



Internship Report on Foreign Exchange
Performance Analysis
OF
International Finance Investment and Commerce (IFIC)
Bank Limited

Prepared For

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Prepared By

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Date of Submission:

Letter of Transmittal

28th Feb 2019

Nusrat Nargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship report on “Foreign Exchange Performance Analysis of IFIC Bank Ltd.”.

Dear Madam,

It makes me very happy to submit an internship report about the “**Foreign Exchange Performance Analysis of IFIC Bank Ltd.**” I hope this report is as comprehensive as informative. It was prepared as a part of the BBA program of Daffodil International University.

I successfully completed my internship program at IFIC Bank Limited and I worked as an intern for three months there. The work in this report was a great learning experience for me because I could learn the difference between real and theoretical work. I hope that you think the report is purposeful, systematic and reliable.

It should be noted that without this expert consultation and cooperation, this report will not be complete. I would be happy to answer any questions you might have about the report.

Sincerely yours,

(Md. Mamonur Rashid)

ID: 082-11-244

BBA Program

Major in Finance

Department of Business Administration

Daffodil International University.

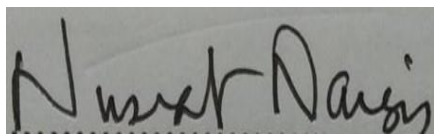


DAFFODIL INTERNATIONAL UNIVERSITY

To Whom It May Concern

This is to certify that the Internship Report on “**Foreign Exchange Performance Analysis of IFIC Bank Limited:** ” has been prepared by **Md. Mamonur Rashid, ID: 082-11-244, Program BBA, Major in Finance, Department of Business Administration, Daffodil International University,** Under my supervision and guidance. He has successfully completed the report.

I wish him success at every sphere of life



(Nusrat Nargis)

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Letter of Declaration

This is my truthful declaration that the internship report on “**Foreign Exchange Performance Analysis of IFIC Bank Limited:**” I have prepared on the basis of actual data collection from IFIC Bank Limited Motijheel Branch Dhaka and website of IFIC Bank Limited. Any part of this report is not a copy of any internship report previously prepared by any other student. I also express my honest confirmation in support of the fact that this report has neither been used before to fulfill any other course related purpose nor it will be submitted any other person or authority in future.

Yours truly,

(Md. Mamonur Rashid)
ID: 082-11-244
BBA Program
Major in Finance
Department of Business Administration
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Acknowledgement

Initially, I thanked Almighty God for giving me strong minds for strength and opportunity and to fulfill the inter-power report. There is no reason to thank everyone who contributed to the work that should be achieved and to make this custom change. Preparing internship reports related to "Foreign Exchange Performance Analysis of IFIC Bank Limited" is not an easy task where the data should be analyzed properly and some information will not yet be published. The result of my practical work experience at IFIC Bank Limited (Motijheel Branch) is the descriptive paper. For the successful completion of this report, I am fortunate to support, support and encourage many people. Many of them have played a decisive role in helping to create this report, although I have taken full responsibility for all mistakes and mistakes. Those who contribute to managing my reports, who have provided information and who have read, reviewed and gave moral support and encouragement.

First of all I am very grateful to my respected supervisor Nusrat Nargis Madam, Assistant Professor Daffodil International University, who always provides guidelines and suggestions when completing my internship report. I am particularly respected sir. Thanks to Akbar Ali, Vice President and Manager Customer Service and Operations IFIC Bank Limited (Motijheel Branch), who always encouraged me and helped me through my internship time through my valuable advice. Thanks to Mir Rabbel Hossain, Senior Officer of IFIC Bank, (Motijheel Branch), who managed me very early from the beginning of the FDR division and helped me to gain practical experience in banking. My special thanks, Tupu Saha, Senior Officer, Benzir Rahman, Md. Seyac News, Md. Jahirul Haque, Principal Officer. Nazrul Islam, Senior Principal Officer and S. M. Assistant Vice Chancellor of ITIC Bank Limited Alamgir Hasan, Motijheel Branch, who helped me to provide a lot of information about my internship report. They are very supportive in the supervision of my work and I am very grateful to all the employees of IFIC Bank, Motijheel Branch for their sincere cooperation.

Executive Summary

IFIC Bank Limited is a leading commercial bank in Bangladesh. It has a good reputation and brand value in the financial market. Customers are very interested in the various products and services provided by IFIC Bank Limited.

Internship Report Partial requirement for the Bachelor of Business Administration (BBA) as part of the internship program, I was kept in the Motijheel branch of IFIC Bank Limited. During the three-month internship program, I learned a lot about commercial banking operations.

This report has identified the activities of IFIC Bank as one of the leading non-government organizations. This report contains information about all the commercial activities related to the bank. I mainly focused on the foreign banking system of IFIC Bank Limited in this report.

Firstly, I made a summary of the foreign exchange department of IFIC Bank Limited, where I completed my internship program. Here I tried to focus on bank history, its mission, ownership structure, management structure, corporate objectives, risk management joint ventures, technology and HRD abroad. Then the next part of this report describes the foreign exchange activity and foreign exchange performance analysis, which includes foreign currency department, foreign currency functions, import, export, import procedures, credit cards. Opening of an L / C by the type of lender type, L / C opening method, credit sheet contents, documentary letter of credit, opening of IFIC opening / C, importers, import bill lending, method of lending, retirement leave documents, settlement of IMP forms, and remittance department, I tried to show this report how everyday activities are implemented and things are equally identical Is produced. I have identified the strengths, weaknesses, opportunities and threats of the foreign currency department, which has become a problem identification of the special category, and in my recommendation section some recommendations related to that problem, and finally came with conclusion and bibliography.

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Chapter - 01

Introduction

1.1 Introduction:

International Finance Investment and Commerce Bank Limited (IFIC Bank) is a banking company affiliated with limited liability in the People's Republic of Bangladesh. It was established in 1976 as a joint venture between Bangladesh and sponsors in the private sector to work as a financial institution within the country and to establish bank / financial institutions abroad. Foreign currency plays an important role in the payment of the country's balance. Selling goods and services across the foreign currency borders (import), sales (exports) takes in its fold. Although foreign remittance is part of the current account transactions and part of the foreign trade, special attention is given to the area due to his outstanding contributions to the national economy.

Bangladesh is one of the emerging economies, the country's import mix creates many items from the capital equipment from the capital equipment. On the other hand, for more than a decade, the main products of export have been made of ready-made garment which has been replaced by the price and volume of jute, tea and leather tradi- tical items. At the moment of globalization, the countries are exporting items of their competitive advantage and importing items where they do not have the facility. Importers meet consumer goods, industry inputs and other essential requirements, which exacerbate the foreign exchange, while export trade reduces the role of reducing trade balance through remittance trade through foreign currency flows.

1.2 Origin of the Report:

Although total BBA The program combines an excellent blend of theoretical and classroom knowledge but on one hand this internship program helps bring a light to their theoretical knowledge to apply this to a student on a real basis. I was employed in the Foreign Exchange Department for IFIC Bank, Motijheel Corporate Branch and my actual execution.

Under the supervision of "Foreign Exchange Performance Analysis of IFIC Bank Limited" under the supervision of my specially respected teacher Nusrat Nargis, an internship report should be prepared. I always tried my best to reflect my experience of the real event in this report.

1.3 Objective of the study:

The main objectives of the report will be to provide an overview of the “**Foreign Exchange Performance Analysis of IFIC Bank Limited.** In addition, the study seeks to achieve the following objectives:

- ✚ To analyze the foreign exchange activities of the bank.
- ✚ To analyze the foreign exchange procedure of the bank.
- ✚ To evaluate the foreign exchange performance of the bank from 2013 to 2017.
- ✚ To find out the problems of the bank regarding foreign exchange.
- ✚ To provide some recommendation about of the bank.

1.4 Study of opportunities:

This study would focus on the following areas of IFIC Bank Limited.

- Actual Foreign Exchange performance of IFIC Bank Limited.
- Overview the current procedure of export & import and remittance management.
- Opening LC and maintenance of other formalities of foreign exchange.
- Organizational structures and responsibilities of management.

To determine the appropriate skills of IFIC Bank's Foreign Exchange Management System, each of the above areas will be critically analyzed.

1.5 Significance of Internship:

Bangladesh is considered as a developing country in the world. There is a lot left to go forward in this country's economy and there are many scopes for the widespread development. Foreign exchange in the economy like Bangladesh can play a big role in improving the economic condition of the country. Banks play the role of intermediaries, which can collect additional funds for additional funding and make money for the necessary sectors, which will have to move forward for the better development of the economy.

This report is an all-inclusive effort to reflect a clear idea about trading strategies, activities, and performance in the foreign exchange business.

1.6 Methodology of the study:

Both qualitative and quantitative methods were used to prepare this report. Data Analysis and Presented by Microsoft Excel and shows percentages, graphical representations and charts. Best efforts are given to analyze numerical results.

I have been focused mainly on numerical data prepared to report. I also used the theoretical part as the claims were made. A bank's foreign exchange management analysis, both theoretical and technical know-how are necessary for execution. Then everything with accuracy, I have created analysis and conclusions.

