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Standard Chartered Bank: A Leader in Plastic Money Culture

Majedur Rahman, Head of Consumer Banking, Standard Chartered Bank, spoke to Ziaul Karim of The Daily Star about how the plastic money changing the face of banking in the country and Standard Chartered Bank's millennium products. Excerpts:

The Daily Star: In the world of plastic money you have restricted yourself to ATM cards only though you are one of the pioneers of modern banking in Bangladesh. How do you look at the future of modern banking in Bangladesh?



Majedur Rahman

have round-the-clock access to cash and account information and other banking services. In future, we are going to add more features of electronic banking.

DS: What are the fundamental changes took place in past few years that transported us mentally and physically into modern banking practices?

Standard Chartered Bank has been recognized as the pioneer of technology in the banking sector of Bangladesh. We have introduced many features of modern banking as a part of our commitment to bring world-class services to our customers in Bangladesh. We have introduced ATM services in the country and our Moneylink has become a household name amongst ATM users. Moneylink has also become a namesake for ATM ser-

vice. Communication will also help us extend our services to other parts of the country. Ini-

tially made a difference in the quality of banking service it provides to its customers:

- State-of-art ATM network running on Unix platforms in Dhaka and Chittagong.
- On-line real-time connection amongst all branches.
- Full-fledged back-up data centre support.
- Inter-city VSAT link.
- Automated mailing system.
- SWIFT communication for payments transfer.
- E-mail connection amongst all branches.

DS: Do you have any immediate plan to offer credit cards?

MR: Of course. One impediment that kept us away from credit cards is lack of enough depth in the market. Credit card is a very expensive operation. And the expense could hurt the customer in turn. We are looking at ways how it can be made attractive to a customer. To that extent, we have to organise an operation of a mass market so that the credit cards become successful. That's number one. Number two is again the communication links. At vendor points unless you have swipe terminals where the merchant can get authorization balance confirmation for the amount he is giving credit, there is a risk. Right now cards are limited primarily within the Dhaka and Chittagong restaurants and big retail stores where you have the communication links. Even within Dhaka a large number of merchants still shy of accepting the credit cards. Slowly and gradually, however, credit cards are making inroads into our consciousness. And surely we do have plans to go into credit cards. Other than credit cards there are also debit cards, electronic wallet and smart cards. Those are the things we are also thinking about so that one does not have to feel hurt in terms of the high rate of interest or the fees charged by the card providers.

DS: What are the new features of your ATM and what will be your millennium offer?

MR: We have enhanced the features of our ATMs already before the millennium to arrive. The ATMs now have utilities such as, you can deposit your money through the ATMs which was not available until last year and can pay your mobile phone bills. And we want extend it to the extent of utility bills like water, electricity and gas. We have also included fund transfer facility into our ATMs. Customers can now transfer funds from one account to another account through the ATMs in addition the customers can now give instructions to the bank through ATMs. A customer does not have to come to the bank, wait in the queue, talk to an officer or write a letter. All he/she has to do is to go to an ATM booth, deposit his/her instructions through the ATMs. So, these are the value addition we have done to our ATM recently. And these are fantastic state-of-the-art machines that are being globally used now.

DS: What are your contingency plans to stave off any Y2K related disaster?

MR: Standard Chartered Bank is ready for Y2K. The Bank has dedicated itself to Year 2000 and all its systems involved in products and services have been successfully tested for Y2K Compliance. The Year 2000 has been a top priority of the Bank and our goal is business as usual in the Year 2000. We have a comprehensive programme in place which is designed to allow us to operate and serve in the new millennium in the same efficient and reliable way as we always have. We have also set up a Command Centre in our Motijheel Office to monitor the Millennium transition.

DS: In traditional banking the clientele used to go to the banks while in modern banking banks are reaching to the doorstep of the clientele.

MR: Yes, absolutely. And we are the pioneers in this regard in Bangladesh. What we do is we identify prospects. We approach them and we tell them precisely about our services. Once we get positive responses from them someone from the bank reaches them and gets the form filled in, gets the client's identity verified and we offer him our services.

DS: Thank you very much for your time.

ANZ Grindlays Bank: Star Player in Plastic Environment

Imran Ahmed, Head of Cards, ANZ Grindlays Bank, spoke to Ziaul Karim of The Daily Star about the future of plastic money in the country, ANZ's millennium offers and issues regarding modern banking. Excerpts:



Imran Ahmed

has a card but can't use it then people will not enter into this plastic environment. What are the drives you have planned to rope in more merchants?

IA: Our merchants across Dhaka, Chittagong, Sylhet, Khulna, Narayanganj, Comilla are readily accepting Credit Cards as a payment medium.

The convenience of transactions, security in gaining popularity everyday. Merchants are now converting their staff to sales who were otherwise involved in managing and securing cash at their establishments. We are today paying the merchants the entire sales proceeds into their accounts direct. Normally, their representatives would reconcile and carry the cash to the bank counter for deposit, exposing themselves to muggers and unsocial elements along the way. This exposure has consistently disappeared. The benefits and advantages are manifold and the merchants are encouraged to enter the plastic environment.

DS: This brings us to the question whether plastic card is an elitist preserve.

IA: Perhaps it is a perception as the elites of the society are widely travelled, therefore they are more accustomed to the plastic money environment.

We wouldn't agree to that. We do not target our cards only at

the elites of the society. You might be interested to know that our minimum income eligibility criterion is ten thousand Taka per month.

DS: May I point out a personal experience regarding credit card. I get more than what is your minimum income criterion, but I was refused a credit card.

IA: We issue a credit card basically on the assessment on the information we get in the application form and some supporting documents. On the contrary, if a client applies for a bank loan he/she has to file a lot of papers and securities. In many cases, it is seen that the information that has been given for the issuance of a credit card is not adequate. In that case we can't issue a credit card.

