

An Internship Report

on

Foreign Remittance Activities of United Commercial Bank Limited : An Analysis



(Kawran Bazar Branch)



Daffodil International University

Date of submission: 18th September, 2014

An Internship Report
on
Foreign Remittance Activities

Submitted by
Sadia Tuz Juhora

ID: 101-11-1504

Performed at
United Commercial Bank Limited



Kawran Bazar Branch, Dhaka.

*An Internship Report Presented in Partial Fulfillment
Of the Requirements for the degree
Bachelor of Business Administration*

Major in

FINANCE

Department of Business Administration



Daffodil International University

**An Internship Report on
Foreign Remittance Activities**

Performed at



United Commercial Bank Limited

Kawran Bazar Branch, Dhaka.

Course Title: **Internship**
Credit: **06**

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Program: B.B.A

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Submitted to

Masud Ibn Rahman

Associate Professor

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Daffodil International University

Letter of Transmittal

Date: 14 September, 2014.

Masud Ibn Rahman
Associate Professor
Faculty of Business Administration
Daffodil International University
Dhaka, Bangladesh.

Subject: **Submission of Internship Report.**

Dear Sir,

It is my great pleasure that I submit the internship report on Foreign Remittance Activities of United Commercial Bank Limited (UCBL) as partial requirement of internship program under BBA curriculum.

I have tried my best to follow your guidelines in every aspect of planning and preparing the report. I have collected data that I believe to be most important to make my report as specific & coherent as possible. I enjoy the challenge of preparing the report as it has provided me an opportunity to increase my understanding about foreign remittance activities of UCBL (Kawran Bazar Branch). Most of the information of this report comes from the annual report of the UCBL, different books and also from websites.

I sincerely hope that my analysis will aid in making the correct decision. I shall be pleased to answer any queries relating to this submission.

Thank You.

Sincerely Yours,

(**Sadia Tuz Juhora**)

ID No. : 101-11-1504

Batch: 25th

Program: **BBA**

Daffodil International University

Certificate of Approval

This is to certify that Sadia Tuz Juhora, ID: 101-11-1504, Batch: 25th, Major in Finance has prepared report **on Foreign Remittance Activities of United Commercial Bank Limited**. Based on internship program in the UCBL, this report is an essential requirement to obtain Bachelor of Business Administration (BBA) degree from the Daffodil International University.

The internship program was supervised by me and the internship program is successfully completed. I also certify that the paper is an original one and has not been submitted elsewhere previously for publication in any form.

Masud Ibn Rahman
Associate Professor
Department of Business & Economic
Daffodil International University

Certificate of Approval by Executive Vice-President

This is to certify that the Internship on Foreign Remittance Activity of United Commercial Bank Limited has been submitted for the degree of B.B.A (Bachelor of Business Administration) program major in Finance from Daffodil International University carried out by Sadia Tuz Juhora of bearing ID: 101-11-1504 under my company. The report is prepared on the basis of the theoretical and practical learning from the 3-month internship program in UCBL (Kawran Bazar Branch). She is a good manner and good performance.

She has been permitted to submit the internship report.

Md. Shamsul Alam Khan
Executive Vice President
United commercial Bank Limited
Kawran Bazar Branch, Dhaka.

Preface

At the beginning I am very much grateful to Almighty Allah for giving me strength and opportunity and sound mind to complete the internship report in time. Then I would like to express my sincere and immense gratitude to everyone who contributed toward preparing and making this study successful.

I would like to express my gratitude to my internship supervisor *Masud Ibn Rahman*, Associate Professor, Department of Business Administration, Daffodil International University. His valuable suggestion and guideline helped me a lot to prepare in a well organizer manner. I determined the nature and amount of evidence accumulated after considering the unique circumstances of the engagement. Throughout this analysis I tried to conclude the diverse field of Foreign Remittance Activities and relate those with the form of a real business proposal. Again I think this internship report may be useful for accruing practical knowledge & taking right decision, while I will enter in the job field. Finally I would like to thank ones again to my supervisor *Masud Ibn Rahman* and all of my teachers for their continued support on this process.

I also would like to take this opportunity to thank Md. Shamsul Alam Khan (Executive Vice President), Rahela Haider(S.E.O) And all other employee of United Commercial Kawran Bazar Branch for their supporting role.

I also like to thank all the book writers and website publishers from where I got valuable information.

Finally, I would like to thank my parents and my brother and sister whose influence an inspiration have enable me to complete this report from background.

Executive Summary

Banks play an important role in the economy of any country. The Banking system of Bangladesh is composed of variety of banks- private banks, foreign banks, specialized banks, & development banks. However, there are many private banks in Bangladesh. This report represents the working experience on private sector commercial bank operated in Bangladesh named “United Commercial Bank Limited” (UCBL) an internship report for BBA program.

To achieve the objectives of the report, tried to analyze the remittance activities of UCBL. For this purpose primary data has collected on interaction from employees and the secondary data for the study mainly comprise annual report and different journal. Statistics for five years have been gathered and analysis.

From the experience of concluding the project a number of recommendations may be given which may be useful or the newly entrance to offering these services of Foreign Exchange (Export and Import) such as : Acquiring Foreign Remittance depends on prompt customer service and instant payment, which requires Online Banking system. It is recommended introducing of Online Banking system to attract customer and provide better customer service.

The report is combination of three months internship program with United Commercial Bank Limited acknowledged foreign remittance operations on my way to complete internship. The report explained real life experience gathered from the Kawran Bazar Branch.

Foreign Remittance means transfer of foreign currencies from one country to another country through official channel. Foreign Remittances are two types- one is Outward Remittance and Inward Remittance.

Originally, want to concentrate myself on foreign remittance, and how the large amount of foreign remittance can enter into our country in right channel. Various constraints also found in the total system and effort comes out from me to suggest some remedies to overcome that obstacles.

