

Report On

Foreign Exchange Activities: A Study on SouthEast Bank
Limited

By

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

BRAC Business School
Brac University
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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:

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19104057

Supervisor's Full Name & Signature:



4/Nov/2023

Sayla Sowat Siddiqui

Assistant Professor, BRAC Business School
BRAC University

Letter of Transmittal

Sayla Sowat Siddiqui
Assistant Professor
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of internship report.

Dear Madam,

By the blessing of Almighty, I am submitting my practicum report, which is a required component of the BBA programme. It has been a pleasure working under your superb direction to complete this report.

Reference was made for this study to Foreign Exchange Activities Are Crucial to a Bank's Financial Performance: Research on SouthEast Bank Limited. During my internship of three months' duration, I spent time at SouthEast Bank. This internship gives me hands-on experience in the financial industry, which is invaluable. During that time, I picked up a lot of knowledge about the inner workings of banks. In addition, I saw firsthand how a bank handles FX transactions. I've learned a lot about corporate culture from this position. Through this internship report, I will be able to examine the effect of foreign exchange activities on the organization's efficiency. As a result, I'm crossing my fingers and hoping for the best that you'll look over my internship report and provide me with your honest feedback.

Sincerely yours,

Afifa Rahman

19104057

BRAC Business School

BRAC University

September 20th, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between SouthEast Bank Limited and the undersigned student at BRAC University Afifa Rahman (ID 19104057).

Acknowledgement

First of all, I am very much grateful to Almighty Allah for giving me the opportunity to work as an Intern at SouthEast Bank Limited and prepare this internship report within the deadline.

I am so grateful to my supervisor Dr.Sayla Sowat Siddiqui who is an assistant professor at BRAC Business School. And my co supervisor Dr. Md. Emamul Hoque who is an assistant professor at BRAC Business School,It is an amazing experience for me to prepare this internship report under their excellent guidance . Moreover, I give thanks to the officials of my organization who helped me a lot to prepare this report, especially my on-site supervisor Farida Akter Ame who is a senior officer at SouthEast Bank Limited.

Executive Summary

Southeast Bank Ltd is one of the prominent banking sectors, renowned for their contributions to both the domestic and international money markets. Their products are helping them expand rapidly towards their ultimate goal: a brighter tomorrow. The modern economy of Bangladesh relies heavily on international trade, making the Southeast Bank an indispensable institution. Because they are exceptionally proficient in foreign exchange and are always striving to enhance themselves in this area. This paper details the ways in which SEBL's excellent business practices and consumer goods contribute to the health of the American economy. Banks that deal in foreign exchange are the unsung heroes of any country's economy. It's true that we don't get to witness their efforts firsthand, but rest assured that they are always at work behind the scenes. For importers and exporters, Foreign Exchange's Letter of Credit (LC) processing is a crucial service. Additionally, they facilitate both international and domestic money transfers, as well as the local currency conversion procedure and related services. My pre-internship impression of the banking industry was very different from my current one. If a closer look is taken, opening an LC entail little more than compiling a few documents and submitting them. In reality, after completing the paperwork, hardly much time is saved. The bank must first transmit the required paperwork to Bangladesh Bank for further verification before sending it on to the branch, at which point swift will be updated with the relevant information in order to open the LC. I was able to learn a lot and get invaluable experience from my superiors, which will serve me well in my future career.

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Chapter 1

Overview of Internship

1.1 Student Information

Name: Afifa Rahman

ID: 19104057

Program: BBA

Major-Finance, Minor-Human Resource Management

1.2 Internship Information

1.2.1 Period, Company name, Department, Address

Period: 90 Days

Company Name: SouthEast Bank Limited

Department: General Banking & Foreign Exchange Department

Address: 3rd floor, Asa Tower, Shyamoli, Dhaka-1207

Internship Company Supervisors: Farida Akther Ame

Designation- Senior Officer, Accounts Department, SouthEast Bank Limited

1.2.3: Job Scope-Job Responsibilities

- Contributing to the officers' account opening efforts
- Confirming the applicant's National Identity Number.
- Cross-Checking files and dates on them.
- Marking papers with Senior's seals.
- Making copies of files.

1.3: Internship Outcomes

1.3.1: Students Contribution to the Bank

I have been a trustworthy individual. I assisted them with account opening documentation in the bank's general banking department at the outset. For example, opening a bank account requires providing all the required information. Second, I verified the validity of each applicant's social security number. I informed the officer as soon as I discovered a problem with the NID number. Lastly, I also contributed to the foreign exchange section. Cross checking dates on files, marking them with seals was part of that. Last but not the least, making copies of files.

1.3.2: Benefits to the Student:

SouthEast Bank Limited provided me with a fantastic internship opportunity. Everything from creating bank accounts to verifying clients' NID numbers to real-time gross settlement to issuing savings instruments to clearing checks was covered in detail, and I took away a wealth of knowledge. In addition, I picked up some knowledge about how the Foreign Exchange Department operates. This experience allowed me to gain first-hand knowledge of

the international trade banking industry. As a consequence of my prior work in areas such as LC document classification, checklist development, and file administration, I have a solid grounding in trade finance practices and the associated documentation standards. In the bank, I witnessed organizational behavior firsthand. This training will undoubtedly serve me well in the future should I ever find myself in a banking position.

1.3.3: Problems-

While I was performing my internship, I encountered a few problems. When registering a Fixed Deposit account, for instance, I noticed that many customers did not include information about their job duties or salary. Finally, there was a time when some people eagerly awaited the arrival of their debit cards. They should have been called when the card arrived, but instead they went to the branch. It can be challenging to deal with certain customers.

1.3.4: Recommendations-

- Provide a desk or computer to interns
- Mentoring the new interns in the beginning of their internship, depending on the assignment.
- Providing ID Cards to the interns so customers can recognize interns.
- Do not expect a new intern to know financial terms and file names immediately.
- Having Upgraded Computers.
- Their servers go down most of the time which needs to be fixed.

Chapter 2

2.1: Organizational Information

2.1.1: Historical Background

Southeast Bank Limited has been around since 1995, making it one of the oldest and most venerable private sector commercial banks in Bangladesh. To further liberalize the banking industry and encourage private sector engagement in financial services, the government established the bank. The banking sector in Bangladesh also went through major changes in the mid-1990s when the country's economy was liberalized. Southeast Bank was established in response to the market's demand for a forward-thinking, client-focused financial organization, hence the name "bank with a difference." Its founding principle was to fulfill the changing financial demands of businesses and individuals with fresh, customer-centric approaches to banking. Through the years, Southeast Bank has worked hard to fulfill its mandate of providing trustworthy banking services. To better serve its many customers, from individuals to small and medium-sized businesses to large corporations, the company has increased its branch network and widened its product selection. The bank's dedication to quality has helped it gain prominence and credibility in Bangladesh's banking sector. There wouldn't be any thriving commercial sector or expanding economy without the contributions of Southeast Bank. Southeast Bank has expanded its services beyond domestic banking to include international banking, including a full suite of trade finance and foreign currency options. As a result, the bank's standing in the international financial market has improved. Southeast Bank has come a long way, adapting to new circumstances and embracing new technology to increase productivity. Southeast Bank Limited has been a

major driver in the growth of Bangladesh's banking industry and economy thanks to its hard-working employees and customer-first focus.

2.2: Overview of the company

The Southeast Bank was founded by prominent businessmen and eminent industrialists with diversified interests in the national economy. They established the Bank with a vision to provide Bangladesh's citizens and business community with professional and efficient banking services to aid in the development of the country's economy. Mr. Alamgir Kabir, FCA, a Chartered Accountant by trade, currently serves as Chairman of the Bank. Mr. Shahid Hossain, a young and distinguished Bangladeshi financier of 30 years of age, is the managing director of the bank. The Bank's operations are founded on an unwavering dedication to sound corporate governance. Creating, promoting, and expanding the company's long-term value is the objective. The Bank's top priority is to maximize customer satisfaction by delivering efficient services. Harmony and cooperation are highly esteemed qualities within the Bank. We take considerable pride in the fact that the Bank has identical public and private faces. Transparency in decision-making, a monitoring mechanism, and complete disclosure to shareholders and regulatory authorities are essential components of the Bank's corporate governance, and they create intense pressure to rationalize the Bank's services and seek out new competitive advantages, in our view. The Bank is managed by a competent group of professionals who work tirelessly within these parameters. They generate a culture of trust and discipline that encourages everyone in the Bank to work collaboratively to achieve the institution's goals. The Bank's culture of fostering a pleasurable work environment has enabled them to meet management's expectations more effectively. Since its inception, Southeast Bank's identity has been defined by a dedication to quality and service excellence;

the bank has succeeded in realizing the visions of its creators. Today, it is one of the most prominent private banks in the country, contributing a significant contribution to the national economy.

