

Internship Report

On

BRAC Bank SME Financing & Foreign Remittance Activities

Submitted To

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Subject: **Submission of internship report**

Dear Sir,

I would like to take this opportunity to thank you for the guidance and support you have provided me during the course of this report. Without your help, this report would have been impossible to complete. With deep gratitude, I also acknowledge the help provided by **Mohammad Asif Hossain**, Relationship Manager, Retail Banking, BRAC bank for providing me utmost supervision during my internship in the organization.

To get ready the report I collected what I deem to be most relevant information to make my report as methodical and steadfast as possible. I have concentrated my best endeavor to pull off the objectives of the report and hope that my venture will serve the purpose. The sensible knowledge and know-how gathered for the duration of my report preparation will incalculably facilitate in my future professional verve.

I would really be grateful if you make clear to me with your thoughts and views vis-à-vis on the report. Also, if you wish to enquire about an aspect of my report, I would gladly answer your queries. Thank you again for your support and endurance.

Yours Sincerely,

Tanvirul Haq Tanvir

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MBA Program

BRAC Business School

Acknowledgement

The successful triumph of this Internship Report is the upshot of the contribution and involvement of a number of people, more than ever those who took the time to share their thoughtful guidance and suggestions to improve the report. It's easier said than done for me to thank all of those people who have contributed a little to this report. There are some out of the ordinary people who cannot depart devoid of bring up.

First of all, I would like to thank our honorable academic supervisor **Mr. Shamim Ehsanul Haque**, Senior Lecturer, BRAC Business School, BRAC University. I am thankful to him for his uninterrupted support and supervision, suggestions and providing me with valuable information that was very much needed for the completion of this presentation.

Then, I express my sincere gratitude to **Shahrear Md. Zamil**, Head of Global Relationships, BRAC Bank and **Mohammad Asif Hossain**, Relationship Manager, BRAC Bank, for supervising me the entire internship time. I would also like to express my gratitude to **Md. Mizanur Rahaman**, senior officer, Small Business, BRAC Bank for teaching me and supporting me for my internship experience. And a special thanks to **Md. Yasin Talukder**, Cluster & Branch Manager, BRAC Bank, **Mohammad Iqbal Hossain**, senior manager, Credit Risk Management, BRAC Bank and **Hedayet Kabir** Territory manager, Small Business, BRAC Bank and **Muhammad Aulad Hussain Fakir**, Acting Branch Operation Manager, Retail Banking, Branch Banking, BRAC Bank for their valuable advice and information.

EXECUTIVE SUMMARY

BRAC Bank Limited happens to be one of the leading private banks in Bangladesh. Established in 2001, it happens to be the pioneer in the SME Banking Sector of Bangladesh. BRAC Bank believes in 3Ps: People, Planet and Profit. The bank has a unique vision of sustaining growth in the SME Sector and touching billions of lives through sustainable banking.

This paper looks to paint an overall picture of BRAC Bank Limited. Their management, history, product offerings, achievements, etc. are few of the things discussed in the beginning. Furthermore, I have presented my internship experience working in the Remittance Department of BRAC Bank Limited which includes job responsibilities, aspects and suggestions. Finally, the report provides an in depth look into the bank's performance in the SME banking sector and remittance sector of the country. This includes a comparison with other banks in the same sector and a SWOT Analysis of BRAC Bank Limited which highlights their strengths, weaknesses, opportunities and threats.

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Introduction

Banks laze at the heart of the world's pecuniary system. Banking arrangement plays a noteworthy and creditable role in the growth and advance of economy and its mechanism. A brawny banking sector is significant for a well-off economy. For any homeland, banking system plays a vital role in its sound economy and commercial banks are the foremost participant to develop the economy.

Bangladesh banking system has undergone exceptional changes in excess of the last twenty five years. The country moved away from state control to a relatively market-based open economy by adopting a major stabilization, liberalization and deregulation program under the influence of the World Bank and the IMF against the backdrop of serious macroeconomic imbalances in the early 1980s. After the commencement of Financial Sector Reforms Program (FSRP) in 1990, the sector was opened to greater antagonism by the entry of new private banks and more noninterventionist entry of foreign banks in line with the recommendations of this program.

Where increased adoption of the internet as a delivery channel contributes to a gradual reduction in overhead expenses (Marketing, IT and Staff) of the banks by providing a high level of quality services through ATM, POS (Point of Sale), Online, Internet, Tele-banking, SWIFT and Reuter. These have changed the market structure of Bangladesh banking industry significantly. As a result, in recent years, the state-owned public banks have gone astray market share to the private commercial banks.

These changes will have immeasurable implications for deliberation and competition in the banking and pecuniary sectors. However, increased concentration can heap on the market power of the large banks by fostering collusive actions among them and therefore hold back both competition and efficiency. In order to judge the implications of these structural changes and developments, it is of the essence to examine current market structure of the banking sector to understand the impact the changes are likely to have on the market structure and the behavior of banks

Background

Dedicated to the people of Bangladesh because we deem in faith and hope cemented by our unwavering trust on the dreams of 160 million, it is not just a place for transactions – BRAC Bank is a place where potentials are realized. By tradition, banking in Bangladesh has been for the mid to large sized businesses or the professionals in jobs. As luck would have it, more than ¾th of the economy is out of the reach of formal banking. BRAC Bank took a walk to smash this custom of banking and tapped into the true suburb entrepreneurial initiatives. More than half of BRAC Bank’s lending is for this small and medium enterprises – popularly known as “SME”. These businesses are the imaginings and achievements of individual Bangladeshis people.

