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**Internship Report  
on**

**“ An Overview of The Hongkong and Shanghai Banking  
Corporation Limited.”**



***The World's Local Bank***

**“ An Overview of The Hongkong and Shanghai Banking Corporation Limited.”**

**Internship Report in  
Fulfillment of  
BUS-499**

**Prepared for  
Dr. Tanbir Ahmed Chowdhury  
Associate Professor  
Department of Business Administration  
East West University**

**Prepared by  
M. S. Asif Kamal  
ID: 1999-1-10-029  
Department of Business Administration  
East West University**

**EWU  
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Report - 1

R-13

31 Decembr 2002

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

Dear Sir

Here this report titled “ **An Overview of The Hongkong and Shanghai Banking Corporation Limited**” which you asked to conduct last 12 September 2002 as part of the internship requirement.

As you will see, my report conducted methodically analysis of different operations of different departments and products of HSBC faced and figured out the cost-effective ways to overcome the problems. As one of the main objectives of internship is to gather job experiences, I have tried to put some of the experiences that I have learned from my internship in this report.

I, really appreciate to get such insightful project on HSBC Bank. It gave me hands on experience of how the Bank can be improved to get more loyal and satisfied customers in the long run. I am looking forward to enjoy the rest of the period assigned to me for this internship program.

Thank you for your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. S. Asif Kamal', with a date '31 Dec '02' written to its right.

M. S. Asif Kamal

## **Table of Contents:**

<b>Chapter-1/ <i>Introduction</i></b> -----	<b>1</b>
1.1 An Overview of HSBC .....	1
1.2 Objectives of the Study .....	6
1.3 Methodology .....	6
1.4 Limitations of the study .....	7
<b>Chapter-2/ <i>Personal financial Services of HSBC</i></b> -----	<b>8</b>
2.1 Description of HSBC Products .....	8
2.2 Tables (2.1-2.17) .....	13-46
<b>Chapter-3/ <i>Corporate Banking</i></b> -----	<b>47</b>
3.1 Payments and Cash Management .....	47
3.2 Corporate Credit .....	50
3.3 Trade Services .....	52
<b>Chapter-4/ <i>Treasury</i></b> -----	<b>56</b>
<b>Chapter-5/ <i>Human Resources</i></b> -----	<b>58</b>
5.1 Training and Development .....	58
5.2 Offering Competitive Benefit Packages .....	59
<b>Chapter-6/ <i>Recommendation</i></b> -----	<b>60</b>
<b>Chapter-7/ <i>Conclusion</i></b> -----	<b>61</b>
<b>Chapter-8/ <i>Appendix</i></b> -----	<b>62</b>

## **Executive Summary:**

The HSBC Group is one of the world's largest banking and financial services organizations and comprises some 7,000 offices in 81 countries and territories, serving over 30 million customers worldwide.

The HSBC Bank has been serving customers in Bangladesh since 1996 and has three offices in Dhaka and one in Chittagong offering customers a wide range of personal financial services and products designed of personal financial services and products designed to take care of their growing needs and requirements.

Customer services representatives are committed to providing customers with excellent customer service in Personal Financial Services. It is important to understand the customer's needs and helping them out with improved service. So customer feedback or to know about their satisfaction level is the key to success.

Other departments like Trade Services, Corporate Credit, Treasury, Human Resources also play a very vital role in the bank. Corporate Banking is the major banking sector of HSBC bank. And in the conclusion the findings from the difference with other banks may lead with profitable opportunities if the analysis is done properly. I tried to evaluate and analyze those areas.

## **Chapter-1**

### **Introduction:**

#### **1.1) A Brief History of HSBC:**

The HSBC Group is one of the world's largest banking and financial services organizations, with major personal, corporate and investment banking and insurance businesses operating in Europe, the Asia - Pacific region, the Americas, the Middle East and Africa.

*Head office-* HSBC Holdings plc is incorporated in England, with its head office in London.

*International brand-* A key part of the Group's business strategy announced in 1998, is the creation of a global brand featuring the HSBC name and hexagon symbol. The symbol is now a familiar sight around the world. The Group has embarked on the next phase – making the HSBC brand universally synonymous with its core values of integrity, trust and excellent customer service.

*Assets-* US\$674 billion (HK\$5,256 billion) at 31 December 2000.

*Profit (pre-tax)-* US\$9,775 million (HK\$76,167million) for 2000.

*Capital strength-* Tier 1 capital ratio: 9.0%

Total capital ratio: 13.3%- at 31December 2000.

*International reach-* Some 6,500 office worldwide.

*Staff* - Some 160,000 employees in 79 countries and territories.

*Share listings*- HSBC Holdings is listed on the London, Hong Kong, New York and Paris stock exchanges. Trading of the company's shares on the stock exchanges is conducted in London, Hong Kong and Paris in the US\$0.50 ordinary shares, and in New York in the form of American Depositary Shares, each of which represents five ordinary shares.

*Technology*- HSBC maintains one of the world's largest private data communication networks and is reconfiguring its business for the e-age. Its rapidly growing e-commerce capability includes the use of the internet, PC banking over a private network, interactive TV, and fixed and mobile, including wireless application protocol or WAP-enabled mobile, telephone.

*Product range*- Personal, commercial, corporate, investment and private services; cash management; treasury and capital markets services; insurance; consumer and business finance; pension and investment fund management; trustee services; and securities and custody services.

*Web address*- [www.hsbc.com](http://www.hsbc.com)

***Key events in the growth of the HSBC Group-***

The HSBC group evolved from the Hongkong and Shanghai Banking Corporation Limited, which was founded in 1865 in Hong Kong with offices in Shanghai and London and an agency in San Francisco. The Group expanded primarily through offices established in the banks name until the mid- 1950s when it began to create or acquire subsidiaries. This strategy culminated in 1992 with one of the largest bank acquired the UK's Midland Bank plc (now called HSBC Bank plc). The following are some key developments in the Group's growth since 1959.

1959 The Hongkong and Shanghai Banking Corporation acquires. The British Bank of the Middle East (formerly the Imperial Bank of Persia, now called HSBC Bank Middle

East and the Mercantile Bank (originally the Chartered Mercantile Bank of India, London & China).

1965 The Hongkong and Shanghai Banking Corporation acquires a majority shareholding in Hang Seng Bank Limited, now the second-largest bank incorporated in Hongkong.

1967 Midland Bank purchases a one-third share in the parent of London merchant bank Samuel Montagu & Co. Limited (now HSBC Republic Bank (UK) Limited).

1971 The Cyprus Popular Bank Limited (now Laiki Bank) becomes an associated company.

1972 The Hongkong and Shanghai Banking Corporation forms a merchant banking subsidiary, Wardley Limited (now called HSBC Investment Bank Asia Limited). Midland Bank acquires a shareholding in UBAF Bank Limited (now known as British Arab Commercial Bank Limited).

1974 Samuel Montagu becomes a wholly owned subsidiary of Midland.

1978 The Saudi British Bank is established under local control to take over. The British Bank of the Middle East's branches in Saudi Arabia.

1980 The Hongkong and Shanghai Banking Corporation acquires 51% of New York State's Marine Midland Bank, N.A. (Now Called HSBC Bank USA), with a controlling interest in Concord Leasing. UK-based merchant bank Antony Gibbs becomes a wholly owned subsidiary. Midland acquires a controlling interest in leading German private Bank. Trinkaus & Burkhardt KGaA (now HSBC Trinkaus & Burkhardt KGaA).

1981 Hongkong Bank of Canada (now HSBC Bank Canada) is established in Vancouver. The Group acquires a controlling interest in Equator Holdings Limited.

1982 Egyptian British Bank S.A.E. is formed, with the Group holding a 40% interest.

1983 Marine Midland Bank acquires Carroll McEntee & McGinley (now HSBC Securities (USA) Inc.) a New York –based primary dealer in US government securities.



- 1986 The Hongkong and Shanghai Banking Corporation establishes Hongkong Bank of Australia Limited (now HSBC Bank Australia Limited) and acquires James Capel & Co. Limited, a leading London-based international securities company.
- 1987 The Hongkong and Shanghai Banking Corporation acquires the remaining shares of Marine Midland and a 17.9% equity interest in Midland Bank.
- 1991 HSBC Holdings is established: its shares are traded on the London and Hongkong stock exchanges.
- 1992 HSBC Holdings purchases the remaining equity in Midland Bank. HSBC Investment Bank plc is formed.
- 1993 The HSBC Group's Head office moves to London. Forward Trust Group Limited (now HSBC Asset finance (UK) Limited), a Midland subsidiary, acquires Swan national. Leasing, establishing the UK's third-largest vehicle contract hire company.
- 1994 The Hongkong and Shanghai Banking Corporation is the first bank to incorporate locally in Malaysia, forming Hongkong Bank Malaysia Berhad (now HSBC Bank Malaysia Berhad).
- 1995 Wells Fargo & Co. and HSBC establish wells Fargo HSBC Trade Bank, N.A. in California.
- 1997 HSBC and Wachovia Corporation of the United States form a non-equity alliance to market corporate financial services worldwide. Forward Trust acquires Eversholt (now HSBC Rail (UK) Limited), a rail rolling-stock leasing company and the largest owner of electric trains operating on the UK mainline network. Marine Midland Bank acquires First federal Savings and Loan Association of Rochester in New York. The Group establishes a new subsidiary in Banco HSBC Bamerindus S.A. (now HSBC Brasil S.A. Banco Multiplo), and acquires Roberts S.A. de Inversiones in Argentina (now HSBC Argentina Holdings S.A.).
- 1999 Shares in HSBC Holdings begin trading on a third stock exchange, New York. HSBC acquires Republic New York Corporation (now integrated with HSBC USA Inc.)

and its sister company Safra Republic Holdings S. A (now HSBC Republic Holdings (Luxembourg) S.a.). Midland Bank acquires a 70.03% interest in Mid - Med Bank p.l.c (now HSBC Bank Malta p.l.c.), Malta's largest commercial bank.

*2000* HSBC and Merrill Lynch form a joint venture to launch the first international online banking and investment services company . HSBC acquires CCF (Credit Commercial de France), one of France's largest banks. Shares in HSBC Holdings are listed on a fourth stock exchange, in Paris. HSBC acquires Chase Manhattan's branches in Panama. The Group increases its shareholding in Egyptian British Bank S.A.E. from 40% to over 90% PCIB Savings Bank in the Philippines is purchased and has been renamed HSBC savings Bank (Philippines) Inc.

*2001* Agreement is reached for HSBC to acquire Barclays Bank's branches and fund management company in Greece. CCF is chosen by the French government to acquire Banque Herve, a regional bank in France. HSBC Finance (Brunei) Berhad signs an agreement to acquire IRB Finance Berhad, a finance company in Brunei.

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

The main objective of this report is to fulfill partial requirements of BBA degree program. In order to be able to obtain the BBA degree program from East West University, every student is required to do an internship program in a well-reputed organization for ten to twelve weeks, after completing all the required courses. After the internship period, each student or intern must have to submit a report about the respective organization. I have completed my internship program at HSBC Bank and this report is about this bank.

As one of the main objectives of an internship is to gather job experiences, I have tried to put some of the experiences that I have learned from my internship in this report. The specific objectives of the study are:

- I. To present an Overview of HSBC Bank.
- II. To evaluate the Operations of every department of HSBC Bank.
- III. To evaluate the Products of HSBC Bank.
- IV. To analyze different products with other banks.
- V. To analyze different operations with other banks.
- VI. To find the cost-effective manner in which the bank is profitable.

## **1.3 Methodology:**

The project report is based mainly on secondary sources of data. Data required for the report were collected from different published reports, journals, and from the activities and queries during my internship period. Different tables and charts, and ratios of financial figures have been used to interpret the data and draw inferences therefrom.

### **1.3.1 Primary Sources of Data:**

Many of the data and information were collected from my practical experiences and queries from the executives while doing my internship at Anchor Tower (Main Branch) of HSBC Bank. Information and data regarding products & services, interest rates & charges, banking operations, organization structure, management, and policies were collected from this source.

### 1.3.2 Secondary Sources of Data:

Data regarding the operations of HSBC was collected from secondary source. The following are the secondary sources of data:

- ⇒ Annual Reports of HSBC Bank.
- ⇒ Journal, brochures, newspaper articles, and related books.

### 1.4 Limitations of the Study:

As this report heavily concerns about the operational data of the annual reports, the unavailability of the annual report, 2002 is a major drawback of this report.

Analysis of operations always should be based on latest information.

I did my internship at Anchor Tower (Main Branch) of HSBC Bank in Customer Services Department. As the main subject matter of this project is to present an overall evaluation or overview of HSBC Bank I had the need to collect many information from other departments of the Head Office. So, it was quite difficult to me to get access of that information being working only in Customer Services Department.

## **Chapter-2**

### **Personal financial Services of HSBC:**

#### **2.1 Description of HSBC Products that are interrelated with Customer Services:**

The HSBC Group is one of the world's largest banking and financial services organizations and comprises some 7,000 offices in 81 countries and territories, serving over 30 million customers worldwide.

The HSBC Bank has been serving customers in Bangladesh since 1996 and has three offices in Dhaka and one in Chittagong offering customers a wide range of personal financial services and products designed of personal financial services and products designed to take care of their growing needs and requirements. In addition to four ATMs located at four branches, there are five off - site ATMs.

#### **□ *Banking across the country***

HSBC computer system gives the opportunity to make transactions at different branches. No matter where the account is held , any one can withdraw money at any HSBC branch or ATM in Bangladesh .

#### **□ *ATMs***

Nine ATMs in Bangladesh are reliable and sophisticated and service is provided free of charge. Any one can use ATMs to withdraw and deposit cash/ cheques/ mail, check the balance of accounts, transfer money between the accounts, make payments to other HSBC customers, see the details of last eight transactions, order a statement /cheque

book, change the PIN number to a six digit number of to a six digit number of customer's choice and more.

□ **Phone banking (Connect and take control)**

Phone banking is our 24-hour automated telephone banking service.

Any one can...

- control money at the touch of a button;
- use phone banking at times that suit you.

