

An Internship Report
on
Foreign Exchange Operations of Rupali Bank Limited

This report is submitted to the Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the partial fulfillment of the degree of Master of Business Administration (MBA) in AIS



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April, 2023

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Acknowledgement

In order to complete my given report on the subject of the evaluation of the foreign exchange operations of Rupali Bank Ltd on time, I would like to offer my sincere gratitude to our Creator, Almighty Allah.

To the very bottom of my heart, I want to thank my honorable supervisor Saiful Islam, ACMA, Associate Professor, and co-supervisor Mohammad Main Uddin, Associate Professor, for their kind encouragement, supervision, guidance, instructions, and advice, as well as for inspiring me to complete this report.

I also want to thank the bank staff for their friendly advice. They extended their helpful hand to me and greatly assisted me in accurately gathering the facts. The chance to complete an internship in such a company was fantastic. My future career plans will benefit from the experience I've gained.

.....
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RUPALI BANK LIMITED

Assures Better Service

Ladies Branch, Basuniapatty, Dinajpur

e-mail- br-4648@rupalibank.org; Phone: 053164398

No.RBL/DIN/০৭

Date: 02/02/2020

TO WHOM IT MAY CONCERN

This is to certify that, **Md. Farhad Islam** having student ID: **1603164**, MBA (Major in Accounting and Information Systems), student of Hajee Mohammad Danesh Science and Technology University, Dinajpur, successfully completed 90 days internship program at Rupali Bank Limited, Ladies Branch, Basuniapatty, Dinajpur.

During internship period **Md. Farhad Islam** was found honest sincere and responsible to his assigned duties.

We are satisfied with his performance and wish him every success in life.

Anamika Dey
Manager
Rupali Bank Limited
Ladies Branch, Basuniapatty, Dinajpur.

অনামিকা দে
ব্যবস্থাপক (এস.ও)
রূপালী ব্যাংক লিমিটেড
মহিলা শাখা, দিনাজপুর।
যোগাযোগ: ০১৭২৫-৪৬৪৮৩৯০

Certificate of Supervisor

The internship report titled “Foreign Exchange Operations of Rupali Bank Limited” has been submitted with the department, in partial fulfillment of the degree of MBA at the department of accounting, Hajee Mohammad Danesh Science and Technology University, by Md. Farhad Islam, student ID no.1603164. I have gone through the report and have tried to come out with the best within the capacity of the student. The report has been accepted and may be presented before the defense committee for evaluation and assessment.

.....
Saiful Islam, ACMA
Associate Professor
Department of Accounting
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Certificate of Co-supervisor

I hereby certify that the concerned internship report on “Foreign Exchange Operations of Rupali Bank Limited” is an work done by Md. Farhad Islam, bearing Student ID: 1603164, MBA in AIS, Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200. Under my co-supervision and submitted this analysis report for the partial fulfillment of the requirement of the degree of Master of Business Administration MBA in AIS.

I wish him every success in life.

.....
Mohammad Main Uddin
Associate Professor
Department of Accounting
Faculty of Business Studies
HSTU, Dinajpur.

Student's declaration

I hereby certify that the concerned report on “Foreign Exchange Operations of Rupali Bank Limited” has prepared by me internship which is supervised by Saiful Islam, ACMA, Associate Professor, Department of Accounting, Faculty of Business Studies, HSTU, Dinajpur.

I also certify that the work and information given during the internship are original and have never been submitted whole or in parts to another university or institution for a degrees or for any other reason.

.....
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Abstract

The primary goal of the report is to familiarize readers with the general concept of foreign currency exchange operations and the foreign currency procedures used by Bangladesh's Rupali Bank Limited. Additionally to learn about Rupali Bank Limited evaluation of its foreign exchange operations during the previous eight years. To examine the bank's financing processes in order to identify any potential areas of contribution and to explain the bank's profitability and efficiency. This report was created with the investors, borrowers, and other bank-affiliated parties in mind. A commercial bank provides services to the public while conducting its own operations in order to accomplish its own objectives, such as generating profits. The core information for this report was gathered through face-to-face interviews with employees from several divisions and with my managers. Secondary sources such websites, annual reports, research papers and journals have been used to gather the essential data. For the study of the report, financial data on the overall total foreign exchange income, growth in net profit, and the export and import situation of Rupali Bank Ltd from 2014 to 2021 are covered. While the import and export markets are expanding quickly, it is important to create appealing financing packages, such as improved before and after shipment financing, an export assurance facility etc. at a cost that is fair to both buyers and sellers.

Keywords: Currency, Financial Institutions, Producer, Export and Shipment, Money Transfer

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CHAPTER 1

INTRODUCTION

1.1 Background of the Report

Rupali Bank Limited is one of the state-owned banks in Bangladesh. It collects deposits from the general public and provides loans to various traders, brokers, small and cottage industries and large business enterprises from the collected deposits. It helps in financial development of the country and industry. A commercial bank performs various functions apart from collecting deposits and making loans. One of the most important sectors is foreign exchange operations. The foreign exchange division of Rupali Bank Limited is a sizable sector with a sizable profit margin. Foreign exchange settlement of any commercial bank is the most important component of their global division of strategy planning. Aside from import-pass, involves using the overseeing room to trade foreign money on the world market. Foreign exchange division of the bank is referred to as its international banking division. It is one of the crucial divisions of a bank that operates on the global market. Due to need, all scheduled commercial banks in Bangladesh maintain foreign exchange departments in both nationalized and non-nationalized sectors. A foreign exchange department's main duties include managing both incoming and outgoing remittances from abroad, buying and selling foreign currency, handling and transmitting import and export documentation and providing consulting services to both buyers and sellers of goods. Since the 1980, Rupali Bank has offered its customers safe and efficient remittance services based on contemporary technologies. A Deputy General Manager division known as Reimbursement Division serves as the controlling division for this service. In 2020, Rupali Bank had the biggest growth in international remittances (188%) of any Bangladeshi bank. Currently, expatriate of Bangladeshis can send money to their friends and families abroad through accounts they have with Rupali Bank, or they can send cash through our 52 partner exchange houses worldwide payable from any Rupali Bank branch. Also, Bangladeshi citizens living abroad can use SWIFT to transfer money overseas to a beneficiary's Rupali Bank account. In Rupali Bank Ltd foreign exchange system has a significant impact on conventional banking. People who travel for employment send money home, which has a significant impact on the national economy. Thus, Rupali Bank Ltd. needs to work more to enhance its foreign exchange management. Rupali Bank Ltd must obtain an authorized dealers license from the central bank in order to conduct foreign exchange transactions (Bangladesh Bank). An authorized dealer must uphold some international rules and regulations in addition to local customs because the foreign exchange business involves

transactions with other countries. One of the key departments at Rupali Bank Ltd that generates a sizable amount of profit is the foreign exchange division. Import, export, foreign remittances, and foreign currency transactions are the core duties of foreign exchange branches. One crucial area of our economy that boosts our foreign reserves is international remittances. Wage earners desire to conveniently transfer money to their closest family member. With the help of its 45 international correspondents, Rupali Bank Ltd does foreign currency trading. The foreign currency market is getting more and more cutthroat. Bangladesh has a sizable overseas labor force and a relatively small open market economy, both of which generate significant remittances for the nation.

