



**Management Process of Foreign Trade and Credit Department  
Of  
Bank Asia Limited (Gulshan Branch)**

## Letter of Transmittal

29<sup>th</sup> August, 2016  
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Sub: Submission of the Internship Report.

Dear Sir,

I am pleased to submit this report, which has been prepared for the requirement of the internship program (Bus 400). The report entitled “Management Process of Foreign Trade and Credit department of Bank Asia Limited (Gulshan Branch)”. I have tried my best of my ability to complete the report properly and to bring out a meaningful insight within the constraints. I had to face some difficulties while gaining information for the project. Moreover, the study has given me the opportunity to relate lots of theoretical and financial knowledge with the practical world.

I appreciate your kind advice, cooperation, patience and suggestions regarding this report which will definitely help me to go further as a brilliant guideline. I will be available for any query and clarification regarding this report whenever necessary.

I would like to thank you for giving me such a great opportunity like this to prove my ability in making a quality report. If you find any mistakes then I am heartily apologizing for that. I hope you will take my mistakes forgivingly. I shall be pleased to answer any sort of query you may have regarding the report.

Sincerely yours,

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## Acknowledgement

At the beginning I am very much grateful to almighty Allah for giving me strength and opportunity and sound mind to complete this internship report. It is common practice to thank all those people who contributed to the task that one has to achieve and I see no reason to change this custom. It is my greatest pleasure to get the opportunity to complete my internship from Bank Asia Limited, one of the leading banks in Bangladesh. I think my experience at Bank Asia will provide me with lots of practical knowledge regarding the banking industry.

I would like to acknowledge **Riyashad Ahmed**, Assistant Professor & Coordinator, EMBA Program, BRAC Business School, BRAC University supervising and guiding me in analyzing and preparing the report by providing all kinds of updated informations to make this report an excellent one.

Preparing the Internship Report on **Management Process of Foreign trade and Credit department of Bank Asia Limited (Gulshan Branch)**. This descriptive paper is the outcome of my practical working experience in Bank Asia Ltd (Gulshan Branch). For successful completion of this report, I have been fortunate to have the support, assistance and encouragement of a number of individuals. Many of them played a decisive role in helping me making this report, although I honestly accept full responsibility for all the errors and omission.

I am especially grateful to **Mr. Tanfiz Hossain Chowdhury (EVP and Head of Branch, Bank Asia Ltd, Gulshan Branch)**, In charge of Foreign Trade & Exchange – **Mr. Mainur Rahman, FAVP** , In Charge of Credit Department – **Mr. Zahir Islam Khan, FVP** for helping me to collect data for my project. I would also like to thank all the employees of the branch with whom I worked, because of their friendly appreciations and warm co-operations. Eventually, it was an excellent experience for me to be with all employees of Bank Asia Ltd, Gulshan Branch. I am praying my heartiest appreciation to all of these great people for their great co-operation, which will always be remembered by me.

Finally I would like to convey my gratitude to all my teachers, friends and many others who showed and provided their support to help me preparing this report.

I want to thank all of them from the bottom of my heart.

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### Executive Summary

In order to complete my Internship program for Bachelors of Business Administration Course I have a tremendous experience working for a period of three months in Bank Asia Ltd (Gulshan Branch) starting from 08<sup>th</sup> May 2016 to 28<sup>th</sup> August, 2016. The whole affiliation report is divided into different sections. Firstly I gave the background of Bank Asia Limited and their product information. Second part is the main part of my report that is Activities undertaken are discussed. This part contains the main responsibilities and activities, lesson learned from the organization & the implication to the university, recommendations and finally the conclusion.

Bank Asia Ltd is one of the leading private sector commercial bank in Bangladesh. Foreign exchange is an important department of Bank Asia Limited, which deals with import, export and foreign remittances. Foreign Exchange is an International Department of the Bank as well. It facilitates international trade through its various modes of services. It bridges between importers and exporters. This department mainly deals in foreign currency, that's why it is called foreign exchange department.

On the other hand, Bank's basic work is to create a channel through depositing money from the surplus unit and provide funding to borrowers with productive investment opportunities. Thus the necessity of credit and loan department in bank occurs. Credit is the most important department of a bank. The money mobilized from ultimate surplus units are allocated through this department to the ultimate deficit unit (borrower). The success of this department keeps a great influence over the profit of a bank. Failure of this department may lead the bank to huge losses or even to bankruptcy.

While working on this report, I have had such new experience and learned quite a lot of things which, I hope, will be very much handy in future. At the end, I would like to thank all the above mentioned executives for giving me continuous support throughout this three month's internship period. I would like to recommend the following suggestions:

- ✓ Making a good relationship or respect to the other employee
- ✓ The loan approve process should be easier that the clients can feel convenient to take loan from the bank.
- ✓ IT division must be more developed.
- ✓ Should have increased the space inside the branch to facilitate all the employees.
- ✓ Bank should introduce more promotional programs for the customers.
- ✓ Introducing a special yearly bonus for achieving the target set by the bank. Target will be set by senior authority based on the overall condition of the market. This bonus will motivate employees to give more of their effort, which will possibly become fruitful for the bank.

- ✓ Credit division has limited manpower. For that reason the incharge of credit division always remain busy. So they need to recruit more new employees for operating their division in effective way.

### List of Acronyms

L/C- Letter of Credit	FTD-Foreign Trade Department
LLC-Limited Liability Company	MNC-Multinational Company
Co. Ltd-Company Limited.	NGO- Non-governmental organization
CD: Credit Department	MD-Managing Director
NRB- Non-Resident Bangladeshi	WEDB -Wage Earner Development Bond
SMS- Short Message Service	MIS- Monthly Income Scheme
SME- Small and Medium enterprises	DSE –Dhaka Stock Exchange
BB- Bangladesh Bank	CSE- Chittagong Stock Exchange
GDP-Gross Domestic Product	DP Note- Demand Promissory Note
IMP= Immediate Payment	AWCA = Al-Wadiah Current Account
CNG- Compressed natural gas	CIB- Credit Information Bureau
CRR- Cash Reserve Ratio	T.I N- Tax Identification Number
MSNDA= Mudaraba Special Notice Deposit Account	MTDA= Mudaraba Term Deposit Account
MHSS= Mudaraba Hajj Savings Scheme	MDPS= Mudaraba Deposit Pension Scheme
MMPPDS= Mudaraba Monthly Profit Paying Deposit Scheme	SJS= Smart Junior Saver
HPSM= Hire Purchase Shirkatul Melk	CRM= Credit Risk Management
CRM= Credit Risk Management	CACO= Customer and Client Origination
CCD= Consumer and Credit Department	CRG= Credit Risk Grading
SLR-Statutory Liquidity Ratio	NOC- No Objection Certificate
ALM- Asset Liability Management	HOC -Head of Credit
OIE- Oman International Exchange	HOCB- Head of Corporate Banking
MCB= Muslim Commercial Bank	BBA- Bachelor of Business Administration
ATM-Automated Teller Machine	VAT- Value Added Tax
FIS= First Information Sheet	CIB= Credit Information Bureau
CP= Credit Proposal	BCC= Branch Credit Committee
RM= Relationship Manager	HOCC= Head Office Credit Committee
HO= Head Office	CRO= Chief Risk Officer
NPL= Non Performing Loan	SRP= Supervisory Review Process
ERC= Export Registration Certificate	TM= Travel and Miscellaneous

## Origin of the report

Since practical orientation is an integral part of the BBA degree. As I am an internee of the organization, I got the chance to know many thing about Service nature, service quality, different types of services, consumer satisfaction, customer loyalty, relationship, service system, Banking challenges, opportunity and threats to Bank Asia Ltd. so that I can share the real life experience and activity of the organization.

This report has been originated as course requirement of the BBA program. I hope that this report will give a clear idea about the activities and role. I will emphases on The Activities of Foreign Trade and Credit Department of Bank Asia Ltd, Gulshan Branch.

## Scope of the Study

This report consists of the writer's observation and on the job experiences during the internship period in Gulshan Branch, Bank Asia Ltd. The report mainly emphasizes the sequential activities involved in Credit & Trade and financial actions used by Bank Asia. The report also focuses on the financial analysis, performance efficiency of these problems faced by credit and foreign trade department, comparative growth rate and overall performance analysis of Bank Asia Limited. Finally the report incorporates an evaluation of the different aspects and monitoring techniques and findings problems and makes some recommendations.

## Objectives of the study

The objectives are generally two types. One is broad objective. And another is specific objective.

### ✓ **Broad Objectives:**

The Board Objective of this study's to focus on the main activities of Credit Department & Trade Financial activities of Bank Asia Limited, Gulshan Branch and also to know the process and the problems which they are facing in every stage.

### ✓ **Specific objectives:**

The Specific Objectives are as follows:

- ✓ To explore the activities of Credit department.
- ✓ To acquire knowledge about foreign exchange department.
- ✓ To acquire knowledge about Credit department activities.
- ✓ To analyze the total process of letter of credit according to the bank.
- ✓ To identify different Credit services available in Bank Asia Limited.
- ✓ To access the efficiency of the customer service from both department.
- ✓ To assess the overall performance of the bank's Foreign Exchange Department.
- ✓ To know details of Foreign Exchange procedure in Bank Asia Limited

## Methodology

This report has been prepared on the basis of experience gathered during the period of internship and my own learn and understanding. The entire process has been made by collecting primary data which played a vital role and easy to write down the report and secondary data was needed for supportive structured build-up to the report.

### **Primary Data:**

- ✓ Direct conversation with the bank officers with a structured questionnaire.
- ✓ Daily activity conducted by me at the bank.
- ✓ Questionnaires

### **Secondary data:**

- ✓ Annual report of Bank Asia.
- ✓ Web browsing.
- ✓ Journals and Books.

## Literature Review:

### **Foreign Trade Finance:**

Banks facilitate international trade by providing financing and guarantees to importers and exporters. While access to external funds is important for domestic production, it is especially important for exporting firms.<sup>1</sup> Several papers indeed show that countries with strong financial institutions tend to export relatively more in financially vulnerable sectors (e.g., Beck, 2002, 2003; Becker and Greenberg, 2007; Svaleryd and Vlachos, 2005; and Hur, Raj and Riyanto, 2006).

Manova (2013) finds that in financially better developed countries firms in sectors more dependent on external finance and with fewer tangible assets are more likely to export and, when exporting, tend to export more. While banks facilitate trade through finance, they can also potentially facilitate trade by overcoming information asymmetries between importers and exporters. However, no study so far has examined whether a more developed financial system facilitates trade solely through providing funds to (potential) exporters (a *finance channel*) or whether it (also) facilitates trade by helping overcome information asymmetries between (potential) exporters and importers (an *information channel*). In this paper we examine whether an information channel coexists with a financing channel by studying the role of foreign owned banks in trade. Combining detailed bilateral, sectorial trade data with bilateral foreign bank ownership data, we provide evidence suggesting that foreign banks facilitate exports

Kletzer and Bardhan, 1987; Building on this theoretical work, a number of cross-country studies have exploited sectorial trade data to show that in countries with strong financial institutions financially vulnerable sectors tend to export more



Becker and Greenberg, 2007; Svaleryd and Vlachos, 2005; Hur, Raj and Riyanto, 2006; Manova, 2013) Studies using firm-level data from high-income countries and emerging markets provide further evidence that credit constraints negatively affect firms' scope of export products, number of destinations, and the value of foreign sales.