Phone banking is...

- easy to use;
- fast, convenient and secure.

Phone banking can be used to...

- check the balances on your primary and linked accounts;
- transfer money between your accounts;
- hear details of your last five transactions;
- order a statement;
- order a cheque book;
- pay bills to pre-designated third parties in local currency;
- enquire about time deposit interests;
- open or renew a time deposit;
- report an ATM card lost or stolen;
- enquire about foreign exchange rates;

## **Available...**

24 hours a day

7 days a week

365 days a year

Once familiar with the service any one can make the selection at any time without waiting for the message to end. This is available to ensure that any one can use the service as quickly and efficiently as possible.

### □ **Hexagon**

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

### □ **Bangladesh international (Foreign currency services for resident and non-resident Bangladeshis)**

Bangladesh international offers an exclusive range of banking services for non-resident Bangladeshis and foreign currency account services for resident Bangladeshis. Bangladesh International foreign currency current accounts, which are unique to HSBC in Bangladesh, can be accessed from 500,000 ATMs worldwide 24 hrs a day.

### *Customer Benefits*

1. A truly international account whereby the non-resident Bangladeshis may earn tax-free interest at competitive interest on the deposits.

2. The ATM cards will uniquely allow easy access to these foreign currency current accounts from 500,000 ATMs worldwide.
3. Investments in Wage Earner Development Bonds issued by the Bangladesh Bank for non-resident Bangladeshi. These securities offer competitive interest rates, the prevailing interest rates are between 12-14% p.a. with maturity up to 5 years. Non-resident account holder pay for the WEDB from their foreign currency current account. The bonds are taka denominated but the principal amount can be repatriated in foreign exchange at the prevailing exchange rate when matured. The interest is paid in taka, the investment and interest is free of tax.
4. When returning to Bangladesh non-resident Bangladeshis may retain their savings in an interest bearing US dollar, pound sterling or euro deposits. These can be opened in any date after returning from overseas. Prior rules, which restricted it to within 6 months, have been removed.

### *Types of Accounts*

#### *Foreign currency current account - Minimum opening balance is US dollar 1,000*

Features are:

1. Non interest bearing transactional account
2. A choice of currencies - US dollar, Pound sterling and Euro
3. A account can be opened without any funds but the account holder will need to remit a minimum US dollar 1,000 within 1 month into the account
4. An ATM card that gives you access to your funds from around the world through 500,000 ATMs, 24 hours a day. An annual card fee of taka 500
5. The balance of the account is freely remittable

#### *Foreign currency time deposit-Minimum opening balance is US dollar 1,000*

Features are:



1. Interest bearing time deposit account
2. A choice of currencies-US dollar, Pound sterling and Euro
3. Competitive interest rates Interest is tax free
4. A choice of tenures of one, three, six and twelve months
5. Both the interest and principal are freely remittable

*Non-resident taka account-Minimum opening balance is Taka 50,000*

Features are:

1. The account can be opened as a local currency savings or current account
2. A free ATM card that gives you access to your funds from HSBC's nine ATM booths in Bangladesh
3. Not a freely remittable account, funds cannot be converted into foreign currency

### *Credit Facilities*

The credit facilities available are:

- A standby taka overdraft facility of 80% foreign currency time deposits held with HSBC. Interest is charged at 13%
- A standby taka overdraft facility of 90% of the value of taka time deposits of WEDB held with HSBC. Interest is
- Interest is charged on the daily overdrawn balance and payable on a quarterly basis.

In regard of Personal Financial Services Standard Chartered Grindlays is the main competitor of HSBC. So in the following the differences are mainly shown between HSBC and SCG (Standard Chartered Grindlays).

Table-2.1

<b>FCY CURRENT ACCOUNT</b>
----------------------------

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Opening Balance</b>	USD1,000 GBP1,000	0 balance
<b>Cheque book Delivery</b>	2 working days after opening account	2 working days after opening
<b>Ledger fee</b>	N/A	USD12/GBP12 (per half year)
<b>Minimum Relationship fee</b>	<b>BDT 250 per quarter</b>	N/A

HSBC has to lower down their opening balance. Because it is one of the competitive factor. Otherwise everything is fine in all respects of this account.

<b>FCY TMD</b>
----------------

Table-2.2

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Opening Balance</b>	USD1,000 GBP1,000	USD5,000
<b>RATE (USD)</b>	As per Rate Sheet	As per Rate Sheet
<b>RATE (GBP)</b>	As per Rate Sheet	As per Rate Sheet

It is observed from the table that the requirement of opening balance is only \$1000 for HSBC. For opening same types of accounts SCG requires about \$5000. It is obvious that HSBC may attract more customers to open this account.

<b>EXPAT ACCOUNT</b>
----------------------

- ♦ Expats can open normal BDT Current A/C
- ♦ Expats can open FCY current account
- ♦ Expats can open Convertible account if entitled to and subject to restrictions such as they can't deposit Taka in Convertible A/C
- ♦ Free ATM card is provided to access to their accounts to withdraw Taka from current accounts
- ♦ Expats can't earn interest on their BDT/FCY accounts (regulations of Bangladesh Bank)
- ♦ Expats can't get any credit facilities (Regulations of Bangladesh Bank)

□ **Savings account (maximize the wealth with daily interest)**

An HSBC savings account offers the following benefits:

- No ledger fee
- Free ATM card
- Free 24-hour phone banking
- Free personalized cheque book
- Free countrywide access to your account from any branch or ATM

In addition, the principal benefit of having an HSBC savings account is that any one will earn interest on their daily closing balance irrespective of the number of transactions and the amount of each transaction. A minimum account balance of BDT 50,000 must be maintained.

Table-2.3 Savings A/C

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Minimum Relationship amount</b>	<b>BDT50,000 Relationship includes FCY,CUR, SVR, Loans and O/D.</b>	<b>BDT100,000 (Min amount)</b>
<b>Cheque book Delivery</b>	2 working days after opening account	With ATM card, 2 days after opening account
<b>Calculation of interest and payment</b>	<b>Interest is calculated on daily balance and paid half yearly</b>	<b>Interest is calculated on average monthly bala</b>

<b>Interest Rate</b>	25K to 500K: 4.5%; 500,001 to 1M: 5.00%; 1M+: 5.50%	100K to 500K: 4.5%; 500K to 1M: 5%; 1M+ 5.5%										
<b>Relationship Fee</b>	BDT 250 per quarter	None										
<b>Minimum balance fee</b>	None	BDT50 per month if balance falls below 100K										
<b>Requirement for earning interest</b>	No restrictions on withdrawals or upper interest limit.	Monthly interest forfeited if customer withdraws 1/10th of balance or writes more than 2 cheques										
<b>Ledger fee</b>	No fee	BDT300 half yearly i.e. BDT50 per month										
<b>A/C Closing fee</b>	BDT300	BDT200										
<b>Fee for closing of A/C within 3 months of opening</b>	BDT500	BDT500										
<b>Phone-banking</b>	Free	Free										
<b>ATM</b>	Total ATM 9	Total ATM (SCG+SCB) 21										
<b>Annual ATM charge</b>	Free	BDT150										
<b>Card replacement fee/ lost card fee</b>	Free	BDT500 per card										
<b>Counter cheque</b>	BDT200	BDT50										
<b>Inter-city Transaction</b>	Free (unless it is proved that customer is abusing our system. Refer to Tariff guide)	<table> <tr> <td>1 – 100000</td> <td>-150</td> </tr> <tr> <td>100001-500000</td> <td>-500</td> </tr> <tr> <td>500,001-1,00,000</td> <td>-1,500</td> </tr> <tr> <td>1,000001 – 50000000</td> <td>-5,000</td> </tr> <tr> <td>Over 500,00000</td> <td>-10,000</td> </tr> </table>	1 – 100000	-150	100001-500000	-500	500,001-1,00,000	-1,500	1,000001 – 50000000	-5,000	Over 500,00000	-10,000
1 – 100000	-150											
100001-500000	-500											
500,001-1,00,000	-1,500											
1,000001 – 50000000	-5,000											
Over 500,00000	-10,000											

It is clear that the requirement of opening balance of HSBC is lower than SCG. So it is one of the attractive features for them. The lower charge of HSBC is also a competitive factor. But it is also observed that HSBC takes more time to deliver the ATM card. It should be improved.

#### □ **Current account**

If any one wants more flexibility with cash, this is the account for the customers. An ATM card, a cheque book and phone banking services are provided free of charge.

#### Table-2.4CURRENT ACCOUNT:

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Minimum Relationship amount</b>	<b>BDT50,000 Relationship includes FCY,CUR, SVR, Loans and O/D.</b>	<b>BDT50,000 (Min amount)</b>
<b>Cheque book Delivery</b>	2 working days after opening account	With ATM card, 2 days after opening account
<b>Relationship fee</b>	<b>BDT 250 per quarter</b>	<b>None</b>
<b>Minimum Balance fee</b>	<b>None</b>	<b>BDT50 per month if balance falls below BDT</b>
<b>Ledger fee</b>	<b>No fee</b>	<b>BDT300 half yearly i.e. BDT50 per month</b>
<b>Transaction fee</b>	<b>None</b>	<b>BDT 12.50 per transaction (after first 7 trans:</b>
<b>A/C Closing fee</b>	BDT300	BDT250
<b>Fee for closing of A/C within 3 months of opening</b>	BDT500	BDT500 for closing within 6 months

It is sure that here the lower charge is again being the prime advantage of HSBC.

## **DOCUMENTS REQUIRED**

### **BDT SAVINGS/CURRENT OR TMD ACCOUNT**

1. Bank's prescribed account opening application form
2. Photograph of the account holder
3. Nominee form
4. Introducer's signature in the account opening form, on the reverse side of the Photographs & on signature cards
5. To open BDT Current A/C foreigners need to furnish work permit and/or 6 months VISA

### **RFCD A/C Current & TMD** **(FOR RESIDENT BANGLADESH)**

1. Resident Bangladeshi may open RFCD A/C on their return (within 1 month) from abroad with the unspent FCY.
2. Minimum amount is USD1000 or GBP1000 for current and USD 1000 and GBP 1000 for TMD.
3. Passport with an entry within last one month.
4. Bank's prescribed account opening application form
5. Photograph of the applicant

6. Introducer's signature in the account opening form, on the reverse side of the Photographs & on signature cards
7. Can take out the money for further travelling without it being subject of any regulations.

**NFCD CURRENT & TMD**  
**(FOR NON RESIDENT BANGLADESHI)**

1. Minimum amount is USD1000 or GBP1000 for current and USD1000 and GBP1000 for TMD.
2. Passport of the applicant
3. Bank's prescribed account opening application form
4. Salary certificate from employer or work permit.
5. Photograph of the applicant
6. Introducer's signature in the account opening form, on the reverse side of the Photographs & on signature cards

**RESIDENT FOREIGNERS FCY A/C / CONVERTIBLE A/C**  
**(FOR RESIDENT FOREIGNERS)**

1. Minimum amount is USD1000 or GBP1000.
2. Passport of the applicant
3. Bank's prescribed account opening application form
4. Work permit from BOI (Board of Investment)
5. Photograph of the applicant
6. Duly filled in Q. A. 22 form - a declaration by customer that he won't breach Central Bank's FCY Regulations (the form will be provided by Bank)
7. Introducer's signature in the account opening form, on the reverse side of the Photographs & on signature cards.

□ ***Time deposit***

HSBC offer a wide range of time deposit products and interest rates are some of the most competitive in the market. Any one can open time deposits for different time periods such as one, three, six or twelve months.

Table-2.5 Time Deposit

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Minimum Balance</b>	BDT100,000	BDT100,000
<b>Interest Rate</b>	Lowest 5%, Highest 7.5%	Lowest 7.0%, Highest 8.5%
<b>Interest cycle</b>	Interest is paid on maturity	Interest is paid on maturity
<b>Tenure</b>	1/3/6/12 months	3/6/12 months
<b>Conditions for premature encashment</b>	No interest if withdrawn in one month and savings account interest rate of the same band if withdrawn before maturity	No interest if withdrawn in one month and sav band if withdrawn before maturity

It is reflected that the interest rate is one of the weak points of HSBC in this regard. Because where SCG offers 7% in lowest, HSBC offers only 5% in lowest. So HSBC should think in this regard.

□ **Power Vantage (For total financial control)**

Power Vantage is a unique all-in-one package of products and services designed to give you total financial control.

*Accident insurance coverage*

As a Power Vantage customer, you will receive accident insurance coverage for the amount of BDT 100,000. The Bank will cover the premium.

### *Endorsement of foreign currency against your travel quota*

As a Power Vantage customer, you can endorse foreign currency in your passport against the travel quota absolutely free of charge.

### ***Special loan rates***

You are entitled to special reduced rates on a Personal Installment Loan, and a discount on the processing fee for a Car Loan. You are entitled to further discounts if you have an automatic salary paid into your account.

### ***AutoShape of funds***

Any one can issue standing instructions to have funds transferred between the current and savings accounts and time deposit, which will enable to better manage funds and obtain a higher rate of interest.

### ***Standing instructions***

Any one can set up standing instructions of any fixed amount to be paid to selected parties' accounts with HSBC, free of charge.

### ***Special ATM card with enhanced withdrawal limit***

Power Vantage ATM card gives any one a high cash withdrawal limit of up to BDT50,000 at any of HSBC's ATMs across Bangladesh.



### *Monthly composite statement*

Any one can keep track of all the accounts with a monthly Power Vantage statement, which gives a summary of all the accounts with HSBC.

### *Eligibility*

To enjoy the benefits of Power Vantage, any one needs to maintain an average deposit balance of BDT200, 000. The annual fee is just BDT500.

The Bank will levy a service charge of BDT500 if the average deposit balance falls below BDT 200,000 for a six-month period. The service charge will be debited from the customer's Power Vantage account.

### □ ***Personal secured credit (Credit facility against your investment)***

Personal Secured Credit is an overdraft credit facility against time deposit and now Government Savings Certificates and Bonds.

### *Amount that you can get*

Any one can borrow up to 90% of his or her time deposit and Government Savings Certificates or Bonds value.

