

BRAC UNIVERSITY



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Internship report

on

“Foreign Exchange Operation”

of

Export Import Bank of Bangladesh Limited / EXIM Bank Ltd.

Submitted to:

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Letter of Transmittal

01-March-2018

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Assistant Professor
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Subject: To accept the Internship Report on Foreign Exchange Operation of Export Import Bank of Bangladesh Limited, Gulshan Branch.

Dear Sir,

I would like to thank you for giving me the opportunity of doing this assignment to prepare the Report. I have got the opportunity to work in Exim Bank Limited for my internship program which is an essential part of my academic program. It is a great achievement to work under your active supervision.

The whole report is prepared based on my practical experience in the Bank. I have explained all that I have learnt during the internship program in Exim Bank Limited, Gulshan Branch.

I shall be highly obliged if you are kind enough to accept this report and provide your valuable judgment. So this is my humble request to you to accept this report and I will be available to explain any queries if you feel necessary.

Sincerely yours,

Md. Shamsuddin Meraj

ID: 13164065

BRAC Business School
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Letter of Endorsement

This is to certify that internship report on Foreign Exchange Operation of Export Import Bank of Bangladesh Limited, Gulshan Branch is done by Md. Shamsuddin Meraj, ID NO#13164065 as partial fulfillment of the requirement of MBA program from the BRAC Business School, BRAC University. It is find that there are around 67% plagiarism in the report.

The report has been prepared under my guidance.

Signature of the Supervisor

Md. Hasan Maksud Chowdhury

Assistant Professor

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Acknowledgement

At the very beginning, I would like to express my deepest gratitude to almighty God for giving me the strength and opportunity to finish the report within the schedule time.

I am also grateful to my supervisor Md. Hasan Maksud Chowdhury, Assistant Professor, BRAC Business School, BRAC University, for his motivating inspiration, kind direction, valuable suggestions and advices during my internship period.

I express my sincere gratitude to Mr. Md. Harun-or-Rashid (FAVP), Mr. Omar Faruk (EO), Mr. Robayet Hasan & Ms. Helena Akther (Officer) Mr. Md. Rustom Ali (TO) of Exim Bank Limited, for their cordial attitude and extending help which enabled me to prepare this internship report properly.

I also want to express my sincere gratitude to all of the employees of Export Import Bank of Bangladesh Limited, Gulshan Branch for their cooperation. I thanked modern technology for making information available for us and make our life so easier as well as provide as much as information as one needs.

I am grateful to all those people who have at least minimum effort and contribution to complete report. I feel so much lucky to get their co-operation.

Disclaimer

I, Md. Shamsuddin Meraj, ID-13164065, the student of BRAC Business School, BRAC University (Major in Marketing). I have completed my Internship Program from Export Import Bank of Bangladesh limited, Gulshan Branch. I have prepared this report on the Foreign Exchange Operation of Export Import Bank of Bangladesh limited, Gulshan Branch. In this report I have included all the information, which I got during my internship period. I have written this report on the basis of my work experience and observation during the internship period.

So, I am declaring that, this report is original in nature and not copied from other sources.

Md. Shamsuddin Meraj

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Executive Summery

Banking sector is expanding its hand in different events every day. At the same time the banking process is becoming faster, easier, and the banking area becoming wider. As the demand for better service increases day by day, they are coming with different innovative ideas and products. In order to survive in the competitive field of the banking sector, all banking organization are looking for better service opportunity to provide their fellow clients. As a result, it has become essential for every person to have some idea on the bank and banking procedure. The overall objectives and missions of my research were to represent Import and Export activities in EXIM Bank Ltd, Gulshan Branch. EXIM Bank Ltd believes in the vision of to be the best Private Commercial Bank in Bangladesh. To achieve the desire goal the bank is showing the excellence at all stages with a climate of continuous improvement. Banks strategic plans and networking will strengthen its competitive performance over others in this rapidly changing competitive environment.

Banking sector is growing day by day. Besides general banking, foreign exchange operation is playing vital role in overall banking and economic sector. I have tried to make clear understanding about foreign exchange operations and findings their loopholes. Here I have face some problems during working on report. Time limit is not sufficient for preparing an outstanding report.

This report provides an analysis and evaluation of the current organizational change happened in Export Import Bank of Bangladesh Limited, Gulshan Branch. The report draws attention to the fact that in the year of 1999 EXIM Bank Management decided to change its banking process by changing principle of conventional banking to Shariah based banking principle. Principle of Shariah would be the EXIM Banks' new process and conventional interest based banking would be banned. EXIM Bank bring this change by changing human resources first, change the structure inside the organization, change the products of the bank, and change overall business operations. To bring this change EXIM Bank faced resistance that rose inside and outside the organization. The report also finds the prospects of the company after the successful transformation of conventional banking to Shariah based banking.

General banking has four sections that are Account Opening Section, Clearing Section, Cash Section, and Account Section. Besides all of this, bank is providing various Card.

Foreign Exchange Department is an important part of operations of EXIM Bank Ltd. Import section is performing two functions; Import financing & Bank guarantee. Functions is dealing with three components; LC, PAD & LTR. LC has various types, maximum LC are irrevocable, confirmed, back to back LC. In export section, two types credit are provided; Pre -Shipment Finance and Post-Shipment Finance. Foreign Exchange Department works on buying and selling remittance. Remittances are purchased or sold by TT, MT, TC, and Draft etc. EXIM Bank provided Foreign Currency Account, Resident Foreign Currency Deposit Account, Non-resident Foreign Currency Deposit Account, Non-resident Taka Account and Non-resident Investor's Taka Account for Non-resident Bangladeshi.

Foreign exchange section needs more manpower and regular and advance training is required to its employees. In this competitive market, EXIM Bank has performing outstanding and it is growing continuously to reach its objectives.

I hope this report, despite its many limitations, will be a gateway to have a clear concept about the foreign exchange activities of EXIM Bank Limited, Gulshan Branch.

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Chapter 1

1.1 Introduction

Banking system is playing a crucial role in a nation's economy in modern society. Banking institution is indispensable in today's world and is very essential in the economic development of a country. Against the background of liberalization of economic policies in Bangladesh, EXIM Bank Limited emerged as a new commercial bank to provide efficient banking services with a view to improve the socio- economic development of the country.

The bank brings up a broad range of financial services to its customers and corporate clients. The Board of Directors consists of renowned personalities from the sphere of commerce and industries of the country.

Bank is very old institution that is contributing toward the Development of any economy and is treated as an important service industry in the modern world. Economic history shows that development has started everywhere with the banking system and its contribution towards financial development of a country is the highest in the initial stage. Modern banks play an important part in promoting economic development of a country.

Bank provides necessary funds for executing various programs in the process of economic development. They collect savings from large masses of people scattered throughout the country, which in the absence of banks would have remained idle and unproductive. These scattered amounts are collected, pooled together and made available to commerce and industry for meeting the financial requirements. Economy of Bangladesh is in the group of world's most underdeveloped economies.

One of the reasons behind this may be its underdeveloped banking system. Government as well as different international organizations have also identified that underdeveloped banking system causes some obstacles to the process of economic development. So they have highly recommended for reforming financial sector.

Since 1990, Bangladesh Government has taken a lot of reform activities to ensure high economic growth. In 1996, World Bank published "Bangladesh: Agenda for Action" in which it has suggested lots of recommendations for economic development of our country. These recommendations include special presentation for reforming banking sector. Bank plays a vital role in the economy by providing means of payment and in mobilizing resources. Bank is the most important financial institution in the economy. The economic development of a country depends on the development of banking sector.

Today's modern banks are not only providing traditional banking but also expanding the many financial services. In today's world the life of the people directly or indirectly are within the arena of banking whether conventional or Islamic banking. Although Islamic banking is not a newer concept in Bangladesh as it has started its operation since 1983, very few people are aware about its operation. But things are changing. Islamic Banking is also getting popularity in the country. Internship program is essential for every student, especially for the students of Business Administration, which helps them to know the real life situation. For this reason a student takes the internship program at the last stage of the bachelor's degree, to launch a career with some practical experience. Against this backdrop, I have completed my three months internship in the EXIM Bank Ltd., Gulshan1 Branch, Dhaka which has helped me a lot to understand the real life situation of banking business.

1.2 An overview of the organization (EXIM Bank Ltd)

EXIM Bank Limited was established in 1999 by Shahjahan Kabir, founder chairman. Nazrul Islam Mazumder became the new chairman after the founding chairman died. The bank started functioning from 3 August 1999 with Alamgir Kabir, as the adviser and Mohammad Lakiot ullah as the managing director. On 2009, the bank made history for being the first privately owned bank in Bangladesh to open an exchange house in the UK. The bank started its operation with an initial authorized capital of Taka 1 billion (\$12.87 million USD) and paid up capital of Taka 225 million (2.9 million USD).

Since then the authorized and paid up capital remained unchanged till December 2000. Later, both were increased from time to time and their amounts stood at Tk.16.12 billion (\$207.31 million USD) and Tk.9.22 billion (\$118.7 million USD) respectively on 31 December 2011. EXIM bank is the first bank in Bangladesh to have converted all of its operations of conventional banking into Shariah-based banking, since July/2004.

1.3 Mission, Vision

Mission of EXIM Bank

The Bank's missions are:

1. Provide quality financial services especially in Foreign Trade
2. Continue a contemporary technology based professional banking environment
3. Maintain corporate & business ethics and transparency at all levels

4. Sound Capital Base
5. Ensure sustainable growth and establish full value to the honorable stakeholders
6. Fulfill its social commitments and
7. above all, to add positive contribution to the national economy

Vision of EXIM Bank

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

1.4 Objective of the EXIM Bank Ltd

The core objectives are:-

1. To carry on, Transact, undertake and conduct the business of Banking in all its branches and to transact and do all matters and things incidental there to in Bangladesh and abroad.
2. To receive, borrow or raise money on deposits, loan or otherwise, upon such terms as the Company may approve and to give guarantees and indemnities in respect of all debts and contracts.
3. To establish welfare oriented Banking systems.
4. To play a vital role in human development and employment generation.
5. To invest money in such manner as may from time to time be thought proper.
6. To carry on the business of buying and selling bullion, gold and other valuable assets.

1.5 Composition of the board

Board of Directors

Mr. Md. Nazrul Islam Mazumder	Chairman
Mr. Md. Abdul Mannan	Vice Chairman
Mr.Md. Nazrul Islam Swapan	Director

Mr. Mohammad Abdullah	Director
Mrs. Nasreen Islam	Director
Mr. Mohammed Shahidullah	Director
Mr. Anjan Kumar Saha	Director
Al-haj Md. Nurul Amin	Director
Mr. Md. Habibullah Dewan	Director
Major Khandaker Nurul Afser	Director
Lt. Col (Retd) Serajul Islam BP (BAR)	Independent Director
Mr. Ranjan Chowdhury	Independent Director
Khandakar Mohammad Saiful Alam	Independent Director
Mr. Mohammad Sekandar Khan	Independent Director
Dr. Mohammad Haider Ali Miah	Managing Director

Table No: 1 Board of Directors

Executive Committee

Mr. Md. Nazrul Islam Mazumder	Chairman
Mr. Md. Abdul Mannan	Vice Chairman
Mr. Md. Nazrul Islam Swapan	Member
Mr. Mohammed Shahidullah	Member
Mr. Mohammad Abdullah	Member
Lt. Col (Retd) Serajul Islam BP (BAR)	Member
Khandakar Mohammad Saiful Alam	Member

Table No: 2 Executive Committee

Board Audit Committee

Mr. Ranjan Chowdhury	Chairman
Mrs. Nasreen Islam	Member

Mr. Md. Nurul Amin	Member
Mr. Mohammad Sekandar Khan	Member
Major KhandakerNurulAfser	Member

Table No: 3 Board audit committee

Risk Management Committee

Mr. Md. Nurul Amin	Chairman
Mr. Anjan Kumar Saha	Member
Major KhandakerNurulAfser	Member
Lt. Col (Retd) Serajul Islam BP (BAR)	Member
Mr. Md. Habibullahdewan	Member

Table No: 4 Risk management committee

Shariah Supervisory Committee

Maulana Mohammad Sadequl Islam	Chairman
Hafez Maulana Mufti Mohammad Khairullah	Member
Professor Dr. H. M. Shahidul Islam Barakaty	Member
Moulana Md. AbdurRazzaque	Member
Professor Dr. Abu Noman Md. Rafiqur Rahman	Member
Mrs. Nasreen Islam	Member
Mr. Mohammad Shahidullah	Member
Mr. Md. Nurul Amin	Member
Mr. A.K.M NurulFazal Bulbul	Member
Dr. Mohammed Haider Ali Miah	Member
AbulQuasem Md Safiullah	Member

