Internship

Report on

Different Aspects Consumer Services at Standard Chartered Bank

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Letter of Transmittal

28th May, 2009

Mr. Mahmudul Haq
Assistant Professor,
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BRAC University
66 Mohakhali, Dhaka-1212.

Subject: Submission of Internship Report on "Different Aspects of Consumer Services at Standard Chartered Bank."

Dear Sir,

It gives me immense pleasure in preparing this report, which was assigned to me in fulfillment of my internship course requirement.

This report has been valuable to me as it helps me to unite the practical experience to my theoretical knowledge and I am grateful for providing me with the opportunity of gaining this experience. My internship at SCB, Bangladesh has been a knowledge experience and the exposure to such a reputed organization would definitely be value for me.

I would like to mention here that I am extremely grateful to you for your valuable guidance, tireless effort and constant attention as and when required in accomplishing the report and during my internship period.

I shall be very pleased to answer any query you think necessary as and when needed.

With Best Regards,

Sincerely,
Hossein Mohammed Moshahid
ID# 05104059

ACKNOLEDGEMENT

First and foremost I must thank Almighty Allah for giving me the strength and ability to complete the intern report on "Different Aspects of Consumer Services at Standard Chartered Bank ". My next thank goes to the person who guided me with this topic; Mr. Mr Mahmudul Haq, my supervisor. I am grateful to him for guiding me through out the semester about my intern report and evaluating my work. Moreover, through out the whole semester, he also assisted me a lot with his priceless and thus supportive suggestions.

Any assignment is the product of numerous people whose efforts, ideas and suggestions make the writer's job manageable. I am indebted to many people and organizations for their assistance in making this report. I would like to express my a special thanks to the many fine people of SCB of them particular importance Masum Anwar, Manager, Sales Division, Lutful Habib, Head of Sales, SME Banking and many others who give me their valuable support in my work.

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EXECUTIVE SUMMARY

There is a great supportive role of banking system in human society. It plays a vital role for the economic development of a country. The banking system of Bangladesh is backward, compared to many other nations. The local banks which are rendering services to mass people of the country are following the traditional system, which are no longer followed by banks in other development countries. Standard chartered Bank is leader of them. It brings Bangladesh people to the touch of modern technology.

A bank invests its fund in many ways to earn income. The bulk of its income is derived from loans and advances. Bank loans are greatly emphasized and we can call all this as "Heart" of the bank because credit department is the major source of bank's income. Bank credit is a catalyst for bringing economic development. It makes possible financing of different sectors. SCB compliance with credit policies of Bangladesh bank.

The purposes of this report are:

1. To give idea what are the consumer products SCB provide to its customer?
2. To give an idea what aspects must be considered at the time of sanctioning a loan?
3. To give an idea what is the procedures of loan sanctioning?

Difficulties that I faced during the construction of our study:

1. Few knowledge about different situational requirement.
2. Did not get information how credit department verifies customer.

In spite of al1 these limitations, I have tried at my best to make a good report to fulfill my aforesaid objectives. I shall be successful if this report helps anyone for study or future experiment.


Standard
Chartered
Leading The Way

AT A GLANCE...SCB

Standard Chartered Bank (SCB) Bangladesh (the bank) commenced its banking operations in Bangladesh in 1948 after obtaining banking license from the central bank. Standard Chartered Bank is incorporated in England by Royal Charter (1853), to be read in conjunction with Standard Chartered Bank Act 1984. The liability of its stockholder is limited. As per the asset purchase agreement (APA), between Standard Chartered Bank England and Standard Chartered Grindlays Bank (SCGB) Australia dated 23 December 2002, which has been duly approved by Bangladesh Bank, SCB took over all assets and liabilities of SCGB and commenced operations as a combined legal entity with effect from 1 January 2003.

The principal activity of SCB Bangladesh is to provide a comprehensive range of financial service, commercial banking services, cash management treasury and security and custody service.

Standard Chartered Bank started its' business in Bangladesh in 1948, opening its first branch in the port city-Chittagong. The bank increasingly invested in manpower, technology and premises as its business grew in relation to the country's thriving economy. At present the bank has 24 offices in Dhaka, Chittagong, Sylhet, Khulna, Bogra and Narayanganj including the country's only offshore banking unit inside the Dhaka Export Processing Zone at Savar. It also has several ATM booths and a well-opened Auto Billspay services. Extensive knowledge of the market and essential expertise in a wide range of financial services indicate its' strength to build business opportunities for corporate and institutional clients at home and abroad. It generates new products and services to match the specific requirements of customers. In Bangladesh Standard Chartered offers 24-hour service through its Moneylink ATMs. Continuous upgrading of technology (especially in IT sector) and control systems has enabled the bank to offer new services, which include unique ATMs, Call Centre and Auto Billspay service.

Standard Chartered Bank's services in Bangladesh, ranges from Personal & Corporate Banking to Institutional Banking and as well from Treasury to Custodial services. With over 150 years of experience in trade finance and an extensive international branch network, Standard Chartered is committed to help customers succeed in every competitive environment. SCB applies state-of'-the-art technology to automate daily operations and electronic delivery system has been put in place to ensure that transactions are handled swiftly and efficiently, it adopts a proactive approach in tailoring customized packages to meet customers' ever- changing needs.

History- A Year wise progression of the Standard Chartered Bank.

1853

Set up by James Wilson in 1853, at the request of Queen Victoria, the Standard Chartered Bank aimed to finance and manages trade between the British Empire and its colonies in India, Australia and China. It mainly operated in Asia-Pacific, Latin America, the Middle East and Africa.

1858

The overseas branches of the Chartered Bank opened in Calcutta, Bombay and Shanghai followed by Hong Kong and Singapore in 1859.

1862

The Standard Bank is incorporated in England and under the new title of The Standard Bank of British South Africa Limited.

1957

The Chartered Bank and The Standard Bank incorporated as Standard and Chartered Banking Group Limited.

1969

Merger of the Standard Bank and the Chartered Bank by the incorporation of Standard and Chartered Banking Group Limited.

1973

Standard Chartered acquires the Hodge Group, whose operating company later becomes Chartered Trust Limited.

1985

Parent company of the group renames Standard Chartered PLC. Standard Chartered Bank becomes a clearing bank within the UK clearing system.

1993

Received the very first 'Best Bank in Asia' awards from Euromoney magazine.

2000

On 27 April, ANZ announced the sale of its Grindlays businesses in the Middle East and South Asia, and associated Grindlays Private Banking business, to Standard Chartered PLC. ANZ announces US$8 million strategic investment in Hong Kong, online stockbroker, BOOM.com. ANZ announces sales of Grindlays to Standard chartered for US$I.3 (A$2.2) billion in cash.

2004

Number of shares 1,174,520,020. Number of employees (31/12/2003) 30,000. It has 500 branches in 56 countries. At present the bank has 18 offices in Bangladesh.

Global Market

Standard Chartered Bank has its' wide variety of products and services available to the following countries:

Africa-Tanzania, Ghana, Zimbabwe, Gambia, Morocco, Tunisia, Mauritius, Zambia, Nigeria, Ivory Coast, Kenya, Uganda, Botswana, Malawi, Seychelles, Mozambique, Ethiopia

Latin-Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, Peru

America Middle East-Egypt, Lebanon, Oman, Bahrain, Jordan, Qatar, Kuwait, Saudi Arabia, UAE.

Asia-India, Korea, China, Taiwan, Philippines, Bangladesh, Cambodia, Pakistan, Sri Lanka, Vietnam, Myanmar, Fiji

Europe-Czech Republic, Malta, Turkey, Cyprus, Poland

Principles & Values

Standard Chartered success is built on teamwork, partnership and the diversity of employees.

At the heart of values lie diversity and inclusion. They are a fundamental part of the culture, and constitute a long-term priority in the aim to become the world's best international bank.

SCB stands for:

Strategic intent:

- The world's best international bank
- Leading the way in Asia, Africa and the Middle East

Brand promise:

- Leading by Example to be The Right Partner

Values:

- Responsive
- Trustworthy
- International
- Creative
- Courageous

Approach:

- ➢ **Participation:** Focusing on attractive, growing markets where can leverage the relationships and expertise
- ➢ **Competitive Positioning:** Combining global capability, deep local knowledge and creativity to outperform with the competitors
- ➢ **Management Discipline:** Continuously improving the way we work, balancing the pursuit of growth with firm control of costs and risks.

Commitment to stakeholders:

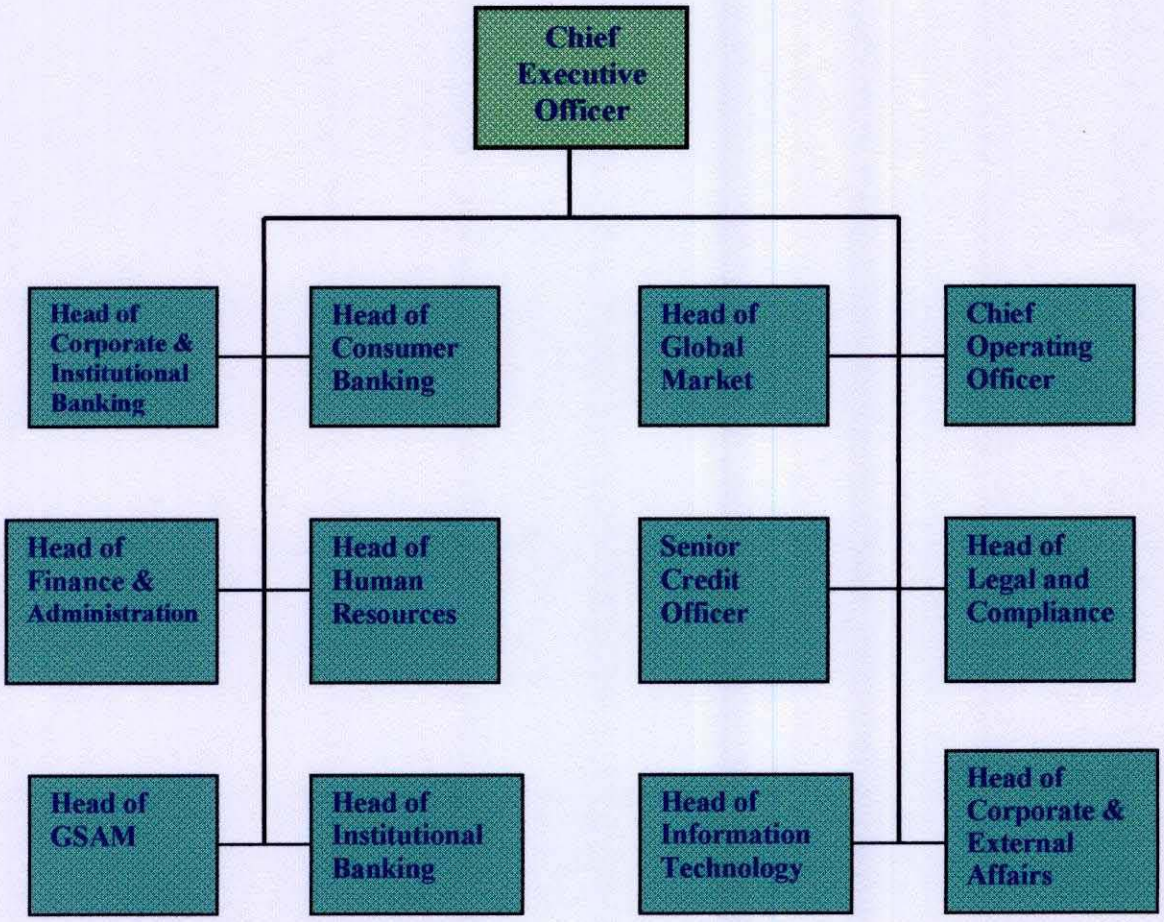
- **Customers:** Passionate about the customers' success, delighting them with the quality of the service

