

00231
BBA

*An Overview of the Activities and the Financial Performance of the
Hongkong and Shanghai Banking Corporation Limited (HSBC)*



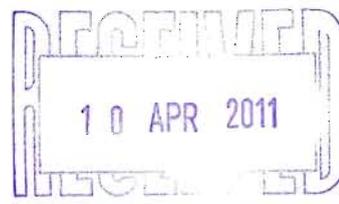
Prepared for
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BUS 499
Business Administration Department

December 12, 2010



EAST WEST UNIVERSITY



December 12, 2010

Dr. Tanbir Ahmed Chowdhury
Professor,
Business Administration Department
East West University

Subject: Submission of the report of BUS 499.

Dear Sir,

It's a great pleasure for me to have the opportunity to submit my internship report on "An Overview of the Activities and the Financial Performance of the Hongkong and Shanghai Banking Corporation Limited (HSBC)" which had been a great experience for me to work with such a practical & real life issue to analyze with. I tried utmost to make & let it look like a professional one. Any kind of shortcomings is expected to have a kind view for my encouragement.

Thank you for your sincere & honest try to let me make easy & get familiar with the terms & facts to analyze the overall financial performances of the bank. Your support and suggestions has helped me to make the paper a successful one.

My efforts will be valued, if this report can serve for what it's been meant for & our assistance will be there for any queries.

Sincerely yours



Susmita Das.
Id No.:2007-1-10-148
Business Administration Department

ACKNOWLEDGEMENT

In this entire semester, I was engaged in working for the HSBC Bank Ltd. Besides this, I keep writing my intern report. Every body helped me a lot but our honorable Faculty named Dr. Tanbir Ahmed Chowdhury had given a lot of assistance with knowledge. For preparing the report I have gone through many difficulties but I have overcome the obstacles by the proper guidance of our honorable faculty, Dr. Tanbir Ahmed Chowdhury. Thanks to the Chief Operating Officer of The HSBC Bank for giving chance to enter in their concern. During my operation the branch Manager instructed his staff to behave with me with familiarity. So I cannot ignore his contribution. I am also thankful to the employees of the Dhanmondi Branch for supporting me with their equipments & study tools as well as library assistance. I would like to give special thanks to Benozir Nahid, Shaila Farheen and Abdullah Al Mamun for guiding me to learn the banking activities easily.



Susmita Das

ID NO. 2007-1-10-148

Executive Summary

The Hongkong Bank had established in Hong Kong and Shanghai in 1865 and it is the founding member of the HSBC Group and its flagship in the Asia-Pacific region. It's headquarter is in the Hong Kong SAR, where it is the leading commercial bank, operating a network of 220 branches that serves three-quarters of the territory's adult population. Elsewhere in Asia-Pacific, Hong-Kong Bank and its subsidiaries provide a wide range of personal and commercial banking and related financial services through some 170 offices in 20 countries and territories. The HSBC Group, one of the world's largest banking and financial services organizations, had its beginnings in Hong Kong more than 130 years ago. Today, the Group operates a network of some 5,000 offices in 79 countries and territories, including around 700 offices in the Asia-Pacific region. At the Group's core around the world are domestic commercial banking and financial services, which fund themselves locally and do business locally. Highly efficient technology links these operations to deliver a wide range of international products and services, adapted to local customers' needs. In Bangladesh, the HSBC Group's history dates back to 1996 when The Hongkong and Shanghai Banking Corporation (HSBC) Ltd opened its first branch. Today, the HSBC Group offers a comprehensive range of financial services in Bangladesh including commercial banking, consumer banking, payments and cash management, trade services, treasury, and custody and clearing.

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CHAPTER 1: INTRODUCTION

1.1 Origin of the report:

The internship report is a basic requirement for completing the B.B.A course curriculum. This report was prepared on the topic named “An Overview of the Activities and the Financial Performance of the Hongkong and Shanghai Banking Corporation Limited (HSBC)”. Through out my internship in HSBC bank, I have learned about the personal financial service products.

1.2 Background of the study:

Any academic course of study delivers a great value when it practical application in real life. Only a lot of theoretical knowledge will generate little importance unless it is applicable in practical life. Therefore proper application of knowledge is necessary to get some benefit from the theoretical knowledge to make it more fruitful. When we engage ourselves in such fields to make proper use of our theoretical knowledge in our practical life situation, only then we come to know about the benefit of the theoretical knowledge. Such an application is made possible through internship. When theoretical knowledge in obtained from a course of study it is only the half way of the subject matter. Internship implies that the full application of the methods and procedures is ensured through rich acquired knowledge of subject matter, which can be fruitfully applied in our daily life. Such a procedure of practical application is known as internship. The report is titled "An Overview of the Activities and the Financial Performance of the Hongkong and Shanghai Banking Corporation Limited (HSBC)". As a student of Business Administration Department this study will be very helpful in my practical life.

1.3 Objective of the study

The objectives are illustrated and presented into two present as follows-

a) Prime objectives:

The primary objective of the study is to meet the partial requirements for the fulfillment of B.B.A program. For the fulfillment of BUS 499, I have made the internship report.

b) Specific objective:

- To review how the HSBC is performing.
- To review the financial activities of the HSBC.
- To observe and analyze the financial performance of the HSBC.



1.4 Methodology of the study

Information obtained during internship at HSBC is used in this study. Samples were collected from the corporate clients of HSBC. For the organization, part of information had collected through different published articles, journals, brochures and yearly annual reports of the organization.

1.5) Scope of the study

This report consists of the writer's observation and on the job experience during the internship period and service life in the various department of the Bank. The report focuses upon the organizational structure and the financial services offered by HSBC and the performance of the bank.

This internship report covers overall banking of HSBC such as

- 1. General banking: deals with deposit, cash and remittance**
- 2. Advance banking: deals with different types of loan**
- 3. Foreign exchange: deals with foreign exchange or trade**

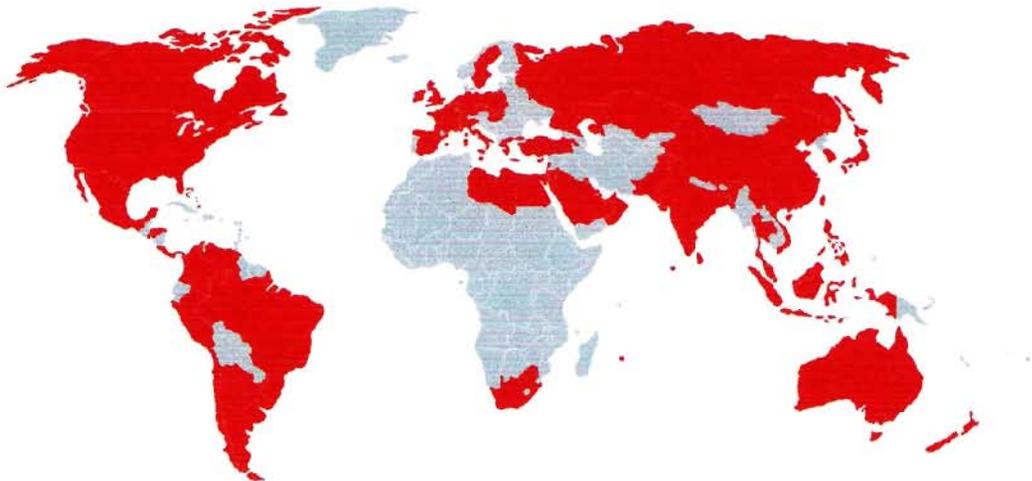
It has been prepared through extensive discussion with bank employees and with the clients. While preparing this report, I had a great opportunity to have an in depth knowledge of all the banking activities practiced by the HSBC. It also helped me to acquire a fast hand perspective of a multinational bank in Bangladesh.

1.6) Limitation of the study

To prepare a report on the achieved practical experience in a short duration is not an easy task. In preparing this report some problems and limitation have encountered which are as follows

- The main constrain of the study was insufficiency of information, which was required for the study. There are various information the bank employee can't provide due to security and other corporate obligations.
- Due to time limitation many of the aspects could not be discussed in the present report.
- Since the bank personnel were very busy, they could not provide enough time.
- Lack of opportunity to visit more than one branch.
- Confidentiality of data, every organization has their own secrecy that is not revealed to others. So it became difficult to me to collect data on HSBC.
- This is my first on job experience, so for my lack of experience, faults might arise in the report thought I made maximum effort to avoid all of these.
- It was difficult to stand for 6 hours constantly to do the customers greetings.

**CHAPTER 2: HISTORICAL BACKGROUND OF THE HONGKONG
SHANGHAI BANKING CORPORATION LIMITED (HSBC)**



HSBC 

YOUR WORLD OF FINANCIAL SERVICES

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

DHAKA MAIN OFFICE

ANCHOR TOWER, 1/1-B, SONARGAON ROAD

DHAKA-1205, BANGLADESH

TEL: (880-2) 9660536-43 EXT, 532,542

FACIMILE: (880) 9660554

E-MAIL: hsbc@hsbc.dhaka-bd.net

2.1) HISTORICAL BACKGROUND OF HSBC

Hongkong Bank — established in Hong Kong and Shanghai in 1865 — is the founding member of the HSBC Group and its flagship in the Asia-Pacific region. Its headquarter is in the Hong Kong SAR, where it is the leading commercial bank, operating a network of 220 branches that serves three-quarters of the territory's adult population. Elsewhere in Asia-Pacific, Hong-Kong Bank and its subsidiaries provide a wide range of personal and commercial banking and related financial services through some 170 offices in 20 countries and territories.

HSBC Holdings acquired Midland Bank, one of the principal UK clearing banks, in 1992. Headquartered in London, the bank has a personal customer base of five and a half million, business customers of over half a million, and a network of almost 1,700 branches in the United Kingdom. Midland has offices in 28 countries and territories, principally in continental Europe, with a number of offices in Latin America.

Hang Seng Bank, in which Hongkong Bank has a 62.1% equity interest, maintains a network of 146 branches in the Hong Kong SAR, where it is the second-largest locally incorporated bank after Hongkong Bank. Hang Seng Bank also has a branch in Singapore and two branches and two representative offices in China.

Marine Midland Bank, headquartered in Buffalo, New York, has 380 banking locations statewide. The bank serves over two million personal customers and 120,000 commercial and institutional customers in New York State and, in selected businesses, throughout the United States.

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Marine Midland Bank, headquartered in Buffalo, New York, has 380 banking locations statewide. The bank serves over two million personal customers and 120,000 commercial and institutional customers in New York State and, in selected businesses, throughout the United States.

Hongkong Bank of Canada is the largest foreign-owned bank in Canada and the country's seventh-largest bank. With headquarters in Vancouver, it has 116 branches across Canada and two branches in the western United States.

Banco HSBC Bamerindus was established in Brazil in 1997. The bank has its head office in Curitiba and a network of some 1,900 branches and sub-branches, the second largest in Brazil.

Hongkong Bank Malaysia is the largest foreign-owned bank in Malaysia and the country's fifth-largest bank, with 36 branches.

The British Bank of the Middle East (British Bank) is the largest and most widely represented international bank in the Middle East, with 31 branches throughout the United Arab Emirates, Oman, Bahrain, Qatar, Jordan, Lebanon and the Palestinian Autonomous Area, including an offshore banking unit in Bahrain. The bank also has branches in Mumbai and Trivandrum, India, and Baku, Azerbaijan, as well as private banking operations in London and Geneva.

