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An Internship Report on MTBL: General Banking, HRM Department and Research on how MTBL can lead the Banking industry of Bangladesh

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An Internship Report on MTBL:
General Banking, HRM Department and Research on how MTBL can lead the Banking industry of Bangladesh

By

Rounak Ashrafi
ID: 0820533

An Internship Report Presented in Partial Fulfillment
of the Requirements for the Degree
Bachelor of Business Administration

Mr. Parvez Ahmed Sharif
Lecturer
School of Business
Independent University, Bangladesh

April 2012

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General Banking, HRM Department and Research on how MTBL can lead the Banking industry of Bangladesh

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Has been approved by

Mr. Parvez Ahmed Sharif
Lecturer
School of Business
Independent University, Bangladesh
April 2012

April 28, 2012

Mr. Parvez Ahmed Sharif

Lecturer

School of Business

Independent University, Bangladesh (IUB)

Subject: **Letter of Transmittal**

Dear Sir,

I would like to take this opportunity to thank you for the guidance and support you have provided me with during the course of this report. Without your help, this report would not have been possible to complete. With deep gratitude, I also acknowledge the help provided by **D.A.N.M Mustafizur Rahman, Vice President & Manager, Mutual Trust Bank Limited Bashundhara Branch,** for providing me with utmost supervision during my internship in the Bank.

I would really appreciate if you would enlighten me with your thoughts and views regarding the report. Also, if you wish to enquire about an aspect of my report, I would gladly answer your queries.

Thank you again for your support and patience.

Yours Sincerely,

_____

Rounak Ashrafi

ID: 0820533

ACKNOWLEDGMENT

It is a great pleasure and humble opportunity for me that I am assigned for doing my internship in MTBL. During my Internship, I have been fortunate to get the support, assistance and encouragement from a number of individuals. Firstly, I would like to express my grateful appreciation to almighty Allah for enabling me to complete this internship program successfully.

I want to convey my heartfelt respect and cordial thanks to **Mr. Parvez Ahmed Sharif , Lecturer, Independent University Bangladesh**, to give an opportunity to carry out my internship and I also like to thank for his generous cooperation and constant guidance that made me really confident about the desired outcome of my internship project.

I am grateful to **D.A.N.M Mustafizur Rahman, Vice President & Manager, Mutual Trust Bank Limited Bashundhara Branch** for his invaluable support and guidance that led to the successfully completion of my internship project.

Finally, my special thanks go to the whole team of MTBL for their continuous support, inspiration and giving me the opportunity to deal with different suppliers.

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2.0 Company Overview

2.1 History:

The Company was incorporated on September 29, 1999 under the Companies Act 1994 as a public company limited by shares for carrying out all kinds of banking activities with Authorized Capital of Tk. 38,000,000,000 divided into 38,000,000 ordinary shares of Tk.100 each.

As envisaged in the Memorandum of Association and as licensed by Bangladesh Bank under the provisions of the Banking Companies Act 1991, the Company started its banking operation and entitled to carry out the following types of banking business:

- All types of commercial banking activities including Money Market operations.
- Investment in Merchant Banking activities.
- Investment in Company activities.
- Financiers, Promoters, Capitalists etc.
- Financial Intermediary Services.
- Any related Financial Services.

The Company (Bank) operates through its Head Office at Dhaka and 67 branches. The Company/Bank carries out international business through a Global Network of Foreign.

In 14th December of 2011 Mutual Trust bank Limited has opened its Bashundhara Branch at Dhaka. It has a total number of 6 employees and 4 office staffs. Mutual Trust Bank Limited: Bashundhara Branch that has authorization to deal with online banking. It is licensed by Bangladesh Bank to transact all types of banking business transaction.

2.1.1 Corporate Vision:

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

2.1.2 Corporate Mission:

To be the bank of 1st choice by creating exceptional value for their clients, investors and employees alike.

2.1.3 Corporate Slogan: "You Can Bank On Us"

2.1.4 Objectives:

The following objectives are set for MTBL:

- To earn and maintain CAMEL Rating "*Strong*".
- To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- To introduce fully automated systems through integration of information technology.
- To maintain adequate liquidity to meet maturing obligations and commitments.
- To maintain adequate control systems and transparency in procedures.
- To develop and retain a quality work-force through an effective human Resources Management System.
- To pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels.

2.2 Company Structure:

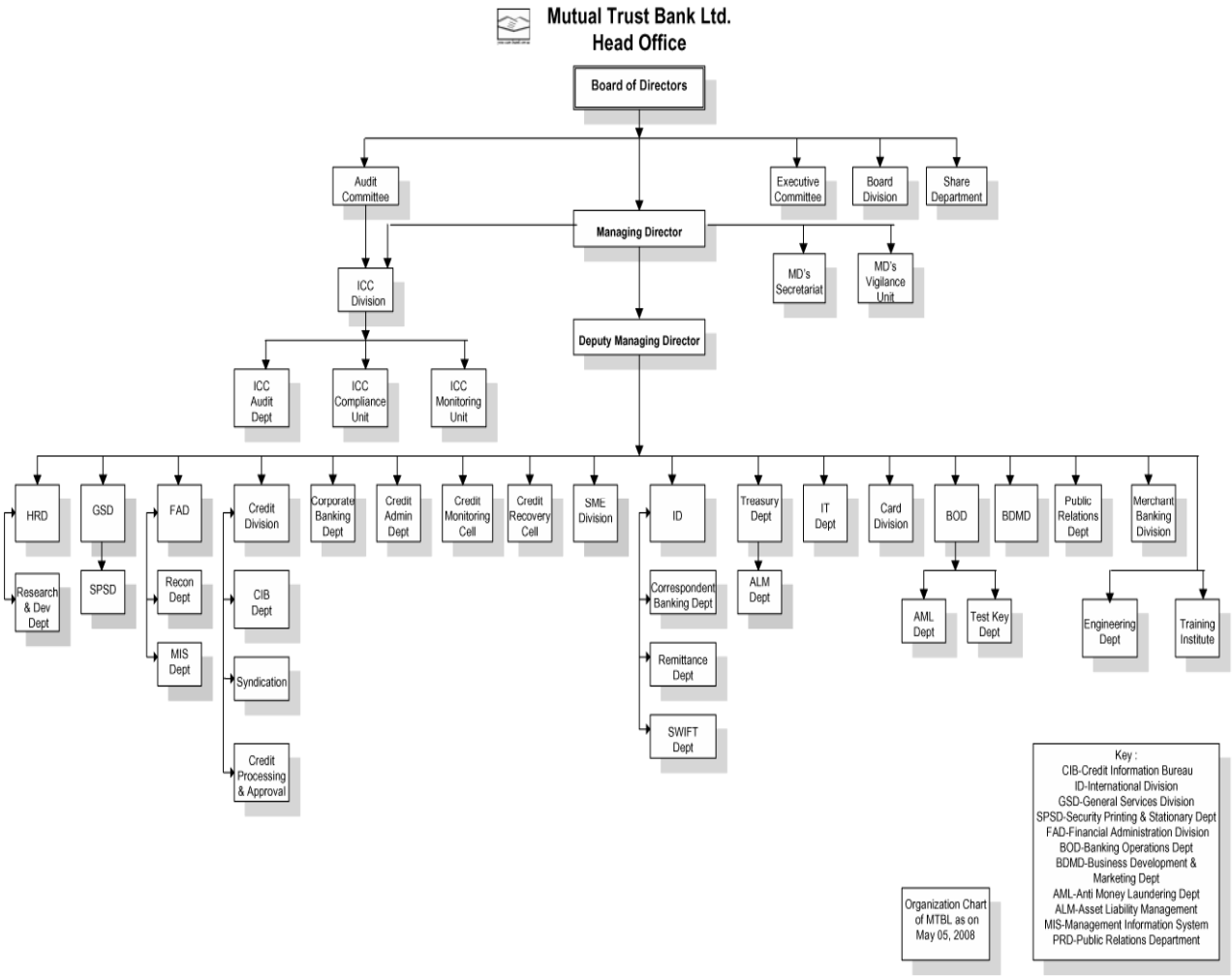
To organizational structure and corporate governance of Mutual Trust Bank Limited Strongly reflect its determination to establish, uphold and gain a stronger footing as an organization, which is customer-oriented and transparent in its management.

2.2.1 Board of Directors

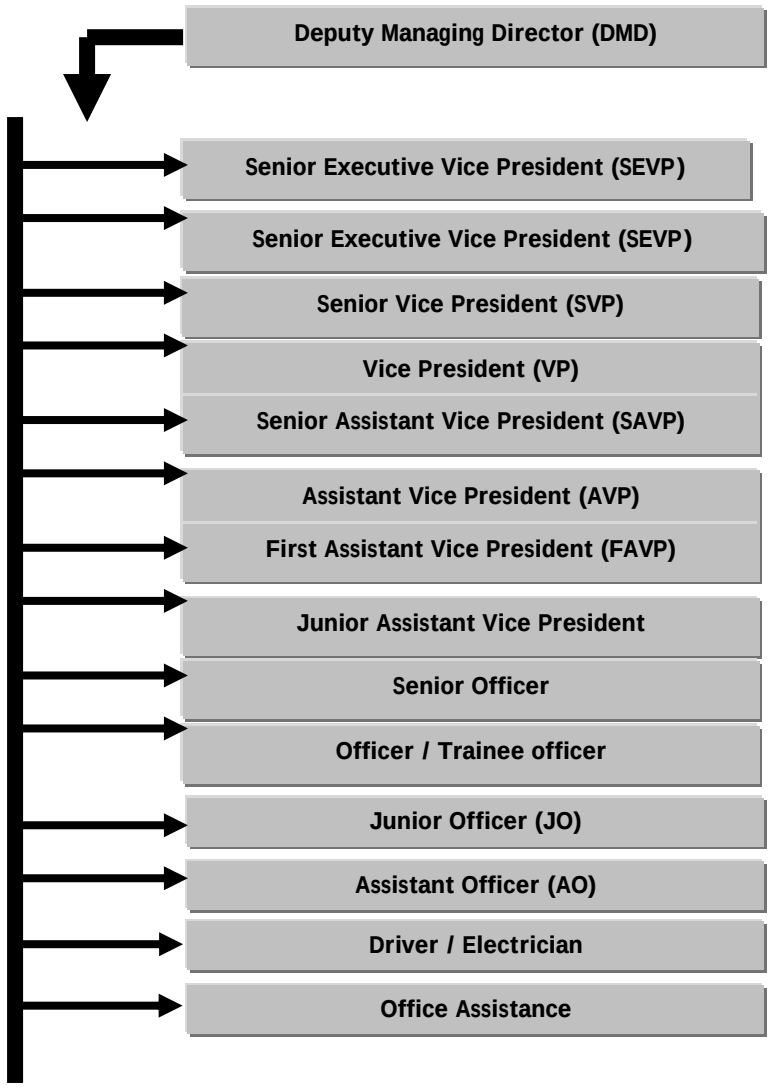
The Board of Directors consists of 15 members elected from the sponsors of the Bank. The Board of Directors is the apex body of the Bank.

