

**An Internship Report**  
**On**  
**Foreign Exchange Activities & Performance**  
**Analysis of Exim Bank Ltd.**  
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**SHER-E-BANGLA AGRICULTURAL UNIVERSITY**  
**SHEREBANGLA NAGAR, DHAKA, 1207**

**DATE OF SUBMISSION: MAY, 2017**

**An Internship Report**  
**On**  
**Foreign Exchange Activities & Performance**  
**Analysis of Exim Bank Ltd.**

**By**  
**Shahanaz Sharmin**  
Registration No: 08-03043

An Internship Report  
Submitted to the Faculty of Agribusiness Management,  
Sher-e-Bangla Agricultural University, Dhaka,  
in partial fulfillment of the requirements  
for the degree of  
MBA IN AGRIBUSINESS SEMESTER: JULY-DECEMBER, 2016

**APPROVED BY**

-----  
**PROFESSOR NOOR MD. RAHMATULLAH**

Dean

Faculty of Agribusiness Management,  
Professor and former chairman,  
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Sherebangla Nagar, Dhaka-1207

## Letter of Transmittal

21<sup>st</sup> May, 2017

To

**Professor Noor Md. Rahmatullah**  
Dean,  
Professor and former chairman,  
Department of Agricultural Statistics,  
Sher-e-Bangla Agricultural University,  
Sherebangla Nagar, Dhaka -1207.

**Subject: Submission of Internship Report entitled "Foreign Exchange Activities & Performance Analysis Of EXIM Bank Ltd."**

Dear Sir,

It is really a matter of immense pleasure for me to submit the report on "**Foreign Exchange Activities & Performance Analysis of EXIM Bank Ltd.**" This report is an outcome of the Internship Program, which is an academic requirement for the completion of MBA Program, which enrich our academic background, about to enter into the professional field. I shall be highly encouraged if you are kind to receive this Internship Report. I put my best effort to include all the relevant information, which I have collected both from primary and secondary sources and also from my personal observation. If you need any further clarification therein, I will be at your instant service and I am always available for any queries.

Sir, I would be grateful to you if you accept this report and give your assessment on it.

Sincerely Yours,

-----  
**Shahanaz Sharmin**

Registration No: 08-03043  
MBA(Internship Semester)  
Faculty of Agribusiness Management  
Sher-e-Bangla Agricultural University

## Letter of Acceptance

This internship report is prepared using the relevant documents related to the assigned topic written by Shahanaz Sharmin, Registration No: 08-03043 student of Master of Business Administration" program (MBA in Agribusiness) has been acknowledged, as it is acceptable.

---

**Professor Noor Md. Rahmatullah**  
**Dean,**  
**Professor and former chairman,**  
**Department of Agricultural Statistics,**  
**Sher-e-Bangla Agricultural University,**  
**Sherebangla Nagar, Dhaka -1207**

## Student's Declaration

I hereby declare that the report of internship namely "*Foreign Exchange Activities & Performance Analysis of Exim Bank Ltd.*" by me after the completion of four months of internship in EXIM Bank Ltd. New Eskaton branch a comprehensive study of the existing activities of EXIM Bank Ltd. and its implementation.

I also declared that this report is my original work done me for partial fulfillment of the requirement for the degree of Master of Business Administration (MBA).

.....

**Shahanaz Sharmin**

Registration No: 08-03043

MBA, Internship Semester

Faculty of Agribusiness Management

Sher-e-Bangla Agricultural University

## Acknowledgement

At the inception of preparing this report I would like to express gratitude to the Almighty Allah for special blessing in completing it. Preparing a report is really a great task. A lot of efforts and study has gone in to make this report a reality. This would not have been possible only by me without the cordial support and assistance from others. This report is an accumulation of many people's endeavor. I am indebted to all the people, with whom I approached during the various stages of writing this report, for their kind advices, suggestions, directions, cooperation and proper guidelines. For the completion of my MBA program, I was assigned to prepare a report under the supervision of Noor Mohammad Rahmatullah, Professor, Department of Agricultural statistics, Sher-e-Bangla Agricultural University, That's why I am grateful to him whose active guidance as well valuable advice and kind co-operation made me assigned and inspired to set a goal of preparation and completion of this report in time. I also thank all officials of foreign exchange department of EXIM Bank Ltd, New Eskaton Branch who help me very much providing valuable information. All of these people were very cooperative throughout the preparation of the Report paper. Once again, I thank them all. I would again like to express my deepest thanks to my supervisor Professor Noor Mohammad Rahmatullah providing me the opportunities and valuable guidelines.

## Executive Summary

The report titled as "**Foreign Exchange Activities & Performance Analysis of EXIM Bank Ltd**" is submitted in practical requirement for the fulfillment of the M.B.A program of Sher-e-Bangla Agricultural University. The primary goal of the report is to provide the students with job exposure and an opportunity to apply theoretical knowledge in real life; through this program, a good balance between theory and practice is gained.

EXIM Bank Ltd. is a commercial bank and its play a very important role in our economy; in fact it is difficult imaging how our economic system would function efficiently without the help of commercial bank.

EXIM bank introduced a specialized banking service in export import business. With a bulk of qualified and experienced human resource, EXIM Bank Limited can exploit any opportunity in the banking sector. Since its establishment it is rendering its services with qualified and knowledgeable staff. Each of them works on their own and there is supervision from the top. The motivation of the staff, I believe comes from the very sense of responsibility. Management should think to start new services and take different types of marketing strategy to get more customers in this competition market of banking.

This report tries to figure out most of the indicators of problems and strengths of EXIM Bank Limited as a valid pretender in the competitive banking sector of Bangladesh. The main philosophy of EXIM Bank is to diminish interest and charge or pay fixed interest on loans or deposits and at the same time establish an egalitarian society based on the principle of social justice and equity Instead of predator mind interest on deposits. After analyzing foreign exchange operations of EXIM Bank Limited, it can be said that overall performance of this department of EXIM bank is so good. And EXIM Bank is the second position of foreign trade compare to other Shariah based commercial bank.



of Bangladesh Limited  
H E A D O F F I C E  
Human Resources Division

EXIM/HO/HRD/2017  
16 May 2017

### **TO WHOM IT MAY CONCERN**

It is our immense pleasure to certify that Mr. Md. Mahedi Hasan son/daughter of Md. Abdul Malak a MBA student of Sher-e-Bangla Agricultural University attended 4 (Four) Months Internship Programme on “Foreign Exchange Operations of EXIM Bank” at Export Import Bank of Bangladesh Limited, Panthapath Branch from 16 January 2017 to 15 May 2017. Mr. Hasan maintained a successful job rotation at different departments of the Branch with full satisfaction to the Management. While accomplishing internship, he/she showed his/her strong knack for banking activities.

We wish him/her every success and service progression in his/her life.

**Md. Mosharraf Hossain Mazumder**  
Senior Executive Vice President

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# **Chapter-1**

## **Introduction**

## ABBREVIATION

<b>A/C</b>	<b>Account</b>
<b>AD</b>	<b>Authorized Dealer</b>
<b>B/L</b>	<b>Bill of Lading</b>
<b>BB</b>	<b>Bangladesh Bank</b>
<b>BOE</b>	<b>Bill Of Exchange</b>
<b>CCI</b>	<b>Chief Controller of Import &amp; Export</b>
<b>CFR</b>	<b>Cost &amp; Freight</b>
<b>CIB</b>	<b>Credit Information Bureau</b>
<b>CIF</b>	<b>Cost Insurance &amp; Freight</b>
<b>DD</b>	<b>Demand Draft</b>
<b>DP Note</b>	<b>Demand Promissory Note</b>
<b>EPB</b>	<b>Export Promotion Bureau</b>
<b>EXP</b>	<b>Export Form</b>
<b>FC</b>	<b>Foreign Currency</b>
<b>FDD</b>	<b>Foreign Demand Draft</b>
<b>FOB</b>	<b>Free On Board</b>
<b>HS Code</b>	<b>Harmonized system of coding</b>
<b>IBC</b>	<b>Inward Bills for Collection</b>
<b>IBCA</b>	<b>Inter Branch Credit Advice</b>
<b>IBDA</b>	<b>Inter Branch Debit Advice</b>
<b>IMP</b>	<b>Import Form</b>
<b>IRC</b>	<b>Import Registration Certificate</b>
<b>L/C</b>	<b>Letter of Credit</b>
<b>LCAF</b>	<b>Letter of Credit Authorization Form</b>
<b>OBC</b>	<b>Outward Bills for Collection</b>
<b>PO</b>	<b>Payment Order</b>
<b>PSI</b>	<b>Pre Shipment Inspection</b>
<b>SWIFT</b>	<b>Society for Worldwide Interbank Financial</b>
<b>TC</b>	<b>Travelers Cheque</b>
<b>TIN</b>	<b>Tax Identification Number</b>
<b>TR</b>	<b>Truck Receipt</b>
<b>TT</b>	<b>Telegraphic Transfer</b>
<b>STD</b>	<b>Short Term Deposit</b>
<b>FDR</b>	<b>Fixed deposit receipt</b>
<b>CC</b>	<b>Cash Credit</b>
<b>CRF</b>	<b>Clean Report Findings</b>
<b>ERC</b>	<b>Export Registration Certificate</b>
<b>IBCT</b>	<b>Inter-branch Credit Transaction</b>
<b>LIM</b>	<b>Loan Against Imported Merchandise</b>

## 1.1 Introduction of the Report

Theoretical knowledge gets its perfection with practical application. As the student of MBA, we have to gather practical knowledge and skills to meet the future competition. Without practical exposure, theory can never be fruitful. That's why practical orientation is a positive development in professional area. In such state of affairs the present aiming at analyzing the experience of practical orientation related to an appraisal of EXIM Bank Limited. By an internship program in a bank, it would be a great opportunity where student should learn practical knowledge and experience on the various spheres of banking business. The topic of my report has been selected as **"Foreign Exchange Activities and Performance Analysis of EXIM Bank"**.

## 1.2 Concept of Bank:

Bankers or Bank was defined as a person who carried on business of receiving money, collecting of drafts, honoring cheque drawn upon it. According to modern concept, **"Banking" has been defined to mean the accepting, for the purpose of lending or investing, of deposits of money from the public, repayable on demand or otherwise, and by cheque, draft, and order or otherwise. The term "Banking" has also been defined as:**  
**USA: Act of Congress defines banking, "as the business of dealing in credit."**  
**Japan: Act of 1927 in Japan defines as "institutions, which carry on operations of giving as well as receiving credit-**Modern bank play an important part in promoting economic development of a country. Banks provide necessary funds for executing various programs underway in the process of economic development.

## 1.3 Commercial Bank:

A commercial bank is owned by shareholders that accepts deposits, makes commercial and industrial loans and provides other banking services, In other words, commercial bank is a financial institution that provides business loans, credit cards, saving money in different saving schemes etc. and it is the largest financial intermediary directly involved in the financing of real estate.

## 1.4 Significance of the study:

This internship report is an important partial requirement of two year MBA graduation program. The major motive of this study is to become familiar with the practical business world and to attain practical knowledge about the overall Banking and Corporate world, which is so much essential for each and every student to meet the extreme growing challenges in job market. This report finding's will be beneficial for the management in attempting to improve the overall service quality and also to promote the company's services to customers. So the study will be very useful for the top management in improving the customer satisfaction.

## **1.5 Origin of the Report:**

The internship program is a required course for students who are completing Masters of Business Administration (MBA) from the Faculty of Agribusiness Management of Sher-e-Bangla Agricultural University. It is a five credit hour program with duration of four months. The student who have completed all the required courses is eligible for this program. During this period I have learned about bank and about the foreign exchange facilities that are providing by the bank.

## **1.6 Objectives of the Study:**

The primary objective of internship is to provide on the job exposure to the student and opportunities for translation of theoretical conceptions in real life situation.

### **Main Objective:**

The broad objective of the study is to prepare report on "**Foreign Exchange Performance Analysis of EXIM Bank Limited**".

- The general objective of this report is to fulfill the requirement of internship report to acquire practical experience in different banking services of EXIM Bank Ltd.

### **Specific objectives:**

To gather knowledge about the different department of the branch especially foreign exchange department.

- To know about the export, import remittance position of EXIM Bank.
- To know the growth of foreign trade of EXIM Bank.
- To know Its types of product for customer.
- To understand the financial performance through ratio analysis of the bank.
- To know the contribution of EXIM Bank on total foreign trade in Bangladesh.
- To analysis the relationship between profit and remittance.
- To compare the foreign trade position of EXIM bank with other Shariah based bank in Bangladesh.
- To know overall performance of foreign trade of EXIM Bank.

## **1.7 Methodology of the Study:**

The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected, to be classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out. The overall process of methodology has been given as below:



### **1.7.1 Research Design:**

This is an "Exploratory Research", which briefly reveals the overall activity of EXIM Bank and also analyzes the "Foreign Exchange Activities & Performance of EXIM Bank Ltd". Data have been collected from both primary and secondary sources.

### **1.7.2 Data Collection Procedure:**

This study is mainly based on secondary data available from the various divisions and departments of EXIM BANK, in addition to these other necessary information have been collected from the relevant journals, annual reports of EXIM BANK, Bangladesh bank, Ministry of Finance and Planning and publications of other relevant institutions have also been taken into consideration. In order to make the report more meaningful and presentable, two sources of data and information have been used.

### **1.7.3 Primary sources of data:**

- Face to face conversation with the bank officers & staffs.
- Different' manuals of EXIM Bank Limited.

### **1.7.4 Secondary sources of data:**

- Procedure manual published by the EXIM Bank Ltd.
- Files and documents of the branch.
- Annual report & internet of EXIM Bank Ltd. during (2006-2012).
- Different papers of EXIM Bank.
- Different text books.
- Different circular sent by Head Office of EXIM Bank and Bangladesh Bank.

### **1.7.5 The Sampling Process:**

Selection of the population will be defined as—

**Sampling Unit:** Foreign Exchange Division of EXIM Bank

**Area:** EXIM Bank Ltd., New Eskaton Branch ,Dhaka.

**The Sample Size:** Five to ten year's data of EXIM Bank is considered to analysis. Five year's data are used for ratio Analysis, forecasting export, import & remittance.

### **1.7.6 Tools Used for Analysis:**

Both the qualitative and quantitative (such as SWOT, Ratio & growth analysis) tools are used to analyze the gathered data. Forecasting analysis techniques are also used. Average growth rate is considered for forecasting foreign trade of EXIM Bank.

### **1.7.7 Data Analysis and Reporting:**

Data have been analyzed through proper quantitative and qualitative techniques and reported from time to time to the concerned authority. After collecting data, they were coded and processed, analyzed and graphically used MS word, MS Excel. Tables and graphs were used to make the data meaningful and comparable.

