

**An Internship Report  
On  
Foreign Exchange Operation (Import) of  
Jamuna Bank Limited-  
Banani Branch**



**Topics covered**

*i) Foreign Exchange Operation (**Import**)*

JAMUNABANK

Part One  
Prefatory Part

# Report

## On

**‘Foreign Exchange Operation (Import) of Jamuna Bank Limited’  
A study on Banani Branch**

JAMUNABANK

### Submitted to:

**Sayed Farrukh Ahmed  
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**Date of Submission: June 23, 2014**



**Daffodil**  
*International*  
**University**

*Dedicated  
To  
My beloved Parents  
And  
Respected Supervisor*

# Letter of Transmittal

June 23, 2014

Sayed Farrukh Ahmed  
Assistant Professor  
Department of Business Administration  
Faculty of Business & Economics  
Daffodil International University

Subject: Submission of the Internship Report.

Dear Sir,

It is a pleasure for me to submit the Internship Report under your supervision on “Foreign Exchange activities of Jamuna Bank Limited- A study on Banani Branch”. This report contains the structure and materials as instructed by you. I have tried hard to do my best and fulfill your expectations.

I have been trying my best effort to gather all necessary information to the concerned parts of the report enrich it. I believe that, within my limited knowledge this report provides a core concept as to the operation and performance of Foreign Exchange activities (Import section) of Jamuna Bank Limited Banani Branch.

I hope that you would be kind enough to accept my report.

Thank you

Sincerely Yours

.....  
Md. Sariful Islam  
ID No: 09172-11-1050  
Department of Business Administration  
Faculty of Business & Economics  
Daffodil International University

“(c) Daffodil International University”



# To Whom It May Concern

I am pleased to certify that **Mr. Md. Sariful Islam** a student of BBA program, Major in Accounting, Department of Business Administration, Daffodil International University, Bangladesh has completed the internship report titled “**Foreign Exchange Activities (Import) of Jamuna Bank Limited, Banani Branch**” successfully under my supervision.

The data and the findings presented in the report are genuine work of **Mr. Md. Sariful Islam**. I recommend the report prepared by **Mr. Md. Sariful Islam** for further academic Commendations. He bears a good moral character and pleasing personality.

I wish him every success in his life.

Internship Supervisor

.....  
Sayed Farrukh Ahmed  
Assistant Professor  
Department of Business Administration  
Faculty of Business & Economics  
Daffodil International University

# Acknowledgement

Praise to Allah, the most magnificent and the most merciful, for granting me the opportunity to complete the BBA program and therefore this report. Then I would like to take the opportunity to express my gratitude to my honorable teacher Sayed Farrukh Ahmed, Assistant Professor, Daffodil International University to provide guideline and opportunity to complete the report as a supervisor.

I am deeply indebted and would like to pay my sincere gratitude with almost honor and respect to my parents for their unwavering support.

I like to express my thanks and deepest gratitude to human resource department of Jamuna Bank Limited for giving me opportunity, appointment and lastly certification for the internship program that I have completed. I also want to acknowledge the guidance of the Manager and all officers and staffs of JBL (Banani Branch), who spread their valuable time for me. I will never forget their kind and friendly behavior.

I am really thankful to Mr. Mahbub Alam, SVP & Head of Branch who helped me to complete this report. I got full support from all staffs of the JBL (Banani Branch) especially I express my gratitude towards Mrs. Shahana Rahman (FAVP), Mr. Ohidul Islam (Executive Officer) who gives all the support that I need to prepare the report.

I like to express my thanks and deepest gratitude to Mr. Abdul Kader (Senior Executive Officer) for his cordial behavior and help.

# Executive Summary

A few years back also, Banks are nothing but a medium whose only task is to collect money from people who have excess of it and give it into those people who need it. But very recently banks have diversified their operations into various sectors. Even, they have notification able contribution in maintaining the global relation among various countries of the world. The JBL is one of the newest Bank of Bangladesh.

This report is prepared on the basis of three month practical experience at JBL (**Banani Branch**). JBL (Banani Branch) started its operation on 04 December 2007, located at the Green Grander, Ground& 1<sup>st</sup> floor, 58/E, Kamal Ataturk Avenue, Banani C/A, Dhaka-1213. The internship program helped me a lot of learn about the practical situation of financial institution. This program helped me to improve my theoretical knowledge into the practical realistic environment.

This report has been segmented into different five chapters and the chapter has divided into 3 parts-(i) Prefatory part, (ii) Report body, (iii) Finds, Recommendation & Conclusion. The first chapter contains Introduction, Background of the report, Scope of the study, Objectives of the study, Methodology of the study, and Limitations of the study.

The second chapter contains about the overview of JBL as a whole mentioning its historical background, core values, mission, vision, branches of JBL, organizational structure, form of organization, departments of JBL, Product of the JBL, Product of the JBL Banani Branch, SWIFT.

The three chapters contain practical experiences gathered through doing internship in foreign exchange department of Jamuna Bank Limited, Banani Branch.

Chapter four contains SWOT analysis.

Chapter five contains Findings, Recommendations and Conclusion.



# Abbreviations

<b>JBL</b>	<b>JAMUNA BANK LIMITED</b>
<b>A/C</b>	Account
<b>AD</b>	Authorized Dealer
<b>BB</b>	Bangladesh Bank
<b>B/L</b>	Bill of landing
<b>B/E</b>	Bill of Exchange
<b>CIF</b>	Cost Insurance and Freight
<b>CC</b>	Cash Credit
<b>COD</b>	Cash on Delivery
<b>CAD</b>	Cash Against Document
<b>DAA</b>	Demand Against Acceptance
<b>DAP</b>	Demand Against Payment
<b>ERF</b>	Export Registration Form
<b>ERC</b>	Export Registration Certificate
<b>FDBC</b>	Foreign Document Bill Collections
<b>FC</b>	Foreign Currency
<b>FDBP</b>	Foreign Document Bill Purchase
<b>FCB</b>	Foreign Commercial Bank
<b>FDD</b>	Foreign Demand Draft
<b>FOB</b>	Free on Board
<b>FOT</b>	Free on Truck
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>IFI</b>	International Finance Investment
<b>IRC</b>	Import Registration Certificate
<b>Ind.Com</b>	Industrial consume
<b>IL</b>	Import License
<b>IBP</b>	Inland Bill Purchase
<b>IMF</b>	Import Form
<b>IPO</b>	Initial Public Offering
<b>L/C</b>	Letter of Credit

<b>LCAF</b>	Letter of credit Authorization Form
<b>CCI&amp;E</b>	Chief Controller of Imports Exports
<b>IMP</b>	Import Merchandised Permit Form
<b>PAD</b>	Payment Against Document
<b>PO</b>	Payment Order
<b>PSC</b>	Pre-shipment Inspection
<b>STD</b>	Short Term Deposit
<b>TIN</b>	Tax Payers Identification Number
<b>TR</b>	Truck Receipt
<b>SSI</b>	Small Scale Industries
<b>VAT</b>	Value Added Tax
<b>GB</b>	General Banking
<b>LIM</b>	Loan against imported merchandise
<b>SWIFT</b>	Society for worldwide interbank financial telecommunication

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# Part:Two Report Body



# Chapter One

## Background of the study







## 1.1 Introduction

Jamuna Bank Limited came out in reality through the initiatives of some dynamic people, who were from different sectors of commerce, trade and industries. It was registered in 2001 as a commercial bank under the Companies Act, 1994. The bank started its banking activities on 03 June, 2001.

In fact, bank is vitally of modern economy. Developed and organized banking system is a prerequisite of every kinds of economy-Capitalist, Socialist, and developed and undeveloped countries whatever it may be. Today's banking is continually becoming new-offering, new services, merging and consolidating into much larger and more complex business, and facing a new the banks that serve their citizen.

JBL from the very inception set a mission to build up itself as a unique commercial bank through difference in outlook, and providing comprehensive and innovative services to the valued customers. And ultimate goal is attaining mutually a sustainable higher level in financial measure.

As a new generation private commercial bank of the country, JBL provides all conventional services to the clients. In addition it presents a good number of schemes and products in deposit and credit forms.

Bank is the oldest institution that is contributing toward the development of any economy it is treated as an important service industry in modern world. Now a day the function of the bank is not limited in the same geographical limit of the country. Due to globalization and free market in economy, this industry facing much competition in the country and the implementation of WTO will further increase competition. The overall performance of the bank does not only depend upon the banking industry itself but also on performance of economy where it is operating.

In the internship Program, I was attached to a host organization works with the help of the internal supervisors. As a result I have decided to make a report on Foreign exchange activities of Jamuna Bank Limited, A study on Banani Branch, Dhaka. This report is prepared on the basis of my knowledge and practical experience to the banking activities (especially in Import section).

## 1.2 Background of the study



After completion of 4 years BBA program, three months organizational attachment is must. So the preparation and submission of this report is partial requirement for the completion of the Bachelor of Business Administration (BBA). This report is outcome of the three month long internship program conducted in Jamuna Bank Limited, one of the reputed private commercial banks of the country. I decided to work on the Foreign Exchange activities (especially in Import section) because Bangladesh is basically a seller's market since it is an import-based country. Therefore, on the basis of our traders' credibility, relative bargaining power, banks and regulatory requirements Documentary Letter of Credit is deemed to be the best fitted as the international trade payment method.

Foreign exchange activities of JBL have been prepared for the partial fulfillment of internship program which is requirement of BBA degree of the department of Business Administration, Daffodil International University. This internship report is generated under the supervision of **Sayed Farrukh Ahmed**, Assistant Professor, Department of Business Administration, Faculty of Business & Economics, and Daffodil International University.

### 1.3 Scope of the study

This internship is a part the Bachelor of Business Administration (BBA) degree that provides on the job experience to students. I was starting my job on November 24, 2013 placed at Jamuna Bank Limited, Banani branch as an internee for three months duration. This internship program provides me learning experience and knowledge in several areas. During the first few week of my internship period, I was able to get accustomed to the working environment of Jamuna Bank Limited.

It is hardly possible to become familiarized with the total operation of the bank decently within a short period of time.

In this report it has been tried to focus on the Foreign Exchange activities (especially in Import section) of the bank. The scope of the report encompasses the areas covered by the organization



part, evaluation part, import & some export part. The organization part starts with the history of Jamuna Bank Limited and end with ultimate performance of the Jamuna Bank Limited.

## 1.4 Objectives of the study

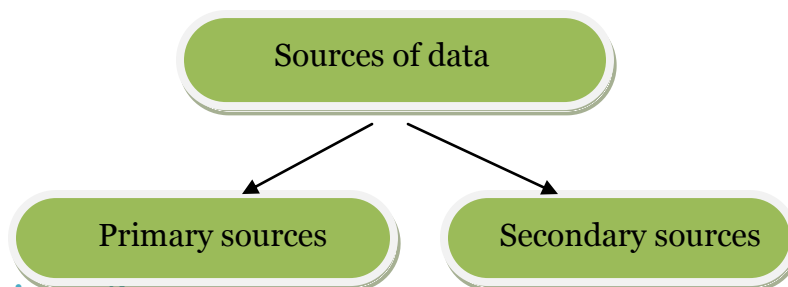
The main objective of the report will be to provide an overview of the foreign exchange operation (Import) of Jamuna Bank Limited at Banani Branch with fulfilling the requirement of BBA program. However, the objective behind this study is something broader. Objectives of the report are summarized in the following manner-

- ✚ To have an idea about foreign exchange operation (Import) of Jamuna Bank Limited.
- ✚ To describe the operational procedures of letter of credit of Jamuna Bank Limited.
- ✚ To understand the import procedures of Jamuna Bank Limited.
- ✚ To identify some problems related to foreign exchange activities of Jamuna Bank Limited.
- ✚ To recommend the ways and means to solve problems regarding foreign exchange activities of Jamuna Bank Limited.

## 1.5 Methodology of the study

The study requires a systematic procedure from selection of the topic to preparation of the final report. It is very difficult to collect relevant data from a person other than the regular employees of the bank. The overall process of methodology has been given as below.

**Nature of the study:** This is a Descriptive type of research. Information collected to furnish this report is both from primary and secondary sources.



- **Primary Sources :**



1. Personal interview- face to face conversation and in depth interview with the respective officers of the branch.
2. Personal observation- observing the procedures of banking activities (import) followed by the department.
3. Practical work exposure on import section of the branch.
4. Informal conversation with the client or customers.

