



Daffodil
International
University

Internship report on
Analyzing Economic Trends of Prime Bank PLC using
ARIMA (p, d, q) Model

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**Analyzing Economic Trends of Prime Bank PLC using
ARIMA (p, d, q) Model**

Letter of Transmittal

8 December, 2025

To

Dr. Sayedul Anam

Associate Professor

Department of Business Administration

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Subject:

Honorable sir,

I am delighted to share my internship report entitled "**Analyzing Economic Trends of Prime Bank PLC using ARIMA (p, d, q) Model.**" This submission is a requirement of the BBA program of the Department of Business Administration. I'm grateful for the opportunity to prepare this report, and I have worked hard to make sure it's done right. I hope this report satisfies your expectations and gets your gracious approval.

I am still ready to give you any more information or clarity you may need about this report.

Yours Sincerely,



Ashfaql Islam Abir

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Letter of Approval

This is to certify that the internship report titled “**Analyzing Economic Trends of Prime Bank PLC using ARIMA (p, d, q) Model**” has been prepared by Ashfaquul Islam Abir as a partial requirement in BBA program under the Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University.

The report indicates that the student has done genuine work, has analytical skills and an idea of what he was assigned to prepare. The report is determined to be original, well-organized and in accordance with the academic standards of the institution after considering.

The report is recommended to be submitted.



Dr. Sayedul Anam

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Declaration

I, Ashfaql Islam Abir (221-11-1460) do hereby declare that the internship report entitled **“Analyzing Economic Trends of Prime Bank PLC using ARIMA (p, d, q) Model”** is entirely my work and it was prepared after the completion of my three months’ internship program in the Prime Bank PLC. I also confirm that the report has been prepared based on the demands of the BBA program.

I also state that no section of this report has been submitted, copied or reproduced to any other purpose of academic or professional use. The facts and discussions used in the report are founded on my personal effort, knowledge, and experiences during the internship.

I further state that any use, or distribution of this report should be done with prior permission otherwise, it shall be regarded as unauthorized.



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Acknowledgement

First of all, I want to express my gratitude to Almighty Allah for giving me the knowledge and strength to be able to complete this report. I would also like to be extremely thankful to my family for always being there for me and supporting me.

Then I want to thank Dr. Sayedul Anam, my internship supervisor, whose guidance and advice can never be underestimated. His clear guidelines facilitated the whole process of compiling this report easier and more knowledgeable.

I would also like to thank all the people in the Treasury Division of Prime Bank PLC for their kind co-ordination, encouragement, and making me feel like one of them during my internship. Their mentoring was very beneficial to my knowledge on the treasury operations of the bank.

The internship has served as a significant step forward in my career and I am determined to use the experience learnt in the most effective manner in future.



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Executive Summary

This report is aimed at discussing how my internship experience was in the Treasury Division of Prime Bank PLC. The internship program was arranged in such a way that it would help me get hands-on experience in the banking sector with a special emphasis on the activities of a treasury department of a bank. The major internship goals were to have hands-on experience of financial management, liquidity management, risk management and operations in the treasury.

During my internship, I had to deal with a massive scope of work that enabled me to see the fundamental operations of a bank. Such activities involved helping in the observation of the cash flow of the bank, investigation of its liquidity status and making decisions on investment management. Another opportunity that I got was to analyze foreign exchange transactions, project short term financial requirements and prepare market trend reports. These reports played the crucial role of knowing the impacts of the monetary authority and market trends in the decision making of the treasury in the bank.

Also, my internship has helped me to work closely with the professionals in the treasury division, which has exposed me to opportunities to observe and learn about their decisions based on the risk management, asset-liability management, balance sheet management and dealing with interest rate risks. I also learned the techniques and instruments of hedging and optimization of financial performance under different conditions of the market.

In this report, I have analyzed the economic trends of Prime bank PLC using the ARIMA (p, d, q) model. The following model was used to predict the important economic variables, including export, import and remittance trends, which are critical to the bank treasury operations. The purpose of the analysis was to give insights in terms of how these trends will affect the financial strategy used by the bank. The experience has improved my knowledge of time series forecasting as well as quantitative analysis and proved how and why statistical models are practically used in making decisions in the banking field and risk management.

Table of Contents

Analyzing Economic Trends of Prime Bank PLC using ARIMA (p, d, q) Model.....	i
Letter of Transmittal.....	ii
Letter of Approval.....	iii
Declaration	iv
Acknowledgement	v
Executive Summary	vi
CHAPTER 1: INTRODUCTION	1
1.1 Introduction	1
1.2 Background of the Study	1
1.3 Statement of Problem	2
1.4 Objectives of the Study	2
1.4.1 Broad Objective.....	2
1.4.2 Specific Objectives.....	2
1.5 Methodology of the Study	3
1.6 Limitations of the Study	3
CHAPTER 2: ORGANIZATIONAL OVERVIEW OF PRIME BANK PLC.....	4
2.1 Overview of Prime Bank PLC.....	4
2.2 Vision of Prime Bank PLC.....	4
2.3 Mission of Prime Bank PLC.....	4
2.4 Core Values of Prime Bank PLC.....	5
2.5 Company Strategy	5
2.6 Products and Services of the Bank	5
2.6.1 Deposit Products.....	5
2.6.2 Investment & Loan Products	6
2.6.3 Islamic Banking – “Prime Hasanah”	6
2.6.4 Corporate Finance & International Banking	6
2.6.5 Digital Banking & FinTech Solutions	6
2.6.6 Cards & Remittance	6
CHAPTER 3: INTERNSHIP ROLE AND RESPONSIBILITIES	7
3.1 Role and Responsibilities	7
3.2 Rationale of the Roles and Responsibilities	8
3.3 Examples of Tasks Completed	8
CHAPTER 4: KEY LEARNINGS AND EXPERIENCE	10

4.1 Important Learnings	10
4.2 Rationale of the Roles and Responsibilities	11
4.3 Connection with Academia	12
CHAPTER 5: ANALYSIS	14
5.1 Study Methods and data sources	14
5.2 Econometric Technique.....	14
5.3 Study results and discussion.....	15
5.4 Descriptive Analysis.....	15
5.5 Correlation matrix outcomes	16
5.6 Unit root tests	16
5.7 Check for Heteroskedasticity & Seasonality tests	17
5.8 ARIMA.....	20
5.8.1 Regression line	21
5.9 Graph.....	21
5.9.1 Import graph.....	22
5.9.2 Export graph.....	22
5.9.3 Remittance graph.....	23
CHAPTER 6: CRITIQUE AND REFLECTION	24
6.1 Critical Evaluation.....	24
6.2 Findings and Observations	25
6.3 Recommendations	26
CHAPTER 7: IMPLICATIONS	27
7.1 Applicability of Academic Learning	27
7. 2 Organizational Impact	27
7. 3 Industry Relevance	27
7.4 Lessons Learned	27
7.5 Skill Development.....	27
7.6 Networking and Relationships	28
CHAPTER 8: CONCLUSION	29
REFERENCES	30

CHAPTER 1: INTRODUCTION

1.1 Introduction

Prime Bank PLC was founded in 1995 and headquartered in Dhaka, which is one of the leading private commercial banks in Bangladesh. It is known for its excellent customer service and innovative banking solutions. The Prime Bank has reached all over the country and provides a range of services such as retail banking, corporate banking, SME finance, Islamic finance, and digital banking. The bank's services also include the newer modes of internet and mobile banking.

