INTERNSHIP REPORT

ON

CONSUMER LOAN IN STANDARD CHARTERED BANK

&

DIFFERENCE BETWEEN SME LOAN OF SCB & THE CITY BANK LTD

Submitted To:

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Submitted By:

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Submission Date:

MAY 27, 2009

May 27, 2009

Ali Salman

GDLN Coordinator, BRAC University.

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Dhaka. Bangladesh

Sub: Submission of the Internship Report.

Dear Sir,

I have the pleasure to submit my internship report on "**Consumer loan in Standard Chartered Bank and difference between SME loan of SCB and The City bank Ltd**". You are concerned about that I have started my internship program in Standard Chartered Bank since February 09, 2009. I joined at Dhanmondi road – 2 branch, consumer banking division. I am fortunate enough that I have got an experienced, efficient and professional team in one of the most reputed international bank's in Bangladesh. I truly believe that this report will satisfy your requirements and expectations.

Now I am looking forward to your kind appraisal regarding this report.

I have tried my level best to make this report informative, practical, reliable and relevant as far as possible. To prepare this report I have reviewed some articles, SCB brochures and download information from internet, take interviews and on the basis of available information.

I appreciate your kind advice, assistance, patience and suggestions regarding this report which will definitely help me to go ahead as a brilliant future.

Sincerely

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Acknowledgement:

At the very beginning, I would like to show my heartiest gratitude to almighty merciful Allah.

During the internship program, every student of BRAC Business School has to submit a project paper. My academic supervisor Mr**. Ali Salman** assigned me a topic related to my internship working area. I focused focusing on **"Consumer loan in Standard Chartered Bank and difference between SME loan of SCB and The City bank Ltd".**

I would like to thank Mr. Ali Salman , honorable faculty of BBS department of BRAC University for his inspirational guidance, sensible advice and affectionate encouragement to carry out my works as well as in preparing this internship report, without which it would not be possible for me to complete this project.

I would also like to take this opportunity to express my thanks to my internship supervisor, Mr.Kayum Khan, Sales team manager at Dhanmondi road 2 branch-consumer banking division in Standard Chartered Bank for his continuous inspiration, supervision and patience. Without his guidance and support it would not have been possible to come this far.

And at last but not least I would also like to thank Mr. Anwar Hossain Relationship Manager of SME Business units at Dhanmondi road 27 branch in The City Bank Ltd.

It would be a great pleasure for me if this internship report serves its desired purposes.

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Executive Summary:

We know that in modern world, banks are playing a key role for the development of an economy. In Bangladesh it is not different in this case. Standard Chartered bank operating their business with the banking activities like consumer banking, wholesale banking, personal banking, global custodial service, international trade management, Global Institutional Banking, global electronic banking with us from 1948.

Business opportunities day by day rising, new products and services come in every month. Need for data and information about different topics and issue is very essential for building and operating a business. Information plays a major role in all sector of a society, whether in social sector or business sector. For this reason SCB Bangladesh always try to think in a different way, which facilitates their existing customers to get their account related information and other products like loan in an easy way.

Moreover different services of alternate channel (like: SMS banking, i-banking e.t.c) attract potential customers to deposit their money in this bank. Since SCB loan procedure scheme is not so difficult, feature is good and eligibility to take loan is not so complex, that's why customers are attracted to take loan from SCB though have high interest rate compare with other local commercial bank.

To do this project I did analysis on consumer loan & SME loan of SCB and the city bank ltd. Findings on that analysis I describe on main body of this project. SCB consumer banking division offered personal loan, auto loan, BIL which is also two types, Saadiq Islamic finance currently it offered three types of Islamic finance- auto, personal and home fianace and so on. SCB Islamic finance equal monthly installment rate or monthly rent is same as consumer loan interest rate. Difference between Islamic finance with other consumer loan is in Islamic finance bank take monthly rent rather than interest and here bank don't give cash to customers rather they purchase the product on behalf of that customer and then deliver it.

To do this report I choose the city bank for comparison with SCB consumer loan because last year the city bank LTD change their strategy from traditional banking to modern banking system. For this reason CBL recruits those top executive who were working in SCB before. Where SCB consumer banking division offers consumer loan, SME loan and Islamic finance from this particular division but in the city bank ltd these three products are provided through three different business units. Like SME loan provide through SME business units, two retail loans are provided through retail division and Islamic finance services are provided through Islamic finance business units and this units located in hathkhola branch. Besides that the city bank ltd has a plan in near future that they offer different types of online services to their customers which actually SCB currently provided.

Standard Chartered bank consumer banking division customer services provide one stop service to its customers, so that customers don't need to move from one desk to another desk. Professional financial consultants (PFC) of consumer banking division in SCB provide information about account related, credit card, ATM card, loan related and new cheque issue. During internship program I understand that total number of employees in a branch of SCB is not satisfactory but PFC and customer service officers try their best effort to serve the clients. In our country a lot of local commercial banks are available and also have some multinational bank. But among all bank SCB always try to offer new products (deposit &loan related), services (SMS banking, I- banking e.t.c) to their customers for being the right partner, being passionate about customers' success and delighting them with quality services.

Chapter-1

Introduction:

Internship program is a prerequisite for acquiring BBA degree. Internship program is a perfect blend of the theoretical and practical knowledge. Only curriculum activity is not enough for handling the real business situation, therefore it is an opportunity for the student to know about the field of business through the Internship program. This report is originated to fulfill the requirement of the assign project-**"Consumer loan in Standard Chartered Bank and difference between SME loan of SCB and The City bank Ltd"** under the BBA program of BRAC University. Sine practical orientation is the integral part of the BBA degree requirement,

For this I applied for the renowned foreign bank that is Standard Chartered Bank, and I got the opportunity to be an intern in this bank. I was placed in the Consumer Banking of the Bank, under the direct supervision of Mr. Kayum Khan, sales team manager of Dhanmondi Road – 2 branch of Standard Chartered Bank Bangladesh.

Moreover to make this report more realistic I collected information from The City Bank Ltd SME division's Relationship Manager Mr. Anwar Hossain who seat at Dhanmondi road- 27 branch. That information helps me for comparison purpose.

Since I did intership program in consumer banking division it helps me to take the real Banking experience in order to reinforce knowledge acquired so far from the BBA major course in finance, which I have completed in the December,2008. Beyond my assign project, I also learnt the general banking operations that may come in hand by my professional life. This report is to submit to the BBS Depart ment of BRAC University and also to the Standard Chartered Bank at head office in HRD.

Objectives of the study

☐ **Main objective:**

The main objective of this report is to emphasize the products and services provided by the Consumer Banking of Standard Chartered Bank and along with that to present an extensive analysis about SME loan of SCB and The City Bank Ltd

Specific Objectives:

- To explain the meaning and concept of consumer loans in a foreign bank.
- To understand the process reengineering task in a branch,
- To gather comprehensive knowledge about professional financial consultant task in Standard Chartered Bank
- To understand the difference between conventional banking products and Islamic banking products and also loan and Islamic finance.
- Finding out the key issues that work barriers while providing services to its customers
- Finding out what are the facilities provided by SCB to its clients and how they perceived those.
- To identify the problem faced by Standard Chartered Bank during deals with customers.

☐ **Time Frame of the Study**

This study has started from 9th February, 2009 and ended on 7th ^{May} 2009.

☐ **Methodology & Source of Information**

In the organization part, much information has been collected from different published articles, journals, brochures, web sites and previous internship report. All the information incorporated in this report has been collected both from the primary sources and as well as from the secondary sources.

- ☐ **Primary Source of Information**
  - Discussion with officials of SCB
  - Face to face and telephone conversations with customers

- ☐ **Secondary Sources of Data**
  - Previous reports and journals relevant to the banking industry
  - Other published documents of Bangladesh Bank
  - Relevant SCB paper and published documents

☐ Scope of the Report

The scope of this report is limited to the overall descriptions of the bank, its services, its position in the industry, and its competitive advantage. The scope is also defined by the organizational set-up, functions, and performances. The beneficiaries of the report include the employees, the management, and customers of Standard Chartered Bank (SCB). This study will help the employers to gain more knowledge about the satisfaction level of the customers and will help them to redefine their strategies to satisfy the customers. It will also help them to analyze more about their consumer loan.

☐ Limitations of the Study:

Past and present financial information that are confidential could not be accurately obtained. Alike all other banking institutions, SCB is also very conservative and strict in providing financial information. In such cases, I have relied upon certain assumptions, which are only amateur estimates. As many of the analysis on the obtained data are based on my individual interpretation, there may be some biases, as lack of knowledge and depth of understanding might have stuck my ability to produce an absolutely authentic and meaningful report. Rush hours and business was another reason that acts as an obstacle while gathering data. Less support from the customers and information of the competitor banks were less accessible and difficult to collect and these were big obstacle in my report preparation.

Chapter-2

☐ Organization overview

▪ Introduction:

Standard Chartered Bank (SCB) PLC is an international bank group that is incorporated in the UK with its Headquarters at 1 Aldermanbury Square, London. Standard Chartered PLC is listed on both the London Stock Exchange and the Hong Kong Stock Exchange and is consistently ranked in the top 25 among FTSE-100 companies by market capitalization. The group operations are mainly concentrated in Asia, Africa and the Middle East and its operation is segmented under six regions: Africa, Europe, Middle East, South Asia, South East Asia and the USA. Globally, the SCB group owns an array of key resources that include:

- A network of 600 offices in more than 50 countries
- A staff of about 28000 people managing assets worth 47.65 billion
- Globally, SCB specializes in personal, corporate, institutional and personal finance and custodial services. The banks excels in providing the most efficient, consistent and timely services and are the multinational bank in the Middle East, South Asia and North African regions.
- SCB has maintains correspondent relationship with over 600 banks in 157 countries around the world.
- The new millennium has brought with it two of the largest acquisitions in the history of the bank with the purchase of Grindlays Bank from the ANZ Group and the acquisition of the Chase Consumer Banking operations in Hong Kong in 2000. These acquisitions demonstrate Standard Chartered firm committed to the emerging markets.
- At the global level, SCB operates with some key strategies that are quite unique to other banks such as:
    - To build and grow strong businesses in Middle East, South Asia and Far East Asia
    - Capitalize on the good track record created by its more than 150 years of operations in these regions by building unique position and image among

the target customer segment and being responsive the needs and serve the needs better than the competitors.

- Concentrate operations in those activities that have bear direct impact on the communities of the countries and help the country and its economy prosper and in the same time earn profit in ethical way.

SCB tries to implement these strategies by –" ensuring a proper agglomeration of good corporate governance and sound human resources development to build a solid workforce".

- **History of Standard Chartered Bank:**

SCB has a history of more than 150 years. The name "Standard" stems from the two original banks from which it was founded-"Chartered Bank" of India, Australia and China and " Standard Bank" of British South Africa.

A Royal Charter granted by Queen Victoria of England established chartered bank in 1853. The main person behind the Chartered Bank was a Scot, James Wilson who had also started "The Economist" still one of the most eminent publications today. He foresaw the advantages of financing the growing trade links with the areas in the East, where no other financial institution was present that time widely.

Standard Bank was founded by another Scot, John Peterson 1862. He immigrated to Cape Province in South Africa and became a successful merchant before founding "The Eastern Province Herald" which still is published today. Coming from similar background, he too like Wilson saw great opportunity through linking of business between Europe and South Africa.

The merger between these two banks occurred in 1969. On January 30, 1970 the shares of the newly formed Standard Chartered Banking Group Limited were listed in the London Stock exchange. Becoming stronger after merger, Standard Chartered Bank PLC embarked on a vigorous mission to expand its business in Europe and the USA. In the last thirty years, Standard Chartered Bank has experienced continuous growth, which led to its becoming one of the top 100 listed banks in the world.

Here is the summary of the main history of the Standard Chartered Bank.

1853	The Chartered Bank of India, Australia and China is incorporated by Royal Charter.
1862	The Chartered Bank is incorporated in England under the title of The Standard Bank of British south Africa Limited
1904	Branches of the Standard Bank and Chartered Bank opened in Hamburg and New York.
1969	Standard Bank and The Chartered Bank merged to form The Standard & Chartered Banking Group Limited. This ultimately took the name The Standard Chartered.
1985	Renaming of the parent company of the group to Standard Chartered PLC. Standard Chartered became clearing bank within the UK clearing system.
2002	On April, acquisitions of Grindlays Bank from ANZ group.
2002	Until September 2002, both Standard Chartered and Standard Chartered Grindlays operated under the same management but as separate entities. With effect from September 2002, there was not any Grindlays - only Standard Chartered Bank.

