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**Customer satisfaction for
Credit Management at
Standard
Chartered Bank**

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Project Report

**Customer satisfaction for Credit Management at
Standard Chartered Bank**

Prepare For

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Letter of Transmittal

September 06, 2003

Mr. Dr. Golam Ahmed Faruqui
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Dear Sir:

Here is the project paper on "Customer satisfaction for Credit Management at Standard Chartered Bank" that I had selected at the beginning of this semester.

It is a piece of good luck for me to prepare this project paper under your kind guidance since it gave me the opportunity to explore the different kinds of service standards and perception of customer and their satisfaction level as for as Standard Chartered Bank is concerned. I have tried my best to compile the information for you as comprehensive as possible.

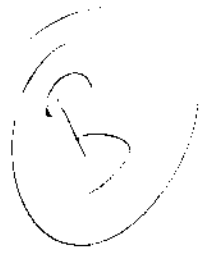
My grateful thanks to them who helped me with relevant data and information related to the services offered by Standard Chartered Bank. I have truly enjoyed this assignment and shall be pleased to provide my kind of further clarification on this project paper whenever necessary.

Thank you.

Cordially

Nazrul Islam

Muhammad Nazrul Islam
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Does not match with
the topic and
presentation!

Acknowledgment

This project paper would not been possible to prepare without the kind cooperation of some very special people. First of all I would like to express my platitude to my supervisor Mr. Dr. Golam Ahmed Faruqui for assisting me to prepare such a practical paper. I would also me to prepare such a practical paper. I would also like to thanks Dr. Musa, East West University for his kind and friendly guidance in carrying out the research part of this paper.

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Table of contents

1.0 Introduction	01
1.1 Origin of the Report	01
1.2 Objective of the Report	01
1.3 Scope	01
1.4 Methodology	01
1.4.1 Selection of Sampling	02
1.4.2 Data Collection Method	02
1.4.3 Data Analysis Method	02
1.5 Abbreviation	03
1.6 Report Preview	04
2.0 Organization Part.	05
2.1 The Standard Chartered Bank: A Global	05
2.1.1 Introduction	05
2.1.2 Globally, the Key Resources of Scb Include	05
2.1.3 The Global Strategies of Scb Are	05
2.1.4 Board Of Directors	06
2.1.5 Company Image and Logo	06
2.2 Business Activities of Global Scb	06
2.2.1 global Consumer Finance	06
2.2.2 Personal Banking	07
2.2.3 Global Corporate Banking & Institutional Banking	07
2.2.4 Global Custodial Service	07
2.2.5 International Trade Management	07
2.2.6 Global Cash Management	08
2.2.7 Global Institutional Banking	08
2.2.8 Global Treasury	08
2.2.9 Global Electronic Banking	09
2.2.10 Mocatta	09
2.2.11 Mocatta Bullion	09
2.2.12 Problem Country Debt Unit	09
2.3 Historical Background of Scb	10
2.4 The Standard Chartered Bank in Bangladesh	12
2.4.1 Background of Scb in Bangladesh	12
2.5 The Organization Structure	13
2.5.1 Chain Of Command	14
2.5.2 Management	15
2.5.3 Personnel Policies	16
2.5.3.1 Recruitment, Training and Career Progression in Scb	16.
2.5.3.2 Controlling and Firing Of Employees	17
2.5.3.3 Advancement and Promotion	17

2.5.3.4 Employee Benefits	17
2.5.3.5 Quality Control and Inspection	19
2.6 Activities of Scb	19
2.6.1 the Business Activities of Scb	19
2.6.1.1 Corporate Banking Group	19
2.6.1.2 Treasury	20
2.6.1.3 Institutional Banking Group	21
2.6.1.4 Consumer Banking	21
2.6.1.5 Custodial Services: The Equator	21
2.6.2 The Support Division of Scb	22
2.6.2.1 Operations	22
2.6.2.2 Finance, Administration and Risk Management	23
2.6.2.3 Information Technology Centre	23
2.6.2.4 Human Resource Department	23
2.6.2.5 Legal and Compliance	23
2.6.2.6 External Affairs	24
2.6.2.7 Credit	24
2.6.3 Social Welfare Activities	24
2.7 Products and Services of the Bank	24
2.7.1 Corporate Banking	25
2.7.2 Treasury	26
2.7.2.1 Foreign Exchange	26
2.7.2.2 Money Markets and Investment	27
2.7.2.3 Institutional Banking (Ib)	27
2.7.2.4 Vostro Accounts:	27
2.7.2.5 Nostro Accounts	27
2.7.2.6 Handling of Trade Finance Business	28
2.7.2.7 Consumer Banking	28
2.7.3.1 Current Account	28
2.7.3.2 Savings Account	28
2.7.3.3 Extra Value Savings Accounts	28
2.7.3.4 Money Builder	28
2.7.3.5 Cash Line	29
2.7.3.6 24-Hour Money Link Access	29
2.7.3.7 24-Hour Phone Link Access	29
2.7.3.3.8 Instant Fund Transfer	30
2.7.3.9 International Remittance	30
2.7.3.10 Credit Card Services	31
2.7.3.10.1 Benefits of Credit Card	31
2.7.3.10.2 Eligibility to Get a Card.	31
2.7.3.10.3 Repayment of Credit Amount	32
2.7.3.11 Special Services Offered By Scb	32
2.7.3.11.1 Scb Chouse	32
2.7.3.11.2 Tele-Banking	33
2.7.3.11.3 Mobile Banking	33
2.7.3.11.4 Any Branch Banking	33

2.7.3.11.5 Priority Banking	33
2.7.3.11.6 Scb Courier	33
2.7.4 Custodial Services	34
2.8. Marketing	34
2.8.1 Sales	34
2.8.1.1direct Sales	35
2.8.1.2procedures for Developing New Products	35
2.8.1.3advertising and Sales Promotion	36
2.9customer Satisfaction	37
2.9.1the Swot Analysis of Scb	37
3.0 An Overview of Credit Card Collection Department	41
3.1 Introduction	41
3.2 Collection Objectives	41
3.3 Collection Strategy	42
3.3.1 Category Missing Days of Payment	42
3.3.1.1: Delinquency Aging or Account Aging	43
3.3.2 Delinquent Accounts Classification	43
3.3.2.1 Front-End (1-29 Dpd)	43
3.3.2.2 Mid-Range (30-59 Dpd & 60-89 Dpd)	44
3.3.2.3 Hard-Core (90-149 Dpd)	45
3.4 Capacity Planning	46
3.4.1.1 Volume and No of Accounts Wise	46
3.4.2 City Wise	46
3.5 Collection Process	47
3.5.1 Basic Elements	47
3.5.1.1 Service	47
3.5.1.2 Locate	48
3.5.1.3 Contact	48
3.5.1.4 Sell	48
3.5.2 Account Categories	49
3.5.2.1 Non-Starter Delinquent	50
3.5.2.2 over Limit Accounts	50
3.5.2.3 Delinquent Accounts	50
3.6 Collection System	51
3.6.1tele Call Report	51
3.6.2automated Dunning Letters	51
3.6.3 Access Levels	52
3.6.4 Block Codes	52
3.7 Collection Policies	54
3.7.1 Settlement Policy	54
3.7.2 Incentive Management	55
3.7.3 Charge Off/Write off Criteria	56
3.7.4 Provisioning	56
3.8 Collectors Performance	57

3.9 Miscellaneous	57
3.9.1 Reinstatement/Re-Aging	57
3.9.2 Stop Codes	57
3.9.2.1 Automated Stop Codes (Auto Lift)	58
3.9.2.2 Manual Stop Code	58
3.9.2.3 Provision Stop Code	58
3.9.3 Direct Debit Processing	59
3.9.3.1 General Account Debit	59
3.9.3.2 Lien Account Debit	59
3.9.4 Recovery Management	60
3.10 Risk Management and Fraud Control	60
3.10.1 Internal Reports	60
3.10.1.1 Merchant Inquiry	60
3.10.1.2 Assistance through Law Enforcement Agencies	61
3.10.2 Fraud Provisioning, Write-Off	61
4.0 Conclusion and Recommendation	62
4.1 Conclusion	62
4.2 Recommendation	63
4.3. Work Cited	66

Executive Summary

Standard chartered is one of the oldest bank of the country with a wide spread service facilities all over the country. At present it holds the top most position among the multinational banks in the country. Besides consumer banking, Standard Chartered has emerged as sound corporate bank though it's various product and services.

The consumer bank provides credit cards, personal loans, mortgages, deposit taking activity and wealth management services to individuals and medium sized business to individuals and medium sized business. The wholesales bank provides service to multinational, regional and domestic corporate and institutional trade finance cash management, lending, foreign exchange, interest rate management and debt capital market

The collection process of credit cards starts when the cardholder has failed to meet one or more contractual payment (i.e. minimum 5% payment) or exceeds the allocated limit or both. It therefore becomes the duty of the Collection Department to minimize the outstanding delinquent receivable and credit losses.

The collection staffs systematically recovers the cardholder's dues and identify/prevent potential losses, while maintaining a high standard of service and retaining good relations with the customers. It is therefore essential and critical, that collectors are familiar with the computerized system, procedures and maintain effective liaison with other departments within in bank.

1.0 Introduction

1.1 Origin of the report

The BBA Project report is a required course for the students who are graduating from the School of Business of EAST WEST University, Bangladesh. It is a 3 credit hour course with duration of 14 weeks. Students who have completed all the required courses are eligible for this course.

1.2 Objective of the report

- ✦ To know Standard chartered Credit card collection department by using bank's current online service.
- ✦ To know Standard Chartered Credit card collection department's performance regarding Credit card outstanding collection.
- ✦ To suggest ways of improving the service standard that accommodates a rapidly growing customer volume.

1.3 Scope

This study attempts to relate the growing customer base with the standard of online service as perceived by customers. The study is mainly done on perception of the customer of the Standard Chartered bank.

1.4 Methodology

This study is based on both primary and secondary information. To know the collection department questioner was used through the officials and to the performance of the department is based on different software and past data.

1.4.1 Selection of sampling

The sample was selected randomly so that no question of bias would exist. The author collects different data from the Department during officer.

1.4.2 Data collection Method

- **Primary source:** The data on the perception of performance of credit card collection department was prepared by the records of the department and also with help of CARD-400 AND MIS-400. The information on some other services of Standard Chartered was collected through informal discussion with several personnel of Standard Chartered.