- **Our People:** Helping people to grow, enabling individuals to make a difference and teams to win
- **Communities:** Trusted and caring, dedicated to making a difference
- **Investors:** A distinctive investment delivering outstanding performance and superior returns
- **Regulators:** Exemplary governance and ethics wherever SCBs are.

SWOT Analysis:

Strength	**Weakness**
• SCB Banking Experience for more than 55 years. • long term success of a bank heavily depends on its reputation • SCB has wide range of customer base and is operating efficiently in this country. • SCB is the first bank in Bangladesh to issue Money link (ATM) card • SCB has a bulk of qualified, experienced and dedicated human resources. • SCB has the reputation of being the provider of good quality services	• SCB has fewer branches than their competitors. • SCB has more and high fees and charges compared to its rivals • SCB often has problem with market share as ATM machines. • SCB hasn't that much good market share as other multinational bank. It's as because SCB's marketing strategy is not aggressive.
Opportunity	**Threats**
• The country's growing population is gradually and increasingly learning to adapt consumer finance. • The activity in the secondary financial market has direct impact on the primary financial market. Investment is a national socio economic activity and activity in the national economy controls the bank. • Bangladesh has a huge consumer base for maintaining several accounts. So SCB has the opportunity to keep these customers by reducing its current fees and charges.	• In today's economy, substantial amount is remaining idle and currently the investment in the secondary market by foreign investors is relatively low. These economic situations of the country indicate political threats. • Increased competition by other foreign banks is also another threat to SCB. At present HSBC and CITI Corp are posing significant threats to SCB regarding retail and business banking respectively. Furthermore, the new comers in private sector Prime Bank, Dutch Bangla Bank, EXIM Bank, BRAC Bank, Southeast Bank, Mercantile Bank, Social Investment Bank, Islami Bank are also coming up with very competitive products.

OPERATIONAL NETWORK

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Account Opening:

❖ Personal Account:

This account is eligible for individual's savings, transaction, investment, loans repayment and payroll purpose. It comprises of savings, current, access, and Islamic current account. There are also foreign currency account (FC) and resident foreign currency accounts (RFCD).

Requirement for personal account: current, savings and access (single) and graduate account.

>. **AOF:** The account opening form (AOF) completed properly.

>.**Introduction:** Duly introduced by an existing accounting holder having satisfactorily relationship with Standard Chartered Bank for at least six months

>. **Photograph:** One copy of account holder photograph duly signed by introducer.

>. **Nominee:** Signature of nominee on the AOF along with the relevant portion and also with a photo duly attested by applicant.

>. **Document:** Valid passport/ driving license/, voter ID card,/ reference letter by the first class gazetted officer and one copy photo of the account holder signed by officer(affidavit is not acceptable), organizational photo ID.(commissioner certificate, certificate from Gazetted officer is not acceptable)

NB. Any kind of over writing must be signed by applicant in AOF.

Name, father's name, mother's name, date of birth, address, have to match with supplied documents. Transaction profile and MID (Most important document) are the integral parts of all account opening.

❖ Foreign Currency Account (FC):

Usually it is introduced for the wage earners out side Bangladesh. It is also a foreign currency account. In addition to the normal requirement job contact letter, copy of utility bill to verify address (if applicant inscribes foreign address) are also necessary .Any

Bangladeshi nationals who receives salary in non local currency can also open this account. Requirement is almost same.

❖ **Resident Foreign Currency Account (RFCD):**

This is a foreign currency account, usually dollar/GBP/Euro transaction account. A person who needs to visit outside Bangladesh can open this account within 30 days of arrival. In this kind of contract it is mandatory to get an international credit card. This account opening needs approval from head office. This account holders does not get any cheque book or Debit card, they only posses the right to deposit and withdraw foreign currency over the counter (through showing passport). Minimum amount is $1000 or 500-pound. Code of this account is 01.

Requirements:

- Completion of AOF
- Passport copy with arrival date
- Approval from head office
- RFCD declaration

❖ **Graduate Account:**

This is only for the current graduate students. It is a interest bearing saving account. The minimum balance of the account is BDT 10,000. If the account holder maintains BDT 10,000 on average per month then he /she earns 2% interest per annum, which will be calculated on daily basis but to be credited half yearly. Maximum debit card withdrawal is permitted BDT 5000 per day.

Requirements:

- Complete AOF
- Photo Id (valid passport/ driving license/, voter ID card/ reference letter by the first class gazatted officer and one copy photo of the account holder signed by officer)
- Introducer, nominee
- Completion of graduate form & valid student ID card

Letter of introduction from respective university, which should include-

- Student name
- Address
- ID
- Degree
- Month & year of enrollment
- Expected month & year of graduation
- No of years & credits completed.

Statement and Certificate Preparation:

Statement is send to the correspondence address of the account holder according par instruction. Some time students need bank statement on urgent basic for visa purpose. At that time we receive a request in a prescribed form with verifying signatures. We then deliver the statement in the next working day. We charge 200 and 15% vat for statements for last one year over the counter. If he/she requires more than one-year statement then we have to send the form to account service and it takes 3 days for delivering. Preparation of Statement of Certificate is a complicated one. It is normally for tax purpose. We give certificates concerning interest received and tax deducted at sources on the account. We give certificates after investigating account's existing information or taking documents from customer. It is charged from his/her account. We don't mention the word "Solvent". It is completely restricted. We may add another statement according to customer instruction after safe guarding the bank.

NB: No statement or certificate would be delivered if minimum balance of the account is below 230.

- **ATM Card Services:**

Every ATM card has an expiry date. It requires replacements. I received a request for ATM service and delivered it to account section. Customer collected it after 3 working days. ATM replacement / new issue charge is 345 (300+ vat).

❖ **Debit Card Services:**

Every Debit card has an expiry date. It as well requires replacements. The request for debit card (with prior notification) is dealt by the account service department. Customer collects the card after 3 working days. Debit card replacement / new issue charge is 345(300+ vat). Now SCB is issuing only debit card and at present SCB has stopped issuing any ATM cards. Customer can easily withdraw cash and make purchases whenever he/she wants using this Debit card.

❖ **Account Services:**

Address Change:

Customers sometime want to change mailing and permanent address. They have to fill up a form and give supporting documents for address alteration (in case of permanent address change). Supporting documents should be photo id (passport/driving license/ voter id or reference letter by first class gazatted officer) and one copy of photograph of the account holder is required to change any kinds of account service form. This is free of cost.

Signatory Change (delegation of authority)**:**

Sometime customer wants to add new person or nominee as joint signatory. Customers have to fill up a form and a signatory card where new applicant's signature (duly attested by him/her), a copy of passport or voter ID or driving license is required.

Signature Change:

If a customer wants to change his signature he has to provide his previous valid documents (which was supplied at the time of account opening) and a copy of photograph with a complete form.

Account Closing:

Customers have to surrender his cheque-book and ATM card at the time of closing or surrendering the account. Closing charge is 575+ excise duties (it is applicable if customer has more than BDT 1, 00,000 bal. in last 6 month + any DR (debit balance) balance).

- **Wage Earners Bond (USD):**

Bank purchases wage earners development bonds (WEDB) on behalf of customers. Customers who have foreign currency account can purchase this bond. The rate of interest is 12.5%

- **Locker Service:**

Locker Opening:

Bank provides safety locker service to its customers. Any account holder can obtain it. Account holder needs to fill up a form with specimen signatory card. Signatory may not be more than three. In the form, locker holder must mention the account number from where locker charge will be debited. After clarifications all documents allocation of a locker and key takes place.

Type	Annual charge	Size
Small	3000	4.5 x 7 x 23.5
Medium	4200	4.5 x 14 x 23.5
Large	5400	7 x 14 x 23.5

Locker Visiting:

Locker holder can visit the locker any time within 9 a.m to 5 p. m- from Sunday to Thursday. Customers had to sign the visiting record and locker's custodian verifies it.

Locker Charge:

Locker holder is charged BDT 250,350 or 450 for per month. Customers are not allowed to visit if his account balance is not sufficient to deduct charges (yearly & per month charge).

Locker Closing:

If any one wants to surrender the locker, s/he needs to surrender the locker key and visit the locker finally with custodian. The manager keeps the key in the volt and reallocates it.

❖ **Call Center:**

Bank has inaugurated a center from where customer can be acquainted with all the account related & credit card information. He /she need to fill up a call center form and then s/he will give a password (TIN). This password is his identity to receive information. Call center facilities are:

--- Information on account balance

--- Information of the last 5 transactions

--- Request of a chequebook

--- Request of a bank statement

--- Receives information on foreign currency exchange rate.