### *Gain*

Any one can re-invest money while his or her primary investment remains intact and this enables you to have the flexibility to meet short-term commitments without unlocking the long-term investment.

*Interest calculation*

Interest is calculated daily and is charged on the daily overdrawn balance payable every 3 months.

*Pay back system*

Facilities are repaid when either time deposit are withdrawn or Government Savings Certificates Bonds mature.

*Processing fee*

The processing fee is BDT1, 000 for facilities against government bonds issued by HSBC. In the case of facilities against government bonds issued by other banks the processing fee will be BDT1, 500.

Table-2.6

<b>PSC</b>
------------

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Product Name</b>	PSC – Personal Secured Credit	Cash Line
<b>Minimum amount</b>	BDT90,000	BDT90,000
<b>Maximum amount</b>	1) <b>Against Bonds (BSP/PSP)</b> BDT1,350,000 (in single name) BDT2,700,000 (in joint name) 2) <b>Against TMD</b> Unlimited	Unlimited
<b>Tenure</b>	12 months Auto renewable, no fees	12 months renewable, f 2,000 per year)
<b>Interest Rate</b>	For PSC against TMD rate + 4% For PSC against Bond 13%	12.5% to 14.5%

<b>Fees</b>	<b>For HSBC bonds:</b> BDT1,000 + stamp charge BDT170 <b>For other banks bonds:</b> BDT 1,500 + stamp charge BDT170	BDT2000 + Stamp BDT
-------------	--	---------------------

It is clear that fees are higher for SCG than HSBC. It is the lucrative point for HSBC. Another benefit for HSBC is that interest rate is lower than SCG. But the HSBC customers can take overdrawn facility up to 2700000 where as SCG customers can take unlimited amount. So HSBC has to look after in this regard.

□ ***Personal secured loan (a loan that offers flexibility)***

Personal Secured Loan is a fixed loan secured by your time deposit held with HSBC or Government Savings Certificates and payable in monthly instalments. The loan will provide you with the flexibility to meet any emergency cash needs you may have, so that you don't have to encash your high yield investments already purchased which could result in loss income already earned.

*Loan repayment*

Loan repayments can be made up to a maximum period of five years in the form of equal monthly instalments (EMIs). You can choose to repay the loan in 12, 24, 36, 48 or 60 monthly instalments. Monthly instalments will be automatically debited from personal account held with HSBC. Partial or full prepayments are also allowed.

*Amount that you can get*

You can borrow up to 90% of your time deposit or Government Savings Certificates value with minimum loan amount of BDT 90,000.

*Interest rate*

HSBC is offering the loan at a very competitive rate. In addition, any one will need to pay a nominal processing fee.

*Processing Fees*

1. Loan processing fee is BDT1000 plus stamp charge at actual.
2. Partial prepayment fee (at least 30% of the outstanding loan) is BDT1, 000.
3. Early loan settlement fee is BDT1000.
4. No end - loan fee.

Table-2.7

<b><i>PSL</i></b>
-------------------

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>
<b>Product Name</b>	PSL – Personal Secured Loan	Cash Line
<b>Minimum amount</b>	BDT90,000	BDT90,000
<b>Maximum amount</b>	90% against Government Bonds or Time Deposit	Unlimited
<b>Tenure</b>	Maximum Tenure 60 Months, tenure can be chosen by the customer from 12 to 60 months	Maximum Tenure 36 Months
<b>Interest Rate</b>	12.5% for loan against Government Bonds Loan against Time deposits – TMD Rate + 4%	11% to 13%
<b>Fees</b>	BDT1000 + stamp charge BDT170	BDT2000 + stamp BDT170
<b>Partial prepayment</b>	Allowed after 3 months of loan disbursement. At least 30% of the outstanding loan amount must be paid at a time	Not allowed

<b>Partial Prepayment fee</b>	BDT 1,000	Not allowed
<b>Prepayment/ early settlement</b>	BDT1,000 (at any time)	BDT1,000 (if within 6 m otherwise free)

It is observed that maximum tenure is 36 months to repay the loan in SCG but in HSBC up to 60 months one can repay. It is a positive point for HSBC. Another major positive side is that partial prepayment is allowed in HSBC whereas in SCG it is not allowed. Partial prepayment helps to get interest payment smaller. So HSBC is in a leading way in this manner.

Table-2.8 RATES of BSP and PSP

YEAR	BSP 5 YRS		PSP 8 YRS	
	BEFORE	AFTER	BEFORE	AFTER
1	10.5 %	8.5 %	10.75 %	8.75 %
2	11.5 %	9.5 %	11.75 %	9.75 %
3	12.5 %	10.5 %	12.75 %	10.75 %
4	13.5 %	11.5 %	13.75 %	11.75 %
5	14.5 %	12.5 %	14.75 %	12.75 %
6			15.75 %	13.75 %
7			16.75 %	14.75 %
8			17.75 %	15.75 %

## PERSONAL SECURED LOAN

### BSP

	Before With 90% loan	After With 90% loan
Your initial investment	BDT100,000	BDT100,000
HSBC invests	BDT90,000	BDT90,000
Your monthly instalment	BDT2,025	BDT2,025
Total instalment payment in 5 years (including your initial investment)	BDT131,500	BDT131,500
Accumulated interest + principal after 5 years	BDT172,500	BDT162,500
Your net benefit after 5 years	BDT41,000	BDT31,000

**PSP**

	<b>Before</b> With 90% loan	<b>After</b> With 90% loan
Your initial investment	BDT100,000	BDT100,000
HSBC invests	BDT90,000	BDT90,000
Your monthly instalment	BDT2,025	BDT2,025
Total instalment payment in 5 years (including your initial investment)	BDT131,500	BDT131,500
Accumulated interest + principal after 5 years	BDT173,750	BDT163,750
Your net benefit after 5 years	BDT42,250	BDT32,250
Accumulated interest + principal after 8 years	BDT242,000	BDT226,000
Your net benefit after 8 years	BDT110,500	BDT94,500

□ **Personal installment loan (Any purpose loan - no personal guarantee required)**

*Any purpose loan - no invoices*

Invoices or quotations are not required for whatever you intend to purchase.

*No personal guarantee - no cash security*

HSBC believe in their customers. That is why they do not require any personal guarantees or cash security to support the loan. Any one does not even have to make a down payment to take the loan.

### *Simple documentation*

The Personal Instalment Loan from HSBC assures you of one thing - simplicity. This means completing very simple and easy documents when applying for the loan. HSBC offers a very competitive interest rate with low processing fees. In addition, if any one has an auto pay salary account with us, they will be entitled to a discounted rate.

### *Loan applying procedure*

Any one who wants to get the loan should be 25 years of age and employed by a well-established company for 2 years with a minimum monthly income of BDT 15,000. Self-employed individuals can also apply subject to proof of income.

### *Amount that you can get*

The loan amount ranges from BDT 50, 000 T BDT 750, 000 or maximum four times of your monthly income, whichever is lower.

### *Loan repayment*

Loan repayments are made in the form of equal monthly instalments (EMI). The customers have the flexibility of choosing the repayment period (12, 24 or 36 instalments). The monthly instalments can be automatically debited from their personal account held with HSBC. Partial prepayment and prepayment is also allowed.

Table-2.9

<b>PERSONAL LOAN</b>
----------------------

<b>Product Features</b>	<b>HSBC</b>	<b>SCG</b>	<b>PRIME BANK</b>
<b>Product Name</b>	Personal Instalment Loan	Personal Loan	Consumer Credit
<b>Minimum amount</b>	BDT50,000	BDT50,000	Any Amount
<b>Maximum amount</b>	BDT750,000 or 4 times of salary, whichever is lower	BDT500,000 or 8 times of salary, whichever is lower	Consumer -BDT 100,000
<b>Tenure</b>	Maximum 36 months	Maximum 48 months	24 months
<b>Interest Rate</b>	<b>19%</b>	<b>19.5%</b>	16% + 2% Risk Fund
<b>Loan Processing Fee</b>	1% of the loan or BDT1,000 whichever is higher. 2.5% for customers having relation less than 3 months	1% of the loan or BDT1,000 whichever is higher	1% of the loan amount
<b>Late payment fee</b>	@24% on UOD	BDT500+3% extra on UOD amount	N/A
<b>Prepayment/ early settlement</b>	BDT1,000 (at any time)	BDT1000 (if within 6 months of draw-down otherwise free)	Free
<b>Partial Prepayment</b>	<b>Allowed after 3 months of loan disbursement. At least 30% of the outstanding loan amount must be paid at a time</b>	<b>Not allowed</b>	Not allowed
<b>Partial Prepayment fee</b>	BDT1,000	N/A	N/A
<b>Guarantee</b>	<b>No Personal Guarantee Required</b>	<b>2 Personal Guarantee Required</b>	<b>Personal Guarantee</b>

It is clear from the table that HSBC offers the maximum limit of personal loan than SCG or Prime Bank. And also in regard of tenure, interest rate and guarantee HSBC is in a good position. But they have to revise the loan processing fees.



□ **Car Loan (Drive a good bargain before you drive a good car)**

*No personal guarantee- no cash security*

One of most cherished desires of the customers has been to own a car. In realizing that dream, the most difficult part the customer encountered was arranging the funding. They approached banks and financial companies. They wanted guarantees and securities against the loan, and their dream could not be realized. Now with the Car Loan from HSBC, any one can overcome these obstacles and realize the dream.

*Competitive interest rate*

There are no hidden costs with low processing fees. Interest is charged at a competitive rate. If you have an auto pay salary account with us, you will be entitled to certain discounts.

*Loan applying procedure*

Any one who wants to get the loan should be at least 25 years of age and employed by a well - established company with a minimum monthly income of BDT 20, 000 and two years of service. Self - employed individuals can also apply subject to proof of income.

*Amount that you can get*

The scheme covers loans ranging from BDT50,000 to BDT2,000,000. The loan amount is up to a maximum 70% of reconditioned car values and 60% of new car values. The loan does not cover registration, insurance and other costs.

## Loan repayment

Loan repayments are made in the form of equal monthly instalments (FMI). Customers have the flexibility of choosing repayment period (12, 24, 36 or 48 instalments). Your monthly instalment will be automatically debited from their personal account held with HSBC. Partial prepayment and prepayment is also allowed

Table-2.10

### CAR LOAN

Product Features	HSBC	SCG	PRIME BANK
<b>Product Name</b>	Car Loan	Personal Loan	Consumer Credit Sch
<b>Minimum amount</b>	BDT 50,000	BDT100,000	BDT100,000
<b>Maximum amount</b>	BDT 2,000,000	BDT1,500,000	BDT1,000,000
<b>Tenure</b>	Maximum 48 months	Maximum 36 months	Maximum 36 months
<b>Interest Rate</b>	18.5%	Depends on security For 100% security – 13% For 50% security – 15% For less than 50% security -17%	16% + 2% Risk Fund
<b>Fee</b>	2% of the loan or BDT2,000 whichever is higher	1% of the loan amount or min Tk 2000	1% of the loan amount
<b>LVR</b>	70% for reconditioned car 70% for new car	Maximum 90%	80%
<b>Guarantee</b>	No personal guarantee required	None	2 Personal guarantee

It is reflected that in respect of minimum, maximum, or tenure HSBC is in a leading position than SCG or Prime Bank. But SCG has variation in interest rates. Customers may choose car loan from them because of the interest rate. So HSBC has to restructure their interest rates.

**A comparison of the rates is shown below:(Within HSBC)**

<b>Rate</b>	<b>Regular Rate</b>	<b>CEPS/Autopay</b>	<b>PVA</b>
<b>PIL</b>	19%	18%	18%
<b>Car</b>	18.5%	18.5%	18.5%
	Processing fee is 2% of loan amount or BDT 2,000 whichever is higher	Processing fee is 1.5% of loan amount or BDT 2,000 whichever is higher	Processing fee is 1% of loan amount or BDT 2,000 whichever is higher

- **Auto Pay Service (Freedom from routine payments and collections at the touch of a button)**

With one touch of a button, HSBC's auto pay service saves you from writing hundreds of cheques to vendors or employees every month.

#### *Reason for Choosing HSBC*

HSBC is the market leader in the local auto Pay service. Any company can initiate bulk Taka payments to or Taka collections from any HSBC current or savings accounts of counterparts (e.g. company' employees, customers or vendors) for a specified sum at a specified date, regardless of the branch.

## *HSBC's auto Pay service*

Any company can benefit from using auto Pay in these ways:

### *Save time and money*

- auto Pay is an effective and low-cost service for handling high volumes of regular low-valued but non-time critical electronic payments/collections.
- advance instructions for 'on-time' payments/collections will be activated automatically by HSBC on the specified 'value-dates'.
- avoid repetition of manual work and minimize administration costs and time spent at banking counters.
- eliminate the risks associated with regular deliveries of cash or cheques.

### *Easy record cross-checking and a convenient reference for tax preparation*

- at your request, the Bank provides you with computer-generated reports of auto Pay transactions

### *Simple, secure and flexible*

- prepare bulk payments/collections easily.
- ensure data confidentiality .
- change transaction details without any additional charge.

Auto Pay also benefits company's counterparts (those whose bank accounts will be debited/credited according to their instructions) in these ways:

*Company's counterparts authorize HSBC to debit their accounts for their credit (e.g. to settle their monthly bills with them)*

- due dates are not forgotten.
- the need to issue cheques or queue up to pay bills is eliminated.
- transactions are recorded in account statement.

*Your company instructs HSBC to credit the accounts of your counterparts by debiting its account (e.g. to pay salaries)*

- employees have their salaries paid into their accounts, eliminating the need to deposit cheques and saving time.

*A choice of input media for auto Pay transactions*

*Auto Pay MRI (machine-readable)*

You can submit auto Pay instructions to HSBC's auto Pay Centre on encrypted floppy disks (Spread sheet file) for processing. Your back office system can also interface with our software - free of charge.

*Electronic auto pay (batch payment) via Hexagon*

You can also make automatic payments/collections electronically without having to visit the Bank through Hexagon, HSBC's proprietary electronic banking delivery system.

