

Project Paper
on
Prospects of Agent Banking in Bangladesh-
(A study on Mutual Trust Bank Limited)

Submitted to

Controller of Examinations
National University
Gazipur-1704

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Session: 2020-2021
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Major: Finance and Banking



Daffodil Institute of IT



(Under National University)

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Letter of Transmittal

Date: 12th November, 2023

Controller of Examinations

National University

Gazipur-1704

Subject: Submission of Project paper.

Dear Sir,

With due respect, I would like to inform you that it is a great pleasure for me to submit the report on *Prospects of Agent Banking in Bangladesh- (A study on Mutual Trust Bank Limited.)* as a mandatory requirement for MBA Program. This Project was my very first on-the job exposure and provided me with learning experience and knowledge in several areas.

I have tried my level best to make a full fledged report by analyzing all the requirements you have asked for.

I am grateful to get the opportunity to prepare this report under your guidance. I will remain deeply grateful if you kindly give your valuable time to go through the report and evaluate my performance. I will be very happy to provide any further explanation if necessary.

Sincerely yours,

Sagar Mallik

Reg. No: 19601000522

Roll No: 721097

Session: 2020-2021

MBA Program

Major: Finance and Banking

Student's Declaration

I do hereby declare that my Project paper has been carried out by me and has not been submitted previously to any other university, college or organizations for an academic qualification, certificate, diploma or degree.

The information that I have presented in this report does not breach any existing copyright.

Different sources have been used as supportive tools for preparing the report.

I further undertake to indemnify the department against any loss or damage arising from breach of the foregoing obligations.

.....
Sagar Mallik

Reg. No: 19601000522

Roll No: 721097

Session: 2020-2021

MBA Program

Major: Finance and Banking

Certificate of Supervision

This is notifying that Sagar Mallik, student of MBA, Reg. No: 19601000522, Roll No: 721097, Daffodil Institute of IT, has completed this Project paper on *Prospects of Agent Banking in Bangladesh- (A study on Mutual Trust Bank Limited.)* as a partial requirement for obtaining MBA degree. He has completed the report by himself under my supervision. I have read the report and found that it meets the standard of MBA Project report.

I wish him all the success and as prosperous life.

.....
Sabrina Quadir

Assistant professor

Daffodil Institute of IT

Acknowledgement

First of all, I would like to thank all mighty Allah for giving me the understanding and strength to complete the Project report successfully on time. It is a pleasure to take this opportunity to thank some people who have encouraged, directed and supported me throughout the Project report.

I am deeply indebted to my Supervisor **Sabrina Quadir**, Assistant professor, Daffodil Institute of IT for her whole-hearted supervision during my organizational attachment period. Without his valuable supervision and direction, it would have been tough for me to complete this report on time properly.

Then I would like to express my heartfelt gratitude to the **Mutual Trust Bank Limited**, Corporate Head Office for giving me a chance to complete my Project at their **Agent Banking Department** of the Head office, and allowing me to gather information and helping me every possible way in preparing the Project report. My endless thanks to My organizational supervisor **Mr. Ashrafuzzaman, JAVP, Agent Banking Department** for being patient and supporting me during my Project. I was blessed to have an instructor like **Mr. Md Saminur Rahman, JO, Agent Banking Department**. Without his support I would not be able to gain knowledge about Agent Banking and provide information in this report. I am also grateful to **Mr. Madan Mahan Karmoker, Head of Agent Banking Department at Mutual Trust Bank Limited**, for helping me throughout.

The preparation of the report. Finally, my sincere gratitude goes to Daffodil Institute of IT Authority for arranging this Project for students. It really makes student capable of doing official tasks before entering the corporate world.

Abstract

Agent banking means providing limited scale banking and financial services to the unbanked population through engaged agents under a valid agency agreement, rather than a teller/ cashier. It is the owner of an outlet who conducts banking transactions on behalf of a bank. It is one of the most popular financial services in the world where there are difficulties in accessing geographical locations easily. And that is why agent banking is very successful in Latin America & Africa. Other developed like United Kingdom, Australia etc. countries are also gradually deploying agent banking because it reduces the cost of operating of the bank. Most of the services of a bank can be provided through agents, thus people of remotest area of a country can be brought under proper financial structure by the virtue of agent banking. According to the agent banking guideline the software of any individual agent will be connected to the core software of the bank, so transactions that will take place in agent premises will be shown in the banking system real-time. To set up a branch in a specific area is very costly, so the banks are enhancing agent banking services for the unbanked people in which they have a little cost. There are almost 170 million people in Bangladesh but most of the people are unbanked. If these people can be included in the banking sector, then not only the economy of the country but also the unbanked people will be benefitted from it. Fourth and fifth chapter of this report consists of the findings and analysis of agent banking in Mutual Trust Bank Limited and also the conclusions and recommendations.

Analysis part consist of the definition of agent banking, guideline provided by the Bangladesh bank on the agent banking and statistical analysis on the prospect of agent banking in Bangladesh. There is findings and suggestions given the later part. The fifth and last part of this report consist of conclusion and recommendation for further research on this topic.

Agent banking is becoming one of the fastest growing banking business in Bangladesh but there has some limitation and problems, i.e. the customer can transect limited amount in cash, the agents are not well trained, financial problems of the agents, shortage of all necessary equipment, crisis of reliability on the agents as well as bank, uneducated customers, the agents are not well educated so that they could not understand the message and system properly etc.

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Chapter 1: Introduction

1.1 Introduction

Agent banking means providing limited scale banking and financial services to the underserved population through engaged agents under a valid agency agreement, rather than a teller/ cashier. It is the owner of an outlet who conducts banking transactions on behalf of a bank. Globally these retailers are being increasingly utilized as important distribution channels for financial inclusion. Bangladesh Bank has also decided to promote this complimentary channel to reach to the poor segment of the society as well as existing bank customer with a range of financial services especially to geographically dispersed locations.

With a view to ensuring the safety, security and soundness of the proposed delivery channel Agent Banking Guidelines have been framed by the Bangladesh Bank to permit banks to be engaged in agent banking.

Agent banking is a unique and new service system to the banking sector and most of the people don't fully understand the systems of agent banking. Agent banking is a service which provides to customers a limited scale banking and the various types of financial and transactional services to people who doesn't get any opportunity or services from banking sector in their area and it will be provided through an agent who will be the representative of a certain bank and provide all the possible banking services they can get.

1.2 Origin of the Study

The project experience gives a person practical training of the work environment. A trainee can gather knowledge and experience from their project and apply their theoretical experiences in the real life actions. Practical experience is necessary to learn completely about something or anything. Project paper is necessary for every individual of the MBA program. As I am a student of MBA, major in Human Resource Management, the purpose of this project report is to complete my MBA program. I have proposed this topic of *Prospects of Agent Banking in Bangladesh- (A study on Mutual Trust Bank Limited)*.

My supervisor Sabrina Quadir, Assistant Professor Daffodil Institute of IT helped me to select this topic.

1.3 Scope of the Study

Scope of the study means the area this report covers. This report covers the area of different departments and products of Mutual Trust Bank Limited. For the project part of the report, the study is based on the Agent Banking Department, products, services, functions and prospects of the Agent Banking in terms of Bangladesh perspective.

1.4 Objectives of the Study

There are some broad and specific objectives. Such as:

1.4.1 Board objective:

The objective of the study is to fulfill the requirement paper to know about employee performance appraisal system of Mutual Trust Bank Limited. Without objectives any study cannot be considered as the successful one.

1.4.2 Specific objectives:

1. To complete a partial study of MBA
2. To develop knowledge about agent banking of Mutual Trust Bank Ltd.
3. To gain knowledge about present market scenario of Agent Banking in Bangladesh.
4. To know about the products and services of agent banking.
5. To gain knowledge about how agent banking works.
6. To identify the problem and prospects of agent banking in Bangladesh.
7. To give recommendations regarding the agent banking activities.

1.5 Methodology of the Study

Both quantitative and qualitative data are used in my study. There are few statistical and analytical system is use to make this report presentable and understandable format for the users. Data collected for this study search has been collected from the primary and secondary sources.

1.5.1 Primary Data:

1. Face to face discussion with the Executives and officers of the Agent Banking department of Mutual Trust Bank Ltd.
2. Face to face discussion with the Customers of Agent Banking of Mutual Trust Bank Ltd.

3. Face to face discussion with the Agents of Agent Banking of Mutual Trust Bank Ltd.

1.5.2 Secondary Data:

Along with the primary data I also have elaborated different types of secondary data in my research from various external sources. These are as follows:

- Website
- Website of Agent Banking
- Annual report of agent banking
- Different papers of the organization along with related organization.
- Other secondary sources were books and articles on the related factors in the conceptual framework of the report.
- Website of Bangladesh Bank.
- Different daily and online newspapers.

1.6 Limitations of the Study

As I was an intern of Mutual Trust bank it was easy to collect data from different parts. But there has some limitation also. I had to face different troubles during the report. Some of these are given below-

1. Information collection from the respondents is not easy.
2. The figures getting from the Mutual Trust bank Limited has to recalculate as the data were given on an average.
3. The literature and study materials on the banking sectors were not up to date.
4. There is lacking of analytical ability and thoughts to make the best report.
5. It is quite tricky to draw a complete picture of the Bank Asia, Agent Baking activities within a short period of time of three months.

Chapter 2: Literature Review

2. Literature Review

There is still very little literature on the new concept of agent banking. The biggest hurdle for commercial banks in this regard is to spend a large amount of money on providing their services (Hossain et al., 2018; Ahmed et al., 2015), in which case agent banking can be a good invention to solve this problem. As a result, the availability and accessibility of financial services to the poorest people of a country paves the way for profitable expansion of the country's economic sector. Siddiquie (2014) finds that Agent banking activities are being conducted very successfully in various countries likes Latin America, Africa and Australia and the United Kingdom. In these countries, the bank plans to increase the number of agents of agent banking as a strategy to reduce operating costs of the bank. A study conducted on the banking sector in Kenya clearly shows that the various steps taken by the agent banking activities have a significant impact on the profit growth of commercial banks (Aduda et al., 2013). There is a positive correlation between agent banking and profit growth of commercial banks. As a result, banks are turning to agent banking. Neziyana and Daniel (2014) think that if rural people can be involved in banking services through agent banking, the amount of profit can be further increased.

Atandi (2013) opined that agent banking could play an important role in mobilizing the rural economy and resolving the slow pace of development of individual enterprises. Indeed, with the increasing development of new technologies and institutional innovations as a way to expand access and use of the financial system, if the country's citizen can be brought to the same platform and share in the country's economic development, financial self-sufficiency and financial It is possible to strengthen the business enterprise. A recent study found that customers were satisfied with all the services provided by Agent Banking. (Mean Score of Above 2.0). It is more convenient to go to an agent bank outlet than a commercial bank outlet (kitali et al., 2015).

In contrast to the huge operating costs of branch banking, the lower operating costs to provide services in agent banking had a positive impact on the bank's net profit income. According to Kenyan Bureau of Statistics (2011), existing commercial banks in rural areas were excluded from its banking services by about seven million adult rural Kenyans, As a result of high maintenance costs (Wawira, 2013). Most of the Kenyan's financial service firms did not have outlets in close proximity to their clients. However, to

bring rapid changes in the rural economy by inventing new distribution models to overcome the existing problems in the banking sector. NefaChiteli (2013) finds Commercial banks conduct agent banking operations as a competitive strategy and they create interconnectivity with commercial banks within their own work environment.

Malaysia started agent banking in 2012 as a pilot project. More than one million money transactions were made through 2322 agent banking outlets, which is 190 million in Malaysian Ringgit (RM). About 11% of Ghanaians accept banking services without an account at a financial services provider. In this process, they apply the agent banking concept for money transactions (Kumar et al., 2006). Reviewing the literature on

Agent banking, we have come to the conclusion that there has not been much research or comprehensive assessment of agent banking in Bangladesh. This study presents a summary of the current state of agent banking activities as well as provides statistical information on how the sector will expand in the future.

