Report On

Daily operations of data management in foreign exchange: an analysis on Jamuna Bank PLC

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of

Bachelor of Business Administration

BRAC Business School
BRAC University
8th December , 2024

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

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Dr.Syed Far Abid Hossain
Assistant Professor, BRAC Business School (BBS)
BRAC University

Letter of Transmittal

Dr. Syed Abid Hossain

Assistant Professor

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report.

Dear Sir,

With due respect I would like to inform you that, I am Mehezabin Shahedi, an undergraduate

student of BRAC Business school. I greatly appreciate to have the opportunity of submitting the report on my internship entitled “Daily operations of data management in foreign exchange: an analysis on Jamuna Bank PLC”.

This is a unit of BUS 400, the final course requisite to earn my Bachelor of Business Administration. I should also add that it was really advantageous for me to have the opportunity to do my internship at Jamuna Bank PLC. Now, I can connect my academic studies with the banking sector. Additionally, I give effort to perform some research for my internship report on Jamuna Bank PLC’s daily operations of data management in foreign exchange.

All through in this internship period, I got the opportunity to learn how to work practically and how it is different from theoretical study. Given that I am still learning, this paper and my work experience, knowledge and practice have provided me the chance to learn about the fundamentals of Jamuna Bank PLC. Therefore, I really hope that you will consider my any kind of unevenness in my report as result.

Sincerely yours,

____

Mehezabin Shahedi

17304105

BRAC Business School

BRAC University

September,2023

Non-Disclosure Agreement

This agreement is made and entered into by and between Jamuna Bank PLC and the undersigned Mehezabin Shahedi, a student of BRAC University, in order to avert the unauthorized disclosure of the company's privileged information.

Mehezabin Shahedi

17304105

BRAC Business School

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Acknowledgement

First of all, I would like to express my gratitude to the almighty Allah for everything. After that, I would like to acknowledge my academic supervisor, Dr. Syed Far Abid Hossain sir, for guiding me to complete the whole report and helping me to stay focused on the work and I had been able to complete the entire report agreeably. Secondly, I would like to extend my gratitude to the manager of Jamuna Bank PLC Sonargaon Road Branch, Md.Hafiz Uddin, assistant vice president, Shahana Rahman, Foreign Exchange Operation in charge and all the respectable employees, who have helped me and also guided me in the official tasks of an intern during internship. At last, I would like to demonstrate my appreciation to my family and friends to encourage me to do the hard work throughout the internship period.

Executive Summary

As a part of my graduation, I joined Jamuna Bank PLC, Sonargaon Road Branch, as an intern. I joined on 1st June,2023 and worked for three months in Foreign Exchange Department. During this internship I worked hard, I observed the employees that, what are their regular duties in the bank to gain some knowledge and earn experience. At the same time, I focused on my report on “Daily operations of data management in foreign exchange: an analysis on Jamuna Bank PLC”. Jamuna Bank PLC stands as a prominent player in Bangladesh's financial sector, serving for 23 years. The bank is not only a key contributor to the country's banking landscape but also strives to enhance customer experience through digital banking services and cutting-edge technologies. One of the noteworthy aspects of Jamuna Bank PLC is its adept handling of foreign exchange activities, including export, import, and remittance services. This report aims to delve into the intricacies of Letter of Credit (L/C), export, import, remittance, and the financial viability of these operations. Furthermore, a comprehensive analysis of the bank's performance over the past five years (2017-2021) will be conducted, shedding light on the trends in profitability. The report will identify the years that witnessed a surge in performance and those where the bank faced challenges in surpassing the achievements of the preceding Year.

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JBPLC Jamuna Bank PLC

Chapter 1

[Introduction]

1.1 [Background of Study]

Bangladesh, a developing nation with considerable economic potential and strength, relies heavily on a robust financial system to bolster its economic condition. The significance of foreign exchange activities transcends borders, acting as a crucial indicator of a country's economic strength globally. In this context, the Foreign Exchange Regulation Act of 1947 plays a pivotal role, with direct oversight from the Bangladesh Bank over the monitoring and supervision of foreign exchange activities. With 61 scheduled banks and 5 nonscheduled banks, Bangladesh strives to maintain a strong financial system.

While the country's foreign reserve holding is substantial, equivalent to seven months of import payments, the current year poses challenges due to a dollar crisis. Imports, which totaled 110.56 BDT Billion in February 2023, are expected to reach 520 BDT Billion, significantly lower than the previous year's 709.25 BDT Billion. The dollar crisis has hindered the opening of sufficient Letters of Credit (LC), putting pressure on Bangladesh's reserves. This situation is exacerbated by the decrease in foreign exchange reserves from $42.02 million in 2022 to $34.52 billion in 2023, attributed to factors such as the Covid-19 pandemic, the Russia-Ukraine war, and fluctuations in the dollar exchange rate.

Foreign remittances, a major contributor to Bangladesh's reserve money, have also experienced fluctuations. In January 2023, remittances amounted to $1958.87 million, decreasing to $1561.26 million in February, indicating a decline of $397.61 million.

Despite these challenges, Bangladesh has undertaken several measures to bolster its foreign exchange activities, especially considering ongoing mega projects such as the Padma bridge, metro rail, Ruppur nuclear energy station, and bus rapid transit. The government aims to increase foreign exchange reserves through strategies such as restricting the import of luxury goods, intensifying export efforts and exploring new markets, curbing unnecessary foreign tours by government officials, and exploring business in alternative currencies.

This report utilizes time series analysis to assess five years of foreign exchange activities of JBPLC, contributing to the understanding of the broader economic landscape.

1.2 Objective of the report

1. Conduct a time series and data analysis on JBPLC's foreign exchange activities over the past 5 years, encompassing import, export, and remittance.
2. Explore JBPLC's understanding of foreign exchange operational tasks.
3. Identify potential avenues for future development.
4. Determine an appropriate growth rate through comprehensive data analysis.
5. Employ SWOT analysis to assess JBPLC's strengths, weaknesses, opportunities, and threats in the foreign exchange domain.

1.3 Scope of the study

In this research, we aim to scrutinize the foreign exchange activities of JBPLC from 2017 to 2021 using time series and data analysis. During the last two years, the nation experienced periods of both economic expansion and contraction, allowing us to evaluate JBPLC's performance under varying financial conditions.

