

Report On
Analysis of Off-Shore Banking at Dhaka Bank Limited

By

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An internship report submitted to the **BRAC Business School (BBS)** in partial fulfillment
of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our 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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Letter of Transmittal

Mr. Riyashad Ahmed
Assistant Professor
BRAC Business School
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66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I would like to express my gratitude to the Almighty for allowing me to finish the internship and present this report to you. I could not have done either of those things. I count it among my good fortune to have you serving as the supervisor of my internship. This report contains an overview of my responsibilities while working as an intern at the Foreign Exchange Branch of Dhaka Bank Limited.

I sincerely wish for your contentment and acknowledgment of the effort I have put into the report. In addition, I sincerely hope every reader will find this report insightful, which was one of the primary reasons I decided to write it. I am grateful that you inspired me to continue working on this fascinating issue. I hope that you will give it some thought and appreciate it.

Sincerely yours,

Abul Kalam Sezan
18204066
BRAC Business School
BRAC University

Non-Disclosure Agreement

This agreement is made and entered into by and between Dhaka Bank Limited and the undersigned student at BRAC University, BRAC Business School

.....Abul Kalam Sezan

Acknowledgement

The helpful participation of a large number of individuals has made it feasible for me to create this internship report. To begin, I want to express my gratitude to Almighty Allah for giving me the privilege of making this report. Next, I would like to convey my sincere gratitude to my supervisor, Riyashad Ahmed, Assistant Professor at BRAC Business School, for providing me with guidance in writing this report. This report would not have been able to be written without his assistance. Furthermore, I would like to give special gratitude to the whole Foreign Exchange Branch for wholeheartedly treating me as one of their own, and I would like to thank all the amazing people of this branch for their supervision, especially the Credit and Trade department for their constant support and giving their valuable time, effort, and cooperation during the whole tenure of my internship period.

Executive Summary

Dhaka Bank Limited (DBL) is one of our country's fastest-growing financial institutions, and it has significantly contributed to our economy since it was founded in 1995. DBL, a private commercial bank, is doing everything possible to make its services available to the people. The Trade and Credit units are one of the departments that make up the foreign exchange branch at DBL. These units are accountable for the management and control of the Bank's activities in foreign trade and credit issues. Dhaka Bank Limited (DBL) began its operations entirely with characteristics of a commercial bank in addition to the services of a retail banking system. This was done in order to cater to a wide variety of customers. It also facilitated all different kinds of credit facilities and provided foreign trade to its esteemed customers. The report tried to focus on the off-shore banking of DBL in this contemporary situation of Bangladesh and the trade operations in the country having a dollar crisis, and other factors affecting Off-shore Banking as a whole. Furthermore, the banking offers a wide range of facilities to its clients, including LC opening and consulting, issuing additional certificates, such as NOCs, certificates/shipping guarantees, etc., and making and receiving payments and documents on behalf of the customer and involves dealing with import and export facilities.

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List of Acronyms

DBL	Dhaka Bank Limited
CPC	Central Processing Centre
FVP	First Vice President
VP	Vice President
PO	Principal Officer
SWOT	Strength, weakness, opportunity, and threat
BBS	BRAC Business School
BTB	Back-to-Back
LC	Letter of Credit
CPC	Central Processing Centre
SPO	Senior Principal Officer
AD	Authorized Dealer
FDR	Fixed Deposit Receipt
DPS	Deposit Pension Scheme
CASA	Current Account Saving Account
CIB	Credit Information Bureau
ATM	Automated Teller Machine
GB	General Banking

Glossary

Off-Shore Banking The term "off-shore banking" refers to international banking, which involves assets and liabilities denominated in a foreign currency held by non-residents of the country. Off-shore banking units engage in collection and lending activities with overseas investors without causing national fiscal and monetary issues. Furthermore, off-shore banking units are independent of the commercial banking system in their respective regions.

Analysis A study that aims to make a careful analysis of the problem or a statement of such a study; the process of assembling a whole into its component parts; an in-depth exploration of a complicated subject with the purpose of comprehending its nature or identifying its essential qualities.

Chapter 1: Overview of Internship

1.1 Student Information

Name:	Abul Kalam Sezan
ID:	18204066
Program:	Bachelor of Business Administration (BBA)
Major:	(Dual) Finance, Banking and Insurance & Human Resource Management
Minor:	N/A

Table: 1 Student Information

1.2 Internship Information

1.2.1 Period, Company name, Department, Address:

Period:	1 st June – 31 st August 2022
Company name:	Dhaka Bank Limited
Department:	Credit & Trade
Address:	Biman Bhaban, (1 st Floor)100, Motijheel C/A, Dhaka – 1000

Table: 2 Internship Information

1.2.2 Internship Company Supervisors:

Name:	Rumana Shahid
Position:	First Vice President (FVP) and Manager Operation

Table: 2 Internship Company Supervisors' Information

1.2.3 Job Scope & Job Responsibilities:

I was appointed in the Credit and Trade section and then rotated to the General Banking department for some weeks. I used to do various kinds of work in the Credit and Trade department as I spent most of my time during my internship in this department; I learned at Credit and Trade. My responsibilities and works are, such as:

- Filling the Amendment, BTB (Back-to-Back) LC (Letter of Credit) to Code wise file.
- Putting LC number and issuing date from Trade Finance documents.
- Making Rate Requisition Requests for the Export and Import Clients.
- Make a forwarding list of the LC sent to CPC (Control Processing Center).
- Taking Credit In-charge, Operation manager, and Branch Manager signatures for various documents.
- Putting seals on different documents.
- Putting outward number and inward number from dispatch.
- Checking the status of the client's acceptance, date of payments, or deferred by logging in to SWIFT.

- Making draft financials of the client's status for sending loan request proposal for Head office approval.
- Input information of the clients by collecting information from form iix, Trade License, and NID for making CIB.
- Downloading CASA Statements, TD Reports, and Loan Statements from DBcube and printing and putting seals.

Then in the later part of my internship, when I worked at GB, where I also learned from them. The responsibilities are, such as:

- Bringing out the chequebooks for the customers, making sure they are correct, and then collecting them from the courier.
- Extracting old account opening documentation such as FDR, DPS, Students Ledger, and other similar documents.
- Opening Ezzy Accounts through the app.
- Putting transfer seals on received cheques.
- Fill out the account deposit forms.
- Contacting various customers over the phone to collect their chequebook or debit card requests when they arrive at the branch.

1.3 Internship Outcome

1.3.1 Contribution to the Bank:

I believe I have tried to contribute to the Bank since I was getting noticed and appreciated by many of them. Firstly, I help to manage their task during rush hours, such as by taking signatures on behalf of them from the manager. Also, by giving them the documents when in need. I was given access to some confidential portals such as SWIFT and DBCube. Also, I had the chance to visit clients' houses for legal documents with the officers. Also, I was able to do the documentation successfully, as documentation was a more significant part. As there are lots of documents and finding the documents, if put on the wrong file, is almost close to impossible. I managed to contribute in the smallest way possible. After I joined, I used to do the filling of the LC documents, and the SPO also relied on me, and I managed to do all the listing of forwarding documents to CPC. So, I believe I contributed to the Bank significantly.

1.3.2 Benefits to the student

I think I benefited more than I contributed during my internship at DBL. I was able to observe the bank procedure from the tight end. I got to see both the internal and central bank audits during this period, which was very rare since it was only conducted years apart. I was able to learn and access a variety of tasks and departments. With the help of the portal, I learned to use DBCube and SWIFT, where one can get all the information one needs about the clients and how to use them. It is fundamental banking software that is crucially important and also secret. So that nobody else may access their information, each officer has a unique ID and password to access their account. The confidentiality and security of customers' information are a top priority.

Most importantly, I got a chance for a few visits with officers where I learned and had an experience that would never be possible if I were not in Banks. Moreover, I learned how to deal with clients and provide their necessary services, and I learned to handle multiple tasks. I get to know how big-ticket clients communicate with banks and continue a healthy relationship with banks. I learned how to react and behave with the top officers of the Bank, such as the FVP and VP of Bank, and managed to get their signatures for documents. Lastly, I realized and learned the basic as well as essential etiquettes of a real-life work environment.

1.3.3 Problems and difficulties faced during the internship

I believe my internship experience was a roller coaster ride. Along with the positive sides, there are some difficulties as well. Initially, I faced some challenges dealing with the officers as I was new to the place; I was not able to understand the environment and how to react to certain situations for which it takes time to cope with the environment. Special thanks to Tanjina Binte Zaman (PO), who helped deal with the environment immensely. Besides, sometimes I used to mix up the documents due to getting documents from multiple officers. Moreover, the biggest challenge during the internship was to find specific documents from past transactions; as there were a lot of files in the bank, figuring out the documents on an instant basis was difficult.

1.3.4 Recommendations

I have a few recommendations to the Bank on future internships, i.e., students should be given some feedback on a weekly basis or monthly. As they are experiencing real-life work environments for the first time, they should get some positive and negative feedback so that they can work on that and improve themselves even during the internships. Secondly, they should be given a little challenging work even though there is a possibility of making mistakes, but they will learn from that and for which bank can do specific separate works for interns. Moreover, a fixed desk and computer can be separated for interns' use only so they can work on that instead of using other users' pc as the bank is constantly dealing with confidential information. Lastly, since interns work here for only three months, officers should encourage and teach the contemporary issue of the bank so that the students get motivated about their work which they work on.

Chapter 2

Organization Part

2.1 Introduction

When Bangladesh gained independence in 1971, the country immediately started developing its banking sector. Since that time, 61 new banks have opened their doors across the nation. Under the Corporation Law of 1994, it became a private limited corporation open to the public. On 5/07/1995, the bank opened for service with a total of TK 1,000.00 in authorized capital and TK 100,000.00 in paid-up capital. Since it initially opened its doors to customers, the financial institution has experienced phenomenal growth in both the volume of its business and the esteem with which it is held by its clients.

Dhaka Bank Limited (DBL) entered the commercial market for the first time in 1995. At that time, all of DBL's Authorized Dealer (AD) Branches were responsible for conducting trade-related activities, and Foreign Exchange Branch was one of the AD branches among them. Branch Authorized Distributors are the ones who are known to have the authority to manage activities related to international trade (ADs). Dhaka Bank Limited is an AD bank. Through its many subsidiaries, Dhaka Bank Limited engages in the trading of foreign currencies. The bank cultivates a huge network of harmony globally and on a daily basis to operate the foreign exchange business in an effective and efficient manner. Dhaka Bank Limited is a fully technologically advanced institution that provides a range of international banking products and services.

Dhaka Bank Limited offers individual and business clients a comprehensive selection of banking and investment services, all of which are backed by cutting-edge technology and an

exceptionally driven group of employees. With the intention of providing superior banking facilities, the financial institution began offering online banking, joined a shared ATM network that covered the whole country, and issued a credit card with a shared name. Dhaka Bank Limited is the bank of excellence in the banking industry because of its courteous and personalized customer service, cutting-edge technology, individualized approaches to meeting the requirements of businesses, global presence in trading, and excellent rates of return upon financings.

2.1.1 Mission

"To be the premier financial institution in the country, providing high-quality products and services backed by the latest technology and a team of highly motivated personnel to deliver Excellence in Banking." (DBL,2022)

2.1.2 Vision

"At Dhaka Bank, we draw our inspiration from the distant stars. Our vision is to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting-edge technology and tailored solution for business needs, global reach in trade and commerce, and high yield on your investments. Our people, products, and processes are aligned to meet the demand of our discerning customers. Our goal is to achieve a distinct foresight. Our prime objective is to deliver a quality that demonstrates a true reflection of our vision- Excellence in Banking." (DBL,2022)

2.1.3 Values

➤ “Customer Focus:

Have a strong customer focus and build relationships based on reliability, excellence in Banking service and mutual benefit.

