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ফার্স্ট সিকিউরিটি  
ব্যাংক লিঃ  
ফার্স্ট সিকিউরিটি

Internship Report on

Foreign Exchange Operation and Performance of First Security Islami Bank Limited

-A Study on Dhanmondi Branch, Dhaka



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ফার্স্ট সিকিউরিটি ইসলামী বন্ধ লিমিটেড

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ID: 213-14-3383

Program: MBA

Major: Accounting; Batch: 60<sup>th</sup>

Department of Business Administration

Faculty of Business & Entrepreneurship

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## **Internship Report**

**On**

**Foreign Exchange Operation and Performance of First Security Islami Bank  
Limited -A Study on Dhanmondi Branch, Dhaka**

### **Submitted To:**

Md. Arif Hassan

Assistant Professor

Department of Business Administration  
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Batch: 60<sup>th</sup>

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Date of Submission: 18 July 2023

## Letter of Transmittal

Date: 18 July 2023

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

**Subject: Submission of Internship Report on “Foreign Exchange Operation and Performance of First Security Islami Bank Limited’**

It is of great honor and delight to me to show you my internship report prepared as a part of the internship program. I tried to gather information to make my internship report specific and coherent through my internship and using necessary data from relevant sources. I have analyzed every inch and out about factors that influence the report “Foreign Exchange Operation and Performance of first Security Islamic Bank Limited.”

I tried my best to produce practical and applicable preparation so that it would be successful and meet your expectations. If more information or clarity is required, I'm willing to provide it. I sincerely hope this report will fulfill the requirement.

Thank you,

Your regards

*Asaduzzaman*

.....

Md. Asaduzzaman Naeem

ID No: 213-14-3383

Batch: 60<sup>th</sup>

Program: MBA (Major in Accounting)

Department of Business Administration

Daffodil International University



ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিঃ

ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিমিটেড FIRST SECURITY ISLAMI BANK LTD

## INTERNSHIP CERTIFICATE

*This is to certify that*

**MD. ASADUZZAMAN NAEEM**

*A student of Master of Business Administration, Daffodil International University has successfully completed 03 (Three) months long Internship Program conducted at our Dhanmondi Branch, Dhaka during the period from 27.10.2022 to 26.01.2023.*

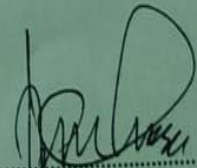
*We wish every success in his life.*



*Official Seal*

*Human Resources Division, FSIBL, HO.*

*DATE OF ISSUE: 09-Feb-23 10:01 AM*

  
*(Kazi Motaher Hossain)*  
*EVP & Head of, HRD.*

## Letter of Acceptance

It gives me great pleasure to attest that the internship report on "Foreign Exchange Operation and Performance of First Security Islami Bank Limited (FSIBL): A study on Dhanmondi Branch" written by Md. Asaduzzaman Naeem and bearing ID NO: 213-14-3383 of the Department of Business Administration (Major in Accounting) is authorized for presentation and defense. Md. Asaduzzaman Naeem worked for "First Security Islami Bank Limited" as an intern under my supervision. I'm also happy to vouch for the validity of the information and conclusions in the study.

Md. Asaduzzaman Naeem has an endearing personality and high moral standards. Working with her has in fact been a wonderful pleasure. I hope he has a successful future.



.....

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

## Declaration of Student

I hereby solemnly certify that the work submitted for this internship report, "Foreign Exchange Operation and Performance of First Security Islami Bank Limited (FSIBL)", is accurate. I conducted a study on the Dhanmondi branch; it hasn't been before submitted to a university for an academic certificate.

I further undertake to indemnify the development compare from breach of the foregoing obligations.

*Asaduzzaman*

.....

Md. Asaduzzaman Naeem

ID No: 213-14-3383

MBA Program

Major In Accounting

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

## Acknowledgement

I want to start by expressing my gratitude to Almighty Allah for giving me the opportunity to complete the internship program. It gives me great pleasure to take this opportunity to thank my honorable supervisor, Assistant Professor Md. Arif Hassan Department of Business Administration, Daffodil International University, for her unwavering leadership, superb cooperation, and encouragement, without which this work would not be possible. I would like to publicly thank First Security Islami Bank Limited for providing me with the opportunity and appointment for the internship program I recently completed.

Without the necessary hands-on experience, the help of numerous books, articles, websites, primary data, and secondary data, this internship report might not have been finished. It improved my knowledge of both banking operations and foreign exchange activities. Many thanks to everyone who has helped me out by working with me or sending me books or articles. For his guidance, cooperation, and oversight, I would especially want to thank my boss Shihab Raihan Kabir CDCS, SAVP & Manager of Operations.

I worked for the last three months working at the first security islami bank ltd., dhanmondi branch. As an intern, I had the chance to do a variety of activities in the general banking department and the foreign currency operation, which widened my perspective on the operations of the Dhanmondi branch of First Security Islamic Bank Ltd. Throughout this time.

At the conclusion of this synopsis, I would like to once more express my gratitude to Manager Sir Mustafizur Rahman (SAVP) and Mustafa Faisal Hyder (AVP), in charge of general banking operations, Mamunur Rashid (AVP), Md. Maksudur Rahman (FAVP), Ishrat Jahan Senior Officer, and my entire team at First Security Islami Bank Limited, Dhanmondi branch, for giving me all the advice and support I need. In addition, I want to thank every employee of First Security Islamic Bank Ltd. as well as my family and friends for helping me out at various stages of my internship.

## Executive Summery

This report was created in order to fulfill a requirement for the MBA program at Daffodil International University Business Administration Department. This report focuses on three months of work experiences in the foreign trade departments of First Security Islamic Bank Limited in order to analyze the foreign exchange operation and performance of First Security Islamic Bank Limited and pinpoint any issues with it. There are five chapters in this report. Introduction to the study, its objectives, its goals, its methodology, and its limitations are all included in the first chapter.

First Security Islami Bank Limited is profiled in the second chapter, which focuses on the study's historical context, vision, mission, and products and services.

The third chapter provides a thorough explanation of the foreign exchange department's three primary duties. It includes LC operations, import and export processes, overseas remittances, as well as inbound and outbound remittances.

The focus of the research is the fourth chapter. A thorough analysis has been done of first security islami bank ltd.'s foreign exchange operations. First Security Islamic Bank's performance is compared to its Dhanmondi branch, and some conclusions are drawn based on that performance. It is clear that First Security Islamic Bank Dhanmondi branch performs admirably in some circumstances and less admirably in others.

In the fifth chapter, which concludes the study, some recommendations, conclusions, and references are provided. These will aid in a thorough comprehension of the report. In essence, this report covers all the information that is required and practical to understand the performance of first security islami bank limited foreign exchange operations.



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## *CHAPTER*

## *ONE*

## *INTRODUCTION*

## 1.1 Introduction

"First Security Islami Bank Limited (FSIBL)" is one of the pioneers of our nation's modern, progressive Islamic banking system, which is founded on the Sharia'h. It is an entirely shariah-compliant bank that abides by all Islamic laws and guidelines. On October 25, 1999, First Security Islami Bank Ltd. was established. On January 1st, 2009, our bank's board of directors and management decided to convert it to a fully operational Islami bank after taking into account public demand and providing justification for their smart decision.

"First Security Islami Bank Limited (FSIBL)" is assiduously striving to create a long-term strategy plan to continue dynamic expansion while realizing the changing habits of all types of clients and to become the benchmark of advancement in our nation's banking industry. It offers convenient access to a wide range of consumers across the nation through a variety of delivery channels, including branches, sub-branch locations, agent banking outlets, ATM booths located all over the country, and applications. Internet banking and mobile financial services are based on the "FSIBL Cloud".

The mission of "First Security Islami Bank Limited (FSIBL)" is to create long-term shareholder value while offering the best possible customer service. The bank has a long history of making significant contributions to Bangladesh's financial sector during a two-decade period.

First Security Islami Bank Limited has nine zone offices, 204 branches, 229 ATMs, 160 sub-branch locations, 85 agent banking sites, and 27 collection booths.

## 1.2 Origin of the Study

The completion of the Masters of Business Administration (MBA) course program at Daffodil International University necessitates the submission of the internship report. I was given a position at First Security Islami Bank Limited for this internship thanks to the university's approval. The academic supervisor, Md. Arif Hassan, chose the subject for this internship report to be "Foreign Exchange Operation and Performance of First Security Islami Bank Ltd." I created this report under the necessary supervision of my academic advisor and organizational supervisors. Just speculative information in the area of banking examinations is insufficient to

exhibit a brilliant banker. A scholarly course of study has great value when it has real-world applicability, given the circumstances. Thus, when I drew in myself in my practical life scenario, I needed the proper application to acquire some profit from my hypothetical information to make it more careful. Through internships, all applications of this nature are made possible. My internal supervisor gave me the assignment to produce this internship report, and she helped me with it.

### 1.3 Objectives of the Study

This report's main goal is to examine First Security Islami Bank Limited's foreign exchange operations. According to the study's overall goal, the specific goal may be stated as follows:

- To learn more about first security islami bank limited foreign exchange operations and performance.
- To evaluate first security islami bank limited import, export, and remittance performances.
- To determine different problems with First Security Islami Bank Limited's performance and foreign exchange operations.
- To offer some recommendations in light of findings.

### 1.4 Scope of the Study

One of the alleged private islami banks in Bangladesh is called First Security Islami Bank Limited. Given that this report has secured the general financial exercises, the scope of the assessment is quite broad. The study discusses the bank's founding, capabilities, and generally the unusual trade arrangement. The investigation's scope is limited to being familiar with FSIBL's unusual trading environment.

### 1.5 Methodology

This report was developed using the knowledge gained while holding an entry-level position. For putting together this study, I also gathered information from the First Security Islami Bank Limited's website and annual report. I have used a variety of diagrams and tables to illustrate my experience and findings. Things are covered in the exam portion?

The following list contains the work plan's specifics:

➤ **Data collection method**

Important data for this research was mostly acquired through direct review of several records and papers. Reports on working practices and a diverse workforce. No systematic survey has been used. Through counseling and conversations with bank employees, information regarding office activities of the bank has been acquired.

➤ **Data sources method**

To complete this examination, information from both required and optional sources was used. Below, these two sources are explained:

**1.5.1 Primary Sources:**

- Direct communication with bank personnel and executives.
- Having a conversation with the clients.

**1.5.2 Secondary Sources:**

- First Security Islami Bank Limited's annual report.
- Unreleased details.
- Various course readings.
- The First Security Islami Bank Limited's many manuals.
- A variety of First Security Islami Bank Limited books.