HSBC Banco Roberts was acquired in 1997. Based in Buenos Aires, it is one of Argentina's largest privately owned banks, with 60 branches throughout the country.

Hongkong Bank of Australia has 16 branches across Australia. It is the flagship of the HSBC Group's businesses there, operating under the name HSBC Australia, and providing a complete range of financial services.

The Saudi British Bank, a 40%-owned member of the HSBC Group, has 63 branches throughout Saudi Arabia and a branch in London.

Other associated Group banks are British Arab Commercial Bank, The Cyprus Popular Bank and Egyptian British Bank. Wells Fargo HSBC Trade Bank is a San Francisco-based joint venture between HSBC and Wells Fargo Bank, providing trade finance and international banking services in the United States through its offices in five western states and in conjunction with Wells Fargo's 32 regional commercial banking offices in 10 western states. In addition, the Group has a non-equity strategic alliance with Wells Fargo Bank, which provides access to a wide range of banking services through that bank's more than 1,900-staffed outlets. The Group also has a non-equity alliance with Wachovia Corporation, one of the leading corporate banks in the United States, with business relationships in 50 states.

2.2) OVERVIEW OF HSBC GROUP

Headquartered in London, HSBC Holdings plc is one of the world's largest banking and financial service organizations, with major consumer, commercial and investment banking and insurance businesses. The HSBC Group evolved from The Honkong and Shanghai Banking Corporation Limited (Hongkong Bank), which was founded in Hong Kong with offices in Shanghai and London and an agency in San Francisco. The HSBC Group's international network comprises more than 5,500 offices in 81 countries and territories, operating under well-established names in the Asia-Pacific region, Europe, the Americas, the Middle East and Africa. With primary listings on the London and Hong Kong stock exchanges, some 160,000 shareholders in more than 90 countries and territories hold shares in HSBC Holdings plc. In the United States, investors are offered a sponsored American Depositary Receipt program. Through a global network linked by advanced technology, the Group provides a comprehensive range of financial services: personal, corporate, investment and private banking; trade services; cash management; treasury and capital markets services; insurance; consumer and business insurance; pension and investment

fund management; trustee services; and securities and custody services. The HSBC family is comprised of over 130,000 employees representing 81 countries and territories.

2.3) PRINCIPAL MEMBERS

<u>Commercial banking</u>	<u>Investment banking</u>	<u>Other financial services</u>
Banco HSBC Bamerindus	HSBC Asset Management	Forward Trust
British Bank	HSBC Equator Bank	HSBC Financial Institution
First Direct	HSBC Investment Bank	HSBC Gibbs
Hang Seng Bank	HSBC Investment Bank Asia	HSBC Global Payment and Cash Management
HongkongBank	HSBC Private Banking	HSBC Insurance
HongkongBank of Australia	HSBC Securities	HSBC Markets
HongkongBank of Canada	Trinkaus & Burkhardt	HSBC Trade Services
HongkongBank of Malaysia		
HSBC Banko Roberts		
Marine Midland Bank		
Midland Bank		

(The HSBC Group: a fact sheet)

However, many of the members have changed their name into HSBC, The Hongkong and Shanghai Banking Corporation Limited to introduce the whole group under one brand name.

2.4) VISION OF HSBC

“We Aim To Satisfy The Organization’s Customers With High Quality Service That Reflects The Organization’s Global Image As The Premier International Bank”

Converts vision into speck performance objective:

- ⇒ HSBC has a vision of excellence. It develops long term and short-term plan to attain its objectives. HSBC wishes to achieve its position by the end of 1999 and sustain it thereafter.

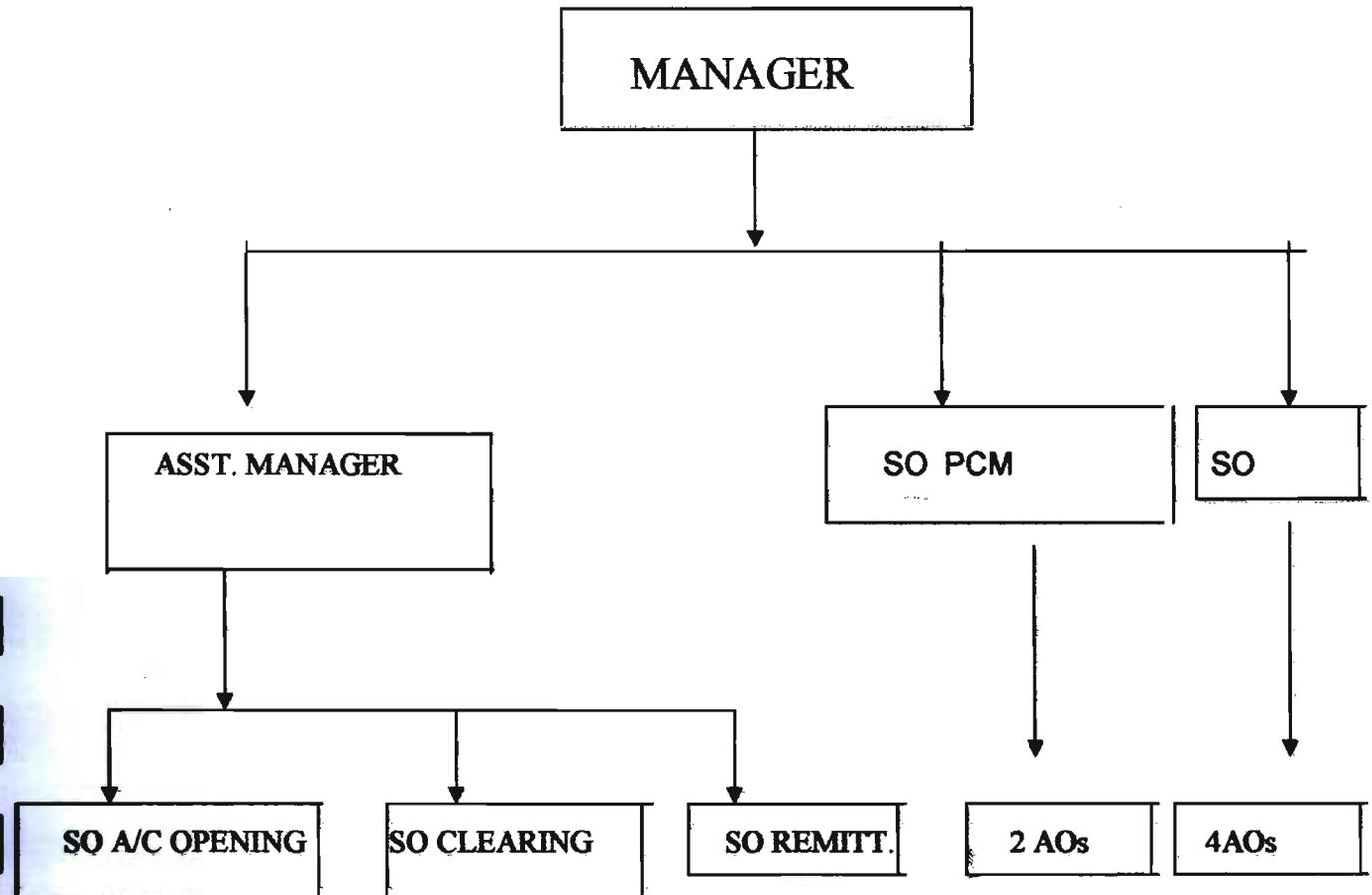
2.5) OBJECTIVES OF HSBC

The objectives of HSBC Bank Ltd. are to provide innovative products supported by quality delivery of systems and excellence customer services, to train and motivate staffs and to exercise community responsibility. By combining regional strengths with group network **HSBC's aim is to be the bank of choice and one of the leading banks in its principle markets.** HSBC's goal is to achieve sustained earnings growth and to continue to enhance shareholders value.

2.6) Mission

- We aim to become one of the leading Banks in Bangladesh by our prudence Flair and quality of operations.
- We intend to meet the needs of our clients and enhance our profitability by creating corporate culture.
- We aim to ensure our competitive advantages by upgrading banking technology and information system.
- We provided high quality financial services to strengthen the well-being and success of individual, industries and business communities.
- We believe in strong capitalization.
- We maintain high standard of corporate and business ethics.
- We extend highest quality of services, which attracts the customers to choose us first.
- We create wealth for the shareholders.
- We maintain congenial atmosphere for which people are proud and eager to work with HSBC Bank.
- We believe in disciplined growth strategy.
- We encourage various term investments to investors to buy our stock.
- We intend to plat more important role in the economic development of Bangladesh and its financial relations with the rest of the world of the world by interlining both domestic and international operations.

2.7) Organ gram



3.1) HSBC IN ASIA-PACIFIC

The HSBC Group, one of the world's largest banking and financial services organizations, had its beginnings in Hong Kong more than 130 years ago. Today, the Group operates a network of some 5,000 offices in 79 countries and territories, including around 700 offices in the Asia-Pacific region.

At the Group's core around the world are domestic commercial banking and financial services, which fund themselves locally and do business locally. Highly efficient technology links these operations to deliver a wide range of international products and services, adapted to local customers' needs.

Asia pacific Network

Australia	42
Bangladesh	2
Brunei Darussalam	13
China	18
Hong Kong Special Administrative Region	443
India	31
Indonesia	9
Japan	8
Kazakhstan	1
Korea, Republic of	6
Macau	7
Malaysia	50
Myanmar (Burma)	1
New Zealand	8
Pakistan	4
Philippines	7
Singapore	31
Sri Lanka	8
Taiwan	10
Thailand	9
Vietnam	2

FINANCIAL PROFILE OF THE GROUP (IN SUMMARY)

Assets: US\$484billion (£291billion) at 30 June 1998.

Profit (pre-tax): US\$3,686 million (£2,334 million) for the first six months of 1998.

Capital strength: Total capital ratio 14.0% at 30 June 1998.

3.2) INTRODUCTION TO HSBC BANGLADESH

HSBC Bangladesh started its operation on 17 December 1996 in Dhaka as its Head Office with a vision to satisfy its customers with high quality service that reflects its global image as the premier International Bank. In 1999 it has opened one Branch in Chittagong and two Booths in Gulshan and Motijheel. Mr. David G. Eldon, Chairman HSBC Asia Pacific, inaugurated these offices during his visit in February 1999. It has also an Offshore Banking Unit, which provides banking services for foreign companies based in the Export Processing Zones in Dhaka and Chittagong. In September 1999, it is going to introduce ATM and telephone banking for Personal Banking business.

MANAGEMENT PRACTICE IN HSBC BANGLADESH

Management system includes planning, organizing, directing and controlling of all financial and non-financial resthe organization'sces of an organization. The several aspects of management practice in HSBC Bangladesh are discussed below:

Planning

Strategic planning of HSBC Bangladesh is done within the purview of the Headquarter. In strategic planning of HSBC, top-down approach **Planning**

Strategic planning of HSBC Bangladesh is done within the purview of the Headquarter. In strategic planning of HSBC, top-down approach is followed. First, top management formulates strategy in accordance with their Group policy. HSBC in Bangladesh plan according to the policy imposed on from the Headquarter. The Headquarter office is in London. So, London Head Office is the policy maker. Then the policy is applied all the countries.

