Report On

SWIFT and RTGS Operations of Southeast Bank Limited

By

Mehrab Hossain Biswas
21164039

An internship report submitted to the Graduate School of Management (GSM)
Department in partial fulfillment of the requirements for the degree of
Masters of Business Administration

Graduate School of Management
Brac University
August 2022

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:

_____

Mehrab Hossain Biswas
ID 21164039

Supervisor's Full Name & Signature:

_____

Syed Mahbubur Rahman
Associate Professor, GSM Department
Brac University

Letter of Transmittal

Syed Mahbubur Rahman

Associate Professor,

GSM Department

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I am pleased to submit the SWIFT and RTGS Operations Report for the International Division of Southeast Bank Limited. This was finished as part of the major assignment for the course. I am appreciative of the critical guidance, suggestions, and improvements that my supervisor, Mr. Syed Mahbubur Rahman, of Brac University's Department of Graduate School of Management, provided for me.

I got the chance to work and interact with practically the entire personnel of Southeast Bank Limited's International Division during my internship, and they were all incredibly helpful. In order to complete the report in the most significant, compact, and thorough way possible, I have done my best to include the pertinent information and suggested recommendations.

I have faith that the report will fulfill expectations.

Sincerely yours,

_____

Mehrab Hossain Biswas

ID 21164039

Graduate School of Management

BRAC University

Date: 31st August 2022

Non-Disclosure Agreement

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

This agreement is made and entered into by and between Southeast Bank Limited and the undersigned student at BRAC University ……Mehrab Hossain Biswas…

Executive Summary

A prominent private commercial bank, Southeast Bank Limited was founded on March 12, 1995, in accordance with the Companies Act of 1994. It provides its customers with a comprehensive and affordable banking service through its 133 locations located all throughout the nation. The General Banking, Advances, and Foreign Exchange divisions of SEBL all started operations at the main branch. It has excellent growth and earnings increases. Its tagline is "A bank with vision," and its product line includes items that are customized to the preferences and lifestyles of its clients and are advantageous to them as well as profitable for the bank. SMS Banking, Fixed Deposit Receipt (FDR), Islamic Banking, Merchant Banking, Dual Currency Visa Credit Card, Visa Travel Card, ATMs, Education Loan Scheme, Double Benefit Scheme, Consumer Loan, Millionaire Deposit Scheme, SME Banking, Corporate Banking, Syndicate Loan, Monthly Savings Scheme, Monthly Income Scheme, Pension Saving Scheme, Wage Earners' Pension Scheme, and Pension Sa I have spent my entire time working for the International Division's SWIFT and RTGS Operations. I was able to direct the unit's entire operating process as well as the Third Party Audit team's review of the CSP (Customer Security Programme).

Keywords: SWIFT; RTGS; SEBL; ID

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List of Acronyms

SWIFT   Society for Worldwide Interbank Financial Telecommunication

RTGS   Real-Time Gross Settlement

SEBL   Southeast Bank Limited

AD   Authorized Dealer

ASR   Authorized Signature Repository

CBS   Core Banking System

CSP   Customer Security Program

AWP   Alliance Web Platrform

FLT   FIN Logical Terminal

BIC   Business Identifier Code

LC   Letter of Credit

GPI   Global Payment Innovation

PCS   Payment Control System

AWH   Alliance Warehouse

NDC   Near Data Center

FI   Financial Institution

IT   Information Technology

Chapter 1

Overview of Internship

1.1 Student Information

Name: Mehrab Hossain Biswas
ID: 21164039
Program: MBA
Major: Operations Management

1.2 Internship Information

Period: 28 May 2022 – 25 August 2022
Company: Southeast Bank Limited
Division: International Division
Supervisor Name: Kazi Md. Erfan Ul Haque
Supervisor Designation: Senior Assistant Vice President

Job Responsibilities of Mehrab Hossain Biswas

SWIFT Operations
- Maintenance of SWIFT Infrastructure i.e., Alliance Server configuration, patch upgradation.
- Monitoring and routing of SWIFT Messages
- SWIFT User Management of the Bank
- Compliance Officer of SWIFT Transactions Screening Level-1
- Compliance Officer of SWIFT PCS & GPI Level-1
- Compliance Officer of Relationship Management Application (RMA) Level -1
- SWIFT Alliance Server Archive System Maintenance
- Uploading data to Back Office System (MT 202, 940, 950)
- Maintenance of Authorized Signature Repository (ASR)
- Creation of SWIFT Monthly Bill
- Maintenance of Transaction Screening Hardware token (Installation and configuration of SWIFT Tokens).

RTGS Operations
- RTGS Focal point of the Bank
- Screen incoming and outgoing Transactions
- Take corrective actions on erroneous Transactions
- BankUltimus (Core-Banking Software) Transaction
- RTGS Day Opening and Closing
- Reconciliation of RTGS Transaction (if any)

1.3 Internship Outcome

On January 2nd, 2020, I started working at Southeast Bank as a Trainee Assistant Officer. I was assigned to the International Division's SWIFT & RTGS Operations Unit. Being able to complete an internship for SEBL as an Assistant Officer right now is a truly wonderful experience. I selected this subject since I enjoy doing this kind of work. I have learned a great deal about the corporate setting and the associated operational operations from the beginning.

I was given the role of the SWIFT Backup Left Security Officer (BLSO) which was to provide support to the SWIFT users of SEBL Authorized Branches. The support included the activities of solving issue of them unable to log in to SWIFT, resetting their password, changing their SWIFT profiles and roles, configuring new PC Ip terminal in case of their PC changing or new user etc. Moreover, my role included routing SWIFT messages to the AD branches which were received by at Southeast Bank Limited Head office, screening transactions mostly LC that are blocked by SWIFT's Transaction Screening security portal, managing the Authorized Signature Repository (ASR) portal and was in charge of managing the SWIFT Alliance Server. In order to defend the integrity of the larger financial network, I also participated in the SWIFT Customer Security Program, which helps financial institutions make sure their defenses against cyberattacks are current and effective. This program is similar to being subject to an audit. On the other hand, we had to screen incoming and outgoing transaction of RTGS, reconcile any erroneous transaction and balance the General Ledgers at the end of the day. There are many more job responsibilities that I worked and all of them led me to be able to work under pressure and manage time by scheduling my work and I learned about the basic norms and attitudes of working in a corporate environment.

During my time, I have faced a lot of challenging situations in both SWIFT and RTGS and with the help of my colleagues and supervisors were able to overcome them as well. One such instance was when RTGS transactions were blocked due to system and network error on the side of Bangladesh Bank, this led to transactions slowly coming to our Southeast Banks end one by one after the regular transaction time. Finally, around 200 transactions were screened and it was almost 10 o'clock in the night and on top of that we were also unable to close the RTGS module and settle all the relevant GLs. The IT department was able to solve the issue and it was near 1 o'clock in the night we left the office after solving all issues. Another challenging situation I faced was after the SWIFT patch upgradation, the server was not allowing users to work on previous template messages and users were facing a tough time logging in the application. This was ultimately solved by the help of third-party service provider for Southeast Bank Limited's SWIFT support, Nelito. After they took the necessary actions to address and solve the issue we checked for further error from our side and finally left office around 11.30 pm at night.

SWIFT & RTGS Operations Unit is handled by 3 officials in a roaster basis. To maintain SWIFT security, the server has to be closed and a backup of the files are kept in a DR and offsite server in case of any disaster and the server is opened for business every day in the morning (8:00 am) 2 hours prior to the start of business hour (10:00 am). The closing procedure is long and tedious and it usually starts one hour after business hour has ended i.e., 7:00 pm and takes around 1.5-2 hours to complete the housekeeping and backup storage process. To facilitate the server opening and closing time, the roaster duty was introduced. The officer coming to open the server has a duty cycle from 8:00 am – 4:00 pm and the officer closing the server comes to office at 12:00 am and stays till the closing procedure is completed. Alongside SWIFT, we had to screen RTGS transaction which requires a lot of our time in concentrating on the transactions as one error will mean fund being credited to the wrong account and possibly lead to a stressful situation for all the stakeholders. With these in mind, my suggestion

to SWIFT & RTGS unit will be that, addition of one or two human resource will help distribute the work load and will make taking a leave less stressful for the others officers.