1.2 Objectives

The main goal of the study is to show the foreign exchange performance of Rupali Bank Limited and to fulfill my MBA program. Yet, the following are the precise goals.

- i. To analyze yearly performance of import, export and foreign remittances of RBL.
- ii. To identify the problem of import, export procedures of RBL.
- iii. To provide suggestions and recommendation about the improvement of foreign exchange operations of RBL.

1.3 Dimensions of the Report

This report mainly focus on Rupali Bank Limited foreign exchange practices. Only the management of foreign exchange and import-export processes by the bank should be included.

1.4 Limitations

- i. A tight policy issue exists at Rupali Bank Ltd. The bankers have no right to share any important project data.
- ii. Due to time constraints, it was not possible to gather enough information and interview several bank officials about the areas that were crucial for successfully completing the study.
- iii. Due to their banking practices and policies, Rupali Bank Ltd. was unable to provide the reporter with the crucial information.
- iv. I have worked with data of eight years. Working with 10 years or 12 years of data would have given more accurate results.

Chapter 2

Literature Review

One of the two primary forms of review papers is the systematic review, and the other is a literature review or narrative review. A literature review is a scholarly paper that summarizes the existing knowledge on a subject, including significant findings as well as theoretical and methodological contributions. Reviews of existing literature are secondary sources that do not present fresh or unique experimental work. A currency can be converted into another currency or exchanged for another currency, which is known as foreign exchange. The term "foreign exchange" can also refer to the global market where currencies are essentially traded 24/7. The process of converting one national currency into another and transferring funds from one country to another is known as foreign exchange (*Smith, Walter and DeLong, 2012*). The method or process by which one country's currency is changed into another country's currency is known as foreign exchange (*Fatemi, 2012*). Everything that "conveys the right to wealth in another country" is considered foreign exchange, according to the Foreign Exchange Regulation Act of 1947. According to (Article 2d) of the Foreign Exchange Regulation Act of 1947, "foreign exchange" refers to any currency other than Bangladeshi rupiah. It also includes any draft, traveler's check, letter of credit, or bill of exchange that is expressed or drawn in Bangladeshi rupiah but payable in any foreign currency. International trade generates foreign exchange, and contemporary banks promote trade and commerce by providing helpful services to the corporate sector. Foreign exchange in banks refers to the broad process through which a bank transforms one country's currency into another (*Clark & Ghosh, 2012*). A venue where foreign exchange transactions happen is referred to as the foreign exchange market in its simplest form. Summers (2006) believed that because of the high infrastructure and societal demands in emerging nations, having extra reserves was not economically feasible. Clearly, Bangladesh has tremendous investment demands for infrastructure and other economic areas. Additionally, he argues that retaining assets in US Treasury yields a meager return that is much below the expenses of the regime's borrowing, making it expensive to hold reserves in dollars. Instead, real investments in the economy, like those made on roads and bridges, can provide a larger return. Then, why must the money be maintained as deposits and why should the administration pay higher payments for outstanding commitments. From the other hand, In today's macro environment, supporters of holding reserves place more emphasis on macroeconomic imbalances like

currency or financial crises than on the potential costs of holding reserves.

In the subject of credit crunch, foreign capital sector may keep out their gates and IMF assistance is also not secured. As a result, according to Aizenman and Marion, it is necessary to create a high reserve stock in order to prevent or mitigate such crises (2003). But in practice, central bankers may continue to accumulate foreign currency reserves due to their "fear of floating" (Calvo and Reinhart 2002). The ability for states to intervene in currency markets and control the currency value is one of the major advantages that foreign exchange reserves are expected to provide. Yet reserve accumulations can imply certain costs (Goldberg et al. 2013). (Goldberg et al. 2013). Dash and Narayanan (2010) empirically examined the post-1991 trade patterns in India in the view of their impact on exchange rate by predicting exports and imports function for the period from January 1994 to October 2008. They found that there is a long-run statistically significant relationship between imports, domestic demand, and real effective exchange rates in the import mapping and between imports, global shipments, and real exchange rates in the export function. In Singapore and Taiwan, a research on Yield and quality and monetary sterilization was conducted by Ouyang and Rajan in 2011. The findings of their study demonstrated that high-effective economic growth has not reduced the ability of either economic system's central bank to sterilize its own foreign exchange intervention, but may make the process more challenging over time. Yongzhong and Freeman (2013) observed that a foreign reserve plays a significant role in reducing the dangers of external debt and domestic currency crises as well as moderating the unfavorable effects of a sudden decline in liquidity or capital outflows when a financial event happens. Fukudan and Kon (2007) looked at the socioeconomic effects of foreign currency exchange reserve building in emerging nations. The results of their investigation showed that an increase in foreign exchange reserves had a lasting negative impact on consumption, a negative impact on exchange rate, and a temporary positive impact on the current bill. Based on the arguments put out by these two groups, it can be determined that building up reserves up to a degree is a wise macroeconomic move, however reducing the rate of reserve accumulation is also a good idea as it may help drive up costs past a certain point. In order to effectively manage reserves, the monetary authority must understand the economic reasons that drive reserve demand and assess the reserve level to determine whether it is probably higher than the safe location. The size of the economy, the sensitivity of the current account, the vulnerability of the capital account, the volatility of the exchange rate, and the opportunity cost are the five main factors that explain reserve holdings (IMF World Economic Outlook 2003). To smooth unforeseen swings in usage and import payments, sometimes known as the "precautionary incentive," is one of the main

reasons that countries retain reserves. Nations want to mitigate the threats of fall in the value of national currency and keep up their supreme risk ratings in the face of budget deficits. If the financial account to the remaining balance of payments is valid for a rural area, it means that an increase in consumption for money is linked to an influx of foreign reserves. This study seeks to recover out whether this idea true for Bangladesh following Badinger (2004).