1.4 Limitation

1. Due to security measures, JBPLC refrains from disclosing the information.
2. There is a time constraint involved.
3. There are restrictions on gathering information

4. Although I worked in a specific branch, JBPLC has numerous branches engaged in foreign exchange activities, making it challenging to assess the overall performance.

Chapter 2

[Company Overview]

Jamuna Bank PLC commenced its operations on June 3, 2001, in accordance with the Bank Companies Act, 1991 of Bangladesh Bank. Presently, the bank's headquarters is located at Jamuna Tower, Gulshan-1, Dhaka, Bangladesh. Positioned as a 4th generation bank, JBPLC places emphasis on various key aspects, including efficient time management, fostering the growth of human capital, and establishing organizational values for its customers. The bank, initially focused on attracting business visionaries, provides extensive support to trade, commerce, industry, and the overall business landscape of the country.

JBPLC has evolved into a leading private bank and continues to adapt by formulating new strategies to confront emerging challenges. Consequently, the bank has witnessed a consistent increase in its client base, satisfying them through the delivery of genuine services. According to the most recent annual report, JBPLC boasts 157 branches nationwide, with the number of branches and sub-branches growing to meet customer demands. The asset figures are as follows: 212,052.50 Tk Million in deposits, 316,07.69 Tk Million in total capital, and earnings per share of 3.31 Tk.

2.1.1 Vision

JBPLC stands out as a leading bank, excelling in the provision of top-notch facilities and services to its customers. The institution is recognized for its commitment to delivering premier products and services, making a significant contribution to the nation's economy.

2.1.2 Mission

JBPLC is wholeheartedly devoted to providing exceptional customer service by offering competitively priced products that incorporate various cutting-edge technologies. The company ensures rapid service delivery, fostering sustainable growth and yielding a logical return for the country's development. This commitment is upheld by a motivated and highly skilled workforce.

2.1.3 Core Value

JBPLC prioritizes a customer-centric approach in their operations, demonstrating a strong commitment to providing excellent and amiable service to their customers. The bank has established a set of core values to guide them in delivering optimal services and tackling new challenges. These values include a focus on customers, building trust, upholding integrity, demonstrating commitment, adhering to business ethics, ensuring quality, promoting fairness, fostering teamwork, and showing respect.

2.1.4 Product and Services

Online Banking

In April 2005, JBPLC initiated live branch banking, enabling customers to withdraw and deposit funds at any of its branches situated in Dhaka, Chittagong, Sylhet, Gazipur, Boga, Nagano, Narayanganj, and Monsignor. The bank's patrons can avail themselves of 24/7 banking services through the use of ATM cards at Q-cash ATMs located in Dhaka, Chittagong, Khulna, Sylhet, and Boga.

Corporate Banking

JBPLC has established its corporate banking philosophy centered on delivering customized solutions to meet the unique needs of its customers. The bank identifies and addresses the specific requirements of corporate clients by offering a comprehensive range of advisory, financing, and operational services. Jamuna Bank Ltd. integrates trade, treasury, investment, and transactional banking activities into a cohesive package for its corporate clientele. Additionally, the bank is adept at providing precise solutions for various financial needs such as project finance, term loans, import/export transactions, working capital requirements, and forward cover for foreign currency transactions.

Personal Banking

Jamuna Bank's Personal Banking division provides an extensive array of products and services tailored to meet the diverse needs of each customer. Whether it's transactional accounts, savings plans, or loan options, Jamuna Bank Ltd. offers a distinctive blend of convenient and high-quality service. The bank maintains a professional and customer-friendly approach, ensuring a supportive interaction with clients.

International Trade Finance

Jamuna Bank Ltd engages in significant business activities related to international trade. The bank leverages its robust global network and established relationships with financial institutions to offer a comprehensive trade services network, ensuring the efficient processing of transactions. Key branches in Dhaka, Chittagong, Sylhet, and Nagano are staffed with experienced personnel specializing in International Trade Finance. These branches serve as primary hubs for facilitating import and export activities for customers of varying scales, catering to both large enterprises and smaller businesses.

Foreign Remittance

JBPLC has expanded its network by adding 23 branches, and an additional 4 branches are soon to be incorporated. The remittance services offered by JBPLC maintain high standards across all branches, allowing foreign remittances to be sent to any branch in favor of the beneficiaries.

Through the Electronic Fund Transfer (EFT) mechanism, remittances are swiftly credited to the beneficiaries' accounts. JBPLC maintains ongoing relationships with major banks nationwide, facilitating expatriate Bangladeshis in sending their hard-earned money to their relatives through reputable nearby banks. To simplify the process for expatriate Bangladeshis, JBPLC offers direct money transfer facilities and has established partnerships with various banks and exchange companies in different countries. As a result, expatriate Bangladeshis can conveniently send their money directly through Jamuna Bank PLC.

Credit Facilities

- JBPLC's primary focus is on financing business, trade, and industrial activities through an efficient delivery system within its Credit Line/Program.
- JBPLC provides credit facilities for productive purposes in all sectors of commercial activities.
- Credit is extended to key priority sectors, identified by the government, at a discounted interest rate to foster the growth of emerging industries.
- Credit facilities are extended to housewives, entrepreneurs, traders, and corporate entities as well.
- Credit facilities for individuals residing in remote and rural areas specifically designed for agricultural endeavors are provided.
- When determining the loan pricing, it is designed to be customer-friendly.
- Prime customers receive the most favorable interest rates in lending and other services.

Q-Cash Round the Clock Banking

JBPLC Q-Cash ATM Card services provide round-the-clock access to cash and various banking transactions. The Q-Cash ATMs are strategically located in key areas such as Dhaka, Chittagong, Sylhet, Khulna, and other major cities, with plans to expand to additional locations soon. The goal is to establish a nationwide network that encompasses main shopping centers, business districts, and residential areas, ensuring widespread accessibility within a brief period.

Lease Finance

A lease denotes a contractual arrangement between the asset owner and the user, wherein the user pays an agreed-upon rent for a specified period. The entity owning the asset is referred to as the Lessor, while the user is known as the Lessee.

The Lessee enjoys benefits such as tax advantages, the preservation of working capital, and the maintenance of debt capacity.

