An internship report on an analysis of remittance activities of Social Islami Bank Limited (Dhamrai Branch)

Remon, Fahaduz Zaman
Daffodil International University

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An Internship Report

ON

An Analysis of Remittance Activities of Social Islami Bank Limited (Dhamrai Branch)

Submitted to-
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Submitted by-
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Program: B.B.A
Batch: 28th
Major: Finance
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Date of Submission: 31st January, 2015
31st January, 2015

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Associate Professor,
Department of Business Administration,
Daffodil International University.
Dhanmondi, Dhaka.

Subject: Submission of Internship Report on An Analysis of Remittance Activities of Social Islami Bank Ltd.

Dear Sir,

I am Fahaduz Zaman Remon, have the pleasure to submit here with the internship report on An Analysis of Remittance activities of SIBL and for your kind evaluation.

It is a matter of massive pleasure for me to have the opportunity to analyze the Remittance activities of SIBL, vital areas of the bank. I am grateful to you for allowing me to carry out the internship in SIBL and for your kind co-operation during my internship period. I am certain that the knowledge and experience acquired while conducting the study will help me in many ways in future.

I have tried my level best to present my report as clearly as I could within the time and resources available. I hope that the idea presented in the report will provide a clear picture about An Analysis of Remittance Activities of SIBL.

I would like to mention that there might be some unintentional errors in the report. I hope that you will consider my shortcoming while you evaluate my paper.

Sincerely Yours,

...........................

Fahaduz Zaman Remon
ID: 111-11-1802
Program: B.B.A
Batch: 28th
Daffodil International University
This internship report entitled An Analysis of Remittance Activities of Social Islami Bank Ltd.(Dhamrai Branch) has been submitted in partial fulfillment of the requirements for the degree of Bachelor of Business Administration, Major in Finance, Department of Business Administration by Fahaduz Zaman Remon (ID: 111-11-1802, Batch: 28th). The report has been acknowledged as it is acceptable.

Supervisor,
Masud Ibn Rahman
Associate Professor,
Department of Business Administration,
Daffodil International University.
ACKNOWLEDGEMENT

At the very beginning, I would like to express my deepest gratitude to the almighty Allah for giving me the strength and the composure to finish the task within the scheduled time. Internship report is an essential part of B.B.A program as one can gather practical knowledge within the period by observing and doing the daily works in the chosen organization. I have done internship in Social Islami Bank Limited (SIBL) at Dhamrai Branch.

After that, I would like to express my sincere gratitude and cordial thanks to my course coordinator, Masud Ibn Rahman, Associate Professor, Daffodil International University, for his constant supervision, moral support, valuable instructions and helpful advice during the course of studies and research work. I also want to express my warm gratitude and cordial thanks to Md. Akhtar Hussain, E.V.P of HRD at Social Islami Bank Limited (SIBL). I also wish to pay my deepest thanks to Mr. Mohammad Mejbha Uddin Serker, F.A.V.P & Manager and Anamul Haque, Executive Officer & Operation Manager of Social Islami Bank Limited at Dhamrai Branch for his kind prior permission.

Finally, I am also grateful to all of the staff members. They helped me by supplying many kinds of articles, journals, annual reports and books at different time. Their direction, critical comments, criticism, generous patience greatly helped me in improving the research capability writing skills. It would have been quite impossible to carry on the dissertation and give it a final shape without their encouragement.

Sincerely yours

..........................

Fahaduz Zaman Remon

ID: 111-11-1802

Program: B.B.A

Major: Finance

Department of Business Administration

Daffodil International University,
Banking system of Bangladesh has gone through three phases of development-Nationalization, Privatization and lastly Financial sector Reform. Social Islami Bank Limited (SIBL) commenced its banking business from 5th July, 1995. It was incorporated in Bangladesh as a banking company under the companies Act 1994.

The report attempts to show the summarized picture of Social Islami Bank Limited (Dhamrai branch). It has mainly highlighted An Analysis of Remittance Activities of Social Islami Bank Ltd. (Dhamrai Branch)

I undertook the Remittance activities of Social Islami Bank Limited (Dhamrai branch) as partial fulfillment of the Bachelor in Business Administration Course of the Daffodil International University. This Report has been arranged for going knowledge of practical banking and to compare this practical knowledge with theoretical involves identification of weakness in the branch alive and making recommendations for solving the weakness identified. During the three months program at SIBL (Dhamrai Branch) though all departments are covered more or less but it is not possible to go to depth of each activities of branch because of time limitation. So objective of this Project Report have not been fulfilled with complete satisfaction. However, highest effort has been given to achieve the objective of the Report.

