

Trust distinguishes MTB from other banks

CEO says on the eve of its silver jubilee

AM JAHID

In the competitive local banking landscape, Mutual Trust Bank PLC (MTB) differentiates itself by offering trust to its customers, says Syed Mahbubur Rahman, managing director and chief executive officer (CEO) of the bank.

"We offer more than just financial products – we offer trust in our services and commitment to our customers," Rahman said.

"Trust remains the cornerstone of MTB's operations," the CEO told The Daily Star on the eve of the bank's 25th anniversary today.

Initially based on wholesale banking, Rahman said the bank has now moved towards inclusive banking by offering a diverse range of products and services to meet customer needs across all segments.

"Over the past 25 years, we have built



INTERVIEW

Syed Mahbubur Rahman

a strong and trusted brand through dynamic, innovative and inclusive services that have promoted mutual trust with our customers," he added.

"Our success lies in strong corporate governance, a visionary board and a skilled workforce."

He said there are dozens of banks in Bangladesh, all offering almost similar products.

"So, how do we differentiate ourselves? Apart from offering trust, we stand out through our processes and services and seek to elevate that distinction further. We are committed to continuous innovation, not only in technology but also in our operational processes."

According to the CEO, MTB takes pride in a strong governance system, an effective board of directors, and a skilled workforce. The board consistently strives to implement plans that benefit both the bank and its clients.

Rahman said that with over 300 application programming interfaces

(APIs), MTB is a leader in digital banking and enables customers to have seamless access to customised services.

He added that the bank has a robust network of automated teller machines (ATMs) and agent banking platforms to facilitate greater customer convenience.

Currently, MTB's deposit portfolio stands at over Tk 308 billion, with advances reaching Tk 290 billion. The bank maintains a capital adequacy ratio exceeding regulatory requirements.

Beyond the numbers, Rahman said the commercial lender's strength lies in its customer account base of over 1.3 million.

In 2024 alone, MTB became one of the top recipient banks for remittances and nearly doubled its foreign trade business while meeting regulatory standards. The bank's focus on cottage, micro, small and medium enterprises (CMSME), particularly women-run enterprises, is unmatched.

"We are proud to lead where it matters most," added the MTB CEO.

The bank's commitment to excellence was recognised with numerous local and global awards in 2024, spanning categories such as banking services, sustainability, digital innovation and corporate governance.

For Rahman, these awards affirm their achievements, but the bank views those as just the beginning of greater things to come.

Rahman also commented that a key component of MTB's strategy is its collaboration with fintech partners to build a cashless ecosystem. As part of this effort, the bank has launched a pilot project in Sirajganj to test cashless transactions in collaboration with a local fintech.

According to him, transitioning to a cashless economy is not without challenges, but it is essential for tackling issues like corruption and black money.

Customer service has been a priority throughout MTB's journey. The bank has been providing airport lounge services for almost a decade, showing its commitment to customer comfort.

Rahman said MTB's Visa card portfolio, including virtual debit cards and an enhanced mobile application, reflects the bank's drive to improve customer experiences.

Looking ahead, MTB wants to evolve its agent banking model beyond traditional transactions, creating a more integrated service structure that caters to diverse customer needs.

Regarding the current challenges faced by the banking sector, including rising non-performing loans (NPLs) and liquidity constraints, Rahman credited MTB's strong governance practices for the bank's resilience.

He said MTB has taken proactive measures such as building foreign currency reserves and providing interbank liquidity support to navigate these headwinds.

"As we move forward, MTB remains committed to our core values: trust, innovation and progress," Rahman concluded.

Building a loyal customer base

SALEKEEN IBRAHIM

Talking about any industry from anywhere on the globe, customer loyalty stands as the foundation for a stable and long-term business venture. Considering Bangladesh, where market dynamics are very complex and rapidly evolving, nurturing customer loyalty is more crucial.

A loyal base of customers not only guarantees repeat business but also works as an influential promoter for the brand, driving new customers through word-of-mouth referrals. So, understanding why customer loyalty is essential for sustainable growth is important for every entrepreneur.

It is evident that a loyal customer base delivers a consistent cash flow. Unlike new customers, who might make one-time purchases, loyal customers return recurrently, subsidising to a stable income. Considering acquisition cost, reaching new customers is often more expensive than retaining existing ones. Promoting new customers involves higher costs for advertising, campaigns and incentives. On the other hand, loyal customers require zero convincing and are more likely to respond positively to low-cost or organic marketing efforts.

