



Bangladesh

STANDARD CHARTERED BANK

Transaction Banking & its Performance

INTERNSHIP REPORT: Spring 2010

A photograph of three young boys, likely athletes, cheering with their arms raised in the air. They are wearing light-colored athletic wear. The image has a blue tint.

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Mr. Anup Chowdhury
Senior Lecturer
BRAC University

Sub: Submission of the Internship Report

Dear Sir,

I have the pleasure to submit my Internship report on “**Transaction Banking and its performance**” of Standard Chartered Bank as a requirement for my graduation. You are aware that I completed my internship program in Standard Chartered Bank from 17th December 2009 to 17th March 2010. I joined SCB House, which is the head office of Standard Chartered Bank in Bangladesh and the name of my unit was Transaction Banking. I am fortunate enough that I have got an experienced, efficient and professional team in one of the most reputed multinational Banks of Bangladesh. I truly believe that this report will satisfy your requirements and expectations.

I have tried my best to make this report informative, practical, reliable and relevant as possible. To prepare this report I have reviewed some books, journals and download information from internet, take interviews and on the basis of available information I draw a set of recommendations which I think will help Transaction Banking to improve their competence.

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

I will be available for any further query and clarification regarding this report whenever necessary.

Sincerely,

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Acknowledgement



Firstly, I would like to thank my honorable faculty, **Mr. Anup Chowdhury** for his kind patience, guidance and support for the preparation of this report. I will always be indebted to him for the valuable suggestions and the time that he had spent for guiding me through the report.

I would also like to thank at Standard Chartered Bank Mr. Zulfikar Ahmed Khan (Head of Financial Institution, Transaction Banking, Wholesale Banking) and Mrs. Jishan Shamshad (Head of Products, Transaction Banking, Wholesale Banking) for being patient and supporting me throughout my three-month internship program. My endless thanks go to my supervisor Mr. Farhan Adel (Associate Director of Products, Transaction Sales, Transaction Banking), Mr. Maruf Ahmed (Associate Director of FI Sales, Transaction Banking), Ms. Sharmin Ruba (BDM, Transaction Sales Transaction Banking), Mrs. Johara Khan (Associate Director Solution Delivery, Transaction Banking). They have all provided their precious time and effort to school me throughout my time at SCB.

My peers and colleagues at the bank had also been very helpful; and they made my internship a more enjoyable and eventful one. I would like to specially thank Mr. Asif, Mrs. Sharmin Ruba and Mr. Shoeb Ali for being there for me whenever I needed them.

Last but not the least, I also want to thank all the customers that I have come across face to face and through telephone.

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Executive Summary

In Bangladesh the number of banks in all now stands at 52, among them Standard Chartered Bank (SCB) is the leading multinational bank. SCB enjoys the number one position in Cash Management, and Trade activities, and is primarily corporate driven. Corporate banking generates more than 40% of its revenue group while Treasury contributes more than 20% to the overall revenue. The goal of SCB is to be the "Bankers of First Choice." Standard Chartered has over 600 offices in 56 countries with a strategic focus on the Emerging Markets of Asia, Africa, the Middle East and Latin America.

In the banking industry rivalry among the competing banks is high because major rivals are equal or close to in size and capability (revenue and volume), exit barriers are high, new private banks are snatching share from the NCBs and each other's customer base by providing extra benefits, slow market growth due to the sluggish economy and depositor's cost of switching banks is low. Entry barrier is also high since government does not encourage any more banks in this country. Although various financial institutions are coming up to provide financial services in Bangladesh the threat of substitute services is relatively low in the banking sector. On the whole the bargaining power of the Suppliers is moderately low since there are few depositors who can influence banks. Customers get to choose from many banks in the country; so naturally they can always shift from one bank to another if they feel that they are not offered appropriate rates. So the bargaining power of buyers is comparatively high.

Banking is a risk taking business that requires judgment. To control this risk, the bank has a set of policies and procedures that define the way the bank assess risk and execute transactions. Therefore, SCB has been constantly updating its approach towards pricing their products, which is a really admirable trait. This forward-looking approach has made them one of the leading foreign banks in Asia, Africa and the Middle East.

It is safe to say that Standard Chartered Bank in Bangladesh have come a long since it started its operation over a century ago. Standard Chartered Bank is the market leader in all aspects of the banking industry, with the exception of their competitive position in Lending due to its conservative stance on taking too large an exposure on the comparatively volatile Bangladeshi market. As a result, the bank has shifted its portfolio from lower to higher quality lending compared to other banks operating in Bangladesh. It is inevitable that better approaches and frameworks will come up in the future because of Standard Chartered Banks relentless determination to lead the way in the banking sector in Asia, Africa and the Middle East.

CHAPTER 1
INTRODUCTION

1.1. Origin of the Report:

This report is an Internship Report prepared as a requirement for the conclusion of the BBA Program. As per requirement of BBA program of BRAC Business School, BRAC University, after completion of 126 credits a student has to complete a 12 weeks internship program. The primary goal of internship is to provide an on the job exposure to the students and an opportunity for translation of theoretical conceptions in real life situation. Students are placed in enterprises, organizations, research institutions as well as development projects. Thus this report has been prepared after completion of 12 weeks of organizational attachment in Standard Chartered Bank.

Standard Chartered Bank is the leading multinational bank of Bangladesh. To maintain its leading position in Bangladesh, Standard Chartered Bank is always keen to develop long-term beneficial and trustworthy relationship with clients. At the same time, they have always upgraded their approaches to achieve profitability.

After the completion of BBA program I was placed in Standard Chartered Bank Bangladesh for the internship program under the guidance of my faculty advisor Mr. Anup Chowdury. The duration of my organizational attachment was 3 months, starting from 17th December 2009 to 17th March 2010. For successful finishing of my BBA program, I needed to submit this report, which would include an overview of the organization I was attached with and elaboration of the project I was supposed to conduct during the internship period.

I was placed in the Transaction Banking department of the SCB head office, under the direct supervision of Mr. Farhan Adel, Associate Director of Transaction Banking of Standard Chartered Bank Bangladesh.

1.2. Objective

Primary Objective

- The main objective of this report is to accentuate the services provided by the Transaction Banking of Standard Chartered Bank and along with the Presentation of market Scenario of banking sector of Bangladesh and the current position of Standard Chartered Bank as a Foreign Commercial Bank.

Secondary Objective

- Getting familiar with the environment of a multinational financial institution of Bangladesh that is Standard Chartered Bank
- Identify the major strengths, weaknesses, opportunities and threats of the Transaction Banking of Standard Chartered Bank.
- To know about the overall banking Functions.
- To know about the management style and organizational structure of Standard Chartered Bank.
- To identify the risk factors concerned with Standard Chartered Bank.
- To suggest necessary measures for the development of Standard Chartered Bank

1.3. Methodology

In the organization part, most of the information has been collected from different published articles, journals, brochures, web sites and personnel of Standard Chartered Bank. All the information incorporated in this report has been collected both from the primary sources and as well as from the secondary sources.

1.3.1. Primary Source of Information

- Observation during the total internship period.
- Involvement with the operational process.
- Discussion with officials of Standard Chartered Bank

1.3.2. Secondary Sources of Data

- Periodic Bulletins published by the Bangladesh Bank.

- Relevant Standard Chartered Bank paper and published documents
- Bank's other published information.
- Some textbooks.
- Internet.

1.4. Scope

The scope of this report is limited to the overall descriptions of the bank, its services, its position in the industry, and its competitive advantage as a foreign Commercial Banks. The scope is also defined by the organizational set-up, functions, and performances. Here Standard Chartered Bank is compared with its competitor banks as well.

1.5. Limitations

- Internal and financial information of the bank is confidential & critical
- The findings are not statistically validated.
- Limitation of time was one of the most important factors that shortened the present study.
- Rush hours and business was another reason that acts as an obstacle while gathering data.

1.6 Report Organization

The report is divided into three parts. In the first part I have tried to focus on the Banking industry of Bangladesh where I specifically concentrated in the Transaction products and its performance in Bangladesh. In the second part Standard Chartered Bank's history, mission, vision, products and services and a comparative study of the performance of the products is provided in a descriptive manner. The third part is the project part. In that part data analysis has been done in the following ways:

- One is the qualitative part. In this part analysis is done to identify the competitive standing of SCB.
- The second part is quantitative .Where the analysis is based on some published data.

Different graphs have been developed to interpret the situation. As the information on the MIS of SCB is confidential & cannot be disclosed different proxy figures are used to interpret the information. Data Analysis was done mostly with the help of Microsoft Excel through tables. I have also tried to find out some problems from the Data Flow Diagram and give recommendations on those problems.

1.7. Abbreviation:

Abbreviations used throughout the report are as follows:

 NCB	Nationalized Commercial Bank
 PCB	Privatized Commercial Bank
 FCB	Foreign Commercial Bank
 SB	State owned Specialized Bank
 SCB	Standard Chartered Bank
 HSBC	Hong Kong Shanghai Bank
 MIS	Management Information System
 NGO	Non-Government Organization
 NCS	National Collection Services

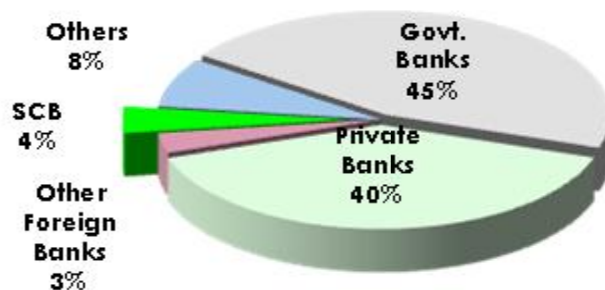
CHAPTER 2
INDUSTRY ANALYSIS

2.1 Summary of Banking Sector in Bangladesh

Banking Industry in Bangladesh

The banking industry in Bangladesh consists of four categories of banks. Public Banks- that is the state owned banks. Private Commercial Banks- that is privately owned banks, Foreign Commercial Banks- that are the subsidiaries of multinational banks and Specialized Development Banks- like Bangladesh Krishi Bank, Bangladesh Shilpa Bank, Grameen Bank etc. The number of banks in all now stands at 53 in Bangladesh with market size around \$ 32 Billion (Funds under Management).

Figure 2.1.: Market share by Funds under Management



Out of the 53 banks, 4 are Nationalized Commercial Banks (NCBs), 32 local Private Commercial Banks, 9 foreign banks and the rest 8 are Specialized Banks. Typically all these categories of banks provide more or less the same services, but some banks are more efficient in providing particular services comparatively. For example the foreign banks are far more efficient in foreign exchange because of their large network throughout the world; this enables them to offer competitive rates.



Bangladesh Bank

The currency of Bangladesh is Taka (SWIFT code BDT). The central bank is Bangladesh Bank¹ that regulates the banking system within the country. It sets the lower and upper bands of interest rates, with the banks fixing their own respective interest rates within these bands according to the market trends. These rates must be advised to the Central Bank. Bangladesh Bank also specifies the nature of the accounts that different entities may open, the nature of transactions allowed in such accounts, and the interest rate structures for the various types of accounts that are available. Bangladesh Bank has Clearing Houses in seven different locations, namely Dhaka, Chittagong, Khulna, Rajshahi, Bogra, Sylhet, and Barisal. All commercial banks including Standard Chartered Bank are direct members of the respective Clearing House within each of the local clearing zones in which they have a branch.

Bangladesh Bank monitors and controls the functions, and activities of all these banks. Its prime jobs include issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monetary matters. It is also responsible for planning the government's monetary policy and implementing it thereby. The Bangladesh Bank has a governing body comprising of nine members with the Governor as its chief. Apart from the head office in Dhaka, it has nine more branches, of which two in Dhaka and one each in Chittagong, Rajshahi, Khulna, Bogra, Sylhet, Rangpur and Barisal.

¹ Source: <http://www.reportbd.com>

Current Scenario

The contribution of the banking industry to the overall GDP of the country is quiet low and the increase in the contribution of the banking industry over the last ten years has been very little. The graph below shows how the contribution of the banking sector to overall GDP has changed over the last ten years. Therefore at present there are adequate opportunity for banks to increase its base and overall contribution to the growth of the economy. The numbers of companies and foreign investments have been increasing significantly over the last few years. Banks has to identify such opportunities and find out the untapped market options that still exist in the economy to further boost their contribution.

Table2.1. Banking Sector's contribution to GDP in Bangladesh

Period	Banking sector Contribution to GDP(in millions of Tk)	Percentage
1993	2,038	1.54%
1994	2,115	1.52%
1995	2,175	1.49%
1996	2,284	1.51%
1997	2,400	1.51%
1998	2,517	1.52%
1999	2,646	1.52%
2000	2,786	1.52%
2001	2,937	1.54%
2002	3,098	1.54%
2003	3,270	1.55%
2004	3,489	1.59%
2005	3,722	1.62%
2006	3,952	1.76%
2007	3,976	1.85%

The country's banking structure is segmented with NCBs and PCBs holding 33.1 percent and 51.4 percent of total assets respectively. The financial system was also repressed in the 1970s and early 1980s in the presence of interest rate and credit ceilings. As part of economic reform programs, credit and other restrictions were phased out from the late 1980s.

2.2 Overview of Transaction Products in Bangladesh

Transaction Products of the Banking Industry in Bangladesh

²Transaction products play key roles in smoothing retail banking and settling payment obligations in business to business and business to customer activities. In Bangladesh, payment and transaction products fall into two broad categories: traditional products, and modern technology driven products and services. The traditional products came into existence since the inception of banking business in the region while modern technology driven products and services have been introduced in the 1990s.

The traditional products and services cover a wide range such as cheques, bills of exchange, promissory notes, demand drafts, payment orders, mail transfers, and telegraphic transfers. Still, these are widely used especially by the rural customers. In addition to these products, banks especially working in the urban areas offer several modern technology driven products and services including debit cards, credit cards, ATM cards, POS, online, internet, tele-banking, SWIFT, and router. As the modern products require large investments in bank branches and IT literacy both on the part of the bank employees and bank customers, these products and services are mostly concentrated in the urban areas. The urban customers also prefer modern banking products and services as these are time saving, smart, and convenient.

In order to support the increasing demand of different stakeholders and raise the banking services at par with international standards, Bangladesh Bank has taken several measures to modernize the national payment and settlement system. The Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Fund Transfer Network (BEFTN), two important means of

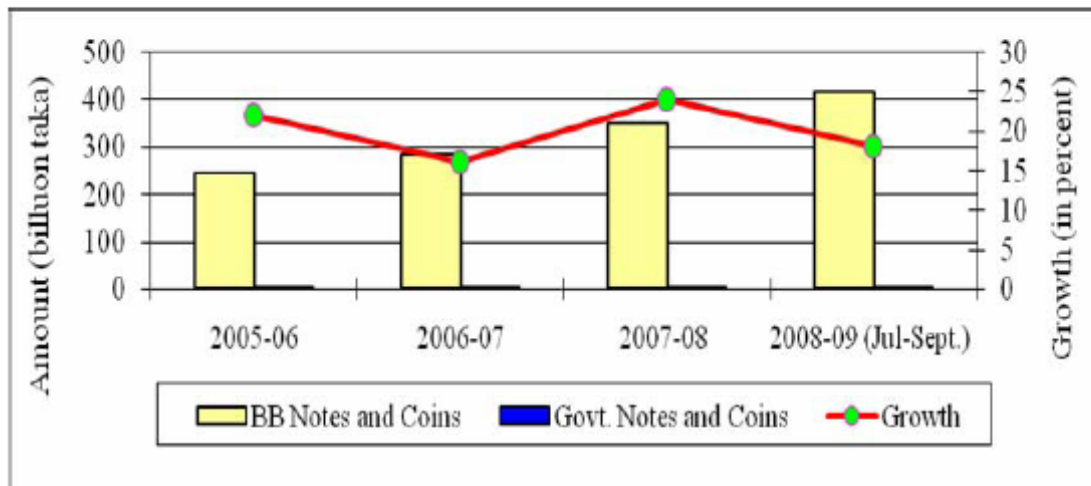
² Source: "Chapter 2: The Supply and Demand for Financial Products", Financial Review 2008, Bangladesh Bank.

e-banking, are currently under implementation that would bring about radical improvements in daily payment and transaction activities.

Payment and Transaction Product: Cash

At the end-September 2008, the amount of issued currency (notes and coins issued by the Bangladesh Bank and the Government of Bangladesh) stood at Tk.421.0 billion which was higher by 65.0 billion (18 percent) over Tk.356.0 billion in June 2008. The issuance of notes and coins recorded 24 percent growth in FY08 compared with 16 percent in FY07 and 22 percent in FY06 (Figure 2.1.). The significant growth in issuance of notes and coins over the recent fiscals indicates that cash is still the dominant and popular payment and transaction product.

Figure: 2.1. Issuance and Growth of Notes and Coins



Note: Bangladesh Bank notes and coins include notes of Tk. 5 and above and coins of Tk. 5 while Government notes and coins include notes and coins of Tk. 1 and Tk. 2.
 Source: *Monthly Economic Trends*, November 2008, Bangladesh Bank.

