

**The Credit Approval Procedure: A Brief Analysis of the Credit  
Risk Assessment System of Standard Chartered Bank and the  
Level of Satisfaction of the Clients of Local Corporate Segment**

**Internship Report**  
Bachelor of Business Administration

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BRAC University



**BRAC University**

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**LETTER OF TRANSMITTAL**

17th December, 2012

Ms Samina Haque  
Lecturer  
BRAC Business School  
BRAC University

**Subject: Submission of the Internship Report**

Dear Mam,

I have pleasure to submit my Internship report to you on **“The Credit Approval Procedure: A Brief Analysis of the Credit Risk Assessment System of Standard Chartered Bank and the Level of Satisfaction of the Clients of Local Corporate Segment”**. This report was prepared as a requirement of my graduation. I have undertaken my internship program in Standard Chartered Bank (Head Office) from September 1, 2012 to November 30, 2012.

While working on the report my major concentration was on collective as much information as possible which gave me the opportunity to enrich my knowledge on various aspects relating to the topic of the research and keep a practical view of how the theoretical knowledge would actually apply.

I was appointed under the Credit Documentation Unit of Wholesale Bank which closely works with the Local Corporate segment and the clients and this research has helped me improve my understanding regarding the all-inclusive system of the bank.

Sincerely yours,

**Athina Shaolin Audity**

Student Id.: 09104018

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## ACKNOWLEDGEMENT

At the very beginning I would like to take the opportunity to thank my honorable faculty, Ms Samina Haque, Lecturer, BRAC Business School, BRAC University for her tremendous support, outstanding guidance and incredible supervision during my internship period. I appreciate her co-operation and assistance.

I would like to thank Mr. A.N.M.S Islam (Nasser), Head of Credit Documentation Unit and Mr. Faysal Islam, Associate of Local Corporate Segment for their incredible support and patience. I am also grateful for the motivation and direction they provided me that have helped me gain a much wider knowledge regarding the credit approval process, the credit risk assessment procedure, the overall level of satisfaction of the clients of this the Local Corporate segment and above all conduct a successful research on a topic I was I was truly passionate about.

I would also like to thank the exceptionally proficient and competent employees I have worked with for taking the time to share their knowledge and expertise, being most responsive to my requests and making me feel extremely proud and help me in taking an active role in work, share ideas, learn from experiences and live my talents to utilize my skills, abilities and experience to ensure success.

Special thanks to all the clients for their incredible patience for which the survey was successfully completed. I would also like to thank BRAC University and BRAC Business School for this incredible opportunity. I could not have asked for a better experience since I have been able to develop extraordinary skills and experiences that are invaluable. I am especially grateful for having had the opportunity because it was through these times that I felt I was able to learn and grow the most in developing my skills over the course of the fall semester.

## **EXECUTIVE SUMMARY**

The report aims at identifying the positive aspects as well as the shortcomings of the entire process of credit approval and the credit risk assessment system of Standard Chartered Bank along with a descriptive analysis of the level of satisfaction of the clients of regarding the services and solutions offered to them by the Local Corporate segment of the bank. Incorporating the survey results with the outcome of the thorough analysis of the credit approval and credit risk assessment process of the clients is a major focus.

It has been found that, the credit approval procedure of Standard Chartered Bank is divided into segments and disseminated to particular divisions with expertise in specialized fields to ensure that the whole process is flawless. Before providing the final approval, all the available information regarding clients' financials goes through extensive scrutiny. Prospecting and initiation, giving early business alert, obtaining CIB report and indicative offer letter, BCA preparation and approval, renewal, maintenance and monitoring of credit applications, preparation of operational sheet, BFL acceptance, security documentation, limit setup and facility drawdown are the stages of the credit approval process.

In order to conduct the survey, structured questionnaire were mailed to 40 clients. The aim was to identify the level of knowledge regarding the services, views regarding their quality and standard and clients' feedback and suggestion to improve the services and solutions. The survey was successfully completed with a very low non-responsive rate. The outcome illustrated the fact that the clients perceived the services as solution to be good and feel that the products are reliable, accessible and in line with the quality that LC promises.

On the contrary, Clients also felt that the staffs are not prompt, polite and responsive and do not communicate with them on a regular basis. Another negative factor mentioned by the clients was the long waiting time which was referred to as expensive and the reason behind this was found from the subjective analysis. The thorough and elaborate process that helps the bank manage the risks, lengthens the waiting time. Despite all these shortcomings, the comprehensive research portrayed that the efficient process and the evaluation of analysis at different levels by different experts ensures thorough inquiry and flawless decision making.

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## CHAPTER ONE

### INTRODUCTION

#### **Origin of the Report:**

This report has been prepared as a requirement of the internship program under the Bachelor of Business Administration of BRAC University. This internship program was a tremendous experience which gave me the opportunity to work with the incredibly knowledgeable employees of The Standard Chartered Bank Head Office. My internship commenced from September 1, 2012 to November 30, 2012 which was an outstanding journey that provided me the chance to work in the Credit Documentation Department under Wholesale Bank. This department is responsible for making necessary arrangements for documentations as a part of the entire process of credit risk assessment, approval and providing credit facility to the client base.

For my internship program, I was under the direct supervision of Mr. A.N.M.S. Islam (Nasser), Head of Credit Documentation Unit of Wholesale Bank and Ms Samina Haque, Lecturer, BRAC Business School, BRAC University. The topic of my internship project was **“The Credit Approval Procedure: A Brief Analysis of the Credit Risk Assessment System of Standard Chartered Bank and the Level of Satisfaction of the Clients of Local Corporate Segment”** and it was duly approved by both my supervisors.

The descriptive analysis of the entire credit approval process of the bank and the evaluation of the credit risk assessment system along with a concise survey identifying the level of satisfaction of the client base of the Local Corporate segment of the bank regarding the services and solutions offered would definitely assist the bank in realizing the real picture and review their strategic plans accordingly.

#### **Objectives of the Study:**

The objectives of the report are:

- To bring together information regarding the entire process of credit approval.
- To achieve knowledge regarding the system of credit risk assessment.

- To identify and analyze the necessary information regarding the financial performance of the Group to incorporate it with the study.
- To investigate the level of satisfaction of the client base regarding the products offered to them by the Local Corporate Segment of Standard Chartered Bank, Bangladesh.
- To find out the Strengths, Weaknesses, Opportunities and Threats of the bank as well as the flaws or drawbacks regarding the services and solution offered and relate it will the survey outcome.
- To detect the positive aspects as well as the shortcomings of the credit approval and the credit risk assessment process and relate the survey results with the analysis.
- To identify methods to improve the quality and standard of the products offered to the customers.

### **Significance of the Study:**

The descriptive analysis of the credit approval process as well as the credit risk analysis system of the bank would certainly assist the management in detecting the major flaws in the system. Incorporating this analysis with the survey regarding the investigation of the level of satisfaction of the clients will give the Local Corporate segment significant information relating to the quality and standard of the services as well as the awareness of the clients regarding the products offered to them, thus help them understanding the real scenario as to what the clients' perceptions are. Above all, the analysis and the study would undoubtedly support the segment with necessary information which would help it to develop innovative and effective methods to make improvements and modifications to the existing procedures and systems. Above all, the overall not only the bank but also the stakeholders will gain advantage since a genuine picture of the performance of the bank would be revealed through the survey and the analysis.

### **Methodology:**

In order to accumulate necessary information and data both primary and secondary sources have been used. The primary sources provided information portraying the real scenario as to what are the factors that are considered while analyzing the information of the clients'



creditworthiness, what are the aspects that are taken into consideration for conducting the process of credit approval and how the client base feels about the products that are offered to them by this segment. The data collected using secondary sources were also helpful since those provided support while comparing and analyzing the data collected from primary sources.

**Sources of Information:**

<b>Primary Sources</b>	· Questionnaire survey (for clients).
	· Informal discussion with the bank’s staff, especially the relationship managers of the Local Corporate segment.
	· Relevant data from the bank’s reports, presentations and other
<b>Secondary Sources</b>	· Annual reports of the Standard Chartered Bank.
	· Various product and service brochures.
	· Intranet Site of the Standard Chartered Bank.
	· Official local website of the Standard Chartered Bank.

**Sampling:**

***Population:***

The target population was the staff related to the entire process of credit approval and credit risk assessment and the Relationship Manager of The Local Corporate Segment of Wholesale Bank of Standard Chartered Bank Head Office.

***Sampling Units:***

Individual clients and Relationship Managers of this segment along with the staffs related to the credit approval process and credit risk assessment system were the units of sampling.

***Sampling Frame:***

The sampling has been done for the clients in several industries, various Relationship Managers at different levels and numerous staffs from each divisions relating to credit approval and credit risk assessment process.

***Sampling Design:***

Non-probability judgmental sampling has been used as the sampling design in order to choose customers for the survey which would not only help to achieve reliable and correct data but also assist in managing the data in a well-organized manner. Factors like privacy of information and time constraint were major barriers that led to slightly partial outcomes, but to increase the rate of responsiveness this particular sampling method was used.

***Sample Size:***

The questionnaire survey was conducted among the major 40 clients of the segment who portrayed highest level of probability of responding to the survey. Also, for informal discussion around 20 staff was selected.

***Data Collection Methods:***

Through questionnaire designed with both open and close-ended questions mailed to the clients with the help of the respective Relationship Managers, the data were collected. Additional data required were gathered through unofficial dialogue with the employees, from the annual report, intranet sites, departmental operational Instruction booklets, websites etc.

***Data Analysis:***

Thorough analysis was done and presented through graphics with necessary illustrations and explanations using both qualitative and quantitative data. Statistical Software SPSS along with the statistical tools required and Microsoft Excel have been used for the analysis.

### Limitations of the Study:

High-non responsive rate along with lack of openness on the part of the clients were major limitations. Only the Local Corporate segment of Wholesale Bank was considered to measure the level of satisfaction of the clients.

The sample size could not be increased for there were certain boundaries and restriction on the part of the bank.

Privacy of information was another main limitation in case of collecting information regarding the bank as well as the clients.

Though the employees and the clients were extremely cooperative it was difficult to get appointments due to the peak periods when the clients, Relationship Managers and all the staffs remain occupied with their own jobs.

## CHAPTER TWO

### STANDARD CHARTERED BANK

#### **Overview:**

Concentrating on execution of planning with the aim of contributing towards the development of financial system as well as ensuring growth of revenue, Standard Chartered Bank (SCB) PLC has been maintaining its network of 1700 branches in over 70 countries, maintaining successful relationship with over 600 banks in 157 countries globally with 86865 hardworking professionals responsible for the management of an asset base worth over 599 billion. Focusing on Asia, Middle East and Africa, SCB has expertise in wide-ranging array of services and solutions functioning successfully in North Africa, Middle East and South Asian zone. It is Headquartered at Alderman buries Square in London and serves South Asia, South East Asia, Middle East, LTK, Europe and the USA.

The major strategically moves that this bank aspire to make through sticking to its values and vision includes the objective of ensuring growth in business in South Asia, Far East Asia and Middle East, catering to the requirements of clients all over the world through keeping the promises that it makes to them, provide certainty in terms of brand value built through serving relentlessly and successfully for over 150 years and contributing in the economic development via focusing on actions that directly impact the growth.

#### **History:**

The journey of SCB began when the “Standard Bank” of British South Africa and the “Chartered Bank” of India, China and Australia were brought together and since then, it has been demonstrating progress for over a century and a half. The contribution of Scot, James Wilson, the pioneer of ‘The Economist’ was noteworthy behind the establishment of “Chartered Bank” in the year 1853 by an imperial agreement by Queen Victoria of England. Scot, John Peterson was another name who established ‘Standard Bank’ in 1862.

After the unification of these two banks in the year 1969, it was enlisted in the London Stock Exchange in 1970 and began its journey of progress and development through expansion of operations in the United States of America and Europe.

## Expansion:

### *The Standard Bank in Africa:*

- Business started in the year 1863 Port Elizabeth, South Africa.
- Merger with the Commercial Bank of Port Elizabeth, the Fauresmith Bank, the British Kaffarian Bank and the Coles berg Bank.
- In 1867 contributed through investment in Kimberley diamond fields and moved to Johannesburg as well after the discovery of gold in 1885.
- Initiated business in Zimbabwe in 1892, Mozambique in 1894, Botswana in 1897 (was closed and later reopened in 1934, again closed after a year and reopened in 1950 ), Malawi in 1901, Zambia in 1906, Kenya, Zanzibar and the Democratic Republic of Congo in 1911, Uganda in 1912.

### *The Standard and The Chartered Bank in Asia:*

- The Standard Bank opened in Myanmar in the year 1862, Indonesia and Pakistan in 1863, the Philippines in 1872, Malaysia in 1875, Japan in 1880 and Thailand in 1894, Sri Lanka in 1892 (to capitalize on the industry of rubber), Vietnam in 1904, Hamburg and New York in early 1900s (both The Standard and The Chartered Bank)
- First bank ever to gain branch license (The Chartered Bank).

## The Expansion – Highlights:

- Opened a branch in Tanzania after the Dares Salaam got subjugated by the British in the year 1916.
- Operation closed in Liberia, Canary Islands, Equatorial Guinea and the Netherlands, destruction caused in Yokohama of Japan (The Chartered Bank) in 1923.
- The Chartered bank adversely affected by The Second World War.
- Incorporation at local level in African countries.
- Nationalized operations in Myanmar, Libya, Iraq and Angola; office destroyed in Jakarta of Indonesia.

- The Chartered Bank began operating in Bangladesh in the year 1948; extension of network (the United Arab Emirates, Cyprus, Qatar, Beirut, Aden, Bahrain and Lebanon) through the acquisition of the Eastern Bank in 1957.
- Establish a joint Venture-the Irano-British Bank opened in 1959, nationalized in 1981.
- Expansion of network (Ghana, Sierra Leone, Nigeria, Gambia and Cameroon) through joining the former Bank of British West Africa in 1965.
- A friendly merger occurred in 1969 and The Standard Chartered PLC was formed.
- The "Chartered Bank of India, Australia and China" opened operation in Sydney, Australia in 1970 and acquired UK based Hodge Group and the Wallace Brothers Group.
- Expansion of group in Europe (various major cities in the United Kingdom, Spain, Austria, Belgium, Sweden, Denmark and Ireland).
- Offices opened in Colombia, Argentina, Canada, Nepal, Panama and the Falkland Islands
- Opened branches in Macau and Taiwan in 1983 and 1985 and Laos 1996.
- Acquisition of 3 banks including the Union Bank of California and extension of network in the USA, Venezuela and Brazil, branch opened in Istanbul in 1986.
- Divestments in 1980's in Africa, Europe and Asia due to significant exposure to 3<sup>rd</sup> world debt and provision against loans to unreliable entities.
- Re-opened in Vietnam in 1990, Cambodia and Iran in 1992, Tanzania in 1993 and Myanmar in 1995.
- Purchased Banco Exterior de Los Andes (Extebandes).
- Acquired the global trade finance business of Union Bank of Switzerland in 1999.

Today, The Standard Chartered Bank is successfully operating in the following regions of the world:

Africa	Asia Pacific	Latin America	Middle East &	UK & USA
Botswana	Australia	Argentina	Bahrain	Falkland Islands
Cameroon	Brunei	Brazil	Bangladesh	Jersey
Gambia	Cambodia	Colombia	India	UK
Ghana	China	Mexico	Iran	USA
Kenya	Hong Kong	Peru	Nepal	
Sierra Leon	Indonesia	Venezuela	Oman	
South Africa	Japan	Argentina	Pakistan	
Tanzania	Laos	Brazil	Qatar	
Uganda	Macao	Colombia	Sri Lanka	
Zambia	Malaysia	Mexico	UAE	
Zimbabwe	Myanmar	Peru		
	Philippines	Venezuela		
	Singapore			
	South Korea			
	Taiwan			
	Thailand			
	Vietnam			

### Standard Chartered Bank in Asia:

The Group's biggest market is Hong Kong which generates almost 34% of the total revenues. The operation began in the year 1858 increasing the availability of the group to the investor residing in Asian region. From Singapore where the operation has been successfully run for almost a century and a half, around 11% of the global annual revenue is sourced. Another prime market is Malaysia which has an extensive network of 29 branches. China is another leading market in addition to Thailand where operation is run successfully. In India, it is the major international bank.

Through the acquisition of ANZ Grindlays in 2000, Standard Chartered the client base was expanded along with transformation of both inside and outside management. Government has always been authoritative and influential when it comes to managing the financial institution as well as the entire market for which serving the increased client base was a complex process. The bank did not only have to focus on the complicated transformation process but also focus on satisfying the client base with innovative products with quality and standard.

### **Standard Chartered Bank in Bangladesh - History Highlights:**

- Began its operation in the year 1948 in Chittagong (part of the expansion process in South and Southeast Asia and to provide financial assistance after the liberation war)
- Opened Dhaka branch in 1966(the headquarter)
- Reformation at organizational level in 1993 leading to further expansion throughout the country
- Controlled form Dubai (headquarter of the Middle East and South Asia or MESA region).
- Access to key centers of Bangladesh through relationship with Sonali Bank that helps offer wide-ranging services and solutions capitalizing on the unique global network.
- Headquartered in Dhaka along with 26 branches all over the country.



## The Organizational Structure and Chain of Command:

The following two charts illustrate the 2 major segments as well as the chain of command:

BUSINESS	SUPPORT
Corporate Banking Group (CBG)	Operations
Global Markets (GM)	Finance, Administration and Risk Management
Institutional Banking Group (IBG)	Information Technology Center
Consumer Banking (CB)	Human Resource Department
Custodial Services (CUS)	Legal and Compliance
	External Affairs
	Credit

**Chart 2.1: The Organizational Structure**

The Chief Executive Officer (CEO) reports to the Regional General Manager, MESA in Dubai.

All the department heads at the headquarters report to the CEO

In Chittagong, the manager or senior manager of the two major business activities reports directly to the head of the respective division in Dhaka, heads each

The Custodial Service division at the headquarters reports to the Head of Corporate Banking

The subordinates (of the branch managers) reports to the branch manager

**Chart 2.2: The Chain of Command**

## Business & Support Segment – Bangladesh:

In Bangladesh the Business Segment comprises of the following divisions:

BUSINESS SEGMENTS IN BANGLADESH
CONSUMER BANKING
SME BANKING
SAADIQ ISLAMIC BANKING
WHOLESALE BANKING

**Chart 2.3: Business Segment in Bangladesh:**

Following is the detailed list of services under each division:

<b>1. Consumer banking</b>
<ul style="list-style-type: none"> <li>a. Saving and fixed-time deposits</li> <li>b. Overdraft and loan facilities</li> <li>c. Facilities for personal investments</li> <li>d. Wealth management services</li> <li>e. Credit cards</li> <li>f. Home/car loans</li> <li>g. Investment &amp; unit trusts</li> <li>h. Insurance</li> </ul>
i. Personal banking
<ul style="list-style-type: none"> <li>• Super Savers account and eSavers account, VIP current accounts, foreign currency current account, RFCD account, convertible and non-convertible account</li> <li>• Auto BillsPay, Dial-a-Draft, Free@18, Locker services, Saturday and Evening Banking, Student files, fixed deposits, NFCD accounts, monthly saving schemes</li> <li>• Card services (platinum, gold, silver, cricket, picture and international credit cards; international, familink add-on debit cards and prepaid gift cards and prepaid travel cards)</li> <li>• Local usage privilege, 4-in-1 offer, Free@18, rewards, InstaBuys, Auto BillsPay, card cheque, SafetyNet, supplementary card, free access to business class lounge, accidental death insurance</li> <li>• Auto loan, home loan, personal loan and flexi loan, ATMs and alternate channels like BillsPay center, Internet banking, SMS banking, e-statements and 24-hour contact center services</li> </ul>
j. Priority Banking
<ul style="list-style-type: none"> <li>• Personal, Professional, Profitable, Private and Privileged services</li> <li>• Priority treatment and customized solutions</li> <li>• preferential pricing on all products</li> <li>• charge-free banking services (free pay orders/ drafts on all branch locations and a pre-approved Local Credit Card, free for life, with enhanced credit limits)</li> <li>• invitations to 'Cirque Selecte' events, financial seminars and movie previews, and selected offers from magazines and publications</li> </ul>
<b>2. SME Banking</b>
<ul style="list-style-type: none"> <li>a. Business installment loans</li> <li>b. Orjon – solutions (helps women-owned companies to grow)</li> <li>c. Loan against property, trade and working capital</li> <li>d. Transaction services (business priority account, business premium account, business plus account, straight 2 bank, door step banking, etc.)</li> </ul>
<b>3. Saadiq Islamic Banking</b>
<ul style="list-style-type: none"> <li>a. Saadiq deposit accounts (current, saving and term deposit accounts)</li> <li>b. Saadiq financing products (auto, personal and home finance)</li> <li>c. Saadiq cards (debit card and credit card)</li> <li>d. Profit rates (monthly profit rates and weightage)</li> </ul>
<b>4. Wholesale Banking</b>
a. Transaction banking
i. Cash management
<ul style="list-style-type: none"> <li>• payments and collections</li> </ul>

<ul style="list-style-type: none"> <li>• information management</li> <li>• account services</li> <li>• liquidity management solutions</li> </ul>
<ul style="list-style-type: none"> <li>i. Trade services</li> <li>ii. Securities services</li> <li>iii. RMB settlement</li> <li>iv. Client access</li> </ul>
<ul style="list-style-type: none"> <li>b. Financial markets</li> </ul>
<ul style="list-style-type: none"> <li>i. Equities</li> <li>ii. Commodities</li> <li>iii. Foreign exchange</li> <li>iv. Rates and credit</li> <li>v. Capital markets</li> <li>vi. Structured products</li> <li>vii. E-channels</li> <li>viii. Commodity-linked risk management</li> <li>ix. Investor product strategies</li> <li>x. Foreign exchange solutions in emerging markets</li> <li>xi. Illiquid and restricted currencies</li> <li>xii. Liability management solutions</li> <li>xiii. Capital-raising solutions</li> <li>xiv. Online solutions</li> </ul>
<ul style="list-style-type: none"> <li>c. Corporate finance</li> </ul>
<ul style="list-style-type: none"> <li>i. Corporate Advisory</li> <li>ii. Equity Corporate Finance</li> <li>iii. structured Trade Finance</li> <li>iv. Financing Solutions</li> <li>v. Project &amp; Export Finance</li> </ul>
<ul style="list-style-type: none"> <li>d. Principal finance</li> </ul>
<ul style="list-style-type: none"> <li>i. Corporate Private Equity</li> <li>ii. Real Estate</li> <li>iii. Infrastructure</li> <li>iv. Alternative Investments (delivers creative solutions for distressed and high yield assets and companies)</li> <li>v. Selected Investments</li> </ul>

The support Segment has the following divisions:

<b>SUPPORT SEGMENTS IN BANGLADESH</b>
<b>CLIENT SERVICES GROUP</b>
<b>CORPORATE AFFAIRS</b>
<b>CREDIT POLICY</b>
<b>FINANCE</b>
<b>LEGAL COMPLIANCE AND ASSURANCE</b>
<b>MARKETING</b>
<b>OPERATIONAL RISK MANAGEMENT</b>
<b>HUMAN RESOURCE MANAGEMENT</b>

**Chart 2.4: Support Segment in Bangladesh**

## Work Area: My Roles and Responsibilities

### **Job Description:**

<b>Nature of the job</b>	Internship
<b>Department</b>	Credit Documentation Unit (CDU)
<b>Reports to</b>	The Head Of Credit Documentation Unit, Wholesale Banking
<b>Base Location</b>	Country Head Office

I started my work in the Credit Documentation Unit which is particularly responsible for preparing necessary documentation along with making arrangements for the completion of those. 1 Credit Documentation Manager, 1 Assistant Credit Documentation Manager and 2 Senior Credit Documentation Managers report to the Head of CDU. It issues the certifications which allow clients to start drawdown or utilization of limits provided upon perfection of documentation i.e. completion or receipt of all the required documents, compliance to all conditions precedent to drawdown of facilities and compliance of all local regulatory requirements.

This department close works with the Legal and Compliance Division (L & C) of the bank as well as the Credit Risk Control (CRC) Department. The major Objectives of this Unit are ensuring the product structure is consistent with the Wholesale Banking strategy, thus contributing towards the risk assessment and mitigation.

### ***My responsibilities:***

- Assisting in the checking of the executed documents and ensure those adhere to the Group General Legal and Documentation Standards for Risk Mitigants Policy.
- Preparing Banking Facility Letter (BFL) and other necessary security documents incorporating the requirements from the Business Credit Application (BCA).
- Lodgement and withdrawal of all documents in the network based system CMS (Collateral Management System).
- Providing assistance to the Managers in monitoring the daily and monthly reports regarding received, overdue and pending documents, list of clients with collaterals, constitutional & contractual and security documents on waiver, charge filling, and completion of security documentation thus maintain their portfolio.

- Checking and updating document status in network bases systems i.e. CMS with the help of inputs taken form CDMS, eBBS, eCSVS, CreditMate etc.

***Knowledge Gained:***

I learnt about the criteria established by the bank for approving credits offered, the credit granting standards, purpose and structure of the credit, source of repayment, assessment process of the credit-worthiness of the borrower, policies that bank shall adopt and implement to be in line with the risk management policy, comply with the regulations, instructions and guidelines.

***Observation and recommendation:***

All the team members were incredibly supportive and trained me well. Also, the staffs from other departments who work with this unit provided extraordinary assistance and support during this period. Though initially, especially during the peak periods when all the employees remain occupied with their jobs, it was difficult for me to understand a few tasks but eventually, as they guided me through proper instructions, it became easier and enjoyable. I faced a few difficulties while dealing with the IT department regarding the hardware provided and also had to struggle with the network based systems and because they are coordinated form Chennai, India, it took me almost two to three weeks to fix those and start working smoothly. If these could be arranged beforehand the process would have been trouble-free and comfortable.