Chairman
Vice Chairman
Directors & Sponsors
Managing Director
Company Secretary
Chief Adviser
Tax Advisor
Auditors

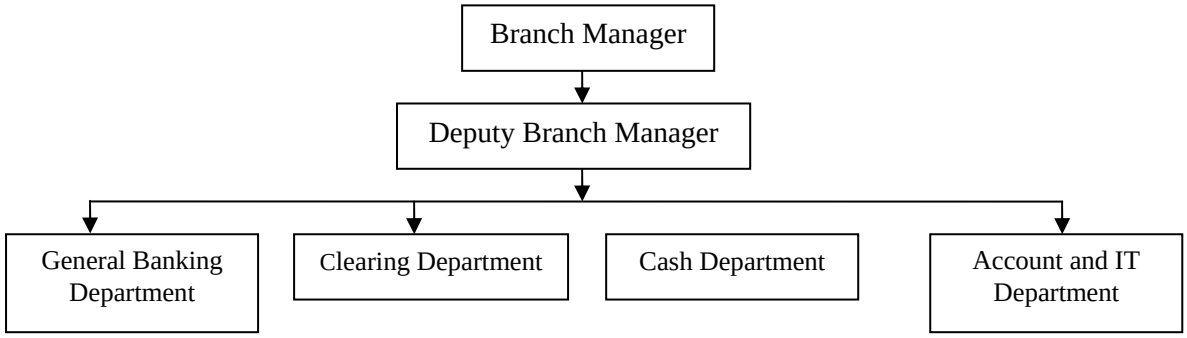
2.3.1 Management Hierarchy:



2.3.2 Organ gram of MTBL:



2.3.3 Branch Organoram:



2.4 Department Overview and Activities:

In this section, researcher will discuss about the branch departments of the Mutual Trust Bank LTD and the activities of those departments. The departments of Mutual Trust Bank LTD divided into four departments and those are:

- General Banking Department
- Clearing Department
- Cash Department
- Accounts Department

Performing the each departmental activity accurately mainly depends on the clear job responsibilities of each department. The job responsibilities of each department are discussed below:

2.4.1 General Banking Department:

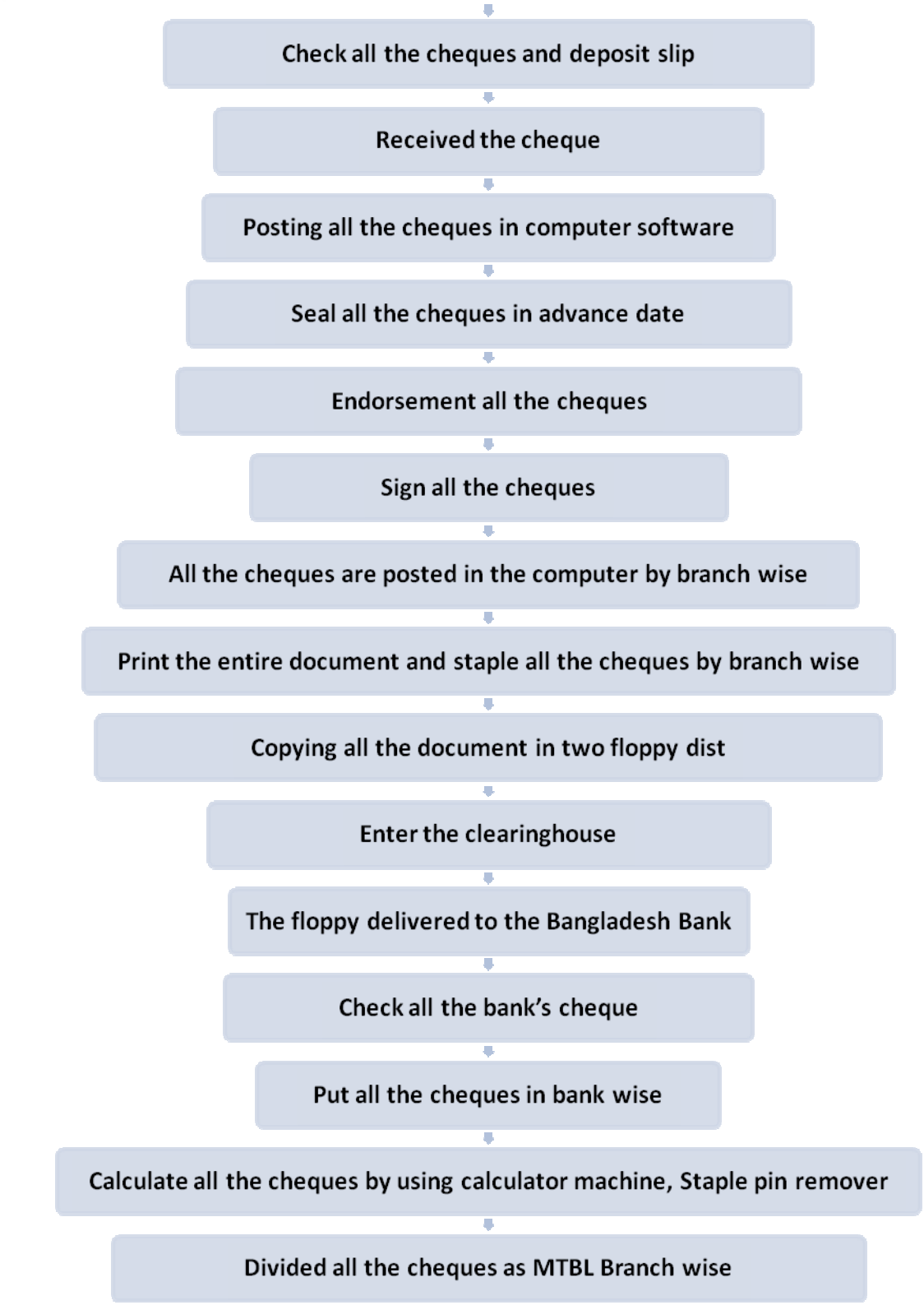
This department mainly gives service to their customer. The officers of this department always solve the problem of their customer. Provide information and aware people about the products of MTBL are the main jobs of the officers.

2.4.2 Clearing Department:

This department is mainly responsible for Inward Clearing, Outward Clearing (send the received cheque to the principal, data entry, Transfer (cut the charge for some purpose), Pay Order Adjust, Pay Clip Adjust and OBC (Outward Bill for Collection).

Every bank has an officer in clearinghouse who works with Bangladesh Bank clearing house. Actually most of major client deposit their account in different kinds of bank cheques.

Process diagram of clearing cheques



2.4.3 Cash Department:

The main functions of cash department are receive the money, verified the notes, pay the money, when branch need money, this department collect money from principal branch, and when branch has excess of money, send the money to the principal branch.

2.4.4 Accounts Department:

The accounts department performs daily functions of collecting and accounting for taxes, receipt of grants and other income, preparing deposits, account analysis, payroll, and processing purchase orders, check requests, paying vendors, monitoring and reporting on grants and budgets and various other projects to assist tribal members, staff and directors with accounting administration. The main functions of Accounts are budget preparation, procurement & payment, payroll, financial Statements, account analysis, monthly, half yearly and yearly closing interest updated, Govt. vat and tax send to the Head Office and IT related jobs.

03. Product and services

The products and services of MTB are designed to satisfy all clients, regardless of how big or small they may be.

3.1 General Products are:

- ✓ Current Deposit:
- ✓ Savings Deposits
- ✓ Short Term Deposits
- ✓ Fixed Deposits

3.2 MTB Consumer Banking Products are (saving category):

Products	Description
3.2.1 Brick by Brick Savings Scheme	Monthly Installment for 3 Years* 5 Years* 8 Years* 10 Years*
3.2.2 MTB Monthly Benefit Plan	Deposit Amount, Income Amount for 3-year plan* Income Amount for 5-year plan*
3.2.3 Save Everyday Plan	Free to choose your own time for depositing money into this account. You can deposit daily, weekly or monthly.

3.2.4 MTB Education Plan	Monthly Installment for 4 Years* 7 Years* 9 Years*
3.2.5 MTB Inspire	Interest calculated on daily basis and paid monthly, Free Debit Card, Free internet banking, Online banking facility across MTB branches and access to largest ATM network
3.2.6 MTB Ruby	Interest will add on daily basis and it will be credited monthly, Higher interest rate, Minimum account opening balance is Tk 10,000. Minimum daily qualifying balance to earn interest is Tk 10,000, No debit card fee for 1st year, Free Internet Banking
3.2.7 MTB Junior	Attractive interest rate, Free debit card, Free internet banking, No account maintenance fee.
3.2.8 MTB Graduate	Attractive interest rate, Interest adds on daily and pays out monthly , Free debit card, Free internet banking, No account maintenance fee
3.2.9 MTB Senior Pleasure of Seniority	Interest adds daily, payment comes monthly, Life time free Debit card, Higher interest rate than regular savings rate, Discount on locker charge, Free cheque Books, Free internet Banking

3.3 Customized Products are:

Products	**Description**
3.3.1 Double Saver Plan	Deposit Amount Maturity Value after 6 Years*
3.3.2 MTB Triple Saver Plan	Deposit Amount Maturity Value after 11 Years*
3.3.3 MTB Millionaire Plan	Monthly Installment for 5 Years* 7 Years* 9 Years* 15 Years *20 Years
3.3.4 MTB Unique Savings Plan	Unique Savings Plan offers to deposit any amount but not less than Tk. 500/- for 3/4/5 years. This is a high income plan with withdrawal facilities.
3.2.5 MTB Senior Pleasure of	A saving account for senior Citizens. Interest adds daily,

Seniority:	payment comes monthly, Life time free Debit card. Higher interest rate than regular savings rate. Discount on locker charges. Free cheque Books. Free internet Banking.
3.2.6 MTB Inspire:	Interest calculated on daily basis and paid monthly, Free debit card, Free Internet banking, Unlimited transactions, Online banking facility across MTB branches and access to the largest ATM network.

4.0 Network & Software in MTBL

The Bashundhara Branch of MTBL is not so big branch. Amount of tasks are directly related with IT. It is an online bank so that all computers of the branch are connected to each other through a server computer. The computer also connected with the main server of Head Office. All departments of the branch use Flora software and for clearing purpose they use NIKASH software.

4.1 NIKASH software:

NIKASH is software which developed for entering and processing of clearing house data. This program is written under FoxPro database program. All banks are using this software for clearing purpose. This operation manual describes the 1st house menu, receipt menu, payment menu; return house menu, clearing menu, maintenance menu and exit menu to prepare data diskette for clearing house. All necessary code file are include in this software.

Currently they have changed their application program to another bank software called Flora.

4.2 Flora Software:

Flora is in-house banking software. Almost every bank in Bangladesh uses this software. MTBL bought this software from Flora Ltd. Its requirement is Win NT platform. This software is use in every department of the branch; like –front desk, cash, credit, accounts, clearing, foreign exchange etc. Flora Bank SMS banking and tele-banking services would allow customers to do balance checking, make payment utility bills and other permissible banking transactions using their mobile phone. Flora Bank also has Islamic version to cater Islamic Banking operations.

05. Job Responsibilities as an Intern at MTBL

I have done my internship at MTBL Bashundhara Branch. I worked under general banking and HRM department. During the period I have learned a lot. I have learned the differences between the academic learning and practical learning. The Intern post of MTBL is basically a training period of three months which includes assisting in sorts of works which are given below:



5.1 General Banking

General banking consists of the many sections in the branch. These are:

5.1.1 Customer Services of MTBL :

Professional merit and Competency, Flexibility, Determination and Dedication are the core resources that MTBL consider to be of paramount importance for building a client oriented modern banking. Customer satisfaction is MTBL foremost professional undertaking. Therefore, a satisfied client is MTBL precious product and they consider them MTBL ambassador in the market.

5.1.2 Account Opening of MTBL:

According to the Law and Practice the Banker Customer relation arises only from contract between the two. And opening of Account is the contract that establishes the relationship between a banker and a customer. So this section plays a very important role in attracting customer and therefore should be handled with extra care.

