

2015

**FOREIGN EXCHANGE
OPERATIONS
OF
UNITED COMMERCIAL
LIMITED**





Internship Report on Foreign Exchange Operations of United Commercial Bank Limited



**Submitted by
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**Submitted To
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LETTER OF TRANSMITTAL

Date: January 10, 2015

To

Mr. S.M. Arifuzzaman,
Assistant Professor, BRAC Business School,
BRAC University, Bangladesh.

Subject: Submission of Internship Report.

Dear Sir,

With due respect I would like to submit the report on “Foreign Exchange Operation of UNITED COMMERCIAL BANK LIMITED, Principal Branch”, this is the topic of my internship program. I would like to say that this report has been prepared by me under the supervision of my internship supervisors. I believe that this internship program has given me a vast opportunity to enrich both of my knowledge and experience. I made my best effort to fulfill the objective of the report and believe that it will meet your expectation.

In preparing this report I have tried utmost to include all the relevant information and analysis to make the report comprehensive as well as workable one.

I, therefore, hope that you will enjoy reviewing this report.

Thank you.

Yours Sincerely,

Suparna Karmaker,

ID-10204119,

BRAC University, Bangladesh.

ACKNOWLEDGEMENT

It gives me immense pleasure to thank a large number of individuals for their cordial cooperation and encouragement who have contributed directly or indirectly in preparing this report. Firstly, I would like to express my gratefulness to Almighty Allah who has enabled me to pursue my study. I convey my gratitude to my honorable supervisor, Mr. S. M. Arifuzzaman, Assistant Professor, BRAC Business School, BRAC University for his guidance and co-operation, which helped me immensely to prepare this report. I would like to also express my gratitude to Mian Quamrul Hasan Chowdhury, Senior Executive Vice President, United Commercial Bank Limited, Mr. Abul Alam Ferdous, Executive Vice President & Branch Manager and Mr. Lokman Hakeem, First Vice President & Operation Manager, United Commercial Bank Limited, Principal Branch for giving me the opportunity and appointment and lastly certifying the internship program that I have completed. Special thanks to Mohammad Rafiqul Alam, Senior Executive Officer (Import) and Md. Mehedi Hasnat Sharfin, Executive Officer (Export) and all the employees there who helped me last three months to know about bank's activities and gather information for my report. It is them who made it easy for me to understand and encouraged me a lot during my internship program.

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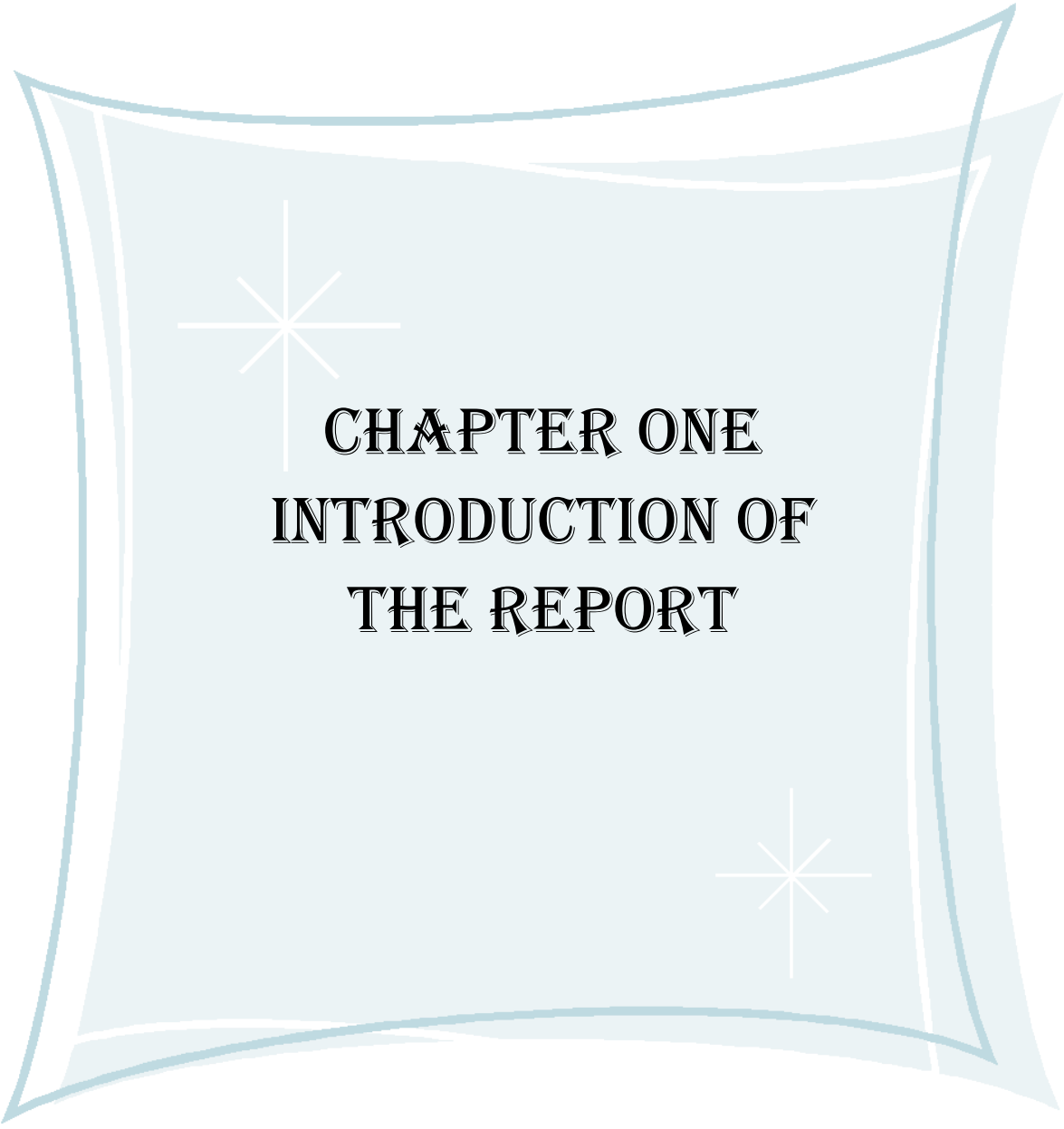
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Executive Summary

Banking is the topic, practice, business or profession almost as old as the very existence of man, but literarily it can be rooted deep back the days of the Renaissance (by the Florentine Bankers). It has sprouted from the very primitive Stone-age banking, through the Victorian-age to the technology-driven Google-age banking, encompassing automatic teller machines (ATMs), credit and debit cards, correspondent and internet banking. But the foreign exchange services have been a vicinity of concern not only to bankers but to all in the business. The axle of this study is to have a clearer picture of how United Commercial Bank LTD, (UCBL) manages its Foreign Exchange performance. An Introduction of UCBL is given in the first part, its objectives, scope, methodology, limitations, and the literature review of foreign exchange. In this light, the study in its second part gives an Organization Overview. Third, fourth, fifth and sixth part includes the theoretical review on foreign exchange, Export, Import, Remittance and how bank profitable through foreign exchange services. In the last section that includes some Recommendation, Findings and Conclusion. Finally I have gone through my own assessment regarding their operation. I hope that United Commercial Bank Limited may improve the operation in Bangladesh in future.



**CHAPTER ONE
INTRODUCTION OF
THE REPORT**

1. Introduction

1.1 Origin of the Study:

In today's competitive area the importance of practical learning is rising day by day besides academic education. In fact academic education becomes rich when acquired knowledge is applied to practical situation. Proper application of knowledge to theoretical field implies to get extra benefit while understanding the matter related to subject. So the procedure of gaining knowledge through practical application is known as internship. In this regard I had got an opportunity to carry on my internship program in United Commercial Bank Limited at Principal Branch for a period of 3 months from September 17, 2014 to December 17, 2014. The Management of United Commercial Bank Limited assigned me to work on General Banking for one month, Credit Department for one month and Foreign Exchange for one month. After working in these three departments I decided to report over foreign exchange department because I found their work interesting and contributing to our country, as they bring US currency to our country. After completion of my internship I submit my report on the project titled Foreign Exchange operation in United Commercial Bank.

1.2 Background of the Study:

Any academic course of the study has a great value when it has practical application in the real life. Only a lot of theoretical knowledge will be little important unless it is applicable in the practical life. So we need proper application of our knowledge to get some benefit from our theoretical knowledge to make it more fruitful when we engage ourselves in such field to make proper use of our theoretical knowledge in our practical

life, only then we come to know about the benefit of the theoretical knowledge. Such an application is made possible through internship. When theoretical knowledge is obtained from a course of study it is only the half way of the subject matter. Internship implies the full application of the methods and procedures through rich acquired knowledge of subject matter can be fruitfully applied in our daily life. Such a procedure of practical application is known as internship. The case study is titled “Foreign Exchange operation of United Commercial Bank Limited”. As a student of BBA this study will be more significant in my practical life. I have worked for three months at Principal Branch of United Commercial Bank Limited to complete the internship program as an academic requirement.

1.3 Objectives of the study:

Objective of the study acts as a bridge between the starting point and the goals of the study. To illustrate the objectives properly, presented into two parts:

A. General:

- To observe the Foreign Exchange Operation of United Commercial Bank Limited and their services.

B. Specific:

- To observe the major outline of Foreign Exchange Business.
- To observe Credit line arrangement.
- To observe the Foreign correspondents of UCBL.
- To observe the post important financing operations.
- To analysis the expansion of foreign trade Business of the UCBL.
- To identify the problems of it's financing.

- To recommend solutions to the problems faced by UCBL in Foreign Exchange Department.

1.4 Methodology of the Study:

In order to make the report more meaningful and presentable, to sources of data and information have been used widely.

The primary Source of data is:

- Directly observing the activities of export and import department.
- Face to face conversation with the respective Officer of the department.
- Face to face conversation with the clients.
- Relevant file study as provided by the officers concerned.

The Secondary Sources of Data are:

- Annual Reports of the UCBL.
- Periodicals Published by Bangladesh Bank.
- Different books, articles etc. regarding Foreign Exchange Operations.
- Other websites.

1.5 Limitation of the study:

The study has been conducted to be made an investigation of the Banks state of affairs of foreign trade. On the study in this field some problems were created, which may be termed as limitations of the study:

- Unavailability of sufficient written documents as required making a comprehensive study.
- 2. Very inadequate time to make an in depth inference about foreign exchange for the schedule of the department.
- 3. In many cases, up to date information is not published.
- 4. Because of the unwillingness of the busy key persons, necessary data collection became hard.
- 5. Incomplete and obscure data are also limitation.
- 6. Foreign Exchange sometimes is very confidential, so getting adequate relevant information was difficult.
- 7. Audited data of 2013 were not available.

1.6 Abbreviation Used:

The mostly used abbreviations in the report are as follows:

- UCBL: United Commercial Bank Limited.
- T.T: Telegraphic Transfer.
- DD: Demand Draft.
- PO: Pay Order
- LTR: Loan against Trust Receipt.
- LIM: Loan against Imported Merchandise.
- PAD: Payment against Document.
- CR: Confidential Report.
- IRC: Import Registration Certificate.
- ERC: Export Registration Certificate.