Payment and Transaction Product: Non-Cash

The non-cash payment and transaction products in Bangladesh cover traditional products and services as well as modern and innovative technology driven products and services. Cheques, demand drafts, and payment orders are widely used non-cash traditional products since the

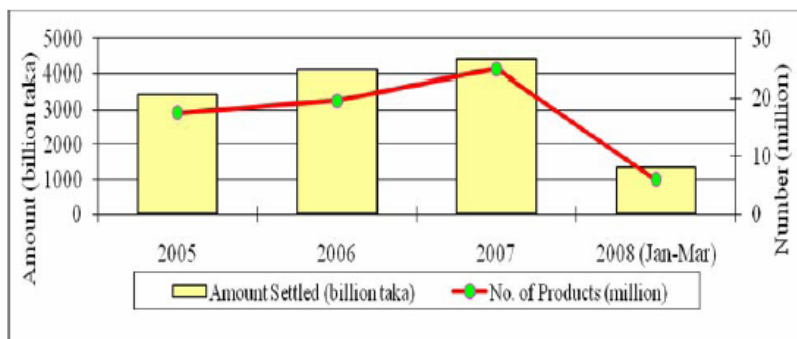
inception of banking business in the country. Modern technology driven products and services were adopted by the scheduled banks during late 1990s. Moreover, the banks have been extending their customer services through introducing new technologies on a regular basis. In addition to debit cards, credit cards, ATM, POS, individual bank on-line networks, tele-banking, limited internet facilities, SWIFT and router, few banks have recently adopted cash deposit machines (CDM) facilitating 24-hour cash deposit up to Tk. 20,000 and SMS banking allowing the customers with remote balance inquiry, mini statement of last three transactions, payment and due bill inquiry of credit card, and SMS alert system for deposits or withdrawals of Tk. 100,000 and above, and FDR maturity.

Traditional products and services

Among the traditional products, the cheque is still the dominant medium of transaction in terms of value of payment. During 2006, the clearing houses of Bangladesh Bank and Sonali Bank together cleared and settled Tk. 4,095 billion against a total of 20 million payment instruments which increased to Tk. 4,381 billion against 25 million instruments during 2007.7

During January-March 2008, the amount settled through clearing houses was Tk. 1,328 billion against a total of 6 million payment instruments. Thus the volume of transactions and the number of payment instruments used for transaction purposes show that non cash payment and transaction products are crucial to meeting payment obligations in Bangladesh.

Figure: 2.2. : Clearing House Returns



Source: Bangladesh Bank Bulletin, January-March 2008

Modern and innovative products and services: transaction volume

Between end-December 2007 and end-June 2008, the volume of transaction through credit cards grew by 59 percent in which the PCBs are the major contributors (from Tk. 4.6 billion to Tk. 8.2 billion)

Table: 2.2. : Payments and Transactions through Modern and Innovative Products and Services

(Billion Tk.)										
Bank category	Modern and innovative products				Modern and innovative services					
	Credit card		Debit card		ATM		POS		SWIFT	
	Dec 07	Jun 08	Dec 07	Jun 08	Dec 07	Jun 08	Dec 07	Jun 08	Dec 07	Jun 08
NCBs	0.0	0.0	0.2	0.2	0.2	0.2	0.0	0.1	0.0	0.0
SBs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.8	36.0
PCBs	4.6	8.2	4.6	7.0	14.2	17.8	1.3	1.4	241.4	261.5
FCBs	2.3	2.7	9.7	12.8	17.9	22.5	0.1	0.3	314.0	340.6
Total	6.9	10.9	14.4	20.0	32.3	40.6	1.4	1.8	571.1	638.2
Growth (percent)	59		39		26		23		12	

Note: The data cover 2 out of 4 SCBs, 4 out of 5 SBs, 17 out of 30 PCBs, and 4 out of 9 FCBs. In total the coverage is 27 commercial banks out of a total of 48.

Source: PAU Survey.

The transactions through debit card increased by 39 percent between December 2007 and June 2008 mainly due to a significant increase in transactions by PCBs from Tk.4.6 billion to Tk. 7.0 billion; and by FCBs from Tk. 9.7 billion to 12.8 billion. The volume of transaction through ATM increased from Tk. 17.9 billion to Tk. 22.5 billion for FCBs which contributed significantly to 26 percent growth in ATM transactions. During the period, transactions through POS and SWIFT grew by 23 percent and 12 percent respectively (Table 2.2.).

Modern and innovative products and services: market share

Between end-December 2007 to end-June 2008, the market share in transactions through ATM remained unchanged at around 1 percent for NCBs, 44 percent for PCBs, and 55 percent for FCBs. The market share of SCBs remained unchanged at 1 percent in debit card transactions while the share of PCBs rose from 32 percent to 35 percent and declined from 67 percent to 64 percent for FCBs over the period.

Table: 2.3. Share in Payment and Transactions by Bank Category

Products and Services	% share of transaction in December 2007					% share of transaction in June 2008				
	NCBs	SBs	PCBs	FCBs	Total	NCBs	SBs	PCBs	FCB	Total
ATM	1	0	44	55	100	1	0	44	55	100
Debit card	1	0	32	67	100	1	0	35	64	100
Credit card	0	0	67	33	100	0	0	75	25	100
POS	2	0	89	9	100	4	0	78	18	100

Note: The data cover 2 out of 4 SCBs, 4 out of 5 SBs, 17 out of 30 PCBs, and 4 out of 9 FCBs. In total the coverage is 27 commercial banks out of a total of 48. Source: PAU Survey.

In the case of POS transactions, FCBs and NCBs captured a part of the market share of PCBs over the period; increasing the share from 9 percent to 18 percent and 2 percent to 4 percent respectively while the share of PCBs declined from 89 percent to 78 percent. On the other hand, in credit card transactions, the market share of PCBs increased from 67 percent to 75 percent while the share of FCBs declined from 33 percent to 25 percent. The PCBs, on the other hand, showed better performance in capturing the market share through debit and credit card transactions (Table 2.3.).

With a view to enhance the efficiency of the payment and transaction system, Bangladesh Bank being the regulator of the country's banking and financial sector has taken several initiatives such as formation of the National Payment System Council (NPSC) and establishment of the Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Fund Transfer Network (BEFTN), along with creating necessary legal and regulatory frameworks. Successful implementation of these measures will contribute toward raising the standard and efficiency of banking services in the country. Moreover, increasing adoption of modern and technology driven payment system will cater to meeting the payment requirements of the increasingly complex financial transactions of the Bangladesh economy

CHAPTER 3
COMPANY OVERVIEW

3.1. An overview of Standard Chartered Bank

³Standard Chartered bank has been operating in Bangladesh for more than 100 years. Having been established in British colonial period, the bank has positioned itself as a unique business, serving the local business community with due professional and ethical fervor. The bank now has 25 branches in critical business places Bangladesh and intends to expand its presence all over the country to further penetrate the local customer and business segment. SCB is not only the leading foreign bank of the country but also one of the few banks that have revolutionized the banking service industry through adoption of modern technology and process with a view to enhancing customer satisfaction. As a group the bank has cemented its position especially in the Asia and African region with more than 500 offices in 53 countries of the world. At present, the bank has around 27000 employees on its regular payroll and will continue to further its commitment to local community through increased recruitment.

Standard Chartered PLC is listed on both the London Stock Exchange and the Hong Kong Stock Exchange and is consistently ranked in the top 25 among FTSE-100 companies by market capitalization. Standard Chartered has a history of over 150 years in banking and operates in many of the world's fastest-growing markets with:

- ✦ An extensive global network of over 1,700 branches (including subsidiaries, associates and joint ventures) in over 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the America.
- ✦ Standard Chartered employs almost 73,000 people, representing over 100 nationalities, worldwide
- ✦ Globally, SCB specializes in personal, corporate, institutional and personal finance and custodial services. The bank excels in providing the most efficient, consistent and timely

³ Source: www.standardchartered.com

services and are the multinational bank in the Middle East, South Asia and North African regions.

- ✿ SCB maintains correspondent relationship with over 650 banks in 157 countries around the world.
- ✿ At the global level, SCB operates with some key strategies that are quite unique to other banks such as:

1. To build and grow strong businesses in Middle East, South Asia and Far East Asia
2. Capitalize on the good track record created by its more than 150 years of operations in these regions by building unique position and image among the target customer segment and being responsive the needs and serve the needs better than the competitors.
3. Concentrate operations in those activities that have bear direct impact on the communities of the countries and help the country and its economy prosper and in the same time earn profit in ethical way.

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



3.2 COMPANY IMAGE & LOGO

Standard Chartered Bank is a solid, forward looking, modern foreign bank with a long record of sound performance. It is discarding its erstwhile conservative mould and in response to the current dynamic trends in worldwide financial activities, adopting an aggressive customer focused banking system. The effort that Standard Chartered Bank makes in order to portray the Bank as a brand image is very strong and successful.

Standard Chartered Bank has a history of about 150 years. The name "Standard Chartered" stems from the two original banks from which it was founded - the "Chartered Bank" of India, Australia and China and the "Standard Bank" of British South Africa. The logo of the bank depicts the merger of these two banks.

The general image of Standard Chartered Bank is that it is "Trustworthy, efficient, helpful and committed." The logo of the bank depicts the merger of two banks.

Standard Chartered operates in very dynamic markets. The current branding has been in existence since 1969. It has served the company well, but we recognize that we need a fresher look to appeal to our customers, as well as encapsulate our values in a dynamic and contemporary style.

Through SCB's global operation, it can migrate best banking practice around the world, introducing world-class products and services ahead of local competition. Its customers include private individuals through to the largest corporations. It is the bank of choice for many major multinationals – they trust SCB. It is passionate about its customer's success, delighting them with the quality of our service.

3.3. History of Standard Chartered Bank in Brief

⁴SCB has a history of more than 150 years. The name “Standard” stems from the two original banks from which it was founded-“Chartered Bank” of India, Australia and China and “Standard Bank” of British South Africa.

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

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

The merger between these two banks occurred in 1969. On January 30, 1970 the shares of the newly formed Standard Chartered Banking Group Limited were listed in the London Stock exchange. Becoming stronger after merger, Standard Chartered Bank PLC embarked on a vigorous mission to expand its business in Europe and the USA. In the last thirty years, Standard Chartered Bank has experienced continuous growth, which led to its becoming one of the top 100 listed banks in the world. It was judged to be the best bank in the Asia-Pacific region in 1993 and 1994 for its rare and excellent service.

⁴ Source:www.standardchartered.com

3.4. Global Network of Standard Chartered Bank




⁵Standard Chartered has over 600 offices in 56 countries with a strategic focus on the Emerging Markets of Asia, Africa, the Middle East and Latin America.

Standard Chartered International Network



⁵ Source: www.standardchartered.com

The global strategies of Standard Chartered Bank are:

-  To build and grow strong businesses in East and South East Asia - the Asia Pacific Region
-  To enhance historical position in the MESA region
-  To concentrate operations in the OECD in those activities that support Standard Chartered Bank's remarkable franchise in newly industrialized and emerging markets.

IMAGE

Standard Chartered Bank is a solid, forward looking, modern foreign bank with a long record of sound performance. The effort that Standard Chartered Bank makes in order to portray the Bank as a brand image is very strong and successful.

VISION OF SCB

Vision of SCB is – “Their vision is leading the way by providing best customer services. Their Brand Promise is to be the right partner”.

MISSION OF SCB

Mission of SCB is - “Their motto is to become the world’s best international bank”.

OBJECTIVE OF SCB

Their objective is to benefit all of their stakeholders including their shareholders, customers, staff and the communities in which they operate. They strongly support the trend towards delivering shareholder value in a socially, ethically and environmentally responsible manner.

Five Values of Standard Chartered Bank

Standard Chartered Bank has five values, which are critical to their success. These values determine how the employees achieve their goals, the way they work together and how it feels to be a part of Standard Chartered Bank. In brief these values are:

Courageous

Being courageous is about confidently doing what is right. Often the task may seem insurmountable but with courage and tenacity, the odds can be overcome. A truly courageous act both inspires and builds character.

Responsive

How SCB responds to customers and how it will influence customer's belief in their commitment towards them. A proactive response is often unexpected and more effective in such case. It clearly demonstrates organization's willingness to go beyond the unexpected.

International

As a member of global village SCB views the world from the widest perspective. They consider themselves to be global citizens and the world is full of new opportunities and exciting possibilities. SCB also delivers world-class products and services.

Creative

Creativity belongs to those who are excited by challenges and engage themselves in fresh thinking and an open mindedness. Creative thinkers are not limited by convention but are those who allow their minds to soar beyond predictable solutions. SCB believes that they are a creative organization as well.

Trustworthy








Trust is the foundation of every successful relationship. SCB trusts because the organization believes in the sincerity of their promise. They also believe that building trust can take forever, but losing it takes only a moment.

Leading the Way

strategic intent	The world's best international bank <i>Leading the way in Asia, Africa and the Middle East</i>				
brand promise	Leading by Example to be The Right Partner				
values	Courageous ♦ Responsive ♦ International ♦ Creative ♦ Trustworthy				
approach	Participation Focusing on attractive, growing markets where we can leverage our customer relationships and expertise	Competitive Positioning Combining global capability, deep local knowledge and creativity to outperform our competitors	Management Discipline Continuously improving the way we work; balancing the pursuit of growth with firm control of costs and risks		
commitment to stakeholders	Customers Passionate about our customers' success, delighting them with the quality of our service	Our people Helping our people to grow, enabling individuals to make a difference and teams to win	Communities Trusted and caring, dedicated to making a difference	Investors A distinctive investment delivering outstanding performance and superior returns	Regulators Exemplary governance and ethics wherever we are

Version: 21 May 2008

KEY SUCCESS FACTORS OF STANDARD CHARTERED BANK

-  It is the second largest private bank of the country having a market dominance of roughly 67% among foreign banks.
-  Provider of the highest range of products and strategic points of delivery
-  It has one of the largest capital bases.
-  Its portfolio includes the biggest names.
-  Long standing presence in the Asia, Africa and the Middle East and therefore longest standing relationships.
-  It has a technological edge over its competitors.
-  It has the widest distribution network among foreign banks through its own branches and correspondent banks.

3.5. Business Activities of Global Standard Chartered Bank

Standard Chartered operates in every Asia Pacific market with exception of North Korea and 60% of the group profit comes from the Asia Pacific region.

Hong Kong continues to be the happy hunting ground for SCB as it contributes around 30% of the group profit. With over 80 branches in Hong Kong and strong representation in China especially in Shanghai the group is poised to dominate the banking industry there in years to come. There exists a Resident Group Executive director to manage the operations there.

A Resident Group Executive Director similarly manages the operations of SCB at Singapore. In other East Asian countries, the group has been gaining prominence in Malaysia, Taiwan and Thailand. In Thailand, the group acquired 75% stake in Nakornthon.

SCB is the leading multinational bank in the Sub-Saharan Africa with prominent presence in Kenya, Zambia, Zimbabwe, Botswana and Ghana. The group operation of the South Asia and Middle East region is managed from Dubai.

Key areas of Operations

Standard Chartered as a bank operates globally with key business objectives and specific business areas to specialize in. Some major area where SCB specializes as a bank are stated in the following:

Global Consumer Finance

There are seventy-six branches and finance centers under this division in about ten countries with a workforce of 1615 employees. Some of the services provided by this division are unsecured personal loans, credit cards and retail store cards; vehicle related leases, etc.

Global Personal Banking




There are 410 offices/branches with a workforce of 12,000 employees working under this division in 28 countries. Some of the services provided by this division are - various kinds of insurance and loans, various types of accounts, travelers' cheques, card money, etc.

Global Corporate Banking and Institutional Banking

There are 350 branches/offices under this division. This division provides services in 42 countries. The services provided by this division are - International Trade Management, Institutional Banking, Treasury, Custody and Cash Management. This division operates on a worldwide basis.

Global Custodial Service

There are 17 offices under this division and about 900 staff members in this division, operates in fourteen countries and is headquartered in Singapore. Standard Chartered Equitor fulfils Standard Chartered Bank's strategic commitment to providing custody and clearing services in greater Asia. Standard Chartered Bank has one of Asia's leading custodians for over 40 years. Equitor's main focus is on the following:

-  Commitment to quality
-  Dedication to customer needs
-  Sustained investment in people and systems

International Trade Management

This division is operational throughout the group and Standard Chartered Bank's core strength is trade finance and services. With an experience of over 150 years, Standard Chartered Bank has developed knowledge of trade finance, which is world class. Principle services to importers are Import Letters of Credit; import Bills for Collection and Back-to-Back Letters of Credit facilities. Principle services to exporters include Export Letters of Credit, Direct Export Bills for Collection, Bulk Letter of Credit Collection, Bonds and Guarantees.

Global Cash Management

This division is operational in all branches where the Group has a Corporate Banking and Institutional Banking division. There are 100 employees working in this division. Standard Chartered Bank recognizes the importance of Cash Management to Corporate and Financial Institutional customers, and offers a comprehensive range of services and liquidity management. Services by this division are provided worldwide with stress on Asian delivery.

Global Institutional Banking

Through Standard Chartered Bank's network of more than 600 offices in over 40 countries, it is very well positioned to provide a wide range of services to institutional clients: commercial, merchant and central banks; brokers and dealers; insurance companies; funds and fund managers, and others. Offices in emerging markets of Asia, sub-Saharan Africa, the Middle East, and Latin America are complemented by branches in the developed countries such as USA, UK and Japan and the bank's membership of the clearing systems in those countries. The institutional banking group has network of offices in 25 countries throughout Asia, North America, Europe, Africa and the Middle East. It provides Relationship managers who are close to their customers and speak the local language. This wide network of Institutional Banking facilitates transactions, introductions, problem solving and renders advice and guidance on local trading conditions.

Global Electronic Banking

Electronic Banking provides various types of support through a wide range of operating systems, sweeping transaction accessories with the provision of reporting features or other special functions. There are 10 offices and 50 employees under this division, which operates in 26 countries.

Mocafra

This division deals with a complete range of customer hedging services of all base metals traded in the London Metal Exchange (LME). There are 3 offices under this division with 57 employees and 8 introducing brokers generating sales globally.

Mocatta Bullion

This division trades precious metals such as gold, silver, platinum, and palladium. There are 6 offices under this division and 130 employees operating in 50 countries.

Problem Country Debt Unit

There is one office in this division with four employees working in it. Problem Countries Debt Unit is the Group's provisional exposure to countries experiencing temporary external liquidity problems, when such exposures are not externally secured or advanced on a voluntary short-term basis.

