



## **Internship Report**

### ***“Foreign Exchange Operation and Performance: An Evaluation of Bank Asia Ltd.”***

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#### **Date of Submission:**

**29<sup>th</sup> June, 2016**

*“Foreign Exchange Operation and  
Performance: An Evaluation of Bank Asia  
Ltd.”*



# Letter of Transmittal

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June 29, 2016

Fairuz Chowdhury

Lecturer

BRAC Business School

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**Subject: Submission of Internship Report**

Honorable Sir,

With great pleasure, I am presenting my internship report on the topic “**Foreign Exchange Operation and Performance: An Evaluation of Bank Asia Ltd.**” In preparing this report, I have followed your instructions and guidelines as well as those given by my bank’s supervisor.

The report has been completed by the experiences I have achieved during the internship period at Bank Asia Limited I hope they will be quite helpful to enlighten my future career and knowledge as well. I hope this report to be informative as well as comprehensive.

I express my special gratitude to you for dedicating your valuable time, expert guidance and support. I have tried my best to complete the report appropriately as much as possible. I shall be pleased to answer any sort of query you may have regarding this report.

Sincerely Yours,

.....

Humyra Sharmind Alam

ID: 12104061

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# Acknowledgement

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At the very beginning, I am very much grateful to the Almighty Allah. Without His divine blessing, it would never be possible for me to complete both internship period and internship report successfully.

A special thanks and gratitude goes to my Internship Supervisor **Mr. Fairuz Chowdhury**, without his valuable supervision and directions it would not have been possible to complete this report.

Then I would like to express my heartfelt gratitude to the **Bank Asia Limited, Mohakhali Branch authority** for allowing me to give a chance of gathering information and helping me in every possible way in preparing the internship report. My endless thanks go to **Md. Fayezur Rahman Talukder**, Executive Vice President and Head of Branch and **Md. Mahbubur Rahman**, Sub-Manager of Bank Asia Limited, Mohakhali branch for being patient and supporting me during my internship program. In addition to that, I was blessed to have an instructor like **Md. Rahmatullah Azad**, First Assistant Vice President of Foreign Exchange Department who had the attitude and the substance to be a true mentor as he assisted me to comprehend the organizational culture. I am also very grateful to **Sabreena Sarah Hossain**, Executive Officer and **Md. Riaz Morshed**, Senior officer of Foreign Exchange Department for guiding me throughout the preparation of the report. My colleagues and peers at the bank had also been very helpful; and they made my internship a more enjoyable and eventful one. Finally, my sincere gratitude goes to **BRAC University authority** for arranging the Internship Program for students. It really makes the student capable of doing official tasks before entering the corporate world.

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## Executive Summary

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The banking sector is always considered one of the most fundamental sectors for the economy to be able to function. In this contemporary economic era, in order to attain development in industrial and commercial division, there should be a sound banking system to support not only the economy but also the society.

This report focuses on the Foreign Exchange Operation of Bank Asia Limited, Mohakhali Branch. Foreign Exchange is a significant section of a bank. It deals with import, export and foreign remittances. It forms a connection between importers and exporters. This unit plays a vital role in improving export earnings, which serves economic acceleration and in turn, it helps for the economic development. On the other hand, it aids to accumulate those goods and services, which are high in demand but not adequate in our country.

Firstly, this report starts with the introduction of the company, objectives, core values, product and services, mission and vision of the organization. Next, I tried to review the responsibilities I performed as an intern in Bank Asia Limited, Mohakhali Branch. As I worked in Foreign Exchange department, I have discussed related issues of foreign exchange activities of Bank Asia Limited. To begin with, I have thoroughly discussed about the entire system of import mechanisms. In that regard, I tried to explore about L/C (Letter of Credit), L/C classifications, modes of payments of L/C, L/C opening procedure, advising L/C, transmitting L/C, amendments, required documents and verification of documents, lodgment, retirements and reports of L/C. In addition, I have highlighted the matter about export mechanisms. This process is comprised of advising L/C, issuing EXP, realization of export proceeds, collection of required documents and reports issuing Proceeds Realization Certificate (PRC). Then, I have pointed out the foreign exchange remittance process. Here, I have discussed inward and outward foreign remittance. In addition, I have conducted performance analysis. Lastly, the report has ended with some findings, recommendations and conclusion.



# Chapter-1

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## Project Description

### 1.1 Origin of the report:

In the competitive global era, classroom education only serves to boost a graduate into a profession by conferring a degree but an internship program makes the theories and learned examples concrete by placing the student in a real life work situation performing actual professional tasks, which the job encompasses. For this reason, Internship Program is made compulsory for all business graduates of BRAC University. As a part the BBA program, all the students of BRAC Business School have to experience an internship program with a purpose of gaining practical understanding about modern business world. The program covers a period of three months of organizational attachment. After the completion of the internship program, each student has to submit an internship report mentioning the activities performed and learnt during the internship program.

As an intern, I got the opportunity to work in Bank Asia Limited, Mohakhali Branch from January 3, 2016 to April 3, 2016 under Foreign Exchange department. Bank Asia Limited is a well-established bank in Bangladesh. The internship report titled “Foreign Exchange Operation and Performance: An Evaluation of Bank Asia Ltd.” is prepared under the supervision of Mr. Fairuz Chowdhury, Lecturer of BRAC Business School. This report focuses on my three months working experiences in Bank Asia Limited, Mohakhali Branch. This report will offer a clear idea about the Foreign Exchange activities and operational strategies as well as performance of Bank Asia Limited.



## 1.2 Objectives of the study:

The core objective of the study is to gain realistic and practical understanding about banking structure and functions. In line with the core objective, other specific objectives of the study may be spelled out as follows:

- To present an overall idea about the Foreign Exchange business procedure of Bank Asia Limited
- To gain knowledge of Foreign Exchange activities i.e. import, export and foreign remittance procedure of BA
- To generate an in-depth analysis of the import, export and foreign remittance sections of the bank
- To formulate a SWOT Analysis (Strengths, Weaknesses, Opportunities & Threats) of BA
- To assess the performance of Foreign Exchange department of BA
- To identify problems of Foreign Exchange division of the bank
- To provide suggestions for the success and development of Foreign Exchange operations of the bank

## 1.3 Scope of the study:

Banking system holds a significant position in a nation's economy. It plays a crucial role in the economic advancement of a country and shapes the central part of the fiscal market in a highly developed country. The report covers the background, functions and mostly the Foreign Exchange activities of Bank Asia Limited. The preparation of this report offers a great opportunity to have an in-depth knowledge of the banking activities practiced by the branch. This report has been prepared based on experience gathered during the period of internship. It was a huge achievement for me to practically learn and execute the entire process of import and export trade. One of the most crucial parts is foreign remittance; I also developed a better



understanding to inward and outward remittance. Overall, it was an opportunity to attain a fast hand perspective of a leading private bank in Bangladesh.

## **1.4 Methodology:**

This study is based on Foreign Exchange department of Bank Asia Limited. In order to conduct the overall study, I utilized both Primary and Secondary information and data. The detail about the Primary and Secondary data collection is given below:

### **1.4.1 Primary data:**

- Discussion with officials of Bank Asia Limited
- Informal interview and individual conversation with the employees
- Face to face conversation with the clients
- Direct involvement in the foreign exchange activities of the branch
- Personal observation on the procedure of banking activities

### **1.4.2 Secondary data:**

- Annual Reports of Bank Asia Limited [2015, 2014, 2013, 2012, 2011]
- Brochures, Manuals and Publication of the bank
- Online data from the website of Bank Asia Limited
- Relevant Journals and Research Papers
- Relevant file study as provided by the officers concerned



## 1.5 Limitations of the study:

To provide recent information and to make the report read-worthy, support from various sources is essential. In spite of having my wholehearted effort, I could not collect some information required at the time of the study. Therefore, this study is not free from limitations. During the preparation of the report, some problems and limitation have encountered which are as follows:

- Inadequacy and lack of accessibility of some preceding and latest data
- Alike all other banking institutions, BA is also very conventional and strict in providing some information. There are various information the bank officer didn't provide due to security and other corporate obligations
- At times the concerned personnel may not provide enough time due to rush banking hours
- As a matter of fact three months is too short for learning all the banking functions
- Lack of prior experience to prepare this sort of report and it is completely new to me as an intern

With all these limitations, I put my best effort to make this report to be fruitful. So readers are requested to consider these limitations while reading and justifying any part of my study.



## Chapter-2

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### Overview of the Organization

#### 2.1 Organizational Profile:

The economy of Bangladesh has been experiencing a rapid growth since the 90's. Industrial and agricultural development, international trade, inflow of expatriate Bangladeshi workers' remittance, local and foreign investments in construction, communication, power, food processing and service enterprise ushered in an era of economic activities. Urbanization and lifestyle changes concurrent with the economic development created a demand for banking products and services to support the new initiatives. Bank Asia is a third generation public limited commercial bank. It received the Certificate of Incorporation on September 28, 1999 and came to operation on November 27, 1999. Now after 16 faithful years of dedicated and reliable services, Bank Asia has created an envious position for itself among the leading banks of the country with an Asset base of TK. 117 Billion, Deposit of TK. 95 Billion and 107 branches all over the country. Nevertheless, most importantly, the Bank has an unsurpassed legacy attached with its image.

#### 2.2 History:

Bank Asia has been launched by a group of successful entrepreneurs with recognized standing in the society. The management of the Bank consists of a team led by senior bankers with decades of experience in national and international markets. The senior management team is ably supported by a group of professionals many of whom have exposure in the international market.



It set milestone by acquiring the business operations of the Bank of Nova Scotia in Dhaka, first in the banking history of Bangladesh. It again repeated the performance by acquiring the Bangladesh operations of Muslim Commercial Bank Ltd. (MCB), a Pakistani bank.

In the year 2003, the Bank again came to the limelight with oversubscription of the Initial Public Offering of the shares of the Bank, which was a record (55 times) in our capital market's history and its shares commands respectable premium.

The asset and liability growth has been remarkable. Bank Asia has been actively participating in the local money market as well as foreign currency market without exposing the Bank to vulnerable positions. The Bank's investment in Treasury Bills and other securities went up noticeably opening up opportunities for enhancing income in the context of a regime of gradual interest rate decline.

Bank Asia is maintaining its competitiveness by leveraging on its Online Banking Software and modern IT infrastructure. It is the pioneer amongst the local banks in introducing new products like SMS banking, and under the ATM Network the Stellar Online Banking software enables direct linking of a client's account, without the requirement for a separate account. Bank Asia Limited started its service with a vision to serve people with modern and innovative banking products and services at affordable charge. Being parallel to the inventive technology the Bank is offering online banking with added delivery channels like ATM, Tele-banking, SMS and Net Banking. In addition, as part of the bank's commitment to provide all modern and value added banking service in keeping with the very best standard in a globalize world.

### **2.3 Vision:**

Bank Asia's vision is to have a poverty free Bangladesh in the course of a generation in the new millennium, reflecting the national dream and to build a society where human dignity and human rights receive the highest consideration along with the reduction of poverty.



## 2.4 Mission:

- ❖ To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy
- ❖ To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees
- ❖ To become the most sought after bank in the country, rendering technology driven innovative services by our dedicated team of professionals

## 2.5 Core Values:

- Place customer interest and satisfaction as first priority and provide customized banking products and services
- Value addition to the stakeholders through attaining excellence in banking operations
- Maintain high ethical standard and transparency in dealings
- Be a compliant institution through adhering to all regulatory requirements
- Contribute significantly for the betterment of the society
- Ensure higher degree of motivation and dignified working environment for our human capital and respect optimal work-life balance
- Committed to protect the environment and go green



## 2.6 Products and Services:

### 2.6.1 Retail Banking:

#### ➤ **Deposit Accounts**

- ◆ Saving Account
- ◆ Current Account
- ◆ Short Term Deposit
- ◆ Fixed Term Deposit
- ◆ Shanchay Plus
- ◆ DPS+
- ◆ Monthly Benefit Plus
- ◆ Double Benefit Plus
- ◆ Triple Benefit Plus
- ◆ Shanchay E Koti Poti

### 2.6.2 Consumer Finance:

- ◆ Auto Loan
- ◆ House Finance
- ◆ Senior Citizen Support
- ◆ Consumer Durable Loan
- ◆ Unsecured Personal Loan
- ◆ Loan for Professionals



### 2.6.3 Cards:

- ◆ VISA Platinum Card
- ◆ VISA Classic Local and Dual Card
- ◆ VISA GOLD Local and Dual Card
- ◆ MasterCard Silver and Gold
- ◆ Hajj Card
- ◆ Travel Card
- ◆ Virtual Card
- ◆ Debit Card

### 2.6.4 Financial Inclusion Services:

- ◆ Remote Banking (EBEK)
- ◆ Agent Banking
- ◆ Mobile Banking (Hello)

### 2.6.5 Corporate Banking:

- ◆ OD, SOD & Term Loan
- ◆ Working Capital Finance
- ◆ Loan against Trust Receipt
- ◆ Packing Credit Syndication Finance
- ◆ Agricultural Finance
- ◆ Letter of Credit
- ◆ Back to Back Letter of Credit
- ◆ Bank Guarantee
- ◆ Bill Discounting



### 2.6.6 Service Products (Technology Driven):

- ◆ Central Trade Services
- ◆ Internet Banking
- ◆ Electronic Fund Transfer
- ◆ E-Commerce
- ◆ Call Center

### 2.6.7 Islamic Banking:

#### ➤ **Deposit Products and Schemes**

- ◆ Al-Wadiah Current Account (AWCA)
- ◆ Mudaraba Savings Account (MSA)
- ◆ Mudaraba Special Notice Deposit Account (MSNDA)
- ◆ Mudaraba Term Deposit Account (MTDA)
- ◆ Mudaraba Hajj Savings Scheme (MHSS)
- ◆ Mudaraba Deposit Pension Scheme (MDPS)
- ◆ Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS)
- ◆ Smart Junior Saver (SJS)
- ◆ Cash Waqf

### 2.6.8 SME Banking:

- ◆ Sondhi- Secured Trading
- ◆ Shonbridhi- Secured Manufacturing
- ◆ Sheba- Secured Service



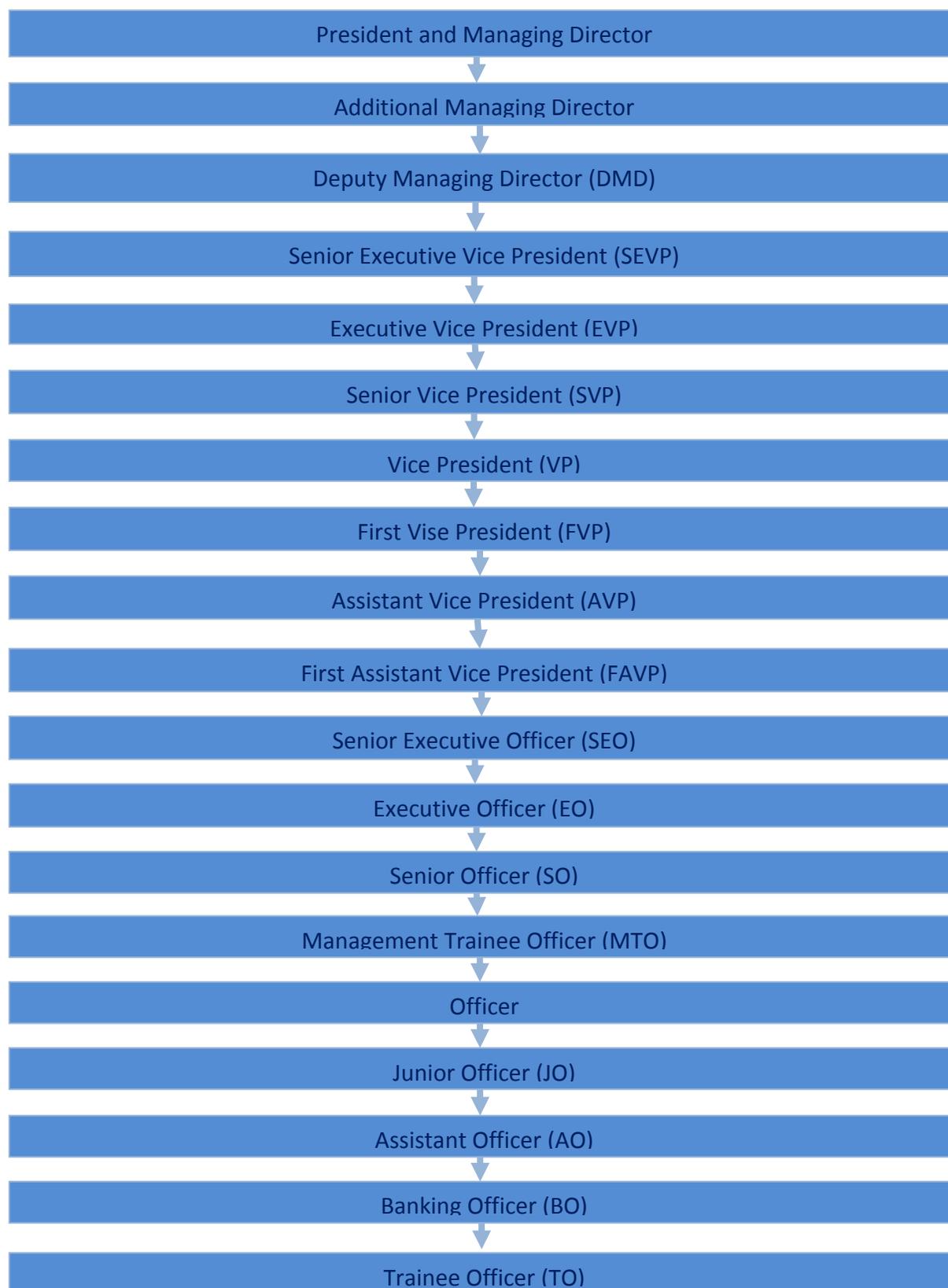
- ◆ Somadhan- Secured
- ◆ Subidha- Unsecured Trading
- ◆ Sristi- Unsecured Manufacturing
- ◆ Utshob- Seasonal Business
- ◆ Shofol- Unsecured Service
- ◆ Subarno- Women entrepreneur

#### **2.6.9 Offshore Banking Unit (OBU) Products:**

- ◆ On-shore Import & Export Bill Discounting
- ◆ Working Capital Finance
- ◆ Trade Finance
- ◆ Loans & Advances
- ◆ Term loan

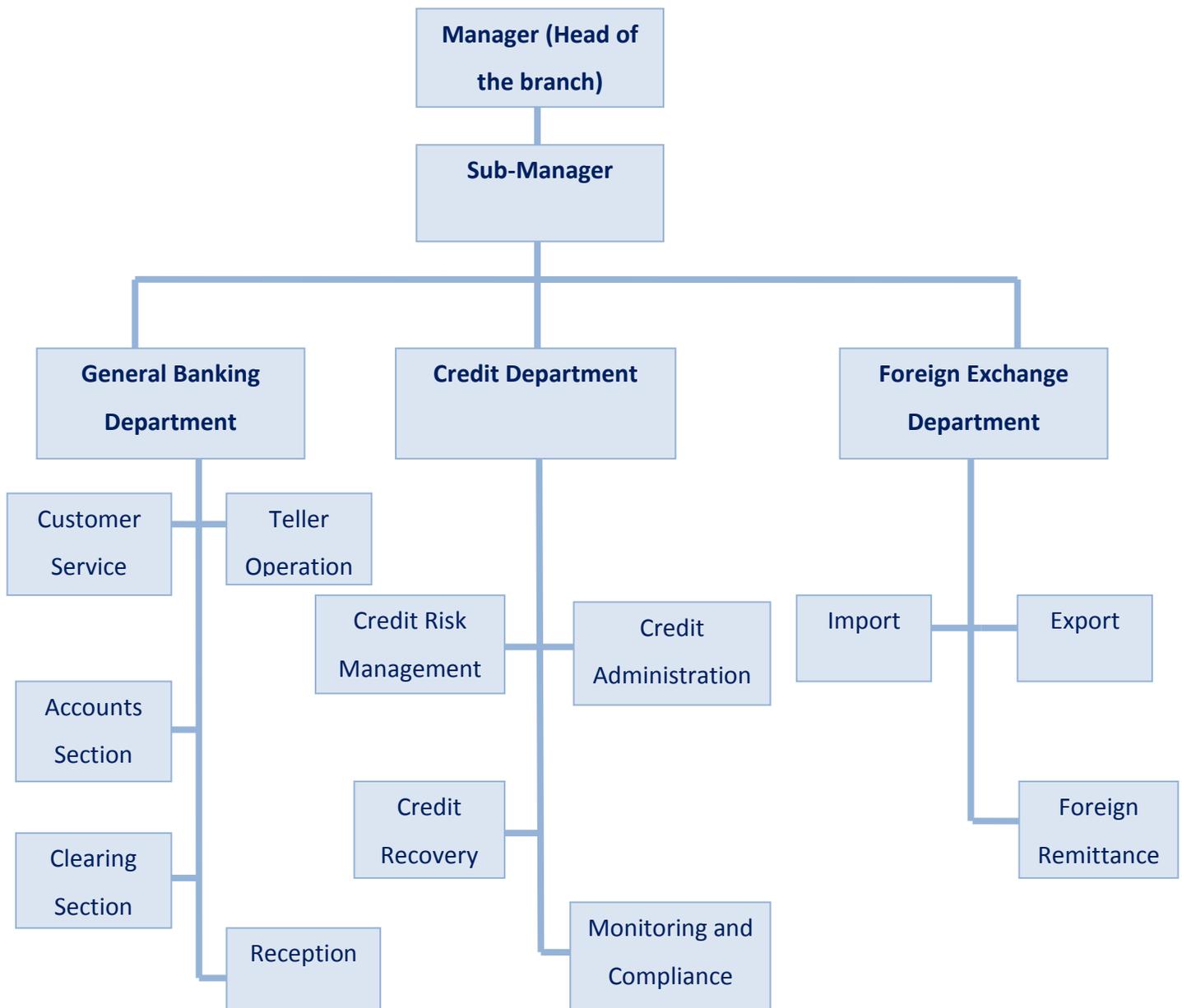


## 2.7 Organizational Hierarchy:





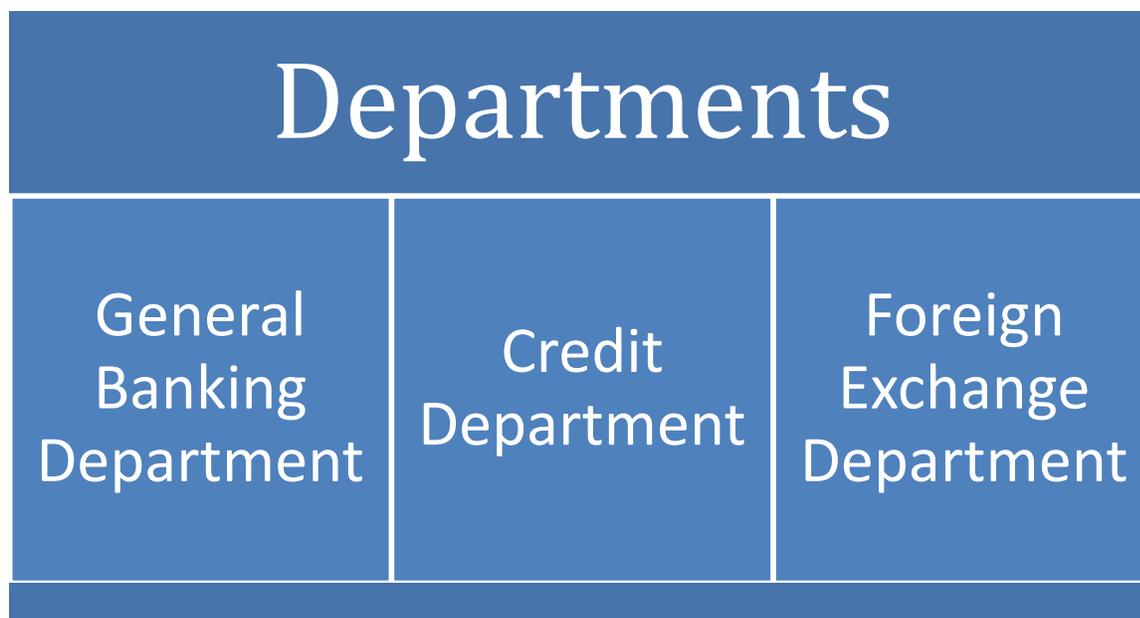
## 2.8 Structure of Bank Asia Limited:





## 2.9 Type of Departments:

There are several departments inside the organization for performing the whole business. All the departments are listed below:



### 2.9.1 General Banking Department:

General Banking is the heart of all banking activities. It is the introductory department of the bank to its customers. All business concerns earn a profit through selling either product or a service. This department assists in taking deposits and simultaneously provides some ancillaries services. In Bank Asia Limited, skilled people are allotted for performing the operations of this department and for the purpose of deposit mobilization. The General Banking Department of BA consists of the following divisions:

- ✓ Account Opening and Lockers Services
- ✓ Cash Section
- ✓ Remittance Department
- ✓ Clearing Section



- ✓ Financial Control & Accounts Department (FCAD)

### **2.9.2 Credit Department:**

One of the core functions of commercial banks is to create and disburse of loan-able funds for commercial & industrial activities. Bank distributes its treasuries among different sectors to receive sufficient revenues. The credit department of Bank Asia Limited provides three categories of loans. These are:

- ✓ Corporate Loan
- ✓ Small Medium Enterprise (SME)
- ✓ Retail Banking Unit

### **2.9.3 Foreign Exchange Department:**

Foreign Exchange is an important and integral part of commercial banking. Foreign Exchange is an International Department of the bank. It facilitates international trade through its various means of services. It is mainly deals with export and import business by giving letter of credit facilities to the clients. Moreover, it is a department where foreign transaction is made. It has also other elements; this department also deals with Inward Remittance i.e. foreign currencies are coming to the country and Outward Remittance.



## 2.10 SWOT Analysis of Bank Asia Ltd.

In general, the assessment of strengths, weaknesses, opportunities and threats of an organization and its surrounding environment is referred to as SWOT analysis. The core purpose of the SWOT analysis is to identify strategies that align, fit or match a company's resources and capabilities to the demands of the background in which the company operates. To express it differently, the idea of the strategic alternatives generated by a SWOT analysis should be to build on company strengths in order to exploit opportunities and defend threats and to rectify company's weaknesses. During my internship period in Bank Asia Ltd., I have found some aspects relating to the Bank's strengths, weaknesses, opportunities and threats, which are affecting the Bank's performance in total. These are shown in the chart below:





## Chapter-3

### Internship Role and Learning

#### 3.1 Working Experience:

In today's business world, only a small number of financial organizations have made a strong place in the industry and 'Bank Asia' is one of those names. It is developing and expanding its branches all over the country with innovative products and banking services, to gain greater acceptance as an effective and efficient means of intermediation and to contribute to the overall wealth creation. I got the opportunity to work with different departments in Mohakhali Branch of Bank Asia Limited. I find myself very fortunate for being able to associate with one of the renowned bank in Bangladesh.

Throughout the three months of my internship, I was assigned in the Mohakhali Branch under Mr. Rahmatullah Azad, First Assistant Vice President of Foreign Exchange Department of Bank Asia Ltd. (Mohakhali Branch). It was a very pleasant and productive experience for me. Most importantly, I learned to perform responsibly in time of immense pressure. This practical orientation is crucial for the progress and preparation of oneself before entering into the corporate world. Valuable eruditions that I have acquired working at Bank Asia Ltd. are listed below:

- Punctuality and regularity
- Need of commitment
- Significance of accountability
- Development of corporate relationship



- Necessity of interaction skill

## **3.2 Internship Role:**

I was placed in different departments on a rotation basis during the internship period at Bank Asia Limited. At first, I was in General banking section for one week and then I was shifted to Foreign Exchange department and worked there for the rest of the time being. Therefore, it was a great experience for me to work in different departments.

### **3.2.1 Activities undertaken at General banking section:**

As soon as I joined Bank Asia Ltd., I was assigned to work on General Banking section as it is the primary stage where the bond between the customers and the bank starts. I have learned different types of tasks working in this department. The chronology of my work on this department is specified below:

- ✎ Knowing about different types of accounts, who are eligible to open a particular type of account and the documents required as a requisite to open an account
- ✎ Learning the process of account opening, closing procedure and transfer of account
- ✎ Helping clients to fill up account opening form and pay order form
- ✎ Maintaining different registers
- ✎ Providing product and related information to the customers
- ✎ Entering data using Microsoft Excel
- ✎ Sorting of cheque according to serial number
- ✎ Providing assistance to the customers according to their needs



### 3.2.2 Activities undertaken at Foreign Exchange department:

By the time I was acquainted with the processes and activities of General Banking Section, I was shifted to the Foreign Exchange Department. As I have spent more of my internship period working in this department, I gained in-depth understanding about the activities of this department. Responsibilities that I have performed in this department are mentioned below:

- I. **Opening Foreign L/C:** Many local companies of our country import various kinds of raw materials, machineries, equipments and accessories from overseas companies. In that case, a foreign Letter of Credit L/C is required to be opened.
- II. **Opening Back-to-Back L/C:** Back-to-Back (BTB) L/C is a secondary L/C opened by the seller's bank based on the original/master L/C to purchase the raw materials and accessories for manufacturing of the export products required by the seller.
- III. **IMP Posting:** At the end of each month, every commercial bank send a report to Bangladesh Bank based on their import payment during the whole month. This is called IMP posting which generates an IMP report.
- IV. **Posting Bill of Entry:** Bill of Entry is a document that contains all the information about the products imported in Bangladesh. When a product is released from the port and goes to the customs office, all the information are checked according to this document before releasing. This document makes sure that the product has entered in our country.
- V. **Entering data:** Entering data of back-to-back L/C to Microsoft Excel from registers.



### 3.3 Critical Observations:

Throughout my internship period, I enjoyed working each day at Bank Asia Limited. Whilst getting familiar to the corporate culture of Bank Asia Ltd., I have observed some aspects of this bank. The notable some of these are given here:

- ❖ Bank personnel were very cooperative and friendly. All the colleagues of mine were extremely patient while explaining any task to me before assigning and were submissive enough to overlook minor mistakes made by me.
- ❖ The authority of Bank Asia Ltd. is very strict about punctuality. Each day a prayer is performed before starting the regular banking hour and it is mandatory for every employee to attend that prayer on time.

Despite all the positive responses I got from the bank officials, I have also come across one negative aspect as well. That is stated below:

- ❖ It is obvious that the workload of a financial institution will be more than any general organization, but at Mohakhali Branch of Bank Asia Limited, the problem is doubled due to lack of work force. Sometimes, if one employee is on leave or fails show up, another employee from same department is bound to look after works of two people. This can cause lack of motivation and integration among the employees.

After completing my internship in Bank Asia Ltd., I realized that the problem mentioned above can create an obstacle for the future prospect. Therefore, the management is required to be a little careful about their employees.



## Chapter-4

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# Foreign Exchange Operation

### 4.1 Foreign Exchange:

The banking industry of a country has always been service-oriented. People in general and the customer are facilitated through diverse nature of services offered by banks. One of the largest businesses carried out by the commercial bank is foreign trading. Foreign Exchange means exchange of foreign currency for the trade purpose between two countries. In other words, Foreign Exchange deals foreign financial transactions related to trade or business. It is very much lucrative and productive operation for the bank, if it is conducted systematically and methodically as per norms. Some national and international laws control the functions of this department. Among these, Foreign Exchange Regulation Act 1947 and Foreign Exchange Regulation Act 1994 are for dealing foreign exchange business. Import and Export Control Act 1950, is for monitoring Documentary Credits. Government's Import & Export policy is another important factor for import and export operation for banks.

### 4.2 Basic Concepts of Foreign Exchange:

Important concepts of foreign exchange as per UCPDC (Uniform Customs and Practice for Documentary Credit) 600 are discussed below:

- **Applicant (Opener/Importer/Buyer):** All of these names are used for the same purpose. It means the party on whose request the Letter of Credit is issued.



- **Issuing Bank (Opening Bank):** Issuing bank is the one that issues Letter of Credit on behalf of applicant to the opposite party and takes the responsibility to make the payments on receipt of the documents from the beneficiary or through their banker.
- **Beneficiary (Exporter/Seller):** Beneficiary means the party in whose favor the Letter of Credit is issued. A credit is issued in his favors to enable him or his agent to obtain payment on surrender of stipulated document and comply with the term and conditions of the L/C. If L/C is a transferable one and he transfers the credit to another party, then he is referred to as the first or original beneficiary.
- **Advising bank:** Advising bank means the bank that advises the credit at the request of the issuing bank. The bank typically located in the beneficiary's country, request to advice the credit to the beneficiary.
- **Confirming bank:** Confirming bank means the bank that adds its conformation to a credit upon the issuing bank's authorizations. When that bank do this then such bank is called confirming bank. So advising bank can be act as confirming bank.
- **Negotiating bank:** The bank that makes payment to the exporter after inspection the documents submitted by the beneficiary with the original letter of credit is called negotiating bank.
- **Nominated bank:** The bank with which credit is available is termed as 'Nominated Bank' of that credit. If no bank is mentioned in the credit as nominated bank, all banks are nominated bank.
- **Reimbursing bank:** If the issuing bank does not maintain any account with a bank, who will be negotiating documents under a L/C, then arrangement is made to reimburse the negotiating bank for the amount to be paid under credit from some other bank with which the issuing bank maintains his account. The latter bank is termed as reimbursing bank. An authority to debit his account is sent to the bank where he holds balance advising to honor claims placed by a negotiating bank.



### 4.3 Letter of Credit (L/C):

A Letter of Credit is a financing instrument opened by a foreign buyer with a bank in her/his locality. The letter of credit requires the purchase price to be agreed upon by buyer and seller, the amount of commodities to be shipped and the type of insurance coverage to protect the merchandise during shipment. Letter of Credit names the seller as beneficiary and identifies the specific time, the terms remain in force. Letter of Credit authorizes the buyers to pay when all the stipulated conditions have been met. It provides some assurance to the seller that the buyer is solvent.

#### 4.3.1 Classifications of L/C:

The letter of credit can be either revocable or irrevocable. It needs to be clearly indicated whether the Revocable or Irrevocable Letter of Credit. These are described below:

- I. Revocable Letter of Credit:** A revocable letter of credit may be revoked or modified for any reason, at any time by the issuing bank without notification. It is rarely used in international trade and not considered satisfactory for the exporters but has an advantage over that of the importers and the issuing bank. There is no provision for confirming revocable credits as per terms of UCPDC, hence they cannot be confirmed. It should be indicated in L/C that the credit is revocable. If there is no such indication, the credit will be deemed as irrevocable.
- II. Irrevocable Letter of Credit:** In this case, it is not possible to revoke or amended a credit without the agreement of the issuing bank, the confirming bank, and the beneficiary. Form an exporter's point of view it is believed to be more beneficial. An irrevocable letter of credit from the issuing bank insures the beneficiary that if the required documents are presented and the terms and conditions are complied with, payment will be made.

There are four types of L/C offered by the Bank Asia Ltd.. These are:



- I. **Sight L/C:** Payment must be made within five working days after the document has been received from the exporter.
- II. **Deferred L/C:** Payment must be made on or after the due date i.e. Shipment date or Bill of lading date. It is usually open for 60 days, 90 days and 120 days this is totally depends on the party demand.
- III. **Back-to-Back L/C:** Usually this type of L/C is opened by the exporter. If exporter needs to import goods or equipment to manufacture the ordered goods, then he may import those goods or equipment by opening a L/C against mother L/C. the value of the back-to-back L/C can be 80% of the mother L/C.
- IV. **Local L/C:** Local L/C is issue for two general local parties. As sometimes both the parties could not trust each other to get back the payment, for that reason they have seeking out these reliable sources for make sure their payment.

#### **4.3.2 Modes of Payments of L/C:**

Modes of payments of export bills under L/C are two types:

- I. **Sight Payment:** When the importer will get back the imported commodities perfectly then the payment is being cleared instantly.
- II. **Deferred Payment:** Which payment will be clear after a certain period of time that is fixed by the negotiation between the importer and exporter the payment tenure can be 60 days, 90 days, and 120 days. Which tenure will be select that is depends on negotiations.

#### **4.3.3 L/C Opening Procedures:**

1. The applicant and the beneficiary negotiate terms and condition of the L/C as per the agreement they have made.
2. The applicant applies to the Issuing Bank to issue the L/C on an application form.
3. The issuing bank require the following documents from the applicant:



- a. Formal contract between the importers and exporter
- b. Proforma Invoice (An invoice through which the exporter informs the importer about the kind and qualities of goods to be sent, their value, time of shipment and important specifications)
- c. Buyer's purchase order

After inspecting all these documents, the bank issues the L/C and forwards it to the Advising Bank.

4. The advising bank checks the apparent authenticity of the L/C and advises the L/C to the beneficiary.
5. The beneficiary checks if the L/C complies with the formal contract and if all terms and conditions specified in the L/C can be satisfied and ships the goods to the importer.
6. The beneficiary assembles the documents specified in the L/C, checks the documents for discrepancies with the L/C, draws the draft and presents the draft and the documents to the Advising Bank.
7. The advising bank inspects the draft and the documents against terms and conditions of the L/C and forwards them to the Issuing Bank.
8. The issuing bank checks if the documents comply with the L/C and makes a payment immediately (If the L/C is available by sight) or on a certain date, (If L/C is available by deferred payment).

#### **4.4 Foreign Exchange activities of Bank Asia Ltd.**

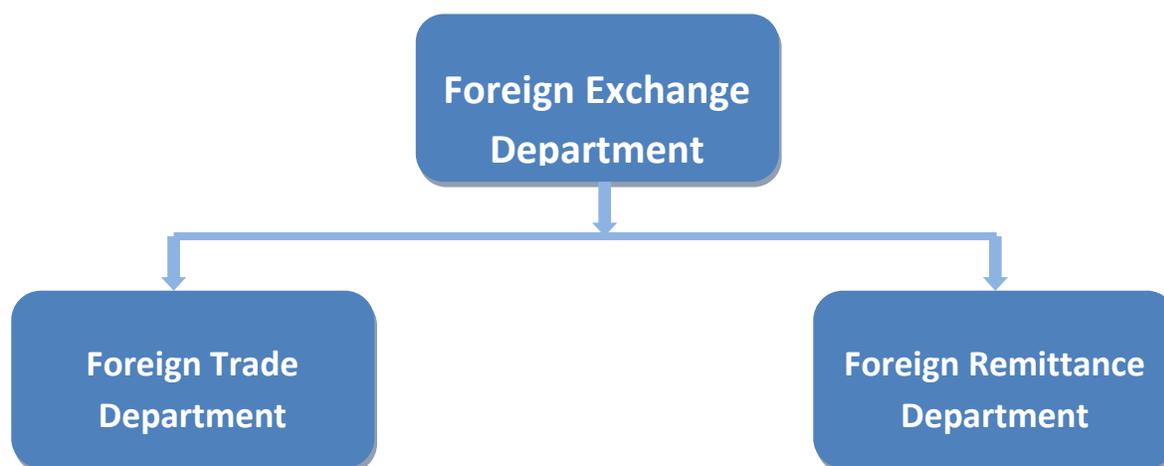
Foreign Exchange is a process, in which one national currency is converted into another and money is transferred from one country to another. Foreign Exchange Department of Bank Asia Ltd. is doing following activities on a usual basis:

- ✓ Import & Export
- ✓ Foreign Currency Endorsement



- ✓ Foreign Currency Accounts
  - a) Residential Foreign Currency Deposit (RFCD)
  - b) Non-residential Foreign Currency Deposit (NFCD)

Foreign Exchange division includes the following departments:



#### **4.5 Foreign Trade Department:**

Foreign Exchange means the exchange of foreign currency for the trade purpose between two countries. In other words, foreign exchange deals foreign financial transactions related to trade or business. Foreign Exchange department of Bank Asia Ltd. mainly deals with two types of sections. These are:



#### 4.6 Import:

Import and export means flow of goods/services purchased by a party of one location from a party of another location. Normally import and export is done through Letter of Credit. Imports of goods into Bangladesh is regulated by the ministry of commerce and industry in terms of the Import and Export (Control) Act, 1950. According to Import and Export Control Act, 1950, the office of chief controller of import and export provides the Import Registration Certificate (IRC) to the importer. After obtaining this, person has to secure a Letter of Credit Authorization (LCA). Then a person becomes a qualified importer. He is the person who requests or instructs the opening bank to open an L/C. He is also called applicant of the credit.



#### **4.6.1 Import Regulations followed by BA:**

As per Import & Export control Act 1950, no person can indent, import or export any goods in Bangladesh any commodity in Bangladesh unless he is registered with Chief Controller of Import & Export (CCI&E) and holds valid Import Registration Certificate (IRC); collected from the Office of Chief Controller of Import and Export. Goods from South Africa and Israel or goods originated from these countries are not allowed to be imported.

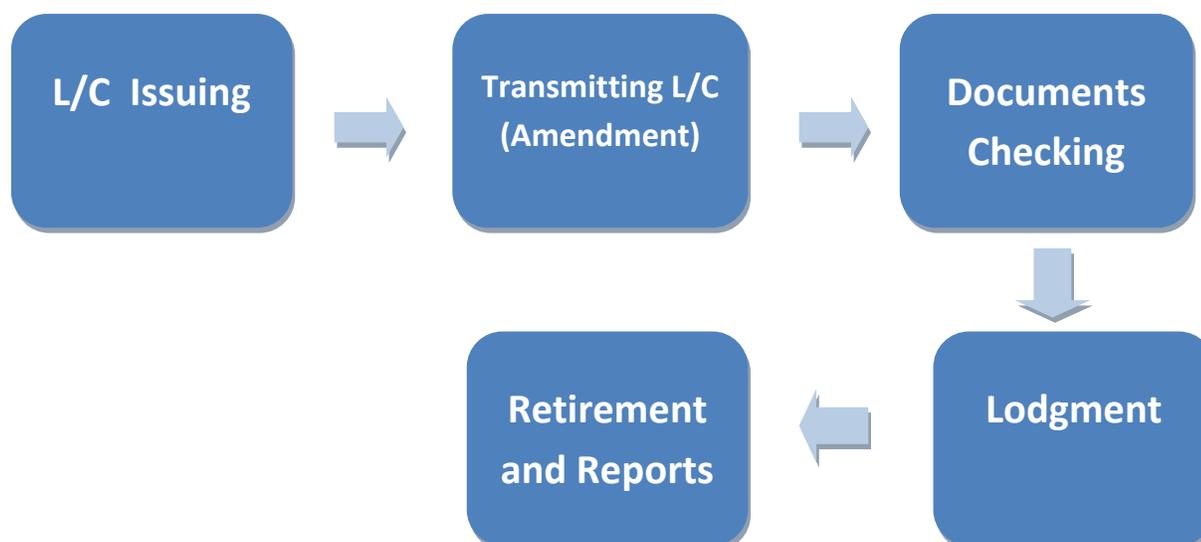
Major Imports of Bank Asia Ltd. are listed below:

- Crude palm oil
- Raw sugar
- Furnace oil
- Chemicals
- Raw Cotton
- Fertilizer
- Textiles and Articles
- Iron and Steel
- Paper pulp
- Capital machineries
- Food grains
- Plastics and Rubber Articles



## 4.7 Import Mechanisms:

The import mechanism of Bank Asia Ltd. includes five processes. These processes are described below:



### 4.7.1 L/C Issuing:

This is the first terms to import issuing the L/C. Letter of Credit is the reliable sources of both the parties importer and exporter in order to get payment properly at the right time. The contract covers important particulars such as: value and quantity of goods, due date for shipment, method of payment etc. on the conditions is that a Letter of Credit should be opened in a favor of the exporter.

Most commonly used and required documents for the issuance of L/C are listed below:

1. L/C application form, containing details about applicant and beneficiary, total L/C amount, draft amount, Country of Origin of goods, types of payment moods like sight or deferred, means of transportation such as CFR, CPT, FOB, freight charges, rate of dollar, equivalent TK. of BD, margin, charges, commission and other charges, negotiation, acceptance etc. Port of shipment, and date of shipment, insurance cover note policy are also been mentioned.



2. IMP form including H.S code (Harmonized System code), it implies to categories of product, quantity of goods, Invoice amount, Registration No. of L/C authorization form with Bangladesh Bank Registration unit. Moreover, the carrier name like air or boat and other terms and conditions. The IMP forms must be submitted in duplicate by the importer.
3. Letter of Credit Authorization or LCA form enclosing different rules and regulation about the imported items and imports. Letter of Credit Authorization issued by the importer's bank and it is required for import purpose.
4. Agreement form that includes details contract between the parties.
5. Charge Document

After complete all above mentioned appropriately then have to fulfill other papers and documents with verify of the self-signature and after that submit it to bank. Others paper and documents are:

- I. Trade License
- II. Import Registration Certificate (IRC)
- III. Income Tax Declaration of T.I.N
- IV. Membership Certificate
- V. Memorandum of Association (Only for Limited companies)
- VI. Registered Deed (Only for Partnership firms)
- VII. Photograph
- VIII. Insurance cover note copy and money receipt
- IX. Proforma Invoice copy

#### **4.7.2 Transmitting L/C:**

After securitization of the L/C application and L/C authorization, it is transmitted to the advising bank. Letter of Credit can be transmitted to the advising bank through three manners. These are in Telex, Courier, or SWIFT (Society for Worldwide Inter Telecommunication Network). Bank Asia Ltd. uses the SWIFT when L/C is disposed in the subsequent approach:



- First two copies sent to the advising bank original for beneficiary and second copy for advising bank.
- One copy sent to Head office
- One copy sent to the importer
- One copy sent to the Bangladesh Bank
- One copy sent to the C.C.I.&E
- One copy is retained as office copy.

Exporter receive the L/C through the advising bank. Receiving L/C, exporter manufactures the goods as per the requirements and ships it before due date. If any amendment is required, exporter contacts with the importer . If the importer agrees to do so, the issuing bank then amendment the L/C.

▪ **Amendments:**

Parties involved in L/C, particularly the seller and the buyer cannot always satisfy the terms and conditions in full as expected due to some obvious and genuine reasons. In such a situation, the credit should be amended. These amendments involve changes in Unit price, Extension of validity of the L/C, Documentary requirements etc. Such amendments can be affected only if all the concerned parties agree i.e. the beneficiary, the issuing bank and the advising bank.

Exporter ships the goods to the destination of the importer country and sends the documents to the L/C opening bank through his negotiating bank. Generally, the following documents are sent to the advising bank with L/C:

- ✓ Bill of Exchange
- ✓ Bill of Lading or Airways Bill
- ✓ Commercial Invoice
- ✓ Certificate of Origin



- ✓ Packing List
- ✓ Insurance Policy
- ✓ Pre-shipment Inspection Certificate
- ✓ Vessel Particulars

### **4.7.3 Documents Checking:**

When issuing bank received the entire document from nominated bank then they need to check for further documentation process. Followings are the important documents to be obtained by the issuing bank after receiving the document from the nominated bank:

- I.** Head office approval (For new importer)
- II.** Proforma Invoice
- III.** Valid IRC held
- IV.** L/C application form duly filled in; applicant's signature verified thereof
- V.** Guarantor's signature in the L/C application form, if required
- VI.** LCA (Letter of Credit Authorization) form properly fill up and duly signed
- VII.** Check the country of origin for the particular goods
- VIII.** IMP form duly signed
- IX.** VAT registration certificate
- X.** Updated income tax certificate
- XI.** Insurance cover note with money receipt along with the proof of payment of insurance premium
- XII.** Insurance checked for value (Insured amount must be indent/ PI value plus 10%) validity, goods, mode of transportation, shipment from etc.
- XIII.** Membership Certificate from chamber of commerce / Business association
- XIV.** Check the goods that are not banned or restricted item as per import policy



- XV. Margin including all L/C related charges realized
- XVI. Updated suppliers or beneficiary's credit report

#### **4.7.4 Lodgment:**

If the importer accepts the fault, then the opening banker will call the importer retiring the document. Lodgment means payment of import bills or transfer of funds for import bills. Here L/C issuing bank will arrange to make payment against L/C through SWIFT. Through SWIFT, a telex message is transmitted to the correspondent bank ensuring that payment has made. After checking the import-negotiating document, if no discrepancy is found then it treated to be accepted after the end of five banking days for the day of receipt of the document. If any discrepancy is found then the banker informs it to the importer whether is accepted the bill with discrepancies or not. If the importer does not accept, the banker informs it to the nominated bank within seven banking days from the date of receipt of the documents, otherwise it is treated to be accepted and the opening bank must bound to pay.

#### **4.7.5 Retirements and Reports:**

Retirement and Reports is the last processing of the L/C mechanism. After lodgment, the issuing bank will send the importer an intimation regarding the document arrival notice. On intimation the importer calls on the bank is counter requesting retirement of the shipping documents against payment to the debit of their account by the bill amount and other charges payable. Steps involved in retirement are:

1. Calculation of interest if any
2. Entry in the register
3. Endorsement is made on the back of the bill of exchange as received payment
4. Acknowledgement received on the office copy of the cost memo from the importer in his authorization agent.
5. Filling of the office copy



At the end of the month, the completed original IMP form attached with a copy of the Commercial Invoice and Proforma Invoice is reported to the Bangladesh Bank with usual monthly returns. The duplicate copy of IMP form is retained by the branch. Moreover, on the last working day of the month, the returns of the bill lodged should be sent to the Bangladesh Bank along with original copy of the IMP form. The second should be filed with the Bill of Entry after clearance of goods. The third copy should be sent to Bangladesh Bank on failure of the importer to submit the Bill of Entry within time.

According to Bangladesh Bank guidelines for Foreign Exchange, every bank also needs to report the information of the L/C in the Bangladesh Bank Online import Monitoring System.

#### **4.8 Export:**

Creation of wealth in any country depends on the extension of manufacturing and increasing involvement in global trade. Export trade plays a vital role in the development process of an economy. The term export implies that goods produced in one country are shipped to another country for future sale or trade. By increasing production in the export sector, we can improve the employment level of such a highly populated country like Bangladesh. The export trade of the country is regulated by the Import and Export control Act, 1950. In order to be a valid exporter, one has to obtain a trade license, LCA to open export L/C and Export Registration Certificate (ERC) provided by the Office of the Chief Controller of Import & Export (CCI&E). This certificate can be obtained by submitting the same documents that is required for an importer.

Major exports of Bank Asia Ltd. are listed below:

- Live vessel
- Readymade garments
- Raw jute
- Agro-products
- Frozen foods/Fish
- Leather products



- Jute goods
- Chemicals
- Specialized textiles
- Home textiles
- Beverage items
- Pharmaceuticals

#### 4.9 Export Mechanisms:

The import mechanism of Bank Asia Ltd. includes five processes. These processes are described below:





#### **4.9.1 Advising L/C:**

For a bank, advising L/C is the primary step to export but in case of advance payment or documentary collections, this advising L/C step is not required. After acquiring the sales contract, the exporter should ask the buyer for Letter of Credit clearly staying within the terms and conditions of export and payment. When export L/C is transmitted to the bank for advising, the bank sends an advising letter to the beneficiary to show that, L/C has been issued. After receiving the L/C from the issuing bank, advising bank advises the L/C to the exporter. The advising bank also keeps one copy of the L/C as the office copy. Two copies of L/C is sent by the issuing bank. Original copy is given to the beneficiary and the second copy is retained by the branch.

#### **4.9.2 Issuing of EXP:**

The second process of export is the issuance of EXP. According to the Bangladesh Bank guideline for Foreign Exchange, all exports must be declared on the EXP from which the branch to their clients engaged in export trade supplies. The branch ensured that the exporter is registered with the CCI & E before certifying any export form. After having the registration, the exporter applies to BA with the trade license, ERC and the certificate from the concerned Government organization to get EXP. Upon being satisfied, EXP is issued to the exporter and then the exporter will bring this EXP form and pass to the customs. An EXP form is comprised of the following details:

- ◆ Name & address of the Authorized Dealer (Advising Bank)
- ◆ Unit of goods
- ◆ Quantity of goods
- ◆ H.S Code
- ◆ Country of Destination
- ◆ Port of Destination
- ◆ Invoice value



- ◆ Incoterm
- ◆ Name and address of the importer
- ◆ Vessel Number
- ◆ Date of Shipment
- ◆ Port of shipment
- ◆ Name and address of the exporter
- ◆ Public or Private sector under which the exporter falls

#### 4.9.3 Collection of Documents:

The exporter makes shipment of goods and prepare document as per the agreement. The exporter must submit all the copies of the EXP from along with the other documents covering the exports to the branch within 14 days of shipment.

Exporter prepares the required documents mentioned in L/C are as such:

- ❖ **Bill of Exchange:** Bill of Exchange is an instrument in writing containing an unconditional order or at a fixed determinable future time a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument. It is the document of collecting export payment to the importer.
- ❖ **Bill of Lading:** Bill of Lading is a document supplied to the exporter by the shipping company that is transporting the goods to their foreign destination, listing, item by item, the goods being shipped.
- ❖ **Certificate of Origin:** Certificate of Origin is a document, which indicates the country in which the goods were produced, is required whenever preferential duties are claimed. Sometime, consular legalization of the document is necessary. In addition, certification of the document by a Chamber of Commerce is required.
- ❖ **Packing List:** When quantities, weights or contents of the various packing cases in an export shipment vary, it is usual to prepare a separate list for each case indicating its contents, weight and measurements. It also often includes the outside dimension of each case



and the total cubic content and total weight of the shipment. They serve as useful supplements to the commercial invoice that accompanies the export shipment.

- ❖ **Insurance Policy:** If any accident occurs to the product since the conveying period, the insurance company will bound to compensate the damages product according to insurance policy.
- ❖ **Inspection Certificate:** These certificates ensure the product accuracy according to L/C.
- ❖ **Commercial Invoice:** Commercial Invoice is the export firm's invoice, addressed to the foreign importer describing the goods shipped and the total price that it must pay. However, some countries require the commercial invoice to be prepared on their own forms. Such forms are called customs invoices.
- ❖ **Full Set of Shipping Document:** Full set of shipping document including all shipment details is required be collected from or endorsed by the customs house.

These above mentioned documents are submitted by the exporters. The respective officer must check all above documents and make sure about the terms and conditions are right or wrong. However, if the importer mentions any other documents in the L/C then the exporter must submit those.

#### **4.9.4 Realization of Export Proceeds:**

The issuing bank can give the acceptance for the payments to the advising bank when it receives the export documents and the importer approves the documents. The advising bank will receive the payment within the time mentioned in the L/C. Nominated bank realized the export proceeds within 120 days. The period is prescribed by the Bangladesh Bank within which exporter must receive full foreign exchange proceeds of exporter in four months if the receipt of the full proceeds of any shipment is delayed ahead of the period without a special influence from the Bangladesh Bank. The exporter will be liable to action under FER Act, 1947.



#### **4.9.5 Reports:**

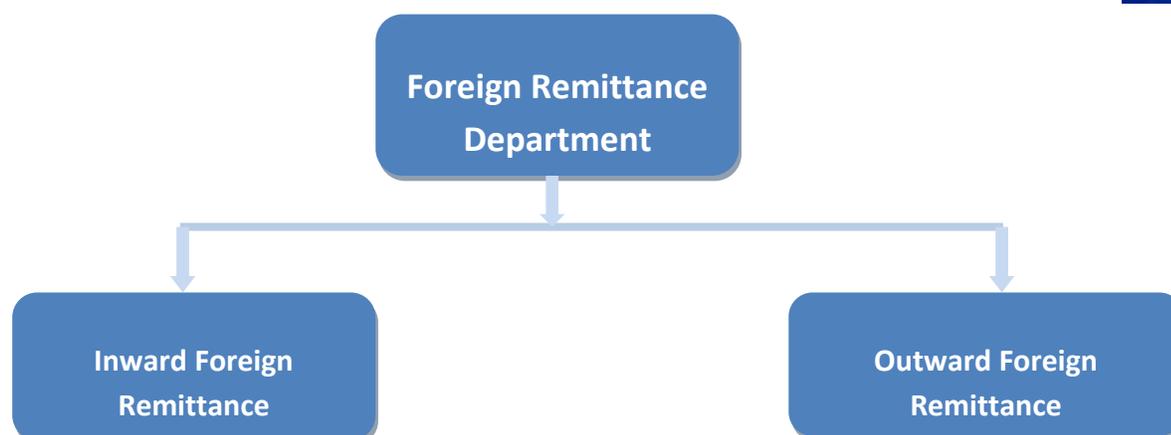
Once the bank receives the export documents, it reports the duplicate copy of the EXP on the Bangladesh Bank Online Export Monitoring System. Finally, when the bank receives the proceeds, it has to report the triplicate copies of the EXP on the Bangladesh Bank Online Export Monitoring System. The quadruplicate copy is retained by the branch for record. The nominated bank must report duplicate EXP form to the Bangladesh Bank within 14 days of shipment.

#### **4.9.6 Issuing Proceeds Realization Certificate (PRC):**

Issuing Proceeds Realization Certificate (PRC) is the last step of export process. Once the export proceeds are realized, the exporter has to prepare bank certificate. The exporter has to prepare bank certificate once the export proceeds are realized. Finally, Proceeds Realization Certificate (PRC) should be submitted in the standard format issued at Bangladesh Bank for which exporters get reduction of an amount of money from their income tax.

### **4.10 Foreign Remittance Department:**

Foreign remittance includes all sale and purchase of foreign currencies because of Import, Export, Travel and other purposes. However, specifically foreign remittance means sale & purchase of foreign currencies for the purposes other than export and import. Bank Asia corporate branch is an authorized dealer. Foreign remittance represents of foreign currency receiving and converting. There are two types of Foreign Remittance. These are shown in the chart below:



#### **4.10.1 Inward Foreign Remittance:**

Inward remittance covers purchase of foreign currency in the form of foreign T.T., D.D, etc. sent from abroad favoring a beneficiary in Bangladesh. Purchase of foreign exchange is to be reported to Exchange control Department of Bangladesh Bank on Form-C. Inward Remittance is occurs when remittance gets inside of country from the outside through T.T, F.D.D, M.T, and T.C with the various purposes such as wage earning remittance means when people send money for family purpose. In export proceed means after getting the commodities and then payment.

Purposes of Inward Foreign Remittance are:

- Family Maintenance
- Realization of export proceeds
- Indenting commission/Agency Commission/recurring agents commission
- Donation or gift
- Export brokers commission

- **Telegraphic Transfer (T.T):** T.T is an order for payment of money sent by telex or cable. Funds are paid to the beneficiary in the foreign centre usually on the same day. There is no loss of interest or expenses on stamp duty etc.
- **Mail Transfer(M.T):** M.T. is an instrument issued by a remitting bank to the paying bank advising in writing to make payment of certain amount to specific beneficiary. This



involves loss of interest to the purchaser and for this reason, banks can afford to make M.T rate cheaper than T.T rate.

- **Foreign Demand Draft (F.D.D):** A foreign demand draft is a negotiable instrument issued by a Bank drawn on other Bank with the instruction to pay of certain amount to the beneficiary of demand.
- **Travelers Cheque (T.C):** People usually use TC to meet their expenses for overseas travels. It reduces the risk of carrying currency notes. These are drawn in freely convertible currency.

#### **4.10.2 Outward Foreign Remittance:**

The term Outward Foreign Remittance includes not only remittance i.e. sale of foreign currency by T.T, M.T, Drafts, Traveler's Cheque but also includes payment against imports into Bangladesh and Local currency credited to Non-resident Taka Accounts of Foreign Banks or Convertible Taka Account.

Purposes of Outward Foreign Remittance:

- Import Purpose
- Education Purpose
- Exam fees Purpose

Two forms are used for Outward Remittance of foreign currency (Mobin, 2011, p. 22). These are:

- **IMP Form:** All outward remittance because of Imports is done by form IMP.
- **T.M Form:** For all other outward remittances form T.M is used.



## **4.11 Foreign Accounts of BA:**

There are two types of foreign accounts offered by Bank Asia Ltd. (Hossain, 2012, p. 28). These are described below:

### **4.11.1 Nostro Accounts:**

Nostro account means our account in foreign banks. It implies that BA has an account in Commerce Bank in Netherland. When the bank makes a purchase of foreign currency, the foreign bank will credit the Nostro account. When it makes a sale, it will result in a debit in the Nostro account.

### **4.11.2 Vostro Accounts:**

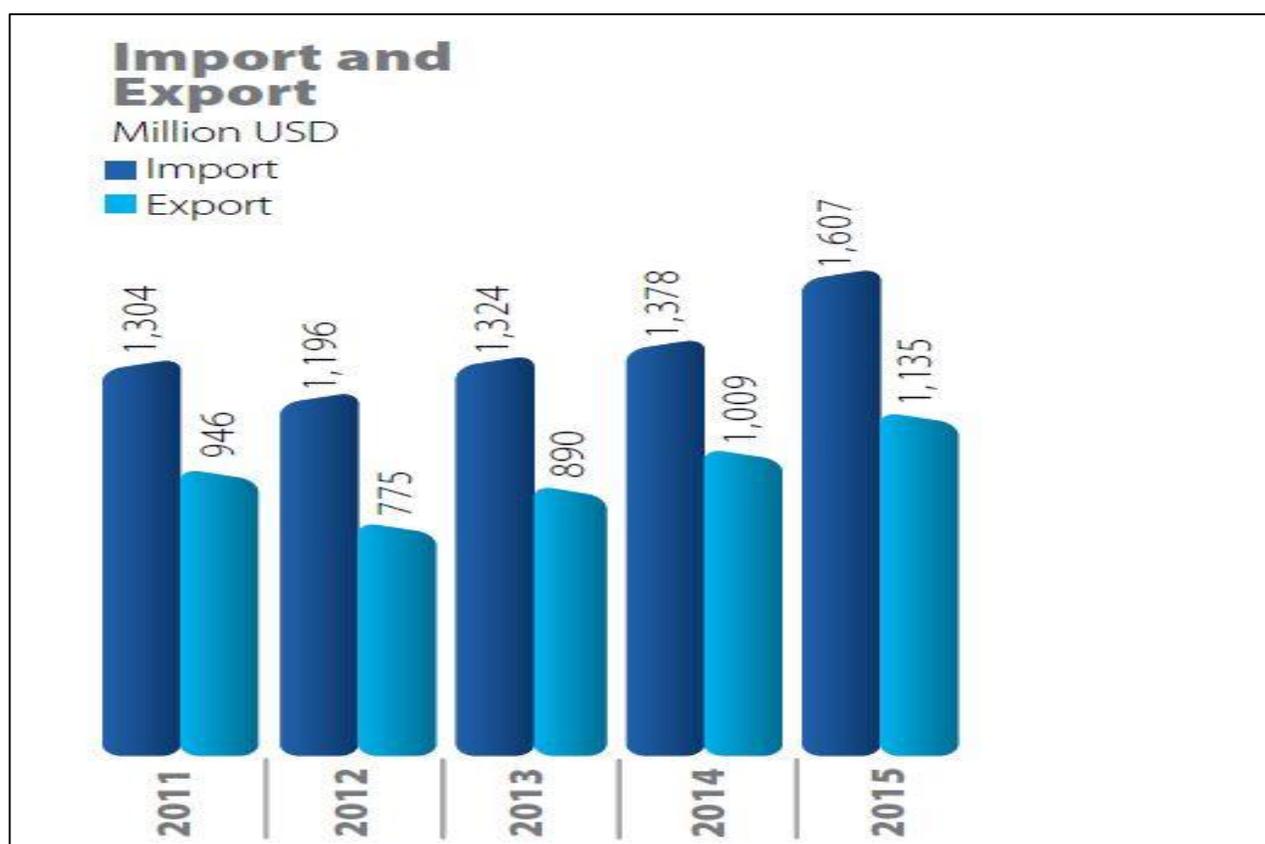
Vostro Account means their accounts in our bank. In order to party payment they open an account in the bank.



## Chapter-5

### Performance Analysis

#### 5.1 Import & Export Analysis:



The graphical presentation of Import and Export, we can see subsequent rises of import and export year to year. In FY (Fiscal Year) 2011, the total import was USD 1,304 million and total export was USD 946 million. In the fiscal year of 2012, BA witnessed a downfall in both import and export section where import and export were decreased to USD 1,196 million and USD 775 million respectively. Import growth rate decreased by 8.28% in 2012 from 2011 and Export also



decreased by 22.06% in 2012 from 2011. In next fiscal year 2013, both import and export again managed to increase by USD 1,324 million and USD 890 million respectively. For this reason, +10.65% and +14.83% growth occurred in import and export section respectively. In 2014, by +4.09% and +13.39% in respect, growth of import and export section reached USD 1,378 million and USD 1,009 million respectfully. Finally, in more recent counted year 2015, both import and export sector continued to grow. By this year, import growth was +16.62% and export growth was +12.49%. In 2015, the total import was USD 1,607 million and the total export was USD 1,135 million.

## 5.2 Inward Foreign Remittance Analysis:



From the chart above, consistent rises in Inward Foreign remittance sector of BA can be observed. In 2012, BA procured Inward Foreign Remittance of USD 394 million, +33.11% growth over 2011. Where, in 2011, inward foreign remittance was USD 296 million. In FY2013, the growth of inward foreign remittance was increased by +11.62% with USD 440 million. In FY2014, inward foreign remittance was USD 536 million with a growth of +21.83%. By the



FY2015, inward foreign remittance reached USD 552 million with a little growth of +2.99%. Throughout the past five years, growth in inward foreign remittance sector was possible due to introduction of different instant payment products and technology including extending SWIFT, Online, EFT etc. and further efforts are being made for more speedy payments.

## Chapter-6

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### Concluding Parts

#### 6.1 Findings:

While preparing the report and analyzing the data, I have identified some major findings. I have only worked at the Mohakhali Branch of Bank Asia Limited. Therefore, if the practices and corporate culture of Bank Asia as a whole is believed to be the same as at the Mohakhali Branch, then the following are the findings of my report:

- There is a visible shortage in work force in the Foreign Exchange Department of Bank Asia Limited. Consequently, the workload is extremely high compared to any other departments. This also leads to accumulation of work that the employees must complete within the deadline.
- Bank Asia Limited provides wide-ranging training facilities to its employees to develop their skills and knowledge about the entire banking system. However, with the existing work force shortage, an employee is sent to training without any replacements. This increases the work pressure for other employees and leads to customer disappointment due to delay of work.



- The internet facility of Bank Asia limited is extremely poor. Recently this is a major issue because it is mandatory by Bangladesh Bank to input IMP and L/C information online as soon as they are issued. Due to slow internet connections, it becomes difficult for the employees to input the information online. This also adds to customer dissatisfaction because if the information is not entered into Online Monitoring System of Bangladesh Bank then the customer cannot release or ship goods.
- Lack of space is another problem for the Foreign Exchange Department. Since the department needs to keep all the files of five years in addition to the recent year's files, the storage has become a major issue. The files are scattered here and there hampering the image of Bank Asia Limited.
- The employees of most departments are not satisfied with the management regarding the amount of work that they have to do. Moreover they have to put up with a lot of difficulty to apply for the annual leave (LFA) even though they apply for the leave on due time.
- The employees are dissatisfied with some of the actions taken by the management. For instance, an employee is transferred from the foreign exchange department to another department within the branch. The transfer takes place within a span of one to two days, which is a very short time for the foreign exchange employee to train his/her replacement. This is an interruption for other foreign exchange employees because they have to train a new employee.
- There is a lack of promotional strategies undertaken by Bank Asia Ltd. This causes substantial unfamiliarity of the bank among rural people. It may hinder its long-term strategies in terms of reaching large number of customers.

## **6.2 Recommendations:**

I have come up with the following recommendations upon utilizing which Bank Asia Ltd. can move forward towards progress:



- The management should reduce the work force shortage by appointing skilled and committed employees.
- The management must work in coordination with the branches and thus plan the training programs accordingly.
- The bank authority should put latest software into service with a view to fast-forward their jobs. Moreover, the internet facilities have to be looked into so that they can provide faster services.
- If required, the bank authority should rent bigger office space to reduce the storage problem. In this case, the management needs to work rapidly to take any decisions if they do not want to compromise their standards.
- The management of the bank should try to resolve disagreement and dissatisfaction amongst the employees regarding LFA and other disputes.
- The bank authority should take adequate promotional activities to get in touch with maximum number of customers.

## Conclusion

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The roles of financial institutions have become exceedingly crucial with the increase in the economic development in Bangladesh. Bank Asia Limited is a third generation bank that is also contributes to the socioeconomic development of the country. Although Bank Asia Limited has some issues that are needed to be resolved, nevertheless it is progressing and has a greater prospect to develop further once the problems are resolved.

Internship program is very important for every business students as we have only acquired theoretical knowledge. This program gives us the prospect to have the practical knowledge so that we can relate the theories to the reality. I am fortunate enough to complete my internship at Bank Asia Limited, Mohakhali Branch. Moreover, I got the chance to work in the foreign trade department, which is considered one of the core departments of a bank. Although the internship



period is quite short to acquire in-depth knowledge, yet it gave me a taste of the commercial world.

Bank Asia Limited is working tremendously to become one of the pioneers in banking. The members management are well organized and it about time that the bank achieve its goals. However, the bank must launch advanced software and technologies to provide faster service to its customers. If they can ensure their customers about the service quality, it will give them the opportunity to draw new and bigger clients.

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## Appendix

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**BA** - Bank Asia

**L/C** -Letter of Credit

**LCA** - Letter of Credit Authorization

**SME** - Small Medium Enterprise

**OBU** - Offshore Banking Unit

**BTB** - Back-to-Back

**IRC/Import** - Import/Export Registration Certificate

**FOB** -Free On Board

**CPT** -Carriage Paid To

**CFR** -Cost & Freight

**FCAD** - Financial Control & Accounts Department

**RFCD** - Residential Foreign Currency Deposit

**NFCD** - Non-residential Foreign Currency Deposit



**CCI&E** - Chief Controller of Import & Export

**SWIFT** -Society for Worldwide Inter Telecommunication Network

**UCPDC** - Uniform Custom and Practice for Documentary Credit

**VAT** - Value Added Tax

**H.S Code** - Harmonized System code

**T.I.N** - Tax Identification Number

**T.T/M.T**-Telegraphic/Mail Transfer

**F.D.D** -Foreign Demand Draft

**PRC** - Proceeds Realization Certificate

**FER** - Foreign Exchange Regulation Act

**FY**- Fiscal/Financial Year