

# Mutual Trust Bank going big digitally

AKM ZAMIR UDDIN

Mutual Trust Bank has decided to go big in digital banking to provide services to the tech-savvy clients and bring the unbanked people under the formal financial system, said its top executive.

"As part of the move, we have already materialised various initiatives. The next year will be highly important for us as the bank will implement many digital initiatives," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank (MTB).

Implementing a branchless banking model riding on digital means is the lender's next goal as it has already taken up a plan to set up a maximum of one or two branches per year.

On the occasion of its 21st founding anniversary, the private commercial bank has decided to implement the model by way of setting up more and more agent banking outlets in rural areas instead of establishing full-fledged branches, said Rahman.

The bank has already set up 154 agent outlets under the central bank's agent banking window in rural areas to cater financial services to underprivileged people.

As part of the facilities to provide financial services through different digital modes, the lender's clients are now allowed to transfer funds from their accounts to several mobile financial service (MFS) providers, such as bKash, Rocket and Nagad.

The lender has recently introduced a new platform titled "MEasy", a fully-digitised banking service that provides a cutting-edge and hassle-free digital banking experience.

Through the platform, clients can open new accounts sitting back at their homes.

MEasy has been attached to the bank's mobile phone app—MTB Smart Banking.

Although the ongoing coronavirus pandemic has created a stagnant situation everywhere, the scenario for MTB is quite different as it has put in tremendous efforts to digitise its existing traditional banking system.

For instance, it has launched another digital service—MBOT, which helps clients by way of replying to their questions.

The MBOT is a chatbot, a computer programme that simulates human conversation in interacting with customers through voice commands or text chats or



Syed Mahbubur Rahman

both, costing little to nothing.

It enables attending to customers at all times of the day and week and is not limited by time or a physical location.

The bank's clients earlier had to seek assistance of a call centre to get their problems solved or queries answered at that moment but now the MBOT has added a new dimension to the customer service.

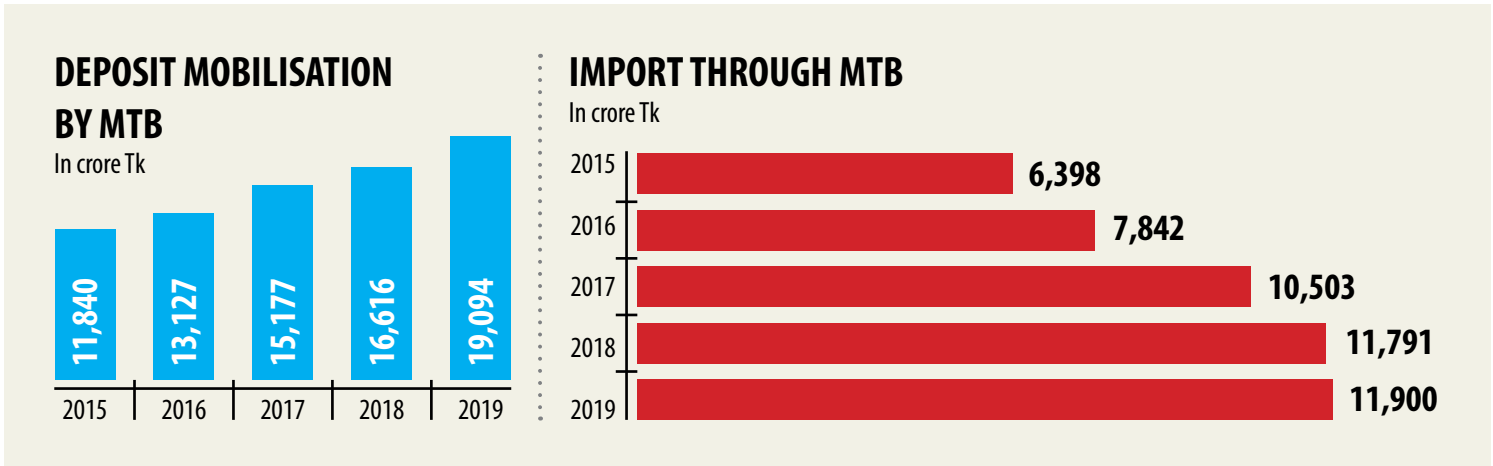
Implementation of a green PIN (personal identification number) has one of the core elements of the lender's latest digital banking initiatives as well.

Green PIN is an interactive voice response-based contact centre which provides an instant and secure PIN generation service for all MTB cards.

Be it anytime and anywhere, a cardholder can generate a PIN for a new card, change an old PIN as well as reset a forgotten PIN.