3.6 Standard Chartered Bank in Bangladesh:

The Chartered Bank started operating in Bangladesh in 1948, opening a branch in Chittagong. The branch was opened mainly to facilitate the post-war reestablishment and expansion of South and Southeast Asia. The Chartered Bank opened another branch in Dhaka in 1966, where it is still headquartered. After the merger of the Chartered Bank with the Standard Bank in 1969, the Standard Chartered Bank took up a program of expansion. It increasingly invested in people; technology and premises as its business grew in relation to the country's economy. In 1993, there was an organizational re-structuring, which led to a substantial expansion of the Bank's business. Today the bank has in total 17 branches in Dhaka apart from the Chittagong branch, including an offshore branch at the Savar Export Processing Zone. Bangladesh is under the MESA region, with the controlling office in Dubai. Its correspondent relationship with Sonali Bank, the largest bank in Bangladesh, gives its customers access to all major centers in the country. Standard Chartered Bank's worldwide network facilitates convenient connections with foreign trade and remittance business. Standard Chartered Bank's branch banking license in Bangladesh allows it to offer a full range of banking services.

Mission

SCB Bangladesh operates with the same mission as the group SCB subscribes to worldwide. In Bangladesh it has the best and dedicated human resources of the private sector banking. With an experience of 150 years, the bank has a remarkable efficiency, skill and overall goodwill in all the operational areas. The bank has a mission to build and grow on its 150 years of experience and the positive image that it has earned over the years. The underlying factor of its business mission is manifested by its five values:” Responsive, international, trust worthy, creative and courageous.” Since SCB as a bank caters to the higher echelon of the society, its operational strategies relies on trust and confidence building with the customers and offer them the highest sense of security and confidentiality. It has a dedicated attitude towards the community in which it operates and it wants to grow and flourish along with its customers and community. This credo of the bank was categorically expressed by the Group Executive Director, Mr Chris Keljik during his Dhaka entourage in August 2003. Quoting him in verbatim-“We want to make money in ethical way but we also want to address the very fact that there are people who are less

fortunate than us and needs help. So we have a mission to ensure good corporate governance with sound development of human resources to build a solid workforce to attain our objectives and give back to society by involving ourselves with them.”

Capital & Reserve

Reserve of any bank operating in Bangladesh can be divided into two groups: Statutory reserve and General reserve. Statutory reserve refers to the amount of money to be deposited in the Bangladesh Bank as a security to get the banking license. ⁶In terms of the section 13(4) of the Banking Companies Act 1991 and Bangladesh Bank circular no. 10 dated 30 March 2003, the required value of the capital and reserves of the bank at the close of the business on 31 December 2008, is Tk 2,000,000,000 or 10% of risk weighted assets whichever is higher. Accordingly, the required value of the capital and reserves of the Bank at the close of the business on 31 December 2008 was Tk 7,439,589,804 (2007: Tk 6,393,601,188). The Bank’s capital was greater than the amount required as above. Therefore, in 2008 the reserve with Bangladesh Bank stood at 1,836,608,545. The objective of such general reserve is to mitigate the daily demand for money for transactional purposes.

⁶ Source: ‘Annual Report 2008’, Standard Chartered Bank, Bangladesh.

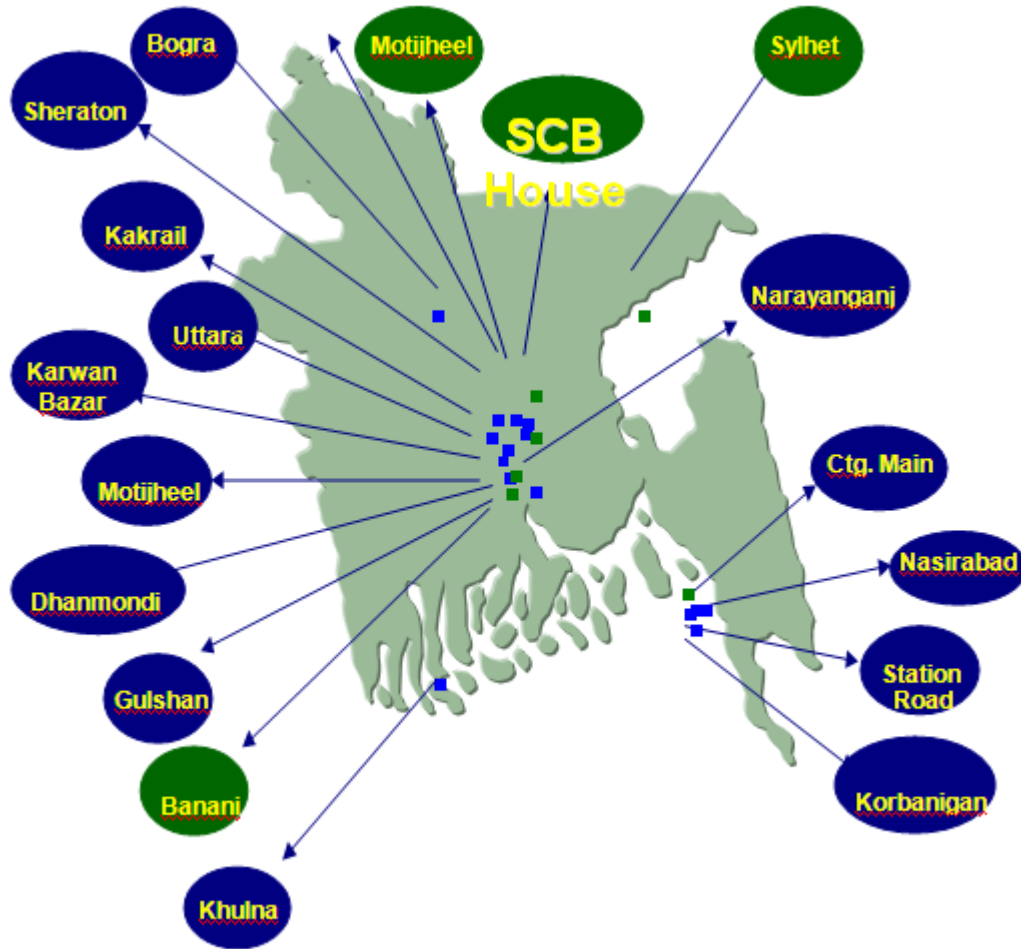


Figure- Standard Chartered Bank in Bangladesh

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SCB, Bangladesh: Financial Indicators

	FY 2005 <i>(as of Dec 31, 2005)</i>	FY 2006 <i>(as of Dec 31, 2006)</i>	Percentage change	FY 2007	Percentage change
Revenue (USD M)	80.41	89.44	11%	100.03	12%
Cost (USD M)	(31.53)	(35.03)	11%	(42.83)	22%
Trading Profit (USD M)	47.92	52.31	9%	50.82	-3%
Cost-Income Ratio	0.32	0.314	-1%	-	
Avg. Customer Assets (USD M)	591.92	650.96	10%	713.41	10%
Avg. Customer Deposits (USD M)	717.52	851.61	19%	838.61	-2%
Full-time Employees	581	628	8%	-	
Outsource staff (as of Nov 30)	750	966	29%	-	

3.7 Organizational Structure of SCB in Bangladesh

SCB Bangladesh operates with a functional structure with sufficient flexibility to reap the benefit of matrix system of organizational structure. The functional structure that relies on grouping of people on the basis of common expertise and experience allows ample opportunity to become more specialized and productive by doing the same work repeatedly and over long exposure to the work

Such a structure provides greater control over quality control and effective allocation of fund and task to the employees. The structure is also conducive for the employees to enjoy greater autonomy and span of control.

At SCB, the functional structure is applied with a great deal of flexibility. That is, the bank intends to shrug off the demerits of the functional structures by implementing certain flexibility and allocation of authority that enables it to reap the benefits of matrix structure. This process at SCB is achieved by greater automation of the process by using of computer technology and forming of cross- functional teams to develop new products and improve the quality of the services or address specific operational problems. SCB is known for revolutionizing the banking industry of Bangladesh through the adoption of newer technology such as ATM machines, Tele banking, credit card operations etc.

SCB in Bangladesh can be broadly divided into two functional areas:

- ✦ Business
- ✦ Support

The Business division can be divided into the following parts:

- ✦ Wholesale Banking
- ✦ Treasury
- ✦ Institutional banking
- ✦ Consumer banking
- ✦ Custodial services

SCB is primarily corporate driven where the corporate banking division generates more than 40% of the total revenue and treasury contributing around 20%. The rest revenue comes from custodial services, consumer banking and institutional banking.

The support division consists of the following departments:

- ✦ Operations
- ✦ Finance, Administration and risk management
- ✦ Information technology

- ✦ Human resources
- ✦ Legal and compliance
- ✦ External affairs
- ✦ Management

All the staff of the bank belongs to an internal trade union known as “SCB Employees Union”, the clauses of which are reviewed and agreed upon every two years.

The respective branch managers are responsible for their performance and the operations of their unit. The managers are provided with specific target to achieve and written code of conduct that includes delegation of authority along with responsibility. The managers agree upon the targets set mutually by them and the head of consumer banking and this exercise has ample resemblance with the management practice known as MBO.

Elaboration on functional areas

As stated earlier, the major functional areas of the bank consists of business and support. The business includes the following departments:

Wholesale Banking

Standard Chartered Bank offers its local corporate clients a wide variety of financial services. All the accounts of corporate clients, which mainly comprise the top local and multinational companies operating in Bangladesh, are assigned a Relationship Manager (RM) who maintains regular and close contact to cater and satisfy their banking needs. The objective of this department is to maintain a thorough knowledge of the client's business and to develop positive relationships with them. This is maintained through interactions to offer timely advice in an increasingly competitive business environment. The expertise of the Institutional Banking and Treasury groups is also available whenever required. The Corporate Banking Group in

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

Standard Chartered Bank offers its corporate customers:

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

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

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

Treasury Division

The foreign exchange and money market operation of the Standard Chartered Bank in the world is extensive. Exotic currencies happen to be one of its special areas of strength. A 24 hour-service is provided to customers in Bangladesh through the Bank's network of dealing centers placed in the principal of the world. The Bank's treasury specializes in offering solutions to those who wish to manage interest rate and currency exposures that result from trade, investment and financing activities of other dynamic economies of the region. Treasury operations are developed in line with changing market conditions to provide the best services to its customers. According to BAFEDA (Bangladesh Foreign Exchange Dealers Association), Standard Chartered Bank presently controls 32% of the local foreign exchange market's traded volume.

Institutional Banking Group

The IBG of Standard Chartered Bank offers a wide variety of products and services to banks and financial institutions. It has global links with leading banking institutions and agency arrangements through its network of offices in 40 countries. The Bank offers a full range of clearing, payment collection and import-export handling services. The bank offers foreign missions, voluntary organizations, consultants, airlines, shipping lines, and their personnel the following financial services:

- ✦ Current accounts in both Taka and other major foreign currencies
- ✦ Convertible Taka accounts (these funds are freely convertible to major international currencies)

Consumer Banking

Superior retail banking services comprising a wide range of deposit and loan products are offered by Standard Chartered Bank to its individual customers. The Consumer Banking division constantly faces challenges and meets them by developing new products and services to fulfill the specific requirements of local and foreign customers. Bank offers a 24-hour service in Bangladesh through its Moneylink ATM network and Phone-link Phone Banking services.

Custodial Service

Headquartered in Singapore, Standard Chartered Equator fulfils the group's strategic commitment to the provision of custodial service in Asia. Equator's customers are primarily foreign global custodians and broker/dealers requiring cross border information as well as sub-custodian services. Standard Chartered Bank, Bangladesh is responsible for the planning in Bangladesh, but the overall management of the custody business is based on Equator's international business strategy.

Support Areas

Major support units of Standard Chartered Bank are:

Human Resource Division

This department manages recruitment, training and career progression plan. Standard Chartered Bank highlights the importance of developing its people to create a culture of customer service, innovation, teamwork and professional excellence.

IT Department

This department is instrumental in the running of all the computerized operations of the bank. They help in the implementation and generation of computerized reports. Another major duty of the department is to maintain communication with the rest of the world.

Central Operation

Operations are part of the support division, which helps to run the businesses of the bank in a smooth and controlled manner. Since it helps mainly in processing the works of the business units, any mistakes made can be easily detected and on time. Following are the main functions of the operations department:

- ✚ Central operations deals with the closing and opening of accounts and other payment and account related processing of the Personal Banking division
- ✚ Treasury operations help to deal with the processing works of the treasury division. Loan Administration Unit (LAU) deals with the processing of the Corporate Banking division.
- ✚ Operations also have a department that deals with internal projects that arises from the need to deal with certain problems or to make certain changes.

Legal and Compliance

In the UK, Standard Chartered Bank is regulated by the Bank of England, while in Bangladesh local banking laws regulate it and rules set by the Ministry of Finance and Bangladesh Bank. It also encourages its staff to conform to an internal culture of ethical behavior and sensitivities to the culture and religion of the country.

Some of the key areas that the Legal & Compliance department has to take care of are: any kind of legal issues, to advise the CEO regarding all matters and the management on legal and regulatory issues, correspond regulatory compliance issues to MESA Regional Head of Compliance, and supervise internal control (e.g. internal audit).

External Affairs

This department deals with advertisements, public relations, and promotions, partial marketing for disseminating new products and services to customers and ensuring the service quality.

Credit

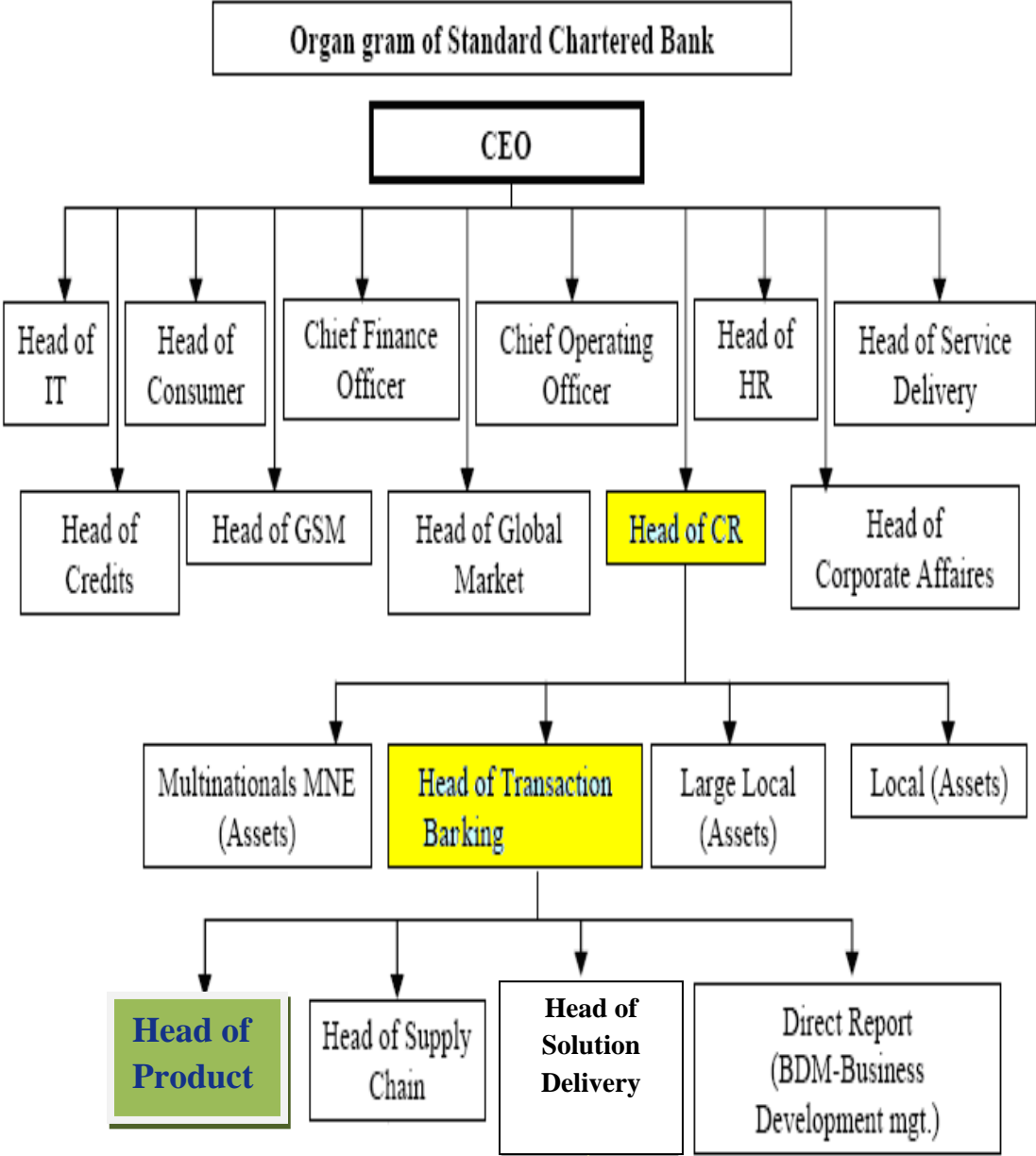
The credit department approves the loans of Corporate Banking division. The approval is mainly based on the risk analysis of the corporate clients done by the Corporate Banking division.

Management

The goal of SCB is to be the leading foreign bank and retain the position from the competitive threats. To attain the goal, the overall planning is done at the headquarter level in Dhaka by the management committee known as “MANCO”, which is headed by the CEO, The committee also includes all the divisional heads from the support and business. They meet once in a month or contingent basis. The decision making is a top down cascading process with the flexibility of incorporating the feedback from the operational areas to avoid the problems of so called “Ivory Tower” planning. The management is amply flexible to include enough room for participation from bottom and allows significant room for accommodating strategic changes. The management has clear bent for the following:

- ✦ Modernization of process and operations to achieve higher service quality, customer satisfaction and reduce the paper work
- ✦ Recruit, develop and maintain top-grade efficient employees
- ✦ Maintain, enhance and protect brand image
- ✦ Ensure convenient working and banking experience for the employees and the customers.