- TIN: Tax Identification Number.
- FBC: Foreign Bill Collection.
- LBC: Local Bill Collection.
- C&F: Cost & Freight.
- FBP: Foreign Bill Purchase.
- LBP: Local Bill Purchase.
- AD: - Authorized Dealer.
- MSS: - Monthly Saving Scheme.
- FD: - Fixed Deposit.
- STD:-Short Term Deposit.
- CA:-Current Account.

1.7 OVERVIEW OF BANGLADESH ECONOMY AND FINANCIAL INSTITUTES

Bangladesh is a least development country and the economy of this country is agro-based. The agriculture system is primitive and frequently affected by natural disaster. Poverty is the main problem of this country. About 31.5% of its population is living below the poverty line whoever as about 12% of the population is living below the hard core poverty line. After the devastating flood of year 1998 and 1999, the economic activities of the country resumed by taking various rehabilitation program and bumper production of the agriculture sector helps to recover that below. Bangladesh economy has faced severe set back again after the terrorist attack on world trade center of USA on September 11, 2001 and afghan war. This event has changed the world economic scenarios and caused global economic recession. This global recession has severely

affected export system and Bangladesh economy like readymade garments industry, frozen food, manpower export, hotel and tourism sector etc. Due to global recession foreign financial assistance also severely affected. To overcome this situation government has taken various sectoral reform plan (closure of Adamze jute Mill is an example of it). Govt. also prepares the current fiscal year's budget to decrease the foreign aid dependency. Although global recession has caused the ever lowest foreign currency reserve of US\$14572.22(12 months) in million in 2013 which is increased to US\$12763.16(9 months) million in September 2014 by various positive steps taken by the government anti money laundering law, emphasis on remittance through proper banking channel. According to Bangladesh economic analysis 2002 of ministry of finance, income is increased by 1.73% and population is increased 1.71%.

Per capital GDP, GNP and NNI are shown in the following table:

Fiscal Year	GDP	GNI	NNI
	US\$	US\$	US\$
2014	625.34	908.14	830.65
2013	597.02	900.04	817.78

Table: 1.1

1.8.1 Foreign Currency Reserve in Bangladesh 2013

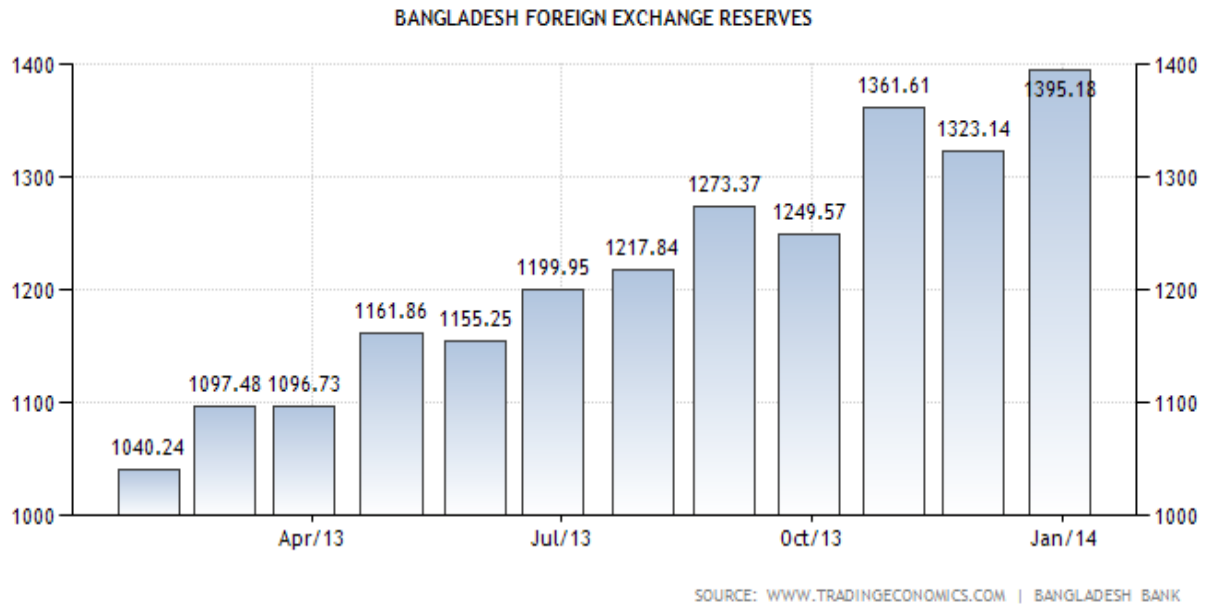


Figure: 1.1

1.8.2 Foreign Currency Reserve in Bangladesh 2014

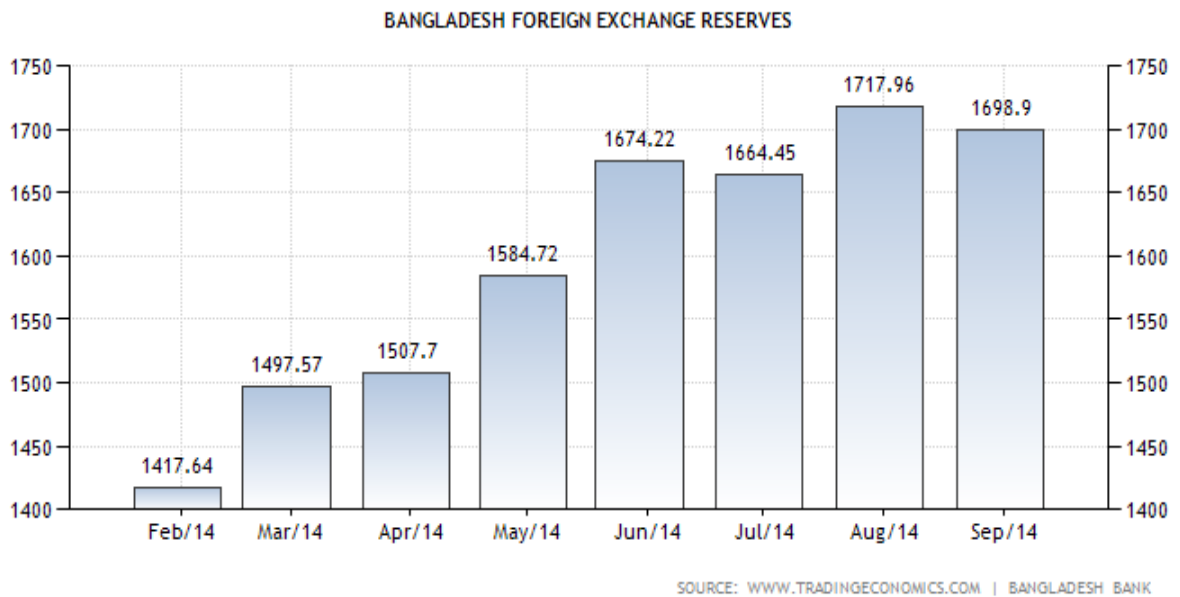


Figure: 1.2

1.9 Overview of Financial institutes of Bangladesh:

Financial institutes play an important role of the economic development of any country. The objective of these institutions is to accumulate the scattered deposit and invest it in a productive manner for economic emancipation. There are 52 schedule Banks (January 2013) operate in Bangladesh of them 4 nationalized commercial Banks, 30 Private Banks, 8 Islamic Commercial Bank and 10 Foreign Banks. There are also 04 Non- schedule Banks (January 2013) operate in Bangladesh. For proper monitoring of the operations of Banks, Bangladesh bank introduces "Problem Bank Monitoring Division" in addition to Camel Rating. To increase the economic activities Bangladesh Bank reduces the Bank rate to 6% from 7%. To increase Customer service Banks are using Various modern techniques like on line banking ATM, Money Gram, Credit Card etc.

List Of banks In Bangladesh:

Central bank

- Bangladesh Bank

State-owned commercial banks

State-owned are functioning as nationalist. Here is the list -

- Sonali Bank
- Janata Bank
- Agrani Bank
- Rupali Bank

Private commercial banks

Private Banks are the highest growth sector due to the dismal performances of government banks (above). They tend to offer better service and products. Here is the list-

- United Commercial Bank Ltd
- AB Bank Limited
- Bangladesh Commerce Bank Limited
- Bank Asia Limited
- BRAC Bank Limited
- Dhaka Bank Limited
- Dutch Bangla Bank Limited
- Eastern Bank Limited
- Farmers Bank Limited
- IFIC Bank Limited
- Jamuna Bank Limited
- Meghna Bank Limited
- Mercantile Bank Limited
- Midland Bank Limited
- Modhumoti Bank Limited
- Mutual Trust Bank Limited
- National Bank Limited
- NCC Bank Limited
- NRB Commercial Bank Limited
- NRB Global Bank Ltd
- One Bank Limited
- Prime Bank Limited
- Pubali Bank Limited
- South Bangla Agriculture and Commerce Bank Ltd
- Southeast Bank Limited

- Standard Bank Limited
- The City Bank Limited
- The Premier Bank Limited
- Trust Bank Limited
- Uttara Bank Limited

There are 8 Islamic Commercial Banks:

- Al-Arafah Islami Bank Limited
- Export Import Bank of Bangladesh Limited
- First Security Islami Bank Limited
- ICB Islamic Bank
- Islami Bank Bangladesh Limited
- Shahjalal islami bank Limited
- Social Islami Bank Limited
- Union Bank Limited

Foreign commercial banks

10 foreign commercial banks are operating in Bangladesh. These are:

- Bank Alfalah
- Citibank NA
- Commercial Bank of Ceylon
- Habib Bank Limited
- HSBC (The Hong Kong and Shanghai Banking Corporation Ltd.)
- National Bank of Pakistan
- Standard Chartered Bank
- State Bank of India
- Woori Bank
- ICICI Bank

Specialized banks

Specialized Banks (SDBs): 6 specialized banks are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majority owned by the Government of Bangladesh.

- Bangladesh Krishi Bank
- Rajshahi Krishi Unnayan Bank
- Bangladesh Development Bank Ltd
- BASIC Bank Limited
- Probashi Kallyan Bank
- The Dhaka Mercantile co-operative Bank Ltd

Non-banking financial institutions

- Investment Corporation of Bangladesh (ICB)
- Uttara Finance and Investments Limited
- United Leasing Company Limited (ULCL)
- Union Capital Limited
- The UAE-Bangladesh Investment Co. Ltd
- Saudi-Bangladesh Industrial & Agricultural Investment Company Limited (SABINCO)
- Reliance Finance Limited
- Prime Finance & Investment Ltd
- Premier Leasing & Finance Limited
- Phoenix Finance and Investments Limited
- People's Leasing and Financial Services Ltd
- National Housing Finance and Investments Limited
- National Finance Ltd
- MIDAS Financing Ltd. (MFL)
- Lanka Bangla Finance Ltd.
- Islamic Finance and Investment Limited

- International Leasing and Financial Services Limited
- Infrastructure Development Company Limited (IDCOL)
- Industrial Promotion and Development Company of Bangladesh Limited (IPDC)
- Industrial and Infrastructure Development Finance Company (IIDFC) Limited
- IDLC Finance Limited
- Hajj Finance Company Limited
- GSP Finance Company (Bangladesh) Limited (GSPB)
- First Lease Finance & Investment Ltd.
- FAS Finance & Investment Limited
- Fareast Finance & Investment Limited
- Delta Brac Housing Finance Corporation Ltd. (DBH)
- Bay Leasing & Investment Limited
- Bangladesh Industrial Finance Company Limited (BIFC)
- Bangladesh Finance & Investment Co. Ltd.
- Agrani SME Finance Co. Ltd.
- CAPM Venture Capital and Finance Ltd.
- Meridian Finance and Investment Ltd.