Amiti and Weinstein, (2011) while most papers focus on how financial development affects trade, a few papers also examine the interplay between financial and institutional development and how this affects trade.<sup>2</sup> Exporting countries affected international trade during the crisis

Amiti and Weinstein (2011) show that Japanese banks transmitted financial shocks to exporters during the crises that plagued Japan in the 1990s. Iacovone and Zavacka (2009), using cross-country evidence from 23 banking crises, find export growth to be particularly slow in sectors reliant on external finance.

Berman and Martin (2010) show that while for an average country the disruption effect of a banking crisis in partner countries is moderate, it is much larger and long-lasting for African exporters, suggesting, as trade finance dries up from partners, these countries' relative underdeveloped financial systems as the cause.

### **Risk Management:**

**Crouhy, Gala, Marick (26)** have summarized the core principles of Enterprise wide Risk Management. As per the authors Risk Management culture should percolate from the Board Level to the lowest level employee. Firms will be required to make significant investment necessary to comply with the latest best practices in the new generation of Risk Regulation and Management. Corporate Governance regulation with the advent of Sarbanes-Oxley Act in US and several other legislations in various countries also provide the framework for sound Risk Management structures. Hitherto, Enterprise wide Risk Management existed only for name sake. Generally firms did not institute a truly integrated set of Risk measures, methodologies or Risk Management Architecture. The ensuing decades will usher in a new set of Risk Management tools encompassing all the activities of a Corporation. The integrated Risk Management infrastructure would cover areas like Corporate Compliance, Corporate Governance, and Capital Management etc. Areas like business risk, reputation risk and strategic risk also will be incorporated in the overall Risk Architecture more formally. As always it will be the Banks and the Financial Services firms which will lead the way in this evolutionary process. The compliance requirements of Basel II and III accords will also oblige Banks and Financial institutions to put in place robust Risk Management methodologies.

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**Daniele Nouy (29)** elaborates the Basel Core Principles for effective Banking Supervision, its innovativeness, content and the challenges of quality implementation. Core Principles are a set of supervisory guidelines aimed at providing a general framework for effective Banking supervision in all countries. They are innovative in the way that they were developed by a mixed drafting group and they were comprehensive in coverage, providing a checklist of the principal features of a well-designed supervisory system.

### Limitations of the study

Every process usually carries limitations with it. This study is not an exception. The limitations that had come on way to making this internship report are stated below:

- ✓ Due to time and huge working pressure in the branch the study was bound to be concentrated in selected areas of the bank. To continue study in such a vast area requires a big deal of time. As an intern, I only had three months on hand, which is not enough.
- ✓ As financial organizations banks maintain confidentiality of their valuable data. As a result the study mostly depended on official files and annual reports.
- ✓ It is very difficult to verify the accuracy of the collected data.
- ✓ Bank Asia Ltd as a private commercial bank is very busy and the personnel of each department are unable to spare much time for discussion about various topics. Even though, there are some limitations I have tried my best to collect adequate data and information to make the report meaningful.

## Historical Background: Bank Asia Limited

Bank Asia has been launched by a group of successful entrepreneurs with recognized standing in the society. The management of the Bank consists of a team led by senior bankers with decades of experience in national and international markets. The senior management team is ably supported by a group of professionals many of whom have exposure in the international market. Since its humble beginning in 1999; Bank Asia has established itself as one of the fast growing local private banks. It has at present a network of eighty branches serving many of the leading corporate houses and is gradually moving towards retail banking. Another significant delivery channel is its own as well as shared ATM Network. Bank Asia has a network of 3651 ATMs out of which Bank Asia owns 81. The other 3570 ATMs are shared through ETN with other banks. It set milestone by acquiring the business operations of the Bank of Nova Scotia in Dhaka, first in the banking history of Bangladesh. It again repeated the performance by acquiring the Bangladesh operations of Muslim Commercial Bank Ltd. (MCB), a Pakistani bank. In the year 2003 the Bank again came to the limelight with oversubscription of the Initial Public Offering of the shares of the Bank, which was a record (55 times) in our capital market's history and its shares commands respectable premium. The asset and liability growth has been remarkable. By December 2011 the total asset of the Bank grew to Tk 11,772,941 million, increase of almost 11.91% comparing to 2010.

As of December 2011 deposits increased to Tk 9,513,110 million, an increase of 10.15% over that of 2010, and Loans & Advances reached Tk 8,281,997 million, an increase of 4.17% over that of 2010. And in 2013, Total asset was Tk 163778 million and Total deposit was Tk 133489 million. At present Bank Asia have 86 branches across the nation with more than 1600 employees. Bank Asia has been actively participating in the local money market as well as foreign currency market without exposing the Bank to vulnerable positions. The Bank's investment in Treasury Bills and other securities went up noticeably opening up opportunities for enhancing income in the context of a regime of gradual interest rate decline. Bank Asia Limited started its service with a vision to serve people with modern and innovative banking products and services at affordable charge. The Bank is maintaining its competitiveness by leveraging on its Online Banking Software and modern IT infrastructure. It is the pioneer amongst the local banks in introducing innovative products like SMS banking, and under the ATM Network the 'Stelar Online Banking software' enables direct linking of a client's account, without the requirement for a separate account. Being parallel to the cutting edge technology the Bank is offering online banking with added delivery channels like ATM, Tele-banking, SMS and Net Banking. And as part of the bank's commitment to provide all modern and value added banking service in keeping with the very best standard in a globalize world.

### Mission

- ✓ To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy.
- ✓ To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees.
- ✓ To become the most sought after bank in the country, rendering technology driven innovative services by our dedicated team of professionals.

### Vision

Bank Asia's vision is to have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream. Our vision is to build a society where human dignity and human rights receive the highest consideration along with reduction of poverty.

### Slogan of Bank Asia Limited

For a better tomorrow does not have to confined with the limited service rather enhanced existing service and brought up new services in order to their existing and potential clients for made the life more easier.

### Milestones of Bank Asia Limited

<b>1. Certificate of Incorporation</b>	<b>28/09/1999</b>
2. Certificate of Commencement of Business	28/09/1999
3. Banking License	06/10/1999
4. First Branch License	31/10/1999
5. Inauguration of Bank	27/11/1999
6. Only Bangladeshi bank to acquire operations of 02 foreign banks namely: Bank of Nova Scotia, Canada and Muslim Commercial Bank of Pakistan	2001
7. Date of IPO subscription	23-24/09/2003
8. IPO oversubscribed by:	56 times
9. Date of First Share Trading in Bourse	08/01/2004
10. Number of Shareholders and Shares (at the end of 2009)	10,868 (shareholders) 21,448,125 shares
11. Date of First Subscription with CDBL	20/12/2005
12. Date of First Script-less Trading	30/01/2006
13. Commenced Operation of Off-Shore Banking	28/01/2008
14. Commenced Operation of Islami Banking	24/12/2008

Source: [www.bankasia-bd.com](http://www.bankasia-bd.com)

### Board of Directors:

Name	Designation
Mr. A RoufChowdhury	Chairman
Mr. A M Nurul Islam	Vice Chairman
Mr. Mohammed Lakiotullah	Vice Chairman
Ms. HosnearaSinha	Director
Mr. Mohd. SafwanChoudhury	Director
Mr. Rume A Hossain	Director
Ms. FarhanaHaqChowdhury	Director
Ms. NaheedAkhterSinha	Director
Mr. NafeesKhundker	Director
Mr. M Irfan Syed	Director
Mr. Faisal Samad	Director
Mr. Shah Md. NurulAlam	Director
Ms. SohanaRoufChowdhury	Director
Mr. Md. Mehmood Husain	President and Managing Director

Source:[www.bankasia-bd.com](http://www.bankasia-bd.com)

### Management Team

Name	Designation
Mr. Md. Mehmood Husain	President and Managing Director
Mr. Aminul Islam	Deputy Managing Director, Chief Operating Officer & Company Secretary
Mr. Mohammed Roshangir	Deputy Managing Director & Chief Business Officer (Corporate)
Ms. HumairaAzam	Deputy Managing Director & Chief Risk Officer
Mr. Md. Arfan Al	Deputy Managing Director & Chief Business Officer (SMR)
Mr. NasirulHossain	Senior Executive Vice President & Head of Recovery
Mr. Syed Nazimuddin	Senior Executive Vice President & Head of Foreign Remittance
Mr. Md. TouhidulAlam Khan (ACMA)	Senior Executive Vice President & Head of Corporate Assets and Client Origination
Mr. Mohammad Borhanuddin	Senior Executive Vice President & Head of Internal Control & Compliance
Mr. Md. Abu BakarLaskar	Senior Vice President & Head of Branch Operations
Mr. Imran Ahmed (FCA, CISA)	Senior Vice President & Chief Financial Officer
Mr. Md. Zia Arfin	Senior Vice President & Head of International Division

<b>Mr. Mohammad Abdul Qaium Khan</b>	Senior Vice President & Head of Information and Communication Technology
<b>Mr. Mamun Mahmud</b>	Senior Vice President & Head of Human Resources
<b>Mr. ArequlArefeen</b>	Vice President & Head of Treasury
<b>Mr. AfzalulHaq</b>	Vice President & Head of Islamic Banking

Source: [www.bankasia-bd.com](http://www.bankasia-bd.com)

### Corporate Structure:

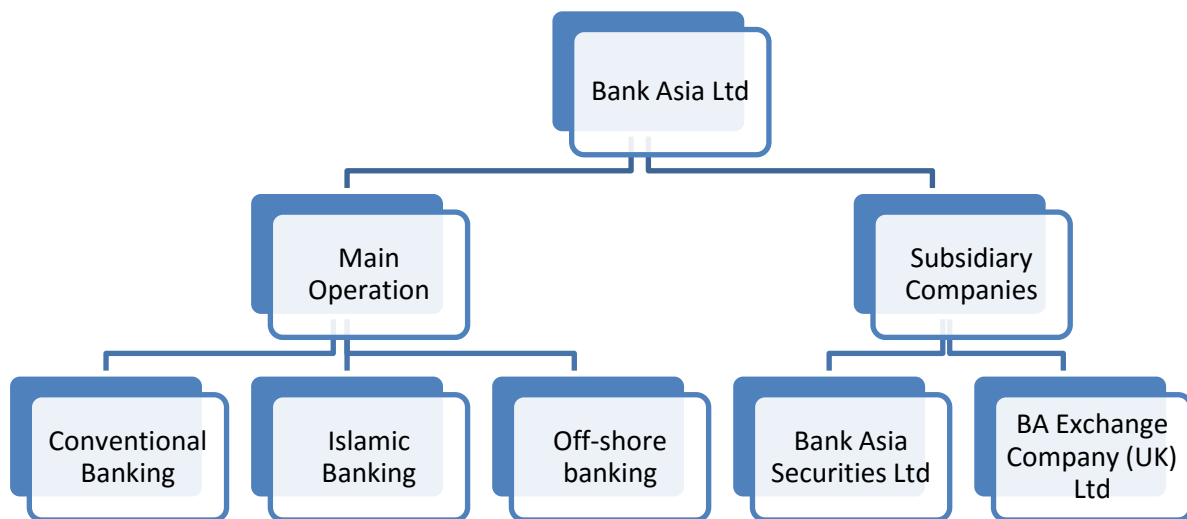


Figure 1: Corporate Structure  
Source: [www.bankasia-bd.com](http://www.bankasia-bd.com)