HSBC in Hong Kong has a Planning and Information Technology department. This department is mainly responsible for the overall planning. In HSBC both long term and short term planning is exercised.

HSBC Value

- ☰ Valuing People
- ☰ Quality First
- ☰ Professionalism
- ☰ Profit Driven
- ☰ Innovative
- ☰ Integrity

These values are pursued by:

- ⇒ Valuing both staffs and customers to attain organization's goal.
- ⇒ Providing effective and efficient services to customers that would be labeled as 'value for money'.
- ⇒ Making sure that staffs know what are expected from them.
- ⇒ Enduring profitability of the Bank.
- ⇒ Being flexible enough to change according to demand.

⇒ Ensuring moral uprightness.

Organizing

HSBC Bangladesh has two branches and two booths. Each unit is responsible for its own performance and each is headed by an executive or a manager who is directly responsible for the performance of the unit. Head office supervise the operation of other units.

Staffing

The recruitment process of HSBC Bangladesh is changing, as HSBC Bangladesh is relatively new so it is not possible to abide by the group policy of internal recruitment. So recruitment is done by internally and externally. Key positions are held by expatriate officer who were associated with the group for a long time before coming to Bangladesh. The present staff officers were recruited through advertisement who had to face three different types of tests to prove their capability and an extensive training program before they joined.

Directing

The management approach in HSBC Bangladesh is top down and to some extent authoritative. Every information slides through lower management layer participate management approach is somewhat practiced at the top management level. Although the works are designed in such a way that everyday should complete the assigned job. The sitting arrangement is done in such a way that the manager can monitor the activities of the staffs. Everybody has given a certain target so that, ultimately organization's objective can be achieved.

Controlling

The Bank has strict control over all of its aspects, liabilities and different aspects of the organization structure. More emphasis is given in all accessible spheres to maintain strict control since the Bank deals with monetary affairs.

Systems and techniques of control in the Bank's operation have been developed in accordance with the Group's directive and Bangladesh Bank regulation. Audit and inspections are conducted to ensure whether these techniques are applied properly. The Group Head Office sends an inspection team every year to audit the Bank's operation to ensure whether it is guided by the Group policy.

In Bangladesh, Internal Control Officer (ICO) carries out audit and inspection responsibilities at frequent intervals to ensure whether the departments comply with the Group procedures as well as ISO procedures.

MARKETING ACTIVITIES

HSBC is giving more importance on marketing its products and services through advertising in newspapers, billboard, banner and publishing leaflets, newsletter etc. It has a mobile sales team, which gives the opportunity to the savers to open an account sitting on their residences. It is a new concept in Bangladesh and its short-term operation indicates a positive result for the organization.

3.3) DIFFERENT FUNCTIONS OF DEPARTMENTS

a) FCD & Treasury Back Office

FCD is responsible for the preparation of the Annual Operating Plan (AOP), monitoring treasury risk limits, profit exposure and maintaining strong liquidity. FCD is the key member of the Asset Liabilities Committee (ALCO), which deals with how efficiently the bank's assets, and liabilities are managed. FCD also deals with money market matters. FCD acts as a custodian of all vouchers. FCD as the name implies does all the banks monitoring of the banks internal compliance and all local regulatory requirements.

Operations:

- Annual planning
- Analysis of different reports
- Scrutinizing daily functional statement
- Checking accounts and giving feedback
- Staff development and control as well as management
- Monitoring risk and profit
- Checking reports
- Implementing instruction from upper-end
- Analysis of the transactions
- Checking report
- Implementing instruction from upper-end
- Maintains bills and vouchers

b) Credit Operations

This department is a member of ALCO, which coordinates in preparation of lending analysis and data on concentration of risk and identify possible lending risks. This department is also responsible for monitoring all necessary documents and securities related to loans.

Operations:

- Coordinates, prepares, ensures flow of reports
- Coordinates security related to CST
- Maintain relationship with lawyer and central bank
- Monitors any exception
- Supervise subordinate functions to ensure proper execution and to promote motivation (In order to sustain official output)
- Deals with strategic revision



- **Coordinate lending facilities**
- **Prepares and supervise credit approval**
- **Coordinate documents of group and BB**
- **Generate reports**
- **Ensures customer credit documents and necessary papers**
- **Registers related activities**
- **Prepares and analyze financial statements of customer and organization**
- **Conducts stock statement**
- **Deals with insurance document**
- **Deals security particulars**
- **Calculates profitability**

c) FIG/Securities Department

FIG/Securities department facilitated the development of money market and investment activities in the Bank. This department explores the FIG market, identify customers and **FIG related issues**. They maintain close relationship within the department within the bank regarding all foreign exchange issues. Also maintains close relationship with Hexagon, which provides different rates of stocks and bonds of both the local and international markets. FIG/Securities Department prime duty is to make sure that the bank complies with ACP SCS, Bangladesh Bank, SEC, DSE, CSE and client reporting requirements.

Operations:

- **Compiles with financial institution requirements**
- **Monitors, Feedback & supervise operation on FIN MKT**
- **Takes action according to the feedback**
- **Makes Liaison with the different level**
- **Preparation of different level activity Related to market**
- **Monitors & take action on deviation of stockholders Interest**

- **Maintain Stock information**
- **Controls Communication among the brokers of financial market**
- **Facilitates investment activities**
- **Facilitates transfer of share certificate**
- **Maintains customer related to necessary adjustment**
- **Prepares different customer statement**
- **Maintains document related to shares**
- **Monitors share market flow**

d) Technical Services Department

This department relates to all other departments in order to provide technical services. This Department's job is to plan, negotiate and purchase maintenance of IT, Communications, PABX, Security systems etc. They provide technical support such as on-line communication (HSBC owns their on V-SAT in Bangladesh as it has globally), Unisys Banking Terminal (HSBC's personal banking software), Group Electronic Mail, Local Area Network, Submit off-line batch run report (the daily pre-programmed reports are responsibility of TSV for printing). The TSV department of HSBC is responsible for the smooth running of all mechanical and electrical systems in the bank if any problem occurs they are there.

Operations:

- **Plans and provide feedback of the function**
- **Implements audit report**
- **Maintains communication media and security system**
- **Give Directions to the staffs**
- **Provides technical support to LAN communication system**
- **Reviews reports**
- **Implements audit report**
- **Maintains Database weekly to monthly according to priority**

- Does Trouble Shooting
- Facilitates FDI and potential competitors as much as possible
- Develops in house software.

e) Trade Services

This department maintains a close relationship with Corporate Banking, Credit Operations, and Personal Banking for marketing and selling trade services to existing and target customers. Currently this is HSBC's the most busiest department in Bangladesh. This department handles all the trade-related business of the bank. Equipped with latest communication networks this department handles DC's, Amendments, import, export bills etc.

Operations:

- Supervise Operational activities
- Maintains Customer relation and marketing
- Manages Staff
- Plays significant role in planning and feedback
- Provides Reports Follow-up
- Maintains export and import formalities
- Checks and maintaining vouchers and messages flow
- Maintains customer relation
- Monitors workflow of office staff
- Contributes at staff appraisal process
- Facilitates export and import
- Receives and disclosing related documents
- Maintains necessary relationship with Bangladesh Bank
- Processes export and import documents
- Ensures quality service for customer

f) Human Resources Development & Administration

The functions of Human Resources Department are strategic planning and policy formulation for compensation, recruitment, promotion, training, development and appraisal. This department also contributes to employees' performance by providing high standard of training.

Operations:

- Top level Decision making process on compensation, promotion, training, development & appraisal
- Development of employee
- Assists all HR activities
- Communicates with the external & internal entities
- Monitors leave, payroll, increment & allowances etc.
- Maintains financial flow related to HRD
- Maintains Monthly payment system
- Generates Report for Audit requirements
- Plans for the development of the employee
- Arranges training according to the requirements
- Ensures standard of the groups
- Ensures cost effectiveness
- Controls of archive & database & training & performance
- Facilitates the training function with -----
- Maintains communication among trainer & the trainee and other Facilitators
- Looks offer all the properties of the bank
- Ensures operating procedures in the proper way
- Provides full logistic support to the departments as well as employees
- Deals with Intra & outer communication for the administration issues

- Ensures value actability
- Plan for the development of company
- Facilitates admin officers job
- Maintains all records
- Looks after maintaining of property
- Develops plan for support service
- Ensures security of the company
- Maintains monthly -----regarding HR
- Analyses performance
- Prepares Monthly report
- Executes Recruitment arrangement
- Controls stationary and store
- Deals with Accounting activity related to the administration
- Works on operational level on the support system of the company
- Executes the requirements

g) Customer Services Department

Customer Services Department is the frontline service provider of the Bank. They provide account services: closing and opening issuing checkbooks etc. This department relates to all the departments of the Bank. They credit and debit accounts according to transaction such as DC advising, opening (trade services), payments regarding loan payments (credit operations), internal service payments i.e. salary, medical disbursements, rent (human res the organization'sces and administrative department), overdrafts (corporate banking), Hexagon fees (Hexagon).

HongkongBank Universal Banking (HUB)

This department is responsible for the entire offline batch run reports. The HUB officer is responsible for coordination with TSV and GHO HUB to ensure that the system is used and understood to HUB's full potential and is available to end user for maximum available time.

Ensures department operations in accordance with group statement and procedure

Operations:

- Assists HUB operation operated by other staffs
- Executes Trouble Shooting
- Fulfills local requirements
- Generates Report
- Controls HUB access
- Reviews reports
- Assists Audit program
- Reviews and monitors the task activities

h) Hexagon

Introduced to the global market in 1985, Hexagon is one of the first fully integrated Electronic Banking Systems. Hexagon gives access to the customers' accounts via a user-friendly system, to perform all the necessary banking services available 24 h the organization's a day, 365 days a year from you organization's home PC or a mobile phone with a laptop computer.

Global payments and cash manager executive Coordinating ands implementing routine hexagon activities

Operations:

- Follow-up marketing activities related to the department
- Providing technical and operational support to customers
- Providing hexagon training for their customer
- Trouble shooting for the customer
- Coordinate monthly HEXAGON fees



- Provide necessary training for staffs
- Generates Report
- Inputs data accurately
- Makes Proper response for customer urgent complains
- Coordinates customer account setup
- Ensures collection hexagon fees
- Assists smooth operation of HEXAGON

i) Internal Control

Internal Control officer is responsible for ensuring quality, ISO responsibility, local compliance and group compliance by fulfilling the internal audit requirement.

Operations:

- Ensures quality
- Ensures standard
- Ensures operational responsibilities
- Ensures group requirements

j) Personal Banking

This department manages daily operations of customer services department. HSBC is going to introduce ATM under the supervision of this department.

