



Internship Report

on

An Evaluation of Remittance Activities of Islami bank

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Major in Finance

Department of Business Administration

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Letter of Transmittal

January 27, 2023

To

Subject: Submission of the report on **“An Evaluation of Remittance Activities of Islami bank.”**

Dear Sir

With due respect I would like to notify you that it is an excellent pleasure for me to submit the report on **“An Evaluation of Remittance Activities of Islami Bank.”** as a compulsory requirement for BBA program. This internship program was very first on the job flourishing and served me a lot of with learning experience and knowledge in different arena.

I am working hard for creating full report by analyzing all the requirements you have asked for.

I am thankful to get the great opportunity to prepare this report under your nice guideline. I will remain deeply grateful if you kindly give your important time to go through the entire report and analyze my performance. I will be very happy to provide my further explanation if needed.

Sincerely yours,

Mohammad Safi Sami
ID no: 203-14-3255

Declaration

I hereby declare that this internship report titled “An Evaluation of Remittance Activities of Islami bank.” is submitted by it to IBTRA. I try to fulfill all the condition to complete my report uniquely the information I serve in that report does not violate any current copyright laws. It has used various sources to assist in the preparation of the report, and It promises to compensate the department for any loss or damage caused by violation of previous regulations Committed to.

Sabi sami

.....
Mohammad Safi Sami

ID : 203-14-3255

Program : MBA

Major :FINANCE

Department of Business Administration

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Certificate of the Supervisor

This is to certify that **Mohammad Safi Sami**, ID: 203-14-3255, Program: MBA, Major: Finance is a regular student of the Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. He has completed his internship at Islami Bank Limited and prepared his internship report under my supervision. The data and findings presented in this internship report seem to be authentic.

Thus, it has been accepted for presentation in the internship defense.

I wish him all success in life.

Mohammad Shibli Shahriar

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

No. 75089

Islami Bank Training and Research Academy



Dhaka - Bangladesh

This is to certify that

Mohammad Safi Sami

MBA Student of

Daffodil International University

participated in the

Internship Program for the University Students

Course/Programme conducted by the Academy from 03-07-2022 to 06-09-2022

and has successfully completed the same.

Dated, Dhaka

The Tuesday, September 06, 2022

Managing Director

Principal

The background of the page features a large, faint watermark of the Daffodil International University logo. It consists of a circular emblem with a shield in the center containing a sun and the letters 'DIU'. Below the shield, the text 'Daffodil International University' is written in a stylized font, with 'University' in a larger, green font.

Acknowledgement

Beginning, I want to be grateful to my almighty for their understanding and strength, so that I can flourishingly finish my internship report on time.

Ami

It also expresses our heartfelt thanks to all the faculty members of Islami Bank Training and Research Academy (IBTRA), specially S.M. Rabiul Hassan, SVP & Course Director (Training) IBTRA, Hosne Ara (VP, IBTRA), S. Nazmun Nahar (SO, IBTRA), and other faculty members as well as the employees from top to bottom of IBTRA, who gave us the necessary information and excellent guidance to prepare this internship report.



Executive Summary

Import, Export and Foreign Remittance business of Bank's are termed as Foreign Exchange. Foreign Exchange actually have its broader shape; it means all kinds of transactions related to foreign currency, as well as currency instruments such as Foreign Trade/International Trade, Payment Order, Draft, MT, TT etc. In another sense it can explain as, Foreign Exchange refers to the process or mechanism by which the currency of one country is converted into the currency of another currency and, thereby, involves the international transfer of money. As an Islami Bank, IBBL has to abide by the principles of Islamic Shariah, its branches have to follow the internal circulars of the bank in respect of import business and a guidebook. All of IBBL's AD Branches are instructed to follow a guidebook, provided by BB, at the time of foreign exchange dealings. Any subsequent amendment, modification, addition/ foreign exchange circulars issued by Bangladesh Bank and IBBL also to be followed by the AD Branches. International trade is the exchange of goods from seller to buyer in accordance with the sales contract and the required flow of payment from buyer to seller. IBBL offer different trade products and services complying Shariah and law of the land. Foreign exchange and Foreign Trade Operations can be categorized in following 4 areas--Import Services and Import Finance-Export Services and Export Finance Foreign Remittance Services-Foreign Exchange Treasury Operations Import Services and Financing Products Import business involves transactions in foreign exchange.

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Chapter 01: Introduction

Introduction:

Generally, the bank is known as a banking institution that deals with money. A country's economy depends on commercial banks. IBBL plays an important role in the economy of a country. Deposit of the individual savings account, business in checking all of them are done by a commercial bank. Therefore, Commercial banks are called "profit-making institution". Government and people are very much dependent on Commercial banks. Generally, banks earn their profit by two ways. The first one is done by collecting a deposit at a lower cost and another way is to provide a loan at a higher rate.

The banking sector is expanding its hand in various ways every day. Day by day, it is becoming faster, stronger, and easier. They are inventing different types of ideas and products. The bank is a financial institution that can collect funds from the surplus units and invest in deficit units. The bank's main source of income is a loan in various sectors and the bank provides loans against higher interest. To overcome our country's economic obstacles, It needs to give more focus on loan and advanced facilities of Credit department which is very necessary in this globalized world. Banking sectors play an important role in the economy and improve economic development. First Security Islamic bank (IBBL) is one of them.