Chapter 3: Company Profile

3.1 Logo of MTBL



3.2 Introduction of MTBL

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

3.3 Historical Background of MTBL

The Company was incorporated as a Public Limited Company on September 29, 1999, under the Companies Act 1994, with an Authorized Share Capital of BDT 1,000,000,000 divided into 10,000,000 ordinary shares of BDT 100 each. At present, the Authorized Share Capital of the company is BDT 10,000,000,000 divided into 1,000,000,000 ordinary shares of BDT 10 each. The Company was also issued Certificate for Commencement of Business on the same day and was granted license on October 05, 1999 by Bangladesh Bank under the Banking Companies Act 1991 and started its banking operation on October 24, 1999.

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

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

The Company (Bank) operates through its Head Office at Dhaka and with 101 branches in the country. The Company/ Bank carry out international business through a Global Network of Foreign Correspondent Banks.

Mutual Trust Bank Ltd (MTBL) is a member of different chambers, associations and institutions in our country. These are given below:

- Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI,D)
- The Institute of Banker's Bangladesh (IBB)
- Bangladesh Foreign Exchange Dealer's Association (BAFEDA)
- Bangladesh Institute of Bank Management (BIBM)
- International Chamber of Commerce Bangladesh Limited (ICCB)
- Association of Bankers Bangladesh Limited (ABB)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- American Chamber of Commerce in Bangladesh (AMCHAM)
- Primary Dealers Bangladesh Limited (PDBL)

3.4 Vision and Mission of MTBL

3.4.1 Vision

Mutual Trust Bank's vision is based on a philosophy known as MTB3V. The Envision of MTBL to be:

1. One of the Best Performing Banks in Bangladesh.
2. The Bank of Choice.
3. A Truly World-class Bank.

3.4.2 Mission

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

MTBL Management.

3.5 Objectives of MTB

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

1. To establish a partnership relationship with customer and to eliminate the idea of the debtor-creditor relationship of traditional banks.
2. To establish welfare oriented banking system.
3. To mobilize savings towards productive sectors.
4. To invest on profit and risk sharing basis.
5. To accept deposits on profit and loss sharing basis.
6. To create employment opportunities by investing savings towards prospective economic sectors.
7. To extend banking services towards the poor, helpless and low-income group of people in the society in order to uplift of their standard of living.
8. To contribute to establishment of a society by equitable distribution of wealth.
9. To establish justice in the trade and commerce in the country.
10. To render services for the economic development of the nation.

3.6 Functions

The functions of Mutual Trust Bank Limited are as follows:

1. To maintain all types of deposit accounts with online facilities.
2. To conduct foreign exchange business.
3. To extend other banking services.
4. To conduct social welfare activities.

3.7 Products and Services

MTBL aims to satisfy all the clients, regardless of how big or small they are as a bank client. Individuals are counseled on the best type of accounts suitable to them such as Current, Savings, Short Term Deposits, Fixed Deposits, Consumer Asset and Liability Products. Apart from the conventional banking operations MTB strives to introduce

an array of products and services and already launched a number of consumer banking products with the aim of popularizing banking operations and offer higher return to its clients.

3.7.1 Retail banking

Retail banking means when a bank executes transactions directly with the banks clients rather than corporations or other banks. Mutual Trust Bank Ltd (MTBL) has designed various types of retail banking products to meet its client's different needs.

MTBL have designed various retail banking products to meet all clients different needs. The followings are the range of retail banking products. The ranges of retail banking products are given below:

1. Deposit Products
2. Retail Loan Products
3. MTB Card Products

3.7.2 Deposit Products

Mutual Trust Bank Ltd (MTBL) offers different types of deposit products for their clients. The types of deposit products are given below:

1. Current Account
2. Regular Savings Account
3. Fixed Deposit
4. Brick by Brick
5. Monthly Benefit Plan
6. MTB Senior
7. MTB Inspire
8. MTB Double Saver
9. Children's Education Plan
10. MTB Junior
11. MTB Graduate
12. MTB Ruby
13. MTB Millionaire Plan
14. MTB Shanchay
15. MTB Kotipati
16. MTB Care

3.8 Organizational Hierarchy of MTBL

At Mutual Trust Bank Ltd there is one person who is responsible for the job of both Managing Director (MD) and Chief Executive Officer (CEO) who mainly controls and look after the major divisions of this bank. Managing Director (MD) directly supervises the overall activities and Divisions. Two, Deputy Managing Director (DMD), one Senior Executive Vice President (SEVP), three Executive Vice President (EVP) and two Senior Vice President directly give report to the MD and Additional Managing Director (AMD). Executive Vice Presidents control the credit, loan administration, international, information technology, the financial control, accounts division, treasury division, credit division and card division. Senior Vice President controls the human resource and marketing divisions. The Vice Presidents are working under the Senior Executive Vice Presidents. Executive Vice President directly report to the senior

Executive Vice President (SEVP). The daily activities directly controlled by the senior

Executive Vice President (SEVP)

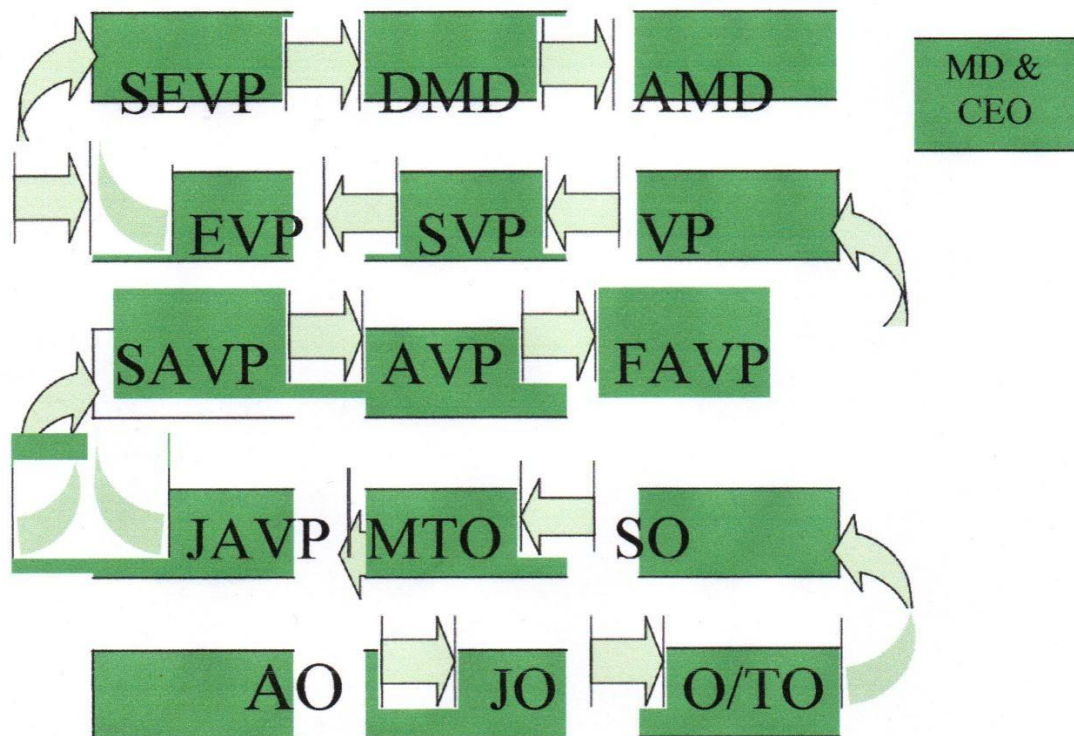


Figure: Organizational Hierarchy

3.9 Career Opportunity at MTBL

Mutual Trust Bank is an equal opportunity employer, offering competitive compensation packages, excellent career development programs and a friendly working environment.

3.10 Consumer Services of MTBL

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

Chapter 4:

Theoretical Aspects

4.1 Agent Banking

Agent banking means providing limited scale banking and financial services to the underserved population through engaged agents under a valid agency agreement, rather than a teller/ cashier. It is the owner of an outlet who conducts banking transactions on behalf of a bank. Globally these retailers are being increasingly utilized as important distribution channels for financial inclusion. Bangladesh Bank has also decided to promote this complimentary channel to reach to the poor segment of the society as well as existing bank customer with a range of financial services especially to geographically dispersed locations.

With a view to ensuring the safety, security and soundness of the proposed delivery channel Agent Banking Guidelines have been framed by the Bangladesh Bank to permit banks to be engaged in agent banking.

The purposes of these guidelines are to:

1. Provide regulatory framework for Agent Banking which will create an enabling environment for offering safe financial services to the new target group.
2. Ensure compliance with Anti - Money Laundering and Combating Financing of Terrorism (AML/CFT) standards set by AML/CFT rules, regulations, guidelines and instructions issued by Bangladesh Bank.

4.2 Guidelines on Agent Banking

Bangladesh Bank is issuing this guideline as per authority conferred to it by Article 7A (e) of Bangladesh Bank Order, 1972, Section 45 of Bank Company Act, 1991 and Section 4 of Bangladesh Payment and Settlement Systems Regulations, 2009. (Bangladesh Bank, 2009)

4.3 Agent Banking Services of MTBL

The following services will be covered under Agent Banking:

Collection of small value cash deposits and cash withdrawals (ceiling should be determined by BB from time to time);

1. Inward foreign remittance disbursement;
2. Facilitating small value loan disbursement and recovery of loans, instalments;
3. Facilitating utility bill payment;
4. Cash payment under social safety net program of the Government;
5. Facilitating fund transfer (ceiling should be determined by BB from time to time);
6. Balance inquiry;

7. Collection and processing of forms/documents in relation to account opening, loan application, credit and debit card application from public;
8. Post sanction monitoring of loans and advances and follow up of loan recovery.
9. Receiving of clearing cheque.
10. Other functions like collection of insurance premium including micro insurance etc.

An Agent must provide, as a minimum, cash deposit and cash withdrawal services. The agent's activities would be within normal course of banking business of the scheduled banks but conducted at places other than bank premises/ ATM booths. Agent must provide services in the designated business premises.

4.4 Agent Banking Model:

According to the Guidelines of the Bangladesh Bank the agent banking model is given below:

1. An agent can act as agent of more than one bank at a time but at the customer end point a retail outlet or sub agent of an agent shall represent and offer banking services of only for a single bank.
The written agreement between bank and the agent should be carefully defined and legally vetted. The agreement should also contain clauses related to confidentiality/safety/soundness and accuracy of all the transactions as well. Full financial disclosure, transparency and accountability of the agent must be ensured.
2. The bank shall assign one of its branches/offices to be responsible for the agent operating in the designated area of the branch.
3. The agents are to be equipped with IT device like point of sale (POS) with biometric features capturing and reading facilities, card reader, mobile phone, barcode scanner to scan bills for bill payment transactions, Personal Identification Number (PIN) pads and may have Personal Computers (PCs) that are to be connected with their bank's server using a personal dialup or other data connections. Clients may use magnetic stripe bank card or mobile phone to access their bank account.
4. Identification of customers shall be done through a PIN/ biometrics.
5. In the customer end the transaction should be operating through ICT devices that are continuously and uninterruptedly integrated to the systems developed by banks. The figures of the transactions must be reflected in 'Core Banking

Solution' (CBS) of the bank. The transactions should be executed on real time basis. No transactions can be performed in case of communication failure.

6. At the end point the customer will get instant confirmation of their transaction through visual basis (screen based like SMS) and paper based (debit or credit slip) also.
7. The bank shall brand agent banking business in such a clear manner so that the customer can realize that the agent is providing services on behalf of the bank.
8. The agent of the concerned bank should deposit a fixed amount of money or should have a credit limit with the bank and up to that level the agent can make transactions with the clients. If any transaction is tried beyond that level, system will automatically stop the transaction.

4.5 Agent Banking of MTBL:

Mutual Trust Bank limited a 3rd Generation Commercial Bank established by renowned businessman and dedicated experience Bankers with a vision to provide state of art banking service for mass people. To connect the geographically dispersed population to banking net has started Agent Banking recently through Bank's authorized agent.

Mutual Trust Bank Limited (MTB) launched its first Agent Banking Centre at Jahapur Bazar, Muradnagar, Comilla during the second quarter of 2016. The second and third MTB Agent Banking Centres were launched at Momtaj Miar Hat, Feni and Bagerhat, Feni around the same time. Other MTB Agent Banking Centres are scheduled for inauguration in 2016.

4.5.1 Vision

To bring low cost, secured financial services at the doorstep of the unbanked people of Bangladesh as a part of financial inclusion for empowerment.

