Report On

"Money in the Digital Age:

Standard Chartered Bank's Role in Shaping Cashless Future and Public Sentiment in Bangladesh"

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Master of Business Administration

MBA Program
BRAC Business School
BRAC University
Fall, 2023

Declaration

It is hereby declared that,

1. The internship report submitted is my original work while completing the degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted or submitted to any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

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Nehazee Ahmed

21264052

Supervisor's Full Name & Signature:

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Dr. Salehuddin Ahmed

Former Governor

Bangladesh Bank (Central Bank),

Professor, BRAC Business School,

BRAC University

Letter of Transmittal

Dr. Salehuddin Ahmed
Former Governor
Bangladesh Bank (Central Bank),
Professor, BRAC Business School,
BRAC University

Subject: Regarding Submission of Internship Report

Dear Sir,

It is my pleasure to display my internship report on the topic **"Money in the Digital Age: Standard Chartered Bank's Role in Shaping Cashless Future and Public Sentiment in Bangladesh"** which I was appointed by your direction that was included in BUS 699. I am thankful for your guidance and instruction.

Your insightful suggestions, counsel, and assistance have made it easier for me to produce the report. I have tried to complete the report with the necessary data and fully endorse the proposal in a notable firm and all-inclusive manner.

I appreciate your thoughtful consideration. Working with you has always been a joy for me. I have faith that the report will fulfill expectations.

Regards,

____

Nehazee Ahmed
21264052
BRAC Business School
BRAC University
Date: 9th December 2024

Non-Disclosure Agreement

This agreement is made and entered into by and between Standard Chartered Bank and the undersigned student at BRAC University.

I realize that in my internship journey, I had permission to access the information of the organization's various operations of business, data-related information, and written information. I want to clarify that I will not disclose any confidential data regarding the company in my internship report which may harm the values and reputation of the company.

Acknowledgment

First and foremost, I want to thank God for making it possible for me to complete my report on time and with success. I had the good fortune to have received continuous support from a variety of people throughout my internship, whose invaluable advice and motivating words got me through this difficult and significant stage of my post-graduate education.

I would like to express my sincere gratitude to Dr. Salehuddin Ahmed, Former Governor, Bangladesh Bank (Central Bank), Professor, BRAC Business School, BRAC University for his invaluable guidance, support, and mentorship throughout my MBA internship journey. I would also like to sincerely thank my line manager, Benazir Tanzina. She has consistently provided me with advice and motivation, and by helping me finish my report on time, she has enabled me to wrap up the last portion of my post-graduate education.

Finally, but just as importantly, I am grateful to BRAC University for implementing the internship as a compulsory course, as it provides an excellent opportunity for us to gain practical work experience relevant to our academic interests. I exerted utmost diligence to meet the report's requirements as outlined by BRAC University's guidelines. I adeptly incorporated the knowledge acquired from case studies into the chosen topic. I hope the caliber of this report aligns with the standard of your expectations.

Executive Summary

Bangladesh is quickly moving towards using digital money instead of physical cash. This change is happening because of new technology and innovations emerging in the fin-tech industry, the way people now perform financial transactions and efforts by the government. Standard Chartered Bank is one of the financial institutions that is playing a big role to introduce a change in the market. Unique and robust technological methods are used to facilitate banking experiences better for the users. This report shows how Standard Chartered Bank is facilitating the change towards cashless economy and how people in the country are responding to that change and their perspective towards it. People nowadays use smartphones and online platforms way more than they used to and that affects the nation's financial habits. According to the report, a significant amount of consumers prefer adapting online methods since they believe it to be quicker, easier, and more convenient than using cash. People are hesitant to be more inclined toward cashless mode regarding the security of digital transactions. Factors like internet security, retailers' lack of acceptance of cashless modes, and a lack of knowledge about online financial transaction ways are the significant concerning factors of the mass people. The interest of users to adopt cashless modes is also influenced by demographic parameters such as age and income. User friendly mobile applications and better understanding of financial literacy are crucial to increase trust in the use of digital currency. Bangladesh is at the beginning of a big change towards using less physical money, and even though there are challenges like worries about safety, there are chances for banks and the government to make digital money more trusted and understood. Working on factors which acts as barrier for customers will be very important in making this change smooth and widely accepted. Bangladesh is at the beginning of a big change towards using less physical money, and even though there are challenges like worries about safety, there are chances for banks and the government to make digital money more trusted and understood. Paying attention to what people think and want will be very important in making this change smooth and widely accepted, bringing in a time of easier and more efficient money transactions in Bangladesh.

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Chapter 1: Overview of Internship at Standard Chartered Bank

1.1 <u>Student Information:</u>

I am Nehazee Ahmed, a post-graduate student at BRAC University under BRAC Business School under student ID: 21264052. I had chosen a Master of Business Administration (MBA) as my major in Finance, and I went for it since I am very passionate about business administration. The BRAC Business School is one of the best universities in the nation. In this school, I had faith that I could fulfill my potential. I have always been fascinated by Finance, and I think I possess the talents needed in the sector and I was able to learn a lot from my professors as a student.

1.2 <u>Internship Information:</u>

1.2.1 <u>Period, Company Name, Department/Division, Address</u>

Period of the Internship: 15th February 2023 to till date.

Name of the Company: Standard Chartered Bank

Department: Financial Crime Surveillance Operations

Location: Level 11, Monem Business District, 111 Bir Uttam CR Dutta Rd, Dhaka 1205

1.2.2 <u>Internship Company Supervisor's Information: Name and Position</u>

Benazir Tanzina, Manager, Transaction Monitoring, FCSO BD

1.2.3 <u>Job Scope – Job Responsibilities</u>

The primary responsibilities of my job are given below:

- Manage and resolve cases by following the department operating instructions (DOI) to process risk events in line with the Assess, Analyze, Act (AAA) process.
- Encourage and instill a culture of transparency, risk awareness, and trust where acting in a way that complies with the law, regulations, ethics, and policies is the standard.
- Analyze significant financial crime risk events like non-compliant transactions to ensure that all connected parties, particularly cross-border are identified and reported at the appropriate levels internally across all relevant jurisdictions.

- Apply Group and FCC policies and processes like AML surveillance, client screening, and risk assessment to manage risks.
- Display exemplary conduct and follow the Group's Values and Code of Conduct.
- Take personal accountability for ensuring that Standard Chartered Bank adheres to the highest ethical standards, particularly those related to business and regulation.
- Understanding and ensuring compliance with applicable laws, regulations, guidelines, and the Group Code of Conduct.
- Achieve the outcomes set out in the Bank's Conduct Principles. Fair Outcomes for Clients; Effective Financial Markets; Financial Crime Compliance; The Right Environment.
- Effectively and collaboratively identify, escalate, mitigate, and resolve risk, conduct, and compliance matters.

1.3 <u>Internship Outcomes:</u>

1.3.1 <u>Student's Contribution to the Company</u>

I joined Standard Chartered Bank as an Officer in Transaction Monitoring in the Department of Financial Crime Surveillance Operations. I have tried to contribute to the Transaction Monitoring processes as per the Group policy and department operating instructions (DOI). I have completed daily and monthly throughputs as per department requirements with a minimal error rate. I have been a part of clearing backlogs of cases within the extended deadlines and I made sure that risk management and regulatory compliance were met through my work.

1.3.2 <u>Benefits to the Student</u>

At the beginning of my work experience, I have been through an extensive learning phase to gain knowledge about banking products and anti-money laundering concepts and their processes. Initially, I completed a customized training course titled "Financial Crime and Compliance" at the Bangladesh Institute of Bank Management (BIBM). Then, I went through multiple training phases like new hire training and on-the-job training where I got the theoretical knowledge about the systems and processes of the job. It is intellectually stimulating and fulfilling to work in a financial crime surveillance department, where I could help maintain the integrity of the financial system and learn ways to prevent illegal activities in the financial crime world. Additionally, it offers a strong basis in knowledge in risk management, compliance, investigations, or similar financial industry disciplines. I have acquired an in-depth understanding of the different risks associated with the different financial transaction modes. I was introduced to ways to detect unusual patterns and suspicious activities in financial transactions and to investigate those.

1.3.3 Problems/Difficulties (faced during the internship period)

As I am working in a very confidential function of the bank, I was unable to disclose any information about the processes and systems of my department and my job activity. I could not choose any topic related to money laundering or in the related field as the data is extremely confidential to the bank and the data has restricted access. I had to choose a topic that is relevant to my organization, Standard Chartered Bank without breaching any privacy conduct by giving out any sensitive data or information and where I could give my input from the learnings of my work. I had to go through multiple HR approvals from my department's senior management to get permission to write any report about the bank as well as to get permission to get a signature from my line manager as we are from the compliance function.

1.3.4 Recommendations (to the company on future internships)

Working at Standard Chartered Bank has been a wonderfully empowering journey as it is the very first job in my working career. I have been given an invaluable perspective on the company's operations as well as its overall working experience. While the job program's structure is well designed and offers lots of learning opportunities, a few recommendations might help future new joiners or interns improve their experience:

- Introduce a cross-functional program to the new joiner's program, allowing them to gain exposure and knowledge of different functions within the bank. When they have experience working in a diverse work environment within the various departments, it will broaden their understanding of the banking products and operations.
- To provide more opportunities for the fresh graduates who are new joiners in the bank to have interactions with senior management and gain access to a professional network throughout the company, so that they can better understand career options as well as learn about future careers.

Chapter 2: Organization Part Introduction

2.1 Introduction

Vision of SCB: SCB's vision is to concentrate on mastering the fundamentals of banking, ensuring sound governance and financial stability, and generating wealth over time for both society and its shareholders. Being the right partner is, therefore, their brand promise.

Mission of SCB: The mission of SCB is to effectively manage operations, support their clients, and make investments in the communities they serve by offering top-notch goods and services that are underpinned by cutting-edge technology and a staff of exceptionally driven employees who strive to produce excellence in banking so they may be a strong force for good.

Objective of SCB: "Here for good" is the brand promise and goal of SCB, and it sums up who they really are. It involves being there for their clients in good times and bad and constantly attempting to do the right thing.

