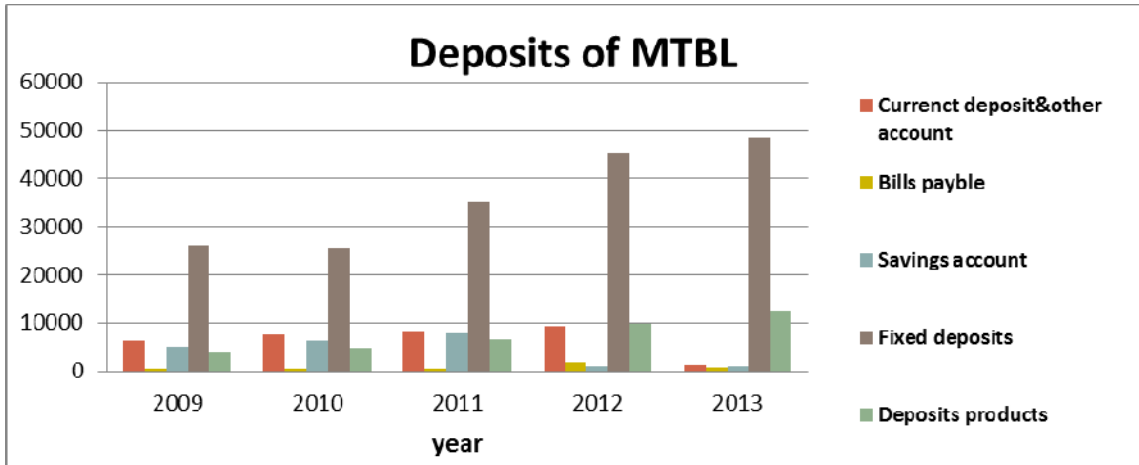


*FIG: MTBL'S EPS*

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a bank's profitability. We can see in the above chart EPS of MRBL was good in the year 2009 that is 46.46 tk. But from 2010 to 2013 the rate is very low. Bangladesh share market crash and economic condition may be the main cause behind it.

### F. DEPOSITS (Million In BDT):

Sl no:	items	2009	2010	2011	2012	2013
1	Current deposit & other account	6217.26	7495.23	8058.67	9,229.96	1,163.18
2	Bills payable	528.95	529.74	602.19	1,813.68	779.79
3	Savings account	5104.09	6355.8	7839.51	922.44	1,109.80
4	Fixed deposits	26229.06	25576.31	35193.35	45,350.86	48,426.50
5	Deposits products	3980.8	4793.95	6633.41	9,749.81	12,704.32

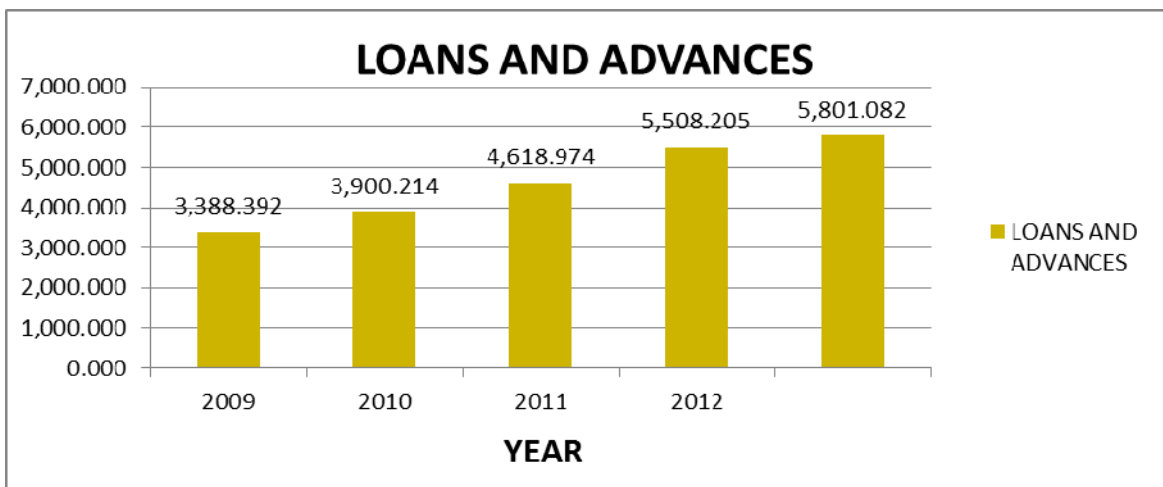


*FIG: MTBL'S Deposits*

In the above chart we can see that the deposits MTBL'S have from the year 2009 to 2013. We can see that current and other deposit, bills payable, savings account, and deposits products almost same throughout those years. But fixed deposits are increasing year after year.