**1.6 Limitation of the Study**

During the course of my temporary employment, I have come across a few roadblocks to doing the work efficiently and quickly. This is referred to as below. This is referred to as below. The following obstacles were obvious when building up this report:

- I don't have enough time to concentrate on the entire exam and learn all of the branch's exercises.
- Bankers required a better opportunity to provide information because they were so busy working.

- There isn't a lot of information available on the FSIBL website.
- Although the primary objective of a temporary job program is to observe the bank's capabilities, the period allotted was only three months, which is insufficient to even consider learning the fundamentals of banking.
- There is a limited possibility to visit more than one branch, and not all necessary information is available in one location of the bank.
- Lack of experience writing reports for entry-level jobs.
- Regardless, ignoring this, the report will help us comprehend the bank's foreign exchange divisions.





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## ***CHAPTER***

## ***TWO***

## ***OVERVIEW OF THE ORGANIZATIONS***

## 2.1 Corporate Information

FSIBL Corporate Profile	
The company's name	First Security Islami Bank Ltd.
Chairman	Mr. Mohammed Saiful Alam
Vice Chairman	Mr. Mohammed Abdul Maleque
Managing Director	Mr. Syed Waseque Md. Ali
Company Secretary	Mr. Oli Kamal FCS
Legal Status	Public Limited Company
Incorporation Date	29 August 1999
Beginning of Business Date	29 August 1999
Date of receiving a license from the Bangladesh Bank	22 September 1999
Date of First Branch's Opening	25 October 1999
Head Office	Rangs RD Center, Block: SE (F), Plot:03, Gulshan Avenue, Gulshan-1, Dhaka-1212
Registered Office	23, Dilkusha C/A, Dhaka-1000, Bangladesh
Line of Business	Banking
Authorized Capital	Tk.30,000 Million
Paid up Capital	Tk.10,460.08 Million
Date of consent for IPO	June 04, 2008
Phone	+88 02 55045700 (Hunting), 8432614-8432625 (ICT Division).
Fax	880-02-55045699
E-mail	info@fsibld.com
SWIFT Code	FSEBDDH

## 2.2 Mission of the First Security Islami Bank Ltd.

1. To support the nation's socioeconomic development.
2. To reach the maximum possible degree of satisfaction through the provision of services by motivated and devoted experts.
3. To continue expanding market share while maintaining quality.
4. To guarantee integrity and openness at all levels.
5. To guarantee long-term expansion, demonstrate the full value of the respectable shareholders, and, most importantly, make a significant contribution to the national economy.

## 2.3 Vision of the First Security Islami Bank Ltd.

Being the leading financial institution in the nation based on "Islamic Sharia'h" through the delivery of excellent banking services, high-quality products, and services, all supported by cutting-edge technology.

## 2.4 Strategies

1. Employing, maintaining, and continuously improving locally competent staff members who can deliver banking services and manage operational risks in accordance with industry best practices. Encouraging employees to advance inside the bank by using the equal opportunity employment principle.
2. Creating a plan for managerial succession and implementing technical advancements would help an Islamic bank grow into a reliable financial organization.
3. Increasing our customers' trust and relationship while maintaining a constant focus on offering dependable, high-quality customer service. Achieving financial strength and growth, including increased market share, and producing money for our shareholders.

## 2.5 Management & Head of Divisions

Chairman
Vice Chairman
Chief Advisor
Managing Director
Senior Executive
Vice President
Executive Vice President
Senior Vice President
Senior Assistant Vice President
Assistant Vice President
Junior Assistant Vice President
Senior Executive Officer
Executive Officer
First Executive Officer
Officer

**Figure 1: Management organ diagram of first security islami bank limited.**

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 FIRST SECURITY ISLAMIC BANK LTD.

**ORGANOGRAM OF DHANMONDI BRANCH**

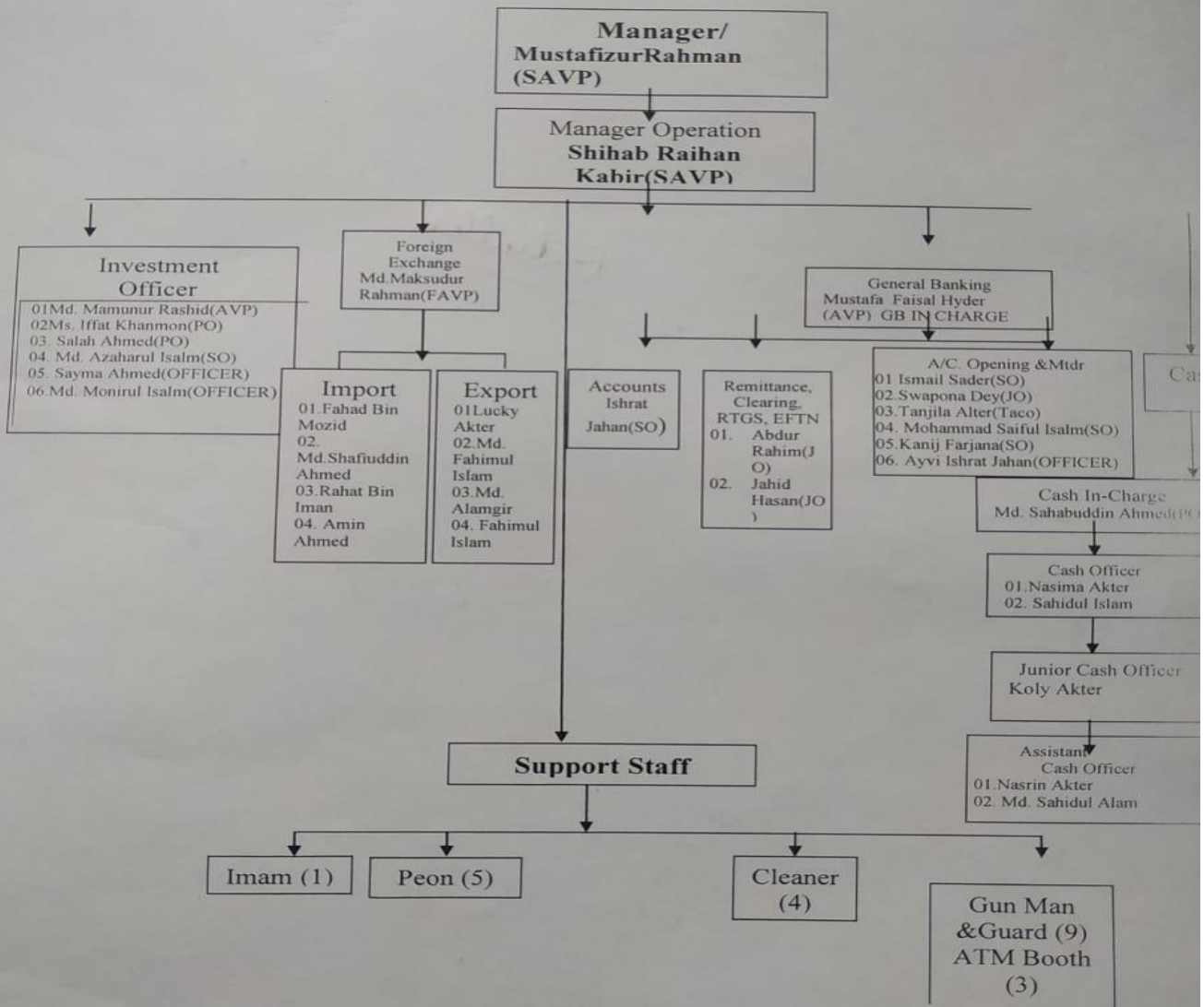


Figure 2: Organogram of Dhanmondi Branch



## ***CHAPTER***

## ***THREE***

## ***FOREIGN EXCHANGE ACTIVITIES***

### 3.1 Foreign Exchange

An essential part of commercial banking is foreign exchange. A legal framework for regulating receipts and payments, as well as trading in foreign exchange and securities, is provided by the Foreign Exchange Regulation (FER) Act, 1974, which was passed on March 11, 1947, in British-India. Basic guidelines for carrying out Foreign Exchange Operations are provided by the government and Bangladesh Bank in the form of announcements, circulars, and other papers. Authorized Foreign Exchange Dealers are required to regularly follow the guidelines and circulars issued by the Bangladesh Bank.

When a country exchanges money for goods, this is known as foreign exchange, and it covers all deposits, credits, balances payable, drafts, T. C.s, bills of exchange, L/Cs, and other financial instruments. The exchange control laws of the Bangladesh Bank apply to all foreign exchange transactions in that country. The Foreign Exchange department at First Security Islami Bank Ltd. is among its most crucial divisions.

### 3.2 Foreign Exchange Transactions

- Spot
- Forward Transaction
- Swap
- Futures
- Option

### 3.3 Letter of Credit

**Definition:** A letter of credit is essentially a bank's assurance that a specific seller will get paid by a specific buyer. The bank promises that the seller will get a specific sum of money within a specific time frame. The bank will place stringent requirements in exchange for ensuring the payment. It will wish to accept particular documents as proof, such a shipping confirmation.

1. A letter of credit's components.
2. A bank (issuing bank) pays a payment undertaking.
3. On behalf of the application, a buyer.
4. To compensate a seller (beneficiary) with a specified sum of money.

5. Upon presentation of specific documents attesting to the product's delivery.
6. Meets due dates.
7. The requirements outlined in the letter of credit must be followed by the documents.
8. A specified location must be used to present documents.