Prime Bank has kept its place as a pioneer in technological advancement and has been one of the first banks in Bangladesh to offer e-banking services. Besides offering common financial products and services, the bank also provides bespoke financial solutions to its corporate clients and contributes to the cause of financial inclusion by being very active in marketing its products even to the most impoverished sections of the society, thus making the poor, less, and rich more.

Recently, Prime Bank has won many awards like Best Bank for ESG 2025 by Euromoney and Sustainability Rating 2024 by Bangladesh Bank because of its commitment to the environment and to promoting sustainability. Its investment firm, Prime Bank Investment Ltd., also won multiple awards at the Euromoney Awards for Excellence 2025. Prime Bank has also shown its strong performance through its financials as it netted a profit of 32% in the first half of 2025.

Prime Bank has a plan for the future that revolves around providing more digital, deeper customer involvement, and already looking for growth opportunities that are both local and global, and still focusing on sustainability at the same.

1.2 Background of the Study

Prime bank PLC has been very crucial to the Bangladesh economy which has seen the industry be a crucial part of the economic development. I had the privilege of having a 3-month internship at the Treasury Division of Prime Bank PLC in Dhaka as a part of Daffodil International University's Bachelor of Business Administration (BBA) program. This report is titled "**Analyzing Economic Trends of Prime Bank PLC using ARIMA (p, d, q) Model.**" The objective of this report is to determine the performance of the bank in relation to inflow and outflow of exports, imports and remittances. The findings of the report will provide significant assistance to the bank in making some strategic decisions and, therefore, will contribute to enhancing the financial forecasting capabilities of the bank.

1.3 Statement of Problem

The foreign exchange transactions of the bank are handled by the Treasury Division of Prime Bank PLC, which however finds it difficult to give accurate forecasts for exports, imports, and remittances owing to the variety of economic factors, exchange rate changes, and government regulations. The bank might face a shortage of cash flow management, the risk of foreign exchange would increase, and the bank's resources would be consumed inefficiently all due to inaccurate forecasts. The study will assess the existing forecasting methods employed and suggest improvements that will ultimately increase the accuracy of the forecasts for exports, imports, and remittances at Prime Bank PLC.

1.4 Objectives of the Study

1.4.1 Broad Objective

This internship report aims to evaluate the major economic variables which include imports, exports and remittances of Prime bank PLC. By using the ARIMA (p, d, q) model, this report will determine the past trends and future economic trends that may affect the operations of the bank. The study will provide more precise predictions that will then support the decision-making process of the bank, liquidity management, and risk control in foreign exchange operations in a much efficient way to support the treasury operations of the bank.

1.4.2 Specific Objectives

1. To determine and analyze the most important economic variables, including imports and exports and remittances, that determine operations and decision-making process in Prime Bank PLC.
2. To pursue the trend analysis of the identified economic variables in detail, the evaluation of the past patterns and the effect they produced on the financial performance of the bank throughout the years.
3. To forecast future trends of the economic variables, which would influence the strategies and operations of the bank
4. To be able to see the major challenges caused by the evaluation of economical tendencies or problems as well as to recommend what actions should be taken to enhance the economic forecasting and the risk management operations in the bank.
5. To provide the bank with insights that might help in making more informed decisions about cash flow management and minimizing financial risks from foreign exchange transactions.

1.5 Methodology of the Study

The study relies on secondary data source. The published annual reports of Prime Bank PLC were used to obtain the secondary data mostly. These reports were very informative on the financial performance of the bank regarding their export, import and their remittance over the years.

Secondary Data Collection:

- Website of Prime Bank PLC
- Annual Reports of Prime Bank PLC

1.6 Limitations of the Study

1. The practical exposure is meant to understand the operations at Prime Bank PLC under various desks. However it was challenging enough to come up with an overall picture of this within the restricted period of time of just 3 months.
2. The lack of literature is present.
3. The research is premised on the annual reports of Prime Bank PLC being not totally adequate to disclose all real data of the organization.
4. Due to my ignorance, experience, and as a novice, I cannot perform analytical, comprehensive and critical study but the scope of my study is quite extensive.

CHAPTER 2: ORGANIZATIONAL OVERVIEW OF PRIME BANK PLC

2.1 Overview of Prime Bank PLC

Prime Bank PLC is a second-generation scheduled commercial bank, established in 1995 by a group of dedicated and forward-thinking entrepreneurs who made a point of being different and new in the world of finance. The bank has gradually gained a good image over the years for providing inclusive and contemporary banking services.

The domestic area of operation of Prime Bank PLC is really wide, consisting of conventional, Islamic, and modern banking to all sorts of customers through alternative delivery channels. It adopts this multi-faceted approach to meet the varied needs of the customers across the country. The bank has a remarkably large physical and digital presence with their 147 branches (out of which 5 are for Islamic banking) and 5 sub-branches, 160 ATMs/CRMs, and 152 agent banking outlets forming their total network, which is substantial. That is why the clients have easy access to the bank's vast network.

The bank has gradually moved into areas of operation outside traditional commercial banking by setting up 4 subsidiaries. It has 2 local subsidiaries:

- Prime Bank Investment Limited
- Prime Bank Securities Limited

The bank's 2 overseas subsidiaries facilitate international operations:

- Prime Exchange Co. Pte Limited
- PBL Finance (Hong Kong) Limited

2.2 Vision of Prime Bank PLC

The vision of the bank is to be the most prominent private commercial bank in Bangladesh in terms of its efficiency, capital adequacy, asset quality, management, and profitability with excellent liquidity.

2.3 Mission of Prime Bank PLC

The mission of the bank is to be able to develop a market-oriented, customer-centered bank with an effective system of corporate governance, continuous development of business policies and processes, and increased efficiency through the introduction of technology throughout the organization.

2.4 Core Values of Prime Bank PLC

- **Deliver:** Enthusiastically support the financial needs of persons, firms, and institutional investors. This will entail giving customers, clients, and shareholders exemplary service in return for the strong passion demonstrated.
- **Commitment:** Regulatory guidelines will be strictly followed during the process of success delivery to customers, teams, and the Bank. Thus, full commitment will be maintained to achieving customer, team, and bank success.
- **Trust:** Trust the entire team and work together to unlock the potential of all parts, thus guaranteeing uniformity and clarity in dealing with customers and stakeholders.
- **Success:** Carry on with the business in an open, straightforward, and eco-friendly way, thus creating a win-win situation for the customers, communities, and the environment.

2.5 Company Strategy

The Bank is built upon the continued existence of its business by the creation of value in the long run, and at the same time, financial stability. There should be constant refinement of business, infrastructure and technology which ensures efficiency, innovation and competitiveness because the market is dynamic. An excellent combination of funds continue to elicit the best out of the liquidity and support the Bank in its growth. There are more than one ways of employee development practiced in the way of training and career development which in turn leads to increased productivity and engagement. The overarching concepts of customer centricity and financial inclusion are the primary factors of making the Bank create accessible and personalized solutions that would meet a wide array of needs. The implementation of the Environmental, Social, and Governance (ESG) principles into the business operations of the company indicates that the Bank has the spirit of doing business in a way that is neither ethical nor sustainable. Cohesive organizational leadership and a team work is fostered to help achieve the unity of the vision, strategy and execution. This is due to the fact that this firm has managed to barricade its risks that have enabled it to protect its assets and capable of sustaining its financial, operational, and regulatory challenges. The combination of these priorities enhances the vision of the Bank to deliver out sustainable values to the stakeholders, as well as the society and the economy positively.

