

Report On

“Challenges in Trade Financing Due to Depleting Foreign Reserves during 2021 - 2022 and Its Impact on Bank Performance”

By

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ID: 19104168

An internship report submitted to the Brac Business School (BBS) in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

Brac Business School
Brac University
April 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:

Fahim Hossain Ifti
Student ID: 19104168

Supervisor's Full Name & Signature:

Sang H. Lee
Professor of Finance & Dean, BRAC Business School
BRAC University

Letter of Transmittal

Professor Sang H. Lee
Professor of Finance & Dean,
Brac Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

This is to inform you that I am submitting my internship report on “Challenges in Trade Financing Due to Depleting Foreign Reserves during 2021 - 2022 and Its Impact on Bank Performance”. To complete the report, I have incorporated all your instruction and guidance. The report is prepared on the basis of a 3-month long program under Dhaka Bank Limited which is my internship company.

I have given my best effort for this report with all the necessary information’s collected through interviews, observations and data from working in the corporate world and I hope it will be as per the standards set. Therefore, I would like to take the permission to submit this report and will be thankful if you take the report into consideration.

Sincerely yours,

Fahim Hossain Ifti

19104168

BRAC Business School

BRAC University

Date: April 26, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between Dhaka Bank Limited and the undersigned student at Brac University

.....Fahim Hossain Ifti, ID: 19104168.....

Acknowledgement

Firstly, I would like to express my gratitude towards almighty Allah, for making me capable to prepare the report. Next, I would like to show my appreciation towards my supervisor, Professor Sang H. Lee (Professor of Finance & Dean, Brac University) for his constant support. He provided me with valuable guidance whenever I encountered difficulties and gave me the wonderful opportunity to work on the report properly. I am thankful to my co supervisor, Dr. Mohammad Mujibul Haque (Professor of Finance & Associate Dean, Brac University) who was always available for help. Most importantly, my family who is always there beside me, motivated me and showed love and care, for which I am grateful towards them.

Next, I would like to appreciate my academic supervisor, FVP and Manager Operations, Muhammad Shakawat Hosen, for giving me direction throughout my internship period despite his busy schedule. This helped me to gain significant knowledge which was implemented in the report. Furthermore, I offer my heartiest regards and gratitude towards Md. Rajesh Islam, Senior Principal Officer, Mahmudur Rahman, Principal Officer and all the other senior officers and officers for the immense support and knowledge they showered me with for the preparation of this report.

I am grateful to the “Dhaka Bank Limited” for giving me the opportunity to work in this large successful organization. Lastly and especially, I would like to show my appreciation towards “Brac University” who made me a knowledgeable person through my four years journey which greatly assisted me in the preparation of a thorough report.

Executive Summary

The report was completed by conducting extensive research from gathering both primary and secondary data from all the relevant sources. At first, a brief overview about the 3-month long internship program was conveyed in the report. The internship program addressed the experience that I had with Dhaka Bank during the tenure of program. Secondly, the report addressed details on key different areas of Dhaka Bank starting from its origin, management marketing, information systems, financial and accounting aspects. To justify, Dhaka Banks position as a large successful organization operating for decades in the country.

Lastly, through the analysis of different objectives in chapter three and regression model testing helped us conclude that indeed depleting foreign reserves are hampering Dhaka Banks import payments (LC) opening capabilities and any other foreign currency related transactions which impacts banks profitability and liquidity.

Keywords: Letter of Credit (LC), Import Payments, Foreign reserves, Dhaka Bank Limited

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List of Acronyms

DBL	Dhaka Bank Limited
FVP	First Vice President
ATM	Automated Teller Machines
HRIS	Human Resource Information System
DBTI	Dhaka Bank Training Institute
EFT	Electronic Fund Transfer
RTGS	Real-Time Gross Settlement
IP	Internet Protocol
FX	Foreign Reserve
BOP	Balance of Payments
LC	Letter of Credit
IAS	International Accounting Standards
IFRS	International Financing Reporting Standards
PO	Principal Officer
SPO	Senior Principal Officer

Chapter-1: Overview of Internship Program

1.1- Student Information:

Name: Fahim Hossain Ifti

ID: 19104168

Program: Bachelor of Business Administration (BBA)

Major In: Finance

Minor In: Computer Information Management (CIM)

Department: Brac Business School (BBS)

1.2- Internship Information:

1.2.1- Information about Company:

- **Period-** 1st February- 30th April, 2023
- **Company Name:** Dhaka Bank Limited
- **Department:** General Banking (GB) & Trade/Credit Department
- **Address:** 6-7, Islampur Road, Dhaka-1100, Bangladesh, Islampur Branch

1.2.2- Supervisor Information:

Name of Supervisor: Muhammad Shakawat Hosen

Position: FVP & Manager Operations, Islampur Model Branch

Email address: shakawat.hosen@dhakabank.com.bd

1.2.3- Job Scope:

Under the supervision of Muhammad Shakawat Hosen at Dhaka Bank, at first, I was assigned at the General Banking (GB) division of Dhaka Bank for one and a half month. My responsibilities and tasks were as follows at the GB department-

- ❖ Filling up forms for new desired account openings for clients
- ❖ Checking in with customers by calling them to receive their cheque book
- ❖ Recording the number of inward and outward cheques on register books from their software on a daily basis
- ❖ Assisting officers with delivery of different forms which includes- Savings account form, Dormant Activation form, RTGs form and etc.
- ❖ Recording cash and credit receipts in their vouchers in double entry system from different departments (Cash, Credit and General Banking department)

- ❖ Addressing to client needs in the form of giving out Deposit books, Credit card payment slips (both local and foreign), Lanka Bangla payments slips, Deposit Pension Scheme (DPS) charts

After working in the GB department for the specified time period, I was assigned in the Credit/Trade department for another one and a half month which is still in progress. The duties and responsibilities in the department were as follows-

- ❖ Assisting senior officers in writing the proposal form for the purpose of disbursing loans to clients
- ❖ Visited clients' assets (apartments, warehouses etc.) with senior officers to judge the solvency of the customer
- ❖ Getting authorization of different forms (remittance, student file processing and etc) from the principal officers
- ❖ Checking in with customers via phone calls who have due payments in their installments of loans and credit card bills
- ❖ Addressing to clients' needs by delivering them with their debit and credit cards.

1.3- Internship Outcomes:

1.3.1- Student's Contribution to the Organization

The major contributions that I have made to Dhaka Bank Limited are-

1. **Account Opening Forms-** I have filled and collected necessary documents from the clients regarding their account activation which includes- Current Account, Savings Account, Deposit pension scheme (DPS) account and FDR accounts. Thus, reducing the workload from my fellow employees.
2. **Authorization of forms-** For many forms authorization is required from Senior Principal Officer, Manager and Assistant Manager. Thus, I aided my employees to get those authorization as quickly as possible for which services were delivered much faster
3. **Addressing Customers-** I have addressed different needs and queries of customers. From making phone call to inform them about their cheque book collection and due payments for loans and credit cards. This made the process of distributing cheques books and collecting payments on time faster.
4. **Proposals & Organizing Forms -** Reviewed loan proposals written by senior officers and made necessary adjustments and correction where needed which made the proposal more accurate and easier to understand. Furthermore, organized different forms of clients from years back so that my branch could address auditors more precisely when required.
5. **Record of Cheques-** As I was assigned to record both inward and outwards cheques in the register book the officers could concentrate the work on their hand. This had made their management process more efficient.

1.3.2- Benefits to the student

The internship period with Dhaka Bank, enhanced my knowledge about the banking industry Bangladesh. The exposure that I got through the different activities performed during my internship program added to my learning curve greatly. Furthermore, as this was my first-time experience in an actual corporate environment it aided me to understand the ethics and professionalism that is usually followed in a large organization. In addition, it also increased my confidence level as I learned to address customers queries and needs and completing tasks on due time. It should be noted that, I got insights on different working mechanism within the organization such as their software (Oracle) which is at the core of their operations in managing the different activities of Dhaka Bank. Moreover, the opportunity to look at different documents and record keeping only added to my knowledge. To sum up, it was a great experience at Dhaka Bank and truly an eye opener on how large banks operate which will immensely contribute in my future endeavors to an ambitious career path.

1.3.3- Problems/Difficulties (Faced during the internship period)

There were some few difficulties that occurred occasionally and some were present beforehand. The problems/difficulties that I had faced are as follows-

- Some tasks required me to get some additional assistance from my fellow employees but it was hard to do so at times as the nature of the working environment demanded an all-time busy schedule on their hands.
- It is to be noted that some equipment's were in very poor condition which made my assigned task difficult to complete on time
- Furthermore, I faced difficulties in data gatherings for my internship report required because of their confidentiality to not disclose such data.
- As an intern there was no Employee ID assigned to me to get access to their software program, which made gathering more knowledge of their software program a little restricted.

1.3.4- Recommendations (To Dhaka Bank for their future internships)

To make Dhaka Bank's internship more effective for future interns, I have some recommendations from my experience so that the organization can improve their overall experience for their respective interns.

- Temporary Employee ID can be given to interns which will give them access to their software program for a better learning curve as their software is at the core of their operations
- As per my experience better equipment's in terms of computers, printers, scanners should be in place which will help the interns to perform their assigned tasks efficiently
- Performance evaluation system should be introduced for interns to provide effective feedbacks on their task which will help them learn their performance lacking

Chapter-2: Organization Part

2.1- Introduction:

In this chapter we will look in depth at Dhaka Bank Limited to enhance our learning and knowledge about the company. All the parts of this chapter are designed so that we can do a thorough analysis of the organization in study.

2.1.1- Objectives:

For an extensive study on Dhaka Bank the chapter will fulfill the following objectives-

- Brief description about the company (Vision, Mission, Core Values and etc.)
- Management and Marketing strategies of Dhaka Bank
- Analyze and interpret Dhaka Banks Financial performance and Accounting Principles in three different fiscal years
- Operations Management and Implementation of Information Technology in their business practices
- Using different models such as Porter's Five Forces model and SWOT analysis to understand Dhaka Banks industry and complete scenarios
- Provide a summary about the entire chapter
- Lastly, provide some recommendations for Dhaka Bank Limited

2.1.2- Methodology:

This chapter is more descriptive in nature with the use of both primary and secondary data to conduct a thorough study.

Primary Data

To complete different objectives of this chapter, primary data were collected from the employees at Dhaka Bank to know more about their management and marketing practices. An interview with Ishrat Jahan, Officer at Dhaka Bank gave me insights on different marketing activities that DBL conducts in various occasions/festivals within the country.

Secondary Data

Every objective of this chapter used secondary data to some extent. However, the major objectives that were studied using secondary data are the financial performance and accounting practices of DBL as the source of data are only available through their annual reports. Thus, different fiscal year annual reports were used to judge the organization.

2.1.3- Limitation of study:

- I believe more primary data could have been collected from interviews but due to high working pressure in the banks only few opportunities were present to me to conduct a thorough interview with my employees

- Confidentiality was also an issue in data gatherings as some data were withheld by the employees due to organizations rules and regulations
- A more comprehensive study could have been conducted in this chapter if there were no time constraints

2.2- Overview of the Company:

A group of visionary entrepreneur friends embarked on the journey of a corporate voyage to modernize the banking activities of the country. Thus, Dhaka Bank Limited (DBL) was incorporated on July 5th, 1995 with an authorized capital of Tk. 1000 million and Paid-up Capital of Tk. 100 million. It was listed as a public limited company on April 6th, 1995 under the law of Companies Act 1994. The present authorized capital for the Bank is Tk. 10,000 million and the Paid-up is at Tk. 7,223 million as of December 31, 2017. As of today, DBL stands as one of the market leaders in the banking sector of the country. Through their exceptional services and commitment towards their customers and creating shareholders value have earned them significant market share in the industry. The banks growth can be illustrated by their vibrant presence in the whole nation. As of December 31st, 2021 the company has 109 branches which includes 2 Islamic Banking Branches, 75 ATMs, 20 ADMs, 2 Offshore Banking Units, 1 Customer Service Centre, 21 Sub Branches and 3 SME Service Centre serves their customers all across the country. In addition, to cater the needs of the Capital Market they have also established a subsidiary company with 6 branches in the whole country which is named Dhaka Bank Securities. The company uses state of the art technology and a group of highly motivated professionals to offer their personal and corporate client's full range of investment and banking services. Their commitment towards Excellence in Banking have made them offer a range of online banking services via their DBL Go App. As a result, DBL is now a preferred choice for any customers who seeks friendly and personalized banking services within the country.

2.2.1- Mission Of DBL:

The mission statement of Dhaka Bank limited is quoted as followed “To be the premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking”.

2.2.2- Vision Of DBL:

Dhaka Bank takes inspiration from the distant stars. Their vision is to make sure that every banking transaction has a standard which makes the transaction pleasurable experience for the customers. Their endeavor is to offer excellence services through reliability, accuracy, timely delivery, state of the art technology and personalized solutions for business needs, high yield on customers investment and global reach in trade and commerce. Their goal is to acquire a distinct foresight and their prime objective is to deliver a quality which truly reflects their vision which is- “Excellence in Banking”.

2.2.3- Corporate Values of Dhaka Bank

- Integrity
- Customer Focus
- Quality
- Teamwork
- Responsible Citizenship
- Respect for the Individual

2.2.4- Product and Service Offerings of DBL

As Corporate Customers' needs vary from one another, it is crucial for DBL to provide a customized solution in their products and services for the success of their business. The financial products and services are provided under DBL Corporate Banking who fulfils the banking needs of different Corporate Houses, Financial Institutions and Micro-Credit Organizations.

The product basket of DBL ranges from providing long term loans for expansion of business to short term financing of day-to-day business operations. The following products and services are offered by DBL-

1. Project Finance- This product of DBL is designed to address entrepreneurs who want to invest in a large project. The different types of products under project finance are-
 - Term loan- for construction purposes
 - Term loan- for buying machineries
 - Lease finance- for machineries
 - Foreign currency loans
2. Working Capital Finance- This particular product of DBL offers customers from every sector of business to establish any new projects. Their products under Working capital finance are segmented as-
 - i. Non-Funded Facilities-
 - Letter of Credit (BTB, Cash LC etc.)
 - Bank Guarantee (FC, Payment Guarantee etc.)
 - ii. Funded Facilities-
 - Overdraft- Work Order
 - Cash Credit (Pledge, Hypothecation)
 - Loans against Trust Receipts (LTR)
 - Time loan
 - Overdraft- others
 - Short Term Loan (3,6,9 months)
3. Trade Finance- As banking has now expanded through the geographical boundaries, to support their customers business DBL introduced wide ranges of products and services under trade finance which are-
 - Import Finance
 - Export LC (Transfer & Advising)

- Shipping Guarantee & many more
- 4. Cash management solutions- These services makes their customer lives easier when banking with DBL with their range of services-
 - Payment and Collection solutions
 - Utility Bill collection
 - Cash pickup and delivery
 - Hajj remittance processing
 - Salary/vendor payments & etc.

