Thesis Report

On

Financial Performance Analysis of

Mutual Trust Bank PLC.

Submitted by:

Shakil Hossain
ID: MBA-2402032019
Program: MBA
Major: Finance
Semester: Spring -2025

Submitted To:

Department of Business Administration
Sonargaon University (SU)
Submitted For the partial Fulfillment of the degree of
Masters of Business Administration



Sonargaon University (SU)

Dhaka-1215

Date of Submission: 25th April, 2025

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Md. Shahbub Alam

Lecturer

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Letter of Transmittal

Md. Shahbub Alam
Lecturer
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of Thesis Paper.

Dear Sir,

I am very pleased to submit you of my Thesis on report contains "**Financial Performance Analysis of Mutual Trust Bank PLC.".** I consider myself very fortunate that I have had the opportunity to preparing the report under your guidance. Here is my overview of'' **Mutual Trust Bank PLC." w**as assigned and approved by you during my three months of Thesis on period.

The Thesis paper has been prepared in accordance with the knowledge that I have gather during my study of the program. I have tried to make this report in a detailed information from and in precise. I hope that you will find out this report worth of my labor.

It will be my pleasure to clarify any matter regarding this report and thank, you for allowing me the opportunity to undertake the task and for your cooperation.

Sincerely,

……
Shakil Hossain
ID: MBA-2402032019
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Student's Declaration

I am Shakil Hossain, a student of Master of Business Administration, ID No. MBA2402032021 from Sonargaon University (SU) would like to solemnly declare here that this Thesis paper on "**Financial Performance Analysis of Mutual Trust Bank PLC."** has been authentically prepared by me. While preparing this Thesis Paper, I didn't breach any copyright act internationally. I am further declaring that, I didn't submit this Thesis Paper anywhere for awarding any degree, diploma or certificate.

Sincerely,

……

Shakil Hossain
ID: MBA-2402032019
Program: MBA
Major: Finance
Semester: Spring -2025
Department of Business Administration
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Letter of Authorization

Certified that this Thesis paper titled "**Financial Performance Analysis of Mutual Trust Bank PLC.**" is the Bona fide work of Shakil Hossain who carried out the research under my supervision. Certified further that in the best of my knowledge the work reported herein dose not from part of any other Thesis Paper or dissertation on the basis of which degree or award was conferred on an earlier occasion on this or any other candidate.

……

Md. Shahbub Alam
Lecturer
Department of Business Administration
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Acknowledgement

First of all, I would like to categorical my gratitude to the Almighty Allah. This is my pleasure that I could successfully complete my thesis report by the grace of almighty Allah. I want to convey my heartfelt respect and cordial thanks, Md. Shahbub Alam, Lecturer, Department of Business Administration, Sonargaon University for Guidance, advices and valuable supervision. I am very lucky for getting the opportunity to prepare this report under her supervision and guidance. Without her instruction it was impossible for me to complete this report successfully.

I am also really responsible to my honorable Dean of Department of Business Administration, Sonargaon University for this countless support and guidance. It is not my own credit in this effort. I would like to extend my-sincere regards and gratitude to my honorable teachers whose kind's guidance and assistance enable me to complete my (MBA) program and to develop my career through their invaluable teaching.

The concern team made the environment congenial and favorable for me to recognize the tasks. Without their help and cooperation, this record would possibly no put together remaining report. I hope that it will help me in my future expert work. In preparing the report I am grateful to the Liberian of this company who helped me by supplying many kinds of necessary information. This report suffers from many shortcomings although I have exerted my best effort while preparing this report. I seek excuse for the errors that might have occurred in spite of the best of my efforts.

Moreover, I like to thanks all people who used to be helped me for preparing this report.

Executive Summary

In the age of modern civilization bank is playing impotent role to keep the economic development wheel moving. Banks are needed in every economic activity. In fact there is hardly any aspect of development activity where state inspired or otherwise where bank do not have role to play. Mutual Trust Bank PLC is a third generation bank in Bangladesh. Mutual Trust Bank PLC is a private commercial bank headquartered in Dhaka, Bangladesh. Md Abdul Malek, chairman of Sheltech Consultants (Pvt) Ltd, is the chairman of Mutual Trust Bank PLC. In May 2024, Associated Builders Corporations (ABC Group) announced plans to sell 27 per cent shares of the Mutual Trust Bank Limited at the block market to be purchased by an independent director of ABC Group, Rashed Ahmed Chowdhury. Chairman of Bangladesh Securities and Exchange Commission, Prof Shibli-Rubayat-Ul Islam, approved the sale of 5 billion BDT worth of bonds by Mutual Trust Bank Limited. In August the bank signed a cash management agreement with the Paragon Group. The whole banking activities are divided into four parts, General Banking section, Credit Section, Cash section and Foreign exchange section. This report gives us an idea about the activities of Financial Performance of MTB Bank Limited. The objective of this report is to analyze & focus on the overall financial operation. This report aims to providing Financial Performance Analysis of MTB Bank Limited. Here, all sorts of ratio analysis have been executed, on order to analyze how efficient, liquid and desirables the bank is in terms of its finance. Content of this report is based on different parts. A brief overview of background, methodology, instruments used for analysis of making report is discussed. The Companies history, its vision, mission, objective, strategies, core values, ownership structure etc. are discussed. To understand how MTB is performing in the macro environment, financial highlights are also provided. In the Theoretical Background on brief description about ratio analysis is made. In the Analysis Part to understand the financial condition of MTB. I hope that Mutual Trust Bank PLC can spread their business with increasing various scheme & other utility services. Finally, I have also shown some findings from the quantitative analysis of Prime Bank Limited and Mutual Trust Bank PLC. Then I concluded my report saying some recommendations and justifications, which may help Mutual Trust Bank PLC to improve more than its current position.

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Chapter-1

Introduction



1.1 Introduction of the Study

In Bangladesh, the banking sectors dominates the financial sector and it contributes to economic growth by efficient allocating investment funds among competing alternative uses as well as by providing incentive for increasing savings and investment. The overall performance of bank does not merely depend upon the banking industry itself but also on the economy wherever it is operating. The financial system of Bangladesh include Bangladesh Bank (The central bank), scheduled bank, non-banking financial institutions (NBFIs), Microfinance Institutions (MIs), Insurance companies, co –operative, credit rating agency and stock exchange.

Financial performance may be defined as a subjective measure of how well a firm can uses assets from its primary mode of business and generate revenue. Performance of financial institution is generally measured by applying quantitative techniques. It is the post –mortem examination technique of achievement of a bank performance. Different economic decisions are taken on the basis of performance of the organization. So the need for a sound system of performance measurement for financial institution can not be over - emphasized. As these organizations are run by public money, their accountability is more than that of general trading concern.

At present among other banks, Mutual Trust Bank PLC operating their banking operation effectively and efficiently and providing bank service with a view to acceleration social-economic development of the country, Mutual Trust Bank PLC is one of the best bank in Bangladesh. Adoption of modern technology both in terms of equipment and terms of banking practice ensues efficient service to clients day by day new competition appears with better ideas and products as well as services.

1.1.1 Rationale of the Study

With a view to acquire an in-depth knowledge about the practical orientation and experiences of dynamic business world, it is obligatory to undertake an extensive study to prepare thesis report, the student of business administration, Shanto-Mariam University of Creative Technology. That are desirous to the successfully completion of their MBA degree. During the preparation of the thesis report, the students are guided and supervised by the faculties of the department with whom they are attached

to. Each student is required to work on a specific topic to his/her learning with the attachment of any respective organization. AS part of the program, I am highly proud to join with Mutual Trust Bank PLC as Internee and selecting topic **Financial Performance Analysis of Mutual Trust Bank PLC**. I was placed in Mutual Trust Bank PLC, Nagori Bazar Sub-Branch for a period of three months. This thesis is an orientation to the entire working activities in Mutual Trust Bank PLC. Though I had worked there in several departments, but I had to select an area of study in which I can make detail research and present my understanding in the report.

During my three months thesis period in Mutual Trust Bank PLC, I have tried to observe and understand the all Banking activities and other day to day function in this branch. I am also tried to understand for different topic from the bank personnel. Since my work is partially observation and analysis based, I have used practical experience and theoretical knowledge. From this study I also able to know the financial condition of this bank. Which will be benefited not only me but also the other parties who are interested.

1.1.2 Statement of the problems

When conducting a Financial Performance Analysis of Mutual Trust Bank PLC, the statement of the problem would typically address the need to evaluate the bank's financial health and operational efficiency over a certain period. This could involve analyzing key financial metrics such as profitability, liquidity, solvency, and operational efficiency. The problem statement might also consider the bank's performance in the context of the broader banking industry in Bangladesh and the economic conditions affecting financial institutions.

For instance, the statement of the problem could be:

"The purpose of this study is to conduct a comprehensive Financial Performance Analysis of Mutual Trust Bank PLC to assess its financial stability and operational effectiveness from 2020 to 2023. This will involve examining the bank's annual reports, financial statements, and other relevant data to evaluate key performance indicators such as net income, return on equity, and loan-to-deposit ratio. The analysis will compare these indicators against industry benchmarks to determine the bank's

market position and identify areas for improvement. Additionally, the study will explore the impact of regulatory changes and economic trends on the bank's performance."

Research Question

- What are the key financial performance indicators that can be used to evaluate the financial performance of Mutual Trust Bank PLC?
- How can the financial performance of Mutual Trust Bank PLC be evaluated using financial ratios?
- What is the relationship between corporate governance and financial performance of Mutual Trust Bank PLC?

1.1.3 Objectives of the Study

Broad objective

The objective of this study is to analyze the Financial Performance Analysis of Mutual Trust Bank PLC (A Study Based on Rangpur Branch).

Specific objectives

Here are some objectives that can be explored:

- To evaluate the financial performance of Mutual Trust Bank PLC using financial ratios.
- To identify the key financial performance indicators that can be used to evaluate the financial performance of Mutual Trust Bank PLC.
- To compare the financial performance of Mutual Trust Bank PLC with its peers in the industry.
- To investigate the impact of macroeconomic factors on the financial performance of Mutual Trust Bank PLC.
- To examine the relationship between corporate governance and financial performance of Mutual Trust Bank PLC.
- To investigate the impact of regulatory compliance on the financial performance of Mutual Trust Bank PLC.

1.1.4 Scope of the Study

The primary goal of this study is to evaluate the financial performance of Mutual Trust Bank (MTB) Limited. The last three (3) months are the period used for this analysis. I made an effort to analyze Mutual Trust Bank (MTB) Limited financial performance using various graphs and charts that were based on ratio analysis of the financial statement throughout the years. Based on this research, pertinent recommendations are offered. To analyze overall performance, a quick study of Mutual Trust Bank (MTB.) Limited's financial status is done.