Organizational Hierarchy Structure



CHAPTER 4
PROJECT PART

4.1 Work Area

I started my work in the Transaction Banking department under wholesale banking. Specifically, I worked in the product development section of Transaction Banking. This department is particularly responsible for developing products and gives services to its customer. And give up-to date information to the management department.

Transaction Banking is a very important unit of Standard Chartered bank under the wholesale banking division with the objective of fulfilling the need of banking products of customers. As part of Standard Chartered local transaction solutions to Corporate (both global and local) and Institutions, they provide Cash Management, Securities Services and Trade Services through their strong market networks countrywide. Standard Chartered is a major player in transaction banking, combining deep local knowledge and global capability to offer the full scope of innovative and customized solutions for customers.

They are committed to providing the customer with

- ✦ Integrated , superior cross-border and local services
- ✦ Efficient transaction processing
- ✦ Reliable financial information
- ✦ Innovative products
- ✦ World-class clearing services

Standard Chartered Bank also worked as a lead bank in DBH First Security Mutual Fund's Initial Public Offering. During that job and during my internship I did the following things-

- Assisted in DBH First Security Mutual Fund IPO reconciliation
- Followed up with client banks to which IPO collection requests were placed.
- Did IPO refunding related jobs
- Wrote business letters(i.e. urging clients to use S2B service)
- Checked clients credit status from ebbs software, etc

I was also attached to SCB Dhanmondi-2 Branch for British Council registration and customer service.

4.2 *Transaction Banking of Standard Chartered Bank Bangladesh*

Transaction Banking is a very important unit of Standard Chartered bank under the wholesale banking division with the objective of fulfilling the need of banking products of customers. As part of Standard Chartered local transaction solutions to Corporate (both global and local) and Institutions, they provide Cash Management, Securities Services and Trade Services through their strong market networks countrywide. Standard Chartered is a major player in transaction banking, combining deep local knowledge and global capability to offer the full scope of innovative and customized solutions for customers.

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- ✦ Reliable financial information
- ✦ Innovative products
- ✦ World-class clearing services

In this way this unit of Standard Chartered bank ensures a full suite of transactional products for customers needs. Constructive focus on customers' problem related to cash management, trade and securities for fund are made through this unit of SCB and on the basis of problem creative, feasible and unique solution are provided to the clients.

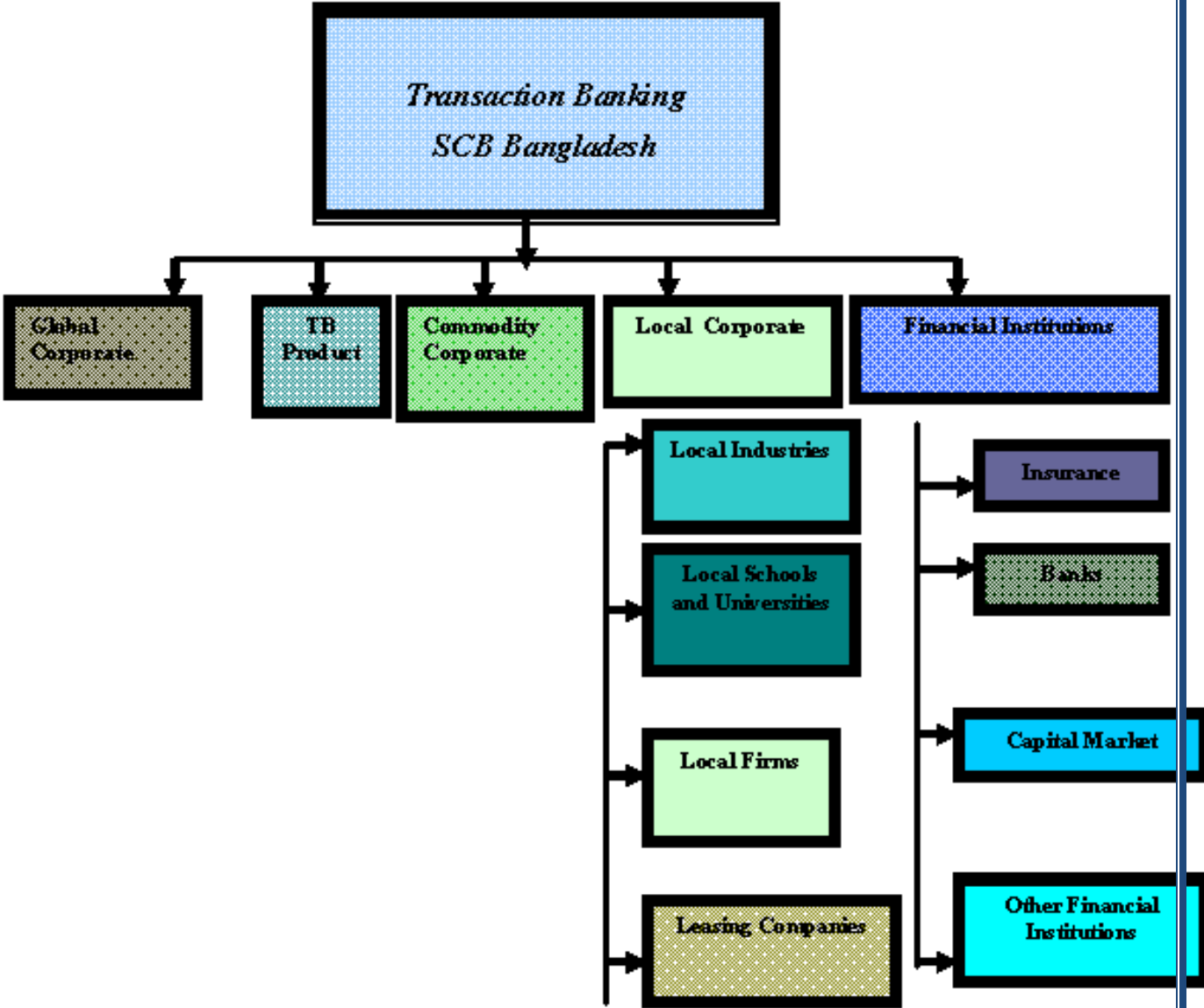


Figure: 4.1. : Operational Structures of Transaction Banking

Segments of Transaction Banking

Transaction Banking of SCB Bangladesh has g different segments, which are:

- ✦ Local Corporate (LC).
- ✦ Global Corporate (GC).
- ✦ Commodity Corporate (CC).
- ✦ Financial Institutions (FI).

The functional areas of these segments are described below:

Local Corporate

The local corporate segment of Transaction Banking focuses on the local corporate clients and tries to fulfill their banking needs. Local industries, consultancy firms, schools, colleges, firms etc are the customers of this segment. Different enterprises belong to pharmaceutical industries, Technology, Chemical, Toiletries, shipping, steel, Car dealers, Distributors, Hospitals, private firms are provided with SCB banking products through this segment. Renata limited, Square Group, Incepta, Opsonin, Abul Khair, Pacific motors, ACME etc well known business enterprises are client of this segment.

Global Corporate

The global corporate segment of transaction banking is responsible for providing services to multinational enterprises. They provide cash management, trade finance and security services to multinational customers like British American Tobacco, Zullieg Farma, Grameen Phone, Telecom Malaysia International, Aventis, Chevron, BOC limited etc.

Commodity Corporate

Commodity corporate segment of Transaction Banking deals with Oil Marketing Company, and divisional traders countrywide like Chittagong, Khulna, Rajshahi, Sylhet etc. PetroBangla, Zamuna Oil Company, Padma Oil Company, Kazi Farms and various consultancy firms and trader are the customers of this segment.

Financial Institutions

Standard Chartered bank has an aim to be the preferred bank for banks and other financial institutions. Thus the Financial institution segment of Transaction Banking deals with Banks both local and Foreign commercial, Leasing Companies, Insurance Companies, Non-government organization (NGO) and other financial institutions are client of this segment.

TB Product

Transaction Product deals with modification, coding, differentiation, customization of Transaction Banking products so that these products can offer solutions to the customer problems.

Thus the segments of transaction banking are made not on the basis of products offered to the customers rather on the basis of area of coverage, so that each customer need can be fulfilled by a specialized team. Bangladesh Transaction Banking Team successfully manages a very large relationship team and it is one of the major relationship revenue contributors. Their core knowledge and expertise in understanding customer's needs, problems and quick resolution formula enabling them to become the 'Right Partner' to their valued clients. TB is the core banker and market leader in managing business with Development Organizations (DOs), Airline Relationships, Shipping Industry. They enjoy 82% of DO business amongst the Foreign Bank and 92% market share in the Airlines Industry. Currently they are holding 72% market share amongst foreign shipping lines.

Solution Delivery Team

The team will handle all aspects of the set-up process, whether it is documentation, set up, commissioning and overseeing the delivery of technology enhancements that will support your customized solution and finally training.

The team includes specialists with extensive knowledge of our product offerings and has implemented hundreds of clients' worldwide. It is structured as a two-dimensional matrix that creates centers of excellence across products and across countries. This unique structure allows us to deliver global best practice solutions tailored to the localized needs of our clients who have to operate in a variety of regulatory, business and social environments.

Implementation managers are an integral part of our client acquisition and servicing process and work in tandem with sales and relationship managers from the inception of the relationship. By the time customers give the Bank their mandate, Bank's Solution Delivery team will be fully familiar with customer's requirements ensuring a seamless handover with our other teams.

'On-Track', proprietary implementation methodology, is used across the network. Whether the customers are located in Asia, the Middle East, Europe or other countries in our network, their teams will have the same experience with the same consistently high standards of delivery. The methodology follows a structured approach with clear milestones and deliverables and relies on project management tools to ensure that all parties have a clear view of the implementation at all stages. Once customers are live and fully operational, the Solution Delivery team will be available to assist you in addressing your ongoing business needs.

Chain of Command of Transaction Banking

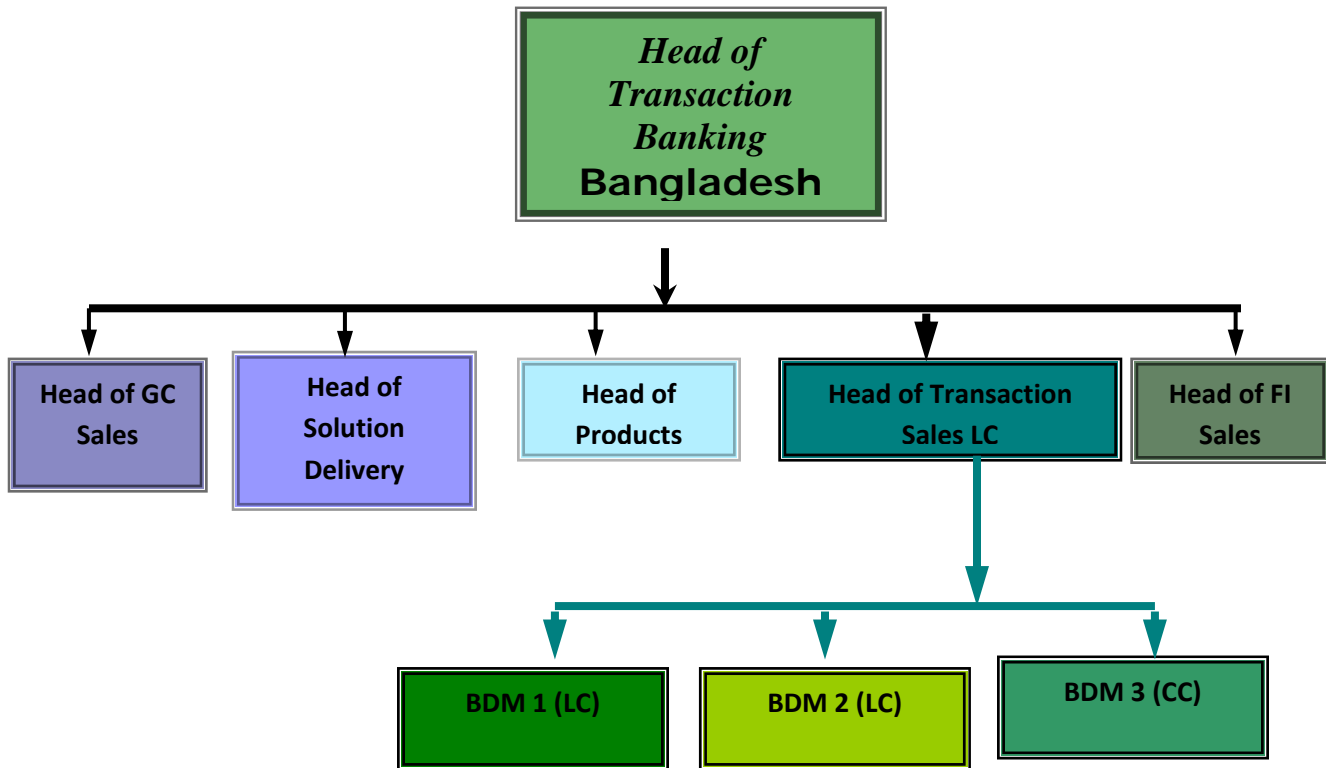


Figure: 6.2. Chain of Command of Transaction Banking

The chain of command shows that head of Transaction Banking has the highest authority regarding sales approval and implementation. The head of different segments are named Director and have to report to Head of Transaction Sales for all their activities like, proposal preparation, customize TB products, modification of TB products etc. The Business Development Manager (BDM) are responsible for reporting to their correspondent segment's Head and have to maintain direct connection with corporate customers and respond to customer problems and needs.

Functions of BDMs of Transaction Banking

As mentioned earlier, the segments of transaction banking are made on the basis of corporate clients' coverage rather than on the basis of products used by the clients. Originally, a bank's main product is different types of loan, but transaction banking does not deal with this main product of bank rather it deals with other banking products. Such as *Cash Management solutions, payment services, liquidity management, account services etc*, because these products are also important to expand and flourish the revenue of the business. Thus root of transaction banking is the demand of modern banking need of corporate clients. Transaction banking unit of SCB has a team of skilled and experienced human resources, who always maintain close contacts with the corporate clients.

Where the works of Relationship Manager (RM) of Origination and Client Coverage (OCC) unit started, simultaneously the Business Development Managers (BDM) of Transaction banking started to maintain relationship with corporate clients. RMs offer various type of loans and BDMs offer various type of transaction banking products.

BDMs have to

- ✘ Arrange regular meeting with the clients so that clients need and problems can be identified.
- ✘ Design the proposal which need to be submitted to the head of Transaction Banking for approval.
- ✘ Develop the solution to clients' problem.
- ✘ Prepare the level of fund utilization Assigned to them.
- ✘ Design the campaign to create demand of the Transaction Banking Product.
- ✘ Assess the risk of getting engaged with different local corporate clients.
- ✘ Determine the prospect revenue from a client through the sale of transaction Banking Product.
- ✘ Determine the Status of each client periodically.
- ✘ Provide necessary information tip the product team of Transaction Banking so that customization off their products can be facilitated.

- ✘ Maintain Close link with Relationship Manger of OCC.
- ✘ Providing regular status statement of the corporate client.
- ✘ Define the opportunity for Transaction Banking wallet and how it can be explored.
- ✘ Prepare and update the Client Maps.
- ✘

There are about 90 corporate clients under this segment and transaction banking is planning to increase the number of clients at least by 30% by 2008. Their concentration is not only on client's problems but also on how features of TB products can be improved to satisfy corporate customer needs.

Products and Services

The Services of SCB Transaction Banking

Transaction Banking Cash Management Services cover local and cross border Payments, Collections, Information Management, Account Services and Liquidity Management for both corporate and institutional customers. Standard Chartered is highly recognized as a leading cash management supplier across the emerging markets. Its Cash Management Services cover local and cross border collections, liquidity management, Payment services, information management, and account services for both corporate and institutional customers.

It will help each customer to:

- ✘ Manage the availability of funds efficiently
- ✘ Monitor and control the movement of funds
- ✘ Settle payments to suppliers in a timely and cost-effective manner.
- ✘ Capture every investment opportunity to increase income

The features of each service are described below:

Collections Services

Standard Chartered understands that operating and sustaining a profitable business these days is extremely tough. In an environment of constant changes and uncertainties, most businesses face challenges of costs and efficiency.

Key concerns include:

- ✦ **Receivables Management** – ensuring receivables are collected in an efficient and timely manner to optimize utilization of funds.
- ✦ **Risk Management** – ensuring effective management of debtors to eliminate risk of returns and losses caused by defaulters and delayed payments.
- ✦ **Inventory Management** - ensuring efficient and quick turnaround of inventory to maximize returns.
- ✦ **Cost Management** – reducing interest costs through optimal utilization of funds.

The Standard Chartered Collections Solution leverages the Bank’s extensive regional knowledge and widespread branch network across our key markets to specially tailor solutions for your regional and local collection needs. Under these services NCS- National Collection Service is very popular among corporate clients in our country.

This Collections Solution, delivered through a standardized international platform, has the flexibility to cater to customers’ local needs, thus enabling SCB to meet clients’ objectives of reducing costs and increasing efficiency and profitability through better receivables and risk management. The key components of their solution include the following:

- ✦ Extensive Clearing Network
- ✦ Guaranteed Credit
- ✦ Comprehensive MIS
- ✦ System Integration
- ✦ Outsourcing of Collection

Liquidity Management services

A corporate treasurer's main challenge often revolves round ensuring that the company's cash resources are utilized to its maximum advantage. A businessman needs a partner bank that can help him to:

- ✘ Maximize interest income on surplus balances.
- ✘ Minimize interest expense on deficit balances for domestic, regional and global account.
- ✘ Minimize FX conversion for cross-currency cash concentration.
- ✘ Customize liquidity management solutions for different entities in different countries.
- ✘ Centralize information management of consolidated account balances.

With SCBs' global experience and on-the-ground market knowledge, it will help customers define an overall cash management strategy which incorporates a liquidity management solution that best meets customers' needs. E-banking, Premium service Banking (PSB), Cash Pick-up and Delivery (CPD) etc are offered under this service category to the corporate clients.