--- Can converse to a Phone Banker regarding:

- Information regarding other products & services of Standard Chartered Bank.
- Changing of account address
- Information on remittance
- Informing bank about lost or captured ATM card/Debit card
- Stop cheque instruction
- Providing instruction from customer to prepare pay order/ demand draft, which are to be collected at the branch.
- Other account opening assistance

Receive & Delivery of UDC/PDC:

When the customers apply for their loan individuals UDC/PDC (previously given by him) comes back to the branch. Entry in a registrar is given and then locked in a box. When customers come to receive it, we receive an acknowledgement from him and give him UDC/PDC after verified signature.

Customers Queries:

Over the counter I have respond to customer queries. Common quires was account balance, money arrival, account opening, account closing, ATM replacement, cheque book stop, ATM stop or Debit card, loan closing etc.

❖ **Interest Rate Matrix for Different Deposit:**

Current Account (LCY & FCY).

Minimum balance required	BDT 50000 or equivalent
Interest rate	No interest is paid

Savings Account (LCY):

Minimum balance required BDT 1, 00,000

Monthly average balance	Interest rate
Below BDT 100000	0.00%
BDT 100000 up to BDT 500000	4.00%
BDT 500000 up to BDT 1000000	4.25%
BDT 1000000 and above	4.25%

Note: other condition apply (e.g. maximum number / amount withdrawal)

Super Saving Account (LCY-) Client Relationship:

Account	Balance Interest rate
Operating saving account (OSA)	Up to BDT250000 0.00% Above BDT250000 3.50%

If balance falls below BDT 250000 on any day during a month, interest will be forfeited for that full month

Account	Monthly average balance	Interest rate
Investment savings account (ISA)	Up to BDT 5 million	5.00%
	Above BDT 5 million to BDT 10 million	5.50%
	Above BDT 10 million to BDT 15 million	6.00%
	Above BDT 15 million to BDT 20 million	6.25%

Resident Foreign Currency Deposit Account (RFCD):

Minimum balance required USD 1000 or GBP or equivalent. No interest is to be accrued if the balance falls below the minimum amount.

Interest rate is based on international market rate and Bangladesh bank guidelines are to be advised by global market to all branches from time to time.

STD Account Consumer Banking:

Minimum balance required BDT 250000. If the balance falls below 2500000, no interest will be accrued. Interest rate is 3.00% to 5.00%.

STD Account Client Relationship:

Minimum balance required BDT 250000. If the balance falls below 2500000 no interest will be accrued. Interest rate is 3.00% to 7.50%.

Fixed deposit (LCY) For Consumer Banking:

Minimum amount required BDT 100000

Tenor	BDT 2m & below	Above 2m & up to BDT 10m	Above BDT 10m
1 month	5.00%	5.50%	5.5%
3 month	6.00%	6.2%	6.3%
6 month	6.4%	6.5%	6.75%
1 year	6.5%	6.75%	7.00%
3 year	6.75%	7.25%	7.50%
5year	7.25%	7.50%	7.75%

❖ **Cash Line:**

Cash Line is a fully secured lending facility. It is intended to meet the emergency cash needs of the customer. Sometime the customer's money is tied-up in investments but they need cash at that instant. Rather than pulling out their investment, they can take a Cash Line and meet their immediate need. **There are 2 basic types of Cash Line:**

1. Overdraft Cash Line:

Overdraft cash line is an overdraft facility. The limit of the facility is 90% of the security value pledged to SCB.

2. Fixed Loan in Cash Line:

Cash Line Fixed Loan is an installment loan payable process in either monthly or quarterly installments. The amount that the customer has withdrawn can pay in monthly installments, which is called EMI-Equated Monthly Installments.

Meaning of fully Cash-Secured:

Fully cash secured means that customers can receive loan by pledging a security that is either cash or can be very easily converted to cash. The amount of the loan is equal to the value of the security.

Securities that can be "Easily Converted to Cash":

The securities that SCB considers can be easily encased are Government issued security bonds, ICB units, Fixed Deposit Accounts of SCB.

How much Cash Security is required to get this Loan?

Since this is a fully cash secured facility', security has to be more than the loan amounts. Generally, 80% to 90% of the security present value is approved as loan. Loan amount is determined by the present value of the security, not the face value.

Meaning & differences of present value & face value:

Value means the amount of money that one would receive if he en cashes the security today. Sometimes, present value of a security is more than the face value because of interest accrued on the security. The difference between the two is that, present value is always higher than the face value of the security because present value contains interest receivable amount, if any. The calculation for cash line loan amount is determined by present value.

Who can get Cash Line?

Both Salaried executives and self-employed/businessmen can get Cash Line.

Purposes for Which Customers can get Cash Line:

Customer's can get Cash Line for any of the following reasons: House-renovations, Purchase of Personal Computers, Marriages in the family, Purchase of refrigerators, Advance rental payments, Purchase of furniture, Office renovations, Hospitalization or other emergency medical needs, Higher professional or tertiary education/professional training, Purchase of office equipment/ accessories, Purchase of miscellaneous household appliances.

Note: Cash line can be taken for reasons that are not mentioned above, as long as it is not illegal.

Minimum and Maximum Loan available under Cash Line:

Minimum Loan Amount: Tk.80, 000

Maximum Loan Amount: TK.5, 000,000

Interest rates in Cash line:

Overdrafts	13 % Interest Rate P A
Installment loans	11 % Interest Rate P A
Bullet Payment loans	11 % Interest Rate P A

Minimum and Maximum Tenors *of* Cash Line:

1. Minimum Loan Tenor: 12 months

2. Maximum Loan Tenor: 60 months
3. For Cash Line OD, the facility has to be renewed annually.

Procedure of Loan Disbursement:

The loan will be disbursed by crediting the account of the client. The customer mentions the account where the loan will disburse or the account that an overdraft limit will be attached to. If the applicant does not have an account with us an account is opened with "zero balance" for the loan purpose.

Fees & charges of Cash Line:

Processing Fee: 1% of approved loan amount or BOT 2000, whichever is higher.

Other Charges: BDT 1000 for overdraft renewal charge at annual interval.

Early settlement Fee: BDT 1000

Principal reduction fee for bullet Payments: *BDT* 500 every time

Loans Repayment Procedure:

Customers will repay the loan by Monthly Installments for Cash Line Fixed Loan and for Bullet Payment arrangements, customer's a/c holders and SCB non-a/c holders can debit their access account monthly.

Customers with A/c with SCB:

They can put a standing order in their a/c that will automatically take the EMI every month. . The benefit of Standing order is, that it can be set for any date of the month.

Customers with no prior A/c with SCB:

They can give Post Dated Cheques (PDC) s for the entire loan tenure. The PDC s will be dated 1st, 8^{th}, 15th or 26th of each month where the Customer will have to choose one date among the four for all UDC s.

How will the Customers Repay the Loans?

Cash Line OD is a utilization-based product. Interest is based on utilization. Interest is charged daily on the utilization. At the end of the quarter the accrued interest will "hit" the collection account. Since all Cash Line OD customers are SCB account holders, a standing order will be in place on the transaction a/c, which will automatically transfer the interest amount to collection account.

Documents required at the time of Loan Disbursement:

The documents that must bear customer's signature are:

- Demand Promissory Note.
- Letter of Continuation.
- Undated Letter (authorizing the bank to en-cash security its- discretion).
- A dated letter authorizing the bank to put date on the undated letter.
- Letter of Lien & Set-off over Deposit a/c (in case security is FDR).
- Original receipt of FDR signed & surrendered by customer.
- Letter of Guarantee (in case security is in 3 rd party's name)
- Filled in Banking Arrangement Letter.

❖ **Personal Loan:**

It is a loan offered to individuals for some given purposes and is to be repaid by equal monthly installments. No security is needed for this loan. The monthly installment is called EMI.

Meaning of EMI:

EMI or Equated Monthly installment is the amount a customer has to pay every month to pay back the loan.

Persons eligible to get Personal Loan:

Salaried, employees of MNCs, Large local corporate bodies, NGOs, International aid agencies, UN bodies, Airlines. Government employees, businessmen and self-employed professionals can also get this loan. Since no security is taken, the income of the applicant is given the prime consideration. Therefore, based on employment applicants are divided into segments.

Different type of Segments:

Segment 1: Executives of listed local corporate bodies and multinationals which have a corporate relationship with us have been maintaining their salary *A/C* with us and have a history of EOSB (End-of-Service-Benefit) payment of their employees through SCB accounts.

Example: Executives of Lever Brothers, British American Tobacco Company, etc.

Segments 2: Executives of Supra Nationals_sector who have their salary *A/C* with us.

Example: Executives of ILO, World Bank, ADB and other UN agencies.

Segment 3: This segment is further divided into 3 categories.

Category 1: Employees of corporate bodies, Educational
Institutes, NGO who have salary *A/c* with us only.

Category 2: Employees of corporate bodies, Educational institutes, NGO who are paid salary through *A/c* with other banks.

Category 3: Employees of corporate bodies, Educational Institutes, NGO who are paid salary in cash.

Category 4: Self-employed professionals and businessmen.

Reasons for Segmentation:

Since no security is taken for this loan, the bank considers the salary of the applicants as security. So we segregate the applicants based on their salary and Benefit relationship with us. That is why those whose employers have a corporate relationship with us, they get their salary through SCB and their employer keeps their pension and other staff benefit fund with us are in one segment. We feel that we can assess their income correctly and incase of default are in a good place to collect the remaining amount. UN agencies, ILO, ADB World Bank staffs are considered safe and reliable so they are in another segment. All the other are in segment-3. Segment-3 is considered more risky since it contains businessmen and executives who do not get their salary through us or in cash. As you will read through this module, you will learn that since we do not take any security, monthly income becomes very important in giving this loan. Segmentation is done based on their salary and pension.

SCB is reluctant to give Personal Loan to the followings:

People working in garments, restaurants, car showrooms, trading/ indenting firms, lawyer, defense officials.

Process of Loan Disbursement:

The loan will be disbursed by crediting the account of the customer. If the applicant does not have an account with us an account is opened with "Zero balance" for the loan purpose.