Ali and Islam (2010) illustrated possible explosion of ideological and employment unrest, feasible fall in export markets, money transfers, and international investment, feasible rise in food and energy prices in global markets, arising competitive rivalry from other countries (such as China and India), feasible rise in protectionist policies in rich country markets, and persistent stronger (appreciated) currency rates which may negatively impact export earnings and money transfers are the key threats to Bangladesh. They proposed that the policy makers need to be more proactive by adopting appropriate remedial policy steps advance rather than reacting (waiting to take action until the detrimental consequences begins to appear) in responding with the weaknesses and rising threats. Islam (2009) shows that these issues can be broken down by excluding some traditional benchmark analyses for reserve adequacy over the years 1997–1998 to 2008–2009, but he is unable to use any econometric models to identify the key variables influencing Bangladesh's reserve demand function or its level of adequacy. The IMF recommended a new methodology to measure reserve sufficiency in 2011. The measure was based on the detailed investigation of causes of outflow during crisis. Such liquidity needs are computed taking in consideration the relationship with different components of the balance - of - payments and the risk of tail occurrences utilizing ratios. The danger of a crisis and the reduction in demand during a crisis are lower the larger the ratio of reserve to the developed metric. In addition, the Fund's capital ratios for emerging markets are typically appropriate. Resources that are above the capital adequacy can be utilized in other state money invested in more hazardous commodities such as financial institutions or as reinsurance to period of emergencies, such as stability funds. Furthermore, according to IFM (2011), every economy has to keep foreign exchange reserves equal to at least three months' worth of import expenses. Our reserves, however, are sufficient to cover import expenses for around seven months. The survey discovers that Bangladesh's reserve holdings are significantly higher than what is necessary and draws the conclusion that this "investment drought" in the economy, which is caused by an underdeveloped financial system and infrastructure issues, is the cause of Bangladesh's reserve build up. While we are studying, to find there are several efforts as foreign exchange, remittances and also other. A venue where foreign exchange transactions occur is called a foreign exchange market.

CHAPTER 3

METHODOLOGY

3.1 Report Design

To prepare the report have been used commercial bank foreign exchange procedure and Eight years of data on import-export and foreign remittances. Five years of foreign exchange gains data are used. The amounts of imports, exports, foreign remittances and foreign exchange gains are revealed through column charts. The overall performance in 2021 is shown through a pie chart. Here, In this study the information collected from reliable sources.

3.1.1 The primary sources are:

In this study primary data sources is used by having Face to face conversation with the manager and officers of the bank. Another source is Practical desk work, Relevant document's studies as provided by the officers concerned and Personal diary what I have listed every day as my responsibilities.

3.1.2 The secondary sources are:

Not only primary data but also secondary data sources have been used like Webpage, Latest survey of Rupali Bank Ltd. 2014-2021, Articles, periodicals and journals that are pertinent.

The majority of the pertinent data has been acquired from Webpage and also with my supervisor. Furthermore, what I have discovered from my six months of working in several divisions. Basically, I have written my comprehension about financial during my intern time frame.

The data of 2022 has not been published yet so I have worked with the data from 2014 to 2021.

CHAPTER 4

FOREIGN EXCHANGE BUSINESS OF RUPALI BANK LTD

4.1 Foreign Exchange

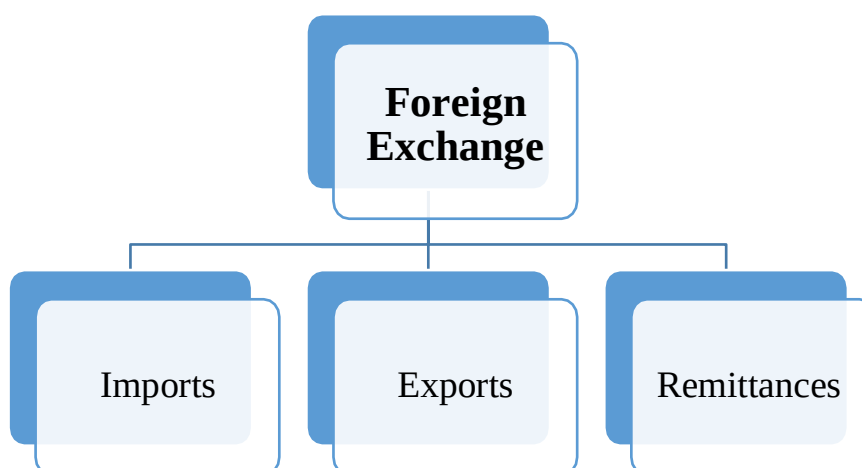
Any property drawn, acknowledged, manufactured, or issued in accordance with section 4(1) of the Foreign Currency and Bangladesh Bank Order 1977 is referred to as foreign currency.

- All balances, credits, and deposits due in foreign currencies.
- Any draft, traveler's check, credit letter, bills of exchange charge communications are still payable in any distant currency.

Currency is simply cash used to refer to the currency of other states or to international social gatherings. Foreign cash is available through bank outlets, credit and credit card, traveler's checks and other transportation cases. Just when a business provides services or goods to a foreign customer and receives foreign currency, it must be translated to local currency. The business will have to convert to the local foreign currency when bringing in order to pay a foreign provider. This alter, as a law, occurs between both the corporation and its financial institution.

Foreign exchange trades will be traded with any features

- All currency else than local currency is engaged, such as in cross-currency trades.
- Claim may refer to any nationality or factor as in a cross-border transaction.



4.1.1 Import

The importers would like to buy items outside the nation and bring them inside. RBL launched a comprehensive foreign exchange corporation with a very clear point of reference with the ultimate goal of improving international transfer of the country. The import included electronics, sports instruments, grains, seed, soybean, plastics, dye, synthetic materials, decorations, and more that were paid for by the banks.

A merchant must get the import permission and import listing from the General Coordinator of Charges before beginning to import goods into the RBL. RBL takes the following documents for issuing credit cards:

- A letter of credit authorization form,
- An application,
- A pro-forma invoice or indent order,
- An insurance cover note,
- An IMP form,
- A charge form,
- A trade license,
- An import registration certificate (IRC),
- An income tax certificate,
- A membership certificate, and
- A VAT registration certificate.

