



An Internship report on
Foreign Exchange activities of Janata Bank Limited: An Evaluation

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Letter of Transmittal

Date:

Masud Ibn Rahman

Assistant Professor

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Subject: **Submission of Internship Report.**

Dear Sir,

I have the pleasure to submit an Internship Report after a successful three month Internship attachment at Janata Bank limited. The Internship Report concentrates on the “Foreign Exchange Activities: “A Study on Janata Bank, New Market Branch.”

I have concentrated my best effort to achieve the objectives of the report and hope that my endeavor will serve the purpose. The practical knowledge and experience gathered during the report preparation will immeasurably help in my future professional life. I will be obliged if you kindly approve this endeavor.

Thanking You

Md. Hafizur Rahman

BBA, Major in Finance

ID: 101-11-1409

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Letter of Declaration

Date:

Masud Ibn Rahman

Assistant Professor

Department of Business Administration

Faculty of Business & Economics

Daffodil International University

Subject: **Declaration regarding the validity of Internship Report.**

Dear Sir,

This is my declaration that the internship report “Foreign Exchange Activities: “A Study on Janata Bank, New market Branch.” Which is submitted to you not a copy of any other internship report previously made by any other student.

I also express my confirmation in support if the fact that the said internship report has neither been before to fulfill any other course related purpose nor it will be submitted to any other person or authority in future.

Sincerely,

.....

Md. Hafizur Rahman

BBA, Major in Finance

ID: 101-11-1409

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Latter of acceptance

This is to certify that Md. Hafizur Rahman Bearing Id: 101-11-1409 has prepared this internship report entitle “**Foreign Exchange Activities of Janata Bank Ltd: A study on New Market Branch.**” Under my supervision & guidance. This is for the partial fulfilment of four year graduation degree of BBA in Major-Finance of daffodil International University.

I have gone through the Master paper. He has accomplished the report by himself under my supervision.

I wish his every success in life

.....
Masud Ibn Rahman

Assistant Professor

Faculty of Business & Economics

BBA Department

Daffodil International University

Acknowledgement

First and foremost I would like to express my thanks and respect to Almighty Allah who has given me the strength to complete the internship program successfully. I do thank for the blessings given by Allah to my daily life, good health, healthy mind and good ideas. It is indeed a great pleasure and honor on my side to have the opportunity to submit this report after three month of practical orientation on Janata Bank limited. This internship report is considered as an honest effort to develop my practical and personal knowledge, which adds to the theoretical part of my study. The people without whom I could never been able to submit my report is the following mentioned irrespective of any importance in order.

At first, I would like to express my profound gratitude and deep regards to our honourable sir **Masud Ibn Rahman, Assistant Professor ,Department of Business Administration and Faculty of Business & Economics**, for his exemplary guidance, monitoring and constant encouragement for this report. The blessing, help and guidance given by his time to time shall carry me a long way in the journey of life on which I am about to embark.

I would like to pass thanks from my core of heart to Principle Manager of Janata Bank for his random and unconditional support to complete my internship successfully.

I also like to give my thanks to all senior and junior staff Janata bank Limited at New Market branch, whose cooperation helped me to complete my internship properly. I must mention the excellent working environment and the positive group behavior of this Bank, which helped me tremendously.

Abbreviation and Elaboration

JBL	: Janata Bank Ltd.
CRR	: Cash Reserve System
CRAB	: Credit Rating Agency of Bangladesh
STD	: Short Term Deposit
FDTE	: Fixed Deposit Scheme
DD	: Demand Draft
IBC	: Inward Bill for Collection
PO	: Payment of Order
OBC	: Outward Bills for Collection
A/C	: Account No
B/C	: Bill for Exchange
B/L	: Bill for Landing
BTB	: Back to Back
CIB	: Credit Information Bureau
CCI & I	: Chief Controller of Import and Export
CAD	: Cash against Document
CFR	: Cost and Freight
DA	: Documents against Acceptance
DP	: Document against payment
EXP	: Export Form
ERC	: Export Registration Certificate
EPB	: Export Promotion Bureau
FDBP	: Foreign Document Bill Purchase
FDBC	: Foreign Document Bill Collection
FDD	: Foreign Demand Draft

FC A/C	: Foreign Currency Account
FOB	: Fee on the Bond
FER	: Foreign Exchange Regulation
FTT	: Foreign Telegraphic Transfer
HO	: Head Office
HP	: Hire purchase
H.S. Code	: Harmonized System Code
ID	: International Division
IBDA	: International Branch Debit Advice
IBCA	: International Branch Credit Advice
IDBP	: Inland Documentary Bill Purchase
ITC	: International Trade control
IRC	: Import Registration Control
L/C	: Letter of Credit
LIM	: Loan against Imported Merchandise
LTR	: Loan against Trust Receipt
OD	: On Demand
PC	: Packing credit
PRC	: Processed Realization Certificate
PAD	: Payment against Document
PI	: Pro-form Invoice
RMG	: Readymade Garments
ROA	: Return on Asset
SWIFT	: Society for World Inter Bank Financial Telecommunication
UCPDC	: Uniform Customs and Practice for Document Credit
TR	: Trust Receipt
TIN	: Tax Identification Number

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Report of the Body

Chapter-One

Introduction

1.1 Introduction

Janata Bank Limited, one of the state owned commercial banks in Bangladesh, has an authorized capital of Tk. 20000 million. In today's world, education is to understand the real world and apply knowledge for the better of the society as well as economy. From education the theoretical knowledge is obtained from courses of , which is only half way of the subject matter. Practical knowledge has no alternative. Therefore, an opportunity is offered by Daffodil International University, to get three months practical experience, which is known as "Internship Program". As practical orientation is integral part of BBA program requirement, worked as an intern at Janata Bank Limited., New Market Branch. An internship program in a bank like Janata for three months was a great opportunity for me where learned practical knowledge and experience on the various spheres of banking business. After a discussion and getting consent, started to work on the project title "A study on Foreign Exchange activities of Janata Bank Ltd".

Janata bank play unifying and intermediary roles between fund-supping and fund-demanding sides of the society , executing saving and investing function. Due to key role in the economy , while working under the principles of profitability and productivity , bank are obliged to obey ethical principles of banking profession and organizational ethical the banking system plays an important role in the economy , and the activity of the banks are also vital to the achievement of national socio-economy development goals of providing shelter, infrastructure and employment.

1.2 Background of the study

This report has been prepared as a requirement of internship program. As a student of BBA program, assigned to the internship period with a topic an Evaluation of Foreign Exchange Activities of Janata Bank: Study on New Market branch. Janata Bank Ltd., a leading & outstanding commercial based bank in the area of banking business, gives many fresh graduates an opportunity to get a real taste of actual banking activities of various departments every year. According to the needs & demands of the society & the country as a whole the bank invests money to different update business sectors. The Bank participates different activities aiming at creating jobs, implementing development projects taken by the Government and developing infrastructure. This study is descriptive in nature.

Janata banks provides necessary funds for excuting various programs underway in the process of economic development of a country . Economy of Bangladesh is the worlds most underdeveloped banking system. Bangladesh government has taken a lot of financial sector reform measurement for making financial sector as well as banking sector more transparent and formulation participated by the different international organisation. Banking delivers strong performance across the business and integrates recent acquisition.

At the same time efforts have been made to explore new clients having good potentiality to diversify and creat a well established structure investment portfolio and to minimize overall portfolio risk. Banking area is becoming competitive as well as services are becoming easier and faster.

1.3 Scope of the study

This report is a part of academic program. Working in the Janata Bank Ltd, get the opportunity to gain knowledge of different part of banking system. The BBA program having 128 credits in total, in which it contains six (6) credits hours on the internship program. The period of internship program has set for three months. The scope of the study has in the organization, Janata Bank Ltd. The study was confined only on the JBL (New Market branch.). The time learned lot of things, Foreign Exchange Activities like about the Export/Import L/C, Back to Back L/C, Document, remittance, that's why this report is a close focus on These three operation of the branch.

1.4 Objective of the study

Objective of the study acts as a bridge between the starting point and the goals of the study . To illustrate the objectives properly, presented into two parts:

General Objectives:

To explore and evaluate the “Foreign Exchange Activities” of Janata Bank Limited (New Market Branch).