Process of Loan Repayment:

- ✓ Customers will repay the loan by Monthly Installments.
- ✓ Customers with *A/C* with SCB: They can set a standing order_in their a/c that will automatically take the EMI every month. The benefit of Standing order is, that it can be set for any date of the month

Time of 1st installment due:

First payment will be within 59 days after loan disbursement.

Installment Payment Periods:

For Segment 1, 2 & Category 1 of Segment 3: The loan can be paid back in a minimum of 12 installments and a maximum of 60 installments. For Segments 3 (Category 2 & 3): The loan can be paid back in a minimum of 12 installments and a maximum of 48 installments.

Penalties for Missing an Installment:

The penalty for missing an installment is that an additional 24% penal interest will be charged on the outstanding amount. This interest will be charged daily in the outstanding amount till the customer pays the outstanding.

Customer can repay the Loan before Maturity:

Customers can settle the loans before maturity. For that there is an early settlement fee.

Importance of these Documents:

- ✓ Incase the customer defaults on his installment payments, and then these documents will help us establish our right in court to liquidate his loan by en cashing customer's security.
- ✓ Only the customer can sign on these documents. Bank employees or representatives must not sign or stamp a seal on these pages.

❖ **<u>Auto Loan:</u>**

- ➢ Loan amount unto 75% of car value.
- ➢ Payable in a maximum of 60 monthly installments.
- ➢ Lowest interest rate in the market.

Custom Designed:

With standard chartered auto loan if is easier than ever to buy the car one always wanted because only standard chartered offer the option of buying brand new car, reconditioned car or used car. Auto loan offers complete flexibility in structuring the loan. Customers can choose loan tenure, cash security requirement, loan amount and even the interest rate on their facility. Auto loan also offers an option of early settlement or partials payment of the loan if the need arises.

Trouble Free:

There is no requirement to provide personal guarantee or cash security *to* qualify for an auto loan. If one chooses to provide 30% or more of the loan amount as cash security he will enjoy a higher loan amount and discounted interest rate.

Simple:

Auto loan is designed to make life easier. It offers easy repayment options and the freedom to choose repayment period-from 1 year to 5 years depending on the car. For better understanding installment amounts for different tenors for 100000 are shown in the followings.

Installment amount for BDT 100000 loan

Interest rate	12 months	24 months	36 months	48 months	60 months
13%	8932	4755	3370	2683	2276
13.5%	8956	4778	3394	2708	2301
13.75%	8967	4790	3460	2721	2314
14%	8979	4802	3418	2733	2327

Please note that interest rate will depend on the security amount one will provide.

Income Assessment Module for Auto Loan:

Methods for Statement Analysis of Self-Employed Professional or Businessmen:

Background:

As of now there has been no formalized income assessment module for calculate income of applicants for auto lone. SCB have been using modules used for Flexi Loan to calculate incomes. While using these modules SCB have identified many loopholes and drawbacks, which SCB have addressed now. In the proposed modules used for different product are described below.

Type of Accounts taken into consideration:

1. Personal *a/c* .
2. Proprietorship *a/c* .
3 Partnership *a/c*
4. Limited Company *a/c*

Note:

- For personal accounts, the customers must be in single name of joint names with spouse.
- Loan Eligibility calculation from Partnership and Limited Company accounts:

To derive an individual's income from company accounts with credit facilities (cc or project loan), firstly the company's liabilities are deducted from the gross monthly credit turnover or average balance to derive the net credit turnover or average balance, respectively. Then the net figure *is* apportioned to the applicant as per his/her share in the business.

❖ **Flexi Loan:**

Flexi Loan a partially secured loan facility given for any legitimate purpose. The loan can be either partially secured of fully secured. The security for the loan should be in a readily en-cashable form.

- ✓ This loan is repayable in Equated Monthly Installments -EMI
- ✓ Flexi Loan cannot be taken as working capital or any business purpose
- ✓ Maximum Loan Installment is 60 installments
- ✓ Minimum Loan Amount: BDT100, 000
- ✓ Maximum Loan Amount: BDT 5,000,000

Persons Eligible for Flexi Loan:

- ✓ Employees of reputed Loan Corporate, Multinationals, NGOS, private universities, International Aid Agencies, UN bodies and Airlines.
- ✓ Government Employees
- ✓ Self'-employed professionals (Doctors, Engineers, Chartered Accountants and Architects)
- ✓ Businessman.

Persons not Eligible for Flexi Loan:

- ✓ People working in any sole-proprietorship/partnership firm (garments, restaurants, car, showrooms, and trading indenting firms)
- ✓ Defense officials.
- ✓ Business experience less than 3 years.

Purposes for which Flexi Loan is sanctioned:

The purposes for which Flexi Loan can be availed are very particular. They are:

- House renovation
- Marriages in the family.
- Advance rental payments.
- Higher professional or tertiary education" professional training
- Purchase of Miscellaneous household appliances

Purpose for which Flexi Loan cannot be Taken:

Flexi Loan cannot be used for business purposes like working capital and buying industrial machinery. But doctors, architects. Cash, engineers who have private practices can use this loan to buy their office machines, office equipment's" accessories or office renovation.

Interest Rate of Flexi Loan:

Interest Rate: Interest rates depend on readily en-cashable/ cash securities that are provided by the clients. Rates are:

- 14% annually If security value = 100% of loan amount
- 16% annually If security value - 50% to 99% of loan amount
- 18%annually If security value = 30%to49% of loan amount
- Processing Fee: 1% of approved loan amount or BDT 200, whichever is higher

Note: Readily en-cashable/ cash securities need to be acceptable to bank.

EMI table for Flexi-loan

Interest rate	12 months	24 months	36 months	48 months	60 months
14%	89.79	48.01	34.10	27.25	23.19
15%	90.18	48.40	34.58	27.24	23.70
16%	90.73	48.96	35.06	28.24	24.21
18%	91.68	49.93	36.02	29.24	25.25

How will one get the actual EMI amount from this table: After selecting the tenor (months) and the interest rate one has to multiply the loan amount in thousands with the corresponding factor and will have the EMI for that tenor and that interest rate.

Procedure of Loan Disbursement:

- ✓ Existing account holder
- ✓ The loan will be disbursed by crediting his / her account
- ✓ Non- Account Holder: The loan will be opening a new account with "zero balance" for the loan purpose.

Minimum or Maximum Loan amount available under Flexi Loan:

- Minimum Loan Amount: BDT 100,000
- Maximum Loan Amount: BDT 5,000,000

Minimum or maximum loan installment for different cases:

The number of maximum installments is not the same for all cases. It depends on the loan amount.

Loan Amount	**Loan Amount**
TK.1Lac-TK.5Lac	36 Installments
TK.5Lac-TK.10Lac	48 Installments
TK.10Lac-TK.50Lac	60 Installments

Process of Loan Repayment:

Customers will repay the loan by Equal Monthly Installments (EMI). The repayment method is different for SCB AC holders and SCB non-A/C holders.

- Customers A/C with SCB: They can put a standing order in their A/C that will automatically take the EMI every month.

• Customers' no prior A/C with SCB: They can give Post Dated Cheques (PDC) s for the of each month.

For Businessmen &Self Employed Professionals:

- ✓ Application form filled in
- ✓ Latest Bank Statement: 6-12 months
- ✓ Proprietorship Business A/C: Valid Trade License
- ✓ Partnership Business A/C: Certified true copy of Memorandum & Articles of Association with Form XII and Form XVII
- ✓ For OD A/C: Copy of the offer letter of the facility is to be submitted with the statement
- ✓ Details of security to be submitted
- ✓ Copy of valid Trade License & TIN certificate must be attest by Branch official Sales Manager as "O/S" - Original seen

Note: In case the loan is Tk 5 Lac or over a Tax Identification Number (TIN) & CIB clearance from Bangladesh Bank are required

Charge Documents and these Documents Importance:

- ✓ A Demand Promissory Note, Letter of Continuation. Letter of Lien and Set-off over Deposit. Letter of Hypothecation these documents are called charge documents.
- ✓ Incase the customer defaults on his installment payments, then these documents will help us establish our right in court to liquidate his loan by en-cashing customer's security.
- ✓ Only the or representatives must not sign or stamp a seal on these pages.

Required Document of different customer for Flexi Loan:

Sole Proprietor	Limited / Partnership
1. Trade license	1. Trade license
2. Bank statement	2. Bank statement
3. One copy of photo	3. One copy of photo
4. Passport/driving license/voter	4. Passport/driving license/voter

ID / notary public	ID / notary public Article of association Memorandum of association Schedule 10 Board resolution Incorporation license

