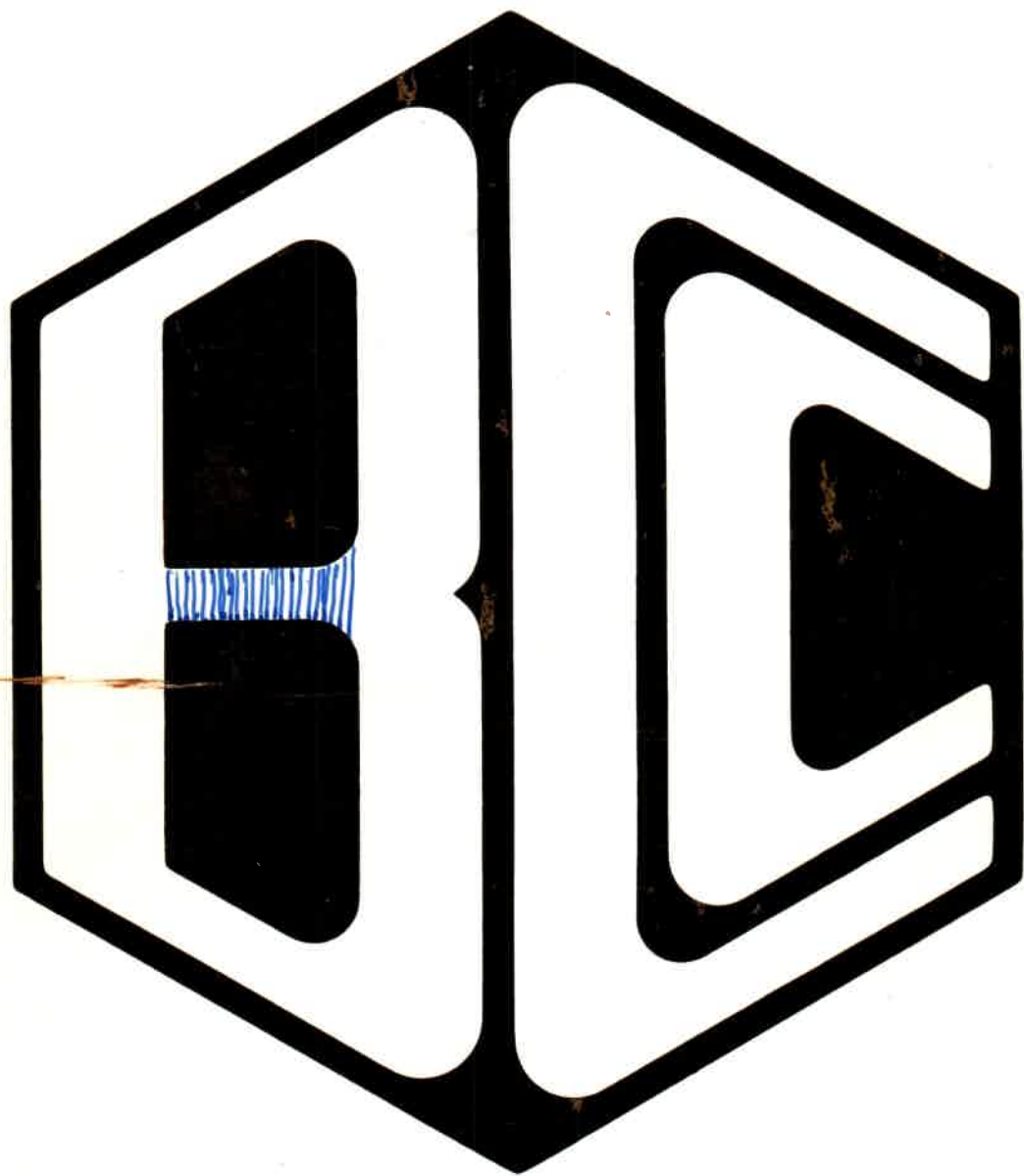


1984



C O N F I D E N T I A L

FOR STAFF USE ONLY

G U I D E L I N E S
FOR MARKETING

CONFIDENTIAL

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G U I D E L I N E S

F O R

M A R K E T I N G

Compiled by:

THE REGIONAL MARKETING COMMITTEE

U. K. REGION

ESSENTIALS FOR SUCCESSFUL MARKETING

- . Know your Bank.
- . Know your products and services.
- . Know the areas of your strength.
- . Know the areas which are not generally of interest to the Bank.
- . Know your client.
- . Know the requirements of the client.