2.2 Overview of the Company

In 1862, John Paterson formed the Standard Bank. Standard Chartered Bank inaugurated its initial branch in Bangladesh in 1948 in Chattogram and it acquired Grindlays Bank from ANZ in August 2000. It is the sole multinational universal bank in Bangladesh, with a presence of more than 118 years in the country. There are now 25 branches of the bank and 16 of them are in Dhaka, 5 in Chittagong, and 1 each in Narayanganj, Sylhet, Khulna, and Bogra. The head office is in Gulshan, Dhaka-1212, at 67 Gulshan Avenue and in Karwan Bazar.

Products and Services

The company has a strong belief in both its short- and long-term prospects. Innovative foreign currency, risk management, capital raising, and corporate finance solutions are offered by SCB to satisfy the demands of its clients in risk management, financing, and investing. SCB offers cutting-edge and creative solutions to support business expansion initiatives. Leveraging their extensive local knowledge and global outlook, they offer tailored solutions, particularly for international trade and investment flows.

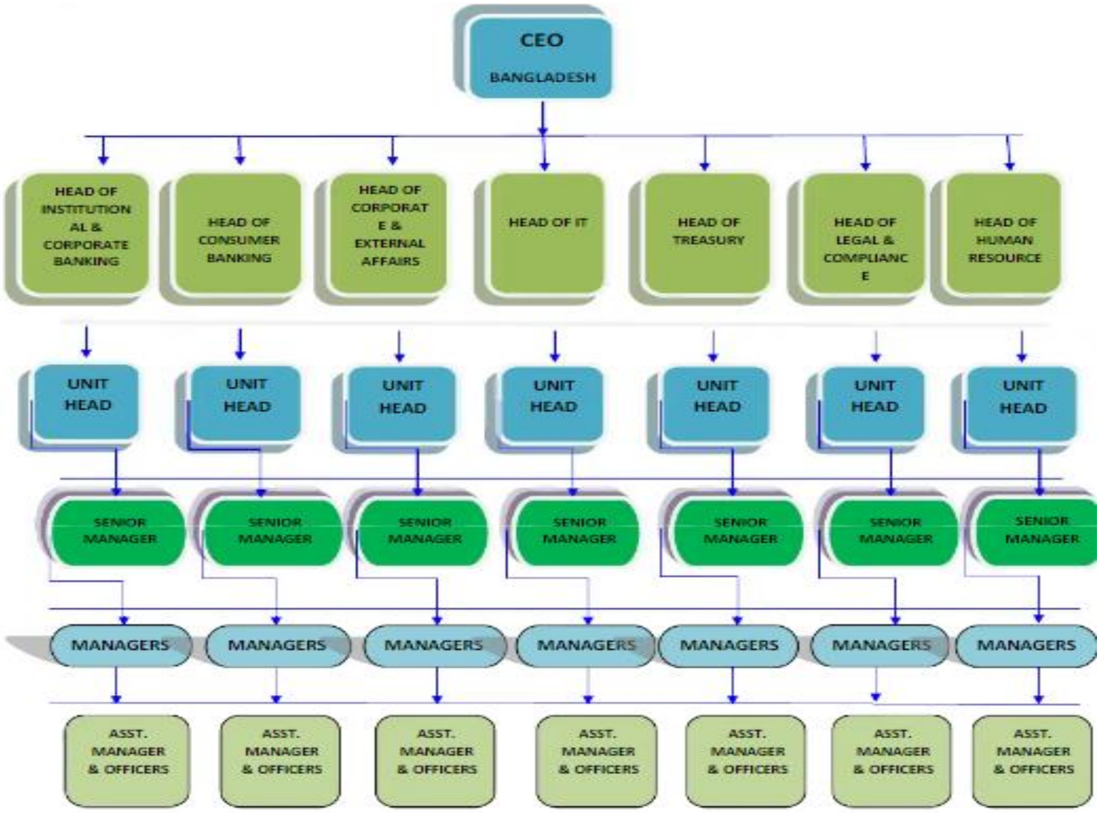
Their services are mainly –

- Instant Fund transfer from Standard Chartered Bank account or to another bank

- Fund transfer from Standard Chartered account to other bank accounts (through BEFTN or NPSB channel) (Daily transfer limit: BDT 10 lacs)
- Credit Cards and Debit card service
- Borrowing Personal Loan.
- Wealth Solutions. Wealth Lending
- Services and banking with confidence
- Digital Banking
- Trade Services
- Payroll Services
- Place chequebook request

2.3 Management Practices

2.3.1 Leadership Style



2.3.2 The Human Resource Planning

Recruitment, Training, and Career Progression in Standard Chartered Group: The hiring procedure is based on internships, ads, and references. There are two methods used for entry point screening: written and oral exams. There are two methods used to place the staff. Either he or she is hired at a non-management level as a banking assistant or assistance officer, or they go through a program with a nine-month probationary period and are classified as officers progressing to various managerial jobs. Every employee has access to a structured training program, and there is a pathway for transferring individuals from domestic to foreign roles. A portion of Standard Chartered Group's human resource development initiatives include recruiting international graduates and providing entry-level workers with personal skill development.

Advancement and Promotion: Employee promotions and advancements are determined by their performance. At the end of the year, staff members undergo an annual review when their performance is evaluated based on how well they met the rated SMART objectives. There are eight steps in the assessment procedure. Individuals rate a self-assessment form at the start of the process, and the manager eventually gets a general rating from these ratings in addition to speaking with his superior.

Incentive Plans: Rewards are solely determined by achievement. It is evaluated through an annual staff appraisal. After it is finished, an employee gets a bonus if they meet a specific achievement level. The "Spot Bonus" is one of Standard Chartered Bank's other reward programs. Bonuses are given out immediately to employees who do extraordinarily well in the bank's best interests.

2.4 Marketing Practices

Target Market: The bank targets big businesses that have operations in Bangladesh in the wholesale banking sector. Additionally, small, and medium-sized businesses (SMEs) are served by the bank. The bank prioritizes helping people in its consumer banking division. All citizens of Bangladesh can open personal savings accounts and other deposit products with the bank. Yet only those with a steady monthly income are eligible for credit products like personal loans. Generally, SCB caters to middle-class and upper-class consumers.

Product/New product development and competitive practices: Any good or service that meets the needs of consumers is referred to be a product. Shaping Cashless Future and Public Sentiment in Bangladesh will be the main topics of this essay. Cash and ATMs, in SCB's opinion, will become obsolete in the future. Beginning next month, Standard Chartered plans to limit ATM access to its branches alone. Rather than being a one-size-fits-all approach, going cashless is a process that calls for cooperation and creativity from all parties (Woodside et al., 2008). The extra expense associated with digital payments is a typical critique, yet cash is not always cheap. Free Visa debit cards, individualized assistance, and competitive interest rates are a few of these advantages. A cashless lifestyle also saves money, time, and effort, but an economy dependent on cash encourages extortion, tax evasion, money laundering, and corruption.

Marketing channels and Branding activities:

- **Direct Mail:** SCB's marketing section collects a significant amount of client data. Consumers who make cashless purchases have their information gathered by the sales division from a variety of sources. Following that, SCB analyzes those clients and writes them a direct letter outlining the features and advantages of Shaping Cashless Future as well as a specific offer depending on the deadline.
- **Telemarketing:** One common direct marketing technique is telemarketing. As I previously stated, the client group's selective database. SCB’s call center division carries out this telemarketing.
- **Billboard:** The bank uses this media platform to advertise its products to the fullest. In Bangladesh, several billboard advertisements are displayed throughout the nation, and the same guidelines are adhered to support the Shaping Cashless Future initiative. Several states across the nation have their billboard commercial, "Shaping Cashless Future."

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

Cash Ratio

	2022	2021	2020	2019
Cash and Equivalents (USD–millions)	750,406.00	760,517.00	722,327.00	658,561.00
Current Liabilities (USD–millions)	703,581.00	707,706.00	715,517.00	646,623.00
Cash Ratio	**1.07**	**1.07**	**1.01**	**1.02**

Cash ratio measures a company's ability to pay off short-term liabilities with cash and cash equivalents. As per analysis, SCB's cash ratio was above one, which means that this bank will be able to pay off its current liabilities with cash and cash equivalents and have funds left over.

Debt Ratio

	2022	2021	2020	2019
Total Liabilities (in USD million)	769,906.00	775,182.00	738,321.00	669,737.00
Total Assets (in USD million)	819,922.00	827,818.00	789,050.00	720,398.00
Debt Ratio	**93.90%**	**93.64%**	**93.57%**	**92.97%**

The debt ratio measures the relative amount of a company's assets that are provided from debt. As per analysis, SCB's debt ratio remained approximately the same in past years, and considering the analysis, this company has a high debt ratio as the bank belongs to a debt-oriented industry and that can be considered favorable in this sector. Moreover, as the ratio is below one, it means the company has more assets than debt.

Debt to Equity (D/E Ratio)

	2022	2021	2020	2019
Total Debt (in USD million)	769,906	775,182	738,321.00	669,737.00
Total Equity (in USD million)	50,016	52,636	50,729	50,661
Debt to Equity	15.39	14.73	14.55	13.22

The debt-to-equity ratio (D/E ratio) shows how much debt a company is using to finance its assets relative to the value of shareholders' equity. As per analysis, this bank’s debt-to-equity ratio gradually increased over the years. Banks tend to have higher D/E ratios because they borrow capital to lend to customers.

Operating Profit Margin

	2022	2021	2020	2019
Operating Profit (in USD million)	5,405	3,777	4,374	4,484
Revenue (in USD million)	15,252	10,246	12,292	16,549
Operating Profit Margin	35.44%	36.86%	35.58%	27.10%

Operating profit margin is the ratio of a company's operating profit to its sales or revenue. As, the higher the ratio the better it is, it is evident that in 2021 bank had a higher operating profit margin compared to other years, and in 2019, the bank evidenced a slightly lower percentage than in other years.

Net Interest Margin

	2022	2021	2020	2019
Interest Income (in USD million)	15,252	10,246	12,292	16,549

Interest Expense (in USD million)	7,659	3,448	5,440	8,882
Total Assets (in USD million)	819,922	827,818	789,050	720,398
Net Interest Margin	0.93%	0.82%	0.87%	1.06%

It reveals the amount of money the bank is earning in interest on loans compared to the amount it is paying in interest on deposits. NIM is one indicator of a bank's profitability and growth. In 2022, the NIM is 0.93% and in 2021, the NIM is 0.82%. The higher the ratio better it is and in 2019 the bank evidenced a higher percentage of 1.06%, which means it earned more money from receiving interest payments than paying interest in the other years.