What BRAC Bank has been doing?

BRAC Bank is one of the country prime and world’s 4th largest SME Bank. In a market where conventional banking support was derisory, these SMEs could find a partner. Since BRAC Bank inception served around 471,618 SME borrowers by lending BDT 291,871 Million through 624 customer touch points (SME unit offices, SME sales and service centers, SME Krishi Branches and Branches)! While we are a SME-heavy bank, we also turn into a full-array of banking services, not only SME financing. The bank is considered a leading one in retail services with the largest plastic-base (over half a million customers of the bank carry a debit or credit card to access their everyday banking needs), the 3rd largest private-sector remittance distributor, and the 7th largest bank in terms of fund management, 2nd highest issuer of home loans and 3rd largest distributor of car loans in the country.

Business model of BRAC Bank

The **Business Model** innovated was simple: mobilize funds from the urban market towards lending at semi-urban and rural. The bank had to shatter away from conventional banking, had to develop new ways to assess credit proposals and to reach these people who rarely accesses a bank outside metro areas, but the journey provide evidence of success.

Structure

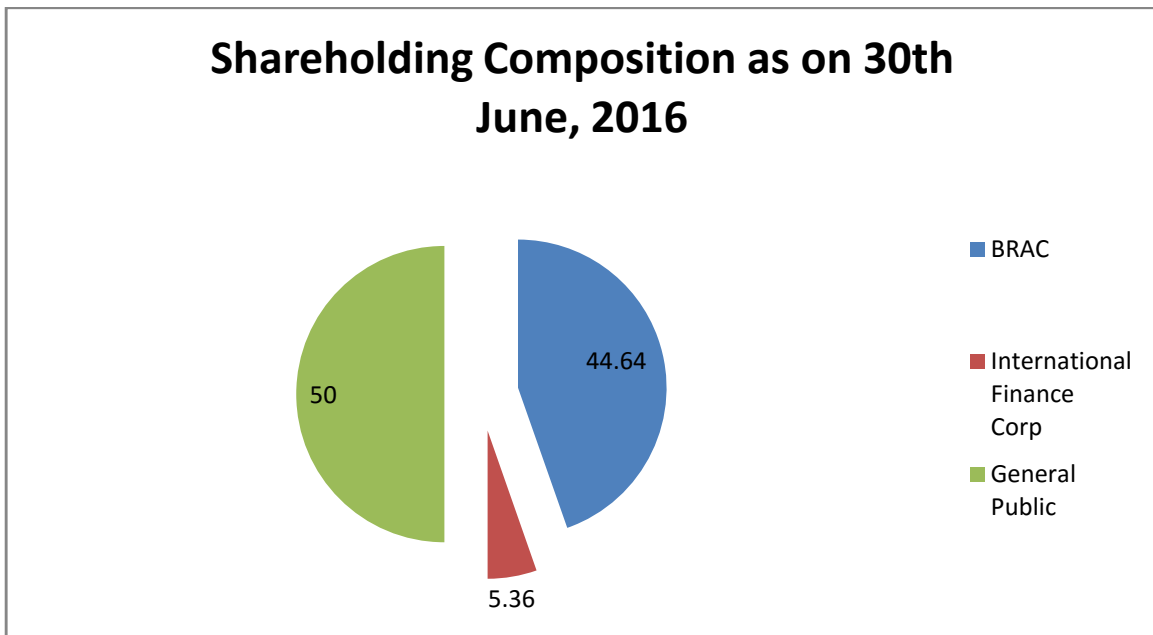
Capital Structure

BRAC Bank has started with an initial capital of amount BDT 250 million, while the authorized capital is BDT 1,000 million. Over time the bank has increased its capital base because of its balanced growth and within three years of operations, it has doubled its capital base to BDT 500 million. The Bank has planned to go public by the year of 2006 and raise its paid up capital to BDT 1000 million. BRAC Bank originated with Local and International Institutional shareholding including BRAC as promoter with IFC.

Capital Fund

The authorized and paid up capital of BBL is TK.1000 million and TK.500 million respectively. The paid up capital is one of the strongest in the banking trade. The bank move up its paid up capital in the month September, 2006 by TK.500 million with issuing public share of 5, 00,000 of TK.100 each.