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MARKETING IS:

MATCHING THE REQUIREMENTS OF CLIENTS WITH YOUR STRENGTHS.

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THE FOLLOWING PAGES PROVIDE SOME FACTS AND TECHNIQUES
TO HELP MARKET SUCCESSFULLY.

C O N T E N T S

- . HISTORICAL BACKGROUND
- . OWNERSHIP
- . GLOBAL NETWORK
- . GEOGRAPHICAL COVERAGE
- . MANAGEMENT
- . FINANCIAL STATURE
- . BCC'S PLACE IN THE WORLD'S LARGEST BANKS
- . MAJOR REASONS FOR RAPID GROWTH AND SUCCESS OF BCC
- . MAJOR SERVICES OFFERED BY BCC GROUP
- . COMPETITIVE ADVANTAGES OF BCC GROUP
- . SOME SUGGESTIONS FOR SUCCESSFUL MARKETING CALLS

HISTORICAL BACKGROUND

The BCC Group is the outcome of a concept especially relevant to our times: it was formed as the first truly international financial institution.

The sense of history and vision of the future demonstrated by its well connected, dedicated and professional team of founders has made BCC a pioneer institution in the financial community in modern times. In an era of innovative competitiveness, when the traditional roles of financial institutions are rapidly changing, when faster communication is bringing the World's financial markets to the customers' fingertips, and when all countries, big and small, are striving towards a new international economic order of trade, financial co-operation and economic development, BCC has been catering to the needs of the day, every since its modest beginning in 1972.

BCC was originally conceived by our founding President, Mr. Agha Hasan Abedi, who was assisted by a management team of professional bankers. Its founders have had an intimate knowledge of East Asian and Middle Eastern countries - particularly those with oil resources - besides European economies and the expertise essential for sophisticated operations in the capital markets of the world. This brought together the three most important elements in the early formation of the organisation: investors from the oil-producing countries of the Middle East; established business connections in expanding markets; and a well-developed and fully equipped management structure. The first bank to be established within the Group was Bank of Credit and Commerce International S.A. incorporated in Luxembourg in 1972 which commenced its operations with just three branches, one each located at Luxembourg, United Arab Emirates and United Kingdom. In 1975, under a restructuring programme, BCCI Holdings (Luxembourg) S.A. was established as a Bank Holding Company in Luxembourg

and Bank of Credit and Commerce International S.A. became its wholly owned subsidiary.

Bank of America participated initially by investing 30% of the capital and providing operational assistance. The original purpose of Bank of America's investment in BCC was to gain access to the Middle East market. In due course, Bank of America determined that its strategic interests in the area required a direct presence. At the same time, BCC Group wished to undertake banking operations within the United States, but was unable to do so whilst Bank of America retained its shareholdings. Therefore, by mutual agreement, Bank of America disinvested its shareholdings by June, 1980. They still remain the closest correspondents of BCC.

BCC's courage of conviction, moral will and professional commitment in providing a Worldwide network of financial services for trade and development, with the accent particularly on the needs of those in the Third World countries, and a high standard of service coupled with personal attention, are mirrored in its growth.

As the following pages reflect, the Group's expansion has been impressive. BCC now has branches and offices in 68 countries employing over 11,000 people. As at the end of 1983, it had total assets of US\$12,300 million and capital funds of US\$807 million. June, 1984 results indicate the size of the organisation to have exceeded US\$13,000 million. This is, in no small measure, a manifestation of people's confidence in BCC - a local bank, internationally - a bridge between the developing and the developed countries of the World.

OWNERSHIP

Following is an approximate breakdown of the ownership of the BCC Group's parent organisation, BCCI Holdings (Lumembourg) S.A.