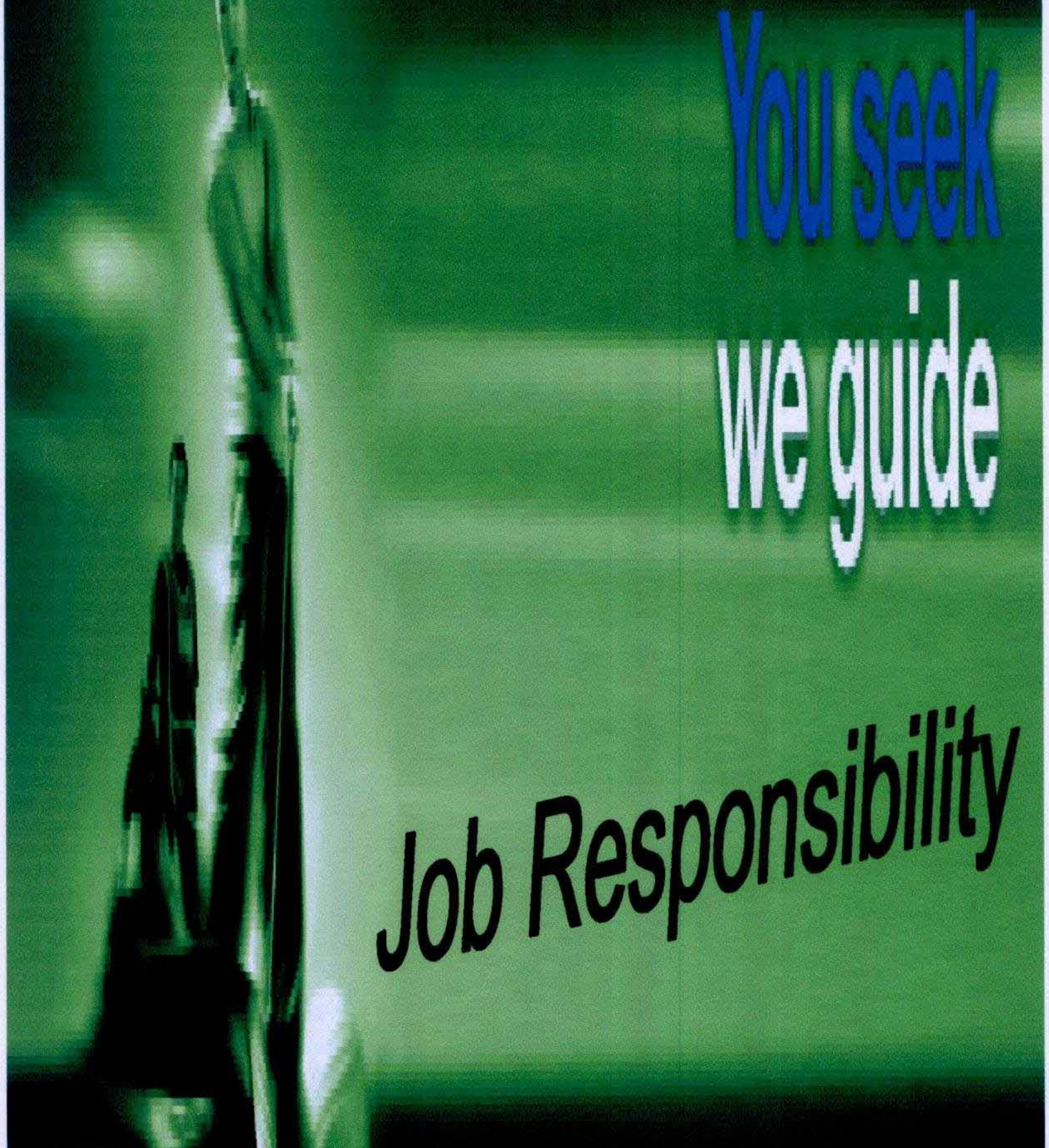
Maximum loans amount 12 Lac. Tenor -5 years. 50% of sanctioned amount must be deposited as fixed. Rate of interest is 14%.

Business Financial Services:

A new era of consumer banking dawned on the 1st of march, 2004 when Bangladesh become the first country in the middle east and south Asia region of standard chartered bank to offer banking facility for the small and medium enterprise segment with BFS. Currently it is offering of Letter of Credit (L/C), guarantee, overdraft and Business loan. For an emerging economy like Bangladesh, the small and medium enterprise (SME) segment is the engine of growth .BFS is a prime manifestation of the bank's focus on the market and introducing products and services that address the need of its chosen segment Business Loan has been a Hit in the market with total outstanding already reaching BDT 890 million at July end. SCB is the first foreign Bank to offer such packaged services in Bangladesh.

This loan is given as:

- ✓ Bank over draft
- ✓ Installment loan
- ✓ Revolving lone
- ✓ Letter of credit
- ✓ Guarantee


You seek
we guide
Job Responsibility

ASPECTS of JOB PERFORMANCE:

The Standard Chartered Bank (SCB) is biggest bank in Asia, Africa and Middle East with its significant lending, investment, and insurance activities around the world. SCB is considered as one of the largest banking and financial services organization in the world. In Bangladesh, it has made its place as the fastest growing bank. Being able to work in this world-renowned organization I find myself lucky. I got the opportunity to work with SME department and in Project based works with SCB Bangladesh.

During the three months of my internship I was placed in several locations, mainly at Head Office at Gulshan Avenue, under Masum Anwar, Manger, Sales. I heavily enjoyed the work of this department. The work experience gave me a good idea of the overall banking system of Bangladesh and taught me the professionalism at work place.

Job as an Intern

During the internship, my prime responsibility was to check the documents of different customers who were applied for loans under SME. On daily basis, the employees under Sales team of SCB had to submit at least 3 completed files appropriately. But in many cases, these files miss some silly information lacking. Therefore, after hard work of the employees, it bounce back again to them from Credit department to complete the requirements. So ultimately the banks as well as the needy customer get suffered. Therefore, my major responsibly was to ensure all the documents are fulfilled appropriately. For this reason, I was provided with necessary training and guidelines from the Manager. Because, daily they had to cross check all these files again and could not concentrate with the technical terms of the loan facilities. Everyday, I had to check 30-35 files on an average. All these required total concentration and meditation. In a sense, I had to check the following information:

- Copy of valid trade license
- Up to 3 years valid trade license, so that the customer proves a successful business man.
- Copy of last 12 months bank transaction statements.

- Photo ID of the business owner.
- Copy of utility bills of the business entity.
- TIN Certificate.
- Photograph of the customer.
- Partnership deed and registration copy.
- Memorandum and article of the association, form X to XII
- Certification of incorporation.
- Board/Partnership resolution.
- All facility related offer letter.

Usually, I used to check these information's of the clients. For example, tiny information of one customer misses. Then it hampers the flow of work and delays the whole process as well as the performance of the employees. That is why; my task was so crucial for the department and requires intensive concentration too.

During my internship period I got chance to work with a project which has assigned to establish more ATM Booths around the country. That is why, all the documentation parts where assisted by myself. But at the practical moment, I was not allowed to work with them as the total process was done with banks confidentially. There are some important tasks that I had to do during the project workings-

Essential Functions:

- Provide administrative support to the Project Manager and his/her team.
- Input site candidate information into a project database.
- Track all development project activities through the maintenance of the project tracker.
- Assist with the coordination of site visits.
- Create and maintain site files.
- Log, produce & track all Purchase Orders including receipt and payment.
- Prepare and disseminate close-out packages to client.
- Develops work plans and timelines.

- Coordinates project planning and activities, monitors project progress, and prepares documentation and reports as required by the funded.
- Develops project linkages to other activities and groups related to the project.
- Conducts and evaluates research and synthesizes information regarding best practices in the relevant project task areas.
- Completes review and reporting requirements to ensure that project activities receive timely review and that no activity proceeds until appropriate review has been conducted and any necessary approval received.
- Develops and monitors contracts with external vendors selected to conduct project activities.

Marginal Functions:

- Attends various meetings and conferences to both promote the quality choices for main project and to establish collaborative linkages with other agencies and organizations.
- Assists with the design and compilation of data into project reports, databases, web pages, and other information organization and presentation tools.

Resource Management:

- To plan and direct the preparation of resources and resource information in accordance with divisional priorities, ensuring best value, probity in the use of resources, maximization of income and professional practice within the service areas.
- To ensure the establishment of appropriate processes for the administration, management and monitoring of such projects.

Management of Information:

- To ensure that all management information is collected, collated, analyzed and used to report to central government, inform strategic and operational planning and enable services to be delivered with specific outcomes.

- To ensure that there is an appropriate strategy in place to enable the Division to carry out its core functions through the use of effective IT systems.

Planning and Communication:

- To lead on and contribute to the development and maintenance of the Division's project planning process.
- To ensure that the Division is fully able to respond to changes in legislation, new policies and all planning and priorities guidance issued by government.
- To ensure that the Division produces high quality information for the public reflecting at all times the diverse nature of the community being served.

Other:

- To contribute to, and participate in, departmental and corporate working parties, initiatives and projects as required.
- To ensure the provision of documents and information as needed to demonstrate the effective implementation of policy and operation of the division in accordance with the relevant performance standards.
- To undertake training and constructively take part in meetings, supervision, seminars and other events designed to improve communications and assist with the effective development of the post and post holder.
- At all times carrying out responsibilities/duties within the framework.

Critical Observation and Recommendation:

As a finance student, I always prefer to do a job in a financial organization. So, obviously banks get the first priority to me. An internship in a bank, like SCB is a great way to demonstrate interest in the sector and for me to learn more about the actual job I would be doing on a day to day basis. Also, many people who do internships are offered permanent roles afterwards. Moreover, SCB always prefers the internal recruitment. For this reason, interns get more preferences than other applicant.

In the follows I found out some problem over in the SCB as critical Observation, and some recommendation regarding the observation:

- **Observation:** During my three month internship I observed that SCB is some where depended on interns. The recruitment process is stacked for last six months and will be stop for next six month. During my internship period I found that two of the employees from my department, left their job. But still there was no replacement for them. The current employees were assigned to do their work. So their work pressure was being doubled. The motivational levels of those employees were getting down.

☑ **Recommendation:** The authority should be a little careful about their employees. May be their current policy is not to recruit any new employee for one year. But they can recruit employee for replacement. Otherwise the motivation level of the employee will be low.

- **Observation:** Two months ago, suddenly one customer came and asked for the time compilation of the loan process as he had to buy some materials on an immediate basis. But due to the lacking of his application and the delay of Credit department to confirm about the loan, big problems arouse. As the bank can not loose the customer, neither they can help the customer with immediate solution. This makes dilemma to the whole process and bank could not help the customer until waiting him to complete the process to finish.

☑ **Recommendation:** Bank like SCB should be prepared for this kind of situation. Since, all the information of the bank is procedure relies on the Credit department; the department should have some kind of back up. Otherwise, this kind of situation creates a huge problem for the customers and banks reputation.

- **Observation:** Two months back there was an important meeting with Project members to discuss about the selected sites for the ATM Booths. But due to missing a file that was crucial for the meeting even after searching long time; could not able to found it. Probably lost the file or took it to home by mistake by the Selection Team member.

☑ **Recommendation:** This sort of irresponsibility should be highly discouraged. This is absolutely an example of sheer unprofessional, which in turn casts a very bad image for coordination of two departments. The company should be more careful in recruiting such people in the future to avoid such embarrassing situation.

- **Observation:** Recently, SCB is very much concerned about cost minimizing. In all of their decisions they are trying to minimize their cost. Recently, all the multinational banks are facing losses. In order to avoid this loss SCB decided to reduce their cost in all aspects. So that they can increase their profit. I am admitting that, to minimize cost is a way for profit maximization, but the fact is that is there is several ways to minimize the cost. Process Automation can minimize cost dramatically, but rather to give attention to process automation, SCB's authority give attention like reduce the use of tissue paper, A4 paper and so on.