- **Secondary sources:**

Although there were so many limitations, it was tried to use secondary sources of collecting information to make the report presentable with as less abstraction as possible.

### **Secondary data**

Data that were published before for some other reasons had been collected using internal and external sources.

- ❖ **Internal Secondary data**

- Annual report of Jamuna Bank Limited.
- Prior research report.
- Publication obtained from library of Jamuna Bank Limited , Banani branch and
- Official website of the Jamuna Bank Limited.

- ❖ **External Secondary Data**

For better interpretation some data had been collected through Internet Browsing.

## **1.6 Limitations of the study**

Objective of the practical orientation program is to have practical exposure for the students. Tenure for internship was for three month, which was somehow not sufficient. After working whole day in the office it was very much difficult to study again the theoretical aspects of banking:

- Lack of previous experience to prepare this type of report and it is totally new to me as an intern.



- Foreign exchange division follows Uniform Customs and Practice for Documentary Credits (UCPDC), but within this short period, it was totally difficult to understand.
- Learning all the banking foreign exchange functions within just three months is really difficult.
- The branch is too much dependable on Head Office for L/C opening.
- Sufficient books, publications and figures were not available. If this limitation were not been there, the report would have been more useful.
- Bank policy was not disclosing some data and information for obvious reason, which could be very much helpful.
- Interviewing the officials on specific disclosure items sometimes was not fruitful because of generalized answers.

## **Chapter Two**



# Organizational Overview



## 2.1 Historical Background of Jamuna Bank Limited

Jamuna Bank Limited (JBL) is a Banking Company registered under the Companies Act, 1994





with its Head Office at Chini Shilpa Bhaban, 3, Dilkusha C/A, Dhaka-1000. The Bank started its operation from 2 April 2001.

Jamuna Bank Limited is a highly capitalized new generation Bank with an Authorized Capital and Paid-up Capital of Tk.1600.00 million and Tk.390.00 million respectively. The Paid-up Capital has been raised to 1621.00 million and the total equity of the bank stands at 2230.00 million as on June 30, 2010.

The Bank undertakes all types of banking transactions to support the development of trade and commerce of the country. JBL's services are also available for the entrepreneurs to set up new ventures.

Jamuna Bank Ltd., the only Bengali named new generation private commercial bank was established by a group of winning local entrepreneurs conceiving an idea of creating a model banking institution with different outlook to offer the valued customers, a comprehensive range of financial services and innovative products for sustainable mutual growth and prosperity. The sponsors are reputed personalities in the filed of trade, commerce and industries. The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customers needs. The scenario of banking business is changing day by day, so the bank's responsibility is to device strategy and new products to cope with the changing environment. Jamuna Bank Ltd. has already achieved tremendous progress within only Seven years. The bank has already ranked at top of the quality service providers & is known for its reputation. Jamuna Bank offers different types of Corporate and Personal Banking Services involving all segments of the society within the purview of rules and regulations laid down by the Central Bank and other regulatory authorities. The operation hour of the Bank is 9:00 A.M. To 5:00 P.M. from Sunday to Thursday with transaction hour from 9:00 A.M. to 3:00 P.M. The Bank remains closed at Friday and Saturday including government holidays.

## 2.2 Objectives of JBL

- ❖ To earn and maintain CAMEL Rating 'Strong'.
- ❖ To establish relationship banking and improve service quality through development of



#### Strategic Marketing Plans.

- ❖ To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- ❖ To introduce fully automated systems through integration of information technology.
- ❖ To ensure an adequate rate of return on investment.
- ❖ To keep risk position at an acceptable range (including any off balance sheet risk).
- ❖ To maintain adequate liquidity to meet maturing obligations and commitments.
- ❖ To maintain a healthy growth of business with desired image.
- ❖ To maintain adequate control systems and transparency in procedures.
- ❖ To develop and retain a quality work-force through an effective human Resources Management System.
- ❖ To ensure optimum utilization of all available resources.
- ❖ To pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels.

### 2.3 Strategies of JBL

- ❖ To raise capital up to TK.4000.00 million by 2015.
- ❖ To manage and operate the bank in the most efficient manner to enhance financial performance and to control cost of fund.
- ❖ To strive for customer satisfaction through quality control and delivery of timely services.
- ❖ To identify customers' credit and other banking needs and monitor their perceptions towards our performance in meeting those requirements.
- ❖ To review and update policies, procedures and practices to enhance the ability to expand better service to customers.
- ❖ To train and develop all employees and provide them adequate resources so that customers' needs can be responsibly addressed.
- ❖ To promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to all employees in a timely fashion.





- ❖ To cultivate a working environment that fosters positive motivation for improved performance.
- ❖ To increase direct contact with customers in order to cultivate a closer relation between the bank and its customers.
- ❖ To diversify portfolio both in the retail and wholesale market.

## **2.4 Visions of JBL**

To become a leading banking institution and to play a pivotal role in the development of the country and service so that sustainable growths, reasonable return and contribution to the development of the country can be ensured with motivated and professional work-force. Jamuna Bank's aim is to satisfy customers with high quality service that reflects the global image as the premier international bank, to become a leading banking institution and to play a pivotal role in the development of the country.

## **2.5 Mission of JBL**

The Bank is committed to satisfying diverse needs of its customers through an array of products at a competitive price by using appropriate technology and providing timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional work-force.

## **2.6 Corporate Slogan of JBL**

*“Your Partner For Growth”*

### ***2.6.1 We Have Changed Now***



# JAMUNABANK

Banani Branch



## 2.7 Corporate Culture of JBL

Employees of JBL share certain common values, which help to create a JBL culture:

- ❖ The client comes first.
- ❖ Search for professional excellence.
- ❖ Openness to new ideas and new methods to encourage creativity.
- ❖ Quick decision-making.
- ❖ Flexibility and prompt response.
- ❖ A sense of professional ethics.

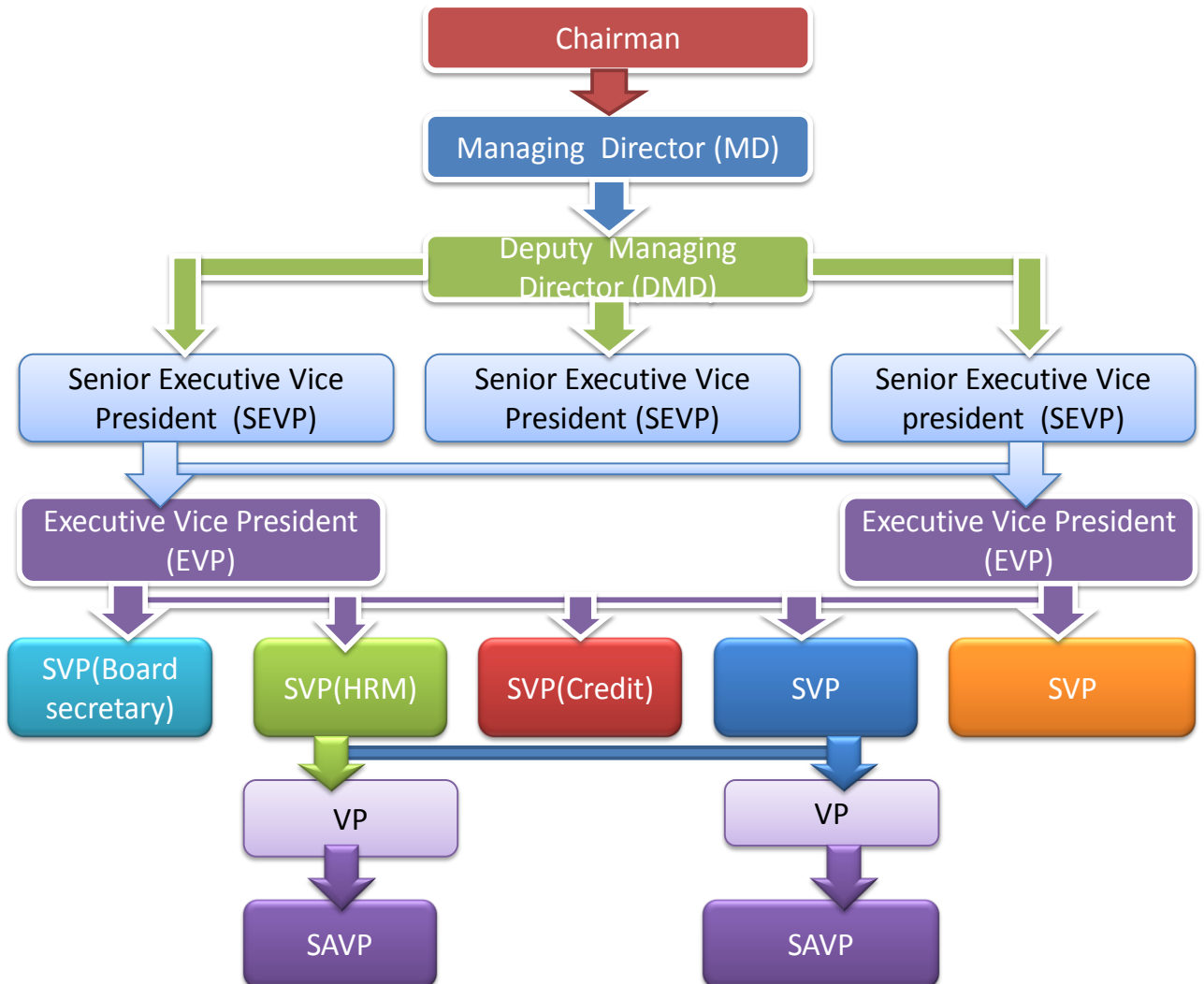
## 2.8 Corporate profile

**Brief Profile of Jamuna Bank Limited:**



<b>Name of the Company</b>	<b>: Jamuna Bank Limited</b>
<b>Legal Form</b>	: Jamuna Bank Limited (JBL) is a Banking Company registered under the Companies Act, 1994 with its Head Office at Printers Building 3, Dilkusha C/A, Dhaka-1000.
<b>Date of Commencement</b>	: 2 <sup>nd</sup> April 2001
<b>Registered Office</b>	: 3, Dilkusha C/A, Dhaka - 1000, Bangladesh
<b>Telephone</b>	: 9555141,Ext.130
<b>Tele-fax</b>	: Fax: 880-2-9565762
<b>SWIFT Code</b>	: JAMUBDDH
<b>E-mail</b>	: jamunabk@bdc.com
<b>Web Page</b>	: www.jamunabankltd.com
<b>Auditors</b>	: M/S Howladar Yunus & Co. Chartered Accountants
<b>Tax Consultant</b>	: Howladar, Yunus & Co. Chartered Accountants
<b>Managing Director</b>	: Mr. Motior Rahman
<b>Company Secretary</b>	: Md. Anawar Hossain

## 2.9 Hierarchy of JBL



### 2.10 History of JBL Banani Branch

Banani branch of Jamuna Bank Limited started its operation on 04 December, 2007. New Location at **Green Grandeur Ground** & First Floor 58/E Kemal Ataturk Avenue, Banani C/A, Dhaka-1213, and Phone: 9822107, 9822108, fax: 88029822106. The name of the branch is

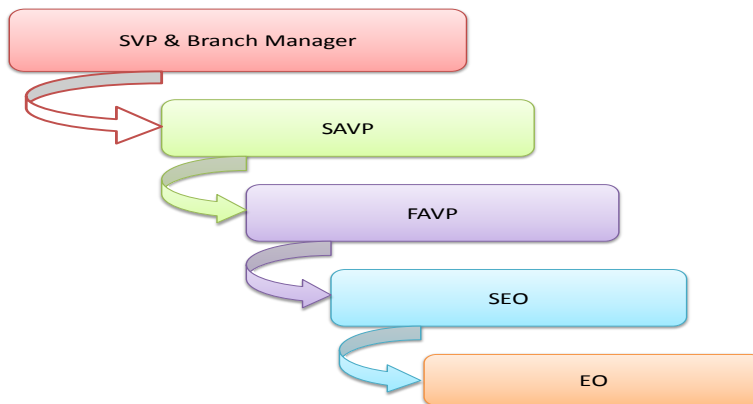


Banani Branch. Basic Information of Banani Branch is given bellow:

Basic Information	
Grade	A
No of Employees	44
Age of Branch	06 Years 3 months
<b>SWIFT CODE</b>	<b>JAMUBDDH053</b>

### 2.11 Hierarchy of JBL Banani Branch

Hierarchy of the JBL, Banani Branch is following



### 2.12 Management of JBL

The bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The management of the bank consistently focuses on understanding and anticipating customer needs. The scenario of banking business is changing day by day, so the bank responsibility is to device strategy and new products to cope



with the changing environment.

