



**Daffodil**  
*International*  
**University**

**Remittance Activities of Bangladesh Krishi Bank: A  
Study on Narsingdi Branch**

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# Letter of Transmittal

February 11, 2019

ReponMiah  
Senior Lecturer  
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Subject: Submission of Internship Report.

Honorable Sir,

I take joy in submitting the report on generally exercises of Bangladesh krishibank Limited” as a necessity of the BBA program of the Office of Commerce Organization for your thought. I have completed the report in due time and met all the proposed goals. Separated from the scholastic information picked up, this internship program and planning of report has given me the opportunity to get it the subject related information. I have embraced earnest exertion for effective completion of the report. It should be said assist that without your counsel and participation it would not be conceivable for me to total this report. I might be delighted to reply any sort of questions you think fundamental with respect to this report. Therefore, I anticipate your kind thought in this respect, I will be exceptionally thankful on the off chance that you acknowledge my report and oblige in this manner.

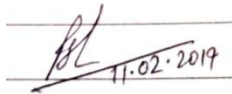
Yours Sincerely,

Shahria sultana  
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## Certificate of Approval

This to certify that Shahria sultana, ID # 151-11-4402, BBA (Finance), is a regular student of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. She has successfully completed her internship program at Bangladesh krishi bank Limited and has prepared this internship under my direct supervision. Her assigned internship topic is “Remittance activities of Bangladesh krishi bank Limited”. I think that the report is worthy of fulfilling the partial requirements of BBA program. I also declare that the study has been prepared for academic purposes only and this paper may not be used in actual market scenario.

I have gone through the report and found it a well written report. She has completed the report by herself. I wish her every success in life.

A handwritten signature in black ink is written over a horizontal line. Below the signature, the date "11.02.2019" is written in black ink.

ReponMiah  
Senior Lecturer  
Department of Business Administration  
Faculty of Business & Entrepreneurship  
Daffodil International University

## **Acknowledgement**

As a understudy of BBA Program, Internship is one of the foremost important partial prerequisites of the entire courses BBA program. In this respect I would like to thank all the resources of Daffodil International University who makes a difference me to wrap up my courses. This may be a continue of my later ponder on “Remittance Exercises of Bangladesh Krishi Bank” as a portion of the internship program. At the starting I need to keep in mind All-powerful Allah for giving me the opportunity, capacity to do this work easily & gifts for our victory. I would like to thank my honorable instructor ReponMiah (Senior Speaker) Office of Commerce Organization, Workforce of Commerce &Business, Daffodil Worldwide College, for making a difference me to get ready the report. I will stay obliged to him for the profitable proposals and the time he has given in administering my work on report. As a understudy of BBA Program, Internship is one of the foremost important partial prerequisites of the entire courses BBA program. In this respect I would like to thank all the resources of Daffodil International University who makes a difference me to wrap up my courses. This may be a continue of my later consider on “Remittance Exercises of Bangladesh Krishi Bank” as a portion of the internship program. At the starting I need to keep in mind All-powerful Allah for giving me the opportunity, capacity to do this work easily & gifts for our victory. I would like to thank my honorable instructor ReponMiah (Senior Teacher) Division of Trade Organization, Workforce of Commerce &Enterprise, Daffodil Universal College, for making a difference me to plan the report. I will stay obligated to him for the profitable recommendations and the time he has given in administering my work on report.

## Executive Summary

Bangladesh Krishi Bank (BKB) has been established under the Bangladesh Krishi Bank order 1973 (President's Order No 27 of 1973). BKB is a Banking Company under the Banking Company Act-1991. Its Head Office is located at Krishi Bank Bhaban,83-85 Motijheel Commercial Area, Dhaka-1000, Bangladesh.

There are certain boundaries to cover the report. To achieve the objectives of the report. In this report I tried to analyze the Foreign exchange performance of BKB. For this purpose I have collected primary and secondary data for last 5years. In the preparation of the report I have used Annual report and different journal. We also conduct face to face conversation with employees of BKB.

Data have been collected from both primary and secondary sources. The Methodology relevant data are collected through face to face conversation with the AGM, Second Officer, Remittance In-charge, different officials of Krishi Bank. The data have also been collected through the study and evaluation of the method which they use in remittance of fund.

Remittance is sending money from one place to another through banking or authorized channel. Banks earn maximum portion of non-interest income from remittance. Noninterest income of a bank depends on largely, the overall qualities of services of the bank.

Remittance is important from the customer's point of view, as it is easy, less expense, minimizing risk. Remittance is important from the banker's point of view as Bank earn noninterest income, helpful for other business and helpful for stable economic growth. Mainly the following parties are involved in remittance

The basic function of this department are outward and inward remittance of foreign exchange from one country to another country. In the process of providing this remittance services; it sells and buys foreign currency. The conversion of one currency into another takes place at an agreed rate of exchange in where the bankers quotes, one for buying and another for selling. In such transactions the foreign currencies are like any other commodities offered for sales and purchase, the cast (convention value) being paid by the buyer in home currency, the legal tender.

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## **Abbreviations**

- BB- Bangladesh Bank
- FSS - Financial Spread Sheet
- KYC - Know Your Customer
- GB- General Banking
- BKB-Bangladesh Krishi Bank
- CRG - Credit Risk Grading
- CRGM- Credit Risk Grading Manual
- EAS - Early Alert System
- CRM-Credit Risk Management

# Chapter:-01

## Introduction



## 1.1 Background of the study

Bangladesh Krishi Bank (BKB) may be a 100% government possessed specialized Bank in Bangladesh. KRISHI implies Agribusiness. Since its beginning, BKB is financing in agrarian division strikingly. BKB too performs commercial managing an account. Individuals working overseas can effortlessly send cash domestic through our Taka Drawing Arrangement. The major occupation of the people of Bangladesh is "Krishi". Krishi could be a Bengali word which implies "Farming". Around 85% of the populace depends straightforwardly or in a roundabout way on agribusiness which contributes a critical parcel to GDP. Bangladesh Krishi Bank (BKB) has been built up beneath the Bangladesh Krishi Bank arrange 1973 (President's Arrange No 27 of 1973). BKB could be a Keeping money Company beneath the Managing an account Company Act-1991. Its Head Office is found at Krishi Bank Bhaban, 83-85 Motijheel Commercial Region, Dhaka-1000, Bangladesh.