Account Opening Procedure in a flow chart:

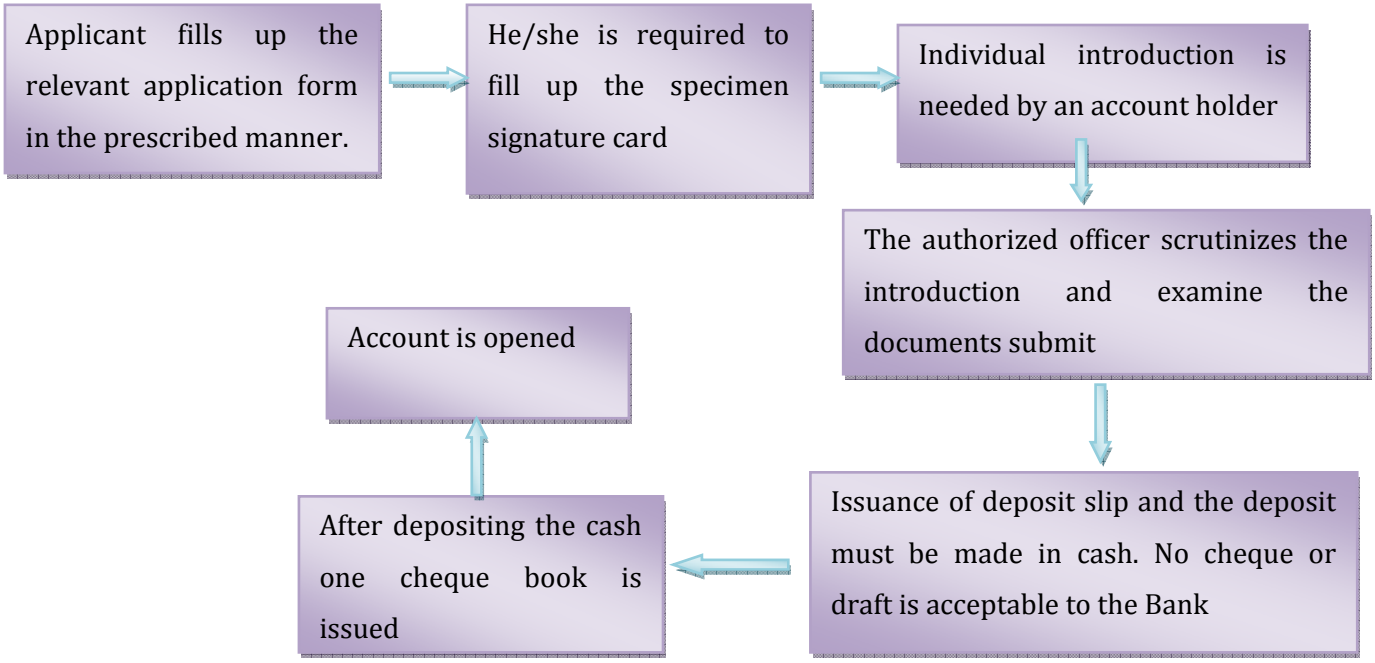
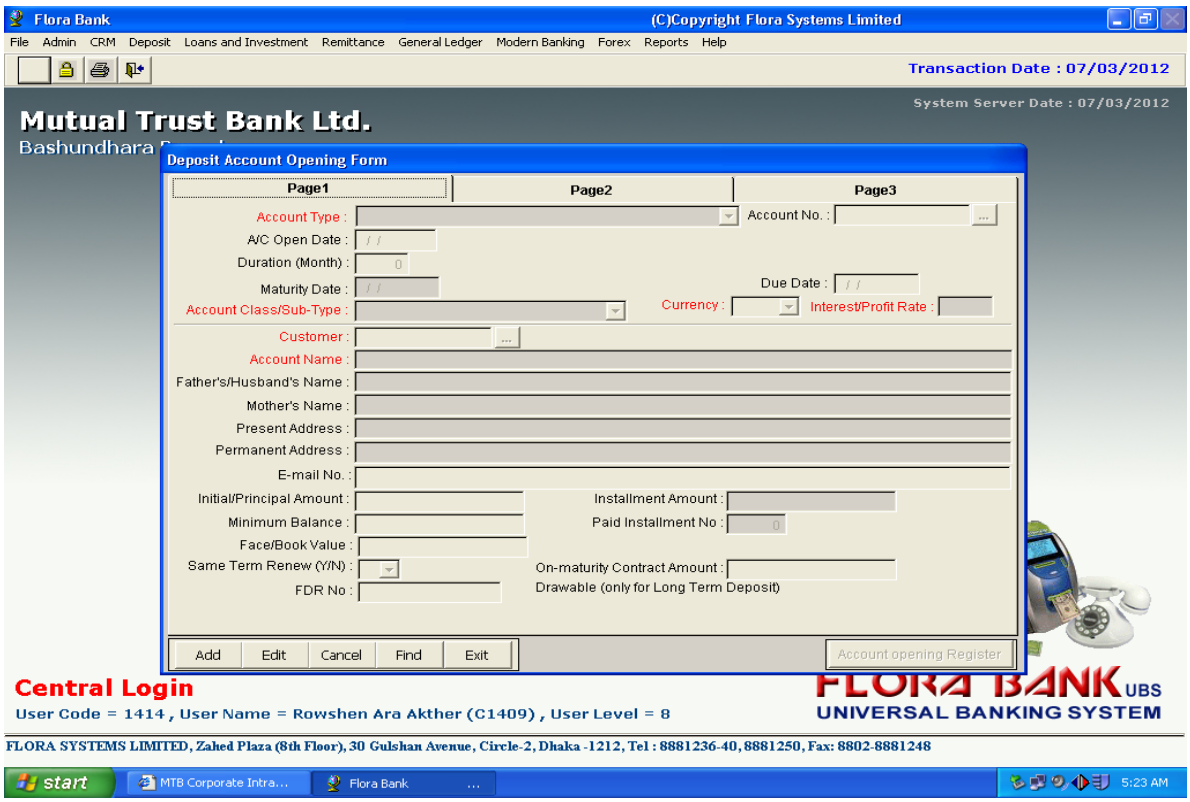
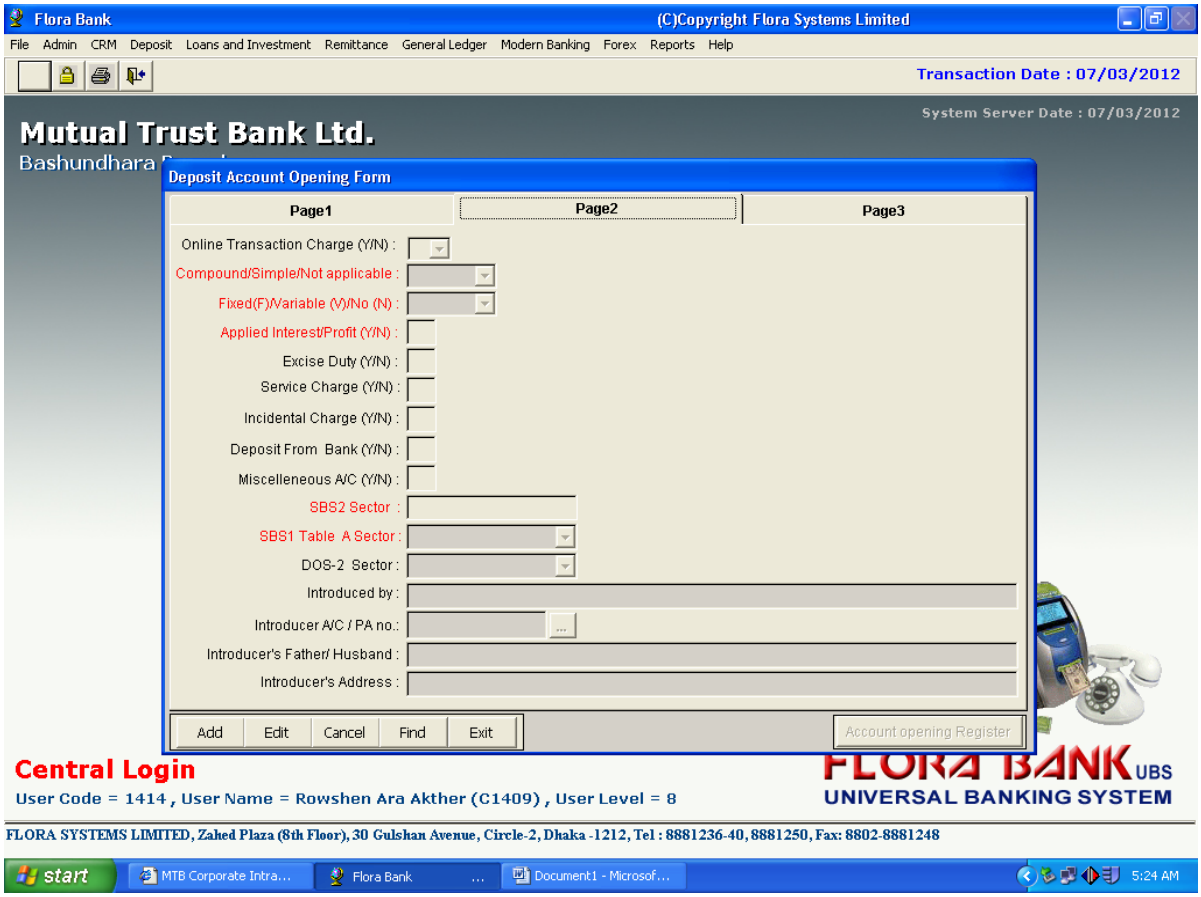
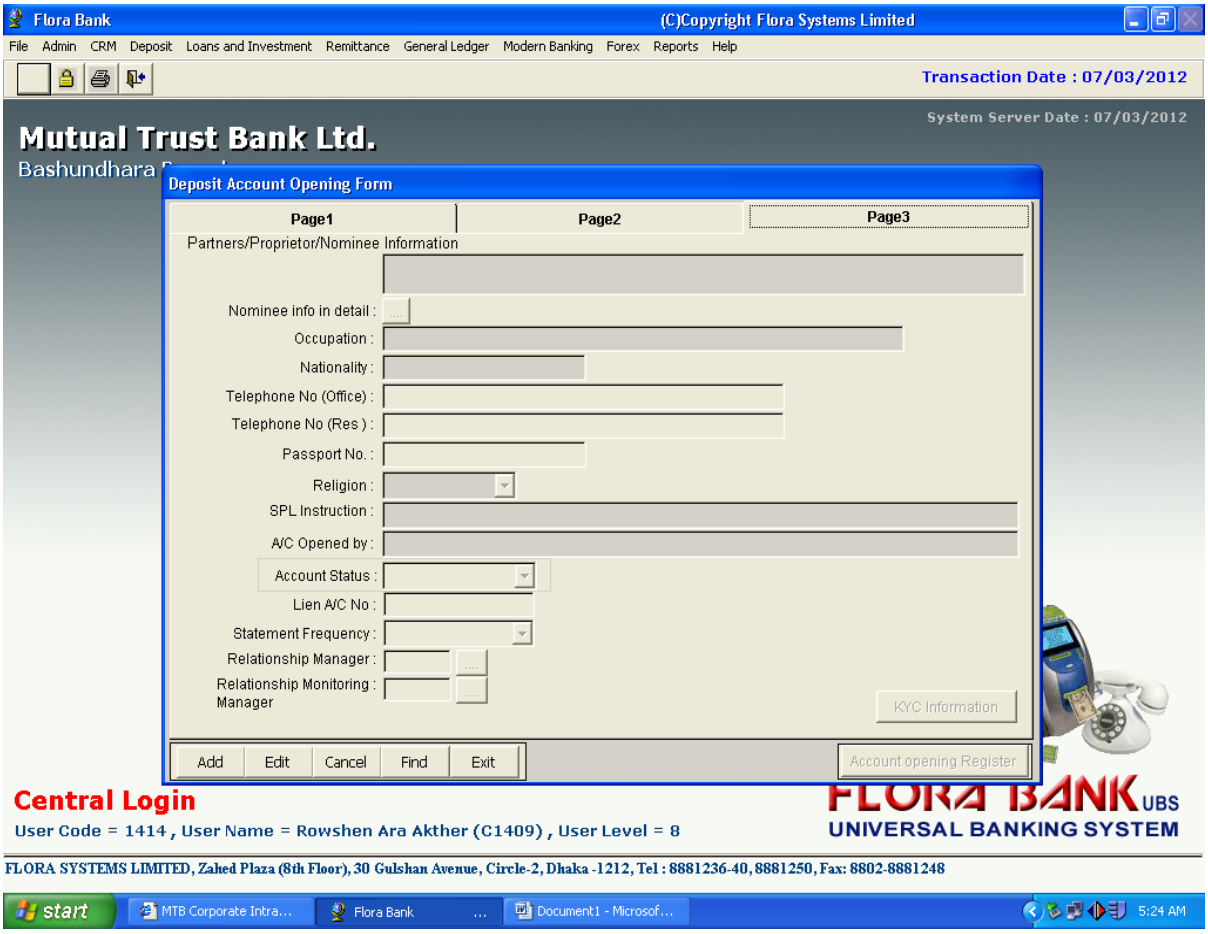