Shareholding Composition as on 30th June, 2016:



Name of Shareholder	Total Shares	% of Total Share
BRAC	316,598,451	44.64
International Finance Corp	38,002,483	5.36
Sir Fazle Hasan Abed	7,020	0.001
Mr. Syed Humayun kabir	7,020	0.001
Mr. A.S Mahmud	5,872	0.001
Mr.Faruq A. Chowdhury	5,872	0.001
Dr. Saleh Uddin Ahmed	4,825	0.001
Ms. Tamara Hasan Abed	5,872	0.001
Mr.Shib Narayan Kairy	5,341	0.001
Ms.Nihad Kabir	5,872	0.001
General Public	354,638,693	50
Total Paid-up Share	709,287,321	100

Product/Service Offerings

BRAC Bank offers a wide range of products to cater the needs of their growing customer base.

Savings

- Savings account
- Current account
- Eezee account
- Future star account
- Campus account
- Student file
- Savings account for women
- Foreign currency account
- Foreign currency exchange
- Passport endorsement

Loan

- Personal loan
- Home loan

- Auto loan
- Motorcycle loan
- Business loan
- Loan against fixed deposit
- Secured overdraft
- Loan for women entrepreneurs

SME Lending Products

- Anonno
- Prothoma
- Apurbo
- Shomridhdi
- Shokti
- Shohoj
- Shompod

SME Deposit Products

- Prapti current account
- Prachurjo
- Shonchoy
- Interest First Fixed Deposit
- Prothoma current account
- Protasha account

Organizational hierarchy



Selim R. F. Hussain
Managing Director & CEO



A. K. Joaddar
Deputy Managing Director &
CFO



Chowdhury Akhtar Asif
Deputy Managing Director &
CRO



Shah Alam Bhuiyan
Head of Special Assets
Management



**Brigadier General Tushar
Kanti Chakma (Retd.)**
Head of GSS & Procurement



Tareq Refat Ullah Khan
Head of Corporate Banking



Rais Uddin Ahmad
Company Secretary,
Head of Regulatory Affairs &
CAMLCO



Syed Abdul Momen
Acting Head of SME Banking



Md. Shaheen Iqbal
Head of Treasury & Financial
Institutions



Bilquis Jahan
Head of Human Resources



Nazmur Rahim
Head of Retail Banking



Muniruzzaman Molla
Head of Operations



Shyamol B. Das
Head of Technology



Zara Jabeen Mahbub
Head of Communication

Internship Experience

I had the privilege of working in the Remittance department of BRAC Bank Limited. This department is under the Retail Banking division which handles all responsibilities of paying and operating smooth remittance operation of bank activities.

There are two types of operation

1. Spot cash payment
2. Pay cash payment

Internship Job Responsibilities

During my tenure at Remittance department, I have fulfilled various types of responsibilities. These included typical desk work, computer related tasks and interacting with customer. The details have been described below:

1. Indexing

A Microsoft excel index is maintained yearly to keep records of every remittance record. It is helpful to track remittance record and required further investigation.

Critical Observations

Over the course of my internship, I have come across numerous observations some of which have been discussed below.

2. Respect for interns

One thing that was very clear from day one is that interns are treated as part of the workforce and humbly welcomed in BRAC Bank. Everyone from the head of the department to colleagues show ample respect to interns. Other organization should adopt such similar culture I believe.

3. Punctuality is maintained

All employees are required to be present by 10am and sign in their computers to record attendance. Late attendances are actively monitored by HR hence everyone tries to show up before 10am. Even interns are subject to strong supervision.

4. Day care facilities

A very unique feature of the BRAC Bank head office is the day care facility. This is something which is absent in many reputed organizations so it's a big plus point for parents working here.

Project Summary

The reason I have selected this topic is because SME Banking is synonymous with BRAC Bank. They happen to be the pioneer in this sector. BRAC Bank Ltd. has a dual objective: a combination of profit making and social contribution. The bank also focuses on relationship based banking, as it believes that the pursuit of profit and developmental goals are mutually reinforcing. We will be looking at the current standing of BRAC Bank in the SME sector and how they are contributing to the society.

Objectives

The Broad objective of this project is to analyses the SME scenario of Bangladesh and to assess the performance of BRAC Bank Ltd in context of the highly competitive market. The report will also look at some specific objectives. They are:

1. Definition of SMEs
2. Importance of SMEs in Bangladesh
3. SME banking portfolio of BRAC Bank
4. SME loan sanctioning procedure of BRAC Bank
5. SWOT analysis of BRAC Bank

Methodology

This project is based on both primary and secondary data. Primary data was collected from discussions with Customer Relationship Officer (CRO) and Area Manager (AM). Secondary data was collected from annual reports, slides and previous reports on similar topics.

Limitations

As with any project I have faced a few constraints in preparing this report. Some of which include:

1. Lack of time
2. Confidentiality issues
3. Officials were very busy

Defining Small and Medium Enterprises (SMEs)

An SME is defined as a firm managed in a personalized way by its owners or partners, which has only a small share of its market and is not sufficiently large to have access to the stock exchange for raising capital. SMEs ordinarily have few accesses to formal channels of finance and depend primarily upon savings of their owners, their families & friends. Consequently, most SMEs are sole proprietorships & partnerships. SMEs have been defined against various criteria. The three parameters that are generally applied by the Governments to define SMEs are: Capital investment in plant and machinery, Number of workers employed, Volume of production or turnover of business.