Sources of Data collection:

a) Primary Sources:

- ✓ Discussion with officials of The IFIC Bank Limited
- ✓ Direct involvement in the foreign exchange activities in IFIC bank limited
- ✓ Face to face conversation with the clients
- ✓ Expert opinion and comments
- ✓ Relevant file study as provided by the officers concerned.
- ✓ Direct Observation

b) Secondary Sources:

- ✓ Annual Reports of IFIC Bank Limited.
- ✓ Periodicals published by Bangladesh Bank
- ✓ Various books, articles, compilations etc. Regarding general banking department, and foreign exchange operations.
- ✓ Monthly Statement of IFIC bank limited
- ✓ Web site of IFIC bank limited

1.7 Limitation of the Study:

I have faced some limitations when I was preparing this report which is mentioned below.

- **Time constraints:** It is one of the main hurdles affecting all covered

Research direction

- **Lack of secondary data:** Import of import information is not high

Available on the net. Information was not enough for the secondary source

Finishing the report.

- **Scope of opportunity:** Many confidential information is not disclosed by the respective staff of the department.

Chapter - 02
An overview of IFIC Bank Limited

2.1 The Historical Background of IFIC Bank Ltd.

The banking industry in Bangladesh is fully managed by the central bank, which is the Bangladesh Bank. However, different banks have different management, management strategies and different guidelines. The Bangladesh Banking System is formed in the form of national commercial banks, private banks, foreign banks and development banks.

But there are many private banks in Bangladesh. Among the other banks, IFIC Bank Limited is effectively operating their banking activities and provides bank services to accelerate the socio-economic development of the country. Being one of the best private commercial banks in Bangladesh, IFIC Bank has one of the strongest liquidity in asset quality, capital adequacy, quality of property, sound management and non-profit. Both the equipment and banking practice conditions ensure the efficient service of the clients adopting modern technology. Every day new competitors appear with good ideas and products as well as services.

International Finance Investment and Commerce Bank Limited "IFIC Bank" was established in 1976 as a financial institution in the country and sponsors of the private sector sponsored and joint venture banks / foreign financial institutions.

IFICI was included as a public limited company with an authorized capital of Tk 20 crore and paid up capital of Tk 10 million. IFIC contributed 5 million taka to the country's entrepreneurs with a subscribed capital of 28 million on February 28, 1977. The government took 49 percent shares and the remaining 51 percent was held by sponsors and the general public, but in 1983, the government allowed banks in private sector to convert IFIS into a complete commercial bank. The investment company was converted into a banking company on 13 June 1983 and started from 23 June, 1983 through Motijheel branch.

Earlier IFIC Bank Limited was a government owned bank. Now the People's Republic of Bangladesh holds 34.34% of the shares. The top industrialists of the country own 34% shares and the remaining 31.66% are owned by the general public. Jahurul Islam was the founder of IFIC Bank Limited, Islam Group Group. He was the first chairman and ASF. Rahman was the first Vice Chairman. The unique combination of private and public sector experience of the Board of Directors of the bank. Currently it has 13 directors. Of these, eight sponsors and general public are represented and four officers are ex-officio officials in additional secretary / joint secretary. At the very beginning, 60 percent owned by private entrepreneurs and 40 percent owned by the government. At the end of 1984 the authorized capital was 10 million and the paid up capital was 7 crore 15 lakh.

2.2 Mission of IFIC Bank Ltd:

Our mission is to provide services to our clients with the help of that workshop whose creative talents, innovative steps and competitive edge make our position unique in providing quality services for all our organizations and individuals. We are committed to the welfare and economic prosperity of the people and the society, because we have gained our inspiration and drive from them to the development of progress and progress. We want to be a leader among the banks of Bangladesh and beyond our national boundaries, we want to make our continuous mark as the active partner of regional banking. In a very competitive and complex financial and business environment, we specifically focus on the growth and profitability of all concerned.

2.3 Vision of IFIC Bank Ltd:

IFIC Bank wants to be a preferred financial service provider through innovative, sustainable and inclusive growth, and wants to provide the best value for the class value for all stakeholders.

2.4 Core values:

Absolute: We always, everywhere, the integrity of all that

Justify: Trying to offer the best offer to our customers with transparency.

Innovation: Encouraging creativity and nurturing.

Commitment: Most committed to the quality of stakeholders through excellence and teamwork in customer service.

2.5 Nature of Business:

IFIC Bank Ltd offers full range of banking services that include: -

- ❖ Deposit banking
- ❖ Loans & advances facilities
- ❖ Export and Import facilities
- ❖ International remittance facilities
- ❖ Foreign Exchange transactions

2.6 Milestone in the Development of IFIC Bank Ltd:

- 1976** -Established as an Investment & Finance Company under arrangement of joint venture with the Govt. of Bangladesh.
- 1980** -Commenced operation in Foreign Exchange Business in a limited scale.
- 1982** -Obtained permission from the Govt. to operate as a commercial Bank, Set up its first overseas joint venture (Bank of Maldives Limited) in the Republic of Maldives (IFIC's share in Bank of Maldives limited was subsequently sold to Maldives Govt. in 1992)
- 1983** -Commenced operation as a full-fledged commercial bank in Bangladesh.
- 1985** -Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman International Exchange, LLC)
- 1987** -Set up its first overseas branch in Pakistan at Karachi
- 1993** -Set up its second overseas branch in Pakistan at Lahore
- 1994** -Set up its first joint venture in Nepal for banking operation, titled Nepal Bangladesh Bank Ltd.
- 1999** -Set up its second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (Which was merged with NBBL in 2007)
- 2003** -Set up a new Bank in Pakistan, NDLC-IFIC Bank Ltd. (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it.
- 2005** -Acquired MISYS solution for real time online banking application
-Core Risk Management implemented
- 2007** -Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit & Prepaid by 2010)
- 2010** -Set up Offshore Banking Unit (OBU)
- 2011** -Established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd.
- 2012** -Inauguration of 100th Branch at Tejgaon-Gulshan Link Road in Dhaka
- 2013** -Achieved the landmark of Tk 10,000 Crore deposit
- 2014** -Launching of IFIC Mobile Bank
- 2015** -Crossed the landmark of Tk 20,000 crore in Foreign Trade business
- 2016** -Inauguration of IFIC Tower at 61 Purana Paltan, Dhaka.
- 2017** -Launched an innovative product IFIC Aamar Account, combining benefits of current & saving accounts, FDR, credit cards etc.

- Became market leader in Home Loan product under retail banking segment.
- Introduced One Stop Service model in the branches for the first time in Bangladesh.