CHAPTER THREE

**SWOT, FINANCIAL AND CORPORATE PORTFOLIO ANALYSIS**

**SWOT Analysis:**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Market Leader in the foreign banking sector and long terms success</li> <li>▪ Pioneer in launching ATM (Money link card)</li> <li>▪ Qualified, skilled and knowledgeable human resource</li> <li>▪ wide-ranging marketing efforts capable of capturing wide client base</li> <li>▪ unrivaled instant 24 hours banking service, phone banking service, evening banking service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low deposit rates, high minimum balances, long waiting queues, non-functioning ATM machines, high charges</li> <li>▪ Deprived contractual employees leading to long run losses</li> <li>▪ Complicated depositing and withdrawal system, lack of proper assistance from bank</li> <li>▪ Focus on short-term profit</li> <li>▪ Weak synchronization between branches and head office</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Varied array of Islami Banking products capable of widening customer base</li> <li>▪ Prospect of freeing credit screening policy to draw middle class segment</li> <li>▪ Demand for more branches all over the city and country</li> <li>▪ Scope to offer more appealing market rates, lesser minimum balances</li> </ul>	<ul style="list-style-type: none"> <li>▪ Competitive rivalry : foreign banks, and new comers in private sector (Prime Bank, Dutch Bangla Bank, EXIM Bank, BRAC Bank, Southeast Bank, Mercantile Bank, Social Investment Bank, Islami Bank, Bank Asia etc.), price-cutting along with lower lending rate due to this</li> <li>▪ Political threats arising from idle savings and low foreign direct investment, political acrimony, pervasive corruption</li> <li>▪ Increased provisioning and paid up capital maintenance requirement</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Frequent exchange rate fluctuation impacting import and export business of clients</li> <li>▪ Unstructured and disorganized legal system</li> <li>▪ Loss of market share to rivals due to low barriers to entry, monopolistic industry, increasing aggressiveness of competitors</li> </ul>
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**Financial Analysis:**

With the aim of evaluating the bank’s performance, a concise analysis of the financial ratios was carried out. A brief evaluation of the bank’s financial trends as well as projection of future performance could be comprehended from the data of the year 2010 and 2011 (Ref: Income Statement and Balance Sheet)

<b>Ratios</b>	<b>2011</b>	<b>2010</b>
Return on Equity (ROE)	<b>0.1192</b>	0.1136
Return on Assets (ROA)	0.0082	<b>0.0085</b>
Net Interest Margin (NIM)	<b>0.0169</b>	0.0164
Net Noninterest Margin	0.0290	<b>0.0322</b>
Net Operating Margin	0.0129	<b>0.0136</b>
Net Profit Margin	<b>0.2797</b>	0.2748
Asset Utilization Ratio	0.0294	<b>0.0311</b>
Equity Multiplier	<b>14.4790</b>	13.2911
Operating Efficiency Ratio	<b>0.5623</b>	0.5618



**Return on Equity (ROE):**

$$ROE = \text{Net Income after Tax} / \text{Total Equity Capital}$$

It could be figured out from the above data that the bank's ability to generate profit with the money shareholders invested increased in 2011 which is an indication that the board of directors or the managers were able to run the bank more effectively with the equity provided by the shareholders, thus the net benefit the shareholder had received in 2011 from investing their capital in the bank was higher in magnitude compared to that of 2010.

**Return on Assets (ROA):**

$$ROA = \text{Net Income after Tax} / \text{Total Asset}$$

ROA is a managerial efficiency indicator that shows how successfully the management has been converting the bank's assets into net earnings.

It is evident that, the total assets of the bank had been utilized quite efficiently, however in the year 2010 the management were more efficient compared to that of 2011 since the trend of ROA has decreased from the year 2010 to the year 2011.

**Net Interest Margin (NIM):**

$$\text{Net Interest Margin} = (\text{Interest Income} - \text{Interest Expense}) / \text{Total Asset}$$

As it can be observed from the data set that, the management has been able to maximize the spread between the bank's interest revenues and cost by its control over the earning assets and the cheapest source of fund since the Net Interest Margin was relatively higher in the year 2011 compared to that in 2010.

**Net Noninterest Margin:**

$$\text{Net Noninterest Margin} = (\text{Noninterest Income} - \text{Noninterest Expense}) / \text{Total Asset}$$

The tables shows that the difference between the noninterest income generated by bank and the amount of interest paid out to the lenders was slightly lower in the year 2011 compared to that of 2010.

### **Net Operating Margin:**

$$\text{Net Operating Margin} = (\text{Total Operating Revenues} - \text{Total Operating Expenses}) / \text{Total Asset}$$

The data show that the management and the staff had been able to keep the growth of revenue ahead of rising cost pretty well. However, we see that the trend of Net Operating Margin had decreased from the year 2010 to the year 2011. Since this represents a combined picture of the net interest margin and the net non-interest margin, it could be comprehended from the data set that the management had consistently been able to enhance both of their interest and non-interest income over its interest and non-interest expenses.

### **Net Profit Margin:**

$$\text{Net Profit Margin} = \text{Net Income after Tax} / \text{Total operating Revenue}$$

The effectiveness of cost control and service pricing policies of Standard Chartered Bank has always been thriving. As per the table, this ratio had increased in the year 2011 which was an indication that the improved management of costs that results in increased percentage of operating revenue converted to net income.

### **Asset Utilization Ratio:**

$$\text{Asset Utilization Ratio} = \text{Total Operating Revenue} / \text{Total Assets}$$

If we consider the last two years, it is evident that the portfolio management policies and the yield on assets had been quite close to consistent over the period. Nonetheless, the trend of the degree of asset utilization had been decreasing indicating that yield on the Bank's asset had been decreasing.

### **Equity Multiplier:**

$$\text{Equity Multiplier} = \text{Total Assets} / \text{Total Equity Capital}$$

The bank had used more of its debts to finance the assets it owned. The total assets per dollar of stockholders' equity had been increasing over the last two years as per the table. Since a higher equity multiplier indicates higher financial leverage, it is evident that the bank had been relying more on debt to finance its assets. As per the table, the equity multiplier has increased from 13.2911 times to 14.4790 times between the year 2010 and 2011.

**Operating Efficiency Ratio:**

$$\text{Operating Efficiency Ratio} = \text{Total Operating Expenses} / \text{Total Operating Revenues}$$

This ratio to measure expense control illustrates the negative financial performance of Standard Chartered Bank. This increasing trend during the last two year period shows that the operating expenses of the Bank had increased as a percentage of its operating revenue.

**Corporate Portfolio Analysis:**

Now if we look at the policies and strategies relating to the performance of Standard Chartered Bank in Bangladesh we will notice that the major portion of its total portfolio investment is allocated in the local corporate entities, even though a large part is contributed by the massive local segment as well as the multinational. Following is an analysis of this portfolio considering the major industries, consumer credit risks and credit rating and security indicators.

**Analysis: Industry Wise Exposure**

<b>Industry</b>	<b>Percentage of expenditure (approx.)</b>
Textiles & Garments	25%
Food, Drinks & Agriculture	16%
Steel & Ship breaking	14%
Trading	9%
Transport and Communication	7%
Cement	7%
Pharmaceuticals	7%
Telecom	6%
Others	3%
Tobacco	2%
Leasing and other financial institutions	2%
Electrical Products	1%
Toiletries	0.48%
Construction	0.02%
<b>Grand Total</b>	<b>100%</b>

From the above table it can be comprehended that the portfolio is well diversified and concentration has been put on non-related industries thus the capability to sustain during

economic crises is highly-likely. Standard Chartered Bank’s expenditure is concentrated mostly on Textiles & Garments (25%) industries followed by Food, Drinks & Agriculture and Steel and Ship breaking industries with 16% and 14% of the total expenditure respectively. Apart from this, in industries like Trading, Transport and Communication, Cement, Pharmaceuticals and Telecom, the portion of the total exposure is considerably large.

**Analysis: Risk Level Wise**

In order to evaluate the overall risk level of a particular client throughout the facility period, it is important to rate the clients at a particular point in time enjoying credit facilities as per the standard procedure of CRG (Credit Risk Grading) considering all the data available and necessary to predict the possibility of default over the following 1 year period thus establish a ‘Current Grade’. Apart from that, it is also necessary to monitor the evolving risk profile of the counter parties in order to make sure the businesses show successful management prospect. The information required for maintaining an accurate credit grade of the counter parties on a regular basis, the Relationship Managers and the CROs collect interim management accounts and figures from the clients. The tool that is used to identify and analyze the factors affecting the creditworthiness of the counter parties is the scorecard.

**Facility in Term of Master Scale Grading (MSG):**

Credit Grade	Percentage of Exposure (Approx.)
2 Total	2.00%
3 Total	1.00%
4 Total	5.00%
5 Total	9.00%
6 Total	9.50%
7 Total	10.50%
8 Total	43.00%
9 Total	6.00%
10 Total	2.00%
11 Total	6.50%
12 Total	2.00%
13 Total	1.00%
14 Total	2.50%
<b>Total</b>	<b>100%</b>

As per the risk grading policy of the bank, accounts with Master Scale Grading 11 are perceived to be completely cash secured accounts since the facilities has the support of cash or cash equivalent securities i.e. Bangladesh Sanchay Patra (BSP), Pratirakha Sanchay Patra (PSP). Accounts with Master Scale Grading 6 to 8 are considered as medium risk accounts whereas, the accounts which have Master Scale Grading 1 to 5 are known as lowest risk accounts. From the above table, it is evident that, around 42% of the total portfolio of is invested in the risk group of MSG 8 and around 80% of the total accounts fall under low to medium risk grade. Conversely, accounts with Master Scale Grading 11 have a percentage of around 6.5 which means around 86.5% of the total accounts have very low risk exposure. Moreover, accounts with rating 13 and 14 are referred to as suspicious accounts and from the table it can be comprehended that around 3.5% of the total accounts have excessively high possibility to default. It is necessary that the bank continuously monitor the repayment status of the loans of the clients and take proper steps in order to identify the factors behind the feeble financial position of particular clients. These initiatives have been taken because of the unfavorable macroeconomic parameters, potential turmoil and increasing trend of loan default rate in our country.

### Income: Industry Wise

Industry	Percentage of Income (Approx.)
Textiles & Garments	33.00%
Steel & Ship breaking	14.00%
Food and Drinks	10.00%
Trading	9.50%
Pharmaceuticals	8.00%
Transport and Communication	7.00%
Cement	6.50%
Telecom	4.00%
Others	3.00%
Electrical Products	2.00%
Leasing and other financial institutions	2.00%
Tobacco	0.50%
<b>Grand total</b>	<b>100%</b>

From the above analysis it can be illustrated that for its source of revenue, Standard Chartered Bank is not completely dependent on any single industry which indicates that it has been able to maintain a diversified portfolio comprising weakly correlated industries. The above table shows that, the largest portion of the total revenue of the bank is generated from Textiles & Garments sector (around 33%) which comes mainly from opening of export and back to back letter of credit (secured sufficiently by the master letter of credit), payment of duty, export taxes etc. The fact that, a large sum of income is generated from RMG sector alone, given that the sector constitutes around 75% of the entire export earning of Bangladesh, does not pose much threat to the revenue generating capacity of the bank. The facility provided to this sector by the bank is related to self-liquidating trade in nature. Moreover, Steel & Ship breaking industry also provides considerable amount of revenues through opening of letter of credit and activities related to ship import (around 14%). Apart from all these, Food and Drinks, Trading, Pharmaceuticals, Transport and Communication and Cement industry also produce notable sum of return. Other key sources of revenue for the bank includes forex-forward facility which most clients take advantage of to protect their businesses against risks arising from foreign currency fluctuation.

## CHAPTER FOUR

### CREDIT APPROVAL PROCEDURE

The credit approval procedure of Standard Chartered Bank concentrates on the assessment criteria in pricing and measuring risk. This tough process is divided into segments and disseminated to particular divisions with expertise in specialized fields for proper scrutiny of the collected client information as per the pre-determined process of providing final approval to the loan applications received. (Ref: Chart 4.1-4.5)

1. Prospecting and Initiation: The corporate market which generates ‘Asset Customers’ or the clients applying for credit facilities is generally comprised of *Multinational corporate (MNC) or Network, Large local corporate (LLC)* and *Local corporate or Middle Market* segments managed by the RMs involved in both front and back-office activities for marketing, maintaining credit relationship and monitoring accounts. Also, clients can approach to the bank for credit facility. The relationships are supported by CSU (Corporate Support Unit) of the bank.
2. Early Business Alert: A brief memo named ‘Early Business Alert’ (including client details like background, financial highlights and needs, potential business and future plans and projections) is raised by the RM upon the detection of a prospective credit relationship which is reviewed by the head of credit and provides feedback.
3. CIB Report and Indicative Offer Letter: Upon successful initial meeting and RMs request, the Credit Operation Department collects report from Credit Information Bureau (CIB) of Bangladesh Bank portraying complete credit situation of the company (record regarding credit facilities taken from other banks, default details etc.). ‘Offer Letter’ explaining necessary terms and conditions, facility structure, pricing etc. is sent to the company if the report is clean and if company submits the documents required for further process along with the letter duly signed to the RM.
4. BCA Preparation and Approval: The financials and other necessary documents received from the client is forwarded to the credit analyst team who prepares a Business Credit Application (BCA) analyzing the financials and computing ratios required using the official software named ‘FAMAS’, prepared and organized in a network based system ‘CreditMate’ with the aim of generating necessary information

regarding the financial solvency, debt service capacity, debt and capital protection, liability and asset management skills, cash cycle etc. illustrating the risks associated and potential profitability of the relationship. While preparing the BCA features like *Proposal, Repayment Sources & Time Frame, Indicative Return, Account Relationship Strategy, Probability of Default, Refinance Feasibility/Other Ways Out, Risk Controls, Loss in Event of Default, Other Remarks and Overall Risk Assessment* are taken into account. Major Standard components of a BCA is discussed below:

**Standard Components of a BCA:**

A. BCA Part 1
1. BCA Details (BCA Type and Sub-type, Last and Next Review Date and originating location)
2. Client Details (Legal Name, Segment, Business, Credit Grade, Basel Segment, Domicile Country and Relationship commencement date etc.)
3. Client and Account Profile (Client's ID, RM name, Code, Location, Telephone, Fax, email, Incorporation No., person to whom BFL will be addressed to)
4. Revenue Group Details (group's name and details)
5. Anchors (applicable for Supply Chain Financing or SCF)
6. Group Details (Groups type of business and consolidated group turnover)
7. Shareholding Details (name and percentage)
8. Scorecards (Credit Risk Grading of main borrower, co-borrower and guarantors)
9. Risk Profile and Compliance Details
· Compliance with Credit Policy
· Compliance with Country Underwriting Standards
· Client's KYC/CDD Level
· EAR (Early Alert Report) Reference if on EAR in the Last 6 months
· Linkage with Sanctioned Country
· Borrower being on ASTAR or not
· Product Program Exceptions
· Being a Holding Company
· Social, Ethical and Environment Risk
· Refinance Risk
10. Hooks (major market force impacting the borrower's business)
11. Revenue and Profitability Details (Pats and future revenue, Economic Revenue and Loss Given Default calculated using odyssey calculator.
12. Client and Group Facility Summary (summarized overall facility amount)
13. Facility Details: Facility Type, currency, use, pricing, Limit Type (standalone, Inner outer, control), Arrangement Fee, Participation Fee, Other Fee, Commitment, waiver, commitment fee, Control Limit, Asset available for Sell-down, Bi-lateral / Syndicated Loan, Maximum Tenor, Maturity Date, Revolving Facility, Contractual Subordination, Booking Location & Entity, Advised Limit, Negative Pledge and Limit Specific Terms & Conditions.
14. Co Borrowers (Legal Name, Segment /Sub Segment, Segment /Sub Segment adjusted for parental support, Basel Segment, Country of Domicile, Incorporation Address and Consolidated Group Turnover)
15. Collaterals (currency in which the value of the security is denominated, Latest Current Market Value and Forced Sale Value, latest Valuation Date, Facilities Covered, Amount Prior Claim, Security Location, External Rating Agency, Local Currency Rating, Foreign Currency Rating and Date and Details of security)
16. Collateral Owner (Legal Name of Security Provider, Country of Domicile, Relationship with



Client, Country of Incorporation, Legal Constitution Type, Security Covered, SCB credit grade adjusted for parental support, Basel Segment, Consolidated Group Turnover and Currency)
17. Parental Support
18. Covenants (Description, frequency of monitoring, Due Date, Limits Covered, Status of Compliance and the person responsible for tracking)
19. Risk Monitoring Triggers (Description, designation of the person responsible for monitoring and taking action, Frequency and Required Action)
20. ISDA Specific Information (strictest default terms giving SCB the opportunity to terminate all transactions under the agreement in the event of breach or termination, tailor credit content to fit client's credit profile, Booking Entities, Deferral Requirement, Status, Number of Days and Date, Credit Grade etc.)
21. TEMASEK Connection (checklist applicable when the borrower has some interest or shareholding of the bank)
22. Large Exposure Directive (client group defined by SCB policy and regulatory guidelines the borrower belongs to)
23. Other Terms and Conditions (Standard and General Terms and Conditions, arrangement fees, legal fees and volume commitments)
24. BCA Attachments
25. Approval Details (Recommendation or Supported by Credit Authorities, Approvers' names, designations, dates of signatures and Conditions)
B. BCA Part 2
1. Purpose Of BCA (Key reasons including proper justifications)
2. Credit Grade Rationale (Explanation provided if there is a change of credit grade since the last review)
3. Breaches (Explanation regarding breaches relating to Credit Policy, Portfolio Standards, Product Programs, Covenants and Risk Triggers with proper mitigating factors)
4. Summary of SCB & Other Banks' Tier Position (facility amount, outstanding, security provided, banker check information, Dates of client visit and Return on Risk Weighted Assets or RoRWA information)
5. Key Client Information: Industry Information (key competitors along with market share, client's market position, industry outlook), Business Information (core activities, segmental & geographical breakdown of turnover and profits, Comment on Group Structure, Future plans to expand, diversify or engage in upstream or downstream activities, main buyers and suppliers with trade check findings, members of management including title, name, qualification/previous experience, years in company and industry, Connection between owners and succession plan)
a. Industry Information
b. Business Information
c. Management Information
6. Risk Analysis*
a. Industry Risk
b. Business Risk
c. Financial Risk
d. Facility Structure Risk
e. Security Risk
f. Environmental and Social Risk
g. Management Risk
h. Account Performance Risk
i. Receivables Risk
7. Additional Comments, Supporting Information & Recommendation
B. BCA Part 2 Appendix 1 : Group Structure
C. BCA Part 2 Appendix 2: Co-Borrower and Guarantor Analysis
D. BCA Part 2 Appendix 3: Additional due diligence for sovereign entities
E. Financial Spreadsheet

F. Credit Grade Scorecard**
G. Financial Projections
H. BCA Odyssey to calculate Economic Revenue(ER) and Loss Given Default (LGD)
I. Return on Risk Weighted Asset Summary
J. Sustainable Lending Scorecard
K. Personal Guarantor Scorecard
L. Financial Market (FM) Appropriateness Profile
M. Account Plan

<b>*PREDEFINED RISK ANALYSIS CHECKLIST</b>	
<b>Industry Risk</b>	
The client operates in an industry whose outlook is expected to be stable or grow next year.	
There has been no adverse impact as a result of any internal or external sovereign/regulatory changes (e.g. embargo, quota tariffs, VAT rebates, taxation etc)	
There have not been any structural changes in the industry/market that the client operates in (e.g. change in trade terms, sourcing policy etc)	
<b>Business Risk</b>	
The client's core business has not changed & it has not diversified into other non-core businesses	
There is no material impact on the clients competitive position in the market as a result of new competitors/substitutes	
There have been no changes in major buyers (>20% of sales) and/or major sellers (>20% of purchases) in the last 12 months	
There is no buyer/seller concentration risk >20% locally or in specific markets/geographies	
Product obsolescence is not a risk. If the client is a contractor, there are adequate contracts on hand for the next 12mths	
Oil and raw material prices have not affected the clients profitability and competitiveness	
Currency fluctuations have not affected the client's competitiveness	
Inventory is not subject to market price fluctuations	
<b>Financial Risk</b>	
There have been no qualifications, material changes in accounting policy or change in auditors in the last 2 years	
The client is profitable (excl. extraordinary gains) and sales turnover has not declined >10% in the last 12 months	
Gross margins have not fallen by >5% in absolute terms in the last 12 months (e.g. if Yr 1 Gross Margins are 30%, Yr 2 margins should be 25% or better)	
Gearing is < 1.5X for manufacturing or < 2.5X for trading companies and has not deteriorated by > 15% in the last 12mths	
There has been no withdrawal of shareholders/directors loans	
There has been no deterioration in operating cycle ratios > 15% i.e. stock turnover, debtor & creditor days	
NCAO is positive and sufficient to service interest and debt repayments (i.e. positive	

CADA)	
CADA is positive and sufficient to meet negative MTM positions on all its outstanding treasury contracts and claims under contingent liabilities within the next 12 months.	
There has been no dividend payment > 50% of net profit after tax or out-streaming of funds to related parties	
Refinancing Risk for the client is not graded Red or Amber in Part 1	
The financial outlook for the client in the next 12 months is positive/stable (i.e. financial projections)	
<b>Descriptive financial analysis including reasons/root causes for:</b>	
Exceptional/extraordinary items	
Changes in Liquidity ratios > 20%	
Changes in Profitability ratios > 20%	
Changes in Debt Service ratios > 20%	
Changes in Gearing ratios > 20%	
<b>Facility Structure Risk</b>	
(Comments on seasonality, stocking, debtors ageing, structure and tenor of facilities vs the Net Working Cash Cycle Period)	
The Facility structure meets the clients Operating Cycle and is common with the industry	
There are no signs of any funding mismatches (i.e. short term financing is not used to finance long term assets & CAPEX)	
The client's FX, Commodity and Interest rate hedging needs have been comprehensively reviewed and a coherent strategy is in place	
The client is only executing simple forward contracts to hedge FX risks and plain vanilla interest rate swaps to hedge underlying interest rate risks.	
There are no specific risks identified as part of the A&S profiling for the proposed derivative exposures (e.g. dispute in specific deals with other banks)	
There are no specific risks identified on authority of the empowered individuals appointed by the client to deal (e.g. junior staff singly executing large transactions)	
There are no restrictions and sensitivity (e.g. PEP) around the clients dealing in derivatives (e.g. finance director authorized to deal is a PEP)	
<b>Security Risk</b>	
Full Security Compliance Checklist (SCC) has been issued for the immediate preceding BCA	
There has been no material deterioration in the value of our total security or our security position vis-à-vis other banks	
There has been no change in shareholder/directors support (e.g. withdrawal of Corporate/Personal Guarantee or shareholders/director's loan)	
SCB's inferior security position is still acceptable and has not surpassed 1 year	
No recent litigation or change in legal environment has taken place that adversely affects our security position	

<b>Environmental and Social Risk</b>	
There are no environmental, compliance or social issues (e.g. child labour, poor working condition, chemical pollution etc) that could lead to reputation risk for SCB	
The client is aware and complies with all environmental & social regulations affecting its business. This includes direct & indirect impact (e.g. raw materials are derived from a sustainable source, buyer imposed social and environmental standards)	
The customer is graded Green on the Environmental and Social Risk Assessment Tool	
<b>Management Risk</b>	
There has been no change in senior/key management or shareholding in the last 12 months	
The management is aware of the potential risks faced by the business and have clear strategies in place to address them	
The company has a proper succession plan in place (e.g. qualified CFO able to step up as CEO) and there is no key man risk	
SCB Team Leader/Segment Head have met with key shareholders/directors in the last 12 months and are comfortable with the integrity and ability of the owner(s) and all key management	
The company has reliable systems in place to provide timely and accurate information to make business and operational decisions.	
No significant labour/union issues have arisen in the last 12 months	
No litigation or adverse reports involving the client or any of its senior/key management/ shareholders/directors	
<b>Account Performance Risk</b>	
Interest has been serviced promptly and there have no past dues greater than 15 days in the last 12 months	
Repayment extensions and excesses are not habitual, are for rationale reasons and have been resolved within agreed timeframes	
The group and any related company has not been on EAR in the last 12 months	
Limits with an average utilisation >80% are under control and due to positive reasons (e.g. core bank status)	
Bank has the operating account and credit turnover as a % of our client's total sales is in line with bank's tier position	
If Independent Transaction Monitoring has been conducted on the account in the last 12 months, the risks highlighted have been addressed and resolved	
<b>Receivables Risk</b>	
Performance risk and payment risk have been covered in the structure proposed	
Acceptance of the invoice by the buyer is necessary	
There is no financing of related party invoices	

<b>**CREDIT RISK GRADE SCORECARD</b>		
<b>1. General information section</b>		
<b>2. Financial section</b>		
<b>Financial Indicators</b>		
<i>Ratio</i>	<i>Description</i>	<i>Weight (%)</i>
Gearing Ratio	(Total Debt + Associated Loans) / Total Tangible Assets	25
Stock Turn Periods	(Total Stock * 365 days) / Cost of goods sold	10
Cash Ratio %	(Cash + Near Cash Items) / Current Liabilities	10
Net Profit Margin %	Net Profit (Loss) After Tax / Total Sales	20
EBITDA to Interest	EBITDA / Interest Charge	10
Cash Flow Ratio	(Gross Cash Flow - Int - Div) / Current Liabilities	10
Asset Turnover	Sales / Total Assets	15
<b>3. Non Financial Section</b>		
Account Behaviour:		
How would you describe the customer`s account behaviour over the last two years?		
Benchmarking		
How would you benchmark the customer compared with its industry peers?		
Auditing Firms		
Who is the customer`s auditor?		
Management Quality		
How would you assess the quality of the customer`s management?		
Age of Business		
How long has the company been engaged in its primary line of business?		
Years of Customer Relationship		
How long does SCB have a business relationship with the customer?		
Company Diversification		
Please evaluate the level of diversification of the customer and the degree of focus on its business(es)		
Industry Prospects		
How do you assess the short to medium term prospects of the customer`s main industry segment?		
Existence Of Succession Plan		
Is there an identified successor for the CEO/Head of business of the customer?		
Years of Relevant Management Experience		
How many years of experience does the most experienced member on the executive board possess?		
Customer Supplier Relationship		
How do you characterize the spread of the customer`s suppliers and customers?		
<b>4. Warning signals</b>		
Has there been any recent request for interest/repayment suspense?		
Has there been any major incidence of fraud at the Board level?		
Have there been breaches of covenants?		

Do the financials of the customer not reflect the true credit-worthiness of the customer?
Have there been incidences of fraud below Board level?
How many months after the balance sheet date, did the customer take to provide financials
Has there been an unforced change of auditor?
Has there been an external incidence of fraud?
Are the financials of the customer qualified or company prepared? 0
Has there been (i) downward movement in KMVs Implied Grade by one major notch or more over the past 3 months or (ii) "Credit Watch - Negative" or "Outlook - Negative" status by S&P / Moody's?
<b>5. Parental support/cap (applicable if the borrower enjoys support from a parent company having better credit grading)</b>
<b>6. Grade details (Credit risk grade (on a scale of 1 to 14) based on the factors above and other regulatory and policy related guidelines)</b>

*Renewal, Maintenance and Monitoring:*

It is compulsory to review the relationship the new credit relationships annually (at least) for which, entire set of BCA is submitted to the credit chain and facilities are provided (reduced or enhanced with changes in conditions by RM) for the next term upon approval and clean CIB report. Earmark limits or temporary excess (subject to credit approval) may be provided to accommodate clients' needs in the maintenance stage. Supervision and scrutiny is done by RMs and ARMs on a regular basis along with detection and reporting of risk triggers, covenants, adverse market conditions, breaches to the credit as per the approved BCA are done in the monitoring phase. The software 'CreditMate' is used for these processes.

5. Preparation of Operational Sheet: An Excel based account-planning tool called 'Corporate Deal Analyzer' is used to model risk adjusted profitability and value added for the clients and an 'Operational Sheet' is prepared mentioning detail regarding the credit facilities, limits, amount and type of security.