IBBL always strongly ignores interest. They always believe in profit and loss sharing. IBBL always maintains Islamic rules and regulations but also deals with modern technology. Knowledge and practical experience in a report. My internship report has been done based on "**An Evaluation of Remittance Activities of Islami bank.**" The two months internship period has given me the opportunity to gain practical knowledge about banking sectors; the fixed deposit is a common term in the banking sector that is repayable after a defined time set by the customer expires. The timeframe ranges from one month to 12 months. Such investments are not refundable on request but may be withdrawn according to a specified period. This bank must hold a cash balance in the case of a fixed deposit account. Thus, in Fixed Deposit Accounts, IBBL has a high benefit rate.

Fixed Deposit Accounts, IBBL has a high benefit rate.

Objectives of Study

The main objectives of this report are:

- To analyze remittance operations of Islami Bank Limited, Dhanmondi Branch
- To evaluate different remittance activities of Islami bank Limited, Dhanmondi Branch
- To find out some problems of those activities
- To make some the suggestions to overcome the problem

Significance of the report

This internship report is very important for final year students to fulfill their graduation requirement because it can enhance a student's knowledge about corporate life. By doing an internship, a fresh graduate can establish a strong network that can help in their practical life. In this way, female students can train and prepare themselves for the job market.

Limitations

- It is not possible to work in all sectors of the bank in such a short period of time.
- It is not easy to collect information from various personnel for their job constraint.
- Another limitation is bank's policy includes never disclosing some crucial data that is necessary to prepare the report.
- Bankers have heavy workloads every day. Thus, sometimes they couldn't be able to provide us with information regarding our report.

Chapter 02:

AN EVALUATION OF REMITTANCE ACTIVITIES OF ISLAMI BANK:

Import, Export and Foreign Remittance business of Bank's are termed as Foreign Exchange. Foreign Exchange actually have its broader shape; it means all kinds of transactions related to foreign currency, as well as currency instruments such as Foreign Trade/International Trade, Payment Order, Draft, MT, TT etc. In another sense Foreign Exchange refers to the process or mechanism by which the currency of one country is converted into the currency of another currency and, thereby, involves the international transfer of money. As an Islami Bank, IBBL has to abide by the principles of Islamic Shariah, its branches have to follow the internal circulars of the bank in respect of import business and a guidebook. All of IBBL's AD Branches are instructed to follow a guidebook, provided by BB, at the time of foreign exchange dealings. Any subsequent amendment, modification, addition/ foreign exchange circulars issued by Bangladesh Bank and IBBL also to be followed by the AD Branches. International trade is the exchange of goods from seller to buyer in accordance with the sales contract and the required flow of payment from buyer to seller. IBBL offer different trade products and services complying Shariah and law of the land. Foreign exchange and Foreign Trade Operations can be categorized in following 4 areas--Import Services and Import Finance-Export Services and Export finance Foreign Remittance Services-Foreign Exchange Treasury Operations Import Services and Financing Products Import business involves transactions in foreign exchange. Import may be defined as bringing of visible items to the country from abroad through letter of credit or LC, a form paying foreign Currency to the exporting country. Import Services and Financing Products Service Principles Scope of Applications Basis Wakalah Letter of Credit Safe Keeping Remittance Commission Basis Kifalah Letter of Credit Performance Bond Bid Bond. Advance Payment Guarantee Commission Basis Financing Principles Scope of Applications Basis Bai Murabaha Import Murabaha Import Bills Murabaha Post Import Markup basis Sirkat Mudaraba Musaraka Sharing Basis Ijarah Hire Purchase Under Shirkatul Melk Rental Basis Under Islamic Financing concept, there is trade financing whenever goods are acquired against a promise of a future payment, or price paid against the participation in future profits that may be earned from

putting it into productive use. The need for trade finance arises when the buyer of goods wishes to defer the payment of the price or although less frequent, when the seller requires the advance payment of money. LC, letter of credit, is a document that a financial institution or similar party issues to a seller of goods or services which provides that the issuer will pay the seller for goods or services the seller delivers to a third party buyer. The issuer then seeks reimbursement from the buyer or from the buyer's bank. The document serves essentially as a guarantee to the seller that it will be paid by the issuer of the letter of credit regardless of whether the buyer ultimately fails to pay. In this way, the risk that the buyer will fail to pay is transferred from the seller to the letter of credit issuer. Export is the process of selling visible and invisible goods and services outside the country against letter of credit. Export Business occupies a very important position in the Balance of Trade and Balance of Payment of the country. Export occupies an important position in the foreign exchange business portfolio of the bank. In handling export business, certain Acts, guidelines, & regulations have to be followed such as the Export Trade Control Regulation Act, Guidelines for Foreign Exchange Transactions published by Bangladesh Bank and

Export Policy issued by Ministry of Commerce from time to time. As a Shariah based Bank, IBBL's export business should comply with the provisions/principles of Islamic Shariah. Foreign Remittance Money coming in and going out in between countries may be regarded as Remittance. Wage Earners' Remittance by Bangladeshi

Expatriates play a vital role on overall economy of the country particularly on the Foreign Exchange Reserve position and also has its impact on the Balance of Trade and Balance of Payment of the country. Forms Remittance Inward Remittance Outward Remittances our concern is about Inward foreign Remittance, It will now only know about Inward foreign Remittance. Mainly the earnings of our brother working abroad termed as Inward Foreign Remittance. Inward remittances are considered the sum of workers' remittances, compensation of employees, and migrants' transfers. Workers' remittances refer to transfers in cash or in kind from migrants to resident households in the countries of origin. Usually these are ongoing transfers between members of the same family, with persons abroad being absent for a year or longer. Compensation to employees refers to the wages, salaries, and other remuneration, in cash or in kind, paid to individuals who work in a country other than where they legally reside. Islami Bank Bangladesh Limited is now a bank with a deposit of one Trillion Taka. The country's top private commercial bank crossed the milestone on June 30, 2020. In 2019, the bank's deposit was Tk 94681 core, in 2018 it was Tk 82257 core, in 2017 it was Tk 75502 core and in 2016 it was Tk 68135 core.

