



Uttara University

Project Report on

Topic: Development of Banking products: A comparative study between Dhaka bank ltd and Mutual trust bank ltd.

Submitted to

Nusrat Jahan

Assistant Professor

Department of Business Administration

Submitted By

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Batch: 41st

Submission date: 30-08-2020

Letter of Transmittal

To
Nusrat Jahan
Assistant professor
Department Of Business Administration
Uttara University
Dhaka, Bangladesh

Subject: Submission of Project Report on “Development of Banking products: A comparative study between Dhaka bank ltd and Mutual trust bank ltd””

Dear Ma’am,

With due respect, I beg to inform you that, I am a student of BBA, 41th batch & dept. of DBA at Uttara University. I am very glad to submit you my project report prepared on **“Development of banking products: A comparative study between Dhaka bank ltd and Mutual trust bank ltd”**

I have given my best effort to prepare the report with relevant information that I have collected from various sources during my project program from 20st June to 25th August 2020.

I pray and hope that the mistake of the report may have, will be kindly excused. So I cordially request to you evaluating this report & enough kind to receive this report.

Sincerely yours

Name: Md.Eman Ali
ID: 2163011030
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Batch: 41th
Major: Finance
Program: Bachelor of Business Administration
Dept.: DBA, Uttara University

Student's Declaration

I declare that the Project Report on **“Development of banking products: A comparative study between Dhaka bank ltd and Mutual trust bank ltd”** includes the results of my own research works, pursued under the supervision of Nusrat Jahan, Assistant Professor, School of Business, Uttara University.

I also declare that the internship report is prepared for academic purpose only. This report is not submitted by others.

Name: Md. Eman Ali

ID: 2163011030

Reg No. : UU 16303641

Batch: 41th

Major: Finance

Program: Bachelor of Business Administration

Dept.: DBA,Uttara University

Supervisor's Declaration

This is to certify that the project report on “Development of Banking products: A comparative study between Dhaka bank ltd and Mutual trust bank ltd” is prepared by Md.Eman Ali, 41st batch bearing ID No. 2163011030 for the partial fulfillment of the BBA program with a concentration on Finance from Uttara University , Bangladesh. This report is an original work completed by her under my supervision.

During the period of internship program, her devotion, sincerity, honesty and modesty were very impressive and praiseworthy. I wish her every success in life.

She is permitted to submit the Report.

Supervisor

Nusrat Jahan

Assistant Professor

School of Business

Uttara University, Bangladesh

Acknowledgement

At the very outset, I am very much thankful to almighty Allah for giving me strength, courage and ability to accomplish the internship program as well as the project report in a scheduled time in spite of various complications. It gives me immense pleasure to thank a large number of individuals for their cordial cooperation and encouragement which has contributed directly or indirectly in preparing this report.

First of all, I would like to express my gratitude to my internship supervisor Nusrat Zahan , who in spite of being extraordinarily busy with his duties, took time out to hear, guide and keep me on the correct path and feedback which made everything clear to me to complete this report. At first, I was so confused that whether I would be able to make a fruitful report but with his assistance, I found a way to do everything immaculately and in time. He kept me on track to complete this report and his suggestions and feedback were very dynamic in making this report as impeccable as possible.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on my improvement, in order to attain desired career objectives. Hope to continue cooperation with all of you in the future.

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Abstract

Bank is the financial institution that financing the money and provide lone and other service to the costumers. There are money types of bank around the world. This paper focuses on analyzing comparison development banking product between Dhaka Bank Ltd and Mutual Trust Bank Ltd. Mainly banking product means Loan and Deposit. Bank loan or bank advance the advance of a specified sum of money to an individual or business (the borrower) by a commercial bank, savings bank. Deposit account is that people keep the money in the bank for the future. The project analyzes their product of Dhaka bank ltd and mutual trust bank ltd. Both banks are commercial bank but there have various types of deposit and loan product. Dhaka bank focuses on the commercial peoples, On the other hand Mutual Trust bank focuses on the house owner peoples for the loan. Dhaka bank and Mutual trust bank are very competitive for their deposit products. But Mutual trust bank is more advance by their investment. And it has big difference by their investment system of two banks. These studies provide many articles, literature as well as reference about the banking products.

Section 1

1.1. Introduction

Dhaka Bank Limited is a private limited commercial bank in Bangladesh. The bank was founded in 1995 by Bangladeshi politician Mirza Abbas. Founder Chairman of the Board of Directors of this Bank is Abdul Hai Sarker. Its headquarters are situated in Dhaka. Currently the bank has 100 branches and 3 SME Service Centers around the country. In SME Banking Award 2014, Dhaka Bank was awarded the best manufacturing-friendly bank.

On the other hand, Mutual Trust Bank Limited is another private commercial bank in Bangladesh. In 2015, the bank became one of two local partners of Life Insurance Corporation of India in Bangladesh. The Daily Star 15th Bangladesh Business Awards described the bank as "one of the best-run banks in Bangladesh".

MEDIHA MINE CELIKKOL, 2 SERMIN ELEVLI (2016) as part of intermediary activities, nearly half of bank assets are composed of credits, and two third of credits are given to real sector. Debt discharging capacity of real sector directly affects probability of repayment of credits given and therefore profitability of banking sector. Within the scope of brokerage activities about half of the bank assets consist of loans, two thirds of loans are granted to the real sector. The debt payment capacity of the real sector affects directly to the possibility of repayment of loans granted and also the profitability of the banking sector. Therefore, the monitoring of indicatives as "loan to deposit ratio" in banking is very important in the detection of potential risks and taking the necessary measures, so that in determining the fragility of financial stability.

The term commercial bank refers to a financial institution that accepts deposits, offers checking account services, makes various loans, and offers basic financial products like certificates of deposit (CDs) and savings accounts to individuals and small businesses. A commercial bank is where most people do their banking. Commercial banks make money by providing and earning interest from loans such as mortgages, auto loans, business loans, and personal loans. Customer deposits provide banks with the capital to make these loans.

Commercial banks provide basic banking services to the general public — to both individual consumers and small to mid-sized businesses. As mentioned above, these services include checking and savings accounts, loans and mortgages, basic investment services such as CDs, as well as other services such as safe deposit boxes. Both are Banks make money from service charges and fees. These fees vary based on the products, ranging from account fees (monthly maintenance charges, minimum balance fees, overdraft fees, non-sufficient funds (NSF) charges), safe deposit box fees, and late fees. Many loan products also contain fees in addition to interest charges. Dhaka bank ltd and Mutual bank ltd also earn money from interest they

earn by lending out money to other clients. The funds they lend come from customer deposits. However, the interest rate paid by the bank on the money they borrow is less than the rate charged on the money they lend. For instance, a bank may offer savings account customers an annual interest rate of 0.25%, while charging mortgage clients 5.75% in interest annually.

