

Daffodil International University



An Analysis of the Foreign Exchange Operations of Dhaka Bank Ltd

*An Analysis of the Foreign Exchange Operations of
Dhaka Bank Ltd*

Submitted to

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Department of Business Administration

Faculty of Business & Entrepreneurship

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Submitted by

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MBA Program

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LETTER OF TRANSMITTAL

Date: 30-11-2021

Professor Dr. Mohammed Masum Iqbal

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University, Dhaka-1207.

Subject: Submission of internship report on “An Analysis of the Foreign Exchange Operations of Dhaka Bank Limited”.

Dear sir,

This is a great pleasure for me to submit the internship report on “An Analysis of The Foreign Exchange Operations of Dhaka Bank Limited”. While preparing this report, I tried my best to follow the instructions of Bank.

The entire report is based on my practical experience in the bank. I have furnished all the things what I have learnt during the internship program at Dhaka Bank Limited, CPC-Trade Operations, Dhaka.

I will be highly encouraged if you are kind enough to receive this report.

Sincerely Yours,

Md. Rahmat -E- Khuda

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Department of Business Administration

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Disclaimer

I am Md. Rahmat –E- khuda, hereby declare that the presented report of internship entitled “An Analysis of the Foreign Exchange Operations of Dhaka Bank Ltd.” is uniquely prepared by me after completion of three months’ work in Dhaka Bank Ltd.

I additionally affirm that the report arranged just for my scholastic prerequisite not for some other reason. It probably won't be utilized with the enthusiasm of inverse gathering of the association.

Md. Rahmat –E- Khuda

Md. Rahmat –E- Khuda

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MBA program

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Certificate of Approval

This is to certify that the internship report entitled An Analysis of the Foreign Exchange Operations of Dhaka Bank Limited prepared by Md. Rahmat –E- Khuda, ID: 192-14-2984, as a requirement of MBA program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil International University.

The report is recommended for submission.



Professor Dr. Mohammed Masum Iqbal
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Acknowledgment

For the sake of Allah the useful the tolerant. This paper would not have been conceivable without the direction and the assistance of a few people who somehow contributed and broadened their significant help with the planning and finish of this investigation. I started this internship report and finally it has been completed. However, the special thanks go to my helpful supervisor, Professor Dr. Mohammed Masum Iqbal, Dean & MBA Coordinator, Department of Business Administration. The supervision and support that he gave truly help the progression and smoothness of the internship program. The co-operation is much indeed appreciated.

I am grateful to all the senior officials of Dhaka Bank Ltd., CPC-Trade operation, Dhaka who had created the opportunity to get the practical knowledge. Besides, this internship program makes me realized the value of working together as a team and as a new experience in working environment, which challenges us every minute.

Last but not least I am also owed to each person who concerned inside and outside of Dhaka Bank Ltd. in carrying out this report.

EXECUTIVE SUMMARY

This report is set up based on my multi month handy involvement with Dhaka Bank Limited, CPC-Trade Operations, This temporary job program causes me to take in more about the down to earth circumstance of money related organization. Managing an account arrangement of Bangladesh has experienced three periods of improvement Nationalization, Privatization, and Lastly Financial Sector Reform. The entire working procedure of Dhaka Bank Ltd, CPC-Trade Operations is separated into 3 segments (I) General Banking Section, (ii) Investment Section, and (iii) Foreign Exchange Section. This report has been displayed in view of my down to earth perception and experience assembled from the Bank and the attention is given on the Foreign Exchange Section.

The entire report is separated into four sections introductory part, Organizational part, Foreign Exchange Operations of Dhaka Bank Ltd, Findings and Recommendations part and Closing part. The primary section is the presentation part of this report. It contains presentation, source of the report, goal of the report, technique of the report, extent of the report and impediments of the investigation. The authoritative part contains chronicled foundation of Dhaka Bank Ltd., corporate data, vision of Dhaka Bank Ltd, mission of Dhaka Bank Ltd, destinations of Dhaka Bank Ltd., results of Dhaka Bank Ltd., capital and save subsidize, store, speculation, import business, send out business and outside settlement. The foreign exchange operations part demonstrates outside trade execution of Dhaka Bank Limited, which incorporates presentation, foreign trade exchange, import, send out and outside settlement. The four and last part contains some positive findings and some of the negative and make some recommend in the perspective of negative site and conclusion.

Foreign trade assumes huge parts through giving diverse administrations to the clients. Letters of credit (L/C) is the key player in the foreign trade business. With the globalization of economies, universal exchange has turned out to be much focused. Auspicious installment for sends out and faster conveyance of products is, along these lines, a pre-essential for fruitful foreign exchange activities. Dhaka Bank Limited is giving diverse sorts of L/C administrations like L/C opening, Lodgment, BLC (charges under letter of credit), Back to back LC and so on. Outside trade office likewise give remote settlement i.e., voyagers check, outside request draft, underwriting of US\$ in international ID and so

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CHAPTER-1

INTRODUCTION



1.1 Introduction:

The passage level position is a basic part in the particular making understudy's capable plan. Additionally, the impermanent position report is a basic part of the section-level position understanding. It is through creating the report that the turn of events and master experience the understudy obtained as an associate ends up being totally sorted out.

Bank expects a fundamental part in the monetary presence of a business, and the importance of banks can be seen from how they are viewed as the life-blood of the present-day economy. However no abundance is made by banks, yet their fundamental exercises support the procedure of creation, trade, and dissipating of riches. In this manner they change into compelling embellishments during the time consumed cash related movement and progression. Banks invigorate merchants and delegates in financing inside a new exchange by limiting a new bill of trade, giving letters of credit, and different confirmations for their clients.

Dhaka Bank is one of the most recent age business banks of Bangladesh. The bank began working in 1995 just in the wake of being created under the Banking Companies Act, 1994. Bank gives commonly broad saving money associations and things for its clients. The things and associations might be figured out as Deposit Products, Loan Products, and Customer Services. This bank presents different other holding cash associations to its clients. Some of them are Online Banking, Evening Banking, Brokerage House, Remittance Service, and Locker Service. The bank has acknowledged these words as its adage. Since particularly initiation, it is making a decent undertaking to stay aware of the expression. It is serving its customers and the nation all the while. In Dhaka Bank, I have an especially stunning brief position experience which I've to spend around multi-month. In the midst of this period, I never felt I'm working in this bank for a short time frame outline. All the laborer of the bank is absurdly brilliant and obliging, they all around encouraged me to take in continuously more to collect a typical future which I've likely most. In this bank, I've observed a couple of arrangements concerning various things which I don't know before which is particularly refreshing my understanding level. Also, I like to sharp sorted out some way to deal with overseeing unquestionable makes customer. As I similarly sorted out some technique for directing new exchange thing which is my entrance level position subject this learning makes me do this impermanent occupation report. This report relies upon an Analysis of new trade tasks of Dhaka Bank Ltd. which is secured my arrangement.

1.2 Origin of the Study:

A fleeting position program is a practical information gathering stage that is required for getting an MBA degree. My appraisal is about the new trade activities of Dhaka Bank Ltd. This assessment is unbelievably astounding to contemplate adding to a specific bank what's more the money-related space of Bangladesh. This report gives the tasks in new exchange and besides gives a thought with respect to the demonstration of the cost, import, settlement of new exchange. Showing up in Dhaka Bank Ltd. I've gathered a true encounter.

1.3 The new exchange refers to the methods and processes by which chances for wealth in one country's currency are converted into advantages for wealth in another country's currency. In particular, when we discuss the new exchange, we suggest the general process by which a bank converts money from one nation into that of another. A letter of credit or an authorization form used to pay fresh currency to the country that is exchanging currencies may be used to represent the import as the giving of an obvious item to the country from abroad. The exchange of new money starting with one country and moving to another is known as outside repayment. In other words, "outside repayment" refers to payments made in foreign currency that are received and made out of country borders.

1.4 Objectives of the Study:

The study has been carried out with the following objectives.

- i) To identify the foreign exchange operations of Dhaka Bank Limited;
- ii) To evaluate the foreign exchange operations of Dhaka Bank Limited;
- iii) To find out the problems related to foreign exchange operations of Dhaka Bank Limited;
- iv) To make recommendations to overcome those problems of Dhaka Bank Limited;

1.5 Methodology of the study:

Sources of Data and Information

Primary data:

- ✓ Personal observation in the bank in different cases.
- ✓ Informal discussion with the clients and bank staffs

Secondary data:

- ✓ Internal records on import, export and remittance of the branch
- ✓ Publications and manuals of Dhaka Bank Limited.
- ✓ Annual report of the bank.

Analysis of the data:

By using table and graphs, data has been analyzed and reported in this study.

1.6 Scope of the Study:

This report is covered the new exchange errands of Dhaka Bank Ltd. This proposed study finds some certain and negative sites according to the new exchange exercises and make some idea of those issues.

Significance of the Study:

Generally is perceived that a part-level position report is a ton tremendous for an understudy to finish his/her graduation. It enables understudy information for his future to do any association report. I in like way recognize that it additionally makes me gather some useful thoughts with respect to a connection report. This report is engaging me to discover with respect to the new trade activity of a bank.

1.7 Limitations of the study:

- a) The time-frame, 90 days, is lacking to know developments of each kind of branch and set up the document.
- b) It was quite tough to gather the data from the various labor force for their basic work.
- c) It was inconvenient to see a few operations because our courses do not now cover all aspects of the banking industry.
- d) It was inconvenient to see a few operations because our courses do not now cover all aspects of the banking industry.
- e) Due to the furthest reaches of information, a couple of doubts were made. So there may be some near and dear goof in the report
- f) Exclusions and bungles may be there in light of the nonappearance of my connected information in setting up a specialist report like this one; coincidentally, I have endeavored generally outrageous to avoid messes up.

CHAPTER-2

ORGANIZATIONAL PART



Overview of Dhaka Bank Limited

2.1 Historical Background of Dhaka Bank Limited:

On April 6, 1995, Dhaka Bank incorporated as a public limited company in accordance with the Companies Act of 1994. The association launched the financial strategy on July 5, 1995. Bangladesh's public-bound business bank is called Dhaka Bank Limited. Coordination of its central command occurs in Dhaka. Currently, the bank operates 94 locations over the nation, including 2 Islamic Banking Branches and 3 SME Service Centers, and it is expanding unmistakably toward the value of aid through its items and associations. The bank was founded by prominent Bangladeshi Chairman Mirza Abbas in 1995. Dhaka Bank today is unmistakably a divine outcome of a predictable idea, innovative concern, formed endeavors, and reformist execution of its skilled planners, i.e., it assists financial benefactors who worked with crusading energy for encouraging.

