

RESEARCH ARTICLE

A Comparative Analysis on Foreign Remittances in the Banking Sector of Bangladesh

Khandker Hafizur Rahman

Department of Finance & Banking, Islamic University, Kushtia, Bangladesh.

***Corresponding Author:** *hafiz909@gmail.com*

Abstract: Foreign remittance is the second highest sources of foreign currency earning and plays a substantial role in the overall development of the economy in Bangladesh. Banks have a significant role to collect foreign currency, to maintain balance of payment and to enhance foreign currency reserves. The main objective of this study is a comparative analysis on foreign remittance in the banking sector of Bangladesh. This paper analyzed the comparative performances on remittances of bank wise remittances, year wise overseas remittances, and year wise overseas employments variables with particular emphasis on increasing more remittances support services by the banking sector during the years of 2010-2018. The study revealed that migrants were remitted \$1554 million through banks in 2018. The figure was 15 percent higher than that of \$1353 million in 2017. The results indicated that the overall performance of the banking sector, IBBL stood first among the all banks on foreign remittances and ABL was second highest and SBL was the third highest for inward remittances. Other Banks were performing moderately on remittance business. Though, Islami Bank achieved highest amount of remittances but study found that Agrani Bank maintained gradual development in remittances earning trends during the years. The findings also revealed that banks employed full potentials to maximize the contributions of remittances earnings for the development of the migrants, increasing foreign currency reserves and contributing to the national economy. The study is expected to provide guidelines and recommendations to the banking sector for expanding dynamic support services for the migrants and targeting at achieving outstanding performances on remittances inflows, employment generations, and development of national economy.

Keywords: *Agrani Bank Limited (ABL), Sonali Bank Limited (SBL), Janata Bank Limited (JBL), Islamic Bank Bangladesh Limited (IBBL), Migrant, Remittance.*

Article Received: 10 Jan. 2022

Revised: 25 Jan. 2022

Accepted: 18 Feb. 2022

Introduction

Foreign remittance plays a pivotal role and has become a major contributor in maintaining balance of payment, enhancing foreign currency reserves, socio economic development, and promoting gross domestic products in Bangladesh.

Moreover, remittance not only uplifts the livelihood of grass root people, empowers women, standard of living, increasing per capita income, poverty alleviation, lowering unemployment, businesses, social progress and to ensure education for all but also

strengthen our financial market and boosting our economy as a whole.

However, there are some reasons to be incredulous toward the effect of remittances. Most of the migrant's workers arrange migration fees by selling land, cattle's, lending from relatives, friends, and lending firms with high interest. Whenever money is sent it is used for consumption purposes rather than saving and investments. A portion of migration workers are subjugated by the recruiting agency; neither sends abroad nor returns the money.

Sometimes they send money by the illegal third parties that were not sent to the recipients properly. As they come back, they spend lots of money for purchasing purposes as they have. Few days later, they will be as before. As a result, they are homeless, landless, and eventually, they are all lost.

This study indicated that Islami Bank earned over \$3013.61 million (29.68 percent) of the total remittances, making it the top remittance receiving bank in 2018. Agrani Bank stood second position in \$1515.05 million (14.92 percent), Sonali Bank stood third position in \$1137.33 million (11.20 percent), and Janata Bank stood fourth position in \$907.06 million (8.93%). Most of the remittances were sending from Saudi Arabia (18.14%), UAE (15.64%), USA (12.23%), Kuwait (8.40%), Malaysia (7.53%) and UK (7.10%).

Banking sector is the main contributor for the distribution of remittances. Every bank is now providing better remittance services to topple up each other on a comparative basis for achieving the highest positions in the remittances businesses. Banks are motivated by considering each other as an opponent and applied more support services for collecting remittances.

Therefore, remittance inflows are increasing promptly day by day. Besides, banks are promoting support services to the migrants by lending loans for business, refinance for migration, free banking supports, savings and investments for the economic developments of the migrants. Banking sector has a huge network in the whole nation and a smart distribution channel to deliver the remittance of our emigrants to their recipients in an efficient way.

High skilled professionals, time bound payment facilities and innovative technological integrations make banks more reliable for achieving the highest remittances. Therefore, banks are playing a momentous role on earnings remittance inflow of the country.

Better customer service, spot payment systems, international linkage and branch network around the country are the main reasons for being the customers' choice for remittance inflows through the banking channel.

Banks have cracked down the illegal sources of remittance systems. Most of the remittances are now coming through the banking channels that add deposits to current account balance and transforming into sustainable financial markets.

