

**INTERNSHIPAFFILIATIONREPORT ON**

**Case study analysis on the critical aspect of L/C processing of EXIMBank  
under CPC (Centralized Processing Centre) unit in Bangladesh Ltd.**



**Faculty of Business Administration  
BRAC University**

**INTERNSHIP AFFILIATION REPORT ON  
Case study analysis on the critical aspect of L/C processing of EXIM  
Bank under CPC unit in Bangladesh Ltd.**

An Internship Report Presented to the Faculty of Business Administration in  
Partial Fulfillment of the Requirements for the Degree of  
Masters of Business Administration (MBA)

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Date of Submission April 2, 2015

## LETTER OF TRANSMITTAL

Date: 9 April, 2015

Md. Tamzidul Islam  
Senior Lecturer  
BRAC Business School  
BRAC University

Subject: Submission of Internship Report

Dear Sir,

I am here by submitting my Internship Report, which is a part of the MBA Program curriculum. It is a great achievement to work under your active supervision.

This report is based on over all analysis on the critical aspect of LC processing of EXIM bank under CPC in Bangladesh. I have got the opportunity to work in EXIM Bank Limited for twelve weeks, under the supervision of Mr. Monirul Islam Golder (SAVP and Branch Manager) of CPC unit at Gulshan-1.

This project gave me both academic and practical exposures. First of all I learned about the organizational culture of a prominent bank of the country. Secondly, the project gave me the opportunity to develop a network with the corporate environment.

I would be highly obliged if you are kind enough to receive this report and provide your valuable judgment. It would be my immense pleasure if you find this report useful and informative to have an apparent perspective on the issue.

Sincerely Yours

---

Amit Saha

ID No: 12264026

BRAC Business School

BRAC University

# Supervisor's Certificate

I hereby declare that the concerned report entitled "*Case study analysis on the critical aspect of L/C processing of EXIM Bank under CPC unit in Bangladesh Ltd*" is an original work by **Amit Saha**, ID No. 12264026 Major in Marketing, Department of MBA, BRAC University completed his internship under my supervision and submitted for the partial fulfillment of the requirement of the degree of MBA at BRAC UNIVERSITY

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**Md. Tamzidul Islam**

Senior Lecturer

Department of MBA

BRAC UNIVERSITY

## **Executive Summary**

The report represents the three-month working experience on EXIM Bank Limited. I was assigned in CPC (Centralized Processing Centre) unit of EXIM Bank at Gulshan-1. This report gives a clear idea of the activities and the operation strategies of L/C processing in EXIM bank.

Export Import Bank of Bangladesh Limited is a new generation bank. It is committed to provide high quality financial services/products to contribute to the growth of GDP of the country through stimulating trade and commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, poverty alleviation, raising standard of living of limited income group and overall sustainable socio-economic development of the country.

The whole report is based on the operations of L/C processing in EXIM bank and the services it provides. My overall experience had been very fascinating and I believe internship period at EXIM Bank Ltd. will definitely help me a lot in building my future career.

## **Acknowledgement**

First of all, I would like to thank almighty Allah for his grace in accomplishing my internship report on time.

I would like to express my gratitude to all the people that were involved both directly and indirectly in the preparation of this report. I apologize to the people whose names that I have not mentioned, and their contribution is highly appreciated by me.

I am also thankful to my academic supervisor Md.Tamzidul Islam– Senior Lecturer, BRAC University- for guiding me and for giving me the opportunity to initiate this report. More specifically, I would like to thank him for imparting his time and wisdom.

I am also thankful to all employee of EXIM Bank Head office for giving me the opportunity to conduct the internship in EXIM Bank Bangladesh Ltd. I would like to thank to Senior Assistant Vice President Mr. Monirul Islam Golder, First Assistant Vice President Md. Abu sayem Mazumder, First Assistant Vice President Molla Wazibul Imani, Senior Principal Officer Md. Abul Kasem Mazumder, Executive Officer A.K.M. Mumitul Islam, Executive Officer Md. Shahin Bhuiya for supervising me and providing various key information and giving me the path to write a fruitful report.

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## **Chapter 1: Introduction**

The present world is the ultimate and definite result of successful trade, finance and business. To conduct the successful trading system world is going ahead time to time. To learn the successful trade, commerce and business policy the educational institutions are also not behind. Day by day they are offering more and more courses to teach the successful business policy deeply. My intern organization was EXIM Bank Limited on CPC unit at Gulshan Branch. So, I am very grateful to my internship organization, EXIM to allow me for joining there, work and gather knowledge practically and give me a chance to increase my intelligence about the industry. Banks are playing very important role in case of service providing. So banking is very important to conduct the business activities. To attract the clients to the banks, they have to make their entire service system very effectively. Physical evidence is one important factor of banking to attract clients. In this report my main concern is to analysis the LC processing for approval of EXIM bank.