Based on customers' needs and the regulatory environment that he is in, he can choose any of the following features:

- ✘ Physical Sweeping
- ✘ Notional Pooling
- ✘ Interest Reallocation
- ✘ Investment

Payments Services

SCB offers its customers global payments solution for efficient transaction processing and objective of this solution are:

- ✘ Efficient processing of all payables in the most cost effective way
- ✘ Straight through processing both at customer end as well as his bank's back-end

- ✦ Efficient payables reconciliation with minimal effort and delay
- ✦ Quick approval of payments from any location
- ✦ Minimum hindrance to automation due to local language difficulties
- ✦ Centralized management of payables across departments, subsidiaries and countries

Standard Chartered's Straight through Services (STS) Payments Solution can be tailored to the different payment needs of companies, whatever industry, size or country the customer may be in. With a comprehensive End-to-end Payment Processing Cycle, STS allows companies to process a variety of payment types, whether they be domestic or international, local or central in different countries, all in a single system file.

Cash Management for Financial Institution

Clearing Services

With increasing business globalization, it is very possible that banking network of customers may not have sufficient reach. The customer may not want to put in the extra infrastructure or resources to expand his network but still want to ensure his clients' transactions are serviced efficiently. Clearing is one of the important services through which customer's bank would get support to facilitate smooth international trade and cross-border transactions.

Standard Chartered's international network and multi-currency capabilities are well placed to provide customers with a seamless service for all clearing requirements of them worldwide. SCBs' network extends across Africa, the Middle East, South Asia, Latin America, the USA and the UK. Standard Chartered offers "Best in Class" technology and processes in clearing services regardless the place, the time, and the currency:

- ✦ Emerging Markets - Asia-Pacific, South Asia, the Middle East and Africa
- ✦ USD
- ✦ Euro - includes Sterling.

Continuous Linked Settlement





Continuous Linked Settlement (CLS) is the new private sector response to increasing regulatory pressure to reduce foreign exchange settlement risk exposures. The initiative has been live since the end of 2002 and is endorsed by the G10 central banks and lead regulators.

The primary objectives of CLS are to eliminate the inherent settlement risk from the current foreign currency settlement processes and to provide a mechanism for containing any systemic risk arising from the failure of a major market participant.

Standard Chartered Bank has been deeply committed to this industry initiative since its inception in 1997 and holds full shareholder status in the new Bank. Standard Chartered operates as a full Settlement Member within CLSB and extends comprehensive Third Party services to customers, enabling them to take full advantage of the settlement risk benefits associated with FX settlement through CLS

In Bangladesh S2B- Straight to Bank services are very much popular among corporate clients for getting continuous linked Statements.

With Standard Chartered's Cash Management services a customer will be able:

-  To know exact financial position.
-  To have the flexibility to manage company's complete financial position directly from his computer workstation.
-  To take advantage of SCBs' outstanding range of Payments, Collections, Liquidity and Investment Services and receive comprehensive reports detailing all transactions.
-  To manage cash flow more accurately.

Accounts Services

In Bangladesh, Standard Chartered customers have access to 22-branch, 6-city, **and 35-ATM** banking network. Customers can operate their accounts through any of fully automated offices in Dhaka, Chittagong, Sylhet, Bogra, Khulna and Narayanganj. They can perform Cash deposits and withdrawals, Cheque Deposits, Fund Transfers, make transactional queries, give cheque book requisitions, ask for account statement and pay utility bills.

Standard Chartered provide a wide range of account services for Corporate Customers, managed by dedicated **Account Relationship Managers**, who maintain regular and close contact with clients in order to understand their requirements and service them better.

SCB offer the following types of accounts to our corporate clients:

- **Current Accounts**—these are checking Taka accounts through which funds can be freely deposited and withdrawn. Corporate clients typically use them for most of their transactional requirements which includes collections as well as payments. Collections may be in the form of cash, cheques, pay-orders/demand drafts and even inward remittances from abroad. Similarly, payments may be in the form of cash, cheques and other available mechanisms.
- **Short Term Deposits (STD)**—these are similar to current accounts in operation except that they do not have checking facilities and they earn interest, which is calculated on a daily balance basis and credited at periodic intervals. The STD account is a useful mechanism to earn interest on idle funds for companies that can not commit fund for longer period of times in Fixed Deposits.
- **Fixed Deposit Accounts**— Fixed Deposits are for varying tenors; current offerings range from 1 month to 5 years and the interest rate also vary correspondingly. Fixed deposit accounts can not be used for transactional purposes and interest can only be earned upon the maturity of the deposit.
- **Savings Accounts**— These accounts are mainly aimed at the individual and are usually offered for corporate employees. However, Corporate Provident Fund accounts, Gratuity Funds, etc. can also use such accounts, provided statutory appropriate approvals are held.
- **Convertible Accounts**— The Convertible Account is a checking current account with balances denominated in Taka. Payments or withdrawals from this account can be made in both Taka and Foreign Currencies; however funds deposited must have a foreign currency

source. Strict Exchange Control Regulations govern the opening and operation of Convertible Accounts and discussion on opening this account with the Bank in detail I s must before opening such accounts.

- **Foreign Currency Accounts**— In addition to the various local currency accounts, there are two types of Foreign Currency accounts available: a USD/GBP checking Current Account or a USD/GBP Fixed Deposit which is also called a Non-resident Foreign Currency Deposit (NFCD) and which earn attractive interest rates. Strict Exchange Control Regulations govern the opening and operation of Foreign Currency Accounts

A Description of Popular products of Transaction Banking

e-Banking

e-Banking provides customers with a full range of reporting capabilities, and a comprehensive range of transaction initiation options. Whether it is cash or trade related the user-friendly e-Banking customer workstation will provide a secure, reliable and effective link between customer and his accounts anywhere across the Standard Chartered network with more than 500 offices in more than 50 countries.

Once customer has defined required reporting data into the system, he can visualize it on the e-Banking workstation or print it. The embedded report generator customizes report formats to suit particular requirements. E-Banking also incorporates an “events scheduler” which automatically executes tasks for corporate clients. Moreover, e-Banking offers Data Export/Import capability to/from other widely used Windows-based software (e.g. text, MS Excel, MS Access etc.).

The following are the key features of e-Banking:

Cash Reporting

With e-Banking, not only access to accounts throughout the Bank’s network is possible but also information about movements through accounts with other banks via the SWIFT multi-bank

reporting capability is possible. The user friendly design of e-Banking enables to view account details quickly and easily – account balance details, statements, and history information are all available at the touch of a button.

Cash Initiation

A full range of domestic and cross-border transaction initiation capabilities including electronic funds transfer as well as paper based payment options such as drafts is offered through e-banking. e-Banking simplifies the cash input initiation process by providing features that improve accuracy and efficiency. These include templates for commonly used transactions; “look-up” tables for frequently used information such as bank, beneficiary and account details; and a “create from previous” capability that allows customer to select one of earlier instructions as a template for his current input.

Trade Initiation

e-Banking provides a full range of trade transaction capabilities including, LC applications, issue, amendments, funds withdrawals, import collections and reimbursement authorizations.

Security & Control

Standard Chartered’s e-Banking includes a series of features such as User Authorization, Password Protection, Authentication & Encryption and Tracking transactions through an Audit Trail to ensure data integrity and meet security needs of corporate clients

National Collection Services-NCS

In today’s business climate, it is more important to turn receivables into funds so that actual utilization of money can be made. Standard Chartered’s **National Collection Services (NCS)** is designed to help corporate clients in the collection of receivables across Bangladesh. It provides faster funds availability in a cost-effective manner and improves the company’s liquidity.

NCS offers a centralized system where a customer can maintain a single concentration account with Standard Chartered for all countrywide collections.

Comprehensive coverage

There are Correspondent Bank branches (currently 70 locations) in addition to the eighteen (18) Standard Chartered branches in Dhaka, Chittagong, Sylhet, Narayanganj, Khulna, and Bogra for fastening the receivable collections of corporate clients.

Cheque Pick up

Alternatively, SCB can arrange for a courier to collect the cheques from Clients' offices at pre-agreed times. SCB has dedicated support at each location who will maintain close contact with customers' offices, dealers and distributors to collect cheques from these places and deposit them at SCBs' correspondent bank branches.

Improve cash flow

Customers' single concentration account in Standard Chartered is credited on a pre-agreed value date for locations where local clearing exists. So there is no more guessing when funds will become available for use. Moreover, for non-clearing locations, SCB ensures funds are realized in the shortest possible time.

Since NCS quickens the speed of collections compared to the normal clearing/collection process, any corporate customer can take the advantage of investment opportunities and reduce borrowing costs – instead of waiting.

Simplify reconciliation and reduce idle balances

National Collection Services is designed in such a way that all funds for collection directly deposited into clients' concentration account. There is no need for multiple local accounts with idle balances, and there is no need to handle multiple, time-consuming reconciliation tasks.

Receive better information

Managing the business effectively is dependent on the quality and timeliness of the information receives. Customer will promptly receive deposit acknowledgements and his Standard Chartered Concentration Account will be credited on the pre-agreed date (based on the cheque type deposited at the designated branches). A comprehensive statement, detailing the deposits made at each of the designated branches and the funds due from them will also be made.

National Collection Services provides a variety of informative and timely reports to make sure that NCS account holders know what funds are being collected, when, and how – to make the most effective decisions regarding company’s finances.

NCS informative reports will

- Help to make better plan for cash flows
- Support customer credit control process
- Help to reconcile receivables quickly and efficiently

In short, National Collection Services is a simple and reliable solution for countrywide receivable collection requirements.

Advantages of NCS

Sl No	With NCS	Without NCS
1	SCB is charging .10% with a minimum processing fee of BDT 100 for processing any deposit (including cash, cheques, DDs,POs) through NCS	.25% with minimum BDT 300 and maximum BDT 1,000 charges for processing any collection cheques.
2	No return charges in NCS	Return charges of BDT 100 for any dishonored collection cheque.
3	A flexibility of having the network Coverage at 50 Core bank Locations and 6 SCB locations. Customer can deposit Cash, any kind of instrument in these branches. Guaranteed credit if the cheque is drawn on clearing area and faster collection (maximum 1 week) if the cheque is drawn on non-clearing locations.	There is no such arrangement exists, any cheques drawn on outside SCB branches sent for collection and usually it takes 2/3 weeks to realize the cheques.
4	Guaranteed turnaround time. For SCB it is next day and, in Core bank clearing locations it is Day.	If the cheques sent for collection normally there is absolutely no guaranteed turnaround time. It may even take months to realize the cheque.

5	A comprehensive MIS provided for all the transactions through NCS. Separate reports for Cheques & Cash, showing respective deposit locations, also consolidated total for a particular location and depositor's name are provided.	No such MIS available in normal procedure.
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6	Return reports showing all the details including Return Reason, Return Date, individual Cheque Amount, Cheque number, Cheque Date, Drawee bank's name are provided so that the cheque can be easily marked and reconciled.	No such facilities are available.
7	A separate report called list of Realized transaction showing details of honored/dishonored collection cheques are also provided.	No such MIS is available.
8	A comprehensive charges report showing complete break-up including individual deposit's break-up of charges levied in a particular month are given to the customers.s	No such MIS is available.
9	Cash flow forecast & Reconciliation report for easier reconciliation purpose are made.	No such MIS is available.
10	Dedicated customer service supports are ensured.	No such dedicated service.
11.	All in all a one point collection solution for a single customer like, New Zealand Milk products (BD) Ltd.	There is not customized dedicated service for any specific customer.

Thus NCS is such a product of Transaction Banking that compelled banking industry to think about the customer services in a different way

Opspay

Standard Chartered's **OPSPAY** is a service for Corporate Customers which offers automated bulk transfer (e.g. salary) processing from their corporate accounts. This will result in reduced errors and an overall improvement in salary payment processing.

OPSPAY processes Staff Salary Payment by downloading payment instructions. The service ensures that appropriate narration is provided for all individual account credits (i.e. salary for the month of xxxxx) in account statements.

Premium Service-Banking

Premium Service-Banking offers a choice of service improvements which can be tailored to individual business needs. These service enhancements collectively allow customers to manage business finances and cash resources more effectively and conveniently. It comprises of the following six modules

Courier

The Bank will provide corporate clients with a daily courier pick-up and delivery service at business premises for routine-banking transactions. This service is available for non-cash transactions like cheque deposits, trade finance documents, payment instructions, statements and cheque book requests.

Auto-Fax Reports

A comprehensive Daily Account Statement covering detailed transaction information will be made available to customers via fax every morning. It will contain complete transaction details up to the close of business of the previous day to facilitate better financial management of precious cash resources.

Hotline (A Single Point of Contact)

Under this facility dedicated personnel are available to handle a full range of transactional banking enquiry relating to balances, account statements, cheque payment status and other transactions

Inward Remittance Information Service

The bank will pro-actively provide customer with a fax report detailing all Inward SWIFT payment messages received by the Bank for corresponding accounts with SCB. Information about the receipt of such remittances even before they are processed in the bank will be provided to the customers including complete remittance details of amount and remitter information.

Express Payments

In case if PSB daily courier is missed or customer urgently need to send a telex or draft, SCB offers an alternative measure is that customer can initiate request for a payment via fax machine.

Foreign Exchange & Money Market Information

The Bank will arrange to provide information on Foreign Exchange and Money Market rates on a daily basis by fax. SCB Daily Treasury News provides information on Foreign Exchange rates, key stock, bond, and interest rate indices, highlights from international financial markets and information on technical chart points.

In addition, the Bank will provide a clear and concise market commentary, in the form of a Weekly Treasury Newsletter, which covers the major financial events of the week and provides information on movements in major currencies, stock indices, commodities and USD Money Market rates.

Payment Plus

Payments Plus is user friendly software which is offered to corporate customers of Standard Chartered Bank to facilitate the payments that they wish to make through its electronic platform, e-Banking.

What Payments Plus essentially does is create a bridge between the customer's own accounts payable system and Standard Chartered's e-Banking. Typically the customer has to maintain a database from which payments are periodically made. For example, if the accounts payable system is maintained in a simple pre-determined format (typically in MS Excel file), then Payments Plus uploads the information from the file to e-Banking.




Trade Reports

SCBs' innovative information service enables corporate clients to get an up-to date and easy –to read summary of his outstanding Import, Export and Shipping Guarantee positions.

Web Bank

Web Bank can significantly play a pivotal role in the future of customers' business. SCBs' corporate and institutional web-site offers comprehensive information on customers accounts and a number of value-added features.

The customer only need to have internet to be able to use Web Bank and he will be given a specific user ID and a confidential password. The following information will be available through online:

-  Cash Account Statement
-  Cash Account Balances
-  Cash Balance History

A major advantage of Web Bank is that user can access this web-site from any location through an internet connection only.

Balances and Message Center on Web bank

The screenshot displays the Standard Chartered WebBank interface. At the top, the Standard Chartered logo is visible. Below it, the 'WebBank' header includes links for Logout, Change Password, Help, B2BeX, and Online Treasury. The user is logged in as John T of DemoGRP, with a last login of 11/05/2002. The main navigation bar includes Home, Reports, Transactions, and Maintenance. A secondary bar offers>Welcome!, Create Report, Report Templates, Create Transaction, and Transaction Templates. The central area is divided into two main sections: 'Welcome to WebBank.' and 'WebBank Message Center'. The message center shows 2 unread messages, including profile updates and report readiness notifications. To the right, the 'Consolidated Portfolio Summaries' section features a table with columns for Country, Currency, and Consolidated Value.

Country	Currency	Consolidated Value
Singapore	SGD	234,333.00
Malaysia	SGD	644,034.20
China	SGD	600,234.00
Hong Kong	SGD	56,343.00
Japan	SGD	768,332.00

Note : Consolidated values are calculated with the latest available data for only those accounts which the user may access.

Cheqwriter

CheqWriter is user-friendly software developed and owned by Standard Chartered Group, which is offered to corporate customers to facilitate the preparation, printing, and recording of Standard Chartered cheques. CheqWriter also provides different types of MIS for a better control on cheque payments.

The Bank will supply the cheque printing stationary as and when requested by the customer. This is a pre-printed A4-size cheque form with two sections separated by a perforation. The top part is the counter foil of the cheque that can be used as a paper-record of the transaction and can also evidence the payee's receipt. The bottom part is the cheque that contains all regular input fields of a conventional cheque leaf. An optional "Account Payee Only" marking for crossed cheques can be printed on the cheque leaf by CheqWriter.

Billspay

SCB introduced Billspay which is the most convenient way to settle monthly utility bills. Billspay provide convenience and flexibility to pay bills as and when required. Once anybody sign up for this will no longer need to pay bills for electricity, mobile phones, internet, etc., by

himself every month. BillsPAY provides one-stop payment solution Customers accounts will be debited for payment of bills. There are three types of BillsPAY:

- ✦ **Auto BillsPAY** where the bank will collect bills directly from the billing company and debit customers account to pay them according to their billing cycle.
- ✦ **BillsPAY Regular** where customer can send bills to SCB at any day of the month by a messenger and SCB will pay off his bills and stamp “PAID” on receipts.
- ✦ **BillsPAY Express** where customer will decide when to pay and Bank send people to collect bills from his premise(s). Bank will pay off these bills, stamp “PAID” and send them back to customers’ office.

Straight2Bank

Straight2Bank refers to the Wholesale Bank’s suite of electronic channels. This is a re-branding of existing electronic delivery channels for 4 key Wholesale Banking products: Cash, Trade, Securities and Foreign Exchange. The channels currently have different names and access points: Cash (Web Bank), Trade (B2Bex) and FX (Online Treasury or OLT).