ROA and ROE

	2022	**2021**	**2020**	**2019**
Net Income (in USD million)	2902	2313	751	2340
Total Assets (in USD million)	819,922	827,818	789,050	720,398
Shareholder's Equality	43,162.00	46,011.00	45,886.00	44,835.00
ROA	0.35%	0.28%	0.10%	0.32%
ROE	6.72%	5.03%	1.64%	5.22%

ROA is the return on asset ratio that measures how efficiently a company uses its assets to generate profit. SCB's ROA increased to 0.35% in 2022. This indicates that over the years, the bank has raised the number by using its assets to generate profit in the year 2022.

Return on equity (ROE) measures a firm's profitability but more importantly, it explains how well a given firm is able to efficiently utilize the net worth of the firm's shareholders. According to the information provided above, SCB's ROE is the highest at 6.72% for the year 2022.

2.5.2 <u>Accounting Practices</u>

The International Accounting rules Board (IASB) created the set of accounting rules known as IFRS, which Standard Chartered Bank also uses for preparing its financial reports. The income statement, balance sheet, and cash flow statement are among the financial statements that Standard Chartered Bank creates. In terms of financial reporting procedures, they use the accrual method of accounting which recognizes revenues and expenses as they are incurred rather than when cash transactions occur, and it offers a thorough understanding of financial status. The bank carefully adheres to every phase of the accounting cycle, from creating financial statements to journal entries. Standard Chartered has a careful approach to depreciation that complies with industry norms. The bank also performs exceptionally well in accounting disclosures, giving stakeholders a better knowledge of its financial performance. The financial reports help people understand how well the bank is doing financially. The bank follows specific rules set by regulators to make sure they are on the right track in terms of banking operations. As transparency is crucial in the banking sector, banks are required to provide detailed and in-depth disclosures in their financial statements about risk exposures, accounting practices, and other significant aspects that may affect stakeholders' understanding of the financial position and performance.

2.6 Operations Management and Information System Practices

Information systems	Details
Data Collection	**Transaction Processing Systems (TPS):** Everyday financial operations, including deposits, withdrawals, fund transfers, and other activities, are recorded and handled by transaction processing systems, or TPS. **Online Banking Systems:** Account information can be accessed instantly, and transactions conducted by customers are facilitated via online banking systems.
Compliance and Security	**Anti-Money Laundering (AML) Systems:** Keep an eye out for and identify questionable activity to make sure rules are being followed. **Cybersecurity Systems:** Defend the bank's information infrastructure and sensitive client data against online attacks.
Mobile and Online Banking Platforms	**Digital Platforms:** Through a variety of digital channels, give customers easy and safe access to financial services.

2.7 Industry and Competitive Analysis

2.7.1 SWOT Analysis of Standard Chartered Bank

Strengths of Standard Chartered Bank:

- Being one of the biggest and oldest banks in the world, Standard Chartered is a reliable and significant organization. It is ranked #83 on Forbes's list of the best multinational performers and is one of the biggest trade financing banks globally.
- Reputable brand recognition has been cultivated by Standard Chartered through strong brand presentations, excellent services, and solid financial standing.
- The three core behaviors of "never settle," "do the right thing," and "better together" form the foundation of the standard chartered bank's ethos.

Weaknesses of Standard Chartered Bank:

- **Low Productivity:** High taxes and the absence of reforms are the main causes of low productivity in industrialized economies.
- **Increased Fees:** When it comes to costs, Standard Chartered Bank charges more than its rivals. Examples of these fees include ledger fees and minimum balance fees. It is consequently losing clients.
- **Market Share:** Its market share is lower than that of other international banks. This is a result of Standard Chartered Bank's passive marketing approach. They always use cautious and defensive tactics.
- **More Workers Are Needed:** Since this is the nation's largest commercial bank, more workers are needed to provide adequate customer service.

Opportunities of Standard Chartered Bank:

- **Growth in Trade and Business Relations:** Growing numbers of expatriates and trade and business relations present a fantastic potential for international expansion.
- **New Clients from Online Platforms:** Over the past ten years, businesses have made significant financial investments in online platforms. The bank ought to invest to enhance its internet visibility and provide more online services. This will facilitate the company's consumer acquisition.

- **Consumer Behavior:** Because of changing consumer behavior, the market is experiencing new trends, which present a chance to develop novel revenue sources and cutting-edge product prices.

Threats to Standard Chartered Bank:

- **Rivals:** The banking industry operates in a highly competitive environment. Based on consistently shifting consumer behavior, banks are constantly adding new amenities and services.
- **Government Policies Regarding the Baking Sector:** Government policies about the banking sector vary by country and may result in monetary losses for the bank.
- **Responsibility Laws:** Due to changes in market conditions, Standard Chartered Bank may be subject to a variety of responsibility claims. These laws vary from nation to nation.
- **Innovation Supply:** Compared to other banks in the market, there is a consistent shortage of innovative products.

2.7.2 Porter's Five Forces Analysis for Standard Chartered Bank Limited

Threat of New Entrants: As more banks open to serve customers, there is a greater risk of new entrants. Throughout the past six to seven years, the number of banks has been growing at a quicker rate. Furthermore, a few international banks began operating in Bangladesh to gain market share, including HSBC, Citibank, and Ceylon. In Bangladesh, the banking industry is undergoing significant consolidation and fierce rivalry, and these trends are anticipated to continue over the coming years. This makes the threat of new competitors very real (Banker, 2023).

Bargaining Power of Customers: A key factor influencing the level of competition in an industry is the negotiating power of customers who are either concentrated or purchase goods and services in bulk. Competing companies may provide longer warranties or exclusive services to win over customers when consumers have significant negotiating power. Customers have more negotiating advantage when they buy standard or undifferentiated products (*UBS | Company Overview & News*, n.d.).

Bargaining Power of Suppliers: The level of competition in a sector is influenced by the bargaining power of providers, particularly in situations when there are many suppliers, few high-quality alternatives, or high switching costs. Suppliers' bargaining power can be seen as a threat if they can raise the price that a business must pay for its inputs or lower the quality of the inputs they provide, which would lower the business's profitability. Conversely, if suppliers are weak, the corporation can use this as an advantage to drive down costs and demand better quality inputs. The depositor is the primary source of funding for the bank.

Threat of Substitute Service: In Bangladesh, more and more financial institutions are opening to offer financial services. They are developing several services that could take the place of banking services. However, it will require time to develop these institutions (Dess et al., 2006). Although other financial entities perform many of the functions and operations of a bank in the leasing industry, their sizes are comparatively small.

Rivalry among Existing Banks: Foreign banks are extremely competitive, but what is even more remarkable and progressively more noticeable is the local banks' increasing assertiveness and competitiveness in the fight against foreign banks. To stay competitive and maybe outperform foreign banks, local banks including BRAC Bank, Dhaka Bank, Eastern Bank Ltd, and Premier Bank are developing innovative banking products and services. Consequently, there is fierce rivalry in the financial sector.

2.8 Summary and Conclusions

During my work experience at Standard Chartered Bank, almost all workstations have been monitored to varying degrees. The purpose of the work experience was to learn about real-world banking experiences and to contrast real-world experiences with theoretical knowledge. A bank cannot succeed unless it has pleased the customer by offering services in proportion to the customer's needs. Upon analysis of the study, it is observed that a bank can only operate safely and firmly in this cutthroat market if its mission is to consistently make customers happy and content with the services they receive.

2.9 Recommendations/Implications

- Standard Chartered Bank can improve the quality and range of its products to be able to provide seamless customer service.
- The bank can teach staff members the methods of working more confidently and efficiently to serve clients well and quickly.
- The bank can implement more branches around the nation while further promoting its goods and services.
- Television and other methods of digital advertising can be prioritized by Standard Chartered Bank.
- Promotion through various campus visits can be of significance to the bank.
- Billboard advertisement layouts can be more conspicuous and astounding.

Chapter 3: Project Part

3.1 Introduction

When most financial transactions occur electronically and there is little to no use of real currency, such as coins and banknotes, the society is said to be cashless. People in such a society make purchases and handle financial transactions using digital payment methods such as credit cards, debit cards, mobile wallets, and electronic money transfers. Technological innovation, economic growth, financial inclusion objectives, and consumer preferences are driving the global transition to a cashless economy.

3.1.1 Background

Despite the widespread acceptance and widespread use of cash, it carries several risks that make it less secure than electronic payment methods. Usually, cash transactions are not traceable. Whenever money is exchanged, the transaction is not recorded anywhere and does not leave any trace. The inability to track down the source and utilization of funds makes it challenging to investigate suspicious financial transactions. Having a lot of cash can be very inconvenient. Furthermore, as more countries transition to a more digital economy, it may become impossible to conduct some transactions entirely with cash, particularly when doing so online or abroad. International business and money transfers are made easier by digital transactions.

Geographical restrictions may make cash an impractical option for cross-border transactions. Therefore, it is utilized by criminals who wish to hide their true colors and spend money in order to avoid detection. Cash is frequently used in the laundering of money, a technique in which individuals or organizations attempt to pass off funds that were obtained unlawfully as genuine. By failing to report the true income, payments in cash can be utilized to avoid paying taxes. Cash transactions are used by those with unethical revenue sources to evade tax authorities' discovery. Even if cash is associated with financial crimes, it's crucial to remember that these problems are being addressed by improved regulation and technological advances. Law enforcement organizations can more easily keep an eye on and regulate financial activity thanks to digital currency and electronic transactions.

The implementation of cashless programs led by major banking organizations has drastically altered Bangladesh's financial landscape in the past few years, and Standard Chartered Bank is one of the key players driving this development. In spite of altering people's perceptions of financial operations, the country's economic, social, and cultural viewpoint has been altered by the substantial shift away from conventional currency-based interactions to digital financial networks.

Many countries are shifting away from cash and embracing more digitization for a number of reasons. Payments made without cash might lessen crimes like theft and counterfeiting that are connected to actual currency. However, a sizable section of its populace lives in isolated locations and lacks access to modern conveniences like smartphones and broadband access. The low prevalence of digital devices would hinder the widespread implementation of transactions that do not require cash. In order to successfully transition to a cashless economic benefits, financial participation must be promoted.