Specific Objectives:

1. To illustrate Foreign Trades of Janata Bank Limited.
2. To find out how the import, export business works of the bank.
3. To study how to achieve foreign remittance of JBL.
4. To study on the rules and regulation of Foreign Exchange Activities .
5. To have SWOT analysis of the Foreign Exchange Activities of Janata Bank Ltd.
6. To identify problems related to Foreign Exchange Activities JBL.
7. To suggest some recommendations for the smooth operation of JBL..

1.5 Methodology of the Study

The report is descriptive in nature. The report would be based on a details discussion on Foreign Exchange Activities of Janata Bank Limited. Throughout the report, The use different types of research method to find out proper and correct information. For preparing this internee report , Janataally thr experience form different department of the Foreign Exchange Activities of Janata Bank Limited was used.

With a view to conducting are research study, what is necessary is to design the framework and select the appropriate research methodology . A research design is simply a framework or a plan for a study that may be used as a guide in collecting analyzing data. There are various methods of conducting the research, such as-Interview Method, Observation Method, Historical Method, Statistical Method, Questionnaire Method and the like. The information was collected from both primary and secondary sources of data. Regarding the information required was collected within the organization from the Corporate Division of Janata Bank Limited.

Primary data:

- Practical desk work.
- Face to face conversation with the respective officers and clients.
- Questionnaire survey of Bank customer.
- Personal observation.
- Relevant file study as provided by the officers concerned.

Secondary data:

- Study on Annual Reports of Janata Bank Limited.
- Online data from JBL website.
- Published or unpublished or personally collected data from officers, Local
- Officers and Head office of the Janata Bank Limited.
- Different journal regarding Janata banking.

Methods of data collection:

- Observation of different activity.
- Consultation with respective officer.
- Practical work exposure on different desk.

Target population:

The target population of the study is all officers and customers of Janata Bank Limited ,
New market Branch. Existing individual customers of Janata Bank Ltd.

Sample size:

- Employee 20
- Customer 25

Sampling Technique:

Convenience sampling has been used.

Sample Frame:

Individual customer those who come to Janata Bank and have an account or financial
relation with the bank.

Data Processing:

The data has been collected from the customers through face to face investigation. After that, data has processed through the following ways.

- Customers answers are categorized according to their personal information, present banking habit, experience, preference, attitude, behavior about Janata Bank Limited.
- After that customers answer are recorded as compiled.

Data Analysis :

Simple descriptive nature of data analysis were applied. Observation were explained in quantitative manners.

1.6 Limitations of the study

Some data and information for obvious reasons that could be very much essential. From the beginning to the end, the study has been conducted with the intention of making it as a complete and truthful one. The report is an overall view Foreign Exchange operation of Janata Bank Ltd. At New Market Branch. But there is some limitation for preparing this report. These are,

- Difficulty in accessing latest data of internal operations.
- Some information has withheld to retain the confidentiality of the Bank.
- Very inadequate time to make an in-depth inference about foreign exchange business.
- Clients were very busy with their own works in the bank.
- Large-scale research was not possible due to constraints and restrictions posed by the organization.
- Part of the original structure was written from individual perception and it may vary from person to person.

With all this limitation tried best to make this report as best as possible. So readers are requested to consider these limitation while reading justifying any part of my study.


Chapter-Two

Organizational Profile of JBL

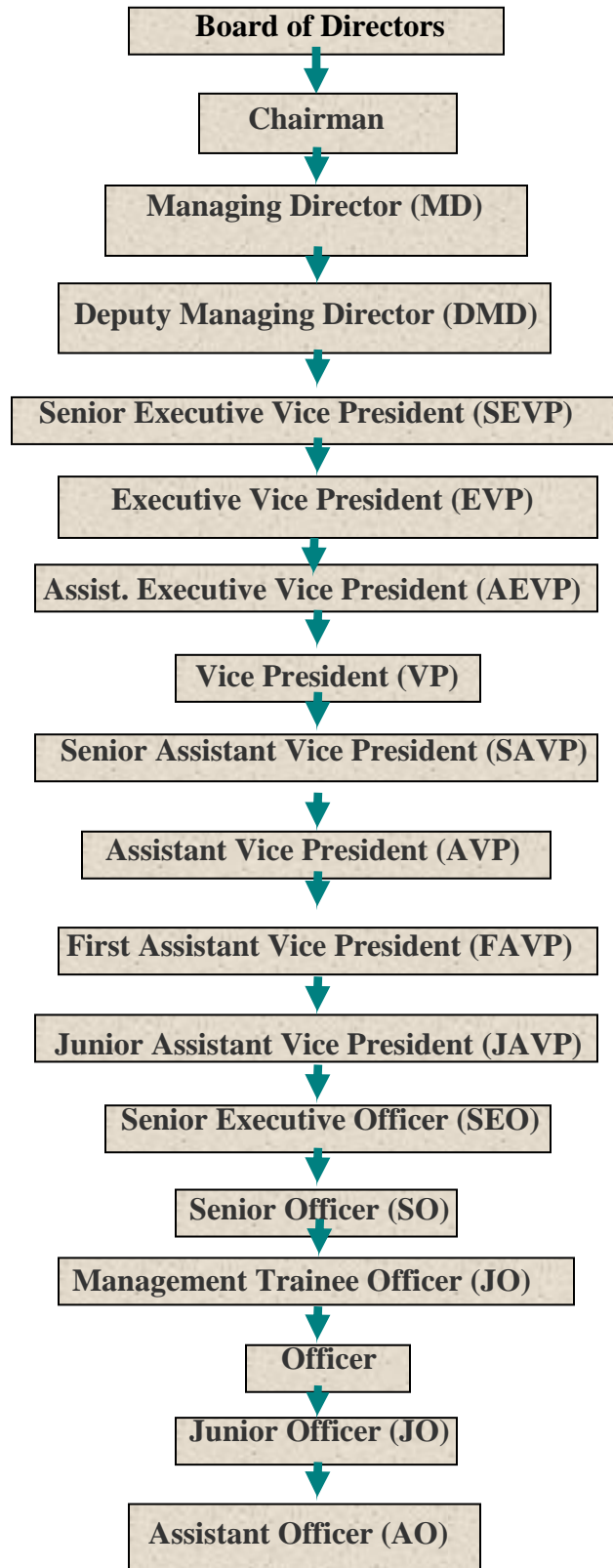
Company Overview:

Janata Bank Limited, one of the state owned commercial banks in Bangladesh, has an authorized capital of Tk. 20000 million (approx. US\$ 250 million), paid up capital of Tk. 11000.00 million, reserve of Tk.17234 million. The Bank has a total asset of Tk. 508567 million as on 31st December 2012. Immediately after the emergence of Bangladesh in 1971, the erstwhile United Bank Limited and Union Bank Limited were renamed as Janata Bank. On 15th November, 2007 the bank has been corporatised and renamed as Janata Bank Limited. Janata Bank Limited operates through **892** branches including 4 overseas branches at United Arab Emirates. It is linked with 1202 foreign correspondents all over the world. The Bank employees more than 15(fifteen) thousand persons. The mission of the bank is to actively participate in the socio- economic development of the nation by operating a commercially sound banking organization, providing credit to viable borrowers, efficiently delivered and competitively priced, simultaneously protecting depositors funds and providing a satisfactory return on equity to the owners. The Board of Directors is composed of 13 (Thirteen) members headed by a Chairman. The Directors are representatives from both public and private sectors. The Bank is headed by the Chief Executive Officer & Managing Director, who is a reputed banker. The corporate head office is located at Dhaka with 10 (ten) Divisions comprising of 38 (thirty eight) Departments.