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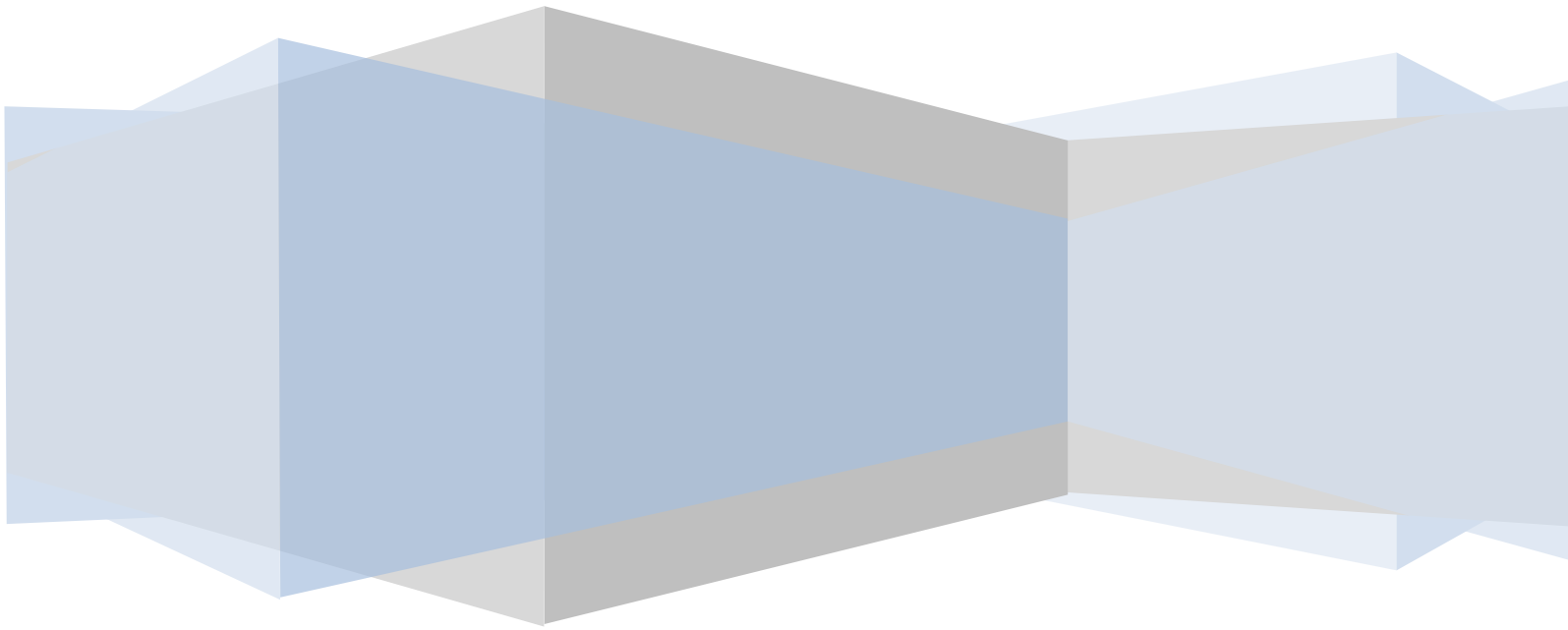
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CHAPTER-1

INTRODUCTION



1.1 Introduction

A bank is a financial institution offering deposits subject to withdrawal on demand and giving loans to the retail or corporate sector. There are different types of banks like commercial bank, investment bank, international bank and Islamic etc. The chosen bank is UCBL, Kawran Bazar Branch. It is one of the oldest private banks in Bangladesh known as **“United Commercial Bank Limited”**. Being one of the first generation private sectors Bank in Bangladesh, it started its commercial operations from mid 1983 and has since been able to establish one of the largest networks of 108 branches in six different districts. Though being the oldest, UCBL is still not the market leader in the banking sector where the other new comers are doing very well in the industry. This internship report is based on the findings that why employees are switching from UCBL and what can be done to cope up with this situation. One of the main objectives of the Bank is to develop the country’s welfare and took part in the operation to build up our country as an emerging economic power. Foreign remittance now a day is shows the economic strength of the country’s strength of the world economy. Foreign remittance trend of our country are shown and some problems also defined in here. There are some regulatory bodies have some terms and condition to maintain the remittance flow smoothly

Finally concentrate on foreign remittance activities, and how the large amount of foreign remittance can enter into our country in right channel. Various constraints also found in the total system and effort comes out from me to suggest some remedies to overcome that obstacles.

1.2 Background of the Study

In order to maintain the pace of development now banks must compete in the market place both with local institution as well as foreign ones. To introduce skilled Banker, only theoretical knowledge in the field of banking studies is not sufficient. An academic course of the study has a great value when it has practical application in real life situation. So, to get some theoretical knowledge it is needed to get proper application knowledge.

Internship is the last part of BBA program. Being a BBA student internship report submission is essential. Without completion of internship it cannot be able to complete BBA program.

This report is originated as the requirement of foreign remittance activities which include in Foreign Exchange Department of UCBL Now this time foreign remittance is very useful and beneficial for the people. They can withdraw money very quickly and less expensive.

1.3 Scope of the Study

During these three months internship program in UCBL (Kawran Bazar Branch), almost all the desks have been observed. For that purpose it was needed to get information from UCBL Head Office. But the internship program was completed in UCBL, Kawran Bazar Branch. There it was hard to work in its overall department wise function, especially foreign exchange department desks as a routine work. It was difficult to collect the information relevant my report, because the people of this Bank was so busy with their duty that they cannot be able to give me much time but they give a their valuable time by giving information needed and help to complete this report. Here tried to cover the activities and rules and regulation related to foreign remittance.

1.4 Objectives of the Study

Broad Statement

The main objective of the report is to know the Performance of Foreign Remittance of the Foreign Exchange Department of United Commercial Bank (Kawran Bazar Branch).

Specific objectives

In the line with the specific objective, the detailed objective of the study may be spelled out as follows.

- To analyze the export and import procedure maintained by United Commercial Bank Limited.
- To study the foreign remittance activities of United Commercial Bank Limited.
- To identify the problems in export and import operation in United Commercial Bank Limited.
- To know about the various documents and procedures which are used in banking services of International Trade.

It is not possible to carry out a research to figure out the overall “Activities of Foreign Remittance of United Commercial Bank Limited.”, because of some restrictions created by the authority. So the topic has been narrowed down and now it stands as “The Foreign Remittance Activities of United Commercial Bank Limited”.

1.5 Methodology of the Study

Data were gathered from different sources to have a clear understanding of the foreign remittance activities of the bank. Both primary and secondary sources of data are used to complete this study.

This is an exploratory type of research.

Data have been collected from two sources:

- Primary Sources
- Secondary Sources

Primary Sources are as follows:

Face to face conversation with the respective officers and staffs of the Branch.

Informal conversation with the clients.

Relevant file study as provided by the officers concerned

Secondary Sources of data and information are:

Annual Report of UCBL Limited.

Web site of United Commercial Bank Limited.

Different 'Procedure Manual', published by United Commercial Bank Limited. **1.7**

Target population of the study:

Respective officers and remittance customers of the branch.

Sample size of the study:

9 respective officers out of 15 officers and 15 customers whose transaction was related to foreign exchange were selected as sample from the population. The total sample size is 24, which was determined purposively.

Data collection method:

In this report data collection method is direct interview method.

Sampling techniques applied of the study:

Non-random sampling technique namely convenience sampling technique was used for this study. The non-random samples were selected on a basis other than probability considerations such as-expert judgment, convenience or some other criteria

This technique was used instead of random sampling because it was not possible to get surveys in frames. So convenient sampling is also useful in making pilot studies.

The customer whose transaction are related to foreign exchange activities are not regular customer sometimes they come in bank to collect remittance or loan money. So, that reasons non-random sampling technique is very useful for this report.

This should be taken non-sampling errors of the following factors:

1. Data specification being inadequate and inconsistent.
2. Errors due to non-response.
3. Inadequate scrutiny of the basic data.
4. Inaccurate or inappropriate methods of interviews.

Data Analysis

After collecting all the primary and secondary data, it was analyzed by compiling through a spreadsheet namely Excel. Simple analysis techniques like percentage mean a graphical presentation method were used to express an interpret the output. Finally the report was completed in a common word processor.