Sponsor Directors

Mirza Abbas Uddin Ahmed (Founder and Former Advisor)

Abdul Hai Sarker

A.T.M. Hayatuzzaman Khan

Afroza Abbas

Altaf Hossain Sarker

Khandaker Mohammad Shahjahan

Aminul Islam

Md. Amirullah

Reshadur Rahman

Abdullah Al Ahsan

Khondoker Monir Uddin

M.N.H. Bulu

Rakhi Das Gupta

Tahidul Hossain Chowdhury

Jashim Uddin

Kamala Khatun

2.2 Values of Dhaka Bank Ltd.

Organization First

We do mean it when we say that "Association First" for us is more than just a reflection. It serves as our activities' main point of focus. We understand that the brand name for banking regulations is the appearance of quick and high-quality assistance.

More direct Banking

Through elite work settings, we have outperformed conventional banking from later. In general, we will provide a comfortable atmosphere for our clients to feel at ease and unwind when conducting banking. To express the best opinion, we divide our consumers into the least qualified individuals, and we customize our alliances to identify fresh problems.

Better Relationship

We organize persecution into a rational end as we distribute it out among our esteemed clients. When we complete commercial transactions with them, a good working relationship allows us to see their goals and, in light of that, engages us to respond expertly and appropriately to their financial needs.

Guaranteed Confidentiality

Since we deal in business as cash related setback or gain, our affirmed affirmation stays immaculate with the energy of our clients such a great deal that all keeping cash trades are done in a private and master way.

Uncommon Corporate Governance

The essential body of the bank ensures that high incredible measures are set up over the Bank and regularly reviews the Bank's consistency with Central Bank. The board sees unprecedented corporate associations hone an essential fixing in the production of basic monetary supporter's respect and ensuring the costs considering everything.

Corporate Citizenship

We have a strong bank, and we pay due to obligations. In order to defend our world from common threats, we are practicing regular mindfulness. We don't want to stir up the eco-friendly theory. Over all laws, regulations, guidelines, considerations, and assessments of the land, we are idling nearby.

2.3 Corporate Information (As per Annual Report 2016):

Date of Incorporation	: April 6, 1995
Inauguration of First Branch	: July 5, 1995
Authorized Capital	: TK. 20,000.00 million
Paid-up Capital	: TK. 14,122.51 million
Number of Branches	: 94
Islamic banking branches	: 2
Number of Customer	: 4,36,990 (Approx.)

Website: <http://dhakaBank Ltd..com>

2.4 Vision of Dhaka Bank Limited:

The Bank is focused on achieving its ultimate goal of being the greatest among the leading financial institutions.

2.5 Mission of Dhaka Bank Limited:

The mission of the Bank is -

- To provide financial services in the most responsible and client-friendly way possible, creating opportunities for more people in more places.
- To ensure dependability and solid growth while raising the value of investors' investments.
- To aggressively pursue innovation at all activity levels, improve efficacy, and reduce cost per exchange.
- To ensure a high level of moral standards and transparency in all business that the Bank conducts.
- To create a friendly environment that will draw qualified employees who are proud and eager to work for the Bank.
- To practice social responsibility and work to advance life's equity by effectively advancing social development.

Eventually the Bank emphasizes on:

1. Providing top-notch monetary administrations in commodity and import exchange
2. Providing effective client assistance
3. Maintaining corporate and business morals
4. Being a confided in store of clients' cash and their monetary counsel
5. Making its items better and remunerating than the clients
6. Display camaraderie and demonstrable skill
7. Reliable Capital Basis
8. Increasing investor wealth
9. Upholding its social obligations by expanding its charitable and altruistic endeavors.

2.6 Strategies of Dhaka Bank Ltd.

Be favorable to dynamic

We make a conscious effort to improve our lives and activities. Just in Reactive Management, there is a terrible situation that could lead to divergence. We determine how to anticipate and behave.

beginning with the goal in mind

Every workout we perform contrasts with our goal. Our direction is determined by what is in front of us, what has come before us, and what is already there. We get going decisively and work quickly to attain that fairness.

Lay things to rest

For things that have a positive impact, we decide on a course of action. Things that are most important are not exposed before things that are least important. Consider mutual benefit

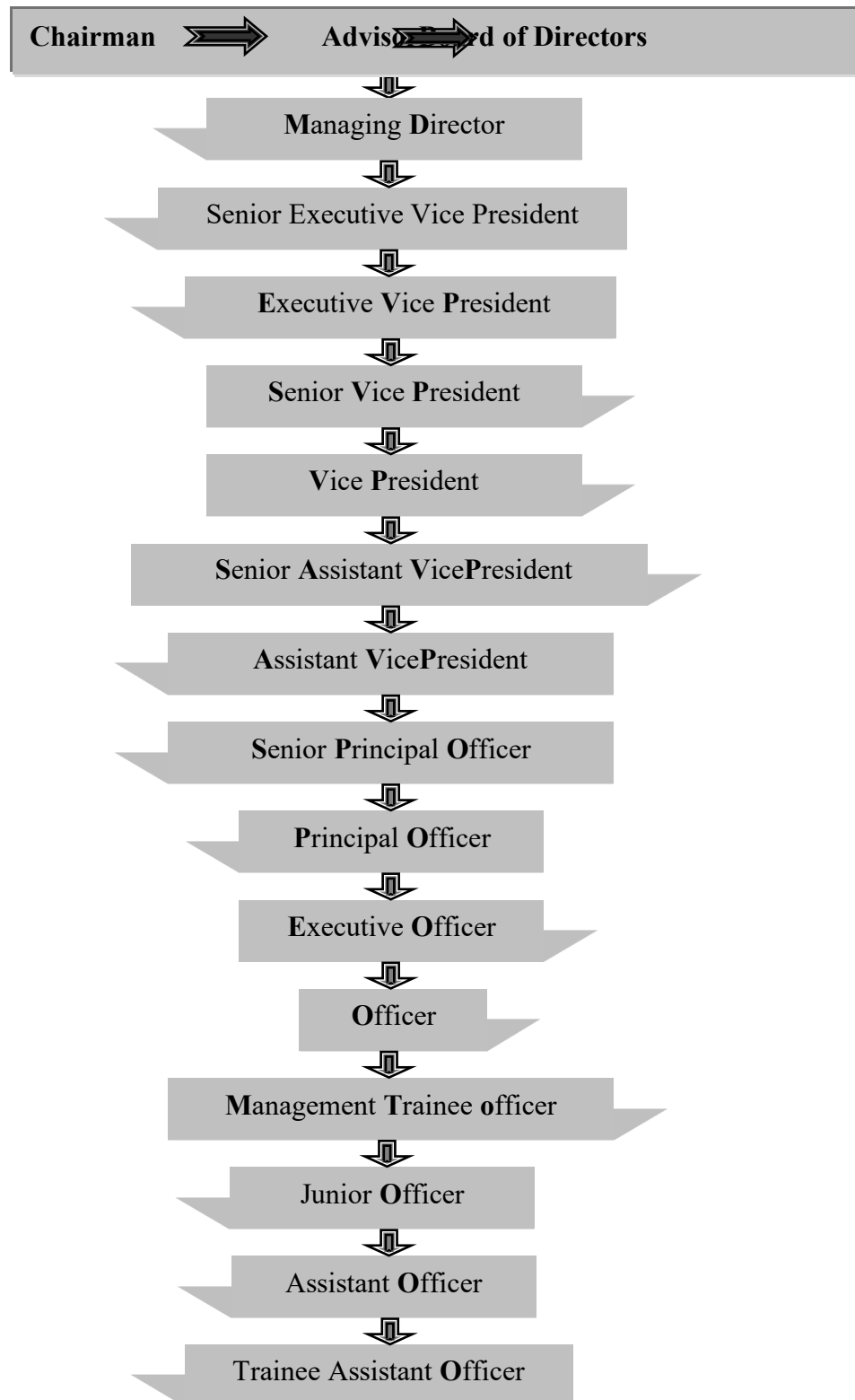
A disposition and heart that consistently seek out common ground in every human interaction are those that value mutual benefit. According to our philosophy, each gathering must be viewed as a potential winner.

A plan for the future enables us to engage in a relationship that benefits both parties.

Care and offer the same for the general public

We consider the thoughts, wants, and experiences of the entire population while also putting out our own inclinations. To assure an unparalleled society and a more affluent Bangladesh, we make a good faith effort to assist the less remarkable and the underprivileged. Being able to assist the country in a greater variety of ways than merely by contributing money to organizations is an honor, a commitment, and a benefit for us.

2.7 Organogram of Dhaka Bank Limited:



2.8 Products & Services of Dhaka Bank Ltd.

1) Retail Banking:-

In 2001 DBL. presented its own money-related program reacting to the market income for a flat-out degree of current financial things and associations. A year earlier they presented something else called Savings packs Product. Organized only for the salaried heads, Excel Account offers a bundled reaction for affiliations and connections in setting up their representatives' compensations and supporting workers' advances.

Retail Banking consists of the following products:

Liability Products-

- Savings bundled Products
- Deposit Pension Scheme
- Special Deposit Scheme
- Deposit Double Scheme
- Gift Cheque

Asset Products-

- Home Loan
- Personal Loan
- Vacation Loan
- Car Loan
- Any Purpose Loan

Services-

- Internet Banking
- SMS Banking
- Locker
- ATM Card
- VISA Credit Card

- Utility Bill/Tuition Fee Collection
- Letter of Credit
- Western Union and other money transfers like Placid, Rupali etc (Note: they do not provide Money Gram Services)

Savings Bundle Product

Dhaka Bank Saving Bundle Product is the first of its sort in Bangladesh. An outstanding blend of all adaptabilities of a current record and course of action extreme premium on the step by step harmony and month to month premium paid speculation account in three plans, to be explicit

- Dhaka Bank Silver Account
- Dhaka Bank Gold Account
- Dhaka Bank Platinum Account

2.9 Code of Conduct & Ethics:

The banking industry depends on the most ridiculous reliability and common trust. Dhaka Bank has a focus on the maintenance of explicit standards of direct in order to maintain and monitor the trust and affirmation of customers and the general public. The fundamental components of the Bank's direct standards are express resolutions, regulations, and extraordinary guidance. It is crucial that all professionals learn more about the specifics of the rules manual and keep an eye on the Bank's levels of direction. There are seven central evaluations of our understood norms among various structures, as follows:

Decency - validity and straight imposition in all that we say and do.