2.1.5 Foreign Exchange Operations of Jamuna Bank PLC

The primary functions of a foreign exchange department involve handling and managing foreign currencies, including activities such as export and import letter of credit (L/C), and foreign remittance. These tasks are typically overseen by international banking authorities and involve transactions with foreign currencies related to import, export, and remittance. In the case of Jamuna Bank PLC (JBPLC) at Sonargaon Road Branch, specific tasks within the foreign department differ. JBPLC manages various responsibilities, particularly with significant corporate clients like Square, Standard Group, Repaying, Hami Group, Dash Garment, Dash Group, ACI, who have direct connections with international banking both within and outside the country. Compliance with Bangladesh Bank regulations is mandatory for all local banks engaging in foreign exchange activities.

Regulation Followed by JBPLC while Operating Foreign Exchange

JBPLC adheres to rules and regulations governing foreign exchange activities, including the Foreign Exchange Regulation Act of 1947. The direct monitoring authority lies with Bangladesh Bank. The guidelines for export-import are outlined in the policy issued by the Ministry of Commerce in accordance with the 1966 Act.

International Regulations

The International Chamber of Commerce, established in 1919 as a global non-governmental organization for companies, is governed by an act that regulates its operations. The World Trade Organization (WTO), with its international court, plays a role in resolving cases and providing guidelines. The WTO has established rules and regulations for international business that are applicable to address business issues and conflicts among 124 countries globally. JBPLC's Sonargaon Road Branch ensures compliance with both local and international regulations when conducting foreign exchange operations.

2.1.6 Types Foreign Exchange Operations of JBPLC

1.Foreign trade Import and Export.

2.Foreign Remittance.

2.1.7 Import

Import refers to the acquisition of goods and services from foreign countries. The government of Bangladesh engages in importing various products and services, encompassing those from firms and industries, to fulfill the country's domestic needs. JBPLC primarily serves corporate offices as its key clientele.

2.1.7.1 Import Regulation of the bank

Under the Import-Export Regulation Act of 1950, the commencement of import or export activities is contingent upon obtaining the Import Registration Certificate (IRC). The Importer is granted this certificate by the Chief Controller of the Import-Export office. Subsequently, to address security concerns, the importer must submit an application for Credit Authorization from Bangladesh Bank. Upon receiving this authorization, the importer attains the status of a qualified importer.

2.1.7.2 Procedures of Opening L/C to Import

To initiate a Letter of Credit, the importer is required to-

- An account with JBPLC is mandatory.
- Possession of the Importer Registration Certificate is necessary.
- Provide a summary of previous dealings with a different financial institution.

2.1.7.3 Procedure for achieving Import Registration Certificate (IRC)

- Certificate of earnings tax.
- Certificate issued by a Chamber of Commerce or a Trade Union that is officially registered.
- Certificate of clearance from the bank.
- Documents related to trade licenses.

2.1.7.4 Method of Importing

When a party imports goods from a foreign country, adherence to specific procedures is required. There are two methods through which an importer can acquire goods internationally: direct importation from the source country or utilizing agents for the

Process:

- Possessing the license for importation.
- Making the purchase.
- Initiating the letter of credit.
- Retrieve the foreign currency.
- Goods' dispatch.

2.1.8 Export

The procedure involves sending goods from within the country to a foreign destination. In this scenario, the exporter is obligated to make payments for taxes and tariffs to the government.

2.1.8.1 Method of Export

Receiving the order, requesting the opening of a Letter of Credit (L/C), making a booking, and considering exchange rates.

2.1.8.2 Export Procedure

Registering the exporter, completing the export permit form, providing documents from the authorized dealer, and obtaining clearance.

2.1.8.3 Offers for Exporters by JBPLC

JBPLC provides extensive assistance to its exporters, ensuring their contentment and aiding in the accomplishment of their business objectives through various means such as back-to-back L/C, packing credit, overdraft, foreign document bill purchase, and local documents bill purchase.

2.1.9 Foreign Remittance

The JBPLC Sonargaon Road branch provides a common service, which involves facilitating foreign exchange remittance. This involves the transfer of money through various channels such as banking portals, post offices, and informal channels. The foreign exchange activities adhere to the regulations outlined in the Foreign Exchange Regulation Act of 1994, particularly Article 8, which pertains to international money funds. JBPLC plays a crucial role in facilitating both domestic and international money transfers, with the head office overseeing these transactions through an online banking system across different branches. There are two categories of foreign exchange: foreign inward and foreign outward. JBPLC Sonargaon Road branch is authorized by the Bangladesh Bank as one of the permitted dealers for foreign exchange transactions.

2.1.9.1 Inward Foreign Remittance

Inward foreign remittance refers to the transfer of funds from a foreign country into another country.

Purpose of Inward Remittance

- Supporting the well-being of one's family
- Commission for handling indenting
- Charitable contribution
- Gift
- Overseas investment

2.1.9.2 Outward Foreign Remittance

Outward foreign remittance refers to the transfer of funds from one country to another. This term encompasses various transactions, including the sale of foreign currency through methods like telegraphic transfer, money transfer, drafts, and traveler's cheques. Additionally, it includes payments made for imports into Bangladesh and the crediting of local currency to non-resident Taka accounts held by foreign banks or convertible Taka accounts. The two commonly used forms for outward remittance of foreign currency are MT (telegraphic transfer) and drafts:

● Outward remittances for imports are exclusively processed using the IMP form.

● TM Form - Any outward remittances apart from those related to imports are facilitated using the TM form.

2.1.9.3 Types of Deposit Accounts

JBPLC has provided various account facilities tailored to specific target groups-

- Current account
- Saving account
- Monthly savings Scheme
- Fixed Term Deposit account (FDR)
- Short term deposit (STD)
- Marriage Deposit Scheme (MDS)
- Lakhpat Deposit Scheme (LDS)
- Millionaire Deposit Scheme (MPS)
- Kotoite Deposit Scheme (KDS)
- Double Growth Deposit Scheme (DGDS)
- Triple Growth Deposit Scheme (TGDS)

2.1.10 Other Facilities

Outward Bill Collection

OBC stands for Outward Bills for Collection, denoting checks issued by individuals or entities, drawn on a bank other than JBPLC or one of its branches situated outside the clearing house region.