The report is divided into Parts where the first part describes Introduction and second part mentions An Overview of SIBL and Organization Structures SIBL. The third part is Remittance. There is others part of report such as Analysis & Findings, Recommendations and Conclusion about Social Islami Bank Limited.
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Chapter-1

Introduction
1.1 Introduction

Social Islami Bank Limited (SIBL) is a private owned bank. SIBL is a second generation Islami bank operating since 22 November, 1995 based on Shariah Principles. Now SIBL has 101 branches all over the country with two subsidiary companies-SIBL securities Ltd. And SIBL investment Ltd. The bank opened 10 branches in 2013 to bring more people under the coverage of banking service. To encourage their customers SIBL provides Online banking, Mobile banking, E-card, Gift card and other services. SIBL is a capitalized new generating Bank with an authorized capital of Taka 10,000,000,000 in 2013 and paid up capital of Taka 7,031,415,640 in 2013 and also taka 6,393,925,700 respectively as of December 2012. The rate of achievement in deposit, investment, foreign exchange and orating profit was very good that 92.74%, 95.47%, 77.87% & 70.46% respectively. The bank undertakes all types of banking transaction to support the development of trade and commerce in the country. SIBL services are also available for the entrepreneurs to set up new venture and BMRE of industrial units. To provide clientele services in respect of international trade it has established wide corresponded banking relationship with local and foreign bank stride and financial interest home and abroad.

Now a day, a modern banker must have to perform a number of ancillary services, besides performing the two essential functions of accepting deposits and investing its funds. Remittance of funds can be considered as one of the most important ancillary service provided by a Bank. With a network of the branches spread over the entire country banks are eminently suitable institutions for the remittance of funds from one place to another. Bank remittance is safe, swift, inexpensive and simple. Bank takes the risk of theft or loss of customer’s money in exchange of a very little commission. Again, the reserve of foreign remittance plays a great role in national economy. With various types of accounts maintaining in international branches and coordinating international banks these foreign currencies are being carried sending by non-resident Bangladeshis.
1.2 Background of the study

This report is based on an internship program at Social Islami Bank Ltd. to gather practical knowledge about banking activities. This is followed by practical experiences in the Dhamrai branch of Social Islami Bank Ltd. Each intern must carry out a specific project, in order to report on specific activity of the organization. Consequently a report based on the projects is to be submitted to both the authority of Social Islami Bank Ltd. and the University. My topic for this internship report is An Analysis of Remittance Activities of Social Islami Bank Ltd.(Dhamrai branch). Social Islami Bank Ltd. deals with almost every activities of Banking but Dhamrai Branch has a special involvement with remittance. So it is the main reason behind choosing this topic.

In the age of globalization, the importance of banking sector is beyond description. Banking sector is going ahead with the improvement and invention of new services and offerings to gather and retain more customers. Besides other banking activities “Remittance” has become an essential part of a Banks daily activity to perform. In our daily life we usually use the tools like DD, TT, MT, Western, Union, Xpress, Money, Money Gram etc in order to sent money from one place to another. Again, we know that foreign remittance has a great impact on our national economy. Internship in Social Islami Bank Ltd (Dhamrai branch) has brought me the opportunity to know details about various tools of remittance. At the very beginning of the internee period, I was too much interested about General Banking system of a bank like Social Islami Bank Ltd. but in a few days I recognized that my branch deals with “remittance” more than any other banking activities including General Banking. Working with remittance system in daily Banking day turns my attention from General Banking to remittance which creates the background of the study.

1.3 Scope of the Study:

In the internship period, the scope of the work was as vast as it was assigned to work in every departments of the bank in Dhamrai Branch, he has tried to observe and understand the all banking activities especially Remittance activities and other day to day functions perform in this branch. He also tried to understand different topic from the bank personnel.
1.4 Objective of the Study

The main objective is to evaluate and analyze of Remittance Activities of Social Islami Bank Ltd. (Dhamrai Branch)

The specific objectives of the study are as follows:

- To describe different activities in the Remittance section of Social Islami Bank Ltd. (Dhamrai Branch).
- To study the trend of remittance in SIBL (Dhamrai Branch)
- To identify the financial condition of an organization
- To study the trend of remittance in SIBL (Dhamrai Branch)
- To be acquainted with how bank perform its operation.
- To find out the problems & suggest some recommendations to the problems

1.5 Methodology

Research methodology is a way to systematically solve the research problem. The research methodology using for find out the solution of the research problem is analytical research methodology and some extend descriptive research methodology. Some methodology is used to present the data. These are describing bellow in details.

a. Source of Data: In preparing this report both primary data and secondary data source of information have been used.