Operations:

- Manages daily operation
- Plans and directs sales and marketing
- Plans for service development

- **Top-level authority for customers dealings and transaction**
- **Reviews report**
- **Monitors PLB performance**
- **Follows-up inward outward Cheque transfer of different types**
- **Act on Related accounting foundation**
- **Verify Authentication**
- **Deals with Account opening & closing function**
- **Maintains Customer relationship**
- **Handles different customer related letters and documents**
- **Coordinates customer in and outflow of messages**
- **Monitors customer relationship policy**
- **Prepares monthly report**
- **Assists cash transaction duties.**
- **Assists to improve customer services**
- **Executes the clearing of inward & outward different types of Cheque**
- **Maintain related connection with the Bangladesh Bank**
- **Receives cash**
- **Pays cash**
- **Maintains flow of different types of Cheque and payment orders**
- **Maintains related accounting**
- **Sells company product at field level**
- **Implements the planed action**
- **Provides required service to the customers directly**
- **Maintains documentation and report flow vary rapidly**
- **Helps in planning in field level**
- **Assists PLBM in decision-making process**
- **Assists PLBM in different level of research**
- **Maintains intranet activity**
- **Assists PLBM day-to-day work**
- **Keeps track and inform PLBM in present condition of the competition in the mark**



k) Corporate Banking

Operations:

- Market risk analysis regarding assistant liability
- Analysis of credit risk
- Follow-up the reports
- Implementation and feedback of strategic decisions
- Monitors audit requirements
- Competitive analysis and review
- Assists manager in all marketing related activities
- Responses to the customer calls
- Follows-up and facilitate documentation in customer relationship
- Monitors account on daily basis
- Requests and collect information from various organizations.
- Assists in the treasury department
- Facilitates customer's problem
- Maintains liaison with other department

l) Public Relation

The Public Relation Officer's responsibility is to increase public awareness of the Bank's name, image and capabilities by conducting, coordinating and organizing media activities.

Functions

- Assistant Officers
- Inside outside communications of reports files and others

3.4) Products and Services Offered by the Bank

HSBC Bangladesh has highly skilled and qualified professional staffs who are capable of handling all the banking needs. Each section is specially supervised by an executive who is responsible for all activities done in that department. Its services are personalized and backed by a high level of automation.

The main services offered by the bank are as follows:

a) Deposits:

Different types of accounts are maintained such as current account, savings account, convertible account, foreign currency account etc.

The following functions are required for maintaining the different accounts:

- ⇒ Check encasement and Cash deposit/check deposit
- ⇒ Fixed deposit receipt
- ⇒ Check book issue
- ⇒ Statement of account
- ⇒ Issuance of certificate of balance
- ⇒ Monitor and close dissatisfactory/overdrawn current accounts and comply with the account procedures.
- ⇒ Monitoring of standing order
- ⇒ Issuance of Form C and forwarding them to banks and beneficiary regarding the Telegraphic transfer
- ⇒ Fixed Deposit rollover and Interest adjustment
- ⇒ Responsible for ledger fee and excise duty application
- ⇒ Excise duty realization manually

b) Fund Transfer

Fund transfer includes the following services:

- ⇒ Pay orders
- ⇒ Demand draft
- ⇒ Telegraphic transfer
- ⇒ Mail transfer
- ⇒ Sale of Travelers checks
- ⇒ Standing instructions

c) Export

Export facilities are the followings:

- ⇒ Check purchase
- ⇒ Check collection
- ⇒ Bill negotiation
- ⇒ Bill collection
- ⇒ Letter of credit advising and confirming
- ⇒

d) Import

Import facilitates the following services:

- ⇒ Letter of credit opening
- ⇒ / Presentation/retirement of import documents

e) Guarantees

Guarantees includes the following services:

- ⇒ Bid bonds
- ⇒ Performance bonds
- ⇒ Shipping guarantees



Financial Control Department (FCD)

FCD is responsible for the preparation of the Annual Operating Plan (AOP), monitoring treasury risk limits, profit exposure and maintaining strong liquidity. FCD is the key member of the Asset Liabilities Committee (ALCO), which deals with how efficiently the bank's assets, and liabilities are managed. FCD also deals with money market matters. FCD acts as a custodian of all vouchers. FCD as the name implies does all the banks monitoring of the banks internal compliance and all local regulatory requirements.

Purpose Of FCD:

The purpose of FCD is to contribute to the effective planning and control of profitability and risk by managing financial accounting and management accounting (GIMIS) together with the Asset and Liability management Committee (ALCO) process.

Responsibilities:

FCD has responsibilities for all of the following activities:

- Reporting to the appropriate Head office in accordance with HSBC Groups prescribed reporting procedures.
- Asset and Liability performance analysis.
- Management accounting.
- Use of management information system.
- Financial accounting and reporting.
- Coordination of planning.
- Financial planning, including capital budgeting.
- Cost control.
- Tax, investment and administration policy setting.
- Monitoring of exchange and interest rate exposures.

- An effective ALCO process.

Staffing:

The level of skill required in an FCD will depend upon the size and complexity of the Area in question. Major areas will need a Financial Controller, a Management Accountant, financial Accountant and possibly even a Treasury Accountant.

Role of the Financial Controller:

The Financial Controller will be principally responsible for managing the department of FCD. Although he will report directly to the principal office manager, she will also have direct secondary functional reporting relationships with group finances.

Role of the Financial Accountant:

The Financial Accountant will be principally responsible for the management of the financial accounting function and will provide general ledger accounting, nostro account reconciliation, the control of suspense accounts, the payment and accounting for goods and services, the preparation of tax returns as well as statutory reporting both locally and to the appropriate head office.

Role of the Management Accountant :

The Management Accountant will be principally responsible for IMIS / GIMIS operations and for providing cost controls and decision support information particularly with regard to product and customer profitability reporting.

Role of the Treasury Accountant:

In the larger treasuries a dedicated Treasury Accountant is appointed with a direct reporting line to the Financial Controller and functional reporting line to the Treasury Manager. The Treasury Accountant will be principally responsible for the posting of accounting entries

passed by the Treasury, the reconciliation of treasury suspense accounts, the provision of management accounting information and the identification of discrepancies in risk position.

In the smaller treasuries these responsibilities develop to the Financial Controller to whom the Treasury /Foreign Exchange back office section should report.

The Administration Department at HSBC plays a vital role in smooth functioning of the Bank. This Department looks after all the properties of the Bank and is responsible for settlement of Bills, maintaining adequate inventory and distribution to other departments, maintenance of office premises and other administrative work.

3.5) Motivation for operation of HSBC in Bangladesh:

There are some strong motivations for HSBC to operate its activities in Bangladesh. These are:

-----Making profit: The HSBC Group started its operation with a motive of expanding its activities globally. Successful expansion of activities eventually leads to increase in profit. As a profit – driven global bank the HSBC’s motive is to make more profit.

-----Diversification: As a global bank, the HSBC takes the advantage of diversification. From its experience, it is aware that business cycle differs among the countries. Thus while business experiences a recession in one country or territory, compensate it by experiencing a boom or at least recovery in another country.

-----To dominate the financial market: As one of the world’s largest bank the HSBC’s vision is to have domination on its competitors and thereby dominate the financial market and banking industry.

3.6) Products Offered

The HSBC Group is one of the world's largest banking and financial services organisations and comprises some 6,000 offices in 81 countries and territories operating in Asia- Pacific, Europe, the Americas, the Middle East and Africa. The Bank has been serving customers in Bangladesh since 1996 and has three offices in Dhaka and one in Chittagong. In addition to three ATMs located at three branches, there are two off-site ATMs located in Uttara and Dhanmondi. We offer the customer a wide range of personal banking products and services designed to take care of the organization's growing needs and requirements.

Banking across the country

The organization's computer system provides the customer the opportunity to make transactions between accounts at different branches. No matter where the organization's account is held, the customer can withdraw the organization's money from any HSBC branch or ATM in Bangladesh.

Home delivery

With the help of the organization's staff, the customer can open an account from the comfort of the organization's living room. We will also deliver you organization's chequebook to the organization's home absolutely free of charge.

Hexagon

Hexagon is the Bank's electronic banking system. All the customer need is the software, a computer and a modem to be able to operate the organization's accounts from anywhere in the world 24 the organization's a day.

Savings account

The organization's savings account is a unique product as it allows the customer to do any number of transactions without any charges or penalties being incurred or credit interest lost. the organization's savings account accumulates interest on the organization's daily credit balance and is paid half yearly. A free chequebook and ATM card are provided.

There are no service charges or ledger fees if the customer maintains an average balance of BDT25,000.

Current account

If the customer wants more flexibility with you organization's cash, this is the account for the customer. A free chequebook and ATM card are provided.

Time deposits

We offer a wide range of Time Deposit; products and the organization's interest rates are some of the most competitive in the market.

Personal secured credit

The customer has the flexibility to borrow funds against you organization's long-term investments and Government Savings Certificates at a very competitive rate and with minimal fees. This enables the customer to meet short-term commitments without encashing you organization's long-term investments.

Investment loan

The organization's Investment Loan is a simple and convenient savings plan that enables the customer to invest in Government Savings Certificates, which offer a higher rate of return.

Personal installment loan

The organization's Personal Installment Loan is an all-purpose loan designed for regular monthly income earners. It offers a competitive interest rate to meet any personal need. Cash security or personal guarantee is not required to obtain the loan.

Car loan

If you organization's most cherished desire is to own a car, the organization's Car Loan can help the customer turn that dream into reality. We offer a loan up to 70% of the car value.

Cash security or personal guarantee is not required for the loan. Cars can also be insured at discounted rates.

Education loan

Whether the customer want to achieve higher education for you organization's self or provide you organization's child with the best education available, come and discuss it with us. The organization's Education Loan can help the customer accomplish you organization's objective. Cash security or personal guarantee is not required.

Contact centre Call the organization's Contact Centre (numbers given overleaf) in Dhaka or Chittagong for information about the organization's Personal Banking products and services. For calls after office the organizations, leave a message with your organization's name and contact number and we will get back to the customer as soon as possible.

The latest adding to its product

ATMs

The organization's ATMs are reliable and sophisticated. There are currently five ATM locations in Bangladesh: Motijheel, Guishan, Dhanmondi, Uttara in Dhaka and Agrabad in Chittagong.

Terms and Conditions

In these terms and conditions to which the use of ATM Cards will be Subject, "ATM Card,," shall mean any card issued to the cardholder by the Bank which may be used to effect banking transactions by electronic means whether at automated teller machines ("ATM"). "Cardholder's Account" shall mean any account nominated by the cardholder in respect of the ATM Card.

- The ATM Card is and will be at all times, the property of the Bank. The Bank reserves the right to withdraw, at its discretion, the ATM Card and/or any of the
- Services thereby offered at any time without prior notice. The ATM Card shall only be used by the Cardholder and is not transferable and cannot be pledged or changed as a security in any manner whatsoever.
- The Cardholder will be responsible for all transactions effected by the use of the ATM card, whether authorized by the Cardholder or not.
- The Cardholder's account will be debited with the amount of any withdrawal, transfer and/or other transactions effected by use of the ATM card. The Cardholder will maintain sufficient fund-@-.in the Cardholder's account to meet any such transactions.
- The Personal Identification Number (PIN) issued to the Cardholder for use with the ATM card and any number(s) substituted by the Cardholder for that purpose ("PIN") are strictly confidential. PINS should not be disclosed to any third party under any circumstances or by any means whether voluntarily or otherwise. The

Cardholder should not keep any written record of any PIN in any place or manner, which may enable a third party to use the ATM card.