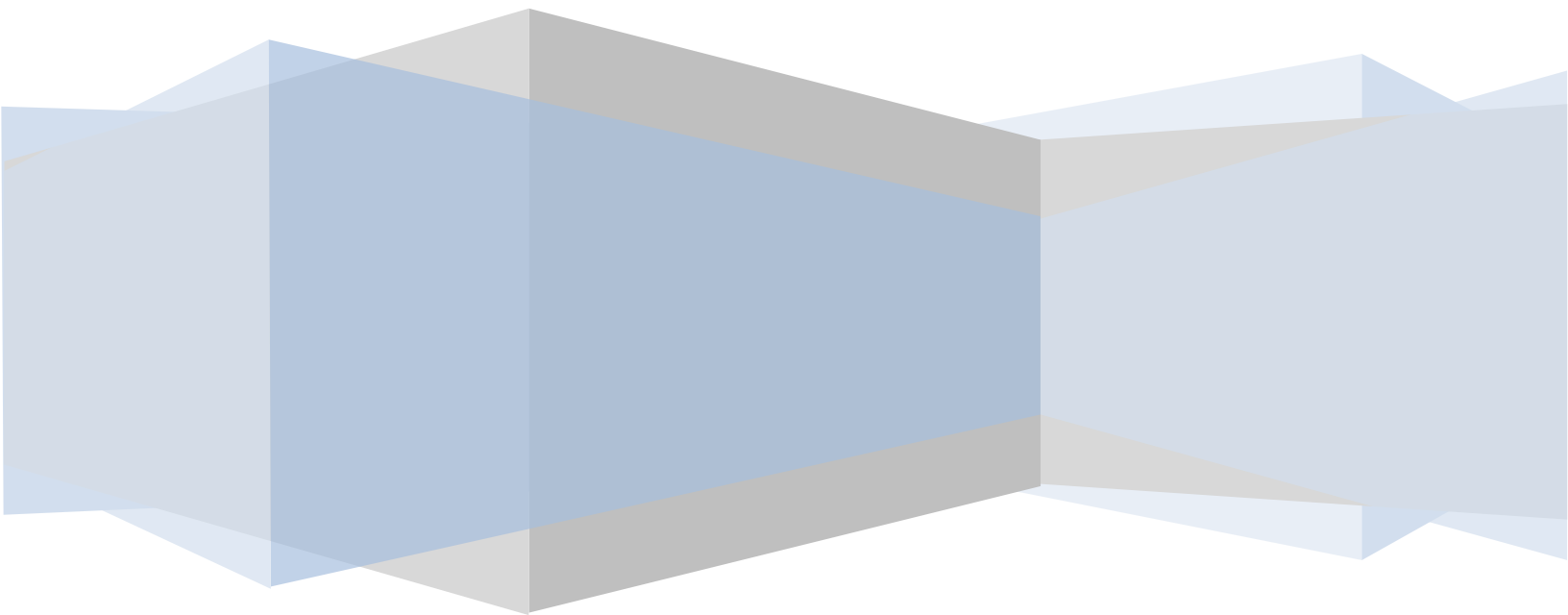
1.6 Limitations of the Study:

There are some limitations of the study-

1. Limitation of time was one of the most important factors to know all activities of the branch and prepare the report.
2. It was very difficult to collect the information from various personnel for their job constraint.
3. Every organization has their own secrecy that is not revealed to others. While collecting data i.e. interviewing the employees, they did not disclose much information for the Sake of the confidentiality of the organization.
4. Another limitation of this report is Bank's policy of not disclosing some data and information for obvious reason, which could be very much useful.
5. Because of the limitation of information, some assumption was made. So there may be some personal mistake in the report.

Chapter-2

Bank Overview



2.1 Organizational Overview

Brief History United Commercial Bank Limited (UCBL), a commercial bank in Bangladesh. Sponsored by some dynamic and reputed entrepreneurs and eminent industrialists of the country and also participated by the Government, UCB started its operation in mid 1983 and has since been able to establish one of the largest networks of 131 branches among the first generation banks in the private sector.

With its firm commitment to the economic development of the country, the Bank has already made a distinct mark in the realm of Private Sector Banking through personalised service, innovative practices, dynamic approach and efficient Management. The Bank, aiming to play a leading role in the economic activities of the country, is firmly engaged in the development of trade, commerce and industry through a creative credit policy.

2.2 Vision of UCBL

To be the bank of 1st choice through maximizing value for our clients, shareholders and employees and contributing to the national economy with social commitments.

2.3 Mission of UCBL

- To become the leader in the industry attaining highest level of customer satisfaction with strong corporate culture and good governance.
- To maximize profit with steady growth ensuring major market share.
- To engineer enterprise and creativity in business and industry with a commitment to social responsibility.
- To maintain high moral and ethical standard and participative management.
- To nurture an enabling environment where the innovativeness and performance is rewarded.
- To develop and retain a quality workforce through effective HRM system.
- To offer an array of products & services in the search for excellence and create an impressive economic value.

2.4 Branch Network

The bank has been operating with a network of 00 branches all over the country as on 30th June 2011. In the year 2008 & 2009 the bank opened 22 new branches. Among these 8 is in Dhaka and rest of the Branches are in Rajshahi, Khulna & Chittagong. Here shows zone wise branch distribution of UCBL:

Office / Zones	Number
Dhaka	60
Chittagong	40
Rajshahi	07
Khulna	07
Barishal	01
Sylhet	14
Rangpur	02
Total=	131

Table 01: Zone wise number of Branches

2.5 Strategies of UCBL

- To strive for customer best satisfaction & earn confidence.
- To manage and operate the bank in the most effective manner.
- To identify customer's needs and monitor their perception towards meeting those needs.
- To review and update policies, procedures and practices to enhance the ability to extend better service to the customer.
- To train and develop all employees and provide them adequate resource so that the customer needs are reasonably addressed.
- To promote organizational efficiency by communicating company plan, policies and producers openly to the employees in a time fashion.
- To diversify portfolio both the retail and wholesale market.

2.6 Organizational Structure:

There are different wings to consist the organizational structure of UCBL. There are –

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

Board of Directors

There is a board of Directors of 20 members in the bank. The board of Directors is the apex body of the bank. It appears like this –

Policy Committee

All matters relating to the principles, rules and regulation, ethics etc. for operation and management of the bank are recommended by the committee to the board of directors.



Figure 01: Structure of the branch

2.7 Products & Services

The Bank provides a broad range of financial services to its customers and corporate clients. The products and services UCBL offers are provided in the Appendix. However, description of some products are given below:

UCBL has several types of deposits for its customers. Like-

Savings Bank (SB) Account

This is an interest bearing account and only individuals can open this type of accounts. The code for SB account is 121. Customers can deposit or withdraw money from their SB account ten times in a month. SB account is essential if anyone wants to apply for a debit card in UCBL.

There are two types of SB account.

- ✓ Savings with interest
- ✓ Non- Interest account

A certain amount of interest is given in the Savings with interest account where no interest is given in the Non-interest savings account.

Current Deposit (CD) Account

It is popularly known as Current Account. Any individual, company, firm is eligible to open this type of account in its own name. This is non-interest bearing account. The account holder can deposit or withdraw money from his or her account any time he or she wants. The code for CD account is 111.

Short Term Deposit (STD) Account

This is opened and operated for short term and for specific purpose like salary payment etc. It is also an interest bearing account and where rate of interest is generally below the savings rate. The code for STD account is 132.