☑ **Recommendation:** I appreciate there decision to reduce the cost to increase profit. All the employees were happy with the decision. But I didn't like the way. They can reengineer their current process, by doing some simple automation they can reduce the current labor hour and increase their profit.


Standard
Chartered

Introduction:

SS and CRES which implies Strategic Sourcing and Corporate Real Estate service is an integral part of Standard Chartered Bank. SS and CRES can be defined as a portion of administrative department which mostly functions are administrating, ATM, branch, vendor management and bill payment etc. The most critical aspect of this department is its suggestion and demonstration in achieving strategic compatibility and advantage over the competitors which maintaining a prospects for future growth in the industry. Its function also includes the management of real estate service providers and as well maintaining good terms with the land-lords (present and potentials). SS and CRES are sought responsible for all strategic implications of Standard Chartered Bank through out Bangladesh. Any decision of investment inside Bangladesh has to be approved by the senior management of this department which as well might also include setting up a new branch as ATM booth. The senior management comprises of four to five members and before approving they analyze, interpret every project in terms of cost and benefit to determine the best project of the bank. The department also focuses on continuous upgrading of technology and management systems which enables Standard Chartered Bank to offer new services and products to the customers while maintaining an extensive international network for the benefit of the customers.

Objective:

The objective of the project that had been undertaken under the supervision of SS and CRES is to set up some ATM booths all over Dhaka city. It also intends to set up ATM outside Dhaka city, for instance, Rajshahi, Jossore but the Dhaka regions is its main concern.

Methodology:

Most of the information that has been collected was from day to day activities. At times, I have asked questions to property service manager and head of the department for clarifications. Secondary was collected for the project report and managers statement of intentions.

Limitations:

At times, in the busy and hectic schedule of my senior managers, they felt reluctant to discuss issues of my report. Availability of secondary sources were less which reduced the content but as far as I am concerned, I have tried my heart and soul to terminate this report a useful one and hope this will reflect a proper image of my project activities.

Scope:

This project report deals with the functions of the project while encompassing the activities of Strategic Sourcing and Corporate Real Estate Service Department.

The Project Cost:

The project cost is determined by Finance Department and the head of the project, which is being calculated as 2.5 Crore taka. This cost only includes the formalization and fulfillment of the project. Any cost related to ATM set up, branding or utilities are to be excluded from this budget. The extra cost will fall under ATM administration and branding division which will be paid by the relevant sectors.

Scope of the Project:

ATM project shall be dealing materials and concerns subject to ATM installation and properly rent. Any concern of the branch administration or ATM service problem will not be directly authorized by this project or project members. Any asset of the project shall not be used for the purpose serving any other division or sector of Standard Chartered Bank. In case of decision concerning ATM installation, the project member's opinion will be deemed final and thus the members would be held responsible for any problem aroused in the near future.

The Project Process:

The project formulization and completion consist of several steps which are to be followed in case of every ATM installation or branch opening. The project process consists of steps such as:

1) Statement of interests.

2) CB's approval
3) Rent terms
4) Negotiation
5) Finalized terms
6) Documentation
7) Title check
8) Design approval
9) Cost approval
10) Utility approval
11) Strategic sourcing
10) Branding.
11) ATM installation
12) Bills approval.
13) Opening (ATM operation).

Each of these steps which can be divided into several sub sections is the integral part of ATM project. These steps will be explained in the later chapters while trying to demonstrate its importance in the project life.

Importance of the Project:

Standard chartered bank declaring the ATM project as a priority of all the strategic implications shall provide the project will all necessary utensils and service required as urgent basis. The project had been held important in order to gain competitive advantage over the competitors which are BARC bank, Dutch-Bangla Bank, CITI Bank, Dhaka Bank etc. Most of Standard Chartered Bank's competitors are willing to grasp the most percentage of the market share possible through providing bank service via ATM or branch and thus Standard Chartered in order to gain competitive advantage would have to provide the service as soon as possible. In such circumstances, the ATM project is held very important for the future prospect of the bank.

Site Selection:

The first step of the project is to select a site for ATM installation and identify the proper and appropriate land lord or property owner. Site selection depends on certain basic criteria. Before selecting a particular site every project member must ensure whether the following criterion has been accomplished .The criteria are:

1) Openness to customers.
2) Eligibility for branding
3) Convenience Of customers
4) Prime location
5) Centre of the location.

1) Openness to Customers:

The selected region must posses an open posture for the customers. It should be such that customers from far distance would be able to view the branding or board of Standard Chartered. This aspect is less regarded when the ATM is attached with a branch. It is being presumed that in the near future every branch of Standard Chartered will posses two ATM side by side. This aspect receive a high preference because customers, who are far away from local branch will be able to conduct their business transaction through ATM and as such if exposure is not highly maintained Standard Chartered might loose out potential customers.

2) Eligibility for Branding:

The selected place must be eligible for branding. This implies the selected place must posses distant prefer ability to the local people and thus Standard chartered will be adding value to the place and as well grasping the local market. For ATM or branch purpose, the project members must ensure that the selected place is up to the standard of setting up an ATM. This aspect is preferred because distant customers might be arriving at ATM for transactions and thus the place should posses a certain standard for inviting them.

3) Convenience of Customers:

This is the third aspect that is looked after while a place is selected. The customers arriving at the ATMs should fill convenient with the place. For assuring this, the location should posses' broad road where there should be a parking facility, a guard for the cars and a welcome man at the ATM door. Since ATM offers services- as bill payment, cash withdrawals, deposits and other facilities, it is expected that a huge number of crowds should have as access at each ATM.

4) Prime Location:

The ATM must be situated in a prime location identified by Standard Chartered Bank. A map identifying the prime location has been prepared by Standard Chartered depending on certain criteria. They are:

1) The area should be located at least 2 km far from the nearest AMT booth or branch.
2) The area where there is no branch or ATM should be the most preferable region.
3) After the completion of the project, the whole Dhaka city should be encompassed under Standard Chartered Bank service.
4) Customers of old Dhaka city should be facilitated by at least four ATM scattered all over the region.
5) A particular area must not posses more than one ATM.

Depending on the above mentioned characteristics a map of whole Bangladesh has been prepared while identifying the prime location. Thus while selecting a site, the project members must ensure that it is in the prime location identified .Otherwise, the whole project might be at stake.

5) Centre of Location:

This is the last characteristics that have to be followed while selecting a site for ATM or branch. The selected site must be situated at the center of the location. The ATM must also be situated on the main road and as such no site should not be approved if the site does not have proper exposure or is not at the main road. No scientific method is used to identify the center of the prime location and instead group discussion or meetings are held to identify the center of the prime location and the best potential site for the benefit of the bank. The motive of this aspect is to ensure the best beneficial position for the customers.

Depending on the above mentioned characteristics several site of a prime location is selected and the project work functions as follows:

1) Two or three site (minimum 2, maximum 4) is selected in the prime location.
2) The land lord or property owner is identified with a motive of meeting.
3) If the land lord seems reluctant, another arrangement is conducted.
4) But if the land lord fells free and agree to offer the bank the property, than a total map along with photograph are sent to the project office.
5) After two or three location has been selected, the project members in a meeting decide the best position among these locations and thus the project moves on to the next stage.

These are the aspect of site selection which has to be followed while selecting a particular site for ATM.

RESP:

For selecting site and as well supporting Standard Chartered Bank for ATM project a company is employed as RESP (Real State Service Provider).For this purpose Plus Three International which is for long been associated with Standard Chartered is being selected. The conditions applicable for Plus 3 international are:

1) SCB will provide BDT 50,000 for premises above the size 5000sq. feet.
2) Amount of BDT 35,000 will be provided for premises below 5000sq. feet.
3) BDT 10,000 will be paid for region outside Dhaka city.

Statement of interest:

After a location is selected a statement of interest is sent by mail to the land lord. Statement of interest is a letter approved by Property Service Manager (PSM) is mailed to the landlord address while keeping a photocopy at the project office as a record. At the letter, the landlord is asked to set a price for his asset and thus the bank as well presents its will to buy or rent a certain amount of his premises. The land lord is also asked to send a letter as reply to the statement letter. A copy of this letter is transmitted to the cost department where the required premises along with its utility cost is calculated and thus a particular budget is send to the PSM where, he asks the land lord for meeting with the project members to discuss all the issue related. The budget copy states the total cost the bank set for this ATM. Budget varies with respect to time and location. It is observed that location like Gulshan, Banani, Old town-Islampur etc tend to have a high budget where as others which is less desired tends to have a low budget.

ATM in Public Areas:

In case of setting up ATM in public areas statement of interest has to be issued to metropolitan office along with the number of ATM that the bank is interested to set up. The letter has to be approved by SS and CRES and head of ATM project. The metropolitan office is asked for a time when the bank authority can personally talk to them for approval of their statement. In this case the time required tends be more than usual. The cost department as well supplies the budget for this case but it is observed that, the budget tends to be higher than usual. Metropolis approval is required for place such as New-market, Azimpur, Kamlapur Railway Station etc.

ATM is Shopping Complex:

In case of ATMs is shopping complex, assurance and letter of statement has to be approved by both the land lord and as well as the complex owner. ATM in shopping complex tends to posses problem for branding because sometimes they don't allow extensive branding on the complex and thus posses a disadvantage for the bank. Shopping complex also creates chaos in agreements terms and conditions because the owners and the land lords sometimes differ in their opinion. Thus the contract remains pending as long as both of them agree to a certain opinion.

The Cost Budget:

It is been mentioned that the cost department supplies the budget for each ATM based on certain conditions and aspect .The net cost are:

Cost items	Amount
ATM	50,000 USD
A/C	700 USD
C.C.TV	500 USD
Furniture	300 USD
Generator	5000 USD
Guards	Negotiate
Rent	Varies from 0.75 TK to 150 TK per sq.feet

Thus, the cost is assumed to be 56,500 USD net for setting up an ATM. The rent varies from a lot due to the demand of the land lord and the need of the bank. In case of branch, the rent seems to be 0.75 TK to 10 TK but in case of ATM, it might be as high as 150 TK. The project members always intend to keep it as low as possible. The highest rent that Standard Chartered Bank has agreed is for 100 TK at Islampur.

