

Standard chtd bank essay

[Business](#), [Accounting](#)



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STANDARD CHARTERED BANK Head office address: DLF Building No. – 7A

DLF Cyber City, Sector 24, 25 & 25A, Gurgaon – 122022 .

Telephone no. : 0124-4083009 / 10 EMAIL ID: stanc. com Website: www. standardchartered.

co. inSTANDARD CHARTERED BANK’S PROFILE: Standard Chartered is a London based multinational bank with significant operations in Asia, Africa, the Middle East and Latin America. The Standard Chartered Group was formed in 1969 through a merger of two banks: The Standard Bank of British South Africa founded in 1863 and the Chartered Bank of India, Australia and China, founded in 1853. Both companies were keen to capitalize on the huge expansion of trade and to earn the handsome profits to be made from financing the movement of goods from Europe to the East and to Africa. The

Chartered Bank was founded by Scotsman James Wilson following the grant of a Royal Charter by Queen Victoria in 1853, while The Standard Bank was founded in the Cape Province of South Africa in 1862 by another Scotsman John Paterson. Standard Chartered PLC, listed on both the London Stock Exchange and the Hong Kong Stock Exchange, ranks among the top 25 companies in the FTSE-100 by market capitalization.

The largest shareholder is Temasek Holdings. STANDARD CHARTERED BANK – INDIA At present, Standard Chartered is celebrating its 150th anniversary of operations in India. The Standard Chartered Grind lays Bank Ltd, now known as Standard Chartered Bank started its first overseas branch operations in India, at Kolkata, on 12 April 1858. The bank then operated under the name of Chartered Bank.

The bank was then headquartered in the Eastern Indian city of Kolkata. Later, the main office of Standard Chartered Bank was shifted to Mumbai. The bank operates through 91 branches and 246 ATMs across 33 cities, which services 1, 500 Indian corporations and 2. 1 million retail clients. Nature: Standard chartered bank is basically a multinational bank that is providing services not only in India but also worldwide. It has a finance specialization. Standard Chartered bank deals in variety of product some of them are saving account, corporate salary account, current account, debit and prepaid cards, credit cards, insurance, etc. TYPE OF THE INDUSTRY~ Standard chartered is in banking industry.

The banking sector is a very important sector of the Indian economy. The sector has made a marked improvement in the liberalization period. There

has been extraordinary progress in the financial health of the commercial banks with respect to capital adequacy, profitability, and Asset quality & risk management. Deregulation has opened new doors for banks to increase revenues by entering into investment banking, insurance, credit cards, depository services, mortgage, securitization, etc. COMPANY'S MISSION: ? Focusing on attractive, growing markets where we can leverage our relationships and expertise ? Combining global capability, deep local knowledge and creativity to outperform our competitors ? Continuously improving the way we work, balancing the pursuit of growth with firm control of costs and risks ? To be trusted and caring, dedicated to making a difference. ? We are committed to creating an engaging, inclusive work environment, where people can make a difference, as individuals and as part of a team.

? . The Bank places great emphasis on continuous improvement to increase productivity, enhance customer service and reduce administrative tasks, so that employees can spend more time in rewarding activities that add value to the Group COMPANY'VISION: ? We aim to be the world's best international bank, leading the way in Asia, Africa and the Middle East. In partnership with Sight Savers International and VISION2020 the Bank is now involved in two flagship projects at Vishakhapatnam and Muzaffarpur, both aimed at the elimination avoidable blindness.

(social welfare) PRODUCT RANGE OF COMPANY Accounts •Saving Account •Current Account •Depository Account •Corporate Salary account Credit Cards •Platinum card •Titanium card •Gold card •Classic card •EMI card

•Executive card Loan & Mortgages •Home loan •LAP (against property) •LAS (against Securities) Insurance & Investments •General Insurance •Life Insurance NRI Banking NRE Account •NRO Saving account •FCNR Account Exclusive Banking •Excel Banking •Priority Banking • Private Banking

SIZE OF THE BANK ? MANPOWER Today we employ 75, 000 people, representing 115 nationalities, and you'll find 60 nationalities among our 500 most senior leaders. We believe this diversity helps to fuel creativity and innovation, supporting the development of exciting new products and services for our customers worldwide. ? TURNOVER: SCB operating income rose by 26 per cent to GH? 117 million in 2008 while profit after tax was up by 0.

5 per cent at GH? 33 million. In 2007 the net turnover was Rs 950 crores while in the year 2008 it rose up to 1050 crores. STRUCTURE OF STANDARD CHARTERED BANK: [pic] Figure no. 1 MARKET STANDING: Standard chartered purely deals in priority banking; its customers are those who have high income and deals with heavy transactions. So, people comes under this category are called High Net worth Individuals (HNI's). Primary survey and data gave the information that only 14. 17% of the total population of Delhi and NCR comes under HNI's.