➤ Integrity:

Maintain high ethical standard, integrity and transparency in dealings.

➤ Quality:

Keep quality of service and serve the customer through attaining excellence in banking operation.

➤ Teamwork:

Build teamwork to keep the customer interest and satisfaction as first priority and provide customized banking products and services smoothly.

➤ Respect for the Individual:

Value and respect people, and make decisions based on merit.

➤ Responsible Citizenship:

Committed to protect the environment and go green.” (DBL,2022)

2.2 Overview of the Company

2.2.1 About Dhaka Bank Limited

Dhaka Bank is the creation of a succession of dedicated businesspeople who dreamed of achieving the highest possible standards in the banking industry. The financial institution provides clients, both private and corporate, with a broad range of banking and investment services backed by cutting-edge technologies besides the group of extremely enthused officers. Dhaka Bank provides a wide-ranging spectrum of electronic banking facilities in real-time over its offices, automated teller machines (ATMs), and internet banking channels. This service provision is a key aspect of the bank's assurance of providing excellence in banking. Dhaka Bank Ltd. is the bank of choice in the banking industry mainly due to its customer-oriented and individualized services, cutting-edge technology, individualized approaches to meeting the requirements of businesses, worldwide business reach, and high return on investment. Dhaka Bank Limited is committed to its pursuit of novel approaches that would allow it to satisfy its customers' expectations. Since of its strength and commitment to the financial sector, Dhaka Bank Limited has earned the trust of the overall public. The trust can be measured in light of the excellence of packages provided by its clients and the added benefit provided by its investors. Since then, it now stood at the peak of the financial industry in every conceivable respect. As a financial institution, Dhaka Bank Limited has automated all of its branches by equipping them with a computer network in order to provide all modern services, keep pace and be consistent with domestic and international business activity, providing wholly up-to-date assistance. This was done according to the needs of the market at the time.

2.2.2 Company Profile

Concise Profile of Dhaka Bank Limited

Company Title and Name:	Dhaka Bank Limited
Legal form:	“A public limited company incorporated in Bangladesh on 6th April 1995 under the companies Act 1994 and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.” (DBL,2022)
Address:	Plot: CWS (C)-10, Bir Uttam A K Khandakar Road, Gulshan01, Ward-19, Dhaka North City Corporation, Dhaka-1212.
Phone:	+8802 5831 4424(Hunting number), +8802 5831 4425-31, 5831 4624-8
Fax:	+8802 5831 4419
Email:	info@dhakabank.com.bd
Website:	Dhakabankltd.com
Swift code:	DHBLBDDH
Website URL:	http://www.dhakabankltd.com

Table: 4 Brief profile of Dhaka Bank Limited

2.2.3 Current Situation

The robust financial strength of Bangladesh Bank, as well as its consistent and exceptional commercial performance, can be attributed largely to Dhaka Bank doing an impressive business currently. In accordance with standards set forth along with the Bangladesh Bank, Dhaka Bank Limited is one of the selected few accredited financial institutions that both satisfy the capital adequacy ratio and possess a legacy that is in excess of what is required. The Bank currently has more than 100 branches, 3 SME Service Centers, 2 Off-shore Banking Units across the country, and a vast network of correspondents all over the world.

2.2.4 Core Operations

The Bank's main operation was managing and giving big-size ticket corporate clients, general banking, commercial banking, trade service, and cash management. The bank's primary focus is on conventional and Islamic banking services, as well as a full range of financial products (loans and deposits). It provides its customers with corporate banking, retail banking, commercial services, cash management, treasury, small and medium-sized enterprise retail, and custody and clearing. In Bangladesh, these tasks are completed by its branches, SME service centers, subsidiary branches, Islamic branches, and dynamic alternate delivery channels (ATM booths, internet banking). In addition, the bank offers off-shore banking services via its off-shore banking unit (OBU), as well as Islamic banking services via its Islamic Bank branch. The bank is now trying to focus more on SME Clients and grow in the retail banking sector, as said by CEO Emranul Huq in an interview.

2.2.5 Products and Services offered

Dhaka Bank Limited is an institution that is highly developed intellectually and provides a variety of products and services related to national and global banking. A variety of financial products and services are provided solely for the use of non-governmental organizations and international projects operating in Bangladesh, as well as the employees of organizations based in Bangladesh. The bank has designed a product list to meet the one-of-a-kind banking demands of international organizations and NGOs in Bangladesh with the assistance of the marketing team, which has previous experience serving diplomatic objectives with other multinational banks. Dhaka Bank Limited is dedicated to the creation and maintenance of commercial connections, as well as the provision of comprehensive banking solutions, all while maintaining a degree of service that is superior to that which customers expect. Products are classified into two categories, i.e., Liability and Asset, in the table below –

Liability Products	
Current Account	Lakhopoti Deposit Scheme
Savings Account	Honorable Seniors
Bundled Savings Account	Gift Cheque
Fixed Deposit Receipt (FDR)	Students' Ledger
Deposit Pension Scheme (DPS)	Short Term Deposit
Kotipoti Deposit Plan	Edu Savings Plan

Table: 5 Liability Products of Dhaka Bank Limited

2.2.5.1 LIABILITY PRODUCTS

Current Account

Dhaka Bank's current account offers a low minimum required deposit, a lower yearly service charge, and a free ATM card.

Key Features:

- Minimum required deposit: Tk. 10,000.00
- Yearly service charge: BDT 1000 + VAT
- Interest Rate: N/A
- Maximum withdrawal (per month): According to the customer's transaction profile (TP)
- Cheque Book: Tk 5.00 per leaf
- ATM card: 1st year free

Savings Account

The Savings Account of Dhaka Bank starts with a low minimum required deposit and a low yearly service charge. It also offers a free ATM Card.

Key Features:

- Minimum required deposit: Tk. 5000.00
- Yearly service charge: BDT 600 + VAT (If Average Balance is 25000.00+)
- Interest Rate: 5.00% (will be as per ALCO revision)
- Maximum withdrawal (per month): According to the customer's transaction profile (TP)
- Loan facility: N/A
- Cheque Book: Tk 5.00 per leaf
- ATM card: 1st year free

Bundle Savings Account

Bundle Savings Account

Dhaka Bank Bundle Savings Account is committed to making a difference. Your money can breed money with the Dhaka Bank Bundle Savings account. You will see your money grow every single day.

Key Features:

- Minimum Balance Deposit: Tk.30,000
 - Interest: 6% p.a. (paid monthly)
 - Interest Calculation: Interest will be calculated on the daily balance. End of a given day, if the balance of the account falls below Tk.30,000, the client will lose interest for that particular day.
 - Maximum Monthly Withdrawals: 6(six) (without deduction of fee/charges understanding instruction only)
 - Debit Card: Free
 - Cheque Book: 1 cheque book of 50 leaves free per year
 - Credit Card: Free. Limit up to 50,000
- SMS & Internet Banking: Free
- Who can apply: Salaried individuals & Professionals
 - Yearly Fee: Tk.2000
 - Tax, Excise Duty & Vat: As per NBR rules

Fixed Deposit Receipt (FDR)

Plan one future with a Fixed Deposit Receipt account. It offers an easy loan facility, attractive interest rates, and auto-renewal provision.

Key Features:

- Minimum required deposit: Tk. 50,000.00
- Tenure: Minimum 1 month and Maximum two years (Provision for auto-renewal)

Deposit Pension Scheme (DPS)

Savings for the future is like a pension you earn over the span of your life. Little drops of savings every month can end up with a stream of relief and benefits after a few years. Dhaka Bank DPS is inspired to build a considerable sum on small regular deposits. It offers competitive interest rates and installments at the affordable reach of our customers. As a stand-out feature, Dhaka Bank DPS gives full maturity benefit for the just-completed term even though you encash before your desired timeline.

Key Features:

- Monthly installment, minimum Tk. 500
- Flexible Tenure, minimum two years to maximum ten years
- Maximum maturity value around Tk. 52.00 Lac
- Any number of accounts can be open
- Premature encashment includes immediate earlier maturity value

Kotipoti Deposit Plan

Kotipoti Deposit Plan helps to reach the heights of wealth & status with Taka ONE CRORE.

Every saver has a fascination for a status of high wealth. In our socio-economic context, a

person who owns 10 million Taka in a bank account or savings account stands out in the crowd.

A certain level of prestige is associated with being a millionaire, which makes that amount of wealth a goal for some and hard to achieve for others.

Key Features:

- Monthly deposit scheme to reach a goal amount
- Be a glorious KOTIPOTI comfortably faster in 4 to 15 years
- Any number of accounts (singly or jointly)
- Any institution, club, or non-profit organization also eligible
- Overdraft facility up to 80% of the deposit amount
- Free issuance of VISA Credit Card (first year)
- Available at all Branches of Dhaka Bank Limited

Lakhopoti Deposit Scheme

Lakhopoti Deposit Scheme helps own a million or multiples of million with an array of deposits and time in best harmony with one's ability. People of higher echelons in society often cherish a desire to reach such heights of wealth worth considering. This new deposit scheme product specially designed to provide the desired solution to high net-worth dreamers is a good proposition in the market. Lakhopoti Deposit Scheme is made to provide three suitable goal plans, a) Lakhopoti 10 Lac, b) Lakhopoti 25 Lac, and c) Lakhopoti 50 Lac.

Key Features:

- Monthly deposit scheme to reach a goal amount
- Be a respected LAKHOPOTI comfortably faster in 4 to 12 years
- Set your target either on Tk. 10, 25, or 50 Lac or all

- Any number of accounts (singly or jointly)
- Any institution, club, or non-profit organization also eligible
- Overdraft facility up to 80% of the deposit amount
- Free issuance of VISA Credit Card (first year)
- Available at all Branches of Dhaka Bank Limited

Honorable Seniors

Insurance-backed savings accounts are designed to empower senior citizens of the country to independently carry out their day-to-day banking transactions with enhanced convenience, dignity, and confidence. The product offers and benefits will also ensure security through insurance backed by MetLife Alico and continued growth for seniors who have worked hard for the nation. Dhaka Bank Senior Citizen Services have been designed keeping in mind that senior citizens' banking requirements are wholly different. Sensing the possibilities of matured age, the product is positioned to empower senior citizens of the country to independently carry out their day-to-day banking transactions with vigour after 45 plus.

Key Features:

- Senior Citizen segment of the country within the age bracket of 45 to 65 years
- Free insurance coverage backed by MetLife Alico
- Savings Account (Singly or Jointly)
- Interest rate: Maximum 2% higher than savings rate on daily balance & 0.50% higher than usual rates on FDR
- Minimum opening balance: Tk. 5,000
- VISA Debit Card
- 25% less from all service charges

- Free cheque book (50 leaves/year)
- Overdraft facility & self-employment loan
- Available at all branches of Dhaka Bank Limited.

Gift Cheque

A gift is worth rewarding on many counts. The joy of giving something must be dressed in fashion and delivered in style. Dhaka Bank Gift Cheque is virtually suitable for everyone on your list on their anniversary, birthday, wedding ceremony, and many others, no need to mention. The springing surprise is the cheque value that grows over time with attractive returns.

Key Features:

- Issued and en-cashed at any DBL Branch
- Available of suitable denominations of Tk 100, 500 & 1,000
- Usable for unlimited time
- Attractive rates of interests
- May be refunded if lost or stolen
- Free of service charge
- Interests apply after three months from the date of issuance
- Between 3 to 12 months: 6.00% p.a.
- After 12 months: 7.25% p.a.

