

BRAC BANK – SINCE 2001...

To serve the “**Missing Middle**” and to work as a catalyst for the vibrant yet unbanked SME sector of Bangladesh, our **Chairperson, Sir Fazle Hasan Abed** founded **BRAC Bank** in **2001** with institutional shareholding of **BRAC, ShoreBank & IFC**.

Since Inception

- No. of loan disbursed: **500,000**
- Disbursed Amount: **US\$ 5,243m**
- **Collateral Free: 65%**

Customer Touch Points

- 457 SME Unit Offices
- 186 Branches

Portfolio (Sep'16)

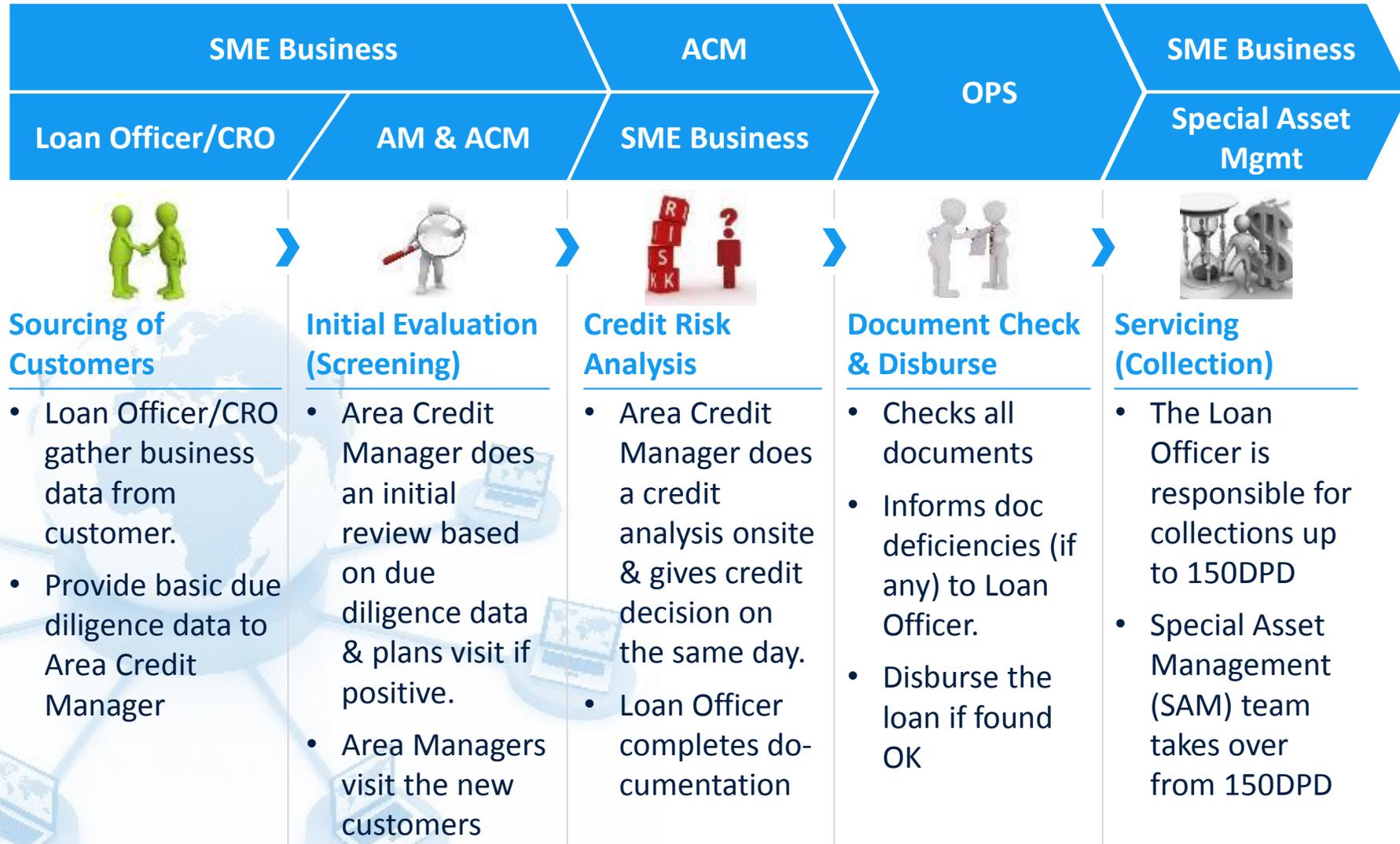
- SME portfolio: **US\$ 866m**
- Collateral-free: **US\$ 539m**
- Customers: **120,250**