Primary sources:

- Practical work exposure achieved from different desks of the bank.
Informal interview with customers.
Oral and informal interview of officers and employees in Social Islami bank and personal observation.

Secondary Sources:

- Annual report of SIBL.
- Website. Research papers, Newspapers.
- Internet and various study selected reports.
- Files and documents of the branch.

b. Data presentation:

It was conducted using the qualitative and quantitative instrument. Depth interviews as well as assessment of different historical data were used to analyze their present scenario. To complete this report successfully I need to use some way to present my data. Such as Table, Graph, Line Chart etc.

c. Data Analysis:

For analysis of data, MS Word and MS Excel are used. Parametric and non-parametric statistical tools such as table, Line chart, bar chart, and graph have been used to derive a meaningful conclusion from the empirical data. Mainly data is analyzed based on time series analysis technique in this report.

1.6 Limitations of the Study:

There are some limitations in my study. I faced some problems during the study, which are given below:

- **Insufficient data:** Some essentials information could not be collected due to confidentiality of business.
- **Lack of Supervision:** Few officials sometimes felt disturbed, when they were busy with their tasks. Sometimes, they didn’t want to supervise due to pressure of work load.
Chapter-2
Organizational Profile
2.1 An Overview of Social Islami Bank Limited

Social Islami Bank Limited (SIBL) was incorporated on July 5th, 1995, as a result of dedicated efforts of a group of established Bangladeshi entrepreneurs and internationally reputed personalities. The Bank started commercial operation in the 22nd November, 1995 and it has since stepped into 19th year of its journey. A lot of high rank able people of the society participated and involved with the novel endeavor as sponsored shareholders. Targeting poverty, Social Islamic Bank Ltd Is needed a concept of 21st century participatory three sector banking model in one: in the formal sector, it work as an Islamic participatory Commercial Bank with human face approves to credit package that empowers and humanizes real poor family and create local income opportunities and discourages internal migration: it is a Development Bank intended to monetize the voluntary sector and management of Waqf, Masque properties and introducing cash Waqf system for the first time in the history. In formal corporate sector, this Bank would, among others offer the most up to date banking service through opening of various type of deposit and investment accounts, financing trade, providing letters of guarantee, opening letter of credit, collection of bills, leasing of equipment, consumers’ durable, hire purchase and installment sale for capital goods, investment for low cost housing and management of real estates, participatory investment in various industry, agriculture, transport, educational and health project.

2.2 Capital Structure

Capital structure of Social Islami Bank Ltd. is as under:

1. Authorized capital ………………….10000.00 (Fig in million Taka)
2. Paid up capital ……………………..7031.42 (Fig in million Taka)

The directory may revise the capital structure form time to time according to need.
2.3 Vision of the Bank

"WORKING TOGETHER FOR A CARING SOCIETY’ is the bank’s Vision, which is a prime object as stated in Memorandum of Association of the Bank.

2.4 Mission of the Bank

- Establishing three sector banking model.
- Transformation to a service oriented technology driven profit earning bank.
- Fast, accurate and satisfactory customer service.
- Balanced & sustainable growth strategy.
- Optimum return on shareholders equity.
- Introducing innovative Islamic banking products.
- Attract and retain high quality human resources.
- Providing support for social benefit organization by way of mobilizing funds and social services.
- Attract and retain high quality human resources.
- Empowering real poor families and creating local income opportunities.

2.5 Core Values

For customers: To become most caring with Islamic Banking system –by providing most countries and efficient service in every area of their business.

For the Shareholders: By ensuring fair return on their investment through generating stable profit.

For the Community: By assuming their role as a society corporate entity in a tangible manner through close adherence to national policies and objective.

2.6 Corporate Slogan of the bank

“Journey Towards Excellence.”
2.7 Strategic Objectives of the Bank

★ Transformation into a service-oriented technology driven profit earning bank.

★ Ensure fast, accurate and best in class customer services with customer satisfaction.

★ Balanced and Sustainable growth Strategy.

★ Optimum return on shareholder’s equity.

★ Introducing innovative Islamic banking products.

★ Attract, motivate and retain high quality human resources.

★ Empowering real poor families and creating local income opportunities.

★ Providing support for social benefit organizations by way of mobilizing funds and Social services.

★ To achieve goal standards in Islamic banking.

★ To invest in the priority sector for the overall economic development.

★ Ensure best CSR(Corporate Social Responsibility) practices.

★ Ensure Green Banking.

2.8 Commitments of the Bank

★ To the Shariah.
To the Regulators.