It is exceptionally critical to have a viable application of the information procured from any scholarly course of the think about, since as it were a parcel of hypothetical information will ended up vain in case it isn't connected within the down to earth life. So we need appropriate application of our information to urge a few advantage from our hypothetical information to create it productive. Such an application can be conceivable through internship This report contains a certain purpose to center on the operation of "Remittance" of Bangladesh Krishi Bank. Without any question Settlement Catches the streak because it has extraordinary significance within the adjust of exchange in economy. Banks plays a imperative part in this discipline.

ithin the age of globalization, the significance of managing an account division is past portrayal. Keeping money segment is going ahead with the enhancement and development of unused administrations and offerings to accumulate and hold more clients. Other than other keeping money exercises "Remittance" has ended up an basic portion of a banks every day activity to perform. In existence ordinarily utilize the instruments like PS, PO, TT, MT, DD etc. in order to send cash from one put to another. Once more, outside settlement encompasses a extraordinary affect on our national economy. Internship in BKB (Narsingdi Department) has brought the opportunity to know subtle elements around different apparatuses of settlement. At the exceptionally starting of the internee period, worked beneath advance and development division for few days.

The supervision of principal & executive officer and assistant officer, for their assistance and guidance in completing this report

## 1.2 Objectives of the study

**The objectives of the study are the followings:**

**Broad Objective:**

To evaluate the foreign remittance activities of BKB.

**Specific objectives:** The study includes the followings specific objectives

- To identify the Remittance activities of Bangladesh Krishi Bank.
- To evaluate the remittance services of BKB.
- To identify problems remittance services and recommend measures to improve the services.

## 1.3 Methodology of the study

The Consider is completely expressive in nature. Information have been collected from both essential and auxiliary sources. The pertinent information are collected through confront to confront discussion with the AGM, Moment Officer, Settlement In-charge, diverse authorities of Krishi Bank. The information have moreover been collected through the ponder and assessment of the strategy which they utilize in settlement of support. The information are collected from the taking after essential and auxiliary sources:

**Primary sources of data**

- Bank officers and staffs.
- Clients.
- Personal observation
- Discussion session

**Secondary sources of data**

- Annual report of Bangladesh Krishi Bank.
- Different papers, e.g., files & folders, memos & circulars of Bangladesh Krishi Bank.
- Different text books.
- Websites.
- Different manuals of Bangladesh Krishi Bank.
- Different circulars of Bangladesh Krishi Bank.

### **Data collection method for primary sources:**

- Face to face conversation
- Informal conversation
- Direct observation
- Practical orientation

### **Data collection method for secondary sources:**

All the data were collected form secondary sources using text analysis method.

### **Data Analysis and presentation:**

The collected data have been organized using MS-word and financial data have been presented tables and charts.

## **1.4 Scope of the Study**

This study covers only Bangladesh Krishi Bank and its remittance activities. The Narsingdi Branch of Bangladesh Krishi Bank was focused to perform the study.

## **1.5 Limitations of the study**

As an internee understudy, it was a incredible opportunity for me to know the managing an account exercises of Bangladesh Uncommonly Krishi Bank but there were a few issues whereas I have experienced the internship program. A wholehearted exertion was connected to conduct the internship program and to bring a solid and productive result. In show disdain toward of having the wholehearted exertion, there exist a few restrictions, which acted as obstruction. The confinements were -

- The main constraints of the study are inadequate access to information, which has hampered the scope of analysis required for the study. The study was limited only to Bangladesh Krishi Bank, Narsingdi Branch.
- Another Problem was time constraints. The duration of my internship Program

was only Three months. But this time is not enough for a complete and fruitful study.

- The Bank was a busy one having heavy rush of people whom officers need to deal with. So allocation of time for an interne is very much tough for the officers of the bank.
- Sometimes I was assigned to do some jobs without explaining why this work is to be done. This situation has created a lot of problems to understand why a specific function is being performed.
- Due to time limitations, many of the aspects could not be discussed in the present report.
- Improper combination among various departments the bank.
- Non availability of more recent data as well as information of different activities.

# **Chapter:-02**

## **Profile of the Organization**

## 2.1 Overview of BKB

Bangladesh Krishi Bank (BKB) could be a 100% government possessed specialized Bank in Bangladesh, BKB has an authorized capital of Tk. 15,000 Million (Taka Fifteen Thousand Million) as it were and paid up capital of Tk. 9,000 Million (Taka Nine Thousand Million) as it were which is completely paid by the Government. Bangladesh Krishi Bank (BKB) has been built up beneath the Bangladesh Krishi Bank arrange 1973 (President's Order No 27 of 1973). The Bank includes a Board of Executives comprising of 11 individuals. The Board is headed by the Chairman. The Board Chairman is for the most part an experienced professional/ex-professional who has wide worthiness and compatibility. The Chiefs speak to both open and private divisions and are named by the Government. The Overseeing Executive is the Chief Official of the Bank. He is designated by the Government. The Bank has two posts of Appointee Overseeing Chiefs and they are designated by the Government. The Bank has 14 posts of Common Directors. They are moreover designated by the Government.

### List of Branch:

Local Office	01
Corporate-1 Branch	24
Corporate-2 Branch	41
Overseas Branch	19
Grande-1 Branch	230
Grande-2 Branch	220
Grande-3 Branch	275
Grande-4 Branch	132
<b>Total Branch</b>	<b>942</b>

**Table 1: List of Branches**

- ✓ It is linked with 1198 foreign correspondents all over the world.
- ✓ The Bank employs more than 15020 persons.
- ✓ The Board of Directors is composed of 11 (eleven) members headed by a Chairman. The Directors are representatives from both public and private sectors.

- ✓ The Bank is headed by the Chief Executive Officer & Managing Director, who is a reputed banker.
- ✓ The corporate head office is located at Dhaka with 10 (ten) Divisions comprising of 37 (thirty seven) Departments.

## 2.2 Mission, Values & Vision

### **Mission:**

Bangladesh Krishi Bank has chalked out the following corporate objectives in order to ensure smooth achievement of its goals:

- To be the most caring, customer friendly and service government bank.
- To ensure ethics and transparency in all levels.
- To ensure sustainable growth and establish full value of the shareholders.
- Above all, to add effective contribution to the national economy.
- Eventually the Bank emphasizes on:
  - Providing efficient customer service
  - Being trusted repository of customers' money and their financial adviser
  - Making its products superior and rewarding to the customers
  - Display team spirit and professionalism
  - Sound Capital Base
  - Fulfilling its social commitments by expanding its charitable and humanitarian activities.

