

**Report on**

A competitive analysis on non-domestic commodity trade operation of  
bank Asia Mohakhali Branch

**By**

Israt Jahan Taha

17304121

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

Brac Business School

Brac University

February 2022

**Declaration**

It is hereby declared that

The internship report submitted is my/our own original work while completing degree at Brac University.

The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Israt Jahan Taha

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Student Full Name-Israt Jahan Taha

Student ID- 17304121

Supervisor's Full Name & Signature:

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Supervisor Full Name- Pallab Hossain Tushar

Designation- Senior executive officer, Department- Foreign Trade

Institution- Bank Asia Mohakhali Branch

**Letter of Transmittal**

Md. Shamim Ahmed

Lecturer

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Report submission of the internship

Dear Sir,

I am pleased to present the paper, that I wrote in accordance with the intern program's requirements. The is about “A competitive analysis on non-domestic commodity trade operation of bank Asia Mohakhali Branch”. Within the limits, I did my hardest to produce the desired output and to provide a valuable perspective. While gathering aspects of the project, I encountered various challenges. Aside from that, the course has allowed me to use a lot of academic knowledge in the real world. I've amassed a substantial amount of information and I am familiar with the company's basic operations. I always have loved writing my internship report since it has made a substantial input to my understanding of the relevance of real exposure. I'd want to convey my heartfelt gratitude for devoting your valuable time to assisting me when I needed it.

I appreciate your wonderful encouragement, collaboration, perseverance, and ideas for my report, which will undoubtedly assist me in moving forward as a fantastic instructor. I would be accessible for any questions or clarifications you may have about this analysis at any time.

Regards,

Israt Jahan Taha

Id- 17304121

Brac Business school

Brac University

**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 Israt Jahan Taha, ID:17304121**

.....

## **Acknowledgement**

First and foremost, I'd want to offer my gratefulness to Allah S.w.t, whose unquestionable distinctiveness, oneness, and completeness have always led us through tough times.

Many people contributed to the smooth completion of my internship report. I'd like to express my gratitude to the BRAC Business School and also to Bank Asia Limited for providing me with the opportunity to participate in an internship. Throughout my internship and the preparation of this paper, I gained a wealth of experience.

All of the bank employees were extremely helpful, responsive, and cheerful. They have always assisted me to the fullest with the materials and other resources I requested during the internships and during the preparation of my report. My intern term gave me with a lot of data and firsthand insight in the preparation of reports. I'd like to thank Md. Shamim Ahmed, lecturer of BRAC Business School, BRAC University, for mentoring and motivating me to research on this intriguing and demanding subject for my intern paper. I am confident that this one will assist me in becoming more competent and advancing my eventual successful growth.

Finally, I want to express my gratitude to everyone who was engaged in the preparation of this study. All of this would never have been feasible without them.

## **Executive summary**

A bank initiates activities such as financial services support for small businesses in the corporate sector, financial help to micro-enterprises, and coordinating with other institutions involved in investments and evolving such organizations as a wide policy goal in regard of small - scale industrial financing. The actions of financial institutions have a major role in a growth of the economy. Our farming, industrial, and infrastructure prosperity, particularly in Bangladesh, is heavily reliant on the horizontal operations of banks. As a result, we must assure that this site operates efficiently and effectively.

Bank Asia Ltd is one of Bangladesh's most successful banks. The Company's major goal is to provide all financial services to clients at their homes. In terms of foreign buying and selling, the company is cutting-edge. The report is aimed at providing a picture of competitive analysis on non-domestic commodity trade operation of bank Asia Mohakhali Branch. The bank's overseas trade activity is one of its most essential functions. It has a significant impact on the nation's economy. It has an import and export branch in international trading, as well as an inward and outward remittance department in foreign remittance. The goal of this research was to identify competitors and evaluate their methods in order to establish their weaknesses and strengths so that the Bank Asia Mohakhali branch can do better at market more.

The details about strength and weakness of Bank Asia Mohakhali branch for import operation. Also. Their opportunities and threats for the import operation. Their centralization initiative for becoming competitive in the market, their struggle for the initiative and also foreign trade department problems within the office, some recommendation or suggestions for the Organization.

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## **Chapter 1**

### **Overview of Internship**

#### **1.1 Student Information**

- Name: Israt Jahan Taha
- ID: 17304121
- Program: Bachelor of Business administration
- Major: Human Resource Management

#### **1.2 Internship Information:**

##### **1.2.1**

- Period: November 2 to February 2
- Company Name: Bank Asia Mohakhali Branch
- Department: Foreign Trade Department
- Address: 82, Mohakhali C/A, Dhaka-1212, Bangladesh

##### **1.2.2 Internship Company Supervisor's Information**

- Name: Pallab Hossain Tushar
- Position: Senior Executive Office

##### **1.2.3 Job Scope**

- Job Description/Duties/Responsibilities: I was assigned certain duties in several departments like foreign trade and general banking of the bank like an intern in need to get experience with banking operations. Because the works are unknown to me. The work atmosphere and personnel, on the other hand, were so warm hearted that I was able to adapt the in the office environment easily.

The following are my work responsibilities:

- In general banking my responsibility was to filling up the new account information in the individual customers form like verifying the NID, personal information of the customer, nominee information, verifying customers financial situation for account opening.

- Communicating about the check book and the ATM card to customers so that they can take their card and check book on time. Also, keeping track of the new check books in the register book of each day.
- In foreign trade department my responsibility was to importing the registers and swift details for the L/C filing from SWIFT software.
- For L/C filing I was also responsible to do a price verification of ordered product for import
- Then, converting each L/C files dollar or Euro value into BDT and filling up the unfilled values in legal L/C paper.
- Checking the verification of the L/C legal paper, office copy, IMP, original copy, Proforma invoice or indent etc.
- Checking L/C payments requirements like L/C no, quoting reference, banks address and L/C values.
- Keeping update of which files lack of needed papers for compiling the L/C in the excel sheet.
- Closing 0 balance L/C files.

### **1.3 Internship Outcomes:**

#### **1.3.1 Student's contribution to the company**

- I helped them filling up the new account's information like personal information of the clients, NID verification of clients and nominee, financial information etc.
- I helped my supervisor doing his incomplete work like updating the old L/C files like collecting price verification, register, swift details and credit reports for completing files.
- I also had to import the register and swift details from the swift software using my supervisor ID.
- I used to check the payment details of the L/C payment like checking the accurate L/C no, quoting reference, accurate bank address and L/C dollar or euro value.
- I communicated with the clients to make them aware about taking the requested check books and ATM cards.

- I registered new check books every day in the register book by writing account name, serial no and leaf quantity.

### **1.3.2 Benefits to the student**

- My internship taught me a lot of valuable lessons. This internship has unquestionably boosted my skills and increased my self-assurance. This had a variety of effects on me and concluded in great improvements in the life. I can't express my gratitude enough to the employees at Bank Asia limited. Their excellent mentorship educated me a valuable lesson: Hard work is the only way to achieve success.
- My supervisor dealt with the consumers to obtain the new L/C certification, and I witnessed him in action. He was haggling with the clients for our bank service, which I saw. In addition, I observed them maintaining positive relationships with consumers by sending invitations to various Bank festivities. Now I see why they are able to keep their devoted consumers for such a long time.
- Also, in customer service, I witnessed them dealing with a difficult circumstance in which a client was behaving badly toward the personnel, yet the employees smiled and provided assistance. This taught me that no matter how horrible my customers were, I had to do my best to satisfy them.
- The finest thing I've learnt is how to manage my time. I had to be in my workplace at 10 a.m. sharp. I also have to remember that with a bank, there is no room for error. This helped me enhance my time management skills. I also learnt how to organize and prioritize important duties. I also had the opportunity to learn about the financial industry.

### **1.3.3 Problems/Difficulties (faced during the internship period)**

- I had trouble dealing with clients because I had never worked before my internship. Because they had been rushing all the time at the bank, the personnel were first unable to assist me with this difficulty.

- Then, their bank software is very slow. For this reason, I had to wait very long time finishing one task. I asked the other employees that they face the same situation or not. In reply they all said the same thing that they face the same situation. For this reason, they have to listen bad things from customer for their late payment.
- Also, they do not give the intern internet access on the pc. So, if I had to do anything I had to use my phone internet. For this reason, I could not do the price verification by myself I had to depend on my supervisor and wait for the document.

#### **1.3.4 Recommendations (to the company on future internships)**

- The only approach to remedy this problem is to update the program and make it more user-friendly, so that it runs smoothly and the person can complete tasks quickly. As a result, the organization must pay attention to this specific issue that the workers are experiencing, or else everyone will struggle.
- They should begin by giving the intern a training on how to treat customers so that there will be no problems in the bank as a result of the intern.
- They should give the intern an internet access so that interns do not have to wait for the supervisor to get the documentation which does not have any relation with the confidential information.

## **Chapter 2**

### **Organization Part**

#### **2.1 Introduction**

Bank Asia Ltd is one of Bangladesh's top financial institutions. Though we all aware, the primary goal of the Bangladesh administration's current economic strategy to ensure robust revenue growth. The financial sector plays a crucial role in achieving this goal. Bank Asia Limited is one of them. It is indeed a new player in Bangladesh's financial institutions scene. It has also operated in Bangladesh for quite a long period of time as being one of the nation's best banks. Bank Asia Limited engages in all aspects of business banking. Import/Export banking, working capital finance, and corporate finance are the three main services. One of the bank's most significant functions is international trading. It provides monetary and prudent advice and tools to assist business clients achieve their business goals. International trading sections are found in the foreign trade division, and inbound and outbound remittance are found in the foreign remittance division.