To the Shareholders.

To the Nation.

To the Customer.

To the Employees.

To the Stakeholders.

To the Environment

2.9 Branches of SIBL

SIBL has been running its activities through its 101 branches all over the country. It provides Islami banking facilities to its customers under the supervision of strong jury board. The head office is situated in Motijheel commercial area. Branches control & General Banking Division (BCGBD) is headed by on Executive Vice President (EVP) having adequate experienced and trained manpower to handle and supervise the work of existing 101 branches. The key objective of the division is to assist branch to implement the directive of Bangladesh Bank and Bank relating to general banking works.
2.10 Organ gram of SIBL

The Organ gram Flow Chart of Social Islami Bank Limited is as follows-

- Chairman
- Vice Chairman
- Board of Directors
- MD
- DMD
- SEVP
- EVP
- SVP
- VP
- SAVP
- AVP
- SEO
- Executive Officer
- Senior Officer
- Probationary officer
- Officer
- Junior Officer
- Assistant Officer

Executive
Non-Executives
2.11 Functional Hierarchy of Dhamrai Branch

The above figure is show the hierarchy of Dhamrai Branch. According this hierarchy nine employees is appointed in this branch. Mohammad Mejbha Uddin Serkar is the manager of Dhamrai branch. Also he is the in-charge of the branch. The designation of the manager is First Assistant Vice President (FAVP). Next position is second in-charge and his designation is Operation Manager. There are three department general banking, cash and Investment & Remittance. Seven officers are providing in these department.
2.12 About Dhamrai Branch

Dhamrai Branch Started its journey at Dhamrai bazaar in November, 2010. Day by day Dhamrai branch improve in their activities. In these four years they achieve lot of thing. Their performance helps them to being special form other bank. They always give priority to customer’s service. They make service faster and easier. They maintain a good relation with their Clients. They try heard and soul to achieve the target. Now Social Islami Bank of Dhamrai Branch holds the first position of profit making in Dhamrai Thana.

2.12.1 Performance of Dhamrai Branch at a Glance

(Fig in core Taka)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year-2014 (October-12)</th>
<th>Year-2013</th>
<th>Year-2012</th>
<th>Year-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit</td>
<td>68.24</td>
<td>62.50</td>
<td>46.48</td>
<td>30.95</td>
</tr>
<tr>
<td>Investment</td>
<td>16.47</td>
<td>13.68</td>
<td>9.54</td>
<td>7.23</td>
</tr>
<tr>
<td>Profit</td>
<td>1.07</td>
<td>2.32</td>
<td>0.89</td>
<td>0.58</td>
</tr>
</tbody>
</table>

Table 1: Performance of Dhamrai Branch of SIBL

(Source: Branch Report of SIBL of Dhamrai Branch)
The table shows the performance of Dhamrai branch of SIBL 2011 to June 2014. Based on above data it proved that the performance of Dhamrai branch is being satisfactory day by day. In 2014, only six months it makes 68.24 cores Taka deposit, 16.47 cores Taka investment and 1.07 cores Taka operating profit. Hoping it will be double at end of the year.

### 2.12.2 Achievement and Growth of Dhamrai Branch (2012-2013)

(Fig in core in Taka)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target-2013</th>
<th>Actual-2013</th>
<th>Actual-2012</th>
<th>Achievement %</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>65.00</td>
<td>62.50</td>
<td>46.48</td>
<td>96.15%</td>
<td>34.47%</td>
</tr>
<tr>
<td>Investment</td>
<td>15.00</td>
<td>13.68</td>
<td>9.54</td>
<td>91.20%</td>
<td>43.40%</td>
</tr>
<tr>
<td>Profit</td>
<td>2.60</td>
<td>2.32</td>
<td>0.89</td>
<td>88.85%</td>
<td>160.67%</td>
</tr>
</tbody>
</table>

Table 2: Achievement and Growth of Dhamrai Branch (2012-2013)
(Source: Branch Report of SIBL of Dhamrai Branch)

In the above table show the progress and performance of Dhamrai branch in 2013 by achievement and growth rate. Some indicators are used such as deposit, investment and profit to show the Dhamrai branch performance. Target achievement in 2013 is not fulfilled but near about 100% in these sector. The growth rate is increase in 2013 from 2012. The growth rate of profit is increasing by 160.67%.
Chapter-3
Remittance
3.1 Bank Remittance:

One of the most important aspects of the Commercial Banks is rendering services to its customers. Among different services rendered by a Commercial Bank to its customer remittance facilities are very well known and popular to the customers. The word "Remittance" means sending of money from one place to another branch within the country. There are two types of Remittance: Inward & Outward.