Final evaluation is done by the senior credit analyst and approved by the head or credit (or by regional head of credit in Dubai of credit when the credit amount exceeds BDT 2 million)

6. BFL Acceptance: Banking Facility Letter (BFL) is prepared advising details of the facilities with all the terms and conditions by the Credit Documentation Unit (CDU) after approval of the BCA and provided to the client with related legal papers for acceptance and signoff.

7. Security Documentation: Arrangements are made for the completion of necessary security documentation for completion of pari passu security sharing agreements, charge filling etc. Following is a list of major documents that are prepared:

1.	Corporate Guarantee
2.	Personal Guarantee
3.	Letter of awareness
4.	Letter of Comfort
5.	Letter of Negative Pledge
6.	Letter of Undertaking
7.	Letter of Authority for Encashment of Securities
8.	Letter of Hypothecation for Fixed/Floating Charge over stocks, book-debts and machineries and Irrevocable General Power of Attorney for each of these
9.	Letter of Lien over Set off over Deposit Accounts
10.	Letter of Subordination (personal and company)
11.	Memorandum of Deposit of Movable Asset as Security
12.	Agreement and Indemnity relating to the Issuance of Documentary Credit
13.	Demand Promissory Note and Letter of Continuation

8. Limit Setup: The credit admin and the Credit Risk Control (CRC) Department make all the limits available in the system upon the completion of all the required documents. Trade Port and eBBS (systems which includes account details supporting the functions of loan processing, trade, credit risk control and credit) use these limits as per the accepted BFL and the client can start facility drawdown.
9. Facility Drawdown: Clients has to open at least one account that is subject to Client Due Diligence (CDD) (Previously known as Know Your Customer or KYC and unrelated to credit approval). Depending on the approved facilities drawdown can happen i.e. overdraft limit can be used issuing cheques, raw materials or capital goods can be imported issuing L/Cs or payments can be made to suppliers availing revolving loans.



## CHAPTER FIVE

### LOCAL CORPORATE

#### **ORIENTATION AND CLIENT COVERAGE (OCC):**

Under the functional department of Orientation and Client Coverage or OCC, Local Corporate (LC) is a division which concentrates solely on clients' need and requirements with the aim of providing suitable services. Building strong client relationship with the all-inclusive products concentrating on key geographic markets, OCC strategize to function in 7 regions (Africa, Americas, Greater China & Japan, Korea, Middle East and North Africa (MENA), Southern Asia and UK/Europe) and 4 segments (Global Corporate, Local Corporate, Commodity Traders and Agriculture and Financial Institutions).

**Global Corporate** is responsible for providing services to multinational enterprises and Global clients (e.g. Lafarge Surma Cement Limited, Airtel Bangladesh Limited, Berger Paints Bangladesh Limited, G4S Security Services Bangladesh (P) Limited etc.). **Local Corporate** provides services and solutions to local industries and firms (Advanced Chemical Industries Limited, Bombay Sweets and Company Limited, BRB Cables Industries Limited, Nasir Glass Industries Limited, Pran Foods Limited etc.) whose accounts include small businesses and sole proprietorships, the provident funds, pension funds of trusts, gratuity funds. **Commodity Traders and Agriculture** (office based in Chittagong) deals with agricultural firms, countrywide divisional traders and other consultancy firms (MJL Bangladesh Limited, Padma oil Company Limited, Meghna petroleum Limited etc.). **Financial Institutions** deals with two separate client groups: (a) Development Organization (NGOs, leasing companies, insurance companies, financial institutions) and (b) Banks and Investors (local banks, individual investors). Through the Strategic Client Coverage Group (SCCG), the functional department of OCC deals key industries i.e. Telecom, Power & Utilities Oil & Gas, Metals & Mining, Chemicals & Refining, Commercial Real Estate, Transportation & Infrastructure and Financial Institutions.

**Local Corporate and Client Base:** Majority of the total relationships of OCC are managed by LC concentrating on its client-led strategy, balance sheet strength, rigorous control environment, flexible cost base and proper investment in people. Local Corporate (LC) has a total of 1300 accounts (180 lending and the rest 1120 non-lending relationships)



concentrating on power, cement, chemicals and engineering, FMCG (Fast Moving Consumer Goods), T&G (Trading and Gas) industries.

### **LC Employees and Services Offered:**

The team includes Directors, Associate Directors, Associates, (Relationship Managers or RMs) and reports to the Head of LC (Ref: Organogram-Figure 5.1). They relentlessly work to improve relationships with clients concentrating on optimization of dynamic workforce aiming at minimizing market risks. The three important services and solution that LC offers are: **Cash Management, Trade Finance & Securities Services.**

### **Cash Management:**

For both corporate and institutional clients, **Cash Management** services cover payments (local and cross border), collections, information management, account services and liquidity management, monitoring and controlling movement of funds, efficient management of the availability of client's funds, capturing every investment opportunity to increase the clients' income and settling timely and cost-effective payments to client's suppliers. **Payment Services, Collection Services and Liquidity Management** are the solutions offered.

- ✓ **Payment Services** help clients to reduce their overall processing costs for Payments (domestic and local) by providing value-added services to their suppliers, customize comprehensive payment services to improve the account payable process of clients. Since most of the clients' effort in the payment cycle is directed towards initiation and difficulties in the subsequent reconciliation process which can jeopardize the whole process, LC offers a full range of payment capabilities including:

- Cross-border payments
  - Telegraphic transfers
  - International bank cheques / drafts
- Domestic payments
  - Local bank cheques / drafts / Cashier's order
  - Corporate cheques
  - Direct credits – ACH / GIRO / credit vouchers
  - Local bank transfers (RTGS)
  - Book transfers (account transfer between Standard Chartered branches)

- Payroll
- Straight2Bank channels or Payment System Integration (Ref: Figure 5.2)

The ***Straight2Bank channels*** provide trouble-free online transaction and mass file payment via internet or lease line, and the ability to send industry standard information straight to the bank. LC in-country specialists help customize solutions that assists clients in efficient management of working capital, keeping track of payment generating updated reports uploaded to the company's system.

✓ ***Collection Services*** delivered through a standardized international platform **by** leveraging the Bank's extensive regional knowledge and widespread branch network across the key markets, has the flexibility to cater to the clients' local needs, reduce costs and increase efficiency and profitability through better receivables and risk management. The key components of LC solution include:

- ***Extensive clearing network*** - LC's extensive branch and banks' network help provide benefit of early availability of funds, cheque purchase and guaranteed credit services.
- Through arranging ***Guaranteed credit*** to account for local and foreign currency cheque collections (where bank might not receive funds from the clearing house or correspondent bank), it credits them to account on a pre-set date, thus reduces overdraft balances, lowers interest costs and helps manage cash inflow from accounts receivable efficiently.
- Through ***Comprehensive MIS***, detailed reports are delivered to clients based on their choice of channels which are customized to their requirements to provide regarding invoice number, name of drawer, reference no. of client, code of debtor, distinctive narration etc.) thus help the clients effectively manage receivables, purchasers' demands and reduce default rate by minimizing delayed receipt.
- ***System integration*** integrates client's account receivables with collection system to enable simplified reconciliation along with files, details of invoice, and coordinated amounts against receipts. Files and MIS are transmitted through Host-To-Host channel and DDI (direct debit initiation) to Internet Banking Channel.

- **Outsourcing of collections** includes *Courier pick-up service, Clearing of instruments, Electronic collection services, Data capture of information and Reconciliation activities* on retail and wholesale scale.

✓ **Liquidity Management** (Ref: Figure 5.3) helps clients maximize their interest income on surplus balances and minimize interest expense on deficit balances for both domestic, regional accounts. Through rich centralized management of data system it minimizes Foreign Currency conversion risks; helps optimize float management; reduce cost of funding along with dealing with issues regarding regulations, tax and outsourcing. The key components of LC solution under this category include:

- **Physical sweeping** transfer balances physically from a number of participating accounts to a particular concentration account (subject to regulatory considerations), help the clients concentrate all surplus balances and deficit balances at a fixed pre-set period into one account to maximize daily cash yield. *Multiple-layer sweep; Standing instruction; 1-way sweep; 2-way sweep; Zero-balancing sweep; Target balancing sweep; Debit sweep; Credit sweep; Sweep with back value transactions; and Comprehensive MIS reporting* are its main features.
- **Notional pooling** offsets accounts with deficit balances against those with surplus balances thus assist in optimizing daily cash yield (subject to regulatory considerations).
- **Interest reallocation** helps transfer interest component back to the entities from the particular cash concentration account (based on the clients' instructions) along with generating detailed report, tracking balances on a daily basis and calculating interest based on reallocation formula.
- Under **Investment** services LC provides immediate investment tools that help direct surplus balances to be invested to gain return (based on the overnight market driven rate) besides providing the option to expand surplus balance by investing in short term Money Market funds credit rated as 'AAA' for longer term principal balances.

## **Trade Finance:**

By offering solutions to companies as per their requirements, trade finance connects clients with other entities offering cash management solutions. **Imports/Exports, Supply Chain Financing, and Document Manager** are the solutions offered under this service.

### ✓ **Imports/Exports:**

*Letter of credit* gives assurance to the clients that payment will not be made until the documents are received and verified to be in order when dealing with unfamiliar suppliers. *Import bills for collection* provide prompt advice upon the receipt of shipping documents (from the clients' suppliers) and efficient payment according to prior instructions. Issuing a *Shipping Guarantee* in the shipper's favor, LC facilitates prompt clearance of goods until bills or ladings are received. *Import financing* provides finances under Letter of Credit for payments against documents of the suppliers which also includes open account invoice financing. *Performance bonds and other guarantees* provides customizes services the clients' guarantee requirements as well as performance bond.

With the help of extensive global network, *Export letter of credit advising* provides prompt advising of export letter of credit. *Export letter of credit safekeeping* offers safety of original documents to help further processing of facilities to be provided. *Export letter of credit confirmation* provides required comfort while dealing with letters of credit of unfamiliar overseas purchasers or less known banks. *Pre-shipment export financing* provide clients ease at trading against irrevocable letters of credit by purchasing orders in different currencies. *Letter of credit checking and negotiation* ensures speedy transmission of documents. *Export bills for collection* or *discounting* simplifies reconciliation of export collections and dispatch tracking of payment. *Export invoice financing* helps buyers obtain invoice financing awaiting purchasers' imbursement. *Document preparation* helps clients outsource executive operations and paperwork on the letter of credit or purchase order.

### ✓ **Supply Chain Financing (SCF):**

It provides working capital support for partnered clients' selected suppliers and buyers under *Supplier Finance Programs* and *Buyer Finance Program* that craft pre-shipment and post-shipment financing solution to reduce costs, manage receivable risks and liquidity, minimize DSO (Days Sales Outstanding) and cost of financing, thus help ensure growth of returns.

✓ **Document Manager:**

Straight2Bank help local clients simplify and speed up trade banking cycle - from product sourcing, procurement tools, financial service logistics management, shipping and insurance to payment allowing to generate, link, track the clients' trade activity, exchange and link a full set of trade documents electronically with local trading partners.

**Securities Services:**

For over 150 years, this segment has been serving the world's largest Local custodians, fund managers, institutional investors and broker-dealers customized solutions covering areas like with custody and clearing, valuation, portfolio reporting, back office outsourcing, commercial banking solution across 17 markets including Bangladesh, China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Singapore, South Korea, , Thailand, and U.A.E (Dubai).

**Custody Services:**

Local Corporate Provides personalized services encompassing fields like brokerage, foreign exchange, institutional debt and equity offering, securities 'physical safe custody, clearing and settlement across Asian, European and North American institutions along with simplified access to information regarding securities market.

**Clearing Services:**

In order to offer ease in transaction conducted across borders and global trade, LC with its multi-currency capabilities provide customized services that assist clients fulfill their international clearing needs. With wide-reaching technology and practices, it serves customers to deal with entities extending across South Asia, the Middle East, Latin America, Africa, the USA and the UK.

**Fund Management:**

Through proficient processing of transaction detecting investment opportunities across local and global market, Local Corporate ensures cost reduction and management of liquidity along with providing the clients with information regarding available funds, deposit details, and help clients' financial decision making.

## CHAPTER SIX

### ANALYSIS OF DATA AND THEIR INTERPRETATION

A structured questionnaire containing both open-ended and close-ended questions (a combination of multiple choice questions, open-ended questions, rank order questions, statement checklists and rating questions) was prepared with suitable options. With the aim of measuring the satisfaction level of the clients, questions that would assist in identifying the level of knowledge regarding the services, views regarding their quality and standard and clients' feedback and suggestion to improve the services and solutions were included in the questionnaire. In order to get the clients' list and get in touch with the clients I took help from my supervisor. The client group was selected using the simple random sampling method. The survey was done among 40 respondents. The questionnaires were mailed to the authorized persons (managers, directors of head of finance department who are about the products they are offered by the segment and are capable enough to judge their level of satisfaction regarding them along with providing feedbacks required) who deal with the bank on behalf of their respective companies. The non-response rate was very low (5.00%) and I was able to collect data from 38 respondents.

#### **Analysis of data and their interpretation:**

After the collection of data, those had been analyzed using Microsoft Excel and statistical software SPSS. At first, the qualitative data were separated from the quantitative ones and dependent and independent variables were also pointed out. Variables have been analyzed using statistical tools like: Frequencies, Correlation, Regression, One-sample t-test and independent t-test and have further been illustrated through scatter plots, histograms, charts, tables and graphical representations. Following are the list of variables and the results from the statistical analysis of the data with their explanations and interpretations:

#### **List of Variables:**

- Number of respondent
- Longevity of relationship of the clients with the bank
- Type of services
- The most used LC service by the client
- Current awareness status of the client about LC services

- Reliability factor of LC service and staff
- Responsiveness factor of LC service and staff
- Accessibility factor of LC service and staff
- Assurance factor of LC service and staff
- Empathy factor of LC staff
- Courteousness of LC staff
- Rates of LC services
- Overall rating of service quality and standard
- Most satisfactory cash management solution
- Most satisfactory trade finance solution
- Most satisfactory securities service solution
- Clients' complaints against LC services or staff
- Clients' tendency to complain to the RM regarding LC services
- Overall rating of the clients' satisfaction level

**Interpretation of frequencies tables:**

Data were arranged in ascending order of magnitude with their corresponding frequencies (the number of times a particular option has been responded) and were run in SPSS. The output together with its percent and cumulative percent are shown below tables. The first frequency table 6.1 relates to the relationship longevity of the clients with the bank. The frequency of the survey output is followed by histograms to illustrate the results further.

30% clients stated that they have a relationship with this segment for quite a long time, around 43% clients have a banking relationship with LC for more than 5 years and only 10% clients are dealing with the bank for less than a year which shows that the majority of respondents have worked with the segment for more than 5 years and therefore can be regarded as to have a strong relationship with LC.

From the histogram 6.1 it is evident that, majority of the clients has been dealing with the segment for more than 5 years and therefore can be regarded as to have a strong relationship with LC since the mass of the distribution of data is concentrated on the right side and has relatively few low values.



The next frequency tables (6.2-6.4) relate to the questions about the clients' level of knowledge regarding the services:

Majority (around 54%) of the clients have a clear knowledge about services and solutions and accurately named them. Again, cash management is mostly popular among the majority of LC clients (availed by nearly 38%) followed by the trade finance solution of LC services (a close percentage result of 25%). Moreover, LC clients do not have much interest to know more about the services of the segment, other than those that their companies avail as result shows that 46% of the respondents claim that they are aware of the services of LC and they think it is as much as necessary. The histogram results (6.2-6.4) support these outcomes.

The next set of frequency tables (6.5-6.7) relate to the clients' views about the quality and standard of services offered by this segment. The reliability factor of LC services and staff has been accounted for by three questions:

The services and staff of LC can be regarded as reliable since majority of the respondents agreed that LC provides promised services (45%), can be depended upon (60%) and strongly agreed that it maintains records accurately (49%) Thus the third histogram (6.7) supports this outcome (data concentrated on the left side), whereas, the histograms for the first two statements (6.5, 6.6) show balanced distribution of data or opinions.

The responsiveness factor of LC services and staff has been accounted for by three questions (table 6.8-6.10):

The services and staff of LC cannot be regarded as satisfactorily responsive. 44% of the respondents have agreed that LC keeps them informed; but 39% respondents disagreed that LC provides prompt services and 41% of the clients took a neutral stand that LC readily responds to requests. The histograms (6.8-6.10) show balanced distribution of opinions.

The accessibility factor of LC services and staff again has been accounted for by three questions (table 6.11-6.13)

The services and staff of LC are accessible, but simultaneously clients also find the waiting time to be expensive since 64% of the respondents have strongly agreed that LC RMs can be easily accessed; 42% agreed that services can be accessed at convenient hours and branches and 35% of the clients disagreed that waiting time is not expensive. The histograms for the



statements support the outcome (data concentrated on the left side for graph 6.11, 6.12 and on the right for graph 6.13).

The assurance factor of LC services and staff has been accounted for by two questions (table 6.14, 6.15):

LC staff can guarantee service assurance since 37% of the respondents agreed that LC employees have the knowledge to answer clients' requests and 59% respondents strongly agreed that LC employees can keep company secrets safe. The histograms results for the two statements (6.14, 6.15) support the outcome (data concentrated on the left side).

The empathy factor of LC services and staff has been accounted for by two questions (6.16, 6.17):

LC staff shows empathy towards clients since 50% of the respondents strongly agreed that LC employees provide them individual attention and 41% respondents agreed that LC employees can understand their company needs. The histogram results (6.16, 6.17) support the outcome (data concentrated on the left side).

The courteousness factor of LC services and staff has been accounted for by only one question (6.18):

LC staff is courteous since 43% of the respondents agreed that LC employees are consistently polite. However, the histogram result (6.18) shows balanced distribution of data or opinion.

The rates of LC services have been accounted for by two questions (6.19, 6.20):

LC rates are somewhat in accordance with, but clients seem to be confused regarding the balance between quality and service charges quality (agreed by 34% of the respondents but disagreed by a close 33%). Majority (43%) of the clients feel that the rates are not reasonable. The histogram result for the first statement (6.19) shows balanced distribution of data and the second one (6.20) supports the outcome as well (data concentrated on the right side).

The overall response regarding the quality and standard of LC services was accounted by one question (Ref: table 6.21):

52% respondents stated that the overall quality and standard of LC services is generally good. The histogram (6.21) illustrating this result supports the outcome (data concentrated on the right side).

The next set of frequency tables (6.22-6.24) relate to the clients' satisfaction level regarding the services of LC. The first three questions under this section were given to find out which solution among the cash management, trade finance and securities services was mostly popular with the clients:

Collection services, trade finance services and clearing services topped their respective category with 37%, 31% and 51% of the votes respectively. The first histogram (6.22) support the outcome (data concentrated on the left side) and the other two (6.23, 6.24) shows balanced distribution of data.

The frequency tables (6.25-6.27) relating to clients' complaints and satisfaction level are discussed below:

33% of the respondents find the staff of LC is unsupportive and inefficient and although 37% of the respondents have complaints regarding the services and staff of LC, they do not share it with the respective relationship managers. 48% of the respondents are just moderately satisfied with the services. The first histogram result (6.25) supports the outcome (data concentrated on the left side). The other two (6.26, 6.27) shows balanced distribution of data.

### **Hypotheses:**

Quantitative variables were further categorized into dependent and independent variables that are expected to have a relationship with any other variable. The independent variables have an impact on the dependent variable. With the aim of showing the relationship between each variable, hypotheses were used for conducting the Correlation and Regression:

- Reliability Factor, Responsiveness Factor, Accessibility Factor, Assurance Factor, Empathy Factor, Courteousness Factor and Rates of LC services (independent variables) have statistically significant relationships with the type of complaints that clients tend to have against the services of LC (dependent variable).
- Reliability Factor, Responsiveness Factor, Accessibility Factor, Assurance Factor, Empathy Factor, Courteousness Factor and Rates of LC services, Overall rating of the

quality and standard, and Overall rating of the clients' satisfaction level (independent variables) have statistically significant relationships with the relationship longevity of the clients with the segment of LC (dependent variable).

- Rates of LC services and Overall rating of the clients' satisfaction level (independent variables) have statistically significant relationships with the overall rating of the quality and standard of LC services (dependent variable).
- Rates of LC services (independent variable) have a statistically significant relationship with the overall rating of the clients' satisfaction level (dependent variable)
- Overall rating of the clients' satisfaction level (independent variable) has a statistically significant relationship with the clients' choice of their mostly used LC services (dependent variable).

#### **Interpretation of correlation analysis:**

The first test conducted for these variables is correlation taking the above null hypotheses into account in order to find out if the variables were actually correlated to any extent, that is, to identify the degree of relationship or association between two variables. Two observations (the Pearson correlation and the significance level) from the correlation results have been considered:

#### **Reliability factor vs. Type of complaints made by clients (ref: table 6.28):**

There is no statistically significant correlation between the two variables. Change in reliable factor of LC does not significantly relate to the change in the types of complaints made by the clients (a weak relationship) since the Pearson correlation for the reliability factor against the type of complaints made by clients stands at 0.069, -0.006, and -0.033 (close to 0) and the significance levels are 0.472, 0.956, and 0.736 (greater than the statistical significance of 0.05).

#### **Responsiveness factor vs. Type of complaints made by clients (ref: table 6.29):**

There is a weak relationship between these two variables since the Pearson correlation stands at 0.049, -0.409, and -0.329 (close to 0). The significance levels are 0.611 (greater than the statistical significance level of 0.05), 0.000, and 0.000 which indicates that the test is not significant enough and the null hypothesis cannot be rejected. So, altogether there is a statistically significant correlation between the two variables.

**Accessibility factor vs. Type of complaints made by clients (ref: table 6.30):**

Accessibility factors do not considerably affect the types of complaint made by the clients (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at -0.010, 0.047, and -0.015 (close to 0) and the significance levels are 0.922, 0.627, and 0.886 (greater than the statistical significance of 0.05).

**Assurance factor vs. Type of complaints made by clients (ref: table 6.31):**

Assurance factor do not notably affect the type of complaints made by the clients (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at -0.010 and -0.003 (close to 0) and the significance are 0.928 and 0.985 (greater than the statistical significance of 0.05)

**Empathy factor vs. Type of complaints made by clients (ref: table 6.32):**

Empathy factors do not significantly affect the types of complains made by the clients (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at -0.003 and -0.136 (close to 0) and the significance levels are 0.981 and 0.151 (greater than the statistical significance of 0.05).

**Courteousness factor vs. Type of complaints made by clients (ref: table 6.33):**

Courteousness factors significantly affect the types of complaints made by the clients (strong relationship) and there is statistically significant correlation between the two variables since the Pearson correlation stands at 0.201 (close to 1) and the significance level is 0.033 (less than the statistical significance of 0.05).

**Rates vs. Type of complaints made by clients (ref: table 6.34):**

The rates of LC do not considerably affect the types of complaints made by the clients (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at 0.010 and -0.018(close to 0) and the significance levels are 0.929 and 0.857 (greater than the statistical significance of 0.05)

**Reliability factor vs. Relationship longevity of clients with LC (ref: table 6.35):**

Reliability factors do not considerably affect the relationship longevity of clients with LC (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at 0.005, -0.103 and -0.087 (close to 0) and the

significance levels are 0.971, 0.279 and 0.363 (greater than the statistical significance of 0.05).

**Responsiveness factor vs. Relationship longevity of clients with LC (ref: table 6.36):**

Responsiveness factors do not notably influence the relationship longevity of clients with LC (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at 0.193 (close to 1), 0.096 and 0.012 close to 0) and the significance levels are 0.041 (only value less than the statistical significance of 0.05), 0.312 and 0.907.

**Accessibility factor vs. Relationship longevity of clients with LC (ref: table 6.37):**

Accessibility factors do not significantly affect the relationship longevity of clients with LC (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at 0.023, -0.013 and 0.091 (close to 0) and the significance levels are 0.817, 0.901 and 0.341 (greater than the statistical significance of 0.05).

**Assurance factor vs. Relationship longevity of clients with LC (ref: table 6.38):**

The relationship between these two variables is somewhere in the middle of the strength line since the Pearson correlation stands at -0.048 (close to 1) and 0.162 (close to 0). Also, there is no statistically significant correlation between the two variables as the significance levels are 0.622, and 0.087 (greater than the statistical significance of 0.05).

**Empathy factor vs. Relationship longevity of clients with LC (ref: table 6.39):**

The empathy factors do not considerably influence the relationship longevity of clients with LC (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at -0.162 and -0.030 (close to 0) and the significance levels are 0.086 and 0.760 (greater than the statistical significance of 0.05).

**Courteousness factor vs. Relationship longevity of clients with LC (ref: table 6.40):**

The Pearson correlation stand at -0.149 (close to 0) and the significance level is 0.115 (greater than the statistical significance of 0.05) which shows that there is no statistically significant correlation between the two variables and courteousness factors do not significantly affect the relationship longevity of clients with LC (weak relationship).

**Rates vs. Relationship longevity of clients with LC (ref: table 6.41):**

Since the Pearson correlation stands at -0.079 and 0.098 (close to 0) and the significance levels are 0.409 and 0.291 (greater than the statistical significance of 0.05) it indicates that rates do not noticeably affect the relationship longevity of clients with LC (weak relationship) and there is no statistically significant correlation between the two variables.

**Overall rating of quality and standard of LC services vs. Relationship longevity of clients with LC (ref: table 6.42):**

Overall rating of quality and standard of LC services significantly influences the relationship longevity of clients with LC (strong relationship) since the Pearson correlation stands at 0.121 (close to 1). However, the significance is 0.203 (greater than the statistical significance of 0.05), which shows that there is no statistically significant correlation between the two variables.

**Overall rating of the clients' satisfaction level vs. Relationship longevity of clients with LC (ref: table 6.43):**

Again, overall rating of the clients' satisfaction level do not affect the relationship longevity of clients with LC significantly (weak relationship) and there is no statistically significant correlation between the two variables since the Pearson correlation stands at 0.056 (close to 0) and the significance level is 0.563 ( greater than the statistical significance of 0.05).

**Rates vs. Overall rating of quality and standard of LC services (ref: table 6.44):**

There is a fairly statistically significant correlation between the two variables since the significance levels are 0.201 (is greater than the statistical significance of 0.05) and 0.026 (less than 0.05). However, since the Pearson correlation stands at -0.121 and -0.211 (close to 0), the rates of LC do not notably affects the overall rating of quality and standard of LC services (weak relationship).

**Rates vs. Overall rating of the clients' satisfaction level (ref: table 6.45):**

There is no statistically significant correlation between the two variables since the significance levels are 0.643 and 0.194 (greater than the statistical significance of 0.05) and the rates do not considerably affect the overall rating of the clients' satisfaction level (weak relationship) as the Pearson correlation stands at 0.045 and 0.122 (close to 0).

**Overall rating of the clients’ satisfaction level vs. Overall rating of quality and standard of LC services (ref: table 6.46):**

Since the Pearson correlation stand at 0.03 (close to 0) and the significance level is 0.790(greater than the statistical significance of 0.05), overall rating of the clients’ satisfaction level do not noticeably influence the overall rating of quality and standard of LC services (weak relationship) and there is no statistically significant correlation between the two variables.

