

Report On
Remittance Inflow and Outflow

By

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An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Bachelors in Business Administration

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Brac Business School
Brac University
August 2019

Declaration

I proclaim that

1. While finishing the degree at Brac University the internship report was made by me and this is my original effort on paper.
2. The work done over here does not include past published materials or worked on by someone else, in exceptions of correctly cited and on-point referencing.
3. This report does not contain any substance which has a history of acceptance or was given previously for other degree or diploma in any institution or university.
4. I/We have acknowledged all essential sources of aid.

Student's Full Name & Signature:

Shahriar Ramiz
14104020

Supervisor's Full Name & Signature:

Md. Mamun Habib, PhD
Associate Professor
BRAC University

Letter of Transmittal

Md. Mamun Habib, PhD
Associate Professor,
BBS Department,
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of internship report.

Dear Sir

With my utmost pleasure to hand over my Internship report on “Inward and Outward Remittance” of Bank Asia Limited. Following your provided guidelines and with the assistance of my supervisor I was able to make this internship report possible.

From the knowledge that I have gathered in the period of my internship, I expect it to greatly help me tunneling me fast forward into the real-life challenges that is about to come.

I hope this report will reach your desired expectations.

Sincerely yours,

Shahriar Ramiz

14104020

BRAC Business School

BRAC University

Date: September, ... , 2019

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between Bank Asia Limited and the undersigned student at BRAC University.....

Acknowledgement

A student needs a guidance to mold the knowledge gained into a piece of art which can be portrayed proudly in front of the world. Without the proper guidance from Dr. Mamun Habib I wouldn't have been able to make a presentable work. Dr. Mamun Habib's assistance and the continuous observation of him on the progress of my work helped me stay on my track and complete my work with such precision. I was greatly helped by my supervisor Mohammad MazharulHaque Senior Officer of Bank Asia Limited. to gather the knowledge needed for the completion of my report. I will be forever grateful to Bank Asia Limited for giving me a golden opportunity to work as an intern in their Dhanmondi branch. My indebtedness to Bank Asia Dhanmondi Branch staff for the love and support I got from all of them. Mr. Golam GaffarImtiaz Chowdhury, VP and Head of Branch of Bank Asia Dhanmondi Branch helped me greatly in learning the etiquette of an office, his cooperation was greatly useful for the completion of my report.

Executive Summary

27th of November 1999 is the day Bank Asia Limited set its foot in this competitive world of banking looking at the vast possibilities and opportunities of the developing country. Since then it has been trying its best to provide a better tomorrow .With 127 service points all over the country Bank Asia Limited is putting an effort to provide an all-in-one banking experience to its customers . In the era of modernization Bank Asia Limited puts its best effort to reach the cutting-edge technology and bringing it to its customers for the smoothest and most convenient banking transactions. Bank Asia Limited offers a variety of products in its retail banking such as deposit account, current account, savings account, star saving account, shanchayparta, deposite pension scheme, monthly benefit plus, double and triple benefit plus andshanchay e kotipoti.

During my internship period I have closely worked with the foreign exchange department of Bank Asia Limited, in the meantime I was able to critically observed the remittance proceeds of Bank Asia Limited. My observations include the procedure and the achievements of this service.

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List of Acronyms

AD Authorized Dealer

ATM Automated Teller Machine

LC Letter of Credit

Glossary

Remittance	transfer money from overseas usually by workers or buyers.
Nostro	Bank accounts in other banks usually used for payments.

Chapter 1

[Bank Asia Limited Profile]

1.1 Quick Overview of the Company.

In a very short period Bank Asia made its way to the top, taking over other Banks using their expertise and learning vigorously along its way. Two of the major takeovers was Bank of Nova Scotia and Muslim Commercial Bank. Through adoptive learning the bank comes up with new products to satisfy every level of customer group through meeting the personalized needs of every customer. In 2003 the bank released its share to the public. Bank Asia limited highly focuses on modernization. As the world is progressing so fast the customer's needs faster and more reliable services thus modern techniques and tools are being used and is being updated every now and then to satisfy the customers.

1.2 Vision

According to Bank Asia Limited its Vision is to have a poverty free Bangladesh in the new millennium in reflection of the national dream, along with building a society where human dignity and rights receives the highest consideration.

