



Daffodil
International
University

Internship Report

on

Foreign Exchange Operations

of

National Bank Limited

Submitted to:

MahbubParvez

Associate Professor,

Faculty of Business & Entrepreneurship

Daffodil International University

Submitted by:

MdMohibbulla Al MohonBhuiyan

ID: 152-11-924

Major: Finance

Daffodil International University

Date of Submission: 22th December, 2018

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Submission Date: 22/12/18

Letter of Transmittal

Date: 22.12.18

Mr. MahbubParvez
Associate Professor
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of internship report title “Foreign Exchange Operations of National Bank Limited”.

Dear Sir:

With a great pleasure, I here submit the report titled “Foreign Exchange Operations of National Bank Limited” that I have prepared for you to complete my BBA Program from Daffodil International University.

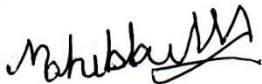
I have collected the information regarding the topic from the branch and tried to analyze them. Despite many constraints like lack of scope and access to information, I have tried to relate them with my conceptual knowledge and to make something satisfactory.

I tried my level best to make the report resourceful and informative. I left no stone unturned to bring out the highest result about the study.

I am confident that this study will provide fulfill findings. As a student of Business and entrepreneurship, I am highly grateful having this type of work because it helps me broaden my knowledge on the banking sector of our country.

I hope this report will attract your kind appreciation.

Sincerely



Md: Mohibbulla Al MohonBhuiyan

Id: 152-11-924

Major: Finance

Daffodil International University

Letter of Acceptance

This is to confirm that the study entitled “**Foreign Exchange Operations of National Bank Limited**” is prepared by Md:Mohibbulla Al MohonBhuiyan baring ID: 152-11-924 under the department of Business Administration of Daffodil International University for completing BBA degree. The report has been set up under my direction and is a record of the work completed effectively.

He is allowed for further defense/ presentation.



.....

MahbubParvez

Associate Professor

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

At the very beginning, I would like to express my deepest gratitude to the Almighty for giving me the strength, knowledge, wisdom and ability to carry out this report and the composure to finish the task within the scheduled time.

I would like to pay my gratitude to our honorable Teacher Mr. MahbubParvez, Associate Professor, Faculty of Business and Entrepreneurship, Daffodil International University who has assigned me this report work and given mentoring, guidance, supervision and at most support to accomplish the study.

I also express my gratitude to my family specially. I am indebted to my parents for all their provision, love, care and prayers.

This report is not free from limitation. There might still be some minor mistakes including typing errors despite utmost care, I apologize for these.

Executive Summary

This report is a pre-prerequisite for the opposition of four years BBA course, to get information of commonsense saving money exercises. This report centers multi month working encounters in National Bank Limited, SonargaonJanapath Branch. This report has been produced fundamentally by the auxiliary information of managing account exercises of National Bank Limited and essential information from everyday exercises amid my temporary position period.

National bank Ltd is the first and real private area business bank in Bangladesh completely claimed by the Bangladeshi Entrepreneurs. The Bank began its task from 23rd March 1983.now with its 131 branches in everywhere throughout the nation NBL serving its esteemed clients through broadened saving money exercises. The entire managing an account procedure of NBL is partitioned into 3 areas. These are General Banking, Credit, and Foreign Exchange Division. Here first section essentially talks about foundation of the report, goal and technique utilized in arrangement of the report and constraint looked in planning. Next I have endeavored to focus on organization profile and entry level position obligations.

In this report I have endeavored to demonstrate distinctive part of remote settlement exercises. In brief time I attempt my dimension best to talking about remote settlement movement. As an internee it is extremely hard to give proposal however I figure it will be correct I express them extravagantly, for example, appropriate preparing, observing exercises.

From 1983 to 2018 it has thirty five long periods of voyage for NBL. They have made solid activities in keeping money part. They can be a standout amongst other private banks in Bangladesh, in the event that they will coordinate the desire for their customers through their best managing an account benefit.

Contents

Letter of Transmittal	iii
Letter of Acceptance	iv
Acknowledgement	v
Executive Summary	vi
Chapter 1: Introduction	1
1.1 Origin of the report:	1
1.2 Scope of the study:	1
1.3 Objectives of the study:	1
1.4 Methodology:.....	1
1.5 Limitation of the examination:	2
Chapter 2: Organization	3
2.1 HISTORICAL BACKGROUND OF NATIONAL BANK LIMITED:.....	3
2.2 VISSION OF NBL:	3
2.3 MISSION OF NBL:.....	4
2.4 Motto:	4
2.5 Guiding principle OF NBL:.....	4
2.6 Organogram of National Bank Limited:.....	5
2.7 Products and Services of National Bank Ltd.....	6
2.7.1 Deposit Products	6
2.7.3 Credit Products	9
2.7.4 Overseas Operations.....	11
2.9 ROLE OF NBL IN THE ECONOMY OF BANGLADESH:	12
2.10 SWAT Analysis of National Bank Limited.....	13
2.10.1 Strengths.....	13
2.10.2 Weakness.....	13
2.10.3 Opportunities.....	14
2.10.4 Threats.....	15
Chapter 3: Foreign Exchange Operation.....	17
3.1 What is foreign trade?.....	17
3.2 Regulatory necessities for foreign trade	17

3.3 Functions of foreign trade division	18
3.4 Documents utilized in export trade	18
3.5 What is Letter of Credit?	22
3.6 Basic Letter of Credit exchange process.....	22
3.7 Parties of Letter of Credit Transaction	23
3.8 Types of Letter of Credit.....	25
3.9 Import.....	27
3.10 Export	31
3.10.1 LC Advising:.....	31
3.10.2 Issuing EXP shape:.....	32
3.10.3 Collection of reports and checking:.....	32
3.10.4 Export bill negotiation:.....	33
3.11 Foreign Remittance	34
3.11.1 Inward Foreign settlement:	35
3.11.2 Outward Foreign settlement:	35
3.13 Methods of Foreign settlement	35
Chapter 4: Foreign Exchange Performance	37
4.1 Foreign Trade Business	37
4.2 Total Import Earning	37
4.3 Total Export Earnings.....	38
4.4 Total Remittance Earnings:	39
4.5 Deference between Export, Import and Remittance Earnings:	40
Chapter 5: Findings, Recommendations and Conclusion	41
5.1 Findings:	41
5.2 Recommendations	42
5.3 Conclusion.....	42
Chapter 6: Bibliography.....	44

List of tables

SL	Name of the Figures	Page number
Table 4.1	Calculation of Total Foreign Trade Business of SonargaonJanapath Branch	38
Table 4.2	Calculation of Total Remittance Earning of SonargaonJanapath Branch	39

List of figures

SL	Name of the Figures	Page number
Figure 2.1	Organogram of the Bank	6
Figure 4.1	Total Import Earning of SonargaonJanapath Branch	39
Figure 4.2	Total Export Earning of SonargaonJanapath Branch	39
Figure 4.3	Total Remittance Earning of SonargaonJanapath Branch	40
Figure 4.4	Deference between Export, Import and Remittance Earnings of SonargaonJanapath Branch	41

Chapter 1: Introduction

1.1 Origin of the report:

The report has been prepared as an academic requirement of achieving BBA degree through three month internship program by Md:Mohibulla Al MohonBhuiyan BBA student majoring in finance from the faculty of Business Administration's joined National Bank Limited for the completion of my internship program and requested our honorable course teacher MahubParvez to supervise me during my internship program. He kindly accepted my request and asked me to prepare a report on "Foreign Exchange Operations of National Bank Limited" after my internship period thereon. The bank scheduled my place of posting at the SonargaonJanapath Branch for three month. During this internship I worked different department especially in Foreign exchange division of SonargaonJanapath Branch to come to know about the different functions of the bank. And at long last after getting practical knowledge I managed to prepare my report on "Foreign Exchange Operations of National Bank Limited" and submitted my honorable supervisor

1.2 Scope of the study:

The National Bank Limited is one of the leading Banks in Bangladesh. The scope of the study is quiet wide as this report has covered the banking activities that SonargaonJanapath Branch performs such as account opening, cash, clearing or transfer transaction, advance or loan, export and import and so on. . Moreover some emphasis is given is on foreign remittance activities of SonargaonJanapath Branch. After getting knowledge about these activities an analysis is made on the findings.

1.3 Objectives of the study:

The main objective of the study is to analyze the foreign exchange business of National Bank Limited. There are some specific objectives on the way of achieving the main objective.

These are as following...

- ✚ To assess the foreign exchange polices of the National Bank Limited.
- ✚ To evaluate the foreign exchange operations of the Bank.

- ✚ To identify the problems regarding import & Export.
- ✚ To recommend some suggestions to overcome the problems that is identified.

1.4 Methodology:

To make the report more meaningful and presentable, two sources of data and information have been used widely these are Primary Data and Secondary Data. Both primary and secondary data sources were used to generate the report. But Most of the information collected in secondary sources:

Secondary Sources:

The secondary sources information's are:

- Annual report of NBL.
- Materials and files of NBL, SonargaonJanapath Branch.
- Website of NBL.
- Different articles.
- Unpublished data received from the branch.

Primary sources:

The primary source information's are as follows:

- Face-to-face conversation with the bank officers and staffs.
- Practical desk work
- Personal diary (that contains every day experience in bank while under going practical orientation).