Figure: A/C Opening Process

Data input form in flora software:




Flora Bank
(C)Copyright Flora Systems Limited
File Admin CRM Deposit Loans and Investment Remittance General Ledger Modern Banking Forex Reports Help
Transaction Date : 07/03/2012
System Server Date : 07/03/2012
Mutual Trust Bank Ltd.
Bashundhara
Deposit Account Opening Form
Page1
Page2
Page3
Online Transaction Charge (Y/N) :
Compound/Simple/Not applicable :
Fixed(F)/Variable (V)/No (N) :
Applied Interest/Profit (Y/N) :
Excise Duty (Y/N) :
Service Charge (Y/N) :
Incidental Charge (Y/N) :
Deposit From Bank (Y/N) :
Miscelleneous A/C (Y/N) :
SBS2 Sector :
SBS1 Table A Sector :
DOS-2 Sector :
Introduced by :
Introducer A/C / PA no.:
Introducer's Father/ Husband :
Introducer's Address :
Add
Edit
Cancel
Find
Exit
Account opening Register
Central Login
User Code = 1414 , User Name = Rowshen Ara Akther (C1409) , User Level = 8
FLORA BANK UBS
UNIVERSAL BANKING SYSTEM
FLORA SYSTEMS LIMITED, Zahed Plaza (8th Floor), 30 Gulshan Avenue, Circle-2, Dhaka -1212, Tel : 8881236-40, 8881250, Fax: 8802-8881248
start
MTB Corporate Intra...
Flora Bank
Document1 - Microsof...
5:24 AM


Flora Bank
(C)Copyright Flora Systems Limited
File Admin CRM Deposit Loans and Investment Remittance General Ledger Modern Banking Forex Reports Help
Transaction Date : 07/03/2012
System Server Date : 07/03/2012
Mutual Trust Bank Ltd.
Bashundhara
Deposit Account Opening Form
Page1
Page2
Page3
Partners/Proprietor/Nominee Information
Nominee info in detail :
Occupation :
Nationality :
Telephone No (Office) :
Telephone No (Res) :
Passport No. :
Religion :
SPL Instruction :
A/C Opened by :
Account Status :
Lien A/C No :
Statement Frequency :
Relationship Manager :
Relationship Monitoring Manager :
KYC Information
Add
Edit
Cancel
Find
Exit
Account opening Register
Central Login
User Code = 1414 , User Name = Rowshen Ara Akther (C1409) , User Level = 8
FLORA BANK UBS
UNIVERSAL BANKING SYSTEM
FLORA SYSTEMS LIMITED, Zahed Plaza (8th Floor), 30 Gulshan Avenue, Circle-2, Dhaka -1212, Tel : 8881236-40, 8881250, Fax: 8802-8881248
start
MTB Corporate Intra...
Flora Bank
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5.1.3 Account Closing:

For two reasons, one account can be closed. One is by banker and other is by the customer.
By banker: If any customer doesn't maintain any transaction within six years and the A/C balance becomes lower than the minimum balance, banker has the right to close an A/C.
By customer: If the customer wants to close his A/C, he writes an application to the manager urging him to close his A/C. **Different procedures are followed in cash of different types of A/C to close.**

5.1.4 Locker Service:

MTBL Bashundhara Branch is providing facility of locker service for the purpose of safeguarding the valuable property of customers. The person or organization that has any account in bank branch can enjoy this service. They keep their valuable assets in banker's custody. Customers have right to look after with a key of their individual locker provided by bank. MTBL maintains the following types of lockers:

- ✓ Large locker.
- ✓ Medium locker.
- ✓ Small locker.

For enjoying this service, clients have to give charge yearly Tk.2500/-, Tk.2000/- and Tk.1500/- for large, medium and small locker respectively.

5.1.5 Accounts Department:

Accounts Department is play most vital role in Banking. Accounts Department is a department with which each and every department is related. It records the profit & loss A/C and statement of assets and liabilities by applying "Golden Rules" of book-keeping. The functions of it are theoretical & computerized based. MTBL Dilkusha Branch records its accounts daily, weekly, and monthly every record. Basically Accounts Department is not alone. Accounts department is a mix of as follows:

1. Cash
2. Transfer
3. Clearing

Performance Graph of General Banking Department:

In FY 2011, the deposits of MTBL shot up to TK. 12704.90 million from TK. 9314.65 million as recorded in FY 2010. During this period, the deposit base was increased by 36.40% compared to the preceding year. The combination of competitive interest rates, depositors' trust in the bank and mobilization efforts of the bank resulted in this growth of deposits. Efforts are made to further increase deposit base of the bank through promotion of business and exploring of potential scope.

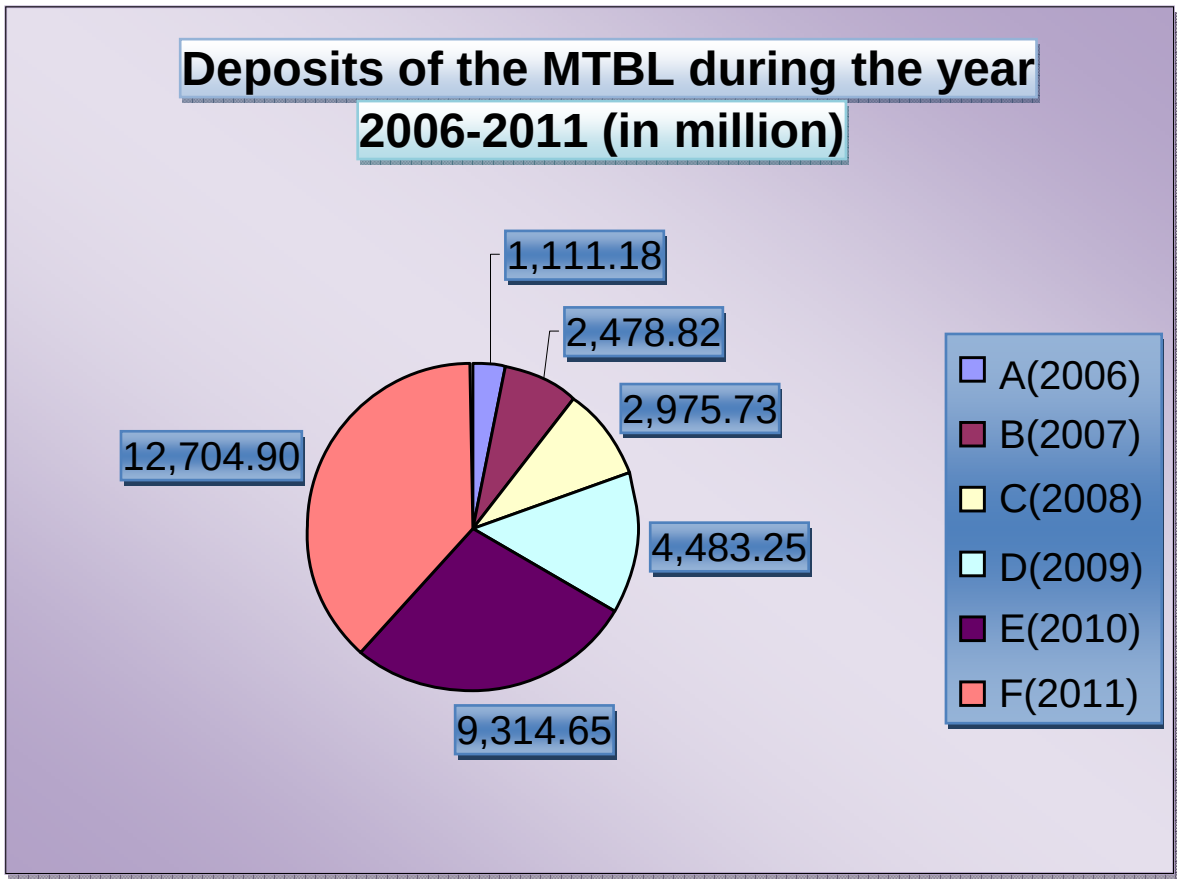
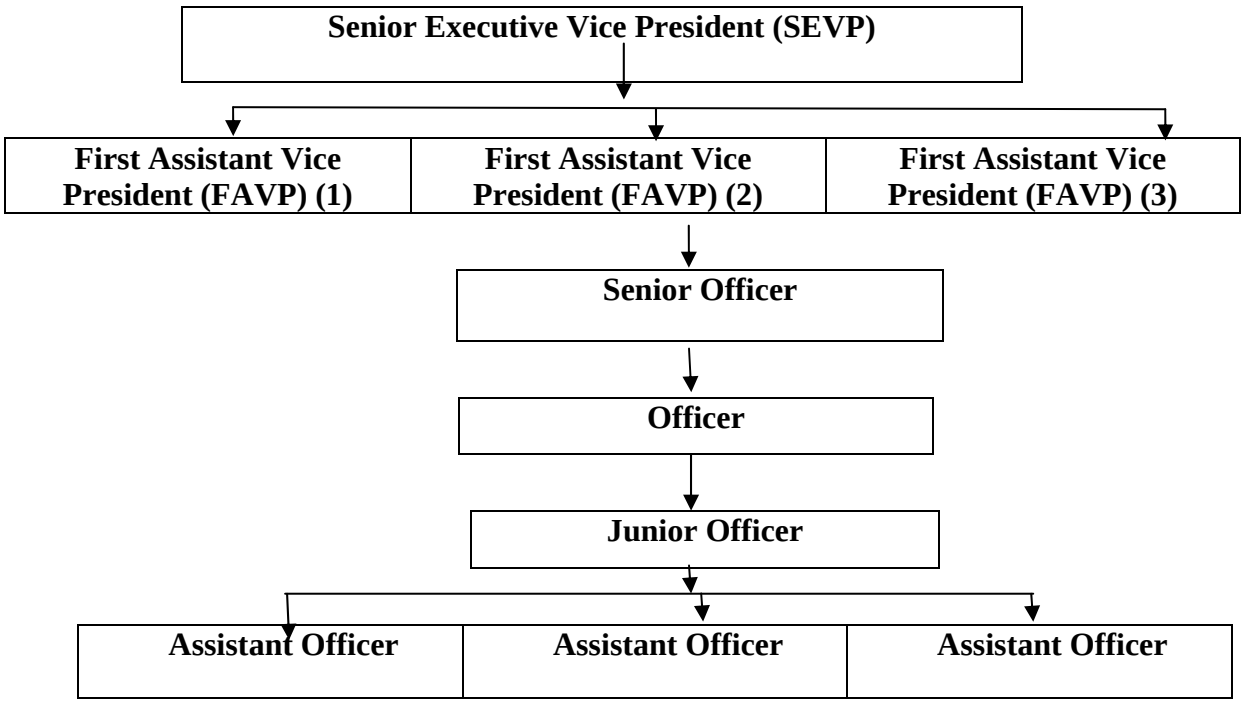


Figure : Deposit graph of MTBL

5.2 Human Resource Management of Mutual Trust Bank

Human resource development and management has been proved as one of the most critical aspects of attaining organizational effectiveness. Human Resource Management (HRM) is concerned with the 'people dimension in management'. Mutual Trust Bank Limited. Since its inception, has placed equal emphasis on all the four key functions of the processor HRM-acquisition, development, motivation and retention. The various programs undertaken by the Mutual Trust Bank to enrich the quality of human resource are mainly aimed at increasing professional knowledge and skill levels of employees through training and development, in order to form a well-equipped work force for providing excellent services to the customers.