As a result, foreign reserves have now reached new heights over the years. Therefore, banks are the main dominating stakeholders for collection and distribution of remittances for sustainable growths of remittances that generate stable financial market, increase foreign currency reserve that's why the comparative analysis on foreign remittance in the banking sector of Bangladesh is indispensable.

This paper attempts to formulate a comparative analysis on foreign remittance in the banking sector of Bangladesh during the year of 2010-2018. This paper focuses on a comparative analysis on bank wise remittances inflows, and year wise remittances inflows, and analyze the performances among the banks by graphical representations and SPSS statistical analysis for measuring the actual earnings of the remittances among the banks, assesses the overall performances in the banking sector and find out the relationship among the banks for chasing one another moving towards utmost performances on remittances growths that would be outstanding cherished achievements of the banking sector. This paper also suggests policies and recommendations to take proper steps for achieving substantial growth on remittances towards the fastest growing economy in the world.

Overview of the Remittance Inflows in Bangladesh

Remittances inflows to South Asia stood 12 percent to \$131 billion in 2018, beating the 6 percent growth in 2017. In Bangladesh, remittances showed an upward increasing in 2018 (15 percent). According to Bangladesh Bank data, Bangladeshi migrants remitted \$1554 million in 2018. The figure was 15 percent higher than that of 2017 (\$1353 million). Bangladesh is going to be one of the third fastest growing economies in the world in terms of reaching high gross domestic product in 2019, according to a United Nations report.

The Bangladesh economy recorded 7.86% growth in fiscal year 2018, exceeding the fiscal year 2018 budgetary target of 7.40%. According to the World Bank Report, Bangladesh is one of the five fastest growing economies in the world. The progress was caused by manufacturing, construction and a bumper crop harvest, coupled with private consumption, remittance and rural income growth.

Bangladesh is the ninth highest recipient of remittances with \$15.9 billion and in South Asia it ranks third after India \$79.5 billion and Pakistan \$20.9 billion, the World Bank said in its latest Migration and Development Brief. Bangladesh maintained continuous upward trends of 17.9 percent in 2018, the bank said. The World Bank said Bangladesh, after a little bit decline in 2016 (-11.5 percent), remittances were flat in 2017, but remittances are showing growing trends in 2018 (17.9 percent).

Migrants from Saudi Arabia remitted over 17 percent, or \$2,591.58 million of the total inflow of remittance \$14,978.86 million in the leaving fiscal year 2017-18, fiscal year 2018, according to BSS. According to Bangladesh Bank, Bangladesh earned \$3,345.23 million remittances from the KSA in 2014-15 fiscal years, \$2,955.55 million in 2015-2016 fiscal year and \$2,267.22 million in 2016-2017 fiscal years. In fiscal year 2018, Saudi Arabia remitted \$2,428.06 million.

As per Bangladesh Bank data, Bangladesh received \$2093.54 million from the UAE in the fiscal year 2017 and \$2429.96 million in fiscal year 2018. The data showed, Bangladesh received 1,997.49 million remittances from the USA in fiscal year 2018 while receive \$1,199.70 million remittances from Kuwait, received \$1,107.21 million remittances from Malaysia, received \$1,105.55 million remittances from the UK, received \$958.19 million remittances from Oman, received \$844.06 million remittances from Qatar, received \$662.22 million remittances from Italy, received \$541.62 million remittances from Bahrain, received \$330.16 million remittances from Singapore, received \$153.15 million remittances from South Africa and received \$134.40 million remittances from France.

The totals in flow of remittance were also increased by \$2,209.41 million or 17.30

percent in fiscal year 2018. The country received \$12,769.45 million remittances in 2016-2017 fiscal years. In 2015-2016 fiscal years, migrants remitted \$14,931.18 million where the expatriates sent \$15,316.91 million in 2014-2015 fiscal years.

Statement of the Problem

Remittances are playing dominating roles in the international trade and balance of payment. Foreign currency inflows are determined by inward remittances and export proceeds. International businesses are dramatically promoting and banks are dealing foreign currency inflow and outflow by receiving remittances from foreign countries by the migrants, exporting goods to foreign countries and importing goods from other countries. Over the years, Bangladesh has had a deficit trade balance. It is growing rapidly and now has doubled the previous year.

So it has been creating long lasting acute problems for the export and import business. The shortage of the foreign currencies in the banking sector in Bangladesh is deficit trade of balance and deficit balance of payment. Foreign remittances are contributing to mitigate the shortages of deficits as a whole.