1.5 Limitation of the examination:

There were a few oblige while setting up this report are:

- Difficulty in getting to information of its inner activities.
- Non Availability of some first year's measurable information.
- Non-divulgence of some essential data.
- Like some other research, this reports restricted to time and asset and just three months are insufficient to cover such wide zone of keeping money.

Chapter 2: Organization

2.1 HISTORICAL BACKGROUND OF NATIONAL BANK LIMITED:

The historical backdrop of National Bank constrained is a brilliant stair of the historical backdrop of rise of private banks in Bangladesh. National bank Ltd is the first and significant private area business bank in Bangladesh completely claimed by the Bangladeshi Entrepreneurs. The Bank began its activity from 23rd March 1983. Because of the aggregate impacts of the some prominent financiers, of disappointment in assuming because of job in preparing little investment funds of the abounding millions and giving enhanced customers administrations to them in our nation, the Government gave right choice to permit setting up banks I private part. National Bank Limited was conceived as the initial hundred percent Bangladeshi possessed Bank in the private area. From the specific initiation it is the firm assurance of National Bank Limited to assume a fundamental job in the national economy. They are resolved to bring bank the long overlooked taste of saving money administrations and flavors. NBL need to serve every one quickly and with a feeling of commitment and poise.

NBL has been the pioneer in advancing readymade piece of clothing ventures and still is the single biggest agent in this part. In the mid 80's when piece of clothing industry in Bangladesh was encountering a procedure of preliminary, the bank premonitions the splendid prospect of this part and stretch out fund to the meriting and promising business visionaries. It furnished them with monetary help including market data and guidance and today the article of clothing part comprises about 66% of the aggregate fare of the nation.

2.2 VISSION OF NBL:

Guaranteeing most elevated standard of customer base administrations through best utilization of most recent data innovation, making due commitment to the national organization and building up ourselves solidly at home and abroad as a textual style positioning bank of the nation are our loved vision.

2.3 MISSION OF NBL:

Our central goal is to proceed with our help for extension of exercises at home and abroad by adding new measurements to our keeping money administrations which have been progressing in an unabated way. Nearby, we are additionally putting most noteworthy need in guaranteeing straightforwardness, account capacity, enhanced customers benefit, and additionally our pledge to serve the general public through which we need to draw nearer to the general population all things considered. Winning an everlasting seat in the hearts of the general population as a minding partner in inspiring the national monetary standard through constant up degree and broadening of our customer base administrations in accordance with national and worldwide prerequisites is the ideal objective we need to reach.

2.4 Motto:

A Bank for Performance with Potential

2.5 Guiding principle OF NBL:

NBL's guiding principle comprises of 6 components. These qualities tie its kin together with an accentuation that they are basic to everything being done in the bank.

2.6 Organogram of National Bank Limited:

The organogram of National Bank Limited are as followed:

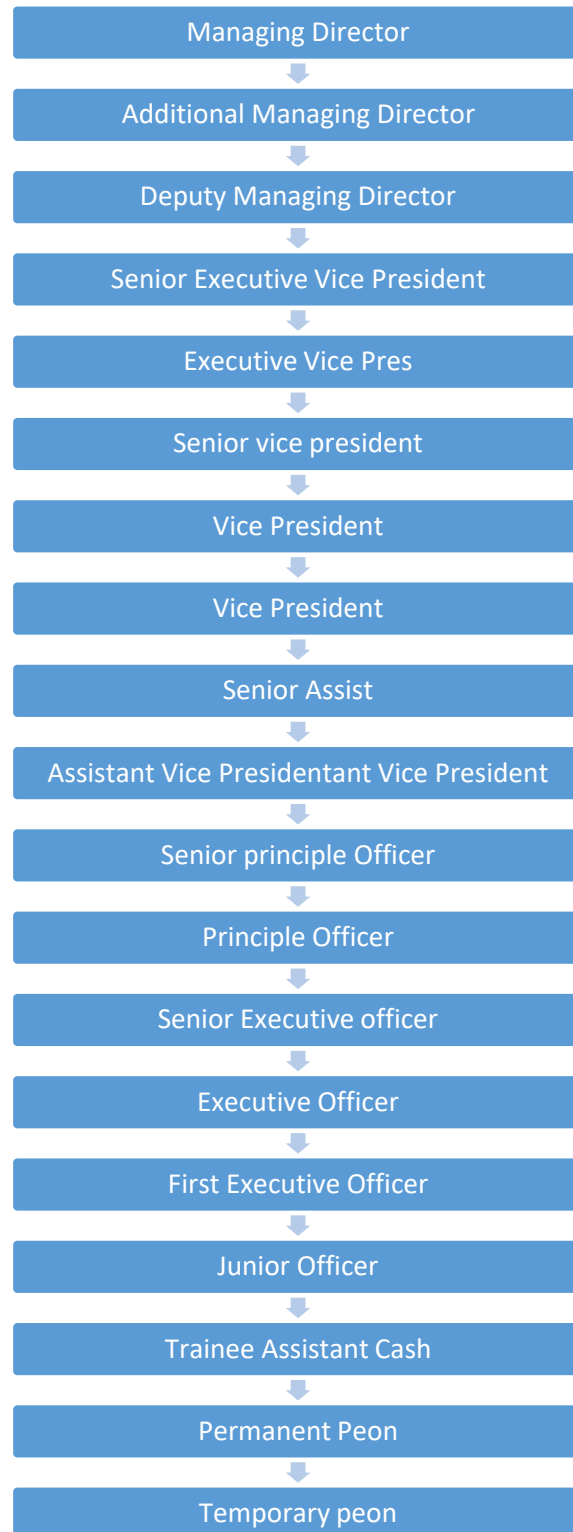


Figure 2.1 Organogram of the Bank

2.7 Products and Services of National Bank Ltd.

The items and administrations of National Bank Ltd. are primarily 4 types:

- a) Deposit Products
- b) Credit Products
- c) Cards
- d) Overseas Operation

The different sorts of items and administrations of NBL under these classes are referenced beneath.

2.7.1 Deposit Products

There are different sorts of store results of NBL. The subtleties of those are given underneath.

- (1) **Savings Deposit:** NBL is giving reserve funds store benefit through its branches which are hazardless and free from any shrouded expense. They likewise have guidance plan for the records.

- (2) **Current Deposit:** For day by day business exchange reason NBL is giving current store benefit which is free from any concealed charge, hazardless and offers access to different offices. Guidance course of action is additionally accessible for the records worked.

- (3) **Term Deposit:** Under term store there are two sorts of stores. These are:
 - i. **Special Notice Deposit:** Here the bank offers enthusiasm on the store sum and furthermore give the office to pull back cash whenever. Guidance course of action is accessible.

 - ii. **Settled Deposit:** NBL offers settled store benefit where the client can store any sum and untimely encashment office is accessible for the clients. Overdraft office is accessible against term receipt.

(4) **Fixed Deposit:** Under outside cash store there are two sorts of stores. These are:

- (i) **Resident Foreign Currency (RFC) Deposit:** National Bank Ltd. is allowing the chance to keep up remote cash account through its approved merchant branches. Bangladeshi nationals dwelling abroad, outside nationals living abroad or Bangladesh, remote firms working in Bangladesh or abroad and remote missions and their ostracize representatives can utilize this record. A few advantages of this record are: (1) No underlying store is required to open the record (2) Interest will be offered 1.75% for US Dollar Account, 3.00% for EURO Account, 3.25% for GBP Account (3) They will get enthusiasm on day by day item premise on the credit balance (least parity of US\$ 1000/ - or GBP 500/ - in any event for 30 days) keeping up in the record.
- (ii) **Non-Resident Foreign Currency (NFC) Deposit:** This administration is likewise given by approved merchant parts of NBL. All non-inhabitant Bangladeshi nationals and people of Bangladesh beginning including those having double nationality and conventionally dwelling abroad may contain enthusiasm bearing NFCD account. A few advantages of NFCD are: (1) It can be opened for multi month, three/six months, one year through US Dollar, Pound Starling, Japanese Yen, and Euro (2) The base starting sum is \$1000 or 500 Pound Starling or comparable other assigned money (3) Interest will be on the record parity and it is tax exempt.

(5) **Monthly Savings Scheme:** For the retail clients NBL offers month to month investment funds plot where record can be opened by any portion and it isn't variable. Beyond what one record can be opened in a branch/bank.

(6) **Monthly Earning Scheme:** Deposit sum must be least Tk. 1, 00,000 and its products which will be up to Tk. 10,000,000. Month to month intrigue is 7.51%. The net payable sum is determined after the finding of the assessment sum from the intrigue sum. In the

event that the client has Tax Identification Number (TIN) the expense rate is 10% and in the event that not, the assessment rate is 15%.