1.1.5 Limitation of the Study

The limitations I have face while preparing this Report are listed as follows:

- Time constraint was one of the limitation restricting this report to be a more detailed and analytical one.
- Confidentiality of data was another important barrier that was faced during the conduct of this study.
- Rush hours and business was another reason that acts as an obstacle while gathering information.
- The data that seems insufficient may be suffering from lack of reliability to some extent.
- The study was not done very successfully due to inexperience.
- Electricity problem is the main issue by this time in our country to prepare the report smoothly and efficiently.

1.1.6 Review of Related Literature

A brief and simple synopsis of previous researches relevant to financial performance is summarizing below that will support this presumes:

Dhankar (1998) has considered around the criteria of execution estimation for trade undertakings in India ponder of open segment endeavors. The creator gives a unused demonstrate for measuring the execution of a commerce venture in India, wherein, the premise is to compare its genuine rate of return with its anticipated hazard balanced rate of return. Realizing the significance and contention of open segment in India, an endeavor was made to degree the execution of all open segment endeavors, which were begun up to 1964 and were in operation until 1983. It is stunning to know that

half of them on an normal need to conversation of making overabundance returns, have not been able to gain rise to to their fetched of capital.

Sengupta (1998) considered concerning the execution of the fertilizers industry in India. By Examining of fetched capacities and cobb-douglas generation work have been made to check the execution of the industry. Examination of moving fetched capacities encourage highlight that the firms having a place to this industry grow capacities, indeed some time recently completely abusing the existing capacity adjusting to the oligopolistic behavioral inclination of the firms having a place to the fertilizers industry. The comes about appeared that the industry was subject to the law of expanding costs. He established that, to induce encourage bolster from the examination of the generation work, which uncovered that the normal efficiency of work surpasses its minimal efficiency.

Raghunathan & Das (1999) have examined in their paper with respect to corporate execution of post-Liberalization. They dissected the execution of Indian Fabricating segment within the final 8 a long time since liberalization on the parameters of benefit, liquidity, use and dissolvability. They moreover watched that the dissolvability and productivity proportions were empowering till 1996 they have been steadily decreasing after that and this issue gets more articulated when the EVA was calculated which appeared that the Indian Fabricating segment has devastated riches, whereas the MNCs have created riches for their shareholders. They have pointed out after the investigation; the destitute corporate execution has driven to an financial lull and not the other way circular and corporate raised reserves amid the darken days of value markets and finished up contributing these stores at underneath their fetched of capital. In brief, the result has been a delayed financial lull.

Rajeswari (2000) examined approximately the Liquidity Administration of Tamil Nadu Cement Enterprise Ltd. Alangulam-A Case Ponder. She concluded from the examination; the liquidity position of TANCEM was not steady. After the comparative investigation with respect to liquidity proportions, she has found there was too much of liquidity within the first two years of the ponder period conjointly a really tall degree of liquidity was too awful as sit still resources gain nothing and

affects benefit. In brief, she concluded that the liquidity administration of TANCEM is destitute and isn't palatable.

Sur (2001) considered in his paper almost the Liquidity Administration: An diagram of four companies in Indian Control Segment utilizing the information for the period of 1987-1988 to 1996-1997. He had connected bookkeeping methods of comparative examination with respect to the liquidity administration in Power era and dissemination industry. He uncovered that the by and large liquidity ought to be overseen in such a way that not as it were it ought to not obstruct productivity but too its commitment towards increment in benefit ought to be positive.

Kakani, Saha & Reddy (2003) have examined around an observational approval of the broadly held existing hypotheses on the determinants of firm execution within the Indian setting. In their think about they have utilized budgetary explanations and capital showcase information of 566 huge Indian firms over a time outline of eight a long time partitioned into two sub-periods (1992-96 and 1996-2000) and to examine Indian firmâ€ ™s budgetary execution over different measurements viz., shareholder esteem, bookkeeping productivity and its components, development and chance of the test firms. They have found that measure, showcasing use and worldwide broadening had a positive connection with a firmâ€ ™s advertise assessment. They have too concluded that a firmâ€ ™s proprietorship compositions, especially the level of value proprietorship by household budgetary institution and scattered open shareholders, and the use of the firm were imperative components influencing its budgetary execution.

Samuel & Vanniarajan (2007) talked about around money related execution of bank by applying Du-Pont examination. They concluded that the liberalization of the fund segment in India has uncovered Indian banks to a modern financial environment that's considered by expanded competition and modern administrative necessities. They moreover uncovered that Indian and foreign banks have to be investigate improvement openings in India by starting modern items for distinctive client portion, and numerous of which were not conservatively viewed as client for the managing an account industry. They recommended all banks ought to to assess their execution and

compare with the others. Within the final they portrayed from the examination the execution of the banks may be seen on the base of three measurements like basic, working and effectiveness variables which was recommended by the India Bank Affiliation.

Singhania (2007) has dissected the ponder concerning the Profit arrangement of India companies. From the examination he has uncovered that the rate of companies pronouncing profit declined over the a long time, the normal profit per share expanded by about eight times. He has found that in the event that companies infer to announce profit, progressively per higher profits over the a long time. He considered that the normal profit pay-out proportion extended between 25% and 68% amid 1992-2004. Be that as it may, he has said that normal profit surrender appeared a steady upward slant all through the period of studyincreasing from 0.75% in 1992 to 10% in 2004 and found the one conceivable reason for the increment in profit pay-out and it may be happen due to the alter in charge administration. He recommended that agreeing to charge inclination or tradeoff hypothesis, positive profits assess ought to lead to higher pay-outs.

Srivastava (2007) has considered on â€œRole of Organizational administration and administrative Viability in advancing execution and productionâ€•. He has included in his ponder, Administration could be a all inclusive Wonder and it is essentially required in all strolls of life directly. He has distinguished a few issue like Need of appropriate administration in variable comes about in chaos, wastage of time, cash and exertion. In spite of the fact that administration is required in different exercises, it has special significance with regard to trade endeavors within the open as well as private segments. He recommended that the beneficial proficiency of business firm depends a awesome deal on the Quality of administration additionally viability of administration may be a major calculate developmental the growth and success of a commerce on which rests the method of financial development. He has clarified that the administration isn't restricted only to a plant or an office. Skilful administration is required in clubs, families, Schools, Sports, groups and social capacities like relational unions, Picnics parties and so on.

Toby (2007) did research on â€œFinancial administration demonstrating of the execution of Nigerian Cited Little and medium-sized Ventures. He has concluded that the supported development, satisfactory liquidity and imperative productivity within the Little and Medium measured Endeavor segment is essentially related to their speculation and financing choices. The experiential comes about appeared that there was not noteworthy distinctive between current proportion and the net benefit edge proportion and found the working capital hole consistent. He has too watched that the quotation SMES current resources proportion, liquidity proportion, cash save prerequisite and advance stores proportion was essentially discerning to commercial Banks. Generally, he concluded over show comes about affirm that the Little and Medium measured Undertaking in Nigeria is still constrained by the liquidity as well as benefit quandary, proficiency impediments, Pecking arrange inversions, exacting money related approach administrations and a risk-over keeping money framework.

Here are some key points that might be covered in such a review:

Financial Performance Measures:

A study might explore the relevance of financial performance measures, such as return on investment (ROI) and earnings, and their link to market value. It could also discuss the use of traditional financial measures versus other financial tools.

Risk, Regulation, and Profitability:

Another aspect of the literature review could focus on the relationship between risk, regulation, and profitability in the banking industry. This includes examining how these factors affect financial stability, profitability, and risk within banks.

Performance Analysis:

Specific to Mutual Trust Bank PLC, there may be dissertations or studies that have conducted performance analyses, examining the bank's financial statements and annual reports to assess its operational efficiency and financial health.

Research Trends:

The review could also highlight the research trends, prominent authors, and keywords that are significant in the field of banking performance analysis. This would help in

understanding the publication pattern and the evolving discourse on bank performance and risk management.

Economic Value Added (EVA):

Discussions on the effectiveness of EVA as a performance measure compared to traditional financial measures might also be included in the literature review.

1.2 Methodology of the Study

This paper provides a detailed analysis of the financial performance of banks in India and includes a discussion of the research methodology, research design, and data analysis techniques used in the study.

Research Design

This paper discusses the use of mixed methods in finance research and provides examples of research designs that incorporate both qualitative and quantitative data. This paper provides a comprehensive review of the research on financial performance and its determinants, including a discussion of the research methodology and data analysis techniques used in the studies reviewed.

Types of Data

This study will cover two types of data, which are:

- Primary data
- Secondary data

Primary Data.

Primary data will be collected by conversation with the respective officers and customers of the MTB, Nagori Bazar Sub-Branch. Besides, Practical work exposures on Accounts department desks of Mutual Trust Bank PLC Nagori Bazar Sub-Branch will be considered as primary source of data.

Secondary Data.

Secondary data will be collected from the websites of Mutual Trust Bank PLC, Bank's annual reports, journals, Accounts Department guidelines, different related booklets and company files and documents.

Data Collection Method

The paper evaluates the existing performance appraisal system of Mutual Trust Bank PLC, one of the leading private commercial banks in Bangladesh. The authors used both qualitative and quantitative techniques of gathering and interpreting data to reveal the problems and suggestions for the improvement of the performance appraisal system of the said bank. The data source is the source location of the data used in a study. The data source may be the main location where the data is born or the physical information is first digitized, but even the most refined data can be used as the source unless another process accesses and uses it.

1.3 Data Presentation

I collect data from two sources Primary sources and Secondary sources. In primary sources I basically do the interview, give questionnaire, observe the employees etc. and from that I gathered my unique data. And before that I collect data from secondary sources like journal, Mutual Trust Bank PLC. Annual report, publications and brochures, previous research etc. Basically secondary research help to understand what is happening and also help to understand the theoretical part of the research. The definition of the method is the branch of reasoning that studies logic or the way something is done. An example of the method is the way an experiment was conducted. In this study, this methodological section addresses specific methods or techniques used for identifying, selecting, processing, and analyzing information about Mutual Trust Bank PLC financial performance evaluation.

Chapter-2

Overview of the Banking Industry in Bangladesh



2.1 Definition of Bank:

A bank is a financial institution which deals with deposits and advances and other related services. It receives money from those who want to save in the form of deposits and it lends money to those who need it.

2.2 Characteristics / Features of a Bank:

1. Dealing in Money: Bank is a financial institution which deals with other people's money i.e. money given by depositors.

2. Individual / Firm / Company: A bank may be a person, firm or a company. A banking company means a company which is in the business of banking.

3. Acceptance of Deposit: A bank accepts money from the people in the form of deposits which are usually repayable on demand or after the expiry of a fixed period. It gives safety to the deposits of its customers. It also acts as a custodian of funds of its customers.

