

Internship Report

Remittance Operation and Associated Risk

A Study on Dhaka Bank Limited



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Internship Report On:
**“Remittance Operation and associated risk:
A study on Dhaka Bank Limited”**

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Letter of Transmittal

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Subject: Submission of Internship report

Madam,

This report on “Remittance Operation and associated risk: A study on Dhaka Bank Limited” is prepared to fulfill the requirement of the Internship program of BBA degree.

This report focuses on the contribution of Dhaka Bank Limited in collecting and paying out remittance from NRBs as they are residing in different countries.

I am very much grateful to you because you have given me chance to work on this report. I hope that I am able to finish my work properly according to your requirement though time and access was limited. I tried my best to compile this report with proper information.

Sincerely yours,

Syed Nibrash Zaman,

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BRAC Business School,

BRAC University

Acknowledgement

First of all, I would like to thank almighty Allah for blessing on me in completing my internship report.

I would like to express my thankfulness to my academic supervisor Tanjina Shahjahan from the core of my heart for her kind support, guidance, constructive instructions and for motivating me for do this report.

I am also thankful to HR Division of Dhaka Bank Limited as they have given chance me to do internship in their corporate branch.

I am also grateful to MD. Munabil Farooq (Senior Officer) and Nusrat Jahan (Officer) as they have helped me a lot by providing me with proper data which were required for my internship report.

Lastly, I would like to thank each and every employees of Dhaka Bank Limited as they helped me with their experiences and let me mixed with their corporate culture.

Executive Summary

Bank is a financial institution which helps to provide financial services like receives, collects, transfer, pays or invests money for customers. It is providing services to individuals, corporations and private agencies. Now a day, bank is also helping in another thing. And that is remittance. For shake of better life and livelihood, lots of Bangladeshi goes to foreign countries like UAE, USA, Saudi Arabia, Kuwait, OMAN and many other countries of the world. They send remittance from those countries and helping our countries to get economic strength. NRBs are sending remittance to banks and helping of lots of exchange houses.

Dhaka Bank Limited also known as DBL is a public limited company. This company was incorporated in July 5, 1995. It is pioneer in banking sector. Its network has covered whole country as it has 87 branches and they have reached all the main districts, metropolitan cities and even in villages. They believe in excellence.

DBL is playing significant role in collecting remittance from NRB. They have made it possible for remitters to send their remittance to their family and friend with easy and safe way even in remote areas.

In this report, I have tried to describe about company profile and their contribution to our economy. I also describe about their product and services.

I talked about my internship experience. I have given some work list that I was doing in the time of my internship. At last, I have recommended some points which should be solved.

In this report I tried to describe about remittance unit of DBL. How they do their work, what are the tools that they use and what kind of facility they are given I have discussed. I talked about Banglalink mobile facility. I have shown and given comparison of four years (2011-2014). I also give the structure of remittance unit. I have find out some risk. Furthermore, I have given some recommendations of some problems.

In addition I have tried to do this within my scope and knowledge. It was magnificent real life experience that I tried to uphold in this report by observing works of DBL.

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Chapter 1: Organization

Introduction

Dhaka Bank Limited

In 90s, Bangladeshi economy experienced rapid growth which was happened due to industrial and agricultural development. Moreover, it was time of globalization which affected the international trade and inflow of expatriate Bangladeshi workers' remittance was also increasing. As a result, massive urbanization happened and lifestyle of people changes which created a demand for new banking products and services.

In this case, Dhaka Bank Limited is pioneer in the banking sector. In the time of changing environment, when economy was becoming liberalized and financial sector was reforming, a group of highly successful local entrepreneurs came up with new outlook which ignited the introduction of new Banks and others financial institutions. Dhaka Bank Limited's entrepreneurs also did the same. Dhaka Bank Limited was created and started their business on July 05, 1995. They believed in giving excellence and consistent delivery of trustworthy services and products.

Dhaka Bank limited was introduced themselves as public limited company and they follow the company act 1994. Moreover, they had authorized capital of Tk.1000 million and paid up capital of Tk. 100 million. The present authorized capital of the Bank is Tk. 10,000 million. The paid up capital of the Bank stood at Tk.6,253,642,600.00 as on June 30, 2015. The total equity (capital and reserves) of the Bank as on June 30, 2015 stood at Tk.12, 905,016,716.00 (audited).

The Bank has 87 Branches. They have 2 Islamic Banking Branches, 3 SME Service Centers, 1 Offshore Banking Unit, 1 Kiosk along with 6 Branches under Dhaka Bank Securities Limited across the country. As a result, they have a wide network of correspondents all over

the world. To expand the network they are planning to open more branches in the recent years.

Now-a-days, Bank is offering full range of banking and investment services for both personal and corporate customers. Furthermore, they are using up to date technology which is running by highly motivated professionals.

Another thing that should be noticed is that, they believe in **Excellence in Banking**. It is also their mission. As a result, they have started full range of real-time online banking services through its branches, ATMS and Internet banking channels. They are mainly known for their friendly environment, personalized services, cutting edge technology and high yield on investments.

Corporate information of DBL:

Name of company	Dhaka bank limited
Abbreviation	DBL
Legal form	a public limited company incorporated in Bangladesh on April 06, 1995 under companies act 1994 and listed in Dhaka stock exchange limited And Chittagong stock exchange limited
Date of commencement	July 5, 1995
Registered office	BimanBhaban (1 st floor) 100 Motijheel c/a, Dhaka 1000, Bangladesh
Telephone	+880 2 9554514
Tele fax	+880 2 9556584, 9571013, 9565011
Swift (Society for worldwide interbank financial telecommunication)code	DHBLBDDH
E-mail	info@dhakabank.com.bd
Web Page	www.dhakabankltd.com
Auditors	ACNABIN Chartered accounts
Tax consultant	Howladar, Yunus & co. Chartered account
Credit Rating Company	Credit Rating Information and Services Limited

Chairman	MR. RESHADUR RAHMAN
Vice Chairman	ROKSHANA ZAMAN

Mission

The mission of this bank is to be premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver **Excellence in Banking**.

DBL Vision:

- At Dhaka Bank, it draws its inspiration from the distant stars.
- The DBL team is committed to assure a standard that makes every banking transaction a pleasurable experience.
- DBL endeavor is to offer customers razor sharp sparkle through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on customer's investments.

DBL GOAL:

Its people, products and processes are aligned to meet the demand of its discerning customers. Its goal is to achieve a distinction like luminaries in the sky. DBL prime objective is to deliver a quality that demonstrates a true reflection of its vision- **Excellence in Banking**.

Valued of the Bank:

- Customer Focus
- Integrity
- Team work
- Respect for individual
- Quality
- Responsible Citizenship

Products and Services Offered By DBL:

There are some reasons that Dhaka Bank limited is better than others. They are providing various kinds of products and services which is unique than any other Banks. They following products and services are available of Dhaka Bank Limited:

Products of Dhaka Bank

Corporate Banking

- ✓ Securitization of Assets
- ✓ Corporate Finance and Advisory Services
- ✓ Syndication of Funds

Retail Banking

- ✓ Deposit Double
- ✓ Deposit Pension Scheme
- ✓ Income Unlimited
- ✓ Excel Account
- ✓ Salary Account
- ✓ Smart Plant
- ✓ Gift cheque
- ✓ Personal Loan
- ✓ Car Loan
- ✓ Vacation Loan
- ✓ Home Loan
- ✓ Any Purpose Loan
- ✓ SME
- ✓ GTS

Services of Dhaka Bank Limited

- ✓ Corporate Banking
- ✓ Retail Banking
- ✓ Islamic Banking

- ✓ Capital Market Service
- ✓ SME
- ✓ Offshore Banking
- ✓ ATM Card
- ✓ Credit Card
- ✓ Locker

Some offers and services with short details are given below:

DBL Current Account:

Dhaka Bank Limited has low minimum required deposit about Tk-10000 with ATM card. ATM card is free of charge for first year.

- Minimum required deposit : Tk. 10,000.00
- Yearly service charge : BDT 1000 + VAT
- Interest rate: n/a
- Maximum withdrawal (per month) : according to customer's transaction profile (tp)
- Cheque book : Tk 5.00 per leaf
- ATM card: 1st year free. (Source: Dhakabankltd.com)

DBL Saving Account:

- Minimum required deposit: Tk. 5000.00
- Yearly service charge : BDT 600 + VAT (If Average Balance 25000.00+)
- Interest Rate : 4.00% (will be as per ALCO revision)
- Maximum withdrawal (per month) : According to customer's transaction profile (TP)
- Loan facility : N/A
- Cheque Book : Tk 5.00 per leaf
- ATM card : 1st year free (Source: Dhakabankltd.com)

Bundle Savings Account:

Dhaka Bank bundle savings account is committed to make difference. There are three types of account. They are Silver, gold and Platinum. To open bundle savings account, minimum requirement for deposit is Tk-30000. Others features are given below:

- Debit card: free
- Tax, excise duty & vat: As per NBR rules
- SMS & internet banking: free
- Cheque book: 1 cheque book of 50 leaves free per year

Joma Savings Account:

DBL has introduced this service only for RMG workers. There are some features and they are:

- Minimum Initial Deposit : Tk. 100
- Interest Rate : Regular savings rate
- Age Limit : 18 years and above
- Interest Calculation : On daily balance
- Account Operated by : Singly

(Source: Dhakabankltd.com)

Dhaka Bank Gift cheque:

Dhaka Bank Limited has introduced a unique product that is known as Gift cheque. Dhaka Bank **GIFT CHEQUE** is virtually good for everyone on your list on their anniversary, birthday, wedding ceremony and many others. The interesting fact is thatcheque value that grows over time with attractive returns.

- Issued and en-cashed at any DBL Branch
- Available of suitable denominations of Tk 100, 500 & 1,000
- Usable for unlimited time
- Attractive rates of interests
- May be refunded if lost or stolen
- Free of service charge

EDU Savings Plan

EduSavingsPlan is the most attractive deposit plan with insurance protection, easy loan facilities and more value added features. It is mainly focusing on child's education and plan for their future academic expenses. Its added benefits include accidental death, disability insurance protection. Insurance covered by MetLife Alico. ATM card and Cheque book are included in their features. Key features are given below:

- Rate of Interest: 5.50% p.a.
- Maximum required deposit : Tk. 20,000.00
- Minimum required deposit : Tk. 500.00
- Tenure : 4, 6, 8, 10 & 12 years
- Maximum maturity value : Tk. 46.07 Lac
- Eligibility : Up to 16 years school going students and parents mature age 65
- Deduction: Income Tax, Excise Duty etc to be realized as per Government / Regulatory rules.
- Free ATM Cards
- Free cheque book (one book of 25 leaves per year)
- Insurance covered by : MetLife Alico

(Source: Dhakabankltd.com)

Car Loan:

Dhaka Bank limited also gives car loan. They give loan to corporate client, Individual client Executives of multinational company and others. Processing and other charges start from the lowest rate of 1% only. Moreover, repayment period for the Car Loan is divided into 5-6 years for convenience. It is not fluctuated by market rate.

Credit Card

Dhaka Bank limited also offer credit card. Secondly, to enjoy this service of Dhaka Bank minimum income should be 25,000 BDT per month. Furthermore, services like - Supplementary Cards. There is cash advance facility up to 50% of Card limit. Moreover, quick replacement of lost/stolen card is also available. Customers will also able to enjoy and

relish wonderful benefits like, absolutely free credit as many as 45 days and auto renewal of credit card before expiry.

Locker Service

Locker service is available at Dhaka Bank. The size of locker may be small, medium and large. It is not available at every branch. Lockers are Available at Gulsan, Banani, Dhanmondi, Uttara, CDA Avenue & Cox's Bazar Branch.

