

Report On
An insight on the Foreign Trade Activities of Bank Asia

By
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19304053

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

10th September, 2023

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. 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.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Nafis Ahmed
Student ID 19304053

Supervisor's Full Name & Signature:

Riyashad Ahmed
Assistant Professor
BRAC Business School, BRAC University

Letter of Transmittal

Full name of Supervisor

Designation,

Department

BRAC University

66 Mohakhali, Dhaka-1212

Subject: To submit of Internship Report on “An insight on the Foreign Trade Activities of Bank Asia Limited”.

Dear Sir,

I am sending you my internship report, which is a requirement for the BBA program, with the blessings of Almighty. I had a great time putting this report together with your outstanding guidance. My report for my three-month internship at Bank Asia Limited, CTSU (Rangs Bhaban (Lv-1), 117/A, Old Airport Road, Bijoy Sharani) is the basis for this. In order to create this report, I had to combine my theoretical knowledge with my practical working experience and data collection from Bank Asia Limited's primary and secondary sources as well as my own observations. I want to express my sincere gratitude for your thoughtful, timely assistance in preparing this report.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Nafis Ahmed

19304053

BRAC Business School

BRAC University

Date: 26 August 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between Bank Asia Ltd and the undersigned student at Brac University Nafis Ahmed (19304053)

Acknowledgement

As I near the end of this report, I want to express my deep gratitude to God for providing me the strength to see it through. Moreover, I'd want to give a special shout out to my internship's faculty supervisor, the esteemed Riyashad Ahmed, Assistant Professor at the Brac Business School at Brac University. This paper could not have been finished without his careful direction and extensive headers.

Now, with the utmost respect, I would like to thank my supervisor, Shahnaz Begum (FAVP), Central Trade Services Unit (CTSU) for her tireless counsel, insightful suggestions, and assistance with the timely completion of my internship work and the compilation of my Internship Report. I am also thankful to Mr. Iqbal Pervez (FAVP) and other bank officers for providing me with pertinent information for my report, as well as for their helpful cooperation, guidelines, counsel, and ongoing support throughout my internship. During my internship, I had an intimate relationship with them. They made my internship convenient and enjoyable.

To that end, I'd like to express my deep appreciation to Bank Asia Limited's Corporate Branch (Centralize Trade Service Unit) CTSU for allowing me to participate in their internship program, providing me with ample opportunity to learn and grow, and facilitating my work at every turn in writing this report.

Executive Summary

The primary purpose of this research is to have a better understanding of Bank Asia Limited's global operations. Primary and secondary sources were used to compile the data for this study.

In the first chapter, I cover the report's foundation, which has developed to appropriately round out internship period. The institution name, my job responsibilities are also highlighted alongside student contributions, difficulties, and recommendations to entice the reader to read further and gain a deeper understanding. In the second chapter I have discussed about the bank's history, missions, visions alongside their core values. Additionally, I have elaborated on their HR policies, their products and their management personnel. Most importantly I have analyzed the financial performance with the help ratio analysis for the last five years, which will give a clear idea about how the bank has performed for the last few years.

In the last part of the chapter, the introduction, I gave a short overview of the topic (which was foreign trade activities). Also, I've listed the goals, such as drawing a general picture of the foreign trade operation, analyzing export and import, ways to issue and advise LCs, remittance and so on.

Finally, I construct an evaluation that indicates that Bank Asia Ltd. provides greater service to its clients, which plays an important role in our nation's economy.

Keywords: Bank Asia Limited, global operations, financial performance, ratio analysis, foreign trade activities, export, import, evaluation.

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List of Acronyms

AD	Authorized Dealer
BAL	Bank Asia Limited.
EXP	Export permission
CC I & E	Chief Controller of Imports & Exports
ERC	Export Registration Certificate
FOB	Free on Board
CFR	Cost and Freight
SEVP	Senior Executive Vice President
EVP	Executive Vice President
FDIBC	Foreign Documentary Bills for Collection
AVP	Assistant Vice President
ADR	American Depository Receipt
IDR	International Depository Receipt
CRR	Cash Reserve Ratio

Chapter 1 [Overview of internship]

1.1 [Student Information]

Name: Nafis Ahmed

ID: 19304053

Program: BBA

Major: Finance and Human Resource Management

1.2 [Internship Information]

1.2.1 Period, Company Name, Department, Address:

Period: 90 Days

Company Name: Bank Asia Limited

Department: Central Trade Services Unit

Address: Central Trade Services Unit (CTSU), Bank Asia Ltd., Rangs Bhaban (Lv-1), 117/A, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka -1215.

1.2.2 Internship Company Supervisor:

Shahnaz Begum (First Assistant Vice President, Central Trade Services Unit)

1.2.3 Job Scope-Job Responsibilities:

My regular duties in the Local export department included overseeing numerous tasks to maintain efficient operations. This includes classifying Letter of Credit (LC) papers, sequentially numbering files, and gathering forwarding for the LC file. I was in charge of creating a thorough check list for each LC and making sure it contained the required paperwork. I would also separate the LC Authorization Form and affix it to the main cover to make sure that the branch had approved each document bearing the applicant's signature. On the designated part and, if necessary, separate documents that needed to be submitted to the AVP (in charge of export), I would additionally stamp them. I would then carefully bind documents in the LDBC files and put them back in the right order. In order to keep correct records of the LC files, I would then put the LCs in their appropriate locations for future reference and update the register and Excel.

I have also worked in the foreign export department for one week due to an absence of an employee where I followed a pattern when it came to dealing with Foreign Documentary Bills for Collection (FDBC) that included the following tasks:

- Identify the pertinent Letters of Credit (LCs).
- Take out the files' pins.
- Each file should have a unique identification number and label.
- Separate the Commercial Invoice from the documentation and the EXP form.
- Make copies of the previously stated files.
- Send the files to the designated staff.
- The remaining papers should be securely bound and kept in their designated places.

1.2 [Internship Outcomes]

1.3.1 Student's Contribution to the Company:

A few examples of the work I've done as an intern at Bank Asia Limited are listed below. Given statements in excel sheet, closing entry, acceptance and discrepancy date given in excel sheet, which date the agreement accepted, which date maturity ended, endorsement, completed paperwork satisfying all prerequisites, giving lien seal, Locating the LC with the aid of the Advisory Number, Completed the Purchase File and Added the Voucher and Bangladesh Bank Pages, How to locate a file using a number, make a copy or scan it, buy it, deal with a thief, get a tracking number for a sent package, and so on.

To be more specific-

- Closing entry
- Acceptance and Discrepancy date given in Excel sheet
- Determining the date of agreement acceptance
- Identifying the date of maturity end
- Endorsement
- Completing paperwork to meet all prerequisites
- Lien
- Locating the Letter of Credit (LC) using the Advisory Number
- Understanding how to locate a file using a number
- Making copies or scanning documents
- Incorporating financial strategies into an entry-level employment report and work experience

Although it is unrealistic to expect an intern to have a firm grasp of all financial strategies in a short period of time, I did my best to incorporate this business area into my entry level employment report and my actual work experience.

1.3.2 Benefits to the Student:

Performing the actions listed above internship responsibilities has provided me with multiple advantages and invaluable learning opportunities. It allowed me to acquire hands-on experience and a comprehensive understanding of foreign trade operations in a banking environment. By effectively engaging in tasks such as classifying LC documents, establishing checklists, and managing files, I have gained an in-depth understanding of trade finance processes and the requisite documentation requirements.

Working in both the domestic and international export departments has broadened my skill set and provided me with a thorough understanding of export-related activities. I now understand the complexities of managing LCs, including the importance of branch approval procedures and the authorization process. In addition, my skills in document separation, file organization, and accurate register maintenance have been honed by my brief involvement in FDBC tasks.

The experience I've gained in this position has significantly aided my professional development. The knowledge and experience I have acquired in this field will serve me well in my future endeavors in banking, finance, and international business. In addition, I have developed skills highly valued in the workplace, such as attention to detail, time management, and organization.

1.3.3 Problems:

Sometimes finding out about LC and amendment files can be stressful because of the unorganized file compilation. Moreover, the employees already expect us (interns) to know the banking terms and act accordingly, which is just not possible for the first $\frac{2}{3}$ weeks at least. That is why I faced problems at first while my supervisor was referring to bring a certain file and I could not recognize it. Additionally, operating the printers alongside xerox machine can be complicated at some times and these machines could use a regular servicing as the A4 pages sometimes gets tangled in the printers. Lastly, the server occasionally fails, and the computers are dated. Perhaps this is not an intern specific problem but I have seen my supervisor faced the problem several times.

1.3.4 Recommendations:

- Give assistance to the new intern for at least 1.5 weeks, depending on the task
- Provide a brief interactive session for the new intern regarding the tasks he/she should be doing throughout the internship period

- Do not expect a new intern to magically know banking terms and file names at the beginning.
- The division continues to invest in the development of IT, so the technology is not yet perfect. Perhaps what they can do is recruit an IT expert to always stay on the premises and provide assistance when it is needed.
- Do regular servicing of the machines (Printers and xerox machines)

Chapter 2 [Company Overview]

2.1 Introduction:

In developing countries, banking activities may affect the economy and society. The majority of a country's GDP comes from its commercial and industrial sectors. These three can't make it without reliable financial services. Rapid economic growth may be facilitated by a robust financial system. The banking business is vital to the economy of any country. Furthermore, Bank Asia Ltd. currently has multiple responsibilities. Lending is the most crucial function of contemporary banks. They provide short and long-term loans. The clientele ranges from tiny businesses to multinational corporations with global operations. The banks must meet the needs of diverse consumers from various socioeconomic groupings. The banking industry is complicated and needs specialized expertise. They catalyze economic, industrial, and agricultural development and prosperity in the nation. The banking industry serves as both a sector and an engine for the entire economy. Different sorts of banks have emerged to meet distinct needs.

2.2 Overview of the Company:

2.2.1 History

On September 28, 1999, with the aim of promoting economic growth via the provision of high-quality banking products and services supported by cutting-edge technology, Bank Asia Limited was established to be a privately owned commercial bank. As a matter of fact, When Bank of Nova Scotia of Canada decided to sell its operations in Bangladesh in 2001, Bank Asia was the first bank in Bangladesh to do so. The Bangladesh operations of Pakistan Muslim Commercial Bank Limited were acquired by the bank in early 2002. Additionally, the Bank made headlines once more in 2003 thanks to a record breaking over subscription for its first public offering of shares at the time. Over time, there has been a significant increase in both assets and liabilities. Services like Islamic banking, offshore banking, agent banking, rural finance, the digital banking system, etc. are all covered by Bank Asia's central banking activities.