For, calculating the market share of SCB in this area I took a sample size of above 100 people. [pic]Figure no. 2 Currently Market share of standard chartered in terms of Current Account is 11% only. Its leading competitors are HDFC, ICICI, HSBC and AXIS. Standard Chartered is India's no. 1 multinational bank and if we compare the market share of other

multinational banks with SCB, it's reasonable. So, currently SCB has very less market share in terms of Current accounts. Person Interacted with: Mr.

Bhupesh Harjai (ASSISSTANT MANAGER, TRAINING DEPT.) SOURCE OF DATA

COLLECTION: PRIMARY DATA— The first hand data that is specifically collected for the study currently undertaken is called as the primary data.

QUESTIONNAIRES: Through structured questionnaires filled from existing standard chartered customers.

SECONDARY DATA— Any data that have been gathered earlier for some purpose and is utilized afterwards for the same or for some other reason is called as the secondary data. INTERNAL SOURCE: ? ACCOUNTING RECORDS ?

SALES FORCE REPORT ? EXPERTS OPINION EXTERNAL SOURCES: ? INDIA

TODAY ? BUSINESS TODAY ? BUSINESS WEEK SWOT ANALYSIS:

STRENGTHS: ? Excellent business strategies in terms of acquisitions, that is right acquisitions at the right time. It can be ascertained through the look at some of the crucial acquisitions of Standard Chartered bank till date. ?

Excellent and appropriate strategies relating to promotion whether through social or commercial means so that it is able to dominate the sector where it operates.

It is due to this strength of standard chartered bank that it is honored with number of awards. Some of them are listed below. 1.

Standard Chartered Bank has won the African Business Award for Best Corporate Citizenship and Social Responsibility which was organised by African Business magazine and the Commonwealth Business Council (CBC).

The African Business Awards acknowledges the rapidly transforming business landscape in Africa by honouring entrepreneurial excellence, and by creating global visibility for the best practices in business. 2. Standard Chartered was complimented by the judges for outstanding leadership in social and environmental governance and it's direct contribution to the local communities and employees by using innovative approaches to sustainable development. This award was announced by more than 300 leaders from the government, business and diplomatic community. .

Standard Chartered Bank Launches Women's empowerment Initiative at CGI Asia. Standard Chartered Bank has pledged to develop an Asia-wide initiative to advance women's financial education, provide training and capacity building to promote economic empowerment. This is the first initiative of its kind in the region.

4. Standard Chartered wins seven awards at the Banker Awards 2007 in London, a major recognition for the Bank's achievements the year with the help of its new product development and innovations. Strong brand presence such that every high profile person wants or desires to have a relationship with the bank. ? Standard chartered bank is capable of developing new product, facilitating innovation or amending the existing product so that it is able to stand in front of the new market trends. ? We are very focused on the basics of banking: on liquidity, capital, risk management, operational control and costs. ? Continue to enhance transaction convenience by providing outstanding Internet and mobile capability, relationship rewards and

integrated card offerings supported by convenient branch and ATM access.

WEAKNESS: ? Lack of promotional measures especially in T. V.

advertising, which has the maximum impact on the public. ? The branches across the country are very limited and A. T. M machines are also very few. ? Awareness among the local people is also very less, despite these are not the target customers of the bank but still awareness of the presence is very important. ? The main focus of the multinational banks is the profits that are basically utilized in the home country rather the host country.

OPPORTUNITIES: Due to lack of competent strategies many of the competitors are distracted by problems or are with drawing to focus on their home markets. This can be beneficial for the Standard Chartered bank. ? Nearly 80 Percent of the banks operating income comes from Asian countries and Asian governments have responded quickly to stimulate their economies and ease liquidity pressures. These actions will take time to have an impact but in the long run it may prove to be among the biggest successful measures for the banks growth in the coming years. The Group's strong franchise, built mainly through years of organic growth, has positioned it to take advantage of the next up turn in the global economy.

? The banks main strategy is to target the high profile persons and that is mainly in Asian countries, which are not hitted by the recession as other countries that are more developed and volatile so bank can assume, it be an opportunity. ? In this slowdown when other banks are firing only standard chartered bank is on hiring. This slowdown can be used as an opportunity by attracting the young, motivated and competent employees at much

competitive rates as not before. Last but not the least Asian countries have responded very effectively and quickly against this downturn and its only possible due to high propensity to save over consume.