### **1.1 Background of the study**

The banking sector is one of the strongest sectors in our country. Banks provide necessary funds for executing various programs underway in the process of economic development. They collect savings of large masses of people scattered throughout the country, which in the absence of banks would have remained idle and unproductive. So, one country must be efficient in banking if it wants to be developed. My study on the bank has created an edge on my professional learning. In today's globalised world, one of the most important banking activities is L\C Opening because of the payment methods used universally is a Letter of Credit which is also called Documentary Credit, which serves as a bridge between buyers and sellers around the world in the exchange of goods and commodities.

### **1.2 Origin of the Report**

As a part of the Masters of Business Administration (MBA) course requirement, it is a 12 weeks long internship program to introduce the students with the real life business administration. I took the internship with EXIM Bank Limited which stands a prominent name in banking industry. I am proud to work as an internee with EXIM and this experience will surely help me in my future career. This advance working report has been prepared as a part of the Internship Program. Being an intern the main challenge was to translate the theoretical concepts into real life experience. The internship program and the study have following purposes:

To get and organize detail knowledge on the job responsibility

- To experience the real business world.
- To compare the real scenario with the lessons learned at BRAC University.
- To fulfill the requirement of MBA Program.

### **1.3 Scope of study**

During these three months internship program in EXIM Bank Limited, Gulshan Branch, almost all the desks have been observed. For that purpose I needed to get information from EXIM Bank Head Office. There I had to work in International division department desks as a routine work. It was difficult to collect the information relevant my report, because the people of this Bank was so busy with their duty that they cannot be able to give me much time. Here I try to cover the activities and rules and regulation related to LC processing.

### **1.4 Objectives of the report**

**“To find out critical problem during LC processing under CPC unit”**

#### **❖ Primary objective:**

- ✓ To get an overall idea about the Letter of Credit opening and approval procedure of EXIM Bank of Bangladesh Ltd.

#### **❖ Secondary Objective:**

- ✓ To learn about foreign trade activities i.e. Export & Import
- ✓ To know about how to issuing L/C, Advising L/C etc.
- ✓ To be acquainted with the Export & Import required documents
- ✓ The consequence process of Transmitting L/C, L/C amendment, & Lodgment system.
- ✓ To get a practical knowledge about Export procedure and the system of foreign remittance.

## 1.5 Methodology of the report

For making any report or statistical survey most of the data should be taken that reflect actual situation. I have collected the information/data from the following sources, which has helped me to make this report. The source is divided into two parts:

- a) Primary Source
- b) Secondary Source

The “Primary Sources” are as follows:

Data collected for the first time is called primary data. The methods used to collect such data include:

- Face-to-face conversation with the respective officers and staffs of the Branch.
- Informal conversation with the clients.
- Practical work exposures from the different desks of the departments of the Branch covered.

The “Secondary Sources” of data and information are:

The secondary data sources are annual reports, manuals, and brochures of EXIM Bank limited and different publications of Bank. To identify the implementation, supervision, monitoring and repayment practice- interview with the employee and extensive study of the existing files. Methods used to collect secondary data include:

- Annual Report of EXIM Bank Ltd and
- Internet.

## 1.6 Limitation of the report

It is obvious that every study has some limitations. The present study was not out of limitations. But as an intern it was a great opportunity for me to know the banking activities of Bangladesh specially EXIM Bank. Some restraints are disclosed bellow:

- ✓ The main constraint of the study is insufficiency of information, which was required for the study. There are various information the bank employee can't provide due to security and other corporate obligations.

- ✓ Due to time limitations many of the aspects could not be discussed in the present report. Since the bank personals were very busy, they could provide me very little time.
- ✓ I can't present the recent data relating to Foreign Exchange Business. Because the annual report and the financial statement are published at the month of August every year.
- ✓ Duration of the study was too short to have a sound understanding of the overall banking.

## CHAPTER 2: Overview of EXIM

### 2.1 Introduction

**Export Import Bank of Bangladesh Limited** (EXIM Bank) is one of the leading private commercial banks in Bangladesh. The Bank came into operation as a commercial bank on 3 August 1999 as per rules and regulations of Bangladesh Bank. From its establishment the bank was known as BEXIM Bank Limited. But due to legal constraints, the bank was renamed as EXIM Bank, which stood for Export Import Bank of Bangladesh Limited. As of 2014 the bank has operations across the country with 80 branches and 45 ATM booths. By July 2004 the bank has migrated all of its conventional banking operation into Shariah based Islamic banking. In 2010 the bank bought core banking software T-24 supplied by Swiss based IT company Temenos. They have taken initiatives to set up a widespread network of ATM Machines throughout the country as well as launched “EXIM KISHAN”, an agricultural product in line with the directive of Central Bank for agricultural investment. Corporate social responsibility (CSR) is one of the most concerned areas of the Bank. The bank has contributed to humanitarian activities as well as social and cultural activities including undertaking scholarship programs. It has also come forward in beautification of Dhaka city, funding foot over-bridges at crowded points of the city and creating income generating welfare schemes.