Fixed Deposit Receipt (FDR) Account

Individuals, Firms, Companies, Associations may open this account. The deposit is taken for a specific fixed period of time, such as 3 months, 6 months, 1-year etc.

Deposit mix of the year 2010 & 2011 was as follows:

Items	2013 BDT. (in million)	2012 BDT. (in million)
Current & Other Deposits	25122	22142
Savings Deposits	25561	21341
Fixed Deposits	16412	15322
Other Deposits	2314	2100
Short Term Deposit	1724	1638
Total Deposit	71133	62543

Table 02: Deposit Mix of UCBL

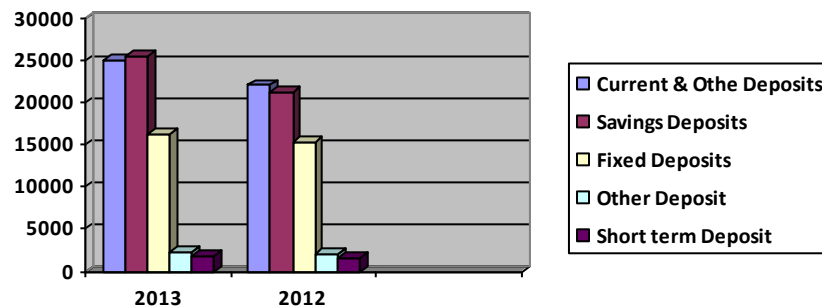


Figure 02: Comparative Deposit Mix of UCBL

There are also few schemes UCBL is offering its customers. Such as-

- ✓ UCB DPS Plus
- ✓ UCB Earning Plus
- ✓ UCB Multi Millionaire

❖ UCB DPS Plus:

In this scheme, customers are required to deposit a certain amount of money which they can withdraw after 5 years including the profit.

- Customers can take 90% of the deposit as loan.
- Applicant should be at least 18 years old.

❖ **UCB Earning Plus:**

This is more flexible for the customers than the UCB DPS Plus if they want to withdraw their money after a shorter period. The duration of this scheme would be 3 or 5 years. Customers can withdraw money from their account after each 1 or 3 months along with the profit.

- Minimum BDT. 50,000 and maximum 50,00,000 is required to open
- Customers can take 90% of the deposit as loan
- Applicant should be at least 18 years old
- Older Citizens (55 years above) will get .25% interest more.

❖ **UCB Multi Millionaire:**

In this scheme, the duration would be 5 to 15 years with different size of monthly installment. When the account will be matured, customers can get 10 Lac to 1 Corer Taka depending on which category they chose.

- Monthly installment would be BDT. 5,150 to 60,000.
- Customers can take 90% of the deposit as loan.
- Applicant should be at least 18 years old.

2.8 Business Performance over the last Few Years

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

Date	Deposit (BDT. in million)	Loans & Advances (BDT. in million)	Net Profit (BDT. in million)
December 31, 2010	711.30	706.70	4.6
December 31, 2011	1150	1107	43
December 31, 2012	60817	59393.2	1423.2
December 31, 2013	75291	73619.9	1671.1

Table 03: Overview of Deposits, Loans & Advance, and net profit over last few years

2.9 Capital Structure of UCBL

The authorized Capital of UCBL is BDT. 6197 million during the year 2013. The paid up capital of the Bank has been increased to BDT. 3142.2 million from BDT. 2513.2 million. The government of Bangladesh held total no of shares 120 worth BDT. 12000. Bank & other financial institutions held total 6312800. Remaining private share holders held total 7,355,192 shares worth BDT. 735,519,200. The total equity of the holders of the bank at the end of the end of the year 2012 stood at BDT. 3455.1 million and in 2013 stood at BDT. 2543 million.

A comparative overview of capital structure over two years is given below-

Particulars	2013 (BDT. in million)	2012(BDT. in millions)
Authorized Capital	6197	5000
Paid-Up Capital	3142.2	2513.2
Statutory Reserve	3312	2000
Other reserve	2941	2500
Retained Earnings	998	900

Table 04: Capital Structure of UCBL

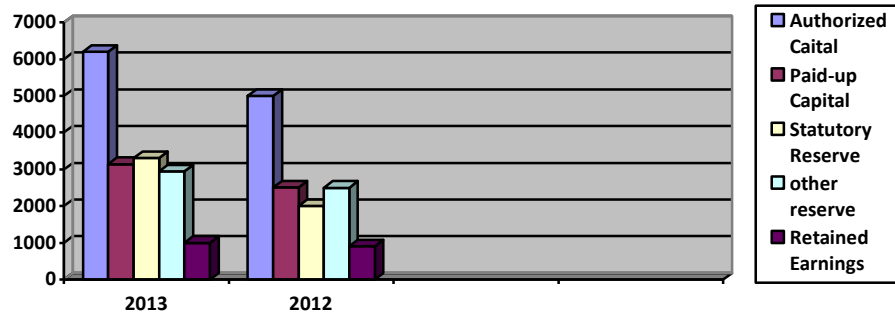


Figure 03: Capital Structure of UCBL

2.10 Customer Services:

The Customer service is the top priority of the Bank. the Banks Policy is to make all employees more proactive to the clients irrespective of their socio-economic background. The employees are self-motivated and committed to uphold the slogan “United We Achieve”

2.11 Corporate Governance

Corporate Governance is the system by which companies are directed and controlled to the best interest of the stakeholders, which describes the nature and extent of accountability of the people and institution engaged in the business. Corporate Governance ensures fairness, transparency and integrity of the management. It is the way of life, rather than a mere legal compulsion. It further inspires and strengthens investor’s confidence and commitment to the company. In fact, corporate governance leads to the good governance and good governance is and integral part of the economic development of a country.

2.12 Corporate Social Responsibility

United Commercial Bank Limited, one of the largest private banks of the country is highly concerned about the assimilation of social cause in its core process. As a part of their commitment to create real value in a changing world, they are determined to hold their selves accountable for the social, environmental and economic impacts of our operations, and they are committed to developing policies, business practices and social services which drive change in our industry. They use the power of our brand, the energy and passion of their people and the scale of our business to create meaningful changes in society.