What are the performance on remittances and finding out the reasons, what are the performance on banks and finding out the reasons, who are the main stakeholders, why the trade of balances is flattering recurrently more deficits, what should be the effective corrective measures of sound operation on foreign remittance in Bangladesh that is why the study is designed? The purpose of this study is a comparative analysis on foreign remittance in the banking sector of Bangladesh.

Objective of the Study

The broad objective of this research is a comparative analysis on foreign remittance in the banking sector of Bangladesh. The author is optimist that this study will help the government, bankers, researchers, economists, and decision makers, economic policy makers to understand the performance on foreign remittances and formulate new applicable policies and recommendations. The concrete objectives of the research are:

- To know about the foreign remittance status in the Banking sector of Bangladesh.
- To evaluate the performances on foreign remittance in the Banking sector of Bangladesh.
- To make a comparative analysis on foreign remittance achievement among the banks in Bangladesh during the study period.
- To make recommendations and suggestions for the improvement of the present situation or problems on foreign remittance development.

Research Methodology

The study was carried out to evaluate the performances of the banks on foreign remittance earnings in the banking sector of Bangladesh. Among the banks, ABL, IBBL, SBL, JBL, and other banks were selected for analysis. Variables were taken as bank wise remittances and year wise remittances. The study was conducted mainly on secondary data sources during the period of 2010-2018.

Data were analyzed by graphical representations and statistical methods like graphical and tabular distribution, descriptive analysis, linear regression, pearson correlation, variance analysis, and so on. The relevant data and information were also collected from annual report in relevant banks in Bangladesh, Bangladesh Bank, bureau of manpower employment and training, articles, journals, newspapers, and from relevant commercial banks. Relevant articles and literatures were also reviewed.

Limitation of the Study

Every study has some limitations. It may be time limitations or cost limitations or information limitations. Banks are indisposed to provide any information and data for policy or some obvious reasons, which could be very much useful for conducting research. They demonstrated some sort of reluctance while providing information. In this study, it analyzed nine years (2010-2018) data in the banking sector of Bangladesh. These may not represent overall performance on foreign remittance of the all banks in Bangladesh because the scopes of remittances are vast dynamic. This paper utilized special statistical techniques. Researchers were not able to select a big sample size that could be more helpful in

explaining many other opinions of the research area.

Literature Review

Several researches have been conducted on various aspects of remittance growth in Bangladesh all over the country by the renowned researchers. But there are no studies found to a comparative analysis on foreign remittance in the banking sector of Bangladesh. This study is essential for searching the existing contributor's performance on allocation, distribution and management of foreign remittances because banks are the main contributor for collecting foreign remittances from remitters and sending them to recipients.

This paper assesses that deficit balance of payment and deficit balance of trade could be controlled by increasing remittances. Another interesting fact is that there are strong correlations among competitions, motivations and performance. Banks review the strength and weakness of the performances continuously motivated towards the utmost performances. An endeavor has been made to review the recent available literature related to foreign remittance.

IMF (2005) notes that the inflow of remittances on the macro economy may emphasize on accelerating long term growth by the additional investments in physical and human capital. Qubria (1986)¹ showed that the continual growth of remittances boosted the foreign exchange market and met up the import demands and promoted the balance of payments and increased the national savings and investment. Siddidui (2004)² pointed out that different ministries, training institutes, civil society, commercial banks, Bangladesh Bank, micro-finance institutions, investment instruments, and specialized banks were involved in transferring remittances and money laundering activities.

Salim (1992)³ points out that remittance are used to make import payments and are used for productive investment by the government. Ali (1981)⁴ showed that foreign remittances achieve a favorable balance of payments along with generating a new capital formation for the nation. According to a report of the World Bank, in Bangladesh, remittance has surpassed the foreign direct investment as well as foreign exchange reserves.

In 2011, the remittances were 117% larger than foreign exchange reserves of Bangladesh (World Bank, 2013).

Azam et al. (2015)⁵ found a considerably constructive relationship between workers’ remittances and economic growth in Bangladesh, India, Pakistan and Sri Lanka during the year of 1976-2012. Low and middle income countries earned drastically more remittances in 2018, according to the

World Bank’s latest Migration and Development Brief. South Asia earned 12 percent remittances to \$131 billion in 2018, overtaking the 6 percent growth of remittances in 2017. In Bangladesh, remittances were exposed to a continuous increasing trend of 15 percent in 2018.

