

An insight on unsecured lending of Standard Chartered Bank Bangladesh

Submitted To,

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Dear Ma'am,

The following report contains my internship on *an insight on unsecured lending of Standard Chartered Bank Bangladesh*. This report follows my 3-month internship consisting of 4 credits at the end of all courses and is a mandatory requirement for the fulfillment of my credits at the bachelors program of BRAC University.

In order to make a quality submission to you, I tried my best to make use of my and the cumulative experience of my colleagues at the bank rather than relying on third party materials. However, Standard Chartered Bank has zero tolerance on divulging any confidential information concerning the business to anyone. Thus actual data haven't been used in this report.

I hope you would find this report up to the mark.

Sincerely yours,

Sartaz Fattah

Acknowledgment

First of all I would like to thank Almighty Allah for the successful completion of my report. My sincere gratitude goes to my supervisor Ms Syeda Shaharbanu Shahbazi Ahmed, Senior Lecturer, BRAC Business School for her cooperation during the internship report. After the end of all my theoretical courses at BRAC University I joined Standard Chartered Bank (SCB) on November 1, 2012 at the position of **Credit Analyst** at Grade 9. In performing the above role, I reported to the Credit Manager, Risk. My base location was Dhaka, Silver Tower, 8/F.

I would also like to acknowledge the support of the management of my host organization “Standard Chartered Bank”. In particular, I would like to take this opportunity to thank Raisul Amin, Head of Credit, Md. Tamjid Nur, credit manager, Saif Momotaz, Manager: Cards, Aunindya Rahman, assistant credit manager, Syed Monirul Kawnine, assistant credit manager, Saiful Anam, assistant credit manager and Arefin Rafiul, credit analyst.

Executive Summary

Standard Chartered Bank started its business in Bangladesh in 1948, opening its first branch in the port city of Chittagong. The bank increasingly invested in people, technology and premises as its business grew in relation to the country's thriving economy. At present the bank has 18 offices. In Bangladesh, Standard Chartered offers 24-hour service through its ATM network, Phone banking and e banking. Its aim is to offer world-class service on a 24-hour basis. SCB works in team and follows the goal setting theory. In that the employees set their own goal and the goal is pursued by them throughout the year. Cares for the local cultures and set their strategies best suited for the respective area. They bank tries to establish long-term relationship with the customers. Bank usually accepts deposits, makes loans, pays checks, and performs related services for the public.

A loan entails the redistribution of financial assets over time, between the lender and the borrower. Broadly the loans could be segregated into two types depending upon the collateralization- secured & unsecured loans. Secured loans are loans that are secured against the borrower's assets such as mortgage and auto loan. Unsecured loans are monetary loans that are not secured against the borrower's assets such as credit cards and personal loans. There are separate analysts for all these product types. I was specifically recruited for unsecured loans.

A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.

Personal loan is a loan that establishes consumer credit that is granted for personal use; usually unsecured and based on the borrower's integrity and ability to pay. Whether an individual is planning a vacation, redecorating home or supporting child through college, a personal loan gives the extra funds needed. One can even use it as a standby line of credit for unforeseen expenses. Whichever option one chooses, s/he will be able to stay in control of his/her finances and make the most of life's opportunities and experiences. Personal loans are very flexible and are provided to meet individual's assorted needs like: Purchase of miscellaneous household appliances, Purchase of personal computers, Purchase of refrigerator, Purchase of audio-video equipment, Purchase of furniture, Hospitalization or other emergency medical needs, House

renovation, Purchase of office equipment / accessories, Office renovation, Marriages in family, Advance rent payment and Overseas trips.

As target market, Standard Chartered Bank (SCB) tries to cater a wide range of customers from different sectors. Customers having a minimum income of BDT 15000 and age between 21- 65 can apply for personal loans between BDT 60K and 1000K. Credit cards are issued to customers with variable limit starting from 10k to 500k.

Maximum unsecured exposure (MUE) between 8X-20X of net income and Debt Burden Ratio (DBR) 30%-60% is allowed. Loan repayment tenor is flexible and Standard Chartered Bank offers competitive interest rates. Documents like bank statements, TIN certificate, trade license, NID, guarantor details, CPV & CIB report, and other loan offer letters are required when assessing a file for granting a loan.

Although this report deals in particular with the back office function of a loan but it still worth mentioning a little on the other side of the coin, i.e. the sales function of the bank. Standard Chartered Bank has an aggressive marketing policy. The Direct Sales Executives (DSEs) and product marketing officers (PMO's) appointed by sales managers are a very useful source of bringing in customers for loan. Standard Chartered Bank uses a push strategy for this purpose. The other source of application receiving is the Personal Financial Consultants (PFCs) who sit in different branches and advice customers who step into the bank.

Data analysis over six months reveals that the major source of applications was the sales force (DSEs). It was obvious since most of the take away salary of the DSE's depends on the sales they generate as their fixed salary is a minimum. It is seen that almost in every month 33% of the personal loan and 40 % of the credit card applications are approved. Applicant type wise, major applicants of SCB loan and credit card are salaried and the percentage of salaried applicant is more than 70%. Salaried segment has a significantly higher approval rate then self-employed segment. Salaried segment has a much better portfolio with SCB compared to the self-employed in terms of loan repayment. Purpose wise, major portion of the loan is for house/ office renovation both in terms of volume and number.

Delinquency measure of the bank is a vital part of the portfolio analysis. Customers missing one Equal Monthly Installments (EMI) on due date and repaying it within 30DPD (Due Payment

Date) are not considered delinquent but those exceeding 30DPD are termed as irregular/delinquent accounts. The analysis reveals that period end outstanding have been increasing at a very unsatisfactory rate.

The development and expansion of personal consumer credit is regarded as a very important medium of achieving economic and social growth in both developed and developing countries. The role of personal consumer credit in generating investment, savings, profit, employment opportunities, export, regional industrialization and improvements of people's living standards as well as national development is very important. Personal consumer credit should be established on a greater scale across the country in order to facilitate one to make most of life's opportunities and experiences.

The credit card has a lower impact on growth but is still a convenient product nonetheless. SCB credit cards are of four different types (credit limit is given in brackets), namely silver card (10k-70k), gold card (75k-145k), platinum card (150-450 k) and signature card (500k). The signature card is the premium credit of not only SCB but in the Bangladeshi market in general. Only a selected exclusive class is eligible for such cards. The benefits given to the card holder is second to none.

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Company Overview

Standard Chartered is the world's leading emerging markets bank having its headquartered in London. Its businesses however, have always been overwhelmingly international. This is summary of the main events in the history of Standard Chartered and some of the organizations with which it merged. Standard Chartered is named after two banks merged in 1969. They were originally known as the Standard Bank of British South Africa and the Chartered Bank of India, Australia and China. Of the two banks, the Chartered Bank is the older having been founded in 1853 following the grant of a Royal Charter from Queen Victoria.

Today Standard Chartered is the world's leading emerging markets bank employing 30,000 people in over 500 offices in more than 50 countries primarily in countries in the Asia Pacific Region, South Asia, the Middle East, Africa and the Americas.

The new millennium has brought with it two of the largest acquisitions in the history of the bank with the purchase of Grindlays Bank from the ANZ group, American Express Bank (Amex) and the acquisition of the Chase Consumer Banking operations in Hong Kong in 2000.

These acquisitions demonstrate Standard Chartered's firm committed to the emerging markets, where it has a strong and established presence and where it sees future growth. Global marketing is a big business for Standard Chartered. Global Marketing produced more than five million customers world-wide from over its 400 branches. And in 2006, it produced 58% of its operating profits. Standard Chartered Bank is a major presence and a well-known name across Asia, the Middle East and Africa, while in London and Jersey their Private and Priority Banking business offers first-class services to high net worth individuals.

OBJECTIVE OF THE REPORT

Broad Objective

The broad objective of the study is to conduct the look into the credit department inside out, especially unsecured loans department and its difference procedure.

Specific Objectives

The specific objectives of this study are as follows:



To relate theoretical knowledge with practical experience in several functions of the Credit Control Unit of the Standard Chartered Bank.



To Identify and evaluate different functional services conducted by the Personal Loans department of the bank to its clients.



The process involved in the various functions of unsecured loan department of the bank



To know about the pattern of the clients who take the services of the bank



To provide an overview on theoretical development



To discuss the administration of consumer credit by Standard Chartered Bank



To know the system used, products offered and the product delivery procedure



To know how risks are controlled

SCOPE OF THE REPORT

Providing an insight into the consumer credit by Standard Chartered Bank is the scope of this report. First of all, theoretical development of consumer credit is shown. Then the administration of personal loan is discussed. Later, based on the empirical evidences, the recent performance of SCB's loan portfolio is explained. Then the bank's performance is analyzed in terms of different ratios. Lastly, summary and conclusion is given.

METHODOLOGY

Area of Investigation:

As the Banking Sector is very large, therefore I will be only focusing on specific departments of banks and taking only consideration of the Personal Loans in Credit Control Unit of Standard Chartered Bank Bangladesh, where I have been working for more than on and half year. I will be highlighting the operations of



Personal Loan as a Product



Process and Procedures



Assessment methods



Payments procedures

Source of Information:

Primary:

The primary information was gathered through interviews and observation.

Secondary:

The secondary information will be gathered through Annual Reports, Periodic Publication of the Bank, Bangladesh Accounting Standards, General Banking Manuals, Financial Statements of the banks, websites, emails etc.

Sampling Plan

Sampling Procedure:

The sampling procedure will be conducted on the Deliberate Sampling method can be used where the respondents and the interviewees are considered on my convenience and priority.

Sampling Unit

In order to carry out the research work, I will be focusing on taking the interviews of the personnel involved in the different departments that operate in the loans, Managers, Senior Level Employees, and Business Clients.