Commitment - getting a handle on our obligation to the close-by network and our financial backers.

Trustworthiness is the mission for advancement considering reasonability, shown business principles, and cash-related quality.

Fortifying - making a connection with, energizing conditions, where laborers are incorporated, seen, and made up for great execution.

Usefulness - keeping up customer-driven organization rules expected to accomplish ideal capability and reliability.

Headway - engaging customers and special interests to develop a creative mind, reliable change, and even thinking.

Consistency - keeping up consistency over our things, organizations, and movement to ensure customer certification, as assessed by purchaser dedication levels.

2.11 SWOT analysis of Dhaka Bank Ltd.

SWOT assessment empowers a relationship to have an all-out appreciation about its present circumstance in the business separated from the contenders. It gives the connection a degree to advance deliberately its situation watching out. Here, inside attributes and lacks Dhaka Bank Limited and moreover, the outer conditions and dangers are talked about.

Strength:

- a) **Great Customer Service:** Dhaka Bank Limited gives quality associations to the customers that showed up diversely according to its other contemporary foes. The bank has a pleasant relationship with its clients. The bank trusts in keeping up a singular relationship with the clients. One of the basic objectives of this bank is to accumulate significant length associations with the clients and to make an inspiration for them.
- b) **Inventive Products:** Dhaka Bank Limited has offered different sorts of store plans by which individuals have the chance to set aside their little cash and bank can get more for themselves for their customers. Fairly Dhaka Bank Limited offers more store plans to clients.
- c) **Productive Administration:** Dhaka Bank Limited has a fruitful affiliation. The work is done in a fortunate and deliberate way for which the fruitful affiliation is cautious. There is an agreeable relationship between the workers and association at any rate the levels of the drive are dealt with completely. For what it's worth, there is a decent concordance between the affiliation and the workers.
- d) **Capital Adequacy:** Dhaka Bank Limited is keeping up a solid capital base. Before the culmination of July 2017, the capital ampleness degree was 12.38%. The bank has now broadened its supported capital for its development program.

- e) Shariah Based Banking: Dhaka Bank is as of now attempting to help subject to Islamic Shariah. As Bangladesh is a Muslim country, Shariah banking has had the choice to attract customers and gained staggering headway in the private monetary region.

Weakness:

- a) Innovation: One of the huge weaknesses of Dhaka Bank Limited is the advancement used by the bank. With the distinction on schedule, mechanical progress is key to getting by in the resistance.
- b) Advancement: When a delegate gets a progression to the accompanying level, he/she gets more compensation. Boss Bank Limited is predictable in giving progression anyway the agents get the later effect of this headway.
- c) Preparing: Dhaka Bank Limited has its own readiness foundation DBTI (Dhaka Bank Training Institute) to build up the capacities of HR. Regardless; there is a shortfall of specific getting ready for specific occupations. Accordingly, the agents need to take in things from the action by doing it in every way that really matters.
- d) Centralization Decision Making: The decision-making of the bank is an excess of brought together. No choice is made without the approval of the administrative center. At some point some fast choice is should have been taken, however from the branch, nobody can settle on a choice. It is one of the significant downsides of the bank.
- e) Compensation: The compensation of the officials of Dhaka Bank is lower contrasted with other private banks. Indeed, even the temporary job understudies are paid extremely low as they merit more. This is the reason high talented HR are debilitated to join here.

Opportunity:

- a) **Branch Expansion:** Dhaka Bank Limited is ending up being rapidly any place all through the country. Other than connecting in the metropolitan districts, Dhaka Bank Limited has conceivable outcomes to open more branches that will redesign the association's work at getting the ordinary economy and moreover contacting more individuals by the better association.
- b) **Preparing Facility:** Dhaka Bank Training Institute (DBTI) is supporting the bank by introducing in-house instructive classes, studios, and courses. As the bank has its own particular arranging relationship to refresh the limit of HR, Dhaka Bank Limited can utilize this chance to set up their representatives explicitly districts, and make unequivocal and expert individuals for the bank.
- c) **Banking Software:** Quality association giving is the fundamental objective of Dhaka Bank constrained. Regardless of the way that Dhaka Bank restricted is now holding up behind in redesigning their thing framework, the bank has the likelihood to pick top of the line managing a record programming, which will acquire the saving money endeavors less mentioning and smooth
- d) **Buyer Banking:** Dhaka Bank is working in corporate banking. In our country, there is a goliath chance of client banking. Thus, Dhaka Bank can reposition their checking and present customers setting aside cash with corporate banking.
- e) **New Products:** The point of people has been advancing. They by and by need to save more. They also need some benefit on their saving. In this way, Dhaka Bank can introduce more things and plans.

Threats:

a) Level of Competition: Competition is dependably an indispensable risk for any association. Recently, the quantity of private banks is developing. These banks continually address risk for others by thinking about new things contributions, innovative progression, quality associations, and so forth Thusly, the level of conflict rises and makes hazards for Dhaka Bank Limited.

b) Mechanical Advancement: With time, improvement is getting developed and a gigantic piece of the private banks are invigorating their working framework to get by in the business. Manager bank Limited is falling behind in this office is still commonly subject to manual work rather than improvement. The development of headway is representing an astounding danger for Dhaka Bank Limited.

c) The corruption of neighborhood Currency: The value of adjacent money is lessening. Thus, premium in neighboring banking is reducing. Additionally, the development is growing in the country. Thus, people need to save cash yet all things considered they can't. As needs are, the banks are getting fewer stores.

d) Bank Default: There is an inclination of people of the country to become bankrupt. Scarcely any days earlier many banks have exceptional torture. This is weakening for banks to make the new pursuits.

CHAPTER-3

Foreign Exchanges Operations of Dhaka Bank Ltd



3.1 Introduction:

The new commerce is the frameworks and processes by which liberties to wealth in one country's money are converted into benefits to abundance in that country's money. Specifically, when we discuss international trade, we refer to the overall process by which a bank converts the currency of one nation into that of another. The general division of Bangladesh Bank that honors booked banks to manage distant trading is the New Exchange Department (FED). Authorized Dealers are the name given to certain banks. The branch may send distant trade from neighboring countries to foreign countries if it is a registered merchant in an international trade show. The Principal Branch of Head Bank Limited is a recognized middleman.

3.2 Foreign exchange transaction:

There are three kinds of foreign exchange transaction:

1. Import
2. Export
3. Remittance.

3.2.1 IMPORT:

The import can be described as the giving of verified goods to the nation from abroad via a letter of credit or the Authorization Form (LCAF), which involves paying foreign currency to the nation that is receiving the goods. A man should be ready to be a merchant in order to import. The Office of Chief Controller of Import and Export (CCI and E) assigns the selection (IRC) to the transporter, as stated under the Import and Export Control Act, 1950. In a typical business setting, buyers and sellers are typically uninteresting to one another. Therefore, the trader in things is always looking for protection for the portion of his traded thing. Bank transmits the guarantee that it will pay for the item to support the buyer on the there's a danger the buyer won't pay. A letter of credit is what is used to insist on something. Thus, the transporter's "Letter of Credit" gives the agreement between sellers and exporters a concrete shape. Israel, Serbia, and Montenegro import goods, or goods that originated there and on Flag

Those people's vessels are obstructed. The government's proposed import policy is an example of the import policy. In the middle of the general development time stretches, the CCI and E announce the Import Policy encompassing diverse imports.

3.2.1. A Letter of Credit:

Definition: A letter of credit is a document issued by a bank (also referred to as the opening or responsible bank) to a person (also referred to as the beneficiary) as an assurance that the beneficiary's bills will be properly regarded by the initial bank provided that certain conditions outlined in the letter have been met.

Classification of L/C:

- a) Revocable Credit
- b) Irrevocable
- c) Transferable
- d) Restricted
- e) Red Clause
- f) Green Clause
- g) Confirmed
- h) Divisible
- i) Back to Back
- j) LC without asset
- k) LC with asset
- l) Revolving
- m) Anticipatory

Revocable Credit:

A revocable credit is a credit which can be corrected or dropped by the issuing bank whenever without earlier notice to the vender. Article-8

Irrevocable:

Since it cannot be cancelled without the consent of all parties, an ongoing credit develops into an unambiguous undertaking of the capable bank. assuming the transporter fulfills the agreements and the predetermined records are displayed. Depending on the transporter's yearning or craving, an inevitable credit may be confirmed or unconfirmed. Such a credit is invariably preferred to a revocable letter of credit. Article-9

Letters of credit are occasionally distinguished as being either "with a strategy to bureau" or "without reaction to bureau."

Spinning Credit:

One turning credit mandates that after it has been used, the credit be turned to the primary whole. Particular emphasis should be placed in the credit on how long it will take? The credit for turning may be absolute or incomplete.

Transferable Credit:

An adaptable credit is one that the major beneficiary may transfer in whole or in part to at least one resultant beneficiary. In a sense, such credit can be traded just once. Adaptable credit segments may be traded independently as long as middle shipments are not prohibited.

Consecutive Credit:

The succeeding credit is an additional credit that is opened on behalf of another receiver or a striking credit. According to the progressive theory, the vendor, who is also the major perceive's recipient, offers the major perceive as security to the teaching bank for any problems relating to the subsequent credit. The progressive to back credit recipient may be chosen inside or beyond the country of the primary recipient.

Expectant Credit:

The anticipated credits arrange for pre-shipment payments to be made to the recipient with full expectation that he will effectuate the shipment in accordance with the L/C terms.

Red Clause:

The credit is known as a "Red Clause letter of credit" when the statement of the credit that authorizes the arranging bank to provide pre-shipment progress to the beneficiary is printed composed in red.

Gatherings to the L/C:

Shipper: Who applies for L/C

Issuing Bank: It is the bank which opens/issues a L/C in the interest of the shipper.

Affirming Bank: It is the bank, which adds its affirmation to the credit and it, is done at the demand of issuing bank. Affirming bank might possibly be exhorting bank.

Exhorting or Notifying Bank: It is the bank through which exporters are urged to use L/C. This bank is actually set up in the country of exporters. Depending on the situation of the credit, it may also assume the role of confirming and/or arranging bank.

