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INTERNSHIP REPORT ON
Foreign Exchange Activities Of Janata Bank Ltd.

SUBMITTED TO

Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

Daffodil International University

SUBMITTED BY

Md Nahid Hasan Moni

ID: 211-14-291

Program: MBA

Major: Finance

Department of Business Administration

Daffodil international university

Submission Date: 25th July 2022

Letter of Transmittal

Date: 25th July, 2022

Dr. Md. Abdur Rouf
Associate Professor
Department of Business Administration
Daffodil International University
Dhaka, Bangladesh.

Subject: **Submission of Internship Report.**

Dear Sir,

I have the pleasure to submit my internship report on “Foreign Exchange Activities Of Janata Bank Ltd. (Jatiyo Smritisoudha Branch)” in complete form. This report is an integrated part of my 3 months internship program at Janata Bank Limited. I have strived hard to make it as subjective as possible. It was in deed great pleasure for me to experience the real-life working environment which I am sure very enrich my academic background about to enter the professional field.

I shall be highly encouraged if you are kind to receive this report. A call for classification on any of the points will be appreciated.

Thanking you with best regards.

Sincerely yours



(Md Nahid Hasan Moni)
ID No.: 211-14-291
Batch: 58th
Program: MBA
Major: Finance
Department of Business Administration



JANATA BANK LIMITED

জনতা ব্যাংক লিমিটেড

প্রধান কার্যালয় : জনতা ভবন
১১০, মতিঝিল বা/এ, ঢাকা-১০০০।
ফ্যাক্সঃ ৮৮০২৯৫৬৪৬৪৪
www.janatabank-bd.com

জাতীয় স্মৃতিসৌধ শাখা

সাভার, ঢাকা।

মোবাইলঃ ০১৩১৩-৪১৫৭৮১

E-mail:jb0452@janatabank-bd.com

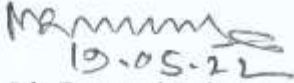
Ref:RI/INTERN/NAHID/303/2022

DT:19/05/2022

TO WHOM IT MAY CONCERN

This is to certify that **MD NAHID HASAN MONI** is a student of MBA program Dept. of Business Administration Major in Finance of Daffodil International University, Student **ID:211-14-291**, **Session:2021-2022** has completed an internship program in Janata Bank Limited, Jatiyo Smritisoudha Branch, Savar, Dhaka from 16 February, 2022 to 15 May, 2022 successfully. He did not show any mentionable fault from any aspect. During the tenure of program his devotion, sincerity and modesty were quite impressive and praise worthy.

I wish him every success in life.


19.05.22

Md. Rezaul Islam
Manager

মোঃ রেজাউল ইসলাম
ব্যবস্থাপক
জনতা ব্যাংক লিমিটেড
জাতীয় স্মৃতিসৌধ শাখা, ঢাকা

Student declaration

I hereby declare that, the internship report on “Foreign Exchange Activities of Janata Bank Ltd” includes my own works pursued. Under the supervision of Dr. Md. Abdur Rouf, Associate Professor, Department of Business Administration, Daffodil International University.

I ensure that the report has been prepared in consideration of the fulfilment of my academic requirement and internship experience.



.....
(Md Nahid Hasan Moni)

ID No.: 211-14-291

Batch: 58th

Program: MBA

Major: Finance

Department of Business Administration

Daffodil International University

Supervisor declaration

This is to certify that, Md Nahid Hasan Moni, ID: 211-14-291, Batch: 58th, Major in Finance has prepared report on “**Foreign Exchange Activities Of Janata Bank Ltd. (Jatiyo Smritisoudha Branch)**”. Based on internship program in the JBL, this report is an essential requirement to obtain Master of Business Administration (MBA) degree from the Daffodil International University.

The internship program was supervised by me and the internship program is successfully completed. I also certify that the paper is unique and has not previously been submitted for publication in any way.



Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

Daffodil International University

Acknowledgements

First and foremost, I want to thank almighty ALLAH for providing me with the strength and mobility to complete the report on time.

Then I complimented and thanked my honorable supervisor for his unwavering support, encouragement, advice, and intelligent ideas throughout the study, without which I would not have been able to produce this report on time. It was a fantastic opportunity for me to finish my internship at Janata Bank Limited's Jatiyo Smritisoudha Branch. I'm also appreciative for the help I've received from my branch manager and other officers.

Finally, I am grateful for all of my professors and friends who have helped and encouraged me

Executive Summary

This report is prepared as a requirement of MBA Program of respective department of Daffodil International University. This report focuses a long time of working experiences in Finance Departments of Janata Bank Limited, to analyze the Foreign Exchange Activities of Janata Bank Limited, to identify the problems of Foreign Exchange Activities of Janata Bank Limited.

This report is divided into five chapters. **First chapter** includes introduction of the study, scope of the study, objectives of the study, methodology of the study, limitations of the study.

Second chapter is profile of Janata Bank Limited and focused on historical background of the study, vision, mission, products and service.

Third chapter, this part explains three main functions of Foreign Exchange department in a detailed way. It contains LC Operation, import, import procedure, export, export procedure, foreign remittance, inward remittance, outward remittance etc.

Fourth chapter, this part is the main part of the study. The foreign exchange operations of Janata Bank Limited have been analyzed in detail. The performance of Janata Bank compared to other banks is shown and some findings are given based on the performance of the bank where it can be seen that Janata Bank is performing very well in some cases and less in some cases.

Finally, fifth chapter at the end of the report, some recommendations, conclusions, references are given which will be helpful for proper understanding of the report.

In short, this report contains all the necessary and possible information regarding the practice of foreign exchange activities of Janata Bank Limited.

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CHAPTER-1

INTRODUCTION

1.1 INTRODUCTION

A bank is a financial institution that offers demand deposits and loans to the retail and business sectors. Banks can be classified as commercial, investment, international, or Islamic. JBL, Jatiyo Smritisoudha Branch is my preferred bank. It is known as "Janata Bank Limited," and it is one of Bangladesh's oldest state banks. It began commercial operations in 1971 as one of Bangladesh's first-generation public-sector banks and has since grown to have one of the largest networks of 916 branches in eight distinct districts. Despite being the oldest, JBL is not the market leader in the banking business, where other newcomers are performing admirably. I have tried to focus entirely on JBL's remittance activities as well as its management process in my paper titled "Foreign Exchange Activities Janata Bank Ltd."

1.2 ORIGIN OF THE REPORT

A report on practical experience is expected after completion of the MBA program. Internships are required for Master of Business Administration (MBA) students and are designed to place them in a demanding setting in the relevant field, allowing them to use their academic knowledge in real-world scenarios. Students get the opportunity to integrate themselves into the organization's specific atmosphere during their internship training. It gives students a once-in-a-lifetime opportunity to witness the realities of business while still in school, allowing them to gain confidence and practical knowledge before starting their careers. Every business university offers an internship program to meet this criterion. We can apply theoretical knowledge from class lectures, books, journals, case studies, seminars, projects, workshops, and other sources in this setting.