Students' Ledger

Drawing inspiration from Bangladesh Bank's initiatives and Bank's winning proposition, Dhaka Bank unveiled an attractive deposit product branded as Students' Ledger-School & Students' Ledger-University as a part of implementing inclusive banking. School Banking aims

to instill the habit of savings from an early age into students, guide them to save and spend their money judiciously and increase their efficiency regarding financial management from the very beginning of their life. That will help them to achieve success in their future career. Resultantly, a large segment of the country's population will be involved in the financial activities that will steer the 'Financial Inclusion Drive' and divulge 'Financial Literacy' among the mass people of the country. School and university students are kept as focal points while designing this product because they will be at the helm of all administrative, political & commercial activities in the future. This product will go a long way to improving the financial literacy of the next generation. Dhaka Bank Offer Students' Ledger (SL) – to School students up to 17 years of age while 'Students' Ledger (SL) and University' Ledger (UL) - to university-going students aged 18 to 28 years under this 'Financial Inclusion Drive.'

Key Features: (Students Ledger (SL) –School)

- Insurance coverage backed by MetLife Alico
- Savings Account (Joint Account with operating parents)
- Age Limit: Student 6 to 17 years; Paying Parent 18 to 59 years
- Interest rate: Max. 1.50% higher than the savings rate on daily balance
- Min opening balance Tk. 500 (with insurance), Tk. 300 (without insurance)
- Special rewards for academic achievement
- 2% yearly bonus on no withdrawal
- Free Cheque Book & Debit Card.
- Withdrawal Limit: Max Tk. 40,000 (By Cheque Tk. 10,000 per day, By debit card Tk. 2,000 per month)
- Academic fee at actual by Pay Order

Key Features: (Students Ledger (SL) – University)

Free insurance coverage backed by MetLife Alico

- Savings Account (Single or Joint Account with parents)
- Age Limit: Student 18 to 28 years; Parent 18 to 64 years (if Joint Account)
- Interest rate: Max. 1.50% higher than the savings rate on the daily balance
- Min opening balance Tk. 1,000
- Special rewards for academic achievement
- 2% yearly bonus on no withdrawal
- Withdrawal as usual through cheque and debit card
- Free cheque book (50 leaves/year)

Short Term Deposit

Earn a fixed rate of interest with our Short-Term Deposit. Key features include Higher Interest and a high degree of safety that depends on credit quality.

Key Features:

- Minimum required deposit: Tk. 25,000.00
- Yearly Service Charge: BDT 1000.00+ VAT
- Interest Rate: 5.00% (Will be as per ALCO revision)
- Cheque Book: Tk. 5.00 per leaf
- ATM card: 1st Year Free

Edu Savings Plan

Dhaka Bank formally introduced an attractive deposit product branded as Edu Savings Plan under the auspices of the Consumer Banking Division, focusing mainly on child's education and planning for their future academic expenses.

Key Features:

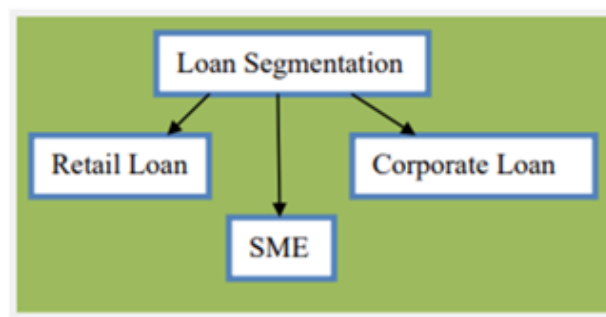
- Maximum required deposit: Tk. 20,000.00
- Minimum required deposit: Tk. 500.00
- Tenure: 4, 6, 8, 10 & 12 years
- Maximum maturity value: Tk. 64,54000.00
- Eligibility: 4 – 16 years school-going students and parents mature age 65
- Loan facility: Up to 90% on the total deposited amount
- Deduction: Income Tax, Excise Duty, etc., to be realized per Government / Regulatory rules.
- Added Benefits: Accidental (death/disability insurance protection)
- Free ATM Cards
- Free cheque book (one book of 25 leaves per year)
- Insurance covered by: MetLife Alico

2.2.5.2 ASSET (LOANS) PRODUCTS

The Dhaka Bank Limited targets to reach the customer group through 3 sections

loans and advances. These are

- i. Retail Loan
- ii. Corporate Loan
- iii. SME



Their aim is to achieve targeted profit through the satisfaction of their customer group.

2.2.5.3 Services of DBL

The Bank offers the full range of banking and investment services for personal and corporate customers, backed by the latest technology and a team of highly motivated officers and staff.

The Bank has launched an Online Banking service, joined a countrywide shared ATM network, and introduced a co-branded credit card. Dhaka Bank Limited offers various types of services.

Those are:

Corporate Banking:

Providing a tailored solution is the essence of our Corporate Banking services. Dhaka Bank recognizes that corporate customers' needs vary from one to another, and a customized solution is critical for the success of their business. Dhaka Bank offers a full range of tailored advisory, financing, and operational services to its corporate client groups combining trade, treasury, investment, and transactional banking activities in one package.

Whether it is project finance, term loan, import or export deal, a working capital requirement, or a forward cover for a foreign currency transaction, the Corporate Banking Managers will offer the right solution.

Islamic Banking:

Dhaka Bank Limited offers Shariah-based Islamic Banking Services to its clients. The bank opened its First Islamic Banking Branch on July 02, 2003, at Motijheel Commercial Area, Dhaka. The second Islamic Banking branch of the bank commenced its operation at Agrabad Commercial Area, Chittagong, on May 22, 2004. Dhaka Bank Limited is a provider of online banking services, and any of its clients may avail of Islamic Banking services through any bank branch across the country.

Dhaka Bank Islamic Banking Branches offer fully Shariah-based, interest-free, profit-loss-sharing banking services. Dhaka Bank Shariah Council is closely monitoring its activities. Besides, Dhaka Bank is an active member of the Islamic Banking Consultative Forum, Dhaka, and the Central Shariah Board of Bangladesh.

Capital Market Services:

Capital Market Operation, besides investment in Treasury Bills, Prize Bonds, and other Government Securities, constitute the investment basket of Dhaka Bank Limited. Interest rate cut on bank deposits and government savings instruments has contributed to a significant surge in the stock markets in the second half of 2004, creating opportunities for the Bank in capital market operations. The Bank is a member of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

ATM Card Services:

Cash Withdrawals - up to Tk. 1 Lac per day

Utility payments - T&T, Mobile phones, DESA, etc.

Multi-account access

Fund Transfers

Mini Statements

PIN change

Low cost

Time-saving.

Easy to monitor a/c position,

Easy to reach within every Residential & Commercial Location.

Credit Card Services

Dhaka Bank Limited brings everyday Credit Card in the shortest possible time. That is why they have developed processes to guarantee card delivery in just seven days when anyone applies for a fully secured card; for an unsecured card, it will be ready in just ten days.

Locker Services

A client could use the locker facility of Dhaka Bank Limited and thus have the option of covering valuables against any unfortunate incident. DBL offers security to locker service afforded to the Bank's property at a competitive price.

Online Banking Services

Dhaka Bank Limited introduces Net Banking and intends to maintain the lead with enhanced facilities through this media. Clients can get access to real-time account information through the Internet. Transfer money from his/her account, utility bill payment, and more. Through online Banking Services, clients can deposit & withdrawals from his/her account held with a particular branch up to a limit of Tk: 10,000.00 through any branch of Dhaka Bank Limited.

2.3 Management Practices

2.3.1 Leadership Style

The role of leadership is essential in terms of creating a vision, and mission, determining and establishing objectives, formulating techniques, guidelines, and methods to achieve organizational objectives effectively, as well as leading and controlling initiatives and functions of the organization. Among all types of leadership styles, DBL's leadership style is Transactional Leadership. Transactional leadership is primarily focused on following a set of procedures for procedures or responsibilities. Transactional managers operate swiftly, and this attribute frequently motivates the employees and subordinates by appreciating them for their accomplishments. As transactional leaders utilize a diversity of incentives and exercise power, the majority of the workers are encouraged, and the performance of employees improves.

At DBL, the leaders reassure members and provide adequate instructions on what is expected of them and how long it will take to meet those objectives. Transactional leaders are more focused on ideas, including the contingency approach and behavioral theory, in which leaders inspire and push employees to follow adequate goals and objectives through different organizational tasks. Employees are motivated by their department's head when they exceed their expectations. The leaders reward the employee's superior performance. Employees participate in the decision-making process. The leader applauds the new imaginative work approaches. The management tries to figure out the problem until the situation has grown in size before taking action.