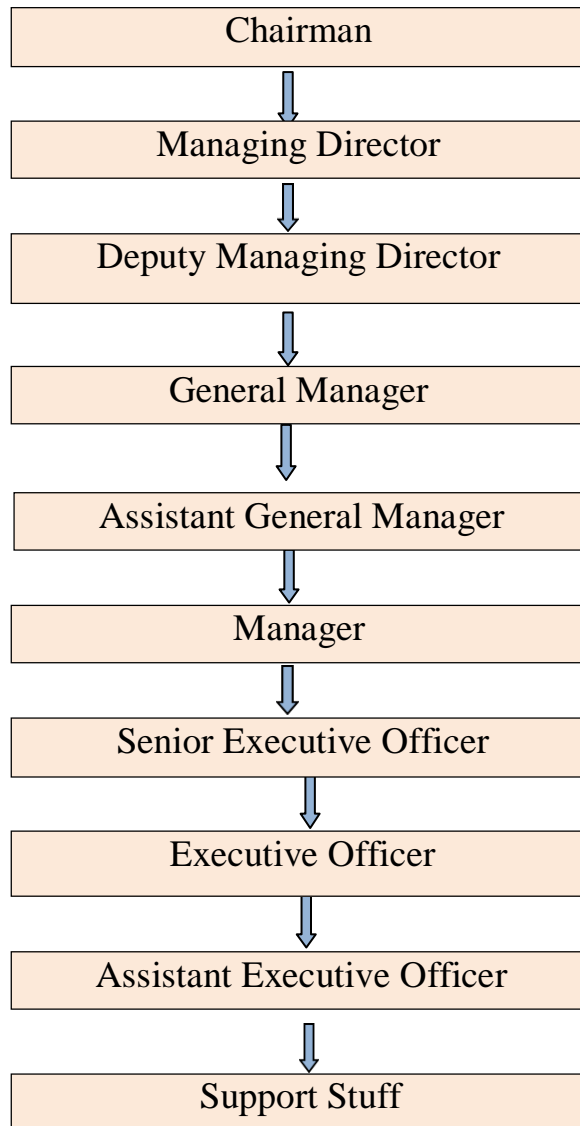
### **Values:**



### **Vision:**

Become the effective largest commercial bank in Bangladesh to socio- economic development of the country and to be a leading bank in south Asia.

## 2.3 Management of BKB



**Figure 1: Management Organ gram of B**



## 2.4 Services of BKB & products of BKB

### Services of BKB:

Bangladesh Krishi Bank is one of the greatest government banks of the nation. It's a government claimed bank that was shaped fair after freedom of Bangladesh. The bank incorporates an exceptionally wide arrangement of 942 branches all over the nation. At display its authorized capital is BDT 15,000 million and paid up capitalism BDT 9,000 million. B K B gives all sorts of administrations. Moreover, it serves its clients with most advanced banking products Services: Bangladesh Krishi Bank gives all commercial managing an account administrations to its clients centering on the national intrigued and economical development.

The major areas of its exercises may be spoken to as below:

- Retail/Personal Banking
- Credit programs
- Micro Enterprises & Special Credit
- Rural Banking / Credit Program
- International Banking
- Foreign Remittance

### Retail/Personal Banking:

In expansion to ordinary reserve funds and current accounts, Krishi Bank presents distinctive store plans for retail clients. As a constrained wage individual you will select one for yourself. The plans are Brief term store, Term store, and Store benefits conspire. The programs offer great terms and conditions. At individual level Krishi Bank show a few credit plans to encourage and up lift your standard of living. You will have one to meet up your requirement.

### **Credit program:**

Krishi Bank in its credit programs overwhelms most of the financial exercises of Bangladesh with extraordinary consideration at the pushed divisions of the nation. It touches about 200 items of trades businesses and industries. Pushed segment things, as pronounced by GOB and taken care of by BKB are:

- Agro products & agro processed goods
- Light Engineering products including Auto parts and Bi-cycle
- Leather goods and shoes
- Pharmaceutical goods
- Software and ICT products
  
- Home textile Ocean going shipbuilding

Other than the thrust sector Krishi Bank provides credit for all large and medium scale industries. The credit includes capital machinery and also running capital.

### **Rural Banking:**

The bank expands its advance office to form work and accomplish financial development in rustic Bangladesh. It gives advance to ranchers, angle and shrimp cultivators and smaller scale business people. They may have advance for agro gear and other use related to generation. All the endeavors are focused on to work era and self business. Well, all these advances are at simple terms. Almost 80% of our populace lives in country areas. So their financial strengthening may be a must for real and economical development of our economy. So this bank works at the same time to make business and to ease poverty. As the victory of a smaller scale credit program depend basically on seriously supervision, the bank now and then gives such credit in collaboration with other offices. Collaborating GO or NGO give supervisors.

### **Micro Enterprises & Special Credit:**

Our rural population is badly submerged under poverty. To bring them above the poverty level Krishi Bank has taken up good number of financing programs. Some of the scare:

- Small & Landless Laborers Development project (SFDP)
- Swanirvar Credit Scheme
- Co-operative Credit for rural poor
- Lending through NGOs
- Grain Storage Credit
- Family based microcredit
- Women Entrepreneur Development Credit
- Small Business Development loan scheme

Further to the above the bank offers some special credit programs. Those are like: Seed Development Program

- Loan for Handicapped/Disabled people
- Hybrid cow Rearing Program
- Credit for Forestry and Horticulture/Nursery
- Flower cultivation
- Goat Rearing

So it is clear that Krishi Bank tries to help almost all professions of our villages. Thus it's contributing quite substantially in reducing poverty and increasing growth.

### **International Banking:**

Krishi Bank performs in international banking for its clients through 19 overseas branches and 1198 correspondent banks around the globe. It provides credit in export and import businesses and all other banking services related to them. So you may avail the services from Krishi Bank.

### **Foreign Remittance:**

Krishi Bank serves the expatriate Bangladeshis in sending their hard earned foreign currency to home. In addition, they may have FC accounts in the bank. Attractive deposit schemes are also offered by the bank.

## **Products of BKB:**

Bangladesh Krishi Bank provides all commercial banking services to its clients focusing on the national interest and sustainable growth. The major fields of its activities may be represented as below;

### **Deposit products:**

- ✓ Current Deposit account
- ✓ Short Term Deposit
- ✓ Savings Bank Deposit Account
- ✓ Fixed Deposit
- ✓ Foreign Currency Deposit
- ✓ Monthly Saving Scheme
- ✓ Krishi Bank Double Deposit Scheme
- ✓ Monthly profit Based Saving Scheme
- ✓ Krishi Bank Savings Pension Scheme
- ✓ Krishi Bank Deposit Scheme
- ✓ Education Deposit Scheme

### **Credits products:**

- ✓ Term Loan
- ✓ Trade Finance
- ✓ Import Finance
- ✓ Export Finance
- ✓ SME Finance
- ✓ Micro Credit
- ✓ Agriculture & Rural Credit
- ✓ Consumer Credit
- ✓ Home Loan
- ✓ Loan for Merchant Banking

## **Service**

- ✓ Speedy Remittance Western Union Money Transfer
- ✓ IMS
- ✓ Xpress Money
- ✓ Automated Clearing
- ✓ Internet Banking
- ✓ ATM Banking

## **ATM Operation**

- ❖ Debit Card Operation

## 2.5 Future Plans of the Organization

- ❖ Involvement in export activity largely by maintaining good communication with diverse parties.
- ❖ More facilities will be provided to the exporters on the basis of export priorit and facilitate them on the basis of performance.
- ❖ Sufficient workforce has involved increasing export and import business, providing special services and initiated different training program of officers has been started.
- ❖ Very dynamic new dimensional credit product will be started in a large scale.
- ❖ To take the competitive position charge, decrease commission and other facilities will continue to complete the journey.