### 2.2 Historical Background of EXIM Bank Ltd:

Export Import Bank of Bangladesh Limited was established in the year 1999 under the leadership of Late Mr. Shahjahan Kabir, Founder Chairman who had a long dream of floating a commercial bank which would contribute to the socio-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their endeavor, intelligence, hard working and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder who is an illuminated business tycoon in the Garments business in Bangladesh became the Honorable Chairman after the demise of the honorable founder chairman. He is also the chairman of Bangladesh Association of Banks (BAB). Under his leadership, BAB has emerged as an effective forum for exchanging views on problems being faced by the banking sector of Bangladesh and for formulating common policy guidelines in addressing such problems.

The Bank starts functioning from 3rd August, 1999 with its name as Bengal Export Import Bank Limited. On 16th November 1999, it was renamed as Export Import Bank of Bangladesh Limited

with Mr. Alamgir Kabir as the Founder Advisor and Mr. Mohammad Lakiotullah as the Founder Managing Director respectively. Both of them have long experience in the financial sector of our country. By their pragmatic decision and management directives in the operational activities, this bank has earned a secured and distinctive position in the banking industry in terms of performance, growth, and excellent management. Under the leadership of Mr. Lakiotullah, the Bank has migrated all of its conventional banking operation into Shariah Based Islami Banking in the year July 2004.

In the year 2006, Mr. Kazi Masihur Rahman became the Managing Director of the bank when Mr. Lakiotullah left the bank after completion of his successful 7 years as MD. Mr. Kazi served in the bank for next five years. Under his leadership, the bank has been placed on a state of the art centralized IT platform with two modern data centers where world renowned core banking software TEMENOS T24 is running along with some alternate delivery channels like ATMs and SMS banking.

On 25th August, 2011, Mr. Md. Fariduddin Ahmed has joined in the bank as Managing Director. With his long banking experience, EXIM Bank becomes fully compliant Bank with adequate capital and good asset quality. After retirement from Managing Director, he has been continuing his service for EXIM Bank as Advisor since 27th July 2012.

Dr. Mohammed Haider Ali Miah succeeded Mr. Fariduddin Ahmed on July 25, 2012 and has created a new dimension in EXIM history becoming the first ever in-house Managing director and CEO of the Bank. Under his far-sighted leadership, EXIM Bank has not only achieved uppermost level of performance in almost each arena of its activities but also gained confidence to place itself as one of the dynamic banks through delivering transparent and standard banking services to the customers in a compliant manner.

## **2.3 Mission of EXIM**

The Bank has chalked out the following corporate objectives in order to ensure smooth achievement of its goals:

- ✓ To be the most caring, customer friendly and service oriented bank.
- ✓ To create a technology based most efficient banking environment for its customers.
- ✓ To ensure ethics and transparency in all levels.
- ✓ To ensure sustainable growth and establish full value of the shareholders.

Above all, to add effective contribution to the national economy.

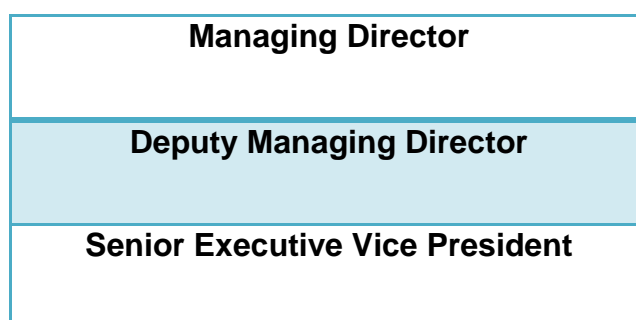
## 2.4 Vision of EXIM

The gist of EXIM Bank Limited’s vision is “Together towards Tomorrow”. EXIM Bank Limited believes in togetherness with its customer, in its march on the road to growth and progress with services. To achieve the desired goal, there will be pursuit of excellence at all stages with a climate of continuous improvement, because, EXIM Bank Limited believes the line of excellence is never ending. Bank’s strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environment. Its personalized quality service to the customers with the trend of constant improvement will be cornerstone to achieve our operational success.