Definition of SME as per Industrial Policy 2010 based on BB's SMESPD circular No. 01 dated 19 July 2015:

Sector	Total Fixed Assets (In millions of taka)	Labor Employment
Medium Enterprise	Manufacturing : 100.00-300.00 (10-30 crore)	100-250
	Service/Trading : 10.00-150.00 (1-15 crore)	50-100
Small Enterprise	Manufacturing : 5.00-100.00 (50 lak-10 crore)	25-99
	Service/Trading : 0.50-10.00 (5 lac-1 crore)	10-25
Micro Enterprise	Manufacturing : .50-5.00 (5 lak-50 lac)	10-24
	Service/Trading : <_ 0.50 (5 lac or below)	_ <10

Definition of SME by Bangladesh Bank

Importance of SMEs in Bangladesh

1. Employment Generation

SMEs engage the middle and lower classes of the economy more effectively. It is estimated that SMEs generate around 60-70% employment. This is found from a report of the International Monetary Fund (IMF).

2. GDP Growth

If more people are engaged in business it ultimately contributes positively to the GDP of the country. SMEs in Bangladesh contribute around 30% to the GDP.

3. Enhanced Living Standard

Since the lower class of the economy is being engaged in forms of businesses, it helps them to improve their living standards to a much better position.

4. Women Empowerment

A considerable amount of SMEs are run by women. This is crucial for women empowerment in our country. Women run various types of businesses such as cultivation, raising livestock, weaving, etc.

5. Creation of Entrepreneurial Class

SMEs are empowering people to make money for themselves. Hence, they are their own bosses and it is helping in developing an entrepreneur culture. People are being inspired to break free from poverty.

6. Reduction in Urban Migration

Rural people are now involved in different types of work in their own villages. Thus, this decreases the need to shift to the city which saves costs and ensures that villagers are able to stay with their family members at home

SWOT Analysis of BRAC Bank

A SWOT analysis is a tool that identifies the strengths, weaknesses, opportunities and threats of an organization. We will look at the SWOT analysis of BRAC Bank. This will include an assessment of their internal environment (strengths and weaknesses) and also their external environment (opportunities and threats).

Strengths

1. Focus on Technological Advancements: The most important feature that I have noticed during my tenure at BRAC Bank is that they are constantly focused on improving their technological features. This includes purchasing the latest banking software, establishing high speed connectivity links, etc.
2. Building customer relationship outside branches: I got to know an interesting detail from Md Mizanur Rahman, SO of Siddirgsnj SME office. Whenever he gets free time he tries to socialize with his clients outside the office. He regularly has a chat with them

over tea or coffee. This creates a long term bonding and future references for potential candidates.

3. Preference for Interns: BRAC Bank prefers to offer their own interns full time positions unlike other organizations. As per my observations in the month of February 2016, the bank recently hired 4 Officers out of which 3 were interns in the past. This is a very positive motivation for interns to work hard and secure a good position in the company.
4. Extra Benefits for Employees: BRAC bank employees enjoy certain discounts from other BRAC subsidiaries. E.g. BBL employees get 10% discount from Aarong. Also, when they join the company, they get free Debit cards and bKash accounts.

Weaknesses

1. Remuneration Packages are Low: Compared to other banks, the salaries of entry level employees are less. Few employees have expressed their dissatisfaction over this issue.
2. Lack of Promotion of SME Banking: It seems that the SME products are not getting enough promotion which is a big concern. Most information regarding SME Banking is transmitted through word of mouth. BRAC Bank is mainly an SME Bank and must brand itself as such.
3. Working hours are not enforced: like many other banks, the working hours are not strictly maintained. The official closing time is 6pm but often personnel must work for 2-3 hours extra due to work load. This is unhealthy as people have the least energy to work with at night.

Opportunities

1. Expand to more areas: BRAC Bank could open branches in many unprivileged places
2. International Expansion: Since BRAC is one of the most renowned NGOs in the world, BRAC Bank could attempt to go overseas with their operations.
3. Engaging in CSR activities: BRAC Bank could organize some events to benefit the society which will also help them boost their brand image.

Threats

1. **Upcoming banks:** The upcoming private local banks can also pose a threat to the existing private commercial banks like BRAC Bank Limited. It is expected that in the next few years more local private banks may emerge. If that happens the intensity of competition will rise further and banks will have to develop strategies to compete against an onslaught of foreign banks.
2. **Multinational banks:** The emergence of multinational banks and their rapid expansion poses a potential threat to the new emerging private banks. Due to the booming energy sector, more foreign banks are expected to arrive in Bangladesh. Furthermore, the already existing foreign banks such as Standard Chartered, Citi Bank N.A, etc. are now pursuing an aggressive branch expansion strategy. These banks are establishing more branches countrywide and are already involved in SME operation. Since the foreign banks have tremendous financial strength, it will pose a threat to local banks.
3. **Contemporary banks and financial institutions:** The contemporary banks and financial institutions of BRAC Bank Limited such as Dhaka Bank, Prime Bank, and Dutch Bangla Bank Limited and IDLC are its major rivals. Prime bank and other banks are carrying out aggressive campaign to attract lucrative clients as well as big time depositors.

