

This thesis analyses the credit process in banks. Specifically, it describes the credit process running from the very beginning when a client asks for a bank loan to the final moment when he/she pays the last installment. In addition, the author explains individual steps made by banks throughout the entire repayment period and their measures adopted at the moment when a client is unable to settle his/her loan. The thesis also includes calculations used in assessing the profitability of granted credits. Furthermore, it deals with methods of distributing credits to individual approval levels, i.e. if a credit can be approved directly in a client's branch or whether the approval must be given at a nationwide level. It offers a hypothesis that the standard method of determining these approval levels is ineffective and proposes a new distribution method. In the last part, both different methods are, at first theoretically, compared with each other to be later followed by an empiric analysis of effects of both methods based on an available data sample.