4.5.2 Mission

The mission of Agent Banking is to create more protected financial inclusion by offering technology driven banking solutions to the unbanked people living in rural and dispersed people of Bangladesh.

4.5.3 Objectives

Mutual Trust Bank Agent banking success depends on meeting the following objectives:

1. Provide secured banking services to the unbanked people throughout the country

2. Build agent booths all over the country and create financial service entrepreneurs
3. Setting up District/ Upazila Level back office throughout the country
4. Provide foreign inward remittance services to the families of expatriate Bangladeshis
5. Provide facilities for utility bill payment, Passport fee payment, social safety net payment services, etc.
6. Process Agricultural, SME & Retail loan from the agent points
7. Enable e-Commerce services through the agent points
8. Promote school banking in the locality
9. Train and Develop the prospective SME entrepreneurs

4.6 Eligibility of an MTB Agent Banking:

The banks may engage the following persons/entities as their agent/s:

1. NGO-MFIs regulated by Microcredit Regulatory Authority of Bangladesh
2. Other registered NGOs
3. Cooperative Societies formed and controlled/supervised under the Cooperative Society Act 2001
4. Post Offices
5. Courier and Mailing Services companies registered under the Ministry of Posts & Telecommunications
6. Companies registered under 'The Companies Act, 1994'
7. Agents of Mobile Network Operators
8. Offices of rural and urban local Government institutions
9. Union Information and Service Centre (UISC)
10. Educated individuals capable of handling IT based financial services, agents of insurance companies, owners of pharmacies, chain shops and petrol pumps / gas stations.

4.7 Agent Selection Criteria:

While selecting an agent, MTB maintains the following criteria:

1. The nationality of the individual / firm has to be Bangladeshi.
2. It is mandatory for the proposed agent to have a minimum educational qualification of H.S.C or an equivalent degree. This has been done so that the agent is able to understand the relevant rules and regulations of the Agent Banking system. However, in some cases, exceptions could be made for deserving candidates.

3. The applicant's age limit is 18-65 years. However, in some cases, exceptions could be made for deserving candidates.
4. The applicant should be a local resident of the area.
5. The person/firm has to be financially sound and solvent.
6. The applicant should have his own/rented business premise.
7. The proposed agent, cannot in any way, be a loan defaulter.
8. The proposed agent, cannot in any way, have a record of being penalized by any civil or criminal court.
9. The agent is expected to have adequate business experience combined with a good reputation in the locality.
10. Any applicant engaged in subversive activities will be rejected.
11. The proposed agent should have adequate knowledge and ability to handle technology-based financial services.
12. The person should have the ability to meet all kinds of commitments under adverse situations.
13. People with the capacity to manage cash handling in the Agent Banking Centre, will be given preference.

4.8 Responsibilities of a Bank agent

1. Agent must be honest, professional & ethical to his / her duties;
2. Agent must have proper knowledge about Agent Banking Products and services
3. Agent should take care of electronic device (Computer, POS Printer, Finger print machine etc.) and Ensures proper maintenance and security;
4. Agent preserves all paper / documents, transaction record, evidence & deeds.
5. Agent will display bank charge of agent banking services in a visible place for the notice of customers.
6. After a certain period of Agent submit regular/daily activities to respective officer.
7. Agent must comply the rules & regulation of Mutual Trust Bank;
8. Agent is cordially cooperating to Bangladesh bank and bank officials during audit and inspection of Agent Banking activities.

4.9 Functions of an Agent:

1. Cash deposit and cash withdrawal
2. Collection of bill (Utility, tax, subscription fee)
3. Foreign remittance payment
4. Fund transfer

5. Balance inquiry
6. Issue of mini statement
7. Collection & preservation of A/C opening Form & others receipts copy
8. Cheque receive for clearing
9. Cash payment under government social safety net program
10. Collection & preservation of necessary banking E-mail & letters
11. Beside these other facilities directed by Mutual Trust Bank Limited 12. Passport fee collection

4.10 Agent Banking Services:

4.10.1 Cash Deposit:

1. Customers will come to the agent point to deposit money & inform the amount desires to deposit.
2. Agent will count the cash amount and log to the system through his Bio-metric finger print and input entering customer account number and amount and complete transaction. System will credit the customer account and send SMS message to customer account and a system generated money receipt to be handed over to the depositor.

4.10.2 Cash Withdrawal:

1. Customer will approach to the Agent for cash withdrawal and will mention amount to be withdrawn;
2. Agents will input amount in the system and Agent shall request customer to log in to the system though finger print & customer card and system to verify balance available or not in customer's account
3. If customer's balance is available, agent will log in to the system through his finger print to complete the transaction. Upon agent's finger print authorization system will debit customer account and same will be credited to the Agent account;
4. Customer gets SMS notification about update balance while his/her money has debited;
5. On completion of transaction, Agent will pay cash to the customer and system generated debit receipt.

4.10. 3 Payment of foreign remittance:

1. Remittance Beneficiary/Customers will visit Agent booth to enquire/collecting foreign remittance money;
2. Agent will provide a form & help the customer to fill up the form properly;
3. Accordingly, Agent will input data (Name, Pin No, NID No, Mobile No, Remittance sender's Name, approximate amount of remittance) into system & shall send to the back office for verification;
4. Upon verification of remittance information in the remittance company system, back office will confirm Agent & Customers through SMS notification;
5. On the basis of back office confirmation, (if all information is correct) Agent will pay/Beneficiary customer cash & a system generated payment receipt;
6. Upon authorization from back office, system will debit respective head of account and simultaneously credit Agent's current account.

4.10. 4 Collection of Utility Bill:

1. Customer will come to an agent point for utility bill payment and give the bill to Agent's counter.
2. Agent will log in to utility bill payment screen, input data (Bill No, Total amount of bill, amount of vat, Mobile No,) into system & select payment mood from system;
3. In case of cash payment, Agent will receive cash and enter the data to the system. System will auto credit the REB bill A/C, Vat A/C debiting Agent's Current account.
4. In case of payment from customers A/C, Agent will request the customer to input finger prints for authorization to debit customer account. If customer's balance is available in system, customer's A/C will be debited and respective Utility Company's A/C (REB) will be credited automatically;
5. If bill amount is BDT 400 or above, agent must affix BDT. 10/- revenue stamps in customer copy of bill. At the end of the day, total amount of revenue stamps affixed in the customer copy will be re-imbrued by Back Office crediting Agent's account.

6. Agent will send the copy of utility bills to the Back Office and Back office will send the bills along with a statement to respective REB office.

4.10. 5 Fund Transfer:

1. While a customer come to an agent point for transferring fund, Agent will provide a remittance form to furnish remittance information is receiver's Bank details, account number, sender's Name and address, A/C no., mobile no. etc.
2. According to customer's remittance information Agents will input remittance amount in the system and request customer to log in on to the system though his finger print / customer card for debit authorization and system will verify balance available
3. If customer's balance is available in account, agent to log on in the system through his finger print. System will debit the customer account and credit to receiver's bank A/C.
4. Customer & receiver will get system generated SMS notification
5. Agent will provide customer a system generated receipt.

4.11 Restriction of Agent activity:

1. Agent shall not ask any charge to the customers for its services, in addition to the charges fixed by the Bank;
2. Agent cannot provide any products or services other than Mutual Trust Bank Products and Services;
3. Agent are not allowed any transaction by cheque except finger print & card;
4. Agent should refrain from asking any personal information including account details and PIN number of customers;
5. Without getting any written permission, agent cannot engage any other banking business beside Mutual Trust Bank Limited agent banking.
6. Agents are not allowing to appointing another sub-agent to provide banking services on their behalf.
7. Encashment cheques Dealing in Foreign Currency
8. Apart from above restrictions for any sort of transactions an agent must have follow Mutual Trust Bank Guideline
9. Giving final approval of opening of Bank account and issuance of cards.

NB: If any Agents found engaged in any irregularities, breach of trust, fraudulent activities or do any subversive activities which stand against Banks interest, Bank reserves the right to cancelled his/her agent ship as well as legal action through civil or criminal court. Beside this, Mutual Trust Bank Limited can take any lawful initiative against agent on the basis of internal audit and customer's complaint.

4.12 Competitors:

In terms of Agent Banking the competitors of Mutual Trust Bank Limited are:

1. Bank Asia
2. Dutch Bangla Bank Ltd.
3. Islami Bank Bangladesh Ltd
4. Al-Arafah Islami Bank Ltd.
5. BRAC Bank Limited
6. UCBL
7. SIBL
8. NRB Bank Ltd.
9. Modhumoti Bank Ltd.
10. Standard Bank Ltd.

Chapter- 5

Analysis and Evaluations

5.1 Introduction:

Agent banking has been introduced in Bangladesh in 2013 through a Guideline issued by Bangladesh Bank. The main purpose of introducing Agent Banking is to provide a safe alternative delivery channel of banking services to the under-privileged, under-served population who generally live in geographically remote location that are beyond the reach of the traditional banking network. Agent banking system has allowed the banks to expand their businesses and accelerate financial inclusion using Agents as intermediaries. A variety of banking services is being provided to the customers through an Agent of a bank and this method is gaining popularity as a cost effective delivery channel as well as a convenient way of getting banking services. A “Prudential Guidelines for Agent Banking Operation in Bangladesh” has been issued by Bangladesh Bank in 2017, which is a comprehensive Guideline for the stake holders. Up to 2019, Bangladesh Bank has issued license to 24 banks for operating Agent Banking activates in Bangladesh currently 21 banks are operation.

Table 5.1: Brief overview of agent banking activates

(Deposit loan remittances are in BDT laces)

	2018	2019	2020	2021	2022
Bank with license	16	18	19	20	24
Bank with operation	10	14	16	18	21
Number of agent	1503	1068	1945	3588	6531
Number of outlets	1697	1740	2940	5351	9391
Number of accounts	294334	544536	1214367	1777400	3964346
Amount of deposit	17522	38065.64	139945.36	201276.07	528446.39
Amount of loan disbursed	3649.15	5383.36	7940.86	13732.94	30579.59
Amount of inward remittance	106354.60	129752.62	158298.19	351422.93	1,193769.57

Source: Bangladesh bank

From Table 1, it can be seen that up to the quarter ended on 31 December 2022, 21 banks are doing Agent Banking operation with 9391 outlets under 6531 Agents. A number of 3,964,346 accounts have been opened through Agent outlets of which 1465024 accounts are female accounts. The amount of total deposit collected through Agent outlets is BDT 528446.39 laces, while a total of BDT 30579.45 laces has been disbursed as loan and BDT 1,193769.57 laces has been distributed as inward remittance through these outlets.

Table 1 also shows that Agent Banking is having positive growth in all dimensions. The year-to-year growth, from December 2021 to December 2022, in terms of the number of Agents, outlets, and accounts is 74.85%, 63.28% and 114.43% respectively, while the amount of deposit, loan disbursed, and inward remittance has a growth of 141.52%, 135.37% and 179.52% respectively. Again, the quarter-to-quarter growth, from September 2022 to December 2022, in terms of the number of Agents, outlets, and accounts is 20.29%, 20.54%, and 32.90% respectively, while the amount of deposit, loan disbursed, and inward remittance has a growth of 21.84%, 45.85%, and 30.13% respectively. The difference in the number of male and female accounts is reducing continuously as the growth rate of female accounts is higher than the growth of male accounts.