Western Union Money Transfer

DBL attached with world largest money transfer service known as "Western Union". As a result, DBL is receiving lots of remittance related transaction as Western Union input data in a way that it enables faster tracking. Moreover, money transferring becomes easy. It also gives safer and faster facility.

ATM Services

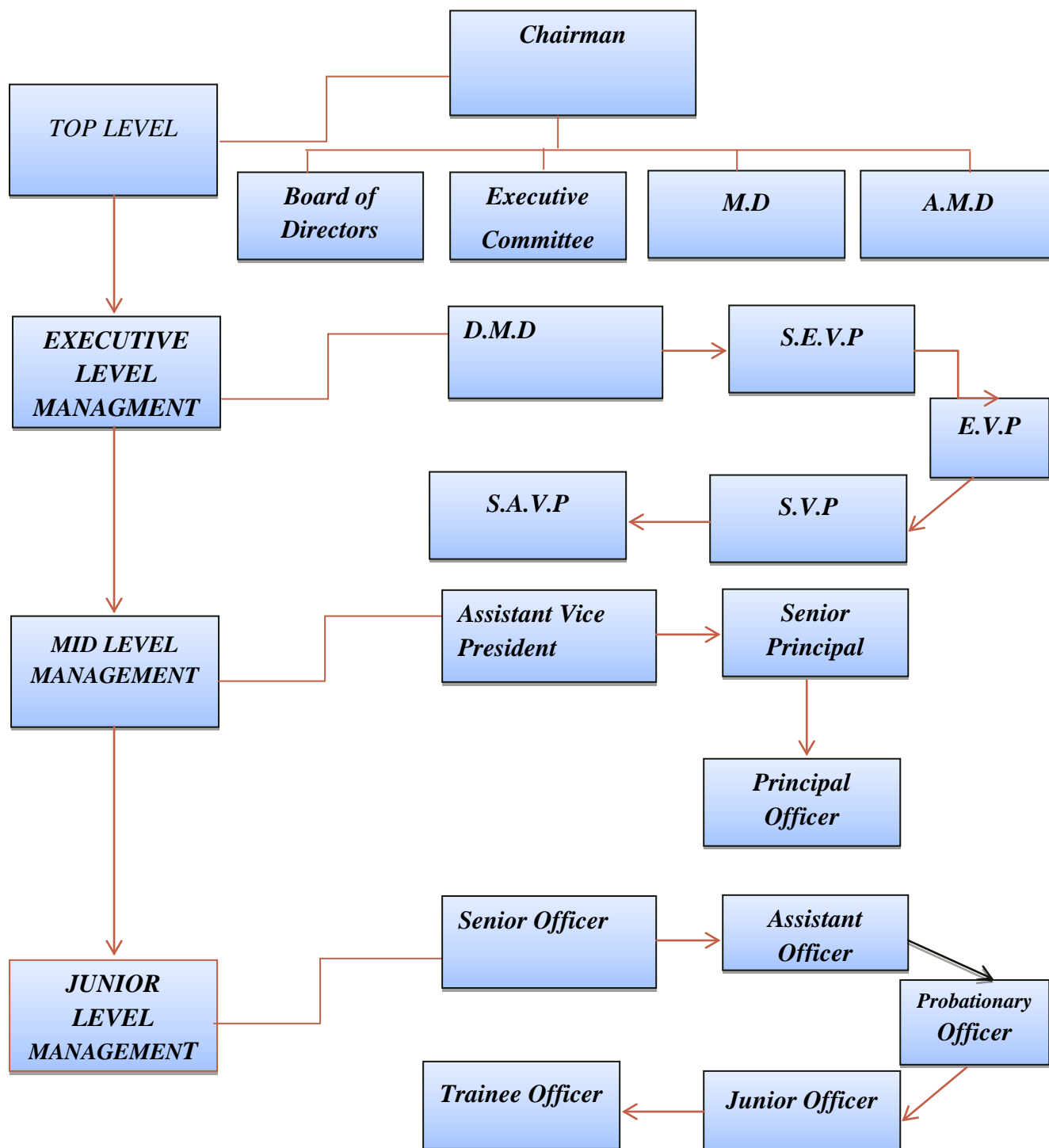
DBL is very much effective and efficient in their work. As a result, they have introduced ATM services. It enables customers to withdraw their money at any time, any place. Transaction is also possible in holidays.

There are some features which help Dhaka bank to be unique in this competitive market. The uniqueness is given below:

- ❖ Highly qualified and efficient professionals manage the bank.
- ❖ DBL has Research and planning division which is helping them to introduced new products.
- ❖ DBL has good rapport with others bank.
- ❖ The computerized operation system helps DBL to provide the regular and dynamic customer service.
- ❖ They have strict leadership quality which helps managers of all branches to direct the branches.
- ❖ DBL creates an inner environment in a way which will motivate all experienced employees to achieve the ultimate objective of DBL.

- ❖ Dhaka Bank Limited has become a member of the SWIFT system to accelerate foreign trade transaction.
- ❖ Dhaka bank limited introduced new services for the poor which is known as “Ajebon Pension Scheme”.
- ❖ Dhaka Bank has unique saving rate than other financial institution.
- ❖ Dhaka Bank Limited provides loan to the customers at lower interest with easy & flexible condition than the others do.
- ❖ They not only generate their profile but also do CSR activities
- ❖ Charging of services by Dhaka Bank Limited is very much lower than other banking institutions.
- ❖ To hold their potential customers, Dhaka Bank gives advises to them.

Operational Network Organogram:



Visions for the Future:DBL

Every company should have visions for the future. Without vision, they cannot achieve proper growth. DBL has visions for future. The visions are given below:

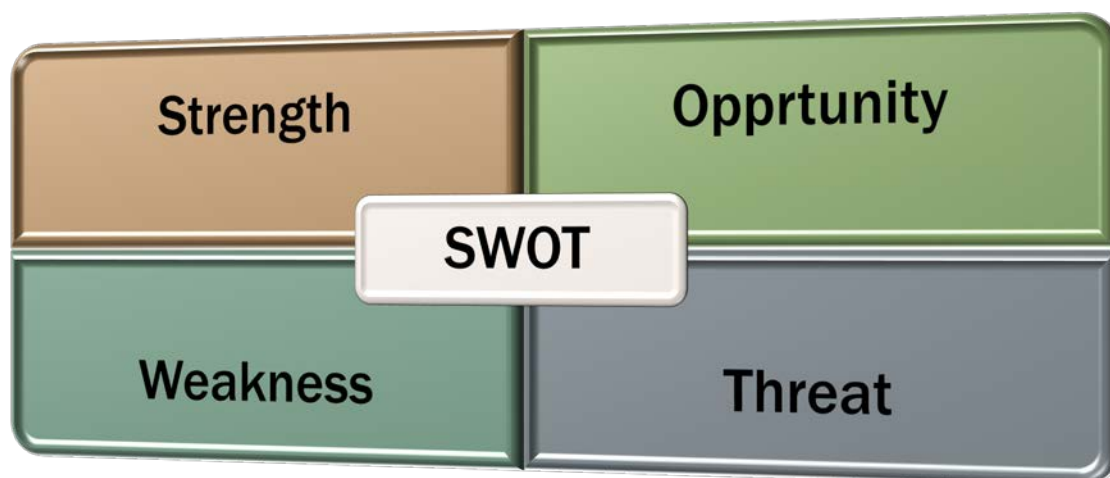
- Make harmonious banker-customer relationships by distributing quick and improved services to the clients.
- By ensuring more effective participation of DBL in the share market, they want to make vibrant capital market.
- Want to give taste of latest technology to customers so that customers can enjoy modern banking with feeling of deep-rooted customer relationship.
- They want maximum satisfaction of clients by giving them upgraded and diversified banking services.
- Response to the need of the time by associating large loans financing and also expanding the area of investing.
- Make proper policies to expand the export by facilitating proper opportunities to exporters
- To make DBL competitive leader in the field of banking.
- Want to provide proper training and workshop to the employees so that it will help in developing of human resource for DBL and country will get effective and efficient workforce.

DHAKA Bank Limited in CAMEL RATING POSITION

After observing the operational activities, it is found out that DBL position in CAMEL rating position is B-class or in a word satisfactory. It is based on a Banks's capital asset, management earning, liquidity and sensitivity. List of Some banks according to CAMEL rating are given below:

Strong or A-Class banks	Satisfactory or B-Class banks	Fair or C-Class banks	Marginal or D-Class banks	Unsatisfactory or E-Class banks
Prime Bank Ltd.	Standard Bank Limited	IFIC Bank	Sonali Bank	Bangladesh Commerce Bank
ShahjalalIslami Bank Ltd.	EXIM Bank	AB Bank	Janata Bank	Oriental Bank
Commercial Bank of Ceylon	MBL	Agrani Bank	Bangladesh Shilpa Bank	
State Bank of India	Dhaka Bank	Rupali Bank	Bangladesh Krishi Bank	
Standard Chartered Bank	BASIC BANK Ltd			
Citi Bank N.A	Purbali Bank			
	Southeast Bank			
	Mutual Trust Bank Dhaka Bank			
	BRAC BANK			

SWOT analysis of DBL:



SWOT Analysis

SWOT analysis is very much important tools to find out Strengths, Weaknesses, Threats and opportunities of a company by observing internal as well as external environment. SWOT analysis helps company by taking potential strategy by observing market situation. Here SWOT analysis of DHAKA BANK is made to understand the positioning of the bank better.

STRENGTH

Strong corporate identity

DBL has strong corporate identity. People in our country as well as foreign countries know DBL for its strong banking service providing entity. Customers have reliability on this bank. As a result, this bank gets corporate strength which helps them to earn more profit.

Efficient Performance

Employees of DBL are very much efficient. They get all sorts of training about entire banking system when they are in their probationary period. Furthermore, customers get efficient and hassle free services from DBL which help them to grab more customers.

Young enthusiastic workforce

Dhaka bank limited like to recruit those people who are fresh and recently complete their graduate and post graduate degree. It helps them to cope up with new ideas with new

enthusiasm. And this type of young & fresh workforce stimulates the whole working environment of DBL.

Empowered Work force

The Human resource department of Dhaka Bank is very much dynamic. They have good thinking capability as well as perfectly cooperative to each other. Dhaka Bank limited always tries to empower their employees. They just give instructions and employees by their merit do the rest. It helps them to boost their confidence and makes them realization that they are part of DBL. As a result, their creativity and hard work ignite organization to grow faster.

Hospitable Working Environment

They have very much friendly and cooperative environment. For the new job holders this place is very much suitable. They make no discrimination between high level and low level. There is no separate dining room for executive committee. They always try to comfort new job holders which make easier situation for them to understand the work and know the work more closely.

Weaknesses

High charges of L/C

Dhaka Bank limited is charging high rate towards L/C. As a result, it makes disruption. This kind of Export oriented industry needs lower L/C rate which will help them to trade more and more foreign products. As a result, our country will earn more foreign currencies. But L/C rate is high about 30%.

Discouraging small entrepreneurs

DBL is not very much friendly toward new entrepreneurs. They often not give loan towards them who are not very much solvent.

Absence of strong marketing activities

Marketing of DBL is very much poor. They are not attached with mass media like Television or radio. To make awareness it is very much important for this bank need to make tv ad. They

are also absence from print media for their promotion. As a result, people are finding alternate bank which is not good.

Not enough innovative products

The products of DBL are not very much innovative. They are giving products which are very much similar to other banks' products. They have to come up with new products which are not available in the market that will give them competitive advantage.

Diversification

DBL lacks variation in their way of business. They should focus their business in other businesses which are related to financial sector as our financial sector is not highly diversified. They can introduce themselves in leasing and insurance business.

Lack of Proper Motivation

The salary of DBL is decent but not very much attractive. They are not giving proper facilities to their employees. They are having lack of motivation.

Opportunities

Distinct operating procedures

Before giving any kind of loan, DBL sees whether that individual can borrow that amount of money he has to repay those with in this time. After evaluating all this stuffs, Dhaka Bank Limited gives loan to individual. As a result, recovery of DBL is almost 100%. As a result, they are getting financial stability.

Country wide network

DBL wants to expand their business all over Bangladesh. As a result, from their beginning they have expanded their services everywhere. As a result, now they have strong networking system. Furthermore, after establishing proper network in country they are expanding their business in the foreign.

Experienced Managers

For any company skills and experience play vital role to expand. In that case, DBL has these two main elements. They have skilled and experienced managers. They have maintained this business very well. They have triggered the business.

Huge Population

Bangladesh is country of huge population as well as opportunities. This is the main reason why DBL never feels lack of experienced and skilled employees. Furthermore, government has made it easier for foreigners to invest in our country by making some policies easier and building EPZ. In that has huge opportunities.

Threats

Upcoming Banks/Branches

New banks are coming towards this business. They are coming with newer ideas and innovative products which are making DBL to have intense competition. As a result, doing business becomes riskier to them.

Similar products are offered by other banks

Most of the Banks are giving same product as DBL. As a result it is making pressure because it will reduce the income or profit of DBL. Furthermore, some products that are offered by other banks are cheap which make disturbance to them.

Default Loans

Due to good banking system they have very little default loan. However, they need make strategies to stop this default loan. They should be alert.

Industrial Downturn

Bangladesh is economically and politically unstable country. Flood, draught, cyclone, and newly added terrorism have become an identity of our country. Along with inflation, unemployment also creates industry wide recession. These caused downward pressure on the capital demand for investment.

Financial Crisis

Although people have recovered a bit from the shock, it may still pose as a threat. People are still hesitant to take loans or even deposit them.

Chapter 2: Job PART

Internship program is very much important. After completing academic curriculum, internship helps us to acquire practical knowledge. It helps to make connection between what we have learn from our BBA and what we are learning practically. It creates value to students for the future. Furthermore, it creates confidence and helps student to learn about organizational environment. As a result, someone doesn't feel uncomfortable when he/she goes to join new job. Internship part also helps to make someone efficient and effective with creating sense of duties and responsibilities.

Job Description:

I have accomplished my internship program at Dhaka Bank Limited, Kakrail Corporate Branch, Dhaka.

There I joined Finance and Accounts Division. I was assigned to work with remittance unit of that department. This unit was consisted of three members. One member was senior officer and other two were officers. Actually, senior officer was my direct supervisor. He assigned me with different types of works of remittance.

Specific Responsibilities

- Helping in remittance payment
- Help to maintain both FC & NRTA account of exchange houses.

Different Aspects of my Job performances:

During these three months, I have learnt so many things about remittance. I have learnt those through performing. It also helps me to learn how to manage and perform those activities. The key responsibilities of my job are given below:

- Preparation of vouchers after receiving cover fund from exchange houses through swift.
- Taking opening Balance.
- Help my supervisor to post the vouchers in system known as FLEXCUBE to be authorized.

- Preparation of fund approval to PU
- Update BDT and FC positions of exchange houses.
- Checking FC & BDT positions and sending to exchange houses.
- Cross checking of cash payout transaction through GTS.
- Helping my officers to find some data
- Making vouchers of PAGE, PMUK, RIA and WESTERN UNION.

During my internship, I tried my best to perform those different jobs very carefully. Above mentioned jobs are very much important for remittance unit as well as finance and accounts division.

Recommendation:

Through my learning and experiencing these three months, I can say that I gain real business situation and showed me way to match my theoretical knowledge with practical field. During these three months I have learnt how remittance come, how bank manage those transaction, how they issue pay bill and etc. Though I received many skills, I faced some problems when I was performing those. IT system of DBL is not well enough. Furthermore, I have found that some employees were not well trained. Sometimes, I could not send mails as system was down. So, in the next day our team got complains for not having their updated statement. So IT team and system should be improved as early as possible. I had seen that GTS and Remittance have very weak co-ordination sometimes. So they need to make good rapport between them. Moreover, as doing work in remittance is computerized so I went through some health problem like headache and eye burn. I think LED monitor would be better for them. More to say, remittance team is very small. So their work pressure is huge. So authority should increase the numbers of employee.

CHAPTER: 3 PROJECT PART

“Remittance Operation and associated risk:

A study on Dhaka Bank Limited”

Background of the Project:

Internship Report preparation is the mandatory part for the BBA program. For performing this report, I have got the change to do internship in Dhaka Bank Limited. Dhaka Bank is fastest growing banks in our country. They are contributing a lot to our economy with their banking operation. At the very beginning of my joining, DBL authority places me in Corporate Head Office, Kakrail. While working in DBL under the remittance unit in F&AD, it becomes possible for me to have practical knowledge and experience about this process.

Objectives of the Project:

Remittance unit under F&AD in DBL plays a vital role in our economy. The main objective of the study is to gather knowledge about the banking activities and evaluate the scenario of the Dhaka Bank Limited. To achieve these main objectives, the study seeks to realize the following:

- Finding out the working process of “Remittance Unit” performed by the unit members.
- To get the real life experience in the banking sector and by doing that I want to expand the span of my practical knowledge.
- To build up the pillar for my career in near future.
- To know more about the current situation of the bank.
- To fulfill the requirement for the completion of BBA graduation.

Scope of the Project:

The subject matter of this project is remittance process and risk associated with this. It can be said that this topic is intense and interesting. But due to shortage of time it is not possible to mention each and every aspect of the particular unit.

Methodology of the Report:

Theoretical knowledge required for the study was collected through some books on this respective field. The data that's been used for this study are both primary and secondary in types.

The primary data has been collected through direct observation, face to face discussion with senior officer and junior officer in related field. Secondary data consists of all published or reported material, which have already been collected or preserved. In this report the necessary document are collected in the remittance unit sector.

Limitation of the report:

This report is prepared solely based on Remittance Unit in Dhaka Bank Limited. Because of time shortage it may be not possible to cover all the information or functions of this unit.

Remittance Operation

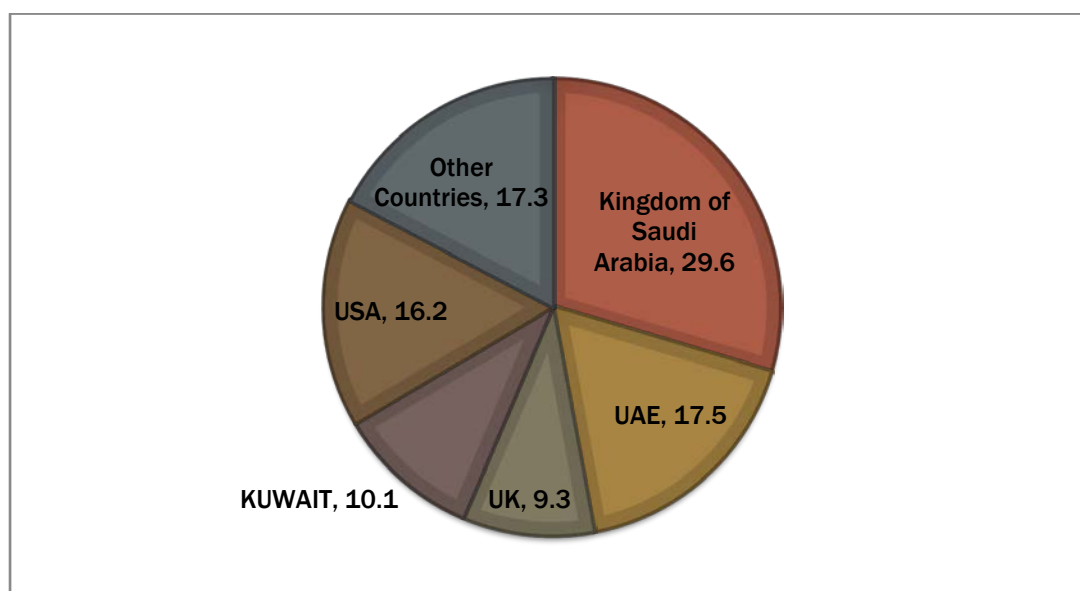


Introduction:

Remittance is an important component of modern finance & business. Now this is the era of globalization. People are easily moving from one continent to another in search of better standard of living. In the same time they are sending a portion of their income to home countries for family maintenance or for other reasons. The money transferred from abroad to home is known as remittances and the sender of money is known as remitter. Third world country like Bangladesh has migrants and workers worldwide, who are strengthen the overall economy by sending remittances.

Wage Earner Remittance

Inward remittance is playing very much important role in our economy by strengthening the current account of Bangladesh Bank. Receipt of inward remittance increased by 12% about 15,128.51 million USD in year of 2014 where in the year of 2013, remittance was USD 15,326 million. That is possible because foreign of Bangladesh Bank is very much simplified for approval and arrangement between foreign and domestic banks are also very flexible. That's the main reason that 40 banks have allowed 830 drawing arrangements through 208 exchange houses for collecting remittance. Inward remittent pie chart according to country wise is given below:



From this Pie chart we can say that, maximum amount of inward remittance comes from Saudi Arabia. After that, second position goes to United Arab Emirate or UAE. And third position goes to USA.

Remittance in Dhaka Bank:

Dhaka Bank limited is second generation bank. It is technology driven private Bank. Out of US \$11 billion foreign remittance in the market, DBL is holding 10% of share. Dhaka Bank has small branch network, mainly located in urban areas.

Each year remittance is increasing by percentage of 7.6%. As a result, it has become very important task for Bangladesh Bank to give NRBs who are sending their hard earned money to homeland with safety and hassle free. To do this, DBL is trying their best to make remittance operation easy and safe. DBL has channeled USD 450 million to Bangladesh in last 3years.

To make disbursement process easy and fast, DBL is continuously trying to increase their distribution channel. Two renowned NGO of Bangladesh- PAGE and PADAKHEP MANOBIK UNNOYON KENDRO are attached with DBL. As a result, Dhaka Bank Limited is able to attach with 250 more distribution point with their existing point. Moreover, DBL is always trying to strong their network by entering into “El DORADO” and maintaining good relationship with Islamic Bank and Southeast Bank. As a result, they got ability for faster disbursement.

As I discuss earlier in my product and services section that DBL has operation with world largest money transfer network Western Union Money Transfer. As a result, it helps DBL to make money transfer easy and safe. It has enhanced DBL’s presence worldwide.

Furthermore, DBL is always trying to enhance its banking facilities to NRBs. They are continuously trying to satisfy the all the needs of NRBs by providing them full support of banking facilities. They have introduced mobile remittance disbursing system which is very much unique in our country. Banglalink is their partner. It has revolutionized remittance system in our country.

Foreign Remittance Unit

Foreign remittance unit is avital part for Dhaka Bank Limited. From this unit, DBL gets fund from various exchange houses and transfer the fund to different client. Dhaka Bank is connected with 18 exchanges houses. These exchange houses send their money to client through DBL.

List of Exchange Houses:

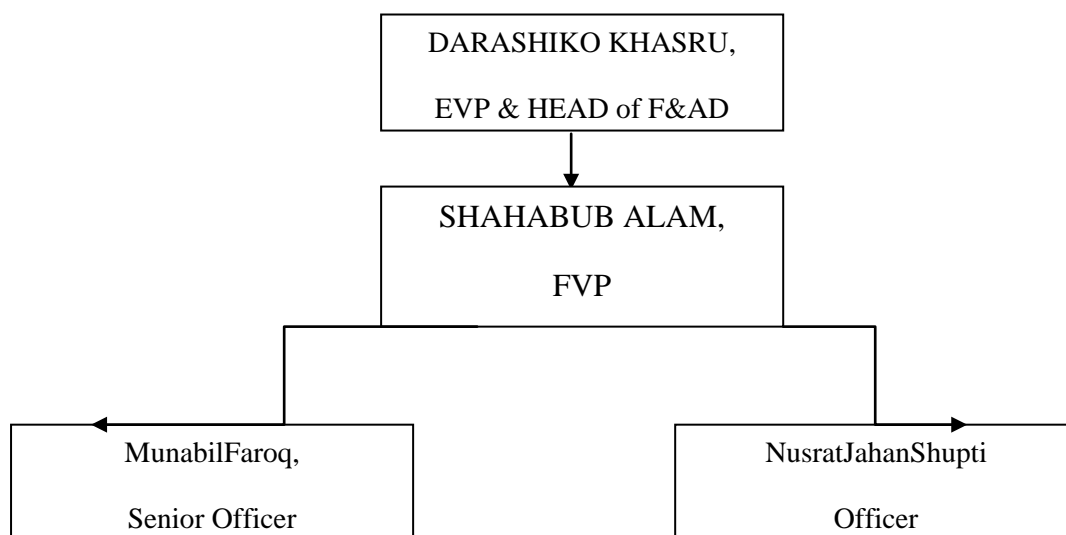
The list of 18 exchange houses is given below. They are shown with geographical position. Most of the exchange houses are located in UAE.

SL	Exchange House	Country
1	Al-Ahalia Money Exchange Bureau	UAE
2	AL-Ansari Exchange Company LLC	UAE
3	Al-Mulla International Exchange	KUWAIT
4	BRAC Saajan Exchange Limited	UK
5	GCC Exchange	UAE
6	Habib Exchange Company LLC	UAE
7	Instant Cash Worldwide	GLOBAL
8	Lari Exchange Company	UAE
9	Lulu International Exchange LLC	UAE
10	National Exchange Company SRL	GLOBAL
11	Oman International Exchange LLC	OMAN
12	Placid NK Corporation	GLOBAL
13	Rupali Exchange Inc.	USA
14	UAE Exchange	UK
15	UAE Exchange Center LLC	UAE
16	Wall Street Exchange Center LLC	UAE
17	Western Union	GLOBAL
18	Xpress Money Transfer	GLOBAL

Through these exchange houses, DBL collects the remittance from different countries. And distribute those fund according to demand. Clients get fund if fund is available, otherwise not.

Hierarchy of Foreign Remittance Unit of DBL:

In the below I have attached diagram. Where it is showing that, EVP is the main figure of this remittance unit. Senior officer and Junior Officer report directly to FVP.



There are various kinds of work that remittance unit needs to do. First I will briefly discuss what remittance unit do and then I will discuss broadly:

Jobs In Brief

Purpose:

To smoothly complete the divisional responsibilities aimed toward reaching the integrated goal of the Bank.

Principal Accountabilities:

1. Remittance Payment
2. Maintaining both NRTA and FC account of exchange houses

Key Responsibilities

1. Preparation of vouchers after receiving cover fund from exchange houses through swift.
2. Posting of Vouchers
3. Preparation of fund approval to PU

4. Update BDT & FC positions of exchange houses
5. Preparation of weekly, monthly & yearly reports of balancing unit.
6. Checking FC & BDT positions and sending to exchange houses.
7. Cross checking cash payout transaction through GTS.
8. Checking & monitoring branch remittance posting.
9. Corresponding to branch & GTS If any discrepancy occurs.
10. Online reporting through foreign exchange transaction in Bangladesh Bank website.
11. Reconciliation of both NRTA & FC accounts to the exchange houses.
12. Corresponding with all exchange houses regarding remittance cash payout related query.
13. Mail Instruction Download of Exchange Houses for operation of remittance cash payout transaction.
14. Observing the exchange rate movement and delivering the Exchange rate of Exchange house for cover fund received.
15. Providing the management remittance related Information.

Jobs of EVP

- Monitoring all suspense GL
- Manage audit related issues
- Monitoring the remittance of other branches.

Senior Officer

- Find the funds of different exchange houses through SWIFT
- Making cover fund document
- Authorization of fund to be approved
- Authorization of Bangladesh Bank related transactions
- Making of daily, weekly and monthly balancing
- Making of fund requisition of different exchange houses
- Making of cash payout document
- Cash payout matching with different branches

- Matching of head office accounts
- Calculation of total DD
- Recording of total numbers of transaction hold and distribute.
- Checking different branches transaction and related problems

Officer

- Balancing of account statements through SWIFT
- Making of statement updates of different branches by adding requisitions and cash payouts list.
- Querying and solving of unmatched entries
- Helping to make weekly and monthly reports
- Reconciliation of DBL's remittance account with Bangladesh Bank's FC accounts
- Follow up exchange for clearing related GL

Remittance balancing

1. Data Collection:

- Download the transaction list from the HR Software.
- Filtering the transaction into two excel sheet. One is Head Office 202 code sheet 2 another is Other Branches # 202 code sheet 3. This record is maintained by Balancing 2016 file.

2. GTS approval (branch requisition):

- Collect the branch fund requisition through GTS mail.
- Different exchange houses data like order, pin, amount, date are all in their mail attachment file.
- Based on the file they prepare their Cash payout File. They are maintaining the payment mode status of different exchange houses.

3. Remittance Cash credit Balancing: PU (Processing unit)

- Remittance balancing is done by how much fund requisition from Operation division has given and how much fund they approved.
- If Fund requisition = Fund approved, then the balancing is ok.
- If not match then there may be problem like shortage of fund that mean hold or excess of fund that is disbursed.
- If hold, they need to search the required file which order /amount/pin is missing, if Disburse we also search the pin/amount/order which is excess.
- This is done by Daily balancing PU (processing unit) file.

4. Branch payment (Cash payout balancing) CPO:

- They maintain four different file for the balancing. One is GTS mail attachment file; based on this file we create a CPO file.
- They download the HR statement. Then they the branch payment not same as 202 code. Then, they match between the HR and the CPO file. Where, they find that the payment is done or not.
- If they find the same order in attachment file and the HR statement file then this order is considered as paid. If they do not found then this is still unpaid. The following day it may be paid.
- Continuously 3 months if the order is unpaid then they knock the GTS for the query. GTS knocked the exchange houses for the payment verifications.
- This is recorded in CPO file.

5. Unsettle Amount Record

- They are maintaining another file for the unsettle amount record. How much today settle and how much today unsettle is record here.
- The mail from GTS requisition is today's unsettle amount. The HR statement which is branch payment is today's settle amount.

- The settle amount is considered as the matching between the HR statement and the CPO file.

6. Query solution

- Different exchange houses send query. Branch and GTS also send query. Remittance unit need to solve those query based on previous record.

7. BDT and FC Statement:

- Remittance unit need to check the daily BDT and FC statement and send this to the exchange houses.
- This file is prepared with the total fund received today, the requisition of GTS and the fund approval of processing unit.
- This statement is send to the different exchange houses and the GTS through mail.

8. Cancellation record;

- If any order is cancelled by the client then GTS informs foreign exchange unit. They need to record this order in the BDT and FC statement.

9. Category / pattern of Exchange Houses;

- They are connected with 18 exchange houses. But the daily transaction happens only with 14 exchange houses.
- They divided this 14 into 3 groups. Group A (Rupali, Al- Ahalia, oman, Lari, Lulu, BRAC SAJJAN). Group B (Placid, NEC) Group C (Wall Street, GCC, Al Ansari,UAE, Xpress, Habib).
- Group A need BDT statement, where they record the fund received and GTS, PU requisition. If any cancellation is occurred then they add the cancellation in the BDT statement. The CPO calculation is maintained for the Group A.

- Group B need FC Statement only. Where they record the fund received and GTS, PU requisition. Cancellation is record by GTS. PLACID transactions are done by GEFU which is internal software.
- Group C need both BDT and FC statement. The cancellation is recorded as like the Group A. But there are some exceptions. For Wall Street, GCC, AL ANSARI, they have to just convert the received fund to the FC account.
- Western union is done by GEFU. The cover fund is transferred in the FC account and converted to the NRTA account and after that run the GEFU. The list is given by the GTS.

10. Process of calculation:

- Group A need BDT, and CPO, group B need FC, GEFU checking & CPO. Group C need FC, BDT & CPO.

The Procedure of foreign remittance unit of Dhaka Bank Limited

DBL Foreign Remittance section is a part of finance and accounts division. First of All, respective personnel collect funds of 18 exchange houses through SWIFT Machine. By going through swift machine, employees collect information about the fund. The swift machine generates the message which is known as SWIFT message.

Swift Message:

Through swift message, receiving of fund gets recognized and funds are collected. Without SWIFT message, members of remittance unit cannot collect and authorize the fund. The amounts of the total fund, the total demand and the recognition of fund through different branches from GTS are also recorded.

When fund is collected through swift, officer makes voucher of the exchange houses. Then this fund will credit to general ledger. Then remittance unit will transfer the fund to F/C accounts. After that F/C account will be converted to NRTA account.

Name of Exchange Houses	Available Balance (USD)	Hold Balance (USD)	Net Balance (USD)	Rate	Net Balance (BDT)
PLACID NK Cor. A/C: 203.121.423	132322.20	100000	132322.20	78.50	10347580.40
Sunman NK Cor. A/C: 203.121.423	163324.80	506000	163324.80	78.50	12771999.36
Wall Street A/C: 203.103.120	220000.00	200000	220000.00	78.50	17204000.00
Al Ansari A/C: 203.103.246	321504.50	100000	321504.50	78.50	25141612.80
GCC Cor. A/C 203.103.255	421330.00	150000	421330.00	70.50	29724831.50
Oman A/C: 203.103.113	170000.00	200000	170000.00	70.55	11993500.00
UAE Cor. A/C: 203.103.244	325000.00	100000	325000.00	70.55	22928760.00

Inward remittance Received through Exchange Houses

Dhaka Bank Limited has ended the year 2015 with total Inward Foreign Remittance of Tk.11, 786 million. The expatriate Bangladeshis are main focus for the DBL authority. They are

trying to do this through fast and efficient disbursement of remittances. Providing fast and efficient service is main priority to DBL. Furthermore they are also trying to increase the inward remittance.

The copy of Inward Remittance received through Exchange Houses is in the below: (Month of February, 2016)

SL	Name of Exchange Houses	Total Instruction	Currency	Amount
1	Al-Ahalia Money Exchange Bureau	1204	USD	1932500
2	AL-Ansari Exchange Company LLC	1120	USD	1506333
3	Al-Mulla International Exchange	221	USD	40000
4	BRAC Saajan Exchange Limited	250	USD	75000
5	GCC Exchange	600	USD	100000
6	Habib Exchange Company LLC	900	USD	400000
7	Instant Cash Worldwide	50	USD	15000
8	Lari Exchange Company	723	USD	37389
9	Lulu International Exchange LLC	448	USD	29430
10	National Exchange Company SRL	556	USD	32550
11	Oman International Exchange LLC	120	USD	20150
13	Placid NK Corporation	1304	USD	1103000
14	Sunman Exchange Inc.	2000	USD	2204500
15	UAE Exchange	200	USD	26000
16	UAE Exchange UK	890	GBP	380256
17	Wall Street Exchange Center LLC	111	USD	14050
18	Western Union	1731	USD	1400000
19	Xpress Money Transfer	120	USD	16998
20	Total	12548		9333156

Here we can see the total instructions of exchange houses. They are giving it through dealing with GTS and GTS send dealing document to remittance. And remittance unit observe the balance. If remittance unit finds they should give fund, they give that, otherwise they don't disburse.

GLOBAL TRADE SERVICES (GTS) Functions:

GTS plays a crucial role with remittance unit. Remittance unit and GTS unit always try to maintain good rapport between them. GTS is a kind of media between remittance unit and exchange houses. GTS is media as it gets demand of fund from different branches and according to demand, GTS asks for fund to remittance unit. According to balance status, remittance unit approve the fund or deny it.

- GTS send rate sheet. They make rate sheet by the dealing with exchange houses. GTS does this before the next working day. According to the rate, remittance unit makes A/C (\$) to BD TK. When they get fund from GL, remittance unit makes G/L account debit and FC account credit. After converting to BDT according to GTS's rate, FC accounts become debit and NRTA accounts to Credit.
- Remittance Unit makes fund approval after getting fund request from GTS.
- If fund are available then approved and if not available then notify. Then GTS send another fund request for approval.
- GTS directs this permitted fund to various Exchange Houses. And after that different branches demand their money for their client and then GTS precede the fund which is approved by the Remittance unit.
- GTS gives the permission to different branch to pay the cash payout.
- If any Client denies taking money or if client feel that they are not need money right now. Then the access money which is not received by the client, GTS collects this money. Transferred to this to the remittance unit.

Weekly and Monthly remittance statement is sending to Bangladesh Bank through GTS.

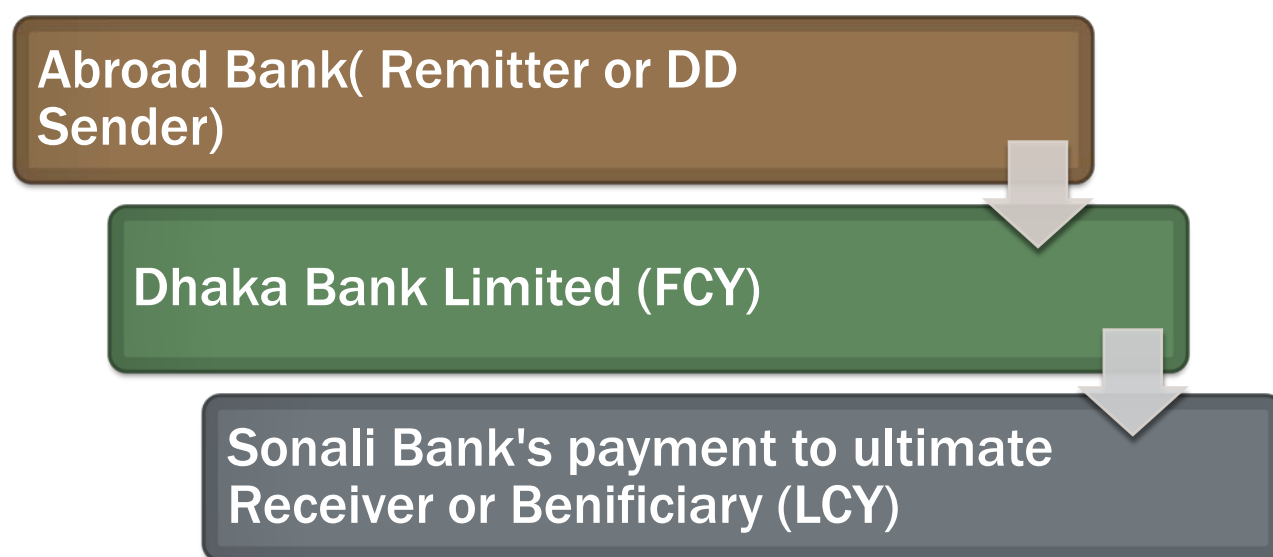
Sample of Rate sheet provided by GTS

Foreign Remittance Unit			
EXCHANGE RATE			
18.03.2016			
SL NO.	Name of Exchange Houses	USD/GBP	BDT
		/EURO	Rate
1	Placid NK Corporation	USD	78.4
2	Rupali Exchange Co.	USD	78.4
3	National Exchange Co.	USD	78.35
	National Exchange Co.	EURO	93.45
4	Habib Exchange co.	USD	78.35
5	Lari Exchange	USD	78.4
6	UAE Exchange Centre	USD	78.4
7	XPRESS MONEY	USD	78.4
9	Wall Street Exchange Company	USD	78.35
11	Al Ahalia Exchange	USD	78.4
13	GCC Exchange	USD	78.4
14	Al Ansari Exchange	USD	78.4
15	Oman Intl.Exchange	USD	78.4
16	LULU Exchange	USD	78.4
Effective On: 19.03.2016 (For Accounting & Balancing Unit)			
	Samrat Akbar		Masudrana Majumdar
	Officer, GTS		Sr.Officer,GTS

Operation Division related to Remittance Unit

Remittance unit give the fund approval according to GTS and Processing Unit (Operation). Processing Unit (Operation) gives instructions to remittance about different branches. PU makes different DD and TT to different branch. They collect the payment through the DD and TT.

The Channel of DD inflow:



This is the graphical presentation of DD inflow. When someone needs to send money, he/she has to go through some legal channel like Bank. He/ she cannot send money directly to receiver. In this case, Dhaka Bank plays role of legal channel.

Suppose Mr. A wants to send money to his family. For this he used DD. First he has to deposit money in the abroad bank and account of DBL should be that Bank. After that, overseas bank will transfer those FCY to Dhaka Bank Ltd. DBL will receive the FCY and will convert those into LCY. The bank will issue a DD paper to the receiver.

Suppose Mrs. B is the recipient of Mr. A. She has an account in Rupali Bank Ltd. The Dhaka Bank will issue the DD paper on the account of Mrs. B which is in RBL. But on the paper there is portion on which it is mentioning that “Drawn on, Sonali Bank, Mohammadpur branch”. It means Sonali bank will pay on to RPL on behalf of DBL. Finally, RPL will collect the LCY from Sonali Bank Ltd and will pay to the ultimate receiver of beneficiary.

Accounting for the DD transactions:

Herein the below, they have shown the accounting impact of the following DD transaction is. Main object of find out the impacts are to find out what will be debit and what will be credit. We will see here the impact on various entities.

Earnings in the a/c of exchange house:

FCY	Debit	500000
LCY	Credit	500000

At the time of payment of DD:

NRTA	Debit	500000
DD payable	Credit	500000

When Soanli Bank pay to ultimate receiver:

DD payable	Debit	500000
Soanli Bank	Credit	500000

(Source: Dhakabankltd.com)

Remittance Instruction from Exchange Houses

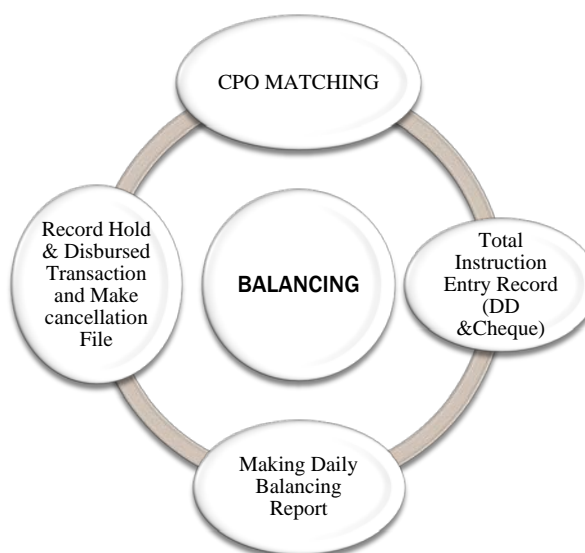
Remittance instructions received from various exchange houses for disbursement and that document is prepared by Operation Division (Processing Unit). After that, processing unit gives those instructions of disbursement of various exchange houses to remittance unit.

Remittance Instruction from Exchange Houses (February, 2016)

SL	Name of Exchange Houses	Instruction: From Ref to Ref	Number of Instruction	Amount
1	Sunman Exchange Co.	DB053438-DB053469	31	1500000
2	UAE EX	UAE Order	22	1000000
3	UAE EX UK	TOTAL Order	46	2000000
4	Placid NK Corporation	PL36994-PL3720	26	1800000
5	Wall Street	WS120-140	20	1400000

6	Lari Money Exchange	LARI 122460-122560	100	2200602
7	National Exchange CO.	NC 5569-5659	90	2102560
8	Oman Exchange	OIE 1002-OIE 1006	5	241500
9	Habib Exchange	HB16465-HB16470	5	235000
10	AL Ahalia	AI 0003322-AI 000331	10	401871
11	GCC Exchange		0	0
13	Al Ansari		0	0
	Total	0		12881533

Maintaining Balancing of Exchange Houses



Balancing is crucial part for remittance unit. It helps to maintain proper tracking record of how much remittance Dhaka Bank Limited has gotten and how much they have disbursed.

Normally, DBL deals with 14-15 exchange houses everyday out of 18. Others are like inactive or transaction does not happen frequently. But which are active like Sunman Exchange houses, Placid, Oman or others, they give fund almost every day and they request DBL to disburse their fund to local client by giving requisition through process unit and cash payout request through GTS. For this reason, remittance unit creates balancing document to find out which transactions are happen from head office and which are from branches.

So do this calculation correctly, remittance unit uses software where every transactions are entered correctly. This software name is HR software. This software is mainly used for

balancing purpose. Furthermore, DBQ was used before HR software. But due to technological development and easier use, DBL implemented this software for Balancing.

In HR software, everyday transactions are stored. To find out cash payout of different branches, one member of remittance unit opens HR software. Then, he/she downloads the file of one particular exchange house. For example, higher authority wants to see the NRTA balance of RIA exchange house of last 3 months. Then, personnel of remittance unit will open HR software, and then give account number of RIA which is 203.106.180 and will give duration of time in this case suppose January to March.

After that from HR software, they export the required file. It is downloaded in a format of Excel. In the excel file, the contents are stored in a way where one can find Date, time, branch code, description of transaction and the amount. After getting excel file, head office transaction which has code of 202 listed in one spread sheet and others branches transaction are listed in other spread sheet. This is first step of balancing.

CPO Matching

After downloading those files, remittance unit members need to match the cash payout of different branches. They will do this by matching downloaded file with CPO. The CPO is attachment file of the GTS. GTS sends the demands of fund and transaction of different branches that are needed by remittance unit. CPO is a file where all the entries are linked to different branches. If CPO file match with the file that downloaded before then they input those transactions in the remittance balance by inputting payment post and date according to request date. If the entries do not match then remittance unit call the branch and try to figure out the problem. If branch can make solution for what we are knocking for then they input the correct entry.

Moreover, in this step remittance unit matches the order number with their corresponding order. Actually objective of this step is to find out matching between what we have posted respective to what they have inputted. After that, they make print out of what they have matched.

Furthermore, remittance unit finds out what is the amount of money and against which order. This is the second step. For do this they this we search the amount in the excel sheet by using

search option. And if the amount and order number match then they give final posting. Actually there are many transactions, remittance unit needs search those order numbers and amounts.

Total Instructions Entry Record (DD & Cheque)

Recording the transaction of DD & Cheque is another step for balancing. Only two exchange houses, Index Exchange house and UAE exchange house make their DD and Cheque. Index exchange house makes D.D and UAE exchange house makes Cheque. There are other names of D.D like FDD, Che, P.O. etc.

To do balancing first remittance unit finds out DD among the transactions. Then they short D.D. They calculate the D.D of exchange houses. After that, they make record of each and every D.D. There they record the D.D number, the amount, the date, the branch name and code etc. As a result, if someone need further enquiry they can easily trace the transactions by seeing detail from the record.

Making Daily Balancing Report

As remittance unit situated at Head office, so they need to make head office transactions. As I said earlier in CPO section that they download excel file and filter the branch codes. And which are 202 they put in another spreadsheet. For making daily balancing report they only take head office transaction which is coded with 202.

In the daily balancing report they input all the requisition of exchange houses. They input which transactions were credited or which are debited to NRTA. They also see which transactions are less or excess debited to NRTA.

Furthermore, remittance unit do fund approval. They get fund requisition from GTS and PU. If we see fund approval sheet we will see that there are name of exchange houses, references, total instructions and the amount.

When they get any request they see fund that available to them and holding balance that need to hold. If fund is available and after giving balance is more than holding balance then they give fund. Otherwise they inform branches. For balancing, remittance unit observe the

downloaded file and see the transaction of branch code 202. If the fund what they have received and what they have given is matched with downloaded excel file where head offices transactions are listed then it is ok. Otherwise, they find out the problem.

Record Hold & Disbursed Transaction

This is the last step of making balancing of different exchange houses. Normally, remittance unit record each and every transaction of hold and disbursement in the daily balancing report. In the daily balancing report, if the requisition and fund availability is matched then it is ok. Otherwise, they need to make record.

Find the hold Entry

If fund is not available then it will be not found in the download file. Then remittance unit search it on approval sheet according to date wise. If mismatch is found then that is inputted according to date wise. Hold is that amount and order which is not found in the download file.

Find the Disbursement Entry

Disbursement entry also can be known as adjustment entry. It is which excess in the debit side in the download file. Then, they take the excess amount in the below. To know the correct figure they see holding file. If not found, then they see approval file. After finding the correct figure then they open balancing file and search for proper date, amount and order. At the end, they post disbursement entry.

Cancellation File:

They also maintain cancellation file. In this file, they stored those documents where exchange houses cancel some of their requisitions. There, they find the branch code, the date and the name of exchange houses. They correct those entries by inputting branch code and date.

Mobile Remittance Sector in Dhaka Bank Limited

By using the Mobile Network Dhaka Bank is generating approximately 1% share of the US\$11 billion foreign remittance market. Though, DBL has strong network, have a small branch network, mainly located in urban areas. In that case they are using Banglalink mobile services to reach customers, with over 10 million clients and a significant distribution channel through its 600 owned and 75000 top up points operated by 100 distributors.

In recent years numbers of mobile users have grown to 30% of the population in comparison with, at most, 13% of the population who are bank account holders. By getting experiences notably from Kenya and Philippines, it can be said that phone technology can be connected to carry out financial services, especially payments, to the mobile phone users.

Bangladesh Bank has given permission to Dhaka Bank Limited to launch a fast, secure, convenient and cost effective remittance disbursement system. It is kind of mobile wallet system which will be done by Banglalink. Banglalink is using MNO platform to operate this operation. They are helping to get money from foreign countries and give them to their desired customers. Balances on m-wallets will be treated as deposits of DBL.

For Non Banglalink customers, they are providing with an alternative but convenient, electronic voucher system allowing for 100% cash withdrawal.

The service will be relatively easy to use for the end user, who only needs to register for the service, and then provide a collection pin number to the agent to collect the remittance. The service will also be considerably more convenient as Banglalink offices are open from 9am to 9pm, seven days a week.

Starting with 100 Banglalink outlets, this initiative has gone to the level of Upazila where they are having 2,200 points. Migrants in Italy, KSA, and Malaysia & UAE were targeted in the first year, and the USA, UK and Canada in year 2. They have reached to 50,000 remittance recipients in the first year, increasing to 100,000 in the second year. In the medium term, the partners are planning to provide a domestic remittance service and bill payment through the m-wallet platform, if regulatory permission is provided.

The record of mobile remittance in DBL is in the bellow.

	DHAKA BANK LIMITED,HEAD OFFICE, DHAKA		
	MOB REM BDT STATEMENT 2013		
DATE	PARTICULARS	DEBIT(BDT A/C)	TRANSFERRED TO REVENUE
20-Jun-13	GIT 203228918, CELL 008801716370187 MOB REM	10000	20-06-13
	GIT 20322866, CELL 00880171689708887 MOB REM	20000	12/7/2013
	GIT 20336356,CELL 008807123456733MOB REM	23000	14-07-13
	GIT 203745137,CELL 008801711234123 MOB REM	28000	19-08-13
	GIT 243846538, CELL008801712535446MOB REM	50000	19-09-13
	GIT 2634263738,CELL 0191198736364MOB REM	34000	23-07-13
22-Jun-13	GIT 234567890 CELL, 0088018235463MOB REM	23000	28-09-13
	GIT 26354886,CELL 0088019119457488 MOB REM	54000	1/11/2013

Table 10: Mobile Remittance in DBL

The above statement the mobile remittance are keeping in DBL. here are many client in DBL in this sector. All are send money in the bank through mobile.DBL collect that money and distributed in the clients.

If someone have no Banglalink connection then he can use can use alternative system. In that case, the beneficiaries have to go to the cash points with proof of identification and request for the disbursement by submitting the Transaction Reference Number, the exact amount.

The rural population is the main beneficiary of this program. It may be mentioned that more than 90 percent of the population do not have access to regular banking facilities whereas some 35 Lac migrant workers contribute around Tk. 70,000 crore annually to the national economy.

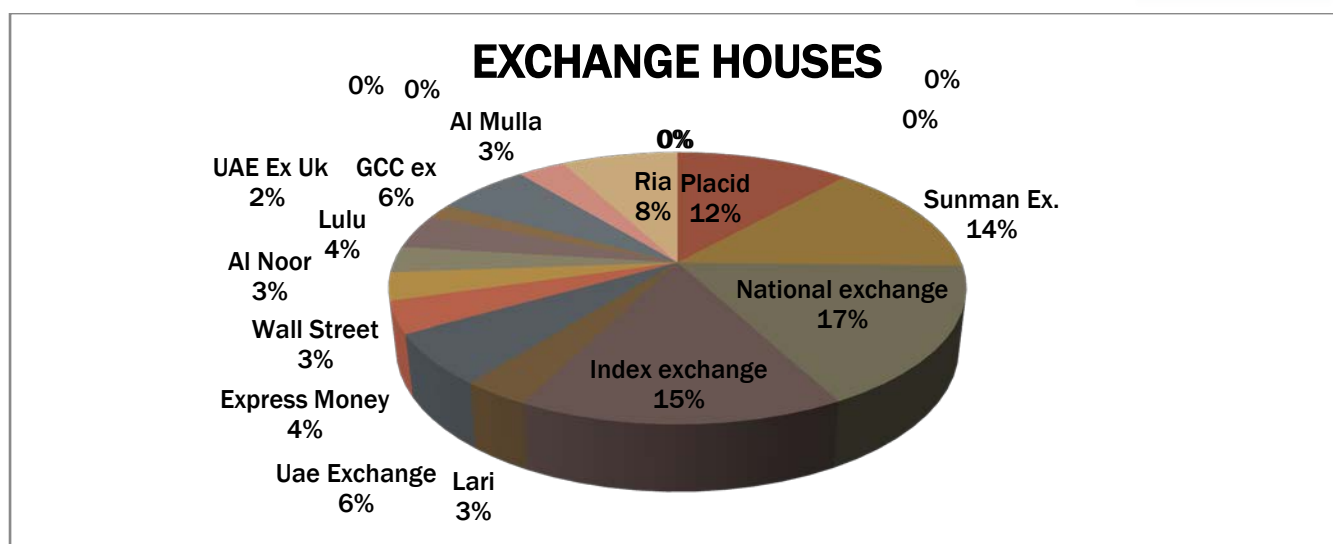
With this service, Dhaka Bank Ltd has moved a step closer to the government's vision of a Digital Bangladesh as the service will add value to the rural population in terms of increased reach, reduced costs, convenience and speed.

Findings and Analysis

Overall statement of remittance is consisting of cover fund receipt, balancing position of various exchange houses and how much they have paid to exchange houses. The below list is statement report of December, 2015.

SL	Name of Exchange Houses	COVER FUND RECEIVED (\$)	Average Rate	Cover Fund Received (TK)	Payment Made	Excess/Shortfall
1	Placid	936500	78.35	73374775	72000000	1374775
2	Sunman Ex.	1098000	78.35	86028300	85028300	1000000
3	National exchange	1344902	78.35	105373072	105273072	99999.7
4	Index exchange	1235195	78.35	96777528	96777528	0
5	Lari	256888	78.35	20127175	20127175	0
6	Uae Exchange	485361	78.35	38028034	38028034	0
7	Express Money	300000	78.35	23505000	23505000	0
8	Wall Street	265468	78.35	20799418	20799418	0
9	Al Noor	250000	78.35	19587500	19587500	0
10	Lulu	326802	78.35	25604937	25604937	0
11	UAE Ex Uk	100000	112.1	11210000	11210000	0
12	GCC ex	500000	78.35	39175000	39175000	0
13	Al Mulla	253600	78.35	19869560	19869560	0
14	Ria	625000	78.35	48968750	48968750	

In this case we can say that National exchange give highest number of remittance. Actually Sunman, RIA, PLACID and Index ex. are the biggest source of remittance.

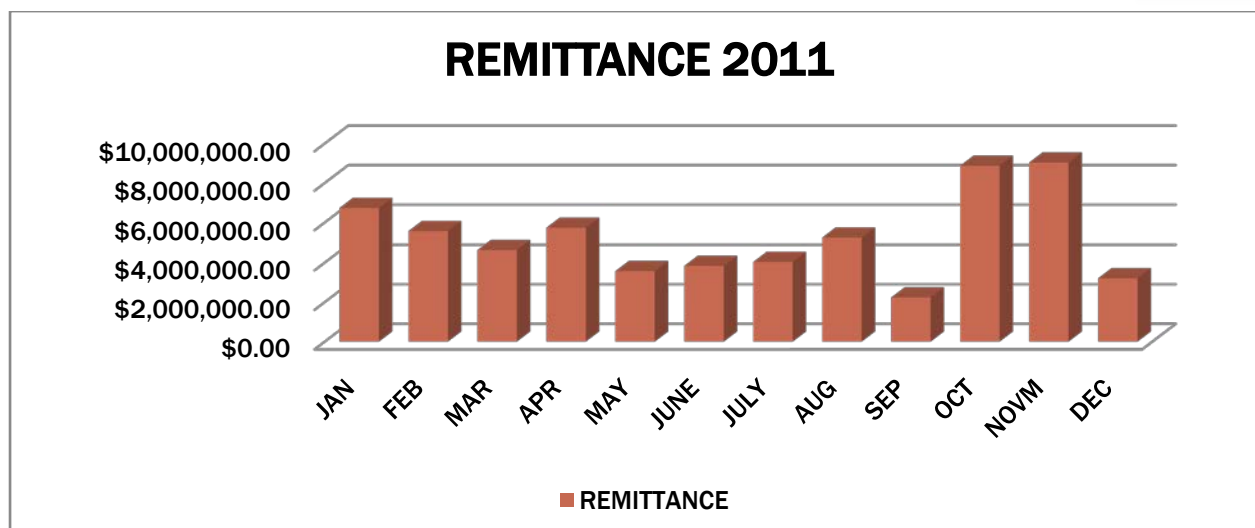


Last four year findings

Remittance in 2011

Remittance in 2011	
MONTH	REMITTANCE
JAN	\$6,735,009.00
FEB	\$5,563,990.00
MAR	\$4,635,026.00
APR	\$5,735,009.00
MAY	\$3,569,823.00
JUNE	\$3,835,009.00
JULY	\$4,035,223.00
AUG	\$5,236,812.00
SEP	\$2,236,591.00
OCT	\$8,873,500.00
NOVM	\$9,035,009.00
DEC	\$3,205,689.00

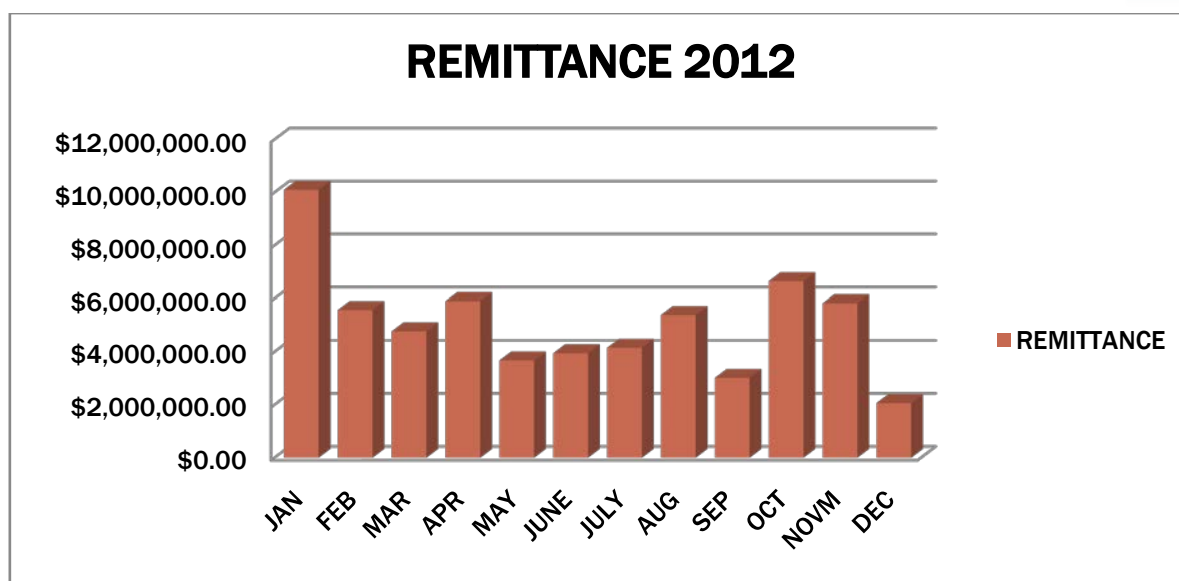
If we see the figure we will see that, DBL got highest remittance in month of November about \$9,035,009.00 and lowest in September about \$3,205,689.00



Remittance in 2012

Remittance 2012	
MONTH	REMITTANCE
JAN	\$10,102,513.50
FEB	\$5,577,121.02
MAR	\$4,774,076.78
APR	\$5,907,059.27
MAY	\$3,676,917.69
JUNE	\$3,950,059.27
JULY	\$4,156,279.69
AUG	\$5,393,916.36
SEP	\$3,019,397.85
OCT	\$6,655,125.00
NOVM	\$5,827,580.81
DEC	\$2,067,669.41

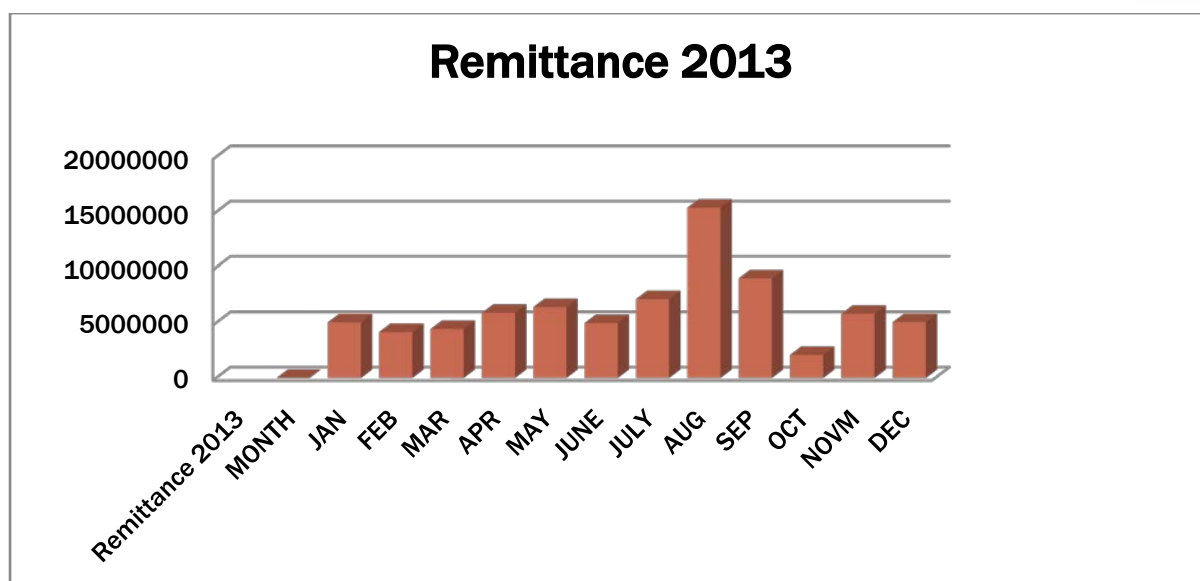
If we see the figure we will see that, in 2012 DBL got highest remittance in month of November about \$10,102,513.50 and lowest in September about \$2,067,669.41.



Remittance in 2013

Remittance 2013	
MONTH	REMITTANCE
JAN	\$5,051,256.75
FEB	\$4,172,992.50
MAR	\$4,440,354.91
APR	\$5,907,059.27
MAY	\$6,425,681.40
JUNE	\$4,985,511.70
JULY	\$7,156,279.69
AUG	\$15,393,916.36
SEP	\$9,037,290.58
OCT	\$2,091,875.00
NOVM	\$5,827,580.81
DEC	\$5,067,669.41

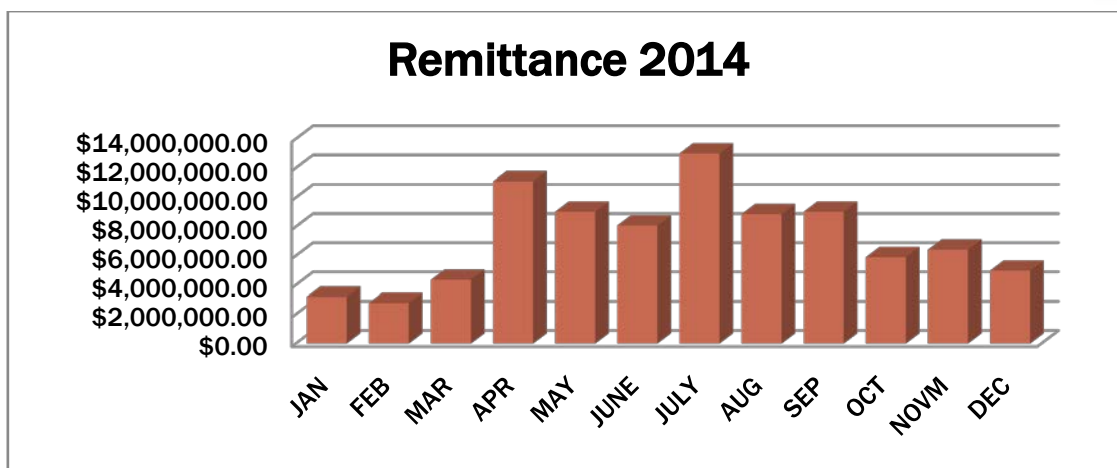
If we see the figure we will see that, in 2013 DBL got highest remittance in month of August about \$15,393,916.36 and lowest in October about \$2,091,875.00.



Remittance in 2014

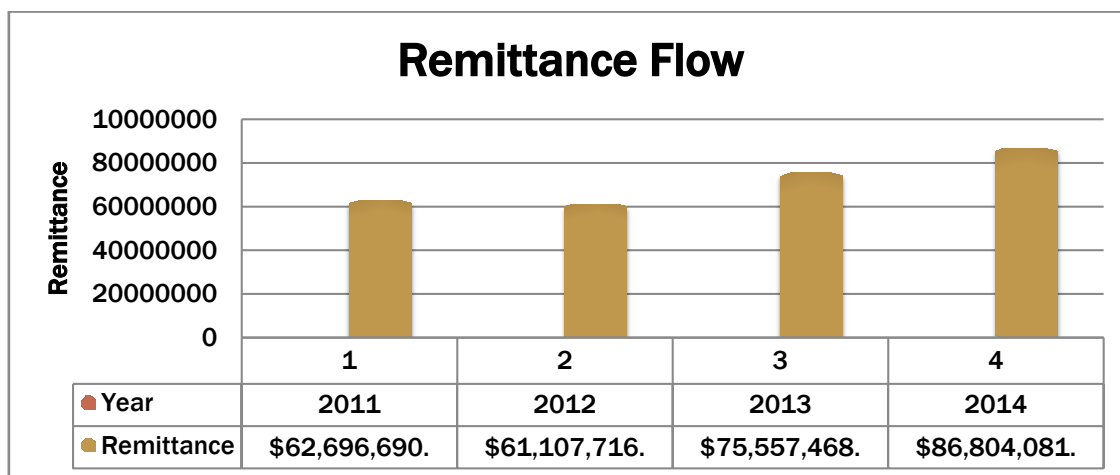
Remittance 2014	
MONTH	REMITTANCE
JAN	\$3,200,659.00
FEB	\$2,780,698.00
MAR	\$4,360,368.00
APR	\$11,102,513.50
MAY	\$9,037,290.58
JUNE	\$8,091,875.00
JULY	\$13,003,916.36
AUG	\$8,873,500.00
SEP	\$9,035,009.00
OCT	\$5,907,059.27
NOV	\$6,425,681.40
DEC	\$4,985,511.70

If we see the figure we will see that, in 2014 DBL got highest remittance in month of July about \$13,003,916.36 and lowest in February about \$2,780,698.00



Last Four Years Remittance at a glance

Year	Remittance
2011	\$62,696,690.00
2012	\$61,107,716.64
2013	\$75,557,468.37
2014	\$86,804,081.81



From the above table and Figure, it can be said that remittance flow of DBL is increasing by 38.38% from 2011 to 2014.

Reasons of the variation of the monthly inflow:

There are some reasons for which the monthly total amount of remittance varied month to month. The reasons are:

- Living cost of the wage earners
- Rate of Dollar
- Shortage of the particular branch
- Time period

When living cost goes up wage earners cant sent much money to the beneficiary, because they already have spent more in that particular country where they are working currently.

Secondly the sender of remittance will send their money through the exchange house, who are offering better rate from the DBL. If DBL's offer is not good enough to the money sender, obviously he/she will switch to other exchange house and other bank.

One big problem for the DBL is the shortage of branches. In the remote area where the bank don't have any branch remittance sender will send money through other bank who have their branch in that area. This problem is making the amount lower.

Last reason is some time sender send remittance after two or three month in a bulk. So the amount varies month to month. It is clear that if they send much money all together after few months the amount will certainly goes up, but the amount will go lower in those months when they are not sending any money.

Risk related to DBL's Remittance Process

Though it appears very much easy job towards remittance unit, there are some risks. Some hazards are very much problematic and some are easily can be solved. So remittance unit as well as PU and GTS try to maintain good rapport with each other to solve problems. The risks are given below:

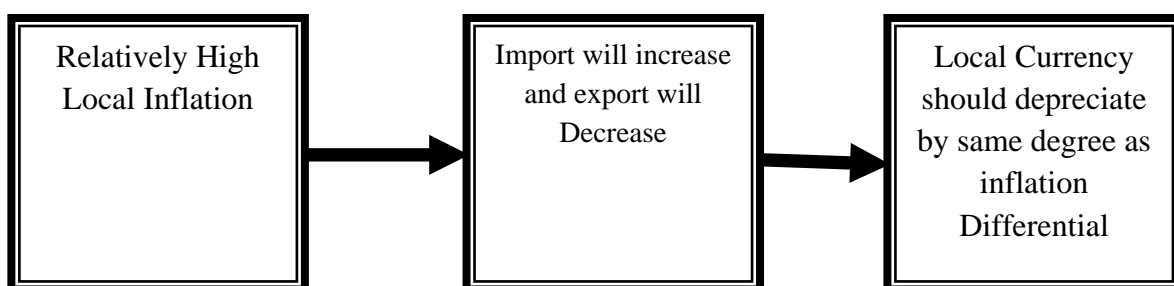
Exchange Rate Related Risk

The exchange rate explains the price of a nation's currency with another currency. Therefore exchange rate is based on two components, Direct and Indirect rate. Exchange rate is a country's determinant of economic health. It controls a nation's level of trade which determines the economy's growth on an overall basis.

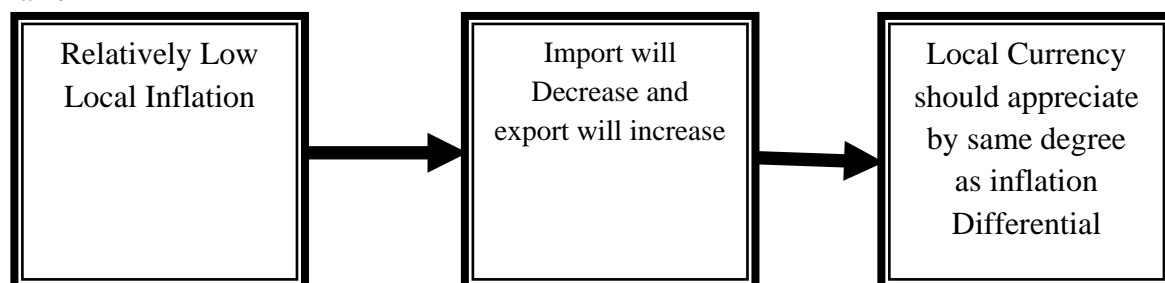
There are some influencers which determine the exchange rate between two countries. They are inflation rate, interest rate, current account deficit, public debt, terms of debt, political stability and global economic performance. Among them interest rate and inflation rate are highly correlated. By manipulating interest rates, Central Bank gets influence over both inflation and exchange rates, and changing interest rates impact inflation and currency values. Higher interest rates offer lenders in an economy a higher return relative to other countries. Therefore, higher interest rates attract foreign capital and cause the exchange rate to rise.

We can use PPP (Purchasing Power Parity) tools to see the summery of relation between inflation and exchange rate:

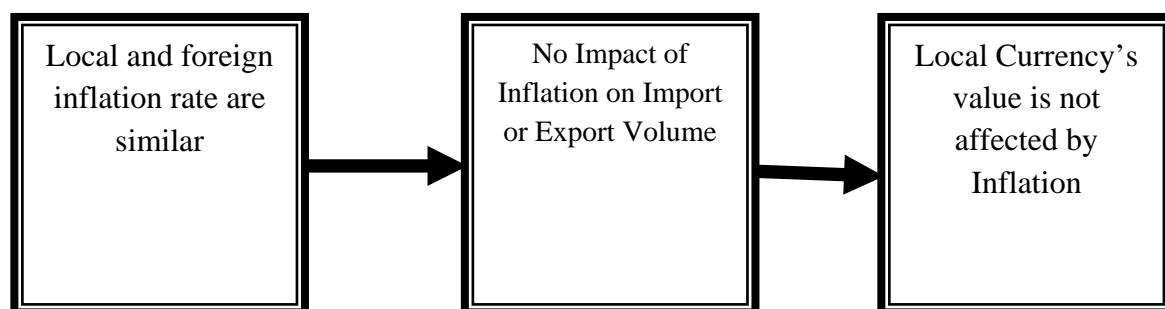
Scenario 1



Scenario 2



Scenario 3



If we see economic data of Bangladesh, we will find out that Bangladesh is in 1st type of scenario. Import is more than what they export. Bangladesh import about BDT 241.17 Billion

and export is BDT 193.05 Billion. From November, 2015 to April, 2016 import has gone down. As a result, BDT has appreciated against both USD and GBP. For this reason, exchange rate has gone down. For example in month of November, 2015 the rate was average 78.95 where in April, 2016 the rate was average was 78.40. So it can be said that USD has depreciated.

So, it has become little bit challenging situation for them. Remittance unit gets their rate of convert from GTS. GTS mainly does this dealing of rate with different exchange houses. Remitters will not send their remittance with lower rate. And remitters may go to other exchange house as well as other banks to get good rate. Sometimes rates fluctuate too much. For this reason DBL do forward hedging. Forward hedging is also known as future hedging. In this hedging bank deal with exchange houses for next day transactions by confirming what might be the possible rate. As a result, they can handle the exchange rate problem.

Cover Fund Related Risk

Normally remittance unit received fund through SWIFT. This is very much risky as it requires pure attention. Dhaka Bank uses alliance messenger software to see SWIFT. It is seen that there are lots of information in per SWIFT papers. Among lots of information, cover fund is collected. Sometimes, exchange houses names are so same that employee gets confused whether to take it or not. And problem happens when fund is not received but they have inputted the entry. As a result, DBL transferred money to particular exchange house and if customers collect the money from those exchange houses, then it is very embarrassing and annoying to collect money from them. Moreover, in the SWIFT paper some exchange houses names are very confusing for example Continental Exchange Ria sends fund in SWIFT as Continental Exchange SOL. As a result, one may not take that fund. Furthermore, exchange houses will send requisition to DBL fund but absence of fund they will not give money to them. And if after time, exchange house claim that they have send money through SWIFT, then trust will go up from DBL and brand value will go down.

Authorization Risk

Another risk is authorization risk. After getting fund for exchange houses, remittance unit make voucher and transfer money from GL to Fc account. After that, they transfer money FC to NRTA. When they make vouchers of different exchange houses, they normally make

NRTA voucher by multiplying FC amount with dealt rate. If fc amount multiply with wrong rate and authorizer authorize it, then exchange houses will get more or less fund.

GL posting Risk

There are different types of GL. GL means general ledger. GL posting risk happens when one GL account number is intentionally or unintentionally changed. As a result, from other GL fund will go out. And original GL will remain same.

Requisitions Disbursement Risk

Another risk is requisition disbursement risk. When PU and GTS give requisition of different exchange houses, remittance unit see the balancing sheet and holding amount. Holding amount means the minimum amount that the remittance unit should maintain. If balancing sheet permits then remittance disburse otherwise not. In some cases, it is seen that remittance unit disburse amount which is cross the holding limit. As a result, there will be question of refund ability of that exchange house.

Cancellation Entry Risk:

Sometimes, exchange houses make cancellation of some requisition. And GTS sends those documents to remittance unit. After getting documents, remittance unit make cancellation entry. If they don't get document of cancellation entry then don't cancel that. As a result, balance amount of system and remittance unit will differ. And exchange houses will make question.

Above mentioned risks that have found when I worked with them. They are sincere and hardworking. They try to minimize these risks as far as possible. After getting cover fund, they again check the SWIFT file. Secondly, after authorization they do checking and they also see the rate sheet to reconfirm about the posting. They also make unique tally system which helps them when they disburse the requested amount. All these things help them to minimize the risk.

Recommendations

As an internee with my little knowledge that I earned from my internship, I want to give some recommendations. Recommendations are given below:

- It is seen that doing balancing is a hard job and for this reason they face balancing problem. They should implement an easy balancing way.
- Sometimes it is seen that while doing authorization and disbursement process the server goes down as a result clients as well as exchange houses get their funds late. So it is recommended that they fix the server problem as soon as possible.
- Bank should make more and more training and workshop sessions for their officials. It will help them to learn newer things because banking and other sectors are changing very rapidly these days.
- Furthermore, as banking jobs are very much stressing and tiring, so high command should make meditation type of programs for them. As a result, they will get energy and enthusiasm for their work.
- From a technological side, it is seen that they are using outdated Windows XP and have little HDD. As a result, they cannot install newer and newer products which might help them in their work. Moreover, most of the files are saved in the mother drive or more specifically (C\ :) drive. As a result, their computers get slow. So upgraded products should be installed.
- Their products are as usual with other banks' products. So their R & D should find out a new product strategy to capture the market again.
- It is seen that when power supply goes down very often, generators get slow. As a result, they get power after 10-15 minutes. As a result, every server goes down and cannot operate in full functions. For this reason their image gets hampered. So they should have sufficient power supply.

- Their employees turnover has become problem. I have seen that they are paying less than the market salary. Moreover, they are not giving any lucrative bonus to their employees. Furthermore, they search job while they are in office. So, DBL should take immediate steps to stop turnover rate.
- DBL should emphasize on advertising to capture more new consumers.
- I have seen that their security system is not well improved. Any person can come out and go out. So they should make their security tight.
- DBL should decentralize their power of authority so that branches could take their own decision.
- DBL should change their working environment to motivate their existent employees and capture new and fresh graduates.

Implementation

Implementation of the recommendations is very much important. Otherwise, recommendations will be of no use. For all the recommendations, only two things should be implemented which will help DBL to supply better banking experience to the consumers. One is developing of existing technology and another is strong HR team.

First of all, they need to bring upgraded technological based system. They need to install newer version of windows e.g. 10. Furthermore, there are other systems for core banking system such as Corniche, Canopus EpaySuite and others. These systems are much advanced than what they are using. So they need to implement this software. They should train their IT team properly so that they can tech other employees. They need to build strong server system for this they can use IBM power system e850 which price will be near about 10 to 15 lac. For this huge bank this amount is not that big. As a result, all kind of transactions, daily balancing and other objects which are depended on server will be done as early as possible. Furthermore, they need to make strong HR team which will see what employees want, is that possible to give and is that relevant with job performance. As in recommendation part it is seen that salary and bonus are the main cause for high turnover rate, so they need to revise their salary structure as soon as possible. They need to implement revise salary which will

near or more that what other bank employees are getting. For example, Executive Officer in Mercantile Bank gets 62k where in DBL almost same rank S.O get 45k. So in that case, DBL should revise their structure. Another think is that, they can give some bonuses according to performance. Furthermore, it is seen that some seniors do partiality when they do ACR of employees who works under them. Previously, many employees have leave job for not getting expected number which will help them to get promotion. In that case, HR team can see is that authorizer is giving proper numbering to their subordinates. Furthermore, HR team can make workshop or training season for their employees to motivate them.

Observations:

During the working period in the Remittance unit I observed something which I think interesting and important too. I want to share my observation in my report that I observed during the office time.

- From this study I realize the difference between the theoretical knowledge and the practical knowledge. Theoretical knowledge teaches us how to deal with the working report on “Remittance Unit” of Dhaka Bank Limited. But practical knowledge gives the basic knowledge about how to go with real life experience and how to perform the activities.
- The officials of this unit give me a positive view of organizational relationship at work place by cooperating me in all the aspects. They always helped me to learn different dimensions of work in banking sector.
- Here the officials are too serious about their job and they work hard all the time and they spend more hard time during the stressed occasion. Lots of pressure comes up to the employees, for this reason by working and staying with them I learned how to work under pressure.
- In an organization formal attitude throughout the organization is necessary. But after working at DBL’s head office I learned that how the informal attitude helps the workplace to get efficient output from the workers and as well as motivate the clients.

Informal attitude seems friendly to others, thus everyone works cheerfully and the clients are also responded positively.

Conclusion:

In the internship period, I have gathered a different type of experience. I agree that practical situations always differ from theoretical explanation. During the internship program at Kakrail Corporate Head Office of Dhaka Bank Limited I have observed almost every remittance related works. And I have seen that theory deviates from practice more or less. It will help me a lot in my professional career.

Banking sector is most dynamic and functional financial institution. In banking it can be said that there are huge competition. Every single department of every bank is working very hard and soul to provide the best service to gain the major market share and to lead the banking sector. So this unit is also doing what they should do to set the bank at the highpoint of ultimate success.

DBL's remittance unit plays vital role to get their customer satisfied. Remittance unit helps to maintain good liaison between Bank and other exchange houses as well as customers. They are one of the main reasons for DBL getting good profit. Actually, Banglalink and DBL remittance getting and disbursement system is very much unique.

Reference:

To prepare this report I have collected data from annual reports of Dhaka Bank Limited, different books the websites of Bangladesh Bank and Dhaka Bank Limited and others websites for analysis.

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