- (7) **Double Benefit Account:** By this plan the advantage will be multiplied following 9 years and a half year. Here the sum to store is least Tk. 1, 00,000 and the several of it however it has no furthest limit. Record can be opened separately or mutually, multiple record can be opened and the record holder gets the office of free disaster protection approach.
- (8) **Millionaire Deposit Scheme (MDS):** This is a kind of record offered by NBL where the client will store sum on consistently for 4, 6, 9 or 12 years and development the client will get Tk. 10,00,000/ - . The month to month store size will be founded on the residency of the plan. Here beyond what one MDS can be opened and the record can be opened independently or together.
- (9) **AponThikanaShanchoyPrakalpa (ATSP):** This is a sort of funds store conspire for those clients who need to buy a level with their set aside some cash in the bank. Development of this plan is 5, 8 and 10 years and the client will store a settled sum as portion at consistently. Toward the finish of the development the client either can en-money the terminal sum or can accept sum as advance up to 100% of the terminal sum and the loan fee will be at the overall rate of the bank. This plan likewise enables the clients to take up to 80% of the saved sum as advance at the accessible rate of the bank whenever of the plan time frame. At half lease locker office can taken at the primary year yet relies on the accessibility of the locker.
- (10) **Luxury Savings Deposit Scheme (LSDS):** Here the regularly scheduled payment is normally high and the development is 2, 3, 4 or 5 years. Whenever of the plan time frame up to 80% of the saved sum can be taken as advance at the accessible loan cost of the bank. Locker office is at half lease in the primary year and relies upon the accessibility of the locker.

2.7.2 Card Products

There are two sorts of card items in NBL and these are:

- (1) Credit Card
- (2) Power Card

Gives we a chance to portray about these items in the beneath:

- (1) **Credit Card:** NBL Mastercard is satisfactory in numerous shops and outlets locally and globally. Loan fee and card charge are the most minimal. With some appropriate conditions unique rebate is likewise accessible. 80% of card sum is transferrable to any NBL account and furthermore have pay arrange office. NBL card has double cash card office and with no overabundance or concealed charges.
- (2) **Power Card:** It is the main check card for which the client won't required having any record with the bank. Here it is a prepaid card and yearly/reestablishment expense is just Tk. 200/ - . At al VISA, POS shippers it is adequate and satisfactory at all ATM stalls which have VISA and Q-money logo (acknowledge HSBC, Bangladesh).

2.7.3 Credit Products

National Bank Ltd. is dispensing different sorts of advances from the earliest starting point of their business. To satisfy the requirements of the clients from different areas and furthermore to aid national development and improvement they are giving different kinds of credit. Let's we portray about them:

- (1) **Loans and progresses:** To serve the venture prerequisites of the customers, NBL has different sorts of advance items including charge card, farming, little and medium enterprises, businesses, house building, exchange administrations and buyer durables and so forth.
- (2) **Financing RMG:** Considering the significance of Ready Made Garments (RMG) segment in the national economy, NBL has been assigning huge add up to back different RMG area ventures since initiation to support the best industry of the economy. Production line up degree and enhancing the workplace is likewise given significance and they have kept dispensing credits here.

- (3) **Project and Syndication Financing:**NBL is continually thinking about the national development and cautiously dispensing credit to different segments which ought to get need. They give significance in financing the development of new long haul foundation and modern undertakings. BMRE of long haul framework and modern activities is additionally a noteworthy worry of them where they center on great profitability, condition benevolence and eco-friendliness of the industries.NBL is likewise financing different huge undertakings under syndication course of action with different banks as these ventures require substantial measure of cash as venture. Power Plant, Spinning, Food Processing, Real Estate, Textile, Pharmaceuticals and RMG are where NBL has contributed under syndication course of action.
- (4) **Micro credit and AgriFinancing:**NBL gives smaller scale credit to the needy individuals and furthermore to the rustic individuals whom those individuals can use for different acquiring reason, for example, angling, domesticated animals or poultry by which they can bring better pay for their family and enhance their life standard. NBL is likewise financing in agribusiness by giving credits to the landless and minimal ranchers and they can utilize this cash to gather seeds, compost, water system office, agri materials which can enhance the amount and nature of the agrarian creation and it will likewise add to the way of life enhancement of the town individuals.
- (5) **SME and Women Entrepreneurs Financing:**NBL has presented different SME items which are appealing and by these they are endeavoring to draw in little and medium business visionaries from various parts of industry, exchange and administration through their branch network.They are giving advances to the ladies business visionaries under Bangladesh Bank renegotiate finance where the loan fee is just 9%. They are endeavoring to create group financing and furthermore settled e-shop which will make advertise for the privately delivered handiwork things locally and internationally.NBLhas propelled a SME item named info ladywhich is particularly for ladies business visionaries and the loan fee is sensible. PC contemplate, web, cell phone administrations and human services in the town zone are the divisions for which info lady has propelled.
- (6) **Retail and Consumer Loan:** To satisfy different individual and family needs of settled salary gatherings, for example, experts, benefit holders and others NBL has acquainted

customer credits with buy shopper items. Their retail advance items are Education Loan, Consumer Durable Loan, Any Purpose Loan and Professional Loan.

- (7) **Lease Financing:** To enhance the administration into different parts NBL has presented rent financing moreover. To pull in a ton of people, industrialists and business firms NBL has made this plan bother free and conditions are additionally simple. With simpler terms and conditions this plan bolsters the clients to gain medicinal prepare

2.7.4 Overseas Operations

The Bank is giving administration in universal exchange and outside trade. Under this side there are send out, import, seaward managing an account unit and homebound remote settlement. Fare charge arrangement, send out continues acknowledgment, setting up LC, outside settlement and so on are under remote exchange benefits by which the bank attempt their best to grow their outer business.

- (1) **Import:** In 2015 to encourage import exchange the Bank opened an aggregate 25,407 LCs with an estimation of USD 1,092.90 million . The principle wares were crude cotton, rice, eatable oil, capital apparatus, scrap vessels, wheat, yarn, article of clothing frill, oil based goods, textures and other admissible purchaser things.
- (2) **Export:** 25,672 fare reports with an estimation of USD 878.35 million have been taken care of in 2015. Fare accounts were stretched out chiefly to knitwear, tanned calfskin, jute merchandise, readymade pieces of clothing, tea, solidified sustenance and fish, handiwork and so on.
- (3) **Offshore Banking Unit:** National Bank Ltd. opened its seaward Banking Unit (OBU) at SonargaonJanapath Branch, Dhaka in 2008. This endeavor is attempting to get advancement and client agreeableness their administration to fulfill the neighborhood business people and remote financial specialists who are putting resources into 100% fare arranged enterprises. In 2015 aggregate advances and advances with an estimation of USD 36.44 million (Tk. 2,836.68 million) was made by OBU. Around the same time fare and import made by OBU were USD 46.79 million (Tk. 3,670.82 million) and USD 27.60 million (Tk. 2,165.66 million) individually.

(4) **Homebound Foreign Remittance:** Considering a high nearness of Bangladeshi ostracizes NBL has set up their auxiliaries in various nations and furthermore made office plans with various trade houses from various countries. The Bank is a specialist of Western Union Money Transfer since 1993 which is a worldwide pioneer for the administrations of exchanging cash and was the main operator till 2002. Moreover, NBL has dealings with Eastern Bank Ltd. (EBL), Social Islami Bank Ltd. (SIBL) and ASA which is a main NGO of Bangladesh, where they will make installments of internal settlements in the interest of National Bank Ltd. NBL has made strides for the up degree of various items and furthermore presenting current innovations, for example, Online Banking, „NBL Quick Pay“, EFT and other robotized gadgets which will guarantee the installment of internal remote settlement protected, expedient and with no interruption. It will make a less demanding framework for the remitter living in outside nation and the recipient in Bangladesh. With 52 trade organizations from 17 nations, drawing courses of action has been made by the bank and completely claimed backups in USA, Singapore, Greece, Maldives, Malaysia and mostly (25% value) possessed Exchange Company in Oman has been built up.

2.9 ROLE OF NBL IN THE ECONOMY OF BANGLADESH:

The rise of NBL in the private area is an imperative occasion in the Banking field of Bangladesh. Amid the times of 1980 when there was serious retreat in the economy, by permitting the private segment banks Govt. took the natural choice to resuscitate the economy of the nation. What's more, a few powerful business people wanted setting up manage an account with an adage to stimulate the economy of the nation.

At present NBL has been carrying on the business through 119 branches spread everywhere throughout the nation. Moreover, the bank has course of action with 415 journalists in 75 nations of the world and in addition with 32 abroad Exchange organizations.

Other than the benefit situated managing an account exercises NBL is ahead to serve the general population also a societal body at entirety. With the responsibility of serving the country NBL is going ahead with its expanded managing an account exercises. NBL presented National bank Monthly Saving Scheme (NMS), Special Deposit Scheme, customer's credit Scheme and NBL

lodging advance, NBL Small Business Loan, Small House Loan Scheme, Festival Small Business Loan and so on to join the general population of lower and center salary gathering.

2.10 SWAT Analysis of National Bank Limited.

2.10.1 Strengths

- NBL's prime quality is there notoriety in private managing an account industry and also a firm client association with a positive picture.
- Good money related reinforcement with an adequate asset which drove them to continue a superior position in the market, likewise quicken the development of their business.
- Several store conspire, credit offices, International Master Card administrations which is an upper hand for NBL.
- Wide spread 167 branches in Bangladesh for their clients to feel them great and secure in exchange wherever their clients live in Bangladesh.
- An imaginative and modernized innovation administrations has been utilizing, for example, SWIFT, REUTERS and electronic keeping money
- Operating loads of Corporate Social Responsibility (CSR) exercises in various fields, for example, Education, Employment, Sports & Culture, Disaster Relief and others.
- Maintaining a solid system with their co-accomplices, business assignments and outside customers, for example, backup organizations and other trade organizations and banks.
- Highly qualified and most effective Human Resource Management Team, to command over the supervisor utilize relationship.
- Well furnished inside workplace with NBL's officers and associates.