1.3 SCOPE OF THE STUDY

Almost all of the desks were observed during my three-month internship at JBL's Jatiyo Smritisoudha Branch. I needed information from JBL Headquarters for that purpose. However, I was assigned to the JBL Jatiyo Smritisoudha Branch. As a routine task, I had to work in its general departmental function, particularly the foreign exchange department desks. It was tough to get material for my report because the people at this bank were so preoccupied with their duties that they couldn't spare much time for me. I've attempted to cover the activities, rules, and regulations around foreign exchange in this article.

1.4 OBJECTIVES OF THE REPORT

- To understand foreign exchange activities of Janata bank limited.
- To analyze the export, import and foreign remittance performance of Janata Bank Limited's.
- To find out some problem on foreign exchange activities of Janata Bank Limited.
- To provide some recommendations on the basis of findings.

1.5 METHODOLOGY

This report was written using an exploratory research method. Microsoft Excel was used to evaluate and present the data, which included percentages, graphical presentations, and various types of charts. The numerical findings were thoroughly examined.

1.5.1 Sources of Data

The annual report of Janata Bank Limited, the annual meeting report, brochures, and web sites (<http://jb.com.bd/jb/home>) are the primary sources of information. In this report data collection method is mainly based on Secondary source of data.

Secondary Sources of Data

Secondary data is gathered from annual reports, notable conceptual concerns, websites, and a variety of published pieces in various printing formats.

- Annual Reports of Janata Bank Limited from various years.
- Other Janata Bank Limited records which have been made available to the public.
- The head office's respective foreign matter sectors.

1.6 LIMITATIONS

When producing this study, I encountered some limitations, which are listed below.

Time : It was one of the major obstacles to covering all parts of the research.

Information: Bangladesh's import and export statistics is scarce on the internet. For the completion of the report, secondary sources of information were insufficient.

Limitations: The department's workers kept a great deal of secret information.

CHAPTER-2

OVERVIEW OF JANATA BANK LIMITED

2.1 Organizational Overview

A Quick Overview Janata Bank Limited, a Bangladeshi commercial bank (JBL). JBL was established by the government in 1971 and has since evolved to become one of the largest networks of 916 branches among public sector first-generation banks.

The Bank has made a name for itself in the field of Public Sector Banking by providing customized service, innovative methods, a dynamic attitude, and effective management. With the purpose of playing a leading role in the country's economic activities, the Bank is firmly engaged in the growth of trade, commerce, and industry through an innovative lending strategy.

2.2 Vision of JBL

To become Bangladesh's most effective commercial bank, contributing to the country's socioeconomic development and establishing itself as a premier bank in South Asia.

2.3 Mission of JBL

- To become the industry leader by achieving the highest level of customer satisfaction while maintaining a strong company culture and sound governance.
- To maximize profit while maintaining a significant market share.
- Engineering socially responsible enterprise and inventiveness in business and industry.
- Using ICT integration, completely automated systems will be introduced.
- Maintaining a high moral and ethical standard, as well as participatory management.
- To create an environment that encourages and rewards creativity and performance.
- Using an effective HRM system, establish and keep a high-quality workforce.

2.4 Branch Network

The bank has been operating with a network of 916 branches all over the country as on 31th December 2021. Here shows,

Category wise branch distribution of JBL:

Sl.	Category	No.
1	Special corporate	2
2	Corporate 1	30
3	Corporate 2	79
4	Grade 1	278
5	Grade 2	212
6	Grade 3	259

7	Grade 4	52
8	Overseas	4
Total=		916

Table 01: Category wise number of Branches

Location wise branch distribution of JBL:

SL No	Category	No.
1	Urban	482
2	Rural	430
3	Overseas	4
Total=		916

Table 02: Location wise number of Branches

2.5 Strategies of JBL

- To achieve the highest level of client pleasure and gain trust.
- To run and administer the bank as efficiently as possible.
- To determine customers' wants and track their attitudes toward providing those demands.
- Review and update rules, procedures, and practices in order to improve the capacity to provide superior customer service.
- To teach and develop all staff, as well as to provide them with necessary resources, in order to adequately address client needs.
- Increase organizational efficiency by keeping employees informed about the company's strategy, policies, and producers.
- To establish a nice working atmosphere.
- to diversify the portfolio's retail and wholesale markets.

2.6 Organizational Structure

JBL's organizational structure is divided into various wings. There are several –

- Board of Directors
- Board Committees
- Executive Committees
- Policy Committees
- Management Team

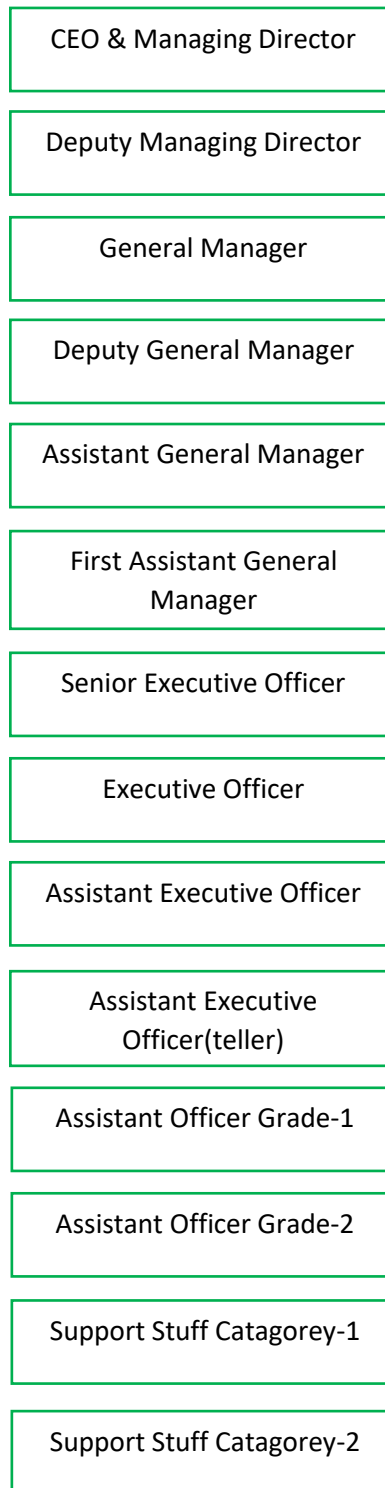
Board of Directors

The Board of Directors is made up of eleven (thirteen) members, with a Chairman at the helm. The Board of Directors includes members from both the public and private sectors. The following are the names and positions of the directors as of May 6, 2022.

No.	Name of Directors	Position
1.	S. M. Mahfuzur Rahman, Ph.D.	Chairman
2.	FCA Mr. Ajit Kumar Paul	Director
3.	K. M. Shamsul Alam	Director
4.	Muhammed Asad Ullah	Director
5.	Ziauddin Ahmed	Director
6.	Md. Abdul Majid	Director
7.	Rubina Amin	Director
8	Md. Abu Naser	Director
9	Meshkat Ahmed Chowdhury	Director
10	Prof. Dr. Nitai Chanra Nag	Director
11	Md. Abdus Salam Azad (F F)	Managing Director & CEO

Table 03: Board of Directors Name of JBL

Structure of the Janata Bank:



2.7 Products

Customers and corporate clients can take advantage of a wide range of financial services provided by the bank. Following are descriptions of several products:

JBL offers a variety of deposit options to its customers,

2.7.1 Savings Bank Account (SB)

This is an interest-bearing account that can only be opened by people. Customers can deposit or withdraw money 10 times each month from their SB account. The savings with interest account pays a certain amount of interest while the non-interest savings account pays no interest.