DBL and MTB are an important part of the economy. Not only do they provide consumers with an essential service, but they also help create capital and liquidity in the market. This entails taking money that their customers deposit for their savings and lending it out to others. Commercial banks play a role in the creation of credit, which leads to an increase in production, employment, and consumer spending, thereby boosting the economy. As such, commercial banks are heavily regulated by central banks. For instance, central banks impose reserve requirements on commercial banks. This means banks are required to hold a certain percentage of their consumer deposits at the central bank as a cushion if there's a rush to withdraw funds by the general public.

Hare the Dhaka Bank Ltd and Mutual Trust Bank Ltd are commercial bank. Dhaka Bank Limited is a private limited commercial bank in Bangladesh.[1] Its headquarters are situated in Dhaka. Currently the bank has 100 branches and 3 SME Service Centers around the country. The bank was founded in 1995 by Bangladeshi politician Mirza Abbas. Founder Chairman of the Board of Directors of this Bank is Abdul Hai Sarker. Dhaka Bank recognizes that Corporate Customers 'needs vary from one to another and a customized solution is critical for the success of their business. DBL Corporate banking provides financial products & services that fulfill various banking needs of large Corporate Houses, as well as Financial Institutions & Micro-Credit Organizations.

There product basket ranges from short term financing of day to day business operations to long term loans for expansion of business. They work to understand one's specialized needs and design tailored and structured solutions for their business.

On the other hand At MTB we have designed various deposit accounts to service all your different needs. From a straight forward Savings account to Fixed Deposits, we strive to give you the best value for your money. Our accounts enable you to prioritize between flexibility, highest interest yield and convenience. So the next time you are shopping for the competitive interest yield or greatest convenience for your hard earned savings, come to us for the answer!

Whatever credit facility you are looking for, you will surely find it at MTB. We have a comprehensive selection of facilities to offer, from a simple personal loan, credit cards, auto loan and overdraft facilities to home loan. We strive to remain competitive and are committed to constantly reviewing both our lending policies and rates to ensure that our customers get the best deals in town.

1.2. Justification of the study

- I got some knowledge about this banking product, which will help me in future.
- This knowledge guide me to make comparison in others banking product.
- By this study I want to know what kinds of deposit and loan have existed in this bank.
- Get idea about which bank deposit and loan is better.
- Those who have interest about to know deposit and loan system, this paper provide present scenario about Dhaka bank Ltd and Mutual trust bank Ltd.
- In BBA program my major area is finance and this topic is help me to know about the comparison and also in my carrier development.

- This project assist me to get a better job by increasing my know knowledge in this sector.

Section 2

2.1.Objective of the study

- To make a comparison between deposit products of Dhaka Bank Ltd and Mutual Trust Bank Ltd.
- To make a comparison between loan products of Dhaka Bank Ltd and Mutual Trust Bank Ltd.
- To show a comparative study between investment of Dhaka Bank Ltd and Mutual Trust Bank Ltd.

Section 3

3.1.Method

Every work has a method .On the way of the formation of the report, it has a method. Due to CORONA pandemic the study mainly based on secondary data related to development banking products. Secondary data and information have gathered from Books, Journals, research paper etc. This is an exploratory research based on – Data from Secondary Data Sources. Secondary data obtained through the Net, books and related journals including different publications: (i) Bangladesh Association of Banks (ii) Bankers' Welfare Association Bangladesh (WBAB) (iii) Papers International and local Publications (iv) Different seminar papers (v) Information from Internet (vi) UNCTAD and WTO publication. Here I also collect lots of information through banks journals.

In this report most of the information's are collected various articles. At first I selected some key words such as what are banking products, loan and deposit, interest rate, investment, long term and short term benefits, customer's satisfaction... I put these key words in Google and books. Than found many articles on my report from those articles I selected 10 important articles based on my topic. After collect articles numbering those articles from 1 to 10 which help me to preparing report appendixes. After collecting articles at first I read them very carefully and marked my important paragraph from those articles.

Section 4

Section-4: DISCUSSION

➤ **4.1 objective 1: To make a comparison between deposit products of Dhaka Bank Ltd and Mutual Trust Bank Ltd.**

A deposit account is a current account, savings account, or other type of bank account, at a banking institution that allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the bank's books, and the resulting balance is recorded as a liability for the bank, and represents the amount owed by the bank to the customer. Some banks charge a fee for this service, while others may pay the customer interest on the funds deposited.

Dhaka Bank Ltd and Mutual Trust Bank Ltd they are another commercial bank in Bangladesh. They are various types of loan and deposit. This project helps to me a complete study about Dhaka Bank Ltd and Mutual Trust Bank Ltd. Both are bank primarily started by the some deposit and loan. Initial level both bank started some branches. After the time day by day they are increasing their branches and provide services to the customer. Both are bank started private limited company they have more share in Dhaka Stock exchange. Dhaka bank Ltd and Mutual Trust bank Ltd they are establish and bank Bangladesh .now both are bank comparatively profitable and serviceable .But they are comparative between their product.

Md. Ariful Islam¹, Proshenjit Ghosh (2014) Savings Account is the most popular account among the account holders. Savings Account is opened by any individual for the purpose of savings. Traditionally it credits interest to the account of the customers daily/ monthly/ quarterly or half yearly subject to the policy of the bank. This deposit is intended primarily for small-scale savers. The main object of this account is promotion of saving. Hence there are restriction of withdrawals in a month and week. Heavy withdrawals are permitted only against prior notice. Interest is given on savings deposit if full fill certain conditions.

For the purpose of comparison Savings Account is divided into two parts. These are –

- Regular Savings Account: Certain areas which were taken into consideration while comparing the offerings.
- Special Savings Account: Special Savings Accounts are separate accounts offered by some of the PCBs in Bangladesh besides the regular savings accounts. These types of accounts include Salary Account, Access Account, Graduate Account, High Performance Account etc.

Jayanal Ud-din Ahmed (2009) finds that growth of deposit is affected by various factors such as GDP, interest rate and expansions of bank branches. However these factors do not effect deposit growth directly and in order to have a comprehensive picture the macroeconomic condition of the country must be studied.