2.7 Management Hierarchy:

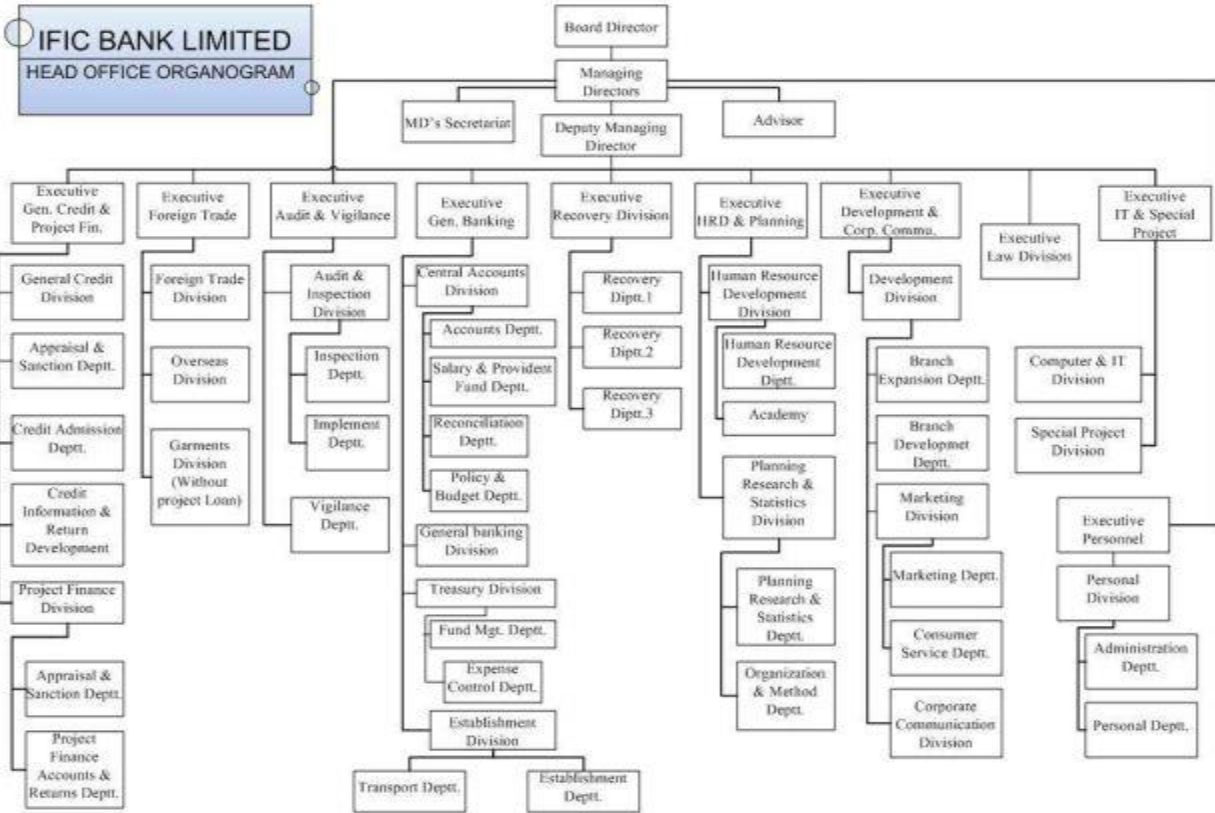


2.8 Corporate profile:

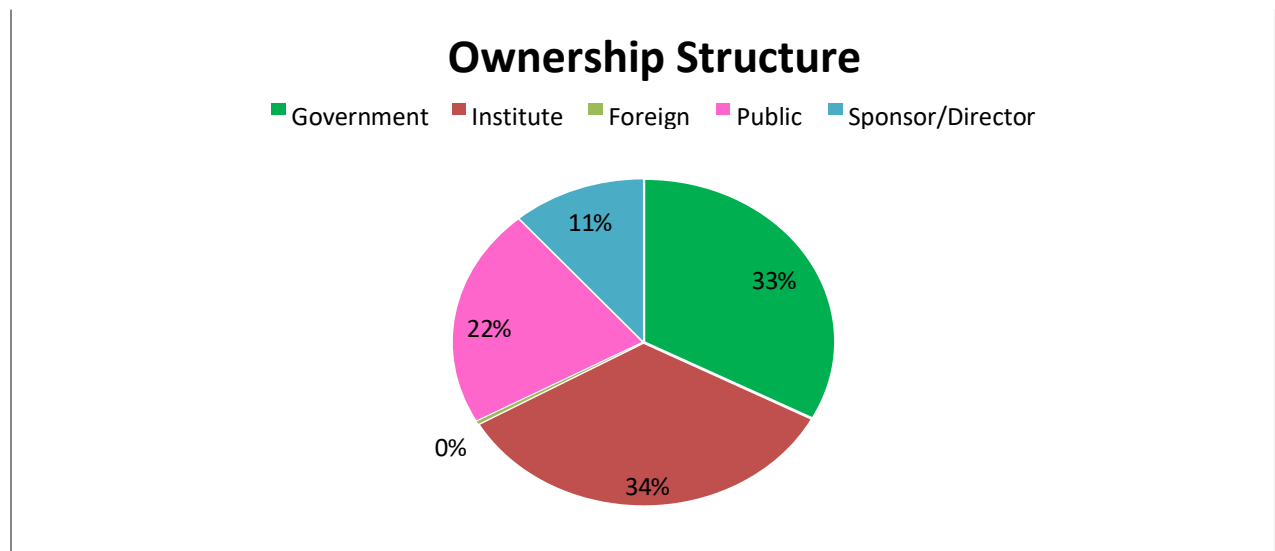
Particulars	Details
Name of the Company	International Finance Investment and Commerce Bank Limited (IFIC)
Logo of the Company	

Legal Form	IFIC Bank Limited was incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies and Firms as a public company limited by shares.
Company Registration Number	c-4967, Dated October 08, 1976
Authorized Capital	Tk. 20,000 million
Paid up Capital	Tk. 11953 million
Listing Status	Listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in 1986 and 1997 respectively.
Market Category	'A' Category
Tax Payer Identification Number (TIN)	135055865054.
VAT Registration Number	19081167140.
Registered Office	IFIC Tower 61, Purana Polton G.P.O Box:2229 Dhaka-1000 IP Phone No:09666716250(Hunting) Tel:9563020, Fax:88029554102 Swift: IFIC BD DH E-mail: info@ificbankbd.com Web:www.ificbankbd.com
Subsidiary Company	IFIC Securities Limited IFIC Money Transfer (UK) Limited
Off-shore Banking Unit (OBU)	IFIC Bank Ltd.- OBU Federation Branch, FBCCI Building60, Motijheel C/A, Dhaka.
Auditors	M. J. Abedin & Co., Chartered Accountants
Legal Advisor	Mr. Ahsanul Karim
Tax Consultants	Adil & Associates
Credit Rating Agency	Credit Rating Agency of Bangladesh (CRAB) Limited
Investor Relations	IFIC Tower (17th floor) 61, Purana Paltan, Dhaka-1000 Hotline: 09666716250
Name of Chairman	Salman F Rahman
Name of Managing Director & CEO	M. Shah Alam Sarwar
Name of CFO	Dilip Kumar Mandal
Name of Company Secretary	Md. Mokammel Hoque
No. of the Employees	2,512
No. of Branches	141
No. of SME Service Center	01
No. of Shareholders	44421
Business Identification Number (BIN)	000136288

2.9 Operational Network Organogram of the Bank:



2.10 Ownership Structure:



2.11 SWOT analysis of the Bank:

The comparison of strengths, weaknesses, opportunities and threats is normally referred to as a

SWOT analysis.

Strengths	Weakness
<ul style="list-style-type: none"> ➤ Efficient management. ➤ Leading retail loan providers. ➤ Better employee relations. ➤ Better location of the branch. ➤ Better financial standing. ➤ Interesting consumer schemes. ➤ Quick delivery of foreign exchange. ➤ Online Banking ➤ ATM facility 	<ul style="list-style-type: none"> ➤ Market leadership. ➤ Growth of the banking sector. ➤ Different consumer service schemes of the IFICBL. ➤ Make the goodwill. ➤ Perform services more quickly. ➤ Go beyond the national boundaries. ➤ SMS banking
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Inadequate work force. ➤ Conservative loan facility. ➤ Profit rate is less than others. ➤ Lack of sufficient own ATM booths 	<ul style="list-style-type: none"> ➤ Banks Political instability. ➤ Intense competition. ➤ Government rules and regulations. ➤ Economical variation. ➤ Policy of competitive.

2.12 The purpose of the bank:

- Maintaining good communication with different parties involved in export activities.
- Export will be given more convenience to exporters and their benefits on performance basis will be provided.
- Expansion of adequate workshop exports and import business, special service delivery and various training programs of the officials have been started.
- Importing of import machinery, factory expansion, extending outgoing parties will introduce huge quantities of new dimensional credit products in the name of BMME loan for export projects.
- Competitive position, charging commission, reducing commission and other facilities will be completed.

2.13 Financial Highlights:

BDT in million

Particulars	2017	2016	2015	2014	2013
Authorized capital	20000	20000	20000	20000	20000
Paid up capital	11953	5638	5034	4377	3807
Deposits	200206	160155	146820	129746	110464
Borrowings	8474	5827	7201	5621	3493
Loan and advances	179264	137118	123269	102282	84110
Investments	27858	25205	28498	22845	21171
Total assets	253249	197051	178334	156339	132062
Total liabilities	232710	184210	166680	145711	122919
Interest income	14924	12557	12653	11858	11111
Interest expenses	9434	8182	8907	8467	8494
Investment income	2071	2077	2375	2377	2170
Profit before tax	2377	2084	1615	2677	2708
Profit after tax	2068	1214	887	1545	1346
Foreign ex: Business	206154	208672	205923	193982	183791
Imports	97908	92927	87307	85326	84899
Exports	88677	94410	96080	89894	83118
Foreign remittance	19569	21335	22537	18762	15774
Number of employees	2512	2536	2489	2527	2574
Number of Branches	141	134	129	120	112
Number of shareholder	44421	31569	35949	44444	49196

2.14 Products & Services of IFIC Bank Ltd:

IFIC Bank has focused on technology-based modern banking facility including Real-time Online Banking, ATM, SMS Banking, Point of Sale (POS), Credit Card, Debit Card and Prepaid Card in addition to traditional products/services.

2.14.1 Corporate Banking:

IFIC Bank offers various funded and non-funded facilities to assist manufacturers, traders and service industries which include but not limited to the followings

- Working Capital Finance
- Industrial & Project Finance
- Trade Finance
- Lease Finance
- Syndication & Structured Finance
- Treasury & Off-shore Banking
- Letter of Credit and Bank Guarantee services

2.14.2 Retail Banking:

IFIC Bank offers a wide variety of deposit products, loan product & value added services to suit the customer's banking requirements. Products and services for individual customer include:

- Consumer Finance,
- Deposit Product,
- Card,
- NRB Account,
- Student File,
- SMS Banking etc.

Retail Banking:

a) Savings Account:

- Savings Account
- Smart Saving Account
- Super Saving Plus
- Sanchita Saving Account
- Duronta Saving Account

b) Current Account:

- Current Account
- AMAR Account

c) Savings Scheme:

- IFIC Aagami
- Pension Savings Scheme (PSS)

- School Savings Plan -A Plus
 - Millionaire Dream Plan (MDP)
- d) Fixed Deposit:
- Fixed Deposit Receipt (FDR)
 - Monthly Income Scheme (MIS)
 - Double Return Deposit Scheme (DRDS)
- e) Special Notice Deposit:
- f) Loan Products:
- IFIC Easy Loan
 - IFIC Home Loan
 - IFIC Salary Loan
 - IFIC Auto Loan
- g) Debit Cards:
- Domestic Debit Card
 - International Debit Card
- h) Credit Cards:
- Classic Credit Card
 - Gold Credit Card
- i) NBR
- j) Schedule of Charges
- k) SMS Banking
- l) Internet Banking
- m) Contract Center
- n) ATMs
- o) AD Branches
- p) Student pack.

2.14.3 SME Banking:

SME Banking:

a) SME Assets Products:

- IFIC Krishi Shilpo
- IFIC Shilpo Sohay
- IFIC Prantonari (Women Entrepreneurs Loan)
- IFIC Protyasha (Women Entrepreneurs Loan)
- Commercial House Building Loan
- Transport Loan
- Working Capital Loan
- Easy Commercial Loan
- Contractors Loan
- Bidders Loan

b) SME Liability Products:

- Monthly Income Scheme - Arjon
- Monthly Savings Scheme - Joma

c) IFIC Green Earth

2.14.4 Agricultural Credit:

IFIC Bank is offering Agriculture Loan products namely –

- Krishi Saronjam Rin - for Agriculture Equipment's
- Shech Saronjam Rin - for irrigation equipment's
- IFIC-Suborno Gram - Loan for crops, fisheries & livestock
- Poshupokkhi & Motsho Khamar Rin - for Live Stock & Fish Culture &
- Phalphasali Rin - for Fruit Orchard for individuals & group at micro level.