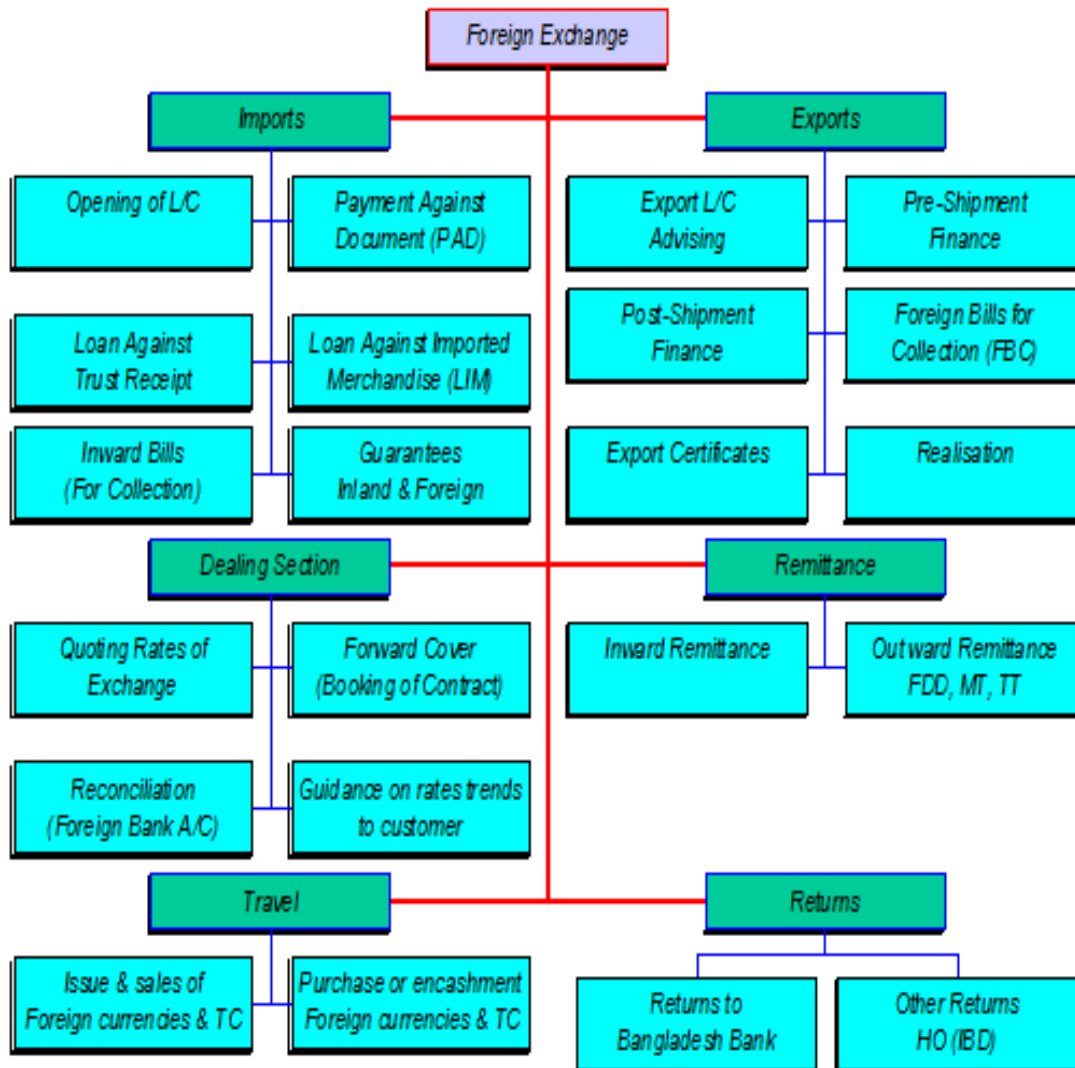


Figure 3: Foreign Exchange



### 3.4 Types of Letter of Credit

Different kinds of documented Letters of Credit exist, including:

- Revolving L/C
- Irrevocable L/C
- Confirmed Irrevocable L/C
- Revolving L/C
- Back-to-Bank L/C
- Transferable L/C
- Red Clause L/C
- Green Clause L/C
- Stand by L/C
- Performance L/C

### 3.5 Foreign Exchange Procedure (Import)

The topic of foreign exchange transactions (Import) is described in Belo. Import and export processes are quite similar to one another.

### 3.6 Opening of Letter of Credit

The importer must first get in touch with the foreign seller to request a Performa invoice before they may create a letter of credit (import). Usually, the local agent for the seller or the overseas representative for the buyer handles these discussions. The importer enters into a sales agreement with specifics regarding the import terms when he receives the performance invoice. The importer next submits an application to open a letter of credit and gives the bank the required paperwork. The following conditions must be met by the importing bank before a letter of credit can be opened.

- The IRC (Indenters Registration Certificate) is required for applicants.
- Summarize previous presentations to a different bank. These reports are obtained by the bank from the central bank.
- The Central Bank's CIB (Credit Information Bureau) report.

- A suggestion was accepted at a meeting of the bank's executive committee. Only in cases when there is no limit or a low L/C level is this necessary.
- Central permission is required if the L/C amount is too big or there is a limit.
- A bank is necessary. This approval is typically needed for several cores.

A bank also can open two types of L/Cs (Export)

**a. Back-to-Back L/C**

**b. Export L/C**

**a. Back-to-Back:**

A new letter of credit is opened based on the first letter of credit (export letter of credit) in the case of a "back-to-back" letter of credit. In a "back-to-back" arrangement, the seller receives the first letter of credit and offers the consultant bank a "guarantee" in exchange for the second letter of credit's issue. Consecutive letter of credit beneficiaries may be found inside or outside the original beneficiary's nation. The bank does not take cash as security for further letters of credit (no margin). First letter of credit pledged to the bank. The invoice issued is a usage/hour invoice for a series of letters of credit.

The following documents must be presented to the bank in order to open a continuous letter of credit:

1. Master L/C.
2. A valid export registration certificate and an import registration certificate
3. Completed and properly signed L/C application and LCAF.
4. Create an invoice.
5. An insurance cover note with a payment receipt.
6. A completed IMP form.

Payment for back-to-back L/C

Late payment is made in the case of back-to-back L/Cs with maturities of 30-60-90-120-180-360 days. Payment is paid following the capture of export revenues from the bank issuing the L/C. The maximum time frame for the clothing industry is 180 days.

#### **b. Export L/C:**

Before and after shipping, exporters must complete a lot of paperwork. The calculation for this formality or procedure is as follows:-

##### **1. Receipt of Export Registration Certificate (ERC):**

Without being registered with the Chief Controller of Imports and Exports (CCI & E) and possessing a current Export Registration Certificate (ERC), no exporter is permitted to export any services from Bangladesh that have been granted export authorization. The relevant department of the Chief Controller of Imports and Exports issues the ERC after receiving an application from the required CCI & E and the necessary paperwork.

##### **2. Secure orders:**

The exporter can go on to obtain the export order after receiving the ERC. He can achieve this by writing to the customers personally.

##### **3. EXP Receipt:**

The exporter will need to get in touch with the buyer and then sign into an agreement for the export of exportable goods that includes information about the product, quantity, price, invoice, insurance, mark, inspection, arbitrator, etc.

##### **4. Contract Signing:**

The exporter must engage into an agreement for the export of exportable goods after getting in touch with the customer. This agreement must include information about the product, quantity, price, invoice, insurance, mark, inspection, arbitrator, etc.

### **5. Accepting Letter of Credit:**

The exporter should request a letter of credit from the purchaser after receiving a contract for sale that specifies the conditions of export and payment. You should check for the following things following receipt of the L/C:

- a. The conditions are in line with the contract.
- b. The consulting bank attests that the L/C is irrevocable.
- c. Enough time for the L/C invoice and enough time to register.

### **6. Collection of materials:**

The exporter's next responsibility is to decide who will be responsible for sourcing or producing the items specified in the contract after it has been signed and the L/C has been opened in its favor.

### **7. Endorsement on EXP:**

If the export form is accepted by the customs or postal authorities, you must collect all the copies of the bank that the bank has approved. Before transferring, presents are given to the exporter. Form using a business account. Without this exporter, he would not be able to ship even if the bank officer authenticates the EXP correctly and is satisfied. All exported items must be declared by customers on EXP forms provided by authorized dealers.

### **8. Invoice the product:**

According to the L/C's provisions, the exporter creates the invoice.

### **9. Submission of export documents for discussion:**

According to the L/C's provisions, the exporter creates the invoice. Following the invoicing, the exporter gives the bank the following documents for review.

- a. Bill of Exchange;
- b. Leading bill C

- c. Run
- d. Insurance Policy / Certificate
- e. Original testimonial
- f. Inspection certificate
- g. Consular run
- h. Packing list
- i. Certificate of quality control
- j. Picture - Sanitary Certificate.

### 3.7 Export Financing

An essential component of a bank's business is financing exports. Four stages of an exporter's export activity necessitate financial services. Depending on the details of the export agreement, exporters require different kinds of financial assistance at each stage. Banks play a significant role in completing these responsibilities and assisting merchants to carry out their business activities.

- Pre-shipment credit
- Post-shipment credit

#### 1. Pre-shipment credit:

Pre-shipment loans, as their name suggests, are given to exporters to finance their operations before the items are actually transported for export.

#### 2. Post-shipment credit:

The line of credit given to the export bank following the shipment of the products in compliance with the export documentation is referred to as this form of credit.

### 3.8 Foreign Exchange Risk Management

Foreign exchange risk is the possibility that changes in exchange rates will reduce the value of a financial institution's abroad assets and liabilities. To lower this type of risk, a solid

management system control is necessary. The front office of the bank's treasury department continues to evaluate foreign currency rates and makes efforts to reduce risk, while the back office settles and reconciles all foreign exchange transactions.

### 3.9 Section

The foreign exchange division of First Security Islamic Bank Ltd. is divided into two sections in the Main Branch:

- L/C Operation
- Foreign Remittance

### 3.10 Function of Foreign Exchange

The Bank acts as a conduit for the framework of monetary policy. For this reason, each employee of the bank who deals with foreign exchange, particularly overseas business, should be familiar with the following tasks: -

- i. Rate of exchange.
- ii. How the rate of exchange works.
- iii. Forward and spot rate.
- iv. Methods of quoting exchange rate.
- v. Premium and discount.
- vi. Risk of exchange rate.
- vii. Causes of exchange rate.
- viii. Exchange control.
- ix. Convertibility.
- x. Exchange position.
- xi. Intervention money.

- xii. Foreign exchange transaction.
- xiii. Foreign exchange trading.
- xiv. Export and import letter of credit.
- xv. Non-commercial letter of trade.
- xvi. Financing of foreign trade.
- xvii. Nature and function of foreign exchange market.

### 3.11 Documents Used in L/C Operation

The most typical forms of foreign currency documentation are:

- Bill of Exchange.
- Bill of Lading.
- Invoice for commercial use.
- Certificate of origin is a document that certifies the provenance of a product.
- Certificate of inspection.
- Packing list.
- Document of insurance.
- Indent/Pro Forma Invoice (PI).

### 3.12 Activities of Foreign Exchange Division

The Foreign Exchange Division's activities can be broadly classified into three categories:

- Export
- Import
- Remittance

### 3.13 About Export

A sort of international business transaction known as an export involves the shipment of goods made in one nation to another one for potential future sales or trade. The gross domestic product of the nation that produces these goods benefits from their sale. The export L/C operation is the opposite of the import L/C operation. The bank may serve as both an advising bank and a collecting bank (negotiable bank) for a local exporter when the exporter exports goods.