2.2 Janata Bank Ltd. at a Glance:

SL.NO	Key Point	Particulars
01	Name of the Bank	Janata Bank Limited
02	Logo of the Bank	 জনতা ব্যাংক লিমিটেড Janata Bank Limited উন্নয়নে আপনার বিশ্বস্ত অংশীদার
03	Date of Incorporation	Immediately after the emergence of Bangladesh in 1971, the erstwhile United Bank Limited and Union Bank Limited were renamed as Janata Bank
04	Status	Public Company Limited
05	Chairman	Dr. Abul Barkat
06	CEO & Managing Director	S. M. Aminur Rahman
07	Company Secretary	Md. Mosaddake-UI-Alam
08	Number of Branches	884
09	SME Service Centres	12
10	Brokerage Houses	08
11	Total Manpower	15071
12	Earnings Per Share	46.46
13	Total assets	52,774.77
14	Capital	3,969.33
15	Paid Up Capital	Tk. 11000 Million.
16	Growth Rate	36%
17	Profit	Tk. 14,534 Million.
18	Total Assets	52,774.77
19	Total Deposits	42,354.07
20	Total Loans & Advances	33,883.92
21	Corporate Head Office	Janata Bhaban, 110, Motijheel Commercial Area, Dhaka-1000, Dhaka-1212, Bangladesh.
22	SWIFT	JANB BD DH
23	Corporate Website & E-mail	www. janatabank-bd.com

2.3 Organization Hierarchy of JBL



2. 4 Mission & Vision:

Mission

We aspire to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused company that offers an array of products and services in the search for excellence and to create an impressive economic value.

Vision

To be the bank of 1st choice by creating exceptional value for our clients, investors and employees.

2.5 Values of JBL & Overall Strategic Objectives

- Customer focus
- Integrity
- Teamwork
- Respect for the individual
- Quality
- Responsible citizenship

Strategic Objectives

- To ensure inflow of funds at combinations of least possible cost.
- To maintain a discreet credit policy.
- To extend financial assistance to the citizenry, living at dispersed locations by expanding the network of branches.
- To practice stronger IT-driven initiatives that will meet the challenges and requirements of the bank and its clientele.
- To improve administrative and organizational structures in order to prepare the platform for best practices of corporate governance.

Chapter-Four

Foreign Exchange Activities

- *Import*
- *Export*
- *Remittance*

Foreign Trades:

JBL provides a wide range of banking services to all types of commercial concerns such as Import & Export Finance and Services, Investment Advice, Foreign Remittance and other specialized services as required. Although we are a private commercial Bank, we have a strong global network that helps us to undertake international trade smoothly and efficiently.

Import Business:

Janata Bank supports its customers by providing facilities throughout the import process to ensure smooth running of their business. The facilities are:

- a. Import Letter of Credit
- b. Post Import Financing (LIM, LTR etc)
- c. Import collection services & Shipping Guarantees

Export Business:

Janata Bank offers extra cover to its customers for the entire export process to speed up receipt of proceeds. The facilities are:

- a. Export Letters of Credit advising
- b. Pre-shipment Export financing
- c. Export documents negotiation
- d. Letters of Credit confirmation

Remittance:

Janata Bank provides to its customers the following services:

- a. Inward/ Outward Remittance Services.
- b. TT/DD Issue.
- c. DD/ Cheque collection.
- d. Endorsements.
- e. Travelers Cheque Issuance.

Correspondent Banking:

The objective of our correspondent banking operations is to strengthen our existing relationship with foreign and financial institutions around the globe as well as exploring new relationships. In addition to that, we provide assistance in marketing the products of the correspondent banks.

At present JB is maintaining relationships with 30 (thirty) foreign correspondents and the number is growing every day. Currently the bank has 18 (eighteen) NOSTRO A/Cs with large foreign banks abroad. The bank is a “SWIFT” member and its Bank Identification Number or BIC is ‘JBLBBBH’.

Remittance Services:

Janata Bank maintains a strong network with the Exchange Houses worldwide for ensuring better remittance services for its customers. The Bank having a network of 30 branches has established remittance arrangements with a number of exchange houses to facilitate wage earners to remit their money to Bangladesh. The following is the list of exchange houses having arrangement with al Janata Bank Ltd.

Exchange House Name	Service Available	Presence
UAE Exchange Centre LLC	1. Taka Draft Arrangement	
	2. EFT Using XPIN	Global
web:http://www.useexchange.com	3. TT Arrangement	
Wall Street Exchange Centre LLC	1. TT Arrangement	UAE
web:http://www.wallsrreetcorp.com		Global
Instant Cash Worldwide Ltd.	1. Taka Draft Arrangement	Locations List
	1. TT Arrangement	
Al Ahalia Money Exchange Bureau	2. Taka Draft Arrangement	UAE
Route of Asia Money Exchange Ltd.	1. TT Arrangement	UK
Bangladesh Money Transfers (UK) Ltd.	1. TT Arrangement	UK
Instant Exchange UK Ltd.	1. TT Arrangement	UK
Money link UK Ltd.	1. TT Arrangement	UK
web: bttrf//www. money hnknk.		
Trust Exchange Co. W1.L.	1. Taka Draft Arrangement	Qatar
	2. TT Arrangement	

Web:

The Internet has brought about a revolutionary change in the world leading to convergence of communication and computing technologies. In order to provide round the clock and up to date information on the Bank to the trade and business communities worldwide, the IT Team of Janata Bank Limited has developed a web for the ft can be accessed under the domain name: www.janatbank.com

SWIFT:

The Bank has become the member of SWIFT Alliance Access, a multi-branch secure financial messaging system provided by the Society for Worldwide Inter-bank Financial Telecommunication [SWIFT], Belgium. With the activation of the SWIFT system the Bank enjoys instant, low-cost, speedy and reliable connectivity for L/C transaction, fund transfers, message communication and other worldwide financial activities.

Foreign exchange division:

One of the largest businesses carried out by the commercial bank is foreign trading. The trade among various countries falls for close link between the parties dealing in trade. The situation calls for expertise in the field of foreign operations. The bank, which provides such operation, is referred to as rendering international banking operation. Mainly transactions with overseas countries are respects of import; export and foreign remittance come under the preview of foreign exchange transactions. International trade demands a flow of goods from seller to buyer and of payment from buyer to seller. In this case the bank plays a vital role to bridge between the buyer and seller.



In the JBL New Market Branch there are five peoples are working continuously with great effort and teamwork there are quite efficient skill and talented the above jobs are performed in this department. The Bangladesh Bank and the respected VP of this section control them. There are more than 70 clients and 25 countries they are dealing with.

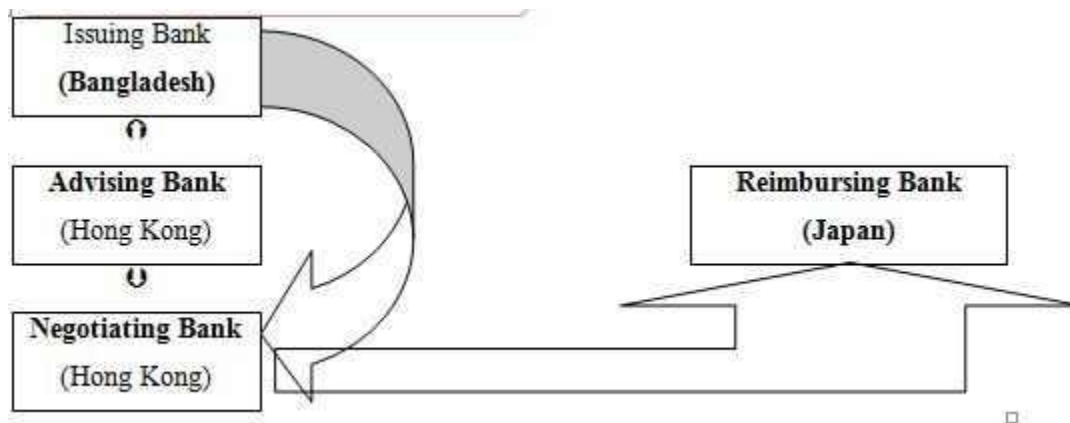
Documentary credit/ Letter of credit (L/Cs):

Documentary Credit is an assurance of payment by the bank. It is an arrangement under which the bank at the request of the buyer or on its own undertakes to make payment to the seller provided specified documents are submitted. Documentary Credit is an arrangement whereby a bank (issuing bank) acting at the request and on the instruction of a customer (the applicant) or on its own behalf undertakes to make payment to or to the order of a third party (the beneficiary) or to accept and pay bills of exchange (draft) drawn by the beneficiary, or authorize another bank to negotiate against stipulated documents provided the terms and conditions to the credit are complied. Thus, Documentary Credits are akin to bank guarantees. In popular language, they are known as Letters of Credit (L/Cs).