2.6 Products and Services of the Bank

Prime Bank PLC has a wide range of products & services. Those are:

2.6.1 Deposit Products

- Savings & Current Accounts
- Fixed & Term Deposits

- Special Deposit Schemes
- Foreign Currency & NRB Accounts

2.6.2 Investment & Loan Products

- Retail Loan Facilities
- Corporate and SME Investments
- Agricultural and SME Banking

2.6.3 Islamic Banking – “Prime Hasanah”

- Deposit Accounts
- Deposit Schemes
- Investment Products
- Special Accounts

2.6.4 Corporate Finance & International Banking

- Corporate Services
- Trade Services
- Subsidiaries Supporting Trade & Investment

2.6.5 Digital Banking & FinTech Solutions

- **Digital Channels:** MyPrime App (mobile banking), Hasanah App (Islamic mobile banking), Internet Banking, PrimePay (digital payment platform), and Agent Banking network.
- **New Innovations:** PrimeAssist, RemitPrime (remittance app), online account opening, and digital loans for garment workers.

2.6.6 Cards & Remittance

- **Cards:** Debit, Credit and Prepaid Cards (MasterCard, VISA, JCB, and Islamic types).
- **Remittance Services:** Operated through Prime Exchange Co. Singapore, and partners like Western Union, Ria, Taptap, and Swift.

CHAPTER 3: INTERNSHIP ROLE AND RESPONSIBILITIES

3.1 Role and Responsibilities

My experience in the Treasury Division at Prime bank PLC as an intern helped me to work in diverse treasury operations at various desks and this provided me the chance to have a practical experience in the important areas of banks. Being exposed to different desks in the Treasury Division enabled me to have a holistic perspective of the financial operations of the bank, enhance my financial analysis and risk management abilities coupled with liquidity management ability contributing to efficiency and effectiveness of the daily treasury operations.

I worked under the following desks:

- **Foreign Exchange (Forex) Desk:** I have achieved an understanding of the operations in the foreign exchange desk of the bank such as currency trading, currency hedging, and foreign currency position management. I learned about the method of creating deal tickets after one makes a transaction and how to keep records manually in another book. I also got to know how exchange rate sheets are prepared on a daily basis.
- **Money Market Desk:** I engaged in money market operations, specializing in short-term borrowing and lending activities. I got insight on how the interest rate risk and liquidity positions were managed and helped in the analysis of the market trends. I was also involved in the development of different databases concerning money market operations. The databases hold important data about the transactions of the bank, as well as market rates. I also regularly updated call money rates of different tenures.
- **Corporate Desk:** I had to work in close coordination with the corporate desk and help to analyze corporate financial requirements and design funding solutions. Additionally acquired knowledge of ways in which treasury serves the client corporates by managing working capital and structural finance and how to approach & deal with large corporate clients.
- **Primary Dealership Desk:** I got knowledge about handling of government securities such as buying and selling in the primary market. I saw closely regular auctions & how these securities are traded in practical world. I was also engaged in the evaluation of the risk and the return on the government securities and the purpose of their implementation in liquidity management. I was operating on a database that contains information about the securities that have been carried out on the secondary market.
- **Asset Liability Management (ALM) Desk:** I managed to get hands on experience about the analysis of the bank's balance sheet, paying attention to the risk management of the assets and liabilities. I also learned about Asset Liability Management Committee (ALCO).

3.2 Rationale of the Roles and Responsibilities

As an intern at the treasury division of Prime Bank PLC, I was exposed to various treasury functions in detail because I was assigned to work with each of the desks. Within the Forex and Money Market desks, I was exposed to trading the currency, exchange rate forecasting and liquidity management, which made me realize how short term market forces affect an operation of the bank.

The knowledge acquired in the Corporate and Primary Dealership desks gave me insights on corporate banking services, management of the working capital, and the bank intervention in government securities and extended my knowledge on how treasury assists corporate clients and financial assets.

Moreover, my activity at the ALM desk gave me an opportunity to pay attention to the processes of asset and liability balance of the bank, focusing on the liquidity capital and eliminating risks, which should promote financial stability.

The experience enabled me to use theoretical information in financial analysis, risk management, and forecasting.

3.3 Examples of Tasks Completed

I got a chance to be a working partner with the dealers of Treasury division of Prime Bank PLC and simultaneously assisting them with key responsibilities. I presented them with accurate data that was required to comply with thus boosting the efficiency of the operations of the treasury and the customer service.

Here are the details of my contribution:

- **BP ID update:** I have updated information of clients regarding BP ID in the system of Bangladesh Bank, which is called Financial Market Infrastructure (FMI).
- **Auction-day workflow:** I collected and updated recent cut-off yield of past auctions in a database and delivered it to the dealers of Primary Dealership (PD) desk. By analyzing that database, they were allowed to have an idea of what the rate would be of that day's auction.
- **Regular update of rates sheet:** I regularly updated the call money rates in a database from the website of Bangladesh Bank. This helped money market dealers in their decision making.
- **Coupon & maturity calendar development:** I developed a database of T-Bills and Bonds holdings of clients showing their maturity date, coupon date in the near future. It was a system of creating notification on the interest and redemption events.
- **Information database of clients:** Clients' securities (ISIN, face value, coupon payment, maturity date, BP ID attached) were structured in such a manner as to ensure the easy search process and the decreased holding times of the inquiries by dealers and operations.

- **Exception log/ reconciliation support:** I maintained a separate database that kept record of the exception BP IDs (includes missing documents/expired ID, information gap etc.) to make it easier for the dealers to sort out.

CHAPTER 4: KEY LEARNINGS AND EXPERIENCE

4.1 Important Learnings

My internship period in the Treasury Division of the Prime bank PLC allowed me firsthand experience of having financial dealings occurring and learning essential skills, which will be required in my future. However, the most critical ones were financial instruments, Government securities, forex and corporate dealing, market analysis and risk management understanding. It is these aspects that support treasury operations, and my contribution provided me with a gradual understanding of their major contribution to the efficiency and stability of the bank.