2.2.2: Mission

Providing immediate and accurate customer service, business ethics of the finest caliber, and innovative banking at a competitive price.

- Superior financial services with cutting-edge technology
- Excellence in Customer Service / Prompt Customer Service.
- Long-term development strategy.
- High standards of ethics in commerce.
- Consistent return on shareholder capital.
- Innovative finance at a reasonable cost.
- Attraction and retention of high-quality personnel.
- Corporate Social Responsibility Commitment

2.2.3: Vision

To be Bangladesh's preeminent bank and a significant contributor to the national economy.

2.2.4: Core values

Core values refer to the individual's ethical principles or ideas that guide their decision-making processes, establishment of relationships, and resolution of problems. The process of

identifying one's personal values can be crucial in the development and achievement of both personal and professional ambitions. Core Values of SEBL are-

- Justice
- Integrity
- Respect
- Teamwork
- Cooperation
- Dedication
- Work Enthusiasm

2.2.5: Core Strength

- Transparency and efficiency in decision-making
- Impressive group of performers
- Delighted Customers
- Internal management
- Expert Risk Management

2.2.6: Core Competencies

A comprehension of-

- Proven Expertise and Knowledge
- Customer-Focused Attitude
- Transparency
- Determination
- Dedication to progress
- Implementation of a disciplined growth strategy
- Reliability

2.2.7: Commitment Towards customer-

SEBL claims that their Bangladeshi bank is a cutting-edge, customer-focused establishment.

They have offices all around the country and serve consumers, micro, small, and medium businesses, as well as large corporations, universities, and governments. The needs of emerging markets are also prioritized in commercial activities. Guarantees made to customers are as follows:

- Provide service with a high degree of professionalism and cutting-edge tools.
- Build a long-lasting trusting relationship with them.
- Be quick to and accurate in meeting the needs of customers.
- Join them in their ideals and principles.
- Grow as fast as our thriving clientele does.
- Should offer competitive pricing for goods and services.

- The valuables of our customers will be protected by them.

2.2.8: Achievements

Certificate of Incorporation was issued on March 12, 1995.
Certificate of Commencement of Business was issues on March 12, 1995
License for Bangladesh Bank on March 23, 1995
First Branch inaugurated on 25 May 1995
2005 dividend proposed 20%
31 branches as of 31 December 2006
Number of Employees 913 as of December 31, 2006
Global Correspondents 507 as of December 31
2006 DSE & CSE Listing of Shares

Table 1 Achievements

2.2.9: Company Profile-

Name of the Company: Southeast Bank Limited

Legal Status: Public Limited Company

Date of Incorporation: March 12, 1995

Registered Office: Eunoos Trade Centre 52-53, Dilkusha C/A (Level 2,3 & 16), Dhaka 1000

Chairman: Mr. Alamgir Kabir, FCA

MR. A.H.M MOAZZEM Hossain DIRECTOR MR. M. KAMAL HOSSAIN DIRECTOR

Line of Business: Banking (both Conventional and Islamic Banking)

Net Income: 5.43 billion TK.

Date of Opening of First Branch: May 25, 1995

Year of Initial Public Officer: 1999

Stock Exchange Listing: April 10, 2000 (DSE) and April 24, 2000 (CSE)

No. of Foreign Correspondents: 791 Phone: 9571115 (Hunting) Fax: 9550086, 9550093 & 9563102 SWIFT: SEBDBDDHXXX E-mail: info@Southeastbank.com.bd

Website: <http://www.Southeastbank.com.bd> Name of the Bank 's Subsidiary Companies:

Southeast Bank Capital Services Limited Southeast Financial Services (UK) Limited

Southeast Financial Services (Australia) Pty Limited

2.3: Management Practices

2.3.2: Corporate Governance

Transparency and openness are fostered by good corporate governance, which also serves to protect and grow shareholders' wealth. Promoting competent and logical management that can lead to long-term success and providing transparency into how businesses make decisions are two of corporate governance's primary goals. Southeast Bank Ltd. is a licenced financial institution and abides by all applicable laws of the Bank Company Act-1991 (Amended up to

2018) and the Companies Act-1994 (Amended up to 2020). Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018, and Notification No. BSEC/CMRRCD/2006-158/208.Admin/81 on financial reporting & disclosure, dated June 20, 2018, were issued by the Bangladesh Securities and Exchange Commission's has developed its Corporate Governance in accordance with all aspects of Bangladesh Bank's circulars & directives and the revised Corporate Governance Code (CGC). Achieving sustainable growth and reinforcing the trust of the company's stakeholders are essential tenets of the company's approach to Corporate Governance's does not believe in traditional banking. It attempts to increase and maintain its market share in the secluded banking sector regarding two categories of control strategies:

- Forward Feed Control
- Feedback Management

- Some characteristics of SEBL's management practices are listed below:
- Planning
- Organizing
- Directing
- Staffing
- Controlling

Board of Directors:

Mr. Alamgir Kabir, FCA Chairman
Mrs. Duluma Ahmed Vice Chairperson
Mrs. Jusna Ara Kashem Director
Mrs. Rehana Rahman Director
Mr. Md. Akikur Rahman Director
Mr. M. Maniruz Zaman Khan Director (Nominee of Bay Leasing & Investment Ltd.)
Mr. Nasir Uddin Ahmed Director
Mr. Md. Rafiqul Islam Director (Nominee of Asia Insurance Ltd.)
Ms. Anjuman Ara Shahid Director [Nominee of Single Click IT Solution (Pvt.) Ltd.]
Mr. Syed Sajedul Karim Independent Director
Mr. Mohammad Delwar Husain Independent Director
Mr. Nuruddin Md. Sadeque Hussain Managing Director

Table 2 Board of Directors

Committees of Board Director:

Name of Committees	Chairman	Member
Executive Committee	1	5
Audit Committee	1	3
Risk Management Committee	1	3
Shariah Supervisory Committee	1	6

Table 3 Committees of Board Director

2.4: Marketing Practices

Marketing Strategies at Southeast Bank Limited:

SEBL has a diverse marketing strategy to promote its banking services, attract new clients, and retain existing ones. Their marketing strategies aim to build brand awareness and promote the bank's products. A look at SEBL's marketing:

1. Brand Positioning: SEBL has made a positive brand image. The bank emphasizes customer service, innovation, trustworthiness, and financial knowledge. They stand out in the banking business with this positioning.

2. Product Diversity: SEBL serves varied consumer segments with a variety of banking products and services. Retail, SME, corporate, and foreign currency services are examples. Their marketing emphasizes product category benefits.

3. Digital Presence: Due to the importance of the digital landscape, SEBL has a well-designed website and social media profiles. They update customers and promote digital banking on these sites.
4. Ads and promotions: SEBL advertises on TV, radio, print, and online. These campaigns promote the bank's products, services, promotions, and client service.
5. Customer Education: SEBL offers financial literacy courses and programmes to teach customers about banking products and financial management. These efforts empower and promote consumer loyalty.
6. Sponsorships and Community Engagement: SEBL promotes community-oriented and social responsibility projects. This improves social welfare and the bank's reputation.
7. Segmenting the Market: Market segmentation helps the bank target certain client segments. SEBL increases relevance and appeal by adapting marketing messaging to each segment's requirements and preferences.
8. Relationship Management: SEBL prioritizes customer relationships. Relationship managers personalize interactions, understand consumer needs, and provide customized banking solutions.

9. Data Analytics: The bank uses data analytics to understand consumer preferences. Data helps create customized marketing strategies and improve consumer experience.