1.3 Mission

The company wants to assist bringing high quality service to its customers and to take part in the development of the national economy of Bangladesh. As per the company Annual report of 2018 Bank Asia Limited wants to set a high standard of integrity and bring complete satisfaction to its clients, shareholders and employees. It also wants to become the most sought-after Bank in the country rendering technology driven innovative service by its dedicated team of professionals.

https://www.bankasia-bd.com/assets/reports/annual/Bank_Asia_Annual_Report_2018.pdf

Chapter 2

My learning Curve in Bank Asia Limited.

During my internship program in Bank Asia Limited Dhanmondi Branch I tried to relate my Educational learning with practical experiences, I feel myself extremely lucky to be appointed at an AD Branch this means that, the branch I have worked for had the Authorization of Bangladesh Bank to deal with foreign currencies. I was rotated having different responsibilities every few days starting from working at the general banking section, working with the customers, I learned about the products that is offered in the general banking and my test was how conveniently I was able to deliver my knowledge to help the customers. Frequently the account opening forms were needed to be completed and updated for activation my colleagues helped me doing all of the above mentioned tasks, I was taught that work should be done with caution and precision or there will be real life consequence for any mistake I am liable for. For about a month I worked at the front desk, receiving and making calls noting messages, and connecting the customers at the shortest possible time to their desired extensions of their tailored needs. All the letters and documents needed to have a record and I was given the task of maintaining the records, related works was receiving and recording new ATM card and cheque books. I worked closely with the foreign exchange department where firstly I learned different works that they are involved in, starting from the filing of the documents, then recording the documents and lastly under extreme observation of my supervisor posting the data in the Bangladesh Bank(only data entree was done by me). Filing LC documents was one of the most challenging parts because I had to learn a good amount of banking codes along with the shipping codes.

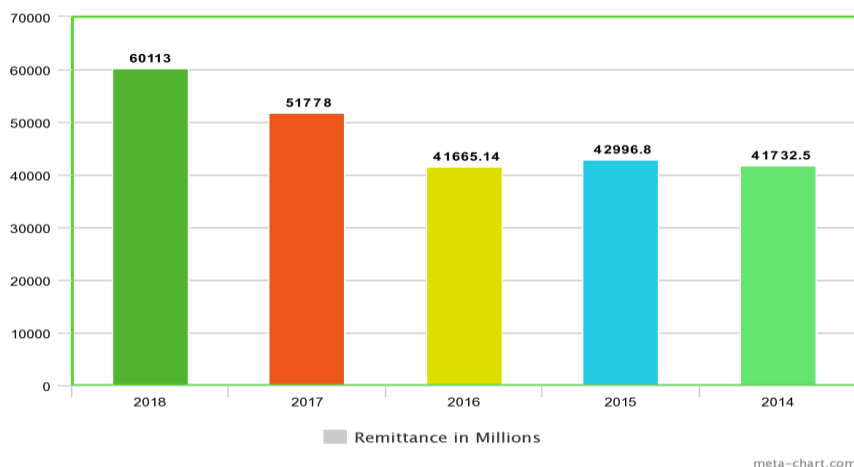
my interest lay on remittance of the foreign exchange department because I was very curious about learning about the procedure and the law that it followed while sending or receiving foreign currencies. I was provided with the Foreign Exchange Act of Bangladesh which is the law. I observed that this law is strictly maintained in Bank Asia Limited. The Bangladesh Bank also provided guidelines to the banks which makes it easy for the banks to follow and run a smooth operation of the transactions.

Chapter 3

Foreign Remittance

One of the biggest parts of Bangladesh's economy is remittance, According to Bangladesh Bank our expatriates around the world not only is building a positive image and spreading our culture but also sending millions of dollars back to our country alone in 2018 they send us 15.54million dollar which is 14.79percent greater than the previous year in 2017. This is a massive boost for our economy.

Bank Asia limited is trying its best to provide the most convenient service for its customers to expand its customer base of remitters. Building up a strong channel, networking with the best possible banks around the world and linking up with the best exchange institutions is helping Bank Asia Limited to provide effortless and faster service to its customers. Due to this the



remittance of coming in has exponentially increased over the year.

Figure 1. shows the Inward remittance along the 5 years' timeline

Chapter 4

Inward and Outward Remittance.