2.3- Management Practices

2.3.1-Leadership Style

Dhaka bank limited follows democratic approach towards their leadership style. The organization believes in empowering their employees to motivate them in achieving higher performance. The organization always wants to transform to greater heights in its achievements and in order to do so, they aspire to build a pipeline of leaders within their employees. As a result, their employees will have the potential to undertake leadership roles within the organization and play a crucial role in driving the future growth of DBL. The organization also encourages their employees to be engaged in different activities by participating in “Bankers Champion Trophy” and celebrating “International Women’s Day” and many more. As a result, high levels of engagement within the employees will positively affect the organization performance, increase stakeholder value and will help to retain talent. The organization takes their employees as their most valuable resource because they believe with their contribution DBL has achieved sustainable success throughout their years of operations. The knowledge of their employees is considered as Human Capital for which their employees have the potential in increasing their overall productivity and business performance. Furthermore, to strengthen their management style periodic training programs are conducted by the organization to ensure their employees are on par with the ever-changing dynamics of the banking industry. They believe in order to achieve their goal and prime objective their employees are at the forefront of it which is to deliver superior quality of services and products. Thus, following a democratic approach in their management style will truly reflect their vision of “Excellence in Banking” which will in turn fulfill their goals and objectives.

2.3.2- Recruitment and Selection Process

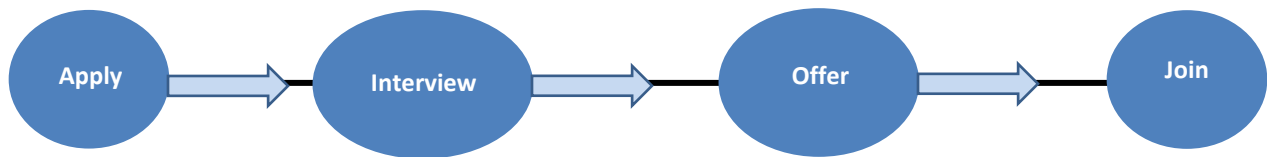
The recruitment process of DBL begins when new candidates are required to fulfill vacant positions and is concluded with application submission of new employees. Thus, new employees are selected from a collection of candidates. DBL is a very diverse and large organization with large number of employees differing in style, thought, gender identity, race, ethnicity, experience and culture which makes them stronger and drive responsible growth. So, it is only normal for them to conduct a rigorous method of applicant selection which is headed by the Human Resource Manager of The Human Resource department. The two categories of employees for normal business operations that are required by DBL are-

- Experienced candidates with specialized skills
- Undergraduates (Fresh Graduates)

For Fresh graduates (Undergrad)- The selection process is as follows-



For Experienced employees- The selection process is as follows-



The recruitment channel for recruiting employees is conducted through two mediums-

1. **Internal Recruitment Channel-** This is where existing employees act as source of recruits. DBL conducts closed recruitment strategy for internal recruitment channel. The sources are-
 - **Job rotation-** DBL pulls out existing employees from one department and create new posting for these employees in another department.
 - **Skill Inventories-** HRIS is used by DBL, where they get the accurate information of a employee's qualification through their database system and recruits according to their requirement for the position.
2. **External Recruitment Channel-** The HR department of DBL looks outside their own organization for suitable candidates as some job requirements cannot be fulfilled with internal recruits. For this channel they combine three ways to acquire applicants which are-
 - Advertising
 - Walking CV
 - Employee Referrals

2.3.3- Compensation system

The banking industry of the country is always competing to recruit and attract high-performing employees. Thus, have market driven salary packages for their employees with short term Hospitalization benefits and provident funds. In terms of long-term benefits DBL provides their employees superannuation funds. Furthermore, DBL employees enjoy a number of other benefits as well such as, because of their corporate agreements both locally and internationally between renowned hospitals which enables their employees to avail discounts in those hospital care facilities. In addition, soft loan is also provided in the form of house building loan and provident fund loan to their employees with which they can build their own houses or purchase flats.

2.3.4- Training and development initiatives

DBL believes that training is the most important factor for an organization's advancement and growth. As a result, they have their own training institute named Dhaka Bank Training Institute (DBTI). They conduct classes and workshops for their employees and have their own DBTI library where their employees can get access to banking, economic books and also journals both local and international. Furthermore, they have their own DBTI hostel to conduct workshops for multiple days for their employees. They are always looking forward to ways in which they can further develop their Officers and Executives of the Dhaka Bank by providing them with workshops, different types of courses and design development programs. All of these training and development initiatives will assure of achieving their professional excellence in banking.

2.3.5- Performance appraisal system

Dhaka Bank often sets targets for their employees in order to evaluate on how well they are performing their required tasks. The goals that are set can be of bringing a set certain amount of Fixed Deposit (FD), Opening different types of accounts for customers, set a target of disbursement of loans given out to potential solvent clients. As a result, these set target amounts help DBL to better understand their employee performance as those who can surpass the goals set by the bank will be rewarded and those who lacks behind significantly is reevaluated. Furthermore, DBL also conducts periodic exams on their employees to better understand their knowledge about the banking industry. In-addition, for an employee to be promoted they have to undergo exams taken by DBL and also an interview process. All of these things strengthen the performance management system of DBL for evaluating their employees effectively.

2.4- Marketing Practices

2.4.1- Marketing Strategy

The communication and branding team of DBL takes care of their marketing activities in terms of both internal and external aspects of the bank. The organization considers marketing strategy as a vital resource in today's world especially when it comes to banking business endeavor. The bank does advertisement both locally and internationally to engage people in a multi-channel marketing campaign which comprises of digital advertisement, organizing events and sponsorships. In most of the festivals and holidays within the country different events are organized by Dhaka Bank to spread their presence and awareness as a strong brand.

2.4.2- Target Customers

They target their customers based on income and behavioral patterns. The target customers of DBL are the salaried people working in different institutions of the country who have a secured job life and business people with at least 3-5 years of ongoing business operations. As these are the target people who have enough disposable income for their different loan and deposit schemes. They have many products and services that cater to their same group of target customers.

2.4.3- Targeting and Positioning Strategy

In order to distinguish themselves from their competitors and be the preferred choice of banking for every people in the country DBL uses different positioning strategy in their products and services. They introduced internet banking where their clients can use their DBL Go app to experience a pleasurable transaction anywhere. Furthermore, as the deposit rate schemes changes from time-to-time DBL competes with other banks by providing higher rates in their deposit schemes to attract more customers. In today's time, DBL has already effectively communicated their brand's competitive edge by providing their clients with numerous benefits by positioning their brand in a way that not only enhances the organization performance but also provides value to their customers.

2.4.4- Marketing Channels for their Products/Services

According to DBL, in today's world using traditional media like televisions and newspapers for marketing channels is simply not enough. The audience trend have shifted to more modernised form of platforms and acknowledging it DBL's marketing channels are completely different from traditional advertisement. Their marketing channels includes email marketing, social media presence, public relations, business get togethers, DBL Go App and partnership with other renowned brands. These marketing channels ensure that DBL is able to convey their promotional activities related to their products/services to their customers and retain them.

2.4.5- New product developments

DBL is always looking for ways to develop innovative new products/services and also undertake continuous improvement in their existing products/services. As a result, they innovated a new product which is named student ledger. This ledger is targeted towards the students and as DBL wants to in-still a habit of making savings at an early age for students. They also enhanced the utility of their DBL credit card holders by providing them with numerous benefits. The organization analyses the market to better understand their customers to either cater new products or enhance the utilities of their existing products to them.

2.4.6- Branding Activities

The branding activities and communications both inside and outside of DBL is looked after by their branding team. Since the establishment of DBL, they have acquired a premium and exclusive brand image in the financial industry of the country. Some of the branding activities of DBL includes- State of the art security systems, Digital customer experience, Branch decorations and many more. It was all possible because of their branding team, who is responsible for engaging DBL both nationally and internationally into different advertisement projects and promotional strategies which carries Dhaka Banks vision of- Excellence in Banking.

2.4.7-Advertising and promotion strategies

The digital marketing strategy of DBL comprises of attracting customer with their digitization services such as their Real-Time Gross Settlement (RTGS) system and DBL Go App. Furthermore, the DBL Go app gives promotional offers to their clients to attract them towards the app. The

advertisements are done in the form of leaflets to new customers who visit any branch of DBL. Moreover, existing clients gets notified in the form of SMS and written emails. In addition, DBL uses promotional strategy such as strategic partnership with other companies to spread awareness about their products and services. They are very active in their social media posting as well to spread awareness to general people about their products and services. All of their newsletter and related information's that people should know about them are posted in their Facebook page from time to time.

2.4.8- Critical Marketing Issues and Gaps

The marketing issues that DBL faces are with their competing banks in the industry. It is about speed and time, there are some competing banks who has introduced their own digital services before DBL and acquired some market share from them. Further, collaborations for marketing purposes might not always be effective and turn out to be a loss project for the bank. As a result, there is always pressure for their marketing manager to critically analyze the right time to promote their products and services as the competition is fierce in the industry.

2.5-Financial Performance and Accounting Practices of DBL

2.5.1- Financial Performance of DBL

Liquidity ratios

Ratio	2019	2020	2021
Current ratio	1.15 times	1.16 times	0.95 times

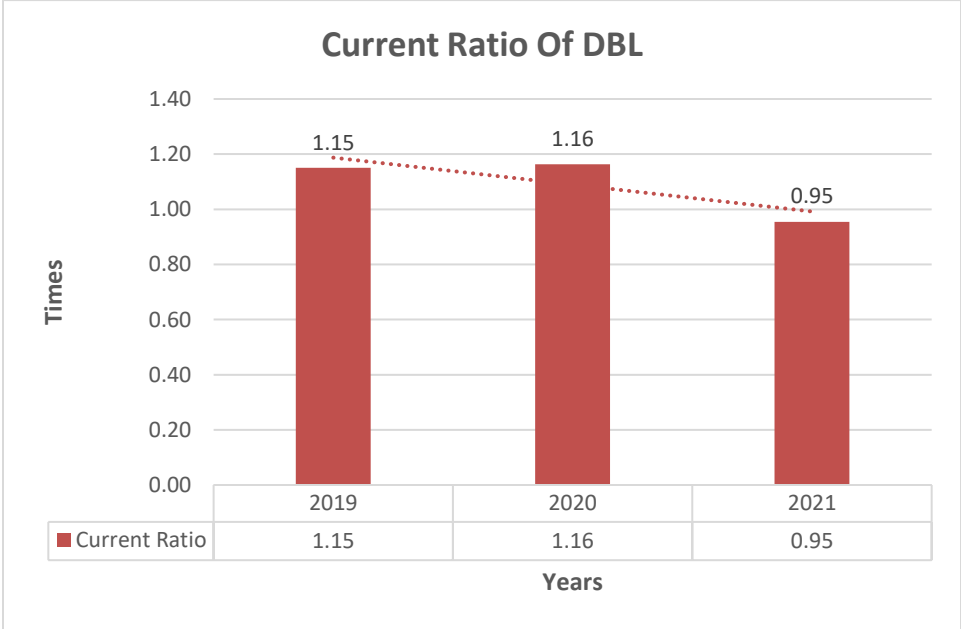


Figure 1: Current Ratio

- i. Current ratio- This ratio is used to understand the amount of assets that DBL has to meet its current liabilities. From the above table we can see that from the year 2020-2021 DBL's current ratio dropped significantly which is not a good sign. As we know, less than 1 means that an organization might find it hard to pay off its debts. Over the years banks liquidity dropped significantly which DBL needs to resolve.

Profitability ratios

Ratio	2019	2020	2021
Gross profit margin	21%	21%	30%
Net profit margin	8%	11%	14%
Return on Equity (ROE)	19%	22.2%	22.5%
Return on Assets (ROA)	0.57%	0.70%	0.63%
Return on Investments (ROI)	7.78%	9.34%	7.99%

The key ratios above shows us how DBL performed financially over the years to increase their profitability margins-