Chapter 2

Organization Part

2.1 Introduction

In today's fast-paced climate, everyone needs banks and banking activities. The importance of banks to the country's economy cannot be overstated. Therefore, everyone needs to have a fundamental knowledge of banks and banking operations. Although banks are not required to create money, they do facilitate borrowing, lending, and other related activities, which makes the process of wealth production, distribution, exchange, and consumption simpler. A commercial bank provides services that keep customers' money and personal information secure while also helping emerging nations grow. Businesses, firms, and industries could not function without the existence of banks. It gives customers the option to deposit money in a number of ways, borrow money for investments, transact business locally and internationally, pay a variety of bills, and secure valuables in a locker. The bank assists customers in saving money for investments. Southeast Bank Limited is a commercial bank that is supporting the country through banking businesses and boosting people's and nations' economies in the process.

Everyone who is enrolled in the Masters of Business Administration program of Brac University must undergo a 3-month internship program that includes a practical orientation in any organization. Exposing students to experiences from real life is the main objective. This report is a prerequisite for an MBA student's internship program. I was given the opportunity to work at Southeast Bank Ltd.'s Head Office's International Division in Dhaka while I was an MBA student in order to complete an internship on "SWIFT & RTGS Operations" and partially finish the prerequisite courses. There are some differences between theoretical and practical methods. My coworkers at work helped me finish the report by providing various pieces of information. I picked up a lot of useful skills from them.

2.2 Overview of the Company

Corporate Profile

Name of the Company	:	**Southeast Bank Limited**
Legal Status	:	**Public Limited Company**
Date of Incorporation	:	**March 12, 1995**
Company Registration Number	:	**C-27985(1831)/95**
Authorized Capital	:	**BDT 15,000 million**
Paid Up Capital	:	**BDT 11,889.41 million**
Registered Office	:	**Eunoos Trade Centre.** **52-53 Dilkusha C/A Level (2,3,4,6,16&17)** **Dhaka-1000 Bangladesh**
Number of Employee	:	**2,859**
Number of Branches	:	**135**
Phone-PBAX	:	**(88-02)95711157**
SWIFT Code	:	**SEBDBDDH**
FAX	:	**+88-02-9550093**
Website	:	**www.southeastbank.com.bd**
Email	:	**info@southeastbank.com.bd**

Southeast Banks performance of the last Decade (2012- 2021)

Particulars	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	10,000.00	10,000.00
Paid up Capital	11,889.41	11,889.41	11,599.42	10,544.93	9,169.50	9,169.50	9,169.50	9,169.50	8,732.86	8,732.86
Reserve Fund/ Others	29,437.67	28,483.13	24,493.91	28,315.19	24,595.63	24,886.78	19,340.03	18,292.59	13,074.71	10,864.68
Total Capital (Tier-I+Tier-II)	41,327.07	40,372.53	36,093.33	38,860.11	33,765.13	34,056.28	28,509.53	27,462.09	21,807.57	19,597.54
Deposits and other accounts	376,700.77	359,535.94	329,250.27	298,334.79	269,828.08	229,973.43	210,431.09	189,472.54	177,519.46	152,901.24
Loans & Advances	336,329.37	322,251.46	296,752.96	267,671.63	234,316.72	191,865.59	168,878.46	147,070.81	134,863.82	126,968.97
Investments	113,452.58	97,073.89	77,310.04	65,609.55	62,911.04	61,731.63	58,829.27	56,378.59	57,589.06	39,011.28
Import Business	313,262.70	221,823.40	248,901.33	242,294.80	215,379.77	171,531.73	151,812.58	155,691.00	131,644.82	111,537.50
Export Business	220,402.80	176,419.60	205,907.10	190,402.80	167,562.98	146,606.09	126,423.89	112,137.60	95,220.40	84,464.20
Foreign Remittance	150,294.60	129,887.10	138,272.00	116,803.00	95,405.43	64,665.84	60,708.50	48,740.50	39,299.10	41,455.40
Guarantee Business including ILC	13,369.00	16,688.30	16,470.30	22,420.12	16,407.09	16,369.36	15,245.19	13,603.30	17,226.41	21,506.65
Total Income	30,673.37	33,539.64	36,392.61	33,739.81	27,305.90	25,617.57	26,260.72	27,667.10	26,918.30	23,134.18
Total Expenditure	22,002.25	25,275.08	27,409.63	23,956.82	18,243.60	17,114.35	18,226.45	19,377.34	20,218.11	17,638.99
Operating Profit	8,671.12	8,264.56	8,982.98	9,783.00	9,062.30	8,503.22	8,034.27	8,289.76	6,700.20	5,495.19
Net Profit after Tax	1,784.30	2,149.10	2,508.56	2,473.21	1,168.63	2,435.07	3,069.42	3,836.94	3,378.82	1,648.72
Fixed Assets	10,130.42	9,714.97	9,333.66	9,337.30	9,321.80	8,947.16	7,885.23	7,913.00	7,795.65	7,677.51
Total Assets	495,841.96	465,293.41	422,312.71	381,575.68	339,288.05	291,798.01	260,718.03	236,608.40	220,930.85	191,276.30
Earnings per share (BDT)	1.50	1.81	2.11	2.13	1.11	2.66	3.35	4.18	3.68	1.89
Dividend	12%	10%	10%	10%	15%	20%	15%	15%	21%	15%
Cash	8%	10%	7.50%	-	-	20%	15%	15%	16%	15%
Stock	4%	-	2.50%	10%	15%		-	-	5%	-
Net Assets Value Per Share	25.22	24.98	26.29	26.66	28.16	28.93	29.67	26.77	23.92	22.66
Return on Equity	5.98%	7.14%	8.56%	9.17%	4.46%	9.06%	11.86%	16.51%	16.20%	8.42%
Return on Assets	0.37%	0.47%	0.62%	0.69%	0.37%	0.88%	1.23%	1.67%	1.64%	0.95%
Non performing loans	4.81%	3.10%	4.87%	5.87%	5.99%	4.89%	4.25%	3.64%	3.94%	4.47%
Capital to Risk Weighted Assets Ratio	13.86%	14.35%	11.52%	12.38%	10.84%	12.15%	11.52%	12.41%	10.90%	10.87%
Number of Correspondent Banks	295	309	305	285	265	248	220	211	211	183
Number of Foreign Correspondents	651	649	642	644	825	807	811	791	778	691
Number of Shareholders	31,175	31,881	32,416	33,851	36,038	39,009	46,285	58,169	65,413	64,060
Number of Employees	2,890	2,859	2,885	2,797	2,704	2,616	2,376	2,221	2,118	2,010
Banking	2,425	2,381	2,402	2,305	2,194	2,089	1,889	1,780	1,704	1,655
Non Banking	465	478	483	492	510	527	487	441	414	355
Number of Branches	135	135	135	135	132	128	122	113	103	94

Fig 1: Performance of Southeast Bank from 2012 to 2021 (amount is in BDT million)

Organizational Profile

A second-generation bank, Southeast Bank Limited was founded in 1995 with the goal of providing effective and professional financial services to Bangladesh's citizens and business community. It seeks to considerably advance the development of the national economy. The Bank received its certificate of business commencement from the Registrar of Joint Stock Companies and Firms on March 12, 1995, marking the start of its illustrious journey as a Public Limited Company. On March 23, 1995, the Bangladesh Bank granted it a banking license. Currently, the bank has BDT 15,000 million in authorized capital. As of December 31, 2021, its Paid-Up Capital and Reserve was BDT 41,327.07 million. As of December 31, 2021, the Bank employed 2,890 people, of whom 276 were executives, 2,149 were officers, and 465 were other employees.

Leading business figures and notable industrialists in the nation with interests in all facets of the national economy founded Southeast Bank. Chartered Accountant Mr. Alamgir Kabir, FCA, is the current Chairman of the Bank. Eminent people with business, financial, and operational competence make up the SEBL Board. The Board is made up of 13 people, including the Managing Director and three independent Directors. The managing director of the bank is Mr. M. Kamal Hossain, a distinguished, innovative, and experienced banker with 39 years of expertise.

The Bank is run by a competent management team. They cultivate and foster a culture of trust and discipline that motivates employees to collaborate to accomplish the bank's goals. It offers a wide range of professionally crafted goods and services to meet the requirements of all consumer segments. The operating strategies of the Bank are designed to cater to the unique and frequently complicated needs of the clients. According to the growth graph, the Bank made a profit of BDT 1,784.30 million in 2021 after deducting expenses and taxes. As of December 31, 2021, the asset base totaled BDT 495,841.96 million, making it one of the leading and most successful banking institutions in Bangladesh thanks to the curve's daily ascent.

Mission & Vision Statements

Vision

"To be a premier banking institution in Bangladesh and contribute significantly to the national economy"

Vision Statement of the Organization

"Our Vision, Mission and Value Statement are the keys to the philosophy on which we base ourselves on, what we do and what we want to be."