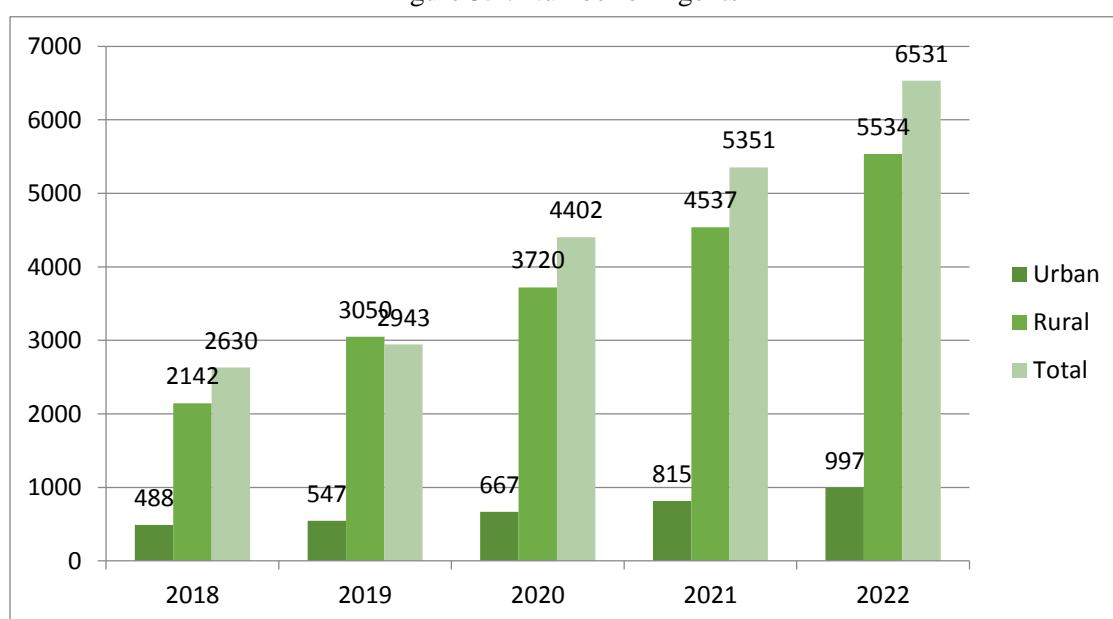
5.2 Number of Agents and Outlets:

Table 5.2: Numbers of Agents

Year	2018	2019	2020	2021	2022
Urban	488	547	667	814	997
Rural	2142	3050	3720	4537	5534
Total	2630	2943	4402	5351	6531

Source: Bangladesh bank

Figure 5.1: Number of Agents



Source: Bangladesh bank

From Table 5.2 and graph 4.1 shows the coverage of banking services through the Agent Banking operation has been increasing considerably. In December 2022, the total number of Agents reaches at 6531. The bank-wise number of Agents and outlets

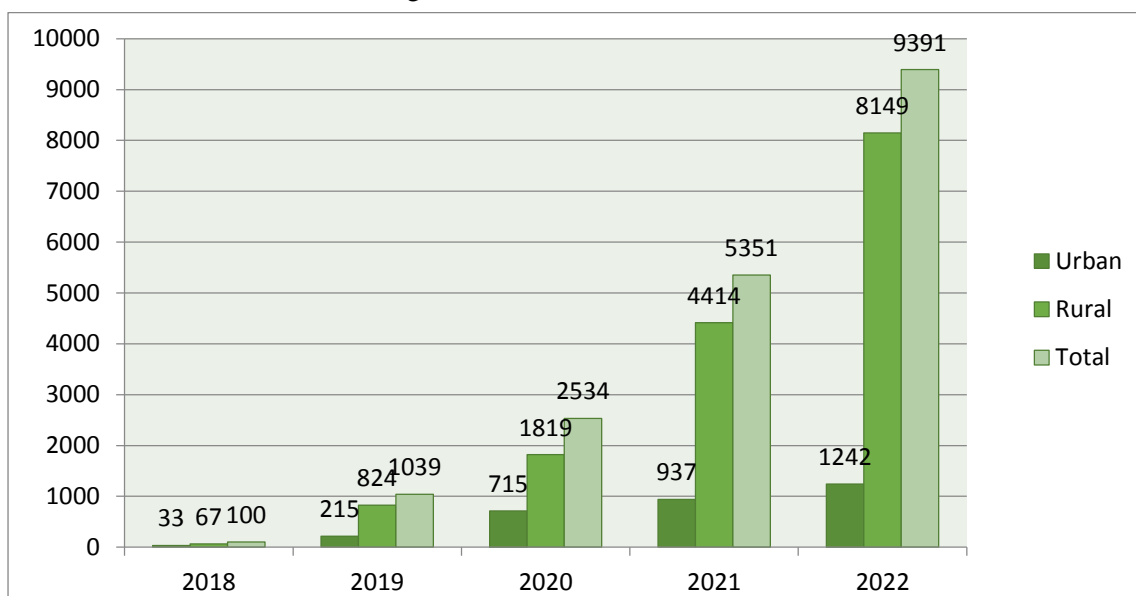
is given in table. This table shows the positive effect on the financial market in our country which is increasing day by day.

Table 5.3: Number of Outlets

Year	2018	2019	2020	2021	2022
Urban	33	215	715	937	1242
Rural	67	824	1819	4414	8149
Total	100	1039	2534	5351	9391

Source: Bangladesh bank

Figure 5.2: Number of Outlets

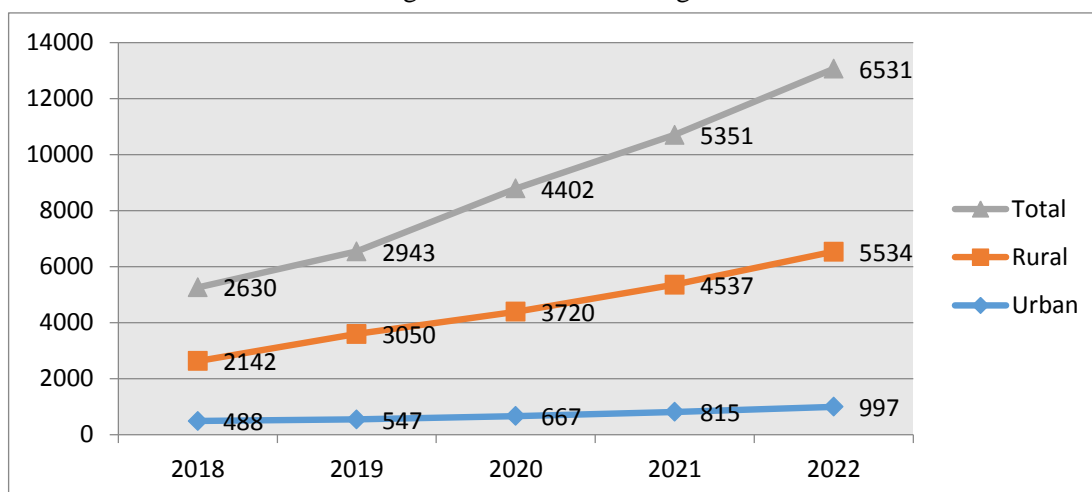


Source: Bangladesh bank

From Table 5.3 and graph 5.2 the coverage of banking services through the Agent Banking operation has been increasing considerably. In December 2022, the total number of Agents and outlets and 9391 respectively. The bank-wise number of Agents and outlets is given in table. This table shows the positive effect on the financial market in our country which is increasing day by day.

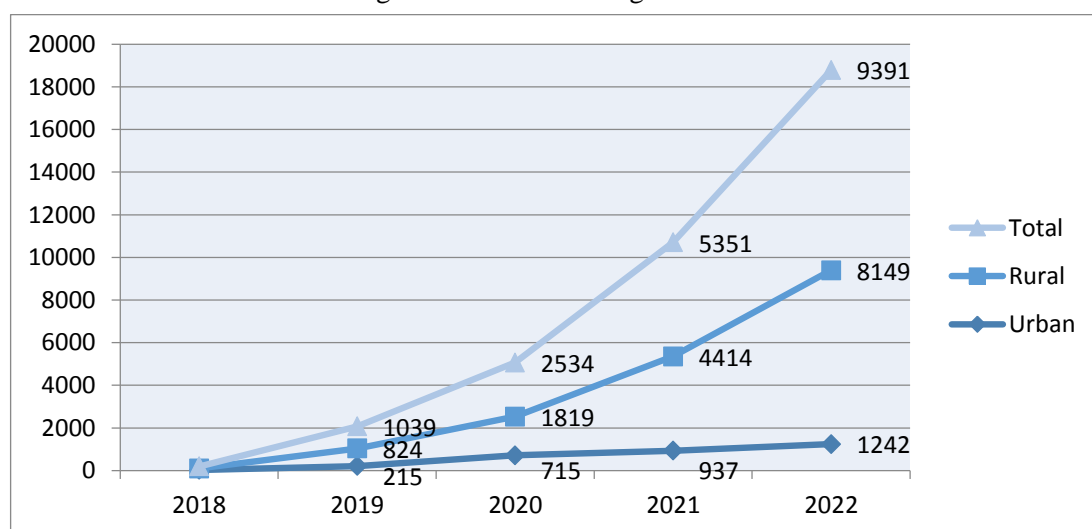
5.3 Growth of Agents and Outlets:

Figure 5.3: Growths of Agents



Source: Bangladesh bank

Figure 5.4: Growth of agent outlets

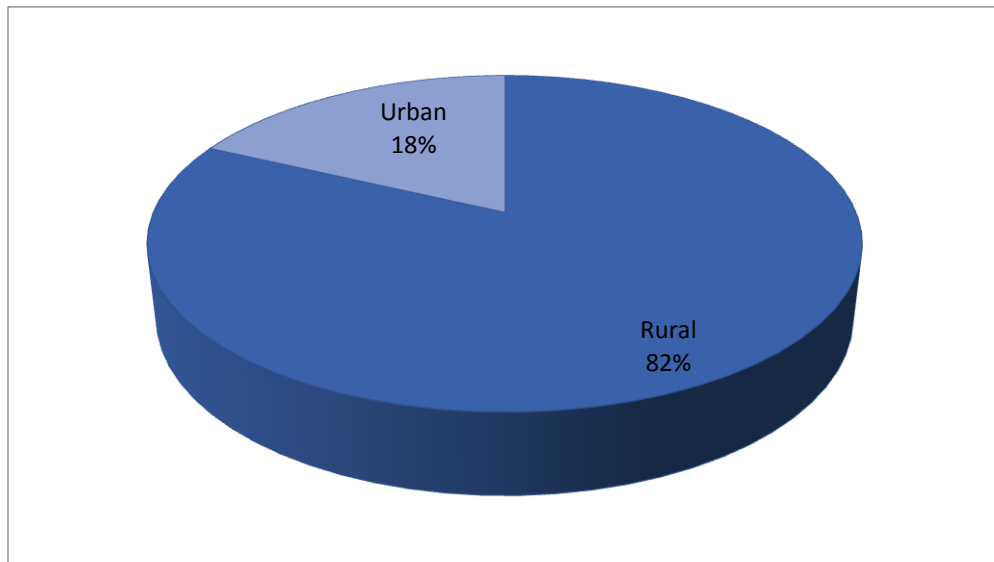


Source: Bangladesh bank

It can be observed from the Figure 5.3 and 5.4 that both the number of Agents and outlets has been increasing at a steady rate, especially, in rural area. The quarterly growth rate of number of Agents in 3rd quarter of 2022 is 8.61% which is 20.29% in the next year. The rapid expansion can be found in case of the number of Agent outlets also where the growth is 12.24% higher in the 2022 year than of 2021 year. The substantial increase in the number of outlets in the rural area is a sign of the expansion of the financial services among the mass people who are now getting formal financial services more conveniently.

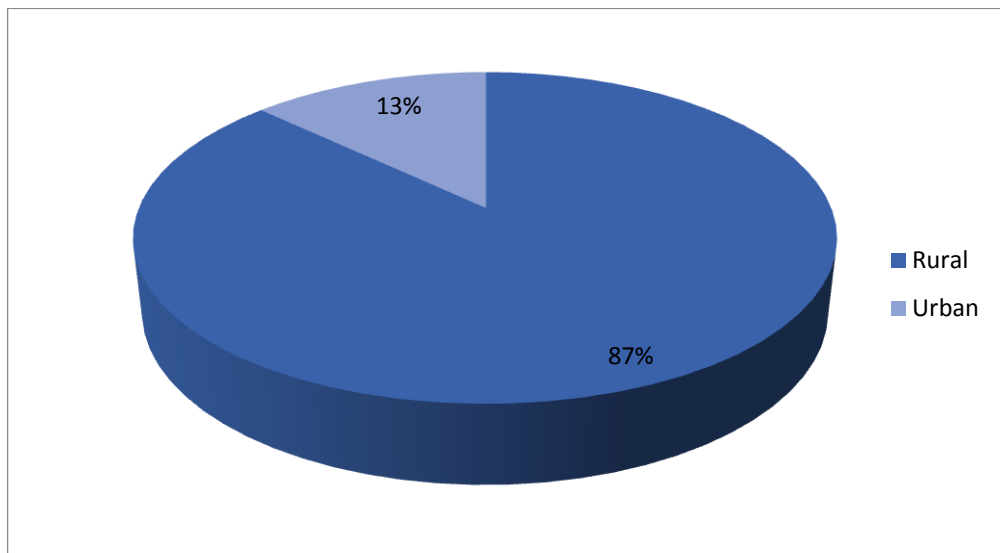
5.4 Geographical Concentration of Agents and Outlets:

Figure 5.5: Geographical Concentrations of Agents



Source: Bangladesh bank

Figure 5.6: Geographical Concentration of outlets



Source: Bangladesh bank

Considering the geographical concentration of Agents and Agent outlets, it can be asserted that around 82% of the Agents and 85% of the Agent outlets are situated in the rural area. Although the percentage of rural Agents and outlets has decreased slightly from 85% and 87% respectively in the previous quarter, the high percentage in rural area shows that the banks are contributing significantly to promote financial inclusion in the rural area.