### 3.14 Procedures of Export

- Registration of Export.
- Securing Orders.
- Signing Contracts.
- Receiving Letters of Credit.
- Procuring Materials.
- Shipment of Goods.
- Submission of Documents are all things that the bank is negotiating.

### 3.15 Required Documents for Opening Letter of Credit

1. A proposal letter that includes the following information: the price of the goods, CCI and E registration, the passbook number, the LCA form that has been fully completed, signed, and sealed, the import form in its whole, the insurance policy and addendum, and the P.I. number.
2. Irrevocable LC application and agreement with TK 150 adhesive stamp.

#### Import License

- HS. Code
- TIN.
- VAT Registration.
- Indenting Certificate.



- Performa invoice – two copies (with in this it indicates –Performa bill no. & date, item, particulars, quality, quantity, rate, amount of goods, and total invoice value (E & O. E.)
- LCA (Letter of Credit Authorization) from for industrial consumer – four copies. (With in this –IRC number, total amount).
- Signature of Director of the firm and manager of IFIC Bank.
- IMP from –Four copies (by this the declaration of IFIC firm’s directors)
- Money receipts of insurance policy.
- After preparing the procedure the bank provide offer in prescribed “offering sheet”.

### 3.16 Negotiation of Export Documents under Letter of Credit

The negotiation of export documents is the most significant and popular way of export finance at the post-shipment stage. Following the delivery of the products, the exporter often presents the following paperwork to the bank for discussion:

- Bill of exchange.
- Bill of landing or air way bill.
- Certificate of origin-original copy.
- Custom invoice of importer’s country.
- Commercial invoice- eight copies within these four original copies.
- Packing list- eight copies within these four original copies.

#### Weight Certificate:

- Declaration of shipment to the insurance company
- Pre- shipment inspection certificate.
- Quality control certificate when required.
- Acknowledgement letter indicating received sample / approval letter.
- Frightful letter.
- Any other document if called for letter of credit.

### 3.17 Import Procedure:

Import refers to the purchase of goods and services by consumers, businesses, and the government of Bangladesh from distant countries. The Import and Export Act of 1950 and other administrative pamphlets from the Ministry of Trade and Industry must be followed by the shipper. It is announced the general import strategy:

- **Step 1:** The importers get IRC from the CCI & E;
- **Step 2:** The importers exchange with the seller outside the country to obtain the Performa invoice from him or his agent in the country.
- **Step 3:** If the importer receives the indent /pro-forma invoice, he makes an agreement with the seller detailing the term and conditions of the import.
- **Step 4:** Importer opens L/C in the bank in service of the seller and offers to take necessary steps regarding the L/C.
- **Step 5:** The distributing bank must ask another bank to advice it to the seller.
- **Step 6:** The advising bank advises for L/C to the seller.
- **Step 7:** After issuing bank accepts the documents and reimburses the payment by his reimbursing bank provided that the delivered documents which are according to the L/C and there is no discrepancy.
- **Step 8:** The importers accumulate the documents the bank and release the goods.

### 3.18 Import Financing

Two categories can be used to describe import sponsorship. Those are –

1. Pre Shipment Finance
2. Post shipment Finance



### 3.19 Foreign Remittance

The bank holds a foreign exchange dealer's license. This department handles the foreign currency services that a bank is required to offer to its clients in order to qualify as an official dealer. This department is primarily in charge of sending and receiving foreign cash between nations. When it provides this remittance service, it sells and buys foreign currencies. The banker quotes a rate for both buying and selling that is used to convert one currency into another. Foreign currencies are purchased and sold in the same manner as other goods, with the buyer paying the purchase price (also known as the convention value) in the legal tender of his or her own country.

### 3.20 Remittance Procedures of Foreign Currency

#### Inward Foreign Remittance

- EXP form
- Form C

#### Outward Foreign Remittance

- IMP Form
- TM

### 3.20.1 Inward Foreign Remittance

Inward foreign remittance is the purchase of foreign currency in the form of foreign TT, DD, MT, and other bills delivered from abroad to a Bangladeshi beneficiary. One of two forms must be used to report foreign exchange purchases to the Bangladesh Bank's exchange control division:

**EXP form:** Remittances processed here are those received in return for goods exported from Bangladesh.

**Form C:** Sending inward remittances of at least BDT 469471.34 is done using this. Here, the remittance recipient specifies the goal of the fund.

### 3.20.2 Outward Foreign Remittance

Outward foreign remittances include selling foreign currency through the issuance of foreign TTs, drafts, and travelers' checks as well as selling foreign currency under a letter of credit and against a retired import bill. Foreign cash transfers made abroad fall into two categories:

**IMP Form:** All international transfers used to pay for imports.

**TM:** For all other outgoing payments.

## 3.21 Method of Remittance Collection

Three methods are used by First Security Islami Bank Limited to collect remittances.

1. Remittance can come from anyone to the exchange house with which FSIBL has an agreement. The remittance will be directly placed into the receiver's FSIBL account if they have one. If he does not have an account with this bank, then there are different procedures. The recipient bank receives a pin code from the sender bank. The receiver can obtain the remittance using this code.

2. Communication Transfer only their clients or account holders are given this service by FSIBL in this process. If the remittance arrives, it will be transferred directly into this account.

### 3.22 The Exchange Houses of FSIBL with Their Services

Through these exchange house funds come from abroad to Bangladesh:

SL	No Exchange House Name	Location	Services
1.	Western Union Money Transfer	Global	Instant Cash
2.	Money Gram Payment System	Global	Instant Cash
3.	Xpress Money Services Ltd	Global	Instant Cash & Account credit
4.	Placid NK Corporation	Global	Instant Cash
5.	Transfast Remittance LLC	Global	Instant Cash
6.	Al Ansari Exchange	UAE	Instant Cash
7.	RIA Financial Services	Europe	Instant Cash
8.	Aftab Currency Exchange Ltd	UK	Instant Cash
9.	Money Link U.K. Ltd	QATAR	Instant Cash
10.	Al Zaman Exchange	Malaysia	Instant Cash
11.	UAE Exchange Malaysia SDN. BHD	UK	Instant cash account credit
12.	Rumana Money Scrvice	Global	Instant cash & account credit
13.	FSIE, Italy S.R.L.	Global	Instant cash & account credit
14.	Merchantrade	Asia	Instant cash



## *CHAPTER*

## *FOUR*

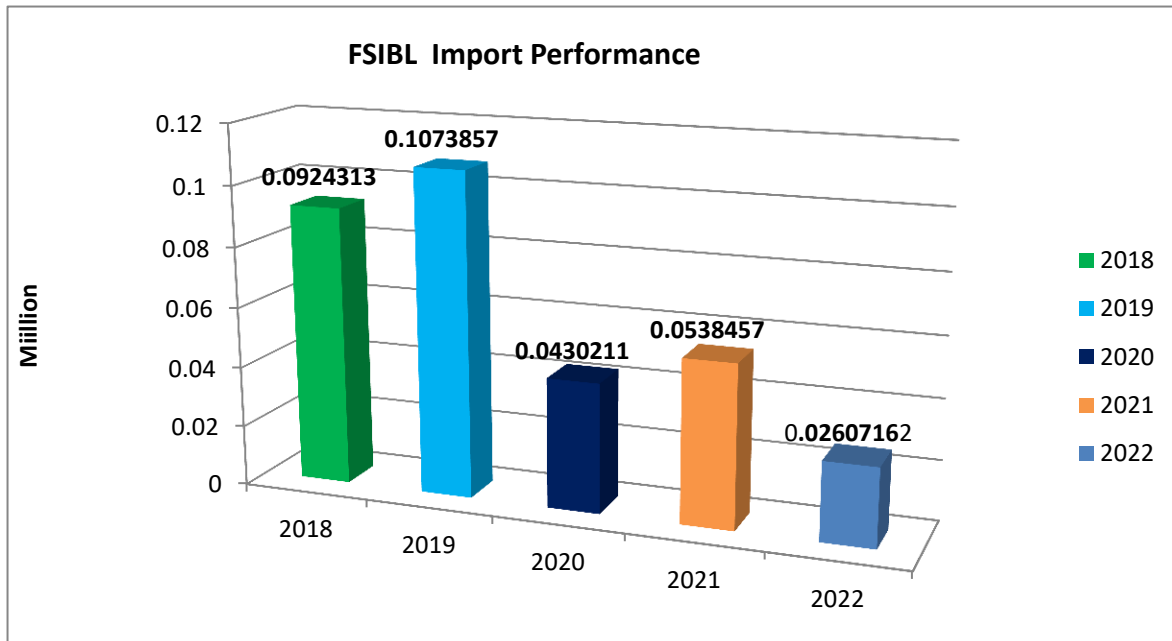
## *ANALYSIS AND FINDINGS*

## 4.1 First Security Islami Bank Ltd. Import, Export, Remittance Performance (2018-2022)

### Import Performance

(Amount in Million BDT)

Year	Total
2018	92431.30
2019	107385.70
2020	43021.10
2021	53845.70
2022	26071.62

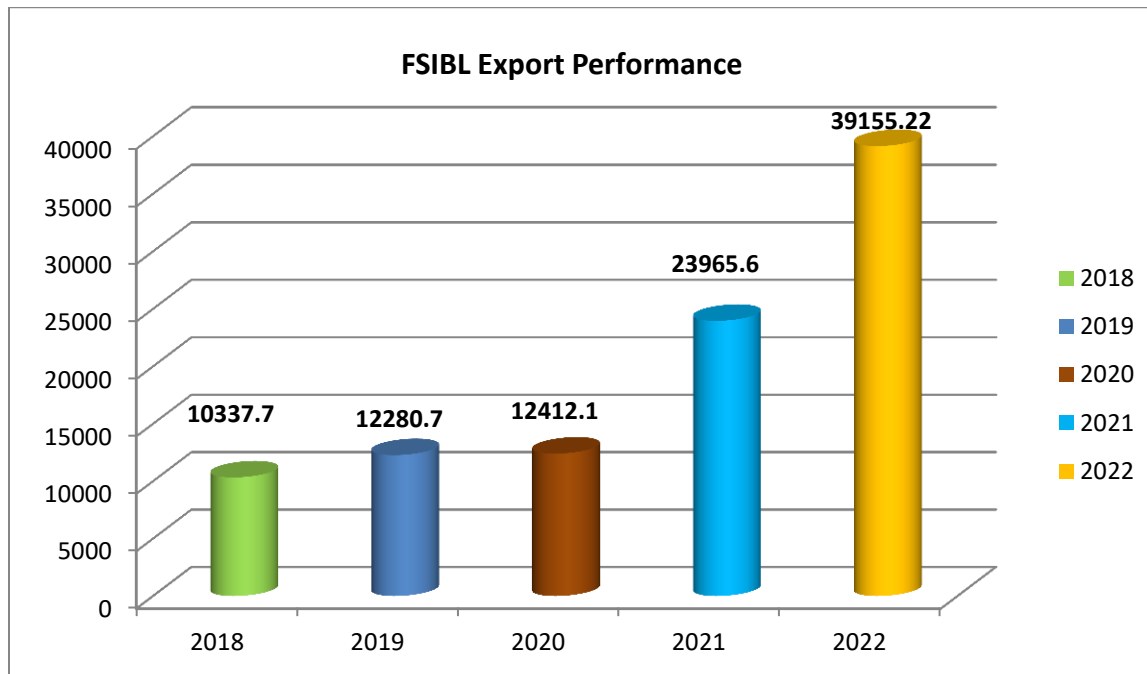


**Comment:** The total import performance of FSIBL is fluctuating every year. If we discuss the import performance of 5 years, it is shown that in the 1<sup>st</sup> year 2018, their import is Tk.92431.30 million. In the 2<sup>nd</sup> year 2019 year, it increased to Tk.107345.70 million. In the 3<sup>rd</sup> year 2020, the import decreased to Tk.43021.10 million. 4<sup>th</sup> year 2021 import increased to Tk.5345.70 million. Due to covid-19 the import of 2020-2021 year decreased a lot. 5<sup>th</sup> year 2022 import Tk. 26071.62 million. 2022 year import decreased due to global economy.