Analysis and Findings

Bank Wise Remittances as of 2010-2018



Figure 1: Bank wise Remittances as of 2010-2018

Source: Bureau of Manpower Employment and Training (BMET), 2010-2018.

In the above Figure 1 presented the tabular and graphical representation of bank wise remittances in million dollars as on 2010-2018. The IBBL achieved the highest remittance earnings among the all banks and

ABL was the second highest and then SBL, JBL, and other banks were respectively. The trend of bank wise remittances earnings was increased from 10739.95 million dollars in 2010 to 15520.68 million dollars in 2018,

where IBBL was 3013.65, ABL was 1515.07, SBL was 11.37.33, JBL was 904.91 and other banks were 8949.72 million dollars. In

Year wise Overseas Remittances, its growth, and Percent of Growth as of 2010-2018

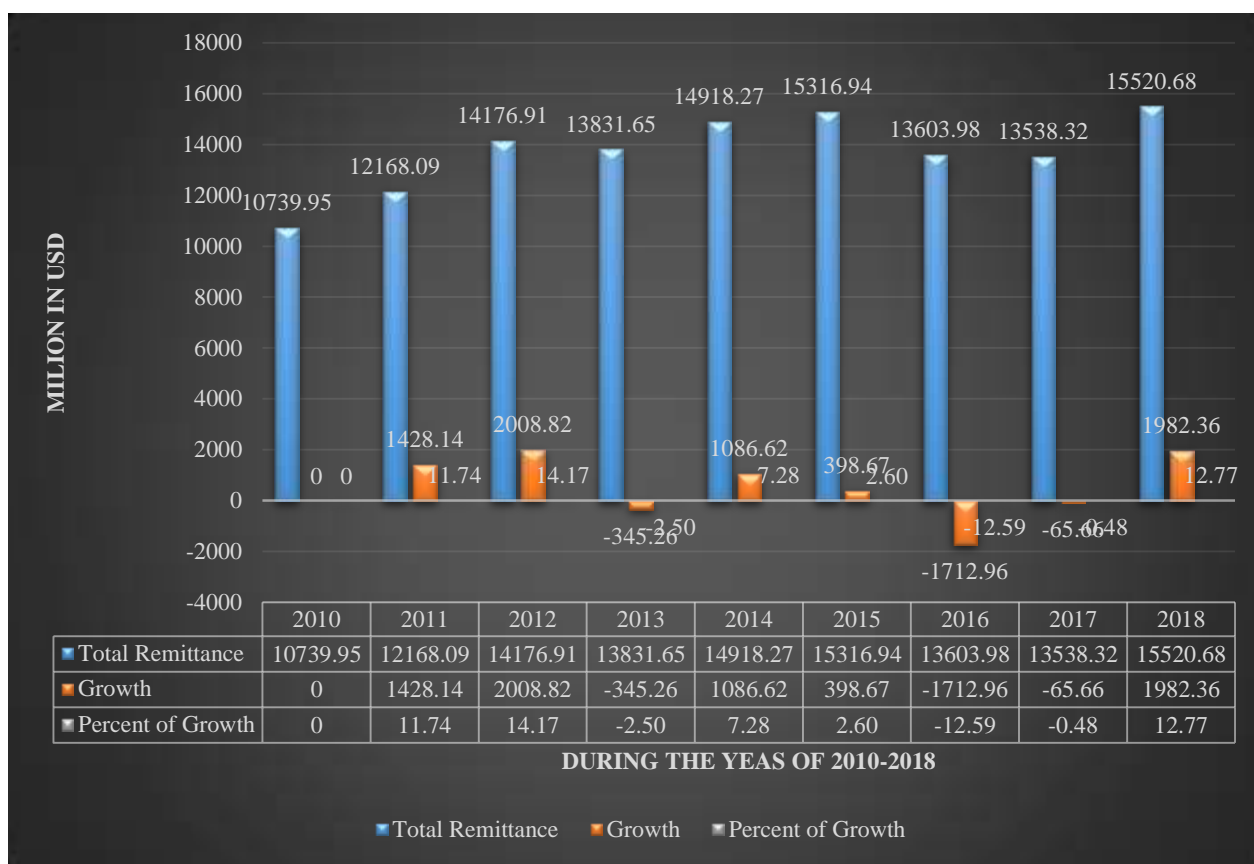


Figure 2: Year wise Overseas Remittances

Source: Bureau of Manpower Employment and Training (BMET), 2010-2018.