Arranging BankThe bank is responsible for organizing the bill and paying the recipient's amount. It's possible that the bank doing the arranging and encouraging will be the same bank. It can occasionally also be an affirming bank.

Tolerating Bank: On this count, the bill will be drawn (according to state of the credit). Typically, the issuing bank.

Repaying Bank: After receiving an installment as per instructions from the issuing bank, it is the bank that would compensate the arranging bank.

3.2.1.b Ventures for import L/C Operation – 8 stages task:

Stage 1 - Registration with CCI and E:

- Each broker must first register with the Chief Controller of Import and Export in order to participate in international exchange.
- The broker will get an IRC/ERC (Import/Export Registration Certificate) after paying the stated enrollment fees to CCI&E; this IRC is required to issue a Letter of Credit with a bank.

Stage 2 - Determination terms of credit:

The letter of credit's terms depend on the seller and exporter's mutual understanding. The credit's points of interest determine the credit's amount, recipient and opener's names and addresses, the purpose of the bill of trade, its nature, its expiration date, how many sets of transportation narratives are used, and other factors.

Stage 3 - Proposal for Opening of L/C:

- A shipper submits an application to division Premier Bank in order to have an import LC restrained. The proposition includes the following information:
- Full particulars of the financial balance
- Nature of business
- Required measure of point of confinement
- Payment terms and conditions
- Goods to be transported in
- Offered security
- Repayment plan

Stage 4 - Application by shipper to the investor to open letter of credit:

For opening L/C, the shipper is required to top off an endorsed application form furnished by the investor alongside the accompanying archives:

- L/C Application form
- Authority to charge account
- Filled up LCA form
- Filled up alteration form for Form
- Demand Promissory Note
- IMP form
- Pro-forma receipt
- Insurance cover note and cash receipt.
- Tax Identification number
- Membership declaration
- Import enlistment endorsement
- Rate fluctuation undertaking

Stage 5 - Opening of L/C by the bank for the opener:

- Obtaining a completed application form from the shipper; • obtaining the exporter's credit report from the exporter's country through his external correspondence there.
- The opening bank then grants credit via air mail, TELEX, or SWIFT, which is subsequently transferred later by L/C request made by the opener through his distant writer or branch, taking into account all factors, to the beneficiary's location. The opening bank warns the recipient of the L/C in an isolated case when it is directed to him or just hands him the main L/C if that is what is needed.

Stage 6 – Shipment of products and lodgment of reports by exporter:

- Then exporter transports the products to the goal of the merchant nation
- Sends the archives to the L/C opening bank through his arranging bank. By and large the accompanying reports are sent to the Opening Banker with L/C:

1. Bill of Exchange
2. Pressing List

3. Bill of Lading
4. Exhortation Details of Shipment
5. Business Invoice
6. Pre-shipment Inspection Certificate
7. Accreditation of Origin
8. Vessel Particular
9. a certification stating that each bundle contains the representation of the products on the package.
10. Shipping Certificate

Stage 7 - Lodgment of Documents by the opening Bank from the arranging bank:

The underlying vendor looks into the records right after enduring the paperwork. If a mistake is discovered, it alerts the seller. If the driver notices the deficiency, by opening the record, financial backers call the merchant and leave the record. Various events are still possible at this stage. These are appearing in the following:

- Discrepancy discovered in a fashion that the shipper is aware of; there is no problem during logging.
- If there is a discrepancy and the dealer is not authorized to understand it, the carrier will challenge the exporter and send all of the documents back to him, requesting that he make the necessary adjustments in accordance with predetermined guidelines. Delegates will really pay in this case because the exporter's reports don't follow the L/specifications. C's
- Archives are OK yet the carrier will depart the reports - For the current situation bank is made plans to pay the cost of passing on the stock. Since the vendor didn't deal with for bill of trade, this part by the bank is one sort of credit to the carrier, and this acknowledgment in managing for a record is known as PAD.
- Although everything is OK, the carrier forgets to remove an item from the port and requests the bank to clear it. In the current situation, banks clear the items and accept responsibility for the development of the same by paying shows responsibility and game plans charge, among other things. As a result, this use is recorded on the carrier's record and is referred to as LIM because it saves money.

Stage 8 - Retirement:

LTR (Loan against the Seller) receives the tip and provides the main directive to the bank for the retirement of import bills or for the trading of the transport narrative to clear the moved in items off of the customs prepared competently. The seller may request Trust Receipt or may set up the bank to leave the annals by blaming his record for the bank.

Accounting Procedure in case of L/C Opening:

When the officer thinks fit the application to open a L/C, giving the following entries-creates the following charges-

Particulars	Debit/Credit	Charges in Taka
Customers A/C	Debit	
L/C Margin A/C	Credit	
Commission A/C on L/C	Credit	50%
VAT	Credit	15% on commission
SWIFT charge	Credit	3000/=
Datamax	Credit	1000/=
Stamp	Credit	150/=
Postage	Credit	300/=
DHL/Courier	Credit	1500/=

Revision of L/C:

Following the opening of the L/C, several modifications to the initial terms and conditions become essential. These modifications include adjustments to the unit price, the L/legitimacy, C's the documentation requirements, and other factors.

Such changes can only be made with the consent of all parties involved, including the beneficiary, the seller, the responsible bank, and the reprimanding bank.

The transporter must request the thoughtful bank in order to have any changes made properly supported by a changed indent or preform receipt. The trustworthy bank then suggests the customary modification to the requesting bank. The customer's account is charged for the L/C update commission and postage.

3.2.1.c Credit against Trust Receipts (LTR):

- Advances against Trust Receipts obtained from Customers are only granted to well-respected parties when the reports pertaining to an import shipment or other item pledged to the Bank as security are delivered without reservation. In any event, prior approval or embrace from Head Office is required for such advances.
- The client continues to retain the item or their course of action in trust for the bank up until the point at which the improvement allowed against the Trust Receipts is fully repaid. The Trust Receipt is a document that establishes the Banker's lien on the product and, when all is said and done, amounts to a hypothecation of the deal's profits upon the establishment of the lien.

3.2.1.d Advance against Imported Merchandise (LIM):

Depending on the items' classes and the credit restrictions imposed by the Bangladesh Bank, a move (loan) against the security of stock imported through the bank may be approved on the basis of a guarantee or hypothecation of the items, holding edge upheld on their land cost. Before the items are cleared through the LIM Account, the bank will additionally request a letter of commitment and payment from the parties.

Import document installation procedure:

This is the import department's most delicate task. When creating segments, specialists should take extra care. This assignment establishes the following:

Payment Date:

The part is typically made seven days after the records have been received. The coordinating bank may provide resources for making a postponement if the portion is pushed toward being abandoned.

Writing the Sale Memo:

A course of action update is provided to the client at a B.C. pace. The difference between these two rates is swapped and exchanged as the T.T and O.D rate is paid to the ID. An Inter Branch Exchange Trading Credit Advice is finally transmitted ID.

Request for the Foreign Currency:

For coordinating crucial save for portion, an interest is shipped off the International Department.

Transmission of Message:

The message is sent to the journalist bank ensuring that portion is being made.

3.2.1.e Import Performance

Month	2016	2017
January	24211198.23	49267126.13
February	70094712.98	17098246.78
March	86886981.57	55913139.06
April	95730674.05	61900904.65
May	128244081.12	56543717.41
June	133485818.61	56121084.70
July	50129631.00	62757704.10
August	117123434.01	69700939.29
September	68693016.86	102934604.02
October	51751214.82	41447467.87
November	142109020.95	173909628.82
December	36714407.88	

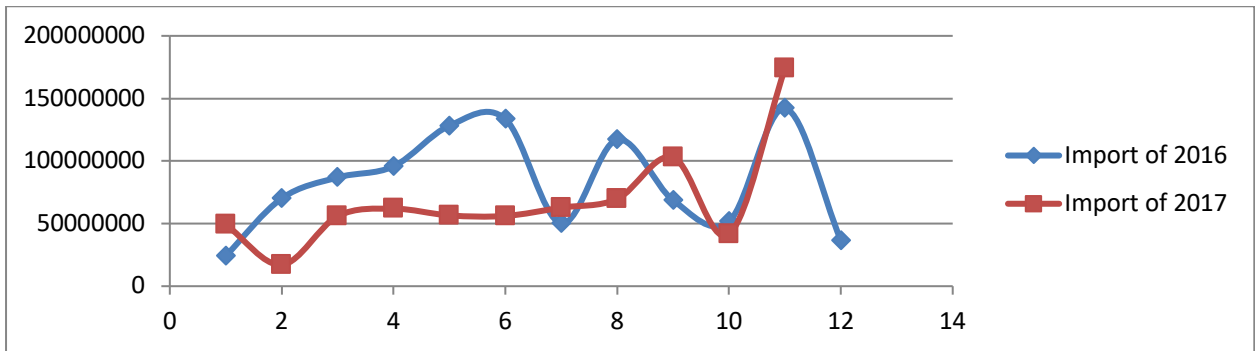
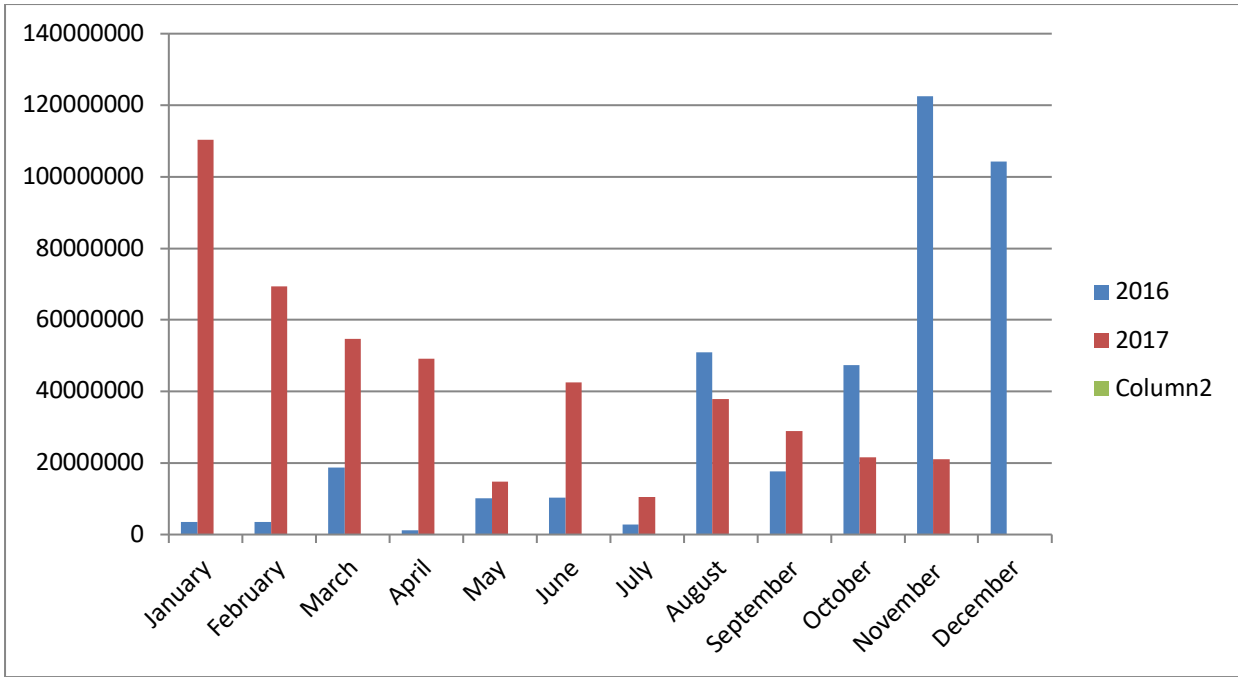


Figure-1:- Import performance of Premier Bank

This layout tends to that the import execution is extraordinary, yet a while execution of 2017 isn't better compared to 2016. So associations should attempt to redesign their import execution. For the current situation, import execution is for the most part brought up in November 2016 and least execution in January 2016. In 2017, January has the main execution, and July had the least execution.