Table No: 5 Shariah supervisory committee

1.6 Management Structure

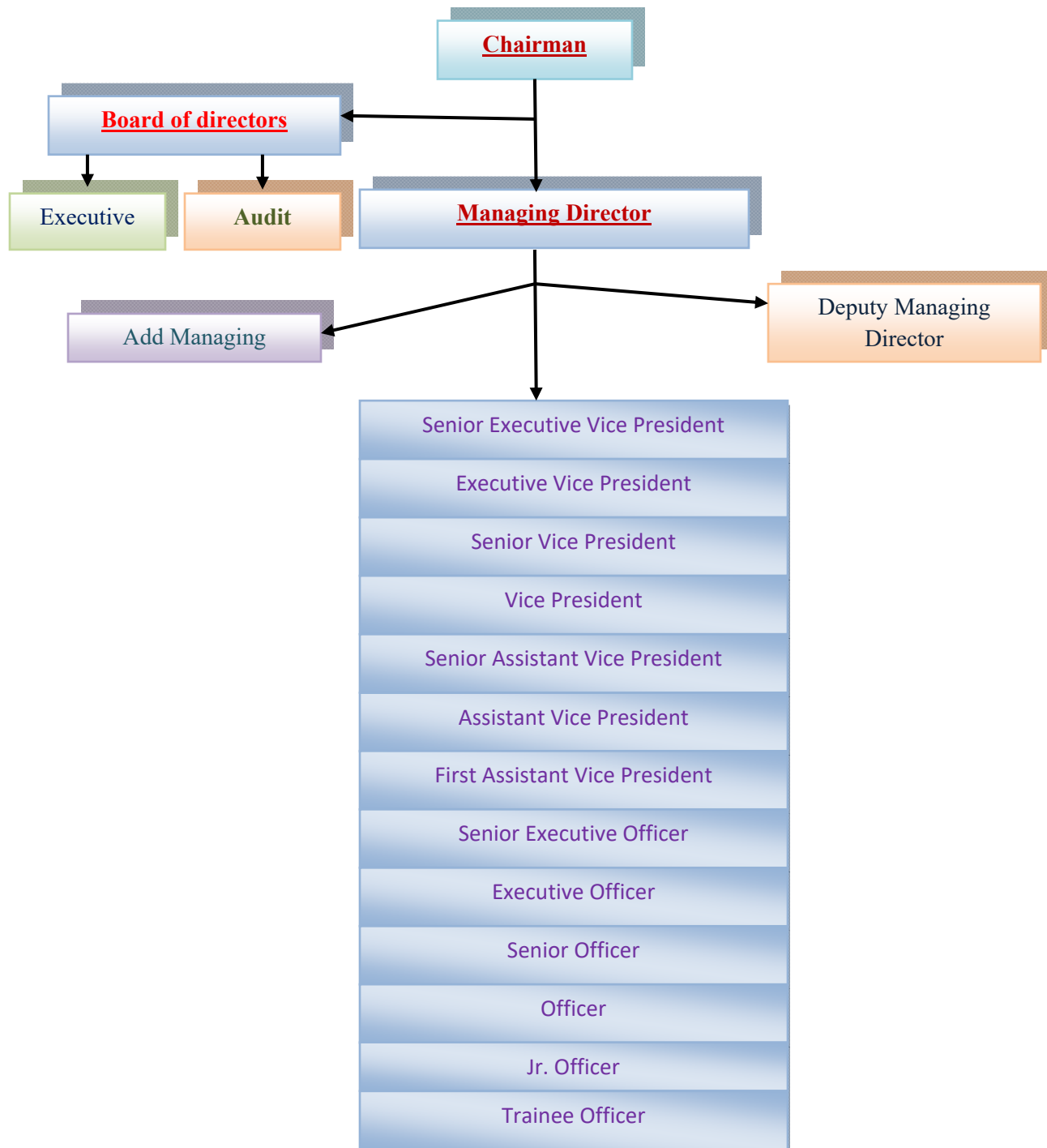


Figure 1: Management Structure

1.7 Risk Management

The main object of the study is to measure the financial risk of EXIM bank Ltd. The specific objective of the study are listed below-

- Measure the credit risk.
- Measure the liquidity risk.
- Measure the market risk.
- Measure the interest risk.
- Measure the capital risk.

Credit Risk

Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit (either the principal or interest (coupon) or both): The probability that some of a bank's assets, especially its loans, will decline in value and perhaps become worthless is known as credit risk. Because banks hold little owners capital relative to the aggregate value of their assets, only a relatively small percentage of total loans needs to turn bad in order to push any bank to the brink of failure. The following are four of the most widely used indicators of bank credit risk:

1. The ratio of nonperforming assets to total loans and leases.
2. The ratio if net charge-offs of loans to total loans and leases.
3. The ratio of the annual provision for loan losses to total loans and leases or to total equity capital.
4. The ratio of allowance for loan losses to total loans and leases or to total equity capital.

Liquidity Risk

Bankers are also very concerned about the danger of not having sufficient cash and Borrowing capacity to meet deposit withdrawals net long demand and other cash needs. Faced with liquidity risk, a bank may be forced to borrow emergency funds at excessive cost to cover its immediate cash needs, reducing its earnings. Very few banks ever actually run out of cash because of the ease with which liquid funds can be borrowed from other banks. In fact, so rare is such an event that when a small Montana bank in the early 1980s had to refuse to cash checks for a few hours due to a temporary "cash-out," there was a federal investigation of the incident. Somewhat more

common is a shortage of liquidity due to unexpectedly heavy deposit withdrawals, which forces a bank to borrow funds at an elevated interest rate-higher than the interest rate other banks, are paying for similar borrowings. A significant decline in a bank' liquidity position often forces it to pay higher interest rates to attract negotiable money market CDs (which are sold in million-dollar units and therefore are largely unprotected by deposit insurance). One useful measure of liquidity risk exposure is the ratio of: Purchased funds (including Eurodollars, federal funds, security RPs, large CDs, and commercial paper) to total assets. Heavier use of purchased funds increases the chances of liquidity crunch in the event deposit withdrawals rise or loan quality declines. Other indication of a bank's exposure to liquidity risk includes the ratios of:

1. Purchased funds to total assets.
2. Net loan to total assets.
3. Cash and due-from deposit balance held at other banks to total assets.
Cash assets and government securities to total assets.

Market Risk

Market risk is the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions such as market movements. This risk is inherent in the financial instruments associated with our operations and/or activities including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives. Market-sensitive assets and liabilities are generated through loans and deposits associated with our traditional banking business, our customer and proprietary trading operations, our ALM process, credit risk mitigation activities, and mortgage banking activities. Falling interest rates, in contrast will increase the value of fixed-income securities and fixed-rate loans, resulting in capital gains when they are sold. Among the most important indication of market risk in banking are:

1. The ratio of a bank's book-value assets to the estimated market values those same assets.
2. The ratio of fixed-rate loans and securities to floating-rate, loans and securities and of fixed-rate liabilities to floating-rate liabilities.
3. The ratio of book-value equity capital to the market value of a bank's equity capital.

Interest Risk

The impact of changing interest rates on a bank's margin of profit is usually called interest rate risk. Among the most widely used measures of bank interest-rate risk exposures are:

1. The ratio of interest-sensitive assets to interest liabilities when interest-sensitive assets exceed interest-sensitive liabilities in a particular maturity range, a bank is vulnerable to losses from falling interest rates. In contrast, when rate-sensitive liabilities exceed rate-sensitive assets in volume, losses are likely to be incurred if market interest rates rise.
2. The ratio of uninsured deposits to total deposits, where uninsured deposits are usually government and corporate deposits that exceed the amount covered by insurance and are usually so highly sensitive to changing interest rates that they will be withdrawn if yields offered by competitors rise even slightly higher.

Capital Risk

Probability of the value of the bank assets declining below the level of its total liabilities.

The probability of the bank's long run survival.

These are given below:

1. Stock price/ Earnings per share
2. Equity capital/ Total assets
3. Purchased funds/ Total liabilities
4. Equity capital/ Risk assets.

1.8 Joint Venture abroad

1. EXIM exchange company (UK) Ltd
2. EXIM exchange company (CANADA) Ltd
3. EXIM Islamic investment Ltd (Merchant Bank)

1.9 District Wise Branch of EXIM Bank Ltd.

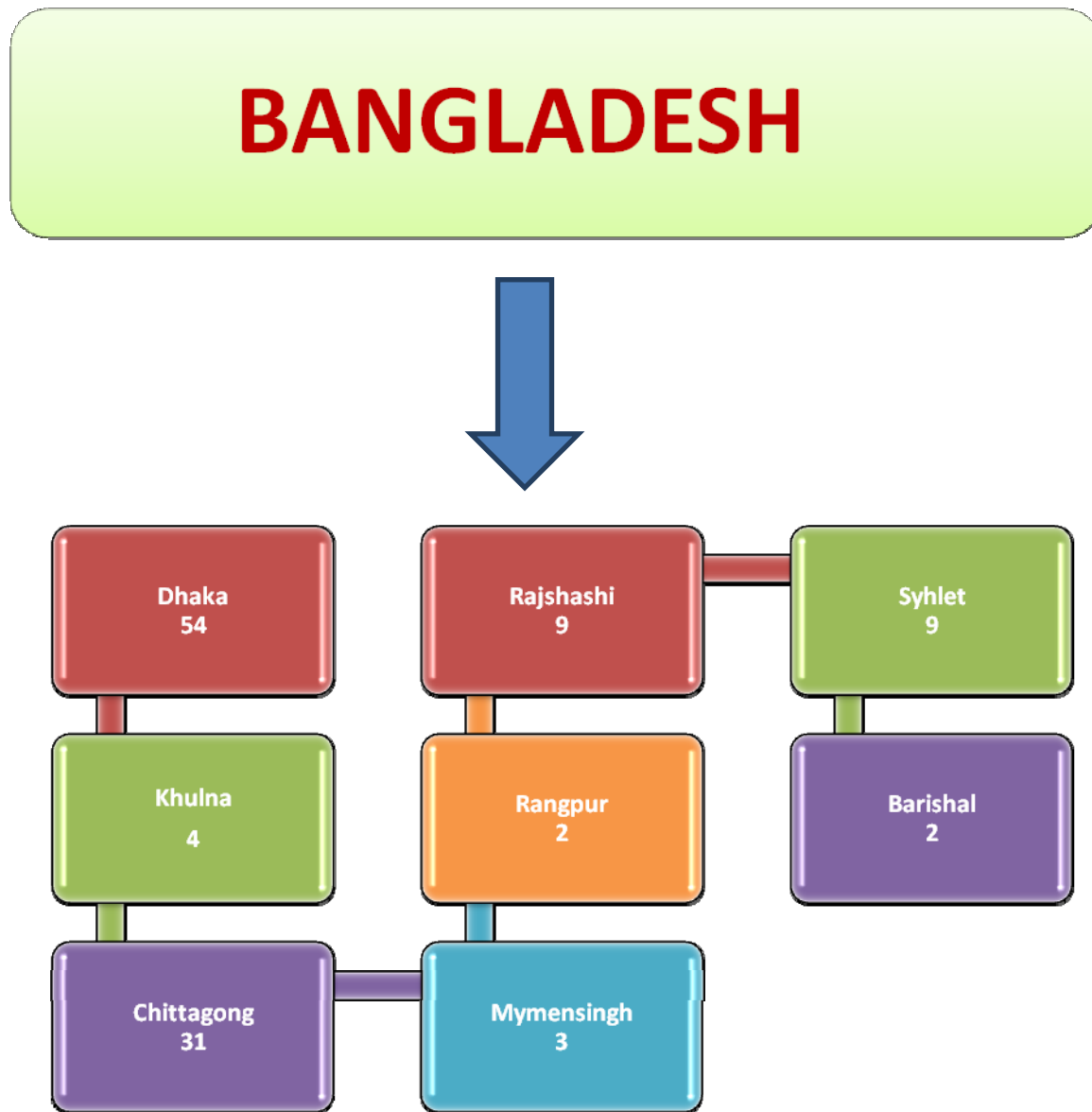


Figure: 2 District wise Branches of EXIM Bank Ltd.

Chapter 2

2.1 Job Responsibilities

Nature

During my 3 months' intern period I have worked in general banking more than 2 months. I was assigned to do some particular works;

1. Fill the customer KYC form: KYC means 'Know Your Customer'. To open any account this form is essential. And I had to fill up all type of forms and complete the full form for the posting in the software.
2. Sorting out of cheque book and DPS voucher: During the deposit time of DPS amount I was consigned to sort out the different amount of DPS so that the officers of the bank can easily give entry of the DPS.
3. Data entry at the register book: My daily routine was put the data entry of savings voucher in the register book. Besides this I also made the data entry of pay order at the register.