2.2.2 Bank's position in the country:

As of 2021, the bank is operating in 128 locations throughout the locality, including 120 traditional branches, 4 SME service centers and 4 SME agriculture branches. There are a total of 166 in Bangladesh, with 66 located in Dhaka and the other 38 spread out across the cities of Chattogram, Sylhet, Khulna, Rajshahi, Rangpur, Barisal, and Mymensingh. Each day, zone managers maintain tabs on the progress of all of the branches and SME centers under their jurisdiction. Since agent banking activities are becoming more common and have minimal operational expenses, the bank is prioritizing the growth of its agent network. The 3,525 agent locations are spread over 64 different wards. The agent banking system's client interface includes meeting people in locations such as post offices, UDCs, passport agencies, and institutions.

2.2.3 Mission:

- To uphold the highest standards of honesty and to ensure the complete satisfaction of our customers, shareholders, and workers.
- You contribute in the development and growth of our country's economy and to help us deliver high-quality service to our clients.
- To establish ourselves as the most coveted bank in the nation by offering services that are creative and technology oriented.

2.2.4 Vision:

The national ambition is to establish a Bangladesh free of poverty within a generation in the new century, and this is Bank Asia's vision. In addition to reducing poverty, the bank's goal is to create a society that gives human dignity and human rights the utmost importance.

2.2.5 Core Values:

- Always put the consumer first by offering tailored banking solutions that meet their specific needs.
- Adding value to the bank's stakeholders through improving the quality of banking services provided.
- Keep your word and act in an honest, forthright manner at all times.
- Be a law-abiding organization by following all applicable rules and regulations.
- Give a lot to help other people and the world.
- Respect the importance of a healthy work-life balance while providing our people capital with a setting that inspires them.
- Dedicated to sustainability and environmental preservation.

2.2.6 Achievements:

NCSR (National Center for Sustainability Reporting), INDONESIA, has recognized Bank Asia with a gold certification in the 2019 Asia Sustainability Reporting certification.
The bank took first prize in the private sector banks category at the 19th ICAB National Award for Best Presented Annual Reports and the corporate governance excellence category at the 6th ICSB National Awards.
Bank Asia has been honored by multiple domestic and international bodies. The SAARC Anniversary Award for Corporate Governance Disclosures was given to the bank, while the SAFA Best Presented Annual Report Awards gave second place to the bank in the private sector banking category.
Bank Asia's openness and honesty were rewarded by the identification of their most important stakeholder groups and the adoption of industry best practices in financial reporting.
In terms of Integrated Reporting (ICAB), the Institute of Chartered Accountants of Bangladesh ranked the bank third.

Table 1: Achievements

2.3 Management Practices:

2.3.1 Corporate Governance:

We learn that there are 14 people on the board of directors at Bank of Asia. They are in charge of making all of the policy decisions. All administrative decisions are made by the top-level authority, which also advises the board on important matters. Managers at Bank Asia are young, dedicated, and proficient in banking. So we may say that "acrobatic leadership" is what Bank Asia Ltd practices. Since the board of directors makes all decisions and plans, but the executive committee may act on its behalf. Their authority is limited and they require board permission before acting. Management executes the board's strategy and manages everyday operations and the key management duties

Business as usual at Bank Asia means following rigorous corporate governance policies and practices. In order to achieve its long-term and sustainable value objective, the Board has established a clear and organized Corporate Governance framework. It fosters a culture of integrity, honesty, and respect in order to protect the interests of its shareholders and other stakeholders at all times. The long-term success of Bank Asia depends on the company's meticulous management of its strictly controlled operations.

2.3.2 Value Creation with the help of Corporate Governance:

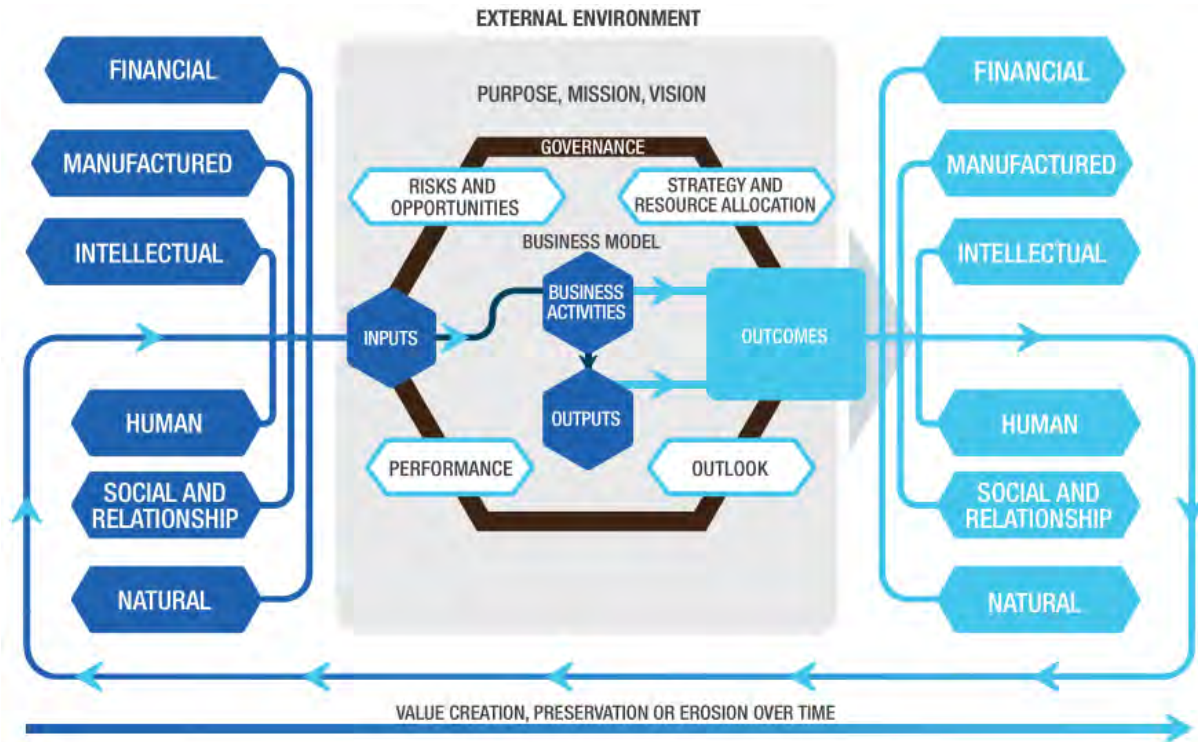


Figure 1: Value Creation

2.3.3 Board of Directors:

The Bank's Board of Directors (Board) is responsible for setting the Bank's strategic direction and overseeing the Bank's day-to-day operations, as well as examining and approving the Bank's major policies, strategic plans, organizational structure, and other important operational matters. The Board also determines the guiding values and standards of the Bank. This bank's board of directors consists of sixteen members. The demonstration is given below-

Chairman	Vice Chairman	Director	President And Managing Director
1	1	12	1

Table 2: Number of the Board of Directors

2.3.4 Executive Committee:

In January of 2010, the Board of Directors of Bank Asia formed an Executive Committee (EC) to guarantee quick, knowledgeable, compliant, and reliable approval of loan proposals along with company decisions. All seven members of executive committee were selected by the Board of Directors. The EC routinely analyzes Bangladesh Bank's credit and other operational rules and

procedures. After receiving approval from the board, management will make adjustments to these rules and guidelines and put them into effect. Credit applications are accepted by the EC in line with Board policy.

2.3.5 Recruitment and selection Process:

Hiring a Management Trainee is a unique procedure compared to hiring any other kind of employee. Bank Asia requires a written test for the position of Management Trainee. The following details the procedures used to hire all other personnel-

Bank Asia uses newspaper advertisements as part of their recruitment strategy. Daily Prothom Alo and Daily Star are the two main publications that they place ads in. In addition, job postings may also be found on BD employment and Facebook recruiting sites. Banking Officers and Trainee Officers in the Human Resources Department gather resumes from the front desk after posting ads in the newspaper. Resumes may be sent or delivered by hand. A human resources worker will first look for a resume that matches the job description. Banking Officers and Trainee Officers begin entering CVs in the system under the direction of the First Assistant Vice President (FAVP) of HRD. Because software is built in accordance with the predetermined criteria, it may also do this screening process. The application won't let you enter the resume if it doesn't meet the requirements. After a resume is entered into the system, a quiz-style statement including six CVs per page is printed. After that the Banking Officers submit the report to the HR Director. The Head of Human Resources and the Senior Executive Vice President (SEVP) and the Executive Vice President (EVP) have a meeting and review the resume informally. These upper-level managers then provide an interview schedule. The FAVP of HR arranges the interview location and contacts senior executives to conduct the interviews. Candidates for a job in banking get phone calls inviting them to an interview. A second interview with the applicant is planned if the first goes well. After that, the finalists will go through a final interview. There will likely be three interviews, but that is not a given. Depending on circumstances and assignment, there might be as many as four. Every interview will consist of a panel, with either a direct or indirect questionnaire.

2.3.6 Training and development Activities:

Training and development opportunities for staff members are a priority at Bank Asia Ltd. Bank Asia recognizes the importance of investing in its people, which is why the bank maintains its own training institution staffed by human resources professionals. Bank Asia is of the opinion that if their staff is properly educated and equipped, customers would get superior service. The HR team's goal is to staff the bank with professionals who are committed to their work and have received the

training necessary to provide excellent service to clients. In accordance with institutional policy, the bank provides its staff with a variety of educational opportunities. The majority of the trainings are organized around banking-related topics. Below, we will go through the many training options that Bank Asia provides for its staff-

Bank Asia's headquarters provide host to a variety of in-house trainings, to which personnel from other financial institutions often participate. The cash department's personnel are required to undergo training pertaining to counterfeit currency, money laundering, and the use of the Q-cash debit card. Some examples of other courses are Structured Finance for Large Projects in Bangladesh, Exchange Rate Management, Lessons Learned from Credit Feature, and Loan Classification and Provisioning.