### **2.13 Management of JBL Banani Branch**

Jamuna Bank Ltd has already achieved tremendous progress within only one year. The bank has already ranked as one of the quality service providers & is known for its reputation. In Banani many VIP customers and business people come to open various account to make transactions according to their needs. Effective management system of Banani Branch helped to achieve huge customers' response.

### **2.14 Product of the JBL**

The Jamuna Bank offers different types of services to its customers and they are expanding the area of service day by day. From the very beginning they gave more emphasis on satisfaction of customers. They offer the general banking facilities such as receiving deposit, paying of cash and giving loan etc. They also offer-

- a) Online Banking System
- b) Money gram
- c) ATM
- d) Pay order
- e) Demand Deposit
- f) Debit Card
- g) Credit Card
- h) Visa Card
- i) Easy Loan
- j) Gold Grace
- k) Islamic Banking facilities
- l) Foreign exchange
- m) Remittance etc
- n) SME Banking
- o) Retail Banking
- p) Locker service



q) NRB Banking

### **2.15 Product of the JBL Banani Branch**

JBL Banani Branch offers mainly the general banking facilities such as receiving deposit, paying of cash and giving loan etc. They also offer-

- Online Banking System
- Money gram
- ATM
- Pay order
- Demand Deposit
- Debit Card
- Credit Card
- Visa Card
- Easy Loan
- Remittance etc
- SME Banking

### **Other Activities of JBL**

#### **2.16 SWIFT:**

Jamuna Bank Limited is the member of SWIFT (Society for Worldwide Inter-bank Financial Telecommunication). SWIFT is a member owned co-operative, which provides a fast and accurate communication network for financial transactions such as Letters of Credit, Fund transfer etc. By becoming a member of SWIFT, the bank has opened up possibilities for uninterrupted connectivity with over 5,700 user institutions in 150 countries around the world. To provide International Trade related services we have established Correspondent Banking relationship with 336 locations of 106 world reputed Banks in more than 100 countries.

JBL main Correspondent Banks are:

City Bank N.A., Standard Chartered, American Express Bank, Bank of New York, Bank of Nova Scotia, Duetche Bank, Dresdner Bank AG, Habib American Bank, Habib Bank, (c) Daffodil International University





Commercial Bank, Shinhan Bank, State Bank of India (Canada) UFJ Bank Ltd., United Bank of India, Bank of Bhutan and Allied Bank Philippines etc.

### **2.17 Corporate Banking:**

The motto of JBL's Corporate Banking services is to provide personalized solutions to our customers. The Bank distinguishes and identifies corporate customers' need and designs tailored solutions accordingly.

Jamuna Bank Ltd. offers a complete range of advisory, financing and operational services to its corporate client groups combining trade, treasury, investment and transactional banking activities in one package. Whether it is project finance, term loan, import or export deal, a working capital requirement or a forward cover for a foreign currency transaction, Corporate Banking Managers will offer you the accurate solution.

### **2.18 Personal Banking:**

Personal Banking Division (PBD) introduces to the customers with a variety of products. Our PBD continuously meets the challenges of developing new products and services to match the specific requirements of customers.

Personal Banking Division (PBD) issues both VISA Debit Cards and VISA Credit Cards. VISA is the renowned Card brand in the earth. Jamuna Bank Limited is a principal member of VISA Worldwide. Remittance Cell is another successful wing of the Personal Banking Division.

### **2.19 Instant Cash/Spot Cash:**

With large ATM of JBL network including non-branch ATM across the country you have the privilege of round the clock withdrawal and other account services at your convenience. Customer can enjoy higher ATM withdrawal limit each day. No fees on retail purchase and can use our Credit Cards at thousands of retail outlets around the world.





ATM service available in Dhaka and Chittagong Withdrawal allowed from ATM's of Jamuna Bank Ltd., AB Bank, The City Bank, Janata Bank, IFIC Bank, Mercantile Bank, Pubali Bank, Eastern Bank Ltd, Dutch Bangla Bank Ltd, respectively.

### **2.20 Foreign Remittance:**

Jamuna Bank Ltd. has a network of branches in Bangladesh and more branches are going to be added to network soon. Remittance services are available at all branches and foreign remittances may be sent to any branch by the remitters favoring their beneficiaries. Remittances are credited to the account of beneficiaries instantly through Electronic Fund Transfer (EFT) mechanism or within shortest possible time. Jamuna Bank Ltd. has correspondent banking relationship with all major banks located in almost all the countries/cities.

### **2.21 Trading of Government Treasury Bond & Other Govt. Securities:**

Jamuna Bank Limited has been nominated as a Primary Dealer by the Bangladesh Bank for trading 5 years & 10 Years Treasury Bonds and other Government Securities.

(i) Individuals and institutions resident in Bangladesh, including provident funds, pension funds, bank and corporate bodies shall be eligible to purchase the BGTBs.

(ii) Individuals and institutions not resident in Bangladesh shall also be eligible to purchase the BGTBs.



# ‘LEARNING PART’

## Chapter Three



## Foreign Exchange Operation (Import)



### 3.1 Introduction

Foreign exchange refers to the process or mechanism by which the currency of one country is converted into the currency of another country. Foreign exchange is the means and methods by which rights to wealth in a country's currency are converted into rights to wealth in another



country's currency.

For example, a person living in Dhaka City can make payment to another in Chittagong with money or by cheques on any Bank of the country. Such Payments do not present any problems. But things are different when the debtor and the creditor live in different country. When a trader, who lives in Dhaka city, imports goods from Canada, the payment involves Canada in Complication. The Dhaka men can play in taka but taka is of no use to Canada. There must be some means of changing taka into dollar. Obviously the intervention of a third party is required. So, there is a foreign exchange mechanism.

To buy foreign goods or services, or to invest in other countries, companies and individuals may need to first buy the currency of the country with which they are doing business. Generally, exporters prefer to be paid in their countries currency or in U.S. dollars, which are accepted all to the world. Sometime it is paid by EURO and ACU dollars. ACU dollars country are related to India, Iran, Nepal, Pakistan, Sri Lanka, Bhutan and Myanmar will be reported to BB at ACU Dollar.

Banks play a very important role in effecting foreign exchange transaction of a country. Mainly transaction with overseas countries in respect of imports, exports and foreign remittance come under the preview of foreign exchange transaction. Banks are the vital sector by which such transactions are settled.

In terms of foreign exchange and regulation Act 1947 as adapted in Bangladesh foreign exchange means foreign currency and includes all deposits. Credits and balances payable in foreign currency as well as all foreign currency instruments such as drafts, travels cheques and bills of exchange in any foreign country.

### 3.2 Definition of Foreign Exchange

Foreign exchange is a process which converts one national currency into another and transfer money from one country to other countries.

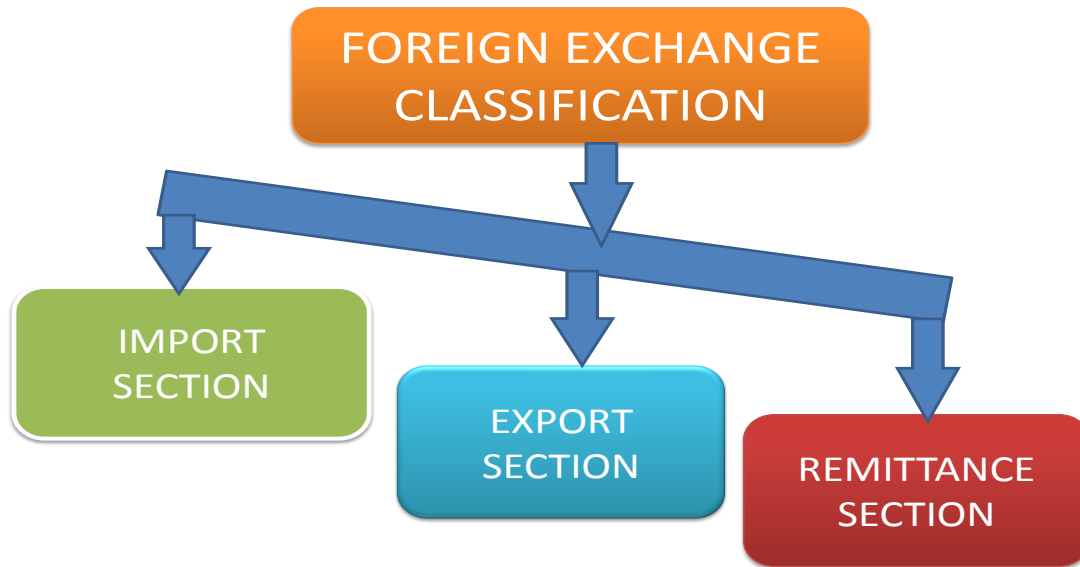
According to Mr. H. E. Evit. Foreign exchange is that section of economic science which deals with the means and method by which right to wealth in one country's currency are converted into right to wealth in term of another country's currency. It involves the investigation of the method by which the currency of one country is exchanged for that of another, the cause which rented such exchange necessary.

Commercial bank collects the ideal saving from the people and supplies them into productive channels. The success of a commercial bank depends on how successfully it can be mobilizing saving and advance short and long term credit to business community. In addition to deposit mobilization and credit management, JBL also deal in foreign exchange, which includes remittance of currency and financing, exports and imports.



### 3.4 Foreign Exchange Classification

The procedures used to exchange currency in international trade are called foreign exchange system, banks plays vital roles in this procedures world widely. The Bangladeshi banks provide foreign exchange services under, foreign exchange Act, 1947 is for dealing in foreign exchange business, and Import and Export Control Act, and 1950 is for Documentary Credits. JBL has also become a member of SWIFT in 2001, which provides a fast, secured & accurate communication network for financial transaction such as letter of credit, fund transfer etc. Foreign exchange department plays a vital role to earn the banks maximum profit. As an authorized dealer under regulations of BB, JBL Banani Branch provides the three types services. This department is classified according these are shown as a diagram in below:



**Figure-3.1: Classification of Foreign Exchange**

### **3.5 Foreign Exchange Accounts Offered By JBL:**

Following the liberalization of exchange controls Bangladesh bank has authorized the banks to maintain different types of foreign currency accounts and convertible Taka amounts. The following are the regulations laid down by Bangladesh in respect of these accounts.

Branches of Jamuna Bank Limited may open Foreign Currency Accounts in the names of:

- i. Bangladesh nationals residing abroad
- ii. Foreign nationals residing abroad or Bangladesh and foreign firms operating in Bangladesh or abroad
- iii. Foreign missions and their expatriate employees.

### **3.6 Resident Foreign Currency Deposit (RFCD)**

This is a foreign currency denominated account. Those who are domicile in Bangladesh but have





to remit money to abroad because of various reasons.

### **3.7 Non Resident Foreign Currency Deposit (NRFC D)**

This is a foreign currency denominated account. Those who are not domicile in Bangladesh but have to remit money to Bangladesh because of various reasons.

### **3.8 Import Services**

Bangladesh is basically a seller's market since it is an import-based country. Therefore, on the basis of our traders' credibility, relative bargaining power, banks and regulatory requirements Documentary Letter of Credit is deemed to be the best fitted as the international trade payment method. The government of a developing country like Bangladesh tends to retain stringent control on foreign trade operations and thus Documentary Credit has a widespread use in our country as it provides useful additional weapon in the government's control and supervisory mechanism. In more than 97% cases of import payment and in more than 65% cases of export payment, Letter of Credit method is used for the settlement ( Choudhury and Habib;2006 ).

The ongoing globalization process has brought considerable changes in international trade transactions and practices. Greater involvement of costs in documentary credit operations is one of the main reasons of switching to other modes of payment. Declining reliance on documentary may raise payment related risks. It is well known that in some cases, disagreement relating to trade payment through Letter of Credit method arises. So it is a timely issue to explore the reasons behind this. Currently, the cost of issuing L/C is increasing. It is increasing the expenses of the traders. Although operation of L/C is guided by UCPDC 600, Bangladesh government has its own domestic Foreign Exchange Regulations, Import and Export Policy. As the request of the importers bank issue the letter of credit at a margin by the govt. instruction. Bank does not generally issue the letter of credit less than 50% margin. JBL follow the margin prescribed by the government strictly.