2.2 Critical Analysis

Critical analysis and recommendation

During my full intern period I faced some problems because of the bank's typical system. That's why I will discuss my findings of the problems and try to give some suggestions according to my point of view:

1. KYC form is very important to assess the customer. But manually filling of the form by the intern, the bank actually slows down its system and makes wastes of the time. Instead of filling the form by hand, the bank can introduce developed software by which the customer himself can fill up the form. By this process the officers don be bothered for filling the form. At the same time, they can save their time since they don't have to put entry the in formations of the customer.
2. And the bank can give the customer their own ID and password so that customers themselves can check their balance and take statements. Because I observed checking balance and taking statements loss a lot of time of the officers.

3. The bank doesn't allow the intern's access in their software. But it only increases their load. At the same time the interns cannot learn anything properly. I think, they can allow the interns a certain limit of access in their software. If they permit the interns to their software, interns can post the IPO information, DPS posting, provide services to the customers by checking balance and statement. In this way, their officers will also be freed from some of the loads.

Chapter 3

3.1 Summary of the Project

As the student of BBS (BRAC Business School) I need to conduct a practical orientation on any organization for fulfilling the requirement of this program. For this purpose, I have chosen Export Import Bank of Bangladesh Limited / EXIM Bank Limited, Gulshan Branch. I want to present here the overall banking services that are provided by EXIM Bank Limited, Gulshan Branch. Within 3 months' internship I have worked in general banking sector for two months and Foreign Exchange sector for 1 month. The report mainly focuses on Foreign Exchange sector. While working in this organization I have observed some important issues related to the development of the bank. The entire general processes are not fully computerized. So, services cannot be provided very smoothly. The cash counter is congested and the procedure is also traditional. There is no computer in Accounts opening section and Remittance system. That's why; the service is not as prompt as the customer's need. Lack of variety of services is also a drawback of the general banking area of the bank. It only provides some traditional services to its client. So the bank is falling behind in competition.

They are not using Data Base networking in IT. So they have to transfer data from branch to branch and branch to head office which of course is not a good system. So they have many problems which they should focus for further development. Otherwise they will not be able to cope up with the competitive economy of the country. I have recommended a lot of things in this report. In general, they should introduce digital system rather than manual in every department. And of course they should develop their technological system. Because other banks like Dutch-Bangla Bank, Eastern Bank, BRAC Bank become more developed technologically. They have started digital system in favor of customers. EXIM Bank Limited, Gulshan Branch has also some strength which can be used for solve these problems.

The Bank has been manned with talented and brilliant personnel, equipped with most modern technology so as to make it most efficient to meet the challenges of 21st century.

3.2 Objectives of the Report / Study

The main objective of the report will be to provide an overview of the foreign exchange operations of EXIM Bank Limited to fulfilling the requirement of MBA program. However, the

objective behind this study is something broader. Objectives of the report are summarized in the following manner-

1. To provide an overview of EXIM Bank Limited.
2. To analyze Export- Import procedures of EXIM Bank Limited.
3. To identify the back to back letter of credit of EXIM Bank Limited.
4. To analyze the annual performances of export and import business of EXIM Bank Limited.
5. To evaluate the foreign inward and outward remittance of EXIM Bank Limited.

3.3 Scope of the Report / Study

The report entails the following:

1. An organizational overview: Including the history of EXIM Bank, the product and services offered the organizational structure and the vision and mission statement of the bank.
2. Overview of the job: This part entails the nature of the job, the various task I performed while working in EXIM Bank, the lessons I learnt, the limitations I faced, the observations I made about banking procedures and the recommendation I made to EXIM Bank in order to improve the internship program.
3. The different foreign exchange related activities that take place in the particular branch of EXIM Bank. The following are the activities under foreign exchange that take place in the EXIM Bank:
 - Import
 - Remittance
4. Along with the above this report will analyses the financial performance of overall EXIM Bank by calculating the below ratios:
 - ✓ Profitability Ratio, Liquidity Ratio, Credit Risk Ratio, Asset Activity Ratio

3.4 Methodology

Source of Data

This report is based mainly on observations that I will experience during the internship period. Data required for this report will be collected from the annual report. Apart from these, helpful

information will be collected from online resources. To analyze the performance of EXIM Bank Limited, different financial tools such as ratio analysis, trend analysis will be done.

In order to prepare the theoretical framework of the study, existing published textbooks, website, various data and research will be consulted and data will be collected from primary and secondary sources.

A. Primary Data – Primary data will be collected by-

- Interview of officers of EXIM Bank Ltd
- Observation of works of officers of EXIM Bank Ltd
- Work experience in EXIM Bank Ltd

B. Secondary Data- Secondary information will be collected from-

- Banks papers
- Booklets
- Hand note
- Annual report
- Other related research reports
- Prospectus
- Web site

3.5 Limitations

- The main limitation of this report is time frame. The time limit for the internship is only three months, and we have to understand the whole banking procedure and have to prepare a report within such limited time.
- Management/officers are not always that much helpful regarding their confidential information.
- I am working in one branch. I don't know what procedures other branches are following.

Chapter 4

4.1 General Banking

General banking is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customers. Every day it receives deposits from the customers and meets their demand for cash by honoring Cheques. It opens new accounts, remit funds, issues bank drafts and pay orders etc. Since bank is confined to provide the services every day, general banking is also known as ‘retail banking’.

Function of this Department:

- Account Opening Section
- Closing Account
- Cash section
- Deposit section
- Remittance section
- Bills and clearings section
- Account section
- Dispatch section

4.2 Account Opening Section

This section deals with opening of different types of accounts .it is also deals with issuing of checkbooks and different accounts openers. A customer can open different types of accounts through this department such as:

- AL-Wadia current deposit
- Mudaraba saving deposit
- Mudaraba Short Term Deposit
- Mudaraba Term Deposit
- Mudaraba Savings scheme
 - ✓ Mudaraba Super Saving Scheme
 - ✓ Mudaraba Monthly Saving Scheme
 - ✓ Mudaraba Multi-plus Saving Scheme
 - ✓ Mudaraba Monthly Income Scheme
 - ✓ EXIM Bank Hajj Account Project

- Education Saving Scheme
- Foreign currency Account

4.3 Closing of Account

The closing of an account may happen;

- If the customer desirous to close the account.
- If EXIM finds that the account is inoperative for a long duration.
- If Garnishee order is issued by the court on EXIM.

To close the account, the cheque book is to be returned to the bank. EXIM takes all the charges by debiting the account and the remaining balance are then paid to the customer. Necessary entries are given to the account closing register and computer. In case of joint a/c the application for closing the a/c should be signed by all the joint holders.

4.4 Cash Section

Cash Receiving Procedure

The work of cash receiving counter is examining deposit slips. Depositor uses the prescribed deposit slip supplied by the bank for deposit cash, check, draft, pay order etc. In all types of deposits the teller must check the following things:

- The slip has been properly filled up.
- The title of the account and in its number.
- The amount in figure and in words is same.
- Instrument signed by the depositor.
- Date of the instrument.

After checking all these things the teller will accept cash, check, draft, pay order etc. against deposit slip. The teller will place the cash in the cash in drawer according to denominations. The teller will place signature and affix cash receipt, rubber stamp seal and record in the cash received register book against the account number.

At the end of this procedure, the cash officer passes the deposit slip to the computer section for posting purpose and returns the customer's copy.

Cash Payment Procedure

In order to safe guard the position the paying banker has to observe the following precaution before honoring a check;

- ✓ A check must be looked whether it is an opened or crossed check.
- ✓ The paying officer should see whether the check is drawn on his/her branch.
- ✓ He must see if the check is postdated or pre dated.
- ✓ The office must carefully see the apparent tenor of the check.
- ✓ The officer must compare the signature of the check with the signature on the specimen signature card.
- ✓ The officer must verify the regularity of the endorsement.
- ✓ The officer may allow overdue against a check if prior arrangement is done with the bank.

4.5 Deposit Section

Deposit is the lifeblood of a bank. From the history and origin of the banking system we know that deposit collection is the main function of a bank is accepting deposit. The deposits that are accepted by Exim Bank like other banks may be classified in two parts.

1. Demand Deposit.
2. Time Deposit.

Demand Deposit

These deposits are withdrawn able without notice, e.g. Current Deposits. Exim Bank accepts demand deposits through the opening of-

1. Current Account.
2. Savings Account.
3. Call deposits from the fellow bankers.

Time Deposit

A deposit which is payable at a fixed date or after a period of notice is a time deposit. Exim Bank accepts time deposits through Fixed Deposit Receipt (FDR), Short Term Deposit (STD) and Bearer Certificate Deposit (BCD) etc. While accepting these deposits, a contract is done between

the banker opens an account in the name of a customer; there arises a contract between the two parties. This contract will be valid only when both the parties are competent to enter into contracts. As account opening initiates the fundamental relationship & since the banker has to deal with different kinds of persons with different legal status, Exim Bank officials remain very much careful about the competency of the customers.

4.6 Remittance Section

EXIM Bank Ltd maintains 3 types of remittance, which are:

- Telegraphic transfer
- Demand draft
- Payment order

Telegraphic Transfer:

It allows its account holders or outsiders to send money or pay to outside branches of EXIM Bank of Dhaka through cheque or cash payment. Money is sent by using telephone or telex machine. The drawer must have an account in the sent bank. A test number is used for this transfer where the drawer must know about it.

Demand Draft:

It is similar to the telegraphic transfer except using a demand note for transferring money from branch to branch of EXIM Bank.

Pay-order:

It is a non-negotiable credit document. It is generally used as an alternative of money. It can also be used as security of the loan. A bank issues the pay-order in term of a specified fee to safely exchange of money. For transferring money, pay-order can be used as cheques where client of other banks can easily credit through clearing the pay-order.

4.7 Bills and Clearing Section

Clearing means such a technique through which bankers can arrange of receipt or payment on mutually issued cheques or bills.

Clearing house is an office or a room where bankers gather to meet up their mutual receipt payment through a special technique.

4.8 Account Section

Task of account department:

Accounts department plays a vital role in commercial banking. The activities of accounts section are as follows:

- Record all transaction in the cash book.
- Record all transaction in the general and subsidiary ledger.
- Prepare daily fund function, Weekly position, periodic statement of affairs etc.
- Prepare necessary statement for reporting purpose.
- Pay all expenditure on behalf of the branch.
- Make salary statement and pay salary.
- Branch to branch fund remittance and support for accounting treatment.
- Budgeting for branch.
- Make charges for different types.

4.9 Dispatch Section

Dispatch division mainly operates the function of dispatching the intimidation letter to the client, Inter Bank Credit Advice (IBCA), Inter Bank Debit Advice (IBDA), outward bill collection (OBC) to the other banks for internal transaction with the banks. Dispatch division receives the letter and documents coming from Head Office, another branches, another bank, negotiating bank (in case of Import), and opening bank (in case of Export) in the name of The EXIM Bank Limited, Dhaka, The officer engaged in the dispatch division maintains two types of register books to keep entries of those documents' particulars.

These two types of books are-

1. Inward mail.
2. Outward mail.

4.10 Products and Services

Services:

- SME service
- SWIFT service
- ATM service

- Mobile banking
- Internet banking
- any branch service
- Remittance card service
- Locker service
- Foreign exchange business service
- Garments business service
- Any other instrument service (Shariah approved product)
- Credit card/Debit Card service
- Agent banking service
- NRB service

Products:

1. Mudaraba Deposit Account (RFCD, NFCD)
2. Mudaraba Monthly Saving Scheme- Money Grower
3. Mudaraba Monthly Income Scheme- Steady Money
4. Mudaraba Super Savings Scheme- Double in 6 years
5. Mudaraba Multi-plus Savings Scheme- More than triple in 10 years
6. Mudaraba Education Savings – For higher education
7. Mudaraba Hajj Prokalpa
8. Mudaraba Credit Cards
9. Foreign Currency Deposit Account
10. Corporate Finance
11. Commercial Finance
12. Industrial Finance
13. Project Finance
14. Lease Finance
15. Syndicate Finance
16. Hire Purchase Finance
17. Real Estate Finance

Chapter 5

5.1 Foreign Exchange

The definition of a foreign exchange is the exchange of one currency for another by governments, businesses and residents in two different countries. Foreign Exchange is the exchange of one currency for another or the conversion of one currency into another currency. Foreign exchange also refers to the global market where currencies are traded virtually around-the-clock. The term foreign exchange is usually abbreviated as "forex" and occasionally as "FX." This is the process by which people in different countries pay each other by exchanging different types of money. Any currency other than the local currency which is used in settling international transactions is called foreign currency.

5.2 Foreign Exchange Market and Bangladesh

Because the currency markets are large and liquid, they are believed to be the most efficient financial markets. It is important to realize that the foreign exchange market is not a single exchange, but is constructed of a global network of computers that connects participants from all parts of the world. The markets, in which participants are able to buy, sell exchange and speculate on currencies.

Foreign exchange markets are made up of banks, commercial companies, central banks, investment management firms, hedge funds, and retail forex brokers and investors. The forex market is considered to be the largest financial market in the world.