## 2.5 Objectives of EXIM

- ✓ To carry on, transact, undertake and control the business of banking in its all branches and to transact and do all matters and things incidental there to in Bangladesh and abroad.
- ✓ To receive, borrow or raise money on deposit, lone or otherwise, upon such terms as the company may approve and to have guarantees and indemnities in respect of all debts and contracts.
- ✓ To establish welfare and oriented banking systems.
- ✓ To play a vital role in human development and employment generation.
- ✓ To invest money in such manner as may from time to time be thought proper.
- ✓ To carry on the business of buying and selling bullion, gold and other valuable assets.

## 2.6 Corporate Structure



|  |
|--|
| <b>Executive Vice President</b>        |
| <b>Senior Vice President</b>           |
| <b>Vice President</b>                  |
| <b>Senior Assistant Vice President</b> |
| <b>Assistant Vice President</b>        |
| <b>Senior Principal Officer</b>        |
| <b>Principal Officer</b>               |
| <b>Executive Officer</b>               |
| <b>Officer</b>                         |
| <b>Management Trainee Officer</b>      |
| <b>Junior Officer</b>                  |
| <b>Assistant Officer</b>               |
| <b>Trainee Assistant Officer</b>       |



## **Chapter 3: Job description**

### **3.1 Work-Related Activities:**

During my internship I was assigned to do perform some major tasks. Throughout my work I always felt as an important part of the organization. I worked in Centralized Processing Centre, where I learnt practically how the L/C process works. My major task included three important part of LC process.

This includes,

1. LC opening
2. IMP posting
3. Bill of entry posting.

From my work experience, I give theoretical details explanation about Letter of credit in below,

#### **3.1.1 Letter of credit (L/C):**

The most important of the payment methods used universally is a Letter of Credit, which serves as a bridge between buyers and sellers around the world in the exchange of goods and commodities. In other words it can be said that a letter of credit is an instrument issued by a bank on behalf of the importer to make payment of agreed sums in foreign currency as stipulated to the exporter when the conditions specified in the document are met.

#### **3.1.2 Forms of Letter of Credit**

There are many types of Letter of Credits that are used in different countries of the world. But International Chamber of Commerce (ICC) vides their UCPDC- 600, which denotes only Irrevocable letter of credit & EXIM Bank also followed ICC.

#### **3.1.3 Types of Letter of credit**

Letter of credit is classified into various types according to the method of settlement employed. All credits must clearly indicate in major categories. EXIM bank only deals with two types of Letter of credit:

- i) Sight payment credit
- ii) Deferred payment credit

### **3.1.4 Contents of Letter of credit**

EXIM Bank normally issued letter of credit (L\C) on forms which clearly indicate the banks name and extent of the banks obligation under the credit. The contents of the information:

- i) Name of the buyer
- ii) Name of the seller
- iii) Moment of the credit
- iv) Name of the advising Bank
- v) Shipment date
- vi) Expire date
- vii) Documents required
- viii) General description of the goods

### **3.1.5 Parties to a letter of credit**

There are a number of parties involved in a L/C and the rights & obligations of the different involved parties also differ from each other. The involved parties can be named below:

- i) Importer/Buyer
- ii) Opening/Issuing bank
- iii) Exporter/Seller/Beneficiary
- iv) Advising/Notifying Bank Page
- v) Confirming Bank
- vi) Negotiating bank
- vii) Paying/Reimbursing Bank

### **3.1.6 Procedures of Opening the L\C:**

- ✓ When the importer receives the Performa invoice from the exporter, then the importer applies for the issue of a documentary credit and requests his bank to make a promise of payment to the supplier. Obviously, the bank will only agree to this request if it can rely on reimbursement by the applicant. As a rule accepted as the sole security for specialist field the credit particularly if they are not the short of commodity that can be traded on an organized market, such as arrangement would involve the bank in excessive risk outside its specialist field.

- ✓ The applicant must therefore, have adequate funds in the bank account or a credit line sufficient to cover the required amount.
- ✓ Once the bank has issued the credits its obligation to pay is conditional on the presentation of the stipulated documents within the prescribed time limit. The applicant cannot prevent a bank from honoring the documents on the grounds that the beneficiary has not delivered goods on redder reissues as contracted.
- ✓ The selected persons on instructions those who have Tax Identification Number (TIN), valid trade license and gotten valid Import Registration Certificate (IRC) form the Chief Controller of Import and Export (CCI & E) can import and they are known as importers.
- ✓ Now, the importer will come to his bank with a request to open an L\C along with the following documents/ Papers:-
  - i. L\C application and agreement Form
  - ii. Indent / Performa Invoice / Contract – 3 copies.
  - iii. Insurance cover note with premium paid receipt.
  - iv. IMP Form one set duly signed by the importer.
  - v. T.M. Form one set duly signed by the importer.
  - vii. Any other documents if necessary.
- ✓ Authorized Dealer (AD) will scrutinize the documents and open the L\C in favor of the exporter by converting the Bangladesh Taka into foreign currency at the existing B.C selling rate of exchange. Care must be taken so that the limit of Bangladesh Taka is not exceeded in any way.
- ✓ The foreign currency value of the L\C must be corresponded the equivalent amount of Bangladesh Taka if LCA registered with Bangladesh Bank.
- ✓ The Authorized official of the Authorized Dealer will check the L\C very carefully and signed the same jointly and forward the 1st & 2nd copy to their foreign correspondent situated at the nearest place of the exporter. This bank is known as Advising Bank. On receipt of the L\C, the Advising Bank verify the duplicate copy at the end.
- ✓ By getting the L\C, the exporter prepares the goods and ship the same as per instruction of the L\C and obtain a Bill of Lading from the shipping Authority.
- ✓ The exporter will prepare Bill of Exchange, Invoice and other documents as specified in the L\C and submit the same along with the original copy of L\C to his bank within the time mentioned in the L\C. The bank with the exporter submits the documents are known