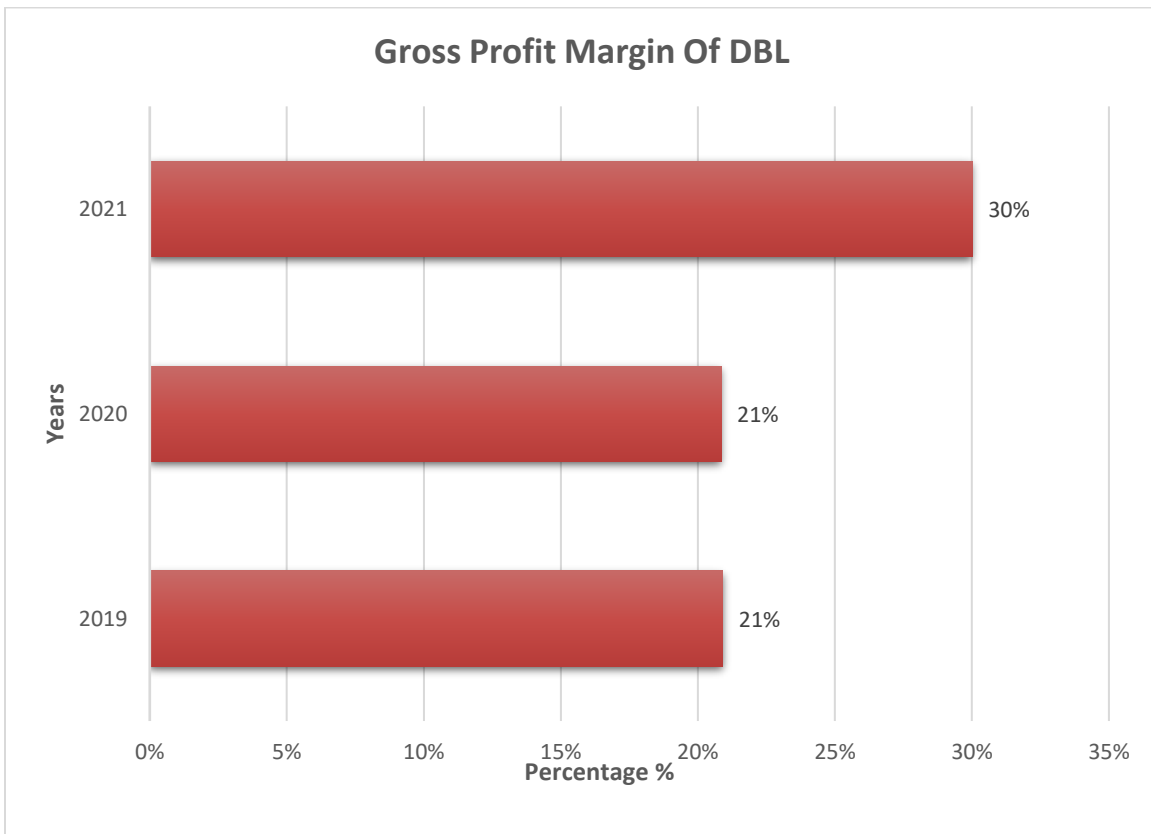


Figure 2: Gross Profit Margin

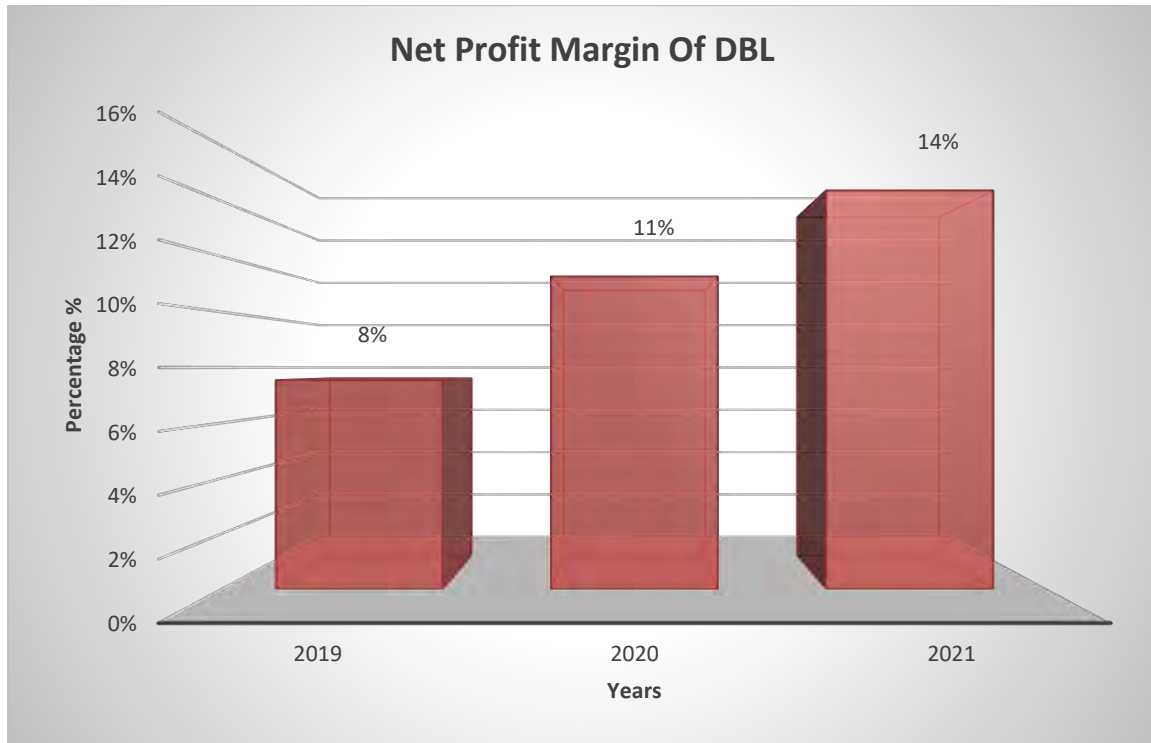


Figure 3: Net Profit Margin

- i. Gross profit margin- The gross profit margin is an important indicator of profitability as it helps us to figure out the financial health of DBL. In this case, DBL was able to improve their gross profit margin in 2021 by 9% from the previous subsequent years.
- ii. Net profit margin -The net profit margin is the key ratio as it shows us the profit generated by DBL as a percentage of their revenue. The company has a fair share of profit generation over the 3-year period, the highest being in the year 2021.

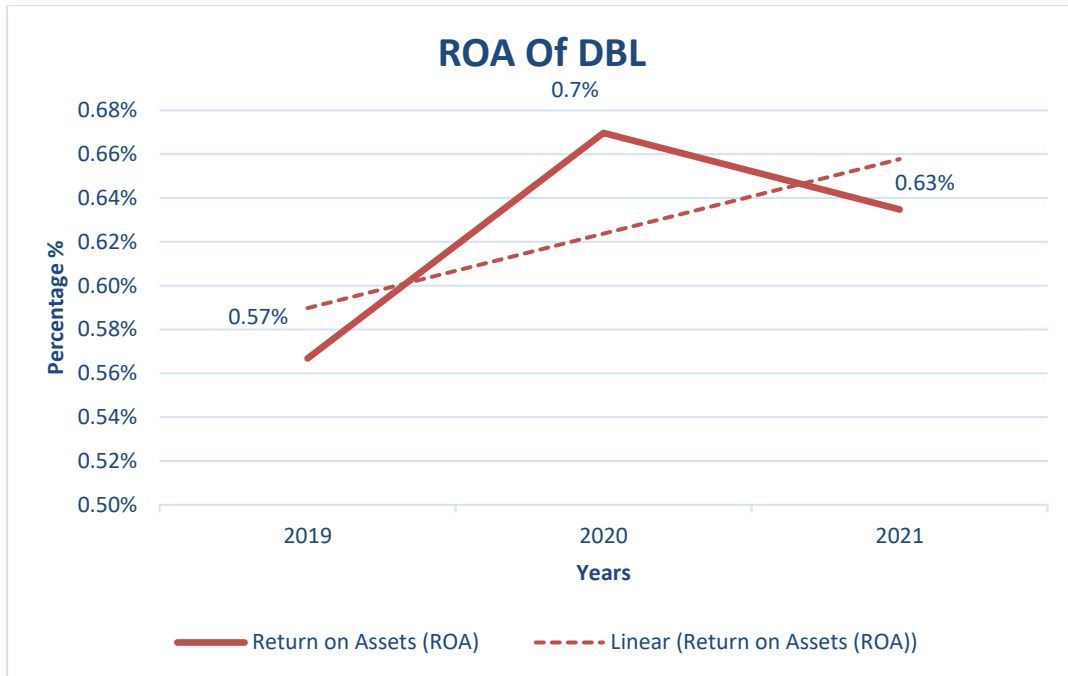


Figure 4: Return on Assets

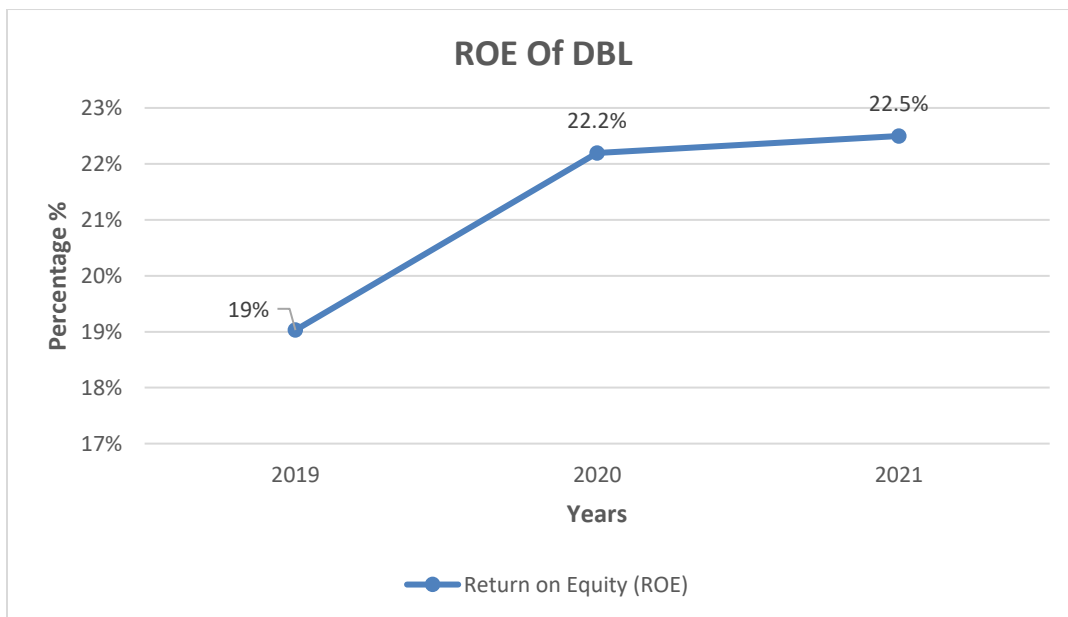


Figure 5: Return on Equity

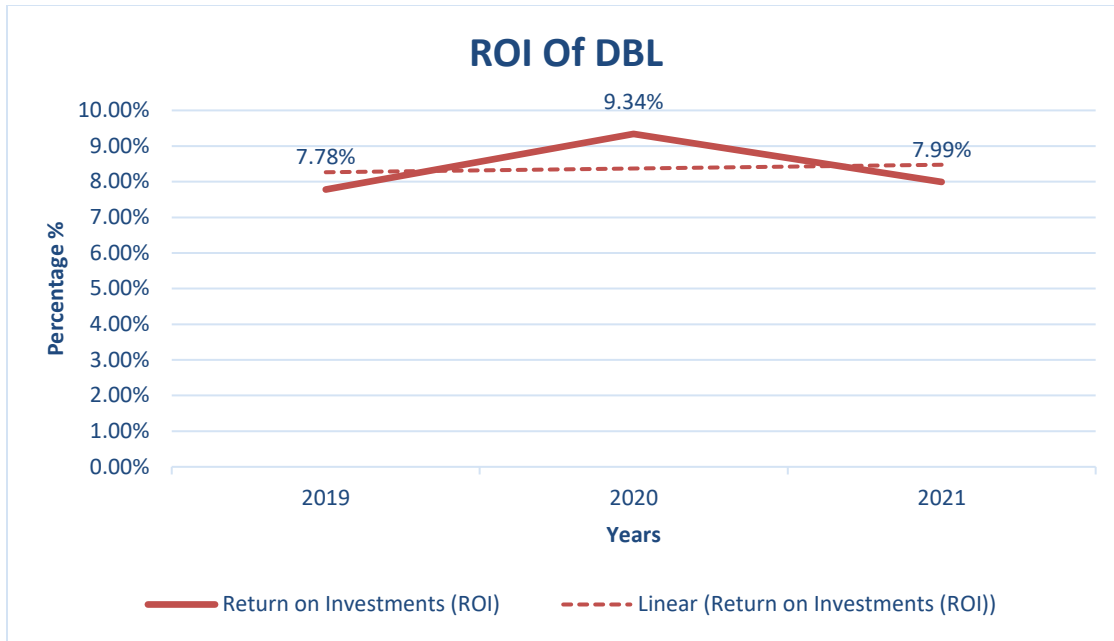


Figure 6: Return on Investments

- iii. Return on equity- The ROE ratio indicates whether DBL is efficient to convert their shareholders investment into profitable returns. We can see from the table above that DBL is being able to generate returns from their shareholders investments.
- iv. Return on assets- This ratio indicates whether DBL is able to generate revenue by utilizing their assets. From the analysis above, it can be interpreted that DBL is not very efficient in utilizing their assets to generate returns.
- v. Return on investments- The ROI ratio will determine how effective DBL is in making their investment choices. We can see DBL had gained positively from their investments over the years which is a good performance indicator. However, the return declined in 2021 which DBL needs to look at and get higher returns in the upcoming years.

Asset management/Efficiency ratios

Ratio	2019	2020	2021
Fixed Asset Turnover	4.23 times	2.0 times	1.66 times
Total Asset Turnover	0.08 times	0.06 times	0.04 times

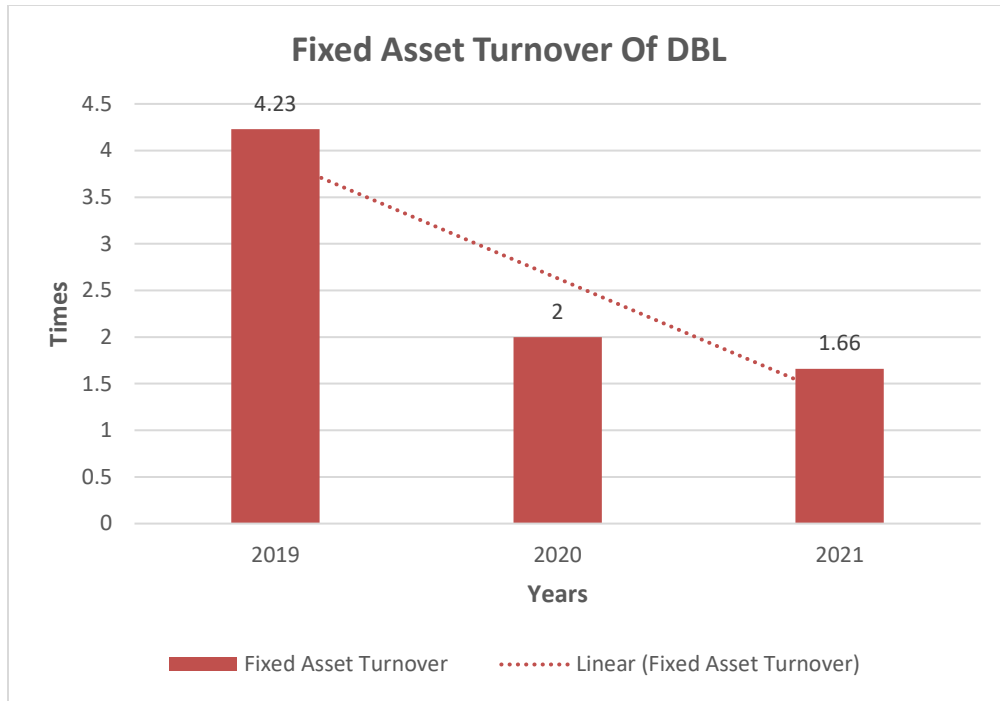


Figure 7: Fixed Assets Turnover

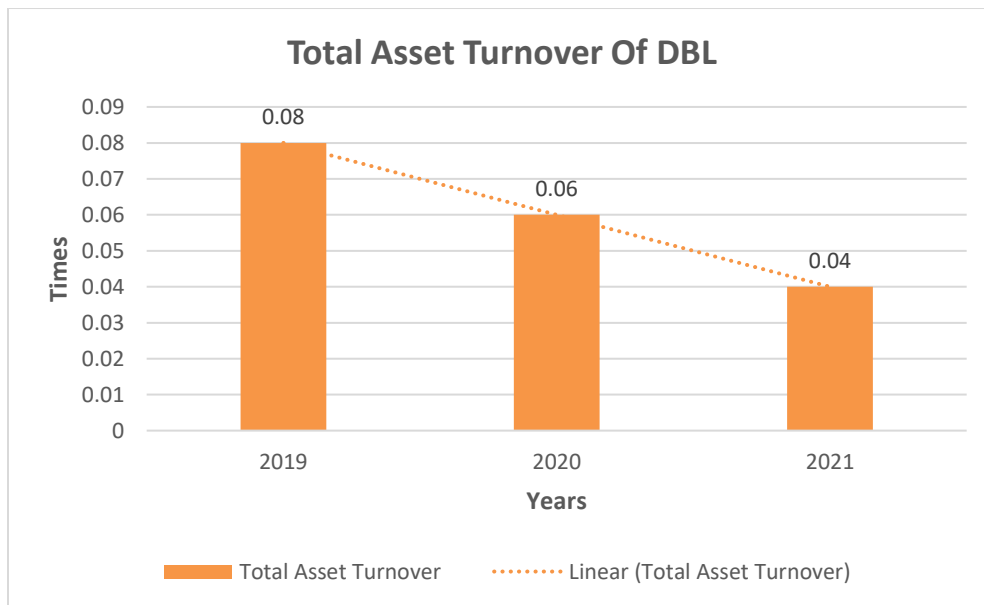


Figure 8: Total Assets Turnover

- i. Fixed Asset Turnover- This efficiency ratio indicates how efficiently DBL is utilizing its fixed assets to generate revenue. As we can see from the figure and the table that DBL efficiency declined in these 3-year period in utilizing their assets to generate revenues which is bad performance indication. As a result, it is important that DBL starts utilizing their assets more efficiently to generate higher revenue as the organization has the potential to do so.