#### **2.2 Overview of the Company**

Bank Asia is a private company 3rd generation bank and planned financial institution that was created on November 27, 1999 under the financial company legislation 1991 and incorporated in Bangladesh as a limited company underneath the company's law 1994 to do banking activity in Bangladesh. It was created by a team of established businesspeople with a solid reputation in the community. The bank's executive team is managed by experienced financiers with generations of expertise in both domestic and foreign markets. A collection of specialists, who have experience in the worldwide market, assist the managerial talent. Bank Asia was able to reveal its presence and build its own presence in the industry among the first rising national private banks in a short time. Bank Asia Limited has over 129 branches in Bangladesh, spread over twenty-six districts. Since its founding in 1999, it has set a record by purchasing the Bank of Nova Scotia's Bangladesh business, the first in Bangladeshi corporate history. In 2002, the bank bought Muslim Commercial Bank Limited Bangladesh business once more (MCB). The bank became public in 2003 by issuing securities to the public, and in 2004 it was listed on the stock exchange. Bank Asia Limited's assets and international trade operations liabilities development has been phenomenal. Bank Asia has indeed been involved in the local currency markets and also the foreign exchange market without putting the company in any risky situations.

**Mission**

- To help us provide greater assistance to our consumers while also contributing to the growth and development of our country's economy.
- To uphold high ethical standards and provide full satisfaction to all consumers, shareholders, and staff.
- To be the most sought-after bank in the nation, with a devoted team of experts providing technology-driven creative services.

**Vision**

Bank Asia's objective is for Bangladesh to be poverty-free in a new century, mirroring the national ambition. Our objective is to create a community where individual rights and civil dignity, as well as poverty alleviation, are prioritized.

**Core values**

- Put the client's needs and pleasure first, and offer tailored financial products and services.
- Adding value for all stakeholders by attaining success in banking activities
- Ensure a high standard of ethics and openness in your interactions.
- Adhere to all regulatory criteria to be a compliant organization.
- Make a substantial contribution to the welfare of society
- Guarantee a greater motivation and confidence and a decent work culture for our employees, as well as a healthy work-life balance.
- Focused on environmental protection and going green

**Slogan**

FOR A BETTER TWOMORROW. “Should not have to limit themselves to a limited coverage, but instead should enhance business services and provide new ones to their present and future consumers in order to make their lives simpler.”

**Objective**

- Showing the consumer my whole attention.
- Discovering the true demands of the consumer.
- Increasing the quality of client service.

- Developing a positive consumer relationship.
- Even the tiniest inquiry is given significance.
- Increasing revenue and profit to encourage new value.
- Building a reputation through providing the greatest service and product.
- Using a collaborative approach to achieve business goals.

## **List of different types of product and services of Bank Asia limited**

### **Retail**

**Deposit Accounts:** Savings account, Duronto account, Current account, Star saving account, Fixed deposit, Deposit pension scheme, Achol and Vromon etc.

**Consumer finance:** Home loan, Auto loan, unsecured personal loan, loan for professionals, senior citizen support

**Credit Card:** Visa signature card, visa platinum card, visa card dual gold, visa card dual classic, visa butterfly, Mastercard platinum, Mastercard gold, Mastercard silver, gift card and travel card etc.

### **SME**

#### **Secured Products**

Sondhi - Term Loan for Trading, Shombridhi - Term Loan for Manufacturing, Sheba - Term Loan for Service, Somadhan - Secured

#### **Unsecured Products**

Subidha - Term Loan for Trading, Sristi - Term Loan for Manufacturing, Shofol - Term Loan for

#### **Special Products**

Utshob - Festival/Seasonal Loan, Somvabona - Term loan for new entrepreneur, Shofol - Term Loan for Service

### **Women Entrepreneurs**

Subarno - Term Loan for all



**Deposit Products**

Astha - CMSME Current Deposit Account Service

**Agricultural product**

Dairy support, crop support, fishery support, poultry support and equipment support etc.

**Other services**

Islamic banking, digital banking, locker service, foreign currency account and foreign remittance service etc.

## Hierarchy of Bank Asia

President & Managing Director
Deputy Managing Director (DMD)
Senior Executive Vice President (SEVP)
Executive Vice President (EVP)
Senior Vice President (SVP)
Vice President (VP)
First Vice President (FVP)
Assistant Vice President (AVP)
First Assistant Vice President (FAVP)
Senior Executive Officer (SEO)
Executive Officer (EO)
Senior Officer (SO)
Management Trainee Officer (MTO)
Officer
Junior Officer (JO)
Assistant Officer (AO)
Banking Officer (BO)
Trainee Officer (TO)

**Figure 1: Hierarchy of Bank Asia**

## Organogram of bank Asia

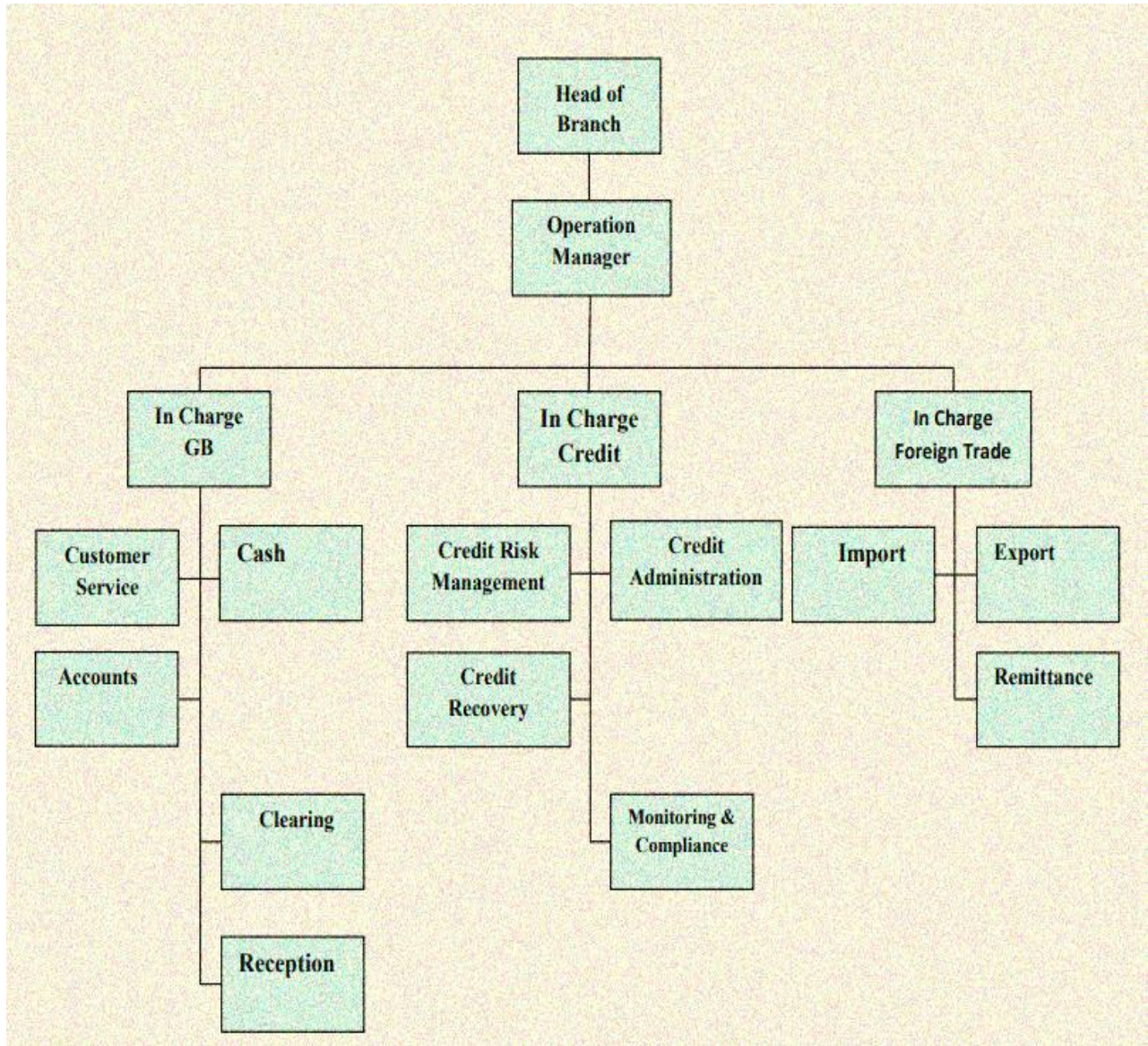
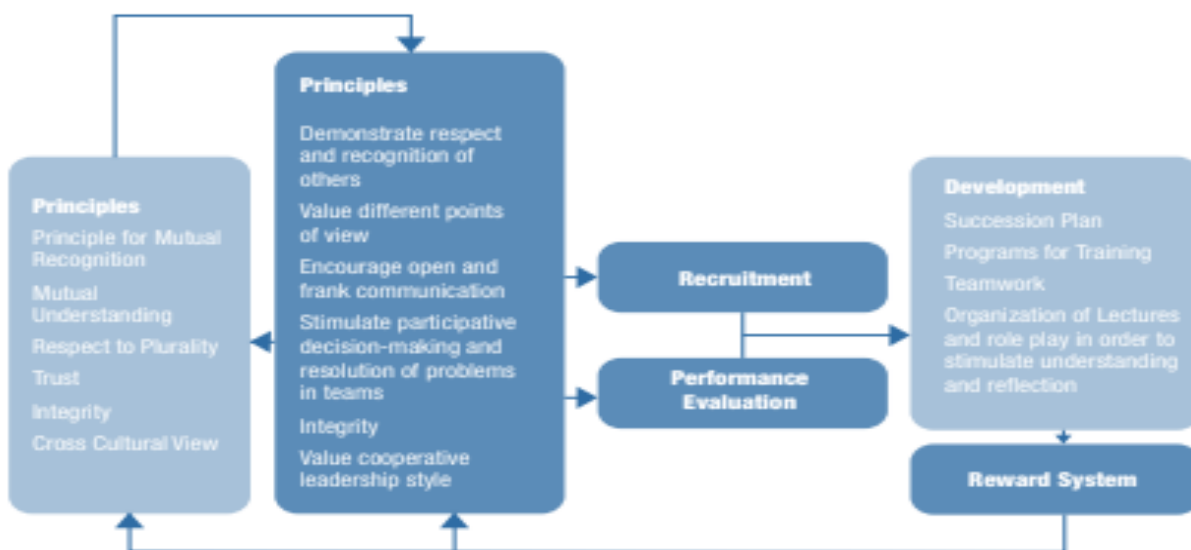
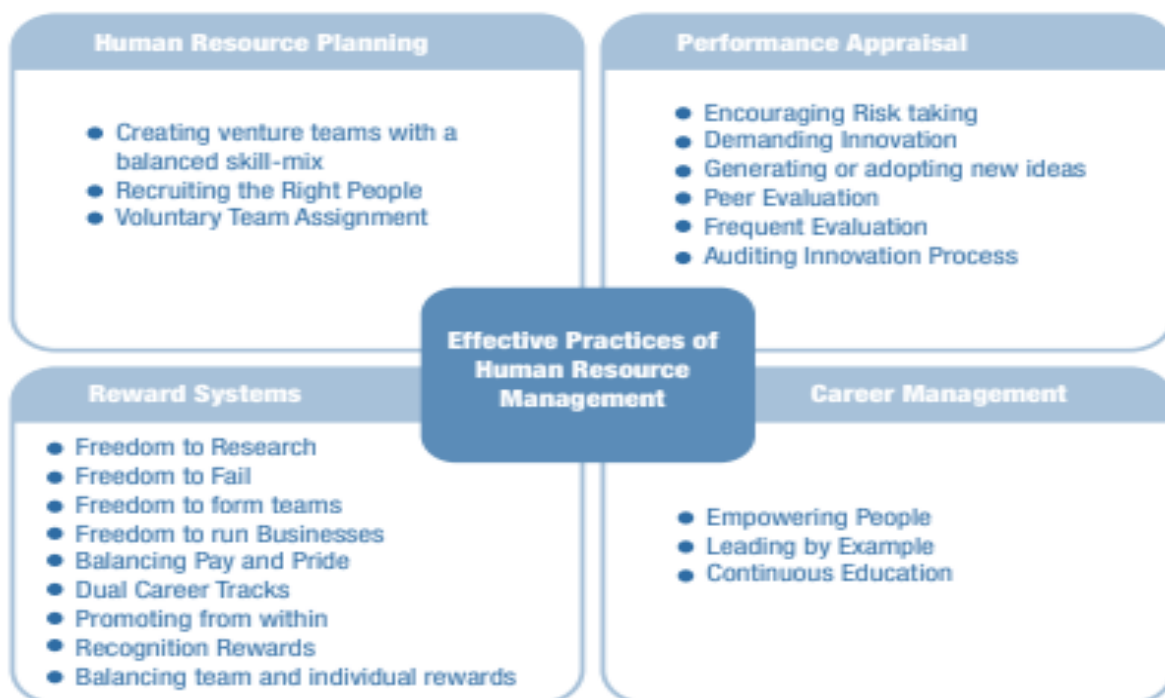