### ✚ Five years comparative financial and operational performance (2007-2011).

Particulars	2007	2008	2009	2010	2011
<b>Authorized capital</b>	8000	8000	8000	15000	15000
<b>Paid up capital</b>	2595	2595	2595	9000	9000
<b>Reserve fund</b>	1727	3224	4183	8207	10224
<b>deposits</b>	182947	198636	221336	246175	286567
<b>Advance</b>	138493	121200	144678	166359	225732
<b>Investment</b>	24785	55862	57824	72533	18577
<b>Revenue</b>	16272	18522	20922	24074	18577
<b>Cost</b>	12059	13559	13919	15496	18577
<b>Operation profit</b>	4213	4963	7003	8578	12037
<b>Provisions for loan</b>	10707	11698	9051	8748	8975
<b>Net profit</b>	-----	1681	1345	2982	4907
<b>Export</b>	70897	71855	85418	88653	118515

<b>Import</b>	128809	84065	129413	118525	183744
<b>Total number of employees</b>	14772	13860	13379	13122	12826
<b>No. of foreign correspondent</b>	1198	1198	1202	1208	1215
<b>No. of branches(including 4 overseas br.)</b>	922	922	942	942	942

**Table 8: Five years comparative financial and operational performance**

Source: Bangladesh Krishi Bank annual report-2011.

# **Chapter:-3**

## **Remittance Activities**



### 3.1 Remittance

**Remittance:** Settlement is sending cash from one put to another through keeping money or authorized channel. Banks gain greatest parcel of non intrigued salary from settlement. Noninterest wage of a bank depends on generally, the in general qualities of administrations of the bank. So the precondition for a bank's prospects to supply settlement benefit in cutting edge and created way, pertinent ability of the representatives and customer's satisfaction. Remittance is imperative from the customer's point of see, because it is simple, less cost, minimizing hazard. Settlement is imperative from the banker's point of see as Bank gain non- intrigued pay, supportive for other trade and supportive for steady financial development. Basically the taking after parties are included in remittance:

- Applicant or Sender or Purchaser, who is sending money.
- Drawer or Issuing branch which receive money and instruct other branch to make payment.
- Drawer or paying branch which make payment.
- Payee or Beneficiary who receive money.

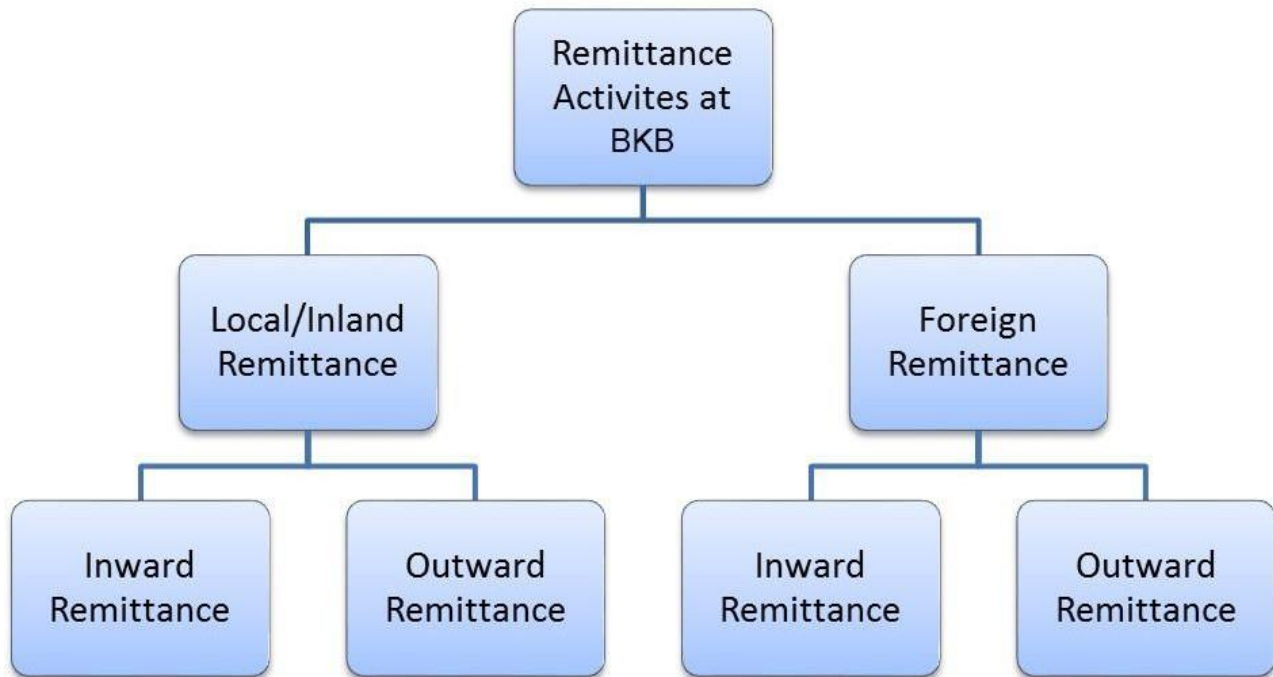
### 3.2 Foreign Remittance

The essential work of this office are outward and internal settlement of outside trade from one country to another nation. Within the prepare of giving this settlement administrations; it offers and buys outside cash. The change of one money into another takes put at an concurred rate of trade in where the investors cites, one for buying and another for selling. In such exchanges the remote monetary forms are like every other commodities advertised for deals and buy, the cast (tradition esteem) being paid by the buyer in domestic cash, the legitimate tender

### 3.3 Types and Modes of Remittance

BKB has its branches within the major cities of the nation and thus, its serves as one of the most excellent mediums for settlement of reserves from one put to another. This benefit is accessible to both clients and non-customers of the bank.