Online Banking-JBPLC currently offers online banking services accessible across all its branches, providing customers with convenient and efficient banking solutions at their fingertips. Through these services, customers can easily conduct activities such as money transfers and deposits from any location, saving time and minimizing the associated hassles.

SMS Banking- Modern banking relies heavily on SMS services, which are essential for their convenience, time efficiency, cost-effectiveness, and swift communication.

ATM Booth Service- JBPLC offers around-the-clock ATM booth banking services to cater to the needs of their customers. These ATMs are strategically positioned in bustling commercial zones and key locations, minimizing customer wait times.

Card Facilities- JBPLC offers superior customer benefits by providing dual prepaid VISA cards that complement existing Credit and Debit cards. Additionally, JBPLC extends its services with a specialized VISA Prepaid Hajj card designed for pilgrims, enabling them to cover their daily expenses and needs while in Saudi Arabia.

2.1.11 CORPORATE SLOGAN

Organization Logo

2.1.12 Strategic Priority

● Provide optimum customer value while ensuring the fulfillment of customers' product and service preferences.

●Maintain a consistently smooth foreign exchange experience at all times.

● Concentrating on the export of both conventional and unconventional goods, along with emphasizing remittance.

● Effective upkeep of high-quality assets.

● Emphasize strategies to minimize the cost of deposits.

● Extend banking services to the doorstep of the general population.

● Engaging in corporate social responsibility initiatives and assisting the less privileged in the nation through the JBPLC Foundation.

2.1.13 Ethical Principles

Emphasizing ethical practices is crucial for an organization, which goes beyond merely pursuing profits. The organization is dedicated to adhering to proper rules and regulations, ensuring the banking operations are conducted in a responsible and compliant manner to maintain high standards-

● Enforcing stringent adherence to rules and regulations across all sectors within the bank.

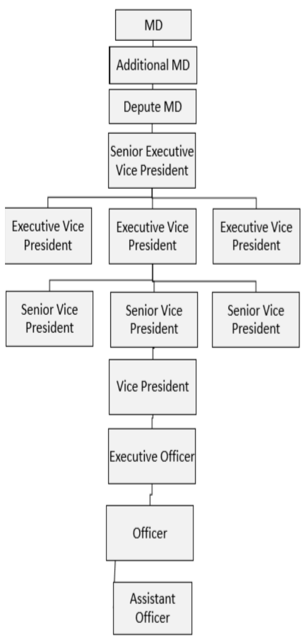
● Promote fairness and guarantee an even playing field for all involved parties.

● Secure and uphold robust privacy measures for safeguarding customer's personal information.

●Fostering employee awareness of corporate culture and organizing workshops for training and development.

JBPLC has established the Jamuna Bank Foundation with the primary objective of assisting individuals facing financial hardship, vulnerability, and instability. The foundation is dedicated to supporting the economically disadvantaged and contributing to sports, culture, healthcare, and community development initiatives through donations.

2.1.14 Organization Organogram



2.2 Swot Analysis

SWOT analysis is a technique employed to identify an organization's strengths, weaknesses, opportunities, and threats, considering factors such as its product or service, pricing, distribution channels, promotion, and customer satisfaction. Currently, Bangladesh has a total of 61 scheduled banks, with 43 being private commercial banks, 6 state-owned banks, and 9 foreign banks actively conducting operations. Conducting a SWOT analysis on JBPLC (Jamuna Bank PLC) can provide valuable insights into its performance and future prospects in the context of the banking sector in Bangladesh.

2.2.1 Strength

The capabilities of an organization, referred to as its strengths, determine its effectiveness in reaching its target goals by leveraging resources and existing facilities. JBPLC possesses several strengths, including:

- JBPLC distinguishes itself by providing swift and high-quality banking services, surpassing other banks in Bangladesh.
- JBPLC boasts a 4th generation internet banking system coupled with an automated process.
- The organization employs a team of experienced and professional executives capable of addressing and resolving challenges effectively.
- JBPLC offers mobile banking services and is a member of the SWIFT network. Engaging in social initiatives such as supporting anti-drug movements, blood donation drives, free medical services, and scholarship programs reflects JBPLC's commitment to community welfare.
- JBPLC excels in its foreign exchange department activities, demonstrating strong financial stability.

2.2.2 Weakness

Weakness characterizes the less robust aspects, constraints, or deficiencies that impede an organization from achieving its objectives. JBPLC exhibits the following weaknesses:

- Inadequate implementation of effective advertising and publicity strategies.
- Insufficient availability of contemporary accessories for digital banking operations.
- Reliance on analog procedures in foreign exchange activities.
- Reliance on analog procedures in foreign exchange activities.

2.2.3 Opportunities

The emerging landscape offers favorable conditions for organizations to introduce novel elements not currently present in the market. JBPLC has various opportunities, such as integrating innovative features into their products and services. Expanding their reach by opening additional branches and offering door-to-door services could enhance customer satisfaction. Increasing recruitment of skilled individuals is another avenue for JBPLC to capitalize on. Furthermore, JBPLC can explore expanding their foreign exchange activities, leveraging their significant presence in both exporting and importing sectors.

2.2.4 Threats

Threats are characterized by unfavorable conditions that pose challenges and impede an organization's progress. JBPLC faces various threats, including:

- Emerging competitors entering the banking sector with innovative financial technologies, alongside security risks in the banking channel.
- Political uncertainties impacting the operational environment.
- Growing competition from multinational banks introducing advanced technological features, leading to additional challenges.

- Economic downturns affecting financial stability.
- Governmental pressure to lower interest rates.
- Implementation of new rules and regulations by Bangladesh Bank.
- Fluctuations in foreign currency values, requiring constant adjustments.

Chapter3

[Methodology, Data Analysis and Findings, and My Responsibilities]

3.1 Literature Review Analysis

Understanding consumer behavior is crucial in foreign trade, as well as in marketing management, nonprofit and social organizations, and government agencies (Khan, 2006). The contemporary world heavily relies on technology and information, with computer networks facilitating commercial and domestic activities to expand global business, trade, and information management (Khan, 2006). The financial market, especially the foreign exchange market, is experiencing rapid growth, influenced by the integration of e-business. The internet has become a pivotal tool for consumers, enabling them to accelerate business processes, seize opportunities, provide quality products to customers, and efficiently manage financial transactions (Udo and Marquis, 2001, 2002; Vijayasarathy, 2004).