Several Importer Types:

- Consumer and industrial importer
- Interim products and services

Import procedures of RBL

- Registering as an importer
- Decorate the necessary papers/records through the designated bank and request to see them from CCI&E.
- L/C authorization framework
- Opening of L/C Assignment of Banks
- The financial institution introduces the L/C in accordance with the importer's

instructions or requests, and it asks a different bank located in the seller's or exporter's country to deliver the L/C to the recipients. If necessary, the financial institution may further request that the encouraged bank confirm the credit.

- The urging bank informs/warns the dealers that the L/C has already been granted.
- Whenever the seller or vendor receives the L/C and also is confident that he can adhere to the L/terms C's and terms, he is ready to send the goods.
- The organizing bank examines the findings and, when everything is found to be in order, organizes the records and delivers the required reports to the L/C financial institution.
- After receiving the records, the L/C bank further examines them and, if all is found to be in order, pays the organizing bank.
- The importer is then required to obtain the installment records by the L/C starting bank.
- Following the payment of all levies, the importer obtains the documents from the bank that issued the L/C before releasing the imported goods from the port's authority.
- Import without opening an L/C against the LCA structure.

4.1.2 Documentary Credit/Letter of Credit

Document credit is the bank's endorsement of the particular portion. It is a procedure whereby the bank submits reports in accordance with the buyer's wishes or in attempts to detach from the trader. Historical credits is a strategy whereby a bank, acting at the behest of a client or for privacy purposes, manages to make a contribution to or to the transactions for a distance party, to see and monitor tabs of exchange pulled by the beneficiary, or to authorize another bank to manage over specified records if the conditions and terms of the credit have been approved. Similar to bank guarantees, documentary credits function similarly. They are referred to as a credit letter in similar terminology. Yet, while documented credits are granted in response to genuine pressure from the purchaser to cover the condition of execute, bank affirmations are issued to cover the situation of non-execution. For illustration, the finance company agrees to make a payment to the beneficiary after he forgoes the necessary agreeing reports.

4.1.3 A letter of credit's signatory parties

- ☐ The granting Bank \s
- ☐ The Verifying Bank, if any and \s
- ☐ The Recipient

Establishing/issuing a bank

The bank that opens or issues an L/C on behalf of the importer is known as the "issuing" or "opening" bank. It is also referred to as the importer's or buyer's bank.

Conventional Bank

A bank that ends its relationship with the issuing bank and confirms its affiliation with the affiliate is said to be conforming. The prospecting bank could also be the confirming bank.

Beneficiary of the Exporter's /Seller'

The group behind which the Letter of Credit is constructed is known as Exporter/Merchant/Recipient.

Importer/Buyer

The independent bank running for office is the candidate. Other names for it include importer, buyer, and customer.

Informing/Advising the Bank

The bank that encourages the exporter to use an L/C is known as the advising bank. It is a bank that is often set up in the sending nation and may be a component of the opening bank or a reporter bank. It may also be reasonable to anticipate bank confirmation and/or management activities depending on the credit situation.

Negotiating Bank

The bank, which organizes the bill and delivers the money to the beneficiary, is the one who arrange the bank. Before taking any action, it should deliberately analyze the documentary credit to determine whether the reports are overwhelmingly in agreement or not. It is possible that the advising bank and the organizing bank are same. It occasionally may also be the confirming bank.

Paying/Accepting Bank

The bank on which the bill will be drawn is the paying bank. Making payments against predetermined records that agree to the terms of the credit is stipulated in the credit. Possible candidates include the issuing bank.

Bank Paying Back

The bank on which the bill will be drawn is the paying bank. Making payment against predetermined reports while agreeing to the terms of the credit is chosen in the credit. The issuing bank may be the culprit.

Transmitting banks

According to the first recipient, changing the banks is the bank that will relocate the L/C.

4.1.4 Documentary Credit Special

Continuous Credit

The amount it offers for recovering credit to the initial amount after use is known as revolving credit. Recognition must be given for how frequently this occurs. It is possible for rolling credit to be consecutive or not

Credit Transferable

Credit that is transferrable is credit that the original beneficiary may transfer in whole or in parts about one or more receivers. There can only be one transfer of this credit, unless stated. Any changeable credit portions, including partial shipments among others, may be exchanged separately.

Credit in back-to-back

A sort of opening credit called back-to-back credit is based on other special kinds of credit. It shields the consulting bank from having to pay the second credit in the event that the seller receives the first recognition. The first receiving nation is not need to be the recipient of continued creditors.

Credit for the Red Clause

The Red Clause recognizes the credit for consolidate as one of the unusual circumstances that permits the permission to proceed to the beneficiary prior to submitting the paperwork to the confirmation bank or any other approved bank. According to the aforementioned credit, the bank runs the risk of opening the account for pre-shipment advance if the recipient neglects to make payment or inform the necessary paperwork for the exchange.

Reserve Credits

Standby credit, also known as documentary credit or a similar format, is a payment made by a candidate in exchange for a guarantee from the beneficiary to the promising bank to repay the money or improve the person's record.

4.1.5 Documents for Shipping Are Necessary for Documentary Credit

The following shipping document types are utilized in L/C transactions:

- Transport Documents
- Business Invoice
- Insurance Records
- Further Documents

Invoice of Lading

The most significant archive on the Global Market is the cost to restock. It was recognized by the ship's delivery, shipment, or operator in consideration of the product receipt marked on the ship's board, which was handed to the proctor listed in the bill, or for the goal of fixing a compensation called cargo, upon request or in a manner similar to that of its trustee. While having certain negotiating aspects, Invoice Bill is not a negotiating instrument. It could be transferred with permission. The bill of lading functions as a record of ownership of the product and has three other key purposes.

- ❖ As a shipping company receipt
- ❖ As an agreement for the items' shipment

Notice for Airway Bill/Air Invoice

Remarks on Airway Bills and Air Invoices A document that attests to the delivery of the products by airplane to an airline or its specialist, as specified by the specifications and the mutually agreed-upon terms and conditions. Airway bills and air consignment notes are not contentious documents; rather, they are used frequently to send goods, which allows the exporter to take advantage of budget incentives.

Truck receipt/Roadway Bill

When commodities are sent by roadway, it is a transit document that has received international approval.

Transport Receipt

Railway Invoice / Railway Receipt When the exporter or its operator gets at a predetermined target for a driven vehicle, the railway experts give a note that communicates the accuracy of the goal and the objective they are chasing.

Mail Receipts

It's a notice the postal service received for a package that was sent direct to the addresses agency.