### Export Performance

(Amount in Million BDT)

Year	Total
2018	10337.70
2019	12280.70
2020	12412.10
2021	23965.60
2022	39155.22



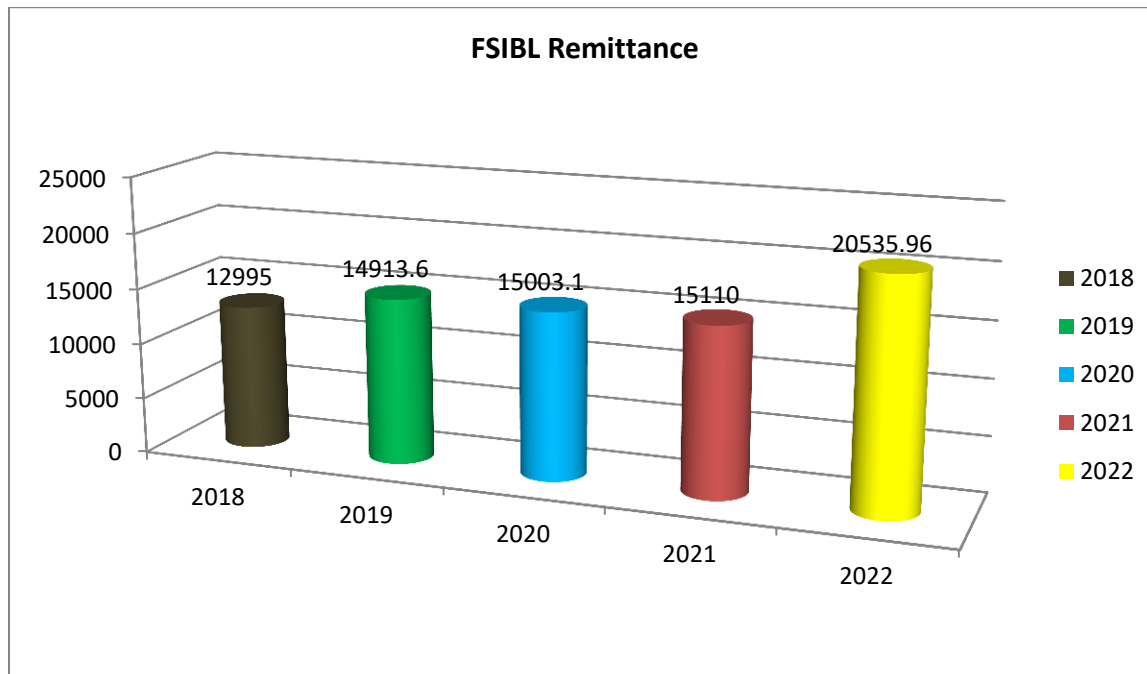
**Comment:** First Security Islami Bank Ltd. Discuss its export performance for 5 years shows that in 1<sup>st</sup> year 2018 their export is Tk.10337.70 million. 2<sup>nd</sup> year 2019 year increased to Tk.12280.70 million. 3<sup>rd</sup> year 2020 export increased to Tk.12412.10 million. 4<sup>th</sup> year 2021 export 51.79% increased to Tk.23965.60 million. In the 5th year 2022, the export increased by 61% compared to 2021 to Tk.39155.22 million. 2021, 2022 exports increased significantly compared to the previous year due to increased demand for commodities after covid-19. It plays a big role for the economy of the country.



### Remittance Performance

(Amount in Million BDT)

Year	Total
2018	12995.00
2019	14913.60
2020	15003.10
2021	15110.00
2022	20535.96



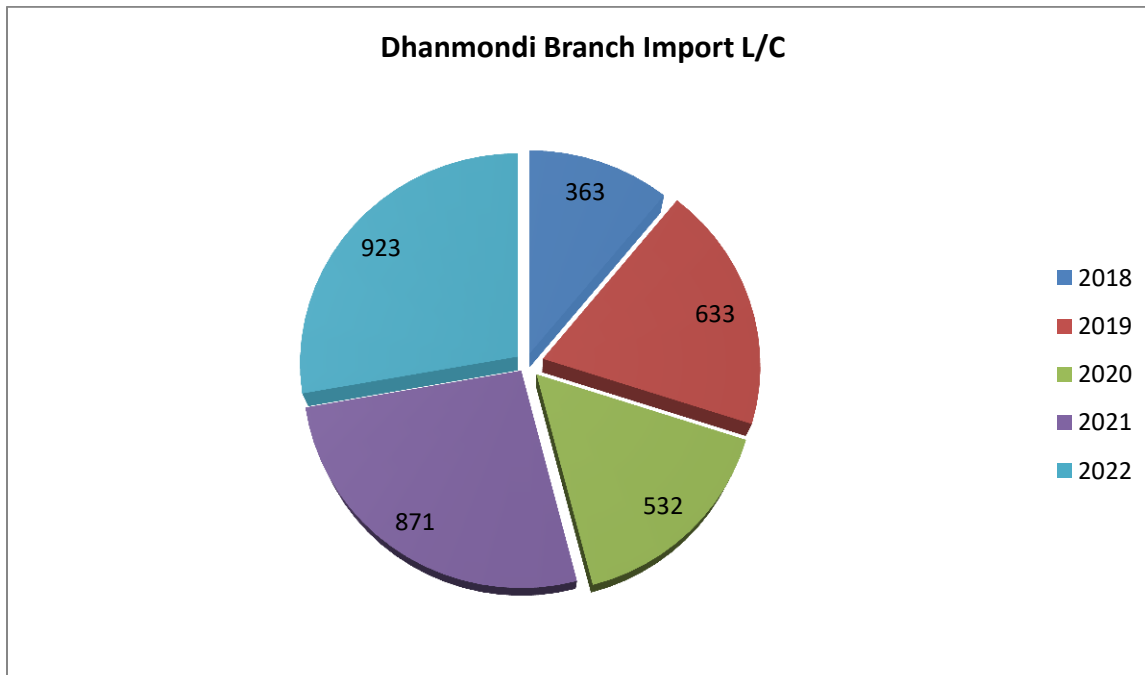
**Comment:** First security Islami bank ltd. discussing its 5 years remittance performance shows that in 1st year 2018 their remittance was Tk.12995.00 million. 2<sup>nd</sup> year 2019 year increased by 19.43% to Tk.14913.6 million. 3<sup>rd</sup> year 2020 increased to Tk.15003.1 million. 4<sup>th</sup> year 2021 increased to Tk.15110 million. 5<sup>th</sup> year 2022 received the most remittance 20535.96 million taka. Due to covid-19, many earn by freelancing online, so remittances increase in 2020, 2021, 2022 per year. It plays a very important role in the country's economy.

## 4.2 Dhanmondi Branch Total L/C

### Import L/C

(Number of L/C)

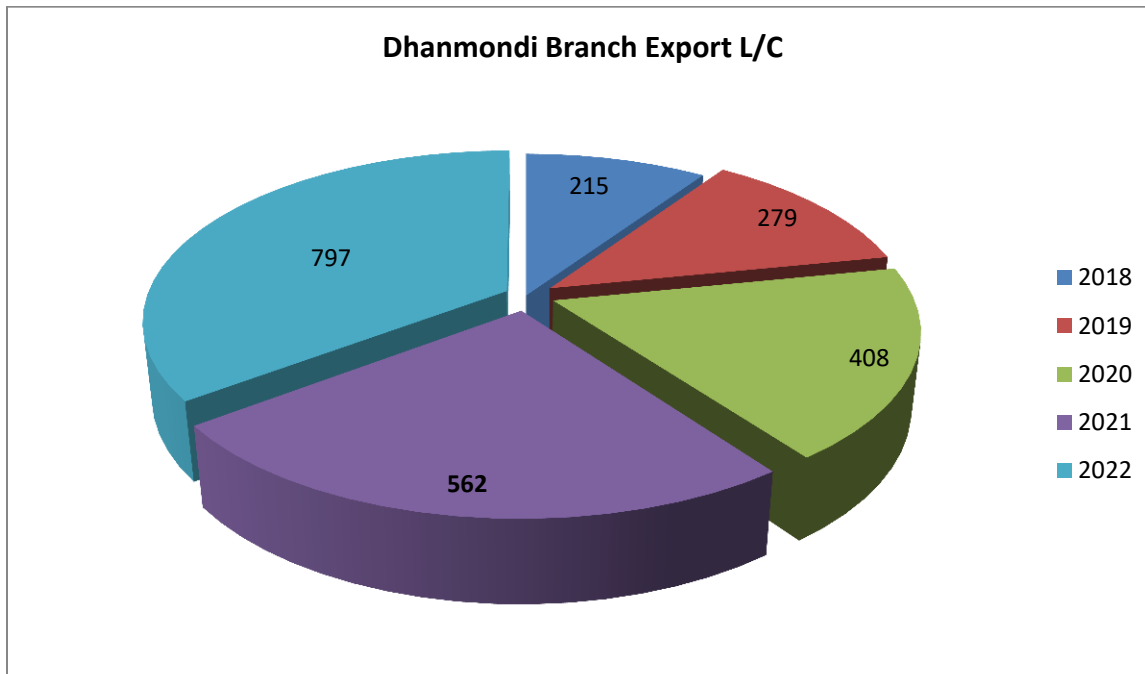
Year	Total
2018	363
2019	633
2020	532
2021	871
2022	923



**Comment :** Dhanmondi Branch the total number of import L/C of increased to 363 in 1<sup>st</sup> year 2018, 633 L/C in 2<sup>nd</sup> year 2019, 532 L/C in 3<sup>rd</sup> year 2020 ,871 L/C in 4<sup>th</sup> year 2021 and 923 L/C in 5<sup>th</sup> year 2022. Dhanmodi branch number of Import L/C performance is increasing year to Year.