### **1.8 Limitation of the Study:**

I have faced the following problems that may be termed as the limitation or shortcomings of the study. Following limitations have faced during the study and the time of working & data collection:

- At times the respondents felt annoyed to give time on this survey.
- The time, twelve weeks working days, is insufficient to know all activities of the branch and prepare the report.
- The main constraint of the study is insufficiency of information, which was required for the study. There are various information the bank employee can't provide due to security and other corporate obligations
- Unavailable information in website.
- I carried out such a study for the first time, so in experience is one of the main constraints of the study.

# **Chapter-2**

## **Bank Profile**

## 2.1 An over view of EXIM Bank Ltd:

The EXIM Bank of Bangladesh Limited is an "Islamic Shariah based commercial

Bank", which is committed to provide high quality financial services to contribute to the growth of G.D.P. (Gross Domestic Product) of the country through stimulating trade & commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, poverty alleviation, raising standard of living of the limited income group and over all socio-economic development of the country. EXIM Bank Limited is the preferred choice in banking for its friendly and personalized services, cutting edge technology, tailored solutions for business needs, global reach in trade and commerce and high yield on investments, assuring excellence in banking services.

### Logo of EXIM Bank:

Company Profile at a glance:

EXIM Bank Ltd was established on 2 June, 1999 under the leadership of Late Mr. Shahjahan Kablr

The bank starts functioning from 3rd August, 1999 with its name as Bengal Export Import Bank Limited.

On 16th November 1999, it was renamed as Export Import Bank of Bangladesh Limited

Bank has migrated all of its conventional banking operation into Shariah Based Islami Banking on 1 July, 2004

At the **same date** shares are listed with DSE and CSE

Vision of EXIM bank is 'Together Towards Tomorrow'

## 2.2. Capital and Reserve Fund:

While inception in 1999, the bank's authorized capital was Tk.1000.00 million and paid up capital was Tk.225.00 million subscribed by sponsors. Its authorized capital was enhanced to Tk.3500.000 million in the year 2006. In the year 2010, bank changed the denomination of share from Tk.100.00 to Tk.10.00 as well as market lot from 50 to 100 shares and raised Tk. 2277.42 million as paid up capital through issuance of rights share @ 1R:2 (one right share for every two shares) at par. Last five year's capital structure is shown in the bellow:

Tk. in million

Particulars	2011	2012	2013	2014	2015
Authorized Capital	3500.00	3500.00	3500.00	10000.00	10000.00
Paid-up Capital	1713.76	2142.2	2677.75	3373.96	
Shareholder's Equity	3111.69	4042.53	4989.2	6717.21	12474.85
Total Capital	3467.37	4569.56	5763.89	7718.89	139228.40
Statutory Reserve	810.88	1134.64	1532.55	2092.97	3154.76

Source: Annual Report of EXIM Bank Ltd. (2012-2016)

### 2.3 Launching of Islami Banking:

Considering the inherent desire of the religious muslims, EXIM Bank has launched Islami Banking system and inaugurates two Islami Banking Branches in the year 2002. Export Import Bank of Bangladesh Limited 'is also the 1st bank in Bangladesh who has converted all of its operations of conventional banking into Shariah-based banking since July/2004.

The Islami Banking branches perform their activities under the guidance and supervision of a body called "SHARIAH COUNCIL". The Board of directors has formed a Sharia Supervisory Board for the Bank. Their duty is to monitor the entire Bank's transactional procedures, & assuring its, Shana compliancy. This Board consists of the following members headed by its Chairman.

The tasks of the Sharia supervisor in summary is replying to queries of the Bank's administration, staff members, shareholders, depositors, & customers, follow up with the Shariah auditors and provide them with guidance, submitting reports & remarks to the Fatwa & Shariah Supervision Board and the administration, participating in the Bank's training programs, participating in the supervision over the magazine, & handling the duty of being the General Secretary of the Board.

### 2.4 Vision of the Bank:

The gist of EXIM bank vision is "Together towards Tomorrow". Export Import Bank of Bangladesh Limited believes in togetherness with its customers, in its march or the road to growth and progress with services. To achieve the desired goal, there will be pursuit of excellence at all stages with a climate of continuous improvement, because, in EXIM Bank, they believe, the line of excellence is never ending. Bank's strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environments.

## **2.5. Mission of the Bank:**

The bank has checked out the following corporate objectives in order to ensure smooth achievement of its goals-

- To be the most caring and customer friendly and service oriented bank.
- To create a technology base most efficient banking environment for its customers To ensure ethics and transparency in all levels
- To ensure sustainable growth and establish full value of the honorable shareholders and

Above all, to add effective contribution to the national economy

### **Eventually the bank also emphasize on-**

- Provide high quality financial services in export and import trade
- Providing efficient customer service
- Maintaining corporate and business ethics
- Being trusted repository of customers' money and their financial adviser
- Making its products superior and rewarding to the customers
- Display team spirit and professionalism
- Sound capital base
- Enhancement of shareholders wealth
- Fulfilling its social commitments by expanding its charitable and humanitarian activities

## **2.6 Values of the Bank:**

To be one EXIM by holding and guiding the following values:

- To strive for private and sound growth.
- To work as a team to serve the best interests of the organization.
- To work for continues business innovation and improvements.

## **2.7 SWIFT Service:**

SWIFT stands for Society for Worldwide Inter-Bank Financial Telecommunication. The SWIFT services helped the bank in sending and receiving the messages and instructions related to NOSTRO account operations and L/C related matters. Now 19 AD Branches and Head Office are performing foreign exchange transactions with the help of SWIFT service. This service also had been integrated in the core system. It is mentionable that Exim Bank Ltd. made all the preparations to migrate to the new SWIFT system that is going to take place world- wide in March 2017

## **2.8 Corporate Culture:**

This bank is one of the most disciplined banks with a distinctive corporate culture. Here we believe in shared meaning, shared understanding and shared sense making. Our people can see and understand events, activities, objects and situation in a distinctive way. They would their manners and etiquette, character individually to suit the purpose of the Bank and the needs of the customers who are of paramount importance to us. The people in the Bank see themselves as a tight knit team/family that believes in working together for growth. The corporate culture we belong has not been imposed; it has rather been achieved through our corporate conduct.

## **2.9 Key Function of EXIM Bank:**

Like other commercial banks like EXIM bank performs all traditional banking business including introduction of a wide range of saving and credit products, retail banking and ancillary service with the support of modern technology and professional management, but the Exim Bank Bangladesh Limited emphasizes its function in export and import trade handling and financing of export oriented industries will enhance wealth, creates more employment opportunities helps formation of capital and reduces in balance in the balance of payment in the country.

## **2.10 Social Commitment:**

The purpose of the banking business is, obviously, to earn profit, but the promoters and the equity holders of EXIM bank are aware of their commitment to the society to which they belong. A chunk of the profit is kept aside and/or spent for socio-economic development through trustee in patronization of art; culture and sports of the country and the bank want to make a substantive contribution to the society where we operate, to the extent of our separable resources.

## **2.11 Product and Services of Exim Bank Ltd:**

The bank serves all types of modern, progressive and dynamic business as well as banking services to the customers of all strata of the society. Export Import Bank of Bangladesh Limited successfully marketed its products designed to fulfill the needs of various socio-economic strata. Attractive features of the products have given a distinctive image among the private banks. The bank has been making continuous endeavor to offer new products and services. As a commercial bank, they provide all traditional banking services:

- General Banking Department
- Investment Department &
- Foreign Exchange Department

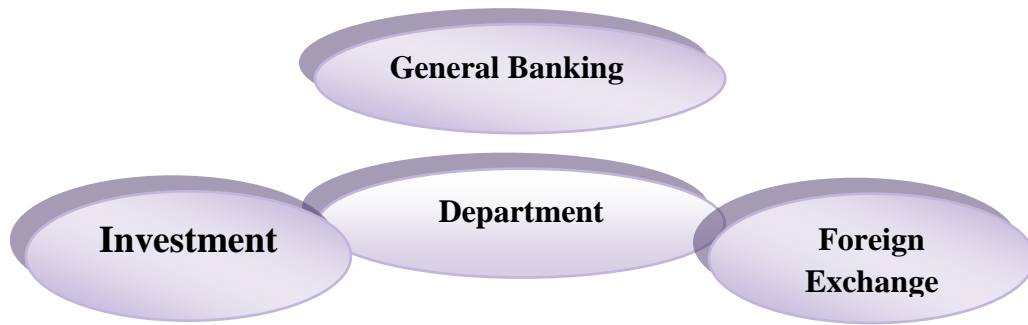


Figure -1 : Department of EXIM Bank

**Products of EXIM Bank Ltd.**

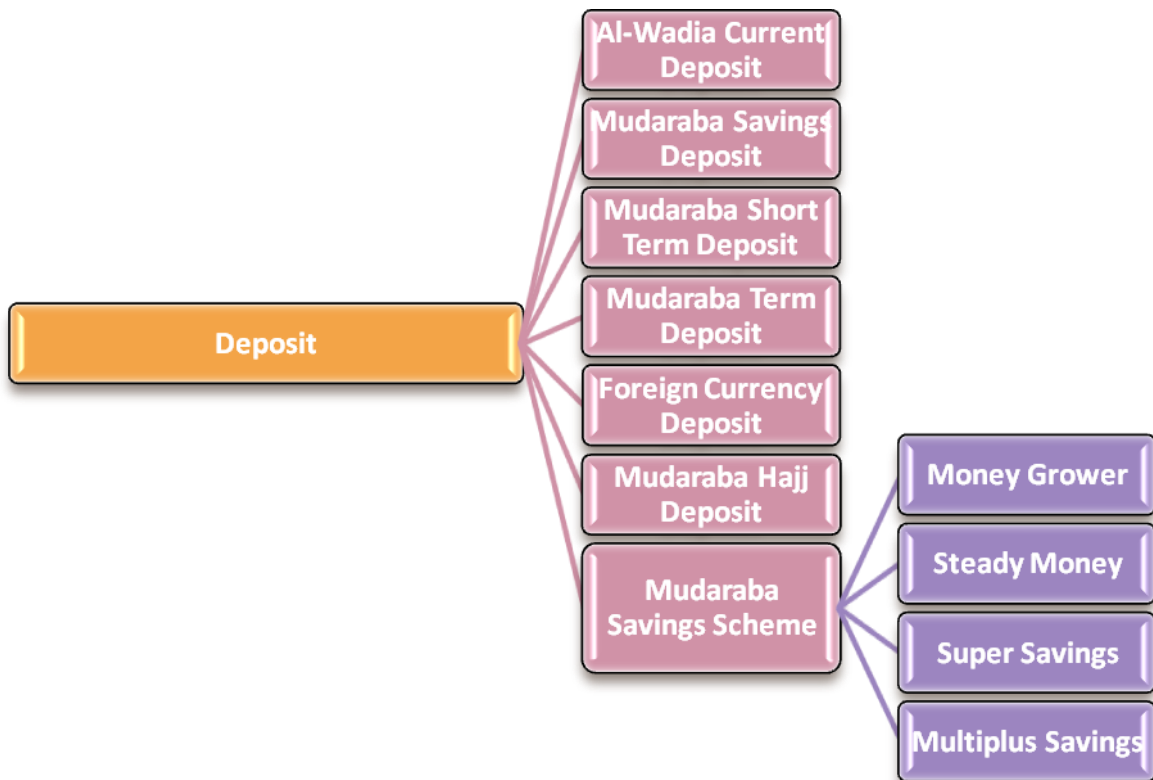


Figure -2 : Products of EXIM Bank



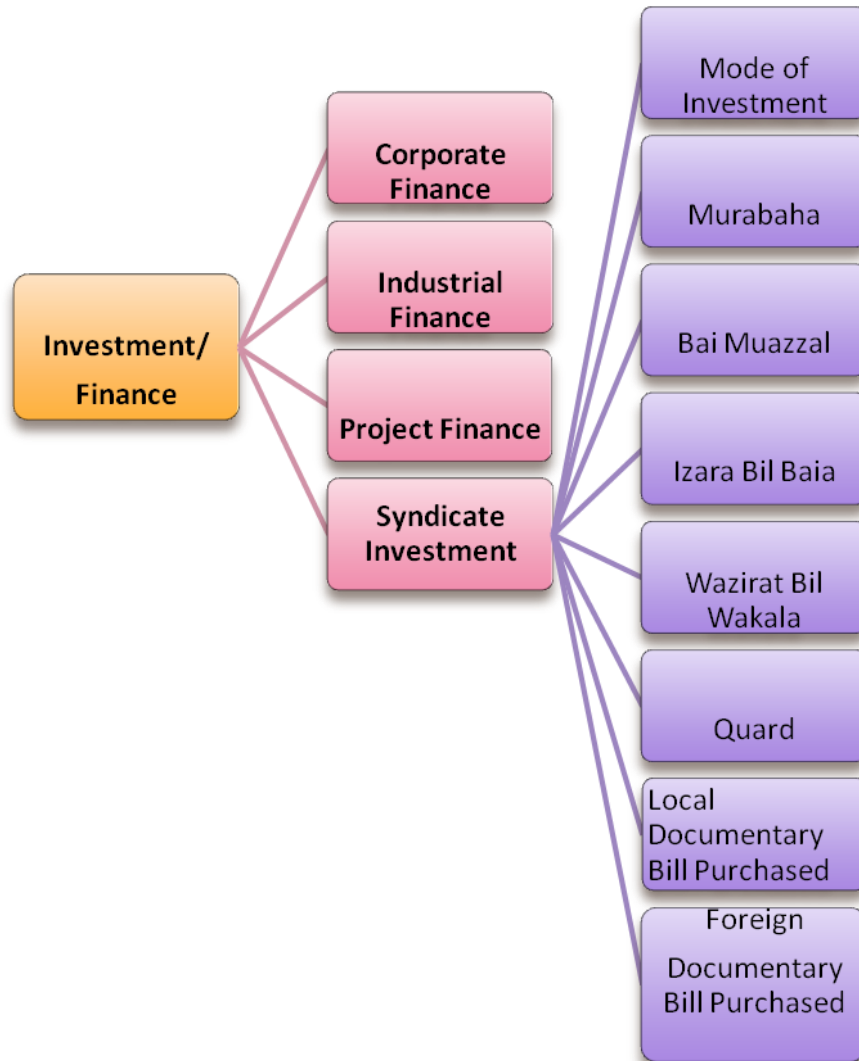


Figure -3 : Products of EXIM Bank

# **Chapter-3**

## **Financial performance Analysis of EXIM Bank Through Ratio Analysis**

### 3.1. Financial Performance Analysis of EXIM Bank Ltd:

It is observed that global economic recovery is proceeding broadly as expected. But stability of global economy is still far although downside risks remain elevated. The financial sector is still vulnerable to shocks, and growth appears to be slowing as policy stimulus wanes. In spite of global economic meltdown, Bangladesh has been able to maintain satisfactory growth rate by upholding the macroeconomic stability in the Fiscal Year 2014-2015. The year 2015 was marked with unprecedented business success and accomplishments for EXIM Bank resultant from its concrete base of operational strategies that it had forged over the years. Operational strategies includes-

- Diversification of investment, with emphasis on productive sector including agriculture and SME
- Adoption of the state of the art technologies for last and versatile services
- Constant search for deposit at the least possible cost
- Motivational remuneration to the employees to ensure the best output from them
- Emphasis on high quality corporate governance practice
- Meticulous compliance with the local and international rules and regulations
- Harmonization of business practice with the external and internal changes in customer behavioral pattern, regulatory policies, money market, exchange market etc

**Last five years financial highlights through ratio analysis is shown in the bellow-**

#### **Liquidity Position Analysis:**

Holding Cash in hand and at Bank

(Amount in Tk)

Particulars	2011	2012	2013	2014	2015
Cash & cash equivalents	4,738,548,912	5,908,075,863	8,780,739,174	10,746,806,525	11,492,037,340

Source: Annual report of EXIM Bank Ltd (2011-2015)

Cash in hand (local and foreign currency) and cash at Bangladesh Bank & its agent (Sonali Bank) have been considered as the cash and cash equivalents for the preparation of the financial statements which were held and available for use by the bank without any restriction as there was insignificant risk of changes in value of these current assets.