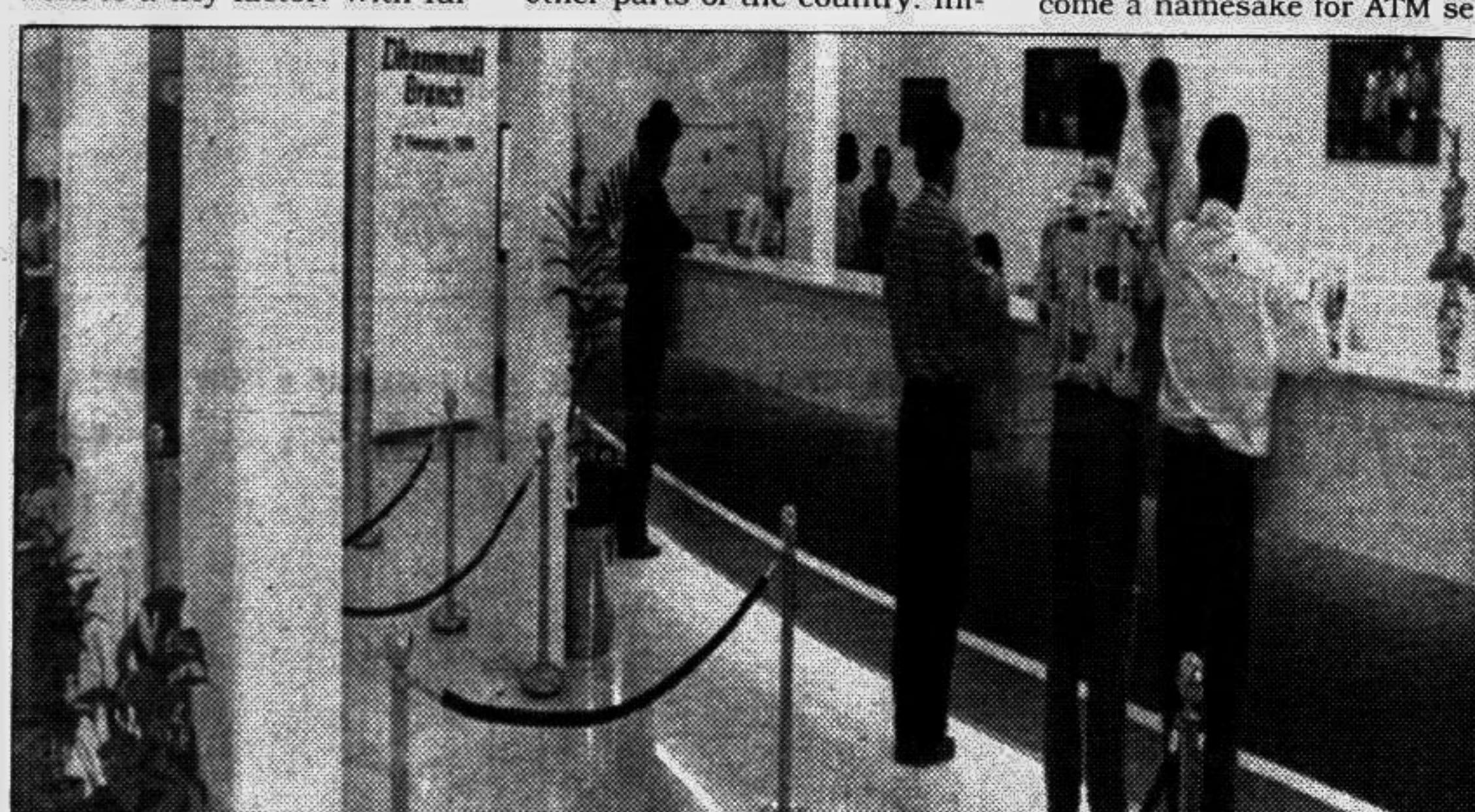
DS: So, ideally your target clients are a wider group of people from the elite down to the growing middle class?

IA: Yes. Starting with the middle-class we intend to bring into the plastic money culture a wide group of people.

DS: Plastic money is slowly making its mark on our national psyche.

IA: Bangladesh is predominantly a cash economy. You might have noticed the ad of Master Card that reads: Plastic card is the future of money. The

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Queuing up at bank teller counters will be a thing of the past soon.

ther development and modernization of the telecommunication network in the country it will be possible to offer other card features and online ser-

tially we started with ATM card because we thought that is what was most useful and innovative in the banking sector. It is most important for customers to

vice in general.

I would like to mention below some of the technological additions done by Standard Chartered Bank, which has cer-

tainly made a difference in the quality of banking service it provides to its customers:

IMRAN AHMED: We entered into the card environment way back in 1990. But initially we did not issue any card: we were only acquiring agents of VISA, Master Card and JCB. We signed up hotels, restaurants, shops and retail outlets on behalf of these international cards. From January 1997 we first launched the Taka Credit Cards in Bangladesh - both VISA and Master Card. We are at the moment issuing VISA and Master Card both gold and silver. We have at present about 13 thousand credit cards and about 17 thousand ACCESS cards in circulation.

DS: What is the future of plastic money in Bangladesh and how it has changed over time?

IA: I would say that the future of Plastic Money in Bangladesh is extremely bright. Between ANZ Grindlays Bank, Vanik, NBL, Prime and some other banks there are 50 thousand Debit and Credit Cards already in circulation. This is a testimony to its gaining popularity in such a short space of time.

Although Bangladesh is still a cash based economy, more and more banks are getting into the plastic money environment.

DS: To attract more customers to use plastic money you need to attract the merchants also. If the situation is that one

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