### Values Core

- ✓ Placing customers interest and satisfaction as first priority and provide customize banking products and services.
- ✓ Value addition to the stakeholders through attaining excellence in banking operation.
- ✓ Maintain high ethical standards and transparency in dealings.
- ✓ Be a compliant institution through adhering to all regulatory requirements.
- ✓ Contribute significantly for the betterment of the society.
- ✓ Ensure higher degree of motivation and dignified working environment for our human capital and respect optimal work-life balance.
- ✓ Committed to protect the environment and go green

## Code of Conduct

- ✓ Employees must be open and loyal to the bank and bank's interest.
- ✓ Employees must keep confidential all banks and other matters that could provide other third parties unauthorized access to confidential information.
- ✓ Employees must observe the bank's security requirements concealing access to electronic resources and documents.
- ✓ All information and communication with the media, the public and financial markets shall be reliable and correct, maintain high professional and ethical standards and in accordance established guidelines and regulations.
- ✓ Customers shall be met with insight, respect and understanding. Employees must always try to fulfill the needs of the customer in the best possible manner, within the guidelines for corporate ethics and regulations.
- ✓ Under no circumstances, employees shall or be a part of any activity that prohibits open and fair competition of Bank Asia in breach of relevant business laws.
- ✓ Employees shall never offer or accept illegal or inappropriate gifts or other remuneration in order to achieve business or personal advantages.
- ✓ Employee's engagement in external duties must not affect his/her working relationship with Bank Asia or come into conflict with Bank Asia's business interest.
- ✓ Should an employee become aware of an infringement of Bank Asia's rules and guidelines, he/she should blow whistle raising the issue to the line management or to Human Resource Department.

## Goals

### ✓ **Sustainable growth**

Synergies between new knowledge and human capital for sustainable economic growth.

### ✓ **Capital stewardship**

Preservation and enlargement of multiple forms of capital; like intellectual, natural, financial, Organizational, social; all of which contribute to long term value creation.

### ✓ **Accelerating financial inclusion**

Accelerate progress towards financial inclusion with technology like ATM, mobile phone, smart card based banking services and renewable energy generation projects especially in rural areas.

### ✓ **Differentiating value added services**

Strong focus on extremely cost-efficient and green services through Internet banking, electronic fund transfer, automated cheques clearing, e-bank statement, SMS alert etc.

✓ **Going green**

Quantification of in-house facilities and energy consumption to promote paperless office and Enhance energy efficiency. Greater emphasis on green banking projects.

✓ **Leader in business**

Create new dimension in the syndication and structured financing. Grow with export. Well diversified portfolio.

**Salient features of Bank Asia**

Only Bangladeshi Bank to acquire operations of two foreign banks:

- ✓ Bank of Nova Scotia of Canada
- ✓ Muslim Commercial Bank of Pakistan

Majority stake holder of ERA INFOTECH (A joint Venture IT Company)

- ✓ Centralized Trade Services Operation
- ✓ Facilitates Export/ Import and Inward and Outward Remittance for non-AD Branches.
- ✓ Central Clearing -Fully Automated.
- ✓ Online & ATM Charges - Free.
- ✓ ATM Booth- 48 & E-Cash Booth- 125.
- ✓ 24 Hours Call Centre for customer service.
- ✓ Member- Dhaka Stock Exchange (DSE) & Commenced Capital Market Operations (Share Trading).
- ✓ Internet & Hello Banking
- ✓ SME Banking
- ✓ Consumer Banking
- ✓ Islamic Banking
- ✓ Green Banking
- ✓ Agent Banking

**Product/Service Offerings**

**i. Business Banking**

- ✓ Overdraft
- ✓ Secured Overdraft
- ✓ Secured OD (Earnest Money)
- ✓ Working capital finance



- ✓ Loan against Trust Receipt
- ✓ Loan against Cash Incentives
- ✓ Bill discounting
- ✓ Loan Syndication and structured Finance
- ✓ Packing Credit
- ✓ Demand Loan
- ✓ Demand Loan (work order)
- ✓ Time Loan
- ✓ Transport Loan
- ✓ House Building Loan
- ✓ Term loan
- ✓ Lease Finance
- ✓ Letter of Guarantee
- ✓ Letter of Credit
- ✓ Back to back Letter of Credit

**ii. Small and Medium Enterprise (SME)**

**a) Term Loan**

- ✓ Subidha -Unsecured Trading
- ✓ Sondhi -Secured Trading
- ✓ Sristi – Unsecured Manufacturing
- ✓ Shombridhi- Secured Manufacturing
- ✓ Shofol – Unsecured Service
- ✓ Sheba- Secured Service

**b) Over Draft**

- ✓ Somadhan – Secured

**c) Special Products**

- ✓ Utshob- Seasonal Business
- ✓ Subarno- Women Entrepreneur

**iii. Consumer Finance**

- ✓ Auto Loan
- ✓ Consumer Durable Loan
- ✓ Unsecured Personal Loan
- ✓ House Finance
- ✓ Loan for Professionals
- ✓ Senior Citizen Support

**iv. Credit Card**

- ✓ MasterCard Local Credit Card
- ✓ VISA Dual Currency Credit Card
- ✓ VISA Local Credit Card
- ✓ VISA Butterfly Credit Card
- ✓ VISA Mini Credit Card
- ✓ VISA International Card against RFCD, RQ A/C
- ✓ Virtual Card
- ✓ SME Credit Card
- ✓ NBFICard Cheque
- ✓ International Prepaid Hajj Card

**v. Treasury**

**a) Money Market**

- ✓ Overnight Call
- ✓ Repo and Reverse Repo
- ✓ Swap
- ✓ Sale and Purchase of Treasury Bill & Bond
- ✓ Term Placement
- ✓ Term Borrowing

**b) Foreign Exchange Market**

- ✓ Spot
- ✓ Forward
- ✓ Interbank Buy / Sale

**vi. Deposit Accounts**

- ✓ Saving Account
- ✓ Current Account
- ✓ Short Notice Deposit
- ✓ Fixed Term Deposit
- ✓ Foreign Currency Account
- ✓ Deposit Pension Scheme
- ✓ Monthly Benefit Scheme
- ✓ Double Benefit Scheme
- ✓ Triple Benefit Scheme
- ✓ Bank Asia Sanchoy Plus

## **vii. Islamic Banking**

### **a) Deposit Products**

- ✓ Al-Wadiah Current Account (AWCA)
- ✓ Mudaraba Savings Account (MSA)
- ✓ Mudaraba Special Notice Deposit Account (MSNDA)
- ✓ Mudaraba Term Deposit Account (MTDA) of different
- ✓ Tenure
- ✓ Mudaraba Hajj Savings Scheme (MHSS)
- ✓ Mudaraba Deposit Pension Scheme (MDPS)
- ✓ Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS)
- ✓ Smart Junior Saver (SJS)

### **c) Investment Products**

- ✓ Bai Murabaha Muajjal
- ✓ Hire Purchase Shirkatul Melk (HPSM)
- ✓ Musharaka
- ✓ Quard against Accepted Bills

## **viii. Service Products**

- ✓ ATM Services
- ✓ Remittance Service
- ✓ Locker Service
- ✓ Online Banking
- ✓ Internet Banking
- ✓ Phone Banking
- ✓ Mobile Banking
- ✓ Remote Banking (EBEK)
- ✓ SWIFT
- ✓ Centralized Trade Services
- ✓ Student File
- ✓ Traveler's Cheque

## **ix. Off-shore Banking Unit (OBU) Products**

- ✓ On-shore Bill Discounting through OBU
- ✓ Bill Discounting
- ✓ Capital Finance
- ✓ Working Capital Finance
- ✓ Trade Finance
- ✓ On-shore Export Bill Discounting

**x. Capital Market Operation**

- ✓ Brokerage Operation
- ✓ Margin Loan

**Financial Performance of Bank Asia (Last 5 Years)**

<b>Balance Sheet Matrix</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up Capital	8,392.95	7,629.96	6,936.32 6	6,305.75 5	5254.79
Reserve Fund & Surplus	10,586.38	9,234.47	7,681.38 6	6739.42	7224.14
Total Shareholders' Equity	18,979.33	16,864.42	14,617.7013	13,045.17	12478.93
Deposits	169,827.34	140,869.29	133,489.37110	110,061.78	95131.10
Loans and Advances	136,396.34	116,808.85	104,911.26 92	92,328.82	82819.97
Investments	46,942.77	38,683.41	33,933.36 25	25,114.90	15950.51
Fixed Assets	5,075.51	5,213.61	5,288.35 4	4,520.49	4584.55
Total Assets	224,347.31	182,730.94	163,777.74140	140,361.37	117729.41
Total Off Balance Sheet Items	96,817.06	71,527.15	67,164.26 59	59,215.74	47457.25
Interest Earning Assets	194,844.94	156,535.38	150,629.28129	129,078.12	108418.60
Non-Interest Earning Assets	29,502.37	26,195.56	13,148.46 11	11,283.26	9310.81

Table: Balance Sheet Matrix of Bank Asia; As per Annual Report 2015 (Million taka)

<b>Income Statement Matrix</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Interest Income	13,877.76	13,914.31	14319.42	13296.06	10903.58
Interest Expenses	11,170.32	10,699.77	11139.14	9616.35	8202.66
Investment income	4,890.83	4,029.12	3053.80	1930.64	1285.55
Non interest income	2,728.65	2,442.54	2299.08	2210.32	2416.97
Non Interest expenses	4,321.26	3,907.37	3117.39	2768.87	2361.47
Total Income	21,497.24	20,385.97	19672.29	17437.02	14606.10
Total expenditure	15,491.57	14,607.14	14256.53	12385.22	10564.13
Operating profit	6,005.66	5,778.83	5415.76	5051.80	4041.97
Profit before tax	4,123.92	4,216.96	3520.59	2723.00	3432.21
Net profit after tax	2,573.92	2,218.69	1459.82	908.00	1916.21

Table: Income Statement Matrix, Annual Report 2015 (Figures in Million Taka)

Capital Measures	2015	2014	2013	2012	2011
<b>Risk Weighted Assets</b>	183247.39	157574.62	140976.92	106719.00	83664.20
<b>Core capital (Tier-1)</b>	16400.10	14173.67	11904.15	10444.33	9536.33
<b>Supplementary capital (Tier-2)</b>	6436.73	3669.56	3670.70	3485.86	2911.00
<b>Total Capital</b>	22836.83	17843.22	15574.85	13930.19	12447.33
<b>Capital Surplus/(Deficit)</b>	4512.10	2085.76	1477.16	3258.29	4080.90
<b>Tier 1 Capital Ratio</b>	8.95%	8.99%	8.44%	9.79%	11.40%
<b>Tier 2 Capital Ratio</b>	3.51%	2.33%	2.61%	3.26%	3.48%
<b>Total Capital Adequacy Ratio Basel - 2</b>	-	11.32%	11.05%	13.05%	14.88%
<b>Capital to Risk Weighted Asset Ratio Basel-3</b>	12.46%	-	-	-	-