- **Standard Chartered Bank in Bangladesh:**

The Chartered Bank started operating in Bangladesh in 1948, opening a branch in Chittagong. The branch was opened mainly to facilitate the post-war reestablishment and expansion of South and Southeast Asia. The Chartered Bank opened another branch in Dhaka in 1966, where it is still headquartered. After the merger of the Chartered Bank with the Standard Bank in 1969, the Standard Chartered Bank took up a program of expansion. It increasingly invested in people; technology and premises as its business grew in relation to the country's economy. In 1993, there was an organizational re-structuring, which led to a substantial expansion of the Bank's business. Today the bank has in total four branches in Dhaka apart from the Chittagong branch, including an offshore branch at the Savar Export Processing Zone.

Bangladesh is under the Middle East and South Asia (MESA) region, with the controlling office in Dubai. Its correspondent relationship with Sonali Bank, the largest bank in Bangladesh, gives its customers access to all major centers in the country. Standard Chartered Bank's worldwide network facilitates convenient connections with foreign trade and remittance business. Standard Chartered Bank's branch banking license in Bangladesh allows it to offer a full range of banking services.

On April, 2000 Standard Chartered Bank PLC bought the global banking business of the ANZ Grindlays Bank Plc from the ANZ Group, following which the branches of ANZ Grindlays Bank Plc in Bangladesh became units of the Standard Chartered Grindlays Bank Limited. Bangladesh operations of Standard Chartered Grindlays Bank have merged with Standard Chartered Bank on 1 January 2003, since when the combined bank has become known as Standard Chartered Bank.

On June, 2005 Standard Chartered Bank has acquired the commercial banking business of American Express Bank Limited in Bangladesh. The acquisition further consolidates their position as the oldest and largest foreign bank in Bangladesh and they look forward to serving American Express Bank's customers with their wide range of products and services. The purchase consideration will be approximately USD24.5million, payable in cash.

Today, the bank has 25 branches in Chittagong, Sylhet, Bogra, Khulna and Narayanganj, it also have one offshore banking unit inside the Dhaka Export Processing Zone at Savar,

Extensive knowledge of the market and essential expertise in a wide range of financial services have helped the bank to build business opportunities for corporate and services have helped the bank to build business opportunities for corporate and institutional clients at home and abroad. Continuous upgrading of technology and control system has enabled the bank of offer new services, which including unique ATMs and Phone banking.

- **Operational Network Organogram:**

Management in SCB consists of planning organizing, directing and controlling all of the resources of the organization. The goal of Standard Chartered Bank is to be the "Bankers of First Choice." Towards that goal, the overall planning in the Organization is done at the headquarters level in Dhaka by a Management Committee,headed by the CEO and consisting of the business heads of Corporate Banking, Consumer Banking, Treasury, and from the support divisions the heads of Human Resource, Operations and Finance Departments. They meet once a month, or when special situations arise, to plan the strategic decisions. The decision making, although apparently based on a top-down approach, leaves room for participation down to the level of department heads, which are responsible for carrying out the planning of their department within the broad guidelines set by MANCO. Management system and operational network organogram are given below:

i) Planning

SCB now follows a top down planning approach. The top managers have the authority to decide how they will achieve their goal because SCB worldwide decides the goal. The Business Bank mainly does planning and Retail Bank Division, IT Department provides all the assistance and information that is required to create and execute long term and short term planning. Planning and IR Department provides all the assistance and IT and other infrastructure in order to reduce the paperwork IT has taken a plan to achieve the long term plan.

ii) Organizing

Each of SCB's branches is being managed by one branch sales and service manager (BSSM). The performance of each branch is mainly dependent on the branch manager.

iii) Controlling

Management is partly authoritative and participant at the top level of SCB But every one has some assigned work to do for the day and they cannot deny this. Sitting arrangement is created in such a way that co-workers can sit close to each other and have sharing of their work and at the same time can have easy contact with each department coordinator/ Head. The work environment is very friendly. The room contains sufficient amount of light and is always kept cool by high capacity air conditioners.

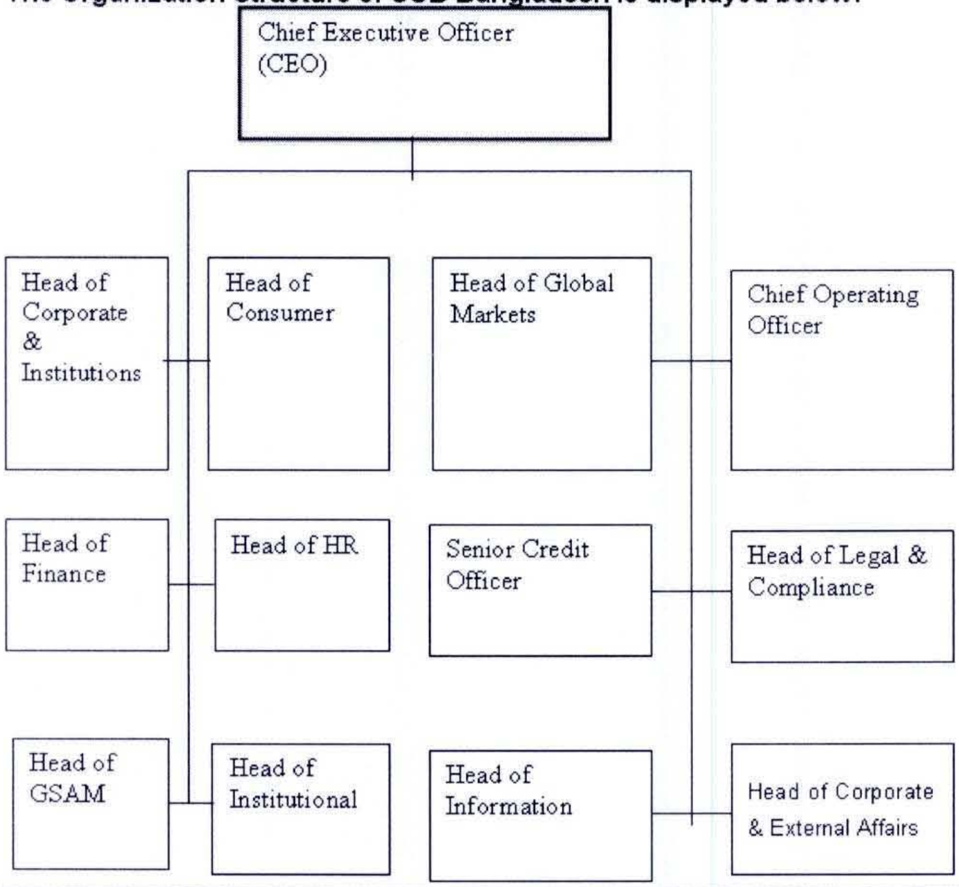
iv) Directing

SCB recruits people by two ways. One is a "Management Trainee" that has a probation period of six months and after the probation period the trainees will be counted as an officer and they will do the different kinds of managerial works and another is "Non-Management Trainee" which does not have any fixed probation period. Time required for training is dependent on the recruited person's performance. In case of non-management trainee, two ways of recruitment is taking place. They are:

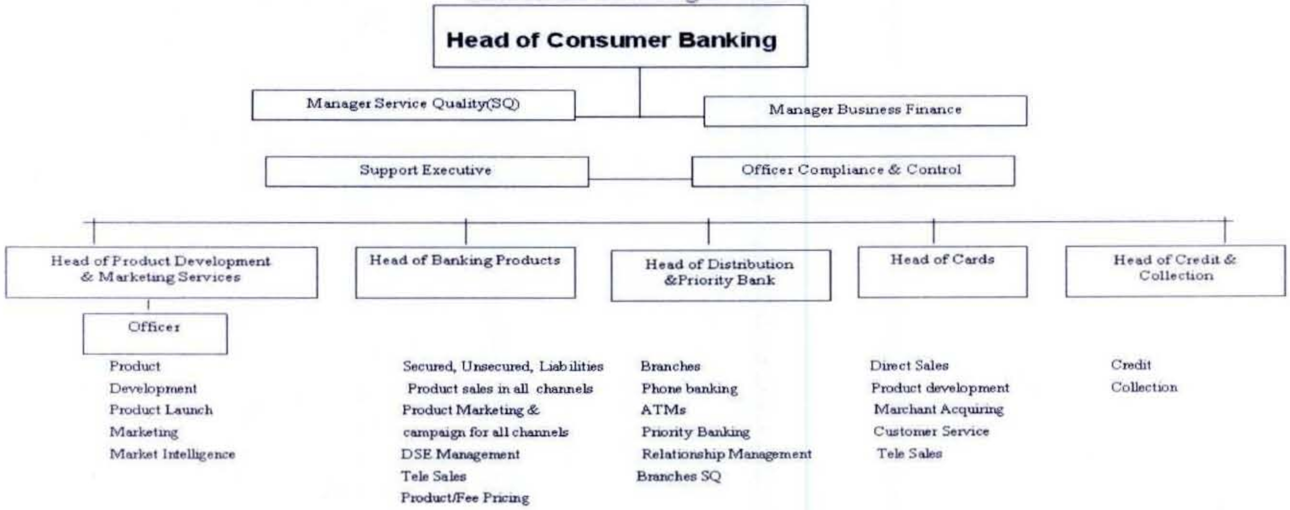
(a) Recruited by signing a contract with some outside organization for the three months and after three months the contract may be renewed or not depending on his/her performance. These people coming through outside contract are called "Outsource".

(b) Recruited by signing a contract with the bank for the three months and after three months the contract may be renewed or not depending on his/her performance. These people coming through bank contract are called "In source".

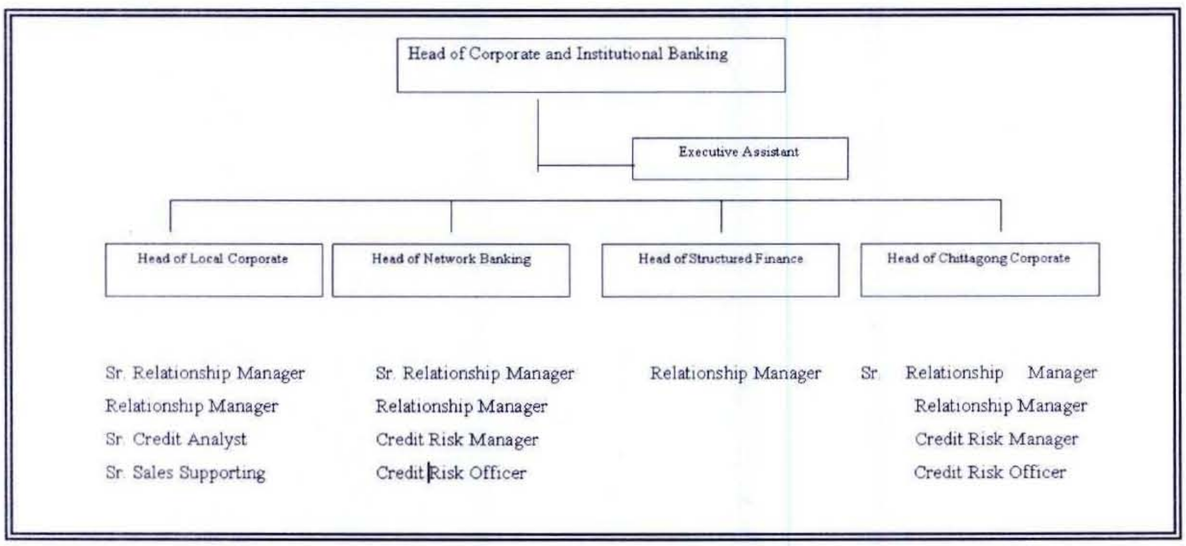
The Organization Structure of SCB Bangladesh is displayed below:



Consumer Banking Division



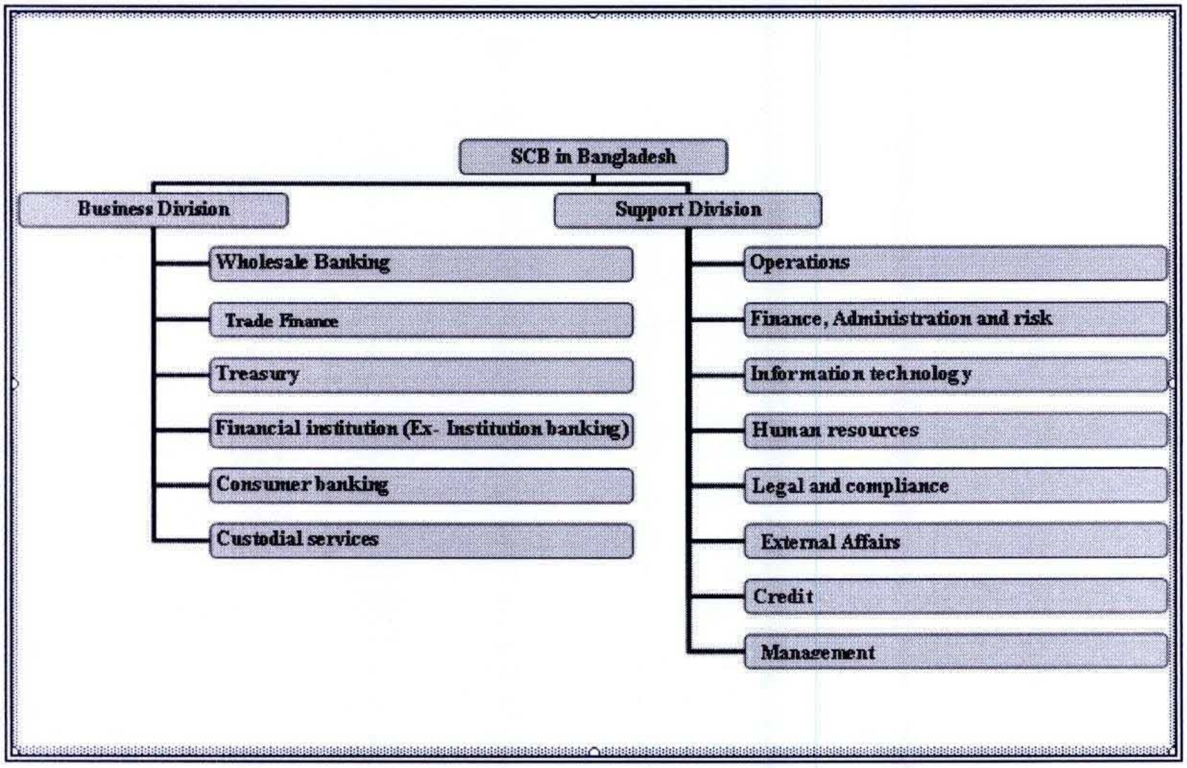
Corporate Banking Division

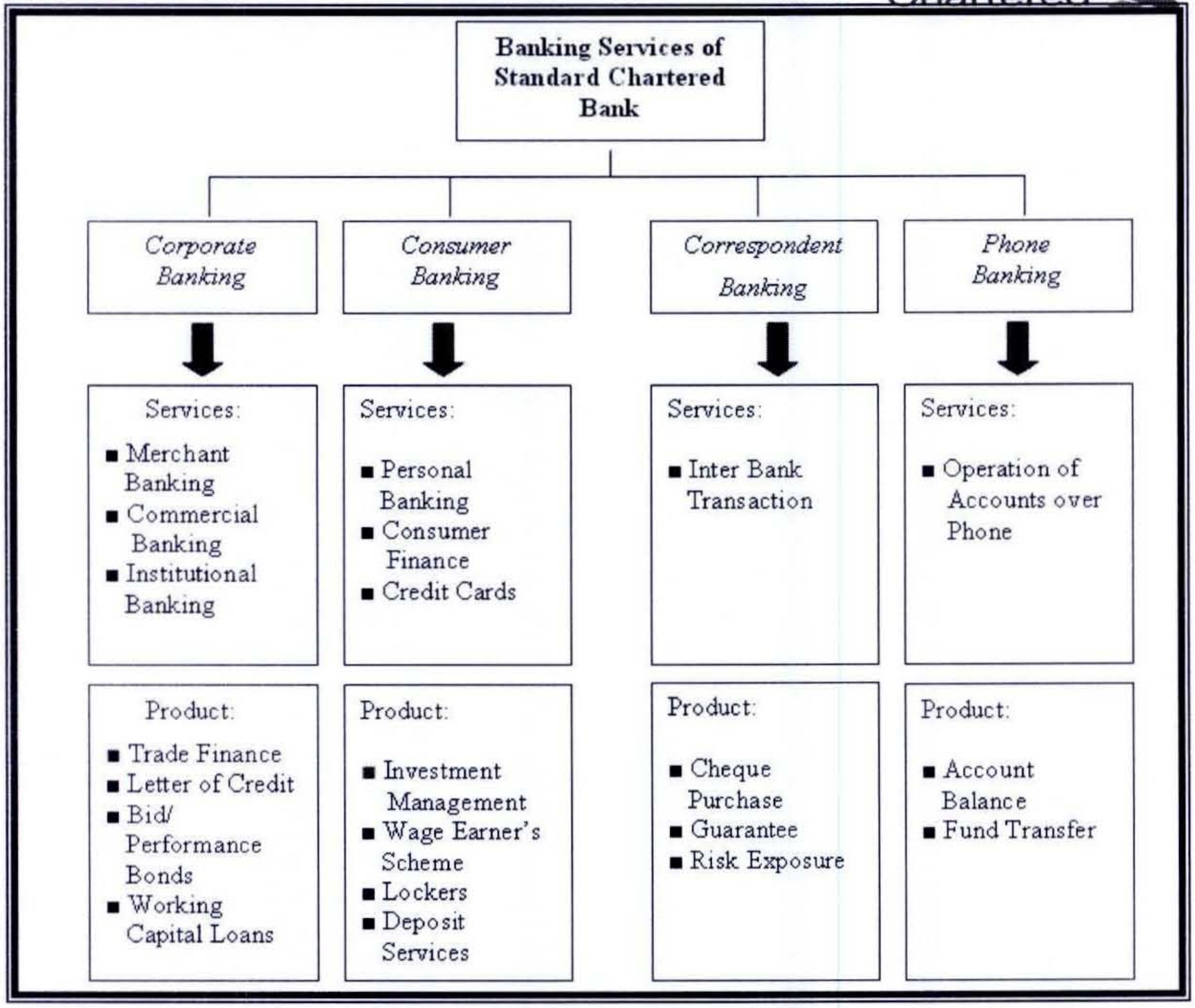


- **<u>Products/Services of different business units:</u>**

The functions of SCB can be divided into two areas, which are the business area and another one is the support area. Each area has different business units like corporate banking, consumer banking, and priority banking etc. Each business units have separate products or services which I describe below of this report.

And this functional division has been showed by a chart in the following:





1. **Corporate Banking/ Wholesale baking:**

Standard Chartered Bank offers it local customer's wide variety of financial services. All the accounts of corporate clients, which mainly comprises the top local and multinational companies operating in Bangladesh, are assigned to Relationship managers who maintain regular and close contact to cater top their needs.The objective of this department is to maintain a thorough knowledge of the clients' business and to develop positive relations with them. This is maintained through interactions to offer timely advice in an increasingly competitive business environment. The expertise of the Institutional Banking and Treasury groups is also available whenever required. The unique Offshore Banking Unit (OBU) in Savar provides a full range of facilities to overseas investors. The

Corporate Banking Group in Bangladesh has displayed a spirit of community involvement by working with NGOs to underwrite soft loans.

Standard Chartered Bank offers its corporate customers:

- The wide varieties of lending needs are catered to with skilled and responsive attention.
- Project finance and investment consultancy.
- Syndicated loans.
- Bonds and Guarantees.
- Local and International Treasury products.

2. Trade finance

The trade finance of standard Chartered bank takes care of the commercial activity related issues, particularly those related to import and export finance services. Some of the services are:

- Trade finance facilities including counseling, confirming export L/C and issuing of import L/Cs, backed by its international branch and correspondent loan network.
- Bond and Guarantees
- Project finance opportunities for import substitution and export oriented projects

3. **Custodial Service**:

A custodial service falls under the Corporate-banking group and is looked after by Standard Chartered Equator. The principal client of this are foreign is global custodians and brokers/dealers requiring cross-border information and sub- custodian services in the emerging markets.

In Bangladesh the Custodial services is a part of the Standard Chartered Equator and they offer the following services:

- Delivery and receipt of securities
- Registration and physical safe custody of securities.

4. Treasury

Standard Chartered is one of the world's leading banks in foreign exchange and money market operations with special strengths in exotic currencies. Customer are given access to 24- hour service, 7 days a week, through a network of dealing rooms located in various financial centers of the world.

The Treasury division of the Standard Chartered Bank in Bangladesh has a centralized dealer's room in Dhaka and consists of the following two areas:

a) Foreign Exchange

The Results monitors placed in the Treasury Division give continuous updates on exchange rate movements as well as ready access to market information. Experienced dealers provide advisory services from 8:00 am to late evening 6 days a week (except Saturday) on hedging techniques and risk management so that the customer can obtain better value for their foreign exchange transactions. The Foreign Exchange service includes:

- **Ready Contracts**: Foreign exchange contracts for the same day value, next day value or spot transactions.
- **Froward Contracts**: foreign exchange contracts to hedge exchange risks.
- **Cross Currency Contracts:** the customer can trade a wide range of currencies.
- **Information analysis:** The Treasure division publishes daily and weekly currency newsletter, which provide analyses of currency trends and related issues. Seminars and workshops are conducted for customers from time to time on foreign exchange related topics. Customer can also have access to the bank's information database round the clock through Phone Banking.

b) Money Markets and Investment:

Standard Chartered Bank's Treasure division is the local market leader in debt instruments including both short and long-term fund mismatches through the money market and takes front line positions in inter-bank call money rate, government T-bills of various maturities and inter-bank SWAPS.

5. Financial Institution Department (Former Institutional Business Group)

Financial Institution Department (former Institutional Banking) is a specialized banking unit of Standard Chartered, providing products and services to the specific needs of other banks and financial institutions. It assists the local banks by taking care of their cross-border business through the worldwide Standard Chartered Bank networking over 40 countries. It offers various services like L/C Confirmation, Negotiation, Inter and intra Bank Guarantee, Local Bill Discounting, L/C Advising, L/C Transfer, L/C amendment advising, Reimbursement Undertaking and Authorities, Fund Transfers, Export proceeds, BDT Draft Drawing, International Payments (T T's), Account Services (Vostro Account Management)

Institutional Banking (IB) is a specialized banking unit of Standard Chartered, providing products and services to the specific needs of other banks and financial institutions. It assists the local banks by taking care of their cross-border business through the worldwide Standard Chartered Bank networking over 40 countries. Following are the variety of financial products offered by this department:

- **Vostro Accounts**

IBG, Bangladesh maintains Vostro Accounts of banking and financial institutions worldwide, customer maintaining such account can remit funds throughout the country throug the Standard Chartered Bank branch network as well as through-Chartered Bank's local correspondent relationships.

- **Nostro accounts**

In order to increase and promote the correspondent banking business worldwide, IBG uses Nostro accounts to Bangladeshi banks and financial institutions in almost all esspanning the Standard Chartered Bank global network. Group branches and sides provide full clearing and payment services in the UK, USA, Hong Kong, Malaysia, Singapore and many African countries. Worldwide payments services are facilitated by a network of branches supported by electronic cash management (available in select locations), fund transfer system and membership of SWIFT.

6. Consumer Banking :

Standard Chartered Consumer Banking provides a wide range of deposits and loans services to the customers. For this reason day by day they introduce different type of account to satisfy customers needs and also provide different type of loan facility. To meet the demand of Bangladeshi customers SCB introduce Islamic bankig in our country name- saadiq Islamic banking. It's follows mudaraba system. Besides that through their alternate channel SCB provides SMS banking, i- banking, e- statement facility, call center facility and auto bills pay facility to their consumer banking customers. Bank offers a 24-hour service in Bangladesh through its Moneylink ATM network and Phone-link Phone Banking services. Some consumer banking products are given below and details of consumer banking products and services are describe in "consumer banking products & services" chapter of this report.

- Current Account, Savings Account, Fixed Deposit Account, Saadiq savings account, Freedom account, graduate account, BIL, PL, SME e.t.c

- Different documentation and rules are applicable to different types of accounts. Minimum balance requirement, interest, ledger fees, other charges all depends on management decision and varies from account to account . Personal Financial Consultants present at each branch usually service these accounts. Requirment for opening different types of deposit services , taking consumer loan and who can take what amount of lan e.t.c are describe also in consumer banking chapter of this report.

- **<u>Visions For The Future:</u>**

- **Motto:** To be the world's best international Bank by 2007.