As a global economy it is very important financial transactions overseas are dealt with caution and in a rapid manner. Banks take a big role in this process, doing so banks sets up and maintains Nostro and Vostro accounts in various countries so that the fastest possible service can be provided to their customers. Nostro and Vostro accounts helps linking the banks for fluid international transaction. This cross-country banking services helps retain customers which otherwise would have diverted to other financial institutions. Bank Asia maintains its Dollar nostro account in New York, Pound account in central UK, Euro account in Germany, Japanese Yen account in Japan, Swiss Franc account in Switzerland, Canadian Dollar account in Nova Scotia, Australian Dollar account in Australia and New Zealand in the same manner the corresponding accounts maintains Vostro accounts in Bank Asia Limited.

Foreign Exchange Example

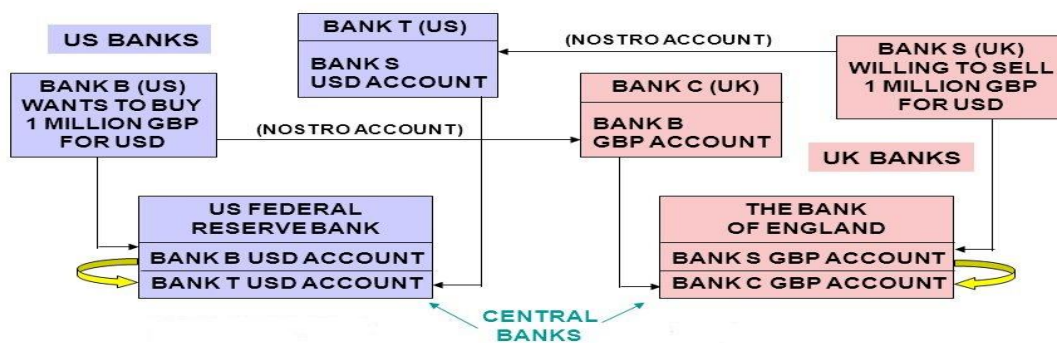
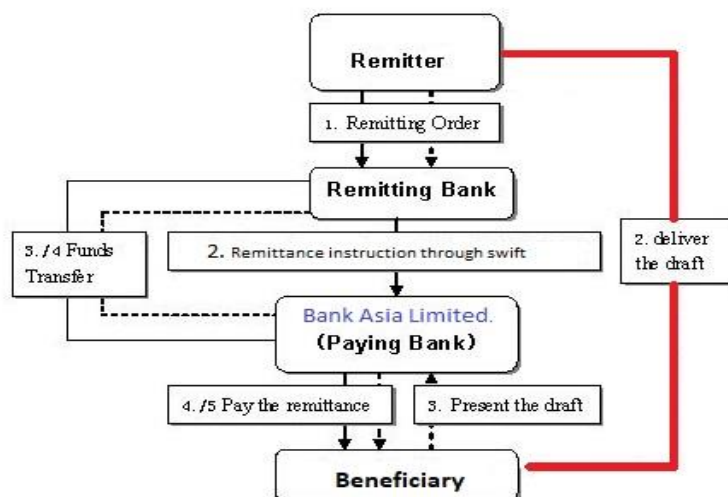


Figure 2: Nostro Account transaction process.

4.1 Inward Remittance

Bank Asia Limited is progressing in the remittance sector, bringing in foreign currencies from overseas has never been this fast and reliable, the global partners such as Western Union and Ria money transfer along with others made it very easy and convenient for Inward remittance to enter the country, moreover there is less barriers to Inward remittance than outward remittance, according to Bangladesh bank Inward remittance of under ten thousand dollars can be handled with ease, but then also tax/vat should be deducted as per regulation before handing over to the beneficiary .In accordance to Bangladesh bank guideline pera 23(b)(1)(iii) any amount greater or equal to ten thousand dollars should be immediately reported and should be disbursed to the customers with proper documentation. The purpose and origins of the fund should be verified and acknowledged.

swift messenger is an interbank highly secured messenger and banks only communicate to other



banks through this medium of communication.

Figure 3 : Inward Remittance through Swift.