as Negotiating Bank as this negotiates the documents i.e. make payment to the exporters.

- ✓ The Negotiating Bank will scrutinize the documents with terms and conditions of the L\C very carefully. If everything is in order, the bank will make payment of the amount of L\C to exporter in their local currency by debiting to their own account.
- ✓ Subsequently the negotiating bank will claim the L\C with whom the Head Office of L\C opening bank maintained foreign currency amount. This is known as Reimbursing bank. Reimbursing Bank will make payment to the Negotiating Bank by debit to L\C Opening Bank's Head Office A\C.
- ✓ Simultaneously the negotiating bank will forward all the documents Submitted by the exporter to the L\C opening bank as per instruction of the L\C. The date of forwarding letter of negotiating bank should be date of negotiation of documents.
- ✓ On receipt of the shipping documents from the Negotiating Bank, the L\C opening bank will carefully scrutinize the documents with terms and conditions of the relative L\C.
- ✓ If there is no discrepancy, the documents will be lodged. Lodgment of documents means the entry of the particulars of the documents in the Register and preparation of vouchers by converting the foreign currency amount into Bangladesh Taka as the exchange rate prevailing on that date.
- ✓ This amount is due to the importer. The importer will be asked to take delivery document by making payment of the bill amount excluding the margin deposited at the time of opening L\C. Payment of bill amount and to take delivery of documents by the importers is known as Retirement of Importer Bills.
- ✓ After taking delivery of documents from the L\C opening bank, the importer will clear the goods which has already been arrived or due to arrive from the customer's authority on submission of these documents along with the customer purpose copy of L\C From.

### **3.1.7 L/C Amendment**

After opening of L/C sometimes alteration/amendments to the original terms and conditions become necessary. The following clauses of L\C are generally amended:

- i. Increase/ Decrease value of L\C and Increase / Decrease of quantity of goods.
- ii. Extension of shipment/negotiation period.
- iii. Terms of delivery i.e., FOB, CFR, CIF etc
- iv. Mode of shipment

- v. Inspection clause
- vi. Name and address of suppliers
- vii. Name of the reimbursing bank
- viii. Name of the shipping line etc.

The amendments can be effected only if all the parties concerned i.e. the beneficiary, the importer, the issuing bank and the advising bank have agreed to the amendments. For any amendment, the importer (applicant for the credit) must request the opening bank in writing duly supported by revised indent/pro-forma invoice etc. where necessary. The opening bank will then advise the required amendment to the advising bank by mail/swift, as instructed by the importer.

### **The typical process of amendment involves:**

- ✓ All amendments should be noted in the L/C file and L/C opening register.
- ✓ L/C amendment commission including postage/swift should be charged to the clients Account.
- ✓ In case of increase in L/C value, it should be ensured that the balance available in the LCA form is sufficient to cover the increased L/C amount. If not additional valid LCA form should be obtained to cover the enhanced amount of L/C. Insurance cover should also be obtained for enhanced amount.

### **3.1.8 Import / Export documentation**

Documentary letter of credit is such kinds of commercial letter which a bank issue on the behalf of foreign seller (exporter) according to the direction of the (importer) purchasers. The documents shown under are known as export documents from the importer's side.

There are:-

- i) Bill of Exchange
- ii) Bill of Lading

- iii) Airway bill / Railway receipt
- iv) Commercial Invoice
- v) Insurance Policy
- vi) Certificate of Origin
- vii) Packing List
- viii) Bill of Entry

### **3.1.9 Payment against Documents**

Banks deal in documents, not in goods. If the shipping documents against the L\C in order then the EXIM Bank must have to make payment to the foreign bank within 3 days or 72 hours according as Uniform Customer and Patrice for Documentary Credit (UCPDC) 500 of revision of ICC.