Evolution of the market in Bangladesh is closely linked with the exchange rate regime of the country. It had virtually no foreign exchange market up to 1993. Bangladesh Bank, as agent of the government, was the sole purveyor of foreign currency among users. It tried to equilibrate the demand for and supply of foreign exchange at an officially determined exchange rate, which, however, ceased to exist with introduction of current account convertibility. Up to 1990, multiple exchange rates were allowed under different names of export benefit schemes such as, Export Bonus Scheme, XPL, XPB, EFAS, IECS, and Home Remittances Scheme. This led to a wide divergence between the official rate and the SEM rate. The situation also gradually gave rise to a number of conflicting regulations, poor risk management, and various types of implicit or explicit government guarantees to the users of foreign exchange

At present, the system of exchange rate management in Bangladesh is to monitor the movement of the exchange rate of taka against a basket of currencies through a mechanism of Real Effective Exchange Rate (REER) intended to be kept close to the equilibrium rate.

The players in the foreign exchange market of Bangladesh are the Bangladesh Bank, authorized dealers, and customers.

The Bangladesh Bank is empowered by the Foreign Exchange Regulation Act of 1947 to regulate the foreign exchange regime. It, however, does not operate directly and instead, regularly watches activities in the market and intervenes, if necessary, through commercial banks. From time to time it issues guidelines for market participants in the light of the country's Monetary Policy stance, Foreign Exchange Reserve position, Balance of Payments, and overall macro-economic situation. Guidelines are issued through a regularly updated Exchange Control Manual published by the Bangladesh Bank.

The authorized dealers are the only resident entities in the foreign exchange market to transact and hold foreign exchange both at home and abroad. Bangladesh Bank issues licenses of authorized dealership in foreign currencies only to scheduled banks. The amount of foreign exchange holdings by the authorized dealers are subject to open position limits prescribed by Bangladesh Bank, which itself purchases and sells dollars from and to the dealers on spot basis. The size of each such transaction with Bangladesh Bank is required to be in multiples of \$10,000, subject to a minimum of \$50,000. In addition to authorized dealers, there are registered moneychangers to buy foreign currencies from tourists and sell them to outgoing Bangladeshi travelers as per entitlement. Their excess holdings beyond the permitted balance are required to be retained with authorized dealers.

Some service institutions like hotels and shops have also obtained limited money changing licenses to accept foreign currencies from the foreign tourists, but those are to be sold to authorized dealers. Transactions by customers take place mainly to satisfy customer demand for individual needs and to facilitate export, import, and remittances.

Now the country's foreign exchange market is not confined to Dhaka city only rather, it is extended to Chittagong, Khulna, Sylhet and other important cities also. All the banks are allowed

to deal in foreign exchange. Bangladesh Bank has fixed the open position limit for the banks by which, banks are to operate in the interbank market.

BAFEDA

Bangladesh Foreign Exchange Dealers Association (BAFEDA) was formed in a bankers' meeting held on August 12, 1993 in the Board Room of Rupali Bank Ltd. to help the development of an orderly inter-bank foreign exchange market in Bangladesh. Its major activities include framing of rules governing the conduct of inter-bank foreign exchange business among banks vis-a-vis public and liaison with Bangladesh Bank for reforms and development of forex market. Presently some of the functions are as follows:

- Guidelines for inter-bank foreign exchange dealings.
- Training of Bank Personnel in the areas of Foreign Exchange Business.
- Advising/Assisting member banks in settling issues/matters in their dealings.
- Represent member banks on Government/Bangladesh Bank/Other Bodies.
- Calculation and announcement of daily inter-bank weighted average/average rates to member banks.
- Publishing Dhaka Inter-bank Offered Rate (DIBOR)

Due to continuing integration of the global financial markets and increased pace of de-regulation, the role of self-regulatory organizations like BAFEDA has also transformed. In such an environment, BAFEDA plays a catalytic role for smooth functioning of the markets through closer co-ordination with the Bangladesh Bank and various market participants. BAFEDA also maximizes the benefits derived from synergies of member banks through innovation in areas like new customized products, bench marking against international standards on accounting, market practices, risk management systems, etc.

5.3 Different Foreign Exchange Rate in Bangladesh

Exchange rates of Taka for inter-bank and customer transactions are set by the dealer banks, based on demand-supply interaction. Bangladesh Bank (BB) is not in the market on a day-to-day basis, and undertakes USD purchase or sale transactions with dealer banks at prevailing inter-bank exchange rates only as needed to maintain orderly market conditions.

Inter-bank exchange rates are also used by BB for purchase and sale transactions with the Government and different International Organizations. The USD/BDT buying and selling rates below are highest and lowest inter-bank exchange rates at Dhaka. The cross rates of BDT with other foreign currency

SELLING AND BUYING RATES FOR FOREIGN CURRENCIES (MERCHANT)

23 November, 2017

Currency	BC	TT Clean
USD	82.9999	81.9999
GBP	112.0337	108.5629
EUR	99.7136	96.5633
JPY	0.7561	0.7335
CHF	85.2661	83.0625
CAD	66.0197	64.0567
HKD	11.1787	10.0006

SELLING AND BUYING RATES FOR FOREIGN CURRENCIES (CASH) 23

November 2017

Currency	Selling	Buying
USD	83.2500	81.9500
GBP	110.0000	107.0000
EUR	98.5000	96.000
SAR	22.6000	21.6000

Table No: 6 Different Foreign Exchange Rate in Bangladesh

5.4 Interbank Transaction in Foreign Exchange

The interbank market is the top-level foreign exchange market where banks exchange different currencies. The banks can either deal with one another directly, or through electronic brokering platforms. The Electronic Brokering Services (EBS) and Reuters Dealing 3000 Matching are the two competitors in the electronic brokering platform business and together connect over 1000 banks. The currencies of most developed countries have floating exchange rates. These currencies do not have fixed values but, rather, values that fluctuate relative to other currencies. The interbank market is an important segment of the foreign exchange market. It is a wholesale market through which most currency transactions are channeled. It is mainly used for trading among bankers. The three main constituents of the interbank market are:

- The spot market
- The forward market
- SWIFT

The interbank market is unregulated and decentralized. There is no specific location or exchange where these currency transactions take place.

5.5 Movement of monthly average of USD/BDT Exchange Rate

The exchange rate that measures the value of a reference currency in terms of the other is shown in Chart (BDT against USD). Exchange rate of Taka per USD remained stable since March 2012, due to moderate growth in remittances, foreign aid, and low import pressures. At the end of July 2012 Taka has appreciated by 0.21 per cent from its level at the end of June 2012. However, by the end of July 2012 Taka depreciated by 9.7 per cent from the level of July end 2011.

Average	End of the period	
2008-09	68.80	69.06
2009-10	69.18	69.445
2010-11	71.17	74.15
2011-12	79.10	81.82
2012-13		
July	81.77	81.70

Table No: 7 Movement of monthly average of USD/BDT exchange rate

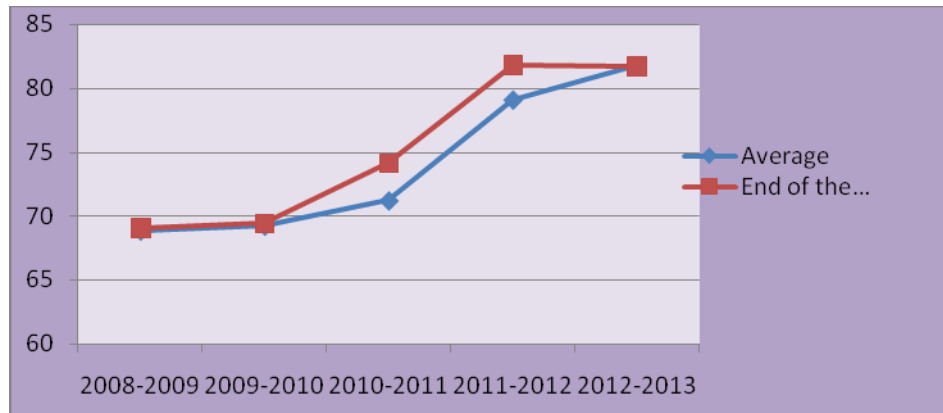


Figure: 3 Movement of monthly average of USD/BDT Exchange Rate

5.6 Foreign Exchange Department

Foreign exchange section is the important part of today's concern ministry and the central bank play as the regulatory bodies in case of Import & Export. They have to consider various things to control the trade between countries. International Trade forms the major business activity undertaken by EXIM Bank. The Bank with its worldwide network of correspondents and close relationships with key financial institutions provides an extensive trade services network to handle the customer's transactions efficiently. There are three kinds of foreign exchange transaction:

1. Import
2. Export
3. Remittance

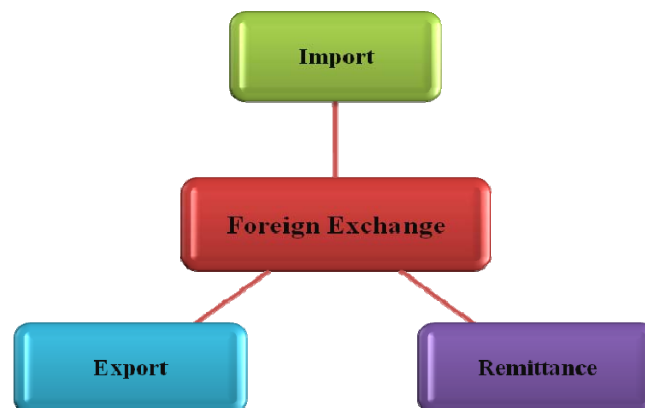


Figure: 4 Foreign Exchange Departments

5.7 Import

Import may be defined as bringing of visible item to the country from abroad through letter of credit or the Authorization form (LCAF) paying foreign Currency to that of exporting country.

To import, a person should be competent to be an importer. According to Import and Export Control Act, 1950, the Office of Chief Controller of Import and Export (CCI & E) provides the registration (IRC) to the importer. In an international business environment, buyers and sellers are generally unknown to each other. So seller of goods always seeks security for the payment of his exported goods. Bank gives export guarantee that it will pay for the goods on behalf of the buyer if the buyer does not pay (willingly or unwillingly). This guarantee is called Letter of Credit. Thus the contract between importer and exporter is given a legal shape by the banker by 'Letter of Credit'.

Imports of goods from Serbia, Montenegro and Israel or goods originated from these countries & on Flag Vessels of those are prohibited. Import Policy of the Govt. is embodied in the Import Policy order issued by the Govt. The CCI & E announces the Import Policy covering various aspects of imports during the relative shipping periods.

Function of Import Section:

- Name and address of the Authorized dealers.
- Amount of remittance to be permitted (i.e. L/C amount)
- LCA form no. Date and value in Taka.
- Description of goods.
- Invoice value in foreign currency, (i.e. L/C amount)
- Country of origin.
- Port of shipment.
- Name of steamer / Airline (i.e. by road/ship/air)
- Port of importation.
- Indenter's name and address.
- Indenter's registration number with CCI & E and Bangladesh Bank.
- Full name and address of the applicant.
- Registration number of the applicant with CCI & E.
- Type of LCAF.

Import Procedure of EXIM Bank Ltd.

As per Import Control Act-1950 no person can indent, import or export any goods into Bangladesh except in case of exemption issued by the Government of the People's Republic of Bangladesh. So for doing import business at first every importer should obtain Import Registration Certificate. The procedures, which follow at the time of Import, are as follow —

- ❖ The buyer and the seller conclude a sale contract provided for payment by documentary credit.
- ❖ The buyer instructs his Bank (the issuing Bank) to issue a credit in favor of the seller /Exporter / Beneficiary.
- ❖ The Issuing Bank then send messages to another Bank (Advising Bank /Confirming Bank), usually situated in the country of seller, advice or confirms the Credit Issue.
- ❖ The Advising / confirming Bank then informs the seller through his Bank that the Credit has been issued.
- ❖ As soon as the seller receives the credit, if the credit satisfies him then he can reply that, he can meet its terms and conditions, he is in position to load the goods and dispatch them.
- ❖ The seller then sends the documents evidencing the shipment to the Bank where the Credit is available (nominated Bank). This can be the issuing Bank or Confirming Bank; Bank named in the Credit as the paying, accepting and Negotiating Bank.
- ❖ The Bank then checks the documents against the credit. If the documents meet the requirements of the credit, the Bank then pay, accept or negotiate according to the terms of credit. In the case of credit available by negotiation, Issuing Bank will negotiate with recourse.
- ❖ The Bank, if other than the issuing bank, sends the documents to the issuing Bank.
- ❖ The issuing Bank checks the document and if they found that the document has meet the credit requirements, they realize to the buyer upon payment of the amount due or other terms agreed between him and the issuing Bank.
- ❖ The buyer sends transport documents to the carrier who will then proceed to deliver the goods. An importer is required to have the followings to import through the bank
- ❖ A bank account in the bank.
- ❖ Import Registration certificate.