In the above Figure-1 presented the tabular and graphical representation of year wise overseas remittances in million dollars as on 2010-2018. The rate of growth of remittance flow was 12.77 percent in 2018 and in 2017 it was -0.48 percent. In 2011, 2012, 2014, 2015 and 2018, the rate of growth of remittance flow were in positive that were 11.74, 14.17, 7.28, 2.60 and 12.77 percent whereas in 2013, 2016 and 2017, the rate of growth of remittance flow were in negative that were -2.50, -12.59, and -0.48 percent. However, the

highest remittance flow was 14.17 percent in 2012.

Descriptive Analysis

Descriptive Statistics shows that the average total remittances of the banking sector in Bangladesh during 2010-2018 was 13757.1867 and Root Mean Square was 13832.78820. On average, the remittance of the Islami Bank was found more than the rest of the remaining Banks during the study period.

Table 1: Descriptive Statistics^a

	Mean ^b	Root Mean Square	N
Total Remittances	13757.1867	13832.78820	9
Islami Bank	3362.0911	3388.93278	9
Agrani Bank	1437.8611	1455.58742	9
Sonali Bank	1315.4111	1325.41954	9
Janata Bank	1101.5733	1122.50686	9

a. Coefficients have been calculated through the origin.
 b. The observed mean is printed

In order to determine the degree of associations among the four major Banks we construct a Correlation Matrix (CM). CM

displayed Pearson Correlation of remittances among the four major Banks. Islami Bank was found to be highly significant with Sonali

Bank($r = 0.899, p = 0.001$) and Janata Bank($r = 0.858, p = 0.003$); Agrani Bank was found to be highly significant with Janata Bank($r = 0.847, p = 0.004$) and Total

Remittances($r = 0.889, p = 0.001$); Sonali Bank was found to be highly significant with Janata Bank($r = 0.826, p = 0.006$); and vice versa.

Table 2: Correlations

		Islami Bank	Agrani Bank	Sonali Bank	Janata Bank	Total Remittances
Islami Bank	Pearson Correlation	1	.613	.899**	.858**	.452
	Sig. (2-tailed)		.079	.001	.003	.222
	N	9	9	9	9	9
Agrani Bank	Pearson Correlation	.613	1	.536	.847**	.889**
	Sig. (2-tailed)	.079		.137	.004	.001
	N	9	9	9	9	9
Sonali Bank	Pearson Correlation	.899**	.536	1	.826**	.257
	Sig. (2-tailed)	.001	.137		.006	.505
	N	9	9	9	9	9
Janata Bank	Pearson Correlation	.858**	.847**	.826**	1	.593
	Sig. (2-tailed)	.003	.004	.006		.092
	N	9	9	9	9	9
Total Remittances	Pearson Correlation	.452	.889**	.257	.593	1
	Sig. (2-tailed)	.222	.001	.505	.092	
	N	9	9	9	9	9

** . Correlation is significant at the 0.01 level (2-tailed).

Regression Model for Total Remittances with Four Major Banks

To measure the effect of four major Banks on Total Remittances we fitted a linear regression model through the origin. In this case, $R^2 = 0.999$ implies that 99.9% of the total variation in total remittances was explained by the four major Banks and the adjusted $R^2 = 0.998$ implies that after taking into account the number of regressors, the regression model was explained about 99.8% of the variation in the total remittances. On

the other hand, we obtained a statistically significant change F statistic with 4 and 5 degrees of freedom respectively (i.e., $F_{(4,5)} = 1257.447, p = 0.000$). We also executed a Durbin-Watson test in order to detect autocorrelation between successive observations in the data. Since, the Durbin-Watson value was 2.367 (≈ 2), so there is no autocorrelation between successive observations in the data. Hence, the linear regression model is considered as an appropriate model.

Table 3: Model Summary^{c,d}

Model	R	R Square ^b	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	1.000 ^a	.999	.998	584.84512	.999	1257.447	4	5	.000	2.367

a. Predictors: Janata Bank, Sonali Bank, Agrani Bank, Islami Bank

b. For regression through the origin (the no-intercept model), R Square measures the proportion of the variability in the dependent variable about the origin explained by regression. This cannot be compared to R Square for models which include an intercept.

c. Dependent Variable: Total Remittances

d. Linear Regression through the Origin

From ANOVA table, the regression SS was 1720407358.738 and the total SS was 1722117577.803, which means the regression model explained about $\frac{1720407358.738}{1722117577.803} = 99.9\%$ of all the variability in the dataset. The

overall F test showed that the coefficients are jointly statistically significant (i.e., $F_{(4,5)} = 1257.447, p = 0.000$), which means that the remittances of four major Banks have significant effect simultaneously on total remittances.