Historically, research on foreign exchange was conducted primarily before the 1970s, when fixed price assumptions were prevalent. However, in 1973, many developed countries shifted to floating exchange rates, prompting researchers to explore the impact of these changes on economic growth (Marshall, 1923).

Saleh Mohammed and Shyamapada Biswas observed that exchange rates significantly affect GDP and inflation in Bangladesh. Their analysis compared the effects of "Free Exchange Rate" and "Free Floating Exchange Rate System" on the growth rate of exchange and the country's GDP. They concluded that exchange rate fluctuations have a substantial impact on economic growth in Bangladesh, influencing import and export activities (F.M, 1998).

Robert J. Barro (1995) discovered a negative correlation between inflation and economic growth, emphasizing the adverse effects of inflation on purchasing power and pricing rates.

The Foreign Exchange Regulation Act of 1947 defines foreign currency and encompasses any installment, deposit, credits, or balances denominated in Bangladesh currency but payable in any other foreign currency. Foreign trade creates opportunities for foreign exchange and enables modern and commercial banks to engage in trade and provide valuable services to the business sector (Ghosh, 2012).

3.2 Source of Data

This report incorporates a combination of qualitative and quantitative data, employing an exploratory approach to comprehensively address its objectives. The study involves the utilization of both primary and secondary data across various segments of the foreign exchange department for thorough exploration and analysis. The data for this study has been sourced from the following channels:

Primary Sources:

- JBPLC representatives document
- In-person casual interview with the esteemed branch representative

Secondary sources:

- Several materials from JBPLC, including publications, research findings, and brochures.
- Yearly report, online sources, JBPLC's official website.

Following the challenges posed by the 2020 Covid-19 pandemic that impacted international credit markets, JBPLC demonstrated resilience by maintaining stability through a strategic financial plan focused on delivering top-tier customer service.

As of December 2023, JBPLC's total capital stood at BDT 299,509.69 million, showcasing an increase from BDT 28,139.47 million in 2020.

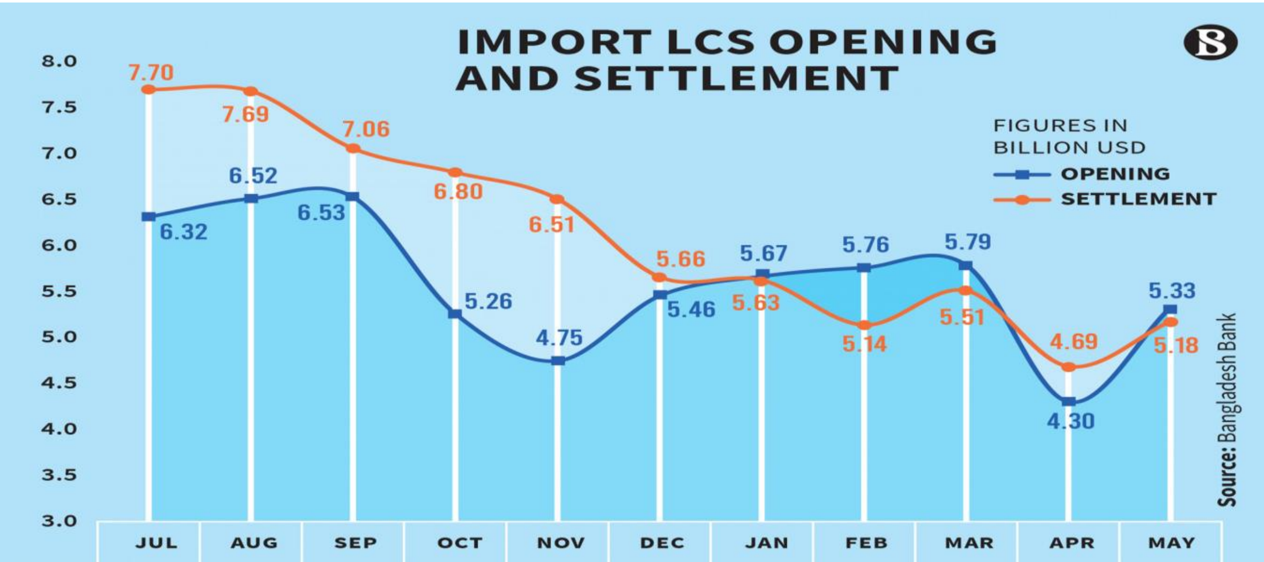
In 2023, JBPLC's investments amounted to BDT 699,541.53 million, surpassing the previous year's figure of BDT 50,970.36 million, indicating a significant uptick in investment. Additionally, LC opening was $39.46 billion from July to January of the current fiscal year, which is $24.79% or $13 billion less than the same period in FY22.

JBPLC's total export in 2023 amounted to BDT 142,381.70 million, reflecting an increase from the 2020 figure of BDT 92,321.21 million. Moreover, the remittance collection for JBPLC in 2023 totaled BDT 33,735.00 million, marking a notable rise from the 2020 amount of BDT 18,120.00 million.

The credit ratio for JBPLC in 2022 was 77.56, indicating a slight decrease from the 2021 ratio of 77.56%.

Table-1: Financial Report of Different Accounts of JBPLC

Sl.No#	Particulars		2022	2021
1	Paid up Capital	Taka	7,492,256,500	7,492,256,500
2	Total Capital	Taka	31,021,390,493	31,637,227,671
3	Capital surplus/(deficit)	Taka	7,694,858,057	7,557,389,622
4	Total Assets (excluding off balance sheet items)	Taka	282,636,717,699	264,321,506,387
5	Total Deposits	Taka	225,070,781,926	212,052,499,067
6	Total Loans & Advances	Taka	180,490,792,226	174,824,783,176
7	Total Contingent Liabilities & Commitments	Taka	112,075,162,595	103,221,075,468
8	Advance Deposit Ratio	%	77.56%	77.56%
9	% of classified loans against Total Loans	%	5.32%	2.97%
10	Profit after taxation & provisions	Taka	1,581,442,530	2,476,884,916
11	Amount of classified loans	Taka	9,609,500,000	5,193,948,000
12	Provision kept against Classified loan	Taka	2,638,377,067	1,472,021,035
13	Cost of Fund (Deposit cost & overhead cost)	%	7.53%	7.53%
14	Cost of deposit	%	4.60%	4.58%
15	Interest Earning Assets	Taka	257,969,927,208	240,829,947,973
16	Non-interest earning Assets	Taka	24,666,790,491	23,491,558,413
17	Return on Assets (ROA)	%	0.58%	0.98%
18	Return on Investment (ROI)	%	8.22%	9.52%
19	Income from Investment	Taka	5,918,558,912	5,649,900,343
20	Earning per Share (Taka)	Taka	2.11	3.31
21	Net asset value per share	Taka	26.36	28.52
22	Net income per share	Taka	2.11	3.31
23	Net Operating Cash Flow per Share (NOCFS)	Taka	12.25	11.12
24	Market value per share	Taka	21.30	23.40
25	Price Earning Ratio	Times	10.09	7.09



Jamuna Bank PLC.