ORGANIZATIONAL HIERARCHY

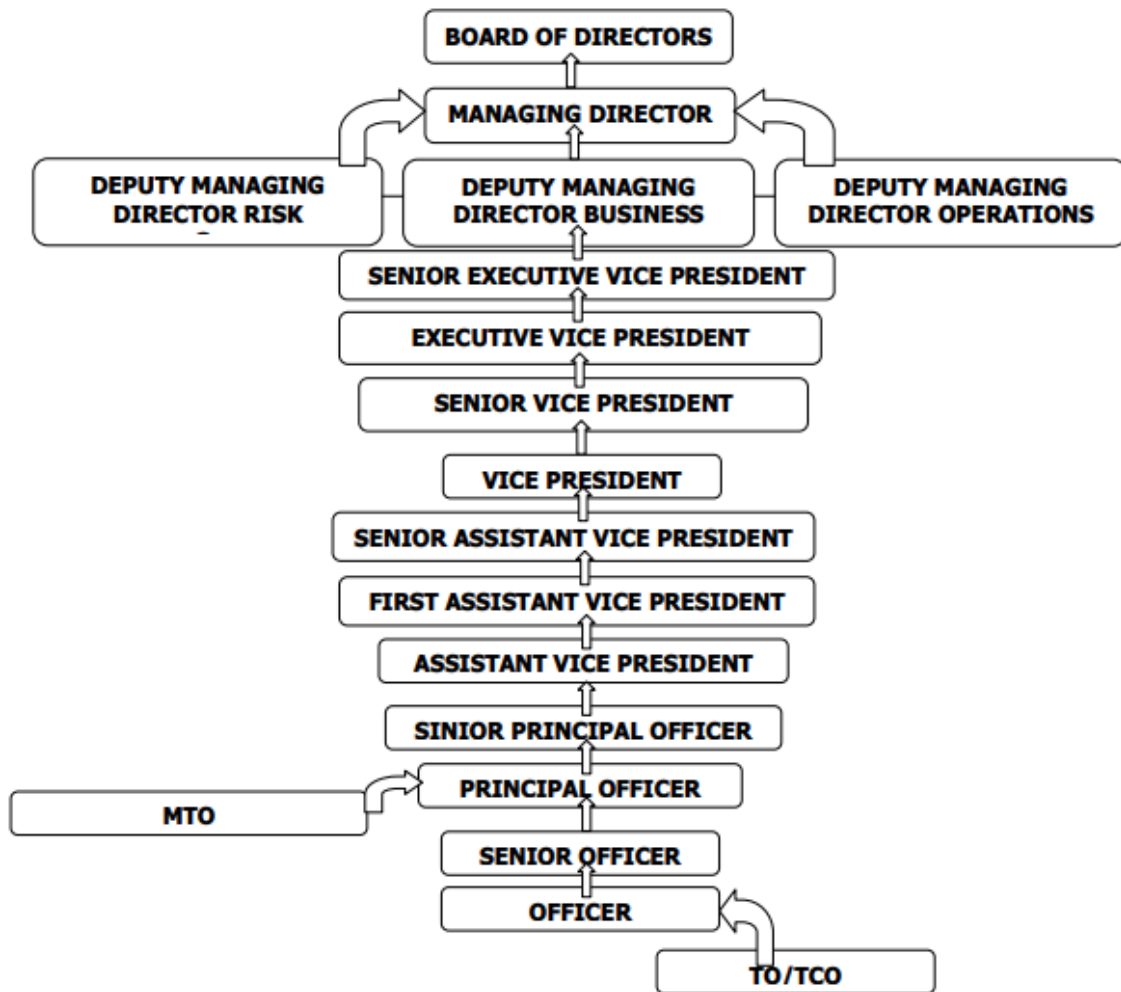


Table: 6 Organizational Hierarchy of Dhaka Bank Limited

2.3.2 Human Resource Planning Process

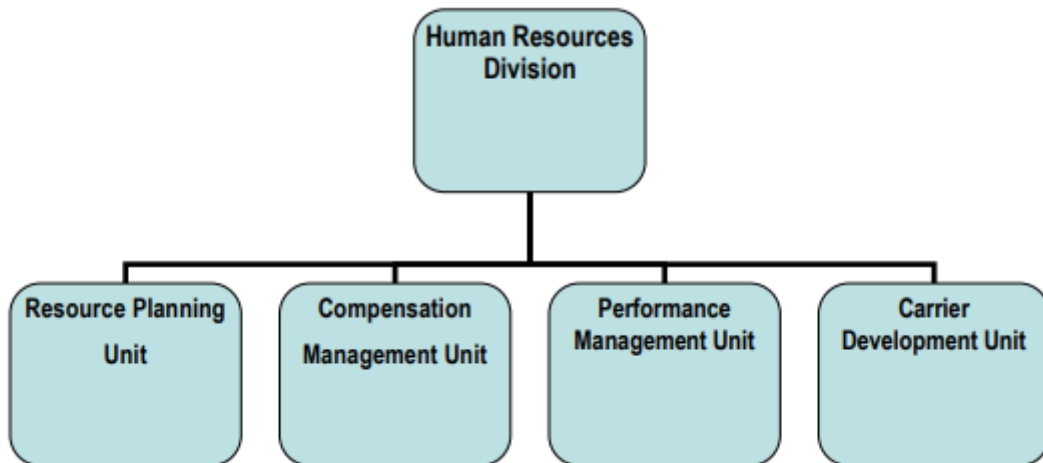


Table: 7 Human Resource Planning Process of Dhaka Bank Limited

The Human Resources section of Dhaka Bank Limited is comprised of four separate divisions. Every component is accountable for its own specific set of tasks and obligations. The component consists of a variety of different activities. The following information is presented in tabular form for convenience:

<p><u>Resource Planning Unit:</u></p> <ul style="list-style-type: none"> • Manpower Planning • Staffing • Hiring and Placement • Job Description • Third party Contract 	<p><u>Compensation Management Unit:</u></p> <ul style="list-style-type: none"> • Short term and long term benefits • Salary Processing • Income Tax • Power of Attorney • Employee Loan • Leave Management • Salary Certificate 	<p><u>Performance Management:</u></p> <ul style="list-style-type: none"> • Performance Evaluation • Disciplinary Action • Rewards • Promotion 	<p><u>Career Development Unit:</u></p> <ul style="list-style-type: none"> • Career Planning • Local and Foreign Training • Internship
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2.3.3 Recruitment and Selection Process:

The quality of the customer service a bank offers its clients is the primary factor determining how valuable it is. The degree of experience officers and managers have is directly related to the quality of the product. DBL is dedicated to maximizing the potential of its workforce by offering competitive pay and other forms of remuneration. Consequently, the authorities in charge of banking have a responsibility to exercise extreme caution while filling such positions.

DBL engages in two distinct forms of recruitment:

- The strategy for the management of human resources specifies that recruiting should take place on an annual basis.
- The other one is that need-based recruitment is what takes place when there is an unexpected opening.

The many places and ways people are recruited. Internal promotions often fill the position of DBL. Despite this, it also seeks applicants from a variety of other positions. The sources include other organizations, competitors, universities, and online employment agencies such as BD Jobs.

Nevertheless, there is a different way of selection processes at Dhaka Bank is followed which are given below:

- a.** The receipt of applications is the first hurdle to overcome before one can be considered for employment in DBL. Candidates may submit their resumes as part of an application for a particular job vacancy or submit their resumes unsolicited for any employment that could be acceptable. The human resources department accepts resumes and cover letters for consideration for available positions. Candidates have at least three weeks to submit their applications for internet advertisements. Bdjobs.com is primarily responsible for selecting applicants and submitting their curriculum vitae to the Human Resources Division.

- b.** The sorting of applications: the subsequent stage is the selection of CVs for preliminary review. In most cases, the department of human resources handles the preselection process. Nevertheless, in order to save time, the HR division might pass responsibility for this step on to the appropriate division. After the names of possible applicants have been compiled into a list, those individuals are contacted and asked to take a written examination.
- c.** Candidates are notified after shorting has been done and the preliminary list has been prepared. Candidates are notified and invited to either a written exam or an interview after the questions have been qualified. Candidates accept admit cards for the written examinations using courier services seven to ten days before the exam. They also send applicants mobile emails and text messages on their mobile devices for the written exam.
- d.** A candidate's linguistic ability, arithmetic ability, reasoning capacity, and other relevant abilities are often evaluated by an aptitude test during the job screening process. They get the list of necessary credentials and names of open positions from the human resources division, which allows them to construct the test questionnaire. The IBA and the bank are primarily responsible for administering the writing examinations, and both organizations supply the hiring managers with a short list of applicants based on the candidates' performance on the written tests.
- e.** After that, panel interviews are conducted, and they do not follow any particular framework. The MD, deputy directors, and the manager of human resources make up the interview committee. Senior and executive-level managers are also part of the selection process. When hiring for a post, there is often just one interview with each applicant. On the other hand, when it comes to the recruitment of experienced bankers or MTOs, there may be more than one interview conducted.

- f. The management committee makes its decision on who will be accepted into the organization and who will be sent away after the interview has been completed and the replies have been graded. After this final choice has been made, an "Offer Letter" will be drafted for each applicant who was chosen. Applicants will be sent an "Appointment Letter" if they have decided to accept this offer. Candidates who are not selected are not notified.

2.3.4 Compensation System:

DBL provides extraordinarily competitive compensation and benefits to its workers in order to maintain their motivation. The Consumer Price Index is used to determine adjustments to salaries and other compensation. Employees are guaranteed to enjoy a satisfactory work-life balance because of the company's comprehensive leave policies, which include both paid and unpaid time off. As part of their remuneration, DBL provides one of the most impressive benefits packages in the market. Along with the foundation of KPI-based responsibilities and a distinct vocation, hands-on learning, and direct performance evaluation were essential components for them to experience high levels of job satisfaction in their positions. The employees of DBL have been compensated with a wage that is comparable to market rates, as well as the non-monetary incentives and benefits listed below:

Salary

Employees get their net salaries, which include any extra benefits they get, on the 25th of every month, after any taxes that have been withheld for things like income tax, social security fund, and other similar funds. Employees get their payrolls on a monthly basis, complete with information on their gross wages and deductions from those earnings.

Incentives

Employees of DBL might also benefit from several kinds of flexible incentives, notably those focused on personal satisfaction and those provided to honour the organization's overall performance.

Festival Bonus

Festival bonuses are given out twice a year in DBL, once during each of the two Eid holidays.

The employee's basic pay is often used as the basis for determining the amount of the bonus.

Reimbursements

The monthly net wage takes into account allowances for housing, medical care, transportation, and utility costs. Allowances are also included.

2.3.5 Training and Development Initiatives:

DBL is continuing its efforts to expand its personnel by providing them with the appropriate training, workshops, and seminars both domestically and globally. This is done in order to get them ready to give outstanding service to their customers. It does so in order to assist its top executives in Bangladesh and elsewhere in the world in formulating and enacting suitable policies for the bank's advantage via the organization of training courses and workshops. In addition, it arranges training courses and seminars based on priorities to ensure that its personnel comply with the regulatory body and assist its employees in their professional growth. This is done in order to help them further their careers.

Training and development requirements of employees are evaluated on a frequent basis and, as a result, training sessions for the following categories are scheduled:

- i). In-house training (At DBTI)
- ii). Local training
- iii). Regional training
- iv). Overseas training

The Human Resources Division is responsible for developing a yearly training schedule based on the requirements of workers, and employees who are qualified to be nominated for such training are given the opportunity to do so. An employee may be sent abroad for training and development whenever the possibility presents itself. This allows the employee to obtain information and experience as well as improve their performance on the job. An employee who has just returned from a period of training or attachment may be required to submit a travel report to their functional boss as well as a report to the management committee on the learning that they gained through submission within 15 days of their return, depending on what the administration requires at the time. An employee may be required to sign a severance warrant in order to ensure continuity of service prior to leaving or after returning from training overseas. Management will determine this compensation based on the length of training, years of service, and history of the employee in question.

2.3.6 Performance Appraisal System

The purpose of the annual performance review carried out on each employee in the company is to evaluate the member's performance in light of the work obligations associated with their position. The company's employees receive feedback during performance reviews regarding the areas in which they excel as well as those in which they struggle. They made it possible for the staff members to discuss any problems inhibiting them from achieving the agreed-upon performance by defining common performance goals and highlighting the need for training and development for the following year. A formal evaluation of a staff member's performance will take place once every year. The superior, who is also responsible for supervising the work of the person at issue, is the one who makes the evaluations. Employees are encouraged to participate entirely and communicate any issues or problems they may have, and this is carried out within an environment that is constructive and supportive of them. Performance evaluations must be based on objective, work-related standards and should be consistent with earlier evaluations. The manager of the appraisers will look over all of the evaluations to make sure that the appraiser has been evaluated accurately and appropriately. In the time between formal annual assessments, a supervisor may choose to undertake a more in-depth evaluation. This would entail keeping a record of any extraordinary conditions that led to great achievement or poor performance.

2.4 Marketing Practices

The Dhaka Bank Brand and Communications Team is responsible for managing everything inside and outside the bank associated with brand communications and marketing strategy. From local and regional advertising to initiatives involving the entire bank to integrated multi-channel marketing campaigns, including digital advertising, sponsorships, and events, they do everything from local and regional advertising to national and international advertising.

2.4.1 Marketing Strategies

DBL follows the below strategies for marketing:

- The bank will provide its branch managers with prospects to encourage customers to raise large deposits of funds, which the bank can then put to use in long-term investments.
- Circulars providing updates on the status of deposits will be sent on a regular basis throughout all of the Bank's locations by the Marketing Division.
- Maintain open lines of communication with the bank's key depositors in order to guarantee their involvement in the bank's various activities.
- In order to achieve investment diversification and lower risk, banks are required to either distribute investment goods or instruct corresponding branches to do so on their behalf.
- Banks are obligated to continually create new investment products and improve existing ones, all while taking into account the requirements of various businesses.

2.4.2 Targeting and positioning strategy

The positioning aim of the bank is to provide its customers with the highest possible level of banking and financial performance and service. Its motto is "Excellence in Banking," and in order to achieve this goal, the bank makes adjustments to the event's procedure. They came up with a number of strategies, which are broken down into the following categories:

- Promotion of branches holding crucial positions in the industry
- They contribute to the general welfare of the nation by participating in CSR initiatives.
- As a result of the successful completion of the strategic alliance.
- By the use of direct advertising in publications such as newspapers and banner displays (old advertising techniques)

Nevertheless, if the bank continues to adhere to traditional practices, it may become isolated from other commercial banks. Therefore, in order to put into action an effective advertising plan at the bank, it is necessary to ascertain the requirements of both the existing and potential clients.