4.2 Outward Remittance

Except for a handful of remittance of special nature most of the outward remittance is fully or partial limits in accordance with Bangladesh Bank might be dealt by the ADs. The ADs would be extremely careful while sending money to a non-resident account. The purpose of such transactions should be clearly mentioned as it is under close observation of Bangladesh Bank and all the banks are highly accountable for any sort of wrong doings. For import purpose if a transaction is made it should be immediately informed to the Online Import Monitoring System of Bangladesh. Few permitted outward transactions are LC payment/import payment, education purpose, medical expenses and travel expenses. These outward remittances should also have accountability and proper documentation this should follow the proper guidelines while doing so. For medical Expenses or doctor's remuneration, up to ten thousand dollars will be permitted according to the guideline the guideline also tells us that in one year period one person can spend up to seven thousand dollars which needs to be endorsed in the passport.

Other Remittance such as Migration purposes, membership fees, certificate fees, can also be remitted outward. Foreigners working in Bangladesh can also send 90 percent of their salary to their home country. Due to strict regulations transaction of any special case, the customer should apply to the bank and the bank will send this application to Bangladesh Bank for assessment and consideration.

References

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2. <https://www.bb.org.bd/aboutus/regulationguideline/guidelist.php>
3. <https://www.bb.org.bd/econdata/wageremittance.php#>
4. <https://www.bankasia-bd.com/about/aboutus>

CHAPTER 5

SECTION - I

OUTWARD REMITTANCES

1. (i) General

Barring a few remittances of special nature, most outward remittances either in its entirety or upto a certain limit set by Bangladesh Bank may be approved by the ADs, following declaration of Taka as convertible for current account payments from March, 1994. However, the limits of release of foreign exchange set forth in this Guidelines are indicative; all bonafide requests beyond these indicative limits and payment transfer requests for a current international transaction not specifically included in this Guidelines will be accommodated by Bangladesh Bank upon establishing the bonafides of the expenses.

(ii) All remittances from Bangladesh to a foreign country or local currency credited to non-resident Taka accounts of foreign banks or convertible Taka account constitute outward remittances of foreign exchange. ADs must exercise utmost caution to ensure that foreign currencies remitted or released by them are used only for the purposes for which they are released; they should also maintain proper records for submission of returns to Bangladesh Bank as also for the latter's inspection from time to time.

Appendix A.**Appendix B.**

SECTION - 11

INWARD REMITTANCES

General	<p>9. The term "Inward Remittances" includes not only remittance by T.T., M.T., Drafts etc., but also purchases of bills, purchases of drafts under Travellers' Letters of Credit and purchases of Travellers' Cheques. This Chapter does not, however, cover purchases of foreign currency notes and coins which are dealt with in Section - III.</p>
Inward remittances-no restrictions	<p>10. The ADs may freely purchase foreign currencies or raise debits to non-resident Taka Accounts of the respective bank branches and correspondents. Remittances equivalent to US\$ 2000 and above should be reported on Form C (See Appendix 5b) attached to the appropriate schedule (See Chapter 2, Vol. 2). However, declaration on Form C by the beneficiary is not required against remittances sent by Bangladesh nationals working abroad. The purpose of remittances should be clearly stated on the Form C. Where the country of origin of funds and currency in which remittances received are the same, the ADs may submit a consolidated Form C in respect of those remittances attaching therewith a separate list showing details of remittances comprising the amount reported on Form C. Remittances received against exports should be certified and reported on EXP Forms. In case of remittances, received in advance for exports the ADs should obtain a signed declaration from the beneficiary on the back of the "Advance Receipt Voucher" (See Chapter 2, Vol. 2) certifying the purpose of remittance.</p>
Reimbursement in foreign currency for Taka bills and drafts	<p>11. There is no objection to the ADs obtaining reimbursement from non-resident banks in freely convertible foreign currency in respect of Taka bills and drafts purchased by them under instructions from such a non-resident bank whether under Letters of Credit or under other arrangements.</p>
Cancellation of inward remittances	<p>12. If an inward remittance already reported to the Bangladesh Bank is cancelled, either in full or in part, because of non-availability of beneficiary or for any other reason, the ADs must report the cancellation of the inward remittance as an outward remittance on TM form. The return in which the reversal of the transaction is reported should be supported by a letter giving the (a) reference of the return in which the inward remittance was reported (b) name and address of the beneficiary (c) amount and the reason for cancellation and (d) amount of the purchase as effected originally.</p>