2.10.2 Weakness

- Except the significant parts of NBL, a large portion of the "C-classification" parts of NBL are not prepared; bunches of lacking stays in association or courses of action program of such ordered branches.

- Customers are taboo from a wide range of retail managing an account items and administrations which are accessible and effectively open in all the real parts of NBL.
- Online keeping money working framework very antedated which has moderate preparing time in exchange and a constrained web based managing an account execution inside a few branches.
- Limited human recourses that make outstanding task at hand upon representatives and making the clients as agonizing substantial arch.
- Offered diverse plans are not legitimately structured that would draw in the new clients; particularly there is no such plan that urge to the understudy or youngsters to open any financial balance.
- Mostly they are separated from the showcasing and special action which is their greatest drawback that could be more diligently to continue their business in very focused market.
- ATM corner administration of NBL is exceptionally poor that just a couple of number of ATM stalls is accessible in Dhaka city and also everywhere throughout the nation.
- Salary isn't appropriate and structure of compensation inappropriately built.
- Lacking of ability in their representatives.
- KYC (Know Your Customer) is hard because of its defective plan of retail managing an account item and administrations.

2.10.3 Opportunities

- New imaginative items (officially tried in different markets) can be conveyed to Bangladesh.
- Set up increasingly reporter relationship and branch arrange in potential zones.
- Growing upper white collar class and high society populace.
- Foreign Exchange Business can be expanded all things considered.
- Financing the most imminent pieces of clothing segment in Bangladesh.
- Financing poor expressed enterprises which could have brilliant prospects.
- Emergence of E-managing an account will open more degree for NBL to achieve the customers want dimension of fulfillment in Bangladesh as well as worldwide field.

- Government of Bangladesh has rendered its full help to the private keeping money segments all through the nation which will drive them accomplish better future in the private managing an account field.
- Sector for a sound monetary status of the nation, as it is getting to be one of the crucial wellsprings of work in the nation now. Such government concern encourages what's more, bolster long haul vision of NBL.
- Ring system with corporate administrators.
- Unexplored GRB/TTLIC showcase for credit and non-credit items.
- Unexplored NFI/NGO fragment.

2.10.4 Threats

- The low pay bundle of the representatives from mid dimension to bring down dimension position dangers the worker inspiration. Accordingly, great quality workers leave the association and it impacts the association in general.
- As recently referenced, the world is progressing towards innovation quick. Through NBL required exertion to join the stream, it is beyond the realm of imagination to expect to finish the mission because of the poor innovative framework of our nation.
- All support worldwide banks and up and coming outside private saves money with pooled ATMs/POS group's gigantic dangers to National Bank Limited.
- Slow down in worldwide economy is likewise being a risk of National Bank Limited.
- Other bank utilizes new innovation which have any kind of effect.

Different dangers of NBL's are pursued:

- Weak legitimate structure.
- Inadequate showcase data.
- Margin press in light of high rivalry.
- Unhealthy and illicit rivalry among private division business banks.
- Large non-performing resources of open part banks.
- Unstable political circumstance.
- Natural catastrophe.

Chapter 3: Foreign Exchange Operation

3.1 What is foreign trade?

Foreign exchange is the replace of one currency for one more or the change of one currency into an additional currency. Outside trade additionally alludes to the worldwide market where monetary forms are exchanged for all intents and purposes nonstop. The biggest exchanging focuses are London, New York, Singapore and Tokyo. The term remote trade is typically curtailed as "forex" and every so often as "FX".

3.2 Regulatory necessities for foreign trade

The banks need to pursue a few laws, standards or rules in leading outside exchange activities. Among these some are nearby and a few universal laws/rules/rules are likewise there. Among the laws for outside trade the Foreign Exchange Regulation Act-1947 is a standout amongst the most imperative neighborhood or interior laws. Then again UCPDC is the most critical principle among the worldwide standards. The required laws, standards and rules for banks to lead remote exchange are named beneath:

- (i) Foreign Exchange Regulations Act-1947
- (ii) Guidelines for Foreign Exchange Transactions-2009
- (iii) Import approach arrange (right now forced)
- (iv) Export approach (right now forced)
- (v) Customs Act 1969 and pre-shipment Inspection Rules-2009
- (vi) Importers, Exporters and Indenters (Registration) Order, 1981
- (vii) Uniform Customs and Practice for Documentary Credits (UCPDC-600)
- (viii) International Standard Banking Practice (ISBP-681)
- (ix) Uniform Rules for Collection (URC-522)
- (x) Uniform Rules for Bank-to-Bank Reimbursement Under DC (URR-725)
- (xi) Incoterms-2010
- (xii) Uniform Rules for Demand Guarantees (URDG-758)
- (xiii) International Standby Practices (ISP-98)
- (xiv) DOCDEX Rules and ICC Arbitration

3.3 Functions of foreign trade division

The remote trade division is included three kinds of exercises:

- Export
- Import
- Foreign settlement

National Bank Limited gives these three sorts of administrations in outside trade. Every one of the banks of Bangladesh needs to play out these three kinds of capacities in their outside trade divisions.

3.4 Documents utilized in export trade

In export trade the exchanges go ahead between the nations. Here there are a ton of conventions and reports required in light of the fact that there is a great deal of inconveniences presented in the exchange and diverse nations have distinctive checks and controls. That is the reason the procedure of outside trade is abundantly confused. The reports required in outside trade are ordered into two classes:

Group-A:

The archives appeared under this classification are known as fare records from the exporter's side and import reports from the importer's side. These are:

1. Bill of Exchange/Drafts
2. Bill of filling
3. Air committal Note or Airway Bill/Post Parcel Receipt/Railway Receipt/Truck Receipt
4. Invoice/Commercial Invoice
5. Consular Invoice
6. Marine Insurance Policy
7. Certificate of cause
8. Packing rundown or Mills Specifications
9. Inspection declaration/Survey Report
10. Certificate of Weigh mint and Measurement
11. Bill of section
12. Certified Invoice

13. Black recorded declaration
14. Health, Veterinary Certificate/ Phytosanitary Certificate
15. Exp Form
16. G.S.P

Group-B:

The records appeared under this class are of incidental kinds and required depending nature of exchanges and term of credit. They are:

1. Indent
2. Preformed Invoice
3. Dock Warrant
4. Ware House
5. Ware house Keeper's Certificate
6. Delivery Order
7. Trust Receipt

Gives us a chance to clarify about a portion of these records:

Bill of Exchanges:

The installment of the great is gotten by the merchant through the mechanism of a bill of trade (B/E) which is usually called (draft or bill) drawn on the purchaser for the sum contingent upon the agreement. It is a debatable instrument in composing containing an unqualified request marked by the creator, guiding someone in particular to pay a specific aggregate of cash just to or to the request of someone in particular, or to the conveyor of the instruments. Here there are for the most part three gatherings which are cabinet, drawer and payee. The cabinet readies the bill, the drawer who needs to pay the measure of the bill in future explicit time and the payee who will get the sum according to the request of the cabinet to the drawer.

Bill of Lading:

A bill of filling is an authoritative record between the shipper of merchandise and the transporter itemizing the sort, amount and goal of the products being conveyed. The bill of filling likewise fills in as a receipt of shipment when the merchandise are conveyed at the foreordained goal.

This archive must go with the sent products, regardless of the type of transportation, and must be marked by an approved agent from the bearer, shipper and recipient.

Commercial Invoice:

It is the seller's bill for the stock. It contains a portrayal of the merchandise, the cost per unit, add up to estimation of the products, pressing particulars, terms of offer, letter of credit, bill of filling number and so forth. There is no standard frame for a business receipt. Every exporter plans his own business receipt shapes. The receipt is made out by the dealer under his mark for the sake of the purchaser and must be submitted in an arrangement of no less than 3 duplicates. Its motivation is to check whether the fitting products has been dispatched and furthermore that their unit value, add up to esteem, stamping on the bundle and so on are reliable with those given in different reports.

Marine Insurance Policy:

In the worldwide exchange marine protection arrangement is an absolute necessity to cover the danger of misfortune on relocations while they are on oceans. The marine protection is the duty of the purchasers (recipient) under FAS, FOB and CFR contracts and the dealer (sender/shipper) under CIF contract. The strategy must be of the sort as indicated in the relative contract/credit. The arrangement would be dated not later than the date of shipment with cases being payable at the goal.

Endorsement of Origin:

This is an authentication issued by a perceived expert in trading nation ensuring the nation of cause of the products. It is typically issued by the councils of trade. Now and then it is ensured by nearby emissary or Trade Representatives of the bringing in nation according to terms of the credit.

Pressing List/Mills Specifications:

The exporter must set up an exact pressing rundown indicating thing by thing, the substance of the transfer to empower the collector of the shipment to check the substance of the products,

number and characteristics of the bundles, amount, per bundle net weight, net weight, estimation etc.

Examination Certificate/Survey Report:

Inspection declaration by a set up review specialist is required under a few contracts or by a few nations.