Some important lessons I learned include:

- **Implications of financial instruments:** I got well acquainted with the various financial instruments like the SWAP, REPO, Call borrowing, Assured Liquidity Service (ALS), and the government securities (treasury bills, and bonds). Not just this, but I also was capable to enter the market in which underwriting these instruments were being executed and then learnt how they are traded and later turned out to be the key factor of the liquidity and funding management of the bank.
- **Market Analysis:** I had the chance to access the rationale of the changes in the market rates and the impact they have had on the financial decision-making process as these data on the auctions and the call rates were available. I was informed that the access of the treasury operations to the latest market information is like a lifeline to them in being capable of making instant decisions as to the pricing, funding and management of the risk.
- **Risk Management:** Due to the processes of updating the information on the auctions data and following the key rates, I managed to get to know much about the risk management associated with interest rates and liquidities. What I understood was that banks do regularly audit and manage their risks in a manner that they can still be making profits and simultaneously, they are fulfilling the regulations.
- **Regulatory Compliance:** I personally had experienced how vital it is to comply with the minimum requirements imposed by the regulators particularly in the securities trading segment in the government. During the update and validation of BP ID data in the Financial Market Infrastructure (FMI) system, the bank was under strict and clear supervision that allowed the bank and its clients to thoroughly adhere to the laws introduced by the Bangladesh Bank to be in the market.
- **Foreign Exchange (FX) Operations:** Through constant interaction with the FX desk, step by step I understood the whole operation of a foreign exchange market. I was informed of the importance of FX trading to the international aspects of the business of the bank and how this accordingly, liquidity management and risk exposure, especially when it comes to changes in currencies. In addition, I observed how the bank could reduce its foreign

exchange rate risks, one of them being the manner in which it aligns itself to the foreign currencies such that its yearly fluctuations in the currency rates do not cause losses.

- **Corporate Dealings:** The bank's corporate dealings offered an amazing experience; nevertheless, the service and communication were the tops. The bank's corporate clients always require highly sophisticated financial instruments and tactics, which is the only way the bank can manage its risks properly and at the same time supply the needs of the corporate client. The Treasury Division has a direct connection with the corporation dealings through structuring deals, cash flow management, and effective and timely allocation of funds focusing on regulatory compliance.
- **Operational Efficiency:** The first and foremost point I got from my internship was the need for operational efficiency. I noticed that the right databases and the tracking of significant events like coupon and maturity dates kept the clients served continuously and quickly as there was no manual follow-up needed by the staff. I concluded that when the processes are very smooth, then the productivity will be very high as well as the level of customer satisfaction will be very high.

4.2 Rationale of the Roles and Responsibilities

My experience in Treasury Division of Prime Bank PLC was quite effective as an intern. This bank immediately organized the invitation to be aboard and very soon I was entrusted with one of the most important functions and this was the supervision of BP IDs that was needed to facilitate the presence of Bangladesh Bank in the government securities market. By doing this, I made sure that the bank had smooth participation in the auctions by ensuring that everything was fine and therefore would not go against the law. The call money rates and auction yields that I was asked to input the case of liquidity and risk management daily were updated and monitored.

This information was required by the ALM dealers to form their pricing and cost of funding, as well as how to manage the interest rate risks. In this way, I was involved in the mechanism whereby the financial institution has a healthy and stable liquidity stance and ability to pursue the appropriate risks through its activities in the context of local changes in the market.

Besides, I also took care of timely and proper maintenance of databases and keeping of coupon and maturity dates intact, ultimately resulting to the operational effectiveness of the bank. I minimized time wastage by manual follow-ups on the processes to enable the bank to serve its clients as soon as possible and security of prompt conduct of the internal operations.

It was a form of support that assisted various departments to form a unified unit and various desks in the Treasury Division could collude without any problem and even assist the bank to attain its financial targets.

4.3 Connection with Academia

My internship at Prime Bank PLC was a turning point for me. It introduced me to a new world of opportunities. I was able to spot the Finance student in countless financial transactions with great ease, as well as a huge increase in the overall academic knowledge. I was also involved in the trading of government securities, risk management, and monitoring liquidity, which were the same areas of finance I had been studying, and my financial market and institutional operations awareness rose tremendously because of it.

The following academic concepts were directly applied during the internship:

- **Financial Markets & Securities:** My academic studies at first granted me the theoretical knowledge of different types of financial instruments and the workings of their markets; then, during my internship, I could easily put this knowledge into practice by becoming one of the BP IDs handlers and working with the auction data for government securities. The very slight differences in the trading of these securities became clear to me and I could see their impact on the bank's liquidity and risk profile which in turn, gave me a deeper practical understanding of these concepts.
- **Risk Management:** My finance curriculum was heavily focused on risk management, especially on the strategies for the mitigation of interest rate and liquidity risks. I was participating in the updating of call money rates and auction yields and this allowed me to witness the day-to-day risk assessment and mitigation of financial institutions, thus providing me with an empirical viewpoint on the principles of risk management.
- **Regulatory Compliance & Governance:** The finance study's compliance and regulatory standards were a significant point and the BP ID management experience according to Bangladesh Bank regulations exposed me to the regulations, providing me with a real-world view. It assured that financial entities need to follow the rules and regulations in a particular manner to be out of the legal matters and finally, paying fines.
- **Financial Data Analysis:** My major was financial data analysis and its impact on decision-making. I used this basis while interning by drawing from the bank's main financial data such as auction and call money rates, to support liquidity management and risk assessment. The financial data analysis experience in a real-time business setting was a great opportunity for me.
- **Corporate Finance & Strategy:** The internship also opened my eyes to the corporate finance practices most notably in managing financial transactions for corporate clients. I helped the Treasury Division during its corporate transactions and keeping the data right that was the case, I could observe how the corporates tactically managed their cash and investments in line with their long-term financial goals.
- **Operational Efficiency:** One of the few highlights that I remember from my studies in finance was the moment when the concept of banking made possible for different financial institutions to incur less operating cost. I was able to improve the efficiency of the Treasury Division by maintaining the database accurately and simplifying the

processes related to coupon and maturity date tracking. Thus, I came to realize that operational efficiency is a critical factor in measuring a firm's financial strength, client happiness, and overall business operation.

I can say that my internship was an excellent chance to practice the finance theories learned in classrooms and also get to know the actual ways of working in financial institutions and their risk management practices.

CHAPTER 5: ANALYSIS

5.1 Study Methods and data sources

The study has used annual time series data between 2003 to 2024, and the variables are Export (EX), Import (IM) and Remittance (REM). This data is collected from Prime Bank's annual reports published in their official website.

5.2 Econometric Technique

In order to forecast the export, import, and remittance of Prime Bank PLC, several econometric models including ARIMA (AutoRegressive Integrated Moving Average), ARCH (Autoregressive Conditional Heteroskedasticity), and GARCH (Generalized Autoregressive Conditional Heteroskedasticity) were applied in the analysis to find out the most suitable model for forecasting.

To start with, we used the Augmented Dickey-Fuller (ADF) test in order to check data for stationarity. A key assumption of time series forecasting is that the data is stationary otherwise the process would yield unreliable results. The decision on whether or not to differencing the data before it is modeled was made based on the result of the ADF test.

We then conducted the stationarity test followed by a heteroskedasticity test to see how much the volatility varied with time. The outcome of the tests would guide us in determining the severity of the issue of volatility clustering in the data and the extent to which the use of ARCH and GARCH models would be effective in capturing similar time-varying patterns of volatility.

Moreover, the seasonality test was performed to analyze if the data had any usual seasonal variations. It was very important to find out whether the forecasting models should consider the seasonal changes having an effect on the predictions of export, import, and remittance values.

Once these diagnostic tests were done, the results suggested the ARIMA model to be the best suited for this analysis. The ARIMA model came out as the most favorable option after weighing the diagnostic tests results, and thus it was the one used for making forecasts for the upcoming years. This method not only helped but also made it easier to grasp the trends and possible future changes in the financial indicators that are key to the functioning of Prime Bank PLC.

5.3 Study results and discussion

Using yearly data, this analysis looked into Prime Bank's Import, Export & Remittance performance. In following tables the results of the descriptive analysis are illustrated.