*Paper lists*

You can even submit your auto Pay instructions in the form of paper lists, but these will be charged.

If a company has an auto Pay salary disbursement, then they can enjoy another facility, CEPS.

□ **Corporate employee privilege scheme (CEPS)**

The Corporate Employee Privilege Scheme (CEPS) is a unique and exclusive package of personal financial products and services offered to employees of selected companies. CEPS will provide staff with easy and quick access to HSBC's wide range of personal loan products and enjoy special rates which otherwise would have been hard to obtain. To enjoy the benefits of CEPS, the company needs to have an auto pay salary disbursement, which can be easily arranged with HSBC and is free of charge.

▪ **Home Loan**

HSBC Bangladesh has designed a Home Loan package for resident Bangladeshis to enable them to purchase a ready-for-occupation home. Financing will exclusively be for completed owner occupied residential flats/apartments only. Second hand properties will be financed on a case-to-case basis. Financing will include immovable fixtures and fittings which are part of the property and will not include movable furniture and decorative items.

**Who can apply?**

All Bangladesh nationals who are permanently resident within Dhaka or Chittagong.

Employed by a well-established company for 2 years. If less than 2 years in current job, previous employment record will be considered.

A minimum monthly income of BDT 40,000. Spouses may club their incomes together and apply as joint applicants. Self-employed individuals can also apply subject to proof of income.

Minimum age of applicant - 25 Years

Maximum Age of applicant - 50 Years

(Loan will be scheduled to be repaid prior to borrower reaching 57 years of age or retirement date whichever is earlier).

## **Basic Steps**

### **Pre approval**

The following documents will be required to assess the applicant's eligibility for a Home Loan:

- Completed application form including terms and conditions duly filled up and signed.
- Letter of Introduction from employer with employer's official letterhead.
- Income Tax return for the past year, salary slips, bank statements over the last 6 months etc.

### **Post approval**

1. Valuation of property carried out by Bank's surveyors as per Developer's quotation.
2. Property documentation vetted through Bank's lawyers.
3. After satisfactory valuation and vetting (\*see note below) offer letter issued by Bank to Developer confirming payment of funds directly to the Developer at the time of registration.
4. The following security documentation will be required to be completed:
  - Demand Promissory Note
  - Letter of Continuity
  - Letter of set-off
  - Letter of Undertaking by the borrower
  - Letter of Agreement
  - Property insurance covering fire, flood, cyclone, and earthquake.
  - Letter of Lien from the borrower to the Builder/Developer and duly accepted by the Builder/Developer, agreeing to create a legal mortgage on the property conferring all rights over the property in favour of the Bank.
  - Letter of Lien from the Builder/Developer to the Bank confirming that they have been notified about the loan being granted to the borrower, that the property is free from all encumbrances, and that the property will not be sold or alienated in any way without the Bank's concurrence.
  - Irrevocable General Power of Attorney
  - Deed of Mortgage
5. Registration of the property in the individual name of the borrower (collective registration not permitted). Legal mortgage taken on the property. Payment made to developer via a cashier's order at the time of registration of the property at the registry office.
6. Certified true copy of Title Deed and acknowledgement copy of registration lodged as security with the Bank.

7. Original Title Deed lodged as security with Bank once issued (approximately one year later).

## **Loan amount and repayment**

A maximum loan amount of 70% of the total value of the apartment or valuation amount whichever is lower, costing up to BDT 5,000,000 and 60% of the total value of the apartment or valuation amount whichever is lower, for apartments over BDT 5,000,000. For those properties valued at more than BDT 5,000,000 we shall fund up to 70% of BDT 5,000,000 until 60% of value exceeds BDT 3,500,000. The total value is inclusive of the registration cost.

Loan repayments are made in the form of equal monthly instalments (EMI). Flexibility of choosing repayment period up to 180 months. Monthly instalment can be automatically debited from personal account held with HSBC. Partial prepayment and prepayment allowed.

## **Customer Benefits**

- A lower interest rate of 15%.
- A special discounted interest rate of 14.5% to Corporate Employee Privilege Scheme (CEPS) customers.
- Interest is calculated on a monthly reducing balance offering a lower monthly repayment amount, opposed to an annual reducing balance method calculated by competitor financiers.
- The total value of the loan covers the registration cost.
- Minimum loan of BDT 750,000 and maximum loan amount up to BDT 10,000,000.
- Flexible repayments up to 15 years.
- Partial prepayment and prepayment allowed.
- A legal mortgage is taken on the property providing greater security to the borrower.

A competitor comparison of the HSBC Home Loan with that of the leading housing finance company for a loan of BDT 1,000,000 is as follows (figures are meant for indication purposes only):



Table: 2.11 Net Savings

Loan Period	EMI (HSBC) BDT	EMI (competitor) BDT	Total amount paid (HSBC) BDT	Total amount paid (competitor) BDT	Net savings with HSBC's Home Loan BDT
15 years	13,996	14,780	2,519,280	2,660,400	141,120
12 years	15,009	15,870	2,161,296	2,285,280	123,984
10 years	16,133	17,090	1,935,960	2,050,800	114,840
7 years	19,297	20,490	1,620,948	1,721,160	100,212
5 years	23,790	25,310	1,427,400	1,518,600	91,200

Note: HSBC's interest is calculated on a monthly reducing balance @ 15%.

(Competitors or other institutions are: Delta Brac Housing, National Housing Finance and Investment Limited etc.)

It is clear from the table that the customers who will take home loan from HSBC they will save a handsome amount of money than others like Delta Brac Housing etc. So with 15% interest rate and monthly reducing balance method EMI instalments saves money of the HSBC home loan customers and it is a major positive factor.

### Comparison of effective interest rates between HSBC and some other institutions offering home loans calculated under the Annual and Monthly Reducing Method

Table2.12 Effective Annual Reducing Balance interest rates

Tenor	HSBC %	OTHER INSTITUTIONS %	Savings with HSBC %
5 years	13.07	15.75	2.68
10 years	14.24	15.75	1.51
15 years	14.64	15.75	1.11

It is clear that in respect of interest rate HSBC also offers a competitive Annual Reducing Balance interest rate. Customers who will take home loan will gain benefit giving lower interests.

For example a customer can save 2.68% interests on a five-year period over Delta Brac Housing, National Housing Finance and Investment Limited etc. So it is a positive gain for the customers.

Table-2.13 Effective Monthly Reducing Balance interest rates

Tenor	HSBC %	OTHER INSTITUTIONS %	Savings with HSBC %
5 years	15.00	17.68	2.68
10 years	15.00	16.51	1.51
15 years	15.00	16.11	1.11

**Effectively HSBC's loans are around 2.68% cheaper over 5 years and 1.11% cheaper over 15 years on a monthly reducing balance.**

#### Bank fees:

- Loan processing fee is 2% of the loan amount or BDT 20,000 whichever is higher.
- Subject to the approval of the customer's application a non-refundable fee of BDT 15,000 will be charged for the valuation of the property, legal vetting of the documents, and obtaining of title deed documentation (\*see note below). This will be included in the loan-processing fee.
- Early loan settlement fee is 2% of the outstanding amount or BDT 20,000 whichever is higher.
- No end loan fee.

#### Note: Other fees (indicative)

Legal: Documentation vetting, preparation: Between BDT 5,000 to BDT 10,000

Property search: BDT 5,000

Obtaining of property registration and title deed from registry office: BDT 5,000

Table-2.14 Legal Mortgage fee

Property Value	Fees (BDT)
BDT 0.5M – 2.5M	8,122
BDT 2.5M – 5M	15,122
BDT 5M – 10M	25,122
Above BDT 10M	50,000

Table-2.15 Home Loan Comparisons:

<b>HOME LOAN COMPARISON OF DIFFERENT INSTITUTIONS</b>				
<i>Factors</i>	<b>HSBC</b>	<b>Delta Brac Housing (DBH)</b>	<b>National Housing Finance &amp; Investment Limited (NHFIL)</b>	
<b>Product Name</b>	Home Loan	Home Loan	Home Mortgage Loan	
<b>Date Launched</b>	Aug-02	Over 4 years	2 years	
<b>Target Customers</b>	➤ Salaried PME's and HNWI's	➤ Salaried and self-employed individuals	➤ Salaried and self-employed individuals	
<b>Offers Loans for:</b>	➤ For completed flats/apartments – less than 20 years of age	➤ Construction of houses ➤ Purchase of flats or houses ➤ Extension and improvement of existing houses or flats ➤ Purchase of housing plots/chamber/of fice	➤ Construction of houses ➤ Purchase of houses or apartments ➤ Renovation, extensions or addition to existing houses or apartments ➤ Purchase of housing plot	
<b>Annual Rate of Interest</b>	➤ 15% - normal ➤ 14.5% -CEPS	➤ Upto Tk 2.00 lac - 15.25% ➤ Above Tk 2.00 - 15.75%	➤ 15.75%	
<i>Factors</i>	<b>HSBC</b>	<b>Delta Brac Housing (DBH)</b>	<b>National Housing Finance &amp; Investment Limited (NHFIL)</b>	
<b>Interest Calculation</b>	➤ Monthly Reducing balance	➤ Annual Reducing balance	➤ Annual Reducing balance	

<b>Minimum monthly income</b>	➤ BDT 40,000			
<b>Minimum Age</b>	➤ 25years			
<b>Maximum age</b>	➤ 50years	Repaid prior to reaching 65 years of age	Repaid prior to retirement age	
<b>Minimum loan Amount</b>	➤ BDT 750,000 (incl. reg cost)	➤ BDT 1,00,000 (incl. reg cost)		
<b>Maximum Loan amount</b>	➤ BDT10,000,000(incl. reg cost)	➤ BDT 40 lacs (incl. reg cost)	➤ BDT 30 lacs	
<b>Max Loan to Value Ratio (LVR)</b>	<ul style="list-style-type: none"> <li>➤ 70% of the value of apartment or valuation amount whichever is lower (including registration fee) up to BDT5M or</li> <li>➤ 60% of total value of apartment or valuation amount whichever is lower for properties above BDT5M</li> </ul> whichever is less.	<ul style="list-style-type: none"> <li>➤ 80% for construction/renovation cost and</li> <li>➤ 70% of purchase price for completed flat/apart. whichever is less</li> </ul>	➤ 70% of the value of the property as assessed by National Housing	
<b>Tenure</b>	➤ 15 years (loan must be repaid prior to 57 years of age)	➤ 15 years (loan must be repaid prior to retirement age if employed or on reaching 65 years of age whichever is earlier)	➤ 15 years (loan must be repaid prior to retirement age if employed or on reaching 65 years of age whichever is earlier)	
<b>Payment Mode</b>	➤ Equated monthly installment basis.	➤ Equated monthly installment basis.	➤ Equated monthly installment basis.	
<b>Factors</b>	<b>HSBC</b>	<b>Delta Brac Housing (DBH)</b>	<b>National Housing Finance &amp; Investment Limited (NHFIL)</b>	
<b>Repayment frequency</b>	➤ Monthly	➤ Monthly	➤ Monthly	
<b>Security</b>	➤ Registered mortgage and	➤ Equitable mortgage	➤ Equitable mortgage	

	original title deed			
<b>Loan processing fee</b>	➤ 2% of the loan amount or BDT20,000 whichever is higher	➤ 1.8% (0.8% application and 1% processing)	➤ 1.75% (0.75% application and 1% processing)	
<b>Early repayment facility</b>	➤ Allowed	➤ Allowed in part or full any time. Part prepayment minimum amount should be Tk50,000 or equal to 3 EMIs, whichever is higher.	➤ Allowed. In case of partial prepayment at least BDT50K must be repaid.	
<b>Early repayment fee</b>	➤ 2% of the outstanding amount or BDT 20,000 whichever is higher	➤ Nil	➤ Nil	
<b>Property Insurance</b>	➤ Fire, Earthquake, Flood, Cyclone	➤ Fire, Earthquake, Flood etc	➤ Fire, Earthquake, Flood etc	
<b>Special Terms/packages/Promotional offers</b>	➤ Partial prepayment allowed	➤ Free Property counseling service/Partial prepayment allowed	➤ Counseling service/partial prepayment allowed/ loan approved before starting construction or finalising purchase of apartment or house.	

## **Credit Cards**

### **Introduction**

HSBC is going to come up with credit cards. Before enter into market they have done an analysis. In the following the analysis has been shown to compare with other institutions.

## **HSBC BANGLADESH SITUATION ANALYSIS**

- HSBC has been in Bangladesh for the last 5 years.
- PFS aggressively started launching products for the last 3 years.
- Good range of loan products.
- Very good delinquency rate.
- Good reputation in terms service standards in the market.
- Too expensive to set up CC dept. locally, best option is to co brand with other local issuers.
- Defensive strategy – completing our product range and reducing our attrition rates.
- Although we expect to acquire some customer base and give them branded CC to maintain loyalty.
- Our main competitor is SCG – 70% market share.
- More foreign banks like AMEX and CITI are likely to introduce cards within the next 3 years.
- Income to come from annual card fees and a portion of Merchants income.
- Looked at 3 banks for co-branding, the best of the three is Prime bank – Local commercial bank.

## **INDUSTRY ANALYSIS**

- Credit Cards in Bangladesh still in their infancy
- Only 5 yrs. Since Credit Cards has been launched in Bangladesh
- Status symbol
- Few local banks offering similar products
- One other foreign bank – SCG – with 70% of the market share.
- Income depends heavily on fee income as opposed to interest income.
- Not much in terms of loyalty programs
- HSBC has explored the opportunity with other issuers – Vanik, national, and Prime

### **Vanik**

- Do not give Master/ Visa card
- Financials are weak.
- Questions of ownership after tying up with Sampath and Chinkara bank.

### **Nationalized Banks**

- Low service standard
- Weak financials
- Overall reputation of the bank is average
- State run bank
- Least interested in tying up with us
- Standards not up to mark.