- The loss or theft of the ATM card should be reported to the Bank immediately and confirmed in writing as soon as possible. The Cardholder will be responsible for all transactions effected by use of the ATM card until such notification. The Bank will debit the Cardholder's account with any cost incurred in issuing a replacement ATM card.
- Where a Cardholder wishes to withdraw the Bangladesh Taka (BDT) equivalent held in credit that Cardholder's US Dollar or Pound Sterling account, the exchange rate to
 - be applied shall be that prevailing and offered to customers in the Bank at the time of the withdrawal.
- The Bank will credit deposits to your account after verification. Cheques, although credited to your account, are accepted for collection only. The proceeds will not be made available until the cheques have cleared / proceeds collected. No cash in any foreign currency can be deposited. For any cash / cheques deposits, Bank's confirmation of the amount will be final and that amount will be credited to your account. No complains in this regard will be accepted.
- The Bank will not be liable for any failure to provide any service or to perform any obligation hereunder involving the ATM card where such failure is attributable to the malfunction or the failure of the ATM Card or ATM machine or to any dispute, which the Bank may have with the Cardholder. The Bank will not be liable for any losses or damages whatsoever arising from or related to the use of the ATM card or the ATM machine.



- The Cardholder's account will be debited with such charges, as the -Bank may from time to time consider reasonable in respect of the ATM card provided that prior notice of such charges is given to the Cardholder.
- The Bank reserves the right to add to, delete and/or vary any of these Terms and Conditions upon notice to the Cardholder. Use of the ATM Card after the date upon which any change to these Terms and Conditions is to have effect (as specified in the Bank's notice) will constitute acceptance without reservation by the Cardholder of such change. Lf the Cardholder does not accept any proposed change, the ATM card must be returned to the Bank prior to the date upon which such change is to have effect. The Cardholder's use of the ATM Card shall at all times be subject to the Terms and Conditions in force for the time being.
- Any notice **hereunder sent** by post will be deemed to have been received by the Cardholder within 7 (seven) days of posting to the address last notified in writing to the Bank by the Cardholder. Publication of change by such means as the Bank may consider appropriate will constitute effective notice to the Cardholder thereof.
- If more than one person signs or agrees to be bound by these Terms and Condition. The obligation of such persons hereunder will be joint and several and, as the context-they require words herein denoting the singular only will be deemed to include the plural. Any notice hereunder to any one such person will be deemed effective notification to all such persons.
- The Bank's record or transactions processed by the use of the ATM card shall be conclusive and binding for all purposes.

- The Bank reserves the right to cancel or refuse to reissue, renew or replace the ATM card without giving any reasons therefore and without any prior notice to the Cardholder.

3.8) Competitive Advantages of HSBC

The theory of competitive advantages is a perspective on business strategy that helps in decision making on key issues such as which market to serve and how to expand the activities. Competitive advantages refer to proprietary assets – new technology, a superior business location and other facilities, for example, that allow them to achieve higher profit with lower cost and lower risk. The proprietary assets of HSBC can be grouped in the following categories:

General competitive advantages:

- 1) Goodwill
- 2) Economies of scale in Customer Service
- 3) Economies of scale in fund raising
- 4) Economies of scale in purchasing
- 5) Economies of scale in advertising
- 6) Human Resources

Goodwill:

The name HSBC represents itself as the premiere global bank. It has been able to create enormous goodwill by its quality services as a worldwide financial institution.

Economies of scale in customer service:

The HSBC renders diversified services to its customers. Its online gives them access to their account from anywhere HSBC have a branch. Operating cost also goes down due to bulk of customers.

Economies of scale in fund raising:

As one of the largest financial institution of the world, HSBC, Bangladesh can overcome the fund rising problem by borrowing from the subsidiaries and other group members.

Economies of scale in purchasing:

As a reputed global financial institution, the HSBC Bangladesh attains economies of scale in purchasing as the suppliers offer more discounts to this organization.

Economies of scale in advertising:

The HSBC Bangladesh uses same sort of advertising policy and uses their global image for advertising.

Human Resource of the organization:

HSBC's Human Resource of the organization have been drawn from qualified candidates who are committed to improve the quality of products and services. Management is also successful in creating a working environment, which attracts quality candidates.

3.9) Multinational/Global competitive advantages

As a global bank, the HSBC has attained some global competitive advantages. These are:

- 1) Multinational marketing capabilities
- 2) Multinational financing
- 3) Multinational access to technology
- 4) Multinational experience of operation

Multinational marketing capabilities:

Being a global bank, the HSBC enjoys the multinational marketing capabilities. In its two and half year's operation in Bangladesh, it has been successful in attracting savings and deposits of savers and investors and also the corporate sector to invest.

Multinational financing:

The HSBC, Bangladesh enjoys the opportunity of multi – financing sthe organization'sce. The HSBC Group members come forward to assist in overcoming the deficit.

Multinational access to technology:

Technical Services Department of HSBC group develops their own software and as one of the Group members, HSBC Bangladesh has access to that technology.

Multinational experience of business:

As HSBC Group has branch in South - East Asian countries, HSBC Bangladesh enjoys the advantages of managerial know-how in dealing with business situation.

CHAPTER 4: An Appraisal of the Financial Performance of the Hongkong and Shanghai Banking Corporation Limited (HSBC)



4.1) DEPOSIT MOBILIZATION:

Deposit mobilization means campaigning and attracting customers to deposit their money in the bank. Banks mobilize deposits by making finances and by investing in various financial markets. Basically deposit mobilization is related to the creation of credits. The Hongkong and Shanghai Banking Corporation Limited (HSBC) always arrange special features to attract the customers to deposit in the bank.

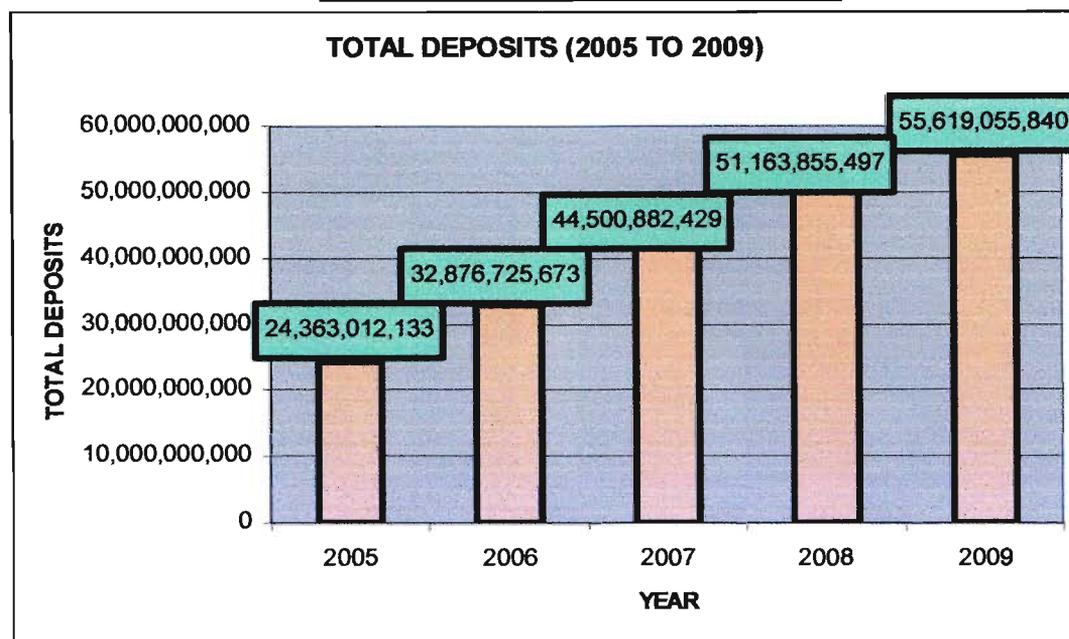
The overall structures of deposits from 2006 to 2009 of the Hongkong and Shanghai Banking Corporation Limited are given below:

Table 1 : Structures of deposits (2006 to 2009)

Deposits and Other Accounts				
	2006	2007	2008	2009
Current Deposits and other accounts:				
Current account/Al- wadeeah current deposits	2,890,898,527	4,295,037,743	4,271,515,812	6,322,042,713
Foreign currency deposits	2,464,186,452	8,577,337,426	1,582,254,315	3,856,487,446
Sundry deposits	1,645,798,143	2,082,144,434	1,989,879,360	3,542,572,769
	7,000,883,122	14,954,519,603	7,843,649,487	13,721,102,928
Bills Payable:				
Cashiers order issued	190,851,948	288,662,658	381,404,935	493,827,320
Drawings payable	127,788,418	214,726,978	169,830,237	251,197,355
	318,640,366	503,389,636	551,235,172	745,024,675
Savings Deposits	7,718,227,353	8,023,002,672	8,605,863,282	11,304,131,307
Term Deposits:				
Short Term Deposits	3,317,358,977	5,232,411,772	9,402,673,470	11,316,537,842
Term Deposits	14,521,615,855	15,787,558,746	24,760,434,086	18,532,259,088
	17,838,974,832	21,019,970,518	34,163,107,556	29,848,796,930
	<u>32,876,725,673</u>	<u>44,500,882,429</u>	<u>51,163,855,497</u>	<u>55,619,055,840</u>

A strong deposit base is necessary for the success of a Bank. During the year 2009 the Bank mobilized a substantial amount of deposits of BDT 55,619,055,840. In 2006, the total deposit was the lowest one compare to other three years, which was BDT 32,876,725,673.

Figure: 1 Total Deposits (2005 to 2009)



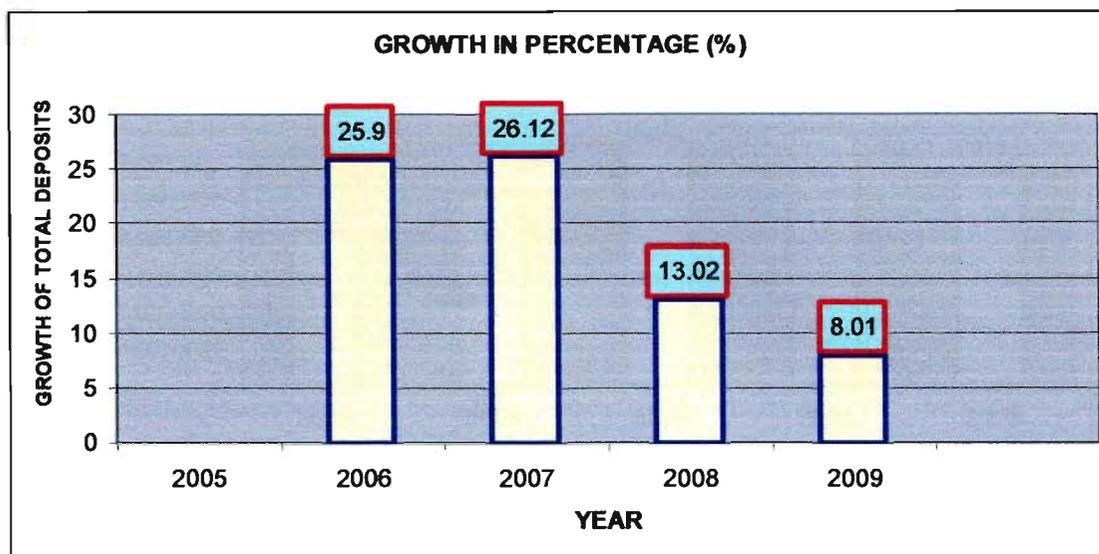
From the figure 1, it is reflecting that in the year 2009, the total deposits was the highest, BDT 55,619,055,840 and in the year 2005, it was the lowest, BDT 24,363,012,133. From the above diagram we can comment that, the total deposit is following an increasing trend. Every year, it is going upward which is indicating the positive business pattern of the bank.