BKB perform both Internal and outward settlement exercises. Able to separate settlement exercises of BKB by the taking after way-

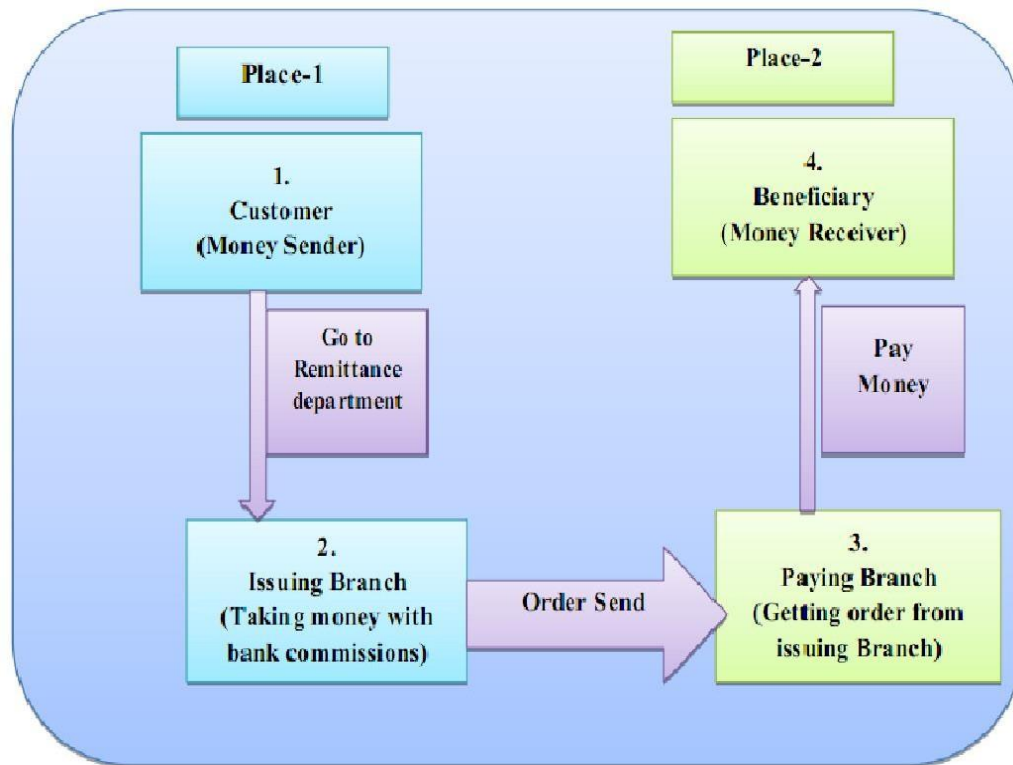


**Figure 2: Types of Remittance**

**Local/Inland Remittance:**

Local or inland remittance department of BKB performs an important role to send from one place to another branch within the country.

We can easily understand the remittance activities in a bank by the following



**Figure 3: How a bank performs its remittance activities**

By this way money is sent from one branch to another branch within the country. Here in **Place-1**; any customer pays money with bank commission at the issuing branch and beneficiary collect money from paying branch at **place-2**.

In this case, the issuing branch only sent a written document to the paying branch in order to pay the money to the beneficiary.

### **Mode of remittance serves by the Krishi Bank:**

As a public bank krishi bank serves in the following mode of remittance:

- Demand Draft(DD)
- Mail transfer (MT) and

- Telegraphic Transfer(TT)
- Payslip
- PayOrder
- Security deposit receipt(SDR)
- OBC
- Clearing
- CashManagement
- Foreignremittance

Followings are the brief about those modes of remittance serves by the Krishi Bank as a Public bank:

- ❖ **Demand Draft (DD):** Demand Draft is an order from one branch to another to pay a certain sum of money only to, or to the order of, a certain person ondemand.

<b>No. D.D 123456</b>	<b>Bangladesh Krishi Bank</b>	<b>Date..../..../....</b>
..... <b>Branch</b>		
<b>On demand pay to..... Or</b>		
<b>Order the sum of..... Taka (.....)</b>		
<b>For value received.</b>		
<b>Bangladesh Krishi Bank.....</b>		<b>For Krishi Bank</b>
.....	<b>Officer</b>	<b>Manager</b>

**Figure 4: Sample of DD**

After analyzing this sample DD we identify the following feature-

1. Serial Number(No.D.D.12345)
2. BranchName
3. Amount of Money(Numerical)
4. Date of Time

5. Name of Beneficiary
6. Amount of Money (inward)
7. Two officer signature (with PAN)

❖ **Pay Order:** Bank's installment arrange is an instrument which contains an arrange for installment to the paid to impact neighborhood installment whether on half of the bank or its constituents. PO was issued as it were to impact nearby installments of Bank claim commitments. The bank's installment orders are within the frame of receipts and issued by joint signature of two authorities. It guarantees installment to the payee as the cash deposited by the buyer of PO is kept within the Bank's possess A/C named "Payment Arrange A/C". Installment of this instrument to be made from the department it has been issued. It isn't transferable and, thus, it can as it were be paid to:-

1. The payee on identification.
2. The payee's banker, who should certify that amount, would be credited to payees A/C.
3. A person holding the letter of authority from the payee whose signature must be authenticated by the payee.
4. the purchaser by cancellation provide the original PO is surrendered by him to the bank.

Charges of P.O:

Amount of P.O	Commission	VAT 15% on commission	Total Taka
01-20,000	20	3	23
20,001-100,000	30	5	35
100,001-500,000	50	8	58
More then 500,000	100	15	115

**Table 4: charge of P.O**

**Sample of Pay order:**

<b>No. P.O. 123456</b>	<b>Bangladesh Krishi Bank</b> ..... <b>Branch</b>	<b>Date..../..../....</b>
<b>Pay to.....</b>		
<b>The sum of Taka.....</b>		
<b>Taka.....</b>		
<b>For value received.</b>		
<b>For Bangladesh Krishi Bank</b>		
	<b>Officer</b>	<b>Manager</b>

**Figure 5: sample of P.O.**

After analyzing this sample P.O. we identify the following feature-

1. Serial Number(No.P.O.12345)
2. Branch Name
3. Amount of Money(Numerical)
4. Date of Time
5. Name of Beneficiary
6. Amount of Money (inward)
7. Two officer signature (with PAN)

- ❖ **Mail transfer (MT):** A mail transfer is, in form, a request addressed by one branch of a bank to another branch to pay a stated sum of money to a named party and, as the same implies, the instructions are sent mail duly authenticated under authorized signatories.

Date: .....	
Payees Name: .....	
Branch Name: .....	
Amount: .....	Exchange: .....
Commission: .....	Postal Charge: .....

**Figure 6: sample of M.T.**

- ❖ **Telegraphic Transfer (TT):** Telegraphic Transfer (TT) is the quickest method of transferring funds from one place to another. The remitting Branch sends a telegraphic message to the branch at the other end, to pay a certain sum of money to a named payee.