### **Prime Bank**

- More interested in us
- Good reputation in terms of service as private local bank.
- Good back up system.
- Willing to take the credit.
- Low delinquency rates.
- Issuers of master Card and Visa.
- More adaptable to changes in technology.
- Best financials from the above two.
  - Posted operation profit of USD 10.23 mil (year 2000)
  - Capital funds of USD 16.78 mil (year 2000)
- Standard credit operations in Nov 99
- Started acquiring business in early 2001
- Card basis is approx. 10K customers
- Merchant base is 200 outlets

### **Findings**

- Want to retain our customers from going to SCG



- Increase share of wallet
- Plan to set up a 3/5-year co-branding agreement with Prime Bank (Master Card).
- Give our customers a brand loyalty along with existing products.
- Issue only Gold cards (Status symbol)
- Card design to comply with group card design guidelines, PB logo only on the back
- PB will incur most cost associated with acquisition, marketing ad advertising.

## **PROCESSING**

Prime Bank will provide full range of services including:

- New account application processing- PB will advise HSBC of all declined application. HSBC may request special approvals with a standard guarantee.
- Issue and reissue HSBC Gold cards and PINs (on request)
- Undertake full range of customer services and account maintenances, including lost/ stolen card replacement and customer enquiries.
- Auto-pay facilities to be used for repayments.
- Issue monthly and duplicate statements as required.
- PB will own all receivables and manage all credit control and debt recovery functions.
- Fraud and Bad Debts will be on the account of PB for all cards.
- PB will not mail marketing materials which conflict with HSBC's interests or products, details of the rules will be included in the partnership agreement.
- Card design will be an HSBC Credit Card with the PB logo appearing on the back.

Table-2.16 PRODUCT SPECIFICATIONS

<i>Items</i>	<b>Prime Bank</b>	<b>HSBC</b>
Annual fees	<b>BDT 2,500</b>	50% or BDT 1,000 whichever is higher
Additional card annual fees	1,500	50% or BDT 600, whichever is higher
Replacement card fees	1,000	
Late payment fees	450	
Excess Limit Penalty	750	
Return Cheques Fees	350	
Statement Retrieval Fees	50	
Sales Slip Retrieval Fees	250	
Out Town Collection Cheque Fees	250	
PIN Replacement Fees	1,000	
Interest Rates	30%	
Credit Limit	Up to PB	
Cash Advance Limit	On Request	
Min. Repayment	10% or BDT 500 which ever is higher	
Age	21 to 65	
Loyalty Program (existing PB program)	Waiver of Annual Fees if you accumulate 10,000 bonus points	HSBC will receive the minimum of BDT 1,000 regardless of any waivers
Loyalty Program (existing PB program)	Free Air Tickets based on points	

Table-2.17 MARKETING AND PRODUCT BRANDING

<b>Marketing Material</b>	<b>Branding</b>	<b>Responsibility</b>	<b>Cost to</b>
Plastic Card	Front: HSBC group Standard Card with Prime Bank Logo on the back	Prime Bank	Prime Bank
Card Member Statement	Same format as Prime bank customized for HSBC	Prime bank	Prime bank

## **CARD OWNERSHIP**

- The HSBC card members will be legally owned by Prime Bank
- HSBC will have access to information on card members.
- The receivables will be owned by Prime Bank who may cancel card account subject to the terms of card agreement.
- Prime bank call centre will service HSBC card members.
- Prime Bank will not mail any statement inserts that conflict with the HSBC's interests or products.
- HSBC will notify Prime Bank of accounts closed of card holders at the bank, Prime Bank has discretion to keep the account active.

## **Chapter-3**

### **Corporate Banking:**

#### **3.1 Payments and Cash Management:**

##### ▪ **Account Management Services:**

HSBC's unrivalled network of full service branches throughout Asia and its membership of local clearing systems, enables us to provide accounts structured to meet your requirements. Our end-to-end banking relationship, operated through one multi-channel global means, lower costs for you, as well as streamlines the communication process.

Companies often maintain too many accounts in too many banks, which is costly and reduces control. Through our electronic banking solution, we ensure a consistent level of quality services and control to our valued clients.

##### ▪ **Electronic Banking-Hexagon:**

Access your account from your PC 24 hours a day, 365 days a year from anywhere in the world with Hexagon, A Global Electronic Banking System

##### ❖ **Cash Management Services**

Hexagon offers a complete cash management service in an easy to use and highly secure systems. This provides you timely and accurate account information and gives you total control over your finances.

You can pay to third parties and can effect instant fund transfer between your own accounts. This will take effect instantly. So no more signature and fax hassle for an instruction.

##### ❖ **Trade Services**

Hexagon significantly reduces the documentation and physical delivery required for trade finance, resulting in both faster and more accurate processing and administration. It will reduce data entry and related errors and you can store frequently used documentary credit (DC) in templates and recall them as needed to speed in your processing.

### ❖ **Salary Payment**

Salary payment to your staff is at your fingertips by using our MT\_100 module through Hexagon. You can import salary from your existing payroll system and send it to bank through Hexagon. From these we can credit accounts of your staff immediately and error free.

### ❖ **Information Services**

Hexagon is essential if you are remaining competitive in today's fast moving markets. Hexagon provides a wide range of market information prepared by experts around the world, enhancing your opportunities for profit. You can get precious metal prices, spot rates, and stock prices and index values and foreign exchange commentary everyday.

### ❖ **Report Writer**

Hexagon report writer is a powerful and easy -to - use tool for accessing and managing your accounts, trade finance and security information. Report writer allows you to organise your accounts in a variety of ways convenient customised reporting. It is easy to integrate with your current accounting package.

### ❖ **Offline Mode**

Hexagon can be used offline to prepare payment instructions, documentary credit application ; you can trace and send them at you convenient time, cutting phone costs. Offline mode also reduces clerical work and speeds up your office.

### **Hexagon Cheque Writer:**

- *Preparation of cheques through Hexagon Cheque Writer & updates PC ledger.*
- Reconciliation of cheques at the Hexagon ledger.
- Advice along with cheque leaves.
- No further installation required since it is built in our Hexagon module.
- Recurrent payments can be stored & printed.
- Convenience of in-house cheque printing.

### **3.2 Corporate Credit:**

When you choose a bank to help support your business you want to be sure that it can tailor solutions to meet your specific finance needs. At HSBC, we have a full range of products and services, which include:

#### **Overdraft**

A convenient and flexible form of short-term financing for routine operating expenses and overheads of your company.

#### **Import and Export Loans**

Loans against import are available to you when you purchase under Documentary Credit or Documentary Collections terms.

Pre-shipment finance is available to you to meet your working capital requirements. Advance's are granted upon production of a buyer's contract or export DC.

▪ **Country-wide Payments and Collections:**

**Country-wide Payments**

Most corporate treasurers cannot afford to spend time worrying about routine payment, HSBC Bangladesh has the technology to put you in better control of routine operations and has been successfully handling payment requirements throughout the nation for its corporate clients.

- ❖ Reduces payment time.
- ❖ Payment details are available through Hexagon.
- ❖ Reconciliation through Hexagon statement.
- ❖ Centralise control of payments.
- ❖ Network coverage of almost 200 locations nation-wide.

**Contry-wide Collection**

As receivable management is crucial to your financial cycle, we have developed products for you to efficiently manage your requirements and reduce cost.

- Cost reduction through efficient fund management.
- Detailed MIS on cash collection, resulting in better management.
- Reconciliation done through Hexagon.
- Centralise control of all your cash & instruments.
- Network coverage of almost 200 locations nation-wide.
- Quicker cash collection in a central account, resulting in greater earnings.

## **DP / DA Purchase**

A cash advance made to you when you have exported goods to a buyer through Documentary Collections, either on a Documents against Acceptance (DA) or Documents against Payments (DP) basis.

## **Long-term Loans**

We can customise a Term Loan to finance the fixed assets that your business needs (such as land, new premises, equipment and machinery). It may be a greenfield project or an expansion of an existing plant, that may be financed at competitive floating rate of interest.

## **Guarantees and Bonds**

HSBC Bangladesh issues a full range of Performance Guarantees, Advance Payment Guarantees, Financial Guarantees and Bid bonds for supporting the underlying business of our customers.

The availability of our credit facilities is subject to HSBC's Internal Credit guidelines and approval process.



### **3.3 Trade Services:**

- **Electronic DC Advising:**

You should always insist that your documentary credits are advised through HSBC.

With a network of 7,000 offices in 81 countries and territories, you are assured that your DCs will always reach you on time.

Electronic Export DC Advising is a new and alternative way for you to receive a full copy of your Export Documentary Credits (DCs), amendments and export transaction advices via email.

The service brings direct benefits to your business at no extra cost.

In this increasingly competitive environment, our Electronic DC advising services will help by offering:

- **Better Logistics Management**

Quicker freight bookings and collation of other necessary documentation required under DC.

- **Enhanced Accuracy in the Preparation of Documents**

You can 'cut and paste' the relevant text from the copy of the DC emailed to you, to prepare documents under this DC.

- **Convenience**

You can easily forward your online copy of the DC to your shipping, insurance and other trade partners.

- **Reduced Courier Expenses**

By signing up for our DC Safe Custody Service, you will be able to reduce the expenses incurred otherwise for collecting the DC from our counters.

The availability of credit facilities is subject to HSBC's Internal Credit guidelines and approval process.

▪ **Export Services:**

With over 7,000 offices in 81 countries and territories, you can be rest assured that an HSBC office is close to you, wherever you are exporting to. We are available to provide you with advice on any aspect of your trade document preparation and can also provide you with working capital finance to assist you to source your raw materials

To benefit from HSBC's export services, you do not need to have special facilities, or even an account with us. Simply request your buyers to advise your documentary credits through us and benefit immediately from our international network.

Our range of services include:

- Pre-Shipment Finance
- Post-Shipment Finance
- Documentary Credit Advising

▪ **Import Services:**

With over 130 years of experience supporting importers globally, HSBC is well positioned to fulfill your trading needs. A full range of import services handled by experienced staff is available, ensuring that your import documents are processed without delay.

Simply apply to us for import facilities, and we can begin handling your imports immediately.

Our range of services include:

- Documentary Credits
- Import Collections
- Import Finance
- Shipping Guarantee
  
- **Trade Express:**

### **Trade Express**

Trade features as an integral part of the Bangladesh economy and this trend is set to continue. Competition in trade, however, continues to grow stiffer for our local customers (both domestically and internationally). In order to facilitate their competitiveness, we can provide our priority customers the ability to handle their transactions more quickly, easily, and efficiently.

#### **What is it?**

Tradexpress is an umbrella service, which combines traditional trade products, document delivery services, reinforced by HSBCs proprietary state of the art e-banking (Hexagon and Electronic DC Advising), designed to provide tailored solutions for our priority customers from the convenience of their own office remote banking.

#### **Benefits**

With this product you can now execute all your trade transactions faster, cheaper, and with more accuracy than ever before and most importantly, from the convenience of your own office.

The benefits delivered by Tradexpress are

- Real-time intimation of Export Documentary Credit (DC) delivered to your email account or Fax number, along with a copy of the documentary credit enabling faster and more accurate handling of exports.
- Export transaction advises delivered to your desk through email or Fax and import transaction advises through Hexagon.
- Online Issuance and amendment of Import DCs from your office, reducing cost and process time for you.
- Online access to your Import and Export facility positions.
- Real-time correspondence with the bank through Hexagon enabling you to electronically present your requests and instructions in a secure and fast manner.
- Extended counter hours and our commitment to quicker turnaround of transactions.
- Document pick up and delivery services.
- Minimal documentation / sign up formality

## **Chapter-4**

### **Treasury:**

- **Treasury Services Offered:**

HSBC is the leading market maker globally, quoting competitive prices in all tradable currencies, and acting as a primary provider of liquidity to the market 24 hours a day.

Our dynamic Corporate and Institutional marketing teams provide up-to-date market intelligence, advice and timely execution of deals to our customers throughout the trading day, including the following:

- **Spot Foreign Exchange**

A spot contract is a binding obligation to buy or sell a certain amount of foreign currency at the current market rate, for settlement in two business days time.

- **Forward Foreign Exchange**

A forward exchange contract (or forward contract) is a binding obligation to buy or sell a certain amount of foreign currency at a pre-agreed rate of exchange, on or before a certain date.

- **Competitive Forex Rates for Remittances, Export and Import**

HSBC Dhaka offers competitive FX rates to our corporate and retail customers.

- **Weekly currency newsletter**

HSBC Dhaka provides comprehensive commentaries on recent market movements. Which can help our customers to decide on important Foreign Exchange and Money Market issues.

○ **Market Outlook from our Global Desks**

We also offer Market Outlooks and information from our Global Currency Strategists of leading liquidity centers like London, Hong Kong and USA.

▪ **Travel Services:**

Traveller's Cheques- Traveller's Cheques are available in all major currencies and eliminate the need to carry cash while travelling overseas. Unlike cash, Traveller's Cheques are safe and will be immediately replaced if lost or stolen. Traveller's Cheques issued by HSBC are accepted worldwide, giving you spending power wherever you are.

**Benefits**

- Secure and convenient, as they can be encashed at banks and at most hotels and shops in any country or city
- Handy to carry
- Accepted globally
- Easy-to-use
- Ideal to budget
- Available in most major currencies in denominations of 50 and 100.

**Fees**

1% commission of the total amount endorsed. Endorsement fee of BDT250.

**Requirements**

1. An HSBC account in Bangladesh

2. Passport and valid visa
3. Confirmed return air tickets

## **Chapter-5**

### **HR and HSBC in the Community:**

#### **5.1 Training and Development:**

At HSBC, we believe our primary competitive advantage comes from our employees. It is their ability to provide a superior customer experience to our customers, that sets us apart from other financial services companies. In the ever-changing financial services industry, all of us must continuously upgrade our skills and knowledge in order to maintain this competitive advantage.

Our goal is to attract, retain and motivate the very best, and to do that we support training, development, and business education through the following:

- **Internal Training Programmes**

Seminars, workshops and locally tailor made training on a variety of topics are offered directly by HSBC Training and Development Department at our training centre located at Motijheel.

- **External Courses**

Job related courses, seminars, workshops and conferences developed and presented at HSBC Offices in Asia and also at Group Training and Management Development Centre at Bricketwood, UK.