Profit and Loss Account

For the period from January 01, 2023 to September 30, 2023

Particulars	January to Sep., 2023	January to Sep., 2022	July to Sep., 2023	July to Sep., 2022
Interest income/profit on investment	11,193,975,806	9,931,744,292	3,916,448,177	3,725,527,141
Less: Interest/profit paid on deposits and borrowings	7,922,925,966	7,269,546,291	2,687,744,530	2,607,525,696
Net Interest income	**3,271,049,840**	**2,662,198,000**	**1,228,703,647**	**1,118,001,445**
Investment income	5,320,742,427	4,843,390,771	2,306,391,383	2,203,071,856
Commission, exchange and brokerage	2,062,223,315	2,315,820,773	374,038,567	169,084,889
Other operating income	726,154,954	615,106,597	213,321,596	190,883,572
Total operating Income (A)	**11,380,170,536**	**10,436,516,141**	**4,122,455,192**	**3,681,041,762**
Salary and allowances	3,129,387,050	2,858,314,618	1,020,798,627	955,035,466
Rent, Taxes, Insurance, Electricity, etc.	717,265,994	641,846,895	270,667,135	225,010,466
Legal expenses	13,483,019	12,614,717	5,132,806	4,369,518
Postage, Stamps, Telecommunication, etc.	88,337,649	76,973,267	30,606,921	27,771,980
Stationery, Printings, Advertisements, etc.	188,350,620	173,559,912	(51,137,449)	20,454,767
Managing Director's salary & fees	15,660,000	10,180,000	5,520,000	3,350,000
Directors' fees	6,931,711	7,113,379	2,160,951	2,380,654
Auditors' fees	517,500	517,500	115,000	172,500
Depreciation and repairs of bank's assets	617,695,377	401,965,216	410,826,469	196,445,113
Other expenses	780,735,294	781,182,222	276,075,602	253,818,225
Total operating Expenses (B)	**5,558,364,214**	**4,964,267,726**	**1,970,766,062**	**1,688,808,689**
Profit/(loss) before taxation & provisions (C=A-B)	**5,821,806,322**	**5,472,248,415**	**2,151,689,130**	**1,992,233,073**
Provision for loans and advances	562,447,000	181,923,555	541,785,000	251,293,555
Provision for off balance sheet exposures	28,268,000	155,213,374	(2,531,000)	(47,269,626)
Provision for other assets	-	-	-	-
Provision for diminution in value of investments	258,785	2,772,989	(1,753,715)	2,192,827
Total provision (D)	**590,973,785**	**339,909,918**	**537,500,285**	**206,216,756**
Total profit before taxes (C-D)	**5,230,832,537**	**5,132,338,497**	**1,614,188,845**	**1,786,016,317**
Provision for taxation for the period				
Current tax	1,919,756,428	2,122,479,444	858,276,511	1,030,123,986
Deferred tax	500,000	2,000,000	(1,500,000)	500,000
Total tax provision	**1,920,256,428**	**2,124,479,444**	**856,776,511**	**1,030,623,986**
Net profit after taxation	**3,310,576,109**	**3,007,859,053**	**757,412,334**	**755,392,330**
Appropriations:				
Statutory reserve	636,841,800	-	-	-
Interest on perpetual bond	342,500,000	208,025,000	142,500,000	-
Retained Surplus during the period	**2,331,234,309**	**2,799,834,053**	**614,912,334**	**755,392,330**
Earnings per share (EPS)[Restated-2022]	**4.07**	**3.70**	**0.93**	**0.93**

Company Secretary   Chief Financial Officer   Managing Director

Director   Chairman

3.3 **Profit after Tax Scenario of JBPLC**

Let's delve into the five-year post-tax profit scenario for JBPLC, exploring the data that highlights the profits generated by JBPLC after accounting for taxes.

Table-2: Profit after tax of JBPLC (2017-2022)

Year	Tk (million)
2017	2,021
2018	2,317
2019	2,608
2020	2,671
2021	2,477
2022	1,582

Analysis

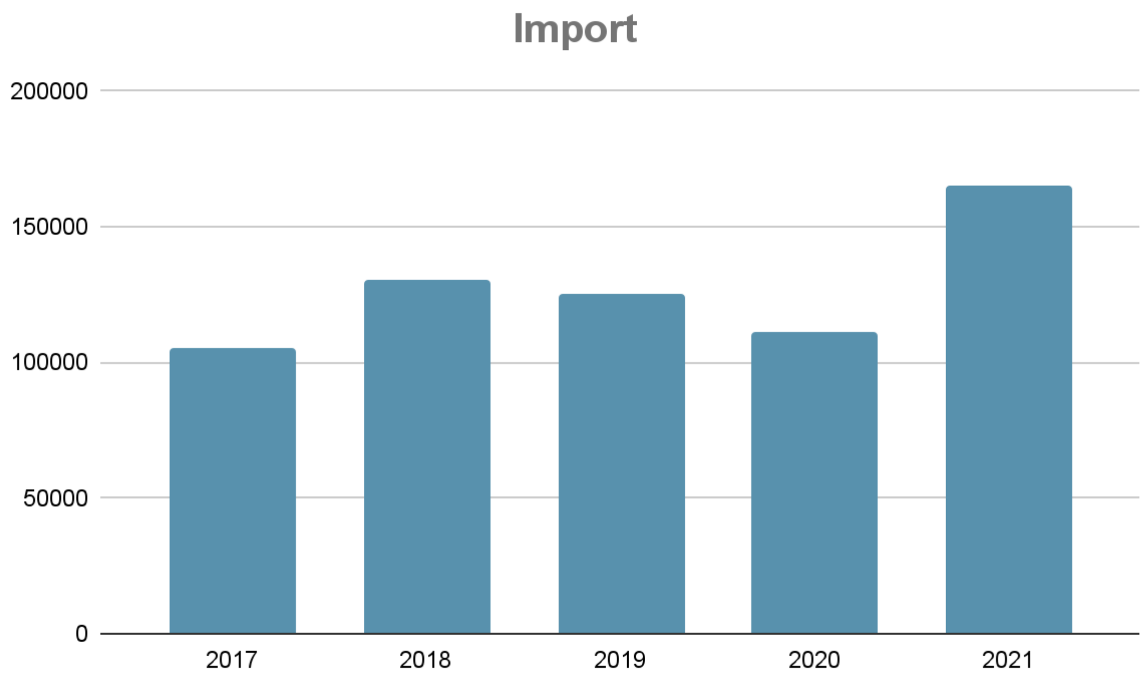
Over the past five years (2017-2021), JBPLC has consistently witnessed a growth in profits. In 2017, the profit amounted to BDT 2,021 million, followed by a notable increase in 2018, reaching BDT 2,317 million. The upward trend continued in 2019 with a substantial profit of BDT 2,608 million. In the subsequent years, 2020 and 2021, the profit figures further rose to 2,671 and 2,477 million BDT, respectively.