### **3.9 Import Section of JBL**

As a authorized dealer the major import items financed by JBL, Banani Branch are capital machinery, Tractor, electronic equipment, stainless steel, non-alloy steel, fruits, raw materials of garments, chemicals, raw cotton, garments accessories, poultry feeds, poultry medicine etc. to import, a person should be competent to be an importer. Imports of goods into Bangladesh are



regulated by the ministry of commerce and industry interring of the import and export act 1910, the officer of the chief Controller of Import and Export provides the registration to the importer. After obtaining this, the person has to secure a letter of credit authorization (LCA) FROM Bangladesh Bank. And then a person becomes a qualified importer. He request or instructs the opening bank to open the L/C.

Import policy orders issued by annually, and public notice issued by time by the office of the chief controller of import and export and export (CCE&E).

Import section of the bank deals with L/C opening and post import financing i.e. LIM & LTR. Now the procedure from opening L/C to payment against L/C is given below-

### 3.10 Types of Importer

Those types of person bring their business goods from another country to their own country they are treated as importer

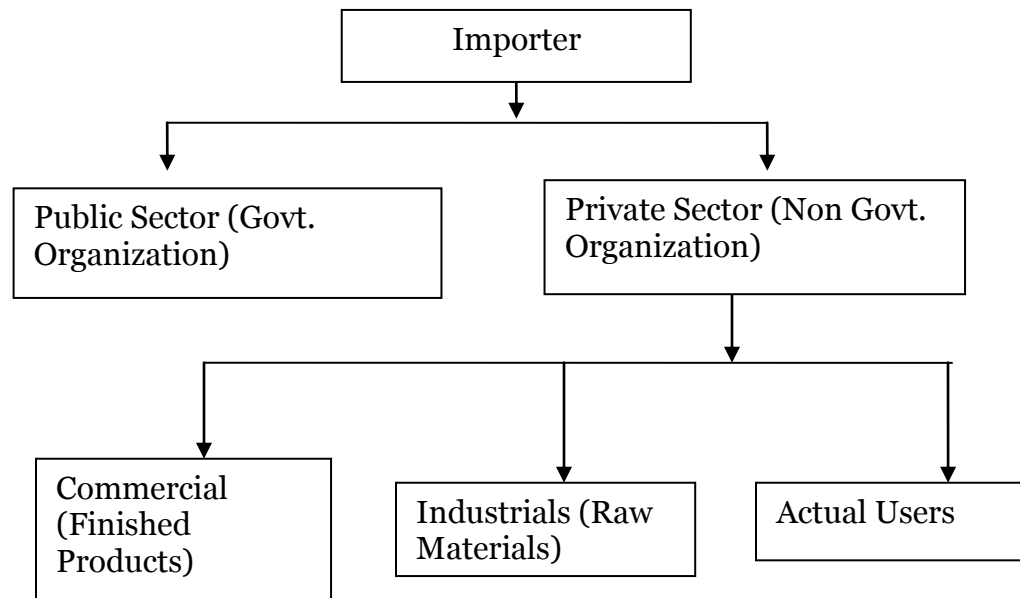


Figure-3.2: Types of Importer

### 3.11 Letter of credit

On behalf of the importer if the bank undertakes to make payment to the foreign bank is known as documentary credit or letter of credit. A letter of credit is an instrument issued by a bank to a customer placing at letter disposal such agreed sums in foreign currency as stipulated. An importer is a country requests his bank to open a credit in foreign currency in favor of his exporter at a bank in the letters country. The letter of credit issued against payment of amount by





the importer or against satisfactory security. The L/C authorizes the exporter to draw a draft under in terms and sell to a specified bank in his country.

The exporter is assured of his payment because of the credit while. The importer is protected because documents in respect of exports of goods have to be delivered by the exporter to the paying bank before the payment is made. Letter of credit or Documentary credit is the key player in the foreign exchange business with the globalization of economy. International trade has become quite competitive. Timely payment for exports and quicker delivery of goods is therefore a prerequisite for successful international trade operation. Growing complexity of international trade, separation of commercial parties across the globe etc underline the need for evolving a system that balances between the expectations of the seller and the buyer. Documentary credit has emerged as a vital system of trade payment and fulfilled the requisite commercial need. This system substantially reduces payment related risks for both exporter and importer. Thus the letter of credit is the classic form of international export payment especially in trade between distant partners.

### 3.12 Parties to a Letter of Credit

The parties are:

- The issuing bank
- The confirming bank, if any, and
- The beneficiary

Other parties which facilitate the Documentary Credit are:

1. The applicant
2. The advising bank
3. The nominated bank
4. The reimbursing bank
5. The claiming bank
6. The presenter
7. The transferring bank

**3.12.1 ISSUING BANK:** It is the bank that issues a credit at the request of an applicant or on its own behalf, issuing the credit and undertaking to honor the beneficiary's claims. Such claims are to be honored without recourse to the exporter, provided the terms and conditions have been met. The issuing bank is the buyer's bank and is also called opening bank.

**3.12.2. CONFIRMING BANK:** Confirming Bank means the bank that adds its confirmation to



a credit upon the issuing bank's authorization or request. Confirmation means a definite undertaking of a confirming bank in addition to that of the issuing bank to honor or negotiate a complying presentation. A confirming bank normally does so if requested by the issuing bank. When credit worthiness of the issuing bank is in doubt, beneficiary's bank may request the issuing bank to give additional confirmation by another bank. It is said "Add confirmation" in practice.

**3.12.3 BENEFICIARY:** It is the party in whose favor a credit is issued.

**3.12.4 Negotiating Bank:** A negotiating bank is the bank nominated by the issuing bank to pay to incur a deferred payment liability, to accept drafts or to negotiate the credit.

**3.12.5 APPLICANT:** Applicant means the party in whose request the credit is issued.

**3.12.6 ADVISING BANK:** Advising Bank means the bank that advises the credit at the request of the issuing bank. However, an advising bank may utilize the services of another bank (2<sup>nd</sup> Advising Bank) to advise the credit and any amendment to the beneficiary.

**3.12.7 NOMINATED BANK:** It means the bank with which the credit is available or any bank in the case of a credit available with any bank.

**REIMBURSING BANK:** It means the bank, appointed by the issuing bank, to reimburse the claims of payment of the claiming bank.

**CLAIMING BANK:** It means the nominated bank which claims the payment from the reimbursing bank.

**PRESENTER:** It means a beneficiary, a bank or other party that makes a presentation.

**TRANSFERRING BANK:** Transferring Bank is a nominated bank that transfers the credit. In case of credit available with any bank, transferring bank is specially authorized by issuing bank. An issuing bank may also be a transferring bank.

### **3.13 Types of letter of credit:**

In a broad of sense there are different types of letter of credit that are using in foreign dealings. These are given below:

#### **1. Sight payment credit:**

The most commonly used credits are sight payment credits. These provide for payment to be



made to the beneficiary immodestly after presentation of the stipulated documents on the condition that the terms of the credit have been complied with. The banks are allowed reasonable time to examine the documents.

### **2. Deferred payment credit:**

Under a differed payment credit the beneficiary does not receive payment when his presents the documents but at a later specified in the credit. On presenting the required documents he received the authorized banks written undertaking to make payment of maturity. In this way the importer gains possession of the documents before being debited for the amount involved.

### **3. Negotiating Credit:**

A credit available by negotiating is either payable at sight or at a since, usually at the counters of the issuing bank.

The negotiation of documents under such a credit by the nominated bank means that such bank gives value for these documents if they are found to be in conformity with the terms and conditions of the credit Unless a nominated bank has confirmed the credit, it is not obliged to negotiate documents there by giving value to the beneficiary.

### **4. Revolving credit:**

Buyers often order more merchandise than they actually need in order to obtain a better price. However, the delivery of the goods is made in installments and at stipulated intervals. In such cases, the seller can request that a revolving credit be issued which guarantees each part payment.

### **5. Transferable Letter of credit:**

Under a transferable LC, the beneficiary is permitted to transfer his rights in part or if full to one or more parties. It is typically used when the original beneficiary acts as the middleman between the actual supplier and the importer. In some cases the seller is not the actual producer or manufacturer of the goods. In such cases, original beneficiary request for a transferable credit. The issuing bank can transfer a credit only if is expressly designated as “Transferable” A transferable credit can be transferred once only.

### **6. Performance Letter of Credit:**

A performance L/C guarantees performance of an obligation. In the event of failure by the account party in the performance of an obligation contractual failure, failure to forward documents, failure to ship goods, the L/C may be involved.

### **7. Bid Bond Credit:**

Very often various companies submit their respective bids in order to be awarded a contract. The beneficiary will usually request a good faith deposit, which ranges from 1% to 3% of the total



contract value. Instead performance L/C is issued to the beneficiary to cover the good faith deposit.

### **8. Performance Bond Credit:**

As expressed in the “BID” situation a performance L/C will be issued stating that the performance will meet specified standards. If the standards are met the credit expires, if not the beneficiary would be reimbursed the amount of the L/C. In essence this can be described as “penalty money”.

## **3.14 Import procedure**

According to the Imports and Exports Act, 1950 as adopted in Bangladesh, anyone willing to carry import business needs registration with the licensing authority, i.e., Chief Controller of Imports Exports and its offices at the important trade centers of the country.

### **3.14.1 Registration with CCI&E**

The following documents are required to be submitted to the licensing authority for registration as importers.

- i) Questionnaire form duly filled in and signed
- ii) Income tax registration certificate
- iii) Trade License from the Municipal or Local Authority
- iv) Bank certificate
- v) Nationality certificate
- vi) Partnership Deed where applicable
- vii) Certificate of Registration with the Register of Joint Stock Companies and Memorandum and Articles of Association in case of Private and Public Limited Company.
- viii) Certificate from the Chamber of Commerce / registered Trade Association
- ix) Ownership documents or rent receipts of the place of business
- x) Any other documents required under the relevant import policy



On receipt of the application along with relative documents, the Chief Controller of Imports and Exports and its regional offices scrutinizes the documents and conducts physical verification (if considered necessary) and on being satisfied, requests the applicant to pay fees towards registration through treasury challan.

After submission of the above documents and payment of requisite fees, if the documents are found in order and the C.C.I & E is satisfied, the Import Registration Certificate (IRC) is issued to the applicant-importer.

The IRC is a security document issued under embossing seal and duly signed by authorized officials of C.C.I & E and to be kept safe custody. The IRC is required to be renewed every year on payment of usual fees.

### **3.14.2 Purchase Contract between Importers and Exporter**

Now the importer has to contact with the seller outside the country to obtain the Pro-forma invoice/indent, which describes goods. Indent is got through indenters a local agent of the sellers. After the importer accepts the Pro-forma invoice, he makes a purchase contract with the exporter declaring the terms and conditions of the import payment is made by the documentary L/C in our country.

### **3.14.3 Collection of L/C A form**

After scrutinizing all the documents carefully, officers of JBL delivers the following forms to be filled up by importer and banker should check: the form are-

- ✚ Import Mercendised Permit Form (IMP)
- ✚ L/C Application Form (L/CAF)
- ✚ L/C Authorization Form(L/CAF)

### **3.14.4 Opening a Letter of Credit**

Bank provides guarantee to importer and exporter through Letter of Credit. Thus the contract between importer and exporter is given a legal shape by the banker by its “Letter of Credit”. The process of opening L/C regarding to import through JBL, Banani Branch are as following:



## 1. Interview of probable L/C opener

At first in cases of import L/C opening opener must give an oral interview to the responsible officers of JBL. If the officers are satisfied with opener's motive of import, type of import goods, quality of imported goods and marketability of goods than they will give approval to opener to further steps.

## 2. Application for L/C Limit

Before opening L/C, importer applies for L/C limit. To have an import L/C limit, an importer submits an application to the Department of JBL furnishing the following information-

- Nature of business
- Required amount of limit
- Payment terms and conditions
- Goods to be imported
- Offered security
- Repayment schedule.

### 3.14.5 Application of Opening L/C

Import in JBL can take place in two ways

(1) By way of opening L/C

(2) Without opening L/C.

(I) Import by way of opening L/C requires fulfilling following criteria of private sector importer;

a) Registered importer having valid IRC

b) Trade license (valid)

c) Membership certificate from local chamber of commerce of related association (valid).

d) Income tax clearance/ declaration in case of new comer.

e) VAT registration certificate.