- ii. Total Asset Turnover- This is a key indicator to the investors of DBL for analyzing the organization efficiency in utilizing their net total assets to generate sales. However, the analysis shows that DBL has not been able to utilize all their net assets to generate higher revenues. This will negatively impact the company’s performance from shareholder’s perspective.

Stock Market ratios

Ratio	2019	2020	2021
Earnings per share (EPS)	1.75 Taka	2.14 Taka	2.16 Taka
Price/Earnings	6.86 Taka	5.56 Taka	6.48 Taka

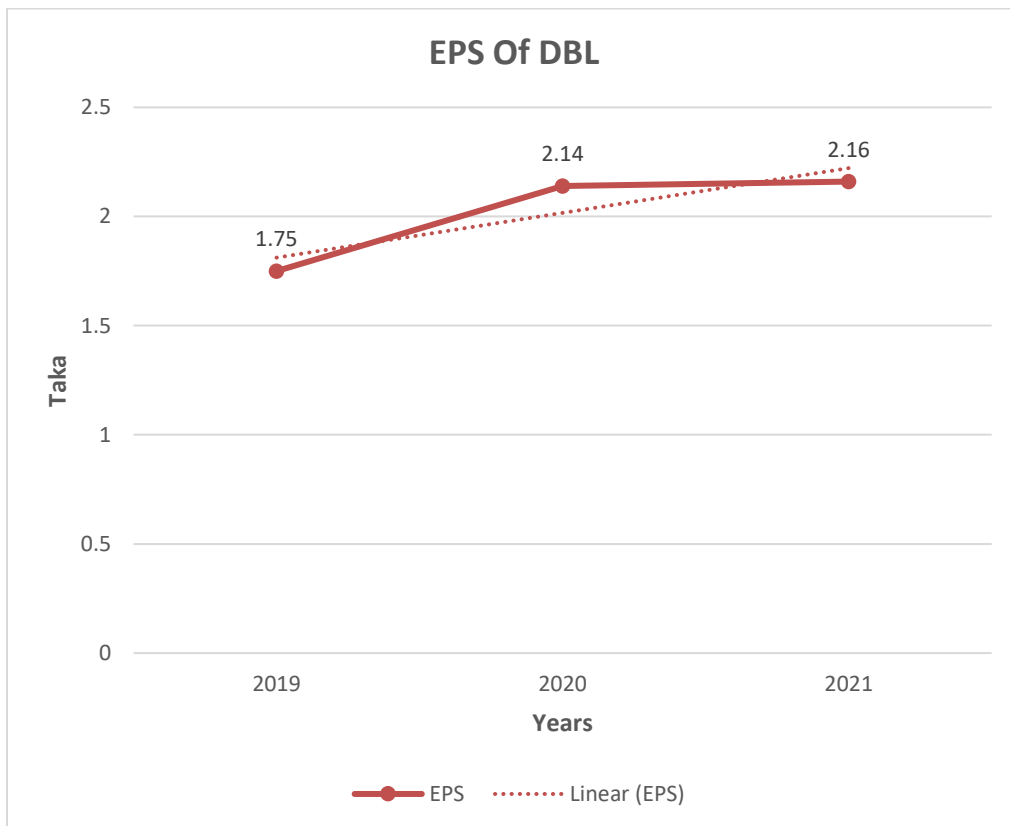


Figure 9: Earnings Per Share

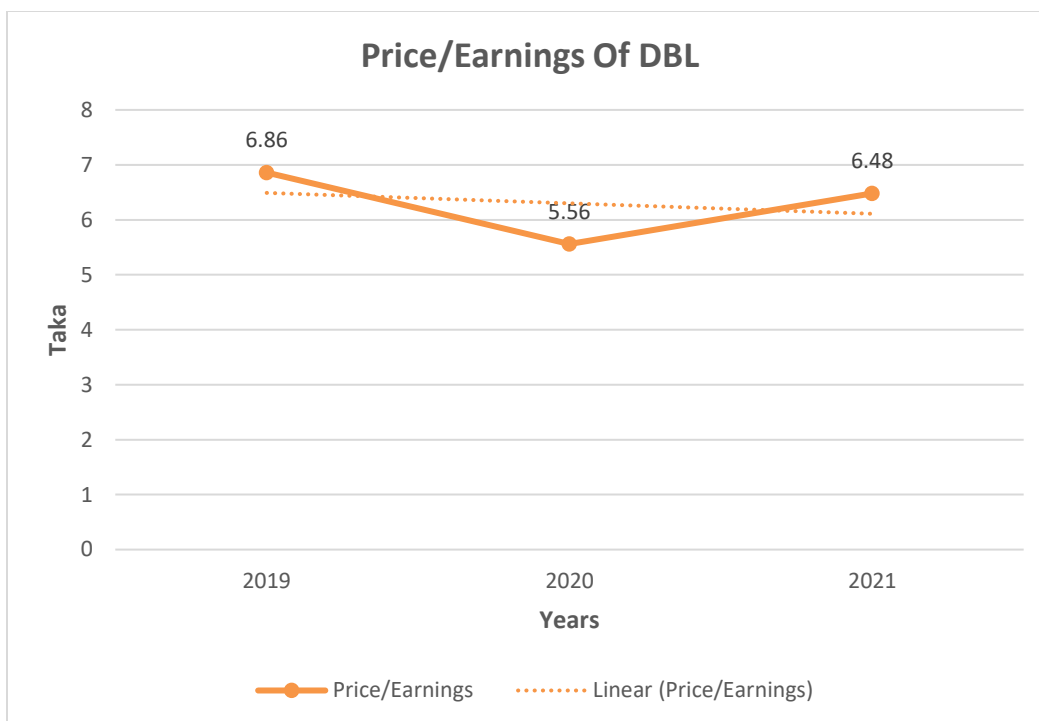


Figure 10: Price/ Earnings

- i. Earnings per share (EPS)- DBL’s profitability is indicated by the EPS ratio. As a result, higher EPS are always preferred by organizations. As we can see from the trendline in Fig-9 above that DBL was able to increase their EPS ratio over the 3-year period. This means they were generating higher profits and were able to distribute 2.16 taka per share which is the higher than all the other periods.
- ii. Price/Earnings- This ratio dictates the market’s willingness to pay for DBL’s stock as of today based on its future and current performance. Thus, Fig.10 helps us to understand that DBL P/E ratio fell significantly from 2019 to 2020. However, they were able to increase it again which is a good sign for the company and its shareholders.

Market Value Of DBL

Details	Formula	Calculation	Value in Taka
Market Value Added (2021)	Total Market Capitalization – Book Value (10*949624753)	13,294,746,542-9496247530	3,798,499,012
Market Value Added (2020)	Total Market Capitalization – Book Value (10*895872409)	10,660,881,667.10-8958724090	1,702,157,577

Market Value Added (2019)		10,238,541,828-	
	Total Market Capitalization – Book Value (10*853211819)	8532118190	1,706,423,638

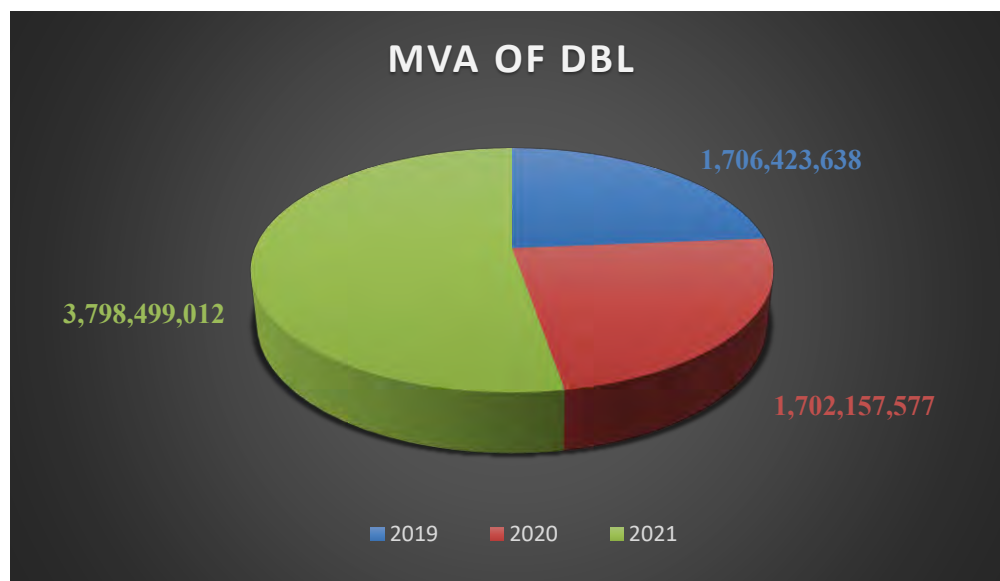


Figure 11: Market Value of DBL

- i. MVA- From the depicted pie chart above, we can understand that DBL’s MVA was the highest in the year 2021. As they were able to create the highest wealth for their stakeholders among these 3 years. This indicates that DBL was indeed efficient in increasing their shareholder wealth which is a good performance measure for the company.

2.5.2- Accounting Practices of DBL

Dhaka Bank financial statements are prepared in accordance to International Financing Reporting Standards (IFRS) which also includes International Accounting Standards (IAS) frameworks. They also fulfill the requirement of The Bank Company Act, 2013. In addition, they comply with the rules and regulation laid out by the Bangladesh Bank, the Companies Act, 1994. As a result, DBL follows both international standards and local laws/regulations to make their financial statements effective in demonstrating the performance of the organization. The specific regulatory compliance and standards with IFRS and IAS are shown below in the tables.

Regulatory Compliances Of DBL-

The following major laws and statutes are followed by DBL in their preparation of financial statements-

<u>Laws/Statutes</u>
The Income Tax Ordinance, 1984
The Companies Act, 1994
The Income Tax Rules, 1984
The Negotiable Instruments Act, 1881
The Value Added Tax and Supplementary Duty Act, 2012
The Value Added Tax and Supplementary Duty Rules, 2016
The Securities and Exchange Rules, 2020;
The Securities and Exchange Commission Act, 1993
The Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000
Other applicable laws and regulations

Table 1: DBL Compliance with Regulatory Laws

DBL's Compliance with International Financing Reporting Standards (IFRS)-

The following table below are constructed by gathering information from Dhaka Bank annual report 2021-

<i>Name of the Standards</i>	IFRS Ref.	Implementation Status by Bank
<i>Financial Instrument: Disclosures</i>	IFRS-7	Applied with some Departure
<i>Operating Segments</i>	IFRS-8	Applied with some Departure
<i>Financial Instruments</i>	IFRS-9	Applied with some Departure
<i>Consolidated Financial Statements</i>	IFRS-10	Applied
<i>Disclosure of Interest in Other Entities</i>	IFRS-12	Applied
<i>Fair Value Measurement</i>	IFRS-13	Applied with some Departure
<i>Revenue from contract with customers</i>	IFRS-15	Applied
<i>Leases</i>	IFRS-16	Applied

Table 2: DBL IFRS Compliance

DBL's Compliance with International Accounting Standards (IAS)-

The following table below are constructed by gathering information from Dhaka Bank annual report 2021-

Name of the Standards	IFRS Ref.	Implementation Status by Bank
<i>Presentation of Financial Statements</i>	IAS-1	Applied with some Departure
<i>Statement of Cash Flows</i>	IAS-7	Applied with some Departure
<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	IAS-8	Applied
<i>Events After the Reporting Period</i>	IAS-10	Applied
<i>Income Taxes</i>	IAS-12	Applied
<i>Property, Plant and Equipment</i>	IAS-16	Applied
<i>Employee Benefits</i>	IAS-19	Applied
<i>The Effects of Changes in Foreign Exchange Rates IAS-21 Applied</i>	IAS-21	Applied
<i>Related Party Disclosures</i>	IAS-24	Applied
<i>Separate Financial Statements</i>	IAS-27	Applied
<i>Financial Instruments: Presentation</i>	IAS-32	Applied with some departure
<i>Earnings Per Share</i>	IAS-33	Applied
<i>Interim Financial Reporting</i>	IAS-34	Applied
<i>Impairment of Assets</i>	IAS-36	Applied
<i>Provisions, Contingent Liabilities and Contingent Assets</i>	IAS-37	Applied
<i>Intangible Assets</i>	IAS-38	Applied

Table 3: DBL IAS Compliance

Accounting Methods-

- 1. Depreciation Method-** Fixed assets such as property, plant and equipment are stated at cost less accumulated depreciation in accordance to IAS-16. The company charges depreciation in straight line basis and the rate of depreciation for different assets are as follows-

Nature of Asset	Depreciation Rate
<i>Furniture and fixtures</i>	10%
<i>Computer equipment's</i>	20%
<i>Motor vehicles</i>	20%
<i>Software</i>	20%
<i>Office appliance and equipment</i>	20%

Table 4: Depreciation Chart of DBL

2. **Reporting Period-** Every year the organization reporting period starts from 1st January and ends at 31st December.
3. **Accrual Basis Method-** They record interest income (revenue) when it is earned regardless of the fact that cash is being received or not. The same is true for their expenses as well. Being a large organization accrual basis method is more suitable for them as it helps to recognize earnings over time.
4. **Full Disclosure Method-** The organization is subject to a full disclosure method as per IFRS. It is certified that Dhaka Bank management team has made all the necessary disclosures in their audited financial statements which accurately represents their income and expenses for any particular year.
5. **Auditing Report-** DBL believes their performance should have accurate reflection in their financial statements. Therefore, every particular year they are operating in the are audited in order to determine misstatement of values and materials. As a result, all the stakeholders and investor get a fair and true of the financial position of Dhaka Bank.