**G. LOANS AND ADVANCES (Million In BDT):**

YEAR	2009	2010	2011	2012	2013
<b>LOANS AND ADVANCES</b>	3388.392371	3900.213916	4618.973953	5508.204967	5801.082311

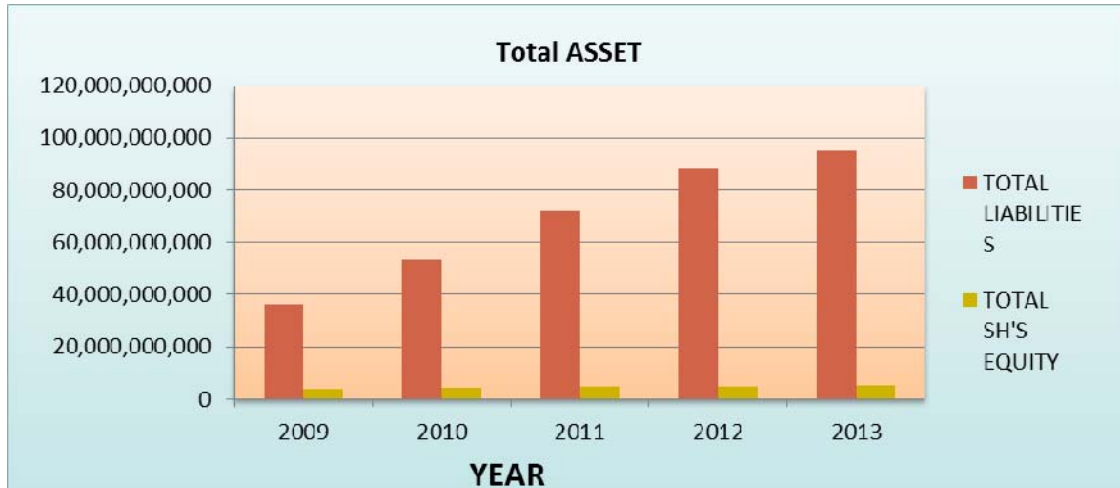


*Fig: MTBL'S Loans and Advances*

In the above graphs we can see the loans and advances made by MTBL. The millions of loans and advances of MTBL is on the increasing trend through 2009 to 2013.

## H. Liabilities And Shareholders' Equity (Million In BDT):

YEAR	TOTAL LIABILITIES	TOTAL SH'S EQUITY
2009	36,481,879,425	3,684,509,112
2010	53,371,627,874	4,163,403,283
2011	71,669,468,879	4,834,348,126
2012	87,939,580,579	4,863,104,870
2013	95,249,823,966	5,482,307,176



*Fig: MTBL'S Total Liabilities & Total Equity*

Total asset is composed of the liabilities of MTBL and total SH'S equity. In the above chart we can see that the equity level of the bank is almost same in these years. But the liabilities or debt is level is too high. That means the bank is too much dependent on the outside debt.

## I. General banking sector analysis:

SL .NO:	PARTICULARS	TIME
1.	Account opening/Procedure	10-15 minute
2.	Cheque clearing	2-3 days
3.	One-line banking	10-15 minute
4.	cash management	5-15 minute
5.	Bill remittance	10-15 minute

## **CHAPTER 06**

### **MY FINDINGS**

## **FINDINGS:**

While doing my internship at MTB CENTRE CORPORATE BRANCH, I have got the chance to work with Customer Service Division or general banking, Cash, and Clearing. Whatever I have found from that experience are listed below:

- ◆ In MTB center corporate branch is the corporate branch so they are trying very hard to gain maximum customer satisfaction by giving well customer service. But for the shortage of officer in the front desk, customer and work pressure is very high and sometime customers are not getting everything at the exact time. For that reason some customer may be discouraged.
- ◆ Deposit per employee measures the amount of long-term fund per employee. Deposit per employee consistently increased over the years with a positive trend indicating overall efficiency of the bank.
- ◆ There are lots of problem regarding ATM card. Because MTBL uses the ATM booth of DBBL, very recently they launch their ATM booth but it is not enough for a huge number of customer groups of MTBL. They have only three booths in Dhaka city and no booth outside of Dhaka.
- ◆ Most of the time customers enter their debit card in the machine but they don't get any money but their balance has been credited from the account.
- ◆ Another problem regarding debit card is captured card.
- ◆ Under accounts department, practice strictly supports theories.
- ◆ There is not too much discrepancy between them. All the functions of Account Department provided by MTB center corporate branch are based on accounting theories and procedures.