(c) Daffodil International University



If a private sector importer fulfils above requirements, a banker can process an L/C for import of goods & services from abroad but following papers/documents are to be obtained before opening of LC in addition to the above mentioned papers/documents:

1. L/C application.
2. Indent / Performa invoice / purchase order / contract / agreement.
3. Charge documents duly & properly executed.
4. Letter of Credit Authorization Form (LCAF) duly sealed & signed.
5. Insurance cover note
6. IMP form duly signed by the importer.

The importer must be a customer of the JBL, Banani branch & the L/C may be opened after sanction by the JBL Head office.

Liability vouchers

Debit- Customer's Liability for L/C

Credit- Banker's Liability for L/C

Other vouchers

Debit- Party's account

Credit- Marginal Deposit

Credit- Commission

Credit- Postage

Credit- Vat





### Credit – Other Charges

It is mention that if the Import into Bangladesh without opening L/C may be made in the following cases against LCAF:

- a) Books, journals, magazines, periodicals against sight draft or usance bills. Any importable item by making payment from Bangladesh to the tune of maximum USD. 2500/-in a year
- b) The items allowed by the credit, Loan, Grant.
- c) International chemical reference by registered allopathic industrial unit with the approval of Director, Drug Administration.

After opening the letter of credit JBL bank (issuing Bank) receive the documents for any other proceeding. These documents are-

- i. Bill of lading
- ii. Invoice.
- iii. Packaging list.
- iv. Country of origin.

### 3.14.6 Time limit for opening L/C

L/C (s) will be open within 180 days from the date of issuance of LCAF or from the date of registration of LCAF with Bangladesh Bank.

### 3.14.7 Terms of L/C

Full description of the goods along with quantity and unit price to be incorporated in the L/C and shall take all precaution to quote the correct H.S. codes of the goods. Prices are to be quoted on CER or FOB basis according to the Pro-forma Invoice or Indent. No import will be made on CIF basis without prior approval from the Ministry of Commerce. All L/Cs should provide for payment to be made against full sets of on broad (shipped) transport documents drawn and/or endorsed to cover by the credit to a destination in Bangladesh. All L/Cs must specify submission of signed invoices, certificates of origin & pre-shipment inspection certificate. L/Cs shall also incorporate any other documents, which are mandatory specified for those commodities in the IPO/Public Notices/Bangladesh Bank Circulars.

### 3.14.8 Shipment Validity and Expiry





All L/Cs must specify shipment validity as per terms of the Pro-forma/Invoice or indent or L/C application. However, shipment validity under any circumstances shall not exceed 9 (nine) months from the date of issuance of LCAF or registration LCAF with Bangladesh Bank excepting capital machinery and spare parts shipments of which will be made within 17 (seventeen) months. All L/Cs must stipulate an expiry date and a place for presentation of documents for payment/acceptance.

### 3.14.9 Forwarding Documentary Credit through Advising Bank

There are usually two banks involved in a documentary credit operation. The issuing bank and the 2<sup>nd</sup> bank, the advising bank, is usually a bank in the seller's country. The issuing bank asks another bank to advise or confirm the credit. If the 2<sup>nd</sup> bank is simply "advice or credit", it will mention that when it forwards the credit to seller, such a bank is under no commitment or obligation to pay the seller. If the advising bank is also "confirming the credit", this mention that the confirming bank, regardless of any other consideration, must pay accept or negotiate without recourse to seller. Then the bank is confirming bank.

The following diagram shows those involved in a Letter of Credit Transaction

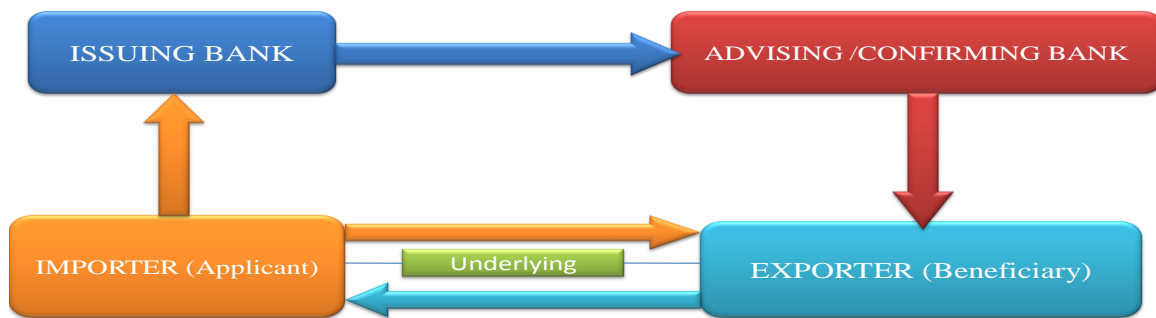


Figure-8: Diagram in a Letter of Credit Transaction

### 3.14.10 Submission of Necessary Document

Although the Importer/Exporter receives the credit and is satisfied that he can meet its terms and conditions, he is in position to load the goods and ship them. The seller then sends the documents evidencing the shipment to the bank. Exporter will submit those documents in accordance with



the terms and conditions as mentioned in L/C. generally the documents observed by me in foreign exchange department are:

- ❖ Bill of exchange
- ❖ Commercial invoice
- ❖ Bill of lading
- ❖ Certificate of origin
- ❖ Packing list
- ❖ Insurance cover note
- ❖ Clean report of finding (CRF)
- ❖ Pre-shipment certificate
- ❖ Weight list

### 3.14.11 Bill of Exchange

According to the section 05, Negotiable Instruments (NI) Act unconditional order signed by the marketer, directing a certain person to pay on or to the order of a certain person or to the bearer of the instrument. It may be either at sight or certain day sight. At sight means making payment whenever documents will reach in the issuing bank. JBL must sure that

- ❖ The draft must bear the correct Documentary reference number.
- ❖ The draft must be date before expiry of the L/C and within the stipulated period for negotiation.
- ❖ It must be drawn or endorsed to the order of the bank.
- ❖ It is drawn by the party indicated as the beneficiary of the credit.
- ❖ It is drawn on the party indicated as the draw of the credit.
- ❖ It is market as drawn under the proper L/C of the bank quoting the L/C number.
- ❖ The tenor is in conformity with that stipulated in the L/C.
- ❖ The amount is identical with the amount mentioned in terms of the credit.

### 3.14.12 Commercial invoice

Commercial invoice issued by exporter is the accounting document by which the seller charges the goods to buyer. JBL must sure that

- ❖ The invoice is signed by the exporter / beneficiary
- ❖ The required numbers of copies of the invoice are placed as per L/C terms.



- ❖ Description of the goods with measurement / weight is mentioned in full.
- ❖ The value and price of the goods to be tallied with L/C terms
- ❖ The L/C number, name of the ship with shipping mark, shipments date L.C.A.F/ license numbers of the importer, indent number etc. are to be quoted in the invoice properly.
- ❖ The quality and quantity of the goods as mentioned in the invoice must agree with that of L/C terms.
- ❖ The name of the importer and the L/C issuing bank is mentioned in the invoice.

### 3.14.13 Bill of Lading (B/L)

A bill of lading is a document usually stipulated in a credit when exporter dispatches the goods. It is an evidence of a contract of carriage, is a receipt for the goods and is a document of title to goods. It also constitutes a document that is or may be , needed to support an insurance claim.

- ❖ The full set of B/L is submitted including original copy.
- ❖ It is marked “Shipped on Board”
- ❖ It is drawn in favor of the bank endorsed to the order off the bank and dated after issuance of the L/C
- ❖ The B/L is clean
- ❖ If the terms of sale is C& F, B/L is to be marked “Freight Prepaid”.
- ❖ Short form B/L is not acceptable
- ❖ Charter party B/L is not allowed unless specified in the L/C
- ❖ B/L is not stale
- ❖ Other (if any) as per L/C terms.

### 3.14.14 Certificate of origin

- ❖ The certificate of origin may be issued by the chamber of commerce & Industry of exporter’s locality or by the supplier as stipulated in the L/C.
- ❖ The goods must be originated from the country as per indication given in the L/C.

### 3.14.15 Inspection Certificate

- ❖ The certificate must comply with the inspection requirements of the Documentary Credit.
- ❖ It contains no detrimental statement as to the goods, specifications, quality, packing etc. unless authorized by the documentary credit.



### 3.14.16 Packing List

- ❖ A detailed packing list requires a listing of the contents of each package, carton, etc. and other relevant information. It corresponds with the requirements of the Documentary Credit.

### 3.14.17 Insurance Document

- ❖ It is the policy/ certificate/declaration under cover note, as required by the Documentary Credit.
- ❖ It covers the specified risks as stated in the Documentary Credit and that the risks are clearly defined.

## 3.15 Lodgment of Documents

If the documents are found in order or the discrepancies in the document if any, are subsequently accepted by the applicant, the branch will record the particulars of the documents in the PAD Register.

## 3.16 Retirement of Documents

JBL advise importer about the date of lodgment of documents with full particulars of shipment to retire the documents against payment or to dispose the import documents as per pre-arrangement, if any. Subsequent reminders are also to be issued every week till retirement of the bill. Such bills will be considered and be reported as overdue if the importer fails to retire the documents within 21 days of arrival of the relative import consignments at the port of destination.

## 3.17 Cancellation of L/C

An irrevocable L/C cannot be cancelled by the customer within the agreement of the beneficiary and all liable banks. A revocable L/C can be cancelled at any time by the opening bank-usually on the instructions of the L/C customer-without prior notification to the beneficiary.

The JBL Banani Branch at the request of the importer may approach the L/C advising bank for cancellation of the L/C and such cancellation will only effective upon consent of the beneficiary advised to the branch through the L/C advise bank. However, the JBL, Banani branch may cancel the L/C without the consent of the beneficiary. Advising bank and confirming bank, if



any, if the L/C expires and the JBL, Banani branch receives no shipping documents within 15 days of expiry of the L/C. the branch should send a message to the concerned bank advising such cancellation and closure of L/C file due to expiry of the same. The JBL then cancels the Reimbursement Authorization, which has been provided to the Reimbursement bank while opening the L/C. the branch will reverse L/C contra liabilities, refund margin and recover charges from the L/C applicant as per schedule of charges.

### **3.18 Import Financing by JBL**

Banks are playing a very important role in financing foreign trade of a country. Basic task in case of foreign trade is the same as in the home trade, i.e., to receive payments from the buyers and to make payments to the sellers. In our country import financing is made by the way of Payment Against Documents (PAD), Loan Against Imported Merchandise (LIM), and Loan Against Trust Receipt (LTR).

#### **Payment against Document (PAD)**

Banani branch starts PAD procedure after getting all documents from the exporter of importer as evidence of exporting goods. Documents required for PAD is mentioned below;

- ❖ Original (non-negotiable) bill of lading
- ❖ Bill of exchange
- ❖ Packing list
- ❖ Commercial invoice
- ❖ Certificate of origin
- ❖ Certificate of Insurance
- ❖ Clean Report of Finding (CRF)
- ❖ Pre-shipment Inspection certificate

When an import bill is received under a letter of credit, issuing bank carefully examine the documents as these are in accordance with the terms of the letter of credit. If the documents received in order, the bank lodge the shipping documents in their book and the debit entry originated there against by the negotiating bank / reimbursement bank is responded to the debit of advance portfolio “Payment Against Documents” or “Bill of Exchange” as the case may be and intimation is sent to the importer asking him to retire the import bills immediately. Thus, liability under the letter of credit is converted to bank’s advance. It is a practice that allows the importer to retire the documents until ship carrying the goods arrives. Normally, outstanding under “PAD” should not take more than 21 days for adjustment. When the importer retires the bill, the transaction ends there.



### **Loan Against Imported Merchandise (LIM)**

When the importer requests the bank for clearance of goods or the importer fails to retire the documents on payment, the liabilities under PAD or Bill of Exchange are converted to LIM account and the overdue interest from the date of accompanying Bill of Exchange or negotiation date to the date of transfer to LIM account is charged and incorporated to LIM. The advance against merchandise account is a loan account and only amounts for clearance charges, such as, custom duty, sales tax or VAT etc are allowed to be debited to the LIM account. A definite repayment schedule is also given to the importer to take delivery of the goods from bank's custody against payment. Usually this loan is granted for 90 days within which importer should repay the loan and take delivery of the goods.