M. Syed Ibrahim (2011) suggests that there is a positive relationship between demand and time deposits. The growth of deposits per bank office since 2000 has been more than the growth of credit per bank office. His study also shows that investment deposits ratio and ratio of priority sector advances to total advances have improved during the period. The author concludes that overall operational efficiency of scheduled commercial banks has improved.

Rubina Afroze (2013) aims to give an overall idea on the Interest Rate Spread of the commercial banks in Bangladesh from 1974-2011. She concluded that there lies a Significant correlation between spread and deposit rates. There is no significant relationship between lending rate and spread. Study also concluded that spread prevailing in the Bangladesh banking system was high as compared to those of its neighboring countries.

M R Das (2013) observed that interest rate deregulation has not made huge impact on growth of deposit mobilized and sluggish macroeconomic situation prevailing in 2011-12 are one of the biggest reason for decline in the growth rate of (Current and Saving Account) CASA deposits as well as their share in respective banking group. He suggested that bank should provide interests on current account, open more branches in rural areas, and intensify their efforts to increase the growth rate of CASA deposits over a period of time. Banks are also advised to differently classify their interest rates on short term deposits and advances.

Cook and Spellman (1994) concluded that the interest rate on deposits will reflect the changes in the main financial indicators of the bank (the ratio of the low capital on assets, increase the ratio of non-performing loans and the reduction ratio return on assets total). Changes in deposit interest rates will affect the decisions of depositors to change the level of their deposits in the bank, and take action in order to save their resources.

Dhaka bank ltd is the ranked commercial bank in Bangladesh .They is more capital and deposit saving account for the costumer. Example current account, savings account, fixed account .But thus are various types of name Shukti, Current Deposit (SME),FD Plus (SME) , Moradabad FD, Plus (SME) Dhaka bank ltd attracted the rich people in Bangladesh .Which of the people have more money or more assets but they need a lovely interest rate or profit.

Dhaka Bank ltd need various types of costumer .example business man, private or government employee, Politian, retards people. Any office time and any people make a deposit account. Dhaka bank ltd has main purpose to provide help by deposit and loan, and they also provide a better life to the costumer. This deposit gives help to the critical situation.

On the other hand Mutual trust bank ltd is bigger than Dhaka bank ltd .It has comparatively more deposit account that costumer need. Mutual trust bank ltd has more branches than Dhaka Bank ltd. There maximum has in rural area in Bangladesh .Firstly the mutual trust bank make a some deposit or savings account for the customer .But day by day it is increasing .And the bank sturdy a batter banking position in Bangladesh .At present this banking share bid to the Dhaka bank ltd .Mutual trust bank ltd has more deposit account and savings then it any costumer need. Some deposit of money provide good interest or profit from the Dhaka bank ltd .So it is mainly attracted to the all costumer .like poor people ,middle class, high class.

Mutual trust bank provide spacial people to special deposit account. Mutual trust bank ltd has more branches for the costumer transfer to money any deposit account to another deposit account .Commercial people get instant cash facility .At present Mutual trust bank progress day by day their deposit account and lovely interest rate .

E-Banking account system:

Now, the modern world e-banking is the common factor for every bank. It is a online platform. Any time costumer want to money so every bank become online service .at present any time any people make a deposit account by the online.

Dhaka bank ltd provide online deposit platform by their website .They provide ATM card ,Master card, Visa card ,debit card and credit card .This card provide instant money from the costumers own deposit account .

On the other hand Mutual trust bank has same quality service but is has more ATM booth. So costumer 24/7 hours get cash from their own deposit account .Both bank provide money exchange service by international currency.

Student savings accounts:

At present student savings account is another popular deposit account. Now this time every student wants to a deposit bank account. Dhaka bank has no student deposit account system. On The other hand Mutual trust bank has various types of student's savings account for just students. Example MTB Junior, MTB graduate, MTB Children Education Deposit Scheme, MTB Education Plan MTB Edu Finance, MTB Student File Services etc.

4.1.1. Dhaka Bank Ltd

Mutual trust bank provide student banking service for just the student .Mutual trust bank ltd has various types of student account .now student deposit account is the famous account. Example MTB Junior, MTB graduate, MTB Children Education Deposit Scheme, Any, MTB Education Plan, MTB Edu Finance, MTB Student File Services.

a)Shukti: It is also related to the savings account for the costumer .costumer get lovely interest rate .this account motivated to a another income source for the people. This account gives me loan advance on the deposit. Respective conditional interest rates will vary as per Account deposit / balance, starting from minimum Account balance of BDT 25,000.00.

Torre et al. (2010) claim that commercial bank should enlarge application range to provide more financial service on the basis of availability of credit, grasp of the comprehensive corporation information to control risks and promotion of the organizational development to amplify profit margin.

b) Current Deposit (SME): This deposit is for commercial people .they needs any time cash and transfer of the money. But this deposit account does not provide interest .Dhaka bank give debit card and credit card for the customers. If this money stray in deposit account than the bank give some interest And the bank get some service charge for the money transfer it is a popular account for the business man.

c) FD Plus (SME): This is the fixed deposit. Here Dhaka bank Ltd provides more interest rate to the costumer. By this deposit a costumer get a big money after 10 to 20 years. This account can make individuals or organization wise. So fixed deposit account always attracted to the people

d) Moradabad FD Plus (SME): FD plus (SME) and Moradabad FD plus (SME) are same.

4.1.2. Mutual Trust Bank Ltd

a)Ruler savings accounts: this savings account for any kind of people .It provide a limited interest rate and service charge as well as it give ATM card facilities. Sometimes the costumer withdraws the money from the deposit account. It is a popular savings account.

b) MTB Senior: This account related to the young generation. Because young people have need a special types of accounts for their future life.

c) MTB Inspire: This savings account provides special deposit system. It provides monthly interest rate on the deposit. It adds more value to your money and convenience to your daily banking needs.

d) MTB Ruby: This account is for just women for their future .it is independent banking service system.

e) MTB Junior: It is for below 18 years of people. It also called student account. It maintain by their guardian when their age up to 18.

f) MTB Shanchay: It is a service product. Low income of people who cannot savings their money it's for him. They get not interest from this account but they get a banking savings by the service charge.

g) MTB Care: This is the children account. The Children who opening a deposit account and he get banking facilities.

h) Current Account: It's for business purpose of account. Business man who need any time in cash it's for them. Here a business man many time keep the money and withdraw the money. Its do not provide interest rate.

i) Fixed Deposit: If I want to long time investment then fixed deposit account is a important account. It provides more interest rate and facilities.

j) Monthly Benefit Plan: Mutual trust bank provide maximum interest from savings deposit to fixed deposit. This deposit makes a design for monthly benefited plan. So you get advance from others comparative deposit accounts. Its for the employee of gov.t and private.