Table: Capital Measures, Annual Report 2015 (Figures in Million Taka)

Credit Quality	2015	2014	2013	2012	2011
<b>Classified Loans</b>	5808.87	6200.55	5878.79	5251.48	2249.96
<b>Provision for Unclassified Loans</b>	3085.01	1155.79	1038.20	989.20	974.03
<b>Provision For Classified Loans</b>	2911.65	3981.26	3074.43	2641.11	772.42
<b>Provision for Contingent Liabilities</b>	968.17	715.27	671.64	592.16	461.59
<b>Percentage of NPLs to total Loans and Advances</b>	4.26%	5.31%	5.60%	5.69%	2.72%

Table: Credit Quality, Annual Report 2015 (Figures in Million Taka)

Foreign Exchange Business	2015	2014	2013	2012	2011
<b>Import</b>	129930.43	110192.54	110738.08	106746.15	99414.20
<b>Export</b>	89275.32	77646.91	71968.33	66478.34	74794.5
<b>Remittance( inward)</b>	42996.80	41732.50	34334.4	32110.10	21776.70

Table: Foreign Exchange Business, Annual Report 2015 (Figures in Million Taka)

<b>Operating Profit Ratios</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Credit Deposit Ratio</b>	80.31%	82.92%	78.59%	83.89%	87.06%
<b>Cost of Deposit</b>	6.87%	7.53%	8.82%	9.22%	8.76%
<b>Administrative Cost</b>	2.85%	2.93%	2.66%	3.08%	2.65%
<b>Yield on loans &amp; advances</b>	10.97%	12.77%	14.22%	14.50%	13.48%
<b>Spread</b>	4.10%	5.24%	5.41%	5.27%	4.72%
<b>ROA</b>	1.26%	1.28%	0.96%	0.70%	1.72%
<b>ROE</b>	14.36%	14.09%	10.55%	7.11%	19.61%

Table: Operating Profit Ratios of Bank Asia, Annual Report 2015

<b>Performance Ratios</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Profit Per Employee</b>	3.27%	3.26%	3.38%	3.40%	3.18%
<b>Operating Profit</b>	2.95%	3.34%	3.56%	3.91%	3.63%
<b>Net Interest Income</b>	3.16%	3.85%	3.98%	3.93%	3.51%
<b>Burden Coverage</b>	63.13%	62.51%	73.75%	79.83%	102.35%
<b>Expense Coverage</b>	89.96%	77.15%	79.44%	99.37%	105.38%
<b>Efficiency ratio</b>	41.84%	40.34%	36.53%	35.40%	36.88%

Table: Performance Ratios of Bank Asia, Annual Report 2015

<b>OTHER INFORMATIONS</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Number Of Branches</b>	98	91	86	73	63
<b>Number Of SME service centers</b>	6	6	6	6	7
<b>Number Of Islamic Windows</b>	5	5	5	5	5
<b>Number Of Employees</b>	1839	1773	1600	1485	1270
<b>Number Of Foreign Correspondent</b>	663	612	761	776	775

Table: Other Information's, Annual Report 2015

## **Working as an Intern:**

I started my internship program at Bank Asia Limited, Corporate Office from 08<sup>th</sup> May 2016 to 28<sup>th</sup> August, 2016. Through out this time I have got the opportunity to work with different department of Bank Asia Limited.

### **3.2 Nature of the Job**

I was assigned my internship under Foreign trade department firstly. Foreign trade department plays an important role for bank Asia as well as it contributes in the growth of our national economy. Like other departments of Bank Asia Limited also gives emphasis on smooth and quick service for this particular department. Under this department there are two departments. The Two department's are-

<b>Department Name:</b> <b>Foreign Trade</b>	✓ Import ✓ Export
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### **3.3 Specific Responsibilities**

I did work in various activity of Bank Asia Limited, Corporate Office. Under the Foreign trade department. The activities are:

- ✓ Filling up IMP form, by which the payments are reported to the Bangladesh Bank manually.
- ✓ Online L/C posting to Bangladesh Bank.
- ✓ Online TM posting to Bangladesh Bank.
- ✓ Filling up TM form manually.
- ✓ Register entry of L/C payments.
- ✓ Registering entry of ERC.
- ✓ Attach Stamp on L/C application form.
- ✓ Filing the L/C documents.

## **Interview outcomes of FTD and CD with employees:**

After interviewing employees I get some points. The points of FTD section are:

- ✓ Every month in FTD section above 200 LC opened.
- ✓ Employee are facing some problem like,
  - Lodgment
  - Collecting document
  - reporting
- ✓ Most of the employee is satisfied work in this department.
- ✓ There is a downsizing of employees due to the emerging technology but efficiency in terms of productivity has increased.
- ✓ Number of complaints ( per month) from customers is very low
- ✓ Delay in banking functions from view point of employee is safe transaction.
- ✓ The employees want Training and Development Factor in bank like,
  - Effective Training program
  - Enhanced technical skills program
  - Organized training programs
- ✓ Customer Services that you provide by employees customer:
  - Customer friendly environment at Bank
  - Customer feedback services
  - Capable of solving complaints adequately
  - Brochures to educate new users
  - Special services for the elders and disabled
- ✓ The technology employees are very much familiar.
- ✓ Bank has different types of L/C system.
- ✓ Bank has enough dollars to endorse as the requirement of its customers.

## **The points of CD section are:**

- Employees **of banks facing problems taking back the loans.**
- Bank is computing the cost of operating the personal loan department.
- Bank Asia Ltd. taking low interest rate from other banks.
- Employees face problem to ensure accurate & timely submission of returns of Corporate Office and Bangladesh Bank.
- Sometimes customer had a problem in using credit card.



Secondly,

**Nature of the Job**

I was assigned my internship under Credit department secondly. Credit department plays an important role for bank Asia as well as it contributes. Like other departments of Bank Asia Limited also gives emphasis on smooth and quick service for this particular department. Under this department there are four departments. The Four department's are-

<b>Department Name : Credit</b>	<ul style="list-style-type: none"><li>✓ Corporate Credit</li><li>✓ SME</li><li>✓ Retail</li><li>✓ Credit Administration</li></ul>
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Basically in the credit department at first the client gives his/her requirements to them, after that the respective particulars analyzes the project as well as the turnover and after that the whole projects needs to be look like a proposal to send to the Head Office for further confirmation to work in progress with the given proposal or to disburse it.

When the head office gets in term to the proposal then they give a final decision whether to accept the proposal and are the necessary amount is applicable for that particular customer or not. When the head office finds that the proposal is fine and ready to perform then they give the sanction to make a loan for that particular client. After the confirmation the necessary papers are send to the respective branch through which the bill has been proposed.

After the bill has been accepted then the client has the right to ask the amount of money he needs for that particular project and the respective bank officer has to visit that site so that the particular party doesn't mis use the money that he has been given.

A given period of time is allocated for that particular party to pay back the money like for example 90 days credit or 120 days credit then after the time is passed if the client isn't able to repay back then first he is to get a notice and after that still he doesn't pay back he is sent a legal notice and case can be filed against him and after that the loan gets disbursed.

## Foreign Trade Department

Foreign exchange is an important department of Bank Asia Limited, which deals with import, export and foreign remittances. Foreign Exchange is an International Department of the Bank. It facilitates international trade through its various modes of services. It bridges between importers and exporters. This department mainly deals in foreign currency, that's why it is called foreign exchange department.

Foreign trade consists of export and import of goods and services from a country. It is an integral part and parcel of foreign exchange. It refers business performed by the buyer and seller participating from different country holds distinctive cultural values, normative beliefs and ideology. Some country has special advantage to produce certain items while other country possesses dearth of facility.

### **Foreign Trade includes:**

- ✓ Import
- ✓ Export

Trade Finance is the science that describes the management of money, banking, credit, investments and assets for international trade transactions. Trade Finance enables credit worthy businesses to fund purchases suppliers particularly wholesalers, distributors and manufacturers.

The institutions or transaction involved in the financing of international trade. Trade finance looks at banks credit agencies, insurers, forfeiters, and any other person or institution that enables importers and exporters to trade across borders. Trade finance is related to international trade. While a seller (exporter) can require the purchaser (an importer) to pre-pay for goods shipped, the purchaser (importer) may wish to reduce.

### **Major functions of the Foreign Trade Department:**

- ✓ Issuing L/C
- ✓ Provide credit facility to the exporters and importers
- ✓ Purchase of local and foreign currency documentary/clean bills
- ✓ Collection of foreign documentary and clean bills.
- ✓ Provide acceptance against export bill
- ✓ Performance Guarantees and Financial Guarantees.
- ✓ Provide Shipping Guarantee

The main importance of my duties and responsibilities is to do the report in the Bangladesh Bank. So that the central bank can know how much export and import is being done in our country yearly. When I have placed this information in the system, according to its code, it is then placed with the Bangladesh Bank's system.

This is an important task because with this the Government of the country will be able to know how much export and import is being done yearly so that they can make the budget much more comprehensive for the people of Bangladesh and also some following facts are mentioned:

- ✓ Balance of Payment position
- ✓ Trade deficit position
- ✓ Stock of necessity commodity
- ✓ Highest exporting country
- ✓ Highest importing country
- ✓ Present and prospective area of export

### **Import Department:**

Imports are foreign goods and services purchased by consumers, firms, & Governments in Bangladesh. The importers are asked by their exporters to open letter of credits so that their payment against goods is ensured.

- ✓ Import Producer

To import through a customer requires -

- ✓ Bank account
- ✓ Import registration certificate (IRC)
- ✓ Taxpaying identification number
- ✓ Preformed invoice indent
- ✓ Membership certificate
- ✓ LCA (letter of credit authorization) form duly attested
- ✓ One set of imp form
- ✓ Insurance covers note with money receipt other import procedure can be shown by the following flow chart.

### **Tasks which are performed in the bank:**

- ✓ Total supervision of Import Department (Cash/Back to Back L/C)
- ✓ Foreign Correspondence related to above
- ✓ Payment of Back-to-Back L/C and endorsement of Export L/C against payment
- ✓ Follow-up of Back-to-Back overdue bills
- ✓ Correspondence regarding Back-to-Back L/C and Cash L/C
- ✓ Maintenance of Due Date Diary
- ✓ Maintenance & record of related L/C Documents
- ✓ Audit Compliance
- ✓ Matching of Bill of Entry with IMP
- ✓ follow-up of pending Bill of Entry Quarterly Statement
- ✓ Batch Checking
- ✓ Checking lodgment, retirement of Import documents under Back-to-Back L/C
- ✓ Issuance of Shipping Guarantee (Back to Back L/C)
- ✓ IMP Form Fill-up (Cash L/C)
- ✓ Inform negotiating Bank about maturity date of Back-to-Back L/C
- ✓ Maintenance & Record of related L/C (s) & Documents

- ✓ Credit Report
- ✓ Preparation of monthly foreign exchange business position
- ✓ L/C Lodgment (Cash)
- ✓ Checking of Cash L/C documents
- ✓ Differed Payment (Cash)
- ✓ Follow-up of outstanding BLC

**Export Department:**

- ✓ Pre-shipment advance
- ✓ Purchase of foreign bills
- ✓ Export guaranties
- ✓ Advising/ Confirming letter of credit
- ✓ Advance against bills for collection.