A summary of the points discussed have been illustrated in the matrix below:

<p>Strengths</p> <ul style="list-style-type: none"> ▪ Focus on Technological Advancements ▪ Building customer relationship outside branches ▪ Preference for Interns ▪ Extra Benefits for Employees 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Remuneration Packages are Low ▪ Lack of Promotion of SME Banking ▪ Working hours are not enforced
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Expand to more areas ▪ International Expansion ▪ Engaging in CSR activities 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Upcoming banks ▪ Multinational banks ▪ Contemporary banks and financial institutions

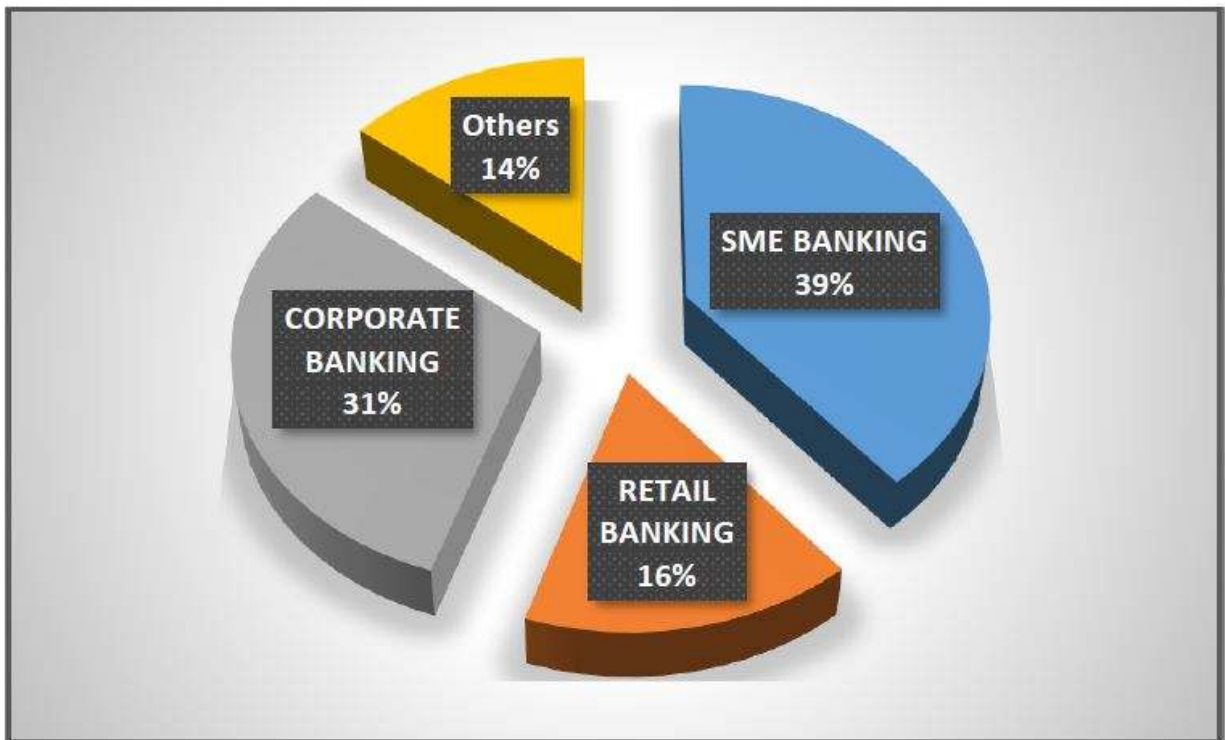
SWOT Analysis of BRAC Bank

SME Banking of BRAC Bank

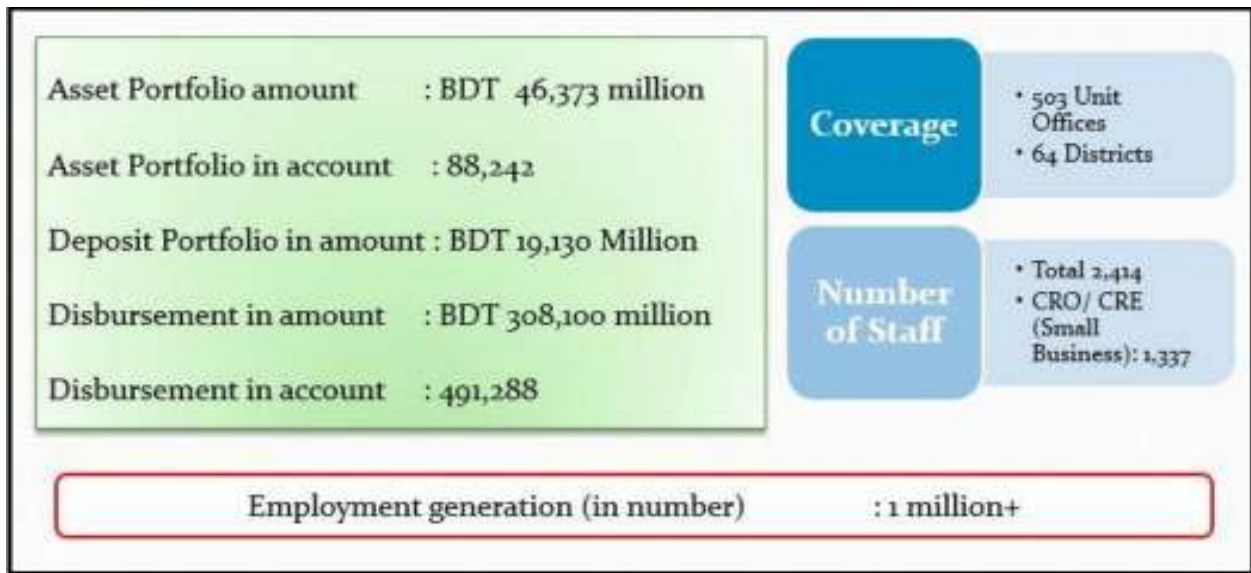
BRAC Bank is currently into its 15th year of operation. It has pioneered the concept of small and medium enterprise (SME) Banking. They identified that there was a big gap in the middle of the banking structure. Something was ‘missing in the middle’ and they decided to focus there.