4. Giving Advances: A bank lends out money in the form of loans to those who require it for different purposes.

5. Payment and Withdrawal: A bank provides easy payment and withdrawal facility to its customers in the form of cheques and drafts; it also brings bank money in circulation. This money is in the form of cheques, drafts, etc.

6. Agency and Utility Services: A bank provides various banking facilities to its customers. They include general utility services and agency services

7. Profit and Service Orientation: A bank is a profit seeking institution having service oriented approach.

8. Ever increasing Functions: Banking is an evolutionary concept. There is continuous expansion and diversification as regards the functions, services and activities of a bank.

9. Connecting Link: A bank acts as a connecting link between borrowers and lenders of money. Banks collect money from those who have surplus money and give the same to those who are in need of money.

10. Banking Business: A bank's main activity should be to do business of banking which should not be subsidiary to any other business.

11. Name Identity: A bank should always add the word "bank" to its name to enable people to know that it is a bank and that it is dealing in money.

2.3 Objective of Banking Sector:

The main objective of banks is to maintain higher profitability by maintaining circular and efficient flow of amount of money deposited by the customers and the lenders. Banks contribute to the economic cycle by keeping the money circulation among households, government and corporate businesses. The commercial banks lend money to the economic agents through their various products and services by earning interest income on the borrowed money. Commercial banks design their short term and long term loans and other products to cater to the need of customers while enhancing their own returns. Their objective is to attract more customers and build profitable relationships with the new and existing customers.

Another objective of a bank is to lower transaction costs, lower information costs, create liquidity, and to diversify people's money in a way they could not do on their own.

2.4 The role of Banks in Economy:

Banks play an important and active role in the economic development of a country. If the banking system in a country is effective, efficient and disciplined it brings about a rapid growth in the various sectors of the economy. The following is the significance of commercial banks in the economic development of a country:

1. Banks promote capital formation:

- Commercial banks accept deposits from individuals and businesses, these deposits are then made available to the businesses which make use of them for productive purposes in the country.
- The banks are, therefore, not only the store houses of the country's wealth, but also provide financial resources necessary for economic development.

2. Investment in new enterprises:

- Businessmen normally hesitate to invest their money in risky enterprises. The commercial banks generally provide short and medium term loans to entrepreneurs to invest in new enterprises and adopt new methods of production.
- The provision of timely credit increases the productive capacity of the economy.

3. Promotion of trade and industry:

- With the growth of commercial banking, there is vast expansion in trade and industry.
- The use of bank draft, check, bill of exchange, credit cards and letters of credit etc has revolutionized both national and international trade.

4. Development of agriculture:

- The commercial banks particularly in developing countries are now providing credit for development of agriculture and small scale industries in rural areas.
- The provision of credit to agriculture sector has greatly helped in raising agriculture productivity and income of the farmers.

1. Balanced development of different regions:

- The commercial banks play an important role in achieving balanced development in different regions of the country.
- They help in transferring surplus capital from developed regions to the less developed regions.
- The traders, industrialists etc of less developed regions are able to get adequate capital for meeting their business needs.

2. Influencing economic activity:

- The banks can also influence the economic activity of the country through its influence on
    - Availability of credit.
    - The rate of interest.
- If the commercial banks are able to increase the amount of money in circulation through credit creation or by lowering the rate of interest, it directly affects economic development.
- A low rate of interest can encourage investment.
- The credit creation activity can raise aggregate demand which leads to more production in the economy.

3. Implementation of Monetary policy:

- The central bank of the country controls and regulates volume of credit through the active cooperation of the banking system in the country.

- It helps in bringing price stability and promotes economic growth with in the shortest possible period of time.

8. Monetization of the economy:

- The commercial banks by opening branches in the rural and backward areas are reducing the exchange of goods through barter.
- The use of money has greatly increased the volume of production of goods.
- The non monetized sector (barter economy) is now being converted into monetized sector with the help of commercial banks.

9. Export promotion cells:

- In order to increase the exports of the country, the commercial banks have established export promotion cells.
- They provide information about general trade and economic conditions both inside and outside the country to its customers.
- The banks are therefore, making positive contribution in the process of economic development.

2.5 Evolution of Bank:

The Banking sector of Bangladesh is one of the major sectors, which contributes significantly to the national economy. The sector comprises a number of banks in various categories. Considering ownership the sector can be classified in to four major categories -such as Nationalized Commercial Banks (NCBs), Specialized Banks (SPBs), Private Commercial Banks (PCBs), and Trans-National Banks (TNBs) (Islam, 2001). The commercial banking system put on vital role in Bangladesh's financial sector. Bangladesh Bank is the Central Bank of Bangladesh and the principal regulator of the sector. Bangladesh have total of 55 states owned, private, foreign and specialize Banks. The banking system consists of four state-owned commercial banks, 31 private commercial banks, 10 specialized development banks, and 10 foreign commercial banks. The Nobel Prize for Grameen Bank is a specialized micro-finance institution, the concept of microcredit revolution and a major contribution to poverty alleviation and empowerment of women in Bangladesh.

2.6 Historical Background

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 2state owned specialized banks and 3 foreign Banks. In the 1980s banking industry achieved significant expansion with the entrance of private banks. Now, banking sector in Bangladesh is primarily of two types:

A). Schedule Bank

B). Non-schedule Bank

A). Scheduled Bank: The banks which get license to operate under Bank Company Act, 1991 (Amended in 2003) are termed as Scheduled Bank. State-owned commercial banks, private commercial banks, Islamic commercial banks, foreign commercial banks and some specialized banks are Scheduled Bank.

B). Non-Scheduled Bank: The banks which are established for special and definite objective and operate under the acts that are enacted for meeting up those objectives are termed as Non-Scheduled Bank. These banks cannot perform all functions as like as scheduled banks. Grameen Bank, Probashi Kallyan Bank, Karmasangsthan Bank, Progoti Co-operative Land Development Bank Limited (progoti Bank) and Answer VDP Unnayan Bank are Non-Scheduled Bank.

2.7 Function of Commercial Banks of Bangladesh

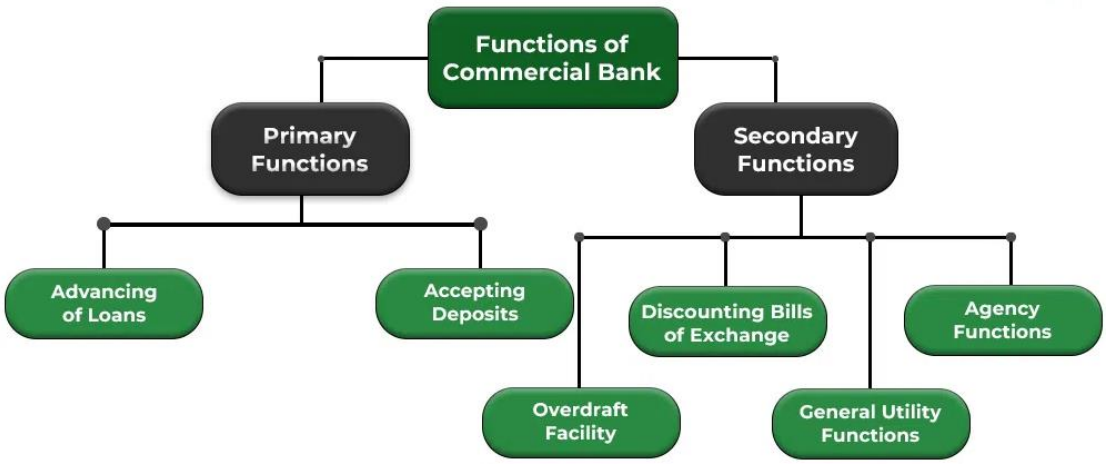


Figure: Function of commercial bank of Bangladesh

2.8 Contribution of Commercial Bank in Bangladesh

- Banks promote capital formation
- Investment in new enterprises
- Promotion of trade and industry
- Development of agriculture
- Balance development of different savings
- Influencing the economy activity
- Implementation of monetary policy
- Export promotion cells

2.9 Expansion of Bank Branches of Rural Areas

Cash Credit

The avowed strategy of government in promoting financial inclusion has witnessed little realization as private and foreign banks have made hardly any progress in setting branches in remote and rural areas of the country though they control almost 75 per cent of the banking sector. For example, between February 2007 and December 2017the percentage of branches of bank in rural areas decreased from 57.94 to 57.20 percent, whereas the share of branches of bank in urban areas increased from 42.06 to 42.80 percent. Disparity also exists between the level of commitment of state owned commercial banks and that of private and foreign commercial banks. As of December 2017, for example, 63.97percent branches of state owned commercial banks were located in rural areas, as opposed to only 38.08 percent branches of private commercial banks. The foreign banks have yet to establish any branch in rural areas as of December 2014 (Bangladesh Economic Review, 2017).

2.10 Problem of the Banking Sector of Bangladesh

Problem of banking sector is widespread and is not related to banking system only. The regulatory entity should be independent but accountable. Prudential regulation should be limited to deposit-taking institutions and should be clearly separated from non-prudential regulation. The problem of lower profitability of bank is that it might reduce the tax and thus make a trace on fiscal system where bank is the number one source of tax under large tax unit of NBR. Moreover, the revenue target may face

hurdle from another side where lower growth of credit may affect investment and growth, and thus tax collection.

2.11 Possibilities of the Banking Sector of Bangladesh

There are huge possibilities of the banking sector in Bangladesh. These are below:

- Banking sector of Bangladesh has a great opportunity to become a major sector of the national economy.
- Bangladesh has huge number of population. This advantage may accelerate expansion and growth of Bangladeshi banking sector.
- Bangladeshi banking sector is very much capable to ensure proper quality of the product services as per requirement of the global market.
- There are ten foreign banks active in Bangladesh, but no Japanese bank yet.

So there are huge prospect for Japanese bank to open their branch in Bangladesh.

Chapter-3

Overview of the Organization



3.1 Company Profile

A third-generation private commercial bank with its headquarters in Dhaka, Bangladesh, Mutual Trust Bank Ltd. (MTB) was recognized as the Best Financial Institution of 2014 at the DHL-Daily Star Business Awards 2017. On September 29, 1999, Mutual Trust Bank LTD was established as a public company limited by shares under the Companies Act of 1994 with an authorized capital of TK 38, 00,000,000 divided into 38,000 ordinary shares at TK 100 each. The company does all types of banking business. On the same day, the Company received its Certificate for the Start of Business. On October 5, 1999, Bangladesh Bank gave it a license under the Banking Companies Act of 1991, and on October 24, 1999, it began operating as a bank. The firm began operating as a bank by the terms of its memorandum of association and with a license granted by Bangladesh Bank in accordance Act of 1991. This gave it the right to engage in the following banking activities. The first-ever "SME Bank of the Year" and "Women Entrepreneurs' Friendly Bank of the Year" awards were previously given to MTB by Bangladesh Bank and SME Foundation. The Institute of Chartered Accountants of Bangladesh has recognized MTB as having the third-best presented annual report in the Private Banks category. MTB wants to be known as a cutting-edge, customer-focused business and one of the most admired banks in the country. MTB has 200 Agent Banking Centers, 119 main branches, and 33 sub-branches.