2.7.2 Current Deposit Account (CD)

It is commonly referred to as a current account. This sort of account can be opened in the name of any individual, company, or corporation. This account does not pay interest. The account holder has complete control over when and how much money is deposited or withdrawn from his or her account.

2.7.3 Short Term Deposit Account (STD)

This is a temporary facility that is open and run for a specific purpose, such as salary payment. It's also an interest-bearing account with a lower interest rate than a savings account.

2.7.4 Fixed Deposit Receipt Account (FDR)

This account is open to individuals, businesses, corporations, and associations. The deposit is made for a set amount of time, such as three months, six months, or one year.

The following is the deposit growth and composition for 2019 and 2020:

(BDT in million)

Particulars	Balance		Growth (%)	Deposit mix (%)	
	2020	2019		2020	2019
CD and other accounts	88,488.80	90,081.56	-1.77%	10.74%	13.03%
SB	197,455.53	177,111.80	11.49%	23.96%	25.62%
SND	176,846.75	124,912.84	41.58%	21.46%	18.07%
FDR	361,216.88	299,303.17	20.69%	43.84%	43.29%
Total	824,007.96	691,409.37	19.18%	100.00%	100.00%

Table 04: Deposit Mix of JBL

2.8 Business Performance over the last Few Decades

A comparative overview of deposits, loans & advances and net profit over the last few years is given below:

Indicators	2020 (Tk. In million)	2019 (Tk. In million)	Growth (%)
Deposits	824,008	691,409	19.18%
Loans & Advances	605,352	548,474	10.37%
Total Asset	1043,311	895,387	16.52%
Operating Profit	9,809	7,094	(38.27%)
Net Profit	143	246	(41.86%)

Table 05: comparative performance of the Deposits, Loans & Advances

Customers can use the bank for a variety of commercial banking services, such as receiving deposits, providing loans and advances, discounts and buy bills, remittance, money transfer, foreign exchange transaction, guarantee, and obligations. JBL's operating profit, excluding subsidiaries, increased by 38.29 percent to BDT 9,809.76 million in 2020, up from BDT 7,093.66 million the previous year. Total bank deposits were BDT 824,007.96 million at the end of 2020, up from BDT 691,409.37 million at the end of 2019, a 19.18 percent increase. Aside from that, the bank's total assets climbed by BDT 147,924.10, or 16.52 percent, from BDT 895,387.08 the previous year, while Loans & Advances increased by 10.37 percent to BDT 605,351.70 million.

2.9 Shareholders' Equity

According to Bangladesh Bank regulations, a company's paid up share capital and statutory reserve must total at least BDT 4,000.00 million, with the paid up share capital being at least BDT 2,000.00 million. In contrast, the bank's paid-up share capital at the end of 2020 was BDT 23,140.00 million. From BDT 11,675.29 million at the end of 2019, the statutory reserve grew to BDT 12,008.60 million at the end of 2020. From BDT 50,267.95 million in 2019, JBL's shareholders' equity climbed to BDT 51,502.64 million in 2020.

Comparative overview of capital structure over two years is given below-

Particulars	2020 (Tk. In million)	2019 (Tk. In millions)
Authorized Capital	30000	30000
Paid-Up Capital	23,140.00	23,140.00
Statutory Reserve	12,008.60	11,675.29
Other reserve	11,726.43	7,568.41
Retained Earnings	4,627.61	7,884.25

Table 06: Capital Structure of JBL

2.10 Loan and Advances

JBL's Loans & Advances climbed by BDT 56,877.76 million in 2020, reaching BDT 605,351.70 million, up from BDT 548,473.94 million in 2019, indicating a 10.37 percent rise over the previous year. The concentration of loans and advances was properly handled, with details provided in the financial statement comments.

Year	(Tk. In million)
2016	403,037
2017	459,580
2018	533,707
2019	548,474
2020	605,352

Table 07: last five years Loan and advances

2.11 Customer Services

The Bank places great emphasis on customer service. The bank's policy is to make all workers, regardless of socioeconomic status, more proactive with clients. Employees are self-driven and dedicated to completing their tasks.

2.12 Corporate Governance

Corporate governance specifies the form and level of accountability of the people and institutions involved in the business and is the system by which firms are managed and controlled in the best interests of stakeholders. Corporate governance ensures management's fairness, openness, and integrity. It is more of a manner of life than a legal requirement. It instills and reinforces investor confidence and devotion to the organization. Corporate

governance, in reality, leads to good governance, and good governance is an essential component of a country's economic progress.

2.13 Corporate Social Responsibility

The incorporation of social issues into Janata Bank Limited's basic process, one of the country's main banks, is a key source of worry. They are committed to developing policies, business practices, and social services that drive change in our industry, and they are determined to hold themselves accountable for the social, environmental, and economic impacts of our operations as part of their commitment to create real value in a changing world. They use our brand's strength, their people's passion and enthusiasm, and our company's size to accomplish major societal gains.

2.14 Credit Rating

According to a Bangladesh Bank notification, credit ratings are required for commercial banks and should be determined by recognized rating organizations. As a result, Credit Rating Information & Services Limited has assessed Janata Bank Limited's rating for the year 2020. (CRISL). The following is the several years situation:

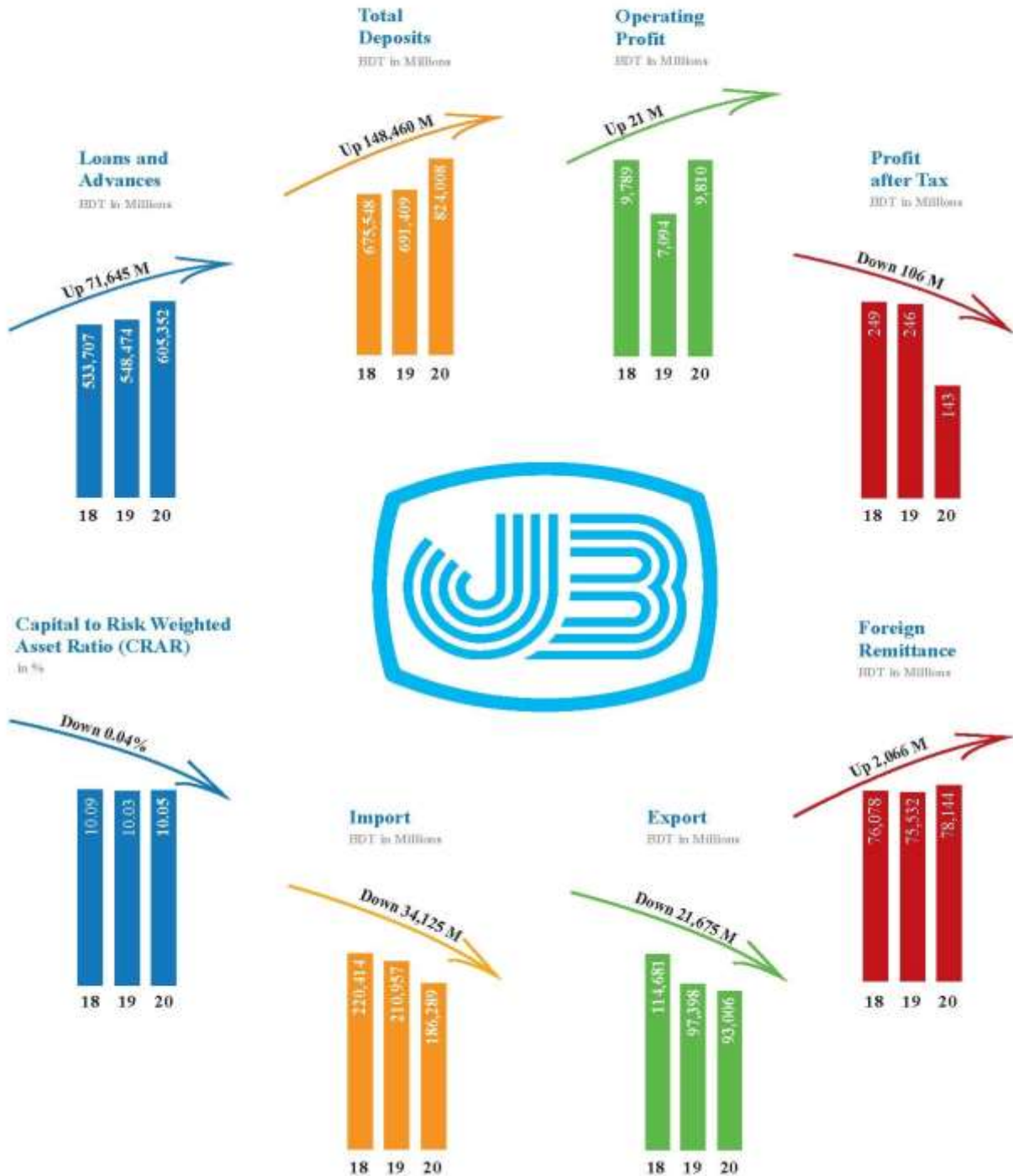
year	Credit rating			
	Entity Rating		As Government Owned Bank	
	Long Term	Short Term	Long Term	Short Term
2020	A+	ST-2	AAA	ST-1
2019	A	ST-2	AAA	ST-1
2018	A	ST-2	AAA	ST-1
2017	A+	ST-2	AAA	ST-1

Table 08: Credit Rating Report

- Using the Entity Rating JBL received an A+ rating, indicating that it has a strong capacity for prompt payment of financial obligations while maintaining adequate security. Credit risk is low for such institutions.
- Based on data from a government-owned bank JBL has been given the AAA rating, which denotes excellent quality and the highest level of security for punctual payment of financial obligations. Such institutions are low-risk.
- The ST-2 short-term rating implies a strong ability to meet financial commitments on schedule and a low credit risk.
- The ST-1 short-term rating shows the strongest ability to meet financial commitments on schedule and the lowest credit risk.

2.15 Financial Highlights

Financial Highlights



CHAPTER-3

**Foreign Exchange Activities Of Janata
Bank Limited**

3.1 Foreign Exchange

Foreign exchange is a fundamental component of commercial banking. The Foreign Exchange Regulation (FER) Act, 1974, enacted on March 11, 1947, in British-India, provides the legal foundation for controlling receipts and payments, as well as trading in foreign exchange and securities. The government, as well as the Bangladesh Bank, provide basic regulations for conducting Foreign Exchange Operations in the form of public notices, circulars, and other documents. Authorized Foreign Exchange Dealers must adhere to the Bangladesh Bank's circulars and rules on a regular basis.

Foreign exchange refers to the exchange of currency in terms of goods, which includes all deposits, credits, balances payable, drafts, T. Cs, bills of exchange, L/Cs, and other financial instruments between countries. All foreign exchange transactions in Bangladesh are subject to the Bangladesh Bank's exchange control regulations. One of the most important departments of Janata Bank Ltd is the Foreign Exchange department.

3.2 Foreign Exchange Risk Management

The danger that exchanges rate fluctuations will affect the value of a financial institution's overseas assets and obligations is known as foreign exchange risk. A strong management system control is essential to reduce this category of risk. The bank's treasury department's front office continues to assess foreign exchange rates and attempts to decrease risk, while the back office settles all foreign exchange transactions and reconciles them.

3.3 Section

JBL's foreign exchange department is organized into two parts in the Main Branch:

- L/C Operation
- Foreign Remittance

3.4 L/C Operation

A letter of credit (L/C) is a "Credit Contract" in which the buyer's bank agrees to deposit an agreed amount of money at the seller's disposal under certain conditions (on behalf of the purchasers).

We can understand the total procedure of a Letter of Credit by the following Flow Chart,

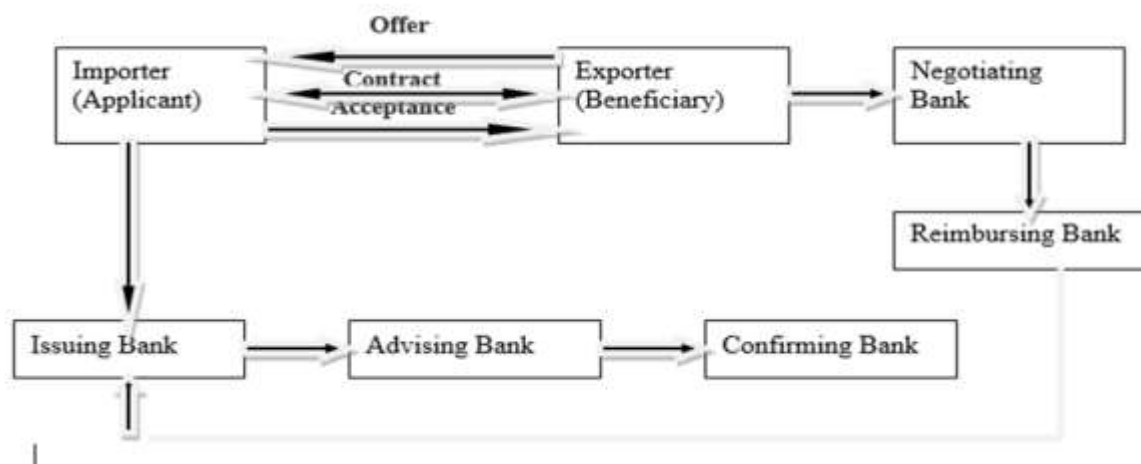


Figure 01: process of L/C

3.5 Types of L/C

There are various types of documentary Letter of Credit:

- Revolving L/C
- Irrevocable L/C
- Confirmed Irrevocable L/C
- Revolving L/C
- Back-to-Back L/C
- Transferable L/C
- Red Clause L/C
- Green Clause L/C
- Stand by L/C
- Performance L/C

3.6 Documents Used in L/C Operation

The most commonly used documents in foreign exchange are

- Bill of Exchange.
- Bill of Lading
- Invoice for commercial use.
- Certificate of origin is a document that certifies the provenance of a product.
- Certificate of inspection
- Packing list
- Document of insurance.
- Indent/Pro Forma Invoice (PI).