80% (approximately) is owned by investors from Middle East consisting mainly of eminent families from Abu Dhabi, Bahrain, Dubai, Kuwait, Saudi Arabia and Sharjah, some leading Middle East businessmen in their personal capacities and Abu Dhabi Investment Authority (ADIA) a Government Investment body.

10% is owned by ICIC Foundation. (Its objectives are to provide aid and services for deserving causes).

10% is owned by ICIC Staff Benefit Fund (for the benefit schemes for group staff).

A detailed list of shareholders is provided periodically to all concerned Regulatory and Controlling Authorities and is published in instruments of public record, such as the prospectus of Floating Rate Notes Issue of US\$50 million by BCCI Finance NV in November, 1983. The ratios of the shareholdings as mentioned above are subject to fluctuations.

GLOBAL NETWORK

The operations of the BCC Group as at 30th June, 1984 extend to 68 countries in six continents, comprising of 374 branches and representative offices. The growth of the international network of the Group is the result of the dynamism of the management and the availability of well trained and experienced staff.

	<u>NUMBER OF OFFICES</u>	<u>NUMBER OF COUNTRIES</u>
1973	19	5
1974	27	7
1975	64	13
1976	108	21
1977	146	32
1978	180	37
1979	188	40
1980	228	46
1981	248	51
1982	280	57
1983	363	67
1984 (June)	374	68

GEOGRAPHICAL COVERAGE

68 countries in 6 continents (as at end June 1984)

Australia*	1	Isle of Man	1	Philippines	1
Bahamas	2	Italy	3	Portugal	1
Bahrain	1	Ivory Coast	2	Senegal	1
Bangladesh	3	Jamaica	2	Seychelles	1
Botswana	3	Japan*	1	Sierra Leone	2
Barbados	1	Jordan	3	Spain	27
Brazil*	1	Kenya	8	Sri Lanka	2
Cameroon	3	Korea S.	1	Sudan	3
Canada	6	Kuwait	1	Swaziland	2
China*	1	Lebanon	6	Switzerland	2
Colombia	25	Liberia	1	Thailand	1
Cyprus	1	Luxembourg	2	Togo	1
Djibouti	1	Macau	1	Turkey	3
Egypt	22	Malaysia	1	UAE	21
France	3	Maldives	1	UK	45
Gabon	3	Mauritius	1	Uruguay	1
Germany (West)	2	Monaco	1	USA	7
Ghana	1	Morocco*	1	Venezuela	1
Gibraltar	1	Netherlands Antills	1	Yemen	2
Grand Caymen	3	Niger	1	Zambia	5
Hong Kong	28	Nigeria	21	Zimbabwe	6
India	1	Oman	58		
Indonesia	2	Pakistan	3		
		Panama	2		
				TOTAL	374

(*Representative Offices only)

(For details of subsidiaries and affiliates please consult the latest balance sheet).

MANAGEMENT

The personnel strength of BCC Group exceeds 11,000 in number, comprising of over 70 nationalities. Most of this number is made up of trained bankers, well experienced in commercial and other specialised banking fields.

BCC Group lays special emphasis on the development and growth of its personnel and management resources. From the very inception it has created an elaborate programme for the recruitment and training of fresh university graduates through six training centres around the world. These training centres also regularly conduct advanced banking and management development courses for the middle management and senior officers of Group banks. The principal institution which provides the required courses, programmes and highly developed facility to the various training centres is BCC's International Management Development Centre (IMD) based in London. The facilities of IMD have recently been extended to New York, USA with a view to cater for the staff and management development needs of BCC's growth operations in America.

These programmes are, of course, supplemented by a continuous search and addition of trained and experience bankers to BCC staff, drawn from multinational sources.

In the growth pattern of BCC the financial and geographical growth has always been supported by the adequacy of competent human and management resources. In fact the continuity of the phenomenon of BCC growth is the reflection of the committed staff and the ethos created by the corporate culture. There is very high emphasis on the quality and the quantity of communication amongst the operating units and individuals. Therefore it is possible to provide exemplary service to the clients and to arrive at administrative and professional decisions with speed, consensus and objectivity.