  - **Vision :** Being the right partner, being passionate about customers' success and delighting them with quality service. Their vision for future is access to financial services, sustainable finance and community investment. Through this they want to be a high-performing bank, helping people and companies borrow, save and make transactions, share holders value creation, trying to manage risk- including the social and environmental issues that can impede or undermine sustainable growth.

  - **Mission:** Leading the way (Being proactive).

    Standard Chartered Bank wants to be proactive in the sense that they want to exceed customers' expectations, that is they want to come up with products and services having such features, before customers can start expecting them from SCB.

  - **Strategic Intent:** The world's best international bank. Which leading the way in Asia, Africa and the Middle East.

  - **SCB Objective:**

    Based on their mission and vision, Standard Chartered has come up with few objectives, which they believe will help them reach their desired destination. They are:

- **Gaining a larger market share**
- **Strengthening brand image**
- **Provide technologically advanced services**
- **Making banking comfortable and convenient for customers**
- **Encourage and motivate customers so as to increase sales and profits**
- **Ensuring customer satisfaction**

- **SCB's Strategies**

Standard Chartered Bank has formulated some strategies to achieve their desired objectives. These strategies include:

- **Promotional activities:** Standard Chartered Bank is trying to achieve their objective of increasing their market share by engaging in promotional activities. Example: They are offering free shopping worth Tk 2,000 from Agora to customers who will be able to refer at least 5 new customers to SCB.
- **Assigning targets to salespeople:** The salespeople of Standard Chartered Bank are assigned targets based on their desired increase in market share. Salespeople are paid based on the number of sales they can make. If they are unable to achieve their target, they are not paid. This acts as a negative motivational factor that is a driving force for the salespeople.
- **Offering a very wide range of innovative products:** Standard Chartered Bank wants to establish themselves as a strong brand name in the minds of customers. In order to achieve this objective they are continuously coming up with innovative products such as night banking, 24 hours ATM banking, 24 hours Phone banking, Internet banking, Sms banking, platinum credit cards having a maximum credit limit of BDT 1,000,000 and many more.
- **Introducing more convenient and comfortable means of banking:** The innovative products offered by SCB have already made banking more convenient for customers. They have introduced token systems for customers who want to engage in cash and cheque transactions or want to make remittances. Customers no longer have to wait for long hours in the queue; they can sit making themselves comfortable and wait for their token number to appear on the screen before they go to the counter.
- **Providing free gifts to customer who make more use of SCB's products and services:** Standard Chartered Bank has made use of promotional strategies such as providing customers with free gifts like perfumes, electronic products and shopping vouchers based on their use of credit card services. For each 50 taka of credit, customers earn 1 point. They then can get free gifts based on the number of

points they have made. They also offer free gifts to customers who make extensive use of ATM cards.

- **Introducing the concept of "Customer Loyalty Week":** SCB has introduced the concept of "Customer Loyalty Week", a week when loyal customers are welcomed with pleasant gestures such as flowers or chocolates. They are also given the opportunity to express their opinions about the service quality of Standard Chartered Bank by writing them down and dropping them in the suggestion box. The management of Standard Chartered Bank then takes actions based on customers' suggestions, to raise and restore customer satisfaction.
- **Branch Showcase:** It started from February 2009. every month all branches arrange a meeting with selected customers(note- each month customers are selected by the PFC of the branch) and the topic of the meeting decided by the consumer banking department of scb. On that showcase customer can share their advice, provide feedback e.t.c.

Chapter-3

- **Job Description:**

- **Nature of the job:**

Job Title: Internship

Division/Department: Process reengineering and customer service

Reports to: BSSM/STM

- **SUMMARY**

Perform to make database by using ms-excel, answer general customer inquires, take customer complaints.

- **RESPONSIBILITIES**

1. By using ms-excel visual basic programming tools making locker database, which was user friendly. Moreover making deferral for LAP, PL, Mortgage, Auto, BIL and PL. so that user can easily find out how many pending loan have on a particular month.
2. To do above job I was engaged to code for VBA, test the code whether it run or not.
3. When the program runs then my job was to input data from locker AOF. Primary key of that database was locker ID number. So when anyone came and asked for locker visit user just put his/her locker ID number and all data about that customer like name, charge status(overdue have or not) came out.
4. After finished that project BSSM gave me another project which was making deferral by using ms-excel. So that BSSM/STM can easily know how many pending currently have on their hands.
5. To do this I just input all pending and processing loans data. During input the data the fields was loan locator ID, Account number, loan processing start date, status e.t.c. So if BSSM/STM wants hey wanted to know current pending amount in his branch, they just click on data bar on excel and then click auto filter option and

select pending. Which show them total number of pending current have on their hand.

6. Making database was not my primary responsibility. I also worked with professional financial consultants who deals with customers. When I worked there I fill up account application form, fill up know your customer(KYC) form, fill up CIB form(credit information burue) and e.t.c

Since number of employee at Dhanmondi road two branch is 16 with BSSM so as an intern I have to work with both end process reengineering and customer service division.

- **Critical observation and recommendation:**

- Working conditions are normal for an office environment. But I face some difficulty during making database. Because SCB don't provide any PC for an intern, so to make database it took huge time to make because I got only 4 hour in a week to make a database. It means not everyday I got access the PC of SCB. So my recommendation is that SCB must provide PC for an intern so that interns can complete their task in a limited time frame and don't need to request any one for PC sharing.

- Due to too much customers pressure customer service officers and PFC's (professional financial consultant) don't get enough time to describe job to the intern, as a result first three weeks I didn't understand what task I have to do or what is my job description. So I think when an intern join in SCB, someone should describe what an intern will do during his/her internship period. Otherwise like me intern will face difficulty to do his/her daily task. Since intern don't have any chair for seat and PFC or CSO (customer service officers) don't describe the actual task to intern , so when any customers come and ask any quire to the intern its difficult for him/her to give proper answer. So explain job description at the very beginning of internship period.

Chapter-4

Standard Chartered consumer banking products and services

☐ Deposit items:

- Savings account:

Standard Chartered Bank offers different types of savings accounts for customers. Interest rates, features and fees of savings account vary on types of savings account.

- Conventional savings account:

To open a Savings Account one has to deposit a minimum of Taka. 200,000 and Taka 300,000 for extra value savings account (EVSA) and account holder of those account need to have average balance of Taka 50,000 at all times, otherwise a charge of Taka 500 will be debited and the closing charge for those accounts is Taka 200, and Taka 300 for EVSA accounts. If the A/C is closed before six months, the charge will be Taka 500 and Taka 1000 for EVSA.

- VIP savers account:

To open VIP savers account min account opening amount is TK.5 lac and to earn interest customers must maintain min amount of tk.5 lac. Half yearly average balance fees is tk.500 if balance fall below 1 lac.

- Saadiq account:

Saadiq is the Islamic banking product of SCB. Where interest don't provide to the customers rathe they provide profit. It follows mudaraba system where bank share profit with their customers. Here min account opening is tk.1 lac and to earn profit he/she must maintain min tk.1 lac . the half yearly charge is t. 500 foif amount fall below tk.1lac.

- Freedom aaccount:

To open freedom account person must be Bangladeshi citizen and him/her age must be with in 18 to 35 years. Minimum account opening amount is tk.25 thousands. Min amount required to earn interest is tk. 25 thousands.. sign up fee is tk.1000 where 1st year debit card fee included. Half yearly average balance fee is tk 1000 if savings amount fall below tk.15 thousands. Person who open freedom account he/she have access of four DBBL ATM transactions without any fee per month

- Graduate account:

To ope this account account holder must be university student and min account opening amount is tk.10 thousands.

- Access account.

Access account is quite new feature of SCB that allows customers to have an account with SCB without any charges that are present in other types of accounts. Access account differs from its other account services in the way that it requires no minimum deposit size and hence it doesn't provide any interest. The advantage is that students / people of medium income level trying to avoid high bank charges can use this account to meet emergency cash requirements. The account holders do not get any facility of cheque book and cannot withdraw more than Taka. 20, 000 in a day and also cannot overdraw their account. The charges include Taka. 150 per year and Taka. 250 for government excise duty. And the closing charge for those accounts is Taka 200.

- Power Savers Account:

Minimum account opening amount is tk. 50000, sign up fee tk.1000 where first year debit card fee includedto earn interest min amount must be tk.50000.

- Current Account(LCy&FCy):

To open a Current Account one has to deposit a minimum of Taka.50, 000 and account holder of those account need to have average balance of Taka 50000 at all time, otherwise a charge of Taka 500 will be debited and the closing charge for those accounts is Taka 250, and if it is closed before six months, the charge will be Taka 500. To open CA(FCy) account holder must be non- resident Bangladeshi and other feature and fees remain same.

Interest rate of Current Accounts (Local & Foreign Currency)

Minimum balance required	Interest Rate
BDT 50,000 or equivalent	No interest is paid

- Saadiq Current account:

SCB Islamic banking division also launch Saadiq current account. Feature and fees both are same as conventional current account.

- VIP current account:

Here min account opening amount is tk.2.5 lac and half yearly average balance fees is tk.500 if balance amount fall below tk. 1 lac. This account provide pay order fee free and account holder have option to sweep on short term deposit account.

➢ To open a Current Account one has to deposit a minimum of Taka.50, 000. And account holder of those account need to have average balance of Taka 50000 at all time, otherwise a charge of Taka 500 will be debited. And the closing charge for those accounts is Taka 250, and if it is closed before six months, the charge will be Taka 500.

- Fixed Deposit(LCy):

Fixed deposits are of varying tenors. Current tenors are (1,3,6,7,11,12,13,24,25,36,37,48,60) months and the interest rates also vary correspondingly. Fixed deposit accounts cannot be used for transactional pupose and interest can only be earned upon the maturity of the deposit. Minimum account opening balane is tk.1lac. Min amount required tk.1 million for tenor (7, 11,13,25 and 37) month.
Min amount required to open fixed deposit account is tk. 50000
Fixed deposit has the following features:

- Tiered interest rates, offering higher rates for larger amounts
- Interest payable on maturity
- Automatically renewable (with or without interest)
- Can be as security against personal/commercial loans

- Fixed Deposit(FCy):

It's based on international market rates and Bangladesh bank guidelines- to be advised by global markets to all branches from time to time.

- Short Term Deposit (STD) Accounts or Call deposit Account:

Minimum balance for maintaining a STD (Short Term Deposit) or Call Deposit Account is required BDT 250,000 for wealth and BDT 50000 for SME. Interest Rate on this type of account is 2.00% to 4.00% (Rate varies on amount). The main reason for big clients to maintain this type of account is just to earn interest on big amount on a daily basis.

- Monthly Savings Scheme:

MSS is one kinds of monthly deposit services. Customers who have savings/current/access account can get this services, where he/she can deposit their small savings and received profit with principal at the end of maturity they can take MSS . Here customers can deposit tk. 1000 monthly. To take this scheme customer need to deposit tk. 10000 first time. This scheme is for 3/5/7 years.

- Student file:

For customers, opening student file for SAARC countries, SCB charge BDT 4000 per student, per annum plus Taka 500 per remittance. This is a centralized system. No matter where the customers conduct his/her banking, for opening and maintaining student file. The charge for other countries is Taka 5000 per student file plus Taka 500 per remittance. This opening of student file is not available for non-customers. Require documents for opening student file are given below:

- Offer letter from the overseas University
- Details of annual expenses
- Pre-visa declaration

- Annexure " ka" of Bangladesh bank study abroad form signed by student
- Annexure " kha" of Bangladesh bank study abroad form signed by student and financer.
- An application on the plain paper signed by the financer.

- Business premium account:

The business premium account has been designed to create a relevant and exclusive package that will make business thrieve business premium account holders received following services:

- **Products:**

- SME Current account:
- SME call acoount
- Business account

- **Benefits**:

- Tiered interest rate
- Any branch banking facility
- 24 hours ATM facility
- Internet baking and sms banking
- Evening banking facility
- 24 hours call center facility
- Team of RM
- Free personalized cheque bok
- Free online intercity transaction facility
- Free OTC transactoion

- Free monthly account statementfree daily e-statement

➢ Eligibility:

By maintaining a min half yearly average balane of Tk. 500000 any of the following type of business entities & individual can benefit from business premium account

- Sole proprietorship: Just like the personal and joint account, an account opening form and one passport size photograph is required. The customer also needs to submit a copy of his trade license, Sole proprietor Declaration From and signature. The account holder must attested nominee's signature photo.

- Partnership:

Just like the sole proprietorship account, an account opening from and one passport size photograph is needed. Account holder must appoint a Nominee's signature and photo. Moreover the customer is required to provide the following documents:

➢ Required certified copy of the Partnership Deed of the firm.