2.14.5 Money Transfer:

Joining with one of the world renowned money transfer service “Money Gram” IFICBL has Introduced its customers to the faster track of remittance. Now IFICBL can bring money in Bangladesh from any other part of the globe in safer and faster means than ever before.

2.14.6 Treasury & Capital Market:

Major functions of treasury division of IFIC Bank are –

- ❖ Fund Management
- ❖ Management of Statutory Requirement Investment
- ❖ Trading of Foreign exchange & Money Market Instruments
- ❖ Asset Liability Management
- ❖ Risk Management

IFIC Treasury has four different desks, which are as follows:

- ❖ Foreign Exchange Desk
- ❖ Money Market Desk
- ❖ Investment Desk
- ❖ Asset Liability Management Desk

Treasury Products:

IFIC Bank Treasury deals with the following Money Market, Capital Market and Forex Market Instruments for managing fund, statutory requirement, liquidity and investment.

a) Money Market:

- ❖ Overnight Call
- ❖ Term Placement
- ❖ Repurchase Agreement
- ❖ Reverse Repo

b) Government Securities:

- ❖ Treasury Bill
- ❖ Treasury Bond

c) Capital Market :

- ❖ Share
- ❖ Bond

d) Foreign Exchange:

- ❖ Spot
- ❖ Forward
- ❖ Swap
- ❖ Term Placement

2.14.7 Joint Ventures Abroad:



- Oman Exchange LLC
- Nepal Bangladesh Bank Ltd. Nepal
- NIB Bank Ltd. Pakistan
- Bank of Maldives, Maldives
- Nepal Bangladesh Finance & Leasing Ltd.


2.15 Credit Rating of IFIC Bank:

CRAB
Reaffirmed
IFIC's
Rating

AA 2

Surveillance Rating

Criteria	Y2017	Y2016	Explanation
Long Term	AA₂	AA₂	Commercial Banks rated AA₂ have very strong capacity to meet their financial commitments. They differ from the highest-rated Commercial Banks only to a small degree. AA₂ is judged to be of very high quality and is subject to very low credit risk.
Short Term	ST-2	ST-2	Commercial Banks rated ST-2 are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds.
Outlook	Stable	Stable	
Validity	30 June 2019	30 June 2018	
Date of Rating: 27 June 2018			



www.ificbank.com.bd

Chapter - 03
Foreign Exchange Activities &
Procedures
Of
IFIC Bank Ltd.

3.1 Concept about Foreign Exchange:

Foreign Exchange Department is international department of a bank that deals globally. This department mainly deals in foreign currency. It facilitates international trade through its various modes of services. It bridges between importers and exporters. Some national and international laws regulate the functions of this department. Among these, Foreign Exchange Act 1947 is for dealing in foreign exchange business. Import and Export Control Act 1950, is for monitoring Documentary Credits. Governments Import & Export policy is another important factor for import and export operation for banks.

3.2 Definition of Foreign Exchange:

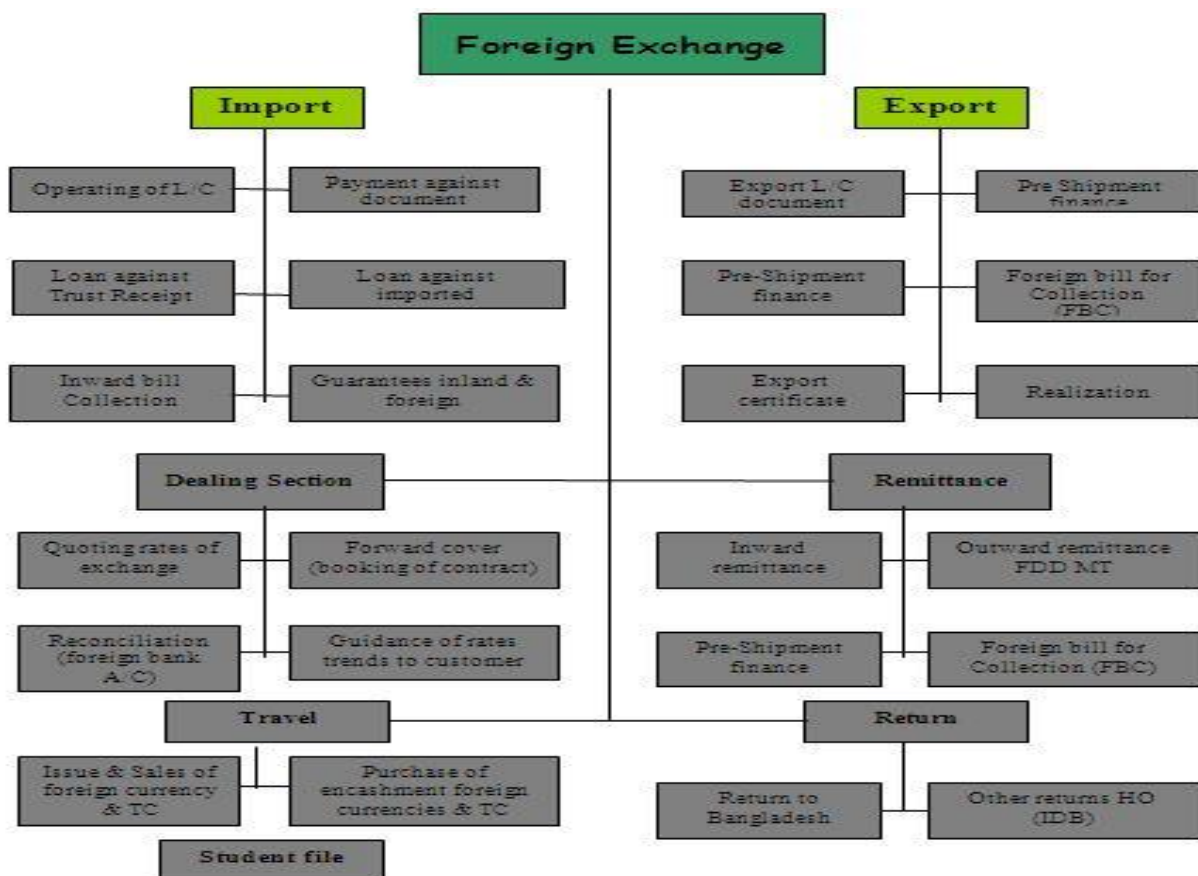
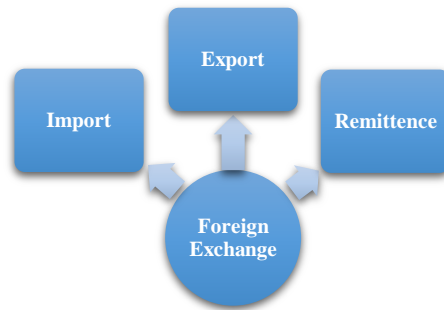
Foreign exchange is a process that transforms a national currency into another and transfers money from one country to another.

International Department of Foreign Currency Division Bangladesh Bank has licensed the banks to deal with the foreign exchange. These banks are known as affiliated traders. If the branch is an authorized dealer in the foreign exchange market, it can send foreign currency from the local country on foreign exchange. So IFIC Bank, Motijheel branch is an authorized dealer.

According to Mr. H. Eivitt. The Foreign Exchange is a financial science department that deals with money and methods, through which the rights of property rights in the country's currency are transformed into assets of other countries. It involves the investigation of a mechanism through which the currency of one country is exchanged for others, such exchanges can exchange folks and ratios, or equivalent values such as exchange for them, such as their exchange effectiveness. Foreign exchange rate currency exchange rates of both countries

3.3 Foreign Exchange Department:

International Department of Banks of Foreign Exchange Department This is the global police. It facilitates international trade through various services. It is a bridge between importers and exporters. If the branch is an authorized dealer in the foreign exchange market, it can exchange foreign exchange from the local country abroad. This division is mainly the foreign currency police. That is why this department is called foreign exchange department.



3.4 The most commonly used Documents in Foreign Exchange Business:

- Documentary credit or letter of credit
- Bill of exchange
- Bill of lading
- Commercial invoice
- Certificate of origin of goods
- Inspection certificate
- packing list
- Insurance policy
- Performa invoice/indent
- Master receipt
- G.S.P certificate

3.5 Approval Certificate of Bangladesh Bank on Behalf of the Importer:

- Particulars involved in offering sheet:
- Name of the party, Sanctioned limit, Facility applied for letter of credit (amount & previous outstanding).
- Forward exchange
- Foreign bills
- Trust receipts.
- Clean packing credits.
- Advance against imported goods.
- Goods particulars
- Import license
- Margin already at credit.
- Margin to be obtained.
- Guaranteed by.
- Balance of current account.
- Average Balance of bank account.
- Net worth of the firm.
- Customs duty.
- Country of export.

3.6 Import Section:

Import and Export (Regulation) Act 1950 governs the import and export trade of the country. Importers have a lot of formalities, which have to be imported before importer of importer. This formulation is interpreted as bellow –

3.6.1 Import Procedures:

Authorized Dealers, Banks are always committed to importing various products from foreign countries in Bangladesh. The Import Department, under the Foreign Exchange Department of a bank, is allocated for the execution of this work. And to serve parties demand to import goods, it always upholds the necessary formalities, which are collectively referred to as the "import method".

i) First, the importer must obtain the registration certificate (IRC) from CCI and E to submit the following articles: Up to date Trade License.