Transport Documents' Contents

Knowing the contents of a transport document is crucial when inspecting or finding it. The following information should be included in a full shipping documents:

- The name of the carrying vessel or the anticipated vessel
- The description of the goods
- The description of the goods Identification marks and numbers
- The description of the cargo. Identification marks and numbers.
- An indication of dispatch or taking in charge or loading onboard and the place of finaldestination and final destination.

4.2 Export

When it comes to international trade, an export is a good made in one nation and sold in another or a service rendered in one nation to a national or citizen of another nation. The person who provides these goods or services is an exporters; the foreign purchasers are importers.

4.2.1 RBL Export Process

Inside this charge procedure, different functions are performed by the bank among them L/C counseling and discussions are vital. When an L/C is brought to the bank for advice, the bank notifies the exporter. After receiving the L/C, the exporter proceeds to arrange the items in accordance with the L/terms C's and conditions. Upon shipment, the exporter visits the bank for an exchange. The bill is arranged if the bank determines that all documents meet the requirements of the letter of credit. After assembling the bill's value, the bank sends the paperwork to the credit-issuing bank, which claims the L/value C's in accordance with the terms and regulations.

Creating export documentation

- Prior to the export shipment, certain documents are created:
- A bill of exchange or draft
- An invoice for goods
- A bill of lading
- Inspections Certification
- Packages
- Shipping instruction
- Origin certification
- Weighted certification
- Analytical certification

Inspecting export records

Before shipment, these export paperwork are thoroughly examined to see whether

- The L/C is prohibited.
- Before the credit's expiration date, the exporter must submit the required paperwork.
- Limited number of papers.
- Every single point is confirmed using the L/C.

4.2.2 For export, a flowchart

- Assembled goods for shipping
- Examined by the competent authority in accordance with L/C conditions
- Planning of pressing rundown and vessel booking
- Documents to be provided to the C&F operator for shipping
- C&F will control the customs procedures. checking the items against the receipt and hitting the rundown evaluation report.
- C&F will obtain authorization before shipping/turning over the goods to the delivery company.
- After all rituals and norms were completed, the selecting shipping company obtained the goods for sail/load inside the ship and granted a receipt known as a mates receipt.
- The initial B/L may also be taken in an installment of freight and other usage after the C&F specialist has given the exporter the delivery receipt.
- According to the conditions of the L/C, the exporter may lawfully send the importer a shipment instruction.
- The Clearing and forwarding operator either legally obtains the first B/L from the delivery company or obtains it from the related transportation company and sends it to the bank for an adjustment.
- The producer provides the opening bank with all original and copies of record sets for arrangements.
- Following the arrangement, the bank shall provide the documents to the launching bank for the transportation of the goods from the port.
- The introduction bank adheres to the terms of the L/C, reports, and pays the allotment to the organizing bank's A/C.

Finance for Exports

Pre-shipment funds are a development that let an exporter rely on another exporter up till the product is ready to be rented to a foreign customer. This is carried out prior to shipping. In that case, pre-shipment advance would apply. The money will be used for transporting to the

warehouse or port, the purchase of raw resources for processing finished goods or manufacture, and other things. Prepare for the collection of finished goods for pre-shipment.

Certificate of Profits Realization issuing (PRC)

Bill charging has certain exchange features, but it is not a management tool. It may be taken out with permission. The refill bill satisfies three requirements of the policy by serving as a document of the item's name.

4.3 Foreign Remittance

A overseas worker who sends money home to their family or other relatives is said to be sending money abroad. Remittances are a significant contributor to the gross domestic product, or GDP, growth of many countries (GDP).

Foreign remittances received from abroad (incoming remittances):

Personal remittance, indenting commission, agent commissions assignments, export bills, importers' claims, gifts, grants, foreign donations, service fees, FC notes, and other transactions are also included. Demand Draft, TT, Quick Payments, and other internal transfers from different exchange houses or businesses through a NRTK account.

Foreign remittances send outside (outbound remittances):

Moving costs (cash FC, TC), medical costs, educational costs, examination/tuition fees, membership fees, gains/benefits from foreign investments, service fees, insurance premiums, travel costs for the Hajj, payments for foreign loans, consulting fees, and import payments.

4.3.1 Foreign Remittance Parties

There are four main stakeholders involved in remittances:

- A) The sender
- B) The sending bank
- C) The receiving bank
- D) The beneficiary.

4.3.2 Foreign remittance methods

There are several ways to send money, including:

- Telegraphic Transfer (FTT)
- Foreign Demand Draft
- Telegraphic Transfer (TT)
- Pay Order
- Local Demand Draft
- Mail Transfer (MT)

4.3.3 Current Remittance Services:

The bank is currently offering following Remittance Service:

- Spot Cash /Cash over the Counter Remittance
- Bank Deposit with Rupali Bank
- Bank Deposit with Other Banks
- Remittance with Mobile Wallet (under developing)

Cash Remittance is to be paid to the beneficiary instantly from any branches/sub branches of Rupali Bank and Bank Deposit Remittance is being credited to the beneficiary's account within the same business day of receiving instruction from the remitting bank/exchange.

4.3.4 Rupali Bank Ltd.'s Foreign Remittance Trading Mechanism

- The acquisition of foreign money
- The sale of foreign currency
- Selling foreign currency in the neighborhood market
- Activities in the front office
- Back office operations

Initiatives for Remittance Services:

Rupali Bank's special Initiatives for Remittance Services:

- Dedicated Foreign Remittance Desk in each branch
- Offering most competitive FX rate
- Quick disposal of dispute resolution
- Providing SMS to the beneficiaries while remittance is credited to the account.

CHAPTER 5

ANALYSIS AND INTERPRETATION

Throughout the past 8 years, during which time the various business areas of bank have experienced tremendous expansion, the foreign exchange department of Rupali Bank has succeeded admirably. The following are some broad conclusions on the bank's eight-year (2014-2021) performance.

Export:

Export volume of Rupali Bank Ltd is reached Tk. 33225 million in 2021 a 68.7% rise over 2020. The bank's overseas trading activities mostly focused the export of ready-made clothing and non-traditional goods.

