



Daffodil
International
University

***Internship Report on
Loan & Foreign Remittance of Sonali Bank Ltd***

Submitted To

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Letter of Transmittal

September 05, 2020

Mr. Mohammed Nafeez Al Amin

Assistant Professor

Department of Business Administration

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Subject: Internship Report on “Loan & Foreign Remittance of Sonali Bank Ltd”.

Dear Sir,

It is my pleasure to submit an internship report on “Loan & Foreign Remittance of Sonali Bank Ltd” as a partial requirement of the BBA program under the Department of Business Administration. The activities Loan and foreign remittance by Sonali Bank Ltd have been analyzed thoroughly here. Throughout the whole report, the activities, processes and performance of Sonali Bank Ltd on foreign remittance have been explained. To provide a clear view, some graphs tabular data have been added showing the performance of SBL interns of remittance in our country as well as with some developing countries.

Therefore, I will be very encouraged and I would appreciate if you would authorize the Paper.

A handwritten signature in black ink, appearing to read 'Anik', is written on a light-colored background.

.....
Md. Hossain Masud Anik
Major in Marketing
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Certificate of Approval

This is certify that Md. Hossain Masud Anik, ID: 163-11-5283 is a regular student of Department of Business Administration, Faculty of Business Entrepreneurship, Daffodil International University. He has completed the internship report titled "Loan & Foreign Remittance of Sonali Bank Ltd".

I have gone through the report and found it a well written report. He has completed the report by himself. I wish him every success in life.

A handwritten signature in black ink, appearing to be "Nafeez Al Amin", is shown on a light-colored background.

.....
Mr. Mohammed Nafeez Al Amin
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship



Acknowledgement

At first I would like to express my gratitude to the Almighty Allah for giving me the opportunity to complete this internship.

I would like to express my sincere thanks and gratitude to the Assistant Professor **Mr. Mohammed Nafeez Al Amin**, my supervisor, who instructed me to prepare this internship paper and provided me her all-out efforts despite being busy with his daily schedules. I am very much grateful to him for his cordial contribution.

I am also grateful to **Md. Israfil (Manager)** and **Mr. Mithuna Gaina (Officer)** of Sonali Bank Ltd. (SBL) who helped me to complete this internship report providing necessary information.

I also express my gratitude to the other bank officials who helped me answer my various questions with smiling faces.

It is a privilege for me to thank all my colleagues for their continued performance and inspiration. I would also be grateful to the officials and staff of the Department of Business Administration, Daffodil International University for their direct and indirect support.

Executive Summary

Sonali Bank Ltd is the largest state owned commercial bank in Bangladesh and it has been contributing to our economy since its birth. I have started my work with them earning of remittance later I explained the importance of it. During last 10 years the bank has been receiving huge amount of remittance. In this report I have discussed about the operations of remittance unit of Sonali Bank Ltd along with the position of our country among the developing countries interns of remittance. I have represented a graph showing remittance flows of last 10 years. Remittance receiving procedure of Sonali Bank Ltd has also been described. There are two main category of remittance receiving procedure.

One is inward and another is out ward remittance. And the charges of the bank for inward and outward remittance along with the restrictions of Bangladesh Bank have been discussed. I have shown the types of outward remittance in details. I have also showed a comparison between our country and some developing countries in terms of remittance flows. I have also focused the performance of the bank in terms of remittance flows in comparison to the percentage of total remittance flows in our country. I have also analyzed along with findings the performance of the bank in terms of remittance flows. Country wise wage earners remittance inflows of 2018-2019 have also been represented through a graph. I have also described the remittance process having two major channel-formal and informal. Then I have discussed why migrant choose informal channel to send remittance and the disadvantages of informal channel. I have also mentioned the list of exchange houses through which the bank receives remittance and send remittance. Determinants of remittance have been explained with proper logic in details. Impact of remittance on our economy, financial sectors and on micro-economic level, household level and community level have been described with logical explanation. Socio economic impact of remittance and role of some institutions (such as MoF, BB, FEPS etc) in perspective of remittance have been discussed broadly. There are two major types of remittance management system. They are EFT (Electronic Fund Transfer) & SWIFT (Society for Worldwide Interbank Fund Telecommunication).Features and advantages of RMS have also been discussed I have also find out the problems related to the RMS. And provided recommendation of the report.

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Sonali Bank Limited

Chapter-01 ***Introduction***

1.1 The context of the study

To help non-resident Bangladeshis remit their income by legal means, the Wage Scheme was launched in 1974. This program soon became very popular with Bangladeshi migrant workers working abroad. Bangladeshi migrants returned approximately \$ 11.8 million to their country of origin in the 1974-75 fiscal year. The amount of remittances increased by more than \$ 350 million in the 1980-81 fiscal year and by \$ 750 million in the 1990-91 fiscal year. Since then, Bangladesh has received more remittances from year to year. As the number of migrant workers from Bangladesh has increased rapidly over the years, there has been a significant increase in the amount of annual remittances to the country. In June 2019, Bangladesh receives almost

Remittance amount of \$ 15 billion. Remittances are increasing day by day as a key force for economic growth and poverty reduction in Bangladesh. In fact, it is the second largest position in Bangladesh's foreign exchange earnings sector (Bangladesh Bank, 2017).

Bangladesh is one of the recipients of remittances from other countries of the world. Many people work abroad as skilled, semi-skilled workers or unskilled workers. Middle Eastern countries such as Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Oman, Iran, etc. Important countries where Bangladeshi workers work hard to make money. Transfer workers play an important role in the absence of trade deficit in Bangladesh (import payment is higher than export revenue).

Remittances have contributed to easing social and economic indicators such as nutrition, living conditions and housing, education, health, poverty reduction, social security and investment activities of host households. Remittances have played a big role in Bangladesh's economic growth and people's livelihoods. Income from remittances is more valuable to any developing country like Bangladesh. The importance of remittances vis-à-vis most macroeconomic variables has changed in addition to their contribution to GDP.

Remittances make a major contribution to our national economy by increasing foreign exchange reserves, per capita income and employment opportunities. Bangladesh has consistently received strong remittances as migrant workers work hard and make huge money abroad, thus expanding Bangladesh's GDP (gross domestic product). In 2018, remittances sent by migrant workers accounted for 7.0 percent of Bangladesh's total GDP (\$ 195 billion). With these remittances, the government compensated for the lack of trade. The determining factors of the transfer are foreign employment, GDP growth and exchange rate and oil prices. Remittances are helping to alleviate poverty in Bangladesh by developing micro-enterprises, creating significant employment and income.

Remittances contribute to expansion of financial market activities, such as banks and insurance companies, and development of payment systems. by increasing the direct flow of capital and distributing these funds to users and for investment or financial consumption purposes. The Government of Bangladesh will use the proceeds from the transfer to schools, colleges, university hospitals, roads and highways, bridges, breakthroughs, etc. Use it to build. Transfer income strengthens the local currency (Bangladesh) against the US dollar.

1.2 Objectives of the Study

The money transfer unit of Sonali Bank Ltd. Plays a key role, Similarly to other commercial banks in our economy. The main objective of the study is mentioned below:

- To learn about the remittance process of Sonali Bank Ltd;
- To analyze and find out Bangladesh's remittance income;
- Learn about the impact of remittance income on the Bangladesh economy;
- Know the impact of remittance on financial institutions such as banks and insurance companies;
- To explore the potential remittance income opportunity in Bangladesh;
- To find out about Bangladesh's income remittance problems;
- Recommend some results-based tips for overcoming remittance income barriers in Bangladesh

1.3 Sources of Secondary Data

- Annual Reports Sonali Bank Ltd.
- Income statement and consolidated balance sheet.
- Official bank records.
- Some published research reports, books, journals, articles and political issues.
- Website of Bangladesh Bank and other websites.

1.4 Limitations of the Study

- Difficulty in collecting some primary data due to corporate secrecy.
- The annual report recording system is not efficient for the collection of related data.
- Failure to access the full process of providing the remittance service.

1.5 Scope of the Report

The scope of this report has been extended to the remittance activities of Sonali Bank Limited. In my report, I highlighted various steps, including the SBP submission procedure. We also talked about the SBP remittance process and income after learning from the bank staff. Therefore, the scope of the report covers specific information about SBL remittances. We tried to analyze and estimate the remittance income from our country based on the appropriate information in the documents and articles. I tried to show the real impact of remittances on our economy and the profitability of the banking sector.

1.6 Research Methodology

This research study was conducted and measured based on secondary data and data. The measurement period for this data and the secondary data is 10 years. These materials and materials are compiled from a variety of Sonali Bank Limited Letters, Letters, Publications, Conference Papers, Papers and Announcements for the past 5 years to. Much of the information and data in this report was compiled from the Bangladesh Bank website, Ministry of Expatriate Welfare and External Affairs, Office of Labor Affairs, Labor and education and the World Bank.

This report focuses mainly on three things. First, it shows remittance income in Bangladesh. Second, it shows the impact of remittances on our economy and the financial sector. Finally, investigate and discover the opportunities and challenges of remittance income in Bangladesh.

Tabular, graphical, and graphical representations were used to accurately reflect actual data and information.

1.7 Rationale of the Study

As remittances are a country's lifeline, Sonali Bank Ltd is expected to expand its remittance services and improve the bank's status through remittance flows. Remittances can increase the bank's profit by getting the highest remittance.

I made this report to show the performance of Sonali Bank Ltd in terms of remittances and also to find out why the bank has been getting lower remittances in recent years. And the ways in which the bank overcomes this problem.



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Chapter-02

Overview of Sonali Bank



2.1 Introduction

Sonali Bank was founded in 1972 under the Bank of Bangladesh (Nationalization) Order, amalgamating and nationalizing the branches of the National Bank of Pakistan, Bowalpur Bank and Premier Bank located in East Pakistan until the Bangladesh War of Independence of 1971. When it was founded, Sonali Bank had a paid-up capital of 30 million taka. In 2001, Tk. 10 billion was the authorized and paid-up capital. Tk. 3.272 billion respectively. The bank's reserves were Tk. 60 million in 1979 and Tk. 2,050 billion on June 30, 2000.

2.2 Board of Directors

Sonali Bank Ltd is managed by a Board of Directors consisting of 11 (eleven) members, chaired by the Chairman. The bank was headed by a CEO and CEO who are well known bankers and reliable professionals.

SI No.	Name	Designation
1.	Vacant (Recruitment under process)	Chairman
2.	Mr. Mohammad Muslim Chowdhury	Director
3.	Mr. Md. Fazlul Haque	Director
4.	Mr. A K M Kamrul Islam	Director
5.	Mr. Ishtiaque Ahmed Chowdhure	Director
6.	Dr. Daulatunnaheer Khanam	Director
7.	Mr. Md. Mofazzal Husain	Director
8.	Mr. Molla Abdul Wadud	Director
9.	Dr. Mohammad Kaykobad	Director
10.	Mr. Md. Aatur Rahman Prodhan	CEO & Director



2.3 Corporate Profile

Company name	: Sonali Bank Limited
Chairman	: Mr. Ziaul Hasan Siddiqui
CEO & Managing Director	: Mr. Md. Ataur Rahman Prodhan
Company Secretary	: Mr. Tauhidul Islam
Legal Status	: Joint stock company
Genesis	: Emerged as Nationalised Commercial Bank in 1972, following the Bangladesh Bank (Nationalisation) Order No. 1972(PO No.26 of 1972)
Date of Incorporation	: 03 June, 2007
Date of Vendor's Agreement	: 15 November, 2007
Registered Office	: 35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorised Capital	: Taka 60,000.00 Million
Paid- up Capital	: Taka 4530.00 Million
Number of Employee	: 19609
Number of Branches	: 1225
Phone-PABX	: 9550426-31, 33, 34, 9552924
Fax	: 88-02-9561410, 9552007
Swift	: BSONBDDH
Website	: www.sonalibank.com.bd



2.4 Vision

Leading socially engaged banking institution with global presence.