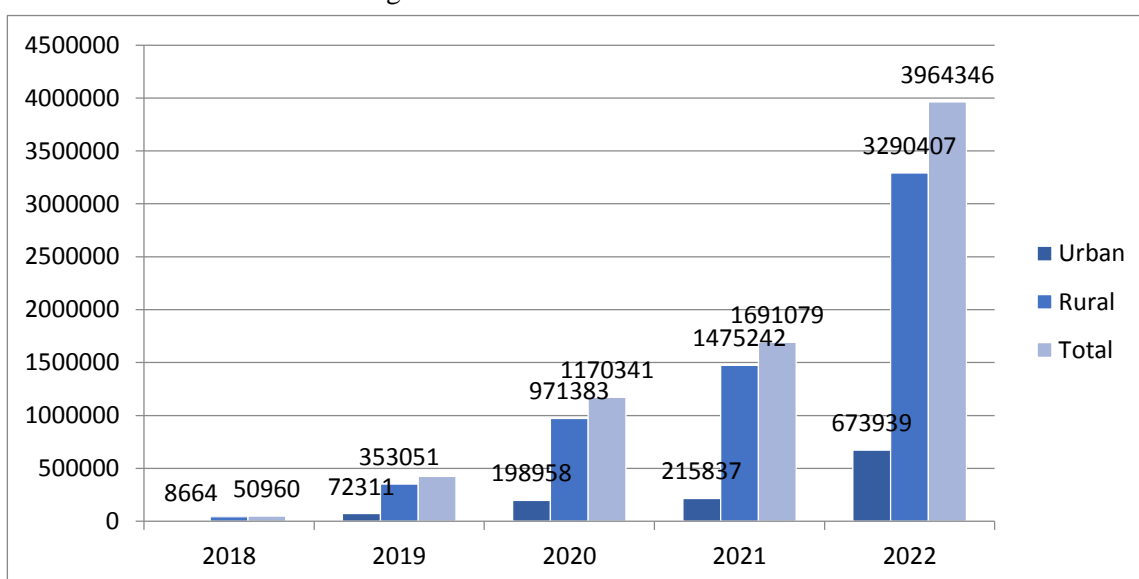
5.5 Number of Accounts

Table 5.4: Numbers of Accounts

Year	2018	2019	2020	2021	2022
Urban	8664	72311	198958	215837	673939
Rural	42296	353051	971383	1475242	3290407
Total	50960	425363	1170342	1691079	3964346

Source: Bangladesh bank

Figure 5.7: Numbers of Accounts



Source: Bangladesh bank

From Table 5.5 shows the coverage of banking services through the Agent Banking operation has been increasing considerably. In December 2022, the total number of Accounts reaches at 39, 643,46. The bank-wise number of Accounts is given in table. This table shows the positive effect on the financial market in our country which is increasing day by day. The Bank-wise number of Accounts is shown in the table-4.

Table 5.5: Bank-wise numbers of accounts

(BDT in lacks)				
SI No.	Bank Name	Urban (1)	Rural (2)	Total = (1)+(2)
1	Bank Asia Limited	1 46,599	1,069,157	1215756
2	NRB Commercial Bank Limited	2 ,472	3,057	85,529
3	Dutch-Bangla Bank Limited	2 28,571	1,079,948	1308519
4	Al-ArafahIslami Bank Limited	1 3,952	210,735	224,687
5	Modhumoti Bank Limited		79,960	79,960
6	Social Islami Bank Limited	1 ,292	42,822	44,114
7	Standard Bank Limited	8 31	11,247	12,078
8	First Security Islami Bank Limited		30,082	30,082
9	Agrani Bank Limited	5 ,971	136,431	142,402
10	Mutual Trust Bank Limited	1 1,444	44,284	55,728
11	Midland Bank Limited	1 ,846	12,460	14,306
12	United Commercial Bank Limited	9 ,302	31,503	40,805
13	The City Bank Limited	1 5,424	68,997	84,421
14	A B Bank Limited	2 ,717	11,572	14,289
15	slami Bank Bangladesh Limited	3 9,373	421,804	461,177
16	The Premier Bank Limited	1 3,033	13,712	26,745
17	The Premier Bank Limited	6 4	12,367	12,431
18	BRAC Bank Limited	3 ,661	9,542	13,203
19	Eastern Bank Limited	1 ,029	1,126	2,155
20	One Bank Limited	2 5	61	86
21	Mercantile Bank Limited	-	23	86
	Total	673939	3290407	3964346

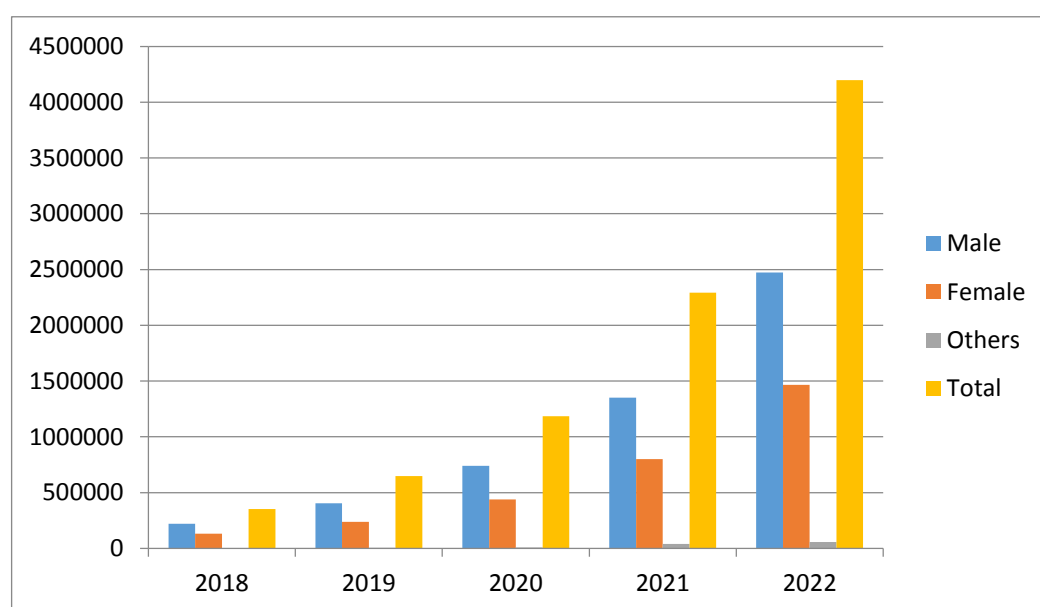
Source: Bangladesh bank

Table 5.6:Category-wise Accounts

Year	2018	2019	2020	2021	2022
Male	220558	403622	738629	1351692	2473598
Female	130628	239050	437463	800559	1465024
Others	2294	4199	7682	40574	57330
Total	353481	646871	1183775	2292825	4195952

Source: Bangladesh bank

Figure 5.8: Category-wise Accounts



Source: Bangladesh bank

From Table 5.7 shows the coverage of banking services through the Agent Banking operation has been increasing considerably. In December 2022, the total number of Accounts reaches at 39, 95,952. The bank-wise number of Accounts is given in table. This table shows the positive effect on the financial market in our country which is increasing day by day. The Bank-wise number of Accounts is shown in the table-5.5

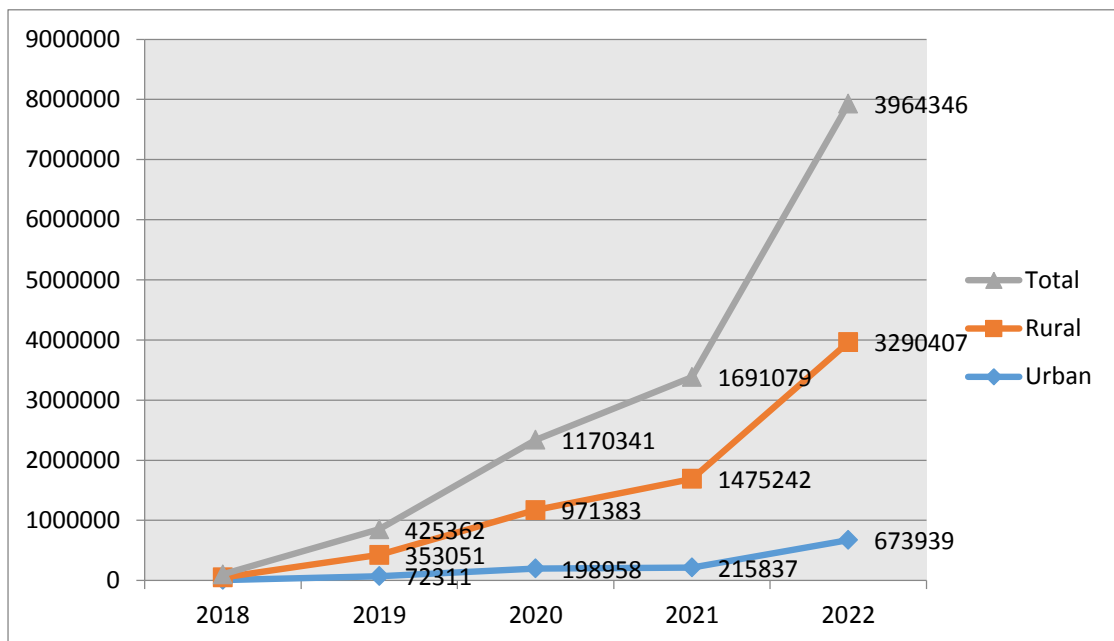
Table 5.7: Bank-wise number of account

(in BDT lacks)					
SI No.	Bank Name	Male (1)	Female(2)	Others(3)	total
1	Bank Asia Limited	525,753	6,61,504	2,28,499	1 ,315,756
2	NRB Commercial Bank Limited	34,192	5 1,337	-	8 5,529
3	Dutch-Bangla Bank Limited	1,130,790	2,77,729	-	13,08,519
4	Al-ArafahIslami Bank Limited	126,987	9 5,109	2,8831	2 24,687
5	Modhumoti Bank Limited	27,653	5 2,307	-	7 9,960
6	Social Islami Bank Limited	24,484	1 9,630	-	4 4,114
7	Standard Bank Limited	6,937	5 ,141	-	1 2,078
8	First Security Islami Bank Limited	18,045	1 2,037	-	3 0,082
9	Agrani Bank Limited	69,823	7 2,579	-	1 42,402
10	Mutual Trust Bank Limited	32,368	2 3,360	-	5 5,728
11	Midland Bank Limited	8,481	5 ,825	-	1 4,306
12	United Commercial Bank Limited	24,722	1 6,083	-	4 0,805
13	The City Bank Limited	57,072	2 7,349	-	8 4,421
14	A B Bank Limited	8,989	5 ,300	-	1 4,289
15	slami Bank Bangladesh Limited	312,899	1 48,278	-	4 61,177
16	The Premier Bank Limited	14,424	1 2,321	-	2 6,745
17	The Premier Bank Limited	5,722	6 ,271	438	1 2,431
18	BRAC Bank Limited	8,145	5 ,058	-	1 3,203
19	Eastern Bank Limited	1,610	5 45	-	2 ,155
20	One Bank Limited	74	1 2	-	8 6
21	Mercantile Bank Limited	23	-	-	2 3
	Total	24,73,598	1465024	257330	3995952