Table 2: Total deposits (2005 to 2009)

YEAR	TOTAL DEPOSITS (BDT)	GROWTH (BDT)	GROWTH IN PERCENTAGE (%)
2005	24,363,012,133	-	-
2006	32,876,725,673	8,513,713,540	25.90
2007	44,500,882,429	11,624,156,756	26.12
2008	51,163,855,497	6,662,973,068	13.02
2009	55,619,055,840	4,455,200,343	8.01
AVERAGE GROWTH IN PERCENTAGE			18.26

From the chart, it is visible that the total deposits are following an increasing trend. Every year the total deposit is going upward but if we look at the growth pattern, then it is visible that, the growth is not rising in a positive manner. Rather, it has increased in 2007 and then it had started to fall down.

Figure 2: The Growth of the Total Deposits (2005 to 2009)



From the above figure 2, it is reflecting that, every year, growth of the total deposits is declining. In the year 2007, the growth of the total deposits was the highest, 26.12% and in the year 2009, the growth of the total deposits was the lowest, 8.01%. From 2006 to 2007, the growth of the total deposit is showing the positive trend. But after 2006, the growth of the total deposits is going downwards.

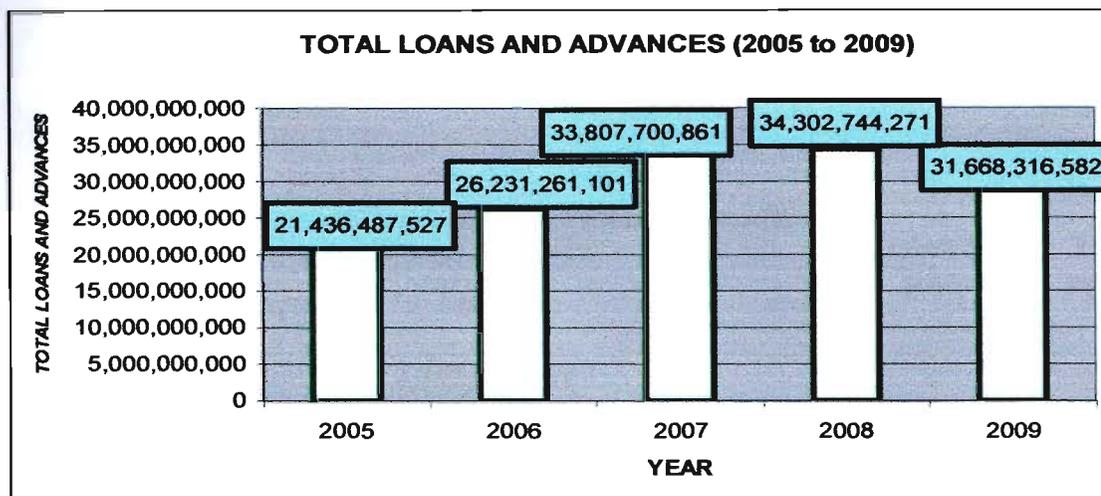
4.2) LOANS AND ADVANCES:

According to the industry wise loans classifications, the Hongkong Shanghai Banking Corporation Limited has been providing loans as, Staff loans, Home mortgages loans, Car loans, Personal loans, Overdraft for retail, Overdraft for corporate, Term loans, Import loans. From the year 2006 to 2009, the overall loans and advances structures are given below:

Table 3: The Loans and Advances (2005 to 2009)

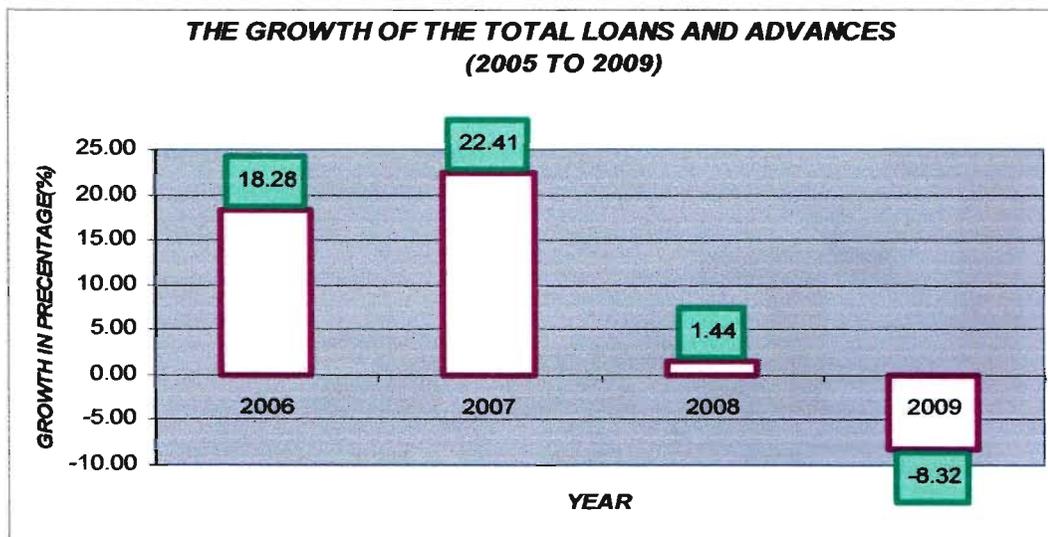
YEAR	TOTAL LOANS AND ADVANCES	GROWTH IN BDT	GROWTH IN PERCENTAGE(%)
2005	21,436,487,527	-	-
2006	26,231,261,101	4,794,773,574	18.28
2007	33,807,700,861	7,576,439,760	22.41
2008	34,302,744,271	495,043,410	1.44
2009	31,668,316,582	-2,634,427,689	-8.32
AVERAGE GROWTH OF THE TOTAL LOANS AND ADVANCES			8.45

Figure 3: Total Loans and Advances (2005 to 2009)



In the year of 2008, the bank had provided the highest amount of loans and advances, which was BDT 34,302,744,271, and in the year of 2005, the bank had provided the lowest amount, which was BDT 21,436,487,537. From the diagram it is visible that, from the year 2005 to 2008, the total loans and advances were going upward but in 2009, it had started to fall.

Figure 4: The Growth of the Total Loans and Advances (2005 to 2009)



From the figure 4, it is reflecting that, the trend of the growth of the loans and advances is negative. From the year 2006 to 2007, it has shown the positive trend. The growth of the total loans and advances were rising but afterwards it had started to fall down. In 2007, the growth was the highest, 22.41% and in 2009, it is the lowest, (8.32%).

4.3) INVESTMENTS:

In accordance with the Bangladesh Bank guideline the Bank has the following securities:

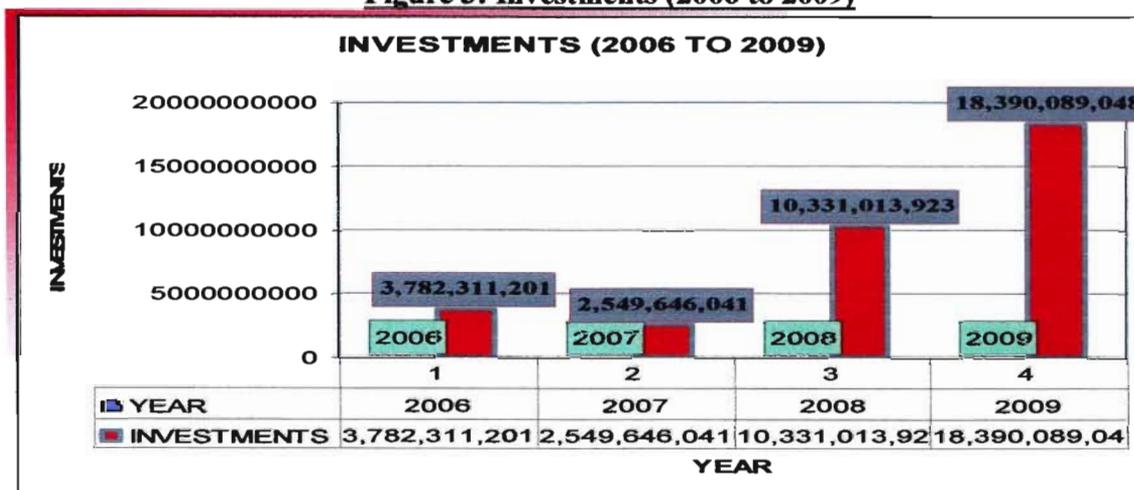
- * Held to Maturity (HTM)
- * Held for Trading (HFT)

Table 4: Investments (2006 to 2009)

YEAR	INVESTMENTS	GROWTH IN BDT	GROWTH IN PERCENTAGE (%)
2006	3,782,311,201	-	-
2007	2,549,646,041	1,232,665,160	-48.34652105
2008	10,331,013,923	7,781,367,882	75.32046651
2009	18,390,089,048	8,059,075,125	43.82292606
AVERAGE GROWTH OF THE INVESTMENTS			23.59895717

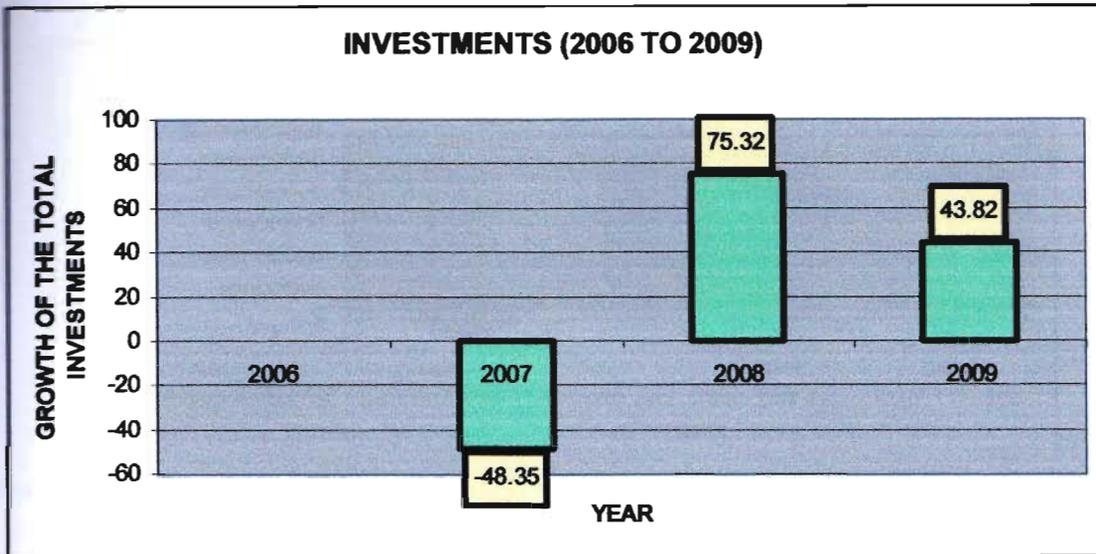
From the table 4, we can see that, in the year 2007, the bank had done the lowest investment of BDT 2,549,646,041 and in the year 2009, the bank had done the highest investments of BDT 18,390,089,048.