2.5 Mission

Dedicated to a complete range of quality products that meet the diverse needs of people with the aim of enriching their lives, creating value for stakeholders and contributing to the country's economic growth.

2.6 Objectives

- 2.6.1 Providing all types of banking services at the doorstep of rural and urban people
- 2.6.2 Participate in various social and development programs and implement government policies and commitments.
- 2.6.3 Act as a representative of the government. At home and abroad.

2.7 Achievement

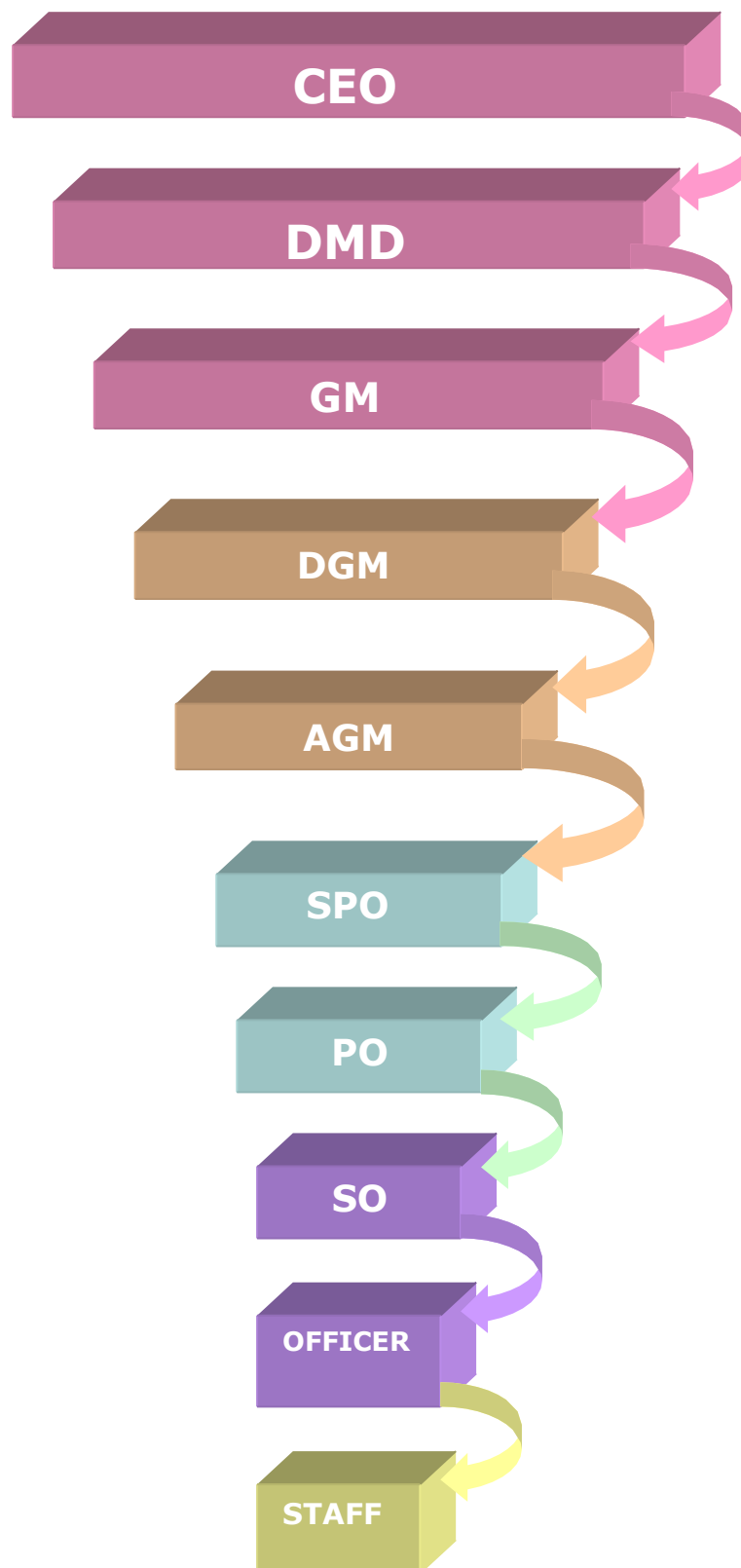
Sonali Bank Ltd. was awarded "Best Financial Institution of the Year" for 2013 by the Arthokontho Business Award.

Sonali Bank Limited was considered by the Best Corporate Award Committee of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). to secure the "Top position as the best company in the banking sector" (Nationalized Bank / Government-owned Public Bank) among the participating banks for its contribution to the development of corporate banking.



2.8 Organization

Organization of Sonali Bank Limited:





2.9 Products of SBL

SBL has most diversified product line. Beside the common products of Deposit, Loans/advance and Foreign trade financing, SBL has launched various products under the above common class depending on the needs of money market from time to time.

❖ Deposit Products

Along with the traditional deposit products like Savings, Current, FDR and others SBL has introduced below mentioned new deposit products in its product line.

- Sonali Submission Scheme
- Deposit scheme for education
- Medicare Deposit Scheme
- Rural storage scheme
- Monthly earning Deposit Scheme
- Double benefit scheme
- Tripple Benefit Scheme(TBS)
- Sonali Bank Millionior Scheme(SBMS)
- Non-resident deposit scheme
- Daily profit scheme

❖ Loan/Advance Products

Loan and advance products of SBL are :

➤ *Short-term loans*

- Overdrafts
- Cash credit (pledge hypothecation)
- Small loans
- House Building Loan (General /Staff)
- Agriculture loans (crop hypothecation)
- Rural housing



➤ *Medium and long term loans*

- Agricultural industries
- Frozen food
- Computer software and information technology
- Export oriented finished leather and jute goods
- Export oriented spinning, textile and garments industries
- CNG (compressed natural gas) filling stations
- Pharmaceutical industries
- Chemical industries
- Commercial house building loans
- Paper Industries etc.
- To accelerate the rate of credit growth
- Small and Medium Enterprise Loan
- Rural Small Farming Loan
- Rural Small Business Loan

❖ **Foreign Trade Financing Products**

Foreign trade financing of SBL comprises as under:

Import Finance:

Sonal Bank Limited assists its clients by providing services throughout the import process so that their business can run smoothly. There are facilities:

- LC(Letter of credit)
- Financing after import (LIM, LTR etc)
- Import collection services and delivery guarantees

Export Finance:

Sonal Bank Ltd provides additional coverage to its customers throughout the export process to speed up receipt of receipts. The facilities are:-

- Export credit advice
- Export financing before shipment
- Negotiation of export documents
- Letter of credit confirmation



2.10 Utility services & social safety net programs of the govt.

Sonal Bank Ltd offers several special services with the branch network on the national territory, in addition to normal banking operations.

Collection

- Telephone Bill
- Gas Bill
- Water/Sewerage Bill
- Electricity Bill
- Travel Tax & Passport fees
- Municipal holding Tax

Payment

- Retirement of government employees and other corporate bodies
- Army pension
- Students scholarship
- British Person
- Freedom Fighter Allowance
- Allowances for widows, divorcees and poor women
- Allowance for freedom fighters
- Teacher's Salary Govt. & Non-Govt.

Sale & Encashment/Purchase

- IBC Unit Certificates
- Savings certificates
- Wage Earner's Development Bonds
- Prize Bonds
- Lottery tickets for several Semi-Govt. and autonomous bodies.

2.11 Performance of last 5 years

Year	2018	<u>Restated</u> 2017	2016	2015	2014
Total Income	64741	53718	55313	45811	39720
Total Expenses	56194	50748	44276	33420	31232
Total Operating Profit	8547	2971	11036	12391	8488
Net Profit/Net Loss after tax	6054	3580	(24959)	9957	(975)
Capital Paid-up	31200	11250	11250	11250	9000
Reserve Fund	21279	18809	12704	44842	28411
Deposits	778043	685895	599294	533192	478134
Advances	337554	343451	378147	345991	286098
Import	300143	195892	287288	307479	164043
Export	63525	62967	87408	80878	74143
No. of Employees:					
Officer Staff	19554	19653	20088	18596	17989
Total	2892	3237	3295	3342	2851
No. of Branches:Urban	343	343	343	342	342
Rural	862	860	857	854	845
Total	1204	1203	1200	1196	1187
Classified Loan (C.L)	86437	103769	125975	61588	68315
Provision Required	59951	77050	82419	46434	70729
Provision Maintained	59969	77050	83049	46434	59531



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Chapter-3 About Foreign Remittance

3.1 Importance of Foreign Remittance

A foreign remittance is a transfer of money by a foreign worker to his or her native or home country. It can also refer to the accounting concept of a monetary payment transferred from a customer to a business. Remittances are important components in the economy of many developing countries and have been contributing for a long time. In recent years, remittances have become a huge phenomenon in international financial transfer and are becoming a key source of funding for many projects in developing countries.

Helps the growth and development of backward classes through health care and education, better infrastructure and service facilities, providing more commodities and more market for foreign goods, a better standard of living, more care and consideration for the problems of workers, progress in real estate, gold and commercial activities. In other ways, remittances can ease the credit constraints of bankless households in poor rural and remote areas, facilitate asset accumulation and corporate investment, promote financial literacy and reduce extreme poverty, as well as increase well-being of recipient families, leveling consumption and improving people's living conditions.