Mission Statements

- High quality financial services with state-of-the-art technology.
- Customer Service Excellence/ Prompt Customer Service
- Sustainable growth strategy
- Steady return on Shareholders' equity
- Innovative banking at competitive price.
- Attraction and retention of quality human resource
- Commitment to Corporate Social Responsibility

STRATEGIC OBJECTIVES

A Maintaining a high-quality assets portfolio to achieve strong and sustainable returns and to continuously build shareholders' value.

B Maintaining adequate capital in line with risk appetite of the Bank.

C Strengthening trust and partnership with customers by focusing on the Bank's core values of quality customer service, professionalism, teamwork and integrity.

D Hiring professionals with strong background and knowledge.

E Strengthening technologies that reduce operational risks and promote the implementation of best practices in the industry.

F Developing innovative products and services that attract our targeted customers and market segments.

G Exploring new avenues for growth and profitability.

H Practicing efficient risk management principles in line with all six core risks in banking operation, green banking and environmental risk management.

I Practicing efficient corporate governance and compliance processes through meeting all regulatory requirements and disclosures in line with national and international best practices by ensuring best internal control monitoring practices.

J Upholding Bank's brand image as a customer friendly Bank through efficient and prompt customer service, product diversification with a view to establishing a long-term profitable relationship with our customers.

K Serving the society as part of our Corporate Social Responsibility (CSR) by giving stipends to poor students, distributing warm clothes to winter-hit people, providing financial assistance to disadvantaged people and contributing to different relief funds. We also contribute to the society by paying taxes to the national exchequer timely.

L Extending banking services to the un-banked people as financial inclusion for meeting socio-economic requirements.

Fig 2: Strategic Objectives of Southeast Bank Limited

Strategic Priorities

SEBL is concentrated on increasing its wealth while taking compliance and risk into account. The main growth prospects for the Bank include the expanding economic trend in Bangladesh following the COVID 19 pandemic's recovery, the vast infrastructure upgrade, and the quick uptake of technology. SEBL wants to use its technology prowess and comprehensive array of financial services and products to add value for its clients. In light of this, the Bank's strategic **initiatives for the foreseeable future are as follows:**

Achieving Sustainable Growth
- Focusing to earn high risk-adjusted returns on Assets and Equity
- Ensuring growth while maintaining a disciplined approach to risk and cost management
- Increasing client acquisitions in different new segments including new startups, students, young entrepreneurs and low capital business segments.

Diversification of Portfolio
- Building a diversified portfolio across business sectors, geographies and client segments
- Capitalizing on opportunities created by changing market dynamics and economic conditions
- Catering to all financial needs of our customers through offering wide breadth of products and build deep, long-term relationships

Nurturing Digital Banking
- Fostering innovation and ability to adapting industry trends
- Investing in technologies to improve efficiencies and deliver exceptional customer experience
- Digitalizing and personalizing Bank's products to make it easier for customer and employees to do business at lower costs

Optimizing Customer Experience
- Understanding and meeting rapidly changing customer expectations
- Making products and services easily accessible through digitalization
- Enhancing and streamlining all processes to make them customer friendly

Becoming a Leading Corporate Citizen
- Providing access to financial services for the unbanked people especially remote and low-income groups
- Ensuring socially responsible investment and prioritizing in financing of renewable energies and environment-friendly projects
- Reducing environmental impact through the sustainable use of resources
- Contributing to spread the light of education and uplift the social and cultural values of the country
- Investing in talent management through recruitment of quality workforces, retention and mentoring them

Fig 3: Strategic Priorities of Southeast Bank Limited

Priorities followed in 2021

The bank's aims and strategy for business success in 2021 were as follows:

- Foster Corporate Governance Culture
- Monitoring Sustainable and Profitable Growth
- Prudent Asset-Liability Management
- Enhancing Customer Support to Minimize Pandemic Driven Loss
- Executing Different Stimulus Packages Declared by the Government
- Portfolio Diversification to Reduce Concentration Risk
- Upgrading Digital Experience for Customers through Enhancing IT Security & Alternative Delivery Channel
- Pursuing Strong Risk Management Framework
- Ensuring Operational Efficiency
- Recruiting and Retaining Proficient Workforces
- Promoting Green Banking
- Ensuring Internal Control and Regulatory Compliance

Core Values, Strength and Competencies

Core Values
- o Integrity
- o Respect
- o Fairness
- o Harmony
- o Team Spirit
- o Courtesy
- o Commitment
- o Service Excellence
- o Insight and Spirit
- o Enthusiasm for work
- o Business Ethics

Core Strengths
- o Professionally Strong Board of Directors
- o Strong Capital Base
- o Transparent and Quick Decision Making
- o Efficient Team of Performers
- o Satisfied Customers
- o Effective Internal Control
- o Proper Risk Management
- o Focus on Diversification
- o Quality Customer Service
- o Unique Corporate Culture
- o Clean divergence Between Board and Management Functions
- o Strong Asset Base

Core Competencies
- o Knowledge
- o Experience and Expertise
- o Customer Orientation and Focus
- o Transparency
- o Determination
- o Zeal for Improvement
- o Pursuit of Disciplined Growth Strategies
- o Reliability

Contributing in SDG Program

The United Nations Development Program established the sustainable development goal in 2015, which is to provide a better and more sustainable future for everybody. They developed 17 goals and 169 targets that address issues including poverty, the environment, hunger, inequality, prosperity, peace, and justice. Southeast Bank is actively participating in the SDG program in order to achieve the goal. The bank has adopted sustainable innovation and creative thinking. When negotiating contracts with suppliers, they took social and environmental risks into account, introducing green supply chain management. The bank also launched a green prize for helping to preserve the environment, which inspires the staff to be more environmentally responsible. The bank makes sure to use email for business, the internet for activities, less paper, a biometric attendance system, etc. The SDG program has been supported by Southeast Bank Ltd.

Southeast Bank Limited's contribution to achieving SDG goals are given below:

No.	SDG Goal	Product and Services
1	No poverty	Private international development finance through impact investing
2	Zero Hunger	Microfinance for smallholder's finance
3	Good health and well being	Healthcare investment, Gymnasium for employees
4	Quality education	Philanthropic donations to schools for scholarship
5	Gender equality	Microfinance and leading to women and female entrepreneurs, customized products & services for women
6	Clean water and sanitation	Socially responsible mutual funds investing in water
7	Affordable and clean energy	Renewable energy investment, Green Banking
8	Decent work and economic growth	General investments into the real economy
9	Industry innovation and infrastructure	Project finance and commercial lending integrating social environmental criteria for leading decisions
10	Reduced inequality	Fair payment of financial sector employees
11	Sustainable cities and communities	Mortgage lending
12	Responsible consumption and production	Socially responsible investing
13	Climate action	Climate finance
14	Life below water	Financing ecological services
15	Life on land	Financing ecological services
16	Peace, justice and strong institution	Lending to public institutions
17	Partnership for the goals	Public private partnership institutions

Green Banking initiative in Southeast Bank Limited

A Southeast Bank Green Foundation was founded by Southeast Bank Limited with the goal of carrying out its social obligations in the most orderly manner. a private foundation registered under the Societies Registration Act of 1860. The foundation was founded with the intention of engaging in and carrying out welfare, humanitarian, educational, medical, and charitable activities. The bank has developed and implemented a green office guide for the bank called southeast shobuj jibon. The following are notable highlights from this guide to green offices. Southeast Shobuj Jibon is a drive to productive automated channels for raising knowledge and attention for environmental challenges, moving beyond our cycle and clientele. The bank has started a monthly email that its workers can access to raise awareness of the following aspects of going green: Making the Banking Sector "Green" refers to the sustainability of the bank as a whole, not just its lending activity. The Bank leads the Green Banking operations using the most recent internet technologies.

Southeast Bank holds its 27th AGM (Virtually)

On August 11, 2022, at 11:00 a.m., Southeast Bank Limited held its 27th (Virtual) Annual General Meeting via a digital platform. The performance of the Bank's operations was the subject of an animated discussion at the AGM. In 2021, the Bank generated operating income of BDT 8,671.12 million (consolidated). As of December 31, 2021 Bank had deposits totaling BDT 376,700.77 million, assets totaling BDT 495,841.96 million, an EPS of BDT 1.50 (consolidated), a share's net asset value of BDT 25.22 (consolidated), and a share's net operating cash flow of BDT 17.89. (consolidated). In 2021, the bank's Price Earnings Ratio was 10.75 times. As of December 31, 2021, the Bank's capital and reserves reached a record high of BDT 41,327.07 million. Regarding cost effectiveness, Southeast Bank Limited is regarded as one of the best banks in the sector. It had a cost-to-income ratio of 40.90%. In 2021, the bank's profit per employee was BDT 0.59 million and its profit per branch was BDT 12.70 million. The shareholders unanimously accepted the audited financial results of the Bank for the year 2021, the 8% Cash Dividend, and the 4% Stock Dividend at the 27th (Virtual) Annual General Meeting.