Source: Bangladesh bank

5.6 Growth of Accounts

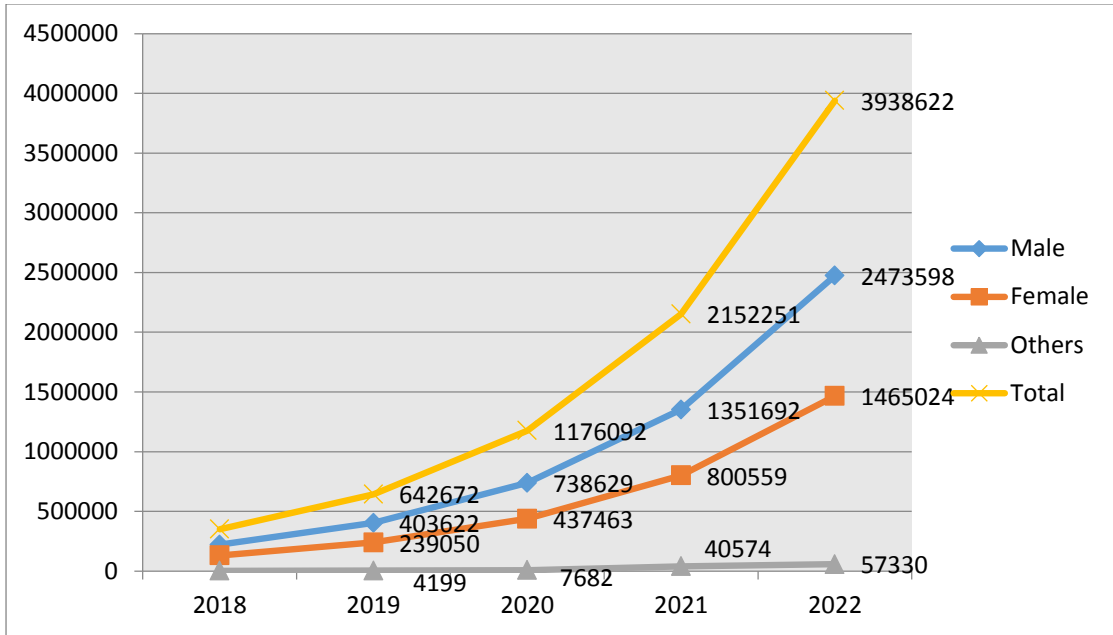
Figure 5.9: Growth of Accounts



Source: Bangladesh bank

It can be observed from the Figure 5.9 that both the number of Account has been increasing at a steady rate, especially, in rural area. The yearly growth rate of Accounts of 2021 is 116.03% which is 123.29% in the next year. The rapid expansion can be found in case of the number of Accounts also where the growth is 112.24% higher in the 2022 year than of 2021 year.

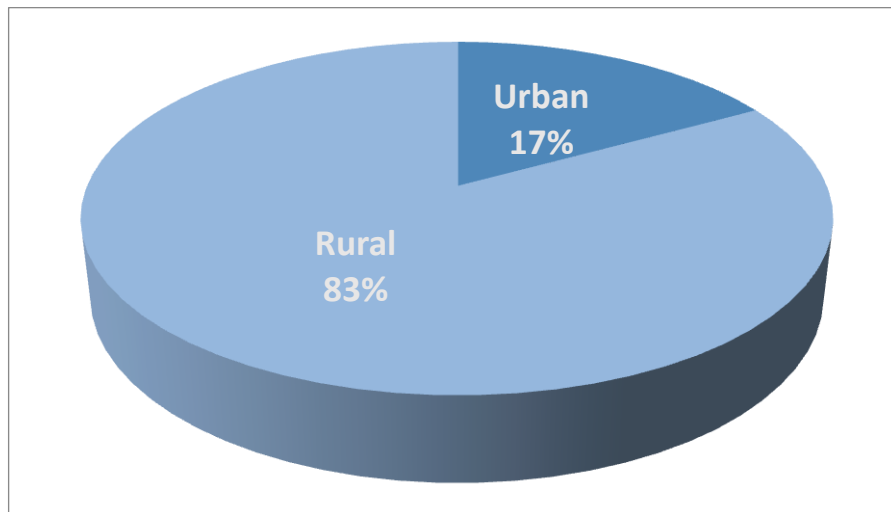
Figure 5.10: Category-wise Growth of Accounts



Source: Bangladesh bank

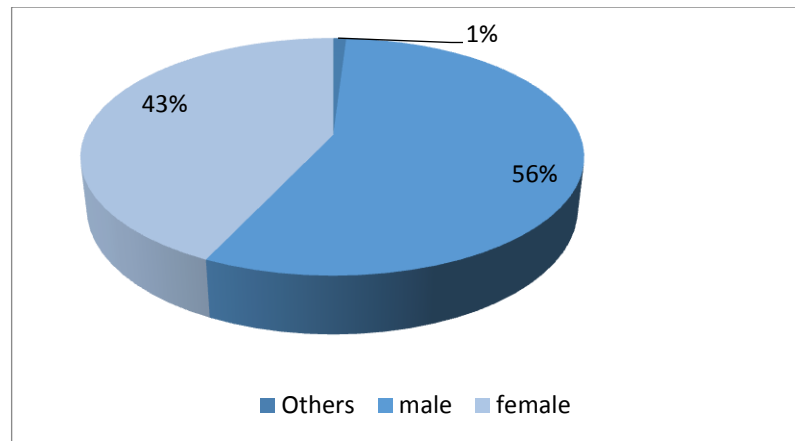
It can be observed from the Figure 4.10 that both the number of Account has been increasing at a steady rate, especially, in rural area. The quarterly growth rate of number of Accounts of 2021 is 86.03%% which is 85.29% in the next year. The rapid expansion can be found in case of the number of Accounts also where the growth is 76.24% higher in the 2022 year than of 2021 year.

Figure 5.11: Geographical numbers of accounts.



Source: Bangladesh bank

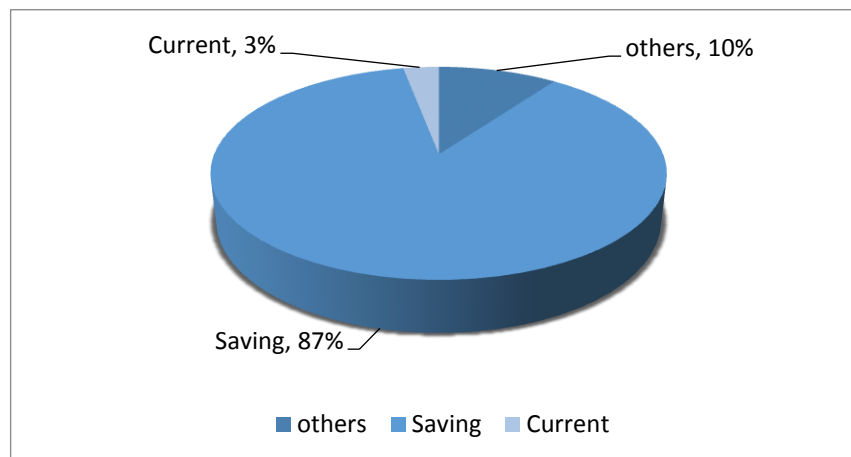
Figure 5.12: Gender-wise accounts



Source: Bangladesh bank

In Figures 5.11 and 5.12 geographically and category-wise, gender-wise comparisons is shown. From these figures, it can be exerted that 83% of the number of total accounts-holders are living in the rural area. On the other hand, gender-wise segmentation shows that the number of female accounts is 43%, male account is 56%. So, the percentage of female accounts has increased in the year compared to year which is 37%.

Figure 5.13: Type-wise accounts



Source: Bangladesh bank

In Figures 5.13 category-wise, gender-wise and type-wise comparisons of number of accounts is shown. From these figures, it can be exerted that 83% of the number of total accounts-holders are living in the rural area. On the other hand, gender-wise segmentation shows that the number of female accounts is 43%, male account is 56%. So, the percentage of female accounts has increased in the year compared to year which is 37%. Type-wise Segmentation shows that 87% of the accounts are savings accounts, while 3% are current accounts and others .The bank-wise types of accounts is shown in the table-5.8

Table-5.8:Bank-wise number of account

(in BDT lacks)					
SI No.	Bank Name	Current(1)	Saving(2)	Others(3)	total
1	Bank Asia Limited	43,171	1,769,369	103,216	1,915,756
2	NRB Commercial Bank Limited	144	83,000	2,385	85,529
3	Dutch-Bangla Bank Limited	33,367	1,850,275	124,877	2,008,519
4	Al-ArafahIslami Bank Limited	9,787	169,153	45,747	224,687
5	Modhumoti Bank Limited	895	78,586	479	79,960
6	Social Islami Bank Limited	755	32,733	10,626	44,114
7	Standard Bank Limited	1,131	8,430	2,517	12,078
8	First Security Islami Bank	2,734	19,898	7,450	30,082
9	Agrani Bank Limited	7,907	126,234	8,261	142,402
10	Mutual Trust Bank Limited	2,998	42,991	9,739	55,728
11	Midland Bank Limited	564	11,075	2,667	14,306
12	United Commercial Bank Ltd	5,119	29,062	6,624	40,805
13	The City Bank Limited	10,569	59,984	13,868	84,421
14	A B Bank Limited	582	9,983	3,724	14,289
15	slami Bank Bangladesh	16,209	268,999	175,969	461,177
16	The Premier Bank Limited	250	24,601	1,894	26,745
17	The Premier Bank Limited	829	8,897	2,705	12,431
18	BRAC Bank Limited	3,464	9,023	716	13,203
19	Eastern Bank Limited	89	1753	313	2,155
20	One Bank Limited	10	76	-	86
21	Mercantile Bank Limited	-	23	-	23
	Total	140,574	4,604,145	523,777	5,268,496

Source: Bangladesh bank

Deposit Collection

5.7 Deposit

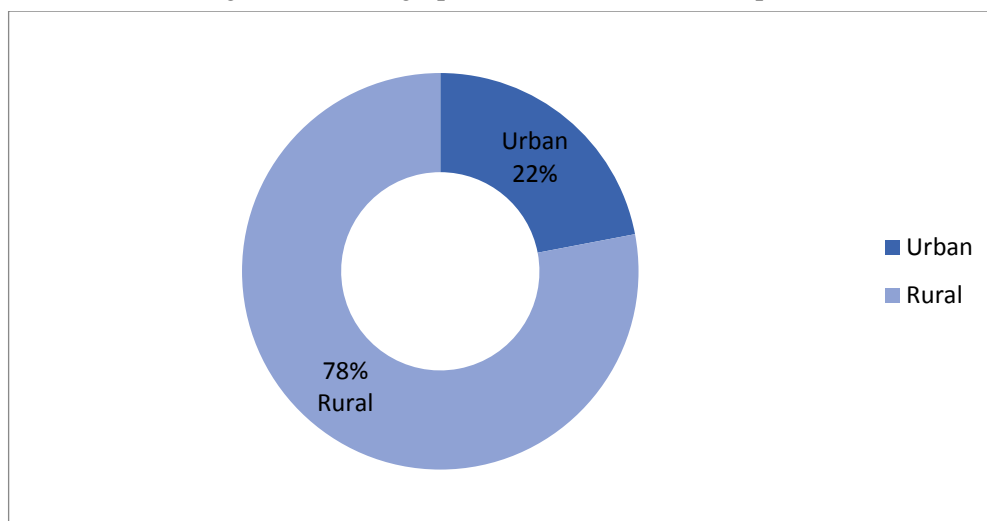
The collection of deposit through Agent Banking stands at BDT 528446.39 lacs up to the year of 2022. The deposit has increased by 21.84% compared to the year of 2021 and 141.52% compared to the 4th quarter of 2021. The bank-wise amount of deposit is given in table number-5.9