10. Continuous Evaluation: SEBL measures marketing campaign success using customer acquisition rates, feedback, and market share analysis. This helps them improve tactics and adjust to market changes.

Finally, Southeast Bank Limited's marketing priorities include customer-centricity, digital presence, and community engagement and education. These practices assist the bank stay competitive in the changing banking environment and generate customer loyalty.

2.5: Financial Performances and Account Practices-

2.5.2: Financial Performances

Last 5 years of financial Performances are given below-

BDT in Million

Year	Operating Income	Operating Profit	Net Profit	EPS	Return on Equity
2022	17,587.33	10,429.86	1,752.38	1.42	5.77%
2021	14,672.79	8,671.12	1,784.30	1.44	5.98%
2020	13,770.56	8,264.56	2,149.10	1.81	7.14%
2019	14,390.72	8,982.98	2,508.56	2.11	8.56%
2018	14,961.92	9,783.00	2,473.21	2.13	9.17%

Figure 1 Financial performance of last 5 years

In 2022, the Bank generated an operational profit of BDT 10,429.86 million. This profit is derived from many sources such as net interest income, revenue from investments, commissions, and exchange activities. The operating profit recorded in the year 2021 amounted to BDT 8,671.12 million.

At the conclusion of 2022, the Bank's operating income amounted to BDT 17,587.33 million, representing an increase over the previous year's figure of BDT 14,672.79 million.

The net profit after tax and provision for the year 2022 amounted to BDT 1,752.38 million, compared to BDT 1,784.30 million in the preceding year. The earnings per share for the year 2022 were recorded as BDT 1.42, whereas in the preceding year, it amounted to BDT 1.44.

The Bank's Return on Equity (RoE) for the year 2022 was recorded at 5.77 percent, which indicates a slight decrease compared to the previous year's RoE of 5.98 percent.

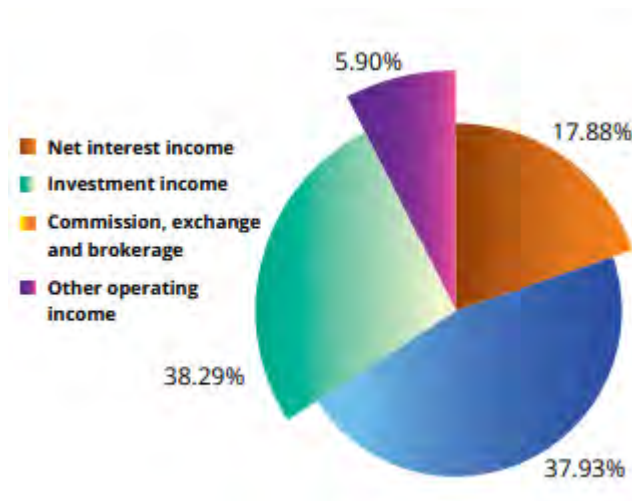


Figure 2 Income Distribution

2.5.3: Comparative Financial Performance Highlights of SEBL

The comparative financial performance highlights of Southeast Bank Limited (SEBL) demonstrate the organization's commitment to providing financial services to its customers

while striving for sustainable profitability as a primary objective as a commercial bank. The banking industry encountered a difficult period characterized by a decline in interest rates across the loan portfolio, geopolitical tensions between Russia and Ukraine, and the aftermath of the global pandemic, all of which had a significant impact on the overall economy. In the face of heightened difficulties, SEBL effectively managed its portfolio during the year 2022. The primary focus throughout the year has been on enhancing the quality of assets, recovering loans that have been classified and written off, increasing the mobilization of deposits, automating processes, maintaining a high level of service excellence, and streamlining costs.

Amount in Crore

Particulars	Group		% Changes	Bank		% Changes
	2022	2021		2022	2021	
Net Interest Income	314.43	292.16	8%	301.23	284.36	6%
Non-Interest Income	1,444.30	1175.12	23%	1,429.53	1,157.05	24%
Total Operating Income	1,758.73	1467.28	20%	1,730.76	1,441.42	20%
Total Operating Expenses	715.75	600.17	19%	700.47	587.19	19%
Profit before provision & Tax	1,042.99	867.11	20%	1,030.29	854.22	21%
General provision	78.85	193.99	-59%	78.85	193.99	-59%
Specific provision	463.45	279.63	66%	463.45	279.63	66%
Provision for investments	81.75	8.96	812%	81.75	24.33	236%
Other provisions	35.20	58.72	-40%	17.00	44.88	-62%
Total profit before taxation	383.73	325.80	18%	389.24	311.39	25%
Provision for taxation	208.49	147.37	41%	200.00	140.00	43%
Net profit after taxation	175.24	178.43	-2%	189.24	171.39	10%
Earnings per share	1.42	1.44	-2%	1.53	1.39	10%

Figure 3 Income Statement

2.5.4: Accounting practices

The Accounting Department plays the most crucial function in banking. Accounts Department is a department to which all other departments are related. It uses the "Golden Rules" of bookkeeping to register the profit & loss account and the statement of assets and liabilities. Its functions are computerized and based on theory. Daily, weekly, and monthly records are kept by the Corporate Branch of SEBL.

This entire executive's aid me greatly in my SEBL internship. They did not guide me as an Intern; rather, they guided me as a training officer of SEBL to gain banking experience. They endeavored to provide me with complete information regarding the accounts department. I trust I understood all the information given to me as a newcomer to the banking industry.

According to the Annual report of SEBL, The Accounts Department is hardly alone. The Accounts department consists of a mixture of the following: Cash, Transfer and Clearing.

Cash: The accounts department places a substantial emphasis on the cash area of each and every branch. The SEBL Corporate Branch features a well-equipped cash section because it deals with the majority of the branch's liquid assets. Over the counter, this area pays cash in exchange for checks, drafts, pay in slips, and money orders, as well as collects cash deposits from customers. It is required by law for there to be a cash counter in every bank, where customers can withdraw and deposit their money. When a valued customer deposits money at the cash counter, the customer is required to fill out the deposit slip on their own, using the depositor option of their choice, and then deposit their money through the cash officer at the cash counter.

Receiving Cash: Customers who wish to make a deposit into their account are required to fill out a deposit slip and hand it, along with the cash, to the cash officer who is working behind

the counter. The cash is counted by the cash officer, and the total is compared to the amount that is recorded on the deposit slip. After that, he affixed his signature to the slip in addition to the 'cash received' seal, and he recorded the information in the cash receive register book against the appropriate A/C number.

At the conclusion of the process, the cash officer hands the deposit slip over to the counter section so that it can be posted, and then the cash officer gives the duplicate slip to the customers.

A debit voucher is something that the Account Department writes when they need to make a cash payment for something like entertainment or transportation. When one submits their debit voucher at the cash area, they can withdraw the specified amount.

The Process of Transferring and Clearing:

Even though it's not an absolutely essential part of banking, transfer is nonetheless quite vital. Transfers are a very important part of the banking industry. Consequently, we must now be familiar with the concept of transfer, which can be summed up as an aspect of register maintenance. In this register, the officer is responsible for writing down each day's transactions on both the debit and credit sides. The officer will then calculate both sides of the register, and if they show the same amount, this indicates that the transactions for the entire day were completed correctly.

Cleared Out:

One of the most fascinating aspects of banking is the clearing process. I had a lot of fun working in this particular aspect of the banking and accounts departments.

Clearing House-A extremely big chamber known as the clearing house can be found within Bangladesh Bank. Within this space are at least fifty (50) tables, one for each of the country's financial institutions.

Characteristics of the clearing house:

The Very First Clearing House

Clearing House for the Return of Goods

The Clearing House Process involves an official of the clearinghouse from each bank, who works in conjunction with the Bangladesh Bank clearing house. In reality, the vast majority of significant clients deposit their funds into their accounts via a variety of bank cheques. After the clearing officer had thoroughly examined all of the cheques and the deposit sheet, he handed over the cheque to be cashed. After that, the clearing officer will enter all of the cheques into a computer program that is recognized by the Bangladesh Bank's computer department. After that, the clearing officer will endorse and sign all of the cheques, and then they will all be sealed with an advanced date stamp. Following the posting of all of the cheques in the computer according to branch, an officer will print the full document and then staple all of the cheques according to branch. This method is referred to as a schedule of clearing houses. This is a very important job since every cheque needs to have a staple placed in it very carefully. This also implies that the amount on the cheque, as well as the amount on the print page, needs to be the same. In the event that the cheques are stapled in the incorrect direction, the cheque may be returned from another bank; hence, SEBL will not be able to credit the party account.