The bank's chairman, Mr. Alamgir Kabir, FCA, expressed his gratitude to the shareholders for their on-going support of the bank's efforts to grow sustainably. He gave them the assurance that he would progressively put the worthwhile suggestions they made during the virtual conference into practice in order to improve the Bank's operational performance and brand image. During the meeting, the shareholders submitted their comments and questions online. They thanked the board and management of the bank for their excellent performance, the declaration of a stable dividend to the shareholders, and the publication of the bank's Annual Report for the year 2021, which included adequate disclosures for stakeholders.
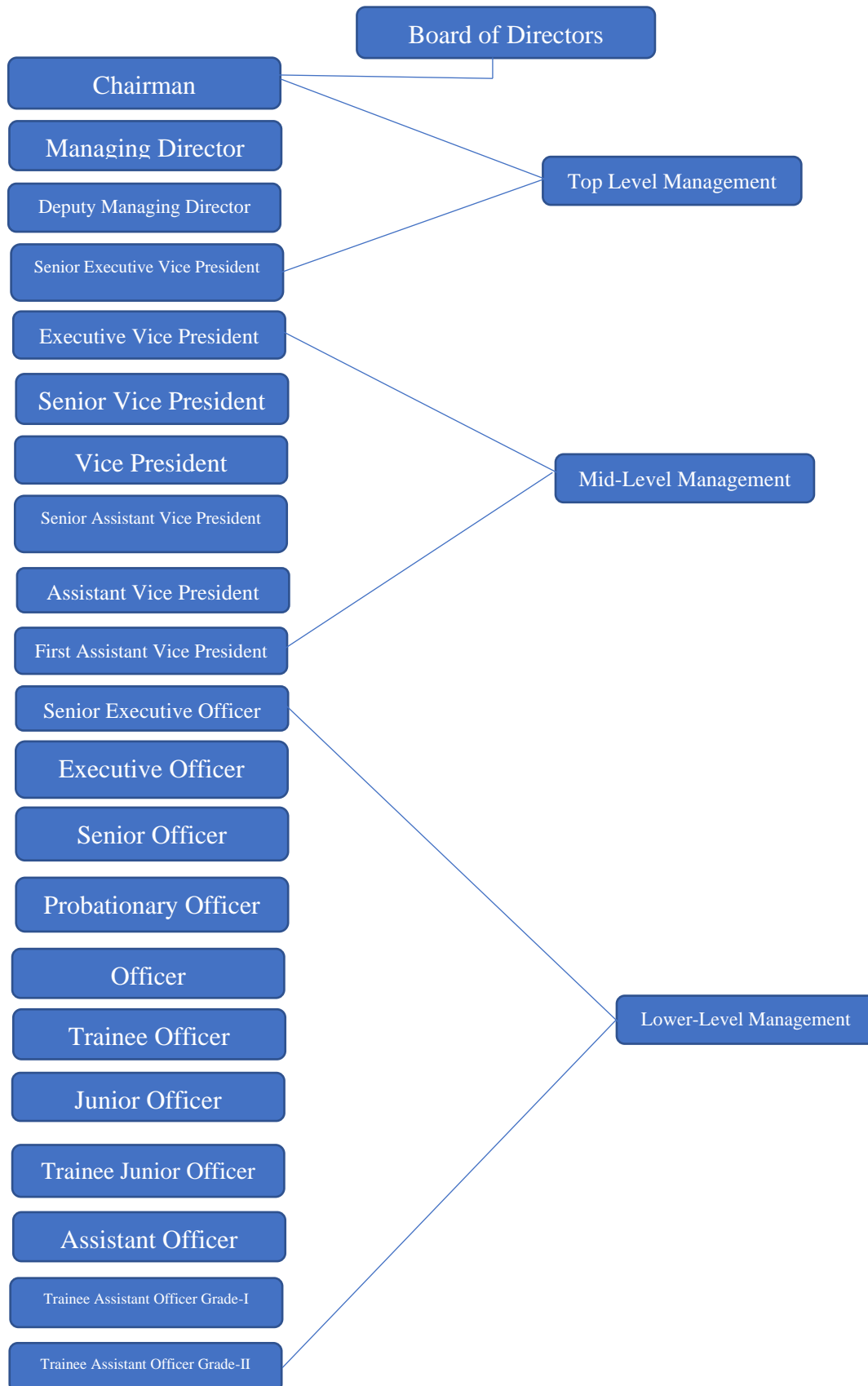
Hierarchy of Southeast Bank