We have to acknowledge that a bunch of loyal customers are our best marketers. They share encouraging experiences with friends and family, post favourable reviews on social media and defend the brand against negative criticism.

This organic promotion is priceless and often more effective than traditional advertising. In a market with several substitutes, a loyal customer base stands as a buffer against competitors. Faithful customers are less likely to be influenced by competitors' offers, ensuring market share remains intact.

Well, how can we build this dreamlike loyal base? Firstly, we must ensure that our products or services consistently meet or exceed customer expectations. We must admit that different customers have different requirements.

Accordingly, we must segment our customer base into distinct groups based on purchasing behaviour, preferences and demographics. This will allow for more tailored and effective marketing strategies to establish enduring loyalty.

In addition, we must repeatedly solicit feedback through surveys, reviews and direct interactions to understand what our customers like and dislike.

Employees, especially customer service, are the face of our business. The team must be well-trained in customer service skills, including empathy, patience, problem-solving, and addressing customer inquiries and complaints promptly. Making a complaining customer satisfied can often create a true brand promoter of our business.

Implementing a loyalty program that rewards repeat customers with rebates, special offers or exclusive access to new products often works incredibly as well. This not only incentivises repeat business but also makes customers feel valued. We can also think to tailor these rewards to individual customer preferences. The use of data gathered over time to offer personalised discounts or products makes the reward more expressive and treasured. These small human touches through data analytics can make a huge impact on lifelong loyalty.

The use of social media platforms to interact with customers is also essential. We can share updates, host contests and encourage customers to share their experiences and thus build a sense of belonging and loyalty among them.

To embed customer loyalty into our business culture, the management must prioritise customer satisfaction and model this behaviour for the rest of the organisation.

Additionally, we must foster a positive work environment as happy employees often lead to happy customers. Yes, customer loyalty is not just a goal but a continuous journey. In the dynamic business landscape of Bangladesh, definitely a loyal customer base provides a competitive edge. So, following the basics with an innovative mind can create an enduring customer base.

The author is a banker



MUTUAL TRUST BANK AT A GLANCE	
PARTICULARS	AS OF SEPTEMBER 2024
Deposit	Tk 30,917cr
Outstanding loan	Tk 28,830cr
Branches	120
Sub-branches	41
ATMs	336 including 28 CRMs
POS terminals	3117
Agent banking points	182
Cash deposit machines (CDM)	3
Airport lounge	8
Foreign exchange booths	4

Singer reports Tk 18.54cr loss in third quarter

STAR BUSINESS REPORT

Singer Bangladesh Ltd reported a loss of Tk 18.54 crore for the July-September quarter of 2024.

As a result, the company posted a loss per share of Tk 1.86 in the third quarter compared to positive earnings per share (EPS) of Tk 0.88 during the same quarter in 2023.

"While turnover increased by 8.4 percent during the year, the gross profit margin fell by 2.2 percent compared to Q3 of 2023," Singer said in its unaudited financial statements.

Singer attributed several factors to the decline, including a surge in the sales of lower-margin trade goods, impacted by the ongoing foreign exchange crisis and higher discounts and promotional expenses aimed at boosting sales.

The company also highlighted that changes in its product and sales channel mix further pressured margins.

Over the first nine months of 2024, Singer's EPS dropped by a staggering 92 percent year-on-year to Tk 0.51, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Singer also noted a sharp increase in advertising and promotional spending during the quarter, which it expects to deliver returns in Q4 and beyond.

Operating profit dropped 31.4 percent year-on-year in Q3 of 2024 as rising costs in several areas, such as shop operations, rent, bad debts and factory maintenance, weighed on earnings, the company mentioned in its unaudited financial statements.

A significant factor behind the company's increased financial strain was its soaring finance costs, which surged by 103 percent year-on-year in the third quarter, observed Singer in the disclosure.

Square Textiles made Tk 116cr profit in FY24

STAR BUSINESS REPORT

Square Textiles' profit rose 1.3 percent year-on-year to Tk 116.18 crore for the fiscal year ending on June 30, 2024.

Its consolidated earnings per share (EPS) was Tk 5.89 in this period, up from Tk 5.81 in the same period in the previous year, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

Square Textiles allocated Tk 35 crore for balancing, modernisation, rehabilitation and expansion (BMRE) projects during the period.