Meeting with the Land Lord:

As it was mentioned earlier, after the E and I has been sent to the interested land lord or property owners are asked to attend a meeting at their convenience. In the meeting, the project members' present a presentation where it is clearly conveyed to the land lords what the bank is interested in renting and for how long. The tenure tends to be from 6 months to 2 years or 5 years after which, a new agreement has again to be signed on by the land lords and the bank authority. The land lord in the meeting tends to charge high price and seek advance for 2 to 3 years which are to be adjusted with the monthly payment sanctioned by Strategic Sourcing and Corporate Real Estate Service.

A Written Contract:

After meting and negotiation a written contract in proper format and along with all the necessities is mailed confidentially to the owner. A letter is as well attached where it is asked, the owner to fill free to ask or come to a meeting in his convenience at the head office or at the project office. In most cases, the land lord with his concerns and issues comes back to the project for altering some statement. Thus, again negotiation and meeting takes place between the project members and after two or three meetings the term is at last finalized and a written contract is set up with no quarries remaining unanswered.

Finalized Term and CB's Approval:

After the negotiations are completed with land lord or property owner, finalized term of the contract is set. At this stage it is sent to cost board for approval. The cost board identifies the cost, interprets it and records it for future use. A proper contract is printed out and the required advance request is send to SS and CRES or the account section for payment. The accounts department receives the request and issues the pay order on urgent basis for the land lord. The land lord receives the pay order within 1.5 hours to 2 hours of issuing time. The finalized contract is thus send to the head of the project for signing and after this the contract is ready for the land lord's signature.

The Contract Signing:

The contract is finally signed at the project office in presence of all the project members. Only one contract is signed in a day and it basically takes place in the afternoon. The land lord is invited to the project office for lunch and on that occasion, the contract is signed.

Person behind the contract:

The contract is prepared by Standard Chartered Bank's lawyer. The lawyer formally prepares the contract and transmits it to Strategic Sourcing and Corporate Real Estate Service Department for cross check. The department alters the contract if necessary and thus it is send to the land lord. The land lord has as well an opportunity to employ a lawyer on behalf of him, setting his demand but the lawyer do not posses the right to prepare the contract or attend any meeting related to the contract.

Cost Approval:

The cost department records a photocopy of the sign contract and prepares a total budget for the ATM installation based on the tenure of the contract. The cost calculation depends on the tenure and utilities expended on the contract. The cost budget is than mailed to the project office, head of project and Corporate Real Estate Service Department. In most cases the budget is returned to the cost department for deducting the unnecessary cost, if present. Again the new copy is transmitted to the new department and head of the project approves it. Thus begins the establishment of a new ATM.

Design Preparation:

Design preparation is conducted by Vista Ltd. which is a vendor. After the cost approval the cost structure along with attachments of necessary papers are transferred to Vista ltd. who then looks through the cost structure to prepare a design. The design is always kept stable in compared with the cost. Within three to four days, the design has to be prepared and it reaches the property service manager at the end of fourth day. The manager decides to approve the design or not for betterment of the bank. The manager can as well alter the design for the better usage of the premises rent and thus in that case, the designer has to propose a new design. The design after approval reaches a new level, where Vista Ltd proposes a new final design which is transferred to the project office for recognition of the project members. The property service manager is sought responsible for any fault or unnecessary investment in the ATM.

Utilities for ATM:

Utilities differ from one ATM to other ATM necessarily should have certain utility such as ATM, AC and a CC camera. But the other utility depends on the space rented and cost approval. If the space is huge enough it is necessarily always that a construction of sofa and a table for the customers to count the money or write payments slips is installed. In case of shorter space the ATM along with a long wooden stand is prepared. If the ATM is installed next to a branch it might be open and requires the least utility as possible.

Construction of the ATM:

After the utility and the ATM design is approved, then begins the construction of the ATM. The Vista Ltd is handed the authority to construct the ATM as fast as possible. Sometimes the property owner requests for certain tools to be used while building the ATM which is strictly maintained by Standard Chartered Bank and its vendors for the future relationship between the vendor and the bank.

Employees at the ATM field:

For the fulfillment of the ATM installation a project manager, an electrician and a project member is employed who provides feedback to the authority about the conditions of the ATM installation. The employees are held responsible for the delay of the project in this case. The cost department and the project members as well some times visit the place for an update necessity of the project or the land lord. Standard Chartered always strictly maintains the land lord issue which is demanded by him at times though after the contract is completed.

Completion of the ATM:

Vista Ltd has to complete the project within the commencement date and at no cost it should be delayed because Standard Chartered uses this as a media of increasing cost and hassling the land lord. It is often noticed within four weeks the company has been capable of completing the project. The vendor only prepares a space for the ATM and other utilities but they are not at all authorized to install any utilities without the permission of the project members or Standard Chartered Bank.

Installation of Utilities:

After the design has been installed, the utilities are approved from the cost department and project office. The utilities are then transported to the site for its installation. The responsibility are handed over the vendors of installing them thus the utilities as well posses a commencement date within which it has to be in use. A guard is appointed for the safety concern of the utilities. A water supply is also created for the customers inside the ATM.

Function of Corporate Real Estate Service Department:

After the installation of utilities Corporate Real Estate Service Department supplies the ATM with electrical earthling, A/C, furniture, CC-TV etc. they are installed at the responsibility of the Corporate Real Estate Service Department. The cost incurred is paid by the department and this does not require any approval from the cost department. It takes around one week for all the facilities to be installed. A glass door is set at the ATM's entrance to give it a view of privacy and comfortebility. After the functions of Corporate Real Estate Service Department are finished, it is handed over to marketing sector for branding.

Branding of ATM:

The branding of ATM is seemed to be the most crucial part of all. Branding is conducted in such a manner so that customers would be able view it from a far distance. Otherwise it is thought or granted to be an unsuccessful project. Branding refers to the name of the bank and a picture deliberating a message to the customers. The name of the bank is placed at the top or bottom of the picture but the picture is given priority in most of the cases. A whole twenty to thirty feet wall is sometimes allocated for the pictures.

ATM Installation:

After the branding is conducted, the ATM is on a fine day installed at the required position. Two types of ATM are available. One is the box category and the other is window category. The ATM is than connected to the server for the transactions and thus it is ready for use. This ATM installation is the responsibility of the IT department and this requires one to two days.

The ATM Server:

All the ATM are attached or connected to a server through which all the day to day activities are conducted of the ATM. Standard Chartered Bank posses a strategic advantage over the competitors in providing ATM service. Standard Chartered Bank was the first bank to bring ATM service in Bangladesh and as such the server is operated by this bank only. The other banks which operate ATMs have to operate via this server and so Standard Chartered Bank seeks for one percent interest in every transaction of the other banks. For this reason, the ATM's of the competitors charge one percent interest to their customers for each transaction. Standard Chartered Bank seems posses this personal server does not charge extra interest to their customers for ATM service.

Opening of the ATM:

After ATM installation the opening day of the ATM is fixed and the head of the project along with the project members visits the place and launches ATM for the customers. Customers are invited from the next moment of opening to conduct their transactions.

Follow up of all ATM's:

The project members through the project life span are responsible to supply follow up of all ATM's to the head office on weekly basis regarding all the sites. The project members are held responsible for any missing follow up or un-advancement of project through out the project life. The follow up is kept as a record on Strategic Sourcing and Corporate Real Estate Service Department, head office and project office as a statement of record.

An automated teller machine or automatic teller machine (ATM) is a computerized telecommunications device that allows a financial institution's customers a secure method of performing financial transactions in a public space without the need for a human bank teller. Using an ATM, customers can access their bank accounts in order to make cash withdrawals (or credit card cash advances) and check their account balances. Many ATMs also allow people to deposit cash or cheques, transfer money between their bank accounts, pay bills, or purchase goods and services.

On most modern ATMs, the customer identifies him or herself by inserting a plastic card with a magnetic stripe or a plastic smartcard with a chip that contains his or her account number. The customer then verifies their identity by entering a pass code, often referred to as a PIN (Personal Identification Number) of four or more digits. Upon successful entry of the PIN, the customer may perform a transaction. After the transaction is complete, a transaction record is printed, usually consisting of the action taken, date and time, location, any applicable fees, and available balance.

If the number is entered incorrectly several times in a row (usually three attempts per card insertion), some ATMs will attempt retain the card as a security precaution to prevent an unauthorized user from discovering the PIN by guesswork. Captured cards are often destroyed if the ATM owner is not the card issuing bank, as non-customer's identities cannot be reliably confirmed. In some cases, a transaction may be performed at the ATM that allows the customer's PIN to be changed securely.

Financial Networks and ATMs:

Logical Connections:

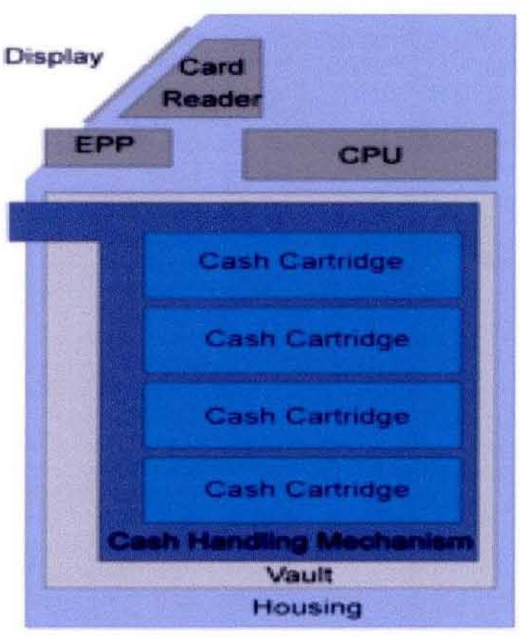
Most ATMs are connected to interbank networks, enabling people to withdraw and deposit money from machines not belonging to the bank where they have their account or in the country where their accounts are held. This is a convenience, especially for people who are traveling; it is possible to make withdrawals in places where one's bank has no branches, and even to withdraw local currency in a foreign country. Some examples of interbank networks include PLUS, Cirrus, South Africa's SASWITCH, Hong Kong's JETCO, Canada's Interac, the Philippines' Expressnet and Nigeria's Interswitch network.