Bank of Asia Ltd. has long believed IT can improve HR operations. Thus, the financial institution keeps thorough training records for reporting. Bank Asia Ltd uses Oracle's Orbits HRD system for HR management. Workers and HR representatives may access training materials. Only approved HR managers or system administrators may view and edit training data. The system lists all HR-approved trainings and schedules when each employee will get a certain subject. Workers are provided all the information they need to start training by a specified date. Oracle's Orbits HRD solution offers Bank Asia Ltd. a complete Training Matrix.

2.3.7 Performance appraisal System:

The Performance Appraisal must follow HR's PAS structure from the start of the year. Performance assessment at Bank Asia uses rating and description methods. Although the assessment method is non-participative, workers are annually appraised by their direct supervisors and department leaders. Ratings focus on these factors:

- Work knowledge
- Accuracy and Dependability
- Tempo
- General Intelligence
- Accountability and Obligation
- rigorousness
- Confidence and taking initiative
- Preparedness to collaborate.
- Indicating employee job duties, goals, and work strategy for the year.
- Performance at work.
- Skill level.
- Competence in behavior.

Refer to the performance assessment rating definition below:

Benchmark for Effectiveness-

- Exceptional (from 4.5 to 5.0)
- Great (between 3.5 and 4.5)
- Good (between 2.5 and 3.5)
- Typical (from 1.5 to 2.5)
- Subpar (between 1.0 and 1.5)

Bank of Asia depends on the following criteria as it conducts performance appraisal:

Exceptional= 91-100, Great= 71-90, Good= 51-70, Typical= 31-50 and Subpar= 0-3

The bank evaluates the following examples of employee output and performance (amount and attribute Judging):

- An outstanding performer who went above and beyond to achieve their goals.
- Strong all-around performer who exceeded targets or work plans.
- A high achiever who consistently achieves their goals and exceeds their objectives.
- A moderate performer who met targets/work plans but not totally satisfied.
- The performance standard is well. The objectives and work plan below need major modification and improvement.
- Exceptional, Great, Good, Typical, and subpar ratings qualify for bonuses and promotions.

2.3.8 Bank Asia Limited Compensation Features:

1. Staff paid leave.
2. Child's education expenses
3. Allowance for home furnishings
4. House loan
5. Taking sick leave
6. Maternity depart
7. Standard leave
8. Residence Rent

2.3.9 Bank Asia's Hierarchy:

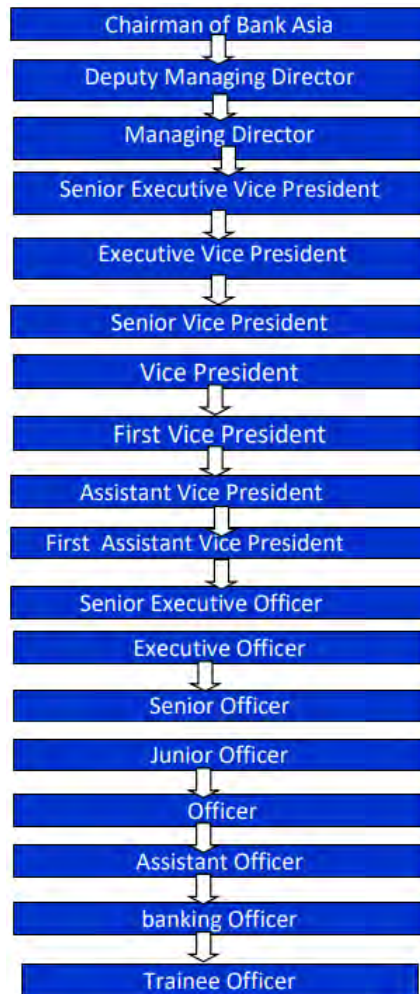


Figure 2: Hierarchy

2.3.10 Bank Asia's Chain of Command:

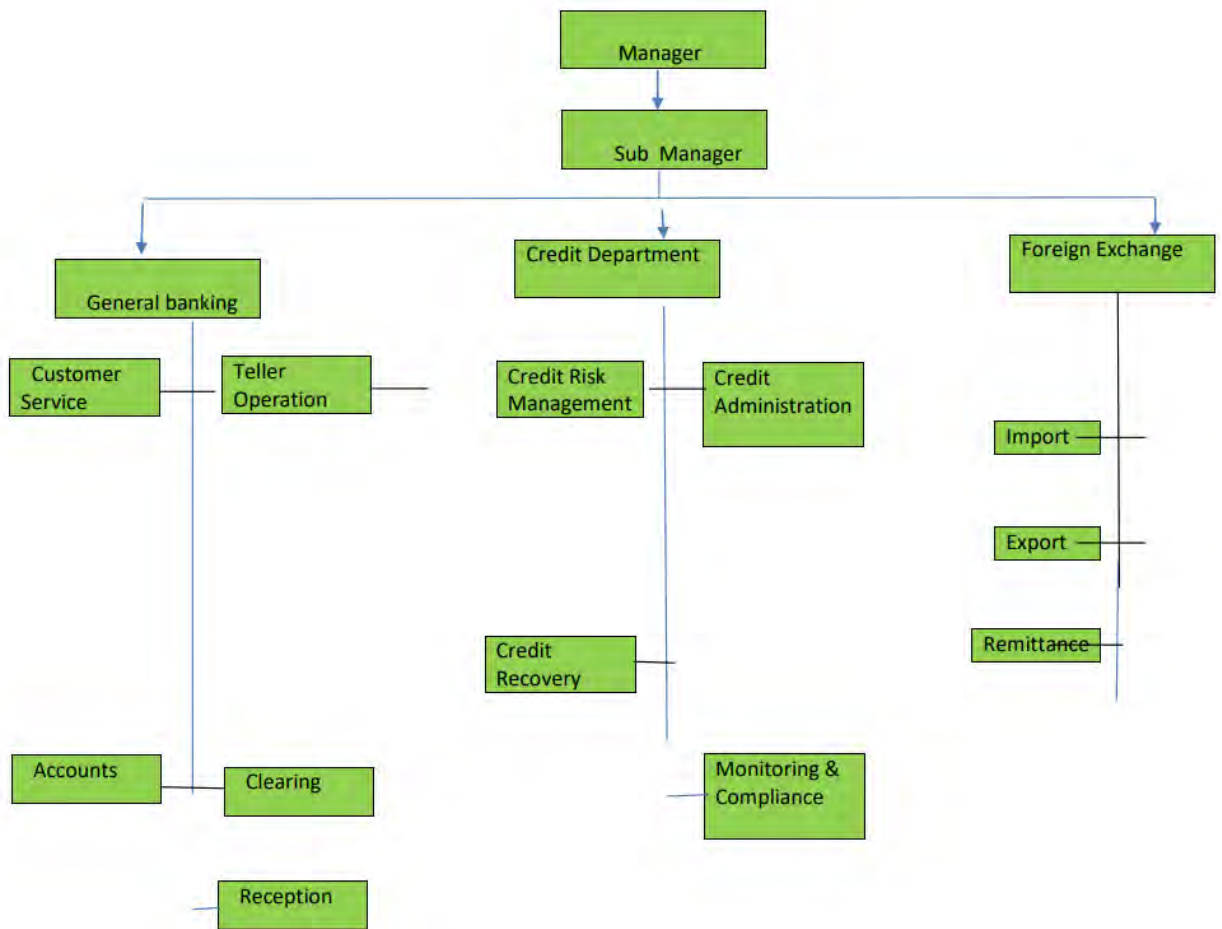


Figure 3: Chain of Command

2.4 Marketing Practices of Bank Asia:

In order to attract and retain consumers, this bank offers services and products that meet the customer demands. The bank's products and services are designed by considering the consumer in mind. A sizable team of connection officers works to sell the goods to consumers. In addition, the bank acts as a sponsor for a wide range of sporting and other events. The culture of the company is represented strongly in this method. The bank also uses major marketing media like television and newspapers to spread its message.

2.4.1 Products & services of the bank:

If we talk about the deposit products of bank Asia, the six significant deposits accounts are-

1. **Savings account:** An interest-bearing bank account is a savings account. You may earn interest on your savings while they sit in a secure account.
2. **Current Account:** A basic checking account provides access to a range of banking services without accumulation of interest. This account is most popular among businessmen who make frequent deposits and withdrawals from their bank accounts. The depositors enjoy the privilege of frequent withdrawals and deposits under the umbrella of this account.
3. **Star Savings Account:** Customers who wish to save more than their regular monthly allowance may open this account.
4. **Double Benefit Scheme:** Competitive interest rates make Bank Asia's Double Benefit Scheme enticing, assuring client happiness. It offers financial freedom with a secured overdraft loan. This scheme guarantees to double funds in 14 years. Accessibility is prioritized, requiring a minimum deposit of BDT 50,000 or its multiples and allowing investments up to BDT 40 lakh for single accounts and BDT 60 lakh for combined accounts.
5. **Triple Benefit Scheme:** Bank Asia's triple Benefit Scheme portrays its economic progress and success. This program is enabling clever investors with its high interest rate and promise of high profits. Beyond its appealing interest structure, the plan offers the simplicity of a Loan facility SOD (Secured Overdraft) for unexpected financial requirements. An investor availing this program may triple the original investment in 18 years, generating significant financial growth.
6. **Monthly benefit scheme:** Customers looking to maximize fixed deposit savings might choose the Bank Asia's Monthly Benefit Scheme. Customers who invest for 3 or 5 years get a monthly dividend, making interest accumulation profitable. This plan is accessible by anyone who is 18-year old or older. Additionally, A minimum deposit of TK1 lakh or its multiples makes the deposit structure accessible. Customers may save large sums with a TK40 lakh single account ceiling and TK60 lakh combined account cap. Applicants must have a connected bank account for easy transactions and financial management. The bank's Monthly Benefit Scheme promotes financial stability and development by providing flexible and customer-centric financial solutions.

The other deposit solutions that Bank Asia provides have various financial requirements. Short Notice Deposits give liquidity and rapid access to cash, while Fixed Deposits provide stability and good returns. For international transactions, use the Foreign Currency Account. For a secure retirement, the Deposit Pension Scheme ensures comfort. Moreover, Rural Development Scheme is another exceptional deposit system that has helped the people from the remote areas throughout the years. Additionally, Bank Asia's Sanchoy Plus supports systematic savings, whereas ShonchoyE KotiPoti (SKP) accepts modest deposits for financial inclusiveness. Bank Asia's extensive and flexible deposit options for its valued clients are reflected in these products.