Bank as a party of Documentary credit:

Parties to the documentary credit may be an issuing bank, an advising bank, a confirming bank, a reimbursing bank or a negotiating bank.

- **Issuing Bank:** The Issuing Bank or the Opening Bank is one which issues the credit, i.e., undertakes, independent of the undertaking of the applicant, to make payment provided the terms and conditions of the credit have been complied with. The payment may be at sight if the credit provides for sight payment, or at maturity dates if the credit provides for deferred payment.
- **Advising Bank:** The Advising Bank advises the credit to the beneficiary thereby authenticating the genuineness of the credit. The advising bank is normally situated in the country/ place of the beneficiary.



- **Confirming Bank:** A Confirming Bank is one which adds its guarantee to the credit opened by another bank, thereby, undertaking the responsibility of payment/negotiation/acceptance under the credit in addition to that of the issuing bank. A confirming bank normally does so if requested by the issuing bank and it is normally the advising bank.
- **Negotiating Bank:** A Negotiating Bank is the bank nominated or authorized by the issuing bank to pay, to incur a deferred payment liability, to accept drafts or to negotiate the credit.

- **Reimbursing Bank:** A Reimbursing Bank is the bank authorized to honor the reimbursement claims in settlement of negotiation/acceptance/ payment lodged with it by the negotiating bank or accepting bank. It is normally the bank with which the issuing bank has account from which payment is to be made.

4.6 JBL New Market branch as an authorized dealer:

Foreign Exchange Department is an important one in JBL New Market Branch that deals with import, export, and foreign remittance and post import financing. This branch gets the dealership in 2007. Through this is an ancillary service provided by the Bank, The Bank is purchasing primary security by giving loan in form of loan against trust receipt (LTR). Bank branch should be 'Authorized Dealer' with the approval of Bangladesh Bank to run foreign exchange business. This department is playing an important role in enhancing export earnings, which aids economic growth and, in turn, will be helpful for economic development. On the other hand, it also helps to meet those goods and services, which are more demandable and not adequate in our country.

Types of letter of credit:

Documentary credits are Janataally two types:

- I. Revocable
- II. Irrevocable

I. **Revocable credit:** This type of credit can be revoked or caned at any time me consent of, or notice of the beneficiary. In case of seller (beneficiary), revocable credit involves risk, as the credit may be amended or cancelled while the goods are in transit and before the documents are presented, or although presented, before payment has been made. In modern banking, the use of revocable credit is not widely spread.

II. **Irrevocable Credit:** The irrevocable credit is a commonly used type of documentary credit. The credit which cannot be revoked, varied or change/ amended without the

consent of all parties- buyer, seller, issuing bank, and confirming bank irrevocable credit gives the seller grater assurance of payments, but he remains dependent on an undertaking of a foreign bank.

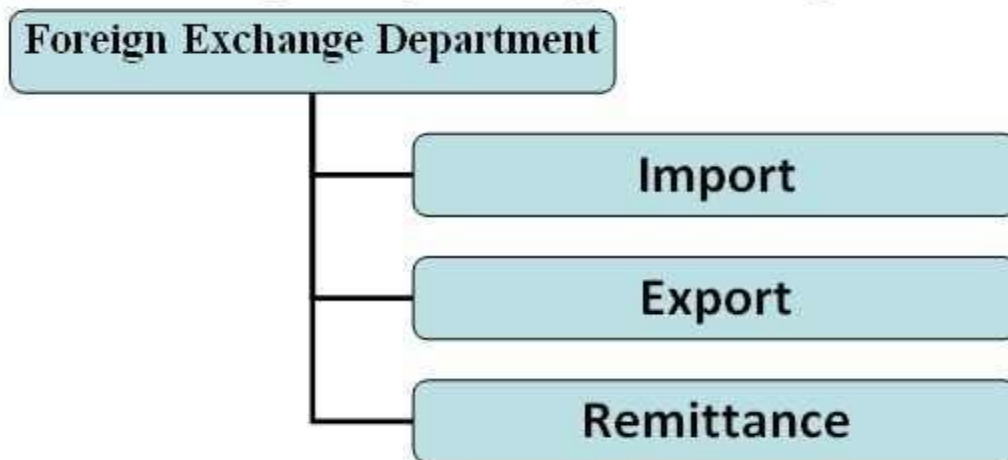
Irrevocable credit may be confirmed or unconfirmed.

Types of documentary credits according to payment methods:

- Sight Credit.
- Deferred payment credit.
- **Sight Payment:** The payment is made as soon as documents shown to the issuing Bank and payment received from importer; Instruction is given to reimbursing bank to give payment.
- **Deferred Payment** The payment of this kind of L/C is made after 30/60/90/120 or 180 days soon as documents shown to the issuing Bank. The credit with deferred payment differs only slightly in its effect on the beneficiary from the credit with time draft.

Functions of foreign exchange department:

The Functions of Foreign Trade department mainly covers the following areas:



4.1.1 Import section:

Import is the flow of goods and services purchased by economic agents located in one country from economic agents located in another. Imports of goods into Bangladesh is regulated by the ministry of commerce and industry in terms of the Import and Export (Control) Act, 1950, with import policy orders issued by annually, and Public Notices issued from time to time by the office of the Chief Controller of Import and Export (CCI & E). Through the process of import some vital but which are inadequate in our country products are imported to meet the local needs of the people. JBL also plays an important role of importing goods.

Import Business

Janata Bank supports its customers by providing facilities throughout the import process to ensure smooth running of their business. The facilities are:

- a. Import Letter of Credit
- b. Post Import Financing (LIM, LTR etc)
- c. Import collection services & Shipping Guarantees

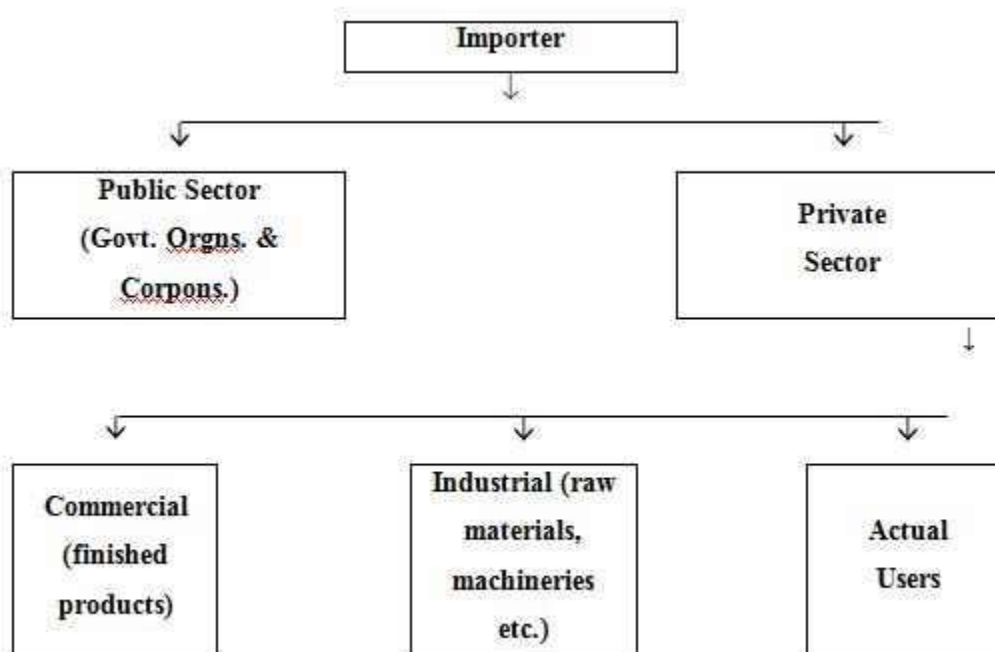


Figure: Types of Importers

4.1.2 Import procedure:

An importer is required to submit the following documents in order to get a license to import through New Market Branch of Janata Bank Ltd.-

- A bank account with the branch
- Applicant has to submit IRC (Indenters Registration Certificate). It is a certificate being renewed every year. This certificate is necessary if the contract is made between the buyers and the agents of the sellers. IRC is of two types- COM and IND. COM is given for commerce purpose and IND is given for industrial purpose.
- Tax Payer's Identification Number (TIN)
- Pro-forma Invoice Indent
- Membership Certificate from a recognized Chamber of Commerce & Industry or Town Association or registered Trade Association
- Letter of Credit Authorization (LCA) Form properly filled in quintuplicate signed by the importer
- L/C Application duly signed by the importer
- One set of IMP Form
- Insurance Cover Note with money receipt
- VAT Registration Certificate (for Commercial Importers)
- In ease of Public Sector, attested photocopy of allocation letter issued by the allocation authority, Administrative Ministry or Division specifying the source, amount, purpose, validity and other terms and conditions against the imports
- Any such documents as may be required as per instructions issued/to be issued by the Chief Controller of Imports & Exports (CCI&E) from time to time,
- Report on past performance with other bank. JBL collects this report from Bangladesh Bank.
- (Credit Information Bureau) report from Bangladesh Bank.
- A proposal approved by the meeting of executive committee of the bank. It is necessary only when the L/C amount is small or there is no limit.