Cardholders no longer need to visit any MTB branch to place a request for a PIN, nor do they have to wait for a PIN after placing the request; they will get their desired PIN instantly.

"In the past, we made a decorative banking history. During the journey, the lender has gained a magnificent brand image both locally and globally by way of providing



multidimensional financial services to clients," said Rahman, who joined the bank in December last year.

The MTB has bagged reputation by ensuring corporate governance.

The management and board of directors have never got involved in each other's jobs that has ultimately helped the lender make the achievement.

The bank always tries to provide all types of banking services, including retail and wholesale banking, to clients keeping up with the demand of time, helping it turn into a full-fledged commercial bank.

"The bank has rolled out almost all financial products on time. As a result, our clients have got the best services from our end," said Rahman.

He earlier successfully served Dhaka Bank and Brac Bank as managing director.

"MTB is not satisfied about what we have done so far. We have a long way to go keeping pace with the latest innovations in the global banking arena. We want to offer all kinds of business solutions," he said.

The bank is now working to discover a new method to give out "nano" or small loans to clients.

"We will be unable to make profit by giving out nano loans as the central bank has set an interest rate of 9 per cent on all types of lending except credit card," he said.

The bank will not manage its desired profit from the nano loan product if it follows the

manual approval process.

The credit programme will be implemented within the next year by using the platform of MFS providers and mobile phone operators.

The mobile phone operators store clients' information. The lender will distribute the loan at a faster pace analysing the data compared to the existing timeframe.

"This will widen financial inclusion in the country further," said Rahman, who attained an MBA degree from the Institute of Business Administration at the University of Dhaka.

The lender will train up its manpower such that they cope with the digital banking easily in the days ahead.

The bank will ink more partnership agreements with fintech companies to speed up its digital transformation from the traditional banking.

"MTB clients even will not come to branches to know whether they have got approval to enjoy retail loans and credit cards," Rahman said.

The required information will have to be submitted to the lender's mobile phone app and then MTB will inform clients to this end by analysing the data.

The digital procedure will commence from next year.

The bank has already started to centralise its banking activities, which will fully come into effect next month.

Branches will only process the SME, particularly cottage and small and retail loans.

The whole sanction and disbursement process of corporate loans will completely be accomplished by the head office. Relationship managers will settle the tasks under the guidance of the head office.

Loan disbursement through the bank stood at Tk 18,973 crore as of December last year, up 14.19 per cent from that a year ago. Deposit mobilisation grew 14.91 per cent to Tk 19,094 crore.

The bank, which started journey in October 1999, has geared up its efforts to keep the quality of its assets in good shape.

"We are keeping additional provisioning given the expected credit loss as the central bank has declared a moratorium facility until December this year to tackle the ongoing business slowdown."

Default loan in the banking sector will go up when the moratorium facility ends and the additional provisioning will help strengthen the bank's balance sheet.

Some good borrowers, however, are paying back loans on time despite the ongoing business slowdown.

Rahman also touched upon the ongoing business situation and made some projections on the country's economy.

"The banking industry has been facing various problems in the last few years. And this type of stress will continue in the days ahead considering the ongoing business," he said.

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SHEIKH NASIR

The dietary values of citrus fruits have always been appreciated in Bangladesh. They are a healthy source of several vitamins, minerals, antioxidants and fibre. In combination these ensure healthy immune systems. As winter approaches, tangerines are in good supply in Sylhet city's markets. The coronavirus scare is enabling these vendors at Zindabazar Pura Lane to make a good living off of these health foods, bringing them profits of some Tk 1,000 to Tk 1,500 every day on being sold for Tk 80 to Tk 120 per kilogramme. The photos were taken on Wednesday.

## Document verification system rolled out

*NBR-ICAB aim to increase revenue collection by ensuring accountability*

STAR BUSINESS REPORT

The Institute of Chartered Accountants of Bangladesh (ICAB), in association with the National Board of Revenue, yesterday launched a document verification system (DVS) to help hunt down tax-evaders.

The ICAB developed the DVS, which is a piece of software that aims to prevent unruly firms from submitting falsified or multiple audited financial statements to the NBR.

And so, tax officials will be able to use the DVS from next month to verify whether an audit report submitted to the NBR is authentic.

The ICAB and the NBR signed a memorandum of understanding to launch the DVS at the Pan Pacific Sonargaon Dhaka Hotel yesterday.

Addressing the programme, Finance Minister AHM Mostafa Kamal said that chartered accountants are the masters of a country's accounting profession and play an extensive role in its development.