3.1.2 Objective

- To analyze Standard Chartered Bank's contribution to forming the country's cashless future.
- To offer a thorough grasp of the tactics and programs used by banks to encourage cashless transactions and assess their influence on the financial environment.
- To analysis of the effects of Standard Chartered Bank's audacious goal of fostering a cashless Bangladesh is provided in this paper,

- To navigate through this changing financial landscape and evaluates public opinion on initiatives to promote the use of digital payment systems.

3.1.3 Significance

Since it offers important insights into many facets of the financial environment and societal actions, it is imperative to comprehend how people perceive a world without money. Assessing people's perspectives provides information about how the financial sector reacts to new technologies. To tailor their services, IT firms and banking institutions must be aware of this data.

3.2 Methodology

Primary data is collected from an online survey with 10 questions which is used to gather data on current payment habits, preferences of the participants, and other factors that are influencing their perception of a cashless society. Participants are from different age groups so a diverse range of opinions can be found and analyzed to understand the preferences of most of the population. Secondary information is also used from reports, articles, and other available studies on the relevant topic.

3.3 Findings and Analysis

3.3.1 Factors and Barriers to Adopting Cashless Payment Methods

There are several obstacles and factors that affect Bangladesh's adoption of cashless payment options. Policymakers, companies, and financial institutions that want to encourage digital financial inclusion must comprehend these factors. Here are some of the primary causes and obstacles:

Factors:

- **Information Technology (IT) Framework**: The ease with which people embrace and use cashless payment options is largely dependent on the availability and quality of IT, particularly internet access and mobile networks.

- **Mobile Device Adoption**: Since many cashless transactions rely on mobile applications, this degree of device penetration is essential.
- **Economic Literacy**: Public education regarding the benefits and uses of cashless payments can increase people's economic understanding.
- **Legal Framework**: The regulatory regimes that promote innovation to maintain confidentiality in digital ways to transactions might positively impact the widespread use of cashless payment methods.
- **Strategic Alliance**: The banking sector, technological companies, and government agencies collaborate to develop unified and easy to use digital methods of payment.
- **Government Initiatives**: Government-led initiatives including information campaigns, reward schemes, and encouraging the use of digital banking services can hasten the adoption of electronic payments.

Barriers to Adoption:

- **Financial Exclusion:** Accessibility to formal banking services could be limited for a significant portion of the population. For numerous individuals in Bangladesh, using electronic means of payment may be difficult as they possess the skills or information necessary to do so. It may be difficult for them to participate in a world without money as a result.
- **Digital Inadequacy and Facility Barriers:** A lack of understanding and familiarity with digital financial services may prevent adoption. Insufficient electronic infrastructure may make it more difficult in some locations to use electronic payment methods effectively. People may find it difficult to navigate digital payment systems in many remote areas, for example, because they lack reliable internet or cell connectivity.
- **Cash Preferences:** Deeply rooted cultural and behavioral demands for regular transactions in cash may make it difficult to make transactions without cash.
- **Security Worries:** Individuals may be deterred from implementing cashless payment methods by reservations regarding the safety of online operations, namely the potential for fraud and data intrusions.
- **Minimal Merchant Acceptability:** When cashless payments are not widely accepted by retailers, customers feel hesitant to utilize them.

- **Weakness in Integration:** Limitations in users' options and miscommunications arising from inconsistencies among different digital payment systems could slow down the implementation process.
- **Economic disparities:** Socioeconomic factors, like income disparities, might influence people's ability to buy the devices needed for electronic payment transactions. This digitization divide may widen the socioeconomic gap between the rich and the poor, as well as among rural and urban regions.

3.3.2 Demographic Factors Influence Willingness to Perform Cashless Transaction

A person's propensity to accept and use cashless transactions is significantly influenced by a variety of demographic parameters, including age and income. distinct digital payment-related tastes, habits, and worries. An examination of how income and age affect people's opinions toward electronic payments is given below:

Age Influence:

- **Millennials and Generation Z:** The younger generation, feel at ease using cellphones for a variety of purposes, especially making payments. They are open to digital payment options since they are quick and easy.
- **Population in the Middle Ages**: This population exhibits a range of attitudes; some adopt digital payments with ease, while others adopt a more gradual strategy and choose a mix of digital and old payment methods.
- **Seniors:** They may find digital technology intimidating because they are sometimes less accustomed to it. To switch to cashless ways, this group could need more assistance and instruction.

Income Influence:

- **People with higher incomes:** They are among the first to use high-tech ways to pay and frequently put ease and security ahead of price.
- **People with middle-class incomes:** Digital literacy influences the widespread use of payments without cash in this group. Due to ease of use, this group typically uses a combination of digital and conventional means of payment.

- **People with lower incomes:** Cashless transactions are hampered by restricted access to cellphones and other technology. A greater reliance on cash results from limited utilization of official financial services.

Other Demographic Factors:

- **Education Level:** A higher level of education is frequently associated with improved digital literacy, which increases the propensity to use cashless transactions.
- **Urban vs. Rural Living:** People who live in urban regions are more likely to use cashless ways since they typically have better internet connectivity and monetary services. Due to issues with banking services and connection, people in rural areas prefer cash.
- **Occupation:** In comparison to specialists in traditional or manual vocations, persons in tech-related positions are more likely to engage in electronic transactions.

3.3.3 Financial Institutions Contributing to Facilitation of Cashless Transactions

Bangladesh's financial institutions have been aggressively promoting and facilitating cashless transactions. Since then, there might have been fresh advances in the dynamic field of digital finance. Financial institutions frequently support the promotion of cashless transactions in a few standard ways.

One of the many ways is by mobile banking and applications as financial institutions in Bangladesh frequently create user-friendly mobile applications and offer mobile banking services. With the help of these apps, users may use their cell phones to carry out a variety of tasks, including bill payments, financial transfers, and mobile top-ups. Another viable option is Online Banking as through a web portal, consumers can access their accounts and complete transactions with the help of these services. This gives people a practical option to handle their money and conduct transactions online without having to go to a real branch. Another way would be by E-wallets. Financial institutions may offer digital wallets that enable users to accumulate money and make transactions using their mobile devices. Computerized teller machines, or ATMs, are one instrument that promotes transactions without cash. Cash withdrawals of funds, transferring money, and check the balance are just a few of the financial functions that can be performed using an ATM.

Credit and debit cards are additional types of instruments. Debit and credit cards are issued by financial companies, allowing consumers to make cashless transactions. Gateways for payment are used by banking institutions in Bangladesh to facilitate online payments, which help e-commerce grow by empowering customers. Working together between banking institutions and fin-tech companies lead to creative approaches such as digital loans and peer-to-peer (P2P) transfers. Government backing can create an environment that promotes the growth of cashless transactions. Last but not least, financial institutions place a high premium on implementing robust security measures to ensure the safety of online transactions.

Due to efforts to encourage electronic payment methods and expenditures in digital payment infrastructures by both the private and public sectors, Bangladesh has been getting closer to becoming a nation without money in recent years. The usage of smartphone devices for banking and digital payments is being actively promoted by the Central Bank of Bangladesh (Bangladesh Bank) in an effort to reduce dependency on cash and enhance financial accessibility. Bangladesh Bank has put in place a number of rules and directives to support the growth of cashless and digital payment methods. Additionally, the government continues to be promoting the use of these systems by offering rewards and subsidies to merchants who take digital payments. In recent years, the government has introduced mobile banking services in order to promote cashless transactions. The creation of a smart and prosperous Bangladesh is the goal of another effort called Smart Bangladesh-Vision 2041. In Bangladesh, mobile banking has become the most widely used electronic method of payment thanks to mobile financial services (MFS) like bKash and Nagad. Debit and credit card usage has been encouraged by the government, which has led to an increase of terminals for point- nationwide.

Bangladesh Bank has declared a vision to achieve a cashless status by 2027, and in alignment with this objective, Standard Chartered Bank has initiated a measure to limit ATM access exclusively to its branches starting from 2023. As part of its business strategy, Standard Chartered ceased operations at its Kawran Bazar branch in Dhaka city, reflecting the bank's proactive efforts to promote cashless transactions. Standard Chartered Bank has taken steps to discourage cash transactions by eliminating its ATM booths located outside its branches. According to Standard Chartered Bank, cash and ATMs will lose relevance in the future. The number and frequency of customers visiting branches have been decreasing even before the onset of COVID-19. As a result, the bank has closed four banking booths over the past five years. Nevertheless, in case of unavoidable situations requiring emergency cash, Standard Chartered customers will still be able to use 10,000 ATMs across any bank within the Visa electronic payments network, incurring only a minimal charge of BDT 15 per transaction. This cost is very nominal when compared to the time, expense, and effort saved as opposed to accessing our 20 offsite ATMs. (April & Bijoy, 2023)

It is crucial to remember that an ecosystem that includes governmental regulations, technological infrastructure, and consumer awareness, depends on the success of cashless transactions in addition to the efforts of financial institutions. The expansion of cashless transactions in Bangladesh can be facilitated by ongoing banking sector innovations and collaborations.

3.3.4 Advantages and Disadvantages of a Cashless Economy

Transitioning to a cashless system in Bangladesh brings its own set of benefits and drawbacks. Here are some key points to consider:

Advantages:

- **Cost Reduction:** Moving away from physical currency eliminates the expenses associated with printing, transporting, and securing cash. The expense of handling money might be high for a nation like Bangladesh.
- **Simplicity and Availability:** Users can easily conduct transactions using electronic devices at any point and from any location thanks to the simplicity of electronic payment methods. Those without access to regular banking services may find this portability very helpful. By making banking services available to a larger population, it creates opportunities for financial participation.
- **Financial Inclusion:** By extending banking services through digital platforms, Bangladesh can reach individuals who were previously excluded from the formal financial system. By giving them the means to keep money, invest, and obtain credit, this inclusion can enable people on an economic and social level.
- Transparency and a decrease in illegal activity: Digital transactions provide a verifiable electronic trail that facilitates transaction monitoring and screening. This ability to track

transactions can encourage a more transparent financial environment and lessen illegal activities like embezzlement and laundering of funds.

- Economic Efficiency: When compared to conventional cash-based operations, digital transactions are quicker and more effective. Time and resources are saved by this improved efficiency, which promotes general economic expansion and efficacy.