In addition to deposit, Islami Bank has collected the highest foreign remittances in May and June this year, surpassing all past records. The amount was USD 461 million in May and USD 575 million in June. Remittance collection has never exceeded USD 400 million in the past.

In June 2020, Islami Bank's growth in remittance collection was about 116 percent as compared to June 2019. At present, Islami Bank's market share in remittance collection is 32 percent. The bank is making a significant contribution to the national reserve (foreign exchange reserves) by increasing remittance inflows through banking channels.

Islami Bank is making relentless efforts to build the habit of saving for the backward and lower income people besides making overall contribution to the balanced development activities of the country. The bank is acting as a trusted custodian of people's savings by cultivating a culture of compliance and conducting banking activities with utmost professionalism.

Islami Bank, a pioneer in Shariah-based banking, currently serves its customers through 357 branches, 43 sub-branches, 1,200 agent banking outlets, 660 own and about 11,000 shared ATM and CRM booths. Through modern information technology and sincere customer service, this bank has become a unique institution of trust and confidence of all people irrespective of class, profession, religion and caste.

The bank's clientele base has grown significantly this year. At present the number of clients of the bank is 15 million.

Islami Bank started agent banking activities in 2017 to reach banking services to the people deprived of financial services. At present, the number of clients of the bank's agent banking outlets is 7 lakh 53 thousand and the amount of deposits is the highest of the country's agent banking of Tk 2600 crore.

Islami Bank has maintained the top position in the import-export trade of the country as in the past. Which is making a significant contribution in addressing the ongoing financial challenges?

Islami Bank is accelerating the sustainable development of the country by reducing economic inequality in rural and urban areas and providing investment by pursuing a policy of equitable distribution. Islami Bank has the highest SME investment which is making a significant contribution to the development of the SME sector.

The bank is being run by a team of young, honest, competent and smart officials. The bank has so far received numerous awards and recognition for its activities. Islami Bank is the only bank in Bangladesh in the list of top one thousand banks in the world.

This achievement of the bank goes to all the customers, well-wishers and all the members of the Islami Bank family in the country and abroad. The acceptance of the bank has further increased everywhere due to the change in local ownership. The management of the bank has expressed its gratitude to the government, Bangladesh Bank, regulatory authorities, shareholders and clients.

Remittance Card Service

Islami Bank Bangladesh Limited has introduced Islami Bank Remittance Card to send money from abroad. This card ensures the Non-Residence Bangladeshi of safe and quick hassle-free money transfer to their family.

Benefits

- 24 Hour Service.
- Can be received this card from any IBBL branch without any fee.
- Draw money from any IBBL booth.
- Card Balance Inquiry from any IBBL booth.
- Foreign Remittance is deposited in this card.
- Bank account is not necessary.
- Maximum Tk. 50,000.00 from ATM booth and any number of amounts from bank counter can be drawn.
- Only foreign remittance sender / receiver can take this service of Remittance Card.
- Utility Bill can be paid by Remittance Card.
- Balance inquiry from SMS or banking Service.
- Transaction Limit

For Cash Withdrawal from ATM booth maximum amount is Tk. 50,000 in a calendar date. Any number of amounts from bank counters.

Charges: No charge is applicable

IBBL is now in the leading position in export, import and inward foreign remittance. As IBBL is the most solvent of Bangladesh, foreign buyers and dealer's demands to have their export/import business processed through IBBL. On the other handbill also very conscious and efficient to process and give importance on relating documents and making everything ready on time. IBBL is now the market leader of providing inward foreign remittance. Foreign remittance is now a vital segment of

our economy and it keeps its imprint in different parts of the economy. Our brave brothers leave their relatives and make contribution to the country, to their relatives and to remove unemployment. IBBL understands the economic and emotional importance of this sector and has already made a strong wing to handle and provide instant service regarding this sector. IBBL's Contribution at Import Sector of Bangladesh IBBL has been showing a continuous success in import, export and inward foreign remittance. IBBL has been taking a significant portion of national import, export and inward foreign remittance. To evaluate IBBL's role in these sectors it has assessed performance in numerical figures. Now let's have a look on these data through tabular and graphical presentation. Suddenly a negative figure in 2009 and again came back again from 2010. Last Five Years Contribution of IBBL in Export Now have a look on IBBL's role in Export- Export Performance of IBBL (Last Five Years) in export, IBBL has immense contribution from 2009 to 2011 but in recent year it has shown a slower performance. In 2010 and 2011 IBBL plays a vital role in the economic sector most. Role of IBBL in Inward Foreign Remittance (Last nine Years) below chart shows the role of IBBL in Remittance. Here it is seen that IBBL has captured the market share very impressively. One can use the term "aggressively" here by seeing the performance of IBBL in Inward Remittance. IBBL alone dominates more than 26% of the market share now. If it can examine the comparative figure of national and IBBL, it will be easy for us to understand the role of IBBL. Import business touched double digit in the year 2007 with 10.78% and it has become 10.00% at the end of 2009 (and at the end of July '12 the growth rate was 12%). In case of export it can be seen that market share of IBBL maintains a steady growth from the year 2001 and at the end of 2009 it reached double digit i.e. 10.60%. It is also observed that in remittance business IBBL witnessed tremendous growth in holding market share which was 8.52% in 2001 and it has become 25.59% in 2009 (and at the end of July '12 the growth rate was 0%). In remittance

