

Report
On
Agent Banking Activities of Mutual Trust Bank Limited



Submission Date:
16th April 2022
Dhaka, Bangladesh



Daffodil
International
University

Report
On
Agent Banking Activities of Mutual Trust Bank Limited

Submitted To
Dr. Md. Abdur Rouf
Associate Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Submitted By
Md. Shihab Shariar
ID: 211-14-275
Program: MBA
Major: Finance
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Submission Date:
16th April 2022
Dhaka, Bangladesh

LETTER OF TRANSMITTAL

Date: 16th April 2022

To

Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

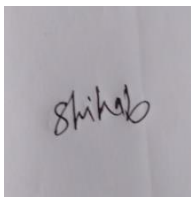
Subject: Submission of Report

Dear Sir,

With due respect, I am submitted the report on “**Agent Banking Activities of Mutual Trust Bank Limited**”. It is a great pleasure that you have given me this opportunity. I do my best for doing this thesis report. This is really a great source of learning for any student. I learn so many things from this work. Your guidance and suggestion help me great. I will be happy to provide any kind of further explanation about this report if it is needed.

I have tried my best to avoid my fault and hope that my report will satisfy you and I also would like to thank you again for giving me the great opportunity to submit the report.

Yours Sincerely,



.....
Md. Shihab Shariar

ID: 211-14-275

MBA (Major in Finance)

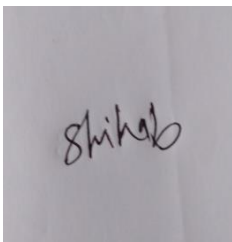
Faculty of Business & Entrepreneurship

Daffodil International University

LETTER OF AUTHORIZATION

With due respect, I declare that this report entitled “**Agent Banking Activities of Mutual Trust Bank Limited**”. This report is my own work. This report submitted to Daffodil International University for the degree of Master of Business Administration.

I also declared that the report has not been submitted earlier either partly or wholly to any others institutions or organizations.

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'Shihab' written in a cursive style.

.....
Md. Shihab Shariar

ID: 211-14-275

MBA (Major in Finance)

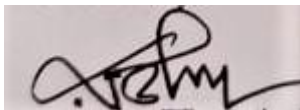
Faculty of Business & Entrepreneurship

Daffodil International University

LETTER OF ACCEPTANCE

This is to certify that this thesis report entitled “**Agent Banking Activities of Mutual Trust Bank Limited**” submitted to Daffodil International University. This report work done by Md. Shihab Shariar, ID No: 211-14-275, Faculty of Business & Entrepreneurship, Department of Business Administration, Daffodil International University under my supervisor. The data and findings presented in this thesis report seem to be authentic. Thus, this report has approved for presentations in the defense.

I wish him every success in life.



.....

Dr. Md. Abdur Rouf

Associate Professor

Faculty of Business & Entrepreneurship

Department of Business Administration

Daffodil International University

ACKNOWLEDGEMENT

At first I would like to praise and thank to the Almighty Allah for giving me this ability and strength to complete the thesis successfully.

This report “**Agent Banking Activities of Mutual Trust Bank Limited**” has been prepared to fulfill the requirement of MBA degree. I have received sincere co-operation, guidance and supervision from various persons.

Also I would like to express my deepest and heartiest gratitude to supervisor, Dr. Md. Abdur Rouf, Faculty of Business & Entrepreneurship, his continuous guidance and valuable suggestions help me to prepare a well-organized report.

Finally, I am very much grateful and deepest gratitude and love to my parents for their endless love, caring and supports.

.

Abstract

This paper endeavors to depict a characteristic image of the agent banking activities of Mutual Trust bank Limited (MTB). Presently a day's financial area is modernizing and growing its hand in various monetary occasions consistently. Simultaneously the financial cycle is turning out to be quicker, simpler and becoming more extensive. The Trust Bank Ltd is a third generation private bank in Bangladesh. The bank began its activity in 1999.

Mutual Trust Bank Limited (MTB) has total 112 branches situated in 36 districts in Bangladesh. In 2016 Mutual Trust Bank Limited (MTBL) launched agent banking business. There are total 200 agents banking center that covered 39 districts 112 rural areas and 38 urban areas. Mutual Trust Bank Limited day by day increases their branches and agent banking center.