Figure 2: Organogram of bank Asia

### **2.3 Management Practices**

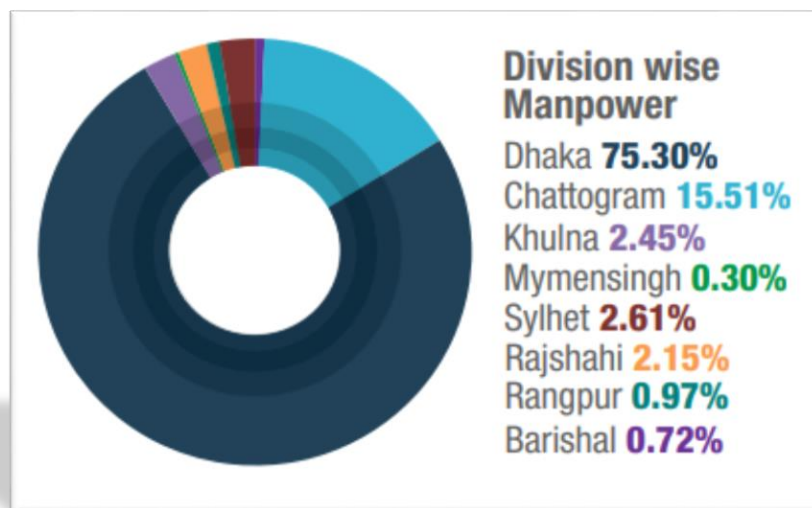
One of a company's most important sections is its human resources department. HR's responsibilities include personnel recruiting, posting in multiple branches, organizing seminars and training programs for workers, performance assessment, disciplinary procedures, advancement, cadre changes, and staff regulations and perks, among others. This section is currently led by the Company Secretary. Bank Asia Limited's People Management Division HR serves as the company's nucleus. As the Company's strategic ally, HR's responsibilities include not just managing administrative tasks but also working successfully in the best interests of the Bank's personnel. It creates a link between company expectations & employee requirements. HR is constantly working to improve the organizational climate by developing and implementing new policies and programs that have a beneficial impact on all elements of the company. Employees are most significant resource in our business, and we assist them. Bank Asia's HR is working tirelessly to encourage innovation, culturally diverse, and a pleasant workplace environment in order to ensure the organization's long-term viability. HR is dedicated to upholding corporate principles such as unity, mutual respect, and honesty in order to provide the greatest possible atmosphere for all its workers to advance their careers and the company. HR focuses on the development skills via personnel management and aligning tactics with organizational objectives, with hope of creating Bank Asia a "recommended employers of option." Focusing on the strategic viewpoint indicated, PMD offers Bank Asia Limited with complimentary, diversified, and creative capabilities that will be built by encouraging long-term individual 's behavior. Employees are persuaded by HR to move forward in establishing corporate principles such as customer focus, quality, good citizenship, and leadership development. HR is dedicated to fostering a positive workplace environment with fair and equal service terms & conditions, as well as the necessary resources. The Bank fosters a culture of confidence, growth, and the most effective usage our people capital. Bank Asia is convinced that long-term profits and sustained development can only ever be achieved via adequate personnel induction and maintenance. In this aspect, PMD guarantees that "the best person would be in the right spot at the right time and with the right number" so that Bank Asia Limited's motto "For a Better Tomorrow" may be realized.



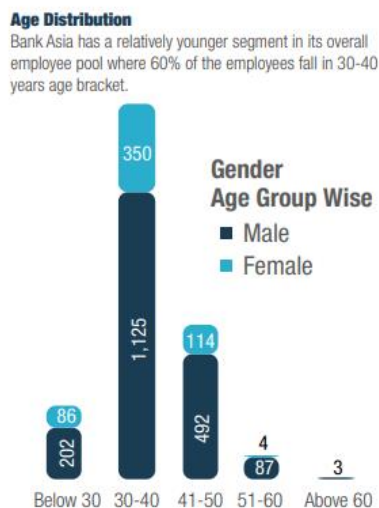
**Figure 3: HR practices (annual report 2020)**



**Figure 4: HR Functions (annual report 2020)**

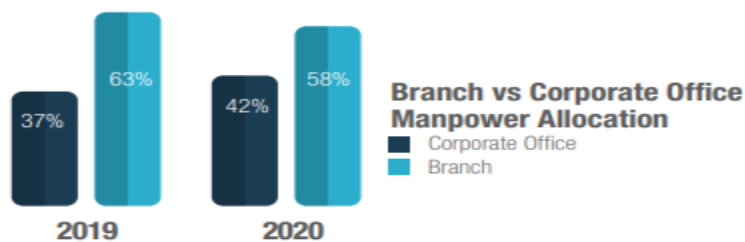


**Figure 5: Regional distribution (annual report 2020)**



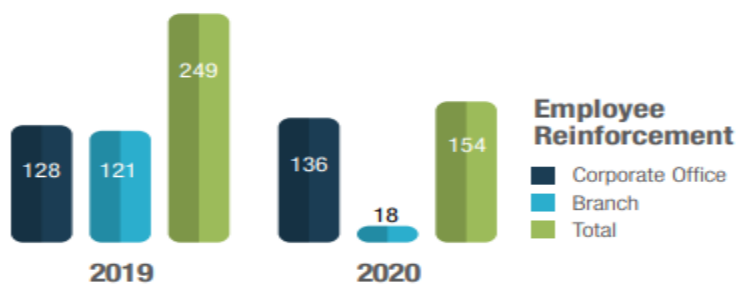
**Figure 6: Gender Age group wise (annual report 2020)**

**Employee Distribution in Branch & Corporate Office**  
We have about 3.66% growth in number of employees from 2,376 in 2019 to 2,463 in 2020.



**Recruitment**

In the year 2020, a total of 154 employees were recruited to strengthen the human capital of Bank Asia. New workforce supported the continuous expansion of the Bank's activities creating continuous competitive working strength.