Md. Ariful Islam, Proshenjit Ghosh (2014) Maximum PCBs offer salary account for the group of employees of an organization. SCB and HSBC have the largest book of Salary Accounts till date. This account is customized according to the contract signed by both the parties. Special arrangements are done to waive certain charges and facilitate the customer group. BRAC Bank allows the zero and negative balance facilities whereas HSBC and SCB provide the ATM facility with least charges.

k) Quarterly Benefit Plan: Quarterly Benefit Plan provides interest in quarterly in the year. It will ensure future security of the investor. so, many costumer interested for this plan.

l) Brick by Brick: It's for low and middle class income of people. they deposited in monthly basis and they get benefitted in monthly basis. At the end of the time they get a good amount from this deposit.

m) MTB Education Plan: This is another of savings account for the children. It is for lower and middle class of peoples. It provides safety and security for their future.

n) MTB Millionaire Plan: It is related to monthly deposit scheme. at the end of the time depositor get million amount from this plan.

o) MTB Kotipati: This is another monthly deposit scheme. At the end of the time depositor make kotipati. It is a good savings system for their future. SO it is interesting deposit account.

p) MTB Gift Check: Mutual trust bank ltd provide Gift Cheque for costumer and holders can encash the cheque from any MTB Branch in Bangladesh though no need any document for this cheque. But it has some conditions.

q) MTB Shield: It is started for this COVID 19 situation. It provides COVID 19 insurance. So depositor gets interest from the fixed deposit as well as life insurance coverage.

r) MTB Extreme Savings Account: Mutual trust bank provide free insurance coverage for this COVID 19 situation. It is maximum same to the MTB Shied.

s) MTB Instant: Mutual trust bank give instant cash facilities for costumer from their deposit accounts. And give instant free locker facilities .But the interest amount that was paid earlier shall be deducted from the principal amount.

Deposit and other account annual report Dhaka Bank Ltd and Mutual Trust Bank Ltd

| | D | D | M | M |
|----------------|---------------|---------------|---------------|---------------|
| | Year | Year | Year | Year |
| | 2018(Million) | 2017(Million) | 2018(Million) | 2017(Million) |
| Total Deposits | 196,873 | 169,729 | 166,160 | 151,776 |

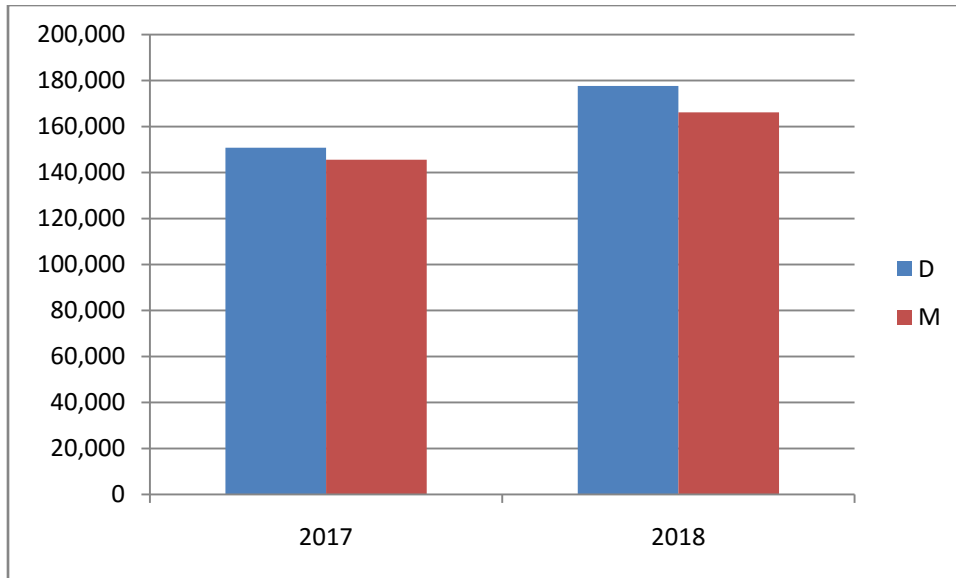


Fig: 4.1: Deposit and other account annual report graphical comparison Dhaka Bank Ltd and Mutual Trust Bank Ltd

Here I can said, Dhaka bank Ltd collected the money from some deposit account but Mutual trust bank ltd collected the money more deposit of account .so in this sector Mutual trust bank ltd is advance from the Dhaka Bank Ltd.

Dhaka Bank ltd has some deposit of product but he is batter then from the Mutual Trust Bank Ltd in financial report. So, I can say Dhaka bank ltd has deposit is more attracted from the Mutual trust Bank Ltd.

➤ **4.2 objective 2. To make a comparison between loan products of Dhaka Bank Ltd and Mutual Trust Bank Ltd.**

S RADHIKA (2014), Loans and Advance is the survival unit of the bank because until and unless the success of this department is attained, the survival is a question to every bank. If this section does not properly work the bank it may become bankrupt. This is important because, this is the earning unit of the bank. Banks are accepting deposits from their depositors in condition of providing interest to them as well as safe keeping their interest. Now the question may gradually arise how the bank will provide interest to the clients and the simple answer is – Loans & Advance. Credit is continuous process. Recovery of one credit gives rise to another credit. In this process of revolving of funds, bank earns income in the form of interest. A bank can invest its fund in many ways.

Das and Maiti (1998) analyzed the movement of Credit-Deposit ratio of commercial banks in West Bengal and compared these ratios with those for a few other states. As per their findings, C-D ratio displayed a downward trend for every state. Further, there existed a considerable variation in the ratio, not only across the districts but across the different regions of a given state as well. In West Bengal, in particular, the C-D ratio remained below the all-India average.

Sealey and Lindley (1977), loans and other assets serve as outputs, while deposits and other liabilities are considered inputs of the banks. Consequently, bank efficiency studies focus on minimizing the deposits used (input-oriented), on maximizing the loans provided (output oriented), or on both (non-oriented). For example, Berger et al. (1993) examined the input technical efficiency of US banks over the 1984–1989 period using the funds (both deposits and non-deposit funds) and number of employees as input variables; while Assaf et al. (2011) used total deposits (alongside labour and physical capital) to evaluate the input efficiency of Shinkin banks (i.e., credit associations in Japan) during the period 2000–2006.

