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| Abstract |
| In modern banking concept one of the most important functions of a bank or financial Institution is “Management of Credit Risks”. Risk is inherent in all aspects of commercial operations. However, for Banks, credit risk is an essential factor that needs to be managed. Due to increase in the number of non-performing loans and competition in the banking market, most of the commercial banks are strongly focus on credit risk assessment. Credit risk arises due to the possibility that the borrower may fail to repay the loan. Following the recent global financial crisis, which originated from poor management of credit risk, it is the most discussed topic in the banking industry of Bangladesh. In order to establish the creditworthiness, credit analysts typically use a combination of financial or accounting data and non-financial variables as well as a number of different models, or analytical tools. Some of the methods involve a subjective approach; others are more systematic in that they use quantitative techniques to evaluate a credit against objective benchmarks. This study develops a credit risk grading model which will contribute significantly in the risk assessment.  |
| Sustainable Development Goal(s) (SDG) |
| Goal 9: Industry innovation and infrastructure |