**Export L/C**  
(Number of L/C)

Year	Total
2018	215
2019	279
2020	408
2021	562
2022	797



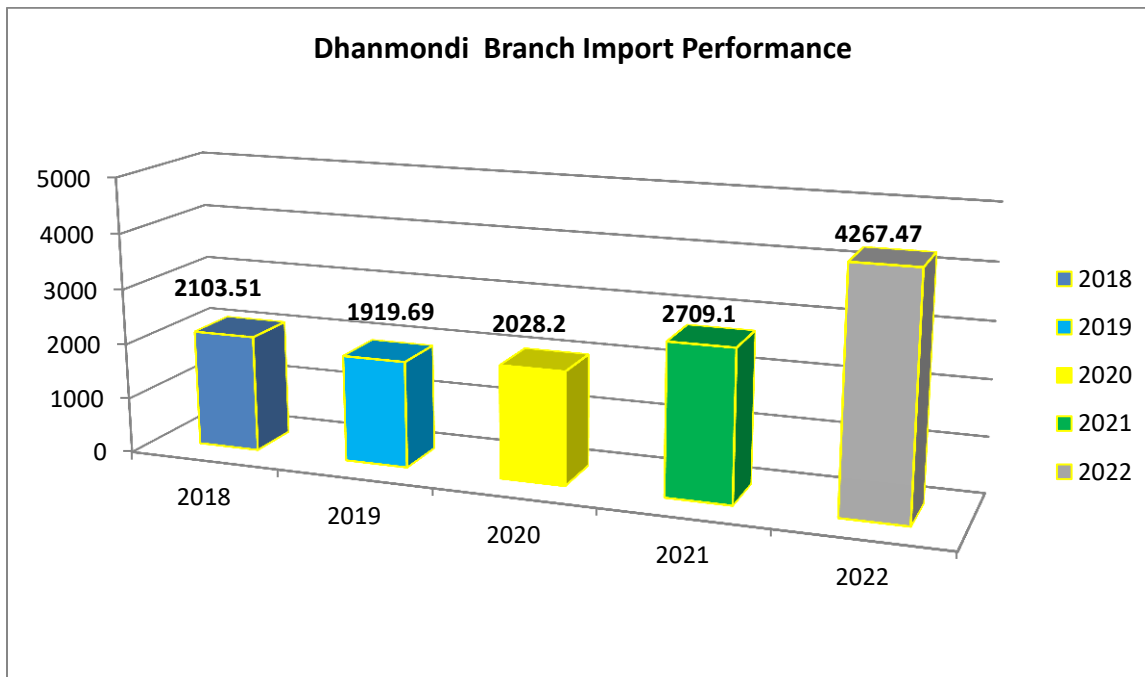
**Comment:** The total number of export L/C of dhanmondi branch increase to 215 L/C in 1<sup>st</sup> year 2018, 279 L/C in 2<sup>nd</sup> year 2019, 408 L/C in 3<sup>rd</sup> year 2020, 562 L/C in 4<sup>th</sup> year 2021 and 797 L/C in 5<sup>th</sup> year 2022. Dhanmodi branch number of export L/C performance is increasing year to Year.

### 4.3 Dhanmondi Branch Performance (2018-2022)

#### Import Performance

(Amount in Million BDT)

Year	Total
2018	2103.51
2019	1919.69
2020	2028.20
2021	2709.10
2022	4267.47

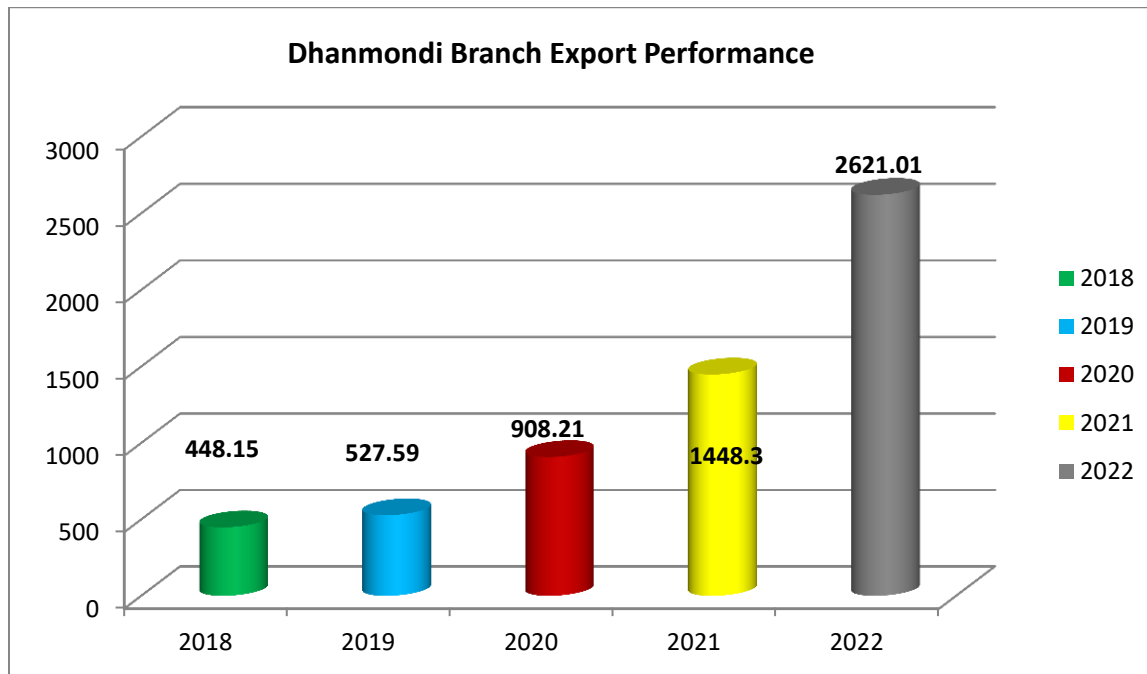


**Comment:** First Security Islami Bank Ltd. the 5 years import performance of dhanmondi branch shows that their import in 1<sup>st</sup> year of 2018 was Tk. 2103.51 million. It decreased to Tk. 1919.69 million in the 2<sup>nd</sup> year of 2019. In the 3<sup>rd</sup> year of 2020, imports increased by 1.09% to Tk. 2028.20 million. 4<sup>th</sup> year 2021 imports increased to Tk. 2709.10 million. 5<sup>th</sup> year 2022 imports increased by 16% to Tk. 4267.47 million. Due to covid-19 FSIBL import decreased but import of dhanmondi branch increased.

### Export Performance

(Amount in Million BDT)

Year	Total
2018	448.15
2019	527.59
2020	908.21
2021	1448.30
2022	2621.01



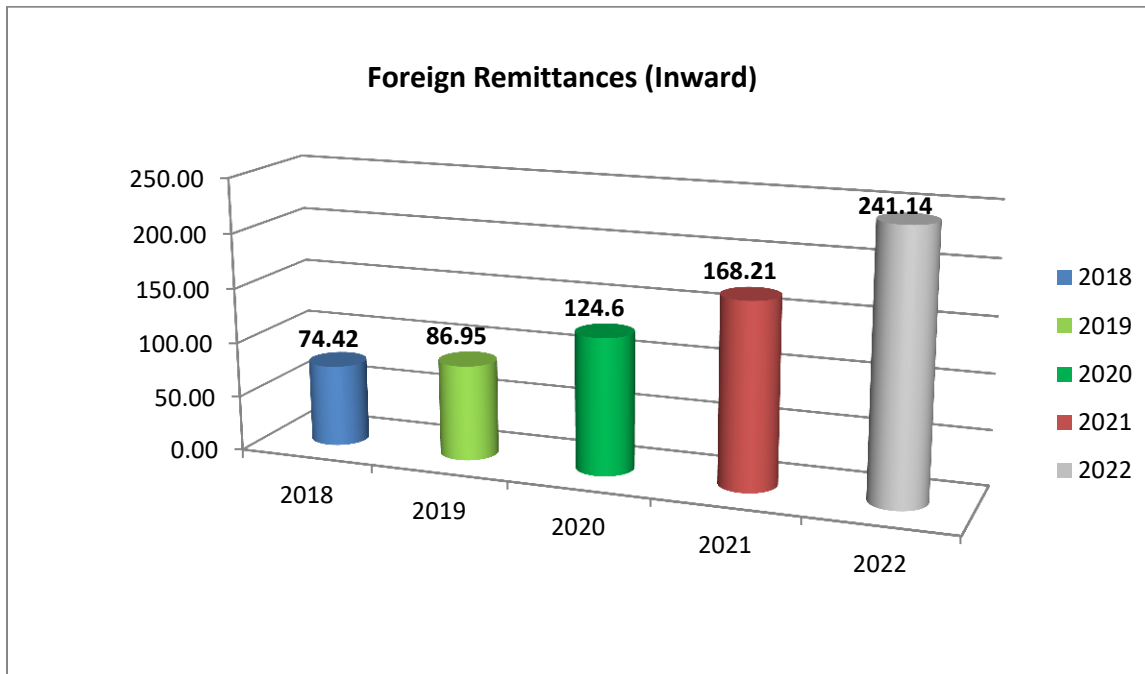
**Comment:** Dhanmondi branch the export performance in first security islami bank ltd. The 5 years shows that their export in 1<sup>st</sup> year of 2018 was Tk. 448.15 million. It increased to Tk. 527.59 million in the 2<sup>nd</sup> year of 2019. In the 3<sup>rd</sup> year of 2020, imports increased by 58.13% to Tk. 908.21 million. 4<sup>th</sup> year 2021 imports increased 62.12% to Tk.1448.3 million. 5<sup>th</sup> year 2022 imports increased by 55.27% to Tk. 2621.01 million. Year by year their export increasing, 2021 exports increased significantly compared to the previous year due to increased demand for commodities after covid-19.