- If the L/C amount is large or there is a limit, then an approval from Bangladesh Bank is needed. Usually this approval is needed for amount more than one core.

4.1.3 Proposal for opening of L/C:

In case of an L/C of a small amount only the prescribed application form, i.e. the LCA Form is enough to open an L/C. But when the L/C amount is reasonably high, then the importer needs to submit an application to the Foreign Exchange Department of New Market Branch for getting a limit of the L/C amount. The salient features of the application are-

- Full particulars of the bank account
- Nature of business
- Required amount of limit
- Payment terms and conditions
- Goods to be imported
- Offered security
- Repayment schedule

4.1.4 The L/C application form:

UC Application Form is a sort of an agreement between customer and bank on the basis of which letter of credit is opened. New Market Branch provides a printed form for opening of L/C to the importer. A special adhesive stamp of value Tk.150 is affixed on the form in accordance with Stamp Act in force. While opening, the stamp is cancelled. Usually the importer expresses his decision to open the L/C quoting the amount of margin in percentage. Usually the importer gives the following information-

- Full name and address of the importer
- Full name and address of the beneficiary
- Draft amount
- Availability of the credit by sight payment/acceptance/negotiation/deferred payment
- The bar within which the documents should be presented
- Sales type (CIF/FOB/C&F)

- Brief specification of commodities, price, quantity, indents no. etc.
- Country of origin
- Bangladesh Bank registration no.
- Import License/ LCAF no.
- IRC no
- Account no.
- Documents no.
- Insurance Cover Note/Policy no., date, amount
- Name and address of Insurance Company
- Whether the partial shipment is allowed or not
- Whether the transshipment is allowed or not
- Last date of shipment
- Last date of negotiation
- Other terms and conditions (if any)
- Whether the confirmation of the credit is requested by the beneficiary or not,
- The L/C application must be completed/filled in properly and signed by the authorized person of the importer before it is submitted to the issuing bank.

The L/C application needs to be submitted along with the following documents-

- (1) Pro-forma Invoice stating description of the goods including quantity, tent price etc.
- (2) The Insurance Cover Note, issuing company and the insurance number
- (3) Four set of IMP Form.

4.1.5 Examination of L/C application:

On receipt of L/C application, the branch officials scrutinize the same very carefully giving emphasis to the following points-

- L/C application is stamped (as per Govt. Stamp Rule) as it is a guarantee of payment
- All information mentioned in different columns have been furnished
- The items to be imported are eligible according to import entitlement
- If L/C is opened against indent, Bangladesh Bank's permission, valid registration, authority to issue indent by indenter are to be checked

- The terms and conditions stipulated in the L/C application are consistent with the Bangladesh Bank Foreign Exchange Guidelines, Import Trade Regulations, UCPDC etc,
- The amount and description of merchandise are relevant to LCAF and pro-forma invoice/indent/purchase order.
- Survey Report or Certificate in case of old machinery
- Carrying vessel is not of Israel or Serbia-Montenegro

4.1.6 Amendment of L/C:

Parties involved in a L/C, particularly the seller and the buyer cannot always satisfy the terms and conditions in full as expected due to some obvious and genuine reasons. In such a situation, the credit should be amended. New Market Branch transmits the amendment by SWIFT, airmail or courier service to the advising bank. But in case of irrevocable letter of credit, it can never be amended nor I without the agreement of the issuing bank, the confirming bank (if any) and the beneficiary. If the L/C is amended, amendment charge and telex charge, as per HO r, are debited from the party's A/C accordingly.

4.1.7 Presentation & examination of shipping document

The seller being satisfied with the terms and the conditions of the credit proceeds to dispatch the required goods to the buyer and after that, has to present the documents evidencing dispatching of goods to the Negotiating Bank on or before the stipulated expiry date of the credit After receiving all the documents, the Negotiating Bank then checks the documents against the credit. If the documents are found in order, the bank will pay, accept or negotiate the documents and will dispatch to New Market Branch, The branch, checks the documents. The usual documents are-

- Invoice
- Bill of Lading
- Certificate of Origin
- Packing List
- Shipping Advice
- Non-negotiable Copy of Bill of Lading
- Bill of Exchange
- Pre-shipment Inspection Report
- Shipment Certificate

New Market Branch officials check whether these documents have any discrepancy or not. Here, “Discrepancy” means the dissimilarity of any of the documents with the terms and conditions of L/C. In case of discrepant documents, the branch advises the discrepancy/ discrepancies to the negotiating bank within five (05) working days after the documents. Some the usual discrepancies are-

- L/C expired
- Late shipment
- Amount drawn in excess of the letter of credit
- Bill of exchange not properly drawn
- Description of goods differ
- Interest clause is missing in bill of exchange, where stipulated
- Bill of exchange is not drawn/ signed by the beneficiary of the credit
- Bill of Lading or Airway Bill stale or Bill of Lading is issued under a charter party
- Insurance cover not as per terms of L/C and insurance does not cover the entire voyage and insurance policy is not properly stamped.

4.1.8 Lodgment of the Documents:

After receiving the documents from the exporters, at first JBL write it in the PAD Registrar. PAD Register contains date, PAD number, L/C number, and value of the drawer, name of the drawer, amount, and number of copies of various documents, name of the imported items. This written procedure is called Lodgment.

Accounting Application

While doing lodgment, JBL makes the following entries-

PAD Account —————Dr.

JBL General Account —————Cr.

Exchange Gain Account —————Cr.

The reversal entries are as follows

Bankers —————Dr.

Customer's Liability —————Cr.

(When lodgment is passed)

JBL stakes the payment to the reimbursing bank against the documents. That's why, it debits the PAD Account.

For payment, JBL deposits the money at the miscellaneous account @ 69.60 (current rate). And sends an Inter Branch Credit Advice (IBCA) to credit the amount to a nostro account maintained in a bank of exporters' country from which payment will be made.

4.1.8 Retirement of the Documents:

The process of collecting documents from bank by the importer is called retirement of the documents. The importer gives necessary instructions to the bank for retirement of the import bills or for the disposal of the shipping documents to clear the imported goods from the customs authority. The importer may instruct the bank to retire the documents by debiting his current account with the bank or by creating Loan against Trust Receipt (LTR). Following steps are taken while retiring the documents-

- Calculation of interest.
- Calculation of other charges.
- Passing vouchers.
- Entry in the register.
- Endorsement in the Bill of Lading and other transport documents and in the bill of exchange.

Accounting Treatment

4.1.10 Post-Import financing:

If there is no available in cash in importer's hand, he can request the bank to grant loan against the documents for the purpose of post import finance. This one is following forms of post import finance available in JBL New Market Branch.