**Overall rating of the clients’ satisfaction level vs. Clients’ choice of their mostly used LC services (ref: table 6.47):**

The overall rating of the clients’ satisfaction level do not influence the Clients’ choice of their mostly used LC services considerably (weak relationship) since the Pearson correlation stands at -0.135 (close to 0) and as the significance level is 0.155 (greater than the statistical significance of 0.05), there is no statistically significant correlation between the two variables.

**Interpretation of regression analysis:**

In order to done to ascertain the causal effect the impact of one variable upon another and assess the statistical significance of the estimated relationship (i.e. the degree of confidence that the true relationship is close to the estimated relationship), a regression analysis was conducted for these variables and the value of the R-square has been observed.

**Results of the regression analysis with respective interpretations for the hypotheses:**

**Reliability factor vs. Type of complaints made by clients (ref: table 6.48):**

The reliability factor does not affect the type of complaints made by clients to a large extent (weak impact) since the value of R-square is 0.028 (closer to 0).

**Responsiveness factor vs. Type of complaints made by clients (ref: table 6.49):**

Conversely, the responsiveness factor does affect the type of complaints made by clients to a large extent (strong impact) as the value of R-square is 0.173 (closer to 1).

**Accessibility factor vs. Type of complaints made by clients (ref: table 6.50):**

Here, the value of R-square is 0.000 which indicates that the strength of the impact of the assurance factor on the type of complaints made by clients is weak.



**Empathy factor vs. Type of complaints made by clients (ref: table 6.51):**

The empathy factor does not affect the type of complaints made by clients to a great extent as the value of R-square is 0.019 (closer to 0).

**Courteousness factor vs. Type of complaints made by clients (ref: table 6.52):**

The value of R-square is closer to 0 in this case (0.041) which indicates that the strength of the impact of the courteousness factor on the type of complaints made by clients is weak.

**Rates vs. Type of complaints made by clients (ref: table 6.53):**

The rate does not affect the type of complaints made by clients to a large extent since the value of R-square is 0.000 (weak impact).

**Reliability factor vs. Relationship longevity of clients with LC (ref: table 6.54):**

The reliability factor does not affect the relationship longevity of clients with LC to a large extent since the value of R-square is 0.036 (closer to 0).

**Responsiveness factor vs. Relationship longevity of clients with LC (ref: table 6.55):**

The strength of the impact of the responsiveness factor on the relationship longevity of clients with LC is weak since the value of R-square is 0.049 (closer to 0).

**Accessibility factor vs. Relationship longevity of clients with LC (ref: table 6.56):**

Since the value of R-square is 0.009 (closer to 0) which indicates that the accessibility factor does not affect the relationship longevity of clients with LC to a large extent.

**Assurance factor vs. Relationship longevity of clients with LC (ref: table 6.57):**

The value of R-square is 0.030 (closer to 0) and this indicates that the strength of the impact of the assurance factor on the relationship longevity of clients with LC is weak.

**Empathy factor vs. Relationship longevity of clients with LC (ref: table 6.58):**

The empathy factor does not affect the relationship longevity of clients with LC to a large extent since the value of R-square is 0.029 (closer to 0).

**Courteousness factor vs. Relationship longevity of clients with LC (ref: table 6.59):**

The strength of the impact of the courteousness factor on the relationship longevity of clients with LC is weak as the value of R-square is 0.023 (closer to 0).



**Rates vs. Relationship longevity of clients with LC (ref: table 6.60):**

Since the value of R-square is 0.018 (closer to 0) which indicates that the rate does not affect the relationship longevity of clients with LC to a large extent.

**Overall rating of quality and standard of LC services vs. Relationship longevity of clients with LC (ref: table 6.61):**

The overall rating of quality and standard of LC services does not affect the relationship longevity of clients with LC to a large extent as the value of R-square is 0.015 (closer to 0).

**Overall rating of the clients' satisfaction level vs. Relationship longevity of clients with LC (ref: table 6.62):**

The value of R-square is closer to 0 in this case (0.004), which indicates that the strength of the impact of the overall rating of the clients' satisfaction level on the relationship longevity of clients with LC is weak.

**Rates vs. Overall rating of quality and standard of LC services (ref: table 6.63):**

The rate does not affect the overall rating of quality and standard of LC services to a large extent as the value of R-square is closer to 0 (0.057).

**Rates vs. Overall rating of the clients' satisfaction level (ref: table 6.64):**

The strength of the impact of the rates on the overall rating of the clients' satisfaction level is weak since the value of R-square is 0.017 (closer to 0).

**Overall rating of the clients' satisfaction level vs. Overall rating of quality and standard of LC services (ref: table 6.65):**

Since the value of R-square is closer to 0 (0.002), the overall rating of the clients' satisfaction level does not affect the overall rating of quality and standard of LC services to a large extent.

**Overall rating of the clients' satisfaction level vs. Clients' choice of their mostly used LC services (ref: table 6.66):**

The strength of the impact of the overall rating of the clients' satisfaction level on the clients' choice of their mostly used LC services is weak as the value of R-square is 0.019 (closer to 0).

**One Sample t-test and Independent t- test:**

With the intension of determining the reasons of the relationship longevity and overall satisfaction level of clients and test whether satisfaction level of respondents match with the population, some hypotheses were made.

**Hypotheses, Independent One Sample t-test and analysis:**

**Hypothesis:**

***Hypothesis 1: LC services can be said to be reliable. (ref: table 6.67):***

Null Hypothesis- Clients disagree with the statement if the Reliability of the LC services exceeds rating 3.

Ho:  $\mu \geq 3$

Alternative Hypothesis- Clients disagree with the statement if the Reliability of the LC services is rated less than 3.

H1:  $\mu < 3.0$

The null hypothesis can be rejected since the significance level came out to be 0.009, 0.000 and 0.000 (less than 0.05) which suggests customers feel the LC provides the services that it offers, they can rely on LC to handle banking problems at the same time they feel LC maintains Company’s record accurately.

***Hypothesis 2: LC services can be said to be responsive. (ref: table 6.68):***

Null Hypothesis- Clients disagree with the statement if the Responsiveness of the LC services exceeds rating 3.

Ho:  $\mu \geq 3$

Alternative Hypothesis- Clients disagree with the statement if Responsiveness of the LC services is rated less than 3.

H1:  $\mu < 3.0$

For the majority of the part significance is greater than 0.05 (0.000, 0.350 and 0.598) and the null hypothesis cannot be rejected. So, services are not said to be responsive except for LC keeps them informed about when services to be provided.

***Hypothesis 3: LC services can be said to be easily accessible. (ref: table 6.69):***

Null Hypothesis- The clients disagree with the statement if Accessibility of the LC services exceeds rating 3.

$$H_0: \mu \geq 3$$

Alternative Hypothesis- The clients disagree with the statement if Accessibility of the LC services is rated less than 3.

$$H_1: \mu < 3.0$$

Since the significance level came out to be 0.000, 0.021 and 0.530 (less than 0.05 for the majority of the part), the null hypothesis is rejected. So, LC services can be said to be easily accessible except for one part that is waiting time for the service is not expensive for clients.

***Hypothesis 4: LC services can be said to be providing assurance. (ref: table 6.70):***

Null Hypothesis- Clients disagree with the statement if Assurance of the LC services exceeds rating 3.

$$H_0: \mu \geq 3$$

Alternative Hypothesis - Clients disagree with the statement if Assurance of the LC services is rated less than 3.

$$H_1: \mu < 3.0$$

The null hypothesis is rejected suggesting that customers feel that LC employees have the knowledge to answer clients' queries and LC employees can keep your company secrets safe since the significance level came out to be 0.000 and 0.000 (less than 0.05).

***Hypothesis 5: Clients feel empathetic about LC services. (ref: table 6.71):***

Null Hypothesis- Clients disagree with the statement if Empathy of the LC services exceeds rating 3.

$$H_0: \mu \geq 3$$

Alternative Hypothesis – Clients disagree with the statement if Empathy of the LC services is rated less than 3.

$$H_1: \mu < 3.0$$

The significance level came out to be 0.000, 0.003 (less than 0.05) and the null hypothesis is rejected proving that services can be said to be providing empathy (LC employees provide clients with individual attention and fully understand their needs).

***Hypothesis 6: Clients feel LC staffs are courteous. (ref: table 6.72):***

Null Hypothesis- Clients disagree with the statement if Courteous factor of the LC services exceeds rating 3.

$$H_0: \mu \geq 3$$

Alternative Hypothesis – Clients disagree with the statement if Courteous factor of the LC services is rated less than 3.

$$H_1: \mu < 3.0$$

The null hypothesis cannot be rejected since the significance level came out to be 0.587 (greater than 0.05) which proves that, Clients do not consider LC staffs as courteous.

***Hypothesis 7: Clients feel that LC services are reasonable. (ref: table 6.73):***

Null Hypothesis- Clients disagree with the statement if Charges factor (rates) of the LC services exceeds rating 3.

$$H_0: \mu \geq 3$$

Alternative Hypothesis – Clients disagree with the statement if Charges factor (rates) of the LC services is rated less than 3.

$$H_1: \mu < 3.0$$

The null hypothesis cannot be proved properly since the significance level came out to be 0.907 (greater than 0.05) and 0.021 (less than 0.05) which shows that some people find the services expensive while some do not.

***Hypothesis 8: Clients feel that overall quality and standard of LC services is good. (ref: table 6.74):***

Null Hypothesis – Clients disagree with the statement if the overall quality and standard factor of the LC services is less than rating 3.

$$H_0: \mu \leq 3$$

Alternative Hypothesis - Clients disagree with the statement if the overall quality and standard factor of the LC services is rated more than 3.

H1:  $\mu > 3.0$

Customers rate LC services mostly as poor to good not beyond that because the significance level came out to be 0.110 (greater than 0.05) and the null hypothesis cannot be rejected.

***Hypothesis 9: Clients who have complaints against LC services and who do not have any should differ in duration of maintaining the relationship with LC. (ref: table 6.75):***

Null Hypothesis – There is no differences in the relationship longevity among the clients who have complaints and who do not have complaints against LC services.

Ho:  $\mu_1 = \mu_2$

Alternative Hypothesis: There is significant difference in the relationship longevity among the clients who have complaints and who do not have complaints against LC service.

Null hypotheses could not be rejected as all the significance level 0.783, 0.658 and 0.685 are greater than 0.05. So, duration of the clients with LC does not differ among those two groups and most clients have long duration relationship with LC that reflects that there are some other satisfactory factors like reliability, responsiveness, assurance which may be the reasons for the long duration relation with LC.

***Hypothesis 10: Clients who have complaints against LC services and who do not have any should differ in stating overall quality and standards of LC. (ref: table 6.76):***

Null Hypothesis – There is no differences in the ratings of overall quality who have complaints and who do not have complaints against LC services.

Ho:  $\mu_1 = \mu_2$

Alternative Hypothesis: There is significant difference in the rating of overall quality of the respondents who have complaints and who do not have complaints against LC service.

Since all the significance level 0.995, 0.353 and 0.363 are greater than 0.05, null hypotheses could not be rejected. So, rating of quality by the clients about LC does not differ among those two groups and most clients have rated average about the services of LC that reflects that there are some other unsatisfactory factors like service delivery time, responsiveness, client courtesy which may be the reasons behind the average to poor ratings.

**Analysis of the qualitative responses of the survey:**

Clients had freedom to express their complaints against the services and it was found that majority of them were against the staff. Clients felt that the staff do not communicate enough with them, respond less to requests and sometimes ignore them; above all they prefer to provide services according to their own convenience.

When clients were asked whether they wanted to change anything regarding the services and solutions (add or remove), majority of them stated that they neither wanted additional services nor they wanted to remove any, which illustrates the fact that the satisfaction level is high. The gist of the clients' explanations was that the facilities offered were all-inclusive, suited the requirements of the clients and were speedy, sufficient, convenient, well-organized and user-friendly. Also they expressed that LC provided quality solutions as they consider different needs and requirements of the clients.

Although majority of the respondents did not provide proper justification, there were few who wanted to see new solutions which covered areas like brokerage and investment services, solution regarding information management, advice regarding portfolio and upgraded trade solutions. Others include services regarding account, expansion of network, management of liquidity, working capital and risk.

On the contrary, there were also few respondents who wanted LC to remove some existing services. Although proper clarifications could not be found, it could be comprehended that services with low use rate could be removed while concentrating more on few admired ones to upgrade them as well as include updated ones.

Clients were also asked to provide feedback and suggestions to improve the services and solutions. Majority of the respondents pointed out the need to publicize the services extensively along with concentration on more frequent communication with clients. They also suggested that less LC rates and reduced waiting time would be preferred. Also, they wanted to see the staff become more responsive committed.

## CHAPTER SEVEN

**FINDINGS AND RECOMMENDATIONS****Major Findings:**

From the descriptive analysis of the entire credit approval process of Standard Chartered Bank along with the overall risk evaluation of the clients, it could be realized that every piece of data affecting the creditworthiness of the clients are scrutinized cautiously with the help of experts in different divisions before final approval. This thorough and elaborate process not only helps the bank manage risk but simplifies the process of assuring client satisfaction. The use of network based systems reduces manual labor and makes the process efficient and the evaluation of analysis at different levels by different experts ensures thorough inquiry and flawless decision making. Despite all these positive aspects of this comprehensive system of credit risk analysis, there are some minor shortcomings that might affect the level of satisfaction of the clients:

- The process is a bit lengthy since a lot of functions and activities have to be done in a limited period of time which makes it difficult for the client to depend on it completely.
- Though official software are used in order to provide assistance in the analysis of the financials, the entire system is heavily dependent on subjective analysis of all the information available which can efficiently done by experts in different levels of different departments. These make the total process of risk evaluation and credit approval a prolonged and slow one.
- The process sometimes becomes prejudiced as at various stages of negotiation and judgment, uncertainty and difficulty arise due to difference of opinions making the procedure slower and complicated.
- Upon the completion of one step, the next step begins its functions making the process a complex one where a single minor error can hamper the whole process.

As long as client satisfaction is concerned, this lengthy approval process pose negative impact on the client relationships since it lengthens the waiting time. The survey result shows similar picture and supports the observation.

From the comprehensive analysis of the survey outcome it could be understood that the relationship longevity of majority of the clients with the bank exceeds 5 years which is an indication that they are satisfied enough with the services and solutions that are offered by the Local Corporate Segment. They are not only concerned about the details of the products they use but also responsive enough to identify the services they prefer the most.

<b>Service Category</b>	<b>Most Satisfactory Service</b>	<b>Reason behind Satisfaction</b>
Cash Management	Collection Services	Helps lower expenses
Trade Finance Solution	Supply Chain Financing	Provides diverse financing alternatives
Securities Services	Clearing Service	Offers different solution for the companies

The reasons behind the services being satisfactory include the ability of Local Corporate to meet the commitment that it makes to the clients. Majority of the clients felt that the products are reliable, accessible and in line with the quality that they promise. The clients receive adequate assistance from the all-inclusive services and solutions offered since these are designed to serve various features of clients’ businesses and provide prompt update and notification as to when and how these would be provided. Majority of the clients also found the services to be standard and did not support the addition of new services or removal of any of the existing solutions.

On the contrary, Clients also felt that the staffs should be prompt, polite and responsive and should communicate with them on a regular basis even though they hardly reveal their objection or criticize the services and solutions offered or the staffs they communicate with. Another negative factor mentioned by the clients was the long waiting time which was referred to as expensive. There were a few clients who thought services regarding foreign exchange could be added to the solutions offered by Local Corporate segment for the improvement of overall quality. All in all the clients were reasonably satisfied with the



services offered and stated that the quality of the solutions provided were good which could also be comprehended from the financial analysis where the outcome supported the survey results.

It was also found from the study, that the factor that affected the clients' level of satisfaction regarding the service and solutions offered to them by Local Corporate segment were the rates (which also has significant impact on the overall quality of the services perceived by the clients) and the promises it makes or the guarantee it provides to them. Apart from that, it was also understood that the availability of the Local Corporate staff as well as the services and solutions, their dependability and consistency do not considerably affect the level of satisfaction of the clients. Another important finding was that, the clients' statements regarding the standard of the solutions provided do not significantly affect the perception of the clients regarding their level of satisfaction as well as their decision as to how long they want to keep themselves related to the bank. In addition, the dependability of the services, availability, politeness and responsiveness of the staff as well as their view or opinion concerning their level of satisfaction also do not influence choice of maintaining relationship with Standard Chartered Bank.

**Recommendations:**

Reduce the turnaround time of the process which could be done through proper synchronization of the various activities and their simultaneous execution. Say for instance, the analyzing the clients' financials and getting clearance from CIB could be the two initial steps taken by the Credit Operation Department rather than waiting for the approvals from the clients or the Heads during the period the Relationship Managers keep working on the relationship with potential companies. In this way, the process could be shortened since the Business Credit Approval File could be processed quickly because the financial analysis would be all set to be included in it and the clients could also be offered the 'Offer Letters' right away.

An Automated procedure for approval of credit applications could be developed and introduced which would not only speed up the system but attract the clients towards the bank more since the expensive waiting time would be shortened.

An initial approval from the head of the team could be provided to the clients applying for loan facilities rather than relying on multiple approvals at various stages of credit risk evaluation and they could be permitted to use the facility immediately provided that the

facility would be secured with highly valued collaterals. Eventually, when the clients start using the facilities, the process of providing approval could be promoted to advanced stages and thorough evaluation of the clients' information could be done along with increasing the facility amounts as well as relaxing the security.

With the above modifications, the internal system could be strengthened which would contribute directly to the enhancement of the level of satisfaction of the clients of Local Corporate. Apart from all these, more concentration could be given on services that provide the highest level of satisfaction to the clients i.e. Collection Services, Supply Chain Financing, Clearing Service etc. Proficient use of the cash assets provided by the clients should be ensured along with the certainty to align the utilization with the core strategic goal of Local Corporate.

This segment has always been demonstrating world-class competency not only in terms of service quality and standard but in terms of building global networks and skillful workforce. This segment should allocate extra investments for providing the local clients with flawless solutions and access to global markets with tremendous growth prospects. In addition to promoting the services and solution on a regular basis, Local Corporate should initiate additional services concerning management of liquidity on local scale and short term financing. Also, services related to transaction, overseas payments involving multiple currencies etc. could be introduced in order to retain the relationships.

The process of making adequate improvement to the entire system of credit risk analysis would be a complicated one and would require extensive internal support. Moreover, the survey result illustrates the fact that the level of satisfaction of the clients could be raised if the staff are trained to become more prompt. Assistance from supporting staff could also help reduce the workload and the segment can concentrate more on providing personalized services to the specific needs of the clients. Workforce should be motivated with encouragement with proper incentives with the aim to ensure effective communication with the potential clients. The rates of Local Corporate should be amended if required but only after thorough prior research and survey since this is one of the most important factors affecting the level of satisfaction of the clients of this segment. Also, improvements to the services could be done through providing the clients proper channels to express constructive feedbacks and appropriate initiatives taken by the Relationship Managers.

## CHAPTER EIGHT

### CONCLUSION

In order to maximize profit as well as sustain in this intensive competition, Standard Chartered Bank must review its strategic plans on a regular basis. The wholesale banking has been showing positive trends in terms of revenue growth along with progress in developing skillful and proficient workforce capable of garnering the existing widespread client base. From the descriptive analysis of its credit risk assessment procedure and a comprehensive survey of the level of satisfaction of the clients, it is evident that the bank has been able to strategize in a well-organized and resourceful manner that has led to a competent internal management of credit risk analysis along with extending the client base keeping all the significant and key factors affecting the level of satisfaction is mind.

Despite the shortcomings of the procedures that have been developed through systematic planning and direction, the overall system has always been able to ensure global standard not only in terms of the services and solutions that are offered to the clients but also in terms of the promises it makes to the customers. The performance of this bank so far has been tremendously well and the reason behind this is the absolute dedication and careful execution of plans. Clients have higher expectations from an expert bank and with the aim to live up to these expectations, Standard Chartered Bank has always demonstrated relentless concentration of product quality and brand value and as far as reliability is concern.

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- iv. <http://www.thefinancialexpress-bd.com/>
- v. [http://en.wikipedia.org/wiki/Standard\\_Chartered\\_Bank](http://en.wikipedia.org/wiki/Standard_Chartered_Bank)
- vi. [http://en.wikipedia.org/wiki/Standard\\_Chartered\\_Bank\\_\(Bangladesh\)](http://en.wikipedia.org/wiki/Standard_Chartered_Bank_(Bangladesh))
- vii. Standard Chartered Bank internal Web site

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- i. Standard Chartered Bank. (2011). Standard Chartered PLC Annual Report 2011.

## APPENDIX

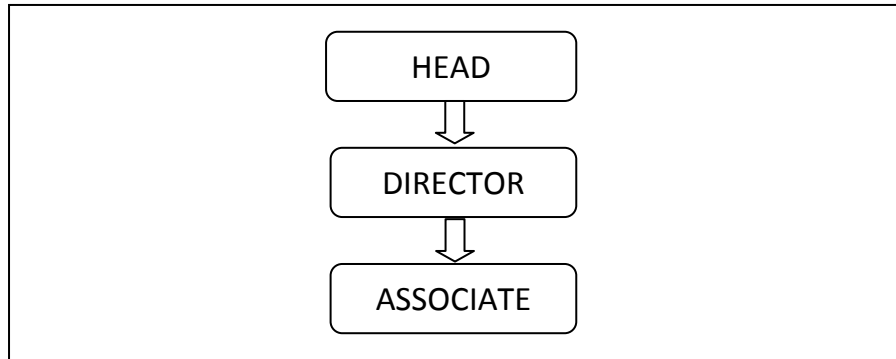
### Consolidated Income Statement

	Notes	<b>2011</b> \$million	2010 \$million
Interest income	3	<b>16,584</b>	13,500
Interest expense	4	<b>(6,431)</b>	(5,030)
<b>Net interest income</b>		<b>10,153</b>	8,470
Fees and commission income	5	<b>4,466</b>	4,556
Fees and commission expense	5	<b>(420)</b>	(318)
Net trading income	6	<b>2,645</b>	2,577
Other operating income	7	<b>793</b>	777
<b>Non-interest income</b>		<b>7,484</b>	7,592
<b>Operating income</b>		<b>17,637</b>	16,062
Staff costs	8	<b>(6,630)</b>	(5,765)
Premises costs	8	<b>(862)</b>	(800)
General administrative expenses	8	<b>(1,804)</b>	(1,899)
Depreciation and amortisation	9	<b>(621)</b>	(559)
<b>Operating expenses</b>		<b>(9,917)</b>	(9,023)
<b>Operating profit before impairment losses and taxation</b>		<b>7,720</b>	7,039
Impairment losses on loans and advances and other credit risk provisions	10	<b>(908)</b>	(883)
Other impairment	11	<b>(111)</b>	(76)
Profit from associates		<b>74</b>	42
<b>Profit before taxation</b>		<b>6,775</b>	6,122
Taxation	12	<b>(1,842)</b>	(1,708)
<b>Profit for the year</b>		<b>4,933</b>	4,414
<b>Profit attributable to:</b>			
Non-controlling interests	36	<b>84</b>	82
Parent company shareholders		<b>4,849</b>	4,332
<b>Profit for the year</b>		<b>4,933</b>	4,414
		<b>cents</b>	cents
<b>Earnings per share:</b>			
<b>Basic earnings per ordinary share</b>	14	<b>200.8</b>	196.3
<b>Diluted earnings per ordinary share</b>	14	<b>198.2</b>	193.0

## Consolidated Balance Sheet

	Notes	2011 \$million	2010 \$million
<b>Assets</b>			
Cash and balances at central banks	15, 39	47,364	32,724
Financial assets held at fair value through profit or loss	15, 16	24,828	27,021
Derivative financial instruments	15, 17	67,933	47,859
Loans and advances to banks	15, 18	65,981	52,058
Loans and advances to customers	15, 19	263,765	240,358
Investment securities	15, 21	85,283	75,796
Other assets	15, 22	27,286	25,356
Current tax assets		232	179
Prepayments and accrued income		2,521	2,127
Interests in associates	23	903	631
Goodwill and intangible assets	25	7,061	69,981
Property, plant and equipment	26	5,078	4,507
Deferred tax assets	27	835	946
<b>Total assets</b>		<b>599,070</b>	<b>516,560</b>
<b>Liabilities</b>			
Deposits by banks	15, 28	35,296	28,551
Customer accounts	15, 29	342,701	306,992
Financial liabilities held at fair value through profit or loss	15, 16	19,599	20,288
Derivative financial instruments	15, 17	65,926	47,133
Debt securities in issue	15, 30	47,140	31,381
Other liabilities	15, 31	23,834	21,094
Current tax liabilities		1,005	981
Accruals and deferred income		4,458	4,528
Subordinated liabilities and other borrowed funds	15, 32	16,717	15,939
Deferred tax liabilities	27	131	1831
Provisions for liabilities and charges	33	369	315
Retirement benefit obligations	34	519	310
<b>Total liabilities</b>		<b>557,695</b>	<b>477,695</b>
<b>Equity</b>			
Share capital	35	1,192	1,174
Reserves		39,522	37,038
<b>Total parent company shareholders' equity</b>		<b>40,714</b>	<b>38,212</b>
Non-controlling interests	36	661	653
<b>Total equity</b>		<b>41,375</b>	<b>38,865</b>
<b>Total equity and liabilities</b>		<b>599,070</b>	<b>516,560</b>

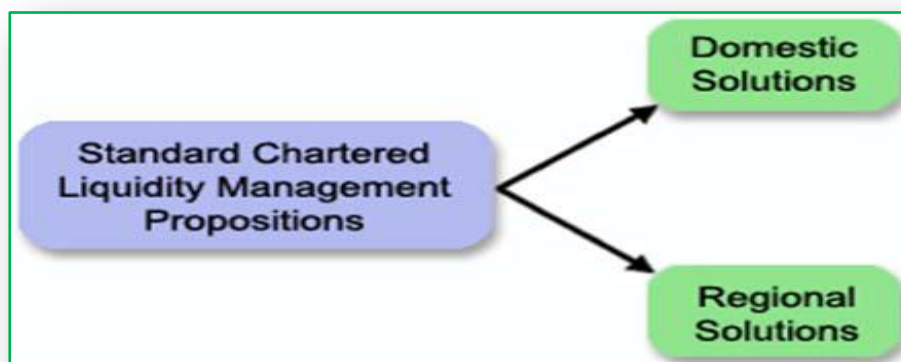
1 Amounts have been restated. See note 46