**Methods of training:**

Four common methods of conducting international trade are-

- ✓ Open account
- ✓ Advance payment
- ✓ Documentary collections
- ✓ Letters of credit

✓ **Open account:**

Under an open account payment method, title to the goods usually passes from the Seller to the Buyer prior to payment. Open account terms give the maximum security to the buyer and represent the greatest risk to the seller. This mechanism offers the seller no protection in case of non-payment. Furthermore, there may be a time delay in payment. This form of payment is used when the seller has enough trust in the buyer's ability and willingness to pay once the goods have been shipped, provided the buyer's country makes it possible for the buyer to effect payment as promised.

✓ **Advance payment:**

The name suggests that, it is the system where the importer pays first, and then the exporter dispatches the goods. Advance payment is often used when the buyer is not known to the seller.

✓ **Documentary collections:**

In that trading method, the seller dispatches the goods to the buyers by sea or any other transports. The goods are loaded onto a ship at seller's port. The ship sails to importers port. The carrier (shipping company) gives the exporter a bill of lading. This serves as a receipt for the goods, and is also a document of title. The buyer must have this document of title (B/L) in

order to claim the goods at their destination. After the goods are dispatched, the seller sends to its bank:

- ✓ A request for payment (a B/E)
- ✓ The Bill of Lading (receipt & document of title)
- ✓ All the other documents relating to the transaction.

Other documents typically include- invoice, insurance certificate, packing list, etc. These are all sent to the exporter's bank along with the request for payment and instructions to the bank. The bank sends the Bill of Exchange (request for payment) and all the documents to the importer's bank. The importer's bank presents the bill of exchange to the importer. Bills of Exchange can be drawn payable upon presentation (Sight bill); or if the exporter wishes to extend credit to the importer, the bill may be payable at a later date (Usage bill / Term bill). In this case, the exporter wants the buyer to pay for the goods immediately. Once the buyer has paid for the goods, the overseas bank releases the documents (including the B/L). So, the importer now has the Bill of Lading and so has control over the goods. So, they can claim the goods. The overseas bank will only release the document of title (in this case a bill of lading) only when the importer has paid for the consignment (or has agreed to pay by accepting a term bill). So, in a documentary collection, the exporter instructs the overseas bank to obtain payments from the importer (or for a term bill, an agreement to pay) then release the document.

✓ **Documentation Letter of Credit (Imp/Exp Documentation) :**

Documentary letter of credit is such kinds of commercial letter which a bank issue on behalf of foreign seller (exporter) according to the direction of the (importers) purchasers. The documents shown under are known as export documents from the importer's side. These are:-

- **Bill of exchange:** The bill of exchange is that particular instrument through which payment is effected in trade deals internal and international. The payment for the goods is received by the seller through the medium of a bill of exchange drawn on the buyer for the amount depending on the contract. It is a negotiable instrument. There are five main parties involved in a bill of exchange. They are:-

- ✓ Drawer
- ✓ Drawee
- ✓ Payee
- ✓ Endorser
- ✓ Endorsee

- **Bill of lading:** A bill lading is a document of title to goods entitling the holder to receive the goods as beneficiary or endorsee and it is with the help of this document on receipt from the exporter that the importer takes possession of the goods from the carrying vessel at the port of destination.

- ✓ **Airway bill / Railway receipt:** When goods to be transported are small in bulk or requiring speedy delivery or those are perishable in nature on the deal is in between the neighboring countries then mode of transports other than shipping may be resorted to for the carriage of the goods Airways bill / Railway receipt take place of Bill of lading depending on the nature of the carrier.
- **Commercial invoice:** It is the seller's bill for the merchandise. It contains a description of goods, the price per unit at a particular location, total value of the goods, packing specifications, terms of sale, letter of credit, bill of lading number etc. There is no standard form for a commercial invoice. Each exporter designs his own commercial invoice form. The invoice is made out by the seller under his signature in the name of the buyer and must be submitted in a set of at least 3 copies. Its main purpose is to check whether the appropriate goods have been shipped and also that their unit price, total value, marking on the package etc. are consistent with those given in other documents.
- **Insurance policy:** In the international trade insurance policy is a must to cover the risk of loss on consignments while they are on seas, roads, and airways. The insurance is the responsibility of the buyers (consignee) under FAS, FOB and C&F contracts and of the seller (consignor) under CIF contract. The policy must be of the type as specified in the relative contract / credit. The policy would be for the value of CIF price plus 10 (ten) percent to cover the expenses and that is required to be obtained in the same currency as that of the credit and dated not later than the date of shipment with claims being payable at the destination. It must be properly stamped. Like a bill of lading it must be negotiable and be endorsed where it is payable to order.
- **Certificate of origin:** This is a certificate issued by a recognized authority in the exporting country certifying the country of origin of the goods. It is usually by the Chambers of commerce. Sometimes, it is certified by local consul or Trade Representative of the importing country as per terms of the credit.
- **Packing list :** The exporter must prepare an accurate packing list showing item by item, the contents of the consignment to enable the receiver of the shipment to check the contents of the goods, number and marks of the package, quality, per package net weight, gross weight, measurement etc.
- **Weightiest and Measurement:** Issued by recognized authority (like chambers of commerce and industry) in the exporting country certifying correct weightiest and measurement of the goods exported.
- **Bill of entry:** A bill of entry is a document which contains the particulars of the imported goods as well as the amount of customs duty payable.

The exporter submits the following papers/documents to the Negotiating bank:

- ✓ Bill of exchange / Draft.
- ✓ Bill of lading.
- ✓ Airway bill / Railway receipt.
- ✓ Commercial invoice.
- ✓ Insurance policy.
- ✓ Certificate of origin.
- ✓ Packing list.
- ✓ Weightiest & measurement list.

The negotiating bank after received the above documents / papers then this bank scrutiny the documents. The negotiating bank sends the original shipping documents to the L/C opening bank and keeping the second copy with the negotiating bank.

### **Parties Involve with L/C:**

#### ✓ **Importer /Buyer/Opener/Applicant**

Applicant is the people who request/instructs the opening bank to open a L/C. He is also known as importer /buyer /consignee.

#### ✓ **Opening /Issuing Bank**

Opening /issuing Bank is the bank which opens/issues a L/C is on behalf of the importer. It is also called the importers/ buyers bank.

#### ✓ **Exporter /Seller /Beneficiary**

Exporter /seller/Beneficiary is the party in whose favor the L/C is established.

#### ✓ **Advising /Notifying Bank**

Advising notifying Bank is the bank through which the L/C is advised to the exporter. It is a bank situated usually in the exporting country and it may be a branch of the opening bank or a correspondent bank. It may also assume the role of confirming and /or negotiating bank depending upon the conditions of the credit.

#### ✓ **Confirming Bank**

Confirming bank is a bank, which adds its confirmation to the credit, and it is done at the request of the issuing bank .The confirming bank may or may not be the advising bank.

#### ✓ **Negotiating Bank**

Negotiating bank is the bank, which negotiates the bill and pays the amount to the beneficiary. It has to carefully scrutinize the documentary credit before negotiation in order to see whether the documents apparently are in order or not. The advising bank and the negotiating bank may not be one and the same. Sometimes it can also be the confirming bank.

### ✓ **Paying /Reimbursing Bank**

Paying /Accepting Bank is the bank on whom the bill will be drawn (as per condition of the credit). It is nominated is the credit to make payments against stipulated documents complying with the terms of the credit. It may or may not be the issuing bank.

### ✓ **How the L/C is Open**

The following steps are followed while a L/C is opened:

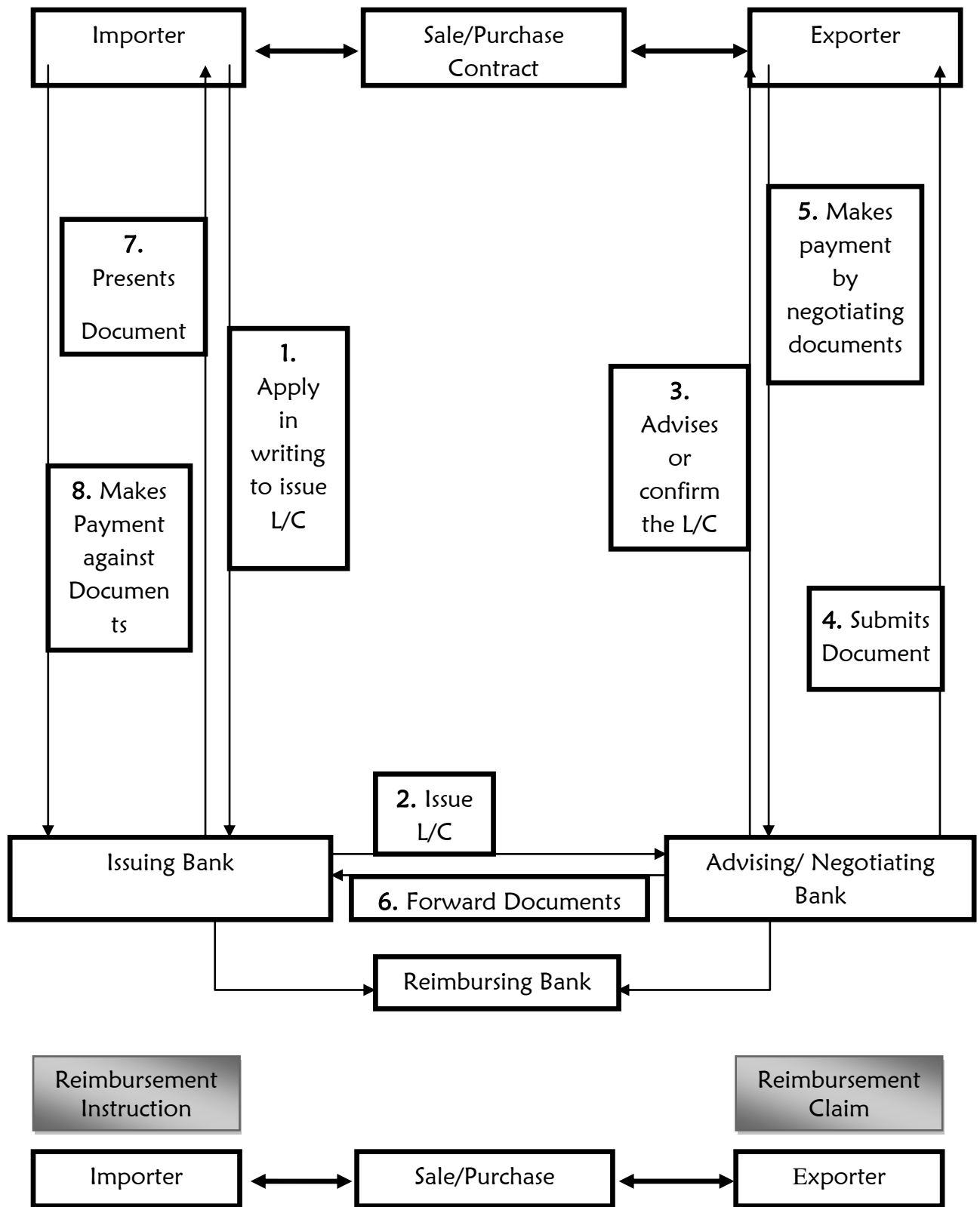
- ✓ The importer and exporter have made a contract and issue a PI (Performa Invoice) before a letter of credit has been issued.
- ✓ The importer applies for a letter of credit from his banker known as the issuing bank. He may have to use his credit lines.
- ✓ The issuing bank opens the letter of credit that is channeled through its overseas correspondent bank, known as the advising bank.
- ✓ The advising bank informs the exporter (the beneficiary) of the arrival of the letter of credit.
- ✓ Exporter ships the goods to the importer or other designated place as stipulated in the letter of credit.
- ✓ Meanwhile, the exporter also prepares his own documents and collects transport documents or other documents from relevant parties. All these documents will be sent to his banker, which is acting as the negotiating bank.
- ✓ Negotiation of export bills happens when the banker agrees to provide him with finance. In such case, he obtains payment immediately upon presentation of documents. If not, the documents will be sent to the issuing bank for payment or on an approval basis as in the next step.
- ✓ Documents are sent to the issuing bank (or reimbursing bank, which is a bank nominated by the issuing bank to honor reimbursement from negotiating bank) for reimbursement or payment.
- ✓ Issuing bank honors its undertaking to pay the negotiating bank on condition that the documents comply with the letter of credit terms and conditions.
- ✓ Issuing bank releases documents to the importer when the latter makes payment to the former or against the latter's trust receipt facility.
- ✓ The importer takes delivery of goods upon presentation of the transport (usually shipping) documents.