2.4.2 Islamic Banking:

The people of Bangladesh predominantly are driven by solid religious sentiment, thus the solution to this situation is provided by Islamic banking. Islamic rule is maintained by Bank Asia with the application of Sharia law. The types of Islamic banking deposits are-

- MHSS, or Mudarba Hajj Savings Scheme
- The MDPS (Mudarba Deposit Pension Scheme)
- Monthly Profit Paying Deposit Scheme (MMPPDS) of Mudarba
- AWCA, or Al-Wadiah Current Account
- MSA, or Mudarba Savings Account
- Mudarba Special Notice Deposit Account (MSNDA)
- Different-tenure Mudarba Term Deposit Accounts (MTDA)

2.4.3 Business Banking:

Overdraft (OD)	Credit for Packing
Overdraft Protection	Loan on Demand
Lease Funding	Demand borrowing (job order)
Earnest Money (Secured OD)	Term Loan
Money for Day-to-Day Operations	Home Construction Financing
Loan Supported by a Trust Receipt	Transportation Financing
Loan compared to Cash Bonuses	Time loan
Letter of Credit Reversal (Back 2 Back L/C)	Structured financing and loan syndication
Letter of credit	Discounting of bill
Small & Medium Business (SME)	

Table 3: Business Banking

2.4.4 Small and Medium Enterprise (SME):

Term Loans:

- Somadhan - Secured Special Products
- Subidha - Risky Business
- Sondhi - Safe Exchange
- Sristi - Unsafe Industrial Production

- Shombridhi- Safe Production
- Shofol - Unprotected Service
- Sheba - Safe and Sound Service

Consumer Finance:

- Local VISA Credit Card
- Butterfly Credit Card from VISA
- Credit Card Mini from VISA
- Accepted Against RFCD, RQ Account, Visa International Card
- Virtual Card
- Cheque on NBFIs Cards
- Treasury Prepaid International Hajj Card
- Auto Financing
- Loan for Long-Term Use by Individuals
- Personal Loans with No Collateral
- Funding for the Home
- Loans for Skilled Workers
- Assistance for the Elderly
 - o Buying and Selling of Government Securities
- The International Money Market for Long-Term Borrowing
- Spot & forward
- Swap
- Accounts for Buying and Selling Money Between Banks

Special Products:

- Utshob - Seasonal Business
- Subarno - Women Entrepreneur

Over Draft:

- Somadhan - Protected

2.4.5 Types of Credit Cards:

The credit card options of Bank Asia Limited are flexible enough to fit the needs of customers. Both individuals and commercial parties are constantly being benefited by these numerous credit card varieties. For instance, the VISA Platinum Card gives cardholders access to the Priority Pass lounges across the world. Two convenient local payment options are the VISA Classic Local Card and the VISA Classic Dual Card. Furthermore, The VISA Butterfly Card is the bank's way of spreading green values. Additional benefits may be obtained with either the VISA Gold Local Card or the VISA Gold Dual Card. To accommodate a wide range of customer preferences, Bank of Asia provides both a Travel Card for convenient overseas travel and a Virtual Card for secure

online purchases. Master Silver and Gold Cards showcase the global acceptance and benefits offered by bank Asia's Mastercard. Small and medium-sized enterprises have access to flexible financing alternatives with the SME funding Card. Bank Asia's commitment to accommodating a wide range of customers is shown by products like the Lanka Bangla Card Cheque and the Hajj Card.

2.4.6 Types of Loans:

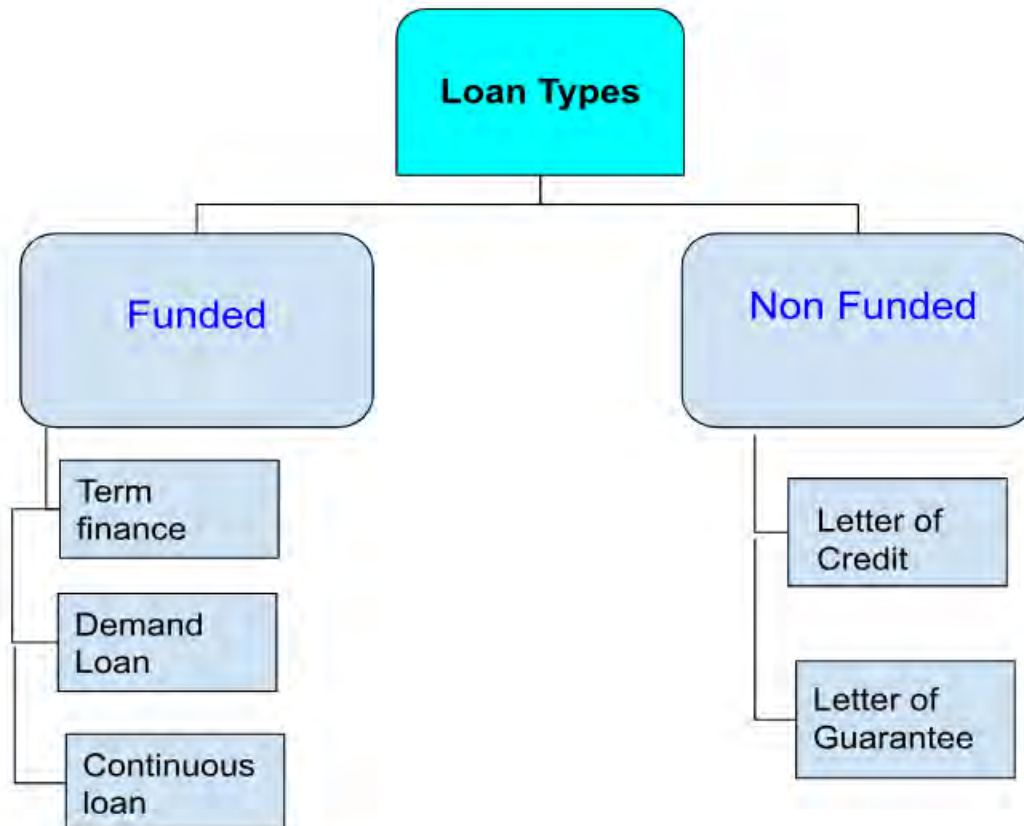


Figure 4: Types of Loans

2.5 Operational Management & Information System Practices of Bank Asia:

The primary goal of Bank Asia's operational management is to ensure the seamless operation of the bank. The bank's management staff and board of directors are responsible for carrying it out. This system is based on a fundamental set of principles designed to handle the bank's activities efficiently and increase efficiency across the board.

This technique isolates the bank's vulnerabilities, laying the way for corrective action. After that an audit committee will be entrusted for monitoring the bank's operations. In order to assess the management of the bank's day-to-day operations, the audit committee often meets with the bank's

top executives. The bank's upper management looks at the bank's operations every year and reports their findings to the board of directors.

2.5.1 Methods for Information Systems:

High Availability of Network: To guarantee constant operation of the network The firewalls, routers, dispersion switches, and core network have all been clustered thanks to the efforts of the ICT department. As an added measure, the ICT Division has partitioned its network to prevent any security breaches. To improve the security surveillance system and to provide early alerts, the ICT department has also set up a Security Operation Center (SOC).

Business Matrix: The ICT Department has implemented the Business Matrix system to simplify the tracking of loans from the submission of a proposal through a branch client to the issue of an approval letter. It also keeps track of any credit limit increases made by the CAD (Credit Administration Department). Among the system's other unique features are a customizable dashboard and a notification and alert system that allow users to maintain constant checks on the proposal.

Swift Virtual Private Network Upgrades: In order to improve SWIFT security, the ICT Division has updated VP machines as part of the obligatory adherence to SWIFT Alliance requirement.

Authentication using Two Factors: The bank has implemented two-factor authentication remedies for clients of the critical apps to assure users legitimacy.

Data Replication at Three Sites: The ICT division has implemented a synchronous mode using three data storage locations to guarantee there is no data loss. These sites are the Data Center, the Near Disaster Recovery site, and the Distance Disaster Recovery site (DCNDR-DDR). In addition, the ICT division has set up a cluster of high-powered database servers and applications to guarantee 100% uptime.

2.6 Financial Performance and Accounting Practices:

2.6.1 Liquidity Ratio:

Current Ratio:

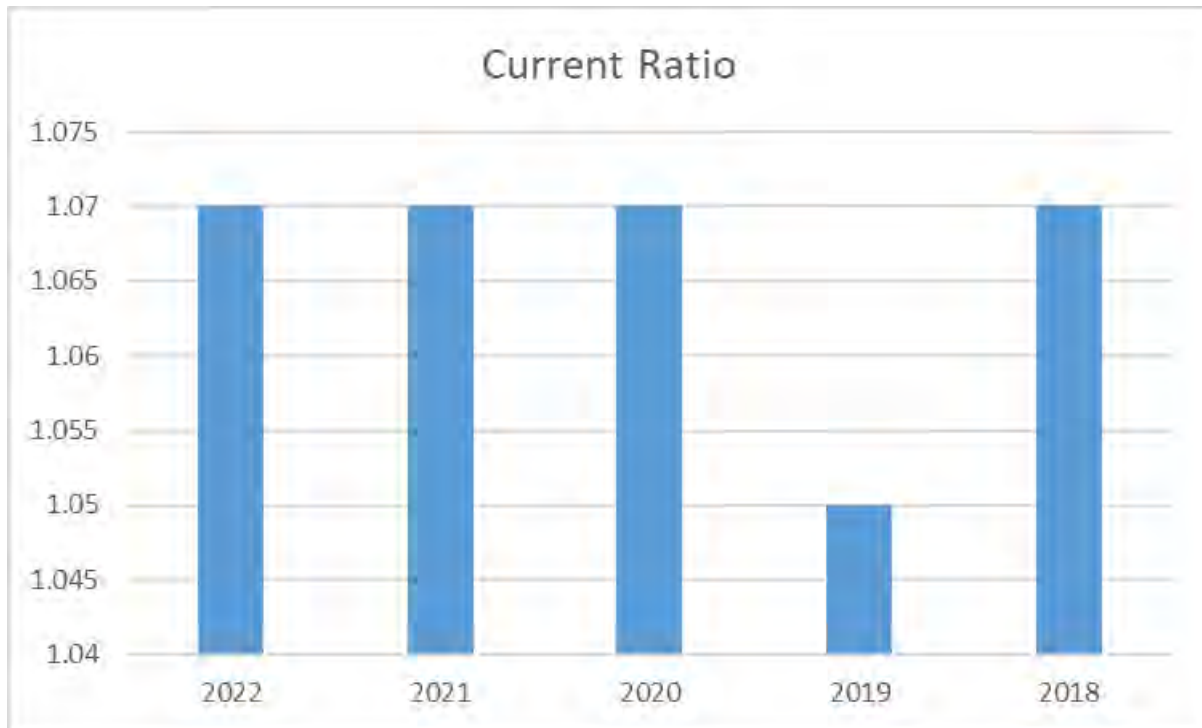


Figure 5: Current Ratio

The graph give above depicts that the current ratio over the last 5 year was very constant and well over 1.5 which is a good sign except for the year 2019. Besides 2019 every other year Bank Asia's short-term assets were sufficient enough to pay its immediate debts. However, because of increase in their short term dept and decrease in current assets to some extent effected the 2019's current ratio.