Registered Name of The Company

Mutual Trust Bank Limited Company Logo:

Mutual Trust Bank PLC
মিউচুয়াল ট্রাস্ট ব্যাংক পিএলসি
you can bank on us

Registered Office/ Headquarters: MTB Centre, 26 Gulshan Avenue Gulshan 1 Plot 5, Block SE(D), Gulshan 1, Dhaka 1212, Bangladesh**.**

3.2 Mission and Vision of MTBL

Mission

Its goal is to become the most acclaimed financial institution in the nation, known for being a dynamic, creative, and customer-focused business that provides a range of goods and services in the pursuit of excellence and generates a significant amount of economic value.

Vision

The MTB3V concept serves as the foundation for Mutual Trust Bank's mission. MTB s visionis:

- One of the top-performing banks in Bangladesh.
- The bank of choice;
- A world-class bank.

3.3 MTB Core Values

Commitment:

- Shareholders: Create long-term economic benefits for its shareholders by using an ethical and effective business strategy.
- Community: Dedicated to serving society through generating jobs, supporting neighborhood initiatives, and acting as a good corporate citizen.
- Clients: Provide cutting-edge service to their customers by providing a variety of goodsand aiming to fully satisfy their banking needs.
- Employees: They respect their relationship as a member of this prestigious financial organization and rely on the inherent merits of our employees. They collaborate to recognize and reframe the many experiences, perspectives, abilities, and skills of everyone working there, regardless of their position.

Accountability:

As a bank, they accept and anticipate that we will only be evaluated on how well we fulfill our responsibilities. They’re responsible for offering the best possible service while also adheringto rigid regulatory standards and moral corporate conduct.

Agility:

They can view things from several angles; we are adaptable and not constrained by our prior practices. To fulfill the demands of stakeholders and accomplish our objectives, we may act quickly and change our way of operation.

Trust:

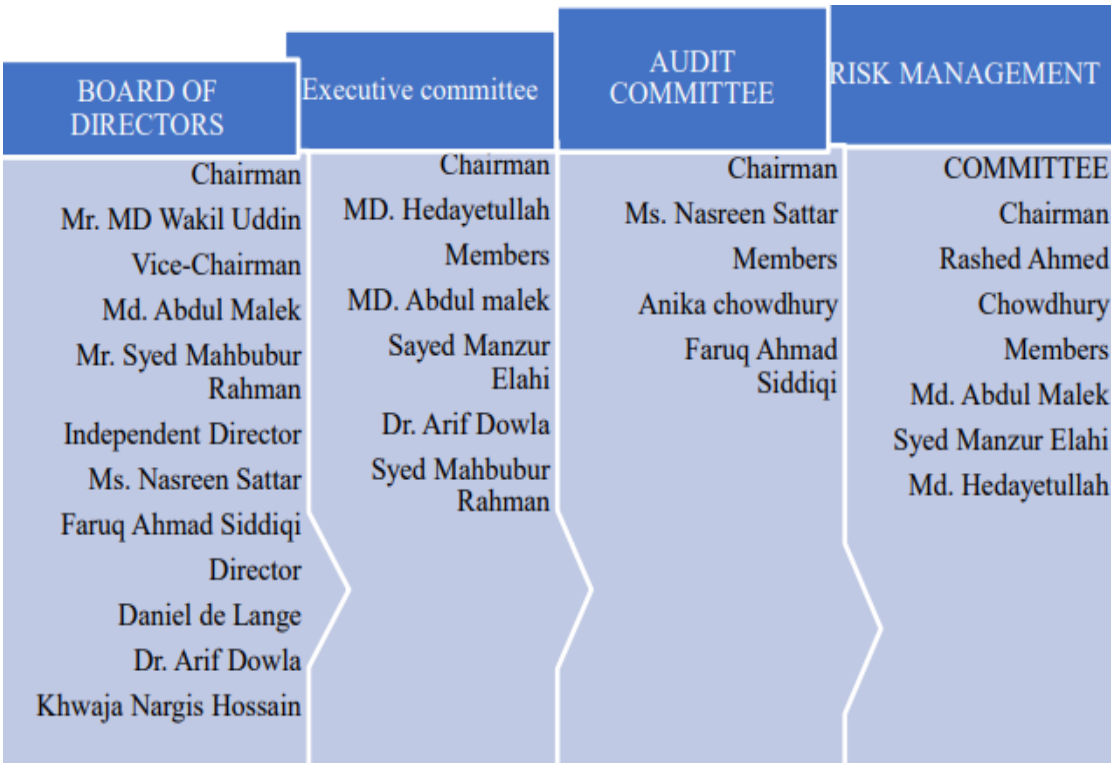
Place a high priority on mutual trust, which includes open and honest communication betweenall parties.

3.4 Objectives of MTB

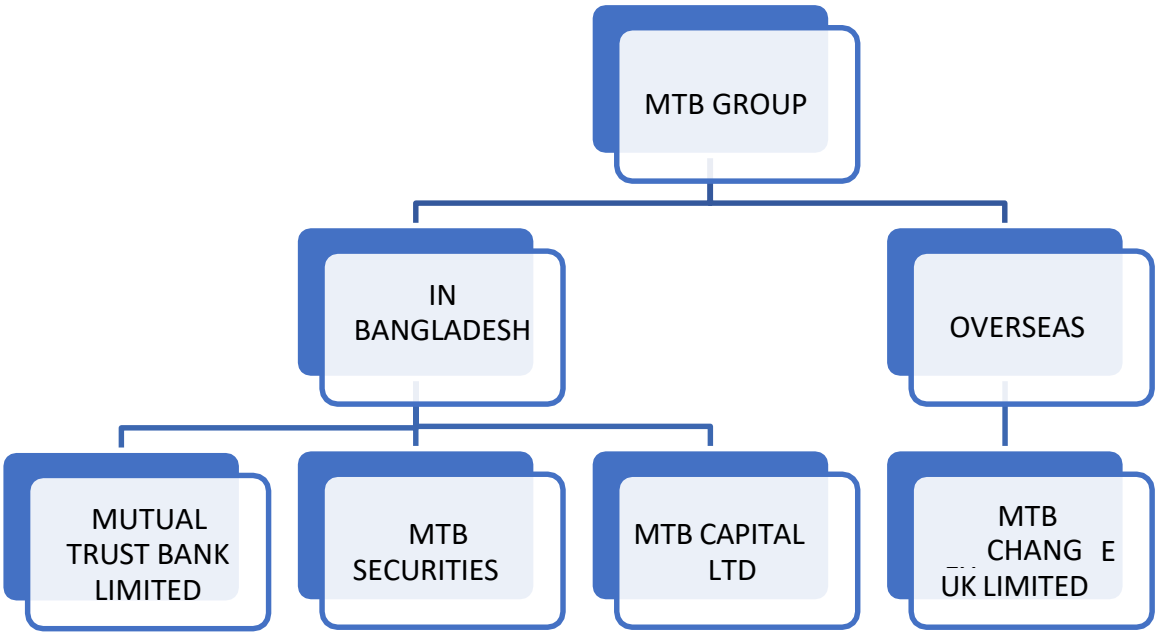
The Mutual Trust Bank PLC principal goal is to provide a global standard banking service system in the financial sector. In addition, the bank began operating in the nation to achieve the following goals:

- To build a connection of collaboration with clients and do away with the debtor-creditor structure of traditional banks,
- To create a financial system that is welfare-oriented. to direct funds toward profitableindustries.
- To make investments with a profit-and-risk split.
- Accept payments based on a profit-and-loss split.
- To generate employment by distributing savings to potential economic areas.
- To provide banking services to society's poor, defenseless, and low-income groups toraise their level of living.
- To aid in the building of a just and equitable economic system.
- Establish fairness in the country's economic trade and commerce.
- To provide services that will aid in the country's economic growth.

3.5 The board and its committee



3.6 MTB corporation structure



3.7 Functions of MTB

The following are the roles that Mutual Trust Bank Limited performs: To manage all kinds ofdeposit accounts with online features.

- To do our currency exchange business.
- Expand other financial services.
- To carry out charitable endeavors.

3.8 Management Hierarchy Structure of Mutual Trust Bank PLC



3.9 Product and Services of MTB

(a) Retail and deposit product:	1. MTB SAVINGS ACCOUNT: MTB Care MTB Extreme Savings Account MTB Inspire MTB Inspire MTB Senior 2. MTB Current Account 3. MTB Deposit Scheme MTB Brick By Brick MTB Kotipati MTB Millionaire Plan 4. MTB Fixed Deposits MTB Double Saver MTB Fixed Deposit MTB Monthly Benefit Plan MTB Quarterly Benefit Plan
(b) Retail Loan Product	1. MTB Retail Loan MTB Auto Loan MTB Cash Line MTB Grameen Griho Reen MTB Home Equity Loan
(c) MTB Credit Card	MTB Gold Credit Card MTB Mastercard Titanium Credit Card MTB Mastercard World Credit Card MTB VISA Platinum Credit Card MTB Visa Signature Credit Card
(c) MTB Payroll Banking	1. Salary Segment: payroll Premium salary BDT 100,000 and above. Payroll Savers salary BDT 20,000 and less than BDT 100,000. Payroll e-Savers salary less than BDT 20,000.