Yang (2001) claim that poor credit rating, high bankruptcy rate and shortage of mortgage guarantee induce the financing plight situation, at the same time.

Sukanta Chandra Swain, 2008 The implication of CD ratio to the economic system is important. This is because a high credit deposit ratio may lead towards inflationary situation and a very low CD ratio might lead country towards recession. Therefore it is important that the banks should undertake liquidity management and use their funds in the most profitable manner.

Syed Ibrahim (2011). His study analyzed deposit and advances, credit deposit ratio and investment deposit ratio. With the help of statistical tools the author concluded that Indian commercial banks improved its performance over the years. The study concludes that banks require significant improvement in strategies of both deposit mobilization and credit allocation.

M. S. Nazir, et.al. (2013) attempted to study the effect of rate of return, deposits and inflation on loan supply in Pakistan during the period 1991 to 2009. He found that inflation is an important factor affecting the supply of credit in the country. Moreover higher interest rate has negative effect on bank advances as people find it difficult to repay. Advances are positively related to bank deposit and there is one period lag between deposit and advances.

Mohd Anwar (2014) attempted to study the effect of expansion of branches of scheduled commercial banks on the credit disbursement. The regression equation validate that branch expansion have positive effect on flow of credit across various states and in various sectors like industry, transport operators, professionals and other services.

Dhanuskodi Rengasamy (2014) has attempted to find impact of loan deposit ratio on profitability of eight commercial banks in Malaysia during 2009 to 2013. Out of eight banks, profitability of six banks was affected by credit deposit ratio. He strongly believes that bank can increase their profitability if they concentrate on increasing their loan deposit ratio. The study is limited to only locally owned banks and no foreign banks were included.

Though Dhaka bank ltd and mutual trust bank ltd is a commercial bank than their main income from loan .there are various types of lone service for costumer. But both banking loan is not valuable in category wise. Both banks are sincere for the loan provides desertion.

4.2.1. Dhaka bank ltd

Dhaka bank ltd has various types of loan service .example Continuous Loan, Demand Loan, Non-funded facility, Agricultural Credit. They loan provide in various process. Because it has some limitation But Dhaka bank tries to increases.

a)) Continuous Loan: It is emergency loan for business purpose. It helps to the business man for their purchasing product .it is another name is current loan. It has range 1 day to 365 days. Sometimes the bank advice for the costumer to their business and witch loan is batter for the business. It's make a good relationship with business man and bank. This loan provides extra Demand Loan deposit of money by lovely interest.

Daniel Bassey Edem (2017) this is also called real bill doctrine. Its views are that bank funds should be invested in short term self-liquidated loans for working capital purposes. It supports the financing of movement of goods through all the stages of production cycle. This theory has shortcomings such as exclusion of long term loans, inconsistency with the demand for economic development, much emphasis on maturity of bank assets instead of marketability, exclusion of stability of demand deposit which helps banks to undertake long term lending among others.

b) Demand Loan: This loan is help to the business to recover their capital. When the product price is increases than business man needs a loan for continue their business. On the other hand their business is surviving a critical situation than their need a loan. Dhaka Bank SME offers such, “Demand Loan” in the form of “one-off” or “revolving” facilities.

c) Non-funded facility: this is interesting loan for the LC (Letter of Credit). It helps to the business to import and export, production and purchasing raw materials. They make a good relationship with importer and exporter. Dhaka bank provide instant loan for the importer for purchase raw materials.

d) Agricultural Loan: their Agricultural loan is not popular loan. Because it s maximum activity Dhaka-centric. At present Dhaka is a Develop city in the world.

4.2.2. Mutual Trust Bank Ltd:

a) MTB personal loan: This loan provide for the personal work. when i need something but i have no enough money than Mutual trust bank offer a small loan for every person in a low interest rate . It helps to fulfill people’s demands. Example, craving to buy a new laptop? Thinking of a wonderful holiday?

b) MTB Auto Loan: it is a Professional's loan. It’s make sure to the you demand great value as well as the best utilization of your money.

c) Equity Loan: This loan is related to planning a new house or recognizes their house .it help to their house maintains cost .when costumer want to their house attracted but owner has no enough money then equity loan is profitable.

d) Home Equity Loan: when i need a house/apartment then Mutual trust bank always helps me financial and motivational. They arrange all of planning and approval. And he gives loan by the efficient interest rate.

e) MTB Near: Mutual trust bank brings me an opportunity to build a semi-puce house on my property in last life time. They help to give me a house in a rural area which area I am comfortable. For this purpose Mutual trust bank become’ MTB Grameen Griin Reen’

Loan and other account annual report Dhaka Bank Ltd and Mutual Trust Bank Ltd

| | D | D | M | M |
|--|---------------|---------------|---------------|---------------|
| | Year | Year | Year | Year |
| | 2018(Million) | 2017(Million) | 2018(Million) | 2017(Million) |

| | | | | |
|--------------------------|---------|---------|---------|---------|
| Total Loans and Advances | 177,668 | 150,806 | 166,145 | 145,607 |
|--------------------------|---------|---------|---------|---------|

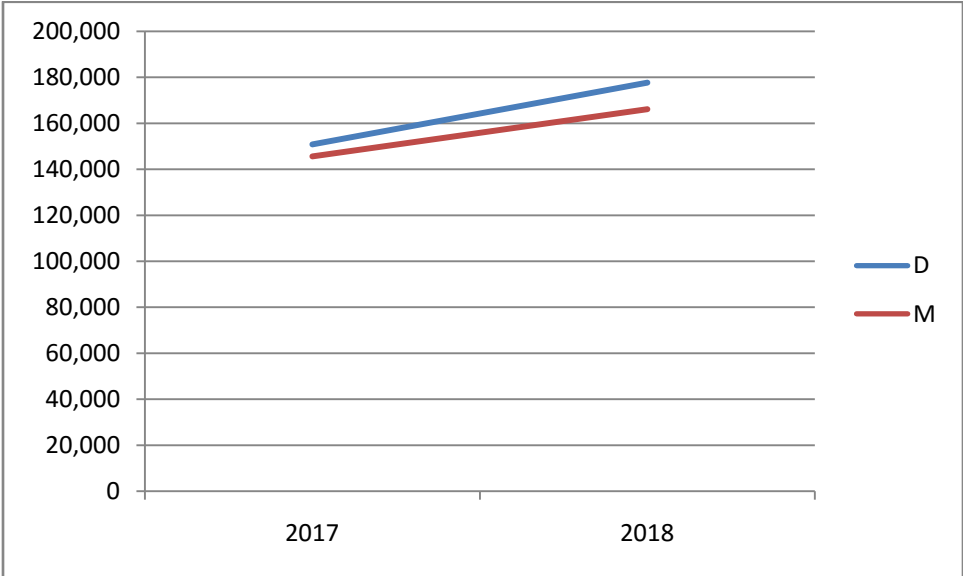


Fig: 4.2: Loan and other account annual report graphical comparison Dhaka Bank Ltd and Mutual Trust Bank Ltd