IBBL has shown an impressive success. IBBL's Growth Rate in Import, Export and Inward Foreign Remittance Below graph shows IBBL's growth rate in Import, Export and Inward Foreign Remittance. For better understanding data are presented here from 2001 to June '12. Here it is seen that IBBL has really a bad performance in 2009 but came back again from Share of IBBL in Countries Foreign Exchange Business Initiatives Taken by IBBL to Foster Inward Foreign Remittance Nothing comes without anything. There have huge sacrifice, plan and dynamism to be in this successful position of IBBL. IBBL has dedicated and honest work force. Now let's have a look on initiatives taken by IBBL. Spot Cash to provide quick payment of foreign remittance IBBL has made integrated software named spot cash. IBBL is the most technologically updated modern Bank and all of its branches are in the coverage of online. So, by this integrated software IBBL can easily and smoothly give payment of foreign remittance. Affiliation with Almost All of the Currency Bearer Houses:

IBBL has affiliation with almost all of the companies and houses that bear currency. So it can give payment from all countries. Here are list of some of this affiliates:

- ✚ Western Union
- ✚ Money Gram
- ✚ Xpress Money of U
- ✚ IME
- ✚ AE exchange
- ✚ Prabha
- ✚ Merchant Trade
- ✚ EzRemit of Bahrain exchange
- ✚ Habib Express of Habib Qatar International exchange Company
- ✚ May back
- ✚ Turbo Cash of Zenj exchange
- ✚ NBL Quick Pay
- ✚ Cash Express of Al Ansari exchange Est.
- ✚ Ceylinco Fast Cash of Seylon Bank Ltd
- ✚ Remit Master
- ✚ And some other houses-Mail based Spot Cash:
- ✚ E-Mail based Spot Cash Arrangements with 33 (thirty three) Banks / Exchange House

Chapter 03: worldwide connections, affiliate banking, and remittance businesses.

Globalization has connected global financial institutions, corporates, stakeholders, remitters, beneficiaries on a small deck of mutual relationship nowadays. The advent of Fintech, Block chain, Digital currency have given correspondent banking relationship a new dimension. Gradual integration, increasing virtual payment platforms, introduction of cash incentives etc. have pushed global and domestic remittance perspective to a new highest of progress.

Though the tremendous advancement in international trade and Remittance logistics, the world economy witnessed the most adverse and shattering impact in 2021 as the covid-19 swept away and the entire livelihood of the world.

The integrated, unified and diversified Business strategy always paves the way towards a sustainable growth that has been proved again by the wise management and dedicated manpower of our bank.

Correspondent Banking Relationship widened the Global Trade Relationship through arranging substantial Trade Finance that immensely reinforced bank's OBU along with entire Foreign Exchange Business including Import, Export and Remittance. In 2021, Bank attained significant growth Import 54% Export 34.14% and remittance 3.89% respectively compared to 2020 that reflects strength and soundness of mutual business relationship with Foreign Banks, Financial Institutions and Exchange Houses along with profound trust and confidence of our valued clients.

International Services Wing started its journey as an independent Wing in 2021 comprising Financial Institutions Division, Overseas Banking Division and Foreign Remittance Services Division. Focusing "Going everywhere: Exploring Fintech" the wing contributed in sustaining below land achievements for the bank:

Correspondent Banking Relationship implies the significant evolution of International Trade Business of IBBL. Financial Institutions Division (FID) is relentlessly focusing on expanding global Trade Relationship to cope with the frequently transformed market and global regulatory landscape.

The FID Team is working with devotion and perseverance to attain steadfast outcome for the Bank. Managing substantial Trade Finance through expanding worldwide Correspondent Banking Network has always been the prime priority of the division. Besides the earth-shattering impact of

Covid-19 on world economy, robust performance in International Trade Business has been achieved for the time befining strategy of the management and rigorous endeavors of the division.

Exploring new horizon to facilitate International Trade Business:

Financial Institutions Division renders noteworthy services for the better channelizing of trade. Treasury off-shore banking and remittance businesses of the Bank at home and abroad. The Division has to remain ever vigilant for the smooth functioning of the overseas relationship with the Banks, NBF and Corporates etc. Since the beginning of the Division, the work annues have under ificant changes in manifolds as per the necessity of time. The work lists of the Dovision include ablishment and maintenance the Relationship Management Application (HMA) different tegic locations, opening of Nostro Accounts with the foreign banks, Opening of Bank's Foreign Dalets in different locations of the globe, establishment/enhancement of credit line with different verseas banks, borrowing of funds for offshore banking operations, arranging syndication finance evaluating rating of correspondents from time to time, studying merger, acquisition and liquidation notice of global banks, evaluating monthly business status through our correspondents to diverse the business, monitoring non-payment/delay payment issues, monitoring currency wise performance of made, special drive to establish the relationship with the banks stationed in New York like Citi NA HSBC, Standard Chartered Bank NY, Bank of America, Bank of New York Mellon, US Bank Wells Fargo Bank etc, and also to establish the relationship with the global banks in Europe like Commerzbank AG, BNP Paribas, Deutsche Bank, Crédit Agricole etc. making liaison with the comespondent banks having offices in Dhaka, meeting with Bangladesh Bank for different espondent banking issues, review meetings, liaison for rating of the Bank by the International Rating Agency, membership renewal of different trade bodies, arranging relationship with multilateral organizations like ISDB, World Bank, IMF, ADB, IFC, AIIB and exploring new markets worldwide for the trade business of the Bank, conducting KYC/CDD before on-boarding any new relationship the banks and exchange houses, compliance review of all the correspondent banking and change house relationship on yearly basis.