When clearing officers reach the clearinghouse, the first thing that they are tasked with doing is scanning the cheque and sending it to the computer department of the Bangladesh Bank.

Before 10 o'clock in the morning, each and every procedure and clearing charge is delivered to the clearing house of the Bangladesh Bank. In the same manner that this other bank has brought its cheques to the SEBL desk, the clearing officer examines each and every bank's cheque before placing it in the appropriate bank-specific pile. After that, the officers of SEBL were required to compute all of the cheques by using a calculator machine and a staple pin remover. After that, he split all of the checks according to the SEBL Branch.

Clearing Cheque Varieties:

Through Bangladesh Bank, the SEBL Corporate Branch is in charge of performing the bill clearing function. When dealing with the Bangladesh Bank's clearing house, the SEBL Corporate Branch represents all of the other SEBL branches as their agent. There are two distinct varieties of check, the first of which is an inward clearing check and second one is a check that clears on the outside

Inward Checks: Inward checks are those that have been drawn on the respective branch, have been presented on other banks, and will be cleared or honored through the clearing house of the Bangladesh Bank. The cheque is referred to as a "inward cheque of SEBL Corporate Branch" at that point.

Outward Checks: Checks drawn on other bank branches are called outward checks and they are delivered to the branch where they were written in order to be collected by the clearing house of the Bangladesh Bank. The name given to these checks is "outward clearing check."

2.6: Operation management and Information system Practices

Southeast Bank Limited's Methods for Managing Operations and Implementing an Information System:

Southeast Bank Limited (SEBL) places a premium on client satisfaction and the streamlining of banking processes, and as such places a premium on effective operation management and robust information systems. Management of information systems and operational procedures:

First and foremost, SEBL operates on a cutting-edge, all-encompassing core banking system. The unified platform enables fast and accurate cross-branch fund transfers, account management, and transaction processing in real time.

Second, SEBL's customer relationship management (CRM) tools enhance communication with customers and allow for more tailored service. They have a deeper understanding of what their customers desire, which boosts satisfaction and loyalty.

Thirdly, online banking is available at SEBL, allowing customers to check balances, make transfers, and pay bills from anywhere in the world. After the recent COVID-19 pandemic, the use of this digital method became essential since it offered quick, secure banking services.

Fourth, customers can use their mobile devices to do a variety of banking transactions by downloading the bank's app. Mobile banking enables person to do things like checking account balance, transfer money, and apply for a loan from anywhere.

Fifth, SEBL's ATM network is spread out across the country in convenient locations. Customers have easier access to cash, and there is less activity at the bank's physical locations.

Risk Management 6 SEBL has a solid framework in place for managing credit, operational, and market risk. They use cutting-edge risk assessment techniques to quickly identify threats and mitigate them.

Seventh, the bank places a premium on customer and transaction data safety. To keep danger at bay, they employ cutting-edge methods of encryption, intrusion detection, and constant monitoring.

Eighth, SEBL has a solid strategy for disaster recovery and business continuity in the event of a major disruption to its operations, such as a natural disaster.

The bank is committed to the continual training and development of its staff. This prepares the team to utilize cutting-edge technologies and provide superior service to customers.

Ten: Eco-Friendly Methods Sustainable banking is a priority for SEBL. Reduce paper use and their environmental impact by encouraging digital transactions and equipping branches with energy-saving technology.

Finally, the innovative, client-focused, and environmentally responsible practices at Southeast Bank Limited's operational management and information system level are summed up in one word: sustainability. They can keep up with the dynamic banking industry, consistently satisfy their customers, and remain competitive by employing these methods.

2.7: Industry and Competitive Analysis

Southeast Bank Limited (SEBL) is a Bangladeshi bank that competes in the country's fast-paced and increasingly competitive banking sector. SEBL regularly undertakes industry and competitive assessments to react to shifting trends and client preferences, allowing it to maintain a dominant position in this market. An Analysis of SEBL's Industry and Key Competitors.

2.7.2: Overview of the Industry:

There has been a lot of development and change in the banking industry in Bangladesh. There are both public and commercial banks, international banks, and alternative financial organizations present. The Bangladesh Bank oversees the industry to maintain stability and compliance with regulations. Opportunities abound for banks like SEBL to thrive in Bangladesh thanks to the country's improving economic climate, rising financial inclusion, and rapidly expanding middle class.

Environment of Competition:

There are a number of banks, both domestic and foreign, that compete with SEBL. Examples of major rivals are:

First, there's Dutch-Bangla Bank, which is well-known for its advanced online banking services and extensive branch locations.

Second, Standard Chartered Bank is an international financial institution heavily represented in Bangladesh.

Brac Bank (No. 3) BRAC Bank, which specializes in banking for small and medium-sized businesses, is well-known for its dedication to its clients.

Islamic Bank Bangladesh, number four. It competes in a variety of banking niches as a Sharia-compliant institution.

Lastly, Pubali Bank, a large and reputable public sector bank.

Analyzing the Competition:

SEBL's competitive edge comes from the company's dedication to client care, its innovative financial products, and its extensive branch network. However, in order to stay ahead of the competition, SEBL needs to think about:

First, it must undergo a "digital transformation" by consistently spending money to improve its online and mobile banking services for the benefit of today's progressive youth.

Second, Customer Service: Put an emphasis on providing outstanding customer service by reducing wait times and enhancing employee training.

Thirdly, Product Diversification: Offer new and exciting banking goods and services to a wider range of customers, particularly those looking for environmentally and socially conscious financial institutions.

Fourthly, Expand the Market: Look for chances to open new branches in underserved areas and fill specific market niches.

Lastly, Risk Management: Improve risk management procedures to more effectively lessen the impact of prospective risks and safeguard the bank's future success.

As a result, Southeast Bank Limited faces stiff competition in the banking sector in Bangladesh, and the key to its survival is to stay ahead of the curve by constantly innovating and prioritising its customers' needs. Constant introspection and strategic preparation will be required to maintain and improve its market standing.

2.7.3: SWOT Analysis

Strengths

- **Executive Management**
- **Business Culture**
- **Diverse Goods and Services**
- **Solid employee bonds**
- **Strong performance and financial position**
- **Good Reputation**

Weaknesses

- **Small Portion in Market Share**
- **Main focus on fixed deposit**
- **Marginal Capital Adequacy**
- **High focus on big loans**

Opportunities

- **Through diversified products can enter in market**
- **Trend in rural banks are increasing**
- **Launch new services**
- **Support of regular authority**

Threats

- **Multinational banks who provide great services**
- **Unstable political condition locally and internationally**
- **Covid-19 Pandemic**
- **Risk of increasing bad debt**

2.8: Summary and Conclusion

Southeast Bank Limited is a leading regional bank with a well-deserved reputation for excellence. The bank has a wide range of services available, including retail and corporate banking, foreign exchange, and investment services, and has a strong focus on customer satisfaction. The nationwide availability of Southeast Bank's services is ensured by their substantial branch and ATM network. The bank is able to adapt to the ever-changing banking landscape because to its committed staff and emphasis on innovation and technological integration. Because of its solid financial performance and dedication to CSR, Southeast Bank has earned a reputation as a trustworthy and responsible banking partner. As a result, Southeast Bank Limited has earned its reputation as a trustworthy, customer-centric financial organisation that is well positioned for future success.

2.9: Recommendations for SEBL

After gaining experience as an intern at SEBL, I have a few suggestions for the company that I would want to provide.

1. Digital Transformation: SEBL's digital banking services should be prioritized for improvement. Some examples of this strategy include making the mobile app easier to navigate, strengthening online banking security, and releasing cutting-edge digital financial

solutions aimed squarely at the millennial demographic. The bank's competitive position will improve if customers can bank online with peace of mind.

To run efficiently, SouthEast Bank has to modernize its equipment by upgrading to the newest PC and setting up an adequate number of workstations.