- **Distance Learning**

Web-based and multimedia self-study programmes available through our Intranet and multimedia Learning Centres located in our HSBC offices.

- **Resident Management Trainee Programme (RMT Programme)**

The Resident Management Trainee programme (RMT) aims to select a group of high potential executive trainees and provide them training and development opportunities. The RMT programme gives potential executives effective and systematic training to acquire an excellent understanding of the commercial operations and business functions.

The RMT programme ensures that successful applicants, with the right training, will have the ability and potential to reach the highest level of management within HSBC Bangladesh, and possibly beyond.

### **5.2 Offering Competitive Benefit Packages:**

HSBC continually evaluates and reviews its employee benefits to ensure that benefits are competitive and in line with our employees needs. Employee benefits include:

- Market competitive remuneration package and annual cash bonuses.
- Health plan and routine medical allowance including optical and dental treatment.



- Short and long-term disability coverage, as well as life insurance.
- Paid leave for marriage, maternity, sickness and vacation.
- Staff banking privileges, including special interest rates for car loans, sundry loans and home loans.
- An active Sports and Social Club.
- Development opportunities and career support.
- Retirement benefits.

## **Chapter-6**

### **Recommendation:**

- HSBC has to lower down their opening balance to open accounts for RFCD accounts. Because it is one of the competitive factor.
- The weak side of HSBC is delivery time of the ATM card. It should be improved.
  - In regard of time deposit, the interest rate is one of the weak points of HSBC. Because where SCG offers 7% in lowest, HSBC offers only 5% in lowest. So HSBC should think in this regard.
  - SCG has variation in interest rates offering car loans. Customers may choose car loan from them because of the interest rate. So HSBC has to restructure their interest rates.

- To become the market leader HSBC has to analyze the overall banking procedure carefully and then they have to take the corrective measures.

## **Chapter-7**

### **Conclusion:**

Banking is a financial intermediation process. Banks take deposits at a cost and lends at a higher rate to cover its operational expenses and make some profit. In this process, if loans are stuck-up, the entire process endangered. So banks are in the business of managing risks.

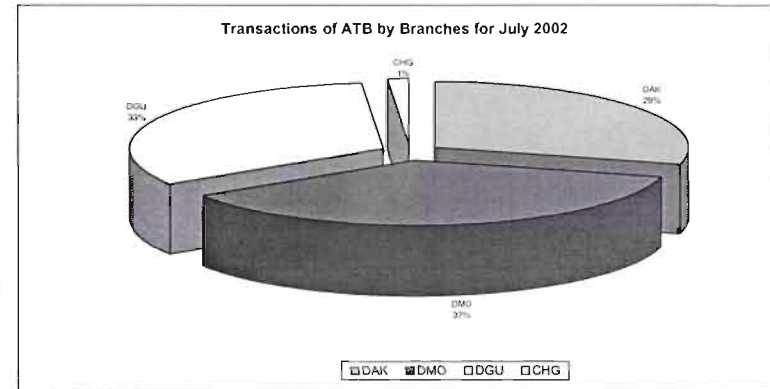
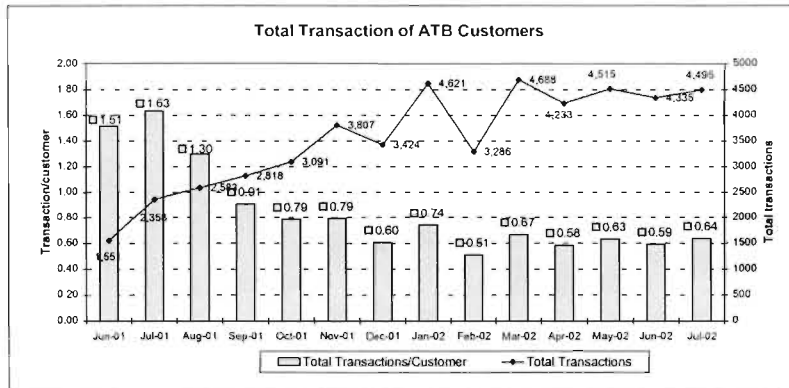
The major part of HSBC is the personal services and the corporate banking. So they have to be aware always according to the market condition. Because SCG is their main competitor. As customers are the first priority HSBC has to organize them like what the majority customers want.

## **Chapter-8**

### **Appendix:**

**TRANSACTION HISTORY OF ATB CUSTOMERS**

Month	Total Call	Total Transactions	% Increase than last month	Total ATB Customer with Pins	Total Undelivered PINS	Total Transactions/Customer
Jun-01	1009	1551	0	1025	918	1.51
Jul-01	1514	2358	52%	1444	1280	1.63
Aug-01	1708	2583	10%	1994	1524	1.30
Sep-01	1866	2818	9%	3109	1485	0.91
Oct-01	2222	3091	10%	3931	1687	0.79
Nov-01	2804	3807	23%	4805	1547	0.79
Dec-01	2503	3424	-10%	5663	1271	0.60
Jan-02	3328	4621	35%	6237	1558	0.74
Feb-02	2080	3286	-29%	6468	1657	0.51
Mar-02	2831	4688	43%	7046	1361	0.67
Apr-02	3132	4233	-10%	7260	1136	0.58
May-02	3379	4515	7%	7153	1252	0.63
Jun-02	3321	4335	-4%	7325	1099	0.59
Jul-02	3317	4495	4%	7058	1081	0.64



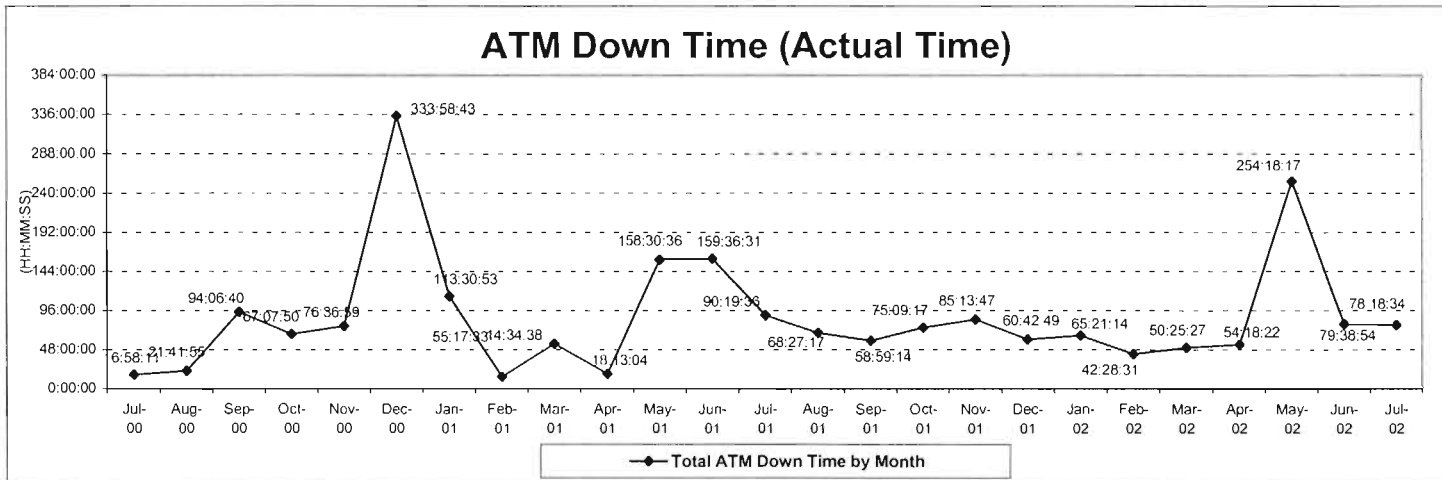
BRANCH	ATB Customers till July 02	Undelivered PINS	% undelivered July 02	% undelivered last month(June02)
DAK	2139	164	8%	2%
DMO	2995	494	16%	17%
DGU	2890	397	14%	17%
CHG	115	26	23%	19%
<b>TOTAL</b>	<b>8,139</b>	<b>1,081</b>	<b>13%</b>	<b>13%</b>

# ATM Down Time (Actual Time)

July 2002

(HH:MM:SS)

Month	DMO	DGU	CHG	DDH	DUT	DAK	DSH	DBA	CGE	Total ATM Down Time by Month
Jul-00	2:24:27	11:25:19	3:08:25							16:58:11
Aug-00	2:47:26	16:32:15	2:22:14							21:41:55
Sep-00	30:13:20	33:37:41	30:15:39							94:06:40
Oct-00	10:27:17	9:41:42	3:47:33	12:14:55	30:56:23					67:07:50
Nov-00	1:55:45	4:03:04	5:05:04	5:36:04	59:57:02					76:36:59
Dec-00	106:07:17	24:19:03	2:16:01	93:00:42	108:15:40					333:58:43
Jan-01	19:49:11	78:11:25	4:46:36	3:22:48	7:20:53					113:30:53
Feb-01	3:52:26	3:09:42	3:29:11	1:56:57	2:06:22					14:34:38
Mar-01	17:37:30	2:59:15	5:22:23	26:38:51	2:39:34					55:17:33
Apr-01	2:02:39	3:56:54	4:00:16	1:35:34	6:37:41					18:13:04
May-01	2:22:37	2:39:02	2:25:24	1:39:01	146:14:51	3:09:41				158:30:36
Jun-01	15:46:10	10:33:54	5:20:03	21:15:34	84:11:10	22:29:40				159:36:31
Jul-01	3:04:26	2:40:52	4:52:27	25:35:57	50:52:53	3:13:01				90:19:36
Aug-01	7:30:56	6:05:11	4:43:31	31:22:17	4:23:00	7:50:20	0:18:26	1:16:54	4:56:42	68:27:17
Sep-01	23:11:43	2:40:20	2:52:19	3:56:26	4:12:00	2:01:34	3:13:18	14:54:11	1:57:23	58:59:14
Oct-01	27:20:08	2:17:09	1:56:44	3:52:34	4:01:41	5:02:59	27:25:04	2:11:22	1:01:36	75:09:17
Nov-01	4:15:20	4:20:54	4:00:49	5:30:43	20:02:20	3:32:29	35:46:51	3:58:43	3:45:38	85:13:47
Dec-01	3:49:11	2:07:01	1:44:10	4:54:01	4:47:09	2:51:06	19:29:45	18:36:55	2:23:31	60:42:49
Jan-02	3:56:39	3:58:15	2:23:43	8:52:30	20:05:26	5:21:42	9:25:44	8:42:00	2:35:15	65:21:14
Feb-02	5:58:35	3:00:18	2:53:27	5:19:41	4:16:52	4:55:52	5:34:49	4:45:52	5:43:05	42:28:31
Mar-02	3:42:33	7:35:19	3:54:59	5:16:27	5:21:36	2:43:34	12:14:58	4:55:55	4:40:06	50:25:27
Apr-02	4:06:44	2:44:58	4:29:32	5:28:59	4:32:14	8:32:30	13:24:45	6:18:56	4:39:44	54:18:22
May-02	14:28:21	4:23:28	5:14:25	6:03:15	3:37:37	5:30:15	204:46:21	5:48:13	4:26:22	254:18:17
Jun-02	5:38:15	4:36:43	3:20:11	6:21:48	3:56:05	4:58:27	42:17:47	5:19:01	3:10:37	79:38:54
Jul-02	9:41:35	6:12:30	4:12:43	3:16:20	6:43:37	8:27:06	6:51:27	27:45:42	5:07:34	78:18:34



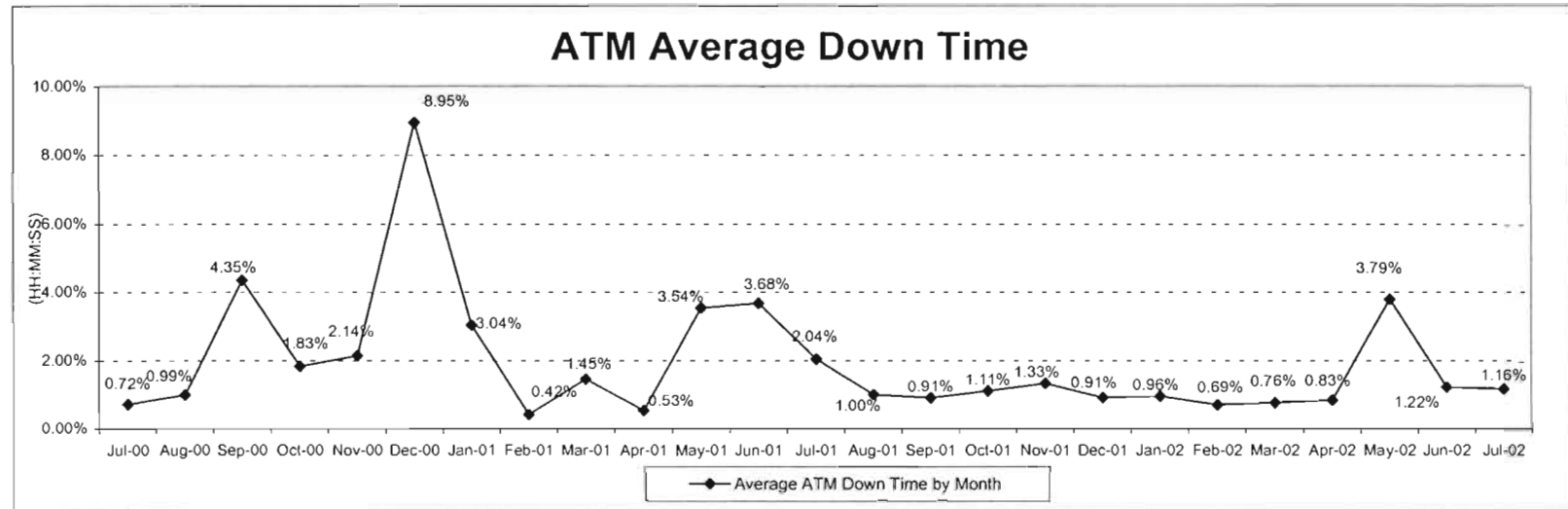
# ATM Average Down Time

July 2002

(HH:MM:SS)