2.6 Operations Management and Information System Practices

2.6.1- Information systems

DBL is known for using information system technology for their banking services. Therefore, the company uses Oracle banking software to store every information about their clients in their database system. The software is highly secured, user-friendly for their employees. The software makes their employees highly efficient in performing certain queries and task in an instant for their clients. From opening accounts, relaying information about accounts to clients, cheque clearing process, authorization of different services and many more are completed through the software. They have a whole Digital Banking department comprised of professional IT individuals who are responsible for incorporating information technology in their day-to-day banking services.

The bank provides E-statement, E-advice through emails to their retail and corporate clients daily and monthly. This result in financial benefit for the company as courier and printer costs are not associated. Along with these, Dhaka Banks IT division has collaborated with numerous businesses to develop a state of art online banking technology. Their clients and retail customers are able to enjoy direct banking facilities because of their online banking technology. In addition, Dhaka Bank IT division also collaborated with bKash a renowned mobile financial service in the country to integrate a system which collects bKash distributors wallet payment in real time, and the distributors can easily increase their top-up balance for further e-Cash sale to bKash customers. DBL is committed to make their banking services easier to deliver and operate through the use of their information technology as it enhances the banks performance and growth.

2.6.2- Use of information technology in operations management-

According to DBL, as the world is revolutionizing with the use of information systems in their business operations. It is utmost necessary for them to incorporate these IT in their operations management to make their activities effective and efficient. They have implemented a handful of effective IT in their banking operations.

To start with, they have introduced Internet Protocol (IP) phone in their organization. The IP phone are basically used for voice communication via a IP network which is known as an IP phone. As a result, all internal communications within the organization are conducted through this IP telephone. This helps them to waive their normal telephone bill cost s and to be more effective in their cost management. Furthermore, all of their branches are connected by fiber links this makes communication between their individual employees and department almost an instant task where everyone is assigned a particular IP address to reach them.

Secondly, due to the country's Central Bank requirements DBL have implemented Electronic Fund Transfer (EFT) as well in their system. The EFT system is mostly used by Business Operations division for dividend and remittance processing. As a result, they have allocated this resource or EFT system to do a specific task efficiently.

Thirdly, they are also committed toward green banking activities. This means that DBL has incorporated a high-performance automated baking software e-mail for which no more manual banking is required. They want paperless banking and reducing the records of keeping hard copies rather than store all their information in their software and database systems. For this purpose, they have introduced Mobile-Banking, Internet Banking, ATM and ADM and e-statements. Moreover, DBL is planning to launch a revolutionary Solar power ATM operation.

In terms of quality management in their services, they are using the latest 21st century VIRTUALIZATION technology in their Data center server and application. With the help of this technology, their recourse management and scalability have significantly improved. Furthermore, they have initiated projects to reduce their network hardware redundancy at minimum levels through implementing auto switching between redundant hardware. They have significantly reduced their cost related to power, space and cooling. As a result, DBL is always motivated to spend more to advance their IT even further to attract huge pool of clients and gain maximum returns.

2.7- Industry and Competitive Analysis

There is fierce competition that Dhaka Bank faces in the banking industry of the country. As the country developed, many foreign commercial MNC banks have joined the market. Some renowned names of these MNC banks include HSBC, Standard Chartered Bank and many more. Since, the inception of DBL the industry has undergone major market changes due to competitive business landscapes which encourages DBL to incorporate more innovative approaches in their operations.

2.7.1 -Porter Five Forces Model

To analyze the attractiveness of the industry and assess the competitive environment of Dhaka Bank porter's five forces analysis will be conducted.

1. **Rivalry among competitors (High)** - The competitive scenario for DBL is high as the number of Private Commercial Bank (PCB) are only increasing in the country. As of 2021, it is reported that there are a total of 43 PCB operating in the country. Some notable competitors of DBL are Prime Bank Ltd, City Bank Ltd, Brac Bank Ltd, AB bank Ltd and many more. Furthermore, the exit barriers in the banking industry of the country is quite high. This is due to the fact that most of DBL competitors have been operating in the industry for ages and have injected huge resources in the industry. All of these make the rivalry between these banks quite fierce as they compete on every aspect of operational efficiency and products/services delivered to their clients.
2. **Threat of New Entrants (Low)**- The banking industry is already full of large and successful organization operating for years in the industry with huge experience in their belt. Moreover, over the years many large MNC's have also entered the market and the amount of capital and resources invested by these banks are in huge proportions. As a result, the capital requirements are just too high for new entrants to enter and sustain in the market. In-addition, there are many regulations and policies in place by Bangladesh Bank such as 400 crore of initial minimum capital is required to establish a bank in the country. Thus, DBL face very minimum level of threat from new banks who wants to enter the market.
3. **Threat of substitute products/services (High)**- The general services and products that are offered by DBL to their clients are similar in nature to their competitors. Thus, the services/product has very low perceived level of differentiation in the mind of their clients. As the competition in the industry is very fierce, it is only common that unique services provided by DBL lasts for a very short time before competition catches up to them. As a result, DBL faces great pressure of substitute products/services from their rivals.
4. **Bargaining power of clients (High)**- The clients of DBL have high bargaining power, this is because their services such as different types of loan, deposit schemes and many more are just like the other banks and difference only being in the interest rates charges. Thus, in terms of deposit whichever bank will provide high interest the clients will deposit their money in that bank. There is very little that the bank can do in such cases to shift client's preference. The same goes for loan schemes the clients will prefer banks that offer lower interest rates. It makes their clients switching cost to other banks at bare minimum which make their bargaining power high. Thus, the services/product that banks offer to their clients are very price sensitive as there are many substitutes bank which are willing to take in those customers.
5. **Bargaining power of suppliers (Low)**- DBL has many suppliers for different purposes like their equipment supplier, branch related decoration supplier and many more. However, their bargaining power is low because of the number of suppliers available in the market

for DBL to choose from. Thus, as DBL does not have contractual suppliers the switching cost for shifting between their preferred choice of supplier is very low. Therefore, their supplier cannot put pressure on them either by increasing pricing and availability.

2.7.2- SWOT Analysis

A SWOT analysis will be conducted to better understand the internal factors (strength and weakness) and external aspects (opportunities and threats) of DBL. By understanding the different internal and external aspects of DBL, it will help them to critically concentrate and make their strengths even stronger, work on weakness, leverage opportunities at the right time and reduce their vulnerability to threats.

Strengths

- Research and Development Unit- The R&D team of DBL task is to focus on the untapped banking needs of clients by developing new banking services and products, repackaging existing products and have a foresight of future developments within the bank which enhances the organization growth.
- Strong Corporate Culture- Following a democratic approach means their employees/officers are encouraged to work in teams and engage in decision making process which helps the organization to deliver premium services and products efficiently to their clients.
- Incorporation of IT services- Most of DBL services are conducted through their use of state of art modern software programs such as ORACLE. In addition, to deliver transaction related services they use EFT, RTGS and many more. For communication purposes within their employees, they use IP phone. All of these strengthens the organizations efficiency and help them achieve progressive growth.

Weakness

- Neglects branches with lower profits- DBL needs to concentrate on all their branches as every branch has potential to bring in significant benefits and growth towards DBL as a whole. Some branches of DBL are in poor conditions in terms of the equipment's being used. These things need to be handled for effective operations throughout the country.
- Scarcity of branches in rural areas- Even though DBL has around 109 branches all over the country, hardly any branches are located in rural areas to serve those clients. The branches are mostly located in urbanized areas of the country.

Opportunities-

- Increasing dollar rate- As we see a surge in the prices of dollar due to supply shortage, it is the perfect opportunity for DBL to leverage such a situation and sell dollar reserves that were bought before the crisis to clients and earn higher profits.
- Rise in LC demands- The demand for LC is only increasing but many banks don't have reserve to accommodate such transactions. As a result, bringing in the perfect opportunity for large banks such as DBL to get hold of these import clients and increase their profitability.

Threats

- Increase in foreign competition- The foreign competition in the banking industry is increasing as notable large foreign competitors such as HSBC and Standard chartered have entered the banking industry of the country. These banks have been a significant player in the banking industry of their own country and has expanded globally to increase their market share. As a result, DBL faces threats of losing market share from these large multinational organization.
- Defaulting loans- There have been many cases where DBL's disbursement of loan were defaulted by their clients. They need to ensure proper measure and policies are in place to recover the disbursed loan. As it hampers the profitability of the organization significantly.
- Depleting foreign reserve- Currently the Central Bank have seen significant reductions in their dollar reserve. As a result, it has negative effects on DBL in the form of losing potential client in services such as LC, Medical treatment, Cash dollar endorsement and Student file processing. Thus, it affects the liquidity of DBL and profitability margin.

2.8- Summary and Conclusion

To summarize in this chapter, I looked into the different aspects of DBL, starting from the company origin, management operations, marketing strategies, financial performances, the integration of IT in their business and analysis of industry competitiveness. From all the information presented in this chapter, I firmly believe that Dhaka Bank is a strong reputed brand in the banking industry, handling client's money and disbursing loan since its inception in the year 1995. With years of experience, they have become a veteran banking company in the industry and have strong corporate culture which have enabled them to achieve customer satisfaction. In the upcoming years, the company market share is only likely to grow which will further strengthen their dominance in the market.

2.9 Recommendations/Implications

For Dhaka Bank's further improvement in the industry, I have some few recommendations that they can implement in their business operations-

- Dhaka Bank should not neglect branches that are generating lower profits. This because every bank reflects the company image and instead, they should undertake proper measures in those branches and drive out the issues which is making the branch inefficient. In doing so, it will improve the growth prospects of the company as a whole.
- They should advertise their products/services in their branches to better reach the daily existing and new customers. During my internship tenure in Dhaka Bank, I have only seen a few advertisements and still not being effective in delivering the required message.
- From the financial analysis it can be seen that DBL is not being able to utilize their assets fully. It is very important that an organization is able utilize all its assets effectively to increase their profitability. As a result, they should get rid of assets which are adding any value to the organization but rather acting as a cost. This will positively boost the performance of Dhaka Bank's efficiency in utilizing their assets.
- Lastly, as the country is developing DBL needs to make their presence in rural areas before their competition capitalizes on it and makes them lose out on potential clients.

Chapter-3: Project Part

Topic- “Challenges in Trade Financing Due to Depleting Foreign Reserves During 2021 - 2022 and Its Impact on Bank Performance”

3.1- Introduction

The country is experiencing a depletion in its foreign exchange reserve due to several factors including Russia-Ukraine war, decrease in foreign remittance, settlements of intra-regional import transactions. According to New Age (2022), the FX reserves of the country came down to \$39.77 billion. This reduction occurred due to a payment bill worth \$1.99 billion that was made by the Central Bank of Bangladesh due to the import obligations. Within just a span of 10 months the FX reserves of the country dropped by \$8.29 billion weakening the import capacity of banks as well as the country as a whole, depicted in figure-1 below. Thus, such significant drops in reserve in such a short time affects the banking industry of the country in terms of not being able to issue Letter of Credits (LC) to their clients. It hampers the profitability and liquidity aspects of the banks as LC are an income source for the banks.

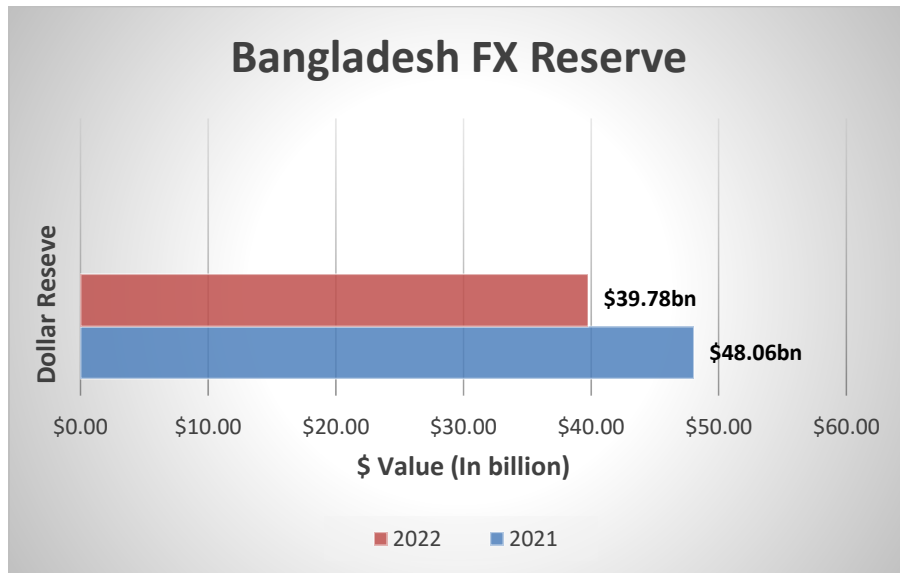


Figure 12: Graphical Representation of FX reserve of the country

The purpose of this research paper is to look at how such significant depletion in reserve has changed the banking industry in terms of them facing challenges in their dollar related trade financing and which in turn impacts their performance. The main trade financing variable we will look at is import bills (LC), but there are other challenges that the bank is facing in their dollar related trade financing such as cash-dollar endorsements, student file processing and medical treatments. As we progress through the research paper our understanding of the FX reserve situation in relation to banks will become stronger and then we may justify how the banks are being impacted by such ordeals.

3.1.1- Background/Literature review

The crisis that Bangladesh Bank is facing in its FX reserve which results in both public and private banks being affected is a recent issue at the time of this research topic. To justify how the research topic in this paper is unique, I have found the following scholarly paper and articles of different people who addressed the country's FX reserves.

The study conducted by Afrin, Waheduzzaman and Nabi (2014) on their topic "Demand for International Reserve of Bangladesh" have undertaken benchmark analysis of reserve adequacy. The result shows that the country has adequate foreign reserve in terms traditional indicators, but the levels are not too high considering the macroeconomic perspective of the country.

Uddin, Quaosar and Nandi (2013), have disclosed relevant findings on their study topic. They found that FX reserve are negatively correlated to exchange rate. This means that if the value of exchange rate increase, then the value of FX reserve will decline. Furthermore, the country's political instability also affects the value of currencies. Their research concluded that Bangladesh Bank (BB) needs to develop new mechanism and ways to ensure efficiency in the financial system of the country, build required institutions in the country to manage exchange rate volatility as it affects the FX reserve of the country.