3.2.2 EXPORT:

Passed on refers to the goods and experiences that Bangladesh sells to foreign families, cash managers, and the government. The Imports and Exports (control) Act of 1950 governs the country's charge exchange. When shipping an item, an exporter must adhere to a number of requirements. The Ministry of Commerce may use the declarations from Bangladesh to implement exchange controls through the Chief Controller of Imports and Exports (CCI and E). No exporter from Bangladesh may transmit anything that is suitable for trade unless he has been chosen with CCI and E and is in possession of a valid Export Registration Certificate (ERC). Every year, the ERC ought to have been recharged. To be joined on the ERC number

Kinds of Export:

Fare must be done as under:

1. Export against L/C or firm contract
2. Export against propel installment
3. Export under transfer premise.

The following are listed as examples of the conventions and methodology:

1. Getting tolls LC: To receive the exporter's LC outline that was provided by the dealer.
2. Submission of tax records: Immediately after the delivery of the product, the exporter must submit each major tax record to the social affair bank.

Examining toll records: After training the chronicles agent to thoroughly review the reports in accordance with LC requirements.

3. Toll account negotiations: If the bank accepts the report, pays the exporter's regard draft, and sends the report to the giving bank, it is referred to as an orchestrating bank. If the bank purchases the LC, then it frequently functions as a social event bank.

4. Realization of proceeds: At this point, the accountable bank has assessed the portion.
5. Reporting to the Bangladesh Bank: In accordance with instructions from the Bangladesh Bank, the bank is required to show all due respect to each division of the Bangladesh Bank by stating the most recent portion. Provide to continues acknowledgment authentication (PRC): The bank must issue the supplier or exporter a continue acknowledgment endorsement of the fare LC in order for them to receive financial assistance.

Toll task:

Bangladesh attempts to distance itself excessively from family groups and transmits a massive chunk of items. The main products that Bangladeshi exporters enter excessively distant countries are readymade material articles of clothing (both woven and sewn), Jute, Jute-made items, solidified shrimps, and tea. The best segment that divides the bulk of the country's revenue is the clothing sector. The majority of Bangladesh's ready-made apparel items are sent to the United States and European Union (EC) countries. About 40% of Bangladesh's ready-made apparel exports go to the United States. By a significant margin, exporters of apparel for the moment make up a big share of those who conduct business through the EXIM BANK. To transfer their goods, they open cost L/Cs here.

The turn of the import L/C development is fundamentally the section L/C endeavor. The bank may decide to encourage banks and gather banks (asking to be discredited banks) for the exporter in order to trade goods.

As a cautionary bank, it obtains archives from the distant vendor and gives them to the exporter. It occasionally consolidates L/C accreditation when the Opening Bank requests it. It acknowledges the duty to make segments to the exporter by including affirmation.

As the negotiating bank, it arranges the exporter's bills and other transportation records. In other words, it reimburses the drawee for the advantages of the confirmation charge and credits the exporter's record accordingly. The bank's NOSTRO account in the nation of the transporter is used to store proceeds from the cost fee. The bank occasionally purchases bills at a discount and keeps them until the bill progresses. When the bill is ready, the bank hands it to the drawee to be enclosed. In our nation, banks' Export and Import tasks are closely associated to one another due to the prudent use of Back-to-Back, and the evolution of segments for Back-to-Back L/C is established in

Back to back L/C:

Back-to-back L/Cs: These are typically supplied to consumers in exchange for an import L/C. The following device combines two different L/Cs. A master export L/C and a back-to-back L/C are two examples. A bank issues a bank to back L/C based on the concept of a master export L/C. Buying L/C is the most common name for continuous L/C. Despite what would be customary, Master Export L/C is also referred to as Selling L/C.

Classification of Back-to-Back L/C:

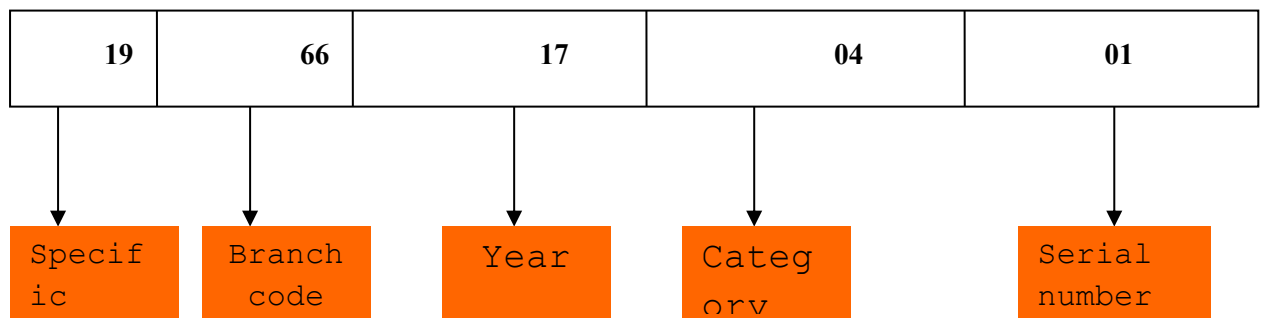
Back to back L/C can be divided into four categories. These are:

01. Local (04)
02. EDF(05)
03. EPZ foreign(12)
04. Foreign (06)

L/C number formation:

When an L/C number are created in that case the following items are arrange in a sequence. These are:

01. Specific code of Bangladesh bank
02. Branch code
03. Year
04. Category
05. Serial number



Highlights of Back-to-Back L/C:

- • An import L/C to purchase goods or raw materials for further handling.
- • It is unlocked with the export L/C in mind.
- It is comparable to export financing.
- • The export L/C is on sight, but the subsequent L/C is in use.
- • Opening does not require an edge. Following L/C

- CCI&E has enrolled the application.
- The applicant secured a permit for a distribution hub.
- L/C esteem will not rise above the permissible level of relevant Master L/net C's FOB estimation.
- The maximum usage term is 180 days.
- For 75% of the estimated export L/C, the import L/C is opened.
- In this case, an L/C was granted against a fare L/C lien.
- Plans are made to ensure that the fare L/C develops first and that the import L/C is paid out later from this fare advantage.

Reports Required for Opening a Back-to-back L/C:

In Dhaka Bank Principal Branch, following papers/reports are required for opening a consecutive L/C-

- Master L/C • Adequately filled-out and marked L/C Application and LCAF • Valid Import Registration Certificate (IRC) and Export Registration Certificate (ERC)

It is necessary to submit pro forma invoices or indents, insurance cover notes that include cash receipts, and properly marked IMP forms. In addition to the documents mentioned above, the following documents must be sent to established retailers of clothes in order to request the opening of a subsequent L/C:

- Textile Authorization

Quota Allocation Letter provided by the Export Promotion Bureau (EPB) for the potential candidate for standard items. Valid Bonded Warehouse License.

Checklist of exports L/C:

Following defective points are usually found in the Master L/C. So, the bank officials so much carefully check these points. These are:

1. Name of the Advising Bank.
2. Name of Transferring Bank
3. Form of Doc. credit:
 - Name of Issuing Bank
 - Documentary Credit No. and issuing date
 - Date of shipment
 - Expiry date and place
4. Applicant/ for order of/ On Account.
5. Beneficiary/ Favoring
6. Amount
7. Availability of Credit

8. Partial shipment/ Transshipment
9. Payment condition /Draft Sight
10. Category.
11. Description of goods:
 - Item
 - Total Qty
 - Unit price
12. B/L Clause
13. Reimbursement clause.
14. UCPDC Clause
15. Net FOB value.

Installment of consecutive L/C:

If progressive as 60-90-120-180 broadened lengths of the headway time period, the gave up segment is made. The piece is proposed to bring about perceiving pass-on continues from the L/C giving bank.

L/C under EDF:

- Exporter progress Fund is made by Bangladesh Bank to offer tendencies to the exporter in Bangladesh.
- Back-to-Back L/Cs are often Usance L/Cs, where the bill of trade is payable later than a progression date, such as 90 or 120 days from the date of confirmation or strategy. In the future, some outside sellers might need to locate segments Import L/C develops first in this case. Taking everything into account, Bangladesh Bank provides the bank with the savings to cover the cost of the imported goods for the local buyer of hard materials. In the exact moment when pass on continues to come, Bangladesh Bank first changes the credit to the merchant, and the remaining portion is given to the carrier of unpleasant materials.

Arrangement of fares records:

A game plan of records under L/C is the most noteworthy process for financing exporters. It is a credit after shipping. The bank operates here probably as an engineering bank. After the item has been shipped, the exporter gives the branch for trade the general reports. The documents must be submitted within the time frame specified in the L/C. The complete focus of the records are entered into the Foreign Bill Purchased (F.B.P) selection after the approval of the bill arrangement. With a sending letter, the reports are delivered outside of the L/C opening branch. In order to credit the advantages of the bill to the Dhaka Bankhead, the branch confirms repayment from the trustworthy bank or from the repaying bank.