2.4.3 Marketing channels

The development of cutting-edge technology has brought about significant transformations in the banking industry in the modern era. Take, for example, the following:

Mobile Banking: Service on the Android App, Message Updates

Internet banking: check the balance and make a transfer from a distance.

These services have resulted in significant shifts in the way banking activities are carried out. Despite this, DBL is making every effort to keep up with the rapid advancement of technology. Customers have access to a wide variety of services through the bank's banking app, which receives daily updates from the financial institution.

2.4.4 Advertising and Promotion Strategies

Promotion is an essential component of every marketing strategy. This involves many promotional methods, such as advertising, public relations, and others, in an effort to attract the attention of the target group. In a similar manner, banks are required to publicize their products and services in order to bring knowledge to the general public. DBL uses its website for advertising and marketing its items. In addition to that, they make an effort to broaden their influence among the general public by obtaining sponsorship. There are also advertisements for these products in television commercials, periodicals, and single-sheet flyers within the ATM Corner. In addition, DBL advertises itself through events like the inauguration of any ATM, the regularly scheduled annual meetup, and other occasions.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance through Dupont Analysis

The analysis conducted by DuPont could serve as a model for evaluating numerous potential sources of return on equity (ROE). By dissecting ROE, investors are able to concentrate on particularly relevant aspects of financial evaluation methods and evaluate both their strengths and their shortcomings. The three major financial metrics that determine the return on equity are leverage, operating, and resource efficiency (ROE). A measure of an operation's efficiency

may be its net profit margin, which is simply the amount of profit as a percentage of total sales or revenue. The asset turnover ratio is a measure that is used for measuring the effectiveness of assets. When calculating leverage, the equity multiplier factor is used. Leverage can be expressed as an equation that equals the average equity divided by the average equity.

Particulars	2021	2020	2019	2018	2017
Return on Equity (ROE)	10.53%	11.28%	9.28%	8.18%	9.21%
Net Profit Margin	13.78%	11.46%	7.28%	7.16%	10.90%
Asset Turnover (times)	0.09	0.12	0.15	0.14	0.12
Financial Leverage (times)	1.69	1.22	0.68	0.78	2.26

The more significant the negative impact on Return on Equity, the higher the value of all DuPont analysis components. The combined effects resulted in an increase in Net Profit Margin from 11.46% percent last year to 13.78% percent in 2021. Asset usage efficiency as measured by average total assets Due to the repayment of loans and advances, turnover was higher than the previous year. Due to strong asset growth, the Financial Leverage rose to 1.69 from 1.22 the previous year.

2.4.2 Accounting Practices

Dhaka Bank has the utmost respect for truthfulness, integrity, and accuracy in recording business transactions in full compliance with applicable Bangladesh laws and regulations, international financial reporting standards, and fair accounting practices, as well as maintaining valid authorization and ensuring that all documentation is present and correct. In addition, Dhaka Bank ensures that all necessary documentation is present and correct. The annual and

semi-annual accounts are to be prepared to comply with the relevant laws, regulations, and accepted accounting practices.

2.5.2.1 Core Accounting Principles

These financial statements have been generated in compliance with International Accounting Standards (IAS), as well as International Financial Reporting Standards (IFRS), and no adjustments have been made to account for inflationary factors that could influence the balance sheets and income statements. Unless otherwise specified, the corporation has consistently applied accounting principles in its financial reporting.

2.5.2.2 Method of Accounting

The historical cost convention was used as the foundation for the preparation of fiscal year reports. The bank has, barring any indication to the contrary, used the same accounting methods throughout all of its fiscal years, and these principles are comparable to those used in prior years.

2.5.2.3 Depreciation Method

The cost of obtaining the IPR is subject to a straight-line method of depreciation, and this cost is amortized back to the company over the assets' anticipated valuable lives under provisions of International Accounting Standard 16 (IAS 16). In addition to the imputation of the linked assets, they are responsible for charging depreciation. Use is charged, but there is no amortization from the date of disposal. The following is a list of the depreciation rates that were used to calculate the amount of the asset that was written off:

“Nature of assets	Rate of Depreciation
Furniture and fixtures	10%
Office appliance and equipment	20%
Computer equipment's	20%
Software	20%
Motor vehicles	20%”

(DBL,2021)

2.6 Operation Management and Information System Practices:

The Bank's Information and Communications Technology (ICT) policy tackles data security, network security, disaster recovery, the usage of hardware and software, data wiping, copyright protection, and other crucial aspects of customer security. The DBL Board of Directors has given its stamp of approval, and it is examined on a regular basis. The following are the primary aspects of the policy that should be considered:

- Help the bank establish a safe and reliable information technology infrastructure.
- Locate and manage potential threats to information security.
- Reduce the dangers that are connected to the use of electronic banking infrastructures such as automated teller machines (ATM), cash deposit machines, point of sale terminals, and internet banking services.
- Users of information technology can increase their awareness of their rights by participating in regularly scheduled training sessions.

The Chief Information Security Officer is in charge of the Information Technology Security Department, which has employees who have received training in compliance with the ICT security guidelines established by the Bank of Bangladesh (BB) as well as industry standards (CISO). The following are the primary responsibilities of the department:

- Manage the policies governing the security of ICT.
- Managing the dangers posed by ICT and ensuring compliance

- Manage incident management.
- providing assistance to the bank in the safe configuration of its information and communication technology infrastructure
- Establish a secure environment for data processing.
- Establish a comprehensive strategy for the management of ICT risks. Throughout the year, plan and host awareness events.

In addition to being in charge of the ICT infrastructure platform, the department also makes it a priority to reduce the potential for security breaches to an acceptable level. This is accomplished by routinely carrying out vulnerability assessments and penetration tests on both existing services and any new investments. In addition, the financial institution does actions related to business continuity planning based on business impact analyses. In addition to this, the department has established a Security Operations Center (SOC) in order to continuously monitor and assess the current state of DBL's security. In addition, the department of cybersecurity participates in ad hoc activities such as forensic investigations, providing interested parties with advice on how to enhance their security posture, and other similar tasks.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces:

This framework makes an effort to address major strategic concerns within a more general setting. The banking industry, along with all other types of businesses that focus on providing services, can benefit greatly from a number of the ideas presented in the model. These ideas include forces and the management of those forces. Since the results that the application of this model will generally need to have the value of the analysis time, a continual review is required

in order to avoid being either narrow or behind the times with the findings of the application. Michael Porter has developed a model that may be used to analyze and analyze an industry based on the five forces (Porter, 1980).

Threat of new entrants

As more banks appear to satisfy client demand, there is a growing likelihood of new competitors entering the market. Over the past 6–7 years, there has been a discernible increase in the rate at which the number of banks has proliferated. In spite of the high capital requirements, Bangladesh's banking industry continues to attract domestic and international financial institutions. These financial institutions are providing more appealing products in an effort to increase their market share. Additionally, they are prepared to supply client exchange costs, which will serve as a warning sign for DBL. Many international financial institutions, including Standard Chartered, HSBC, and Citibank, as well as some local financial institutions, like Eastern Bank Limited and Dutch Bangla Bank Limited, amongst others, have begun operations in Bangladesh with the goal of increasing their market share. Due to their relative infancy, these banks must also contend with unequal access to various distribution channels. If they can increase their market share significantly, though, they will be able to circumvent this challenge in a few years' time. Despite the fact that the government maintains a number of laws that are restrictive, each of these banks has begun to occupy an important place in the market. All of these potential influences pose a significant threat to DBL. As a consequence of this, the banking sector in Bangladesh is currently undergoing consolidation and fierce rivalry, and it is anticipated that this will continue to be the case over the next several years because the threat of potential entrants is high.

Threat of Substitution

A number of different financial organizations are investigating the possibility of offering their services in Bangladesh. They are developing a variety of services that have the potential to take the place of banking services. On the other hand, it will take some time for these institutions to become fully operational. Therefore, there will not be any danger in the near or intermediate future. There are other banking entities that can complete several leasing businesses that a bank is responsible for, but the size of these substitute financial and leasing organizations is limited. The profit margins of commercial banks may be lowered as a result of these institutions. The (IPDC), the United Leasing Company, and the Industrial Leasing and Development Company Ltd. (IDLIC) are the three most important companies in this industry. They offer industrial leasing services to a great number of businesses throughout the nation. However, certain processes that banks perform, such as export and import, cannot be replaced.

Bargaining Power of Suppliers

Fund providers make up the vast majority of the key service providers to financial institutions. They come from all different segments of the consumer base, and each one of those segments completely exemplifies the business approach. The market, on the other hand, is the primary factor that decides what the interest rate will be. In addition, the authority to control the range of possible interest rates is vested in the central bank. As a direct result of this, the bargaining power might range from low to high depending on the circumstances of the market. The impending avalanche of interest rates in the single digits will have a substantial impact on the majority of financial institutions, which will concentrate their efforts on getting deposits at lower interest rates. On the other hand, this could result in a large number of retail customers choosing to invest in national savings certificates if the interest rate on these certificates is not

increased. DBL will need to work on diversifying its deposit sources in order to lower its degree of dependence. They will place their primary emphasis on accumulating time deposits in order to reduce their emphasis on the money market and boost the bargaining power of their counterparty.

Bargaining Power of Buyers

As a result of a large number of financial institutions operating in the market and others receiving regulatory approval, the most recent pattern that has been seen in the sector is an increase in buying power due to reduced conversion costs. This is the most recent trend that has been observed in the industry. Due to the increased fixed costs, banks are encouraged to seek out and recruit new customers, enabling purchasers to demonstrate rate sensitivity. Those in the retail and small company sectors typically have a higher price sensitivity than customers in other industries. On the other hand, people now have access to a vast number of sources from which they can receive information. The increased competition among financial institutions has led to increased price sensitivity. When it comes to business customers, price is of the utmost significance. In spite of the fact that they are going through a financial crisis, they are making the most of their bargaining power because the prices of the current IFs are so low. DBL will place its primary emphasis on enhancing the management of client relationships for existing businesses and promoting the overall DBL experience. The primary objective will be to increase the size of the commission pie.

Competitive Rivalry

The level of competition that exists between national and multinational financial institutions is of very high intensity. Banks such as Standard Chartered Bank, Eastern Bank Ltd., Standard Bank, and Premier Bank are among those that are launching new banking products and services in order to compete and even construct products and services that are superior to those offered by other financial institutions. As a result, there is tremendous competition in the banking industry. After reviewing the information presented thus far, I can conclude that the risk posed by new entrants is significant, and there is intense competitiveness and rivalry. In a market where practically all domestic and international banks anticipate expanding their market share at the slightest possible chance, it would not be easy to maintain a competitive position and survive. Therefore, in order for DBL to maintain and grow its existing customer base, the company needs to work toward being more inventive and competitive.

2.7.2 SWOT Analysis

The Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis is an essential technique for evaluating a bank's standing in these four categories. It helps the company discover its achievement and conduct a test of the international situation; in another way, it might allow an association to direct the stormy waves in a competitive market.

Strengths:

- Strong Corporate Image:

Clients have expressed their opinion that DBL is the most reputable identity provider for financial services in the country. Customers have a more favorable perception of the company

as a result of the positive corporate image and identity it has developed. Due to this image, DBL was able to acquire control of the banking system in Bangladesh quickly.

- Strong connection between the employees.

The employee is one of the most valuable resources that every company has. The workers at DBL are dedicated to their organization and put up their best effort for the benefit of the bank. This way of thinking contributes to the expansion of the bank.