**Figure 7: Employee distribution & Employee reinforcement (annual report 2020)**

## 2.4 Marketing Practices

This firm's major goal is to develop its company throughout Bangladesh, focusing on finding new places for branch offices, attracting new consumers, and retaining current clients for the growth. This company is currently overseen by a company SVP. In today's financial sector, promotional concerns are critical to moving forward and prospering in the future. There is fierce rivalry in the banking market right now; the number of banks is growing, and government and central bank restrictions are becoming stricter to combat money laundering, forgeries, and other pressing challenges. The state also attempts to keep an eye on how banks operate on a day-to-day basis, to see how likely they are to give bad loans, and to take steps to prevent banks from lending to people, businesses, and other entities that are likely to fail on their loans. Banking falls within the category of service marketing. The service marketing approach is based on the six Ps. They are Product, Place, Promotion, Price, People. The branches and corporate offices are the locations where customers may receive service. Bank Asia currently has 129 branches, with the exception of the Corporate Office, and plans to add three more this year. About forty-five branches are in Dhaka others are nationwide so they are willing to serve the whole country people. The company's authorities have believed since its inception that highly skilled, active, passionate, cooperating, and willing to learn more staff can help the company compete in today's market. That is why the government recruit's persons who possess this quality. Furthermore, the senior management team includes a number of well-known Bangladeshi bankers. In Bangladesh, only a few banks have this level of people or human resources. Though packing in the banking industry is not widely used in Bangladesh, Bank Asia makes an effort to supply it. Following the opening of a bank account, the authorities send a letter of confirmation to the consumer's location. When a person establishes a bank account, the bank sends all of the necessary documentation in a nice package. When people buy ATM cards, the bank gives them a plastic envelope to safeguard them. Whenever a bank has to give papers for a commercial transaction, the bank presents the documentation in a stylish package with the company's emblem and the appropriate branch location. In today's world, banking advertising is critical to growing a company's market share. And Bank Asia maintains this principle. They place advertising in the newspaper on a regular basis and send out press releases to keep folks informed about their current activities. In rural places, posters are placed on both sides of roadways. This move is being done in order to achieve the bank's goal of increasing its popularity in rural regions. They also participate in social activities such as cleaning up your city,



cleanliness, and drinking clean water on a routine basis. Bank Asia produces pamphlets on a routine basis to give information about products, branches, goals, and so on. In service design, products and pricing are two distinct factors. I'd do it with you. Customers will be attracted to a company's products and pricing. I'd like to tell you about Bank Asia's goods division by division. All businesses make money by selling a product or providing a service. A bank doesn't really make any actual products to sell, it does provide its clients with a wide range of financial services. The foundation of all banking activities is basic banking. It is the division that serves clients with day-to-day services. It collects payments from consumers each day honors cheque to satisfy their cash demands. It establishes new accounts, sends money, and issues bank draft and pay orders. There are other product and services like locker service, card products, deposit account products, foreign trade service and Islamic banking etc.

## **2.5 Financial Performance and Accounting Practices**

- Tk. 303,028 million  
Total deposits (As on December 31, 2020)
- Tk. 244,642 million  
Total advance (As on December 31, 2020)
- Tk. 108,549 million  
Export (As on December 31, 2020)
- Tk. 141,289 million  
Import (As on December 31, 2020)
- Tk. 98,911 million  
Remittance (As on December 31, 2020)
- Tk. 408,717 million  
Total Assets (As on December 31, 2020)
- AA2 - Long Term, ST - 2 Short Term  
(Valid up to June 2022)  
Credit Rating Status
- Tk. 6,038 million  
Contribution to National Exchequer (2020)
- Tk. 9,844 million  
Statutory Reserve (As on December 31, 2020)

- Tk. 2,092 million  
Retained Earnings (As on December 31, 2020)

# Five Years Performance

Million Taka unless otherwise specified

Particulars	2020	2019	2018	2017	2016
<b>BALANCE SHEET MATRIX</b>					
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up Capital	11,659.07	11,659.07	11,103.87	9,870.11	8,812.60
Reserve Fund & Surplus	15,721.82	13,086.05	12,236.26	11,184.38	10,225.88
Total Shareholders' Equity	27,380.90	24,745.12	23,340.13	21,054.49	19,038.48
Deposits	303,028.11	253,709.57	222,471.72	207,041.47	191,272.58
Loans and Advances	244,642.03	227,298.96	214,618.15	197,504.14	163,609.78
Investments	94,251.18	54,932.58	35,999.20	27,545.82	39,365.21
Fixed Assets	6,708.66	7,025.60	5,431.55	5,329.74	5,249.72
Total Assets	408,717.15	353,800.37	307,291.4	288,996.64	253,195.70
Total Off Balance Sheet Items	122,190.43	120,617.28	137,459.26	136,156.44	110,762.05
Interest Earning Assets	372,489.99	312,059.88	278,695.30	256,765.52	223,223.17
Non-Interest Earning Assets	36,227.16	41,740.49	28,596.10	32,231.12	29,972.53
<b>INCOME STATEMENT MATRIX</b>					
Interest income	18,112.00	22,863.14	20,910.68	16,411.57	14,569.39
Interest Expenses	14,926.68	14,462.38	13,007.99	10,841.56	10,600.94
Investment income	6,484.40	3,293.06	2,311.46	2,535.39	3,548.30
Non-Interest income	4,462.27	4,456.40	4,015.84	4,120.56	3,756.18
Non-Interest Expenses	7,108.05	6,751.46	6,062.19	5,279.83	4,719.26
Total income	28,105.56	30,536.30	27,130.56	22,808.95	21,240.83
Total Expenditure	22,034.72	21,213.84	19,070.18	16,121.39	15,320.20
Operating Profit	6,070.84	9,322.46	8,060.4	6,687.56	5,920.63
Profit Before Tax	3,957.71	3,920.81	4,616.3	4,057.53	3,286.91
Net Profit After Tax	2,035.71	1,960.81	2,266.28	2,047.53	1,545.91
<b>CAPITAL MEASURES</b>					
Risk Weighted Assets	254,905.15	238,427.23	233,085.63	221,114.65	199,490.69
Core Capital (Tier-I)	23,558.94	22,635.99	21,165.37	18,852.66	16,735.56
Supplementary Capital (Tier-II)	20,195.00	20,121.11	13,917.53	14,061.29	8,039.04
Total Capital	43,753.94	42,757.10	35,082.90	32,913.96	24,774.60
Capital Surplus/(Deficit) over Minimum Capital	18,263.42	18,914.38	11,774.34	10,802.49	4,825.54
Capital Surplus/(Deficit) over Conservation Buffer	11,890.80	12,953.70	7,403.98	8,038.56	3,578.71
Tier I Capital Ratio	9.24%	9.49%	9.08%	8.53%	8.39%
Tier II Capital Ratio	7.92%	8.44%	5.97%	6.36%	4.03%
Capital to Risk Weighted Asset Ratio Basel-III	17.16%	17.93%	15.05%	14.89%	12.42%
<b>CREDIT QUALITY</b>					
Classified Loans	7,930.93	10,479.99	8,809.83	8,642.30	8,847.34
Provision for Unclassified Loans	8,990	7,674.46	5,091.24	4,101.19	2,929.43
Provision for Classified Loans	4,120.20	4,604.66	3,892.76	3,740.00	4,494.29
Provision for Contingent Liabilities	1,005	961.65	1,158.03	1,331	1,107.62
Percentage of NPLs to total Loans and Advances	3.24%	4.61%	4.10%	4.38%	5.41%
<b>FOREIGN EXCHANGE BUSINESS</b>					
Import	141,289	158,115	165,203.00	181,468.00	148,724.27
Export	108,549	132,465	136,733.00	118,172.00	103,139.15
Remittance (Inward)	98,911	79,750	60,113.00	51,778.00	41,665.14

Figure 8: Five-year performance (annual report 2020)

Million Taka unless otherwise specified

Particulars	2020	2019	2018	2017	2016
<b>OPERATING PROFIT RATIOS</b>					
Credit Deposit Ratio	69.42%	76.47%	81.75%	81.88%	76.15%
Cost of Deposit	4.95%	5.67%	5.65%	5.08%	5.66%
Cost of Deposit & Borrowing	4.27%	5.68%	5.65%	5.23%	5.71%
Administrative Cost	2.27%	2.59%	2.60%	2.50%	2.51%
Yield on Loans and Advances	7.68%	10.19%	9.99%	9.03%	9.86%
Spread	2.73%	4.52%	4.34%	3.95%	4.20%
Return on Assets	0.53%	0.59%	0.76%	0.76%	0.65%
Return on Equity	7.81%	8.16%	10.21%	10.21%	8.13%
Current Ratio	1.07	1.05	1.07	1.05	1.04
Debt Equity Ratio	13.93	13.30	12.17	12.73	12.30
<b>PERFORMANCE RATIOS</b>					
Profit per Employee	2.46	3.92	3.57	3.20	3.01
Operating profit as % of Working Fund	1.59%	2.82%	2.70%	2.47%	2.48%
Net Interest income as % of Working Fund	2.29%	3.51%	3.39%	2.89%	2.88%
Burden Coverage	49.37%	64.88%	64.47%	73.15%	66.18%
Burden Ratio	0.62%	0.67%	0.70%	0.43%	0.40%
Expense Coverage	62.77%	66.01%	66.24%	78.04%	79.59%
Ratio of Fees income	18.78%	20.91%	21.18%	26.07%	23.26%
Salary Exp. to total Overhead Exp.	50.03%	48.63%	47.77%	47.99%	49.84%
Salary Exp. to Fees income	143.68%	97.67%	96.84%	81.21%	95.05%
Cost to income/ Efficiency ratio	54%	42%	42.93%	44.12%	44.35%
<b>DIVIDEND &amp; RIGHTS ISSUE</b>					
Cash	10%	10%	5%		
Stock			5%	12.50%	12%
Total Dividend	10%	10%	10%	12.50%	12%
<b>SHARES INFORMATION MATRIX</b>					
No. of Shares Outstanding	1,166	1,165.91	1,110.39	987.01	881.26
Earnings Per Share (Taka)	1.75	1.68	1.94	1.84	1.57
Number of Shareholders	8391	8960	10344	10,681	10,774
Market Value Per Share (Taka)	18.2	18.2	17.7	23.10	17.90
Price Earnings Ratio	10.40	10.83	8.67	11.14	11.40
Net Asset Value Per Share (Taka)	23.48	21.22	20.02	18.96	19.29
Dividend Coverage ratio	1.75	1.68	2.04	1.66	1.46
<b>OTHER INFORMATION</b>					
Number of Branches	129	128	127	116	105
Agent Outlet	4628	3,525	2,566	1,497	1,150
Number of SME Service Centers	4	4	4	4	6
Number of Islamic Windows	5	5	5	5	5
Number of Employees	2463	2,376	2,256	2087	1,970
Number of Foreign Correspondents	670	677	698	727	751