Table 5.1: Export of Rupali Bank Limited

Year	2014	2015	2016	2017	2018	2019	2020	2021
Total Export (Tk. in million)	19413	21627	25004	22989	26002	26892	22834	33225

Source: Annual Report, 2014-2021

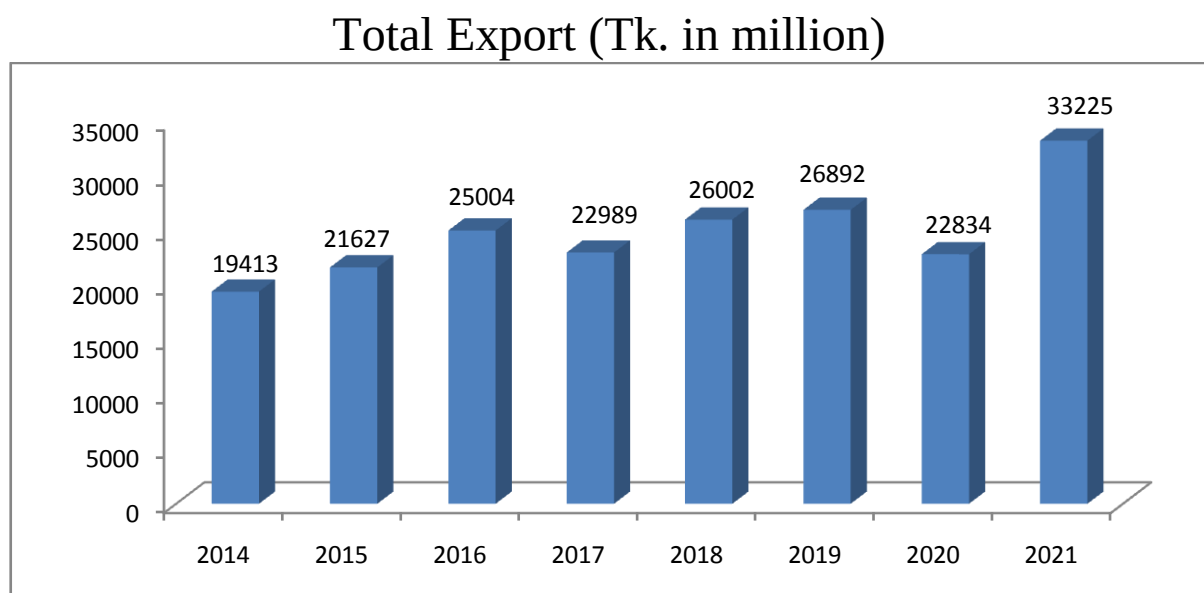


Fig. 5.1: Export of Rupali Bank Limited

Interpretation: Export was in 2014 at Tk. 19413 million. It's gradually increasing for the next few years. The last years was in 2021 at Tk. 33225. This is good for both the bank and the country.

Import:

Import business of Rupali Bank Ltd is reached Tk.273002 million in 2021, a 41% rise over 2020. Imports were still mostly restricted to consumer items, food, industrial raw materials, textiles, and clothing industry accessories.

Table 5.2: Import of Rupali Bank Limited

Year	2014	2015	2016	2017	2018	2019	2020	2021
Total Import (million)	77984	119877	108013	132100	114021	154018	112076	273002

Source: Annual Report, 2014-2021

Total Import(Tk. in million)

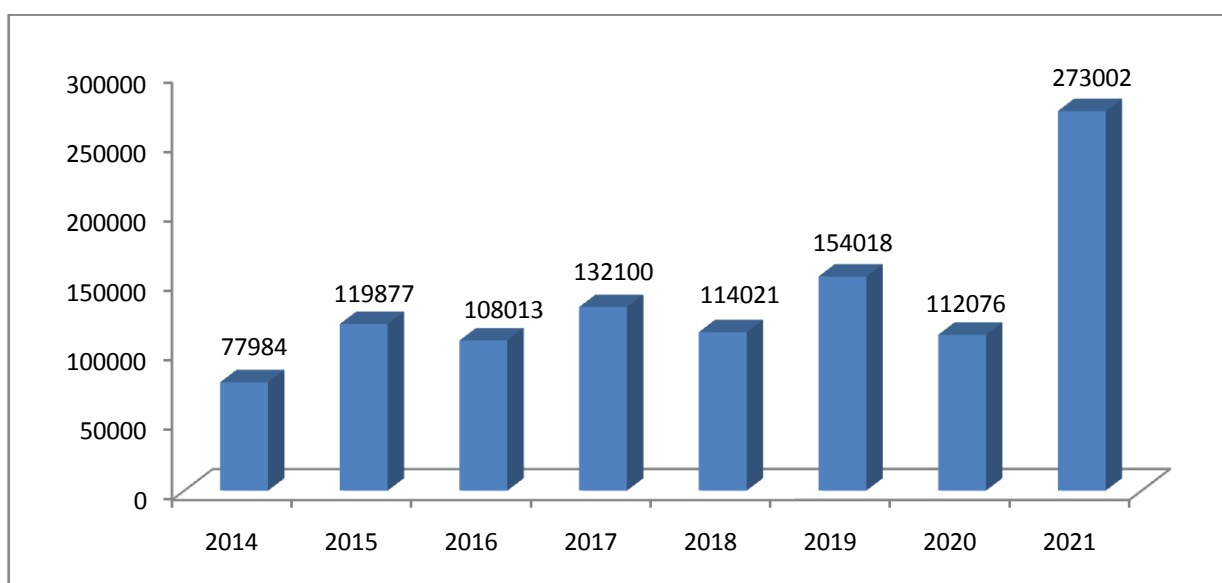


Fig. 5.2: Import of Rupali Bank Limited

Interpretation: Imports have doubled in the last few years. It was in 2014 at Tk. 77984 million. Due to the demand of the country, the amount of import has increased. The last year was in 2021 at Tk. 273002 million.

Foreign Remittance:

The amount of foreign remittances received in 2021 was Tk. 4891 million, whereas in 2020 it was Tk.2283 Million, a increase of 46.67% from the year before.