- **Secondary source:** The data about the organization and other customer services was collected from some secondary sources like brochures and Standard Chartered magazine and personnel.

1.4.3 Data Analysis Method

Data Analysis was done mostly with the help of Microsoft Excel XP through table and statistical data

1.5 Abbreviation

Abbreviations used throughout the report are as follows:

✦ SCB	Standard Chartered Bank
✦ C400	CARD -400
✦ DPD	Days Past Due
✦ SCG	Standard Chartered Grindlays
✦ SCGB	Standard Chartered Grindlays Bank
✦ ANZ	ANZ Grindlays Bank
✦ HSBC	Hong Kong Sunghai Bank
✦ AMEX	American Express Bank
✦ CSA	Customer Service Advisor
✦ MIS	Management Information System
✦ CC	Credit Card
✦ C/H	Card Holder
✦ PIN	Personal Identification Number
✦ SSC	Sales and Service center
✦ ATM	Automated Teller Machine
✦ PFS	Personal Financial Service
✦ EMI	Equated Monthly Installment
✦ LC	Letter of Credit
✦ NGO	Non-Government Organization

1.6 Report Preview

The report contains four parts. Part one is the Introduction part, which includes objective of the report, scope, limitations, and methodology. Part two the Organizational part gives the idea about Standard Chartered Bank's, historical background a global perspective, operations in Bangladesh, different divisions, banking services specially the card services. Third part contains the Report that mainly discusses about the collection department like collection objective, strategy, planning, and process. The Fourth part contains the author's point of view and some conclusions and recommendations regarding the department.

2.0 Organization Part.

2.1 THE STANDARD CHARTERED BANK: A GLOBAL PERSPECTIVE

2.1.1 Introduction

The Standard Chartered Bank PLC (SCB) is an international banking group which is incorporated in the U. K., with its headquarters in London. The group focuses its activities in Asia, Africa and the Middle East and its operation is segmented under six regions: UK & Europe, Middle East & South Asia, Africa, South East Asia, and The Americas.

2.1.2 Globally, the key resources of SCB include :

- A network of over 600 offices in 48 countries;
- A staff consisting of about 25,000 people managing assets of around 47 billion pounds;
- SCB's international businesses in Personal Banking, Corporate Banking and Standard Chartered Markets are its special strengths;
- SCB also maintains correspondent relationships with over 600 banks in 157 countries around the world.

2.1.3 The Global strategies of SCB are:

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

2.1.4 Board of Directors

There is a nine-teen member board, headed by Patrick Gillam, Chairman. Half of the directors are non executives. Most of the board members are very eminent persons drawn from the boards of world renowned multi-nationals such as Rolls- Royce, British Gas PLC. Etc.

2.1.5 Company image and logo

SCB is a solid, forward looking, and modern foreign bank with a long record of sound performance. It is discarding its erstwhile conservative mould and, in responses to the current dynamic trends in worldwide financial activities, adopting an aggressive customer focused banking system. The effort that SCB makes in order to portray the Bank as a brand image is very strong and successful. The general image of SCB is that it is "trusted, efficient, helpful and committed". The logo of the Bank is presented in (Exhibit SCB 1.2). It can be seen that it depicts the merger of two banks.

2.2 Business Activities of Global SCB

SCB provides a full range of products and services to its customers all around the world, some of which are mentioned below, with a brief overview of the major business activities:

2.2.1 Global Consumer Finance

There are seventy-six branches and finance centers under this division in about ten countries with a workforce of 1,615 employees. Some of the services provided by this division are: unsecured personal loans, credit card & retail store cards, vehicle related leases etc.

2.2.2 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 kind of insurance and loans, accounts, traveler's cheques, cared money etc.

2.2.3 Global Corporate Banking & 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 is operates on a worldwide basis.

2.2.4 Global Custodial Service

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

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

2.2.5 International Trade Management

This division is operational throughout the group and SCB's core strength is trade finance and services. With an experience of over 150 years, SCB has developed knowledge of trade finance which is world class. Principle services to importers are: Import Letters of Credit, Imports Bills for Collection and Back to Back Letters of Credit Facility. Principle services to exporters include: Export Letters of Credit,

Direct Export Bills for Collection, Bulk Letter of Credit Collections, Bonds and Guarantees.

2.2.6 Global Cash Management

This division is operational in all branches, where the Group has a Corporate Banking or Institutional Banking division. There are 100 employees working in this division. Standard Chartered recognizes the importance of Cash Management to Corporate and Financial Institutional customers, and offer a comprehensive range of services such as : Information Management, Payments, Collections, Account Services and Liquidity Management. Services by this division are provided world-wide with stress on Asian delivery.

2.2.7 Global Institutional Banking

Through SCB's network of more than 600 offices in over 40 countries, it is very well positioned to provide a wide range of services of institutional clients; commercial, merchant and central banks; Offices in the 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 a 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.

2.2.8 Global Treasury

SCB is one of the world's leading banks in foreign exchange and money market operations with specialist strengths in exotic currency products. Clients have access to a 24-hour dealing services through 20 dealing rooms in the major financial centers. SCB's "Globe watch" enables customers to monitor for its dynamic

involvement in new financial products such as options, margin trading and derivatives. Global Treasury Centers are located in London, New York, Hong Kong, Singapore and Sydney.

2.2.9 Global Electronic Banking

Electronic Banking provides various types of support through a wide range of operating systems, sweeping transaction accessions 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.

2.2.10 Mocatta

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 these division wit 57 employees and 8 Introducing Brokers generating sales globally.

2.2.11 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.

2.2.12 Problem Country Debt Unit

There is one office in this division with four employees working under 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.

2.3 Historical Background of SCB

Standard Chartered Bank has a history of about 150 years which is briefly narrated below:

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 "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 eminent publications of today. He does saw the advantages of financing the growing trade links with the areas in the east, which no other financial institution was doing at that time.

The "Standard Bank" was founded by another Scot, John Paterson in 1862. He immigrated to Cape Province in South Africa and became a successful merchant before founding "The Eastern Province Herald", which is still published today. Coming from similar background as Wilson, he also saw great trading possibilities between Europe and his adopted country, and together with local business interest he founded the bank.

The two banks expanded and prospered with the time and decided to merge in 1969. On January 30, 1970 the new shares of the Standard and Chartered Banking Group Limited were listed on the London Stock Exchange. The original building of the Chartered bank at 38 Bishopgate was demolished in June 1980 and the new headquarters of the Standard Chartered Bank PLC was opened on the same site by Queen Elizabeth 11 on March 20, 1986. Becoming stronger after the merger, SCB embarked upon serious expansion in Europe and the United States. The Standard Chartered Merchant Bank was built up from a number of acquisitions made during the 1990's. In the last thirty years, SCB experienced continuous growth, which led to SCB being one of the top hundred listed banks in the world. It was also judged the best bank in the Asia-Pacific region in 1993 & 1994, for its continuous growth rate and its excellent service.

Given below is a tree of historical overview of the major events of SCB listed chronologically.

The Chartered Bank

1853: The Chartered Bank of India, Australia and China was incorporated by Royal Charter.
1858: The first overseas branches of the Bank opened in Calcutta, Bombay and Shanghai, followed by Singapore Hong Kong in 1859.
1948: Started its first operation in Bangladesh, Chittagong.
1957: The Chartered Bank acquired the Eastern Bank and its branches in Malaysia, India, Singapore and the Gulf.
1966: The Bank opened its first branch in Dhaka, Motijheel where it still headquartered.

The Standard Bank

1862: The Standard Bank got incorporated in England under the title of The Standard Bank of British South Africa Limited.
1870-1900: The Standard Bank opened in Indonesia in 1863, extended the telegraph to China in 1871, established branches in Philippines in 1872, Malaysia 1875 Japan 1880 and Thailand 1894, The Standard Bank opened 15 branches in South Africa by 1864 and absorbed five other banks 1865. It also established itself in Zimbabwe in 1892.
1901-1914: The Standard Bank opened branches in Lalawi (1901), Zambia (1906), Kenya (1911) and Uganda (1912).
1962: The Standard Bank of South Africa was renamed the Standard Bank Ltd. and transferred its South Africa business to a locally incorporated subsidiary which retained the former name.
1965 : The Standard Bank Acquired the Bank of West Africa Ltd. with over 60 branches in Nigeria about 30 in Ghana and

The Standard Chartered Bank

1969: Merger of the Standard Bank and the Chartered Bank by incorporation of Standard and Chartered Banking Group Ltd.
1973: SCB acquired the Hodge Group, whose operating company later became Chartered Trust Ltd. (1979)
1985: SCB commemorated 125 years of banking in Singapore and Hong Kong.
1985: Parent company of the Group was renamed as Standard Chartered PLC. SCB is a clearing bank wherein the UK clearing system.
1988: Opened the Banani branch in Dhaka, Bangladesh. **1989:** Joint venture agreement was signed with Westdeutsche Landes bank.
1992: Agreement was made in principle with first interstate Group of California to absorb 20 officials in 15 countries, mainly in Latin America and Asia Pacific.
1993: First annual "Best Bank in Asia" award received from "Euro money" magazine.
1994: Representative offices in Hawaii, Vietnam achieved full branches status. SCB Malaysia Berhad incorporated locally in line with national aspirations. Opened the first off-shore banking unit in Savar, EPZ, Dhaka, Bangladesh.
1998: SCB celebrated its 50 years in Bangladesh and opened another branch in Dhanmondi, Dhaka.

2.4 THE STANDARD CHARTERED BANK IN BANGLADESH

2.4.1 Background of SCB 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 South East Asia. The Chartered Bank opened another branch in Dhaka in 1966, where it is still headquartered (see Exhibit SCB 2.1). After the merger of the Chartered Bank with the Standard Bank in 1969, the SCB took up a program of expansion. (It increasingly invested in people, technology and premises as its business grew in relation to the country's thriving economy. In 1993, there was an organizational re-structuring which led to a substantial expansion of the Bank's business. Today the bank has in total four branches in Dhaka apart from the Chittagong branch, including an offshore branch at Savar Export Processing Zone. All the locations and working hours of these branches are given in details in (Exhibit SCB 2.2)

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

Since the organizational re-structuring in 1993, the amount of deposits and loans in 1997, has increased by more than five times illustrates an overall increasing trend of SCB's market share in terms of deposits and advances. In 1995 the market share in terms of advances was 20%, which peaked to 29% in 1996 and in 1997, it fell by 3%. In the case of deposits, the market share of SCB increased from 16% in 1995 to 18% in 1996, and increased by another 2% in 1997.