Y	IM	EX	REM
2003	25,441	16,490	3,063
2004	36,747	19,502	2,140
2005	40,303	28,882	3,688
2006	52,639	41,801	15,050
2007	70,617	51,316	15,905
2008	91,424	68,550	22,669
2009	96,452	76,097	26,447
2010	147,704	106,943	28,433
2011	174,384	133,396	36,890
2012	168,532	143,612	42,443
2013	133,219	127,091	32,628
2014	126,571	110,096	39,484
2015	114,747	88,827	41,685
2016	134,914	89,720	32,119
2017	186,050	107,002	38,120
2018	182,263	134,616	45,755
2019	185,735	137,787	50,353
2020	147,811	118,091	49,267
2021	223,419	154,746	38,710
2022	199,737	206,693	46,786
2023	189,782	192,727	42,230
2024	240,586	231,417	37,258

List of study variables for the analysis

Abbreviations	Full form
IM	Import
EX	Export
REM	Remittance

5.4 Descriptive Analysis

Particulars	IM	EX	REM
Mean	134958.1	108427.3	31414.7
Median	141309	108549	37074
Max	240586	231417	50353
Min	25441	16490	2140
Variance	3.90e+09	3.41e+09	2.26e+08

St. Deviation	62486.3	58411.65	15025
Skewness	-.2598394	.2544765	-.7729499
Kurtosis	2.031265	2.522642	2.434267

5.5 Correlation matrix outcomes

Variables	IM	EX	REM
IM	1		
EX	0.9371	1	
REM	0.8549	0.8044	1

5.6 Unit root tests

This study uses ADF test to find out whether the variables are stationary and the results of the test are estimated through the application of the ADF unit root tests to confirm that the results are accurate. The following table indicates the ADF unit tests, which indicate Import (IM), Export (EX), Remittance (REM).

Variables	First Level Stationary (Test Statistic)	First Difference Stationary (Test Statistic)
IM	-1.171	-5.015***
EX	-0.149	-3.580**
REM	-1.982	-4.948***

***, **, * indicates 1%, 5%, and 10% significance level

Interpretation:

- IM, EX, and REM are all non-stationary at the first level (their test statistics are not significant).
- All three variables become stationary after first differencing (with test statistics that are statistically significant at the 1% or 5% levels), that is why $d = 1$

5.7 Check for Heteroskedasticity & Seasonality tests

```
. ssc install archlm
checking archlm consistency and verifying not already installed...
all files already exist and are up to date.
```

```
. regress IM Y
```

Source	SS	df	MS	Number of obs	=	22
Model	6.7079e+10	1	6.7079e+10	F(1, 20)	=	89.94
Residual	1.4916e+10	20	745802691	Prob > F	=	0.0000
				R-squared	=	0.8181
				Adj R-squared	=	0.8090
Total	8.1995e+10	21	3.9045e+09	Root MSE	=	27309

IM	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
Y	8703.616	917.7358	9.48	0.000	6789.253	10617.98
_cons	-1.74e+07	1847870	-9.41	0.000	-2.12e+07	-1.35e+07

```
. archlm
LM test for autoregressive conditional heteroskedasticity (ARCH)
```

lags(p)	chi2	df	Prob > chi2
1	3.404	1	0.0650

H0: no ARCH effects vs. H1: ARCH(p) disturbance

```
. regress EX Y
```

Source	SS	df	MS	Number of obs	=	22
Model	5.7561e+10	1	5.7561e+10	F(1, 20)	=	81.71
Residual	1.4089e+10	20	704451536	Prob > F	=	0.0000
				R-squared	=	0.8034
				Adj R-squared	=	0.7935
Total	7.1650e+10	21	3.4119e+09	Root MSE	=	26542

EX	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
Y	8062.524	891.931	9.04	0.000	6201.988	9923.059
_cons	-1.61e+07	1795912	-8.98	0.000	-1.99e+07	-1.24e+07

```
. archlm
LM test for autoregressive conditional heteroskedasticity (ARCH)
```

lags(p)	chi2	df	Prob > chi2
1	1.426	1	0.2324

H0: no ARCH effects vs. H1: ARCH(p) disturbance

```
. regress REM Y
```

Source	SS	df	MS	Number of obs	=	22
Model	3.5139e+09	1	3.5139e+09	F(1, 20)	=	57.28
Residual	1.2269e+09	20	61343845.3	Prob > F	=	0.0000
Total	4.7408e+09	21	225750691	R-squared	=	0.7412
				Adj R-squared	=	0.7283
				Root MSE	=	7832.2

REM	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
Y	1992.047	263.2032	7.57	0.000	1443.015	2541.08
_cons	-3979573	529962.3	-7.51	0.000	-5085055	-2874091

```
. archlm
LM test for autoregressive conditional heteroskedasticity (ARCH)
```

lags(p)	chi2	df	Prob > chi2
1	0.654	1	0.4187

H0: no ARCH effects vs. H1: ARCH(p) disturbance

From the Heteroskedasticity checking, no ARCH effects were found.

Seasonality tests

```
. reg IM L.IM i.year
```

Source	SS	df	MS	Number of obs	=	21
Model	5.5890e+10	2	2.7945e+10	F(2, 18)	=	37.15
Residual	1.3541e+10	18	752252379	Prob > F	=	0.0000
Total	6.9430e+10	20	3.4715e+09	R-squared	=	0.8050
				Adj R-squared	=	0.7833
				Root MSE	=	27427

IM	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
IM						
L1.	.7101304	.1372177	5.18	0.000	.4218466	.9984142
year						
2128	28809.45	16043.77	1.80	0.089	-4897.262	62516.16
_cons	35560.31	15487.32	2.30	0.034	3022.663	68097.97

```
. testparm i.year
( 1) 2128.year = 0
F( 1, 18) = 3.22
Prob > F = 0.0894
```

```
. reg EX L.EX i.year
```

Source	SS	df	MS	Number of obs	=	21
Model	5.5194e+10	2	2.7597e+10	F(2, 18)	=	65.35
Residual	7.6009e+09	18	422272370	Prob > F	=	0.0000
				R-squared	=	0.8790
				Adj R-squared	=	0.8655
Total	6.2795e+10	20	3.1398e+09	Root MSE	=	20549

EX	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
EX L1.	.8998	.1061602	8.48	0.000	.6767656	1.122834
year 2128	15798.04	11058.35	1.43	0.170	-7434.698	39030.78
_cons	13741.62	10098.35	1.36	0.190	-7474.238	34957.47

```
. testparm i.year
```

(1) 2128.year = 0

F(1, 18) = 2.04
 Prob > F = 0.1702

```
. reg REM L.REM i.year
```

Source	SS	df	MS	Number of obs	=	21
Model	3.2177e+09	2	1.6089e+09	F(2, 18)	=	42.53
Residual	680960277	18	37831126.5	Prob > F	=	0.0000
				R-squared	=	0.8253
				Adj R-squared	=	0.8059
Total	3.8987e+09	20	194933426	Root MSE	=	6150.7

REM	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
REM L1.	.8344344	.1213387	6.88	0.000	.5795112	1.089358
year 2128	-336.6141	3670.09	-0.09	0.928	-8047.188	7373.96
_cons	6927.722	3246.883	2.13	0.047	106.2738	13749.17

```
. testparm i.year
```