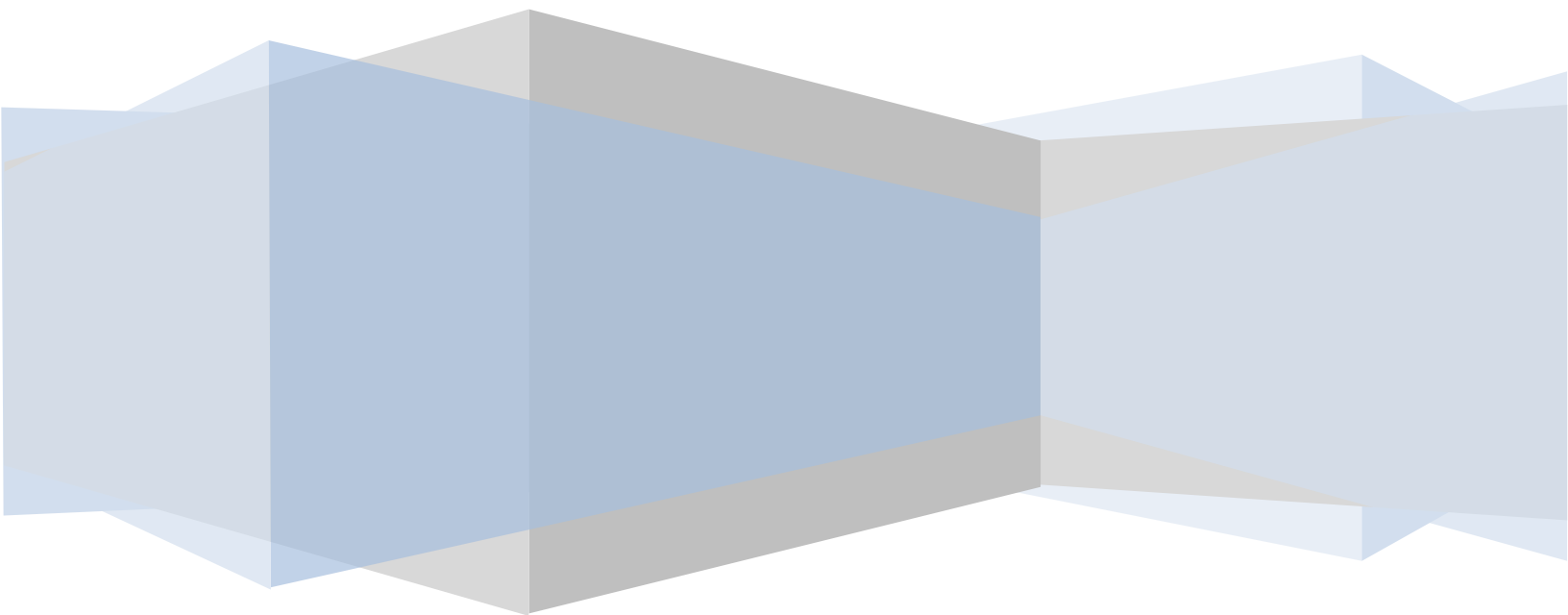
2.13 Highlights on the overall Activities of UCBL:

Particulars	31 December 2011	31 December 2010
Paid-up Capital	7,274,883,750	2,909,953,500
Total Capital	16,877,056,241	9,085,826,942
Capital Surplus/(Deficit)	1,353,867,012	(3,881,422,672)
Total Assets	168,891,777,157	129,877,032,800
Total Deposits	139,484,745,903	113,070,782,505
Total Loans & Advances	115,506,326,932	93,560,701,744
Total Contingent Liabilities & Commitments	40,255,368,942	40,797,736,864
Credit Deposit Ratio (%)	82.81	82.75
Percentage of Classified loans against Total Loans & Advances	1.79	1.20
Operating Profit	5,972,914,597	4,733,126,609
Profit after Tax & Provision	2,645,804,975	2,182,434,083
Amount of Classified Loans during the year	1,171,183,581,	392,823,621
Classified Advance at the end of the year	2,067,544,585	1,120,803,000
Provision kept against Classified Loans	759,660,529	292,504,875
Provision Surplus/(Deficit)	60,916,097	7,586,875
Cost of Fund (%)	11.09	9.81
Interest Earning Assets	140,173,248,931	109,273,603,808
Non-Interest earning Assets	28,718,528,226	20,603,428,992
Return on Investment (ROI) (%)	9.92	13.11
Return on Assets (ROA) (%)	1.74	1.68
Net Asset Value per share	21.95	26.86
Income from Investments	1,739,911,885	1,972,538,276
Earning per share (Taka)	4.20	3.49
Net Income Per share (Taka)	4.20	4.49
Price earning ratio (Times)	10.46	30.23

Table 05: Highlight on the overall Activities of UCBL

Chapter-3

Branch Profile



3.1 Department of the Branch

The branch of United Commercial Bank Limited mainly has three departments. These department are namely:

- General Banking Department
- Credit Department
- Foreign Exchange Department

3.2 Profitability Performance of Corporate Branch

The profit earned by the branch gradually has an increasing trend over the last few years. The profit figure of the branch for the last five years is as follows:

Year	Profit in million BDT.
2009	52.12
2010	74.54
2011	94.78
2012	132.11
2013	100.67

Table 06: Profit Performance of Corporate Branch

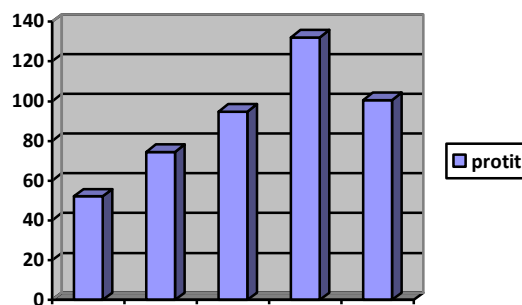


Figure 04: Profit performance over the years of the branch

3.3 Operational Performance of the Branch

The operational performance of the branch can be viewed by the major four aspects that are:

- Total deposit
- Loan and Advances
- Import
- Export

The exact figures of these aspects over the last five years are given below:

(BDT. in million)

Year	Total Deposit	Advances	Import	Export
2009	11	19.24	18.14	39.10
2010	12.39	24.11	10.48	12
2011	13	31.33	12.82	9.99
2012	15	25.64	21.41	9.83
2013	18.14	25.34	24.21	44.85

Table 07: Operational Performance of the Branch

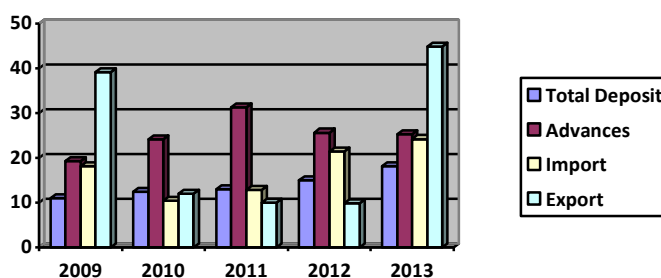


Figure 05: Operational Performance over the year

3.4 General Banking Department of the Branch

There are several types of departments perform in a bank. General banking is one of the most important departments for banking sector. General banking department is that department which is mostly exposed to the minimum number of bank customers. The branch

has all required of general banking and all these section are run by manpower with their high quality banking knowledge.

Under General Banking department the following sector are included:

➤ **Account opening department:**

1. Savings Account
2. Current Account
3. Shot Term Deposit (STD)

➤ **Deposit Scheme**

1. Fixed deposit (FDR)
2. Double Benefit Deposit Scheme
3. Monthly Deposit Scheme

➤ **Cash Department**

➤ **International Remittance Department**

➤ **Local Remittance Department**

1. Telegraphic Transfer
2. Demand Draft
3. Payment Order
4. Mail Transfer

➤ **Issue Cheque book**

➤ **Locker Service**

➤ **Collection Department**

➤ **Clearing Department**

➤ **Dispatch**

The branch has an effective credit department. The credit division performs two types of loans. They are as follows:

➤ **Personal Loan:**

The branch started personal loan scheme for salaried official of reputed

1. Any permanent salaried employee aged between 20 to 55 years is eligible to get loan.
2. No collateral security is required.
3. Maximum Amount of loan BDT. 3,00,000.
4. Maximum period of loan up to 3 years

➤ **Credit Scheme**

The branch started credit scheme from 2008

1. No collateral security is required.
2. Simple rate of interest.
3. Quick sanction
4. Maximum loan amount BDT. 3,00,000.
5. 5% interest rebate on total interest charged.