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                                    ┌─────────────────────┐
                                    │  Board of Directors │
                                    └─────────────────────┘
┌─────────────────────────┐
│        Chairman         │
└─────────────────────────┘
┌─────────────────────────┐
│    Managing Director    │
└─────────────────────────┘                    ┌──────────────────────────┐
┌─────────────────────────┐                    │   Top Level Management   │
│ Deputy Managing Director│                    └──────────────────────────┘
└─────────────────────────┘
┌──────────────────────────────┐
│ Senior Executive Vice President│
└──────────────────────────────┘
┌──────────────────────────────┐
│  Executive Vice President    │
└──────────────────────────────┘
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│   Senior Vice President      │
└──────────────────────────────┘
┌──────────────────────────────┐                    ┌──────────────────────────┐
│      Vice President          │                    │   Mid-Level Management   │
└──────────────────────────────┘                    └──────────────────────────┘
┌──────────────────────────────┐
│ Senior Assistant Vice President│
└──────────────────────────────┘
┌──────────────────────────────┐
│  Assistant Vice President    │
└──────────────────────────────┘
┌──────────────────────────────┐
│ First Assistant Vice President│
└──────────────────────────────┘
┌──────────────────────────────┐
│  Senior Executive Officer    │
└──────────────────────────────┘
┌──────────────────────────────┐
│    Executive Officer         │
└──────────────────────────────┘
┌──────────────────────────────┐
│     Senior Officer           │
└──────────────────────────────┘
┌──────────────────────────────┐
│   Probationary Officer       │
└──────────────────────────────┘
┌──────────────────────────────┐
│        Officer               │
└──────────────────────────────┘                    ┌──────────────────────────┐
┌──────────────────────────────┐                    │  Lower-Level Management  │
│     Trainee Officer          │                    └──────────────────────────┘
└──────────────────────────────┘
┌──────────────────────────────┐
│     Junior Officer           │
└──────────────────────────────┘
┌──────────────────────────────┐
│   Trainee Junior Officer     │
└──────────────────────────────┘
┌──────────────────────────────┐
│     Assistant Officer        │
└──────────────────────────────┘
┌──────────────────────────────────┐
│ Trainee Assistant Officer Grade-I │
└──────────────────────────────────┘
┌──────────────────────────────────┐
│ Trainee Assistant Officer Grade-II│
└──────────────────────────────────┘
```

The hierarchy of Southeast Bank is long and I have divided the hierarchy into three parts.

The Top Management, Mid-Level Management and Lower-Level Managements.

The Top Management is comprised of the most highly ranked officials ranging from the SEVP to DMD to MD & The Chairman. The Board of Directors is led by the Chairman.

Mid-level Management is from EVP to AVP and Lower-level Management ranges from the FAVP to TAO Gr-II.

Corporate Organogram of Southeast Bank Limited

Chapter 3

Project Part

SWIFT & RTGS Operations Unit

3.1 SWIFT Overview & Operation

The Society for Worldwide Interbank Financial Telecommunication (SWIFT) offers a network via which financial institutions from all over the world can send and receive information about financial transactions in a safe, standardized, and trustworthy setting. The communications services are provided by SWIFT, which support more than 11,000 financial institutions worldwide, are crucial to the functioning of the world economy. Our goal as a provider of vital infrastructure and technology is to make sure that our systems are secure and dependable every day so that the Bank's SWIFT Operations may continue without interruption. Our strategy is to give our stakeholders the finest service possible. We accomplish this via the hard work and dedication of our highly skilled and capable personnel. We fulfill this demanding promise day after day, year after year, thanks to our long-term investments in technology and renewal programs, demonstrated crisis response, industry-recognized quality & availability, and ongoing vigilance towards new dangers. To provide our customers with the finest services possible and to comply with the SWIFT Customer Security Program, the Bank continuously makes investments in our technology, security, people, and procedures (CSP).

Southeast Bank conducts cross-border commercial transactions, inward/outward remittance, etc. for the Bank using cutting-edge secured infrastructure as a member institution of the Global SWIFT since 2000. The SWIFT Operation Unit serves as the Bank's International Division's centralized, authenticated communication channel. The seamless supply of SEBL's cutting-edge Trade and FEX business products & services to the cherished clients is currently made possible by the fact that all AD branches are connected to the Global SWIFT Network via the data center at Head Office. By using industry best practices, such as hosting SWIFT servers in DMZs and connecting to SWIFT Gateway over IPsec VPN connections, the Bank has already created one of the most robust, secure, and dedicated network architectures. implementation of a framework for multifactor authentication, careful oversight of SWIFT workstations, etc. On order to ensure that the Bank's information in the SWIFT network is always safe and secure, the Bank regularly assesses the effective control measures already in place for operations such centralized trade payment, NOSTRO reconciliation, adhering additional layer of authorization, etc.

The SWIFT & RTGS Operations Unit of Southeast Bank is under their International Division, Head Office. International Division consists of the Remittance Department, Treasury Front Office, Treasury Back-Office, Financial Institution Unit, Central Trade Service Department, General Banking Department, International Division Operations, and SWIFT & RTGS Operations Unit. The head of International Division is Mr. Md. Jahangir Kabir, SVP.

Southeast Bank has the access and permission to send and receive SWIFT messages of the following categories:

Massage Category	Message Types
Category 1: Customer Payments and Cheques	103, 103.STP,198,199
Category 2: Financial Institution Transfer	202, 202.COV, 299
Category 3: Treasury Markets, Foreign Exchange, Money Markets and Derivatives	320,399
Category 4: Collections and Cash Letters	400, 410, 412, 420, 498, 499
Category 7: Treasury Markets, Syndication	700, 701, 707, 710, 720, 721, 730, 732, 734, 742, 750, 752, 754, 756, ,760, 767, 768, 769, 799
Category 9: Cash Management and Customer Status	900, 910, 998, 999

SWIFT Operations is a sensitive unit as it practically can be used to transmit huge amount of money to other countries if the system is compromised. Thus, the officials of this units have to be extra careful while doing their daily activities. To maintain physical security, the unit is made to have access doors so that only authorized personnel can enter.

Core activities of the unit is shown below:
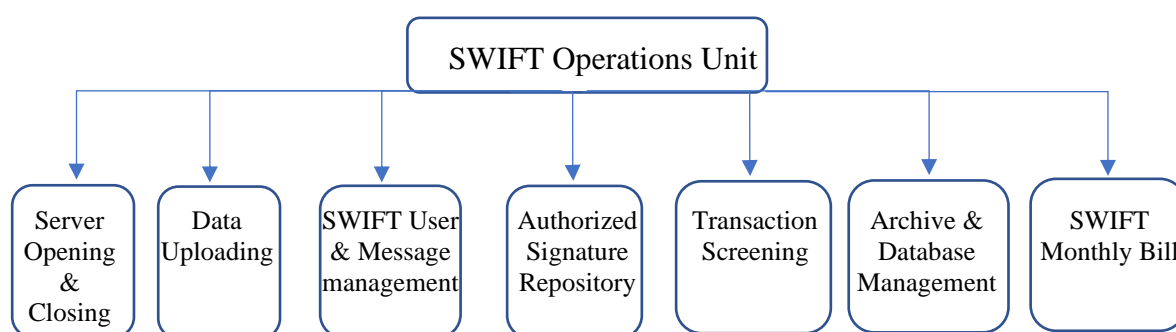
Fig 6: Job activities of SWIFT

3.1.1 SWIFT Server Opening & Closing

The central bank of Bangladesh, Bangladesh Bank, has an account with the Federal Reserve Bank of New York to deposit, retain, and transfer Bangladesh's foreign exchange reserves, similar to many other national banks. Bangladesh, which has a developing economy, frequently has foreign exchange reserves in the billions of dollars. The Bangladesh Bank robbery, also known colloquially as the Bangladesh Bank cyber heist, was a theft that took place in February 2016. Thirty-five fraudulent instructions were issued by security hackers via the SWIFT network to illegally transfer close to US$1 billion from the Federal Reserve Bank of New York

account belonging to Bangladesh Bank, the central bank of Bangladesh. Five of the thirty-five fraudulent instructions were successful in transferring US$101 million, with US$20 million traced to Sri Lanka and US$81 million to the Philippines.

After this incident, all the banks of Bangladesh have increased their security measures. One such measure is the opening and closing of the SWIFT servers every day, which is adopted by Southeast Bank Limited. The unit's roaster duty was also introduced to facilitate the security protocol. The server opening procedure are simple and straight forward when compared to the closing procedure because it involves creating backup of the databases and storing them in offsite servers.

Server opening procedure begins with the official coming early to office at 8:30 am and from their dedicated SWIFT Pc, they login to the server using remote desktop app and then starts the SWIFT application. After the server is initialized, an integrity report of the server and application is taken from the SWIFT server application's command prompt to check that during the night there were no attacks or any sort of tampering with the database. After these activities are performed, the user disconnects from the server and logs in to SWIFT alliance application to open the Web Platform (SWP) and Financial Logical Terminal (FLT) and commence business day.