➢ Certificate of Registration of the firm.

➢ List of partners with their address.

➢ Latest copy of Balance Sheet.

➢ Extract of resolution of the partners of the firm for opening the account and authorization for its operation duly certified by the firm's Managing Partner.

➢ List of names with appointments and specimen of the persons who are authorized to operate the account duly certified by the Managing Partner of the firm.

- Self employed professionals:

➢ Photocopy Passport/NID

➢ Photocopy of TIN

- 1 copy of passport size photo of nominee.
- If person have any business then need to submit trade license

- Limited liability company:

To open a limited liability company account the customer is required to submit the following documents:

- Certified copy of the memorandum and articles of association of the company.
- Certificate of incorporation of the company.
- Certificate from the Joint Stock Registrar that the company is entitled to commence business.
- Latest copy of Balance Sheet.
- Extract of Resolution of the Board / General Meeting of the company for opening the account and authorization for its operation duly certified by the Chairman or Managing Director of the company.
- List of names with appointments and Specimen signatures of the persons authorized to operate the account and request the bank to open a letter of Credit / Guarantee duly certified by the Chairperson or Managing Director of the company.

- Local development organization:

- Completed Account opening Form
- Resolution or Extract of Resolution for opening the Account and Authorisation for its operation should be certified as stated in the Articles of Association or by The Chairperson.
- Certified true copy of the Constitution / By-laws / Trust Deed / Memorandum & Articles of
- Association
- Certificate of Registration from The Ministry of Social Welfare

- Certificate of Registration from N.G.O Bureau (in case of NGOs funded by overseas donor Agencies)
- List of members of the Governing Body or Executive Committee with their address

  Photographs of Signatories duly attested
- Resident Foreign currency deposit account:

Specially designed foreign currency account for Bangladeshi resident. Offers wonderful opportunity to build a deposit base in foreign currency. Helps make for overseas commitments and dues like credit card bills, traveling expense, recreation tours, etc. This service is offered in currencies like USD, GBP and Yen. The interest that SCB offers is very competitive, but the deposit can only be made in foreign currency. The withdrawals can only be made in local currency. It offers fund Remittance in LCY and FCY to any place in and out of the country. Minimum Balance required to open RFCD account is $ 1000 and if balance falls below min amount then no interest paid interest rate is based on global market condition.

- Foreign Currency Current Account:

Applicable to Bangladeshis working abroad, it can be opened in USD, GBP and Yen without restriction on transaction frequency. Can be operated through nominees, in absence of the account holder. Fund remains in foreign currency and is freely remittable. The deposit can be made in foreign currency only (Cash, TC or Drafts or transfer from other FCY account). But cash withdrawals can only be made in local currency only. Fund can be used to make investment in Wage Earners' Development Bond and US- dollar Bond.

- Non - resident Foreign Currency Deposit (NFCD):

A short-term foreign currency deposit account suitable for Bangladeshis living abroad, offering most competitive interest rates available in both local and international markets. The interest paid in this account is in foreign currency, it can be opened for a term of 1 months, 3months, 6 months and 12 months. The interest rates are tiered (based on amount and term), but payable on maturity, but automatically renewable. It can be used as security against personal/commercial loan:

▪ **Basic requirement to open an account:**

I already describe different type of deposit products offered by SCB Bangladesh. To take this product customer must fulfill some basic requirement. Moreover deposits products are two types. One is personal bank account and another one is business account. Personal account again have two part one is local currency account and another one is foreign currency account. Requirement to open bank account are describe below:

- Local currency account:

1. Passport/NID reference letter of the applicant
2. two copy photo of the applicant
3. 1 copy passport size photo of the nominee
4. proof of employement/business
5. forwarding letter from the employer in company letter head

- Foreign currency account:

1. (Point 1,2,3 of the above mentioned requirement)
2. Proof of employment/business
3. Social sequirity card/health card/green card/citizenship card
4. Driving license(if have)
5. Utility bill/ bank statements
6. Initial deposit of $ 1000

- Business account:

1. (Point 1,2,3 of the local currency account opening requirement)
2. Trade license

3. TIN(optional for sole proprietorship a/c)
4. Memorandum of article and board of resolution in support of the opening of account
5. Valid photo ID of all the partners(for both partnership and limited liability company)

Interest rate Matrix

	Conventional A/C		VIP savers A/C		Freedom A/C	
Savings Account	Monthly Min Balance(tk)	Rate	Monthly Min Balance(tk)	Rate	Monthly Min Balance(tk)	Rate
	<200k	0%	<500k	0%	<25k	0%
	Between 200k to 1M	2.75%	Between 500k to 1.5 M	4%	Between 25k to 50k	4%
	1M and above	3%	1.5 M and above	4.5%	Between 50k to 100 k	5%
					100k and above	3%

[Note: k means thousands, M means million]

	Access A/C		Power savers A/C	
Savings Account	Monthly Min Balance(tk)	Rate	Monthly Min Balance(tk)	Rate
	<100k	0%	<50k	0%
	Between 100k to	2.75%	Between 50k to 100k	4%

	1M			
	1M and above	3%	100k and above	4.5%

Current Account	Monthly Min Balance(tk)	Rate
	50000	No interest paid

Fixed deposit interest rate matrix

Tenor(month)	BDT2m & below	Between 2m to 10M	Above BDT10M
1	5.25%	5.5%	6%
3	5.75%	6%	8.75%
6	6%	6.25%	6.5%
7	8%	8%	8%
11	9.5%	9.5%	9.5%
12	7%	7.25%	7.5%
13	11%	11%	11%
24	7.5%	8%	8.25%
25	12.5%	12.5%	12.5%
36	8%	8%	8.5%
37	12.5%	12.5%	12.5%
48	8%	8.5%	9%
60	8%	9.5%	10%

- Consumer banking services of standard chartered bank

Phone Banking Services:

Phone banking service allows the account holders to make inquiries and service requests over the telephone. To get this Service all a customer needs to do is to fill up a Phone - Banking form mentioning his name, account number, contact address, and phone phone number. After the application TIN (Telephone Identification Number) is given to that customer. TIN is a personal security password, which a customer can change at any tine. A person who requests service through Phone Banking is required to take delivery of the service by nominated branches within two days of requests. If a customer fails to receive this service within two days the request will be cancelled and Taka. 200 will be charged

Inquiries Relating to	Requests for	Advice of
Account Balance	Balance Certificates	Stop payment
Exchange Rates	Account Statements	Change of address
Interest Rates	Access Card Activation	Lost Cheque Books
	Issue of Cheque Books	
	Fund Transfer	
	Pay Order	

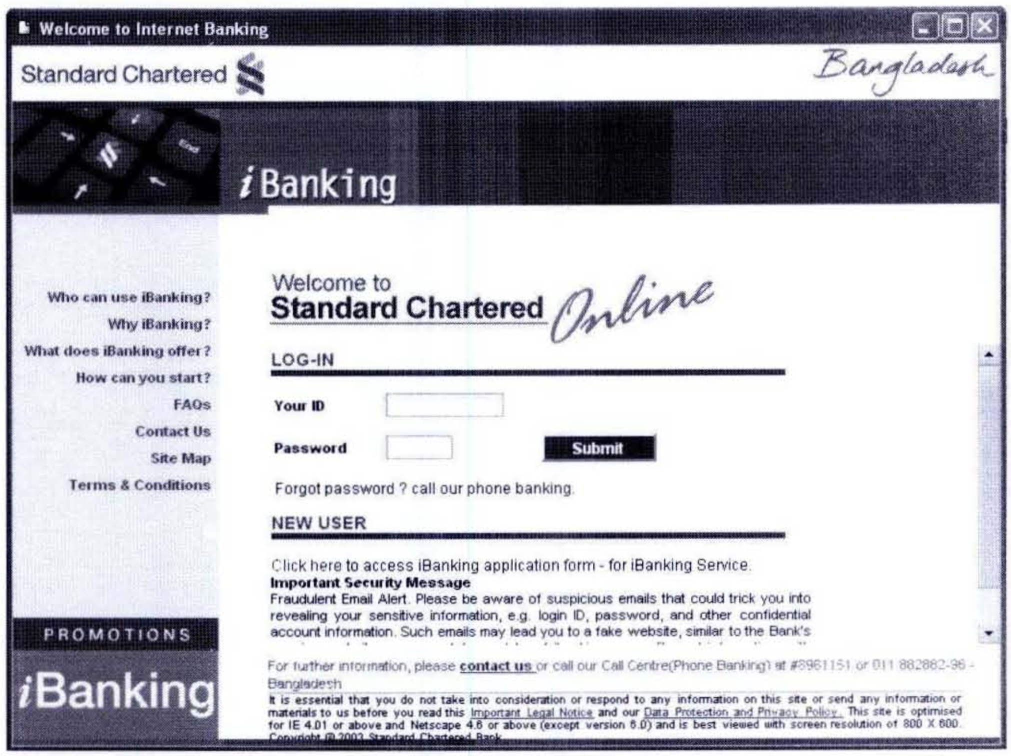
from his personal account. Moreover this service is free for any types of account holder. Customers who take this services can able to get following facility:

- **<u>Speed Cheque Deposit service:</u>**

The Speed Cheque Deposit system saves a customer's precious time by allowing him to drop the Cheque in the Speed Cheque Deposit Box. All a customer needs to do is to complete the Cheque deposit slip and keep the counterfoil. To complete the Cheque deposit slip a person has to mention the account number of the Cheque, the name of the bank with branch, cheque number and amount. After finishing writing the cheque deposit slip the customer needs to staple the cheque with the slip and drop it inside the box.

- **Internet Banking:**

Standard Chartered Bank's Internet Banking Service is a fast and easy answer to all the customers financial management needs, allowing you to bank from wherever they desire, in total security and confidentiality. No more standing in queues and it is absolutely free. I-Banking is a convenient, user- friendly way of staying informed and in control of the customers finances from anywhere in the world. Through this customers can get following services:



- Account Services- View entire relationship with the bank at a glance, check customers' account balance view and download statements. To take bank statement customer get the benefit for not paying any chage for that. Which they actually paid when collect bank statement from braches which is tk. 575 for one year bank statement.

- Fund transfers- transfer funds between customers' own SCB accounts.
- Bill Payments- Pay selected utility bills online.
- Standing Orders- Enjoy the convenience of requesting the set-up of standing orders from wherever the customers are.
- Credit Card- View the customers' card statement, pay their dues, check their card balance and also apply for a credit limit increase.
- Cheque Status- Check the status of cheque issued from customers' accounts.
- Personal Information- Change customers' password as and when necessary.
- **Security:**

To ensure that client's organisation's data cannot be accessed by anyone other than the authorised users, all the reporting information has been secured using Verisign and Secure Sockets Layer (SSL)-which are industry standard security solutions for communication and transaction over the interest.

- **Evening Banking**

Evening Banking, launched in December 2003 in four branches of Standard Chartered Bank (SCB) was the first of its kind in Bangladesh. Addition of this service to the existing services of SCB proved SCB as an innovative bank responsive to customers' needs.

Evening Banking, at present is available in the following branches of SCB:

- Gulshan branch
- Dhanmondi road no.2 branch
- Dhanmondi road no.5 branch
- Nasirabad branch (Chittagong)

Evening banking is available from 6.00 pm to 8.00 pm. It offers the following services:

- Cash deposit
- Cash withdrawal
- Cheque deposit

Cheques are only accepted during Evening Banking. The processing of cheques is done the next morning.

This is particularly for that group of customers who remain busy throughout the day and do not have the time to visit the bank. They can avail the banking service from 6pm to 8pm in the evening branch.

- **Money Link (ATM) Card**

SCB Launched Automated Teller Machine (ATM) in Bangladesh in the year of 1998. A person can access his personal, current and savings account 24 hours a day by using a Money Link Card or ATM card in this machine. This card can be used for cash withdrawal, cash / cheque deposit, fund transfer between accounts, balance inquires, statement requests etc. Apart from SCB Money Link cards (ATM) it also accepts both local and International Master Card and VISA Credit Cards. Taka 150 is charged per ATM card for a period of 1 year. For security reason a person cannot access his account without his PIN (Personal Identification Number).

- **E- Statements**

Customers with an e-mail address can enjoy the privilege of receiving e-Statements from Standard Chartered Bank. It is a fast, reliable and efficient service of Standard Chartered Bank to minimize customers' paperwork and maximize their convenience.