The Commercial Banks Remittance facilities enable its customers to avoid risk arising out of theft or loss in carrying cash money from one place to another or making payment to someone in another place. Banks take the risk and ensure payment to the beneficiary in exchange of a little bit benefit known as Exchange or Commission.

Considering the Urgency and nature of transaction, the mode of Bank remittance may be categorized as:

- Demand Draft (DD)
- Mail Transfer (MT)
- Telegraphic Transfer (TT)
- Payment Order (PO)
- Traveler Cheques.

The following register books are to be maintained for remittance concern:

- DD, MT, TT Advice Register
- DD Payment register Day Book
- TT Payment Register Book
- Ex-Advice Payment Register Book
3.2 Demand Draft

Demand Draft is an instruction payable on demand. It is negotiable instrument issued by the branch Bank containing an order to another branch of the same Bank to pay a certain sum of money to a certain person or order on demand. This instrument can be purchased by a customer from a particular Bank branch for himself or for beneficiary and can handed over to the purchaser for delivery to the beneficiary. The payee or beneficiary will claim the proceeds of the instrument by producing the same to the concerned paying branch. Demand Draft may be paid in cash to the payee on proper identification or the proceeds may be credited to his account. Banks issue drafts for a nominal commission. The commission depends upon the amount to be transmitted. The purchaser of the draft needs not to be a customer or account holder of the Bank. Draft can be crossed also.

3.2.1 Issuance of Demand Draft

While issuing demand Draft, an official must be confirmed about the existence of the Bran where the DD is to be issued or drawn as asked for by the applicant. Application on Banks prescribed form (F-117) for DD be obtained from the applicant duly filled and signed by then. Thereafter, Applicant will be asked to deposit the amount or DD and exchange Commission commuted correctly at the prescribed rate. On receipt of cash voucher will be passed and scrolled by the officers. DD will be issued and recorder to the DD issues register filling the appropriate columns. Test number (if required) is affixed on both DD and Advice as per instruction.

It is mentionable here that DD application is treated as Credit Voucher or SBG A/C (IBT A/C) and reported to HO, Recon, Division showing credit entry against contra Branch (paying Branch). For any amount of DD issued, a relative DD Advice and sent to paying branch where the Advice converted into Voucher.

The minimum exchange of demand drafts or Bank Drafts is Tk. 20/- (including VAT Tk. 3/-) for the amount of Tk. 1 to Tk. 20000. After that that exchange is charged Tk. 1/-for each Tk. 1000/-, and VAT is 15% of the commission.

3.2.2 Procedure of Payment

Proceeds of Demand Draft is received by the paying bank as and when it responds the relative advise on the receipt of DD Advises from different branches, the paying banker
will verify the genuineness of the Advice by way of verifying the number and signature. Beside this, Drafts payable can be made without the Advice of issuing Bank and on that time the payment is called Acceptance Payment. Total amount of advice will be debited to SBG A/C and credited to Drafts payable A/C on production of Demand Draft by the beneficiary payment will be made by Debit to the account credited earlier. If the payment is to be made before receipt of the Advice, DD is paid being recorded in Ex-Advice Register by Debiting the Drafts Payable Ex-Advice A/C (DD paid without Advice). On receipt of the Advice, it will be entered into DD/MT Advice Received Register or Draft Payable Register and the amount will be credited to Drafts Payable A/C. DD paid without Advice as the case may be.

Before making payment of the DD, the branch will ascertain the genuineness of its issuance as well as the genuineness of the payee. Open Drafts may be paid on proper identification of the payee and crossed Drafts can never be paid in cash over the counter.

3.2.3 Cancellation of Draft

In some cases, the purchaser of the bank draft may ask the issuing branch to return the amount of DD stating its non-requirement. In these cases, the issuing Branch will obtain written application from the purchaser whose signature must be tallied with the signature obtained earlier. An amount Tk. 25/- be recovered from the purchaser as cancellation charges and will be Credited to the Commission A/C the purchaser will acknowledge receipt of the proceeds writing the words received payment by cancellation and will sign. On revenue stamp to be affixed on the revenue of the Draft. In this case, payment is made by Debit to PBG A/C and a relative cancellation advice is sent to the Issuing Branch.

3.3 Mail Transfer

The facility of transforming money by Mail is available to customers having some sort of an account with the Bank. The remitter deposits the amount to be transferred with small commission with the remitting Branch. It is an Advice issued by a Branch to another Branch for crediting the specified amount to the account of the payee maintained with them. It is a non-negotiable instrument and generally is not handed over to the customer rather sent through Post Office to the concerned Branch for credit to the respective amount. In some cases, proceeds of MT. may be paid to the beneficiary by issuing
Payment Order (PO) if he maintains no account with that branch.