If the shipping documents have any discrepancy, then EXIM Bank informs to the negotiating bank within 7 days. Otherwise, the shipping documents have not discrepancy. If the importer has not adequate funds in the bank account, then the bank makes payment to the foreign bank against the shipping documents.

### **3.1.10 Lodgment of Import Bill**

The document letter of credit (L\C) constitutes of the important methods of financing trade. Because of the phenomenal growth in world trade and commodity wise diversification of trade its importance has significantly increased.

On receipt of the documents from the negotiating bank, EXIM Bank will make entry the particulars of the documents into Inward Foreign Bill Register and prepare the voucher by converting the foreign currency into Bangladeshi Taka. This stage is known as lodgment of import bills.

The full sets of documents which are submitted by the exporter to his bank as per terms and conditions to the L\C are known as shipping documents.

The L\C opening Bank may receive these shipping documents from his foreign correspondent (Bank) in two ways:

- i) Documents on collections basis.
- ii) Negotiated Documents.

### **3.1.11 Retirement of Documents:**

On receipt of the copy of lodgment voucher from the bank, the importer will deposit the required amount & taka delivery of the shipping documents. This stage is known as Retirement of Import Bills.

Before retirement of import bills, EXIM Bank will calculate the charge which is to be realized from the importer.

### **3.1.12 Security of documents:**

EXIM Bank being received the documents from the negotiated bank will scrutinize the documents with the respective L\C terms & condition.

- i) Forwarding Schedule of Negotiating Bank
- ii) Bill of Exchange
- iii) Bill of Lading
- iv) Commercial Invoice
- v) Other Documents

## **3.2 Organization Wide:**

### **3.2.1 Centralized Processing Center:**

EXIM Bank Centralized Processing Center (CPC) is located at International Division, Head Office. EXIM Bank's CPC is running with a team of dedicated bankers who are well conversant in International Trade & Foreign Exchange Business. At present CPC supports Non AD Branches of the Bank by opening

- i) All forms of LCs,
- ii) Issuing Shipping Guarantees,
- iii) Handling Import Documentary Collections,
- iv) Advising & Transferring LCs,

- v) Purchasing or Negotiating Local & Foreign Export Documents,
- vi) Handling of Export Documentary Collections, and Handling all forms of private & commercial remittances.

It also provides other AD services (such as Permission under 18A & 18B, FC Accounts, Opening Student Files etc.) to the clients of Non AD branches with due care and utmost sincerity. The Bank is also planning to process all Foreign Exchange and Foreign Trade Business of both AD & Non AD Branches of the Bank through an International Standard Centralized Processing Center (CPC) soon with a view to providing more customer satisfaction. The team is ready to assist the customers in processing any transaction related to Foreign Exchange and Trade Finance through EXIM Bank.

### **3.3: SWIFT service:**

The SWIFT Service helped in sending and receiving the messages and instructions related to NOSTRO Account operations and L/C related matters. The banks have brought 11 of branches under SWIFT network. Other branches will come under the network hopefully by the 2005.

SWIFT aims to provide a prompt and efficient service to help you gain the most from our products. As a part of this service a documentation set is supplied with each product. This Guide is a part of that documentation set and contains as comprehensive and as up-to-date a description of the product as possible.

SWIFT or the Society for Worldwide Inter bank Financial Telecommunication is a cooperative institution established in 1973 by a group of banks to manage their international telecommunications activities. Now over 2900 member banks, and regularly processes in excess of three million banking messages per day between banks in over 150 countries around the world own SWIFT.

#### **SWIFT is the logical choice for most international financial transactions:**

With over 5900 connections among the world's major banks, the chance is high that for any given transaction the bank you are dealing with is a SWIFT user.

The SWIFT network provides facilities for ensuring that messages are transmitted in standard, internationally accepted formats, simplifying processing and permitting end to end automation of many banking transactions.

SWIFT is highly secure, with elaborate mechanisms to ensure that information remains confidential, authentic and intact.



With an extremely low unit transaction cost, SWIFT is nearly always the most cost-effective means of transmitting an international message.

In addition to its role as network provider, SWIFT is responsible for defining and maintaining standards for international banking telecommunications. Standards are necessary to ensure that banks understand the messages that they send to each other, and to allow them to process messages automatically.

- **SWIFT message also comprises**
  - Header containing the addresses of sending and receiving banks, the Message Type, Message priority, Delivery Monitoring Field, Obsolescence Period, Banking Priority.
  - The usage and contents of SWIFT Message Headers and Trailers are more fully treated in the SWIFT.
  - **The advantages of SWIFT Message Types are:**
    - **Predictability:** Depending on the type of message, the format of the message can be predicted exactly, simplifying automation.
    - **Diversity:** A specific Message Type exists for most banking activities.