- ❖ Tax Paying identification number.
- ❖ Performa invoice indent
- ❖ Membership certificate
- ❖ LCA (Letter of credit application) form duly attested.
- ❖ One set of IMP form.
- ❖ Insurance cover note with money receipts.
- ❖ Others.

Procedure for obtaining IRC

Through public notice or import policy the chief controller of import and exports invites application usually for registration of importers. The following documents are required to submit for getting Import Registration Certificate.

- ✓ Application form
- ✓ National Certificate
- ✓ Income tax registration certificate with TIN
- ✓ Trade license
- ✓ Membership Certificate
- ✓ Partnership Deed(for partnership firm)
- ✓ Certificate of registration with the register of joint Co. & Articles and Memorandum of Association in case of limited company
- ✓ Bank Certificate.

Letter of Credit:

A letter of credit is a letter issued by a bank (known as the opening or the issuing bank) at the instance of its customer (known as the opener) addressed to a person (beneficiary) undertaking that the bills drawn by the beneficiary will be duly honored by it (opening bank) provided certain conditions mentioned in the letter have been complied with.

Classification of L/C:

- Revocable Credit
- Irrevocable Credit
- Transferable Credit
- Restricted Credit
- Red Clause Credit

- Green Clause Credit
- Confirmed Credit
- Divisible Credit
- Back to Back Credit
- LC without resource Credit
- LC with resource Credit
- Revolving Credit
- Anticipatory Credit

Letter of Credit Authorization (LCA) Form:

The LCA form contains the followings —

- ✓ Name and the address of the importer.
- ✓ IRC No. and year of renewal.
- ✓ Amount of L/C applied for.
- ✓ Description of items/to is imported.
- ✓ ITC number (s)/HS code.
- ✓ Stamp and signature of the importer with seal.

Miniaturization of L/C Application:

The bank officials scrutinizes the application in the following manners-

- ❖ The terms and condition of the L/C must be complied with UCPDC 500 and Exchange control& import trade regulation.
- ❖ Eligibility of goods to be imported.
- ❖ The L/C must not be opened in favor of the importer.
- ❖ Radioactivity report in case of food item.
- ❖ Survey reports or certificate in case of machinery.
- ❖ Carrying vessel is not of Israel or Serbia- Montenegro.
- ❖ Certificate declaring that the item is in operation not more than 5 years in case of car.

Amendment of L/C:

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. The bank transmits the amendment by tested telex to the advising bank. In case of revocable credit, it can be amended or cancelled by the issuing bank at any

moment and without prior notice to the beneficiary. But in case of irrevocable letter of credit, it neither be amended nor cancelled without the agreement of issuing bank, the confirming bank (if any) and the beneficiary. If the L/C is amended, service charge and telex charge are debited from the party account accordingly.

Adding Confirmation:

Add the confirming bank gives confirmation. An add confirmation letter contains the followings;

- L/C no.
- L/C amount
- Items to be imported
- Name and address of the applicant
- Name and address of the beneficiary
- Tenor
- Date of shipment
- Date of expiry
- Port of loading
- Port of discharge
- Charges on which party
- Name of the advising bank
- Name of the reimbursing bank
- Name of the confirming bank

5.8 Export

Export L/C operation is just reverse of the import L/C operation. For exporting goods by the local exporter, bank may act as advising banks and collecting bank (negotiable bank) for the exporter. The general framework for control of export is similar to that of imports but the objectives of import and export control are different. While import control is aimed at curbing imports to the extent possible, export control mainly aims at regulating the flow of foreign exchange into the country. The objective of the Government is to encourage export to the extent possible so as to earn valuable foreign exchange for the country. All efforts have to be made to boost of the country. Therefore, export control is mainly in such items which are essential needed in the country whose indiscriminate export may affect the domestic economy.

Function of Export Section:

Export Form:

All Export of which the requirements of declaration vide para-1 of chapter XXI of Exchange Control Manual of Bangladesh Bank applies must be declared on the EXP forms by the customer, now issued by the Authorized Dealers. **Disposal of Exp. Form:**

- **Original:** From Custom Authority to Bangladesh Bank after shipment goods.
- **Duplicate:** From Negotiating Bank to Bangladesh Bank after Negotiation.
- **Triplicate:** From Negotiating Bank to Bangladesh Bank after realization of the proceeds of the Export Bill.
- **Quadruplicate:** Retained by the Negotiating Bank as Office Copy.

Export Procedure of EXIM Bank Ltd.

Export is one of the important activities that can increase economic and social wellbeing through transaction of goods and services from domestic economic agents received payments, preferably in variable foreign currency. The important and export trade in our country is regulated by the important and export (control) Act, 1950. There are some formalities, which an exporter has to fulfill before & after shipment of goods. The procedures are described in the following lines;

- Trade license
- ERC
- Certificate from concerned Government Organization

Registration from Chief Controller of Import & Export (CCI & E):

No person without registration granted by the chief controller of imports and exports shall anything into or out of Bangladesh except in case of exemption issued by the government. Under the export policy of Bangladesh the exporter has to get the valid Export Registration Certificate (ERC) from chief controller of Import and Export (CCI & E). The ERC is required to renew every year. The ERC number is to be incorporated on EXP form and other papers connected with exports.

Registration of Exporters

For obtaining Export registration Certificate, Bangladeshi exporters are required to apply to the controller of Import & Export in the prescribed form along with the following documents:

- ✓ Nationality and assets Certificates

- ✓ Memorandum and Articles of Association and Certificate of incorporation in case of limited company.
- ✓ Bank Certificate.
- ✓ Income Tax Certificate.
- ✓ Trade License etc.

Obtaining EXP

After getting ERC the export applies to EXIM (or any other commercial bank) with trade license and if the bank is satisfied, an EXP issued to the exporter.

Securing of Order:

After getting the ERC the exporter may proceed to secure the export order. He can do this by contracting the buyers directly through correspondence. In this purpose exporter can get help from:

- ❖ Liaisons Offices
- ❖ Buyers Local Agent
- ❖ Export Processing Organization
- ❖ Bangladesh Mission Abroad
- ❖ Chamber of Commerce
- ❖ Trade Fair etc.

Signing the Contract

While making a contract for sale, exporter should ask the buyer for letter of credit clearly stating terms and conditions of export and payment. The following are the main points to be looked into for receiving/collecting export proceeds by means of Documentary Credit:

- The terms of the L/C are in conformity with those of the contract.
- The L/C is an irrevocable one, preferably confirmed by the bank.
- The L/C allows sufficient time for shipment and negotiation.

Procuring the Materials

After making the deal and on having the L/C opened in his favor, the next step for the exporter is to set about the task of procuring or manufacturing the contracted merchandise. Shipment of goods:

- EXP Form
- ERC(valid)

- L/C copy
- Customer duty certificate
- Shipping instruction
- Transport documents
- Insurance documents
- Invoice Bills of Exchange
- Certificate of Origin
- Inspection Certificate
- Quality Control Certificate

Forwarding Foreign Bills of Collection

- If the documents have discrepancies.
- If the banker is in doubt.
- If the exporter is a new customer.
- Foreign Documentary Bill for Collection signifies that the exporter will receive payment only when the issuing bank gives payment.

Import Documents Associates with Export

While negotiating export bills under the letter of credit, the officials of National Credit & Commerce Bank check the following documents to ensure:

- Letter of Credit
- Bill of Exchange
- Invoice
- Bill of lading
- Certificate of Origin

Documentation for Export Purpose:

Following major documents are required for export purpose —

- ✓ Commercial invoice
- ✓ Bill of lading
- ✓ EXP. Form
- ✓ bill of exchange
- ✓ L/C copy
- ✓ Packing List

- ✓ Certificate of Origin
- ✓ Quality Control Certificate
- ✓ Weight List
- ✓ Inspection Certificate
- ✓ Other (if required)

Export Financing

Exporters need finance in the following manner:

- Pre-shipment Finance
- Post-shipment Finance

Back -to-Back Letter of Credit

A Back-to-Back letter of credit is a new credit. It is different from the original credit based on which the bank undertakes the risk under the back-to-back credit. In this case, the bank's main security is the original credit and the back-to-back credit are separate instruments independent of each other and in no way legally connected, although both are part of the same business operation. The supplier ships goods to the importer and presents documents to the bank as specified in the credit. It is intended that the exporter would substitute his own documents and ship the goods to the importer, if necessary and present documents for negotiating under the original credit, his liability under the back-to-back credit would be adjusted out of these proceeds. The export L/C is marked lien and no margin is taken.

Documents that are required to submit at EXIM bank for the opening of a back-to-back L/C are given below:

- Master L/C.
- Valid Import Registration Certificate (IRC) & Export Registration Certificate (ERC).
- L/C application and LAC form duly filled up & signed.
- Performa Invoice.
- Insurance cover note with money receipt.
- Duly signed IMP form.

Post-shipment Financing

Post-shipment credit is given to the exporters by banks after the actual shipment of the goods. The necessity for post shipment credit arises because the exporters who have shipped the goods have to wait for a long time for receiving payment from the overseas buyer; the period of waiting

depends on the term of payment. The exporter needs funds to carry on his normal export activities. The bank is the natural source to seek the finance for these activities.

Bank generally finances the exports at post-shipment stage on verification of the credit-worthiness and financial soundness of both the buyers and the sellers.

Common Discrepancies

EXIM bank officials usually find the following discrepancies while checking the above mentioned documents:

- On board nation of in bill of lading undated.
- Shipment effected from port other than that stipulated in the credit.
- Full set of bill of lading not presented.
- Cutting / alternation in documents not authenticated.
- Certificate of origin not provided.
- Weighing certificate not presented.
- Credit amount exceeded.
- Credit (L/C) expired.
- Late shipment.
- Absence of signature.
- Packing list not submitted.
- Inspection certificate not submitted.
- Unit price not mentioned in invoice.
- Health certificate not submitted.

Procedure for Collection of Export Bill:

There are two types of procedures regarding collection of Export Bill —

- ❖ Foreign Documentary Bill for Collection (FDBC)
- ❖ Foreign Documentary Bill for Purchase (FDBP)

Foreign Documentary Bill For Collection (FDBC):

Exporter can collect the bill through negotiating bank on the basis of collection. Exporter in this case, will submit all the documents to the negotiating bank for collection of bill from importer. The exporter will get money only when the issuing bank gives payment. In this connection bank will scrutinize all the documents as per terms and conditions mentioned in L/C.

Foreign Documentary Bill For Purchase (FDBP):

When exporter sale all the export documents to the negotiating bank is known as FDBP. In this case, the exporter will submit all the documents to the bank. The bank gives 60-80% amount to the exporter against total L/C value.

Local documentary Bill for Purchase (LDBP):

Incoming of L/C customer come with the L/C to negotiate.

- ✓ Documents given with L/C
- ✓ Scrutinizing documents as per L/C terms and conditions
- ✓ Forward the documents to L/C opening bank
- ✓ L/C issuing bank give acceptance and forward acceptance letter
- ✓ Payment given to the party by collection basis or by purchasing documents

Secured Overdraft (SOD) Export:

Secured Overdraft is one kind of credit facility enjoying by the exporter from the export section. It is generally given to meet the back-to-back L/C claim. Sometimes it is given to the exporter by force for meet the back-to-back L/C claim due to delay of Master L/C payment

5.9 Remittance

Remittance Section

EXIM Bank has 44 branches throughout the entire country and therefore, they serve as best medium for remittance of funds from one place to another. This service is available to both customers as well as non-customers of the Bank. The following are some of the important modes of transferring funds from one to another through a bank.

Function of the Remittance Section

- Handling of all incoming and outgoing foreign and local remittance is the major
- Function for this department.
- Handling of incoming and outgoing T.T.
- Outstation Cheque Collection.
- Outstation Cheque Purchase.
- Demand Draft Handling.
- Other assorted work.

Foreign Remittance

Foreign remittance is the transfer of foreign currency from one country to another country. In another word, foreign remittance means, remittance in foreign currency that are received in and made out abroad. Actually, foreign remittance is purchase and sale of freely convertible foreign currencies as permissible under exchange control regulations of the country. Foreign remittance is very important for the country as valuable foreign exchange is involved in the transfer mechanism. Foreign remittance takes place in two ways-

- Inward
- Outward

Inward Remittance

Remittance comes from foreign countries to our country is called inward remittance. To the bankers or ADs inward remittance means purchase of foreign currency by authorized dealers. Generally, inward remittances are received by draft, mail transfer, TT, purchase of foreign bills & travelers Cheque, export bills. Basically, these are the formal channels of receiving inward remittance. A local bank also receives indenting commission of local firm also comes under purview of inward remittance.