Month	DMO	DGU	CHG	DDH	DUT	DAK	DSH	DBA	CGE	Average ATM Down Time by Month
Jul-00	0.27%	1.48%	0.40%							0.72%
Aug-00	0.40%	2.28%	0.27%							0.99%
Sep-00	4.17%	4.72%	4.17%							4.35%
Oct-00	1.48%	1.34%	0.54%	1.61%	4.17%					1.83%
Nov-00	0.28%	0.56%	0.69%	0.83%	8.33%					2.14%
Dec-00	14.25%	3.23%	0.27%	12.50%	14.52%					8.95%
Jan-01	2.69%	10.48%	0.67%	0.40%	0.94%					3.04%
Feb-01	0.60%	0.45%	0.45%	0.30%	0.30%					0.42%
Mar-01	2.28%	0.40%	0.67%	3.49%	0.40%					1.45%
Apr-01	0.28%	0.56%	0.56%	0.28%	0.97%					0.53%
May-01	0.27%	0.40%	0.27%	0.27%	19.62%	0.40%				3.54%
Jun-01	2.22%	1.53%	0.69%	2.92%	11.67%	3.06%				3.68%
Jul-01	0.40%	0.40%	0.67%	3.49%	6.85%	0.40%				2.04%
Aug-01	0.94%	0.81%	0.67%	4.17%	0.54%	1.08%	0.00%	0.13%	0.67%	1.00%
Sep-01	3.19%	0.42%	0.42%	0.56%	0.56%	0.28%	0.42%	2.08%	0.28%	0.91%
Oct-01	3.63%	0.27%	0.27%	0.54%	0.54%	0.67%	3.63%	0.27%	0.13%	1.11%
Nov-01	0.56%	0.56%	0.56%	0.69%	2.78%	0.56%	5.14%	0.56%	0.56%	1.33%
Dec-01	0.54%	0.27%	0.27%	0.67%	0.67%	0.40%	2.55%	2.55%	0.27%	0.91%
Jan-02	0.54%	0.54%	0.27%	1.21%	2.69%	0.67%	1.21%	1.08%	0.40%	0.96%
Feb-02	0.89%	0.45%	0.45%	0.74%	0.60%	0.74%	0.74%	0.74%	0.89%	0.69%
Mar-02	0.54%	1.08%	0.54%	0.67%	0.67%	0.40%	1.61%	0.67%	0.67%	0.76%
Apr-02	0.56%	0.42%	0.56%	0.69%	0.69%	1.25%	1.81%	0.83%	0.69%	0.83%
May-02	1.88%	0.54%	0.67%	0.81%	0.54%	0.81%	27.55%	0.81%	0.54%	3.79%
Jun-02	0.83%	0.69%	0.42%	0.83%	0.56%	0.69%	5.83%	0.69%	0.42%	1.22%
Jul-02	1.34%	0.81%	0.54%	0.40%	0.94%	1.08%	0.94%	3.76%	0.67%	1.16%

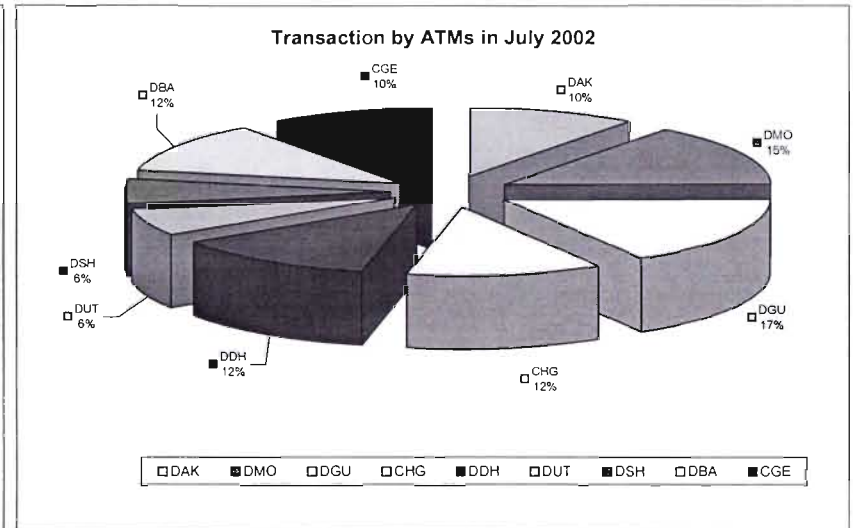
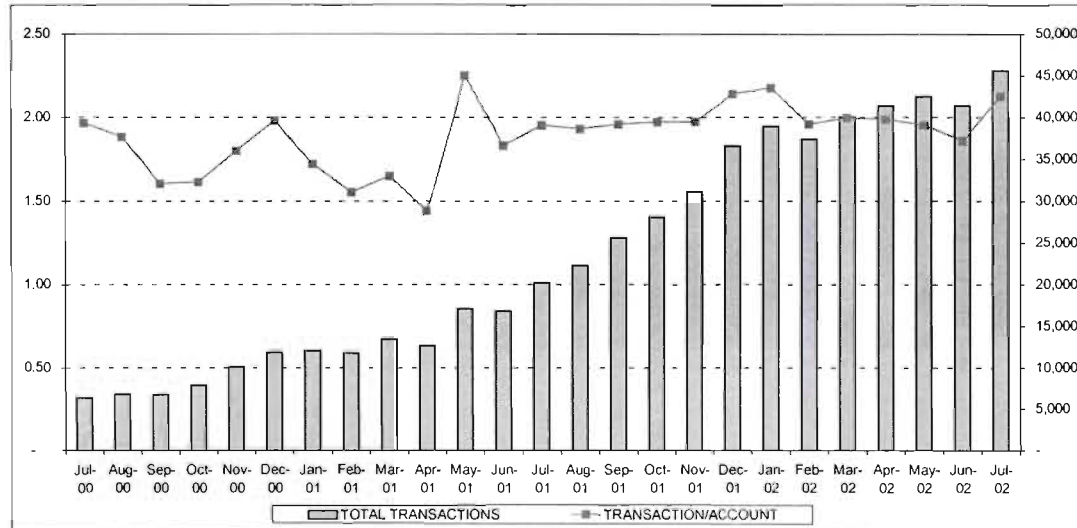
Figures are rounded up to hours.



## Transaction History at HSBC ATMs

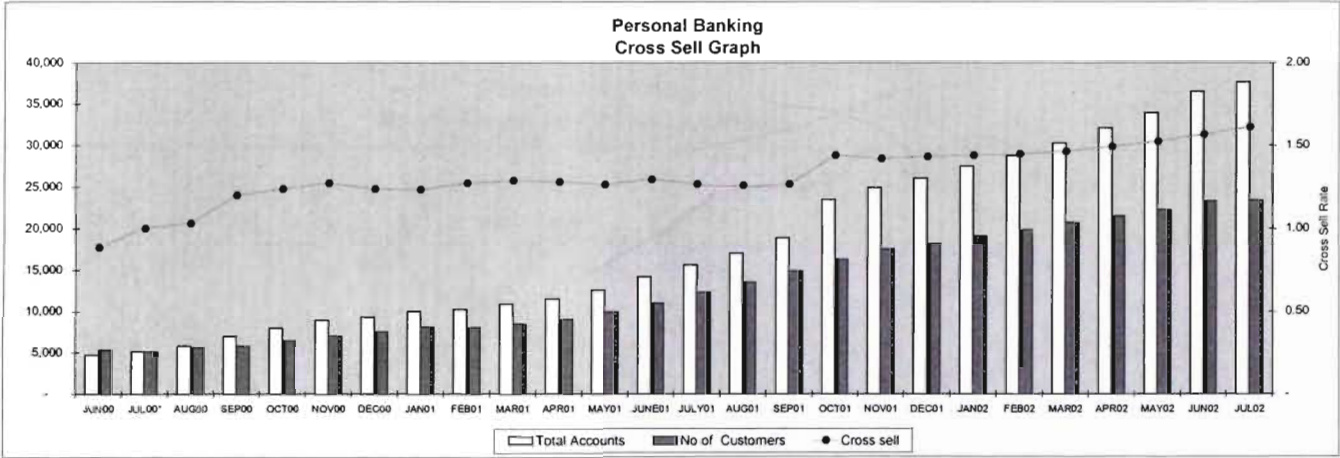
Jul-02

Month	CWD	DEP	TFR	CBK	STA	INQ	MAIL	PIN	AAE	TOTAL TRANSACTION S	% INCREASE THAN LAST MONTH	NO. OF ATM CARDS issued*	TRANSACTION N/ACCOUNT	GATS	PLUS	TOTAL	GRD TOTAL
Jul-00	4,271	232	23	1	35	1,463	-	89	279	6,393	#REF!	3,253	1.97	551	192	743	7,136
Aug-00	4,533	230	26	2	30	1,632	2	83	304	6,842	7%	3,634	1.88	617	113	730	7,572
Sep-00	4,442	152	21	4	29	1,708	3	106	270	6,735	-2%	4,198	1.60	576	120	696	7,431
Oct-00	5,363	210	20	3	40	1,856	7	67	335	7,901	17%	4,895	1.61	573	102	675	8,576
Nov-00	7,012	406	33	5	47	2,155	4	82	359	10,103	28%	5,612	1.80	681	168	849	10,952
Dec-00	7,878	395	59	5	60	2,825	1	72	542	11,837	17%	5,983	1.98	934	262	1196	13,033
Jan-01	8,004	396	33	7	57	2,847	9	110	574	12,037	2%	6,993	1.72	1038	267	1305	13,342
Feb-01	7,941	402	43	7	52	2,700	5	98	507	11,755	-2%	7,570	1.55	943	241	1184	12,939
Mar-01	9,192	453	28	7	77	3,097	3	76	528	13,461	15%	8,162	1.65	942	304	1246	14,707
Apr-01	8,693	421	31	6	65	2,848	5	99	493	12,661	-6%	8,801	1.44	1049	314	1363	14,024
May-01	11,748	515	50	11	87	3,831	14	131	714	17,101	35%	7,610	2.25	1122	371	1493	18,594
Jun-01	12,000	501	65	5	68	3,401	5	90	671	16,806	-2%	9,163	1.83	1090	292	1382	18,188
Jul-01	14,023	628	93	8	98	4,305	5	135	923	20,218	20%	10,350	1.95	1438	378	1816	22,034
Aug-01	15,870	721	77	12	120	4,503	7	134	853	22,297	10%	11,531	1.93	1655	631	2286	24,583
Sep-01	18,226	978	62	11	115	5,175	20	123	927	25,637	15%	13,082	1.96	1527	494	2021	27,658
Oct-01	19,916	961	107	16	128	5,800	17	129	1,045	28,119	10%	14,246	1.97	1610	484	2094	30,213
Nov-01	22,397	1,198	135	22	157	5,994	20	180	1,086	31,189	11%	15,787	1.98	1605	553	2158	33,347
Dec-01	26,225	1,424	150	82	193	6,921	21	152	1,443	36,611	17%	17,124	2.14	1798	696	2494	39,105
Jan-02	27,298	1,544	362	59	209	7,623	45	158	1,673	38,971	6%	17,930	2.17	1604	605	2209	41,180
Feb-02	28,798	1,527	185	7	139	7,147	9	149	1,444	37,405	-4%	19,095	1.96	1909	779	2688	40,093
Mar-02	28,433	1,578	207	13	162	7,863	13	172	1,615	40,056	7%	20,054	2.00	2104	824	2928	42,984
Apr-02	29,175	1,905	254	14	160	7,907	12	146	1,807	41,380	3%	20,821	1.99	1959	841	2800	44,180
May-02	30,570	1,687	206	26	182	8,106	16	120	1,603	42,516	3%	21,762	1.95	1949	741	2690	45,206
Jun-02	28,608	1,773	344	30	183	8,680	13	103	1,681	41,415	0%	22,277	1.86	1842	673	2515	43,930
Jul-02	31,104	1,923	332	38	229	9,686	11	116	2,170	45,609	10%	21,481	2.12	2177	731	2908	48,517



**Personal Banking**

MONTH	TOTAL ACCOUNTS					Total Accounts	No of Customers	Cross sell	Asset Penetration
	Liability	Asset	GI Ac Card	WEDB	Other				
JUN00	4,646	97			-	4,743	5,346	0.89	0.02
JUL00*	4,958	180				5,138	5,115	1.00	0.04
AUG00	5,476	320				5,796	5,606	1.03	0.06
SEP00	6,188	482			320	6,990	5,821	1.20	0.08
OCT00	6,758	630			593	7,979	6,443	1.24	0.10
NOV00	7,458	849			622	8,929	7,010	1.27	0.12
DEC00	8,020	990			298	9,308	7,529	1.24	0.13
JAN01	8,535	1,127			347	10,009	8,108	1.23	0.14
FEB01	6,601	1,249			369	10,219	8,041	1.27	0.16
MAR01	9,121	1,380			407	10,908	8,467	1.29	0.16
APR01	9,556	1,531			440	11,527	9,008	1.28	0.17
MAY01	10,218	1,907			470	12,595	9,957	1.26	0.19
JUNE01	11,044	2,619			580	14,243	10,992	1.30	0.24
JULY01	12,155	2,866			648	15,669	12,366	1.27	0.23
AUG01	13,194	3,109			749	17,052	13,553	1.26	0.23
SEP01	14,578	3,396			899	18,873	14,916	1.27	0.23
OCT01	15,715	3,732			4,037	23,484	16,318	1.44	0.23
NOV01	16,899	4,072			4,167	24,938	17,562	1.42	0.23
DEC01	17,330	4,380			4,331	26,041	18,183	1.43	0.24
JAN02	18,075	4,797			4,620	27,492	19,091	1.44	0.25
FEB02	16,827	5,109			4,820	28,758	19,852	1.45	0.26
MAR02	19,735	5,432			5,119	30,286	20,702	1.46	0.26
APR02	20,562	5,949			5,574	32,085	21,508	1.49	0.28
MAY02	21,165	6,598			6,163	33,926	22,260	1.52	0.30
JUN02	21,946	7,391			7,139	36,476	23,295	1.57	0.32
JUL02	22,548	7,651	59	4	7,420	37,682	23,406	1.61	0.33