Indent:

The indent is a request put by shipper to his abroad exporter. It ought to pass on in full detail, and each specific the exporter should know, with the goal that he can fulfill buyer's necessity. The basic points of interest may incorporate the amount of merchandise and value, the method of making up and pressing of the products, the guidelines for delivery, protection, number of bill of filling and receipt required, regardless of whether a consular receipt and endorsement of starting point to be incorporated.

Preformed Invoice:

At the arranging phase of an arrangement the purchaser may require the merchant to cite the costs of the products demonstrating their natty gritty points of interest so as to empower him inspect the focused position. It is an offer by the vender to move the products and is actually like the standard receipt with the exception of that it is checked "Preformed".

G.S.P. (Summed up System of Preferences):

The Generalized System of Preferences is referred to by its contraction as GSP. Under the frameworks, the created nations stretch out particular treatment to a scope of indicated items bringing in from creating nations. This special treatment is given either by decreased rates or by zero rates" of import levy obligations on the products imported. The inclination giving nations are contributor nations, while the inclination accepting nations are known as recipient nations under the GSP framework.

3.5 What is Letter of Credit?

A letter of credit (LC) is an endeavor by the bank of the merchant to the exporter promising that the bank will pay the measure of the LC inside due time. LC is currently a worldwide acknowledged arrangement of installment which is exceptionally well known and at present the greater part of the outside trade exchanges are finished by opening LCs. Here the bank issues LC for the exporter and forward it to them. By the LC the bank guarantees that if the provider (recipient) sends the items inside due time, legitimately present the required records and every one of the terms and states of the LC are satisfied then the shipper will pay the sum and on the off chance that they move toward becoming neglected to pay the entire sum, the bank will pay whatever is left of the sum and on the off chance that the merchant can't pay any sum, the bank will pay the entire sum. As indicated by this confirmation the exporter delivers and sends products as per the request. In letter of acknowledge is characterized as "Credit implies any course of action, anyway named or depicted that is unalterable and subsequently comprises an unmistakable endeavor of the issuing bank to respect a consenting introduction."

3.6 Basic Letter of Credit exchange process

1. The letter of credit (LC) preparing begins by marking a business contract where the exporter and merchant achieve an understanding in the terms and states of the exchange.
2. After the marking of the letter of credit the merchant applies to its bank (issuing bank) to issue a letter of credit where the LC must accord the terms of the
3. After achieving a concurrence with the merchant the importer's bank (issuing bank) issues a letter of credit. In the event that the issuing bank and the exporter situated at various nations, the bank may take the administration of encouraging bank to encourage the credit to the exporter (recipient).
4. The exhorting bank encourages the credit to the recipient. Here the exhorting bank checks two imperative things in regards to the credit. Right off the bat, the educating bank checks the obvious legitimacy with respect to the credit and also, the bank attempts to guarantee that the exhortation is precisely mirroring the terms and states of the credit.
5. Then the recipient checks the terms and states of the letter of credit and in the event that they found any differences, advise the merchant and demand for alteration. In the event

that the term and conditions appears to be alright to the exporter, they begin delivering merchandise and afterward send the items. They attempt to deliver the items inside the most recent shipment date as per the LC. The recipient dispatches the arranged merchandise as per the terms and states of the letter of credit.

6. After the merchandise are stacked the exporter gathers required reports as per the LC and after that they forward it to the bank.
7. Then the exhorting bank presents the reports on the issuing bank in the interest of the recipient.
8. After getting the archives the issuing bank checks those as indicated by the terms and states of the credit. They additionally consider the overseeing rules primarily the most recent variant of UCPDC.
9. If the issuing bank is fulfilled that the records are agreeing then they respect the installment guarantee.
10. The archives are transmitted to the candidate as it is required to clear the products from the traditions.

3.7 Parties of Letter of Credit Transaction

Issuing Bank:

The issuing bank is the bank of the merchant. Here the shipper applies for opening a LC. On the off chance that the bank acknowledges the use of the shipper, they opens a LC for the exporter (recipient). The LC is opened by the states of the business contract however it must accord the related laws, guidelines and directions. Anything or any state of the business contract which abuses the guidelines and controls won't be acknowledged in opening the LC.

Advising Bank:

It is the bank of the vender or the recipient which is ordinarily arranged in the exporter's nation. The issuing bank asks for the bank (with whom they have „correspondent relationship“ set up by organization course of action) to encourage the LC to the exporter. Without the journalist relationship the demand for LC exhorting won't be acknowledged by the bank.

Confirming Bank:

Confirming Bank goes about as an additional affirmation for the installment of the due measure of LC alongside the issuing bank. It tends to be the exhorting bank or other keep money with the demand of the issuing bank.

Reimbursing Bank:

Reimbursing Bank is known as the paying bank as it is designated by the issuing bank to pay or to acknowledge drafts (bill of trade). To choose as a repaying bank the issuing bank will require a “Nostrum Account” with that bank. In the wake of getting to be happy with the techniques and required reports the repaying bank will charge the Nostrum Account of the issuing bank and pay the sum to the named bank or guaranteeing bank when they guarantee installment. In any case, to charge the Nostrum Account they will require the authorization of the issuing bank.

Negotiating Bank: Negotiating bank is the bank who arranges the bill and pay the sum to the recipient. In any case, before transaction they painstakingly check the narrative credit and check whether the archives are all together or not. In the wake of getting to be fulfilled in the investigation they make installment to the recipient. In some cases same bank can wind up both exhorting and arranging bank and some of the time affirming bank likewise progresses toward becoming arranging bank.

Nominated Bank:

If any bank of the exporter’s nation is named by the issuing bank in the LC to present the reports by the exporter then it is known as the assigned bank.

Applicant:

The merchant is the candidate of a LC.

Beneficiary:

The exporter is the recipient is the LC.

Insurer (Insurance Company):

A protection strategy is required for all the transportable merchandise against the LC. On the off chance that any harm happens to the item in transit, the insurance agency will undoubtedly pay for it as remuneration.

Carrier (Transporting Company):

The transporting organization is known as the bearer. The item can be transported by ship, plane, truck or train. The obligation of the organization is to exchange the item to the last goal. Here the „transport document“ given by the vehicle organization is considered as a vital report.

3.8 Types of Letter of Credit

Some fundamental kinds of letter of credit are depicted underneath:

Revocable LC:

This is the kind of LC which can be repudiated or dropped whenever by the issuing bank with no earlier notice to the recipient.

Irrevocable LC:

At present outside trade is directed by following UCP 600. As indicated by it all the LCs are permanent regardless of whether there isn't the sort of LC referenced in the LC. Along these lines, entirely is no presence of revocable LC now. As indicated by this standard the issuing bank can't drop or repudiate the LC once issued. If necessary to drop then both the gatherings alongside all the internal gatherings (ex: candidate, recipient, issuing bank, exhorting bank, repaying bank and so on.) need to concur with it.

Confirmed LC:

When the issuing bank requires giving additional affirmation to the installment of the LC sum by the exhorting bank or some other bank to the provider of the item then it is called affirmed LC and the affirmation giving bank is known as the affirming bank. It is required as in spite of the fact that LC is an affirmation yet at the same time ordinarily the provider can't rely upon the shipper.

Back to Back LC:

This is a kind of LC opened by RMG exporters of our nation. Here they at first get the fare arrange from different nations. The LC they get in the request is known as the „Export LC“ or „Master LC“ or „Mother LC“ here. At that point the RMG makers require different kinds of crude materials which they have to import from different nations. To import these crude materials they open new LC in the bank by keeping the Master LC in the bank as security. Opening this sort of LC is gotten back to Back LC. By this LC they import crude materials from different nations, deliver the item according to send out request and ship them. To import crude materials more than one Back to Back LC might be required to open for one fare arrange.

Standby LC:

This resembles bank ensure. Here the bank pays to the recipient if their customer or proprietor of the LC progress toward becoming bankrupted or can't pay the sum as per the terms and states of the LC for any reason.

Revolving LC:

It is a sort of LC where in excess of one shipment of merchandise is conceivable. To do new shipment new LC isn't required to open under this kind of LC. Yet, this LC has a legitimacy time and every one of the shipments should be possible inside this legitimacy. Another condition is it gives a value limit. Along these lines, LC estimations of the considerable number of shipments must be under this value limit.

Transferable LC:

If the word „Transferable“ is referenced in the LC then it is called transferable LC. Here the main recipient can exchange the LC to at least one moment recipient. Be that as it may, the second recipient can't exchange the LC once more.

Clean LC:

In this sort of LC the recipient is just required to present the bill of trade to get the installment after the shipment of the products.