2.6.2 Debt Management Ratios:

Debt Ratio:

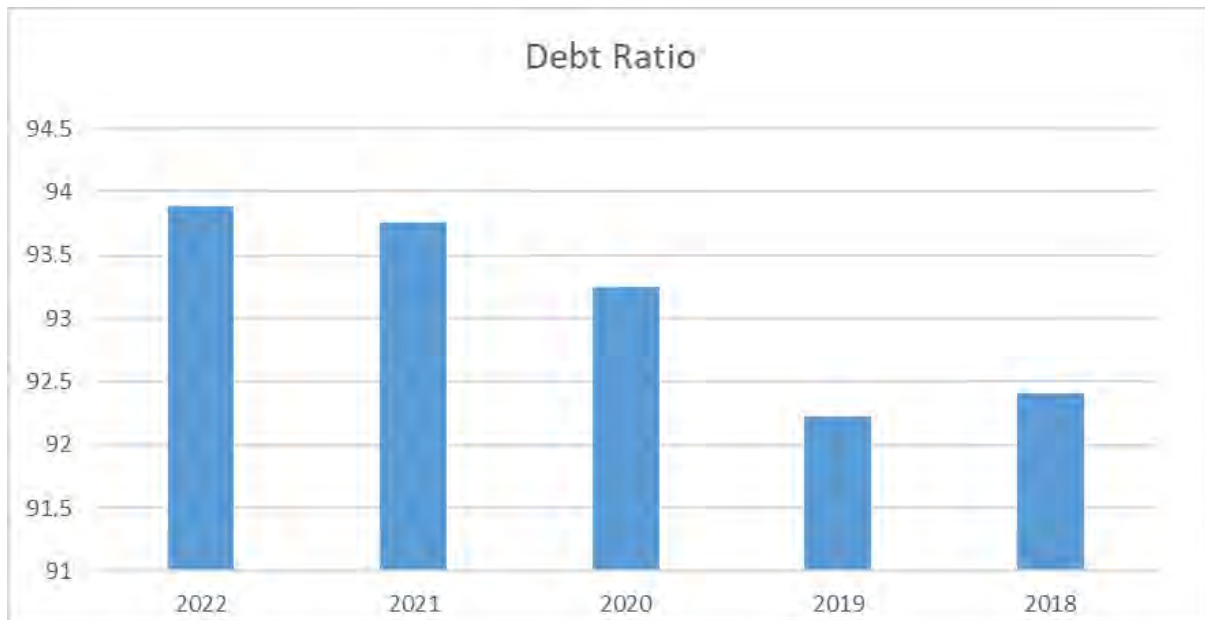


Figure 6: Debt Ratio

According to investopedia, when a company's debt to equity ratio is less than 100%, it means that its assets exceed its debt. which is exactly the case here for Bank Asia Ltd. By maintaining bellow 100% debt ratio Bank Asia has shown that a greater portion of the bank's assets are funded by equity not debt.

2.6.3 Profitability Ratio:

Operating Income Margin:



Figure 7: Operation Income

In most industries, an operating margin of 15% or greater indicates success. which means Bank Asia is generating sufficient revenue from operations to cover all expenditures during the span of last 5 years.

Return on Assets (%):



Figure 8 Return on Assets

As Return on assets (ROA) compares a business's profit to its total assets. According to business Insider, a return on investment of 5% or more is generally regarded as satisfactory. In the case of Bank Asia, it seems that they have done an excellent job in retaining profit against their total assets over the previous few years, where 2018 is the year that they have the highest percentage of ROA and 2020 being the least but way more above the standard percentage.

Return on Equity:



Figure 9: Return on Equity

We can see that the bank has obtained ROE with lowest percentage of 7.81% in 2020 and highest percentage of 10.88% last. So, it is clear that the range over the last 5 year is 7 – 10%. As, 15-20% of ROE is considered to be decent thus Bank Asia’s management is not being able to generate profit adequately from the financial resources at its disposal.

Net Profit Margin (%):



Figure 10: Net Profit Margin

The Net profit margin for the last five years for Bank Asia ranges from 8% to roughly 15%. Although below 10% is considered as not that impressive, which is exactly what we can see in the years 2019 and 2018. That means in these two years the income after taxes and all other expenses are not that impressive for Bank Asia. However, things change from the year 2020, the bank has managed to obtain net profit margin above 10% for the recent three years, which is considered to be satisfactory.

Gross Profit Margin:



Figure 11: Gross Profit Margin

As gross profit margin from 50 to 70% is regarded to be healthy. We can see that the bank has performed well for the last two years which indicates that the bank is generating revenue that is greater than its expenditures for at least 2022 and 2021. Interthread, in the years 2023, 2019, 2018 respectively the percentage is below 50% which is clear sign of not generating enough revenue.

2.6.4 Stock Market Ratios:

Earnings per Share (EPS) in Taka:

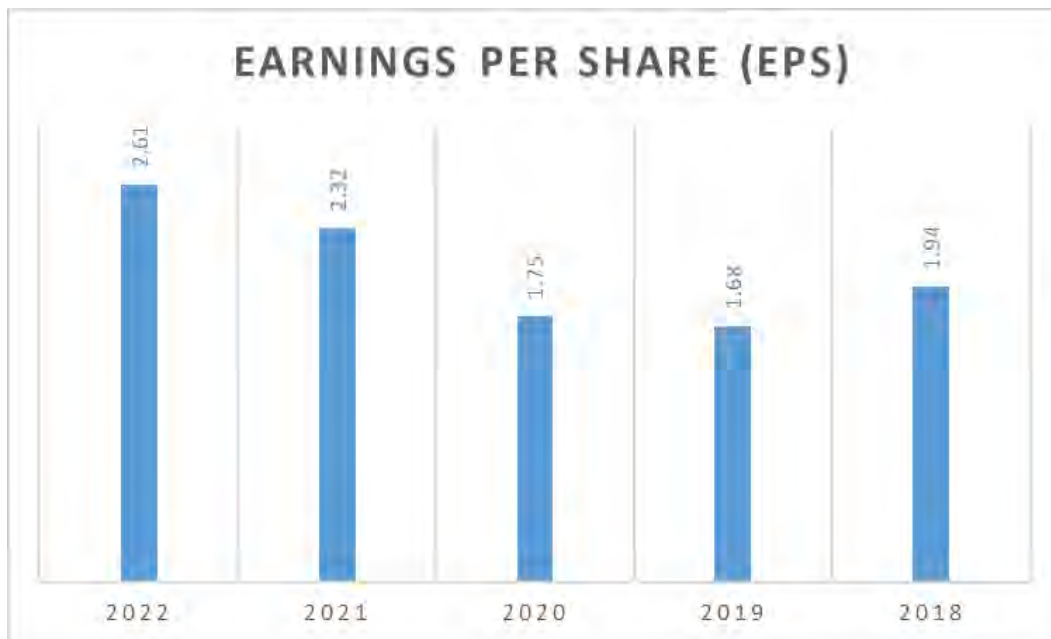


Figure 12: Earnings Per Share

In this case Bank Asia's highest EPS was recorded last year with the lowest EPS was in 2019 with 1.68 taka per share. So, except from 2018 we can see an upward trend, which indicated growth and more precisely the prices of the stock have increased over the time. It shows that the investors are definitely going to be attracted toward the bank's share because the bank has been able to provide greater value per share since it has better profits compared to its share price, which indicated more value.

Price Earnings Ratio (%):



Figure 13: Price Earnings Ratio

In terms of P/E ratio the lower is the better it is considered because it means the lower your expenses are per dollar of earnings. We can see that in 2021 P/E ratio is the lowest which means attractive for the investors. However, the least attractive year for the investors to invest in bank Asia would be 2019.

2.6.5 Asset Management Ratios:

Total Asset Ratio:



Figure 14: Total Assets Turnover

Here it seems that the bank experienced a downward trend from 2018 to 2022 for the Total asset turnover. Which means in recent years the bank is considerably utilizing its assets poorly to generate profit. whereas it was doing a decent job back in 2019 and 2018.

Fixed Assets Ratio (%):



Figure 15: Fixed Asset Ratio

A ratio of 2.5 or above indicates a healthy rotation of assets. Here it is noticeable that Bank Asia's fixed asset ratio is well above 2.5 over the span of last five years. Which shows that the bank is using its fixed assets in an efficient way to generate revenue.

2.6.6 Import & Export:

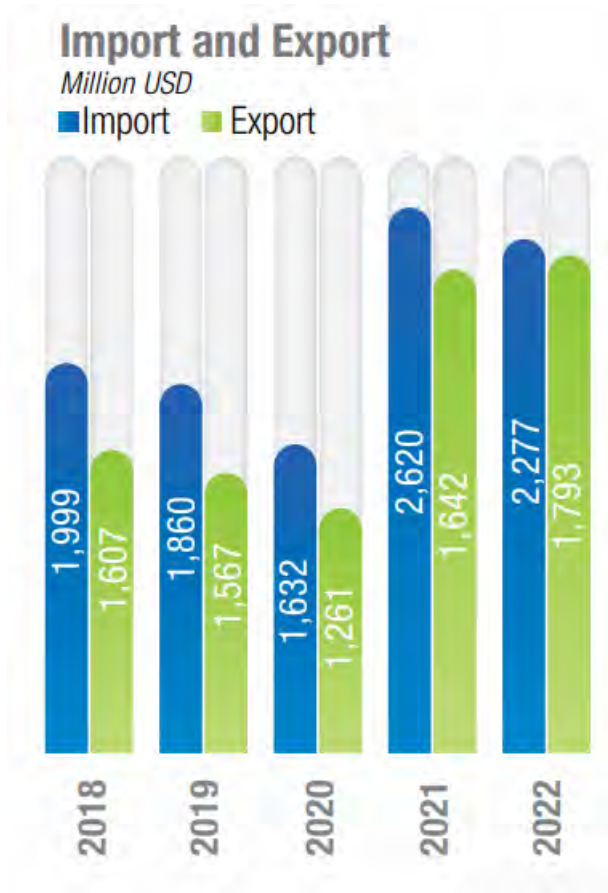


Figure 16: Foreign exchange business data

Bank Asia Limited's import and export patterns have been erratic during the last five years. There was a drop in import numbers between 2018 and 2020, but they picked back up to reach \$2,277 million in 2022. A similar trend was seen in the bank's exports, with a decrease in 2020 followed by steady growth to a peak of 1,793 million USD in 2022. With this kind of market fluctuations, the bank displayed its adaptability and resilience. Despite the volatility of the global economy, Bank Asia's import and export figures have increased, demonstrating the bank's astute financial management and international business competence.