In such cases, Full Address of the beneficiary requires to be mentioned by the applicant. On that time, MT itself treated Advice as well as credit voucher also of the paying branch, no separable advice is issued by the issuing branch. On receipt of the MT genuineness is determined by means of verification of signature and test number (if any payment is made by debit to issuing branch through PBG A/C and reported to Head Office for reconciliation.

Remittance or money by Mail Transfer is relatively cheaper, quite safer and convenient. Mail Transfer is affected not only for remittances within the country but also for international remittances. MT for local transfer (say, within the area of Dhaka) a special MT register book is maintained as in the case like DD. MT normally issued from branch to branch of the same Bank. An extra document is needed for Mail Charge.

Normally the Mail is given Tk. 25/- for the amount Tk. 50,000/- and above. Below 50,000/- there is no any Mail Charge. The commission charged for MT is given below:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tk 1 up to Tk 49,000/-</td>
<td>Tk. 15/-</td>
</tr>
<tr>
<td>Tk. 50,000/- and above</td>
<td>Tk. 40/-</td>
</tr>
</tbody>
</table>

**Specimen Receipt (MT/TT)**

<table>
<thead>
<tr>
<th>Date:</th>
<th>Payees Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>...............................................................</td>
</tr>
<tr>
<td>Branch Name:</td>
<td>...............................................................</td>
</tr>
<tr>
<td>Amount:</td>
<td>...............................................................</td>
</tr>
<tr>
<td>Exchange Postal Charge:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>...............................................................</td>
</tr>
</tbody>
</table>

3.4 **Telegraphic Transfer**

Telegraphic transfers are affected by telegram, telephone, or telex as desired by the remitter. Transfer of funds by telegraphic transfer is the most rapid and convenient but expensive method. For this, telegraphic technologies need to be available in all the
areas. In this case, the issuing branch sends a message telegraphically to credit the specified amount to the beneficiary through his A/C maintained with them or by issuing TT, PO, if A/C is not maintained by the beneficiary, Telegraphy message may be codes but must be tested. Paying branch will decode the TT being satisfied on the contents will make payment by debit to issuing branch entering the TT into TT Register and preparing a credit voucher for credit to the payees A/C. But, for big amount of TT or in case of any doubt, confirmation must be obtained before making payment.

Charges of TT are as follows:

<table>
<thead>
<tr>
<th>Amount of TT</th>
<th>Commission</th>
<th>Postage</th>
<th>Commission</th>
<th>VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-20000/-</td>
<td>20/-</td>
<td>15/-</td>
<td>50/-</td>
<td>3/-</td>
</tr>
<tr>
<td>25000/-</td>
<td>25/-</td>
<td>Constant</td>
<td>Constant</td>
<td>15% of commission</td>
</tr>
<tr>
<td>Up to 1 Lac</td>
<td>100/-</td>
<td>Constant</td>
<td>+ 30/-</td>
<td>15% of commission</td>
</tr>
</tbody>
</table>

3.5 Payment Order

Bank's payment order is an instrument which contains an order for payment to the paid to effect local payment whether on behalf of the Bank or its constituents. In the beginning stage, PO was issued only to effect local payments of Bank own obligations. But, at present, it is also issued to the customers which they can purchase to deposit as security money or earnest money. The Bank's payment orders are in the form of receipts and issued by joint signature of two officials. It ensures payment to the payee as the money deposited by the purchaser of PO is kept in the Bank's own A/C named "Payment Order A/C". Payment of this instrument to be made from the branch it has been issued. It is not transferable and, therefore, it can only be paid to:

- The payee on identification.
- The payee's Banker, who should certify that the amount would be credited to payee's A/C.
- A person holding the letter of authority from the payee whose signature must be authenticated by the payee.
The purchaser by cancellation provided the original PO is surrendered by him to the Bank.

Charges of P.O.

<table>
<thead>
<tr>
<th>Amount to be Sent</th>
<th>Commission</th>
<th>VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1000</td>
<td>20/-</td>
<td>3/-</td>
</tr>
<tr>
<td>1001-Below 1 Lac</td>
<td>30/-</td>
<td>5/-</td>
</tr>
<tr>
<td>1 Lac-Below 5 Lac</td>
<td>50/-</td>
<td>15%/- of commission</td>
</tr>
</tbody>
</table>

3.5.1 Duplicate PO

As Bank's Payment Order is not transferable, Duplicate thereof is issued to the purchaser without obtaining letter of indemnity provided they confirm in writing that the originals have been lost and that these will be returned to the Bank whenever traced.