Outward Remittance

Remittance from our country to foreign countries is called outward foreign remittance. On the other word, sales of foreign currency by the authorized dealer or formal channels may be addressed as outward remittance. The authorized dealers must utmost caution to ensure that foreign currencies remitted or released by them are used only for the purposes for which they are released. Out ward remittance may be made by appropriate method to the country to which remittance is authorized. Most outward remittance is approved by the authorized dealer on behalf of Bangladesh Bank. Outward remittance may be made for following purposes

- Travel
- Medical treatment
- Educational purpose
- Attending seminar etc.
- Balance amount of F.C account.
- Profit of foreign companies.
- Technical assistance
- New exporters up to USD 6,000/- for business promotion
- C. remittance can be made for fare, exhibition from export retention quota.

Chapter 6

6.1 SWOT analysis

SWOT analysis is the detailed study of an organization's exposure and potential in perspective of its strength, weakness, opportunity and threat. This facilitates the organization to make their existing line of performance and also foresee the future to improve their performance in comparison to their competitors. As through this tool, an organization can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization.

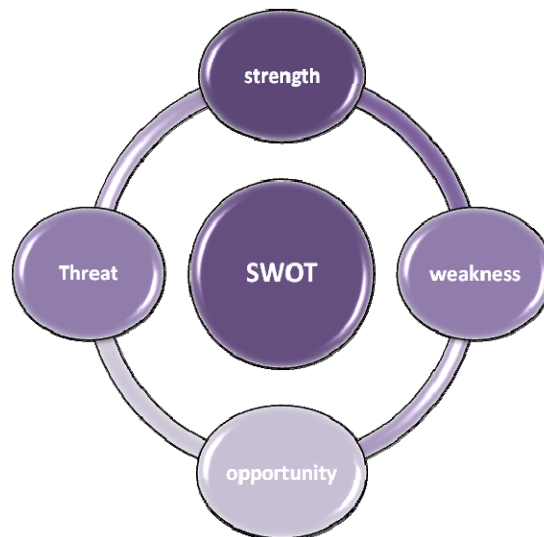


Figure: 5 SWOT analyses

Internal Factors

Strengths:

- EXIM Bank has experience and self-motivated personnel in foreign exchange division. They are very much efficient and friendly to their customers.
- As per bank policy EXIM Bank gives much more facilities to its valuable customers
- EXIM Bank Limited has already achieved a high growth rate. The number of deposits and the loans and advances are also increasing rapidly.
- EXIM Bank has an interactive corporate culture. The working environment is very friendly, interactive and informal. And, there are no hidden barriers or boundaries while communicate between the superior and the employees. This corporate culture provides as a great motivation factor among the employees.

- EXIM Bank has the reputation of being the provider of good quality services to its customers regarding export and import such as local documentary bills for collection (LDBBC) local documentary bills for purchase (LDBP)
- EXIM Bank, foreign exchange department has own license for foreign trading. For this reason, customers get their official formalities so easier. They would not wait for any longer.
- EXIM Bank opens L/C in a lower rate than other bank which has strengthened their foreign exchange activity.
- EXIM Bank foreign exchange communicates with foreign bank rapidly through line.

Weakness:

Though it has one or two expertise in foreign exchange division, it is not sufficient for doing the desk work. For this reason client have to keep patient for official formalities.

- EXIM Bank foreign section is too rigid in case of document preparation; lodgment and retirement captures other bank which sometimes dissatisfied clients.
- The service quality of foreign section is poor with regard to Multinational Banks located here.
- Corresponding network which is very essential in foreign trading is not so large.
- EXIM Bank that it is having a group of unsatisfied employees foreign exchange section.
- In terms of promotional sector, EXIM Bank has to more emphasize on that. They have to follow aggressive marketing campaign.

External Factors

Opportunity:

Foreign exchange business hugely depends on political stability of a country. After 1/11 in Bangladesh there is a good existing position of EXIM Bank as compare with other bank.

- For getting higher market share in foreign exchange business, EXIM Bank has to be more efficient and swift in service.
- EXIM Bank has more opportunity to expand foreign exchange activity by spreading more branches in business area.
- EXIM Bank has to take the opportunity of globalization to increase foreign exchange activity.

- EXIM Bank can introduce some facility for foreign investor to invest.
- EXIM Bank has opportunity to diversify services for customers and lunch new service in market.

Threats:

All sustain and upcoming multinational, foreign and private banks pose enormous threats to EXIM Bank Limited.

- Foreign exchange performance of EXIM Bank is not outstanding as compared with others competitors.
- EXIM Bank can open an information center for their import and export client.
- EXIM Bank has to provide special offer to attract new customers to increase their foreign activities as compared with other bank.

6.2 Ratio Analysis

Current Ratio

This ratio gives an idea of the company's ability to pay back its short-term liabilities with its short-term assets. The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point.

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

	2012	2013	2014	2015	2016
Current Ratio	1.11	1.11	1.10	1.10	1.10

Table No: 8: Current Ratio

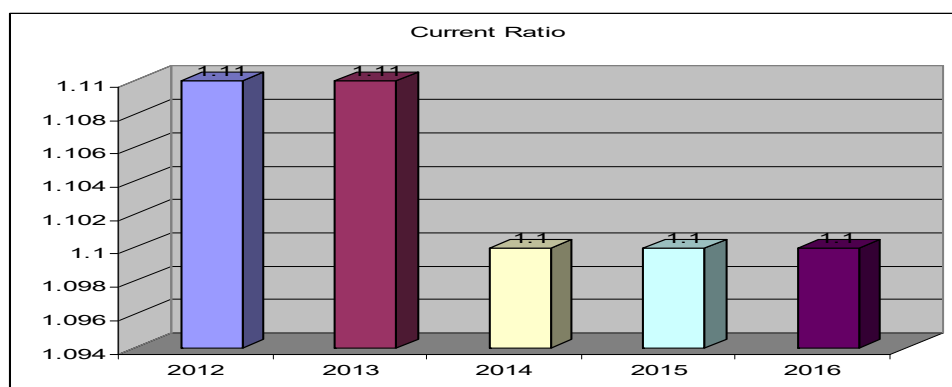


Figure: 6: Current Ratio

In the current ratio of EXIM Bank LTD it is noticed that the current ratio from 2012-2016 are 1.11, 1.11, 1.10, 1.10 & 1.10 respectively. There was an outstanding change in the current ratio in 2012 and 2013.

Quick Ratio

Inventories typically are the least liquid of a firm's current assets, so they are the assets on which losses are most likely to occur in the event of a 'quick' liquidation. A measure of the firm's ability to pay off short term obligations without relying on the sale of inventories is important.

$$\text{Quick Ratio} = (\text{Current assets} - \text{Inventory}) / \text{Current Liabilities}$$

Table No: 9: Quick Ratio

	2012		2014		
Quick Ratio	1.11	1.11	1.10	1.10	1.10

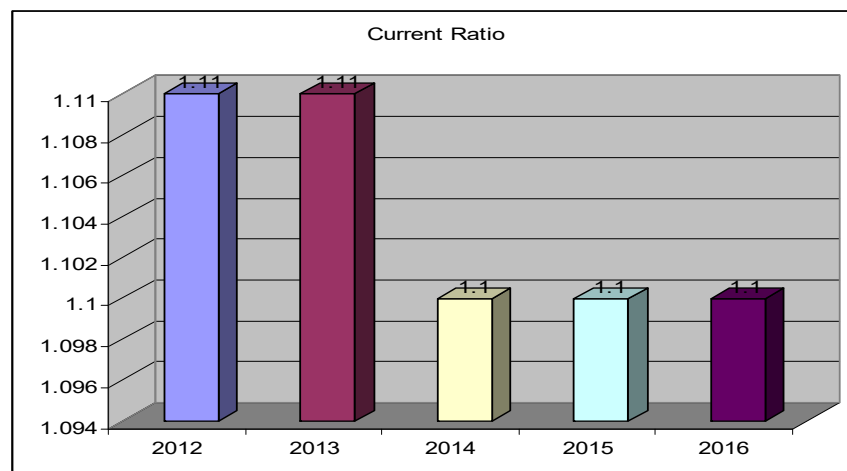


Figure: 7: Quick Ratio

In the Quick ratio of EXIM Bank, it is reported that quick ratio are 1.11, 1.11, 1.10, 1.10, 1.10 from 2012-2016.

Return on Assets

The Return on Assets (ROA) percentage shows how profitable a company's assets are in generating revenue. If the percentage of return is higher, the efficiency of assets is higher.

$$\text{ROA} = \text{Net Income} / \text{Total Assets}$$

Table No: 10: ROA

	2012	2013	2014	2015	2016
Return on Assets	1.40	1.04	1.15	0.84	1.09

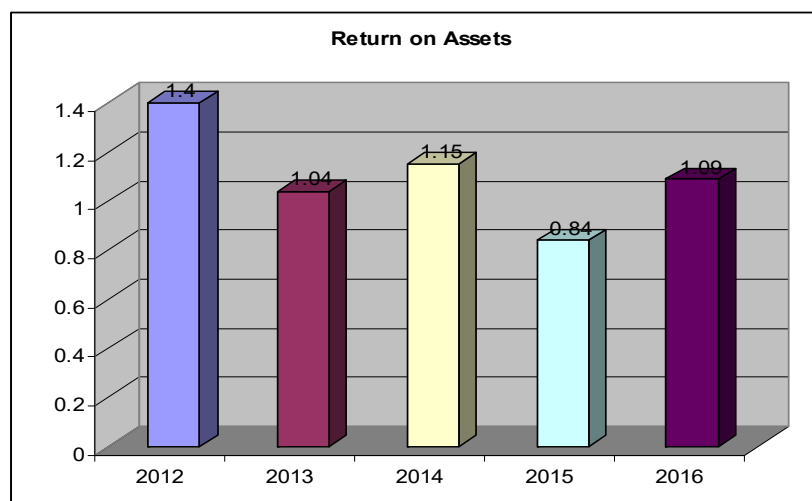


Figure: 8 ROA

Return on Assets was lower in 2013 and 2015 compare to 2012, 2014, 2016. In 2012, 2013, 2014, 2015, &2016. Return on Assets of the bank was 1.40, 1.04, 1.15, 0.84, & 1.09 respectively. Return on Assets was fall in 2015. Huge fall down has happened in 2015 due to inflation, low investment, high interest rate, etc.

Return on Equity

Return on Equity (ROE) measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity (also known as net assets or assets minus liabilities). ROE shows how well a company uses investment funds to generate earnings growth. Higher percentage of ROE refers higher efficiency in using equity fund.

$$\text{ROE} = \text{Net Income} / \text{Shareholders' Equity}$$

Table No: 11 ROE

	2012	2013	2014	2015	2016
Return on Equity	13.43	10.18	11.34	8.68	11.78

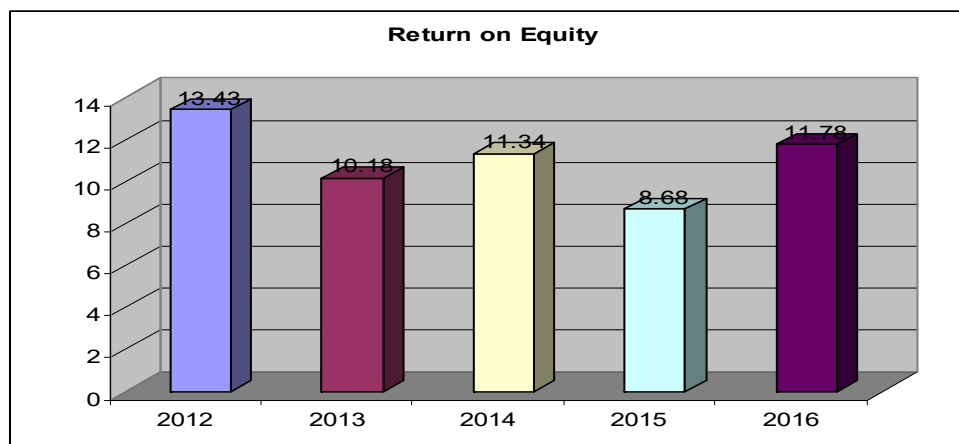


Figure: 9 ROE

Return on Equity was lower in 2013 & 2015. In 2012, 2013, 2014, 2015, & 2016 ROE of the bank was 13.43, 10.18, 11.34, 8.68, & 11.78 respectively. Net income is reducing compare to shareholder equity due to disinvestment, high consumption, low income, high interest rate, low demand for loan etc.

6.3 Foreign Exchange Analysis

Import and Export

The International Trade constitutes a major business activities conducted by the Bank. The import business of the Bank indicated a significant increase in the year. The import business during the year 2016 reached Tk.153930.50 Million against Tk.152703.30 Million of the previous year. The import business handled by the Bank resulted in steady decrease of revenues for the Bank in spite of the upward trend in International trade. The export business handled by the Bank during the year 2016 was Tk.147508.70 million compared to Tk.145796.40 million.