**FIGURE 5.1: Hierarchy of Local Corporate, SCB Bangladesh**



**FIGURE 5.2: Straight2Bank Channel, SCB Bangladesh**



**FIGURE 5.3: Liquidity Management Solution, SCB Bangladesh**

Credit Approval Process

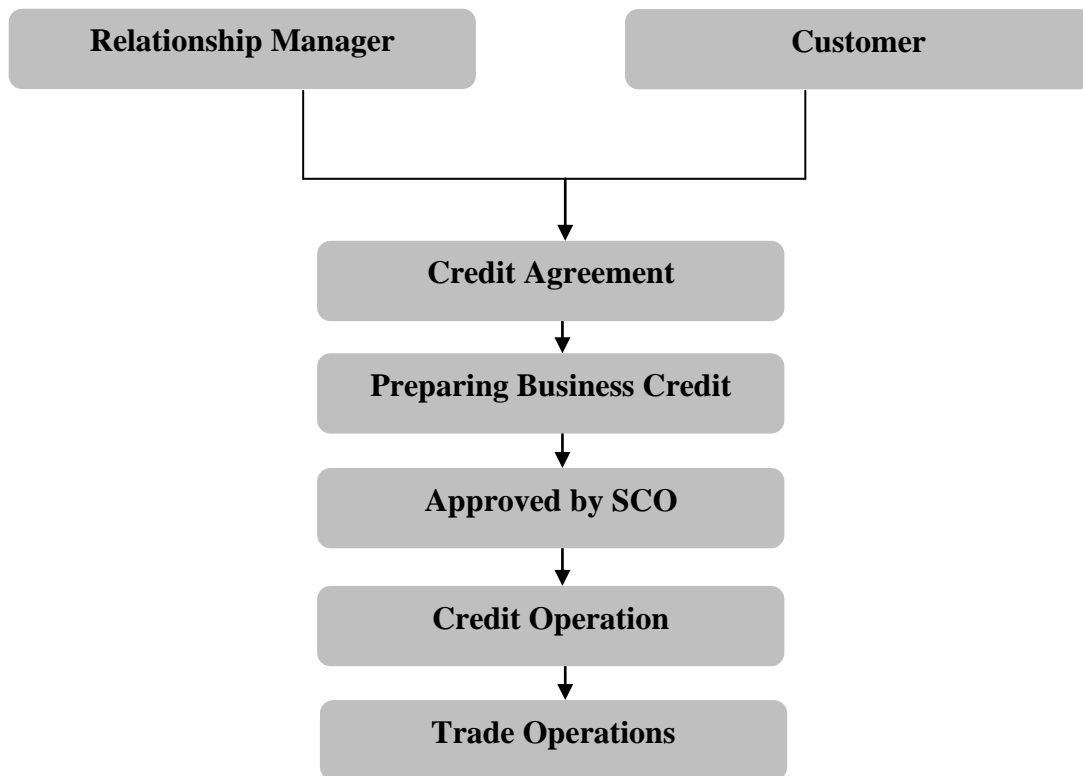


Chart 4.1



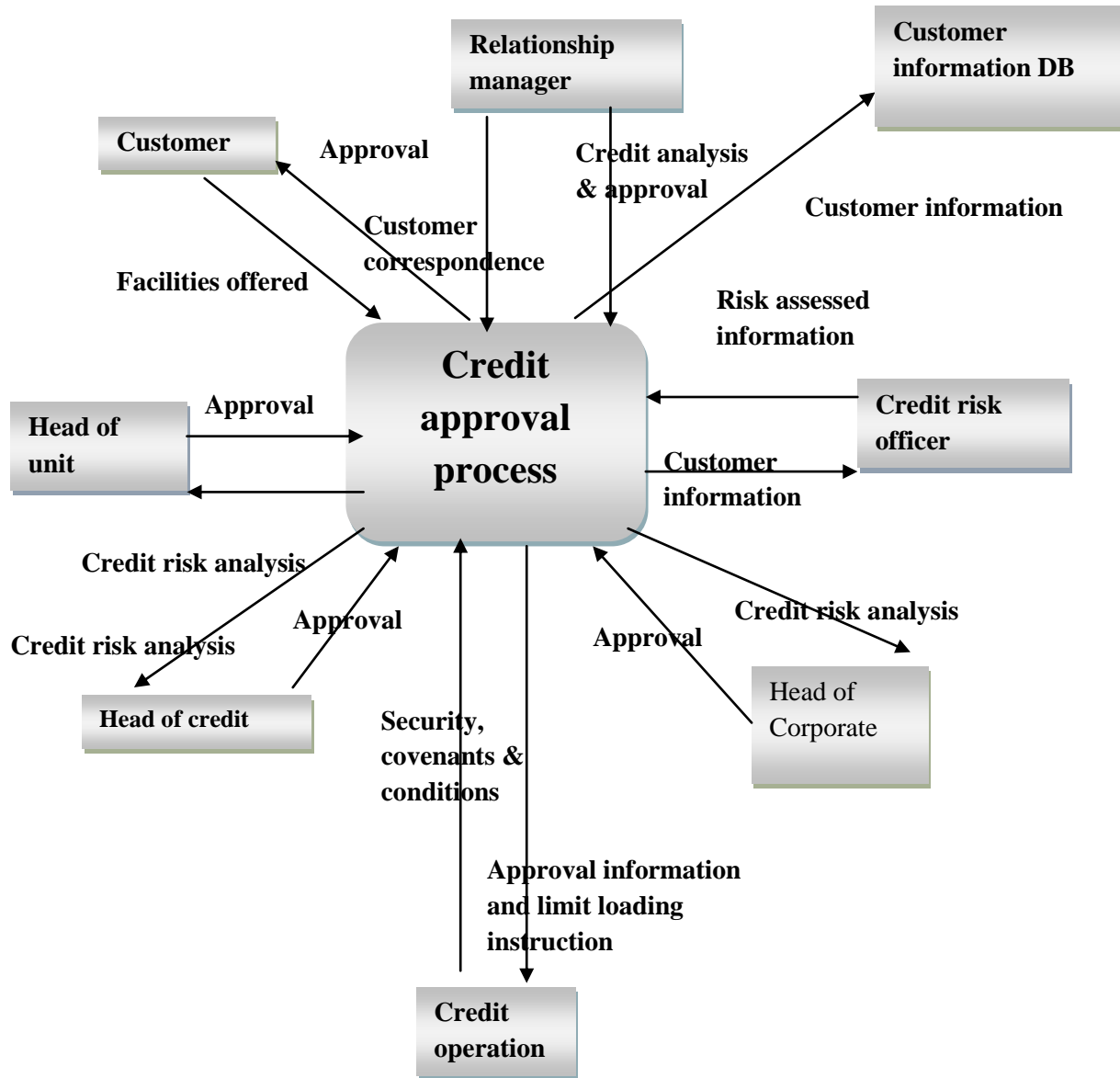


Chart 4.2

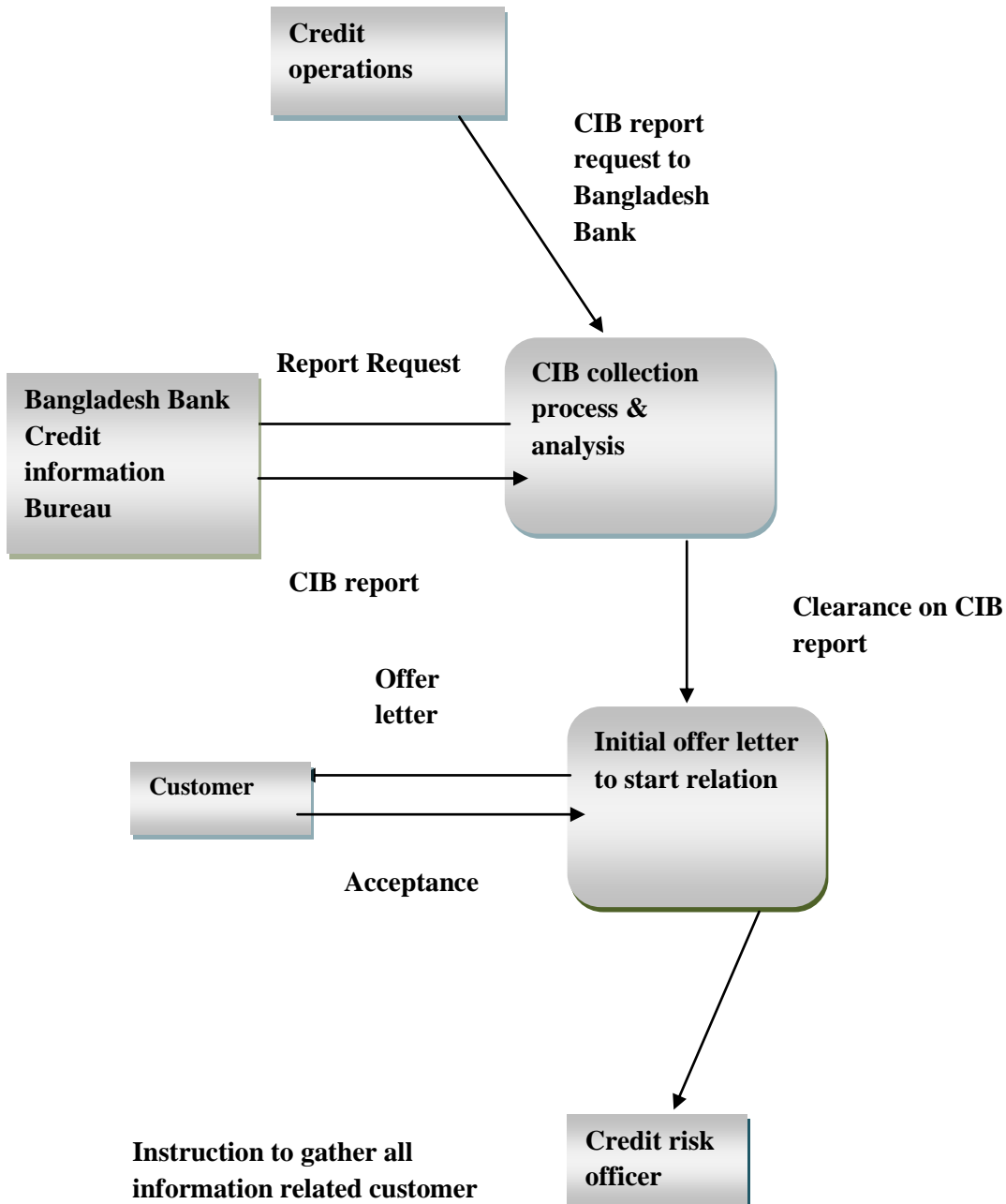


Chart 4.3

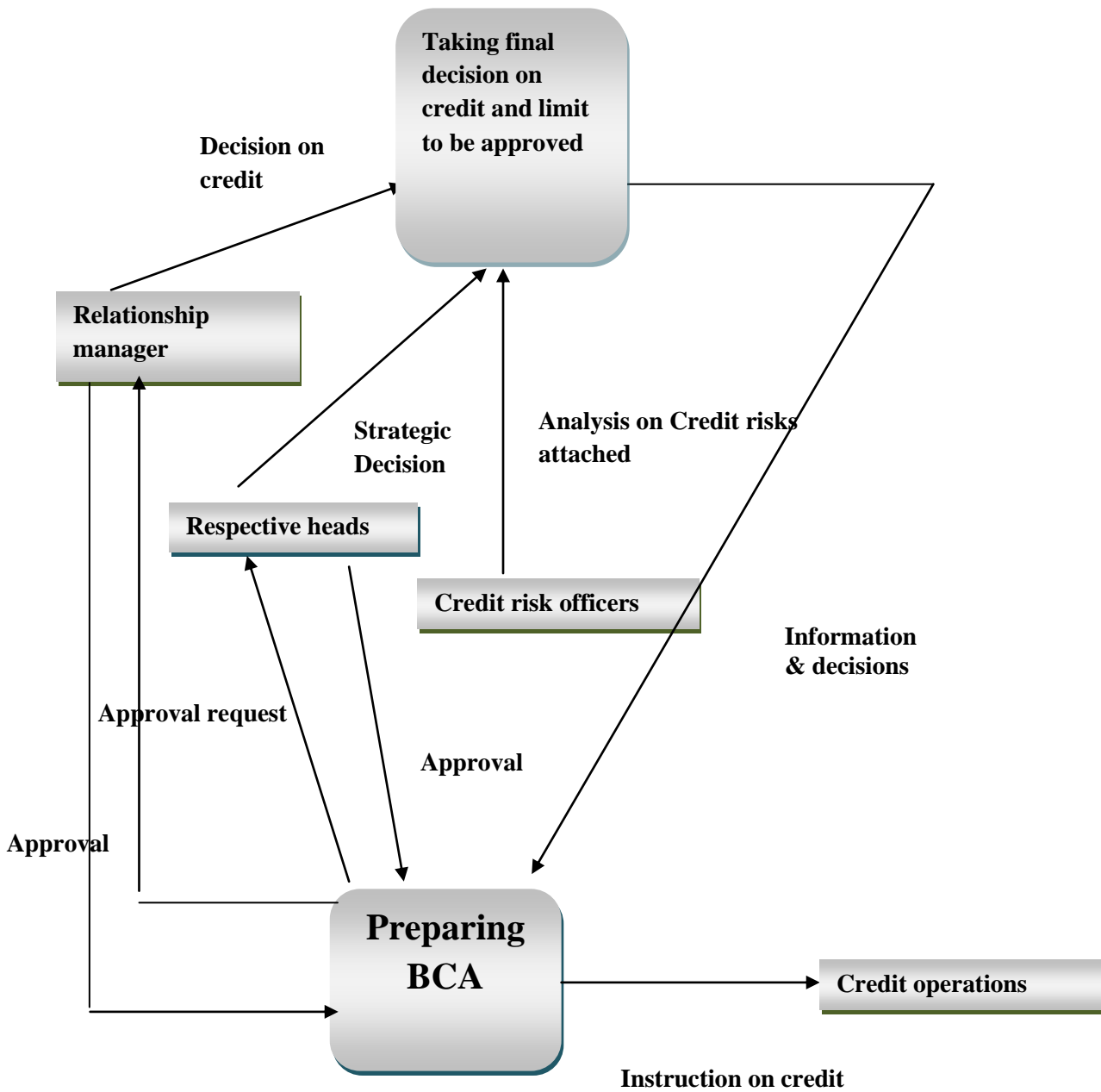


Chart 4.4

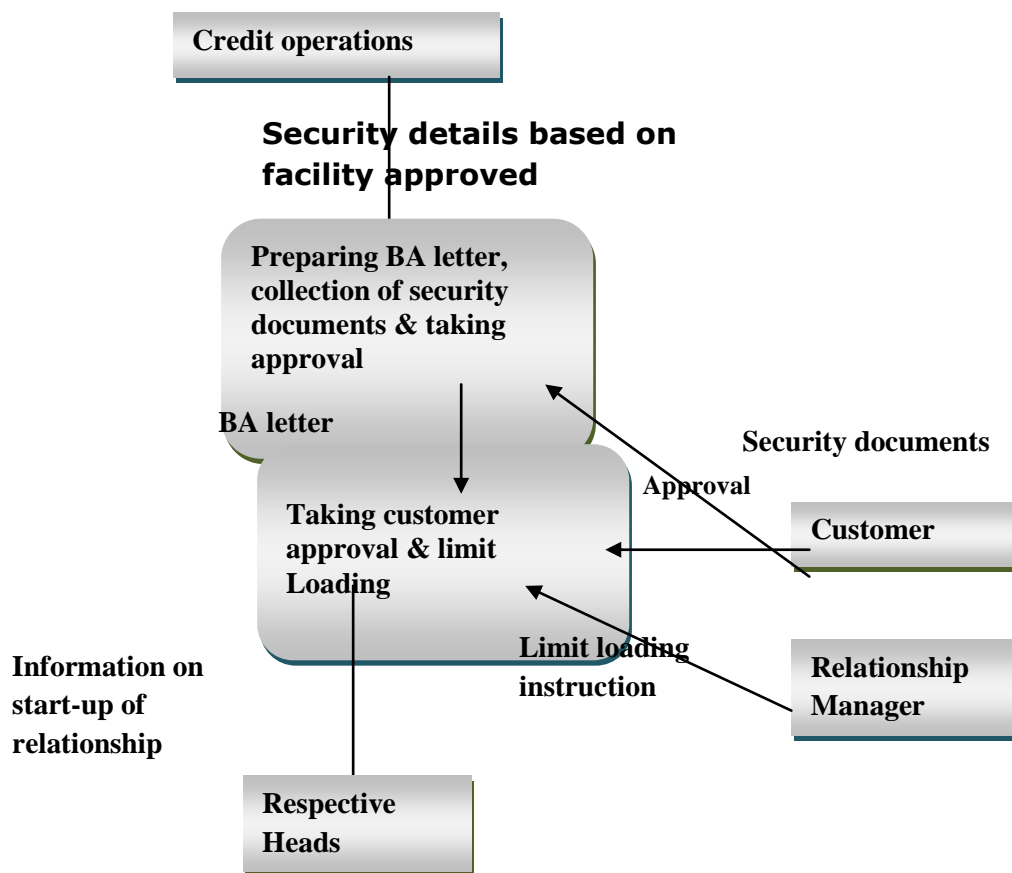


Chart 4.5

**Questionnaire:**

<b>1</b>	<b>Name of the Client</b>	
<b>2</b>	<b>Duration of maintaining relationship with the Local Corporate</b>	
	Less than 1 year	
	More than 1 year	
	More than 5 years	
	For quite a long time	
<b>3</b>	<b>Which are the services offered by LC?</b>	
	Cash management, Trade finance, Securities services	
	Corporate advisory, securities services, Trade finance	
	Cash management, structured Finance, trade finance	
	Securities services, Cash management, Client access	
<b>4</b>	<b>Which LC service your company avail the most?</b>	
	Cash management	
	Corporate advisory	
	Structured Finance	
	Securities services	
	Trade finance	
	Client access	
<b>5</b>	<b>Would you like to know more about LC services?</b>	
	I am aware of the services and I think it is as much as necessary	
	I am aware of the services but would like to know more	
	I am not too aware of the services but I am not keen to know more	
	I am not too aware of the services but would like to know more	
<b>6</b>	<b>LC provides promised services.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>7</b>	<b>LC can be depended upon.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>8</b>	<b>LC maintains records accurately.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>9</b>	<b>LC keeps you informed.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>10</b>	<b>LC provides prompt services.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>11</b>	<b>LC readily responds to requests.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>12</b>	<b>LC RMs can be easily accessed.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>13</b>	<b>LC services can be accessed at convenient hours and branches.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>14</b>	<b>The waiting time is expensive.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>15</b>	<b>LC employees have knowledge to answer clients' requests.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>16</b>	<b>LC employees keep company secrets safe.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>17</b>	<b>LC employees provide individual attention.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>18</b>	<b>LC employees understand company needs.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>19</b>	<b>LC employees are consistently polite.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>20</b>	<b>The rates of LC are in accordance with its quality.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>21</b>	<b>The rates of LC are reasonable.</b>	
	Strongly agree	
	Agree	
	Neutral	
	Disagree	
	Strongly disagree	

<b>22</b>	<b>How will you rate the overall quality and standard of LC services?</b>	
	Exceptional	
	Consistently High	
	Generally Good	
	Poor	

<b>23</b>	<b>Which cash management solution is the most satisfactory?</b>	
	Payment Services	
	Collection Services	
	Liquidity Management	
	All of the above	
	None of the above	

<b>24</b>	<b>Which trade finance solution is the most satisfactory?</b>	
	Import/Export	
	Supply Chain Finance	
	Document Manager	
	All of the above	
	None of the above	



<b>25</b>	<b>Which securities service solution is the most satisfactory?</b>	
	Custody Service	
	Clearing Service	
	Fund Service	
	All of the above	
	None of the above	

<b>26</b>	<b>State any complaint against LC services.</b>	
	LC does not provide quick services	
	LC services does not match with the promises made	
	LC services include difficult terms and conditions	
	LC staff is not supportive and efficient	
	Others	
	No Complaints	

<b>27</b>	<b>How likely are you to complain about LC services to RMs?</b>	
	I often have complaints about the services and share it with the RM	
	I have some complaints and I share it with the RM	
	I have some complaints but never shared it with the RM	
	I do not have any complaints regarding the services being offered	

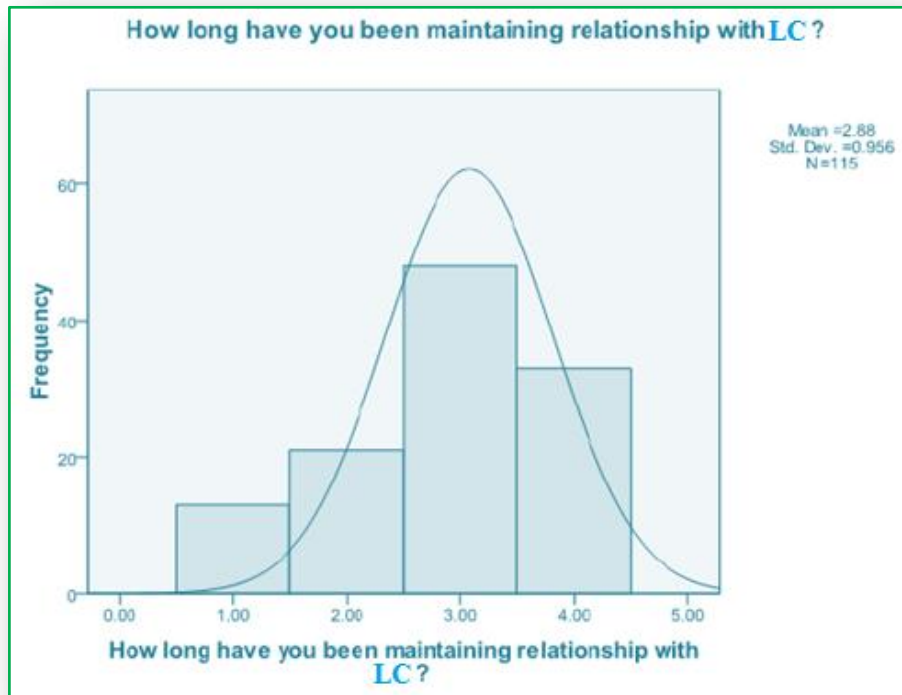
<b>28</b>	<b>Please rate your overall satisfaction level regarding LC services.</b>	
	Extremely satisfied	
	Moderately satisfied	
	Moderately dissatisfied	
	Extremely dissatisfied	

29. Do you want to add any other solution to the services of LC? Please state the reasons behind your choice.

**30.** Please write your feedback and suggestions to improve the services and solutions or regarding any changes that you want to see in LC services and solutions:

Duration of maintaining relationship with the Local Corporate				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Less than 1 year	10.3	10.3	10.3
	More than 1 year	17.3	17.3	27.6
	More than 5 year	42.7	42.7	70.3
	For quite a long time	29.7	29.7	100.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

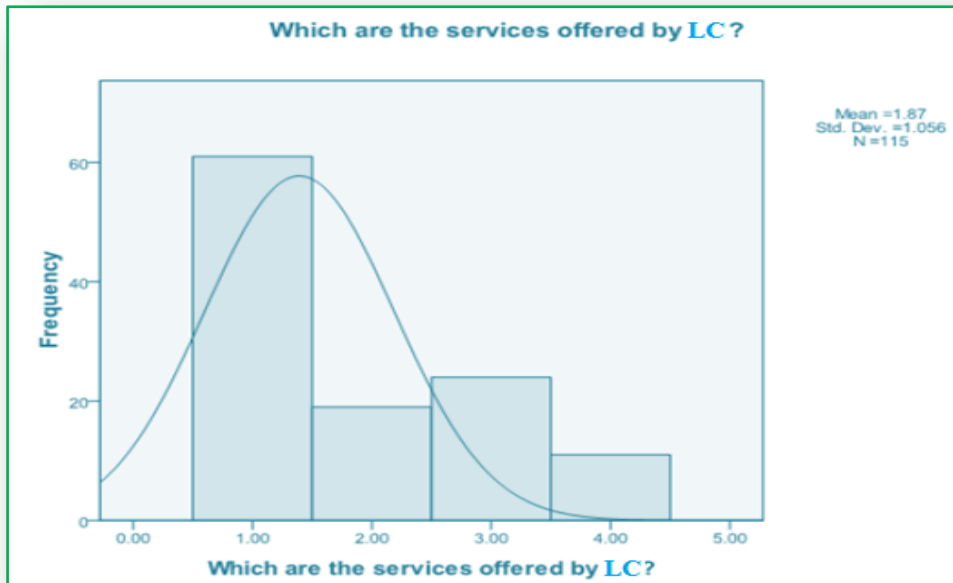
TABLE 6.1: Frequency 1 (Source: SPSS Outputs)



GRAPH 6.1: Histogram 1 (Source: SPSS Outputs)

Which are the services offered by LC?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Cash management, Trade finance, Securities services	54.0	54.0	54.0
	Corporate advisory, securities services, Trade finance	15.5	15.5	69.6
	Cash management, structured Finance, trade finance	20.9	20.9	90.43
	Securities services, Cash management, Client access	9.6	9.6	100.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

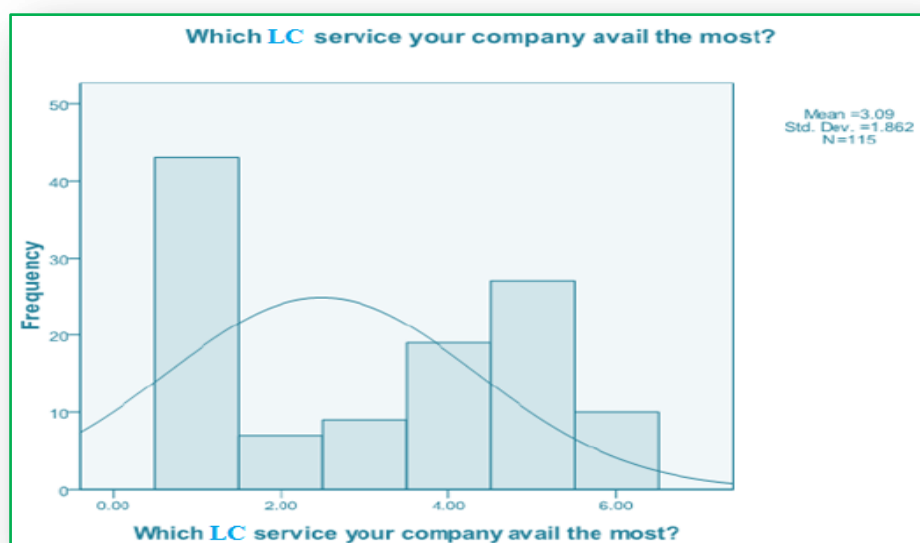
TABLE 6.2: Frequency 2 (Source: SPSS Outputs)



GRAPH 6.2: Histogram 2 (Source: SPSS Outputs)

Which LC service your company avail the most?				
		Percent	Valid Percent	Cumulative Percent
Valid	Cash management	38.4	38.4	38.4
	Corporate advisory	5.1	5.1	43.5
	Structured Finance	6.8	6.8	51.3
	Securities services	16.5	16.5	66.8
	Trade finance	24.5	24.5	91.3
	Client access	8.7	8.7	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