MTB Student banking	1. MTB Student Savings Account MTB Graduate MTB Junior 2. MTB Student Deposit Scheme MTB Children Education Deposit Scheme MTB Education Plan 3. MTB Student Loan MTB EDU Finance
(e)MTB Angona	1. Angona products Angona Savings Account Angona Premium Account Angona Fixed Deposit

Corporate Banking

1. Team Finance
2. Trade Finance
3. Working Capital Finance

SME Banking

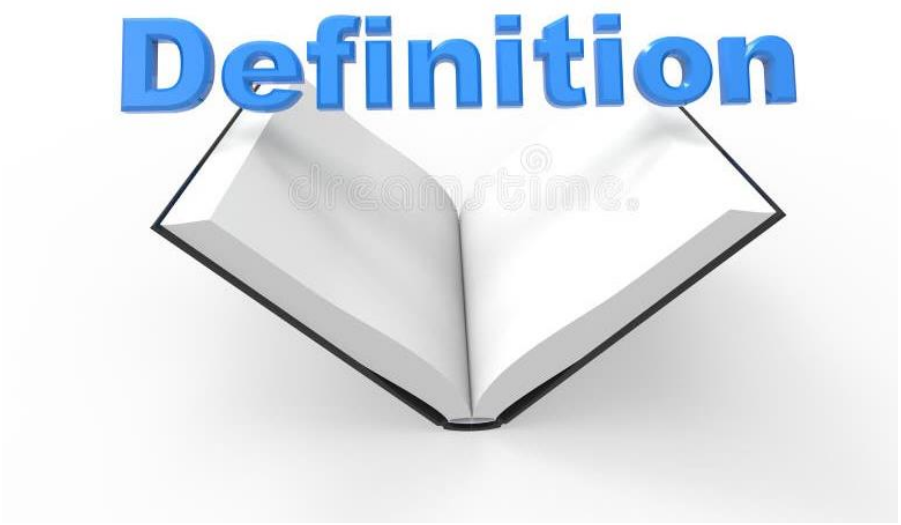
1. MTB Bhagyoboti
2. MTB Krishi
3. MTB Mousumi
4. MTB Revolving Loan
5. MTB Small Business Loan
6. Micro Digoon

3.10 Treasury service of MTB

- Desk for Asset-Liability Management
- Desk of Corporate Sales
- Trading in currencies and foreign exchange
- Public Sector Securities (T-Bill, T-Bond)
- Money Market Instruments

Chapter-4

Theoretical Aspect



4.1 Financial Statement

Records that outline the financial activities of a business, an individual or any other entity. Financial statements are meant to present the financial information of the entity in question as clearly and concisely as possible for both the entity and for readers. Financial statements for businesses usually include: income statements, balance sheet, statements of retained earnings and cash flows, as well as other possible statements.

4.1.1 Balance Sheet

A financial is a statement that summarizes a company's assets, liabilities and shareholders' equity at a specific point in time. These three balance sheet segments give investors an idea as to what the company owns and owes, as well as the amount invested by the shareholders.

The balance sheet must follow the following formula:

Assets = Liabilities + Shareholders' Equity

4.1.2 Income Statement:

A financial statement is a company's financial performance over a specific accounting period. Financial performance is assessed by giving a summary of how the business incurs its revenues and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period, typically over a fiscal quarter or year.

4.1.3 Cash flow statement:

Summary of the actual or anticipated incomings and outgoings of cash in a Bank over an accounting period (month, quarter, year). It answers the questions Where the money came (will come) from? and Where it went (will go)? cash flow statements assess the amount, timing, and predictability of cash-inflows and cash-outflows, and are used as the basis for budgeting and business-planning. The accounting data is presented usually in three main sections: (1) Operating-activities (sales of goods or services), (2) Investing-activities (sale or purchase of an asset, for example), and (3) Financing-activities (borrowings, or sale of common stock, for example). Together, these sections show the overall (net) change in the Bank's cash-flow for the period the

statement is prepared. Lenders and potential investors closely examine the cash flow resulting from the operating activities. This section represents after-tax net income plus depreciation and amortization and, therefore, the ability of the Bank to service its debt and pay dividends. With balance sheet and income statement (profit and loss account), cash flow statement constitutes the critical set of financial information required to manage a business. Also called statement of cash flows.

4.1.3 Retained Earnings Statement

A statement of retained earnings (and similarly an equity statement, statement of owner's equity for a single proprietorship, statement of partners' equity for a partnership, statement of financial position, and statement of retained earnings and stockholders' equity for a corporation) is a basic financial statement.

The statement explains the changes in a company's retained earnings over the reporting period. They break down changes in the owners' interest in the organization, and in the application of retained profit or surplus from one accounting period to the next. Line items typically include profits or losses from operations, dividends paid, issue or redemption of stock, and any other items charged or credited to retained earnings.

The statements are expected by generally accepted accounting principles and explain the owners' equity and retained earnings shown on the balance sheet, where:

owners' equity = assets – liabilities

4.2 Financial Performance Analysis

Financial statement analysis is a Method used by interested parties such as investors, creditors, and management to evaluate the past, current, and Thesised conditions and performance of the Bank. Ratio analysis is the most common form of financial analysis. It provides relative measures of the Bank's conditions and performance. Horizontal Analysis and Vertical Analysis are also popular forms. Horizontal analysis is used to evaluate the trend in the accounts over the years, while vertical analysis, also called a Common Size Financial Statement discloses the internal structure of the Bank. It indicates the existing relationship between sales and each income statement

account. It shows the mix of assets that produce income and the mix of the sources of capital, whether by current or long-term debt or by equity funding.

Financial Analysis refers to the analysis of year to year financial data, usually Income Statement and Balance Sheet Data for the purposes of determining the elements that contributed to the profitability of the company and the efficiency with which the company used its assets or took advantage of its loans and shareholder funds. The analysis could also reveal various other things about the company including

- sources and uses of funds
- efficiency of collection methods for accounts receivable
- the viability of the company given its asset versus liability status
- the company's ability to meet short term loan repayment obligations
- prospects for longer term growth etc.

Analysis of other accounting information could reveal a host of other information that help companies formulate plans to curtail adverse situations and take advantage of favorable situations.

Financial statement is companies P & L a\c and Balance sheet and some of other like fund flow statement, cash flow statement so to annalists should be see it and give right position of Company Annalists may be a CA or CS.

4.3 Types of Analysis

4.3.1 Ratio analysis

The second significant method is ratio analysis. It is best when you assess link between two or more accounts in your financial statements. There are four key categories of financial ratios: liquidity, profitability, efficiency and operational performance

4.3.2 Trend Analysis

Trend Analysis is the practice of collecting information and attempting to spot a pattern, or *trend*, in the information. In some fields of study, the term "trend analysis" has more formally defined meanings.

Although trend analysis is often used to predict future events, it could be used to estimate uncertain events in the past, such as how many ancient kings probably ruled between two dates, based on data such as the average years which other known kings reigned.

4.3.3 Comparative Analysis

A method used in the analysis of financial statements to identify new trends when data or ratios for a specific item from multiple time frames are presented along side of each other for a straight across comparison. The same method came be used to compare the outcomes of alternative solutions or processes applied in similar circumstances.

Chapter-5

Analysis and Interpretation of the Data



5.1 Introduction

Our bank's net profit after tax stood at BDT 2,202.58 million, translating into an earnings per share of BDT 2.03. Our return on average equity were 8.87% in 2024, while our return on average assets were 0.59% in 2024.

5.2 Ratio Analysis of Mutual Trust Bank PLC

5.2.1 Current Ratio

The current ratio, one of the most commonly cited financial ratios, measures the firm's ability to meet its short term obligations. The higher the current ratio, the better the liquidity position of the firm. It is expressed as

Current Ratio=Current Asset/Current Liabilities

Year	2020	2021	2022	2023	2024
Current Ratio	**1.00**	**1.01**	**1.02**	**1.04**	**1.05**

Graphical Presentation

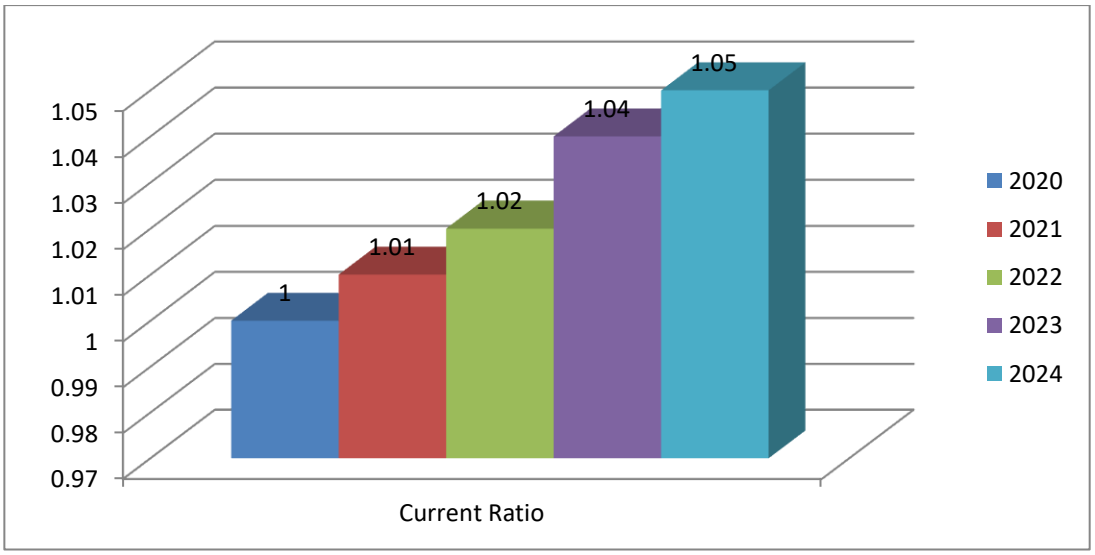


Figure 5.1 Current Ratio

Interpretation:

The graph shows an upward trend in MTB's current ratio. This indicates that MTB's has increased its liquidity position and thereby it has reduced the change of being technically insolvent.

5.2.2 Net Working Capital

Net working capital, although not actually a ratio is a common measure of a firm's overall Liquidity a measure of liquidity ratio calculated by

Net Working capital=Current Asset-Current Liabilities

Tk (Million)

Year	2020	2021	2022	2023	2024
Net Working Capital (Tk)	822.34	1056.25	1471.08	2150.14	2447.97

Graphical Presentation:

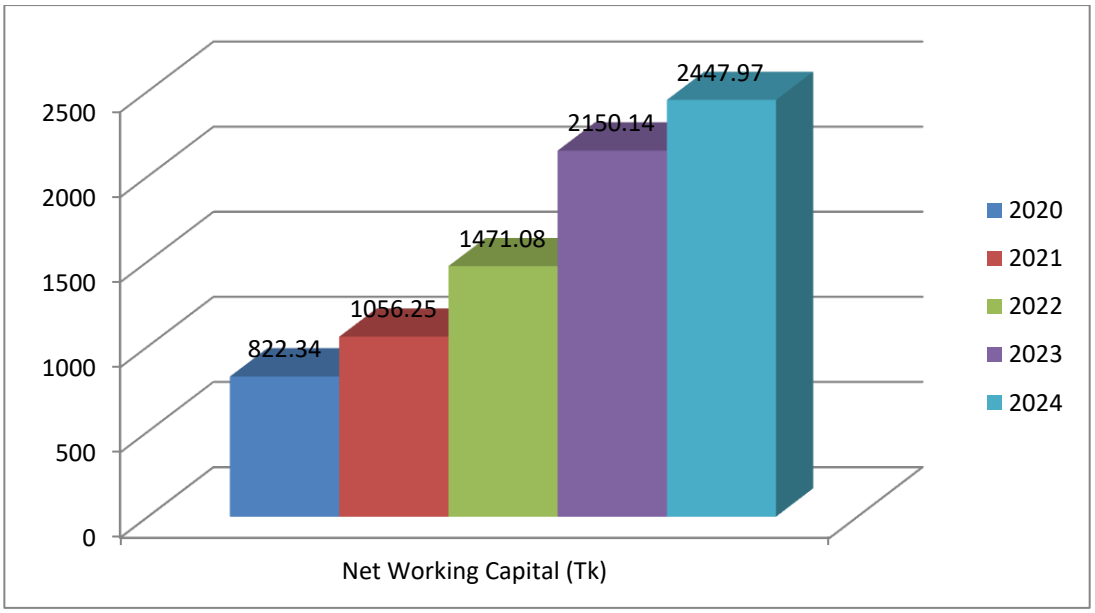


Figure 5.2: Net Working Capital

Interpretation:

Net working capital measures the liquidity position of the firm. In 2018 the net working capital was Tk 822.34 million which was gradually increased to tk 2447.97 million in 2022. The graph shows that increase trend of MTBs liquidity position this indicates that MTB has increased its ability to pay short term obligation out of its currents assets.