## Profitability and Financial Risk Analysis:

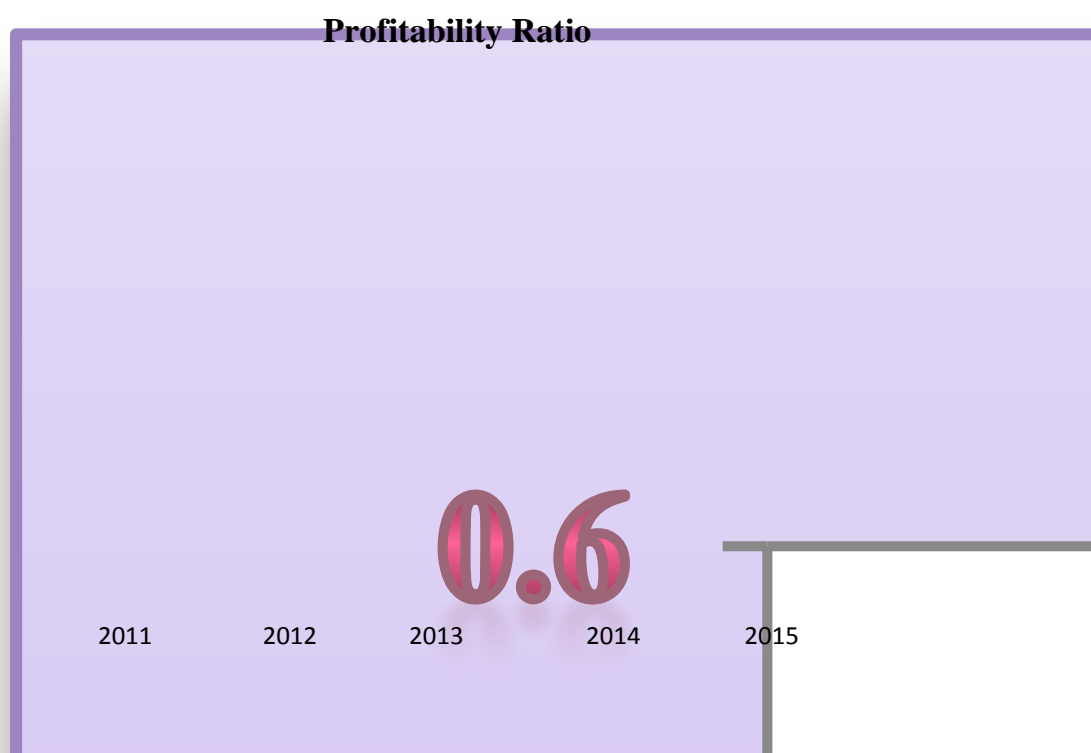
Ratio	2011	2012	2013	2014	2015
Operating Profit Margin	27.75%	29.78%	30.14%	30.64%	42.95%
Net Profit Margin	13.09%	14.53%	13.12%	16.32%	25.33%
Return on Asset	1.56%	1.81%	1.6%	1.97%	3.07%
Return on Equity	20.90%	23.03%	21.98%	25.22%	27.86%
Debt to Equity	12.43	11.74	12.72	11.83	8.06
Debt to Total Asset	0.93	0.92	0.93	0.92	0.89

Source: Appendix (Table:1)

Interpretation of Profitability ratio and Leverage ratio is given in the bellow with graphical representation:

### Interpretation:

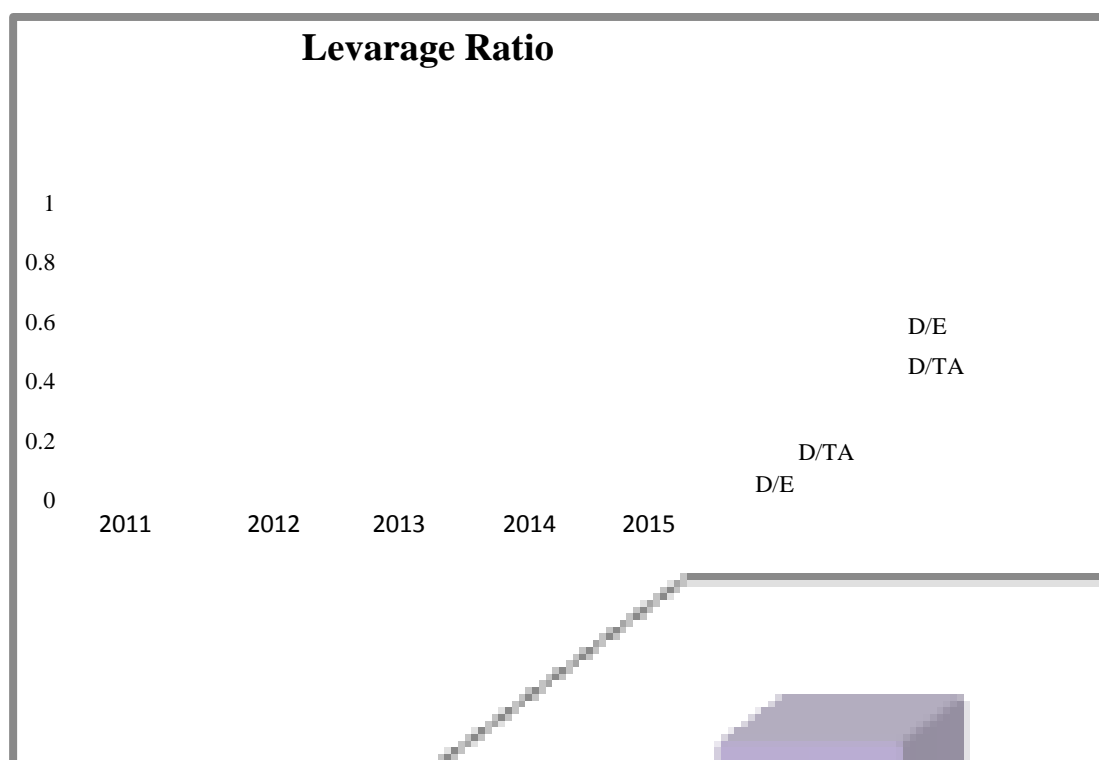
From the above graph, from 2011 to 2015 the operating profit margin & net profit margin increased. In 2011, the operating profit margin was 27.75% and in 2015 it is 42.95%. That means it is gradually increasing and in 2011 net profit margin was 13.09% and in 2015 it is 25.33%. So, net profit margin decreased into 13.12% in 2013 it again increased from 2015.



Graph – 01 Profitability Ratio:

### Interpretation:

From the table and graph, return on asset (ROA) and return on equity (ROE) is increased from 2011 to 2012 but it is decreased in 2015. Then it again increased from 2015s. This upward trend of ROA and ROE indicates that the firm is efficiently uses its asset and equity so it gets a good return from it. Good ROE indicates better profitability and efficiency in the firm that generates good return for shareholders. So, the ROA & ROE of EXIM Bank is increasing.



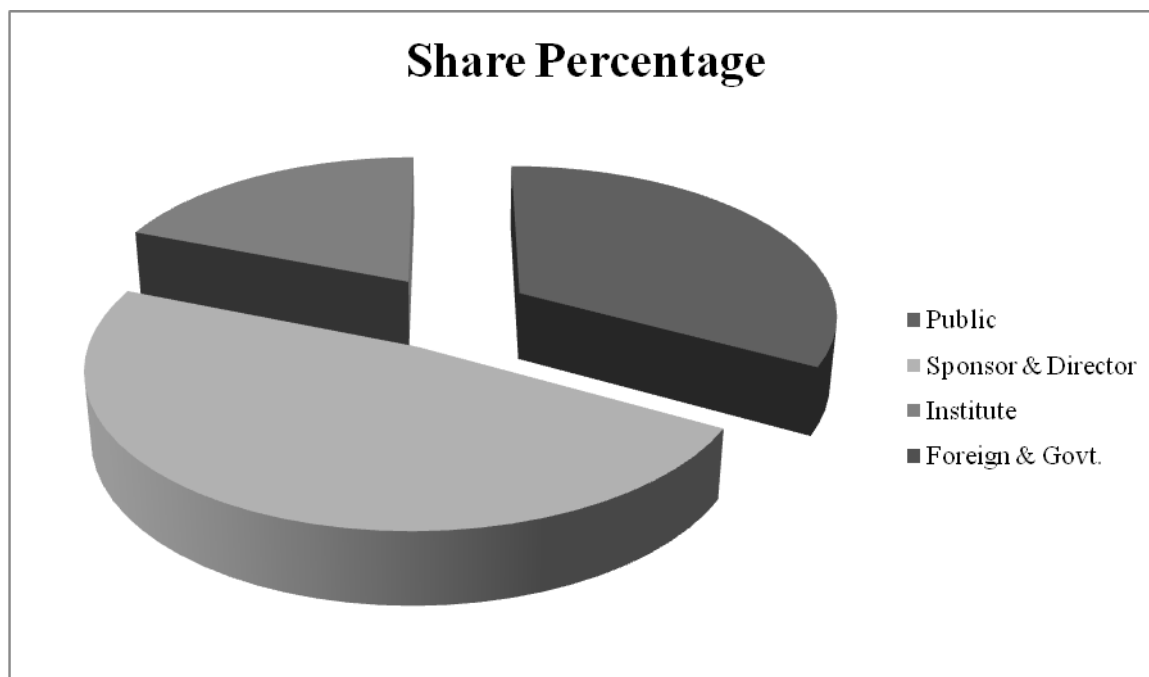
Graph – 02 Leverage Ratio :

### Interpretation:

Leverage ratios indicate to what extent the firm has financed its investment by borrowing. This ratio focuses on firm's financial structure. This graph represents two ratio debt-equity ratio and debt to total asset ratio. Both of the ratio fluctuates from year to year. In 2011 debt-equity ratio was 12.43 it decreased in 2012 from 12.43 to 11.74 that means bank uses less debt than equity. But it again increased 12.72 in 2013 which means that it used more debt to format its capital structure and decreased after that. Debt to total asset ratio also follows the same trend as the debt to equity ratio. Debt to total asset ratio was 0.93 in 2011 and then 0.92 in 2012. It again increased 0.93 in 2013s. After that this ratio decreased.

## Market Analysis :

On 1 July, 2004 EXIM Bank's shares are listed with DSE and CSE. It is traded as "A" category share. From the very beginning it has created a good reputation in the market. It regularly holds AGM and declares dividend also.

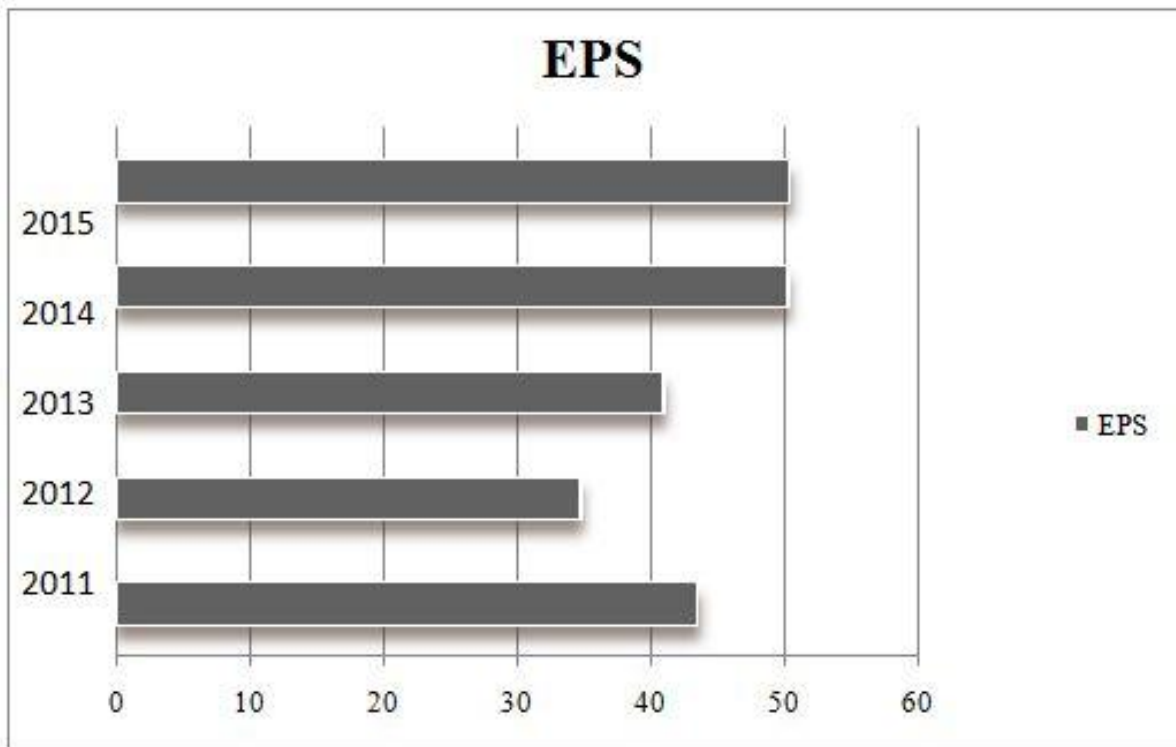


Figure– 04 Share Percentage Ratio :