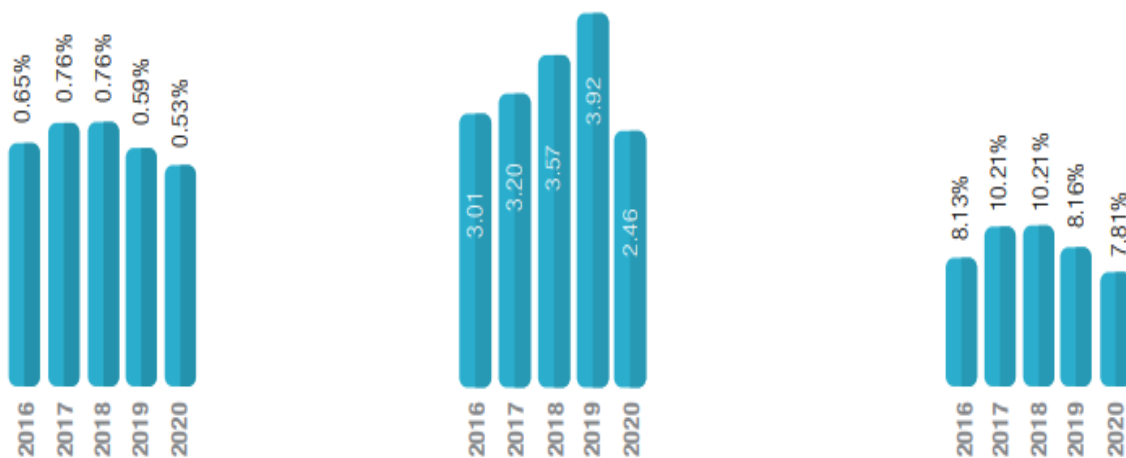
Figure 9: Five-year performance (annual report 2020)

## Five Years Performance



Figure 10: Five-year performance (annual report 2020)

Terms	2021(June)	2020
EPS	1.75	1.74
ROA	0.49%	0.53%
ROE	7.32%	7.81%
Burden Ratio	0.33%	0.62%
Cost of Operation	2.19%	2.27%



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## Five Years Performance

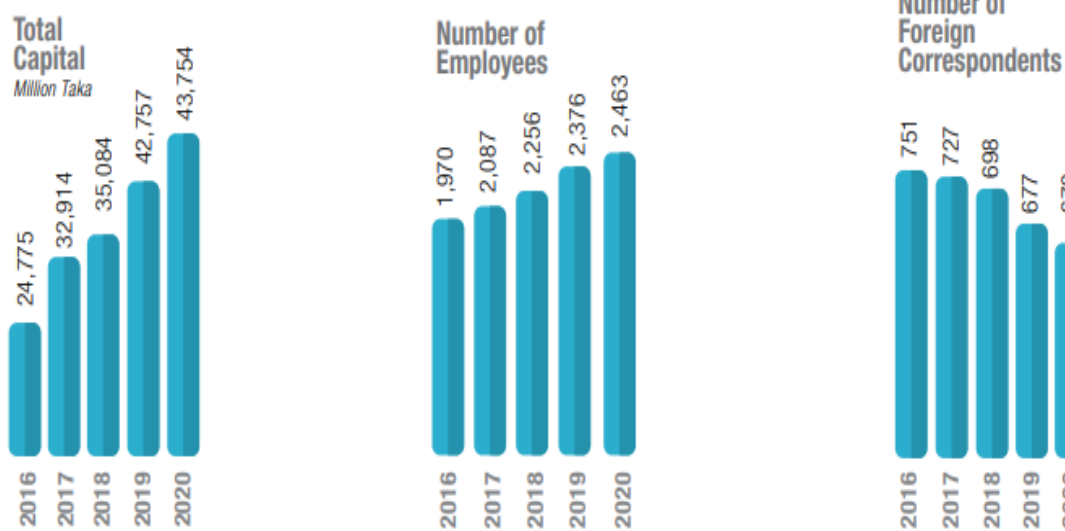


Figure 11: Five-year performance(annual report 2020)



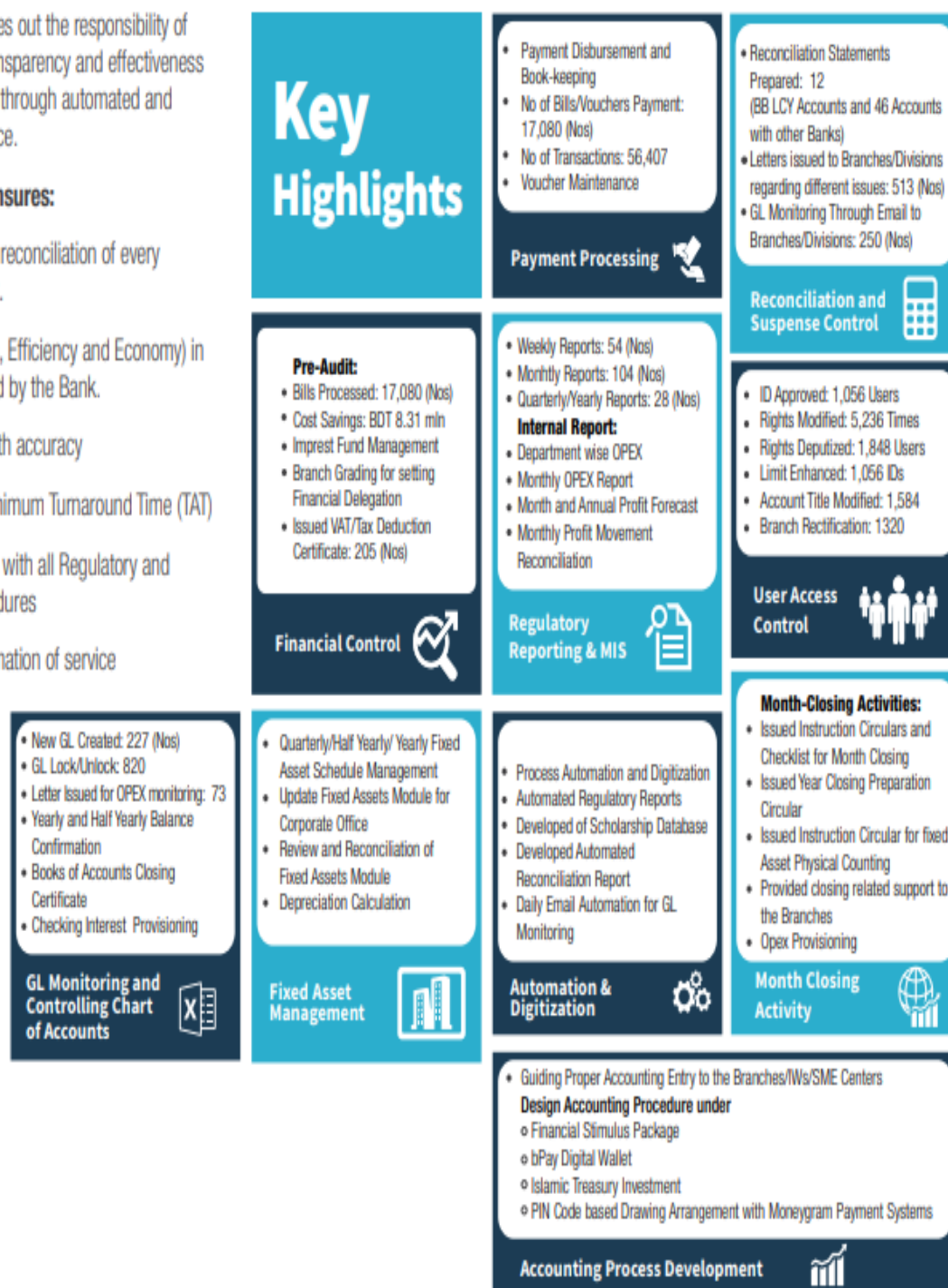
Figure 12: Five-year performance (annual report 2020)

## Accounting practices

Accounts Department carries out the responsibility of ensuring accountability, transparency and effectiveness of every penny of the Bank through automated and compliant accounting service.

### Accounts Department ensures:

- Proper accounting and reconciliation of every transaction of the Bank.
- Three Es (Effectiveness, Efficiency and Economy) in every amount expended by the Bank.
- Accounting services with accuracy
- Delivery services at minimum Turnaround Time (TAT)
- Meticulous compliance with all Regulatory and Internal policies/ procedures
- Digitalization and automation of service



**Figure 13: Accounting practices (annual report 2020)**

## **2.6 Operations Management and Information System Practices**

Bank Asia serves around 5 million clients, and one of the milestone goals in the year 2020 was to introduce scalable technology in order to improve customer service. ICT has built an Oracle RAC (real application technology) environment to assure the system's highest uptime and uninterrupted service to customers. The upgrade of the agent banking software went off without a hitch, allowing the agents to operate with ease and flexibility. The ICT Department has created a working remotely environment to ensure that services run smoothly throughout the COVID – 19 epidemics. The ICT Department has implemented a Virtual Private Network in this respect (VPN). Furthermore, the Bank's ICT Department has deployed Two Factor Authentication (2FA) for user authentication to safeguard the bank's company's network. Micro Merchant is a virtual platform that allows merchants to conduct financial transactions, buy and sell commodities online. Micro Merchant would create a payments eco-system that will greatly streamline the banking industry. This software will be integrated with our whole banking system, allowing any Bank Asia customer user in any part of the nation to become a Micro Merchant for the bank. Even during Covid-19 epidemic, we created the "GhoreBosheRinNei" online mortgage online application. Our clients may now apply for retail loans from the comfort of their own homes thanks to this method. The system is connected to an online credit approval system, which initiates the confirmation process as soon as the application is filed. Using our mass account opening technique, the company has created a substantial account for Garments Workers this year. The bank has created Software Robot – AIW to manage such a task. The AIW is a cutting-edge hyper automation system that automate all of a company's dull and repetitive procedures. Since the use of RPA and AI for account verification, this is a first for the corporate bank in Bangladesh, human participation has decreased.