Here I can said, Dhaka bank always focuses to the commercial loan for the business man. On the other hand Mutual trust bank focuses to the house loan for the costumers. Dhaka bank tries to buildup countries economy and Mutual trust bank buildup to the countries in fracture.

Both are bank loan provide rate is comparatively same in the financial report. And their progressing percentages are same .But those are different qualities of products.

➤ **4.3 objective 3: To show a comparative study between investment of Dhaka Bank Ltd and Mutual Trust Bank Ltd.**

Daniel Bassey Edem (2017) the theory of asset management states that financial assets such as treasury bills have low risk: the risk of loss of value due to changes in interest rate policies is always very low since they are held in short term bases. Financial assets can be categorized into running assets, reserve assets along with other liquid assets which are mostly short-term claim e.g. treasury bills and investment assets including long-term claims e.g. bonds; money (cash), stock and bonds; and assets 'held for trading', 'held to maturity investment', 'loans and receivables' and 'available for sale' for treatment purposes. Keney explained the three motives of holding financial assets to include the transactional, precautionary and speculative motives. The economics and finance literature in support of Keney's assertion analyze four possible reasons for firms to hold liquid assets: the transaction motive the precautionary motive the agency motive and the tax motive.

Daniel Bassey Edem (2017) The theory of asset management states that banks must seek high returns, reduce risk and make adequate provisions by holding liquid assets. This theory is in support of the need for holding short term assets to cushion the effect of uncertainties in the banking operations and various needs for liquidity. Banks must lend to borrowers who are willing to pay high interest and unlikely to default on their loans, and raise liquidity required without bearing huge costs. Banks are not only funded by assets but they are largely financed by collateralized borrowing which cannot be relied on during financial distress.

Mar wan Mohammad Abu Orabi (2012) evaluated the performance of Jordanian Banks in their alternative investments in general and as a component of the portfolio. The study 39 concluded through regression analysis that Jordanian banks were committed to the theories of investment portfolio and principle of diversification, convenience and trade-off between return and risk. Banks should concentrate on building a composite investment portfolio so as to ensure both stability and returns.

4.3.1. Dhaka Bank Ltd:

4.3.2. Mutual Trust Bank Ltd:

a) Trade finance: It is export and import related .Mutual trust bank provide some extra financial facilities for the costumers. Their trade finance service is a unity of funded and non-funded facilities.

b) Off-shore Banking: This is the foreign trade company .Mutual Trust bank Ltd marking to (EPZ) for investment and the company developing other company who stray near of (EPZ). They offer term finance, working capital finance and trade finance services in different modes.

c) Syndications & Structured Finance: Mutual Trust bank Ltd make alternative way to their business purpose. They also facilitate their peer group in closing their syndicated deals by co-arranging or by taking large exposures in both Greenfield and Brownfield projects including.

Investment annual report Dhaka Bank Ltd and Mutual Trust Bank Ltd

| | D | D | M | M |
|-------------------|--------------------|--------------------|--------------------|--------------------|
| | Year 2018(Million) | Year 2017(Million) | Year 2018(Million) | Year20 17(Million) |
| Total Investments | 2,063 | 2,088 | 27,388 | 25,106 |

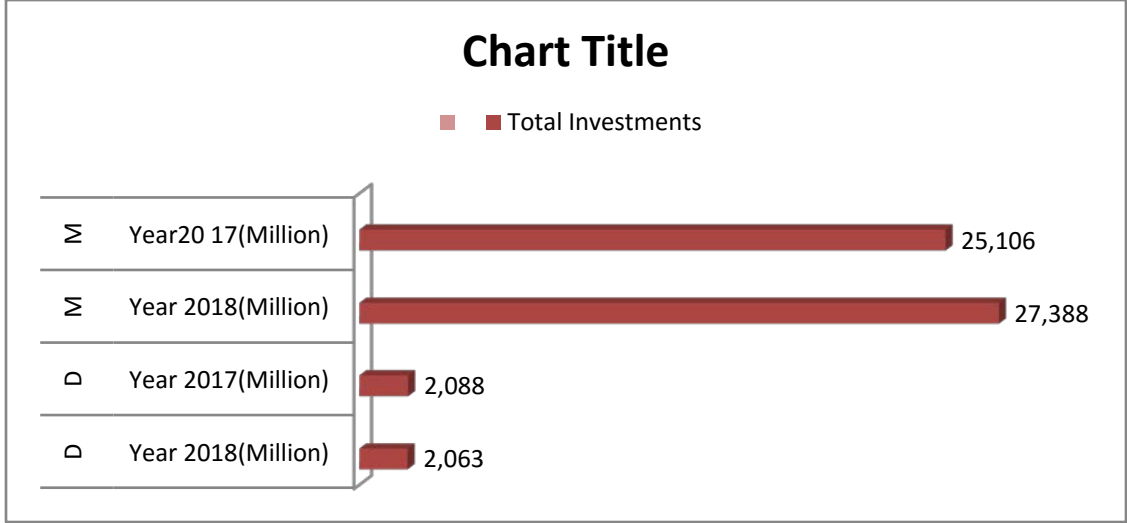


Fig: 4.3: Investment annual report graphical comparison Dhaka Bank Ltd and Mutual Trust Bank Ltd

This is the interesting part for this project. Dhaka bank Ltd provide loan for the business purpose to the costumer .On the other hand Mutual trust bank provide loan for the house or land owners .But Mutual trust bank ltd is more advance to the investment from the Dhaka bank ltd. Dhaka bank ltd do no invested to any project. On the other hand Mutual trust bank ltd invested to some project. Company financial report said this. Mutual trust bank ltd has Trade finance, Off-shore Banking, Syndications & Structured Finance etc.