- Nationality and Asset Certificate.
- Income Tax Certificate.
- In case of company, Memorandum & Articles of Association and Certificate of Incorporation.
- Bank Solvency Certificate etc.
- Required amount of registration fee

ii) Then, to obtain importer profits, contact the vendor outside the country. Generally an indenter, the local agent of the vendor or the buyer makes this contact with the foreign agent. Along with these other sources:

- Trade fair.
- Chamber of Commerce.
- Foreign Missions in Bangladesh.
- Journals etc.

iii) When the importer accepts the profits, he makes a purchase agreement with the exporter describing the terms of the import.

iv) After the purchase agreement, the importer decides the way to pay with the seller. Payment methods are different in different ways. Possible ways to cash in advance, open accounts, collection method and credit documentary letter. In most cases, the credit documentary letter of our country makes import payments. There is no payment method applied to the purchase agreement.

3.6.2 Import Inspection:

Import bills are made in the following document and their inspection order should be as follows:

- Bank for discussion ahead of schedule.
- Exchange bills
- Run.
- Lilling bill
- Insurance Documents
- Key testimonials
- Any other documents.

Temporary accommodation:

- The team should give timely indications.
- Currency convert to foreign currency in Bangladesh.
- Pads entry (payment against documents) Registration
- Enter the letter of credit number in the account with the date of opening the credit card.
- Affordable shipping documents to scan. To inform the importer of the balance amount of the balance sheet and to publish the necessary documents.
- Enter the shipping documents to register the internal foreign bill.

3.6.3 Import Mechanisms:

To import, a person should be able to be an importer. According to the Import and Export Control Act 1950, the Chief Controller Officer of Import and Export provides registration (IRC) to the Importers.

After this achievement, this person has a letter of credit approval (LCA) from the Bangladesh Bank and then has become a qualified importer. He is the person who directs the requesting or opening bank to open the L / C. He is called the opening or creditor of the credit.

3.6.4 L / C offer for open:

In a small quantity L / C field, enough to open only the prescribed application form such as LCA (letter of credit application) form L / C. But when the amount of L / C is reasonably high, the importer has been asked to submit a proposal to the bank authorities for the limitations of L / C quantity. The proposal should be approved by the executive committee of the bank. An offer has enough features -

- Full details of bank account.
- Business nature.
- Limit required quantity.
- Payment terms.
- Imported goods.
- The paid security
- Loan repayment schedule.

A credit officer examines this application and then creates a proposal (CLP) and then forward it to the Head Office Credit Committee (HOCC). If the committee is satisfied, the limits allow and return the branch back. So the importer is entitled to the limit.

3.6.5 L/C Application:

BDI imports a printed form to open the L / C to the importer. This form is known as the credit application form. A special adhesive is affixed on the stamp form. When opening, the stamp is canceled. Generally, the importer expressed his willingness to open L / C by quoting the margin percentage. The importer gives the following information -

- The full name and address of the importer
- The full name and address of the beneficial person
- Credit availability by accepting eye / payment / different payments
- Time period in which documents should be presented
- Sales type (Cff / FOB / C & F)
- Short description of the product, price and quantity, indent number etc.
- Lowland
- Bangladesh Bank Registration No
- Import licenses / LCAF numbers.
- IRC number
- Account number
- Document required
- Insurance cover notes / policies number, date, amount
- Name and address with insurance.
- Whether partial shipment of weather is allowed or not.
- Weather trans-shipment is not allowed or not.
- Shipment deadline.
- The end date of the discussion
- Other terms and conditions if any.

3.6.6 Credit Authorization Letter (LCA) form:

Following LCA Form -

- Name and importer address.
- IRC No. and renewal year.
- Apply for L / C amount. Item description is imported / imported.
- ITC number (s) / HS code.
- Importer stamp and signature with seal.

3.6.7 L / C applications miniaturization:

Bank officials are examining the application in the following manner:

- The terms and conditions of the L / C must comply with UCPDC 500 and exchange control and import trade controls.
- Ability to import goods. L / C should not be opened on behalf of the importer.
- Radioactivity reports in the food item area.
- Survey report or certificate in the field of equipment.
- Carry shipping is not Israel or Serbia-Montenegro.
- The certificate declares that the item is not more than 5 years in the vehicle.

In the examination, if the application is suitable then L / C is open and its details are recorded in L / C registration. Then the transaction of L / C is done by Telex or fax tested to advise the L / CC beneficiary. If the amount of the supplier exceeds 10,000 USD, the supplier's credit report (CIB's report) receives the credit report.

3.6.8 L / C Correction:

The parties involved in L / C, especially vendors and buyers, cannot always fulfill the expected conditions and conditions due to some obvious and real reasons. Under these circumstances, the credit should be corrected. Bank corrections send amendment by telex to the consulting bank. In the case of a refundable credit, at any time and by the issuing bank, this or advisory may be amended or canceled without prior notice. But it cannot be amended or canceled in case of non-loanable letters

Except bank issues, guaranteed banks (if any) and beneficiaries. L / C is amended, according to which service charges and Telex charges are debited from the party account.

3.6.9 Adding confirmation:

Make sure the bank add. Following is an addition confirmation letter-

- L / C no.
- L / C quantity
- Imported items
- Applicant's name and address
- Recipient name and address
- Tenor
- Shipment date
- Onion date
- Loading port
- discharge port
- Charge of a party
- Name of consulting bank
- Name of the paying bank

- Ensure the name of the bank

3.6.10 Document presentation:

The seller is satisfied with the credit-earning terms and conditions for delivering the required goods to the buyer, and then the documents will be presented to the negotiation bank for transmitting the product to the transmitted bank before or after the expiry of the credit period. After receiving all the documents, negotiation bank, then check the documents against the credit. If the documents are found, the bank can provide limited payment to IFIC Bank, accept or compromise the documents. In normal documents –

- Invoice
- Lilling bills
- Key testimonials
- Packing list
- Shipping advice
- Nonnegotiable copy of the transaction bill
- Exchange bills
- Pre-shipment inspection report.
- Invoice certificate

3.6.11 Examination Documents:

Check that IFIC Bank officials have any discrepancies in these documents. Here the separation means that any document's inequality with the terms of the L / C

3.6.12 Shipping Document Leisure:

If it is found that the documents drawn in accordance with IFIC, keep the pad documents and pass some vouchers.

3.6.13 Import bill retirement:

- The importers' demand quantity will be credited
- The banker will pass the ready and retirement voucher
- Invoice certification
- Voucher pass
- Registration entry
- Approval of B / E and Transport Document such as B / L, ADW, TR etc.

At the end of the total procedure, during the retirement of the clearing certificate from the import bill / bank, the clearing agent will clear the goods from the port through the importing agent and forwarding agent.

On the other hand, the issuing bank will prepare "Foreign Exchange Transaction Schedule" to fulfill all the above steps and send a copy to the International Division of the Main Office and send another copy to the recommendation.

3.6.14 Payment Modes:

Advance money: The importer provides a full, partial or progressive payment by a foreign DD, MT or TT. After receiving the payment, the exporter will send the goods and transport receipts to the importer. Products will be supplied to the importers transport company.

Open Account: Shipping exporters and shipments of importer of transport receipts. Importers should supply products and pay by foreign DD, MT, or TT on a specific date.

Collection Method: The collection method is either a collection or documentary collection. Again, documentary collections (D / P) or document against acceptance (D / A) can be documented against. The collection system is to ship exporting products to the ship and draw a draft / bill to the buyer. The exporter collects drafts / bills (only or with the document) to the collecting bank and the bank accepts it. Then send the sender to the bank

Draft / Bill (without document or document) and collection of collector's bank collection letter
As the agent acts as an agent of the bank, the collecting bank notifies the importer after receiving the draft. Content title is supplied to the full payment or draft / bill acceptor.

Letter of credit: The credit sheet is a well-accepted and most used means of money. It is a pledge to submit the specified documents to the issuing bank and to fulfill the terms and conditions mentioned in the credit card.

3.7 Export Section:

Literally, exported export, we mean that one carries anything else from one country. On the other hand, the default export of the banker is exported to the country to send out visible goods abroad. Export trade plays an important role in the development process of an economy. With export income, we meet our import bill.

3.7.1 Export Registration Certificate (ERC):

Like any other business, it requires registration. The main controllers (CCI and E) registered the export of import and export. For registration, prospective exporters should apply through CCI and E to Q.E.X.P with the following document -

- Trade license
- Income tax clearance
- Nationality Certificate
- Bank's Salvation Certificate
- Property certificate
- Registered Partner Agreement

3.7.2 Pre-Shipment & Post-Shipment:

In IFIC Bank export finance is required by the exports at two stages namely Pre-shipment & Post-shipment stages:

Pre-Shipment:

It is required to purchase of raw materials, to meet cost of production, procurement of exportable goods, packing, transport, payment of insurance premium, inspection fee, freight charges, ware housing etc.

Post-Shipment:

It is required by the exporters after actual shipment of goods in order to bridge the period between shipment of the goods and receipts of sales proceeds from abroad.

An exporter owns resource may not be adequate to meet all such expenses. So he / she have to come in contact with commercial bank and financial institutions to get finance from them. As a commercial bank IFIC Bank provides credits to exporters at a consideration rate of interest as an export promotion measure as per government directive.