2. End-User-Review: Providing better service to customers ought to be a top concern. SEBL may accomplish this by aggressively seeking and acting on customer input to create service improvements, offering improved training for frontline workers to improve their knowledge and professionalism, and assuring faster response times to customer enquiries.

3. Research in the Market- In order to find neglected markets or undiscovered niches in the banking business, it is essential to do extensive market research. With this information, SEBL will be able to better cater its products and services to the demands of its target audiences.

4. Analyzing the Competition: It is crucial in the banking industry to examine the tactics of rivals. SEBL needs to find ways to set itself apart from other banks so that it can capture a larger portion of the market. This could be accomplished through the provision of specialised offerings or tailored banking encounters.

Chapter 3

3.1: Project Part

3.1.1: Introduction-

Southeast Bank Limited (SEBL) has a long tradition of encouraging and enabling Bangladesh's international trade. SEBL has positioned itself as a trustworthy partner for import and export enterprises due to the importance of international trade to the development of the national economy. Letter of Credit (L/C) issuance, import/export financing, foreign currency exchange, and trade consultancy services are just some of the many offerings from this bank. SEBL is highly sought after by both foreign buyers and sellers due to its wide network of correspondent banks and strict adherence to international banking norms. Bangladesh's economic linkages to the global market have been strengthened by the bank's dedication to ensuring compliance with regulatory requirements and its efficient documentation and processing.

3.1.2: Scope

It was a great pleasure to work in the foreign exchange department and learn about it throughout my time as an intern. Mastering the complexities of international trade by a combination of study and experience is a remarkable feat for me. Additionally, overseas remittances are an important part of comprehending both the internal and exterior settlement procedures. I made the most of my time in that prestigious industry, and I picked up some useful skills along the way, too.

During my internship at SouthEast Bank Limited, I was responsible for a variety of responsibilities, including general banking and the provision of Excel statements. To help a

customer open an account, for example, I could have a conversation with them. Despite the limitations of my internship, I feel that the combination of my first job report and my actual work experience has given me enough information to make plausible assumptions about the corporate world.

3.1.3: General Objectives:

- Learn about foreign exchange trade, exchange rate fluctuations, and currency movement variables.
- Helping clients, offering financial service information, and meeting their demands builds communication and connection skills.

3.1.4: Specific Objectives

- In order to study international trade (export, import, and remittances) as a whole.
- To understand what a letter of credit (L/C) is and how it works.
- Learn more about the company and the services it provides.

3.1.5: Resources-

This report was created with the skills and knowledge acquired through independent study as well as through an internship. To finish the study, some more information from outside sources was also requested. The following are some examples of materials that fall into this category:

Primary Sources-

- My primary sources consist of those individuals who are related to the bank and my interactions with them. For Instance-
- My supervisor
- Immediate Senior Officer
- Customer

Secondary Sources-

- Annual Reports of SEBL
- WEB Sites
- Previous online report about SEBL
- Articles
- Journals

3.3: Finding and Analysis

This part will have-

- 3.3.1: Foreign Activities of SEBL
- 3.3.2: The Foreign Exchange Market
- 3.3.3: The Basics of Foreign Trade and Exchange
- 3.3.4: Export at SEBL
 - 3.3.4.1: Various Approaches to Financing Exports
 - 3.3.4.2: Unpaid Exporter Bills Reported
 - 3.3.4.3: Certification that export data is being reported in perpetuity:
- 3.3.5.1: Methods for Funding Imports:
- 3.3.5.2: Opening LC Narrative Requirement:
- 3.3.5.3: How Banks open LC
- 3.3.5.4: When opening LC, SEBL require the following procedures:
- 3.3.6: Types of LC Practiced in SEBL
- 3.3.7: A case study about Akter Properties Ltd. and Southeast Bank Limited Partnership.
- 3.3.8: Case Study: The U.S. Dollar Crisis and Its Impact on Southeast Bank's Letter of Credit Operations in Bangladesh

3.3.1: Foreign Activities of SEBL

To begin with-

The international commerce activities of a bank are essential to its survival. It does not create any new money. It facilitates the transfer of capital from investors to corporations and governments. Commercial banking plays a crucial role in the global economy through the services it provides to customers. SEBL is committed to enhancing every facet of its

customers' interactions with the bank. The houses of employees are also subject to frequent inspections by the government.

The global economy consists of a vast and complex network of interrelated nations, each of which possesses its own set of advantages and disadvantages in the production of a variety of commodities and services. On the other hand, these differences frequently result in circumstances in which some nations have a requirement to import particular products while others have surpluses that can be exported. In a world as interconnected as ours, the idea of "Foreign Exchange" plays a critical part in easing the process of international commerce and financial dealings.

In this long research, it will investigate how South East Bank Limited's (SEBL) dealings in foreign exchange in great detail and go deep into the topic. During the course of investigation, it will go over the fundamental ideas behind foreign exchange, the practical features of how SEBL enables export and import activities, the legal requirements, and the intricate procedures involved. At the conclusion of this research, it will have acquired a full grasp of the role that SEBL plays in the ecology of international trade.

3.3.2: The Foreign Exchange Market

The term "foreign exchange" refers to a number of different things at once, all of which are vitally important to both international trade and finance. In order for us to realise the significance of dealings in foreign currency, first needs comprehend its fundamental components, which are as follows:

One of Southeast Bank Limited's most important functions is participating in the foreign exchange market. It is vital to the success of global commercial and personal financial

transactions. Southeast Bank Limited is a well-known bank, It provides a wide range of foreign exchange services to meet the needs of all of its clients.

Currency exchange is a primary service offered by Southeast Bank Limited on the foreign exchange market. Customers can do foreign currency exchanges or domestic currency exchanges at reasonable exchange rates. People who are going abroad, companies doing business internationally, and people who are investing in the global financial markets all need this service.

In addition, Southeast Bank Limited's Foreign Exchange Market provides access to a variety of trade finance services. Letters of credit, import and export financing, and trade-related services are only some of the trade finance instruments available to businesses. These services contribute to the safety and efficiency of cross-border trade, which in turn stimulates regional economic growth.

Currency risk can be reduced with the bank's foreign exchange hedging services. Since changes in currency rates can have a major effect on the bottom line, this is of paramount importance for companies involved in international trade. To assist its clients in efficiently managing currency risk, Southeast Bank Limited provides a variety of hedging instruments, including forward contracts.

Additionally, Southeast Bank Limited's market facilitates foreign exchange trading and investing. The bank acts as a conduit to the international foreign exchange market, where currencies, commodities, and other financial products can be bought and sold. Customers can

make the most of favorable conditions in the ever-changing foreign currency market thanks to this service.

Southeast Bank Limited follows rigorous regulatory rules and complies with international standards to guarantee the integrity of its foreign exchange transactions. The bank's foreign exchange services are backed by cutting-edge technology and a staff of seasoned experts.

Lastly, Southeast Bank Limited's foreign exchange market is an integral part of the bank's activities, serving customers' needs in areas such as currency exchange, trade finance, hedging, and investment. Southeast Bank Limited's continued success in facilitating international trade and financial operations in Southeast Asia is a testament to the breadth and quality of the services it provides.

3.3.3: The Basics of Foreign Trade and Exchange

In order to acquire a comprehensive comprehension of foreign currency operations, it is necessary for us to have an understanding of the fundamental concepts that support this complex system:

1.Unique National Currencies: Each country issues its own unique currency, which serves as both the country's legal money and its own unique unit of account. This indicates that the

Taka cannot serve as a substitute for the Dollar, nor can the Pound serve as a replacement for the Yen. The value of each currency is entirely distinct.

2.Currency Conversion: Southeast Bank provides foreign currency exchange services.

Customers can convert currencies at any of their locations or through their website. In exchange for a little fee, the bank offers favourable exchange rates. Southeast Bank provides trustworthy currency conversion services, making it easy for customers to exchange funds for travel, international trade, and other uses.

3.Payment Methods: Here are some ways that Southeast Bank's Foreign Exchange Department takes payments:

1. Letter of Credit (LC): Southeast Bank makes foreign trade easier by giving out LCs, which guarantee exporters will get paid as long as they meet certain conditions.