Disadvantages:

- **Technological Dependency and Disruptions:** The system may become vulnerable if it relies too much on technology for digital transactions. Users may experience discomfort and the smooth operation of transactions may be impeded.
- **The Digital Divide:** In Bangladesh, the availability of technology is not universal. Engagement in electronic payments is restricted by this unequal access, which may keep a sizable section of the populace out of the official financial system.
- **Risks to Security:** Numerous cyberthreats, including theft of information, fraud, and hacking, can affect electronic transactions. Inadequate cybersecurity safeguards may reveal consumers' private data, resulting in monetary losses and eroding confidence in electronic payment systems.
- **Concerns regarding Privacy:** When personal information is gathered during payments without cash, security and confidentiality issues are brought up.
- **Aversion to Change:** Some people may be reluctant to embrace cashless systems because they are used to or skeptical of the security and dependability of digital techniques, especially those who are used to traditional financial transactions.
- **Elimination of Informal Economies:** A shift to electronic payment methods may leave out groups of people who depend significantly on cash in unofficial economies.
- **Availability and Transaction Fees:** Although cashless transactions save some expenses related to using real money, users frequently incur fees. These charges may have an impact on how easily accessible the cashless system is.

Addressing these challenges requires a comprehensive approach involving infrastructure development, cybersecurity measures, and ensuring widespread access to technology and digital literacy programs to ensure a more inclusive and secure transition to a cashless system in Bangladesh.

3.3.5 Data Analysis

To support my analysis with a realistic view, I have surveyed 30 people from different demographics. By surveying them I got to know their experience and the expectation of cashless methods in Bangladesh.

Demographic Information:

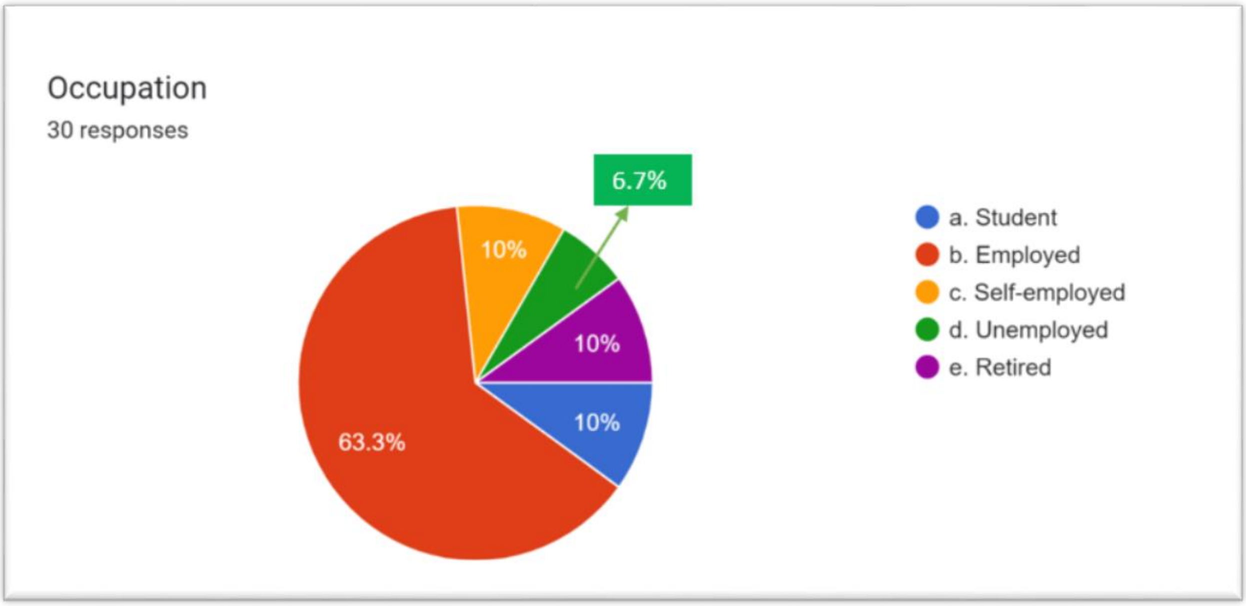


Figure 1: Occupation status of the survey participants

Figure 1 shows 63.3% of people employed who participated in this survey and consecutively 10% of people are self-employed, students, and retired people. Even there is 6.7% of people are unemployed. For my survey, I tried to cover a diverse occupation status in society to get a clear picture.

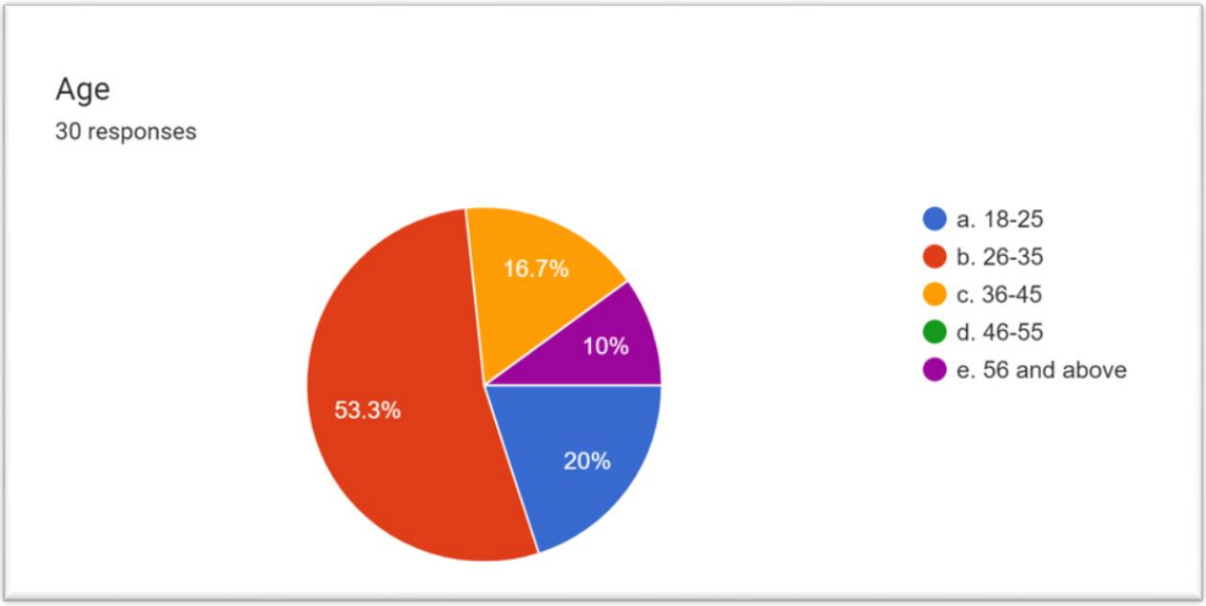


Figure 2: Age of the survey participants

For my survey, I have selected the age range between 18-56 and above. Figure 2 illustrates there is 53.3% of people are between the age of 26-35. 16.7% people are between 36-45, 20% people are from the 18-25 age range and 10% people are from 56 and above.

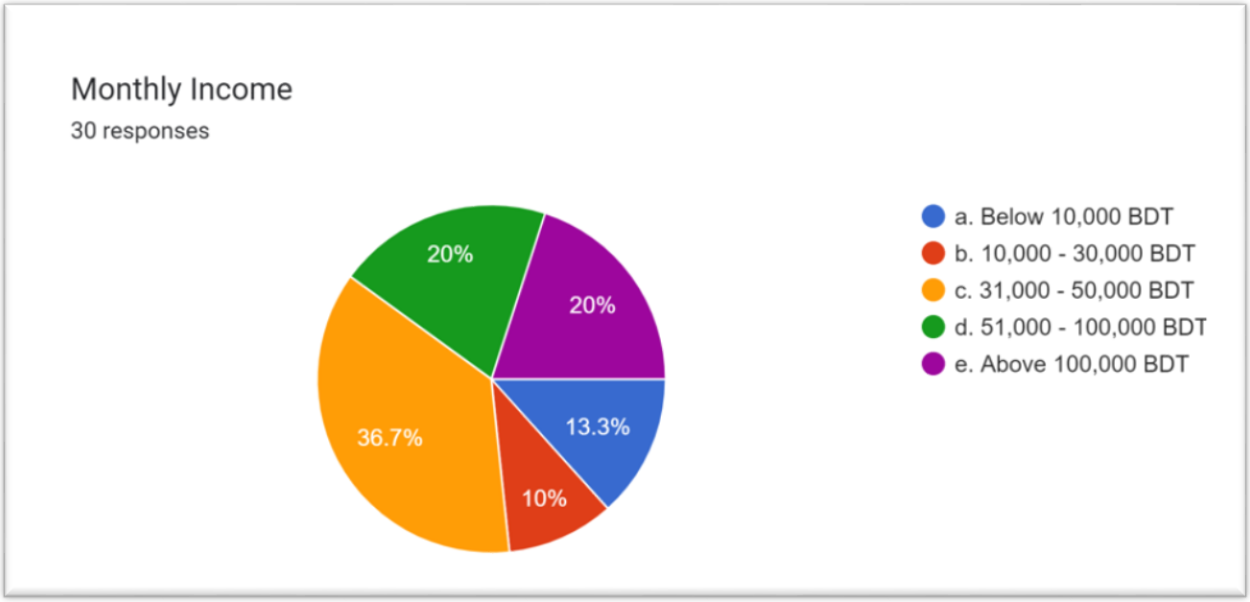


Figure 3: Monthly Income of the survey participants

From Figure 3 we can show the monthly income range of the surveyed people. The monthly income of 36.7% is between 31,000-50,000 BDT. Whereas consecutively 20% of people earn 51,000-100,000 BDT and above 100,000 BDT.