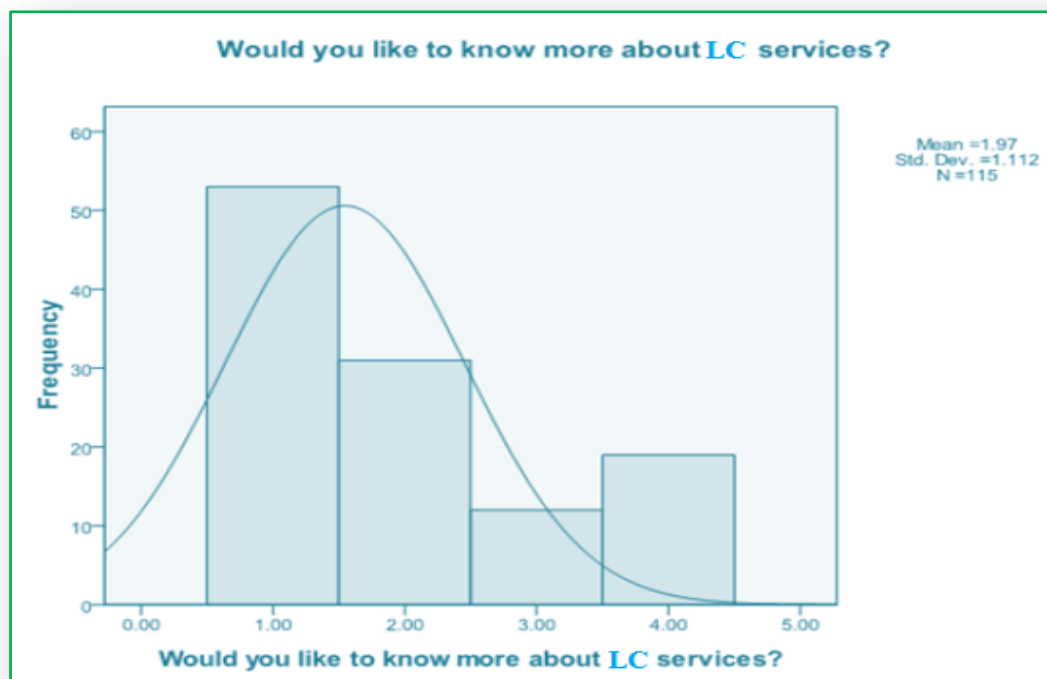
TABLE 6.3: Frequency 3 (Source: SPSS Outputs)



GRAPH 6.3: Histogram 3 (Source: SPSS Outputs)

Would you like to know more about LC services?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	I am aware of the services and I think it is as much as necessary.	46.1	46.1	46.1
	I am aware of the services but would like to know more	27.0	27.0	73.0
	I am not too aware of the services but I am not keen to know more	10.4	10.4	83.5
	I am not too aware of the services but would like to know more	16.5	16.5	100.0
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	

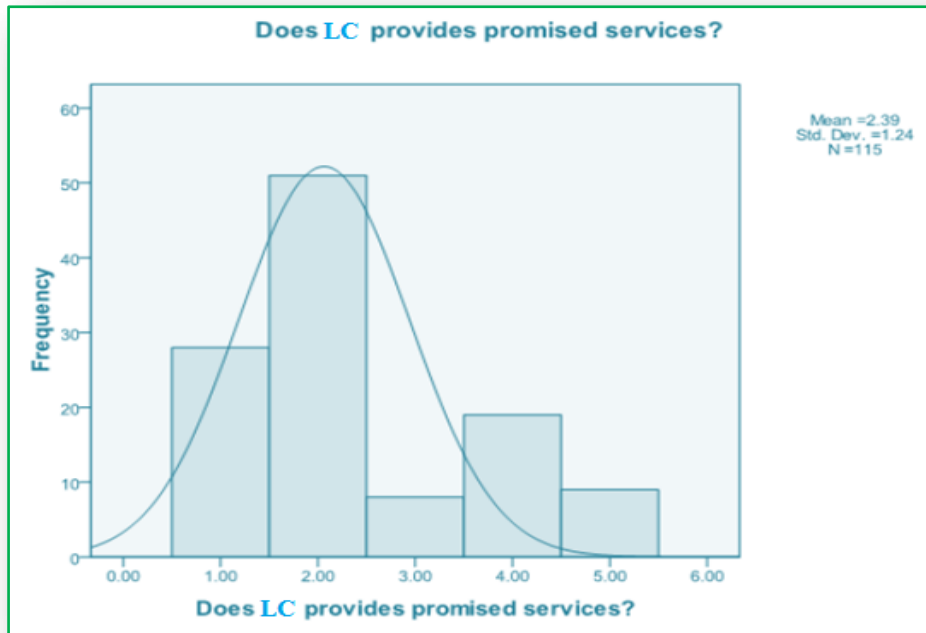
TABLE 6.4: Frequency 4 (Source: SPSS Outputs)



GRAPH 6.4: Histogram 4 (Source: SPSS Outputs)

Does LC provide promised services?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Strongly agree	24.3	24.3	24.3
	Agree	45.3	45.3	69.7
	neutral	6.0	6.0	75.7
	disagree	16.5	16.5	92.2
	Strongly disagree	7.8	7.8	100.0
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	

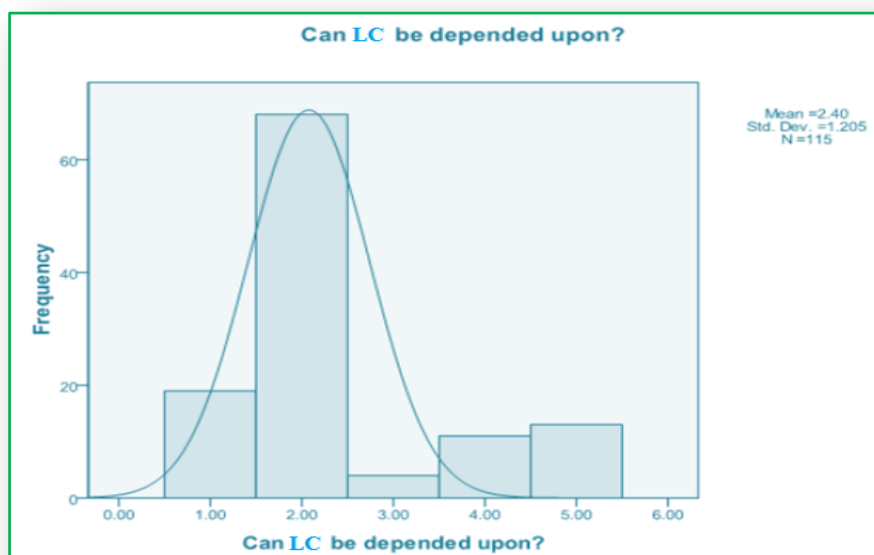
TABLE 6.5: Frequency 5 (Source: SPSS Outputs)



**GRAPH 6.5: Histogram 5 (Source: SPSS Outputs)**

Can LC be depended upon?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Strongly agree	16.5	16.5	16.5
	Agree	60.1	60.1	76.7
	neutral	2.5	2.5	79.1
	disagree	9.6	9.6	88.7
	Strongly disagree	11.3	11.3	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

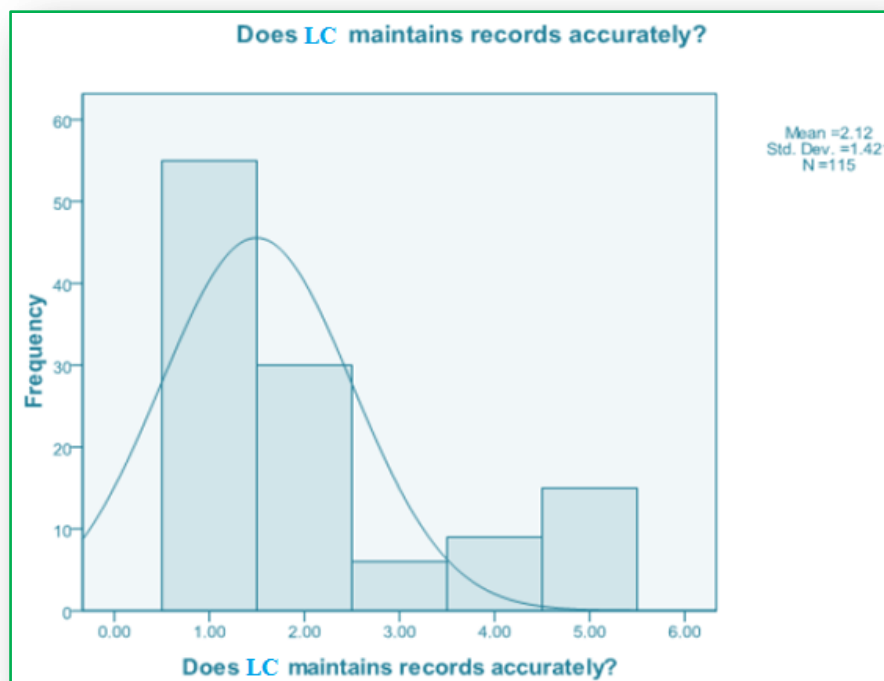
**TABLE 6.6: Frequency 6 (Source: SPSS Outputs)**



**GRAPH 6.6: Histogram 6 (Source: SPSS Outputs)**

Does LC maintain records accurately?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	48.8	48.8	48.8
	Agree	25.1	25.1	73.9
	neutral	5.2	5.2	79.1
	disagree	7.8	7.8	87.0
	Strongly disagree	13.0	13.0	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

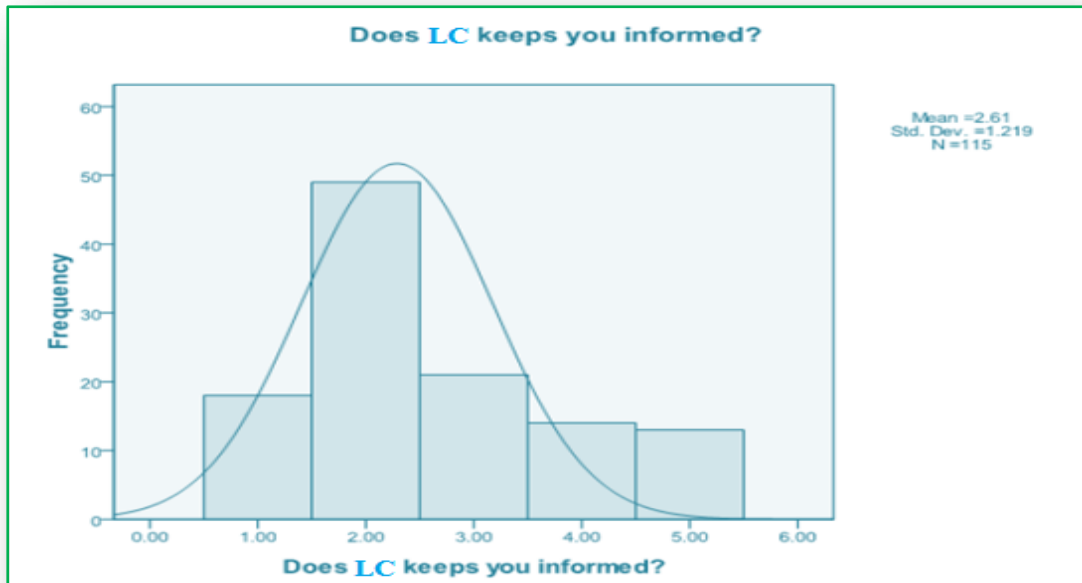
TABLE 6.7: Frequency 7 (Source: SPSS Outputs)



GRAPH 6.7: Histogram 7 (Source: SPSS Outputs)

Does LC keep you informed?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	15.7	15.7	15.7
	Agree	43.6	43.6	59.3
	neutral	17.3	17.3	76.5
	disagree	12.2	12.2	88.7
	Strongly disagree	11.3	11.3	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

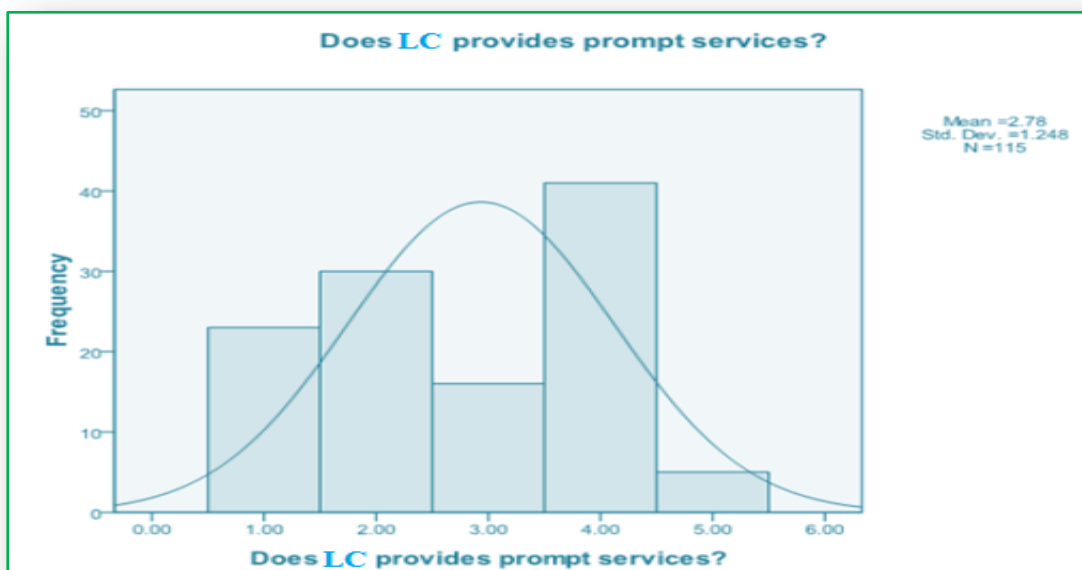
TABLE 6.8: Frequency 8 (Source: SPSS Outputs)



GRAPH 6.8: Histogram 8 (Source: SPSS Outputs)

Does LC provide prompt services?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	20.0	20.0	20.0
	Agree	26.1	26.1	46.1
	neutral	13.9	13.9	60.0
	disagree	38.7	38.7	98.7
	Strongly disagree	1.3	1.3	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

TABLE 6.9: Frequency 9 (Source: SPSS Outputs)

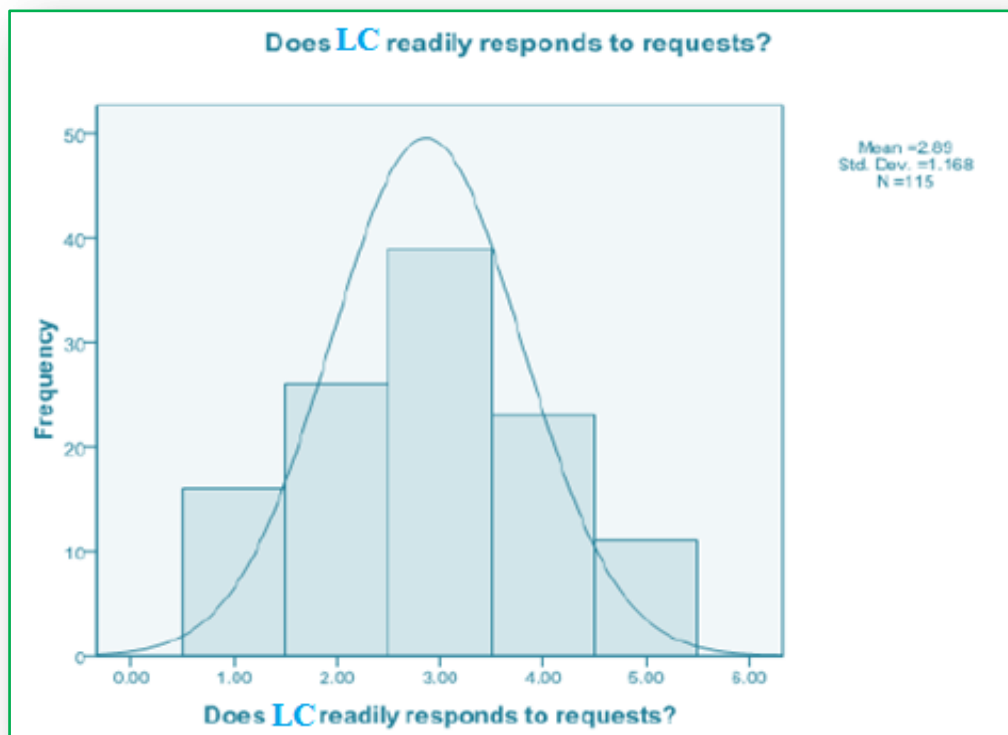


GRAPH 6.9: Histogram 9 (Source: SPSS Outputs)



Does LC readily respond to requests?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	13.9	13.9	13.9
	Agree	22.6	22.6	36.5
	neutral	40.9	40.9	77.4
	disagree	13.0	13.0	90.4
	Strongly disagree	9.6	9.6	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

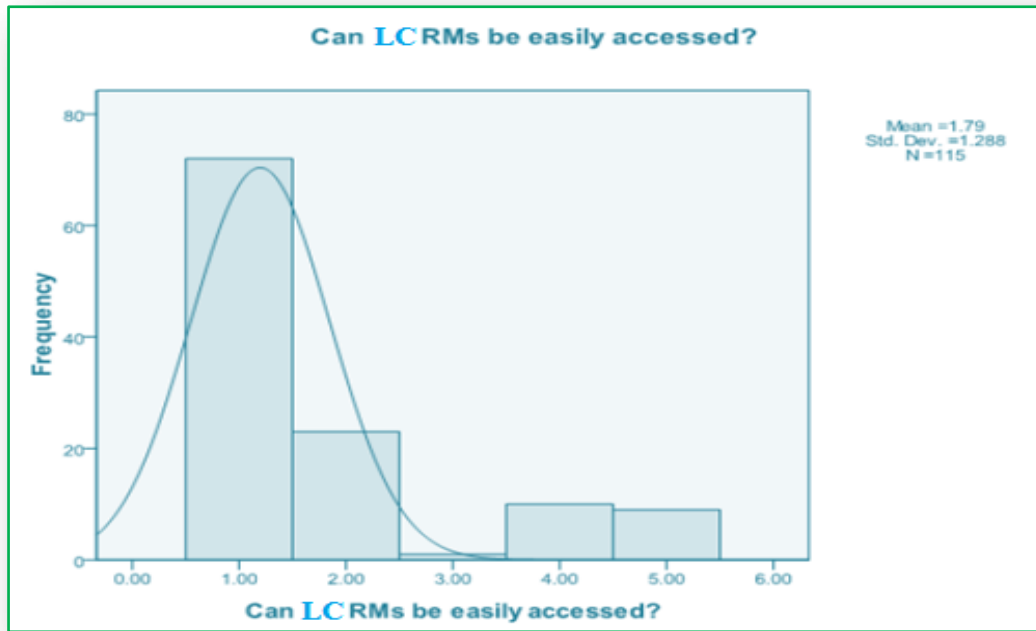
TABLE 6.10: Frequency 10 (Source: SPSS Outputs)



GRAPH 6.10: Histogram 10 (Source: SPSS Outputs)

Can LC RMs (Relationship Managers) be easily accessed?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	63.6	63.6	63.6
	Agree	19.0	19.0	82.6
	neutral	0.9	0.9	83.5
	disagree	8.7	8.7	92.2
	Strongly disagree	7.8	7.8	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

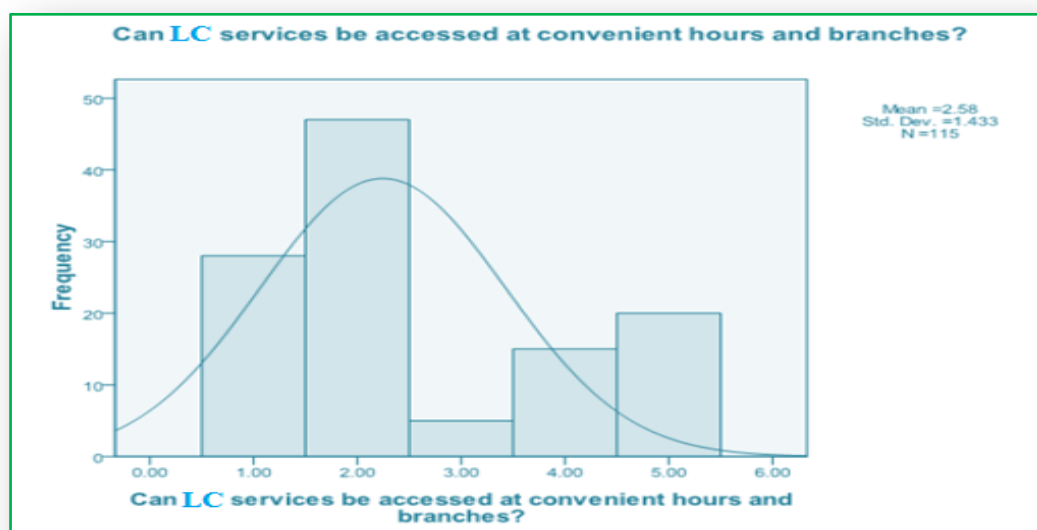
TABLE 6.11: Frequency 11 (Source: SPSS Outputs)



GRAPH 6.11: Histogram 11 (Source: SPSS Outputs)

Can LC services be accessed at convenient hours and branches?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	24.3	24.3	24.3
	Agree	41.9	41.9	66.2
	neutral	3.3	3.3	69.6
	disagree	13.0	13.0	82.6
	Strongly disagree	17.4	17.4	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

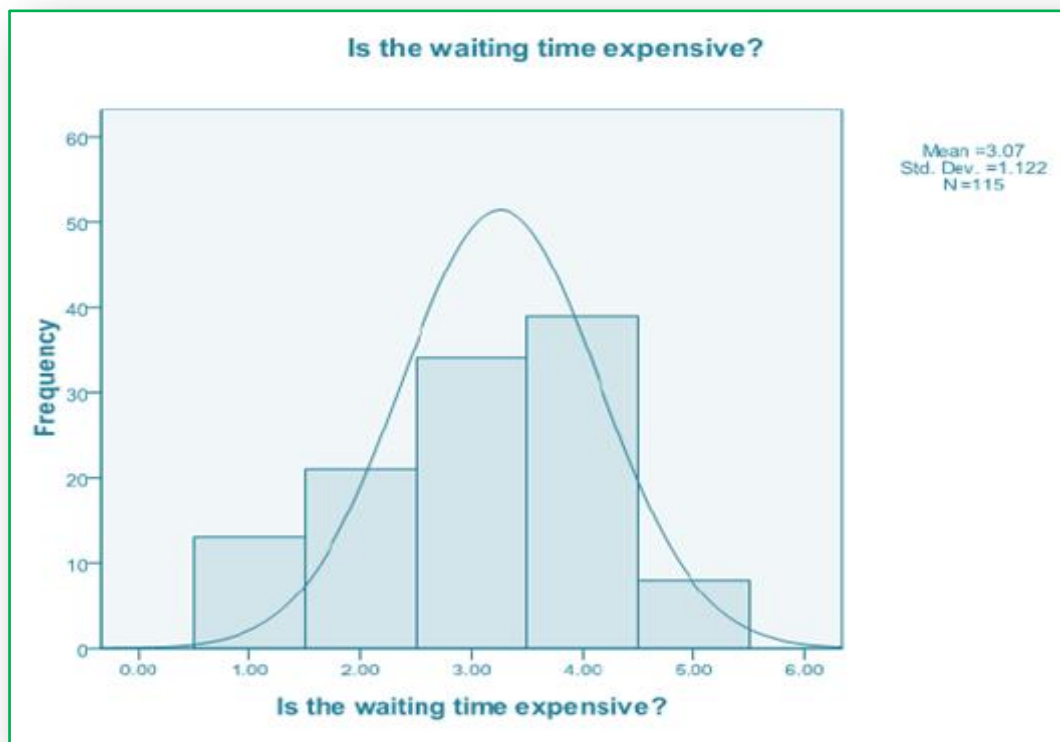
TABLE 6.12: Frequency 12 (Source: SPSS Outputs)



GRAPH 6.12: Histogram 12 (Source: SPSS Outputs)

Is the waiting time expensive?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	11.3	11.3	11.3
	Agree	18.3	18.3	29.6
	neutral	29.6	29.6	59.1
	disagree	34.9	34.9	98.0
	Strongly disagree	6.0	6.0	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

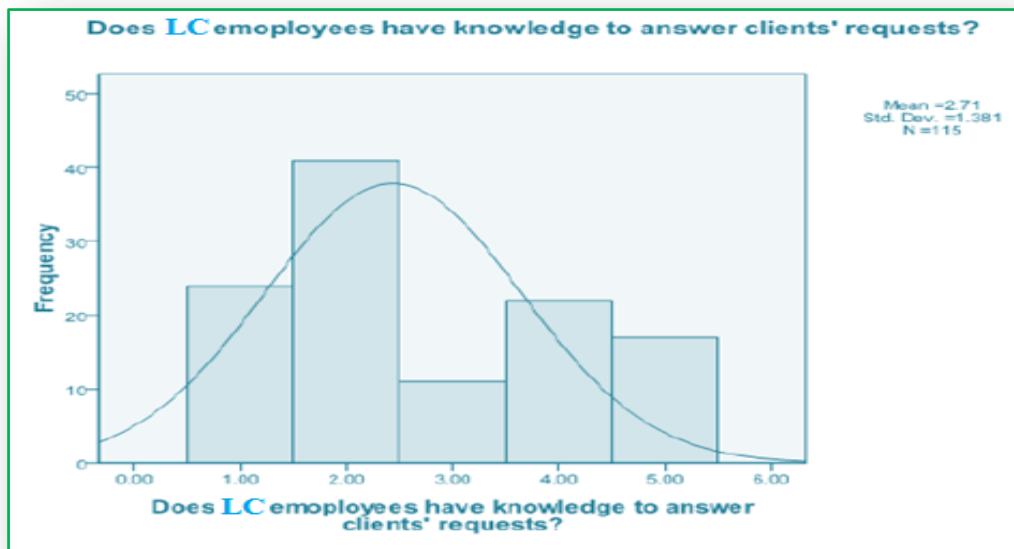
TABLE 6.13: Frequency 13 (Source: SPSS Outputs)



GRAPH 6.13: Histogram 13 (Source: SPSS Outputs)

Do LC employees have knowledge to answer clients' requests?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	20.9	20.9	20.9
	Agree	36.7	36.7	57.5
	neutral	8.6	8.6	66.1
	disagree	19.1	19.1	85.2
	Strongly disagree	14.8	14.8	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