Section 5

5.1. Future Forward:

The present study has attempted to find out the studies related to various aspects of Deposit and loan behavior of commercial banks. There is no dearth of literature regarding the Progress of commercial banks in terms of deposits, advances and many other variables. Several studies have attempted to concentrate on only one or two aspects of product items. The present study has attempted to broaden the horizon for a more diversified study than Available in common literature. Most of the studies related to development of banking product have pointed out the asset quality as a critical variable determining the performance of commercial banks. Therefore we have also tried to investigate this matter more closely and deeply in our studying the context the study has highlights significant no of areas which are matter of great concern for the progress of commercial banks. The study of capital adequacy and nonperforming assets substantiate our arguments in the study.

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APPENDICES

Appendix 1

Introducing consulted articles

| SI | Article title | Author(s) | Journal name | Volume & Issue | Year | Publisher |
|----|--|---|---|----------------|------|---|
| 1 | This paper examines whether there is a causal relationship between bank loans and deposits in the Vietnamese banking system and the efficiency of the use of loans and deposits by the Vietnamese banks. | Tram Nguyen , David Tripe and Thanh Ngo | International Journal of Financial Studies | 1(1) | 2018 | IDEAS |
| 2 | MONITORING LOAN-TO-DEPOSIT RATIOS (LTD) OF AEGEAN REGION BY QUALITY CONTROL CHARTS | MEDIHA MINE CELIKKOL, 2SERMIN ELEVLI | International Journal of Management and Applied Science | 2(9) | 2016 | CHARGES FOR INTERNATIONAL JOURNAL PUBLICATION |
| 3 | A STUDY ON FINANCIAL PERFORMANCE WITH RESPECT TO LOANS AND ADVANCES | S RADHIKA | BIMS International Journal of Social Science Research | 1(6) | 2014 | Informatics Publishing Limited |
| 4 | Interest Rate Spread in the Banking Sector of Bangladesh. | Khan A. Matin*, Ph. D. | The Bangladesh Development Studies | 4(1) | 2017 | |
| 5 | DEPOSIT MONEY BANKS' LOANS AND GROWTH OF NIGERIAN ECONOMY: A SECTORIAL ANALYSIS | Nonso Fredrick Okoye, Dr. Obiamaka Egbo | GE- International Journal of Management Research | 6(12) | 2018 | ResearchGate |
| 6 | A comparative analysis of deposit products in banking industry: an opportunity for eastern bank Ltd. | Md. Ariful Islam, Proshenjit Ghosh | Journal of Investment and Management 2014 | 3(1) | 2014 | Science Publishing Group |
| 7 | Credit-Deposit Ratios of Scheduled Commercial Banks and States' Income: | Amarjit Singh Sethi1 and Anu Bajaj | The Journal of Income and Wealth | 35 (2) | 2013 | ResearchGate |

| | | | | | | |
|----|--|--|---|-------|------|--------------------------|
| | An Examination of Dependencies through Panel Data Approach | | | | | |
| 8 | Liquidity Management and Performance of Deposit Money Banks in Nigeria (1986 – 2011): An Investigation | Daniel Bassey Edem | International Journal of Economics, Finance and Management Sciences | 5(3) | 2017 | ResearchGate |
| 9 | The Impact of Interest Rate on Bank Deposit: Evidence from the Albanian Banking Sector | Msc. Altin Turhani, Docent Dr.Hysen Hoda | Academic Journal of Interdisciplinary Studies | 5(2) | 2016 | Reichmann Publishing Ltd |
| 10 | Repudiation risk and restitution costs: toward understanding premiums on insured deposits | Cook, D and L Spellman | Journal of Financial Services Research | 26(3) | 2018 | Journal of Money |

Appendix 2

Complication of objectives/purposes/Questions/Hypotheses by the Articles

| Articles | objectives/purposes/Questions/Hypotheses |
|----------|--|
| 1 | This paper examines whether there is a causal relationship between bank loans and Deposits in the Vietnamese banking system and the efficiency of the use of loans and deposits by the Vietnamese banks. |
| 2 | The main objective of present study is to find out Banks, Loan to Deposit Ratio, Control Charts. |
| 3 | <ul style="list-style-type: none"> • To analyze the need for lending. • To study loans and advances of SREE CHARAN SOUHARBHA COOPRATIVE BANK LTD • To compare the position of various loans in comparison with other banks |
| 4 | The study aims at analyzing the movement, trend and determinants of the interest Rate Spread (IRS) of the commercial banks in Bangladesh. The banking system structure, industry concentration, behavior of deposit and lending rates shall also be studied. |
| 5 | The study aimed at ascertaining the relationship between banks sartorial loans and Nigerian economic growth over the period 1981 to2014.Using commercial banks’ loans to Agriculture, fishery and forestry, manufacturing, mining and quarrying, and real estate and construction sectors. |
| 6 | <ul style="list-style-type: none"> • To find out the existing deposit products offered in leading Private Commercial Banks (PCBs) in Bangladesh • To have a complete understanding of the behavior and nature of the deposit • To compare the EBL deposit products with the existing deposit products the market • To come up with innovative deposit products compatible to the capability and image of EBL |
| 7 | Banks, Loan to Deposit Ratio, Control Charts |
| 8 | <ul style="list-style-type: none"> • To examine the impact of liquidity management on the performance of deposit money banks. • To determine the effect of loan to deposit ratio on the performance of deposit money banks. • To assess the effect of cash reserve ratio on the performance of deposit money banks. |
| 9 | This paper focuses on analyzing the Relationship between Interest Rates and the level of deposits in the Albanian banking sector. High interest rate should affect the bank customers to become more willing to deposit their funds there. While, low interest rate should discourage them. The paper consists in analyzing the effects of variables to identify the progress of the deposits in the period 2005- 2014. Interest Rates, Banking System, Deposits, Gross Domestic Product. |
| 10 | Microfinance initiatives in Bangladesh are largely synonymous with the work of microfinance institutions (MFIs) as they focus solely on the low-income population and provide products and services developed exclusively for them. Banks, government projects and the Postal Department also provide microfinance services, but the reach and impact of the work done by these formal institutions has been limited. Semi-formal and informal mechanisms thrive in the country and there are a signify cant number of operators in each category. In recent years, co-operative societies and insurance companies have expanded considerably by offering products and services which meet the same financial needs as the products offered by MFIs. |