3.9 Import

System of import activity

In import task there are a few stages in finishing the aggregate import system. These means are:

- (1) LC issuing and transmitting
- (2) LC Amendment
- (3) Scrutiny of records
- (4) Lodgment
- (5) Retirement

Gives us a chance to portray about these procedures:

LC issuing and transmitting:

At first the merchant and exporter achieve deals contact and after that the shipper applies to the bank to open a LC. Yet, at the season of opening LC the shipper will require orchestrate a few papers. The name of the papers is given beneath:

- Import Registration Certificate (Issued by CCI&E)
- IMP Form

Trade License

- Credit report of the provider
- Indent if there should arise an occurrence of agreement
- Letter of Credit Authorization (LCA shape) with HS code referenced
- Preformed Invoice
- Seller's credit report ought to be gathered from journalist bank
- In instance of FOB/CFR, protection cover note
- VAT enlistment authentication with TIN
- LC application frame
- Memorandum of articles of affiliation and Certificate of consolidation (for constrained organization)
- Membership testament in the related society or affiliation
- Checking whether the merchandise are importable or not (prohibited thing) or confined thing

- (i) The bank will gather CIB report of their client. The bank will likewise gather Credit report of the outside provider from its remote journalist or from two remote association which give credit report at demand and these are “Dunn and Bradstreet” and “Seyds” to see it is possible that it is palatable or not.
- (ii) Based on the credit report the bank set an edge which will be a bit of the LC esteem and accept some sum as security and for whatever is left of the edge FDR, arrive, building will be kept as insurance security.
- (iii) The bank will send the benefits and liabilities of the client and send it to the higher specialist for consent. In the event that the expert gives consent, the bank will issue LC application frame, LCAF, IMP-shape printed by the bank. The client should fill these structures by his/her hand and give signature before the officer and the will check the mark.
- (iv) The shipper needs to present the protection cover note by which the bank can make sure that the bringing in items have just been safeguarded and the merchant has paid the protection premium which is 10 percent of the LC esteem.
- (v) The bank will watch that HS Code (Harmonized System Code) and Inco terms are referenced legitimately and different papers are likewise all together. The bank will likewise protect that every one of the things are finished by following the standards and controls.

Subsequent to getting to be happy with every one of the things the officer will type the LC accurately and send it to the outside journalist by SWIFT. Here two duplicates are sent. One duplicate is for the prompting bank and the duplicate is for the provider. Alternate duplicates are sent to Bangladesh Bank, Head Office of the bank, office of the bank, CCI&E and shipper. Subsequent to getting the LC the exporter checks the LC and in the event that they discovered alright, they will begin delivering the products as indicated by the request.

LC Amendment:

It is required either by exporter or the merchant to acquire some change or redress the terms and states of the LC. Changes can be of different sorts. Let's we name a portion of the change types in a LC:

- To broaden the date of shipment or the date of expiry of the LC

- To increment or decline the cost of the LC
- Changing the provider
- To get change the portrayal of the products
- To include new conditions in the LC
- To deduct any condition from the LC
- To change the method of transportation
- To change the goal of merchandise where those will go or come
- To change a specific condition
- To bring any alteration both the gatherings must be concurred with the change. It is additionally necessitated that the alteration must accord the standards and directions of both the nations. Any condition which can bring hurt for the country won't be acknowledged as correction.

Scrutiny of records:

After getting send out archives from the exporter the bank (issuing bank) needs to check those reports. The accompanying records are required to check:

- Commercial receipt
- Packing list, Inspection testament, Certificate of birthplace
- Health utilization authentication, Phytosanitary endorsement, Chemical examination declaration. These authentications are additionally required now and again according to LC contract.
- Consular receipt: It is given by the office of the importer's nation situated in the exporter's nation. The principle reason for it is to give precise data about the items which will give the bringing in country's expert an affirmation about the items.
- Certified receipt: Certified receipt is an authentication given by somebody from the importer's nation who examined the items and found all together with the LC necessities.

- Bill of lading, Truck Receipt (T/R), Railway Receipt (R/R), Airway Bill (with delivery stamp in the event that it has)
- Bill of trade or draft

The bank will investigate whether the reports are all together and right as per the LC necessities. Whenever discovered alright then the bill will be stopped. Whenever found discrepant then for amendment the bank will promptly advise the arranging bank and the shipper.

A few Discrepancies in a LC

In remote trade exchanges the exporter's banks send different kinds of reports to the importer's bank after the shipment of the request. Here the importers' banks need to check the archives legitimately to guarantee that they send the reports as indicated by the terms and states of the credit. There can be different imperfections or errors in the archives which the importers' banks require to check. To check the disparities rapidly the banks keep „discrepancy checklist“ around their work area. A portion of the inconsistencies are portrayed underneath:

- Shipment not set aside a few minutes time span
- Shipment is halfway affected
- Documents are exhibited after the permitted day and age
- Documents don't have the proof of the nation
- Bill of Exchange isn't displayed
- Amount of bill of trade is contrasting with the measure of the business receipt
- There isn't the name of the candidate (merchant) in the business receipt
- Commercial receipt, pressing rundown, bill of lading are not submitted in required number
- Absence of mark in the required records
- Health testament or assessment declaration or weight list isn't submitted

Lodgment:

Lodgment is the installment of import bill by the issuing bank. Subsequent to checking every one of the records on the off chance that the bank happy with that, they pay the bill and send message to the reporter bank. On the off chance that any issue discovered, they educate the arranging bank and the shipper. On the off chance that they have no issue with the errors they will likewise advise that.

Retirement:

Retirement of reports is required to clear the products from traditions. Be that as it may, at first the merchant needs the full specific of the transported products. After that the shipper should resign the delivery archive against installment. The bill sum is charged from the importer's current record. Different charges and intrigue is likewise determined. Once in a while the merchant requires post import financing from the bank. In the wake of making the installment the bank exchange the delivery records alongside custom duplicate of LCAF to the merchant.

3.10 Export

There are a few stages in fare tasks. The means are:

- (1) LC Advising
- (2) Issuing EXP Form
- (3) Collection of reports and checking
- (4) Export bill transaction

Gives us a chance to depict about these means.

3.10.1 LC Advising:

After achieving a business contract between the exporter and shipper, the merchant open a LC in the issuing bank and the issuing bank sends the LC to the exporter's bank. In the wake of getting the LC the bank will watch that and at first will endeavor to realize that whether it is a legitimate LC or not. After that they will check the terms and states of the LC and whenever discovered alright then they forward the LC to the exporter and it is called LC prompting.

3.10.2 Issuing EXP shape:

Here the exporter needs to apply to the bank to issue EXP frame. At that point the bank will pursue a few stages which are referenced beneath:

- The bank will check whether the Export Registration Certificate (ERC) is recharged or not.
- The exporter must be the client of that branch and the bank will check and guarantee about that. At that point the bank will check the fare LC altogether to ensure that: (a) there is no such condition in the LC which is beyond the realm of imagination to expect to pursue (b) there is no condition which conflict with the enthusiasm of the country (c) no notice of any prohibited thing (d) there is accessible time for shipment of merchandise (e) it is unmistakably referenced that the journalist bank will pay the LC sum.
- After getting to be happy with the terms and states of the LC the approved officer will issue EXP frame and give passage in the EXP Register. The exporter needs to fill the EXP frame before the approved officer and give signature with seal.

3.10.3 Collection of reports and checking:

After shipment of the arranged products the exporter needs to present the accompanying records to the Authorized Dealer (AD) branch. These are:

- Bill of trade
- Bill of filling/Airway charge/Truck receipt/Railway receipt (Transport Document)
- Commercial receipt
- Packing list
- Certificate of inception
- Marine protection strategy
- Inspection authentication (where required)
- Quality control authentication
- G.S.P. (where required)
- Phytosanitary authentication (for pertinent area)
- EXP shapes

Any different reports, whenever referenced in LC

After accommodation of the fare reports the approved officer will check the archives.

The officer will ensure that:

- All the records have been submitted before the expiry of the LC.
- Bill arrangement is free and not limited with any bank.
- Bill of trade/Draft is legitimately drawn.
- Shipment has been set aside a few minutes according to credit.
- Commercial receipt is set up by the exporter and for the shipper.
- Insurance approach is issued by a built up organization before the shipment, stepped by the law, attracted support of the bank, debatable.
- Other records must be checked legitimately.

3.10.4 Export bill negotiation:

After checking the fare reports if the bank discovers them all together and as indicated by the terms and states of the LC then they begin arranging the fare bill. Export bills are of two kinds:

- i. Sight Bill
- ii. Deferred Bill

Gives us a chance to portray about these:

i. Sight Bill:

After checking the records in the event that the bank discovered them altogether, they can arrange the bill if the client asks for the bank. Here the bank takes reimbursement from the client, buy the bill and pay the client at development. In any case, before giving this administration the bank will check the reports altogether and endeavor to guarantee about the fare. Bill of replenishing is the principal thing which the bank checks to know whether it is precise and alright or not.

ii. Deferred Bill:

Deferred charge buy is required for Back to Back LC and furthermore for those LC"s which depend on conceded installment framework. Here the exporter presents the reports to the bank after the shipment of the merchandise. The bank sends these records to the issuing bank. The issuing bank at that point takes acknowledgment from the shipper for

the bill of trade. This framework is called Delivery against Acceptance (DA). Subsequent to getting the acknowledgment the issuing bank advises the exporter's bank about the Maturity date/Due date. In light of this acknowledgment the prompting bank pay the exporter by limiting the bill.

Now and again after the accommodation of the fare archives by the exporter the bank found different errors in the reports. As of now the exporter's bank will undoubtedly buy the bill and needs to take consent from the importer's bank. The encouraging bank needs to make an impression on the importer's bank by referencing the inconsistencies and request authorization to buy the bill. On the off chance that the importer's bank allows, the prompting bank will buy the bill. On the off chance that not given authorization, the exhorting bank will send the bill dependent on accumulation.