Its board has recommended a 32 percent cash dividend, up from 30 percent last year. Despite the profit growth, the company reported a negative net operating cash flow per share of Tk 12.59 for FY24.

Shares of the company declined by 0.78 percent to Tk 50.6 yesterday at the DSE.

With 29 years of industry experience, Square Textiles remains a leading producer of export-oriented viscose, Tencel, modal and cotton yarns in Bangladesh, according to its website.

IMF lowers China growth forecast for 2024

AFP, Beijing

The International Monetary Fund (IMF) revised its forecast for China's growth this year down slightly to 4.8 percent on Tuesday, warning that a persistent downturn in the real estate sector could potentially worsen.

China's leaders are targeting annual growth of five percent this year – a goal challenged by weak consumption and a prolonged and debilitating debt crisis in the colossal property sector.

Last week, Beijing posted its slowest quarterly growth in a year and a half, and acknowledged "new problems" were hampering economic development.

The IMF on Tuesday said it had revised its growth estimate for China down from a five percent assessment in July. "Despite persisting weakness in the real estate sector and low consumer confidence, growth is projected to have slowed only



PHOTO: AFP

marginally to 4.8 percent in 2024," the fund said in its World Economic Outlook (WEO) report Tuesday.

The fund had initially predicted in April growth of 4.6 percent this year. Tuesday's projection remains below the official target set by Beijing, and well below the double-digit increases that drove China's rise to a global economic

powerhouse.

Last year, China logged 5.2 percent growth – one of its worst annual economic performances in more than three decades. Growth in the country's economy is expected to slow further in 2025, the IMF report said, leaving its July estimate of a 4.5 percent expansion next year unchanged.

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US 'very close' to soft landing

Says chief economist of International Monetary Fund

AFP, Washington

The United States is very close to achieving a soft landing, the rare feat of tackling inflation without spurring a long recession, the IMF's chief economist told AFP.

Pierre-Olivier Gourinchas spoke to AFP ahead of Tuesday's publication of the International Monetary Fund's flagship World Economic Outlook (WEO) report on the health of the world economy.

The WEO report predicts that global growth will be slightly slower this year and next amid a slowdown in both China and India, while the US will remain a bright spot and the eurozone will continue to grow more slowly.

At the same time as US growth has remained buoyant, inflation has continued to ease toward the Federal Reserve's long-term target of two percent, and the labor market has cooled – but remained pretty resilient.

"I think for the US, we're very close," Gourinchas said when asked if the Fed had successfully engineered a soft landing.

"Globally, what we're seeing is an inflation picture that is coming very close to central bank targets within the course of the next year," he added.

Gourinchas said that a number of supply-side factors had been supporting the US economy, including "very, very good" US productivity data, and a large

rise in the number of foreign-born workers, which helped spur growth without fuelling inflation.

But while it may have been good for growth, this spike in immigration has been controversial in the United States, where the Republican former president Donald Trump has sought to make it a key campaign issue ahead of the US presidential election on November 5.

Gourinchas said the main issue for China's economy remained its ailing property sector, a key driver of growth in the world's second-largest economy.

"If you want to revive growth in China, you need to address the property sector," he said, adding that China must also find ways to "develop its domestic growth engines."

China has a very high level of

households savings which, Gourinchas said, was partly due to the lack of an effective safety net to support people.

"If we put in place these kind of safety nets...then they will reassure households," he said. "That will allow them to start spending more domestically, and that will help sustain medium term growth in China."

India's recent run of explosive growth is also showing signs of slowing, as the "pent-up demand accumulated during the pandemic" runs out, the IMF wrote in its WEO report.

"It's very important for them to try to grow as quickly as they can," Gourinchas said, adding that India should look to develop and deepening its domestic market integration and find ways to lift up its human capital.

"These are certainly vectors by which India could boost its growth," he said. Russia's economy has been surprisingly strong despite its costly ongoing war in Ukraine, now into its third year.

In October's WEO report, the IMF again upgraded its outlook for the Russian economy, and now predicts economic growth of 3.6 percent this year – up 0.4 percentage-points from July – and slower growth of 1.3 percent in 2025.

While Russia's economy "has been doing better than expected in the first half of the year," it is now facing rising price pressures, Gourinchas said.



PHOTO: AFP

International Monetary Fund (IMF) Chief Economist Pierre-Olivier Gourinchas (second from left) speaks during the IMF-World Bank meetings in Washington, DC, on October 22.