Frequency of using cashless mode of transaction

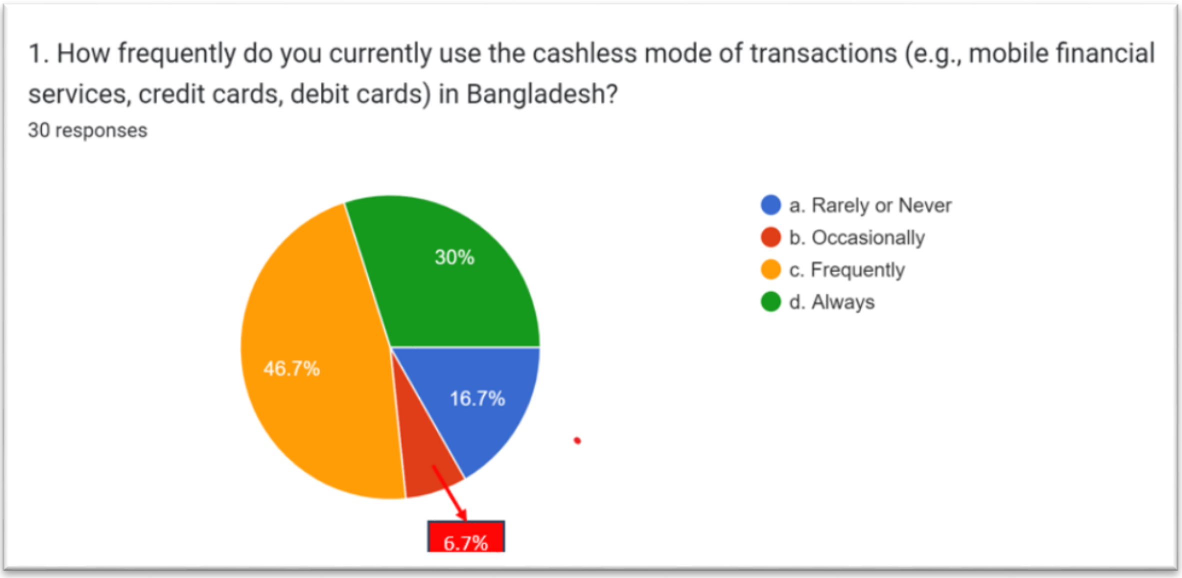


Figure 4: Frequency of using cashless mode of transactions

Figure 4 shows the percentage rate of frequently using the cashless mode of transactions. Here we can see that 46.7% of people use frequently the cashless mode of transactions. On the other hand, 16.7% of people rarely or never use this cashless mode of transactions. However, it is shown that 30% of people always use this cashless mode of transactions.

Preferred method of cashless transactions

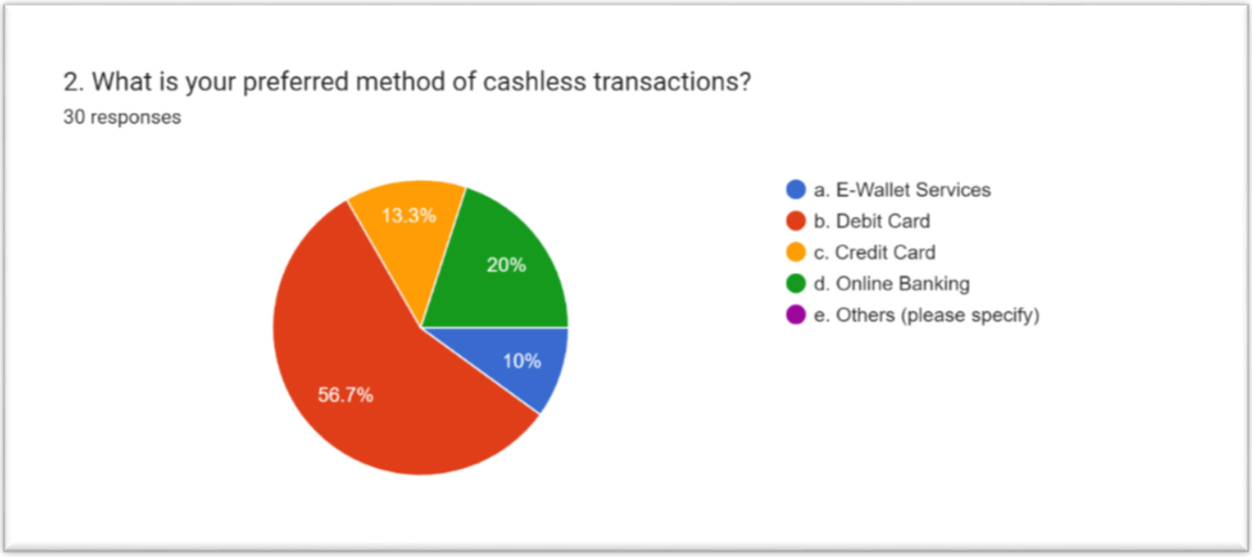


Figure 5: Preferred method of cashless transactions

From the survey, I observed most people's preferred cashless transaction method. Figure 5 shows that 56.7% of people preferred debit cards for cashless transaction methods. Moreover, 13.3% of people preferred credit cards, 20% people preferred online banking and only 10% people preferred e-wallet services.

Convenience of cashless transactions

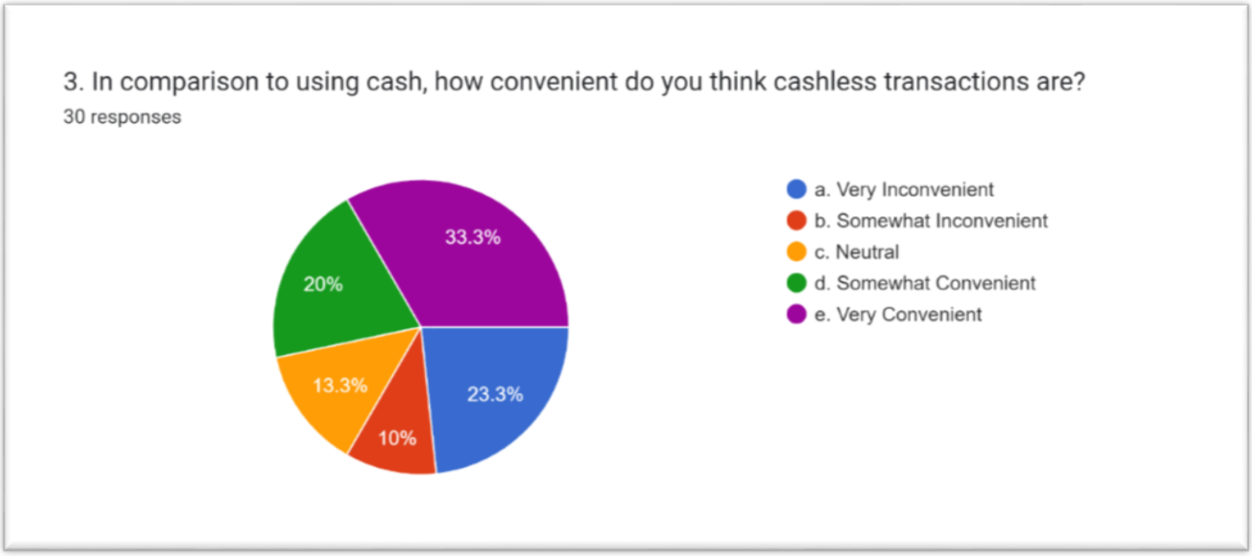


Figure 6: Comparison to using cash, the convenience of cashless transactions

Figure 6 shows that 33.3% of the people feel cashless transactions are very convenient whereas 13.3% of people are neutral in this scenario. On the other hand, 23.3% of people feel it is very inconvenient. According to the pie chart, 20% of people feel it is somewhat convenient, and 10% of people find it somewhat inconvenient.

Challenges faced while performing cashless mode of transactions

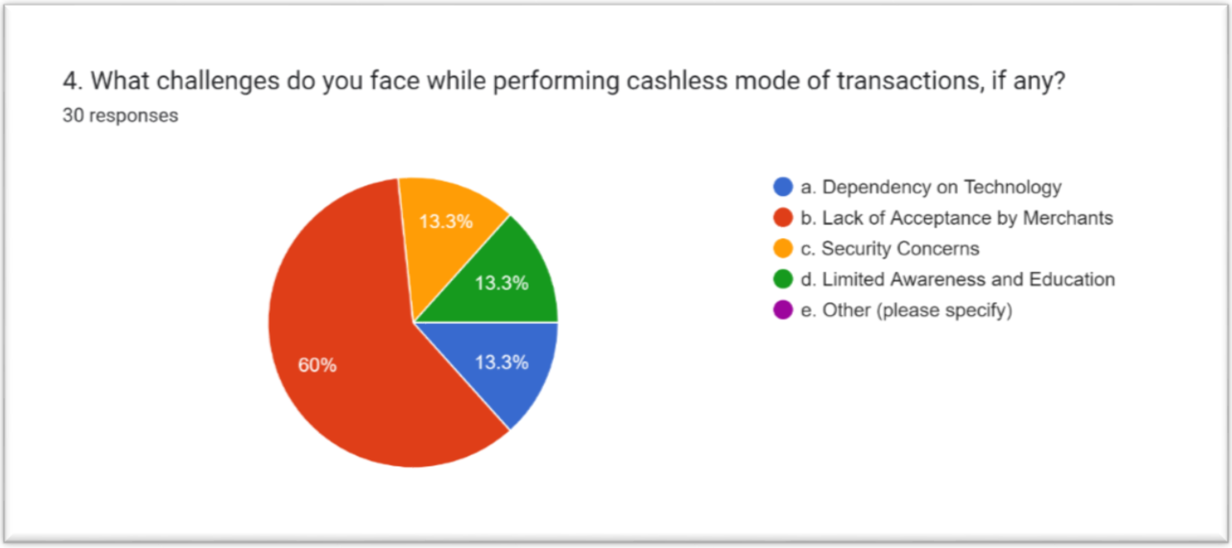


Figure 7: Facing challenges while performing cashless mode of transactions

A significant of people face challenges while performing cashless mode of transactions. Here from Figure 6, we can see that 60% of people face challenges due to a lack of acceptance by merchants. Whereas consecutively 13.3% of people face challenges due to dependency on technology, security concerns, and limited awareness and education.