3.5.2 Duplicate DD

In some cases, it may be happened that the DD is lost and reported to the concerned Branches. In this case, issuing Branch will communicate with the paying Branch and will obtain confirmation regarding non-payment of the DD & Payment Branch will exercise cautions against payment of DD including caution marking on the respective DD advice with the words "Care Reported Lost" issuing Branch will then issue a duplicate DD on obtaining of indemnity bond from the Applicant signed by two persons known to the Bank's sureties. In such case, duplicate DD be marked with the words: "DUPLICATE IN LIEU OF ORIGINAL NO .......

Insurance of duplicate DD be noted against the entry of original one.

3.5.3 Demand Drafts received for Collect:

- All the Inward Demand Drafts will be received by the Managers or Accountant and examine by him to ensure that there is no unreasonable gap between the dates of purchased receipt at branch. Cases of delay will be reported to the Head Office & a copy to the Regional Office of the purchase office. These will be numbered
with D.D.R numbers, promptly acknowledge, entered individually in the Demand Draft received for realization register, without passing any entries.

b) Clearing cheque and cheque on the branches will be paid or returned unpaid the same day. Other Demand Drafts entered in the register will be presented or payment to the drawee through the cash department.

c) On realization the proceeds together with the overdue interest, if any Demand Draft will be credited to the purchasing offices in the Rupali Bank General Account sending Transfer Responding, Advises (TRA) and reported to Head Office on schedule. Unpaid DDR's will be returned to the purchasing offices along with the objection Memo.

3.6 Foreign Remittance

Social Islami Bank is in continuous effort to encourage expatriate Bangladeshis living abroad for remitting funds through banking channel. In this regard the bank has established remittance drawing arrangements with reputed exchange houses/ money transfer companies around the world. At present the bank is providing remittance service channeled through Western Union and MoneyGram, commonly known as the money transfer giants having presence in 240 countries with thousands of agents around the world. Placid N.K. Corporation (Placid Express), another global money transfer company having presence in more than 55 countries worldwide, is in arrangement with us for the distribution of foreign remittance. The bank has at present remittance drawing arrangements with 7 internationally reputed exchange houses spread all over the world for this service. The bank is continuously endeavoring to increase its remittance network and to connect new destinations in places of concentration of expatriate Bangladeshis. In this regard the bank shall give due emphasis to Gulf Cooperation Countries (GCC) in the Middle East and Saudi Arabia. The bank has also established a special arrangement with Bangladesh Post Office in order to increase its delivery channel and for the distribution of foreign remittance taking the advantage of their wide network spread across the country. The devoted and enthusiastic personnel of 76 branches of the bank have ensured a
privileged service for its customers. Besides, a Centralized Remittance Processing Unit (CRPU) has been set up in the Foreign Exchange Branch of the bank to improvise and monitor the remittance service. The centre is equipped with skilled and experienced work team along with modern and sophisticated software. Banks remittance business was Taka 5134.90 million in 2011 against Taka 1099.40 million in 2010 which is a growth 367.07%.

SIBL understands the value of your precious time. That's why have made the payment procedure simple & easy. You have the privilege of enchasing the remitted money instantly from your branch counter without going through any hassle. That is to say, if you are an account holder of Social Islami Bank, we can instantly credit the money to your account or pay cash to the receiver.

3.7 Exchange Houses

<table>
<thead>
<tr>
<th>SL No</th>
<th>Name of Exchange Co.</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Western Union</td>
<td>USA(world wide)</td>
</tr>
<tr>
<td>02.</td>
<td>Xpress Money</td>
<td>USA(world wide)</td>
</tr>
<tr>
<td>03.</td>
<td>Money Gram</td>
<td>USA(world wide)</td>
</tr>
<tr>
<td>04.</td>
<td>Placid Express</td>
<td>USA</td>
</tr>
<tr>
<td>05.</td>
<td>Aussie Forex &amp; Finance</td>
<td>Australia</td>
</tr>
<tr>
<td>06.</td>
<td>Lotus Forex</td>
<td>Australia</td>
</tr>
<tr>
<td>07.</td>
<td>NEC Money Transfer</td>
<td>Spain</td>
</tr>
</tbody>
</table>

Procedures to sent money from a foreign country through Social Islami Bank are as follows:

- Beneficiary must have a National identity card
- An application must be submitted, with fill up a specific form through any bank or
exchange house stated in the banks website or prescribed by the banker.