### **Operations of Documentary Letter of Credit**

The following five major steps are involved in operation of a documentary letter of credit:

- ✓ Issuing
- ✓ Advising
- ✓ Amendment (if necessary)
- ✓ Presentation
- ✓ Settlement





**Figure: Graphical presentation of Trading Procedure**

## Foreign Remittance Department

Bank Asia corporate branch is an authorized dealer. Foreign remittance represents of foreign currency receiving and converting. There are two types of foreign remittance, Inward foreign remittance and outward foreign remittance.

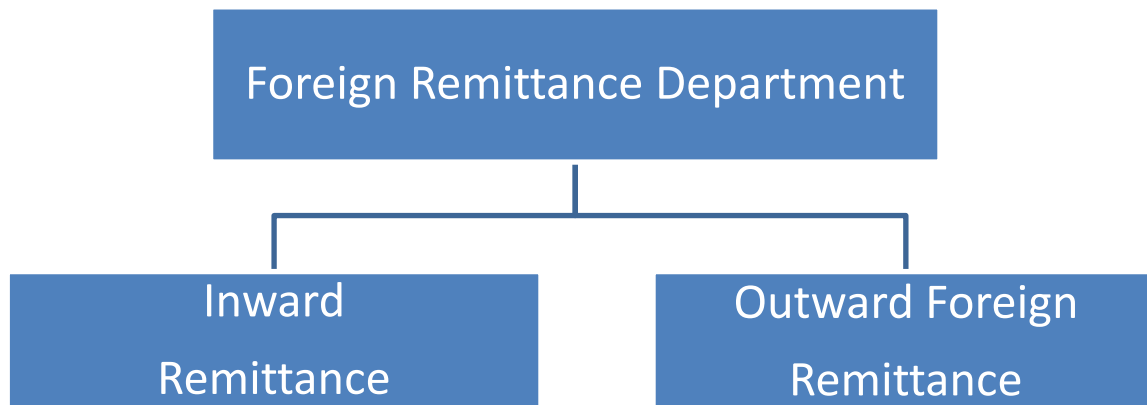


Figure: Types of Foreign Remittance in Bank Asia Limited

### **Inward Foreign Remittance:**

In which remittance is introduced inside of country from the outside through TT, FDD, MC, and TC with the various purpose such as wage earning remittance. It means when people send money for family purpose. Export proceeds means after getting the commodities and then payment.

### **Purpose of Inward Remittance:**

- ✓ Family Maintenance.
- ✓ Indenting commission/Agency Commission/recurring agents commission.
- ✓ Realization of export proceeds.
- ✓ Donation/gift.
- ✓ Export brokers commission etc.

### **Inward remittance can be classified into two groups:**

- ✓ Visible inward remittance such as export proceeds,
- ✓ Invisible inward remittance such as family maintenance, constancy fee etc.

### **The Way to Sent Inward Remittance:**

- ✓ **T.T. (Telegraphic Transfer):** T.T. is an order for payment of money sent by telex or Cable. Funds are paid to the beneficiary in the foreign center usually on the same day. No loss of interest or expenses on stamp duty etc.
- ✓ **M.T. (Mail Transfer):** M.T. is an instrument issued by a remitting Bank to the paying Bank advising in writing to make payment of certain amount to specific beneficiary. This involves loss of interest to the purchaser and for this reason banks can afford to make M.T. rate cheaper than T.T. rate.
- ✓ **F.D.D. (Foreign Demand Draft):** A foreign demand draft is a negotiable instrument issued by a Bank drawn on other Bank with the instruction to pay of certain amount to the beneficiary of demand.
- ✓ **T.C. (Travelers Cheque):** People usually use TC to meet their expenses for overseas travels. It reduces the risk of carrying currency notes. These are drawn in freely convertible currency.

### **Foreign Outward Remittance**

Foreign outward remittance refers to the remittances in foreign currency made from this country to abroad. Foreign outward remittance includes issuance of TT, MT, FDD issued by local banks on foreign banks. Further it includes rate of foreign currency, notes, TC'S, reimbursement against import, bills retired etc. Forward outward remittance can be divided into two groups:

- ✓ Visible outward remittance such as payment against import.
- ✓ Invisible outward remittance such as membership fee, subscription fee etc

## **Outward remittance can be made for**

- ✓ Traveling purpose, educational purpose,
- ✓ Attending seminar & workshop,
- ✓ Medical treatment,
- ✓ Business travel quota,
- ✓ Evaluation fee, membership fee, visa fee, pre-shipment fee, advertising of Bangladesh commodities etc.

### **The Ways to Sent Outward Remittance:**

In the following manner outward remittance is made:

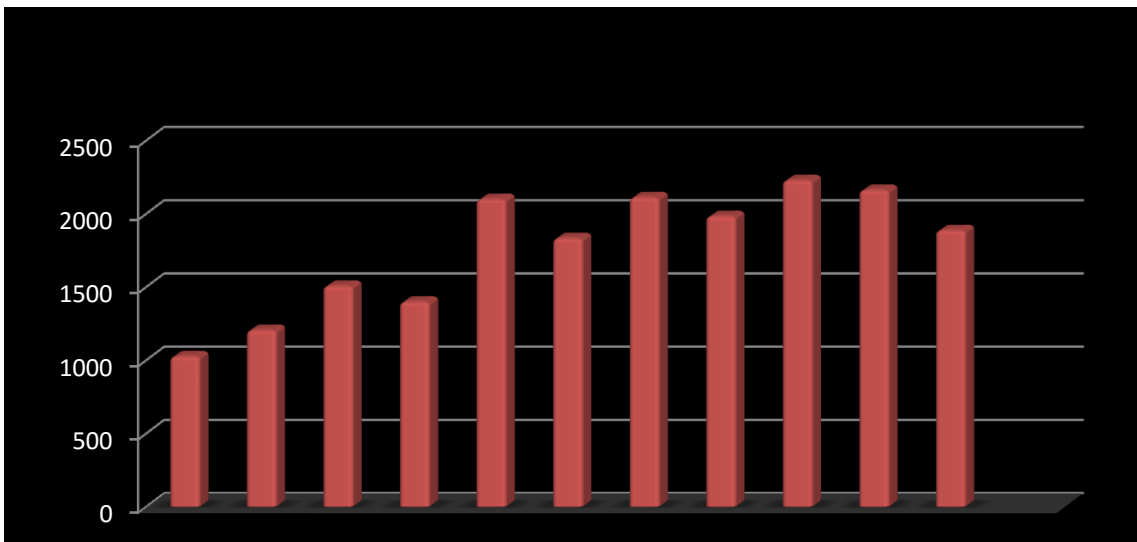
- 1. TT:** Local banks can draw telegraphic transfer to those banks with which they have accounting relationship & message should contain test & brief description of the beneficiary.
- 2. FDD:** Any authorized dealer branches can issue foreign drafts draw on the bank with which they have an accounting relationship.
- 3. Foreign Currency, Notes:** Authorized dealer branches are permitted to safe foreign currency notes as per ceiling fixed by Bangladesh Bank.
- 4. TC:** AD branches can sale Travelers cheques as per the ceiling fixed by Bangladesh Bank.

## PERFORMANCE OF BANK ASIA LTD. IN REMITTANCE

**Table**

Amount in Million

Year	Remittance
2005	1028.17
2006	1208.09
2007	1509.21
2008	1401.73
2009	2102.53
2010	1835.61
2011	2114.00
2012	1985
2013	2231.17
2014	2164.27
2015	1889.43
Total	19469.21



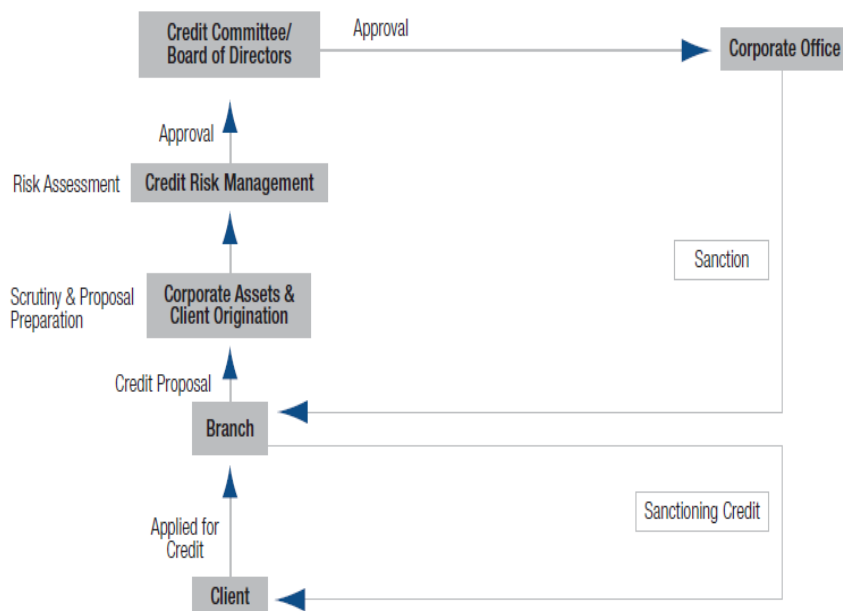
Graphical presentation of BAL's Remittance flow Amount in crore

## Credit Department

Bank's basic work is to create a channel through depositing money from the surplus unit and provide funding to borrowers with productive investment opportunities. Thus the necessity of credit and loan department in bank occurs. Credit is the most important department of a bank. The money mobilized from ultimate surplus units are allocated through this department to the ultimate deficit unit (borrower). The success of this department keeps a great influence over the profit of a bank. Failure of this department may lead the bank to huge losses or even to bankruptcy.