They have now been combined and streamlined into an integrated working capital platform, Straight2Bank, accessible to Standard Chartered as follows:

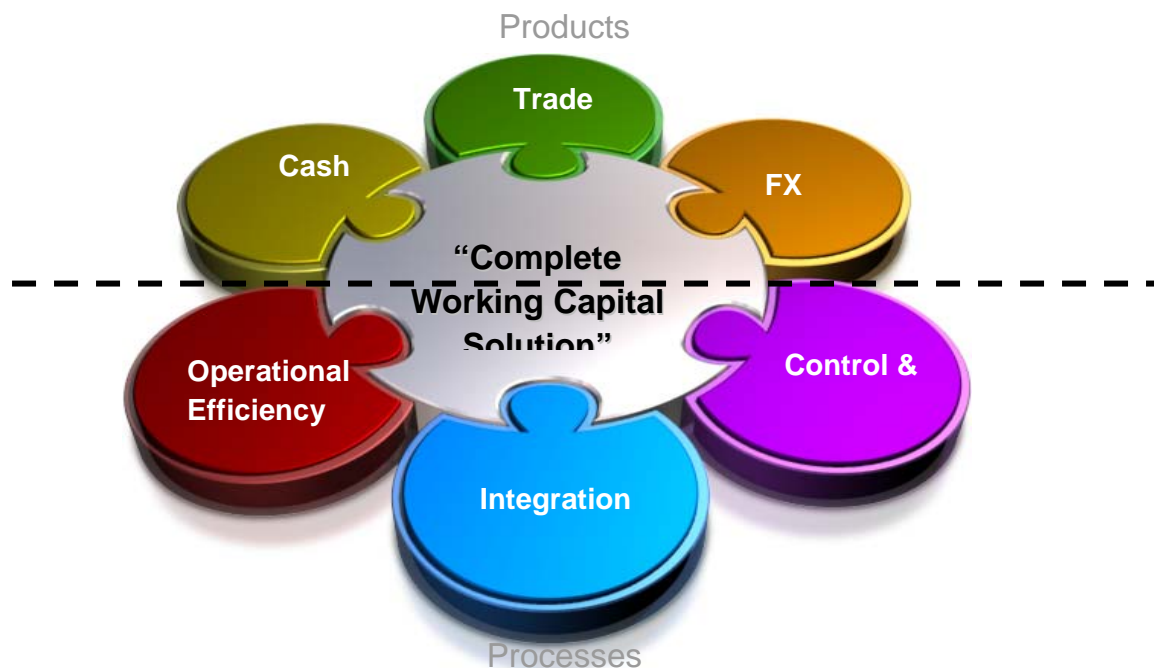
Straight2Bank Web – via internet

Straight2Bank Link – via dedicated computer connected to Bank

Straight2Bank Access – via back-end system directly integrated with the Bank (Host-to-Host)

- ✚ **Service all your transaction banking needs from a single platform with wide geographic reach (55 countries) and multi-lingual capabilities**
- ✚ **Real-time information (intra-day reports, transaction statuses) to make your financial decision making simpler and easier**
 - Shorten your order to payment cycle
 - Optimize your liquidity needs to maximize interest earned in your cash deposits
 - Provide ready access to foreign exchange
- ✚ **Operational efficiency and resulting cost savings**
 - Faster turnaround time (automated file uploads and delivery to bank, real-time tracking)
 - No manual data-entry and error handling
 - Automated and easier reconciliation
 - Consistent service and capabilities across geographies
 - Easier to consolidate operations
- ✚ **Security and controls** - World class security features, built in controls in workflows, multi-factor authentication for transaction authorization

Straight2Bank – The complete working capital channel



Cash Management \ Account Reporting, Payments, Collections)

Trade \ Imports/Exports Reports, Doc Prep, Trade Banking, Document Exchange)

Securities \ Portfolio Reporting, Custody Instruction)

Global Market \ FX Position Report, OLT3)

Marketplace \ Catalogue, Resources)



Highlights of payment initiation features

4.3 Analysis and Findings

4.3.1 SWOT Analysis

SWOT is an abbreviation of strengths, weaknesses, opportunities and threats. These are key areas that need to be examined before anything else is done. Strengths and weaknesses are linked with the performance of the organization and are internal in nature while opportunities and threats arise from the prevailing external environment. SWOT needs to be known so that the organization can avoid over-estimating its capacities, or under-utilizing them. It helps to take advantage of possible opportunities and adopt precautionary measures against possible threats, thus reducing the chances of mistakes and improving the possibility of profit maximization. SWOT analysis gives organizations a better understanding of what needs to be done, what to prepare for, what needs to be maintained and most important of all an insight on their current position or status.

Strengths:

-  Extensive knowledge of the market and essential expertise in a wide range of financial services underline SCB's strength to build business opportunities for corporate and institutional clients at home and abroad. Continuous upgrading of technology and control systems has enabled the bank to offer new and improved services, for example: Evening banking, Phone banking, e-statements.
-  Approach in tailoring customized packages to meet their customer's ever-changing needs. They apply state-of-the-art technology to automate their daily operations and electronic delivery system has been put in place to ensure that transactions are handled swiftly and efficiently. Their dedicated Customer Service Centers are staffed with experienced Cash Products Specialists to ensure that all their customers are well served. The currency of the country is the Bangladesh Taka (SWIFT code: BDT). Foreign exchange has been significantly liberalized and the Taka is partially convertible.

- ✦ The company provides several compensation packages, which have helped it in retaining valuable employees whom, have contributed to a major part of its success. The employees are dedicated to their work and ensure in making that their contributions influence the success of the company to a great extent.

Weaknesses:

- ✦ Banks, who is offering better prospects, now enjoys customers switching to them as SCB offers low deposit rates and has set the minimum balances too high. Furthermore, long cues, below average customer service, non-functioning ATM machines and outrageously high charge lead to SCB being noted for these weaknesses as well. As a result, a large amount of customers have ceased transactions with the bank. Many customers' accounts have become overdrawn due to fees that have been charged by the bank's computer system for as long as three years because they have either simply not cared to close their accounts, or thought that they have been closed automatically.

Opportunities:

- ✦ The technological advancements that are currently being made in the world in terms of banking services and online banking always hold an opportunity for SCB to benefit from. They also have the necessary funds and resources to fully take advantage of these new changes and developments, which in turn will allow them to provide their customers with better services and maintain their enhanced company image. Since most of its competitors lag behind due to unavailability of new technology in their services if SCB makes adjustments to its services in accordance to technological developments on a regular basis its competitors will never be successful in catching up with the company.
- ✦ Standard Chartered Bank was approved of the permission to start Islami Banking from the Government of Bangladesh. The bank now has a whole new prospect opening up and also the opportunity to introduce a wide array of Islami Banking products. It also has the prospect of expanding its customer base. The country's growing population is gradually and increasingly

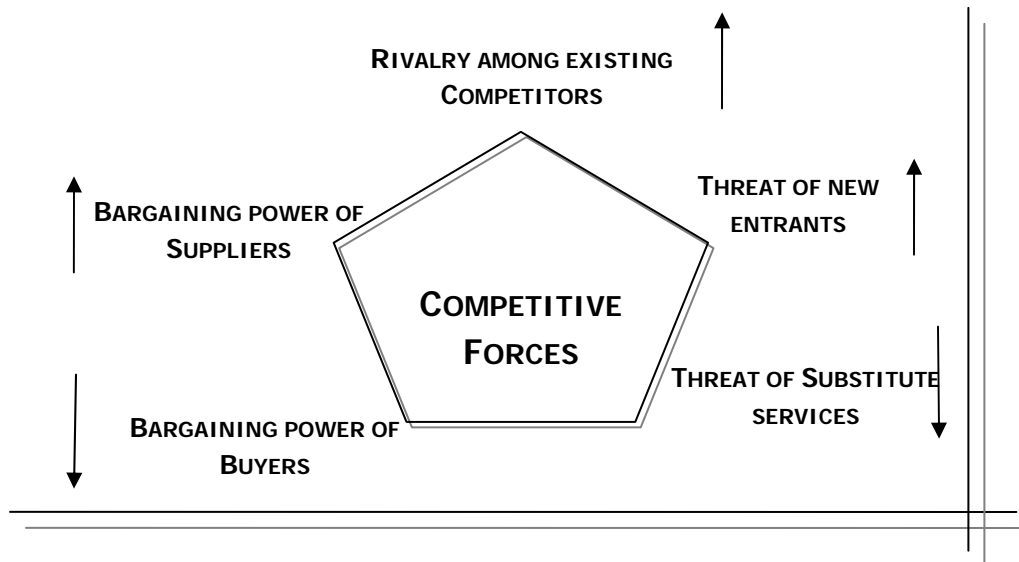
learning to adapt to and use the banking service. As the bulk of our population is middle class, and Muslim, different types of Islami Banking products will have a very large and easily pregnable market.

- ✎ SCB has rigorous credit screening policy and it is over conservative. By freeing their credit screening policy a little, they may be able to pursue many opportunist business ventures. SCB also has a good consumer base that maintains several accounts at once. SCB has the opportunity to keep these customers by reducing its current fees and charges and positioning attractively in middle class segment.

Threats:

- ✎ Increased competition by other foreign banks is a threat to SCB. At present CITI Corp are posing significant threats to SCB regarding retail and business banking respectively. Furthermore, the new comers in private sector such as Prime Bank, Dutch Bangla Bank, EXIM Bank, BRAC Bank, Southeast Bank, Mercantile Bank, Social Investment Bank, Islami Bank and Bank Asia are also coming up with very competitive products. With customers shifting to these banks, SCB's profits, as well as market share is falling, and it faces the threat of being wiped out by competition.

4.3.2 PORTER'S five Forces Model



Threat of New Entrants:

The threat of new entrants is high as there more banks are coming up to satisfy customers. The number of banks is increasing at a faster pace for the last 6 to 7 years. Moreover, some foreign banks like HSBC, Citibank, and Credit Agricole Indosuez started their operations in Bangladesh with a view to market share. The banking sector in Bangladesh is under consolidation and strong competition and is expected to continue to do so in the next few years. Because of that threat of potential entrants is high.

Bargaining power of suppliers and customers:

The bargaining power for individual customer and corporate customer is very different. The main reason behind it is that the deposit of an individual customer is very insignificant compared to the total amount of deposits. Some corporate entities do have large deposits in SCB, and exercise strong bargaining power to receive special rates from the bank. SCB is currently market leader in providing wide range of banking services as result of that they have strong strategic advantage.

Depositors are considered to be the suppliers of the banks. There are thousands of depositors from all walks of life. There are businessmen, service holders, farmers, students and people from virtually any other professions who are depositors of the banks. Big amount depositors have strong powers in determining interest rate of their deposits. Creditors are considered to be the buyers of the banks. There are thousands of creditors from all walks of life. Mainly businessmen are the major buyer of Bank's credit. Big amount creditors have strong powers in determining interest rate of their credit amounts. Banks distinguish their prime customers from others by setting a prime interest rate for them. So currently the bargaining power of Buyers (customers) is low and the bargaining power of the Suppliers (banks) is moderately high.

Threat of Substitute Services:






Various financial institutions are coming up to provide financial services in Bangladesh. They are coming up with various services, which might act as a replacement for the banking services. But these institutions will take time to establish. So threat is absent in the short or medium term. There are substitute financial institutions that do many of the activities and transactions of a bank in the leasing field but these financial and leasing institutions are too small in size. These institutions can shrink the profit margin of commercial banks. Industrial Leasing and Development Company Ltd. (IDLC), Industrial Promotion and Development Corporation (IPDC), United Leasing Company are the key players. They provide industrial leasing to many companies in the country. Vanik Bangladesh Ltd., a merchant bank provides investment counseling and credit services among its other financial activities. But some of the operations of the banks like exporting / importing have no substitutes.

Rivalry among Existing Banks:

The competition level among the foreign banks is very intense, but what is more amazing and gradually more marked is the growing aggressiveness and competitiveness of the local banks to battle with the foreign banks. Local banks such as Dhaka Bank, Eastern Bank Ltd, Standard Bank and Premier Bank are coming up with new banking products and services to compete and even make better products and services than foreign banks. Therefore, there is intense competition in the banking industry. By analyzing the above points we can say that the threat of

new entrants is considerable and there is intense competition and rivalry. It would be very difficult to survive in a market where almost every bank- foreign and local, is waiting to grab market share away with the slightest of chances. Therefore, SCB must strive to be more innovative and competitive in order to protect its customer base, and expand it.

In the banking industry, rivalry among the competing banks is moderate to high due to the following reasons:

-  Major rivals are equal or close to in size and capability (revenue and volume).
-  Exit barriers are high.
-  New private banks are snatching share from the NCBs and each other's customers by providing extra benefits.
-  Slow market growth due to the sluggish economy.
-  Depositor's cost of switching banks is low.

4.3.3. Competitive Standing Of Standard Chartered Bank (SCB)⁷

- Standard Chartered Bank has a large capital base that gives it an edge over competitors. It is currently the provider of the highest range of products. It has a leading market position in Cash Management and Trade-related services, which provides the platform to drive future growth.

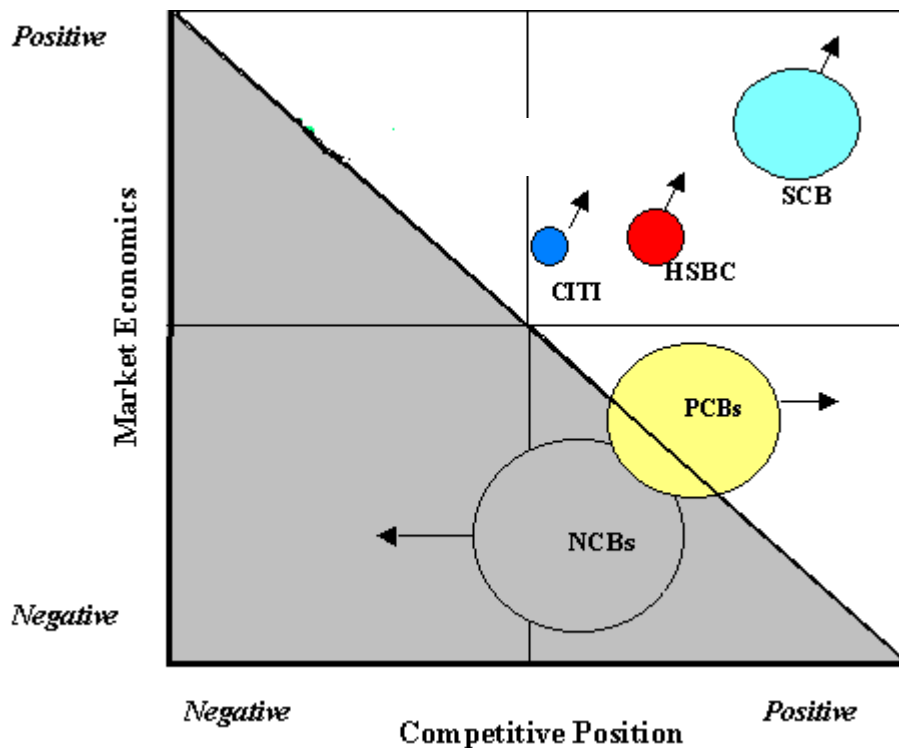


Figure: 2.10. Competitive position of Standard Chartered Bank in 2007

Source: Annual Review, SCB, Bangladesh 2007.

⁷ Source: Annual Review, SCB, Bangladesh 2007.

- ✚ Nationalized Commercial Banks (NCB) are less regulated than Standard Chartered Bank but NCB is burdened with inefficiency and low quality lending portfolio, though those banks continue to dominate government businesses mainly due to regulatory advantages and geographic reach. recently it has been replaced by RCMS(Receivables & Cash Management)

- ✚ Foreign Commercial Banks (FCB) continue to hurt the margin. They are the major competitors in Cash with a strong product range.
 - HSBC and CITI NA bank have limited capital and network.

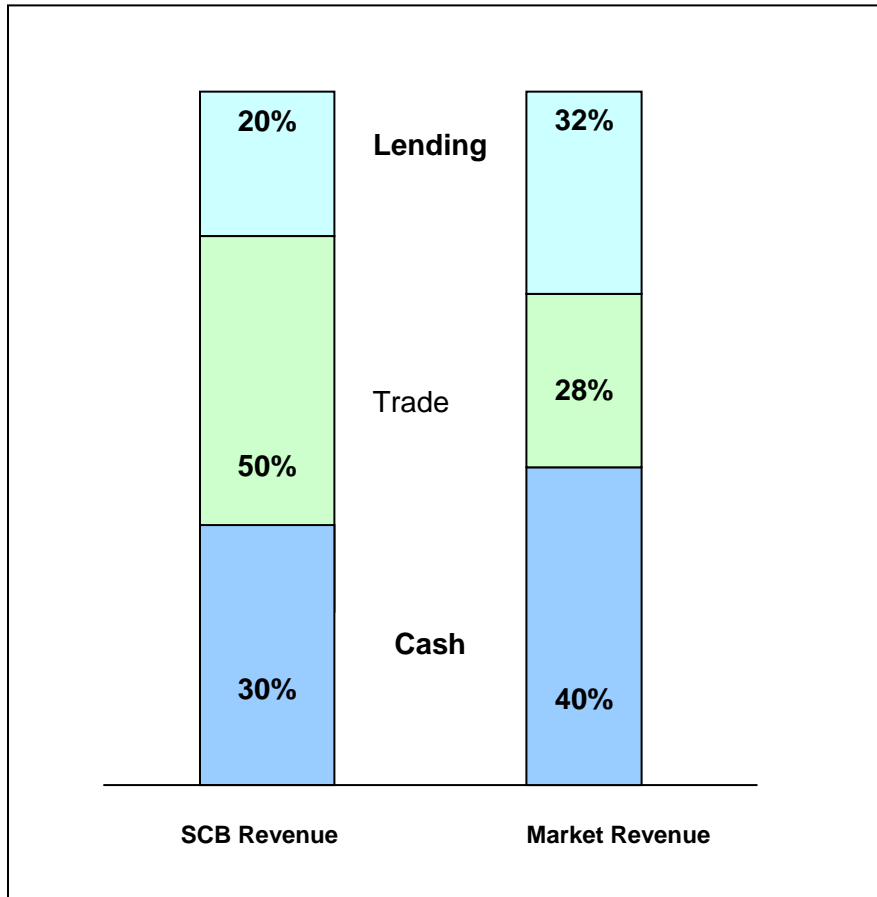
- ✚ Private Commercial Banks (PCB) with migrated skills from foreign banks are slowly moving away from vanilla products and age-old systems to higher value added products.