HRM Hierarchy:



5.2.1 Human Resource Functions:

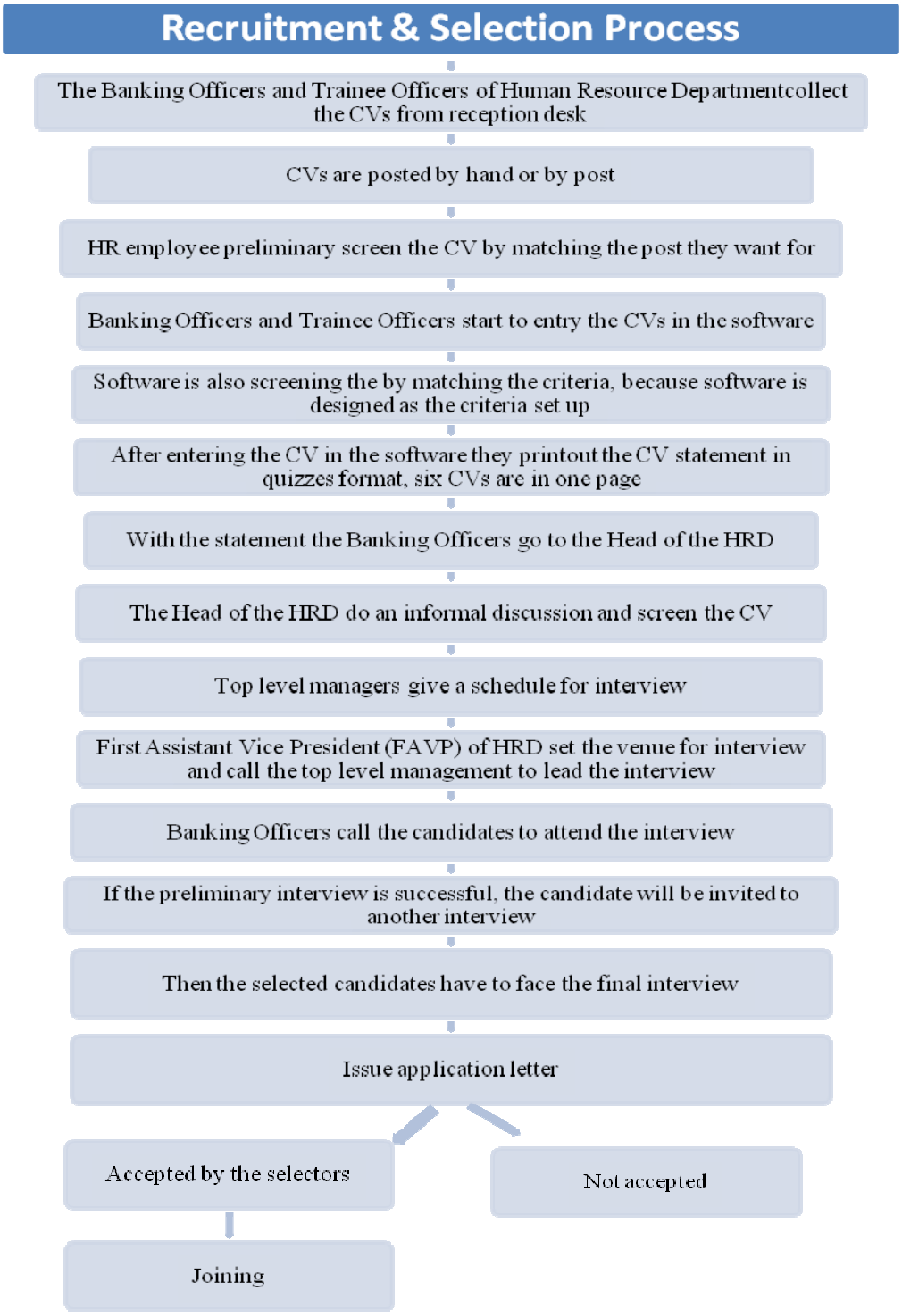
5.2.1.1 Job Requirement Analysis:

For effective recruitment and selection HR personnel of Mutual Trust Bank Limited does job Requirement analysis at first. In which post they need how many employee(s), what should be qualification of that employee(s), in which time they need the employee(s), for rural branch or out side of Dhaka branches from where they have to recruit employee(s) etc. Without this requirement analysis an organization can not run effectively and efficiently.

5.2.1.1.1 Recruitment & Selection Process:

Management Trainee recruitment process is different than other employee. In case of Management Trainee Mutual Trust Bank takes written examination. Other employee's recruitment processes are as follows.

After advertising the newspapers and online sites:



It is not set that, there will be three interviews. It could be four or more, depends on situation and post.

5.2.1.1.2 Joining:

After selecting from the recruitment process bank offer the candidate to join the bank. If candidate agree to join, the bank then gives him/her appointment letter.

- ✓ In appointment letter the date of joining, which document should be attached, salary parameters are mentioned. With the reference of appointment letter within the joining date the candidate have to come in the Human Resource Department (HRD) in the Corporate Office.
- ✓ The Banking officer of the Human Resource Department (HRD) processes the joining. The candidate has to fill up a joining form, in which there are personal information, references, nominees name and percentage of given power of provident fund etc.
- ✓ S/he has to sign the Code of Conduct, and submit a joining letter and a confirmation letter.
- ✓ Banking Officer verifies his\her certificates, and collect nationality and medical certificates.
- ✓ In terms of some employee like Management Trainee, they have to sign bond to join the service. These all documents will enclose in his/her personal file.
- ✓ After collecting all the documents Banking Officer creates the candidate's personal file and go to the Head of the HRD and DMD to accept his/her joining.
- ✓ After accepting his/her joining, now the candidate becomes an employee and Human Resource Department (HRD) gives him/her a posting order.
- ✓ In that posting order the branch and date of joining are mentioned. With the reference of that posting the employee have to report the mentioned Branch Manager within the mentioned date.

5.2.1.1.3 Posting and Transfer:

An employee first joins in the Human Resource Department (HRD) in the Corporate Head Office. After accept his/her joining s/he is posted to Branch Office. Before to get the posting order employee doesn't know in which Branch s/he will be posted. All jobs are transferable in this Mutual Trust Bank. The Competent Authority has the right to transfer employees of the Bank from one department to anther department or from one branch to another branch of

the Bank. Human Resource Department keeps one copy of posting in employee's personal file and the copy of posting order distribute among employee, the FVP and manager of employee's branch, DMD and head of Corporate Affairs and Administration, Managing Director's Secretariat Mutual Trust Bank Limited the FVP and manager of branch where employee will be posted and IT Department.

5.2.2 Performance Evaluation System

5.2.2.1 Annual Confidential Report (ACR):

Annual Confidential Report (ACR) is the evaluation report on the work performance and personal skills. In an ACR report there will be the basic information like employee's personnel information, period of evaluation start to end, remarks (if any), rater name etc. This evaluation based on five-scale like (Below average 1, average 2, good 3, very good 4 and outstanding 5). Mutual Trust Bank evaluates two factors, one is personal traits and other is performance factors.

In personal traits evaluation there are ten things.	**In performance factor there are also ten things**.
1. Discipline and Punctuality	1. Professional Knowledge
2. Initiative and Drive	2. Improving Corporate Culture
3. Team Spirit	3. Decision making ability
4. Intelligence, Diligence and Alertness	4. Ability of visualize and plan
5. Honesty, Integrity and Sincerity	5. Ability to act on emergent situation
6. Interpersonal Relationship Skill	6. Ability to implement decisions
7. Creativity and Innovations	7. Ability to guide and create team work
8. Flexibility	8. Communication Skills
9. Loyalty and Devotion	9. Customer Relationship
10. Fitness	10. Acquaintance with technological improvement

An employee has not any right access to his/her ACR, but s/he will be informed; so that s/he can correct/improve/rectify himself/herself from his/her weaknesses if s/he has any. After finishing the Annual Confidential Report (ACR) in paper HR department enter those reports in the database.

5.2.2.2 Confirmation of Service:

When an employee joins in the service s/he will remain under provision of one year. If the employee performs satisfactory in his/her job s/he will confirm of his/her service and that is normally a promotion. For example, one employee joins as a Teller or Trainee Officer, if his/her performance is satisfactory then s/he will confirm as Banking Officer (BO). If the employee's performance is not satisfactory then the bank can extent the provision or can confirm as Teller or Trainee Officer.

5.2.2.3 Policy:

Leave Fare Assistant is the fifteen days leave with one month gross salary amount. Payment and this payment will not count in monthly salary. After one year of confirmation of service every employee will get this facility for every year. For mental and physical recreation of employee Mutual Trust Bank provides this facility and this mandatory for an employee. Leave Fare Assistant is payable to the employees or their nominee(s) who are not in the payroll of the bank on the date of payment due to retirement/death. With the provision that those who have completed one full year of service in the Bank before the date of payment will receive entire amount of LFA and others not completing one full year on the date of payment will receive LFA proportionate to his/her period of service during the concerned year.

5.2.2.4 Performance Evaluation:

The criteria for promotion to a specified post usually merit-cum-seniority. A person will be eligible foe promotion if he has the satisfactory records of service, meets the criteria for promotion, and has clear recommendation for promotion in his/her ACR. If there is any departmental proceeding in underway against him/her or any penalty other than censure or warning has been imposed on him/her within the last three years then the employee will not be promoted. In terms of every promotion the employee has to face interview board. There are number of years to become eligible for promotion from the ranks mentioned below to the next higher ranks:

- ✓ **Post Eligibility for Promotion:**

Officer Two years experience as Junior Officer or one year's experience as Probationary Officer selected through competitive test.

5.2.3 Training:

Training is the processes of teaching the employee the skill for their better act upon on the job. Training is very helpful for the employees for their better performance. There are many methods of training, but in the banks of Bangladesh two methods are commonly used,

- ✓ Lecture
- ✓ On-the-job training.

01. Many institute and banks like BIBM, IBA, World Bank, Asian Development Bank, Bangladesh Bank, Citi Bank etc arrange varies kind of training.