Table 5.3: Foreign Remittance of Rupali Bank Limited

Year	2014	2015	2016	2017	2018	2019	2020	2021
Foreign remittance (million)	1453	1850	1652	1752	1717	2256	2283	4891

Source: Annual Report, 2014-2021

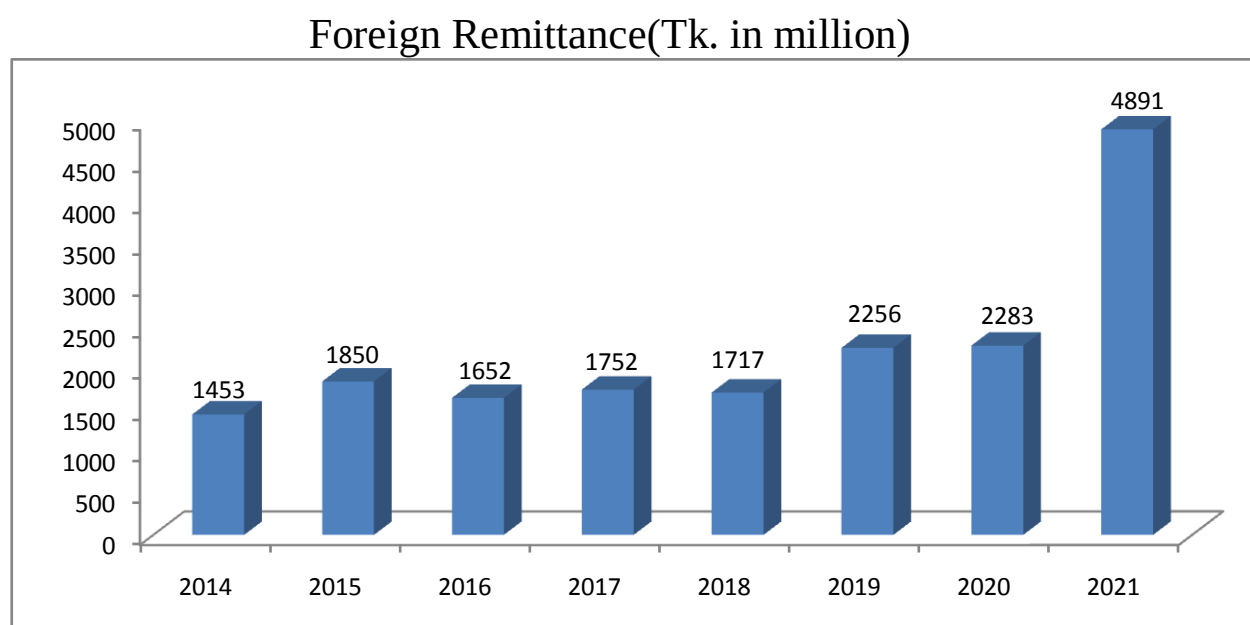


Fig. 5.3: Foreign Remittance of Rupali Bank Limited

Interpretation: Foreign remittances play a multifaceted role in a country's finances. Foreign remittances were in 2014 at Tk.1453 million. It also increases gradually. The last years was in 2021 at Tk. 4891 million If foreign remittance increase in this way, it is good for the bank and the country.

Foreign Exchange Gains:

The amount of foreign exchange gains received in 2021 was Tk.1676 million, whereas in 2020 it was Tk.1187 Million, a increase of 70.82% from the year before.

Table 5.4: Foreign exchange gains of Rupali Bank Limited

Year	2017	2018	2019	2020	2021
Foreign exchange gains(million)	1548	970	1177	1187	1676

Source: [wsj.com/market-data/quote....](https://www.wsj.com/market-data/quote/...)

Foreign exchange gains (Tk in million)

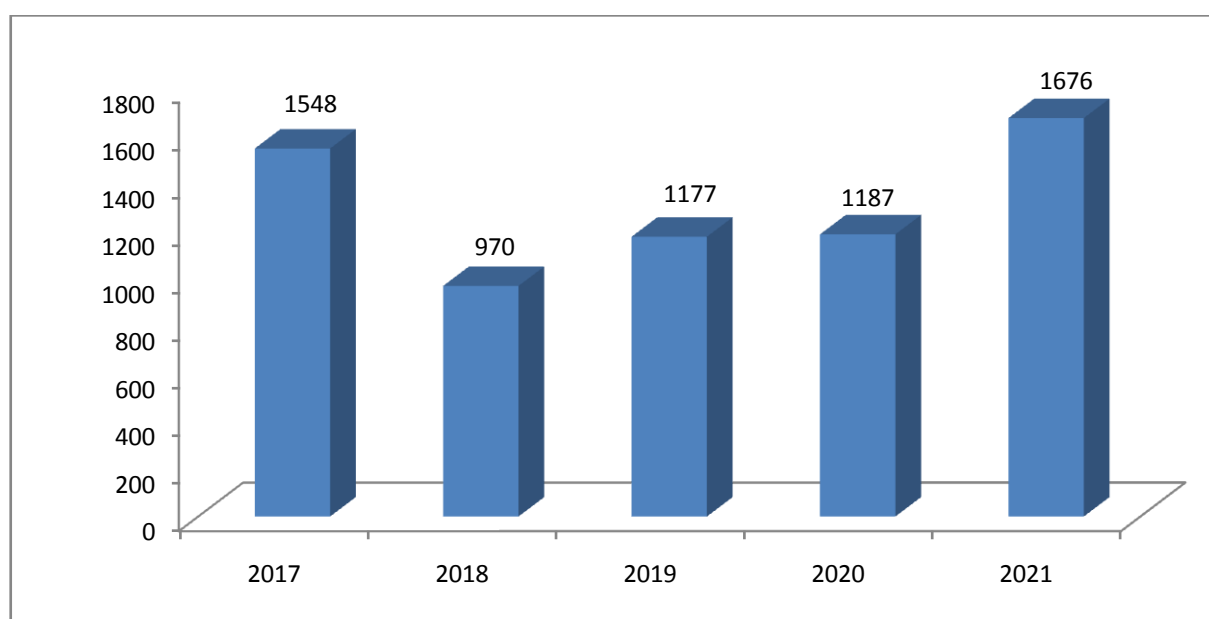


Fig. 5.4: Foreign Exchange Gains of Rupali Bank Limited

Interpretation: Foreign exchange gains was in 2017 at Tk.1548 million. It's gradually increasing for the next few years. The last years was in 2021 at Tk.1676. This is good for both the bank and the country.