In terms of profit before taxation, depicts a rise from -8 MBDT in 1990 to its highest amount of 750 M in 1998. The largest increase (438%) took place in 1991. Although the growth rate began to decline gradually since 1993, from 170% to 5% in 1998, the overall increase reflects a substantial positive trend. SCB's growth in terms of profit and market share depicts an overall positive trend.

2.5 The Organization Structure

The SCB in Bangladesh has its headquarters and three branches in Dhaka and one branch in Chittagong. While the full range of services are available at the headquarters, other branches offer specific services appropriate for the location. At the headquarters, the bank mainly consists of two divisions:

- Business
- Support

The business division has the following departments:

- Corporate Banking Group (CBG)
- Treasury (TS)
- Institutional Banking Group (IBG)
- Consumer Banking (CB)
- Custodial Services (CUS)

SCB is primarily corporate driven, more than 40% of its revenue is generated by the corporate banking group while. Treasury contributes more than 20% to the overall revenue and the rest is generated from Personal Banking, Custodial Services and Institutional Banking.

The Support division provides assistance to the above business activities and consist of the following departments:

- Operations
- Finance, Administration and Risk Management.

- Information Technology Centre
- Human Resource Department
- legal and Compliance
- External affairs
- Credit

The Dhanmondi Branch is the head office of Consumer Banking which concentrates on the full services of Consumer Banking such as customer services, credit facilities, locker, information technology, priority banking and remittances. The Banani branch is more like a cash booth offering customer services, teller transactions and remittance customer services but transferring the remittances to Motijheel. The Savar branch is an off-share banking unit, offering services to overseas investors. The Chittagong branch offers Corporate Banking services along with Consumer Banking. The organization Chart is shown in Exhibit SCB 2.6.

All the staff members of SCB belong to an internal trade union known as the "SCB Employees Union" the clauses of which are reviewed and agreed upon every two years. The last agreement was made on January 1st, 1998.

2.5.1 Chain of Command:

The SCB in Bangladesh follows a hierarchical pattern of command. The Chief Executive Officer (CEO), Geoff Williams, is the operating head in Bangladesh, who reports to the Regional General Manager, MESA Zone in Dubai. All the department heads at the headquarters report to the CEO. The branches are headed by a manager or senior manager who reports to the head of the division. However, in Chittagong, since there are two major business activities, each is headed by a manager or senior manager who reports directly to the head of the respective division in Dhaka. The Custodial Service division at the headquarters, reports to the Head of the Corporate Banking Group.

The respective branch managers are responsible for the performance of their unit. Each branch is organized functionally along line divisions with some support facilities and the manager assigns tasks to his/her subordinate personnel and supervises their performance. Instructions are often given without necessary details and clarifications.

2.5.2 Management

The goal of Standard Chartered Bank is to be the "Bankers of first choice ". Towards that goal, the overall planning in the organization is done at the headquarters level in Dhaka by a Management Committee (MANCO), headed by the CEO and consisting of the business heads of Corporate Banking, Consumer Banking and Treasury and, from the support division, heads of Human Resource, Operations and Finance departments. They meet once a month, or when a special situation arises, to plan the strategic decisions of the Bank. The extended management, which includes all the division and departmental heads and senior managers, meet once in two months, where the strategic decisions are relayed and discussed. The decision making, although apparently based on a top-down approach, leaves room for participation down to the level of department heads, which are responsible for carrying out the planning of their department, within the broad guidelines set by MANCO.

Among some of the broad strategic objective are:

- creating a congenial work environment,
- Modernization of the management information system to achieve full automation by drastically reducing paper work in the long-run.
- focusing on service quality and consumer needs,
- recruiting and maintaining top-grade, efficient employees,

- to invest in those technological systems which will upgrade and enhance financial services, and
- Creating a brand image of the Bank.

2.5.3 Personnel Policies:

The number of staff member employed by SCB Bangladesh is 215. A branch wise list of the staff members are shown in (Exhibit SCB 2.7). The number of officers exceeds the number of clerks which is in stark contrast to local banks especially the NCBs. SCB pays great attention to recruiting high quality staff through proper evaluation and improving their skills through structured training. Reward and punishment based on strict performance evaluation and opportunities of promotion both nationally and internationally, are two important features of the personnel policies of SCB.

2.5.3.1 Recruitment, training and career progression in Standard Chartered Bank.

The recruitment process is based on references, advertisements and internship. Entry point screening is done by both a written and an oral test. The medical record of the potential employee is very important and ones suffering from cancer, heart disease or AIDS are not hired. The placement of the staff is done in two ways. Either he/ she undergoes a "management trainee" program, with a probation period of nine months and is categorised as an officer, leading to various managerial jobs or he/she is recruited at non management level as banking assistants/support officers. There is a structured training framework for all the employees, and a channel for moving talented people from national to international positions. International graduate recruitment and personal skills development for entry level employees are a part of the human resource development efforts at the SCB. Additionally there is an MBA program, courses at noted business schools, and incentives for self-development.

2.5.3.2 Controlling and firing of employees:

Performance monitoring is continuous and strict at SCB. The average number of working hours in a week is between forty two to fifty hours. The employees have daily assignments and are required to clear them by the end of the day. The superiors monitor the subordinates, which is facilitated by the seating arrangement in the office.

Control mechanisms involves budgeting, rewarding, punishing, incentives, benchmarks etc. If the offence of the employee is not too strong, he/she is warned prior to the firing process. Reasons for firing may involve : lack of efficiency, not performing to the level of expectation, breaking the Code Conduct set by the organization etc.

2.5.3.3 Advancement and Promotion:

The advancement and promotion of a staff is based on performance. An annual appraisal on staff is done at the end of the year where the assessment is based of fulfilling the SMART objectives which is rated. The assessment process involves eight steps Where it begins with individuals rating a self assessment form and at one point the manger obtains an overall performance, from the ratings of the individual, his own and consulting his own manager.

2.5.3.4 Employee Benefits :

The employees of SCB are paid according to their rank and status at the bank. The remuneration package is comparable to other leading foreign bank. Some of the basic benefits that are provided to the staff members of SCB are briefly stated below:

- Incentive Plans: Incentives at SCB are based on performance. It is assessed by an annual appraisal of the employees. After it is done, if an employee

reaches a certain level of achievement then he/she receives a bonus. Another incentive plan of SCB is the "Spot Bonus". If an employee performs exceptionally well for the interest of the bank, the bonus is awarded on the spot for the achievement.

Finally, there is another type of special incentive called the "Bonanza", though it is not considered to be a part of employee benefit. This incentive plan is activated under special circumstance. For example, recently a "deposit drive" was activated in the bank and 42 staff members were awarded free air-tickets as they managed to attain a certain level of deposits.

- Person plans: SCB does not have any pension plan for the employees.
- Number of paid holidays: SCB allows 30 days paid holiday in a year for each employee.
- Insurance policies: Employees at SCB enjoys excellent medical insurance policy, which also include dental care. SCB does not cover its employees with life insurance.
- Bonuses: SCB gives bonuses to its employees twice a year in the two main religions festivals of the country, namely the two Eids, apart from the performance based bonuses mentioned earlier.
- Recreation facilities: SCB employees can play cricket in one of the major clubs of the country and the club fees are paid for by SCB.
- Employee social functions: SCB arranges events like annual "Picnics" and annual "Sports day" for the employees and their families. Parties are also arranged by SCB for its employees once in two months.
- Employee discounts: SCB has special loan scheme for its employees only, called the "Staff Loan Schemes". This includes loans such as "house loans" and "car loan" facilities.

2.5.3.5 Quality control and inspection :

It is an important function of SCBs management to provide quality services to customers and maintain a good image. Recently, the custodial and clearing division of SCB, Standard Chartered Equitor, was the first financial institution in Bangladesh to be awarded ISO 9002 accreditation. It received the recognition for Equitor quality system, excellence in the provision of custodial services and safekeeping, registration, settlement and corporate actions.

2.6 Activities of SCB

2.6.1 The business activities of SCB

2.6.1.1 Corporate Banking Group :

Standard Chartered offers its local customers a wide variety of financial services. All the accounts of the corporate clients, which mainly comprise the top local and multinational companies operating in Bangladesh, are assigned a relationship manager, who maintains regular and close contact to cater to their needs. The objective of this department is to maintain a thorough knowledge of the client's

Business and develop positive relationships with them. This is maintained through frequent interactions of offer timely advice in an increasingly competitive business environment. The expertise of the Institutional Banking and Treasury groups are also available whenever required. The unique offshore Banking Unit (OBU) in Savar offers a full range of facilities to overseas investors. The Corporate Banking Bangladesh has displayed a spirit of community involvement by working with national NGOs to underwrite soft loans. SCB offers its corporate customers:

- The wide variety of lending needs is catered with skilled and responsive attention.
- Project finance and investment consultancy.
- Syndicated loans.
- Bond and guarantees.
- Local and international treasury products.

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

- Trade finance facilitates including counseling, confirming exports LCs and issuing of import LC, backed by its international branch and correspondent loan network.
- Bonds and guarantees.
- Project finance opportunities for import substitution and export oriented project.

Cash management services are also provided.

2.6.1.2 Treasury

The foreign exchange and money market operation of the SCB 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 SCB's network of dealing centers placed in the principal financial centers of the world. The Bank's treasury specializes in offering solutions to clients who wish to manage interest rate and currency exposures that result from trade, investment and financing activities of other dynamic economies of the region. Its 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) SCB presently controls about 42% of the local foreign exchange market's traded volume.

2.6.1.3 Institutional Banking Group :

The IBG of SCB offers a wide variety of products and services to local banks and financial institutions. It has global links with leading banking institutions and agency arrangements through its network of offices in forty 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 major foreign currencies.
- Convertible taka accounts (these funds are freely convertible to major international currencies)

2.6.1.4 Consumer Banking:

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

2.6.1.5 Custodial Services: The Equitor

Headquartered in Singapore, Standard Chartered Equitor fulfils the group's strategic are commitment to the provision of custodial service in Greater Asia. Equitor customers are primarily foreign global custodians and broker/dealers requiring cross border information as well as sub-custodian services. Bangladesh is responsible for the

Planning in Bangladesh, but the overall management of the custody business is based on Equator's international business strategy.