3.7 Activities Of Foreign Exchange Division

Activities of Foreign Exchange Division can be broadly divided into three parts:

- Export
- Import
- Remittance

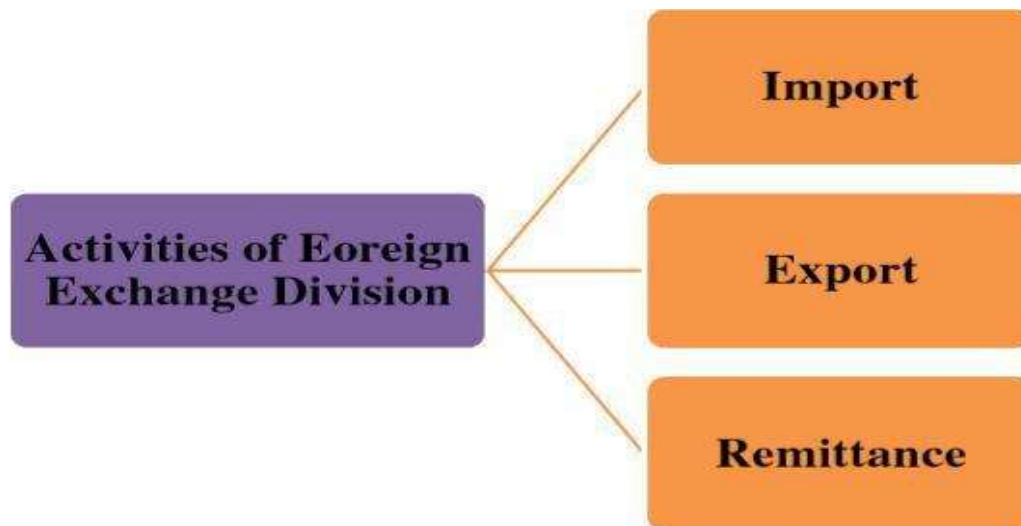


Figure 02: Foreign exchange Activities

3.7.1 About Import

Import refers to the purchase of goods and services from other nations and their delivery to Bangladesh. In a nutshell, import is defined as the flow of commodities and services purchased by domestic economic agents from foreign economic agents.

3.7.2 Import Process

1. Before opening a Letter of Credit (L/C), the importer must submit the following documents with the L/C application:
 - Valid Import Registration Certificate (IRC) (commercial/industrial)
 - Taxpayers Identification Number (TIN)/ Membership Certificate
 - VAT Registration Certificate
 - Proforma/Indent Invoice duly accepted by the importer.
 - Insurance Cover Note with Money Receipt covering value of goods to be imported plus 10 (Ten) percent above
 - IMP forms duly signed by the importer.

- LCA forms duly signed by the importer and incorporating New ITC number of at least 6 (six) digits under the Harmonized System as given in the Import Trade Control Schedule 1988.
 - Credit report of the supplier / country of supplier.
 - Poet import finance (required or not)
 - Margin for opening L/C
 - Authority /sanction
 - Other documents/ papers etc.
2. The importer must next contact the vendor outside of the country in order to get the Pro forma Invoice.
 3. When the importer approves the Pro forma Invoice, he or she enters into a purchase agreement with the exporter, outlining the import's terms and conditions.
 4. After completing the purchase contract, the importer negotiates payment terms with the supplier.

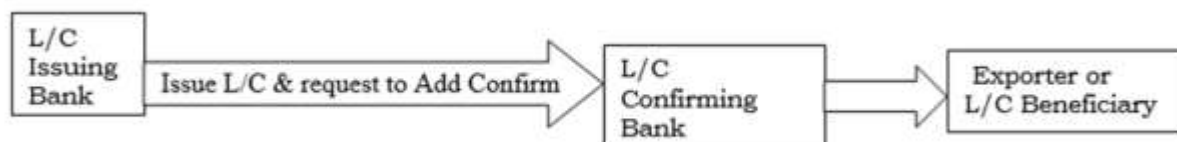


Figure 03: Import Process

3.8.1 About Export

An export is a type of international commercial transaction in which items produced in one country are shipped to another country for sale or trade in the future. The sale of such commodities contributes to the gross domestic product of the producing country.

The reverse of the import L/C operation is the export L/C operation. When a local exporter exports goods, the bank may operate as an advising bank and a collecting bank (negotiable bank) for the exporter.

3.8.2 Procedures of export

- Registration of Exporters
- Securing Orders
- Signing Contracts,
- Receiving Letters of Credit
- Procuring Materials
- Shipment of Goods
- Submission of Documents are all things that the bank is negotiating.

1. Registration of Exporters

For obtaining Export Registration Certificate (ERC), intending Bangladeshi exporters are required to apply the controller / joint controller / assistant controller of imports and exports.

- Certification of citizenship and expression.
- In the instance of a limited company, the constitution and memorandum of association, and also the certificate of incorporation.
- A certification from a corporation.
- A photocopy of your income statement.
- A certification of commercial activity.

2. Securing Orders

After getting ERC certificate the exporter may proceed to secure the export order. He can do this by contracting the buyers directly or through agent.

3. Sign in the Contract

After communicating the buyer, exporter has to get contract for exporting exportable items from Bangladesh detailing commodity, quantity, Price, Shipment, insurance and marks, inspection and arbitration etc.

4. Receiving Letter of Credit

After getting contract for sale, exporter should ask the buyer about the letter of credit

The following are the main points to be locked into for receiving and collecting export proceeds by means of documentary credit.

- a) The term of L/C is in conformity with others of the contract
- b) The L/C is an irrevocable one, preferably confirmed by the advising bank.
- c) The L/C allows sufficient time for shipment and negotiation.

Terms and condition should be stated in the contract clearly in case of other mode of payment:

- a) Cash in advance.
- b) Open account.
- c) Collection basis.

5. Procuring the materials

After making the deal and on having the L/C opened in his favor, the next step for the exporter is to set about the task of Procuring or manufacturing the contracted merchandise.

6. Shipment of goods

The exporter should take the preparation for export arrangement for delivery of goods. As per L/C and incoterms, papers and submit shipping documents for documents or payments or negotiation in terms.

7. Final step

Submission of the document to the bank for the negotiation.

3.9.1 Foreign Remittance

The bank is a licensed foreign exchange dealer. As an official dealer, a bank must provide some foreign exchange services to its customers, which this department performs.

The primary responsibility of this department is to send and receive foreign currency from one country to another. It sells and buys foreign currency when it performs this remittance service. A predetermined rate is used to exchange one currency for another, which the banker quotes for both purchasing and selling. Foreign currencies are bought and sold in the same way that any other commodity is, with the buyer paying the cost (convention value) in his or her home currency, which is the legal tender.