If we think of the financial pyramid, there are corporate institutions (local and Multinational) at the top of the pyramid and there are low income individuals at the bottom. Those at the top are served by banks and other financial institutions while those at the bottom are served by Micro Finance Institutions (MFIs), e.g. NGOs. But SME sector in the middle were missing access to necessary banking services and that is where BRAC Bank came into play.

Now of course, many other banks have started to roll out similar SME services so the competition is tough. But nonetheless, BRAC Bank remains the pioneer and the market leader in this field. As we can see in the pie chart below, SME Banking account for 39% of BRAC Bank’s portfolio. Hence, it is clear that they are known as an SME Bank



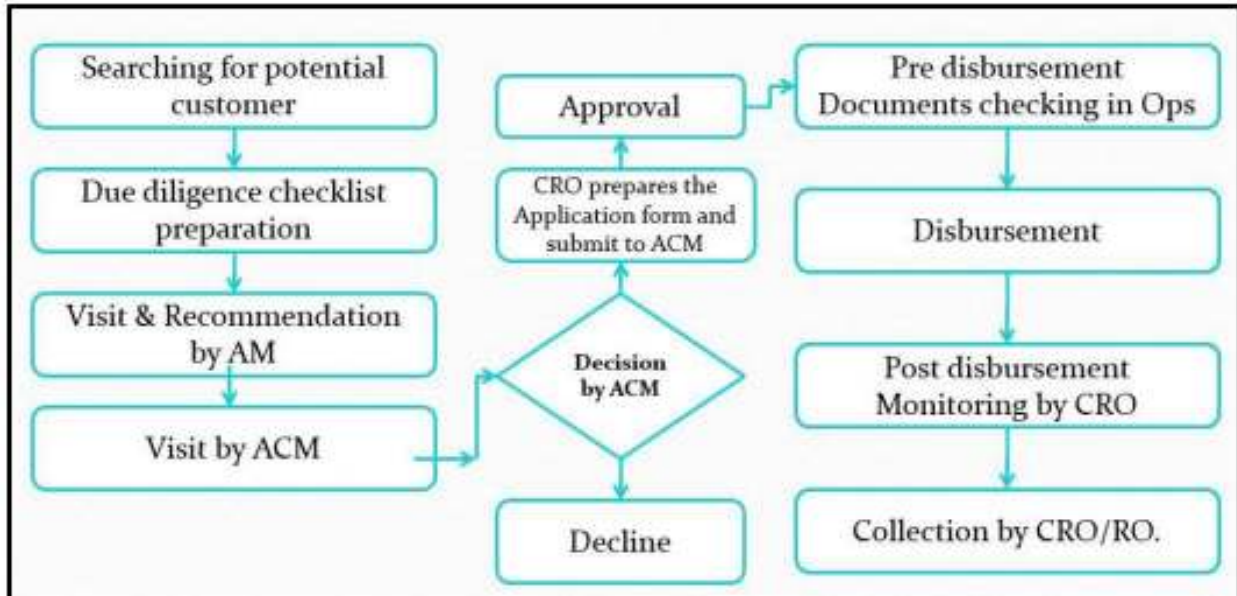
Here are some more financial figures which highlight the current position of BRAC Bank’s SME Banking:



Various Statistics of SME Banking of BRAC Bank

BRAC Bank SME Banking Procedure

The bank follows certain steps before it sanctions a loan to a particular SME. The steps have been described below in detail:



Steps Involved in Sanctioning SME Loans

1. CROs constantly search for potential customers among their known contacts or surroundings
2. Once they find a candidate, the CROs make an early assessment and try to determine what amount of loan would be ideal for them
3. The Area Manager then visits the candidate and if is satisfied with the early assessment then recommends it to the Area Credit Manager
4. The Area Credit Manager then decides whether or not to sanction a loan to the potential candidate
5. If it is approved then the CRO prepares the application forms
6. The form along with other necessary documents of the candidate is sent to Operations for checking

7. The loan is then disbursed and regular monitoring is done post disbursement
8. The CROs then collect the installments against the loans accordingly.