Taka in million

	2012	2013	2014	2015	2016
Import	143314.40	135409.88	146795.57	152703.30	153930.50
Export	120996.90	130353.32	134412.44	145796.40	147508.70

Table No: 12 Import and Export

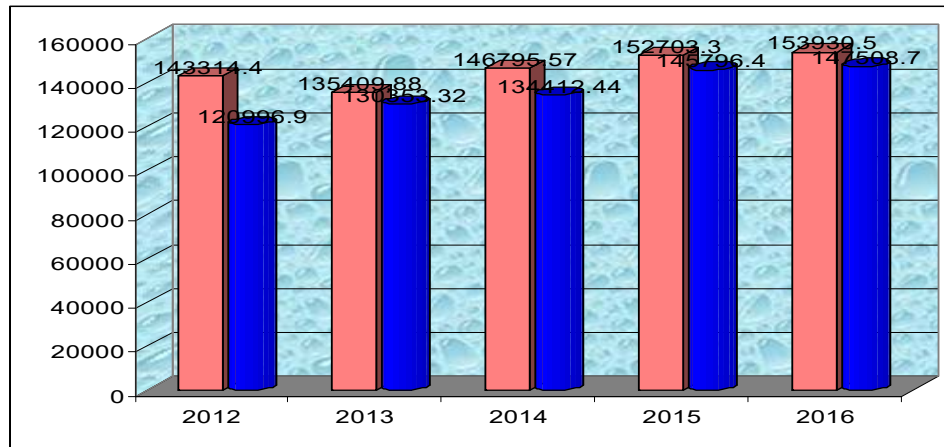


Figure: 10 Import and Export

Remittance

Remittance is a large factor in our economy. Private import, Public import are affected by the amount of remittance. Most of remittances are sent by Bangladeshi labors from Saudi Arabia, Qatar, Dubai, and other midlist countries. The rate of incoming remittance increase day by day. It's an important support for Bangladesh government to make budget. Our export sector also plays a great role to bring remittance. Maximum remittance is coming from RMG export. Recently, Shoe export performance improve and work in earn remittance as well as RMG export.

	Taka in million				
	2012	2013	2014	2015	2016
Remittance	5770.20	2889.48	3776.67	3766.70	4026.50

Table No: 13 Remittances

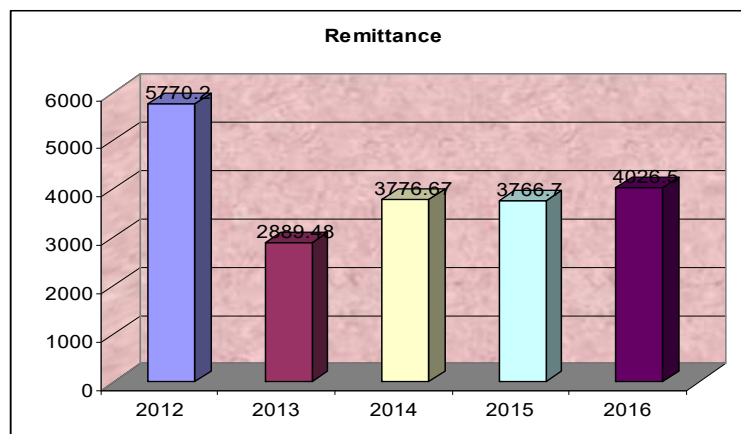


Figure: 11 Remittances

Remittance was going upward from 20012 to 2016. But in 2013 it reduces to BDT 2889.48 million. Because of sending back our labor form midlist countries in recent years and falling export amount as international market fall, in 2013 our remittance level decrease than 2012.

6.4 Trend Analysis

Deposit

Not only the quantum of deposits but also brought about qualitative changes in The Bank mobilized. Competitive interest rates, attractive deposit products, deposit mobilization efforts of the employees and confidence reposed by the customers in the Bank contributed to the notable growth in deposits. The Bank introduced a number of attractive deposit schemes to cater to the requirement of small and medium savers. It is improved deposits structure. The deposit mix of the Bank as 2013 was as follows:

	2012	2013	2014	2015	2016
Deposit	140025.42	165391.58	200009.00	224770.89	248223.61

Table No: 14 Deposit

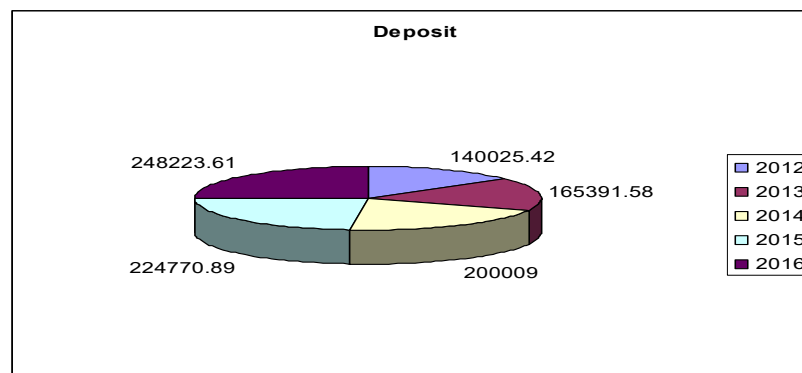


Figure: 12 Deposit

Investment

The investment portfolio of the Bank during the year 2016 was Tk.223396.92 million against Tk.197536.57 million in the previous year. The portfolio of investment included Government Treasury Bills, Prize Bonds, Shares of Public Limited Companies etc. The Bank has always given emphasis on investment of Funds in high yield areas simultaneously maintaining Statutory Liquidity Requirements (SLR) as fixed by Bangladesh Bank.

Taka in million

	2012	2013	2014	2015	2016
Investment	119360.07	145002.00	179165.57	197536.57	223396.92

Table No: 15: Investments

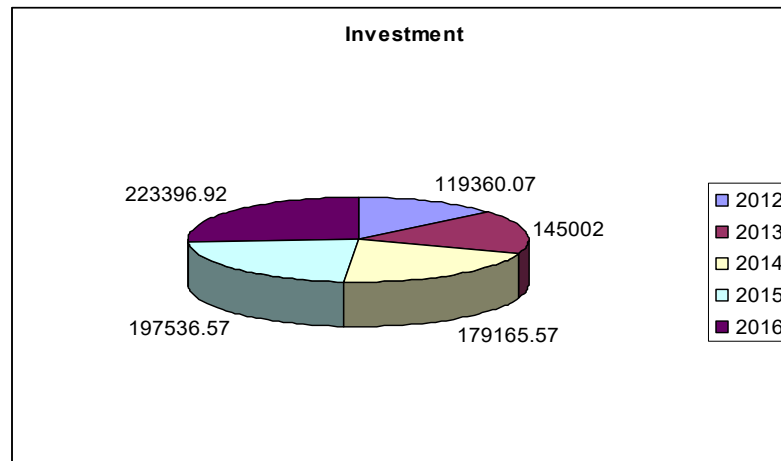


Figure: 13 Investments

Authorized Capital

When a bank applies for permission for operation to central bank, authorized committee sanction a capital limit for bank. Bank cannot develop capital more than the limit. This is called authorized capital. When need, bank can again apply for increasing the limit of authorized capital to authorized committee. Authorized capital stay same in more than one year until the limit is changed.

Taka in million

	2012	2013	2014	2015	2016
Authorized Capital	20000.00	20000.00	20000.00	20000.00	20000.00

Table No: 16 Authorized Capital

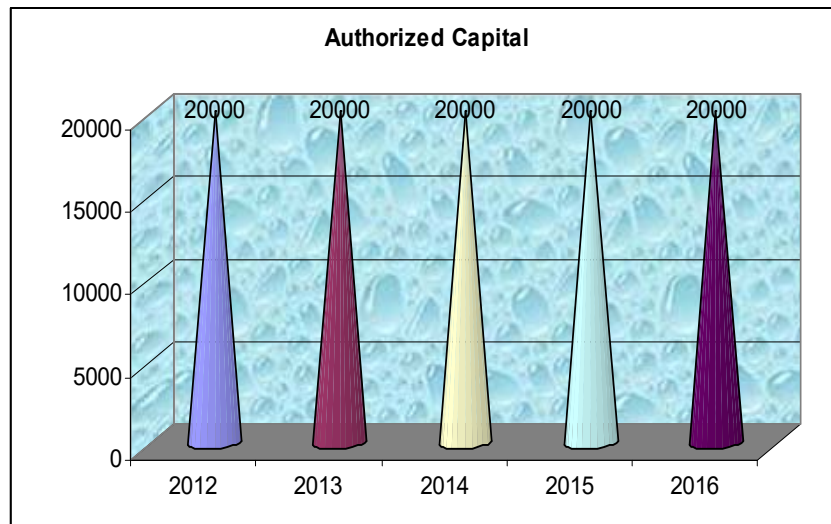


Figure: 14 Authorized Capital

During 2012, 2013, 2014, 2015, 2016 authorized capital was same, BDT 20000 million.

Paid up Capital

After sanctioning authorized capital bank starts to develop capital. The part of authorized capital is arranged by bank is called paid up capital. Paid up capital cannot exceed authorized capital. Bank hold paid up capital from own capital, shareholders, board members, investors, bank loan, selling securities etc. Paid up capital is increased every year if bank wants. **Taka in million**

	2012	2013	2014	2015	2016
Paid up Capital	10514.86	11566.35	12838.65	14122.51	14122.51

Table No: 17 Paid Up Capital

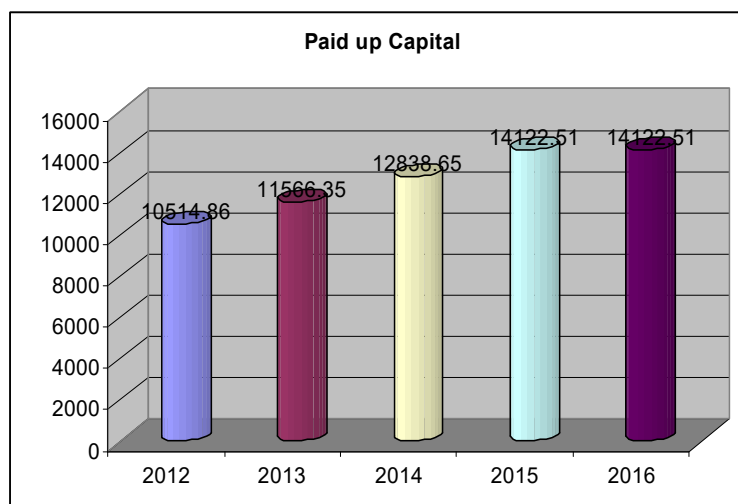


Figure: 15 paid up capital

EXIM Bank paid up capital was BDT 10514.86 million in 2012. It was growing continuously from 2012 to 2016. Capital amount was BDT 11566.35 million in 2013. In 2014, paid up capital was increased to BDT 12838.65 million. In 2015, the amount was BDT 14122.51 million. And in 2016, the amount was 14122.51 million.

Total Assets

For bank assets are cash, loan, investment, fixed assets. Assets are two types- short term assets and long term assets. Assets regarding 1 year or less than 1 year maturity are short term assets. Assets with more than one year maturity are long term assets. From short term loan, bank makes more profit than long term. Short term loan and short term securities are profitable for bank.

$$\text{Total Assets} = \text{Short term assets} + \text{Long term assets}$$

Taka in million

	2012	2013	2014	2015	2016
Total Assets:	166997.93	195542.25	232833.95	265148.42	291133.91

Table No: 18 Total Assets

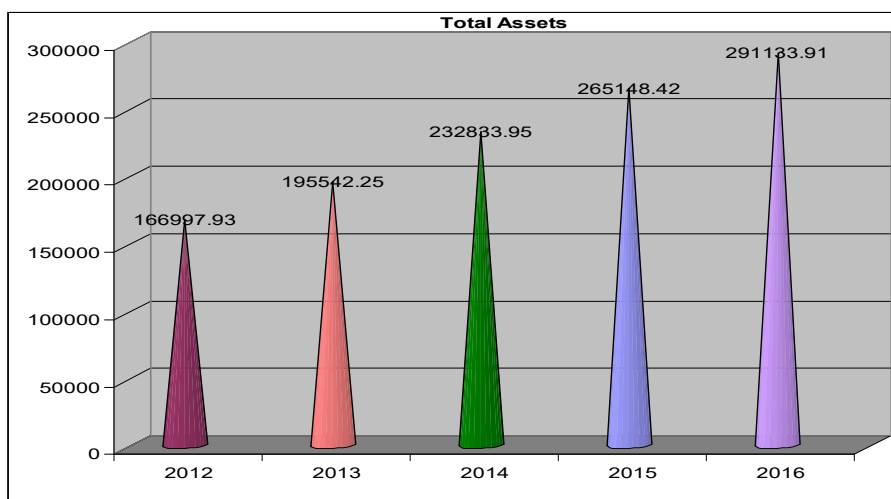


Figure: 16 Total assets

Total assets had grown in five years. During 2012, total assets were BDT 166997.93 million. That was increased in 2012 to 2016.