LTR (Loan against Trust Receipt)L:

On the arrival of goods and lodgment of import documents, importer may request the bank for clearance of goods from the port (custom) and keep the same to bank go down. Proper sanction from the competent authority is to be obtained before clearance of consignment. For giving these types of loan, officer makes loan proposal and sends it to H/O for approval. After getting approval from H/O, bank grants loan in the form of LTR,

Loan against Trust Receipts (LTR):

1. Advance against a Trust Receipt obtained from the Customers are allowed to only first class tested parties when the documents covering an import shipment or other goods pledged to the Bank as security are given without payment However, for such advances prior permission/sanction from Head Office must be obtained.
2. The customer holds the goods or their sale-proceeds in trust for the Bank, till such time, the loan allowed against the Trust Receipts is fully paid off.
3. The Trust Receipt is a document that creates the Banker's lien on the goods and practically amounts to hypothecation of the proceeds of sale in discharge of the lien:

4.2.1 Export section:

In order to Creation of wealth in any country depends on the expansion of production and increasing participation in international trade. By increasing production in the export sector we can improve the employment level of such a highly populated country like Bangladesh. Bangladesh exports a large quantity of goods and services to foreign households. Readymade textile garments (both knitted and woven), Jute, Jute-made products, frozen shrimps, tea are the main goods that Bangladeshi exporters export to foreign countries. Garments sector is the largest sector that exports the lion share of the country's export. Bangladesh exports most of its readymade garments products to U.S. A and European Community (EC) countries. Bangladesh exports about 40% of its readymade garments products to U.S. A.

Export L/C operation is just reverse of the import L/C operation. For exporting goods by the local exporter, bank may act as advising banks and collecting bank (negotiable bank) for the exporter. JBL also have the capacity to support the exporters of businessman's in Bangladesh.

Export Business:

Janata Bank offers extra cover to its customers for the entire export process to speed up receipt of proceeds. The facilities are:

- a. Export Letters of Credit advising
- b. Pre-shipment Export Financing
- c. Export documents negotiation
- d. Letters of Credit confirmation

4.2.2 Export policy:

Export policies formulated by the Ministry of Commerce, GOB provide the overall guideline and incentives for promotion of exports in Bangladesh. Export policies also set out commodity-wise annual target, it has been decided to formulate these policies to cover a five year period to make them contemporaneous with the five-year plans and to provide the policy regime. The export-oriented private sector, through their representative bodies and chambers are consulted in the formulation of export policies and are also represented in the various export promotion bodies set up by the government.

4.2.3 Export procedures:

The import and export trade in our country are regulated by the Import and Export (Control) Act, 1950.

Under the export policy of Bangladesh the exporter has to get valid Export registration Certificate (ERC) from Chief Controller of Import & Export (CCI&E). The ERC is required to renew every year. The ERC number is to incorporate on EXP forms and other papers connected with exports.

In the Export Section, two (02) types of L/Cs are handled –

- 1) Back-to-Back L/C
- 2) Export L/C

4.2.4 Back- to-back L/C:

In case of a “Back-to-Back” letter of credit, a new L/C (an import L/C) is opened on the basis of an original L/C (an export L/C). Under the “Back-to-Back” concept, the seller as the beneficiary of the first L/C offers it as a ‘security’ to the Advising Bank for the issuance of the second L/C. The beneficiary of the back-to-back L/C may be located inside or outside the original beneficiary’s country. In case of a back-to-back L/C, no cash security (no margin) is taken by the bank; bank liens the first L/C. In case of a back-to-back L/C, the drawn bill is usage/time bill.

In New Market Branch, papers/documents required for opening of back-to-back L/C are as follows:

- Master L/C
- Valid Import Registration Certificate (IRC) and Export Registration Certificate (ERC)
- L/C Application and LCAF duly filled in and signed
- Pro-forma Invoice or Indent
- Insurance Cover Note with money receipt

4.2.5 Payment for back-to-back L/C:

In case of back-to-back L/C for 30/60/90/120/180/360 days of maturity period, deferred payment is made. Payment is given after realizing export proceeds from the L/C Issuing Bank. For Garments Sector, the duration can be maximum 180 days. For importing machinery, without permission from Bangladesh Bank, New Market Branch can authorize for 360 days.

Reporting to Bangladesh bank

At the end of every month, the reporting to Bangladesh Bank regarding the following information is mandatory-

- Filling of E-2/P-2 Schedule of S-1 category that covers the entire month's amount of import & Export, category of goods, currency, county etc.
- Filing of E-3/P-3 Schedule of for all charges, commission with T/M Form.
- Disposal of IMP Form that includes: (a) original IMP is forwarded to Bangladesh Bank with invoice and indent, (b) duplicate IMP is kept with the branch along with the Bill of Entry/Certified Invoice, (c) triplicate IMP is kept with the branch for office record, (d) quadruplicate is kept for submission to Bangladesh Bank in case of imports where documents are retired.

4.2.6 Export L/C:

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

- 1) Obtaining Export Registration Certificate (ERC)
- 2) Obtaining EXP
- 3) Signing of the Contract
- 4) Receiving the Letter of Credit
- 5) Procuring the materials
- 6) Shipment of goods
- 7) Presentation of export documents for negotiation
- 8) Examination of Document
- 9) Negotiation of export documents

Negotiation stands for payment of value to the exporter against the documents stipulated in the LAC. If documents are in order, JBL purchases (negotiates) the same on the basis of banker- customer relationship. This is known as Foreign Documentary Bill Purchase (FDBP).

A. Procedure for FDBP

FDBC signifies that the exporter will receive payment only when the issuing bank gives payment. JBL make regular follow-up with the L/C opening Bank in case of any delay in getting payment.

The exporter submits duplicate EXP Form and Commercial Invoice. Subsequently, the value of the bill is calculated and the following accounting entries are given- After passing the above vouchers, an Inter Branch Exchange Trading Debit Advice is sent for debiting the NOSTRO account. An FDBC Register is maintained, where first is given when the documents are forwarded to the issuing bank for collection and the second one is done after realization of the proceeds. In case of discrepancies of minor nature, Bank may negotiate the documents depending on their confidence on the customer against execution of the Letter of Indemnity.

4.2.7 Settlement of local bills:

JBL, New Market branch only purchase the local bill is known as Inland Documentary Bills for Purchase (IDBP)

The Inland documentary bills for purchase (IDBP) is done in the following ways,-

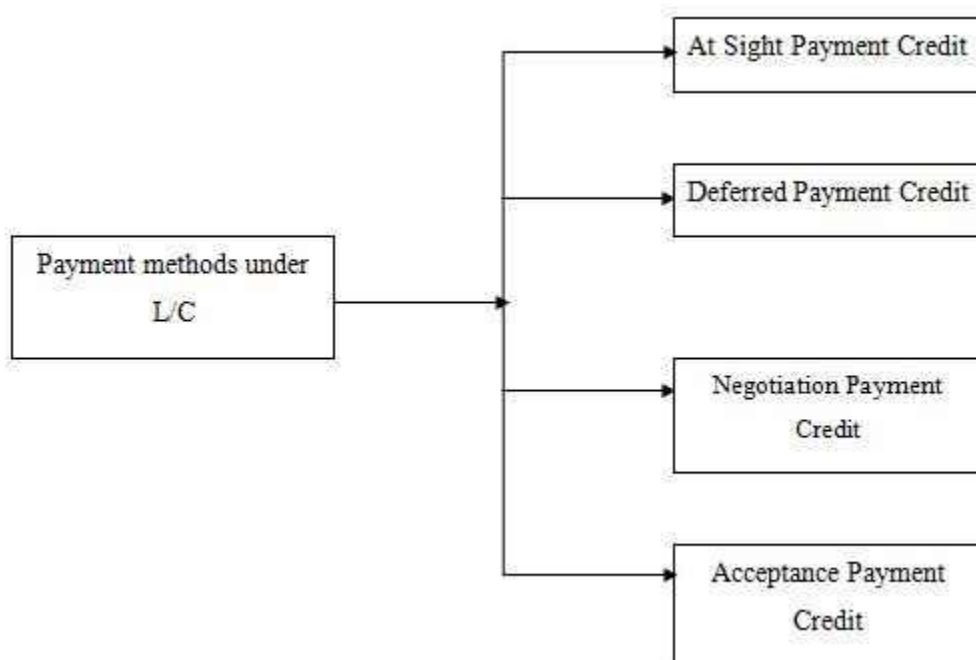
- a. JBL gets L/C from other Bank.
- b. Then JBL officer advising the L/C to the party/Beneficiary.
- c. Customers then present the documents for negotiation to JBL.
- d. JBL official scrutinizes the documents to ensure the conformity with the terms and conditions with L/C.
- e. The documents are then forwarded to the L/C opening bank.
- f. The L/C issuing bank gives the acceptance and forwards an acceptance letter,
- g. In the acceptance letter there is a maturity date when the will payment the bill.
- h. After receiving the acceptance letter, payment is given to the customer on by purchasing the bill of Acceptance.