He called upon local accountants to maintain transparency and accountability in discharging their professional responsibilities. The DVS will help boost revenue collection as well, Kamal added after inaugurating the software's launch at the gala event.

Abu Hena Md Rahmatul Muneem, chairman of the NBR, said this was the beginning of a new chapter in bringing financial discipline to the country while increasing revenue.

He believes the DVS will ensure accountability in audits and would be effective in eliminating unfair means of submitting tax returns.

Muneem also said that the software will bring discipline in financial management and increase corporate tax collection.

Through this software, data from NBR's database will be compared with ICAB's DVS database.

Institutions whose audit reports and information are not available in the DVS database will be under scrutiny.

The number of companies registered with the Registrar of Joint Stock Companies and Firms (RJSC) is 176,000, of which 78,000 hold TIN certificates while more than half do not file income tax returns, the NBR chairman said.

According to the ICAB, some companies are resorting to unauthentic audit reports, which the NBR has been so far unable to identify.

Through DVS though, tax officials will now be able to verify the audit reports submitted with tax returns.

Highlighting the practical aspects of the DVS, he said that this system is a joint effort of the ICAB and the NBR.

And as such, the ICAB and the NBR will run a joint campaign to make everyone understand its usefulness.

The Bangladesh Securities and Exchange Commission, the RJSC, Bangladesh Bank, the Insurance Regulatory and Development Authority (IDRA) and many other organisations could benefit from the use of the software.

The NBR chairman further said that the DVS would play a positive role in increasing revenue collection while maintaining the accuracy of audit reports.

"As a result, it will be possible to reduce the tax burden on the real taxpayers," he added.

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## Oil falls after IEA cast doubt on quick demand recovery

REUTERS, London

Oil prices fell on Thursday, snapping three consecutive daily gains, as traders tempered expectations of an early release of a Covid-19 vaccine and the IEA raised doubts about a quick demand rebound amid surging infections in Europe and the United States.

Brent crude fell 34 cents, or 0.8 per cent, to \$43.46 a barrel at 0917 GMT. US West Texas Intermediate (WTI) crude fell 30 cents, or 0.7 per cent, to \$41.15 a barrel.

Europe is already grappling with surging infections and new social restrictions. New York has ordered bars and restaurants to close early as US cases hit record levels.

"The vaccine-related rotation has quickly faded as investors have realised that

the pandemic won't disappear as fast as it arrived," said Hussein Sayed, chief market strategist at FXTM.

"While the vaccine remains the best news received since the virus spread, life won't return to normal in a matter of days or weeks," he added.

Both Brent and WTI soared earlier this week, lifted by hopes that the global pandemic can be brought under control after data showed an experimental COVID-19 vaccine being developed by Pfizer Inc and Germany's BioNTech was 90 per cent effective.

However, the International Energy Agency (IEA) said on Thursday that global oil demand was unlikely to get a significant boost from the roll-out of the vaccine until well into 2021.

## India announces fresh Rs 265,080cr stimulus package

PALLAB BHATTACHARYA, India

Indian Finance Minister Nirmala Sitharaman yesterday announced a fresh stimulus package totalling Rs 265,080 crore for the Covid-19-battered national economy, including a new job creation scheme by giving subsidy to those establishments that make new hires.

Sitharaman said Rs 3,000 crore will be given to the EXIM Bank for promotion of 'Project Exports' through lines of credits.

The EXIM Bank extends lines of credits (LOC) on behalf of the government of India as assistance to developing countries under Indian Development and Economic Assistance Scheme (IDEAS) Scheme.

She also announced a Rs 900-crore grant for Covid-19 vaccine research but made it clear that the money does not cover the actual cost of vaccine and distribution expenses, which will be made separately when the vaccine is available.

A new initiative to incentivise job creation, measures for 26 stressed sectors, tax benefits for home buyers and real estate developers and fertiliser subsidy to farmers are part of the third booster shot unveiled by the finance minister at a media conference in New Delhi for the Indian economy which is projected to slip into a recession.

The subsidy to create jobs would be to cover for retirement fund contributions by employees as well as employers for two years, she told the

media in New Delhi.

Employees contribution (12 per cent of wages) and employer's contribution (12 per cent of wages) totalling 24 per cent of wages would be given to establishments for two years, she said adding the scheme would be operational till June 30 next year.

Sitharaman announced a Rs 65,000-crore fertiliser subsidy for farmers in the upcoming crop season.

She also said an additional outlay of Rs 10,000 crore will be provided for a scheme for employment for the poor in the current financial year (2020-21). This, she added, will spur growth of the rural economy.

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