2. Telegraphic Transfer (TT): TT lets banks send money to each other quickly and electronically, which makes it possible for cross-border payments to be made quickly.

3. Documentary Collection: With this method, exporters show documents (like bills of exchange) to the buyer's bank so that they can be paid when they are accepted. This gives exporters some protection.

4. Online banking: Southeast Bank's online banking services make it easy for customers to perform foreign exchange deals and make payments over the internet.

5. Currency Exchange Services: The bank lets customers change their money into other currencies at reasonable rates so they can do business internationally.

6. Forward Contracts: Southeast Bank offers forward contracts that lock in future exchange rates. These help companies lower their currency exchange rate risk.

7. Remittances: The bank helps with both incoming and outgoing remittances, which means that people and companies can send money to other countries for a variety of reasons.

9. Trade Finance Services: Southeast Bank helps with trade finance by providing services like export and import financing, which makes sure that foreign trade runs smoothly.

Southeast Bank's Foreign Exchange Department offers these options to meet the needs of a wide range of customers who do business and finance across foreign borders.

3.3.4: Export at SEBL

The act of selling one's goods and services to consumers in other nations is known as exporting, and it is one of the most important factors that contribute to a country's overall economic growth. Bangladesh is a major exporter of a wide variety of goods and services to international markets. Some examples of these exports include textile garments, products

produced from jute, frozen prawns, tea and more. When it comes to these exports, the garment industry stands out as a key contributor, with a considerable amount of the products being headed for the countries of the United States and the European Community (EC).

In the following paragraphs, the investigate the significant part that SouthEast Bank Limited (SEBL) plays in easing the process of conducting export business in Bangladesh. This encompasses not only the monetary considerations but also the legal prerequisites and procedures that are necessary for export operations. Conditions imposed by the Law Upon Exportation

It is vital to have a solid understanding of the legal restrictions that are imposed on transactions of this kind before entering into the complexities of the export process. These regulations are intended to assure compliance with international trade norms, as well as transparency and responsibility in business dealings. The following is a list of the most important legal requirements for exporting:

1.Export Registration Certificate: Any person who has the intention of exporting something is required to have a current Export Registration Certificate. This certificate acts as evidence of the individual's or entity's legitimacy and grants permission to participate in activities related to exportation.

2.Currency of Payment: Southeast Bank Limited accepts a variety of currencies. For international transactions, it primarily uses significant global currencies such as the US Dollar (USD), Euro (EUR), British Pound (GBP), and Japanese Yen (JPY). These currencies facilitate seamless international trade and financial transactions, assuring adherence to global

standards and efficiency. In addition, the bank provides a vast array of foreign exchange services to satisfy the diverse needs of its customers, such as currency exchange, remittances, and trade finance solutions, thereby strengthening its position in the international banking industry.

3.Commission and Exchange Charges: The commission charges and other exchange costs that are linked with export transactions are permissible up to a limit of 5% of the value of the product being exported. Charges that are greater than this limit, on the other hand, can be handled with the Bangladesh Bank's prior authorization.

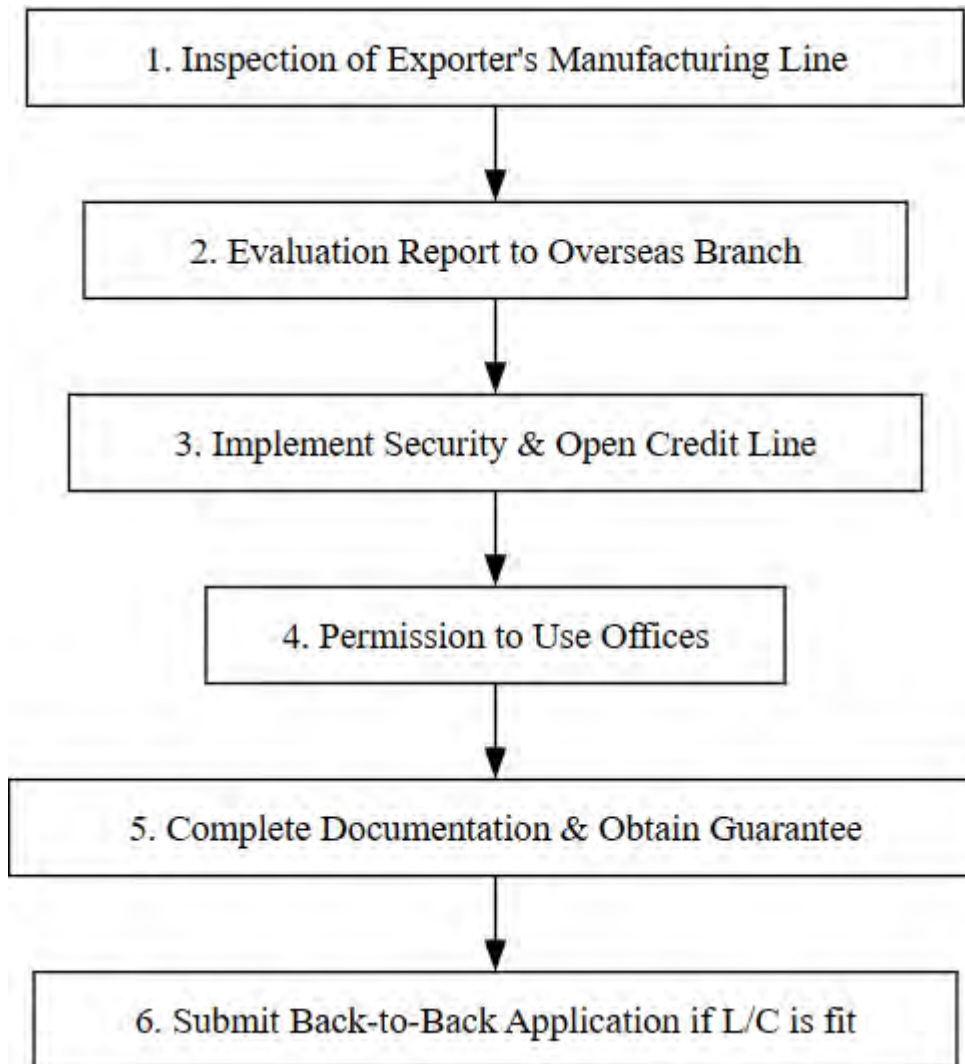
3.3.4.1: Various Approaches to Financing Exports

Export financing is an essential component of foreign exchange operations, since it enables exporters to fund their businesses and facilitates foreign exchange transactions.

1.Pre-shipment Credit: When exporters need funds prior to the actual shipment of goods, they can request pre-shipment credit from their financial institution. These funds are needed for a variety of objectives, including the procurement of raw materials, to cover the manufacturing costs, the payment of insurance premiums, the handling of freight charges, and the packaging and shipment of goods. Pre-shipment credit is often granted by the bank in exchange for irrevocable confirmed unrestricted letters of credit that have been received by exporters from purchasers located in other countries.

2.Post-shipment Credit: The Foreign Exchange Department at Southeast Bank Limited provides post-shipment financing services to aid in international trade. These credit lines are meant to assist exporters get paid before they ship their goods. The export bill negotiation, export bill purchase, and export bill collection are all post-shipment financing options made available by the bank. These services help exporters manage their cash flow efficiently, which is essential for running a successful business. Southeast Bank Limited is a dependable trading partner on the international stage because of its dedication to assisting firms in their overseas endeavors.

Organizational framework and export-related activities



3.3.4.2: Unpaid Exporter Bills Reported

1. At the conclusion of each month, the branch shall provide a statement to the head office detailing the total of all export bills, including party unrealized outstanding, so that the head office can submit the same to the Bangladesh Bank by the 15th of the month after the month to which the statement relates.
2. At the conclusion of each quarter, the branch will send a statement to headquarters outlining the specifics of any export bills that are still due after the required four months of realization, giving headquarters enough time to submit the information within 15 days of the relevant quarter's end.

3.3.4.3: Certification that export data is being reported in perpetuity:

Evidence of Export revenues are sometimes required to be submitted by exporters to various government agents. The branch may issue a Proceeds Realization Certificate (PRC) in the format required by Bangladesh Bank in such instances. The exporter may only get one copy of the PRC's cash assistance application from the branch. The PRC may be issued numerous times by the branch, with each copy noting the specific government agency that requested it.