Relationship Management Application (RMA): Primary doorway for correspondent relationship

Considering the appetite of our correspondents abroad along with the request of

PTPD/AD/Forwarding Branches, Financial Institutions Division strives to establish RMA in potential regions around the globe by ensuring optimum compliance to retain potential trade business Growth.

NOSTRO Accounts: Platform for Trade, Treasury and Remittance Settlement

Due to De-Risking, Global banks have been cutting off Correspondent Banking Relationships (CBR's) with local banks in developing countries like us. Hence, It have been facing challenges to open new accounts, Moreover, there are other challenges like UN, US, OFAC, US Department of Justice (DOJ) sanction etc. Despite so many hurdles, It have tried all out efforts to openings accounts in jurisdictions around the globe. There are very significant progress in opening new Nostro Accounts in 2021.

>Opening Nostro Accounts with JP Morgan Chase Bank NY in

MultiCurrency: In order to get access in the global market place in every country in the world with their h currency, It have opened a multi-currency account with JP Morgan Chase Bank, a most imvare and largest clearing Bank in the world to settle all types of transactions in 120 currencies of countries across the globe.

> Opening a USD and an RMB Nostro Account with Zhejiang Chouzhou Commercial Ban China:

China, being one of the largest trading partners for Bangladesh, It have significant trade volume a almost 30% of LC is routed to China. The bilateral trade between Bangladesh and China is expec reach \$18 billion mark by 2021. As about 30% of our total settlements are destined to a single co like China, It have opened two Nostro Accounts in USD and RMB with Zhejiang Ches Commercial Bank to facilitate our trade, treasury and remittance arrangements.

Opening Overseas Branch and Representative Office in KSA and UAE

The process of opening a Bank's Branch in KSA (Kingdom of Saudi Arabia) and a Bank's Representative Office in UAE (United Arab Emirates) is going on in full swing. Significant correspondences have exchanged between IBBL and Saudi Arabian Monetary Authority, Central Bank of the UAE after submission of formal proposals.

Relationship with ISDB, ADB, IFC and AIIB

It has already in a relationship with ISDB in terms of Trade Finance Facilities. In line with established relationship with Multilateral Development Organizations, official correspondences are being exchanged with ADB, IFC, AIIB and other Multilateral Development Organizations across the world.

SWIFT Operations: A Secured, Inter-bank Communications Platform

SWIFT Operations Department, being one of the core SWIFT Service Providing Departments of Fina Institutions Division is giving support over 250 users at both Head Office and Branches, SWIFT Department has earned significant operational income in 2018, 2019, 2020 & 2021.

Virtual Meeting & Conference Call with different Banks & Financial Institutions

It has conducted a number of efficacious virtual meetings & conference calls with the following Banks & Financial Institutions around the globe to stay ever vigilant for smooths operation of the verseas relationship:

Banks & Financial Institutions

Emirates NBD, Mashreq Bank, HDFC Bank, Aktif Bank, United Henk of India, UBS Singapore, LB Switzerland, Moody's, SMBC, UBS (Switeland), Bank Cantonale Switzerland, ICICI Bank, ADCB, Commerz Bank, Sabadell, Bank Al Bild, CCRM, JP Morgan, ICICI Bank (Conference Call), RAK Bank, Commercial Bank of Quar SCB Dhaka, Banca UBAE, Caixa Bank, D & B, Commerz Bank, Emiratay lamic Bank, PWC, Bank Al Salam Bahrain, Unicreditolitaliano, Mizhou Bank. Bankia Spain May International, ZKB Mumbai, Axis Bank, MUFG, CIMB Bank, CBD Bank, Bank Al Masraf, Dubai, MizhouBnak, RHB, Arab African Bank, BanqueMist. First Abu Dhabi Bank. Doha Bank, Bank Muscat, Commerzbank AG, HSBC, Citi NA, IFC, ADB, ITFC, Intesa Sanpaolo Bank, RAK Bank, Qatar National Bank, Al Rajhi Bank Riyadh Bank, National Commercial Bank KSA, Al Ahli Bank UAE, Bank Al Khartoom etc.

Global Compliance on Correspondent Relationship:

While correspondent banking service is in place, our bank abides strictly by the Government's laws & regulations and recommendations of FATF, Wolfsberg, BIS as well. Sanctions by UN, OFAC, UK, EU and others also are strictly complied with and may require to ban transactions with the intended entity and exit the RMA with the correspondents.

Transaction monitoring process has been integrated with CBS to trigger suspicious transactions Surveillance of PEPs and Negative Media is also in place for global compliance of IBBL. Moreover, internal training programs to cope with updated compliance issues are continuing among officials concerned.

Sibos conference 2021, a premier financial services event in the world

SIBOS (SWIFT International Banking Operations Seminar) is a premier event for the financial industry across the globe. More than 22000 registered delegates from different countries of the world participated in four daylong event from 11 to 14 October 2021. The forum is dedicated for discussion and collaboration in the areas of payment, securities, Fintech, FX Trade and relationship. Honourable Managing

Director & CEO of the Bank, Executive Vice President & of International Services

Wing (ISW) and Senior Vice President & Head of Financial Division

(FID) participated in the Mega Event Virtually

Foreign Remittance Services Division (FRSD)

At present more than 12 million Bangladeshi expatriates are working abroad. Bangladesh is the largest Foreign Remittance earning country of the world. Foreign remittance plays a pivotal economic growth of Bangladesh, creates income opportunities, provides better living condition facilitates infrastructural development. There is empirical evidence that remittances go economic growth, consumption, savings, and investment. According to a recent study of the World Bank, Foreign Remittance has helped to reduce the poverty level of Bangladesh by 1.5 percentage points accounted for 6.6% of the country's gross domestic product.