The Bank implemented the system of credit risk assessment and lending procedures by stricter separation of responsibilities between risk assessment, lending decisions and monitoring functions to improve the quality and soundness of loan portfolio. The Bank recorded an 15.68 % growth in advances with a total loans and advances portfolio of BDT 7200 million at the end of June 2016 compared to BDT 7000 million at the end of June 2015.

### **Credit Approval System of Bank Asia**



**Figure 2 Credit Approval System of Bank Asia**

Source: [www.bankasia-bd.com](http://www.bankasia-bd.com)

### **Responsibilities of Credit Risk Management Department:**

- ✓ Review and analysis of credit proposals, sent by the branches and ensuring that all the elements of the credit application, analysis, statement, reports are obtained and in order.
- ✓ Assessing the Credit Risk Grading (CRG) in order to determine whether to lend or not to lend.
- ✓ Preparation of credit proposal using the prescribed format for placing the same before the Credit Committee of the Board/Board of Directors for approval and communicate the decision to the concerned branches.
- ✓ To provide advice/assistance regarding all credit matters to Relationship Management.
- ✓ To ensure that credit officers/executives have adequate experience and/or training in order to carry out job duties effectively.
- ✓ Oversight of the Bank's credit policies, procedures and control relating to all credit risks.

### **Credit Administration Department:**

- ✓ To ensure that all security documentation complies with the terms of approval and is enforceable.
- ✓ To monitor insurance coverage with a view to ensure appropriate coverage is in place over assets pledged as collateral, and is properly assigned to the bank.
- ✓ To control loan disbursement only after all terms and condition of the approval have been met, and all security documentation is in place.
- ✓ To monitor borrower's compliance with covenants and agreed terms and conditions, and general monitoring of account conduct/performance.
- ✓ Past due principal or interest payments, past due trade bills, account excesses and breach of loan covenants and covenants breaches or exceptions are referred to CRM Department and the concerned branch for timely follow-up.
- ✓ Ensure accurate & timely submission of returns of Corporate Office and Bangladesh Bank.

### **General Policy Guidelines:**

The following general policy guidelines govern the implementation of the business strategy of Bank Asia with respect to credit risk:

- ✓ Bank Asia makes loan only to eligible and reputable clients who are involved in legitimate business activities and whose income and wealth are derived from legitimate sources.
- ✓ Bank Asia encourages lending to society desirable, nationally, important and financially viable sectors and will not lend for unproductive purposes or socially undesired projects.

- ✓ At all times a policy of “know your customer” must be foremost in the credit application processing.
- ✓ Bank Asia extends credit in its discretion, only to qualified borrowers where the amount and intended purpose or use of proceeds are clear and legitimate and where the amount and use of funds is reasonable in the context of what is known about the particular client and the intended use or purpose.
- ✓ Bank Asia requires that borrowers have a source of repayment established at the inception of the credit, and that any exception must be specifically addressed in the approval of credit. There should be identified, whenever possible, a secondary source of repayment. As with any funds received, any and all repayment sources must be legitimate and consistent with what is known and documented about client. Borrowers must provide, and the credit approval package must contain, sufficient information on the borrower, business, & industry to approve the extension of credit. Satisfactory security and collateral is required as appropriate.
- ✓ Bank Asia discourages clients with relatively low or no funds of their own i.e. highly leveraged clients, as clients with a relatively high ratio of borrowed to own funds tend to face liquidity problems, with adverse repercussions on their ability to service their obligations.

#### **General procedure for loans and advances:**

Bank Asia limited follows the general procedure for giving loans and advances as the guideline given by Bangladesh Bank. The general lending procedure is given below:

#### **First Information Sheet (FIS):**

First information sheet (FIS) is the prescribed form provided by the respective branch that contains basic information of the borrower. It contains following particulars.

- ✓ Name of the concern with its factory location, office address and telephone number.
- ✓ Name of the main sponsors with their educational qualification
- ✓ Business experience of the sponsors, details of past and present business, its achievement and failures, name of all the concerns wherein the sponsors have involvement.
- ✓ Income tax registration no. With the amount of tax paid for the last three years.
- ✓ Details of unencumbered assets (movable & immovable) personally owned by the sponsors.
- ✓ Details of liabilities with other banks and financial institutions including securities held there against.
- ✓ Purpose of loan sought from Bank Asia Limited.
- ✓ Estimated cost of the project & means of finance.



### **Application for Credit Line:**

After receiving the first information sheet from the borrower Bank official verifies all the information carefully. He also checks the account maintains by the borrower with the Bank. If the official become satisfied then he gives application to the bank prescribe format supplied by the bank called Credit for request limit.

#### ➤ **Credit Sanction & Appraisal Process :**

### **Borrowers Credit Worthiness Analysis by Bank Asia Limited following 6 “C”s:**

The question that must be dealt with before any other whether or not the customer can service the loan that is pay out the loan when due with a comfortable margin of error. This usually involves a detailed study of six aspects of the loan application: character, capacity, cash, collateral, conditions and control. All must be satisfied for the loan to be a good one from the lender’s (Bank Asia Limited) point of view.

- ✓ **Character:** The loan officer must be convinced that the customer has a well defined purpose for requesting credit and a serious intention to pay. Responsibility, truthfulness, clean past record, true purpose and honest intention to repay the loan make up what a loan officer calls character.
- ✓ **Capacity:** The customer requesting credit must have the authority to request such and the legal standing to sign a binding loan agreement.
- ✓ **Cash:** The borrower should have the ability to generate enough cash flow to repay the loan. This cash flow can be generated from sales or income from the sales or income, from the sale of liquidation of assets or funds raised through debt or equity securities.
- ✓ **Collateral:** The borrower must possess adequate net worth or enough quality assets to provide adequate support for the loan. The value of the collateral security must cover the loan exposure.
- ✓ **Conditions:** The recent trend of borrower’s line of work or industry must be taken into considerations by the lender.

#### ➤ **Collecting CIB Report from Bangladesh Bank**

After receiving the application for credit line, Bank sends a letter to Bangladesh Bank for obtaining a report from there. This report is called CIB (Credit Information Bureau) report. Basically branch seeks this report from the head office for all kinds of loans. The purpose of this report is to being informed that whether the borrower has taken loan from any other bank; if ‘yes’, then whether the party has any overdue amount or not.

### ➤ **Making Credit Proposal (CP)**

Branch then has to find the right borrower by considering the following 6 C's. These are character, capital, capacity, cash, collateral, condition (economic). If the branch thinks that the project is feasible then he will prepare a Proposal. Bank prepares the proposal in a specific form called credit proposal. Significance the proposal branch sends it to head office for approval.

### ➤ **Risk Grading**

All Banks should adopt a credit risk grading system. The system should define the risk profile of borrower's to ensure that account management, structure and pricing are commensurate with the risk involved. Risk grading is a key measurement of a Bank's asset quality, and as such, it is essential that grading is a robust process. All facilities should be assigned a risk grade. Where deterioration in risk is noted, the Risk Grade assigned to a borrower and its facilities should be immediately changed. Borrower Risk Grades should be clearly stated on Credit Applications.

### ➤ **Project Appraisal**

It is the pre-investment analysis done by the officer before approval of the project. Project appraisal in the banking sector is needed for the following reasons:

- ✓ To justify the soundness of an investment
- ✓ To ensure repayment of bank finance
- ✓ To achieve organizational goals
- ✓ To recommend if the project is not designed properly

### ➤ **Head Office Approval**

Branch Officer appraises the project by preparing a summary named "Top Sheet" or "Executive Summary". Then he sends it to the Head Office Credit Committee (HOCC) for the approval of the loan. The Head Office Credit Committee (HOCC) considers the proposal and takes decision whether to approve the loan or not. If the loan is approved by the HOCC, the HO sends the approval to the concerned branch with some conditions.

### ➤ **Sanction Letter**

After getting the approval from the HO, the branch issues the sanction letter to the borrower. The borrower receives the letter and returns a copy of this letter duly signed by him as a token of having understood and acceptance of the terms and condition above

➤ **Documentation of Loans and Advances :**

In spite of the fact that banker lends credit to a borrower after inquiring about the character, capacity and capital of the borrower, he must obtain proper documents executed from the borrower to protect him against willful defaults. Moreover, when money is lent against some security of some assets, the document must be executed in order to give the banker a legal and binding charge against those assets. Documents contain the precise terms of granting loans and they serve as important evidence in the law courts if the circumstances so desire. That is why all approval procedure and proper documentation shall be completed before the disbursement of the facilities.

➤ **Disbursement :**

After verifying all the documents the branch disburses the loan to the borrower. A loan repayment schedule is also prepared by the bank and given to the borrower.

➤ **Follow-up :**

After the disbursement of the loan bank officials time to time monitor the loan by physical observation of the activities of the party. It is done in the following manner.

- ✓ Constant supervision
- ✓ Working capital assessment
- ✓ Stock report analysis.

➤ **Loan classifications :**

**Classifications Scale:**

- ✓ **Unclassified:** Repayment is regular
- ✓ **Substandard:** Repayment is irregular or stopped but has reasonable prospect of improvement.
- ✓ **Doubtful Debt:** Unlikely to be repaid but special collection efforts may result in partial recovery.
- ✓ **Bad/loss:** Very little chance of recovery

## ➤ **Credit Monitoring**

Monitoring is a process of taking care of loan cases starts from the selection of the borrower and remains live throughout the life of a loan. To minimize credit losses, monitoring procedures and systems should be in place that provide an early indication of the deteriorating financial health of a borrower. At a minimum, systems should be in place to report the following exceptions to relevant executives in CRM and RM team:

- ✓ Past due principal or interest payments, past due trade bills, account excesses, and breach of loan covenants.
- ✓ Loan terms and conditions are monitored, financial statements are received on a regular basis, and any covenant breaches or exceptions are referred to CRM and the RM team for timely follow-up.
- ✓ Timely corrective action is taken to address findings of any internal, external or regulator inspection/audit.

All borrower relationships/loan facilities are reviewed and approved through the submission of a Credit Application at least annually. Two possible solutions to minimize the credit loss:

### ✓ **Early Alert Process :**

Despite a prudent credit approval process, loans may still become troubled. Therefore, it is essential that early identification and prompt reporting of deteriorating credit signs be done to ensure swift action to protect the Bank's interest.

### ✓ **Credit Recovery :**

Commercial Banks sanction loan to different categories of borrowers for various purposes. Before sanctioning of loans and advances (short term loan, long term loan) bank appraises a loan proposal and analyze information relating to the borrower and purpose of the loan to determine viability of the loan proposal. If the proposal is found viable and safe for lending, loan is sanctioned and disbursed.

At the time of sanctioning loan, along with all other terms and conditions repayment period and installment is fixed. Recovery of loan starts just after the maturity of grace period. But more exhaustive appraisal of the loan proposal in the pre-sanction stage is not the guarantee to recover the loan money with interest unless a built in system of supervision & follow up is applied and proper treatment is given as and when problem arises.