2.6.7 Accounting Practices of Bank Asia Ltd.:

The bank's accounting division guarantees the following essentials:

- Reporting on a yearly and quarterly basis.
- Making a profit projection report every month.
- Advising all divisions on how to do accounting properly.
- Creating a consolidated reconciliation report including all divisions
- Quick turnaround times for shipping services are guaranteed.
- Supporting the branch offices with matters pertaining to the end of the month
- Providing most precise accounting services.

2.7 Industry and Competitive Analysis:

2.7.1 SWOT Analysis:

Strengths:

- National and Foreign Recognition of the bank Add Credibility to the Brand.
- This bank has been an industry leader in promoting widespread access to banking services.
- The bank utilizes Online Platforms by utilizing Online Banking, MyApp, Shadhin cards for professionals, OPGSPs like Pioneer, OCAS for the commercial and CMSE sectors.
- Superior Asset and Capital Structure, in which the bank maintained a cost to income ratio (CRAR) of 17.16% while reducing its cost to pay ratio from 42% to 54%.
- Significant rise in remittances to the bank.
- Widespread Availability through National Distribution Networks and Global Market Involvement
- Extensive availability through local branch locations, agent retail outlets, automated teller machines, and international currency conversion via correspondent banks.

Weakness:

- When it comes to cyber security, the bank has some holes.
- The bank does an inadequate job of promoting itself.
- It's not uncommon for the bank's IT system to unexpectedly fail.
- Depending on the corporate culture, the bank needs further research and development to unveil other routes of sourcing.

Opportunities:

- The growth of Agent Banking continues unabated.
- Since Bangladesh's central bank reduced the Repo Rate and CRR, there are now more opportunities for speculative investment and a larger cash supply.
- Quick expansion of the IT industry
- Bangladesh's economy is stable.
- The bank's operations will run more smoothly if ADR and IDR are raised in order to provide assets for the improvement packages.
- Money put into the private economy.
- The bank may gain from financial inclusion during periods of low profit, since one third of Bangladeshi families do not have access to banks.

Threats:

- Production is hampered, and administrative tasks are made more difficult by the volume of nonperforming loans.
- To counteract the negative consequences of the epidemic, the governing body may have to raise spending, which might increase the budget deficit and threaten Bangladesh's microeconomic security.
- Single-digit percentage rate of interest
- Capital market instability
- Since the cost of goods that are imported would rise in response to a rise in trade rates, the emphasis shifts to growth. Scale for converting In the next days, volatility will increase the unpredictability of the foreign trade market.

Chapter 3 [Project Part]

3.1 Introducing

3.1.1 Background:

Bank Asia Ltd's Foreign Trade Activities offers an extensive and comprehensive review of the bank's competency and role in enabling international trade processes. The study was done while considering the global economy, attempts to give a thorough examination of the methods, plans, and accomplishments made by the bank to Bangladesh's foreign trade sector. I actively took part in Back to Back L/c activities during my internship, including the local and international export divisions, gaining firsthand knowledge of the nuances of dealing with Letter of Credit (LC) paperwork, export procedures, as well as Foreign Documentary Bills for Collection (FDBC).

3.1.2 Scope:

During my tenure as a temporary employee, I had the wonderful privilege of learning about and working in the foreign exchange division. Handling the ins and outs of foreign trade by learning and doing is a major accomplishment that is truly remarkable. In order to be prepared for the L/C opening, you should double check your records, review the installment decisions register section, and familiarize yourself with Bangladesh Bank procedures. Furthermore, foreign remittances are a crucial aspect of understanding both the internal and external settlement processes. I made the most of my opportunities in that respectable sector and in addition to learning new things.

For Bank Asia Limited, where I interned, I was responsible for a wide range of tasks, such as providing statements in Excel, making closing entries and documenting acceptance and discrepancy dates for instance when a contract was approved and when its term was set to expire. Approval, finished paperwork after meeting all requirements, lien, locating LC with the aid of advising number, completed and submitted purchase file with voucher and Bangladesh Bank pages. Moreover, how to use a number to track down a file, create a copy or scan it, deal with a thief, track a shipment that has been sent, and so on. Despite the restrictions of my internship, I believe that my beginning job (internship) report and my real work experience has provided me with enough detail which I can imply in the corporate world.

3.1.3 Objectives:

General Objectives:

- To use hypothetical knowledge in a real-world setting.
- In order to have a feel for foreign trade as a whole.
- To learn the policies, procedures, theories, and practices of a bank.

Specific Objectives:

- For the purpose of investigating the foreign trade system (export, import, and overseas transfers like remittance).
- To grasp the nature of a letter of credit (L/C).
- To understand how to provide Letters of Credit (L/C) advice and issue L/Cs.
- In order to get acquainted with papers necessary for export and import.
- To offer praiseworthy recommendations that can help to lessen the problems at Bank Asia Limited's Foreign Trade branch.

3.1 Methodology:

This report was written using knowledge and experience gained during internship, as well as through independent study. Some additional information from outside sources was also required to finish the study. The following are examples of such materials:

Primary Sources:

- Regular face-to-face conversations with those connected to the bank are the primary sources.
- Informal conversation with the customers.
- Working under my supervisor while learning through experience.

Secondary Sources:

- Web Sites
- Previous online reports on Bank Asia Ltd.
- Annual reports of Bank Asia Ltd.

3.3 Findings and Analysis [Foreign Trade Activities]

A bank's foreign trade operations are crucial to its success. It does not produce new currency. It serves as a medium for transferring funds from investors to businesses and government agencies. The services that are provided commercial banks plays a vital role by facilitating international trade and finance. Bank Asia is dedicated to improving all aspects of the customer experience. In addition, the authorities frequently inspect workers' homes. There are typically three divisions inside the bank. This list includes:

- General Banking
- Credit Department
- Foreign Exchange

Foreign Exchange: Currency from one country is traded for goods and services in another, a process known as foreign exchange. It follows a methodical process that has been vetted and accepted on a global scale. The foreign exchange sector is split into two sub sections. This list includes:

- Foreign Trade department and
- Foreign Remittance department

3.3.1 Foreign Trade Department:

When two countries participate in trade with one another, they dive into what is known as "foreign trade," which calls for use of foreign currencies. In other words, international trade focuses on monetary exchanges that arise from international business activities. Bangladeshi importers and exporters alike can take use of the many services offered by a bank's dedicated Foreign Trade Department. According to Bangladesh Bank, a bank that wants to offer foreign exchange services has to become a "authorized dealer." Now-a-days, a bank does more than only assist the international trade of Bangladeshi firms, it also serves as a bridge between buyers and sellers who might otherwise never meet. Bank Asia's department of Foreign Trade is Divided Into tow Parts:

- Export
- import

3.3.2 Concepts:

In accordance with UCPDC 600 (Uniform Customs and Practice for Documentary Credit), the following are some of the most critical ideas in international trade:

Issuing or Opening Bank: After receiving an order from a buyer, a bank will always offer or open a line of credit for the exporter.

Importer or Buyer: These two descriptors provide the same function. The person or organization seeking credit is referred to as the "applicant."

Beneficiary or Exporter: When a credit is issued, it is to the benefit of the beneficiary.

Advising bank: An advising bank is a bank that, at the issuing bank's request, advises a credit.

Conforming bank: It refers to the financial institution that, after receiving permission from the originating bank, also adds its conformation to a credit.

Negotiating Bank: A financial institution responsible for negotiating the terms of an exporter's bill of credit is called negotiating bank. If the exporter grants it permission to do so on the bill they have drawn, the advising bank serves as the negotiating bank.

3.3.3 Methods of Payment:

To compete in today's global market and outsell international rivals, it has become increasingly crucial. In order to accomplish this, exporters must offer their customers alluring sales conditions backed by suitable payment options.

The ultimate goal of any export transaction is to be paid in full and on time, and the best payment method must be carefully chosen to reduce payment risk while also meeting the requirements of the buyer. For foreign transactions, there are four main payment options.

- Advance Payment: There is a time constraint and a defined time frame for delivery or shipment time when an importer places an order with an exporter. Advance payment refers to when the importer pays before the shipment is sent out. Due to the inherent dangers involved, this is less appealing to the importer. The importer fears that the exporter may slack off if they are paid in advance. It has the potential to produce unfavorable conditions.
- Consignment Payment: Consignment is the antithesis of a cash advance. Payment is made by the importer following both the shipment of the product and the sale of the product to the end client via international delivery. The considerable risk to the exporter makes consignment payment unacceptable. Developed nations typically use this technique of consignment payment.
- Documentary Collections: Documentary collections constitute an additional mode of payment. An essential banking payment procedure, "Documentary Collection" involves the bank settling the selling transaction by an exchange of documents. The original bill of lading, bill of exchange, packing list, certificate of origin, and other shipping documents are all discussed and agreed upon between the seller and the buyer at this time.
- L/C (Letter of credit): The most common form of international trade financing nowadays is the letter of credit. This strategy is used by the vast majority of nations. If the exporter fulfils the letter of credit's terms and conditions, the importing bank promises to pay the agreed-upon sum. It is the initial function of the letter of credit to act as an mediator while dealing with business transactions. There is no physical inspection of products or commodities, just paperwork at the bank. These rules apply everywhere in the entire universe. The International Chamber of Commerce (ICC) publishes it.

3.3.4 Letter of Credit (L/C):

L/C helps keep the lines of communication open between the buyer and the vendor. When an exporter or importer uses a letter of credit, it signifies that the bank is providing financing for the transaction.