<b>SL No. 1234</b>	<b>Bangladesh Krishi Bank</b>
<b>Date: .....</b>	
<b>Payees Name: .....</b>	
<b>Branch Name: .....</b>	
<b>Amount: .....</b>	<b>Exchange:.....</b>
<b>Commission: .....</b>	<b>Postal Charge:.....</b>

**Figure 7: sample of T.T**

- ❖ **Pay Slip:** Pay Slip is also a mode of payment. Bank use it for the payment of their own work which has to be done in locally. Demand draft is an order for payment to another branch but it is an order for their branch. It is transferrable but pay slip is not transferrable.

- ❖ **Security Deposit receipt:** For security the money which is deposited in the bank, the bank gives one kind of receipt which is called SDR. No interest will pay for this.
- ❖ **OBC:** Those cheque which are gathered for the collection from another bank. Generally, two banks or branch are here and one is collecting and another is paying bank.
- ❖ **Clearing:** Clearing is the collection of Cheque in fever of the customer.
- ❖ **Cash Management:** Cash is liquid asset and cost incurring but non-earning and risky.
- ❖ **Foreign Remittance:** Foreign remittance means transfer of foreign exchanges from one country to another country through banking or authorized channel.

### **Purpose of Foreign remittance:**

- ❖ **Family maintenance (Wage earners):** International migrant remittances are perhaps the largest source of external finance in developing countries. Migrant people are sending money as remittance to maintain their family.
- ❖ **Realization of export proceeds:** Export and import business people deal through remittance service of bank
- ❖ **Indenting commission:** Commission gainer also use remittance service in their payment mode. Because of safety service.
- ❖ **Foreign Tourists:** Foreign travelers use remittance service in their payment of something.
- ❖ **Recruiting Agents Commission:** Recruiting agent's receipts and payment their commission as a safety mode of transaction.
- ❖ **Donations:** Different donor country also gives donation through remittance service of bank.
- ❖ **Gifts:** Gifts also send by remittance by wage earner and relatives who are migrant.
- ❖ **Students Education Expenses:** Remittances can reduce the probability of children leaving school. Because the migrant people send money through remittance for their children's education.
- ❖ **Insurance Premium /Claim:** In the payment and receipts of insurance premium both party can use remittance service.
- ❖ **Export Brokerage:** In export brokerage remittance use for paying and receiving money.
- ❖ **Treatment Medical:** Migrant people send money through remittance for their families' medical treatment.
- ❖ **Guarantee Commission/Charges:** In the time of guarantee commission remittance service is used largely.



- ❖ **Purchase of books/Journals etc.:** In the time of purchasing foreign books and journals remittance service issue.
- ❖ **Training, Seminar, Workshop etc.:** In the time of remittance service training, seminar, workshop service is use largely.

## **Modes of Foreign Remittance:**

The following modes of foreign remittance are available

- ✓ FDD
- ✓ FTT
- ✓ FMT
- ✓ SRC
- ✓ Cash Foreign Currency

### **✚ Foreign Telegraphic Transfer (FTT):**

- FTT is the quickest means of sending remittance.
- It is a payment in traction issued by one bank to another bank to pay certain sum of money to certain beneficiary.
- Fund is transferred through the telex or SWIFT.
- It bears test for its authenticity of the instruction.

**✚ Foreign Mail Transfer (FMT):** An instrument which banks issue in outside money against conveyance of nearby money and hand over on the buy. Buyer may carry the instrument himself or send to recipient for storing to his account for esteem..

**✚ Foreign Demand Draft (FDD):** An instrument which banks issue in outside cash against conveyance of nearby money and hand over on the buy. Buyer may carry the instrument himself or send to recipient for storing to his account for esteem.

**✚ Speedy remittance Cell (SRC):** SRC implies “speedy settlement cell” which is most prevalent exchange framework due to less time devouring. this sorts of exchange make with the assistance of web. It’s too called on-line bankingsystem.

### 3.4 Remittance Services in BKB

As BKB includes a wide organize works 942 branches in national and worldwide region, settlement benefit is accessible at all branches and remote settlements may be sent to any branches by the remitters favoring their beneficiaries. BKB has journalist managing an account relationship with all major banks and trade houses found in nearly all the cities. Exile Bangladesh may send their difficult earned remote monetary forms through those bank and trade house or may contract any famous banks adjacent (where they reside/work) to send their cash to their expensive ones in Bangladesh. BKB has marked an assention with Western Union Organize, Xpress cash & IMS to encourage wide run of settlement of the globe. Both the organizations make it conceivable to get the cash from around 500,000 areas of 300 nations right away with winning common component and workforce.

#### BKB deal with foreign remittance activities on behalf other money transfer company

Bangladesh Krishi Bank has signed an agreement with:

- Western Union Network.
- IME Spot Cash.
- Xpress Money.
- Ria Money Industry.
- Quick Money Transfer.
- Money Express Spot Cash.

### 3.5 Remittance Market in Bangladesh

The settlement Showcase of Bangladesh has been appearing a relentless development in terms of approaching settlement volume. Considering the current macro-economic markers it appears that this development run will proceed in that a long time. Central bank predicts that our yearly approaching remote settlement will profoundly increment within the day by day. The reasons for such strong development can be summarized as:

- Stable macro-economic indicators including GDP growth.
- Steady growth in manpower export specially in the Middle East.
- Substantial devaluation of the local currency.

- Rapid Urbanization.
- Development of new remittance corridors in Australia and part of Europe and Africa.
- Increased focus of central bank and government to channel funds through Formal channels.
- Increased competition among financial institution to grab market share.
- Aggressive marketing policy adopted by banks to increase their share of wallet.
- Expansion of branch network of various commercial banks.
- MFIs involvement in channel remittance funds in remote areas.
- Participation in the UN peace keeping missions.
- Anti-Money Laundering rules and regulations came in force.

### **3.6 Problems / Roadblocks in current Remittance process**

The major roadblocks of a smooth and efficient payment of foreign remittance are as follows:

- Poor infrastructure in rural and semi-urban economy.
- Inadequate reach of private commercial banks within the country.
- Massive information asymmetry in the market.
- Active ‘Hundi’ market
- Inefficient of financial institutions
- Poorly regulated exchange houses.
- Low literacy rate in the country.
- Uneven competition among financial institutions.
- Lack of investment in IT backbone development for market efficiency.
- Absence of strong central payment gateway for ‘Straight through processing’ (STP) of payment service.

### **3.7 Help Desk Related to Foreign Remittance Problem**

To resolve the outside settlement related enquiry/complain/problem, Bangladesh Krishi Bank features a ‘complain cell’ at its abroad managing an account division, head office, Dhaka. All concerned are ask to contact at the taking after address to resolve any issue related to foreign remittance..

### 3.8 Steps Taken for Remittance process Improvement

Government as well as private division has embraced different methodologies to create settlement exchange simpler and both charge. Presently, the nationalized commercial bank (NCBs) have a few abroad branches/remittance wings for exchanging settlement successfully. Recently illicit exchange of cash slid down definitely, as Bangladesh Bank (BB) has ventured up observing of such exchange at domestic. BB so distant gave permit to 660 trade houses to set workplaces overseas to encourage settlement. Neighborhood banks are presently able to provide cash to recipients.