(1) 2128.year = 0

F(1, 18) = 0.01
 Prob > F = 0.9279

Table 6: Seasonality testing outcomes

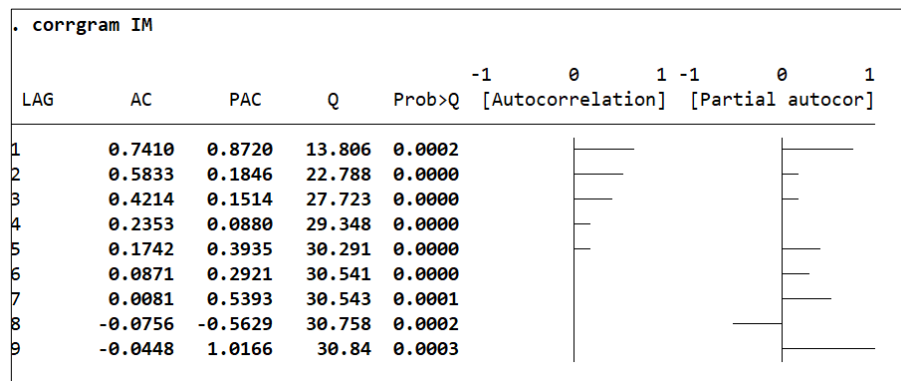
Variables	p value
IM	0.0894
EX	0.1702
REM	0.9279

Results from the above table shows that p value is greater than 0.05 for every variable. So, there is no strong evidence of seasonality. This set is stationary & homoscedastic.

That means the above data set is fit for ARIMA model.

5.8 ARIMA

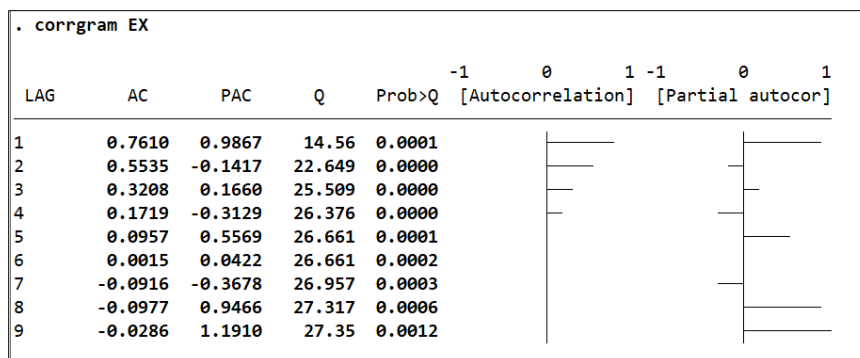
AR (p), MA (q)



For IM, p = 2

q = 1

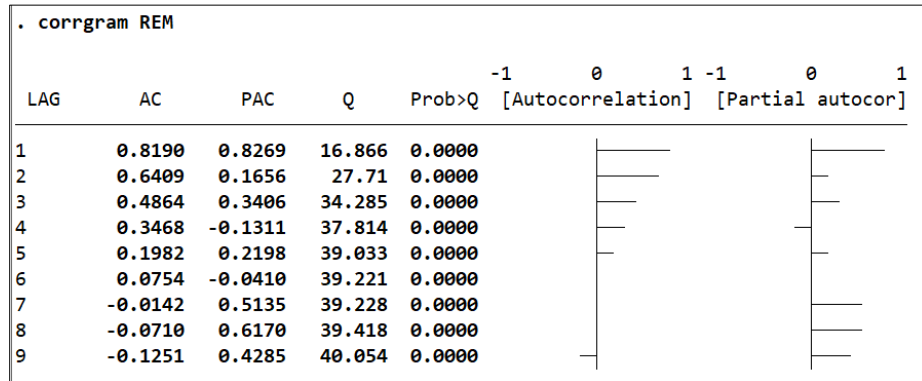
So, model is ARIMA (2,1,1)



For EX, p = 3

$$q = 1$$

So, model is ARIMA (3,1,1)



For REM, $p = 1$

$$q = 2$$

So, model is ARIMA (1,1,2)

5.8.1 Regression line

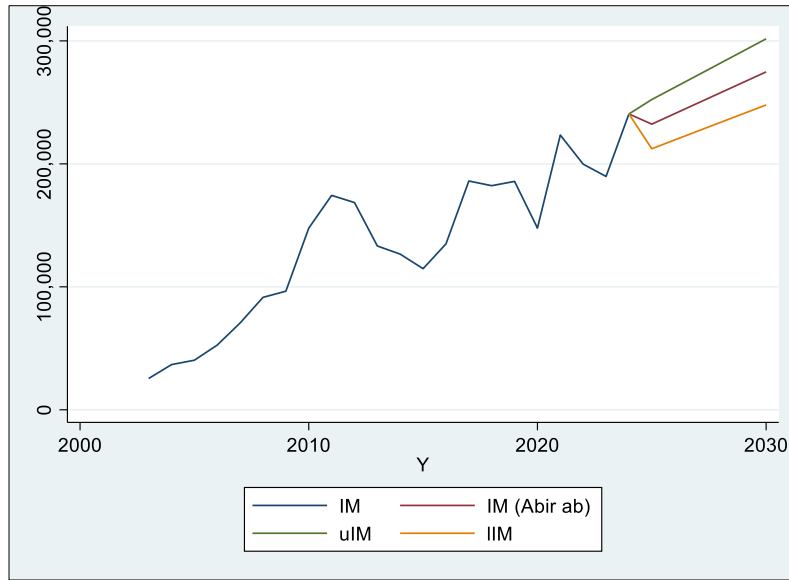
Variables	Regression line
IM	$IM = 8999.05 + 0.5Y_t - 0.07Y_{t-1} - 0.99\mu_t$
EX	$EX = 11053.12 - 0.17t - 0.22t_{-1} + 0.20Y_{t-2} + 0.47\mu_t$
REM	$REM = 1853.56 - 0.49Y_t + 0.38\mu_t - 0.31\mu_{t-1}$

By using these regression lines, we can forecast Export, Import & Remittance of Prime Bank PLC of any year.

5.9 Graph

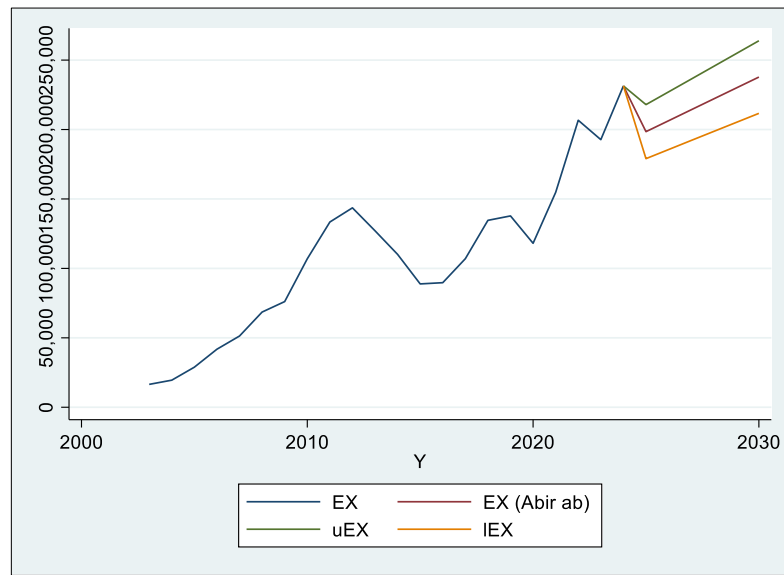
The graphs below illustrate the economic patterns of Prime Bank PLC with emphasis on the most important variables which are imports, exports, and remittances. The graphs demonstrate the historical data variables in particular which gives an insight into the fluctuations of each variable with time. This is to emphasize the relationships and economic practices, which affect the performance of these major indicators regarding the operations of the bank.