Simultaneously with the freedom of communication, the organisation operates on very conservative and effective financial controls and disciplines with a high sense of accountability amongst its officers and staff. The delegation of discretionary powers is not by assignment but based on the individual capability and quality of professionalism.

FINANCIAL STATURE

The growth of the BCC Group in financial terms has been just as balanced as the global expansion of its international network. As at 31st December, 1983, BCCI Holdings (Luxembourg) S.A., had total Capital Funds of US\$808 million and consolidated total assets of the BCC Group (excluding non consolidated affiliates) stood at US\$12.3 billion. The historical record for the increasing strength of the financial base for the last 5 years has been as follows:

(US\$ 000)

	<u>TOTAL ASSETS</u>	<u>DEPOSITS AND OTHER FUNDS</u>	<u>CAPITAL FUND</u>	<u>PROFIT BEFORE TAX AND PROVISIONS</u>	<u>PROFIT AFTER PROVISIONS BEFORE TAX</u>
1979	3,918,940	3,565,698	225,898	34,831	25,937
1980	5,338,465	4,534,642	291,935	64,105	47,805
1981	7,345,115	6,740,567	462,312	157,027	124,729
1982	9,650,051	8,715,973	640,527	285,462	223,103
1983	12,309,349	11,192,609	807,693	361,577	278,333

Over the years the Group's resource base had also been considerably widened. Although the Middle East has remained an important regional financial base of the Group, contributions from other areas of operations have increased reflecting a balanced geographical reliance.

The overall growth of the Group has been carefully measured and supported by substantial increase in the Capital Fund.

Financial position as at 31st December, 1983 is given in the 1983 Annual Report in greater detail. The unaudited accounts for 30th June, 1984 are under print.

As evident from various balance sheet ratios, BCC Group Banks are highly liquid and follow a conservative deposits and advances ratio as a matter of fundamental policy.

The capital/asset ratio of over 6.5% compares favourably with the internationally accepted standards.

The Group's loan loss reserve policy is equally conservative, and year after year adequate provisions have been made to build loan loss reserves pursuant to a prudent credit administration policy.

the financial trends are more precisely reflected by the following balance sheet ratios.

	<u>1983</u>	<u>1982</u>
Ratio of Total Loans and Advances to total Deposits	53.1%	55.6%
Ratio of total Loans and Advances to total Funds (Deposits and other Funds)	43.4%	47.1%
Ratio of liquid assets (cash, bank balances, investments in securities) to total assets	56.9%	54.1%
Return on Average Assets (Pre-Tax Profit to Average Assets)	2.6%	2.6%
Ratio of Loan Loss Reserves to total Net Loans and Advances	4.3%	2.8%
Ratio of Capital Funds to Total Assets	6.6%	6.6%

BCC'S PLACE IN THE WORLD'S LARGEST BANKS

1983

RANKING BY "THE BANKERS" MAGAZINE

<u>BASIS</u>	<u>BCC'S PLACE</u>	
	<u>1983</u>	<u>1982</u>
<u>By Assets</u>		
a) Total Assets (less contra accounts)	136 (\$12,309 Mil)	161
b) Total Deposits	129 (\$11,192 Mil)	146
c) Capital & Reserves	84 (\$858 Mil)	104
d) Capital Assets Ratio	47 (6.97%)	57
e) Real Growth in Assets	38 (22.9%)	N.A.
<u>By Profitability</u>		
a) Pre-Tax Earnings	44 (\$280 Mil)	42
b) Pre-Tax Earnings on Assets	21 (2.53%)	37
c) Pre-Tax Earnings per Employee	34 (\$27,900)	N.A.