2.6.2 The Support Division of SCB

2.6.2.1 Operations:

Operations are part of the support division which helps to run the businesses of the bank in a controlled and smooth manner. Since it helps mainly in processing the works of the business units, if any mistakes exist, it can be detected easily and on time. Following are the main functions of the operation 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 loans of the Corporate Banking division.
- Operations also have a department which deals with internal projects that arises from the need to deal with certain problems or to make certain changes. Following are some examples of projects which are being dealt with presently:
 - The implementation of the year 2000 Program (Y2K), ie the millennium issue regarding computers.
 - Business continuation plan project, which is a contingent plan to run the business if any extensors circumstances arise. This involves handling of the situation in the short (1-2 hrs), medium and long terms.
 - The communication centre (ex. SWIFT) is being centralized in Dhaka.

2.6.2.2 Finance, Administration and Risk Management:

The following activities are performed by this support department:

- Administration, audit and back office operation.
- Taking care of taxation and financial control of the Bank.
- Keeping track of overall credit operation.

2.6.2.3 Information Technology Centre:

This department supports other department to implement and prepare computerized reports. Another major duty of this department is to maintain communication with the rest of the world.

2.6.2.4 Human resource Department:

Recruitment, training and career progression plan are managed by this department. SCB highlights the importance of developing its people to create a culture of customer service, innovation, and team-work and professional excellence.

2.6.2.5 Legal and Compliance:

In the UK SCB is regulated by the Bank of England, while in Bangladesh it is regulated by local banking laws and rules set by the Ministry of Finance and Bangladesh Bank. The local restriction involves a license from Bangladesh Bank to operate banking business in Bangladesh. SCB complies by the rules and regulations seriously. It also encourages its staff to conform to an internal culture of ethical behavior and sensitivities to the culture and the religion of the country. There is a mandatory training on a company Code of Conduct for all staff members.

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 (ex. internal audit). A list of all the key laws and regulations that SCB has to follow is shown in Exhibit SCB 2.12, which is relevant to the business operations of the bank in Bangladesh. The list is divided in three parts : (i) Banking and Finance (ii) Company and Securities (iii) Other Commercial and Miscellaneous Legislations.

2.6.2.6 External Affairs:

This department deals with advertising, public relations, promotion, partial marketing which involves disseminating new products and services to customers and above all ensuring service quality.

2.6.2.7 Credit:

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

2.6.3 Social Welfare Activities:

SCB believes in the inter dependence of world communities and hence the need of investing in community welfare. In Bangladesh SCB is a corporate sponsor of the Young Learner's Centre in Dhaka and Chittagong which were started by the British Council. It is also involved in a Fresh Water For Slum Area project with a major NGO.

2.7 Products and Services of the Bank :

Standard Chartered Bank has highly qualified professional staff members, who have the capability to manage and meet all the requirements of the bank. Every account is assigned to an Account Manager who personally takes care of it and is available for discussion and inquiries, whether one writes, telephones or calls. The services of the Bank are personalized and backed by advanced computerization.

The following paragraphs illustrate the essential products and services of the Bank:

2.7.1 Corporate Banking:

The special services of Corporate Banking include:

- Working capital finance-overdrafts, import and export finance, bill discounting.
- Term loan,
- Corporate deposit services.
- Capability to negotiate mix credit/loans from donor agencies.
- Trade finance –full range of services, including overseas short-term funding of imports and the country's only Offshore Banking Unit (OBU) in Savar EPZ.
- Cash Management provides the corporate clients with a full range of cash management products, collections, payments and liquidity products. The Bank has invested substantially on state-of-art technology and processing capability geared towards providing the clients with superior service and efficient transaction processing.
- Large range of payment products including "payable at par" cheques and tax based statutory payments.
- Support services for global/international client needs in Bangladesh and across the border. The Bank has direct working relationships with offices in over 40 countries.

2.7.2 Treasury

The Treasury Division of the Standard Chartered Bank, Bangladesh has a centralized dealing room in Dhaka and consists of the following two areas:

2.7.2.1 Foreign Exchange

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

- **Ready Contracts :**

Foreign exchange contracts for the same day value, next day value or spot transaction.

- **Forward Contracts :**

Foreign exchange contracts to hedge exchange risk.

- **Cross Currency Contracts :**

A wide range of currencies can be traded by the customers.

- **Information Analysis :**

The Treasury Division publishes a weekly currency newsletter which provides analyses of currency trends and related issues. Seminars and workshops are conducted for customers from time to time on foreign exchange-related topics. Customers can also have access to bank's information database round the clock through Phone banking.

2.7.2.2 Money Markets and Investment

SBC's Treasury Division is the local market leader in debt instruments including both short and long-term fund mismatches through the money market and takes front-line position in inter-bank and market developments. The money market is managed through tools like inter bank call money rate, government T-bills of various maturities and inter bank SWAPS. In future new instruments like repo and reverse repo will be introduced which will add to the depth of the money market.

Equipment like Telephone, Voice recorder, money 2000, telex, dealing system, time keeper, swipe doors, computers, fax internet are used to ease and fasten operations of the leaders to conduct deals.

2.7.2.3 Institutional Banking (IB)

It assists the local banks by taking care of their cross-border business through the worldwide SCB network. Following are variety of the financial products offered by this department.

2.7.2.4 Vostro Accounts:

IB Bangladesh maintains Vostro Accounts of banking and financial institutions worldwide. Customers maintaining such accounts can remit funds throughout the country through the SCB branch network as well as through SCB's local correspondent relationships.

2.7.2.5 Nostro Accounts

In order to increase and promote are the correspondent banking business worldwide. IB offers Nostro accounts to Bangladeshi banks and financial institutions in almost all countries spanning the SC global network. Group branches and subsides provide full clearing and payment service in the UK, USA, Hong Kong, Malaysia, Singapore and many African countries. Worldwide payments services are facilitated by a

network of branches supported by electronic cash management (available in select locations), fund transfer system and membership of SWIFT.

2.7.2.6 Handling of Trade Finance Business

IB offers the full range of services available under trade finance to its customers. The SCB network in China, the Far-East, the Middle East, the Indian Sub-continent, Africa, UK and USA makes SCB the natural choice of correspondents for advising confirming and negotiating their letters of credit in these territories.

2.7.2.7 Consumer Banking

SCB's Personal Banking Services include:

2.7.3.1 Current Account

Minimum opening balance required is 20,000 taka

2.7.3.2 Savings Account

Minimum opening balance required is 20,000 taka. Minimum balance for interest is 50,000 taka.

2.7.3.3 Extra Value Savings Accounts

Officers are all the benefits of account ownership and savings interest. Additionally, free accident insurance is available. The minimum balance required is 100,000 taka.

2.7.3.4 Money builder

Suitable for the fixed-income earners, it builds savings over 5 years. It also offers ATM services plus a free accident insurance scheme to protect the savings for the entire period.

2.7.3.5 Cash Line

Cash Line ensures cash access against lien on the Fixed Deposit if a client needs urgent cash. Interest earnings on the account remain undisturbed.

2.7.3.6 24-hour Money link Access

It allows 24-hours cash access, 365 a year through ATM. It offers attractive discounts to Money link cardholders at designated shops, boutiques, restaurants and clinics. There are six ATM in the country, situated in all the branches of Dhaka except Savar, a non-branch ATM in Tejgaon which also offers deposit facilities round the clock and two in Chittagong. Additional services include:

- Fund Transfer
- Cheques Book Request
- Personal Identification Number Change
- Statement Request.

2.7.3.7 24-hour Phone link Access

Phone link in Bangladesh was inaugurated in March 1997. It helps to bring banking within the dialing distance of the customers, providing access to account information and details, 24 hours a day from the privacy and comfort of their homes, offices and cars. The Phone link services include.

Automated Services:

- Account-related services
- Foreign currency related information
- Change of Telephone identification Number (TIN)

Through the Phone linkers:

- Enquiry on the product services
- Change of account address
- Notification to the bank of lost or captured Money link ATM card
- Stop cheques instruction
- Pay Order/DD preparation (to be collected by the customer)
- Status enquiry on remittance
- Renewal of fixed deposit or opening of new fixed deposit
- Other account opening assistance

2.7.3.3.8 Instant Fund Transfer

The account holders can access and transfer funds from any of the branches through centralized computer accounting system.

2.7.3.9 International Remittance

SCB's solid international network provides an excellent remittance services anywhere in the world.

In summary, some of the basic products and services offered by the personal Banking department are: Current Accounts; Overdraft on Current Account; Foreign Currency Term Deposits; Local Currency Cash Cheques; Cheques purchase; Drafts; Savings Account; Term deposits; Telegraphic Transfers; Traveler's Cheques; and Personal Loans.

2.7.3.10 Credit Card Services

A credit card is a revolving loan facility, which can be used to purchase goods and services and withdraw cash at wide range of outlets. SCGB first introduced the Taka credit card in Bangladesh. Its credit card division offers both Silver Visa Card and Gold Master Card.

2.7.3.10.1 Benefits of Credit Card

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

- A minimum credit limit of Tk 10 thousands for Silver and Tk 1 lac for Gold Card.
- Free air travel death accident insurance Tk 5 lac for Gold, Tk 1 lac for Silver Card
- Convenient way of payment for purchase
- Maximum of 45 days free credit period
- Flexible and easy repayment options
- Credit can be used in over more than 3000 retail and service outlets around the country.
- 50% cash advances of the credit limit from more than 25 ATMs, 24 hours a day or from any sales and service center of the bank during office hour.
- No need to carry cash anymore.
- 24 hours customer service over phone.
- One lifetime free supplementary card.
- Minimum 7% discounts in good restaurants in Dhaka, Chittagong and Shylet.
- Paying credit card bill through ATM machines.

2.7.3.10.2 Eligibility to Get a Card.

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

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

2.7.3.10.3 Repayment of Credit Amount

SCB offers its customers with the option to repay the credit amount according to their convenience. Every month bank sends a statement contains details of the purchases and cash advances made by the customer in the last 30 days. Then the customers have two options:

- Pay the bill in full within 15 days from statement date. In this case, customers do not have to pay any interest charge for purchases. In case of failure of payment within 45 days, customers have to pay an interest at the rate of 2.5 percent for any purchase and .08 percent for cash withdrawal over the total credit amount and a late payment fee.
- Spread the repayment over a number of months while repaying the bank 5 percent of the outstanding balance in the statement.