THREATS: – ? Standard Chartered is in the businesses of taking risk and the risks are by their nature uncertain and the management of risk relies on judgments and predictions about the future. ? The Group's principal risks and uncertainties arise from slowing economic growth in the major countries in its footprint and the various uncertainties surrounding global financial markets in 2009. The Group operates in many countries and is affected by the prevailing economic conditions in each. ? Changes in government and regulatory policy a key uncertainty for the Group relates to the way in which governments and regulators will adjust their economic policies, to such fluctuations in the coming year.

? Interest rate risk arising from changes in yields curves; credit spreads and implied volatilities on interest rate options. ? Currency exchange rate risk arising from changes in exchange rates and implied volatilities on foreign exchange options. BEST PRACTISES/USP'S: Standard Chartered bank is the only bank that has 150 years history. ? Only standard Chartered bank among the MNC's is the bank that is providing the facility of Islamic banking. ? It's the only bank that is leading in Asia, Africa and Middle East. ? It has a tie up with Bajaj Allianz life insurance company that is prevailing for more then 60 years.

? It is the only bank that is equally active in social programmes as in banking operations. (programmes on women empowerment, HIV etc.). ? Standard

Chartered bank has the highest number of customer base in dealing with the high profile person. FOLLOWING ARE THE PRACTISES FOLLOWED BY THE COMPANY VIS A VIS CONCEPT TAUGHT IN THE CLASS. ? PRODUCTION CONCEPT—According to this concept the customer will favour those products that are widely available and low in cost. Variation-The banks product is neither available easily nor low in cost despite it has the maximum share of customers among MNC's ? PRODUCT CONCEPT—According to this concept the customer will favour those products that offer the most services, quality, performance and features. Variations-No variations are there.

The bank has products that provide top most services, performance and features. SELLING CONCEPT—According to this concept the product does not sell itself. It is to be sold. Variations—The bank has adopted very few promotional measures but then also it is among the top banks. ? PRICING STRATEGIES—The bank adopts price-skimming strategy that is setting high price so that in the initial stages the cream of demand may be skimmed and the investment made in the product is quickly realized. ? CORPORATE GOVERNANCE—Excellent foundation of corporate governance by following all the fundamental principles that are Transparency, Accountability, Merit based management, Responsibility and fairness. ANALYSIS OF FINANCIAL REPORT OF THE BANK | STANDARD CHARTERED FINANCIAL OVERLOOK | | Rs corer | 2007-08 | 2008-09 | % change | | Net profit | 13643122 | 17062349 | 25 | | Total assets | 58, 8913544 | 73, 4452439 | 24 | | Deposits | 34, 1746660 | 36, 9565223 | 8 | | Advances | 301037976 | 333515256 | 10 |

TABLE NO 1 FIG NO 3 SOME IMPORTANT ACCOUNTING RATIOS: ? Return on Capital Employed – It judges the overall performance of the enterprise.

It measures how efficiently the sources entrusted to the business are used.

Return on Capital Employed = $\frac{\text{Net Profit before Tax} \times 100}{\text{Capital Employed}}$

For the year 2008 = $\frac{28392817 \times 100}{153677944} = 18.47\%$

For the year 2007 = $\frac{20920322 \times 100}{121526355} = 17.21\%$

Figure no. 4 The ratio has increased in comparison to the previous year but with a small difference

hereby indicating fair performance of the company. ? Return on Equity – It is

used to find out how efficiently the funds supplied by shareholders have

been used. Return on Equity = $\frac{\text{Net Profit after Interest and Tax} \times 100}{\text{Shareholders Funds}}$

For the year 2008 = $\frac{17304789 \times 100}{6757992} = 26.46\%$

For the year 2007 = $\frac{12879993 \times 100}{5281975} = 32.32\%$

FIG NO. 5A marginal decrease in the ratio indicates firm's poor

ability of generating profit per rupee of shareholders funds. ? Debt – Equity

Ratio – It is computed to ascertain the long-term financial position of the

firm. Debt – Equity Ratio = $\frac{\text{Debt}}{\text{Equity}}$ For the year 2008 = $\frac{69,977,570}{10,351,675} = 6.75$

For the year 2007 = $\frac{63,518,196}{12,021,528} = 5.28$

The ratio decreased in 2008 i. e.

6.75 as compared to 2007 i. e. 5.28.

02 which means the company debt ratio in 2008 has been reduced as

compared to 2007. It implies the use of more equity than debt leaving a

larger safety margin for the Creditors. [pic] FIG NO.

6 ? Current Ratio – It is used to assess the ability of the enterprise to meet its

short-term liabilities promptly. Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

= $\frac{\text{cash} + \text{bank} + \text{other assets}}{\text{Bills Payable} + \text{interest Accrued} + \dots}$

Others (including provision) For the year 2008 = 255831720 5, 328, 551 + 3, 487, 327 + 28, 625, 313 = 6. 82: 1 For the year 2007 = 160080091 4, 283, 236 + 3, 698, 305 + 25, 190, 250 = 4. 82: 1 FIG NO. 7 The ratio has increased from 4.