All customers have to do to avail this service is to complete an e-Statements Application Form. Customers who take this service he/she can print his/her bank statement at home and attach branch seal from branch official. Most important thing is that customers don/t need to pay huge charge for bank e-statement which they actually paid when customers collect bank statement from branch and the chrge on that time is tk.575 for one year bank statement.

- **SMS Banking**

SMS banking is the simplest way of finding out a customers' Account's daily/ month end balance or their Credit Card's daily outstanding Balance and available limit; statement balance, minimum amount due and payment due date. With SMS banking all the information will be available on a customers' cell phone of any company through SMS

- **Auto Bills Pay**

It is the simplest and most convenient way to pay Monthly bills of mobile phone, electricity, internet, cable TV, etc. With a Standard Chartered Credit Card or Account, the hassle and frustration of paying bills the traditional way can come to an end. Auto Bills Pay offers a one-stop bill payment solution in a friendly and relaxed environment. Once a customer becomes a member of Auto Bills pay, payment of bills are made every month by debiting the customers' Standard Chartered Credit Card or Account.

- **Locker services:**

SCB's locker service offered from Dhanmondi (2&5), Bogra, Mirpur, Khulna and Sylhet branch gives a modern facility for safekeeping of precious items, confidential documents and other valuables. Other features:

* Personalized service from a dedicated locker officer
* Available to any customer (for an annual fee which depends on locker size)
* Accessibility anytime during the banking hours
* No additional charge for locker visit

- **Schedule of charges for different services**

Products/services name	**Charges(tk)**
Issue of duplicate statement	current year- tk. 575, previous year 1150
Solvency certificate	300
Certificate of interest	300
Dormant account	1000 annually
Unclaimed account	1000 annually
Student file certificate	300
Loan certificate	500
Debit card new	600 annually
Debit card replacement	300
Account closing	500

Locker charge	Large-5000annualy, medium – 4000, small- 3000
Dishonored cheque	1000 per cheque

TC issuance(a/c holder)	1%+tk.200
TC issuance(non a/c holder)	1%+tk.200(min tk.1000)

□ Consumer Loan:

- **Loans**

1. Auto loan:

Standard chartered bank car loan is a term financing facility to individuals to aid them in their pursuit of has a car of their dream. The facility becomes affordable to the clients as the repayment is done through fixed installments across the facility period. Depending on the size and purpose of the loan, the number of installments varies from 12 to 60 months. Per son who wanted to take card loan he/she apply for those cars which have maximum 8 seats. Minimum loan amount is 1 lac and maximum is 20 lac. Now consider if any one choose a car, which price is 40 lac. In this case SCB will give 20 lac taka auto loan and 10 lac taka personal loan. Interest rate of car loan varies from (16-17)%. Auto loan is full secured investment because car is being kept as collateral.

- **CIB requirement**: If loan amount is above 10 lac then need CIB. Moreover customer who wanted to take auto loan if have any previous liability with us and in that case if 5 lac taka is loan amount then also need CIB of that person.

- **Targeted market**
  The target market for personal loan will mainly comprise of following category:

a. **Salaried employees:** Age limit of salaried person must be 23 years. Person minimum salary must be tk.25000 and for auto loan SCB granted cash salary of that customers. Permanent salaried employees with at-least 12 months of confirmed service with the present employer.
b. **Professionals**: Same as salaried employees only difference is in age limit. Here person age must be 25 years.
c. **Businessmen** : Businessman requirement is same like personal loan requirement of businessmen.

- **Processing fee:**

For loan amount from BDT 200,000 to BDT 399,000 : BDT 5,000. For loan amount from BDT 400,000 to BDT 999,000 : BDT 7,500. For loan amount 1,000,000 and more: 1% of loan amount.

2. Personal Loan:

The product is a term financing facility to individuals to aid them in their purchases of consumer durables or services. The facility becomes affordable to the clients as the repayment is done through fixed installment's commonly known as EMI (equated monthly installment) across the facility period. Depending on the size and purpose of the loan, the number of installments varies from 12 to 48 months. Maximum loan amount is tk. 10 lac and minimum loan amount is tk. 80000. Personal loan is an unsecured loan. No collateral taken for this. Moreover for service holder salary must be account pay not cash pay.

Standard Chartered

The target market for personal loan will mainly comprise of following category –

a. Salaried employees
b. Land Lord
c. Businessmen

Restrictions and client eligibility

1. Loans are restricted to Bangladeshi nationals falling in the categories mentioned below

Salaried employees	- Permanent salaried employees with at-least 12 months of confirmed service with the present employer. - Salary amount must be minimum tk. 15000. If person salary account have with SCB then get loan of 18 times of his / her salary and if not have with SCB then get loan of 14 times of his/her salary. - Necessary Documents: 1. Letter of introduction 2. Pay slip 3. If loan amount is less then tk. 300000 then don't need any personal guaranter 4. If loan amount is less then tk. Then don/t need any TIN.
Land Lord	- His/ Her Bank statements minimum balance must be tk. 20000. and bank statement must be last 1 years - Land lord get loan of his / her 20 times of loan amount

	- Necessary Documents: 1. TIN 2. NID 3. City Corporation tas fee receipiet 4. rental slip 5. Dees of agreement copy
Businessmen	- Businessmen must need to prove 40 lac yearly turnover from his/her businesss - Necessary Documents: 1. Trade license photo copy 2. TIN photo 3. NID photo copy 4. Utility bill 5. Bank statement last 12 month 6. Personal Guarantee prove. 7. Any other documents asked by bank officials.

- CIB requirement:

Actually for PL of SCB don't ask CIB for new loan , but if person who wanted to take PL and if he/she have any previous loan with SCB then CIB required. At this time if loan amount is tk. 5 lac to tk. 10 lac then also need CIB.

- Interest rate:

Interest rate for PL vary. If salaried employees salary account have with SCB then SCB gives loan with 18% interest rate. If person organization have contract with SCB about loan issue then person get loan with 14% interest rate but it's actually vary on the basis of organization, like GP employees get PL with 14% interest rate but not every organization employees get this though have contract with SCB and if salaried employees don't have above option then SCB gives loan to that person with 20% interest rate.

Minimum interest rate for businessmen and for land lord is 20.5%.

- Loan processing fees: 2% of loan amount+tk.350 stamp price+ 15%govt VAT
- EMI Schedule:

Rate/Tenor	20.50%	20%	19.50%	19%	18.50%	18%	17.50%	17%	16.50%	15.50%	15%	14.50%
12	9287	9263	9240	9216	9168	9168	9144	9120	9097	9073	9049	9026
24	5114	5090	5005	5041	4992	4992	4908	4944	4020	4896	4872	4849
36	3742	3716	3691	3666	3615	3615	3590	3590	3540	3516	3491	3467
48	3070	3043	3016	2990	2937	2937	2911	2911	286	2834	2808	2783
60	2677	2649	2622	2594	2539	2539	2512	2512	2458	2432	2405	2379

Rate/Tenor	14%	13.50%	13%	12.50%	12%	11.50%	11%	10%	9%	8%	7%	6%	5%
12	8979	8955	8932	8908	8885	8862	8838	8792	8745	8699	8653	8607	8561
24	4801	4778	4754	4731	4707	4684	4661	4614	4568	4523	4477	4432	4387
36	3418	3394	3369	3345	3321	3298	3274	3227	3180	3134	3088	3042	2997
48	2733	2708	2683	2658	2633	2609	2585	2536	2489	2441	2395	2349	2303
60	2327	2301	2275	2250	2224	2199	2174	2149	2040	2000	1980	1933	1887

3. Mortgage:

The product is a term financing facility to individuals to aid them in their purchases of apartment or house or construction of house or take over purpose. The facility will become affordable to the clients as the repayment is done through fixed installment as commonly known as EMI (equal monthly installment) across the facility period. Depending on the size of the loan, the maximum period of the loan would be 180 months (15 years for businessmen), 20 years for service holder.15 to 20 years for land lord. Loan amount is provided on the basis of 70% of market value but maxim loan amount is 75 lac. Minimum mortgage amount is 10 lac. This is full secured loan. Because registered mortgage of the property or any other equivalent property in favour of Standard Chartered Bank. Though maximum loan amount is tk. 75 lac but assume two friend X and Y. both are working is a same organization or involve with same business. Now both friend wanted to buy two flat in baridhara which piece is 1.6 core. But in this case SCB will give them 1 core rather than 1.5 core(75 lacs+ 75 lacs).

Take over: Suppose person "M" already take a mortgage from EBL with an interest rate 16%. But after one mr M listen that SCb provide mortgage facility with a lower interest than EBL. Let assume 13.5% if he wanted to take this. Now he can contact with SCB professional financial consultant and take the service take over. Through this his/her previous mortgage shifts to SCB. In this case SCB provide EBL rest of the amount on behalf on Mr. M.

- Targeted market:

The target market for Mortgage will be mainly focus in Dhaka and Chittagong. However, strong recommendation from branches operating in other areas will also be facilitated with the major concentration on the following category –

Salaried employees of institutions with minimum 3 years continuous service and SCB will give maximum 80% loan on the basis of market value of the flat/home.

- **Self-employed Professionals** who are self employed and have at-least 3 years of independent practice in the area of profession. (Example: Doctors, Dentists, Engineers, Chartered Accountants, Architects who are members of their professional institutes.)

For service holder and self-employed professional maturity is 15 years.

- **Businessmen** who wanted to take mortgage SCB give maximum 70% loan of the market value of the home. But one important thing is whatever the amout of the home SCB maximum loan gives tk. 70 lac.

Suppose two friend works in a same organization or do partnership business. Now they wanted to buy tw flat. The market price of the flat is tk. 1.6 core but SCB only gives maximum TK. 1 core. For businessmen maturity is 15 years.

Restrictions and client eligibility

1. Loans are restricted to Bangladeshi nationals falling in the categories mentioned below: The minimum age for any borrower will be 30 years with a maximum age 60 years (at the time of application).

Processing fees:

1.5% of loan amount+ 15% govt VAT+ try partiate agreement fees

Interest rate schedule:

Tk. 15 lac = 12.5%

Tk. (15-20) lac = 13.75%

Tk. (20-75) lac = 14.25%

4. <u>Loan Against Poperty(LAP):</u>

Standard Chartered Bank has launched a product styled Lone Against Property for the small and medium enterprises business in 2008 LAP allows the SMEs to grow their business through maximizing utilization of commercial or residential properties. The maximum term loan offered under this scheme is Taka 2 crore 80 lakh against a maximum tenure of 10 years. Purpose of this loan is funds expension for business, long term working capital needs, business premise renocvation, machinery purchase and office equipement purchase.interets rate for Lap is 16%. To take this loan customer must keep his/her resident/office space or liquide property as collateral. SCB take those property which age is less than 20 years. Loan amount is depend on property value. If office space is collateral then give 75% loan for office space market value and if residence give as collateral then give 70% loan for residence market value. To take this loan it is not mandatory to provide bank statement to SCB from the customer but property documents is mandatory.

- Target market:
- Customer must be located in Dhaka or chittagong
- All SME except the restricted and exclusion sectors
- Target customers consists of sole propertership, partnership and private limited company
- Customers business age must be 3 years
- Age of the owner: min age- 25 years and max age- 65 years

- **Condition for property types:**

- Insurance coverage to be mandatory
- Only complete property taken as collateral
- Property owned by family members considered as third party owned property.

- **Securing arrangement:**
    - 3rd party personal guarantee required when the collateral will be owned by a 3rd party.
    - Registered mortgage of the property is mandatory.

- **Loan processing fees:**

1.5% of loan amount+ 15% of govt vat + trip arty agreement fees

- **Necessary Documents:**

1. Property ownership deed
2. power of attorney(if any)up to date municipal tax receipt
3. Utility bills
4. customer NID
5. Customers TIN certificate photocopy
6. Passport size photos
7. Any other documents asked by bank officials

- **EMI Schedule:**

Tenor	**36**	**48**	**60**	**72**	**84**	**96**	**108**	**120**
Rate: 16%	**3516**	**2834**	**2432**	**2169**	**1986**	**1853**	**1753**	**1675**

The table shows that how much customers pay monthly for taking 1 lac taka loan. Suppose MR."M" take LAP tk. 1 lacs, since interest rate is fixed 16% so he need to pay tk. 3516 monthly if loan maturity year is three years. As loan maturity increases equal monthly installment amount falls. Which we can se from above table.