Table 4: ANOVA^{a,b}

Model	Sum of Squares (SS)	Df	Mean Square	F	Sig.
1 Regression	1720407358.738	4	430101839.684	1257.447	.000 ^c
Residual	1710219.065	5	342043.813		
Total	1722117577.803 ^d	9			

a. Dependent Variable: Total Remittances

b. Linear Regression through the Origin

c. Predictors: Janata Bank, Sonali Bank, Agrani Bank, Islami Bank

d. This total sum of squares is not corrected for the constant because the constant is zero for regression through the origin.

Partial regression coefficient (β value) of a regression line tells us about the average change in the value of dependent variable corresponding to the unit change in the independent variable i.e., it determines the direction and the magnitude of the slope of a regression line. In the current study, the β values associated with Sonali Bank (-1.272) and Janata Bank (-9.641) carry negative signs, which represent that with the increase of 1 year in Sonali Bank and Janata Bank, the average decrease of Total Remittances (dependent variable) are \$1.727 million and \$9.641 holding the scores of the remaining regressors (independent variables) constant respectively. The β values associated with Islami Bank (2.945) and Agrani Bank (11.214) carry positive signs, which represent that with the increase of 1 year in Islami Bank and Agrani Bank, the average increase of Total Remittances are \$2.945 million and

\$11.214 holding the scores of the remaining regressors constant respectively.

We also execute individual regression coefficient test (t-test) to determine the effect of each of the independent variable in the model (overall F-test in ANOVA only concluded that the coefficients are statistically significant simultaneously but cannot determined individual effect). Individual regression coefficient test showed that the coefficients of Islami Bank, Agrani Bank and Janata Bank are individually statistically significant at 5% level of significance (p-value<0.05), which means that the remittances of Islami Bank, Agrani Bank and Janata Bank have significant effect individually on total remittances. At 95% confidence interval level the value of lower bound in Agrani Bank was 7.719 and upper bound was 14.709 that was also higher value than any other remaining Bank in our study.

Table 5: Coefficients^{a,b}

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0 % Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Islami Bank	2.945	1.132	.722	2.602	.048	.035	5.855
	Agrani Bank	11.214	1.360	1.180	8.247	.000	7.719	14.709
	Sonali Bank	-1.272	2.651	-.122	-.480	.652	-8.087	5.544
	Janata Bank	-9.641	2.103	-.782	-4.584	.000	-15.048	-4.234

a. Dependent Variable: Total Remittances

b. Linear Regression through the Origin

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.5
Bartlett's Test of Sphericity	Approx. Chi-Square	42.810
	df	10
	Sig.	.000

Factor Analysis

Factor analysis is a powerful data reduction technique which was used to identify the most important influential factors of Total Remittances that explained the correlations among a set of variables (bank categories). High values (between 0.50 and 1.00) of Kaiser–Meyer - Olkin (KMO) indicate that factor analysis is appropriate. Values below 0.50 imply that factor analysis may not be appropriate. In this study, KMO was found 0.5 which indicated that the sampling is adequate. At 1% level of significance, Bartlett's Test of Sphericity showed that the chi-square test is statistically significant with 10 degrees of freedom ($\chi^2 = 42.810, p = 0.000 < 0.01$). Hence, the factor analysis is considered as an appropriate technique.

According to factor analysis, eigenvalues which are greater than 1 are used to

demarcate the significant factors of Total Remittances, which indicated that the Total Remittances depends on two major factors. These two factors explained 95.107% of the total variation in the data and the remaining 4.893% was explained by the rest of the remaining factors. Amongst the bank categories, factor 1 explained the highest 74.768% of the total variation, whereas factor 2 explained 20.339% of the total variation in the data. Extraction Sums of Squared Loadings also has given the corresponding eigenvalues 3.738 and 1.017 respectively. Rotation Sums of Squared Loadings (using varimax method) indicated that factor 1 explained the highest 52.492% of the total variation, whereas factor 2 explained 42.615% of the total variation in the data. It is also given the corresponding eigenvalues 2.625 and 2.131 respectively.