Advantages of shifting towards a cashless economy in Bangladesh

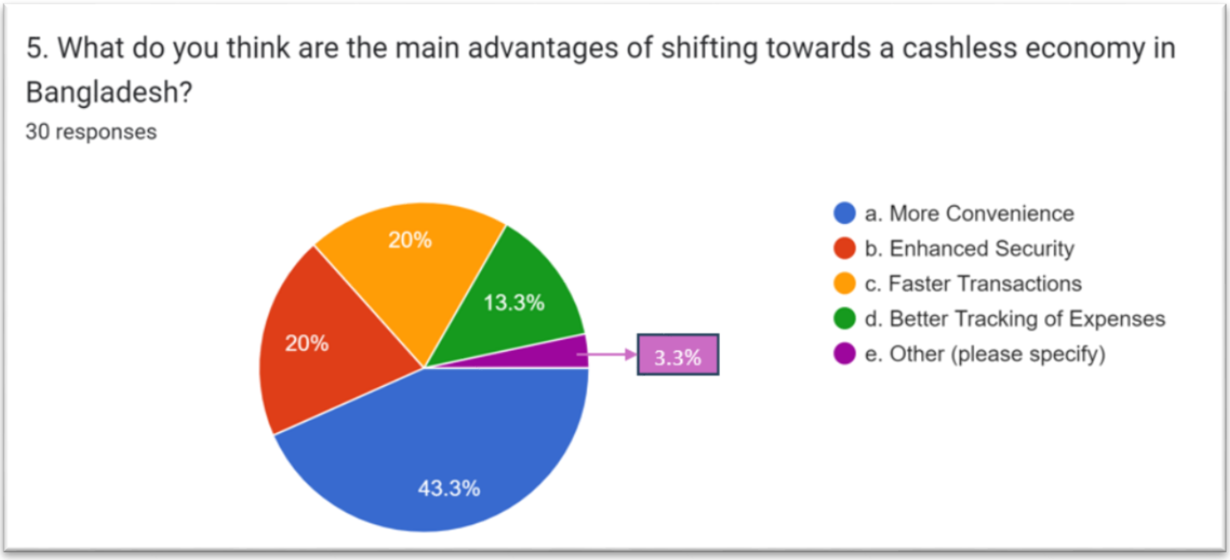


Figure 8: Advantages of shifting towards a cashless economy in Bangladesh

There are some advantages of shifting towards a cashless economy in Bangladesh. The first advantage is more convenience; Figure 8 shows that 43.3% of people agreed with this. According to 20% of people consecutively, it will be enhanced security and also faster transactions. Even 13.3% of people believe it would be better to track expenses.

Obstacles prevent from using cashless payment methods more frequently

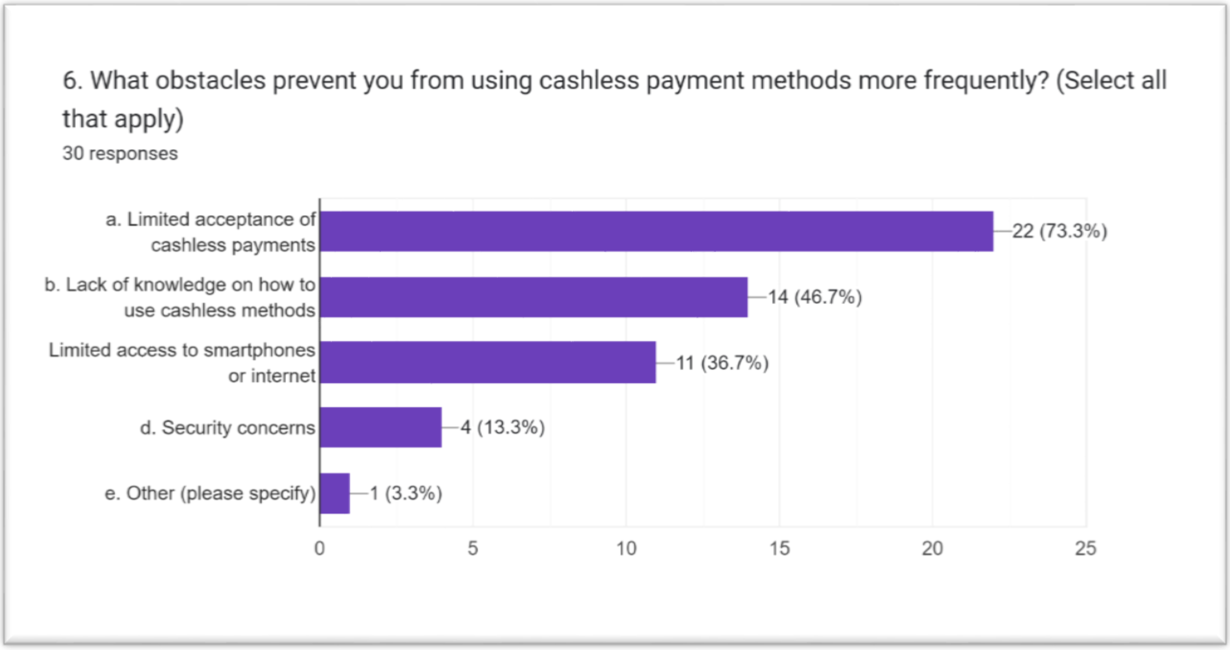


Figure 9: Obstacles preventing from using cashless payment methods

Some obstacles prevent people from using cashless payment methods more frequently. From Figure 8 we can see that 73.3% of people face obstacles due to limited acceptance of cashless payments. According to 46.7%, people face obstacles due to a lack of knowledge on how to use cashless methods. 36.7% faced problems because of limited access to smartphones or the internet. Besides, 13.3% of people think about security concerns.

Adopting a completely cashless lifestyle in the future

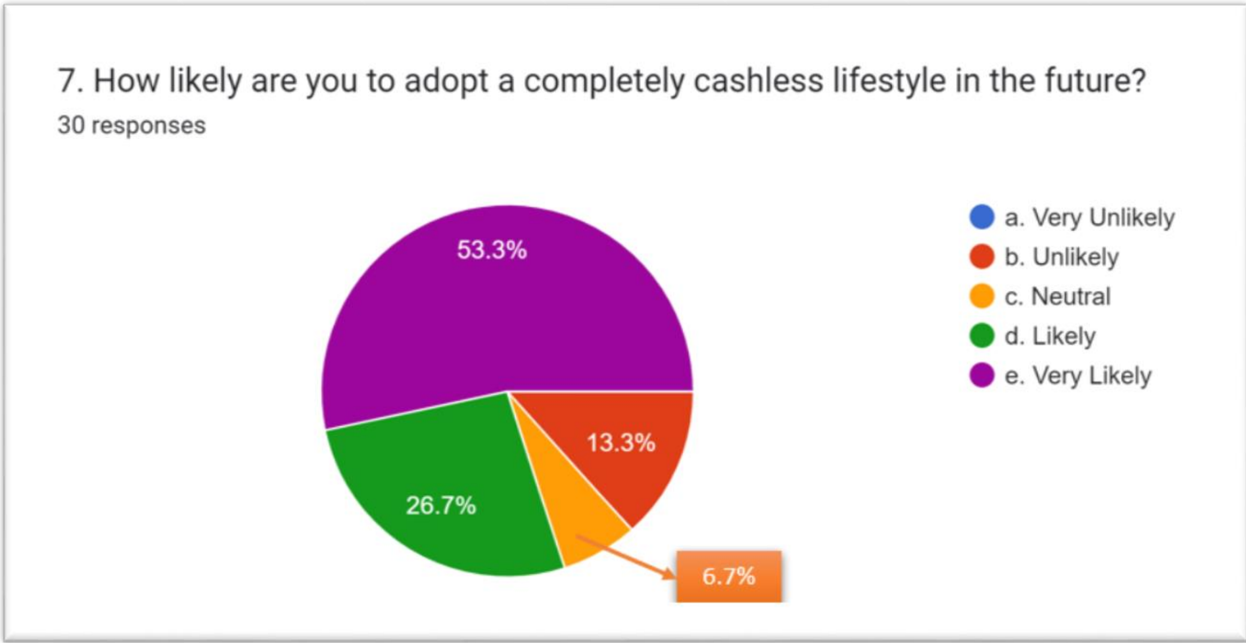


Figure 10: Adopting a completely cashless lifestyle in the future

Figure 10- the pie chart depicts how people are likely to adopt a completely cashless lifestyle in the future. 53.3% of people will very likely adopt a completely cashless lifestyle, whereas 13.3% of people are unlikely to adopt this. On the other hand, 6.7% of people are neutral about this. Along with this 26.7% of people are likely to adopt a completely cashless lifestyle in the future.

Reduction in financial crimes due to cashless modes

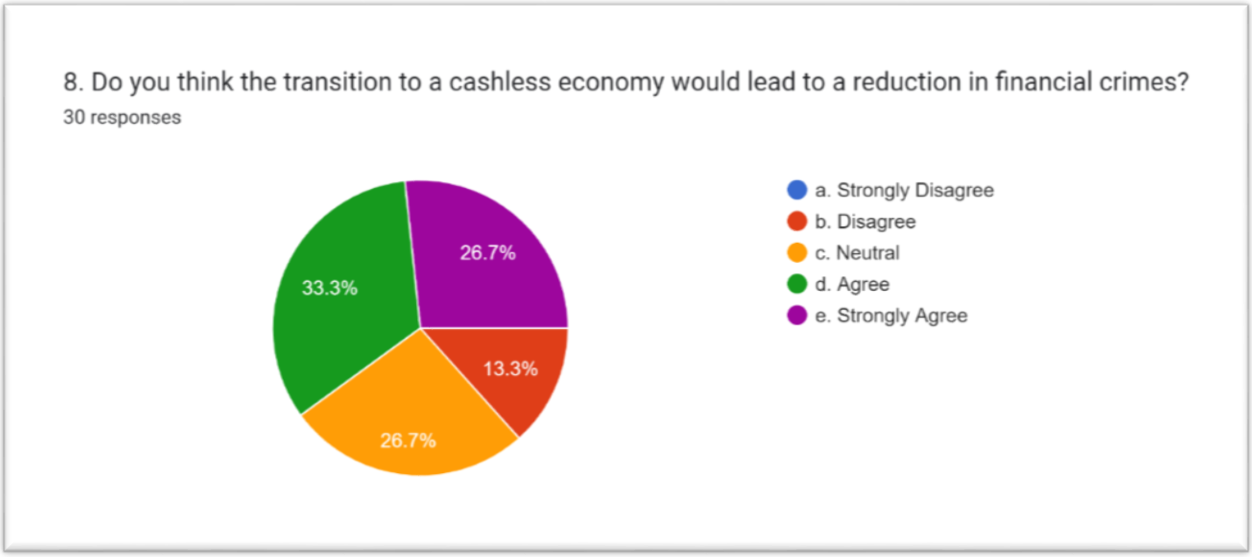


Figure 11: Reduction in financial crimes due to cashless economy

Figure 11 illustrates that 26.7% of people strongly agree that the transition to a cashless economy would lead to a reduction in financial crimes and 33.3% of people agree with the statement. Whereas 26.7% of people remain neutral in this case and 13.3% of people disagree with the statement.