3.4 <u>Import</u>

In this discussion, we will explore JBPLC's five-year import trends, aiming to identify the years with rising import figures and those with a decline in imports.

Table-2: Import report of JBPLC (2017-2021)

Year	Tk (million)
2017	105,609
2018	130,242
2019	125,265
2020	111,097
2021	165,228



Analysis

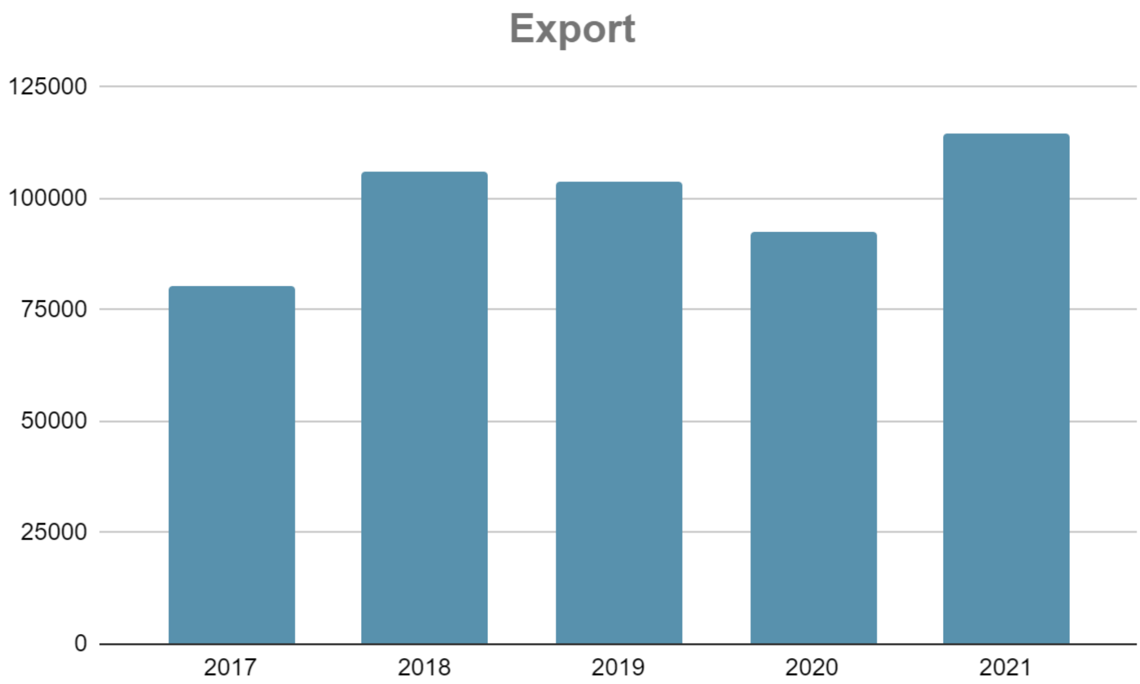
Over the past five years (2018-2022), there have been fluctuations in the import amounts of various industrial raw materials and consumer goods, including fabrics, machinery, accessories, food, and leather items. 2018, reaching BDT 130,242 million. However, due to the challenges posed by the pandemic, there was a decline in imports in 2019 and 2020, with amounts dropping to BDT 125,265 million and 111,097 million, respectively. Nevertheless, in 2021, there was a resurgence in import figures, reaching BDT 165,228 million. $39.46 billion, or $13 billion less, than the same time in FY22 from July to January of the current fiscal year.

3.5 Export

In this discussion, we will explore the five-year export history of JBPLC to identify the years in which export figures experienced growth or decline.

Table-3: Export report of JBPLC (2017-2021)

Year	Tk (million)
2017	80,459
2018	106,071
2019	103,951
2020	92,321
2021	114,382



Analysis

In 2017, the export of ready-made garment products reached BDT 80,459 million. The following year witnessed significant growth, with the export amount surging to BDT 106,071 million. However, in 2019 and 2020, there was a downturn, with export figures declining to BDT 103,951 million and 92,321 million, respectively. Nevertheless, in 2021, there was a resurgence in export performance, reaching BDT 114,382 million.