A designated server cut-off time was approved by the management, 7:00 pm in the evening that is one hour after office time. Server closing procedure starts from closing the FLT and SWP and then connecting to the server and then stopping the server application. Then a backup is created from the same application and this process is long and tedious. After the backups are created, the integrity report is taken again to ensure safety and afterwards the backups are copied to three network drives one of which is located at the IT division, another is located at Uttara Branch and the Disaster Recovery server is situated at a site in Tongi.

3.1.2 Data Uploading

Southeast Bank Limited hold foreign currency in other foreign banks thus they have Nostro accounts. These foreign banks send the statements of the Southeast bank accounts regularly and these statements are of the previous business day. The officer who comes to open the SWIFT server also has the responsibility to upload these statements to the Core banking System (CBS). These statements come from the other banks through SWIFT network. After the FIN Logical Terminal is opened to send and receive swift messages, the previous day statements arrive within 20/30 mins. We download the statements in text format and upload them to the CBS.

Another data that we have to upload is at the end of business day, all the payments that are sent from Southeast Bank over SWIFT to other financial institution are downloaded. The downloaded MT202 is then kept at a network drive where the file is then processed to be sent as email to the beneficiary or payee as a receipt of confirmation of the payment.

3.1.3 SWIFT User & Message Management

The second most important part of our daily operation was to manage the SWIFT users of the branch and monitor SWIFT messages that are received at Southeast Bank Head Office's message queue. Not of the branches of Southeast Bank has SWIFT connectivity. There are 24 Authorized Dealer (AD) branches who have the permission to the SWIFT Infrastructure. All these AD branches have their Business Identification Code (BIC). The list of the AD branches with BICs are given below:

SEBL Head Office BIC - SEBDBDDHXXX					
Branch	BIC	Branch	BIC	Branch	BIC
Principal	SPB	Gulshan	GUL	Corporate	CRP
Agrabad	AGR	Dhanmondi	DHN	CDA Avenue	CDA
Khatunganj	KTG	Uttara	UTT	Agargaon	AGA
Imamganj	IMG	Kawran Bazar	KRN	Shyamoli	SYM
Laldighirpar	LDP	New Eskaton	ESK	Narayanganj	NAR
Bangshal	BNG	Banani	BAN	Central Trade Service Department	CTS
Jubilee Road	JUB	Motijheel Islami	MIB	Off Shore Banking Unit (Dhaka)	OBU
Khulna	KLN	New Elephant Road	NER	Off Shore Banking Unit (Chittagong)	OBC

General SWIFT Code format

Bank Name	Country Code	Location Code (Head office)	Branch Code
SEBD (Southeast Bank)	BD (Bangladesh)	DH (Dhaka)	SPB (Principal)
SEBDBDDHSPB			

The summation of these four parts together makes the BIC of an Institution. Most of the inward and outward messages if they have proper BICs mentioned in the SWIFT messages in their field will go directly to the designated branch for instance, a message with receiver BIC SEBDBDDHSPB will be routed through the system to the principal branches message queue, where it will be processed by the foreign exchange and trade department. Many messages are received without a branch BIC at the end and instead is sent to the Head Office BIC (SEBDBDDHXXX). Our job is to read each message and identify the branch and route them to those branches timely. To be compliant with the rules of SEBL, we have to empty the queue each day so that no payments of Letter of Credit or any sort of Bank Guarantee get delayed. The average volume of messages that we screen are around 120-150.

As I have already mentioned that each AD branches foreign trade department has access to swift and messages are routed to their message queues, the require users with specific roles and permission. Maintenance of these users is another core operation of SWIFT Operations unit. The services range from creating new users, changing roles of existing users, resetting their passwords, resetting their Two-factor authentication passwords, unlocking their users etc. Sometimes users are unable to login because of a problem in the server or in the application or in case of a mismatch in time between their PC and Mobile phone and they require our assistance in these regards.

3.1.4 Transaction Screening

In order to combat threats related to sanctions and terrorism financing and to reduce potential risks in our day-to-day business, SWIFT Operations Unit has also implemented "SWIFT Transaction Screening Solution," a fully automated cloud-based secured portal from SWIFT. This portal checks both incoming and outgoing SWIFT transactions against sanction lists (OFAC, UN, US, EU, etc.). We also monitored and kept track of 30 sanction lists from the key regulatory authorities. With the help of SWIFT's Transaction Screening, our messages are continuously checked for compliance with the most recent regulations by being checked in real time against comprehensive and up-to-date sanctions lists. Our anti-money laundering

approach receives further assurance from SWIFT's Sanctions Screening, a user-friendly and affordable tool.

3.1.5 Authorized Signature Repository (ASR-Digital)

All the banks in Bangladesh have signature repository that they distribute among themselves in order to verify signatures on important business deals and paperwork. Southeast Bank is of the first few banks to introduce digital version of the signature repository. When the management approves or assign an official to become a PA holder, their signature is to be uploaded to the ASR portal. Once the decision is taken by the management, the HRD processes their paperwork with their sample signatures and our job is to scan the signature and edit it to remove the background and upload it to the portal. Quite often we get requests from other banks to provide them with our updated ASR file. We maintain a file where we update every addition or removal of PA holder. We burn the file into a CD and send it to the inquiring banks or financial institution. Similarly, we maintain Signatures of others banks and financial institutions too. Besides our own signatures we also have a portal where the signatures of the shipping companies affiliated with Southeast Bank Limited are kept so that we can verify the personnel of the shipments and LC.

3.1.6 Archive & Database Management

The volume of SWIFT messages throughout a month is around 23000 which includes both incoming and outgoing. As messages are stored in the live server, the excess load hampers the smoothness of the server and in turn hampers the flow of work in the SWIFT application. Southeast Bank Limited has one live server and multiple archive servers to keep record of every transaction and messages that have been sent and received through SWIFT interface. We have data as old as from 2009 in the archive servers. According to SWIFT Guidelines and Policy, live server should have least amount of load, so we have an automatic archive process in the live server, where 15 days old messages are archived automatically. We can still view those messages from the live server but we have to select the archive date in order to retrieve the data. Another policy dictates, every six months, we have to run an archival procedure. This process transfers data from the live server to archive servers, and is quite a lengthy procedure taking as much as up to 5 -7 hours for the whole process to complete. I had the privilege to witness this process and, on that day, we close SWIFT early at 6:00 pm with the permission from the management and usually leave after the work is done at around 1:00 am in the night.

3.1.7 SWIFT Monthly Bill

The SWIFT Application that we use is a product that we bought from SWIFT and has a maintenance fee charged twice a year. The AD branches using SWIFT is charged a fixed fee for the connection and a fee on the amount of messages they have sent through the SWIFT network. The bill cycle is at June and December of every year. We create the monthly bills for the AD branches and after 6 months an accumulated bill is given to the branch for the charges of connectivity and message volume. For instance, branch charges customers Tk 1500 for LC advising, 700 for advising the amendment of a LC and 500 for other category of messages.

3.1.8 SWIFT Operation Unit's Ongoing projects

SWIFT is constantly innovating on Fintech to improve speed and security of their system and in turn improving the service provided by their customers by using their products and services. They have recently launched three new products that has stated to improve the security and traceability of payments from cross-border banks. Southeast Bank has acquired the licenses for

these products and the projects are at "on-boarding" phase. The projects are Global Payment Innovation (GPI), Payment Control System (PCS), Alliance Warehouse (AWH).