Export Credit Advice:

LCs issued by foreign banks on behalf of importers in favor of exporters in Bangladesh are the primary means by which Bangladeshi goods are sent around the world. These letters of credit for export purposes are opened 54 through corresponding banks. The LC may be advised by SEBL's International Correspondent as follows:

By either 1. Airmail, 2. Full-Text Telex, or 3. Short Telex and Airmail

LC Payment Transfer:

The LC to the subsequent beneficiary may be carried out by the subsidiary responsible for the initial beneficiary. The First Recipient must maintain a bookkeeping relationship with the branch, which will verify his grade via inquiry letter. A credit that can be transferred can only be swapped once, therefore if the first receiver swaps with the second, the second can't swap with the third. Credits can be transferred to many recipients at once, but only if the first L/C allows regular shipments and the total of such transfers doesn't go over the first L/C's value.

Authorized Signature:

The branch is responsible for authenticating the transfer under seal and the signature of an authorized officer, with the specific stipulation that the branch is taking no responsibility for the transfer. If necessary, the LC transfer record and the LC advising bank will be consulted by the branch to verify the LC's apartment authority. The original LC will remain in the custody of the branch. Any amount transferred over the credit value of the original LC must

be included on the bank of the original LC. The First Recipient is responsible for paying the Transfer Fee. The receiving bank could refuse to process the transfer unless the fee is paid.

The Exporter's Name:

1. Delicate Garments Ltd.
2. Trouser Land Ltd.
3. Shonest Apparels Ltd.
4. M.S Trading
5. Jaba Textile Ltd

Exported Item-

1. Garments equipments
2. Raw food
3. Machine
4. Sports wear
5. Dry fish
6. Agriculture foods or goods
7. Leather

Legal Requirements: The Ministry of Commerce's import policy order (IPO) and public notices issued by the Ministry of Commerce and the Bangladesh Bank govern Southeast Bank Limited's imports into Bangladesh. It is important to take into account the regulatory and economic climate of a country before committing to an import transaction. Some of these are:

- Constraints imposed by the government
- Tariffs, and the Regulation of Exchange Transactions
- Making submissions to the powers that be

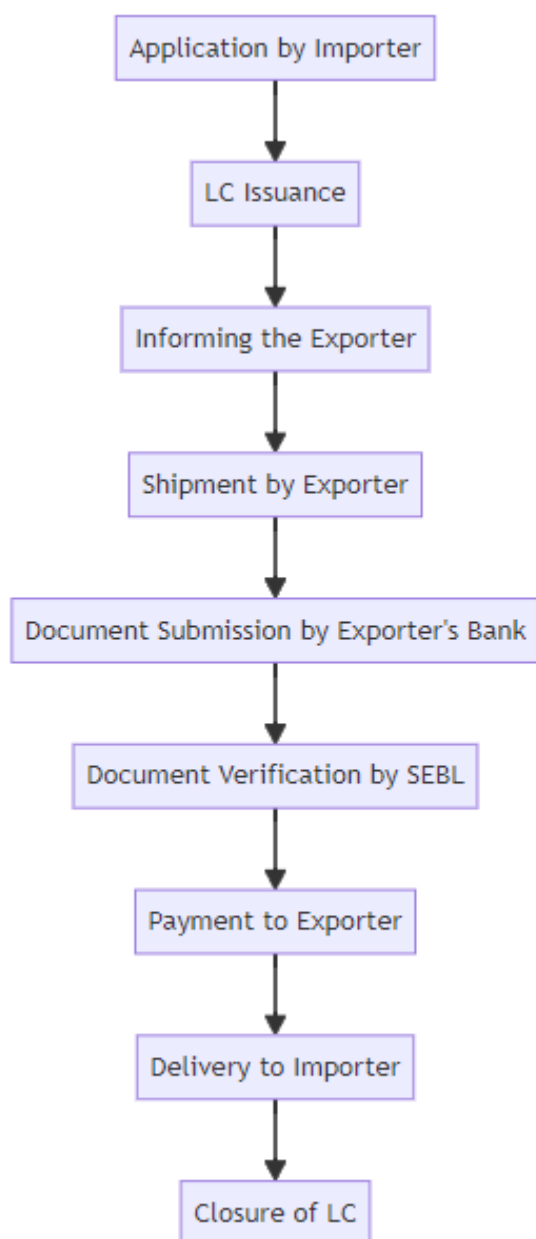
3.3.5.1: Methods for Funding Imports:

When it comes to import financing, a letter of credit is indispensable. Dealers and buyers from different nations engage in international trade. The identities of the people involved in a commercial exchange are not necessarily known to each other. Even though the buyer and seller know one other, the seller still might not have complete faith in the buyer's ability to pay. When a buyer opens a banker's letter of credit, the issuing bank promises in writing that it will fulfill the buyer's commitment of Payment or acceptance (as applicable) upon submitting the required documentation. The price varies depending on the item.

3.3.5.2: Opening LC Narrative Requirement:

1. Proof of Commercial or Industrial Import Registration that is Still Current
2. Proof of Taxpayer Status Document
3. Registration for Value Added Tax
4. Certificate of membership in what IPO considers to be a legitimate trade group.
5. Five copies of a notarized statement attesting that the shipper has fulfilled its tax obligations.
6. The carrier confirmed receipt of the proforma.
7. Shipper-added markings on the L/C application frame

3.3.5.3: How Banks open LC



In international trade, LCs are highly organized and standardized instruments, and the procedure requires rigorous adherence to the terms and conditions indicated in the LC. Accuracy and careful attention to detail are required at every stage of the process, as the

slightest mistake could result in a delay or even a denial of payment. To further accommodate importers' and exporters' varying demands, SEBL, like other banks, may provide a range of LC types, including but not limited to sight LCs, usance LCs, and revolving LCs. The bank's LC department is important in enabling and guaranteeing the successful completion of these deals.

3.3.5.4: When opening LC, SEBL require the following procedures:

- Importer's Letter of Credit, duly completed and signed.
- Importer's Letter of Credit, duly completed and signed
- Purchase agreement in the form of a signed performance invoice between the purchaser and the vendor.
- Insurance Preface Note.
- A copy of the importer's Chamber of Commerce membership certificate.
- Proof that the current year's Import Registration Certificate (IRC) has been reinstated.

Terms of LC: LC Term Conditions: Incorporating the product's full description, limit, and unit cost inside the LC eliminates any doubt about who has the legal authority to cite the LC II.S Commodity Codes. No product pricing information may be listed on the CFR or CPT basis without first receiving approval from the Ministry of Commerce.

Validity and Final Date of Shipment:

The terms of the PI or LC application must be met by all LC shipments. Legitimacy, however, will never be more than nine months after the LACF was issued with the

Bangladesh Bank. But the extra parts and expensive machinery that will be shipped in the next 17 months. Date and location for report submission for payment installments are required in all letters of credit.

3.3.6: Types of LC Practiced in SRBL:

These are the different kinds of Letter of Credit (LC) activities that Southeast Bank Limited has seen lately.

1.Sight LCs: One type of LC that Southeast Bank Limited does a lot of is the sight LC. In this deal, the bank gives the buyer the money after they show them the necessary papers. People choose this type when they want to be sure that the things have been shipped and all the paperwork is in order before they pay.

2.Usance LCs: Southeast Bank Limited can also help with usance LCs. In a usance LC, the payment is put off until later, not like a sight LC. This gives the buyer more time to look over the things and make money from them before the payment is made. Usance LCs are often used for deals where the borrower is known to be trustworthy and creditworthy.

3.Revocable LCs: Southeast Bank Limited may handle revocable LCs from time to time. The bank that issued these LCs can change them or cancel them at any time without telling the buyer (seller). But this kind of LC isn't common, and it can be risky for the seller.

4.Transferable LCs: Southeast Bank Limited may also handle transferable LCs, which let the recipient (usually a third party) give some or all of the LC to a different beneficiary. This is often used in trade deals that are hard to understand.

5.Back-to-back LCs: Southeast Bank Limited can set up two loans for the same person who is selling and buying. There are two different LCs involved, and the first one pays for the second one. It lets the seller buy the things they need for the first sale.