## Foreign Remittance

### Foreign Remittances (Inward)

(Amount in Million BDT)

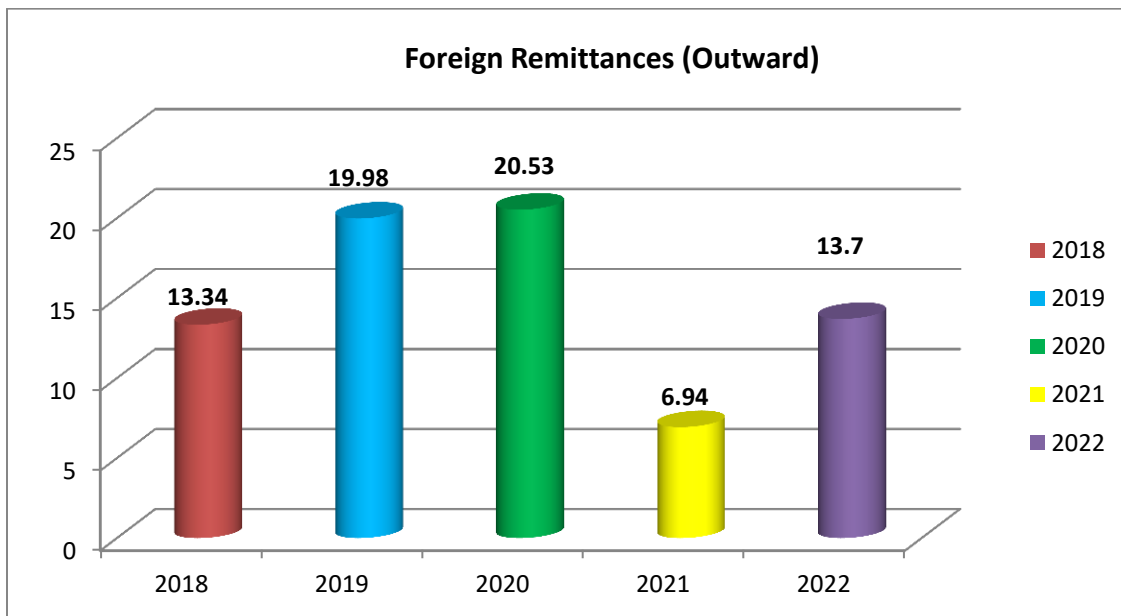
Year	Total
2018	74.42
2019	86.95
2020	124.60
2021	168.21
2022	241.14



**Comment:** Dhanmondi Branch inward remittance is 61.08 million taka in 2018. Tk.66.97 million in 2019 which is 5.89% more than last year. Tk.104.1 million in 2020 which is 37.13% more than last year, Tk.161.3 million in 2021 which is 57.2% more than privies year. The highest inward remittance in 2022 is Tk.227.5 million which is 66.2% more than last year. Due to covid-19, many earn by freelancing online, so remittances increase 2021, 2022. Highest inward remittances between 2018-2022.

**Foreign Remittances (Outward)**  
(Amount in Million BDT)

Year	Total
2018	13.34
2019	19.98
2020	20.53
2021	6.94
2022	13.70



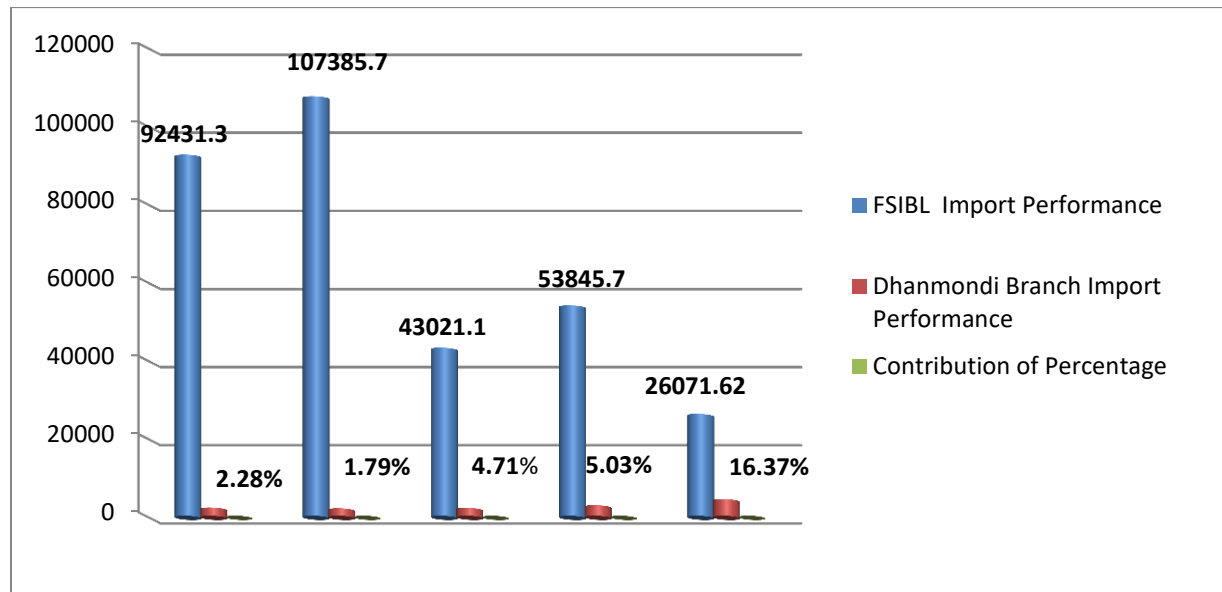
**Comment:** Dhanmondi Branch outward remittance is Tk.13.34 million in 2018. Tk.19.98 million in 2019 which is 6.64% more than last year. Tk.20.53 million in 2020 which is 5.50% more than last year, Tk.6.94 million in 2021 which is 13.59% less than last year. Tk.13.71 million in 2022, which is 6.76% more than last year. Outward remittances are highest in 2020 between 2018-2022. Due to covid-19.

#### 4.4 Dhanmondi Branch Contributions to Overall Foreign Exchange Performance of First Security Islami Bank Ltd.

##### Import (2018-2022)

(Amount in Million BDT)

Year	FSIBL Import Performance	Dhanmondi Branch Import Performance	Contribution of Percentage
2018	92431.30	2103.51	2.28%
2019	107385.70	1919.69	1.79%
2020	43021.10	2028.20	4.71%
2021	53845.70	2709.10	5.03%
2022	26071.62	4267.47	16.37%



**Comment:** The total import performance of FSIBL is gradually increasing from 2018 to 2019, as we can observe in the figure. Dhanmondi branch in FSIBL contributed to import performance in 2018 by 2.28% next year 2019 by contributing 1.79% which is 0.49% less than the previous year. In 2020 the contribution is 4.71% which is 2.92% from the previous year. Than next year 2021 import contribution 5.03% than 2022 best contribution dhanmondi Branch all most 16.37%

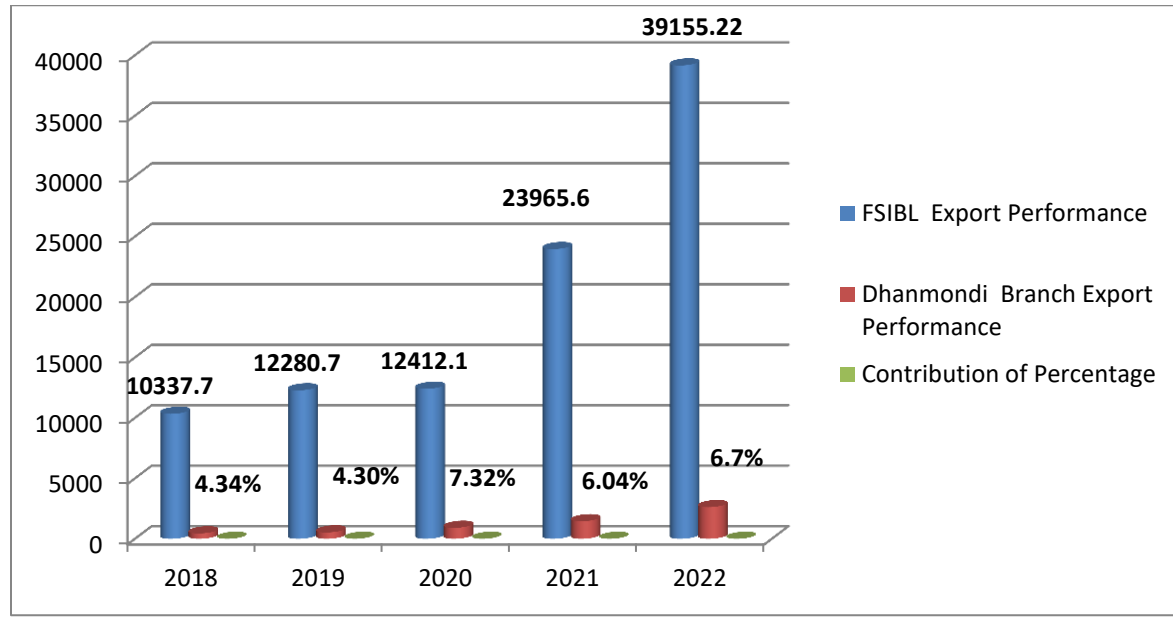


11.34% more than previous year but FSIBL import lowest in this year cause of world economic problems. In terms of import performance of FSIBL, dhanmondi branch, it is increasing gradually from 2018 to 2022, Import performance is high. Profits at the branch will undoubtedly rise every year.