3.5 Foreign Exchange department

The Foreign Exchange department performs three types of activities. They are as follows:

1. Import.
2. Export.
3. Foreign Remittance
4. Loan and advance.

Import

From the following chart we can see that, the lowest amount of import by United Commercial Bank Limited is BDT. 60,329 million in 2009. Last year in 2013 UCBL experienced a growth rate of 18.92%. So, the yearly import position has improved gradually.

(BDT. In million)

Year	Import	Growth Rate
2009	60,329.00	-
2010	60,009.00	-6.59%
2011	58,857.00	-17.92%
2012	86,667.00	30.20%
2013	90,919.70	18.92%

Table 008: Yearly Import position of UCBL

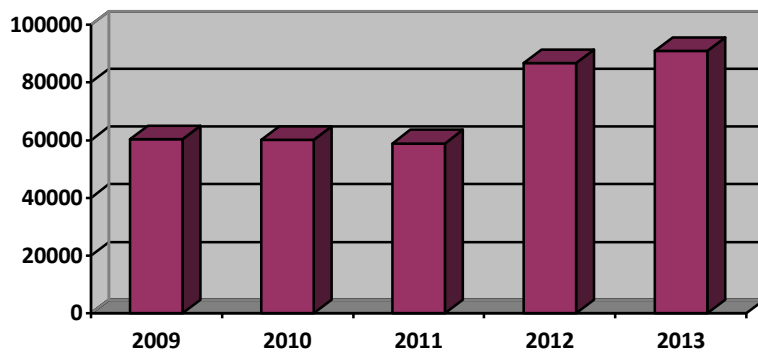


Figure 006: Yearly Import growth of UCBL

Export

In case of last five years export trends, we can see a handsome growth rate in each year. In 2009 – 2010, the growth rate is about 34.30% while in the year 2013, it reached to its peak at BDT. 78,982.80 at a growth rate of -6.23%. It is just five years and such a good growth rate indicates how good this bank is performing especially in foreign exchange.

Year	Export	Growth Rate
2009	27,230	-
2010	36,500	34.30%
2011	38,519	4.96%
2012	86,667	98.20%
2013	78,982.80	-6.23%

Table 09: Yearly Export position of UCBL

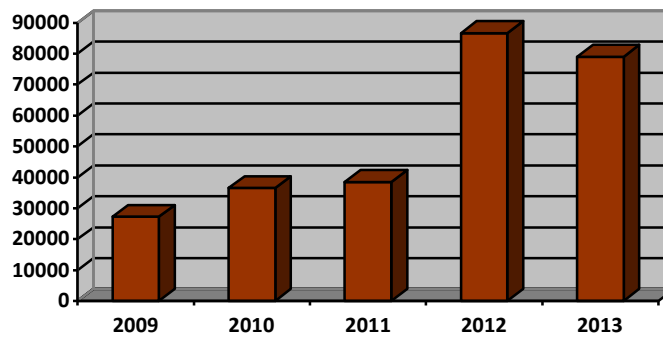


Figure 07: Yearly Export growth of UCBL

Foreign Remittances

The amount of remittance by United Commercial Bank Limited is BDT. 1,966.20 million in 2009. From 2008 it has started to decrease & in 2012 the remittance was in lowest position which is BDT. 5452.10 million. Last year in 2013 UCBL experienced a negative growth rate of -38.99%. So, the yearly remittance position has dropped regularly.

Year	Remittance	Growth Rate
2009	1966.20	-
2010	4488.00	125.62%
2011	4914.00	9.85%
2012	5452.10	11.20%
2013	16802.80	-38.99

Table 10: Yearly Remittance position of UCBL

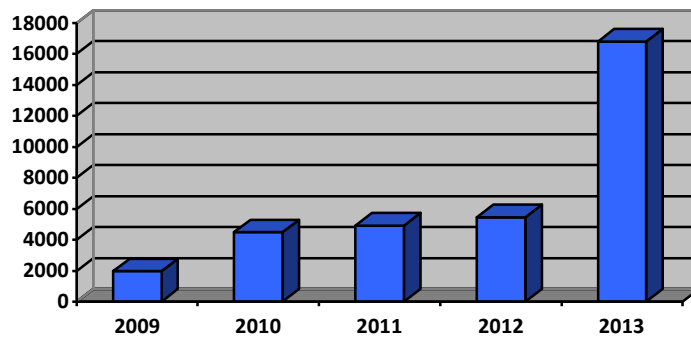


Figure 08: Yearly Remittance position of UCBL

Loan and Advances

UCB's loans and advances increased by BDT. million during the year 2012 and stood at BDT. million which was BDT. million in 2011 showing a substantial growth of % over the previous year. Concentration of loans and advances was well managed and details of concentration are given at notes to the financial statements. The ratio no performing loan was 1.79% which is much lower than the industry average. The Bank continued its participation in different credit program for financing in new industrial projects, working capital, trade finance, international trade etc. At the end of the year the credit deposit ratio 82.81% which was 82.75% at the closing of 2010.

Sector wise position of Loans and Advances on 31 December 2011

Sectors of Loans & Advances	Public	Private	Total
Agriculture		1142	1142
Industrial Lending (Team)		4910.1	4910.10
Industrial Lending(WC)		711.1	711.1
Commercial Lending	11	29106	29106
Special Program		4832.1	4832.1
Housing		1410	1410
Lease Financing		512.4	512.4
Bills Discounted & Purchased		4533.2	4533.2
Others		3317.7	3317.7
Total: Loans & Advances	11	50474.6	50474.6

Table 11: Loan & Advance of UCBL

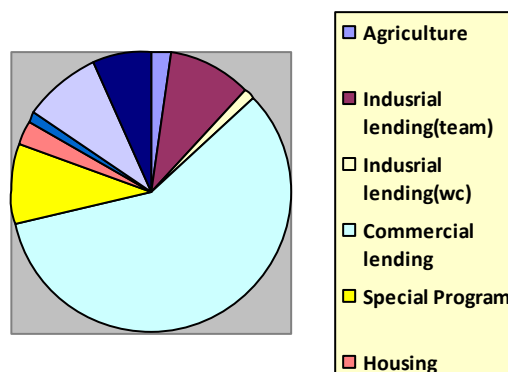


Figure 09: Sectors of Loan & Advance of UCBL

Chapter-4

Foreign Remittance and Data Analysis

4.1 Foreign Remittance:

This bank is authorized dealer to deal in foreign exchange business. As an authorized dealer, a bank must provide some services to the clients regarding foreign exchange and this department provides these services.

The basic function of this department are outward and inward remittance of foreign exchange from one country to another country. In the process of providing this remittance service, it sells and buys foreign currency. The conversion of one currency into another is taken place at an agreed rate of exchange, which the banker quotes, one for buying and another for selling. In such transactions the foreign currencies are like any other commodities offered for sales and purchase, the cost (convention value) being paid by the buyer in home currency the legal tender.