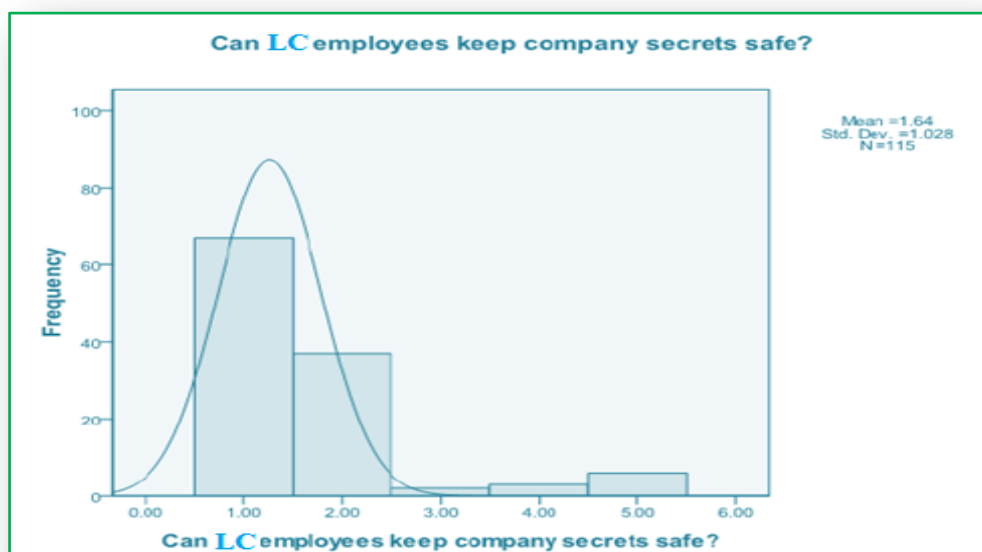
TABLE 6.14: Frequency 14 (Source: SPSS Outputs)



GRAPH 6.14: Histogram 14 (Source: SPSS Outputs)

Can LC employees keep company secrets safe?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	59.3	59.3	59.3
	Agree	31.2	31.2	90.4
	neutral	1.7	1.7	92.2
	disagree	2.6	2.6	94.8
	Strongly disagree	5.2	5.2	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

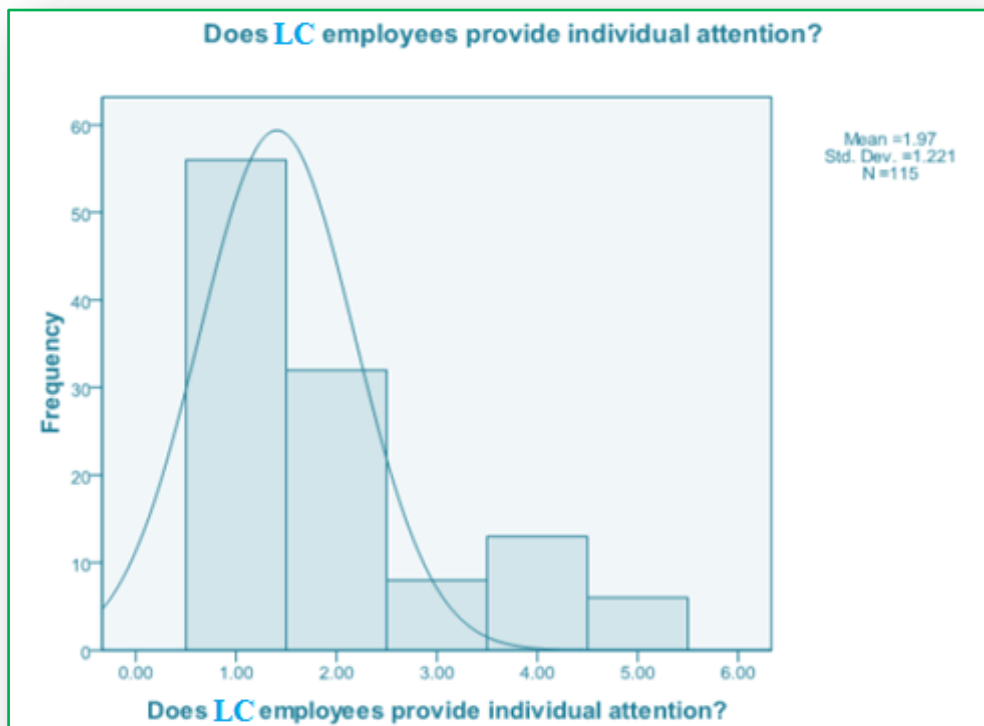
TABLE 6.15: Frequency 15 (Source: SPSS Outputs)



GRAPH 6.15: Histogram 15 (Source: SPSS Outputs)

Do LC employees provide individual attention?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	49.7	49.7	49.7
	Agree	26.8	26.8	76.5
	neutral	7.0	7.0	83.5
	disagree	11.3	11.3	94.8
	Strongly disagree	5.2	5.2	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

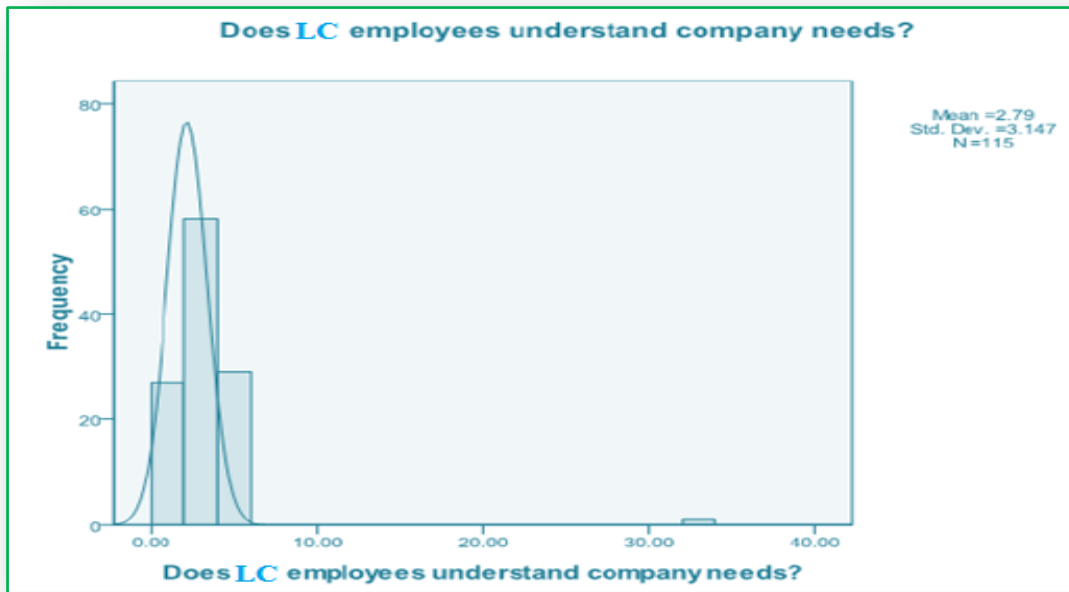
TABLE 6.16: Frequency 16 (Source: SPSS Outputs)



GRAPH 6.16: Histogram 16 (Source: SPSS Outputs)

Do LC employees understand company needs?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	23.5	23.5	23.5
	Agree	41.0	41.0	64.5
	neutral	9.4	9.4	73.9
	disagree	10.4	10.4	84.3
	Strongly disagree	14.8	14.8	99.1
	33.00	.9	.9	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

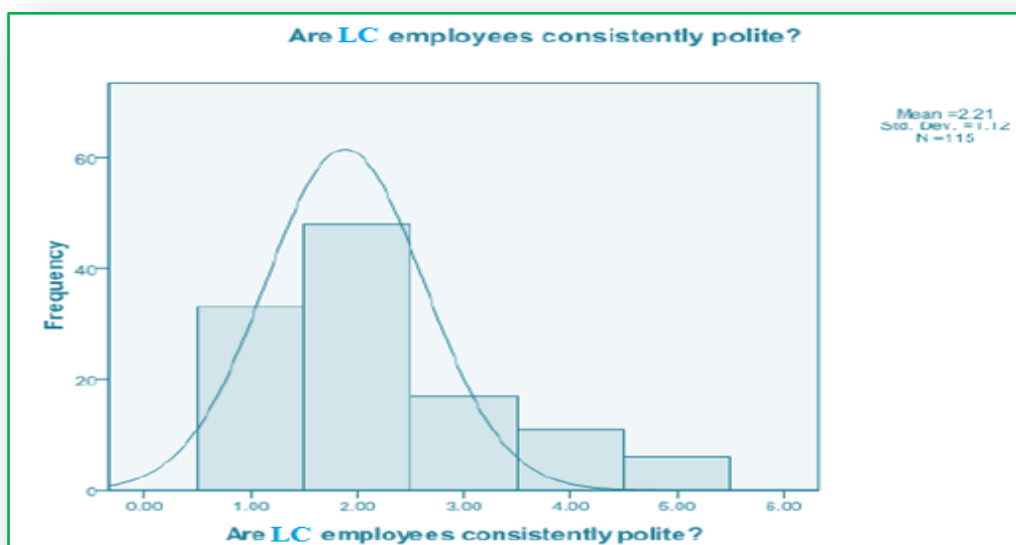
TABLE 6.17: Frequency 17 (Source: SPSS Outputs)



GRAPH 6.17: Histogram 17 (Source: SPSS Outputs)

Are LC employees consistently polite?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	28.7	28.7	28.7
	Agree	42.7	42.7	71.4
	neutral	15.8	15.8	85.2
	disagree	9.6	9.6	94.8
	Strongly disagree	5.2	5.2	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

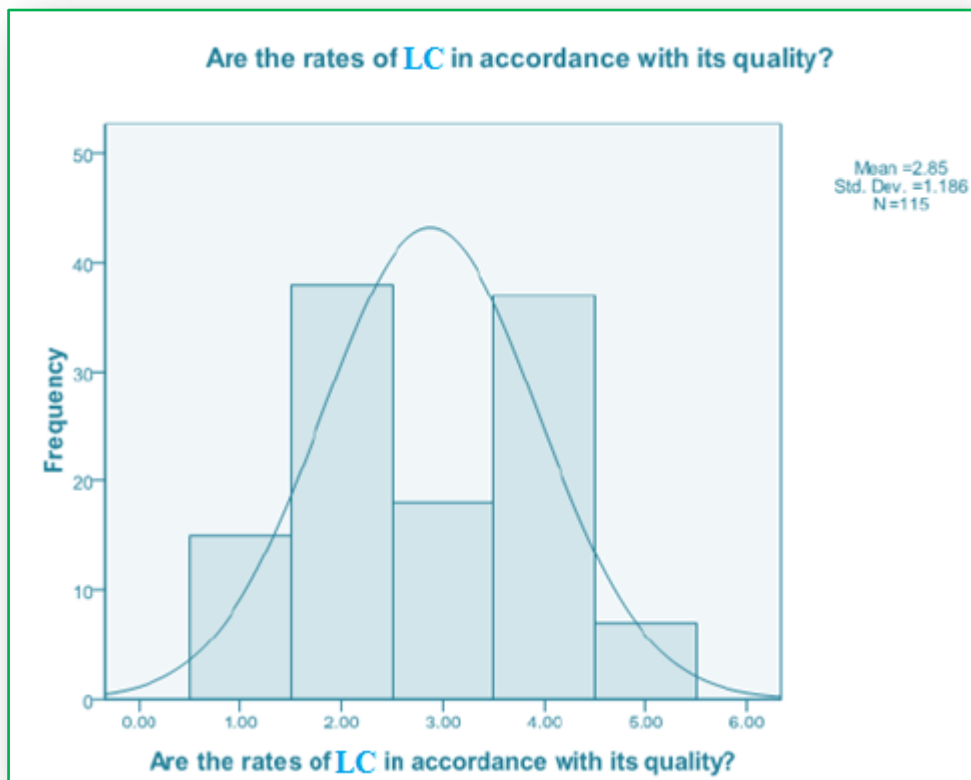
TABLE 6.18: Frequency 18 (Source: SPSS Outputs)



GRAPH 6.18: Histogram 18 (Source: SPSS Outputs)

Are the rates of LC in accordance with its quality?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	13.0	13.0	13.0
	Agree	34.0	34.0	47.1
	neutral	14.7	14.7	61.7
	disagree	33.2	33.2	94.9
	Strongly disagree	5.1	5.1	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

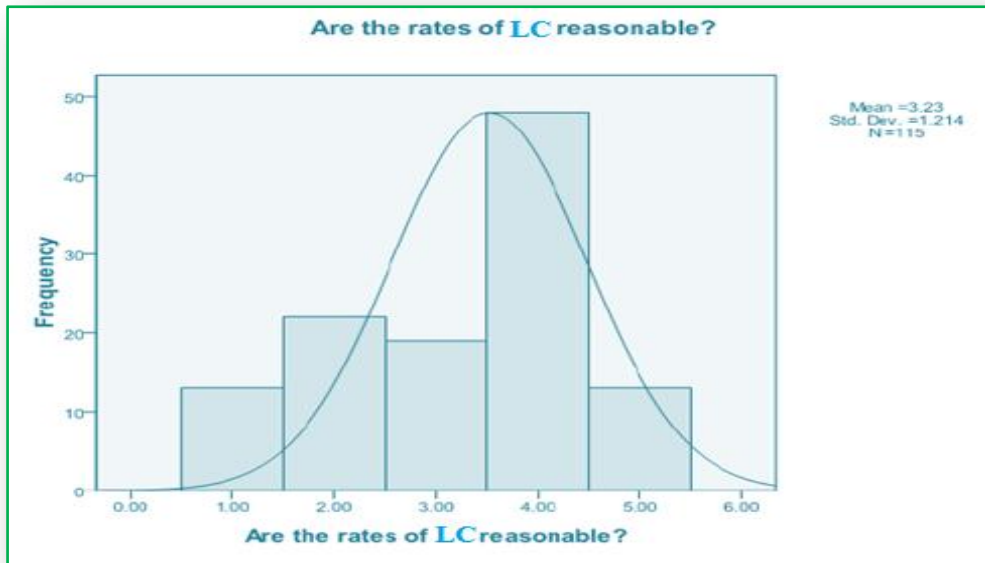
TABLE 6.19: Frequency 19 (Source: SPSS Outputs)



GRAPH 6.19: Histogram 19 (Source: SPSS Outputs)

Are the rates of LC reasonable?				
		Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	11.3	11.3	11.3
	Agree	19.1	19.1	30.4
	neutral	16.5	16.5	47.0
	disagree	42.7	42.7	89.7
	Strongly disagree	10.3	10.3	100.0
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

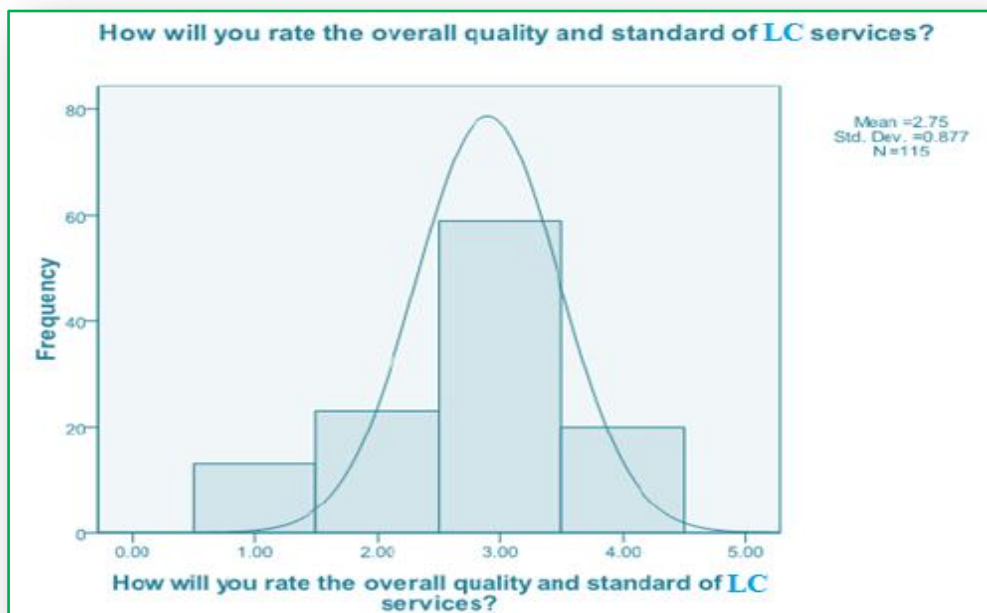
TABLE 6.20: Frequency 20 (Source: SPSS Outputs)



GRAPH 6.20: Histogram 20 (Source: SPSS Outputs)

How will you rate the overall quality and standard of LC services?				
		Percent	Valid Percent	Cumulative Percent
Valid	Exceptional	11.3	11.3	11.3
	Consistently High	20.0	20.0	31.3
	Generally Good	52.3	52.3	83.6
	Poor	16.4	16.4	<b>100.0</b>
	Total	<b>100.0</b>	<b>100.0</b>	

TABLE 6.21: Frequency 21 (Source: SPSS Outputs)

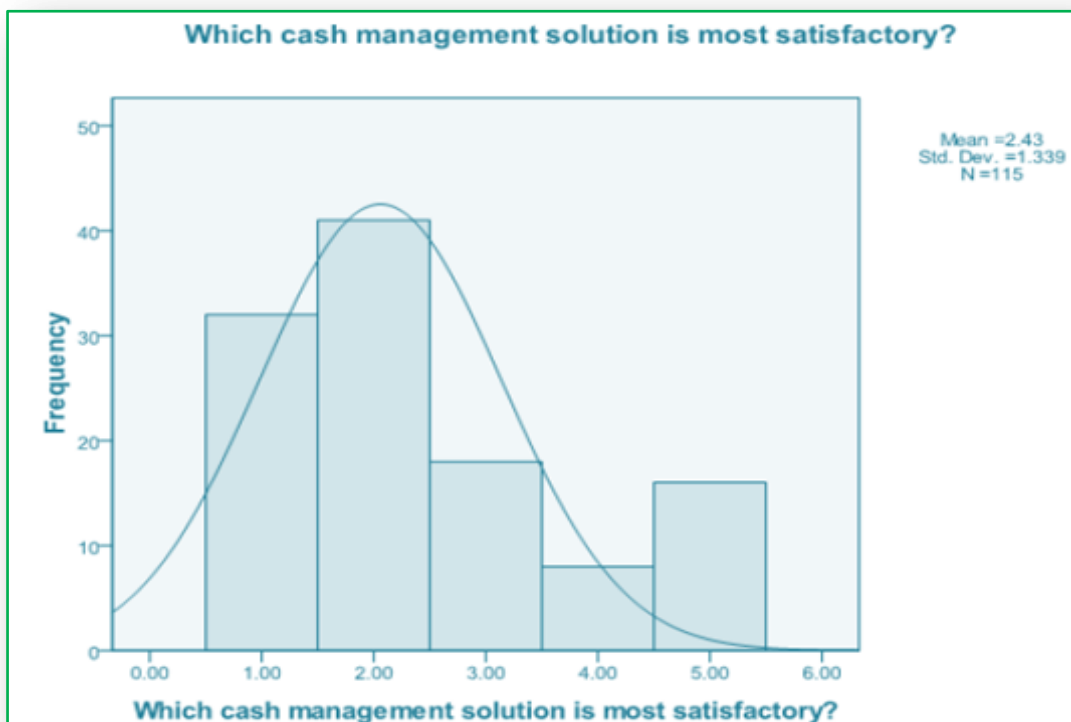


GRAPH 6.21: Histogram 21 (Source: SPSS Outputs)



Which cash management solution is the most satisfactory?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Payment Services	27.8	27.8	27.8
	Collection Services	36.7	36.7	64.5
	Liquidity Management	14.7	14.7	79.1
	None of the above	7.0	7.0	86.1
	All of the above	13.9	13.9	<b>100.0</b>
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

TABLE 6.22: Frequency 22 (Source: SPSS Outputs)



GRAPH 6.22: Histogram 22 (Source: SPSS Outputs)

Which trade finance solution is the most satisfactory?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Import/Export	27.8	27.8	27.8
	Supply Chain Finance	31.7	31.7	64.5
	Document Manager	14.7	14.7	79.1
	None of the above	7.0	7.0	86.1
	All of the above	13.9	13.9	<b>100.0</b>
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>

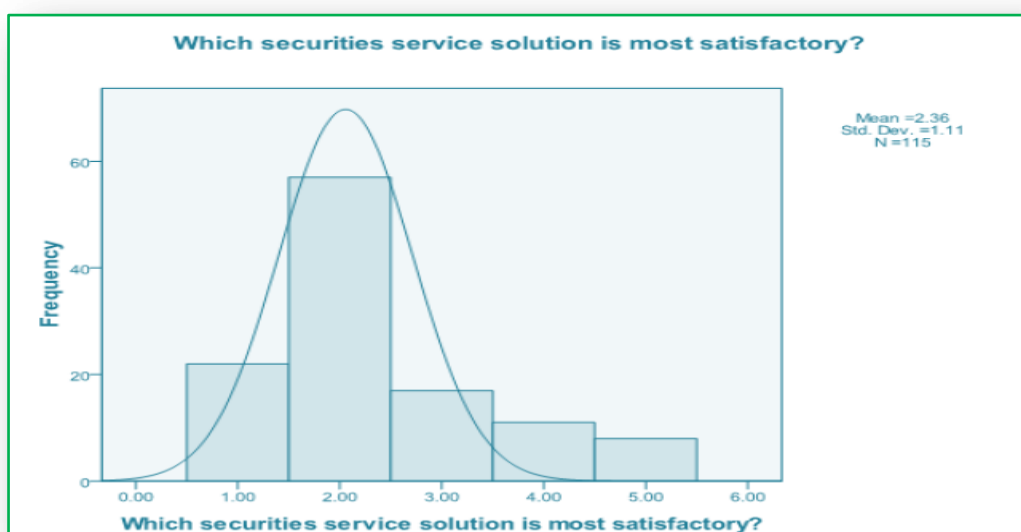
TABLE 6.23: Frequency 23 (Source: SPSS Outputs)



GRAPH 6.23: Histogram 23 (Source: SPSS Outputs)

Which securities service solution is the most satisfactory?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Custody Service	19.1	19.1	19.1
	Clearing Service	50.6	50.6	69.7
	Fund Service	13.8	13.8	83.5
	None of the above	9.6	9.6	93.0
	All of the above	7.0	7.0	<b>100.0</b>
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

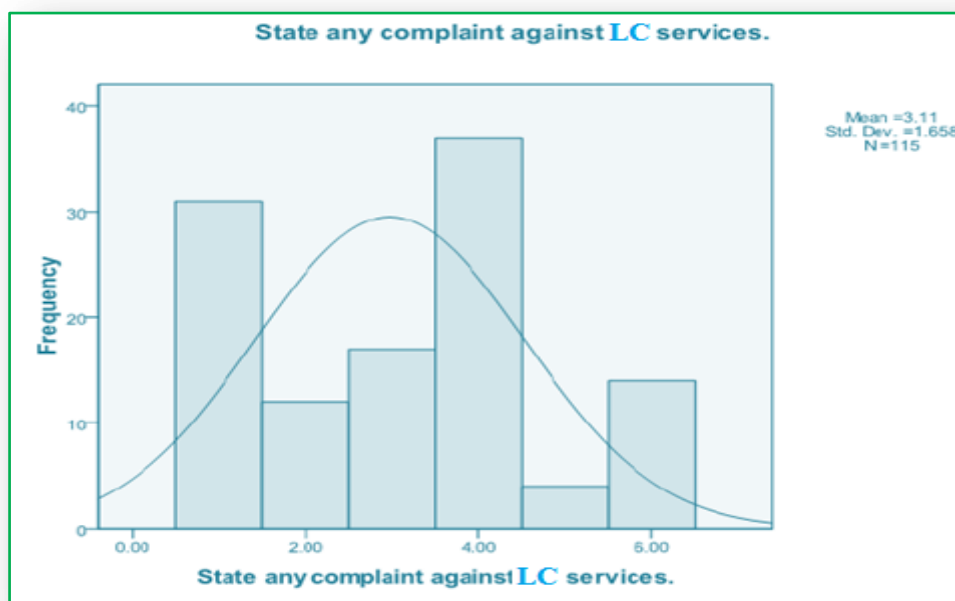
TABLE 6.24: Frequency 24 (Source: SPSS Outputs)



GRAPH 6.24: Histogram 24 (Source: SPSS Outputs)

State any complaint against LC services.				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	LC does not provide quick services	27.8	27.8	27.8
	LC services does not match with the promises made	10.4	10.4	38.2
	LC services include difficult terms and conditions	14.8	14.8	53.0
	LC staff is not supportive and efficient	33.2	33.2	86.2
	Others	2.5	2.5	88.7
	No Complaints	11.3	11.3	100.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

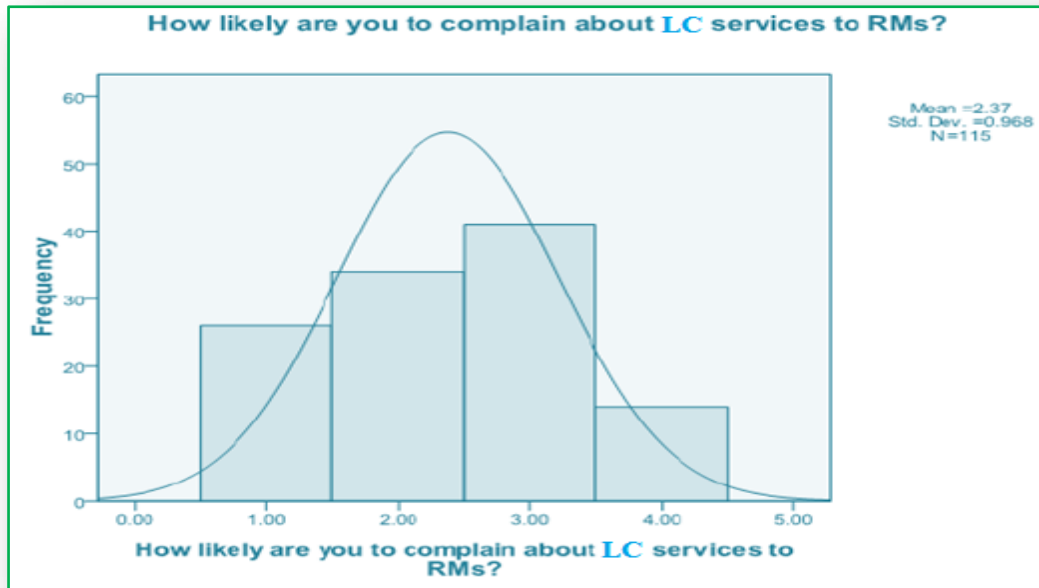
**TABLE 6.25: Frequency 25 (Source: SPSS Outputs)**



**GRAPH 6.25: Histogram 25 (Source: SPSS Outputs)**

How likely are you to complain about LC services to RMs?				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	I often have complaints about the services and share it with the RM	22.6	22.6	22.6
	I have some complaints and I share it with the RM	29.6	29.6	52.2
	I have some complaints but never shared it with the RM	36.7	36.7	88.8
	I do not have any complaints regarding the services being offered	11.2	11.2	<b>100.0</b>
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