Islami Bank Bangladesh limited (IBBL) always celebrates excellence and glorious Iman Bangladesh dealing with almost 28% share of country's foreign remittance IBBL has been at the top position in foreign remittance business in the country since 2007 The Foreign Remitted Services Division (FRSD) of International Services Wing has been dealing huge volume of Foreign Remittance Business with sincerity and skillful expertise hands.

Achievements of FRSD:

IBBL has sustained its top position among the commercial Banks of Bangladesh in the year 2021. It earned the ever-highest foreign remittance during covid-19 pandemic situations since May 2020 ranging from 500 to 800 million USD per month. But the trend has been declined from the month of May 2021 due to incessant increasing foreign currency demand of illegal transaction Hundi market.

It is remarkable that, country remittance of the year 2021 was USD22,076.82 million and remittance from KSA was USD.6104.18 million, which is 27.65% share of country remittance.

Country-wise IBBL Remittance:

IBBL earns foreign remittance from all around of the world. Saudi Arabia is the largest source of our remittances, followed by USA, Oman, Malaysia, Kuwait, UAE, Bahrain, Qatar, South Africa, UK, Singapore, South Korea, Jordan and Italy. In the year 2021, highest remittance received from the KSA, which is 34% of our total remittance.

Top 10 Remittance Performing Branches of IBBL in 2021

(Amount in Million BDT) Top performing branches of IBBL have achieved a remarkable as well as amazing growth in the year 2021 in comparison to previous years.

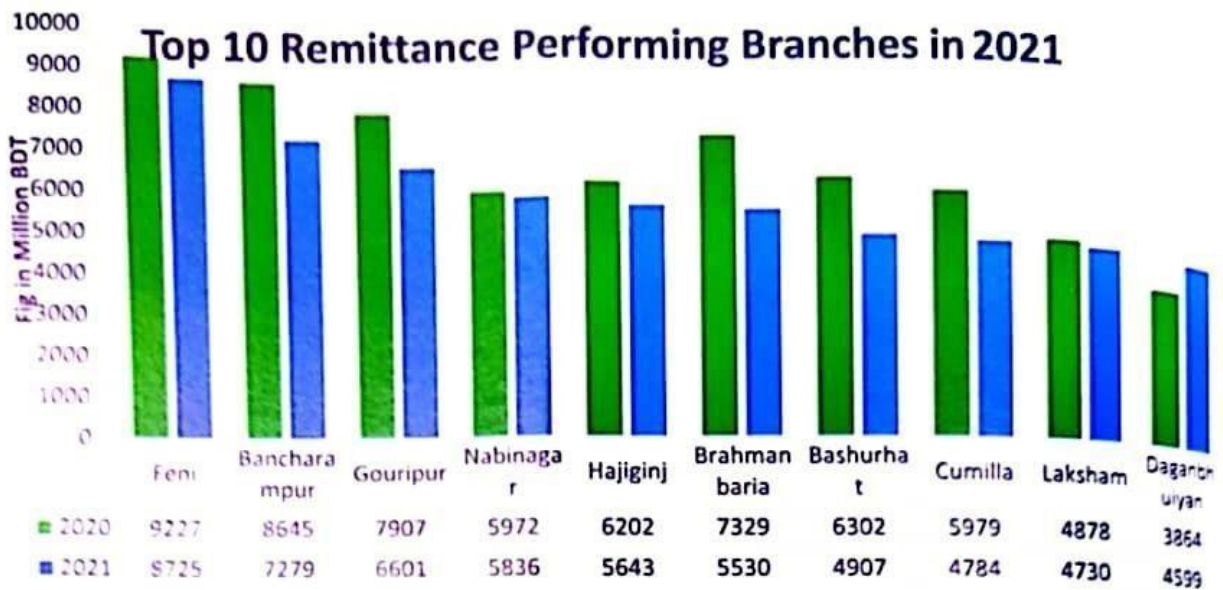
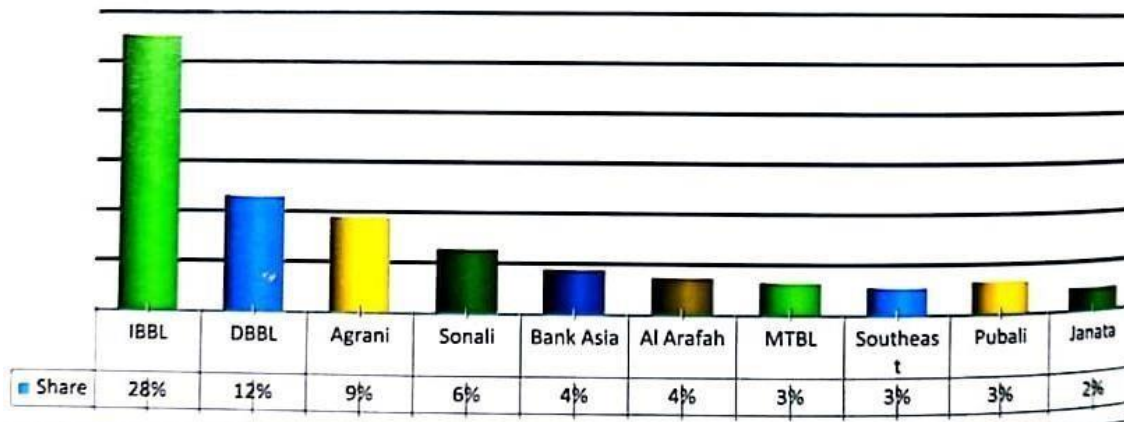


Fig: Top Ten Remittance Handling Branches of IBBL

Top 10 Remittance Handling Banks of Bangladesh for the year 2021:

Despite of pandemic situation, IBBL have completed the year 2021 with almost 28% share of country remittance. Second highest is the DBBL having share of 12% and third highest is the Agrani Bank having 9% share of country remittance.