3.9.2 Remittance procedures of foreign currency

Inward Foreign Remittance

- EXP form
- Form C

Outward Foreign Remittance

- IMP Form
- TM

3.9.3 Inward Foreign Remittance

The purchase of foreign currency in the form of foreign TT, DD, MT, and other bills delivered from outside to a Bangladeshi beneficiary is known as inward foreign remittance. Foreign exchange purchases must be reported to the Bangladesh Bank's exchange control department using one of two forms:

EXP form: This is where remittances received in exchange for commodities exported from Bangladesh are processed.

Form C:

This is used to send inward remittances of at least US\$ 2000. The remittance recipient declares the fund's purpose here.

3.9.4 Outward Foreign Remittance

Selling foreign currency through the issuing of foreign TTs, drafts, and travelers' checks, as well as selling foreign currency under a letter of credit and against a retired import bill, are all examples of outward foreign remittance. Outward remittances of foreign currency are divided into two categories:

IMP Form:

All remittances made abroad to cover imports.

TM:

For all other outward remittances.

3.9.5 How Does Foreign Remittance Work

The bank gave non-resident foreigners and Bangladeshi wage earners the opportunity to open Non-resident Foreign Currency Deposit (NFCD) and Foreign Currency Current Deposit (FCCD) accounts with the goal of attracting them to invest in Bangladesh. They will need to open an FC (Foreign Currency) account for this.

Facilities

- Foreign currency that has been deposited can be redeemed in Bangladeshi Taka.
- A bank can send foreign currency to another country.
- While traveling overseas, foreign currency can be carried.
- On the deposited amount of connected foreign currency, applicable interest can be generated.
- This account generates tax-free interest.

3.9.6 Formalities for opening a foreign currency account (FC) include the following:

- Without the permission of the Bangladesh Bank, the AD may open a Foreign Currency (FC) account in the name of a Bangladesh person residing abroad.
- International nationals and foreign companies residing in Bangladesh
- Foreign missions and their expatriate workers that are registered and operating in Bangladesh.
- Residents of Bangladesh get paid in foreign currency if they work for a foreign or international organization based in Bangladesh.

CHAPTER- 4

ANALYSIS AND FINDINGS

4.1 Import

(Tk. In million)

Year	Import	Growth rate
2021	275,158.00	47.70%
2020	186,289.00	-11.69%
2019	210,957.20	-4.29%
2018	220,413.70	53.51%
2017	143,582.20	

Table 09: Yearly Import position of JBL

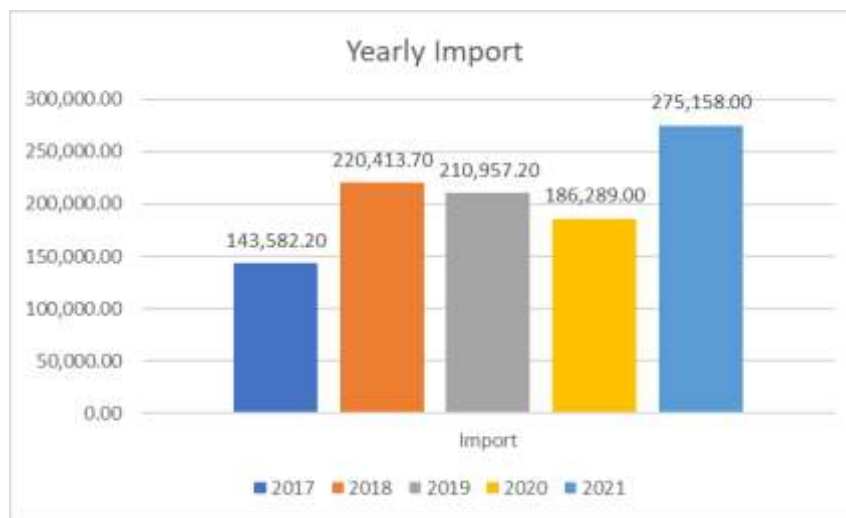


Figure 04: Yearly Import position of JBL

The graph shows the fluctuation of the import growth rate of Janata bank limited in some selective years since 2017. The graph reveals that the import growth rate of JBL since 2017 fluctuates from 4.29% to 53.51%. In 2017 the import was Tk143,582.20 in 2018 it rose up to 53.51% within one years. But in the next year (2018 to 2019) the import rate of JBL was on the wane. In 2019 the rate came down to 49.22% which was 4.22% less than the previous Year. The next year 2020 was the last segment of decreasing of import growth rate in JBL. In that year the rate reduced by 11.69%. If we look at the last indicator in 2021, we can find a positive change in this two year (2020-2021) the import growth rate of JBL got a significant increase of 47.70%. It is also significant that from 2017 to 2021 in five year the import rate of JBL rises 91.64% in total.

4.2 Export

(Tk. In million)

Year	Export	Growth Rate
2021	171,139.30	84.01%
2020	93,005.70	-4.51%
2019	97,398.20	-15.07%
2018	114,681.00	-18.04%
2017	139,920.90	

Table 10: Yearly Export position of JBL

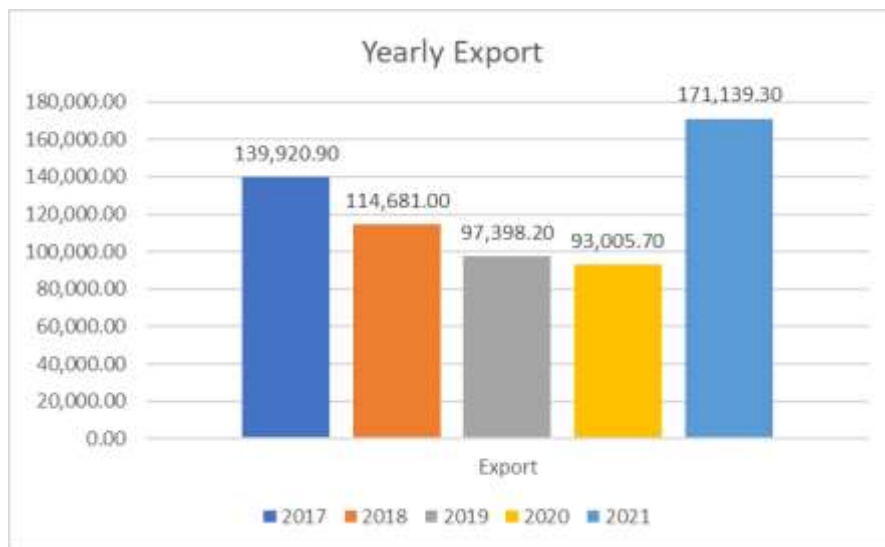


Figure 05: Yearly Export position of JBL

The graph given above is the result of a recent survey on export growth rate conducted over the year from 2017 to 2021. In the graph it is noticed that in 2017 the export was TK 139920million. In the next year the growth rate slowed down by 18.04%. In 2019 the decrease in growth rate continued and it was 15.07%. Further also in 2020 the continuation of slowing down the growth rate by 4.51%. But in 2021 we notice a dramatic increase in the growth rate which is the highest rate among the mentioned year. This rate is 84.01%. This flow should be continued in the future years. It is also significant that from 2017 to 2021 in five year the export growth rate of JBL rises 22.31% in total.