2.7.3.11 Special Services Offered by SCB

SCB Link enables the customers to access the bank accounts from any places through their personal computer. Balance inquiry, account transfer are the main two facilities taken by the customers.

2.7.3.11.1 SCB cheques

This service enables SCB's corporate customers to automate their cheques payments. It is offered to facilitate preparation, printing, recording, and reconciliation of SCB's cheques.

2.7.3.11.2 Tele-Banking

SCB's Tele-Banking service provides customers the opportunity to make inquiries and service request to the bank over telephone. It supports account balance inquiries, transaction details, exchange rates, interest details, balance certificates, issue of cheques books, issue of pay order and issue of drafts, advice of stop payments, lost cheques books and change of address.

2.7.3.11.3 Mobile Banking

SCB's Mobile Bank units are designed to bring banking service to customers doorsteps. It enables the customers to complete their daily banking without visiting the bank.

2.7.3.11.4 Any Branch Banking

SCB offers its customers with the facility of operating their bank accounts from any of its sales and service centers across the county. This enables customers to meet their countrywide banking needs out of one single account.

2.7.3.11.5 Priority Banking

SCB provides its top 5 percent clients with Priority banking facilities. These 5 percent customers are determined depending on their amount of deposits in the bank. They receive special treatments from the bank in various banking services; every one of them is issued with a Priority Banking Card. Each branch has a separate Priority banking section where these cardholders receive quick and specialized service.

2.7.3.11.6 SCB Courier

SCB has its own courier service to collect from and delivery documents.

2.7.4 Custodial Services

Clients are offered a customized and comprehensive range of products and services, which include:

- Custodial services
- Brokerage, clearing and settlement services
- Securities lending
- Foreign exchange
- Transfer agent for institutional debt and equity offerings
- delivery, receipt, settlement, registration and physical safe custody of securities.

Details on categories of Deposit, Fund Transfer, Export, Import, Guarantees, Securities, are illustrated in Exhibit SCB 2.13. Brochures of some products and services have been enclosed in Appendixes.

2.8. Marketing

2.8.1 Sales :

The principal sales methods used are the following:

- Personalized service
- direct sales
- advertising
- sales promotion

2.8.1.1 Direct Sales

Tele Sales of SCB was inaugurated in September 1997, which deals with the object of selling innovative products and services like ATM, Phone link etc. to its existing and potential customers and to get Chip deposits for increasing savings and current account. The sales force includes three sales officers, managed by a team leader and six direct sales officers, who employ commission agents to solicit the customers and open accounts. At the beginning of the year a data base of Dhaka city is generated with the help of existing customers, telephone directories etc. which is used to create a list of potential customers. The potential customers are contacted and referrals on them are generated. The target is to get twelve referrals per day and each direct sales officer has to generate six referrals. The agent is mainly monitored by the direct sales officers who help to follow up the customers.

2.8.1.2 Procedures for developing new products :

Prior to developing a new product, a target segment/s is /are selected each consisting of 8-12 people. Based on this, a need analysis research is performed which helps to identify the requirement of customers. After this an initial feedback is obtained which leads to the development of a full scale feature of the potential product. The product features are identified to cater to the needs of the customers. An agency namely Org Marg Quest helps with the research regarding customers. In the product program a comprehensive document of the product is prepared which includes cost benefit analysis, associated risks, target market, often on the basis of demography etc. Finally the product is launched.

2.8.2 Advertising and Sales Promotion :

The manager of external affairs looks after the advertising and sales promotion of the Bank. Advertisement is carried out through an agency, namely "Unitrend" located in Sharif Mansion, Motijheel. Unitrend is a leading advertising agency in Bangladesh. Sometimes the assistance of other agencies is sought for special cases, for example the SCB and on the scoreboard in the last Wills Cup Cricket tournament

in Dhaka with the help of Adcom. The media used are primarily the print media and billboards. The frequency of campaigns is as often as once in a month.

Public relations are performed with the press, regulatory bodies like the government, external bodies like corporations and overseas people etc. This is done to create a positive image of the Bank which ultimately enhances business.

Advertising results are measured through direct survey by the agency or bank and through opinion polls.

2.8.3 Customer Satisfaction

Customers are satisfied with the products and services of the bank for the following reasons:

- attractive and technologically advanced products and services;
- relationship with the staff members of the Bank;
- communication skills of the staff members;
- Confidence in the Bank because of its long history and achievement record.

Reasons for customer dissatisfaction, although minimal, are listed below:

- Difficulty of accessing the headquarters at Motijheel, especially during peak hours;
- Not enough branches in Bangladesh;
- Lack of adequate staff and office space in Banani branch.

2.9 The SWOT Analysis of SCB

SWOT is an abbreviation of strengths, weaknesses, opportunities and threats. These are key areas that need to be examined before any major decision in the organization is taken. Strengths and weaknesses are linked with the performance of the organization while opportunities and threats arise from the prevailing 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 sources of danger, thus reducing the chances of mistakes and improving the possibility of gains. An organization's strength depends on the extent to which it can take advantage of the opportunities. SCB's strengths are the key factors contributing to its success.

2.9.1 Strengths:

- Long historical banking experience in the region.
- Dedicated Marketing Team.
- Technologically Advanced (24 Hours ATM service convenience)
- Global customer service contact for DI Clients.
- Cash management technique.
- Treasury support.
- Simultaneous operation of accounts from all branches and e-mail net work.
- High quality transaction processing across the Group.
- Pool of influence.
- Highly motivated and pro-active team of employees.
- Pioneer in introducing "Eximills" to modernise the documentary credit process (Further enhancements are being taken up)

- Only offshore banking unit in Bangladesh.
- Prompt credit processing.
- Focused and detailed marketing plan with prior concurrence from Credit Management.
- Strong regional support. Increased capital base from BDT 400M to BDT 700M which led to strong growth in quality asset.
- Partnership with Treasury in winning lucrative deals (SLA).
Previously unexplored "Gold Mine"—Essential Commodity market (Dhaka).
- Motivated young people with strong commitment.
- Clear vision.
- Amongst the top three foreign Banks in Bangladesh.
- Only bank in the country to use inter-city VSAT link.
- Full-fledged back -up data center support.
- Excellent advertising efforts.
- Consumer focused.
- Customer loyalty.
- Strong brand image and good reputation.

Weaknesses:

- Smaller number of branches in Bangladesh in comparison with the major competitors.
- Access to the head office at Motijheel branch is always difficult due to traffic jams, particularly during peak hours.
- Often, long waiting at customer service booths in Banani and Motijheel
- Poor waiting arrangements at Banani branch leads to customer discomfort.
- Not flexible. Very compliant to rules and regulations.

- Some lack of experience and motivation at mid-level management.
- The space for the Corporate Banking division in Motijheel is inadequate.
- Lack of a prayer room at the Headquarters.
- Greater participation in management could be achieved.

Opportunities:

- Retail Banking—Asset based products like Mortgage loans, Credit cards
Consumer Loans (ex. car loans)
- Electronic Banking could be installed.
- Credit Cards could be expanded.
- Foreign Exchange policy liberalization to encourage foreign investments,
thus increasing the inter bank and corporate FX revenue.
- Hedge fund management opportunities exist.
- Regular calls on overseas banks for taka marketing has already increased
volume of TFI (USA/BDT) transaction and it is expected to continue in
1998.
- Devaluation of taka raised concerns for better FX management amongst
corporate customers which will create more opportunities for FX corporate
business.
- Stock market volatility and increase in PBD customer base should also boost
FX revenue from custodial and PBD respectively.
- SCB should focus on niche marketing rather than mass banking.

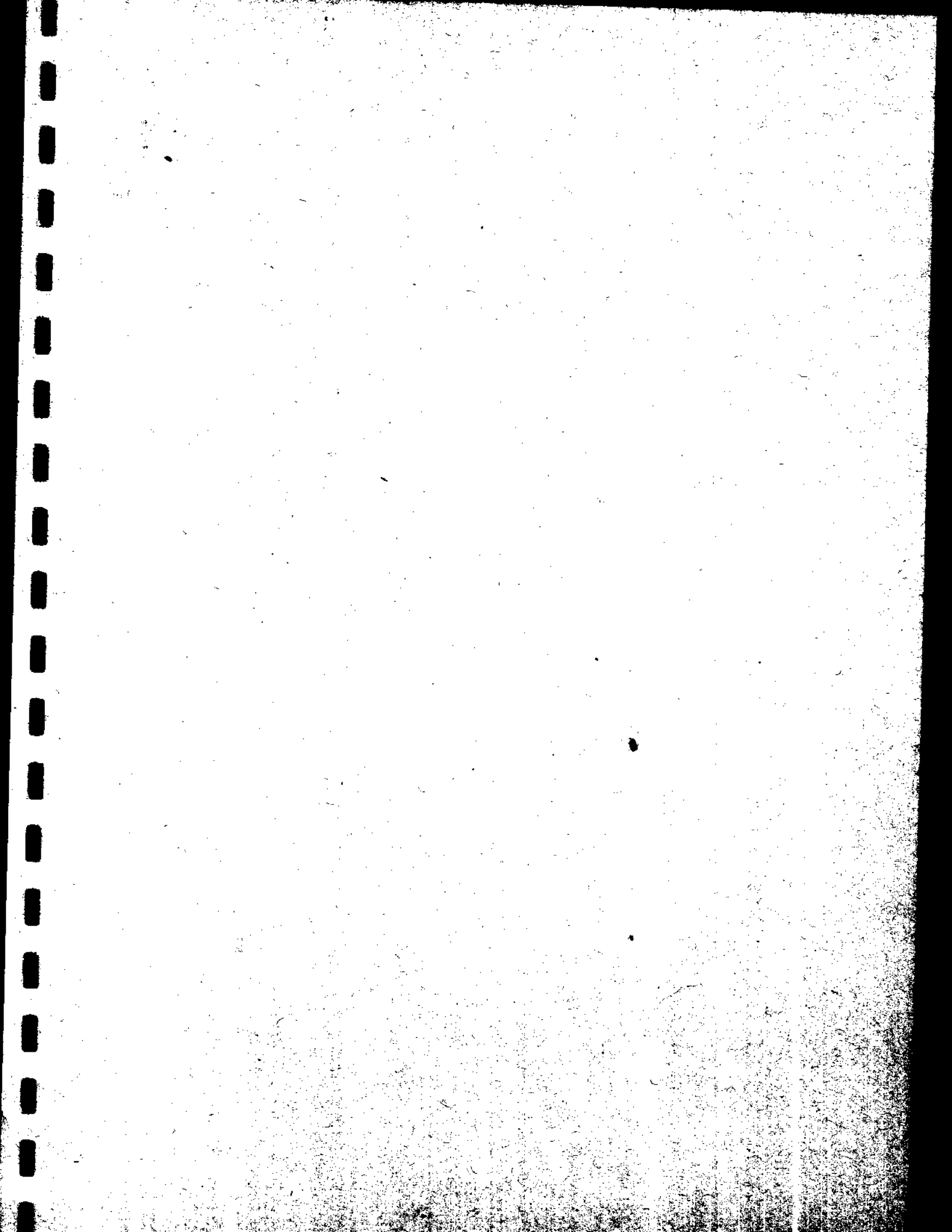
Treats:

- Other Foreign commercial banks operating in Bangladesh. E.g. ANZ Bank, AMEX.
- The possibility (even if slim) of the nationalized banks becoming efficient and competitive.
- Severe inter bank competition may reduce SCB's margin per FX transaction.
- SCB's overseas branches cover their taka position through other banks.

Recommendations and Conclusion

The Bangladesh economy is now standing at the threshold of a new millennium which provides opportunities and challenges. The role of financial institutions will be critical in facing these challenges and taking these opportunities. This is one of the important lessons that emerged from the experience of the recent Asian crisis. The large scale loan defaults in all the banking institutions in Bangladesh except foreign banks have been a major cause of concern. The solid performance of most of the FCBs clearly point to the need for the FCBs to share a greater burden of responsibility in providing critical financial needs of the economy, which is likely to take-off in the beginning of the next century. (In this context, SCB should review its loan mix strategy of the recent past. SCB has demonstrated a remarkable capability for expansion without losing its efficiency and service quality. On the other hand, there is a crying need for major investments in such sectors as energy, infrastructure, RMG backward linkage industries and housing. It is only logical to expect that FCBs will meet the need and SCB in part of the region, will play its due role.

Recently, serious thoughts have been given to allowing FCBs to raise funds from outside, for which partial convertibility of capital accounts would be required. No doubt this will be done with great caution in view of the experience of the financial turmoil in Asia. Nevertheless, it is bound to take place, once the necessary reforms are made in the banking sector. Therefore, when this happens, SCB should be ready to step in.



3.0 An overview of Credit Card Collection Department.

3.1 INTERODUCTION

The collection process of credit cards starts when the cardholder has failed to meet one or more contractual payment (i.e. minimum 5% payment) or exceeds the allocated limit or both. It therefore becomes the duty of the Collection Department to minimize the outstanding delinquent receivable and credit losses.

The collection staffs systematically recovers the cardholder's dues and identify/prevent potential losses, while maintaining a high standard of service and retaining good relations with the customers. It is therefore essential and critical, that collectors are familiar with the computerized system, procedures and maintain effective liaison with other departments within in bank.

3.2 COLLECTION OBJECTIVES

The collector's responsibility will commence from the time an account becomes delinquent or over limit until it is regularized by means of payment or closed with full payment amount collected.

The goal of the collection process is to obtain payments promptly while minimizing collection expense and write off costs as well as maintaining the customer's good will by a high standard of service. For this reason it is important that the collector should endeavor to resolve the account the first time worked.

Collections also protect the assets of the bank this can be achieved by identifying early signals of delinquency and thus minimizing losses.

The customers who do not respond to our service oriented collection efforts represent a financial risk to the institution. The Collector's role is to collect so that

the institution can keep the loan on its books and does not have to write -off/charge off.

3.3 COLLECTION STRATEGY

Credit card customers are under the agreement/contract with the issuing bank to pay the total or five percent of the amount due on monthly basis. When a customer fails to fulfill the agreement terms or misses the required payment, the account then enters Collections. Collections Department is responsible for collecting the overdue amount from the delinquent customers. There are different stages involved in collections as once the account enters collections, proper follow up and collection of all overdue amounts can satisfy the delinquency. Below are the different aging stages or buckets referred as DPD (Days Past due) in Collections.

3.3.1 CATEGORY MISSING DAYS OF PAYMENT

CATEGORY	MISSING DAYS OF PAYMENT
X-DAYS	1 to 29 days
30 DPD	30 to 59 days
60 DPD	60 to 89 days
90 DPD	90 to 119 days
120 DPD	120 to 149 days
150 DPD	150 to 179 days

Collection department also keeps track of the accounts where the current balance exceeds the preset credit limit assigned against every card account, there are different levels of an over limit accounts which are as follows.

Over limit level 1 (>110% & ≤ 120%)

Over limit level 2 (>120% & ≤ 130%)

Over limit level 3 (>130%)

3.3.1.1: Delinquency Aging or Account aging

Term refers to the movement of account within collections.

Movement of account with reference to non-payment is as follows.

Current to X-days	Previous 1 month min due balance unpaid
X-days to 30 DPD	Previous 2 month min due balance unpaid
30 DPD to 60 DPD	Previous 2 month min due balance unpaid
60 DPD to 90 DPD	Previous 2 month min due balance unpaid
90 DPD to 120 DPD	Previous 2 month min due balance unpaid
120 DPD to 150 DPD	Previous 2 month min due balance unpaid

3.3.2 DELINQUENT ACCOUNTS CLASSIFICATION

Front End →Mid range→Hard core

3.3.2.1 FRONT-END (1-29 DPD)

Front-end is the first collection bucket in which delinquent accounts are identified and termed as FID. At stage, the customers are normally contacted by phone and letter, which serves as a reminder of his/her obligation to pay the minimum dues to the bank.

Any account, which is past one billing cycle, will be assigned to respective collectors at the beginning of the month and given one given one month time to recover the dues. The account missed the first installment within the month will be assigned to the team leader of the front-end collectors on a weekly basis to recover the dues within that month.

Telephone calling should be conducted in a soft and tactful manner in consistency with the customer service level. Collector must always do an inquiry through the

system to confirm if payment has been received before commencing with telephone calling to avoid causing misunderstanding with the customer.

Initial telephone contact should be directed at the office. If the customer cannot be contacted, telephone call should then be made to the residence telephone number. Upon successful contact with a customer, the collector will tactfully inquire about the reason for not paying the minimum payment due. The collector will then proceed to obtain a promise to pay, which should be at least the minimum payment amount.

If collection letter or statement returned from the customer due to change of address, it is the responsibility of the respective collectors to collect the new address and telephone no. The collectors should ask the customer to provide written instruction of address change to the customer services department and at the same time write down the new address and telephone no to the note pad.

Selective letters can be issued to customers who are difficult to contact through telephone calling.

3.3.2.2 MID-RANGE (30-59 DPD & 60-89 DPD)

Mid-range is the bucket in which the account is considered to be seriously delinquent thus collection efforts must be more intensive, as the account has threatened our asset. The account is blocked for further use in 30 DPD and temporarily suspended in 60 days. Both shop codes are payment driven and can be automatically removed on receipt of payment.

When the front-end delinquent collection effort fails to obtain payment, the account will automatically age into the 30 DPD and subsequently 60 DPD delinquent categories.

These are accounts, which flow down Front-end. Collectors must exercise a more aggressive approach at this stage as the customer has failed to submit a payment

even after Front-end efforts. Collection letters also send to the customers reminding the customers to pay the dues date to unblock the card.

If a new charge is posted to delinquent account, collector must take appropriate preventive measures and notify the authorization department regarding the transactions with blocked card to stop further usage. If purchases are made in foreign currency either in domestic or overseas merchant, the transected amount must be collected in USD and the card facilities may be considered as cancelled.

The Collector must review and analyze the reasons(s) for delay in payment. Upon successful contact with the customer, the collector must secure a payment date and advise the customer to curtail purchasing till the account has cleared.

We may inform the customer of a suspension on the account till full payment or minimum payment is made. Constant telephone calls should be made to those cardholders who have given numerous broken promises.

Seeking assistance letter to the cardholder's employer may be an effective instrument at this stage.

3.3.2.3 HARD-CORE (90-149 DPD)

90+DPD accounts are considered hard-core delinquency and collection efforts are to be more intensified than 30 DPD and 60 DPD accounts.

Extra telephone calls and letters are mandatory. Letters must be sent to the customers informing of cancellation and demanding return of all cards. Settlements are also encouraged at this stage where customers can be handed over details of all statements since inception. Intensive Team visits are also conducted on accounts for immediate settlements. Requests for waiver are entertained in case of settlement. Activation can also be offered to cases as exception on clearing of total due.

When recovery opportunities are considered good through legal notice. Collectors should make recommendations to the management for legal notices if necessary but not as mandatory.

3.4 CAPACITY PLANNING

Allocation of delinquent accounts to the collectors will be on the following basis.

3.4.1.1 Volume and no of accounts wise

There are 23 billing cycles currently in use, billing cycle (s) will be allotted to collectors considering volume and no of accounts per collector. However, no of accounts may be decreased or increased or increased depending upon the delinquency of that particular month and it is the responsibility of the team of the particular group to manage the accounts. Any delinquent accounts may be assigned to any collector on a temporary basis by the collection manage

Bucket	Volume	No of accounts
X-days	10M	400
30 DPD	08M	300
60DPD	05M	200
90 DPD	04M	150
120 DPD	03M	100

The above are realistic number of accounts as a collector is capable of working such numbers during a billing cycle (s), to meet the pre-set Net Flow targets.

3.4.2 City Wise

There are two main collection centers where collection representatives operate i.e. Dhaka and Chittagong. The delinquent account belongs to chittagong area are identified at the beginning of the month and allocate to the officer collections of

chittagong within the first week of the particular month. For other cities like, Sylhet, Khulna, Bagura and Narayangonj there are no collection representative at present as they are too small in terms of volume to employ separate collection unit. However, BSSM's of the respective areas are referred as and when any delinquent account identified.