1.10 A Bank is usually defined as a financial institution which deals in money.

Today however the function of a Bank have increased so much that it is considered a very vital agent of development in country like ours. Because of their positive involvement in trade industry, business finance and a host of other allied services, Banks today form a very important part of an economy. A bank like private commercial bank helps to develop economy as follows:

The nationalized banks, countries margin operational banking units could not demonstrate and achieve optimistic results in terms of overall economic growth. The gloomy picture of nationalized banks is mainly due to:

- Lack of quality of services.
- Minimum of commitment toward institutions.
- Management inefficiency.
- Excessive intervention of collective bargaining agent (CBA).
- Lack of security.
- Documentation of loans and advances debarring legal action in case of default.
- Slow rate of recovery of loan.
- Lack of supervision and monitoring of loans and advances.
- Directive loans.
- Political instability.
- Transitional inconsistency while formulating policy issue on banking. Due to inefficient and continuous loosing concern of public sector, the main objective of privatization policy was-
- To reduce deficit of the Govt. to meet continuous loss of public enterprises.
- To improve operative efficiency of enterprise.
- To introduce competitiveness in all spheres of economic activities except few areas where Govt. control of economic activities was unavoidable.

In the country 80s it was increasingly felt that a number of PCBs might have improve their position putting nationalized banks into competition. The launching of PCBs has

finally created a significant impact in quality of services in banking. Banking being a service industry, it is not easy to quantify the performance of this sector like manufacturing. The performance of the banking sector in terms of generating profit, expansion of bank branches, mobilization of deposits, deployment of advances, involvement in foreign trade and generating of employment. It is revealed from the loan operations of banks. The PCBs provide operation mainly for trading (internal trading, export and import trade) and construction while the NCBs are providing finance for priority areas like agriculture, industry and export import tasks. PCBs have shown some efficiency in terms of branch expansion employment generation, mobilization of deposits and deployment of advances but their activities remained concentrated in city areas. They could not provide finance for priority sector like agriculture. The key to success of private sector banks is identified as a professional efficiency in choosing various risk assets, personalized quantity of services, result oriented business strategy and achievement against stipulated target. But by rapidly issuing fresh licenses to the promoters of private banks, the quality of entrepreneurs is not being ensured and developed. As a result too many banks are chasing same customers/entrepreneurs within limited deposit base. Now a day, the banking business exclusively depends on quality of services in terms of new innovative strategies for boosting banking operations compatible to international standard. Modern technology, equipment and innovation like computerized money counting machine, automatic teller machine (ATM) etc. are being utilized to a great extent for survival and to face competitors. PCBs have already explored new financial products by introducing master card, credit card to attract customer/entrepreneurs. Many PCBs have implemented various attractive schemes

acceptable to the existing and prospective customers such as the customer credit scheme, marriage and educational scheme, micro credit scheme and small loan scheme etc. In this respect PCBs are keen for development of human resources to train and equip their manpower with new ideas and products to enable them to contribute to the greater innovation. The PCBs are taking part in stimulating foreign exchange reserve by financing 100% export oriented RMG industries. Neutrally 65% of export earnings of Bangladesh is generated by this sector. The PCBs are participating and financing in various types of medium and long term industries either wholly or partly through consortium arrangement among the member Banks. The PCBs are also general investor and recently a package program has been derived to stabilize the country's capital market by launching merchants' banks which will extend loan to the brokers and general investors. The nationalized banks are taking advantages of restrictions imposed on non-nationalized banks while mobilizing deposits from government autonomous and semi-autonomous bodies. The total available funds of Govt. sector, the PCBs are restricted to the range of 25% to 40% of these funds only. Such dual practice is not desirable when we are hoping the theory of free market economy. Above all, PCBs have been playing an indispensable role in the money market for the growth and development of our economy along with all nationalized specialized and foreign Banks. The better performance of PCBs will finally be recognized still when they offer better quality of service based on new ideas/ products. We foresee a good future for the PCBs. They are expected to develop their lending role in the near future in financial market. The importance of variant economic refers to the due attention to a sound financial system. The base of

financial services in Bangladesh is quite narrow. By improving the financial structure and financial super structure, our financial system can be made sound.



CHAPTER TWO
ABOUT UCBL



2.1 Historical Back Ground:

UCBL Limited was established under the rules & regulations of Bangladesh bank & the Bank companies' Act 1991, on the 3rd June 1983 with the leadership of Late Mr. Shahjahan Kabir, founder chairman who had a long dream of floating a commercial bank which would contribute to the social-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their endeavor, intelligence, hard working and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder became the honorable chairman after the demise of the honorable founder chairman. From its very beginning, UCBL Bangladesh limited was known Bangladesh Export Import Bank Limited. But for some legal constraints the bank renamed as UCBL.

2.2 Strategies, Goals and Objectives of UCBL:

Strategies:

- Synchronized and steady growth of the bank.
- Utilize all available resources to develop various plans, policies and procedures in each of the objective and goal areas.
- Implement plan policies and procedures
- Utilize a team of professional employees

- Search for a total customized solution of I.T for the purpose of full automation step.

Goals:

- Develop a realistic deposit mobilization plan.
- Develop appropriate lending risk assessment system.
- Develop capital plan
- Develop a system to make a good advance
- Develop a recruitment, compensation, training and orientation plan.
- Developing a plan for offering better customer services.
- Develop appropriate management structure, systems, procedures and approaches.
- Develop scientific Management Information System to monitor bank's activities.

Objectives:

United Commercial Bank Limited aims at excellence and is committed to explore a new horizon of banking and provide a wide range of quality product and service.

It is a bank for common people including businessmen and professionals. It intends to serve with quality at a price competitive to anyone in the financial market. It would constantly keep on exploring the needs of the clients.

So the United Commercial Bank Limited shall also develop a youthful; and exuberant management team-technologically sound and rich in experience. They would work hand with zeal and enthusiasm to achieve the objectives of the bank in the new millennium.

Its business objectives are:

- Build up a low cost fund base
- Make sound loan and investment
- Make capital adequacy recruitment at all the time
- Ensure 100% recovery of all advances
- Ensure a satisfied work force
- Focus on fee based income
- Adopt a appropriate management technology
- Install a scientific MIS to monitor bank activities.

2.3 Current Position:

Capital:

During the year 2013 authorized capital of the bank remained unchanged at TK. 1500 millions and the paid up capital stood at around TK. 8366 million. On the other hand the total Deposits of the bank increased nearly by TK. 55000 million to TK. 184896 which was only 139484 million on the year 2011.

Number of Branches:

UCBL always places utmost importance on the client service. With that view the bank continued its personalized approaches in rendering improved and modernized services.

Presently the number of branches stands 139 on the year 2013 covering almost all the important places of the country. The numbers of authorized dealer branches are 25.

Investment:

At the close of 2013, total investment of the bank stood at TK.4150.60 million as against TK. 3961.60 million at the year 2010. However, dividend amounting to TK. 8 million has

been received from different companies/ institutions against investment in shares during the year 2014.

Number of Shareholder:

During the year 2014, total number of share holders of the bank stood 4064 as against number of share 3943 in the year 2013.

2.4 Division of UCBL:

All policy formulation and subsequent execution are done in the Head office. It comprises of nine major divisions namely Credit division, International Division, Central Account Division, Human Resource Division, Information Technology Division, Training Division, Research and Development Division, Audit and Compliance Division. Besides these main divisions there are twenty branches all over the country to look after the Bank's day to day operation.

2.5 Product and Services:

- SMS Banking
- Online Service
- Credit Card
- One Stop Service
- Time Deposit Scheme
- Monthly Saving Scheme
- Deposit Insurance Scheme



- Inward and Outward Remittances
- Travelers Cheque
- Import Finance
- Export Finance
- Working Capital Finance
- Loan Syndicate
- Underwriting and Bridge Financing
- Trade Finance
- Industrial Finance
- Foreign Currency Deposit A/C
- NFCD(Non-Resident Foreign Currency Deposit A/C)
- RFCD (Resident Foreign Currency Deposit A/C)
- Consumer Credit Scheme
- Locker Service
- SWIFT Service
- U-Cash.



2.6 Company Visions, Missions and Core Values

VISION

To be the bank of first choice through maximizing value for their clients, shareholders & employees and contributing to the national economy with social commitments.

MISSION

To offer financial solutions that create, manage and increase their client's wealth while improving the quality of life in the communities they serve.

CORE VALUES

Put their customers first. Emphasize on professional ethics. Maintain quality at all levels.

Believe in being a responsible corporate citizen. Say what they believe in. Foster participative management.



UCB

2.7 Organizational Structure

The Organizational Structure of UCBL comprises of four wings:

- The Board of Directors
- Executive Committee
- Audit committee
- Senior Management