### 3.9 Discussion of Foreign remittance

#### Contribution of BKB Narsingdi Branch, Dhaka in Foreign remittance earning 2014-2017:

“Figure in million”

Achievement from foreign remittance				
Years	2014	2015	2016	2017
No. of Transaction	3058	3125	3222	3485
Foreign Remittance ( In millions)	151	159	166	173

\*Source: Foreign exchange policy Dept. of BKB

**Table 6: BKB Narsingdi Br, in foreign remittance earning 2014-2017**

**Explanation:** This Chart appears that the significance execution of BKB Narsingdi Br, Dhaka from 2016-2017. In 2015 winning settlement in Millions 108 which is lower than outside settlement in millions 129 in 2015. Remote settlement is tall increment of 136 millions in 2016 conjointly profoundly increments 2017 in 151 millions. Proceed to play an important supporting part within the economy of the nation BKB.

### 3.10 Inward Foreign Remittance

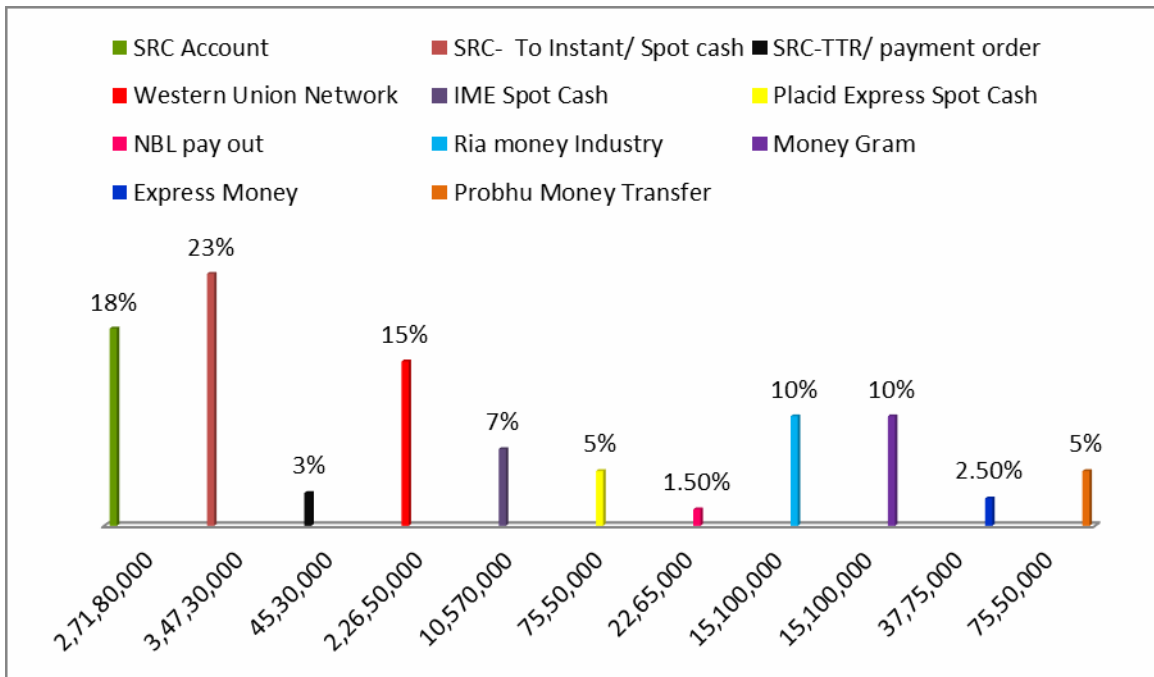
**Inward foreign remittance** The outward remittance refers to the process of sending money in foreign locations from the home country to your family members, friends or relatives. This procedure is governed by lots of regulations.

**Contribution of BKB Narsingdi Branch Dhaka in inward Foreign remittance Earning in 2017 by difference Money Transfer company.**

**(Figure in TK.)**

	Activities	Percentage (%)	Taka
<b>SRC [Speedy Remittance cell] of BKB</b>	SRC- Account	18%	2,71,80,000
	SRC- To Instant/Spot cash	23%	3,47,30,000
	SRC-TTR/Payment order (P.O)	03%	45,30,000
<b>From other company (BKB as an Agent)</b>	Western Union network	15%	2,26,50,000
	IME Spot Cash	07%	10,570,000
	Placid Express spot cash	05%	75,50,000
	NBL pay out	1.5%	22,65,000
	Ria money industry	10%	15,100,000
	Money Gram	10%	15,100,000
	Express money	2.5%	37,75,000
	Prabhu money Transfer	05%	75,50,000
	<b>Total</b>	<b>100%</b>	<b>15,10,000,00</b>

**Table 7: BKB Narsingdi Branch inward foreign remittance earning in 2017 by difference Money Transfer Company**



**foreign remittance earning in 2017 by difference Money Transfer Company**

**Explanation:** This Chart appears that the significance execution of BKB Narsingdi Br, Dhaka from 2017. To winning internal outside settlement by contrast of cash exchange company. The internal outside settlement come Narsingdi department of BKB from the framework of SRC (to moment spot cash) is 23% and SRC account that's within the moment position in respect which is 18%. The third position is goes to Western Union organize in 15%. At that point the others come chronologically

### 3.11 Outward Foreign Remittance

**Outward foreign remittance:** The outward settlement alludes to the method of sending cash in remote areas from the domestic nation to your family individuals, companions or relatives. This method is represented by parts of directions. When settlement is sending from Bangladesh to overseas like London at that point it is called outward outside settlement. But outward outside settlement is profoundly

limited by the Bangladesh government. As it were a few particular department of all Banks can send cash from Bangladesh to overseas beneath Bangladesh Bank's rules & regulation.

In Bangladesh Krishi Bank following branches are only responsibility and involve with outward foreign remittance activities.

- Local office Dhaka
- Foreign Exchange Branch, Motijheel Dhaka.
- Krishi Bank Bhaban corporate Dhaka.

The foreign remittance department of Bangladesh Krishi Bank is equipped with a number of foreign remittance facilities. Following are the types of outward foreign remittance facilities offered by Bangladesh Krishi Bank-

- Issuance of Foreign Demand Draft (F.D.D)
- Issuance of travelers cheques(T.C)
- Issuance of foreign T.T (Telegraphic Transfer)
- Disbursement of the cash of incoming F.T.T

But Bangladesh Krishi bank Narsingdi branch is not involved with types of activities.