Introduction of fare records for arrangement/Purchase:

After shipment, exporter presents the accompanying records to Dhaka Bank for arrangement.

- Bill of trade
- Bill of Lading
- Invoice
- Insurance Policy/Certificate
- Certificate of Origin
- Inspection Certificate
- Consular Invoice
- Packing List
- Quality Control Certificate
- G.S.P. certificate.

Installment Procedure for FDBP:

- (i) After buying the reports, Dhaka Bank gives the accompanying passages:

FDBP A/C ----- Dr. (at OD sight rate)

Customer A/C ----- Cr.

(Before realization of proceeds)

Bank would only acknowledge the exporter's mailing costs.

- (ii) After that, the bank will deliver the archives together with a letter describing the walled-off regions to the L/C opening bank for installment. The Negotiating Bank would pass the accompanying vouchers in an endless supply of time:

- (iii) *Head Office A/C ----- Dr. (at T.T Clean rate)*

FDBP A/C ----- Cr.

Income A/C Profit on Exchange Trading ----- Cr.

(Adjustment following receipt of profits)

A FDBP Register is kept to keep track of all the information.

For collection of foreign documentary bills (FDBC):

Due to the following factors, Dhaka Bank advances the archives for collection: • If the records are inconsistent.

- If the exporter is a different client.

According to FDBC, the exporter will receive a percentage exactly when the accountable bank does. In the event of any delays in receiving the share, Boss Bank applies standard to identify the L/C opening Bank.

Settlement of Local Bills:

Local Bills are settled in the following ways: a. The customer delivers the L/C to Dhaka Bank next to the reports to organize the local bills; and b.

b. A Dhaka Bank representative investigates the reports to make sure they are consistent with the agreements.

c. The reports are then sent away from the bank opening the L/C.

e. The L/C-issuing bank provides the affirmation and sends a letter of affirmation.

f. The customer is paid either on the basis of a social event or by purchasing the report.

Method of fare fee payments under L/C:

The UCPDC 500, 1993 correction lists four different types of credit. According to the following, these are:

Sight Payment Credit: In a Sight Payment Credit, the bank quickly pays the agreed-upon sum in exchange for the exporter presenting the required paperwork.

Surrendered portion Credit:

In the gave up segment, the bank consents to pay on a destined future date or occasion, later the introduction of the confirmation reports. No bill of trade is consolidated. The segment is given to the social event at the speed of D.A 60-90-120-180 considering everything. In any case, the Head office is paid at T.T's clean rate. The capability between the two rates is the trade exchange for the branch.

Affirmation credit:

In attestation credit, the exporter shows a bill of trade payable to himself and drawn at the concurred tenor (that is, on a predefined future date or occasion) on the bank that is to remember it. The bank signs its attestation on the bill and returns it to the exporter. The exporter would then have the choice to address it for a segment on development. Obviously, he can markdown it with a specific extreme target to get the quick part.

Exchange Credit:

In Negotiation credit, the exporter needs to show a bill of exchange payable to him despite various reports that the bank organizes.

Dhaka Bank LC nature of code:

- Cash LC (sight) Foreign - 01
- Cash LC (usance) Foreign - 02

• Inland back to back LC (sight)	- 03
• Inland back to back LC (usance)	- 04
• Foreign back to back LC (sight)	- 05
• Foreign back to back LC (usance)	- 06
• LC under AID/Loan ED	- 07
• LC under STA	- 08
• Import from EPZ (cash LC) (sight)	- 09
• Import from EPZ (cash LC) (usance)	- 10
• Import form EPZ (B/B LC) (sight)	- 11
• Import from EPZ (B/B LC) (usance)	- 12
• Others (LC) cash LC Local sight or usance	- 99

Issuance of EXP:

EXP Form Register:

As suggested by Bangladesh Bank in Paragraph 7(a) of Chapter 22 of Guidelines for Foreign Exchange Transaction Volume-1, 1996 Edition and later that ensure the EXP diagram as required, the full focal points of the EXP Form should be entered in the Export Register B-77 kept up for clarification, naming a number for each strategy of the EXP framework, and embedding the same nearby code numbers in box of the EXP form. A substitute space ought to be allocated to every exporter in the EXP shape enlist to record the points of interest of the EXP diagram and in any case guaranteeing that the in general EXP traces are submitted to the branch nearby the transport reports inside a sensible time from the date the shipments permitted by the shows. In the event that no shipment could be set to the side two or three minutes, the exporters concerned ought to be referenced to surrender the unused EXP diagrams for convergence out. The dropped EXP constructions ought to be accounted for in the record of the diverse exporter.

Bank will guarantee EXP shape simply subsequent to affirming:

1. Arrangements made for acknowledgment of Export continues.
2. Bonafede's of the merchant/recipients abroad.
3. Arrangements have been made for receipt by Authorized Dealers of archives of title to products.
4. The EXP has been marked by the exporter.

EXP No. should be like this:

ADS Code No.				Register Serial				Year	

All costs require presentation on EXP diagram, which are given by the avowed transporters to the utilization of sections. The EXP diagrams are numbered consecutively and given in quadruplicate. They ought to get every one of the duplicates maintained by the Authorized Dealers.

Scattering of EXP shape:

Interesting: From custom Authority to Bangladesh Bank later shipment of the things.

Copy: From Negotiating Bank to Bangladesh Bank later trade nearby one duplicate of the receipt inside 14 days from the date of shipment.

Three-fold: From Negotiation Bank to Bangladesh Bank later insistence of the benefits of the section charge.

Quadruplicate: Retained by the coordinating Bank as an office duplicate.

Export Performance

Month	2016	2017
January	3473175.86	110423011.35
February	3551827.37	69299518.34
March	18725850.15	54749481.58
April	1183958.32	49165573.45
May	10167946.45	14731682.78
June	10319161.20	42485624.66
July	2730262.96	10416804.46
August	50935762.61	37788642.88
September	17720842.33	28839204.72

October	47310010.24	21661843.55
November	122478367.72	21139012.41
December	104300874.42	

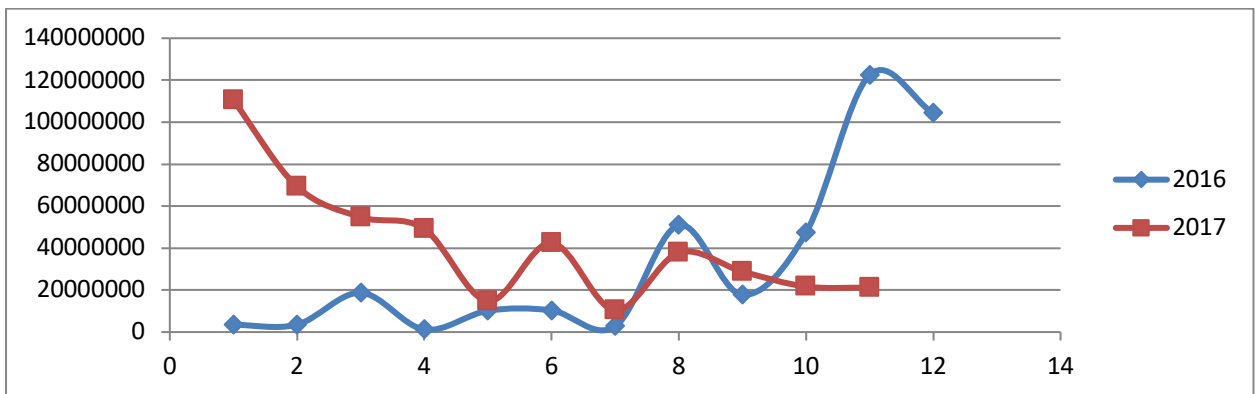
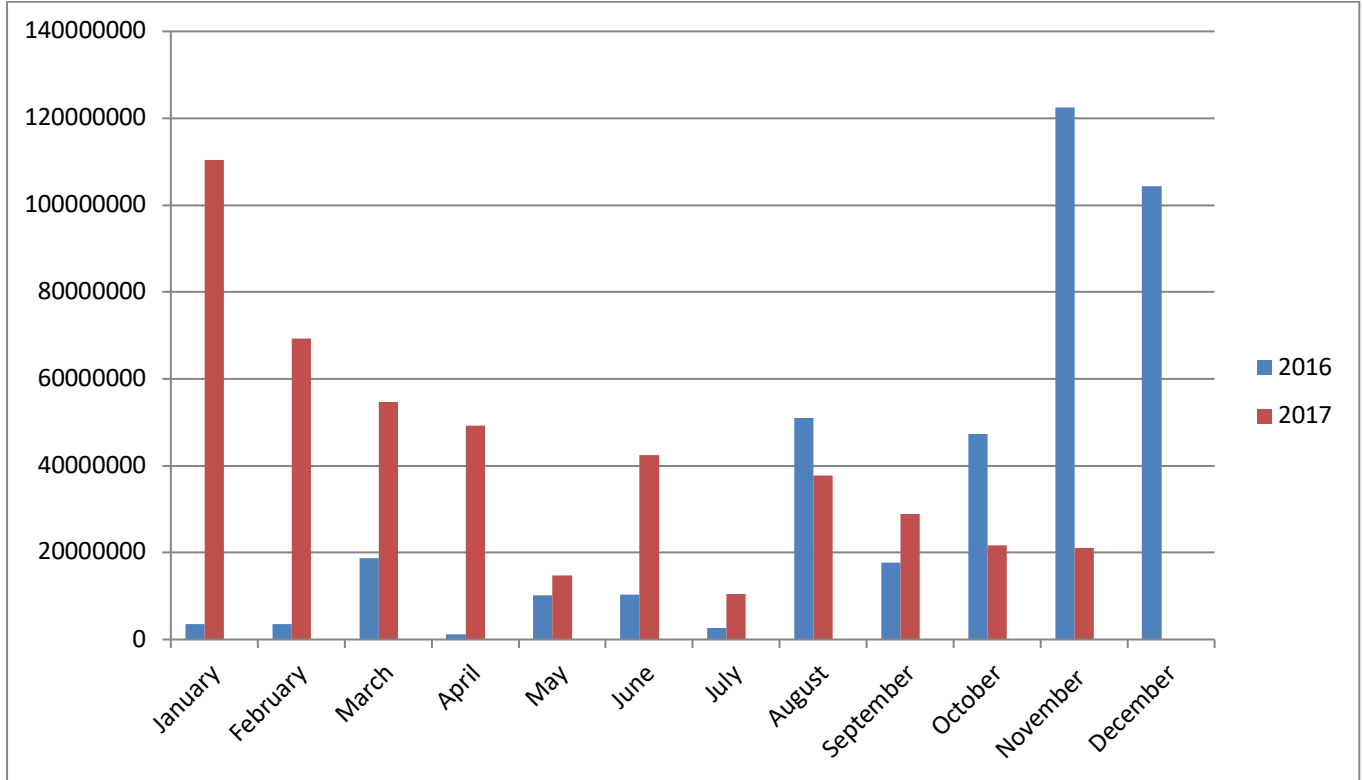


Figure-2:- Export performance of Premier Bank

This diagram tends to that the charge execution is exceptional, yet the most recent two or three months execution of 2017 isn't better compared to 2016. In 2016, the most dazing confirmation

execution at any rate execution in April. In 2017, the most basic cost execution in any occasion execution in July. So associations should try to change and further develop their cost execution.