Five Years Performance

Million Taka unless otherwise specified

Particulars	2028	2027	2026	2025	2024
BALANCE SHEET MATRIX					
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up Capital	11,103.87	9,870.11	8,812.60	8,392.95	7,629.96
Reserve Fund & Surplus	12,236.26	11,184.38	10,225.88	10,586.38	9,234.47
Total Shareholders' Equity	23,340.13	21,054.49	19,038.48	18,979.33	16,864.42
Deposits	222,471.72	207,041.47	191,272.58	169,827.34	140,869.29
Loans and Advances	214,618.15	197,504.14	163,609.78	136,396.34	116,808.85
Investments	35,999.20	27,545.82	39,365.21	46,942.77	38,683.41
Fixed Assets	5,431.55	5,329.74	5,249.72	5,075.51	5,213.61
Total Assets	307,291.40	288,996.64	253,195.70	224,347.31	182,730.94
Total Off Balance Sheet Items	137,459.26	136,156.44	110,762.05	96,817.06	71,527.15
Interest Earning Assets	278,695.30	256,765.52	223,223.17	196,955.81	156,535.38
Non-Interest Earning Assets	28,596.10	32,231.12	29,972.53	27,391.50	26,195.56
INCOME STATEMENT MATRIX					
Interest Income	20,910.68	16,411.57	14,569.39	13,941.18	13,914.31
Interest Expenses	13,007.99	10,841.56	10,600.94	11,170.32	10,699.77
Investment Income	2,311.46	2,535.39	3,548.30	4,827.41	4,029.12
Non-Interest Income	3,908.42	3,861.98	3,123.14	2,728.65	2,442.54
Non-Interest Expenses	6,062.19	5,279.83	4,719.26	4,321.26	3,907.37
Total Income	27,130.56	22,808.95	21,240.83	21,497.24	20,385.97
Total Expenditure	19,070.18	16,121.39	15,320.20	15,491.58	14,607.34
Operating Profit	8,060.38	6,687.56	5,920.63	6,005.66	5,778.63
Profit Before Tax	4,616.28	4,057.53	3,286.91	4,123.92	4,216.96
Net Profit After Tax	2,266.28	2,047.53	1,545.91	2,573.92	2,218.69
CAPITAL MEASURES					
Risk Weighted Assets	233,085.63	221,114.65	199,490.69	183,247.39	157,574.62
Core Capital (Tier-I)	21,165.37	18,852.66	16,735.56	16,400.10	14,173.67
Supplementary Capital (Tier-II)	13,917.53	14,061.29	9,039.04	6,436.73	3,669.56
Total Capital	35,082.90	32,913.96	24,774.60	22,836.83	17,843.22
Capital Surplus/(Deficit) over Minimum Capital	11,774.34	10,802.49	4,825.54	4,512.10	2,085.76
Capital Surplus/(Deficit) over Conservation Buffer	9,915.23	9,602.21	4,541.68	-	-
Tier I Capital Ratio	9.08%	8.53%	8.39%	8.95%	8.99%
Tier II Capital Ratio	5.97%	6.36%	4.03%	3.51%	2.33%
Total Capital Adequacy Ratio Basel-II	-	-	-	-	11.32%
Capital to Risk Weighted Asset Ratio Basel-III	15.05%	14.89%	12.42%	12.46%	-
CREDIT QUALITY					
Classified Loans	8,809.83	8,642.30	8,847.34	5,808.87	6,200.55
Provision for Unclassified Loans	5,091.24	4,101.19	2,929.43	3,085.01	1,155.79
Provision for Classified Loans	3,892.76	3,740.00	4,494.29	2,911.65	3,981.26
Provision for Contingent Liabilities	1,158.03	1,331	1,107.62	968.17	715.27
Percentage of NPLs to total Loans and Advances	4.10%	4.38%	5.41%	4.26%	5.31%
FOREIGN EXCHANGE BUSINESS					
Import	165,203.00	181,468.00	148,724.27	129,930.43	110,192.54
Export	136,733.00	118,172.00	103,139.15	89,275.32	77,646.91
Remittance (Inward)	60,113.00	51,778.00	41,665.14	42,996.80	41,732.50

Appendix D.