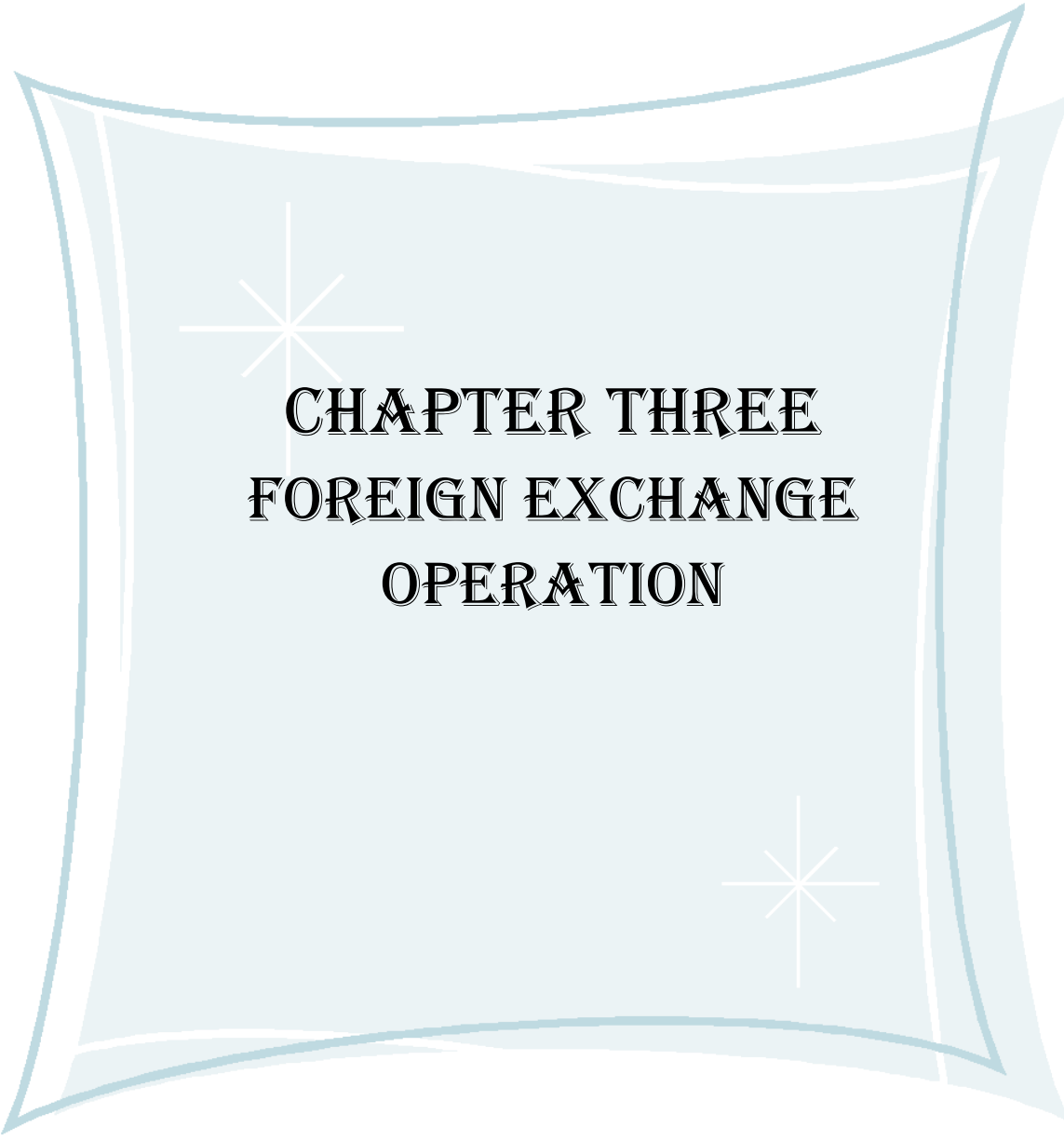
Figure: 2.1

2.8 Division of UCBL

All policy formulation and subsequent execution are done in the Head office. It comprises of nine major divisions namely Credit division, International Division, Central

Account Division, Human Resource Division, Information Technology Division, Training Division, Research and Development Division, Audit and Compliance Division. Besides these main divisions there are twenty branches all over the country to look after the Bank's day to day operation.





**CHAPTER THREE
FOREIGN EXCHANGE
OPERATION**

Administration of Foreign Exchange Operation by UCBL

After the relaxation of economic barrier at 90's, firms become interested to do business globally and banks play a key role in this aspect. For doing foreign exchange business in favor of firm, bank follows some administrative framework and this chapter describes the administration of foreign exchange business of United Commercial Bank Ltd. and the role of Bangladesh Bank in foreign exchange business. United Commercial Bank has 84 Branches of which 19 are authorized by Bangladesh Bank through which bank can do Foreign Trade business.

2.1 Foreign Exchange Business Mechanism:

Foreign exchange business comprises three areas: export, import and remittance. In order to start a business with the bank involving foreign exchange, a prospective client has to fulfill the following requirements:

Primary requirement:

When a company wants to go for any export or import through a bank, he has to fulfill some common criteria. Let us first consider the issue of import. For importing goods through a bank, the importer has to meet the following criteria:

- He has to be a customer of the bank; that means, he has to have a CD Account with the bank.
- In case of import, he must have an IRC (Import Registration Certificates).
- He has to have experience of importing the same goods through the bank. If he has no such experience, the goods that he wants to import have to be approved by the Import policy.
- The item of import has to have marketability.

- He has to fix a right price for the goods to be imported.

If these requirements are fulfilled by the customer, the banker may proceed to prepare the proposal for the customer. If the board approves the proposal, the authorized banker can open L/C in favor of the customer by taking Pro-forma Invoice or Indent. In cases of export, the customer has to fulfill the following requirements:

- The exporter has to be a customer of the bank; that means, he has to have a CD Account with the bank.
- The exporter has to give an Export LC or Contract against which he can open L/C.
- The goods to be exported must be approved by the Export Policy.

If the customer fulfills these criteria, the authorized banker can go for business with him.

2.2 Import Section:

The Import Section helps business and other people to import goods. In international environment, buyers and sellers are, in most of the cases, unknown to each other. So a seller always seeks guarantee for the payment for his exported goods. It is the bank that guarantees the seller the payment for the goods on behalf of the buyer. This guarantee is called Letter of Credit. Thus the contract between the importer and the exporter is given a legal shape by the banker by its 'Letter of Credit'.

Legislations for Import:

Imports are foreign goods and services purchased by consumers, firms & Government agencies in Bangladesh. To import, a person should be competent to be an 'importer'.

According to Import and Export Control Act, 1950, the office of the Chief Controller of Imports and Exports (CCI & E) provides the registration (IRC) to the importer. Import of goods in Bangladesh is regulated by the

- Ministry of Commerce in terms of the Import and Export Control Act, 1950;
- Import Policy Order and the Public Notice issued by the Office of the Chief Controller of Imports and Exports (CCI&E)
- At present it is regulated by the Import Policy Order (1997-2002), which came into effect on June 14, 1998. The duration of the Import Policy Order was extended up to June 2003 by an amendment. This policy directs certain import procedures and administers the whole activity.

Facilities provided by import section

- Opening of Letter of Credit
- Facilitating payments to the exporter on behalf of the importer
- Providing funded and non-funded credit facility
- Issuing bank guarantee in foreign currency on behalf of foreign companies.

3.3 Import Mechanism

Letter of Credits can be opened with any of the Branch authorized to deal in foreign exchange. Bank issuing L/Cs has to perform the following functions that are to be done in the different stages:

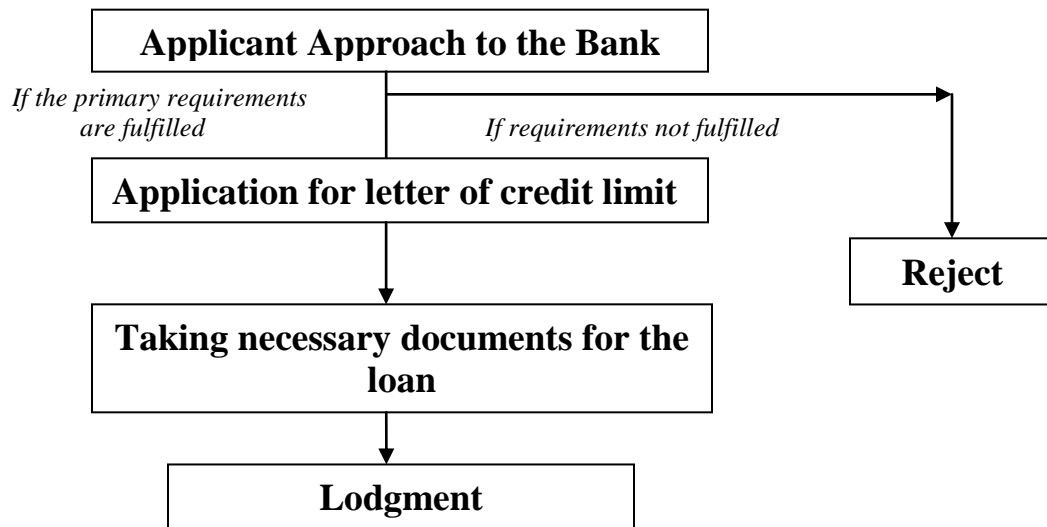


Figure: 3.1

i. Applicant's approach to the bank

The applicant of Letter of Credit must be a known customer to the bank. He has to approach the bank to open a Letter of Credit for import of goods through an application in the letterhead pad.

ii. Application for letter of credit limit

Before opening Letter of Credit, importer applies for Letter of Credit limit. To have an import Letter of Credit limit, an importer submits an application to the import division of United Commercial Bank furnishing the following information –

- Particulars of account maintained with the bank
- Nature of business
- Required amount of limit
- Payment terms and conditions

- Goods to be imported
- Security offered
- Repayment schedule

A credit officer scrutinizes this application and accordingly prepares a credit limit proposal (CLP) and forwards it to the Head Office Credit Committee (HOCC). The committee, if satisfied, sanctions the limit and returns it to the branch. Thus the importer is entitled to an approved credit limit. Once a party succeeds in opening an L/C through United Commercial Bank Ltd, generally it requires no fresh credit limit on subsequent occasions; however, further approval of the Head Office is required only if it proposes to increase its credit limit.

iii. Taking necessary documents from the applicant

A bank takes the following documents with the application from the applicant while opening a Letter of Credit:

- Application for Letter of Credit duly signed by the importer
- Letter of Credit Authorization Form (L/CAF)
- Import Permit Form (IMP)
- Valid Import Registration Certificate (IRC)
- Indent or Pro-forma Invoice
- Valid Membership Certificate
- Documents evidencing payment of fee for current year for Import Registration Certificate (IRC)

- Declaration by the importer that he has paid income tax and submitted returns to the Income tax authority for the last three years
- Insurance Cover Note and Stamped Tax Insurance Policy

Note: For import of capital machinery and initial spares to set up a new industry, a Letter of Credit can be opened without Import Registration Certificate (IRC). No waiver from the Chief Controller of Imports and Exports is necessary for this purpose.

iv. Lodgment

After the scrutiny, the following steps are taken to process for lodgment of import documents received from the negotiating bank. Lodgment means retirement of funds. Usually payment is made within seven days after the documents have been received. If the payment is deferred, the negotiating bank may claim interest for making delay. However, after receiving the documents, the Branch authority collects the documents by contacting the importer. Lodgment Constitutes the Followings:

- Conversion of foreign currency amount of the bill and the charges of the foreign bank into Taka is done separately by applying Bills Collection (B.C.) selling rate ruling on the date of lodgment. If the forward exchange was booked, the booked rate is applied. Payment against Documents (PAD) is made by debiting PAD account and crediting Head Office account. Full particulars of the documents are entered in the prescribed PAD register allotting a consecutive serial number.
- Documents are endorsed under seal and signature.

- “Inter-Branch credit advice” (IBCA) is sent to the Head Office along with a prescribed statement to provide them credit for the payment from their overseas account through United Commercial Bank Limited General Account.
- Head Office (International Division) in receipt of the IBCA and the statement will respond the entry by debit to branch account (through United Commercial Bank Limited General Account) and contra credit to NOSTRO Account of the negotiating bank abroad. To arrange necessary fund for payment, a requisition is sent to the International Department.
- As the T.T & O.D rates are paid to the ID, the differences between these two rates remain as exchange gain for the Branch.
- As soon as the above formalities are completed the importers are served with PAD bill intimations for retirement of concerned import document. A letter of intimation (P.A.D. intimation) regarding receipt of the documents should be sent to the applicant with a request to take delivery of the documents on settlement of all dues against it and mentioning the maturity date of P.A.D.
- The Import mechanism is completed with the lodgment because most of the import operates by the United Commercial Bank Ltd. is cash letter of credit.