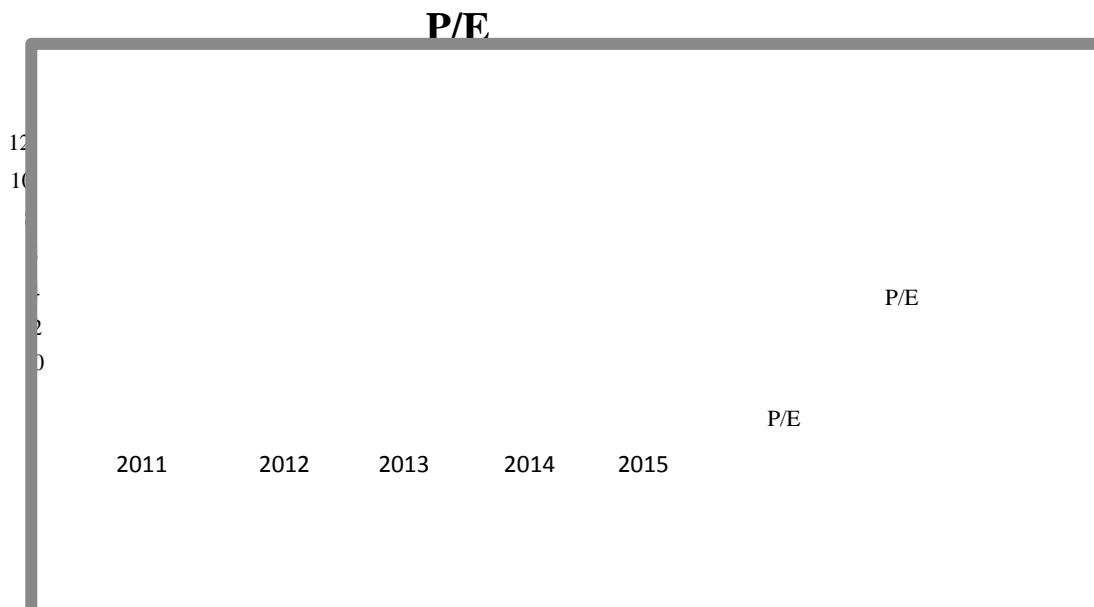
Particular		2011	2012	2013	2014	2015
Dividend (%)	Cash	0	7	0	0	0
	Bonus	25	25	26	35	35
	Right share	1: 2	-	-	-	1:2
	Total	25	32	26	35	35
EPS		43.48	34.76	40.95	50.21	50.35
P/E (times)		7.74	9.02	7.85	7.52	11.34

Source: Annual report of EXIM Bank Ltd.

The Earning Per Share (EPS) was increased from 2011 to 2015 because the share holder's equity of the EXIM Bank increased. It only decreased in the year 2009. So, it can be also said that the capital market position of the EXIM is well & it share price will be increased. And for that reason investors must fell interested to invest in this bank.



Figure– 05 Earning Per share (EPS)



Figure– 05 P/E

P/E Ratio of the bank fluctuated. It increased in 2011 from 7.74 to 9.02 but again it decreased 7.52 in 2012. In the year 2015 P/E ratio was highest which shows a good opportunity of investment.

# **Chapter-4**

## **Foreign Exchange Activities of EXIM Bank**



#### 4.1. Foreign Exchange Department of EXIM Bank:

Foreign exchange department is international department of the bank. It deals with globally and facilitates international trade through its various modes of services. It bridges between importers and exporters. Bangladesh Bank issues license to scheduled banks to deal with foreign exchange. These banks are known as Authorized Dealers (AD) under the Foreign Exchange Regulation Act, 1947. If the branch is AD in foreign exchange market, it can remit foreign exchange from local country to foreign country. This department mainly deals with foreign currency. This is why, this department is called foreign exchange department.

#### 4.2 Functions of Foreign Exchange Department:

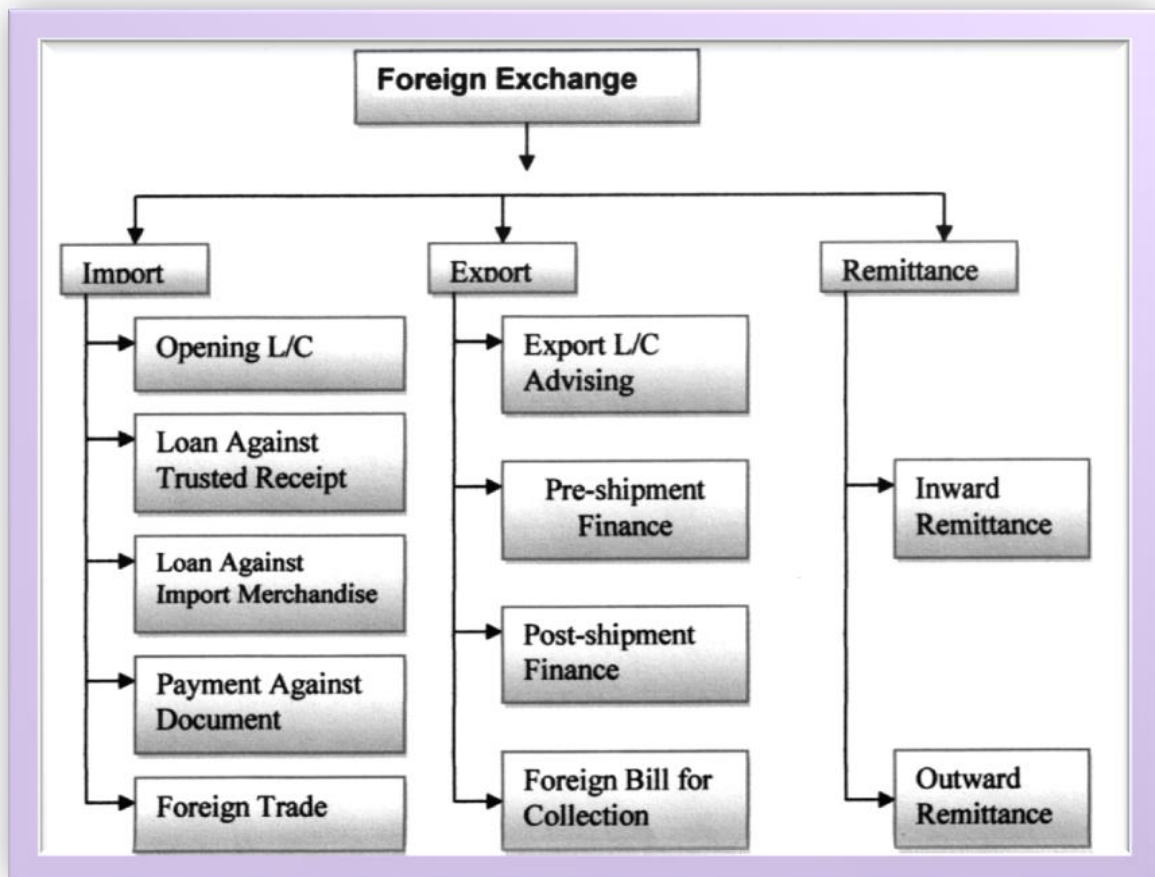


Chart: Function of Foreign Exchange Department

The bank, which is authorized by Bangladesh bank for dealing foreign exchange business on transaction under the FER Act, 1947 is called Authorized Dealership. EXIM, New Eskaton Branch is one of the Authorized Dealership Branch of EXIM Bank Ltd.

In EXIM Bank limited foreign exchange is divided in to three parts according to the major activities:

- Import oriented foreign exchange activities.
- Export oriented foreign exchange activities.
- Foreign Remittance Operation.

### **4.3. Import Section:**

The function of this section is mainly to deal with various components such as:

- Letter of Credit (L/C)
- Payment against Document (PAD)
- Payment against Trust Receipt (PATR)
- Loan against Imported Merchandise (LIM)

There are a number of formalities, which on Importer has to fulfill before import goods. These formalities are explained bellow —

#### **4.3.1 Import Registration Certificate (IRC)**

The first thing one need to carry on a business of import is called Import Registration Certificate. But registration is not required for import goods, which do not involved remittance of foreign exchange like medicine; reading materials etc. can be imported without registration by the users within monetary limit. Documents to be required for Import Registration Certificate are as follows:

- Income Registration Certificate
- Nationality Certificate
- Certificate from Chambers of Commerce and Industry Registered Trade Association
- Bank Solvency Certificate
- Copy of Trade License
- Requisite fees

On receiving application, the respective CCI&E officer will scrutinize the documents and conduct physical verification and issue demand note to the prospective importers to furnish the following papers through their nominated Bank-

- Original copy of treasury deposited as IRC fees.

- Assets certificates.
- Rent receipt.
- Affidavit from 1<sup>st</sup> class magistrate.
- Two passport size photograph.
- Partnership Deed in case of partnership firm.
- Certificate of registration, memorandum and article of association in case of limited company.

After scrutinizing and verifying, the nominated Bank will forward the same to the respective CCI&E office with forwarding schedule in duplicate through Banks representative. CCI&E then issue Import Registration Certificate to the Applicant.

### **4.3.2 Function of Import Section:**

#### **IMP-Form**

- The form IMP contains the followings—
- Name and address of the Authorized dealers.
- Amount of remittance to be permitted (I .e. /C amount)
- LCA form no. Date and value in Taka.
- Description of goods.
- Invoice value in foreign currency, (I .e. 1C amount)
- Country of origin.
- Port of shipment.
- Name of steamer / Airline
- Port of importation.
- Indenter's name and address.
- Indenter's registration number with CCI & E and Bangladesh Bank.
- Full name and address of the applicant.
- Registration number of the applicant with CCI & E.
- Type of LCAF

### **4.3.3 Import Procedure:**

An importer is required to have the followings to import through the bank

- A bank account in the bank
- Trade license
- Import Registration certificate (IRC)
- Tax paying identification number (TIN)
- VAT
- Membership certificate
- LCA

### **The procedures, which follows at the time of Import are as, follow —**

- The importer and exporter have made a contract before opening a L/C The buyer instructs his Bank (the issuing Bank) to issue a L/Ct in favor of the seller / Exporter / Beneficiary.
- The Issuing Bank then send message to another Bank (Advising Bank /Confirming Bank) usually situated in the country of seller, advice or confirms that L/C is issued.
- The Advising / confirming Bank then informs the seller through his Bank that the Credit has been issued.
- As soon as the seller receives the L/C, if the L/C satisfy him then he can reply that, he can meet its terms and conditions, he is in position to load the goods and dispatch them.
  - The seller then sends the documents evidencing the shipment (Bill of Lading/ Railway Receipt/ Airway Bill/ Postal Receipt/ Truck Receipt) to the Bank where the L/C is available (nominated Bank). This can be the issuing Bank or Confirming Bank; Bank named in the L/C as the paying, accepting and Negotiating Bank.
  - The Bank then checks the documents against the L/C. If the documents meet the requirements of the L/C, the Bank then pay, accept or negotiate according to the terms of L/C. The Bank, if other then the issuing bank, sends the documents to the issuing Bank.
  - Issuing bank releases documents to the importer when the later makes payment to the former or against the letter of trust receipt.
  - The buyer sends transport documents to the carrier who will then proceed to deliver the goods.

#### **4.3.3 Import Mechanism:**

To import, a person should be competent to be an importer. According to import and export control act, 1950, the officer of the CCI&E provides the registration (IRC) to the importer. After obtaining this, the person has to secure a letter of credit authorization (LCA) from Bangladesh Bank and then a person becomes a qualified importer. He is the person who requests or instructs the opening bank to open an L/C. he is also called opener or applicant of the credit.

## **Step-1: Proposal for Opening of L/C**

In case of an L/C of a small amount only the prescribed application form i.e. the LCA (Letter of credit application) form is enough to open an L/C. but when the L/C amount is reasonably high, and then the importer is asked to submit a proposal to the bank authority to have a limit of L/C amount. This proposal should be approved in the meeting of the executive committee of the bank. The sufficient features of a proposal are —

- Full particulars of bank account.
- Nature of business.
- Required amount of limit.
- Payment terms and conditions.
- Goods to be imported.
- Offered security.
- Repayment schedule.

A credit officer scrutinizes this application and accordingly prepares a proposal (CLP) and forwards it to the Head office Credit Committee (HOCC). The committee, if satisfied, sanctions the limits and returns back to the branch. Thus the importer is entitled for the limit.

## **Step-2: L/C Application:**

Bangladesh Bank provides a printed form for opening of L/C to the importer. This form is known as credit application form. A special adhesive stamp is affixed on the form. While opening, the stamp is cancelled. Usually the importer expresses his desire to open the L/C quoting the amount of margin percentage. The importer gives the following information –

- Full name and address of the Importer and beneficiary
- Availability of the credit by
- sight/ payment /differed Payment s
- Time bar within which the
- document should be presented
- Sales type (CFR/FOB/C&F)s Brief specification of commodities price and quantity, indent no, etc.
- Country of origin
- Import license/ LCAF No. Account Number
- Import Registration Certificate Number Insurance cover note/Policy number, date, amount.
- Name and address of the insurance Company

- Weather the partial shipment is allowed or not. Weather the Transshipment is allowed or not.
- Last date of shipment.
- Last date of negotiation
- Other terms and condition if any.
- Following documents are attached with the application:
  - Proforma Invoice
  - One set of IMP form
  - Insurance coverage and money receipt
  - Certificate of Origin

### **Step-3: Scrutinization of L/C Application:**

The bank officials scrutinizes the application in the following manners-

- The terms and condition of the L/C must be complied with UCPDC 600 (Uniform Customs & Practice for Documentary Credit) and exchange control & import trade regulation.
- Eligibility of goods to be imported.
- The L/C must not be opened in favoring of the importer.
- Radioactivity report in case of food item.
- Survey reports or certificate in case of machinery.
- Carrying vessel is not of Israel or Serbia- Montenegro.
- Certificate declaring that the item is in operation not more than 5 years in case of car.

On scrutiny, if the application is found fit then the L/C is opened and particulars of the same are recorded in the L/C register. Then the transmission of L/C is done through tested Telex or Fax to advise the L/C to beneficiary. If the amount exceeds Tk.10 lac then bank takes the credit report of the beneficiary to ensure the worthiness of the supplying goods. It is obliged by Bangladesh Bank. EXIM bank use a reputed international agency named as D&B (Dun & Bradstreet) for this purpose. This agency observe the position of both of importer and exporter.

### **Step-4 Preservation of the Documents:**

The seller being satisfied with the terms and conditions of the credit proceeds to dispatch the required goods to the buyer and after that he has to present the documents evidencing dispatching of goods to the negotiating bank or before stipulated expiry date of the credit. After receiving all documents, the negotiating bank, then checks the documents against the credit. If the documents are found in order, the bank will pay, accept or negotiate to bank. The usual documents are —Commercial Invoice, Bill of lading, Shipping advice, Packing list, Certificate of origin, Bill of exchange, bill of transport Pre-shipment inspection report .Shipment certificate.