- ✚ SCB is leading in terms of branch-wise share, deposit, loans & advances, reserves, and foreign exchange.

Product Mix: Market versus Standard Chartered Bank

⁸As per the Annual Review SCB, Bangladesh (2007), SCB's product mix is more profitable

Product Mix: Market vs SCB



compared to that of the market. The market, on the whole, is more dependent on cash management and deposit products to generate revenue. In contrast, Standard Chartered Bank has successfully generated the highest proportion of revenue from its trade-related activities. Standard Chartered Bank enjoys the number one position in Trade activities. Due to a more conservative approach in lending activities Standard Chartered Bank has reduced its exposure in this area.

⁸ Source: Annual Review, SCB, Bangladesh 2007.

<u>Products</u>	<u>No.1</u>	<u>No.2</u>	<u>No. 3</u>
▪ Cash	SCB	CITI	HSBC
▪ Trade	SCB	Islami	NBL
▪ Lending	Islami	EBL	SCB

Table 2.8.: Competitive standing of SCB Products Source- Annual Review SCB Bangladesh 2007

2.5.3. Competitive position of SCB in Cash Management Services⁹

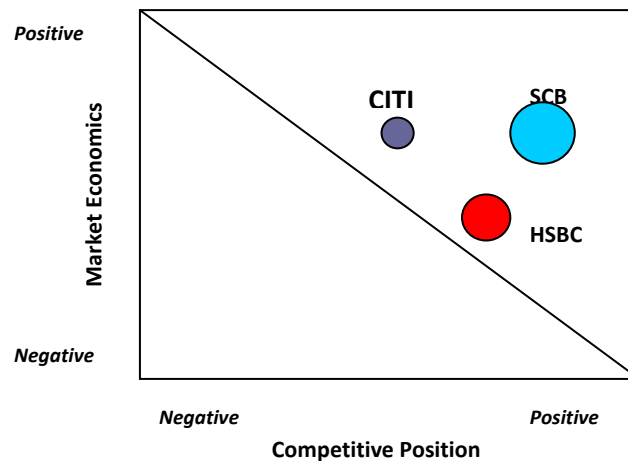


Figure: 2.12. Competitive position of SCB in Cash Management Services

The cash management service of SCB is clearly ahead of the competitor thanks largely to a strong product range and the bank's appetite for this particular segment. It is believed that the competitive edge the bank holds in this segment will provide the platform needed to drive the future growth of the bank. In this field of activity the immediate competitors are the foreign banks, namely HSBC and Citibank who also offer a diverse range of products, similar to those of Standard Chartered Bank

⁹ Source: Annual Review, SCB, Bangladesh 2007.

2.5.4. Competitive Position of SCB in Trade¹⁰:

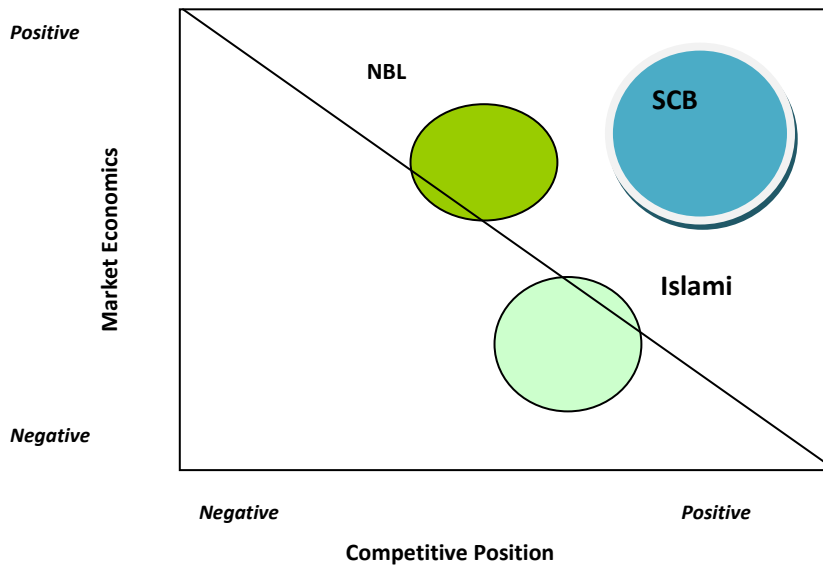


Figure: 2.13. Source: Annual Review SCB, Bangladesh 2007

Standard Chartered Bank enjoys the number one position in the market in trade-related activities. The major competitors in this area are the private commercial banks, namely Islami Bank, Uttara and National Bank, who engage actively in lending to local corporate.

¹⁰ Source: Annual Review, SCB, Bangladesh 2007.

2.5.5. ¹¹Competitive position of SCB in Lending

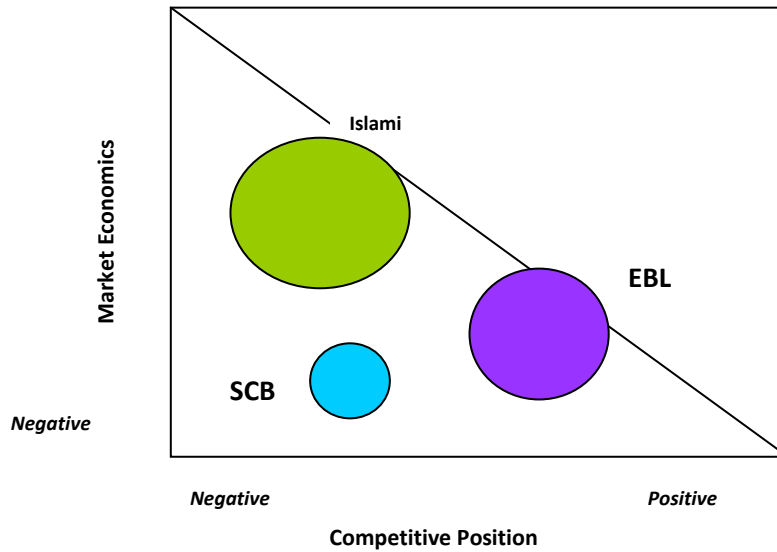


Figure: 2.14.

Source: Annual Review SCB, Bangladesh 2007

Standard Chartered has fallen behind in lending due to its conservative stance on taking too large an exposure on the comparatively volatile Bangladeshi market. As a result, the bank has shifted its portfolio from lower to higher quality lending.

¹¹ Source: Annual Review, SCB, Bangladesh 2007.

4.3.4 Risk Assessment

4.3.4. 1 Risk structure At SCB

Banking is a risk taking business that requires judgment. To control this risk, the bank has a set of policies and procedures that define the way the bank assess risk & execute transactions. The policies are not negotiable, no matter how senior the people concerned, and no matter what the political or cultural environment in which the bank is doing business. Good internal control is as much about attitude as it is about 'rules and regulations'.

Statement of Principles

The risk policy gives direction in these:

- o Defines the main risk categories by which Group Risk Policy will be organized.
- o Describes Board level responsibilities for risk management.
- o Sets out the fundamental principles of risk management in the Group (Defined in principle of Risk Management)

Risk Categories

SCB, in common with other banks, generates most of its revenues by accepting Country, Credit, Liquidity and Market Risk. Effective management of these four risks is the decisive factor in their profitability. In addition the bank is subject to the same risks that accompany all business undertakings, inside or outside the banking industry. The consequential risks under four headings: Business, Legal and Regulatory, Operational and Reputation Risk.

Responsibilities at Board Level

- o The Board is accountable for the management of risk. This is discharged by defining the scope of risk management activities within the Group, distributing responsibilities at Board level for their management and determining the manner in which risk authorities are set.

- o Group Risk Committee (GRC) determines Group risk appetite and sets Group standards and policies for risk measurement and management. GED proposes these standards and policies, Risk, who is also accountable for providing independent assurance that risk, is being managed, measured, and controlled in conformity with Group policies and standards.
- o Group Executive Directors are accountable for the management of risk.
- o Individually for the businesses or support functions assigned to them and for the countries where they have governance accountability.
- o Independent supervision of risk management activities is provided by Non Executive Directors through their membership of the Audit and Risk Committee.

Principles of Risk Management

The Basic Principles of Risk Management are:

- o SCB recognizes that revenue is earned by accepting risk and it will ensure that business activities are controlled on the basis of risk adjusted return.
- o SCB will be explicit in setting its appetite for risk and it will manage risk to stay within agreed parameters. It follows from this that risk must be quantified wherever possible.
- o Risk will be assessed before acceptance and for as long thereafter as we remain exposed to it.
- o SCB will comply with all applicable laws and regulations in every country where they do business, and with the governance standards prescribed for listed companies.
- o SCB will apply high and consistent ethical standards to their relationships with all customers, employees, and other stakeholders.
- o Group activities will be undertaken in accordance with fundamental control standards. These controls will employ the disciplines of planning, monitoring, segregation, authorization and approval, recording, safeguarding, reconciliation, and valuation, so that:
- o All businesses are conducted in accordance with appropriate plans and policies, reviewed on a regular and orderly basis.
- o Every employee understands his or her role in the management of risk and is fully competent to undertake their responsibilities in this respect.

- o There is prior authorization for all transactions and commitments.
- o All assets are safeguarded from loss and liabilities are controlled so that losses are contained within the agreed level of risk appetite.
- o Accounting and other records provide complete, timely and accurate information, including information required by external parties.
- o Management monitors, on a periodic basis appropriate to the risk concerned, both risk itself and the operation of the Group’s internal controls.
- o Any change in the nature or size of risk is managed or, if this is not possible, escalated to the most appropriate level in a timely manner.
- o Where risk of loss is evident a provision is made at the earliest opportunity permitted by accounting standards.

Definition of Risk Categories

Risk Type	Definition	Comment
Country Risk	The risk that a counter party is unable to meet its foreign currency obligations as a result of adverse economic conditions or actions taken by governments in the relevant country.	<ul style="list-style-type: none"> o Country risk is often confused with sovereign risk, which is the counter party credit risk of the government. o Country Risk is also often referred to as transfer risk or cross border risk. o Country related events such as economic downturn, political changes; devaluation etc. would often have significant impact on the other risks that SCB must manage.
Credit Risk	The risk that a counter party will not settle its obligations in	<ul style="list-style-type: none"> o Assessing this risk requires an understanding of the customers ability and willingness to pay but also its understanding of the

	accordance within agreed terms.	risks it faces and how well it manages them e.g. environmental risks
Liquidity Risk	The risk that funds will not be available to meet liabilities as they fall due.	<ul style="list-style-type: none"> o Includes the management of cash flow under business as usual and stress conditions together with setting of targets for balance sheet ratios.

Market Risk	The risk of loss generated by adverse changes in the price of assets or contracts currently held by the company (this risk is also known as price risk).	<ul style="list-style-type: none"> o Does not include the risk of price movements in other markets e.g. stocks and shares, property, commodities. Does include basis risk.
Business Risk	The risk of failing to achieve business targets due to inappropriate strategies, inadequate resources or changes in the economic or competitive environment.	<ul style="list-style-type: none"> o Includes decisions on the markets we operate in, products offered, and customers targeted and the terms and conditions of conducting business.
Legal and Regulatory Risk	The risk of non-compliance with legal or regulatory requirements.	<ul style="list-style-type: none"> o Includes banking specific legislation and regulations but also all applicable laws. In extreme cases could lead to loss of banking license(s).
Operational	The risk that the Group will incur direct or indirect loss due	<ul style="list-style-type: none"> o Includes all internal controls and managing risks associated

Risk	to an event or action causing the failure of technology, processes, infrastructure, personnel and other risks having operational impact. This excludes strategic/business and reputation risk.	with technology, premises and infrastructure, people, health and safety, transaction processing, MIS reporting, etc. Includes management of bank's non-credit environmental risks.
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Reputation Risk	The risk of failing to meet the standards of performance or behavior required or expected by stakeholders in commercial activities or the way in which business is conducted.	<ul style="list-style-type: none"> o Usually results from the failure to identify or manage one of above risks effectively or failure to comply with ethical or corporate governance standards. Such failure will lead to a loss of confidence in SCB. o Stakeholders comprise shareholders, employees, customers, regulators, governments, communities and others with which we do business (e.g. alliance partners, suppliers)
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4.3.4.2 Risk Analysis

Like every other project, in case of my analysis I have also seen some major risks. But yet if we just consider the risk factor; then there is no way we can make things in progress. The major risk that I have analyzed:

- ✦ Employee risk
- ✦ Data loss risk

- ✦ System crash risk
- ✦ Risk in terms of employees expertise

Only trained employees can handle the whole system. So employee availability should be certain. Then again if the existing user's failed to cope up with the system then there will be a huge loss.

4.3.4.3 Risk Identification

System Crash

The system might fail and all the data saved might be lost. These crashes are very massive. It can affect all the concerned as the order entry would not be possible and thus the sales record would not retrievable. Thus this crash is able to make a whole system disable for some time.

Employee Risk

This risk is related with the employees who will use the system. If the employees are not skilled and not familiar with the new software, they might do some mistakes. Even the persons who would maintain the system also might have this problem if they are not experienced enough.

Technological Risk

In this changing world the technology is changing more rapidly. So the technology used in the new system might become obsolete. The software would be then functional for a short period of time. Then it would be needed to change as the technology changed suddenly and at a vast rate.

Development Risk

If the team members of the software development team are not skilled and experienced enough then this type of problem may occur. They might fail to develop the whole new system by the available resources. Failure might accrue due to the lack of resources provided or this situation might also happen due to lack of qualified members

Physical Damages

Different types of physical damages might cause harm to the system, such as the fire might burn out, theft or robbery might take place etc. This type of problem has also the risk of disable the system totally or partially.

4.3.4.4 Risk Mitigation

Risk	Mitigation Plan		
	Preventive	Corrective	Detective
1. Computer crash	Keep multiple backup of data and report in multiple places	Consult with the System Developers. Stop the work immediately	Monitor whether everything is working smoothly or not (about data save, retrieve, report generation etc.)
2. Employee Risk	Arrangement for adequate training for the employees before performing their job.	Allow some flexibility in the system so that wrong inputs can be rectified and reconciliation procedures become easier.	Provision for cross checking of input made by the employees
3. Technological Risk	During software development phase decide to use the latest technology.	Consult with System Developers and talk about whether they would change technology and implement the new one.	Monitor whether the technology is changing or not. If changes occur then consult with system developers and tell them to replace with the new technology if necessary.
4. Development Risk	An efficient team for system development is required.	Appointing Consultants for the improvement of overall procedures.	Evaluate the performance of each and every employee on the basis of the complaints of the customers and find out where are the lacking

4.3.5 Performance and Growth of Standard Chartered Bank

Operational performance of Standard Chartered Bank both, local and global shows tremendous improvement in 2007. The change in strategy, performance and growth, adapted by Standard Chartered Bank is clearly evident in the following comparison between its performances in 1995 to that in 2007.