### **Loan Against Trust Receipt (LTR)**

Under this LTR, Loan is allowed by JBL only to first class importers. Here only on the basis of trust without paying JBL anything or a partial amount, the importer takes the documents. Then importer is allowed 60-90 days time to make payment.

**U.S Dollar:** the documentary credit opened on US Dollar is reported to Bangladesh Bank under this category.

**ACU Dollar:** the export import related to India, Iran, Nepal, Pakistan, Sri Lanka, Bhutan and Myanmar countries will be reported to Bangladesh Bank at ACU Dollar.

**EURO:** the documentary credits opened with EURO exchange based countries are reported under this category.

### **3.19 Back To Back L/C (BTB L/C)**

#### **Back To Back L/C opens:**

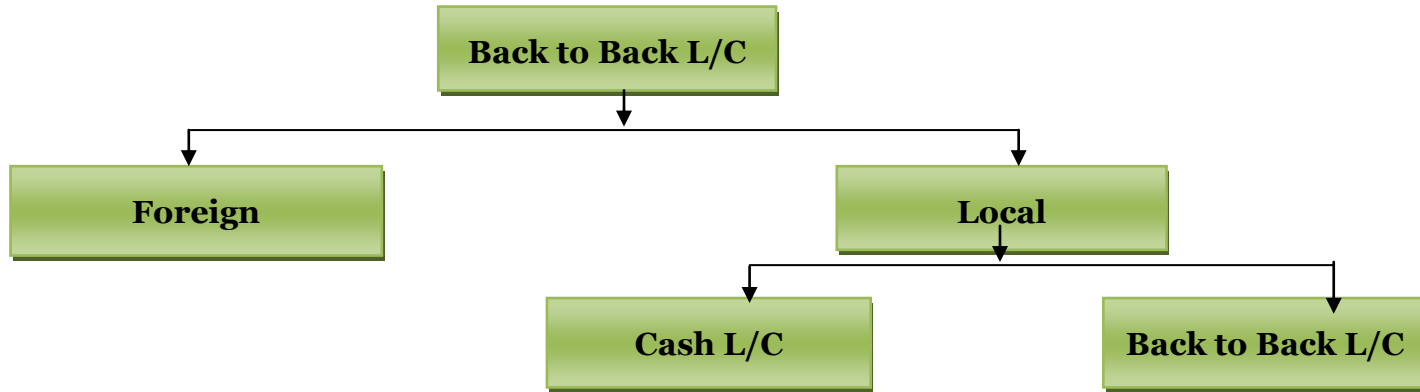
It is a secondary letter of credit opened by the advising bank in favor of a domestic/foreign supplier on behalf of the beneficiary original foreign L/C. as the original letter of credit of bank by import letter, it is called Back to Back L/C. the second L/C is opened on the strength of the original L/C for a smaller amount.





## Kinds of Back to Back L/C

Back to Back L/C can be divided into two types: Foreign and local.



### Back To Back L/C (Foreign):

When the Back to Back L/C is opened in a foreign country supplier it is called Back to Back L/C (Foreign). It is generally payable within 120 days at site.

### Back To Back L/C (Local):

When the Back to Back L/C is opened for local purchase of materials, it is called Back To Back L/C (Local). It is generally payable within 90 days at site.

### Cash L/C:

It is the L/C normally open for a bank acceptance. No master L/C is needed. Sometime people want a bank guarantee. It is one of them. It can be at sight and may be defer.

### Back To Back L/C Export Development Fund (EDF):

EDF provided by the ADB to Bangladesh bank for export promotion of third-World country like Bangladesh. When the bank is not in a position to support the amount of B-to-B L/C then they apply for loans to the Bangladesh Bank for B-to-B.

### Consideration for Back To Back L/C:

- ❖ Whether client can manufacture within time period
- ❖ The unit price of the finished pro-forma invoice should be considering while allowing margin



- ❖ Considering the expiry date and shipment date
- ❖ Onsite inspection whether manufacturing is carried out

### Payment under Back To Back L/C:

Deferred payment is made in case of BTB L/C as 60, 90,120,180 date of maturity period. Payments will be given after realizing export proceeds from the L/C issuing bank from the abroad.

### 3.20 Reporting of Bangladesh Bank:

At the end of every month, statement of commodity wise import of Letter of Credit must be reported to the Bangladesh Bank. Bangladesh bank has online reporting system. The procedures in this respect is as follows-

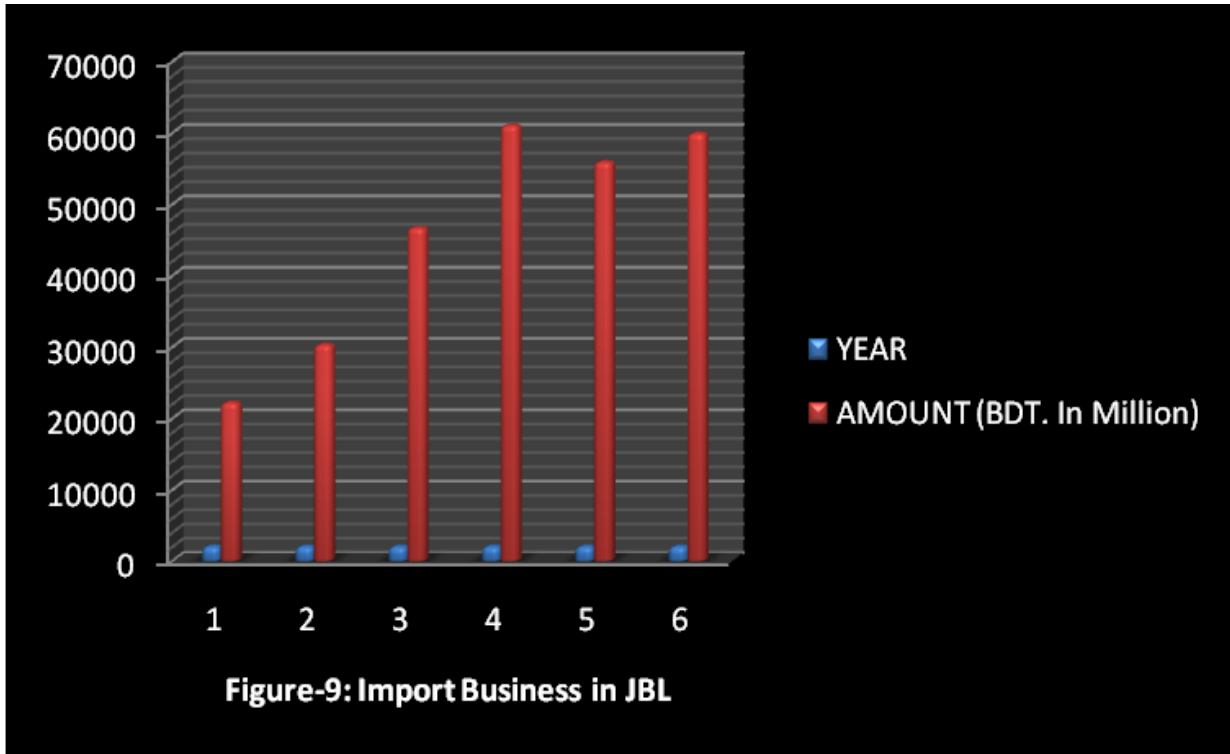
- To fill-up the E-2/P-2 schedule of S-1 category. The whole month import amount, quantity, goods category, country origin, currency etc are all mentioned.
- Original IMP is forwarded to Bangladesh Bank with mentioning invoice value.
- Duplicate IMP is skipped with the bank along with the bill of entry.

### 3.21 Statement of Import Business

The total import business handle by the bank in 2012 was BDT. 59901million compared to 2011 BDT. 55907 million and the growth of the BDT. 3994 million. The import items include industrial raw material, machinery, consumer goods, fabrics, accessories, food item etc.

YEAR	2007	2008	2009	2010	2011	2012
AMOUNT (BDT. In Million)	22192	30312	46685	61035	55907	59901





Source: Annual Report of JBL 2012

### 3.22 Charges for Import Business of JBL

Charges are depend on

S/L	Item	Period/Nature of charge rate	Commission/charges
1.A	L/C opening commission under cash	First quarter	@0.40%
		For subsequent quarter or part there of	@0.25%
		Minimum	TK. 500/=
B	L/C opening commission under cash (opened against 100%)	1 <sup>st</sup> quarter	@0.25%
		For subsequent quarter or part there of	@0.25%



		Minimum	TK. 500/=
<b>C</b>	L/C opening commission under cash (AID/Loan/Credit etc)	1 <sup>st</sup> quarter	@0.50%
		For subsequent quarter or part there of	@0.30%
		Minimum	TK. 500/=
<b>D</b>	L/C opening commission under cash (Back L/C)	1 <sup>st</sup> quarter	@0.40%
		For subsequent quarter or part there of	@0.30%
		Minimum	TK. 500/=
<b>E</b>	L/C opening commission under cash (cash L/C)	1 <sup>st</sup> quarter	@0.50%
		For subsequent quarter or part there of	@0.30%
		Minimum	TK. 500/=
<b>02</b>	L/C transmitted by mail/courier	Mail	Mail At actual
		Courier	SAARC countries- at actual other than SAARC member countries
<b>03</b>	L/C transmitted by SWIFT		SAARC & other countries: at actual (i.e)TK. 2800/=
	L/C transmitted in short form and non operative SWIFT		TK. 700/= to confirm the L/C operative and SWIFT charge as per 3(a) should be recovered.
<b>04.</b>	A) Amendment including increase 1 <sup>st</sup> quarter of value or extension of time	1 <sup>st</sup> quarter	As per LC opening commission
		For subsequent quarter or part there of	As per LC opening commission
		Minimum	As per LC opening commission
	B) Amendment including increase of value or extension of time (opened against 100% margin)	1 <sup>st</sup> quarter	As per LC opening commission
		For subsequent quarter or part there of	As per LC opening commission



		Minimum	As per LC opening commission
05	Amendment of L/C transmitted by SWIFT	-	SWIFT charge: At actual (i.e.TK. 700/=) & service charge TK. 300
06	Indemnity for shipping guarantee in absence of original document for L/C	-	No charge
07	Document of discrepancy fee from import bill (cash L/C / DP/BTB/AID/Loan)		USD \$50.00to be deducted from the bill amount plus SWIFT/Mail charge for USD \$50.00 for each set of discrepant document present for payment

Source: JBL Document & policy

3.23 Import Business in Jamuna Bank Limited (Banani Branch) Reported on Bangladesh bank: Report on Bangladesh bank for each end of the month wise

Statement of commodity – wise

Import Letter of Credit for the month of

January-2012 to February-2013(Figure in thousands)

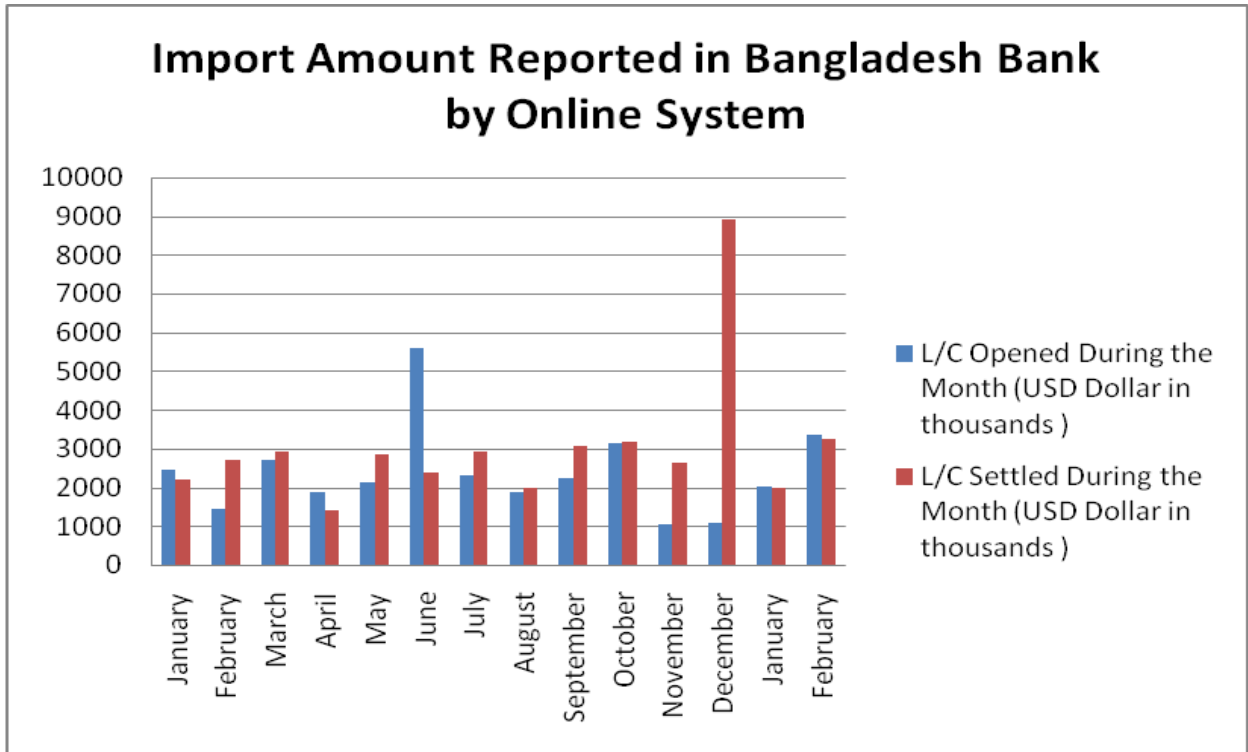
Name of the Branch: Banani

Month	L/C Opened During the Month (USD Dollar in thousands )	L/C Settled During the Month (USD Dollar in thousands)
January	\$ 2470.70	\$ 2192.40
February	1439.45	2691.10
March	2723.86	2918.84



