

Executive Summary

BRAC Bank Limited is a scheduled commercial bank in Bangladesh. It established in Bangladesh under the Banking Companies Act, 1991 and incorporated as private limited company on May 20, 1999 under the Companies Act, 1994. Its operation started on July 4, 2001 with a vision to be the market leader through to providing all sorts support to people in term of promoting corporate and small entrepreneurs and individuals all over the Bangladesh. BRAC Bank will be an unique organization in Bangladesh. The bank consist of major divisions named 1) Corporate banking, 2) Retail banking, 3) Treasury, 4) Small & Medium Enterprise (SME). At present the Bank operating its business by 26 branches. BRAC Bank is the first local commercial banks that proving online banking service to its customers from the very beginning of its starts. BRAC Bank, for the first time among local commercial banks, starts providing unsecured loan facilities to salaried person, doctors, teachers, students and business man as well all over the country.

End of year 2007, 23 more branches is going to operate all over the country under retail banking division. As an on job intern I was assigned to scrutinize the consumer loan facility under sales department. BRAG Bank is trying to help individual personal need through providing unsecured loan facilities. The bank provides loan facility minimum BDT 50,000 to Maximum BDT 10 lacs to that an individual who has no easy access to banks/financial institutes. The banks has three sales centers in Dhaka and 26 branches all over the country and have strong sales force who is making easy loan procedure for the clients. BRAG Bank is providing 10 types of unsecured loan and two secured loan under retail banking division. These are Salary loan for salaried person, Doctors loan, UTL loan, HFL loan, Study loan, CCL loan, Top Up Loan, ECL loan, NOW loan, Travel loan these all are unsecured loan and secured loans are Car loan and SOD loan.

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Personal loan can be repaid by monthly equal installment basis with interest. Effective interest rate of BRAC Bank is 18.5 % and Flat rate is 10.5% but those who are corporate clients of BRAC Bank they will enjoy 1% less interest rate.

Loan administration division acts as the last line defense of the bank. This division is responsible for the complete disbursement, recovery and closing procedures. The procedures start from the sanction of the loan. The respective officials collect confidential information about the customer, open clients account in the respective bank where BRAC Bank has its own account, filled up CIB form and send it to the loan administration division. Then the loan administration division starts its activities. The loan administration divisions send the CIB form to the Bangladesh Bank to know the CIB status of the applicant. If the report found clean and the clients fulfill all PPG then the loan administration division prepare a loan file and checks all necessary documents, prepare a list and disburse it. Then the loan administration division starts enter all information regarding the loan in the banking software "millennium Banking System (MBS)" which includes initial ID generation, loan account opening, risk fund collection, activation of the loan. Post disbursement manual activities includes repayment schedule send to clients present address, documents stamp cancellation, send the loan file to archive.

The core competence of the BRAC Bank is to provide the fastest loans to the clients in this country. To retain this competitive advantage BRAC Bank would provide computer and palmtop facilities whether they can give fastest services to clients than other banks. Also to convey the customer focus, BRAC Bank is trying to reduce collateral securities than other banks. It provides more collateral free secured loans to capture the market. Regarding the services by the CRO, almost all clients are satisfied by getting these quick facilities from them. Though Retail banking is one of the major divisions of this bank, I tried to give an indepth analysis for every factor, which relates the Retail Banking division from the perspective of customer satisfaction and dissatisfaction.