Appendix 3

Complication of method

| Articles | method |
|----------|---|
| 1 | The primary source of the information in this research study is the secondary data. The available information on internet regarding the E: Banking has been extensively used to complete this paper. Beside this the study also completed by making the use of various sources related to the subject of study like research articles, scientific journals, websites, and some banking and e-banking books. |
| 2 | Data for the study collected both from the secondary and primary sources. In the study, according to TSI "Nomenclature of Units for Territorial Statistics"; data of Aegean Region formed provinces İzmir, Aydın, Denizli, Muğla, Afyonkarahisar, Kütahya, Manisa, Uşak and Expressed with TR3 code are used [14].The data set contains the loan-to-deposit ratios over the period of 1993 through 2014. Summary statistics of data are given in Table 2.According to the highest rates, it is understood that granted as loan of 1.9 TL in Manisa, 0.9242 TL in Uşak counterpart deposit. |
| 3 | The research is made by using the secondary data which was provided by the bank. It is the comparison of 3 years financial performance of the bank from 2012-2014. 2012 is taken as the base year to compare 2013, 2014. |
| 4 | Data of all bank specific variables were obtained from the Websites of the respective banks. The annual data of 47 commercial banks for the sample period 2010 to 2015 have been used to estimate the model involving panel data. The data were compiled from Annual Reports and Financial Statements of individual banks, Annual Reports of Bank and Financial Institution Division (BFID) and publications of Bangladesh bank and Bangladesh Bureau of Statistics. |
| 5 | <ul style="list-style-type: none"> • The study has been done mainly based on secondary sources of data or information. • Data were sourced from CBN statistical bulletin. |
| 6 | The data has been collected from different Private Commercial Banks (PCBs) in Bangladesh. Judgmental sampling technique has been adopted for choosing the sample as bank profile and operation is taken as a major factor while selecting the sample. |
| 7 | All the information has been collected from secondary sources like journal article, annual report, brochures, magazines and various articles. |
| 8 | The initial work of a researcher is to define the study population explicitly. This represents the theoretical specified aggregation of survey elements. The elements in this sense refer to individuals, materials and organizations about which the researcher collects information for his analysis. The sample population affected in this study is the Deposit Money Banks (Commercial banks) in Nigeria. |
| 9 | The primary objective of this study is to identify and evaluate an econometric model to assess the links between dependent and independent variables. Primary data in this study are derived from secondary sources, mainly identified from annual reports and statistics published by the Bank of Albania, the audited reports of banks and by INSTAT. The data used are based on three-month period for banks operating in the banking system in Albania in the period identified. Data collected include the period under study by the first quarter of 2005 to the last quarter of 2014. Data are collected for all banks in the banking system in Albania. The choice of variables in this work is influenced by the approach applied in several other works. Thus, this approach means taking the relevant data for a long period of time, giving the opportunity to evaluate their performance in the period studied (Brooks, 2008). |
| 10 | <ul style="list-style-type: none"> • The term microfinance institution (MFI) includes NGOs, public and private banks, financial co-operatives, non-bank financial institutions, postal and/or savings banks, and other relevant institutions that provide financial services to low-income people and others excluded from mainstream commercial banks. |

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| | <ul style="list-style-type: none"> • Bangladesh Economic review, 2009 • Bangladesh Bureau of statistic http://www.bbs.gov.bd/ |
|--|--|

Appendix 4

Complication of conclusions

| Articles | conclusions |
|----------|--|
| 1 | As a first study on the relationship between loans and deposits, as well as on the efficiency of using loans and deposits in the Vietnamese banking system, this study, however, still experienced certain difficulties that limit its research scope. These limitations include the challenges in collecting data from banks with foreign ownership, which led to the small data sample (only 297 observations). The short sample period, from 2008 to 2015 only, does not allow us to examine the impact of the global financial crisis on Vietnamese banks. |
| 2 | In order to monitor loan-to-deposit ratios over time, IMR control charts were used. The presence of points fall outside the control limits indicated the instable Process. Therefore special causes of the variation should be identified and removed to achieve process stability. |
| 3 | From the analysis we can conclude that the performance of the bank over the years is good even with high competitive environment and certain limitations at a few areas of the bank. Concentrating on the three main categories short term medium term, long term loan, the bank was able to pool up different categories of customers over years and increase its loans and advance, some of sub categories of loans are fluctuating. The percentage of lending has gradually increased with growth of bank. |
| 4 | The study identifies several determinants of spread in the commercial banks of Bangladesh. The long term trend of the deposit rate, lending rate and spread-their causal relationship has also been investigated. |
| 5 | <ol style="list-style-type: none"> 1. Banks should be compelled to improve their loans to Agriculture, fishery and forestry and also manufacturing sectors in order to improve the output of these sectors and diversify the economy especially in this dwelling oil price time. 2. Government should revive the activities of specialized banks such as bank of industry, Agriculture and likes in order to assist commercial banks in providing loans to these sectors. |
| 6 | After analyzing the existing product offering, market exploration and growth, EBL should offer some of the term deposit products as well as savings products with its Existing products. The costs associated with the products must be considered and EBL should offer the products with significant intervals which would give the operators and sales team ample of scopes and time to get used to the products. |
| 7 | The income factor is one of the determinants of constitutes an important aspects of life and the individual's best life. Provided that consumption expenditures remain same, savings of individuals with recovering their earnings is increasing. The inclusion of this saving to the financial system positively affects the accumulation of deposits. The income disparities between provinces constitute one reason for the differences between the loan/deposit ratios in the region provinces. |
| 8 | This research work presents empirical evidence of the existing relationship between liquidity management and the earnings are sources of capital generation, low return on investment as compared to deposit interest rate may prevent Banks from expansion and extension of additional credit to the real economy. |
| 9 | The relationship between depositors and the bank is a mutually important and profitable relationship. In this way, the banking system needs to appear as credible at economic agents. In such situations, the management of financial stability is easier in a country. |
| 10 | The financial landscape of Bangladesh, in terms of providers offering small savings, can be |

| | |
|--|--|
| | Summed up with the help of the simple perceptual map (<i>Figure 27</i>). Most of the categories of financial institutions have been in operation for many years and thus have been ascribed a very clear position in the market. |
|--|--|

CONCLUSION

At present, two commercial banks are competing with each other for their products. They are developing their products day by day for customers. Banks are making a big contribution to the economy of the country by their various types of deposits and loans.