## SWOT ANALYSIS

### Bank Asia's SWOT analysis:

Strength:	<ul style="list-style-type: none"> <li>• Place customer interest and satisfaction as first priority</li> <li>• Maintain high ethical standard and transparency in dealings.</li> <li>• Be a compliant branch through adhering to all regulatory requirements.</li> <li>• Ensure higher degree of motivation and dignified working environment for human capital and respect optimal work-life balance.</li> <li>• Committed to green banking</li> </ul>
Weakness:	<ul style="list-style-type: none"> <li>• Allocation of manpower</li> <li>• Banks internal policy in case of service offering, market segmentation.</li> <li>• Logistic support</li> </ul>
Opportunity:	<ul style="list-style-type: none"> <li>• Large capital expenditure like Metro Rail project, Padma Bridge project will unveil new business opportunity</li> <li>• There will be greater opportunities in power generation and renewable energy.</li> <li>• Despite various obstacles, SME is one of the most promising sectors of Bangladesh in terms of employment generation and contribution to national GDP. This branch is planning to propel this sector by financing small entrepreneur of jute products, small and medium software companies etc.</li> <li>• Garment export to new emerging markets like Japan, South Korea, Turkey, Russia, South Africa, Mexico etc are expanding.</li> <li>• Export of pharmaceutical products, jute products, ceramic ware, light engineering products, leather products, shrimp, frozen food and dry fish export to South Asia, Africa and Europe is also a growing market.</li> <li>• Corporate branch sees huge potential of computer software and hardware business in local market as technology is increasingly becoming a prerequisite for business enhancement, which is applicable to telecom banking industry, education sector, pharmaceutical and all developing businesses.</li> </ul>

	<ul style="list-style-type: none"> <li>• Corporate branch considers financing small value nonphysical exporters of software and data entry section would be a great initiative to exploit the potential of this sector.</li> </ul>
Threat :	<ul style="list-style-type: none"> <li>• Remittance business flow may go down as visa processing and other facilities are hampered from Middle East and Malaysia in recent times.</li> <li>• Foreign exchange reserve may drastically go down if large capital expenditure projects like construction of Padma bridge is built without foreign financing.</li> <li>• Acute shortage of Gas and other infrastructure may hinder business growth.</li> <li>• International business would be hampered if USA, European Union would take any adverse action for pressurizing the government for further election.</li> <li>• Perceived political agitation for another general election that might again hit the business growth.</li> <li>• Reduced demand for credit resulted from sluggish business environment which ultimately build up excess liquidity in the banking system would remain idle.</li> <li>• Rapid expansion of new commercial banks would create unfair competition at the expense of compliance issues.</li> <li>• EU (European Union) may give embargo against GSP facility following the USA which may put a sharp negative impact on the garments industry and thus overall banking industry may suffer as garments possesses 80% value of total country export.</li> <li>• The bearish trend in capital market may continue for which a huge amount of income from margin loan can not be realized and loss to be booked for decrease in market value of securities.</li> </ul>

## Findings of the Study

The intention of this study is to examine the role of Bank Asia Limited in channeling Foreign Exchange Activities. I have analyzed the data sincerely and carefully and have tried to identify appropriate findings. The major findings of the overall study are discussed below sequentially:

1. Overseas employment and worker's remittances contribute significantly to the economic development of Bangladesh. It is not only strengthening our balance of payment but also contributing through reduction of unemployment, enhancing gross national income and expands foreign exchange reserves. Emerging.
2. The dominance of unofficial channels in Bangladesh is due to the suitability of these channels (such as hundi) to meet remitters' needs. Compared to formal channels, the informal channels are not only less expensive but also more and easily accessible.
3. Through SWIFT migrants can send payment instruction from the foreign branch or correspondents to BAL with a very short time period.
4. BAL has developed software Speedy Remittance System (SRS). Using this software BAL can send the remitted money to the beneficiary within in twenty four hours irrespective of the place of the beneficiary.
5. Bank Asia Limited is the pioneer in public sector banking operations of the country.
6. Its' major operations are development & welfare oriented.
7. BAL always maintains the rules declared by Bangladesh Bank.
8. BAL provides training facilities to its officer of the bank and also provides executive development & internship program.

- 9.** The management functions (from planning to control) are not clearly present in their various activities.
  
- 10.** Most of the activities are computerized.
  
- 11.** Customers are satisfied to the service of the bank. There are so many customers who don't know how to fill cheques, pay-in-slip, application form, etc. Then the interneer or bank officer helps them by filling those.
  
- 12.** Bank maintains a good social relationship.



## Recommendations

I have observed some important operational activities of the bank. On the basis of my inspection I would like to recommend the following suggestion-

- ✓ Make a good relationship or respect to the other employee
- ✓ The loan approve process should be easier that the clients can feel convenient to take loan from the bank.
- ✓ IT division must be developed.
- ✓ Should increase the space inside the branch.
- ✓ Bank should introduce more promotional programs for the customers.
- ✓ Introduce a special yearly bonus for achieving the target set by the bank. Target will be set by senior authority based on the overall condition of the market. This bonus will motivate employees to give more of their effort, which will possibly become fruitful for the bank.
- ✓ Credit division has limited manpower. For that reason the incharge of credit division always remain busy. So they need to recruit new employees for operating their division in effective way.
- ✓ It must implement some rules & regulation regarding the sector code allocation of clients & also provide some short term training in all branches regarding the placement of sector code in the client files.
- ✓ For any credit disbursement Bank Asia investigates for the purpose of taking the credit which takes more than 15 days. It can create the clients more dissatisfaction. So they need to minimize the days and do all the necessary process within a short period of time.
- ✓ Bank Asia had invested maximum their money in short and medium term securities than the long term securities. So they need to emphasize more to invest in the long term securities which can make higher profit for the bank in the future.

## Conclusion

Bank Asia Limited is one of the most successful banks of our country. In this report an honest attempt is made to describe the Trade financial and Credit department activities of Bank Asia Limited. I did my internship program in Bank Asia Limited, Gulshan Branch. Here, I have got an overall knowledge about the bank operation, but my main focus was in Foreign Exchange Department and Credit department. Internship program is very important for every BBA student because it helps to make real life experience in the business world. And also it enhances the self-confidence of the student which will help him/her to survive in the competitive corporate world in the future. I am greatly indebted to the Trade Finance Department and Credit department of Gulshan Branch for their continuous support and inspiration during the period of Internship.

## References

- ✓ [www.bankasia-bd.com](http://www.bankasia-bd.com) (Official website of Bank Asia Limited)
- ✓ Bank Asia Limited, Annual Report 2009-2013
- ✓ <http://www.bankasia-bd.com>
- ✓ <http://www.wikipedia.org>

## Chapter 8: Appendix

### Questions for foreign trade department:

Name: .....

Designation: .....

**1. How many LC has been opened in one month?**

A) Bellow 50 B)50-100 C) 100-150 D) 150- 200 E) above 200

**2. Do you face any problem regarding opening LC?**

A) Yes B) No

**3. If any problem is faced, then what type of problem?**

A) Lodgment B) Collecting document C) Retirement D) Reporting

E) Other .....

**4. Do you face problem with lodgment?**

A) Yes B) No

**5. If yes, what type of problem?**

\_\_\_\_\_

**6. How satisfied are you to work in this department?**

A) Very Satisfied B) Satisfied C) Neutral D) unsatisfied E) Very Unsatisfied

**7. Responses regarding the statement, “There is a downsizing of employees due to the emerging technology but efficiency in terms of productivity has increased.”**

A) Strongly Agree B) Agree C) Neutral  
D) Disagree E) Strongly Disagree

**8. Number of complaints (Per month) from customers....**

A) No Complaints B) 1 – 5 C) More than 5

**9. Delay in banking functions from your view point \_\_\_\_\_**

A) High cost of service chargers.  
B) Higher amount of minimum balance maintained in their accounts.  
C) Problems regarding use of ATMs or online banking technologies.  
D) Lack of attention or improper behavior of bank employees.  
E) Wrong entries in their accounts.

**10. What do you think about Training and Development Factor in bank? (Rate in 1-5)**

- A) Effective Training [\_\_\_\_\_]
- B) Enhanced technical skills [\_\_\_\_\_]
- C) Increased effectiveness at job [\_\_\_\_\_]
- D) Organized training programs [\_\_\_\_\_]
- E) Increased confidence levels [\_\_\_\_\_]

**11. Number of customers in this branch**

\_\_\_\_\_

**12. Customer Service that you provide to your customer: ( Please rank (1234) these in order of priority)**

- A) Customer friendly environment at Bank \_\_\_\_\_
- B) Customer feedback services \_\_\_\_\_
- C) Capable of solving complaints adequately \_\_\_\_\_
- D) Brochures to educate new users \_\_\_\_\_
- E) Special services for the elders and disabled \_\_\_\_\_

**13. Approximately how many people visit in this department per day?**

- A) 1-5 B) 5-10 C) Above 10

**14. The technology I work with (Please rank (1234) these in order of priority):**

- A) Enables me to do my job effectively [\_\_\_\_]
- B) Is user friendly [\_\_\_\_\_]
- C) Enable's me to contact customers easily when I need to [\_\_\_\_\_]
- D) Is flexible enough for me to make adjustments according to customer needs [\_\_\_\_\_]

**15. Which type of L/C opening is easier?**

\_\_\_\_\_

**16. Which type of L/C you branch open most?**

\_\_\_\_\_

**17. Are the customers helpful in every steps of operating L/C?**

- A) yes B) No

**18. How many type of L/C is opened in this bank?**

- A) 3 B) 4 C) 5 D) 6 E) 8

**19. Do you always have enough Dollars to endorse as the requirement of your customers?**

- A) Yes B) No

**Questions for Credit Department:**

**1. Does your bank, in computing the cost of operating the personal loan department, charge it:**

a) Yes b) No

**b) With some percentage of general overhead expenses, (i.e., expenses not directly allocable to personal loan department)?**

a) Yes  
b) No

**c) With interest on the funds employed in personal loans?**

a) Yes  
b) No  
If yes, at what rate? % . \_\_\_\_\_

**d) How many types of loans do you approve?**

a) 1 b) 2 c) 3 d) 4

**e) What type of loans?**

\_\_\_\_\_

**f) What is your maximum loan maturity?**

\_\_\_\_\_

**g) What is your maximum loan limit?**

\_\_\_\_\_

**h) Do you grant a rebate of interest if the loan is paid before maturity?**

a) Yes  
b) No

**i) How many credit proposals do you analysis in per month?**

a) 1-3 b) 4-6 c) above 6

**j) Did you face any problem in control -loan disbursement?**

a) Yes B) No

If any, what type of problem \_\_\_\_\_?

**k) In what interval period you monitor borrower's compliance with covenants and agreed terms and conditions, and general monitoring of account conduct/performance?**

a) Every week b) In two weeks c) Every month

d) In every two month e)More than 2 months

**l) Do you face any problem to ensure accurate & timely submission of returns of Corporate Office and Bangladesh Bank?**

a) Yes

b) No

**m) Have your customer ever had any problem in using credit card?**

a) Yes

b) No

If yes, please specify the problem(s) \_\_\_\_\_