02. Lots of banks of Bangladesh have their own training institute and other banks employee can participate in that training.

03. Mutual Trust Bank employees also participate in session hosted by other banks.

04. Mutual Trust Bank doesn't have its own training institute but this bank arranged many type of training in its corporate office and other banks employees can contribute these trainings.

05. A number of trainings are specific for specific department like Awareness of fake money, money laundering, Q-cash debit card are compulsory for cash department employees.

5.2.4 Compensation Structure of Mutual Trust Bank

5.2.4.1 Indirect Compensation:

Indirect compensation refers to non-monetary benefits offered and provided to employees in lieu of the services provided by them to the organization. They include Leave Policy, Overtime Policy, Car policy, Hospitalization, Insurance, Leave travel Assistance Limits, Retirement Benefits, Holiday Homes.

Following kinds of leave allowable to employees of the bank:

- ✓ **Earn Leave:**
- ✓ **Disability Leave:**
- ✓ **Maternity Leave:**
- ✓ **Casual Leave:**

5.2.4.2 Direct Compensation:

Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc. They are given at a regular interval at a definite time.

5.2.4.2.1 Pay and Allowance:

- President and Managing Director to Banking Officer the salary breaks down are Basic pay, House Rent Ceiling, Conveyance Allowance, Medical Allowance and Entertainment Allowance. Here House Rent Ceiling is 54%, Conveyance Allowance is 26%, Medical Allowance is 10% and Entertainment Allowance is 10% of basic salary. Tellers and Trainee Officers are got Consolidated Salary only, because they are on provision period.
- Top level Officers from President and Managing Director to First Assistant Vice President (FAVP) got extra charges like House Maintenance, Utilities and Car Maintenance. Deputy Managing Director (DMD) and Senior Executive Vice President (SEVP) got Electricity, Gas, Telephone and Domestic Aids also.
- President and Managing Director to Executive Vice President (EVP) got direct car from the bank. From Senior Vice President (SVP) to First Assistant Vice President (FAVP) got Car Loan facility. And President and Managing Director to First Assistant Vice President (FAVP) got House Loan also. These loan special for bank staff only, and the name of these loan are Staff Car Loan, Staff House Building Loan. The bank takes only 7% interest on these loan.
- Group Insurance facilities will get the entire confirmed employee. This insurance basically health insurance and will get facilities on only hospitalization. In this insurance officers and executives will get the benefit of one spouse and two children.

5.2.4.2.2 Kinds of Terminal Benefits

- ✓ **Festival Bonus**
- ✓ **Performance Bonus**
- ✓ **Cash reward**
- ✓ **Rewards based on special curriculum achievement**

- ✓ **Annual Increment**
- ✓ **Travel allowance and Daily Allowance**

5.2.5 HR Policies

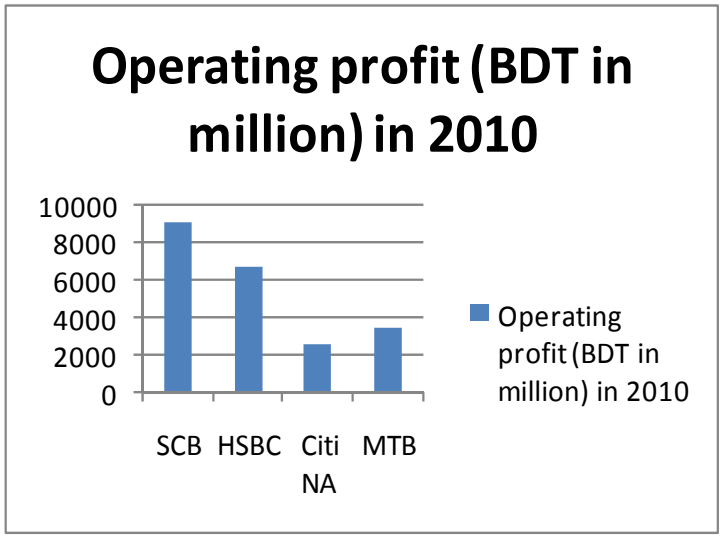
01. Gratuity Scheme for Employees
02. Travel & Daily Allowance (Domestic)
03. Travel & Daily Allowance (Foreign)
04. Newspaper for Exe & Br Managers
05. Mobile Phones for Employees
06. Mobile Phones (Blackberry Solution)
07. Incentive for IBB Diploma Holders
08. Medical Assistance Fund
09.Welfare Fund Rules
10.Executives' Car Policy
11. Motor Pool Policy
12. MTB Anti-Harassment Policy

06. Research Area

How MTBL can be a leading Bank in Bangladesh maintaining Multinational firm standard like HSBC Bank

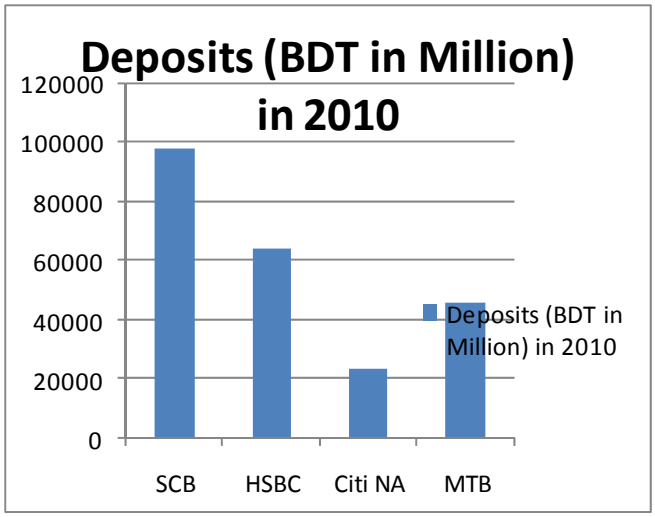
Before getting into the details of my research topic I would like to give an industry standard of MTBL in respondent to several banking entities.

6.1 Industry standard



6.1.1 Comparison in terms of operating profit:

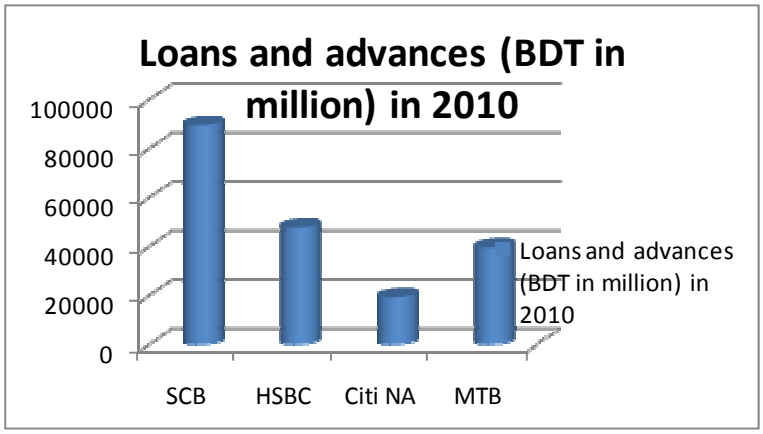
In 2010, SCB earned the highest amount of operating profit among the banks. HSBC has the second position. MTB is the third. It earned better than Citi NA in terms of operating profit.



6.1.2 Comparison in terms of Deposits:

In 2010, SCB collected highest amount of Deposits among the banks which was BDT 98,000 million, where as other FCBs like HSBC, Citi bank collected BDT 63,983, BDT 23,387 million respectively. As a local bank, Mutual Trust Bank Limited collected BDT 45846 million which is better than Citi bank

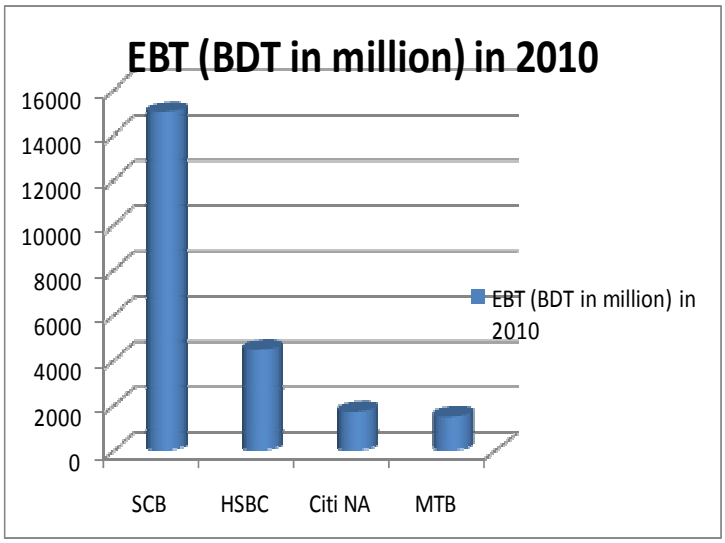
6.1.3 Comparison in terms of loans and advances



In terms of loan and advances, SCB is the first. HSBC is the second and MTB is third. Citi NA has the last position among the banks.

6.1.4 Comparison in terms of Earning Before Tax (EBT):

From the bar graph, we can see that among the banks SCB has the highest EBT in 2010. Other three banks are no where near. But comparing with HSBC and Citi bank, MTB is doing well.



So, comparing with the other foreign bank, Mutual Trust Bank is not that much good. But as a local bank, the performance of the bank in terms of operating profit, deposits, loan and advances and EBT is very satisfactory. This bank has potentiality. It can increase its performance to international standards.

6.2 Introduction

Mutual Trust Bank Limited was incorporated on September 29, 1999 under the Companies Act 1994 as a public company limited by shares for carrying out all kinds of banking activities with Authorized Capital of Tk. 38,00,000,000 divided into 38,000,000 ordinary shares of Tk.100 each.

Mutual Trust Bank Limited operates through its Head Office at Dhaka and 76 branches. The Bank carries out international business through a Global Network of Foreign Correspondent Banks.

In Bangladesh, the HSBC Group's history dates back to 1996 when The Hongkong and Shanghai Banking Corporation (HSBC) Ltd opened its first branch. Today, the HSBC Group offers a comprehensive range of financial services in Bangladesh including commercial banking, consumer banking, payments and cash management, trade services, treasury, and custody and clearing.

6.3 Statement Of The Problem

A multinational firm is blessed with immense structural resources. These resources function as a sustainable competitive advantage for them on a long term basis. This is found to be a challenge for the local firms that the management has to deal with on daily basis. Therefore, local firms are failing to keep their pace with the competition and failing to ensure their growth wise sustainability. How a local firm can deal with the competitive threats from the international firm - is the key area of concern for this study.

6.4 Purpose Of The Study

Banking industry is one of the most promising financial institutions of Bangladesh and a good number of firms have emerged and developed a highly competitive industry. The main area of this study is to select two competitors from this industry and to perform an action based comparison and to provide constructive measures to ensure superior performance for the underperforming company. This study keys out the necessary areas to focus that allows a local firm to perform in a superior manner.

In addition to this, we will be gaining knowledge on the selected banks' performance, actions, strengths, weaknesses and other relevant information. Furthermore, this study highlights approach-wise-differences and the gives an idea on the preferable practices with superior outcome.

6.5 Research Questions & Hypothesis

On the basis of the literature works from previous section the study finds the following hypothesis -

The null hypothesis for the research is:

H0: HSBC is outperforming in the banking industry in compare to MTBL.

The alternative hypothesis for the research is:

HA: MTBL is outperforming in the banking industry in compare to HSBC.