4.3 Foreign Remittances (Inward)

(Tk. In million)

Year	Remittance	Growth Rate
2021	68,298.00	-12.60%
2020	78,144.30	3.46%
2019	75,532.10	-0.72%
2018	76,078.10	5.63%
2017	72,022.00	

Table 11: Yearly Foreign Remittance Position

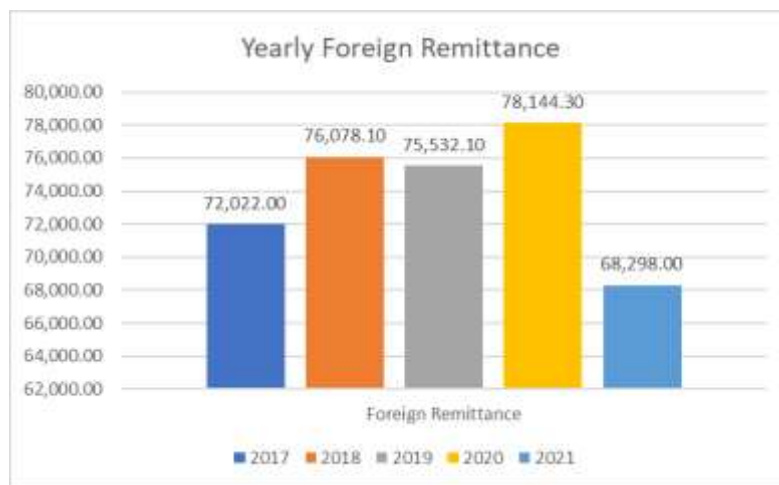


Figure 06: Yearly Foreign Remittance position

The graph shows the fluctuation of the foreign remittance growth rate of Janata bank limited in some selective years since 2017. The graph reveals that the foreign remittance growth rate of JBL since 2017 fluctuates from 0.72% to 5.63%. In 2017 the growth rate was only 20.05% but in 2018 it rose up to 5.63% within one years. But in the next year (2018 to 2019) the foreign remittance rate of JBL was on the wane. In 2019 foreign remittance 0.72% less than the previous year. The next year 2020 was the last segment of increasing of foreign remittance growth rate in JBL. In that year the rate increased by 3.46%. It is the last indicator with positive impression. But if we look at the last indicator in 2021, we can find a negative change in this two year (2020-2021) the foreign remittance growth rate of JBL got a significant decrease of 12.60%. It is also significant that from 2017 to 2021 in five year the foreign remittance growth rate of JBL fall by 5.17% in total. This flow should not be continued in the future years.

4.4 Comparison of Import with State-owned commercial banks

Foreign remittance performance comparison between 04 State-owned commercial banks is showing below with graph

Bank	Import (Tk. In million)
Janata Bank Limited	1,86,289
Sonali Bank Limited	1,65,550
Pubali Bank Limited	1,64,240
Agrani Bank Limited	2,48,738

Table 12: Comparison table of Import

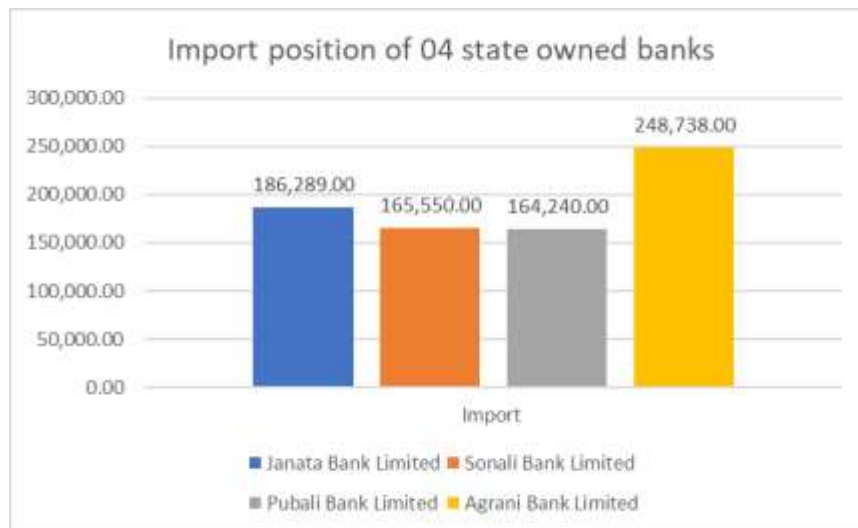


Figure 07: Comparison chart of Import

The graph shows comparative result of 04 state owned commercial banks import position. The graph shows that the banks are Janata Bank Limited, Sonali Bank Limited, Pubali Bank Limited, Agrani Bank Limited. According to the chart Agrani Bank Limited stands on the highest position in import business that is Tk.2,48,738 million. Next comes the bank Janata Bank Limited which is stand on second highest position with Tk1,86,289 million. According to given charts Sonali Bank limited are the third highest rated in regard of Import business. About Tk1,65,550 million imports have been spent in that year. If we look into the bank Pubali Bank Limited, It will be apparent to us that this is the lowest import spending bank. The amount of spent of this bank are Tk1,64,240 million.

4.5 Comparison of Export with State-owned commercial banks

Foreign remittance performance comparison between 04 State-owned commercial banks is showing below with graph

Bank	Export (Tk. In million)
Janata Bank Limited	93,006
Sonali Bank Limited	25,160
Pubali Bank Limited	87,340
Agrani Bank Limited	1,06,366

Table 13: Comparison Table of Export

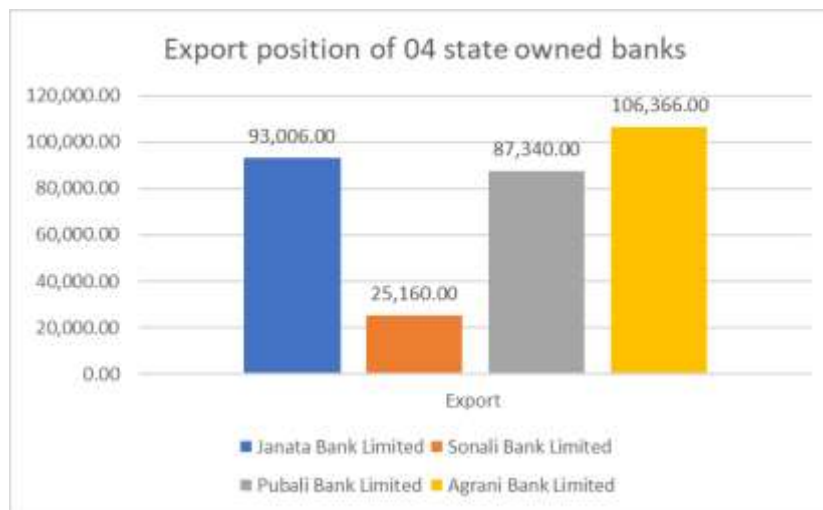


Figure 08: Comparison Chart of Export

The graph shows comparative result of 04 state owned commercial banks export. The graph shows that the banks are Janata Bank Limited, Sonali Bank Limited, Pubali Bank Limited, Agrani Bank Limited. According to the chart the highest Revenue from export collecting bank is Agrani Bank Limited which is Tk1,06,366 million. Next comes the bank Janata Bank Limited which is the second highest revenue collecting bank from export. The charts shows that Tk93,006 million have been collected from export in 2020. According to given charts Pubali Bank limited are the third highest rated in regard of revenue from export collecting. About Tk87,340 million revenues have been collected in that year. If we look into the bank Sonali Bank Limited, It will be apparent to us that this is the lowest foreign revenue from export collecting bank. The amount of revenue collected of this bank from export are Tk25,160 million.