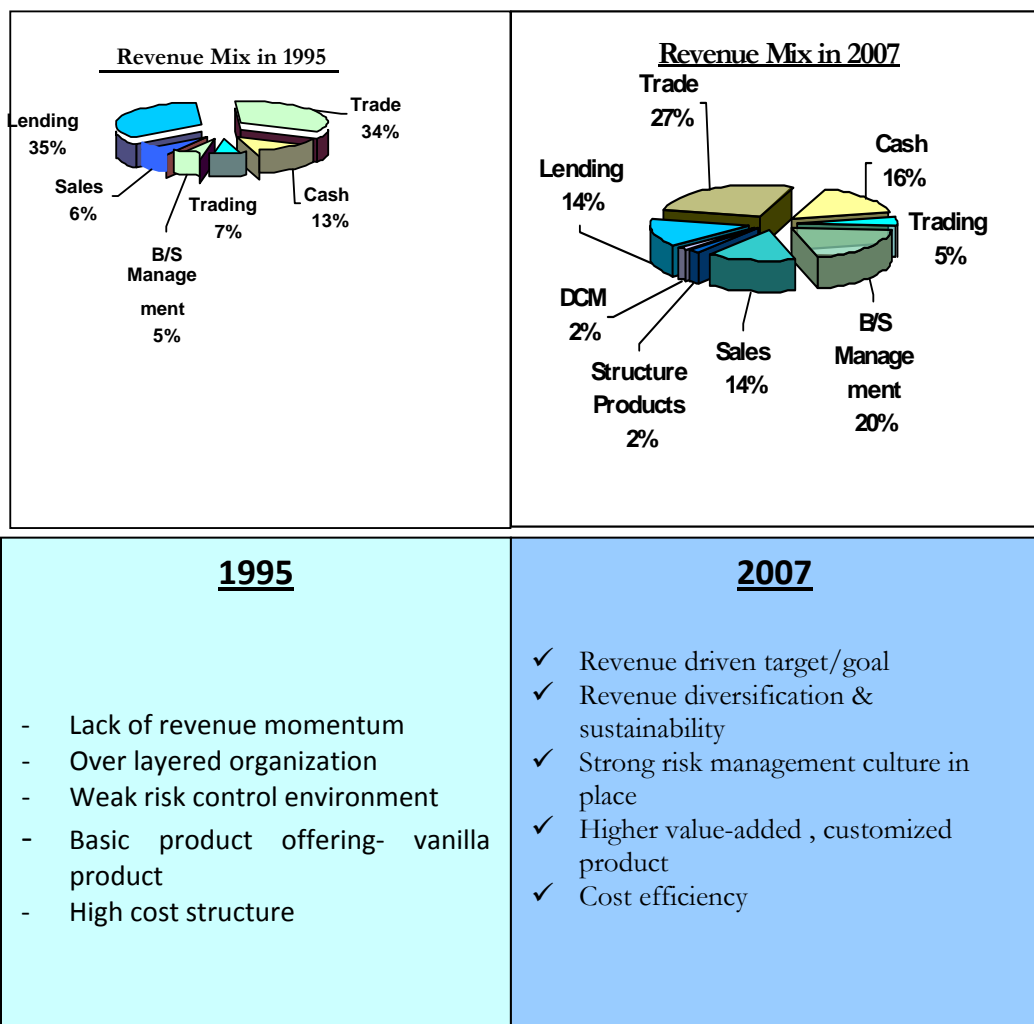


Figure : Operational comparison of SCB between 1995 and 2007

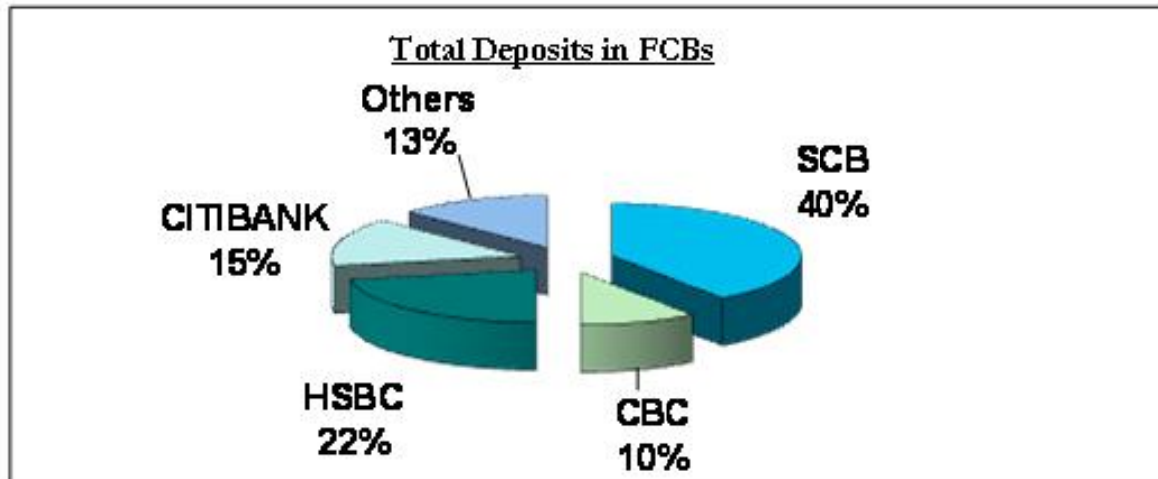
The Group of Standard Chartered Bank achieved record income and profit in 2007, reflecting the resilience of their businesses amidst the financial market turmoil. Their strong balance sheet and healthy liquidity profile has put them in a strong position to seize the business opportunities that are unfolding in the financial services industry.

Operational Highlights of 2007

- **Record earnings:** Operating income exceeded \$11 billion and profit before tax surpassed \$4 billion, both for the first time
- **Broad-based growth:** Headline income grew 28 per cent, with organic income growth accelerating to 23 per cent, a record high
- **EPS growth:** Normalized earnings per share increased 15.8 per cent to 197.6 cents
- **Strong markets:** For the first time, profit before tax surpassed \$1 billion from Hong Kong and \$500 million each from India and the MESA region
- **Strong balance sheet:** The Group's liquidity and capital positions remain comfortably above targets, despite market turbulence
- **Private banking:** Launched The Standard Chartered Private Bank, with offices now spread across 11 locations in seven markets
- **Acquisition:** Acquisition of American Express Bank to give a further boost to the Private Bank and Transaction Banking.
- **Islamic Banking:** Launched Saadiq, our global Islamic Banking brand, in the UAE, Malaysia, Pakistan and Bangladesh
- **China:** Incorporated in China and launched local renminbi banking services
- **Sustainable business strategy:** Committed \$8 -10 billion over the next five years to finance renewable and clean energy projects

4.3.6 Comparative Performance of Standard Chartered Bank

The comparative performance (holding market share) of Standard Chartered Bank in terms of deposit and advance are presented separately in the following diagrams:



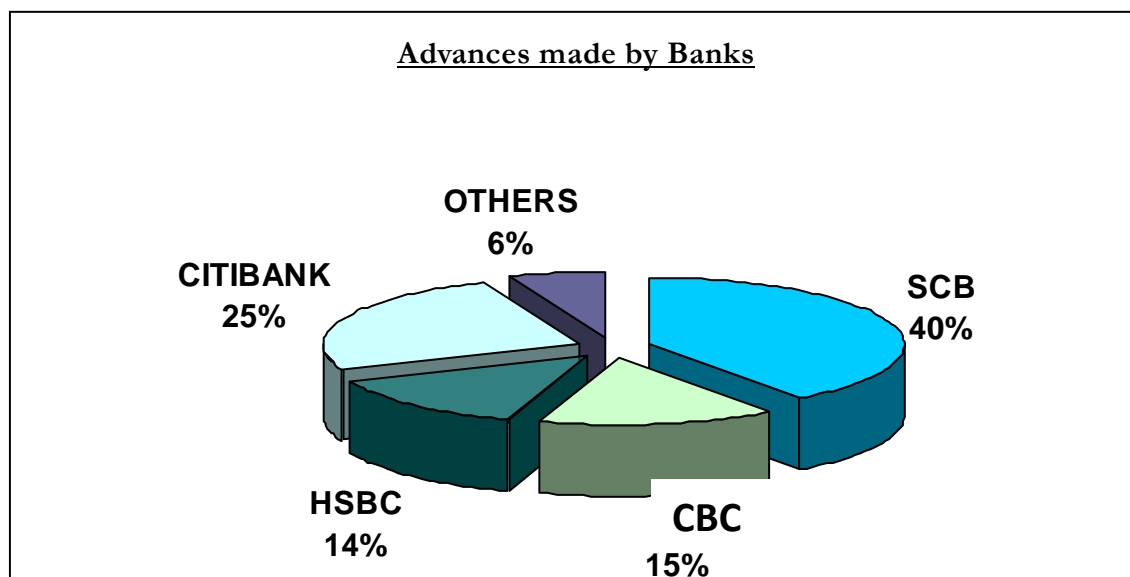
All the foreign banks combined hold 9% in deposits as compared to 29% by private commercial banks and 62% by nationalized commercial banks.

Source: Scheduled Bank Statistics, Bangladesh Bank, Oct-Dec 2007

From the above figure we see that of the 9% held by foreign banks in total deposits, SCB alone commands 40% of the deposits.

In terms of advances made, Standard Chartered Bank holds the leading position among the foreign banks with a market share of approximately 40%.

Source: Scheduled Bank Statistics, Bangladesh Bank, Oct- Dec 2007



Not only in terms of financial indicators but also in terms of popularity, human resource development, social welfare orientation Standard Chartered bank enjoying the Top position among all Foreign Commercial Banks in Bangladesh. For its better performance it awarded as **Best Corporate / Institutional Internet Bank - Asia Pacific Region** and also got Global Finance Internet Bank Awards 2007.

4.3.7 Data Flow Diagram in Transaction Banking

The data flow diagram is drawn on the basis of the overall procedures of the Transaction Banking Department that is being presented onwards. Here the first diagram is product selling system by the solution delivery system of Standard Chartered Bank.

Data flow diagrams illustrate how data is processed by a system in terms of inputs and outputs. The context-Level of DFD is given below:

Contextual Level DFD

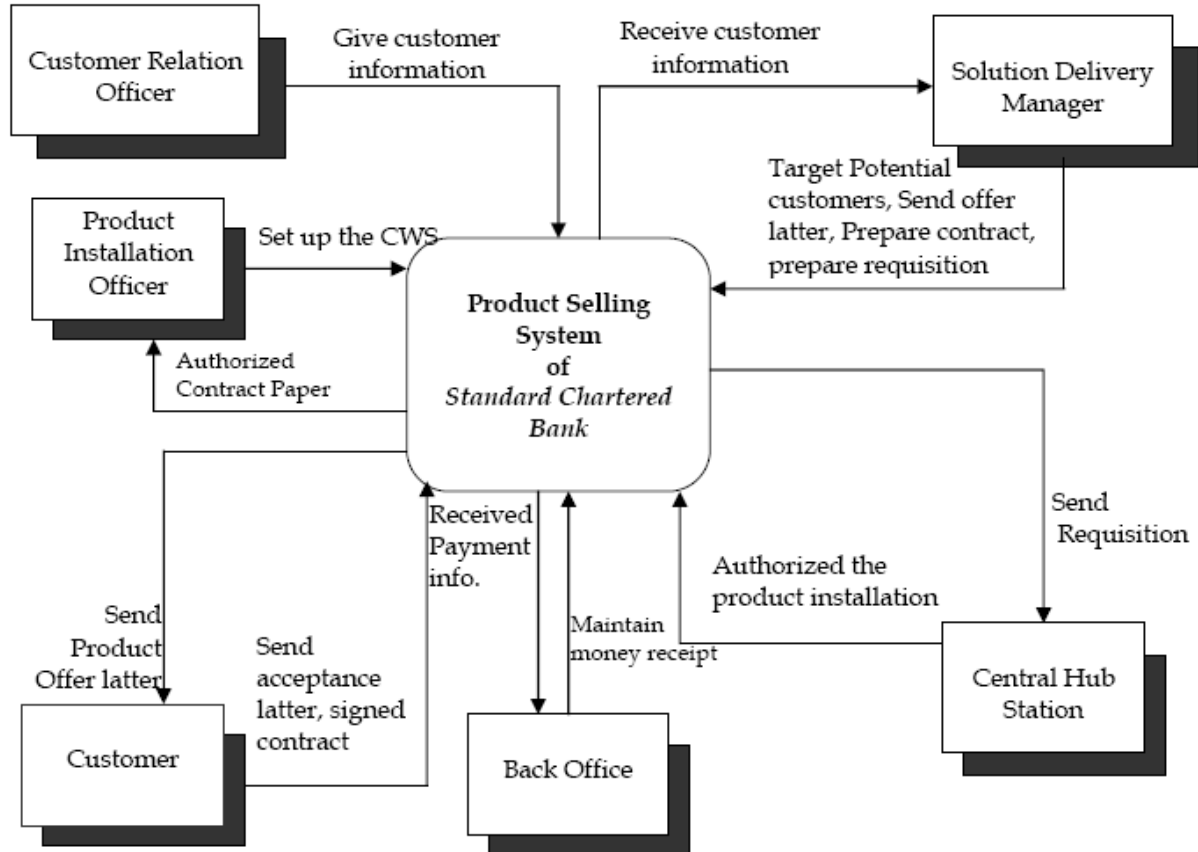


Figure: 8.1. Data Flow Diagram

4.3.8 Problem Recognition

4.3.8. 1 Problem Identification

In the overall context of the Transaction Banking Department the most major problems are given below:

1. No systematic way for targeting the potential customer: From different department; different relational managers are giving the customers information. As these products are only for the corporate customers and there is no advertisement for it, so it is very necessary for the solution department to get the right customer information. Moreover there are some sales targets that the department should meet, but if this sort of customer tracking is going on then it is almost impossible to maintain the sales target.

2. Incompetent for tracing customer Payment: The payment is being calculated by the back office or the accounts department. But the charges are being decided by the Transaction Banking department. So for making different charges for different categories of product, there is just an EXCEL file to entry those data, which is very much incompetent for analyzing these payments.

3. No specific time limit for placing the Order: When a requisition is being set for a particular customer, then solution delivery department analyze the customer status and there is no time limit to check for the customer status.

4. Delay for generating instant Report: All the processing for set up is being done manually by using EXCEL, so it is almost impossible to prepare any sort of instant report. It takes hours for making any report.

There are also some major problems regarding the product selling which are discussed in the following section.

Major Problems	Problems caused Damages
1. Delay for establishing Customer Work Satiation.	<i>Customer Dissatisfaction</i>
2. Miscommunication with the RM and the Solution Deliver Department.	<i>Losing Customers.</i>
3. As repetitive data needs to be recorded.	<i>Inaccuracy level has been increased. Rework level enhanced.</i>
4. Employees have to maintain different files for the same customer who is occupied with Multiple products.	<i>Employees Working late hours.</i>

4.3.8.2 Reasons for which the Problem needs to be dissolved

This is very obvious that this problem need to be dissolved right away. The basic purposes are:

(a) The Bank’s employees are getting confused that which relationship manager is handling which customers. Sometimes miscommunication accurse and which lead to a greater mismanagement.

(b) Which customer is using what product, for this purpose their need to be a data storage procedure but as the data are only entering by using EXCEL file so this is very much obvious that to get the sales ratio the employees need to face a bigger hassle. They can’t actually receive any instant report. Sometimes single customer is uses multiple products, for this sort of case the solution delivery department is facing a lot of trouble as they can’t retrieve customer information right away.

(c) There are different categories of payment. Some customer pays the installation price in monthly installment, some customer are getting waivers so for these purposes their need to be a record which have to be updated regularly. Though these are the works for the accounts department but the solution delivery department is the one who sets the payment type and product price. More of a fact if the payment is not given by due time then the Solution Delivery Department will deactivate the whole service. So for this purpose there solution delivery

department also keep record for the payment. But in current situation, as the record is being kept manually, so the employees failed to take appropriate action according to the customer status.

(d) Again sometimes the customer requires what is their status condition then it is very obvious that the employees failed to give any sort of instant report under the circumstances.

4.3.8.3 Effects

Internal Effects

1. The employees are having miscommunication within each other.
2. The employees are making regular mistakes while they are entering repetitive data.
3. The employees are facing lot of hassles as they have to listen lots of complains from their customers.
4. The employees are become tired of searching each time that which CR officer is handling which customers.
5. Making Annual Report is became a serious issue for the employees for every year.

External Effects

1. The customer is having wrong conception about the service quality of the Bank.
2. They are became dissatisfy about the Bank's service quality.
3. The customers are having trouble for getting the right service.

4.3.8.4 Problem Causalities

Causalities are basically the problems that causing difficulty or creating problems in standard Chartered Bank. The causes for incompetence in sales analysis are given below:

No Effective Advertisement

This is probably the most serious issues of all, that Standard Chartered Bank doesn't have any sort of advertisement regarding selling these products. It is true that these products are only for the corporate customers but yet there happen to be some advertisement. In Bangladesh people are not very much aware of this kind of service quality. More even they are not very much known to these technologies.

Technology acceptance

This is pretty obvious that the people in our country are still very much unaware about the latest technologies or the internet technology. The corporate people feel very much insecure about their account tracking via internet, as internet is accessible by all. But lately this online system is being much secured and each and everyone can have their own security password. But the corporate people had to get to this information but yet the solution delivery department is not taking any vital action for makeover this information.

Lack of Employees

There are over 30 branches in Bangladesh. And for selling the products of Transaction Banking only the corporate head office got the solution delivery team with 3 permanent and 3 contractual employees. The work load is extreme. All the time the relational officer is giving their requisition, the customer is calling for giving services. All the corporate customer records for these entire products are being maintained by this department. Maybe this position of this department was possible when they were just started their journey. But now day by day their customers are increasing, this is totally an illogical thought that still the work is going on in this way.

CHAPTER 5
CONCLUSION
AND
RECOMMENDATION

5.1 Recommendation

- ✚ Develop a systematic way to target customers. Customer information should come to a central point, so that the solution delivery team can use that information for effective target and sales.
- ✚ Intelligence software should be used to trace the different payments made by different categories of customers for different products to analyze the performance of the distinguished customer base or the distinguished product group.
- ✚ Specific time frame should be set for placing an order and making a sale done. For example, there should be a time limit for checking customers' credit status, for the requisition formalities and for the other associated activities thereby.
- ✚ Database software should be developed to generate instant reports based on the data stored in the system. Again, this software should be used to maintain records of products used by different customers and which customer is handled by which relationship manager. Furthermore, the database should be updated regularly so that the current status of the customers and the related payments can be obtained efficiently and effectively.
- ✚ Take initiative to make customers understand the usage of S2B System and the benefits of using that system. For example, carry out training sessions for large customer groups.

5.2 Conclusion

With a banking heritage spanning more than 150 years, Standard Chartered has an extensive global reach and a strong position in emerging markets, supplemented by strategic alliances and acquisitions.

Now a day business does not mean just selling and purchasing the products or services. This is very important to conduct the business in an organized and effective manner. Now questions arise that how we can make this business process effective.

Advertising can be a bigger solution in this sector. More than that maintaining a satisfactory level of customer satisfaction might make the whole selling process a lot more progressive. As we all know in the business world things move on the will of Impression. Standard Chartered is the world's one of the best leading Bank's. And it the duty of this Bangladesh corporate office to hold that same image and continue with the Business.

To enrich and maintain a better reputation is the only solution to make a business more progressive. As this is a global Bank and more appropriate to say these entire Bank's product is being sold globally, so this should be very much likely that Bangladesh Corporate office should also maintain the same image and continue with the Business. Standard Chartered Bank definitely satisfies their corporate customers and to maintain this scenario in a more efficient and prospective manner the Bank can surely accept this project in a cordial manner.

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- ▶ Mr. Zulfiquir Ahmed Khan, Head of FI Transaction, Transaction Banking, Wholesale Banking, SCB
- ▶ Mr. Farhan Adel, Associate Director of Products, Transaction Banking, SCB
- ▶ Ms. Sharmin Ruba, , Associate Director of Solution Delivery, Transaction Banking, Wholesale Banking, SCB
- ▶ Mr. Sabbir Ali Khan, BDM, Transaction Banking, Wholesale Banking, SCB
- ▶ Mr. Maruf Ahmed, Associate Director of FI Sales, Transaction Banking, Wholesale Banking, SCB