Acceptance is obtained; the record is kept in a collection register. While receiving the payment the bank relished JDBP A/C and gives following entry-

4.2.8 Mode of payment of Export bill under L/C

As per UCP 600, 2007 revision there are four types of credit. These are as follows:

- a. Sight payment
- b. Deferred payment
- c. By acceptance
- d. Negotiation



4.2.9 Export Financing:

Financing exports constitutes an important part of a bank's activities. Exporters require financial services at four different stages of their export operation. During each of these phases' exporters need different types of financial assistance depending on the nature of the export contract. JBL play a vital role in performing such jobs and help the businessmen's to carry on their business operation the activities are:-

- I. Pre-shipment credit,
- II. Post-shipment credit.

Pre-shipment credit:

Pre-shipment credit, as the name suggests, is given to finance the activities of an exporter prior to the actual shipment of the goods for export. The purpose of such credit is to meet working capital needs starting from the point of purchasing of raw materials to final shipment of goods for export to foreign country. Before allowing such credit to the exporters the bank takes into consideration about the credit worthiness, export performance of the exporters, together with all other necessary information required for sanctioning the credit in accordance with the existing rules and regulations. Pre-shipment credit is given for the following purposes:

- Cash for local procurement and meeting related expenses.
- Procuring and processing of goods for export.
- Packing and transporting of goods for export,
- Payment of insurance premium. Inspection fees.
- Freight charges etc.

An exporter can obtain credit facilities against lien on the irrevocable, confirmed and unrestricted export letter of credit in form of the followings:

1. Packing credit
2. Export cash credit (Hypothecation)
3. Export cash credit (Pledge)
4. Export cash credit against trust receipt.
5. Back to back letter of credit.
6. Credit against Red-clause letter of credit.

II. Post Shipment Credit

This type of credit refers to the credit facilities extended to the exporters by the banks after shipment of the goods against export documents. Necessity for such credit arises,

as the exporter cannot afford to wait for a long time for without paying manufacturers/suppliers. Before extending such credit, it is necessary on the part of to look into carefully the financial soundness of exporters and buyers as well as relevant documents connected with the export in accordance with the rules and regulations in force. Banks in our country extend post shipment credit to the exporters through:

1. Negotiation of documents under L/C;
2. Foreign Documentary Bill Purchase (FDBP):
3. Advances against Export Bills surrendered for collection

4.2.10 Export document checking

1. General verification:

- a) L/C restricted or not.
- b) Exporter submitted documents before expiry date of the credit.
- c) Shortage of documents etc.

2. Particular verification:

- a) Each and every document should be verified with the L/C.

3. Cross verification:

- a) Verified one documents to another.

After proper examination or checking of a described Export document bank may find following discrepancies:

General:

1. Late shipment
2. Late presentation
3. L/C expired
4. L/C over-drawn

5. Partial shipment or transshipment beyond L/C terms.

Bill of exchange (B/E):

1. Amount of B/E differ with Invoice.
2. Not drawn on L/C issuing Bank.
3. Not signed
4. Tenor of B/E not identical with L/C.
5. Full set not submitted.

Commercial Invoice (C/I):

1. Not issued by the Beneficiary.
2. Not signed by the Beneficiary.
3. Not made out in the name of the Applicant
4. Description, Price, quantity, sales terms of the goods not corresponds to the Credit.
5. Not marked one fold as Original.
6. Slipping Mark differs with B/L & Packing List.

Packing List:

1. Gross Wt, Net Wt. & Measurement, Number of Cartoons/Packages differs with B/L.
2. Not market one fold as Original.
3. Not signed by the Beneficiary.
4. Shipping marks differ with B/L.

Bill of Lading/ Airway Bill (Transport Documents);

1. Full set of B/L not submitted.
2. B/L is not drawn or endorsed to the Order of JBL Bank Ltd.
3. "Shipped on Board", "Freight Prepaid" or "Freight Collect" etc. notations are not marked on the B/L.
4. B/L not indicate the name and the capacity of the party i.e. carrier or master, on whose behalf the agent is signing the B/L.
5. Shipped on Board Notation not showing name of Pre-carriage vessel/intended vessel.
6. Shipped on Board Notation not showing port of loading and vessel name (In case B/L indicates a place of receipt or taking in charge different from the port of loading).
7. Short Form B/L
8. Charter party B/L

Others:

1. N.N. Documents not forwarded to buyers or forwarded beyond L/C terms.
2. Inadequate number of Invoice, Packing List, and B/L & Others submitted.
3. Short shipment Certificate not submitted.

While checking the export documents following things must be taken in consideration
L/C terms:

Each and every clause in the L/C must be complied with carefully and ensure the following:

1. That the documents are negotiated within the L/C validity, If a credit expires on a recognized bank holiday its life is automatically become valid up to the next work day.
2. That the documents value does not exceed the L/C value.

Draft/ Bill of Exchange

Draft is examined under:

1. Draft must be dated
2. It must be made out in the name of the beneficiary's bank or to be endorsed to the bank.
3. The negotiating bank must verify the signature of the drawer.
4. Amount must be tallied with the Invoice amount.
5. It must be marked as drawn under L/C No... Dated... Issued by.....Bank.

Invoice

It is to be scrutinized to ensure the following:

1. The Invoice is addressed to the Importer
2. The full description of merchandise must be given in the invoice strictly as per L/C.
3. The price, quality, quantity, etc. must be as per L/C.
4. The Invoice must be language in the language of L/C.
5. No other charges are permissible in the Invoice beyond the stipulation on the L/C.
6. The amount of draft and Invoice must be same and within the L/C value.
7. If L/C calls for consular invoice, then the beneficiary's invoice is not sufficient.
8. Number of Invoice will be submitted as per L/C.

4.3.1 Foreign Remittance Section:

‘Foreign remittance’ means purchase and sale of freely convertible foreign currencies as admissible under Exchange Control Regulations of the country. That means transfer of fund from one place to another place in foreign currency. Foreign remittances play a significant role in contributing to the growth of overall foreign exchange business. We see that there are two types of Foreign Remittance;

- Foreign Inward Remittance
- Foreign Outward Remittance

Sources of inward Foreign Remittance:

- I. Export proceeds
- II. Remittance by emigrant Bangladeshi nationals working abroad
- III Commissions, fees etc. earned by local business people
- IV. Foreign loans and grants, donation and gift.

Sources of outward Foreign Remittance:

- I. Payment of import liabilities
- II. Payment of consular fees and commissions etc.
- III. Foreign travel quota through travelers cheque/ foreign currency
- IV. Educational expenses for students abroad/ medical expenses and other purposes
- V. All other payments sent abroad in foreign currency.

Foreign Inward Remittance

JBL has established remittance arrangements with a number of exchange houses to facilitate wage earners to remit their money to Bangladesh. This bank has already been in operation with UAE Exchange Centre LLC, Wall Street Exchange LLC, Trust Exchange, Route of Asia money Exchange Ltd, Instant Cash and Bangladesh Money Transfer, Al Ahalia Exchange Bureau. The extensive branch network of these Exchange Houses has been largely helping Bangladeshi expatriates working in the UAE, UK, Qatar, and Oman to transfer their funds speedily and efficiently through online network. JBL is exploring

further avenues of remittance from other countries such as Saudi Arabia, Malaysia, USA and Italy in the near future.

The Foreign Remittance department of JBL New Market Branch is equipped with a number of foreign remittance facilities. Following are the types of foreign remittance facilities offered by JBL New Market Branch.

- Issuance of Foreign Demand Draft (FDD)
- Collection of FDD

- Open foreign currency account
- Issuance of travelers Cheques (TC)
- Endorsement

4.3.2 Foreign Demand Draft (FDD):

The foreign bank/exchange company on local bank usually issues foreign Demand Draft. It is an order to pay a certain sum to a certain person or as his instruction, issued by the bank on its overseas branch or on its correspondent bank. The demand draft is handed over to the purchaser who sends it to the beneficiary. The beneficiary obtains payment on presentation to the bank on which the draft is drawn.

Encashment of FDD may take place in two ways-

- 1) Issuance
- 2) sending for collection.