Figure 3: Investments (2006 to 2009)



From the above figure 3, it is visible that, from the year of 2006 to 2007, the bank had done the lowest investments but after 2007, the total investments of the bank have increasing every year. It is showing the positive trend. In 2009, the bank had the huge investments of BDT 18,390,089,048. Looking at the diagram, we can see that, prospect of the bank is good.

Figure 4: Growth of the Total Investments (2006 to 2009)



From the figure 4, it is reflecting that in 2008, the growth of the investments of the bank was the highest, it was 75.32%. After that in 2009, the growth of the investments of the bank was the second highest, it was 43.82%.

4.4) FIXED ASSETS:

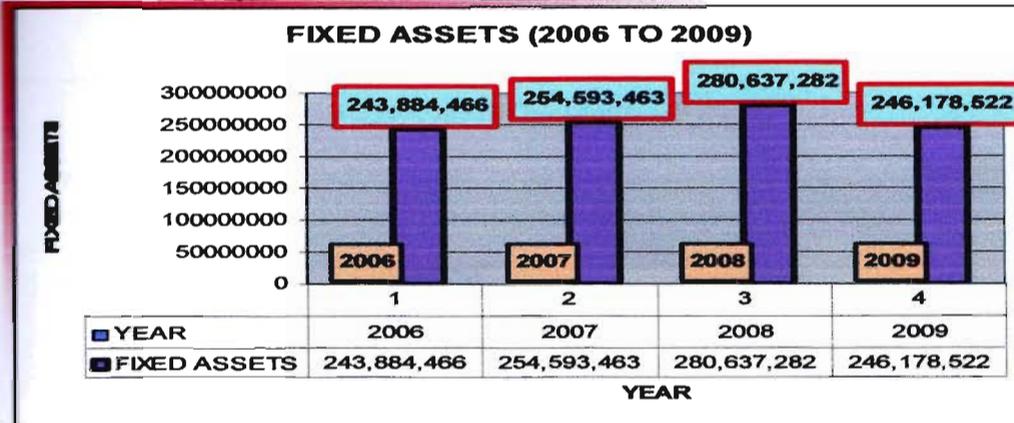
The bank has the fixed assets in the form of premises, furniture and fittings, equipments, motor vehicles, computers etc.

Table 5: Fixed Assets (2006 to 2009)

YEAR	FIXED ASSETS	GROWTH IN PERCENTAGE (%)
2006	243,884,466	-
2007	254,593,463	4.21
2008	280,637,282	9.28
2009	246,178,522	-14.00
AVERAGE GROWTH OF THE FIXED ASSETS		-0.17

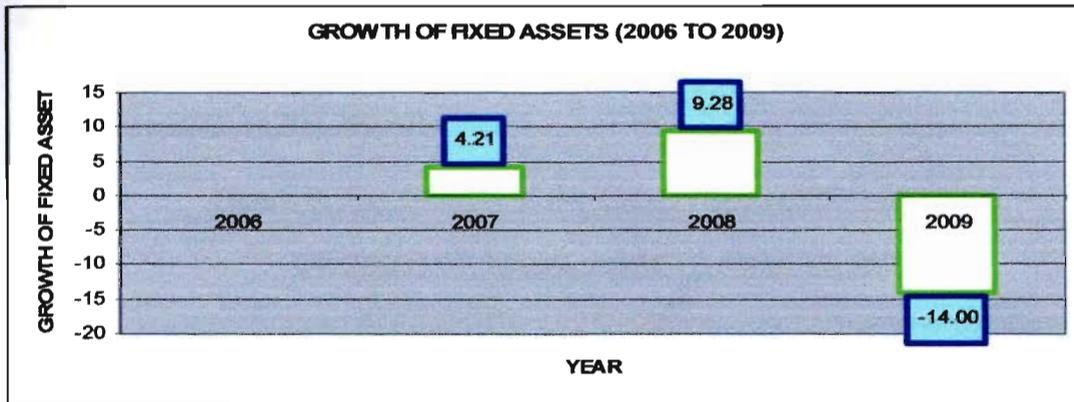
From the table 5, we can see that the bank had purchased the highest amount of fixed assets in 2008 and the lowest amount of fixed assets in 2006.

Figure 5: Fixed Assets (2006 to 2009)



From the above diagram we can see that, in the year of 2008, the bank holds the highest volume of fixed assets, which is of BDT 280,637,282. In 2006, the bank holds the least volume of fixed assets, which is of BDT 243,884,466

Figure 6: The Growth of Occupying Fixed Assets (2006 to 2009)



From the figure 6, it is reflecting that in 2008 the bank had occupied the highest volume of fixed assets; the growth rate was 9.28%. In 2009, it had occupied the lowest volume of fixed assets; the growth rate was only (14%)

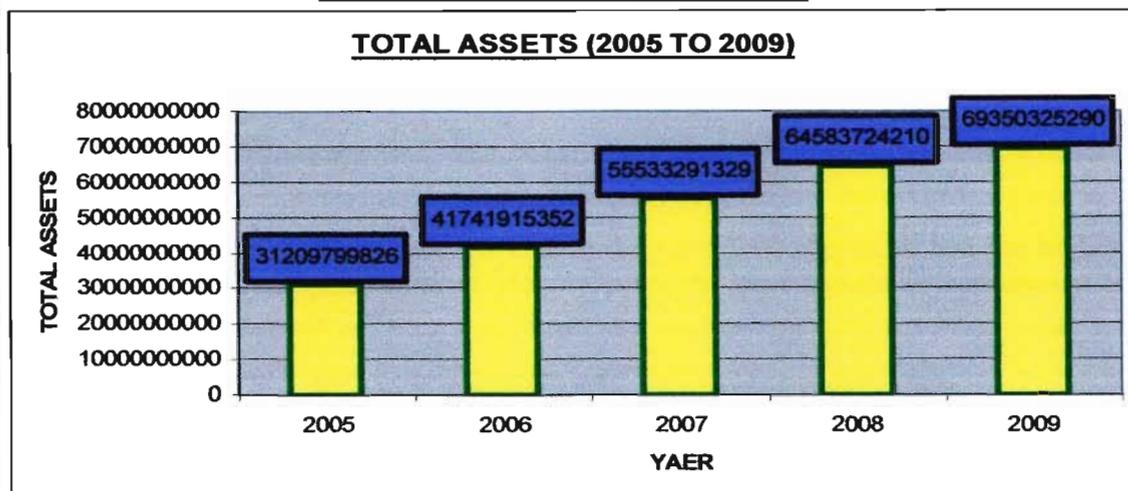
4.5) Total Assets:

Table 6: Total Assets (2005 to 2009)

YEAR	TOTAL ASSETS IN BDT	GROWTH IN PERCENTAGE (%)
2005	31209799826	
2006	41741915352	25.23150995
2007	55533291329	24.83442931
2008	64583724210	14.01348868
2009	69350325290	6.87322094

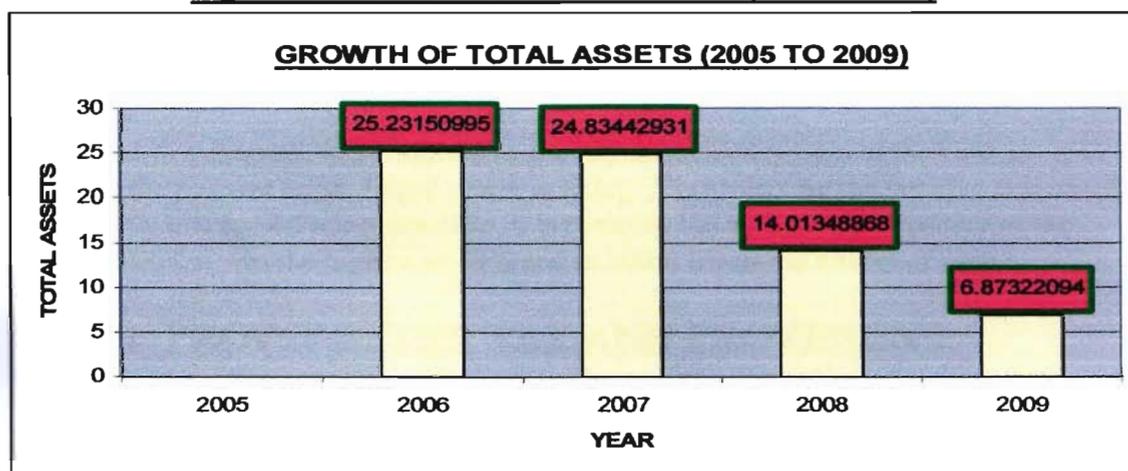
From the table 6, we can see that, in 2009 the total assets of the bank was the highest and in 2005, the bank had the lowest assets.

Figure 7: Total Assets (2005 to 2009)



From the above diagram 7, we can see that, in 2009 the total assets of the bank was the highest and in 2005, the bank had the lowest assets in 2005. The diagram is showing the positive trend of having the total assets. Every year, the total assets of the bank are increasing. In 2009, the total assets were BDT 69,350,325,290 and in 2005, the total assets were BDT 31,209,799,826.

Figure 8: The Growth of the Total Assets (2005 to 2009)



From the above figure 8, the growth of occupying the total assets of the bank is showing the negative trend. In the year 2006 to 2007, it was increasing but after 2007, the growth of total assets started to fall down. In 2007, the growth was the highest, 24.83% and in 2009, the growth of the total assets was the lowest, 6.87%.

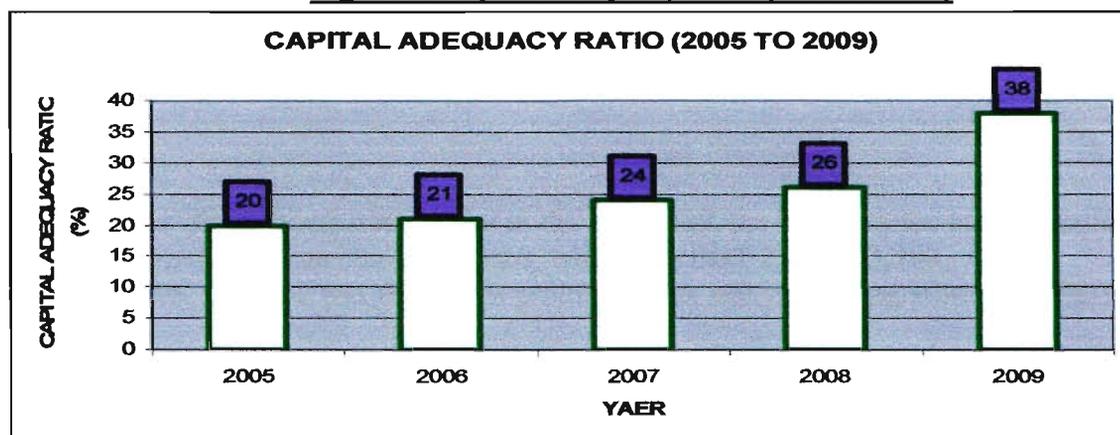
4.6) Capital Adequacy Ratio:

Table 7: Capital Adequacy Ratio (2005 to 2009)

YEAR	CAPITAL ADEQUACY RATIO (%)
2005	20
2006	21
2007	24
2008	26
2009	38

From the above table 7, we can see that in the year 2009, the bank had the highest amount of capital adequacy ratio of 38%. In 2005, the bank had the lowest amount of capital adequacy ratio of 20%.