1.7 LIMITATIONS

In every research work there exist some limitations that the researcher faces while conducting different activities. In the process of the research work, I may come across certain limitations that can hamper the actual findings and analysis of my research work. Some of these possible limitations can be identified are:

- ➔ The interviewees, who are the personnel involved in the various departments of the bank, may not be well acquainted with the formal procedures of the research work. The respondents may be biased on certain issues that may hamper the total evaluation of the research work.
- ➔ The main limitation of this report is the bank's policy of not disclosing some data and information, which would have been very much useful for the report. Thus, these reports contains backdate data. Although I do have access to the latest data publishing this data would be a direct breach of the Groups policy.
- ➔ In many cases, up to date information was not published or available.
- ➔ The study conducted can be hampered as the total Credit control unit's procedure of the bank cannot be covered in a short period of time.
- ➔ The personnel of the bank are usually busy with their daily activities and routine tasks, therefore interacting with them during their office hours can be difficult sometimes.

Data Processing & Analyzing

The collected data will be processed through computer encoding as well as manually, depending on the nature of the query being solved. The processed data will then be analyzed with the current personal loans department's procedure of the bank. Finally, on the basis of that, the study will conclude the answers to the research objectives for the final stage of the study and the report preparation.

Job description

In this part of the report I would like to talk about my job responsibilities at SCB. I would also talk about the opportunity it had opened up for me and the problems that I have encountered.

Job responsibilities:

- ✓ Maintain credit quality and minimize associated risks with a view to business growth and bank profitability,
- ✓ Calculate income eligibility & financials accurately as per agreed methods,
- ✓ Management of interns, support staff & 3rd party agencies (contractual employees of the team),
- ✓ Implement prudent checks & measures to arrest fraudulent & substandard applications,
- ✓ Assess all credit proposals accurately as per Group standards and locally agreed parameters,
- ✓ Ensure timely assessment of all proposals with accuracy and policy adherence,
- ✓ Help team to achieve satisfactory rating in Audit,
- ✓ Educate counter parties about product & related processes,
- ✓ To reduce the individual and the team turn around time (TAT) to achieve maximum customer satisfaction.

Opportunities and learning from the job:

The first and foremost thing that I learned from my work is the ability to work under extreme pressure. It has also taught me to prioritize between multiple tasks as there are multiple tasks that rested upon my shoulder with different deadlines.

It helped me to understand the ways in order to be a good team player. Our team was build upon team work and there were lots of dependency. It also meant to be available for the team as and when it is required. Such principles of working in team are essential to succeed in doing any work as nobody can get everything done by them.

I had improved upon my people management and leadership skill. I had a direct report working with me so I had learned the ways of managing a team. More importantly, it was important for me to understand the type of leader I was and now I would say I know myself better after working during my internship.

My communication skill has also improved as I have to communicate with the sales force on a

regular basis. The sales force often attempted to change the analysts' decision to get a credit card approved. This meant that I had to learn to be flexible enough to change my decision to otherwise declined file if my second look at the applicant seemed to be ok and I also had to learned to be strict to my decision if I think that my last decision was my final decision and I wouldn't want to extend credit to the applicant.

My work at SCB helped me to be customer oriented. Although I worked at back office with no front line or customer facing activities this didn't mean I couldn't be customer oriented.

Customer oriented from my part meant that I would reduce the turn around time so that the files are processed from my end within minimum time. This would mean that I would give a decision promptly so that the customers could get the loan within the shortest time. There is no use of the loan after the need for the loan is over. It is also necessary to inform the customers even if the customer's loan isn't being approved. This way the customer could take their business elsewhere and still would hold a positive image of SCB.

During my tenure I found out and built upon my ability to work hard, professionalism and my strong work ethic. These three pillars are absolutely essential for success in any field. I learned to be accountable for my work and I was often forced to get out of my comfort zone which would help me during my future endeavors.

Although the list of soft skills that I learned could go on but the list of hard skills that I learned on the job isn't a few either. To start with, I got an excellent command over banking software such as RLS, Cards 400, EBBS, ECAPS, PLUSS and Loan Locator among many. I became more proficient at using the software that I already knew such as the Office packages. I learned the entire process and transfer of files from one desk to another after a file have been sourced to the handover of fund to the customer.

Challenges I faced on the job:

I found it extremely difficult to have a sound work life balance. But this also something that I am learning day by day; to make limited use of time in the best way possible. My perspective of work life balance changed with time and probably the best definition of work life balance in the modern setting is not to have a 9-5 job rather to have a job where you can attend to emergencies to your life.

I also found that over dependency upon the banking software could be a hindrance. Lack of bandwidth during the peak hours meant that all our work was automatically slow.

Application of my skills learned during my university:

There was extensive use of my financial knowledge that I had already learned during my university. However, knowing the principles was enough as all the formulas was already incorporated in the check list. All that was necessary for me was to enter the necessary data of the customers in the checklist and the ratios would automatically be calculated.

Administration of Personal Consumer Credit by SCB

This part of the report gives an overall idea about the administration of Personal Consumer Credit (PCC) or Personal Loan (PL) provided by Standard Chartered Bank (SCB). Even though the product was originated in Standard Chartered Group (SCG), the product's basic features are still the same as it was before with some minor modifications in the evaluation process. It is said to be one of the most easy loan product programs of SCB. As this section progresses, one can easily understand the different features of this product program.

Installment Loan

It is an unsecured loan offered to individuals for some given purposes and the loan is to be repaid in equal monthly installments (EMI).

Target Market

- ^ Employees of reputed Local Corporate, Multinationals, NGOs, private universities, International aid agencies, UN bodies and Airlines.
- ^ Government Employees.
- ^ Self-employed Professionals (Doctors, Engineers, Chartered Accountants and Architects)
- ^ Businessmen
- ^ Defense Officials
- ^ Mariners
- ^ Proprietorship Firms
- ^ Partnership Firms
- ^ Small Scale companies- Managed by family members, no management structure, unstable business, high turnover of employees. Example: Garments, Restaurants, Car Showrooms, Trading/Indenting Firms Etc.
- ^ Government Employees - Employees of BSCIC, Aged Officials close to their retirement. There is a separate grid for the government salaried segment against which a higher multiplier is given.

Purpose of Personal Loan

- ^ Purchase of miscellaneous household appliances.

- ^ Purchase of refrigerators
- ^ Marriages in the Family Members.
- ^ Hospitalization or other emergency medical needs.
- ^ Trips abroad.
- ^ Higher Education.
- ^ Purchase of office equipment/accessories.
- ^ Purchase of audio video equipment
- ^ Office renovation
- ^ Advance rent payments.
- ^ Purchase of Personal Computers.
- ^ Purchase of furniture.

Features of Personal Loan

- **Minimum Loan :** BDT 60,000
- **Maximum Loan:** BDT 1,000,000
- **MUE:** Maximum Unsecured Exposure (MUE) encompasses all unsecured products of Standard Chartered Bank (SCB): personal loan, Islamic personal finance, credit card and unsecured portion of flexi loan. MUE varies as per customer segment. End of Service Benefits (EOSB) assigned customers will get 20X of net income while employees of supranational organizations will get 18X of net income. Customers having salary account with SCB will get 12X-18X of net income, while customers having account relationship with other banks will get 8X-15X of net income. Self-employed professionals will get 16X-18X of their net income.
- **Repayment Tenor:** For loans less than 100K, tenor is 24 months. For loans between 100K & 249K, tenor is 36 months. For loans between 250K & 499K, tenor is 48 months and for loans greater than 500K, tenor is 60 months.
- **Payment Schedule:** Loan payment is divided into Equal monthly installment (EMI) basis.
- **First Payment Date:** Max within 30 days.
- **Interest Rate:** Interest rates vary between 6% and 20.5%. Customers of Corporate Executive Package (CEP) listed or EOSB assigned companies get lower rates than other

customers (usually 6%-16%). Standard Chartered Bank (SCB) employees also get a lower rate (4.4% for staff pl) and (14% for consumer loan at the time of writing this paper).

- **Processing Fee:** 2% of approved loan amount or BDT 2000, whichever is higher. In addition 100Tk+Vat is charged as CIB processing fee.
- **Top-Up Loan:** Can be provided to customers whose existing loan is at least 9 months old and demonstrated excellent repayment behavior.
- **Additional Loan:** Can be provided to customers whose existing loan is at least 9 months old and demonstrated excellent repayment behavior.
- **Mode of Disbursement:** Account Credit (For All Other Purpose).
- **Security Arrangements/ Documentation:** Demand promissory note and Letter of continuation is mandatory for all segments. EOSB/ Salary assignment letter from HR/ Finance/ Accounts, Personal guarantee/ reference, Post dated cheque (PDC) for EMI are other necessary documents.
- **Method of Repayment:** Standing instruction (SI) or PDC.

Eligibility Criterion

Salaried Executive/ Govt. Employee

- **Monthly Income:** Minimum BDT 15,000 (take-home)
- **Income Assessment:** Based on salary certificate/slips and bank statements (3-6 months). Only fixed monthly salary is considered. Variable allowances like overtime, reimbursements are not fully considered, some adjustments are made. Income apart from salary (e.g. rent) will be considered if it is reflected in bank statement.
- **Debt Burden Ratio (DB Ratio):** DBR is calculated as Aggregate of all monthly installments payable towards loans / Net Monthly Income. For income between 14K & 29.99K, DBR is 35%. For income between 30K & 49.99K, DBR is 40% and for income between 50K & 99.99K, DBR is 50%. DBR of 55% is allowed for customer having income of 100K and above.
- **Minimum Age:** 21 yrs.
- **Maximum Age:** 65 yrs or retirement age (whichever is lower).

- **Level 2/3** variation may be given at the sole discretion of the Head of credit and Country Credit Head respectively.
- **Work Experience:** 3-6 months employment with current employer.
- **Relationship Criteria:** 3-6 months account relationship, based on employer.
- **Nationality:** Bangladeshi.
- **Telephone:** A landline at residence or a personal mobile phone is required.
- **Location:** Must be located at cities where Standard Chartered Bank (SCB) has branch or branch representatives.