Top 10 Remittance Handling Banks in Bangladesh



Efforts taken from the FRSD to sustain the status:

It have passed another one year, 2021 with huge challenge and troubles. The year was much complicated due to worldwide Covid-19 pandemic distresses. Despite the covid-19 frightening surroundings, It have tried our best to keep in touch with the foreign banks and exchange houses for 24 hours. It have come up with different actions touching the ultimate goal of IBBL. It have p described below some efforts has been taken from the FRSD as to sustain the status of IBBL:

- FRSD implemented 24/7 service through roster duty to ensure real time transactions.
- FRSD was always in touch with the foreign Banks and exchange houses.
- FRSD has provided highest possible service to the agent banking outlets.

- Considering the sincerity of IBBL, the Foreign Banks and exchange houses routed huge remittance through us during the pandemic period, which they did earlier with other banks.
- A remarkable number of new savings accounts have been opened with the agent banking outlets due to easy and early crediting of foreign remittance.
- It have opened 36,000 new foreign expatriate's accounts centrally by FRSD sent from around the world, which is almost 15,000 higher than previous year with 70% growth.
- VISA to VISA remittance arrangement has been introduced to ensure remittance easily from abroad.
- Remittance through Mobile Financial Services (MFS) has been introduced through Cellfin and It ar getting a good response from the market.
- It are urging the Banks/exchange houses everyday to place highest possible fund at IBBL.
- FRSD is trying the best to introduce API with the exchange houses are yet to API system.

Strategic Plan of FRSD for the year 2022:

- To earn USD 7,000 million (BDT.600,000 million) foreign remittances in the year 2022
- To open 50,000 expatriates accounts centrally from FRSD on behalf of the branches.
- To earn operating profit of Tk.300 million.

Continue the service 24/7 for uninterrupted customer service to the wageearners.

- Effective marketing efforts for VISA to VISA remittance arrangement and remittance through "Cellfin".

- Introduction of award to the Top Ten Remittance Clients of IBBL.
- Service Fortnight and International Migrants Day will be observed to build up awareness amongst the remittance beneficiaries.
- Compilation of a database for all the wage earners' remittance sender and beneficiaries. IBBL Remittance Award 2022 may be given to the best performing Zones, Branches and Officials.
- Visit to the foreign Bank and Exchange Houses to be ensured to keep up the relationship development as well as remittance marketing.

Key Performance of 2021

Guidelines for the Branches:

- Some Remittances are paid from the branches with fake NID, inputting wrong data/information of the beneficiary. For this reason some branches meanwhile suspended by the Exchange Houses and threatened to discontinue business with IBBL on the data mismatch issues. Branches are earnestly requested to take the issue very sincerely with topmost care.
- It is to be taken sincerely and draw attention to the remittance desk officials that no spot cash remittance be paid without pullout from the concerned exchange house websites.

To compile a database for all remittance beneficiaries and be forwarded to the FRSD.

- Frequent change of Remittance desk officials should not be made.
- Uninterrupted remittance services to the agent banking outlets to be ensured.

- In Saturdays, agent banking remittance service to be ensured through nearest AD Branches following the instruction from Agent and Booth Banking Division (ABBD).
- No remittance client should be returned on any ground without contact with the FRSD.

Overseas Banking Division

Overseas Banking Division (OBD) is considered as the focal point of Foreign Remittance Business in IBBL. The division is entrusted forestablishing relationship with correspondents at home and abroad, remittance arrangement, remittance marketing and deputation of representatives to banks/exchange houses. OBD has remittance arrangement with 151 (One Hundred Fifty One) Banks/Exchange Houses across the globe. The Division is constantly fine-tuning its remittance business strategies to meet the Bank's evolving needs of foreign exchange business. The OBD team is committed to expanding the remittance network of the Bank by adopting the bank's principles on a continuing basis, fostering professionalism of divisional staffs, and interacting with other divisions to reach the goals in a seamless manner in response to changing global market and regulatory landscapes. Even though year 2021 was arduous globally for wageearner remittance, IBBL recorded substantial business, fueled by the realization of our strategic goals and intense customer interaction efforts.

Discovering remittance arrangements across the globe:

In spite of the continuous global epidemic, It made sincere attempts to strengthen our existing contact with the Exchange Houses/Banks in many countries by conducting punctual and well organized correspondence. Despite the terrible impacts of the pandemic, IBBL has formed remittance agreements with 09 (Nine) new banks/exchange houses around the world, including a new dimension in the line of drawing arrangement in Japan in 2021. The total number of IBBL remittance partnering banks/exchange houses is currently 151.

The division enthusiastically explores new exchange houses/banks in the remittance prone countries and approaches them with "terms and conditions of Central Bank" and get in touch with them for establishment of remittance drawing arrangement. The division is also maintaining close relationship with regulatory bodies (Central Bank, Foreign Embassies & Other Govt. Agencies) and attained queries of Central Bank relating to the Bank/Exchange Houses remittance arrangement from time to time. The division is vigorously exploring new avenues for remittance drawing arrangements in Different source countries. In 2021, the department is working towards diversification of remittance drawing arrangements in some strategic locations prioritizing new avenues like: Japan, Maldives. Lebanon and Brunei.

Over the years IBBL focus was Middle East based remittance market and a lion share our remittance business are concentrated in KSA, UAE, Oman, Qatar, Kuwait & Bahrain. Besides Malaysia, Singapore and South Africa was also in our center of attention. Since this market is getting fiercer and more intense, we've upgraded our strategic plan to put more emphasis on Europe and North America, where almost all highly skilled Bangladeshis are moved and they send a substantial amount of remittance.