Mutual Trust Bank Limited provides so many services. There are: Cash received, cash payment, fund transfer, online banking, agent banking activities, provides different types of loans etc. Mutual Trust Bank Limited has established and most dependable general banking section. Mutual Trust Bank Limited generally satisfies the buyer needs in pretty much every case with its respect and honor. MTB needs to be in the top most position in private banking sector in Bangladesh.

Table of Contents

| | |
|--|-----|
| Title Page | i |
| Letter of Transmittal | ii |
| Letter of Authorization | iii |
| Letter of Acceptance | iv |
| Acknowledgement | v |
| Abstract..... | vi |
| CHAPTER ONE | 2 |
| 1.1: Introduction | 3 |
| 1.2: Objective of the study..... | 3 |
| 1.3: Significance of the Study..... | 4 |
| 1.4: Methodology..... | 4 |
| 1.4.1: Data Collection..... | 4 |
| 1.5: Literature Review..... | 5 |
| 1.6: Scope & Limitation of the Study | 6 |
| CHAPTER TWO | 7 |
| 2.1: Historical Background of MTB | 8 |
| 2.2: Mission & Vision of MTB Agent Banking..... | 8 |
| 2.3: MTB Agent Banking Product & Services | 9 |
| 2.4: MTB Agent Banking Centre's & ATM Booths..... | 10 |
| 2.5: MTB Customers Service | 11 |
| 2.6: MTB Agent Banking in Economic Development | 12 |
| 2.7: Eligibility of an MTB Agent..... | 12 |
| 2.8: MTB Agent selection Criteria | 13 |
| 2.9: MTB Agent Banking Transactions | 14 |
| 2.10: Earning of MTB Agents | 14 |
| CHAPTER THREE | 15 |
| 3.1: Findings | 16 |
| 3.2: Recommendations..... | 16 |
| 3.3: Conclusion | 17 |
| References:..... | 18 |

CHAPTER ONE

INTRODUCTION

1.1: Introduction

Agent Banking refers to providing financial services to the underserved population through engaged agents who conduct banking transactions on behalf of the bank. These agents or retailers, who are normally the proprietors of outlets, are progressively turning into a significant conveyance direct in coming to the unbanked section of the general public notwithstanding the current client with a wide exhibit of monetary administrations exceptionally to geologically scattered areas.

Over the years, Agent Banking has ended up being exceptionally viable for developing countries which lack to access to formal financial services. Agent banking has been a progressive consideration in the financial systems of Brazil, Columbia, Peru, Malaysia and Kenya. In every one of the three nations, Agent Banking has been most successful installments made by different households services like utility bills, taxes etc. In remote areas, as data suggest, such payments account for more than 70% of the total transactions.

As a result, the requirement for Agent Banking turned out to be more defended for Mutual Trust Bank Ltd. On the off chance that the dynamic banking sector is appropriately directed by the Central Bank rules, Agent Banking can guarantee the entrance of the marginalized people to several financial services in remote areas. It can do some incredible things in guaranteeing monetary incorporation and emerging the fantasy of a neediness free Bangladesh.

1.2: Objective of the study

The report paper is conducted to evaluate the agent banking activities of Mutual Trust Bank Ltd (MTB). To attain the objective, the report covers the following specific objectives:

- To understand the agent banking activities of Mutual Trust Bank Ltd.
- To acquire practical experience and knowledge about agent banking also different banking services of mutual Trust bank Ltd.
- To understand agent banking contribution of economic development.

1.3: Significance of the Study

This report is an important partial requirement of 1.5 year MBA post graduation program. By this report students learn so many things about banking agent banking activities. I think it will help us to do bigger or difficult report next time also students can prepare themselves for job market. By doing this report students became expert. Students can learn professional experiences. Without professional experiences students cannot do better in job market. Therefore, this is obvious that the significance of internship is clearly justified as the crucial requirement of 1.5 years MBA post graduation program.

1.4: Methodology

This study is based on the agent banking activities of Mutual Trust Bank Ltd in Bangladesh. The report is descriptive in nature. The information was collected from both primary and secondary source of data. Also I collected information from Mutual Trust Bank Ltd.

1.4.1: Data Collection

There are two sources of information is given below.

1. Primary sources and
2. Secondary sources.

1.4. 1.a: Primary sources:

- Practical desk work.
- Conversation with teacher.
- Own calculations and knowledge's.
- Form Mutual Trust Bank Ltd Tongi branch.
- Face to face conversation with the respective officers and clients.