Overall performance of Import, Export and Remittances in 2021:

The overall foreign exchange scenario of Rupali Bank Ltd. in 2021 is shown below (Tk. in million):

Table 5.4: Overall performance of Rupali Bank Limited in 2021

Import	Export	Remittances
273002	33225	4891

Source: Annual Report, 2014-2021

Overall performance of Import, Export and Remittances in 2021

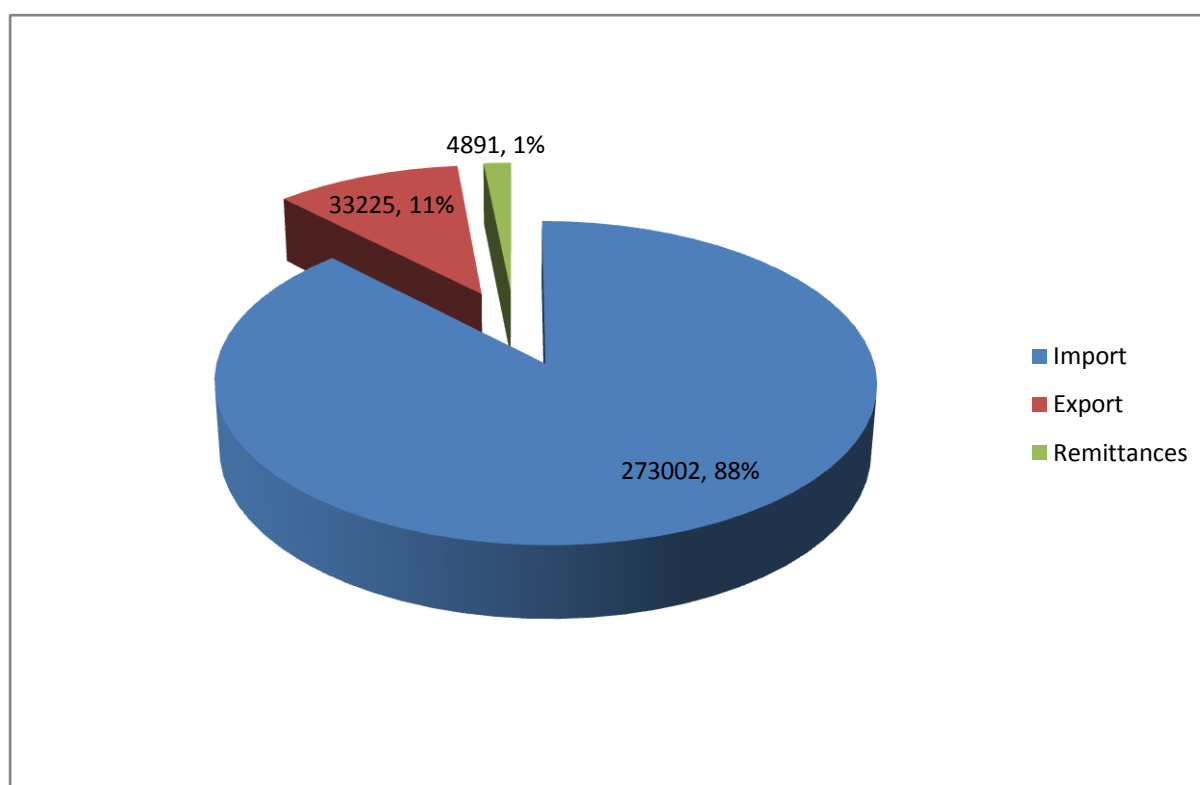


Fig. 5.5: Overall performance of Rupali Bank Limited in 2021

Interpretation: Imports are the highest in 2021. Exports ranked second in terms of volume and foreign remittances achieved the least.

CHAPTER 6

FINDINGS AND SUGGESTIONS

6.1 Findings

Finding the tentative scenario within a single study is really difficult. By creating this report, I do my best to illustrate the foreign exchange activities of Rupali Bank Limited.

The following are the conclusions I reached from the report on the export and import business of Rupali Bank Ltd:

- ❖ Rupali Bank Ltd is in a better position in respect of import business increased gradually last few years. The growth of import amount fluctuates during last few years but ultimately it has increased in great amount in 2021.
- ❖ The export business has increased every year during last eight years. As a result the export income also increased during the year of (2014- 2021)
- ❖ The foreign remittances business didn't show the same situation like import and export. Rupali Bank Ltd made huge remittances earning in 2021. Although foreign remittances increased a lot in 2021 but they were not very satisfactory in previous years.
- ❖ Foreign Exchange Gains increased in 2021 compared to previous years. 70.82% increased in 2021 compared to 2020.
- ❖ Import business is the part and parcel of foreign exchange business of Rupali Bank Ltd. RBL imported 88% in 2021.

Impact of Covid-19

- COVID-19, which has a significant negative impact on import and export growth.
- When COVID-19 went into effect worldwide, the growth rate of international remittances decreased.

6.2 Suggestions

It is challenging to make recommendations to Rupali Bank Ltd. I've previously learned about a few crises and the foreign trade prospectus of Rupali Bank Limited through this study. The following are my recommendations;

- Rupali Bank Limited should upgrade their policy and facility related foreign exchange regularly.
- Rupali Bank Limited should maintain a better relation with the remitting bank from abroad.
- RBL cannot give its best customer service because the bank has no online banking system. Other banks of Bangladesh offer evening banking and ATM facility to their customer. So to survive today's comparative banking marking Rupali Bank Limited should start online banking to get more customers as well as give better service to their customers.
- Rupali bank Limited should use short and easy to process to give money coming from remitter bank to the beneficiary. The process Rupali Bank Limited use now is manual and lengthy. The can also do this via ATM.
- It can be opened remittance services in all branches of RBL.
- RBL has to enhance Manpower for foreign exchange business.

CHAPTER 7

CONCLUSION, POLICY IMPLICATION AND FUTURE WORK

7.1 Conclusion

Rupali Bank Ltd is dedicated to the excellence in the service with efficiency, correctness, and competence. Rupali Bank Ltd is working to develop the banking sector via welfare and servicing to the people from the beginning of bigger change in the global economic structure. As a bank of the twenty-first century, Rupali Bank is also making contributions to the improvement of the nation's socioeconomic situation. Like the majority of commercial banks, Rupali Bank Ltd.'s foreign exchange division is among its most crucial divisions. It may be the most crucial division of the bank. The bank is being operated from the front by this division. As a conclusion, I must add that Bangladesh is a huge market for Rupali Bank Ltd. It can be extremely important in bringing about revolutionary changes in our lives on both an individual and societal level, as well as in the material and moral realm.

7.2 Policy implication

Depending on the foreign exchange regime in place, the evolution of the exchange rate has an impact on other prices in the economy through its impact on the export and import prices of tradable products and services. By using the so-called foreign exchange policy, which defines the foreign exchange regime (floating, fixed, managed, etc.) and controls foreign exchange transactions in the financial system, policymakers may take advantage of this connection to affect macroeconomic patterns.

7.3 Future work

The scope and prospects of Rupali Bank Limited in terms of foreign exchange activities grow daily. In this instance, there is a fantastic opportunity to conduct study on this subject in this field. Future research should strive to collect a sizable sample size, and analysis should be based on trustworthy data.

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