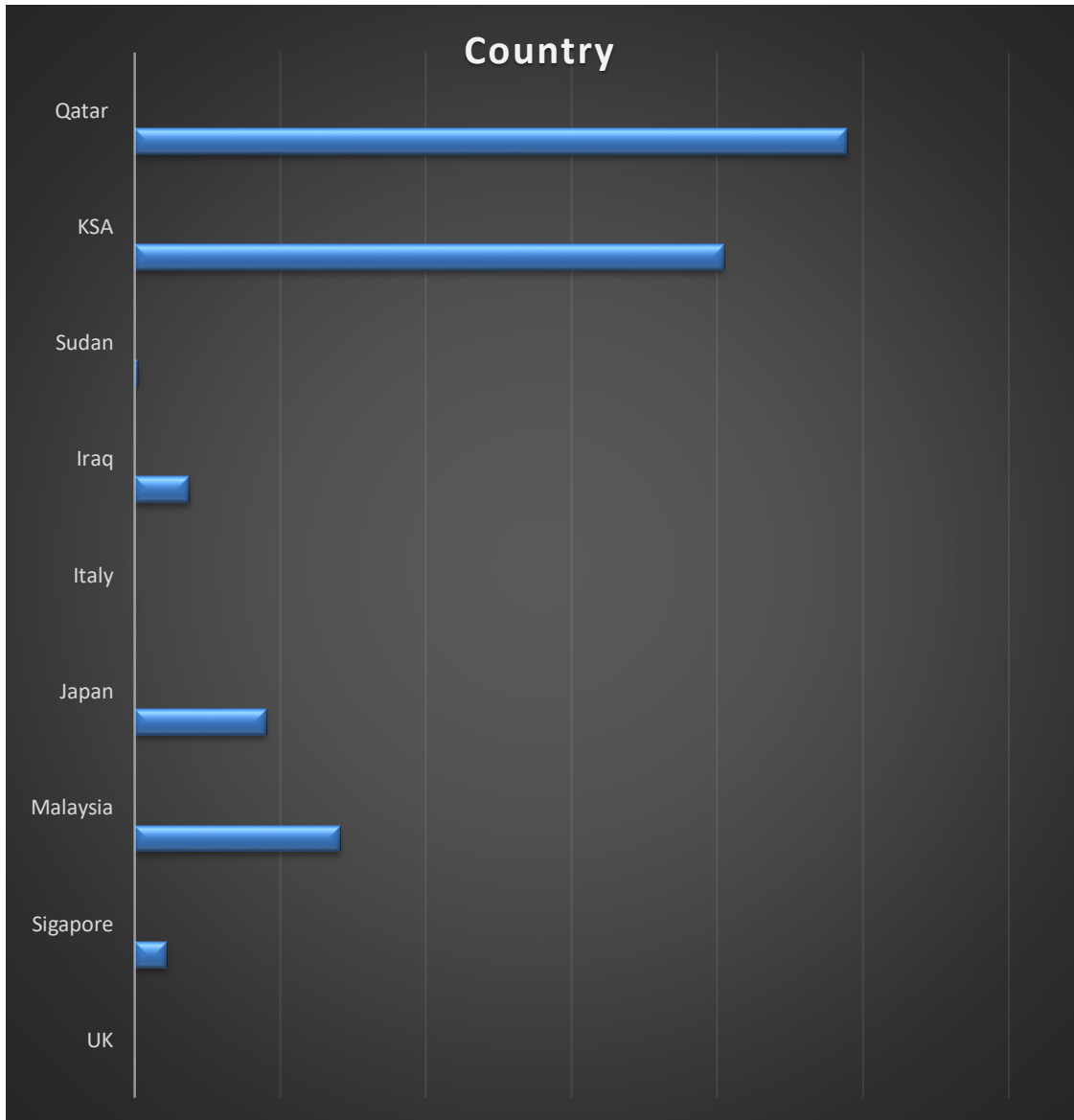
3.2 Determinants of Foreign Remittance

Migration stock:

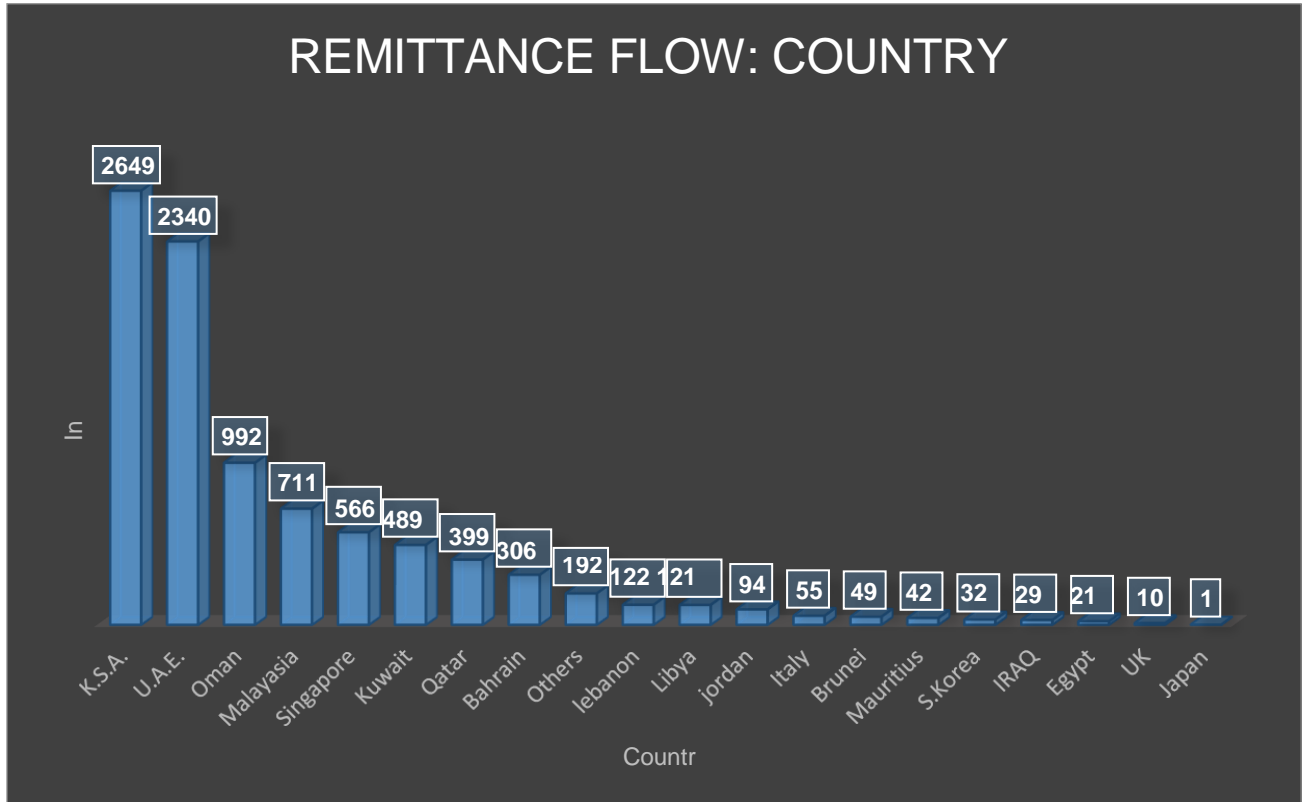
It is generally accepted that the increase in the number of migrant workers is related to the level of remittances. However, it is important to determine the amount of remittances sent home by immigrants based on their constructive characteristics. One such feature is the combination of temporary and permanent immigrants, where temporary immigrants are considered to contribute a high percentage of their income. Remittances have increased from countries where our people go to earn more money. For example, most migrant workers work in Saudi Arabia, so remittances from Saudi Arabia are higher than in any other country in the world. Other countries, such as U.A.E, Oman, Malaysia, etc. They also have a large number of migrants from Bangladesh and similarly our country receives huge amount of money from these countries.

To understand the interrelationship, two graphs are presented below:

Graph 01: Country wise migration of 2018.



Graph 02: Remittances by country of 2017-2018

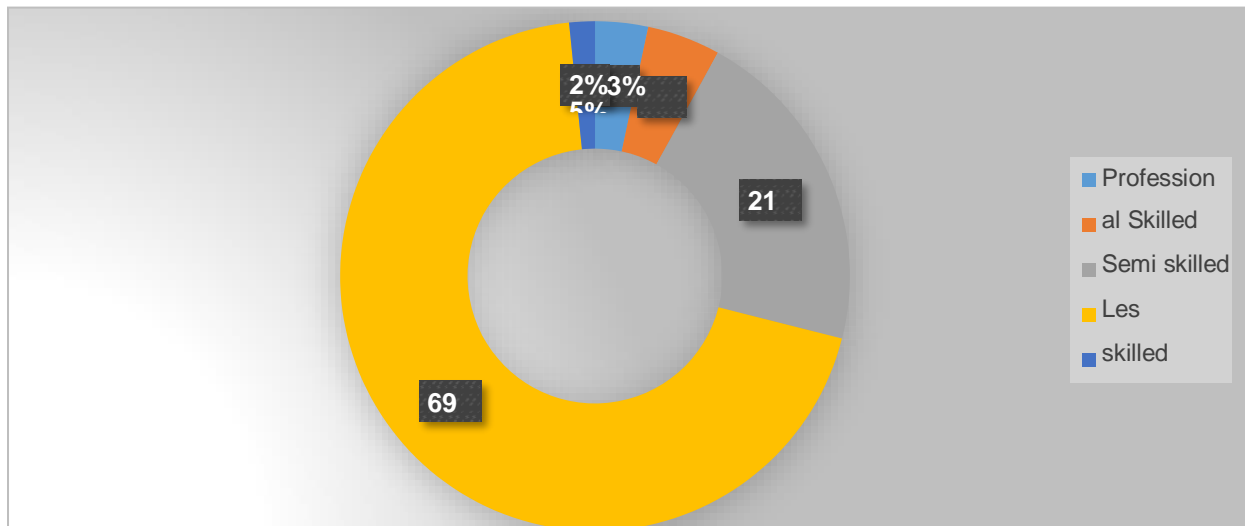


Source: Earnings Remittance Entries: Selected Country Wise, Bank of Bangladesh

From the above two graphs we can say that there is a correlation between the migration countries and the flow of remittances. We also see that some countries have large numbers of migrants from Bangladesh, but due to the economic crisis in these countries, remittances from these countries are not expected due to political instability. And immigrants from some countries, such as Oman, Malaysia, Singapore, Kuwait, etc. Due to the stable situation in these countries, they sent more and more remittances to our country.

In terms of capacity, the formation of immigrants is another approach. Low-skilled workers send a large portion of their low-income income home. In contrast, there is a negative relationship between skilled workers and remittances. Unskilled work reduces the average size of remittances due to low income. And so it turns out that there is a positive relationship between income and human capital. The number of professionals is the lowest. Although he earns a lot, I do not send the full amount to the country.

Graph 03: Category-wise Overseas Employment from 1976 to 2018



Source: BMET Figure of June, 2018

❖ The economic condition of the host country

Numerous studies have found significant differences between member countries' production and repayment receipts. We now know that the economic problems in Saudi Arabia are not good because of falling oil and gold prices. Many migrants in Saudi Arabia are not getting paid on time, and many have lost their jobs because the company decided to lay off workers. As a result, remittances from Saudi Arabia have had a positive impact. Due to the uncertain economic situation, even the city government, many people are not ready to go to Saudi Arabia. Many types of passports are provided by K.S.A. The financial plans of the countries will try to increase due to the wages of the existing migrants and may create a feeling of encouragement for foreign workers to pay. low income. Therefore, the current and future changes in remittances will increase further in the migrant countries. If the number of migrants is increased, in the future there will be more depending on the ability of each country to decide with the owners. However, the balance between the skill level of the potential workers and the demand from the residents will still be important for future financial changes..

❖ National Economic Department

The economic condition of the migrants 'country of origin is also considered to be an important decision of the paid staff. Poor trade in the immigrant country is the main reason for remittances. The economic downturn that has left low-income families with lower incomes can lead to an increase in remittances, as migrants will send more money to families work harder. When considering the outflow of remittances from multiple countries to the country of origin, we do not take the economic function of the country directly in our model, when we use income from differences between landlord and country of origin to reflect positive words on memory.

Income varies

The ratio of the gross domestic product (GDP) of a country to a home-grown power (PPP) is used to measure the difference in income between a host country and a country of origin. References. The advantages of using this measure over other measures are taken into account in the product analysis. The cost depends on the decision of the supplier, as they send remittances to purchases and home services. It can be argued that the flow of remittances is further increased when the economy declines in the country of origin if the estimated coefficient of these differences is positive. Chamita (2017) used the difference of design for a different person and the host country (USA) to reflect the rational reasons for their design. Schizopod and Siegfried (2018) used the ratio of GDP per capita in USD to PPP as a proxy for negative earnings.

Dummy energy

The current global increase in remittances due to remittances is due to the strict anti-terrorism law in the United States on September 11, 2001 and was sponsored by of various surveys. Two differences were thought to have led to this; one is the increased oversight by the financial regulators of remittance workers, which has led to the transfer of income from illicit transactions to regulated institutions. The other can be caused by uncertainty about the expulsion of undocumented immigrants, causing them to send the majority of their income.

There are many pregnancies

There may be an increase or decrease in the outflow of repayments due to higher rates of housing in the country than in landlords. Rising economic prices in the country of origin can reduce the purchase of migrant households. Therefore, immigrants try to send some more payment. On the contrary, it also represents more of a risk and distrust in a country than in a host country. If the national income of the country at a lower rate, migrants plan to send more remittances to the country of origin, because the families of the country will receive more remittances. in local currency. If the money from the country of origin is satisfied, the migrants plan to send less money to the country of origin, because the families in the country receive low profits in local currency. With the highest level of family information in their country, they can send more money to buy homes and other items or to save money at home on national treasures.