5. Business installment loan/SME loan/Orjon:

Business installment loan, SME loan and Orjon all are almost same. They are one family product. Documents necessary to take any one of this three are same but only difference is orjon are for women entrepreneur. Loan amount minimum and maximum all are same. Standard Chartered's BIL provides customers the fastest turnaround time for a business loan in the market. The Business Installment Loan provides a convenient source off financing for SMEs fast and affordable financing is vital for SMEs to succeed. Business Installment Loans provides customers with the right tools to grow and build their business." Standard Chartered believes that the Standard Chartered BIL is the most popular small business loan in the market with the highest customer satisfaction and loyalty rating. To get BIL customer must keep 50% his/her FDR as collateral. BIL is partially secured. Here CIB submission is mandatory. FDR must be made before four hour of loan disbursement. If proprietorship business then CIB of owner need and if company then all owner CIB mandatory. If person who wanted to take BIL and have any other loan with SCB then he take BIL and in this time he keep 30% of his FDR as collateral. For new customer maturity is 5 years and provides loan maximum tk. 60 lacs but customers who have taken a loan already from SCB then for him/her maturity is 4 years and provide loan maximum tk. 70 lacs. To get this loan customers yearly business sales turnover must be 1.2 core.

- **<u>Features and eligibility:</u>**

Product	**Details**
Eligibility	1. All SME businesses where the Key personnel have 3 years experience in the line of business. Evidence through Trade License, Certificate of Incorporation

	2. Satisfactory credit report
Method of Appraisal	The clients business experience, expertise, business volumes and monthly cash flow are used in the assessment process.
Margins (indicative)	The quality of receivables would be of importance in fixing margins up to which working capital is made available.
Tenor	Maximum 60 months.
Interest	19.5% fresh customer and 28.5% old customer
Processing fee	Processing fee of 1% is generally charged on small loans+tk.320 stamp.
Necessary documents	1. Granter declaration, NID/TIN, photos 2. Utility bills 3. Import license 4. export license(if have) 5. trade license 6. Any other documents asked by bank officials

- **EMI Schedule:**

Installment tenor	**36 month**	**48 month**	**60 month**
Top Up Old customers	**3626**	**2949**	**2552**
New Loan	**3675**	**3000**	**2605**

The table shows what would be the monthly installment for BIL for new loan and for customers who already have a BIL with SCB. From above table we can see that if customers take loan for 36 month then old customers (who already take a loan from SCB) need to pay tk. 3626 and if new customers take tk. 1 lacs then he need to ay tk. 3675 monthly.

6. Flexi loan:

Flexi loan s a full secured loan provided by SCB. To take this loan customer have to keep his FDR as collateral. In this time FDR is 100% lien. Moreover bank statement submission is not mandatory.

- **Purpose:**

House renovation, furniture or other household items for personal/family use, electrical and electronics including computer and accessories for personal use, marriage for primary family members, office renovation, medical treatment, higher education and purchase of office equipment/ accessories and travel abroad.

Loan amount	Max Tenor Allowed	Interest rate
100k-499k	Max 36 month	19%
500k-999k	Max 48 month	19%
1000k-1200k	Max 60 month	19%

- Processing fee: 2% of loan amount+tk.350 stamp price+ 15%govt VAT

7. Credit Card

Personal banking and business banking of SCB, though these two are the major functions of any commercial bank, a description of SCB's customer services will not be complete without a discussion on its Credit Card services. In fact, SCB is the pioneer in the card services of Bangladesh. This section of the report discusses different care services of SCB. A credit card is a revolving loan facility, which can be used to purchase goods and services and withdraw cash at wide range of outlets. SCB first introduced the Taka credit card in Bangladesh. Its credit card division offers both national and international credit cards. There are two logos- VISA and MASTER. Three types of national credit cards are offered as,

- VISA Silver
- MASTER Silver and
- MASTER Gold

- **Benefits of Credit Card**

A SCB credit card offers a wide range of benefits like:

- A minimum credit limit of Tk 10 thousands for Silver and Tk 1 Lac for Gold Card.
- Free air travel death accident insurance Tk 5 Lac for Gold, Tk 1 Lac for Silver Card
- Convenient way of payment for purchase
- Maximum of 45 days free credit period
- Flexible and easy repayment options
- Credit can be used in over 3500 retail and service outlets around the country.
- 50% cash advances of the credit limit from 25 ATMs, 24 hours a day or from any sales and service center of the bank during office hour.
- No need to carry cash anymore.
- 24 hours customer service over phone.
- One lifetime free supplementary card.
- Minimum 7% discounts in good restaurants in Dhaka, Chittagong and Sylhet.
- Paying credit card bill through ATM machines.

- **Eligibility to Get a Card**

For getting a national credit card customers have to fulfill two conditions. These are:

- Card applicant should be aged between 21 and 70 years
- He/she should have a regular gross monthly income of Taka 10 thousand for Silver Card and Taka 55 thousand of above for Gold Card after tax.

For applying for an international credit card, customers have to fulfill the following conditions:

- Card applicant should be aged between 21 and 70 years
- Applicant should have a foreign currency ($) or dollar account (RFCD account)

The national card may be issued on the basis of monthly gross income or against Lien but the international card can only be issued against Lien.

- **SCB Credit Card Features**

Details	Gold Master Card	Silver VISA/Master Card
Annual Fee for Primary Card	Tk. 3,000	Tk. 5,000
Joining Fee	Nil	Nil
1st Supplementary Card Fee	Free	Free
Additional Supplementary Card Fee	Tk. 2,000	Tk. 1,000
Over Limit Fee	Tk. 500	Tk. 200
Replacement Fee	Tk. 500	Tk. 200
Interest Rate on Outstanding	2.5% Per Month	2.5% Per Month
Returned Cheque Fee	Tk. 500	Tk. 500
Duplicate Statement Fee	Tk. 50	Tk. 50

☐ Standard Chartered Islamic Finance:

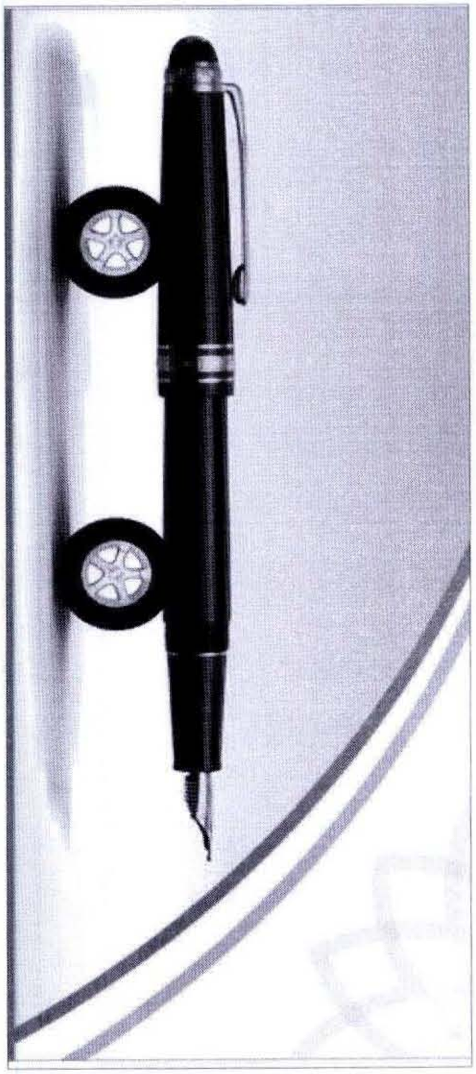
Standard Chartered Islamic Banking in Bangladesh was launched in 2004 and has been growing significantly in the last two years. Standard Chartered Saadiq **("Saadiq" which means "truthful")** is the product of Islamic baking. Standard Chartered Bangladesh has a wide variety of Islamic financial products, such as savings and current accounts, fixed deposit, credit card, personal and auto finance. Recently Standard Chartered launch Saadiq mortgage.

- **Saadiq home finance:**

Saadiq home finance would provide potential as well as existing homeowners with a variety of choices in property purchases and renovation. The maximum limit of the loan will be Tk 75 lakh. The scheme will be based on the concept of "Hire-Purchase under Shirkatul Melk".

In Shirkatul Melk, co-ownership is formed between two or more persons who share the ownership of a tangible asset in an agreed proportion. One of these co-owners undertakes to buy in periodic installment of the proportionate share of the other co-owners until the full ownership of the asset. The principle of Shirkatul Melk can be used for home-buying services. Diminishing Musharaka means it reduces equity in an asset with any additional capital payment customer make, over and above your rental payments. Customer's ownership in the asset increases and bank's decreases by a similar amount each time you make an additional capital payment. Ultimately, bank transfer ownership of the asset entirely over to the customers.

- **Auto Finance:**



Standard Chartered Saadiq auto finance is one-stop solution for auto financing needs. Saadiq auto finance offers customers the best finance solutions. Standard Chartered solutions offer attractive profit rates, great features, flexible repayment options and the benefits of easy documentation and a hassle-free approval process. Based on the Islamic finance concept of Murabaha, and instead of lending money and charging interest. SCB purchases the desired car from the dealer or owner, after receipt of an offer or pro-forma invoice, and then re-sells it at a predetermined and competitive price, which includes bank's profit. In return, customer reimburses the selling price over suitable monthly installments. SCB offer financial periods of up to 60 months. Customers enjoy convenient monthly installments.

Feature and eligibility:

All feature and eligibility are same like conventional auto loan.

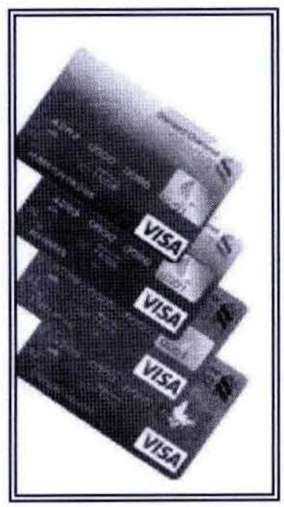
- **Saadiq personal finance:**

Personal Finance from Standard Chartered Bank allows cuspomers to manage their expenditure and finance the purchase of goods and services with peace of mind and no hidden costs.Based upon the Islamic financing principles "Murabaha", Personal Finance from Standard CharteredBank helps to meet expenses and fulfill customers financial responsibilities in a Sharia'a compliant manner.

Purpose of Saadiq personal fiancé is same as conventional personal loan. Moreover feature and eligibility also same. Only difference has in monthly installment. Here customer have to paid rent rather than interest and SCB don't give the cash to customers, they purchase products for customers and delivered it after purchase

- **Saadiq Card:**

Standard Chartered Bank issues completely Shariah compliant deferred payment cards. Cardholders can make purchases anywhere worldwide where credit cards or charge cards are accepted, in shops, restaurants, hotels, online websites, etc. They can even withdraw cash from over a million ATMs worldwide through their Saadiq Credit Card. Now cardholders do not need to wait for their salaries to be paid to make any urgent purchases. Saadiq cards are also completely `Riba' interest free and are strictly according to the Islamic Shariah Principles



Chapter-5

As I already explain that I select the city bank ltd for my comparison purpose. I can take other local private commercial bank or multinational bank. Since other multinational banks doesn't have broad range of consumer loan products and most of the bank involves with corporate baking and foreign exchange activity. Moreover among other local bank not all have retail or consumer loan products and banks which currently offered consumer loan but they may not have auto loan or SME loan. Another thing is banks which offered consumer loan but it really difficult for a customer t take a consumer loan due to lot of requirements.

Since most of the top executives of the city bank ltd worked in SCB, so they know very well about SCB strategy and they try to implement different types of online services which currently SCB offering to their customers. Besides that after changing CBL business strategy now they try to do modern banking business which actually also SCB followed.

For above reason I chose the city bank ltd for my comparison purpose.

- **Overview Of The City Bank LTD:**

City Bank is one of the oldest private Commercial Banks operating in Bangladesh. It is a top bank among the oldest five Commercial Banks in the country which started their operations in 1983. The Bank started its journey on 27th March 1983 through opening its first branch at B. B. Avenue Branch in the capital, Dhaka city. It was the visionary entrepreneurship of around 13 local businessmen who braved the immense uncertainties and risks with courage and zeal that made the establishment & forward march of the bank possible. Those sponsor directors commenced the journey with only Taka 3.4 crore worth of Capital, which now is a respectable Taka 330.77 crore as capital & reserve.

The bank manages its business and operation vertically from the head office through 4 distinct business divisions namely

I. Corporate & Investment Banking;

II. Retail Banking (including Cards);

III. SME Banking; &

IV. Treasury & Market Risks.

- **Retail Banking:**

One of the most remarkable success stories of last 50 years' banking industry globally has been the conceptualization and innovative execution of banking with individual customers, their friends & families. The industry has termed it as Retail Banking or Personal Banking or Consumer Banking; and it has now - at a very rapid pace - become the major revenue line for most of the top banks in the world.