1.4. 1.b: Secondary sources:

- Annual Reports of MTB.
- Relevant file study as provide by the concerned.
- Different text books and materials.
- MTB websites.
- Different articles and documents in internet.

1.5: Literature Review

Nowadays banking business or financials market is going to be very competitive. So, for stay in better position in banking market bank have to provide all kinds of services. Throughout the long term, Agent Banking has ended up being exceptionally powerful for developing nations which lack access to formal financial services. Agent banking is most successful especially in remote areas. In remote areas, as information recommend, Agent banking system represents over 70% of the total transactions.

For this reasons MTB also started their agent banking business in 2016. Now MTB has total 200 agent banking centre. By opening agent banking MTB can give their banking services to all over the country. They can give easy payment methods, easy transaction systems etc. MTB Agent Banking can guarantee the entrance of the minimized individuals to a few monetary administrations in far off regions. It can do some amazing things in guaranteeing financial corporation and emerging the fantasy of a neediness free Bangladesh.

1.6: Scope & Limitation of the Study

Scope:

In Mutual Trust Bank, Tongi branch I get much facilities because of existing employees of the branch. There are:

- Very helpful colleagues who give me a lot of information.
- Internet and Bank website is very much informative.
- Separate desk for me.
- Assistance of local management at any time.

Limitation:

Every study may have some limitations. So this study is not free from limitations. Some limitations are given below:

- **Lack of Secondary data:** The annual report and websites are not enough for collecting information.
- **Limitation of Scope:** While collecting data, they did not disclose more information due to the confidentiality of the organization.
- **Lack of experience:** There is a chance of occurring error for lack of experiences.

CHAPTER TWO
AGENT BANKING ACTIVITIES OF MUTUAL TRUST BANK LTD

2.1: Historical Background of MTB

The Company was incorporated as a Public Limited Company in 1999, under the Companies Act 1994, with an Authorized Share Capital of BDT 1,000,000,000 divided into 10,000,000 ordinary shares of BDT 100 each. At present, the Authorized Share Capital of the company is BDT 10,000,000,000 divided into 1,000,000,000 ordinary shares of BDT 10 each.

The Mutual Trust Bank Ltd is a third generation private commercial bank in Bangladesh. Mutual Trust Bank Limited (MTB) has total 112 branches situated in 36 districts in Bangladesh. In 2016 Mutual Trust Bank Limited (MTBL) launched agent banking business. There are total 200 agents banking center that covered 39 districts 112 rural areas and 38 urban areas. Mutual Trust Bank Limited day by day increases their branches and agent banking center.

The Company started its banking operation and entitled to carry out the following types of banking business:

- All types of commercial Banking activities including money market operations.
- Investment in company activities.
- Investment in Merchant Banking activities.
- Providing financial intermediary services.
- Any finance related services.

2.2: Mission & Vision of MTB Agent Banking

Mission: We want to be known as the most admired financial institution in the country, a dynamic, innovative, and client-focused organization that provides a diverse range of goods and services in the pursuit of excellence and outstanding economic value.

Vision: Mutual Trust Bank's vision is built on the MTB3V philosophy. MTB is what we want it to be:

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

2.3: MTB Agent Banking Product & Services

Mutual Trust Bank Ltd agent banking provides so many products and services. The products and services are given below:

- Account Opening (Savings, Current, DPS)
- Cash Deposit
- Cash Withdrawal
- Fund Transfer to any MTB Account
- Electronic Fund transfer through BEFTN
- Electronic Fund transfer through RTGS
- Inward Foreign Remittance Cash Payout
- Inward Foreign Remittance in Account
- Utility Bill Collection
- Receiving Clearing Cheque
- SMART Card (NID) Fee Collection
- SME Loan File Initiation
- Agricultural Loan File Initiate
- Retail Loan File Initiation
- Debit/Credit Card Request Processing
- Mobile Recharge
- Insurance Premium Collection
- School Banking Solution (Student Account, Fee Collection & Payroll for Teachers)
- Social Safety-net Cash Disbursement
- Balance Inquiry
- Account Statement