**Figure 14: Operation management and information system practices (annual report 2020)**

## 2.7 Industry and Competitive Analysis

### SWOT ANALYSIS

#### Strength:

- Financial inclusion pioneer and dedication to financial development match with the Company's vision and mission.
- Strong Asset and Capital Base, with a CRAR of 17.16 percent and a cost-to-income ratio of 54 percent, down from 42 percent.
- The Company's publications have won four state honors and three international prizes, including the first award winner among private sector banks in South Asia.

- The bank's remittances increase is about 22 percent, compared to the nation's 18 percent increase.
- Broad exposure through a network of bank branches, agent outlets, and ATMs that span the nation, as well as a participation in world trade via international financial institutions, exchange houses, and subsidiary enterprises both at domestically and overseas.
- In 2020, we will have improved human resources by providing 1,17,224 man-hours of courses and workshops to 19,051 attendees.
- Unique and customer-focused goods and services are ensured using state-of-the-art banking software.
- Taking advantage of online platforms such as Net banking, MyApp, Shadhin card for freelancers, and OPGSPs such as Payoneer and OCAS for the retail and CMSE segments.
- Maintaining an acceptable and consistent credit score over the past five years, i.e., 'AA2' for long-term and 'ST-2' for short-term debt.

#### **Weakness:**

- Integrated vision, staff awareness, and behavior-driven technology initiatives are all lacking.
- Dependency on news business, which necessitated more R&D to provide new revenue streams.
- For failure debt management, a thorough review and further activities are required.

#### **Opportunities:**

- Bangladesh Bank decreased the Repo Rate and CRR to improve money supply in the market, resulting in increased investment options.
- increasing ADR and IDR to create funding for stimulus programs and to keep the industry running smoothly.
- In the aftermath of Covid-19, financial institutions have the potential to transition to digitalization in order to satisfy the expectations of their customers.
- Financial inclusivity might be a real game - changer in an era of reduced profit for financial institutions, with around a third of Bangladeshi families without accessibility to banks and other financial institutions.

- Because Bank Asia has the biggest Agent Financial platform, it may be possible to bring the unbanked into the banking system.
- The IT area is ripe with opportunities as a result of digital revolution.

#### Threats:

- Account holders may choose for national saving instruments due to their better yield and would search for outlets to deposit in other nations if the rate of interest is single digit.
- The amount of NPLs has a detrimental effect on profitability and makes it difficult to meet regulatory obligations.
- Financial and banking industry digitalization is retaining big players, but most institutions are unable to deal with cyber-attacks.
- The Covid-19-induced financial downturn has had a significant impact on Bangladesh's international trade operations, as well as a severe impact on future investments, as deliveries of capital machinery from other countries have been disrupted.
- Deposit rates of 6% and mortgage rates of 9% are available. Due to the cost of capital, categorized loans, overhead expenses, regulatory issues, and other factors, the banking industry in Bangladesh is under additional strain during Covid-19 epidemic. Obtaining deposits at 6% is still difficult, and banks are delivering thin earnings as a result.
- Because the country must spend further to combat the pandemic's negative effects, the deficit may expand, posing a major threat to Bangladesh's microeconomic balance.

### **Poter's five force Model**

#### **Threat of New Entrants**

The threat of new entrants refers to the likelihood that existing banks' profitability may be diminished by new rivals. The threat's magnitude is determined by existing entry barriers and the combined reactions of current rivals. If entrance obstacles are high or the newcomer expects a strong reprisal from existing rivals, competitive forces affect strategy and the risk of entry is reduced. These conditions are discouraging to new competitors. Patents and brand recognition are two of the most significant hurdles to new entrants. Aside from that, there are a number of other key elements that influence the introduction of new prospective rivals. Relatively high capital investment and overhead expenses, cost benefits of established players due to procedure learning

curve impacts, customer brand loyalty, scarcity of precious resources such as competent skilled professionals, source of raw products and delivery options dominated by established players, long-term service agreements, fast switching expenses for clients, substantial implementation of government action said Mehjabin (2018). Because of the cheap switching costs of money transfers from one bank to another, the entrance barrier is minimal, and the Bangladesh government has a tight grip on the situation.

### **Threat of Substitute Products**

Because substitutes decrease a company's expected gains by putting a cap on the rates that banks in that sector may economically charge, every bank within in the company competes with other banks supplying replacement goods and services. Looking for other goods or services that can serve the same purpose as the company's products is the first step in identifying substitute products. Alternative danger is defined by elements such as customer brand loyalty, tight customer connections, shifting costs for consumers, comparable pricing for replacement performances, and recent trends, similar to the new competitors said Mehjabin (2018). Regardless of the fact that internationalization has led in big acquisitions and mergers, the banking industry is seeing an increase in acquisitions, posing a threat of alternatives. It's mostly due to modern technology's capacity to reduce distance, which has historically been a barrier for foreign banks without a branch network in local markets. There aren't many options, though. Bank Asia Limited offers services that are equivalent to those offered by other financial institutions.

### **Bargaining Power of Buyers**

Buyers may put an industry at risk by driving down costs, negotiating for better quality or more service, and pitting rivals against one another. As a result, profitability suffers. The buying power of any buyer group is determined by market conditions and the significance of purchases made by that group in comparison to the total business field said Mehjabin (2018). Since the bulk of the market is regulated by the government, clients' capacity to bargain is severely constrained. Many of the Bangladesh Bank's regulations must be followed by every bank. Moreover, consumers who desire to quit Bank Asia pay cheap switching costs, and customers may easily obtain financial services from many other banks.

### **Bargaining Power of Suppliers**

## **Bargaining Power of Suppliers**

Suppliers can put pressure on a company by raising prices or lowering the quality of the items they sell. Suppliers with clout can restrict the banking firm's profits to the point where they can't afford the expenses of raw materials said Mehjabin (2018). They are businesses that provide raw resources, machinery, related services, and labor. Trade unions for supply of labor, Automatic Vending Machine vendors, housekeeping services, IT experts, and marketing agencies are just a few examples of bank vendors. (Dagmar, 2001).

## **Rivalry between established companies**

Hill and Jones (2007) define rivalry as "the competitive effort between financial institutions in a sector to obtain share of the market from one another." It is a struggle for territory in which banks utilize techniques such as pricing competition, ad wars, product debuts, quality contest, and enhanced productivity or guarantees to gain a competitive advantage (Hill and Jones, 2007). In a competitive atmosphere, the rival is the one to be dealt with.

## **2.8 Summary and Conclusions**

The bank's position in financial hub structure is important to the economy's prosperity. Bank Asia also contributes to the growth of the economy. Bank Asia Limited has been operating effectively for the past 23 years. Bank Asia implements a number of techniques and introduces new projects in order to provide new goods and services in response to current market trends and customer expectations. In addition, the quality of their services is outstanding. Furthermore, they keep a positive cultural climate and have a robust communication system in place so that staff from high to low can communicate clearly. In a competitive industry, Bank Asia has a strong presence.

## **2.9 Recommendations/Implications**

Bank Asia is one of Bangladesh's leading private banks, and they are doing a fantastic job. However, there are a few things I believe they should fix.

The following are some of them:

- Bank Asias IT department is not very helpful for solving the branch problem solving so they can hire more employees to reduce the problem. They cannot handle the situation because of huge pressure on the IT Department.

- Bank Asia should modernize its IT infrastructure because their technology might be sluggish at times.
- Customer service departments need to be more proactive in order to answer to consumers' complaints more rapidly. I think they have less people in branches to answer all the queries of customer because there is huge line of customer every day.
- More advertising strategies should be planned so that clients are familiar with current offerings.

## Chapter 3

### 3.1 Introduction

- **3.1.1 Background/Literature Review**

Incorporate all worldwide financial organizations underneath the Bank Asia umbrella to fulfill consumers' requirements with the greatest emphasis of care, allowing Bank Asia to form long-term relationships with the customers and global financial institutions.

Bank Asia is Bangladesh's premier banking institution, with a global reputation for business awareness and devotion to its important clients and other stakeholders, offering a full range of global trade services. Bank Asia is executing its trade transactions in centralized and decentralized methods across the nation to meet the increased demands of its customers. The bank's Foreign Trade Activity is facilitated through the Foreign Department. Global commerce is one of the most difficult areas of banking activities, yet it may help a bank earn more money. Internationalization has made it extremely dynamic while also making it quite dangerous to run. With an increasing number of clients and problems in the foreign trade structure, Bank Asia is one of the private commercial banks in Bangladesh delivering the highest quality of services to its own respected stakeholders and customers. They have 21 Authorized Dealer locations in Bangladesh, mostly in Dhaka and Chittagong, to handle all sorts of traditional and Islamic exports and imports operations. Each office has a specialized team of highly experienced professionals with solid professional backgrounds that conduct import and export transactions through a single point of contact. They have 2 Center Trade Operation Units in Dhaka and Chittagong, in addition to 21 AD Locations, to handle the exports and imports transaction of both Islamic and Conventional goods from Non-Authorized Dealer branch offices around the nation. Another Offshore Banking Unit processes import and export transactions for our bank's offshore and onshore clients. Each location of the bank has a group devoted to providing customers with LC advising, transfer, confirmations, and discount services. We have over 600 million dollars in credit lines with reputable world-class institutions in other countries. They also have a \$100 million USD Confirmed Line with the IFC and the ADB. In addition, they have an Offshore Banking Unit with assets of roughly \$300 million that they use to provide confirmation and discount services to the clients.

- **3.1.2 Objective(s)**

Competitive analysis of non-domestic commodity trade operation of bank Asia Mohakhali Branch which includes strength and weakness of the import operation and their threats and opportunities in the case of import operation. To identify Bank Asia, import operation service quality and growth. Moreover, to recommend some suggestion for import operation of Bank Asia Limited,

- **3.1.3 Significance**

The study will provide reader about the strength and weakness of import operation of Bank Asia Mohakhali branch. Also, will be able to know the threats and opportunities for import operation of Bank Asia Mohakhali branch. Lastly, in this study few recommendations for Bank Asia also hold the significance of the study.