SWIFT GPI (Global Payments Innovation) was created to enhance both customers' and banks' experiences while making payments through the SWIFT network. International payments are made to suit the needs of the sector for speed, traceability, and transparency thanks to SWIFT GPI. The landscape of cross-border payments globally has undergone a significant upheaval. One of the contributing causes is SWIFT GPI, the new benchmark in Global payments allow financial institutions to send and receive money rapidly, securely, and with complete knowledge of a payment's current location, to and from anyone, anywhere in the world. Every month, SWIFT processes around 15,000,000 payment communications. By enhancing the speed, visibility, and end-to-end tracking of international payments, the SWIFT GPI effort enhances the customer experience in cross-border payments. Banks use GPI to transfer the equivalent of nearly $600 billion in value every day. That was equivalent to $97 trillion in 2020. Through GPI, SWIFT and the world's banks have worked together to establish a new standard for processing cross-border payments.

Reduced settlement times and foreign exchange risk are two primary advantages of GPI. Any international bank can follow a payment in real time. Additionally, customers have complete transparency regarding processing costs, currency rates, and processing times. GPI improves operating efficiency while protecting itself from online attacks.

SWIFT PCS (Payment Controls Service) combines daily reporting with real-time tracking, allocating, and blocking of sent payments. In the case of a back-office compromise, it lessens business disruption and financial losses by assisting institutions in identifying and preventing high-risk payments. Through its distinctive alerting and reporting features, it assists in reducing the risk of fraud. Real-time alerting on our outgoing Payment messages is provided by Payment Controls. Our risk rules and operational procedures can be integrated with validated, correspondent-focused models and indicators. It offers a separate record of our inbound and outgoing payment activity, allowing us to confirm that the activity record from our internal payment system is accurate. A crucial component of SWIFT's customer security program is payment controls (CSP). In order to safeguard their local environment, SWIFT CSP mandates that banks implement the proper payment rules and procedures. According to the current SWIFT Customer Security Program, customers are required to keep an eye out for odd transactions (such as those involving unusually high sums, strange beneficiaries, or unusual currencies) and collect information on payment transactions from a secondary source. One such product that offers a complete solution with both alerting and reporting features is SWIFT Payment Control Service (PCS). The service will initially focus on key payment messages: MT 103, MT 202, MT 2OZCOV, MT 205 and, MT 205COV. Southeast Bank Limited is in Band 4 according to SWIFT because the projected daily payment flow is between 1000 and 5000 transactions.

Benefits of PCS are An additional and last layer of proactive defense against payment fraud. Control risk by managing payment policies, such as payment limits and locations. Ensure the business of the counterparties. Quickly adjust to shifting company needs and new threats. Give a primary checkpoint or backup safety net. Reduce the danger to your reputation and regulations.

AWH (Alliance Warehouse) is SWIFT's comprehensive message storage service, created especially for day-to-day investigation and long-term preservation. With fast access to any transaction, Alliance Warehouse's SWIFTS limitless message and file archiving solution securely preserves all financial messages and files for as long as we require. It is especially

made to safely save all of our financial communications and files in one place for as long as we like, with protection from tampering and unauthorized access. We have immediate access to the content and history of every transaction thanks to the data near real-time updating. Using the robust integrated search engine, only authorized workers can readily identify and examine all prior transactions. Financial institutions require a flexible and dependable store and-search solution to promptly handle inquiries and present assured responses to regulators, clients, and internal stakeholders as regulatory scrutiny over financial activities continues to rise. Large information sets can be collected, stored, and consulted in novel ways that go beyond merely satisfying regulatory data requirements.

Alliance Warehouse (AWH) advantages include:
- Unlimited: Keep all messages and data on file continuously for however long we desire.
- Finding any message in a matter of seconds, whether it was sent only moments ago or
- long ago.
- Simple: Simple to set up, simple to use, scalable, and economical.
- Flexible: A wide range of logical search parameters that help us find what we're looking for.
- Access all files and messages from various sources in one location to make it comprehensive.

3.2 RTGS Overview & Operation

As part of its inclusive digitization strategy, Bangladesh Bank established the Real Time Gross Settlement (BD-RTGS) system on October 29, 2015, to promote safe, secure, and effective interbank payment systems. The instantaneous settlement of high value and time-sensitive payments in the nation was made possible by BD-RTGS, which opened up new possibilities in the payment ecosystem. RTGS is an electronic settlement system that allows for real-time, gross fund transfers from one bank account to another bank account. Real-time transactions are those that don't require any delay. As soon as a transaction is carried out, it is settled. It goes without saying that the minimum transaction threshold is BDT 1,000,000, whereas there is no threshold for government payments.

It is important to note that this system currently connects more than 11,235 online branches from 60 scheduled commercial banks and 16 financial institutions. It should be noted that starting on June 1, 2022, 15 (Fifteen) Financial Institutes (FI) in Bangladesh that use the EDS Money platform will be using the RTGS system. Only FI to FI, FI to bank, and bank to FI transactions are being carried out by them. Recent additions to the BD-RTGS system, which will begin processing RTGS transactions on July 3,2022, include Citizens Bank PLC and Midas Financing Limited. On April 4, 2021, the BD-RTGS System operated from the Near Data Center (NDC) at the Bangladesh Bank Training Academy (BBTA). 1,929,967 transactions totaling 1,394,458 crore takas were made between May and July 2022, while 1,816,498 transactions totaling 1,155,124 crore takas were made between February and April 2022.

The system is now permitted to handle a number of lucrative features, including Automated Challan System (ACS), VAT Online Payment, and Customs Duty E-Payment. The possibility exists to settle all other Deferred Net Settlement Batches (DNSB), such as BACPS, BEFTN, or NPSB, through the RTGS system in addition to these specific interbank transactions. Also connected to the BB core banking solution is BD-RTGS. For easy communication between BB-RTGS and the participants, Bangladesh Bank has given each scheduling bank a participating module. A profound understanding is that the RTGS system may have a

significant impact on the banking industry and become a precedent-setting example in the Bangladeshi economy.

Since a long time ago, Bangladesh Bank has offered clearing and settlement services for both domestic currency and authorized foreign currencies within the nation. The clearing and settlement processes are carried out by the Bangladesh Bank's Forex Reserve and Treasury Management Department by keeping FC accounts in currencies that have been approved by the designated banks. The entire FC Clearing and Settlement procedure is still manual and paper-based, requiring the physical movement of officials and instruments, which raises transaction costs and causes annoyance. Under the Bangladesh Bank's foreign exchange clearing scheme, FDDs issued by commercial banks in foreign currencies were cleared. Bangladesh Bank has made the decision to incorporate the Foreign Currency Clearing activities within the BD-RTGS System and using RTGS rather than FDD in order to make the process more contemporary, timely, and automated.

The RTGS system can function in both local and international currencies. Transactions involving the US dollar (USD), British pound (GBP), euro (EUR), Canadian dollar (CAD), and Japanese yen (JPY) will now be cleared and settled by Bangladesh Bank. It is worth mentioning that the RTGS system would soon include Clearing & Settlement of Chinese Yuan (CNY). The FC in the RTGS system operates similarly to the local currency (BDT) settlement mechanism because RTGS is a credit transfer system. According to the participants' Standing Instructions, the Banks' particular FC account will be debited at the start of each business day, and the associated RTGS settlement account will be credited. Then, transactions will be quickly settled as per participant instructions, and funds will be sent to the beneficiary's account. Only when the RTGS settlement Account of a particular currency has enough balance will the transaction be settled. The balance of the RTGS system's settlement account will be transferred to the designated FC account for each bank at the close of business. Therefore, participants' exposure to both settlement and credit risk will be eliminated through FC clearance through the RTGS system.