Self Employed Professionals/Businessmen

- **Monthly Income:** Minimum BDT 15,000 (net).
- **Income Assessment:** Based on average monthly Credit Turnover (CTO) or average balance of last 12 months as reflected in bank statement or average of last 3 years income tax return/ audited financials.
- **DB Ratio:** Same as Salaried Executive.
- **Minimum Age:** 23 yrs.
- **Maximum Age:** 65 yrs.
- **Work Experience:** 24 months of business/ self-employment experience.
- **Relationship Criteria:** 12 months account relationship.
- **Nationality:** Bangladeshi.
- **Telephone:** A landline at residence/ business or a personal prepaid/postpaid mobile phone is required.
- **Location:** Must be located at cities where SCB has branch or branch representatives.

Documents Required (For Approval)

Salaried Executive

- **Application Form**
- **Letter of Introduction**

- **Pay Slip and/or Cash Voucher**
- **Bank Statement for 3-6 months**
- **National ID Card**
- **Guarantor/Reference**
- **TIN certificate**
- **CPV report**
- **Security Details:** For Multinational companies (MNCs), Banks and Large Scale Corporations: Letter of Introduction to be signed by Head of HR/ Administration/ Accounts or Finance. For small scale companies: Letter of Introduction to be signed by Managing Director of the company and latest one year bank statement to be submitted.

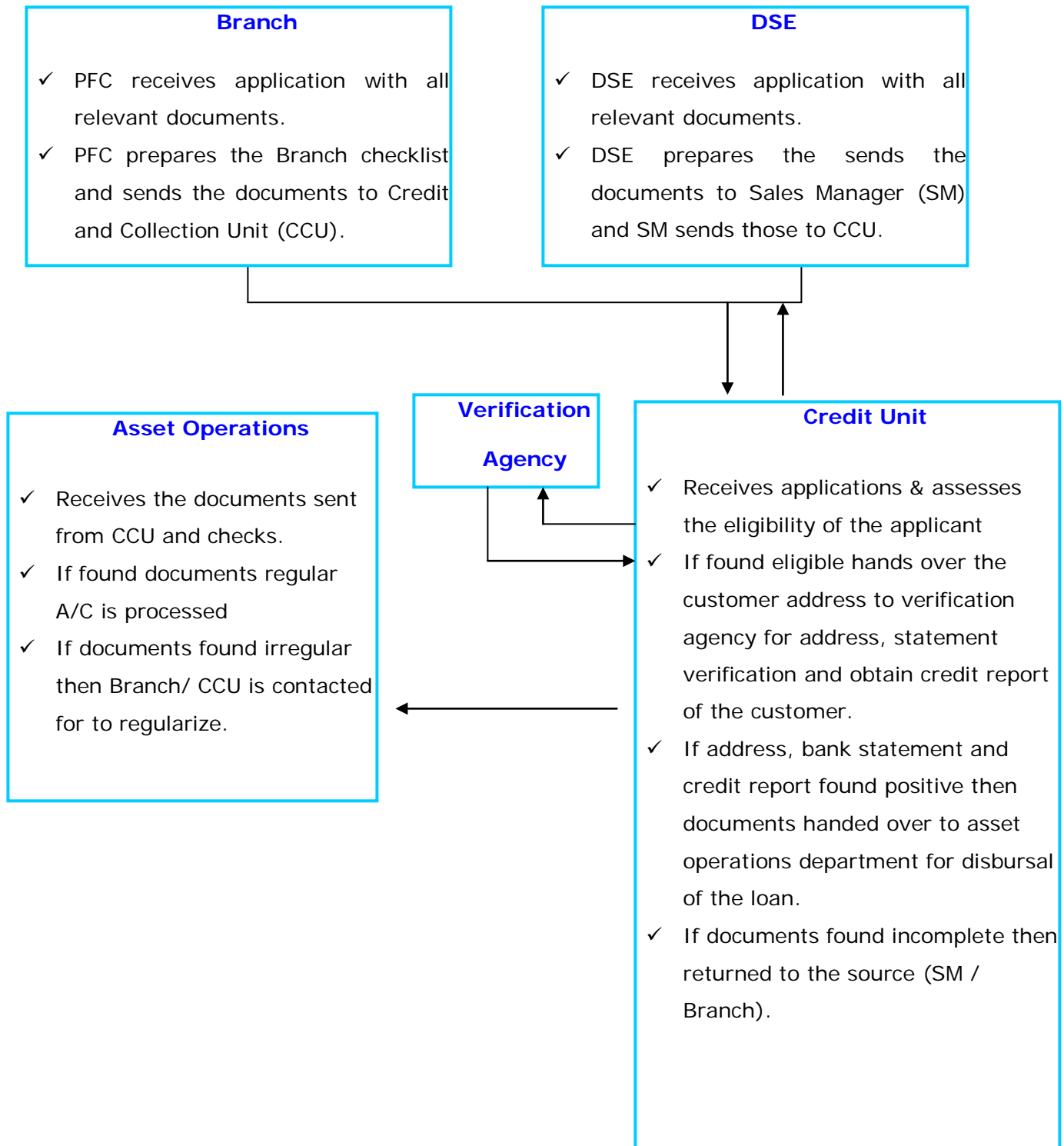
Businessman

- **Application Form**
- **Bank Statement of last 12 months**
- **Tax returns of last period (Optional)**
- **Copy of Trade License of latest 3 years**
- **National ID (NID) Card**
- **Guarantor**
- **TIN certificate**
- **CPV report**
- **CIB report**
- **Bank statement verification report**
- **Copy of loan offer letter of other banks**
- **Security Details:**
 - At least 12 month statement to be provided.
 - Proprietorship Account - Trade License.
 - Partnership Account - Partnership Deed & Trade License.
 - Limited Company Account - Memorandum and Article of Association.
 - For Account with Debit Balance (Overdraft Accounts) - A copy of offer letter of the facility to be submitted with the statement.

Flow of Personal Loan Application Form

Standard Chartered Bank (SCB) has a very much aggressive marketing policy. The Direct Sales Executives (DSEs) appointed by sales managers are a very useful source of bringing in customers for loan. SCB uses a push strategy for this purpose. The other source of application receiving is the Personal Financial Consultants (PFCs) who sit in different branches and advice customers who step into the bank. The process is described through the flow chart presented in the next page.

Fig A: Path Flow diagram of PLC Applications



Performance Analysis

Loan Applications Received, Approved and Disbursed

The two sources of loan applications are Division Sales Executives (DSEs) and the Branch Sales Executives/ Personal Financial Consultants. Even though DSEs are the major source of bank asset sales, they (DSE) are considered to be less safe because in most of the cases the applications they bring in are of customers who do not have any banking / borrowing relationship with SCB. These customers are risky in the sense that when a customer has a long (At least 6 months) banking relationship with bank, the nature of the customer can easily be understood through his transactions in the bank. But someone having no relationship with the bank may not be loyal to the bank and may carry a high risk of becoming delinquent in future times.

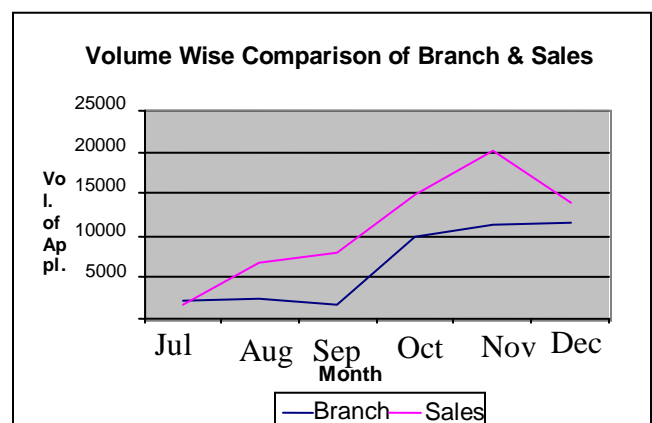
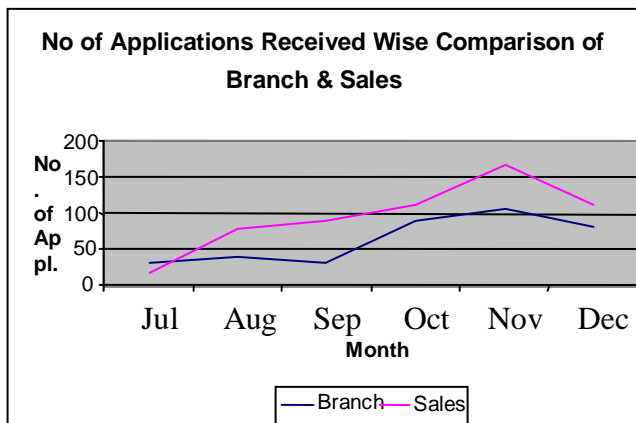
Data analysis over six months (Based on July'09- December'09 data) reveals that the major source of applications was the sales force. Below is the table showing the figures over six months (Based on July'09- December'09 data) loan application.