THE "EUROMONEY" MAGAZINE RANKING

<u>BASIS</u>	<u>BCC'S PLACE</u>	
	<u>1983</u>	<u>1982</u>
Shareholders Funds (Less minority interests and Floating Rate notes)	110 (\$665.72 Mil)	123
Net Income (after tax and provisions)	40 (\$176,942 Mil)	68
Net income per employee	83 (\$17,760)	94
Return on Equity	19 (26.279%)	47
Return on Assets	38 (1.43%)	70

POSITION AMONGST ARAB BANKS

By Capital Funds:	5
By Assets	4

PHENOMENON OF BCC GROWTH

1. A Team of experienced bankers who had helped Mr. Agha Hasan Abedi bring United Bank Limited within ten years to be the second largest bank in Pakistan with an International presence in important areas of Europe/Middle East, was available with previous experience of establishing and then consolidating a bank.
2. The markets of Middle East, South Asia and some areas in Europe were well known to members of the Management who were knowledgeable about local needs for banking services particularly in the trading area.
3. Through the wealthy shareholders, BCC Group has always been able to have recourse to required amounts of capital needed to sustain the rapid growth and expansion of the Group. The Capital Funds have been increasing continuously by ploughing back profits instead of paying cash dividends to the Shareholders who are interested more in the growth of the Bank than receiving cash dividends.
4. With the oil price rises of the seventies BCC has been used as a conduit for the Petro-Dollar from the Arab World. In fact, BCC was already there in strength and influence when Petro-Dollars were being produced and BCC followed Petro-Dollars in the re-cycling process.
5. In most third world countries where the BCC Group is present it is looked at as a "local" rather than "foreign" bank in view of its identification with environments of the market place. BCC has no "home-country" as a group; its home is the entire world, due to the fine blend of its local and international character.
6. BCC Branch Managers pride themselves at providing personalised services and keep themselves attuned to developments in the local business/political scene. They are taught to be flexible and to seek to solve clients' needs rather than themselves being seen as problems by customers.

7. As a matter of conscious policy, the BCC Group did not invest in the Sovereign risks despite having huge liquidity and therefore has no exposure to the Latin American and Eastern European countries and other major borrowing economies.
8. BCC is one of the most liquid banks in the international financial market, with a well-defined policy of taking the minimum cross-border exposures. The growth of the organisation has been well-balanced in terms of geographical spread with a view to provide stability and diversity to its global expansion.
9. BCC Group has one of the most sophisticated Computer systems in the financial world. BCC Computer system is with a distinct difference; it has been designed to make personalised service a major priority. Automation in BCC is not a replacement of personalised service, but an aid to a better and focused attention to the clients' requirements.

MAJOR SERVICES OFFERED BY THE BCC GROUP

1. Retail Banking Services.
2. Short-term trade related credit facilities including the financing of exports and imports. (This activity constitutes over 56% of the total loan portfolio).
3. Trade related Letters of Credit and Letters of Guarantee including the issuance of Bid-Bonds, Performance Bonds, Advance Payment and Retention Money Guarantees.
4. Personal, Commercial and Corporate Loans.
5. Pre-Export Finance.
6. Bulk Commodities Finance.
7. Counter Trade.
8. Leasing and short-term Project Finance.
9. Surplus Funds Management, Investments and Portfolio Management.
10. Foreign Exchange dealings including Futures.
11. Merchant Banking Services.
12. Insurance Services.
13. BCC Visa Travellers Cheques (with a unique insurance cover up to \$275,000).
14. BCC Credit Cards.
15. Remittances, Money Orders, Drafts.
16. Special Services for Expatriates.

AREAS NOT GENERALLY OF INTEREST TO BCC GROUP

1. Medium/long credit facilities of any nature. (Normal maximum period is 36 months with exceptional cases allowed up to 60 months).
2. Real-Estate Finance, Property development.
3. Syndicated Loans.
4. Venture Capital Financing.

COMPETITIVE ADVANTAGES OF BCC GROUP

1. Present in 68 countries - 4th largest network by numbers of countries in the world.
2. Largest net-work by country presence in Africa - present in both English speaking and French speaking African countries.
3. Due to the effective communication amongst the branches, it is possible to provide speedy and quick service, at short notice.
4. Strong presence in the Developing World gives us a different perspective and often enables the BCC Group to provide services which many other banks are unable to do as shown by the following examples:-

a) For the Exporter in Developed Countries

- (i) Confirmation of Letters of Credit issued by BCC Branches Overseas.
- (ii) Purchase/Discount of Bills of Exchange (with or without recourse) drawn on foreign buyers.
- (iii) Effect speedy (and often cheaper) collection of Export Bill through extensive network of own branches or affiliates around the world.
- (iv) Provision of Bid/Performance/Advance Payment Guarantees in support of overseas Supply/Construction Contracts.

b) For the Overseas Importing Customer

- (i) Where feasible/practical extension of local currency credit facilities, thereby helping to increase the volume of imports by distribution.
- (ii) Provision where required/feasible of working capital facilities to overseas Subsidiaries/Affiliates of large corporations in countries where BCC is present.