Another reality is now and again however having disparities in the archives the exporter requires some development installment from the bank to maintain their business. As of now in the event that the exporter applies to the bank, the bank might be consented to give a part of the LC sum as a development installment. Be that as it may, the bank needs to gather repayment/ensure from the exporter for this installment. In the later period in the event that the merchant does not pay the bill sum, the exhorting bank will remember this development installment sum from the client with premium.

3.11 Foreign Remittance

Remote settlement is the exchange of money starting with one nation then onto the next. A remote settlement division of a bank buys and deals outside money as per the market rate. It is required for different purposes. The exiles living in the outside nations send their well-deserved cash to the nation. The remote settlement division of a bank gives them a simple, quick and lawful approach to exchange the store. On the opposite side money can be transmitted from our nation. The remote settlement task is chiefly of two sorts:

- i. Inward remote settlement
- ii. Outward remote settlement

Gives us a chance to portray about these

3.11.1 Inward Foreign settlement:

When cash is sent from the remote nation to our nation then it is called internal outside settlement. The Bangladeshi exiles living in different nations exchange their well-deserved cash to our nation. Here they are the remitter and to whom they are sending they cash are called recipient.

3.11.2 Outward Foreign settlement:

Outward Foreign settlement is the exchange of cash from our nation to outside nations. Here the bank deals the outside cash in the present market rate send the cash to the payee. Just the AD parts of a bank and other formal channels can dispatch reserve to different nations.

3.13 Methods of Foreign settlement

There are different courses by which money can be exchanged. The normal 3 different ways of outside settlement are:

- i. Foreign Telegraphic Transfer (F.T.T.)
- ii. Foreign Demand Draft (F.D.D.)
- iii. Travelers Check (T.C.)

Gives us a chance to portray about these:

i. Foreign Telegraphic Transfer (F.T.T.):

Foreign transmitted exchange is a path for exchanging store starting with one nation then onto the next by means of electronic medium. The store sending bank assumes responsibility for F.T.T and here and there the reserve getting bank likewise assumes responsibility. Here to impact the exchange, wire message is sent.

ii. Foreign Demand Draft (F.D.D.):

It is a sort of debatable instrument by reserve can be exchanged starting with one bank then onto the next bank. Here who is asking for the cash to be exchanged is cabinet of the interest draft. The measure of the interest draft is paid from the drawer's account. The bank to which the interest draft is drawn and the bank pays is the drawer. By the interest draft which party is getting the cash is known as the payee.

iii. Travelers Check (T.C.):

Travelers check is issued by the bank and is an option for conveying money for the individuals who are voyaging abroad. It is issued in those monetary forms which make it simple to encase at any nation of the world. The monetary standards are typically USD, Pound, Euro and so forth. Before venturing to every part of the explorer buy it from the bank. At the season of voyaging T.C. can be utilized in banks, lodgings, enormous shops and pay different costs.

Chapter 4: Foreign Exchange Performance

4.1 Foreign Trade Business

In the following table, total foreign trade of 5 year business of NBL, SonargaonJanapath Branch is shown. There are two types of foreign trade business are available one is import and another one is export. The amounts of those types are seen in figure of million BDT. We can see that, their highest earnings from foreign trade is 27267.37 which is earn in 2017 and the lowest earnings from foreign trade is 16939.96 which was earn in 2015.

Here, I calculate the total amount of import and export and also get the figure of total L/C.

Type	Branch Foreign Trade Business				
	2013	2014	2015	2016	2017
Total Import Earning	10,257.94	12,569.42	9,426.49	13,276.41	14,628.91
Total Export Earning	8,495.46	10,248.30	7,513.47	10,547.27	12,638.46
Total Earning	18,753.40	22,817.72	16,939.96	23,823.68	27,267.37

Table: 4.1 Calculation of Total Foreign Trade Business of SonargaonJanapath Branch

4.2 Total Import Earning

In the following graph, it has been shown that the total import earnings of NBL, SonargaonJanapathBranch getting upward in first 2 year but after that in 2015 it getting little bit downward after that the earnings from foreign trade are getting upward. In 2015 it seen total import is BDT 9426.49 million, which is the lowest earning between 5 years. In 2017 the total earnings from import is higher than all, which is BDT14628.91 million. This graph define that the earnings from import are getting rise after 2015.

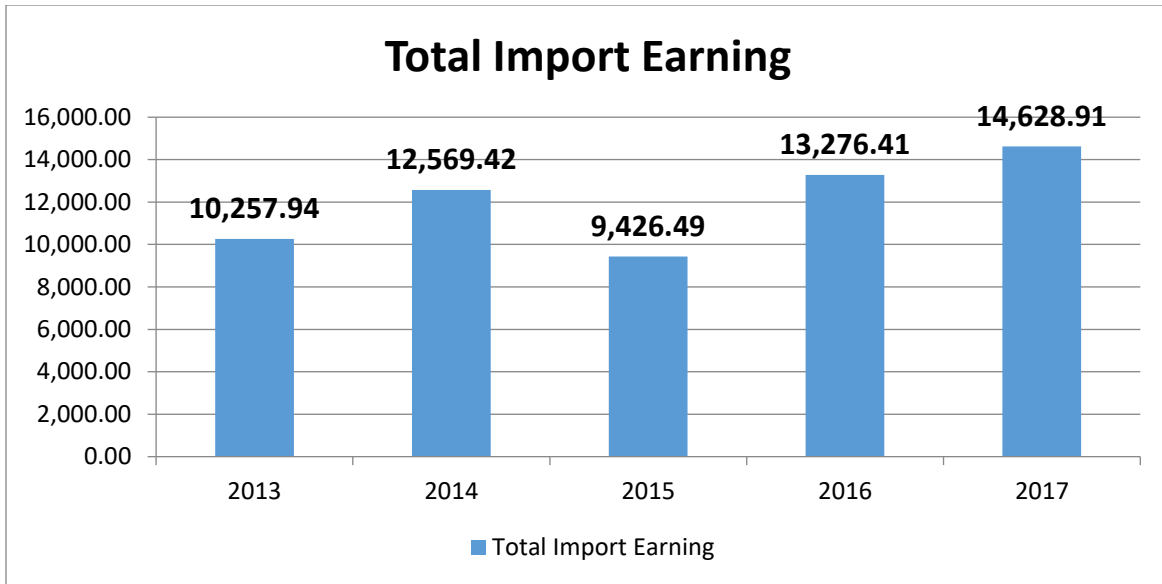


Figure 4.1: Total Import Earning of SonargaonJanapath Branch

4.3 Total Export Earnings

In the following graph, it has been shown that the total export earnings of NBL, SonargaonJanapath Branch getting upward in first 2 year but after that in 2015 it getting little bit downward after that the earnings from foreign trade are getting upward. In 2015 it seen total export is BDT7513.47 million, which is the lowest earning between 5 years. In 2017 the total earnings from export is higher than all, which is BDT12638.46 million. This graph define that the earnings from export are getting rise.

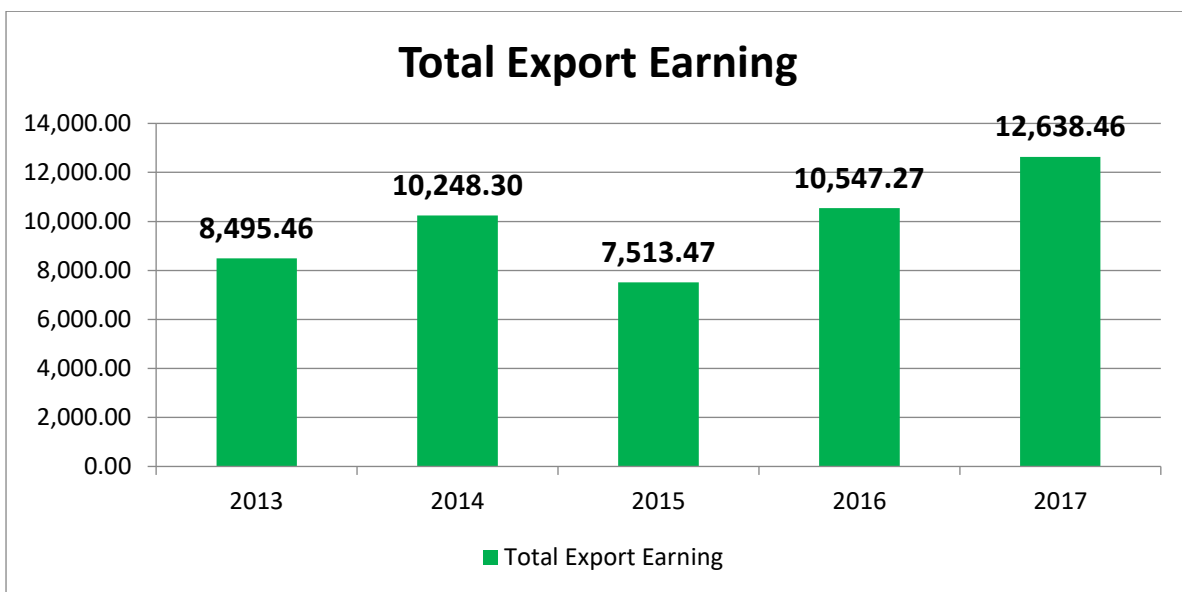


Figure 4.2: Total Export Earning of SonargaonJanapathBranch

4.4 Total Remittance Earnings:

In the following table and graph show, total remittance earning of 5 year business of NBL, SonargaonJanapath Branch is shown. The remittance earnings are seen getting increase year by year. It get highest mark in 2017 which is BDT56475.78 million and the lowest earnings from remittance earning is 45827.35 which is earn in 2013.