For successful completion of this study the following research questions are required to be answered -

1. Which bank among HSBC and MTBL are ensuring superior performance in the banking industry?
2. What are the existing practices that are required to be improved by the underperforming company?
3. What strategies are needed to ensure superior performance by the underperforming company?

6.6 Methodology

The study mainly focuses on qualitative study and considers action based research tools in various sections of this study. Most of the analysis of this study will be backed by secondary data that are collected from - journals, articles, official websites, newspaper, magazines etc.

The numerical figures or details have been collected mainly from the Annual Report of HSBC Bank Bangladesh 2010 & Annual Report of Mutual Trust Bank Limited 2010 as both were available during the conduction of the study.

6.7 MTBL standard in comparison to HSBC

HSBC is a universal bank that serves within the range of commercial Banking, global banking & markets, personal financial services and global private banking. The company headquarter is located in London, United Kingdom and it has 7200 offices across 85 countries around the globe. The company entered into Bangladesh in year 1996 and is considered as the a promising MNC of the country.

Mutual Trust Bank Limited is a major local Bank of Bangladesh. It was incorporated in year 1999 as a public company limited with an authorized capital of BDT 380 million. The company has more than fifty bank branches across Bangladesh and the company has initiated its diversification through introduction of MTB Securities Ltd, MTB Capital Ltd. It also has initiated an overseas subsidiary in UK. The company's registered office is located at Gulshan, Dhaka of Bangladesh.

The main objective of this report is to evaluate performance of both of HSBC & MTBL and provide possible measures to the underperforming one.

6.7.1 Comparison in terms of Products & services

Products and services	HSBC Bangladesh	MTBL
Retail	Deposit, Loan, Cards (Customer favorable rates)	Deposit, Loan, Cards
Banking type	Commercial Banking, Corporate & Institutional Banking	Wholesale Banking: -Corporate Deposit -Working Capital Finance -Trade Finance -Off-shore Banking -Syndications &Structured Finance
Trade & Supply Chains	Available	Not available
Payment & Cash Management	Available	Not available
SME loan	Not available	Bhagyoboty, Krishi, Moushumi, Small Business Loan, Digoon, Green Energy Loan, Revolving Loan.
Custody & Clearing	Available	Not available
Treasury & Capital markets	Available	Not available
NRB savings account	Not available	Available
Amanah	Available	Not available
Treasury Services	Not available	Available
software packages	HSBCnet	No software

Figure: HSBC VS MTBL - Offered Products/Services

Services	HSBC	MTBL
Network	- 13 Offices - 38 ATMs - 9 Customer Service Centers - 1 Offshore Banking Unit - Only bank to be present in 7 Export	- 55 Bank Branches - 12 SME/Agro Branches - 81 ATMs

	Processing Zones of Bangladesh - 7200 Offices across 80 nations	
Online Payment	Selected Availability	Not available
SMS Banking	Not Available	Available
Shariah Banking	Available	Not Available
Customization	Conditional availability through HSBC Select and HSBC Power Vantage	Conditional availability through Privilege Banking Scheme

Table: Key Service Features

6.7.2 Financial structure

All of the mentioned facts present approximated figures and are to be considered in million BDT. The information is collected from annual report 2010 of both HSBC and MTBL.

	HSBC	MTBL
Current Asset	81190.21	57480.77
Fixed Asset	348.14	765.26
Total Asset	81538.35	58246.03

Table: Asset Structure



So, HSBC is 58246.03/ 81538.35=**0.714 times** ahead in terms of total asset.

HSBC seems to be way ahead of MTBL in terms of Total asset and one key issue to be noticed from the above table is that HSBC has huge current asset base that allows the firm to ensure smooth conduction of its daily functions where liquid asset is essential. On the contrary, MTBL stands stronger in terms of its fixed resources.

	HSBC	MTBL
Borrowings from other banks of institutions or agents	3533.43	2329.58
Deposit & Other Accounts	63983.48	45846.31
Other Liabilities	5196.76	3109.12
Total Liabilities	72713.66	49090.26
TA/TL	1.12	1.19

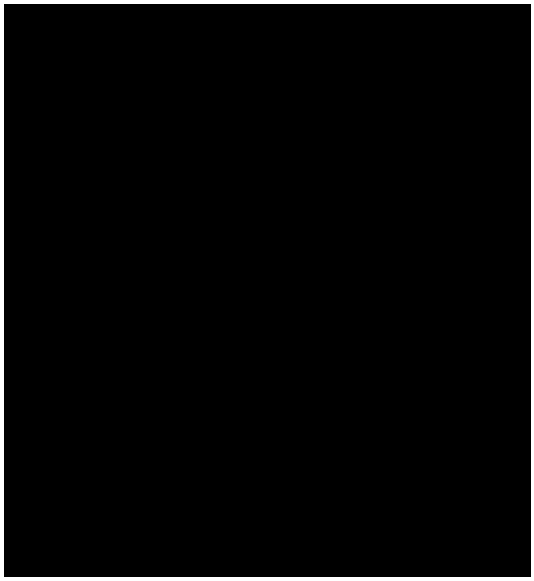


Table: Liability Structure

So, HSBC's total liability is 49090.26/ 72713.66=**0.675 times** greater than MTBL.
Liability wise MTBL is found to be in slightly stronger position that is reflected through both companies' Total Asset to Total Liability ratio.

	HSBC	MTBL
Total Shareholders' Equity	8824.68	4378.81

Table: Equity Structure



So, HSBC's shareholders equity contribution is **0.496 times** bigger than MTBL.

The equity condition for both company shows that, HSBC has rich funding resources that allows the company to explore wider business prospects.

	HSBC	MTBL
Total Operating Income	6639.96	3398.65
Profit Before Tax	4461.04	1490.55
Tax	1846.69	502.19
Profit After Tax	2614.35	988.36

Table 5: Profit/Loss Overview

The brief overview on the Profit/Loss situation for HSBC & MTBL shows that, the added capital resource of HSBC ensures added benefit of achieving greater profit for the company and this implies superior growth potential for the company.

6.7.3 Human Resource

Criteria	HSBC	MTBL
Employee	Currently around **1051** employees are working in different service points of HSBC.	Currently around **1089** employees are working across various offices and branches of MTBL.
Support	All these people are working to support 5 key business areas of HSBC that includes - retail banking & wealth management, commercial banking, corporate & institutional banking, global markets division and Shariah complaint banking.	The company applies its own personalized communication mode that allows saving unnecessary paper wastage and ensures greater convenience over employee interaction. Other than that, the company has Corporate Internet System (CIS) and other relevant tools that support superior communication among employees.
Software Packages	The company applies different software packages to smoothen the service experience. HSBCnet is one of them. This system integrates customers directly with the global network of HSBC team and allows to achieve 24/7 flexible banking service.	The company has a Management Trainee Program and a separate performance measure index through which it identifies the high potential officers.

Incentives	The key incentives taken by HSBC to enhance employee efficiency include - internal training, external courses, resident management trainee program and many more.	The company has initiated 35 in-house training, 145 local/outsourced trainings and 14 international trainings to enhance employee efficiency.
Incentives	High scale salary, performance bonus, achievement bonus etc are given by the company to ensure employee motivation.	Comp ratably low scale salary, performance bonus, achievement bonus etc are given by the company to ensure employee motivation.

Table: HR Overview

Both companies are highly focused on employee specialization and both HR managers ensure it through their training programs and various monetary & non-monetary incentives. One more notable fact from both companies, HSBC is maintaining its superior performance in the industry with having lower number of employees than that of MTBL. This implies that HSBC's adequacy in better Human Resource Management.

6.7.4 Recent CSR actions

HSBC	MTBL
HSBC-The Daily Star jointly initiated The Daily Star Climate Award to promote greener world.	MTBL-The Daily Star jointly initiated an effort to distribute 1000 copies of The Daily Star in Dhaka University to promote knowledge.
HSBC, the Climate Group, Earth watch, Smithsonian Tropical Research Institute and WWF jointly organized Climate Championship Program.	Distributed clothes to the underprivileged orphans from Motijheel, Dhaka. Winter cloth distribution to Madrasha students from Rampura, Dhaka and different villagers from Jessore and North Bengal.
HSBC maintains a regular Community Investment	The company extended its

program through which it conducts donations to support our country's culture, environment, education and other relevant sections. The notable initiatives are - HSBC Young Entrepreneurs Award, HSBC-Prothom Alo Language Competition, Academic Scholarships, Fund and Support to the children's in HASAB, HSBC Kali O Kalam Young Poet & Writers Award, Celebration of 150th Birthday of Ranindranath Tagore, Winter Cloth Distribution, Donating Computers etc.	contribution to the disabled children. Yearly contribution to the affected families by BDR carnage

Table: Key CSR Efforts

6.8 Results

On the basis of the analysis, the study comes to the following conclusion -
Null hypothesis (H0) is found to be true and alternative hypothesis (HA) is found to be false. This implies that, HSBC is outperforming in the banking industry in compare to MTBL. The following section will justify the outcome of the conducted research.

6.9 Discussion

From the comparison part between HSBC and MTBL, we find HSBC more efficient in the banking industry in compare to MTBL for the following reasons:

- ✓ HSBC have greater range of products and services
- ✓ Greater network communications with customers
- ✓ Financially way to strong than MTBL
- ✓ Higher incentives to their employees
- ✓ Greater CSR contribution to the society
- ✓ Greater Branding image

6.10 Recommendation

Branding strategy: MTBL has major competitive potentials but it requires working on some key areas. Both HSBC and MTBL are competing over a similar target market and the product/service offerings by both company is almost similar. The key reason for superior performance of HSBC is because of its superior branding strategy. Besides the strong acceptance it multinational level has established a sustainable competitive advantage for HSBC.

Differentiation strategies: MTBL is requiring working more on its differentiation strategies. In this highly clustered market, only differentiated products will enable stronger attention from the customers.

Brand association: In addition to this, MTBL should focus more on superior brand association as HSBC does. HSBC associated itself with The Daily Prothom Alo and The Daily Star - the two popular most newspapers of Bangladesh. HSBC linked itself with other popular brands across different sectors through its bill payment system -

- Qubee and Banglalion - the two major wi-max internet provider of the country,
- Metlife Alico - the giant in the country's insurance sector
- Grameenphone, Citycell, Robi, Banglalink and Airtel - the major mobile operators of the country

All this associations are enhancing customer confidence and by nature customers are feeling more secured and respected to invest on HSBC. MTBL should adopt this concept and apply it to enhance its image.

07. References

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08. Appendixes

Appendix 1

Mutual Trust Bank Ltd.
Corporate Head Office, Dhaka.
Revised Salary Structure
Effective from September 01, 2008.