2.4: MTB Agent Banking Centre's & ATM Booths

The Mutual Trust Ltd launched their agent banking business in 2016 in Cumilla. Now MTB has total 200 agent banking centre and 165 ATM Booth in Bangladesh. Every year their agent banking branch is increasing. All the district name and number of agent banking centre and number of ATM Booth is given below:

| District | Number of Agent Banking Centre | Number of ATM Booth |
|-----------------|---------------------------------------|----------------------------|
| Kishoreganj | 4 | - |
| Gopalganj | 3 | - |
| Gazipur | 09 | 15 |
| Faridpur | 2 | - |
| Dhaka | 6 | 17 |
| Narsingdi | 3 | 5 |
| Narayanganj | 4 | 6 |
| Munshiganj | 2 | 2 |
| Manikganj | 3 | 3 |
| Madaripur | 2 | - |
| Rajbari | 2 | - |
| Shariatpur | 3 | - |
| Tangail | 2 | 5 |
| Cumilla | 7 | 8 |
| Chattogram | 3 | 6 |
| Chandpur | 3 | 5 |
| Brahmanbaria | 2 | 2 |
| Bandarban | 3 | - |
| Noakhali | 2 | 5 |
| Lakshmipur | 2 | 2 |
| Khagrachhari | 3 | 2 |
| Feni | 7 | 13 |
| Cox's Bazar | 4 | 4 |
| Rangamati | 1 | - |
| Sylhet | 5 | 5 |
| Sunamganj | 2 | 2 |
| Moulvibazar | 3 | 5 |
| Habiganj | 4 | 2 |
| Patuakhali | 2 | - |
| Jhalokati | 2 | - |
| Bhola | 3 | - |
| Barishal | 4 | 7 |
| Barguna | 2 | - |
| Pirojpur | 2 | - |
| Khulna | 4 | - |
| Jhenaidah | 3 | 2 |

| | | |
|-----------------|---|---|
| Jashore | 4 | 3 |
| Chuadanga | 2 | - |
| Bagerhat | 3 | - |
| Satkhira | 1 | - |
| Narail | 3 | - |
| Meherpur | 2 | - |
| Magura | 2 | - |
| Kushtia | 7 | 5 |
| Chapainawabganj | 3 | - |
| Natore | 2 | - |
| Joypurhat | 2 | 2 |
| Naogaon | 3 | - |
| Bogura | 1 | 1 |
| Sirajganj | 2 | 2 |
| Rajshahi | 3 | 2 |
| Pabna | 5 | 5 |
| Dinajpur | 3 | 2 |
| Gaibandha | 2 | 1 |
| Rangpur | 3 | 3 |
| Panchagarh | 2 | - |
| Nilphamari | 4 | - |
| Lalmonirhat | 3 | - |
| Kurigram | 4 | 3 |
| Thakurgaon | 2 | - |
| Sherpur | 4 | 4 |
| Netrokona | 3 | - |
| Mymensingh | 5 | 7 |
| Jamalpur | 2 | 2 |

From the following chart we can see that so many districts have low number of agent banking centre. For examples: Bogura, Satkhira and Rangamati districts. Also we can see that 28 districts have no ATM Machine.

2.5: MTB Customers Service

Mutual Trust Bank has maintaining standard customer services. To providing best customer service MTB start their contract centre (MTB CC) started its journey on December 27, 2011. The MTB CC provides services 24/7, 365 days a year. They also have help line number and email. There are: 16219, 09604016219, +88 09604016219, Fax- +88 -02-48321919, customer.service@mutualtrustbank.com. Also any customer can request service in MTB customer service portal. Also customers can get any banking service from any MTB branch.

2.6: MTB Agent Banking in Economic Development

MTB participate in economic development by their agent banking activities in many ways.

There are:

- MTB agent banking centre can easily provide their financial services to huge number of peoples, especially in rural areas.
- MTB create lot of employments by their agent banking business.
- MTB agent banking provides lot of financial services that makes peoples life easier. For examples: deposit collection, utility bill payments, remittance withdrawal, small value loan distributions, incentives payments etc.
- Entrepreneurs can take small value loan from MTB for their business.