<b>April</b>	1871.93	<b>1397.87</b>
<b>May</b>	2118.02	<b>2862.43</b>
<b>June</b>	5605.98	<b>2387.15</b>
<b>July</b>	2313.99	<b>2930.89</b>
<b>August</b>	1883.82	<b>1992.71</b>
<b>September</b>	2243.03	<b>3084.63</b>
<b>October</b>	3151.69	<b>3181.25</b>
<b>November</b>	1050.27	<b>2650.12</b>
<b>December</b>	1096.62	<b>8902.05</b>
<b>January</b>	2032.38	<b>1985.10</b>
<b>February</b>	<b>3355.74</b>	<b>3247.49</b>

### 3.24 Graphically presentation:



**Source:** All data are collected from monthly register book of Banani Branch.

### 3.25 Foreign Exchange Performance of Banani Branch (5 Years)

There are foreign exchange at a glance is given below:

	2008	2009	2010	2011	2012
<b>Export</b>	30311.71	46684.73	53418.91	62327.79	<b>67532.02</b>
<b>Import</b>	18617.43	21406.94	23813.63	27674.09	<b>37191.44</b>
<b>Remittance</b>	<b>987.41</b>	<b>1156.61</b>	<b>1812.46</b>	<b>1980.60</b>	<b>2105.77</b>

Source: Register Book of Banani Branch. *Appendix-1*

### 3.26 Transmission of letter of credit:

In international trade, receipt of letter of credit by cable, telex, fax is preferred by all. In that case the whole text of L/C is to be transmitted to the advising bank.



**Transmission Process of JBL Bank**

The transmission process of L/C of JBL Bank are much more advance. They are sending all foreign L/C to the advising bank through SWIFT.

SWIFT-Society for world wide inters bank telecommunication. This is a system of inter bank transaction. Every bank or other financial institutions must get the membership of SWIFI to share the information. This is a system of Communication where further confirmation will not require.

**3.27 Amendment of letter of credit:**

The letter of credit opened by a bank may need to amendment. It is the supplier finds. That the terms of the credit cannot be complied with in full, he would arrange for necessary amendments by the opener before the goods have shipped. These amendments must be advised by the opening bank to the supplier though advising bank. Some time the opener also may like to amend the credit after it has been advised.

**3.28 List of Customers (Import Department)**

Importer	Limit in	Import	L/C	No. of	No. of	Import	Import
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		Lac	outstanding in TK. Lac	L/C Issued in 2012	L/C Issued in 2013	Performance 2012 (TK. In Lac)	Performance 2013 (TK. In Lac)
01	PARTEX PLASTICS LTD	3000	1373.83	84	48	6847.07	2764.42
02	PARTEX BOARD MILLS LTD	800	241.48	4	11	889.38	746.19
03	K.C.J & ASSOCIATES	Case to Case	1165.08	1	2	1548.35	1165.08
04	Rising knit 7 textile LTD	400	332.34	2	16	172.22	1306.98
05	EAST ASIA ACCESSORIES LTD	175	25.24	14	5	533.55	235.95
06	BROTHERS TEXTILE AND WEAVING MILLS LTD	Case to Case	-	7	8	721.88	307.84
07	VITEX POWER LTD	150	99.79	46	26	685.44	371.94
08	RACY FASHION AND PACKAGING IND LTD	Case to Case	45.01	7	7	247.66	162.15
09	GALAXY TRADE INTL	300	39.07	11	4	31386	155.69
10	GREEN BANGLA SOLAR SOLUTION LTD	200	27.63	40	15	489.87	66.55
11	JRC POWER GEN	150	24.06	7	2	291.11	32.03
12	CREATIVE ENGINEERS LTD	Case to Case	53.94	2	1	1003.12	53.94
13	RASSEL TRADING COM.	Case to Case	-	2	2	202.78	42.72
14	DANA ENGINEERS LTD	300	7.88	33	4	657.56	76.08
15	PARTEX BEVERAGE	Case to Case	-	1	-	103.48	-
16	SOL OIL COMPANY	150	7.82	6	1	116.8	7.82





17	AVR CAPITAL CHEMS	Case to Case	15.77	1	4	9.96	33.59
18	BIG BOSS CORP.	Case to Case	300	6	3	1263.34	36.37
19	DISARI POLY PRINT AND PACKAGING LTD	200	-	7	2	481.24	174.58
20	EZZY ENTERPRISE	Case to Case	1.56	8	2	186.66	2.35
21	BEYOND TECHNOLOGIES	Case to Case	2.4	5	5	20.9	19.9
22	SHAWON ELECTRICAL ENGINEERING	30	-	6	2	27.18	27.52
23	AZTEC IMPEX	Case to Case	-	4	2	44.93	7.93
24	BROTHERS INTERIO SOLUTIONS	Case to Case	-	-	4	-	57.18
25	SPECTRA INTERNATIONAL LTD	400	-	4	-	457.21	-
26	TOMA CHEMICAL AND SUPPLY	500	-	15	-	1405.6	-

Source: Bank document of JBL, Banani Branch

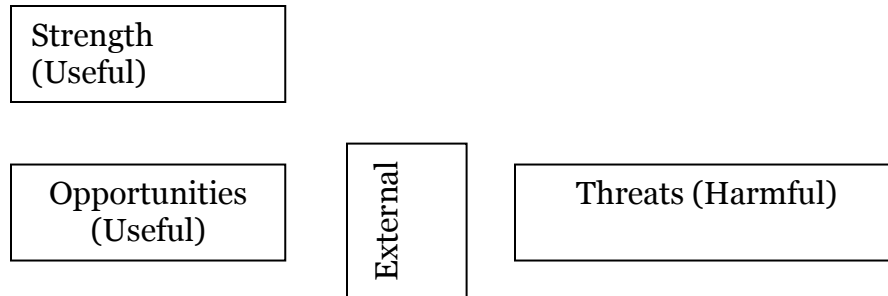
## Chapter: Four

### SWOT Analysis



### SWOT Analysis

The SWOT analysis comprise of the organizations internal strengths weaknesses, external opportunities and threats. SWOT analysis is an important tool for evaluating the company's strengths, weaknesses, opportunities and threats. It gives an organization and insight of what they do in future and how they can compete with their existing competitors. This tool is very important to identify the current position and performance of the organization relative to others, who are playing in the same field and used in the strategic analysis of the organization.



It analyzes the inherent of the company, resilience, brand loyalty, endowment and good side of the Organization etc.

#### 4.1 Strengths

Firms' strengths are its resources and capabilities that can be used as basis for developing a competitive advantage.

##### **i) Superior Quality:**

JBL Bank provides its customers excellent quality of service. It gives the first priority to customer satisfaction.

##### **ii) Dynamism:**

JBL Bank draws its strength from the adaptability and dynamism it possesses. It has quickly adapted to world class standard in terms of banking services. JBL Bank has also adapted state of the art technology to connect with the world for better communication to integrate facilities.

##### **iii) Financial strength:**

The financial strength of JBL Bank is very strong.

##### **iv) Efficient Management:**

All the levels of the management of JBL Bank are solely directed to, maintain a culture of the betterment of the quality and services and development of a corporate brand image.

##### **v) Technology:**

JBL Bank utilizes state of the art technology to ensure consistent quality and operation. The corporate office is equipped with SWIFT (is a banking software) used by JBL Bank. All other branches are also equipped with SWIFT System.

##### **vi) Experts:**

The key contributing factor behind the success of the JBL Bank is its employee, who is highly trained and most competent in their own field. JBL bank provides their employees training both in-house and outside job.

##### **vii) In-House Utility:**

JBL Bank is free from dependence of uneven disruptive power supply of our public sources. The company generates the required power through generator fed on diesel; water generation is done by deep tube wells on site.

##### **viii) Excellent working Environment:**

JBL Bank provides its work force an excellent place to work in. Total complex has been centrally air conditioned. The interior decoration was done exquisitely with choice of soothing colors and blend of artistic that is comparable to any overseas Bank.

##### **ix) Large number of customers:**

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There are large numbers of customers in JBL Bank because of its reputation.

**x) Brand Image:**

JBL Bank bears a good brand image because of its product, quality and services all are goods.

## **4.2 Weaknesses:**

This analysis's the inherent weakness of a company. Some of weaknesses are as follows:

**i) Limited Workforce:**

JBL Bank has limited human resources compared to its financial activities. There are not many people to perform most of the tasks. As a result many of the employees are burdened with extra workloads and work late hours without any overtime facilities. This might cause high employee turnover that will prove to be too costly to avoid.

**ii) Problem in Delivery:**

Few of the JBL Bank products offered to its clients like personal credit is lying idle due to proper marketing initiative from the management. These products can easily be made available in attractive ways to increases its client base as well as its deposit status.

**iii) Insufficient ATM Booth:**

The ATM booth is insufficient in JBL bank. It is very big weaknesses of JBL Bank limited. The management of JBL bank should try to necessary step to increase the sufficient ATM booth and helps clients to take necessary services.

**iv) Lack of Promotional Activities:**

Promotional activities of JBL bank are limited. They should aware of increasing their promotional activities. So, it is a weakness of JBL Bank Limited.

**v) Lack of Online Banking Activities:**

Online banking activities are not properly active of JBL bank. If the management takes necessary action to provide online banking activities efficient, it will be the benefited term of JBL bank.

## **4.3 Opportunities:**

**i) Government Support:**

Government of Bangladesh has rendered its full support to the banking sector for a sound financial status of the country, as it has become one of the vital sources of employee it the country now. Such government concern will facilitate and support the long term vision of JBL Bank.

**ii) Evaluation of E-Banking:**

Emergence of e-banking will open more scope for JBL to reach the clients not only in Bangladesh but also in the global banking arena. A proper blend of Banking and information technology might give the bank leverage to its competitors. There are ample opportunities for JBL Bank to go for product innovation in line with the modern day need. The bank has yet to develop credit card facility, lease financing and merchant banking.

## **4.4 Threats:**

**i) Merger and Acquisition:**

The world wide trend of merging and acquiring in financial institution is causing concentration.



JAMUNABANK

Banani Branch

The industry and competitors are increasing in power their respective areas.

**ii) Frequent currency devaluation:**

Frequent devaluation of Taka exchange rate fluctuations and particularly south-East Asian currency crisis adversely affects the business globally.

**iii) Emergence of Competitors:**

Due to high customer demand more and more financial institutions are being introduced in the country. So, the quantities of competitors are increasing day by day. So, it is one of the great threats of JBL bank Limited.

# Part: Three Findings,



## Chapter Five

# Findings, Recommendations and Conclusion





## 5.1 Findings

In Bangladesh, international trade and foreign exchange transactions are generally made through Letter of Credit. It is the most popular method out of many others described earlier for importing and exporting goods and for making and receiving payments to and from abroad. It is also notable that the Import and Export policy of the country and Foreign Exchange Guideline provided by the Central Bank are also encourage this Documentary Credit system.