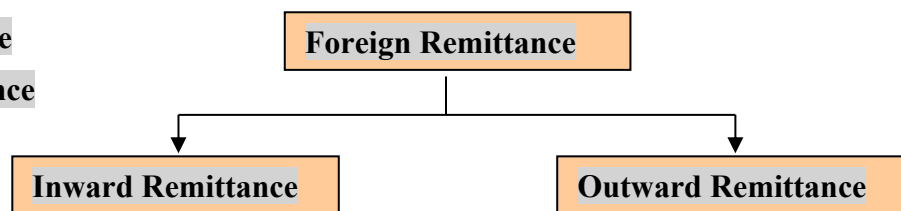
3.2.3 FOREIGN REMITTANCE:

The exchange of foreign currency from one country to the next, starting with one, is known as outside reimbursement. To put it another way, far-off reimbursement suggests making out and receiving payments in foreign currency. Without a doubt, foreign reimbursement refers to the acquisition and offer of clearly convertible external monetary designs as average under trade control headings of the nation. For the nation, the external settlement is crucial since it secures profitable international trade.

Remittance procedures of foreign currency:

Foreign remittance takes place in two ways-

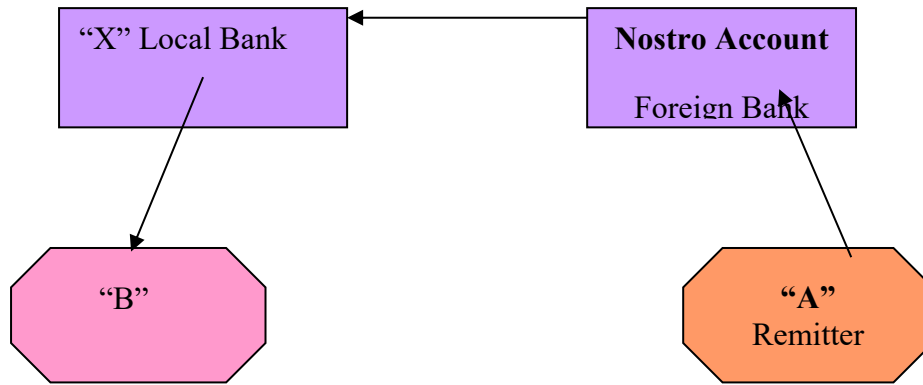
1. Inward remittance
2. Outward remittance



Foreign Remittance Process:

A method known as sending measure is used in store exchange starting with one nation and moving on to the neighboring nation. Give credit to a nearby bank that has 200 local workplaces. The bank maintains a "Nostro Account" in US dollars with the bank and has a distinctive affiliation with an external bank called "X." Through that record, Bangladeshi pariahs are transferring items to their nearest destination from far places. When the Bangladeshi untouchables send money to their "Nostro Account" with "X" through various banks in other countries, the local bank's head office far-reaching division will receive a wire message at which point the settlement zone will record the agreement and create a letter of advice for the specific section of the bank. The branch will at first unravel the test, attest engraving, and check

the record number and name of the recipient. Later full fulfillment, the branch exchanges the entire to the record of the recipient and underpans the recipient as necessities be. All things considered, generally, the multi-layered nature emerges in the event that the distinctive nearby the bank has no branch where the recipient keeps up his record. By then the neighborhood bank needs to take the assistance of a third bank that has a branch there.



“Chart: 1- Flow chart of Remitting Process”

Inward Remittance:

Settlement starts from outside nations to our nation is called inside the settlement. To the monetary subject matter, experts or ADs inside reimbursement recommend the acquisition of outside cash by assorted sellers. By and large, internal settlements are gotten by draft, mail exchange, TT, acquisition of outside bills and trailblazers Check, pass on bills. Essentially, these are the appropriate channels for getting inside the settlement. A nearby bank in like way gets an indenting commission of a nearby firm besides going under the space of inward settlement.

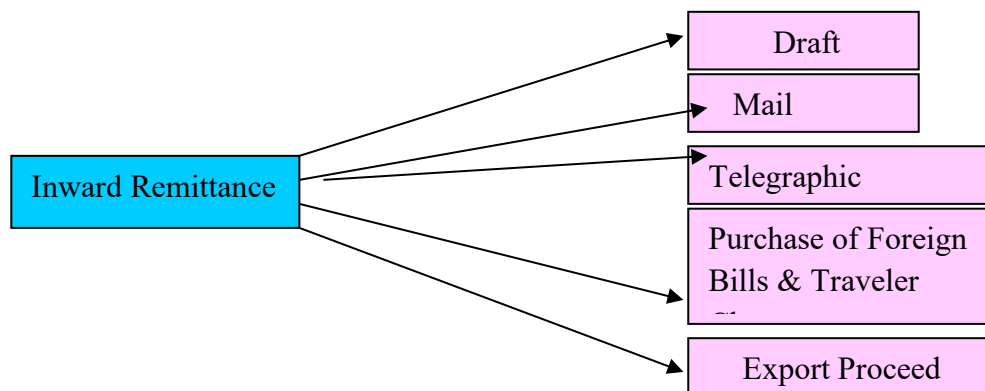


Figure: “Modes of Inward Remittance”

Outward Remittance:

The settlement from our nation to outside nations is known as outward far-off the settlement. At the end of the day, offers of far-off cash by the certified vendor or authorized channels might be treated as outward-looking reimbursement. The insisted dealers ideally most phenomenal caution to guarantee that outer monetary standards sent out or delivered they are by utilized distinctly as the clarifications which they are hiding delivered. external settlement might be made by the fitting framework the nation where settlement is supported. The the majority of settlements are verified by the supported transporter for Bangladesh Bank.

Outward settlement might be made for following purposes-

1. Travel
2. Medical assistance
3. An excuse for education.
4. Being in class and other activities.
5. The F.C. account balance measurement.
6. Remote businesses' financial success.
- (7) Technical support
8. New exporters might receive up to USD 6,000 for business growth.
9. The F.C. settlement may be presented from the send out upkeep amount for passage.

Outward remittance in favor of beneficiaries outside Bangladesh may be made in any of the following manners-

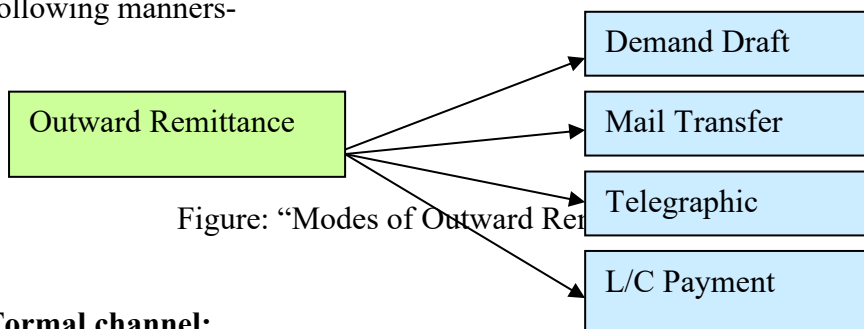


Figure: “Modes of Outward Remittance”

Formal channel:

Resource move to begin with one country then onto the following country through legitimate channels, for instance, banking channel, the main focus, and other private assistance channels, for instance, – Western money demand, Neno cash demand, etc

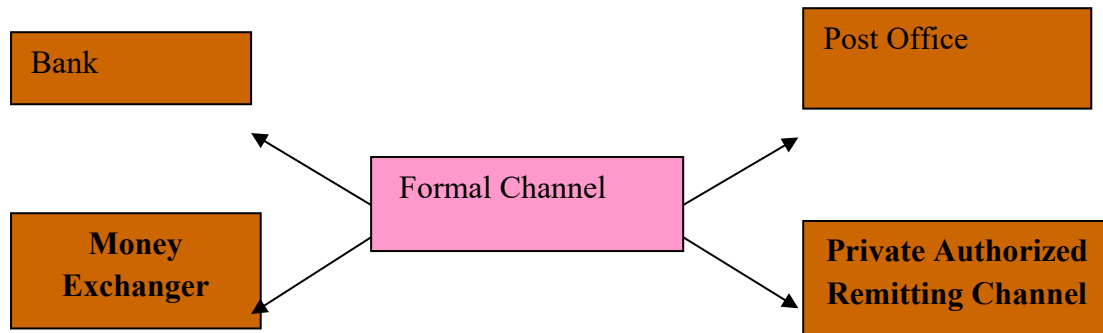


Figure: “Forms of formal channel”

The legitimate purposes for moving money abroad through formal channel are-

- To invest
- To lend
- To meet trading/ Personal obligations
- To safeguard assets against theft or seizure by repressive regimes.

Exchange houses which is used in collecting remittance:



Casual Channel Store exchange starting with one country then onto the accompanying country through the hand manually or via phone in an easygoing station like "Hundi". Haque (1992) remarks that settlements amassed by nice "Hundi" rings working in Middle East nations and the UK are also used to back illicit exchange and exchanges.

Islam (2000) watches that an agreeable channel is required for unlawful exchange of things, and moreover gold and medications into Bangladesh, and along these lines, helping the ever-show issue of a capital outing out of Bangladesh.