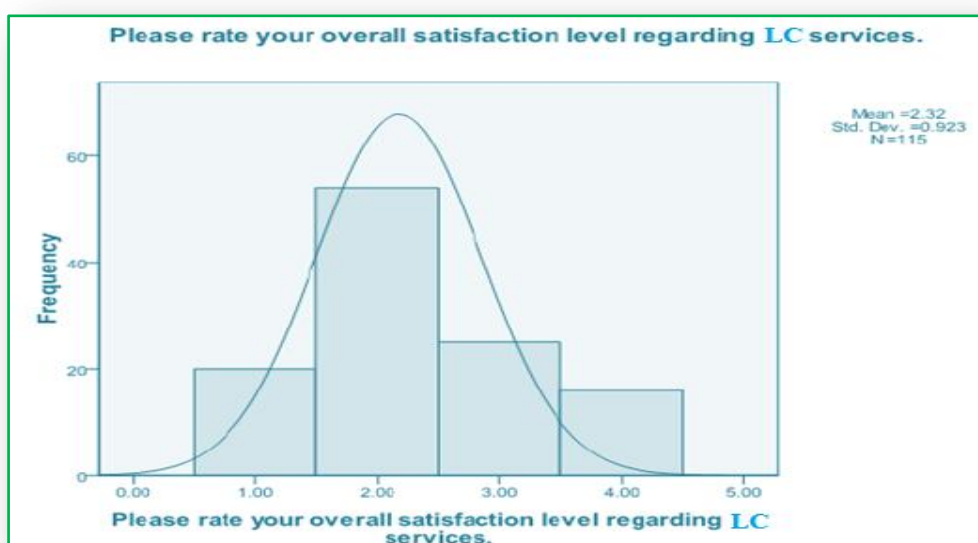
**TABLE 6.26: Frequency 26 (Source: SPSS Outputs)**



GRAPH 6.26: Histogram 26 (Source: SPSS Outputs)

Please rate your overall satisfaction level regarding LC services.				
		Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Extremely satisfied	17.4	17.4	17.4
	Moderately satisfied	48.0	48.0	65.3
	Moderately dissatisfied	20.7	20.7	86.1
	Extremely dissatisfied	13.9	13.9	<b>100.0</b>
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

TABLE 6.27: Frequency 27 (Source: SPSS Outputs)



GRAPH 6.27: Histogram 27 (Source: SPSS Outputs)

**Reliability factor vs. Type of complaints made by clients:**

Correlations					
		Does LC provide promised services?	Can LC be depended upon?	Does LC maintain records accurately?	State any complaint against LC services.
Does LC provide promised services?	Pearson Correlation	1	.780	.809	.069
	Sig. (2-tailed)		.000	.000	.472
Can LC be depended upon?	Pearson Correlation	.780	1	.806	-.006
	Sig. (2-tailed)	.000		.000	.956
Does LC maintain records accurately?	Pearson Correlation	.809	.806	1	-.033
	Sig. (2-tailed)	.000	.000		.736
State any complaint against LC services.	Pearson Correlation	.068	-.005	-.032	1
	Sig. (2-tailed)	.471	.955	.735	
** Correlation is significant at the 0.01 level (2-tailed)					

**TABLE 6.28: Correlation 1 (Source: SPSS Outputs)**

**Responsiveness factor vs. Type of complaints made by clients:**

Correlations					
		Does LC keep you informed?	Does LC provide prompt services?	Does LC readily respond to requests?	State any complaint against LC services.
Does LC keep you informed?	Pearson Correlation	1	.030	-.068	.049
	Sig. (2-tailed)		.750	.468	.611
	N				
Does LC provide prompt services?	Pearson Correlation	.030	1	.705	-.409
	Sig. (2-tailed)	.750		.000	.000
Does LC readily respond to requests?	Pearson Correlation	-.068	.705	1	-.329
	Sig. (2-tailed)	.468	.000		.000
	N				
State any complaint against LC services	Pearson Correlation	.048	-.408	-.328	1
	Sig. (2-tailed)	.610	.000	.000	
** Correlation is significant at the 0.01 level (2-tailed)					

**TABLE 6.29: Correlation 2 (Source: SPSS Outputs)**

**Accessibility factor vs. Type of complaints made by clients:**

Correlations					
		Can LC RMs be easily accessed?	Can LC services be accessed at convenient hours and branches?	Is the waiting time expensive?	State any complaint against LC services.
Can LC RMs be easily accessed?	Pearson Correlation	1	-.010	.059	-.010
	Sig. (2-tailed)		.919	.533	.922
Can LC services be accessed at convenient hours and branches?	Pearson Correlation	-.010	1	-.069	.047
	Sig. (2-tailed)	.919		.463	.627
Is the waiting time expensive?	Pearson Correlation	.059	-.069	1	-.015
	Sig. (2-tailed)	.533	.463		.886
State any complaint against LC services	Pearson Correlation	-.009	.046	-.014	1
	Sig. (2-tailed)	.921	.626	.885	

**TABLE 6.30: Correlation 3 (Source: SPSS Outputs)**

**Assurance factor vs. Type of complaints made by clients:**

Correlations				
		Do LC employees have knowledge to answer clients' requests?	Can LC employees keep company secrets safe?	State any complaint against LC services.
Do LC employees have knowledge to answer clients' requests?	Pearson Correlation	1	.032	-.010
	Sig. (2-tailed)		.731	.928
Can LC employees keep company secrets safe?	Pearson Correlation	.032	1	-.003
	Sig. (2-tailed)	.731		.985
State any complaint against LC services	Pearson Correlation	-.009	-.002	1
	Sig. (2-tailed)	.927	.984	

**TABLE 6.31: Correlation 4 (Source: SPSS Outputs)**

**Empathy factor vs. Type of complaints made by clients:**

Correlations				
		Do LC employees provide individual attention?	Do LC employees understand company needs?	State any complaint against LC services.
Do LC employees provide individual attention?	Pearson Correlation	1	-.089	-.003
	Sig. (2-tailed)		.346	.981
Do LC employees understand company needs?	Pearson Correlation	-.089	1	-.136
	Sig. (2-tailed)	.346		.151
State any complaint against LC services	Pearson Correlation	-.002	-.135	1
	Sig. (2-tailed)	.980	.150	

**TABLE 6.32: Correlation 5 (Source: SPSS Outputs)**

**Courteousness factor vs. Type of complaints made by clients:**

Correlations			
		Are LC employees consistently polite?	State any complaint against LC services.
Are LC employees consistently polite?	Pearson Correlation	1	.201
	Sig. (2-tailed)		.033
State any complaint against LC services	Pearson Correlation	.200	1
	Sig. (2-tailed)	.032	

\*. Correlation is significant at the 0.05 level (2-tailed).

**TABLE 6.33: Correlation 6 (Source: SPSS Outputs)**

**Rates vs. Type of complaints made by clients:**

Correlations				
		Are the rates of LC in accordance with its quality?	Are the rates of LC reasonable?	State any complaint against LC services.
Are the rates of LC in accordance with its quality?	Pearson Correlation	1	.054	.010
	Sig. (2-tailed)		.568	.929
Are the rates of LC reasonable?	Pearson Correlation	.054	1	-.018
	Sig. (2-tailed)	.568		.857
State any complaint against LC services	Pearson Correlation	.009	-.017	1
	Sig. (2-tailed)	.928	.856	

**TABLE 6.34: Correlation 7 (Source: SPSS Outputs)**

**Reliability factor vs. Relationship longevity of clients with LC:**

Correlations					
		Does LC provide promised services?	Can LC be depended upon?	Does LC maintain records accurately ?	How long have you been maintaining relationship with LC?
<b>Does LC provide promised services?</b>	Pearson Correlation	1	.780	.809	.005
	Sig. (2-tailed)		.000	.000	.971
<b>Can LC be depended upon?</b>	Pearson Correlation	.780	1	.806	-.103
	Sig. (2-tailed)	.000		.000	.279
<b>Does LC maintain records accurately?</b>	Pearson Correlation	.809	.806	1	-.087
	Sig. (2-tailed)	.000	.000		.363
<b>How long have you been maintaining relationship with LC?</b>	Pearson Correlation	.004	-.102	-.086	1
	Sig. (2-tailed)	.970	.278	.362	
** Correlation is significant at the 0.01 level (2-tailed)					

**TABLE 6.35: Correlation 8 (Source: SPSS Outputs)**

**Responsiveness factor vs. Relationship longevity of clients with LC:**

Correlations					
		Does LC keep you informed?	Does LC provide prompt Services?	Does LC readily respond to requests?	How long have you been maintaining relationship with LC?
<b>Does LC keep you informed?</b>	Pearson Correlation	1	.030	-.068	.193
	Sig. (2-tailed)		.750	.468	.041
<b>Does LC provide prompt services?</b>	Pearson Correlation	.030	1	.705	.096
	Sig. (2-tailed)	.750		.000	.312
<b>Does LC readily respond to requests?</b>	Pearson Correlation	-.068	.705	1	.012
	Sig. (2-tailed)	.468	.000		.907
<b>How long have you been maintaining relationship with LC?</b>	Pearson Correlation	.192	.095	.011	1
	Sig. (2-tailed)	.040	.311	.906	
** Correlation is significant at the 0.01 level (2-tailed)					
*. Correlation is significant at the 0.05 level (2-tailed).					

**TABLE 6.36: Correlation 9 (Source: SPSS Outputs)**



**Accessibility factor vs. Relationship longevity of clients with LC:**

Correlations					
		Can LC RMs be easily accessed?	Can LC services be accessed at convenient hours and branches?	Is the waiting time expensive?	How long have you been maintaining relationship with LC?
Can LC RMs be easily accessed?	Pearson Correlation	1	-.010	.059	.023
	Sig. (2-tailed)		.919	.533	.817
Can LC services be accessed at convenient hours and branches?	Pearson Correlation	-.010	1	-.069	-.013
	Sig. (2-tailed)	.919		.463	.901
Is the waiting time expensive?	Pearson Correlation	.059	-.069	1	.091
	Sig. (2-tailed)	.533	.463		.341
How long have you been maintaining relationship with LC?	Pearson Correlation	.022	-.012	.090	1
	Sig. (2-tailed)	.816	.900	.340	

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

**TABLE 6.37: Correlation 10 (Source: SPSS Outputs)**

**Assurance factor vs. Relationship longevity of clients with LC:**

Correlations				
		Do LC employees have knowledge to answer clients' requests?	Can LC employees keep company secrets safe?	How long have you been maintaining relationship with LC?
Do LC employees have knowledge to answer clients' requests?	Pearson Correlation	1	.032	-.048
	Sig. (2-tailed)		.731	.622
Can LC employees keep company secrets safe?	Pearson Correlation	.032	1	.162
	Sig. (2-tailed)	.731		.087
How long have you been maintaining relationship with LC?	Pearson Correlation	-.047	.161	1
	Sig. (2-tailed)	.621	.086	

**TABLE 6.38: Correlation 11 (Source: SPSS Outputs)**

**Empathy factor vs. Relationship longevity of clients with LC:**

Correlations				
		Do LC employees provide individual attention?	Do LC employees understand company needs?	How long have you been maintaining relationship with LC?
Do LC employees provide individual attention?	Pearson Correlation	1	-.089	-.162
	Sig. (2-tailed)		.346	.086
Do LC employees understand company needs?	Pearson Correlation	-.098	1	-.030
	Sig. (2-tailed)	.346		.760
How long have you been maintaining relationship with LC?	Pearson Correlation	-.161	-.029	1
	Sig. (2-tailed)	.085	.759	

**TABLE 6.39: Correlation 12 (Source: SPSS Outputs)**

**Courteousness factor vs. Relationship longevity of clients with LC:**

Correlations			
		Are LC employees consistently polite?	How long have you been maintaining relationship with LC?
Are LC employees consistently polite?	Pearson Correlation	1	-.149
	Sig. (2-tailed)		.115
How long have you been maintaining relationship with LC?	Pearson Correlation	-.148	1
	Sig. (2-tailed)	.114	

**TABLE 6.40: Correlation 13 (Source: SPSS Outputs)**

**Rates vs. Relationship longevity of clients with LC:**

Correlations				
		Are the rates of LC in accordance with its quality?	Are the rates of LC reasonable?	How long have you been maintaining relationship with LC?
Are the rates of LC in accordance with its quality?	Pearson Correlation	1	.054	-.079
	Sig. (2-tailed)		.568	.409
Are the rates of LC reasonable?	Pearson Correlation	.054	1	.098
	Sig. (2-tailed)	.568		.291
How long have you been maintaining relationship with LC?	Pearson Correlation	-.078	.099	1
	Sig. (2-tailed)	.408	.290	

**TABLE 6.41: Correlation 14 (Source: SPSS Outputs)**

**Overall rating of quality and standard of LC services vs. Relationship longevity of clients with LC:**

Correlations			
		How will you rate the overall quality and standard of LC services?	How long have you been maintaining relationship with LC?
How will you rate the overall quality and standard of LC services?	Pearson Correlation	1	.121
	Sig. (2-tailed)		.203
How long have you been maintaining relationship with LC?	Pearson Correlation	.120	1
	Sig. (2-tailed)	.202	

**TABLE 6.42: Correlation 15 (Source: SPSS Outputs)**

**Overall rating of the clients' satisfaction level vs. Relationship longevity of clients with LC:**

Correlations			
		Please rate your overall satisfaction level regarding LC services.	How long have you been maintaining relationship with LC?
Please rate your overall satisfaction level regarding LC services.	Pearson Correlation	1	.056
	Sig. (2-tailed)		.563
How long have you been maintaining relationship with LC?	Pearson Correlation	.055	1
	Sig. (2-tailed)	.562	

**TABLE 6.43: Correlation 16 (Source: SPSS Outputs)**

**Rates vs. Overall rating of quality and standard of LC services:**

Correlations				
		Are the rates of LC in accordance with its quality?	Are the rates of LC reasonable?	How will you rate the overall quality and standard of LC services?
Are the rates of LC in accordance with its quality?	Pearson Correlation	1	.054	-.121
	Sig. (2-tailed)		.568	.201
Are the rates of LC reasonable?	Pearson Correlation	.054	1	-.211
	Sig. (2-tailed)	.568		.026
How will you rate the overall quality and standard of LC services?	Pearson Correlation	-.120	-.210	1
	Sig. (2-tailed)	.200	.025	

\*. Correlation is significant at the 0.05 level (2-tailed).

**TABLE 6.44: Correlation 17 (Source: SPSS Outputs)**

**Rates vs. Overall rating of the clients' satisfaction level:**

Correlations				
		Are the rates of LC in accordance with its quality?	Are the rates of LC reasonable?	Please rate your overall satisfaction level regarding LC services.
Are the rates of LC in accordance with its quality?	Pearson Correlation	1	.054	.045
	Sig. (2-tailed)		.568	.643
Are the rates of LC reasonable?	Pearson Correlation	.054	1	.123
	Sig. (2-tailed)	.568		.194
Please rate your overall satisfaction level regarding LC services.	Pearson Correlation	.044	.122	1
	Sig. (2-tailed)	.642	.193	

**TABLE 6.45: Correlation 18 (Source: SPSS Outputs)**

**Overall rating of the clients' satisfaction level vs. Overall rating of quality and standard of LC services:**

Correlations			
		Please rate your overall satisfaction level regarding LC services.	How will you rate the overall quality and standard of LC services?
Please rate your overall satisfaction level regarding LC services.	Pearson Correlation	1	.026
	Sig. (2-tailed)		.790
How will you rate the overall quality and standard of LC services?	Pearson Correlation	.025	1
	Sig. (2-tailed)	.789	

**TABLE 6.46: Correlation 19 (Source: SPSS Outputs)**

**Overall rating of the clients' satisfaction level vs. Clients' choice of their mostly used LC services:**

Correlations			
		Please rate your overall satisfaction level regarding LC services.	Which LC service your company avail the most?
Please rate your overall satisfaction level regarding LC services.	Pearson Correlation	1	-.135
	Sig. (2-tailed)		.155
Which LC service your company avail the most?	Pearson Correlation	-.134	1
	Sig. (2-tailed)	.154	

**TABLE 6.47: Correlation 20 (Source: SPSS Outputs)**

**Reliability factor vs. Type of complaints made by clients:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.165 <sup>a</sup>	.028	.001	1.65776
a. Predictors: (Constant), Does LC maintains records accurately? , Can LC be depended upon? Does LC provide promised services?				

**TABLE 6.48: Regression 1 (Source: SPSS Outputs)**

**Responsiveness factor vs. Type of complaints made by clients:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 <sup>a</sup>	.173	.150	1.52897
a. Predictors: (Constant), Does LC readily responds to requests? , Does LC keep you informed? , Does LC provide prompt services?				

**TABLE 6.49: Regression 2 (Source: SPSS Outputs)**

**Accessibility factor vs. Type of complaints made by clients:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.009 <sup>a</sup>	.000	-.018	1.67307
a. Predictors: (Constant), Can LC employees keep company secrets safe? Do LC employees have knowledge to answer clients' requests?				

**TABLE 6.50: Regression 4 (Source: SPSS Outputs)**

**Empathy factor vs. Type of complaints made by clients:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.136 <sup>a</sup>	.019	.001	1.65766
a. Predictors: (Constant), Does LC employees understand company needs? Do LC employees provide individual attention?				

**TABLE 6.51: Regression 5 (Source: SPSS Outputs)**

**Courteousness factor vs. Type of complaints made by clients:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.200 <sup>a</sup>	.041	.031	1.63216
a. Predictors: (Constant), Are LC employees consistently polite?				

**TABLE 6.52: Regression 6 (Source: SPSS Outputs)**

**Rates vs. Type of complaints made by clients:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.020 <sup>a</sup>	.000	-.017	1.67281
a. Predictors: (Constant), Are the rates of LC reasonable? , Are the rates of LC in accordance with its quality?				

**TABLE 6.53: Regression 7 (Source: SPSS Outputs)**

**Reliability factor vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.186 <sup>a</sup>	.036	.008	.95242
a. Predictors: (Constant), Does LC maintains records accurately? , Can LC be depended upon?, Does LC provides promised services?				

**TABLE 6.54: Regression 8 (Source: SPSS Outputs)**

**Responsiveness factor vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.219 <sup>a</sup>	.049	.022	.94580
a. Predictors: (Constant), Does LC readily responds to requests? Does LC keeps you informed?, Does LC provides prompt services?				

**TABLE 6.55: Regression 9 (Source: SPSS Outputs)**

**Accessibility factor vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.091 <sup>a</sup>	.009	-.018	.96527
a. Predictors: (Constant), Is the waiting time expensive? , Can LC RMs be easily accessed? , Can LC services be accessed at convenient hours and branches?				

**TABLE 6.56: Regression 10 (Source: SPSS Outputs)**

**Assurance factor vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.169 <sup>a</sup>	.030	.001	.95113
a. Predictors: (Constant), Can LC employees keep company secrets safe? Do LC employees have knowledge to answer clients' requests?				

**TABLE 6.57: Regression 11 (Source: SPSS Outputs)**

**Empathy factor vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.167 <sup>a</sup>	.029	.011	.95141
a. Predictors: (Constant), Does LC employees understand company needs? Do LC employees provide individual attention?				

**TABLE 6.58: Regression 12 (Source: SPSS Outputs)**

**Courteousness factor vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.148 <sup>a</sup>	.023	.013	.95013
a. Predictors: (Constant), Are LC employees consistently polite?				

**TABLE 6.59: Regression 13 (Source: SPSS Outputs)**

**Rates vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.130 <sup>a</sup>	.018	.000	.95684
a. Predictors: (Constant), Are the rates of LC reasonable? , Are the rates of LC in accordance with its quality?				

**TABLE 6.60: Regression 14 (Source: SPSS Outputs)**

**Overall rating of quality and standard of LC services vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.120 <sup>a</sup>	.015	.006	.95378
a. Predictors: (Constant), How will you rate the overall quality and standard of LC services?				

**TABLE 6.61: Regression 15 (Source: SPSS Outputs)**

**Overall rating of the clients' satisfaction level vs. Relationship longevity of clients with LC:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.055 <sup>a</sup>	.004	-.006	.95928
a. Predictors: (Constant), Please rate your overall satisfaction level regarding LC services.				

**TABLE 6.62: Regression 16 (Source: SPSS Outputs)**

**Rates vs. Overall rating of quality and standard of LC services:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.236 <sup>a</sup>	.057	.039	.85976
a. Predictors: (Constant), Are the rates of LC reasonable? , Are the rates of LC in accordance with its quality?				

**TABLE 6.63: Regression 17 (Source: SPSS Outputs)**

**Rates vs. Overall rating of the clients' satisfaction level:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.128 <sup>a</sup>	.017	-.001	.92344
a. Predictors: (Constant), Are the rates of LC reasonable? , Are the rates of LC in accordance with its quality?				

**TABLE 6.64: Regression 18 (Source: SPSS Outputs)**

**Overall rating of the clients' satisfaction level vs. Overall rating of quality and standard of LC services:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.025 <sup>a</sup>	.002	-.008	.88062
a. Predictors: (Constant), Please rate your overall satisfaction level regarding LC services.				

**TABLE 6.65: Regression 19 (Source: SPSS Outputs)**



**Overall rating of the clients' satisfaction level vs. Clients' choice of their mostly used LC services:**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.134 <sup>a</sup>	.019	.009	1.85313
a. Predictors: (Constant), Please rate your overall satisfaction level regarding LC services.				

**TABLE 6.66: Regression 20 (Source: SPSS Outputs)**

One-Sample Statistics						
	Mean	Std. Deviation	Std. Error Mean			
Reliability-LC provides the services that it offers	2.45	1.239	.196			
Reliability- rely on LC to handle banking problems	2.12	1.114	.176			
Reliability-LC maintains Company's record accurately	1.80	1.181	.187			
One-Sample Test						
Test Value=3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Reliability-LC provides the services that it offers	-2.807	39	.009	-.550	-.95	-.15
Reliability- rely on LC to handle banking problems	-4.969	39	.000	-.875	-1.23	-.52
Reliability-LC maintains Company's record accurately	-6.426	39	.000	-1.200	-1.58	-.82

**TABLE 6.67: One Sample Test 1 (Source: SPSS Outputs)**

One-Sample Statistics						
	Mean	Std. Deviation	Std. Error Mean			
Responsiveness-LC keeps you informed about when services to be provided	2.10	1.257	.199			
Responsiveness-LC has readiness to respond to clients' request	2.85	1.001	.158			
Responsiveness-LC provides your company with prompt services	2.90	1.194	.189			
One-Sample Test						
Test Value=3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Responsiveness-LC keeps you informed about when services to be provided	-4.529	39	.000	-.900	-1.30	-.50
Responsiveness-LC has readiness to respond to clients' request	-.947	39	.350	-.150	-.47	.17
Responsiveness-LC provides your company with prompt services	-.530	39	.598	-.100	-.48	.28

**TABLE 6.68: One Sample Test 2 (Source: SPSS Outputs)**



One-Sample Statistics						
			Mean	Std. Deviation	Std. Error Mean	
Accessibility-Easy access to the relationship manager of LC			2.05	1.176	.186	
Accessibility-waiting time for the service is not expensive for you			3.12	1.244	.197	
Accessibility-Access services at convenient hours and branches			2.52	1.240	.196	
One-Sample Test						
Test Value=3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Accessibility-Easy access to the relationship manager of LC	-5.111	39	.000	-.950	-1.33	-.57
Accessibility-waiting time for the service is not expensive for you	.635	39	.530	.125	-.27	.52
Accessibility-Access services at convenient hours and branches	-2.423	39	.021	-.475	-.87	-.08

**TABLE 6.69: One Sample Test 3 (Source: SPSS Outputs)**

One-Sample Statistics						
			Mean	Std. Deviation	Std. Error Mean	
Assurance-LC employees have the knowledge to answer clients' queries			1.82	.903	.143	
Assurance-LC employees can keep your company secrets safe			1.60	.982	.155	
One-Sample Test						
Test Value=3						
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Assurance-LC employees have the knowledge to answer clients' queries	-8.233	39	.000	-1.175	-1.46	-.89
Assurance-LC employees can keep your company secrets safe	-9.018	39	.000	-1.400	-1.71	-1.09

**TABLE 6.70: One Sample Test 4 (Source: SPSS Outputs)**

One-Sample Statistics			
	Mean	Std. Deviation	Std. Error Mean
Empathy-LC employees provide you with individual attention	1.68	.917	.145
Empathy-LC employees fully understand your company's needs	2.40	1.150	.182

One-Sample Test						
Test Value=3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Empathy-LC employees provide you with individual attention	-9.141	39	.000	-1.325	-1.62	-1.03
Empathy-LC employees fully understand your company's needs	-3.299	39	.003	-.600	-.97	-.23

**TABLE 6.71: One Sample Test 5 (Source: SPSS Outputs)**

One-Sample Statistics			
	Mean	Std. Deviation	Std. Error Mean
Courteous-LC employees are consistently polite in providing services	2.90	1.150	.182

One-Sample Test						
Test Value=3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Courteous-LC employees are consistently polite in providing services	-.550	39	.587	-.100	-.47	.27

**TABLE 6.72: One Sample Test 6 (Source: SPSS Outputs)**

One-Sample Statistics			
	Mean	Std. Deviation	Std. Error Mean
Charges- Rates of LC services are in accordance with its quality	2.98	1.330	.210
Charges-Rates of LC services are reasonable	3.42	1.107	.175

One-Sample Test						
Test Value=3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Charges- Rates of LC services are in accordance with its quality	-.119	39	.907	-.025	-.45	.40
Charges-Rates of LC services are reasonable	2.429	39	.021	.425	.07	.78

**TABLE 6.73: One Sample Test 7 (Source: SPSS Outputs)**

One-Sample Statistics								
			Mean	Std. Deviation	Std. Error Mean			
Overall quality and standard of LC services			2.72	1.062	.168			
One-Sample Test								
Test Value=3								
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference			
					Lower	Upper		
Overall quality and standard of LC services			-1.638	39	.110	-.275	-.61	.06

**TABLE 6.74: One Sample Test 8 (Source: SPSS Outputs)**

Group Statistics					
	No Complaints		Mean	Std. Deviation	Std. Error Mean
Duration of maintaining relationship with the Local Corporate	No		2.97	.941	.157
	yes		2.75	.957	.479

Independent Sample Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Duration of maintaining relationship with the Local Corporate	Equal variances assumed	.078	.783	.448	38	.658	.222	.496	-.783	1.227
	Equal variances not assumed			.441	3.674	.685	.222	.504	-1.227	1.671

**TABLE 6.75: Independent t-test 1 (Source: SPSS Outputs)**

Group Statistics					
	No Complaints	N	Mean	Std. Deviation	Std. Error Mean
Overall quality and standard of LC services	No	110	2.78	1.072	.179
	yes	5	2.25	.957	.479

Independent Sample Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Overall quality and standard of LC services	Equal variances assumed	.000	.995	.942	38	.353	.528	.550	-.607	1.662
	Equal variances not assumed			1.033	3.888	.363	.528	.511	-.907	1.963

**TABLE 6.76: Independent t-test 2 (Source: SPSS Outputs)**