5.2.3 Cost Income Ratio

It measures a particular Bank's operating efficiency by measuring the percent of the total operating income that the Bank spends to operate its daily activities. It is calculated as follows:

Cost Income Ratio=Total operating Expenses/Total Operating Income

Year	2020	2021	2022	2023	2024
Cost Income Ratios	40.13%	42.33%	44.15%	42.25%	40.38%

Graphical Presentation:

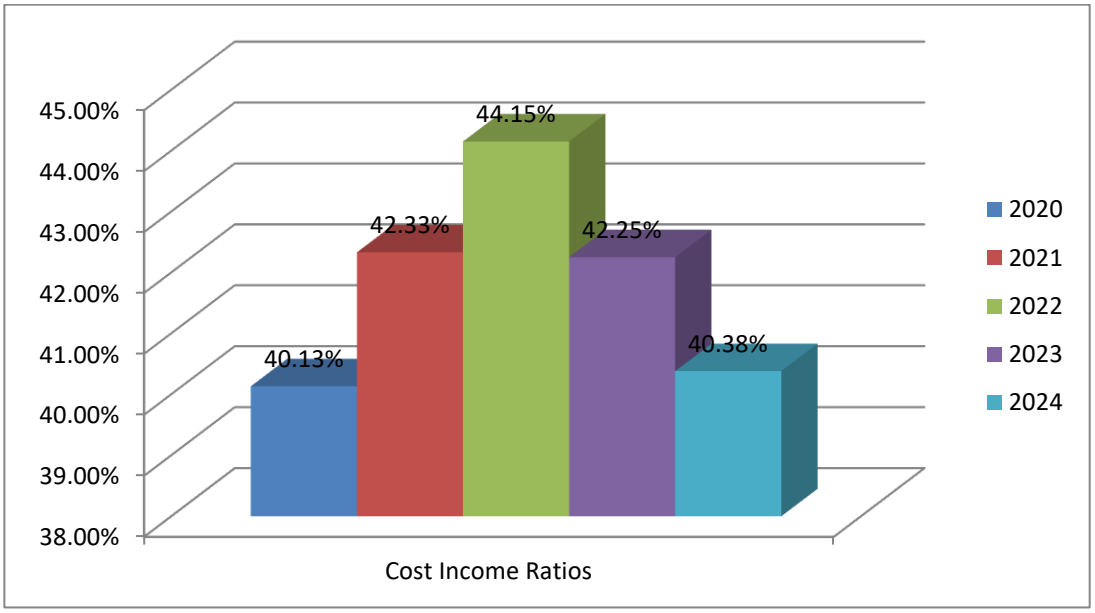


Figure 5.3 Cost Income Ratios

Interpretation:

In 2020 the cost income ratio of Mutual Trust Bank PLC is high but after that it is decreasing. So it can be said that the operating efficiency of the Mutual Trust Bank PLC is becoming good. That means they are successful in minimizing their operating cost.

5.2.4 Total Asset Turnover Ratio

The total asset turnover indicates the efficiency with which the firm is able to use all its assets to generate income.

Total Asset Turnover= Operating Income/Total Asset

Year	2020	2021	2022	2023	2024
Total Asset Turnover(Times)	**0.053**	**0.053**	**0.051**	**0.053**	**0.055**

Graphical Presentation:

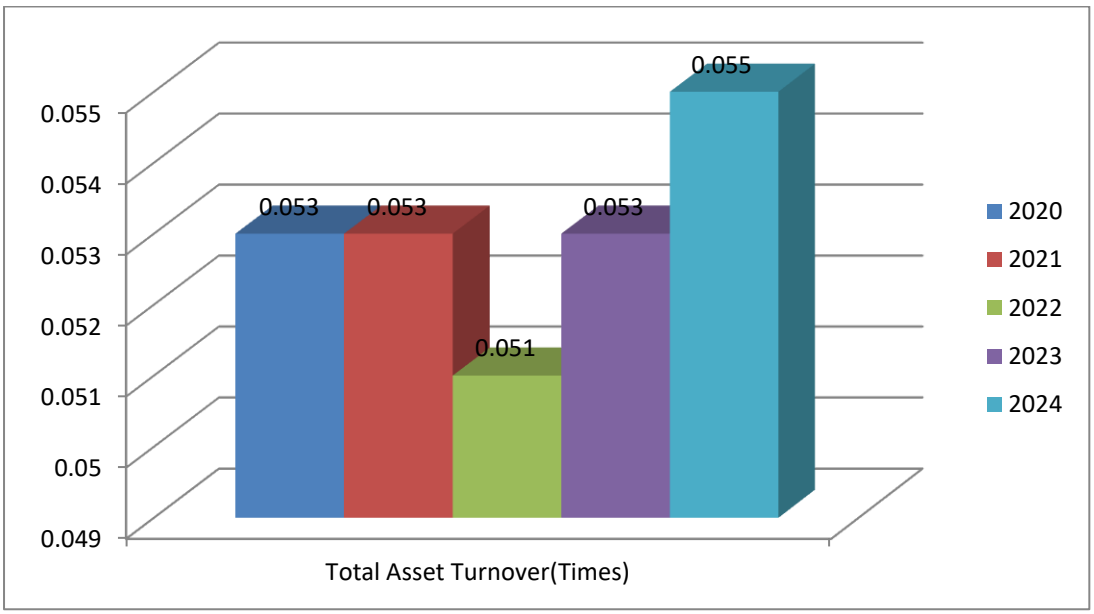


Figure 5.4 Total Asset Turnovers

Interpretation:

We know that this ratio measures the efficiency of the bank in using its total assets to generate operating income and the higher the ratio, the higher the efficiency of the bank is in using its assets. The graph shows an upward trend in total asset tarn over except in 2020. Its total asset turn over is lowest in 2020, but it is highest in 2022. This indicates that MTB is becoming more efficient in using its assets to generate operating income.

5.2.5 Investment to Deposit Ratio

Investment to Deposit Ratio shows the operating efficiency of a particular Bank in promoting its investment product by measuring the percentage of the total deposit disbursed by the Bank as long & advance or as investment. The ratio is calculated as follows:

Total investment/Total Deposit

Year	2020	2021	2022	2023	2024
Investment to Deposit Ratio	**.21**	**.19**	**.15**	**.25**	**.15**

Graphical Presentation:

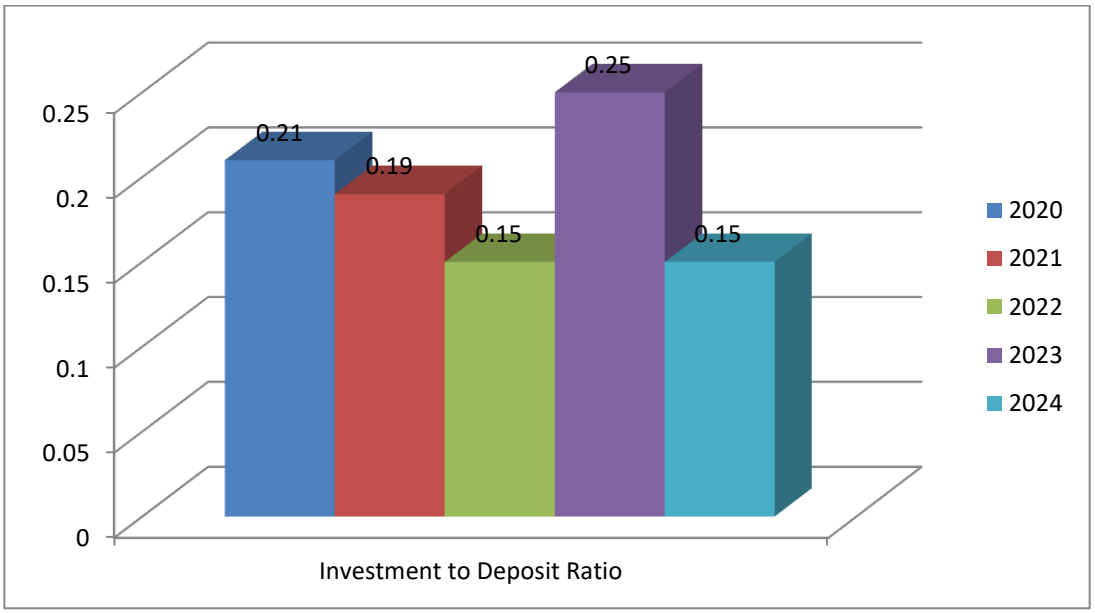


Figure 5.5 Investment to Deposit ratio

Interpretation:

In 2021 the unexpected investment was made by the Bank, the 25% of total deposit are in the form of investment. But this ratio drastically falls from 25% to 15% which is not good sign for the company.

5.2.6 Net Profit Margin

The net profit margin measures the percentage of each sales dollar remaining after all expenses, including taxes, have deducted. The higher the firm's net profit margin is better. The net profit margin is a commonly cited measure of the company's success with respect to earnings on sales.