3.7.3 Pre-Shipment Financing in Foreign Exchange

The classes of pre-shipment financing extended to the exporters by the IFIC Bank are as follows:

Packing Credit:

This facility is generally extended when the product is ready to ship for a very short period of time from the date of the transfer of the stock from the minor (store room) till the actual shipment date of the product for transit period, run by the exporter for the purchase of more raw materials or exportable products.

Back To Back Letter of Credit:

Pre-shipment benefits are credited in the form of credit-back credit credits. When the recipient of the export lottery is not a genuine manufacturer or exporter of exportable goods, its banker is able to implement its exporting letter as a securities for exporters, such as credit and credit. IFIC used pre-shipment credit sanction by banks

- Prioritizing the main export letter of credit, all the terms and conditions should be checked so that they are not included in any harmful section, including foreign exchange control and violation of the UPDCC conditions.
- The date of the expiry of the credit card should be written in the book and no drawings will be allowed for the expired letter.
- Foreign buyers and exporters should ensure credit eligibility or solvency.
- In case of property mortgages as parallel securities, the bank should conduct a relative visit by linking the attorney together with the assessment certificate from the appropriate authority. Exporters will be required to sell foreign currency losses during the discussions.
- In case of credit packing, export letters of credits and relative documents should be submitted so that there is no problem in discussing the bank's shopping documents in such a way.
- To post under the packing credit, banks must check the shipping symbols related to each packet or cartoon and relative invoice to send the goods for the shipment.

3.7.4 Post Shipment Financing in Foreign Exchange:

Post run financing refers to the extended credit facility of exporters by IFIC Bank after the actual invoice of the goods against export documents. IFIC Bank generally provides the exporters' payment at the level of post-shipping after verifying creditworthiness and export performance of overseas buyers as well as the financial reputation of foreign buyers and shipping documents according to the credit terms and accordingly, exchange control abroad. Post run financing is extended to the exporters by the following conditions:

- Discuss export documents under credit letter.
- Exemption of export bill.
- Purchase using the bill

3.7.5 Export process normalization:

There are a number of formalities, which an exporter has to fulfill before and after shipment of goods. These formalities or procedures are enumerated in brief as follows:

- **Register Export Registration Certificate obtained ERC:** No exporter is allowed to export any products from Bangladesh, unless he is registered with the Chief Controller of Import and Export (CCI and E) and holds a valid Export Registration Certificate (ERC). After applying the required papers as well as CCI and E, the concerned offices related to the import and major export are issued by the ERC. Once registered, exporters have to renew ERC every year.
- **Order protected:** After getting the ERC, exporters can go ahead for the export of exporters. He can do this directly through the contract of buyers through letters.
- **Obtaining EXP:** After the registration, the exporter will get the trade license of the FP, applicable to the IFIC Bank Limited with the certificate of the ERC and related government agencies. If the bank is satisfied, the exporter is issued an XP.
- **Contract signature:** After contacting the buyer, the exporter has to make an agreement to export exportable goods from Bangladesh to know more about product, quantity, price, invoice, insurance and signs, inspection, arbitration etc.
- **Receive the letter of credit:** After getting the contract for sale, the exporter should be asked to clearly state the export and payment terms for the credit card.
- **Accumulation of materials:** After the agreement and after opening the L / C on its behalf, the next step of the exporter is to determine the work of collecting or producing contractual merchandise.

- **Endorsement on EXP:** Before clearing exported export forms with customs or post authorities, they will be able to approve all copies of IFIC Bank Limited. Before the invoice, exported EXP deposits. Form with a commercial shipment if it is satisfied with respective officials of IFIC Bank then check it properly, EXP certified. EXP Exporter cannot run without. All export products must be announced on the Expedition issued by the customer authorized seller.

3.7.6 Export method disposal:

Original: Customs authority reports first copy of EXP to Bangladesh Bank after shipment of the goods.

Duplicate: Negotiating bank reports the Duplicate to Bangladesh Bank in or after negotiation date but not later than 14 days from the date of shipment.

Triplicate: On realization of export proceeds the same bank to the same authority reports Triplicate.

Quadruplicate: Finally, the negotiating bank as their office copy retains Quadruplicate.

Shipment of goods: Exporter makes shipment according to the terms and condition of L/C.

Export document presentation for discussion: After the invoice, the exporter submitted to IFIC Bank Limited for the following discussion.

- Bill of exchange or Draft
- Bill of Lading
- Invoice
- Insurance Policy/Certificate
- Certificate of origin
- Inspection Certificate
- Consular Invoice
- Packing List
- Quality Control Certificate
- G.S.P. certificate
- Photo

Document Test: The agreement with the bank, only documents with the product. Since the compromise bank offers pricing before returning the export revenues, each document should be examined carefully and examined whether any discrepancies (s) were observed in the documents. Bankers should ensure that documents are strictly in accordance with the L / C terms before negotiating the export bill. The bank officials allocated to check export documents can use the checklist for their convenience.

Discuss the export documents: The discussion stands to provide value to the exporters against the documents specified in the LC. If there is an order in the document, IFIC Bank Limited can do the same (trading) on the basis of the banker-customer relationship. It is known as the Foreign

Documentary Bills Purchase (FDBP). If the bank is not satisfied with the documents submitted to IFIC Bank Limited and gives reasonable time to add the exporter L / C for segregation or collection sends documents to the opening bank. It is known as the Foreign Documentary Bill for Collection (FDBC).

Local bill settlement:

Local bills are settled in the following ways:

- Customer submits the L / C to the Janata Bank Limited with the document for discussion. Officials of Janata Bank Limited check the documents to comply with the conditions.
- Documents are then sent to L / C opening bank.
- L / C issuing banks recognize and send an acceptance letter later.
- On the basis of collection or collection of documents, the customer is paid

3.7.7 Back to Back L/C (BTB L/C):

Back to Back L/C Open: A second letter credit opened by the consulting bank on behalf of domestic / foreign suppliers for the main foreign L / C of the dividend. As the main letter of credit to the bank by the import letter, it is called back-to-back L / C. The second L / C is open for a small amount of original L / C power.

Back to Back L/C (Foreign): When B-to-B / C is provided abroad, the supplier is called B-2 / B (Foreign). It is usually paid within 120 days on the site.

Back to Back L/C Export Development Fund (EDF): ADB Bangladesh has provided ADB Bangladesh Bank for export to third world countries like Bangladesh. If the bank does not want to support the amount of B to B / C, then they apply for B-to-B (EDF) loan of Bangladesh Bank.

Back to Back L/C (Local): This is called back-to-back L / C (local) when the back-to-back L / C is open for local purchase content. It is usually paid within 90 days of the site.

Back to Back L/C for the System:

- ❖ The exporter will need to apply for back-back LAC
- ❖ Export is under L / C or Master L / C
- ❖ Back Back / C Opening
- ❖ Back to back / conditions for C
- ❖ The customer has the credit line facility
- ❖ The L / C is issued according to UCPDC500
- ❖ There is a discussion section in export L / C
- ❖ There is no provision for B / L's blank approval
- ❖ This payment system has confirmed payment to L / C issuing bank

Back to the L / C for consideration:

- ❖ Whether the client can produce during the period of time
- ❖ Completed pro form should consider considering the price of the invoice for the margin
- ❖ Consider the expiration date and the date of the invoice
- ❖ If the construction is manufactured from

Back Lending Payment L / C:

Delayed payments are made for the date of BTB L / C, 60, 90,120, date of maturity 180. After overseeing the export earnings of the L / C issuing bank from abroad, payment will be made

3.7.8 Bangladesh Bank Reporting:

At the end of every month by the Bangladesh Bank, the report is compulsory to complete the export operation of the month, as follows:

- ❖ To complete the E-2 / P-2 schedule of the S-L section. The quantity, quantity, product category, country, currency, etc. are mentioned in the whole month. All IMP forms related to the completion of E-3 / P3 for all invisible payments are linked to the scheduled schedule.
- ❖ The original IMP is sent to the Bangladesh Bank mentioning the invoice price
- ❖ Duplicate IMP entry bills are excluded with the bank as well.

3.7.9 Export bill collection method:

There are two types of procedures regarding collection of Export Bill —

- Foreign Documentary Bill for Collection (FDBC)
- Foreign Documentary Bills for Purchase (FDBP)

3.7.10 Foreign Documentary Bills for Collection (FDBC):

You can collect bills by negotiating with the exporter on the basis of the collection of the bank. In this case, the exporter will submit the documents to the compromise bank for collecting the bill from the importer. The issuing bank gives payment only when the exporter gets the money only.

In this case, the bank will verify all the documents in accordance with the conditions mentioned in L / C.

3.7.11 Foreign Documentary Bill for Crib:

Exporter Sales when all export documents are known as FDBP in the compromise bank. In this case, the exporting bank will submit all the documents. The bank gives the exporter 60-80% of the amount against the total L / C value.

3.8 Foreign Remittance:

Foreign workers transfer their money from foreign workers to their families or other people in their home country. In many countries remittance constitutes a substantial part of the country's total domestic product or GDP. The leading source of foreign remittance in the US, in Russia and Saudi Arabia. The top recipients of foreign remittance are India, China and Philippines. G8 and World Bank are trying to monitor and control remittance costs due to huge flow of funds.

There are two types of foreign remittance, which are as below:

- ❖ Foreign domestic transmission
- ❖ Foreign outgoing transmissions

3.8.1 Foreign Internal Transmissions:

Delivering a freely convertible foreign currency, which is obtained from IFIC Bank Foreign Exchange Corporate branch abroad, authorized dealers can be treated as foreign domestic remittance by paying local currency in local currencies.