In terms of safety, L/C is superior to other options. The L/C opening or issuing bank is the financial institution that extends credit to the borrower, whereas the advising bank is the financial institution that issues the credit advice. Additionally, a nominated bank is a financially stable institution. If no banks are specifically named as nominees, then all banks will be considered for nomination. Whereas, a bank will benefit from the exporter's L/C liability by allowing them to conduct business on the importer's behalf. Direct or indirect benefits are received by both importers and exporters.

3.3.5 Procedure for Opening a Letter of Credit (From an import and export standpoint):

- The applicant and the beneficiary of the L/C sales contract discuss and agree upon the L/C's terms and conditions.
- The exporter provides the importer with a pro forma invoice.
- The applicant submits a completed application form to the issuing bank in order to request the issuance of a letter of credit.
- Documentation such as a sales contract, pro forma invoice, insurance cover note, etc. may be requested by the issuing bank.
- The advising bank receives the L/C via SWIFT when the issuing bank validates the given paperwork.
- The L/C is confirmed and communicated to the recipient by the advising bank.
- The L/C beneficiary reviews the pro forma invoice or contract for conformity with the L/C terms and conditions.
- If the pro forma invoice and the terms and conditions are in agreement, the beneficiary will be ready to export the items.
- Documents are submitted by the beneficiary to the advising bank following shipment, and then forwarded to the issuing bank.
- If the importer's documents are in order, the L/C issuing bank will accept them and provide a payment maturity date.

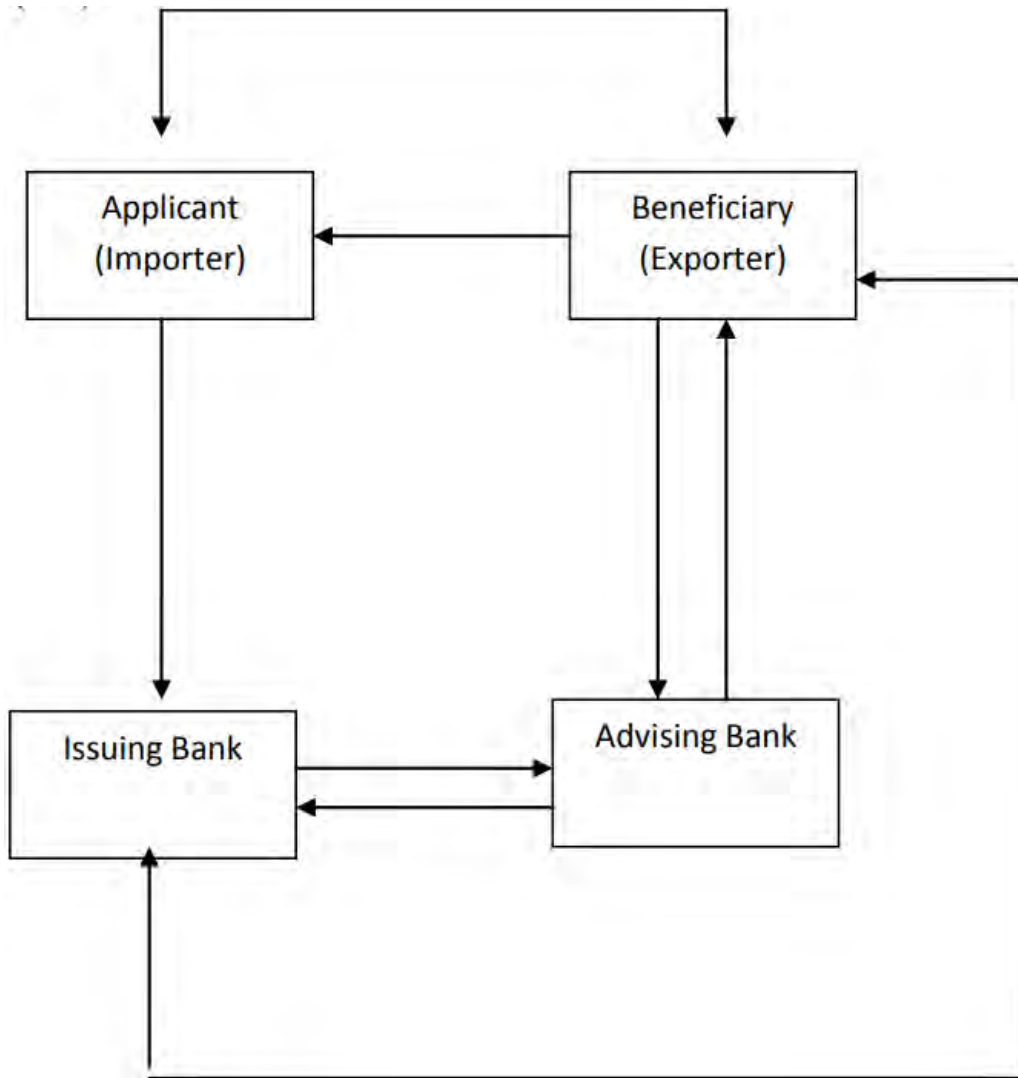


Figure 17: Procedure for Opening a Letter of Credit

3.3.6 The Different Types of L/C:

Three different L/C categories are available from Bank Asia CTSU-

Sight L/C: Payment must be made in this instance within five business days after the bank gets the necessary paperwork from the advising bank.

Deferred L/C: The payment is late if it is made after the date, it was originally due. The clock starts ticking on the deadline from the date of dispatch. Its duration is often 60, 90, or 120 days, depending on the terms.

Back-to-Back L/C: When the exporter is set to import products using an LC against the original LC that is called Back to back L/C. He may issue LC against LC because the exporter may want some equipment's to produce the ordered goods. Back-to-back LCs could keep up to 80% of their initial value.

3.3.7 L/C payment methods:

Sight Payment: The exporter will be paid as soon as the advising bank delivers the export documentation to the issuing bank.

Deferred Payment: The payment plan can be settled between the buyer and the seller, for example 120 days, 90 days, or 60 days. Therefore, the funds ought to transfer after a prearranged time frame, the specifics of which are negotiable between the parties.

3.3.8 Import:

It means taking over multiple countries' administrations and accumulating their money. The government is called a policymaker when it makes a decision. To meet its fundamental requirements, Bangladesh, like every other entity, must import items from other countries. Essentially, import is the use of intermediaries in order to move capital and government from one country to another.

3.3.9 L/C issuing:

It's the initial step in using a Letter of Credit to import goods. Moreover, the L/C is the easiest to access in order to get the right answer at the right time. An exporter in the Netherlands and a shipper in Bangladesh, for instance, might enter into such an arrangement when they make an offer to each other. The date of transmission, the method utilized to reach a conclusion, the total number or value of items, and so on are all taken care of under this plan.

The documents required to initiate a Letter of Credit are shown below-

- The claim papers for a Letter of Credit will have all the pertinent details regarding the applicant and the beneficiary. All relevant facts regarding the applicant and the recipient are laid out in a standard manner for a Letter of Credit offer. Currency, goods, and services, place of manufacture and delivery, shipping terms (CFR, FOB, etc.) and country of origin.
- The HS (Harmonized system) code, which determines the item's availability, is recorded in the import documentation. There is a correlation between the quantity of goods, the value of the receipt, and the Letter of Credit award structure enrollment number at the Bangladesh Bank. The import structures should get a reasonable proposal from the shipper.
- Letter of Credit Authorization has a certain format and standard when dealing with imported products. This LCA is being offered by the merchant's bank.
- The express bond for the consumer will be specified in an understanding pattern.
- The relevant paperwork is the "Charge papers."

They now need to complete the following paperwork, which are listed below:

- An official Membership Certificate
- A Memorandum of Association
- A valid Trade license
- Type in "IRC Form"
- Copy of insurance policy endorsement
- Receipt of Funds/Money
- Proforma invoice

3.3.10 Transmitting L/C:

After issuance, the advising bank obtains the L/C application and L/C approval. Three methods are available for sending letters of credit to the advising bank. The methods are SWIFT (Society for Worldwide Inter Telecommunication Network), Telex, and Courier. However, when it comes to the disposal of LC, Bank Asia Ltd. mostly uses the SWIFT. here is how-

- Two copies are made of the L/C and sent to advising bank. Here the real copy is for the beneficiary and advising bank gets the second copy.
- importer gets a copy
- The central bank gets a copy
- one copy is delivered to C.C.I & E (Chief controller of Imports and Exports)
- A copy for the head office
- One copy is kept for office use.

Exporter receives L/C via advising Bank. The corporation then begins producing in response to customer demand.

3.3.11 Amendments:

Once a credit has been awarded, it could be deemed essential to change some of the terms, remove some, or add more. The same bank that provided the financing also provided information on all these adjustments. The credit may go through an extra adjustment. The credit providing bank aims for any modifications to be a crucial component of the particular credit given.

Under the foreign exchange regulation, amendments can be made for a variety of reasons, some of which are listed below:

- Adjunct to the shipment date.

- Exchange of the specifications of the goods to be imported, their price, or the quantity to be imported.
- Extending the draft quantity up to the L/C maximum.

After completing the previously mentioned tasks, the exporters will present the corresponding paperwork listed below for negotiation:

- Bill of items
- list of packings
- insurance flair
- commercial invoice
- bill of exchange
- Assessment certificate

3.3.12 Document Checking:

The issuing bank must check for further document scrutiny after receiving the paperwork from the designated bank. The issuing bank must safeguard the following papers:

- In the case of new importers, head office approval.
- Pro-forma invoice
- The arrangement of the Letter of Credit offer.
- A Guarantor must sign the Letter of Credit offer form in order for it to be valid.
- The import structure must be agreed upon.
- Insurance assessment for the items, medium of transportation, shipment from and to, and value validity
- correctly completed and legally signed LCA (Letter of Credit Authorization form)
- Held valid IRC.
- a current income tax certificate
- certificate of vat registration
- Verify that the items are not prohibited or restricted according to import regulations.
- Checking the origin country for particular goods

3.3.13 Lodgment:

Payment of import bills or the transfer of money for import invoices is referred to as a 'lodgment'. Here, the L/C issuing bank will make arrangements for payment against the L/C to be made via SWIFT. A telex message is sent to the corresponding bank through SWIFT to confirm that payment has been collected. Moreover, if there are no inconsistencies after verifying the import-

negotiation document, it is deemed approved five banking days following the paper's receiving date. If there is a discrepancy, the bankers notify the importer and ask him or her whether to accept the bill with the errors or not. If the importer rejects, the bankers must notify the designated bank of this within seven banking days of the day they received the paperwork, or else it is taken as acceptance and the opening bank is obligated to make the payment.