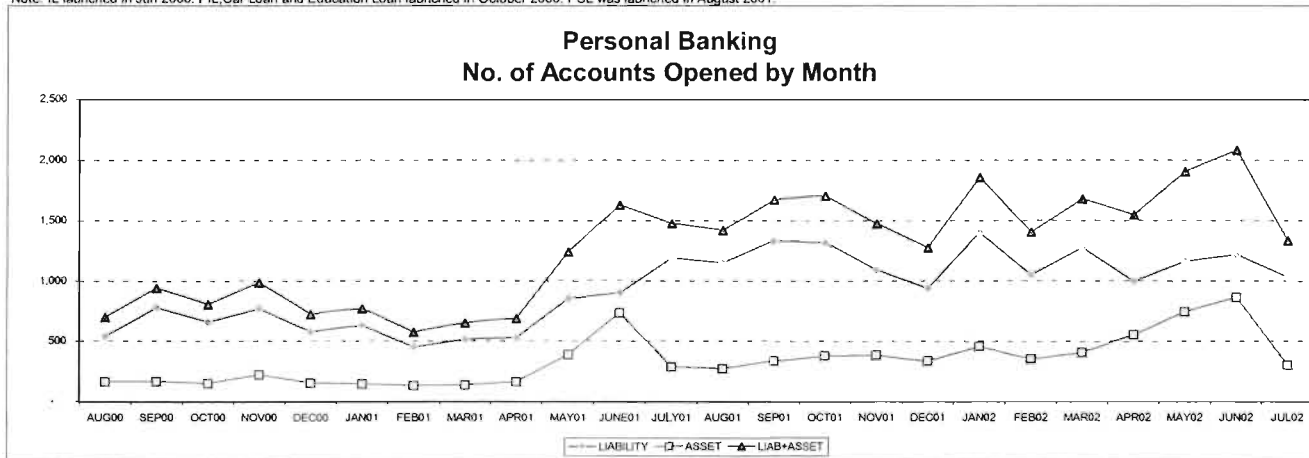




**Personal Banking  
No. of Accounts opened by Month**

MONTH	SVR	CUR		TMD		LIABILITY TOTAL	PSC	IL	PIL		CAR LOAN		EDUCATION LOAN	TAX LOAN	PERSONAL Secured loan	ASSET TOTAL	LIAB+ASSET TOTAL
		LCY	FCY	LCY	FCY				PAL	ILS	PSL	EHP					
AUG00	441	46	22	14	14	537	21	142							163	700	
SEP00	688	30	18	25	16	777	8	151				4			164	941	
OCT00	563	47	22	17	8	657	4	119	19	6					148	805	
NOV00	688	33	21	9	15	766	6	157	56		2				221	987	
DEC00	504	28	13	6	23	574	6	71	70		4				151	725	
JAN01	532	43	22	12	18	627	2	79	57		5		1		144	771	
FEB01	350	36	23	9	29	447	1	54	74						129	576	
MAR01	415	23	19	10	48	515	3	78	54	0	1	0	0		136	651	
APR01	463	26	14	16	8	527	4	100	56	0	1	0	1		162	689	
MAY01	768	37	13	11	23	852	8	283	93	0	4	0	0		388	1,240	
JUNE01	812	48	12	14	10	896	7	646	79	0	2	0	0		734	1,630	
JULY01	1090	54	16	22	9	1,191	13	123	144	0	4	0	0	1	285	1,476	
AUG01	1058	45	18	21	7	1,149	26	0	192	0	10	0	0	30	270	1,419	
SEP01	1240	43	20	18	14	1,335	19	0	217	0	10	0	1	19	337	1,672	
OCT01	1219	43	23	25	11	1,321	15	0	218	0	11	0	0	10	383	1,704	
NOV01	1018	32	20	12	7	1,089	23	0	225	0	8	0	1	28	386	1,475	
DEC01	869	24	19	18	6	936	11	0	221	0	8	0	0	9	338	1,274	
JAN02	1287	36	34	37	5	1,399	27	0	232	0	5	0	0	0	195	459	1,858
FEB02	817	45	24	74	91	1,051	19	0	181	0	10	0	0	0	144	354	1,405
MAR02	1006	59	25	94	91	1,275	29	0	198	0	4	0	0	0	176	407	1,682
APR02	910	32	26	18	7	993	39	0	180	0	6	0	0	0	329	554	1,547
MAY02	905	60	24	84	89	1,162	25	0	248	0	3	0	0	0	469	745	1,907
JUN02	955	76	42	105	40	1,218	47	0	156	0	2	0	0	0	659	864	2,082
JUL02	725	34	67	115	89	1,030	13	0	94	0	3	0	0	0	193	303	1,333
TOTAL	19,323	980	557	786	678	22,324	376	2,003	3,064	7	103	4	4	97	2,567	8,225	30,549

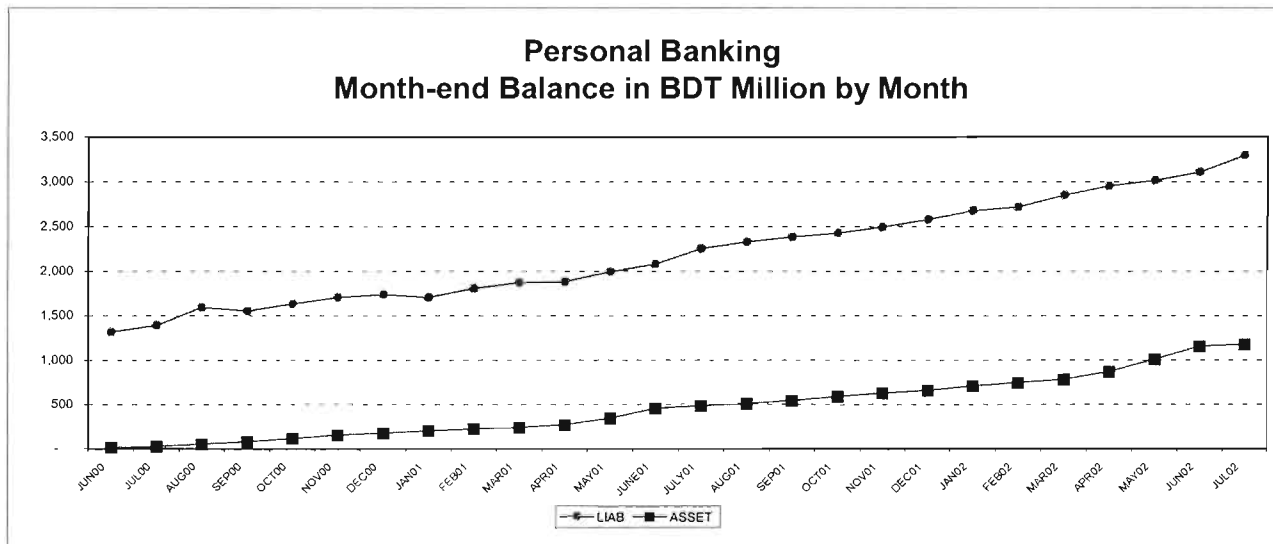
Note: IL launched in Jun 2000. PIL, Car Loan and Education Loan launched in October 2000. PSL was launched in August 2001.



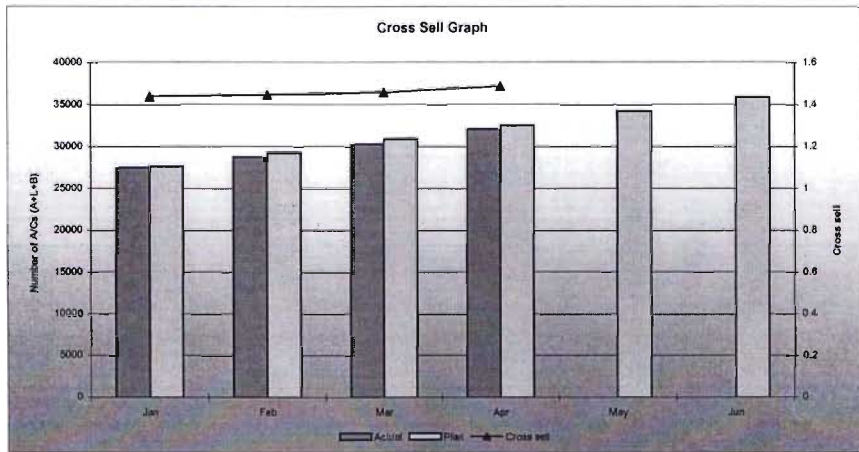
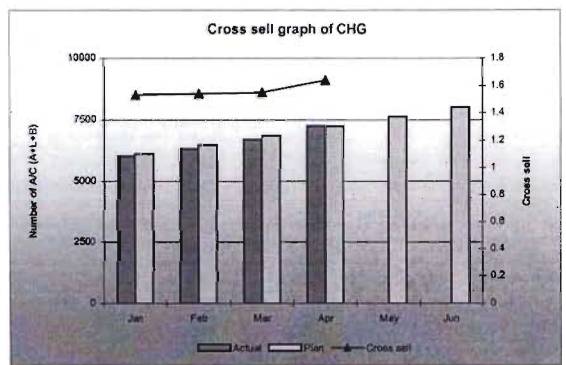
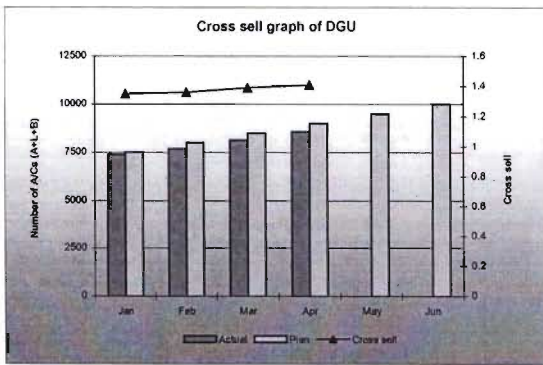
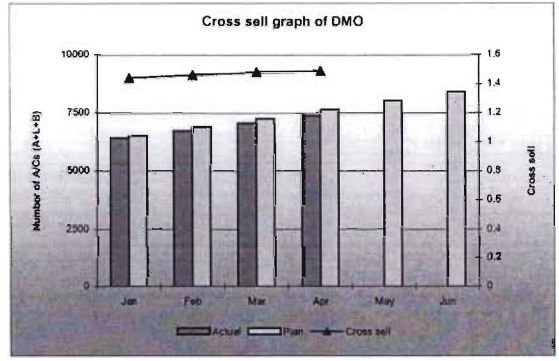
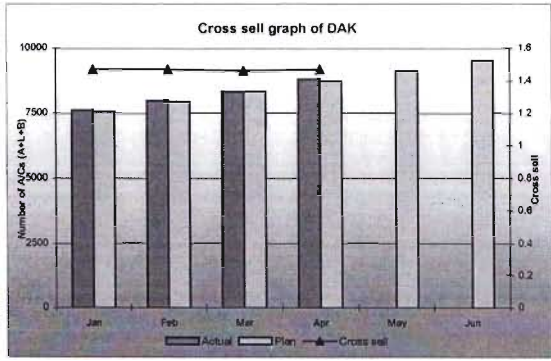
## Personal Banking Month-end Balance in BDT Million by Month

MONTH	SVR	CUR		TMD		LIAB TOTAL	PSC	IL	PIL		CAR LOAN		EDUCATION LOAN	TAX LOAN	PSL	ASSET TOTAL
		LCY	FCY	LCY	FCY				PAL	ILS	PSL	EHP				
JUN00	720	54	26	489	25	1,314	9	3								12
JUL00	761	51	31	518	27	1,388	10	11								21
AUG00	969	38	41	511	30	1,589	17	28								45
SEP00	940	30	35	515	32	1,552	17	58						2		77
OCT00	971	57	41	529	32	1,630	22	80	3	6				2		113
NOV00	1,045	54	39	530	34	1,702	23	107	10	6	2			2		150
DEC00	1,071	63	46	518	35	1,733	23	117	19	6	4			2		171
JAN01	1,064	66	48	485	37	1,700	28	131	25	5	7		0	2		198
FEB01	1,143	67	58	494	40	1,802	32	141	33	5	7		0	2		220
MAR01	1,218	71	48	486	43	1,866	30	154	38	5	7		0	2		236
APR01	1,216	77	51	490	42	1,876	31	174	46	5	7		0	2		265
MAY01	1,349	74	58	468	44	1,993	37	235	54	4	10		0	2		342
JUNE01	1,443	68	61	463	44	2,079	41	336	59	4	11		0	2		453
JULY01	1,613	71	64	459	46	2,253	34	353	74	4	14		0	2	0	481
AUG01	1,673	72	70	463	48	2,326	36	343	94	4	17		0	2		508
SEP01	1,736	74	63	449	61	2,383	36	333	114	4	23		1		6	541
OCT01	1,774	73	67	443	67	2,424	35	319	133	4	30		1		6	588
NOV01	1,848	76	66	436	67	2,493	35	309	152	4	33		1		9	625
DEC01	1,909	81	69	446	69	2,574	35	299	173	4	36		1		10	655
JAN02	2,021	76	60	451	66	2,674	33	292	194	3	37		1		10	705
FEB02	2,019	66	73	479	80	2,717	33	283	205	3	44		1		9	745
MAR02	2,107	64	72	520	81	2,844	33	275	220	3	44		1		9	782
APR02	2,196	64	91	517	80	2,948	39	263	235	2	46		1		8	867
MAY02	2,233	82	84	524	87	3,010	46	251	252	2	46		1		8	1,008
JUN02	2,310	80	92	535	89	3,106	52	238	262	2	48		1		8	1,154
JUL02	2,509	81	103	512	88	3,293	51	230	265	2	49		1		7	1,176

Note: IL launched in Jun 2000. PIL, Car Loan and Education Loan launched in October 2000. Tax loan launched in 15th July. Personal Secured Loan was launched in August 2001.



CROSS SELL FIGURES



# OVERALL PERFORMANCE