- Remitter should be careful to write the following information’s in the form:
  - Name of the beneficiary
  - Name of the sender & his country
  - Beneficiaries mobile number & Secret pin number
  - Two officers signature must be in the draft to prove its validity

- Must have to be careful about date and the amount of money written in the draft

### 3.8 Facilities allowed in connection with foreign remittance:

Social Islami Bank Limited has 101 online branches across the country; besides, the Bank has a strong remittance network with other major banks of the country.

a) No collection commission is realized for collection of Taka draft from branches of same bank or from branches of other banks.

b) Arrangement has been made for payment of remittance within few minutes.

c) Complaint Cell has been opened in Head office where both remitter & beneficiary may place complain regarding payment of remittance.
Chapter-4
Data Analysis & Findings
4.1 Data Analysis

Chart: 1 Remittance of SIBL (Fig in million Taka)

(Source: Annual report of SIBL 2013)

Above chart shows that remittance business of SIBL are increasing day by day. They can achieve highest value in 2012 which is 6822.1 million taka. Remittance business stood at Tk. 6822.1 million against Tk.5134.9 in 2011 with 32.85% positive growth. In 2013 they can also maintain their good position which amount is Tk.6740 million.
The chart shows that the number of branches of SIBL is increasing day by day. In 2011 they have 76 branches, in 2012, 2013, 2014 they have 86, 94, 101 branches respectively.
Above pie chart shows that the most used exchange houses by the customer of SIBL for withdrawing money from the bank is Western union – 70%, Xpress Money-15%, Money Gram-10% and others 5%.
This chart shows that total income from Remittance of SIBL, Dhamrai branch from November 2010 to June 2014 in investment. In 2014 within six month it earns 1,15,000 taka from remittance. Hoping it will be increase day by day.
This chart shows that income from local Remittance of SIBL, Dhamrai branch from November 2010 to June 2014 in investment. In 2014 within six month it earns 30,000 taka from local remittance. Hoping it will be increase day by day.
This chart shows that income from foreign Remittance of SIBL, Dhamrai branch from November 2010 to June 2014 in investment. In 2014 within six month it earns 85000 taka from foreign remittance. Hoping it will be increase day by day.
The chart shows the operating profit of SIBL. We can see that without 2013 all the years profit rate is increasing. May be SIBL started new branch in last year that why it’s operating cost are too high. Because of it the profit rate is decreasing by 23.71%.
Above chart is showing profit making of Dhamrai branch up to four years. We can see that they are going in progressive way. They get the first position in profit making form the other bank in Dhamrai local area. They achieve their success by unique performance. Last year it makes 2.32 crore Taka profit. It also can possible for their goodwill, better service, profit rate and many other things which make the branch special from other. In 2014 after six month it makes 1.07 cores Taka profit.
4.2 Findings

During the course of the undertaken study, several findings have been stumbled upon with which have been summarized and discussed below:

- Sending money through Social Islami Bank Ltd is an easy and inexpensive process.
- Less involvement of technology and lot of entries of a single transaction in various register books makes tasks time-consuming.
- Lack of integrity and shortage of employees are the main concerns in achieving the large profit from Remittance.
- This Bank plays a great role in sending money to various rural areas through its countrywide network.
- A strong position in international Banking and a great link with various foreign exchange companies makes the process of collecting the foreign remittance easier to this bank.
Chapter-5
Recommendations,
Conclusion
&References
5.1 **Recommendations**

Some necessary recommendations for Social Islami Bank Limited are given below:

- Social Islami Bank Limited is still conducting remittance business because of price sensitive market, but without a proper customer relation it would be difficult to survive in the long run.
- Bank should deliver remittance service more quickly.
- Number of employees should be increased in remittance sector
- To reduce internet connection for quick remittance service
- Training the employees one or two times in a year with latest remittance procedure to enhance the ability to serve people.

5.2 **Conclusion**

In modern Banking, Remittance of Funds is one of the most important secondary service performed by every types of Banks. Social Islami Bank Ltd. can perform it with better than other banks because of a wider network of branches and lower service charge. Again, a strong position in international Banking and a great link with various foreign exchange companies makes the process of collecting the foreign remittance easier to this bank. Besides these advantages, a lot of lacking like- shortage of manpower, Gap between officers of Head office & Branches, etc becomes a matter of concern. Remittance- the subject of my study is a very small part of Social Islami Banks activity, but it generates a portion of profit. So, by removing or at least reducing the bank should try to achieve the targeted amount fixed by the top management.
5.3 References

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  Year: 2014
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