City Bank, too, recently has started its journey in Retail Banking. Its retail banking is like Standard Chartered consumer banking division. Where offer a wide variety of deposit and loan products. But difference is where Standard Chartered Bank SME division include in consumer banking department but here SME banking is different business unit not include with retail banking division. Moreover slamic finance is separate business division of corporate banking business unit. Where in SCB Islamic finance is part of consuer naking division.

- Deposits products of retail banking in The City Bank LTD:
  - Current Account
  - Savings Account
  - City onyesh
  - City Shomridhdhi
  - City Projonmo
  - City Ichchapurun
  - FDR
- Loan products of retail banking in The City Bank LTD:
  - City Drive
  - City Solution
- SME is separate business units
- Islamic fiancé is separate business division under corporate banking and only one branch which located in Hatkhola road, Tikatuli, Dhaka deals about Islamic finance.

Here I describe the basic difference between SCB and The city bank ltd consumer loan. Detail difference is explained during the explanation of the city ltd retail and SME loan.

Number	Banks Name	
---------	Standard Chartered Bank	The City Bank Ltd
1	Standard Chartered Bank is an international Bank since it has operation in more than 50 countries.	The city Bank Ltd is one of the oldest commercial bank of Bangladesh. Currently they change their strategy from traditional banking activity to modern banking activity from 2008.
2	It has two business units and consumer banking is in business division units.	Its retail banking is separate business units and this business units offer different types of retail deposit products and loan products to the customers. SME items deals by SME business units.
3	Consumer banking division deals Islamic finance activity.	Here Islamic finance is as separate business units and this business units is located at hathkhola branch.
4	Its consumer banking division offered seven types loans to the customers.	Its retail banking offer 2 types retail loan to their customers. Moreover its SME loan is four types.
5	Consumer loans: • BIL: It's SME loan. Its also called Orjon. Orjon is for women entrepreneur who involved with SME business. This is 50% secured loan. • Auto loan: it's a car loan • PL: Personal loan is provided for personal purpose. Its an	Retail loans are: • City drive: Car loan(secured loan) • City Solution: Any purpose loan(secured loan) for dream vacation, son's admission, medical treatment e.t.c ▪ SME loans are: • City Muldhon Loan provided for

	unsecured loan • Mortgage: It's a home loan. This is full secured loan • LAP: Allows the SMEs to grow business through maximizing utilization of commercial or residential properties. • Flexi: Full secured loan provided against customer FDR. • Credit card: It's an unsecured loan and provided to the customer on the basis of their bank statement balance. Customer who hasn't any bank statement can take supplementary card. • Saadiq auto finance: provided for purchasing car • Saadiq personal finance: provided for purponal purpose fulfillment • Saadiq home finance: provided for being an owner of a house to their customers.	running business and facilitates trading business. • City Shulov: Loan proved to manufacturing business. • City Sheba: Loan facilitate to service related business. City Munafa: Loan provided to expending current business
6	Interest rate: ▪ BIL: 19.5% fresh customer and 28.5% old customer. ▪ PL: interest vary on the basis	Interest rate: ▪ City Drive: 18% ▪ City Solution:18% ▪ City Sulov:17-17.5%

	of customer business, working area and accounts have with SCB or not maximum interest rate is 20.5% ▪ Auto loan: Its vary from 16% to 17 %. ▪ LAP: Interest rate is fixed 16% ▪ Mortgage: Interest rate vary from 12.5% to 14.25%. ▪ Flexi: interest rate is 19%	▪ City Munafa:18% ▪ City Muldhon: 17-17.5% ▪ City Shulov: 17-17.5%

☐ **Consumer loans details and difference with Standard Chartered Bank:**

1. **City Drive**:

City Bank introduces City Drive, a tailor-made auto loan scheme for individuals. This is fully unsecured loan of The City Bank LTD.

- **Features**

→	Loan amount ranging from Tk. 300,000 to Tk. 20,00,000
→	Car financing up to 90% of reconditioned or new vehicle price
→	Lower interest rate & upto 100% financing for loan against cash security
→	Loan tenor 12 to 60 months
→	No hidden charges
→	Competitive interest rate
→	Loan processing fee 1% of loan amount

- **Eligibility**

→Age: 22 to 60 years

→Experience: Salaried executive total 1 year including 6 months with current employer

→Experience: Business person/professional 1 year

→Monthly income: Minimum Tk. 30,000

- **Difference With SCB:**
  - Whatever the loan amount for auto loan CIB is mandatory. Where SCB ask for CIB if loan amount is above tk. 10 lac
  - The City Bank LTD finance 100% for loan against cash security (Like FDR).
  - The city bank LTD provide loan maximum 90% of car market value without cash security.
  - Age limit and monthly income also differ between SCB The City Bank LTD. Minimum age required for SCB(23-25)years, where The City Bank LTD required 22 years and monthly income required tk. 30000 and SCB required tk. 250000.

2. City Solution:

City Solution is any purpose personal loan of The City Bank LTD. Personal Loan is provided for the purpose of dream Vacation/ Son's admission to a foreign university/ Medical treatment/ Daughter's wedding/ House renovation. Whatever the occasion or requirement may be, City Solution - any personal loan from City Bank - is there to solve all your problems and to fulfill the dreams of customers. You can access this facility from our selected branches across the country.

- **Features**
  - Loan amount ranging from Tk. 50,000 to Tk. 1000,000
  - Loan tenor 12 to 60 months
  - No guarantor required for the loan amount up to Tk. 3 lac
  - No hidden charges
  - Competitive interest rate
  - Processing fee 1%

- **Eligibility**
    - Age: 22 to 60 years
    - Experience: Salaried executive total 1 year including 6 months with current employer
    - Experience: Business person 2 years
    - Experience: Professional 1 year
    - Minimum monthly income: Salaried executive Tk. 15,000 self employed Tk. 25,000 and business person Tk. 30,000
- **<u>Difference With SCB:</u>**
- Provide loan take over facility but The City Bank LTD. Where SCB provide this facility only for Mortgage.
- CIB is mandatory whatever the amount is but for SCB it is not mandatory. SCb ask for CIB for special circumstances.
- No processing fee in The City Bank LTD provide extra benefit for selling personal loan, but have 1% processing fees for personal solution loan. where SCB charge 2% of loan amount+tk.350 stamp price+ 15%govt VAT.
- For take over plan interest rate is less than personal solution interest rate.
- Where interest rate vary for PL in SCB on the basis of different criteria as I already explain in SCB personal loan part but The City Bank LTD don't have that facility. it means The City Bank LTD interest rate not vary according to customer working area, whether salary account have with SCB or not e.t.c
- Yearly sales turnover need show tk. 360000 for businessmen when apply in the city bank lts but businessmen have to show tk. 40 lac during taking loan from SCB.

3. <u>SME Loan:</u>

SME Banking of City Bank is assuming a new and modern dimension. It is entering in to a wider horizon. The philosophy of extending banking services to SME's of the country is to meaningfully push every one of them up to the next level of respective business operations. The upward push would be meaningful as they would be business wise competitive for a sustainable future. It is therefore would be turning in to an abode of

SME's to grow to the next level. Hence, the bank has named it City Business - for taking SME's to the next level. SME loan is a partially secured loan.

The City Bank provides four types of products for SME loan. Which are describing below:

1. City Muldhon: Its designed for the purpose of facilitating trading business. This loan basically provide for running businees. Maximum loan amount is tk. 40 lac and minimum loan amount is tk. 5 lacs.
2. City Shulov: A unique product to facilitate concerns engaged in manufacturing business. The product will facilitate to meet up diversified needs to different manufacturing concerns. Maximum loan amount is tk. 40 lac and minimum loan amount is tk. 5 lacs.
3. City Sheba: The product will positively satisfy different business related needs of the clients involved in different service sectors. Maximum loan amount is tk. 40 lac and minimum loan amount is tk. 5 lacs.
4. City Munafa: Pupose of this loan provided for expanding or extension current business of the customers. Minimum loan amount is tk 6 lacs and maximum loan amount is tk. 40 lac.

➢ For above loans businessmen must have two years experience to run the business and he/she have to prove it. Moreover necessary documents needed for SME loan are given below:

- Up to date trade license
- Tin Certificate
- 1 year bank statement
- CPV verification
- Stock report
- Prayer for loan facility from the client
- Rent agreement
- CIB report attached
- Credit rating
- List of machineries
- Letter of continuation

- Personal letter of guarantee
- Insurance along with money receipt
- Collateral:

➢ FDR- 20% for Muldhon/Sheba/Shulov and 50% for Munafa.

➢ **Import feature of four SME products:**

Key Feature	Muldhon	Shulov	Sheba	Munafa
Loan Amount	5-40 lacs	5-40 lacs	5-40 lacs	6-40 lacs
Interest rate	(17- 17.5)%	(17- 17.5)%	(17- 17.5)%	18%
Processing fees	1%& Max- tk. 20000	1%& Max- tk. 20000	1%& Max- tk. 20000	1%
Repayment tenor	12-48 month	12-48 month	12-48 month	12-60 month
Personal Guarantee	2PG Family Members and 3rd party	2PG Family Members and 3rd party	2PG Family Members and 3rd party	2PG Family Members and 3rd party
Client age	24-65	24-65	24-65	24-65
Business experience	2 years	2 years	2 years	2 years
Security	Fire insurance & Mortgage/FDR	Fire insurance & Mortgage/FDR	Fire insurance & Mortgage/FDR	Fire insurance & Mortgage/FDR (50%)
FDR rate	12.5%	12.5%	12.5%	12.5%
Insurance	Fire	Fire	Fire	Fire

➢ Comparison of SME issue between SCB and CBL:

Details	CBL	SCB
Purpose	Working capital/ fixed assets financing/ renovation of working place	Working capital/ fixed assets financing/ renovation of working place
Loan amount	5-9.5 lac	10- 60 lac for fresh customer
Installment size	1 lac, 24 month= 4944	1 lac,36 month=3626
Interest rate	17-17.5%	19.5%
Processing fees	1%	1%
Repayment tenor	Maximum 48	Maximum 60
Personal Guarantee	2PG Family Members and 3rd party(business friend)	2PG Family Members and 3rd party(Business friend)
Age of the client	24-60	24-65
Security	Fire insurance & Mortgage/FDR	Fire insurance & only FDR
Take over from other bank	Allowed	Not Allowed
Cash margin	20%	30%
Sales reflection in bank statement	55%	100%
FDR rate	12.5%	7.5%
Experience	Min- 2 years	Min-3 years

□ **Recommendation**

SCB is a well-known international bank with a reputation to live up to. It is high time to improve the performance of the SCB branches before more damage in the form of customer dissatisfaction occurs. A set of recommendation is set forth below to improve customer service.

- Every local branch should be authorized to handle all problems in connection with the retention of credit cards by ATM.

- More manpower is required to handle the manifold problems associated with customer service.

- The bank personnel should explain the speed cheque box purpose more clearly because many customers are afraid to use it.

- The bank officials should explain properly loan EMI, processing fees when any one come to the and for loan taking purpose

- Bank should raise their FDR rate because current rate is 7.5% where other local bank offer minimum 10.5 %(3 month FDR).
- Since high charge is one of the most important elements for closing bank account, so SCB need to take immediate steps to reduce charges for deposit and loan products and others services.

□ **Conclusion**:

From above explanation it shows that Standard Chartered Banks offer wide variety of consumer loan products to the customers with a good feature, installment e.t.c though interest rate of some consumer loan have higher than other local bank but variety of loan with hassle free disbursement system make satisfy the customers. During comparing SME loan I found that customer have to show 100 sales reflection on their bank statement, have to keep 30% of cash margin when they goes to SCB but on the other hand CBL take only 20% cash margin and wanted 55% sales reflection on bank statement. But if we consider amount of loan, repayment tenor, age of the client in this case SCB provide better facility to the customers.

Now if we look at deposit items we see that charges are higher compare to other local bank. One bank statement if collected from the branch then need tk. 575 for current one year. Not only this charges other charges also high and the rate of savings and FDR also low.

This result, have discouraged many prospective customers to start relationship with SCB. On an average it is found that most of the account holders, who are closing their account, are due to the fact of high fee and charges. Everyday three to four accounts are closed in every branch due to high charges.

Though have some complaint about SCB charge and interest rate but good quality service with a wide variety of products and services, shorter loan disbursement time e.t.c attract existing and potential customers.

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