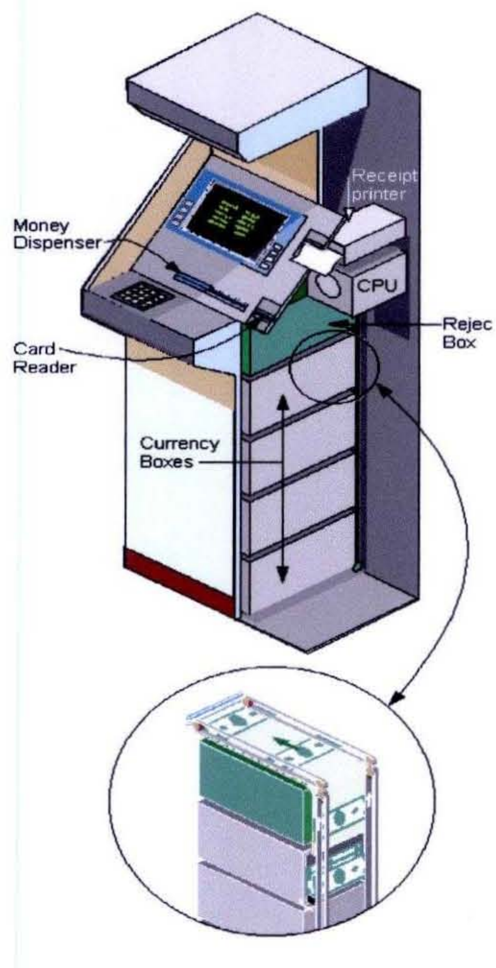
ATMs rely on authorization of a transaction by the card issuer or other authorizing institution via the communications network. This is often performed through an ISO 8583 messaging system.

Physical Connections

ATMs typically connect directly to their ATM transaction Processor via either a dial-up modem over a telephone line or directly via a leased line. Leased lines are preferable to POTS lines because they require less time to establish a connection. Leased lines may be comparatively expensive to operate versus a POTS line, meaning less-trafficked machines will usually rely on a dial-up modem. That dilemma may be solved as high-speed Internet VPN connections become more ubiquitous. Common lower-level layer communication protocols used by ATMs to communicate back to the Bank include SNA over SDLC, TC500 over Async, X.25, and TCP/IP over Ethernet. In addition to methods employed for transaction security and secrecy, all communications traffic between the ATM and the transaction processor could also be encrypted via methods such as SSL.

Hardware





An ATM typically is made up of the following devices:

- CPU (to control the user interface and transaction devices)
- Magnetic and/or Chip card reader (to identify the customer)
- PIN Pad (similar in layout to a touch tone or calculator keypad), often manufactured as part of a secure enclosure.
- Secure crypto processor, generally within a secure enclosure.
- Display (used by the customer for performing the transaction)
- Function key buttons (usually close to the display) or a Touch screen (used to select the various aspects of the transaction)
- Record Printer (to provide the customer with a record of their transaction)
- Vault (to store the parts of the machinery requiring restricted access)
- Housing (for aesthetics and to attach signage to)

Recently, due to heavier computing demands and the falling price of computer-like architectures, ATMs have moved away from custom hardware architectures using microcontrollers and application-specific integrated circuits to adopting a hardware architecture that is very similar to a personal computer. Many ATMs are now able to use operating systems such as Microsoft Windows and Linux. Although it is undoubtedly cheaper to use commercial off-the-shelf hardware, it does make ATM's vulnerable to the same sort of problems exhibited by conventional computers.

Vaults

What inherently defines an ATM and is the most financially important area of the device is the vault, since this is where items of value are kept.

Mechanisms found inside the vault may include:

- Dispensing mechanism (to provide cash or other items of value)
- Deposit mechanism (to take items of value from the customer)
- Security sensors (Magnetic, Thermal, Seismic)
- Locks (to ensure controlled access to the contents of the vault)

ATM vaults are supplied by manufacturers in several grades. Factors influencing vault grade selection include cost, weight, regulatory requirements, ATM type, operator risk avoidance practices, and internal volume requirements. Industry recommendations suggest that vaults be attached to the floor to prevent theft.

Software

With the migration to commodity PC hardware, standard commercial "off-the-shelf" operating systems and programming environments can be used inside of ATMs. Typical platforms used in ATM development include RMX, OS/2, and Microsoft operating systems (such as Windows 98, Windows NT, Windows 2000, Windows XP, or Windows XP Embedded). Microsystems's Java may also be used in these environments.

Linux is also finding some reception in the ATM marketplace. Common application layer transaction protocols, such as Diebold 911 or 912, IBM PBM, and NCR NDC or NDC+ provide emulation of older generations of hardware on newer platforms with incremental extensions made over time to address new capabilities. Most major ATM manufacturers provide software packages that implement these protocols. Newer protocols such as IFX have yet to find wide acceptance by transaction processors.

With the move to a more standardized software base, financial institutions have been increasingly interested in the ability to pick and choose the application programs that drive their equipment. WOSA/XFS, now known as CEN XFS (or simply XFS), provides a common API for accessing and manipulating the various devices of an ATM. J/XFS is a Java implementation of the CEN XFS API.

Software Integrity

With the move of ATMs to industry-standard computing environments, concern has risen about the integrity of the ATM's software stack. Various solutions have been adopted by the industry to address this concern.

Security

Security, as it relates to ATMs, has several dimensions. ATMs also provide a practical demonstration of a number of security systems and concepts operating together and how various security concerns are dealt with.

Physical

Early ATM security focused on making the ATMs invulnerable to physical attack; they were effectively safes with dispenser mechanisms. A number of attacks on ATMs resulted, with thieves attempting to steal entire ATMs by ram-raiding.
Another attack method is to seal all openings of the ATM with silicone and fill the vault with a combustible gas or to place an explosive inside, attached, or near the ATM. This gas or explosive is ignited and the vault is opened or distorted by the force of the resulting explosion and the criminals can break in.
Modern ATM physical security, per other modern money-handling security, concentrates on denying the use of the money inside the machine to a thief, by means of techniques such as dye markers and smoke canisters.

Customer Identity Integrity

An ATM with a palm scanner (to the right of the screen). There have also been a number of incidents of fraud where criminals have attached fake keypads or card readers to existing machines. These have then been used to record customers' PINs and bank card information in order to gain unauthorized access to their accounts. Various ATM manufacturers have put in place counter measures to protect the equipment they manufacture from these threats. Alternate methods to verify cardholder identities have been tested and deployed in some countries, such as finger and palm vein patterns, iris, and facial recognition technologies. Costs of integrating and implementing these technologies along with concerns about consumer acceptance have limited their deployment so far.

Device Operation Integrity

Openings on the customer-side of ATMs are often covered by mechanical shutters to prevent tampering with the mechanisms when they are not in use. Alarm sensors are placed inside the ATM and in ATM servicing areas to alert their operators when doors have been opened by unauthorized personnel.

Rules are usually set by the government or ATM operating body that dictate what happens when integrity systems fail. Depending on the jurisdiction, a bank may or may not be liable when an attempt is made to dispense a customer's money from an ATM and the money either gets outside of the ATM's vault, or was exposed in a non-secure fashion, or they are unable to determine the state of the money after a failed transaction. Bank customers often complain that banks have made it difficult to recover money lost in this way, but this is often complicated by the Bank's own internal policies regarding suspicious activities typical of the criminal element.

Customer Security while using ATMs

In some areas, multiple security cameras and security guards are a ubiquitous ATM feature. Critics of ATM operators assert that the issue of customer security appears to have been abandoned by the banking industry; it has been suggested that efforts are now more concentrated on deterring legislation than on solving the problem of forced withdrawals.

Recommandation

Recommendations:

The following recommendations are made based on responses from questionnaire and over the counter claim at the time of customer service.

Recommendations for Customer Service:

- Call center need to be popularized. It will reduce customer queue and problems. Customers account related queries except closing and claim can be solved through Call center at any time.
- In case of locker visiting, option of cash payment for visiting need to be introduced because locker-visit record keeping- vouchers preparing is time consuming and it should be around BDT 100. More over some customer have not available balance.
- Customers want statement and certificates immediately. Day to day request cannot be delivered with cash payment because of voucher preparing. Checking and then entry is a lengthy process and time consuming for a PFC.
- Complaint management system is good. Bank can set up a complaint box and customer can put the complain letter into the box. At the day end PFC shall open the box screening the letter try to solve the problem or send to relevant manager or departments.
- Customers are not so much aware about different charges. They claim to the bank after debiting their account. SCB can organize lift lets and paper materials to inform them before the imposition of new charges.
- It is recommended that branch performance should not be hit by DSE account opening return.

Recommendations for Loans Services:

- ℵ A good linkage is essential between front office & administration office. If a Loan application declines, front office officials face customer queries and dissatisfactions.
- ℵ To encourage loan repayment loan closing fees and early settlement fees need to be restructured.
- ℵ Inspection of the reasons of great variation between Loan applications and approval is required. Instruction of clarification of a loan application needs to be tutored.
- ℵ Verification process needs to improve because customers do not want to disclose confidential information to unknown person. In this situation administration office can contact to RFC or BSE/DSE to receive more information while not declining the application immediately.
- ℵ SCB can offer different incentives to reach loan target such as
    a) Concession interest rate.
    b) Offer to adjust interest & principal money for classified loan if a lump sum amount is paid.
    c) Can arrange "SCB Loan week"
    d) Relaxing some requirements of loan that is far from target.

Conclusion:

The main purpose of the report was to focus on the lending services to its valuable customers and the consumer banking services provided by Standard Chartered Bank as comprehensively as possible. Although I did not have much time to learn the whole procedures but it was supportive to understand and gather an initial banking management experience. As the long-term performance of any organization depends on its intake of qualified people and developing them to perform their best as a team, as well as individually. To cope with the recent challenges of banking sector Standard Chartered Bank is creating an environment where employees are happy to build their career and customers feel good doing business with them.

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