- Good financial condition

DBL ensures that they are in a sound financial position, which provides them with sustainability. A healthy financial situation is necessary for any company that wants to grow and compete successfully in the banking industry. DBL consistently has healthy annual profit margins.

- Friendly working environment

The employees at Dhaka Bank Ltd. put more emphasis on efficiency in the company's efforts to provide a positive working environment for its employees.

Weaknesses

- Discouraging to small entrepreneurs

DBL should make every effort to persuade potential intermediary customers to utilize their services. DBL is more concerned with serving well-established businesses than those in the middle tier of their industry. A consumer who falls somewhere in the middle might benefit from having access to design services.

- Lack to engage in effective marketing

At the moment, DBL does not engage in particularly effective marketing operations through the use of mass media such as television. Commercials broadcast on television play a significant part in the process of raising awareness. There is no such thing as a TV advertising campaign run by DBL. It is important to invest in DBL's marketing in order to broaden the company's consumer base and build its brand value.

- Lack of advanced technology

We require cutting-edge devices, applications, and software. The new program will make sure everything runs efficiently and with almost no mistakes.

Opportunities:

- Expansion of the branches

Dhaka is the headquarters of the majority of the country's commercial banking institutions. There is an excellent opportunity to increase the number of AD branches as well as expand existing branches into other commercial areas of Bangladesh.

- Experienced Managers

Management With Proven Track Records One of the finest aspects that DBL have is its capable managers. DBL has ensured the smooth running of its business by staffing it with knowledgeable executives. Due to the fact that these executives are sharp in the industry, the DBL business has already benefited from their introduction.

- Huge population

Bangladesh is a developing state with a very large population, and it has a very large population. To accommodate the requirements of such a large population will take a considerable financial commitment. On the other hand, the establishment of export processing zone areas (EPZ) and certain government regions has become more appealing to foreign investors to put their money into our country as a result of policies that make foreign investment easier. Therefore, there are a lot of options available to DBL here.

Threats:

- Upcoming Banks/Branches

As a result of the entry of new financial institutions into the market, competition has increased. Therefore, in order to preserve the market, it is vital to differentiate the services that are offered.

- Other banks offered similar products

Numerous financial institutions provide services that are equivalent to these. The majority of banks offer products and services that are essentially identical to one another. Due to this, Dhaka Bank is in threat as a result of it.

- Industrial Downturn

Financial institutions and enterprises face challenges when there is civil unrest in the country. DBL is currently exposed to risk as a result of the contraction currently taking place in the banking industry.

2.8 Conclusions

DBL is able to attain the maximum degree of customer satisfaction possible because of the prompt service that it provides. DBL is a rapidly expanding bank; hence, they are required to do new research in order to provide new and distinctive services. This allows them to better understand the demands of their clients and the factors that can satisfy those wants. Additionally, they are able to give acceptable service and do so in a manner that is more effective when they make appropriate use of the resources at their disposal. DBL is required to provide training to its personnel so that employees are aware of how to evaluate the requirements of customers, how to provide service at the appropriate time and in the proper manner, and how to deal with faults in an appropriate manner.

2.9 Recommendations

In order to ensure that the human resources are adequately prepared for the task, it is the responsibility of the bank to prepare the representatives for their roles. If the power bank wants to communicate with more individuals in the area, the advertising strategy that is currently being used needs to be improved. They do not have a promotion office of any kind, which results in disputes being made in the open. In light of this, the power of the bank ought to be used to establish a standard display unit within the bank. The financial institution needs to put up a determined effort in marketing in order to build a good image and reputation in the minds of prospective clients. In order to give lightning-fast service to customers, management needs to decide expeditiously whether or not to invest in the bank's most recent technological advancement. Finally, banks can implement electronic token numbering systems to give their clients superior service. It will be easier for these banks to manage the appropriate lines and deal with the surge of consumers.

Chapter 3

Analysis of Off-Shore Banking at Dhaka Bank Limited

3.1 Introduction

Off-Shore Banking is a term that refers to international banking that involves non-residents, assets, and liabilities denominated in different currencies and is referred to as "offshore banking." Offshore banking units are able to participate in activities such as collection and loaning with international financiers passing over by coming into the clash with the national regulatory and financial structure. Furthermore, offshore banking units are independent of the commercial banking system in their respective regions. It is possible to further describe it as a priority banking operation for which there is no requirement for local Bangladeshi citizens to obtain permission. On the other hand, they are non-resident investment businesses and joint ventures within EPZ that are 100% controlled by foreign investors and do not fall under the purview of the laws that have been created by the Bangladesh Bank and other authorities. In order to strive alongside local banks, as well as domestic branches of international banks, this separate function and identity allow their customers to enjoy a unique package of tax benefits and activities exempt from local law. This is done in order to compete with local branches of foreign banks. Offshore banking was first introduced in Bangladesh in the year 1985, and on December 17, 1985, the Bank of Bangladesh issued BRPD Circular No. BCD (P) 744 (27), which outlined the bank's stance on the matter. The primary objective of offshore banking was to stimulate commercial and financial endeavors within the recently established Export Processing Zones (EPZ).

3.1.1 Background

Dhaka Bank was one of the first local banks in Bangladesh to establish an offshore banking unit. This unit began doing business in 2006 in the export processing sector of Dhaka. Dhaka Bank is considered to be a pioneer in this area. As a second-generation private commercial bank, Dhaka Bank's offshore banking unit has demonstrated an exceptional level of devotion and dedication over the course of its history, which has resulted in the acquisition of a significant amount of investor confidence. At the present time, the bank operates two offshore banking units (OBUs) in the Chittagong Export Processing Zone and in Dhaka, which allow it to offer offshore banking services to a wide variety of industrial entities located within the EPZs. Dhaka Bank offers its customers sophisticated options for offshore trading while maintaining the highest standards of professionalism. Dhaka Bank has been able to make its presence felt despite the fact that foreign banks dominate the country's offshore banking market. This has been accomplished by attracting a good number of customers in a short period of time through effective marketing and competitive pricing of its offshore banking products, as well as by ensuring the highest levels of professionalism and providing excellent customer service supported by quality human and technological support. To bolster its business portfolios and provide support for businesses like these, OBU has made an investment of roughly 268 million dollars in the offshore market in the year 2021 to support Type-A industries and local entrepreneurs as well as to strengthen its asset portfolios. Dhaka Bank is the most prominent financial institution in Bangladesh. It has a worldwide reputation for corporate awareness and devotion to its significant customers as well as other interested parties. Dhaka Bank provides a comprehensive selection of international commercial services. In order to fulfill the ever-increasing requirements of its clients, Dhaka Bank is currently conducting its commercial dealings across the nation utilizing both centralized and decentralized approaches. The Foreign Department is responsible for easing the process of the bank's participation in

international trade. Although international trade is one of the most challenging aspects of the banking industry, it also has the potential to assist financial institutions in increasing their profits. The phenomenon has become quite active as a consequence of internationalization, but it is also rather challenging to handle. Dhaka Bank is one of the private commercial banks in Bangladesh; despite challenges in the country's international trade system and an increasing number of customers, the bank is committed to providing the best possible service to its valued investors and customers. They have twenty authorized dealer sites in Bangladesh, most of which are in Dhaka and Chittagong, so that they can handle all sorts of traditional and Islamic export and import business. Each office has a specialized group of highly experienced individuals with a solid professional background that works together as a single point of contact to handle import and export operations. They have 20 AD locations and two central operating units in Dhaka and Chittagong to handle exports and imports of conventional and Islamic products from branches of unlicensed dealers located all across the country. Another part of offshore banking is in charge of handling import and export business for customers of the bank both inside and outside the country. At each branch of the bank, there is a department that is solely responsible for assisting customers with matters pertaining to advice, confirmations, transfers, and discounts on LCs. Provides loans including on-balance sheet and off-balance sheet exposures and accepts deposits in freely convertible foreign currencies from and to non-Bangladesh resident organizations and institutions, as well as Type A (wholly foreign-owned) units in Bangladesh's export processing zones (EPZ). Additionally, it offers long-term financing to industrial units inside and outside of export processing zones (EPZs), with the disclaimer that the industrial units must comply with the regulations set forth by the Bangladesh Investment Development Authority (BIDA) and the Bangladesh Bank. Type B and type C industrial units are included in this category. In addition, this unit offers invoice discounting and financing services through the use of letters of credit in accordance with the criteria

established by the Bangladesh Bank (BB). These services are accepted by authorized resellers (ADs) in Bangladesh. The bank received authorization from the CEPZ Offshore Banking Unit, which can be seen in the form of letter no. BRPD (P-3) 744 (92)/2017-123 dated January 5, 2017, and clearance from the DEPZ Offshore Banking Unit, which can be found in letter no. BRPD (P) 744 (92)/2005-2181 dated June 18, 2005. On May 10, 2006, the bank began conducting business through its DEPZ offshore banking unit, and on February 12, 2017, the bank began doing business through its CEPZ offshore banking unit.

3.1.2 Objectives of the study:

Gain an understanding of the Dhaka Bank offshore unit, including its challenges and possibilities in the context of import and export operations. Learn more about Dhaka Bank's import and export operations, as well as the quality and expansion of their services. In addition, provide some recommendations and suggestions for the import and export activity of Dhaka Bank Limited.

3.1.3 Significance

The primary goal of the report is to provide a record of the first practical experience that a student has had in the field of banking so that it can serve as a point of reference in the years to come. Efficiency in the banking sector in Bangladesh, specifically the offshore unit accomplishment of Dhaka Bank Limited, and my own personal experience gained during a three-month internship will all be discussed in this report. It will also include some recommendations for Dhaka Bank Limited, in addition to some recommendations for my own development. I would like to reflect on my own experience and go through the knowledge that I obtained while participating in an internship program. Additionally, the second significant

benefit of this report is that it enables students to learn a great deal while conducting a study. Another benefit of this report is that the writer will really want to tell the reader their point of view and get comments on the facts entered. Another significant aspect of the report is that it gives the reader a comprehensive knowledge of the financial sector, including information about Dhaka Bank Limited and the author's internship experience. This is an essential component of the report. It is interesting to note that once the user notices the issue, he may correctly grasp it all the way through the report, from the very beginning to the very end. This study will provide a comprehensive analysis of the current state of the banking industry from the perspective of the author.

3.2 Methodology

A methodical approach is taken throughout this project, beginning with the collection of research and ending with the authoring of annual reports. In addition, the data for the study comes from sources that were selected and acquired in a way that is compliant with the laws and regulations of banking legislation. Following that, the categorization, analysis, and arranging in a standardized manner were accomplished. Observational research, content analysis, personal interviews, conversations, hands-on work experience, and keeping notes while observing and watching activities are the basis of this project. It is based on a wide variety of sources, such as research, as well as analyzing pertinent information and keeping records while observing and witnessing events. This was done in order to come up with this conclusion. In addition, it is prepared to utilize resources of info, both direct and indirect, combined. The following is an overview of the methodology's standard technique used in this report.

3.2.1 Finding and choosing relevant data:

The data and information used in this analysis came from reliable primary and secondary resources.

Primary Sources: The following is the information that was gathered from primary sources:

- Obtained hands-on experience through participating in a number of different types of activities.
- I've had discussions with a variety of bank personnel, including executives, officers, and managers.
- Gathered valuable information through working in a variety of departments.
- Personal observation
- Conversations with customers on a face-to-face basis.
- Experience gained through active work
- Records are maintained by Dhaka Bank in their official records.