Recommendations

1. Considering all the study and analyzing all the data I think the following suggestion will benefit both BBL and its customers.
2. Increase the number of Installment
3. Careful asses the loan proposal for bigger loan
4. Commit resources specifically for growth of SME business.
5. Implement strict and continuous monitoring system of the whole recovery process.
6. Train the Customer Relationship officers more comprehensively and realistically so that customers may not face any trouble while getting and repaying the loan.
7. Special motivation program needs to be taken to motivate the Customer Relationship officers, because from my personal observation I have seen that their task is very difficult. So, to obtain the full efficiency they need to be well motivated.
8. Risk Management department's audit report should be more strict and reliable so that possible defaulter may not get the loan.
9. Whether the borrowers are utilizing the loan on the right purpose should be ensured.
10. Have to provide more computer and internet facilities in the unit offices so that CRO's can communicate with the department in a short period of time.
11. Loan closing procedure should be computerized. So that customers can get service in short time.
12. Before establishing a new SME unite office, Banks needs to be more efficient to find out an approximate potential client which will help to reduce extra harassment.
13. For customer repayment purpose other Banks transaction of BBL needs to be reduce. It will at a time reduce all harassments & increase profit.

Foreign Remittance Activities of BRAC Bank Limited

Objectives of the Study

This study is aimed at providing me invaluable practical knowledge about banking operation system of BRAC Bank Ltd. especially its foreign remittance. It also helps me to develop my concept of banking system and its operations.

Specific objectives:

1. To evaluate various Foreign Remittance Activities of BRAC Bank Ltd .Specially on Shiddirganj Branch, Narayanganj.
2. To identify the problems of Foreign Remittance Activities of that branch.
3. To make some recommendations to overcome those problems.

Methodology of the Study

The report has been prepared mainly based on secondary data, furnished by The BRAC Bank Ltd officials have also been integrated in the report wherever it was considered necessary to maintain the singleness and clarity of the report. This report has been prepared on the basis of experience gathered during the period internship. Personal experience gained by visiting different desks during internship period. The collected data are taken from various sources which are mentioned in the below:

Primary Sources of Data:

1. Face to face conversation with the respective officers of the banks.
2. Practical experience gained by visiting different desks during internship period
3. Face to face conversation with the clients
4. Take Interview

Secondary Sources of Data:

1. Annual Reports of BRAC Bank Ltd
2. Different circular issued by the Head Office and Bangladesh Bank

3. Relevant papers and different books
4. Official Records of BRAC Bank Ltd
5. Official web site of the BRAC Bank Ltd
6. Prior research reports

To prepare this report I have faced the following problems, which may be termed as the limitations of the study. The major limitations of this study are given as follows:

1. There were some restrictions to have access to the information confidential by concern authority.
2. Due to some legal obligation and business secrecy bank was reluctant to provide data. For this reason, the study limits on the available published data and certain degree of formal and informal interview.
3. Sufficient publications regarding customer service were not available as per requirement.

Foreign Remittance:

Remittance means sending of fund. The word remittance we understand sending/ transferring of funds through a bank from one place to another place which is between two countries, one in abroad is called Foreign Remittance. Foreign Remittance" means purchase and sale of freely convertible foreign currencies as admissible "Foreign Exchange Regulations Act-1947" and "Guidelines for Foreign Exchange transaction -VOL. 172 of the country. Purchase of foreign currencies constitutes inward foreign remittance and sale of foreign currencies constitutes outward Foreign Remittance. In broad sense, foreign remittance includes all sale and purchase of foreign currencies on account of import, export, travel, and other purposes. However specifically foreign remittance means sale and purchase of foreign currencies for the purpose other than export and import.

There are two types of remittance:

1. Inward remittance
2. Outward remittance

Inward remittance covers purchase of foreign currency in the form of foreign T.T., DL, and bills ac, 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:

Purpose of Inward remittance:

1. Family maintenance
2. Indenting commission
3. Donation.

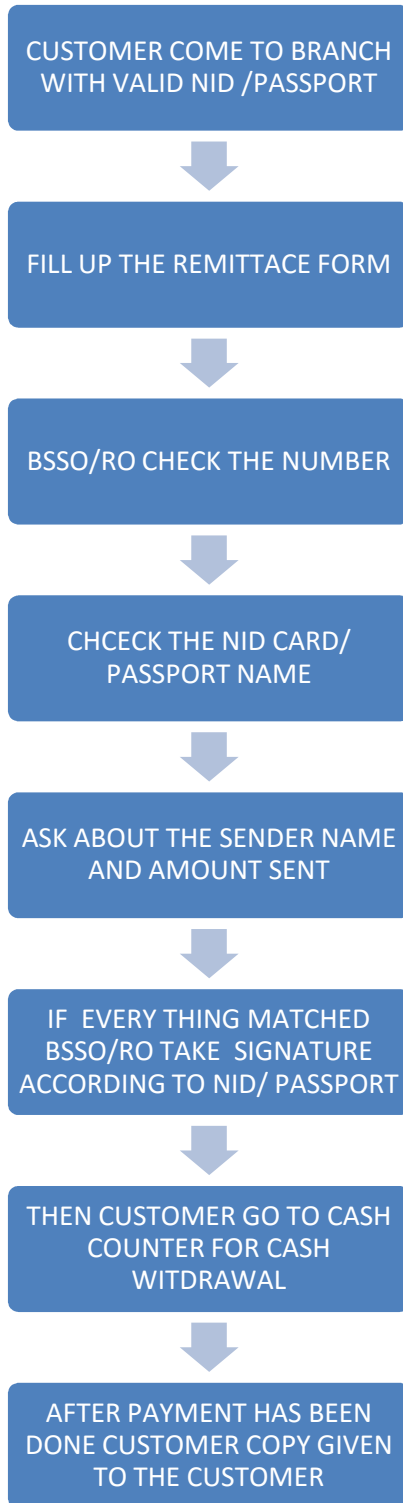
Outward Remittance:

Remittance which is made from our country to abroad are called outward remittance. The main purpose of outward remittance is educational and medical purpose.

Name of the some inward remittance common company:

- Western Union
- X Press Money
- Placid express
- IME
- Transfast
- Money Gram
- Merchantrade
- AL-Ansari
- Ria Continnental
- Brac Saajan
- Prabhu
- Hello paisa

Procedures of Remittance Payment:



1. First of all customer come to branch with hidden number and with valid passport or National Identity.
2. They fill up the remittance form accordingly but if they face any kind of problems then Branch Sales and service officer (BSSO) or Remittance officer (RO) help them to fill up the remittance form accordingly.
3. Branch Sales and service officer (BSSO) or Remittance officer (RO) check the number and cross check the NID or Passport Name with system generated name
4. Branch Sales and service officer (BSSO) or Remittance officer (RO) asked about the sender name , sending country and sent amount to the receiver
5. If everything matched with the given information after that Branch Sales and service officer (BSSO) or Remittance officer (RO) put information into the system as per system procedure.
6. After that Branch Sales and service officer (BSSO) or Remittance officer (RO) take signature at proper place matching with NID and Passport signature
7. Customers then go to cash counter to withdraw cash.
8. After cash withdrawal is finish then customer printed receipt copy given to the customer.

SWOT Analysis of BRAC Bank Remittance

We will look at the SWOT analysis of BRAC Bank remittance service and operation. This will include an assessment of their internal environment (strengths and weaknesses) and also their external environment (opportunities and threats).

Strengths

1. Focus on Technological Advancements: BRAC bank to smooth their remittance operation introduced Mremit Software which in most of the common exchange house. Such as IME, Trans-fast etc
2. Building customer relationship outside branches: Most of the remittance officers are now based on SME unit only few are now tagged with branch customer relationship with existing and new is beyond the imagination then other banks.
3. Extra gifts for remittance receiver: BRAC banks provide different type of exiting gifts for remittance customer on different occasion.

Weaknesses

1. Market share: Compared to other Islami banks ltd BRAC bank is little weaker in remittance section.
2. Lack of Promotion remittance: As remittance is one of the valued section in BOP and also in GDP but due to different problem remittance promotion is little low.

Opportunities

1. Expand to more areas: BRAC Bank has unit office in different section in Bangladesh so increasing the remittance for BRAC bank is easier than any other bank could open SME branches in different part of the country.
2. International Expansion: Since BRAC is one of the most renowned NGOs in the world, BRAC Bank could attempt to go overseas with their operations.

Threats

1. Upcoming banks: The upcoming private local banks can also pose a threat to the existing private commercial banks. It is expected that in the next few years more local private banks may emerge. If that happens the intensity of competition will rise furthermore in industry.
2. Multinational banks: The emergence of multinational banks and their rapid expansion poses a potential threat to the new emerging private banks.

Recommendations

Considering all the study and analyzing all the data I think the following suggestion will benefit both BBL and its customers.

1. Increase the number of location
2. Commit resources specifically for growth of remittance business.
3. Implement strict and continuous monitoring system of the whole remittance payment process.
4. Train the Customer Relationship officers more comprehensively and realistically so that customers may not face any trouble while they approach branch or unit office.
5. Special motivation program needs to be taken to motivate the Remittance officer.
6. Whether the borrowers are utilizing the loan on the right purpose should be ensured.
7. Before establishing a new SME unite office or branch, Banks needs to be more efficient to find out an approximate potential client and location which will help to increase the remittance.

Conclusion

BRAC Bank is moving forward with a vision of People, Planet and Profit. They believe in the economic development and sustainability of the nation by empowering people to earn for themselves. BRAC Bank Ltd has been established on the vision to finance the “missing middle” group in order to bring prosperity. With its unique thinking and impressive business strategies it has proven that SMEs are the future of entrepreneurship and also Foreign Exchange is one of the most important sectors of a bank. There are a few challenges for BBL to overcome if they are to be the market leader. But at the moment, there is no doubt that BRAC Bank is one of the top players when it comes to SME financing and their performance has been excellent.

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