Issuance of FDD

JBL issues the Foreign Demand Draft for the charges for TOEFL, SAT, GMAT, registration fee, membership fee and also for the application or processing fee for die student who are interested to study abroad. JBL opens Student Files to issue Foreign Demand Draft following the permission of Bangladesh Bank. Before issuance of FDD, JBL asks the students to fill up the TM Form; which contains the following particulars-

- Name of the student
- Full address of the student
- Amount of FDD in Foreign Currency
- Purpose of Remittance
- Address of the Institution to which the FDD will be favored
- Country receiving payment
- Passport no. of the student with date of issue
- Signature of the student

The TM Form is sent to Bangladesh Bank with photocopies of the Passport of the student FDD issued.

- Commission for issuance of FDD @ Tk.500.
- Commission for Cancellation of FDD @ Tk.500.

The following vouchers are passed for issuing FDD:

Party/ Cash A/C _____ Dr.

JBL General A/C _____Cr.

Commission A/C (1% of total amount) _____Cr.

VAT A/C (15% of commission) _____Cr.

4.3.3 Collection of FDD:

If a person has FC account with our branch and he received remittance from another bank then it is sent for collection to the branch of the bank on which it is drawn. It is sent to JBL Head office through Bangladesh bank clearing house.

After receiving credit advice the following vouchers are passed.

JBL General A/C _____Dr.

Commission A/C _____Cr.

Charges A/C _____Cr.

Party A/C _____ Cr

4.3.4 Open foreign currency account (FC):

All local and foreign banks in Bangladesh, who are authorized by Bangladesh bank to deal in foreign exchange, may maintain FC (Foreign Currency) accounts in die name of Bangladesh nationals or persons of Bangladesh origin working and earning abroad including self-employed Bangladeshi migrants.

JBL New Market branch issues exporters retention quota account and resident & non-resident foreign currency deposit account. Before opening FC account the officer checked die following thing of the prospective account holder-

- I. The account holder is a Bangladeshi national.
- II. He is ordinarily resident abroad.
- III. He does not receive any foreign exchange from Bangladesh source.

4.3.5 Issuance of traveler's Cheque

There are no sources in the current document.

For traveling purpose each person has a yearly foreign currency quota as follows:

Particulars	In cash	In TC	Total
For outside SAARC countries	\$2000	\$1000	\$3000
For SAARC			
Byroad	\$500	\$500	\$1000
By air	\$700	\$300	\$1000
Countries			

The yearly quotas are mutually exclusive to each other. But for the FC A/C hold a special advantage is prevailing there and that is the person can get TC for any amount as much as his FC A/C balance permits.

First, the party will fill up the form (purchase agreement) and sign it. Again he will sign the T/M form. After that the banker will endorse the party's passport and ticket declaring

the amount of foreign currency issued in cash and in the form of TC. Then the following vouchers are passed:

Party/ cash A/C ————— Dr.

JBL General A/C ————— Cr.

Commission A/C (1% of total amount) ————— Cr.

VAT A/C (15% of commission) ————— Cr.

Endorsement A/C (Taka 350) ————— Cr.

Income A/C (Taka 100 per passport) ————— Cr.

Then, entry is made in the TC issue register. Original copy of the purchase agreement, photocopy of the ticket and passport are kept with the T/M form and the purchase agreement copy along with the TC, passport and ticket are handed over to the party after getting after getting his “received” signature in the TC issuing register.

Endorsement:

JBL endorses US Dollar in passports. To endorse US Dollar, the client has to apply in the prescribed form (TM Form).

The following entries are given in this regard:

Party/Cash A/C ————— Dr.

Foreign Currency on Hand (Dollar) ————— Cr.

Chapter-Five

SWOT Analysis

5.1 SWOT Analysis of the JBL:

SWOT Analysis is an important tool for evaluating the company's Strengths, Weaknesses, Opportunities and Threats. It helps the organization to identify how to evaluate its performance and can scan the macro environment, which in turn would help the organization to navigate in the Turbulence Ocean of competition. Following is given the SWOT analysis of Janata Bank Ltd:

Strengths:

- JB has strong non-interest earning Base.
- Wide Branch Network among the 3rd generation Banks.
- Low infection in loan exposure.
- Wide product line.

Weaknesses:

- It has high cost of fund.
- It has highly exposed to volatile garment business.
- It has excessive dependency on term of deposit.
- Inadequate delegation of power.
- Inadequate IT infrastructure.

Opportunities:

- It has credit card business.
- It has scope of market penetration through diversified products and wide banking network.
- It has regulatory environment favoring private sector development.

Threats:

- It has increased competition for the market for public deposits.
- Market share for lowering interest rate.
- Deteriorated export, import and guarantee business due to indecent competition as well as economic slump.

Chapter-Six

Findings, Recommendation And Conclusion

6.1 Findings

1. One problem relates to modern technology of foreign exchange department, the bank must try to adopt new technologies.
2. The officers are very helpful to the business men. Some of our business men do not know exactly the procedures of opening L/C.
3. Lengthy process of opening L/C is observed at Janata Bank of new market banch .
4. SWIFT is being used in some branches and the Head Office of the bank with optimum security for trade finance related operation like documentary credit, documentary collection, fund transfer, guarantee, etc. but not in all branches.
5. Foreign exchange related charge fees is not clear to the customers.
6. Poor relationship with the foreign bank is observed at Janata bank..
7. The database system of foreign exchange department is not very systematic. Also documentation and filling process of the forms for foreign exchange operation is not user friendly, which sometimes wastes valuable time.
8. International import and export financing is increasing year to year.

6.2 Recommendations

After observing the overall situation of JANATA Bank Limited, the following measures are suggested:

- The branch need to set up well designed IT section by using more updated technology and information about foreign exchange department.
- Some officers of the bank specialised in foreign exchange department are not self motivated. They should be self motivated by training.
- The should find a way to minimize the processing time opening L/C.
- SWIFT service should be introduced in each and every branch of the bank, which will help to smoothen the foreign exchange operation of the bank.
- Charges should be more transparant ,by providing details breakup of the charges-stamp, postage, processing fees, etc.
- International division of the bank should be focused to make relationship with the renowned foreign banks.
- Bank should provide emphasis to make the documentation and filing process of foreign exchange operation user friendly.

We think the management should employ at least few more employee in foreign trade department have seen from practical experience that many customers wait for a long time for any service as they see that only one concerned official is doing their best to meet the requirements of the customers.

6.3 Conclusion

The last 3 months was quite intriguing to do internship at Janata Bank Limited, New Market Branch. Found out about the nature of actually working in a professional environment. This internship program, in first, have been arranged for gaining knowledge of practical banking and to compare this practical knowledge with theoretical knowledge. Only three sections are covered in the internship program, it is not possible to go to the depth of each activities of branch because of time limitation. However, highest effort has been given to achieve the objectives the internship program.

The value of General Banking is immense. It's the core tool of banking as well as the base of banking. Other sections depend mostly in this section. Janata Bank Ltd. has an established and most importantly a reliable foreign exchange section. It fulfills the consumer needs in almost every case with its dignity and honor. The company it self is well-organized as well as its officers. JBL is developing its services to give a hard competition to other banks. In fact, JBL wants to be in the top most position in commercial banking sector of Bangladesh.

Janata Bank Limited (JBL) is a third generation commercial bank in the country with commendable operating performance directed by the mission to provide prompt and different services to clients. JBL successfully celebrated its eight years of operation. It provides a wide range of commercial banking services JBL has achieved success among its peer group within a short span of time with its professional and dedicated team of management having long experience, commendable knowledge and expertise in conversation with modern banking. JBL Is engaged modern banking. The management of the bank is maintaining an efficient portfolio in order to have a healthy worth and retain customer satisfaction. The management of the bank is planning to meet the required capital adequacy withering the stipulated time frame, and a loan and advance policy that expected the loan loss provisioning in the future will be within tolerable limit having little material impact on the future profitability as well as net worth. institution in the country,.

Part-III

Appended Part

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B. Appendices:

Appendix-01

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Group Audit Report of Janata Bank

Janata Bank Leaflets

Customer Services Representative Guide of Janata Bank.

Different types of brochures of JBL

Articles of JBL

Website:

www.Janatabank.com

www.bangladesh-bank.org

www.asil-inc.com/.../SWOT_Analysis.html