The devaluation of the dollar for essential benefits has increased the value of non-corporate income to the host country over time, thus making them reluctant to send more money. The difference in electricity tariff is made by applying the difference in annual percentage change in the consumer score between the country and the country.

Return on investment

The level of repayment should relate to the return of financial assets if the repayment circumstances are affected by the symbolic nature of the investment. Thus, the repayment rate of the country of origin can be related to the interest rates of the landlords or provide a relationship with the interest rates of the national currency. The increase in interest rates can be really different between the landlord and the landlord should affect the repayment level, considered the risk of old business in both countries. We used the benefits of the short-term investment (3-month deposit) to eliminate the shortfall (cost of goods) as an agent to estimate the landlord and tenant. The interest is real. The interest rate difference is the foreign exchange minus the national interest rate.

Exchange rates

The level of repayment should relate to the return of financial assets if the repayment is affected by the investment process. Thus, remittances can affect the real risk of the landlord's country or provide a better relationship with the real estate in the country. The increase in the price difference between the country of origin and the host country should affect the level of repayment, estimating the risk of trade in two factors. We used the benefits of a temporary investment (deposit within 3 months) to eliminate the shortfall (value of the product) as an agent to estimate the landlord and the landlord was really pleased. The interest rate difference is the foreign exchange minus the national interest rate.



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Chapter-4

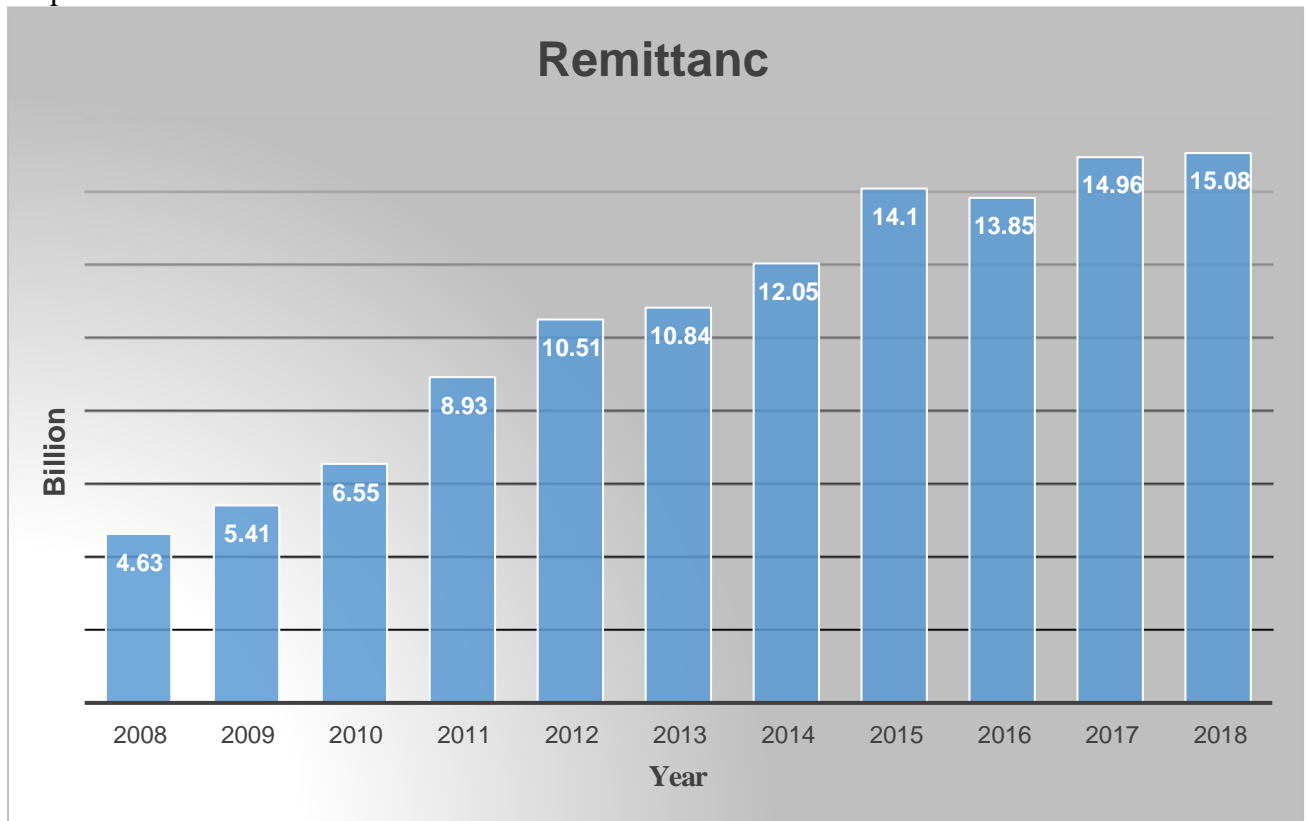
Foreign Remittance in Bangladesh

4.1 The flow of remittances to Bangladesh

The flow of remittances into Bangladesh has increased year by year. Bangladesh is now one of the largest recipients of remittances from developed countries. Industry, micro-nutrition and better nutrition year by year welcome.

All flows of remittances to Bangladesh are shown in a table and then represented graphically:

Graph: Remittance flows from 2008 to 2018



In the figure we see that the change in exports in our industry increased from 2008 to 2018 due to the export of workers in many countries and the increase in income. of foreign workers. But from 2016 to 2018 (December) the exchange rate of repayments is lower due to political, economic upheaval and economic downturn in the Middle East, East, US and Europe.

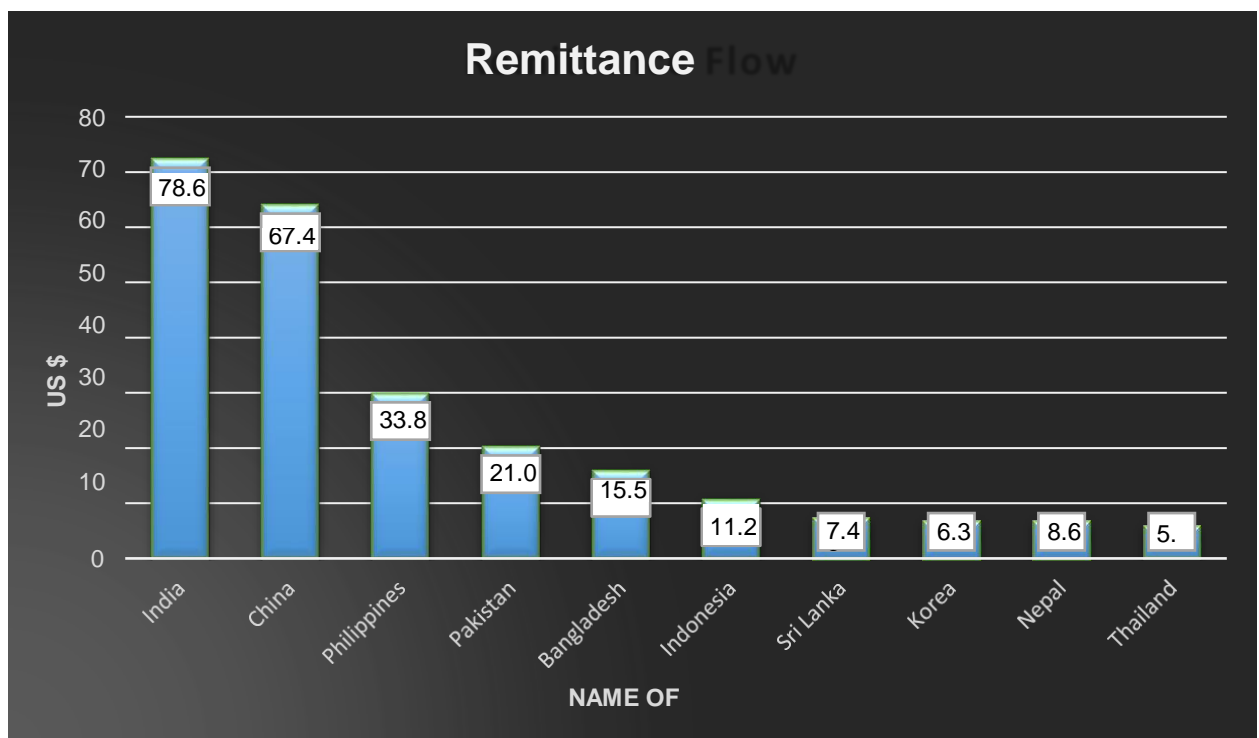
Bangladesh economists, revised newspapers, have predicted that the shift in exports could fall due to lower oil and gold prices, which are key commodities in some countries. Middle East with many companies Migrants from Bangladesh.

4.2 Bangladesh and some Developing Countries of Asia continent

In order to know the job of Bangladesh for getting house money from abroad, we have to compare with other developed countries. By comparison we can know how much Bangladesh exports. Here we have given pictures of representations of the return of some developed countries in the Asia region.

The data presented are the 2018 remittance flow:

Graph : Country wise remittance flow of 2018



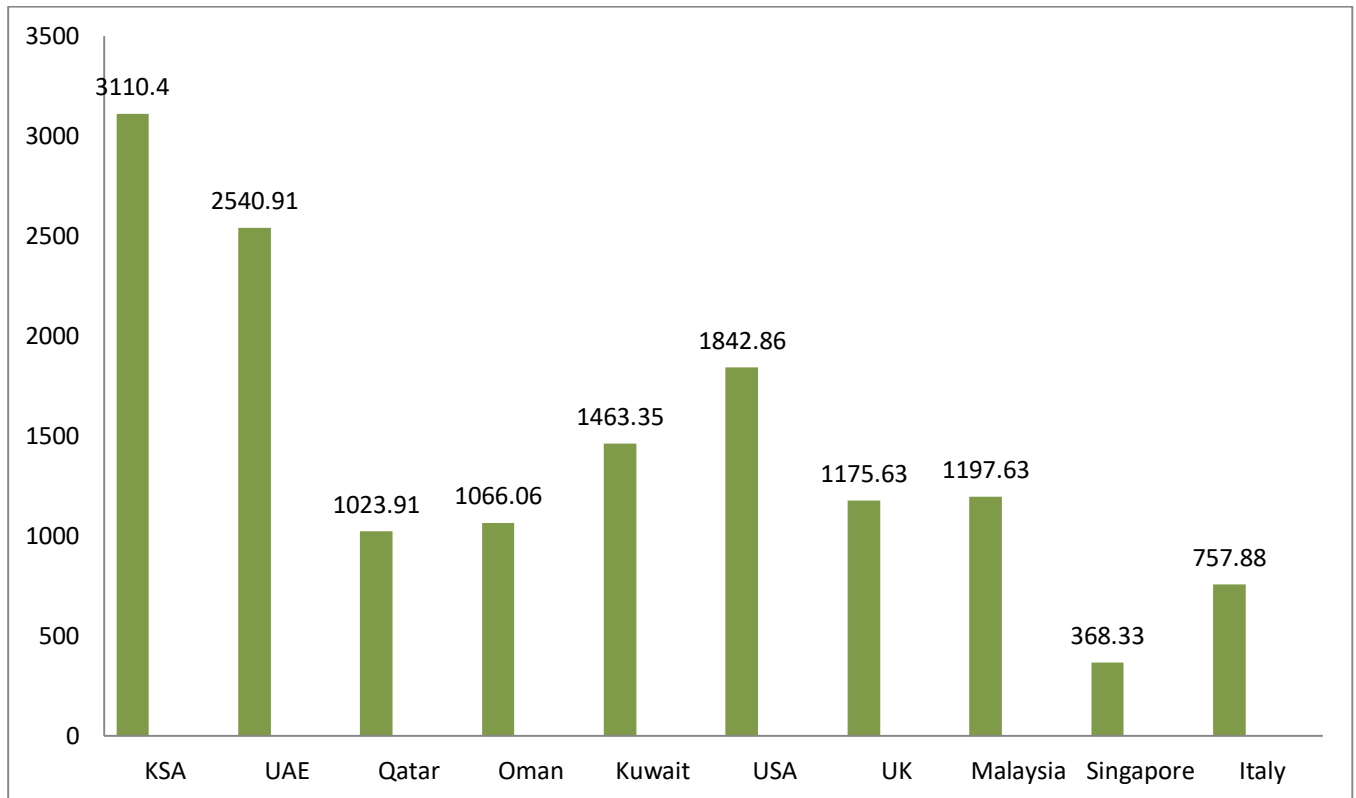
Source: Migration and Remittances Facebook, World Bank, 2018