Month		Branch	Sales	Total Received
July	No. of Applications	30	16	46
	Volume ('000)	20650	17085	37735
August	No. of Applications	38	79	117
	Volume ('000)	25228	66780	92008
September	No. of Applications	29	88	117
	Volume ('000)	17365	78447	95812
October	No. of Applications	89	113	202
	Volume ('000)	97970	147211	245181
November	No. of Applications	106	167	273
	Volume ('000)	113600	200438	314038
December	No. of Applications	82	111	193
	Volume ('000)	115698	140625	256323

Table 1: Loan Applications Received on a Monthly Basis (July 09- Dec 09)

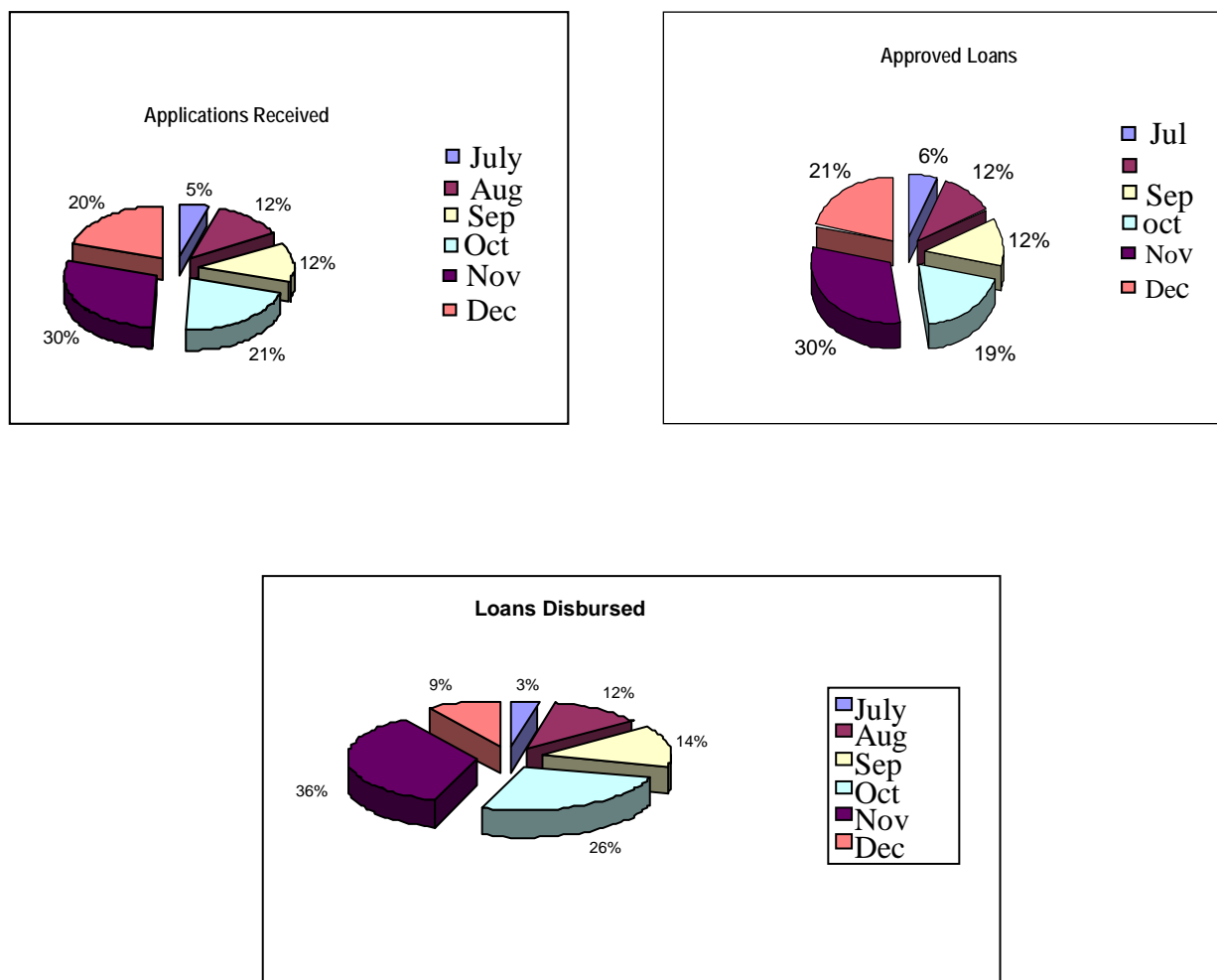
* Source: M Mahmudul Hassan, Credit Manager, Standard Chartered Bank

Fig 1: Loan Applications Received on a Monthly Basis (No and volume) (Amount in BDT '000)



From the above graphical presentation, it is clearly seen that sales is always ahead of branch both in terms of volume (amount) and number of applications sent for approval. Number of applications received is not the only measure. In many cases it was seen that all the loans are not of good quality. Many applicants lack necessary document. These loan applications are sent back to the source where it came from (sales office/ branch). Applications approved are much less in number than what reaches Consumer Credit & Collection Unit (CCU).

Fig 2: Comparison of Percentage of Applications Received, Approved & Disbursed (July'09- Dec'09)



From the above graphical presentation, we can see that how the figures change starting from receiving to disbursement. It is seen that almost in every month 50% of the loan applications are approved. Approval rate in the last 6 months were as follows:

	Total Received	Total Approved	Approval Rate
July '09	46	27	58%
Aug '09	117	54	46%
Sep '09	117	54	46%
Oct '09	202	90	45%
Nov '09	273	144	53%
Dec '09	193	100	52%

Table 2: Approval Rate

* Source: M Mahmudul Hassan, Credit Manager, SCB

Table 3: Disbursal Rate

	Total Approved	Total Disburse	Disburse Rate
July '09	27	7	26%
Aug '09	54	25	46%
Sep '09	54	31	57%
Oct '09	90	56	62%
Nov '09	144	76	53%
Dec '09	100	20	20%

* Source: M Mahmudul Hassan, Credit Manager, SCB

Approval rate plays a major factor in maintaining the bank's asset-liability portfolio. If the approval rate goes down by too much it would affect the bank's profitability. It will also have to be kept in mind that the next stage after approval is the disburse stage. If more loans are approved but less is disbursed, then the portfolio will not serve the purpose because the bank earns revenue on the disbursed loans and bears costs on approved loans (considering the commissions to DSEs for each approved loan as well as other costs).

Analysis of the Disbursed Loan Portfolio

All the banking products are assessed in two places- Dhaka-main and Chittagong main. All the analysis in this report deals with the loans that have been disbursed and it only deals with those disbursed loans that have been approved from the Dhaka-main.

First the applicants are divided based on their nature of earning: Salaried, Self Employed and Businessman, then these customers are divided based on purpose of loan and banking relationship with Standard Chartered Bank (SCB). These segmentations are done based on the number and amount (Volume) of loans disbursed.

To take a closer look at the business applicant segment, the business people have also been divided according to the type of business they do. These classifications are car seller, Exporter Importer, People involved in garments related business, Contractor or construction, Travel or overseas agents and others. The segment of other business people includes whole sellers, shop owners etc.

Then the delinquency ratio of all the segments is analyzed and a total picture of delinquent accounts of all the loans disbursed so far is given.

Applicant Type Wise Segmentation

Major applicants of SCB loan are businessmen and the percentage of salaried applicant is more than 70%. This high rate of salaried applicant is a major factor of risk mitigation, as salaried segments are less risky to finance than business segments. Business segments are more risky than salaried segment. It is not always that business would follow the same track as previous days. If the economy goes to a very bad situation then these applicants would pose a great threat to SCB's portfolio. After a few paragraphs when the segmentation of businessmen is done, the

exposure of risk in this sector can be identified. Self employed professionals are said to be the less risky category because they include the doctors, engineers etc who would not fail to earn money no matter which way the economy goes. Salaried executives are said to be the safest investment for bank because almost all organizations disburse their salary regularly and also if salary of the applicant is credited in a bank account, Post dated Cheque (PDC) is kept from the customer of the date of salary disbursement.

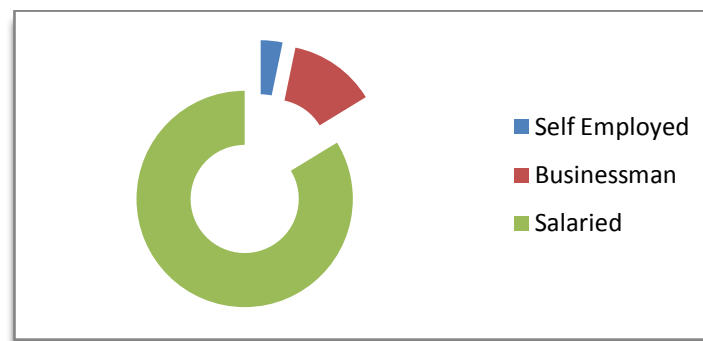
The following chart (Table-.4, Fig-3) shows the applicant type wise (number of accounts) disbursement of loan from July'09- Dec'09 along with a graph on total percentage division and (Table-5, Fig-4) shows the same things based on the amount of loan disbursed. The chart shows that From July'09- Dec'09, the bank has disbursed BDT 189,367,000 for businessmen.

Table 4: Applicant Type Wise Segmentation (No. of Accounts)

Type	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Tot Disbursed	7	25	31	56	76	20	215
Self Employed	0	0	2	1	3	1	7
Businessman	0	3	3	8	11	3	28
Salaried	7	22	26	47	62	16	180

* Source: M Mahmudul Hassan, Credit Manager, SCB

Fig 3: Percentage of Applicant Type Wise Segmentation (No. of Accounts)



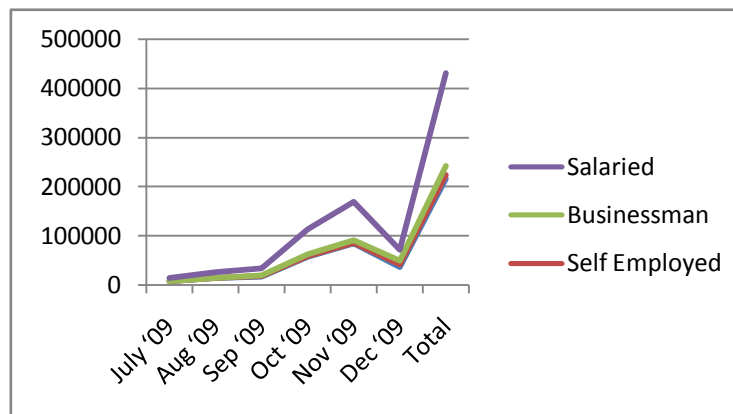
Self employed 3%, Business 13% and 84%

Table 5: Applicant Type Wise Segmentation (Volume of Accounts)

Type	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Tot Disbursed	7180	13235	16771	56879	84493	35630	215268
Self Employed	-	-	950	1350	900	5000	8200
Businessman	-	700	1050	3250	4611	7910	17701
Salaried	7180	12535	14771	52279	78982	22720	189367