2.7: Eligibility of an MTB Agent

The MTB may engage following persons/entities as their agent:

- Companies registered in the Companies Act, 1994.
- Agents of cellular community operators that fulfils the eligibility criteria.
- Local government institutions.
- Any organizations that having trade licenses from the government that fulfils the eligibility criteria.
- Any different entity which Bangladesh Bank may also prescribe or authorize.
- Micro finance institutions regulated through Microcredit Regulatory Authority of Bangladesh.
- NGOs registered with Social Welfare Directorate;
- Government offices having branch/unit offices.
- Courier and mailing service companies registered under Ministry of Posts & Telecommunications.

2.8: MTB Agent selection Criteria

While choosing an agent, MTB maintains the following criteria:

- The nationality of the individual / firm has to be Bangladeshi.
- The applicant's age limit is 18-65 years.
- The applicants have to be a nearby resident of the area.
- The individual/organization needs to be financially sound and solvent.
- The applicant should have his own/rented business premise.
- The proposed agent, cannot in any way, be a loan defaulter.
- The proposed agent, can not in any way, have a record of being penalized by the court.
- It is obligatory for the proposed agent to have a minimal academic qualification of H.S.C or an equivalent degree. However, in a few cases, exceptions will be made for deserving candidates.
- The agent is expected to have adequate business experience combined with a good reputation in the locality.
- Any applicant engaged in bad activities will be rejected.
- The proposed agent should have adequate knowledge and ability to handle technology-based financial services.
- The person should have the ability to meet all kinds of commitments under adverse situations.
- People with the potential to control cash dealing with in the Agent Banking Centre, will be given preference.
- Any man or woman maintaining the positions of a director, Managing Director/CEO in an organization, or maintaining a widespread quantity of stocks of the banking organization or their spouses will now no longer pleasant to use as an agent (Banking Company Law 1991 Section 26 GA).

2.9: MTB Agent Banking Transactions

For making agent banking more easier, Mutual Trust Bank Ltd has online banking systems. By using internet any customer can do their transaction through online. MTB has banking software that name “MTB Smart Banking”. By using this software any customer can do their banking activities like, Fund transfer, balance check, utility bill payment, fund withdraw etc. Every day thousands of people do their banking activities through online banking systems.

2.10: Earning of MTB Agents

In Mutual Trust Bank earning of an agent is commission based. Their income is not salary based and fixed. How much salary can earn by an agent it will depends on how much activities he do. For example, an agent does fund transfer of a customer, and then the agent will earn a fixed percentage of commission.

CHAPTER THREE

FINDINGS, RECOMMENDATIONS AND CONCLUSIO

3.1: Findings

After analyzing the agent banking activities of Mutual Trust Bank Ltd I have observed following findings. There are:

- ❖ Number of agent banking centre is low in Bogura, Sathkhira and Rangamati Districts.
- ❖ Number of agent banking centre is increasing every year.
- ❖ There is no ATM Booth service in 28 districts in Bangladesh.
- ❖ MTB don't have sufficient agent banking branches in all district in Bangladesh.
- ❖ Standard customer's service.
- ❖ MTB agent banking participating in economic development.

3.2: Recommendations

In this report the Mutual Trust Bank Ltd is a well-known bank in our country. As a student from my little knowledge it's quite hard to give proper recommendations for these commercial banks. However, I would like to present the following recommendations:

- ❖ The bank should increase their agent banking center in every city and markets in Bangladesh also they have to increase agent banking centre in Bogura, Sathkhira and Rangamati Districts.
- ❖ MTB ltd should have to increase more ATM booths in all districts in Bangladesh.
- ❖ For increasing agent banking centres and ATM Booths in Bangladesh the bank have to increase their market research & promotional activities.

3.3: Conclusion

The whole report has been conducted to evaluate the agent banking activities of Mutual Trust Bank Ltd (MTB). Mutual Trust Bank Ltd has been providing agent banking activities day by day. Also they provide general banking services very well. There are so many agent banking activities that Mutual Trust Bank Ltd provides and I try to show in this report. The Mutual Trust Bank Ltd also improving their agent banking activities every year by increasing new agent banking centre's across the country. Also they provide amazing services every day. I believed that one day the Mutual Trust Bank Ltd will be the best agent banking and also general banking service provider in our country.

References:

<https://www.mutualtrustbank.com/agent-banking/>

<https://www.mutualtrustbank.com/>

<https://www.investopedia.com/terms/a/agent-bank.asp>

https://en.wikipedia.org/wiki/Mutual_Trust_Bank_Limited

<https://www.facebook.com/MTB.Agent.Banking/>