## **Step-5 Examination Documents:**

Export Import Bank of Bangladesh Limited (EXIM) officials check whether these documents has any discrepancy or not. Here discrepancy means the dissimilarity of any documents with the terms and conditions of L/C. Check lists of find the discrepancy » Whether the presentation date is latter than the date of L/C expire date

- Proforma invoice
- Number of packing list
- Delivery Challan date is greater than the last shipment date
- Export L/C is written in all the document
- Amount is correct
- Whether the shipment is partial check in the L/C Bill of Exchange is dully presented
- In delivery Challan there is counter signature by the proprietor of Importer
- If the L/C is for cotton Yarn, than check whether they have submitted mushok-11 BTMA, certificate of production and country of origin etc.

## **Step-6: Retirement of Shipping Documents:**

**Following formalities are done:**

- Importer will deposit the claim amount
- Banker will prepare and pass retirement vouchers.
- Entry in the register
- Endorsement in the B/E and transport document i.e. B/L AWB, TR etc.

At the end of the total procedure, taking the retirement of Import Bills/Clearing Certificate from the Bank, the importer will clear the goods from the port through the clearing agent and forwarding agent. On the other hand, completing the above all steps in the issuing Bank will prepare "Foreign Exchange Transaction Schedule" and send one copy to international division of Head Office and another one copy to recommendation

### **4.3.4 Payment Procedure of the import Documents:**

This is the most sensitive task of the import department. The officials have to be very much careful while making payment. The task constitute the followings-

- Date of payment- Usually payment is made within seven days after the documents have been received. If the payment is become differed, the negotiating bank may claim interest for making delay.
- Preparing sale memo- a sale memo is made at B.C rate to the customer. As the TT & O.D rate is paid to the ID, the difference between these two rates is exchange trading. Finally an inter branch exchange trading credit advice is sent to ID.

- Requisition for foreign currency- for arranging necessary fund for payment requisition is sent to the ID.
- Transmission of telex- a telex is transmitted to the correspondent bank ensuring the payment is being made.

#### **4.3.5 Loan against Imported Merchandise (LIM):**

If the importer does not come to negotiate the shipping documents from the issuing bank then it creates LIM through the bank clears the goods from the port and holds the goods in its warehouse beside the above as soon as the imported goods come to the port the party may fall into financial crisis and request the bank to clear the goods from the port making payment to the exporter, in this case the party later may take the goods partly or fully from the banks by making required payment (if he/she takes the goods time to time payment will be adjusted simultaneously).

#### **4.4. Export Section:**

Export Trade plays a vital role in the development process of an Economy. With the Export earning, we meet our Import Bills. The export trade of the country is regulated by the Import and Export (Control) Act, 1950. There are some formalities, which an exporter has to fulfill before and after shipment of goods. No exporter is allowed to export any commodity from Bangladesh unless he/she is registered with Chief Controller of Export & Import (**CCI&E**) and holds valid Export Registration Certificate (ERC). The ERC is required to be renewed every year and this task is generally done by the bank. As per instruction by Bangladesh Bank, the bank has to report respective department of Bangladesh bank by mentioning latest payment.

#### **Export Registration Certificate (ERC):**

Similar to any other business, exporters are required to obtain ERC from the offices of the Chief Controller of Import and Export (CCI&E). No person is allowed to export any goods from Bangladesh without obtaining such ERC. For Registration, prospective Exporters required to submit the following documents — Application Form, Fees paid treasury Challan, Asset certificate, Income Tax Clearance, Valid Trade License, Nationality Certificate, Bank's Solvency Certificate, Registered Partnership Deed, Memorandum & Articles of Association and Incorporation Certificate, Copy of rent receipt of the business firm. On receipt of the above documents to the office of CCI&E, the applicant is required to deposit required registration fee to the treasury office and receipted Challan should be sent to CCI&E office for enabling there to issue ERC.



#### **4.4.1 Function of Export Section: The Export (EXP) Form:**

Foreign Exchange Regulation (HER) Act- 1947 prohibit export of any goods directly or indirectly to any place outside Bangladesh unless the exporter furnish a declaration to the effect that the export value of goods has been or will be repatriated into the country within a period time specified by the Bangladesh Bank. So, repatriation of export proceeds is mandatory for all exported goods or services. Accordingly, before shipment of goods an exporter must declare on Export form (Exp) prescribed by Bangladesh Bank and issued by the Authorized Dealer (Exporters Bank). The EXP forms are numbered serially and issued in quadruplicate. For delay in repatriation of export proceeds or non-realization of export proceeds, the exporters render themselves for action under Foreign Exchange Regulation Act 1947. Authorized Dealers (AD) and their officials who certify the export forms also render themselves of such action by the Central bank.

#### **Followings are Need to be examined:**

##### **L/C Terms:**

Each and every clause in the L/C must be complied with meticulously and ensure the Following :

- Documents are not stale
- Documents are negotiated within the L/C validity. If credit expires on a recognized bank holiday its life is automatically valid onto the next working day. This is to be stipulated on the documentary schedule.
- Documents value does not exceed the L/C value.

##### **Draft:**

Draft is to be examined as under:

- Draft must be dated
- It must be made out in the name of the beneficiary bank to be endorsed to the order of the bank.
- Bank must verify the signature of the drawer 4- Amount must be tallied with the invoice amount
- It must be marked as drawn under L/C No, date, issued by, bank.

##### **Invoice**

It is to be scrutinized to ensure the followings :

- Invoice is addressed to the importer
- Full description of merchandise as per L/C
- Price, quantity, quality must be as per L/C terms
- Must be language in the language of L/C

- No other charges are permissible in the invoice beyond the stipulation on the L/C
- The amount of draft and invoice must be same and within the L/C value
- Required number of invoice must be submitted
- Shipping mark and number of packing list must be identical
- Invoice value must not be less than the value of declared in EXP form.
- Must be correct on the basis of price, quantity as appear L/C

#### **4.4.2 Export Procedure:**

A person eager to export should make application to obtain ERC from CCI&E office. Then the person should take step for export purpose into the bank for obtaining EXP form. He must submit following documents:

- Trade license
- Export Registration Certificate (ERC)
- Certificate from concerned Government Organization

After satisfaction on the documents the banker will issue EXP form to the exporter. Now exporter will be getting shipping and other documents from the shipment procedure. Exporter should submit all these documents along with letter of indemnity to his bank for negotiation.

#### **Negotiation:**

At the time of negotiation the checklist or required documents are as follows –

- Commercial Invoice 8 copies (4 original)
- Custom Invoice of Importer's Country
- Packing List 8 copies (4 original)
- Original Certificate of Origin
- Inspection Certificate by the Agent of Importer
- Acknowledgement Letter
- Freightful Letter etc.

All the documents are found strictly as per terms and conditions of L/C i.e. if the documents are free from discrepancies or if the discrepancies are covered by Indemnity of the party, bank has to negotiate the Export Bill for negotiation of cash export bills, the O.D buying rate prevailing on the date of negotiation is applied conversion of the foreign currency into Bangladesh currency. All transactions are reported through F.E.T sent daily to the international division Head Office, Dhaka. On receipt of the F.E.T the head office credits the FBNA Account by debit the balance with foreign Banks abroad Account after the process of the bill is realized. After negotiation of the export bills, the documents are to be sent abroad (normally to the L/C Issuing Bank) as per the instructions of L/C & claim reimbursement of the proceeds from the bank as mentioned in the L/C.

## **Risk in Negotiation:**

If the Bank failed to indemnify any discrepancy in documents prepared by the Exporter and if bank paid the demanded amount, bank will face huge loss. At that time, the Negotiating Bank personally try to contact with party and if they agree to deliver the required documents then the bank may get rid out from huge loss otherwise not. So, Banker-Customer relationship is very important in this regard. Bank need to be very careful at the time of negotiation.

## **Banks Profit through Negotiation**

A question can arise that if the risks involved there, why banks will go for Negotiation. Because –

- At first, through negotiation bank will earn a certain commission from the party without involving any fund.
- Bank will earn US\$ from reimbursing bank from the foreign and bank is also
- Earning commission from that.
- If the payment make overdue, on that time branch of the concerned bank will earn interest from that amount.

### **4.4.3 Back To Back L/C (BTB L/C):**

There are four types of Back To Back L/C. These are:

#### **Back To Back L/C Foreign (Sight 051):**

It is a secondary letter of credit opened by the advising bank in favor of a foreign supplier on behalf of the beneficiary original foreign L/C. The second L/C is opened on the strength of the original L/C for a smaller amount; it is not widely used as the payment method is "At Sight".

#### **Back To Back L/C Foreign (Deferred 04):**

Here B-To-B L/C is opened in a foreign country supplier where payment method is "at deferred", it is used widely.

#### **Back L/C Local (Deferred 061):**

When the Back-to-Back L/C is opened for local purchase of materials, it is called Back-to-Back L/C (Local). Payment method is "At deferred".

#### **Back To Back L/C EPZ (Deferred 12):**

When the Back-to-Back L/C is opened for purchasing of materials within the EPZ's of our country then it is used. Here payment method is "at deferred".

### **Procedures for Back To Back L/C:**

- Exporter should make application for Back to Back L/C
- Export L/C or Master L/C under is lien
- Opening of Back to Back L/C
- Terms and conditions for Back to Back L/C
- That the customer has credit line facility
- That L/C is issued as per UCPDC 500
- That on the Export L/C a negotiating clause is present
- That there is no provision for blank endorsement of B/L
- That payment clause is thereon the L/C issuing bank ensuring payment

### **Consideration for Back To Back L/C:**

- Whether client can manufacture within time period
- The unit price of the finished pro-forma invoice should be considering while allowing margin
- Consider the expiry date and shipment date
- Onsite inspection whether manufacturing is carried out

### **Payment under Back To Back L/C**

Deferred payment is made in case of BTB L/C as 60, 90,120, 180 date of maturity period. Payments will be given after realizing export proceeds from the L/C issuing bank from the abroad.

### **4.4.4 Documentation for Export Purpose:**

Following major documents are required for export purpose —

- Commercial invoice
- Certificate of Origin
- Bill of lading
- Quality Control Certificate
- EXP. Form
- Weight List
- Bill of Exchange
- Inspection Certificate
- L/C copy
- Other (if required)
- Packing List

There are two types of procedures regarding collection of Export Bill

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

#### **4.4.4.1 Foreign Documentary Bill for Collection (FPBC):**

Exporter can collect the bill through negotiating bank on the basis of collection. Exporter in this case, will submit all the documents to the negotiating bank for collection of bill from importer. The exporter will get money only when the issuing bank gives payment.

In this connection bank will scrutinize all the documents as per terms and conditions mentioned in L/C.

#### **4.4.4.2 Foreign Documentary Bill for Purchase (FDBP):**

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

#### **Local Document Bill for Purchase (LDBP):**

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

- Documents given with L/C.
- Scrutinizing documents as per L/C terms and conditions.
- Forward the documents to L/C opening bank.
- L/C issuing bank give acceptance and forward acceptance letter.
- Payment given to the party by collection basis or by purchasing documents. Secure Over-Draft (SOD) Export:

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

#### **Packing Credit (PC):**

It is one kind of credit sanctioned by the export department to meet the exported goods shipment timely. Packing credit is granted to pay salary, wage& other related factory expenses of processing the imported products. The bank will give the facility after deduction of back-to-back.

## 4.5 Foreign Remittance:

Fund transfer from one country to another country goes through a process which is known as remitting process. Suppose a local bank has 200 domestic branches and has the corresponding relationship with a foreign bank say-"X", maintaining "Nostro Account" in US\$ with the bank. Bangladeshi expatriates are sending foreign remittance to their local beneficiary, through that account. Now, when the Bangladeshi expatriates through other banks of different countries remit the fund to their Nostro Account" with "X", then the local bank's Head office Foreign Exchange division will receive telex message and the remittance section will record the advice and generate the advice letter to the respective branch of the bank. The branch will first decode the test, verify signature and check the account number and name of the beneficiary. After full satisfaction, the branch transfers the amount to the account of the beneficiary and intimates the beneficiary accordingly. But sometimes complexity arises, if the respective local bank has no branch where the beneficiary maintains his account. Then the local bank has to take help of a third bank who has branch there.

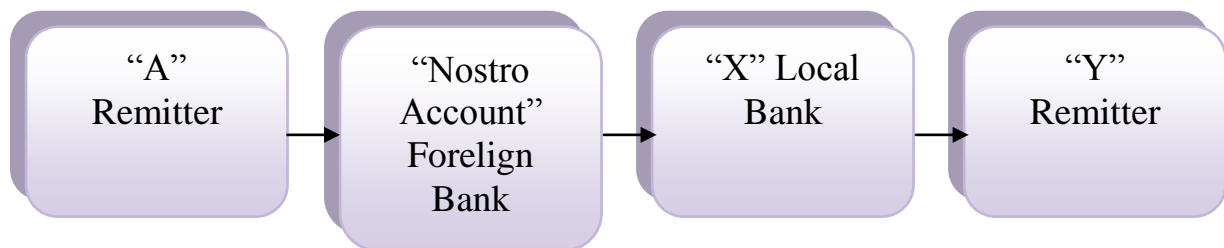


Chart: Flowchart of Remitting Process

Export Import Bank of Bangladesh Limited (EXIM) Bank is the Authorized Dealer (AD) to deal in foreign exchange business, as an authorized dealer, bank must provide some services to the clients regarding foreign exchange and this department provides the service of remitting foreign currencies from one country to another country. In the process of providing this remittance service it sells and buys foreign currency, the conversation of one currency into another takes place at an agreed rate of exchange , which than Banker quote one for buying and another for selling. EXIM Bank maintains total number of 31 Nostro accounts with various banks in USA, U.K., Hong Kong, Germany, Japan, Canada, Switzerland, India, Pakistan, Sri Lanka, Nepal, Bhutan, and Saudi Arabia.

### 4.5.1. Foreign Currency Remitting Procedures:

There are two types of remittance

#### 1. Inward Remittance:

Inward remittance covers purchase of foreign currency in the form of foreign Telegraphic Transfer (T.T), Demand Draft (DD) and Bills & Travelers Cheque, Export Bill etc. sent from abroad favoring a beneficiary in Bangladesh, purchase of foreign exchange is to be reported to *Exchange Control Department* of Bangladesh Bank on from - letter of Credit (L/C). Basically, these are the formal channels of receiving inward remittance. A local bank also receives indenting commission of local firm also comes

Under Preview of inward remittance.