Table 5.9: Bank-wise amount of deposit collection

(in BDT lacs)					
SI No.	Bank Name	Current	Saving	Others	Total
1	Bank Asia Limited	7,918.13	77,213.20	57,900.63	1 43,031.96
2	NRB Commercial Bank Ltd	15.96	791.07	490.74	1 ,297.77
3	Dutch-Bangla Bank Limited	5,476.31	114,523.42	42,387.35	1 12,387.08
4	Al-Arafah Islami Bank Limited	3,991.39	49,767.80	97,719.30	1 01,478.49
5	Modhumoti Bank Limited	321.00	1,786.00	290.00	2 ,397.00
6	Social Islami Bank Limited	372.00	1,896.00	9,330.00	1 1,598.00
7	Standard Bank Limited	216.73	996.93	720.42	1 ,934.08
8	First Security Islami Bank Ltd	1,106.46	2,470.26	4,881.66	8 ,458.38
9	Agrani Bank Limited	1,266.09	10,128.01	14,709.13	2 6,103.23
10	Mutual Trust Bank Limited	2,592.00	6,434.00	13,007.00	2 2,033.00
11	Midland Bank Limited	184.66	730.29	1,520.11	2 ,435.06
12	United Commercial Bank Ltd	1,822.35	3,398.46	15,078.76	2 0,299.57
13	The City Bank Limited	3,765.09	3,952.29	8,018.65	1 5,736.03
14	A B Bank Limited	180.15	1,371.20	3,472.69	5 ,024.04
15	Islami Bank Bangladesh Limited	12,319.10	61,610.23	89,116.89	1 13,046.22
16	The Premier Bank Limited	78.10	1,122.85	6,796.90	7 ,997.85
17	The Premier Bank Limited	222.27	746.87	1,464.25	2 ,433.39
18	BRAC Bank Limited	1,919.40	729.57	423.44	3 ,072.41
19	Eastern Bank Limited	26.07	208.90	708.65	9 43.62
20	One Bank Limited	8.08	0.82	-	8 .90
21	Mercantile Bank Limited	-	0.15	-	0 .15
	Total	43,801.34	239,878.31	268,036.57	528446.39

Source: Bangladesh bank

Figure 5.14: Geographical Concentration of Deposit



Source: Bangladesh bank

Figures 5.14 show the geographical concentration, geographical concentration of collection of deposit through Agent Banking. From the figures, it can be seen that, 78% of the deposit is collected in rural area, while 67% of deposit is from male customers the. The Bank-wise of Amount of deposit is given in table-5.10

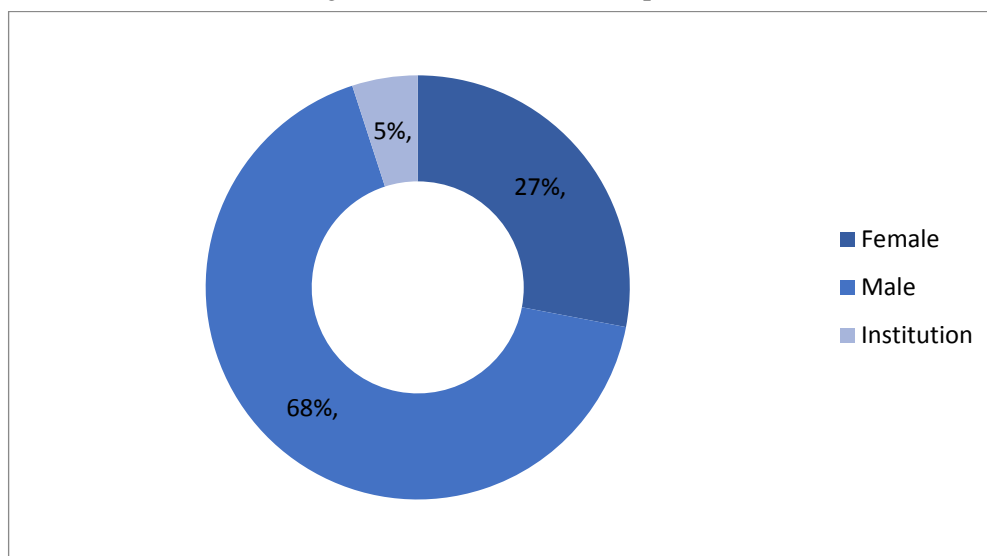
Table 5.10: Bank-wise of Amount of deposit

(BDT in lacks)				
SI No.	Bank Name	Urban (1)	Rural (2)	Total = (1)+(2)
1	Bank Asia Limited	2 3,646.10	119,385.86	1 43,031.96
2	NRB Commercial Bank Limited	1 21.40	1,176.37	1 ,297.77
3	Dutch-Bangla Bank Limited	4 5,681.18	116,705.90	1 12,387.08
4	Al-ArafahIslami Bank Limited	3 0,155.23	121,323.26	1 01,478.49
5	Modhumoti Bank Limited	-	2,397.00	2 ,397.00
6	Social Islami Bank Limited	4 ,407.00	7,191.00	1 1,598.00
7	Standard Bank Limited	3 8.39	1,895.69	1 ,934.08
8	First Security Islami Bank Limited	-	8,458.38	8 ,458.38
9	Agrani Bank Limited	1 1,383.14	14,720.09	2 6,103.23
10	Mutual Trust Bank Limited	7 ,949.00	14,084.00	2 2,033.00
11	Midland Bank Limited	4 27.70	2,007.36	2 ,435.06
12	United Commercial Bank Limited	9 ,259.23	11,040.34	2 0,299.57

13	The City Bank Limited	6,779.58	8,956.45	15,736.03
14	A B Bank Limited	1,290.33	3,733.71	5,024.04
15	Islami Bank Bangladesh Limited	16,710.39	146,335.83	113,046.22
16	The Premier Bank Limited	5,800.00	2,197.85	7,997.85
17	The Premier Bank Limited	6.25	2,427.14	2,433.39
18	BRAC Bank Limited	1,099.16	1,973.25	3,072.41
19	Eastern Bank Limited	243.08	700.54	943.62
20	One Bank Limited	6.57	2.33	8.90
21	Mercantile Bank Limited	-	0.15	0.15
	Total	165,003.73	386,712.49	5,28,446.39

Source: Bangladesh bank

Figure 5.15: Gender-wise Deposits



Source: Bangladesh bank

In figure 5.15 shown the yearly growth rate of the amount of gender-wise deposit collection of deposit through Agent Banking. From the figures, it can be seen that, 68% of the deposit is collected in male customers, while 27% of deposit is from female customers the. has increased from 16.75% in the year to 17.84% in 2022. The amount of deposit has also increased by 141.52% in a year from December 2021 to December 2022. Again, the growth of deposit from male customers is higher compared to female customers and institutions. The Bank-wise of Amount of deposit is given in table-5.11

Table 5.11: Bank-wise of Amount of deposit

(in BDT lacks)					
SI No.	Bank Name	Male (1)	Female(2)	Others (3)	total
1	Bank Asia Limited	8 2,213.47	4 9,010.58	11,807.91	1 43,031.96
2	NRB Commercial Bank Limited	7 70.05	5 27.72		1 ,297.77
3	Dutch-Bangla Bank Limited	1 05,147.46	3 8,453.90	18,785.72	1 62,387.08
4	Al-ArafahIslami Bank Limited	1 17,995.00	2 8,320.59	5,162.90	1 51,478.49
5	Modhumoti Bank Limited	1 ,395.00	1 ,002.00	-	2 ,397.00
6	Social Islami Bank Limited	9 ,027.00	2 ,571.00	-	1 1,598.00
7	Standard Bank Limited	1 ,220.33	7 13.75	-	1 ,934.08
8	First Security Islami Bank Limited	5 ,624.15	2 ,834.23	-	8 ,458.38
9	Agrani Bank Limited	8 ,295.06	1 7,808.17	-	2 6,103.23
10	Mutual Trust Bank Limited	1 6,125.00	5 ,908.00	-	2 2,033.00
11	Midland Bank Limited	1 ,832.05	6 03.01	-	2 ,435.06
12	United Commercial Bank Limited	1 7,106.07	3 ,193.50	-	2 0,299.57
13	The City Bank Limited	1 3,088.36	2 ,647.67	-	1 5,736.03
14	A B Bank Limited	3 ,070.83	1 ,953.21	-	5 ,024.04
15	slami Bank Bangladesh Limited	1 14,090.03	4 8,956.19	-	1 63,046.22
16	The Premier Bank Limited	5 ,883.15	2 ,114.70	-	7 ,997.85
17	The Premier Bank Limited	1 ,505.73	7 92.08	135.58	2 ,433.39
18	BRAC Bank Limited	2 ,569.11	5 03.30	-	3 ,072.41
19	Eastern Bank Limited	4 84.46	4 59.16	-	9 43.62
20	One Bank Limited	8 .47	0 .43	-	8 .90
21	Mercantile Bank Limited	0 .15	-	-	0 .15
	Total	4,02,50.92	101,373.19	25,892.11	5,28,446

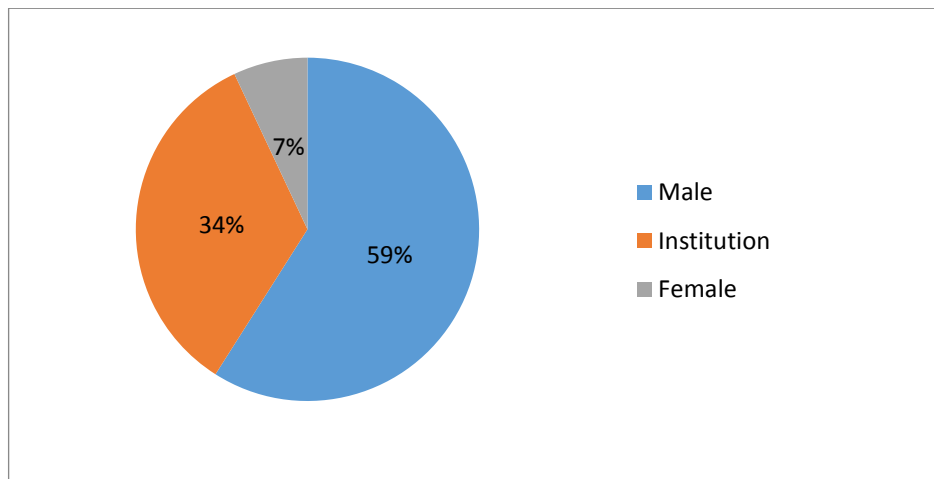
Source: Bangladesh bank

Loan Disbursement

5.8 Loan

The disbursement of loan through the Agent Banking operation stands at BDT 30579.59 lacks at the end of the year of 2022. The amount has increased by 45.85% compared to the year of 2019 and 135.37% compared to the year of 2021.