**During internship period in JBL, Banani Branch, the following problems are observed:**

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- ❖ Due to regulations and policies of the country, there are great differences in the documentary requirements of export and import LCs in Bangladesh. LCs issued from abroad i.e. export LC asks for fewer documents than the LCs issued from our country. However, both import and export LCs, submission of insurance documents are rarely asked for their requirement to be covered by domestic insurance companies.
- ❖ Through the face to face conversation with the employees of JBL Bank and found that some employees are not familiar with the foreign exchange activities.
- ❖ There is shortage of computer in import section. Sometimes the shortage of computer makes some unfortunate event in that section.
- ❖ Lack of skillful manpower in import section.
- ❖ Flora On-line banking software is used by JBL Banani Branch and this is quite difficult to use for the employee as the employees are not well trained.
- ❖ Foreign exchange department has highly adhered with procedures; rules and regulations provided by Bangladesh bank but most of the cases the officers are not knowledge about this regulation and Acts.
- ❖ Lack of depth knowledge and Analytical ability for writing import documents.
- ❖ Branch has no any IT expert person as a result they are fully depending on Head Office IT section and its time consuming when face any computer problem.
- ❖ Floating exchange rate has been introduced and it has put the banking sector into a new era. Bangladesh Bank total control is not there but there is some risk factor involved in it.



- ❖ The procedures to open documentary credit are full of hard and fast rules & regulations (as per Bangladesh bank) but compare to other banks, JBL is very much fasted to open documentary credit.
- ❖ Internet services are not available and slow internet speed as a result banking activities hampered.
- ❖ In our country, financial problem is a great constraint in foreign trade. JBL is very conservative for post shipment finance.
- ❖ Lack of broad banking knowledge i.e. officers have knowledge only position activity but when officers are transfer to other section, they face some problem.
- ❖ For amendment of letter of credit, generally importers approach to the bank on behalf of the exporters. An amendment can only be made if all 3 (Three ) prime parties i.e. the importer, the export and the LC issuing bank agrees to do so. But in our country it is observed that the banks without receiving any request from the beneficiary make amendment to an LC only receiving an amendment application from the importer.
- ❖ The Bank undertaken strong policy Guideline to regulate and monitor to minimize the foreign exchange risk due to exposure in currency movement.
- ❖ Operational risk may arise form error, frauds bake surprise improper processes due to lack of effective internal control and compliance mechanism.

All of the officers on this department of Banani Branch are not having computer facilities, which are slowing down the activities of foreign exchange department. The most essential is that vouchers are prepared and different persons do computer posting, which creates confusion and delay of operation. Another problem is that only some documents and recording procedures done



by computer others are done manually

## 5.2 Recommendation:

In order to get competitive advantage and to deliver quality service, top level management should try to modify the service. As an internee of JBL, Banani branch, I have some recommendations which are given below:

- i. JBL need to necessary changes in import policy to permit imports to be made without LC to reduce import cost and subsequently reduce prices on essential and consumable goods.
- ii. Foreign exchange operations of other banks are more dynamic and less time consuming. JBL should take some initiative to compete with those banks.
- iii. The recording procedures and documents of import keeping process of in this department must be improved through sequential effort system and for all type recording of this department should be computerized.
- iv. To arrange more employee in the Import Section for reducing the pressure.
- v. Employees should be more expert and trained to use the Flora software (According to the statement of some employee of JBL who has the experience to use more than on banking software).
- vi. JBL has to ensure the good networking system between the employees and should use the faster Internet Service for SWIFT communication.
- vii. JBL must train up for writing import documents to develop electronic banking system to moderate the service.
- viii. Branch has to ensure at least one IT exporter. JBL should train up their branch personnel about all sort of information regarding SWIFT and its services.
- ix. JBL should always monitor the performance of its competitors in the field of foreign trade.
- x. Customer service should be faster than others banks. For customers convenience in foreign exchange department of JBL should provide more personnel to deliver faster services to their honorable customer.



- xi. To attract more clients JBL has to create a new marketing strategy, which will increase the total export import business.
- xii. To ensure the good networking system between the employees and should use the faster Internet Service for SWIFT communication.
- xiii. Operational risk may arise from error, frauds, or surprise improper processes but if it can be reduced by effective internal control and compliance mechanism.
- xiv. JBL should focus on their promotional activities.
- xv. They should focus on the marketing aspects to let customers know about their products and offerings and more promotion should be given to attract new customers.
- xvi. Due to lack of proper knowledge about the operation procedures and services provided to the customers by SWIFT. Some customers are facing problem, as they have to wait for certain line to get the service and sometimes personnel are not being able to operate SWIFT. They are not fully independent of handling SWIFT. Official training is the solution to this problem.
- xvii. Mercantile bank Ltd. Prime Bank Ltd. Eastern bank Ltd, First Security bank Ltd, Mutual trust bank Ltd. Dhaka bank Ltd. etc. banks are emerging competitions of Jamuna Bank Ltd. So, JBL should introduce good service and other qualitative product for that reason they can overcome all other their rivals.
- xviii. In terms of import and export they have to increase their work efficiency.
- xix. For maintaining foreign exchange risk management, related variety of training should be provided to Jamuna bank employees.
- xx. JBL Bank try to build up quality man power having skilled and professional expertise by established its own Training institute at Head office.
- xxi. JBL must to ensure that receiving any request from the beneficiary make amendment to an LC only receiving an amendment application from the importer.
- xxii. JBL, Bangladesh Bank has to ensure intern person some remuneration and then those people are doing work properly.



Few other important factors that should be focused on the development process of JBL. These are given below:

- Evaluate customer's needs from their perspective and explain locally the short comings.
  - Customer's convenience should receive priority over others.
  - Time consume at service level should be minimized at Optimum level.
  - Use of effective management information system&
  - Use appropriate techniques in evaluating customer need professionally.
  - Deliver quality service top management should try to mitigate gap between customers expectation and employees perception.

Jamuna bank should increase it customers can easily met up their essential needs easily.

### 5.3 Conclusion:

There are a number on nationalized, private and foreign banks operating their activities in Bangladesh. Jamuna bank is one of the leading banks. This report is an effort to reflect a clear idea about the strategies, activities and difference performances of JBL, regarding its commercial activities with a special reference to Import Section. This report has written on the basis of the knowledge and experience gained during the internship period of three months. During the internship period, try to seek and find out the main reasons of this success of JBL. Banking is the business of providing financial services to the private individuals, corporations, government agencies, business and industries. Jamuna bank ltd has introduced a new dimension in the field of innovation and benevolent banking in our country. The bank has successfully made a positive



contribution to the national economy of Bangladesh with in very short period of time. Its profit is gradually increasing. It plays a great role in collecting national income, economic development, agricultural and rural development, and poverty alleviation industrial development, and export-import, infrastructural development, financing ventures, social development, scattered deposit and loan settlement. JBL Foreign exchange department facilities not only maintain export import and private transactions but also help to encourage economic development of Bangladesh.

JBL is determined to fulfill all the needs of its customer by ensuring: Joyous banking, Amiable support, Magnificent service, Unique products, Numerous benefits and Appreciable growth. The JBL philosophy “YOUR PARTNER FOR GROWTH” has been specifically a soul of the legend of success in Bangladesh. The bank has provided to be successful by offering quality services to its customers in time. Most of employees of JBL are very efficient, everyone knows their work very well and can perform efficiently to produce the best output. It is needless to say that financing of these areas by this bank is changing human lives, upgrading standards of living and enhancing people’s cultural standard. This bank also promotes and develops entrepreneurs who are the backbones of industry and economy. For greater growth and healthy economic position, it should introduce new and attractive long-term credit schemes especially for new investor’s schemes for poverty alleviation.

Identification of potential entrepreneurs extending credit to them and providing them with advisory and counseling service is now-a-days native functions of this bank. Jamuna bank meets the growing credit need of the people by creating money. To direct employment, the bank also help employment of thousands of people by financing trade, import, industry, rural development and projects of huge size etc. It encourages people to transact with them resulting in the spread of banking habit this is done by both extending branch network to the door-step of the people and making available required services. Except the above mentioned areas. This bank is also involved in financing a lot of activities. In fact, Jamuna bank extends their helping hands to practically all the sphere of human life.

Finally it can say that internship period is a new way to work, free but efficient, performing independently, thinking and learning practically is an important experience.



**Appendix-1**

**Report on Bangladesh bank for each end of the month wise**

Statement of commodity – wise

Import Letter of Credit for the month of

January-2012 to February-2013(Figure in thousands)

Name of the Branch: **Banani**

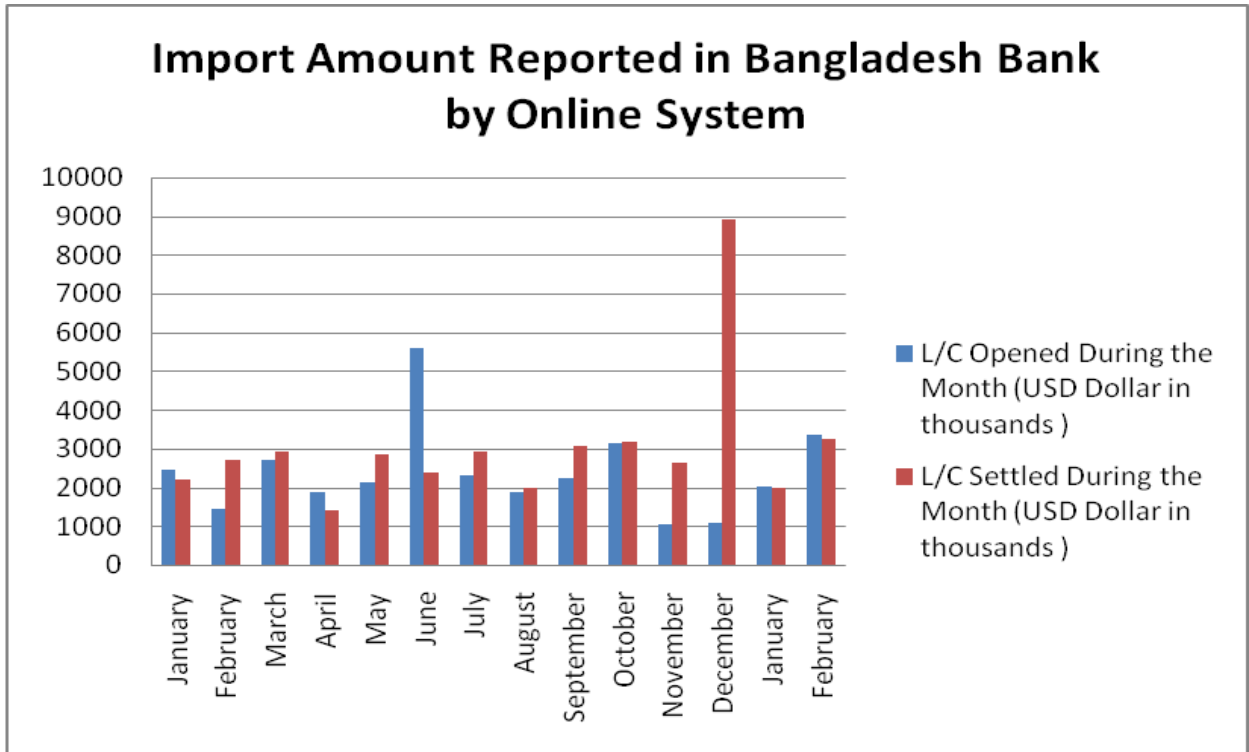
Month	L/C Opened During the Month (USD Dollar in thousands )	L/C Settled During the Month (USD Dollar in thousands)
January	\$ 2470.70	\$ 2192.40





## Banani Branch

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<b>March</b>	2723.86	<b>2918.84</b>
<b>April</b>	1871.93	<b>1397.87</b>
<b>May</b>	2118.02	<b>2862.43</b>
<b>June</b>	5605.98	<b>2387.15</b>
<b>July</b>	2313.99	<b>2930.89</b>
<b>August</b>	1883.82	<b>1992.71</b>
<b>September</b>	2243.03	<b>3084.63</b>
<b>October</b>	3151.69	<b>3181.25</b>
<b>November</b>	1050.27	<b>2650.12</b>
<b>December</b>	1096.62	<b>8902.05</b>
<b>January</b>	2032.38	<b>1985.10</b>
<b>February</b>	<b>3355.74</b>	<b>3247.49</b>



**Source:** All data are collected from monthly register book of Banani Branch.

**Thanks for your co-operation**



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