3.4 Export Section:

Bangladesh exports a large quantity of goods and services to foreign households.

Creation of wealth in any country depends on the expansion of production in the export sector in international trade. Most of the exporters who export through United

Commercial Bank are readymade garment exporters. They open export Letters of Credit

here to export their goods, which they open against the import Letters of Credit opened by their foreign importers.

Export Policy

Export policies formulated by the Ministry of Commerce, GOB provide the overall guideline and incentives for promotion of exports in Bangladesh. Export policies also set out commodity-wise annual target. It has been decided to formulate these policies to cover a five-year period to make them contemporaneous with the five-year plans and to provide the policy regime. The export-oriented private sectors, through their representative bodies and chambers, are consulted in the formulation of export policies and are also represented in the various export promotion bodies set up by the government. However, Exports forms Bangladesh are regulated by the following Acts, Guidelines and authorities:

- Bangladesh Bank by issuing guidelines and circulars in compliance with Foreign Exchange Regulation Act-1974 under the authority given to it by the aforesaid Act. It controls physical and payment aspects of exports.
- Ministry of Commerce by issuing Export Policy Order under the authority given to it by Export –Import Act, 1950; It outlines the Government’s export development strategies and lays down the package of incentives to promote exports. It also provides the list of items, which are either banned for export or whose export is subject to fulfillment of certain conditions.
 - Controller of Export and Import
 - Export Promotion Bureau

- National Board of Revenue (Regarding duties and customs issues)
- Ministry of Finance by providing Financial Assistance (like cash incentives, fixation of lower interest rate of export credit etc.)

3.5 Export Mechanism:

The mechanism of letter of credit under export has been shown in Figure: 4.2 in the next page. The description of the mechanism is stated after the figure.

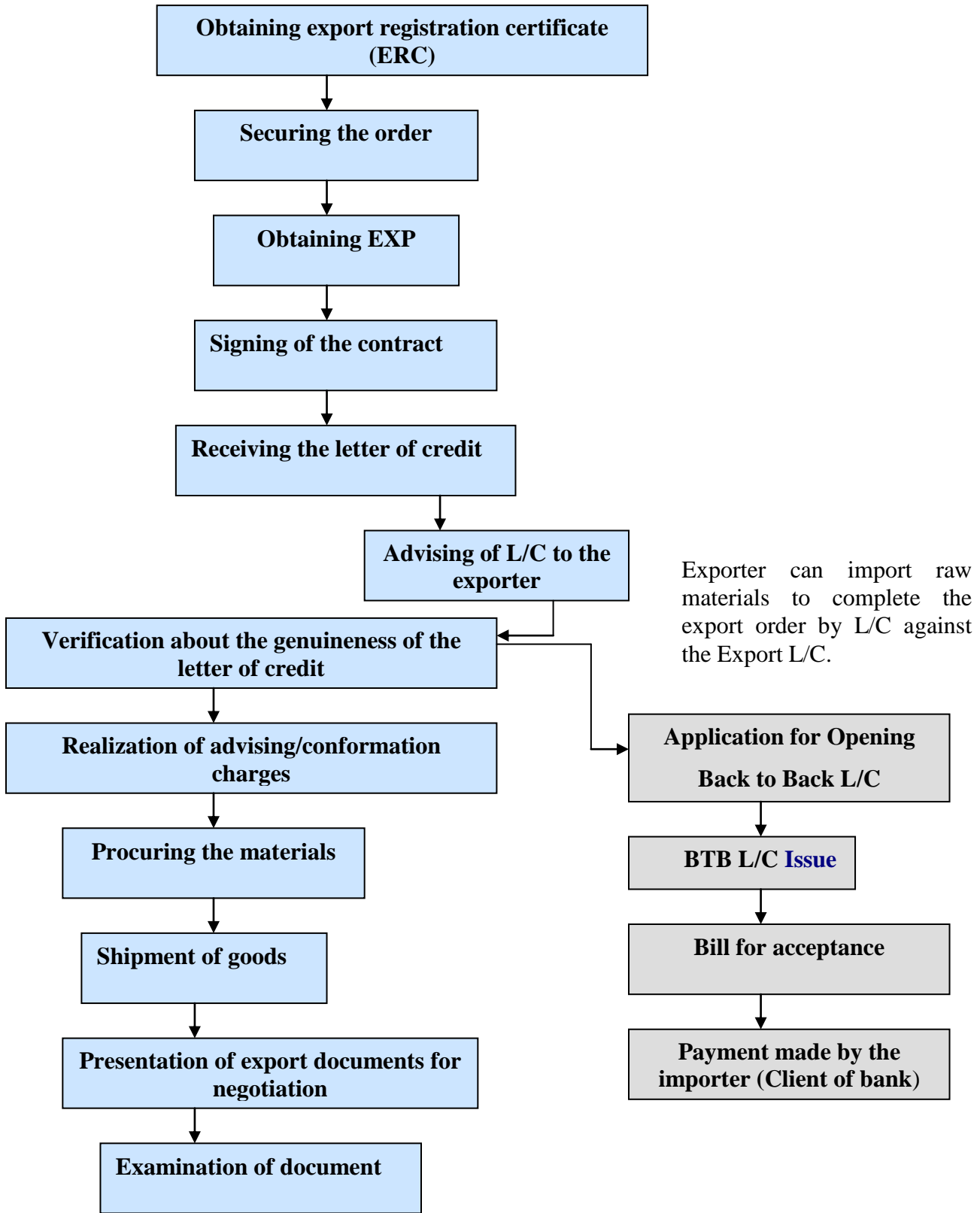


Figure: 3.2

i. Obtaining export registration certificate (ERC)

No exporter is allowed to export any commodity from Bangladesh unless he is registered with the Chief Controller of Imports and Exports (CCI & E) and holds a valid Export Registration Certificate (ERC). After applying to the CCI&E in the prescribed form along with the necessary papers, concerned offices of the Chief Controller of Imports and Exports issues ERC. Once registered, exporters are to get the ERC renewed every year.

For registration the following documents are required:

- Nationality and Assets Certificate;
- Memorandum and Article of Association and Certificate of Incorporation (in case of Limited Company);
- Bank Certificate;
- Income Tax Certificate;
- Trade License etc.

ii. Securing the order

After getting ERC, the exporter may proceed to secure the export order. He can do this by contracting the buyers directly through correspondence. In this purpose, exporters can get help from Liaison Officer of foreign companies, buyer's local agent, buying house, RPB, Bangladesh Mission Abroad, Chamber of Commerce and other Trade Associations like BGMEA, Chamber of Commerce of the Foreign Courtiers, Trade fair, searching internet/websites. After communicating with buyer, exporter has to get contracted for exportable item(s) from Bangladesh dealing commodity, quantity, price, shipment, insurance and marks, inspections & arbitration.

iii. Obtaining EXP

After having the registration, the exporter applies to the Bank with the trade license, ERC and the Certificate from the concerned Government Organization to get EXP. If the bank is satisfied, an EXP is issued to the exporter.

iv. Signing of the contract

After communicating with buyer, the exporter has to get contract for exporting exportable items from Bangladesh detailing commodity, quantity, price, shipment, insurance and mark, inspection, arbitration etc.

v. Receiving the letter of credit

After getting contract for sale, exporter should ask the buyer for Letter of Credit clearly stating terms and conditions of export and payment. The export is normally, executed against letter of credit opened by buyers. Sometimes, exports are made on CAD, DP, and DA on Consignment Sale basis without cover of letter of credit. On receipt of Letter of Credit, it is checked thoroughly by advising bank.

vi. Verification about the genuineness of the letter of credit

In case of receipt of L/C other than from the issuing bank, the advising bank must confirm the genuineness of the L/C .In all the cases, the bank must ascertain the authenticity of the Letter of Credit received before acting upon that.

vii. Advising of L/C to the exporter

Having ascertained the genuineness of the Letter of Credit, the Advising bank takes the following steps:

- The concerned branch of the bank communicates with the beneficiary and advises him about the Letter of Credit received.

- The Branch enters full particulars of the Letter of Credit in the Letter Credit Advising Register (Performance Register) allotting separate serial number for each Letter of Credit
- Particulars of all amendments (if any) are also to be recorded in the same Register before advising the same to the beneficiary.
- If the L/C contains any request by the opening bank, it has to be complied with under intimation to the beneficiary; the approval of Head Office required for this.
- Any amendment to a Letter of Credit received from Issuing Bank should be advised to the beneficiary promptly. Only request of the Issuing bank for any amendment should be accepted.
- A suitable clause should be incorporated at the bottom of the L/C stating that the L/C is subject to the provision of UCPDC- ICC Publication No. 5000.

viii. Realization of advising/conformation charges

For advising Letter of Credit to the beneficiary, the branch records Letter of Credit advising commission at the prescribed rate from the beneficiary. If the beneficiary is the bank's client the charge is debited to his count under advice to him. If the beneficiary is not the bank's client; the Letter of Credit is delivered to him against cash payment. Letter of Credit conforming charges should be recovered either from the beneficiary or the opening bank depending on the terms of the Letter of Credit

ix. Procuring the materials

Before the export forms are lodged by the exporters with the customs/postal authorities, they should get all the copies endorsed by United Commercial Bank. Before shipment, exporter submits export form (EXP) with commercial invoice. Then Bank officer checks

it properly, if satisfied, certifies the export form. Without it exporter cannot make shipment. The customer must declare all exports goods on the EXP issued by the authorized dealers.

x. Shipment of goods

After certification of EXP forms issued by the AD, the next steps for the exporter to make necessary arrangements for shipment of goods.

xi. Presentation of export documents for negotiation

After shipment, exporter submits the following documents to UCBL for Negotiation.

- Beneficiary's declaration about the shipment of goods as per Letter of
- Credit /Contract Terms
- Bill of Exchange or Draft
- Bill of Lading
- Certificate of origin
- Consular Invoice
- Freight Certificates in case of FOB contract
- G.S.P. certificate (if required)
- Inspection Certificate
- Insurance Policy/Certificate arranged to cover transit risk
- Invoice
- Packing List
- Photo – Sanitary Certificate.
- Quality (Control) Certificate
- Shipping Advice

xii. Examination of document

Banks deal with documents only, not with commodity. As the negotiating bank is giving the value before repatriation of the export proceeds it is advisable to scrutinize and examine each and every document with great care whether any discrepancy (ies) is observed in the documents. The bankers are to ascertain that the documents are strictly as per the terms of Letter of Credit.. Bank officers assigned for examining the export documents may use a checklist for their convenience. After examining the document; the bank sends them to the importer's bank through DHL. Here the export procedure is completed.