Southeast Bank Limited has a centralized RTGS system, that is all the incoming and outgoing transactions are screened from the Head Office and then onwards to the branches and other banks respectively. Moreover, FC clearing through RTGS has also been successfully incorporated in the existing RTGS module of Southeast Bank Limited. I have been lucky to have been a part of FC clearing onboarding process and was involved in the making of SEBL's RTGS forms for the branches that customers will fill up when they want to transfer fund through RTGS both for Domestic and Foreign Currency.

The RTGS forms are given below

Southeast Bank Limited™
a bank with vision

Bank Copy

BD- RTGS Application Form (FC Clearing)   Serial No. _____

Date: ____ / _____ / _____

The Manager
Branch: _____

Dear Sir,

Please arrange to debit my/ our account as per the instruction given below with applicable charge & government taxes.

Sender/ Payee information

Account Holder Name (In Block Letters)

Account Number   Amount   Currency

Amount in Words: _____

Mobile:

Required Information for FC Clearing

Exchange Rate ID
Originator FC Type
Purpose
Other Information
Narration

Receiver/ Beneficiary Information

Bank Name   Branch Name

Account Name (In Block Letters)

Account Number   Routing Number   Reciever FC Type

Mobile: Email Address

Customers Declaration

I/ We hereby confirm that I/ We have read and understood the terms and condition of Southeast Bank Limited and authorize Southeast Bank Limited to debit my/ our account to initiate credit instruction through BD- RTGS for the beneficiary and authorize necessary adjust entries in case of any reconciliation.

_____   _____   _____
Signature of the 1st Applicant   Signature of the 2nd Applicant   Signature Verified by
                                                                        (Communicate with the A/C holder before verification)

_____   _____
Transaction Originated by   Transaction Authorized by
                                             (Use Seal with PA no.)

Acknowledgement   Customer Copy

Date: ___ / ___ / _____

Acknowledged that Southeast Bank Limired, _____ Branch has debited BDT/ USD/ EURO/ GBP _____ In words _____ from Account Number _____ for RTGS to Beneficiary A/C Name _____, A/C Number _____ of _____Bank favoring _____ Branch.

_____   _____
Transaction Authorized by   Manager Operation/ Head of Branch
(Use Seal with PA no.)   (Use Seal with PA no.)

Fig 7: RTGS Form (Foreign Currency)

22

Southeast Bank Limited™
a bank with vision

Bank Copy

BD- RTGS Application Form   Serial No. _____

Date: ____ / _____ / _____

The Manager
Branch: _____

Dear Sir,
Please arrange to debit my/ our account as per the instruction given below with applicable charge & government taxes.

Sender/ Payee information

Account Holder Name (In Block Letters)

Account Number   Amount   Currency

Amount in Words: _____

Mobile:

Required Information for Customs Duty Payment

Customs Duty Code (3 Digit)
Registration Year (4 Digit)
Registration Number (12 Digit Max)
Declaration Code (18 Digit Max)

Receiver/ Beneficiary Information

Bank Name   Branch Name

Account Name (In Block Letters)

Account Number   Routing Number

Mobile: Email Address

Customers Declaration

I/ We hereby confirm that I/ We have read and understood the terms and condition of Southeast Bank Limited and authorize Southeast Bank Limited to debit my/ our account to initiate credit instruction through BD- RTGS for the beneficiary and authorize necessary adjust entries in case of any reconciliation.

_____   _____   _____
Signature of the 1st Applicant   Signature of the 2nd Applicant   Signature Verified by
                                                          (Communicate with the A/C holder before verification)

_____   _____
Transaction Originated by   Transaction Authorized by
                                                (Use Seal with PA no.)

Acknowledgement   **Customer Copy**

Date: ___ / ___ / _____

Acknowledged that Southeast Bank Limired, _____ Branch has debited BDT/ USD/ EURO/ GBP _____ In
words _____ from Account Number _____ for RTGS
to Beneficiary A/C Name _____, A/C Number _____ of
_____Bank favoring _____ Branch.

_____   _____
Transaction Authorized by   Manager Operation/ Head of Branch
(Use Seal with PA no.)   (Use Seal with PA no.)

Fig 8: RTGS Form (Local Currency)
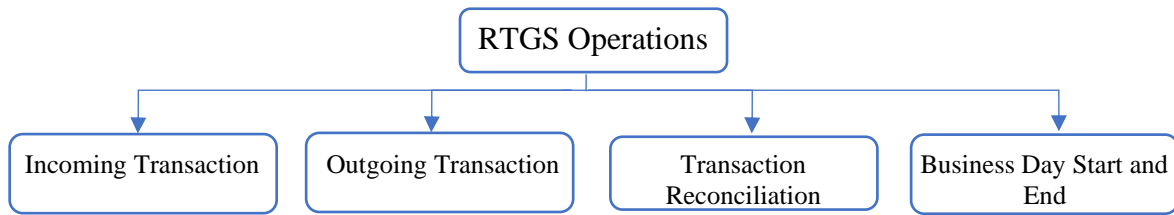
RTGS Operation has 4 core activities

Fig 9: Job activities of RTGS operations

3.2.1 Incoming Transaction

Incoming transactions that are received through RTGS are held in a queue for the officials of the Head Office RTGS Team to review. The flow chart below can be used to illustrate the process clearly
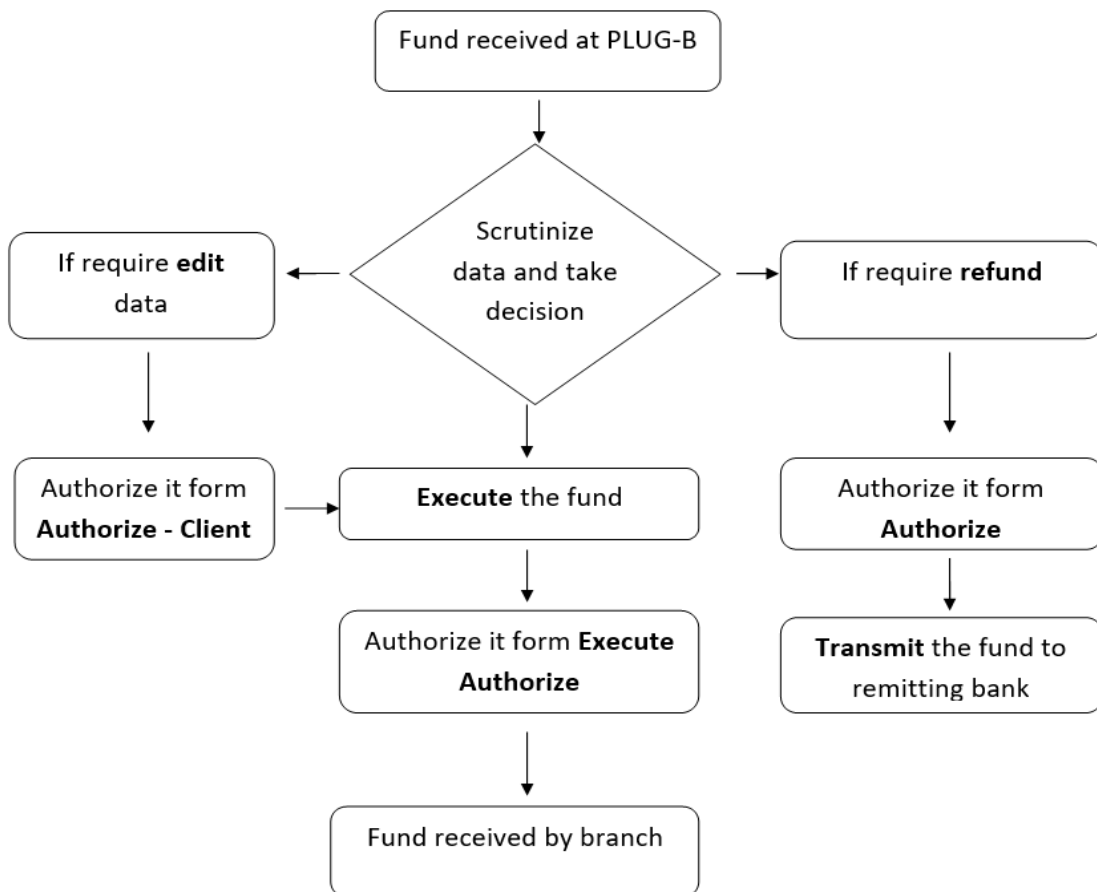

Fig 10: Flow Chart of Incoming Transaction

The basic incoming process is that, fund sent from other banks towards us has to pass through Bangladesh Bank's server and is then received at our queue. Here, we scrutinize and check whether the given information in the transaction, especially the branch code and account name,

matches with the information corresponding with the provided account number with our CBS information. If all details match, one official executes the transaction and another official authorizes the transaction and the fund is credited to the beneficiary account.

3.2.2 Outgoing Transaction

For outbound transaction also referred by us as payments, are made from the branches. Customer arrives at the branch with the purpose of fund transfer through RTGS and fills up the form accordingly. The RTGS officials of the branch makes the transaction and authorizes it. Once they have processed the transaction from the branch, it arrives at our queue to be sent to the remitting bank. In case of payment, there is no way to cross-check details as we do not have information of the beneficiary bank's CBS. We check if our account numbers are correct and the debit and credit entries match and then we transmit the fund.

The flow chart below can give a clear idea of the process
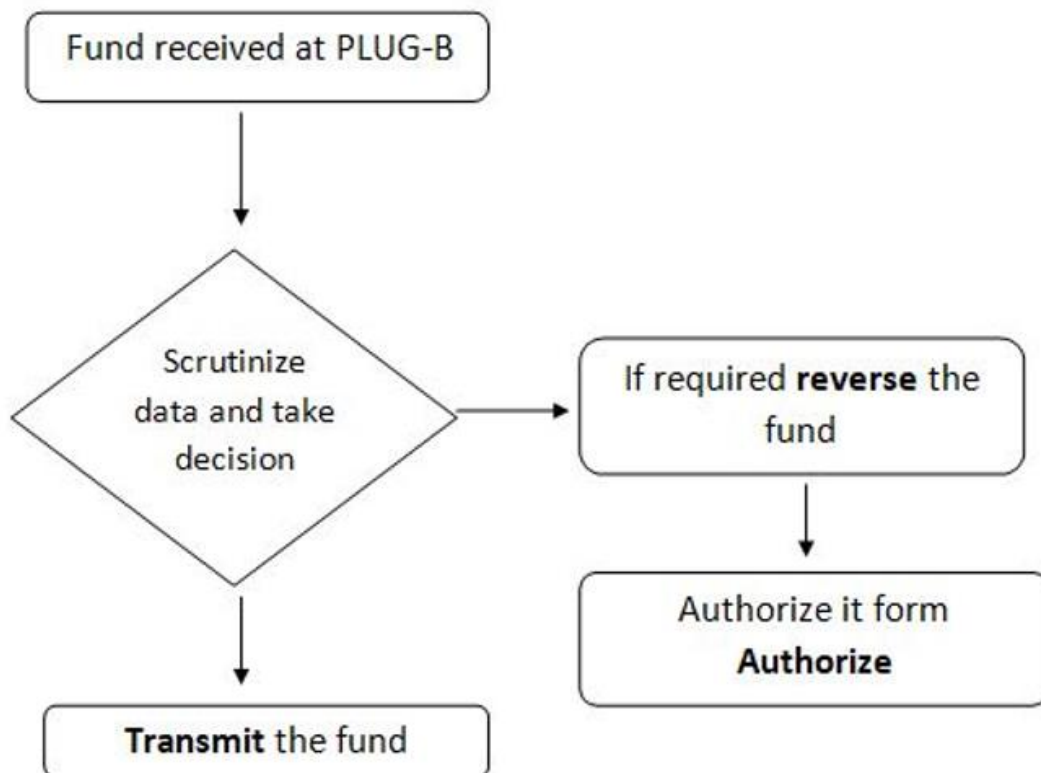
RTGS PROCESS FLOW (OUTGOING)

Fund received at PLUG-B

Scrutinize data and take decision

If required **reverse** the fund

Authorize it form **Authorize**

Transmit the fund

Fig 11: Flow Chart of Outgoing Transaction

3.2.3 Erroneous Transaction

Quite often transactions received from other banks have errors in them which is recognized by the system as the system then I unable to match the given account number with the CBS account number. In this case, the transaction, are highlighted and require our investigation to be able to either credit it to the correct destination account or return the transaction back to the sender bank. We have the authority to edit the account number but has limitation to only adding or removing zeros and/or removing wrong branch code etc. If we are able to find the account after editing, we accept the transaction otherwise we return it.

3.2.4 Business Day Start and End

At the start of the business day, Bangladesh Bank sends BDT 500 Crore to our account. Once the amount is visible in the module, we have to start the business day of the Plug-B application. After the business day starts, we must execute the Bangladesh Bank's BDT500 Crore first so that branches can make payments if and when required.

During the day, many transactions both Client-client and FI-FI transactions are taking place and these transactions are kept in a shadow GL that we have to clear at the end of the day. A report from Bangladesh Bank is received at the end of day to verify if all transactions have been completed throughout the day. If there is a mismatch, we solve it and then settle all relevant GLs and end business day for RTGS.

Chapter 4

Conclusion

The banking industry has already made a name for itself as an essential tool in commerce. Without a question, as a developing nation, we need to expand our banking industry. Banks are currently performing essentially the same task in a different manner. They all do, however, desire to work for the benefit of the nation. The same can be said for Southeast Bank Limited. I learned that SEBL is a bank with a lot of promise during my internship. For both the private and public sectors, this bank engages in a wide range of crucial banking and nonbanking activities. SEBL prioritizes enhancing the nation's socioeconomic status. Although other banks make larger investments, SEBL devotes a good portion of its capital in strengthening its IT security to prevent from cyber-attacks and stay ahead by acquiring updated products and services that give them a competitive edge over other banks and ultimately lead to the growth of the economy. They attracted my attention, and I could see that this bank had a lot of potential. I gained a fundamental understanding of the current banking landscape in Bangladesh. On the other hand, this experience helped in understanding the job market. Since I understood that taking part in this internship program would help me develop personally, I gave the program's objectives my all.

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