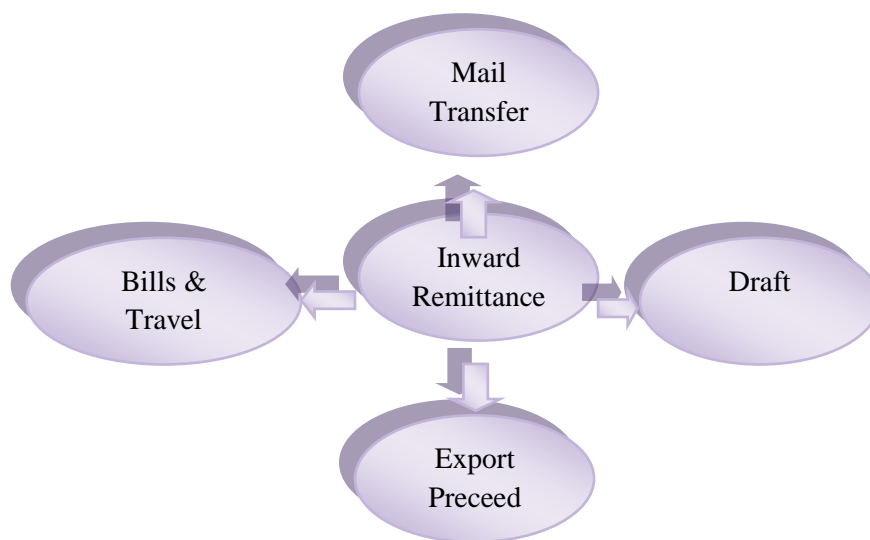


Figure -6 Model of Inward Remittance

#### 2. Outward Remittance:

Outward remittance covers sales of foreign Currency by Authorized Dealer (AD) or Formal Channel through issuing foreign Telegraphic Transfer (T.T), Demand Drafts (D.D), Traveler's Cheque etc. as well as sell of foreign exchange under L/C and against Import Bills retired. The Authorized Dealers have to demonstrate utmost caution to ensure that foreign currencies remitted or released by them are used only for the purposes for which they are released. Most outward remittance is approved by the authorized dealer on behalf of Bangladesh Bank.

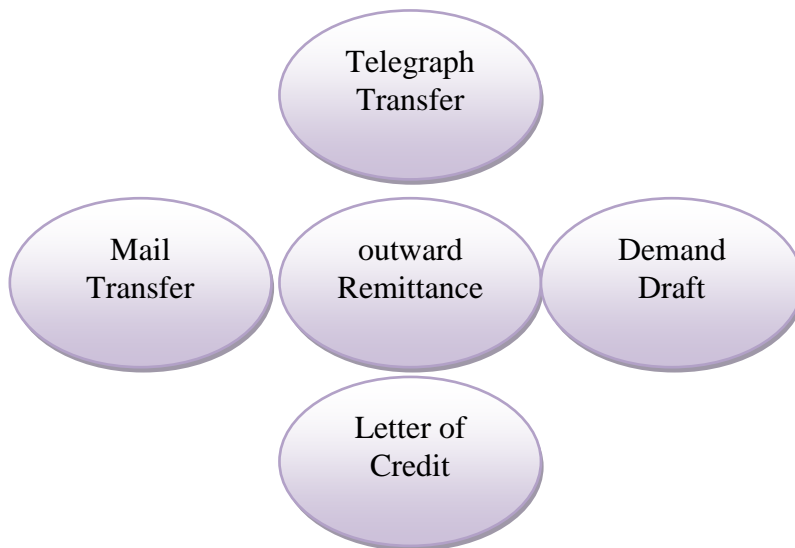
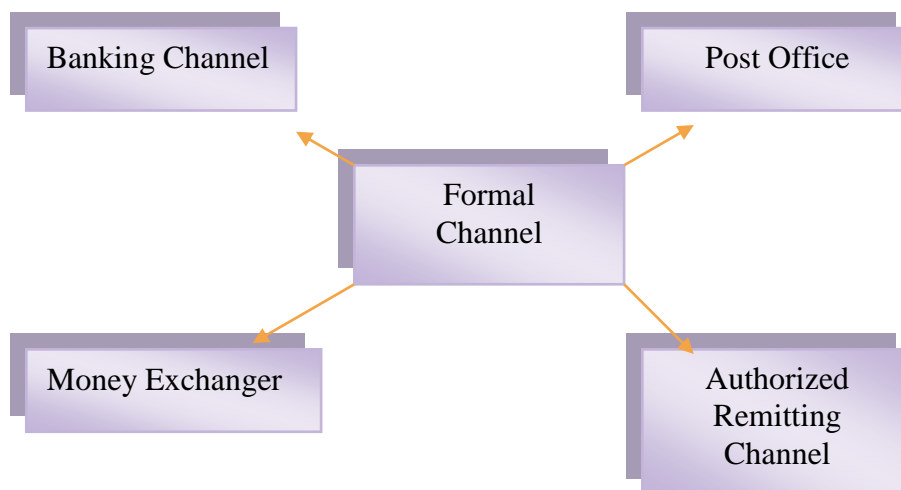


Figure -7 Model of Outward remittance

**4.5.2 Foreign Remittance can be transferred in two ways:**

**1. Formal Channel**

Fund transfer from one country to another country through official channels, i.e. banking channel, post office and other private service channels, such as - Western Union Money Transfer, Neno Money Order, Money Exchanger etc.



**Chart :Forms of Formal Channel**



## 2. Informal Channel

Fund transfer from one country to another country through hand by hand or over telephone in an unofficial channel like - "**Hundi**". Experts state that remittance collected by informal "Hundi" rings are used to finance illegal trade and transaction. Terrorist financing is also made by this sort of channel

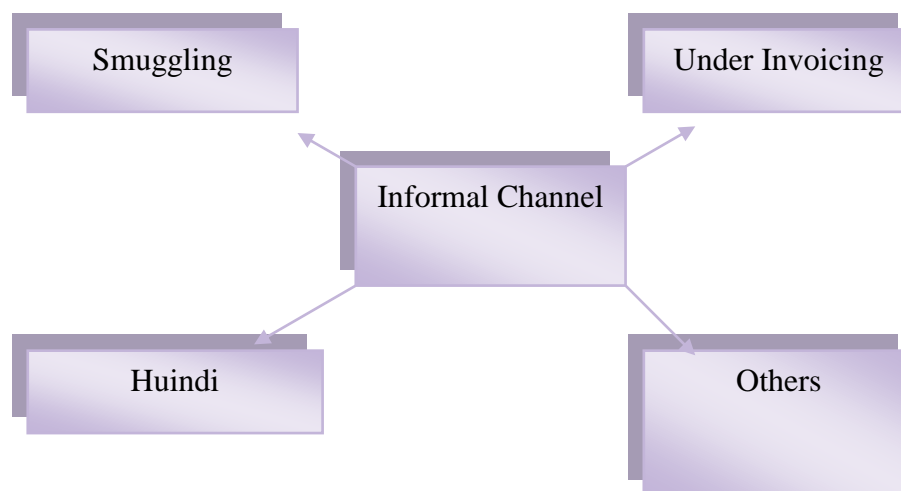


Figure-8 Informal Transaction Channel

### 4.6. Income of the Bank in Foreign Exchange Sector:

- Commission on opening a BTB L/C which is determined on the basis of "Bills for Collection" selling rate,
- 0.45% commission on the deferred L/C for 120 days & .30% commission on the deferred L/C for 90 days if the applicant bank accepts the bill for payment (ABP) in respect of its applicant.
- Tk.500 for shipping guarantee to the customs department of the port if the applicant wants to discharge the imported products before receiving the documents related to export. The bank acts as a guarantor taking all responsibilities related to payments.
- 7-10% interest rate on packing credit.

# **Chapter-5**

## **Analysis of Foreign Exchange Performance of EXIM Bank**

## 5.1 Foreign Exchange Performance Analysis of EXIM Bank Ltd.

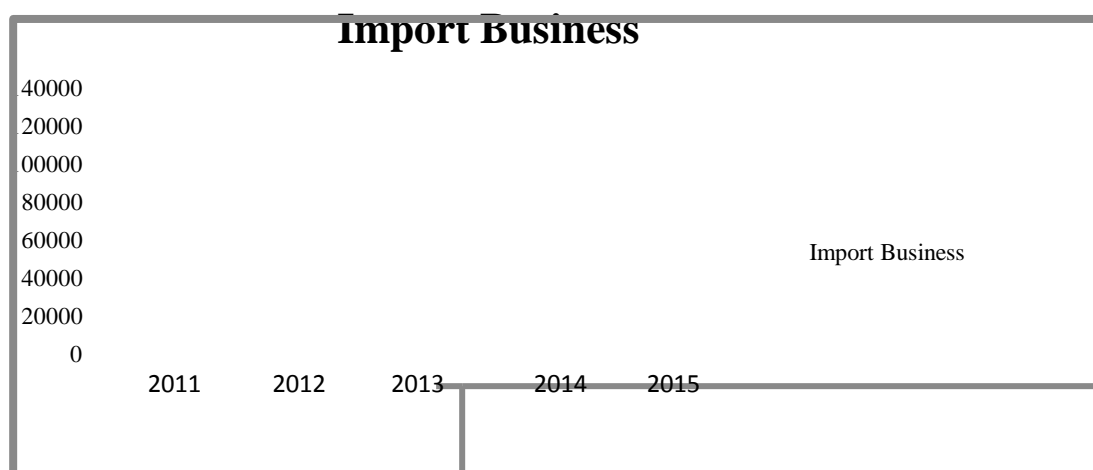
The Foreign market behaves differently from other markets. The speed, volatility and enormous size of the foreign market are unlike anything else in the financial world. For effective and efficient management of foreign exchange risk, the bank has a well developed and well structured Foreign Exchange Risk Manual and an international standard Dealing Room Manual. They have also developed Risk Management Unit (RMU) within the guideline of Central Bank and follow all kinds of guidelines which Central Bank advise them from time to time in order to mitigate risk.

### Import Business Analysis:

Year	Import Business (Amount in million TK)	Growth rate
2011	49596.7	19.71%
2012	61399.4	23.80%
2013	78540.49	27.92%
2014	83911.51	6.84%
2015	129570.73	54.41%

Source: Appendix (Table: 2)

The Bank opened a total number of 39,855 LCs amounting BDT 129.57 billion (equivalent USD 1.85 billion) in import trade in the year 2015 which is 54.41% higher than previous year. The main items of import were industrial raw materials, consumer goods, and accessories etc. The graph of the growth of import over the last five year is given below.



Graph: Import business of EXIM Bank

After observing the figure drawn above, it can be said that, during the time period between the years 2011 to 2015; the Import Business of the EXIM Bank was increasing which is a good sign, but only in the year of 2015 the growth is 6.84% which is comparatively low than

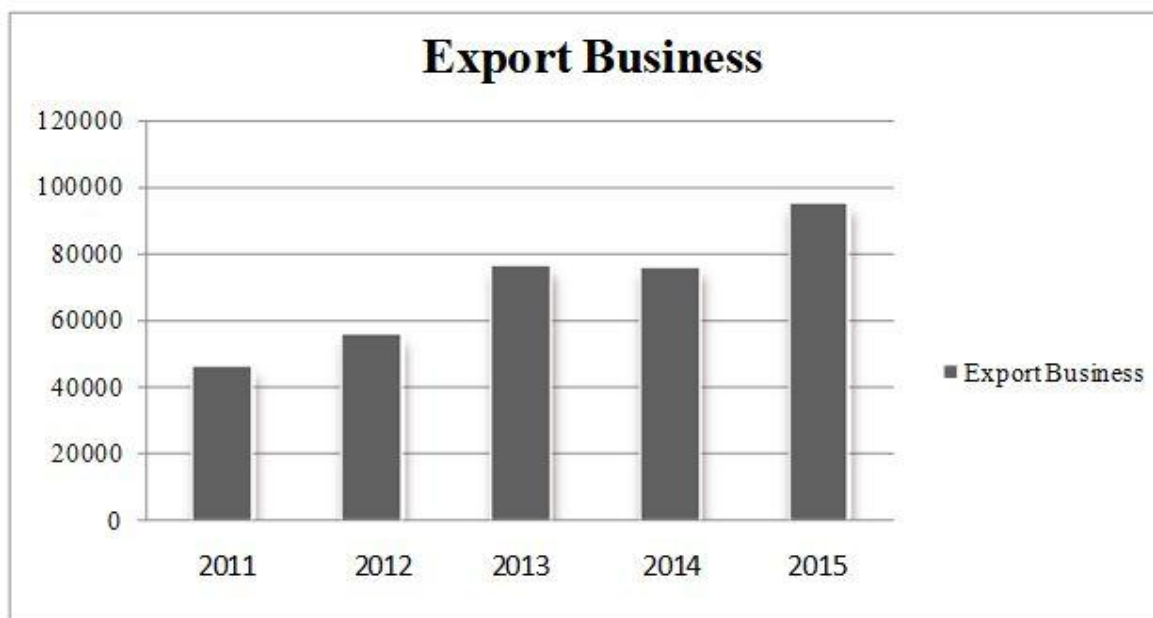
other years. And the average growth rate of the last 5 years is 26.53%. We hope that the EXIM Bank can maintain their Import business in near future.

### Export Business Analysis:

Year	Export Business in million)	Growth rate (Amount
2011	46234.6	47.79%
2012	55790.4	20.67%
2013	76465.6	37.06%
2014	76240.8	-0.29%
2015	95359.5	25.05%

Source: Appendix (Table: 3)

The Bank has been nursing the export finance with special emphasis since its inception. In 2015 it handled 37,096 number of export documents valuing BDT 95.36 billion (equivalent USD 1.37 billion) which is 25.08% higher than previous year. The main export item were items were Jute, Jute goods, readymade garments, leather and leather goods etc.