3.6 Back-to-back Letter of Credit

There is another area of export. In readymade garments sector the exporter has to import the raw materials for completing the order. In that case the exporter may seek financing facility from the bank. In this situation the bank finance the exporter by opening back to back L/C against the Export L/C. There are four types of Back-to-Back L/Cs. These are:

- Back to Back Local (Within Bangladesh)
- Back to Back EPZ
- Back to Back EDF
- Back to Back Foreign

3.7 Back-to-back L/C mechanism:

i. Application for Opening Back to Back L/C

At first the exporter applies for opening BTB L/C against the Export L/C. He has to write an application to the Branch Manager stating the amount of the L/C along with a L/C form and Pro-forma Invoice.

ii. BTB L/C Issue

The authorized officer issues the L/C if the document is OK and sends the L/C to the bank of the beneficiary.

iii. Bill sent by the beneficiary's bank for acceptance

When the exporter gets an L/C he sends his goods to the importer and the bill for the export sends to the importer bank. If there is no discrepancy in the document then the opening bank give acceptance and fix the due date of payment according to the tenor.

iv. Payment made by the Importer

When the bill is due, the bank pays it with the money that the importer receives from the export. The proceeds are given to the exporter (importer for BTB L/C). This is his profit. The Back-to-Back L/C Mechanism is completed here.

3.8 Remittance section:

Our economy depends highly on foreign remittance. The people who are working abroad send currency through the help of bank. United Commercial Bank Ltd. follows three ways to collect foreign remittance. The mechanism is presented in Figure-4.3.

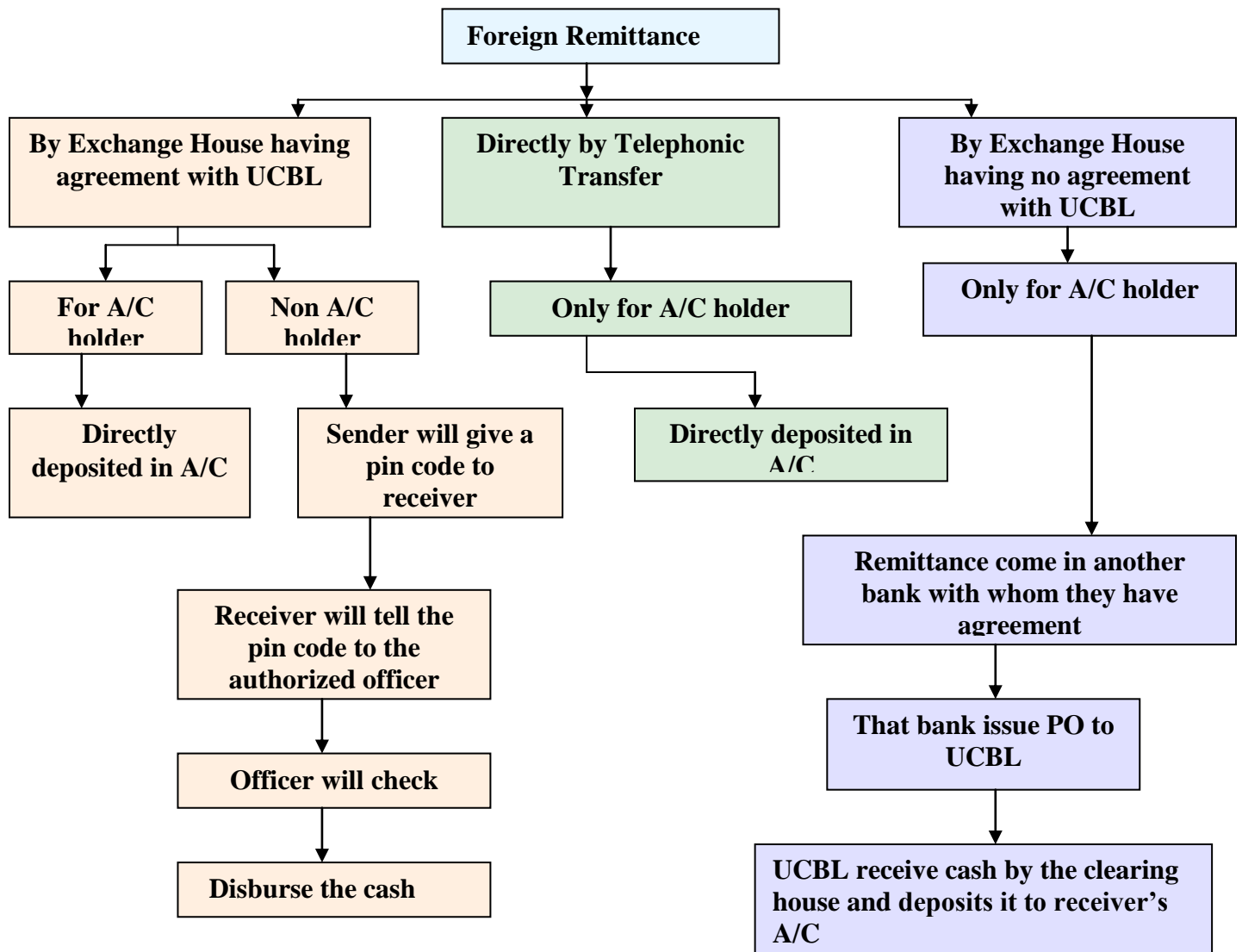


Figure: 3.3

4.9 Mechanism of remittance collection:

United Commercial Bank Ltd. follows three ways for collecting remittance. These are: exchange houses with which bank has agreement, direct telephonic transfer and the exchange house with which bank has no agreement.

i. Exchange House with which UCBL has agreement

In this way the remittance can come for anyone. He can be an A/C holder can be not. If the receiver is an A/C holder the remittance directly deposited to his account. If he is not an A/C holder then the procedure is different. The sender's bank will give a pin code that the sender has to inform the receiver. The receiver than tell the pin code, his name and other information to the authorized officer. The officer will check and if everything is alright, the officer will give the cash to the receiver. The following are the name of some of the Exchange Houses that UCBL has agreement with:

- LARI Exchange Co.
- CITY INTL Exchange Co.
- Mustafa-Sultan Exchange Co.
- Western Union
- Ria Money Transfer.
-

ii. Telephonic Transfer

The bank provides this service only to its A/C holders. When the remittances come it is directly deposited to receiver's account.

iii. Exchange house having no agreement with UCBL

This is another way that the bank follows. This service is also limited to its A/C holders. If a remittance is sent through an exchange house having no agreement with UCBL, it comes to the bank that has an agreement with the exchange house. After getting the remittance, the bank issues a pay order in favor of UCBL. Then UCBL collects the cash through clearing house and deposits it to receiver's account.

This is the administration of foreign exchange business. In this process the foreign exchange department accomplishes its responsibilities.


4.10 Submission of Return to Bangladesh Bank:

The Authorized Dealer (AD) must maintain adequate and proper records of all Foreign Exchange transactions including transaction on non-resident taka A/C. in their books and furnish such particulars in the prescribed form of Return to Bangladesh Bank. The purpose of submission of return to the Bangladesh Bank is to keep systematic and proper records of all dealing in foreign exchange transaction. Every single transaction that Bank does has to be reported on Bangladesh Bank Website. Other than that, there are yearly, quarterly, monthly, weekly statements which is submitted to Bangladesh Bank.

Date of submission of statements to Bangladesh Bank:

1) Operations on private non –resident Taka accounts of non-bank clients.	Quarterly with 12 th day of following month.
2) Monthly statement of outstanding payment commitments abroad	By 15 th of the following month
3) Commodity wise statement of import L/C s outstanding as on each month end.	10 th of the following month
4) Monthly statement of outstanding Exports bills as of each month end	15 th of the following month.

Currency wise daily position statements should be kept ready for immediate submission to Bangladesh Bank as and when called for.



**CHAPTER FOUR
FOREIGN EXCHANGE
PERFORMANCE**

Foreign Exchange Performance

4.1 Foreign Trade Business

All Figures are in Million Taka

Type	Branch Foreign Trade Business					
	2011		2012		2013	
	No. of L/C	Amount	No. of L/C	Amount	No. of L/C	Amount
Import	1895	4995.874	2250	5863.609	3300	6780.235
Export	2967	8667.213	3251	9331.079	4495	13447.078
Total	4862	13663.087	5501	27484.52	7795	36516.284

Table: 4.1

4.2 Earnings through Import

All Figures are in Million Taka

YEAR	Whole Bank Import	Branch Import
2011	90919.70	4995.874
2012	94843.80	5863.609
2013	117,542.90	6780.235