4.6 Comparison of foreign remittances with State-owned commercial banks

Foreign remittance performance comparison between 04 State-owned commercial banks is showing below with graph

Bank	Foreign Remittance 2020 (Tk. In million)
Janata Bank Limited	68,298
Sonali Bank Limited	1,29,056
Pubali Bank Limited	52,113
Agrani Bank Limited	2,10,139

Table 14: Comparison table of foreign remittances

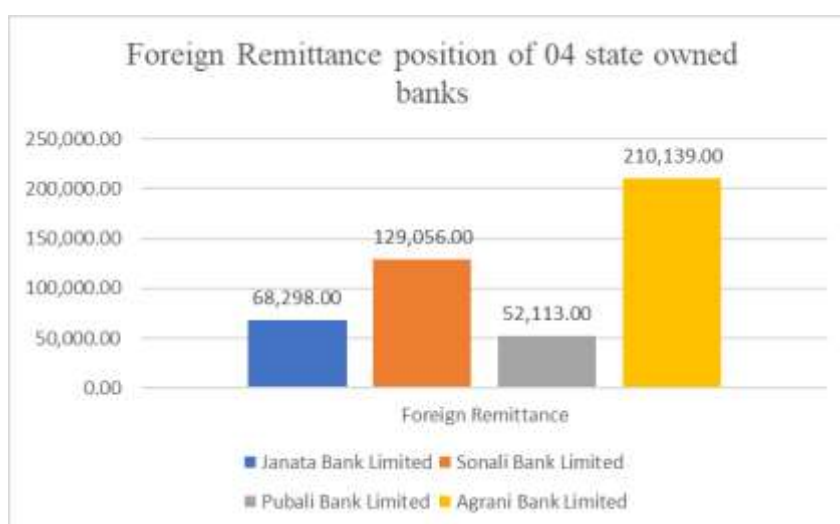


Figure 09: Comparison chart of foreign remittances

The graph shows comparative result of foreign remittance of 04 state owned commercial banks. The graph shows that the banks are Janata Bank Limited, Sonali Bank Limited, Pubali Bank Limited, Agrani Bank Limited. According to the chart the highest foreign remittance collecting bank is Agrani Bank Limited which is Tk2,10,139 million. Next comes the bank Sonali Bank Limited which is the second highest foreign remittance collecting bank. The charts shows that Tk1,29,056 million have been collected foreign remittance in 2020. According to given charts Janata Bank limited are the third highest rated in regard of foreign remittance collecting. About Tk68,298 million foreign remittances have been collected in that year. If we look into the bank Pubali Bank Limited, It will be apparent to us that this is the lowest foreign remittance collecting bank. The amount of foreign remittance collected of this bank are Tk52,113 million.

4.7 Findings of The Study

The study has some findings. These are

- The Import of Janata Bank Limited had increased thorough the last 5 years. The initial import in 2017 was 143582.20 in Million BDT which has been increased in the next year which was 220,413.70 in Million BDT and next two years JBL had faced negative growth rate which was 4.29% and 11.69% but in next year it was increased 2,75,158.00 in Million BDT which was 47.70% growth.
- Janata Bank Limited's export revenue is fluctuating from 2017 to 2021. In 2017 Janata Bank Limited's initial volume of export business was TK.1,39,920.90 in Million. Export earnings fell by 37.62% in the next three years. In the following year, Janata Bank was able to earn TK 1,71,139.30 million with a growth rate of 84.01%.
- Janata Bank Limited's remittances are fluctuating from 2017 to 2021. The initial amount of foreign remittances in 2017 was Tk 72,022.00 million. In the last 5 years, Janata Bank Limited collected a minimum foreign remittance of Tk 68,298 million in 2021 which is 5.17% less than 2017 and a maximum foreign remittance of 78,144.30 million in 2020 which is 8.517% more than 2017.
- In import business, Janata Bank Limited is in better position than other 4 state owned commercial banks of Bangladesh. Janata Bank collected Tk 1,86,289 million in 2020 which is 33.52% less than the first ranked Agrani Bank Limited.
- In export business, Janata Bank Limited is in better position than other 4 state owned commercial banks of Bangladesh. Janata Bank collected Tk 93,006 million in 2020 which is 14.36% less than the first ranked Agrani Bank Limited.
- In foreign remittance business, Janata Bank Limited is not in a good position compared to other 4 state owned commercial banks of Bangladesh. Janata Bank collected Tk 2,10,139 million in 2020 which is 207.68% less than the first ranked Agrani Bank Limited and 88.96% less than the second ranked Sonali Bank Limited.

CHAPTER-5

RECOMMENDATION AND CONCLUSION

5.1 Recommendations

It is very difficult to suggest something to Janata Bank Limited. In this study I have already found out some crisis and prospectus of Janata Bank Limited in foreign trade. My recommendations are as follows;

- If JBL wants to earn more profit from foreign exchange departments, it has to concern more on export and import. Because the earnings of foreign exchange department are more affected by export and import than foreign remittance.
- Exporters and importers should be given more incentive this will help to increase transaction
- JBL's should attract more customers by charging less charge initially so that remittance transaction may increase.
- Bank can provide foreign market reports, which will enable the exporter to evaluate the demand for their products in foreign countries.
- New investment sector is booming rapidly. JBL should identified those untapped areas of business and invest in those sectors such as Gas plant, condensed milk project, ship breaking etc.

5.2 Conclusion

JBL is committed to delivering high-quality financial services or products that encourage commerce, accelerate industrialization, raise exports, generate jobs for educated youth, reduce poverty, and improve the country's GDP by enhancing the standard of life of low-income people. Despite the fact that JBL has a solid position as a result of its many activities, its client base, deposit amount, and money invested are all growing. This bank has already demonstrated excellent investment results. In this competitive banking industry, the bank should consider launching new services and employing various marketing strategies to attract more consumers. In a country where there are so many local and foreign banks, Janata Bank Limited stands out as a viable commercial bank. In this competitive environment, banks must compete against not just other commercial banks, but also public banks. JBL is more capable of helping to economic development than other banks. JBL boosted its export and import business investment. Clearly, this bank's strategic thinking, which involves building a strong network across the country and increasing resources, will be able to contribute significantly to the development portfolio. The banking industry's prosperity depends on effective lending and fast recovery. A significant number of remittances, as well as general operations, would support the country's economic development on a national and international level, as well as the bank's reputation for providing services to clients. More modern and easy appliances and processes, as well as proper and trained staff, are hoped to raise JBL's and the country's benchmarks to the greatest levels in the world, and to make the company proud to be a shining light in the sky.

Reference:

- Janata Bank Limited website
- Annual report of Janata Bank Limited 2017,2018,2019,2020,2021
- Annual report of another state-owned commercial bank in Bangladesh