* Source: M Mahmudul Hassan, Credit Manager, SCB. (Amount in BDT '000)

Fig 4: Percentage of Applicant Type Wise Segmentation (Volume of A/Cs)



Purpose Wise Analysis

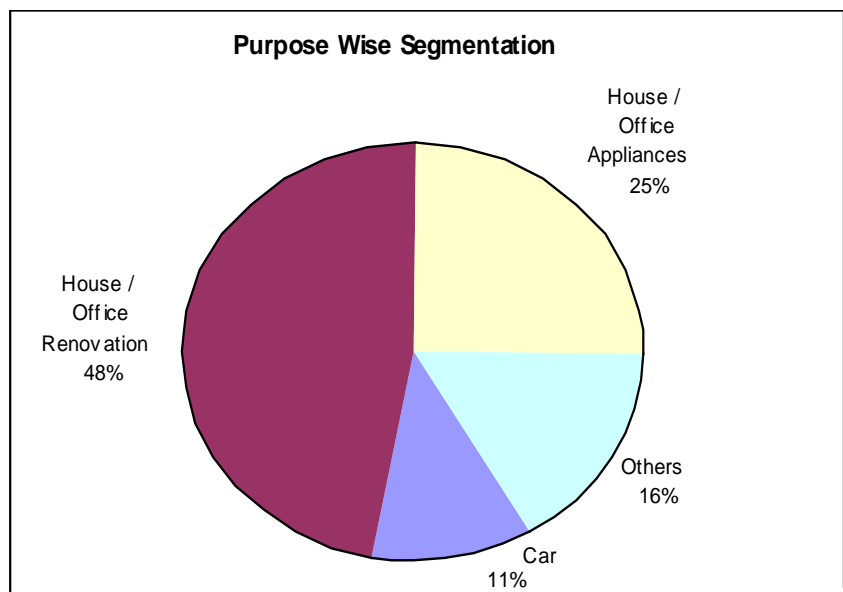
Purpose of a loan is another important aspect in the sense that loans for buying cars are considered to be the most secured one because bank has joint registration with the client and in case of failure bank has the authority to take the car under its name.

Table 6: Purpose Wise Analysis (No. of Accounts)

Purpose	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Tot Disbursed	7	25	31	56	76	20	215
Car	0	3	4	8	7	2	24
House / Office Rent.	1	9	12	29	48	3	102
House / Office App.	3	9	10	9	13	10	54
Others	3	4	5	10	8	5	35

* Source: M Mahmudul Hassan, Credit Manager, SCB

Fig 5: Purpose Wise Analysis (No. of Accounts)



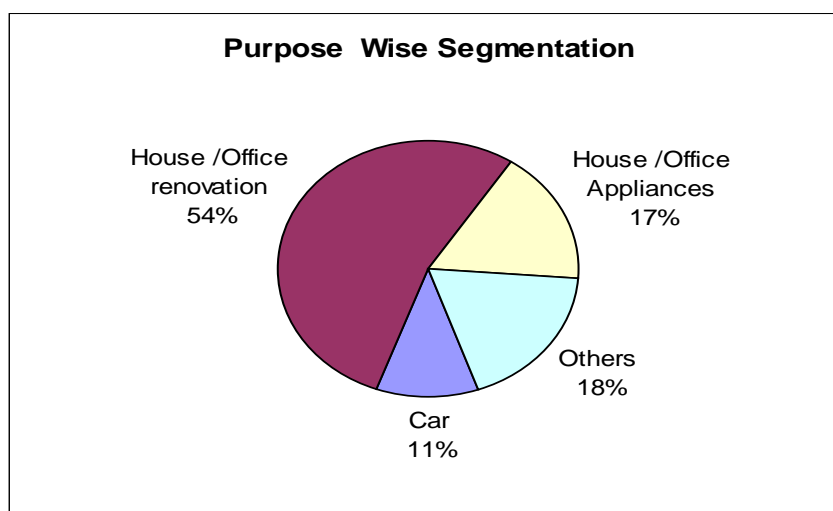
Beside this, the bank allows loans to be taken for house / office renovation, house / office appliances and other purpose (e.g. generator, education, medical / engineering equipments etc.). Following data analysis reveals that major portion of the loan is for house / office renovation both in terms of volume and number. People take this loan when they are willing to renovate their office / showroom / apartment. In the second position there are house /office appliances and the safest purpose conserves only 11% (In amount).

Table 7: Purpose Wise Analysis (Volume of Accounts)

Purpose	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Tot Disbursed	7180	13235	16771	56879	84493	35630	215268
Car	-	2310	5700	6920	6928	2100	23958
House / Office Rent.	5000	7300	4967	36083	60947	1000	116197
House / Office App.	1000	2025	4074	3850	10768	14620	36337
Others	1180	1600	2030	10026	5850	17910	38776

* Source: M Mahmudul Hassan, Asst. Credit Manager, SCB (Amount in BDT '000)

Fig 6: Percentage of Purpose Wise Analysis (Volume of Accounts)



Banking Relationship Wise Analysis

Banking relation with Standard Chartered Bank (SCB) is another measurement of risk of customers where people having relationship for more than six months with satisfactory transaction are considered to be safe. Customers not having any account with SCB are considered less safe and in this case 1 full year statement of that other bank is required.

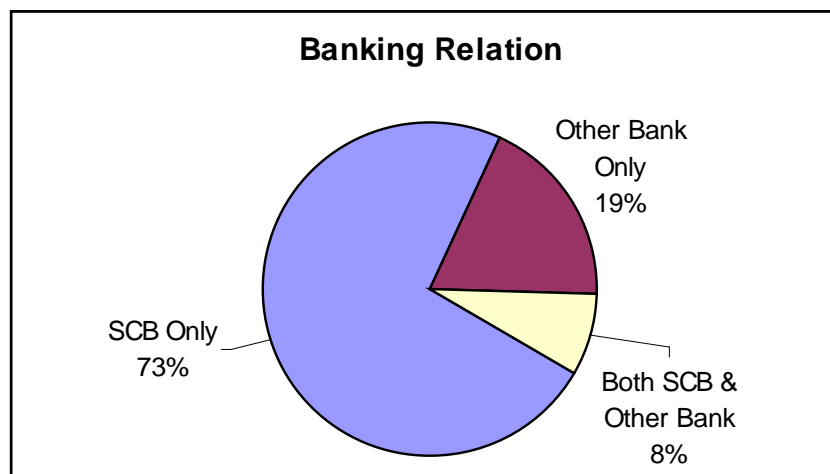
Table 8: Banking Relationship (No. of Accounts)

Banking Relationship	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
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Tot Disbursed	7	25	31	56	76	20	215
SCB Only	5	15	20	40	65	13	158
Other Bank Only	1	8	6	14	7	4	40
Both SCB and Others	1	2	5	2	4	3	17

* Source: M Mahmudul Hassan, Credit Manager, SCB

Fig. 7: Percentage of Banking Relationship (No. of Accounts)



The analysis reveals that SCB is in a safe side based on the banking relationship because loans have been disbursed based on SCB accounts both in terms of number of applications and volume. 73% (No. Of Accounts) of the loan is disbursed based on SCB accounts. This factor gives the bank a protection against the other odd factors discussed in prior analysis. 19% of the loan (No. Of Accounts) is disbursed based on other bank accounts. This is the risky portion for the bank. 8% of the loan (No. of Accounts) is disbursed based on SCB and other accounts. This is less risky than the previous one.

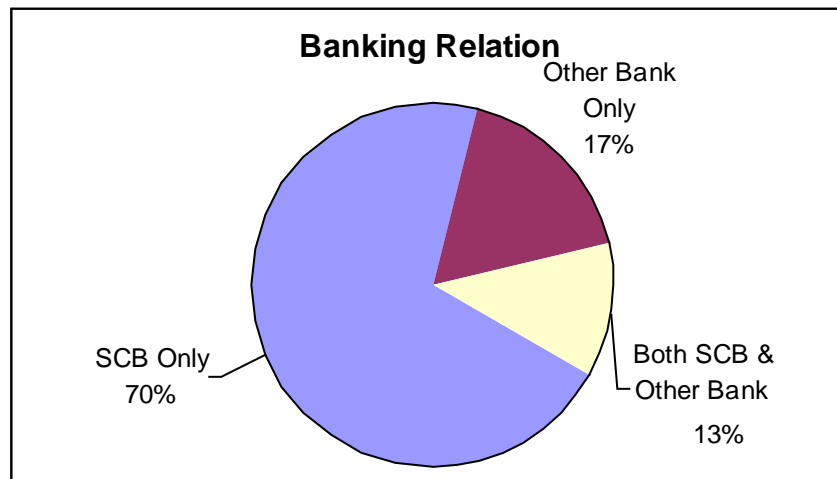
Table 9: Banking Relation (Volume of Accounts)

Banking Relationship	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Tot Disbursed	7180	13235	16771	56879	84493	35630	215268

SCB Only	1580	9110	12082	36329	66813	25510	152504
Other Bank Only	600	2425	2839	18850	9080	3620	37414
Both SCB and Others	5000	1700	1850	1700	8600	6500	25350

* Source: M Mahmudul Hassan, Credit Manager, SCB (Amount in BDT '000)

Fig 8: Percentage of Banking Relation (Volume of Accounts)



Segmentation Analysis of the Business People

Business segment carries the highest level of risk of the portfolio because of their major concentration in it. This is a very important aspect of the portfolio to look at because they are considered to be least safe place of investment. A more thorough analysis of this segment is necessary. I have divided the business segment into six main categories based on the frequency of applications received. These are Car sellers, Exporter-Importer, Transport related business people, Construction / Contractors, Travel Agents. Business people of other types include cloth/ food shop owners, suppliers of different types etc. In the table below the number and amount of loans disbursed in different business segment are shown along with graphical presentation.