Here we can see that India has the largest revenue (\$ 78.6 billion) of developed countries. It was also the first time in the world to return. India is a leader in receiving remittances as it has the largest number of migrants in India in many countries in the world. We know that China is the largest country in Asia and has the largest population in the world. Thus the number of immigrants is very large. In 2018, China will be the second largest repayment borrower in the world, after Asia. The Philippines and Pakistan shared \$ 33.8 billion before Bangladesh \$ 21.0 billion. Bangladesh gets a lot of money, but lags behind Pakistan.

4.3 Country wise Wage Earners Remittance inflows 2018 -2019

Employees from many countries send shipping cost to our country. The diagrams are provided below to understand which countries receive less and less remittances from.

Graph: Remittance flow by country as a percentage of total remittances.



Immigrants in Saudi Arabia send more remittances than any other country in the world. Our country receives 20% cash transfer from Saudi Arabia. Half of the migrant workers work in Saudi Arabia. Most remittances come from Middle East countries such as Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar, etc.

Bangladesh receives 16% of total remittances from the US. Many professionals and half know how to work in the US for their families. Send refunds on a regular basis. There are also migrants from Bangladesh in some European countries. So we got a refund from the European countries. Migrants from Bangladesh also work in African countries such as Libya, South Africa, Egypt, sending money to three countries to support their families.

4.4 The Impact of Foreign Remittance on Our Economy

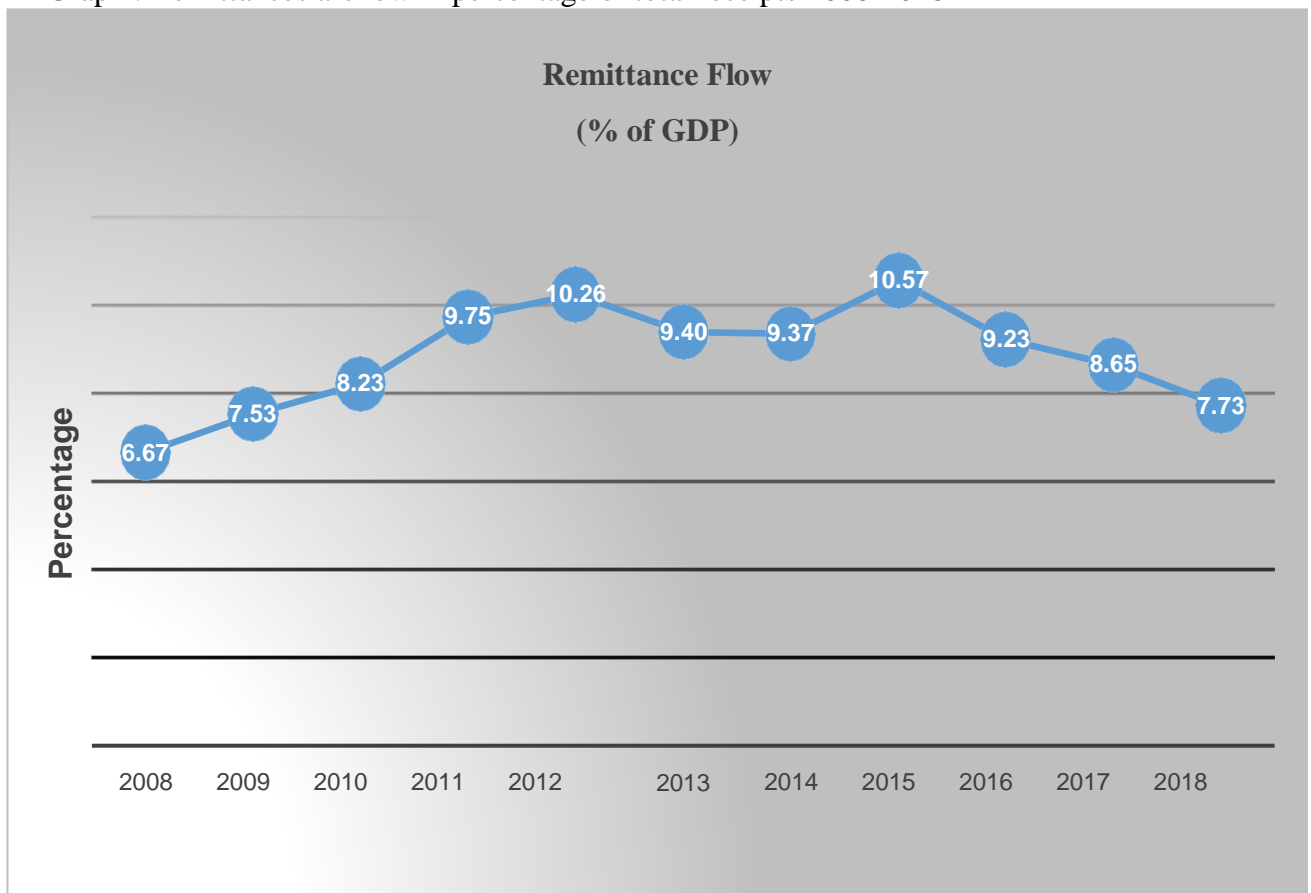
The introduction of foreign assistance for the improvement of living conditions is not easy to explain. Thus the importance of remittances from foreigners in the Bangladeshi economy is multifaceted and needs to be recouped.

Impact on GDP

Gross domestic product (GDP) is one of the most commonly used terms to understand the health of a country's economy. It is determined by the total cost of each product and service developed at a given time. Calculate GDP.

Remittances have a positive effect on our business. We know that consumer growth has outpaced GDP. The increase in exports has gradually boosted our GDP (Total Household Commodities).

Graph : Remittances are low in percentage of total receipts 2008-2018



$$\text{GNP} = \text{GDP} + \text{Foreign exchange earnings} - \text{Foreign remittances.}$$

An increase in exports also boosts the country's currency. As the country's income increases, the consumption of goods by the country's population continues to increase. Thus, production from different organizations has also increased. He has increased the GNP of our nation.

Impact of remittance on consumption:

Exports in our country has changed the families of foreign families. Now they can accept their children to private schools and pay for food and bring medical bills to the family. Thus, an increase in remittances will result in more food for the population due to increased incomes of people in the country.

Table 01: Models of use of remittances in Bangladesh (in percent).

Purposes	Remittances used (%)
Food and Clothes	20.45
Medical Treatment	3.22
Child Education	2.75
Agricultural land purchase	11.24
Homestead land purchase	0.96
Home construction / repair	15.02
Release of mortgage land	2.24
Taking mortgage of land	1.99
Repayment of loan	
Repayment of loan	3.47
Investment in Business	4.76
Savings/Fixed deposit	3.07
Insurance	0.33
Social ceremonies	9.07
Gift/donation to relatives	0.94
Send relatives for pilgrimage	0.92
Community development activities	0.09
Sending family members abroad	7.19
Furniture	0.69

Others	1.05
Total	100

Source: Siddiqui, Tanseem (2005), Migrant Workers and Microfinance in Bangladesh.

➤ **Increase savings:**

Exports have increased the level of income of the people in the country. It is now possible to save money after they spend money. So Migrants receive money from their country people and save money in different banks by doing short-term or long-term.

➤ **Increase capital:**

The large investment in different banks is due to savings from locals where their relatives send money from many developed countries. This large investment is a different plan from the bank to reap the benefits.

➤ **Impact of remittance on investment:**

Exports are increasing the investment of our country. Remittances are used for small and large investments in different projects, establishing a stable business or industry, small or large retail that makes the budget reasonable.

➤ **Increase employment:**

Many people of our country have been moving to developed countries to earn extra money. As a result of unemployment getting jobs abroad and unemployment falling and employment rising. As capital increases, so do the jobs of our country. People from our country have been employed in various projects, stability or industries.

➤ **Impact of remittance on import:**

It affects our business as well. By sending more money, it also increases the receipt of foreign goods. It increasingly imports foreign goods. People have enough money to buy foreign products, even though the government has tried to save our domestic companies by enforcing appropriate laws and regulations. Thus the domestic market is losing money due to lower sales.

4.5 The impact of foreign remittances on our economy

Remittances have played an important role in revenue generation. Financial institutions, such as banks, send money to locals in exchange for work. The impact of remittances on financial transactions is as follows.

- Increased savings in many banks due to payments for proof of home payments.
- Advances in financial accounting of banks and banks.
- Increase on capital
- Increase in deposits due to non-deduction of all beneficiaries' income.
- Increase in bank account numbers.

- Expenditures of recipients for financial services increased.
- Borrowers get money to invest in products or start a business.

4.6 The impact of remittances at the microeconomic level

- Strengthen the balance by providing foreign exchange balances.
- Refunds are stable and off-the-shelf.
- Deterioration of the balance of the market through the competition of the import market and the appreciation of the local currency.
- Social imbalance.
- Deportation of refugees will be lower than if the refugee population is higher in the migrant country.
- Dependence of remittances.

4.7 The impact of foreign remittances on the financial sector

- The family can fulfill the needs.
- Open the way to invest in children's education, health.
- Reduce restrictions on household spending to invest in businesses or save money.
- Emergency supplies.
- Social Security root.
- Follow remittances and do not oversee local activities by families.
- Rarely used for capital design

4.8 Impact of remittances at Community level

- Boost in local market.
- Funding for urban development projects
- Allow immigrant families to meet their food needs.
- Condition Better living and housing.
- Recommended for student learning
- Investment Additional investment in health care
- Social Security for seniors increases
- Create a balance between households that receive remittances and those that do not.
- Emergency
- Investment An additional investment in a business or income

4.9 Socio- Economic Impact of Remittance

Refunds have a positive impact on most of our problems. The transition has changed the renaissance of the economy of our country by increasing the incomes and expenditure levels of foreign families. Now people in rural areas build houses like urban ones. They send their children to private schools and colleges. I use technology with internet connection and LED TV. They live like city dwellers. The status of the business community has changed only due to the return. Reimbursement has the following implications for our health -

- Improving the economy in the country is made more reliable by improving the economic status of migrants through repatriation.
- The illiteracy and illiteracy of rural people can contribute to the improvement of life.
- Improves the ability to invest in self-employment and productivity.
- Hotels, travel, transportation and other industries have gained national strength for the movement of foreign workers.
- The investment climate and procurement of migrant workers have improved.
- Immigrants are aware of the importance of cleanliness, environment, the need for reading, discipline, and living.
- Increased technology in refugees.
- Immigrant family members join banks and other banks.
- Now rural people want to use gas instead of chimney because they can afford electricity.
- People in rural areas now receive financial and remittance services from banks and mobile banking. So you don't have to go to town for financial services.