### **3.2 Methodology**

This study is based on a survey, observational research, content analysis, personal interview, discussions, practical job experience, and writing notes while observing and viewing operations. In addition, I prepared it using both primary and secondary data.

#### **Primary data sources**

- Personal observation
- Face to face conversation with consumers
- Practical working experience
- Official records of Bank Asia

#### **Secondary data sources**

- Deep study on Bank Asia limited annual reports
- Manual information given by organizational supervisor



- From their official website
- Different publications on this bank

### **3.3 Findings and Analysis**

The Foreign Exchange department of Bank Asia Limited deals with major three things

- Import related activities
- Export related activities
- Foreign remittance operation

Now I will be discussing about the non-domestic commodity trade operation of Bank Asia.

#### **Import**

The process of acquiring products and services from a foreign nation is known as import. To meet their requirements, people from various areas, including companies, industries, and the Bangladesh authorities, import goods and services from other nations. The Bank Asias main clients for their import procedures are large corporations, which are managed via dealers both inside and outside the nation.

The major goal of Bank Asias import division is to deal with various of components, including:

- L/C stands for letter of credit
- payment for received goods
- Confirmation of L/C
- Attracting the customers with discount

#### **Strength**

Every year minimum thousand letter of credit open in Import division. So, this part is the most important part for Bank Asia. Here I have given three types of banks L/C schedules which are Bank Asia, Brac Bank and Prime Bank. According to my supervisor at Bank Asia They have many competitors for import trade operation like, mercantile bank, Jamuna Bank, Prime Bank, Standard Chattered Bangladesh and Brac Bank etc. so, here I am comparing some charges for opening L/C's using different banks L/Cs schedule. This data's taken from the Banks website.

- Bank Asia charges minimum 1000 taka as a commission (figure: 15) per quarter for each L/C but BRAC bank taking minimum 2500 taka as a commission (figure: 17) per quarter for each L/C. Meanwhile, Prime Bank taking charges for each L/C minimum 1000 taka (figure: 18) same as Bank Asia. According to the figures we can see that Bank Asia is charging less money from the BRAC bank so this is their advantage that they will have more customers than BRAC bank. They are using competitive rate for opening a L/C. For L/C amendment we can see Bank Asia charges 500 to 750 taka (figure: 15) but Prime Bank charges starting from 750 taka. So, prime Bank is charging more than Bank

### Import

1 Letter of Credit –Opening, extension of validity and increase of amount						
LC Type	Mode	Commission in 1st Quarter on LC/Amendment Value	Commission in Subsequent Quarter(s) on LC /Amendment Value	Minimum Comm.	SWIFT/Courier charges	
a LC under 100% Margin both Local & Foreign	Issuance	0.10% -0.25%	0.10% - 0.25%	Tk. 1000	At Actual	
	Amendment	0.10% -0.25%	0.10% - 0.25%	Tk. 1000	At Actual	
b L/C under Cash Sight (below 100 % margin) (both Foreign & Local)	Issuance	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
	Amendment	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
c L/C under Usance/Deferred Payment (both Foreign & Local)	Issuance	0.10% -0.50%	0.10% -0.50%	Tk. 1000	At Actual	
	Amendment	0.10% -0.50%	0.10% -0.50%	Tk. 1000	At Actual	
d L/C under Back to Back under usance (both Foreign & Local)	Issuance	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
	Amendment	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
e L/C under Back to Back (other than export oriented Industry)	Issuance	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
	Amendment	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
f L/C under EDF	Issuance	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
	Amendment	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
g L/C under AID/Loan/Credit/ Barter/Grants etc.	Issuance	0.10% -0.50%	0.10% -0.50%	Tk. 1000	At Actual	
	Amendment	0.10% -0.50%	0.10% -0.50%	Tk. 1000	At Actual	
h Import Under LCAF (Advance payment or DA)	Issuance	0.10% -0.40%	0.10% -0.40%	Tk. 1000	At Actual	
Amendment of L/C (except increase of value and extension of validity)			Tk. Tk.500-750 plus	communication cost at actual		
L/C cancellation (L/C Cancellation Charge Waived)			Communication cost at actual			
PSI Processing Charges			Tk.200 to Tk.500			
Misc. Certification charges for opening of Import L/C.			Tk.200 to Tk.500			

Figure 15: Bank Asia letter of credit schedule (Bank Asia Website)

Asia. So, this is Bank Asias strength that their amendment charge can be less than prime bank which will attract customer and they will be able to change anything within 500 to 750 takas. Issuance of certificate in respect of import is started from 100 taka to 500 taka but BRAC bank issuance start from 500 taka. So, we can see there are differences among all the banks charging amount for L/C purpose. Bank Asia is charging less on different aspect so it is their strength that they are able to charging for L/C s like this.

Sl	Service Description	Charges
<b>Acceptance Commission</b>		
2	Acceptance under Deferred/UsanceL/C	1st Qtr @ 0.10%-0.40%, Sub. Qtr @ 0.10%-0.40%, Min. Tk.1,000 plus Swift /Courier Charges at actual)
<b>Lodgment / Payment against Document:</b>		
	Reimbursement Charge on beneficiary	US\$20.00- \$ 50.00 per doc.
	Discrepancy Charges (Foreign ) on beneficiary	\$ 50.00-\$ 100.00 per doc.
	Discrepancy Charges (ILC & BTB L/C Local)	\$ 10.00-\$ 50.00 per doc. or Equivalent
3	Handling of bills not under L/C	Free / Communication charges at actual
	Handling of collection bills under L/C	Free / Communication charges at actual
	Foreign correspondent's charges (Inland part)	Free / Communication charges at actual
	Foreign correspondent's charges (Foreign part)	Free / Communication charge at actual.
	Import Document return fee	Tk.500-Tk.1000 + communication charge at actual.
<b>Endorsement of Copy / Shipping Guarantee</b>		
4	Endorsing of Copy of Documents	Free
	Endorsement Certificate Charge	Tk. 500.00 per Certificate
	Issuance of Shipping Guarantee /Indemnity	Tk. 500 –Tk.1000
<b>Confirmation of all types of Import L/C (by Foreign Correspondent):</b>		
5	For sight L/C's on opener's A/C	@ 0.00%-0.20% Flat
	For sight L/C's on beneficiary's A/c.	@ 0.00%-0.20% Flat
	For DP L/C's up to 180 days on opener's A/c.	@ 0.00%-0.20% Flat
	For DP L/C's up to 180 days on beneficiary's A/c.	@ 0.00%-0.20% Flat
<b>Collection of Credit Report :</b>		
6	Through D & B / Others	At Actual
	Through Banking Channel	At actual.
<b>Misc. Charges of Import</b>		
7	Issuance of Certificate in respect of import	Tk.100/- to Tk. 500/-
	Arrangement fee in BDT for OBU Bill Finance/FC Fund or Facility Arrangement Fee	As per negotiation with customer upto 2.00% of financed amount.
	Processing regulatory approval for B/E extension or others	Tk. 1,000/- to Tk. 2,000/-

Figure16: Bank Asia letter of credit schedule(Bank Asia website)

IMPORT		
<b>LC Opening</b>		
LC Issuance (Sight)	0.10 - 0.40 % Per Quarter	Minimum BDT 2,500/-
LC Issuance (USANCE)	0.10 - 0.50 % Per Quarter	Minimum BDT 2,500/-
LC Against 100% Cash Margin	0.10 - 0.25 % Per Quarter	Minimum BDT 2,500/-
LC Issuing (Back To Back)	0.10 - 0.40 % Per Quarter	Minimum BDT 2,500/-
<b>LC Amendment</b>		
Other Than Amount Or Tenor	BDT 1,000/- Flat	
Change In Amount Or Tenor Or Both-Sight	0.10 - 0.40 % Per Quarter	Minimum BDT 2,000/-
Change In Amount Or Tenor Or Both-USANCE	0.10 - 0.50 % Per Quarter	Minimum BDT 2,000/-
Change In Amount Or Tenor Or Both-BTB	0.10 - 0.40 % Per Quarter	Minimum BDT 2,000/-
Change In Tenor (If Quarter Is Not Changed)	BDT 1,000/- Flat	
LC Cancellation Charge/ Expired LC Commission	Nil	
Foreign Correspondence Charge (Local)	Nil	
<b>DELIVERY ORDER/SHIPPING GUARANTEE/AIRWAY BILL</b>		
Issuance Of Delivery Order/ Shipping Guarantee/N.O.C	BDT 1,000/- Flat	
<b>SIGHT BILLS/USANCE BILLS</b>		
Acceptance Commission	0.10 - 0.40 % Per Quarter	Minimum BDT 2,500/-
Maturity Date Extension (If Quarter Is Changed)	As Per Acceptance Commission	Minimum BDT 2,500/-
Maturity Date Extension (If Quarter Is Not Changed)	BDT 1,000/- Flat	
Sight Bill Retirement Fee	BDT 1,000/- Flat	
<b>MISCELLANEOUS</b>		
Swift Communication	At Actual	
Confirmation Of LC	At Actual	
LC Application Form-Full Set	BDT 350/-	
LCA Form	BDT 100/-	
Imp Form	BDT 100/-	
Stamp Charge	At Actual	
Credit Report Request/Enquiry Fee	BDT 2,000/-	
Certificate Issuance (Including Back To Back LC)	BDT 500/- Flat	
Photocopy Attestation Per Request	BDT 500 Per Invoice	
Pay Order Issuance Fee For LC Payment	BDT 20/- For Amount Up To BDT 1,000/- BDT 50/- For Amount Above BDT 1,000/- and up to BDT 100,000/- BDT 100/- For Amount Above BDT 100,000/-	
Issuance of DD/TT/MT etc. in Foreign Currency	BDT 100/- For Amount Up To BDT 100,000/- BDT 200/- For Amount Above BDT 100,000/- and up to BDT 500,000/- BDT 300/- For Amount Above BDT 500,000/- and up to BDT 1,000,000/- BDT 500/- For Amount Above BDT 1,000,000/-	
Cancellation of DD/TT/MT etc. in Foreign Currency	BDT 200/- per instrument	
Reimbursement Fee	USD 50/-	
Discrepancy Fee	USD 50/-	
Mail/Postage/Courier	At Actual	
IRC Renewal Fee	BDT 500/-	
Pre Facto Bangladesh Bank Approval Processing Fee	BDT 2,500/-	
Post-Facto Bangladesh Bank Approval Processing Fee	BDT 1,500/-	
LCA Registration Fee	Max Up To 0.25 %	Min 2,000/-