Table 6: Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.738	74.768	74.768	3.738	74.768	74.768	2.625	52.492	52.492
2	1.017	20.339	95.107	1.017	20.339	95.107	2.131	42.615	95.107
3	.163	3.252	98.359						
4	.073	1.456	99.815						

Findings

Our expected results disclosed significant findings. In remittance earnings among the banks, IBBL was the highest remittance earners whereas ABL was the second highest during the year of 2010-2018. Overall performance analysis, only ABL was found positively in increasing trends among the banks during the study period. In year wise remittance earnings, in 2010 total remittances were 10739.95 million whereas in 2018, the total remittances were increased to 15520.68 million. So during the year, remittance earnings were increased positively. In considering the remittance growth, the highest remittance growths were found in the year of 2012 (19.96%) and 2018(20.18%). In descriptive analysis, total remittances of root mean square were 13832.78 where IBBL was 3388.93, ABL was 1455.58 and other banks were below standard. In Pearson Correlation, all banks were highly significant with each other on remittance earnings where p value was 0.001. In linear regression, $R^2 = 0.999$ implies that 99.9% of

the total variation in total remittances was explained by the four major Banks and the adjusted $R^2 = 0.998$ implies that after taking into account the number of regressors, the regression model was explained about 99.8% of the variation in the total remittances. In analysis on variances, individual regression coefficient test showed that the coefficients of Islami Bank, Agrani Bank and Janata Bank are individually statistically significant at 5% level of significance ($p\text{-value} < 0.05$), which means that the remittances of Islami Bank, Agrani Bank and Janata Bank have significant effect individually on total remittances earnings. At 95% confidence interval level the value of lower bound in Agrani Bank was 7.719 and upper bound was 14.709 that was also higher value than any other remaining Banks in our study. These findings were supported the authors expectations that banks had great influenced on remittance earnings by employing their utmost performances.

Conclusion

The purposes of this research were to make a comparative study on foreign remittance earnings among the banking sector to find out the scenario of remittance earnings, to analyze the performances on remittance earnings and found out the competitiveness in the banking sector. Therefore, banks are the main mediators for collection and distribution of remittances for sustainable growths of remittances that generate stable financial market, increase foreign currency reserve.

The graphical representations, descriptive analysis, pearson correlation, linear regression, variance analysis, factor analysis were used to assess the results of bank wise remittances, year wise remittances and growths of remittances during the year of 2010-2018. The results showed that IBBL was the highest remittance earners whereas ABL was the second highest during the year of 2010-2018. Overall performance analysis, only ABL was found positively in increasing trends among the banks during the study period. In year wise remittance earnings, in 2010 total remittances were 10739.95 million whereas in 2018, the total remittances were increased to 15520.68 million. In considering the remittance growth, the highest remittance growths were found in the year of 2012 (19.96%) and 2018(20.18%). In descriptive analysis, total remittances of root mean square were 13832.78 where IBBL was 3388.93, ABL was 1455.58. In Pearson Correlation, all banks were highly significant with each other on remittance earnings. In analysis on variances, individual regression coefficient test showed that the coefficients of Islami Bank, Agrani Bank and Janata Bank are individually statistically significant at 5% level of significance (p -value <0.05). At 95% confidence interval level the value of lower bound in Agrani Bank was 7.719 and upper bound was 14.709 that was also higher value than any other remaining banks in this study.

Although, researcher intention was to identify the competitiveness on remittance earnings among the banks and eventually presented it skillfully but researcher revealed through this research some crucial facts which so far no researcher reflects yet. Researcher showed deep concerned that IBBL views that because of religious values

everyone will come to the bank as before and simultaneously govt. banks also rely on public bank philosophy. These overestimations may be endangered for occupying the remittance sector. Once beyond the religious values and traditionalisms, migrants will allow only those who will provide new technologies and better services to their door steps to the recipients will be succeeded. As a result, migrants will opt for performance based banking rather than traditional banking. Hence, researcher's observation was that in the near future, the realm of remittance sector may be handed over existing banks to another bank that can provide latest services to the migrants. Banking sector should apply full automation systems that will decrease the time and cost related to the remittance processing, distribution and payments from the sender to recipients. Therefore, further research on a longer period is needed to get more insights on this issue.

Recommendations

The government should provide all sorts of support and securities measures for migrants in which they may migrate free of any problems. The government can send migration workers at free of cost by providing loan from the banks that will be paid later by earning from the migrants. As a result, anomaly in the recruiting agency will be reduced a lot that could encourage promoting more migrations. Promotion of skill development training should be conducted regularly. Besides, digitization in migration management, initiative to explore new markets, efforts to reduce migration cost should be undertaken. Most of the financial firms, especially Bkash, Rocket, Nogod, and others are keeping high charges that should be under controlled and free of charges should be implemented only for the migration workers. To keep the migration free from all kinds of fraudulent practices particularly to dissociate it with the attempt of trafficking in the name of migration. Banks can establish more remittance only points across the country and remitted money from the migrants should be transferred to the recipient's accounts directly. Banks should arrange remittance drawing arrangements under process with different exchange houses for collecting remittances from different parts of the world.