3.5 COLLECTION PROCESS:

Collections will use C400 to record activity made on a delinquent/over limit accounts.

3.5.1 Basic Elements

- Service
- Locate
- Contact
- Sell
- Legal enforcement

3.5.1.1 SERVICE

The delinquent customer is contacted at this step and will be reminded that his account is past due. Once a contact is established, the following should be achieved: This will enable collections to plan an effective approach to deal with the situation.

Get customer to commit a payment date and ensure that the customer understands the need to keep his obligation current and the consequences of any default.

In the case where and earlier promise was broken, the collector should reinforce the need for immediate payment.

To remind the customer to pay attention to his/her due date every month.

3.5.1.2 LOCATE

In case the customer cannot be contacted, concentrate on establishing the whereabouts and assemble information. The basic source of information is through CAPS enquiry and previous history updated in C400. The investigation can be through contact points at office also.

If these measures fail to establish any contact with the customer, field visits for skip tracing are to be conducted.

3.5.1.3 CONTACT

All customers being contacted at this point would have previously broken promise, it is necessary that collectors now practice a more aggressive approach.

They should be prepared with specific with answers to counter the Customer's reason or excuse for not making payment.

If the previous service-oriented collection effort was not successful, it must be assumed that the customer did not take the message seriously enough to either submit a payment or discuss the reasons for not doing so.

The gain the customer's attention that he resolves the delinquency it may be necessary to send a letter, fax, telex, e-mail or telegram for his account behavior and remind him of the consequences of the action we might pursue in later stages according to the policy and procedure.

3.5.1.4 SELL

Once agreement is established, it is still a formidable task to convince the customer to actually submit payment. Collectors will "sell" the customer their ideas of paying his/her past due amount. This demands the best of the collector as it takes skill to

convince/negotiate with someone who has resisted previous efforts to eventually make a payment.

Legal enforcement through legal notice and eventual filing of suits is also an option collections can exercise.

3.5.2 ACCOUNT CATEGORIES

There are primarily three account categories, which C400 separates for collection handling.

- a) Delinquent Accounts
- b) Over limit Accounts
- c) First payment Default (Non-starter) Accounts

Premature settlements can also be effected by collections for accounts qualifying for a hardship strategy e.g. Deceased accounts, cardholders claiming disputed transactions which are time-barred for action etc.

3.5.2.1 Non-Starter Delinquent

A Non-starter is a customer who does not pay on the first billing. Non-starters who have not used the card are low risk whereas high limit utilization non-starters are risky accounts requiring immediate attention. A non-starter could be due to service concerns such as.

- The customer does not receive the statement caused by incorrect data input, mail dispatching error by the bank or by the courier.
- The customer does not know his/her obligation. He/she might be unfamiliar with the terms and condition.
- The customer is in financial difficulty, but aware about his/her obligation.

- The customer cancels the facility, but the Customer Service has not reversed the annual membership fees or financial/service charges.

Cardholder who has neither use their card or paid annual fees ever are treated as purely nonstarter case. Presently fees and other charges charge are reversed at 120 DPD and refer to anti attrition team of customer services. These accounts are not treated as delinquent cardholder. Customer services at its own discretion may reinstate these after making successful contact with the cardholder.

3.5.2.2 over limit Accounts

An account is considered over limit when the outstanding balance exceeds the credit limit by 10% or more. Stop Code "C1" applies on an account with an authorization response of "Do Not honor". Stop Code "P1" will apply when account is over limit by more than 30% generating a "Pickup response."

When the amount exceeds 130% of credit limit, the collection unit for updating these accounts in the Card Recovery Bulletin will check any transactions on the accounts. Over limit fees will also be levied on accounts exceeding their credit limits.

3.5.2.3 Delinquent Accounts

An account is classified as delinquent if the minimum contractual payment amount due is not posted or settled, after the 2nd statement date.

The definitions of delinquency are as follows:

- X-Days Delinquent (1-29) - The sum past due is equivalent to one month's minimum payment.
- 30 Days Delinquent (30-59) - The sum past due is equivalent to two month's minimum payment.

- 60 Days Delinquent (60-89) - The sum past due is equivalent to three month's minimum payment.
- 90 Days Delinquent (90-119) - The sum past due is equivalent to four month's minimum payment.
- 120 Days Delinquent (120-149) - The sum past due is equivalent to five month's minimum payment.
- 150 Days Delinquent (150-179) - The sum past due is equivalent to six month's minimum payment.

3.6. COLLECTION SYSTEM:

3.6.1 Tele call Report

C400 Collection Module currently supports the collection effort for Cards collection. There are standard reports in card -400 called 'Tele call' report which is the basic report to contact with the delinquent card holders. This report includes both provisioned and non provisioned delinquent account sorted by balance only, which is inconvenient to allocate the delinquent account to the tele collectors. With the system support of Query-400 tele collectors are assigned with the reports soft copy at the beginning of the month. The report includes all the necessary information's for the collects. Performance monitoring through this report can be done properly at end of each month. The collectors are given one month time to collect the due amount within that month. Performance is evaluated on the basis of actual overdue amount collected against target.

3.6.2 Automated Dunning Letters

Dunning letters are useful tools to recover money from delinquent card holders. Currently card-400 system use to generate automated letters for delinquent card holders from bucket one to four. Automated Letters are directly sent to the card holder from data center by courier service. However, manual letters are sending to customers as the case may be.

3.6.3 ACCESS LEVELS

There are two groups for collections i.e. Collection User Group and Collection Supervisory Group. The user group i.e. tele collectors can only work on inquiries, they are only authorized to update the note pad and do not have access to changing parameters within the system. The Supervisory Group allows access for changing block codes, reinstate card, change of account agreement etc.

3.6.4 BLOCK CODES

The system has the capability to create automated block code for newly entered accounts into 30, 60 and 90 DPD and onward accounts, which can be monitored through work queries. Some manual block codes for provisioned accounts (CN) death (EX) and skip (PS) fraud (PF) cases are required to put manually as they are not system driven. List of block code for Credit Card Bangladesh.

Block codes for card-400 Banglaesh						
Stop			Allow	Allow	Soft	Allow
(X) reason	Discription	Actio n	trans, replacem.		stop	change
B ₁	Billing cycle chg-05 resp	5			Y	
B ₂	Billing cycle chg-04 resp	4			Y	
CB	Closed by bank	5	Y			
CC	Closed by customer	41	Y			
CD	Card deleted	5			Y	
CF	Case filed	4			Y	
CN	Closed by credit/coll	4	Provision			
CO	Clsd coll, Plastic rdcvd	5			Y	
CR	Card undelivered-reiss	5	Y		Y	Y

CT	Renewal closure	5	Y		
CU	Voluntary closure	5			Y
CV	Card undelivered-new	5			Y Y
CW	Card undelivered-renewkl	5	Y		Y Y
CX	Vol. Closure-not recvd	4	Y		Y
CY	Renewal attr-unreturned	4			Y Y
C1	OCL<120%	5			Y Y
C2	Bucket 2	5	Y		Y Y
C3	Credit suspect	5			Y Y
C4	Credit payment	5	Y		Y Y
C5	Returned statement	5	Y		Y
C6	Not contactable	5	Y		Y
C7	Bucket-1	5	Y		Y Y
C9	Delinquent X days	5	Y		Y Y
EX	Expired customer	4			
F1	Pick up lost	41			Y
IN	Card replace-interest prb	5	Y		Y
LB	Left behind cards	41			Y
LC	Lost card-prev blocked	41			Y
NB	Pick up stolen	43			Y
NC	Pick up credit	4			
NE	Expired card	5			
NR	Not renewed	5			Y
PF	Pick up fraud	7			Y
PS	Pick up skips	4			
PI	Pick up OCL>120%	4			
P2	Pick up bucket 3	4			Y Y
RF	Refer Authorization	1			Y Y

RO	Billing cycle change	5	Y	Y	Y
R1	Billing cycle change -4	4		Y	
SC	Stolen card-parv blocked	43		Y	
SS	Stop Supplementary card	5			Y
U1	Card upgrade-05 response	5		Y	Y
U2	Card upgrade-04 response	4		Y	
ZR	Returned by agency	4			
Z1	Pick up agency 1	4		Y	
Z2	Pick up agency 2	4		Y	
Z3	Pick up agency 3	4		Y	
Z4	Pick up agency 4	4		Y	
Z5	Pick up agency 5	4		Y	
04	Pick up not renewed	4		Y	
05	Credit closure	5			Y
07	Internet misuse	7		Y	Y

3.7 COLLECTION POLICIES

- * Settlement terms
- * Commission pay-outs
- * Incentive Management

3.7.1 Settlement Policy

In Collections as well Recoveries, delinquent and charged off accounts are settled by allowing for a waiver of charges. The reasons for applying a hardship strategy could vary based on other variables in the account profile.

For Lump sum one go payments, the maximum amount to be allowed for is 25% of the outstanding balance. The waiver is only applicable to charges accrued over the principal balance. Usually the waiver amount is restricted to maximum 8%, which is equal to the cost of recovery agents. No waiver is to be given against principal balance. If the cardholders want to reinstate the card no waiver is usually entitled.

For provisioned accounts, the waiver grid is as follows

More than Six installments	No Waiver
Four to Six installments	Up to 10%
Three or Less installment	Up to 15%
For one go payment	Up to 25%

Any waiver amount of the above grid must get the approval of HOCCC. Exception to above should only be at the discretion of HOCB. Charges are reversed in collection negotiation as per the authority grid defined for the business.

As no override code is currently used for settlements, charges accruing after the settlement is affected, are also reversed after receipt of final installment. These charges do not form part of the waiver originally authorized.

3.7.2 Incentive Management

Collector of the month is rewarded with a cash benefit of BDT-1,500.00 and team of the month is rewarded with a cash benefit of BDT-1,000.00 on a monthly basis. Apart from that, any collector can be rewarded with a cash benefit of BDT-1,000.00 per month for his/her contribution towards collections. If a collector is selected collector of the month for the consecutive three month he/she will be rewarded with a cash benefit of BDT-5,000.00. However, upon recommendation of collection manager, most valuable collector of the quarter will be awarded with cash benefit of BDT-5,000.00. Apart from the cash benefit collectors will be provided with a certificate for their significant contribution.