Number of Staff

- Total SME Staff: **2,560**
- CRO/Loan Officers: **1,735**

- ✓ BRAC Bank holds **37% market share** of collateral-free Small Business portfolio of the industry
- ✓ In 2015, BRAC Bank disbursed **63%** of all **collateral-free loans** of the **industry**.
- ✓ **88%** of monthly Small Business loan disbursement of BRAC Bank is **collateral-free**

HOW WE DO IT? - BRAC BANK'S UNIQUE SMALL BUSINESS MODEL



CHALLENGES OF THE MODEL



1 Financials re-created by ACM and kept in hard copies.
Many variables not captured in the system

2 No standard set of variables used by all



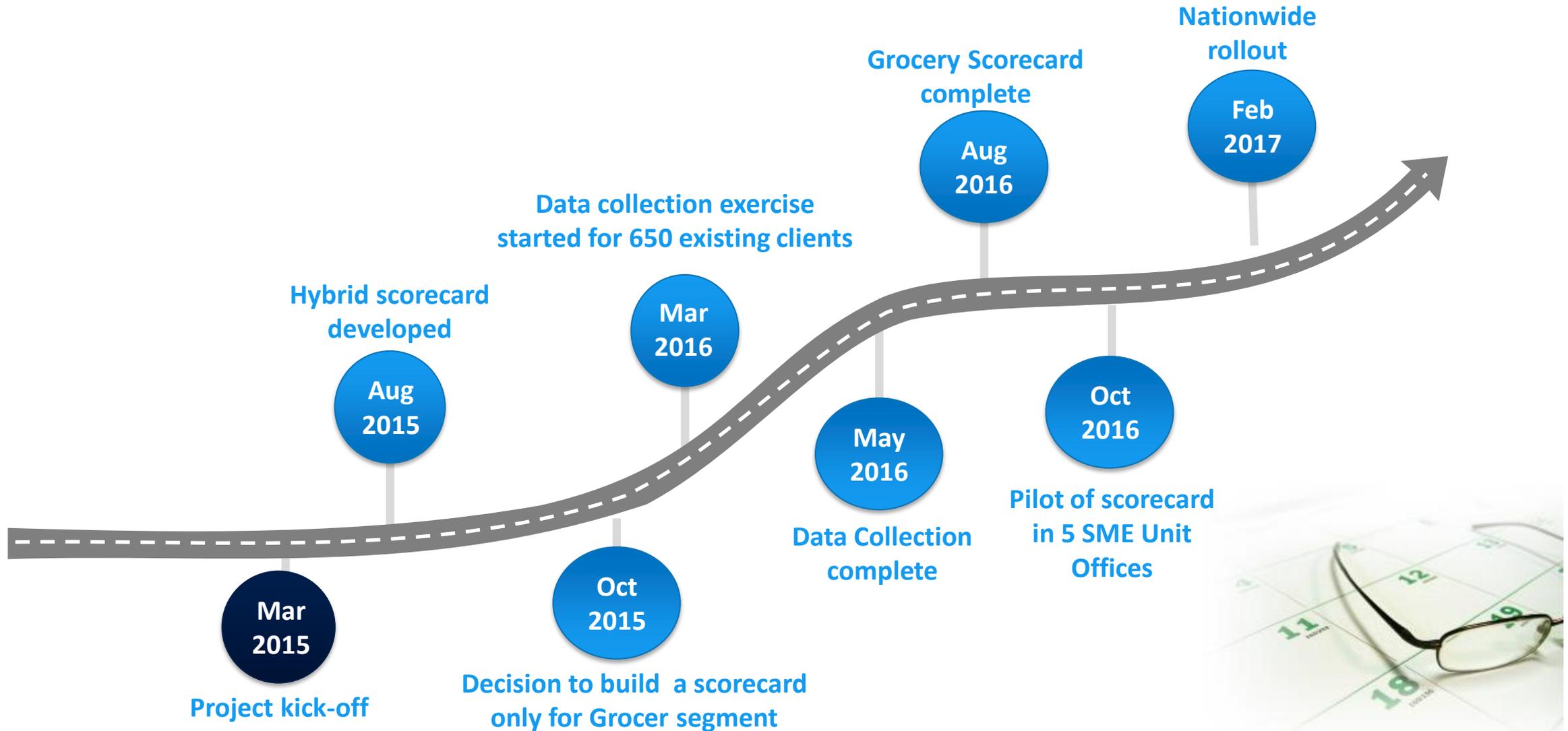
3 'Gut' Feeling of ACM without uniformity