4.2 Remittance procedures of foreign currency:

There are two types of remittance:

1. Inward remittance.
2. Outward remittance.

1. Inward Foreign Remittance:

Inward remittance covers purchase of foreign currency in the form of foreign T.T., D.D, and bills, T.C. etc. sent from abroad favoring a beneficiary in Bangladesh. Purchase of foreign exchange is to be reported to Exchange control Department of Bangladesh bank on Form-C.

2. Outward Foreign Remittance:

Outward remittance covers sales of foreign currency through issuing foreign T.T. Drafts, Travelers Check etc. as well as sell of foreign exchange under L/C and against import bills retired.

4.3 Working Procedures of this department:

1. Issuance of TC, Cash Dollar /Pound
2. Issuance of FDD, FTT & purchasing, Payment of the same.
3. Passport endorsement.
4. Encashment certificate.
5. F/C Account opening & filing.

Modes:

The remittance process involves the following four modes Cash Remittance Dollar/ Pound Sell Bank sells Dollar / Pound for using in abroad by the purchaser. The maximum amount of such sell is mentioned in the Bangladesh Bank publication of 'Convertibility of Taka for Currency Transactions in Bangladesh'. Purchase Bank can purchase dollar from resident and non - resident Bangladeshi and Foreigner. Most dollars purchased comes from realization of Export Bill of Exchange. Traveler's Cheque

(TC) Issue of TC TC is useful to traveler abroad. Customers can encash the TC in abroad from the drawee bank. TC is alternative to holding cash and it provides better security than holding cash in hand. Buying of TC If any unused leaf of TC is surrendered bank buys it from the customer. All payments are made in local currency. Banks generally buy only those TC. Telex Transfer Outward TT It remits fund by tested TT via its foreign correspondence bank in which it is maintaining its NOSTRO Account. Incoming TT It also makes payment according to telegraphic message of its foreign correspondence bank from the corresponding VOSTRO Account. Foreign Demand Draft Bank issue Demand Draft in favor of purchaser or any other according to instruction of purchaser. The payee can collect it for the drawee bank in which the Issuing bank of Demand Draft holds its NOSTRO Account. Bank also makes payment on DD drawn on this bank by its foreign correspondence bank through the VOSTRO Account.

4.4 Formalities for opening foreign currency (FC) Account:

The AD may without prior approval of the Bangladesh Bank open Foreign Currency (FC) account in the name of:

1. Bangladesh national residing abroad.
2. Foreign nationals residing abroad/ in Bangladesh and also foreign firms
3. Registered abroad and operating in Bangladesh and abstract foreign missions and their expatriate employees.
4. Resident of Bangladesh nationals working with the foreign / international organization operating in Bangladesh provided their salary is paid in foreign currency.

Head Office, International Division (HO/ID)

Under prior arrangement, the remitting company remits their draft printed at banks international division through the website and delivered the same to the beneficiary's home address. HO/ID arranges all the draft according to the branch, and then provides TT to the branch through internet. This two types:

- **Cash Payment:** In this system customer comes with a pin no. and any photo identify. Officer matches the pin no. with TT reference no. When the no match, then officer give a form. Customers fully fulfill the form and collect money from the cash.
- **Account Holder:** In this method customer must be an account holder of the branch. Officer matches the account no & name of the account match, then officer directly transfer the money in the account

Other bank

Under prior arrangement, the remitting company remits their draft printed at banks international division through the website and delivered the same to the beneficiary's home address. In the event of beneficiary's account being maintained with other banks the proceeds are placed into payee's account within the next working day in the metropolitan cities and division HQ and within only 3 working days at the places of the country by using DD/PO/MT subject to availability of courier services.

4.5 Foreign Remittance Performance in last Five years:

Foreign Remittance Performance by the United Commercial Bank gradually has an increasing trend over the last five years. Foreign Remittance Performance by the UCBL for the last five years is as follows:

Year	Foreign Remittance
2009	28411.63
2010	30452.21
2011	34874.10
2012	39758.90
2013	42142.20

Table 12: Foreign Remittance Performed by UCBL

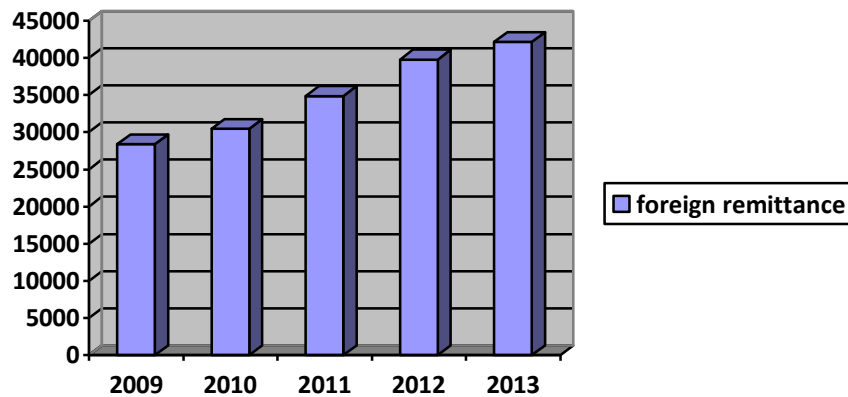


Figure 10: Foreign Remittance Performed by UCBL.

4.6 Profit margin from Foreign Remittance Business in United Commercial Bank Ltd.

The volume of foreign remittance in the year 2013 stood at BDT. 41287.51 million in United Commercial Bank Ltd. In this foreign remittance UCBL earn profit BDT. 10,004.12 in the year 2013.

The volume of foreign remittance in the year 2012 stood at BDT. 43,084.81 million in United Commercial Bank Ltd. In this foreign remittance UCBL earn profit BDT. 10,454.12 in the year 2012.

Below is shown profit margin table from Foreign Remittance Business in United Commercial Bank Ltd.

(BDT. in million)

Year	Total Remittance in UCBL	Earned Profit
2013	41287.51	10,004.12
2012	43,084.81	10,454.12

Table 13: Profit Margin from Foreign Remittance business in UCBL

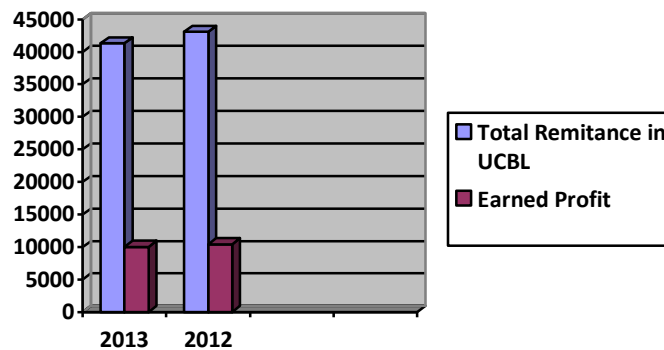


Figure 11: Profit Margin from Foreign Remittance business in UCBL

In the following we show graphically monthly foreign remittance total turnover last six months in 2013. (Kawran Bazar Branch of UCBL)