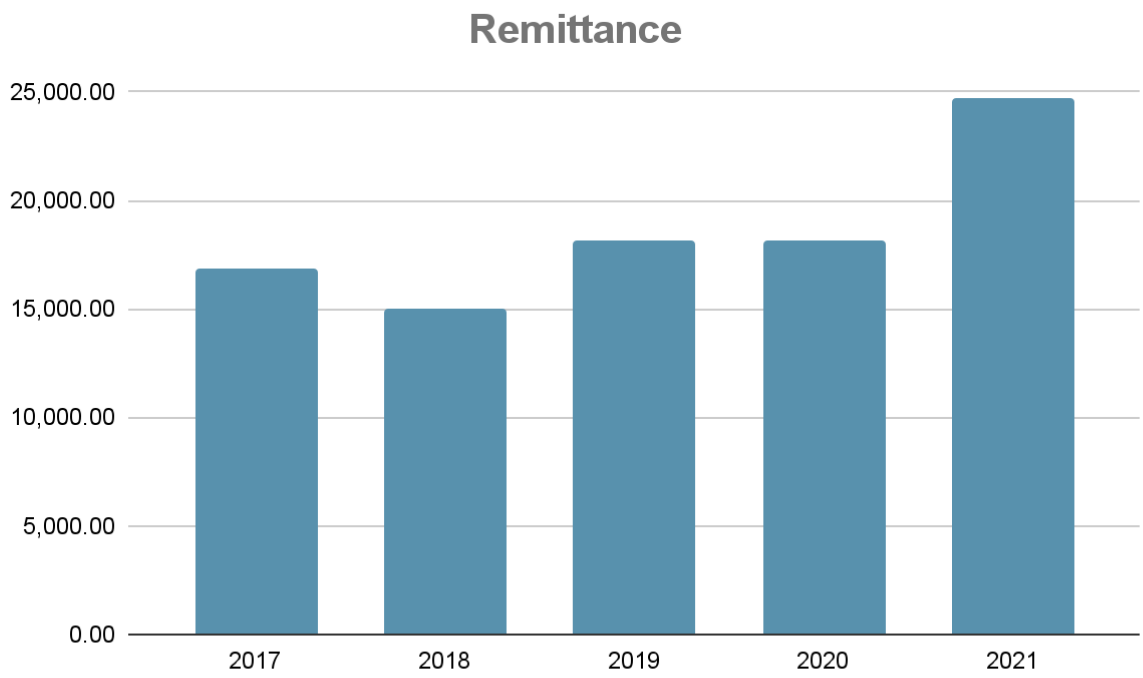
Particulars	30.09.2023		30.09.2022	
	JBL	JBL consolidated	JBL	JBL consolidated
- Operating Profit	5,821,806,322	5,885,083,935	5,472,248,415	5,557,841,726
-Profit after taxation	3,310,576,109	3,331,035,675	3,007,859,053	3,039,614,993
- Net Asset value (NAV)	20,983,099,833	20,929,955,101	21,519,299,092	21,466,923,505
- NAV per share	25.81	25.75	26.47	26.41
- Earnings per share (EPS)	4.07	4.10	3.70	3.74
- Net Operating Cash Flow per Share (NOCPS)	12.28	12.23	16.07	16.18

3.6 Remittance

In this discussion, we explore the remittance process at JBPLC from 2017 to 2021, examining sources that provide insights into the flow of remittance and any fluctuations in its volume.

Table-4: Remittance of JBPLC (2017-2021)

Year	Tk (million)
2017	16,837.76
2018	15,000.00
2019	18,175.60
2020	18,120.00
2021	24,730.00



Analysis

In 2017, the remittance amount totaled BDT 16,837.76 million. The subsequent year saw a decrease, dropping to BDT 15,000.00. However, in both 2019 and 2020, there was an increase compared to 2018, with the amounts reaching BDT 18,175.60 million and 18,120.00 million, respectively. Notably, in 2021, the remittance amount surpassed the cumulative figures of the preceding four years, reaching BDT 24,730.00 million.

3.7 Findings

JBPLC has established itself as a prominent and leading private commercial bank in Bangladesh, demonstrating consistent growth. Upon analyzing their data, the following observations can be made:

- JBPLC's primary foreign exchange activities include the facilitation of import and export through opening, confirming, and returning Letters of Credit (L/C), as well as managing international student accounts.
- The major source of profit for JBPLC is derived from importing L/C, followed by exporting and student account processing.
- Despite the absence of an option to open back-to-back L/C, a crucial element in the Ready-Made Garments (RMG) sector, JBPLC has shown positive progress each year, evident in the profit, import, and export charts.
- The Human Resources division at JBPLC is commendable, consistently providing training and organizing seminars to enhance employees' skills.
- JBPLC has received prestigious awards, including the "Best CSR Bank 2021" and recognition in the "Annual Global Economic Awards 2021.
- The bank is recognized for its friendly, helpful, and dedicated approach to client service.

3.8 My Responsibilities

- Setting up the L/C file.
- Recording L/C details in both the L/C register book and Excel.
- Completing the IMP form.
- Gathering required customer documents for photocopying.

Chapter 4

[Conclusion and Recommendations]

4.1 [Conclusion]

Since its inception, Jamuna Bank PLC (JBPLC) has significantly influenced the financial sector in Bangladesh. The bank has successfully cultivated a positive brand image as one of the premier commercial banks in the country, attributing its success to exceptional customer service, state-of-the-art facilities, and a conducive working environment. JBPLC is dedicated to tailoring its banking services to meet the evolving needs and desires of its customers, regularly adapting to modern banking standards.

The foreign exchange department of JBPLC plays a pivotal role in shaping Bangladesh's financial landscape. Its proactive approach in updating and aligning with contemporary banking practices has contributed to the bank's strong position. JBPLC's adept handling of international transactions, establishment of connections with foreign banks, and collaboration with money exchange agencies underscore its global presence.

Notably, Jamuna Bank PLC has introduced innovative planned advance facilities, indicative of its commitment to enhancing service quality in the future. To secure its leading position among Bangladesh's commercial banks, JBPLC must maintain its operational efficiency, continually update its processes in response to customer preferences, and remain adaptable to evolving market demands.

4.2 [Recommendations]

The banking sector, often regarded as the economic heartbeat, recognizes JBPLC's current smooth and dynamic operations. To ascend to the pinnacle of the country's banking sector, the following recommendations based on the report findings are suggested:

- Enhance efforts to streamline remittance facilities, simplifying the global process.
- Implement back-to-back L/C facilities.
- Increase promotional activities for L/C and other banking services.
- Establish an independent Research and Development (R&D) division.
- Update the website by incorporating new features and providing timely information.
- Regularly update and publish performance reports on the website for added value.
- Recruit additional skilled employees.
- Conduct more training sessions for employees to foster future development.
- Expand personnel in the PR and Brand division to amplify their impact.
- Organize more advertising campaigns, particularly targeting universities and corporate fairs.

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