Graph: Export business of EXIM Bank

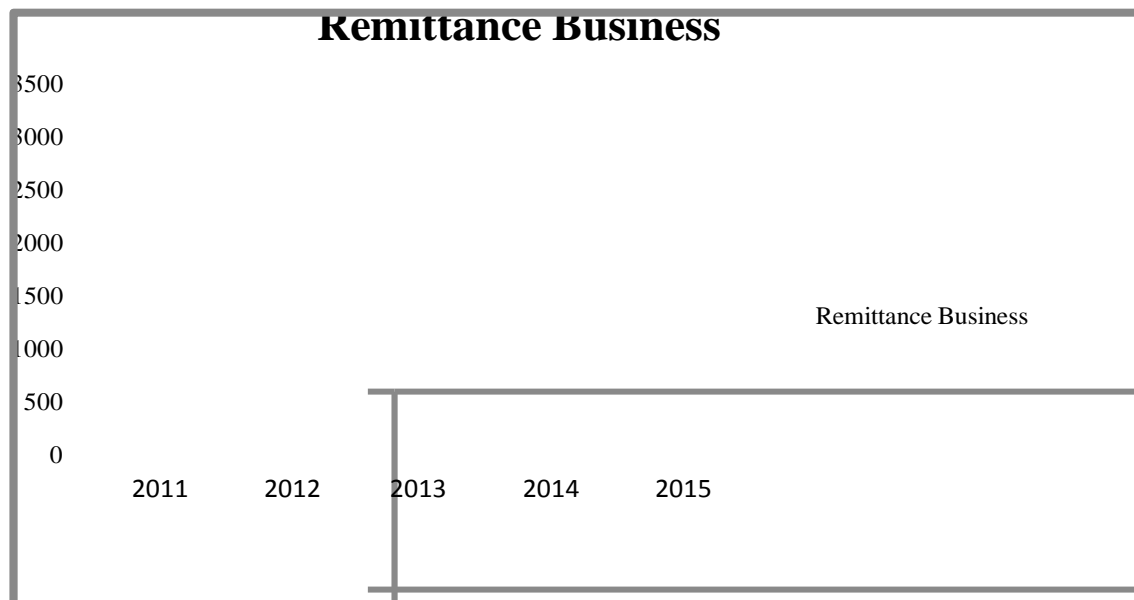
After observing the graph drawn above, It can be said that during the time period between the years 2011 to 2015; the Export Business of the EXIM Bank was increasing. Only in the year 2014 it declines but it again increased from the next year. The growth is on average 26.06% which is a good sign. So, in future EXIM Bank can maintain their Export business.

### Remittance Business Analysis:

Year	Remittance Business (Amount in million)	Growth rate
2011	343.8	54.17%
2012	710.3	106.6%
2013	1428.5	101.11%
2014	2452.3	71.67%
2015	3036.4	23.82%

Source- Appendix (Table: 4)

It can be said that during the time period between the years 2011 to 2015; the Remittance Business of the EXIM Bank was increasing. Bank Grasped BDT 3,04 billion as wage earners remittance in the last year. It was BDT 2.45 billion in 2014 which means the growth rate in 2015 is 23.82% which is the lowest growth rate compared with the other years. The growth is on average 71.47% which is a good sign. So, in future EXIM Bank can maintain their remittance business.



Graph: Remittance Business of EXIM Bank

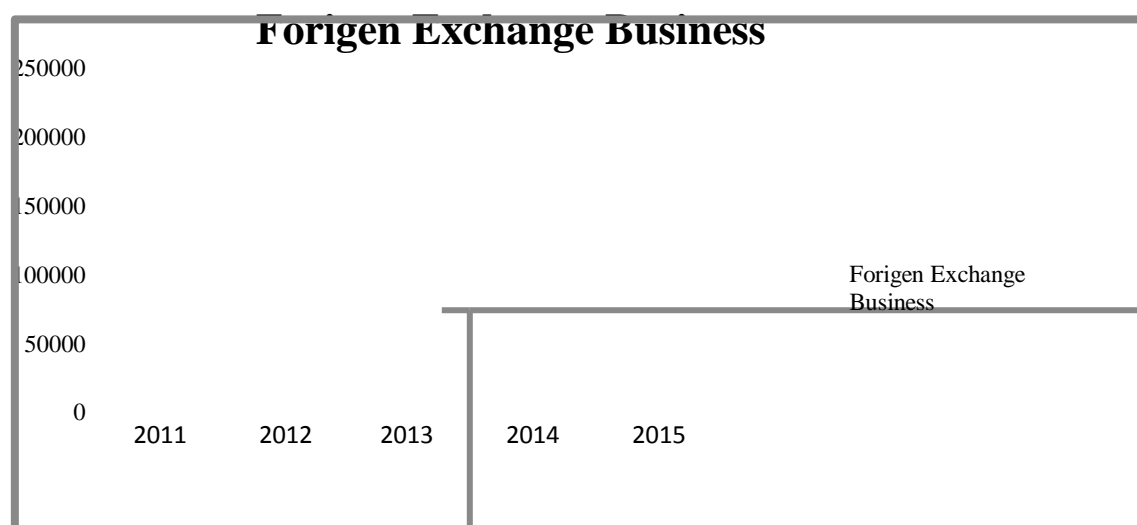
## Overall Foreign Exchange Business Growth Analysis

Here the highlights of the last five years foreign exchange business performance is given below:

Particulars	2011	2012	2013	2014	2015
Import Business	49596.70	61399.40	78540.49	83911.51	129570.73
<b>Growth</b>	19.71%	23.80%	27.92%	6.84%	54.41%
Export Business	46234.60	55790.42	76465.62	76240.77	95359.45
<b>Growth</b>	47.79%	20.67%	37.06%	-0.29%	25.08%
Remittance	343.80	710.32	1428.46	2452.33	3036.42
<b>Growth</b>	54.17%	106.6%	101.11%	71.67%	23.82%
<b>Total Foreign Exchange Business</b>	96175.10	117900.14	156434.57	162604.61	227966.60
<b>Growth</b>	31.86%	22.59%	32.68%	3.94%	40.20%

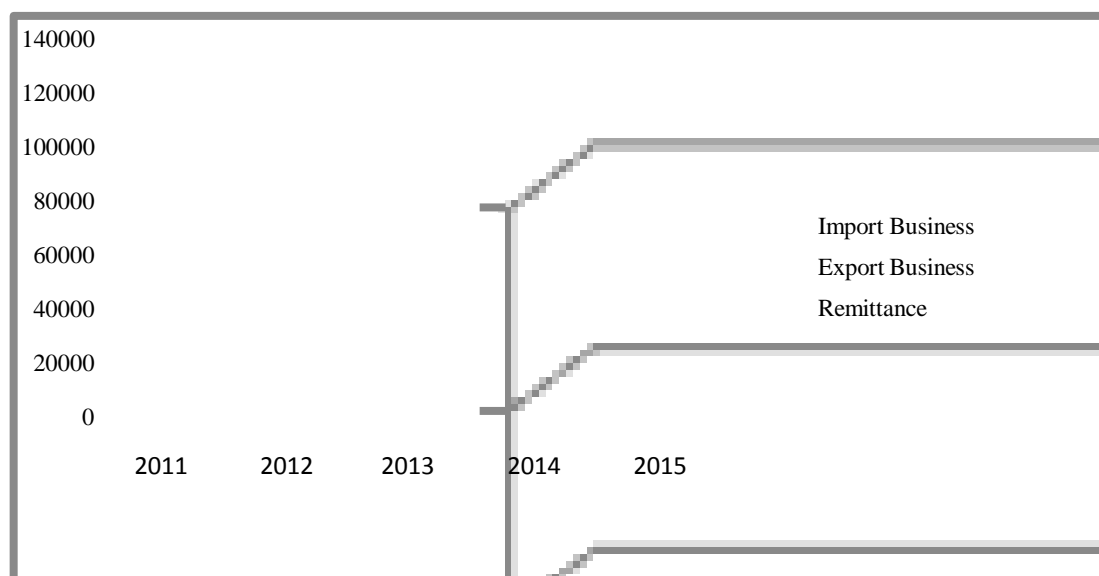
Source: Appendix (Table: 5)

Export Import Bank of Bangladesh Limited is doing good job in foreign exchange businesses over the years. From the above table we can see, from the year 2011 to 2015 this bank has enjoyed increasing growth in foreign exchange business by providing good services to its customers. In the year 2012 growth is largely slowed down but in 2013, it achieved sharp growth in foreign exchange businesses.



Graph: Foreign Exchange business of EXIM Bank

## 5.1.2 Comparison among Import Business, Export Business and Remittance of EXIM Bank:



Graph: Foreign Exchange Business of EXIM Bank

EXIM Bank Limited displayed more or less consistent growth in Import businesses last five year. Import business has contributed the lion share in total foreign exchange business. Then the export business is in the second position. Contribution by remittance business is least than other businesses. Overall, it can be said that, EXIM Bank has more business opportunity in future period and it can expand its foreign exchange business in a highly competitive banking industry. So, we can say, EXIM Bank is achieving stunning growth in Foreign Exchange Business services.

## 5.1.3 Stability Analysis of Import and Export Business:

Amount in million

Year	Import Business	Export Business
2006	16558	11335.3
2007	13153	10088.3
2008	1926	15124.6
2009	26781	22418.4
2010	41432	31285
2011	49596.7	46234.6
2012	61399.4	55790.4
2013	78540.49	76465.6
2014	83911.51	76240.8
2015	129570.73	95359.5

Average	50286.88	44034.25
SD	37182.0428	29246.349
CV	73.94%	66.42%

Source: Appendix (Table: 6)

### Interpretation:

Stability in foreign exchange business is influenced by several international and domestic factors. Factors that influenced in foreign exchange businesses are — exchange rate, bargaining power of exporter and importer, country's political disturbance, competitiveness of banking sector and other macro economic factors. For measuring stability of export and import business of EXIM Bank, I have calculated Standard deviation (SD) and Coefficient of variation (CV) which is relative measures of risks. Here we see, standard deviation in import business of EXIM Bank is Tk.37182.0428 million and Coefficient of Variation is 73.94%. On the other hand export business's standard deviation is Tk. 29246.349 with CV of 66.42%. Standard deviation and Coefficient of variation of import is greater than that of export, which clearly suggest that export business of the Export Import bank of Bangladesh limited is more stable than the business of import.

### 5.1.4 Forecasting of Export, Import & Remittance

By using average growth rate I have forecasted the future export, Import & remittance which are given bellow:

EXIM's Business	2010	Average Growth Rate	Projected Years				
			2011	2012	2013	2014	2015
Import	129570.73	26.53 %	163945.84	207440.68	262474.69	332109.22	420217.80
Export	95359.5	26.06 %	120210.19	151536.96	191027.49	240809.26	303564.15
Remittance	3036.42	71.47 %	5206.55	8927.67	15308.28	26249.10	45009.33

Export, import & remittance earning is not directly related with any micro economic variable rather it is dependent on macroeconomic conditions, that means if economical condition in host countries are favorable, then foreign trade will be increased. But for simplicity and in need of forecasting I consider average growth rate of last five years (2011 -2015).

### 5.2 Performance of EXIM Bank, New Eskaton Branch:

I have worked as an intern at New Eskaton branch of EXIM Bank Ltd. This branch has also foreign exchange division. Here I have done the performance analysis of foreign exchange business of this New Eskaton branch.



### **Year wise Performance Analysis:**

I have worked as an intern at New Eskaton branch of EXIM Bank Ltd. This branch has also foreign exchange division. Here I have shown the contribution in foreign exchange business by this New Eskaton branch.

<b>Particulars</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Import	3481.5	4902.9	3076.2	4497..3	6245.5
Export	Nil	Nil	Nil	Nil	Nil

Source: Financial Statement of EXIM Bank

This table shows that the contribution by New Eskaton Branch is only import and it is increasing day by day. There is no export L/C in New Eskaton branch. Only in the year of 2008, import business decreased but from the next year it began to increase again. So the management should give concern on this issue to maintain a constant and improving situation.

# **Chapter-6**

## **Comparative Analysis**

## 6.1 SWOT Analysis of EXIM Bank:



Figure : 9 SWOT Analysis

## 6.2 Strength

### 6.2.1 Specialized Knowledge:

This bank has the special knowledge of export import trade financing. Number of foreign correspondence is increase over the year. So it is providing expertise services to its clients.

### 6.2.2 Young Enthusiastic Workforce:

The selection and recruitment of EXIM bank emphasizes on having the skilled graduates and postgraduates who have little or no previous work experience. The logic behind is that EXIM bank wants to avoid the problem of 'garbage in and garbage out'. This type young and fresh workforce stimulates the whole working environment of EXIM bank.

### 6.2.3 Empowered Work Force:

The human resource of EXIM bank is extremely well thought and perfectly managed. As from the very first, the top management believed in empowered employees, where they refused to put their finger in every part of the pie. This empowered environment makes EXIM bank a better place for the employees. The employees are not suffocated with authority but are able to grow as the organization matures.

### 6.2.4 CSR Activities:

There is a social commitment of this bank "this bank always wants to make a substantive contribution to the society where they operate their business activities, to the extent of their separable resources".

## **6.3 Weaknesses.**

### **6.3.1 Absence of strong marketing activities:**

EXIM bank currently don't have any strong marketing activities through mass media e.g. Television. TV ads play a vital role in awareness building. EXIM bank has no such TV ad campaign.

### **6.3.2 Lack of Financial Product:**

The bank falls far behind when the innovative and new schemes are considered. It has not been involved in the tug of war between the competitors to the accounts and strengthens the existing customer base. This stands out to be the major incompetence and weakness of the banks.

## **6.4 Opportunities**

### **6.4.1 Countrywide network:**

The ultimate goal of EXIM bank is to expand its operations to whole Bangladesh and outside of Bangladesh. Nurturing this type of vision and mission and to act as required, will not only increase EXIM bank profitability but also will secure its existence in the long run.

### **6.4.2 Credit Cards:**

This is one of the most popular and emerging products in Bangladesh, which offers customers total financial mobility. Various other banks and institutions are currently offering this product. EXIM bank has introduced its own international Islamic Visa card. In future they have the opportunity to introduce other cards and facility.

### **6.4.3 Electronic Banking:**

The world today has become a global village because of advancement in the technologies, especially in communication sector. More emphasis is now given to avail the modern technologies to better the performances. EXIM Bank has utilized the electronic banking opportunity to ensure on line banking 24 hours a day. This would give a competitive edge over others.

### **6.4.4 Micro Financing:**

Because of the need for micro financing in the market, there are lot of opportunities in this regard. Other banks have already initiated, now the time has arrived when the EXIM Bank must realize it and take on step to cater an ongoing demand.

## **6.5 Threats**

### **6.5.1 Upcoming Banks:**

The upcoming private local and multinational banks posses a serious threat to the existing banking networks of EXIM bank. It is expected that in the next few years more commercial

banks will emerge. If that happens the intensity of competition will rise further and banks will have to develop strategies to compete against and win the battle of banks.

#### **6.5.2 Moderate Levels of Customer Satisfaction:**

EXIM bank should continuously improve its customer service strategies and the overall service quality needs to win the customer satisfaction undoubtedly.

#### **6.5.3 Customers Complaints:**

There exists no regular and specific system of the removal of customer complaints. Now a day a need for total customer satisfaction is emerging and in their demanding consequences customer's complaints are ignored.

#### **6.5.4 Job Diversification:**

There are a number of personnel especially entry-level management who are not dedicated for the bank. They are always looking their job diversification and quite from this bank which is harmful for the bank interest.

### **6.6 Comparative analysis with other Shariah based banks in Bangladesh**

Bangladesh is one of the largest Muslim countries in the world. The people of this country are deeply committed to Islamic way of life as enshrined in the Holy Qur'an and the Sunnah. Naturally, it remains a deep cry in their hearts to fashion and design their economic lives in accordance with the precepts of Islam. The growth in the banking industry of Bangladesh has led to an increase in the number of banks both domestic and international to be established and create a competitive industry. For EXIM Bank its competitors come in the form of both domestic and international commercial banks established in Bangladesh. However EXIM Bank feels that its major competitors are other shariah based banks.