3.3.18 Retirement & Reports:

After making sure that the import bill has been paid, the branch creates retirement vouchers as the last step of assessment to simulate the cost, additional importer fees, and margin adjustments. As a result, the documents are provided to the importer following proper acceptance and certification.

Retirement involves a number of steps. Which are:

- Register entry must be done
- if any, interest must be calculated
- It is important for the merchant to recognize and understand the cost update of office copy.
- The bill of exchange is endorsed on the reverse, in accordance with standard payment procedure.

3.3.19 Export:

Export refers to the action of shipping goods from one country to another. An exporter is required to impose a tax on all merchandise. The exporter is required to register with the central regulatory agency. If a nation's manufacturing sector is efficient and cost-effective, it can meet domestic demand by producing in large quantities. The surplus is then exported. Earning a favorable trade balance and foreign cash can be accomplished in part by exporting. The majority of Bangladesh's GDP is derived from exports. Moreover, the exporter is responsible for counting the number of customs.

Under the 1950 Import and Export (Control) Act export regulations are governed. The Export Registration Certificate (ERC), which is issued by the Office of the Chief Controller of Imports & Exports (CC I & E), must be obtained in order to be considered a legitimate exporter

3.3.20 Advising L/C:

The initial stage in the export process for a bank is to provide a Letter of Credit. It is unnecessary to instruct Letter concerning Credit in terms of advance outcomes and paper assortments. The exporter will ask the buyer for the L/C conditions of fare and outcome to finalize the business agreement. When a good Letter of Credit is transferred, the issuing bank may write a letter of encouragement to the beneficiary, letting them know that a Letter of Credit has been issued. After that, you may expect to get two copies of the Letter of Credit from the issuing bank.

3.3.21 The Issuance of EXP Form:

Using the EXP form, Bangladesh Bank must be informed of all exports in accordance with its Foreign Exchange Policy. The exporter receives four EXP forms from the financial institution. The exporter applies for an EXP number from the bank, which then assigns them a number from the registry once all the information has been verified. Following that, the exporter delivers the EXP document to the appropriate customs office, which, upon completion, sends back three duplicates while keeping the original. The EXP must be issued promptly, and the bank must enter the transaction into the Bangladesh Bank's online export monitoring system. In addition, before an export form can be certified, the exporter is required to be registered with the CCI and E. The branch is in charge of registering the exporter.

To complete the EXP form, the following details must be included:

1. the authorized seller's full name and address.
2. specifics of the exported items and their respective codes.
3. Country of origin
4. Harbor or port of destination
5. the total amount of the L/C in foreign currency.
6. conditions of sale
7. the importer's name and address
8. identify the caring vessel by its name.
9. shipping port
10. Bill of lading
11. The date and number.
12. Time of shipment
13. On land customs port
14. The exporter's full legal name and address.
15. The exporter's sector (whether public or private).

3.3.22 The Collection of Documents:

The attestation requires the exporter to dispatch the goods and monitor the plan. The exporter must deliver all copies report copies covering admissions for the branch within fourteen days of shipping. To that end, the Exporter will compile the required documents as specified in the Letter of Credit, including but not limited to:

1. Bill of entry/ exchange: it describes the procedure for acquiring payment from an importer.
2. Bill of Lading: A document provided by the business or its representative.
3. Insurance policy: Insurance for goods in which the insurance provider will cover damages if any arise during the transmission time.
4. Inspection certificate: Determines the correctness of the product.
5. Certificate of origin: A declaration of the actual location of the products or their actual manufacturer.
6. Commercial invoice: Descriptions of all the products listed.
7. Packing list: A list of the specific items in a box. The ability to recognise each package separately aids customs.
8. Complete set of shipment documentation: The shipping documents that have been certified by the customs office.

This paperwork must be delivered to the appropriate department official for the purpose of negotiation. The papers will then be given to the importing bank after being validated.

3.3.23 Realization of Export Proceeds:

Only after the importing/issuing bank obtains all the required paperwork after that the money be disbursed. The designated/ advising bank has 120 days to receive the export revenues. Moreover, with the Bangladesh Bank's designated deadline of four months by which the exporter must take all of the foreign exchange revenues. The Exporter shall be liable under the FER Act, 1947 if any delay over the term occurs without the Bangladesh Bank's authorization. The Bank may produce payment by transferring the Vouchers of Accounting to the Exporter.

3.3.24 Reports:

After receiving the export documentation, the bank notifies the duplicate EXP on the Bangladesh Bank Online Export Surveillance System. The bank must also provide three duplicate copies of the EXP by means of the Bangladesh Bank Online Export Monitoring System after receiving the

payment. After being reported online, the branch will send a forwarding letter together with the duplicate and triplicate EXP form copies to the Head Office.

3.3.25 Issuing Proceeds Realization Certificate (PRC):

It represents the newest development in charge measuring. The chosen bank will give the exporter a Proceeds Realization Certificate. In the event that charge proceeds are noticed, the exporter must establish bank certification. PRC should be reported utilizing Bangladesh Bank's standard plan, which enables exporters to deduct a portion of their compensation evaluation.

3.3.26 Foreign Remittance:

The Central Trade Services Unit (CTSU) of Bank of Asia is an authorized dealer. The term "foreign remittance" refers to when a person sends money from their "mother country" to another country. Since the black market plays such a significant part in this industry, we need to be cognizant of the office channel while having discussions. Two distinct types of foreign remittance are:

1. Inward Remittance
2. Outward Remittance

3.3.27 Inward Remittance:

Foreign cash sent to a beneficiary in Bangladesh can be used for a variety of purposes, including making purchases in-country as well as abroad (including outside the T, DD, and charges). Payment of the toll indicates the next step once products have been received. The following explains why people move to completely new areas inside their own country. (purpose of inward remittance) -

- The Family maintenance.
- Indenting and repeating expert's commission
- Ongoing Farewell acknowledgement.
- A commission provided to the export merchant.

F.D.D. (Foreign Demand Draft): A foreign demand draft is a negotiable instrument given out by one bank and drawn on another bank to pay a specified sum to a designated person upon demand.

M.T. (Mail Transfer): A M.T., or money transfer, is a written instruction from one bank to another instructing them to send a certain sum to a named recipient. This results in a decline of interest for the buyer, permitting the bank to offer a lower M.T. rate compared to the T.T. rate.

T.T. (Telegraphic Transfer): Telex or Cable T.T. implies a money transfer order. The overseas center of the recipient receives the money on the identical day it is sent. There will be no interest loss or stamp duty costs, etc.

The T.C. (Travelers Cheque): When in doubt, people will employ TC to finance their international activities. It makes passing around paper money safer. Currency denominations are designed to be completely interchangeable.

3.3.28 Outward Remittance:

The sale of foreign money through the issuance of foreign drafts is known as outward remittance. Furthermore, the sale of foreign currency by an authorized dealer (AD) is reflected in the outbound remittance. In this case, the official channel is the issuance of overseas Telegraphic Transfers (TT), Demand Drafts (DD), and Travelers Cheques (TC), among other instruments. Currency under Letter of Credit against Import Bills also lapsed. To safeguard the transfer or release of foreign currency, the AD has given the matter some thought. They are only ever employed for the single function of releasing. The three goals are:

- Educational Objectives.
- Exam costs.
- Import Objective.

3.4 Recommendations:

Among the financial institutions in our country, Bank Asia stands out as one of the most reputable and productive. This makes it difficult for me to provide suggestions or feedback to this banking company. However, based on my time as an intern, I have identified some suggestions that Bank Asia Ltd. might use to improve their operations and, I believe, become one of the bank's top performers.

These are some suggestions Bank Asia Ltd. may want to consider in order to continue to thrive and compete at the highest levels in its industry:

- Bank Asia Ltd. needs to upgrade to the newest PC and set up a sufficient number of workstations so that it can carry out its operations effectively.
- They need to expand the services they provide to their customers. Improved customer service, including online support, network access, 24/7 customer care, and the use of new technology for effective customer service, is necessary to compete with other banks.

- Marketing efforts at Bank Asia Ltd. need to be strengthened to attract a larger customer base.
- They need to open additional branches around the country so that locals may take benefits of foreign trade without having to go far from home.
- My experience at CTSU (Central Trade Service Unit) has led me to the conclusion that the bank is in need of more customer service agents due to representatives' attention is often diverted away from clients as a result of rising workloads. Consequently, the bank may hire additional agents and divide the workload among them fairly.
- The management must concentrate on the development of the bank in relation to its responsibilities. As a means of verifying and assessing the state of the many sub-divisions and identifying where they go wrong.
- Bank Asia Ltd. has to set itself apart by being at the forefront of developments in technology and offering a wide variety of goods.
- They need to take the lead in bringing consistency to the company's many outposts and headquarters.
- In order to accomplish this goal, banks needs to establish and execute efficient practices for measuring the creditworthiness and reserve sufficiency.
- The operation's performance requires more dynamism and speed.
- The bank must get involved in several social programs, such as bolstering young people in deteriorating economic situations, fighting against dowry as well as alternative social norms, etc., in order to improve its image and accept social responsibility.

3.5 Summary and Conclusion:

The roles played by Bangladesh's financial foundations have become more important as the country's economy has developed. Bank Asia Limited is a third-generation bank that contributes to the nation's financial growth. Bank Asia Limited is making strides and offers tremendous potential for growth in the years to come despite a few problems it has to fix. They must devote heavily to the public sector in order to increase investor value and client trust, as well as to create high-quality ventures, value for legislators, and representatives' worth.

The goal of Bank Asia Ltd is to constantly provide customers with outstanding assistance. Moreover, the bank has established high standards for truthfulness. Therefore, it would make excellent speculation. Furthermore, I have noticed that the financial institution is a tremendous source of money for the country and the public authorities. In the area of foreign trade, Bank Asia is genuinely making a difference and is gradually gaining expertise in import and tariff procedures. Most importantly working at the CTSU branch has demonstrated to me how important this field is to the branch's future success and how much it helps it create significant revenue. The key objectives of Bank Asia are regularly met, and they make an effort to achieve their goal of maintaining their standards and customers' satisfactions. The foreign exchange is the best way to

obtain foreign currency, thus practical funds should be allocated to these regions to ensure that they are not hindered in their daily activities and can thus support the nation.

Chapter 4

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