# **Chapter:-4**

## **SOWT Analysis**



## 4.2 SWOT Analysis of BKB

SWOT examination implies the compositions of four things & they are S for Quality, W for Shortcoming, O for Openings & T for Dangers. It's a fundamental instrument to degree the organization's show or current circumstances. It is utilized by nearly all organizations within the world nowadays to distinguish those over four things arbitrarily. It's all almost to utilize the brain raging capability of supervisors of organization to legitimize any circumstance or future eagerly to legitimize their choice making prepare of organizations. It's in spite of the fact that utilized the organizations for the essential & pertinent purposes presently a day.

### STRENGTHS

- ✓ Stable Source of Funds
- ✓ Second Largest State Owned Commercial Bank in Bangladesh
- ✓ Strong Liquidity Position
- ✓ Low Cost Fund
- ✓ Satisfactory Profitability
- ✓ Strong Government Support
- ✓ Competent Workforce
- ✓ 942 Branches Including 19 Nostro Banks
- ✓ Krishi Bank has the reputation of being the provider of good quality services to its, potential customers. So in case of remittance service the customer prefer it as a loyal bank.
- ✓ Krishi Bank has sufficient branch to meet the customer remittance need in rural area and also in urban area.
- ✓ Krishi Bank has already achieve profit from remittance eservice.

### WEAKNESSES

- ✓ Private bank has already provided better service in remittance.
- ✓ Lack of Strong Initiative to Explore Investment Opportunity Through Research &Marketing
- ✓ IT & E-Banking Status Does Not Match With Other Banks
- ✓ Strong Government Intervention.

- ✓ Scarcity of man power and instrument is also a weakness of the bank in providing remittance service.
- ✓ The poor service quality has become a major problem for the bank. The quality of the service at Krishi Bank is lower than that of the Dhaka Bank, Prime Bank or Dutch Bangladesh Bank etc.

## **OPPORTUNITIES**

- ✓ Scope of whole sale banking with NBFIs
- ✓ The Krishi Bank has some foreign Nesto Bank branch which is able to foreign remittance eservice.
- ✓ It has already involved in computerized banking system. So it will be an greater opportunity in providing better remittance service.
- ✓ Credit Card Business.
- ✓ The foreign remittance service has direct impact to profitability of the bank

## **THREATS**

- ✓ Increased Competition In The Market For Quality Assets
- ✓ On-line banking is not available in all branches of Krishi Bank. But it is very important tools in remittance service.
- ✓ Private bank is more preferable to customer about remittance service.
- ✓ The low compensation package of the employees from mid level to lower level position threatens the employee motivation. As a result, good quality employees leave the organization and its effects the organization as a whole.

# **Chapter:-5**

## **Findings, Recommendations & Conclusion**

## 4.1 Findings

### Thus the following problems are identified-

- **Process of cash exchange:** Sending cash through BKB may be a complex process.
- **Lack of E-Banking offices:** Most of the branches of BKB has exceptionally obsolete web modem which is exceptionally moderate. The greatest speed of these modems is 150KB/s and at some point association or organize is disengaged. All of these anticipate smooth operations of E-Banking as well as remittance
- **Absence of cutting edge advances:** Less association of innovation and parcel of passages of a single exchange in different enlist books make assignments time-consuming. A few of the PCs in this branches have exceptionally obsolete equipment which is exceptionally moderate and influences the clients and thus the execution of the bank as a entire. The computer program themselves are beautiful ancient- Flex 3d shape is from 2003, Microsoft Office XP is utilized. All of these anticipate smooth operations.
- **Absence of strong marketing activities:** BKB as of now don't have any solid showcasing around settlement offices through massmediae.g.Television.TV advertisements play imperative part in mindfulness building. BKB has no such TV advertisement campaign. In spite of the fact that they do a parcel of CSR exercises compared to other banks.
- **Absence of strong customer relationship:** Proper customer relationship activities are not enough in BKB.as compared to other private commercial banks.
- **Lack of online banking:** On-line banking system is not available in all branches of Krishi Bank. It really hampers in serving in remittance service to the customer
- **Lack of concentration on the channeling of remittances:** BKB plays a incredible part in sending cash to different country ranges through its nation wide organize but concentration on the channeling of settlements exercises isn't sufficient
- **Lack of Remittance department :**Settlement office is exceptionally little of BKB Narsingdi Department. Only one officer performs is doing work in remote settlement. At some point clients express outrage to those officer.
- **Lack of manpower:** In remote trade office particularly in trade division of narsingdi department may be a big problem .the labor of that area isn't adequate for provoke administrations.

## 5.1 Recommendations

To make solve the abovementioned problems the following recommendation can be made so that the problems can be solved.

- 1. Process of money transfer:** Remittance collection from the bank should be a much easier and hassle free job for the beneficiaries. Process flow should be smoother so that the waiting time for them is decreased.
- 2. E-Banking facilities:** BKB should use high speed internet modem for smooth operations of E-Banking well as remittance activities.
- 3. Adaption of new technologies:** All the PCs in this branch should be changed with update hardware and software which is very fast.
- 4. Position in international banking:** The highest volume of remittance is sent from Saudi Arabia. Effort should be thus given to ensure the utilization of the remittance coming from that region and hence can be customized according to the regions specialty or characteristic traits of the remitters.
- 5. Strong marketing activities:** Better marketing policy should be applied in order to retain more customers in this competitive market.
- 6. Customer relationship:** BKB is still conducting remittance business because of price sensitive market, but without a proper customer relation it would be difficult to survive in the long run.
- 7. Enhance the network of online banking:** BKB should explore the possibility of widening its online banking network.
- 8. Provide updated foreign market information:** Banks should provide foreign market reports up to date, which will enable the exporter to evaluate the demand for their products in foreign countries.
- 9. Creating Remittance department:** BKB should established separate remittance department at Narsingdi branch where overall remittance related activities be done.as a result they will be able to meet up consumer demands without wasting time.
- 10. Recruitment of efficient manpower:** Efficient manpower should be recruited with having strong academic background of the related subjects.

The above steps will be help to improve the performance of Bangladesh Krishi Bank in the banking sector of Bangladesh.

## 5.2 Conclusion

In present day managing an account, settlement of reserves is one of the foremost vital auxiliary administrations performed by each sort of banks. A nationalized commercial bank like BKB can perform it with way better than other banks since of a more extensive arrange of branches and lower benefit charge. Once more, a solid position in universal keeping money and a extraordinary interface with different foreign exchange companies makes the method of collecting the remote settlement simpler to this bank. Other than these preferences, a part of missing like- deficiency of labor, crevice between officers of head Office & branches, etc gets to be a matter of concern. Settlement the subject of my ponder is exceptionally little portion of Bangladesh Krishi Bank Movement, but it produces a parcel of benefit. So, by evacuating or at slightest lessening the bank ought to attempt to attain the focused on sum settled by the beat administration.

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