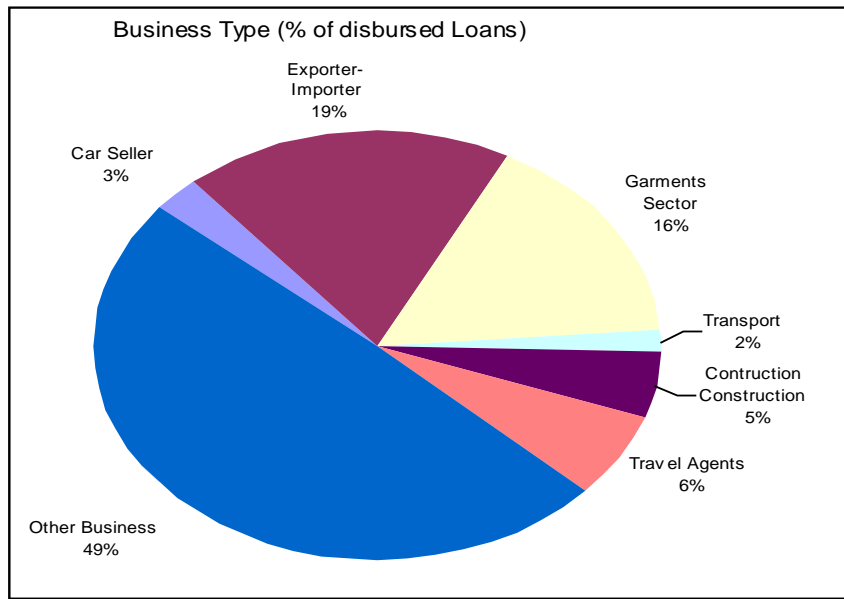
Table 10: Segmentation Analysis of the Business People (No. of Accounts)

Business Type	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Car Seller	1	1	-	2	2	-	6
Exporter-Importer	2	5	3	13	9	3	35
Garments Business	1	2	2	9	13	2	29
Transport	-	-	-	3	-	-	3

Construction	-	2	1	-	6	-	9
Travel Agents	-	-	-	1	9	1	11
Other Business	3	12	20	19	24	10	88

* Source: M Mahmudul Hassan, Asst. Credit Manager, SCB

Fig 9: Segmentation Analysis of the Business People (No. of Accounts)



The graph shows that the portfolio contains 49% applicants of the other types in terms of number of disbursed loans and of the classified types 3% are car sellers, 19% are Exporter importer and 16% are related to the garments sector. The garments sector includes garments owners, garments exporter-importer. Travel agents comprise 6% of the portfolio while contractors are of 5%.

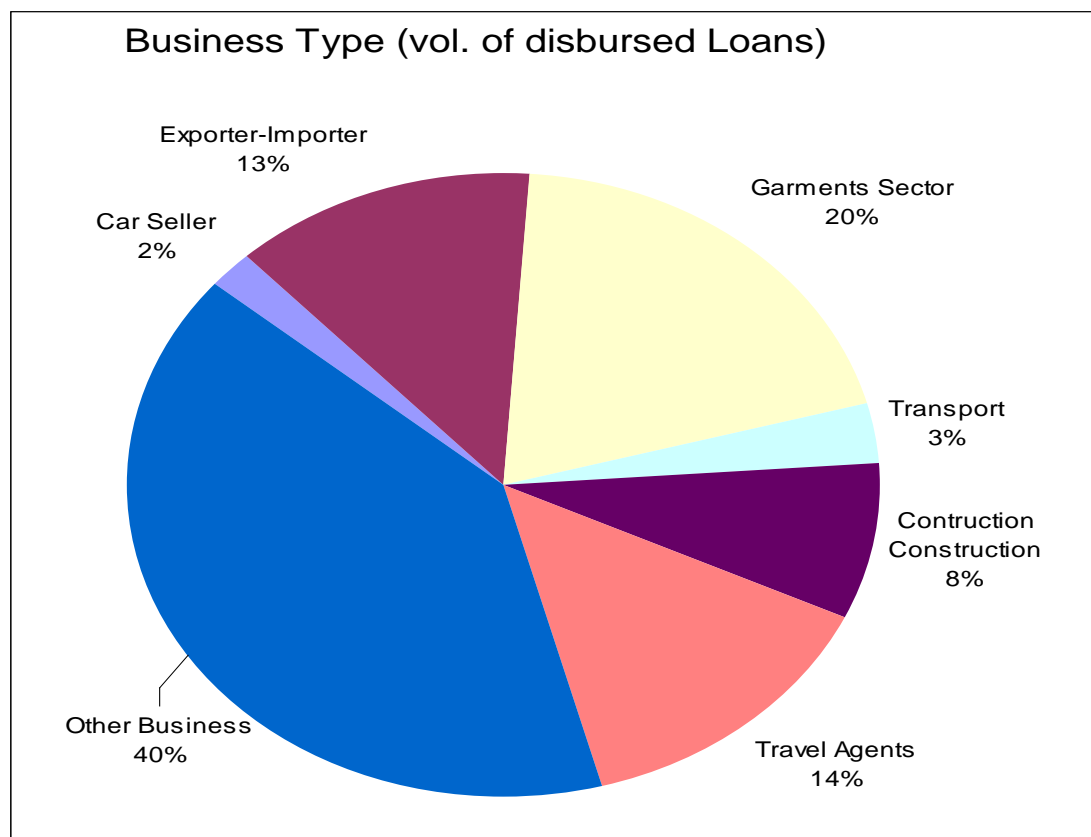
A very different picture is seen in the graph of volume of disbursed loans where the garments sector loan consists of 20% and travels agents carry 14% weight of the total portfolio.

Table 11: Segmentation Analysis of the Business People (Volume of A/Cs)

Business Type	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Car Seller	400	500	-	2380	587	-	3867
Exporter-Importer	5500	3005	1100	11470	5870	2500	29445
Garments Business	380	1130	1010	18125	9750	6100	36495
Transport	-	-	-	5428	-	-	5428
Construction	-	900	500	-	13200	-	14600
Travel Agents	-	-	-	650	21560	3000	25210
Other Business	900	7000	12161	14226	28165	11120	25571

* Source: M Mahmudul Hassan, Credit Manager, SCB (Amount in BDT'000)

Fig.10: Segmentation Analysis of the Business People (volume of A/Cs)



Construction business has not yet reached its maturity. Demand for high rise buildings are growing day by day since the city cannot expand sideways. In terms of volume the percentage of other business has lowered by 9%.

This is the scenario of the asset portfolio of SCB of the six months. The discussion so far has been only on one side of the coin (portfolio), the other side (delinquency scenario) would reveal the complete picture of this portfolio and help the credit department to make a concrete decision on the success of their credit decision making tools. A detailed analysis of the delinquent scenario of these disbursed loans is presented in the section below.

The Delinquent Scenario

Delinquency measure of the bank is a vital part of the portfolio analysis. Customers missing one Equal Monthly Installment (EMI) on due date and repaying it within 30DPD (Due Payment Date) are not considered delinquent but those exceeding 30DPD are termed as irregular / delinquent accounts. Previous experience reveals that customers sometimes miss one/ two EMI due to some short term financial problem but do become regular in a short period of time. But there are customers who have a tendency to become defaulters and the bank rule is very strict on them.

The Delinquent scenario of the total portfolio

The following table and graph give a complete picture of the delinquency figures of the whole life of portfolio where we can see that period end outstanding is growing both in terms of number and volume per month.

Table 4.12: Outstanding scenario of the total portfolio (No. & Volume of A/Cs)

	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Period End Outstanding	473,488	642,717	641,397	669,984	843,062	889,583	4,160,239

Period End Number of Accounts	2417	2074	2075	1957	2200	2101	12824
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* Source: M Mahmudul Hassan, Credit Manager, SCB

The analysis reveals that period end outstanding have been increasing at a very unsatisfactory rate. This is the representation of all the loans disbursed so far starting from the birth of this product. But on the other hand we see that number of accounts has been less compared to 2417 in July'08 and 2101 in Dec'08. This inverse relationship is because in recent times high volume loans have been approved more than what used to be previously. Most of the loans delinquent are of 30 DPD. Only 18% loans went to 120 DPD which amounts to Tk. 80,599.

Table 13: Over All delinquent Scenarios (No of Accounts)

	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Total	215	217	225	235	249	280	1421
30 DPD	95	82	87	88	99	136	587
60 DPD	60	59	69	39	52	64	343
90 DPD	29	46	38	42	33	32	220
120 DPD	31	30	31	66	65	48	271

* Source: M Mahmudul Hassan, Credit Manager, SCB

Fig: 11: Percentage of Delinquent Accounts (Volume & No. of Accounts)

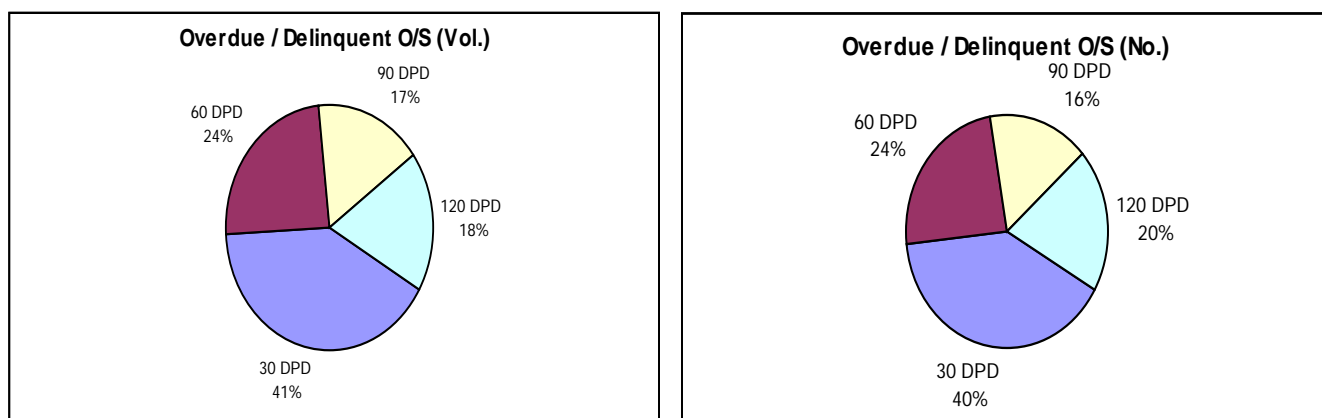


Table 14: Over All delinquent Scenarios (Volume)