Availability of digital payment services in own area

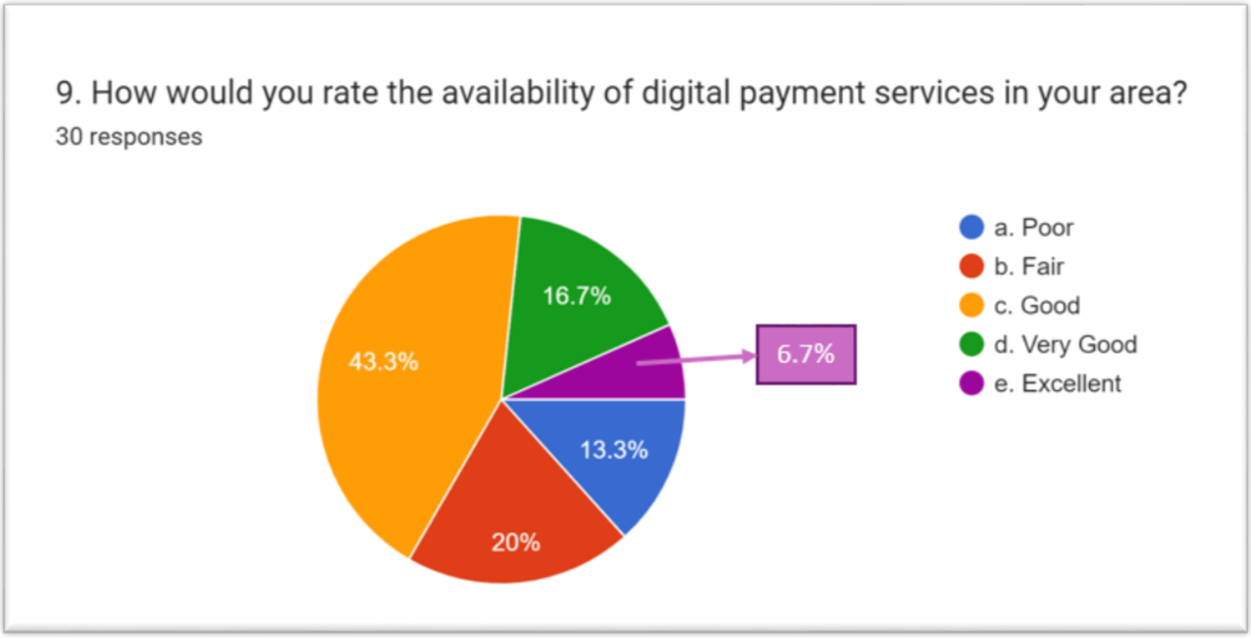


Figure 12: Rating the availability of digital payment services in own area

From Figure 12 we can see according to 16.7% of people rate the availability of digital payment services in their area as very good, 6.7% people said it is excellent and 43.3% people said it is good. On the other hand, 13.3% of people said it is poor and 20% people said it is fair.

Demographic groups facing challenges in adapting to a cashless economy

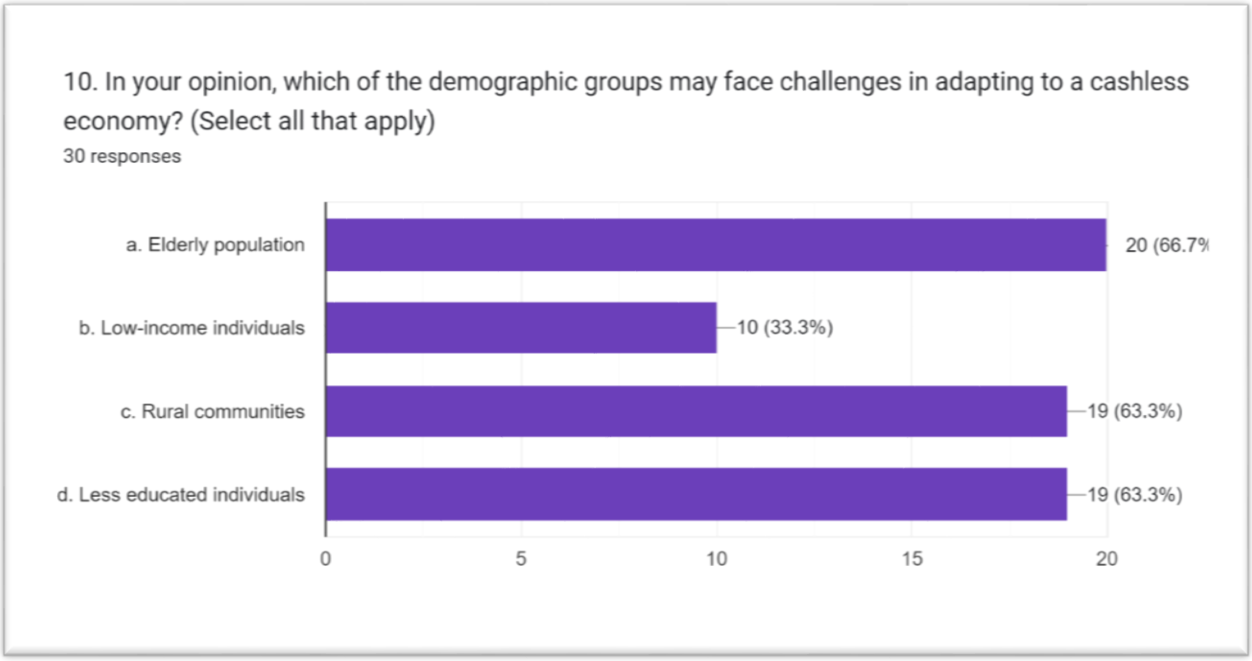


Figure 13: Demographic groups facing challenges in adapting to a cashless economy.

After the survey, from Figure 13 I understood some demographic groups might face challenges in adapting to a cashless economy. In this demographic, 66.7% of the elderly population is included. 63.3% of rural communities also might face challenges. And 63.3% less educated individuals are also involved. Even 33.3% of low-income individuals are also involved in this case.

Overall experience with the current cashless transaction system in Bangladesh

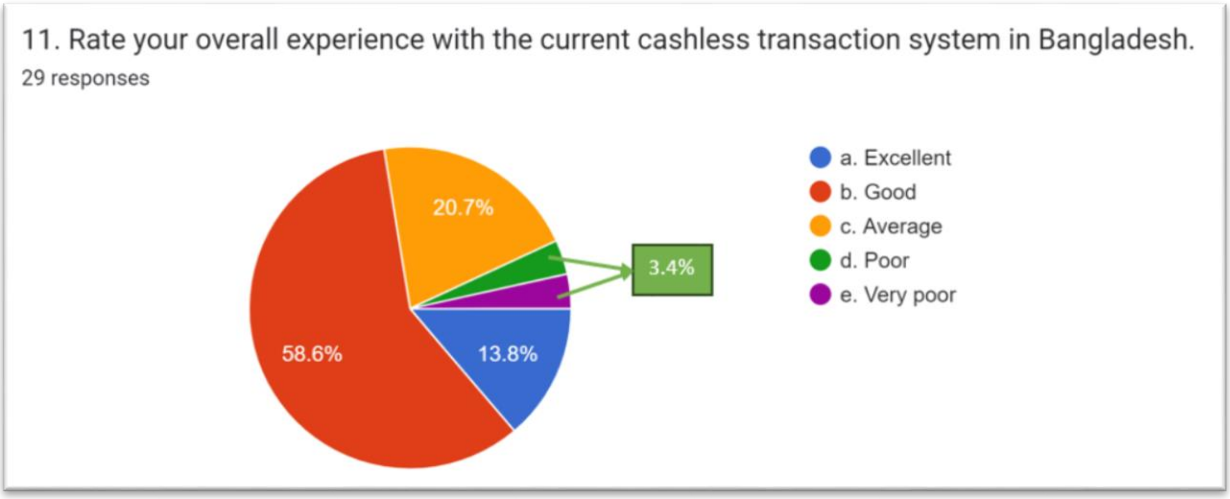


Figure 14: Overall experience with the current cashless transaction system in Bangladesh

At the end of the survey, I wanted to know the participants' overall experience with the current cashless transaction system in Bangladesh. Figure 14 shows that 13.8% of people feel it is excellent, 58.6% people feel it is good and 20.7% people feel it is average. Unlikely consecutively 3.4% of people feel poor and very poor.

To sum up the survey, most of the employed persons preferred cashless transactions frequently and mostly they preferred the debit card as a method of cashless transactions. They think it is very convenient for them but sometimes they cannot use cashless transactions due to lack of acceptance by merchants, dependency on technology, security concerns, and limited awareness and education. Additionally, as per the survey, using these cashless transactions would be difficult for older persons and residents in remote areas. However, people's experiences with Bangladesh's present cashless transaction system are mostly positive.

3.4 Summary and Conclusions

Rather than being a one-size-fits-all approach, becoming cashless is a process that calls for cooperation and innovation from all parties. The extra expense associated with digital payments is a typical critique, yet cash is not always cheap. The government receives thousands of millions of money from taxpayers to pay for printing, storing, transporting, keeping, and other costs. In an economy that is heavily reliant on cash, adopting a cashless lifestyle offers benefits beyond simply saving money, time, and effort. By launching mobile banking services and encouraging digital payment methods, Bangladesh has been advancing the digitalization of its financial industry. Adopting a cashless system could help advance the nation's efforts to promote financial inclusion and economic prosperity.

3.5 Recommendations/Implications

Bangladesh is generally getting closer to becoming a cashless society, but there are still challenges to be solved before that objective is completely achieved. Based on newly introduced programs by Bangladesh to encourage the widespread use of electronic payment methods, the country is currently transitioning to a cashless economy. Despite these efforts, cash is still the most common form of payment in Bangladesh. In order to increase adoption across all demographics, it will also be crucial to raise users' digital and knowledge about finances. Addressing the obstacles to the adoption of digital payment methods requires a comprehensive and collaborative approach encompassing the government and other stakeholders. Ongoing efforts to increase financial inclusion and provide a secure and straightforward to use digital payment ecosystem may lead to increased adoption in Bangladesh.

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