Total Liabilities

Total liabilities consist of long term liabilities and short term liabilities. Long term liabilities are FDR, various saving scheme, long term loan from other banks, shareholders equity, banks own capital. Short term liabilities are all current accounts, short term loans from other banks, short term loans from central bank, short term securities issued by bank.

$$\text{Total Liabilities} = \text{Short term liabilities} + \text{Long term liabilities}$$

Taka in million

	2012	2013	2014	2015	2016
Total Liabilities:	150447.73	175043.10	209856.89	240025.99	264666.16

Table No: 19 Total Liabilities

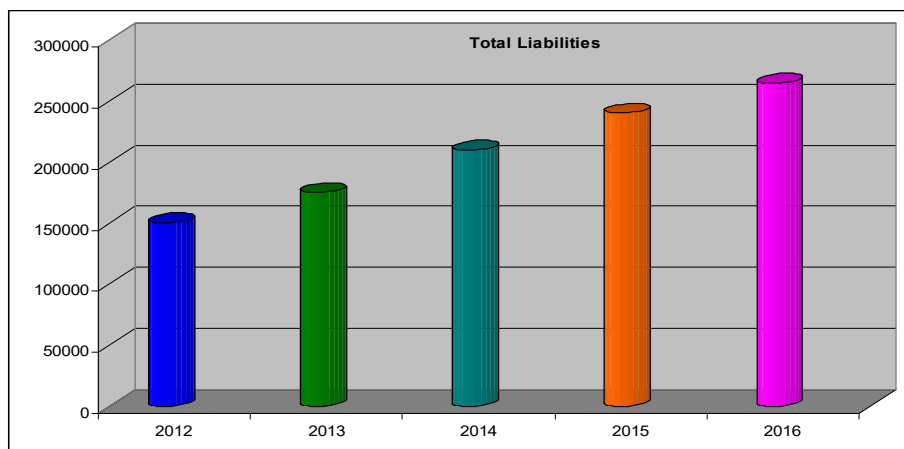


Figure: 17 Total liabilities

Total liabilities were increasing in a continuous way. During 2012 EXIM Bank liabilities were BDT 150447.73, 175043.10, 209856.89, 240025.99, 264666.16 million.

6.5 Findings

■ Reduction of Import Amount

Over all import amount for EXIM Bank is reducing. For 2013, import amount was TK 135409.88 million.

■ Attenuation of Remittance

Remittance amount is falling down. In 2013, remittance amount was TK 2889.48million.

■ **Decline of ROA and ROE**

ROA was 1.40, 1.04, 1.15, 0.84, & 1.09 in 2012, 2013, 2014, 2015 and 2016 respectively. Here we can see ROA was continuously decreasing from 2012 to 2016. It means return was not going good against assets. ROE was 13.43, 10.18, 11.34, 8.68, & 11.78 during 2012, 2013, 2014, 2015 and 2016 respectively. As like as ROA, ROE was also dropping through 2012 to 2016. It indicated that income compare to equity was falling continuously.

■ **Conservative Procedure for Opening LC**

EXIM Bank is following conservative procedure for opening a LC. Only old and creditable clients are preferred to opening LC. New and unknown clients are not welcomed for this service. Client need to open an account and continue a good transaction over a long time. Client must have a huge amount in his account. Then client can expect to get approval for his import LC.

■ **No Desk and Specific Task for Intern**

EXIM bank doesn't arrange any desk and fixed any task for their intern. Therefore they don't get any chance to learn banking activities by doing practical task. It is not possible for any fresh graduate to learn banking activities by getting few lecture from specific personnel rather if they involve them to some specific activities it would be easy for them to learn more and fell confident to perform any activities properly.

■ **Lack of Computer Knowledge**

All the organizations including banks are now mostly depends on computer but employees do not have much knowledge on computer.

■ **Lack of Effective Advertising and Promotion**

Advertising and promotion is one of the weak point of EXIM Bank Limited, EXIM Bank Limited does not have any effective promotional activities and advertisement, but other banks have better promotional strategy. Therefore most customers are not known about their Islamic banking branch.

■ **Employee Dissatisfaction**

Because of late promotion and longer probationary period there is dissatisfaction among the employees. In addition most of the time over duties and huge working pressure makes their life monotonous and hamper their family life.

■ **Lack of Available Branches**

It has lack of available branches in remote areas of business and services. As a result, bank loses many opportunities to raise import and export trade.

■ **Threat of New Banks**

Day by day new upcoming banks are coming with many new services which are a threat for the bank. So increased number of new bank creates sever competition in foreign exchange banking.

■ **Slow Growth in economy**

Bangladesh is a developing country and its economic growth is not much high, so slow growth of the economy is a very vital problem for a bank.

Chapter 7

7.1 Recommendations

■ Advance Procedure for Opening LC

A few customers may be permitted for opening L/C even with nil margin and fees commission.

■ Raising Manpower in Foreign Exchange Operation

Manpower may be increased in foreign exchange section. It will help to provide prompt services.

■ Advances for Export

EXIM Bank may provide many advances for export to encourage exporter to increase export amount. It can reduce service charges.

■ Enhancing Limit of Import Financing

Loan or advances is granted for import to importer. EXIM Bank can enhance the limit of loan to encourage and to help importers.

■ Promotions for Increasing Remittance

EXIM Bank has to enlarge promotions to inform clients about foreign trade. Continuous promotions are needed to catch the attention of customers. TV advertising is best for fill the gap in short time.

■ Available Branches for Trade

EXIM Bank may increase branches in remote areas and start foreign exchange operation in those branches in a small limit. It will be more close to exporter and importer in relationship. Traders will get bank services available.

■ Inspiring Employees

Regular Performance Appraisal and assuring promotion/reward will resist the employees switching tendency.

■ Specific Desk and Task for Intern

EXIM Bank Limited may arrange specific desk for intern and give him/her various specific tasks in weekly basis.

7.2 Conclusion

As an internee of EXIM Bank Ltd, I have truly enjoying my internship from the learning and experience viewpoint. I am confident that this three months internship program at EXIM Bank will definitely help me to realize my further carrier in the job market. In this competitive market EXIM Bank has to compete not only the others commercial banks but also with the public Bank. EXIM Bank is more capable of contributing towards economic development as compared with other bank. EXIM Bank invested more funds in export and import business. It is obvious that the right thinking of this bank including establishing a successful network over the country and increasing resources will be able to play a considerable role in the portfolio of development.

To prepare my internship report, I think I can gather more information and get better experience in work in General banking, Foreign Exchange department and Investment department. I think it is one of the best private banks. It is being treated as one of the potential banks in other private banks in Bangladesh. EXIM Bank Ltd is very concern about the customer care. Transaction is doing very smoothly and interest rate is also good. Finally, I can say EXIM Bank Limited operates very well. During the course of my practical orientation I have tried to learn the practical banking activities to realize it with my theoretical knowledge, which I have greathearted and going to acquire from various courses of my MBA program.

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Abbreviations

Chapter 1

EBL EXIM Bank Ltd

Chapter 2

KPMG A global network of professional firms

IPO Initial public offering

ATM Automated Teller Machine

ICAB Institute of Chartered Accounts of Bangladesh

SAFA South Asian Federation of Accounts

SAARC South Asian Association of Regional Cooperation

IT Information technology

SOP Standard Operating Procedure

RMG Readymade Garments

RAROC Risk adjusted return on capital

Chapter 3

NR Non-resident

A/C Account

IBCA Inward bills for collection account

PO Pay order

DD Demand draft

CRR Cash reserve requirement

SLR Statutory liquidity requirement

RFCF Resident Foreign Currency Deposit

FC Foreign currency

NFCF Non Resident Foreign Currency Deposit

SS Substandard

DF Doubtful

BL Bad and loss

LLP loan loss provision

RM Relationship manager

MD Managing Director

CEO	Chief Executive Officer
OD	Over draft
SBLC	Stand by letter of credit
PAD	Payment against document
PC	Packing credit
ECC	Export cash credit
FDBP	Foreign document bill purchase
IDBP	Inland document bill purchase
LIM	Loan against imported merchandize
LTR	Letter of trust receipt
SOD	Secured over draft
RO	Relationship manager
CIB	Credit information bureau
EOL	Excess over limit
FX	Foreign exchange
REPO	Repurchase agreement
BEFTN	Bangladesh Electronic Fund Transfer Network
BACPS	Bangladesh Automated Check Processing System
CFO	Chief Financial Officer

Chapter 4

REER	Real effective exchange rate
BAFEDA	Bangladesh foreign exchange dealers association
DIBOR	Dhaka interbank offered rate
BB	Bangladesh bank
USD	US dollar
BDT	Taka
NY	New York
EUR	Euro
GBP	British Pound
AUD	Australian dollar
JPY	Yean

CAD	Canadian dollar
SEK	Swedish Krona rates
SGD	Singapore Dollar
CNH	China Offshore Spot Exchange rate
INR	Indian Rupee
EBS	Electronic brokering service
LC	Letter of credit
IMP	Import
P/I	Proforma Invoice
FDBC	Foreign documentary bill for collection
FDBP	Foreign documentary bill for purchase
LDBP	Local documentary bill for purchase
TC	Travelers' Cheques
TT	Telegraphic Transfer
MT	Mail Transfer
BURO	Bangladesh stands for Basic Unit for Resources and Opportunities
POS	Point of sale

Appendix



Five Years Financial Performance at a Glance

Amount in million taka

Sl No.	Particulars	2012	2013	2014	2015	2016
1	Authorized Capital	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
2	Paid-up Capital	10,514.86	11,566.35	12,838.65	14,122.51	14,122.51
3	Shareholder's Equity	16,550.20	20,499.14	22,977.06	25,122.42	26,467.75
4	Total Capital (Tier I + Tier II)	18,104.94	21,064.26	23,385.94	28,195.39	29,661.70
5	Statutory Reserve	4,587.47	5,236.93	6,118.31	6,869.91	7,846.41
6	Total Assets	166,997.93	195,542.25	232,833.95	265,148.42	291,135.91
7	Total Liabilities	150,447.73	175,043.10	209,856.89	240,025.99	264,666.16
8	Total Deposits	140,025.42	165,391.58	200,009.00	224,770.89	248,223.61
9	Total Investment (General)	119,360.07	145,002.00	179,165.57	197,536.57	223,396.92
10	Investment (Shares & Securities excluding Subs.)	10,345.38	11,443.56	15,571.55	17,581.62	16,473.51
11	Total Contingent liabilities	63,950.48	60,119.38	65,616.80	69,852.49	70,600.46
12	Total Risk Weighted Assets	166,630.44	159,662.18	199,902.66	234,174.26	252,005.99
13	Total Fixed Assets	439.48	3,190.36	3,311.71	5,635.01	5,671.54
14	Total Income	20,345.73	23,707.60	25,801.24	27,162.03	25,957.45
15	Total Expenditure	15,051.55	18,754.89	19,665.52	20,775.08	20,008.21
16	Profit before provision and tax	5,294.18	4,952.71	6,135.72	6,386.95	5,949.24
17	Profit before tax	3,613.90	3,238.75	4,410.91	3,664.31	4,998.48
18	Net profit after provision and tax	2,083.08	1,885.61	2,465.68	2,086.55	3,039.76
19	Foreign Exchange Business	270,081.50	268,652.68	284,984.68	302,266.40	305,465.70
	a) Import Business	143,314.40	135,409.88	146,795.57	152,703.30	153,930.50
	b) Export Business	120,996.90	130,353.32	134,412.44	145,796.40	147,508.70
	c) Remittance	5,770.20	2,889.48	3,776.67	3,766.70	4,026.50
20	No. of Foreign Correspondent	398	386	398	383	390
21	Profit earning assets	132,808.14	161,424.61	191,972.21	219,536.74	230,465.98
22	Non profit earning assets	34,186.79	34,117.64	40,861.74	45,609.68	60,667.93
23	Investment as a % of total Deposit	85.24%	97.67%	89.58%	87.88%	90.00%
24	Capital Adequacy Ratio	10.87%	13.19%	11.70%	12.04%	11.77%
25	Dividend	10.00%	11.00%	10.00%	12.00%	15.00%
	Cash	-	-	-	12.00%	15% Proposed
	Bonus	10.00%	11.00%	10.00%	-	-
26	Rights Share	-	-	-	-	-
27	Net Asset Value Per Share	15.74	17.72	17.90	17.79	18.74
28	Earning per share (EPS)	1.98	1.63	1.92	1.48	2.15
29	Price earning ratio (times)	10.14	7.80	5.74	5.54	5.63
30	Return on Equity (ROE) after tax	13.43%	10.18%	11.34%	8.68%	11.78%
31	Return on Assets (ROA) after tax	1.40%	1.04%	1.15%	0.84%	1.09%
32	No. of Shareholders	139,482	154,398	140,061	116,206	96,036
33	Number of Employees	1918	2236	2465	2700	2747
34	Number of Branches	72	80	87	103	113