5.9.1 Import graph



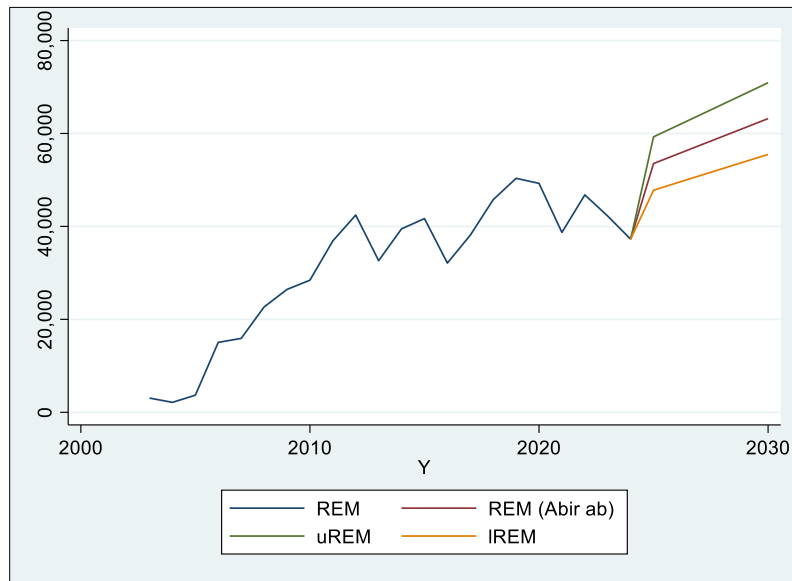
The graph illustrates the import trends of Prime Bank PLC between 2003 to 2030. The blue line (IM) is a reflection of the actual import data and it is evidenced by a constant growth even though fluctuating as time goes by. The green line (uIM) represents the upper limit of imports, implying the case of optimistic growth, and the orange line (IIM) represents the lower limit of imports, which implies a more pessimistic forecast. The red line (IM Abir ab) indicates the linear forecast that continued increase in imports will be experienced giving it a historical compatibility. Overall, the figure indicates that imports will continue growing in the future, and they will increase cautiously to optimistically.

5.9.2 Export graph



The graph shows the export trends of Prime Bank PLC between 2003 to 2030. The blue line (EX) depicts the data on the actual exports which varies with the passage of time. The green line (uEX) is the upper limit of exports which predicts the optimistic situation when the export may grow by 2030 and this means that the growth curve would be strong. The lower limit of exports is denoted by the orange line (lEX) which estimates a less optimistic growth. The linear projection (EX Abir ab) shows a more moderate and consistent growth, which would be in line with the trends of the past. The graph indicates that the exports of Prime Bank PLC will be on an upward trend in growth with different projections portraying different growth rates. The small difference between the upper and lower limits indicates uncertainty and there is a need to plan the strategies to take into consideration the risks and opportunities that may arise in the performance during the exports in the future.

5.9.3 Remittance graph



This graph illustrates the remittance trends of Prime Bank PLC between 2003 to 2030. The blue line (REM) is actual remittance data and it is on an upward trend. The upper limit of remittance (uREM), which indicates a steep upward trend by the year 2030, is an indication of optimistic growth trend. The orange line (IREM) indicating the lower limit of remittance gives an indication of a slower increase that will be achieved by the year 2030. The linear prediction (REM Abir ab) depicts a continuous growth in an upward manner by 2030. The graph shows that the remittances are on a positive upwards trend but the rate of growth is to differ according to the economic conditions.

CHAPTER 6: CRITIQUE AND REFLECTION

6.1 Critical Evaluation

I have carried out the analysis regarding the economic indicators with a particular emphasis placed on the trends of import, export, and remittances of Prime Bank PLC between the period 2003 to 2024. I also analyzed the trends of peer banks, such as BRAC bank and United Commercial Bank PLC (UCB) to find out whether there were any merits and demerits of their performance in terms of imports, exports and remittances.

The analysis gives an insight on the performance of Prime Bank PLC compared to that of its peers and the areas where it has performed well or poorly. The analysis is done in a more general economic perspective by looking at how each bank has been able to adjust to the changing economic environment, in light of trends that are relevant to the profitability, financial stability, and economic prediction.

- **Import Financing Performance:** The performance of Prime Bank PLC has been considerably high in 2003-2024 period with regard to the import financing segment, however, it has not performed well compared to the performance of the peer banks, especially BRAC bank and UCB. BRAC Bank has maintained an increasing trend in the volume of import financing due its effective international trade connection and strategic relationship, whereas UCB performance in the import financing sector had been better than both these banks.

Prime Bank PLC, however, recorded a consistent rate of import financing growth, although it has not taken advantage of the blistering growth of various sectors like e-commerce or digital trade as was done in BRAC Bank. The trade finance data by the Bangladesh bank (BB) also indicates that BRAC bank has acquired a higher proportion of import LCs because it is had at a very competitive price and also offers long term trade facilitation.

- **Export Financing Performance:** Export financing in Prime Bank PLC has been more robust, and export financing portfolio has been running mainly because of diversified clients. Although UCB has performed well in this segment due to the high presence of clients of the bank in export industries. BRAC Bank on the other hand has been growing at a slower pace.

The export financing of Prime Bank PLC, which is stable, has not shown the aggressive growth strategy like UCB has registered in the international markets. Moreover, the export financing of BRAC Bank, although more fluctuating, was stable even in the times of the global economic stress.

- **Remittance trends and performance:** The remittance inflows have played significant role of bringing stability to the economy of Bangladesh. Prime bank PLC has been doing fairly well in this field. Nevertheless, in comparison to BRAC Bank, the dominant player in the market, with its digital remittance schemes via its bKash app, the remittance services of

Prime Bank PLC have been struggling with the digitalization and development of telecoms abroad. Mobile banking and remittance services have given BRAC Bank a strong advantage over Prime Bank PLC due to its innovation.

UCB, in its turn, has also performed better than Prime Bank PLC in the domain of remittances.

6.2 Findings and Observations

➤ Positive findings

1. Consistent Development in Trade Finance Services (Import and Export): Prime bank PLC has experienced consistent growth of its import and export trade finance services over the years. Such consistent performance shows how well established the bank is in terms of trade financing, offering such services as issuing Letter of Credit (LCs), import financing and facilitating exports. Nevertheless, the bank has been striving to sustain a strong stand of promoting local businesses that engage in international trade.

2. Robust Remittance Service: Prime bank has successfully established itself as a significant player in the market in terms of the remittances in Bangladesh, which helps in stabilizing the country financially. The bank has a chain of foreign exchange and remittance service points, which serves the expatriate and their families back home.