4.10 Role of Different Institutes Considering Foreign Remittance

Ministry of Finance

The Ministry of Finance (MOF) is a government body that works with the state budget, fiscal and economic policy. This important policy-making body is linked to banking and remittances. Macroeconomic policies that affect the exchange rate, monetary and fiscal mechanisms, foreign exchange reserves, etc , are regulated by this minister.

Bangladesh Bank

Among other powers and functions, BB regulates scheduled bank activities, acts as a clearing-house, retain foreign exchange reserves and monitors floating exchange rate mechanism in the current accounts. Bangladesh Bank exhorts the nationalized and private banks to connect with foreign banks and exchange houses in the enlisted countries. It has an isolated department for regulating and monitoring remittance

entitled Foreign.

Exchange Policy Department (FEPD):

This department so plays an important role to foreign remittance sector. This department mainly generates, analyses, interprets and distributes data on inflow of remittance. It provides update information about remittance with proper description and showing also positive and negative trends in remittance.

Nationalized Commercial Banks (NCBs):

Nationalized Commercial Banks (NCBs) of Bangladesh make direct banking facilities available at the doorsteps of Bangladeshi emigrants specially in those countries where a large number of Bangladesh is are employed. Four NCBs are deeply nvolved in remittance transfer. These are Sonali Bank, Janata Bank, Agrani Bank and Pubali Bank Ltd. Within these four NCBs have more than 5000 branches. Through them they can disburse remittance seven in distant areas. Beside their own branches, NCBs have opened exchange houses in joint collaboration with different banks and financial institutions in different countries of the world.

Private Commercial Banks

Private Commercial Banks (PCBs) are also involved in remittance transfer. Of the PCBs, Islami Bank of Bangladesh Ltd (IBBL) has been found to be most proactive in the area of migrants' remittance. National Bank, International Finance and Investment Corporation (IFIC), Prime Bank and Uttara Bank are other private banks in volved in remittance transfer. Most of their activities are in the Middle East. Saudi Arabia is the major working area of Islami Bank along with Qatar, Bahrain and UAE.



Chapter-05
***Foreign Remittance
in Sonali Bank Ltd
(Procedure)***

5.1 Foreign Remittance Procedure of SBL

Pursuant to the Divisions Change Act of 1947 and the Foreign Trade Directives, the Bank divides all foreign remittances into two broad categories:

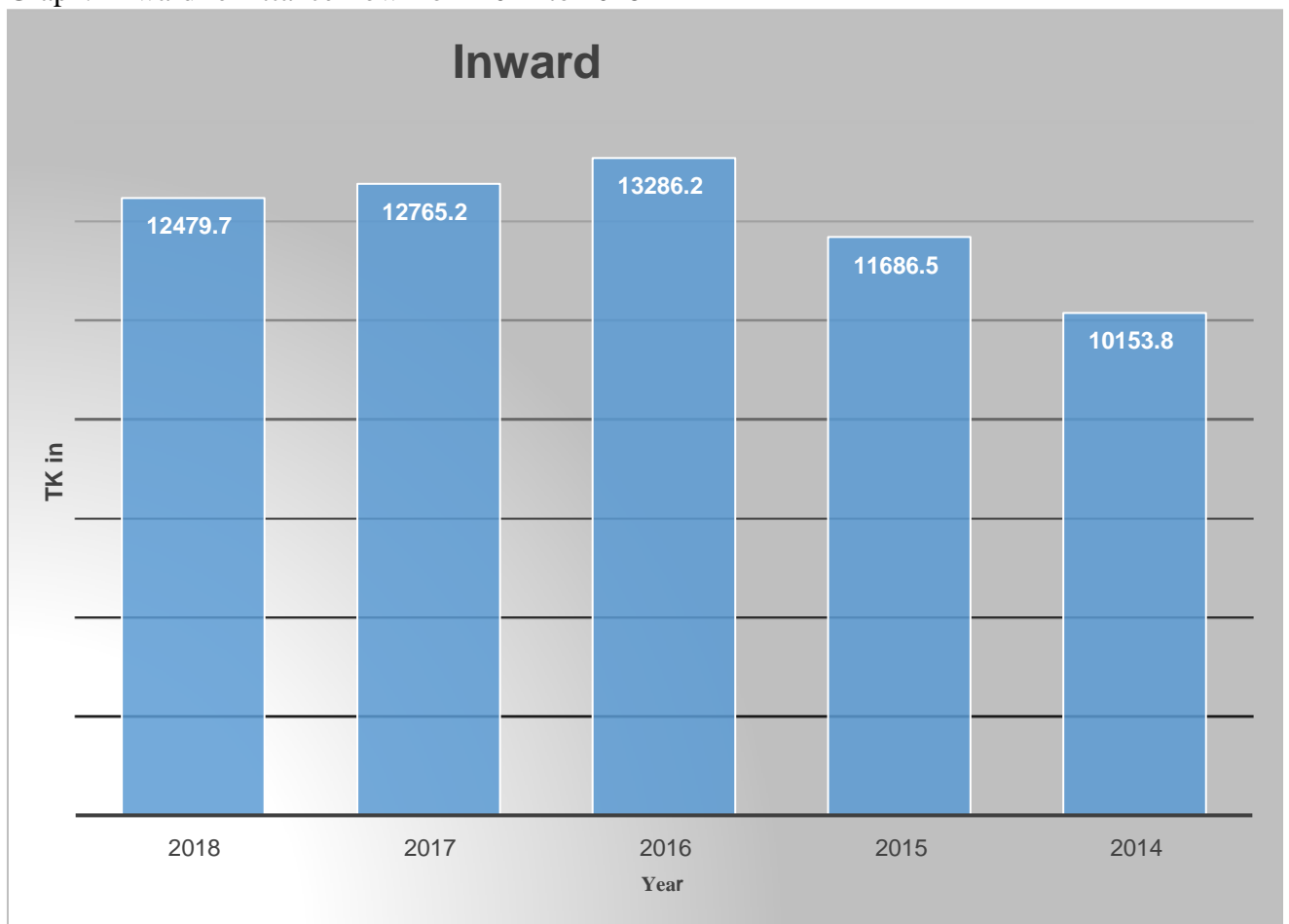
1. Internal remittances
2. External remittances

5.2 Inward Remittance

Domestic remittances take place when our country receives remittances from abroad. In other words, internal remittances mean remittances of foreign exchange that are significant through the use of foreign remittances to the beneficiaries. Ways to receive internal remittances are by mail, postage, TT, shipping, tourist check and international fees. The bank has received special instructions for sending money back internally.

Delivery charges to Sonali Bank Ltd from 5 years ago are mentioned below:

Graph: Inward remittance flow from 2014 to 2018



Source: Annual reports of Sonali Bank Ltd from 2014-2018

Table 02: Charges of SBL on Inward Remittance Services

Serial Number	Services	Charges
01	Collection of foreign checks / projects	Com : TK 200/ P&T : At actual min TK 100/- FCC : At actual
02	Purchase of checks / projects / TCs taken abroad (with the approval of HO)	Com : @ 1.00% P&T :TK200l- FCC : At actual
03	Foreign TT payment, including advance payment against export	Free.
04	Collection of foreign exchange cash	TK 200 up to US\$ 10,000 TK 300 above US\$ 10,000

❖ The purpose of internal remittance

Remittances are sent from overseas for the following reasons:-

- Recruiting Agents Commission
 - 5.2.1.1 Indenting Commission
 - 5.2.1.2 Realization of Export Proceeds
 - 5.2.1.3 Family maintenance
 - 5.2.1.4 Donation
 - 5.2.1.5 Gift
 - 5.2.1.6 Export broker's Commission etc.

❖ Source of Inward Remittance

Listed below are the ways to send money to our country:

- 5.2.1.7 Expatriate Bangladeshis.
- 5.2.1.8 Exporters.
- 5.2.1.9 Visitors.

❖ **Bangladesh Bank Restrictions on Domestic Remittances**

- ✓ Any money can be sent as a refund by the cashier.
- ✓ Recipient must complete and sign Form "C" (Instructions after 5/6) for refunds greater than \$ 5000 for refund purposes.
- ✓ If a passenger is carrying more than \$ 5,000, the facts must be reported to the staff.
- ✓ Refunds are for gifts, free of charge, authorized by the agency / police.

All banks are obliged to notify the Banco de Divisas on a monthly basis about any remittances within the terms and conditions before the expiration date.

❖ **The role of exchange offices in foreign remittances**

Exchange offices offer a wide range of services, from certificate of sale (DD) to fast-growing borrowers. They allow consumers to ship easily. The exchange is widely used for remittances from the US government. Unlike bank accounts, this channel is based on a Vostro account, e.g. Saving money by exchanging with many banks in the countries benefits. These funds are accounted for by the exchange.

❖ **List of exchange houses**

A list of exchange houses of Sonali Bank Ltd is given below with their area. Currently the total exchange rate of Sonali Bank Ltd is 54 (Bank 12 and Exchange 42)

Table 03: List of exchange houses.

Name of exchange houses/bank.	Geographical location
1 Bahrain Financing Company 2 BFC EZ Remit 3 ZENJ Exchange Co. W.L.L. 4 Nonoo Exchange Company 5 National Finance Exchange Co	Bahrain
6 AL Rjhi Bank	Kingdom of Saudi Arabia
6 Alamoudi Exchange Company 7 Arab National Bank 8 Samba Financial Group 9 Bank Al Bilad 10 National Commercial Bank .	Kingdom of Saudi Arabia



12 Al Millah International Exchange Co W.L.L. 13 UAEE Exchange Center W.L.L 14 Oman Exchange Company Ltd. 15 Dollaco Exchange Co Ltd. 16 Baharin Exchange Co W.L.L 17 City International Exchange Co W.L.L	Kuwait
18 NBL Money Transfer 19 IME SDN BHD 20CBLMoneyTransfer 21 Agrani Remittance House	Malaysia
22 Bank Musca S.A.O.G 23 GULF Overseas Exchange 24 National Bank of Oman 25 Oman International Exchange 26 Oman & UAE Exchange Center 27 Modern Exchange Company 28 Purushottam Kanji Exchange 29 Hamdan Exchange	Oman
30 Eastern Ex Establishment 30 Arabian Exchange 31 Al Dar For Exchange Works	Qatar
32 NBL MOny Transfer 33 Agrani Exchange House Singapore 34 Prime Exchange PTE Singapore	Singapore
35 Sonali Bank (UK) Limited 36 Eastern Union Remittance and Exchange	U.K.
37 Al Ansari Exchange 38 Index Exchange Co 39 Mashreq Bank PSC 40 Al Postamani International Exchange 41 UAE Exchange Centre L.L.C 42 XPRESS Mony 43 Well Street Exchange Center L.L.C 44 Ridha Al Ansari Exchange 45 Al Ghurair Exchange Bureau 46 Al Falah Exchange Company 47 LULU International Exchange Company 48 Emirates India International Exchange 49 LARI Exchange Establishment Company 50 Instant Cash FZE, UAE 51 Al Mona Exchange	UAE



52 Hello Paisa Ltd. South Africa	SA
52 Sonali Exchange USA 53 Paypal Inc,USA 54 Prabhu Mony Transfer, USA	USA

❖ Outward Remittance

Foreign remittances occur when our country sends remittances to foreign countries. In other words, remittances mean the sale of foreign currency by authorized dealers or regulators. It requires an acknowledgment from the authorized trader that the foreign currency has been revised and used only for what is right. Outbound remittances can be made by the appropriate standard for the country where remittances are authorized by the Bangladesh Bank.