Digitized database software should be prepared for management of migration workers. Banks may launch promotional programs in collaboration with exchange houses. Banks should appoint bank officials at Bangladeshi embassies in different remittance regions for collecting more remittances. So the government and banking sector should take necessary steps on priority basis as stated above for boosting up the remittance inflows that could build up not only strong financial market but also sustainable development of the economy.

References

1. Quibria, M.G., (1986) Migrant workers and remittances: Issues for Asian developing countries. *Asian Development Review*, 4(1):78-99.
2. Siddiqui, T., (2004) Efficiency of migrant workers' remittance: the Bangladesh case. Asian Development Bank, Manila.
3. Salim, R.A., (1992) Overseas Remittances in Bangladesh: Importance, Potentialities and Policy Options, The Jahangirnagar Review, Part II, Social Science: Vois. XIII & XIV, The Jahangirnagar University, Dhaka.
4. Ali, S., Arif, A. and Habibullah, A., (1981) Labor migration from Bangladesh to the Middle East (No. SWP454, p. 1). The World Bank.
5. Azam, Muhammad (2015) "The role of migrant workers remittances in fostering economic growth: The four Asian developing countries' experiences." *International Journal of Social Economics*.
6. Muktadir-Al-Mukit, D. and Islam, N., (2016) Relationship between Remittance and Credit Disbursement of the Banking Sector: A Study from Bangladesh. *Journal of Business and Management Research*, 1(1):39-52.
7. Pant, B., (2014) Uses and Impacts of Remittances in Nepal. In *Migrant Remittances in South Asia* (pp. 277-294). Palgrave Macmillan, London.
8. Khan, S., (2013) Migrant Remittance Supported Micro-Enterprises in South Asia. In *The Political Economy of South Asian Diaspora* (p. 81-108). Palgrave Macmillan, London.
9. Abdinur, M., (2010) Migrant Workers Remittances: Building Futures and Forging Leadership Back Home.
10. Azad, A.K., 2005. The importance of Migrant Remittances for the Bangladesh Economy in Maimbo, S. and Ratha, D.(eds) Remittances: Development Impact and Potential. *World Bank: Washington DC*.
11. Ibrahim, M., Mohammad, K.D., Hoque, N. and Khan, M.A., (2014) Investigating the performance of Islamic banks in Bangladesh. *Asian Social Science*, 10(22):165.
12. Buchenau, J., (2008) Migration, remittances, and poverty alleviation in Bangladesh: Report and proposal. *Preparatory Assistance for Pro Poor Trade, UNDP: Dhaka*.
13. Rahman, S. and McDonald, N., (2012) Economic development of Bangladesh: The role of IBBL.
14. Sarker, M.N.I. and Rashid, M.H.O., (2015) An impact of banking activities of private commercial Islamic bank to economic development in Bangladesh: a case study on First Security Islami Bank Limited (FSIBL). *Journal of Investment and Management*, 4(5):264-272.
15. Mamun, K. and Nath, H.K., (2010) Workers' migration and remittances in Bangladesh.
16. Mahbub, T., (2016) *The performance of Bangladeshi commercial banks: the role of corporate governance*. The University of Manchester (United Kingdom).
17. Chowdhury, M.B., (2011) Remittances flow and financial development in Bangladesh. *Economic Modelling*, 28(6):2600-2608.
18. Haider, M.Z., Hossain, T. and Siddiqui, O.I., (2016) Impact of remittance on consumption and savings behavior in rural areas of Bangladesh. *Journal of Business*, 1(4):25-34.
19. Anik, M. and Masud, H., (2020) Loan & Foreign Remittance of Sonali Bank Ltd.
20. Moniruzzaman, M., (2016) Governing the Remittance Landscape for Development: Policies and Actors in Bangladesh. In *Diasporas, Development and Governance* (p. 101-120). Springer, Cham.

21. Rahim, S., (2012) Problems and Prospects of Remittance Service in the Public Banking Sectors of Bangladesh (A study on Janata Bank Limited).
22. Chowdhury, A.U.M. and Uddin, M.Z., (1917) Foreign Remittance of Sonali Bank Ltd.