## Chapter 4: Constraint/ Challenges

I have observed some specific problems during LC processing of EXIM bank. As this is AD (Authorized Dealer) branch, it has to deal with Non-AD clients in most of the time. Every executive offers always are busy to complete their client's tasks within short time period. Few problems are given:

- ✓ Firstly, Communication problems with clients, as AD branch can't communicate with direct clients because Non-AD branch transfer all information to AD branch. So this branch has to support Non-AD branch tasks instead of communicating with clients.
- ✓ Secondly, Operational knowledge gap between branch staff and CPC staff, CPC staffs are assigned in only LC processing tasks so they have knowledge gap comparing with Non-AD branch knowledge.
- ✓ Third, Time management problem, as AD branch can't receive clients documents directly they have to collect information and documents through Non-AD branch. So it consumes more time and makes time management problems.
- ✓ Fourth, File management problem, there are many types of file and document in AD branch. Files are supplied from beneficiary, importers, insurance, customs, bank and so on. It's is so difficult to manage a file within short time and few employees.
- ✓ Fifth, Reporting problem, as it is foreign exchange transaction it has to report or post all information in Bangladesh bank website. But this website is always busy to post and sometimes make late to report from Non-AD branch.

I have faced some specific limitations while doing my internship. This report have prepared through extensive discussion with bank employees. While preparing this report, I had a great opportunity to have in depth knowledge of all the banking activities practiced by the EXIM Bank. I had to come across many challenges to acquire the exact outcome from my activities. Basically the challenges I faced could be categorized in two types:

- i) Problems identified in the organization.
- ii) Problems due to lack of adequate and appropriate academic preparation.

## 4.1 Problems identified in the organization:

When I was working in the EXIM Bank, sometimes this place seemed to me as very challenging place to work for me. I experienced the reality of current challenge of the present job market which moves on more intensely due to the increasing competition. This part of the report will be emphasis on the factors of challenges faced in the organization.

- ✓ EXIM Bank is a big organization and there are lots of thing to be considered to study on their centralized processing center activities thoroughly. However, Picking all the aspects of their overall activities and covering everything was a real challenge for this report.
- ✓ As an intern I performed some particular task so I had to do the report based on those particular tasks which I think was a barrier for me. Because of the particular tasks I did not get the chance to work on other areas of LC and could not include those topics in my report.
- ✓ Every organization has their own secrecy that is not revealed to others. While collecting data through interviewing the employees, they did not disclose much information for the sake of the confidentiality of the organization.
- ✓ Regular interaction with the officials was the pre-condition of getting different information about banking activities. As the bank officials were busy in their own role, it was difficult to discuss with them about various important things.
- ✓ Due to time limitations many of the aspects could not be discussed in the present report.
- ✓ Through my internship period I faced a lot of strikes and blockade. So it hampered working on my project report.

## 4.2 Problems due to lack of adequate and appropriate academic preparation:

The main objective of an internship program is to make the bridge between the theoretical knowledge and implication of it in the practical professional life. There are number of courses have been undertaken during my MBA program in BRAC University and I have chosen marketing as major because of great importance of this field in the current professional life. Nevertheless, all the courses I have undertaken might not match precisely in the practical field and I have come across a numbers of relevance and mismatches during pursuing my internship program.

## Chapter 5

### Lessons learned from the Internship Program

From the Entire internship program, I got a great lesson about the organization which was really important for my future career. I had the great opportunity during the program to get a closure look at various activities about L/C opening related activities of EXIM bank Head Office. Overall, the whole program helped me both understanding the banking activities and making the report smoothly required by the department.

#### 5.1 Implications to organization/company:

- ✓ First of all, I have learned about the organizational behavior, i.e. how individuals and groups act in the organization, what is the people-organization relationships in terms of the whole person, whole group, whole organization etc.
- ✓ I also learned to adjust with the work place and Socialization. Organizational socialization means the adjustment of the skill, academic knowledge and behavior with the working environment in the working place. While I was performing my internship program within the bank, I was being treated as an employee like others in the organization. This enhanced my knowledge, skill and the power of implementing of my academic knowledge in a workplace. I believe this is much quite important and also the whole program made me ready for starting my professional career in the same environment.
- ✓ As a fully customer oriented organization, the EXIM Bank operates great customer service where the communication skill is one of the fundamental factors. Treating every customer in bank's customized unique way is a challenging thing as I observed while working with the staffs of the head office. I have achieved significant amount of knowledge about customer service and I have realized that great communication skill is the fundamental requirement of serving the customers with great service.
- ✓ It is required that a workplace could have people from different cultural back ground within it. It was not the exception while I was working in EXIM Bank head office at Gulshan. Mixing with the culture of the organization and coping up with the people from different background really equipped me with knowledge of workplace diversity. I have also observed the customers from different cultures are being served by the bank and gained the skill of maintaining a unique culture regardless possessing different cultural backgrounds by the people. Additionally, the corporate culture of the EXIM Bank head office at Gulshan was really friendly and cooperative for me during my whole internship program.