Table: 4.2

4.3 Whole Bank Import

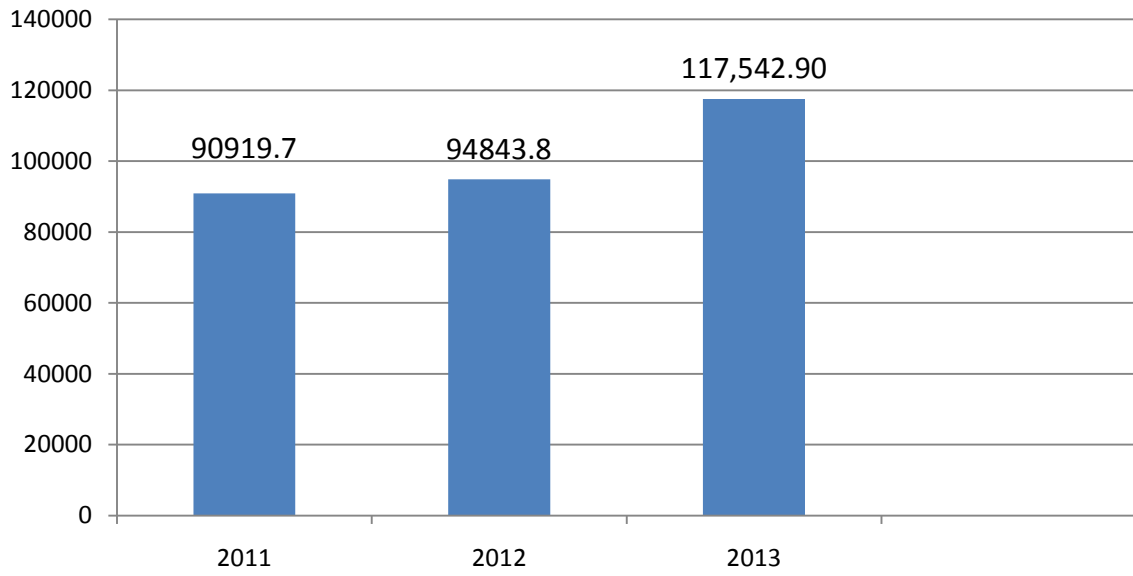


Figure: 4.1

4.4 Branch Import

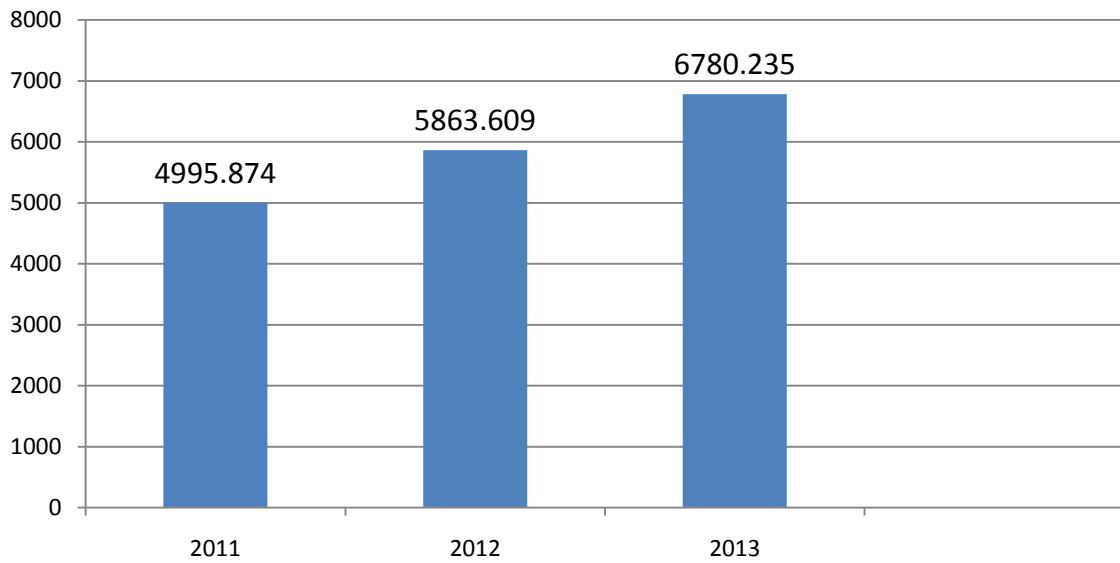


Figure: 4.2

The total import handled by UCBL increased year by year to some extent. In year 2011 it was Tk. 90919.70 Million, and it increased to Tk. 94843.80 Million in year 2012. Further we see the growth continues as the import handled increased to Tk. 117,542.90 Million in year 2013. We can observe in the graph which shows the upward trend of the import handled by UCBL.

But in case of import handled by the Principal Branch, it increased to Tk. Million from Tk. 4995.874 Million to Tk. 5863.609 Million in year 2012 as compared to year 2011. Increasingly year by year the amount will be increasing. It is assure that the branch will be raising profit year by year.

In every year the principal branch performs better than other branches of the bank. The performance of import business is showed in figure-5.2.

4.5 Earning through Export

All Figures are in Million Taka

Year	Whole Bank Export	Branch Export
2011	76962.80	8667.213
2012	78309.10	9331.079
2013	94288.50	13447.078

Table: 4.3

4.6 Whole Bank Export

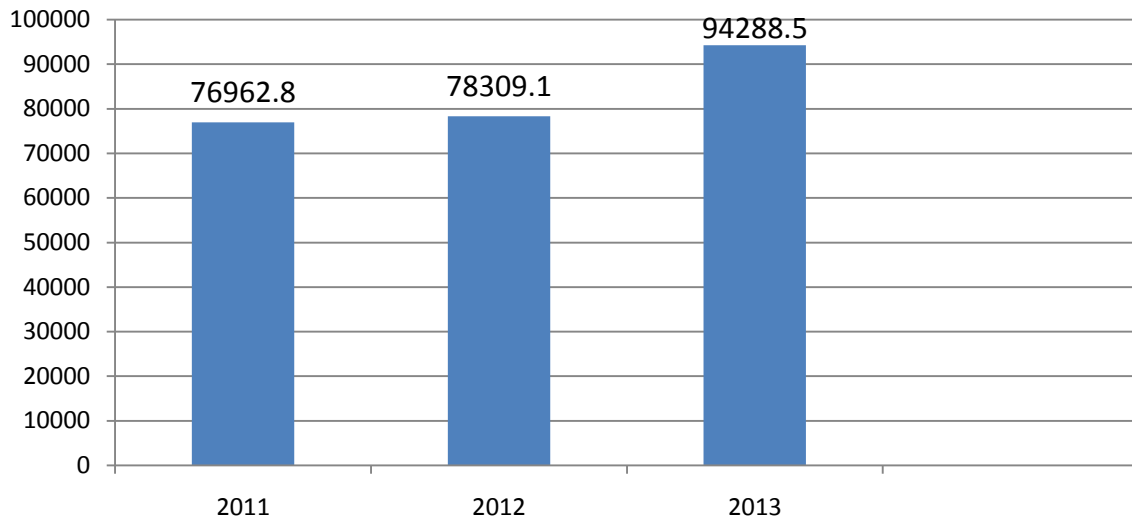


Figure: 4.3

4.7 Branch Export

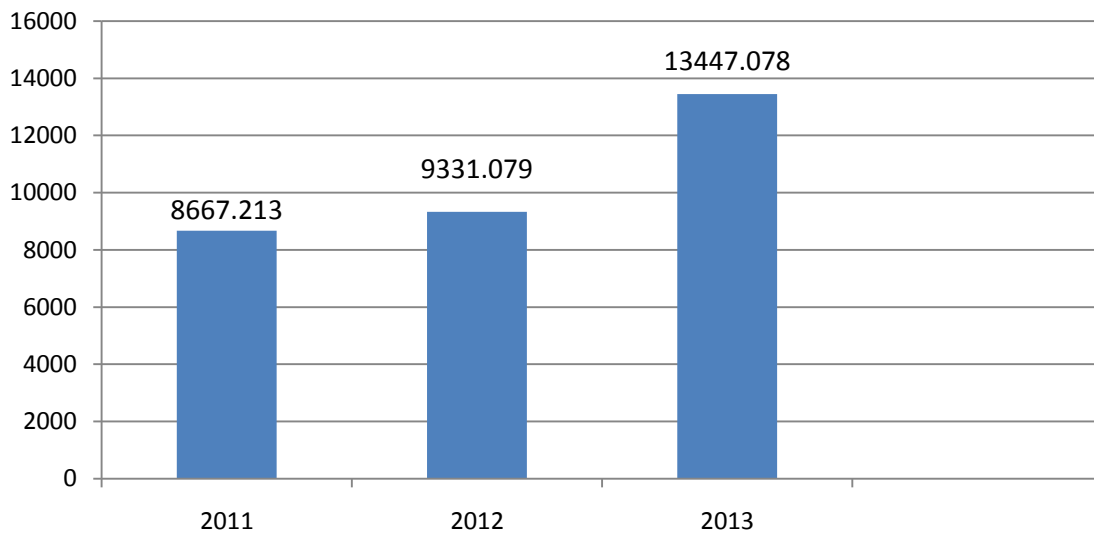


Figure: 4.4

The total export handled by UCBL increased year by year to some extent. We can observe in the figure-5.3, which shows the upward trend of the export handled by UCBL. In figure-5.4 we see that export volume of this branch reached Tk. 13447.078 million

which is higher than that of 2011. So, it can be said that the bank make profit from Export. Major export items involved with the bank’s foreign trade activities were readymade garments and nontraditional items.

4.8 Earning From Foreign Remittance

All Amount in Million Taka

Year	Whole Bank Remitted	Branch Remitted
2011	16802.80	89.587
2012	14848.30	97.787
2013	10788.07	103.587

Table: 4.4

4.9 Whole Bank Remitted

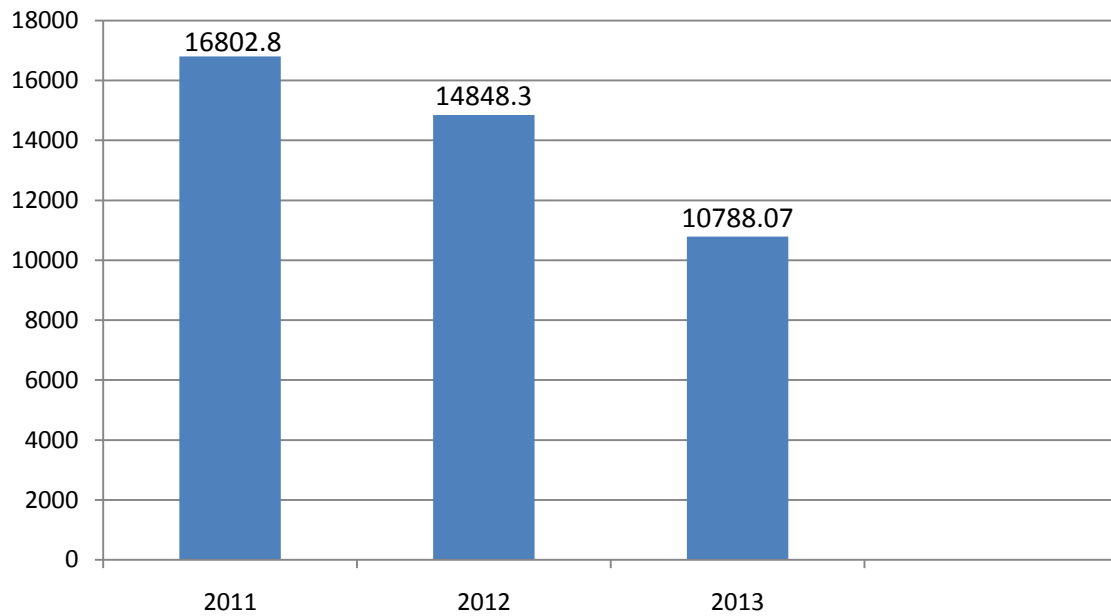


Figure: 4.5

4.10 Branch Remitted

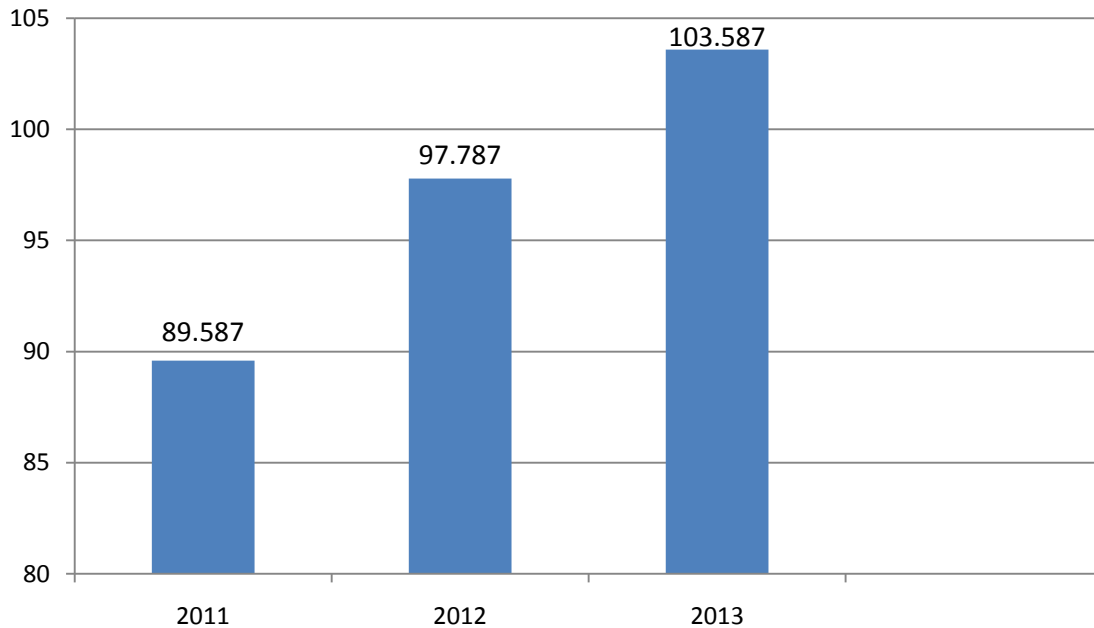


Figure: 4.6

Remittance is a big factor to develop a country's economy. The table contains the total foreign remittance through the Whole bank and the Principal branch. We can observe that the remittance was higher in year 2011 but it decreased in 2012 and further more it decreased in 2013. However the performance of Principal Branch increased. As the Principal branch is the mother branch of the bank so it performs well better than other branches always though the bank's performance was poor. The reason behind decreasing foreign remittance in two years was some of the private banks perform better rather than UCBL because they are signing contract with different foreign exchange house and the flow of foreign remittance will also be low because of economic situation is not so good in foreign countries, like America.