Besides It is reviewing our competitor's remittance arrangements. From the data it is evident that It have the highest number of remittance drawing arrangements across the globe. It have started communication with those exchange houses with which other Bangladeshi banks already established arrangements. This strategy will further increase the total number of remittance arrangements of IBBL around the world. It is also our continuing communication with Foreign Exchange Houses to establish

Relentless remittance mobilization endeavor of IBBL Representatives deputed abroad

The division is actively focusing on effective marketing initiatives with different remittance partners to boost up more remittance of the Bank. Besides it is continually engaged to direct and coordinate activities related to the deputation of representatives, evaluation of the performance and providing them all supports during their stay in abroad as per deputation policy of the bank. The division is also responsible for effective marketing arrangement of different events to boost up more remittance business for the Bank. Our Bank representatives have to serve in the concerned exchange houses in office time. In holidays and after working hours they visit different shops, villas, markets and labor camps to meet expatriate Bangladeshi workers and motivate them to open bank accounts with IBBL. The Division is exploring different avenues around the globe for deputing new bank representatives to apprehend more remittance business from source countries through continuous pursuing on regular hosts. Active communication is ongoing with different exchange houses in different strategic locations around the globe. They regularly report to overseas banking division about their monthly marketing activities. Currently 18 (Eighteen) Bank representatives are in deputation with different exchange houses & Banks in UAE, KSA, Oman & Singapore. They are putting their best efforts for opening new bank accounts from foreign countries despite strict lockdown placed in some countries. New account opening performance in 2021 by Bank representatives are as follows:



Strategic Action Plan for the year 2022:

- It is looking forward to establish 10-15 new remittance drawing arrangements in the next year in different geographic locations especially in Europe & North America
- It is trying to depute 15(Fifteen) new representatives with in 2022
- It is planning to organize remittance awareness program in some selected Branches located to remittances prone areas with remittance beneficiaries to gear up remittance flow through banking channel and this will motivate our Branch employees to improve service quality. Since remittance marketing is getting highly competitive.
- Visit to remittance source countries by our top management is much helpful to boost confidence if pandemic situation gets better, It will organize visit of our top management in remittance ng Bangladeshi expatriates and it revitalizes relationship with exchange houses. It anticipate. source countries for remittance marketing.
- keep in touch with the office of the foreign exchange house on a regular basis. For business development, It is focused on strengthening our current relationship through regular It will conduct EDD (Enhanced Due Diligence) for correspondent Banks and Foreign Exchange personal visits, greetings, and gifts on special occasions.
- It will arrange virtual meeting with Foreign Exchange Houses & Banks for escalating business Houses as necessary to minimize AML risks.
- It is planning to work with our remittance partners to launch some joint marketing campaign on regular basis. to boost up remittance business.

Chapter 04: Recommendation & Findings

Findings:

- Most of the people have no proper knowledge about the activities of Islamic Banking which hampers remittance, investment etc. service of IBBL. Islami money market is not available that is why money transaction is difficult for the interest free banking system, remittance etc.
- There is no Shariah Board in Bangladesh for foreign exchange business which can guide them in their activities.
- Some employees' attitude towards customers is not satisfactory.
- In terms of foreign exchange operation there software is not up to mark.
- Numbers of employees are fewer than the volume of works which creates obstruction of service.
- Due to heavy work load employees cannot estimate foreign exchange rate properly which cause future trouble.
- Total remittance banking is not significantly growing which create challenge for the bank.
- The process of opening the LC is not so easy, it takes time and money as well.
- IBBL does not use the share mode of investment.

Recommendation: Almost everything has some problem and lacking ; IBBL is not an exception here. By staying roughly two months on the job training, I have some suggestion and recommendations for IBBL.

- IBBL can develop automated service for foreign trade
- Train and develop employees for quality customer service to satisfy customer.
- Ensure Strong monitoring about remittance activities.
- Focus on technology, move to paperless work.
- Increasing number of employees
- Develop automated service for remittance, foreign trade etc.
- Ensure compliance of Bangladesh Bank guideline.
- Expand remittance service activities in all over branches.
- Focusing on customer friendly process for remittance, LC, foreign trade etc.
- Extend branches as much as need.
- Use share mode of investment.
- Design seamless operation communication.
- Invest on research and market survey.
- Utilize customer's feedback.

Chapter 05: Conclusion

Conclusion

Foreign Exchange business is an important part for commercial banks and so commercial banks treats this section carefully. IBBL has SWIFT facilities and can provide Foreign Exchange services efficiently and quickly. No country is sufficient enough to meet its need and to Import and Export foreign exchange/remittance is very important. Delay in opening LC suffers a country's consumers most. And Inward Foreign Remittance has great contribution in our economy and in people's livelihood. IBBL plays a vital role in all this three sectors. As a Shariah based Bank, meeting the present day International business need of the customers in a competitive environment has been and is still a challenge for Islami Bank. From the very inception in the early eighties, Islami bank has covered good grounds. And, foreign exchange business has now become one of the most important portfolio of the bank in respect of volume of fund deployed, generation of return for the bank as well as maintaining the high image of the bank at home and abroad. IBBL is and will remain in first position, I hope, in Import, Export and Inward Foreign Remittance in Bangladesh as well to achieve its mission to spread the Islamic Banking throughout the world economy system.

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Correspondent Banking, Global Relationship and Remittance Business Connecting global borders for sustainable International Trade

Miftah Uddin Executive Vice President

International Services Wing

Others –

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