Net Profit Margin=Net profit after tax/operating income

Year	2020	2021	2022	2023	2024
Net Profit Margin	0.21	0.23	0.22	0.23	0.30

Graphical Presentation:

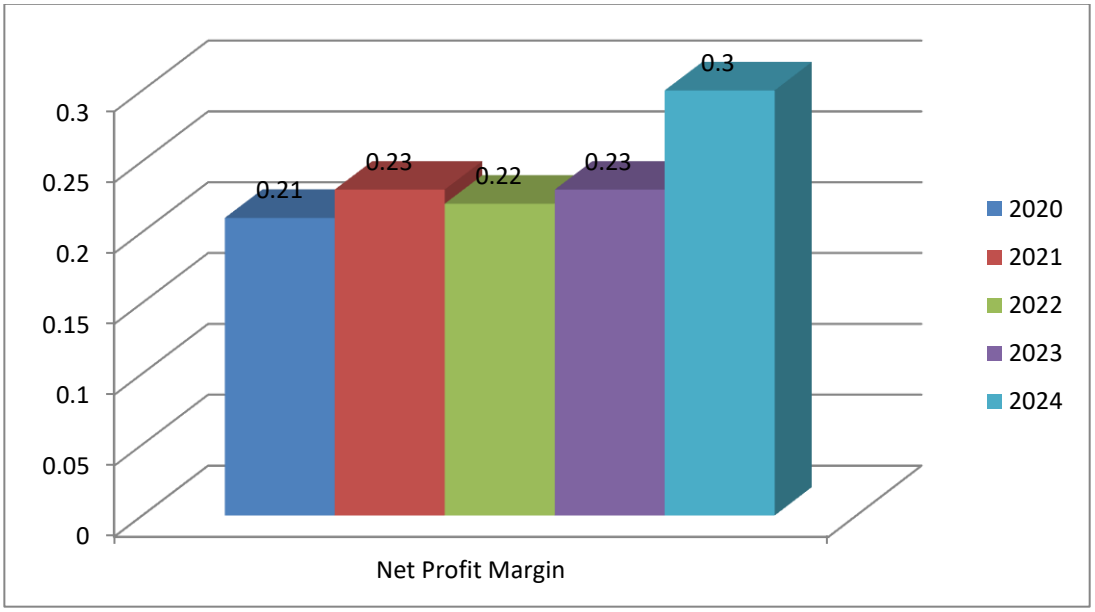


Figure 5.6 Net Profit Margins

Interpretation:

We know that this ratio shows the portion of total operating income that remains after deducting all the costs and expenditure for particular period of time. From the graph I have seen that the net profit margin is raising position in 2018 to 2022 except 2020. There profit margin is in strong position.

5.2.7 Return on Asset (ROA)

The return on asset (ROA), which is often called the firm's return on total assets, measures the overall effectiveness of management in generating profits with its available assets. The higher the ratio is better.

Return on Asset (ROA) =Net Profit after tax/Total Asset

Year	2020	2021	2022	2023	2024
Return On Asset	1.33%	1.20%	1.10%	1.22%	1.64%

Graphical Presentation:

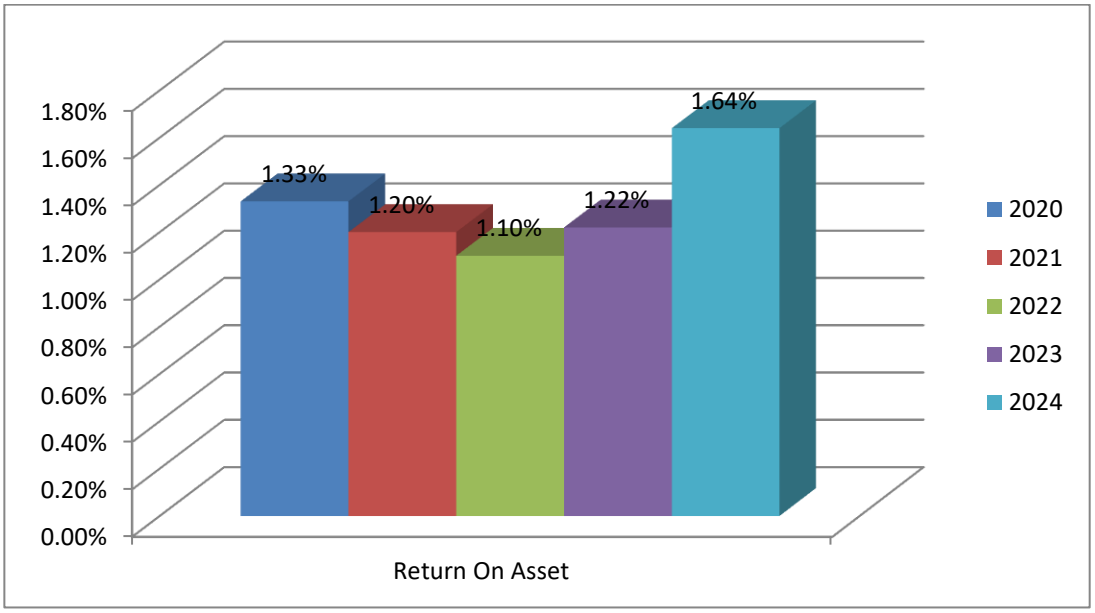


Figure 5.7 Returns on Asset

Interpretation:

Return on assets is an indicator of how profitable a company is. This ratio is used annually to compare the business performance to its norms. The banks return on asset was increasing from 1.33 to 1.64 in the preceding 5 years. It can be said that MTB's earning capacity is increasing year by year. This is good sign for the Bank.

5.2.8 Return on Equity (ROE)

The return on equity measures the return earned on the owner's investment. Generally, the higher return is the better off the owner's.

Return on Equity=Net Profit after Tax/ Shareholders equity

Year	2020	2021	2022	2023	2024
Return on Equity	21.94%	18.45%	17.75%	18.80%	19.84%

Graphical Presentation:

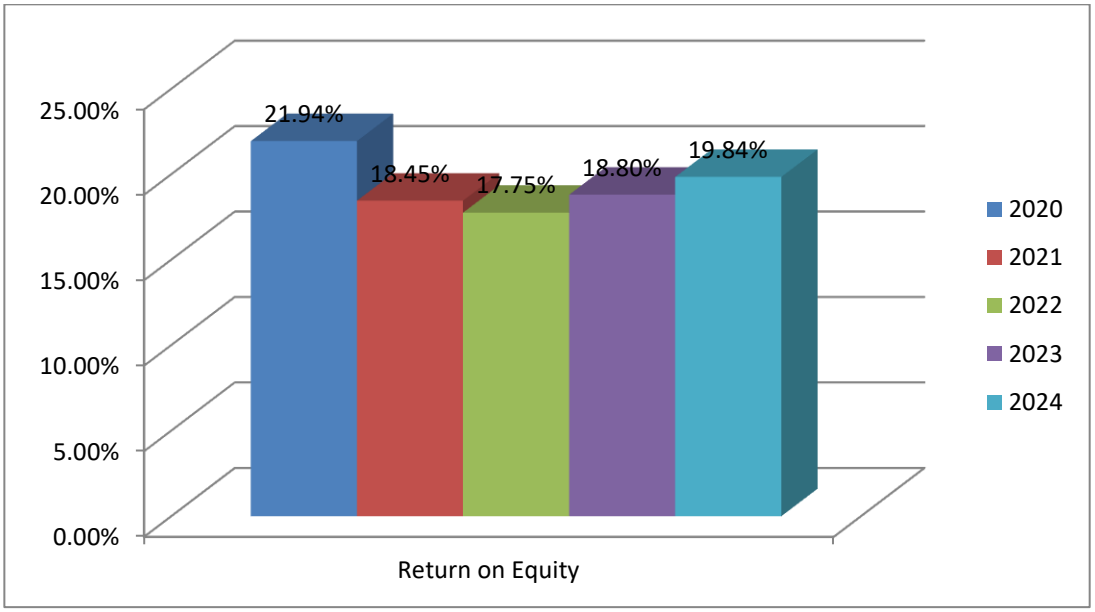


Figure 5.8 Returns on Equity

Interpretation:

The return on equity ratio was decreasing from 2018 to 2022. That was decreased from 21.94% to 19.84%. This is not desirable. So, the management should work hard to increase the return associated with equity. Though return on equity has slightly increased in 2022 from preceding year, still it is significantly deviated from that of in 2018.

5.2.9 Earnings per Share

The firm's Earning per share (EPS) are generally of interest to present or prospective stockholders and management. The Earning per share represent the number of dollars earned on behalf of each outstanding share of common stock. The earnings per share is calculated as follows.

Earning Per Share =Earnings available for common stock holder/No of shares of common stock outstanding

Year	2020	2021	2022	2023	2024
EPS	**41.22**	**30.05**	**28.53**	**30.67**	**41.04**

Graphical Presentation:

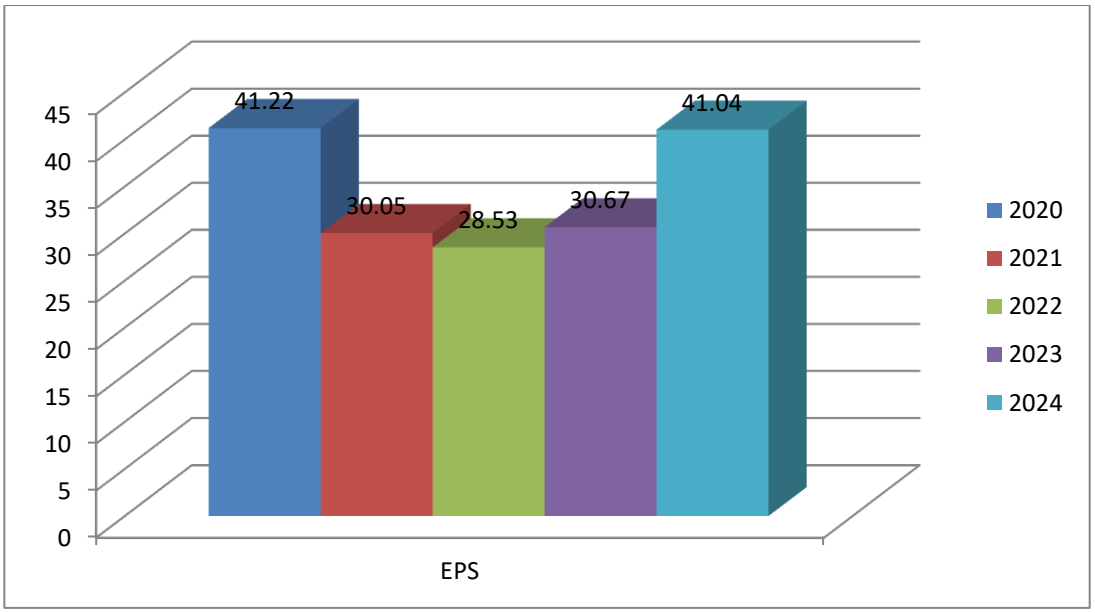


Figure 5.9 Earnings per Share

Interpretation:

The graph shows that, EPS is highest in 2018 and there is a downward trend in EPS from year 2018 to 2020. But MTB has managed to increase its EPS as shown by the upward trend in EPS. Over the last three years.