	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Total
Total	58859	72426	70231	86186	75198	73471	436371
30 DPD	26242	30739	25174	31732	32729	31418	178034
60 DPD	15744	15844	21614	21070	13560	17864	105696
90 DPD	10480	18922	13977	11681	8761	8221	72042
120 DPD	6393	6921	9466	21703	20148	15968	80599

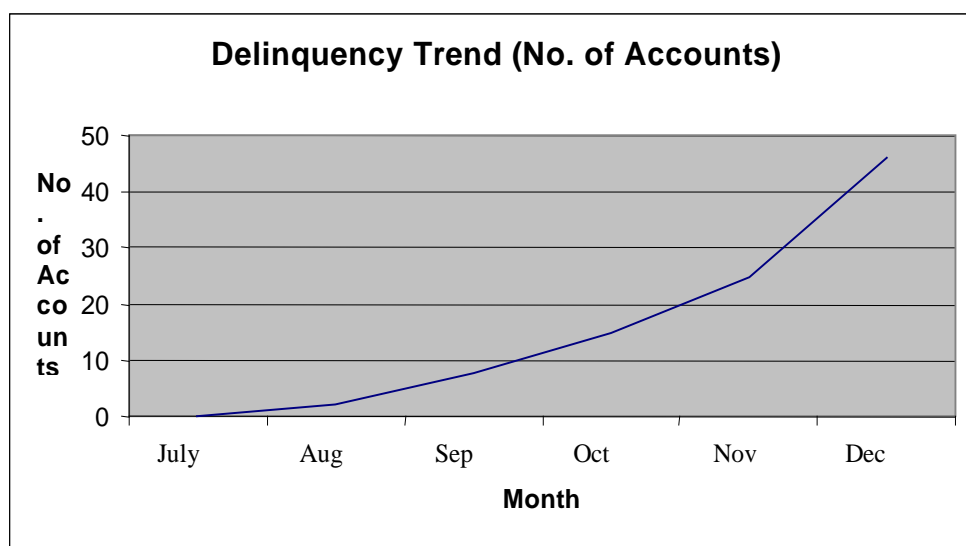
* Source: M Mahmudul Hassan, Credit Manager, SCB

Applicant Type Wise Delinquent Status

It was mentioned previously that the major portion of the portfolio consists of businessmen applicant and then comes the salaried portion of applicants. And in the last are the self-employed professionals. Based on the performance of loans in the past six months, it is seen that most of the delinquent applicants are businessman and one has crossed 60 DPD. The detail analysis is presented in the table below. Since none of the loans went to 120 DPD, this is not considered in the case.

	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Delinquent	0	2	8	15	25	46
Businessman	0	2	5	10	18	30
Salaried	0	0	1	3	6	6
Self employed	0	0	2	2	1	10

Table 15: Number of Delinquent A/Cs (Per Month)

Fig 12: Delinquency Trend (July'08-Dec'08)

It is evident from the graphs above and below that the trend in delinquency is increasing every month both in terms of number and volume and this is a very alarming sign questioning the operational method of evaluating the application. If this trend continues then the future portfolio of SCB can be pictured right from now. To get a clearer picture of the applicants, we need to further analyze the portfolio according to the classifications mentioned in the previous section.

Table 16: Total Delinquent Amount (Per Month)

	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Delinquent	0	38288	80531	229213	706324	1,571,610
Businessman	0	38288	54087	202769	252127	764916
Salaried	0	0	10691	36135	437898	398581
Self employed	0	0	15753	11691	22299	408113

* Source: M Mahmudul Hassan, Credit Manager, SCB

Purpose wise Delinquency

Applicants while applying for loan do not always mention the correct purpose of their loan. They usually mention house / office renovation or appliances, which is according to the PPG but there is no certainty whether the applicant is mentioning the true purpose. Only car loans can be said to

be the most secured one because of the requirement of jointly register with the bank. In earlier section we have seen that car loan disbursed was only 11% (on Amount). So the rest 89% of the loans are unsecured based on purpose. If we take a percentage of 40 assuming that the purpose mentioned (Renovation / appliance) is true even then the rest 49% is unsecured for the bank. The table below shows the status of the delinquent accounts based on loan purpose.

Table 17: Number of Delinquent A/Cs (Purpose Wise)

Purpose	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Delinquent	0	2	8	15	25	46
Car	-	-	-	1	1	-
House / Office Ren.	-	1	5	10	9	18
House / Office App.	-	1	3	3	12	22
Others	-	-	-	1	3	6

* Source: M Mahmudul Hassan, Credit Manager, SCB

The table reveals that in most of the cases, the customers of the failure accounts mentioned household appliances to be the purpose of the loan. But in terms of volume it is the house renovation loan that has become more often delinquent. This is because when people mention house renovation, they usually go for a large amount of loan.

Table 18: Amount of Delinquent A/Cs (Purpose Wise)

Purpose	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Delinquent	-	38288	80531	229213	706324	1,571,610
Car	-	-	-	48,540	97,160	-
House / Office Ren.	-	23,488	50,067	120,455	110,522	548,251

House / Office App.	-	14,800	30,464	25,638	340,569	720,234
Others	-	-	-	34,580	158,073	303,125

* Source: M Mahmudul Hassan, Credit Manager, SCB (Amount in BDT '000)

Banking Relation

The other important aspect of the risk factor is banking relationship. When applicant has no previous banking relationship, then the credit analysts do not feel comfortable to provide the loan to that customer. Based on the account relationship with SCB or other bank, it has been seen that most loan defaulters have a/c relationship with other banks.

Table 19: Number of Delinquent A/Cs (Banking Relation Wise)

Banking Relationship	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Disbursed	0	2	8	15	25	46
SCB Only	-	-	1	1	3	5
Other Bank Only	-	2	6	13	20	32
Both SCB and Others	-	-	1	1	2	9

* Source: M Mahmudul Hassan, Credit Manager, SCB

Table 20: Amount of Delinquent A/Cs (Banking Relation Wise)

Banking Relationship	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Disbursed	0	38,288	80,531	229,213	706,324	1,571,610
SCB Only	-	~	19224	57517	92,365	229,765
Other Bank Only	-	38,288	44224	118,819	538,136	918,204

Both SCB and Others	-	-	17083	52882	75823	423,641
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* Source: M Mahmudul Hassan, Credit Manager, SCB (Amount in BDT '000)

Segmentation Analysis of the Business People

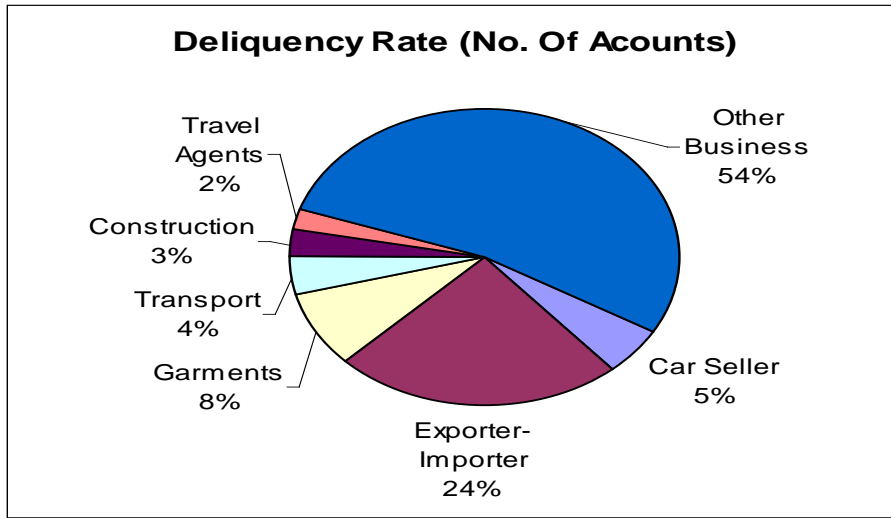
Business people classifications have been shown in the previous section. In this section I would like to present the default scenario of the different sectors. The graphs and tables below present the summary picture. In this case we see that concentration on the business people is more than the classified sectors. It is because the sector “Other Business” is a combination of different types of businesses. A more detailed analysis of this portion was not conducted because each of the businesses in this portion comprises below 1% of the portfolio. Of the classified segments it is the exporters and importers that are more prone to become defaulters.