**Islami Bank Bangladesh Ltd** has been established in Bangladesh for a long period of time and has introduced a number of first class services also competing in the services industry as a leader. It has also introduced a wide variety of services and with its large number of account holders and gain most of the market share in Bangladesh.

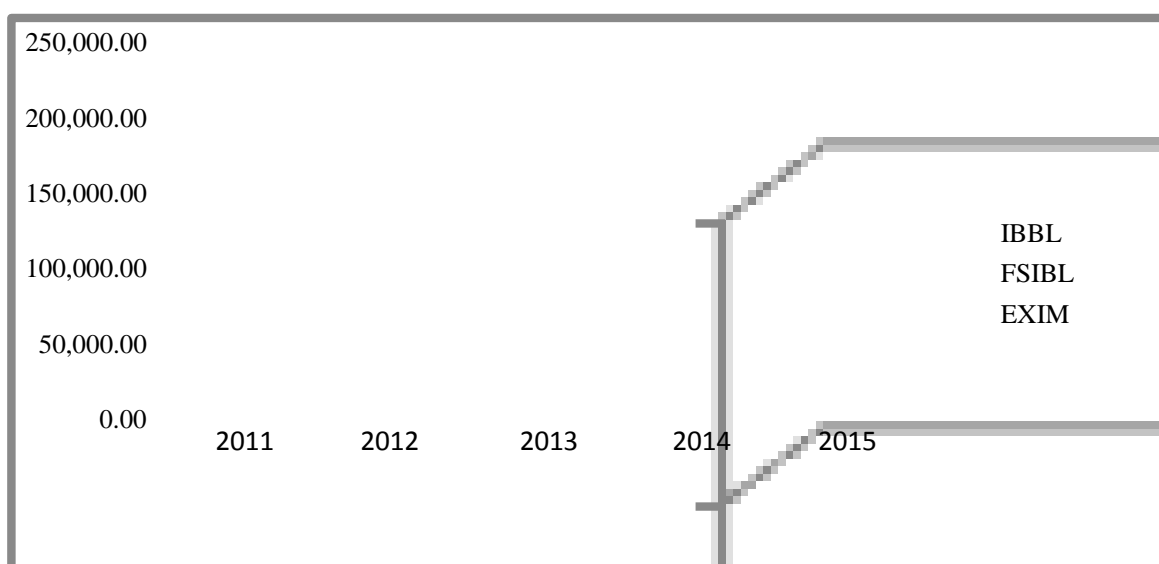
Furthermore, **Shahjalal Islami Bank Limited** is a competitor because of the fact that the product and services that it offers is fairly similar to that of EXIM Bank and its markup rates are similar as well. Finally, Prime Bank Ltd. Shariah section has also introduced a wide variety of services and with its large number of account holders; it is also a fair competitor. To verify the EXIM bank's position of both market and foreign exchange business I have chosen- Islami Bank Bangladesh Ltd and First Security Islami Bank Ltd as the major competitors. The analysis is shown in the bellow:

## 6.6.1 Import Business Analysis

Year	Tk. in million		
	Islami Bank Bd Ltd	First Security Islami Bank Ltd.	EXIM Bank
2011	96,870.00	7153	49596.7
2012	137,086.00	14344.44	61399.4
2013	168,329.00	9287	78540.49
2014	161,230.00	16101.17	83911.51
2015	246,281.00	25262.6	129570.73
Average	161959.2	14429.64	80603.77

Source : Annual report of IBBL, FSIBL & EXIM Bank

From the given chart it can be understood that, from 2011 to 2015 the Import business of EXIM Bank is well compared to FSIBL shariah based banks except IBBL. Among Shariah based banks EXIM Bank is in the second position. Islami Bank Bangladesh Ltd is in the top position in Bangladesh. So, Islami Bank Bangladesh Ltd is the first & main competitor of EXIM Bank. So averaging five years import business,( 2011-2015) EXIM Bank is in the Second position which average import business is Tk 80603.77 million. Though both IBBL and EXIM bank's Import business is upward trend so, EXIM Bank can increase their total Import business in near future.



Graph: Import Position of EXIM Bank compared with other Shariah Based Banks

## 6.6.2 Export Business Analysis:

Amount in million

Year	Islami Bank Bd Ltd	First Security Islami Bank Ltd.	EXIM Bank
2011	51,133.00	2204.86	46234.6
2012	66,690.00 93,962.00	5484.08	55790.4
2013		13054.18	76465.6
2014	106,424.00	13395.10	76240.8
2015	148,421.00	19144.30	95359.5
Average	93,326.00	9971.855	70018.18

Source: Annual report of IBBL, FSIBL & EXIM Bank

From the above chart it can be understood that from the year 2011 to 2015, the position of EXIM Bank's export business is well than FSIBL except IBBL. Among shahriah based banks EXIM Bank is in the second position. Islami Bank Bangladesh Ltd is in the top position in the Bangladesh. So, Islami Bank Bangladesh Ltd is the first & main competitor of EXIM Bank. So averaging five years export business,( 2011-2015) EXIM Bank is in the Second position which average export business is Tk 70018.18 million. Though the both banks, IBBL and EXIM's export business is upward trend so we can hope that, EXIM Bank can increase their total export business in near future.

## 6.6.3 Remittance Business Analysis

Year	Islami Bank BD Ltd	First Security Islam Bank Ltd.	Amount in million EXIM Bank
2011	53,819.00	48.44	343.8
2012	84,143.00	330.00	710.3
2013	140,404.00	585.84	1428.5
2014	194,716.00	558.75	2452.3
2015	214,629.00	293.56	3036.4
Average	137,542.20	363.318	1594.26

Source: Annual report of IBBL, FSIBL & EXIM Bank

From the Above chart it can be understood that, from 2011 to 2015 the remittance business of EXIM Bank is well compared to FSIBL except IBBL. Among Shahriah based banks, EXIM Bank is in the second position. Islami Bank Bangladesh Ltd is in the top position in Bangladesh. So, Islami Bank Bangladesh Ltd is the first & main competitor of EXIM Bank. So averaging five years remittance business,( 2011-2015) EXIM Bank is in the Second position which average income from remittance business is Tk 1594.26 million.

Though both IBBL and EXIM bank's remittance business is upward trend so, EXIM Bank can increase their total remittance business in near future.

#### 6.6.4 Total Foreign Exchange Business Analysis

Year	Islami Bank Bd Ltd.	First Security Islami Bank td	EXIM Bank
2011	201,822.00	9406.3	96175.1
2012	287,919.00	20158.52	117900.14
2013	402,695.00	22927.00	156434.57
2014	462,331.00	30055.1	162604.61
2015	690,3311.00	44700.46	227966.6
<b>Average</b>	392,827.40	25,449.48	152,216.204

Source : Annual report of IBBL, FSIBL & EXIM Bank

From the previous analysts we can observe that, Islami Bank of Bangladesh is in the leading position in every sector of foreign exchange business whereas the EXIM Bank is in the second position. So obviously the total performance of foreign exchange business of EXIM Bank falls behind the performance of IBBL. As EXIM Bank is fully specialized on export-import business so there is an wide span of opportunity for EXIM Bank to achieve the leading position in foreign exchange business in the near future.



# **Chapter-7**

## **Findings, Recommendation & Conclusion**

## **7.1 Major Findings of the Foreign Exchange Department of EXIM Bank:**

- IT facilities of EXIM Bank are not satisfactory good. Computer system which owned by branch are not up to date, not sufficient and moreover some of computer system do not work properly when they are needed. There is no sufficient and high bandwidth Internet connection available in the bank. As a result, the exchange process makes delay and it is also complicated.
- In foreign exchange department it is required to communicate with foreign banks frequently and quickly. But the bank do not pay so much attention on this issue.
- In some cases the number of employee engaged in rendering specific services is insufficient.
- Employees are exposed to customer excessively which is an obstacle in systematic and prompt service.
- Employees of that department sometime fail to provide fluent services to customer.
- There exists no regular & specific system of the removal of customer complaints.
- EXIM Bank doesn't give attention on advertisement. In a competitive banking sector, a bank has to enhance advertisement campaign in order to get or retain its market share.

## **7.2 Conclusion:**

As an intern of Exim Bank Ltd. I have truly enjoying my internship from the learning and experience viewpoint, I am confident that this four months internship program at Exim Bank will definitely help me to realize my further carrier in the job market.

EXIM bank has converted all of their system and policy of traditional banking to Islami Banking. As there are lots of local and foreign banks in Bangladesh the Exim Bank Ltd. is promising commercial Bank among them. In this competitive market Exim Bank has to compete not only the others commercial banks but also with the public Bank. Exim Bank Ltd. is more capable of contributing towards economic development as compared with other bank. Exim Bank Ltd. invested more funds in export and import business. It is obvious that the right thinking of this bank including establishing a successful network over the country and increasing resources will be able to play a considerable role in the portfolio of development.

During the, course of my practical orientation I have tried to team the practical banking activities to realize it with my theoretical knowledge, which I have greathearted and going to acquire from various courses of my MBA program.

### 7.3 Recommendation:

With the consideration of the above whole study, they can obtain some necessary steps that I recommend to them:

- Exim bank should continuously improve its customer service strategies to win the customer satisfaction undoubtedly.
- The bank should more attention on advertisement to enhance its market share.
- The bank should expand to strategically important places for its business rapidly.
- The bank should increase its investments in sectors, real state, health care etc. in order to make adjustment with its savings portfolio. Because the present portfolio is somewhat off-balance due to heavy exposure in garments sector.
- They should communicate properly with consumer about their schemes.
- To face this competitive situation they should come up with innovative ideas.
- They should more emphasize on its product features. It should be adjusted with the recent market scenario.
- They should be more flexible and efficient regarding documentation process. Like to appoint expertise and efficient teams to scrutinize the documents faster and concentrate how to reduce the approval time..
- They should take more efficient employees in retail section, who can understand customers need.
- Delegation of authority should be made enough to make the speed of providing
- service fast. Internal conflict among the employees should be mitigated.

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## Appendix:

Profitability and Creditability Analysis (Table)

### Formula:

- $OPM = \text{Operating Profit} / \text{Revenue}$
- $NPM = \text{Net Income} / \text{Revenue}$
- $ROA = \text{Net Income} / \text{Total Asset}$
- $ROE = \text{Net Income} / \text{Equity a}$
- $D/E = \text{Total debt}/\text{Equity}$
- $D/TA = \text{Total debt} / \text{Total asset}$

### Required Data:

Year	Operating profit	Net Income after tax	Revenue	Total Asset	Equity	Total Debt
2011	1378.67	650.29	4967.57	41793.54	3111.69	38681.86
2012	1908.2	930.84	6407.96	51503.03	4042.53	47460.5
2013	2518.39	1096.63	8356.82	68446.46	4989.2	63457.26
2014	3181.78	1694.1	10383.62	86213.37	6717.21	79496.16
2015	5893.79	3476.01	13723.95	113070.98	12474.85	100596.13

## Results:

Year	OPM	NPM	ROA	ROE	D/E	DFTA
2011	0.27753 4	0.13090 7	0.01555958 2	0.2089829	12.431141 9	0.9255464
2012	0.29778 6	0.14526 3	0.0180735	0.2302617 4	11.740296 3	0.9215089
2013	0.30135 7	0.13122 6	0.01602172	0.2198007 7	12.718924 9	0.927108
2014	0.30642 3	0.16315 1	0.01965008 4	0.2522029 2	11.834699 2	0.9220862
2015	0.42945 3	0.25328 1	0.03074184	0.2786414 3	8.063915	0.8896724

### Growth Analysis of EXIM Bank (Table: 2-5)

Formula = (Current Year-Base Year)/ Base Year

### Import Business Analysis (Table : 2)

Year	Import (Tk in million)	Growth
2011	41432	-
2012	49596.7	0.197062657
2013	61399.4	0.237973494
2014	78540.49	0.279173575
2015	83911.51	0.068385364
Average	80603.766	0.265346091

### Export Business Analysis (Table: 3)

Year	Export (Tk in million)	Growth
2010	31285	-
2011	46234.6	0.477852006
2012	55790.4	0.206680711
2013	76465.6	0.370587054
2014	76240.8	-0,002939884
2015	95359.5	0.250767306
Average	70018.18	0.260589439

### Remittance Business Analysis (Table: 4)

Year	Remittance (Tk in million)	Growth
2010	223	-
2011	343.8	0.541704036
2012	710.3	1.06602676
2013	1428.5	1.011122061
2014	2452.3	0.716695835
2015	3036.4	0.238184561
Average	1594.26	0.714746651

Foreign Exchange Business Analysis (Table: 5)

Year	Foreign Exchange	Growth
2010	72940	
2011	96175.1	0.318550864
2012	117900.14	0.225890485
2013	156434.57	0.326839561
2014	162604.61	0.039441666
2015	227966.6	0.401968862
Average	152216.204	0.262538287

Stability Analysis (Table: 6)

**Formula:**

Variance =  $\frac{\sum (xi-x\sim)^2}{n}$

Standard Deviation =  $\sqrt{\frac{\sum (xi-x\sim)^2}{n}}$

Coefficient of Variation =  $\frac{\sigma}{x\sim}$

Year	IMP (xi)	(xi-x-)	{xi-x~} <sup>a</sup>	Exp (yi)	(yi-y~>	(yi-V) <sup>2</sup>
2006	16558	33728.88	1137637346	11335.3	32698.95	1069221331
2007	13153	37133.88	1378925044	10088.3	33945.95	1152327521
2008	1926	48360.88	2338774714	15124.6	28909.65	835767863.1
2009	26781	23505.88	552526394.6	22418.4	21615.85	467244971.2
2010	41432	-8854.88	78408899.81	31285	12749.25	162543375.6
2011	49596.7	-690.18	476348.4324	46234.6	2200.35	4841540.122
2012	61399.4	11112.52	123488100.8	55790.4	11756.15	138207062.8
2013	78540.5	28253.62	798267043.1	76465.6	32431.35	1051792463
2014	83911.5	33624.62	1130615070	76240.8	32206.55	1037261863
2015	129570.7	79283.82	6285924114	95359.5	51325.25	2634281288
	x = 50286.88		$\sum (xi-x\sim)^2 =$ 13825043075	y = 44034.25		$\sum (yi-y\sim)^2 =$ 8553489279

	Import	Export
Variance	$13825043075/10 = 1382504307$	$8553489279/10 = 855348928$
Standard deviation	$\sqrt{1382504307} = 37182.0428$	$\sqrt{855348928} = 29246.349$
Coefficient of Variation	$37182.0428/50286.88 = 0.739398483$	$29246.349/44034.25 = 0.66417275$