3. Strong Financial Management Practices: The bank has demonstrated good financial management practices especially in the liquidity management and capital adequacy ratios. This has enabled the Prime Bank to retain a good financial position meaning that it is not susceptible to the economic pressures, yet it has been able to remain competitive.

4. Effective Integration of Technology in Banking Services: Prime Bank PLC is a progressive advancement bank that has taken time to enhance its digital banking facility and equipped its customers with online banking services, mobile banking services, and digital solution to payment. This development is indicative of the flex of the bank to the digital age and their willingness to better the lives of their customers and operational responsibility.

➤ Negative findings

1. Limited Growth in Digital Remittance Services Compared to Peers: Although Prime Bank PLC has been operational in remittance services, its digital remittance services have not grown at a faster rate compared to its competitors especially BRAC Bank with its bKash platform. The absence of meaningful development in mobile and digital remittance services has disadvantaged the bank in its attempt to tap the expanding number of techno savvy migrant worker who wants quick and secure, digital transactions.

2. Slow Adaptation to E-Commerce and Digital Trade Finance: Prime Bank PLC's trade finance services, especially the digital trade finance and e-commerce has not been adapted as fast as BRAC bank and UCB. Prime Bank PLC has not succeeded in maximizing on the global growth in e-commerce and e-trade, since they have not yet made significant strides in funding e-commerce online sectors or other online international payments.

3. Volatility in Remittance Inflows: Although the Remittance Inflows of Prime Bank PLC is rather consistent, the bank depends on regular remittance channels, which might cause more fluctuations in the bank's remittance inflows, particularly, during the economic uncertainty or in migration patterns.

4. Risk Exposure in Trade Finance: Trade finance is an exposure of Prime Bank PLC to exposure to the global economic risks like changes in commodities prices, geopolitical tension and interruption of international supply chains. Although the bank has managed to eliminate certain risks, it is very possible that its tendency to concentrate on traditional trade finance may be an area of weakness when there is global economic turbulence.

6.3 Recommendations

1. Strengthen Digital Remittance Services: Grow digital remittance channels like mobile banking applications, agreement with MTOs such as Western Union to win market share among technologically literate migrant laborers, increase real time transfers, and create more accessible services.

2. Leverage E-Commerce and Digital Trade Finance: Provide customized financing services to e-commerce affiliates and online trade markets. It will enable the bank to embrace the expanding digital market in trade, boost trade finance and diversify products.

3. Diversify Remittance Sources: Expand additional remittance routes, focus on emerging markets such as Middle East, Southeast Asia and collaborate with fintech vendors. It will decrease volatility of the inflows of the remittances, stabilize the income streams.

4. Enhance Risk Management in Trade Finance: Adopt high-risk instruments like credit scoring, dynamic hedging to diversify portfolio in trades. It will facilitate in reducing the risks of global economic variations, stability of performance of trade finance.

CHAPTER 7: IMPLICATIONS

7.1 Applicability of Academic Learning

The academic skills and knowledge which I acquired due to my studies in the area of finance, were directly relevant to the work that I did during my internship. The knowledge of statistical analysis played a very crucial role in conducting time-series analysis of the performance of Prime Bank PLC's economic variables. Moreover, the theoretical ideas associated with financial management of risks and trade finance were also very informative to evaluate the position of the bank in these spheres.

7.2 Organizational Impact

The results and suggestions of my analysis can strategically guide the decision-making of Prime Bank PLC especially on decision making related trade finance, remittance services and the digital transformation. The lessons on how profitability, risk management, and forecasting can be improved can result in more effective operation approaches to ensure that the bank can remain competitive in the fast-changing financial environment. In a manner that is analytical, my analyses have offered practical recommendations that can be helpful to Prime Bank PLC in terms of revising its business approaches, enhancing its risk reduction strategies, and entering new business opportunities in digital banking and trade finance.

7.3 Industry Relevance

Bangladesh banking industry is experiencing a tremendous change particularly in digital banking and remittance provision. The trends that I have examined, including the increase in the demand of digital trade finance and mobile remittance solutions can be very relevant to the future of the industry. My results underscore the need to embrace technological trends and to differentiate services to suit customer demands in the digital age.

7.4 Lessons Learned

One of the greatest things I learned during my internship is the value of accuracy of data and real-time insights in making decisions associated with business. I also understood the importance of having regular and quality data especially in making predictions and trend analysis. Also, I was taught the necessity of flexibility when changing conditions of the market and customer needs in response. The experience served to understand that the issue of making a decision based on facts and being flexible enough to adapt the strategy and stay at its leading position in the competitive market is truly essential.

7.5 Skill Development

The skills acquired during this internship will be available in practice in the future when I will work within the banking or financial field, specifically, data analysis and financial projections.

Problem-solving and strategic thinking also knowledge that I gained helped me to undertake complex operations.

7.6 Networking and Relationships

During my period of internship, I got to interact with professionals who were employed in different departments of Prime Bank PLC. Such interactions enabled me to have a better insight into the operations of the bank and establish a relationship with the professionals in the industry.

CHAPTER 8: CONCLUSION

The internship at Prime Bank PLC opened up the entire financial scene for me, mainly through the Treasury Division of the bank. One of the main objectives of the internship was the bank's prediction of the major financial indicators, which are the flows of export, import, and remittance. My capabilities of making these forecasts were made possible through the use of the most recent time series analysis methods, which in turn would be helpful for the bank's decision-making processes and its management of risks and liquidity.

Different econometric models such as ARIMA, ARCH and GARCH were applied during the entire internship to the data covering the period from 2003 to 2024. The Augmented Dickey-Fuller (ADF) test revealed that non-stationarity of the dataset exists at the first level, which was later handled through first differencing that successfully turned the series into stationary. Moreover, I was the one to initiate the testing of heteroskedasticity and seasonality, which showed that the ARIMA model could be used for forecasting due to the absence of ARCH effects and seasonal variations in the data. After doing the analysis, it was clear that the ARIMA model, particularly ARIMA(2,1,1) for Imports, ARIMA(3,1,1) for Exports and ARIMA(1,1,2) for Remittances, was the most precise forecasting method.

The ARIMA-based forecasting model that I developed will not only assist Prime Bank but also allow it to engage in foreign exchange operations to a greater extent as it will be able to see the future trends of exports, imports, and remittances. The bank can then rely on these forecasts to tweak its liquidity management and, consequently, cut down on the risks caused by fluctuations in foreign exchange rates and the volatility of the market.

The internship experience has played a major role in enriching my academic knowledge base on financial markets, risks and the modeling of econometric. I actually followed the whole path of connecting the theory taught in my finance courses with their practice by such actions like operating with real-life data and acquiring the knowledge of how financial institutions get acquainted through information. The job I performed in the bank involved working with financial information, performing a time series analysis and being integrated in the bank forecasting models which not only made me more technical and analytical but also provided me with insight into the banking workings by seeing through the regulative compliance and risk management measures that I was involved in.

To sum up, this internship experience proved to be an excellent educational experience that enabled me to fill the gap between theory and practice. It has provided me with the skill set which is required in the field of finance and particularly financial analysis, and risk management. The acquired knowledge will be a strong base to my future career in the financial sector.

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