External remittances from the last 5 years from Sonali Bank Ltd were mentioned below: Table : External remission of SBL from 2014 to 2018

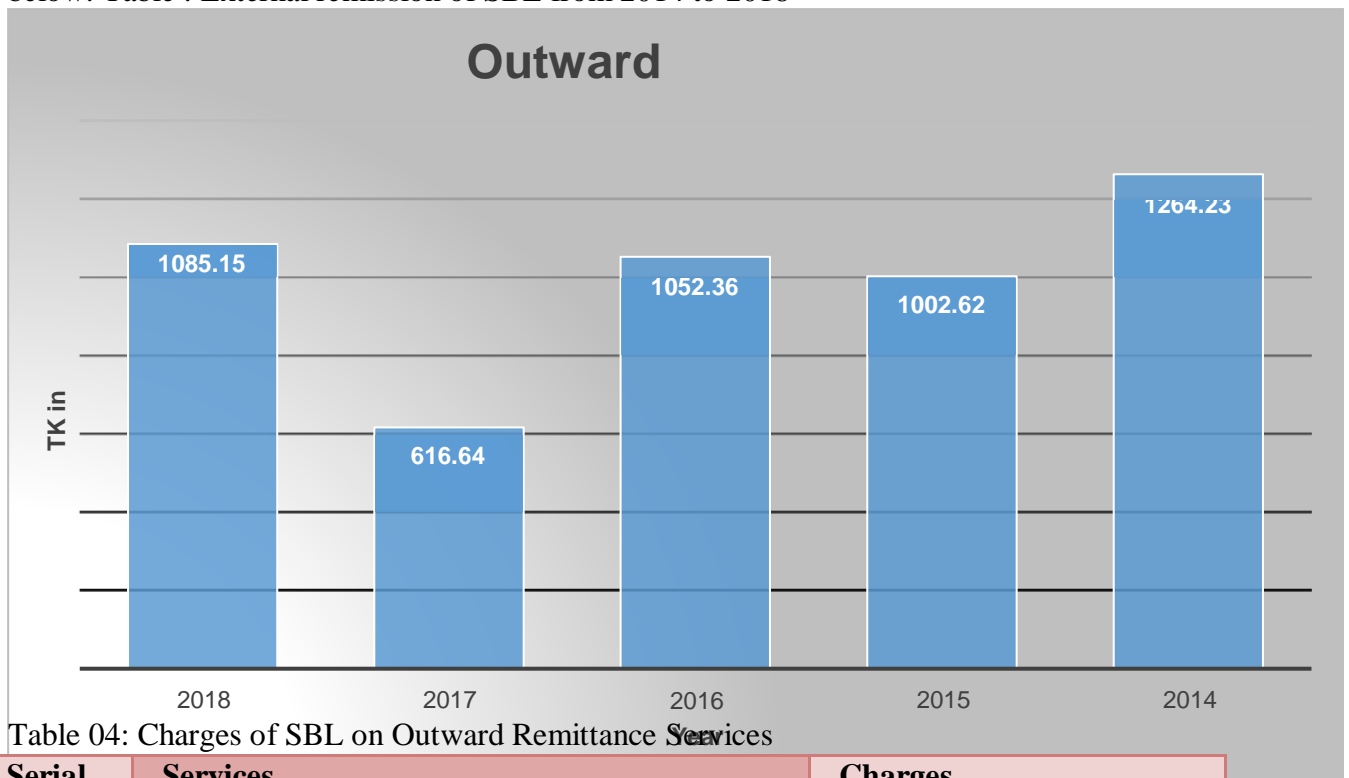


Table 04: Charges of SBL on Outward Remittance Services

Serial no	Services	Charges
01	Issuance of projects drawn abroad	Com :TK 200 SWIFT: TK 1,000 P&T : TK 100 (if required)
02	FDD emission charged to BB of FCRQ A / C	Com : TK 1,000 SWIFT: TK 500 (if required)
03	Emiterea de FDD extrase în BB de la FC A / C	Com US\$ 5.00



04	Charges for issuing a counterdraft in favor of other local banks against remittances	Com : TK 200 P&T :TK 100 SWIFT : TK500 (if required)
05	Issuance of TT in FC	Com : TK 200 SWIFT: TK 1.000
06	Cancellation of turns / TT in FC	Com :TK 200 SWIFT:TK 1,000 P&T : TK 100 (if required)
07	Issuance of duplicate drafts issued abroad	Com : TK 200 SWIFT: TK 1,000 P&T : TK 100 (if required)
08	Passport endorsement	TK200 per passport
09	Processing of student file for education abroad	New :TK 3,000 Renewal: TK 1,000

❖ The purpose of remittance abroad

- To Order Unemployment Compensation.
- To meet Budget / Medical Expenditure / Education Expenditure etc.

❖ Different types of external remittances

- Private remittances
- Official remittances and business travel
- Commercial remittances

❖ Private Remittance

Family remittance facility

Foreign workers working in Bangladesh with the approval of the government force in Bangladesh, workers can transfer 75% of their income from the permit holders (to the country where they belong). They can also send 100% of the retirement salary as savings and retirement, without the prior approval of the Bank. Here the net income shows the total income of the applicant lower than the total tax deduction of the income

benefits and pensions, rent and other circumstances.

The average amount of reimbursement for the management of a family member of a foreign country (spouse, child, parent) data is BB upon written request supported by certificates / information requested by the relevant countries.

Membership fee and registration fee

Distribuitoarea autorizată (AD) va plăti taxele de membru și de înregistrare către experți / academicieni fără aprobarea prealabilă a băncii. De asemenea, aceștia pot depune cerere, înregistrare, admitere, taxe de examen (TOEFL, SAT etc.) So that students can be accepted for study abroad by written request from a foreign relevant agency that provides money to be repaid. Such things should be reported to BB subscribers to the Form TM at the monthly return.

➤ **Education:**

The Bank of Thailand has agreed to provide different amounts of money to students in foreign colleges to support their financial education. In addition, AD can rent to pay for Bangladesh accredited students and study existing courses. Bachelor's degree, graduate and language arts are prerequisites for licensing and graduation / certification in accredited institutions in foreign countries subject to certification in good faith in accordance with the following conditions.

➤ **Remittance of consular fees:**

Overseas agents in Bangladesh collect the order fee and deposit it into the Taka Account stored with the AD to adjust the consular fee to another foreign country without the prior approval of the Bank. AD would like to send a monthly return report with TM Bank related letter.

➤ **Travel:**

The National Adult Scan in Bangladesh visits SAARC and Myanmar member countries and other countries on the basis of an annual travel allowance contract of up to USD 5000 or the equivalent of USD 7000 during a calendar year. Minors (under 12 years of age) may be eligible for a single value, but may not exceed \$ 3,000 per person per trip.

ADs must ensure the following conditions when issuing currency exchange for travel purposes:

- ✓ The desired traveler is the customer of a bank of authorized dealers (bank AD)
- ✓ The desired the traveler is well known by the authorized dealer's bank.
- ✓ AD Bank must be satisfied with the authenticity of the request.
- ✓ The desired passenger must have a confirmed flight ticket (if required) for the trip.

➤ **Health/Medical**

Without prior approval from the Bank of Bangladesh, Ads can issue remittances of up to \$ 10,000 for medical treatment in foreign countries, based on the recommendation of the medical board / specialist established by the Directorate of Health and the cost estimate of foreign medical institutions. AD must send documents to BB (foreign

exchange operations department) if the amount of remittances exceeds \$ 10,000 to support treatment in foreign countries. And the supporting documents will be verified by the Bangladesh Bank to substantiate the authenticity of the expenditures.

➤ **Seminars and workshops**

ADs can issue remittances to private Sector participants up to \$ 200 per day for SAARC or Myanmar member countries and \$ 250 per day for other countries without prior approval from the Bank of Bangladesh.

➤ **Foreign nationals**

ADs can offer additional currency transfers to foreigners, without restrictions, and banknotes in foreign currency up to \$ 2,000 per person, against the equivalent of a fixed amount of money. abroad. However, TC and currency can not be sent from the donlyon origin of the ticket to a country other than Bangladesh, and the price given must be marked on the passport in question.

➤ **Remittance for Hajj:**

Every year, the government of Bangladesh announces the exchange program for pilgrims willing to perform Hajj. It should be made sure that the foreign exchange declarations will meet the guidelines (issued by BB annually).

B) Home Based Business and Financial Reporting

➤ **Official visit:**

The announcement will release foreign exchange in accordance with the rules established by the MOF / join the interim government, due to the Government / Semi Government / Autonomous / semi-autonomous, and the staff. . Travel abroad. To this end, the application must be submitted to the foreign exchange potential.

➤ **Business travel for new exporters:**

New exporters can carry up to \$ 6,000, and ADs can release this amount without the bank's prior approval, according to a letter from the Export Bureau (EPB). Bank of America will present more than \$ 6,000 upon request after establishing the request from AD with supporting information.

➤ **Business travel quota for importers and non-exporters:**

Importers carry business travel quotas, such as the annual upper limit of \$ 5,000, and non-exporting producers have a 1% share of returns / turnover established in the previous year / declared in tax returns.

❖ **Bangladesh Bank for External Payments**

1. An application in writing should be sent to AD or Bank, whenever needed to purchase foreign currency.

2. The drug application must comply with the IMP Form (Continued 5/11) and for other types of refundsTM (Instructions 5/5, Section 5, Part 1, Part 1) for payment for shipment in Bangladesh.
3. Notices must use TM form for publication, even if the submission is approved by the Bank of Bangladesh in any other way. For example: giving special permission.
4. ADs can affect foreign sales if they can approve the application after receiving the application in writing.
5. AD must submit a letter to the Bank of Bangladesh for a decision if the exchange requires prior approval from the Bank of Bangladesh.

5.3 Mode of Foreign Inward and Outward Remittance

The following are examples of Inward / Outward Payments.

- Telegraphic Transfer Electronic money transfer; it is only used for exchange purposes. These changes are usually referred to as the Compensation Hospital Charity (CHAPS).
- Mail This template is used when you want to transfer money from your "A" Center number to your "B" number or another account. In this transfer mode, you will need to fill out a similar application form along with a copy for DD, sign a tax return, or provide a check for remittance with the exchange and write receipts.
- External Deposits from a Banking Company Checked by the local bank financial institution and the type of bank account you have.
- Payment Statement Submit the statement to the bank or other bank by the bank clerk requesting that the bank pay or pay the bill to a third party by mail and / or or means using electricity.
- Tourist Check Value means an exchange that can be used instead of a heavy coin.
- Financial Transaction is the transfer of electronic devices from one bank to another, whether in one financial institution or in several companies, through a computer, without direct impact of bank employees.



সোনালী ব্যাংক লিমিটেড
Sonali Bank Limited

Chapter-06
***Foreign
Remittance in
Sonali Bank Ltd
(Process)***

6.1 Foreign Remittance Process of SBL

Remittances, in simple terms, mean that the money is withdrawn in foreign currency. Specifically, it is called remittances received and processed separately. the country. Issues Background International remittances are defined as the distribution of the income of repatriated migrants in a country of origin (IOM, 2000). Remittances can also be sent from the chest. The change of location that takes place in nature is very difficult to measure. Remittances can be personal and can also be strengthened. When people send money back to family or families and relatives who can be called money back. When a group migrates, their professional or body gathers resources and sends them to a community service organization or community that can be called a problem solver. Remittances to a person are a common part of family care, while remittances are usually used for community development.