In another study conducted by Alam, Hasan and Hoque (2021) looked at the impact of foreign reserve in economic growth of Bangladesh. Their findings said that there is a positive correlation between foreign reserve and economic growth of the country. A crucial mechanism for continuous macroeconomic growth of the country is the accumulation of FX reserve.

Chowdhury, Uddin and Islam (2014), in their research paper said that appropriate levels of FX reserve determine a country's strength internationally. Thus, if sound levels of FX reserves are not present within the country it is faced with devaluation of its currency. They believe that independent and professional behavior is required by the Central Bank and the government to create an environment of exchange rate stability and FX reserves.

Thus, it can be concluded that researches on accumulation of foreign currency reserve in perspective of the country have been done from decades. Although, there are some similarities with my paper in terms of them addressing the issues that financial system of the country might face if appropriate levels of FX reserve are not maintained. However, there is a research gap that I have found within these scholarly papers which is being addressed in my research paper which is the current scenario of depleting FX reserves and how it is impacting different trade financing activities of the banking sector in the country as there is no proper research on this specific issue.

3.1.2- Objectives of the Study

For this study, we will look at both the macro and micro levels of depleting reserves on the banking industry to have a better understanding of the situation. For micro level, we will look at how Dhaka Bank has been affected due to depleting foreign reserves in the country. On the other hand, on macro level we will look at how the banking industry has been affected by taking into consideration

the aggregate value for both the foreign reserve and import payment bills. Thus, the main objectives that will be focused on this chapter to shed light on the research topic and enhance our knowledge about the situation that banks are exposed to are-

1. The reason behind the depletion of foreign reserve in Bangladesh
2. The reserve adequacy of Bangladesh Bank (BB)
3. Finding linkages between balance of payment balance, exchange rate with foreign reserve of BB
4. To know the ramifications of depleting reserves on banks operational performance in terms of import payments (LC) and other activities
5. The impact on banks performance due to increasing import payments
6. The factors that Dhaka Bank has implemented to protect themselves from this crisis
7. Develop a regression model on macro level perspective to better understand the relationship between foreign reserve and import payments

3.1.3- Significance of the Study

The issue that is being addressed in this research paper is of significant matter to the banking system of the country. This is because a strong economy is a sign of a powerful banking system (Haider,2020). As a matter of fact, a managing director of a private banks already reported that around 22 to 23 banks are already out of dollar reserve to finance their LC liabilities (Dhaka Tribune, 2022). Furthermore, the Executive Director GM Abul Kalam Azad said that there have not been any instructions given by Bangladesh Bank to stop opening LCs despite the dollar shortage (Dhaka Tribune, 2022). This impacts a bank's foreign liquidity reserves to support different categories of clients ranging from business, medical treatment, student file processing and many more. These categories of clients are lost business opportunities that the bank could have capitalized on. Therefore, it is a significant issue that needs to be addressed for which this study aims to look at the factors that are responsible for depletion for FX reserve and how the banking industry is being impacted with some possible recommendations and solutions for the rising concern.

3.2- Methodology

For the purpose of conducting this research, the types of data I have used are based on both qualitative and quantitative data.

Qualitative Data

In terms of qualitative data, I have interviewed a handful of employees at my internship organization in the preparation of this report such as Muhammad Shakawat Hosen (FVP & Manager Operations at Dhaka Bank), Md. Rajesh Islam (Senior Principal Officer at Dhaka Bank), Md. Mahmudur Rahman (Principal Officer at Dhaka Bank) and few other employees. The nature of the information received from the interview process was very informative but a more quantitative approach through the interview process was not viable due to the company's policies of not revealing confidential information and hard to get hold of said people. Furthermore, during

my tenure in the organization I have observed key conversations between employees and clients which gave me insights on critical information regarding this research paper. The credibility of the observations was further confirmed upon my interview with the said people mentioned. In addition, other sources of qualitative data that were used include descriptive information that are available on the internet in the form of articles, journals, research papers and case studies.

Quantitative Data

In order to complete the research, different quantitative data were collected as well. Firstly, Dhaka Bank's multiple year annual report were used and analyzed to collect statistical data to understand the performance of the organization overtime by looking at their different components of financial statements and ratios. Furthermore, a regression model was also developed to understand the relationship between the independent variable "foreign reserve" and the dependent variable "import payments" which are part of the research topic. It helped us identify the statistical significance between these two variables. The data frequency that was used for the regression model comprises of annual time series data for the period of 1990-2021. It was used to extract meaningful statistics from the variables in study.

3.3- Findings and Analysis

3.3.1- Reasons behind the depletion of foreign reserve

There are a number of factors that needs to be taken into considerations before judging the reasons behind Bangladesh Bank (BB) declining foreign reserves within a short span of time. According to IMF(CNBC,2023), the country's economic recovery from the pandemic has been interrupted because of Russia-Ukraine war, which led to deficit in the current account balance of the country, resulting in a depreciation in Taka and consequently the FX reserve of the country. The developing countries such as Bangladesh has been hit hard because of western international sanctions imposed on Russia. The county imports energy sources from abroad due to the war the cost of such energy sources have shot up as a result the debt financing for which foreign reserve are used for settlement is only increasing. Additionally, taka was already under pressure against dollar even before the war broke out, further worsening the situation when the war started as it lost its value by 25% against US dollar (Daily Star, 2023). This resulted in an increase in the cost of imports for a developing nation which relies heavily on external sources for goods. Thus, current account deficit due to rising import cost because of the war resulted in BB losing FX reserve.

Secondly, BB official said that there has been a continuous decline in the amount of inward remittance in the country which only adds to the concern when FX reserve itself is getting squeezed (Financial Express, 2022). Although, the country has sent a record number of workers abroad, still the amount of remittance did not see expected increase. Thus, as remittance is not significantly contributing towards the FX reserve of country it continues to shrink even more.

Lastly, as the country relies heavily on import the BB have participated in import bills worth billions of dollars in The Asian Clearing Union. According to NewAge (2022), after the import

settlement the country FX reserve dropped by almost \$2 billion. These type of import transactions put a lot of pressure on squeezing the FX reserve out of the country, especially when remittances are not contributing enough to compensate. According to Uddin (2022), a further depletion of reserve will have macro-economic ramifications on the country which is already under pressure from surging import bills and inflation.

3.3.2- Reserve adequacy of Bangladesh Bank (BB)

The import capacity of BB has been weakened within just a span of 10 months. This is because of a significant fall in the amount of FX reserve of Bangladesh Bank. According to IMF, the gross international reserve of BB stands at \$27.5 billion as per international statistics (Daily Star,2022). However, BB's spokesperson GM Abul Kalam Azad told The Daily Star that as of 2022 the country's reserve position stands at \$34.24 billion. As a result, it is hard to determine the accurate reserve of the country and their adequacy. However, following the official information on foreign reserve available in BB website even with higher reserve than what was stated by IMF the adequacy of FX reserve is not in a good position for the country. This is because the BB's FX reserve have dropped to an all-time low in 21 months. According to New Age, when BB had FX reserve of \$48.06 billion in 2021 it had the ability to make import payments for more than 9 months. However, according to experts at the current reserve capacity of BB it can only clear import bills for less than 6 months. This indicates that the reserve adequacy of BB has sharply declined as import bills have risen to historical heights of \$75.4 billion in the FY21-22 but even an increase in the growth of export earnings in the country is not being able to hold foreign reserve eroding from high import bills.

3.3.3- Linkages of BOP, Exchange rate with foreign reserve of Bangladesh Bank (BB)

The trade balance deficit in the country widens for which FX reserves slides further down. According to Haroon and Hassan (2022), the Balance of Payment (BOP) deficit has risen nearly to \$3.45 billion which causes further stress on the BB's declining reserves. The account under BOP which largely contributed to the deficit of trade balance is the current account which had nearly \$3.6 billion in deficit despite the surplus in the capital and financial account, thus, it could not compensate for the deficit in current account. Furthermore, it is speculated that BOP deficits are likely to increase in the upcoming quarters due to high import payment bills. These deficits in trade balance means BB have to resort in settlements of these deficits which causes strain on their reserves (Financial Express,2022). The figure below depicts the deficits and surplus on different account of the country's BOP.

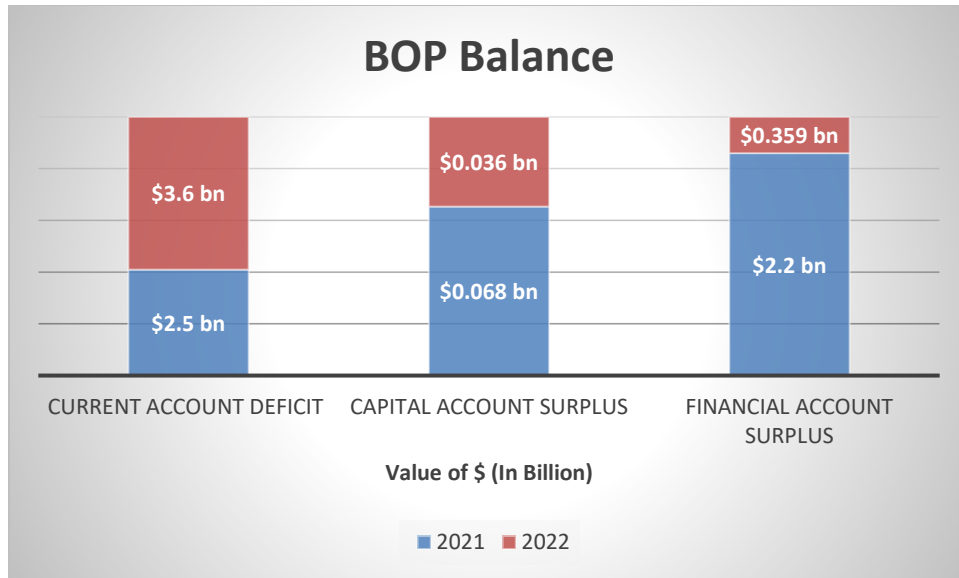


Figure 13: Graphical Representation of different BOP accounts for the FY21-22

From the figure above, we can deduce that even though the capital and financial account recorded surplus in the year 2022 but there was a significant decline in the amount of surplus that it had incurred in the year 2021. The financial account surplus had fallen from \$2.2 billion to \$359 million only. This is a huge deficit in the amount of surplus between FY21-22. This additional deficit in the amount of surplus also contributed to sliding FX reserve for Bangladesh Bank.

In the wake of dollar appreciation and depreciation of taka has also affected the FX reserve of the country. According to Uddin (2022), the weakening of taka against dollar means cost of purchasing dollar denominated goods and resources have increased such as huge price increases in cotton, energy and etc. Thus, many companies in the country need to purchase these dollar denominated goods which puts negative pressure on FX reserve due to the weakened value to taka against dollar. In an article in The Financial Express (2022), it is stated that the value of taka has dropped by around 10% on the forex market. Similarly, the exchange rate value went from Tk.84.8 to Tk.93.45 within just a span of 10 months just like the decline FX reserve (NewAge,2022).

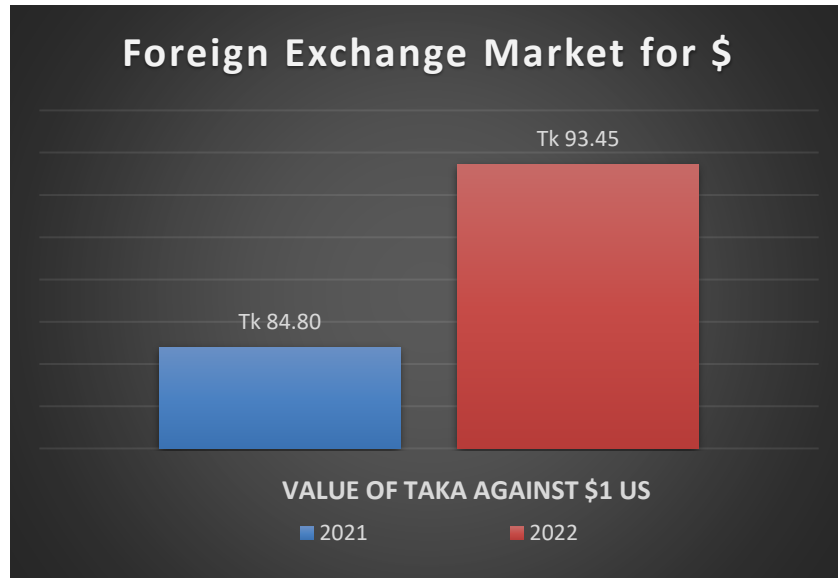


Figure 14: Foreign Exchange Market of \$

From the figure above, we can easily see and understand the sharp rise in the exchange rate for purchasing dollar in the country. Thus, such sharp increase within just a short period of time has negatively impacted the FX reserve of the country.

3.3.4- Impact of declining reserve on banks trading activities (Dhaka Bank Ltd)

The Bangladesh Bank (BB) is the governing body for all public and private banks in Bangladesh. Thus, all private banks including Dhaka Bank rely on their regulatory body which is BB for operational purposes. This includes following different policies laid out by BB and more specifically for this research paper relying on FX reserve provided by BB to all the other banks. According to Modak (2022), number of private banks in the country including Dhaka Bank have requested BB for US dollar support to meet the cost of importing goods of daily necessities. The request was approved by BB. However, an official of the BB stated that the private banks requested the Central Bank to start opening LCs and the request was declined by BB because of the FX reserve situation in the country and the global trend (Business Standard, 2022). The managing director of a private bank stated that every bank in the country has become cautious in their LC openings because of not having the adequate foreign reserve to make future payments which in turn hamper the image of private Bangladeshi banks on a global atmosphere of being unable to make payments on time. However, according to ABB chairman and BRAC Bank MD and CEO Selim RF Hussain, the state-owned banks is getting continued dollar support from reserve as private banks are struggling with shortages in dollar to support their LCs. Meanwhile, public banks are opening LCs to import on given commodities by BB but private banks are restricted reducing their profitability margins (Business Standard,2023).

The interview with my organization supervisor who is the FVP and Manager Operations at Dhaka Bank helped me to get some insights on how Dhaka Bank is being affected due to this declining reserve. He stated that LC is one of the major trading activities in Dhaka Bank which requires

dollar to finance has been halted to a bare minimum because of inadequate reserve. Due to this, Dhaka Bank is losing clients who rely on them for LC openings and also any new clients are lost business opportunities for Dhaka Bank. Furthermore, he emphasized that LCs are a great source of income for Dhaka Banks. Thus, as per BB policy, Dhaka Bank has halted its LC openings which is affecting the bank as they could have capitalized and made higher profits in those fiscal years. He added, that LCs are not the only problems that they are facing in financing their trading activities which requires FX reserve but also other activities such as Student file processing, Cash dollar endorsements and medical treatments. All of these hampers the profitability aspects and liquidity of Dhaka Bank.