Table 21: Number of Delinquent Accounts (Segmentation Wise)

Business Type	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Disbursed	0	2	8	1 5	2 5	4 6
Car Seller	-	-	1	2	2	1
Exporter-Importer	-	2	3	3	7	8
Garments Business	-	-	1	2	3	2
Transport	-	-	-	-	1	3
Construction	-	-	1	1	-	1
Travel Agents	-	-	-	-	-	2
Other Business	-	-	2	7	1 2	2 9

* Source: M Mahmudul Hassan, Credit Manager, SCB

Fig 13: Percentage of Number of Delinquent Accounts (Business Segmentation Wise)

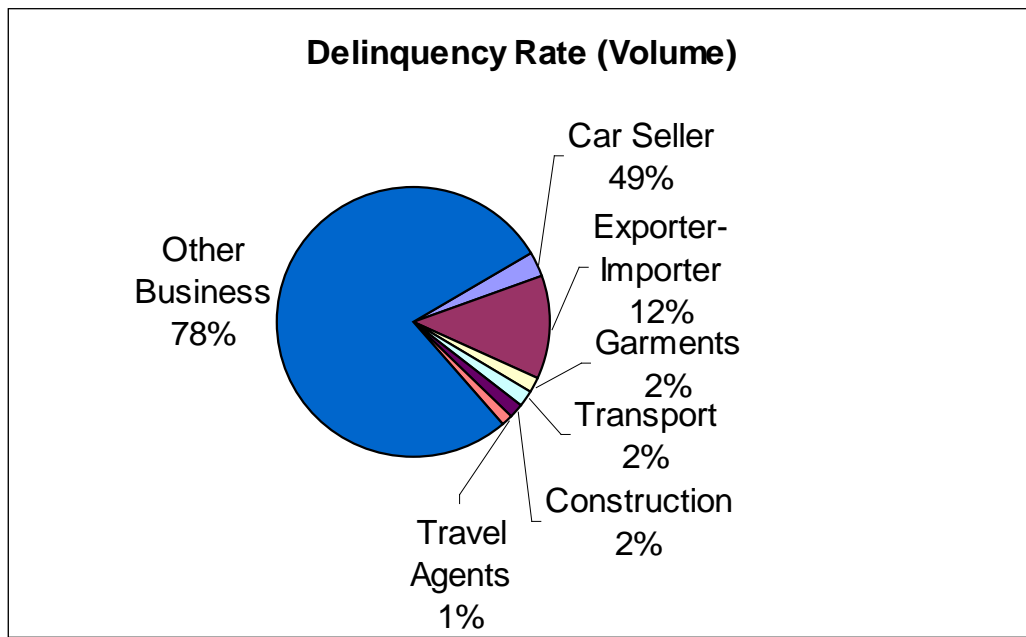


From previous analysis it was seen that in terms of number of accounts there were 19% exporter-importer and 13% in terms of volume. But delinquency figures show their contribution of 24%. Car loan defaulters are 5% in number of accounts but 49% in volume which is not that much of threatening because of the security level.

Table 22: Volume of Delinquent Accounts (Business Segmentation Wise)

Banking Relationship	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09
Tot Disbursed	0	38,288	80,531	229,213	706,324	1,571,610
Car Seller	-	-	17,290	31,122	80,748	73,832
Exporter-Importer	-	38,288	35,347	57,010	81,720	96,236
Garments Business	-	-	6,916	13,832	10,374	12,103
Transport	-	-	-	-	13,680	41,040
Construction	-	-	10,374	20,748	-	10,374
Travel Agents	-	-	-	-	-	14,580
Other Business	-	-	10,604	106,501	569,802	1,323,445

* Source: M Mahmudul Hassan, Credit Manager, SCB

Fig 14: Percentage of Volume of Delinquent Accounts (Business Segmentation Wise)

The travels agents as well as the construction companies pose very little threat to the portfolio discussed. More attention requires to be taken to other businesses that are taking loans from the bank and they need to take a more careful attention while assessment. As the marketing policy of Standard Chartered Bank is becoming more aggressive every day more loans from different sectors will come to the credit department and they would put more pressure on the portfolio and performance of credit department.

Recommendation

Standard Bank Limited should engage in more promotional activities, it should go for aggressive promotional activities and close customer relationships to get a broad geographic coverage. **SCB, Regional Head Quarter (Dubai)** should make some plans for all the branches located in different areas, so that the branches can get the maximum exposure from the surrounding areas. Some recommendations for the banking services of Standard Chartered Bank are as follows:

- ✘ The sales people don't submit the files of the customers once their target for that month is met, They submits these files on the following month but these would mean that the customers would have to wait a longer time before they get the loan which ultimately reduces customer satisfaction.
- ✘ Sometimes the analysts doesn't considers about the maximum satisfaction of the customer. They don't assess the files on time which results in loss in customer satisfaction.
- ✘ All the analysts should have some sort of integration of their work. It could often be seen some applicants with the same profile having different limits in credit cards due to different ways of assessing the files.
- ✘ The sales should submit quality files which have a greater chance of being approved. The team leader often sets the KPI on the sales force on the number of submissions rather than number of approved cases which increase the cost of a bank. Each decline cases add up tremendous cost to the bank.
- ✘ The analysts should also try to approve as much files as possible. I have often seen due to limited time pressure many files are declined since it's usually easier to decline files and the risks associated with declining the file is also easy. But this isn't healthy for the bank. We should find out ways in which loans could be extended rather than ways of finding to decline a file.
- ✘ Less of push strategy and more of pull strategy should be used while selling the loans to the customers by SCB.
- ✘ Lastly I want to tell about the courier service of Standard Chartered Bank. Running curriers performances are more than enough for the bank's internal use, but not for

external use. They are very much sensitive to find out customers as a result everyday some complains are coming from the customer that they didn't get any account balance statement as they get automatically and this thing is rising day by day. To reduce this problem I suggest to the SCB to make a survey of all customers address in spite of it's a costly project and make a internal couriers system for both bank' s internal and external use.

Conclusion

The present study on Personal Consumer Credit of Standard Chartered Bank (SCB) has mainly been an attempt to contribute towards growing importance of personal loans of financial institutions. The report started by discussing the theoretical aspects of lending. The theoretical chapter has discussed different ways to make loans, principal lending activities and particularly consumer loan in details. Some advantages and disadvantages of loan, factors limiting the level of a bank's loan, central bank's prudential guidelines are also discussed briefly.

The next chapter of the report shows the administration of personal loans from the perspective of Standard Chartered Bank. This loan allows a customer to stay in control of his/her finances and make the most of life's opportunities and experiences. As target market, Standard Chartered Bank (SCB) tries to cater a wide range of customers from different sectors. Customers having a minimum income of BDT 15000 and age between 21- 65 can apply for loans between BDT 60K and 1000K. Maximum unsecured exposure (MUE) between 8X-20X of net income and Debt Burden Ratio (DBR) 35%-60% is allowed. Loan repayment tenor is flexible and Standard Chartered Bank offers competitive interest rates. Documents like bank statements, TIN certificate, trade license, NID, guarantor details, CPV & CIB report, and other loan offer letters are required for a loan application. Standard Chartered Bank has a very much aggressive marketing policy.

In the first part of the fourth chapter, the performance analysis of SCB's personal loan portfolio has been shown. Data analysis over six months reveals that the major source of applications was the sales force (DSEs). It is seen that almost half of the loan applications are approved. Applicant type wise, major applicants of SCB loan are businessmen and purpose wise, major portion of the loan is for house / office renovation both in terms of volume and number. Delinquency measure of the bank is a vital part of the portfolio analysis. The analysis reveals that period end outstanding have been increasing at a very unsatisfactory rate.

Standard Chartered Bank is a very large entity in the banking sector of Bangladesh. In consumer banking there is no other strong competitor of this bank both in terms of reputation and asset base. The bank has shown tremendous progress in the development of this country's economy and business. To keep up the good work the bank is trying to keep the best possible track of all departments' workings because it is the combination of the departments that makes it move

forward. It is also continuously striving for process improvements like Developing a Credit Scoring System, Changing Evaluation Process, Taking Legal Measures against Fraud, Maintaining Relation with the Credit Information Bureau of Bangladesh Bank, Providing Adequate Training to Related Parties and process Improvement.

In concluding remarks, it can be said that the development and expansion of personal consumer credit is regarded as a very important medium of achieving economic and social growth in both developed and developing countries. The role of personal consumer credit in improvements of people's living standards as well as national development is very important. Personal consumer credit should be established on a greater scale across the country in order to facilitate one to make most of life's opportunities and experiences. As a premier role player in the economy by direct involvement in money supply and raising the capital for business, the Banks are in a significant position for expanding and development of the personal consumer credit in our country.

Appendix - A

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Appendix - B

ABBREVIATIONS

AOF	Accounting Opening Form	a
ATM	Automated Teller Machine.	
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BAL	Banking Arrangement Letter	b
BB	Bangladesh Bank	
BCA	Business Credit Application	
BDT	Bangladeshi Taka	
BFS	Business Financial Service	
BIL	Business Installment Loan	
BIBM	Bangladesh Institute of Bank Management	
BSE	Branch Sales Executive	
BSSM	Branch Sales and Service Manager.	
<hr/>		
CC	Credit Card	c
CIB	Credit Information Bureau	
CSM	Customer Service Manager	
CSO	Customer Service Officer	
CSR	Customer Service Representative.	
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DBR	Debt Burden Ratio	d
DP Note	Demand Promissory Note	

DSE	Direct Sales Executive.	
EMI	Equated Monthly Installment	e
EVSA	Extra Value Savings Account.	
FCB	Foreign Commercial Bank	
FCY	Foreign Currency	f
FDR	Fixed Deposit Receipt	
FL	Flexi Loan.	
GB	General Banking	
GBP	Great Britain Pound.	g
ICB	Investment Corporation of Bangladesh	
IPO	Initial Public Offering	
IQMS	Intelligent Queue Management System	
IRC	Import Registration Certificate	i
ISA	Investment Savings Account	
IVR	Interactive Voice Response.	
KYC	Know Your Customer.	k
LC	Letter of Credit	
LTV	Loan of Total Value.	

MNC	Multi National Corporation.	m
<hr/>		
NCB	Nationalized Commercial Bank	
NGO	Non – Government Organization	
NPL	Non Performing Loan.	n
<hr/>		
OD	Opening Date / Over Draft	
OSA	Operating Savings Account.	o
<hr/>		
PCB	Private Commercial Bank	p
PDC	Post Dated Cheque	
PFC	Personal Financial Consultant	
PIN	Personal Identification Number	
PL	Personal Loan	
PO	Pay Order.	
<hr/>		
Q–Management	Queue Management.	q
<hr/>		
RFCD	Resident Foreign Currency Deposit	
RMG	Ready Made Garments.	r
<hr/>		

S

SCB Standard Chartered Bank

SOD Secured Over Draft

STD Short Term Deposit

STM Sales Team Manager.

t

TP Transaction Profile

TIN Telephone Identification Number / Tax
Identification Number.

u

UDC Undated Cheque.

V

VAT Value Added Tax.

W

WEDB Wage Earner's Development Bond.
