

## **EXECUTIVE SUMMARY**

Today, Private Commercial banking is considered as a service industry. In the process of conducting its own activities to achieve its own goal, like making profit, a commercial bank gives services to all types of customers. Actually, to collect savings from the general customer is the normal function of all commercial bank. But the most important activities of commercial banking are sanctioning loan of different business organization to continue their business activities. Among these activities, loan & advance and credit management activities are the basic activities of all commercial bank.

This report is broadly categorized in seven different parts. At first there is introduction where I described the background and origin of the report along with rationale, objectives, sources of data and limitation. The main objectives of the report are identifying the credit approval and monitoring and their overall performance in the last few years. Chapter two narrates the company profile including UCBL's history, their vision, mission, objectives, functions, management and performances. Chapter three focuses on the banking credit mechanism. It includes types of credit provided by UCBL, types of credit products and principles of lending. It also describes in details about the procedure of sanctioning credit, loan documentation and execution, stamping witness and other legal formalities.

In chapter four it exposes the RMG sector which is the life blood for the economy of Bangladesh. The country depends heavily on the export earnings of RMG sector and also the whole economy revolves around this industry. From Banking, Insurance, Transportation, Tele-Communication, Government institutions, Labor and Manpower- all are related in one way or the other with this industry or are a beneficiary. The recent incidents that shook the whole nation and sent shock waves from this industry namely the labor unrest, dearth in supply gas and electricity, as well as political instability to accurately address the salary/wage issues, unskilled labor, lack of quality control, child labor issues promoted me to address the problems of this sector.

However, as an intern dealing in this trade and also as a candidate for the degree of Bachelor in Business Administration, I further thought of incorporating my professional experience into this report. The problems that I can see afflicting of Bank in investing or getting associated with this sector are quite deplorable in nature. My report contains the present scenario of RMG sector in Bangladesh along with the export volumes of different commercial banks. In my work, I have tried to bring up the key problems in the export sector and how different commercial banks have performed in dealing with this RMG sector. Here, I have also tried to discuss about the potential growths of this sector. Few recommendations have been provided towards the end of the report which may be helpful for the owners and the associated banks. Therefore, with a view to analyze the performance and contribution of this industry in the national economy on the macro level, as well as on micro level, I tried to study into the facts as to why my Bank i.e. United Commercial Bank Ltd. should move forward and employ into reaping benefits from this industry like the other third generation banks are doing.

Finally, I can sum up by saying that this study may be of some help to someone trying to get an idea of Credit management and the contribution of the RMG sector, and how any bank could become a financial partner in this development effort.