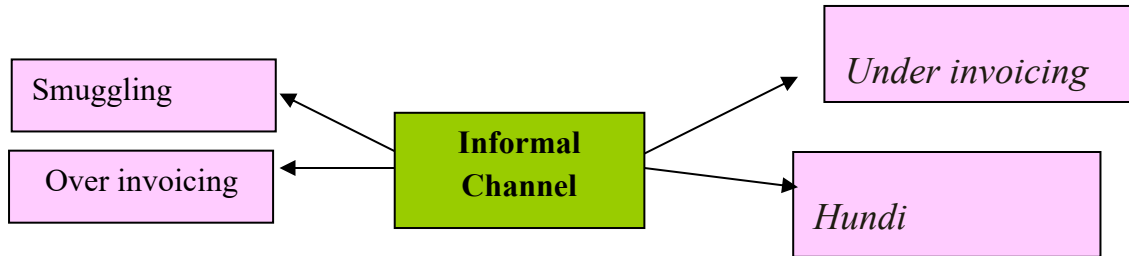


Figure: “Informal Transaction Channel”

- Dealing in arms and ammo
- Drug trafficking
- Financing fear based oppressor exercises
- Evasion of trade directions/control
- Evasion of tax collection
- Disguise or evacuate continues of risk/misrepresentation/influence.
- Making shakedown installments
- Paying irregular for ruffians.

Performance of Foreign Remittance

Month	2016	2017
January	280,939.70	902,701.95
February	277,593.07	934,261.66
March	230,410.22	479,302.17
April	655,387.71	951,843.72
May	489,447.11	945,492.01
June	650,307.60	583,976.98
July	257,015.33	521,830.15
August	281,805.51	511,541.39
September	1064,344.29	203,056.90

October	335,407.31	237,982.10
November	332,049.04	758,036.18
December	529,171.67	

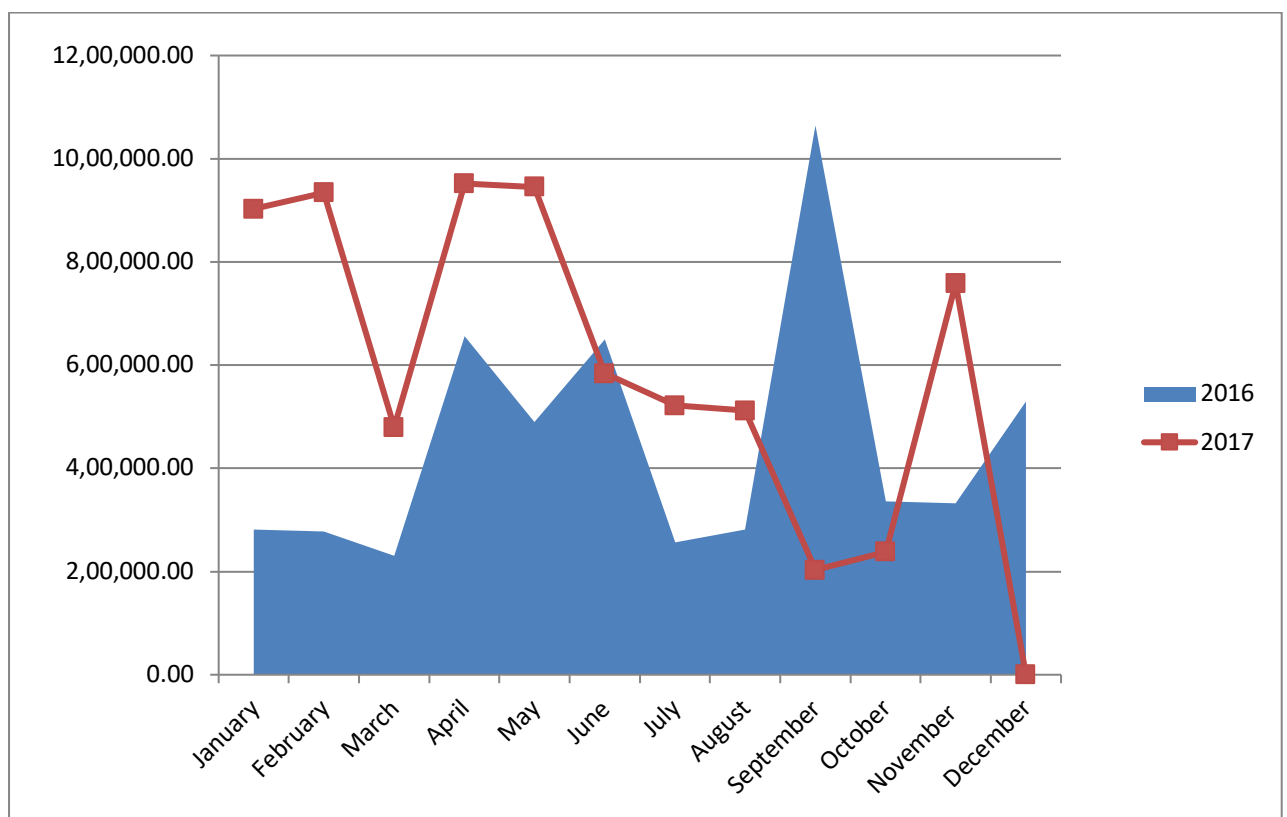
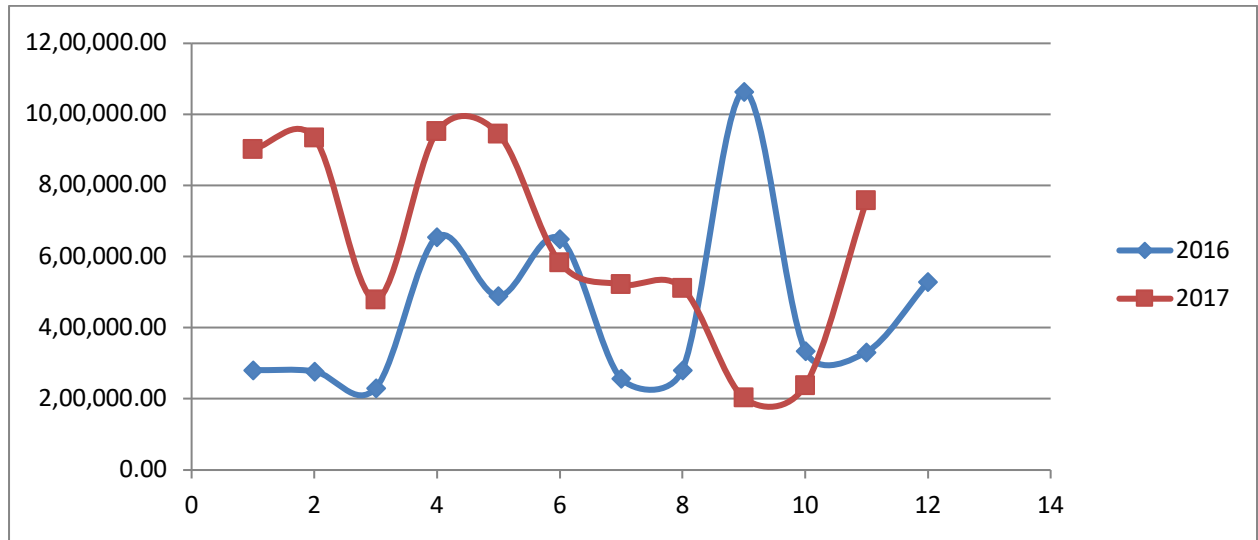


Figure-3: - Performance of Remittance of Dhaka Bank

It regards to consider the Dhaka Bank's settlement execution to be found in this diagram. This framework tends to that settlement execution of Dhaka Bank in the year 2017 is superior to the

year 2016. In 2016, the bank has the most surprising settlement execution in September and the least settlement execution in March. In 2017, the bank has the most basic execution in April and insignificant execution in September. This bank ought to further develop its settlement execution later on.

CHAPTER-4

Problems and Recommendations



4.1 Problems:

- According to the analysis, the global economic downturn caused both import and export financial growth to reach its lowest point in 2016; this trend continued into 2017 as inflationary pressure increased from the previous year, and both years' remittance flows were also impacted.
- Only 13 exchange houses were used by Dhaka Bank to send money abroad. Despite being one of the top local banks in Bangladesh, DBL lacks the exchange houses necessary to send money abroad. As Dhaka Bank Limited is certifiably not a foreign exchange bank, it can't pull in as much as customers for Foreign Trade. Since customer incline toward Global bank for exchange.
- Although only in some branches, DBL offers overseas remittance services. Sometimes the overseas remittance service may not be available in the most important rural branch.
- When compared to large company houses, Dhaka Bank Ltd. offers small business owners less support with foreign exchange. Small business owners must maintain a bigger margin when opening an L/C, sometimes 100%.
- The bank has some bad debt in foreign exchange branch. Because of lacking's in the authentic credit analysis
- Online Banking system of Dhaka Bank is not very fluent which is very important in foreign exchange department.

4.2 Recommendations:

I've discovered a portion of the positive side and a portion of the negative side of the unfamiliar trade office in Dhaka Bank Ltd. on the discoveries part. So I might want to give some proposal in those cases which may expand the profitability of the unfamiliar trade division:

- The Dhaka Bank needs to require more spotlight on the fare and import area on the grounds that the worldwide downturn is as of now hampered. So it should be examined what strategies should be best for unfamiliar trade tasks.
- Dhaka Bank Limited has to construct their exchange facility so that many people outside of Bangladesh can send money through Dhaka Bank.
- Dhaka Bank needs to overhaul the unfamiliar trade tasks system and examination
- Dhaka bank ought to consider expanding unfamiliar settlement administration in the vast majority of their branch
- Dhaka Bank Ltd should offer a few administrations for SME and New business visionary to draw in the unfamiliar exchange
- DBL should make a vital move to the appropriate valuation of the customer's archives and ought to appropriately focus on its monetary influence since it vacillates step by step.

- Dhaka Bank should have to zero in on the currency market. A portion of the time cash of taka is devaluating so it needs to recognize which time is best for doing unfamiliar trade activity to be considered of the currency market

Chapter-5

Concluding part



5.1 Conclusion:

I have truly benefited from my exam as a Dhaka Bank Limited intern in terms of learning and experience. I'm confident that these three months of training at Dhaka Bank Limited will help me better understand how I want to continue my career in the field of movement. It is intended to provide top-notch cash-related organizations and/or things to contribute to the growth of the country's GDP through fostering trade and business, reviving industrialization, boosting up transportation, opening up employment opportunities for educated youth, easing poverty, improving the standard of living for the obliged compensation group, and overall reasonable monetary development of the nation. Dhaka Bank Limited creates a strong scenario through its varied actions, despite the fact that it is just another bank. Its

5.2Bibliography

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