



## **Executive Summary**

With the slogan “A Local Bank with Global Vision” SBAC Bank Limited started its journey since April 28, 2013 with the firm commitment of excellent customer service. In its beginning year of operation, the Bank has opened 12 branches with real time online banking services and has made expected progress in all areas, making operating profit of Tk.139.15 million. Their aim is to build the bank as an institution of Financial Excellence. They have started this bank with two advantages: uniquely qualified leadership and BDT 408.96 Corer in capitalization. Building on this rock-solid foundation of financial empowered us to offer their customers a wide array of financial solutions. Combining these solutions with our wealth of banking experience provided us the momentum to propel our customers’ financial interests forward.

SBAC Bank Ltd. has already been moving through all avenues of a conventional banking like export, import, opening LCs, remittance, and both the funded and non-funded business. It also got approval for 10(ten) new branches for the year 2014 and they planning for open them very soon within this year.

In this report my main concern is on the credit management policy of SBAC Bank Ltd. Credit process is a long one and it has several stages. Firstly, the borrower’s application is considered after examining its financial strength and quality of assets. Based on the financial and asset qualities a risk grading is tagged to the borrower. The Business unit decides whether the borrower will be provided credit facility or not. A separate Risk Chain monitors the whole process in collaboration with the business unit. After decision of lending primary documentation and account opening process is performed by the respective units and upon perfection of the required documentation, the borrower is provided credit facilities. Credit related documents are standard documents formulated by the legal team of the bank. Upon perfecting of documentation CRM (*Credit Risk Management*) unit maintains the credit lines for the borrowers.

Before letting the customer to take drawdown, CRM collects the CIB (*Credit Information Bureau*) Report from the Database of CIB and checks the status of the borrower in question. This is a major checking done by CRM and the Head of CRM deals



with this to make sure there is no error in the process.

Loan monitoring is solely done by the CRMS unit. Repayment schedules are also closely monitored by CRM and classification status of the borrower's changes if there is any discrepancy or delays in repayment schedule CRM maintain that. Thus the whole process goes on in both the pre-sanction and post-sanction stages.

Under this long term process SBAC Bank manage their credit lending amount and also make their credit less risky as much possible. To make less risky they also take collateral as security along some valuable properties. There is also having so many ways to manage credit all are mention in details in this report later.

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