**Export (2018-2022)**

(Amount in Million BDT)

Year	FSIBL Export Performance	Dhanmondi Branch Export Performance	Contribution of Percentage
2018	10337.70	448.15	4.34%
2019	12280.70	527.59	4.30%
2020	12412.10	908.21	7.32%
2021	23965.60	1448.30	6.04%
2022	39155.22	2621.01	6.7%



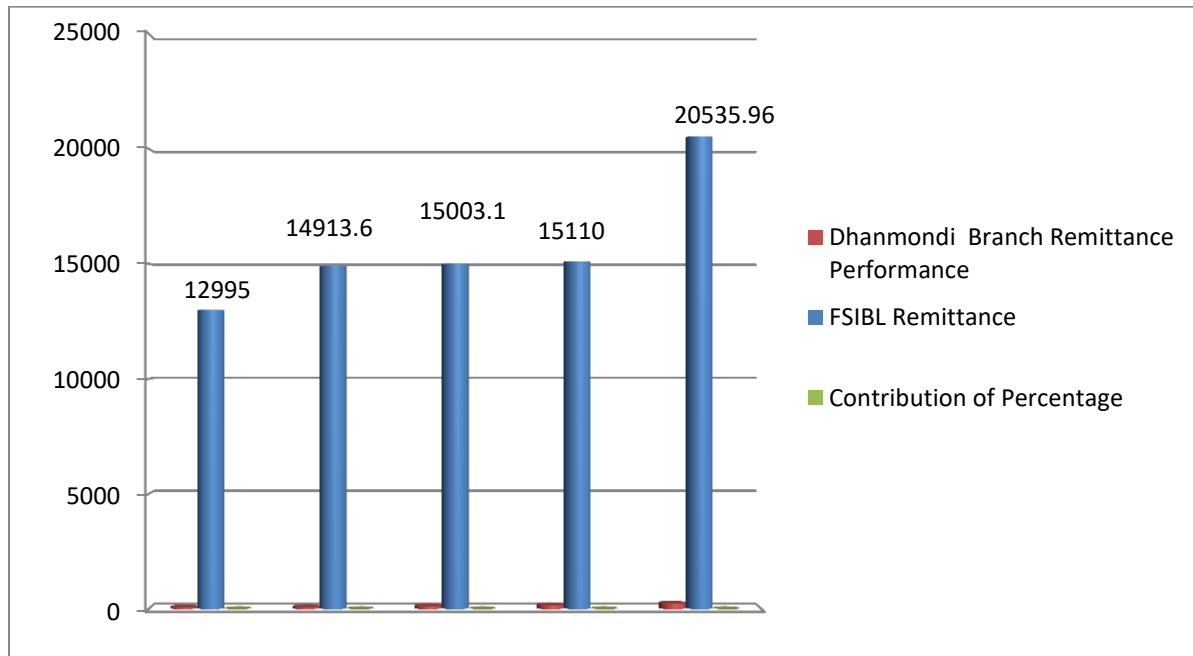
**Comment:** The total export performance of FSIBL is gradually increasing from 2018 to 2022, as we can observe in the figure. Dhanmondi branch in FSIBL contributed to export performance in 2018 by 4.34% next year 2019 by contributing 4.30% which is 0.04% less than the previous year. In 2020 the best contribution is 7.32% which is 3.02% increase from the previous year. Next

year 2021 export contribution 6.04%, than 2022 contribution 6.7% more than 0.03% increase previous year. In terms of export performance of FSIB, dhanmondi branch, it is increasing gradually from 2018 to 2022, export performance is high. The branch's income will undoubtedly rise each year. The main export product involved in the Bank's foreign trade activities was ready-made garments.

**Foreign Remittance (2018-2022)**

(Amount in Million BDT)

Year	FSIBL Remittance	Dhanmondi Branch Remittance Performance	Contribution of Percentage
2018	12995.00	74.42	0.57%
2019	14913.60	86.95	0.58%
2020	15003.10	124.60	0.83%
2021	15110.00	168.21	1.11%
2022	20535.96	241.14	1.17%



**Comments:** The total remittances contribute of dhanmondi branch has increased over the years. The figure, which depicts the growing trend of remittance handled by FSIBL, is clear to see. Dhanmondi branch contributed only 0.57%, 058% in 2018, 2019. It contributed 0.83% in 2020 which is 0.25% more than last year. Contribution in 2021 is 1.11% which is more than last time. Contribution in 2022 is 1.17% which is the highest in 2018-2022. Dhanmondi branch need to improve in this Sector.

Comparison among Import, Export & Foreign Remittance (Source: Monthly Statement of FSIBL 2018-2022)

If we see the last 5 years volume of export, import & remittance, it increases every year; which indicates improvement in foreign business.

- Despite being rather erratic, import volume peaked in 2019.
- The highest possible remittance income for 2022.
- The bare minimum in 2022 for exports and remittances.

According to the trend analysis presented above, FSIBL's performance in the import and export market is quite strong.

## 4.5 Findings

**By analyzing the various data the following finding has been found:**

- ❖ The import growth rate of FSIBL in 2019 was 49% which was lower than the previous year. It happened because of covid-19 pandemic, lock down and lack of clients.
- ❖ The FSIBL export growth rate for 2022 averaged 61% which was the highest from the previous year. 2022 Exports Tk. 39155.22 million. It plays a major role for the country's economy.
- ❖ First Security Islami Bank Ltd. remittances increased year to year. 2022 year there received highest remittances in 2018- 2022.It plays a very important role in the country's economy.
- ❖ Dhanmondi Branch export growth rates every year increasing. 2022 year there export Tk. 2620.9 million, there is constantly improving good sign.

- ❖ Import performance of dhanmondi branch increases continuously from 2019 to 2022, there import is Tk. 4510.1 million in 2022 but performance of FSIBL decreases from 2019 to 2022. Due to world politics.
- ❖ The remittance performance of dhanmondi branch is increasing every year; their highest remittance is Tk. 241.14 million in 2022. There contribution is only 1.17%, this sector needs to improve. There are various charges on different foreign exchange transactions that are not imposed properly.
- ❖ FSIBL's total export performance is increasing gradually from 2018 to 2022. Dhanmondi branch export also increase every year. The export product of the dhanmondi branch involved with the bank's foreign trade staff was ready-made garments.
- ❖ Import performance of FSIBL increased in 2019; there highest import in 2019 year is Tk. 107385.70 million. The highest contribution of dhanmondi branch is Tk. 45101.1 million in 2022. It is certain that the branch will increase profits year after year, but overall FSIBL performance needs to improve.
- ❖ First Security Islami Bank and Dhanmondi branch there are need to improve this sector. Dhanmondi Branch in this department performance very poor, there are highest contributions only 1.17%, there are need to improve this sector.
- ❖ There are some rules and regulations of the government that work as a barrier to the flow of Import, Export Remittance. Sometimes the government imposes restriction to import and export products. As a result the rate of opening L/C reduces. There isn't sufficient internet connectivity within the branch level.
- ❖ The authorities' more modern knowledge of international trade funding will be enriched by quality training. Employees are better able to delight clients when their more background need.



সবার জন্যে  
সবসময়  
ফার্স্ট সিকিউরিটি  
ইসলামী ব্যাংক লিঃ  
ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিমিটেড

## ***CHAPTER***

### ***FIVE***

## **RECOMMENDATION AND CONCLUSION**

## Recommendation

Any banking organization must have a section that deals with foreign exchange business. I have some recommendations based on the analysis I've done on this subject. Here are some of them: 1. FSIBL should create facilities for export financing that are sector-specific.

2. The process for opening Letters of Credit (L/C) for importers ought to be simpler.

3. To improve import performance can consider implementing the following:

- a) Strengthen Trade Finance Services.
- b) Expand Correspondent Banking Relationships.
- c) Develop a Dedicated Trade Finance Team
- d) Simplify Import Documentation Process
- e) Provide Competitive Exchange Rates
- f) Enhance Online Banking Services
- g) Collaborate with Government Agencies
- h) Customer Relationship Management.

By implementing these can enhance its import performance and position itself as a trusted and reliable banking partner for importer.

4. To improve export performance can consider implementing the following strategies:

- a) Research and Identification of Markets
- b) Product Diversification and Development
- c) Export Documentation Assistance
- d) Trade Promotion and Participation
- e) Technology Adoption
- f) Risk Management and Insurance
- g) Strong Customer Relationship Management
- h) Government Collaboration

It's crucial to create a dedicated unit within the bank with expertise in export financing and international trade to provide specialized services and support to exporters. Additionally, regular monitoring of export performance, feedback from exporters, and adapting strategies based on changing market dynamics will be key to sustaining export growth.

5. To improve remittance performance here are some recommend:

- a. Strengthen Technology Infrastructure.
- b. Streamline Processes
- c. Expand Correspondent Banking Network
- d. Offer Competitive Exchange Rates and Lower Fees
- e. Enhance Customer Service
- f. Collaborate with Remittance Stakeholders

By implementing these can improve its remittance performance, attract more customers, and establish itself as a reliable and preferred choice for remittance services.

6. First Security Islamic Bank could hire more staff to serve customers with foreign exchange transactions more quickly for their convenience.

7. The Bank ought to create a useful database for examining Foreign Exchange Business.

8. It is important to guarantee proper communication maintenance.

9. The bank should be completely computerized in order to guarantee speedier, error-free services.

10. The bank should try to build up more training programs for its staff. A high-quality training program will improve the authorities' more current understanding of international trade financing. When employees come from more professional backgrounds, they are better able to delight customers. They need to receive training on how to deal with challenging clients and challenging situations.

## Conclusion

One of Bangladesh's most fiercely competitive commercial sectors in recent years is the banking industry. Bangladesh is a developing nation, so a robust banking industry could alter the socioeconomic makeup of the nation.

A possible Islamic bank in Bangladesh, First Security Islami Bank Ltd., offers a range of financial services, including import, export, and remittance foreign exchange transactions. Several criteria should be taken into account in order to assess its effectiveness in various areas:

Import operations are probably made easier by First Security Islami Bank Ltd. services, which include LC issuance, import financing, and assistance with trade documentation. The efficiency with which import-related paperwork are processed, the volume of import transactions handled, customer happiness, and the competitiveness of the bank's foreign currency rates and fees can all be used to gauge how well the bank is performing.

Export Operations: For export operations, the bank may offer services like export financing, export bill negotiation, and handling export-related documents. The bank's performance can be assessed by considering factors such as the volume and value of export transactions facilitated, the efficiency of export-related processes, customer feedback, and the bank's support in promoting and expanding export activities.

Remittance Operations: First Security Islami Bank Ltd likely facilitates the inflow of remittances from abroad and provides services for outward remittances. The bank's performance in this area can be evaluated based on factors such as the speed and reliability of remittance transfers, the network of correspondent banks or partners, foreign exchange rates offered for remittances, and customer satisfaction.

All departments are essential resources in international trade. When conditions are unclear or the parties have little to no prior trading history, they offer assurance to both the customer and the banker. Prior to writing my report, I read about and conducted studies of the corporate



sector while I was a student. During this instruction, the differences between bookish and analytical knowledge were also explained to me.

Bank conducts thousands of crucial tasks for the general public and the government at large. It has a remarkable impact on the health of our commercial sector, yet COVID-19 has certain issues. It performs well in the foreign exchange market. Due to my active participation in this branch, I had the opportunity to learn a lot from the corporate foreign exchange department. I have made an effort to showcase the FSIBL's foreign exchange business in this essay.

Overall, it is important to take into account factors like transaction volume, customer feedback, operational efficiency, Compliance with regulatory requirements, competitive offerings, and the bank's contribution to the overall growth of import, export, and remittance activities in Bangladesh when evaluating the bank's performance in foreign exchange operations.

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