Figure 9: Capital Adequacy Ratio (2005 to 2009)



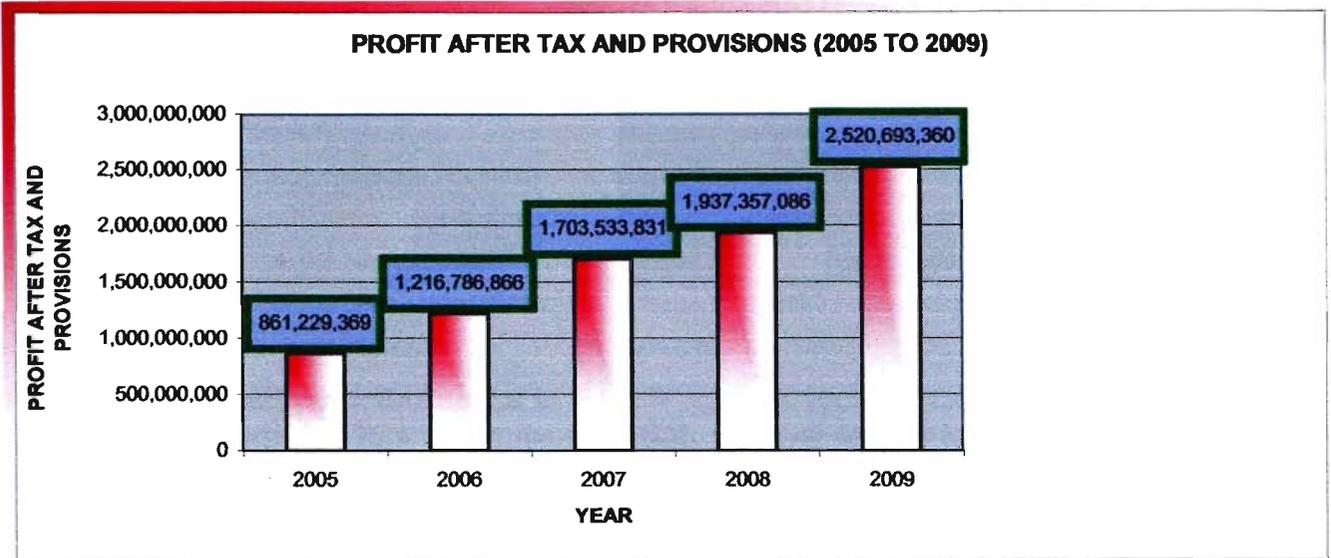
From the above diagram, it is visible that, the capital adequacy ratio of the bank is following the positive trend. Every year it is rising. It is projecting the positive manner of the bank. By this capital adequacy ratio, it is meaning the sufficiency of capital of the bank. In 2009, it was the highest of 38% and in 2005; it was the lowest of 20%.

4.7) PROFIT AFTER TAX AND PROVISIONS:

Table 9: Profit After Tax and Provisions (2005 to 2009)

YEAR	PROFIT AFTER TAX ND PROVISIONS
2005	861,229,369
2006	1,216,786,866
2007	1,703,533,831
2008	1,937,357,086
2009	2,520,693,360

Figure 10: Profit After Tax And Provisions



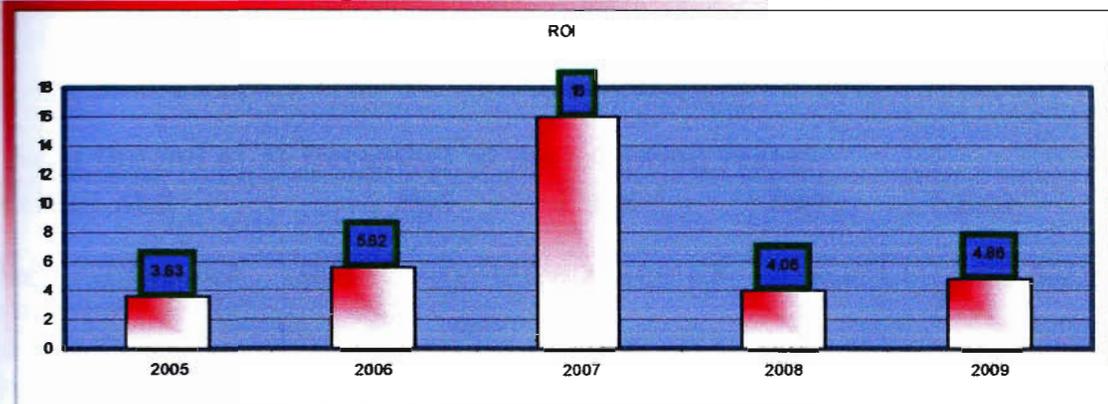
From the above diagram, we can see that in the year 2009, the bank had the highest profit after tax and provisions than other four years, which was BDT 2,520,693,360. In the year 2005, the bank had the lowest profit after tax and provisions, which was BDT 861,229,369.

4.8) RETURN ON INVESTMENT (ROI):

Table 10: Return on Investment (ROI) (2005 TO 2009)

YEAR	ROI
2005	3.63
2006	5.62
2007	16
2008	4.06
2009	4.86

Figure 11: Return on Investment (ROI)



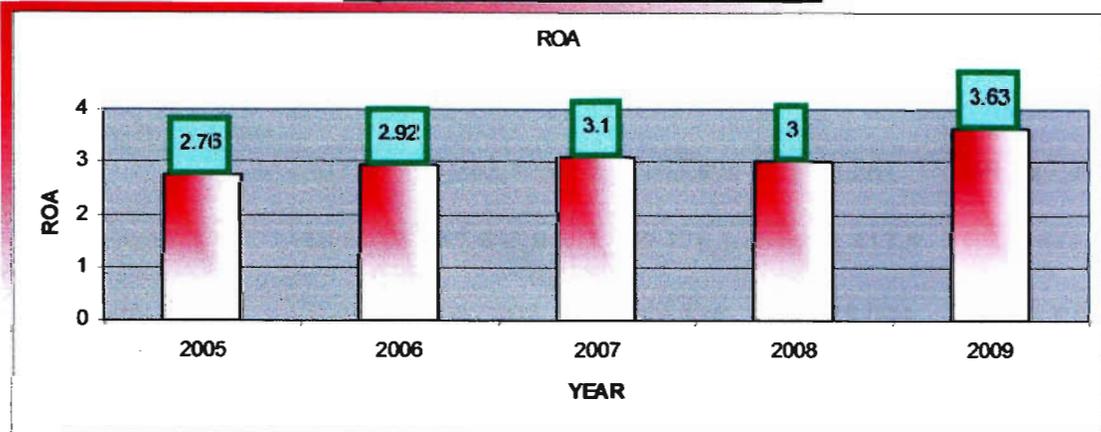
From the above chart, it is reflecting that in the year 2007, the bank had the highest return on investment, which was 16% and in the year 2005, the bank had the lowest return on investment, which was 3.63%.

4.9) RETURN ON ASSETS (ROA):

Table 11: Return on Assets (ROA)

YEAR	ROI
2005	2.76
2006	2.92
2007	3.1
2008	3
2009	3.63

Figure 12: Return on Assets (ROA):



From the above table, it is reflecting that in the year 2009, the bank had the highest return on assets, which was 3.63 and in the year 2005, the bank had the lowest return on investments, which was 2.76.

4.10) THE FINANCIAL HIGHLIGHTS (2005 to 2009)

As at the end of 31 December of the following years:

Sl. No.	PARTICULARS		2005	2006	2007	2008	2009
1	Capital- fund deposited with Bangladesh Bank	BDT	2,480,748,085	2,581,016,848	2,565,024,160	2,577,602,679	2,589,821,812
2	Total capital including retained earnings	BDT	4,077,123,187	5,892,132,567	7,987,805,474	9649,320,438	11,370,564,046
3	Surplus/ (deficit) capital	BDT	2,506,060,512	3,377,334,313	4,613,221,685	5,871,788,049	8,404,366,595
4	Capital adequacy ratio	%	20	21	24	26	38
5	Total assets	BDT	31,209,799,826	41,741,915,352	55,533,291,329	64,583,724,210	69,350,325,290
6	Total deposits	BDT	24,363,012,133	32,876,725,673	44,500,882,429	51,163,855,497	55,619,055,840
7	Total loans and advances	BDT	21,436,487,527	26,231,261,101	33,807,700,861	34,302,744,271	31,668,316,582
8	Total contingent liabilities	BDT	16,941,067,093	21,325,835,688	19,534,722,548	30,243,116,602	37,839,821,818
9	Advances/ deposits ratio	%	88	80	76	67	57
10	Classified advances as of total advances	%	0.1974	0.05	1.28	2.04	1.46
11	Profit after tax and provisions	BDT	861,229,369	1,216,786,866	1,703,533,831	1,937,357,086	2,520,693,360
12	Amount of provision against classified loans	BDT	225,173,960	234,724,572	431,878,561	597,310,009	353,937,123
13	Amount of provision against unclassified loans	BDT	281,950,947	535,707,630	748,756,659	-----	-----
14	Provision surplus/ (deficit)	BDT	198,242,723	231,163,898	5,232,261	191,187,497	5,570,224
15	Interest expenses	BDT	1,012,936,940	1,398,178,180	1,811,457,549	2,219,618,634	2,214,264,104
16	Interest bearing assets	BDT	27,062,207,032	33,983,424,886	41,148,004,975	59,366,810,694	63,383,087,867
17	Non-interest bearing assets	BDT	4,147,592,794	7,758,427,466	14,385,286,354	5,216,913,516	5,967,237,424
18	Return on investment (ROI)	%	3.63	5.62	16	4.06	4.86
19	Return on average investment (ROAI)	%	-----	-----	-----	6.45	9.50
20	Return on Assets (ROA)	%	2.76	2.92	3.1	3.00	3.63

CONCLUSION

Although the HSBC group has started its operation in Bangladesh about the organization's years ago, it has been successful in creating an excellent job environment. The employees feel proud for being associated with the Group and they feel strong affiliation for their organization. It has also been successful in creating loyal staffs who maintains Group's confidentiality. But as the foreigners hold most of the key positions, where Bangladeshi nationals are competent enough, Bangladeshis may feel neglected and it may give rise to a frustration among them. So, appointing a manager in a branch, Bangladeshis should be given priority if they meet the requirement, because, Bangladeshi people are well - known about their country's socio-economic condition from the foreigners.

REFERENCE

1. Annual Reports (2005 to 2009)
2. <http://www.hsbc.com.bd/1/2/>
3. Audited Financial Statements of HSBC for the year ended 31.12.2009
4. Brochures of HSBC