Sl.	Designation	Scale of Pay	Basic Pay	House Rent	Conveyance	Medical	Utility	L.F.A.	Total
1	Senior Executive Vice President	66000 - 4950 x 5 - 90750 - 6600 x 5 - 123750	66,000.00	30,000.00		10,200.00	5,400.00	8,400.00	**120,000.00**
2	Executive Vice President	57600 - 4320 x 5 - 79200 - 5760 x 5 - 108000	57,600.00	28,800.00		9,600.00	4,800.00	7,200.00	**108,000.00**
3	Senior Vice President	49200 - 3690 x 5 - 67650 - 4920 x 5 - 92250	49,200.00	25,800.00		9,000.00	4,800.00	7,200.00	**96,000.00**
4	Vice President	40800 - 3060 x 5 - 56100 - 4080 x 5 - 76500	40,800.00	24,000.00		8,400.00	4,200.00	6,600.00	**84,000.00**
5	Senior Assistant Vice President	33600 - 2520 x 5 - 46200 - 3360 x 5 - 63000	33,600.00	21,000.00		7,800.00	4,200.00	5,400.00	**72,000.00**
6	Assistant Vice President	31200 - 2340 x 5 - 42900 - 3120 x 5 - 58500	31,200.00	17,400.00		6,600.00	3,000.00	4,200.00	**62,400.00**
7	First Assistant Vice President	25000 - 1875 x 5 - 34375 - 2500 x 5 - 46875	25,000.00	16,250.00	3,125.00	5,000.00	1,875.00	3,750.00	**55,000.00**
8	Junior Asst Vice President	21875 - 1645 x 5 - 30100 - 2185 x 5 - 41025	21,875.00	14,050.00	1,875.00	4,375.00	1,575.00	2,500.00	**46,250.00**
9	Senior Officer	16250 - 1250 x 5 - 22500 - 1750 x 5 - 31250	16,250.00	9,375.00	1,750.00	3,125.00	1,250.00	2,000.00	**33,750.00**
10	Management Trainee	Consolidated							**30,000.00**
11	Officer	14300 - 1105 x 5 - 19825 - 1625 x 5 - 27950	14,300.00	9,200.00	1,610.00	3,050.00	1,220.00	1,820.00	**31,200.00**
12	Trainee Officer	Consolidated							**26,000.00**
13	Junior Officer	10400 - 910 x 5 - 14950 - 1170 x 5 - 20800	10,400.00	6,500.00	1,300.00	2,860.00	1,040.00	1,300.00	**23,400.00**
14	Trainee Junior Officer	Consolidated							**18,200.00**
15	Asstt. Officer (General/Cash)	8450 - 780 x 5 - 12350 - 1040 x 5 - 17550	8,450.00	5,200.00	1,040.00	1,950.00	650.00	910.00	**18,200.00**
16	Trainee Asstt. Officer (General/Cash)								**14,300.00**
17	Driver/Electrician	5850 - 520 x 5 - 8450 - 780 x 5 - 12350	5,850.00	2,600.00	975.00	1,625.00	520.00	780.00	**12,350.00**
18	Driver/Electrician (Trainee)	Consolidated							**9,750.00**
19	Office Assistant/Asstt. Electrician	4550 - 455 x 5 - 6825 - 715 x 5 - 10400	4,550.00	2,600.00	975.00	1,625.00	520.00	780.00	**11,050.00**
20	Office Assistant/Asstt. Electrician (Trainee)	Consolidated							**7,800.00**

Appendix 2

Mutual Trust Bank Limited
Consolidated Balance Sheet
As at December 31, 2010

Property and Assets	Note	2010 BDT	2009 BDT
Cash	3 (a)	**3,456,112,220**	**3,103,953,777**
In Hand (Including Foreign Currency)		520,003,549	346,750,709
With Bangladesh Bank and its agent Bank (including Foreign Currency)		2,936,108,671	2,757,203,068
Balance with Other Banks & Financial Institutions	4 (a)	**3,197,748,640**	**3,607,171,139**
In Bangladesh		2,835,613,990	3,337,079,631
Outside Bangladesh		362,134,650	270,091,508
Money at Call and Short Notice		-	-
Investments	5 (a)	**9,216,332,760**	**9,537,973,528**
Government		8,070,955,596	8,961,988,755
Others		1,145,377,164	575,984,773
Loans and Advances	6 (a)	**39,676,121,484**	**33,883,923,705**
Loans, Cash Credit, Overdrafts, etc.		37,704,921,351	31,493,607,971
Bills Purchased and Discounted		1,971,200,133	2,390,315,734
Fixed Asset including Premises, Furniture & Fixture	7 (a)	**765,260,620**	**445,576,880**
Other Assets	8 (a)	**1,934,455,329**	**2,196,167,040**
Non-Banking Asset		-	-
Total Property and Assets		**58,246,031,053**	**52,774,766,068**
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	9 (a)	**2,329,576,556**	**3,550,000,000**
Deposit and Other Accounts	10 (a)	**45,846,309,207**	**42,354,065,907**
Current Deposit & Other Accounts		8,590,502,228	6,511,156,357
Bills Payable		529,737,722	528,953,937
Savings Deposit		5,655,577,091	5,104,087,897
Fixed Deposit		25,576,314,337	26,229,065,156
Deposit-Products		5,494,177,829	3,980,802,560
Other Liabilities	11 (a)	**3,109,122,681**	**3,186,191,049**
Subordinated Debt	12.00	**2,582,191,780**	-
Total Liabilities		**53,867,200,224**	**49,090,256,956**
Capital/Shareholders' Equity			
Paid up Capital	13.00	2,119,582,000	1,766,318,400
Statutory Reserve	14 (a)	1,278,436,492	980,325,611
Revaluation Reserve on Investment in Securities		89,590,794	383,866,189
Foreign Currency Translation Gain		235,052	-
General Reserve	15.00	361,777,324	161,777,324
Retained Earnings	16 (a)	529,187,624	392,221,588
Total Shareholders' Equity		**4,378,809,286**	**3,684,509,112**
Minority Interest		**21,543**	-
Total Liabilities and Shareholders' Equity		**58,246,031,053**	**52,774,766,068**
Net Asset Value (NAV) Per Share		**206.59**	**173.83**

Off-Balance Sheet Items	Note	2010 BDT	2009 BDT
Contingent Liabilities	17 (a)		
Letter of Guarantee		3,723,340,283	3,243,533,864
Irrevocable Letter of Credit		4,683,910,229	2,989,895,602
Bills for Collection		760,653,590	760,214,308
Other Contingent Liabilities		3,847,663,096	3,067,399,087
		13,015,567,198	**10,061,042,861**
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		2,483,300,000	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		2,483,300,000	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		**15,498,867,198**	**10,061,042,861**

Mutual Trust Bank Limited
Consolidated Profit and Loss Account
For the year ended December 31, 2010

Particulars	Note	2010 BDT	2009 BDT
Interest Income	19 (a)	4,455,024,409	4,279,499,839
Less: Interest Paid on Deposit and Borrowing, etc.	20 (a)	3,288,351,637	3,409,350,043
Net Interest Income		**1,166,672,772**	**870,149,796**
Income from Investments	21 (a)	1,043,561,540	857,466,508
Commission, Exchange and Brokerage	22 (a)	1,007,594,209	663,349,650
Other Operating Income	23 (a)	180,818,634	153,054,820
		2,231,974,383	**1,673,870,978**
Total Operating Income		**3,398,647,155**	**2,544,020,774**
Less: Operating Expenditure			
Salary and Allowances	24 (a)	546,220,380	489,805,215
Rent, Tax, Insurance, Electricity	25 (a)	284,773,521	116,232,689
Legal Expense		2,029,129	1,056,207
Postage, Stamps and Telephone	26 (a)	49,070,197	27,474,706
Printing, Stationery, Advertisement	27 (a)	75,513,845	33,546,432
Managing Director's Remuneration	24.01	9,120,000	7,881,999
Directors' Fee	28.00	654,000	632,000
Audit Fee		653,000	400,000
Depreciation on and Repair to Property	29 (a)	96,544,891	58,971,205
Other Expenditure	30 (a)	332,351,700	181,101,770
Total Operating Expenses		**1,396,930,663**	**917,102,223**
Profit Before Provision		**2,001,716,492**	**1,626,918,551**
Less: Provision against Loans & Advances including Off-Balance Sheet Items	31.00	508,837,012	235,000,000
Less: Provision against Investment in Quoted Shares		2,325,075	-
Less: Provision against Other Asset		-	-
Total Provision		**511,162,087**	**235,000,000**
Profit Before Tax		**1,490,554,405**	**1,391,918,551**
Less: Provision for Tax	32 (a)	**502,192,345**	**571,313,253**
Current Tax		500,000,000	594,000,000
Deferred Tax		2,192,345	(22,686,747)
Net Profit After Tax		**988,362,060**	**820,605,298**
Attributable to:			
Shareholders of the Bank		988,340,517	820,605,298
Minority Interest		21,543	-
		988,362,060	**820,605,298**
Retained Surplus Brought Forward		392,221,588	193,324,670
		1,380,562,105	**1,013,929,968**

Appropriation:	Note	BDT	BDT
Bonus Share Issued during the year		353,263,600	193,324,670
Transferred to Statutory Reserve		298,110,881	278,383,710
Transferred to General Reserve		200,000,000	150,000,000
		851,374,481	621,708,380
Retained Surplus, Carried Forward		**529,187,624**	**392,221,588**
Earnings Per Share	33 (a)	**46.63**	**38.72**

Mutual Trust Bank Limited
Consolidated Statement of Cash Flow
For the year ended December 31, 2010

	Note	2010 BDT	2009 BDT
A) Cash Flow From Operating Activities:			
Interest Received		5,428,520,094	5,017,608,780
Interest Paid on Deposits, Borrowings, etc.		(3,432,752,386)	(3,259,016,332)
Dividend Income		16,832,850	10,375,248
Fees & Commission Income		802,643,141	418,217,312
Recoveries of Loans previously written off		1,000,000	-
Cash Paid to Employees as Salaries and Allowances		(478,449,569)	(374,525,906)
Advance Income Tax Paid		(625,663,553)	(347,574,469)
Cash Received From Other Operational Income	34 (a)	384,769,702	398,187,158
Cash Paid for Other Operational Expenses	35 (a)	(752,776,912)	(358,290,871)
Cash Flow From Operating Activities Before Changes in Net Current Asset		**1,344,123,367**	**1,504,980,920**
Changes in Net Current Asset :			
Investment in Treasury Bond		(680,595,898)	(2,490,190,686)
Loans & Advances		(5,738,964,774)	(5,245,595,767)
Other Asset	8 (a)	(234,149,677)	(588,475,920)
Bank Deposit		(116,451,597)	(773,567,194)
Customers' Deposit		3,835,287,426	9,156,891,884
Subordinated debt		2,500,000,000	-
Borrowing from Other Banks, Financial Institutions & Agents	9 (a)	(1,220,423,444)	3,550,000,000
Other Liabilities	11 (a)	(45,788,670)	(426,285,610)
		(1,701,086,634)	**3,182,776,707**
Net Cash Flow From Operating Activities		**(356,963,267)**	**4,687,757,627**
B) Cash Flow From Investing Activities:			
Investment in Shares & Bonds		(569,392,391)	(335,824,065)
Purchase of Premises & Fixed Asset (net)		(408,497,111)	(131,510,249)
Net Cash Flow From Investing Activities		**(977,889,502)**	**(467,334,314)**
C) Cash Flow From Financing Activities:			
Received From Issue of Right Shares		-	-
Dividend Paid		-	-
Net Cash Flow From Financing Activities		**-**	**-**
D) Net Increase in Cash and Cash Equivalents (A+B+C)		**(1,334,852,769)**	**4,220,423,313**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		**235,052**	**-**
F) Opening Cash and Cash Equivalents		8,788,206,245	4,567,782,932
Closing Cash and Cash Equivalents (D+E+F)		**7,453,588,528**	**8,788,206,245**
The above closing Cash and Cash Equivalents include:			
Cash in Hand		520,003,549	346,750,709
Balance with Bangladesh Bank and its Agent Bank		2,936,108,671	2,757,203,068
Balance with Other Banks & Financial Institutions		3,197,748,640	3,607,171,139
Money at Call and Short Notice		-	-
Treasury Bill		798,263,268	2,075,818,430
Prize Bond		1,464,400	1,262,900
		7,453,588,528	**8,788,206,245**
Net Operating Cash Flow Per Share		**(16.84)**	**265.40**