CHAPTER FIVE
FINDINGS & ANALYSIS

5.1 Findings

It is not so easy to find out and analyze the Foreign Exchange performance regarding this mechanism within short time span. Despite of this, an inclusive approach has been taken to find out of foreign exchange activities of United Commercial Bank Limited in this paper. After evaluating the performance I get to see that the bank lacks in earning foreign currency which is a disappointment for the bank. The bank should look over this and try to increase export more. For further evaluation of the bank's position and its future prosperity I have done SWOT analysis for UCBL.

SWOT analysis is a simple framework for generating strategic alternatives from a situation analysis. The complete elaboration of SWOT analysis is following-

S= Strength.

W= Weakness.

T= Threat.

O= Opportunities.

SWOT analysis is very helpful to measure and evaluate a stated objective within a very short time. Hence this approach has been adopted in this paper. After monitoring closely and working proactively in the Foreign Exchange Department of United Commercial Bank LTD. Principal Branch the following Strength, Weakness, Threat, and Weakness has been found-

□ **Strength**

According to the CAMEL rating of 2011 United Commercial Bank Limited is one of the satisfactory banks of Bangladesh. This rating is based on Capital Adequacy, Asset Quality, Management, Earnings, and Liquidity of the bank. Bangladesh Bank monitors these parameters and publishes the ranking. This top most position of United Commercial Bank is the most important strength of the Bank. This is the reason why every household clients and corporate clients relies on this bank. Other strengths are-

- The Bank has well reputation in the market.
- Has good relation with Importers and Exporters.
- Sound Import and Export operation.
- Executives working in the Foreign Exchange Division are highly qualified and experienced. They are quite capable of handling large scale of export and import transactions and making a profitable customer relationship with the clients.
- The Branch follows the Foreign Exchange rules and regulation very strictly
- In export and import activities there are lots of provisions of making unethical and unlawful transactions. But UCBL gives it utmost attention so that such unethical and unlawful does not takes place. This image of UCBL is also a vast strength of the Bank.
- Recently UCBL has gone through an agreement with different exchange house to provide quick and more authentic remittance service to its clients.

□ **Weakness**

There is no unmixed blessing in the earth. Every object in the world has some lacking. So it is quite natural to have some perforates in the performance of the United Commercial Bank Limited.

- In Foreign Exchange Division UCBL still uses lots of register for maintaining its foreign exchange transactions. It is time consuming and there are lots of chances for making mistakes. Computer software should be used to maintain these transactions to ensure timeliness and error free recording.
- There is no customer complain desk in the Bank's branches. It is not only important part of the foreign exchange activities but also for other two department of the Bank- General Banking and Credit Department.
- Being a well reputed Bank, UCBL no longer wants to conduct smaller L/C request coming from small parties and as a result they are neglecting a huge number of potential customers.
- While dealing with government bank, the bank faces a problem because the website of Bangladesh Bank is very slow which delays the process of reporting.

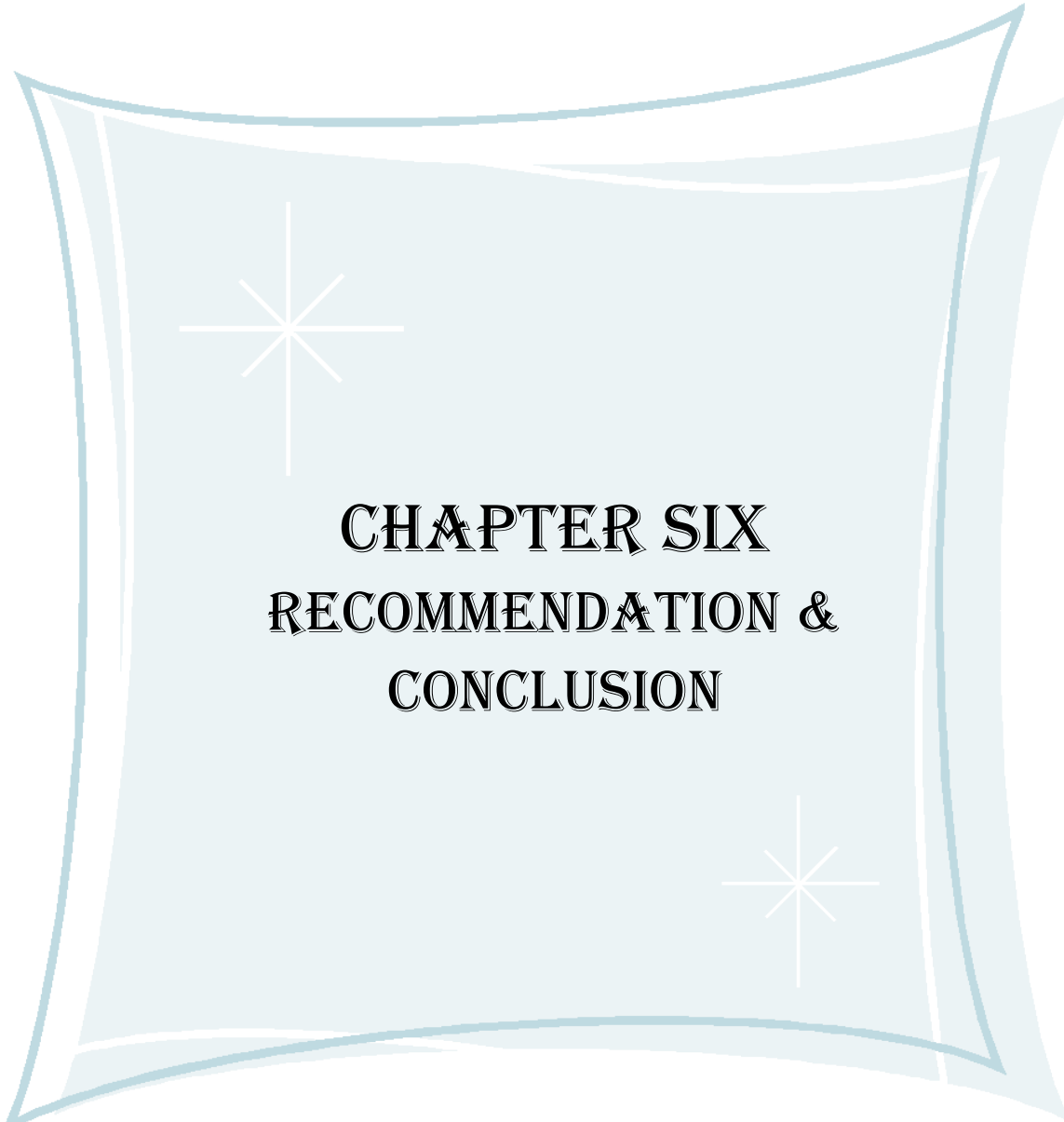
□ **Opportunities**

- As stated earlier that UCBL is one of popular bank in Bangladesh. Both exporters and importers have their faith on this Bank. This is a great opportunity for UCBL.

- The percentage of classified loans is below 2% which is far better than international standard.
- United Commercial Bank Limited has already 139 branches all over the country and recently they have planned to set up branches in some other places of the country.

□ **Threat**

- Economic stagflation and economic break down of the country especially after 9/11.
- As country's export is RMG sector depended, reduce in RMG export has affected foreign exchange department of the Bank.
- The margin for opening L/C is different for different customers. The margin is more for new customers while the margin is less for corporate and reputed customers.
- Government continuous pressure to reduce interest rate.
- Frequent fluctuation of domestic currency worth against US Dollar.
- Political crisis and decaying country image as exporter.
- Rapid increase of private sector Bank in number and size.



**CHAPTER SIX
RECOMMENDATION &
CONCLUSION**

6.1 Recommendations:

Being a modern bank, UCBL is expected to compete with in a dynamic environment comprised by many Govt. and Non-Govt. banks, Local and Foreign banks. On the basis of my observation and responses from Bank's employees and customers, I found out some necessary steps should be taken by the bank o enhance its performance potentiality. Three months internship at Foreign Exchange Department is not enough to suggest anything about a huge organization like UCBL, but according to my observation, I made the following suggestion that may improve the performance of Foreign exchange Department and other departments:

- As in Foreign Exchange Department, it is required to communicate with foreign banks and organizations frequently: so to make process fast and easy whole bank should be well equipped and use faster communication system.
- Bank should open more Nostro accounts for efficient processing of L/C.
- Charges in foreign exchange include SWIFT charges, Document Handling Charges, Stamps Charges as well as VAT. If such charges could be reduced, UCBL will definitely attract more customers.
- If the Bank reduces the rate of margin then perhaps they can attract more customers. At the moment, Companies with good relationship with the banks only benefits with lower margin level over others.
- In order to report Bangladesh bank about TC, DD and other foreign remittance transactions, the necessary documents should be collected from customers on time.

- The bank may introduce some promotional program to increase export. If bank give more emphasis to export parties they will be influenced.
- The bank should follow the UCPDC (Uniform Customs and Practices for Documentary Credit) rules very strictly to avoid the risks involved in Foreign Trade Business.
- The scenario of International Business is quite dynamic. Newer trends are taking place time to time. This may create a tension between exporters-importers and the bankers. To reduce confusion and making long term profitable customer relationship the Bank should arrange seminars, workshops, discussion etc. this will help the Bank to run in safe mode.

6.2 Conclusion:

Bank is a very important and vital for economic development in mobilizing capital and other resources. UCBL is also contributing to the advancement of the socioeconomic condition of the country. To keep pace with the current market and demand, UCBL is following several strategies and taking new initiatives, offering new products and services to the customers. The bank should maintain well-structured communication from upper level to lower level. UCBL have a strong position in the competitive market. It is among one of the fastest growing Bank. As the economy of Bangladesh is increasing so is the foreign trade and UCBL Bank like always have played its role in making sure that

things go smoothly. The bank is doing its best to provide better Import, Export and Remittance services to the customers. Export, Import is showing positive trends even after the global challenges that we are facing today. However, the bank needs to improve its remittance. The foreign trade handled by bank is increasing in recent year; this may be because of opening of new branches in different business centers.



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