- ◆ Accounts department plays a vital role in the management information system. Management collects different types of information from this department.
- ◆ There are only two cash officers in the cash section, sometimes customer has to wait a long time to deposit or withdraw money.
- ◆ MTBL tries to give training to its employees but it is not enough.
- ◆ In case of foreign remittance MTBL MTB center corporate branch only operate through Money Gram and some UAE exchange house.

## **CHAPTER 07**

# **RECOMMENDATION AND CONCLUSION**



## *Recommendation*

- ❖ The bank should recruit more employees to serve the more customers smoothly. They also can recruit experienced employees as well as fresh energetic graduate.
- ❖ The bank should inaugurate more attractive products based on present market demand.
- ❖ The bank should introduce mobile banking apps where's the customer would able to deposit their money from anywhere through mobile apps.
- ❖ The bank should increase their ATM/Deposit/POS machine booth so that their customer can withdrew/deposit their money without going to bank and without waiting at the queue.
- ❖ The bank should increase their interest rate in different deposit products or introduce more attractive deposits products to welcome the more customers.
- ❖ The salary of the employees needs to be rise so that experienced resources from other bank will be attract to join Mutual Trust Bang Limited and the existing employees will be more efficient in their position.
- ❖ The bank can open foreign booth and branches so that the large number of people send money to Bangladesh from outside the country through this bank.
- ❖ The bank should finance to the more consumers goods because of many people in the country wants to buy consumer goods from bank loan.
- ❖ The bank should be more profit concerns as well as took to the economics development of the country.

## *Conclusion*

With a large number of qualified and well experienced resource, Mutual trust bank can take advantage of any opportunity in the banking sector. It's a pioneer bank in introducing many new products and fruitful services in banking sector of the country. In this report I tried to figure out the strengths and weakness of Mutual Trust Bank Limited.

A serve cut throat competition is going on currently in this sector, that's why MTB has the workout with many different dimensions as like Product diversification, Market analysis & forecasting, proactive activities undertaken by MTB.

## **CHAPTER 08**

# **REFERENCES**

## **Appendix:**

**MTBL**= Mutual Trust Bank Limited

**POS**= Point of Sale

**DD** = Demand Draft

**TT** = Telegraphic Transfer

**T.C.** = Total Currency

**NRB** = National Regular Savings Account

**A/C** = Accounts

**CD** = Current Deposit

**SB** = Savings Deposit

**Brick by Brick** = DPS

**FDR**= Fixed Deposit

**PO** = Pay Order

**LC** = Letter of Credit

**FBP** = Foreign Bill Purchase

**IBP** = Inland Bill Purchase

**SOD** = Secured Over Draft

**EBD** = Export Bill Discounting

**LTR** = Loan Against Trust Receipt

**TR** = Term Loan

**BB** = Bangladesh Bank

**PD** = Primary Dealer

**TP**= Transaction Profile

**KYC** = Know Your Customer

**CRM** = Customer Relationship Management

**IBDA** = Inter Bank Debit Advice

**IBCA** = Inter Bank Credit Advice

**OBC** = Other Banks Clearance

**SH'S Equity**= Shareholders Equity

**FFS** = Federal Fund Sold

## Ratio formula:

1. **ROA:**  $\frac{\text{Net Income}}{\text{total asset}} * 100$

2. **ROE:**  $\frac{\text{net income}}{\text{total sh's equity}} * 100$

3. **Net Interest Margin(NIM):**  $\frac{\text{interest income} - \text{interest expense}}{\text{earning asset}} * 100$

4. **Occupancy Expense Ratio(DER):**  $\frac{\text{fixed expense}}{\text{total expense}} * 100$

5. **Efficiency Ratio:**  $\frac{\text{non interest expense (salary)}}{\text{total expense}} * 100$

6. **Equity Multiplier:**  $\frac{\text{total asset}}{\text{total sh's equity}}$

7. **Provision For Loan Loss Reserve:**  $\frac{\text{provision for loan loss}}{\text{total loans \& leases}} * 100$

8. **Loan Ratio:**  $\frac{\text{net loans}}{\text{total assets}} * 100$

9. **Temporary Investment Ratio(TIR):**  $\frac{\text{FFS} + \text{investment securities}}{\text{Total asset}} * 100$

## 10. Volatile Liability

**Dependency(VLD):**

$$\frac{\text{Total volatile liability} - \text{temporary investment}}{\text{net loans and leases}} * 100$$

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