Internal Remittance Mode:

Internal remittance includes not only remittances sent through TT, MT, Draft etc. but for purchasing bills, purchasing draft drafts and traveler's checks are purchased. The foreign currency notes that are paid to the recipient are also part of the internal remittance. Thus the following internal remittance mode:

- TT: Telegraph Transfer.
- MT: Mail Transfer.
- FD: Foreign Draft.
- TC: Tourists check.
- Foreign currency notes

Intentional Internal Remittance:

The purpose of remittance is due to various reasons. Such as:

- For family maintenance.
- Understand export earnings.
- Export Brokers Commission

Telegraph transfer payment method:

- To verify 'test number'.
- To send the "Form - C" to the recipient.
- To ensure issuing bank or refund of the issuing bank.
- Foreign exchange will be converted to Bangladesh currency by TTT.
- TTS, Draft, MTS to get entry, we got the registration.
- To prepare vouchers.
- To prepare the FET schedule

Drafting and purchase of checks:

The authorized dealer can buy a draft and check not drawn in the IFIC bank at the beneficiary's request. The purchase method is as follows:

- For application from any facility or recipient with Form-C
- To verify the signature of the draft (if possible).
- To make registration entry for draft and TC. Buy it.
- Transform foreign currency in Bangladesh
- To prepare vouchers.
- To prepare the FET schedule.
- Send the instrument for the collection.

Draft and check collection method:

- To register for foreign bill collection registration.
- Prepare forwarding schedule in quad.
- Receiving the advice received from the collection means to prepare vouchers to earn money

Foreign currency notes payment:

- To check the custom announcement (if any).
- Enter the raw article (s).
- Transform foreign currency in Bangladesh
- To prepare vouchers.
- No FET schedule will be prepared and sent to the head office because there is no transaction with the head office.

Internal remittance cancellation:

An internal remittance incident has already been canceled in Bangladesh, which has been completely or completely canceled due to non-availability of the recipient. Approved traders have to inform the cancellation of internal remittance as an external remittance of "Form-T / M". Required documents:

- Return date which was reported in internal remittance.
- The recipient's name and address.
- The amount purchased as an effect.
- Reason for cancellation

3.8.2 Foreign External Transit:

In our country, foreign currency sent abroad is known as foreign exchange.

External Remittance Mode:

So the external remittance mode is as follows:

- MT: Mail Transfer.
- FD: Foreign Draft.
- PO: Payment order
- TC: Tourists check.
- FC: Foreign currency notes
- FD: Foreign Draft

Bangladesh Bank approval:

The Bangladesh Bank authorizes the approval or authorization of external transmissions to the applicants for submitting application for the following prescribed forms with the authorized dealer sent to Bangladesh Bank for approval:

- IMP form (cover remittance for import).
- Form T / M (Travel and Miscellaneous).
- FD, MT Introductory Method. & TT.
- To prepare the device.
- To register for DD, MT, TT issue registration.
- To create a duplicate account for the DRIVE bank and for a provider bank.

- To submit the draft consultation registration entry.
- To send compensation authorities in MT and TT cases.
- To prepare the FET schedule.

Trailer Check Payment Method:

- To verify authorized T / M form or Bangladesh Bank permit.
- Issue of TC to TC through customer signature.
- Passport approval.
- To prepare the FET schedule.
- Check the issue registrar to enter the passengers.
- TC issuing slip (issued by TC) of the TC issued to the bank,
- With inspection visits

Process of issue of foreign currency notes:

- To verify authorized TM form or Bangladesh Bank permit.
- Issue foreign currency notes by approving passport.
- Ready voucher with accounting treatment:
 Party accounts.....
 Foreign Currency Notes Hand A / C.....

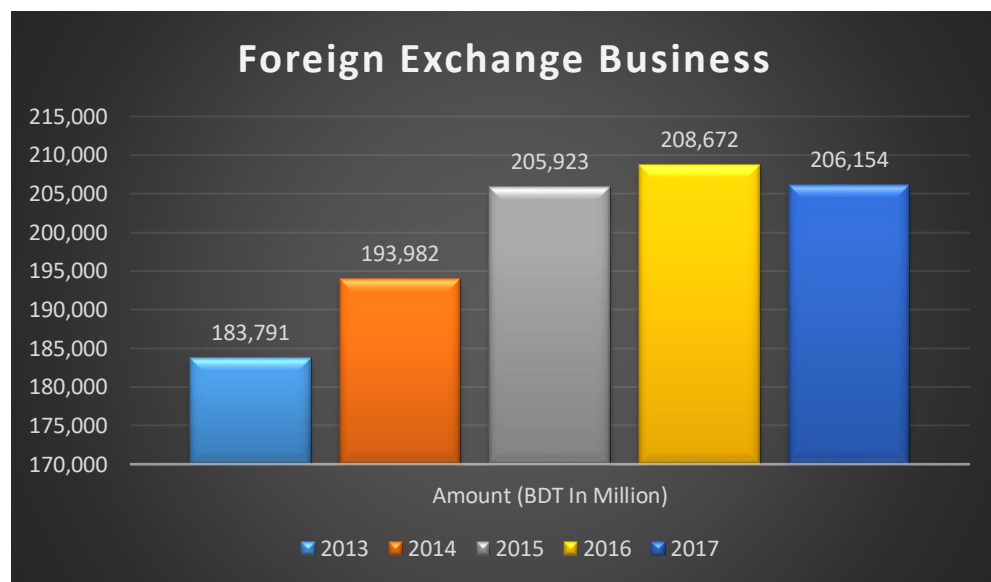
Facilities for Wages Earners:

- Bangladeshi national / Bangladeshi-born dual citizens can open foreign currency accounts (FCA / C) in US dollars and pound sterling without initial deposit, working abroad.
- Can manage account number
- F.C. On interest is paid. Through A / C
- F.C. A / c can be used for importing the products
- F.C. Available balance. The account may be sent in whole or in part abroad.
- The foreign currency brought by the wage earners may be credited to the FC. Through A / C
- Owing to the outstanding income of the bKash bond FC Can be bought from the balance. Through A / C
- Non-resident foreign currency A / C (NFCDD / C) can also be opened by the wage earners.
- F.C. A / C & NFCD A / C can be maintained as long as the account holder wishes.
- These accounts will be opened from abroad to submit necessary documents to be properly verified by our embassy / branch / representative office abroad.

Chapter – 04
Foreign Exchange Performance Analysis
Of
IFIC Bank Limited
From
2013-2017

4.1 Foreign Exchange Business:

Year	Amount (BDT In Million)
2013	183,791
2014	193,982
2015	205,923
2016	208,672
2017	206,154

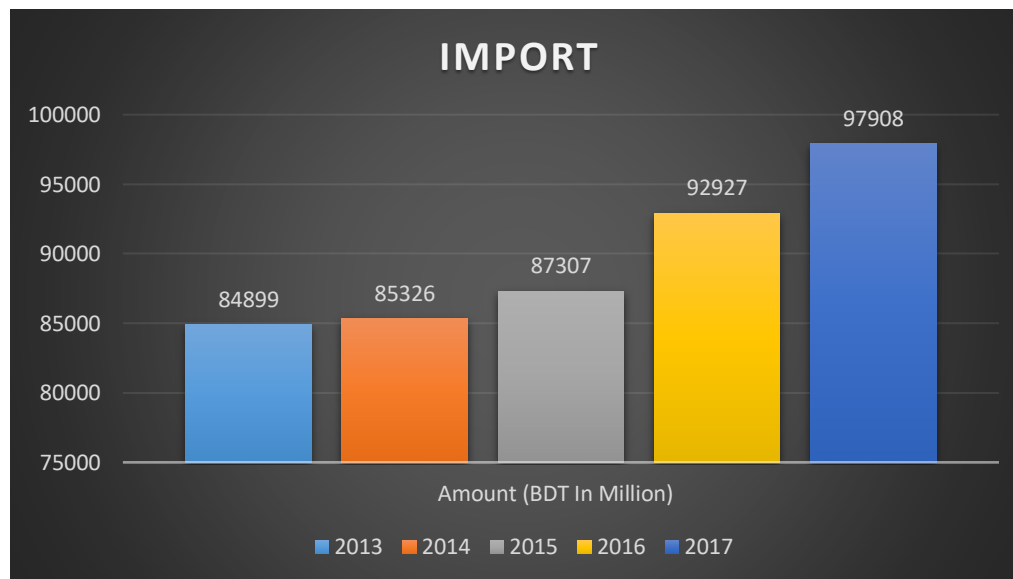


Interpretation:

The above graphical presentation shows Foreign Exchange Business of IFIC Bank Limited, from 2013 to 2017. We see from the above diagram from 2013 to 2016 the trend of foreign exchange business is increasing position its figure was in 2013 BDT 183791 million which is the lowest foreign exchange business, and in 2016 its figure was BDT 208672 million which is the height foreign exchange business, then we see from the above diagram in 2017 the trend of foreign exchange business is decreasing position in 2017 its figure was 206154. The trend of foreign exchange Business of the IFICBL is overall increasing and decreasing from (2013 to 2017).