4 Not sure if we should trust data in the system



Codify Collective Wisdom

SCORECARD DEVELOPMENT JOURNEY FOR COLLATERAL-FREE LOANS



CURRENT STATUS OF GROCERY SCORECARD

5,902

Total Cases Scored

5,374

Total Approval

91%

Approval Rate

Decision Mismatch
(Less than 1%)

34

Scorecard – N
ACM - Y

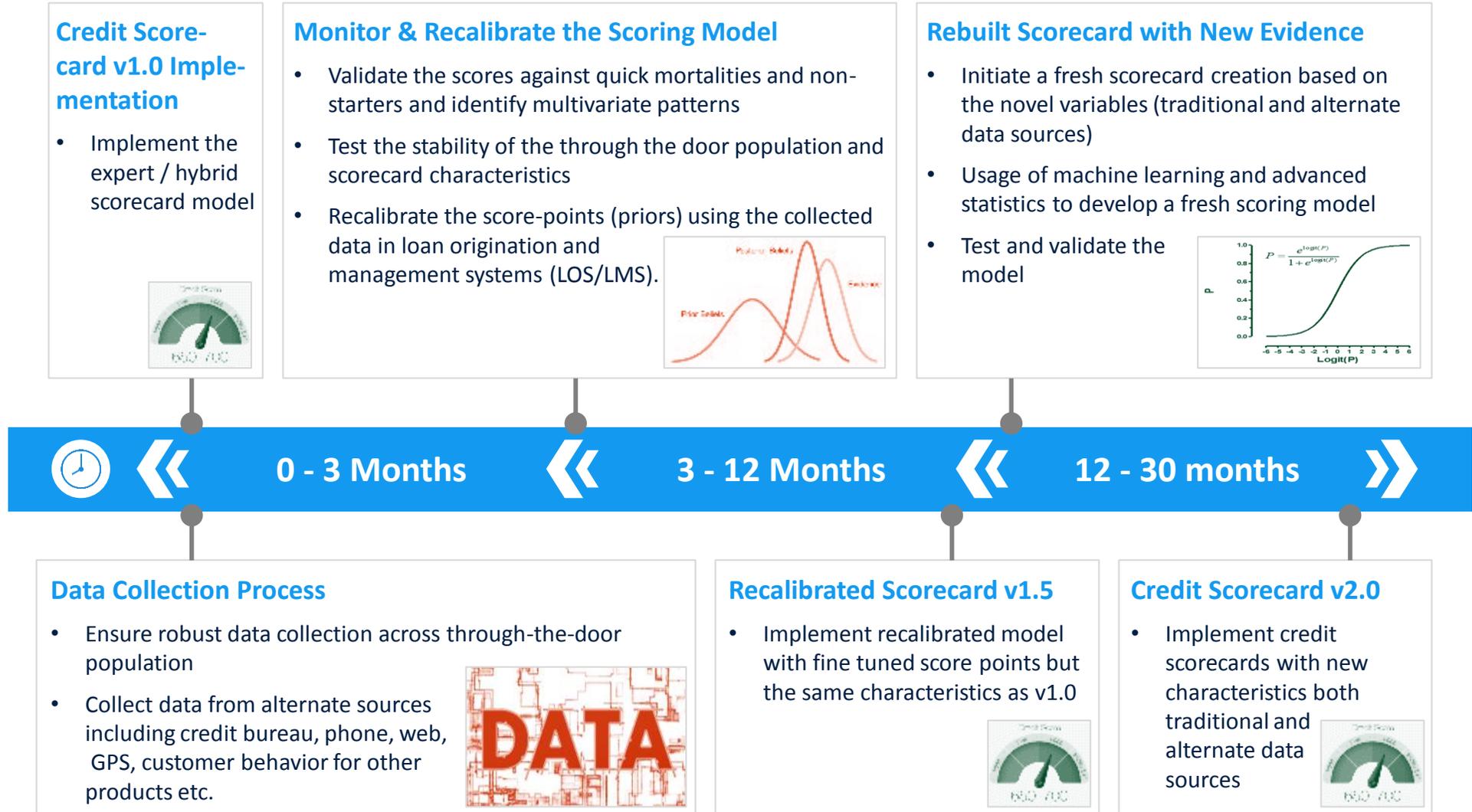
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Scorecard – Y
ACM - N

- No of units – All 449
- Scorecard integrated into excel CAM
- All scorecard CAMs stored centrally
- ACMs abide by scorecard decisions



CREDIT SCORECARD – CONTINUOUS IMPROVEMENT CYCLE





THANKS! OPEN FOR DISCUSSION