Month	Monthly turnover in foreign remittance
January	1,22,45,213
February	1,21,11,797
March	1,00,87,435
April	1,05,47,347
May	1,14,87,548
June	1,00,00,041

Table 14: Foreign Remittances Turnover last six months in 2013

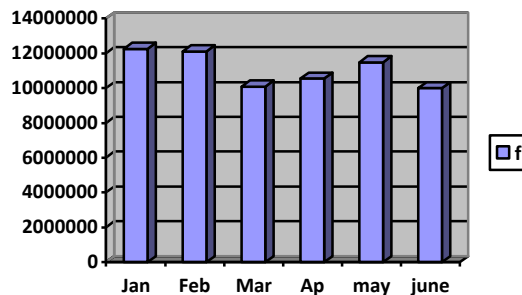
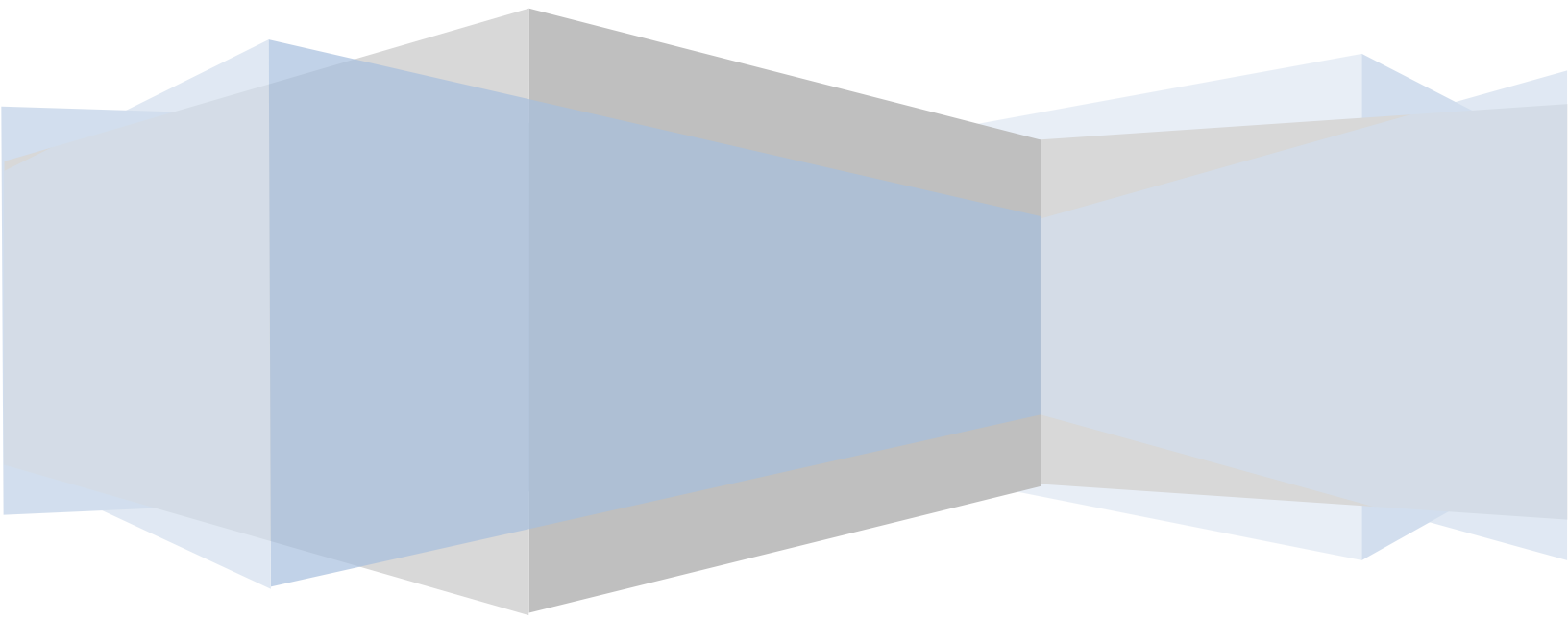


Figure 12: Foreign Remittances Turnover last six months in 2013

The volume of foreign remittance in the year 2013 last six months turnover was January stood at 1,22,45,213 BDT, February stood at 1,21,11,797 BDT, March stood at 1,00,87,435 BDT, April stood at 1,05,47,347 BDT, May stood at 1,14,87.548 BDT, June stood at BDT. 1,00,00,041 in United Commercial Bank Ltd. In the above discussion we see that in the month January United Commercial Bank Ltd earned highest remittance turnover and in the month June UCBL earned lowest remittance turnover.

Chapter-5

Findings and Recommendations



5.1 Findings

- Earnings from foreign remittance are in a satisfactory level in this branch.
- Foreign remittance activities in UCBL are very strong and they remittance service very quickly and shortest possible time.
- The bank handles foreign remittance business through various exchange houses.
- The bank has member has of SWIFT and for effective expansion of its networks the Inter-Bank remittance been increased and as a result the bank is able to remit the fund to the customer quickly.
- United Commercial Bank Ltd. has an International Divisional that is shortly called (HO/ID). International Division deals all the foreign remittance activities worldwide.
- The bank maintain database of other banks branches for which communication with other bank in connection with the payment of Foreign Remittance can be made smoothly.
- Server usually becomes overloaded in pick hours. For this reason IP confliction occurs, that results to a halt in the printing process and thus creates a delay in service.

5.2 Recommendations

From the experience of concluding the project a number of recommendations may be given which may be useful or the newly entrance to offering these services of Foreign Exchange (Export and Import) such as:-

- Maximum clients do not know about the activities of UCBL. They should carry out more promotional activities to make clients aware about their remittance services.
- Sometimes UCBL can give some gift the foreign remittance customers. So that reason customers are influence and think they are valued customer.
- UCBL can increase remittance officer. Because in the branch only two foreign remittance officer. It is difficult to provide service quickly in the remittance customers and also can upgrade its online service.

Conclusions

UCBL is one of the commercial banks in the banking sector of Bangladesh. It is not easy to develop a HRM System for a bank because they do not have so many departments. So, all the theories of HR are not very easy to implement in the banking sector. But we have tried a lot. In this sector the organization itself is very small compare to other industries. In the case of performance appraisal system the organization should follow the system of other foreign bank in the country. The matter of regret that the organization is not up to the mark and the banking system is not really come out from the traditional banking system. It should be changed. We have to find out the fact that what is the employees of bank want from the organization and what bank want from them. If this two is balanced performance will automatically improved.

United Commercial Bank Limited (UCBL) is playing a vital role in financing import and exports of the country. Without Bank's co-operation, it is not possible to run any business or production activity in this age. Exports and import need finance in various stages of their activities. Export and import financing are letter of credit (L/C), payment against documents (PAD), loan against imported merchandise (LIM) etc.; all these facilities are provided by UCBL. For this purpose Bank's consider the borrower's business standing, integrity, liability with the bank term and conditions of the L/C. There are lots of risks involved in foreign business. So, the United Commercial Bank Limited (UCBL) has to clearly justify the customers from a neutral point and gather the current information about the market.

Finally, UCBL has concentrated on above foreign remittance findings and recommendations. Various Constraints also found in the system and effort comes out from me to suggest some remedies to overcome that obstacles.

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