Secondary Sources: The following is the information that was gathered from primary sources:

- An in-depth review of the annual reports for prior years that were published by Dhaka Bank Limited.
- The official website of Dhaka Bank Limited served as the source for the information.
- The official website of the Central Bank of Bangladesh served as the source for the collection of the centralized documents.
- I collected numerous pieces of information by consulting a wide range of books and publications.

- The official website of Dhaka Bank Limited is not considered part of the official documents.
- Numerous studies and papers have been published on this topic.
- When I was preparing the report, I made use of numerous different aspects of my course that was relevant to the task.
- A number of publications pertaining to this bank.
- The material that was contained in the manual was supplied by the organization.

3.3 Descriptive Analysis

An essential component of the financial industry is offshore units. It is an essential component of any economy that is expanding. Both the government and the Bangladesh Bank are responsible for establishing the fundamental guidelines that must be adhered to when operating offshore structures. The word "Offshore" refers to the process of exchanging one country's money for another's via deposits, bills, or letters of credit (LC) between the two parties. The export and import regulations set forth by the Bangladesh Bank apply to all transactions involving international trade.

Purpose of OBU

The OBU of Dhaka Bank Limited deals with three major things

- Import related activities
- Export related activities
- Foreign remittance operation

3.3.1 Import

The act of purchasing goods and services from a country located outside of one's own is referred to as importing. Importing goods and services from other countries is one way that people in a variety of contexts in Bangladesh, including Bangladeshi companies, industries, and governments, satisfy their requirements. Large corporations, whose affairs are typically handled by middlemen located both inside and outside of the nation, make up the majority of Dhaka Bank's portfolio when it comes to the importation of goods. An importer is required to get the IRC (Import Registration Certificate) from CCI & E in order to comply with the Export and Import Control Act (CCI & E stands for Principal Controller of Import and Export). If the importer wants to become a qualified importer, in the end, he will have to get a letter of credit authorization, which is abbreviated as an LCA. Users will, after that, be considered an applicant by the bank.

Imports of goods from outside Bangladesh are governed by the Ministry of Commerce in accordance with the Import and Export (Control) Act of 1950 and notifications made thereunder. In accordance with the rules of the 1981 Order of Importers, Exporters, and Penetrators (Registration), no one is permitted to bring products into Bangladesh unless they are either registered with the Chief Controller for Imports and Exports (CCI & E) or exempt from the provisions of that order. Before opening a letter of credit or making a remittance on behalf of any importer for import into Bangladesh, authorized dealers are required to verify that the importer is either registered with CCI & E or is exempt from such registration. Only after this verification can the authorized dealers act on behalf of the importer. Unless specifically authorized by CCI & E in certain extraordinary circumstances, imports will only be allowed after irrevocable letters of credit have been opened. This requirement is outlined in the most recent version of the Import Policy Order. When a consumer buys products from

overseas suppliers, they expect to receive the things they purchased in the correct quantity, within the allotted time frame, and at the location that was specified. They will also want to defer making payments until after they have received all of the necessary documentation, such as the ownership of the products. The issuance of a documentary credit on their behalf by Dhaka Bank is a solution that can satisfy their goals. A documentary credit is a guarantee given by a bank that it will pay for a shipment of goods in exchange for certain documents that are specified in the credit. When a letter of credit is utilized, the bank will not make payment until it has received the securities as well as any other documents that are required to comply with the terms of the credit. Customers now have access to a more secure and cost-effective alternative to making deposits or advances. Importer Registration is a service offered by the Office of the Chief Import and Export Controller. This service is provided in compliance with the Import and Export Control Act of 1950. (IRC). When conducting business on a worldwide scale, it is not uncommon for buyers and sellers to be strangers to one another. As a result, the seller of the merchandise will always look for some sort of payment guarantee for his exported goods. The bank offers a payment guarantee for exports, which means that if the buyer does not pay for the products, the bank will pay for them on the buyer's behalf. A letter of credit is the name given to this type of assurance. Therefore, the banker will use a letter of credit in order to give legitimacy to the contract that was made between the importer and the exporter.

The management of a wide variety of components, including the following, is the primary focus of the import section of Dhaka Bank Limited.

- Attracting the customers with discount
- L/C stands for a letter of credit
- Payment for received goods
- Confirmation of L/C

3.3.1.1 Letter of credit (LC)

A letter of credit, sometimes known as an LC, functions very similarly to a payment guarantee. The transaction process, as well as the business process, are both safeguarded by this payment assurance. This document may be relied on by both the person who exports the parts and the person who imports them. The applicant bank is responsible for evaluating all required documents that have been provided by the beneficiary bank as part of the agreement. Additionally, the applicant bank is responsible for making payments on behalf of the applicant to the beneficiary bank and for receiving invoices from the applicant bank. The beneficiary will pick another bank or a third-party bank, and the applicant will then send the bills to that bank.

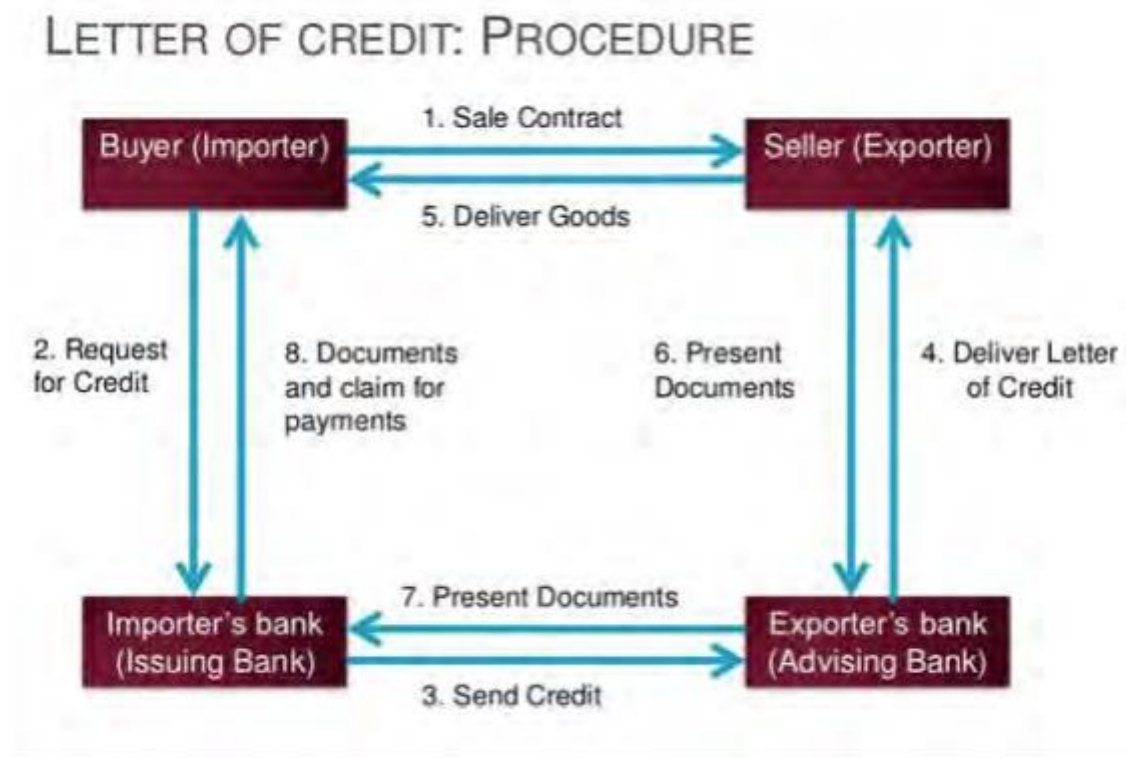


Figure 1: Procedure of LC

The Letter of Credit and the Advanced Telegraphic Transfer are the two primary modes of payment that are utilized by Dhaka Bank Limited. LC is associated with a lower risk than Advance TT. The LC technique is preferred by those who are risk averse. Payment in Advance or Telegraphic Transfer advance, the abbreviation for "Telegraphic Transfer" is "TT." It indicates that the importer is responsible for paying the invoice prior to the shipment of the goods. LC, often known as a Letter of Credit: In international business, the most common type of payment instrument used is a letter of credit. From the perspective of the importer, the bank provides a guarantee that the supplying bank will pay the agreed-upon sum in accordance with the agreement.

Participants in LC Process:

- Buyer (Applicant/Exporter)
- Issuing Bank
- Advising Bank
- Seller (Beneficiary/Importer)

LC opening procedure:

- The applicant and the beneficiary negotiate the terms and conditions of the LC as per the
- agreement
- Applicant applies to the issuing bank by submitting an application
- Issuing bank asks for documents from the applicant

Documents include:

- Contract between exporter and importer
- Purchase order

- Invoice both pro forma and commercial

After inspection, the bank forwards them to the Advising bank to:

- ✓ Advising bank examines the documents and advises the LC to the beneficiary.
- ✓ The beneficiary matches them with the original contract to identify any major mistakes.
- ✓ If no discrepancies are found, the beneficiary draws the draft and presents it to the advising bank.
- ✓ Advising bank inspects all documents with reference to the terms and conditions of the Lc and forwards them to the Issuing Bank.
- ✓ The issuing bank makes sure that the documents comply with the LC and makes payment according to the kind of LC (Sight or deferred)

3.3.1.2 Classification of LC

Customers of Dhaka Bank Limited commonly choose from one of these three types of LCs.

- Sight LC
- Deferred LC
- Back-to-Back LC

Sight LC

Payment must be made within five working days of receiving the exporter's documentation if they are using a sight LC.

Deferred LC

Deferred LC requires that payment be made both on the date it is due and on the date that the shipment is made. In most cases, it is determined by the requirements of the party.

Back-to-Back LC

Back-to-Back LC is frequently issued by the exporter in the event that the exporter is interested in importing products with an LC rather than the initial LC. Depending on the requests made by both parties, the value of the consecutive LC could be up to 80 percent of the original amount.

3.3.1.3 Import procedure followed by Dhaka Bank Limited:

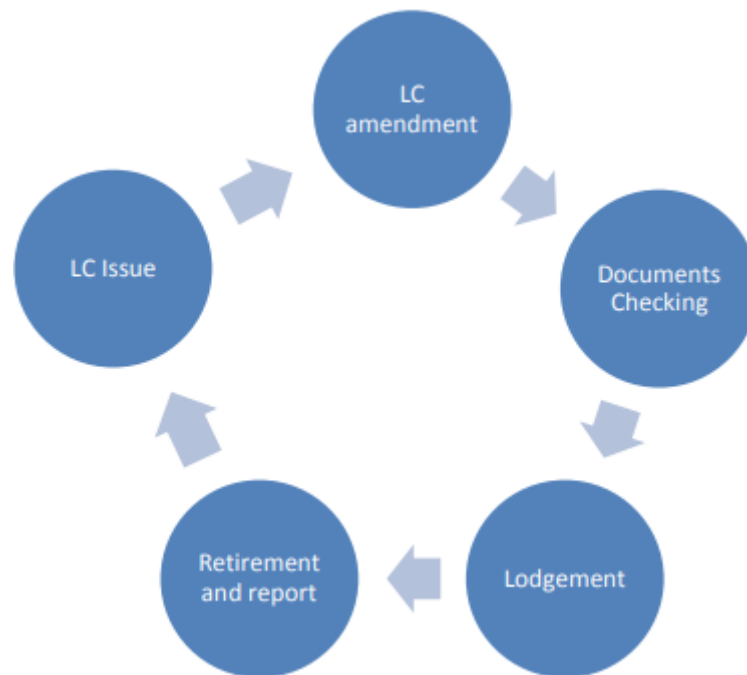


Figure 2: Import Procedures of Dhaka Bank Limited

Issuing of LC:

When it comes to importing, using an LC is a more secure and less risky way to ensure that they are paid on time. When a corporation has a need for something that comes from Bangladesh, a transaction will take place. Therefore, the corporation needs to get into a contract. The contract must include all of the pertinent particulars, including the price, the

amount of the items, and any other relevant information. After that, a letter of credit (LC) would be established in the exporter's favor.