SOME SUGGESTIONS FOR SUCCESSFUL MARKETING CALLS

I. PREPARATION

a) Obtain maximum information on the prospective customer prior to making a call, including:

(i) Dun & Bradstreet Credit Report (through UK Regional Marketing Department).

(ii) Balance Sheet/Annual Report - directly from the company (if possible).

(iii) Textline - for all available press-clippings/comments plus financial information - through UK Regional Marketing Department.

(iv) EXTEL cards - for quoted companies - through UK Regional Marketing Department.

b) Be aware of basic developments/status of the industry of which the company is a part.

c) Identify whether the prospect is either an exporter or has a direct presence overseas through Subsidiaries/Affiliates, as we can offer a competitive product to such customers.

d) Anticipate to the extent possible the client's likely requirements/needs and be prepared to discuss them if they are brought-up.

e) Review the latest financial information obtained through (a) above and be prepared to discuss the main developments in turnover, profits, expansion, etc.

f) Be able to discuss authoritatively with the client topics relating to the particular industry as well as current economic issues, foreign exchange, monetary trends, etc.

g) Before making a call ensure through UK Regional Marketing Department that no other BCC Branch is already soliciting the client. In case the previous contact has been defined as inactive, discuss with previous contact the method of reviving the effort.

II. MAKING THE CALL

- a) Always take a colleague to a meeting with a prospective client. One of you should take notes.
- b) Be punctual and go prepared with calling cards, BCC Annual Report and other literature, etc.
- c) Display your eagerness to learn about his business and listen to his needs/requirements before you suggest ways in which BCC could assist him. Never interrupt either the customer or your BCC Colleague.
- d) Never contradict anything stated by your BCC Colleague.
- e) In case wrong impressions are evident in the client's conception of BCCI correct them immediately, but politely and confidently.
- f) Never make any statement unless you are fully conversant with the facts/details etc. Whenever unsure, offer to check and then advise the customer.
- g) Never give any commitment to the client about the extent of facilities, etc, which BCC could provide. Always advise that his needs could be evaluated and a reply given as soon as possible. If a time has been specified for the reply, ensure that you honour it.
- h) Before bringing a call to a conclusion always attempt to establish an agreed meeting/contact to be made in the future.

III. POST-CALL REQUIREMENTS

- a) Write/telephone the customer thanking him for the meeting and specify the issues discussed/decisions taken as appropriate. Confirm the follow-up action. Such letters initially must be shown to the Managers or Groups Incharge. A specimen for standard letters will be supplied to the Branches shortly.

- b) Write a Contact Report (specimen provided at Annexure A) sending copies to all the Regional persons including Group Incharge, UK Regional Marketing Department, etc. Indicate follow-up action required and the name of the person to institute this follow-up.

- c) Discuss outcome of the call with your Manager, Group Incharge, Advances Control Department, etc. to evaluate the next step needed in soliciting the client's account.

- d) Follow-up on the items as per Contact Report and revert back to the customer as appropriate.

- e) Establish a second meeting. In order to initiate any new relationship a constant dialogue and contact must be established.

SPECIMEN

CONTACT REPORT

COMPANY NAME:

BUSINESS:

COMPANY ADDRESS:

FIN DATA: T/O

PROFIT:

OTHER:

COMPANY TEL. NO.:

COMPANY CONTACTS:

MARKETS:

BCC CONTACTS:

INITIAL CONTACT DATE:

LATEST CONTACT DATE:

DETAILS OF BCC ACCOUNTS:

BANKERS:

FOLLOW UP:

FOLLOW UP DATE:

LATEST POSITION/SYNOPSIS OF DISCUSSION: