



# Remittance Service :

## A Study on

### Trust Bank Limited



**Trust Bank**  
A Bank for Financial Inclusion

ট্রাস্ট ব্যাংক

সবসময়, সবখানে, সবার জন্য



Inspiring Excellence

**Internship Report (BUS400)**

On

**Remittance service: A Study on Trust Bank Limited**

**Prepared For,**

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**Date of Submission:** August 30, 2017



## **LETTER OF TRANSMITTAL**

August 30, 2017

To

MR.AHMED ABIR CHOUDHURY

Lecturer,BRAC Business School,

BRAC University.

**Subject: Submission of Internship Report**

Dear Sir,

It gives me immense pleasure to submit my internship report titled“**RemittanceService: A study on TRUST BANK LIMITED**” which was assigned to me under your supervision, as a partial requirement for the completion of BUS400 (Internship).

I have put my best effort in completing the report with all the information that I have collected during working period in Trust Bank Limited. I also tried my best to acquaint myself with all the activities and put utmost dedication to meet the needs of the course and follow all the guidelines.

Finally, I would like to thank for your valuable guidance and advice for preparing this report. And I shall be highly encouraged if you are kind enough to receive this report. If you have any further enquiry concerning any additional information I would be very pleased to clarify that.

Sincerely Yours

-----

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ID: 13104200

BRAC Business School

BRAC University



## **ACKNOWLEDGEMENT**

All praises to Almighty Allah for enabling me to complete my internship report and successfully complete my undergraduate program with good and sound health. After that I need to convey my fine regards to my family without their unremitting assist, help and consideration I will most likely be unable to achieve my objective.

It gives me immense pleasure to thank BRAC University for arranging such a program which helped me carried a practical experience. My unique appreciation goes to my academic internship supervisor, my honorable faculty Mr. AHMED ABIR CHOUDHURY. I was provided with all the necessary suggestions with feedback time to time by him, which immensely help me to enhance and re-correct this document in specific points in making this report as impeccable as possible.

Moreover, I must show my gratitude to my supervisor of Trust Bank Limited, MS.FERDOUS KABIR in preparing this report and whose guided supervision that resulted in successful completion and timely submission of the report. I also express my deep gratitude to my other colleagues of Trust Bank Limited. for providing relevant information about remittance department of Trust Bank Limited. who helped me during my work tenure and made my experience an unforgettable one. People from these departments helped me to gain more practical knowledge which made my Internship journey more fruitful.



## 1.1 Overview of Trust Bank Limited

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## Executive Summary

**Remittance** is a **transfer** of **money** by a foreign worker to an individual in his or her home country. Trust Bank Limited continuously playing significant role to the economic growth and the livelihoods of people in Bangladesh. Since inception, Trust Bank Limited is very much focused in channeling inward and outward Remittance.

This internship report emphasis on the work experience I have gathered as an Intern in the Remittance Department of Trust Bank Limited from June 1st, 2017 until July 31st, 2017. In this report the exemplification of how the Remittance transfers occurs From trust Bank limited to the Global world . Remittance transfers may be domestic or international. From my Internship Period I came to know that while in practice the most important remittance flows are usually migrants' recurring payments from developed to developing countries. The key participants in a remittance transfer are the sender, the receiver and the remittance service provider.

Trust Bank Limited always take proper care in the transparency of remittance services, combined with adequate consumer protection, helps to foster a competitive and safe market for remittances.

I did not play any specific designation rather I worked as a random internee, observing the activities related to service Providing System Of Remittance .

With my imperfect knowledge and know-how, I tried my exceptional to comprise facts in a complete and untreatable way.



# **CHAPTER 1**

## **ORGANIZATIONAL OVERVIEW**

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### 1.1 OVERVIEW OF TRUST BANK LIMITED

Trust Bank Limited is one of the leading private commercial banks having a spread network of 109 branches & SME centers, 199 ATM Booths, over 20,000 Paypoints and 65 POS in 55 Branches across Bangladesh and plans to open more branches to cover the important commercial areas in Dhaka, Chittagong, Sylhet and other areas in 2016. The bank, sponsored by the Army Welfare Trust (AWT), is first of its kind in the country. With a wide range of modern corporate and consumer financial products Trust Bank has been operating in Bangladesh since 1999 and has achieved public confidence as a sound and stable bank.

In 2001, the bank introduced automated branch banking system to increase efficiency and improve customer service. In the year 2005, the bank moved one step further and introduced ATM services for its customers.

Since bank's business volume increased over the years and the demands of the customers enlarged in manifold, our technology has been upgraded to manage the growth of the bank and meet the demands of our customers.

In January 2007, Trust Bank successfully launched Online Banking Services which facilitate Any Branch Banking, ATM Banking, Phone Banking, SMS Banking, & Internet Banking to all customers. Customers can now deposit or withdraw money from any Branch of Trust Bank nationwide without needing to open multiple accounts in multiple Branches.

Via Online Services and Visa Electron (Debit Card), ATMs now allow customers to retrieve 24x7 hours Account information such as account balance checkup through mini-statements and cash withdrawals.

Trust Bank has successfully introduced Visa Credit Cards to serve its existing and potential valued customers. Credits cards can now be used at shops & restaurants all around Bangladesh and even internationally.

Trust Bank is a customer oriented financial institution. It remains dedicated to meet up with the ever growing expectations of the customer because at Trust Bank, customer is always at the center.



### 1.2 GOALS FOR THE FUTURE

Trust Bank is a contemporary, upbeat brand of distinctive quality of service and solution that offers a rewarding banking experience as preferred choice of banking partner every time, every where. Moreover, To share a significant portion of the banking sectors by utilizing available manpower and state of the art technology for maximization of the shareholders wealth.

#### 1.2.1



“Build a long-term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance.”



### 1.2.2 Mission

Trust Bank aims to achieve Long Term Sustainable Growth to diversified business with robust risk management. In case of Financial Inclusion it brings unbanked population into banking network through low cost and technology based service delivery. Keep accountability to all stakeholders- customers, shareholders, employees & regulators and provide with Highest level of compliance and transparency at all levels of operation.

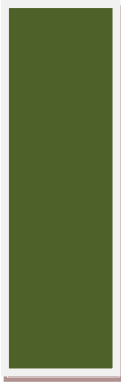




### 1.2.3 Values

“SUCCESS IS A JOURNEY not A DESTINATION”

-Ben Sweetland



- Fair
- Dependable
- Reliable
- Professional
- Dynamic
- Trustworthy

This is how we grow

Trust Bank Limited is one of the most disciplined Bank. It believes in shared meaning, shared understanding and shared *sense making*.

- **Trustworthy:** Our Service is based on a strong tradition of trust. Honesty and integrity are cornerstones of our ethical behavior.
- **Dependable:**We Continuing to show dependability and consistency at each job level only increases customer’s value to increase their satisfaction.
- **Reliable:** we *Shared attitudes to fill the gap between organization and the individual* .
- **Professional:**We follow Professional workplace behavior to maintain long-term relationship with the customer.
- **Dynamic:**We endeavor to change and perform to advance.
- **Fair:**WeProvide clear information with Impartiality and Equity. Keeping suitably informed to customers before, during and after service.



## CHAPTER 2:

# Products & Services

Trust Bank Limited offers an extensive variety of products and services to their customers. In Business Banking they have secured overdraft, loan against cash incentives, overdraft, Bill Discounting Packing Credit, Transport Loan, Term Loan, House building loan, Letter of Guarantee, Working capital finance, Letter of Credit, Small and Medium Enterprise (SME), Barakat Hajj Deposit Scheme and so on.

Currently Trust Bank Ltd. is focusing on a number of products and services. They include-

### ➤ Retail Banking

Trust Bank Ltd. ventured into the competitive field of commercial retail business through establishment of the Retail Banking Division in 2006. In this short span of time, Retail Banking has grown to its capacity and potential in terms of technology, human resources, product quality and business process.

### ➤ SME Banking

Cottage, Micro, Small and Medium Enterprises (CMSMEs) can play an indispensable role for overall economic development of a country especially for developing countries like Bangladesh. In light of Bangladesh Bank directives, Trust Bank Limited initiated its SME program in the year 2009 by formulating an individual SME policy. Trust Bank, SME Division is working with an aim to expand the SME portfolio up to 25% of its total loans and advances within next 05 years.

### ➤ Islamic Banking:

Islamic Banking now becomes a globally acclaimed mode of banking which attaches ethical & religious issues while conducting financial transactions. In the backdrop of strong public demand and support for the system along with its religious compliance issue and also its business potentials Trust Bank Ltd. started its Islamic Banking operations through 'window' mechanism as per Bangladesh Bank approval.

### ➤ Corporate Banking: Corporate banking refers to the aspect of banking that deals with corporate customers. Trust bank Limited offers Corporate Cash Management, Corporate Loan Products, Trade Finance and so on to keep pace in the corporate field.



### 2.5.1 Retail Banking

Retail Banking				
Deposit Products	Loan Products	Cards	Payroll	Defence Personnel Loan
Current Deposit Account	Car Loan	Credit cards	Trust Payroll	House Building Loan against Registered Mortgage (Defence Officers)
Savings Deposit Account	Apon Nibash Loan	Debit cards		Loan Against Commutation Benefit (LACB)
Fixed Deposit Scheme	Personal Loan	Prepaid cards		Army Officers Housing Loan Scheme – 2 (AOHLS- 2)
Trust Unfixed Deposits	Loan Against Salary	Proprietary cards		Car Loan - Defence Officers
Trust Echo	Doctor's Loan			Any Purpose Loan - (Defence Off.)
Trust Echo Plus	Digital Loan			
Trust Kotipoti				
Trust Kotipati Plus				
Trust Maxmill Deposit				
Lakhopati Savings Scheme				
Trust Assurance Deposit Scheme				
Trust Smart Savers				
Trust Double Money Deposit				
Trust Porua				
Trust Shohopathi				
Trust Pothokoli				
Trust Jhinuk				
Trust Sristi				
Special Notice Deposit (SND)				



### 2.5.2 SMEBanking

SME Banking					
Entrepreneur Loans	Women Entrepreneur	Manufacturing Loan	Engineering Loans	Contractors/ Suppliers Loan	Agriculture Loans (Trust Shufola)
Trust Bunon	Trust Nondini	JICA Loan Fund	Trust Projukti	Trust Easy Pay	4-Cow integrated Farm Loan
Trust Ekota (Group Loan)	Trust Sukannaya				Solar Energy Plant Loan
Trust Muldhan	Trust Ekota (Group Loan)				Rural Farming ( Fisheries, Poultry, Live Stock) Loan
Peak Season Loan					Rural Manufacturing and Processing Unit Loan
					Loan for Solar Mini-grid
					Solar Irrigation Pumping System Loan
					Vermin Compost Loan
					Agri Loan Rebate Info

### 2.5.3 IslamicBanking

Islamic Banking		
About TIB	Islamic Deposit Accounts	Islamic Loan & Investment
Corporate Information	Al-Wadiah Current Account	Qard Scheme
Trust Bank Shariah Supervisory Committee	Mudaraba Term Deposit Receipt	Home Investment Scheme
	Mudaraba Special Notice Deposit	Barakat Car Scheme
	Mudaraba Savings Account	
	Mudaraba Monthly Savings Scheme	
	Barakat Hajj Deposit Scheme	



### **2.5.4 Corporate Banking**

<b>Corporate Banking</b>		
<b>Corporate Cash Management</b>	<b>Corporate Loan Products</b>	<b>Trade Finance</b>
Cash Trade Overview	Overdraft	Letter of Credit (LC)
Liability Products	Short Term Loans	Letter of Guarantee (LG)
Securities Services	Term Loan	
	Syndicated loan	

### **2.5.5 International Banking**

<b>International Banking</b>		
<b>Bonds</b>	<b>Foreign Exchange</b>	<b>FC Accounts</b>
US Dollar Investment Bond	Traveler's Endorsement	Private Foreign Currency Account
US Dollar Premium Bond	Remittance of Foreign Currency	NRB Account
Wage Earner's Development Bond		RFCD Account
		Non-Resident Investors Taka Account(NITA)
		Non-Resident Foreign Currency Deposit (NFCD)





### CHAPTER-3

#### 3.1 REMITTANCE ACTIVITIES OF TRUST BANK LIMITED

Remittance' is a banking term, which means 'Transfer of funds through banks'. A **remittance** is a transfer of money by a foreign worker to an individual in his or her home country. Money sent home by migrants competes with international aid as one of the largest financial inflows to developing countries. Workers' remittances are a significant part of international capital flows, especially with regard to labor-exporting countries. In 2014, \$436 billion went to developing countries, setting a new record. Overall global remittances totaled \$582 billion in 2015. Some countries, such as India and China, receive tens of billions of US dollars in remittances each year from their expatriates. In 2014, India received an estimated \$70 billion and China an estimated \$64 billion.

In contrast, when a bank remits on behalf of its customers, it is termed as outward remittance. On the other hand, when the bank receives the remittance on behalf of the customer, it is inward remittance.

There are mainly two types of Remittance:

- (1) Inland Remittance (Local Remittance) and**
- (2) Foreign Remittance (To and from foreign countries).**

The Remittance Department of Trust Bank basically performs the following jobs:

- ***Inland Remittance***
- ***Foreign remittance***
- ***Receives information on Foreign Remittance from all branches of Bangladesh.***
- ***Compiles data on the basis of information received.***
- ***Submits Returns to Bangladesh Bank.***



### 3. 2. BACKGROUND OF THE CUSTOMERS PROVIDED WITH REMITTANCE :

Customers who basically deal with Remittance are Workers and for the purpose of Business. First of all, Workers send personal transfers to their households mainly for family maintenance. In here the main customers are the Workers Housewives. These working group send huge number of foreign currencies every year to our country through Trust Bank Limited. The purposes are basic household needs, support their education, fund investments, address emergency needs, or provide similar assistance ,purchase a home or make another significant asset purchase and so on. On the other hand , the other half of Remittance is transfer for business purposes . Usually, the transfer take place due to Official visit, attending seminars and workshops, Business travelling, opening branches or subsidiary companies in abroad, performing Hajj and Omrah or pilgrims and so on. So, Here are the people basically the main customers of Trust Bank Limitedwho deals with Remittance transfer.

### Types Of Remittance

#### 3.2.1 Local Remittance:

Remittance is a remarkable part of general banking. The bank receives and transfers various types of bills through the remittance within the country. Naturally, the bank charges commission on the basis of bills' amount. Trust Bank limited remittances are reasonable, safe, fast, and simple.

Trust Bank Limited offer 4 types of Local Remittance services:

##### a) Pay Order (PO):

Pay Order is a tool that contains an order for payment to the payee only incase of local payment whether on behalf of the bank or it's constitution. Unlike cheque, there is a probability of dishonoring Pay Order. Trust Bank Limited charges different amounts of commission on the basis of Pay Order amount.



### **b) Demand Draft(DD):**

By DD money can be sent from one branch to another branch of Trust Bank Limited. To send the money a person must fill up the **Trust's** prescribed form of DD and paid charge/commission and receive DD block. The following information is included in the DD block:

- ✓ Name of the sender branch
- ✓ Name and account of the party who receives the money.
- ✓ For security purpose a confidential test number is added in the DD block
- ✓ Amount of money to be transferred
- ✓ Name of receiver branch

The sender sends this block to the receiver branch of DD. When the receiver branch receives this DD block, the authorized officer of the receiver branch tests the DD confidential number. Once proofed, the money is given to the payee.

### **c) Mail Transfer:**

Money can be sent through mail transfer to anybody who has an account in any other branch of the Trust Bank Limited. To do this, the sender will have to provide the following details:

- ❖ The name of the beneficiary and his account number
- ❖ The amount to be transferred
- ❖ The name of the branch where the account is maintained



### d) Telegraphic Transfer:

In case of urgent money transfer, a person can request for TT by paying a minimal charge and telegram charge.

Any person can urgently send money from one branch to another branch of **Trust** Bank limited through TT.

A message of TT is sent through the phone from one branch to another branch. In the meantime, the authorized officer having a right of power of attorney, receives the message. Then, he/she fills up the TT form. Following things are included in the TT form:

- i) TT number
- ii) TT test number
- iii) Name and account number of the payee
- iv) Power of attorney number of the sender and
- v) The amount to be transferred.

After the TT form is filled up, he/she tests the test number of TT. If the number is ensured through testing, the account of the payee is credited. In case of contradiction, that is, if the test number is not proved then the receiver calls back to the sending branch of TT and requests to send a new TT.



### **3.2.2 FOREIGN REMITTANCE:**

Trust Bank is the member of WESTERN UNION, PLACID EXPRESS, RIA MONEY TRANSFER, NATIONAL EXCHANGE COMPANY And EXPRESS MONEY networks. Using the services of this global networks, non-resident Bangladesh nationals can send money from abroad to their home country within a few minutes with certainty. Trust Bank Limited has also arrangement with foreign money exchange companies to swift the transaction process.



**TABLE-3.2.3: NAME OF EXCHANGE COMPANY**

<b>CITY</b>	City International Exchange Co. w.l.l, Kuwait	KUWAIT	13 Digits	PIN starts with C, but input without C in the field of PIN Code at the time of making payment.
<b>GMT</b>	Wall Street Exchange Centre, UAE	Worldwide	9 Digits	PIN number started with 10***** total 09 digits & known as ICTC Number
<b>Gulf</b>	Gulf Overseas Exchange, Oman	Oman	11 Digits	Also known as NBL Quick Pay
<b>JOY</b>	Joyalukkas Exchange Company, Kuwait	KUWAIT	14 DIGIT	
<b>KBE</b>	Kuwait Bahrain International Exchange Co., Kuwait	Kuwait	8 Digit	
<b>MITALI</b>	Mitali Exchange, Canada	Canada	5 Digits	
<b>NEC TT</b>	National Exchange Company, Italy	ITALY		
<b>NEC UK</b>	NEC Money Transfer Limited, UK	Italy, Spain, UK, Malaysia, Dubai	15	PIN starts with 777
<b>OMAN</b>	Oman International Exchange, Oman			
<b>OMAN IC</b>	Oman International Exchange, Oman	Oman	7 Digits	


## Remittance service: A Study on Trust Bank Limited



<b>PLD</b>	Placid Express	Worldwide	12 Digits	Known as Tracking Number, Mobile Number is also considered as PIN Number.
<b>RIA</b>	Continental Exchange Solutions Inc. USA (dba. RIA Financial Services)	Worldwide	11 Digit	For payment related problems directly contact with RIA Customer Service. Contact # 9566551, 9563919, 01727118298, Email: BD_CS@riafinancial.com
<b>UTL IC</b>	United Traders Ltd., UK	UK	6 Digits	
<b>UTL TT</b>	United Traders Ltd., UK			
<b>WSF</b>	Wall Street Finance LLC, USA	USA	5-11 Digits	
<b>WSF SMA</b>	Wall Street Finance LLC, USA			
<b>XM</b>	Xpress Money Services UK	Worldwide	16 Digits	Known as XPIN Number
<b>Zenj</b>	Zenj Exchange Co., Bahrain (Turbo Cash)	Bahrain	8 Digits	Please consider Secret Number, not TC Number
<b>Zenj BE</b>	Zenj Exchange Co., Bahrain	Bahrain		
<b>RIA</b>				
<b>NEC ITALY</b>				
<b>NEC UK</b>				
<b>PLACID</b>				
<b>XPRESS MONEY</b>				



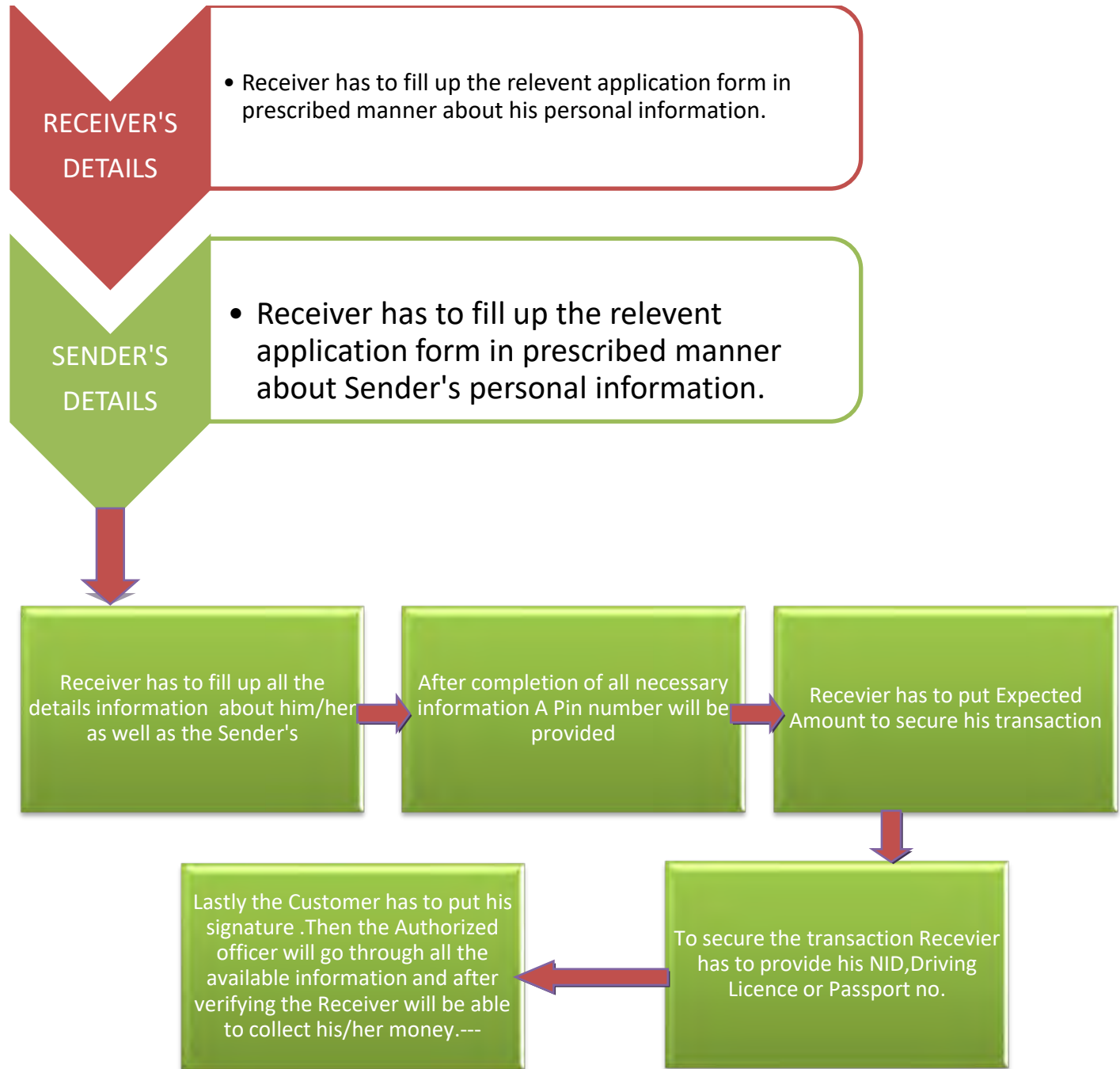
4.FEATURES OF REMITTANCE MONEY RECEIVE FORM

		<p style="text-align: right;"><i>TBL/FRD</i></p>	
Dhanmondi Corporate Branch, Dhaka		ForeignRemittanceDisbursement System	
ForeignRemittance(InstantCash)MoneyReceiveForm			
Date: ত্র র্থ			
Receiver'sDetails: প্ৰাপক রতথষদ			
Receivers'Name: প্ৰাপক রন ম		©	
Father'sName/ HusbandName: :প ত্র / স্বামীর নাম			
Mother'sname: ম ত্র রন ম			
Address: ঠ ক ন			
Phone / Cell No. ফনো / মরেইল নং			
Sender'sDetails: প্ৰেরক রতথষদ			
Senders'Name: প্ৰেরক রন ম			
Senders'Address: প্ৰেরক র ঠ ক ন			
PIN No. :গপোননং			
Expected Amount প্ৰতযশ ত অরথর পর ম গ			
IDdetails : আই ডি তথষদ			
IDName/Type: আইডি রনাম প্ৰরর		National ID/ Passport/ Driving License	
IDNumber :			
IssueDate : প্ৰদ ন রেত র্থ			
Expire Date :			
CustomersSignature স্বক্ষর			





### 5.FLOW CHART OF REMITTANCE MONEY RECEIVE FORM





## TYPES OF REMITTANCE

### 6.1 Inward Remittance:

The process of *remitting foreign money to a country* is called ***Inward remittance***. It is a collective phrase used to mention the money transfer to a country from other countries.

Technically inward remittance is the process through which a foreign bank/company transfers the fund to the domestic bank account in the home country. The process is initiated at the foreign nation and takes place with the consent of the customer.



### 6.1 MISCELLANEOUS SERVICES OF INWARD REMITTANCE:

<p><b>Student file</b></p> <p>Students who are desirous to study abroad can open file in the bank. By opening this file, Trust Bank Ltd assures the remittance of funds in home for study.</p>
<p><b>NRIT Account</b></p> <p>'Non-resident Investor's Taka Account is an account by which Non-resident Bangladeshi can deposit foreign currency for investment in security of stock exchanges. For such account holders, Trust Bank Ltd reserves 5% of primary shares.</p>
<p><b>F.C. Account</b></p> <p>Foreign Currency Accounts are opened in the names of Bangladeshi nationals or persons of Bangladeshi origin working or self-employed in abroad and are maintained as long as the account holder's desire.</p>
<p><b>NFCD</b></p> <p>Stands for Non-resident Foreign Currency Deposit</p> <p>Eligible persons may open such accounts even after their return to Bangladesh, within six months of their arrival. In these case, they need to submit their residency paper or citizenship paper in the bank.</p>
<p><b>RFCD Accounts</b></p> <p>Stands for Resident Foreign Currency Accounts</p> <p>Persons ordinarily resident in Bangladesh may maintain foreign currency accounts with foreign exchange brought in at the time of their return to Bangladesh from visiting abroad. Balance of such accounts is freely remittable to abroad.</p>
<p>Travelers' Cheques:</p> <ul style="list-style-type: none"><li>▪ <b>Payment against TCs</b></li></ul> <p>The customer tendering the Travelers' Cheques should be asked to sign the TCs at the designated places in front of the concerned bank official who would satisfy himself about its genuineness with reference to the customer's signature already appearing on the TCs and his passport. Should there be any doubt; purchase contracts of the TCs may be asked for.</p>



### **6.2:TERMS AND CONDITIONS OFINWARD REMITTANCE:**

There are some terms and conditions of Inward Remittance Service that Trust Bank follow while undertaking Global Transfer Service and transferring funds, the following must be noted and agreed:

1. Trust Bank Limited shall not be liable for any fluctuations in foreign currency exchanges
- 2.Trust Bank Limited take utmost care so that while purchasing Currency Notes, Travelers cheque, Demand Draft & similar instrument the bank is at protection form from probable loss as well as safety of the Bank officials concerned.
- 3.Working days - The term 'working days' refers to days that are bank working days in both, the country of remittance and Trust Bank Limited Bangladesh.
- 4)Customers is required to check the status of all transactions including any unseccessfull transfer in the 'Transfer History ' page before before retrying the same and the Bank shall not be responsible if such transfer has not been effected for any reason whatsoever.
- 5.The daily transactional limit for any inward transfer is unlimited.
6. Trust Bank Limited shall not be liable for any transactions not carried out due to any technical reason



### 7.1 OUTWARD REMITTANCE:

Outward remittance is the process of sending money from your country to another country abroad. The term "Outward Remittance" doesn't mean only remittance i.e. sale of foreign currency by TT, MT, Drafts, Traveler's cheque but also includes payment against imports into Bangladesh & Local currency credited to Non-resident TK Accounts of Foreign Banks or Convertible TK Account.

### 7.2 Types of Outward Remittance:

#### 7.2.1 Private Remittance:

##### 1. Family remittance facility:

a) Foreign Nationals working in Bangladesh with approval of the Government may remit through Trust Bank Limited 50% of Salary and 100% of leave salary as also actual savings and valid person benefits. Such remittance doesn't require prior approval from bank.

b) Remittance of moderate amounts of foreign exchange for maintenance abroad of family members (spouse, children, parents) of Bangladesh Nationals is made possible if the sender provides Bangladesh Bank with a written request along with a certificate issued by the Bangladesh Mission in the concerned country.

##### 2. Remittance of membership fees/registration fees etc.:

Trust Bank limited may remit without prior approval of Bangladesh Bank, membership fees of foreign professional and scientific institutions and fees for application, registration, admission, examination TOFEL, SAT, IELTS etc. in connection with admission into foreign educational institutions on the basis of written application supported by demand notice/letter of the concerned institution.



### **3. Education:**

Prior permission of Bangladesh Bank is not necessary for releasing foreign exchange in favor/on behalf of Bangladesh students studying abroad or willing to proceed abroad for studies. Trust Bank Limited shall allow exchange facilities for this purpose according to the following drill.

### **4. Remittance of evaluation fee:**

Trust Bank Limited without prior approval of Bangladesh Bank may remit evaluation fee on behalf of Bangladeshis desiring immigration to foreign countries for getting educational certificates of the person concerned evaluated by a foreign institution. A demand note is necessary of the foreign immigration Application duly filled in by the student as per prescribed format of Bangladesh Bank. Original copy and photocopy of admission letter issued by the concerned institution in favor of the student is also required. Original copy and photocopy of estimate relating to annual tuition fee, board and lodging incidental expenses etc. are issued by the concerned institutions. Copies of educational certificates of the applicant should be attested and a valid passport is needed and should be submitted in Trust Bank limited.

### **5. Travel:**

Private travel quota entitlement of Bangladesh Nationals is set at US\$3000/- per year for visit to countries other than SAARC member countries and Myanmar, Quota for SAARC member countries and Myanmar is US\$1000/- for travel by air and US\$500/-for travel by overland route. Trust Bank limited may release this travel quota in the form of foreign currency notes up to US\$500/- or equivalent and balance exchange in the form of TCs or total quota in the form of TCs. The annual quotas mentioned above are for adult passengers. For minors (Below 12 year in age) the applicable quota will be half the amount allowable to adults.

Trust Bank Limited may release above travel quota without prior approval of Bangladesh Bank subject to observation and satisfaction of following points:

## Remittance service: A Study on Trust Bank Limited



The intending traveler is a customer of the Trust Bank Limited or the intending traveler has paid relevant Travel Tax. The intending traveler has a valid passport.

Trust Bank limited should verify and satisfy itself that any foreign exchange released for an earlier travel was utilized with the journey being actually undertaken or was duly encashed/unutilized.

The intending traveler is in possession of confirmed air ticket for journey to be undertaken and that the intended journey to be undertaken not later than two weeks after the date on which exchange is issued.

The amount releases are endorsed on the passport and air ticket of the traveler with indelible with the signature and the name of the AD branch embossed in the passport and ticket. However, while issuing foreign exchange to the Diplomats/ privileged persons/ UN personnel, Govt. Officials travelling on officials' duties, such endorsement in the passports need not be made.

In each case of release of foreign exchange for travel abroad, photocopies of first six pages of the passport and the page recording endorsement of foreign exchange and photocopies of the pages of ticket showing name of the passenger, route and date of journey and endorsement of foreign exchange along with the relative T.M. form should be sent to Bangladesh Bank along with monthly returns.

### **7. Health & Medical:**

Trust Bank Limited can ensure without prior approval of Bangladesh Bank may release foreign exchange up to US\$10,000/- for medical treatment abroad on the basis of the recommendation of the medical Board set up the Head Directorate and the cost estimate of the foreign medical institution.

Release of exchange exceeding US\$10,000/- requires application to be forwarded along with supporting documents to Bangladesh Bank for prior approval.



### **8. Seminars & Workshops:**

Without prior approval of Bangladesh Bank Trust Bank Limited may release US\$200/- per them and US\$250/- per them to the private sector participants for attending seminars, conferences and workshops organized by recognized International bodies in SAARC member countries or Myanmar and in other countries respectively for the actual period of the seminar/workshop/conference to be held on this basis of invitation letters received in the names of the applicant or their institutional employer.

### **10. Remittance for Hajj:**

Trust Bank Limited may release foreign exchange to the intending pilgrims for performing Hajj as per instructions/circulars to be issued by the Bangladesh Bank each year.

### **11. Other private remittance:**

Applications for remittances by private individuals for purposes other than those mentioned above should be forwarded to Bangladesh Bank for consideration & approval after assessing the bonafide of the purpose of remittance on the basis of documentary evidence submitted by the applicant





## **7.2.2 OFFICIAL & BUSINESS TRAVEL:**

### **1. Official visit:**

For official or semi officials visits abroad by the officials of govt., Autonomous/Semiautonomous institutions etc., Trust Bank Limited may release foreign exchange as per entitlements fixed by the Ministry of Finance from time to time, In such cases, the applicant for foreign exchange shall be required to submit the sanction letter and the competent authority's Order/Notification/Circular authorizing the travel.

### **2. Business travel quota for new exporters:**

Up to US \$6,000/- or equivalent may be issued by Trust Bank Limited without prior approval of Bangladesh Bank to a new exporter for business travel abroad, against recommendation letter from Export Promotion Bureau, Bonafide requirement beyond US\$6000/- is accommodated by Bangladesh Bank upon written request through Trust Bank Limited with supporting documents.

### **3. Business travel quota for new exporters:**

Subject to annual upper limit of US\$5000/- importers are entitled to a business travel quota @ 1 % of their imports settled during the previous financial year.

Subject to annual upper limit of US\$5000/- non exporting producers for the local markets are entitled to a business travel quota @1 % of their turnover of the proceeding financial year as declared in their tax returns.

The same business organization engaged in imports as well as production shall however; draw business travel quota entitlement only on one count.



#### **4. Exporters' retention quota:**

i) Merchandise exporters may retain up to 40% of realized FOB value of their exports in foreign currency accounts. However, for exports of goods having high import content (such as readymade garments, POL products including furnace oil bitumen, electronic goods etc.,) the retention quota is 7.5% of the repatriated FOB value.

Funds from these accounts can be used to meet bonafide business expenditure, such as business visits abroad, participation in export fairs and seminars, establishment and maintenance of office abroad, import of raw materials, machinery and spares etc. without prior approval of Bangladesh Bank.

Exporters may at their option, retain the foreign currency in interest bearing renewable term deposit accounts with Authorized Dealers in US Dollar, Pound Sterling DM or Japanese Yen with a minimum account of US\$2000 or Pound 1500/

Service exporters (excluding indenting commission or agency commission of indenting house of buying house respectively) may retain 5% of their repatriated income in foreign currency accounts or as renewable time deposits with Authorized Dealers, Funds from these accounts can be used to meet expenses for bonafide business travel abroad.



### 7.2.3 COMMERCIAL REMITTANCES:

#### 1. Opening of branches or subsidiary companies abroad:

Remittance of up to US\$30,000/- or equivalent per annum may be released by Trust Bank Limited without prior approval of Bangladesh Bank to meet current expenses of offices/branches opened abroad by resident in Bangladesh or Commercial/Industrial concern incorporated in Bangladesh.

Such remittance may only be made in the names of concerned offices/subsidiary companies abroad subject to examination of following papers:

Approval letter of the competent authority of the country concerned for opening the office in that country

Copy of report submitted to Bangladesh bank.

#### 2. Remittance by shipping companies airlines & courier service:

Foreign Shipping Companies, airlines and courier service companies may send, through an AD, funds collected in Bangladesh towards freight and passage after adjustment of Trust Bank Limited may remit such royalty and other local cost & Taxes, if any without prior approval of Bangladesh Bank.

#### 3. Remittance of royalty and technical fees:

No prior permission of the Bangladesh Bank of BOI is required by the enterprises for entering into agreement involving remittance of royalty, technical know-how or technical assistance fees, operational services fees, marketing commission etc., if the total fees and other expenses connected with technology transfer do not exceed.

a) 6% of the cost of imported machinery in case of new projects

b) 6% of the previous year's sales as declared in the income tax returns of the ongoing concerns.

Trust Bank Limited may remit such royalty and other fees without prior approval of Bangladesh Bank.

Royalty and other fees beyond the rate mentioned above may be remitted by Trust Bank Limited without prior approval of Bangladesh bank provided specific approval of BOI has been obtained by the applicant company.



#### **4. Remittance on account of training & consultancy:**

Industrial enterprises producing for local market may remit through Trust Bank Limited up to 1% of their annual sales as declared in their previous years' tax return for the purpose of training and consultancy services as per relevant contract with the foreign trainer/consultant, without prior approval of Bangladesh Bank.

#### **5. Remittance of profits of foreign firms/branches:**

Trust Bank Limited may without prior Bangladesh Bank approval remit abroad the post tax profits of branches of foreign firms and companies including foreign banks & other financial institutions subject to submission of relevant documents/information along with the application.

#### **6. Remittance of Dividend:**

Prior permission of Bangladesh Bank is not required for

- Remittance of dividend income to non-resident shareholders on receipt of application in the prescribe form from the companies concerned.
- Remittance of dividend declared out of previous years' accumulated reserves.

#### **7. Costs/ for Router monitors:**

Trust Bank Limited may remit abroad costs/fees on account of their own subscription to foreign media services such as Reuter monitor service, without prior approval of Bangladesh Bank.

#### **9. Advertisement of Bangladeshi Products In mass media abroad:**

Prior permission of Bangladesh is not required by Trust Bank Limited for remittance of charges for advertisement of Bangladeshi commodities in mass media abroad subject to submission of Invoice from the concerned foreign mass media along with the applications of the remitter. The applicant will have to submit copy of the advertisement to the Trust Bank Limited within one month of this issuance.

#### **10. Bank Charges:**

Trust Bank Limited may affect remittances towards settlement of dues to foreign banks of bank charges, cost of cables and other incidental charges arising in their normal course of the business without prior approval of Bangladesh Bank.



## **7.2.4 TERMS AND CONDITIONS OF TRANSFER (OUTWARD REMITTANCE) TRANSACTIONS**

- ✓ The daily transactional limit for any outward transfer is set at equivalent of USD10,000 that includes all types of own account transfers. This is subject to the permissible limits set by the Bangladesh Bank as per the type of outward transfers.
  
- ✓ For outward remittances - Wire funds in any of the following currencies - US Dollars (USD), British Pounds (GBP), Euro (EUR), Japanese Yen (JPY), Canadian Dollars (CAD), Australian Dollars (AUD), Hong kong Dollars (HKD), Singapore Dollars (SGD), Swiss Francs (CHF), UAE Dirhams (AED), Saudi Riyal (SAR), Swedish Krona (SEK), Danish Krone (DKK) or South African Rand (ZAR)
  
- ✓ All foreign currency transactions through Trust Bank Limited are subject to applicable taxes .
  
- ✓ Trust Bank Limited acknowledge that, by coursing the remittance transaction through this Bank, additional service fees and bank charges may be imposed and deducted from the proceeds by the correspondent banks as well as the receiving banks and I/we agree to these deductions. We likewise understand that the service fees and bank charges arising from these transactions may vary depending on any of the following, but without limitation,
  - I. remittance amount,
  - II. remittance currency,
  - III. purpose of remittance ie., whether trade or non-trade,
  - IV. conversion rate, and
  - V. currency exchanges.



## **8. FEATURES OF INWARD REMITTANCE AND OUTWARD REMITTANCE**

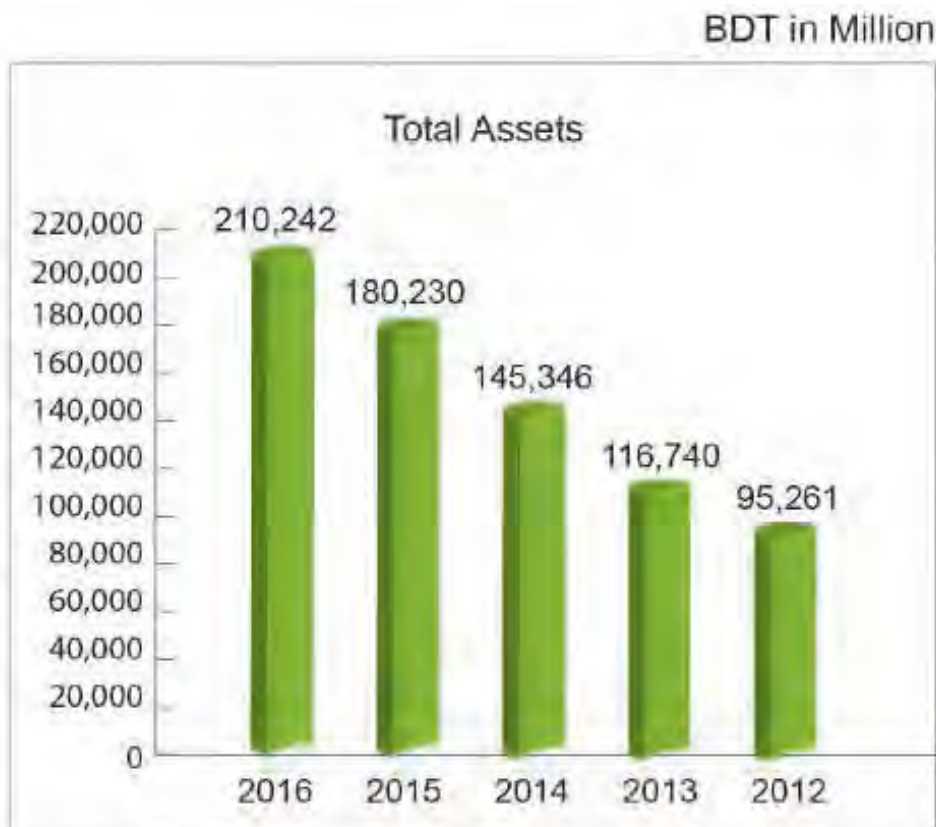
- ❖ Trust Bank limited make it possible to transfer money at Low cost. Compared with L/C and collection, remittance is easy to use with low cost.
- ❖ Fast process. In case of Remittance Trust bank Ltd make it fast and helpful for exporters to collect payments timely and accelerate capital turnover.
- ❖ Trust Bank Ltd go through Simple operation. So, It is simple to process and widely applicable.



## 9. FINANCIAL STATEMENT OF TRUST BANK LIMITED

### 9.1 Total Assets

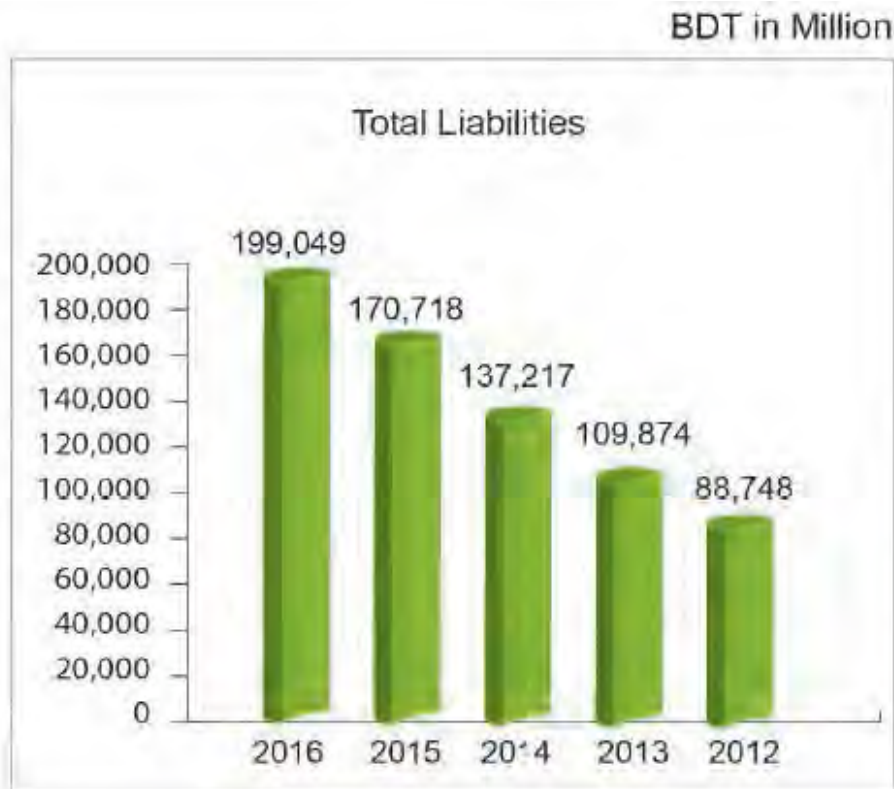
Consolidated Assets of the Bank stood at BDT 211,550.05 million in 2016 as against BDT 181,906.24 million in 2015 registering a growth of 16.30%. Increase in Assets was mainly driven by significant growth of customer's deposits. The growth of deposits was used for funding growth in credit and investment. Loans and Advances constituted 68.28% of total assets while investment in government and other instruments held 15.35% of the total assets. Balance with other banks and financial institutions held at 6.97% of total assets. Moreover, other assets which are very current in nature made up 1.14% of total assets leaving only 0.38% of total assets tied up in fixed assets including premises, furniture and fixtures. The above common size analysis showed that almost 92.22% of total assets of the Bank are utilized in different earning assets along with fixed assets and others leaving 7.40% in liquid form for meeting cash withdrawal demand of customers and maintaining Cash Reserve Ratio (CRR) requirement of Bangladesh Bank.





### 9.2 Total Liabilities

Total Liabilities of the Bank comprise of broad three items such as Borrowing from other Banks, Financial Institutions and Agents, Deposits and other liabilities. Consolidated balance of liabilities of the Bank stood at BDT 200,033.42 million at the end of year 2016 as against BDT 172,059.69 million in 2015, representing a rise of 16.25%. Deposits constituted 81.65% of total liabilities of the Bank.



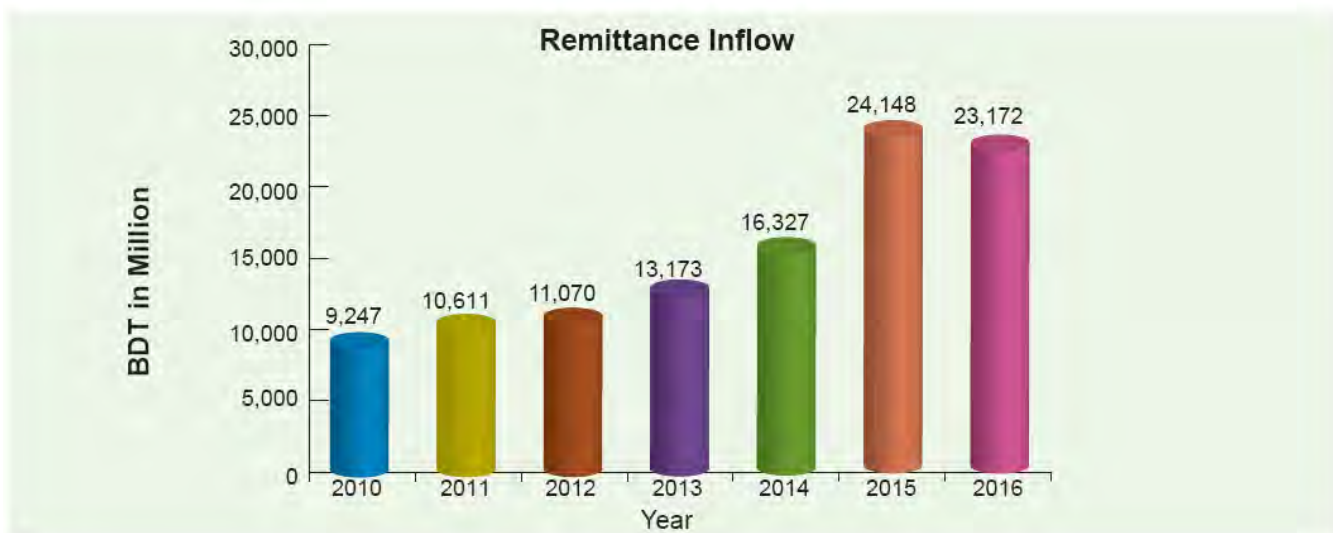




## 10.FINANCIAL STATEMENT OF FOREIGN REMITTANCE OF TRUST BANK LIMITED

### Foreign Remittance

Inward Foreign Remittance has been continuously playing significant role to the economic growth and the livelihoods of people in Bangladesh. Since inception, Trust Bank Limited is very much focused in channeling inward foreign remittance. In 2016, Trust Bank Limited received Inward Foreign Remittance USD 271.28 million equivalent of BDT 23,172 million, despite of decreasing trend of total inward remittance in Bangladesh. Year-wise remittance inflow at a glance is furnished below:



The inflows of remittances declined by 2.52 percent in FY 2015-16, amounting to US\$ 14,931.14 million, compared to the growth of 7.65 percent a year earlier. The slowdown in investment and construction works in the Middle East countries due to low oil prices is mainly responsible for the deceleration in remittance inflows. However, the overseas employment increased substantially in recent times. In FY 2015-16, 0.68 million went abroad for jobs, up by 48.27 percent compared to previous year.

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Flow of remittance reduced by 5.63% in July – March of FY 2014 compared to the FY 2013. In 2013, around 4.09 lac Bangladeshis went abroad (mainly to Middle East) for job searching where as this data was 6.08 lac in 2012. The reduction is due to policy changes by Middle East countries, complicacies related to legal status of expatriate workers at Malaysia, Saudi Arabia and other Middle East countries.

In July to November under FY 2014-15; we received remittance amounting USD 6,212.09 million (BDT

481,309.6 million) compared to the July – November under FY 2013-14 remittance earning which was USD 5,562.55 million (BDT 432,502.86 million). Government is taking different diplomatic steps to identify new market for skill labor migration, strengthening the ‘Prabashi Kalyan Bank’ and development of ‘National Skill Development Council’ to build up strong skilled manpower.

We are continuously striving to establish Money Transfer Agreement with overseas exchange houses worldwide.



### 10.1 ECONOMIC GRAPH OF REMITTANCE EARNED (YEAR 2016-2011)

BDT in Million (where applicable)

	2016	2015	2014	2013	2012	2011
Trust Bank	23,171.76	24,214.99	16,174.03	13,164.65	11,082.25	10,603.33

Source: Bureau of Manpower, Employment & Training and Bangladesh Bank.





## **11 .BANGLADESH ELECTRONIC FUNDS TRANSFER NETWORK (BEFTN)**

BEFTN has started here with the objective to decrease paper-based payment methods and encourage paperless payment methods for secured, faster & cost-effective transactions.

It facilitates the transmission of payments between the banks electronically, which makes it faster and efficient means of inter-bank clearing over the existing paper-based system i.e. BACPS. It is able to handle a wide variety of credit transfers such as payroll, foreign and domestic remittances, social security, cash & fractional dividends, expense reimbursement, bill payments, corporate payments, government tax payments, veterans payments, government license fees and person to person payments as well as debit transfers such as mortgage payments, membership dues, loan payments, insurance premiums, utility bill payments, company cash concentration, government tax payments, government licenses and fees etc.

Though BEFTN it's become easy to transfer Foreign Remittance.

### **11.1 TRANSFERING REMITTANCE THROUGH BEFTN**

Foreign Remittance Disbursement System: Disbursing 22 Ex-House companies' foreign remittances to customer A/C, instant cash services, or through BEFTN to other banks and live monitoring facility for

reconciliation. More than 3500 Crore taka has been disbursed through this system from 2013 and about 1500 Crore taka in 2015.



### 12. FINDINGS

Trust Bank Limited in Bangladesh provides various types of outward and inward remittances facility to their clients .

- Trust Bank Limited provides various types of outward remittances facility for their clients such as Private Remittance, Official & Business Travel & Commercial Remittance.
- On the basis of written application, Trust Bank Limited may remit outward remittance without prior approval of Bangladesh Bank, membership fees of foreign professional and scientific institutions and fees for application registration, admission, etc. in connection with admission into foreign educational institutions by demand notice/letter of the concerned institution.
- The term “Inward Remittance” includes not only purchase of foreign currency by TT, MT, Drafts etc. but also purchase of bills, purchase of traveler’s cheques.
- Branches may freely buy foreign currency notes from Bangladesh as well as foreign nationals.
- Trust Bank Limited provides more commercial inward and outward remittance facilities from others facilities (Education, travel, family remittance and so on).
- In 2016, Trust Bank Limited received Inward Foreign Remittance USD 271.28 million equivalent of BDT 23,172 million. In case of inward remittances distribution and trend is currency, among 2016, we can see that US dollar is more distributed and trended from others country currency. Lastly It can be said that From this analysis we can see that maximum inward remittances come from wages.



### 13 .RECOMMENDATIOIS

- ✓ TRUST BANK LIMITED should widen their client's base to invite more inward remittance transaction in other currencies.
- ✓ While transferring money through Remittance money receive Form Trust Bank Limited only take senders NID, Passport , Driving License. Which can be easily copied and Fraud people can take easily advantage of it.
- ✓ To encourage general people they should provide more education, travel, family etc inward and outward facilities beside commercial renittance facilities these help to improve our economic condition.
- ✓ TRUST BANK LIMITED should provide more Facilitate migration loan and to encourage (remittance) foreign investments to foreign investors.
- ✓ Cost to migrate from Bangladesh is still very high comparing to other countries and step should be taken to bring it lower. And initiative is needed for a minimum five years of job agreement for migrant workers with host countries.
- ✓ To encourage migrant workers to remit money through banks suggestion is Bangladesh Bank allows migrants to send home in a lower charge.
- ✓ The government may control Expatriate Welfare Bank in a mission to finance as well as to check harassment of both intended and working Bangladeshi overseas workers.
- ✓ The government may take some measures to attract host countries so that they employ more Bangladeshi immigrants.

## Remittance service: A Study on Trust Bank Limited



- ✓ The Bangladesh Bank should strengthening monitoring the exchange rate, offered by the commercial banks to their overseas exchange houses for receiving remittances, in an effort ensure fair deals for the recipients.
- ✓ To establish a better social image the Bank should needs to participate more in social welfare activities.
- ✓ TRUST BANK LIMITED should explore the possibility of widening its personal banking network in other countries to tap the inward remittance coming from those countries especially in Middle East countries wherefrom inward remittances come to Bangladesh in plenty.
- ✓ Training the employees one or two times in a year with latest banking technology which will help them to adjust in a new working environment.
- ✓ TRUST BANK LIMITED should intensify personal banking in order to attract foreign wage earners making inward remittance through TRUST BANK LIMITED.



### 14.CONCLUSION

Manpower is our asset. We have received over USD 271.28 million remittance in 2016. Although foreign workers from Bangladesh make up just more than two lakh of Bangladesh's population, they contribute more than nearly \$5 billion. Remittance was second-biggest source of foreign income after ready-made garments in Bangladesh.

According to the World Bank, Bangladesh is one of the top 10 remittance recipient countries globally. The central bank has also issued a raft of licenses to private commercial banks (PCBs) to set up more exchange houses abroad to expedite remittance flow. Trust Bank limited is a leading foreign private commercial bank in Bangladesh with superior customer bases that are loyal, faithful, worthy towards the bank. Their main customers are business organizations from individual people. The service provided by the young energetic officials of the Trust Bank Limited is very satisfactory. As a commercial bank Trust Bank Limited has to follow the rules of Bangladesh bank despite the fact that these rules sometime restrict the foreign business to some extent. Trust Bank Limited's foreign remittance department is very efficient; therefore this department plays a major role in the overall efficiency & reputation of the Bank as a whole.





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