Furthermore, through my personal observations during the assigned period in my internship company. I have noticed and acknowledged situations where a client requested Dhaka Bank for student-file processing to send \$2000 to his child living abroad but was only offered \$500 instead, and LC related clients were getting rejected on a daily basis. Thus, it can be concluded that Dhaka Bank is indeed struggling to finance their client’s dollar related transactions which is affecting their performance.

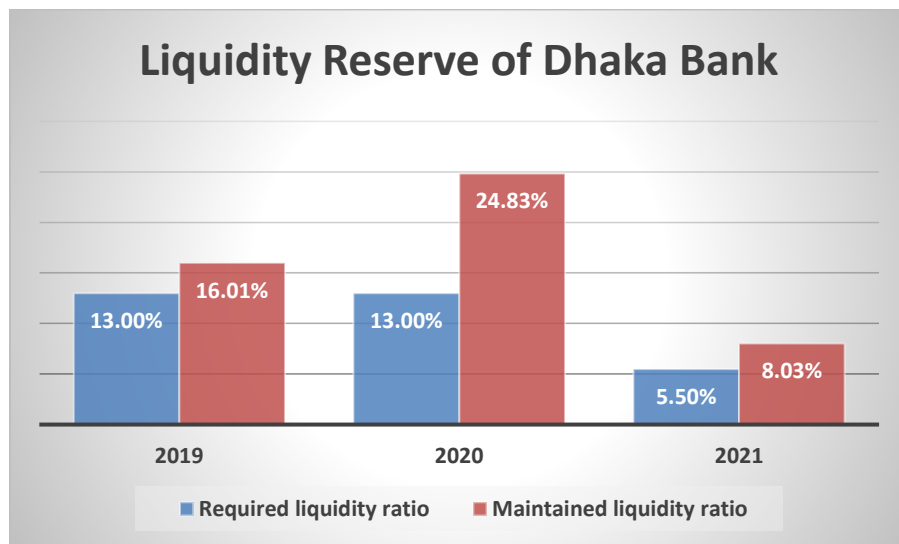


Figure 15: Liquidity Position of Dhaka Bank

For our better understanding the Figure 4 above clearly indicates the decline in DB reserve as the situation of depleting reserve in the country was right around the corner. Thus, when it hit in the year 2021 their liquidity position was also hampered which is clearly represented from the sharp decline from 13% to 5% only. Although, the DB was efficient in maintaining more reserve than what is required in all the years but the sharp drop in 2021 raises concern for the bank officials.

3.3.5- Impact of increasing import bills on banks performance

In the fiscal year 2021-22, Bangladesh imported \$83.68 billion of goods in the form of LCs (bdnews24). This is a massive jump of 46 percent from the previous fiscal year which has put a lot of pressure on the BB reserve capacity. As we know, BB backs up all the banks in the country

for their reserve demand. Thus, such massive increases meant the country had lost a lot of reserves which resulted in a dollar crisis in all the banks in the country. As a result, many banks including Dhaka Bank was instructed by BB to halt their LC openings until further notice. This meant that banks were unable to generate any profit from their dollar related trade activities due to not being able to open LCs. This had indeed impacted the banks performance as they could have earned a higher profit if import bills had not rose up so sharply which subsequently affected BB dollar capacity. Moreover, banks were not only losing profits from LCs but also other dollar related trade financing activities were not being able to be met by the banks such as Cash dollar endorsements, student file processing and etc. All of these activities were conducted at a bare minimum in the banks which resulted in banks losing out on generating higher profits from their trade activities. To conclude, increased import bills were indeed affecting a banks performance in terms of them losing out on business opportunities.

3.3.6- Measures taken by Dhaka Bank amidst the shortages in foreign reserve

Amidst the dollar crisis in commercial banks such as Dhaka Bank is facing difficulties not only in declining new LC openings but settling previous LC agreements. According to Rahman (2022), the amount of foreign currency held by commercial banks in the country has plunged by 13.5% within just four months. This shows the severity of crisis of not being even able to open LCs for essential goods. The banks are not being able to meet their own demands due to the collapse of interbank foreign exchange market (NewAge,2022). The crisis was further elevated when BB decline to even sell FX reserves to the private commercial banks. As the banks in the country are bound to follow any action the BB takes, it is obvious there is nothing much they can do about the situation if the regulatory bodies don't take actions to solve the crisis before it's too late.

Furthermore, settlement of huge amounts of previous LCs has made Dhaka Bank fall into a dollar deficit. Thus, they are bound to delay import payments which is hampering the image of Dhaka Bank on a global atmosphere. In-addition, BB officials stated that at least 21 private commercial banks with negative balance in their foreign currency reserve is struggling with the already issued LCs. As a result, there is nothing much Dhaka Bank can do to protect itself from this severe crisis if BB is not implementing proper policies and regulations to control the situation the banking industry might collapse. The only measure DBL took was to follow directives given by BB which is to decline LC openings even if it is hampering their business prospects and wait until the situation comes under control. The BB is trying to reduce the import payments by enabling LC openings of only essential goods from which many commercial banks like DBL have been restricted. However, DBL is operating normally in their day-to-day operations and simply rejecting LC openings which is the only measure they can take to protect their inadequate dollar reserve.

3.3.7- Regression Analysis

Simple Linear Regression Model:

The regression model that will be used for the analysis is simple linear regression model to justify the relationship between the independent variable which is “foreign reserve” and the dependent variable which is “import payments”. The hypothesis for the regression model is as follows-

Null Hypothesis, H (0)-There is no linear relationship between foreign reserve and import payments

Alternate Hypothesis, H (1)- There is a linear relationship between foreign reserve and import payments.

Through the regression test we want to accept our alternate hypothesis (H1) and reject our null hypothesis.

Equation for the regression mode: $Y=m.X+b$

Where, Y= Import payments (Dependent variable)

m= slope of the line

X= Foreign reserve (Independent variable)

b= Intercept

The following equation will be put to use for the regression test.

Regression Statistics	
Multiple R	0.95765331
R Square	0.917099863
Adjusted R Square	0.914336525
Standard Error	6.245768634
Observations	32

Table 5: Summary Output of Regression Test

Results Summary in Table:5

The number of observations or data points that were used for the test are 32 starting from the year 1990-2021. If we look at the Multiple R value, we can determine the correlation and coefficient value of the variables in test. It basically tells me how strong the linear relationship is, so we can observe a value of 0.95 which indicates a strong linear correlation between import payment and foreign reserve.

For the coefficient of determination, we can observe R square which is how much variance the import payments (Y) can be accounted for by the foreign reserve (X). In this case, the value we get is $0.91 \times 100 = 91\%$, so it can be said that 91% of the variance in import payments can be accounted for by the foreign reserve. The other 9% variance in import payment is caused by other factors.

The standard error for the regression test is 6.25 when rounded off, this means that on average the observed values were \$6.25 billion from the regression line.

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	12946.5609	12946.5609	331.881186	0.000000000000000090295
Residual	30	1170.288775	39.00962583		
Total	31	14116.84967			

Table 6: ANOVA

Results Summary in Table:6

From the ANOVA table, we observe the Significance F column which is the P value in order to interpret our hypothesis. As we know, if the P value is ≤ 0.05 we accept the Alternate hypothesis (H1) and reject the Null hypothesis (H0) and the opposite is true when P value ≥ 0.05 . In this case, we can see the P value is considerably lower than my alpha value of < 0.05 . Thus, it can be concluded that the linear regression model in this test is significant as we can reject our Null hypothesis and accept our Alternate hypothesis which is “There is a linear relationship between foreign reserve and import payments”.

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>

Intercept	7.14690 2584	1.45896 6896	4.89860 5035	0.0000310159981 7	4.1672 9468	10.126 5105	4.16729 4677	10.1265 1049
Foreign Reserve	1.47023 4344	0.08070 4035	18.2176 0649	0.0000000000000 000090295	1.3054 1472	1.6350 5397	1.30541 4717	1.63505 3971

Table 7: Coefficients

[Results Summary in Table:7](#)

The coefficients table will help us test our regression equation which is-

$$Y=m.X+b$$

$$Y (\text{Import Payments}) = 1.47*X +7.15$$

So, for example if foreign reserve is measured \$10 billion then the equations estimates that-

$$Y= 1.47*10+7.15$$

$$Y= \$21.85 \text{ billion}$$

Thus, the equations provide me with a prediction of Y dependent variable which is the import payments, that if the foreign reserve is \$10 billion then the predicted import payments will be \$21.85 billion.

The hypothesis to interpret the P value in this table are as follows-

Null Hypothesis H (0) -The slope or intercept = 0

Alternate Hypothesis H (1)- The slope or intercept \neq 0

Decision- As we can see that both the P value is less than my alpha of 0.05, we can reject the null hypothesis and accept the alternate hypothesis to conclude that foreign reserve is indeed a significant variable that impacts or influences the import payments.

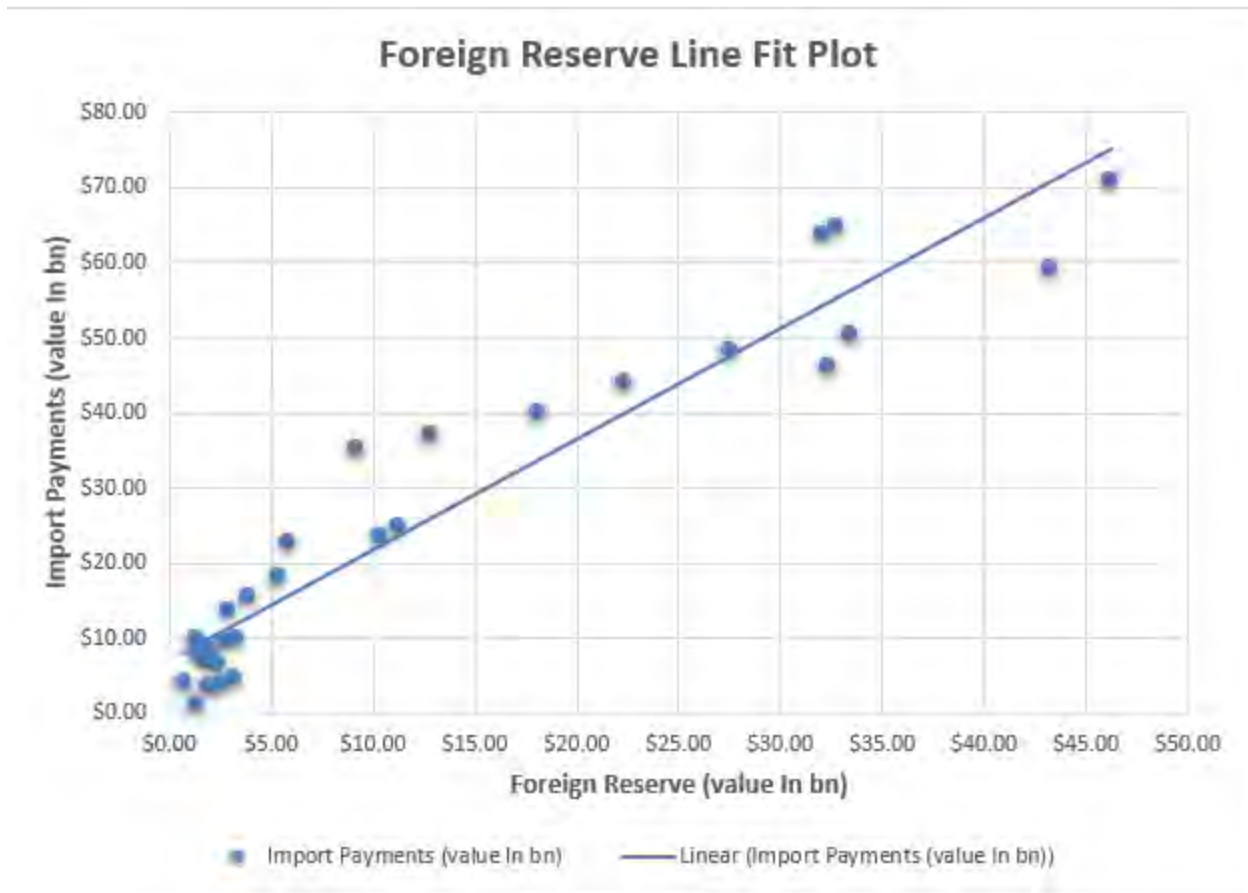


Figure 16: Line of Best Fit

To express the relationship between foreign reserve and import payments in a scatter plot diagram the line of best fit is used to scatter different data points. We can see from the figure that most of the points are closer to the line of best fit which means that there is a strong positive correlation between the two variables.

Multiple Linear Regression Model:

In this regression model, another independent variable has been introduced to test whether a positive relationship still exist between the variables in study, if Gross domestic product (GDP) is introduced as a third independent variable. The following variables are-

Y= Import payments (Dependent variable)

X= GDP (Independent variable)

X= Foreign reserve (Independent variable)

The hypothesis for the test is-

Null Hypothesis, H (0)-There is no relationship between foreign reserve, GDP and import payments

Alternate Hypothesis, H (1)- There is a positive relationship between foreign reserve, GDP and import payments.

<i>Regression Statistics</i>	
Multiple R	0.203477504
R Square	0.041403095
Adjusted R Square	-0.022503366
Standard Error	0.36781012
Observations	33

Table 8: Summary Output of Multiple Variable Regression Test

[Results Summary in Table:8](#)

To determine the correlation and coefficient value of the variables in test, we can observe the Multiple R value which is 0.20 so it can be said that there is a weak relationship between the variables GDP, foreign reserve and import payments.

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	0.175293327	0.087646663	0.647870252	0.53032285
Residual	30	4.058528531	0.135284284		
Total	32	4.233821858			

Table 9: Multiple Regression Model ANOVA

[Results Summary in Table:9](#)

From the Anova table we can see the P value of 0.53 which is >0.05 so we have to accept our null hypothesis and reject our alternate hypothesis. Thus, it can be concluded that the regression model

in this test is insignificant as we have to reject our alternate hypothesis and accept our null hypothesis which is “There is no relationship between foreign reserve, GDP and import payments”.