## 5.2 Implications to University's Internship Program:

✓

This internship is an integral part of our MBA program. BRAC University has given me this opportunity to have a practical job experience before getting into a permanent job as a full time employee. Definitely this internship program will help me a lot in job sectors. Internship helps me to learn lots of things which will be very effective for the near future. From university's internship program I have learned.

- i) Bridge up a gap between theoretical knowledge and its practical implementation.
- ii) How to present work experience in the report
- iii) Cooperative education experience
- iv) Learn to communicate with corporate people
- v) Concern for integrating experiences and external experiences

## 5.3 Others:

While doing this internship I have learned lots of new things, which was totally unknown for me. Besides learning from the organization and the university I have also learned some other things which are very essential for me.

- i) Improved subject area and discipline knowledge.
- ii) Increased trust, confidence and professionalism.
- iii) Developing skills and competencies.
- iv) Achieved corporate work experience.

## Chapter 6

### Conclusion & Recommendation

#### 6.1 Conclusion:

From my Internship program what I have learned that was really important for me and I enjoyed the whole thing from the first day of my internship program. This internship program assisted me a lot to realize my further career for the coming future. Rather than drawing a conclusion, I would like to say that this study was utterly indicative for me for my future career. During the three months program, I have observed that EXIM Bank conducts all type of modern commercial banking activities. It largely depends on its foreign exchange business to ensure profitability. To look after the business and also to ensure promote service to the export import and remittance, officers having exposure and expertise in foreign exchange business have been posted both Head Office and Authorized Dealer Branches.

Without bank co- operation, it is not possible to run any business or production activity in this age. Export and import need finance in various stages of their activities. All facilities of export, import & remittance are proved by EXIM Bank. For this purpose banks consider the borrower's business standing, integrity, liability with the bank term and conditions of the L\C .There are lots of risks involved in foreign business. So, EXIM Bank has to clearly justify the customers from a neutral point and gather the current information about the market.

From the experience of the whole internship program, the EXIM Bank Head office is a nice place to work with its nice and cooperative people within it. Additionally, understanding various sectors of the bank, it can be said that EXIM Bank plays some vital roles for the country's economy.

#### 6.2 Recommendations for future strategic actions:

There are several recommendations i have been realized from the whole internship program. Some of them mentioned below.

Although there are various problems or limitations faced by me during my internship inside the organization, there could be some dedicated research divisions to collaborate with the researchers whether they could be from the bank inside or students or any researchers from outside. This will facilitate getting access to some concern people or department for information solely for the research and co-operate the interns, students or any researchers.

The short span of time for such a big research is not always enough therefore the University could consider the time duration for the internship program.

- ✓ The university should arrange a seminar for internship student before starting their internship program. On that seminar the university will discuss about the corporate culture and also need to focus on what to do and what not to do during the whole internship period.
- ✓ Sometimes, The University could take arrange internship for the students who often fail to get offer form the companies for internship. The university could make some reference lists with some renowned companies and make them offer its students for internship.
- ✓ The interns could get highly motivated by the supervisors while they will be performing the internship program in some particular companies. This motivation will drive the interns to get jobs from those companies.

Banks have their own unique strategy, which leads to their objectives. Some wishes to grow faster and achieve some long range growth. On the other hand some banks want to lead a quite life minimizing risk and convey an image of a sound bank. EXIM Bank is pretty new in its operation. Even though the financial analysis on the banks performance seems the banks doing very well in the banking industry of Bangladesh, and has prosperous future. EXIM Bank has established goodwill through innovative products and services. Technology development has opened up a new dimension in the development of creative products, efficient services and customer satisfaction. The bank must cope with this technological advancement its present status.

Though there are some drawbacks in some sectors of EXIM Bank, still modern banking technology and employee and employer sincerity may lead to increased profit. The progress of EXIM Bank in Bangladesh is depended on the environment, structure, special features offered by the bank, rapid increase of deposit, investment, profit, dividend on behalf of short time, the public respond over the bank.

The aim of the internship program is to gain knowledge of practical banking and to compare this practical knowledge with theoretical knowledge. During the 3month internship program, it is not possible to go to the depth or each activities of division because of time limitation. So, objectives of internship program have not been fulfilled with complete satisfaction. However, highest effort has been given to achieve the objectives of internship program. I think this report may show a guideline to EXIM Bank for its future planning and its successful operation to achieve its goal in the competitive environment.

## 5.3 Reference

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