This is a continued procedure to boost the moral of the entire collection team and to create a healthy competition within the shop.

3.7.3 CHARGE OFF/WRITE OFF CRITERIA

The current provision policy necessitates an account to be 100% provisioned at 150 days past due. Currently, the charge is booked once a month for all accounts has charged off the same month. Charge off is identified through a run from the card-400 system.

3.7.4 PROVISIONING

There are a set of entries for the GL of Provision for bad debts/recovery from bad debts accounts and write off accounts against P&L. The set of entries as follows.

GL ENTRIES

28-8000115-03 CR	NEW SPECIFIC PROVISIONS
28-8000115-01 DR	RECOVERY FROM BAD DEBT ACCOUNTS
28-8000115-02 DR	WRITE-OFF ACCOUNTS

P & L ENTRIES

23-8000239-02 DR	NEW SPECIFIC
23-8000115-01 DR	RECOVERY FROM BAD DEBT ACCOUNTS
28-8000115-03 DR	WRITE-OFF ACCOUNTS

3.8 COLLECTORS PERFORMANCE

Collector performance is analyzed on a monthly basis against given target at the beginning of a month for each and every collector, internal MIS is developed to check the service standards and the quality of the work performed by each & every collection staff. Collection MIS is based on the following contents.

- Percentage recovered amount inflow
- Percentage of amount & accounts made current against the total inflow
- Percentage of amount & accounts rolled back against the total inflow.

3.9 MISCELLANEOUS

3.9.1 Reinstatement/Re-aging

Term refers to the reactivation of the cards, which were suspended or cancelled due to nonpayment. After the payment of total overdue amount, customer can request for reinstatement of the cancelled card facility. Reactivation or removal of stop code is subject to the Collection Manager's approval.

3.9.2 Stop Codes

Stop codes are of three types

Automated Stop codes

Manual Stop code

Provision stop codes

3.9.2.1 Automated Stop codes (Auto lift)

These stop codes are system assigned stop codes and will get removed automatically on receipt of the total overdue amount, they are as follows,

DPD	Stop code
30dpd	C7
60dpd	C2

3.9.2.2 Manual stop code

They are assigned by the system but can only be removed manually i.e. manual block code cannot be removed on receipt of the total overdue amount, they are as follows,

DPD	Stop code
90dpd	P2
120dpd	P2
150dpd	CN

3.9.2.3 Provision stop Code

These block codes are assigned manually, once assigned and should not be lift over the life of that credit card. If the full outstanding is made and cardholder wants to reactivate the card, the application should be carefully analyzed for reinstatement with a new card number. For reinstatement approval must be obtained from the HOCCC. "CN" accounts refer to purely provisioned accounts while "Z1" refers to 120 DPD "U" account of previously Vision Plus but not provided due to payment made at that stage. These accounts charged -off. Z2' refers to the "PURGED" accounts of vision plus which were written off previously as system deleted outstanding amount because non payment of any amount within one year after provisioning at vision plus period.

DPD	Stop code
150DPD	CN
150DPD	Z2
120DPD	Z1

The maintenance forms used for reinstatement should be kept in record. These records should be monitored for reviewing the performance of these accounts.

3.9.3 Direct Debit Processing

Bank has to debit the customer's Bank account against the overdue payment of Visa and Master card under the clause (Banker's Right of Set off). Normally in Collections account is debited after the 60DPD mark. Debit entries are processed through e-mail advice or approved dairy note forwarded from Collection department after the approval from HOCCC or collection Manager to the card operations department to debit the customers bank account and to credit the amount into respective credit card account. A letter of intimation may also be sent to the customer alongside exercising the right. Debits are of two types:

3.9.3.1 General account debit

Processed when the card account is in default, with the approval of HOCCC or Collection Manager the debit request is forwarded to the card operations department for the posting of funds into the respective card account.

3.9.3.2 Lien account Debit

Card issued against security of amount are the lien accounts, the procedure for the debit is forward the instruction to the manager card account services for encashment.

3.9.4 RECOVERY MANAGEMENT

Provisioned accounts will be forwarded to the Banks authorized recovery agents for follow up. After application of override code "CN" the account list all the account should be ready for recovery agents. The collection managers then distribute the accounts to recovery agents, working on commission, for initiating the recovery efforts.

Settlements are encouraged on all these accounts and waivers are also allowed on request of the customer. However, the waiver percentages are more controlled compared to collections since commissions are also paid out.

3.10 RISK MANAGEMENT AND FRAUD CONTROL

The unit is responsible for identifying cases reported by other departments, through customers, internal reports and other sources, where there is a suspicion or confirmation that a fraud has taken place. In case of a confirmed fraud, the is responsible for minimizing the loss and recovery of the fraud amount.

3.10.1 Internal Reports

Apart from depending on other resources for identifying fraud cases, the collections unit monitors account activity through different reports, they include reports obtained through Query-400 regarding activity of merchants and by running queries on blocked accounts. The Query-400 report (Floor limit txn's by the Merchants) provides details of unauthorized transactions by the martinets. The unit also runs queries for checking any activity on blocked accounts i.e., accounts with F1, 07, PF, CC and CB. Another query is run for checking accounts with over limit.

3.10.1.1 Merchant Inquiry

If the incident involves transactions conducted at merchant outlets, the matter is then reported to the acquiring department for necessary actions the merchant (s) involved, as most of the local merchants are acquired by ourselves. Acquiring department are advised to cancel the merchant or held the fund owe to them.

3.10.1.2 Assistance through Law Enforcement Agencies

Some times legal notices are served to the card holders those who are not willing to pay even after all possible recovery measures undertaken. But from the past experience it has been expedite that, it is not worthy to go for litigation in country like Bangladesh where law enforcement are ineffective. However, for special cases where banks credit control is at risk, some cases may be referred to the lawyer.

3.10.2 Fraud Provisioning, Write-off

All suspected fraud transactions are reported to customer services or cards operations as appropriate. Once a case has been identified as a confirmed fraud it is immediately provisioned for a possible loss. All provisioned accounts have to be written off, if they are not resolved by reasonable time. Types of fraudulent txn's are as follows

1. Transactions on reported Lost/Stolen cards.
2. Transactions on Counterfeit cards.
3. Transactions conducted due to Merchant Fraud.
4. Not Received and Intercepted card.

4.0 Conclusion and Recommendation

4.1 Conclusion

SCB bank is still regarded as a reliable bank and the growing number of its customers indicates its acceptance among clients. It is very common statistical saying that it is 5 times costly to get a new customer than retaining the customer. It is also noted that getting a credit card and closing it is expensive. In both cases a number of time-consuming steps have to be taken from the bank and the customer. Since SCB has been able to increase the number of cardholders, it now should take care the matter of customer satisfaction and quality of service.

The major findings of the research is that Credit card is the one of the most profitable sector of the consumer banking of the bank and the collection play a major part to reach that goal so the bank must conceder the department especially. We can visualize that every month lots of cardholder default to pay their min amt so they came into 'X' bucket so they must take special care to 'X' bucket the collector of that bucket must well trained because when ever those collector performed bad the affect goes to midrange and hardcore bucket and then there are some limitation with that department those must be removed.

It is very true that the most of the customers do not hesitate to term SCB as a better than other bank. But it should be considered that the customers have very few choices of banks with which they can actually compare the online service of SCB. The nationalized banks of Bangladesh already have earned a bad reputation in serving customers. Again among the foreign private banks like HSBC, AMEX are the banks that have widened operation like SCB. Other private banks have limited operation in limited locations. The local banks have recently focused their attention to customer service, satisfaction and also credit card service. Moreover there are a good number of private banks that are coming into the competition soon. Therefore it is better for SCB not to let the situation be worst and should emphasize on serving customers effectively and efficiently to ensure better service.

4.2 Recommendation

Considering performance of the collector the following recommendations are made, which will benefit both SCB and its customers.

- 4. As we have seen that 'X' bucket is the main rush bucket, so necessary collector should be allocated in that bucket. So proper allocation of manpower can improve the service quality.
- 4. After the hard-core most sensitive bucket more facility should be given to them like wave, negotiation power.
- 4. It is a noticeable problem that the online remains down especially in holidays. So, necessary steps should be taken for smooth service.
- 4. The frequency of personal calls that falls under "others" category has a remarkable figure. Now if service remains busy with the personal affairs the proper service cannot be given.
- 4. Lost card report is a very irregular problem that can occur anytime. So the C/H should be informed about the problem and its solution.
- 4. Due to the wrong information provided by the direct sales executives, lots of cardholder doesn't know the payment procedure because they don't let them know. So proper product information can be a better solution in this situation.
- 4. Another very important thing from my personal observation is that one person calls for several times for the same problem, which increases the call frequency. Proper assurance and solution over phone can a better alternative to reduce extra calls.
- 4. Among the entire Collector's some could very expert in some area, so in taking the consideration that if they help their subordinate better performance could be possible Maintaining MIS and a tabulation work can be maintained for better call handling.
- 4. Proper distribution of target can bring better result

For better service and to get a better performance some recommendation should be monitor.

There should be a good support form the customer service department of card service.

Collector should remember that they must informed every customer accurately about the status

Collector first must make sure that every customer must get services that we provide him or her.

- ✦ In case of responsiveness though the customers are very satisfied, some necessary steps can be taken for improvement. Giving the prompt solution or informing the customer about the action taken time and also proper maintenance of this informed action taken time could improve the customer satisfaction from very to high level.
- ✦ Again in case of assurance, right solution should be given so that the customer feels more confident after getting our service.
- ✦ Only understanding the customer problem will not highly satisfy them unless individual attention and caring highly satisfy them. So proper individual attention and caring should be more to highly satisfy customer.
- ✦ In accessibility the customers are totally dissatisfied. Limited phone line and service time with uncertain access, a long time consuming waiting time to get our service is becoming time consuming and costly to the customer. So in order to improve this situation phone line should be increased with the increase of other resources.
- ✦ Though customers are very satisfied with the courteousness, warmly greetings are replaced by the artificial one. Proper warmly greetings, more polite and helpful behavior could bring the highly satisfied customer.

So, SCB should start strategic planning to increase the infrastructures and also the six important constructs needed to support its large customer base. So, considering the service sector of Bangladesh SCG should be more conscious to deal with its customers as the customers have now more choice to bank with and there are institutions that are intensifying competition by focusing more on online customer service.

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