LC opening:

It is necessary to provide the following documents:

- Form for making an application, which includes information on both the applicant and the recipient of the application. The LC amount in US dollars, place of origin, modalities of payment and acceptance, and other relevant information are also required.
- The majority of the classification work is done by the module that has a Harmonized System (HS) code.
- The LCA form includes sections describing the state in which the imported products are found.
- An arrangement between the parties that constitutes a direct contract between them.
- Charge documents

The bank must receive all of the documents mentioned above once verification is complete. At that time, they will also demand the submission of other papers. It is for this reason that the membership certificate constitutive Act was created. In the commercial license IRC module, the receipt of money is together with a copy of the insurance cover note and proforma invoice.

LC Transmission:

After the letter of credit has been issued, the letter of credit facility is then forwarded to the bank that has been authorized. For commercial purposes, Dhaka Bank utilizes SWIFT. LC is Transmitted in the following way:

1. The original copy is reserved for use in the process of change control.

2. The duplicate was created for use in the customs process.
3. The triplicate was created so that we could do statistical analysis.
4. The quadrupled copy is for CCI & E.
5. The quintupled copy will be used for the register at the Bangladesh bank. Unit
6. Office copy

The letter of credit (LC) can be obtained by the exporter through the bank that acts as the consultant. After that, the business begins the production process in response to customer demand.

Amendments of Letter of Credit:

The majority of the amendments are comprised of supplemental amendments to the previously posted LC. Prior to the shipment of the items to their final destination, there may be modifications made to the LC contract. The actions that have been taken will be beneficial to both the exporters and the importers. Changes that are common include an increase in the value of the LC, which occurs when the importer places an order for a greater quantity of goods than he had previously placed; a change of mode of transport, which occurs when the contract specifies that the mode of transportation will be by air, but the exporter is unable to fulfill this requirement and instead wishes to ship the goods by sea; and so on. When this occurs, the importer will make a formal request for the change by submitting a request to Dhaka Bank. The bank will then send the change to their Central Processing Center, and the bank advisor will receive it via SWIFT. After all the changes have been set up with the exporter, the importer will make the formal request.

After the shipment of the items, the exporter will compile the necessary documentation to submit to the consulting bank in order to get the payment if it is determined that the change is not required.

The following items need to be submitted as proof:

- Bill of Entry
- Insurance Cover Note
- The delivery of the packing list for the vehicle
- Commercial invoice

Documents Checking:

After the receipt of the documents from the bank that was designated, the issuing bank is required to perform an additional document check. The documents, including a proforma invoice and a tax form, need to have the issuing bank's guarantee: IRC module insurance coverage note, VAT registration certificate, Income tax certificate, and Beneficiary credit reports.

Lodgment:

The payment of the import bills is actually referred to as the Lodgment. When using SWIFT, the issuing bank will be responsible for making the LC payment. In order to ensure that the payment is processed successfully, SWIFT will communicate with the correspondent bank. If there are no inconsistencies, the message will be considered valid.

Retirement & Report:

After the settlement of the invoices, the department produces vouchers that are representative of the cost as well as any additional import fees. After that, the paperwork is given to the importer to be stamped and delivered. The original version of the IMP form is submitted to Bangladesh Bank, while a duplicate of the form is kept at the branch in order to be registered.

3.3.2 Export

A company license, CCI & E registration, and LC authorization are the three things an exporter needs in order to open an export letter of credit. The process is outlined in the flowchart that may be found below.



Figure 3: Export Procedures of Dhaka Bank Limited

Advising:

In order to export LC, the first requirement that must be met is to advise the LC. The administration of the sales and export contract has the responsibility of ensuring that the buyer is in a position to make payments and exports. When the letter of credit export authorization is

given for advisory, the bank will write a letter of notice to the beneficiary alerting them of the LC issue. This letter will provide the LC number. The branch will preserve a copy of the LC while also sending the original copy of the LC.

EXP Issuance:

On the EXP form, customers need to include all the information about the export, including the unit price, the quantity, and the number of the bill of lading. It is the responsibility of the bank to verify the exporter's CCI & E registration. After the EXP form has been issued, the exporter is obligated to provide it to customs after it has been completed. The EXP module includes the following information as part of its content:

- Name and address of the dealer
- Name and Address of the exporter
- Commodity information with code
- Country of Origin
- Country of destination
- Port of destination
- LC value (mostly in USD)
- Sales terms
- Truck receipt no
- Bill of Lading no
- Packing list no.
- Port of shipment
- Shipment date

Documents Collection:

The goods are packed up and prepared for transportation by the exporter. Within fourteen days, a copy of the EXP form must be delivered to the branch along with the other essential documentation. Documents such as the Bill of Entry and payment from the importer are requested and collected, and the shipping corporation is the one that issues the bill of lading. The manufacturing facility is listed on a country's certificate of origin of information on the product is included on the commercial invoice, which is a packing list describing the contents of each individual shipment and includes product information. In addition, a comprehensive collection of shipping documentation, including documents that have been approved by customs.

The bank requires that each and every one of these items be brought in for examination. It is the responsibility of the official in charge to ensure that all documents adhere to the order. The importer's bank then receives all of this paperwork after it has been processed.

Realization:

When all of the necessary documentation is presented, the importing bank will be able to clear the funds. Within a period of one hundred and twenty days, export receipts are made. The financial reporting note is given to the exporter before the branch makes the payment to the exporter. Following the receipt of payment, the department is responsible for keeping the official copy of any reports. The duplicate is for customs, the triple is kept aside for statistical purposes, and the quadruple is for CCI and E.

Proceeds Realization certificate (PRC):

The final step in the export procedure is the acquisition of a certificate of proceeds realization. The PRC is provided to the exporter by the bank in exchange for the exporter's provision of bank certifications. In order to qualify for tax relief, the PRC needs to be presented using a format that is acceptable to the Bangladesh Bank.

3.3.3 Foreign remittance operation

The remittance process comes next, following export and import. The movement of money from one nation to another is what this phrase alludes to. For the customer's bank to be able to handle remittances from other countries, it must be an Authorized Distributor (AD). The authorized distributor for trading and foreign currency transactions with customers is Dhak Bank LTD. Through the use of their AD branches, customers are able to sell or acquire currency.

There are two distinct classifications of remittances.

1. Inward Remittance.
2. Outward Remittance.

3.3.3.1 Inward Remittance

Inward Remittance means money comes from a foreign country in our country. When exporters send products, the beneficiary makes the payment through this way, and remittance comes into our country. Through people's lives overseas, inward remittance occurs. Inward Remittance covers the purchase of foreign currency in the form of TT (telegraphic transfer) and FDD (foreign demand draft) sent from abroad. This is due to the fact that there is a beneficiary in

Bangladesh to collect the payment. Remittance has a direct effect on the spot rate of USD. That is why the balance is always maintained between Inward and outward remittance.

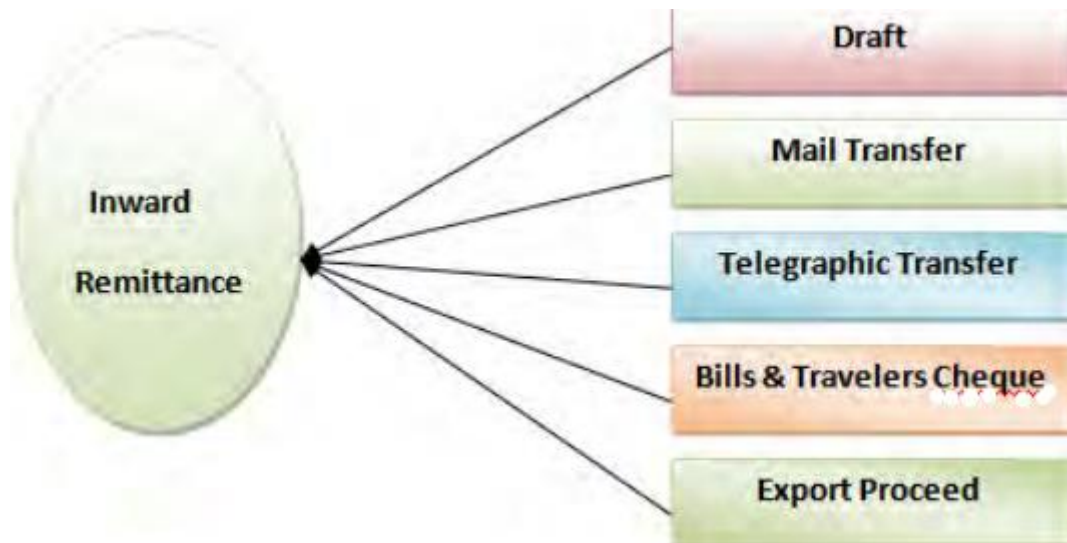


Figure 4: Sources of Inward Remittance at Dhaka Bank Limited

3.3.3.2 Outward remittance:

Foreign remittances define the sale of foreign currency by issuing foreign bills. Remittance abroad means sending money to a foreign country by letter of credit (sight draft), TT (telegraphic transfer), etc. In this scenario, the foreign currency leaves our country and creates a deficit in the foreign exchange balance. The Bank of Bangladesh closely monitors remittances sent overseas, and there are strict legal obligations. Furthermore, all banks are required to report to the Bangladesh Bank how much money they have left the country and for what purpose.

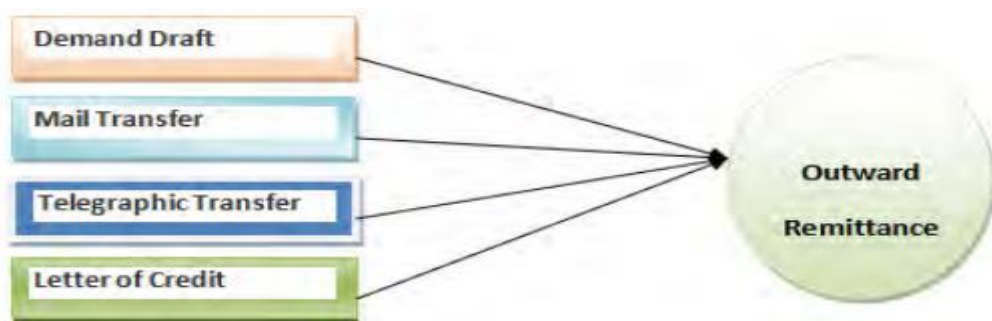


Figure 5: Sources of Outward Remittance at Dhaka Bank Limited

3.4 Recommendations

- They should work toward decentralizing their services rather than centralizing them in order to speed up the LC approval procedure. In addition to this, they will be able to give clients service that is both quicker and more up-to-date.
- After receiving authorization from the Bangladesh Bank, they are anticipated to expand the number of AD branches located throughout the country. As a result, consumers in each city are able to take advantage of overseas trade without having to leave the confines of their respective cities.

3.5 Conclusion

A nation and its government can derive a significant amount of revenue from its banking sector. Both domestic and international trade contributes significantly to the expansion and development of the national economy, each and every aspect of the banking industry. The unpredictability of the economy has impeded the progress that was anticipated, and the bank is doing everything in its power to achieve the required position and the anticipated profit margin. Since offshore units are the most effective means to earn foreign currency, it is imperative that appropriate measures be provided to these units in order to ensure that they are not hampered in their day-to-day activities and are able to continue providing for the nation.

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