4.2 Import Business:

Year	Amount (BDT In Million)
2013	84899
2014	85326
2015	87307
2016	92927
2017	97908

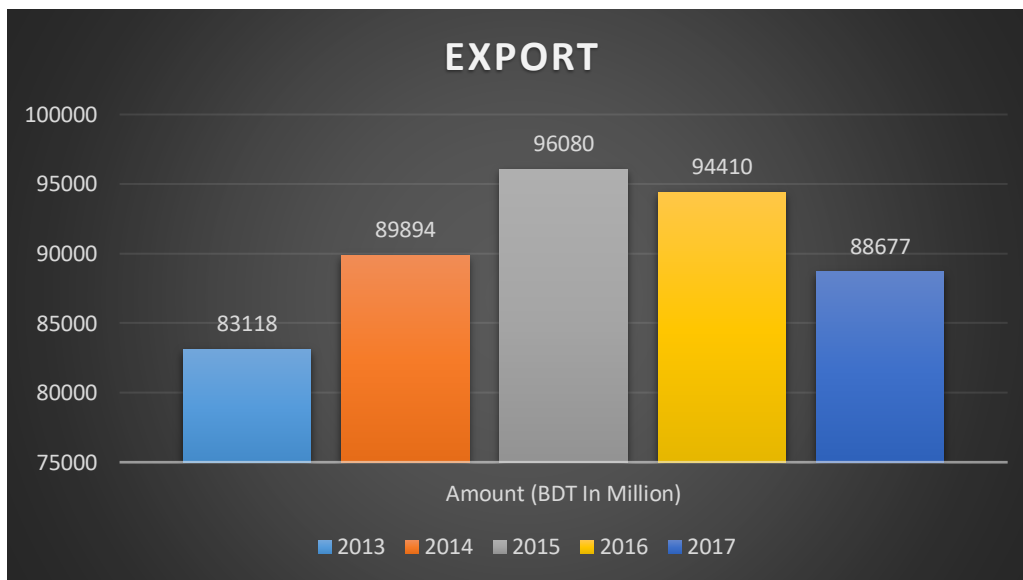


Interpretation:

The above graphical presentation shows Imports Business of IFIC Bank Limited, from 2013 to 2017. In 2013 its figure was BDT 84899 million which is the lowest import business, and in 2017 its figure was BDT 97908 million which is the height import business. The trend of Import Business of the IFICBL is overall increasing and from (2013 to 2017).

4.3 Export Business:

Year	Amount (BDT In Million)
2013	83118
2014	89894
2015	96080
2016	94410
2017	88677

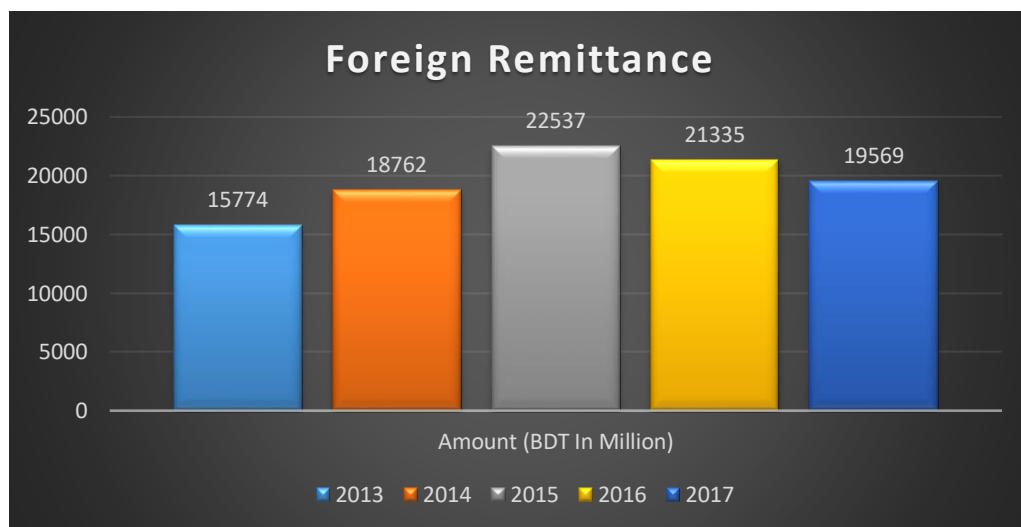


Interpretation:

The above graphical presentation shows Exports Business of IFIC Bank Limited, from 2013 to 2017. We see from the above diagram from 2013 to 2015 the trend of export business is increasing its figure was in 2013 BDT 83118 million which is the lowest export business, and in 2015 its figure was BDT 96080 million which is the height export business, then we see from the above diagram from 2016 to 2017 the trend of export business is decreasing in 2016 its figure was BDT 94410 million and in 2017 its figure was 88677. The trend of export Business of the IFICBL is overall increasing and decreasing position from (2013 to 2017).

4.4 Foreign Remittance Business:

Year	Amount (BDT In Million)
2013	15774
2014	18762
2015	22537
2016	21335
2017	19569



Interpretation:

The above graphical presentation shows Foreign Remittance Business of IFIC Bank Limited, from 2013 to 2017. We see from the above diagram from 2013 to 2015 the trend of export business is increasing its figure was in 2013 BDT 15774 million which is the lowest foreign remittance business, and in 2015 its figure was BDT 22537 million which is the height foreign remittance business, then we see from the above diagram from 2016 to 2017 the trend of export business is decreasing in 2016 its figure was BDT 21335 million and in 2017 its figure was 19569. The trend of foreign remittance business of the IFICBL is overall increasing and decreasing position from (2013 to 2017).

Chapter – 05

Findings

Recommendation &

Conclusion

5.1 Findings:

- ❖ IFIC Bank is a good position in the import business, because of the decrease in the import trade decreased during the 2013-2017 import year.
- ❖ Business exports do not display the same scenario as the Business Import Business. In the last five years it has decreased. In 2015, IFIC Bank has made huge business, but gradually reduced in 2016-2017. It has an impact on foreign exchange earnings.
- ❖ Export business like remittance business is the same scenario. In the last five years it has decreased. IFIC Bank has achieved big business from foreign remittance in 2015, but has gradually decreased in 2016-2017. It has an impact on foreign exchange earnings.
- ❖ Overall foreign exchange business gradually increasing position in 2013-2016. But 2017 it is decreased.
- ❖ The terms and conditions of Foreign Exchange division are sometimes difficult to understand for the ordinary clients.
- ❖ Lack of diversification, especially for export sector.
- ❖ Demand has reduced the amount of exports due to the lack of global demand.
- ❖ Extremely dependent to export text to textile and RMG sectors.
- ❖ Man reduced manpower shortages to provide better services to its clients in the foreign exchange division.
- ❖ Some business people do not agreement with IFIC Bank Limited because of foreign exchange rate is so high of IFIC Bank.
- ❖ Foreign documentation and operation of the foreign currency filing process is not so easy. It waste valuable time and it is not effective.
- ❖ The opening of the credit letter (L / C) for the IM importer is not so easy. It requires a lot of time and money to process the L / C document.
- ❖ Inadequate numbers of Exporter and Importer are not enough to achieve goals
Who works through this bank? So IFICBL will provide more flexibility for their attractions Client.

5.2 Recommendation:

I have to make some recommendations based on the findings that I have got from my research. The recommendation will help the bank to take necessary steps in order to increase the Satisfaction level of customers of IFIC Bank Limited.

- ❖ To increase the profit from remittance to Bank, more density of foreign remittance is required. IFIC's remittance performance for last year was very bad, so performance and profit should be increased year after year.
- ❖ Earn reduced export earnings growth slowdown for last year was not at the same pace as the growth of export business.
- ❖ On all foreign exchange earnings, remittances contribute only a small portion of 10-13%. More than 50% comes from the import business. Banks should try to increase the income from the export. It will have to focus more efforts on improving the export earnings and remittance income for our economy.
- ❖ In the past five years, the rate of increase in export earnings and the rate of increase in import income has decreased greatly. So banks should try to keep a constant growth rate.
- ❖ Developing sincere banking relationships with foreign banks in important parts of World Business world.
- ❖ Banks should be computerized. It will speed up activities and be more Customer satisfaction.
- ❖ If the bank reduces the interest rate of foreign currency, then it will increase the foreign currency Operation of IFIC Bank Limited.
- ❖ Open foreign exchange division in each branch of IFIC Bank Limited.
- ❖ Sectors Bank has to develop export finance facilities as per Sector.
- ❖ It should be easy to open the letter of credit (L / C) for the IM importer.
- ❖ Find out the new destination of our export products and keep them in tune with the new sector's customs.
- ❖ Eventually IFIS was recommended to improve remittance performance because the performance of this sector is not very good.

5.3 Conclusion:

In recent times, banking courtyards are one of the most competitive business areas in Bangladesh. Bangladesh is a developing country, a strong banking sector can change the socio-economic structure of the country. So we can say that the economy of the country is associated with its banking system. IFIC Bank is a highly probable commercial bank of Bangladesh Bank. This bank performs hundreds of important activities for the public and for the government as a whole. It is committed to deliver high quality financial services / products to contribute to the country's GDP growth by increasing the country's trade GDP to rising trade and commerce, to speed up industry, to increase employment, create employment opportunities for educated youth, increase poverty and increase the standard. Limited income group and the overall sustainable socio-economic development of the country. It has an outstanding bearing on improving our business sector. It has strong performance on general banking, loans and advances, industrial credit and foreign currency. Through my active participation in this branch, I had the privilege of learning a lot from foreign exchange corporate branches. A broad network of home branches and large number of communication banks worldwide handle exclusively export-import business, including homebound remittances. The effective and effective foreign exchange business of the bank helps in the growing growth and progress of the national economy.

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