Figure 5.16: Category-wise Loan Disbursement



Source: Bangladesh bank

In figure 5.16 shown the yearly growth rate of the amount of category-wise loan disbursement through Agent Banking. From the figures, it can be seen that, 59% of loan disbursement male customers while 34% of loan disbursement is from male customers the. Disbursement has increased from 17.75% in the year to 29.84% in 2022. The amount of deposit has also increased by 131.52% in a year from December 2021 to December 2022. Again, the growth of deposit from male customers is higher compared to female customers and institutions. The Bank-wise of Amount of deposit is given in table-5.12

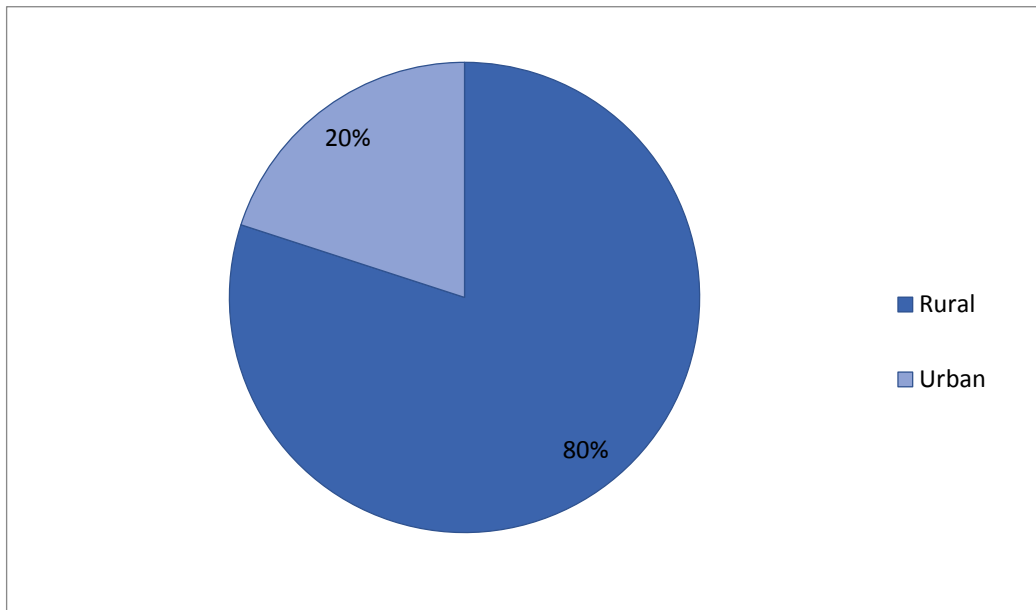
Table 5.12: Bank-wise loan disbursement in gender

(in BDT lacks)					
SI No.	Bank Name	Male (1)	Female(2)	Others (3)	total
1	Bank Asia Limited	8,156.99	2,377.91	15,340.6	25,875.51
2	NRB Commercial Bank Limited	-	-	-	
3	Dutch-Bangla Bank Limited	649.10	117.55	-	766.65
4	Al-Arafah Islami Bank Limited	639.20	112.80	-	752.00
5	Modhumoti Bank Limited	9.50	0.50	-	10.00
6	Social Islami Bank Limited	-	-	-	
7	Standard Bank Limited	-	-	-	
8	First Security Islami Bank Limited	-	-	-	
9	Agrani Bank Limited	-	-	-	

10	Mutual Trust Bank Limited	5 44.00	7 9.00	-	6 23.00
11	Midland Bank Limited	-	-	-	
12	United Commercial Bank Limited	-	-	-	
13	The City Bank Limited	6 ,485.09	4 5.45	-	6 ,530.54
14	A B Bank Limited	-	-	-	
15	slami Bank Bangladesh Limited	2 0.33	-	-	2 0.33
16	The Premier Bank Limited	5 1.80	0 .80	-	5 2.60
17	The Premier Bank Limited	9 ,681.00	2 89.00	-	9 ,970.00
18	BRAC Bank Limited	-	-	-	-
19	Eastern Bank Limited	-	-	-	-
20	One Bank Limited	-	-	-	-
21	Mercantile Bank Limited	-	-	-	-
	Total	16,237.01	2 ,023.01	10,340.61	30579.59

Source: Bangladesh bank

Figure 5.17: Geographical Concentration of loan



Source: Bangladesh bank

Considering the geographical concentration of the disbursement of loans, it can be found that around 74% of the loan has been disbursed in the rural area. This shows that, in line with the objective of Agent Banking, the banks are giving priority in providing loan in rural area through Agents. In case of the gender-wise distribution of loan in Figure 18, it is found that, 59% of loan has been given to male customers, 7% to female customers and other 34% to small enterprises. The bank-wise loan disbursement in table 10

Table 5.13: Bank-wise loan disbursement

(BDT in lacks)				
SI No.	Bank Name	Urban (1)	Rural (2)	Total = (1)+(2)
1	Bank Asia Limited	2,170.41	22,005.1	25,875.51
2	NRB Commercial Bank Limited	-	-	
3	Dutch-Bangla Bank Limited	207.53	559.12	766.65
4	Al-Arafah Islami Bank Limited	587.76	164.24	752.00
5	Modhumoti Bank Limited	-	10.00	10.00
6	Social Islami Bank Limited	-	-	
7	Standard Bank Limited	-	-	
8	First Security Islami Bank Limited	-	-	
9	Agrani Bank Limited	-	-	
10	Mutual Trust Bank Limited	3010.00	213.00	623.00
11	Midland Bank Limited	-	-	
12	United Commercial Bank Limited	-	-	
13	The City Bank Limited	1,654.49	3,876.05	6,530.54
14	A B Bank Limited	-	-	
15	Islami Bank Bangladesh Limited	-	20.33	20.33
16	The Premier Bank Limited	-	-	
17	The Premier Bank Limited	-	52.60	52.60
18	BRAC Bank Limited	2,855.00	6,115.00	9,681.00
19	Eastern Bank Limited	-	-	
20	One Bank Limited	-	-	-
21	Mercantile Bank Limited	-	-	-
	Total	7,585.19	23,015.44	30,579.59

Source: Bangladesh bank

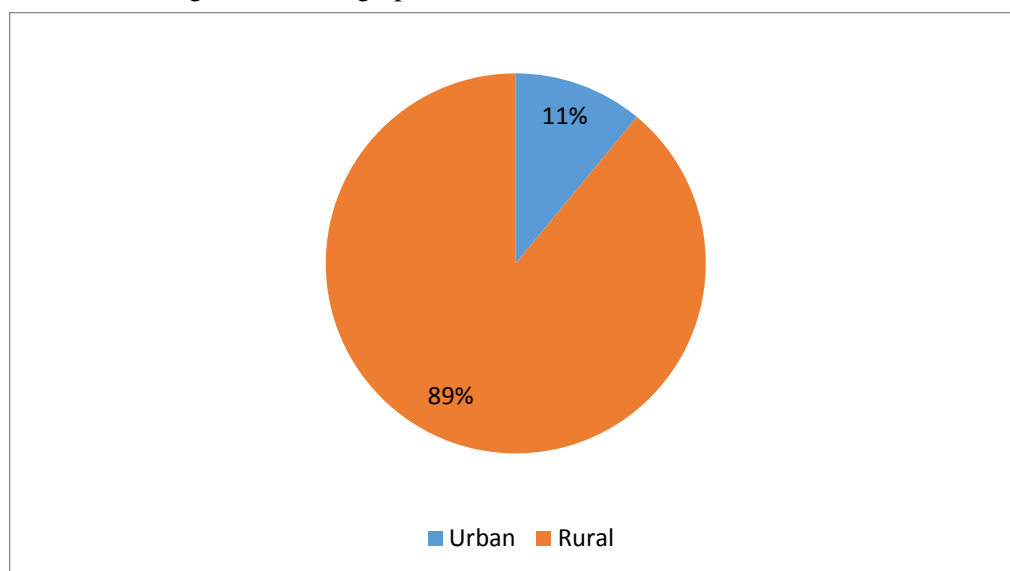
Inward Remittance Distributions

5.9 Inward Remittance

The distribution of inward remittance through the Agent Banking stands at BDT 1,193,769.57 Lacks at the end of year of 2022. It has been increased by 30.13% compared to the 3rd quarter of 2022 and 179.52% compared to the 4th quarter of 2021. The bank-wise distribution of inward remittance is given in table number

5.10 Geographical Concentration

Figure 5.18: Geographical Concentration Inward Remittance



Source: Bangladesh bank

In case of the geographical concentration of inward remittance, it can be found that 89% is distributed in the rural area. So, the Agent Banking is playing an important role in bringing the hard-earned money of the non-resident Bangladeshis at arm's length of their close ones. Inward foreign remittance through Agent Banking is gaining popularity day by day, which also drawing rural people's affinity to get formal banking services through the Agents. The Bank-wise Inward Remittance Distribution is shown table-5.14

Table 5.14: Bank-wise Inward Remittance Distribution

(BDT in lacks)				
SI No.	Bank Name	Urban (1)	Rural (2)	Total = (1)+(2)
1	Bank Asia Limited	20,1,105.38	143,793.86	265,699.24
2	NRB Commercial Bank Limited	-	9.61	9.61
3	Dutch-Bangla Bank Limited	10 18,303.70	490,770.18	409,073.88
4	Al-Arafah Islami Bank Limited	6,913.74	173,721.71	180,635.45
5	Modhumoti Bank Limited		252.61	252.61
6	Social Islami Bank Limited	33.83	4,071.60	4,105.43
7	Standard Bank Limited	27.05	5,574.35	5,601.40
8	First Security Islami Bank Limited		1,690.64	1,690.64
9	Agrani Bank Limited	903.52	69,626.94	70,530.46
10	Mutual Trust Bank Limited	1,849.00	15,262.00	17,111.00
11	Midland Bank Limited	180.96	1,549.55	1,730.51
12	United Commercial Bank Limited	61.65	1,080.51	1,142.16
13	The City Bank Limited	658.94	8,638.65	9,297.59
14	A B Bank Limited	99.24	1,223.73	1,322.97
15	Islami Bank Bangladesh Limited	106,512.32	266,309.18	182,821.50
16	The Premier Bank Limited	0.13	33.66	33.79
17	The Premier Bank Limited	0.71	916.42	917.13
18	BRAC Bank Limited	72.56	1,346.16	1,418.72
19	Eastern Bank Limited	2.54	35.23	37.77
20	One Bank Limited	-	-	-
21	Mercantile Bank Limited		-	-
	Total	40225.27	785906.59	1,193769.57

Source: Bangladesh bank

Chapter 6: Findings, Recommendations & Conclusion

6.1 Findings:

1. The Agent banking of Mutual Trust Bank Limited is very much supportive and transparent in banking transactions.
2. Agent banking will run effectively and efficiently in future and the growth will be high.
3. The bank officers of Agent Banking of Mutual Trust Bank Limited are very much helpful.
4. The service delivery time of Agent banking of Mutual Trust Bank Limited is very much reasonable.
5. The brand value of Agent banking of Mutual Trust Bank Limited is much better than the competitors.
6. The transaction systems of Agent banking of Mutual Trust Bank Limited are very much secured.
7. There has no hidden charge of agent banking of Mutual Trust Bank Limited.
8. The online system of Agent banking of Mutual Trust Bank Limited is easily accessible.

6.2 Recommendations:

Agent Banking of Mutual Trust Bank is the pioneer of agent banking in Bangladesh. It starts agent banking in Bangladesh with a pilot program in Jahapur Bazar, Muradnagar, Cumilla during the second quarter of 2016. So it is very much young according to its age. So there are a lot of problems now. But Mutual Trust Bank is trying to decrease the problems by upgrading the system day by day. The recommendations for them to overcome the problems in Agent Banking are as follows:

1. The agents of the agent banking of Mutual Trust Bank should be given enough training to learn the whole system of transaction and activity.
2. The Transaction limit should be enhanced to give banking facilities properly specially for the business persons.
3. The server of the bank should be made fast, so that they activity will be quickly done.
4. The bank officers should be trained properly before sending them in the workplace.
5. Bank should take those as agents who are at least graduate or have completed HSC.
6. Bank should motivate agents about their (A) business. They should make understand about their future in realistic way.
7. Bank should take awareness program to reach the people and communicate them about agent banking products and services.
8. Bank should give special offers for the customers as well as the agents. This will increase the interest of the customers as well as the agents.

6.3 Conclusion:

Agent banking has a huge possibility in Bangladesh. Few banks are taking different initiatives to make this service popular in Bangladesh. Banks like Mutual Trust Bank, Dutch-Bangla Bank Limited (DBBL), Bank Asia, Al-Arafah Islami Bank, Social Islami Bank Limited, Modhumoti Bank Ltd, NRB Commercial Bank, Standard Bank Ltd, Agrani Bank Ltd, Midland Bank, First Security Islami Bank, The City Bank, Islami Bank Bangladesh Ltd, The Premier Bank Ltd, United Commercial Bank Limited, and AB Bank Limited have already launched agent banking and many more are waiting to get clearance from Bangladesh Bank. This service opens the separate epoch for accessible banks and financial institutions. More and more people will use this service because of the convenience it will provide to them in their daily life. Bangladesh bank has proper guideline and policies for agent banking. Now the banks have to be very vigilant employing those policies to make it the biggest triumph story. As most of the people are living in the village so it has much scope to take them into the banking system and prolong the banking business in Bangladesh. The economy of the country will also have a positive impact through this.

Mutual Trust Bank is the pioneer in the agent banking in Bangladesh so it has much scope to capture the whole market in a short time. It should overcome the major problems and take necessary steps to catch the whole market. It has capability to be succeed in this sector.

In conclusion I must say that this report is really essential for every student of business studies to get idea about Agent Banking sector of Banking in Bangladesh. By completing this report, I have got overall idea of Agent Banking sector. Mutual Trust Bank was really a good experience for me because every person of there were so much helpful. So, at last, there is a hope that the growth of Agent Banking will be high, future will be bright and it will be much popular in a very short time.

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