3.3.7: A case study about Akter Properties Ltd. and Southeast Bank Limited Partnership.

Introduction:

In October 2023, Akter Properties Ltd. (APL), a well-known real estate company in Bangladesh, teamed up with Southeast Bank Limited (SEBL), one of the fastest-growing private commercial banks in the country. This case study looks at the specifics, goals, features, advantages, disadvantages, results, customer comments, and most important lessons learned from their agreement, which was meant to offer customers a unique home loan plan and help both companies gain market share and make more money.

Background:

- APL has been in the real estate business for more than twenty years and focuses on affordable and comfortable living areas for both homes and businesses.
- SEBL aims to provide better value to all of its partners by running 146 branches, 15 SME centers, 4 Islamic banking branches, and 3 offshore banking units.

A memorandum of understanding (MOU)

South East Bank Limited and Akter Properties Ltd. signed a Memorandum of Understanding (MOU) that laid the groundwork for this deal. This MOU was a big part of making the relationship between the two groups official. It set the stage for a deal that would be good for

both sides and eventually help Akter Properties Limited's customers (6, The Business Standard).

Key Individuals

The deal was made possible by well-known people from both groups. Nuruddin Md Sadeque Hossain, who is the managing director of Southeast Bank Limited, and Md Akter Biswas, who is the MD and CEO of Akter Properties Limited (APL), signed the deal on behalf of their companies. Their participation makes this agreement even more important and official, and it's a big step towards a strategic relationship between the two groups.

The official event

The signing of the deal was marked by a formal ceremony, which added to its importance. At the event were representatives from both Southeast Bank Limited and Md Masum Uddin Khan, who is the deputy managing director of that bank. The official setting gave the groups a chance to show how committed they were to working together to promote financial solutions for people who want to buy a home.

Implications

The deal is the result of a strategic plan to improve the value that Akter Properties Limited offers to its customers. This helps Akter Properties provide better customer service and meet the financial needs of its customers. It does this by using Southeast Bank Limited's financial services and powers. Interest rates that are lower than usual and other special benefits are meant to make home loans easier on people's finances and encourage Akter Properties clients to become homeowners.

Objectives

1. Easy Financing: To make it easy for APL users who want to buy homes to get the money they need.
2. Market Growth: To help SEBL and APL get a bigger piece of the market and make more money.

3. Long-term connection: To build a connection between SEBL and APL that is trust-based, mutually beneficial, and cooperative.

Benefits:

- 1.APL customers can buy homes at low prices and pay them back in a variety of ways.
- 2.Savings on fees and interest due thanks to SEBL's special perks.
- 3.Free insurance coverage gives peace of mind and safety.
- 4.Service from both SEBL and APL was easy and without any problems.

Challenges:

- Making sure that customers meet SEBL's standards for eligibility and paperwork.
- Confirming that APL's properties are valid and free of any liens.
- Clear and timely ways to pay back and get money sent back.
- Making sure customers are happy and stay loyal.

Feedback from Customers:

- Customers said they were happy with SEBL and APL's easy and profitable home loan programme.
- People liked SEBL because it had low interest rates, large loan amounts, long terms, free insurance, and quick service.
- People liked APL because they had good homes, fair prices, and great customer service.
- Customers told their friends and family about SEBL home loans and APL properties.

Recommendations:

- 1.Expanding the agreement's scope to cover a broader range of APL properties and locations.
- 2.Introduce extra features and benefits for customers availing SEBL home loans under this agreement.
- 3.Implement regular monitoring and evaluation methods to assess the agreement's performance and effect on both SEBL and APL.
- 4.Continuously gather and incorporate feedback from APL customers who avail SEBL home loans under this deal.

Conclusion: The partnership between Southeast Bank Limited and Akhtar Properties Ltd. has not only benefited the two organizations but has also provided customers with a much-needed and convenient answer for financing their dream homes. This collaboration serves as a prime example of how strategic alliances can create win-win situations, fostering market growth, and providing value to all stakeholders involved. It underscores the pivotal roles of customer happiness and innovation in driving success in a competitive marketplace.

3.3.8: Case Study: The U.S. Dollar Crisis and Its Impact on Southeast Bank's Letter of Credit Operations in Bangladesh

Executive Summary

This case study delves into the pressing issue of a dollar shortage in Bangladesh, focusing on its impact on Southeast Bank and the broader banking sector. While the dollar crisis affects various aspects of the economy, its ramifications on the banking industry are severe. This study aims to provide an in-depth analysis of the challenges and potential solutions.

Introduction

The Bangladeshi banking sector is under tremendous strain due to an ongoing dollar crisis. The crisis has crippled the functioning of Letters of Credit (LCs), an essential financial instrument for international trade. Southeast Bank, among other banks, has been significantly impacted by this crisis. This study aims to understand the crisis's dimensions, its implications on Southeast Bank, and the broader financial sector.

Background

The Dollar Shortage: The root cause of this crisis is the acute shortage of U.S. dollars in Bangladesh. Cash U.S. dollar rates have soared to an all-time high of Tk112, and the import LC rate has surged to Tk105. This price escalation contributes to high inflation rates and puts significant pressure on price stability in the economy.

Inflationary Pressures: The dollar crisis has exacerbated inflation rates, which hit a nine-year high of 7.56% in June this year. This inflationary trend is a significant concern for both policymakers and the general population.

The Crisis' Impact on Southeast Bank

- **Operational Constraints**

1. Limited Opening of LCs: Southeast Bank has stopped opening import LCs without the managing director's explicit permission.

2. Refusal of Sight LCs: The bank is also declining to open sight LCs, which are immediately payable upon presentation of the necessary documents.

- **Reputational Damage:** The delay in payments to foreign suppliers against import LCs has tarnished the bank's reputation, potentially endangering its credit rating.
- **Financial Implications:** Southeast Bank is struggling to meet its foreign debt obligations, risking penalties and legal consequences.
- **Broader Impact on the Banking Sector:** Other Banks, For instance, Agrani Bank has exhausted its dollar reserves and overspent by \$256 million beyond its authorized capacity.
- **Sector Reputation:** The situation has led foreign banks to reduce their credit lines for Bangladesh, thereby undermining the credibility of the entire banking sector.

Solutions:

1. Increasing Remittance Inflows: Encouraging formal channels for remittances could alleviate the dollar shortage.

2. Boosting Export Earnings: Export incentives can be established to increase dollar inflow.

3. Attracting Foreign Direct Investment: FDI can provide an alternative source of dollars.

4. Diversifying Foreign Currency Sources: Utilizing currencies other than the U.S. dollar for international trade could help.

5. Strengthening Regulatory Oversight: The Bangladesh Bank should address the private banks' needs more responsively.

Conclusion

The dollar crisis presents a formidable challenge to Southeast Bank and the broader banking sector in Bangladesh. The situation demands immediate, targeted interventions from

regulatory bodies to avert long-term damage to the financial sector and the economy. While potential solutions have been outlined, their effective implementation remains crucial. By examining the multifaceted dimensions of this crisis, this case study aims to contribute to the broader understanding and discourse surrounding Bangladesh's current economic challenges.

3.4: Summary & Conclusion

In conclusion, operations involving foreign currency are extremely important to the functioning of the global economy since they simplify international commerce and financial dealings. SouthEast Bank Limited (SEBL), which offers a wide variety of services to both importers and exporters, is an essential component of these business dealings and plays a critical role. The commitment of the bank to adhere to regulatory standards and to ensure that transactions go smoothly is a crucial factor that helps greatly to the growth of the country's economy and to its incorporation into the global market.

3.5: Recommendations

SouthEast Bank Limited is one of the most successful and prominent banks in our country. This makes it challenging for me to provide suggestions or feedback to the bank. Nevertheless, during my internship, I was able to recognize several opportunities for SEBL to enhance its operations.

In order to maintain its position as a leading company in its field, SEBL may benefit from implementing the following ideas.

1. For efficient business operations, SEBL Ltd. requires a modern computer system and the installation of enough workstations.
2. The bank's management needs to prioritize responsibility-based growth. As a technique of checking the accuracy of the many different sections and determining where they fall short.
3. There needs to be more energy and speed put into the process for it to succeed.

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