2 (in 2007) to 6. 82 (in 2008) which means that the company meets its current liabilities in time but however, such a high ratio also indicates that the funds are lying idle. ? Gross Profit ratio – It is calculate company gross profit after all sales or total income. $\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Total sales}} \times 100$ For the Year 2008 = $\frac{17,062,349}{71,207,822} \times 100 = 23.96\%$

For the Year 2007 = $\frac{13,643,122}{53,935,102} \times 100 = 25.29\%$ FIG NO. 8 In above comparison we find out that gross profit ratio in the year 2008 has been decreased as compared to the year 2007. Operating Ratio – It measures the income of the business after operating expenses. $\text{Operating Ratio} = \frac{\text{Operating expenses}}{\text{Total Income sales}} \times 100$ For the Year 2008 = $\frac{20,505,812}{71,297,822} \times 100 = 28.76\%$ For the Year 2007 = $\frac{14,036,781}{53,935,102} \times 100 = 26.02\%$

FIG NO. 9 [pic] In our comparison we find out that in 2008 the operating ratio has increased in comparison to 2007. It shows a good sign for the business that in 2008 the growth of business was there. Analysis of Cash Flow Statement Cash Flow Statement (Rs.

PARTICULARS	March'08	March'07
Net cash from operating activities	320443	1694550
Net cash used in investing activities	1596169	(8200300)
Net cash		

used in financing activities 9554380 (1726582) Net increase/decrease in cash and equivalent 11470992 (8232332) Cash and equivalent begin of year 39648284 47880616 Cash and equivalent end of year 56684810 39648284

TABLE NO. 2 FIG NO. 10 Comments • Cash generated under operating activities is positive which is a good sign. Aggregate cash flow from all the three activities is also positive, which indicates that the company i. e.

, Standard Chartered is generating adequate cash for its business operations and development plans. • Cash flow from investing activities has increased resulting in consistent investment in fixed assets. It also indicates better prospects for business and also higher future profits. An increase in cash from financing activities depicts efficient assessment of claims on future cash flows by providers of funds to the enterprise.

ANALYSIS OF BALANCE SHEET TABLE NO. 3 COMPARATIVE BALANCE SHEET:

(Table no. 3) Particulars 2007 2008 Absolute percentage Increase/Decrease change (A)Fixed assets 8772625 17232886 8460261 96 % (B)Investment 119022852 127872577 88497257. % (C) Working cap. (6269122) 8572481 14841603236 % (D) Capital emp. 121526355 1536779443215158926. 4 % (A + B + C) (E)(-)Borrowings 63518196 699775706459374 10.

16 % TOTAL 58008159 837003742569221544. 29 % (F)Shareholders Fund Represented by: Eq. Sh.

Capital 5281975 6757992 147607127 % Reserves & 52726184 769423822421619845 % Surplus TOTAL 58008159 83700374 2569221544. 29 % COMMENTS Company's Fixed assets have grown tremendously by 96%

showing great and strong financial position of the company. ? Investments rose marginally by nearly 7%.

? Companys borrowings have also increased which shows company's great credit standing in the market. ? Also equity share capital has shown a growth of about 27 %, which is very good. Overall bank is in very good position and just needs to retain these results in the upcoming years also. LESSONS

LEARNT/CONCLUSION: ? It was an excellent working environment during the process of our training. The training was very comprehensible and it was all due to our trainers way of training.

We enjoyed our training . It was very much fun as well as an experience of practical exposure towards the corporate world which I admire cannot be gained anywhere else. ? Theoretical knowledge without practicality is of no use.

During the training I was intimated with the corporate world which was quite intricate. There I learnt the way of conducting yourself in an organization, how to induce a person, the code of conducts a person has to follow and much more imperative things which would be very helpful in the long run of my carrier. Nothing can be achieved without difficulties and the same happened with me. It was an intensive summer training, I came across some difficulties but that were just small hurdles, which I jumped upon it to reach my goal or target.

Some of those difficulties were: • The tenure for training was just 2 months, which was very inadequate. As a result, it was difficult for us to have the

complete information regarding the banking products and services. • For market research no database was provided which restricted our target market to our natural market only. At the end I would personally like to admire that these 2 months were the best part of life from both professional as well as individual point of view and I would recommend the students if given an opportunity to be the part of the standard chartered bank never deny to it. BIBLIOGRAPHY ? Websites www. standardchartered. co. in www.

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