Type	2013	2014	2015	2016	2017
Total Remittance Earnings	45827.35	48657.34	49271.47	51276.83	56475.78

Table: 4.2 Calculation of Total Remittance Earning of SonargaonJanapath Branch

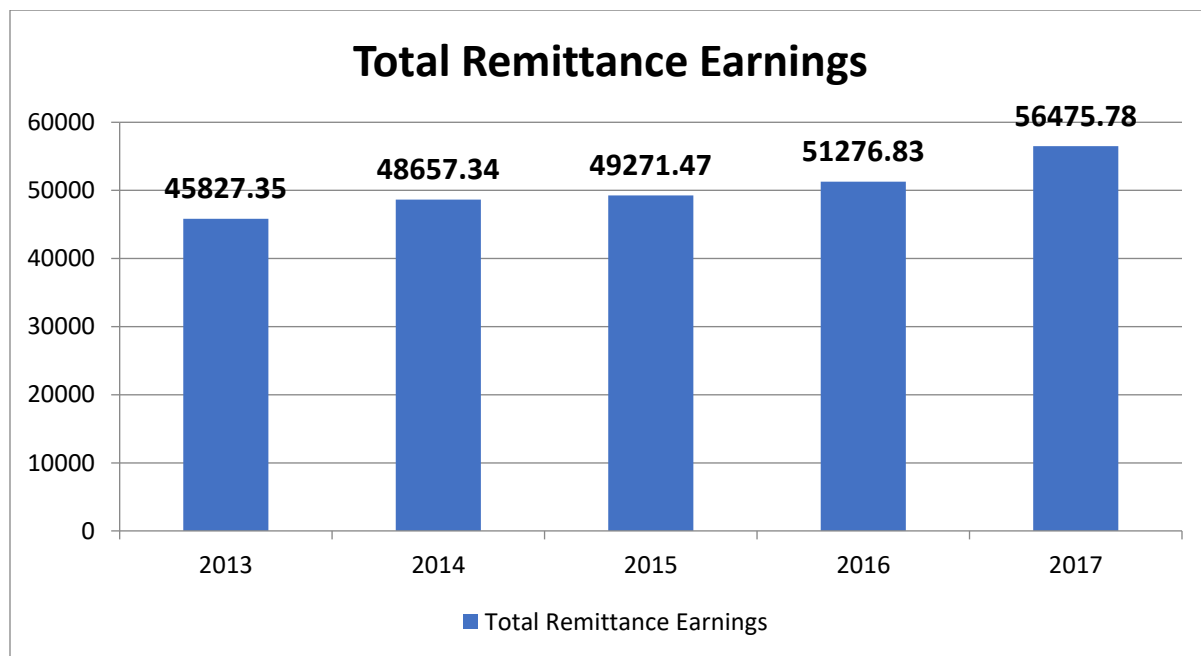


Figure 4.3: Total Remittance Earning of SonargaonJanapathBranch

4.5 Export, Import and Remittance Earnings:

In the following graph, it has been shown that the differences between Export, Import and Remittance Earnings of NBL, SonargaonJanapath Branch. Here we can see that, this branch of NBL get much earnings from remittance then the other 2 foreign trade. The lowest earning come from the export. On the other hand the earning from import is little bit higher than import earnings.

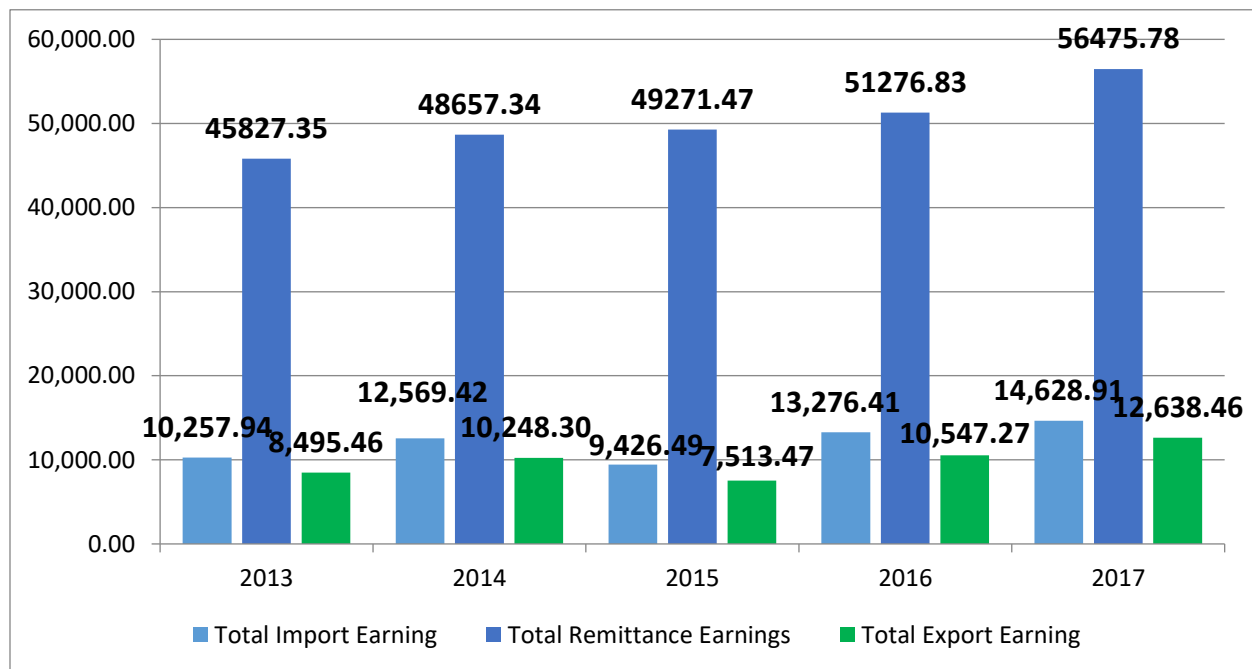


Figure 4.4: Differences between Export, Import and Remittance Earnings of SonargaonJanapathBranch

Chapter 5: Findings, Recommendations and Conclusion

5.1 Findings:

- ✚ Most of the clients of National Bank Limited are satisfied with foreign exchange services provided by them.
- ✚ All officers are so much helpful and work in a friendly environment. They help each other, when any officer fail to communicate properly.
- ✚ The top executives and officers are very helpful to the clients. Some of the businessmen do not know the exact procedures of international trade. The officers of National Bank Limited help them properly to execute their businesses.
- ✚ National Bank Limited has limited promotional activities about their foreign exchange services.
- ✚ Numbers of employees are fewer than the volume of works which creates problem to provide prompt services.
- ✚ The operations of international trade are conducted as per local and international laws, rules, customs and practices.
- ✚ Financing in the international trade is very crucial for the economy as well as it is risky. Sometimes the government imposes restriction to import and export some products. As a result the rate of opening L/C become reduces.
- ✚ The presence of modern data processing and communication equipment's is inadequate, which cause a considerable degree of inefficiency in the bank's performance, especially in the foreign exchange department.

5.2 Recommendations

It is not unexpected to have problems in any organization. There must be problems to operate an organization. But there must be remedies to follow. The following commendations can be suggested to solve the above mentioned problems:

- The government should withdraw the barriers for the free flow of remittance, export and imports goods.
- In case of importing goods the bank should aware about over invoicing so that nobody can get chance to send money abroad illegally.
- In case of exporting goods the bank should aware about under invoicing so that nobody can get chance to avoid Tax, Vat, and Duty.
- If the bankers can scrutinize the commercial invoice it will decrease the Money Laundering.
- Commission income occupies the major part of the total earnings of a bank and bank's profitability mainly depends on commission earning capacity, so research and development cell of the bank should put more effort for the purpose of introducing an efficient Foreign Exchange department.
- Their foreign remittance rate (yearly) is not very high they should try to give more concern on that.
- Foreign exchange department should be more organized. The export and import divisions should be separated.
- The bank should provide sufficient manpower in the Main Office and to grow the sense of belongingness more or to motivate the employees and also bank must adopt strict supervision and monitoring.
- National Bank Limited has to be more diversified towards different types of business and different industries to lessen the risk. It will also increase the number of their customers as well.

5.3 Conclusion

National Bank Limited (NBL) is one of the biggest business banks of Bangladesh. In spite of the fact that it has an expansive branch arrange and working together gainfully yet at the same time they are in an extremely traditional sort of keeping money. It requires to bring some advanced keeping money rehearses. The remaining task at hand in the outside trade office demonstrates that NBL is doing admirably in the remote trade administrations. In the event that the bank enroll more representatives and make a coordinated workforce, the administrations can turn out to be quicker. It will assist the keep money with retaining the clients. The bank ought to accomplish more statistical surveying and progressively special exercises. The bank ought to acquaint progressively electronic saving money administrations with bring change. The bank ought to make an imaginative culture in the association and ought to put resources into the mechanical area more.

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