5.2.10 Price Earnings Ratio

The price or earning (P/E) ratio is commonly used to assess the investor appraisal of share value. The P/E represents the amount investors are willing to pay for each dollar of the firm's earnings. The higher the P/E ratio, is the greater the investor confidence in the firm's future. The price Earning (P/E) ratio is calculated as follows

Price Earnings Ratio=Market price per share of common stock/Earning per share

Year	2020	2021	2022	2023	2024
Price Earning Ratio(times)	8.62	13.83	12.21	12.88	14.14

Graphical Presentation:



Figure 5.10 Price Earnings Ratio

Interpretation:

It measures the level of price that the investors are paying for per taka of earnings offered by the bank. From the graph I have seen that in year 2022 the investors has paid maximum amount of price for per unit of earnings in which the bank issued its share in the market. This indicates the investors are paying more and willing to invest in MTB.

5.2.11 Debt Ratio

The debt ratio measures the preparation of total assets provided by the firm's creditors.

Debt ratio= Total Liabilities/Total Assets

Year	2020	2021	2022	2023	2024
Debt Ratio	.92	0.93	0.94	0.94	0.92

Graphical Presentation:

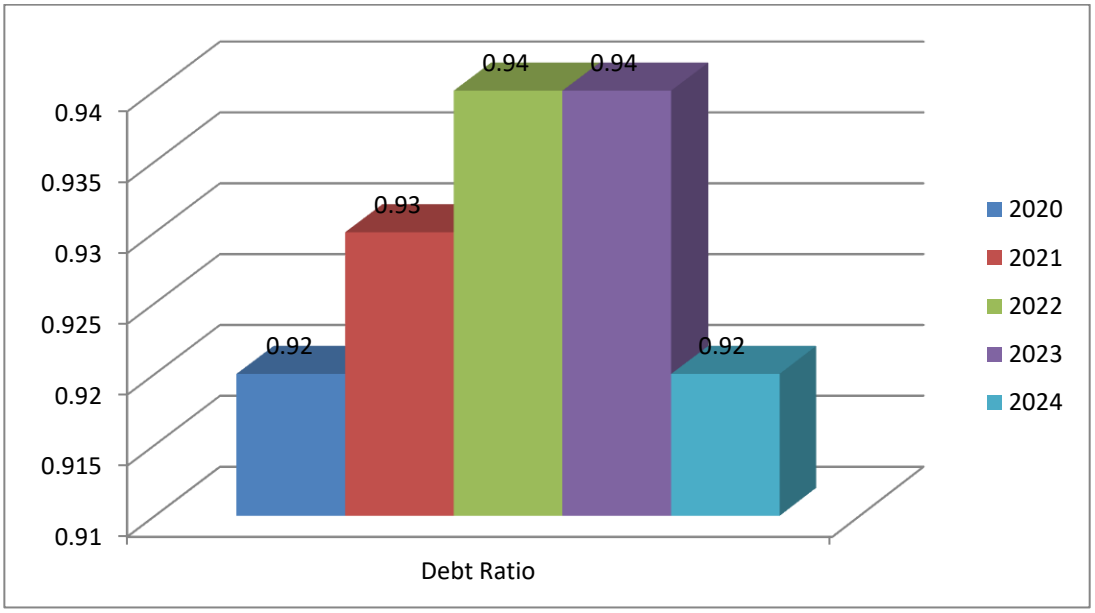


Figure 5.11 Debt Ratio

Interpretation:

The graph shows that debt ratio MTB is fluctuating. The MTB has reduced its debt ratio and thereby it has reduced financial leverage and financial risk.

5.2.12 Time Interest Earned Ratio

The times interest earned ratio, sometimes called the interest coverage ratio, measures the firm's ability to make contractual interest payments.

Time Interest Earned Ratio =Earnings before interest & Taxes/Interest

Year	2020	2021	2022	2023	2024
Time Interest Earned Ratio	1.13	1.22	1.37	1.54	1.28

Graphical Presentation:

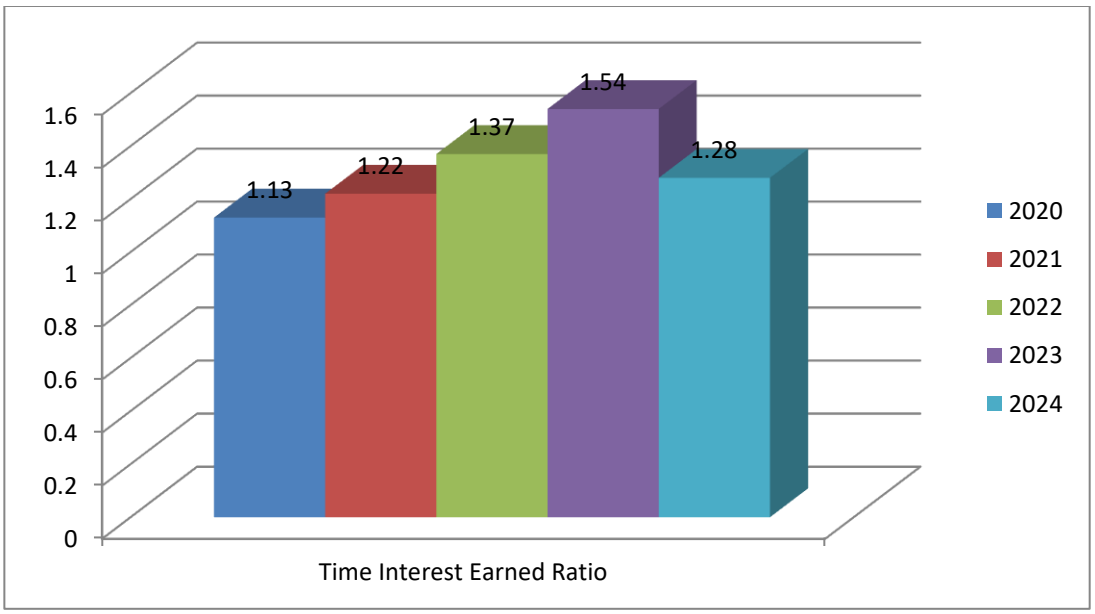


Figure 5.12 Time Interest Earned Ratio

Interpretation:

Their Time Interest Earned ratio was not satisfactory because, they have only 1.54tk.against 1 taka interest obligation which is not good. They should reduce their interest obligation or increase the EBIT in order to smoothly operate their business.

5.3 Findings

The findings of this thesis report are been sated below:

- Due to time and cost restriction, the study is concentrated in selected areas. To continue study in such a vast area requires a big deal of time. As an internee I had only three month which is not enough.
- As a financial organization a bank has some restrictions to serve all the real data of the bank to the general people as a result the study is mostly depending on official files and annual reports.
- Available data also could not be verified. In most cases I simply did not have any option but to furnish with data without verification.
- MTB as a commercial bank so its key personnel are very busy and they could not able to give me enough time for discussion about various topics.
- Sometimes such kinds of tasks were given in the Bank that was no way related to my topic and I was responsible to do it which breaks my concentration in my major area of investigation.
- Every organization has its own secrecy that is not revealed to others.
- Lack of experience has acted as constraints in the way of meticulous exploration of the topic.

5.4 Chapter Summary

The current ratio of MTB is increasing year by year. Mutual Trust Bank PLC net working capital has gradually increasing year by year it is good sign for the bank. Cost income ratio of the MTB was decreasing it is good sign for the bank. Total asset turnover of MTB is not good at all and it had been decreased 2020. But in 2022 this ratio is increasing mode. MTB is becoming more efficient in using assets to generate revenue as reflected in its total asset turnovers. But their efficiency in utilizing assets is still less than that of CBL and EBL.MTB has reduced its debt ratio to 92% in 2022, still MTB is using more debt and taking more financial risk in comparison with EBL and CBL. In 2022 MTB time interest earned ratio is lower than CBL and EBL.EBL management is efficient to generate profit and there ROA is increasing year by year. EBL & MTB management is less efficient. Over the three years we can say that MTB financial performance was lower than the CBL but higher than the EBL. Finally, it has seen that Mutual Trust Bank Ltd Financial performance in 2022 was very good.

Chapter-6

Conclusions



6.1 Recommendations

It is not unexpected to have problems in any organization. There must be problems to operate an organization. But there must be remedies to follow. The following commendations can be suggested to solve the above mentioned problems:

- As we have seen that current ratio of MTB was increasing year by year. So, it should try to grip this ratio.
- Although MTB's net working capital was satisfactory range. So, it should try to maintain this trend for smoothly operate their bank.
- From the trend analysis we have seen that operating efficiency of the Mutual Trust Bank PLC is becoming a good position. That means they are succeed to minimize their operating cost. So, it should take necessary steps to keep up this trend.
- MTB's total asset turnover was not good at all. So, total assets turnover should be increased by generating operating income to attract the outsider investor.
- MTB's investment to deposit ratio was fluctuating year by year. The MTB should increase their investment to deposit ratio to maximize their operating income and owner's equity.
- MTB's earning capacity was increasing year by year. So it should stay behind of this ratio.
- From the trend analysis we have seen that MTB's P/E ratio was fluctuating. So, MTB's should try improving of this ratio.
- Although, Debt Ratio of the MTB was in satisfactory range because it is decreasing. So it should continue these trends.
- As, MTB's Time interest ratio is not satisfactory. So, it should increase their EBIT or reduces the debt capital in order to smoothly satisfy the interest obligations.
- By analyzing financial ratio Eastern bank limited is in good position than Mutual Trust Bank PLC. So to attract the outsider investor as well as customer they should give more concentration to improve management efficiency that shows the all ratio better than other Bank.

6.2 Conclusion

Mutual Trust Bank PLC (MTB) is setting new standards in the banking arena in the time of turbulent economic conditions. As part of the long term financial reform and modernization plan of the government, the bank had been converted into a public limited company. Bank is a financial intermediary that collects money as deposit from idle section i.e. household by providing interest against deposit and mobilize this money into productive sector i.e. industry, agriculture, manufacturing from by collecting interest against loan. The difference between interest expense and interest gain is the bank's main profit. In banking language it is called spread. Without a bank an economic development cannot be imagined. The Mutual Trust Bank one of the leading banks in our country that also plays a vital role undoubtlly. In 2022 the Mutual Trust Bank total deposit was (75629.14) million and provide loan (66377.70) million. Mutual Trust Bank collect deposit by providing different types attracting deposit product and provide loan by offering different types of investment product. In developing economic condition Mutual Trust Bank has the huge contribution i.e. in 2022 the contribution was in garments sector (11,211,457,626), agriculture sector (2,038,915,000), government sector (9,565,346,007). So it can be said that Mutual Trust Bank plays a very important role in economic development.

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