Figure 17: Brac bank letter of credit schedule (Brac bank website)

SL	Particulars of Schedule of charges	Charges
A	<b>Import</b>	
1.	Sight L/Cs commission	: Up to 0.40% per qtr or minimum BDT 1000, ***
2.	Back to Back L/Cs opening commission	: Up to 0.40% per qtr or minimum BDT 1000, ***
3.	L/C opening commission against 100% cash margin	: Up to 0.25% per qtr or minimum BDT 1000 ***
4.	DP L/Cs opening commission	: Up to 0.50% per qtr or minimum BDT 1000. ***
5.	UPAS L/C arrangement / processing fee	: UPAS LC arrangement +processing: BDT1000 per request
6.	Inland L/C opening commission	: As prescribed under SL No. 01, 02, 03 & 04 above
7.	L/C Acceptance commission	: Up to 0.40% per qtr or minimum BDT 1000. ***
8.	L/C Cancellation	: Nil
9.	Mailing/Courier/SWIFT Charge against L/C transmission, L/C amendment, confirmation, cancellation, foreign correspondence etc.	: At actual
10.	Pre-advice of L/Cs by short SWIFT	: At actual
11.	L/C amendment	: Applicant: Tk. 750/- or Beneficiary: USD 50 (applicable when LC amendment charge is borne by beneficiary)
12.	If L/C amendment includes increase of value or extension of time then L/C opening commission for additional time & value should be recovered as prescribed in the opening stage.	: As prescribed under SL No. 01, 02, 03 & 04 above

Figure18: Prime bank letter of credit schedule (prime Bank website)

- Though the office hours end at 6 p.m. employs of foreign trade operation work very late as they give priority to the customer. If any company calls for urgent L/C draft they try to give it within 5 minutes because to retain customer they had to do whatever the clients want. I have seen them working very attentively so that they do not make any mistake

during L/C making and payments. They check 3 to 4 times before making the payments for the goods. I myself checked two times of the payment information each day before making any payment. After my checking again my supervisor checked all the information to ensure that all information is right. Everyday my supervisor opens 15 to 20 L/C which is very stressful still he does that as bank needs to retain the old customers. So, we can see that bank Asia Mohakhali branches employees are very efficient manpower.

- Bank Asia Mohakhali Branch employees have sound profession background with an international standard degree like CDCS, CSDG, CITF etc. Having these degrees make a bank very standard and all employees get proper training for understanding every step of the import operation. We are searching for bright, dynamic, active, passionate, and results-oriented individuals who will be able to support the company's purpose by being Innovative, Honest, Polite, Ethical, Basic, Dedicated, Owner, and Transparent while adhering to Bank Asia Limited's guiding principles. Bank Asia is concentrating not only on establishing a talent pool, but also on succession planning for key roles within the organization. They welcome them to take advantage of the opportunity to expand their professional and personal limits with Bank Asia Limited.
- Reneta Limited sends the most L/C requests to Bank Asia Mohakhali Branch. They are the branch's most devoted customers. They are given priority and discounts during the L/C process because they are the most loyal customers. People from Reneta have called Banks Asia staff and told them to complete the L/C as soon as possible, and the employees have done it without saying anything. Partex pulp, Square Pharmaceuticals ltd., Standard group, and ACI limited are some of their other important clients. They gain from having these consumers because of their location. The majority of the company's offices are close to the Bank Asia Mohakhali branch. As a result, they may quickly bring and offer any type of paper in a short amount of time.
- For example, if a corporation wishes to open a large amount L/C, the Bank Asia Mohakhali branch tries to bargain with the customer and obtains the L/C confirmation from them. That

is also how they keep their regular customers. Furthermore, they strive to provide the greatest service to their clients in order for them to stay with the bank for a longer amount of time and contribute to its growth.

- Many banks are going centralized because they want to operate under one roof. Centralization means all of the individual departments from every branch come to under one roof to operate their business and only relationship manager stays in the branch and customer and cash services option available in branch. So, Bank Asia is on the mid-level because some people from branches getting call to join the centralized office and some did not get the call yet. So, they are towards becoming centralized bank. Moreover. All the employees are good enough to adapt this changing situation and trying to cope up with new step. This only becoming possible because they go through a different training and development program which make them more flexible. For example: one of the employees from credit get call from corporate office to join the centralized department. This is how they are shifting their employees one by one.

### **Weakness**

There are different Banks that went to centralization system like BRAC bank, Prime Bank, UCBL and Eastern Bank etc. So, they are one step ahead of Bank Asia. This is their weakness that still they are still on the mid of going centralization. All the operation happens by using swift and Istelar. I stealer is the software where all the bank operation happens. They purchased it from the software company. Swift used by all over the banks of the world. Their istelar software is very slow because of that their work sometimes get delayed. When anyone in the flow of work if the software does delay, he or she gets frustrated. I have seen the employees getting irritated because of this reason. Also, some of their computer is very slow that it needs to give a restart and start the work again. Then, even all the time it takes long amount of time to enter into the software cause server mostly get downed. Sometimes swift server does not work and they cannot finish their work on time. Because of that their payment get delayed and customer make calls why bank did not make the payment for goods. It is obvious that client will get angry if their goods reached to them and from their side payment still not cleared. For example: when I used to check the payment details with the supervisor, he was maximum disturbed because swift server mostly does not work and cannot make payment timely. So, sometimes from Square or ACI clients give call to him and

gets angry with him. Clients do not understand the situation as they do not know how the software works. Furthermore, sometimes clash happens between Hub and the branch employees of foreign trade employees because branch employees now trying to adapt with centralization system. From Hub the employees sometimes do not entry the data of L/C correctly because of that it shows faulty information on the Bangladesh Bank Import monitoring system. Whatever L/C opens in the bank has to put information of each L/C on this site. So, if there is any incorrect information when the goods reached Customs do scene create for it and doesn't give the goods to the company, this hampers the customer relationship and also employee's relationship between hub and branch gets bad.



### Opportunities

As Bank Asia is going for a centralized system, they will have more flexible work system and there will be relationship manager who will handle the customers so that they can retain their existing customers and new customers properly. As Mohakhali Branch employees are getting call from the hub one by one there will be only some employees left who will contact with the customer and maintain the relationship. Soon they will be able to centralized so it will be a great opportunity



for them. Because when you will fully work on under one roof you can handle many customers L/C and it will be beneficial for the Company. Also, they will get more customer as one branch will not be needed to handle that much of large corporation by own. As one branch getting huge amount L/C other branch does not get like that it makes competition on own company which is not healthy competition. So, now it will be better that all of will work on under roof does not need to be think whose branch doing better. Reason every branch will only have relationship manager which will maintain the good relation with customers only. This centralization will be able to help them to compete in the market with their competitors and working environment of bank will be healthier. When employees work with flexibility and with fresh mind they think of organization and their goals which improves the quality of work. This helps the Company to grow more in market.

#### Threats

Now Branch is going through a different hassle like as they are on the mid level of centralization the communication between hub and employees are not in a good situation. Because hub employees give entry of L/C information on the import monitoring system. So, they sometimes do mistake doing that and customer has to face problems for that. In middle Branch employees face difficulty solving the situation. This makes clash between the own office employees. When the customer face difficulty because of the employee's fault customer will not see whose making mistake. They will only see Bank Asia is doing the mistake and this is becoming threat for retaining the customers. If it happens too much long, they will lose a large corporation L/C commission. When they will lose the customer their market share will be less and more company will able to know this flaw from one another. For example: I have seen my supervisor gave amendment to update the L/C again in the import monitoring system but Hub employees do not update that because of that when clients go to take the goods in the custom, they face difficulty like customs employee say we did not find any information that you imported an extra good within this L/C. Then, clients call the branch employee and it creates a chaos situation for the clients and also for the bank. This type of incident can hamper relationship with clients and further they will not give L/C to this Bank. So, in the short term they might lose their important customers because of the centralization. Moreover, their Software does not work properly and when it works it is very slow

so as I said in the weakness part that customers scold them for delay payment. It creates chaos and they might lose their customers because of this hassle situation. Foreign trade is the most important division in the bank and maximum profit comes from it. This a very crucial and needed division to run any bank. So, customers need to be happy always with their service but if it is not then it will be problematic for the Bank Growth.

### **3.4 Summary and Conclusions**

Bank Asia foreign trade operation has a lot contribution to build up the Bank growth. So, it is very important that their import export and remittance operation run smoothly. As they are on the stage of centralization, they might face many difficulties and they are trying to come out from the bad situation. To get the share from market they need go for the centralization fast as it is hampering workplace environment. Mohakhali branch most important clients are square pharmaceuticals ltd, Reneta ltd, ACI Motors and Atlanta etc. They are doing business with them for many years so they need to take care of their L/C specially. So, as in the office problematic situation is going on they might lose them so branch needs be concerned more about recovering the situation properly. When they will be able to stable the situation and finally het centralized, they will be able to do a great job in the market.

### **3.5 Recommendations/Implications**

- Office needs to update the computers as employees cannot finish their work on proper time.
- They need to work on their software so that their payment will not delay and their L/C opening time will be less.
- As their software works slowly it hampers employee's efficiency so they get irritated. That is why to maintain the productivity organization needs to update the pc and software of the bank.
- Hub employees need to be more cooperative with branch employees so that hub employees will able to entry the L/C information correctly.
- Their centralization needs to be done as soon as possible so that it will be great opportunity for them to become more competitive in the industry.

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