The process of sending a refund can be done in many different ways. 46% of total refunds were sent from authorized sources, approximately 40% to hundreds, 4.61% from friends and relatives and approximately 8% of total were transported by the migrants themselves when they visited.

❖ Formal Channel

Transfers of funds from a sum of accounts for other channels, for example, banking channels, offices and other personal services, as well, such as-Western orders, Neno orders etc.

Legal purposes for moving money abroad legally are

- Invest
- Lend
- fulfill commercial / personal obligations
- protect property from theft or seizure through repressive regimes.

❖ Informal Channel

It is the illegal transfer of one country to another through a mobile or horizontal phonebook, such as "Hundy". Haque (1992) noted that trades collected from the illegal ring "Hundy" in the cities of the Middle East and England were also used to refer to trade and illegal trade.

The reasons behind the use of the informal channel for moving money abroad are as follows,

- Most broadcasters in Bangladesh are not skilled workers. Employees are poorly educated, often preferring informal channels to avoid difficulties in formal channels.
- Informal channel costs represent about 45% of formal costs.
- Very reliable, cheap, fast, affordable and convenient way to transfer funds.
- A strong incentive to use IMTS when evaluating the official exchange rate.
- Weaknesses in financial expenditures, such as high costs, poor service or lack of resources and lack of access
- Treatment of weapons and ammunition
- Finances from violence
- Avoidance of exchange regulations / control

6.2 Disruption of the continuous channel of remittances

- Includ Money does not include expenses.
- Funds lead to declining GDP.
- Help reduce bank savings.
- Income An income from an agent is not actually represented due to changes in income.

6.3 The Bank of Bangladesh to carry out higher remittances in accordance with the regulations

- Authorize savings with NGOs to send remittances faster.
- The automatic bank payment system has been launched to provide better customer service.
- Attract new entrants, including new banks, card companies such as VISA and many businesses and non-governmental organizations (NGOs) advertising industry competition.
- Increase the number of home exchanges to get more remittances through the channel.
- Mobile phone text messaging (now started by Bkash) to the United States.



সোনালী ব্যাংক লিমিটেড
Sonali Bank Limited

Chapter-07
***Foreign
Remittance
System in
Sonali Bank
Ltd.***

7.1 Remittance Management System (RMS)

Repayment management is a work in progress of Sonali Bank Limited. This system is owned by SBL, which handles the remittance fees. First of all, the bank will send the money back from 54 foreign exchange offices. Foreign banks collect money from customers and then send customer information to the bank. There are two ways to send information to the bank.

- ✓ Electronic Funds Transfer (EFT)
- ✓ Life for the International Interbank Fund Telecommunication (SWIFT)

After receiving the information from the bank the procedure is to edit the data with the help of customized software that is prepared for processing the data. This software is called Operational Management in addition to (RMS +) software. Some of the best, most active young professionals, IT professionals and young professionals are hired to provide fast and easy service to customers.

The exchange collects information from consumers about them,

- Amount
- Payment Order No
- Account Name
- Remitter Name
- Date
- Beneficiary Name
- Recipient Name etc.

RMS collects multiple remittances from multiple exchange companies and transforms them into a single model and established liability. After receiving the refund, RMS receives a password, a first-last password, a Part 2 password checker, and two signatures to activate the password daily. There are 20 (twenty) parameterized signatures in RMS. We can change the badge on a daily basis. RMS has a stable test rating model. So RMS just gives a forced measurement for every amount. We then collect TRA data from different exchange companies and encourage our security and use of RMS Data Centers for live content.

The RMS module at the output point receives the output file and it is valid. After use, TRA automatically prints with both signature and serial number. Authorization of the seller to sign TRA signs as a third sign and distribute it. TRA remote locations are initially telegraph-based and TRA is referred to as "telephone credit".

7.2 Advantages of RMS

- The transfer of money to customer accounts is too large.
- Automatic sending of messages on the mobile phone of the receiver / sender when obtaining money at the expatriate branch.
- Transfer money sent from abroad to the money transfer site, even if there is no number from the payer.
- Transfer money from a Sonali Bank branch to another branch via TT / DD / MT online.

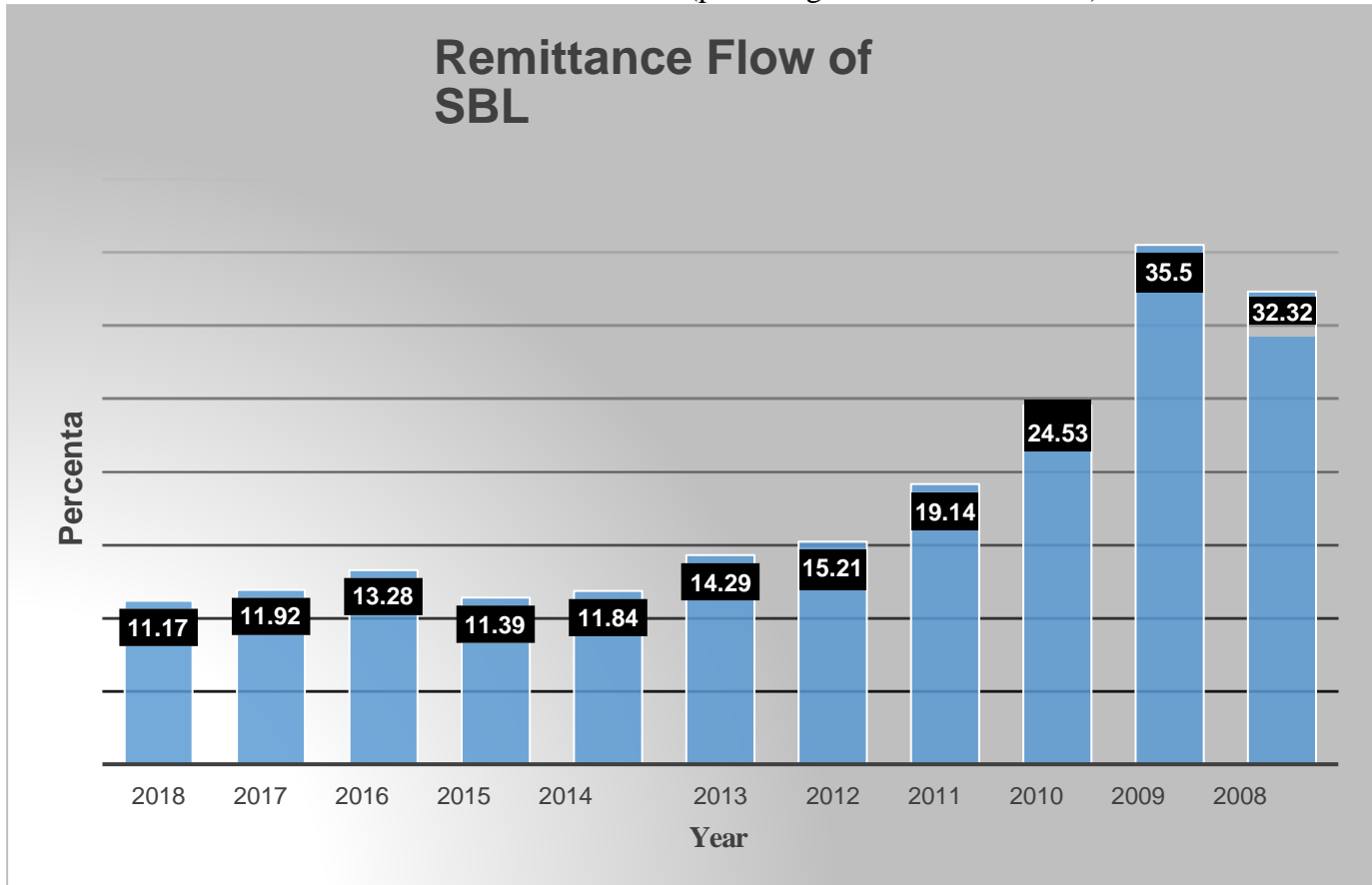
7.3 Features of RMS (Payment Management System) for Middle East Money Exchange

- Credit beneficiary Account within 8-24Hours.
- Auto TRA issue
- Auto Test Number for any amount(Parameterized)
- Auto Signature(Parameterized)
- Highly secured data transmission
- Auto Feed Back
- Data Ready for Reconciliation
- Unique platform for all exchange company
- Consolidated Data packet for all overseas exchange/Bank
- Missing data packet traceable by outlet software
- Single Copy instrument print
- Additional instrument copy prints with “Care Duplicate”.
- Generate all types of required statements
- 100% parameterized Software
- Only local TRA prints at WECB (Wage Earner’s Corp Br)

Instrumentation of Sonali Bank Ltd

Remission Sonali Bank Ltd compared to the total remission in percentage terms

Table 10: SBL remittance flows from 2008 to 2018 (percentage of total remittances)



Source: Annual report of Sonali Bank Ltd, 2018

&<http://www.theglobaleconomy.com/Bangladesh/Remittances/>

In order to measure the performance of Sonali Bank Ltd In terms of refunds, we determine SBL's total payment percentage. USD 1 average in BDT released from Sonali Bank annual data to convert dollar to BDT.

Data from The last 10 years (2008-2018) represent an understanding of the real performance of Sonali Bank Ltd regarding remittances. We see that the percentage of SBL remittances in all remittances is at a lower level from 2008 to 2018. From the above we can see that there are Sonali Bank remittances from 2008-2018. Sonali Bank received the largest amount in 2009. We can also consider the delisting of Sonali Bank as a percentage of the total debt owed. In 2009, the percentage was 35.50oftotalremittance. But that year, the percentage gradually decreased over the years, which is not good for the bank.

SBL currently holds 11.37% of total remittances in 2018. As the largest state-owned commercial bank, it should receive more remittances in proportion to total remittances.

There are many reasons after you turn into the total percentage of the total conversion. I will review the section and will explain the reasons after multiple withdrawals.



Chapter-08
***Analysis & Findings,
Recommendation and
Conclusion***

Findings

Sonal Bank's remittance flow as a percentage of total remittances decreased for some reason. The following reasons are mainly responsible for the decrease in Sonali Bank's performance in receiving remittances:

- Many newly established private commercial banks receive remittances from foreign countries.
- Insufficient remittance unit of SBL.
- Payments are sent to the beneficiary.
- Not very careful about sending money back.
- Higher cost of return from foreigners.
- Provides quality shipping services.
- News of Injustice in Sonali Bank does not allow traders to send money through SBL.
- Unfamiliar people in the family do not want to go to the bank to get a refund because they decide it burdens heavier than the channel does not work.
- In rural areas, people think they have no problem going to the shore, not that they get money back from hundi (the most popular places)

Most migrants are unqualified and untrained, so they are afraid to send remittances through the bank, facing deficiencies.

Recommendation

As a remittance unit, Sonali Bank Ltd plays an important role in our financial and business development. Therefore, the bank needs to improve its comfort to recover the money. They need to find the right professionals and staff for the returned product. They need to upgrade their equipment to get paid. They need to improve the capacity of the central server and also improve the management system so that the server is not slow when running. They must ensure the security of RMS + (software) and also solve software delays and errors. The lower cost proves the repayment ratio compared to other banks.

Conclusion

During my internship, I learned about the process of remittance of Sonali Bank Ltd. As the largest conglomerate, Sonali Bank Ltd receives a large amount of remittances. But the number of bank lenders has not increased unexpectedly by the year due to their weakness. The bank can contribute more to the economy of our country, as well as financial expansion in remittances. The bank can increase the income by getting a higher rebate. The bank needs a better remittance facility for them to receive a higher remittance compared to other banks in Bangladesh and private banks.



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