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.215024828	0.118175643	1.819535919	0.07882289	-0.026322034	0.456371689	-0.026322034	0.456371689
% Change in GDP	-0.292060655	0.935990166	-0.312033893	0.757173225	-2.20360759	1.619486279	-2.20360759	1.619486279
% Change in foreign reserve	-0.25971828	0.228714132	-1.135558515	0.265132361	-0.726814851	0.207378292	-0.726814851	0.207378292

Table 10: Coefficients of Multiple Variables

Results Summary in Table:10

The hypothesis to interpret the P value in this table are as follows-

Null Hypothesis H (0) -The slope or intercept = 0

Alternate Hypothesis H (1)- The slope or intercept \neq 0

Decision- From the table we can see that the P value is greater than my alpha of 0.05, so we need to accept our null hypothesis and reject the alternate hypothesis to conclude that the independent variables (foreign reserve and GDP) does not impact or influence the dependent variable (import payments). Furthermore, we can see a negative value in the coefficients column which further indicates that the independent variables GDP and foreign reserve have negative correlation with dependent variable import payments for which they tend to move in the opposite direction.

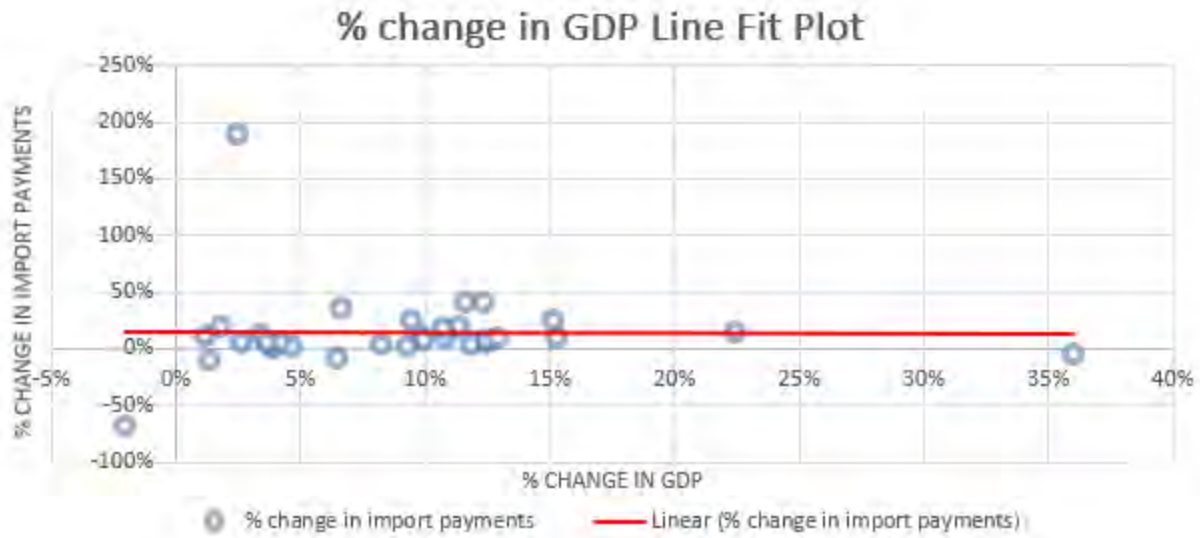


Figure 17: GDP Line of Best Fit

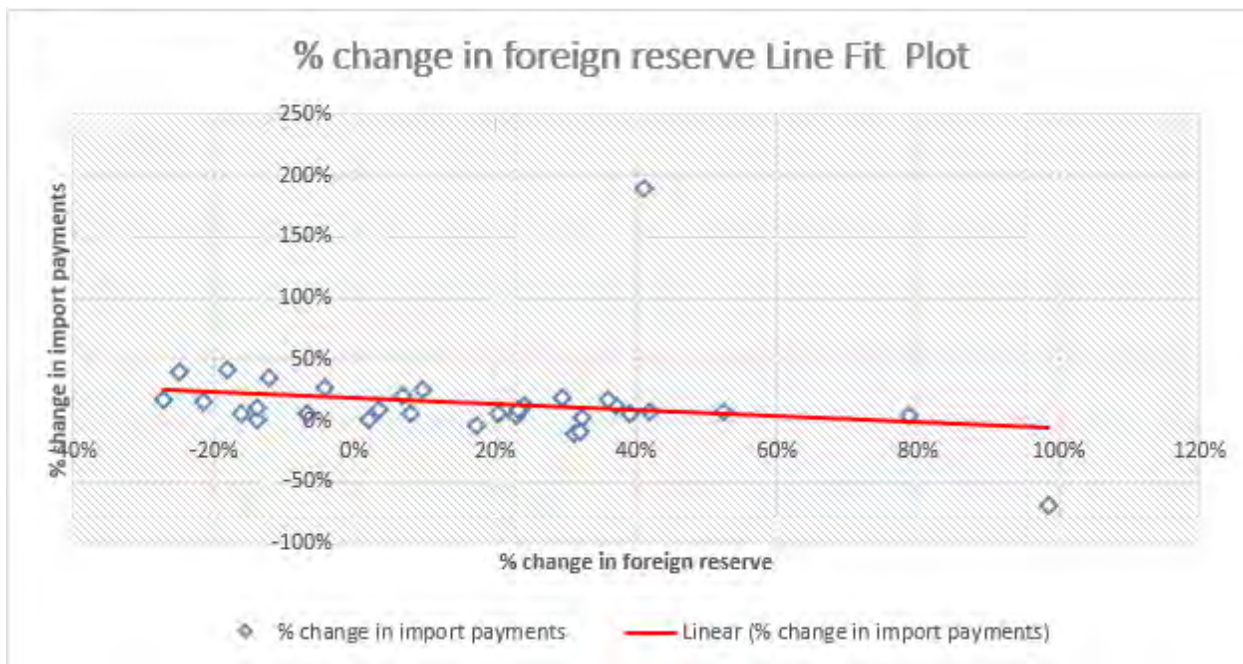


Figure 18: Foreign reserve Line of Best Fit

From both the figures above, we can clearly see that the pattern of data points is trending downwards from left to right. Thus, the scatterplot diagrams show us that if the independent variables increases then the dependent variable decreases which means there is a negative or inverse relationship between the variables in study.

Justifications for the Regression Models:

For simple linear regression model, positive relationship between foreign reserve and import payments is due to the fact that if foreign reserve increases it will obviously positively influence import payments. As the capacity of foreign reserve for Bangladesh Bank is increasing, they have the ability to import more and subsequently address the higher import payment bills. Thus, a positive increase in foreign reserve will influence the import payments positively and they move in the same direction.

On the other hand, in the multiple linear regression model introducing a third independent variable GDP, we saw a negative relationship between the independent variables (foreign reserve and GDP) and the dependent variable (import payments). This is because a positive change in GDP and foreign reserve might not immediately positively impact import payments. There is a lag effect that needs to be considered where the positive relationship will occur but at a future year when all things adjust accordingly. Thus, the negative relationship between the variable will be converted to a positive relationship due to lag effect in the future.

3.4- Summary and Conclusions

To summarize this chapter was aimed to analyze the trade financing issues that banks or in this case my internship organization (Dhaka Bank Limited) are facing due to the depletion in FX reserves. We looked at how the situation is affecting the industry in both macro and micro level perspectives. Through our study we identified the reasons behind the depletion of the FX reserve in the country due to factors such as Russia-Ukraine war, intra-regional import transactions and decreases in foreign remittances. We then looked at the adequacy that BB has in their foreign reserve which helped us determine that their foreign reserve depletion has hit an all-time low which has cut down their ability to settle these import bills. In addition, we linked how the country's BOP and exchange rate has influenced the FX reserve in the country. From which we saw that significant current account deficit, fall in surplus of financial and capital account has indeed influenced the FX reserve in the country. The exchange rate appreciation of dollar has also negatively influenced the FX reserve in the country by making dollar denominated resources and goods more expensive. After that, we found out the difficulties that Dhaka Bank is facing in their trading activities such as primarily for LC openings and other activities include cash dollar endorsements, student file processing and medical treatments due to declining reserves. Furthermore, we saw the measures that Dhaka Bank implemented to protect themselves from this crisis in FX reserve situation, in the form of simply declining to open LCs for their clients which has in turn affected their image and profitability margin. Lastly, we developed a regression model to test the relationship between the variable in study and the analysis helped us to state that there is indeed a relationship between foreign reserve and import payments which is further depicted through their P value and correlation test which has resulted in the banks inability to support dollar related trade financing activities due to depleting reserves.

To conclude, the scenario of declining FX reserve is a major concern for the banks of the country. This is because a strong economy is a sign of a powerful banking system (Haider,2020). The Executive Director GM Abul Kalam Azad said that there have not been any instructions given by Bangladesh Bank to stop opening LCs despite the dollar shortage (Dhaka Tribune, 2022). As a result, it only worsens the situation as more depletion in currency reserve will completely put a stop to opening LCs by the banks. As a result, it is a significant issue that needs to be addressed and calls for the BB to take adequate actions to protect the banks from facing such crisis which will result in a collapse of the banking industry.

3.5-Recommendations/Implications

As we know that Bangladesh Bank (BB) is the governing body for the banking industry of the country. Thus, it is the responsibility of BB to take adequate measure and protect the banking industry. The country's Central Bank is government controlled and they need to be independent to implement proper policies and regulations to control and further restrict such situation arising in the future. According to Paul (2023), a Central Bank that is independent can maintain non-inflationary money supply, ensure responsible borrowing by the government, credible currency value which will in turn ensure macro-stability within the country. The economy of US, New Zealand and European countries have independent Central Banks to ensure this stability within the banks and the country as a whole (DailyStar. 2023). Furthermore, the Central Bank of the country has overestimated their reserve to IMF which is stated by an IMF official (Business Standard, 2021). This shows the unprofessional manner by the Central Bank of a country as they did this overestimation by including non-reserve assets in the performance and risk analysis of foreign reserve. Furthermore, despite declining reserves in the country there was not any instructions given by Bangladesh Bank at the appropriate time to stop opening LCs to the banks which resulted in a further crisis. The safety of all banks in the country include Dhaka Bank rely on the hands of BB and if they are not analyzing threats and potential risk and taking actions at the right the banks in the country are to suffer. As a result, it is highly recommended that BB becomes independent and takes corrective actions and put in right policies and measure at the appropriate time to protect the banking industry which is the lifeline of the economy so that no further crisis in FX reserve arise in the future of a developing nation.

Appendix

1. Ratio Calculations of Dhaka Bank Limited				
Ratio	Formula	2019	2020	2021
Liquidity Ratio	current assets/current liabilities	266866696512/ 232010128237	277254309525/ 238235983176	262148818638/ 274536307119.00
Current Ratio		1.15 times	1.16 times	0.95 times
Profitability Ratios				
	Gross Profit / Sales	4,505,063,622/ 21,539,337,422	3,677,100,147/ 17,631,263,869	4,460,394,692/ 14,857,899,527
Gross Profit Margin		21%	21%	30%
	Net Income/ Sales	1,623,569,365/ 21,539,337,422	1,988,104,861/ 17,631,263,869	2,136,468,496/ 14,857,899,527
Net Profit Margin		8%	11%	14%
	Net Income/Total assets	1,623,569,365/ 286,437,025,931	1,988,104,861/ 296,855,685,063	2,136,468,496/ 336,570,895,815
Return on Assets (ROA)		0.57%	0.70%	0.63%
	Net income/Common equity	1,623,569,365/ 8,532,118,190	1,988,104,861/ 8,958,724,090	2,136,468,496/ 9,496,247,530
Return on Equity (ROE)		19%	22.2%	22.5%
Asset Management/Efficiency Ratios				
	Sales/Net fixed assets	21,539,337,422/ 5,087,739,886	17,631,263,869/ 9,033,037,264	14,857,899,527/ 8,974,910,455
Fixed Asset Turnover		4.23 times	2.0 times	1.66 times
	Sales/Total assets	21,539,337,422/ 286,437,025,931	17,631,263,869/ 296,855,685,063	14,857,899,527/ 336,570,895,815
Total Assets Turnover		0.08 times	0.06 times	0.04 times
Stock Market Ratios				
	Net Income/Total Number of Common Share Outstanding	1,571,362,018/ 895,872,409	2,029,990,568/ 949,624,753	2,055,727,658/ 949,624,753
Earnings per Share (EPS)		1.75 Taka	2.14 Taka	2.16 Taka
	Price per share/Earnings per share	12/ 1.75	11.9/ 2.14	14/ 2.16

Price/Earnings		6.86 Taka	5.56 Taka	6.48 Taka	
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2. Data sheet of FX reserve and Import Payments for Regression test

Yearly	Import Payments (value in bn)	Foreign Reserve (value in bn)
1990	\$4.13	\$0.66
1991	\$1.31	\$1.31
1992	\$3.79	\$1.85
1993	\$3.92	\$2.45
1994	\$4.68	\$3.17
1995	\$6.58	\$2.38
1996	\$7.60	\$1.87
1997	\$7.63	\$1.61
1998	\$8.06	\$1.94
1999	\$8.53	\$1.63
2000	\$9.06	\$1.52
2001	\$10.10	\$1.31
2002	\$9.06	\$1.72
2003	\$9.76	\$2.62
2004	\$10.23	\$3.22
2005	\$13.89	\$2.83
2006	\$15.63	\$3.88
2007	\$18.27	\$5.28
2008	\$22.87	\$5.79
2009	\$23.73	\$10.34
2010	\$25.11	\$11.17
2011	\$35.37	\$9.17
2012	\$37.27	\$12.75
2013	\$40.14	\$18.09
2014	\$44.13	\$22.32
2015	\$48.28	\$27.49
2016	\$46.19	\$32.28
2017	\$50.47	\$33.43
2018	\$63.76	\$32.03
2019	\$64.92	\$32.70
2020	\$59.18	\$43.17
2021	\$71.02	\$46.17

3. Data sheet of GDP, FX reserves and Import Payments for Multiple Regression Test

Yearly	% Change in GDP	% Change in foreign reserve	% Change in import payments
1989	10%	24%	12%
1990	-2%	98%	-68%
1991	2%	41%	189%
1992	5%	32%	3%
1993	2%	29%	19%
1994	12%	-25%	41%
1995	22%	-21%	16%
1996	4%	-14%	0%
1997	4%	20%	6%
1998	3%	-16%	6%
1999	4%	-7%	6%
2000	1%	-14%	11%
2001	1%	31%	-10%
2002	10%	52%	8%
2003	8%	23%	5%
2004	7%	-12%	36%
2005	3%	37%	13%
2006	11%	36%	17%
2007	15%	10%	25%
2008	12%	79%	4%
2009	12%	8%	6%
2010	12%	-18%	41%
2011	4%	39%	5%
2012	12%	42%	8%
2013	15%	23%	10%
2014	13%	23%	9%
2015	36%	17%	-4%
2016	11%	4%	9%
2017	9%	-4%	26%
2018	9%	2%	2%
2019	6%	32%	-9%
2020	11%	7%	20%
2021	11%	-27%	18%

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